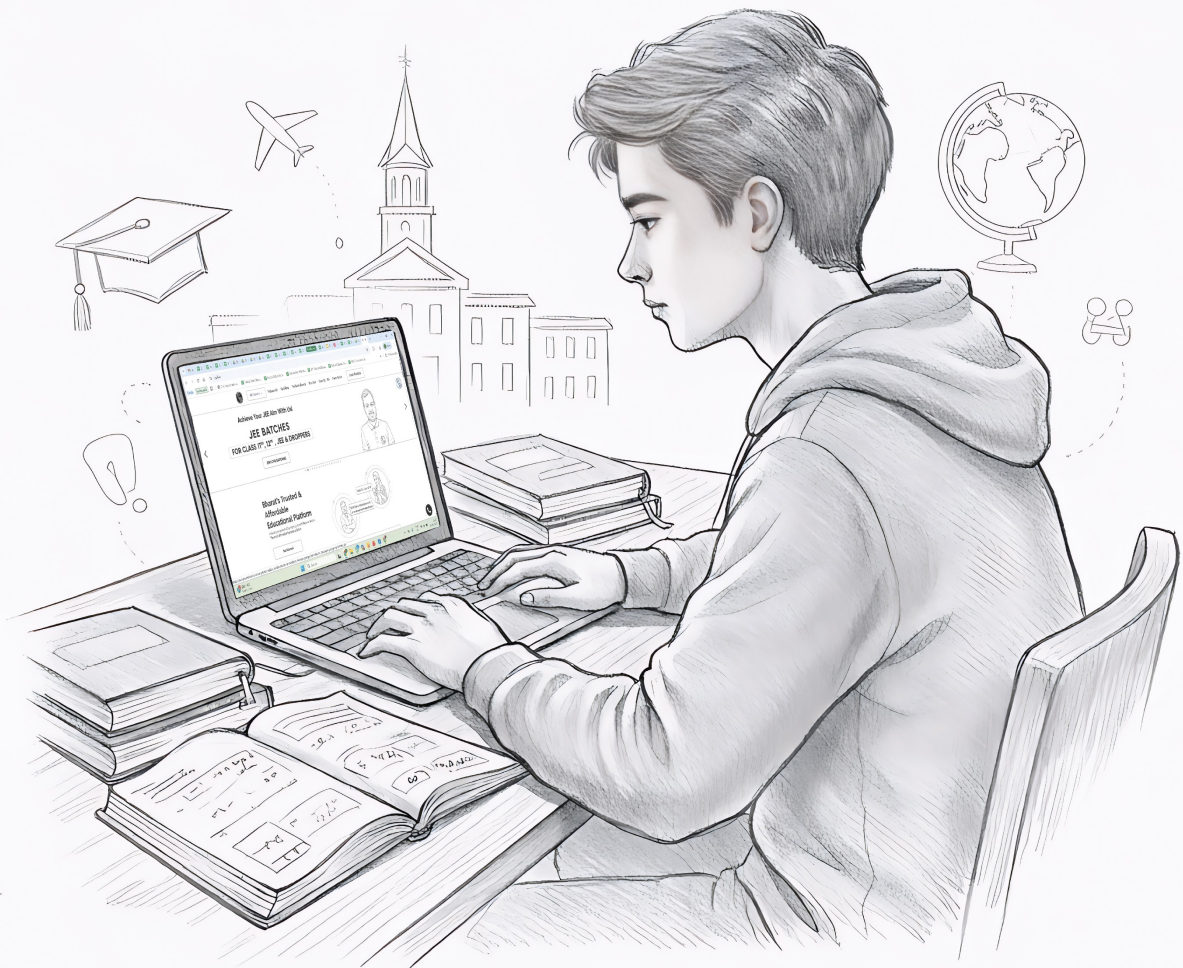




**PHYSICS  
WALLAH**

# Shareholders' Letter and Results

Q2 FY26 | December 08, 2025





# Vision

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Enabling affordable, high-quality education at scale  
through a community-powered, omnichannel  
consumer tech platform



# From the Founders

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Dear Shareholders,

As we begin this new chapter as a publicly listed company, we are filled with gratitude and pride. This moment is a milestone not just for PhysicsWallah, but for the broader vision of accessible, high-quality education in India. What started as a small YouTube channel with a simple mission - to make learning affordable and meaningful for every student has now grown into a movement powered by millions of learners, educators, and believers.

Over the past years, India has witnessed a remarkable transformation across digital infrastructure, youth empowerment, and innovation-led growth. We are fortunate to be building in a country where technology has truly democratized opportunity. Initiatives like affordable data access, UPI, and the rapid expansion of learning devices, has reshaped how education is delivered and consumed. Our technology, pedagogy and community, layered over this environment, has enabled us to reach the smallest towns and the most aspirational students in ways unimaginable a decade ago.

At PhysicsWallah, we are proud to have contributed to this digital education revolution. From our classrooms to our apps, from competitive exam preparation to new-age upskilling categories, every step has been guided by one purpose - **to bring world-class learning within reach for every student, irrespective of social or economic background.**

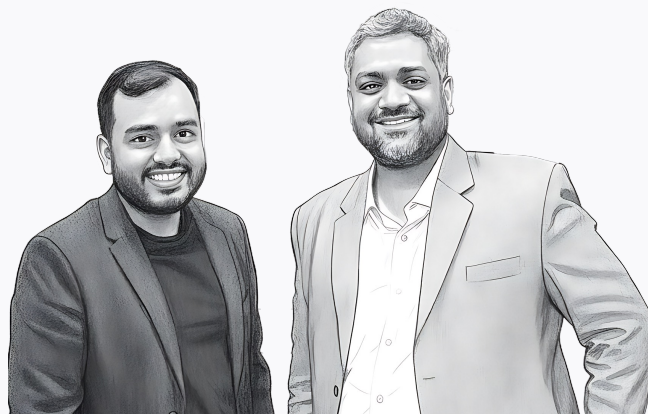
Our listing on the Indian stock exchanges marks an important milestone in this journey. It is both a recognition of the trust placed in us by millions of students and a responsibility to continue building with integrity and transparency in a bid to ensure long-term value creation. We are deeply thankful to all our early investors, teachers, employees and now, you - for believing in our mission and supporting us as we scale our impact.

This first Shareholders' letter reflects on our progress, key learnings, and the roadmap ahead. Looking forward, we remain confident in India's growth story and committed to playing our role in shaping the future of education by innovating responsibly, expanding thoughtfully, and staying rooted in our mission.

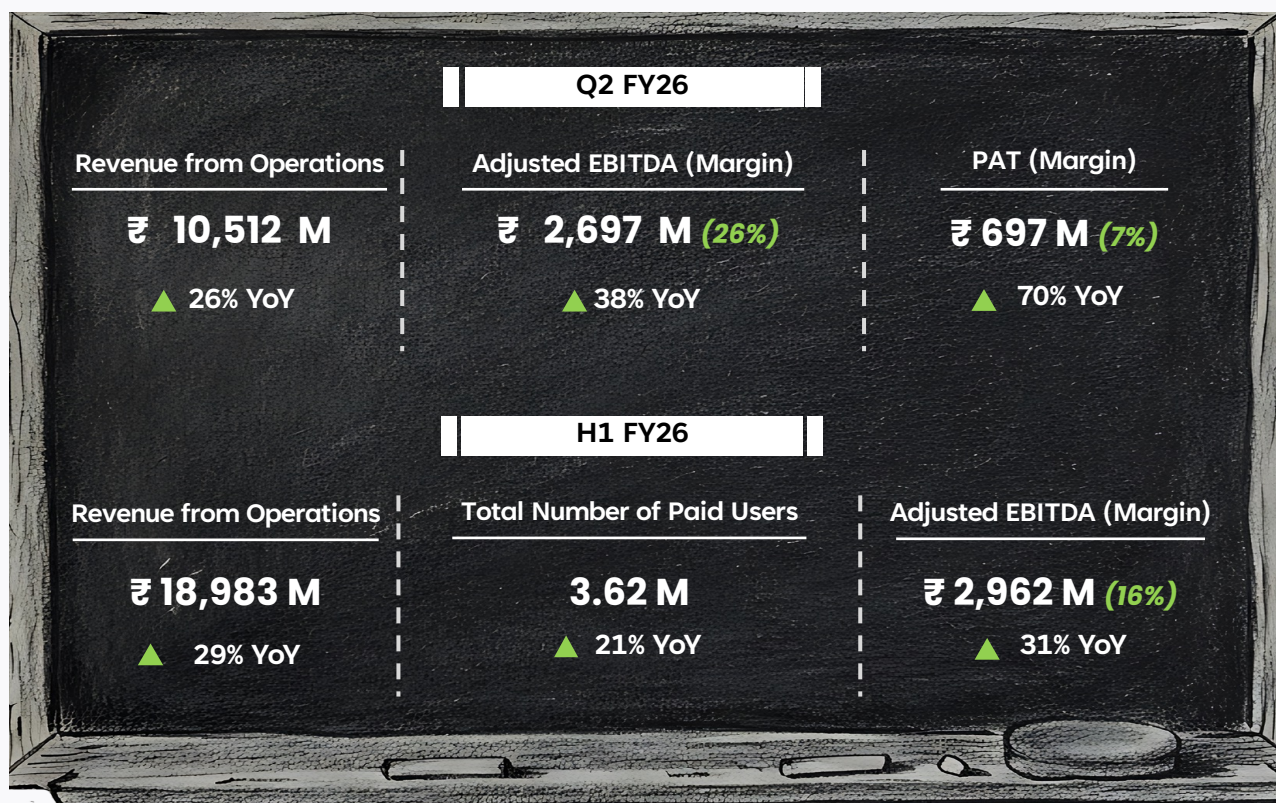
This is only the beginning - our story will continue to be written for **BHARAT.**

With gratitude,

Alakh and Prateek



# Delivering Profitable Growth: PAT Positive Quarter with Robust Revenue Growth



## Key Takeaways

### Revenue growth driven by an increase in users

In H1 FY26, revenue grew 29% YoY, primarily driven by an increase in unique paid users from 2.99 M to 3.62 M. Paid users in the Online channel stand at 3.22 M (2.68 M a year ago), while Offline student enrolments have reached 0.40 M (0.31 M a year ago).

### Profitability improved in Q2

Adjusted EBITDA margin improved to 25.7% in Q2 FY26, up from 23.5% in Q2 FY25 due to operating leverage. This uplift is reflected in PAT as well, which increased to ₹ 697 M in Q2 FY26 (6.6% margin) from ₹ 411 M in Q2 FY25 (4.9% margin), 70% YoY growth.

### Strong free cash flow

Our free cash flow for H1 FY26 is ₹ 6,441 M, compared to ₹ 5,434 M in H1 FY25. As of 30<sup>th</sup> September 2025, our treasury is at ₹ 25,519 M (excluding IPO proceeds).

## Q1 - What is the driving motivation behind PhysicsWallah, and how does the founders' mission aim to transform learning for students ?

A decade ago, PhysicsWallah began with a single YouTube channel, a whiteboard, and a mission that felt both necessary and bold - to make high-quality learning accessible to every student in India, regardless of geography, income, or background. What started as one teacher speaking to a small online audience has, in a remarkably short time, grown into one of India's most trusted and capital-efficient consumer internet companies.

We uploaded our first video in 2014. By 2019, the channel had crossed 2 million subscribers, becoming a movement among students drawn to high quality teaching. Between 2019 - 2020, PhysicsWallah was incorporated as a company, and the PW App was launched - a defining milestone that transformed PW from a YouTube channel into a full-fledged education platform. As students poured in, it became clear that our model could scale without compromising affordability or outcomes. In 2022, we opened our first offline centre, proving that our online-first playbook could be replicated successfully in the physical world.

**Our purpose remains clear and unwavering: to democratize high-quality learning for every student, everywhere with true accessibility and affordability with prices starting from ~₹ 2,000 - nearly 70% - 80% cheaper than alternatives. Student outcomes continue to be our north star, and across disciplines, PW has consistently delivered on the academic quality.**

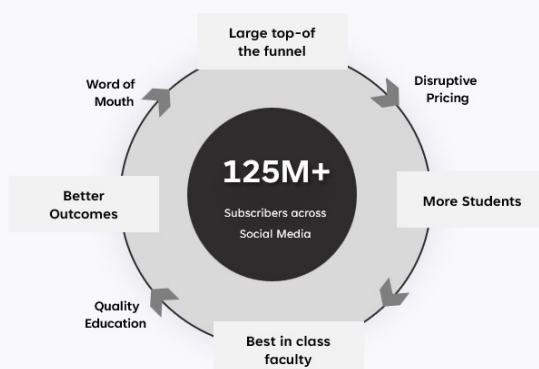
At the center of our journey are stories of resilience - students from small towns, first-generation learners, and families making sacrifices to give their children a better future. Our impact is reaffirmed every time a student like Maruf becomes the first future doctor of his village, or when someone like Gaurav rises from floor-sweeping jobs to become a CA topper. Accessibility is fundamental to our philosophy. With batch pricing so low, we ensure that quality education is not a privilege but a right.

As Alakh has repeatedly mentioned, our motto is *“Chappa Chappa Education, Chappa Chappa PW”*.

## Q2 - What has helped you build a leading position in the market ?

Our moats are deep, structural, and continually strengthening through a unique combination of our community-led model, affordability, omnichannel presence, and disciplined execution.

**1. India's largest organically built student community** - We have India's largest digital learning communities with 125 M+ subscribers across platforms including YouTube, Telegram, and Instagram. This organic reach is unmatched among education companies and serves as a powerful engine for discovery and engagement.



**2. Lowest cost structure with industry leading affordability** - Best-in-class courses priced at a fraction of alternatives available to the student make quality learning accessible, fuel rapid adoption, and expand our addressable market.

**3. Cash efficiency** - PW stands out as one of the few consumer internet companies whose cash reserves exceed the total capital raised, driven by disciplined execution and a strong negative working capital cycle.

**4. Technology and brand trust** - Our technology backbone combined with deep brand trust enables rapid and cost-efficient expansion across channels.

**5. Depth across categories** - From JEE to UPSC to CA to Defence, Boards and K12, we now serve learners aged 5 to 30, giving us one of the widest academic footprints in Indian education.

**6. Superior student outcomes and a trust driven brand** - Our brand has been built on superior teaching pedagogy. Events such as Vishwas Diwas and Vijay Mahotsav attract millions of views and reinforce strong student trust that is difficult to replicate.

The scale of opportunity is enormous. India had 23 M births last year - equal to the combined number of babies born across China, Europe, and North America. This demographic engine creates a long-term, multi-decade demand curve that few markets globally can match.

### **Q3 - How would you describe the capital efficiency of your business?**

PhysicsWallah is one of the most capital-efficient consumer internet companies in India. In H1 FY26 alone, PW generated ₹ 6,441 M of free cash flow - 2.2x its Adjusted EBITDA, demonstrating an unparalleled cash-conversion ratio.

#### **This efficiency is driven by structural strengths embedded in our operating model:**

- Negative working capital cycles
- Upfront fee collection from courses
- Minimal capex requirements
- A highly scalable, low-marginal-cost digital delivery model
- Technology and AI-led optimisation across content, operations, and support

As a result, PW operates as a cash engine at scale, strengthening its balance sheet year after year. The company today has more capital in treasury than the total capital raised since inception, an outcome rare in the consumer internet ecosystem.

#### **With 70%+ promoter ownership, PW operates with intense discipline and a long-term orientation. This alignment manifests in:**

- Prudent capital allocation
- Thoughtful, sustainable expansion rather than burn-driven
- A culture of frugality without compromising quality
- Rapid decision-making and operational agility

This cash generation enables PW to self-fund growth across content, technology, hybrid centres, and talent without relying on external capital or diluting ownership. The company's capital efficiency is not just a financial strength; it is a structural moat that compounds with scale.

## Q4 - How was the overall business performance for the quarter and half year?

We enrolled 3.62 M unique students in H1 FY26, compared to 2.99 M in the same period last year.

### Online & Offline Students Enrolment



Our online business continues to demonstrate strong momentum, with more than 41% YoY enrolment growth across newer categories other than the online exam categories ‘JEE’, ‘NEET’ and ‘Others’. This is strategically planned to reduce the dependency on the exam categories that we started with – JEE and NEET. We continue to be the market leader in JEE and NEET, having 1.22 M enrolments with a clear strategy to expand our penetration in southern markets and other vernacular languages. ACPU for the online business in H1 FY26 is at ₹ 3,918, reflecting an 8.1% increase over the ACPU of ₹ 3,624 in the same period last year.

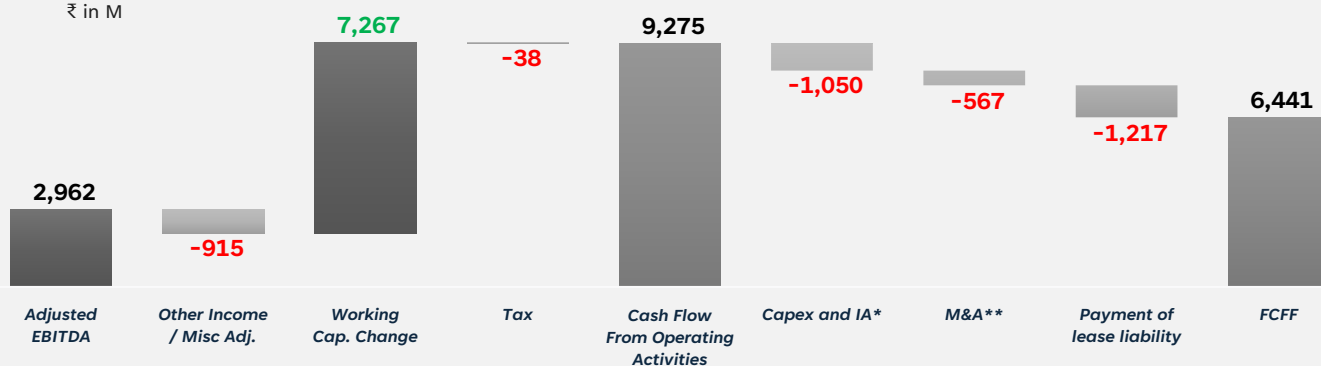
In the offline segment, we opened 128 centres in the last one year, taking our total center count to 314. We continue to scale our hyperlocal model and expand centres across other exam categories such as CA, Civil Services, Government Exams, and Tuition. Most centres in these newer categories offer short-term programmes unlike JEE and NEET full year courses, reflecting this shift in mix, ARPU for the offline business declined 4.3% to ₹ 21,985 in H1 FY26.

In terms of financial numbers for H1 FY26, the revenue increased to ₹ 18,983 M, a 29% increase on YoY basis, with Pre-IndAS EBITDA of ₹ 722 M (3.8% Margins). Revenue growth remained robust in Q2 FY26, with total revenue from operations reaching ₹ 10,512 M. This strong top-line performance translated into improved profitability, with PAT in Q2 FY26 reaching ₹ 697 M - a 70% increase over Q2 FY25.

As of September 2025, our treasury assets stood at ₹ 25,519 M, comprising fixed deposits, mutual funds, and cash and cash equivalents. During H1 FY26, net cash inflow from operating activities amounted to ₹ 9,275 M, compared to ₹ 7,294 M in the corresponding period last year-an increase of 27%. Free Cash Flow to Firm (FCFF) for the six months ended September 2025 remained strong at ₹ 6,441 M.

### PW Adjusted EBITDA to Free Cash Flow to the Firm (FCFF) for H1 FY26

₹ in M



\* Capex and IA include purchases of property, plant and equipment (including CWIP, capital advances, and capital goods payables) as well as investments in intangible assets and intangible assets under development, excluding items related to M&A.

\*\*During the year, PW acquired a 40% equity stake in Guiding Light Education Technologies Pvt. Ltd. (“Saarathi IAS”) on September 2, 2025, for a cash consideration of ₹950 million. In addition, PW acquired a 28.57% stake in Kay Lifestyle and Wellness Pvt. Ltd. for ₹20 million during the period. The amount above has been adjusted with bank balance available in the books of “Saarathi IAS”.

**Q5 - What is the total addressable market (TAM) across PW’s key exam categories, and how much of it has PW penetrated so far? Additionally, which segments offer the largest future growth opportunities for the company?**

Education in India remains a non-discretionary household priority, making the sector structurally resilient even during periods of economic uncertainty. Demand is sustained by a rapidly expanding middle class, one of the world’s largest youth populations, and universal access to the world’s most affordable mobile data. As a high-stakes investment, education continues to be a powerful driver of economic upliftment, poverty reduction, and intergenerational mobility.

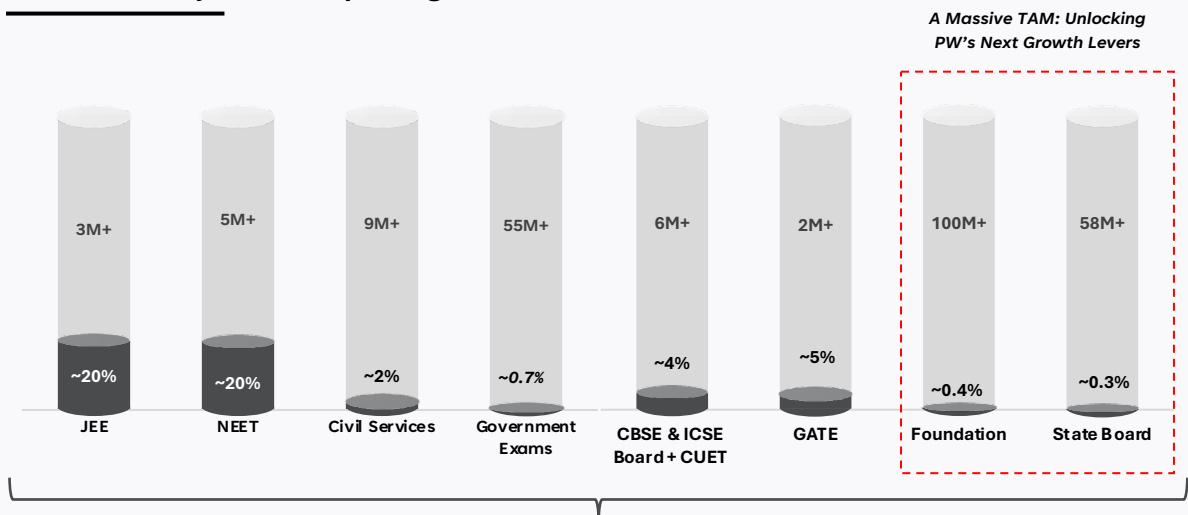
Against this backdrop, we remain deeply committed to delivering affordable, high-quality education to every learner in the country - ensuring that families do not have to choose between financial strain and academic opportunity.

PW began its journey just five years ago with the JEE and NEET categories. Today, we are market leaders, holding an estimated 20% share in these segments - a testament to our rapid traction and the substantial headroom that still lies ahead, particularly across the southern states of Karnataka, Telangana, Andhra Pradesh, Tamil Nadu, and Kerala

Beyond our early categories, we are only at the beginning of unlocking the immense potential across large opportunity areas such as Civil Services, Foundation (Grade 6<sup>th</sup> to 10<sup>th</sup>), Government Exams, Defence, GATE, Commerce, MBA, CA, upskilling, and several emerging domains. Each of these represents a sizeable, underpenetrated market with a meaningful long-term growth runway for PW. Even when combining the JEE and NEET markets, our online penetration remains less than 2%, underscoring the vast headroom for expansion and continued value creation.

While we continue to see substantial headroom in the JEE and NEET categories, our next growth levers lie in the mass-market segments of State Boards, Foundation (Classes 6–10), and vernacular-language categories. PW has historically been strongest in the Hindi-speaking belt, but we are now poised for meaningful expansion across non-Hindi-speaking regions, unlocking the next wave of nationwide scale.

**TAM Across Major Test-Prep Categories & PW’s Penetration**



**PW Online Penetration less than 2%: Massive Headroom**  
*(Figures in ‘M’ represent category TAM; percentages indicate PW’s penetration)*

Note: TAM figures are based on data from official testing agencies and company estimates of the student pipeline. Student counts may overlap across Foundation and Board categories. Civil Services includes State-level PSC examinations.

#### **Q6 - How are you leveraging AI?**

We are excited to leverage AI in education to deliver higher-quality learning experiences for students. At PW, AI will be a core enabler of our mission to deliver high-quality, personalized learning at scale. With one of the largest learning datasets in the country, we are uniquely positioned to build AI tools that serve both students and teachers - ranging from instant doubt resolution and adaptive learning paths to intelligent content generation and automated grading support.

We have already embedded AI deeply across our ecosystem through platforms like AI Guru, AI Sahayak, NCERT Pitara, and our AI-driven doubt-solving and grading engines. These capabilities are operating at significant scale - over 10 crore doubts solved to date. Similarly, our AI Grader has evaluated more than 7 lakh subjective copies.

These tools enhance student outcomes, improve retention, and allow us to deliver highly relevant and differentiated learning experiences.

As we deepen AI adoption, we aim to create a new generation of products, hyper-personalized practice systems, teacher co-pilots, content-creation assistants, and multilingual learning models, that leverage our proprietary content and data advantage. This will help us scale into new categories and languages more efficiently, expand access across underserved regions, and offer premium learning experiences at near-zero marginal cost.

#### **Q7 - We understand that PW prepares its financial statements in accordance with IndAS. Could you clarify what the Company's Pre-IndAS EBITDA would be and how it has been calculated?**

Yes, that is correct. The Company prepares its financial statements in accordance with IndAS. For H1 FY26, our IndAS EBITDA stands at ₹ 2,071 M, while our Pre-IndAS EBITDA is ₹ 722 M. A detailed reconciliation between IndAS and Pre-IndAS EBITDA is available in the PW KPI Book for reference.

#### **Q8 - When do you expect to be full year PAT Positive ?**

While Q2 is a PAT-positive quarter - and we expect Q3 to also close PAT positive-the right lens to evaluate our performance is on a full-year trajectory.

PW has rapidly scaled across multiple education verticals, expanding from its JEE & NEET segment to 13 categories, becoming the enrolment leader in more than seven online segments, and establishing 300+ centres in just four years - an achievement that traditional offline JNF players took nearly three decades to reach. Our focus remains on serving mass-market India, including communities with limited access to affordable higher education.

We expect FY27 to be PAT-positive year, as cost efficiencies continue to strengthen. We expect our newer online categories to mature and achieve profitability levels comparable to our early categories. Simultaneously, our older offline centres will reach maturity. These combined factors will drive sustained, company-wide profitability on a full year basis.

**Q9 - How are you thinking about expanding your offline business, how many centres/cities have you identified to open for next financial year?**

We are entering FY27 with a disciplined offline expansion strategy that will materially strengthen our national footprint. We have already identified locations to open 75+ new centres across 24 states, including 45+ Vidyapeeth centres, 10 Pathshala centres, and 20 other centres.

This rollout spans India's most important education markets - major metros such as Delhi, Mumbai, Hyderabad and Kolkata, as well as fast-growing tier-1 and tier-2 cities including Jaipur, Kanpur, Patna, Guwahati, Indore, and many others.

By expanding thoughtfully and at scale, we are positioning our offline network to serve significantly more students, deepen our regional presence and unlock the next phase of sustainable, profitable growth.

Our offline expansion is entirely data-driven and a natural extension of our online flywheel. We select new locations based on student demand driven by the strength of our online penetration in that area.

**Q10 - What acquisitions are currently being considered, and are there any ongoing transactions in progress?**

During Q2 FY26, we advanced our strategic expansion by acquiring 40% stake in Sarathi IAS (Guiding Light Educational Technologies Pvt. Ltd.), a move that strengthens our position in the rapidly growing civil services preparation segment and enhances our portfolio of premium academic offerings.

Our approach to inorganic growth remains disciplined and opportunity-led. We continue to evaluate potential acquisitions that can deepen our presence in newer categories, expand our addressable market & geographical reach, and bring differentiated academic capabilities. Any additional transactions will be disclosed once we reach binding agreements, in full compliance with our governance standards.

**Q11 - Can you tell us about the seasonality of your business?**

Our operations at PW exhibit seasonality with student enrolments closely tied to school exams, competitive entrance exams, and the release of results. Enrolments typically rise from March to August - the start of the academic cycle for key exams such as JEE, NEET, UPSC, and GATE. As a result, collections peak during this period, and a majority of the revenue is recognized in the second and third quarters.

As we expand into new services, we expect seasonality to moderate, since enrolment cycles for categories like Government exams, Professional Exams, and Skills vary and are not strictly tied to traditional academic schedules. Many of our expenses are fixed and recur throughout the year, though some costs such as faculty salary increments, marketing and distribution for new academic year enrolments, and costs of newly opened offline centres tend to be higher in the first quarter and toward the end of the last quarter.

Given these patterns, quarter-to-quarter revenue and expense fluctuations are expected, and comparisons across quarters may not always accurately reflect our cash flows, financial position, or operational performance. Variations can also arise from changes in examination dates, counselling timelines, or other external factors.

**Q12 - When do you expect the offline business to turn Pre-IndAS EBITDA positive, and what proportion of the overall offline segment is contributed by the Vidyapeeth business?**

Our offline business continues to show clear momentum, with margins improving significantly across the last two financial years, supported by data-driven expansion and strong box-level economics. With a large share of centres reaching maturity next year, we are on track for the offline business to turn Pre-IndAS EBITDA positive in FY27.

The Vidyapeeth segment remains the backbone of our offline portfolio, contributing around little more than 65%+ of the overall revenue of offline business in H1 FY26 and providing the scale and stability that underpin our long-term offline growth strategy.

**Q13 - What are the key operating levers for online and offline business, both for expansion and profitability?**

Our key operating levers across both online and offline businesses are centered on expanding into high-potential markets, uniquely framed box model, and driving operational excellence at scale.

**In our online business,**

- We continue to grow through a strategy that protects our core principle of keeping base batch pricing accessible for **BHARAT** while enhancing monetization through value-added services. Our premium offerings - Batch Infinity and Batch Infinity Pro, bundle tools such as AI Sahayak, Test Series, and Khazana, which are otherwise sold separately. This bundling model provides superior value to students at attractive prices while improving ACPU and leveraging shared digital infrastructure to expand margin.
- Expanding category penetration is enabling meaningful operating leverage. With mega classrooms capable of hosting over 200,000 students live in a single session and an online model that is inherently asset-light, every incremental student added to our courses enhances profitability.
- We are expanding into high-TAM segments, including State Boards, Foundation (Grade 6<sup>th</sup> to 10<sup>th</sup>), and vernacular offerings, where fixed costs are limited but the scope for scalable growth is substantial.

**In our offline business,**

- We have developed a carefully structured '**box model**' through which we define and closely monitor key operating metrics such as seat utilisation, student-to-lecturer ratio, teacher-to-FTP mix, and the academic-to-non-academic staff split at each centre. This is implemented across all the Vidyapeeth businesses.
- Mature centres are now entering steady-state margin of 12-15% due to improving operating levers.
- We are adopting a data-backed, strategic offline and hyperlocal model-building city-level hubs and learning centers that deliver high-quality education directly to Tier 2 and Tier 3 cities. Our data insights clearly highlight where the demand for offline centres is strongest, enabling us to expand with precision. This reduces the need for students to migrate to metropolitan areas, making premium education more accessible, affordable, and community-rooted.

#### Q14 - To what extent does your business rely on the JEE and NEET categories?

Our online business has become increasingly diversified, and reliance on JEE and NEET has been reducing consistently year over year. As we expanded to **13 categories**, new verticals such as UPSC, GATE, CUET, Foundation, Government Exams, and Skills have scaled meaningfully, reducing concentration risk. This diversification is reflected clearly in our enrolment mix of JEE and NEET categories:

**FY23: 54% | FY24: 36% | FY25: 31% | H1 FY25: 38% | H1 FY26: 35%**

It is important to note that JEE and NEET naturally contribute a higher share in **H1 of every financial year**, given the academic cycle of these exams. In **H2**, enrolments from other categories rise substantially, balancing the mix.

#### A detailed breakdown of category-wise online enrolments is presented below

Student Number In“000s”

Online Category Enrolments	H1 FY2026	H1 FY2025	FY2025	FY2024	FY2023
IIT-JEE	430.7	405.7	573.4	531.8	421.3
NEET	785.0	758.2	927.3	896.0	665.4
Board + CUET	198.2	130.5	193.5	83.7	0.0
CA	45.7	31.2	48.2	42.2	0.0
Civil Service Exam	167.0	70.1	143.5	104.4	51.0
Commerce	60.6	34.2	52.9	31.5	0.0
Defence	63.3	64.3	96.9	82.4	0.0
FOUNDATION	497.3	367.8	528.1	382.2	189.2
GATE	47.5	34.4	74.0	58.1	32.4
Govt Exams	526.2	400.5	929.7	988.8	0.0
MBA	17.8	15.1	24.0	25.9	0.0
Others	599.8	764.9	1,179.5	698.2	645.9
Skills	16.4	13.3	24.8	27.9	0.0
<b>Total</b>	<b>3,455.6</b>	<b>3,090.0</b>	<b>4,795.7</b>	<b>3,953.0</b>	<b>2,005.1</b>
Unique transacting users	3,224.7	2,682.1	4,130.8	3,401.2	1,682.4
Overlap	230.9	407.9	664.8	551.8	322.7
<b>JEE &amp; NEET Share</b>	<b>35%</b>	<b>38%</b>	<b>31%</b>	<b>36%</b>	<b>54%</b>

Note - ‘Others’ enrolment category has declined in H1-FY26 versus H1-FY25 due to the introduction of value-added services such as Infinity Pro. Previously, online students purchased books separately, resulting in higher E-Com order volumes classified under ‘Others.’ With books now included as part of value-added batches, students no longer place separate orders, reducing E-Com transactions and consequently lowering enrolments reported under ‘Others’.

#### Q15 - What is the game plan to expand into southern part of India?

The southern market is emerging as a key strategic growth lever. As our 20+ centres in Chennai, Hyderabad, and Bengaluru enter their second year, we expect deeper penetration supported by stronger brand recall and improving student outcomes. To accelerate this momentum, we are opening 13 new centres across Telangana, Karnataka, Andhra Pradesh, Tamil Nadu, and Kerala, which are expected to add 12,000–15,000 new enrolments and significantly expand our regional footprint.

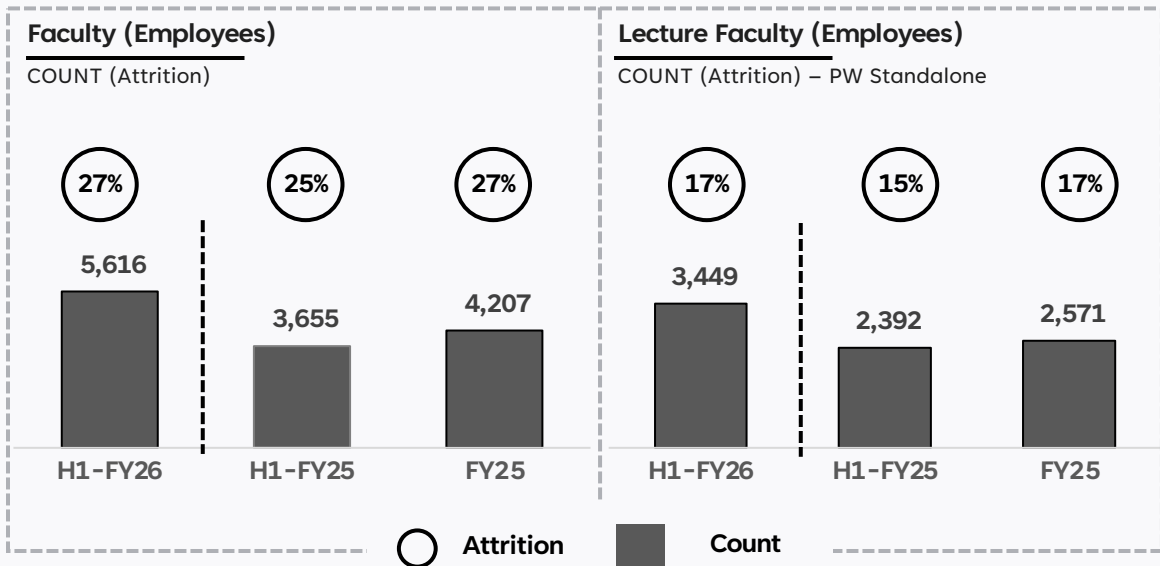
In parallel, we are expanding our online portfolio with deeply localised, language-led courses across southern states, targeting 50% enrolment growth in FY27. Collectively, these initiatives create a robust expansion platform and position us for long-term leadership in southern India.

**Q16 - Your faculty attrition is very high. What is the reason behind it?**

While faculty attrition may appear high, it reflects our data-driven approach to maintaining academic quality and is ultimately beneficial for PW. We continuously collect extensive student feedback across modules and courses through our internal systems. This feedback, along with other performance measures, guides faculty development discussions and, when appropriate, reassignment to roles better suited to their strengths-such as moving from classroom teaching to doubt-solving or content creation.

Attrition also includes voluntary exits driven by personal commitments, better compensation opportunities, or entrepreneurial pursuits. Importantly, our attrition levels remain within industry norms, education players typically see 25–35% and our own attrition are in the similar levels. Our lecture faculty attrition is comparatively lower compared to overall faculty attrition.

Overall, this managed churn is a sign of a healthy performance culture, ensuring that only the most effective educators remain in front of students, thereby strengthening student experience and long-term learning outcomes.



*Note - While our overall faculty attrition rate may appear high, it is important to note that it is not driven by our lecture faculty. Our faculty pool spans lecture, content, and doubt roles, and attrition is largely concentrated in the content and doubt categories, which are naturally more cyclical. With the increasing use of AI tools for content creation, doubt resolution, and grading, some of these support functions are evolving, contributing to higher movement in these areas.*

**Q17 - Can you share broad numbers on the performance especially profitability margins of Online and Offline business?**

While we track and report revenue and enrolments for both our Online and Offline businesses, we do not report segment-wise profitability. Several key cost components including technology, academic and non-academic teams, and shared operational overheads are cross-utilised across formats, which is representative of an integrated operating model. We intend to report segment numbers from next financial year onwards, in line with segment reporting standards.

**Q18 - Given the size of the Board Exams market in India, what is your current level of penetration, and how do you plan to expand in the future?**

The Board Exams segment represents one of the largest education opportunities in the country, and our presence in this market is still at an early stage with penetration below 1%. Even so, our State Boards category has emerged as the fastest-growing part of our online business, reflecting strong product-market fit and rising adoption.

We currently serve students across Madhya Pradesh, Jammu & Kashmir, Uttar Pradesh, Bihar, Rajasthan and Jharkhand, and we are now expanding into Haryana, Assam, and Kerala in the coming year. This targeted expansion, combined with deeper localisation, positions us to deliver ~100% growth in the category next year.

With low industry penetration and a large addressable base, the Board Exams segment offers a compelling multi-year growth runway, and we are building the foundation for long-term leadership in this space.

Our core State Board markets represent a total addressable base of ~58 M learners across key northern and central states. Within this, our reach is poised to expand more than 4x from current-year enrolments over the next three years.

Uttar Pradesh and Bihar form the largest state board pools and continue to drive the majority of this growth. Rajasthan, Madhya Pradesh, Jharkhand, Jammu & Kashmir, and other northern states are also showing steady traction as awareness and access improve.

**State-Wise Board Students Market**

(No. in M)

States	TAM
Uttar Pradesh	~11
Bihar	~6
Rajasthan	~4
Madhya Pradesh	~3
Jharkhand	~1
Jammu & Kashmir	~1
Others (Punjab, CG, UK, Himachal)	~32
<b>Total</b>	<b>~58</b>

Note: TAM figures are based on data from official testing agencies and company estimates of the student pipeline

## Q19 - What are your engagement metrics and what drive these metrics?

### Engagement Metrics of PW App and Web as on 30<sup>th</sup> September 2025



Our engagement engine is powered by a strong academic pedagogy enhanced through tech-enabled, interactive classrooms featuring live polls, quizzes and real-time Q&A. This is complemented by a rich, activity-based content ecosystem of interactive presentations, 3D models, quizzes, and summary videos that keeps learners actively involved across both online and offline formats. Our continuously updated content library and question banks further strengthen engagement and learning outcomes, driving sustained student participation and long-term retention.

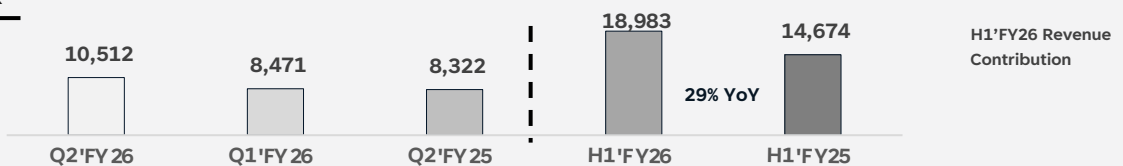
## Q20 - What is your revenue mix?

Our revenue mix underscores the strength of our omnichannel model. Online continues to be the primary driver of scale, accounting for more than 90% of total enrolments. Offline revenues reflect expanding physical reach basis demand from the students, enabling us to serve learners even in the farthest corners of the country. While both channels are integral to our mission of accessible education for every student, online will continue to remain the dominant contributor in the revenue mix, with offline providing complementary depth and regional presence. The growing share of other segments further highlights increasing monetization of our broader platform capabilities.

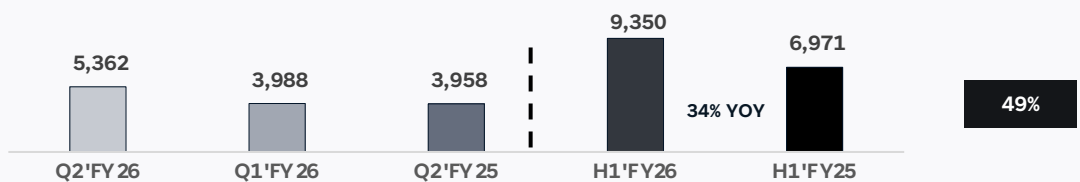
### Revenue Mix

(₹ in M)

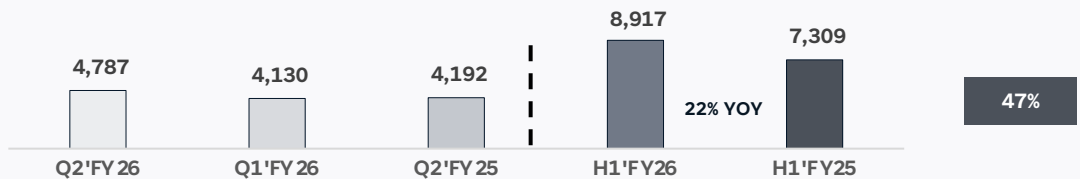
Revenue from Operations



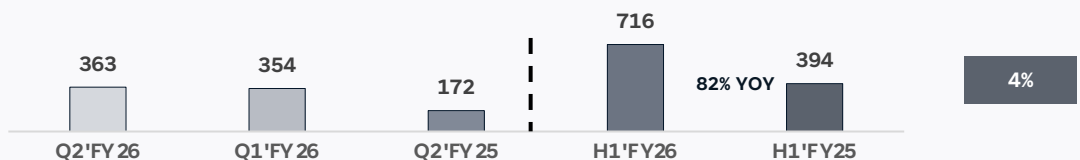
Revenue from operations (Online Channel)



Revenue from operations (Offline Channel)



Revenue from operations (Others)



**Q21 - Your marketing spend has increased more than 50% on a half year level. What are the main reasons for the same?**

Our marketing spend in H1 increased by 1.8% of revenue, driven primarily by strategic investments to support category expansion and the scaling of our offline footprint. Importantly, despite this temporary increase, we expect full-year marketing spend to moderate to approximately 8–9% of revenue, down from 9.6% last financial year, reflecting efficiency gains and the strong organic engagement generated by our large student community and trusted brand.

As we broaden our presence beyond our core JEE and NEET offerings, we made deliberate investments in new verticals, including Curious Jr, Institute of Innovation and Skills to build early awareness and accelerate adoption.

Parallely, we continued to expand our offline centres, one of the fastest-growing offline networks in the country, resulting in an additional marketing spend to establish visibility in new geographies. These investments are intentional and designed to unlock long-term growth.

**Pi App UI**

**Q22 – What are your new initiatives?**

Pi is our newest initiative and represents our strategic bet on the low-ticket-size segment. Positioned as a distraction-free YouTube alternative, Pi is designed specifically for students, offering a focused, noise-free learning environment.

With an affordable price point of ₹ 300–400, it enables us to unlock monetization from student segments that have historically remained untapped. Affordability is at the core of Pi’s value proposition, bringing high-quality learning access to students currently outside the paid ecosystem. We continue to add new content and features, ensuring the product becomes richer and more valuable over time.



# Key Performance Indicators

(₹ in M, unless otherwise stated)

Financial Metrics	Q2 FY26	Q1 FY26	Q2 FY25	H1 FY26	H1 FY25
Revenue from operations	10,512	8,471	8,322	18,983	14,674
Revenue from operations (Online Channel)	5,362	3,988	3,958	9,350	6,971
Revenue from operations (Offline Channel)	4,787	4,130	4,192	8,917	7,309
Revenue from operations (Others)	363	354	172	716	394
Other income	472	550	306	1,022	557
<b>Total Income</b>	<b>10,984</b>	<b>9,021</b>	<b>8,628</b>	<b>20,005</b>	<b>15,230</b>
Profit/(loss) before tax	989	(1,520)	624	(532)	(398)
Profit/(loss) for the period/year	697	(1,270)	411	(573)	(307)
Profit/(loss) margin for the period/year (%)	6.6%	(15.0%)	4.9%	(3.0%)	(2.1%)
EBITDA	2,283	(212)	1,647	2,071	1,739
EBITDA Margin	21.7%	(2.5%)	19.8%	10.9%	11.9%
Adjusted EBITDA	2,697	265	1,953	2,962	2,254
Adjusted EBITDA Margin	25.7%	3.1%	23.5%	15.6%	15.4%
Pre-IndAS EBITDA	1,609	(887)	1,172	722	790
Pre-IndAS EBITDA Margin	15.3%	(10.5)%	14.1%	3.8%	5.4%

# Key Performance Indicators

Operational Metrics	For Period Ending		For Year Ending
	30 <sup>th</sup> Sep 2025	30 <sup>th</sup> Sep 2024	31 <sup>st</sup> Mar 2025
Total Employees	18,340	13,918	15,775
Total Faculty Members	6,643	4,506	5,096
Faculty Members (Employees)	5,616	3,655	4,207
Faculty Members (Consultants)	1,027	851	889
Education Categories	13	13	13
Total Number of Paid Users	3.62M	2.99M	4.46M
Number of Unique Transacting Users (Online channel)	3.22	2.68	4.13
Average Collection Per User (Online Channel) or “ACPU”	3,918	3,624	3,683
Number of Offline Student Enrolments	0.40	0.31	0.33
Average Revenue Per User (Offline Channel) or “ARPU”	21,985	22,976	40,405
Total Offline Centers	314	186	198
PW Vidyapeeth Centers	117	72	79
PW Pathshala Centers	75	47	47
PW Other Centers	53	13	19
Total Subsidiaries Centers	69	54	53

# Financial Information

(₹ in M, unless otherwise stated)

Operational Metrics	Q2-26	Q1-26	Q2-25	H1-26	H1-25
Revenue From Operations	10,512	8,471	8,322	18,983	14,674
YOY Growth	26.3%	33.4%		29.4%	
Less: Direct expenses & Inventory movement*	1,834	2,076	1,758	3,910	3,429
Less: Employee benefits expense (Excludes Share based payment to employees)	4,323	4,149	3,195	8,472	6,299
Less: Other expenses	2,130	2,531	1,722	4,662	3,248
Less: Payment of Lease Liabilities**	616	601	474	1,217	907
Total expenses	8,903	9,358	7,149	18,261	13,883
Share of profit/(loss) of associates (net)	0.06	0.41	-	0.47	-
<b>Pre-Ind AS EBITDA</b>	<b>1,609</b>	<b>-887</b>	<b>1,172</b>	<b>722</b>	<b>790</b>
<b>Pre-Ind AS EBITDA Margin %</b>	<b>15.3%</b>	<b>-10.5%</b>	<b>14.1%</b>	<b>3.8%</b>	<b>5.4%</b>
Add: Payment of Lease Liabilities**	616	601	474	1,217	907
Add: Other income	472	550	306	1,022	557
<b>Adjusted EBITDA</b>	<b>2,697</b>	<b>265</b>	<b>1,953</b>	<b>2,962</b>	<b>2,254</b>
<b>Adjusted EBITDA Margin %</b>	<b>25.7%</b>	<b>3.1%</b>	<b>23.5%</b>	<b>15.6%</b>	<b>15.4%</b>
Less: Share based payment to employees	408	415	238	823	488
Less: Exceptional items***	6	62	68	68	27
<b>EBITDA</b>	<b>2,283</b>	<b>-212</b>	<b>1,647</b>	<b>2,071</b>	<b>1,739</b>
<b>EBITDA Margin %</b>	<b>21.7%</b>	<b>-2.5%</b>	<b>19.8%</b>	<b>10.9%</b>	<b>11.9%</b>
Less: Finance costs	248	332	133	579	382
Less: Depreciation and amortization expense	1,047	976	890	2,023	1,756
<b>PBT</b>	<b>989</b>	<b>-1,520</b>	<b>624</b>	<b>-532</b>	<b>-398</b>
<b>PBT Margin %</b>	<b>9.4%</b>	<b>-17.9%</b>	<b>7.5%</b>	<b>-2.8%</b>	<b>-2.7%</b>
Less: Total tax expense/(credit)	291	-250	213	41	-91
<b>Profit/(loss) for the period/year</b>	<b>697</b>	<b>-1,270</b>	<b>411</b>	<b>-573</b>	<b>-307</b>
<b>Profit/(loss) for the period/year Margin %</b>	<b>6.6%</b>	<b>-15.0%</b>	<b>4.9%</b>	<b>-3.0%</b>	<b>-2.1%</b>

\* Direct expenses & Inventory movement represent the combined total of Direct Expenses, Purchases of Traded Goods, Changes in Inventories, and Cost of Raw Materials and Components Consumed.

\*\* Payment of Lease Liabilities represents the total of the interest portion and the principal portion of lease liability payments.

\*\*\* Exceptional Items includes Net loss/(gain) on remeasurement of financial instruments at fair value and Exceptional Items

# PW Impact Stories

## From Street Cart to Stethoscope



Abandoned by her father in Gurugram, Shringar faced financial struggles, selling snacks with her mother. Undeterred, she pursued her dream of studying medicine by enrolling in PW's online NEET course. Her dedication paid off as she excelled in the exam and gained admission to medical college, receiving financial support from PW to continue her journey.

## From Bus Driver's Daughter to Doctor, Defying the Odds



Dolly Purohit, the daughter of a Rajasthan bus driver, aspired to be a doctor after topping her village school in 10th grade. Dolly studied hard, faced setbacks in her first NEET attempt, but found inspiration at PW. On her second attempt, she secured admission to a prestigious medical institute.

## From Loss and Hardship to Medical School, Driven by a Dream to Heal



Ruby, the daughter of an auto-rickshaw driver, faced immense challenge in her pursuit of medical education. Supported by her family and inspired by PW, Ruby persevered through her medical exam, ultimately achieving the dream of becoming a doctor.

## From Day Laborer to Dream Chaser, Painting His Future



Umer Ahmad Ganie, a 19-year-old from Pulwama, excelled in NEET UG 2023 despite financial hardships. Balancing work as a laborer and painter, he studied diligently at night. With support from PW's online coaching, Umer succeeded, earning a ₹10 lakh scholarship and becoming their brand ambassador for Kashmir, paving the way for his medical education.

## When Determination Finds Opportunity



Suresh grew up in a humble home, relying on his mother's meager earnings. Driven by the desire to give her a permanent home, he dreamed of becoming a doctor. After clearing the medical entrance exam, Suresh went on to become his village's first doctor with PW supporting his entire educational journey.

# Glossary

Term	Description
Revenue from operations	Revenue from operations means revenue generated by our Company from sale of services, sale of products, and other operating income.
Revenue from operations (Online Channel)	Revenue from online offerings where we conduct live online classes on website and apps.
Revenue from operations (Offline Channel)	Revenue recognized for the students enrolled in offline/hybrid courses where faculty members conduct face-to-face classes in a physical offline center and through two-teacher model where a faculty teaching from a studio, complemented by doubt faculty stationed from a PW Pathshala Center.
Revenue from operations (Others)	Revenue from operations (Others) includes advertisement income, which primarily includes income earned from third-parties that place advertisements on our YouTube channels, income from content access and usage rights and revenue from sale of products to distributors, schools and other education institutions as business-to-business sales, among others, which are not attributable to individual students and which therefore cannot be bifurcated into revenue from online channel or offline channel.
Other income	Other income includes income generated by our Company from interest income on deposits with bank, net unrealized gain on FVTPL investment amongst others.
Total income	Total income means sum of revenue from operations and other income.
Profit/(loss) before tax	Profit/(loss) before tax is calculated as total income less total expenses and total exceptional items.
Profit/(loss) for the period/year	Profit/(loss) for the period/year is calculated as total income less total expenses, total exceptional items and total tax expense/(credit).
Profit/(loss) margin for the period/year	Profit/(loss) margin for the period/year is calculated as loss for the year/period, divided by revenue from operations.
EBITDA	EBITDA is calculated by adding total tax expense/(credit), finance costs and depreciation and amortisation expense to loss for the year/period.
EBITDA Margin	EBITDA Margin is calculated as EBITDA, divided by revenue from operations.
Adjusted EBITDA	Adjusted EBITDA is calculated as adding net loss on remeasurement of financial instruments at fair value, share based payment to employees and reducing total exceptional items to EBITDA.
Adjusted EBITDA Margin	Adjusted EBITDA Margin is calculated as Adjusted EBITDA, divided by revenue from operations.
Pre-IndAS EBITDA	Pre-IndAS EBITDA is calculated as reducing payment of interest portion of lease liabilities, payment of principal portion of lease liabilities and Other Income to Adjusted EBITDA.
Pre-IndAS EBITDA Margin	Pre-IndAS EBITDA Margin is calculated as Pre - IndAS EBITDA, divided by revenue from operations.
Total Employees	Personnels who are on payroll of the company as on end of the given year/period.

# Glossary

Term	Description
Total Faculty Members	Aggregate number of faculty members on payroll of the company and hired on contractual basis as on end of the given year/period.
Faculty members (Employees)	Faculty members who are on the payroll of the company as on end of the given year/period.
Faculty members (Consultants)	Faculty members hired on contractual basis as on end of the given year/period.
Education Categories	Educational offerings that contributed over ₹100 M in collections in a particular financial year/period. Once classified as an Education Category, it will remain so unless management decides otherwise.
Total Number of Paid Users	Aggregate sum of number of Unique Transacting Users (Online Channel) and number of Offline Student Enrolments.
Number of Unique Transacting Users (Online channel)	Aggregate number of unique paying users for online offerings identified basis unique mobile numbers.
Number of Offline Student Enrolments	Aggregate number of unique students enrolled in the company's offline/hybrid courses identified basis unique mobile numbers, including students that initially enrolled in prior periods but are still enrolled for the current period and excluding students enrolled in short term courses such as All-India preparatory test series (AITS) and Marks Improvement Programme (MIP).
M	M denotes for Million.
Average Collection Per User (Online Channel) or "ACPU"	Payments collected from users enrolled in the online offerings for the year/period divided by number of Unique Transacting Users (Online Channel).
Average Revenue Per User (Offline Channel) or "ARPU"	Revenue recognized for students enrolled in offline/hybrid course for the year/period divided by number of Offline Student Enrolments.
PW Vidyapeeth Centers	Our Company's offline coaching centers which help students in preparing for JEE, NEET, and Foundation courses. It offers face-to-face classroom teaching, enabling direct instruction and interactive learning.
PW Pathshala Centers	Our Company's offline coaching centers by which our Company integrates online and offline learning through a two-teacher model to support students preparing for JEE, NEET, and Foundation courses. It features experienced faculty teaching from a studio, complemented by doubt faculty stationed at the PW Pathshalas Centers.
PW Other Centers	Offline centers that cater to specific course categories, including Defence, CA Offline, Govt Offline, Only IAS, Institute of Innovations, Bothra (Penpencil) among others.
Total Subsidiaries Centers	Aggregate number of centers operated by Xylem, Utkarsh Classes and Knowledge Planet as on end of the year/period.
Free Cash Flow to the firm (FCFF)	FCFF is derived from Net Cash Inflow from Operating Activities, adjusted for capital expenditures (including PPE purchases, CWIP, capital advances, and payables for capital goods) and investments in intangible assets. It also accounts for proceeds from asset sales, cash outflows for subsidiary investments (net of cash acquired), and lease-related interest and principal payments.
Treasury	The treasury comprises balances held under Investments (non-current and current), Other Financial Assets (non-current and current), Cash and Cash Equivalents, and Other Bank Balances. Please note that investments in debentures are not included within our treasury.

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**“Education is the ornament of all”**

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