

Ather Energy Ltd

IPO Note



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Designs and manufactures premium E2W and builds a robust charging infrastructure to accelerate India's transition to sustainable mobility.

Ather Energy, founded in 2013, manufactures and distributes premium electric two-wheelers (E2Ws) and a connected EV ecosystem through 233 experience centers across the country. Revenue comes from scooter sales (84.83% of FY24's ₹1,789.1 crore), AtherStack subscriptions (53% EBITDA margin), and Ather Grid charging fees. With new models based on EL and Zenith Platform, Ather targets cost optimization and profitability.

Ather's product lineup includes four premium E2W models (450X, 450S, 450 Apex and Rizta) and tailored for urban and family commuters.

Ather employs a hybrid distribution model, combining D2C online sales with an offline network of 204 Experience Centres across 160 cities as of FY25. The company had 2,900 touchpoints (dealers, service centers, charging points) by FY25, up from 38 Experience Centres in 32 cities in FY22. Ather Grid, with 3,000+ fast-charging points across 100+ cities, supports EV adoption, offering free charging for Ather owners and paid access for others

Ather invests heavily in R&D (~15% of FY24 revenue, ₹238 crore) to innovate in battery technology, software, and vehicle design, with 48% of its 3,260 employees dedicated to R&D. Its new Bengaluru R&D center features labs for scooter design, battery testing, and electrical reliability, holding 966 IPs.

Outlook:

We recommend subscribe for listing gains. Its premium focus, Ather Grid and R&D driven innovation differentiates it from competitors. Company is going through major capex with its Ather Factory 3.0 (will have 10 Lakhs unit capacity by mid FY26). This comes despite challenges such as subsidy cuts and low-capacity utilization.

| Industry | Auto |
|---------------|--------------|
| Scrip Details | |
| Listing | BSE & NSE |
| Open Date | Apr 28, 2025 |
| Close Date | Apr 30, 2025 |
| Price Band | INR 304-321 |
| Face Value | INR 1 |
| Market Lot | 46 Shares |
| Minimum Lot | 1 |

| Issue Structure | (%) |
|-----------------------------|--------------|
| Issue Size (INR cr) | INR 2626 |
| Issue Size (Shares) | 37,24,11,215 |
| QIB Share (%) | < 75% |
| Non-Inst Share (%) | < 15% |
| Retail Share (%) | < 10% |
| Pre-Issue Sh (in Cr) | 2.9 |
| Post Issue Sh (in Cr) | 3.7 |
| Post Issue MCap (in INR Cr) | 11942 |

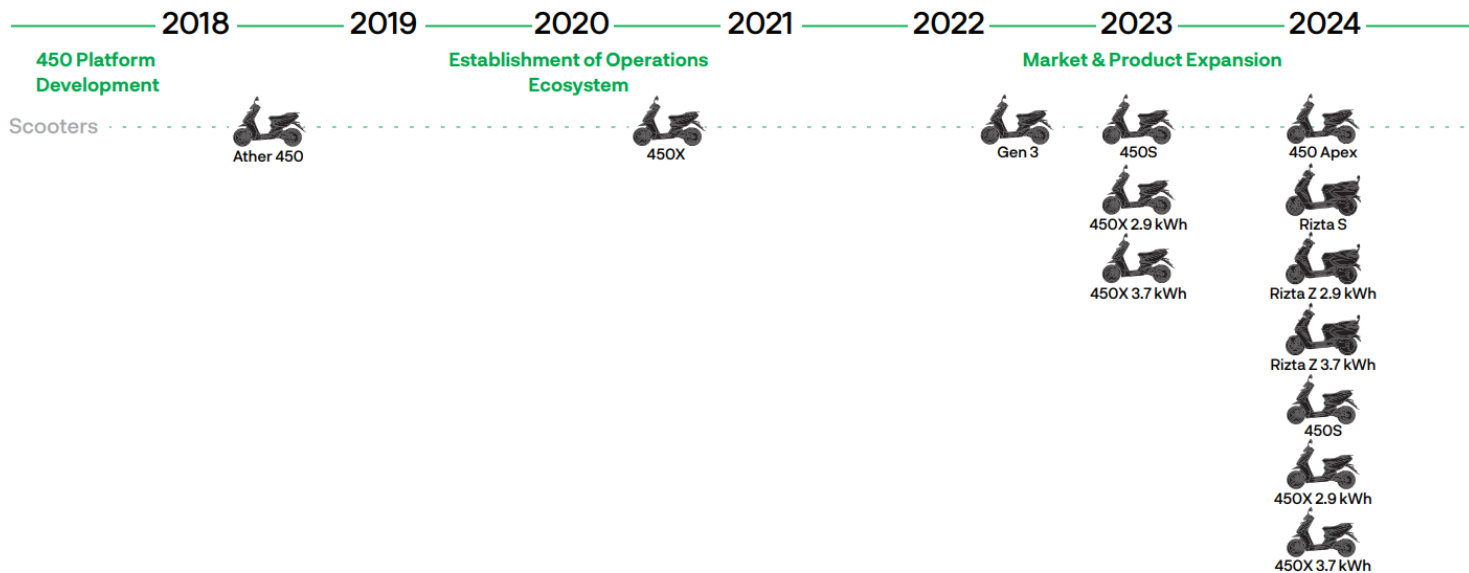
| Shareholding (%) | Pre (%) | Post (%) |
|------------------|------------|------------|
| Promoter | 52.67 | 42.09 |
| Public | 47.33 | 57.91 |
| TOTAL | 100 | 100 |

Key Consolidated Financial Data (INR Cr, unless specified):

| | Revenue (INR) | EBITDA (INR) | Net Profit (INR) | EBITDA Margin (%) | PAT Margin (%) | EPS (INR) | ROE(%) | ROCE (%) | P/BV (X) |
|------|---------------|--------------|------------------|-------------------|----------------|-----------|---------|----------|----------|
| FY22 | 408.9 | (259.9) | (344.1) | (63.6) | (84.2) | (9.2) | (153.0) | (58.9) | 53.2 |
| FY23 | 1,780.9 | (707.6) | (864.5) | (39.7) | (48.5) | (23.2) | (140.9) | (74.7) | 19.5 |
| FY24 | 1,753.8 | (684.7) | (1,059.7) | (39.0) | (60.4) | (28.5) | (194.1) | (96.6) | 21.9 |

Source: Ventura Research & Company update

Product Range



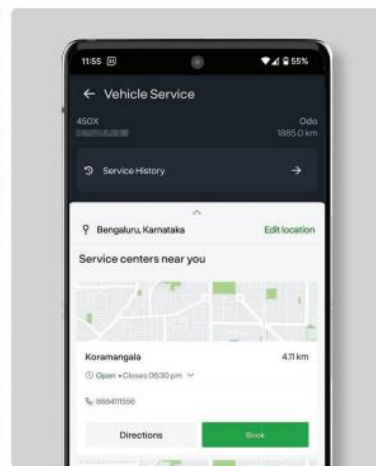
Source: Company Presentation

Distribution Network

Present across India



Servicing capabilities



233

Service centres¹

4.8hrs

Average turnaround time²

Source: Company Presentation

Issue Structure and Offer Details:

Ather Energy Ltd IPO is a book-built issue of INR 2980.76Cr. The includes a fresh issue 8.18 crore shares aggregating to INR 2626 Cr and offer for sale of 1.11 Cr shares aggregating to INR 354.76 Cr

| Issue Structure | |
|-------------------|---|
| Investor Category | Allocation |
| QIB | Not more than 75% of the Offer |
| NII (HNI) | Not less than 15% of the Net issue |
| Retail | Not less than 10% of the Offer |

Number of shares based on a higher price band of INR 321

Source: Company Reports

Objects of the Issue:

The Company proposes to utilize the Net Proceeds from the Issue towards funding the following objects:

| Issue Structure | |
|--|-----------------------------|
| Objects of the Issue | Expected Amount (in INR Cr) |
| Capital expenditure to be incurred by the Company for establishment of an E2W factory in Maharashtra, India | 972 |
| Repayment/ pre-payment, in full or part, of certain borrowings availed by the Company | 40 |
| Investment in R&D | 750 |
| Expenditure towards marketing initiatives | 300 |
| General corporate purposes | 624 |

Source: Company Reports

Financial Summary

| Fig in INR Cr (unless specified) | FY22 | FY23 | FY24 | Fig in INR Cr (unless specified) | FY22 | FY23 | FY24 |
|-------------------------------------|---------------|---------------|---------------|------------------------------------|-----------------|-----------------|-----------------|
| Income Statement | | | | Per share data & Yields | | | |
| Revenue | 408.9 | 1,780.9 | 1,753.8 | Adjusted EPS (INR) | (9.2) | (23.2) | (28.5) |
| YoY Growth (%) | 412.4 | 335.5 | (1.5) | Adjusted Cash EPS (INR) | (7.9) | (20.2) | (24.5) |
| Raw Material Cost | 383.8 | 1,595.4 | 1,631.8 | Adjusted BVPS (INR) | 6.0 | 16.5 | 14.7 |
| RM Cost to Sales (%) | 93.9 | 89.6 | 93.0 | Adjusted CFO per share (INR) | (6.1) | (23.4) | (7.2) |
| Employee Cost | 113.9 | 334.8 | 369.2 | CFO Yield (%) | (1.9) | (7.3) | (2.2) |
| Employee Cost to Sales (%) | 27.9 | 18.8 | 21.1 | Adjusted FCF per share (INR) | (7.0) | (25.1) | (7.9) |
| Other Expenses | 171.1 | 558.3 | 437.5 | FCF Yield (%) | (2.2) | (7.8) | (2.5) |
| Other Exp to Sales (%) | 41.8 | 31.3 | 24.9 | Solvency Ratio (X) | | | |
| EBITDA | (259.9) | (707.6) | (684.7) | Total Debt to Equity | 1.3 | 0.8 | 0.6 |
| Margin (%) | (63.6) | (39.7) | (39.0) | Net Debt to Equity | 0.8 | 0.0 | (0.8) |
| YoY Growth (%) | 45.1 | 172.3 | (3.2) | Net Debt to EBITDA | (0.7) | (0.0) | 0.6 |
| Depreciation & Amortization | 48.4 | 112.8 | 146.7 | Return Ratios (%) | | | |
| EBIT | (308.3) | (820.4) | (831.4) | Return on Equity | (153.0) | (140.9) | (194.1) |
| Margin (%) | (75.4) | (46.1) | (47.4) | Return on Capital Employed | (58.9) | (74.7) | (96.6) |
| YoY Growth (%) | 43.9 | 166.1 | 1.3 | Return on Invested Capital | (77.6) | (128.8) | (688.2) |
| Other Income | 4.9 | 20.9 | 35.3 | Working Capital Ratios | | | |
| Bill discounting & other charges | 40.7 | 65.0 | 89.0 | Payable Days (Nos) | 108 | 79 | 84 |
| Fin Charges Coverage (X) | (7.6) | (12.6) | (9.3) | Inventory Days (Nos) | 54 | 53 | 24 |
| Exceptional Item | 0.0 | 0.0 | (174.6) | Receivable Days (Nos) | 1 | 0 | 0 |
| PBT | (344.1) | (864.5) | (1,059.7) | Net Working Capital Days (Nos) | (53) | (26) | (59) |
| Margin (%) | (84.2) | (48.5) | (60.4) | Net Working Capital to Sales (%) | (14.5) | (7.0) | (16.2) |
| YoY Growth (%) | 47.5 | 151.2 | 22.6 | Valuation (X) | | | |
| Tax Expense | 0.0 | 0.0 | 0.0 | P/E | (34.7) | (13.8) | (11.3) |
| Tax Rate (%) | 0.0 | 0.0 | 0.0 | P/BV | 53.2 | 19.5 | 21.9 |
| PAT | (344.1) | (864.5) | (1,059.7) | EV/EBITDA | (46.7) | (16.9) | (16.8) |
| Margin (%) | (84.2) | (48.5) | (60.4) | EV/Sales | 29.7 | 6.7 | 6.6 |
| YoY Growth (%) | 47.5 | 151.2 | 22.6 | Cash Flow Statement | | | |
| Min Int/Sh of Assoc | 0.0 | 0.0 | 0.0 | PBT | (344.1) | (864.5) | (1,059.7) |
| Net Profit | (344.1) | (864.5) | (1,059.7) | Adjustments | 67.4 | (72.7) | 632.8 |
| Margin (%) | (84.2) | (48.5) | (60.4) | Change in Working Capital | 48.3 | 65.9 | 159.3 |
| YoY Growth (%) | 47.5 | 151.2 | 22.6 | Less: Tax Paid | 0.0 | 0.0 | 0.0 |
| Balance Sheet | | | | Cash Flow from Operations | (228.4) | (871.3) | (267.6) |
| Share Capital | 0.7 | 0.6 | 0.8 | Net Capital Expenditure | (72.2) | (129.8) | (115.6) |
| Total Reserves | 224.2 | 613.1 | 545.1 | Change in Investments | 65.6 | (5.2) | (112.5) |
| Shareholders Fund | 224.9 | 613.7 | 545.9 | Cash Flow from Investing | (6.6) | (135.0) | (228.1) |
| Long Term Borrowings | 108.7 | 120.5 | 30.9 | Change in Borrowings | 271.4 | 182.6 | (178.9) |
| Deferred Tax Assets / Liabilities | 0.0 | 0.0 | 0.0 | Less: Finance Cost | (40.7) | (65.0) | (89.0) |
| Other Long Term Liabilities | 61.6 | 174.5 | 190.1 | Proceeds from Equity | 0.0 | 1,199.8 | 901.1 |
| Long Term Trade Payables | 0.0 | 0.0 | 0.0 | Buyback of Shares | 0.0 | 0.0 | 0.0 |
| Long Term Provisions | 29.0 | 48.6 | 70.2 | Dividend Paid | 0.0 | 0.0 | 0.0 |
| Total Liabilities | 424.2 | 957.3 | 837.1 | Cash flow from Financing | 230.7 | 1,317.4 | 633.2 |
| Net Block | 334.7 | 544.5 | 458.9 | Net Cash Flow | (4.3) | 311.1 | 137.5 |
| Capital Work in Progress | 0.4 | 0.9 | 0.0 | Forex Effect | 56.4 | 0.0 | 0.0 |
| Intangible assets under development | 92.3 | 36.5 | 70.6 | Opening Balance of Cash | 5.3 | 57.4 | 368.5 |
| Non Current Investments | 0.0 | 0.0 | 0.0 | Closing Balance of Cash | 57.4 | 368.5 | 506.0 |
| Long Term Loans & Advances | 98.7 | 86.5 | 128.3 | Total Debt | | | |
| Other Non Current Assets | 0.0 | 0.1 | 26.3 | | 298.4 | 485.2 | 314.9 |
| Net Current Assets | (101.9) | 288.8 | 153.0 | Net Debt | 172.4 | 23.1 | (425.1) |
| Total Assets | 424.2 | 957.3 | 837.1 | Enterprise Value | 12,126.4 | 11,977.1 | 11,528.9 |
| | | | | FCF | (259.9) | (936.1) | (294.2) |

Source: Ventura Research

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Corporate Office: I-Think Techno Campus, 8th Floor, 'B' Wing, Off Pokhran Road No 2, Eastern Express Highway, Thane (W) – 400608