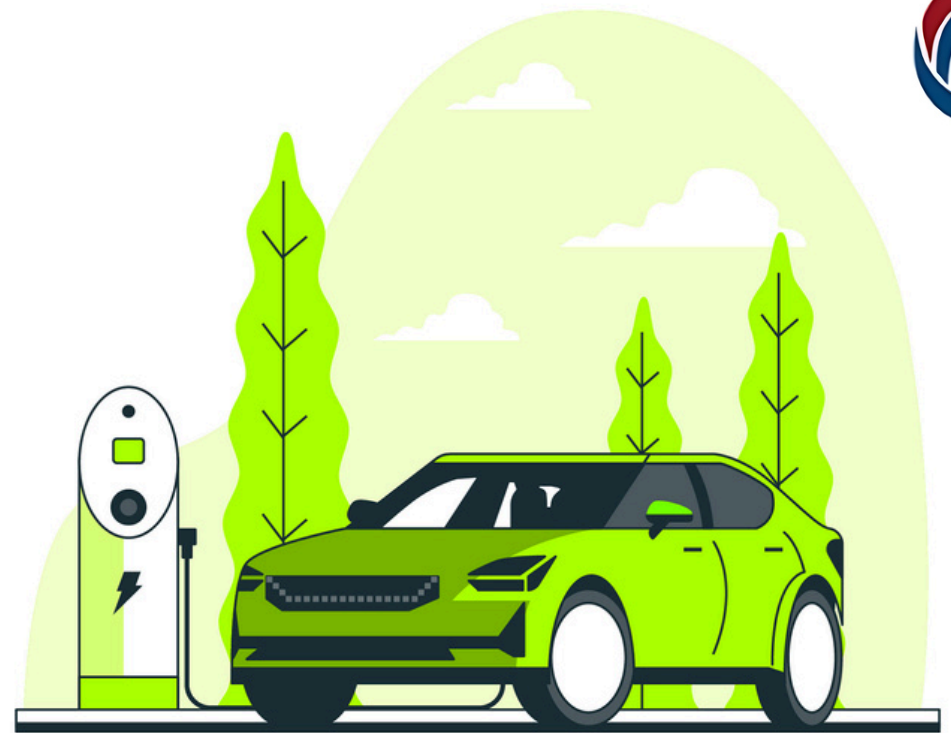


OLA ELECTRIC



Issue Opens - 2 August 2024-6 August 2024

PRICE BAND
₹72 TO ₹76

ISSUE SIZE -
₹6,145.56 Cr

ISSUE TYPE-
Book Built

FACE VALUE-
₹10

LOT SIZE-
195



Important Events

IPO SIZE	808,626,207 Share/ ₹6145.56 Cr
FRESH ISSUE	723,684,210 Share/₹5500 Cr
OFFER FOR SALE	84,941,997 Share/₹645.56 Cr
Basis of Allotment	August 7, 2024
Refunds	August 8, 2024
Credit to demat a/c	August 8, 2024
IPO Listing date	August 9, 2024

Object of the Offer

The Company proposes to utilise the Net Proceeds towards the following objects

- Capital expenditure to be incurred by our Subsidiary, OCT for expansion of the capacity of our cell manufacturing plant from 5 GWh to 6.4 GWh, classified as phase 2 under the expansion plan (the “Project”);
- Repayment or pre-payment, in full or part, of the indebtedness incurred by our Subsidiary, OET;
- Investment into research and product development;
- Expenditure to be incurred for organic growth initiatives; and
- General corporate purposes

Brief of directors



- **Bhavish Aggarwal** is the Founder, Chairman and Managing Director and the Promoter of our Company. He holds a bachelor's degree in technology in computer science and engineering from the Indian Institute of Technology, Bombay. He founded Ola Cabs, a ride-hailing platform operated by ANI Technologies Private Limited in 2010 and is currently the Chairman and Managing Director of ANI Technologies Private Limited. He was named in the list of 'India 30 under 30' by Forbes India in 2014, in the top 100 most influential people under the 'Pioneers' category by Time Magazine in 2018, in the TIME100 Climate List in 2023 and EMobility+ Power 100 2024 list at EMobility+ Leadership Awards 2024. Further, he was awarded 'Entrepreneur of the Year' by the Economic Times in 2017.
- **Arun Sarin** is a Non-Executive Director on our Board. He holds a bachelor's degree in technology in metallurgical engineering from the Indian Institute of Technology, Kharagpur and a master's degree in science, materials science and engineering and in business administration from the University of California at Berkeley. He was previously associated with Vodafone Group Plc as chief executive officer. He was named 'Global Indian of the Year in 2007' by CNN/IBN and was named an Honorary Knight Commander of the Civil Division of the Order of the British Empire by Queen Elizabeth II in January 2010.
- **Manoj Kumar Kohli** is an Independent Director on our Board. He holds a bachelor's degree in commerce (honours) and a master's degree in business administration from the University of Delhi. He has also received a diploma in training and development from the Indian Society for Training and Development and a post-graduate diploma in personnel management from the New Delhi YMCA Institute of Management Studies. He was previously associated with SoftBank Group International as country head and Bharti Enterprises Limited as the managing director. He received an award in the telecom category in the NDTV Business Leadership Awards 2009.
- **Ananth Sankaranarayan** is an Independent Director on our Board. He holds a master's degree of science in engineering (industrial and operations engineering) from the University of Michigan, USA. He was previously associated with McKinsey & Company, Inc. as a senior partner, Medlife International Private Limited as a co-founder and chief executive officer and Myntra Designs Private Limited as the chief executive officer.
- **Shradha Sharma** is an Independent Director on our Board. She has received a post-graduate certificate in design communications management from the Mudra Institute of Communications, Ahmedabad. She is the founder and chief executive officer of YourStory Media Private Limited since July 2011 and is also a member of the National Startup Advisory Council



About the company

Ola Electric Mobility, a pure-play EV pioneer in India, crafts high-performance electric scooters and motorcycles with an eye on global expansion. Their vertically integrated Ola Futurefactory churns out EV components like battery packs, motors, and frames, powering their four existing scooter models and six upcoming offerings, including motorcycles. Boasting India's top revenue and highest monthly E2W registrations, Ola Electric is a force to be reckoned with, fueled by in-house R&D and a robust D2C network. With their sights set on cell manufacturing and international landscapes, Ola Electric is carving a path towards an electrified future on two wheels.

Business Description

They are a pure EV player in India and are building vertically integrated technology and manufacturing capabilities for EVs and EV components, including cells. They manufacture EVs and certain core EV components like battery packs, motors and vehicle frames at the Ola Futurefactory. Their business focuses on capturing the opportunity arising out of electrification of mobility in India and we also seek opportunities to export our EVs in select international markets in the future. They have delivered seven products and additionally announced four new products since our first product announcement in August 2021. They commenced delivery of our first EV model, the Ola S1 Pro, in December 2021. This was followed by the delivery of the Ola S1 in September 2022, the Ola S1 Air in August 2023, the Ola S1 X+ in December 2023 and the Ola S1 X (2 kWh), the Ola S1 X (3 kWh) and the Ola S1 X (4 kWh) in May 2024. On August 15, 2023, they also announced a line-up of motorcycles comprising four models, Diamondhead, Adventure, Roadster and Cruiser. They plan to commence delivery of the motorcycles in the first half of Fiscal 2026.

Key operating and financial metrics



	Unit	Fiscal 2024	Fiscal 2023	Fiscal 2022
Unit Sales	Units	3,29,618	156,251	20,948
Revenue from operations	₹ million	50,098.31	26,309.27	3,734.23
Loss before tax	₹ million	(15,844.00)	(14,720.79)	(7,841.50)
EBITDA ⁽¹⁾	₹ million	(10,401.91)	(11,970.98)	(7,175.52)
E2W Market Share ⁽²⁾	%	35	21	6

Products

Scooters



S1 Pro



S1 Air



S1 X+



S1 X (2kWh)



S1 X (3kWh)



S1 X (4kWh)

Motorcycles



Diamondhead



Roadster



Adventure



Cruiser

Track Record of financial Services



Particulars (in ₹ million)	Year ending on March 31, 2023	Year ending on March 31, 2022	ProfYear ending on March 31, 2021it After Tax
Revenue from Operations	26,309.27	3,734.23	8.64
Loss for the period/ year	-14,720.79	-7,841.50	-1,992.32
Cash & Cash Equivalents	678.84	12,350.01	3,569.53
Net Worth	23,564.44	36,614.52	19,706.15
Return on Net Worth (%)	(62.47)	(21.42)	-10.11
Net Asset Value per Equity Share (in ₹)	6.26	10.43	5.83
Total borrowings	16,457.53	7,504.07	388.72
Total assets	55,731.69	53,958.63	21,126.40
Earning Per Share (EPS)-in absolute ₹	-3.91	-2.23	-0.59

Operating metrics are set forth below

(₹ in million, unless otherwise stated)

Sr. No.	Particulars	As of and for the financial year ended		
		March 31, 2024	March 31, 2023	March 31, 2022
1.	Deliveries (in thousands) ^{1#}	330	156	21
2.	Revenue from Operations [#]	50,098.31	26,309.27	3,734.23
3.	Gross margin ^{2#}	6,303.07	605.18	(1,074.77)
4.	Gross Margin (%) ^{2#}	12.58%	2.30%	(28.78) %
5.	Adjusted Gross Margin ^{3#}	8,637.46	2,122.88	(246.40)
6.	Adjusted Gross Margin (%) ^{3#}	16.47%	7.63%	(5.40)%
7.	EBITDA ^{4#}	(10,401.91)	(11,970.98)	(7,175.52)
8.	EBITDA Margin ^{4#} (%)	(19.84) %	(43.02) %	(157.27)%
9.	E2W Market Share ⁵ (%)	34.80%	21.00%	5.70%

Strengths



- **Pure EV player with a leadership position in the fast-growing Indian E2W market:** a. They were the largest E2W seller in India by number of units registered in Fiscal 2024, accounting for approximately 35.00% of the total E2W registrations in India for such period, according to the Redseer Report.
- **In-house R&D and technology capabilities:** a. They undertake R&D in India, the UK and the US. Our in-house capabilities to develop EV technologies are driven by our focus on R&D where, the efforts are centred around five key technologies: (a) software, (b) electronics, (c) motor and drivetrain, (d) cells and battery packs and (e) manufacturing technology.
- **Manufacturing at scale and supply chain resilience:** a. The in-house design and manufacturing of their core EV components enhance their control over the optimization of EV performance and quality. As of March 31, 2024, the Ola Futurefactory had an installed capacity of one million units per year
- **Scalable platform-based design and development approach:** a. They can leverage common elements, such as a modular electric powertrain including a modular battery pack with BMS and motors, as well as a power electronics module, electronics and software to develop and design new EV models.
- **Direct-to-customer omnichannel distribution model:** a. Their D2C distribution model enables them to directly engage with customers and collect customer feedback which helps them in developing their products and making product upgrades.
- **Eligibility for EV-related government incentives leading to cost advantages:** a. They are the only EV manufacturer in India that is a beneficiary of two Government of India PLI schemes: the Automobile PLI Scheme and the Cell PLI Scheme, according to the Redseer Report; and b. In addition, the Government of India's FAME scheme, subsidies from the government of Tamil Nadu, and goods and services tax reimbursement provide a subsidy to all customers who purchase EVs.
- **Execution excellence:** They built the Ola Futurefactory in eight months, from the start of construction to manufacturing our first EV scooter at the assembly line in the factory; and b. They have delivered seven products and additionally announced four new products since our first product announcement in August 2021 and have expanded our experience centre network to 870 experience centres as of March 31, 2024.



Threats

The automotive market in India, in which Ola Electric Mobility Limited operates, may encounter several threats that could impede its growth trajectory and stability as outlined below:

- **Economic downturns**, recessions and heightened inflationary pressures can diminish consumer purchasing power, leading to lower sales volumes and profitability, with consumers de-prioritizing non-essential purchases.
- **Geopolitical tensions** pose substantial risks to supply chain continuity and cost structures, potentially leading to inventory shortages and increased costs.
- **Potential shifts in government policies**, including changes in taxation, subsidies, foreign direct investment regulations, EV battery disposal and labour laws, could introduce regulatory challenges.
- **Intensified competition**, fuelled by substantial investments and technological advancements, presents another risk factor. With the presence of multiple business models within the automotive market, competitors may gain competitive advantages, potentially undermining the market position of Ola Electric Mobility Limited and/or others.



Valuation and Outlook



The expected share price for Ola Electric IPO is set between ₹72 to ₹76 per share. The company's valuation shows a Price-to-Earnings (P/E) ratio negative, based on a price above ₹72, while the industry average is 41.37, and FY24 EPS is Rs -4.35

Ola Electric has become the biggest player in a country where the adoption of clean vehicles is still low, but rising rapidly. It has 46% of the e-scooter market despite slashing sales goals last year. According to the RHP, the setup and expansion of the Ola Gigafactory in Tamil Nadu will be funded by internal accruals and long-term borrowings availed by its subsidiary, Ola Cell Technologies Pvt Ltd (OCT). Ola Electric recently announced a line-up of electric motorcycles, including Cruiser, Adventure, Roadster, and Diamondhead, with expected delivery in the first half of fiscal 2026. The company also plans to launch affordable mass-market Ola S1 models targeting personal, business-to-business, and last-mile delivery segments by the first half of fiscal 2025

Name of the Company	Consolidated	Closing price on July 25, 2024 (₹)	Revenue from operations for the financial year ended March 31, 2024 (in ₹ million)	Face value (₹ per share)	EPS ⁽¹⁾ (₹)		Return on Net Worth (%) ⁽²⁾	NAV ⁽³⁾ (per share) (₹)	P/E ⁽⁴⁾	EV ⁽⁵⁾ / Revenue from Operations at the Offer Price (x times)	EV ⁽⁵⁾ / EBITDA ⁽⁶⁾ (x times)
					Basic	Diluted					
Company*	Consolidated	NA#	50,098.31	10	(4.35)	(4.35)	(78.46%)	5.54	NA#	[•]	[•]
Listed peers											
TVS Motors	Consolidated	2,449.30	3,91,447.40	1	35.50	35.50	23.68%	158.10	68.99	3.52x	24.58x
Eicher Motors	Consolidated	4,900.65	1,65,357.80	1	146.18	145.92	22.17%	659.06	33.58	7.83x	22.14x
Bajaj Auto	Consolidated	9,728.25	4,48,704.30	10	272.70	272.70	26.61%	1,037.41	34.02	5.92x	25.39x
Hero MotoCorp	Consolidated	5,403.20	3,77,886.20	2	187.36	187.04	20.98%	892.08	28.89	2.84x	17.62x

Keeping the P/E ratio, We assign a "Subscribe" grade to this issue for listing gains.

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