



**ATHER**



**Ather Energy Limited**

## Ather Energy Ltd

Rating	Issue Opens On	Issue Closes On	Listing Date	Price Band (INR)	Issue Size (INR Mn)
<b>AVOID</b>	<b>Apr 28, 2025</b>	<b>Apr 30, 2025</b>	<b>May 06, 2025</b>	<b>304 - 321</b>	<b>29,620 – 29,808</b>

### Company Overview:

- Ather Energy is a prominent **electric mobility company** engaged in the design, development, and manufacturing of **electric two-wheelers** and **supporting infrastructure**.
- Its product lineup includes the **Ather 450X** and **Ather 450S** premium electric scooters equipped with proprietary lithium-ion battery packs, fast-charging capabilities, and a connected dashboard that offers navigation, diagnostics, and over-the-air updates.
- These **models cater primarily to urban commuters** seeking **performance, efficiency, and low maintenance**.
- Expanding its portfolio to meet the needs of family-oriented users, Ather introduced the **Ather Rizta**—an electric scooter optimized for comfort, space, and daily practicality.
- The company also operates the **Ather Grid**, a nationwide fast-charging network that enhances user convenience and supports its growing customer base.
- Manufacturing operations are currently based out of its plant in **Hosur, Tamil Nadu (~0.5Mn p.a.)**, with a new facility **Factory 3.0** under development at Chhatrapati Sambhaji Nagar, Maharashtra, aimed at expanding the total production capacity to **1.5Mn p.a.**
- As of FY24, Ather held an **11.5% market share** in India's electric two-wheeler segment, making it the **third-largest E2W manufacturer** by retail sales.

### Outlook and Valuation:

We believe that Ather Energy is well-placed to capitalize growth in E2W Industry led by strong DNA of innovation and engineering, but the path to profitability seems long and full of challenges. Although, Ather "Rizta" and to be launched "EL platform" are expected to play a pivotal role in solidifying its market position, the Company's future depends on ramp-up of vehicle volumes from existing and new product launches, gross margin improvement led by further cost reduction, and the ability to withstand competitive pressures from both E2W and ICE 2W OEMs. Ather is currently offered at a EV/Sales valuation of ~6x, which appears overvalued to us. We assign a **"AVOID"** rating and believe that it can be bought at attractive valuation in the secondary market.

Particulars (In INR Mn)	FY22	FY23	FY24	9M FY25
Revenue	4,089	17,809	17,538	15,789
EBITDA	-2,599	-7,076	-6,847	-4,085
EBITDA Margin (%)	-64%	-40%	-39%	-26%
Profit After Tax	-3,441	-8,645	-7,105	-5,779
PAT Margin (%)	-84%	-49%	-41%	-37%
Net Worth	2,249	6,137	5,459	1,080
RONW (%)	-153%	-141%	-194%	-535%

Source: IPO Prospectus

### OFFER STRUCTURE

Particulars	IPO Details
No. of shares under IPO (Mn)	92.86
Fresh issue (# shares) (Mn)	81.8
Offer for sale (# shares) (Mn)	11.1
Price band (INR)	304 – 321
Post issue MCAP (INR Mn)	1,14,616 – 1,19,557

Source: IPO Prospectus

Issue	# Shares	INR Mn	%
<b>QIB</b>	6,96,43,950	22,356	Not less than 75%
<b>NIB</b>	1,39,28,790	4,471	Not more than 15%
<b>Retail</b>	92,85,860	2,981	Not more than 10%
<b>Net Offer</b>	9,28,58,600	29,808	100%

Source: IPO Prospectus

Shareholding Pattern	Pre Issue (%)	Post Issue (%)
Promoters & Promoters Group	55%	42%
Others	45%	58%
<b>Total</b>	<b>100%</b>	<b>100%</b>

Source: IPO Prospectus

Objects of the Offer	INR Mn
1. Capital expenditure to be incurred for establishment of an E2W factory in Maharashtra	9,272
2. Repayment/ pre-payment of certain borrowings availed by the Company	400
3. Investment in research and development	7,500
4. Expenditure towards marketing initiatives	3,500
5. General corporate purposes	5,588

Source: IPO Prospectus

BRLM
1. Axis Capital Ltd.
2. HSBC Securities and Capital Markets (India) Pvt. Ltd.
3. JM Financial Ltd.
4. Nomura Financial Advisory and Securities (India) Pvt Ltd.

Source: IPO Prospectus

Indicative Timetable	
Offer Closing Date	Wednesday, 30 <sup>th</sup> Apr'25
Basis of Allotment	Friday, 02 <sup>nd</sup> May'25
Initiation of Refunds	Monday, 05 <sup>th</sup> May'25
Credit of Shares to Demat	Monday, 05 <sup>th</sup> May'25
Listing Date	Tuesday, 06 <sup>th</sup> May'25

Source: IPO Prospectus

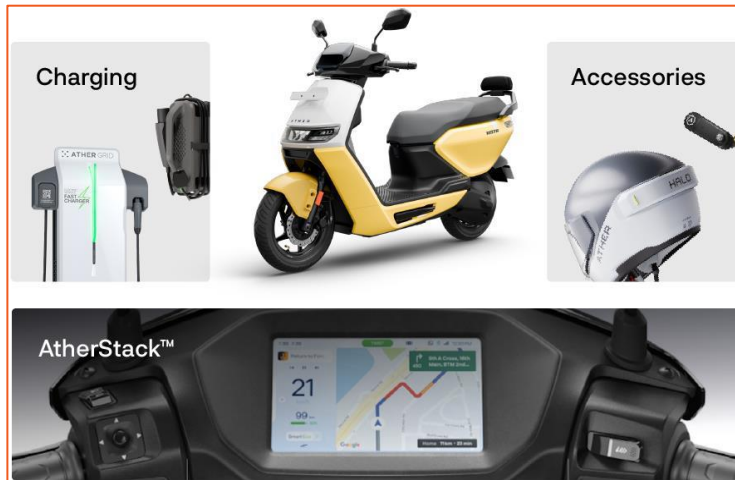
## Ather Energy Ltd

### Company Overview

#### Product Ecosystem:

Ather's product ecosystem consists of E2Ws, accessories, Atherstack software and charging infrastructure.

#### Ather's Product Portfolio



Source: IPO Prospectus, Deven Choksey Research

#### 1. Electric 2-Wheeler (E2W):

- Ather Energy's current electric two-wheeler (E2W) portfolio includes seven variants across two product lines: the performance-driven Ather 450 series (450X, 450S, 450 Apex) and the convenience-focused Ather Rizta (Rizta S, Rizta Z 2.9 kWh & 3.7 kWh).
- In January 2025, it introduced updated 450 series models with multi-mode traction control, enhanced range (up to +14% on 450X 2.9 kWh), and new color options.
- Since launching its first model in 2018, Ather has focused on performance, connectivity, and innovation. The 450X added features like Warp mode and Bluetooth, while the Apex brought top-end enhancements such as Magic Twist and higher acceleration. The Ather 450S, launched as an entry-level model, includes the Deep View dashboard.
- The Ather Rizta, introduced in April 2024, caters to families with features like a flat floorboard, 56L storage, traction control, Alexa voice commands, and WhatsApp notifications. Over 56,000 Rizta units were sold by December 2024.
- All products are designed in-house, tested under stringent protocols, and certified by ARAI. Ather has improved performance metrics (e.g., +37% battery capacity, +30% power) while reducing BOM costs (up to 31%).
- It also offers portable chargers—including the Ather Duo—and optional Pro Packs for software feature upgrades.
- The company is currently developing two new electric two-wheeler platforms aimed at enhancing cost efficiency and enabling product expansion across both scooter and motorcycle segments.

E2W Model	FY22	FY23	FY24	9MFY25
Ather 450S	-	-	22,712	15,195
Ather 450X	23,402	92,093	39,067	1
Ather 450X (2.9 kWh)	-	-	11,249	8,286
Ather 450X (3.7 kWh)	-	-	35,999	25,835
Ather 450 Apex	-	-	550	2,015
Ather Rizta Z (2.9 kWh)	-	-	-	21,388
Ather Rizta Z (3.7 kWh)	-	-	-	19,341
Ather Rizta S	-	-	-	15,922
<b>Total</b>	<b>23,402</b>	<b>92,093</b>	<b>1,09,557</b>	<b>1,07,983</b>






Source: IPO Prospectus, Deven Choksey Research

## Ather Energy Ltd

### Company Overview

### Product Ecosystem:

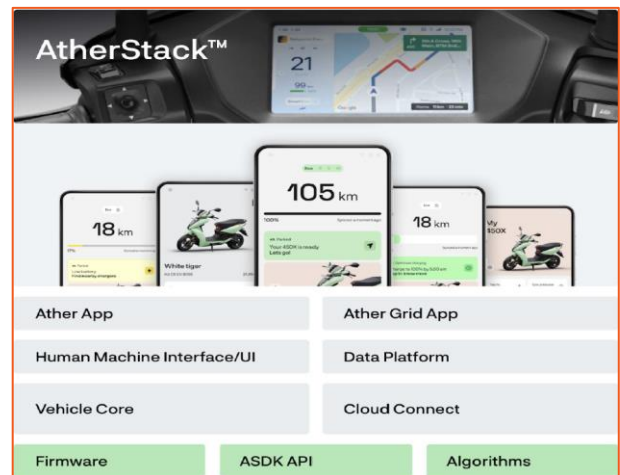
#### Consistent Product Enhancement Over the Generations

Model (Launch Date)	450 Jun 2018	450X Jan 2020	450X Gen 3 Jul 2022	450X Gen 3.1 Jan 2023	450 Apex Jan 2024
					
Battery (kWh)	2.7	+7% → 2.9	+28% → 3.7	3.7	+8% → 3.7
Range (km)	97	+20% → 116	+26% → 146	146	+8% → 157
Powertrain (kW)	5.4	+11% → 6.0	+3.3% → 6.2	6.2	+13% → 7.0
Top Speed (kmph)	80	80	+12.5% → 90	90	+11% → 100
Acceleration (0-40 kmph)	3.9s	-15% → 3.3s	3.3s	3.3s	-12% → 2.9s

Source: IPO Prospectus, Deven Choksey Research

### 2. Atherstack Software:

- Atherstack is Ather Energy's in-house software platform that powers its EVs, apps, and accessories, offering 69 features across navigation, safety, and connectivity as of December 2024.
- Available via the Pro Pack (INR 13,000–INR 20,000 with vehicle; INR 35,000 standalone), it unlocks Ride Assist and Ather Connect features like traction control, OTA updates, and remote tracking.
- Regular OTA updates include Atherstack 6.0 (Apr 2024) with a new UI, Alexa voice commands, and WhatsApp alerts. A Hindi interface was added in Jan 2025.
- Post three years, Ather Connect access continues via subscription.



Source: IPO Prospectus, Deven Choksey Research

### 3. Accessories:

- Ather Energy leverages the growing premiumization trend in 2Ws by offering high-margin, ecosystem-integrated accessories.
- Products include a multi-mode tyre inflator, real-time TPMS, throttle grip covers, scooter covers, and body guards.
- In April 2024, Ather launched smart helmets—Halo (INR 9,999) and Halo Bit (INR 4,999)—with features like helmet-to-helmet communication, premium audio, and auto phone pairing. By Dec 2024, 851 units were sold.
- Accessory revenue rose from INR 4 Mn in FY22 to INR 193 Mn in FY24 and INR 251 Mn in 9M FY25, highlighting strong demand in this segment.



Source: IPO Prospectus, Deven Choksey Research

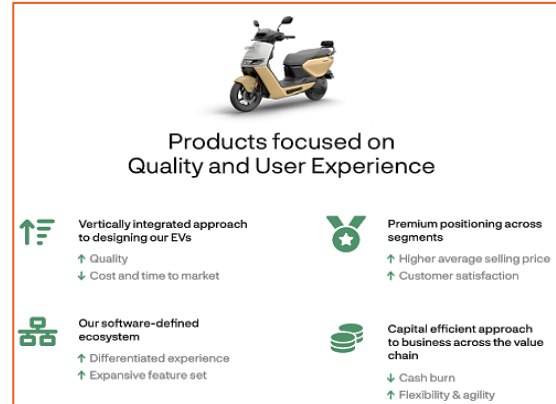


## Ather Energy Ltd

### Company Overview

#### Business Model:

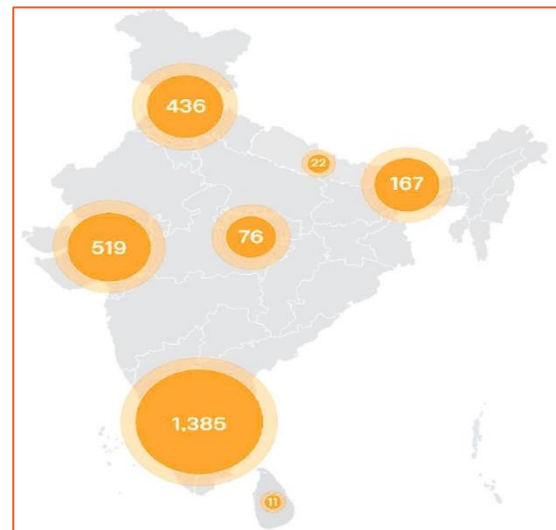
Ather Energy operates a vertically integrated business model, developing and manufacturing electric two-wheelers, proprietary software (Atherstack), charging infrastructure (Ather Grid), and smart accessories. Revenue streams include vehicle sales, software bundles (Pro Pack), accessories, and charging services. The company uses an asset-light retail network and focuses on building an integrated ecosystem to drive customer retention, recurring revenues, and cost efficiencies through scale and platform innovation.



Source: IPO Prospectus, Deven Choksey Research

#### Charging Infrastructure – Ather Grid

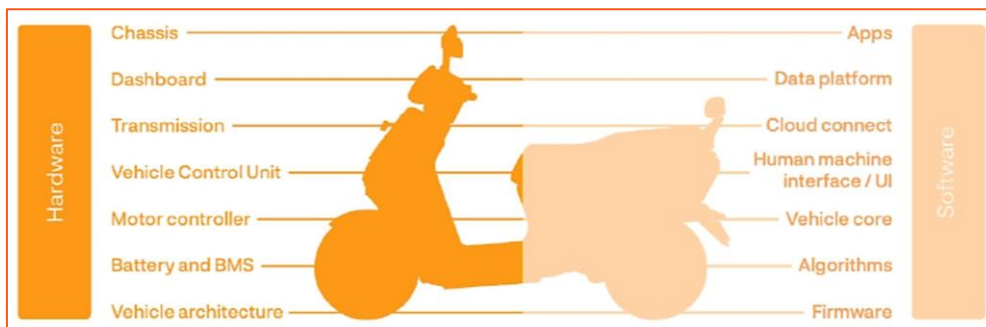
- Ather has built India's largest public fast-charging network for two-wheelers, known as the Ather Grid, comprising over 2,600 fast chargers and 666 neighborhood chargers across 314 cities in India, Nepal, and Sri Lanka as of December 31, 2024.
- These chargers support vehicles from Ather and other OEMs through the company's proprietary Light Electric Combined Charging System (LECCS), which has now been adopted as a BIS national standard.
- Fast chargers offer a charging rate of 15 km in 10 minutes and are strategically placed at petrol pumps, cafes, residential complexes, and commercial hubs.
- The company offers free charging at select locations and has entered into partnerships with Hero MotoCorp and Google Maps to enhance accessibility and real-time charger visibility.



Source: IPO Prospectus, Deven Choksey Research

#### Design and R&D:

- Ather Energy follows a vertically integrated approach, designing 80% of key components—including battery packs, BMS, chassis, electronics, and the Atherstack software—in-house as of December 31, 2024.
- Its R&D efforts have driven innovations across models like the Ather 450X, 450S, 450 Apex, Rizta, and Halo smart helmets.
- With three specialized R&D facilities in Bangalore—IBC Knowledge Park, Proto Lab, and Product Validation Lab—the company focuses on in-house testing, durability validation, and electronics simulation, ensuring quality, reducing supplier dependency, and enhancing product reliability.



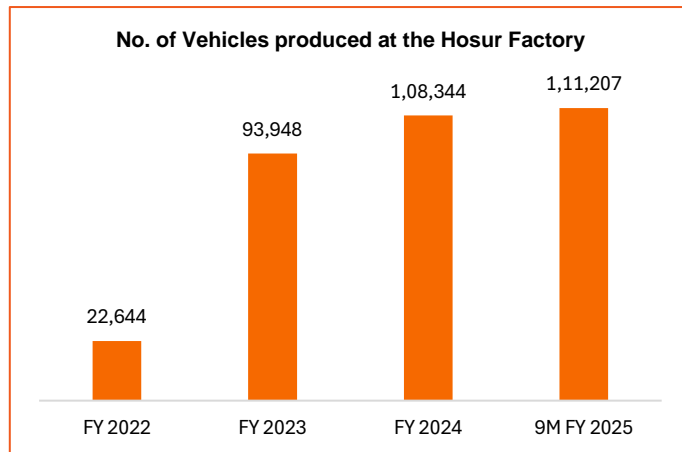
Source: IPO Prospectus, Deven Choksey Research

## Ather Energy Ltd

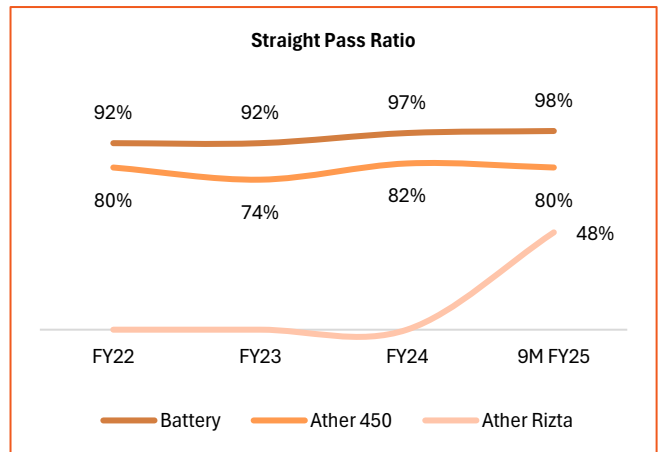
### Company Overview

#### Manufacturing Facilities:

- Ather Energy manufactures battery packs in-house using lithium-ion cells, while outsourcing components like motor controllers, transmissions, and dashboards.
- As of December 31, 2024, in-house battery packs constituted 29–32% of the Ather 450X bill of materials.
- Its Hosur facility, with an annual capacity of 420,000 E2Ws and 379,800 battery packs, leverages smart automation, achieving significant efficiency gains and sustainable operations with 11–13% solar energy usage and zero sewage discharge.
- To support future growth, Ather is developing Factory 3.0 in Chhatrapati Sambhajnagar, Maharashtra, planned in two phases—Phase 1 adding 0.5 million units per annum by March 2027, and Phase 2 taking Factory 3.0 total capacity to 1Mn p.a.
- The new facility will internalize selected outsourced processes, enhance cost efficiency, and strengthen supply chain resilience.



Source: IPO Prospectus, Deven Choksey Research



Source: IPO Prospectus, Deven Choksey Research

E2W Production	FY22	FY23	FY24	9M FY25
Annual Installed Capacity	1,13,700	2,66,850	4,20,000	4,20,000
Effective Annual Capacity	1,13,700	2,32,475	3,79,800	3,79,800
<b>Actual Production</b>				
Ather 450S	-	23	22,814	15,811
Ather 450X	22,644	93,925	84,814	34,412
Ather 450 Apex	-	-	688	1,935
Ather Rizta	-	-	28	59,049
<b>Total</b>	<b>22,644</b>	<b>93,948</b>	<b>1,08,344</b>	<b>1,11,207</b>
<b>Capacity Utilisation</b>	<b>20%</b>	<b>40%</b>	<b>29%</b>	<b>39%</b>

Source: IPO Prospectus, DevenChoksey Research

Battery Pack Production	FY22	FY23	FY24	9M FY25
Annual Installed Capacity	1,21,200	2,32,475	3,79,800	3,79,800
Effective Annual Capacity	1,13,700	2,32,475	3,79,800	3,79,800
<b>Actual Production</b>				
2.9 kW (Gen 2)	23,100	10,660	1,097	3,383
3.7 kW	-	85,593	73,635	50,979
2.9 kW	-	-	34,627	63,403
<b>Total</b>	<b>23,100</b>	<b>96,253</b>	<b>1,09,359</b>	<b>1,17,765</b>
<b>Capacity Utilisation</b>	<b>20%</b>	<b>41%</b>	<b>29%</b>	<b>41%</b>

Source: IPO Prospectus, DevenChoksey Research

## Ather Energy Ltd

### Company Overview:

### Customer Engagement and Distribution:

- Beyond the product, Ather focuses on immersive customer engagement through Ather Space experience centers, the Ather App, and curated community events such as the Ather Community Day.
- As of December 2024, Ather had 308,067 monthly app users and over 249,000 members in its owner community.
- Its distribution strategy includes a growing footprint of touchpoints and service centers, facilitating both urban and semi-urban penetration.

### Peer Comparison:

Particulars (TTM)	Ather Energy#	TVS Motor	Bajaj Auto	Ola Electric	Eicher Motor	Hero Motocorp
Market cap	1,19,557	13,00,741	22,43,556	2,19,924	15,28,602	7,79,142
EV	1,26,547	14,88,831	25,90,266	2,60,024	17,20,352	9,72,142
Revenue from operations	15,789	4,28,856	4,99,032	55,010	1,78,853	4,05,703
9M FY25 Growth%	28%	10%	11%	10%	8%	7%
Gross Margin (%)	17%	38%	31%	16%	49%	34%
EBITDA	-4,085	61,898	94,788	-13,560	45,830	55,919
EBITDA Margin (%)	-26%	14%	19%	-25%	26%	14%
PAT	-5,779	19,744	75,343	-18,220	44,427	41,522
PAT Margin (%)	-37%	5%	15%	-33%	25%	10%
Net Worth	1,080	77,600	3,09,790	65,730	1,89,790	1,90,110
ROE (%)	-177%	27%	25%	-65%	24%	23%
ROCE (%)	-205%	19%	32%	-21%	30%	30%
EPS (INR)	-16	42	270	-4	162	208
P/E ratio	-16 x	66 x	30 x	-12 x	34 x	19 x
P/S	5.7 x	3.0 x	4.5 x	4.0 x	8.5 x	1.9 x
EV/Sales	6.0 x	3.5 x	5.2 x	4.7 x	9.6 x	2.4 x
EV/EBITDA	-23 x	24 x	27 x	-19 x	38 x	17 x
E2W Market share (9M FY25)	11%	19%	18%	34%	NA	4%
Average Selling Price in INR (FY24)	1,43,333	NA	NA	1,39,503	1,53,810	55,731

# Note : Ather Energy Financials Data is of 9M FY25 (Not Annualized),  
Valuation ratios are annualized.  
Source: IPO Prospectus, Deven Choksey Research

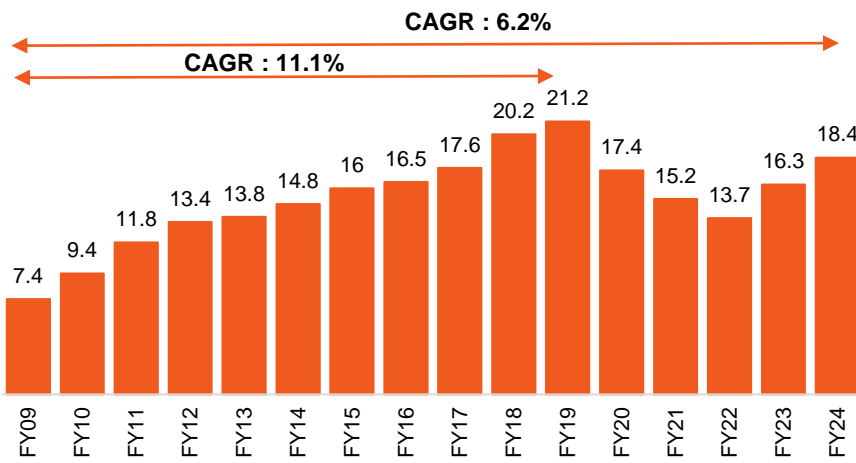
## Ather Energy Ltd

### Industry Overview:

#### India leads global two-wheeler market

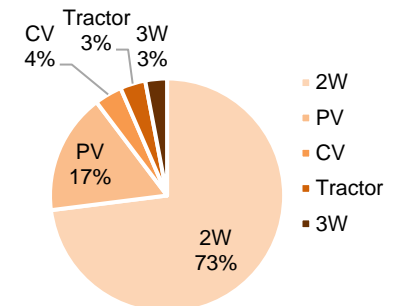
- As of CY23, India holds the distinction of being the world's largest market for motorised two-wheelers by volume, according to Mordor Intelligence. In FY24, domestic sales in this category reached 18.4 million units, underscoring its critical role in the Indian automobile sector.
- Over a 15-year period from FY09 to FY24, the domestic two-wheeler segment expanded at a compound annual growth rate (CAGR) of 6.2%, reaching 18.4 million units. Notably, this growth trajectory was significantly steeper between fiscal 2009 and FY19, when the segment witnessed a CAGR of 11.1%, peaking at a historic high of 21.2 million units in FY19.

Domestic two-wheeler sales volume trend (FY09-24)



Source: IPO Prospectus, DevenChoksey Research

Segment wise split of the Indian Automobile market by volumes (FY24)



Source: IPO Prospectus, DevenChoksey Research

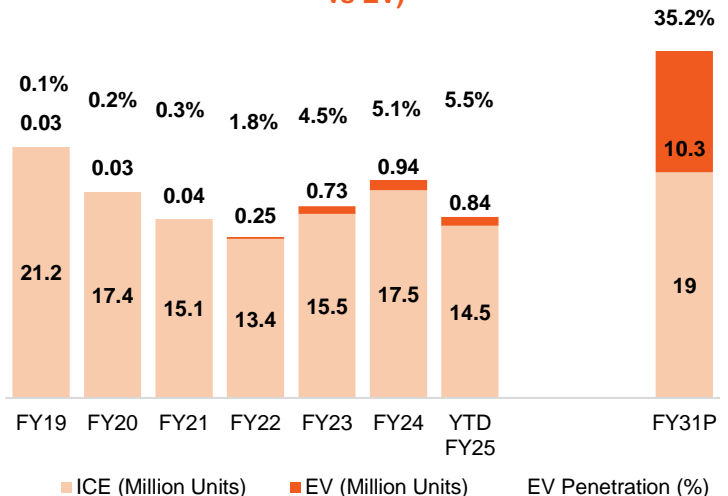
#### EV adoption rising, ICE segment growth shrinking

- Between FY19 and FY24, the ICE segment declined at a CAGR of 3.7%, while EV retail volumes surged at a CAGR of 101.7%, albeit from a relatively low base.
- With the growth in E2Ws, the EV penetration is expected to reach ~35% of overall 2W industry sales by fiscal 2031.

Segment	FY19–FY24 CAGR	FY24–FY31P CAGR
<b>Motorcycles</b>	-3.00%	4–6%
ICE	-3.10%	3–5%
EV	NM	107–109%
<b>Scooters</b>	-1.30%	8–10%
ICE	-4.30%	(7)–(8)%
EV	101.30%	35–37%
<b>Mopeds</b>	-11.40%	6–8%
ICE	-11.40%	(21)–(19)%
EV	NM	NM
<b>Total</b>	-2.80%	6–8%

Source: IPO Prospectus, Deven Choksey Research

Domestic two-wheeler sales volume trend (ICE vs EV)



Source: IPO Prospectus, Deven Choksey Research

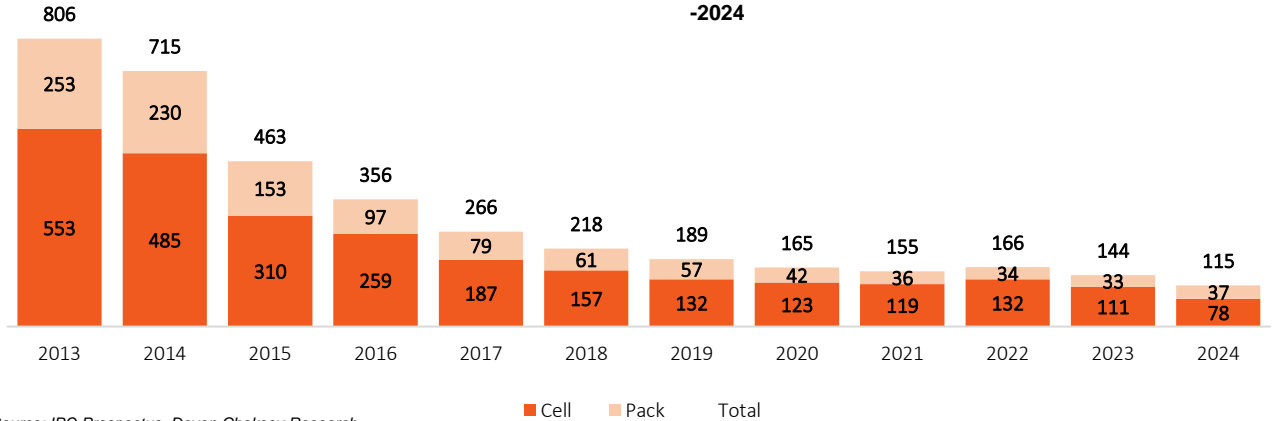


## Ather Energy Ltd

### Battery prices are on decline

- Lithium-ion cell and battery pack prices have been steadily falling in recent years, driven by factors such as rising demand, technological progress, and economies of scale.
- BNEF anticipates a USD 3/kWh drop in pack prices by 2025. Moving forward, continued investment in R&D, improvements in manufacturing, and expanded supply chain capacity are expected to push battery prices down to USD 80/kWh by 2030.

**Average Lithium cell price and Battery pack prices (USD/KWh) have reduced significantly between 2013 -2024**



Source: IPO Prospectus, Deven Choksey Research

### India's evolving EV policy—from FAME I to PM E-DRIVE—Timelines

2015	• The FAME I policy was formulated aimed at promoting EV ecosystem. In FAME I, about 2.78 lakh EVs were supported via demand incentives. In addition, 465 buses were sanctioned to various cities/states under this scheme.
2019	• Phase-II of the FAME policy was implemented with an outlay of INR 10,000 Crore for a period of 5 years, with the aim to support demand for EVs by supporting 7,000 e-Buses, 5 lakh E3Ws, 55,000 E4Ws (Commercial purposes) and 10 lakh E2Ws (including commercial & private).
Jun 2021	• Demand incentive for 2Ws was increased to INR 15,000/ kWh capped at 40% of the vehicle cost.
Jun 2023	• Demand incentive was again revised and reduced to INR 10,000 per kWh of battery from INR15,000 per kWh earlier and the maximum subsidy cap was reduced from 40% to 15%.
Mar 2024	• With the expiry of FAME II, the government introduced Electric Mobility Promotion Scheme 2024 (EMPS) to support the adoption of EV 2Ws and 3Ws in March 2024 with a budget outlay of INR 500 crores for a period of 4 months, starting from 1st April 2024 to 31st July 2024. The scheme was extended for two months, till September 2024.
Oct 2024	• The PM E-DRIVE scheme, launched with a budget of ₹10,900 crore, will run until 31st March 2026. It aims to accelerate EV adoption, expand charging infrastructure, and strengthen the electric vehicle manufacturing ecosystem in India.

### Tapering Government incentives under PM E-DRIVE Scheme for E2W and E3W segments

Vehicle Segment	No. of Vehicles to be Supported (FY25)	No. of Vehicles to be Supported (FY26)	Incentives for Vehicles (FY25)	Incentives for Vehicles (FY26)	Maximum Ex-Factory Price
E2W	10,64,000	14,15,120	₹5,000/kWh capped at ₹10,000 max	₹2,500/kWh capped at ₹5,000 max	₹1.5 Lakhs
E3W (L3)	43,371	67,225	₹5,000/kWh capped at ₹25,000 max	₹2,500/kWh capped at ₹12,500 max	₹2.5 Lakhs
E3W (L5)	80,546	1,24,846	₹5,000/kWh capped at ₹50,000 max	₹2,500/kWh capped at ₹25,000 max	₹5 Lakhs

Source: IPO Prospectus, Deven Choksey Research

### Total cost of ownership (TCO) – ICE vs EV

- In FY25, E2Ws had a 37% lower TCO than ICE 2Ws with subsidies.
- In FY24 this was 55% with subsidies.
- By FY31, even without subsidies, E2W TCO is projected to be 52% lower, driven by falling battery prices, economies of scale, and manufacturing efficiencies.
- (Considering an annual running of 8,000 km over a 7-year holding period without battery replacement.)

### However, the acquisition cost is expected to remain higher in the near term

- E2Ws' ex-showroom prices were ~40% higher than ICE vehicles in FY24, this gap is expected to narrow to ~7% by FY31.

## Ather Energy Ltd

### Valuation:

Ather Energy is valued at an EV/Sales multiple of 6.0x, which is higher than that of several established and profitable peers such as TVS Motor (3.5x), Bajaj Auto (5.4x), and Hero MotoCorp (2.7x). In comparison, Ola Electric currently trades at 4.7x EV/Sales. Among major players, only Eicher Motors commands a higher multiple at 9.6x, supported by its strong profitability and premium positioning in the two-wheeler segment. Overall, Ather Energy's valuation appears elevated on a relative basis. Hence, we assign a "**Avoid**" rating for IPO application. The stock could be considered for purchase at a more attractive valuation in the secondary market.

### Strategies:

#### Expanding Distribution and Service Network

- Ather utilizes an asset-light distribution model, primarily through third-party retail partners. As of December 31, 2024, they had a presence in India, Nepal, and Sri Lanka.
- The company has plans to expand and deepen its distribution network domestically and internationally. While India is the dominant market (contributing 97.7% of revenue from contracts with customers for the nine months ended December 31, 2024), the strategy includes seeking opportunities for international expansion.

#### Expanding into the Motorcycle Segment

- Ather is strategically developing a motorcycle platform (Zenith) to target the 125 cc to 300 cc motorcycle segments. This aims to penetrate a significant portion of the Indian two-wheeler market where EV adoption is currently limited.

#### Reducing Reliance on Government Subsidies

- The company acknowledges that demand in India currently benefits from government incentives like the PM E-DRIVE scheme. The retail prices are susceptible to changes in these incentives. A stated strategic goal is to reduce reliance on such incentives over time as policies can be dynamic and uncertain.

#### Monetizing the Software and Ecosystem Services

- Ather operates a software-defined ecosystem (Atherstack) and offers accessories and software features. The company generates revenue from this software ecosystem and accessories, which accounted for 12% of revenue from contracts with customers for the nine months ended December 31, 2024.
- This segment has demonstrated high margins (EBITDA% of 53% for the nine months ended December 31, 2024), supporting the strategy to monetize the software platform through offerings like the 'Propack' bundle and exploring other financial packages.

### Risks:

- Battery Safety Risks:** The lithium-ion cells used in the E2W batteries could catch fire or vent smoke even if properly manufactured, managed, or controlled. Mishandling of these cells at the Company's facilities or during transportation could also lead to safety issues or fires. Such incidents could result in adverse publicity, negatively impacting the Company's brand, business, prospects, financial condition, and results of operations. The Company has been party to consumer dispute redressal proceedings alleging issues including those related to batteries.
- Litigation and Contingent Liabilities:** The Company is involved in outstanding litigation proceedings. As of the date of the Red Herring Prospectus, litigation amounted to ₹1,161.98 million, representing 108% of the Company's net worth, with a portion disclosed as contingent liability. If contingent liabilities materialize, it could affect the Company's results of operations, financial condition, and cash flows. As of December 31, 2024, the Company had 29 litigation cases aggregating to ₹799 million (to the extent quantifiable), including ₹608 million in claims against the Company not acknowledged as debt.
- Research and Development (R&D) Investment Risk:** A portion of the Net Proceeds from the Offer (₹7,500 million) is intended for R&D investment. There is no assurance that these R&D activities will result in tangible assets or achieve expected results. Failure to do so may adversely impact the business and financials.

## Ather Energy Ltd

### SWOT Analysis



#### Strengths:

- **First-mover in EV tech** – Pioneered fast charging (Ather Grid) and smart connected scooters with features like OTA, traction control.
- **Strong in-house R&D** – 46% of workforce in R&D; 80% of key components developed internally.
- **Premium brand positioning** – High-performance products with advanced features allow price premium.
- **Scalable model** – Asset-light distribution with 265 experience centers across India.



#### Weaknesses:

- **South India dependency** – 61% of sales and 48% of centers located in southern zones.
- **Loss-making phase** – Accumulated losses of ₹34,949 million; negative operating cash flows.
- **Limited overseas presence** – Early stages of global expansion (Nepal, Sri Lanka only).
- **Subsidy dependency** – EV demand sensitive to government incentives like FAME.



#### Opportunities:

- **EV market growth** – E2W penetration expected to rise from 5.1% (FY24) to 35–40% (FY31).
- **New market segments** – Launching Zenith platform to enter 125–300cc motorcycle segment.
- **Export potential** – Opportunities in high-demand EV markets abroad.
- **High-margin software** – Atherstack and Pro-pack are high margin generating segments (EBITDA margin was ~53% in 9M FY24).



#### Threats:

- **Rising competition** – From new-age EV players and legacy OEMs in India.
- **Policy volatility** – Reliant on evolving EV policies (FAME, PLI, etc.).
- **Supply chain risks** – Dependence on imports for key battery/EV components.
- **Reputation risk** – Safety incidents like battery fires could damage brand trust.

## Ather Energy Ltd

### Financials:

Income Statement (INR Mn)	FY22	FY23	FY24	9M FY25	Cash Flow ( INR Mn)	FY 22	FY 23	FY 24	9MFY25
Revenue	4,089	17,809	17,538	15,789	Net Cash Flow from Operating Activities	-2,284	-8,713	-2,676	-7,171
Operating Expenditure	6,688	24,885	24,385	19,874	Net Cash Flow from Investing Activities	-66	-2,281	-3,868	-3,102
EBITDA	-2,599	-7,076	-6,847	-4,085	Net Cash Flow from Financing Activities	2,307	13,174	6,332	6,422
EBITDA Margin %	-64%	-40%	-39%	-26%	Net Increase/(Decrease) in Cash	-43	3,111	1,375	-2,214
Other Income	49	209	353	385	Cash & Cash Equivalents at the Beginning	617	574	3,685	5,060
Depreciation	484	1,128	1,467	1,258	Cash & Cash Equivalents at the End	574	3,685	5,060	2,846
Interest	407	650	890	821					
PBT	-3,441	-8,645	-8,851	-5,779					
Exceptional Items	0	0	1,746	0					
Tax	0	0	0	0					
PAT	-3,441	-8,645	-7,105	-5,779					
PAT Margin (%)	-84%	-49%	-41%	-37%					
Adjusted EPS	-9.24	-23.21	-28.45	-15.52					

Balance sheet (INR Mn)	FY22	FY23	FY24	9M FY25
<b>Assets</b>				
<b>Non-Current Assets</b>				
Property, plant and equipment	935	1,818	1,871	2,445
Right of use assets	646	1,844	1,489	2,391
Intangible assets	2,689	2,148	1,935	2,077
Other non-current assets	991	875	1,546	2,137
<b>Current Assets</b>				
Inventories	607	2,574	1,167	2,227
Investments	373	2,859	2,922	2,384
Financial assets	365	3,733	1,188	1,577
Cash and cash equivalents	574	826	2,279	469
Bank balances other than Cash and cash equivalents	313	936	2,199	3,003
Other current assets	693	2,155	2,539	3,010
<b>Total Assets</b>	<b>8,186</b>	<b>19,768</b>	<b>19,135</b>	<b>21,720</b>
<b>Equity &amp; Liabilities</b>				
Equity share capital	0	0	0	31
Instruments entirely equity in nature	7	6	8	8
Other equity	2,242	6,131	5,451	1,041
<b>Total Equity</b>	<b>2,249</b>	<b>6,137</b>	<b>5,459</b>	<b>1,080</b>
<b>Non -Current liabilities</b>				
Borrowings	1,087	1,205	309	1,602
Lease liabilities	597	1,686	1,419	1,393
Other non-current liabilities	309	545	1,184	1,510
<b>Current liabilities</b>				
Borrowings	1,897	3,647	2,840	9,614
Lease liabilities	68	178	209	237
Trade payables	1,209	3,837	4,027	4,121
Provisions	105	587	807	1,128
Other current liabilities	665	1,946	2,881	1,035
<b>Total Equity and Liabilities</b>	<b>8,186</b>	<b>19,768</b>	<b>19,135</b>	<b>21,720</b>

Source: IPO Prospectus, Deven Choksey Research

## **Ather Energy Ltd**

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