

Date: November 07, 2025

To,
National Stock Exchange of India Ltd.,
Address: Exchange Plaza, C-1, Block G, Bandra
Kurla Complex, Bandra (E), Mumbai-400051,
Maharashtra, India.
NSE Scrip Symbol: OLAELEC

To,
BSE Limited
Address: Phiroze Jeejeebhoy Towers
Dalal Street Mumbai- 400001,
Maharashtra, India.
BSE Scrip Code: 544225

SUBJECT: TRANSCRIPT OF EARNINGS CONFERENCE CALL WITH ANALYSTS/INVESTORS HELD ON NOVEMBER 06, 2025 PERTAINING TO THE UNAUDITED STANDALONE AND CONSOLIDATED FINANCIAL RESULTS FOR THE SECOND QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2025.

Dear Sir/ Madam,

Pursuant to Regulation 30 read with Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("**SEBI Listing Regulations**"), please find enclosed herewith the transcript of the earnings conference call with analysts and investors held on Thursday, November 06, 2025."

The said transcript is also being made available on the website of the Company and can be accessed at the following link: <https://www.olaelectric.com/investor-relations/announcements>.

We request you to take the above on your record.

**Thanking You,
Yours faithfully,
For and on behalf of OLA ELECTRIC MOBILITY LIMITED**

**Abhishek Jain
Company Secretary and Compliance Officer
Membership No.: A62027
Place: Bengaluru
Encl: As above**



Ola Electric Mobility Limited

Q2 FY26 Earnings Conference Call

November 06, 2025

Management:

Mr. Bhavish Aggarwal – Founder, Chairman and Managing Director, Ola Electric Mobility Limited

Mr. Harish Abichandani – Chief Financial Officer, Ola Electric Mobility Limited

Mr. Abhishek Chauhan – Director, Corporate Communications & PR, Ola Electric Mobility Limited

- **Moderator:**
- Ladies and gentlemen, good day and welcome to Ola Electric Q2 FY26 Earnings Conference Call. As a reminder, all participants will be on 'listen-only' mode and there will be an opportunity for you to ask questions after the presentation concludes. Please note that this conference is being recorded.
- Before we begin, a few quick announcements for the attendees. Anything said on this call which reflects our outlook for the future or which could be construed as a forward looking statement may involve risks and uncertainties. Such statements or comments are not guarantees of future performance and actual results may differ from those statements.
- To begin with, I would like to request Bhavish Aggarwal, Chairman and Managing Director of Ola Electric, and Harish Abichandani, CFO of the company, to take you through the results.
- **Mr. Bhavish Aggarwal - Chairman and Managing Director, Ola Electric Mobility Limited:**
- Thank you, Abhishek, and good to meet everybody again after 3 months. Again, I am going to largely keep time for Q&A. My comments are going to be very, very brief. We published a shareholder letter in good time this time and I am assuming most of you have gone through it.

Highlights

- Couple of highlights. It's been an important quarter for us. Our Auto business has continued its progress towards strong profitability. Specifically, I want to highlight our gross margin, 30.7% gross margin, much better than many ICE companies also. And this has been consistent with our strategic focus over the last 2-3 quarters.
- Auto business also turned cash-generative with underlying cashflow from operations of ₹15 crores.
- This quarter also commissioned our Gigafactory, 2.5 GWh capacity, and by March we will be scaling up to 5.9 GWh.
- In October, we launched, expanded into the energy segment with Ola Shakti. It's India's first residential BESS product and is built with our own in-house 4680 cells. This should drive new revenue streams and grow the Gigafactory utilization.
- So, I am going to pause here. I am going to open up for questions and through questions, answer many of your queries.

Q&A Session

- **Moderator:**
- Thank you, Bhavish. We will now begin with the question and answer session. Anyone who wishes to ask a question may use 'raise hand' option. If you wish to remove yourself from the question queue, you may press 'raise hand' option once again. Participants are requested to unmute themselves before asking the questions. Before asking the questions, we request you to introduce yourself with your full name and your organization. Ladies and gentlemen, we will now wait for a moment while the question queue assembles.

- Thank you everyone. We will take the first question from Mr. Chandramouli from Goldman Sachs. Sir, you may unmute yourself and ask your question.
- **Mr. Chandramouli - Goldman Sachs:**
- Hi, can you hear me?
- **Moderator:**
- Yes, we can.
- **Mr. Bhavish Aggarwal - Chairman and Managing Director, Ola Electric Mobility Limited:**
- Hi, Chandru.
- **Mr. Chandramouli - Goldman Sachs:**
- Hi, Thank you for taking my questions. First question is just on the BESS business. So, I just want to understand what the building blocks of the assumptions are on your guidance for FY27 full year revenues there.
- **Mr. Bhavish Aggarwal - Chairman and Managing Director, Ola Electric Mobility Limited:**
- See, Chandru, firstly, important point to highlight in the BESS business is that a lot of the manufacturing and R&D is all shared between our Automotive and BESS business. It's the same battery pack that goes into our Roadster. The same 4680 cells go into our Shakti product as going to our automotive. Now, if you look at the opportunity, and we launched it in October, we've gotten a very good response. So, a lot of reservations. The product goes into the market in around mid-January and goes into market across all our 2,500-3,000 stores. So, in that sense, we have very strong distribution also.
- The current market that it addresses, it's a first of its kind product which is built in India, but the market it addresses is the current inverter market, which is largely lead acid or even the diesel generator used in homes, used in small SME or small commercial establishments. And it also complements the rooftop solar market growth because rooftop solar, as it's growing with the government push behind it, most of those installations will have some version of home battery storage installed with it. So, those are the market directional inputs that are important for all of us to understand.
- In terms of numbers, see, the average selling price for this product is at the upper end, a ₹2 lakhs product, at the lower end, ₹50,000 product. So, an average selling price of about, you know, ₹1.25-₹1.50 lakhs would be the average blended selling price. So, then if you just add that next quarter, we have said Q4, which is when it launches, we should do about a ₹100 crore revenue, which means about 7,000-8,000 products sold through the quarter, which we feel fairly confident in doing.
- And through FY27, a ₹1,000 crore number to us seems to be a median guidance on what we can achieve. You know, that's about ₹250-₹300 crores a quarter. So, the demand for this is fairly high and our distribution, our pricing, all is industry leading here. And also, despite the pricing that we've in this category also started with a competitive pricing, despite that our gross margins are going to be fairly healthy. Just like in our Auto business, as you've seen, our gross margins have continued to improve. Even here, our gross margins will start off in a very healthy way.

- **Mr. Chandramouli - Goldman Sachs:**

- Got it. That's helpful. Second bit is just around the ASP reported this quarter. So, it looks like the two-wheeler business ASP has increased from sort of ₹121,000 to ₹131,000. Is most of that because of slightly better PLI realization or is there any other insight you can share with us on the mix of products? Maybe what the quarterly average on motorcycle mix was? Any additional color you can share there?

- **Mr. Bhavish Aggarwal - Chairman and Managing Director, Ola Electric Mobility Limited:**

- Chandru, PLI in this quarter was also minimal only and we have a chart, we have a graph towards the end in the annexures which shows you a gross margin without PLI, gross margin with PLI. So, PLI in the 30.7% gross margin was only two points. So, PLI on our Gen 3 came in only towards the end of the quarter. So, in Q3, which is this quarter, we will see a further uptick in gross margin due to PLI.
- Now, the ASP is improving because we are able to increase the attachments of our add-ons like MoveOS+, which is the software subscription, as well as to some extent accessories, etc. We've also, you know, our Gen 3 products give us a broader range of pricing. The 4680 products are priced on the higher end, higher range. Even the Pro Plus products came into market in Q2. So, due to a broader range, our ASP also got a certain benefit due to that. And our motorcycles also have a slightly higher average pricing than the scooter given the higher battery pack sizes on average. So, those are the reasons why ASPs went up.
- Important point to note also is our pricing in the market is still competitive. We are, compared to like-to-like to our competitors, still slightly lower on pricing index versus what they are. Despite that, our gross margins are very healthy.
- Now, another point I want to make on this as we are on this topic is, you know, the Auto two-wheeler EV industry has been largely flat over the last few months, last 2-3 quarters especially, through this calendar year. And our strategy has been to use this time to consolidate our operations, focus on cost efficiencies, improve our gross margins, get the new product, which is our Gen 3 product, into the market, launch the motorcycles in a credible way and also fix some of the frontend operational challenges that we have been focusing on for the last couple of quarters. And this strategy, you know, we believe is setting us up very well for the next phase of growth that will start once the mass sort of more value-conscious customer starts buying into EVs.
- So, in that sense, you know, the company, the products, the gross margin, the product differentiation, the business model, cost structure, all is now primed for the next wave of growth coming up.

- **Mr. Chandramouli - Goldman Sachs:**

- Got it. That's helpful. And just lastly, if you could just help us with, I think there's a comment in the shareholder's letter that the exit run rate for motorcycles was about 15% of total volume but just the quarterly run rate for the entire quarter, if you could just give us some more clarity on what the electric motorcycle mix was for the September quarter?

- **Mr. Bhavish Aggarwal - Chairman and Managing Director, Ola Electric Mobility Limited:**

- See, the quarterly run rate would be around 12%-15% in the Q2 quarter, overall volume. So, obviously, over Q1 we have increased and we are seeing increased interest and traction in our

motorcycle business. But like we said earlier, we're taking it in a more gradual sense, rolling it out across the country in a more gradual step-by-step way.

- **Mr. Chandramouli - Goldman Sachs:**

- Got it. Thank you very much and all the best.

- **Moderator:**

- Thank you. We'll take the next question from Mr. Arvind Sharma. Sir, you may unmute yourself and ask your question.

- We'll take the next question. We'll take the next question from Ms. Nishita Sankalesha. If you can just unmute yourself and ask the question.

- **Ms. Nishita Sankalesha – Participant:**

- Hello?

- **Mr. Bhavish Aggarwal - Chairman and Managing Director, Ola Electric Mobility Limited:**

- Hi, Nishita.

- **Ms. Nishita Sankalesha – Participant:**

- Yes, am I audible?

- **Mr. Bhavish Aggarwal - Chairman and Managing Director, Ola Electric Mobility Limited:**

- Yes.

- **Ms. Nishita Sankalesha – Participant:**

- Yes. So, I just need a clarification. Did you mention that in FY27 we'll do ₹250-₹400 crores per quarter from our BESS unit?

- **Mr. Bhavish Aggarwal - Chairman and Managing Director, Ola Electric Mobility Limited:**

- We have set an outlook of ₹1,000-₹1,200 crores for the full year. So, we have not really given any specific number for a quarterly number. I just divided that by four for the conversation. But, obviously, it will not be seen across the quarter, it will scale up through the year.

- **Ms. Nishita Sankalesha – Participant:**

- Right. But this is just from the BESS unit, right?

- **Mr. Bhavish Aggarwal - Chairman and Managing Director, Ola Electric Mobility Limited:**

- Yes, this is just from the BESS products.

- **Ms. Nishita Sankalesha – Participant:**

- And the price per unit for BESS would be ₹1.15 lakh to ₹1.5 lakhs, if I heard it correctly?

- **Mr. Bhavish Aggarwal - Chairman and Managing Director, Ola Electric Mobility Limited:**
- The upper end is ₹2 lakhs. And you can find this on our website, Nishita
- **Ms. Nishita Sankalesha – Participant:**
- Okay-okay, understood. Thank you so much.
- **Moderator:**
- Thank you. We'll take the next question from Ms. Gunjan Prithyani of Bank of America. Please unmute yourself and ask your question.
- **Mr. Bhavish Aggarwal - Chairman and Managing Director, Ola Electric Mobility Limited:**
- Yeah. Gunjan, you'll have to be a little louder or closer.
- **Ms. Gunjan Prithyani - Bank of America:**
- Okay. Couple of questions from my side. Firstly, follow up on the results. Could you also talk about what was the progress on Gen 3 transition? Are we, you know, what part of the portfolio has already transitioned fully? And any reason for PLI still being lower? I mean, what stage of PLI certification we are for the current portfolio?
- **Mr. Bhavish Aggarwal - Chairman and Managing Director, Ola Electric Mobility Limited:**
- Gunjan, Q2 was almost all Gen 3. And now, since the beginning of festive, we've stopped Gen 2 completely. So, now all our sales are completely Gen 3. Q2 was almost like a high 90% Gen 3.
- PLI, the Gen 3 scooter portfolio already has PLI now. That PLI came through towards the early part of September. That's why only a part of our quarterly revenue has PLI. But Q3 onwards, all of our scooters have PLI. Bikes PLI will come in January or February. That's our expectation.
- **Ms. Gunjan Prithyani - Bank of America:**
- So, this 2% PLI contribution will essentially go up more closer to like 10% on a blended basis by next quarter? Is that correct?
- **Mr. Bhavish Aggarwal - Chairman and Managing Director, Ola Electric Mobility Limited:**
- See, if all our revenue gets PLI, in gross margin it will reflect at about 7-8 points extra. Because our revenue is not just product revenue, right, there is other revenue also. So, like the add-on revenue doesn't get PLI, the service revenue doesn't get PLI, parts revenue doesn't get PLI, so it's only the product revenue. So, 7-8 points is what it will add up in total PLI revenue once all our products have PLI.
- But if I help you draw a bit of a margin walk, gross margin walk, between 30.7 in this Q2. So, actually, our outlook is on the gross margin higher than what we thought in Q1. We do expect from a full portfolio PLI, Q4 onwards we should be having a gross margin of 36%-37%, which is that extra 5-6 points that will come. Some of it will come in Q3, some of it will come in Q4. Then on top of that, there are some further incremental improvements in attachments of our software subscriptions, other accessories which are going to increase. And then the whole parts business

which we talk about in our...the whole parts business so far was only restricted through my own network. And, as you know, most OEMs make about 10%-12% revenue and 50%-60% gross margin on that from parts. So, now that's a revenue, we've just set up a business unit around that to grow our parts revenue.

- And we have a very large deployed vehicle base, more than a million now, still almost 40%, 50% higher than our nearest competitor in EVs. So, we do expect the parts business to scale up significantly. So, in a couple of quarters if it gets to 5%-6% of revenue, that's another 2-3 points of gross margin. So, that's the rough ladder up to, let's say, high 30% or even up to 40%. Some of this we might invest back into growth as the industry gets back into a growth phase over the next couple of quarters.

- **Ms. Gunjan Prithyani - Bank of America:**

- Got it.

- **Mr. Bhavish Aggarwal - Chairman and Managing Director, Ola Electric Mobility Limited:**

- And I'll comment on industry growth also. See, our read of the market is that the market grew a lot over the last couple of years. And for the last one year, it has stabilized because the early adopters have already adopted EVs. Now, it's the mass market customer who needs to get convinced about the EV proposition. The commercial proposition they're convinced with but the general reliability of a new technology, charging network, service network, etc., still needs some work. And we also still need to do some work in that direction, which is what we are focused on with our Hyperservice initiative, where we are expanding the network beyond company-owned service centers as well as opening up parts for open purchase. So, as the next set of customer base comes into the EV purchase industry, we will actually be well-poised to scale that up, including having the gross margin to invest into surgical growth opportunities.

- **Ms. Gunjan Prithyani - Bank of America:**

- Okay, got it. My second question is on the warranty cost that was dragging for the last couple of quarters. Now that we've transitioned to Gen 3, more or less for the entire portfolio, can you share a little bit more on where we are on the warranty cost and what are the initial feedback on Gen 3 in terms of how should we think as a sustainable warranty cost?
- And, Bhavish, maybe because you covered industry growth, I mean, it will be good to have your comments on the market share as well because that's clearly something which has been underwhelming. So, some thoughts. What is the reason for it? How should we think about a more stable market share for Ola?

- **Mr. Bhavish Aggarwal - Chairman and Managing Director, Ola Electric Mobility Limited:**

- See, our brand proposition to the customer is great product, competitive product in terms of performance, range, technology, superior value so that customer gets a good product at a reasonable price, which is very important in case of a two-wheeler, and ownership experience. Now, two out of these three has been very good for us. We are working on the ownership experience, which is a service network. It has been slightly more challenging. And some of the challenges, by the way, are not just company linked. Some of the challenges are because we're the largest EV company, the largest deployed vehicles in the market, we actually face the largest challenge of trained technicians also. The industry does have a shortage of EV trained technicians, so it is in some way incumbent upon us to grow the pool of EV trained technicians, which is what the Hyperservice initiative is looking to do.

- Now, in terms of our market share, Gunjan, see, fundamentally, our product feedback, especially the Gen 3 product, the quality of that product is much superior to our previous generations and even in our own benchmarks to the market. So, the customer is loving the product. Bikes also have a good response. 4680 products, which are the higher range products, customers are quite excited about that. We have an order backlog we need to fulfill on that.
- So, we feel we have all the fundamentals lined up. As of now, we are focused on, a lot more of our energy is being spent on just getting operational costs into shape, getting our operational excellence and execution excellence on our frontend in shape. Our backend and manufacturing supply chain works really smoothly but our frontend, which is where a lot of my personal time is also going. A little bit of market share up and down. I know we're also focused on growth but in this interim period we don't mind a little bit of market share loss to other guys who are actually buying market share and it's not that their structural business model delivers them higher market share. Whereas our structural, our business model now, our product leadership is all structural. The gross margin reflects that and our operating margin also now reflects that.
- Looking ahead, we do expect market share to increase as the Gen 3 product stabilizes. We do expect market share to increase as our service network further improves and scales up, especially as our parts ecosystem becomes more broader, customer confidence on buying our vehicle because there is a very broad-based service ecosystem also improves. So, that will remain a focus over the next couple of quarters going ahead. And at some point also, we do feel the competitive dynamic of people kind of playing for the same market share amongst each other will plateau and the industry will have to focus on getting the next set of customers into the industry and that's where we feel our fundamentals are well-positioned to get the next set of customers into the industry.
- Did I answer all your questions, Gunjan, or you have one or two? I think I answered your market share question but if I skipped anything, I'm happy to answer. You can repeat.
- **Ms. Gunjan Prithyani - Bank of America:**
 - No-no, this is quite useful. Maybe if I can just add one more and then I'll join back the queue. I also wanted to get your thoughts on the captive usage of the battery cells. When do we expect that? Do you think on terms of cost, we are at parity now? What is the, you know, what is the yield on the cell business? Some of those metrics, which you shared last time, in terms of, you know, when do we get the parity for captive usage.
- **Mr. Bhavish Aggarwal - Chairman and Managing Director, Ola Electric Mobility Limited:**
 - See, the parity on cell cost will be around 3-5 GWh. That target remains the same. On the cell BOM cost, our cell business will actually make a good gross margin from the beginning because the BOM cost is better than our procurement cost from outside but definitely there will be some yield improvements we'll have to go through. Hence, there will be a journey. That's the 3-5 GWh threshold.
 - The rollout of our own cell into our vehicles has started already. The first products were delivered to customers last few days ago and now we are in the ramp period. If you see, our number of cells produced every quarter is also going up. It's still very low but the factory is in a ramp period. This Q3 quarter, you'll see a much more aggressive ramp in the Gigafactory. All the cells right now produced will go into our own vehicles or on the Shakti plant.

- **Ms. Gunjan Prithyani - Bank of America:**
- All right. Thank you so much. I'll join back the queue.
- **Moderator:**
- Thank you. We'll take the next question from Mr. Arvind Sharma of Citibank. Please unmute yourself and ask your question.
- **Mr. Arvind Sharma - Citibank:**
- Hi, hi. Can you hear me now?
- **Mr. Bhavish Aggarwal - Chairman and Managing Director, Ola Electric Mobility Limited:**
- Hi, Arvind.
- **Mr. Arvind Sharma - Citibank:**
- Hi, Sir. How are you doing? Thank you so much for taking my questions. I will start with the delivery part. You've given guidance for second half but if we go to FY27, the next year, it's too early for that but still what would be your underlying assumptions for the industry as well as Ola's market share beyond just FY26?
- **Mr. Bhavish Aggarwal - Chairman and Managing Director, Ola Electric Mobility Limited:**
- So, Arvind, the guidance we've given for second half is 100,000 units. We're also learning how to give some kind of outlook. And also, the industry is still, there are enough moving parts in the industry. I think what definitely is an important dynamic that we have considered now is the industry growth has slowed down. And this is also a global phenomenon. If you look at Global EV industry, except for China, generally there is a consolidation phase in the Global EV industry. And the strategy, leading companies which we look up to, are following also is largely that in this phase try and consolidate your operations and improve gross margins and improve product quality, bring stability to the product portfolio. That's what we have also focused on, Arvind.
- In FY27, we do expect the industry to have an uptick on growth. Now, whether that'll be 20% a year or 30% a year or 15% a year, I think, hard for me to pinpoint a specific number but in that zone we do expect the industry to grow again. We are also focused on, both in the scooter EV segment, consolidating our market share with high gross margins. Our focus has been on margin accretive growth and margin accretive share improvement also. And motorcycle is a completely new domain and motorcycle domain will take its own time to grow but we are the leaders there from the start itself.
- So, summary is, hard for me to have a guess on market share but we are absolutely targeting a market share, which is being the number one company. If you look right now, everybody's market share has broadly become the same at the top and our market share is moving a little up and down. But as the industry shakes out with more people stabilizing their volumes, having a higher vehicle park, which they then have to manage servicing of, I think market share will eventually be 1-2 leading players and a bunch of Tier-II players. Our expectation is to be in that 1-2 leading players with a market share of 25% odd as a target.

- **Mr. Arvind Sharma - Citibank:**

- Got it. Thank you, Sir. On BESS, now the commentary on revenue for FY27, that makes it almost a third of your revenue that you would end up FY26 with, which is a very strong number. But this is an incremental thing way beyond just the vehicles. Is it a strategy that going just beyond two-wheelers? Could we see Ola launching even more non-vehicle products because BESS would be a big contributor to revenue if things are to go the way you have guided to?

- **Mr. Bhavish Aggarwal - Chairman and Managing Director, Ola Electric Mobility Limited:**

- Absolutely. If you look at a revenue of ₹100 crore, that is about 6,000-7,000 units next quarter, which is not hard to do at all. 6,000-7,000 units is a very minimal number. And in FY27, a ₹1,000 crore revenue means about 60,000-70,000 units through the year. Again, all these, the inverter market is itself much bigger. The diesel generator market for residence is much bigger than this. And the solar growth is accelerating. Home rooftop, residential rooftop solar growth is itself accelerating.
- By the way, this product is not just for homes, even Telecom towers will be using the same capacity of battery storage as the current Shakti products have. Small nursing homes, hospitals, small commercial establishments, so the potential TAM is very high and we are pretty much by far the first company to bring a fully Indian product. Also, our pricing is very competitive because of our vertical integration. So, we are very confident of this product and meeting those volumes, those revenues.
- And if you remember, even our EV volume and revenue also grew with a similar hockey stick in the beginning. So, there is always, in any new category, early adopter journey, which we expect in FY27, our Shakti product to have. Whether it contributes one-third of revenue, half of revenue, 25, that's just mathematical but our target as a company is to have a ₹1,000 crore revenue minimum next year from our Shakti product.

- **Mr. Arvind Sharma - Citibank:**

- All right. Thank you, Sir. And if I may just squeeze in a very quarter specific question. We see the employee cost has gone down significantly, is it a sustainable rate? And similarly, on the other expenses side, it's not really gone down versus the volume, there will be lots of contributors to it. But if you could throw a quick light on these two aspects of the quarter?

- **Mr. Bhavish Aggarwal - Chairman and Managing Director, Ola Electric Mobility Limited:**

- See, employee cost, when it's high, people ask 'Why it's high?' and when it's low they ask 'Why it's low?'. But jokes apart, see, we are consolidating our... You know, just a little bit of history, a reminder for everybody. This is a 4-year old company, so when we grew like crazy, we did overbuild some organizations because that's the way how to manage crazy growth. You cannot have growth and profitability and consolidation, cost consolidation all at the same time. But we have used the last 6 months to really consolidate our costs, including in people. And this is completely sustainable.
- In fact, in Q3 and Q4 there'll be further cost optimizations, both on people but more so in the non-people-linked operational costs. You know, in Q4 and Q1 we had done a change in our distribution methodology, removed warehouses, removed our external registration partners, brought all of that in-house. That has contributed to profitability improvements, not all of which is yet fully baked into Q2. So, that'll bring some more profitability improvements in Q3 and Q4.

- And this is just the Auto segment, overall also we've given an outlook that our overall OpEx, by the way, in Q2 over Q1 has also come down from ₹450 crores to ₹416 crores. And this over the next couple of quarters also will just incrementally keep coming down.
- **Mr. Arvind Sharma - Citibank:**
- All right, Sir. Thank you so much for answering my question. That's all from my side.
- **Moderator:**
- Thank you. We'll take the next question from Mr. Shrenik Mehta from TPG NewQuest. Please unmute yourself and ask your question.
- **Mr. Shrenik Mehta - TPG NewQuest:**
- Hi, can you hear me?
- **Mr. Bhavish Aggarwal - Chairman and Managing Director, Ola Electric Mobility Limited:**
- Hi, Shrenik.
- **Mr. Shrenik Mehta - TPG NewQuest:**
- Hi, Bhavish. Bhavish, I just thought of asking you a question more about a long-term view of how you look at this company evolving. Say from a perspective of ROE, in how many years do you see that we will get over the threshold of the cost of capital? You know, many developments are happening which are really strong and are taking us towards that path but in your thought process when do you see this turning around?
- **Mr. Bhavish Aggarwal - Chairman and Managing Director, Ola Electric Mobility Limited:**
- Shrenik, the journey of return, if I start with the first principle, which is linear, the first subset in a manufacturing business is gross margin. Most important metric is product differentiation and linked to that gross margin, which is where the company is very, very strong. And it's strong horizontally across all products - scooters, motorbikes, even the BESS products. And the foundation of that is our technology, R&D, manufacturing scale. And that's where a lot of investment in the past few years has gone. And that's where, again, like we mentioned in our shareholder's letter, for the Auto business we don't foresee any major investments in the next couple of quarters. And even beyond that, the only investments will be new products that we bring in, limited R&D CapEx that will be needed for new products since the platform is shared. So, gross margin on a shared platform, investment is already behind us.
- Next is Operating leverage. Operating leverage is a function of volumes and volumes are a function of both market dynamics as well as our strategy on how much we're going to play in that. That I have commented on. We do expect market volumes and our volumes to increase in the near future and our focus remains on growing but in a profitable and margin-accretive way.
- Now, since for the Auto business capital investments in manufacturing are going to be minimal. We have a capacity of a million units a year and the only capital investments going forward are going to be R&D. As soon as we hit a certain volume scale, we do expect returns to come. And because the fundamentals of this business are linked to vertical integration, technology, etc., the returns will be much higher than cost of capital, whether it's equity or debt.

- Now, if you look at industry, you know, ICE ROEs, we expect EV ROEs, our ROEs and in general EV industry ROEs for leading EV players which do vertical integration, to be higher than ICE industry ROEs. But, you know, maybe in a couple of quarters you should ask me this again and I will give you an answer with some performance on ROE.
- **Mr. Shrenik Mehta - TPG NewQuest:**
- Yeah, that's fair. I know it's a gliding path but the way you're scaling up and especially the 20 Giga Watt factory, that scale up will also help in the same direction. Thank you so much.
- **Mr. Bhavish Aggarwal - Chairman and Managing Director, Ola Electric Mobility Limited:**
- Yeah.
- **Moderator:**
- Thank you. We'll take the next question from Mr. Arun Kejriwal of Kejriwal Consultancy. Sir, please unmute yourself and ask your question.
- **Mr. Arun Kejriwal - Kejriwal Consultancy:**
- Thanks, Bhavish, for the opportunity.
- **Mr. Bhavish Aggarwal - Chairman and Managing Director, Ola Electric Mobility Limited:**
- Hello, Sir.
- **Mr. Arun Kejriwal - Kejriwal Consultancy:**
- Hi, hi. So, we are EBITDA positive, as we have guided last time, but it appears to have come at a cost of sacrificing volume. Could you help us understand what gives you comfort that this trade-off, A, is sustainable and strategically sound going forward?
- **Mr. Bhavish Aggarwal - Chairman and Managing Director, Ola Electric Mobility Limited:**
- Sir, like I said in my responses, the reason this is strategically sound is that first our objective in this consolidating market has been to build a structurally sound business model, both on product gross margins as well as on operating cost structure. And we have delivered that and it's not an overnight affair that we achieved in this quarter. Now, we have 2 quarters of continuous improvements in this direction. And, in fact, those of you who are tracking us for the last 6 quarters of being a public company, you can see actually how every quarter generally gross margins have been going up. Operating costs also, specifically, in the last 2 quarters have been improving.
- So, you know, long term the company that will win or that will really dominate EV industry will be the ones which have a structural business model and a sustainable business model advantage. And that in EV is only driven through vertical integration on technology and manufacturing. And we, by far, are leading the industry. In fact, you know, internally my key focus always remains on 'Are we continuing to expand our lead over competition on R&D, on product differentiation?' and all of that translating into gross margin. And like I said, our gross margins are not driven by price increases. In fact, our price index is still competitive and lower than market for the similar product categories.

- Now, we have lost some market share. Some of it is because we have chosen to consolidate at this point instead of spend on marketing and discounting unlike the market. See, again, if I give commentary overall on the market, 1.5 years ago there were 2 competitors in the market, us and TVS. Now, there are 6 competitors in the market and the market has not grown. No matter what others have also done, the market has not grown. So, it is not, in my view, the right strategy to buy market share at this point. The right strategy is there is a reason the market is consolidating because the customer segment which had to buy has bought, now they will come for repeat purchases in a few years. But the next set of customers want a certain extra proposition from the OEMs, which is higher reliability. And that is not just from our side but also from the others. It is not like other products are meaningfully better than mine or their service network is meaningfully better. They are not growing the market.
- So, the industry has gotten into a phase where a next set of customer segment has to be unlocked. And that will be unlocked when a next set of proposition is presented to that customer base; proposition in terms of ownership experience, how much value there is in the product, in the range, etc. And we believe we have the answer to all of that. For range, we have 4680 products which meaningfully improve range of the product in the city. Let's say our 4680 scooter has a 5.2 kWh battery pack, which nobody else will be able to do with a non-4680 cell. And that range is required for the next set of users in the city for scooters. Bike market will only get unlocked once you have a bike with 200-300 km real world range, which is again what our Roadster X+ 9.1 kWh unlocks. It has a range of 500 km certified, real world range will be above 250-300 km.
- So, these are the things which we have also decided that let's focus on rollout of our Gen 3 products which bring this higher range, higher value proposition experience to the customer. Let's improve our service experience, let's improve our parts availability, let's improve our third-party service network. Now, all of this is where our energy has gone. And in this period everybody else is fighting for the same set of market share, so we believe it's strategically absolutely sound to focus on what will drive the future growth. And some of it is improving our own operations, some of it is actually leveraging our strengths already on the product and the manufacturing.
- **Mr. Arun Kejriwal - Kejriwal Consultancy:**
- Thanks, Bhavish, for that detailed answer and hope that with the continued progress that we are doing, 2 quarters from now the questions we ask would be at a different level. Thanks.
- **Mr. Bhavish Aggarwal - Chairman and Managing Director, Ola Electric Mobility Limited:**
- Thank you, Sir.
- **Moderator:**
- Thank you. We'll take the next question from Chaitanya Alluri of Invesco. Please unmute yourself and ask your question.
- **Mr. Chaitanya Alluri - Invesco:**
- Thank you. In terms of battery yield, last quarter we have come up with, I believe, somewhere around 60. Just wanted to know where we are in terms of that.
- **Mr. Bhavish Aggarwal - Chairman and Managing Director, Ola Electric Mobility Limited:**
- In terms of yield?

- **Mr. Chaitanya Alluri - Invesco:**
- Battery yield percentage, yeah.
- **Mr. Bhavish Aggarwal - Chairman and Managing Director, Ola Electric Mobility Limited:**
- So, Chaitanya, the Gigafactory has a ramp on two fronts - one is yield and one is throughput, right. So, the way this goes is, you take a yield to a certain level, keep the yield there and improve throughput and then keep throughput there, improve yield. It goes in lockstep. So, the metric to track is not just yield but throughput and yield and, hence, gross margins together. Now, Q3 is the first quarter where you will start seeing some sort of meaningful volumes and revenue in the cell business. And, hence, Q3 reporting onwards you'll be able to track how my overall yields are doing, how my overall throughput is scaling up.
- So, as of now, I don't want to get into specific numbers yet. The volumes are low but my focus is to keep improving throughput over the next few quarters while improving yield over the next few quarters. And I hope you got the point about it is moving in lockstep.
- **Mr. Chaitanya Alluri - Invesco:**
- Got it, got it. And in terms of our quality, in terms of Gen 3, how are we doing, like the product quality? Are we...
- **Mr. Bhavish Aggarwal - Chairman and Managing Director, Ola Electric Mobility Limited:**
- So, Chaitanya, product quality and product feedback, by the way, customer feedback is very, very strong on Gen 3. A lot of the service commentary that you see on social media, etc., is largely linked to Gen 2 products or before. Gen 3 products are almost half in terms of defect rates on any important metric whether it's 3 months defects, 1 month defect, etc., over our previous generations.
- Also, you know, the nature of defects are also very different. In Gen 3, the defects are easily fixable, if any, right, versus in Gen 2 and all we had some extra focus on battery and motor, which made the vehicle immobile for the customer whereas now the vehicle actually remains usable and it's much more easily serviceable. The Gen 3 product is much more advanced in that dimension too.
- **Mr. Chaitanya Alluri - Invesco:**
- So, that includes the Roadster, right? We are seeing less...
- **Mr. Bhavish Aggarwal - Chairman and Managing Director, Ola Electric Mobility Limited:**
- Absolutely, Roadster is also on the Gen 3 platform. Yeah.
- **Mr. Chaitanya Alluri - Invesco:**
- All right. Thank you. Thank you. That's all.
- **Moderator:**
- Thank you. We'll take the next question from Mr. Yogendra Singh of Kotak. Please unmute yourself and ask your question.

- **Mr. Yogendra Singh - Kotak:**

- Hello. Hi. Good afternoon. My question is, again, regarding this market share. Specifically from Karnataka and Maharashtra, if we see numbers, our numbers are comparatively very less, in spite of we are having 4,000 stores we are seeing, I think these numbers are less. I think, Bhavish, you already answered what is happening but still it is a question.
- And the second question I'm having is regarding the service centers and my own experience, actually. I went to 1-2 stores and I see that our stores are not that professional in terms of service. So, what is your plan and how do you see these things? Thank you.

- **Mr. Bhavish Aggarwal - Chairman and Managing Director, Ola Electric Mobility Limited:**

- Yogendra, number of stores, etc., see, number of stores is less important in the current state of the industry where what is more important is to actually improve the experience of the customer. And your observation is absolutely right, we have to work more in our service network and we are focused on that. We are focused on our own service network.
 - Challenge, like I said, is the availability of trained EV technicians and we are also investing our energies into increasing the pool of trained EV technicians which we will benefit, whole industry will benefit. We have also, hence, launched this initiative on Hyperservice which is making parts openly available. The initial response has been very strong actually. Already we are selling a lot of parts direct to customers on a daily basis. We are also going to be signing up a few third-party organized garage chains and you will hear more about it in the immediate near future actually.
 - So, in that sense, service proposition to the customer is going to meaningfully improve. Our own network's operations will also improve but we are also broadening the base in the near term to third-parties as well as opening up the parts ecosystem completely. Now, this advantage we have because we have a D2C customer network. In dealership models, there is always a channel conflict, the OEM cases when he wants to open up beyond the dealer, whereas we have our own network and we don't have that channel conflict in that sense. So, that is a focus. You will hear more updates on it and you will hear improved customer sentiment also on service.
 - In terms of market share, Yogendra, like I said, the market is in a consolidation phase. And this is important for all those who are tracking the EV industry to understand that the market is in a consolidation phase, there are 6 competitors. Even if this number becomes 20, still we have to share the market share because in the market the customer wants something else. Now, what is that something else? The customer wants a higher reliability and a higher price value equation for the products, both of which we are very confident of with our Gen 3 products with our 4680 cell in the Gen 3 product and with us focusing on fixing and growing our service experience and network. It's not as if the other guys are growing the market with their actions, they are just actually competing with each other on price right now.
 - So, we feel very strong confidence that our strategy focused on product differentiation, product value proposition to the customer and our gross margins linked to that is the right strategy for the future.
- **Mr. Yogendra Singh - Kotak:**
- If you look at Karnataka and Maharashtra, these 2 States, there we are having a big difference in numbers. But, anyway, I think you are already aware.

- One more thing, the experience of showrooms, when a customer enters into our stores, I think the vibe of entering into a two-wheeler store is not there. So, basically, of course, you said that we will train our people.
- **Mr. Bhavish Aggarwal - Chairman and Managing Director, Ola Electric Mobility Limited:**
- No, that point, Yogendra, is a valid point that experience in the service center has to go up and we are focused on that. Store and all, I don't fully agree that there's differentiation between our experience and that of any other dealership. But in service it is. We do have to take it up a notch and we are focused on that.
- **Mr. Yogendra Singh - Kotak:**
- Okay. Thank you.
- **Moderator:**
- Thank you. We'll take the last question from Mr. Kaustav Bubna of BMPSL. Please unmute yourself and ask your question.
- **Mr. Kaustav Bubna - BMPSL:**
- Hello. Yeah, thank you so much for taking my question. Just wanted to understand, Bhavish, does the company have a risk mitigation strategy in case the Bharat 4680 cells don't live up to the expectations of quality for all the new electric two-wheelers which are going into the market with these cells?
- **Mr. Bhavish Aggarwal - Chairman and Managing Director, Ola Electric Mobility Limited:**
- Kaustav, good question. I'll answer it on two or three levels.
 - Firstly, the company has focused a lot of time and energy in making sure the ramp-up of the cells is gradual. These are some lessons we've learned from our past and we are focused on making sure that all quality checks, all standard certifications, all absolute, extreme quality checks that any agency suggests, also not even enforces, all of those we have gone through. There's been a lot of testing done of our own cells. That's point number one. And we've been under development for the last few years in this. That's why the Gigafactory also, we're scaling a little gradually. It's not like in one quarter you'll see a big spurt. That's point number one.
 - Point number two is that we're also transitioning our product portfolio into this over time. So, we're not one fine day moving all our automotive products into our 4680 cell. It will happen over the course of from now almost a year. It will take us 3-4 quarters to fully transition our products from the cells we use currently to our own cells. And that gives us a lot of runway to see how the cells do in the market with customers. So, that's the second point.
 - Third, we've also, since we, through our software, can track products in the field real time, so we also have a little extra tracking of our own cell vehicles so that we can see early warning signals or anything, if any, of that sort.
 - And, fourth, also from an accounting perspective, we will be making sure our warranty provisioning policy for our cells is slightly more conservative in the interim so that the financials have room for any kind of risk.

- We have 10 minutes, we'll take a couple of more questions.
- **Moderator:**
- We'll take the next question from Mr. Atul Kedia. Please unmute yourself and ask your question.
- **Mr. Atul Kedia – Participant:**
- Hi, Bhavish. Congratulations for foraying into Battery Energy Storage System. So, I wanted to ask you that our competitors are entering into battery as a service model, so when are we planning to enter into this model? Like Ather sale is skyrocketing after they have started this battery as a service model.
- **Mr. Bhavish Aggarwal - Chairman and Managing Director, Ola Electric Mobility Limited:**
- Atul, battery as a service is not really what is selling in the market even for Ather or even for any other company. Sales for other companies would be going up for a multitude of other factors but not battery as a service. We don't feel battery as a service is a meaningful area to focus on. It's largely, as it exists today, as a financing scheme. And if 60%-70% customers anyway finance their vehicles, then it doesn't matter to them if they have or don't have battery as a service.
- So, for us that's not one of our key focus areas. But what is our focus area is to increase the range of our products with our own cells. If we talk about battery, the range with our 4680 products is more. That is what customers really want, which will open up penetration to the next segment.
- **Mr. Atul Kedia – Participant:**
- Okay. So, second question is what is the breakeven unit after PLI like before it was 25,000 unit per month?
- **Mr. Bhavish Aggarwal - Chairman and Managing Director, Ola Electric Mobility Limited:**
- Atul, if we talk about breakeven, then we have achieved that in this quarter. We have done 52,000 deliveries, so about 17,000-18,000 units. So, we are already EBITDA breakeven but I know that's total EBITDA. On operating EBITDA, we can add another 2,000-3,000. So, about 20,000 units a month and Auto business breakeven at that level.
- **Mr. Atul Kedia – Participant:**
- Okay, so we have reduced it from 25,000 to 20,000 right?
- **Mr. Bhavish Aggarwal - Chairman and Managing Director, Ola Electric Mobility Limited:**
- Yes.
- **Mr. Atul Kedia – Participant:**
- Oh! And are we entering into container model that container enclosure thing of Battery Energy Storage System?

- **Mr. Bhavish Aggarwal - Chairman and Managing Director, Ola Electric Mobility Limited:**
- Absolutely. You will find a very nice photograph in our Earnings letter where we have all the battery storage products from a small one to a medium one to the container one.
- **Mr. Atul Kedia – Participant:**
- Okay, last question.
- **Mr. Bhavish Aggarwal - Chairman and Managing Director, Ola Electric Mobility Limited:**
- In Q1, our container will get launched. Whoever is wanting to buy a container, all are buying from China, so they can buy mine when it launches.
- **Mr. Atul Kedia – Participant:**
- Okay. And last thing is, I did some channel check on service thing. So, in that, people are saying that for Hyperservice they are charging ₹5,000 but they are being promised that they will get the chain belt for free and after every 2,000 km they will change the brake pad for free but that's not being delivered.
- **Mr. Bhavish Aggarwal - Chairman and Managing Director, Ola Electric Mobility Limited:**
- Atul, some things are anecdotal and I can't make a policy basis anecdotes. But Hyperservice is not about promising any discounts or freebies, in fact it is about charging for parts. So, we are focused on making parts openly available. One of the challenges is that our parts are only available in our network, so we are now making parts completely openly available, which is a big, you know can imagine the kind of enabler that will be because every independent garage guy is also now buying my parts in the last 2 weeks that we have opened up.
- **Mr. Atul Kedia – Participant:**
- So, now we are converting that into profit center rather than cost center.
- **Mr. Bhavish Aggarwal - Chairman and Managing Director, Ola Electric Mobility Limited:**
- Absolutely, Atul. And you will see part of that profit in Q3 but you will see full impact in Q4. We will earn considerable revenue in that.
- **Mr. Atul Kedia – Participant:**
- Okay, thank you. Thank you. Thank you so much.
- **Moderator:**
- Thank you. We will take the next question from Mr. Pawan Kataria. Please unmute yourself and ask your question.
- **Mr. Bhavish Aggarwal - Chairman and Managing Director, Ola Electric Mobility Limited:**
- This will be the last question. Yeah.

- **Moderator:**
- Yes.
- **Mr. Pawan Kataria – Participant:**
- Thank you for the opportunity. I would just like to ask, despite multiple initiatives in Hyperservice and network expansion there continues to be a visible customer frustration and delayed repairs. Could you share the exact quantum of the current service backlog and how many vehicles are still awaiting service or resolution? And what concrete deadline has management committed for fully clearing the backlog across the regions?
- **Mr. Bhavish Aggarwal - Chairman and Managing Director, Ola Electric Mobility Limited:**
- See, Pawan, seeing it from the lens of backlog is not the complete way. One important metric in which we look at it is how many vehicles are serviced in one day or two days. So, almost 75%+ vehicles are serviced in a couple of days. There is a certain amount of backlog and to some extent after monsoon every OEM has a backlog. In our case, it is a bit more. To some extent our parts availability is also a reason for that, to some extent technician availability is a reason for that. So, we are focused and once monsoons are over you will see this automatically reduce. But structurally what we are doing is making our parts openly available and opening third-party garages who actually will find a business value in this. It will solve the pain of the customer and it would make profits for us also. So, it's a win-win situation, you know, the way we can solve for this in a structural way.
- **Mr. Pawan Kataria – Participant:**
- All right. Thank you, Sir. Okay. Thank you, Sir, that answers my question.
- **Moderator:**
- Thank you, Bhavish. Due to the paucity of time we will have to conclude the session here. We appreciate your time and all of your questions during the call today. Thank you so much for joining us and we look forward to meeting you all during our next Earnings Conference. Thank you for joining us. You may now logout from the conference call.

END OF TRANSCRIPT