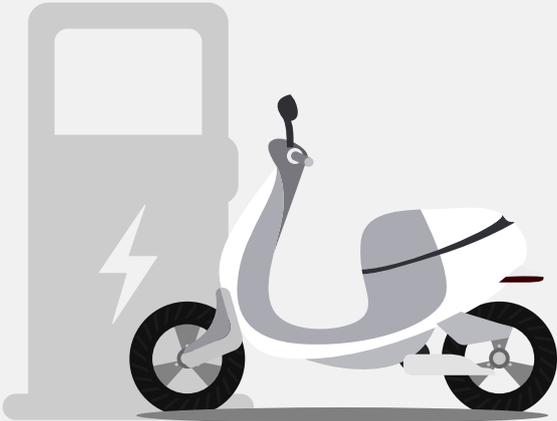




IPO DETAILS

#IPOology

OLA ELECTRIC MOBILITY LIMITED



 **ISSUE OPEN**

2nd August, 2024

 **ISSUE CLOSE**

6th August, 2024

Min. Lot Size
195 shares

Issue Price Band
₹72 - 76

Issue Size

Fresh Issue:
72.37 Cr Eq shares
(₹5,500.00 Cr)

OFS:
8.49 Cr Eq shares
(₹645.56 Cr)

Face Value

₹10

Industry

Electric 2 Wheeler

Listing at

NSE, BSE

RATING

Subscribe

OPEN ACCOUNT

APPLY NOW

Marwadi Shares and Finance Limited

Corporate Office: Marwadi Financial Plaza, Nana Mava Main Road, Off 150ft Ring Road, Rajkot - 360001, Gujarat.

Registered Office: X-Change Plaza, Office No. 1201 to 1205, 12th Floor, Building No. - 53E, Zone - 5, Road 5E, Gift City, Gandhinagar - 382355, Gujarat.
0281 7174 100/0281 6192 100 **CIN of MSFL:** U65910GJ1992PLC017544

SEBI Reg. No. of MSFL for NSE, BSE, MCX, NCDEX: INZ000174730 | Membership No.: NSE:08760, BSE:0910, MCX:56410, NCDEX:1280 | SEBI Regn.No. of DP: IN-DP-476-2020 (NSDL DPID:IN300974) (CDSL DPID:12035100) | Research Analyst: INH 000002186 AMFI: ARN-42506 | PFRDA: POP07082018

Disclaimer: 'Investment in securities market are subject to market risks, read all the related documents carefully before investing'.

For Facts & Figures



OLA ELECTRIC MOBILITY LIMITED

Rationale

Considering the FY24 Sales of Rs 5,010 Cr, the company is going to list at a MCap/Sales of 6.69x with a market cap of Rs 33,522 Cr, whereas its peers namely TVS Motors Ltd, Eicher Motors Ltd, Bajaj Auto Ltd and Hero MotoCorp Ltd are trading at MCap/Sales of 3.02x, 8.24x, 5.95x and 2.86x respectively.

We assign "Subscribe" rating to this IPO as the company is the largest Pure EV player with a leadership position in the fast-growing Indian E2W market. Also, it is available at reasonable valuation considering the future growth potential of the company.

Company Overview

Ola Electric Mobility Limited is an electric vehicle company that primarily manufactures electric vehicles and certain core components for electric vehicles such as battery packs, motors, and vehicle frames at the Ola Futurefactory.

The company has launched seven products till date. The Ola S1 Pro, the first EV model, was delivered in December 2021, followed by the Ola S1, Ola S1 Air, Ola S1 X and Ola S1 X+ in the following years.

In FY 2024, the sales distribution for Ola models was as follows: Ola S1 Pro (Gen 1) accounted for 33.67% of the sales, Ola S1 Pro (Gen 2) for 25.96%, Ola S1 Air for 18.93%, Ola S1 X+ for 10.66%, and Ola S1 for 2.68%.

The company announced a line-up of motorcycles comprising four models, Diamondhead, Adventure, Roadster and Cruiser and plans to commence delivery of the motorcycles in the first half of Fiscal 2026.

In addition to Ola Electric Website, the company has its own direct-to-customer ("D2C") omnichannel distribution network across India, comprising 870 experience centers and 431 service centers as of March 31 2024.

The company is building EV hub in Tamil Nadu which is expected to span up to 2,000 acres of land, comprising Ola Futurefactory for EV manufacturing, upcoming Ola Gigafactory for cell manufacturing, and co-located suppliers.

Ola Futurefactory is the largest integrated and automated E2W manufacturing plant in India as at March 31, 2024 with an installed capacity of 1 million units per year.

Objectives of the issue

Capital expenditure to be incurred by Subsidiary, OCT for expansion of the capacity of cell manufacturing plant from 5 GWh to 6.4 GWh, classified as phase 2 under the expansion plan

Repayment or pre-payment, in full or part, of the indebtedness incurred by Subsidiary, OET

Investment into research and product development

Expenditure to be incurred for organic growth initiatives

General corporate purposes



Top E2W Seller in India

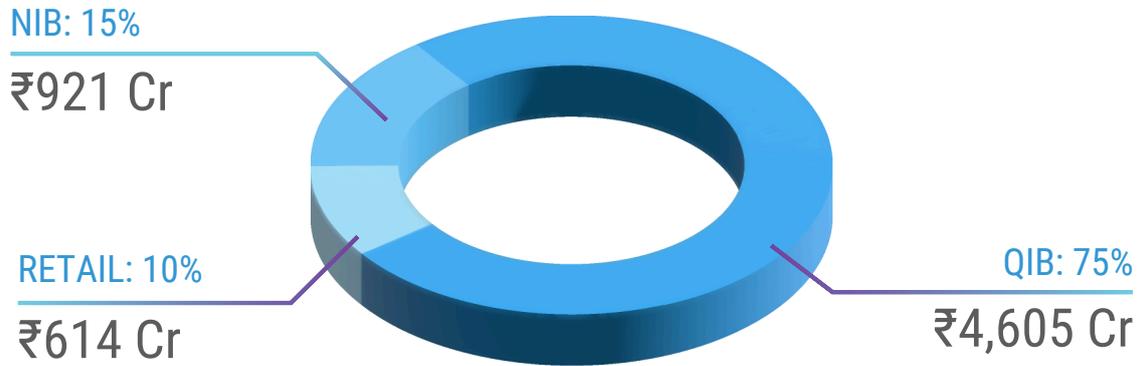
The company is the largest E2W seller in India by number of units registered in Fiscal 2024, accounting for approximately 35.00% of the total E2W registrations in India.



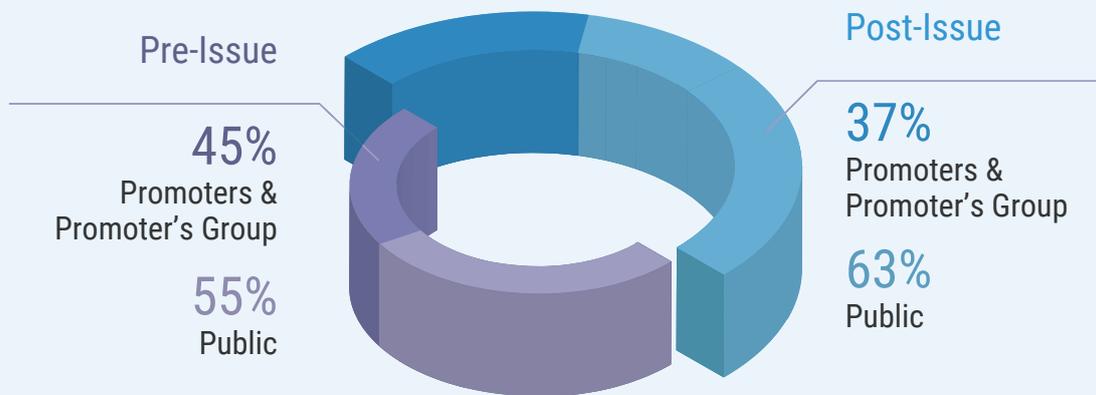
OLA ELECTRIC MOBILITY LIMITED

Issue Details

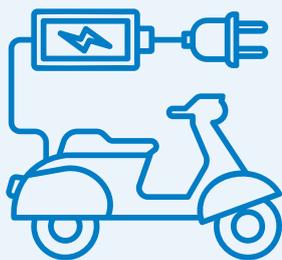
Issue Break-Up



Shareholding Pattern

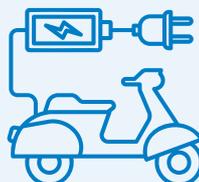


Capital Structure (in ₹ Cr.)



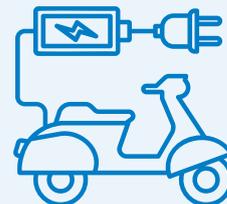
4,797 Cr

Authorised Equity Share Capital



3,687 Cr

Paid-Up Capital (Pre-Offer)



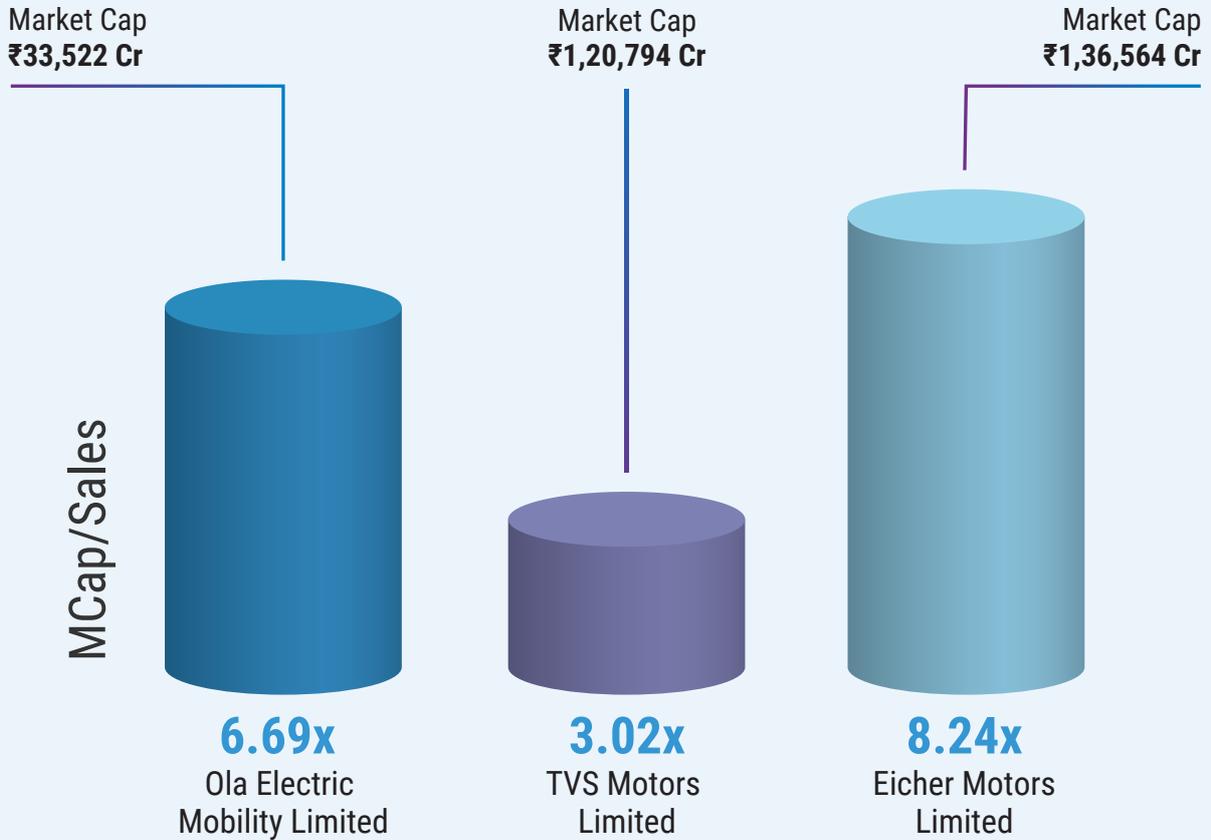
4,411 Cr

Paid-Up Capital (Post-Offer)



OLA ELECTRIC MOBILITY LIMITED

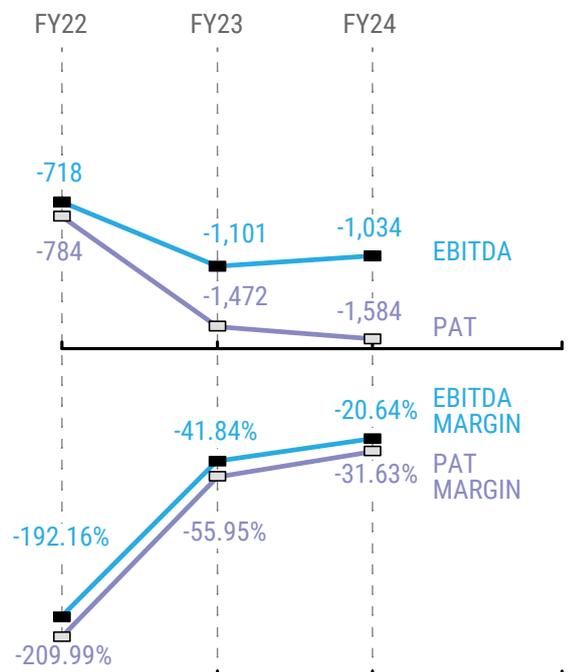
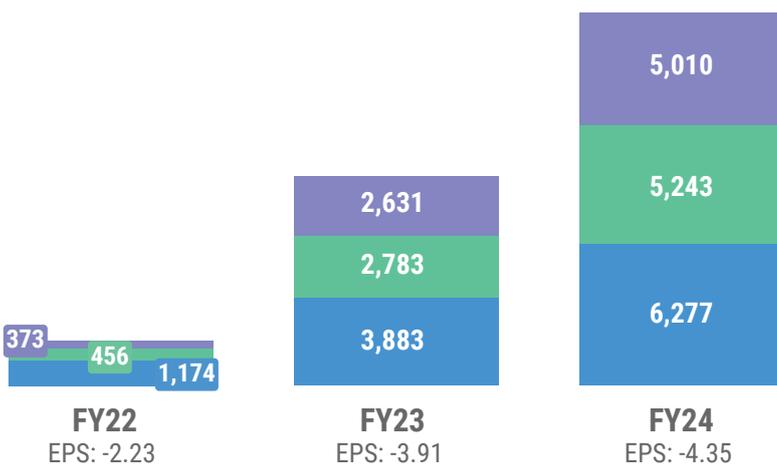
Valuations and Peer Comparison



Market Cap data of listed securities as on July 31, 2024

Financial Snapshot (in ₹ Cr.)

- Revenue
- Total Income
- Total Expenses





OLA ELECTRIC MOBILITY LIMITED

Business Insights



Competitive Strengths

- Pure EV player with a leadership position in the fast-growing Indian E2W market
- Founder led company supported by a highly experienced and professional leadership team
- In-house R&D and technology capabilities
- Manufacturing at scale and supply chain resilience
- Scalable platform-based design and development approach
- Direct to Customer Omnichannel Distribution Model
- Eligibility for EV-related government incentives leading to cost advantages
- Company's execution capabilities



Business Strategy

- Build "India" centric EV products with an "India first" strategy
- Continue to invest in R&D to advance technological capabilities and optimize costs
- Building an EV hub with vertically integrated manufacturing and supply chain to improve cost efficiency
- Develop cell technology and strengthen in-house manufacturing capabilities
- Expand the product portfolio to drive market penetration
- Strengthen D2C omnichannel network across sales, service and charging
- Allocate capital efficiently and focus on growth
- Leverage the global EV opportunity



Risks

- The company could experience disruptions in the supply or an increase in prices of components and raw materials used in the manufacture of electric vehicles, which could result in an increase in the price of electric vehicles and impact projected manufacturing and delivery timelines.
- Any reduction or elimination of government incentives or the ineligibility of any of electric vehicles for such incentives would increase the retail price of electric vehicles and could adversely affect customer demand for the company's electric vehicles and affect ability to achieve profitability.

Promoters and Management Details

Bhavish Aggarwal - Chairman and Managing Director

Krishnamurthy Venugopala Tenneti - Non-Executive Director

Arun Sarin - Non-Executive Director

Research Disclaimer <https://bit.ly/2RK2tzc>

