# PHYSICSWALLAH LIMITED

**Date: August 20, 2026**

**National Stock Exchange of India Limited**
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051 India

**BSE Limited**
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001 India

**Scrip Code: 544609**

**Symbol: PWL**

**Sub: Intimation under Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") - Transcript of Earnings Conference Call.**

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI Listing Regulations, please find enclosed the transcript of the Earnings Conference Call held on Friday, August 14, 2026, at 06:00 P.M., on the performance of Unaudited Standalone and Consolidated Financial Results of the Company for the quarter ended June 30, 2026.

This disclosure will also be hosted on the Company's website viz https://www.pw.live/investor-relations

You are requested to take the above on record.

Thank you.

**Yours sincerely,**
**For Physicswallah Limited**

Ajinkya Rajendra Jain
Digitally signed by Ajinkya Rajendra Jain
Date: 2026.08.20 13:23:51 +05'30'

**Ajinkya Jain**
**Group General Counsel, Company Secretary & Compliance Officer**
**Membership No.: A33261**

"Physicswallah Limited

Q1 FY '27 Earnings Conference Call"

August 14, 2026

**MANAGEMENT:** **MR. ALAKH PANDEY – CHIEF EXECUTIVE OFFICER AND WHOLE-TIME DIRECTOR**
**MR. PRATEEK BOOB – WHOLE TIME DIRECTOR – PHYSICSWALLAH LIMITED**
**MR. AMIT SACHDEVA – CHIEF FINANCIAL OFFICER – PHYSICSWALLAH LIMITED**
**MR. VIKRAM BHARDWAJ –INVESTOR RELATIONS– PHYSICSWALLAH LIMITED**

**Moderator:** Good evening, everyone, and thank you for joining Physicswallah's Q1 FY27 earnings conference call. We hope you have had the opportunity to review our financial results and shareholders' letter, which have been uploaded on the stock exchanges and are also available on our investor relations website. Joining us today are Mr. Alakh Pandey, CEO and Whole-time Director; Mr. Prateek Boob, Whole-time Director; and Mr. Amit Sachdeva, Chief Financial Officer.

Before we begin, I would like to remind everyone that certain statements made during this call may be forward-looking in nature and should be read together with the risk factors disclosed in our public filings. We request participants to limit themselves to 2 questions at a time and rejoin the queue for any additional questions.

With that, I would now like to hand the call over to Mr. Amit Sachdeva. Please go ahead.

**Amit Sachdeva:** Hi, thank you. Good evening, everyone. Thank you all for joining our first quarter earnings call for Physicswallah. We are making good progress across all our education categories. Our focus now is to continue build online early learning and K-12 business, which has grown by almost 88% year-over-year.

We are also tracking well on our offline business with focus on center-level cohort profitability. Like always, we'll cover our financial results, key business and other updates, and in the last, we can open the call for questions.

Our online early learning and K-12 includes Foundation, Pre-foundation, Curious Junior, Commerce, SIP, Boards, including our state boards. We will talk about these exam categories in detail as we go through the call.

In terms of our quarterly results, we are happy to announce that our first quarter revenue from operations closed at INR1,054 crores, an year-over-year increase of over 24%, in line with what we were expecting. Revenue from online grew 33% year-over-year and offline and other businesses grew at 16%. Our Vishwas Diwas collections and early enrollments have been very encouraging across all our exam categories.

As we had mentioned in the Q4 shareholder letter, our business continues to scale with the cyclical nature of the academic session, as enrollments continue at the start of the year and batches commence progressively in line with the academic calendar. Given this seasonality, our first quarter pre-Ind AS EBITDA closed at negative INR44 crores, equating to 4%, with an improvement of 624 basis points from Q1 of last year.

Our profit before tax for the current quarter was negative INR84 crores against INR152 crores for last year same quarter, an improvement of 995 basis points. We also took a one-time non-cash charge on account of our additional stake purchase in Saarthi IAS, largely due to better than expected financial performance of Saarthi.

EBITDA was positive in Q1, closed at INR52 crores compared to negative INR21 crores last year same period. Like I said, pre-Ind AS EBITDA of negative INR44 crores as against INR88 crores of last year same quarter, an improvement of 624 basis points. All of this happened through all our leverage coming through our cost items.

Our employee cost without ESOP cost were lower by 2.6% as compared to last year. Also, our current quarter ESOP cost remained flat in line with what we had expensed in the first quarter of last year and gave us a leverage of 117 basis points. We continue to see leverage on our distribution and marketing expenses. Our marketing spends for first quarter were INR128 crores against INR117 crores, an improvement of 172 basis points year-over-year.

Also, as part of improving our quality of reporting, we had committed to initiate segment-level reporting, and post discussion with our auditors, we have reported revenues and EBITDA separately for online and offline business for the first time. We've also provided a reconciliation of the online EBITDA and offline EBITDA along with our overall EBITDA.

Given our academic and cyclical nature of the business, we believe full-year view of our segments will provide meaningful direction to our business. This was also one of the key reasons for us to report the financials on the last day that was permissible. One of the impacts that we saw in this quarter was the NEET examination pattern change.

We did see an impact on our collections and enrollments across our core business and our subsidiary Xylem. We do believe while NEET UG calendar shifted by 5 to 7 weeks this year, our collections post the results announcement on July 16 have been encouraging and we've seen almost 50% growth as compared to last year.

PW is now moving beyond its strength in test prep to build a complete learning journey for students, starting much earlier with online early learning and K-12 education and continuing all the way through competitive exams, higher education, and skills. The idea is to use the same approach that made PW successful with our earlier categories, live classes, affordability, online-first teaching focused on outcomes, and bring it to young learners too.

We've almost doubled our revenues from this category year-over-year and we will continue to build on this. We have detailed this in question number 3 of our Q1 shareholders' letter and remain bullish on this category to grow. In terms of our overall treasury and cash position, as of June 30, our treasury is INR5,600 crores, including IPO proceeds of INR2,000 crores.

Like I mentioned last time, our capital allocation will largely be towards new online content and categories, both organic and inorganic. Our approach to offline expansion will be opportunistic and limited to geographies that fit into our cohort economics. Accordingly, new centers planning would probably get decided over the next 2 quarters. We are also keenly looking at AI-first opportunities that will complement our offerings and what we are building as part of our personalized AI tutor investment.

I'll take a moment here, hand the phone to Alakh sir now to provide an overview of our business and new initiatives that we are now taking in the business. Alakh sir.

**Alakh Pandey:** Thank you so much, Amit sir. Hello, good evening all. A very happy Independence Day in advance. So, the results are amazing as expected and everything is in line with what we were expecting this year. Couple of things to tell, that apart from our test prep business, which has been going as usual, growing as Amit sir has rightly quoted, apart from test prep and the competitive exams, we have stepped into the school exam preparation, the K-12 online business.

This is pure asset-light, pure online business, the online tuition. It has grown by 40% - 41% enrollment-wise from 0.55 million to 0.78 million. Revenue-wise, it has grown by 88% year-on-year from INR56 crores to INR105 crores. This includes Pre-Foundation Grade 6 to 8, Curious Junior, our state boards categories across different states. This seems to be a very promising future for us.

More and more students who are going schools are opting for online tuition and this is a huge another market. State boards is a 6 crores TAM across India and apart from that, the Grade 6 to 8, Grade 3 to 5, so everything we are exploring and it is growing tremendously. Apart from this, we were investing in a category called NEET PG, which may become a big category.

We have seen competitors doing immense business in this particular category and this year we have seen NEET PG enrollments growing approximately by 50% and the collection are growing by 100% in NEET PG. This category is a big bet for us. Apart from this, some of our competitive exam category like CA, CS, ACCA witnessed an enrollment growth of 30%. So, all this is in line.

As rightly said by Amit ji, that there is a kind of dent that can be seen around NEET enrollment and we have highlighted this in the previous quarterly meeting as well. This is primarily because of the shift in the cycle of the NEET examination, which happened in 2024 as well, and annual basis we saw no change in the overall enrollment in 2024 and similar results we are expecting this year and we can witness this happening in July as well. So, the enrollment for NEET have shifted.

The online, if you see, the growth of online is we can witness at 33%, whereas the offline growth if you see it's growing at 14% because a large part of our offline comes from NEET examination. So, the enrollments have shifted by 5 or 6 weeks, so we can witness that enrollment and that growth in the next quarter to come. So, that's all from my side. Everything is in line. As we said, we are not doing any new capital allocations, no new surprises are going to come from here.

I hand it over to Prateek sir.

**Prateek Boob:** Hello, good evening everybody. Amit and Alakh have given the update over the numbers. I would like to touch upon couple of new initiatives which we have entered this quarter. One is the launch of the PW Books app, which is a digital book learning experience, AI-native experience of reading books, a very solid initial traction in this regard, which we have covered into our shareholder letter as well.

Along with that, we have created a new category for skilling called "Earners," in which a short-term skilling courses have been provided regarding digital marketing, graphic design, AI-led courses, which is shaping up quite, quite well. Along with that, Pi, which is our OTT learning platform, and a PW Talk, which we have mentioned in our earlier shareholder letters, are continued to grow rapidly by 130,000 enrollments in Talk and 40,000 enrollments in Pi.

Along with that, AI remain the core focus area for the company. We have launched Ask AI, which is a doubt-solving - AI-led doubt-solving engine within our batches. Now we have witnessing majority of our doubts are now being solved by Ask AI, which is a great achievement by product team.

Along with that, we are creating a companion, AI companion for the kids and a AI tutor, which is a one-to-one Socratic AI tutor at a very affordable price. This product is already in beta phase and by next quarter we will roll it out to our students. Along with that, AI-led efficiency is also kicking in within the company. You can see the leverage coming in our people cost is because of some of the AI-led automation which we have achieved over the period of time.

Along with that, couple of numbers I would like to highlight is a strong online growth, 33% revenue growth as well as almost 600 basis point improvement in bottom line. Offline also we have witnessed 14% revenue growth as well as 400 basis points improvement in our bottom line.

Couple of specific updates which we have already spoken, vernacular, which is a vision to make a pan-India brand, we have 1.7x jump in our enrollments and revenue in vernacular categories. K-12, Alakh already spoke about, like 41% jump in enrollment and 88% jump in our revenue. Along with that, our state board, which is a huge, huge TAM, the enrollments are doubled, so does the revenue is doubled.

So, these are couple of achievements which we have demonstrated in our shareholder letter as well. Along with the capital allocation, we have decided to divest Finzy Fintech and we have already received couple of interest and signed 2 non-binding term sheets. So, probably in a quarter timeline we will be able to achieve this divestment. So, that is majorly from my side and we can open the house for questions.

**Moderator:** Thank you very much. We will now begin the question and answer session. Our first question comes from the line of Anmol Garg with DAM Capital. Please go ahead.

**Anmol Garg:** Hi, thanks for the opportunity. A couple of things that I wanted to understand. Sir, while we have indicated that there's a 50% growth in our online business for August, but if you can indicate on a like-to-like basis what could have been the growth in this quarter if NEET exams were happening on time based on the registration as we have seen in early Q2? And also as a part of that, you can also indicate that what is the total registration in the repeat batch for us?

**Vikram Bhardwaj:** Sure. Hi Anmol, this is Vikram this side. I lead investor relations here at Physicswallah. I think the offline revenue growth that has been witnessed to the tunes of 14% for this quarter y-o-y would have been to the tunes of 22% to 25% had the NEET examination cycle would have sort of been over by 4th of May in terms of the exam and if the results would have been out timely, which is early June.

So, if that would have been the cycle, I think the revenue growth would have been to the tunes of 20% to 25% and definitely that would have flown into our margins as well, because most of the costs, as you would imagine in the nature of business of ours, are pretty much fixed. But having said that, I think this is just a quarterly shift for us and as Alakh sir has already highlighted, we definitely see that more so from a year-long perspective, we are pretty much in line to deliver what we have sort of provisioned in terms of our annual operating plans internally.

**Anmol Garg:** And also if you can indicate on the online side as well.

**Vikram Bhardwaj:** Sure. So, on the online side, again in terms of enrollments, I think we would have seen at least 1 to 1.5 lakhs more enrollments in terms of the NEET. But having said that, our online mix is right now very well diversified in terms of the number of categories that we have. So, even with the launch of Earners and few other categories that we have now launched, the enrollment has largely been compensated by these newer categories that we have launched within our online mix.

**Anmol Garg:** Secondly, are we planning to introduce star teachers into our offline business and can this be a drag to our margins in near term? What is our margin guidance, does it remain same that will be break-even by the end of this year?

**Prateek Boob:** No, no. So, I think the overall guidance for offline business is near profitability this year. We are we are confident that we will achieve those guidance. And overall we are improving the teacher quality and the delivery and the experience of offline and that is what we have guided in our last call. That is coming from slower expansion as well as more focused approach. There is no abrupt increase in average teacher cost in offline.

**Alakh Pandey:** Star teacher in online, is that the question. Star teacher launch in online?

**Anmol Garg:** Offline.

**Alakh Pandey:** No, no. So, we don't use star teachers in offline. We produce our own teachers through our faculty training program and there is a batch size of 80 students only. So, there we don't have a single teacher teaching thousands of students, so there is no star teacher culture in the offline.

**Prateek Boob:** And we are improving the student-teacher ratio, we are improving the average teacher cost, and that is being delivered in overall profitability of offline. So, yeah, no major surprises there.

**Anmol Garg:** Understood. And one last thing is, you know, if you can elaborate on the cash side, what are the type of acquisitions that we are looking on particularly on the online side of the business? Do we want to diversify away from STEM when we are looking towards M&A or is it more towards a geographical or a language type of expansion that we are looking for?

**Prateek Boob :** So, that remains the same in terms of categorical expansion or in terms of geographical expansion. The focus is to have online assets and overall treasury is INR5,600 odd crores as of 31st July. And we have a detailed question over question number 6 in section D in our investor shareholder letter, so you can refer that.

**Anmol Garg:** Sure, sure. Thank you so much, sir, for answering my questions.

**Moderator:** Thank you. Our next question comes from the line of Gaurav with Axis Capital. Please go ahead.

**Gaurav:** Yeah, hi. I just had a few follow-up questions. First of all, your enrollment growth you mentioned has been impacted because of NEET, but Vikram, even you gave some numbers adjusted for the NEET impact, the online would still have been say around 19%, 20% and offline would have been another 20%, 25%. Where do we stand versus our guidance for the full year's revenue of 30%? I just want to check whether you're sort of maintaining that guidance as of now.

**Vikram Bhardwaj :** So, Gaurav, essentially as you rightly mentioned, right, so NEET would have had that impact, but having said that, I think, government exams also was one of the impacts in terms of how the Q1 enrollments have shaped up. But having said that, I think at an overall revenue level, we stood at around INR1,054 crores against INR847 odd crores that we had delivered in Q1 FY25.

This is the primary fundamental sort of a metric that you should broadly look at. While we did around INR847 odd crores in topline in Q1 FY26, the overall number that was there for FY26 was essentially INR3,900 odd crores. So, similarly, I think from a INR1,054 odd crores topline that we have delivered in Q1, we are largely in line to deliver the annual operating plan that we have for FY27.

Having said that, I think there would be an interplay that would keep happening between the enrollment vector as well as the ACPU vector. These 2 should not be taken as rigid metrics to sort of plot our business model for future. You know, they would be a certain tradeoff that would keep on happening between these 2, but largely in terms of the topline that we have committed, we would be largely aligned with our AOP.

**Prateek Boob:** To add on here, the annual guidance was 30% revenue improvement and 100% EBITDA improvement remains the same.

**Gaurav:** Okay, got it. My second question in terms of if you could just talk about the outcomes which we are seeing in NEET and JEE and where we are versus where we would like to be. And what are we doing to sort of improve those sort of outcomes over a period of time? Thank you.

**Alakh Pandey:** Yeah. So the outcome has never been a challenge in our online categories. Online, we have been delivering like mega results since inception and people are very receptive and very appreciative of our online results, the mass results, the maximum number of selection across NEET, JEE or even in UPSC, CA, any examination. We teach maximum number of kids, so we give maximum number of selection.

When it comes to offline, then people always compare us with the results of our competitor without taking any name I would like to address that. So, we are investing towards result in the offline segment and that is one of the core reasons that we have somehow slowed down the offline growth, working on the unit economics in offline and better results in offline.

And that is what we have talked about in the investor roadshow and the previous earnings call as well, that we'll slow down the offline expansion, not be that aggressive as we were, and focus more on the results. And this year we are working on the result vertical and investing on that. So, if you talk about this year result, so we delivered the maximum numbers of NEET selections and JEE selections compared to any coaching in India and we claimed it and these are verified results, we published it.

So, yeah, the number of results are superb. Talking about the top results if we talk about, yeah, we have couple of ranks in the Top 100 this year as well and we are making our share of Top 100 increasing by 5% or 10% year-on-year and we are working on that, we are investing on that as well. The path is, the vision is to become the most result-producing -- the top result-producing centers in offline and to beat anyone out there.

Offline is not about affordability for us, it is about the top results. We are very much into the game and bent on the results. This year only we produced All India Rank 1 in International Junior Science Olympiad and we beat any anyone out there. So, offline is the competition for the top results, online we are already winning the result vertical.

**Gaurav:** Got it. Thank you. Just last question. Prateek, you mentioned this year like you have been saying previously that, you were sort of going to be doing near break-even for the offline. How should we think about the online business in terms of margins?

**Prateek Boob:** So, the online business, if you see the first quarter numbers itself, the revenue is up by 33%, the bottom line we have improved by almost 600 basis points. And in terms of online business, we have bucketed the entire business in 2, 3 buckets and we have covered this in our section C of our shareholder letter.

One is very high profitable categories like JEE, NEET, CA, MBA, Commerce, Boards, and the another bucket is path to higher profitability categories like GATE, UPSC, State PSCs, Foundation, government exams and and couple of state boards.

And there's a third segment which is slightly loss-making categories in terms of NEET PG, Skills, Curious Junior, vernacular, which we have ventured quite recently. But there is the great improvement in terms of NEET PG numbers, Skills numbers, Curious Junior numbers.

If we see Curious Junior alone have shown improvement in 67% enrollments and 150% collections. But still this year Curious Junior online business will become break-even. So, overall online margin are continue to be strong and Vikram will add on the specific numbers here.

**Vikram Bhardwaj:** Sure. So, last fiscal year we witnessed around 27% margins. As Prateek sir already mentioned, I think path to higher profitability some of these categories UPSC, GATE, Foundation and state boards, we are already seeing that they are approaching towards higher profitability and mature categories like JEE, NEET. So, margins from here onwards are definitely going to improve.

I think within this fiscal year itself, we are seeing good improvement in terms of our online margins. As and when the NEET PG and vernacular and Curious Junior categories wherein we are consistently investing over the last few quarters, these also start breaking even and contributing towards EBITDA margins, we should see the overall margin expanding.

Having said that, the online margin that we have planned within our annual operating plans, we see that we are largely there and we feel that we'll be able to deliver on whatever we are planning internally.

**Gaurav:** Understood. Just last question if I may. On the offline side, there is obviously a healthy improvement in ARPU and the ARPU had sort of fallen last year. So, is it more Vidyapeeth or is it -- if you can just give us some sense of what are the interventions which have been taken to sort of reverse this ARPU decline?

**Amit Sachdeva:** So, Gaurav, the last year ARPU was largely in line with the mix of the business. So, what we have consciously, if you look at the first quarter itself, we are up on 7% in terms of our offline ARPU. The last year was largely a mix of shorter-term courses and obviously the interplay of what we were doing in UC and Xylem, smaller time courses, was the reason for the ARPU play.

In terms of our approach towards the fees, like Alakh sir said, our clear path to profitability of a steady state of 13% to 15% will largely come in from an ARPU play and improving the outcomes. So, those are the 2 clear matrices that we are following in offline with this year cohort getting to near profitability clearly as I said.

**Gaurav:** Understood. Thank you so much.

**Moderator:** Thank you. Our next question comes from the line of Prateek Maheshwari with HSBC. Please go ahead.

**Prateek Maheshwari:** Hi, thanks for the opportunity. So, in terms of disclosures, I was just trying to look for the enrollments between categories like you guys had earlier provided for JEE versus NEET versus Foundation. And I remember seeing your previous quarterly results that Foundation were reaching closer to your largest category, right?

So, just wanted to understand like how much behind would Foundation and other category like state and CUET would be in terms of margins versus the flagship categories and when when do we see those all 4 of them kind of hitting the strong margin that you are expecting, right? So, that's first question if you can answer.

**Prateek Boob:** So, see already the categories which you have mentioned are profitable, but if we talk about specifically vernacular have 70% up in enrollments, state board has 100% up in enrollments, Curious Junior, which is again part of K-12, has shown 67% improvement in enrollments and 150% improvement in collections.

So, generally these are hyper-growth categories and steady-state margins will take some longer time and these are some growth vectors for us. In terms of what we have anticipated, we are completely in line with our internal operating plan and we are confident that we will create a large market in these specific categories.

Early tractions remains very strong and we will continue to show growth on an annualized number. Because of the cyclic nature of the business,we haven't disclosed that specifically in our investor shareholder letter, but we will do that at a annual basis.

**Prateek Maheshwari:** Great. Just to double-click on that. So, because Foundation was reaching closer to your NEET category in terms of if I just look at your student enrollment scale, could you just explain what's the difference in the cost structure, where do you probably need to invest more between Foundation and NEET? Like just trying to we are just trying to understand how at what scale probably Foundation would be as profitable as NEET?

**Prateek Boob:** See, the cost structure of Foundation is typically lesser ARPU as compared to the NEET, as well as lesser average salary cost of the teacher. But that's very deep market as compared to JEE, NEET. So, steady-state profitability we anticipate will be much higher than NEET, but it will take longer time to reach at steady state. Already the current margin profile is it's not a big delta between NEET profitability and Foundation profitability, but a steady state it will definitely beat our flagship categories.

**Prateek Maheshwari:** Okay. And the second question was on your offline business. So, last year we remember there was intense competition between your peers, right? So, could you just mention how it is this year? Are you seeing similar levels of aggressiveness or if it has moderated any bit this year?

**Prateek Boob:** Yeah, so we are continue to show ARPU improvement in our Vidyapeeth, which is 70% of our offline business, and we have already demonstrated 7% ARPU improvement. That shows that despite the intensified competition, we are continued to show the higher ARPU in our offline business and where our competitors' ARPU is almost flat or shrinking.

So, that is one testimony of a great experience which we have created in offline and with better and better results, we could able to increase the ARPU and we have take a conscious call that our offline business is not a affordable business. We intend to become number one in terms of ARPU, in terms of results, in terms of all the metrics in our offline business. The entire focus is to control bottom line and improve experience and we are committed to achieve near profitability of our blended offline business.

**Prateek Maheshwari:** Right. And so in your Vidyapeeth category centers, right, how should we think about the utilization? Like at the current scale of centers, right, where are we on the utilization and how much could it improve if you could explain us?

**Prateek Boob:** So, we track student-teacher ratio and overall seat utilization, the like total number of seats total number of students divided by total number of seats. And on a annual basis, we try to so in historically we have demonstrated, like seat utilization metric going from 1.77 to 1.99 and with on an average 5% to 7% improvement every year in terms of overall utilization.

This number will have slightly more improvement in future while we while we will not expand as aggressively as we have expanded in the past. Along with that, it is not just the seat utilization which drives the overall profitability of offline is another metrics are non-academic to academic ratio.

Overall, Vidyapeeth is more becoming more academic in nature and there are a lot of central level cost optimization, a lot of automation which we are driving, a lot of fresher faculties which we are hiring and training and that ratio also we are increasing and student-teacher ratio, which used to be in 80s, will become will become higher this year. So, and all these parameters are combining driving a bottom-line growth.

**Prateek Maheshwari:** Thank you so much and all the best.

**Moderator:** Thank you. Our next question comes from the line of Swapnil with JM Financial. Please go ahead.

**Swapnil:** Hi, thanks for the opportunity. My first question is on your cash position. It seems on a quarter-to-quarter basis your cash position has gone up by INR600 crore. Can you just explain us what has happened over there?

**Prateek Boob:** Again, this is a cyclic nature of business where it's a negative working capital cycle business where student pays the fees upfront and that remains in our treasury. So, that is one primary reason that quarter specifically quarter one if you compare the cash position from the last year, like from last quarter to this quarter is improved by INR600 odd crores. And this is a cyclicity which will happen every year from quarter four to quarter one. Yeah.

**Swapnil:** This will be basically the collections that you generate, right?

**Prateek Boob:** Yes. So, the nature of the online business is it's like ARPU of INR4000, so it's a one-shot payment by the students, so they pay the upfront fees for the entire year. So, and so that is the primary nature of the business itself.

**Swapnil:** Right. And the second question is with respect to some of the new initiatives that you talked about PW Books and a bunch of AI-driven initiatives. Where do you report this these new initiatives? I mean, between the three segments that you are reporting right now.

**Prateek Boob:** So, the first reporting happens on YouTube, if you want to take a close track, you will find Alakh launching these new initiatives on YouTube every now and then. But as a as a company, we report these initiatives little later on our shareholder letter once a new initiative gets launched among the students and is being used by 100,000 paid students, then generally we try to report in our shareholder letters.

For example, a initiative of books which we have which we have reported this year, team has been working from one and a half year. That actual launch of that application happened one and a half year back and we and the current Play Store rating is 4.7 and there are 2.2 million downloads. And specifically digital books has been launched almost two, three months back by Alakh on internet.

So, this is how and specifically for any new initiative in education, you have to take a pilot of one or one and a half year to assess the learning outcomes, to assess the engagement levels and retention level of the kids. So, it's slightly longer life cycle, but there are couple of new launches also happening in terms of AI, like as I mentioned, the AI tutor, AI companion. Since we have already seen success in AI-powered digital books, we will be launching these initiatives in in this financial year.

**Swapnil:** Actually my question was like how do you report the revenue in which segments or the cost associated?

**Prateek Boob**: So for example, digital books is completely online, so we report in our online business. Pi is another online, Talk is another online, and if the nature of the new initiative is not online, then we generally report in others category.

**Swapnil:** Okay. And have you changed the segment reporting a bit because it seems your Q1 FY26 numbers have been restated. Is there any change in the reporting of revenues?

**Amit Sachdeva:** Correct, that is correct. So, I think there were some changes that we had discussed in terms of the allocation done earlier to now. Like I said, this is the first quarter we are reporting segment reporting. So, I think it will be nuanced after discussions with the auditors, but you will see a little bit of change largely towards the accounting of our B2B revenues and couple of our others revenue that was earlier treated under the others category.

**Swapnil:** Got it. And just the last one, there seem to be some Pathshala centers have come down on a quarter-to-quarter basis. If I remember correctly, you had 84 centers in Pathshala at the end of March, now you have reported 70. Have you closed down these centers or these are you report only the active centers? I mean, just want to understand what is happening there?

**Amit Sachdeva:** Great observation, thanks for calling it out. I think the trajectory of a mature Pathshala eventually becomes where we see this traction, becomes a Vidyapeeth. So, technically what happens is once you create a certain size and scale into a Pathshala, that becomes our bigger Vidyapeeth because we feel, we can actually turn that center into a much larger Vidyapeeth center and we technically do not close any centers actually.

**Prateek Boob :** So, zero Pathshala has been closed. Actually those Pathshalas were converted into Vidyapeeth.

**Swapnil:** Got it. Very clear. Thanks a lot for the opportunity and all the best, guys.

**Moderator:** Thank you. Our next question comes from the line of Ritvik Agrawal with 3P Investment Managers. Please go ahead.

**Ritvik Agrawal:** Hey, hi. I have two questions. My first question is in terms of enrollments versus 1Q FY26, I do not see a strong growth even after considering a 1 lakh to 2 lakh improvement in terms of NEET enrollments. There's only a 5% to 10% growth. Is that right observation?

**Prateek Boob :** Yeah, the observation is right, but the NEET enrollments have shifted from quarter one to quarter two and there is a deep decline in terms of government exam notification and because of that, one of our subsidiary which is Utkarsh have significant 800k enrolments overall delta, which is so but if you see the nature of the government examination notification is very cyclic and you would see some of the spikes in upcoming years in terms of enrollments.

But overall level if you see PW itself, we have we have shown 8% to 9% improvement in enrollment in quarter one alone. So, net-net level we haven't anticipated any major delta because of this enrollment. It is just a cyclic nature which is getting shifted from one quarter to another.

**Amit Sachdeva:** I think Ritvik, one more thing how we should probably look at it is the H1 numbers consolidated because I think the change in the admission cycle of NEET plus new notifications that we are anticipating, what we believe is the right number eventually, the proxy of that will be the revenue, like Vikram talked earlier, and the fact that when you actually look at year-to-date number, that will give a better proxy when we look at the overall picture both in terms of PW as well as all subsidiaries put together.

**Ritvik Agrawal:** Understood. And the second question was on offline centers. We have added approximately 63 offline centers but the enrollment same has not improved a lot over there. So, is this again because of NEET?

**Prateek Boob :** Yeah, so that is primarily because of NEET because majority of our business offline business is JEE-NEET business and because of the re-examination, students took a longer decision time to join our offline, offline center. So, there is one and a half months delay in terms of re-examination and then re-result. So, that is primarily because of NEET only.

**Ritvik Agrawal:** And one final question, do you guys also report collection growth on an year-on-year basis?

**Amit Sachdeva:** No. I think the right proxy to look at it is our contractual liabilities on the liability side in the balance sheet. A good reflection of that you can see because collections is like on a business is more relevant metric for online and not the offline business. That's the reason online is reported at an ACPU level and offline is actually reported at an ARPU level, which is a full-year metric right parameter for the offline business.

**Ritvik Agrawal:** Understood. Okay, cool. Thank you.

**Moderator:** Thank you. Our next question comes from the line of Rajdeep with Earthniti Capital. Please go ahead.

**Rajdeep:** Hi, everyone. Thank you for giving me this opportunity. I have two questions. In my first question, I want you to explain broadly what do you exactly do in school integrated programs and what all regions are you covering?

**Prateek Boob:** School integrated program is a pan-India program in which we do partnership with existing schools and send our Vidyapeeth faculties so that students can prepare then and there within the schools. And that partnership number grew from 15 schools to more than 50 school last year. And overall, it is a great program for a students to save time and focus and time in terms of going school as well as preparing. It's a completely asset-light model in which we take some guarantee from school as well in terms of number of students admission as well.

**Rajdeep:** Okay. So, in my second question, I would like to ask you how large is the K-12 market and who are your key competitors in this segment?

**Prateek Boob:** See, K-12 market, there is no significant competition as such. We are a category creator and a small market leader at this point of time. But if you see the overall market size, the K-12 market is 250 million students all across categories put together. But the addressable market is the market of online tuitions, which we are covering through Curious Junior.

A great TAM market is a state board, which we are covering from our various state board initiative. We have doubled down in terms of our number of state boards which we operate from 7 to 14 now. And we are forming regional teams and regional teachers and regional YT distributions to cater to that demand of the students. And in a way, it's a great, great LTV business because if we if we grab them early and do the value addition at early stage, they they become the lifelong learning partner to us.

**Rajdeep:** Okay. Thank you.

**Moderator:** Thank you. Our next question comes from the line of Gaurav with Axis Capital. Please go ahead.

**Gaurav:** Thanks for the opportunity again. Just had few sort of follow-up questions. Sir, first of all, in terms of you mentioned, we should look at it on a YTD basis because, NEET sort of got pushed out. So, can you give us some sense on what's the YTD sort of enrollment number for online, offline or anything else you could sort of tell us?

**Prateek Boob:** In terms of YTD revenue guidance, we are aligned with the 30% improvement in revenue. In terms of enrollment guidance, we are not specifically guiding for any number at this point of time, but more or less revenue guidance we are quite intact and as well as EBITDA guidance.

**Gaurav:** Understood. And secondly, in terms of the centers which opened in '23-'24, can you give us what would be the margin levers for these centers?

**Prateek Boob :** So, the steady-state margin is 13% to 15% which we are delivering in our '23-'24 centers. Just calling out Kota center here because the Kota specifically city has decline in terms of student inflow, but remaining all the centers are now delivering 13% to 15% margin profile at this point of time.

**Gaurav:** No, actually I meant what would be the margin lever. The other centers are sort of at you, I just wanted to check what would be the margin levers for some of the newer centers? Sorry if I did not come across clearly.

**Prateek Boob :** Actually, it's a very intelligent question. The margin lever for our couple of our early centers is we are thinking of a hybrid course where students need to come to the center at only twice a week. So, that can improve further our student-teacher ratio as well as overall capacity utilization.

But still that is again under the umbrella of our couple of new initiatives. But already we are delivering 13% to 15% margin profile and we are continuously working on city-level result and center-level result. Once we have once we have the majority over the city results, we can increase the ARPU. So, ARPU becomes a good growth lever for future in Vidyapeeth.

**Gaurav:** Understood. And just last thing on...

**Moderator:** Sorry to interrupt, Gaurav. We request you to please rejoin the queue for any further questions. Thank you.

**Gaurav:** Thank you.

**Moderator:** Our next question comes from the line of Dev Manish Shah with DAM Capital Advisors. Please go ahead.

**Dev Manish Shah:** Thank you for this opportunity. I have two questions. One is on the offline piece, our other centers. Where is that portfolio currently and what kind of drag is it contributing to the overall offline piece? And another one is in the last quarter we had mentioned that around 60% of the 140 odd Vidyapeeth centers were profitable. Where does it stand right now, as in can we call out the percentage number as to how much is profitable at present?

**Prateek Boob :** Yeah, good question. So, first I will address the drag thing. So, drag in offline is coming from couple of the new categories which we have entered into offline business in past two years. Drag is coming from UPSC, government exams, CA as a category. In terms of overall profitability, Vidyapeeth is delivering better as as compared to the overall average number and both in terms of ARPU growth as well as bottom-line growth.

**Vikram Bhardwaj:** Offline centers, I think we had last time shared it across at the end of Q4 because we had the overall annual view at the end of FY26. I think we will want to maintain that cadence and mention it at the end of FY27, given that we have a full year's profitability view only once we are through all the four quarters.

Looking at it at a Q1 level wouldn't make a lot of sense and hence, we sort of avoid to share across that data, but we will be able to happy to revisit this at the end of FY27.

**Dev Manish Shah:** Sure. Is it but is it possible to call out the percentage the adjusted EBITDA percentage of the other centers?

**Vikram Bhardwaj :** I think the profitability metric for the offline centers would at a center level would make sense at the end of the fiscal year. So, we would be able to share across that data once the year ends.

**Dev Manish Shah:** Sure. Thank you.

**Moderator:** Thank you. Ladies and gentlemen, we will take that as a last question for today. I would now like to hand the conference over to the management for closing comments. Over to you, gentlemen.

**Alakh Pandey :** Yeah, thank you everyone and thank you everyone for attending the call and thank you all the team members for preparing us for this call and coming here. On the piece of the overall question, I could get lot of questions were forward-looking and we really avoided the forward-looking questions and the annual numbers will better make sense.

On the question of the offline profitability, I would just like to say that in terms of offline profitability, we are improving like anything year-on-year in offline profitability, whether it's Vidyapeeth or the overall offline region is considered. Thank you so much for attending this call. We will be teaching whole India. Happy Independence Day, everyone. Thank you.

**Moderator:** Thank you. On behalf of Physicswallah Limited, that concludes this conference. Thank you all for joining us. You may now disconnect your lines.