

April 25, 2025

IPO Note

### IPO NOTE

#### Issue Details

**Price Band: ₹ 304 to ₹ 321**
**Employee Discount: ₹ 30/Share**
**Issue Opens on: April 28, 2025**
**Issue Closes on: April 30, 2025**
**Lot Size: 46 Shares & in Multiples thereafter**

#### Issue Highlights

**Issue Size: ₹ 2,980.76 Cr.**
**No of Shares: 9,28,58,599**
**Face Value: ₹ 1**

#### Offer Structure

Issuance	₹ in Cr.
Fresh Issue	2,626.00
Offer for Sale	354.76
<b>Total</b>	<b>2,980.76</b>

#### Issue Breakup

Reservation for	% of Issue	₹ in Cr. (at upper band)
QIB	75	2,233.39
HNI	15	446.68
Retail	10	297.79
Employee	-	2.91
<b>Total</b>	<b>100</b>	<b>2,980.76</b>

#### Listing

**BSE & NSE**

#### Lead Managers

- Axis Capital Ltd.
- JM Financial Ltd.
- HSBC Securities and Capital Markets (India) Private Limited
- Nuvama Wealth Management Ltd.

#### Registrar

**MUFG Intime India Private Limited  
(Formerly Link Intime India Pvt. Ltd.)**

#### Contact Details

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### COMPANY OVERVIEW

Ather Energy is a pure play EV company that sells E2Ws and the associated product ecosystem, comprised of our software, charging infrastructure and smart accessories, all of which are conceptualised and designed by us in India. They are a pioneer in the Indian electric two-wheeler ("E2W") market, according to the CRISIL Report. It developed all components of the Atherstack software that powers their products in-house. According to the CRISIL Report, the company was the 3rd and 4th largest player by volume of E2W sales in Fiscal Year 2024 and the nine months ended December 31, 2024, respectively.

Their current E2W portfolio comprises two product lines: the Ather 450 line, which caters to customers seeking performance scooters, and the Ather Rizta line, which is targeted at customers seeking convenience scooters for their family. Rizta was awarded with Autocar electric 2W of the year award in Autocar Awards 2025.

Ather Energy's manufacturing facility is located at Hosur, Tamil Nadu. They are also planning to set up another manufacturing plant in Maharashtra, which has a high E2W penetration and has a strong automotive supplier base. It has built a strong dealer network with 265 Experience Centres (ECs) across India as on December 31, 2024.

Ather Energy as part of its Ather Grid charging network, has a company owned network of over 2,583 fast chargers in India, 22 in Nepal and 11 in Sri Lanka as of December 31, 2024. It also has the provision of neighborhood charging which provides access to AC charging points in shared private spaces.

### HIGHLIGHTS

1. Company's E2Ws are positioned at a premium price in their respective segments in the E2W market
2. Vertically integrated approach to product design with strong in-house R&D capabilities
3. Software defined ecosystem that drives high customer engagement and drives margins
4. Established and scalable technology platform enabling accelerated product launches
5. ability to pioneer new technologies

### OBJECTS OF THE ISSUE

1. Capital expenditure by the Company for establishment of an E2W factory in Maharashtra, India (₹ 927.2 Cr.)
2. Repayment/ pre-payment, in full or part, of certain borrowings availed by the Company (₹ 40 Cr.)
3. Investment in research and development (₹ 750 Cr.)
4. Expenditure towards marketing initiatives (₹ 300 Cr.)
4. General corporate purposes

Offer For Sale up to 11,051,746 equity share by the selling Shareholders. The company will not receive any proceeds from the Offer for sale.

### OUR VIEW

Incorporated in the year 2013, headquartered in Bangaluru, Ather Energy is the 4th largest Electric 2-Wheeler ("E2W") manufacturer in India by sales volume, after Ola, TVS and Bajaj. Ather was the first 2-wheeler OEM to establish a two-wheeler fast charging network in India in 2018 and has the widest footprint amongst two-wheeler fast charging networks in India.

Ather Energy has consistently remained loss making in last three financial years despite being a prominent brand in the EV two-wheeler market and market share of 11.5% as of FY24. Also, its sales grew by 39.3% year-on-year to cross the 1 lakh unit mark. Vertical integrated approach to product design and continued investments in R&D and designs, they strive to reduce their bill of materials ("BOM") costs.

The company has incurred loss since inception and had stagnant revenue growth in FY24. Also, its negative cash flow from operations in the same period. The company operated on an EBITDA margin of 13.9% and PAT margin of 8.5% for year ended FY24. Generating ROCE of 63% and Debt to Equity of 0.07x respectively for FY24.

The issue is priced at a P/BV of 80.25 based on its NAV of Rs. 4 as at December '24 and P/E is negative since it's a loss making. As per RHP, industry average P/E is around 38.5x and competitors are valued at 68x highest being (TVS Motors Ltd. and 20x lowest of Hero MotoCorp Ltd.

Company's limited operating history makes evaluating the business and future prospects difficult and performance may not be indicative of future performance.

The company has potential to grow as the electronic vehicle industry is taking the pace and it also has strong parentage. Looking at all the factors, risks, opportunities and valuation, the risk savvy investors may invest with long term horizon.

### Brief Financials

PARTICULARS	As at Dec. '24	₹ in Million		
		FY '24	FY '23	FY '22
Total Income	16,174	17,891	18,018	4,138
Total Expenditure	21,953	26,742	26,663	7,579
EBITDA	3,716.93	15,831.24	13,737.89	10,685.99
Loss before Tax	(5,779)	(10,597)	(8,645)	(3,441)
Profit after Tax	(5,779)	(10,597)	(8,645)	(3,441)
E.P.S. (Diluted)	2.69*	(47)	(48)	(27)
P/E (x) (Diluted)	-	-	-	-
RONW (%)	(535)*	(153)	(141)	(194)

\* Not Annualised

### PRICE CHART (@ ₹ 321) (Retail Category)

LOT SIZE	Amount
46	14,766
92	29,532
138	44,298
184	59,064
230	73,830
276	88,596
322	103,362
368	118,128
414	132,894
460	147,660
506	162,426
552	177,192
598	191,958

### HNI Payment Chart

Category	No. of Shares	Minimum Bid Lot Amount(Rs.)
Small HNI	644	206,724
Big HNI	3,128	1,004,088

### Indicative Time Table

Tentative Events	Indicative Dates
Finalisation of Basis of Allotment with the Designated Stock Exchange	2/5/2025
Initiation of refunds/unblocking ASBA Fund	5/5/2025
Credit of Equity Shares to demat accounts of Allottees	5/5/2025
Commencement of trading of the Equity Shares on the Stock Exchanges	6/5/2025

**For more details, Please refer RHP,**

[https://www.sebi.gov.in/filings/public-issues/apr-2025/ather-energy-limited-rhp\\_93554.html](https://www.sebi.gov.in/filings/public-issues/apr-2025/ather-energy-limited-rhp_93554.html)

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