



ATHER

Ather Energy Stagnation Case Study

~ ANIKET TIWARI



Ather Energy Works on An online-only purchase model for selling the product with doorstep service.

Electric Scooter Sales

Two production facilities, one in Bengaluru, Karnataka, and the other at Hosur, Tamil Nadu

Charging Infrastructure - Ather Grid

With 2000+ Fast Charging Grid points in over 170 cities in India (including 100+ Grid points each in Bengaluru and Delhi)

Annual Production Capacity

420,000 units

The company hopes to increase annual production capacity to 1.5 million

How does Ather Energy Make money?



Product Lineup

450S **450X**
450^{APEX} **RIZTA**[®]

Subscription Plans

Plans include features like updates and performance upgrades. Services such as over-the-air updates, connectivity

Service Charges

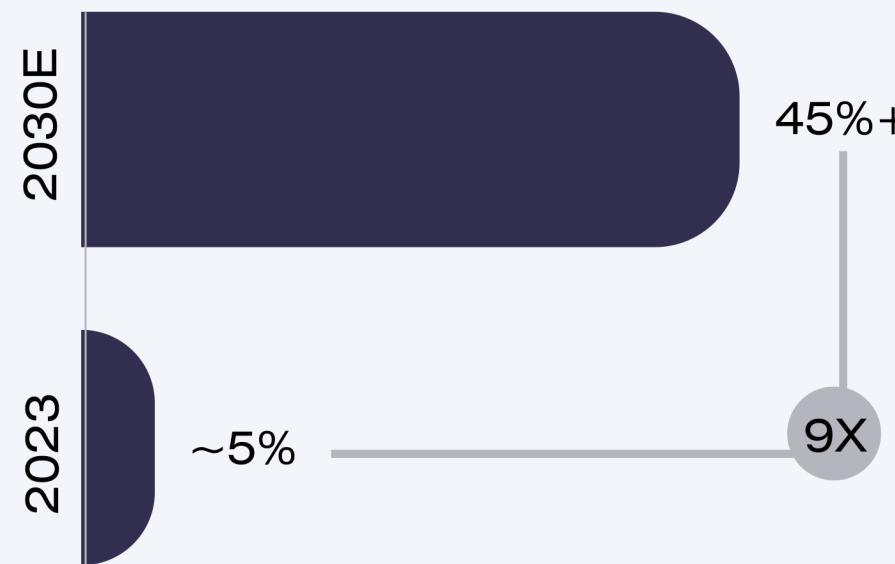
Service revenues only comprise 10%-15% of EV dealer revenues (compared to 30% or more for ICE dealers)

Partnership with Vidya Energy

the business will facilitate product sales and services in Nepal and will also install fast-charging stations, with the help of partnership

India's 2W EV penetration has potential to jump from approximately 5% today, to 45%+ by 2030.

"This massive opportunity requires OEMs to have a multipronged development agenda, supported by key unlocks at the EV ecosystem and policy levels"



Electric Scooter Players

Company & Industry

Reasons For Stagnation

Suggestions

Customer Experience

B2B Expansion

Economics & Market Forces



Batteries account for 50-60% of the total cost of EVs



Prices for Li-ion Batteries have fallen sharply over the last 10 years
(Rate ~ 30% annually)



Increasing fuel prices (+ taxes on fuel) and ICE vehicle price rise (Due to BS 6 implementation)



Low maintenance cost of EVs

FAME II

Provides incentives Rs 1500/- per kWh upto 40% of the cost of Two Wheeler Vehicles

PLI Scheme for National Programme on Advanced Chemistry Cell (ACC) Battery Storage.

GST on EVs has been reduced from 12% to 5% & on chargers/ charging stations has been reduced from 18% to 5%

Customs duty exemption for the import of capital goods and machinery required for the manufacture of lithium-ion cells

Environmental & Social Forces



Growing need for energy-efficient commutes

Decreased dependence on crude oil imports



Rising Demand for zero-emission vehicles

2 Wheelers emit ~ 20% CO2 & 30% Particulate matter

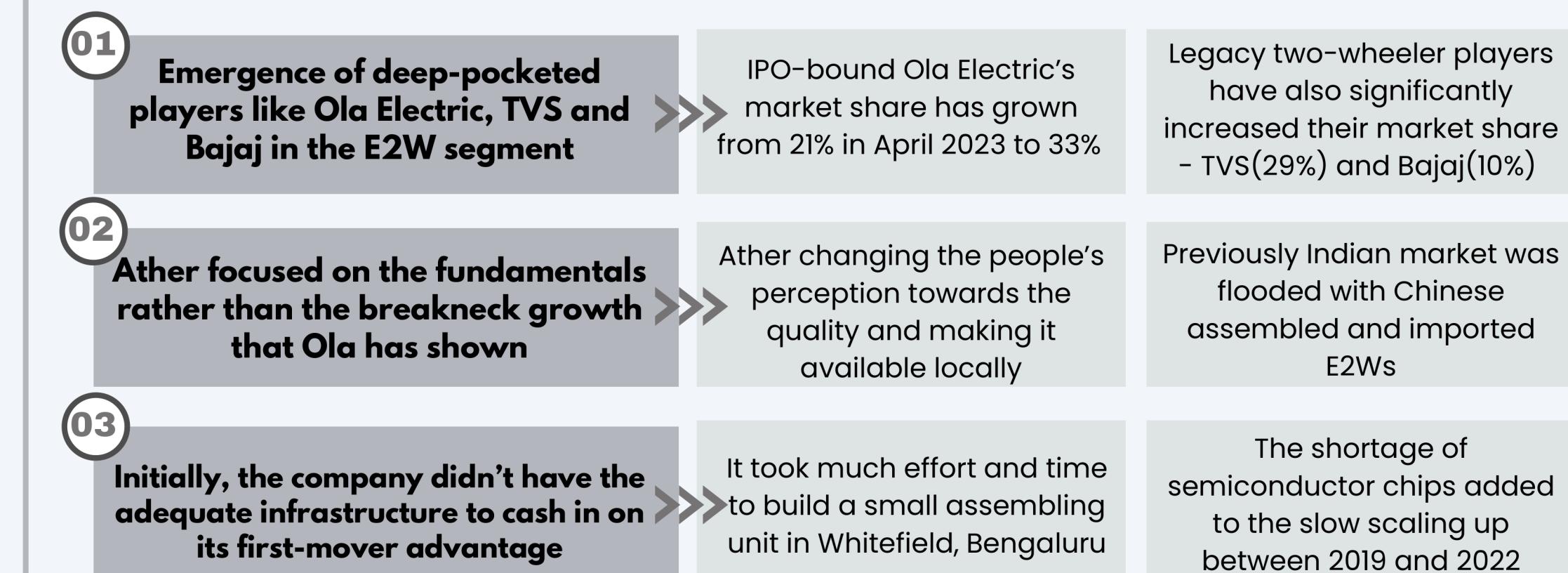
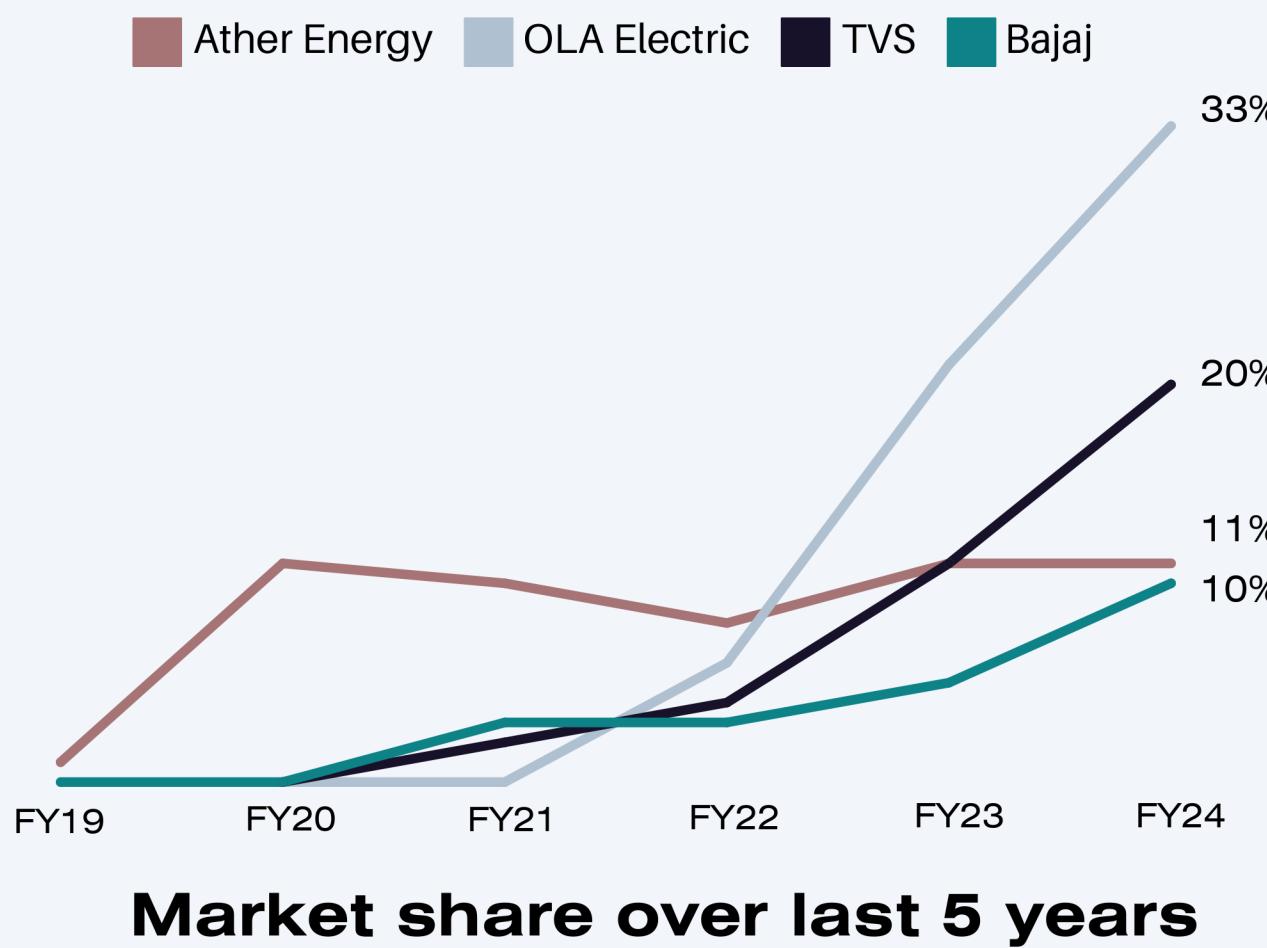


Over 90% of electric vehicles on Indian roads are low-speed electric scooters, which do not require registration or licenses

Government policies & Subsidies

Problem Statement

“Despite Ather Energy's early entry, technological prowess, and strong product lineup, its market share has not improved for the past five years”

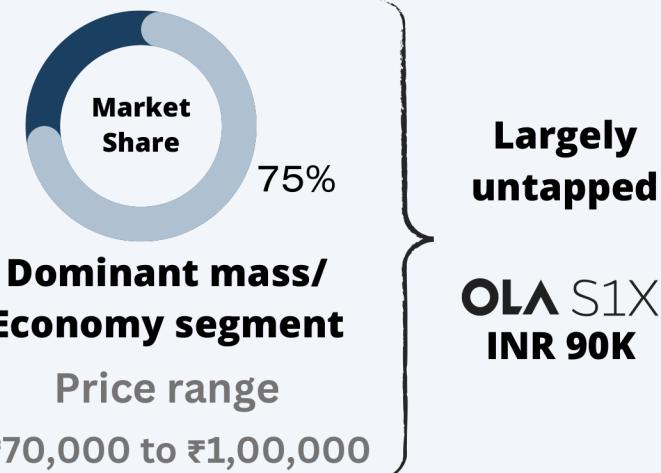


Develop products from a "customer-back" approach to optimize capital expenditure.

EV penetration is significantly higher in the premium segments than the mass market, as EV manufacturers aim to balance pricing with range and performance.

A mid-segment EV scooter product could enable 50%+ penetration in scooters (10%-15% penetration today)

EVs have already achieved 40% penetration in the premium scooter segment



Ather need to launch new products to displace dominant models like Honda Activa

Develop products specific to key customer cohorts, and balancing range and performance at the Activa price point

Over time, product development in the mid-segment

>>> Scaled domestic manufacturing & falling battery prices

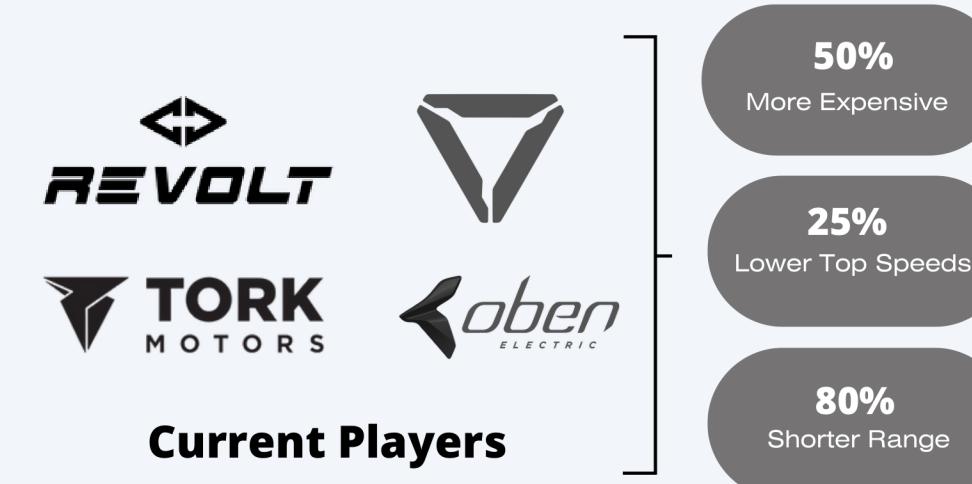
>>> Accelerate Penetration

Battery swapping will enable lower-cost offerings

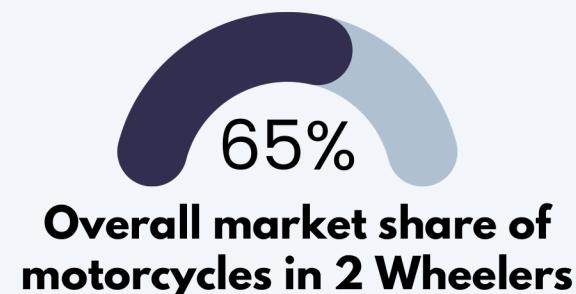
40%-50% Reduction in cost, by offering E2Ws without batteries

>>> drive adoption in the entry- and mid-level segments.

A Breakthrough motorcycle products could drive EV penetration to over 30% (currently less than 1%)



"The only criteria where current EV motorcycles are on par with ICE models is TCO"



The entry-level segment, accounting for about half of the motorcycle market, is more conducive to EV penetration due to its lower range and performance requirements.

Challenges

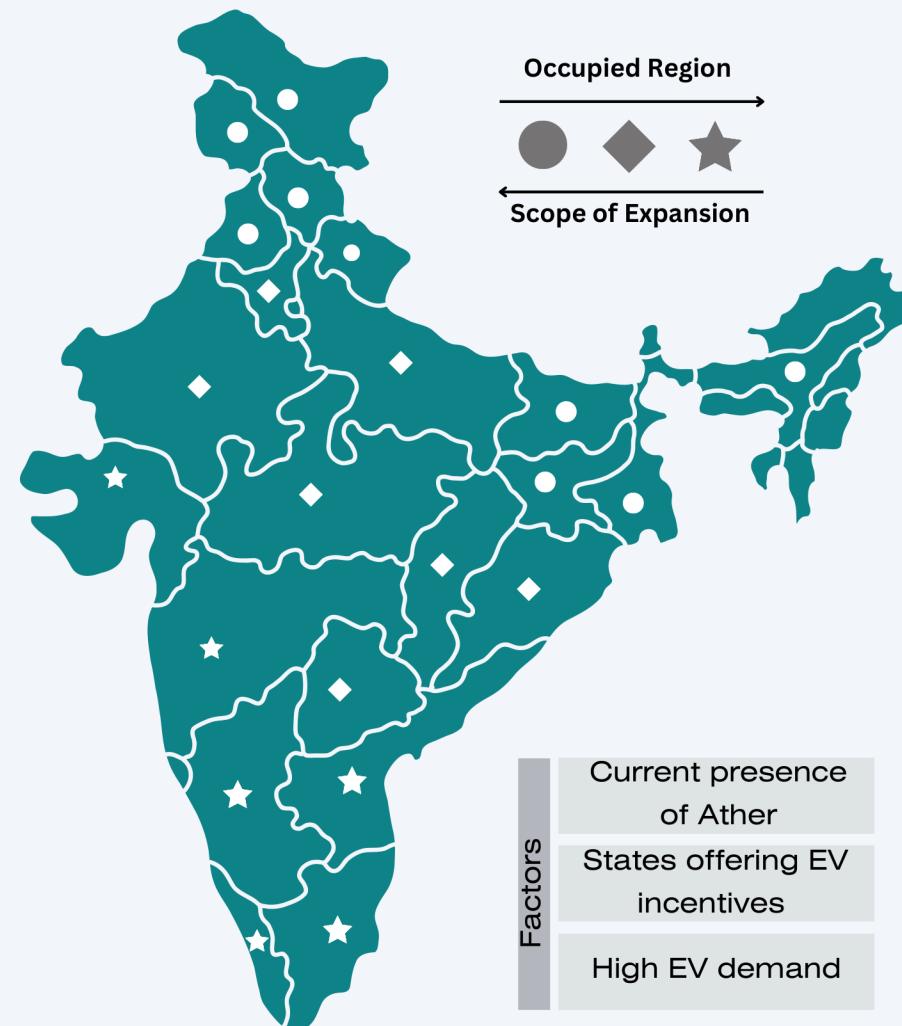
- 01 OEMs are unlikely to standardize their batteries in the near term.
- 02 It will require scale-up of specialist battery swapping players.

Ather will need to form exclusive partnerships with battery-swapping providers to support swapping-enabled two-wheeler EV models.

Reimagine distribution models to grow beyond metro and Tier 1 cities.

To achieve long-term scale and profitability, Ather must balance the speed of capturing untapped markets with selecting the right dealership model, such as exclusive dealerships or multi-brand outlets.

Focusing on regions with surging demand for EVs, supportive policies, and rapidly developing infrastructure



Scope of expansion in different states

Meghalaya, Assam, Goa, West Bengal, Bihar & Odisha have high E2W incentives but less Ather infrastructure

Ather have a significantly lower distribution footprint in Tier 2 and Tier 3 cities & rural areas

- 01 The sparse charging infrastructure
- 02 misconceptions about EV performance

- 03 limited dealership presence
- 04 Lower awareness than metropolitan areas.

75% of India's population resides in tier 2, tier 3, and rural markets underscores the immense potential for electric two-wheeler adoption in these areas.

Deepening Presence in Existing Markets

- Improve Dealership accessibility
- Reduce response time
- Expand the network of Ather Grid
- Localised marketing

Enhance Customer Experience

Regional festivals, events, and collaborations with local influencers.

Expansion to New Cities and Regions

- Prioritize expansion to high-potential Tier 2 and Tier 3 cities
- Local Manufacturing Expansion
- Phased Launches

Implement phased launches with pilot programs to test market readiness before full-scale rollouts.

Customer Engagement and Community Building

- Loyalty Programs
- Community Initiatives
- Feedback Mechanism

Retain existing customers and encourage referrals.

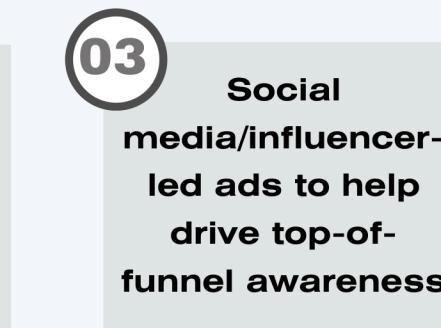
CSR activities, sustainability programs, and environmental campaigns

Gather insights from customers and continuously improve products and services

New online channels like community-led D2C platforms and digital-led lead generation will emerge to support 2W EV sales.

Ather should explore alternative revenue streams through software and value-added services to enhance its economics, and boost the conversion of ICE owners through an attractive exchange program.

Buying behaviors are shifting to "research online, purchase offline," with online-enabled 2W sales projected to exceed 50% by 2030, (up from under 10% today)



"Use software as a differentiator and profitability driver"

Leverage software to

- Enhance power delivery
- Optimize battery management based on vehicle usage to increase battery life
- Track real time delivery status
- Booking service appointments & tracking

Since EV dealerships earn lower service revenues, Ather need to explore new sources of income

Recurring subscription-based services and more accessories



TESLA

Tesla charges \$10 per month for premium connectivity features like live traffic visualization, video streaming, and karaoke.

Capture petrol 2-wheeler customers with attractive ICE Exchange offer

OLA ELECTRIC

Ola Electric's ICE exchange offer allows customers to trade in their internal combustion engine (ICE) vehicles for an Ola electric scooter

Enhancing After-sales service and delivery will greatly improve customer satisfaction and overall brand perception.

After-sales service is a big pain point for Ather customers, Ather will need to make tradeoffs between maintaining in-house service centers and enabling localized third-party providers.

Customer Testimony

"Not worth buying, post-purchase you will be going to face issues with the service, they don't have a proper service network, and I had the worst service experience with ather, customer care team gives you false information, they provide a fake invoice for an annual subscription, it's more than 1month no response from them"

~Satisfish

"Well tbh, I am kinda avoiding visiting the service centre. Firstly, its too far and secondly, my first visit was disappointing.

- they didn't have shampoo or whatever to wash the bike
- they didn't have anything for polish
- the brakes still had dirt all over
- the bike still kept making weird noise after the wash (like always) & they kept giving "gyan"
- they didn't have:
 - a.charging port cover 2) key cover

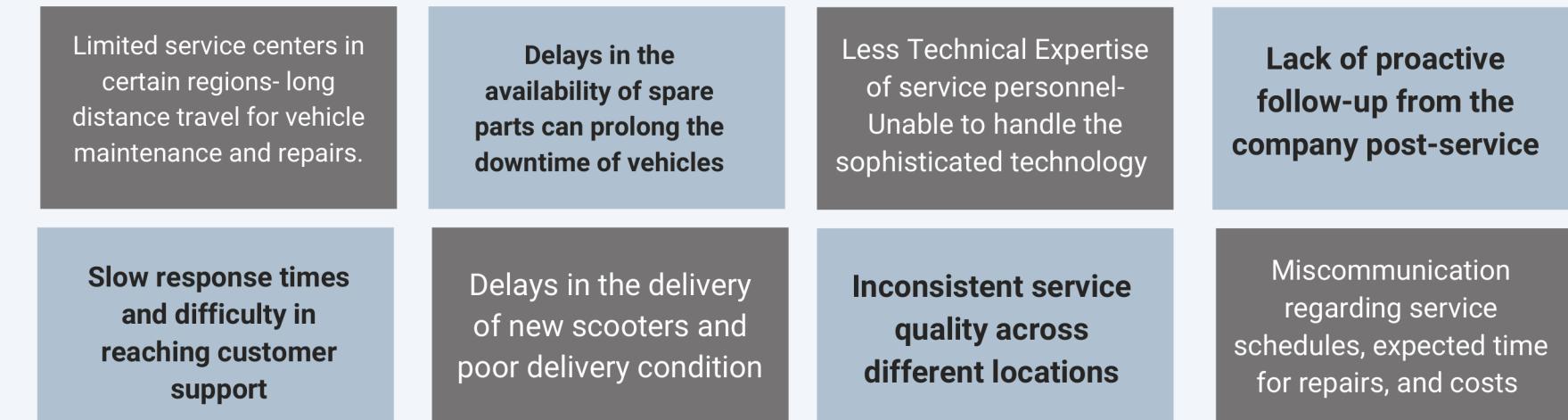
All this even when I had called them 2 weeks before I actually showed up. Long way to go Ather. For now, I am happy without visiting unless I face some major issues"

~Rajkumar Mishra from Mumbai

Customer Purchase journey



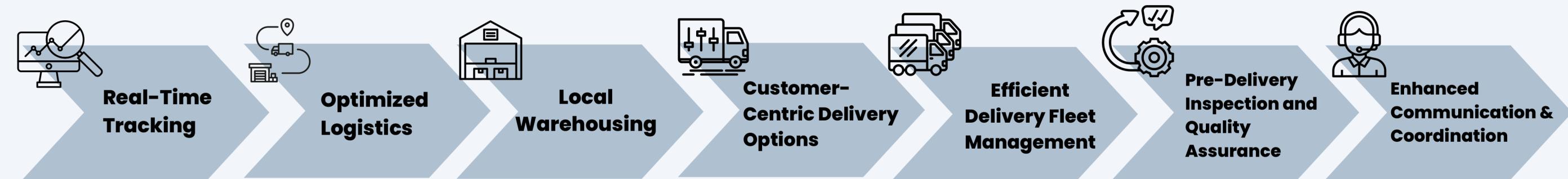
Key pain point of Ather Owners



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01 Streamline Delivery Process



02 Enhance After-Sales Service Network



Service Centers Expansion

- Tier-2 and Tier-3 cities Expansion
- Introduce Mobile Service Units



Training and Development

- keep staff updated with the latest technologies and service protocols
- keep staff updated with the latest technologies and service protocols.



Customer Service Excellence

- Establish a 24/7 customer support hotline and chat service
- Develop a dedicated app for booking service appointments & tracking



Customer Engagement and Feedback

- Conduct regular follow-ups with customers after service visits to ensure satisfaction.
- Provide multiple channels (online, phone, in-person) for customers to give feedback



Utilize Data Analytics

- To predict potential vehicle issues before they become major problems.
- Collect and analyze customer feedback to identify areas for improvement in service.

“Investing in robust infrastructure for efficient delivery and after sales service will greatly benefit in customers satisfaction and reduce unnecessary expenditures by optimizing operational cost”

Prioritize B2B/fleet customer segments to generate near-term momentum.

Capitalize on the growing demand for efficient, cost-effective, and environmentally friendly delivery & fleet solutions in India by offering electric scooters for delivery services.

Initiatives by companies using fleet for delivery - Opportunities for Ather

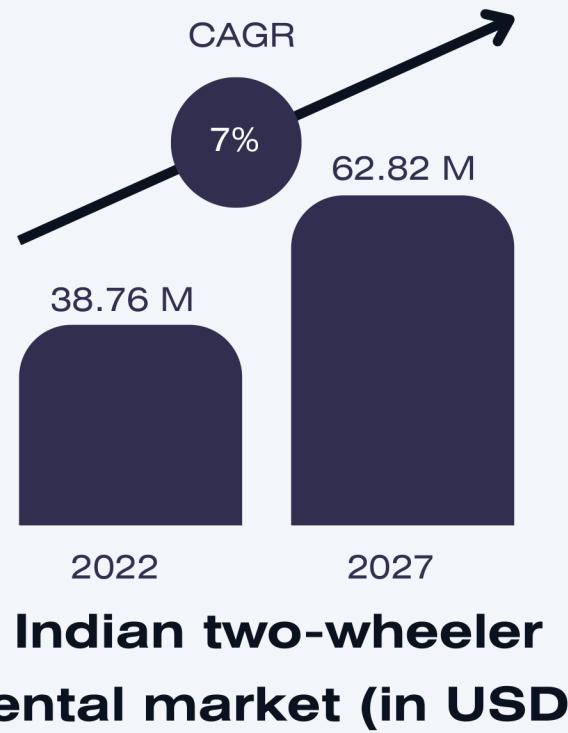
amazon
delivery executives in India, using two-wheelers

Uber
aims to electrify 100% of its delivery fleet by 2030

zomato
plans to add 25,000 EVs by 2026 as part of its "Uber Green" initiative.

"EVs offer a superior value proposition for these segments based on positive TCO, which is reflected in their ambitious electrification plans"

Partner with 2-wheeler rental company



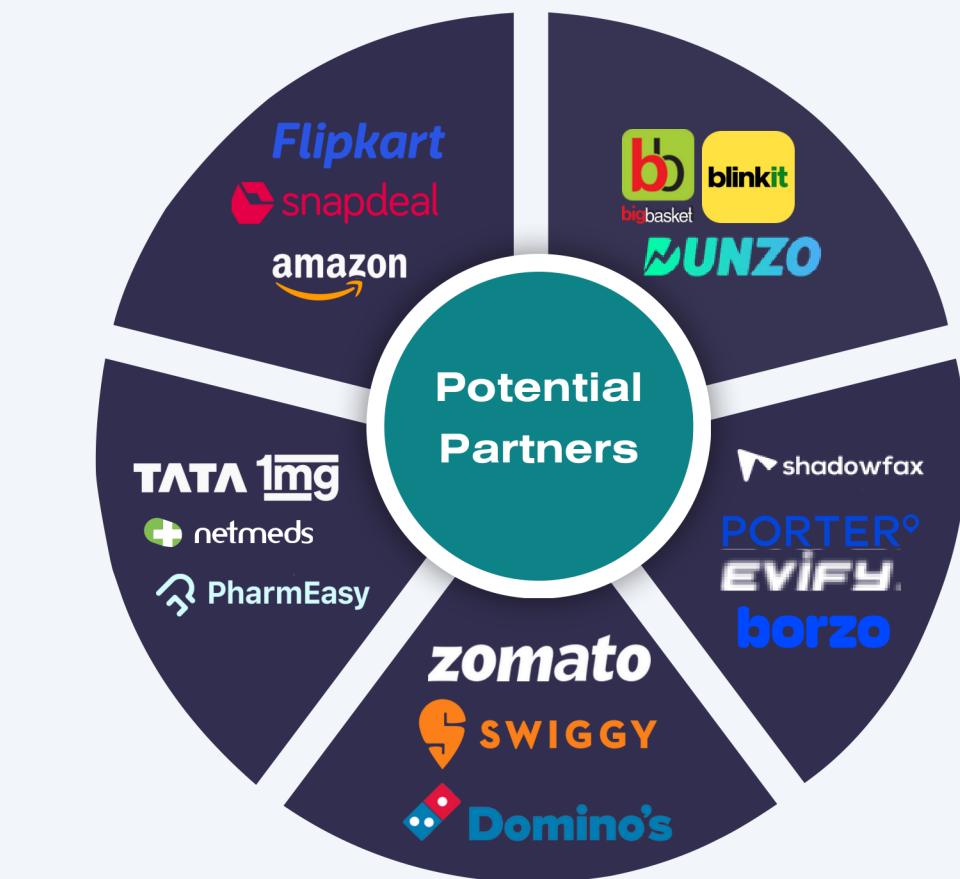
Potential Partners

Fleet Solutions for Delivery Services

\$6 Billion
Last-mile delivery logistics market in India (2024)

\$1.48 Billion
Indian intra-city logistics market (2024)

1.5 Million
delivery executives in India, using two-wheelers



Thank
you!



Appendix

Funding Summary of Ather Energy

\$[↑] 12

Funding Rounds

2 Seed / 4 Early-Stage /
6 Late-Stage

\$444M

Total Funding

\$128M Largest Round

13

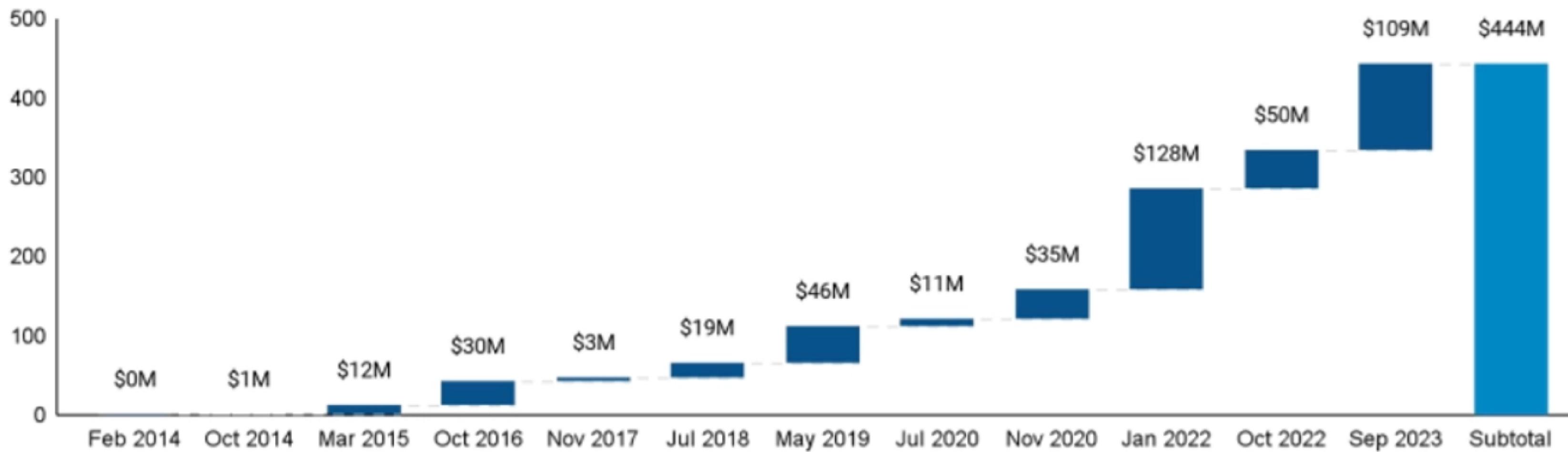
Investors

13 Institutions

\$739M

Valuation

As of Oct 14, 2022



Appendix

Financial Breakdown of Ather Energy

