

ICE two-wheelers to fall off a cliff: Ola CEO

Ola Electric looks to become profitable next year

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Ola Electric will roll out its complete offering of electric scooters and motorcycles in each segment of the market — premium, mass premium, and economical — in the next 12 months in a bid to push for a near-full conversion of the two-wheeler market to electric in three years.

According to Bhavish Aggarwal, founder and CEO of Ola Electric, “ICE (internal combustion engine) products will fall off a cliff”. He also says the company is aiming to become profitable next year.

In the passenger car segment, while its top-end first model will hit the market in 2024, the company plans to come out with electric cars ranging from ₹5 lakh to ₹50 lakh by 2027.

Elaborating on this aggressive strategy, Aggarwal says: “It is not going to be a linear market growth journey, but a logarithmic one. Consumers are very fast in dumping old technology, and that is the nature of technology disruption”.

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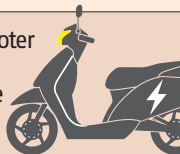
■ **OLA ELECTRIC PLANS STEADY SUPPLY OF RAW MATERIAL**



Bhavish Aggarwal, founder and CEO of Ola Electric

- ▶ Ola Electric plans e-scooters & e-mobikes for each segment in the next 12 months
- ▶ Sees opportunity in \$1,000–\$50,000 market in Africa, LatAm, and SE Asia
- ▶ To launch first passenger car in 2024; e-cars between ₹5 lakh & ₹50 lakh by 2027
- ▶ Looks to build its own cell technology and manufacture batteries by the end of next year

▶ Set to roll out two e-scooter models soon, one priced around ₹85,000, and the other even cheaper



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Aggarwal further says: “We see the whole or near 100 per cent of the two-wheeler market shifting from ICE in three years.”

As for Ola Electric’s profitability, Aggarwal says: “We have started selling for the last eleven months, and we are confident that we will become profitable sometime next year.” The company saves costs by selling directly, and hence does not have to fork out dealer margins. Nor does it make big marketing spends. The savings are diverted to product development and research.

According to Aggarwal, ICE players who think that it will take a long time for the conversion of two-wheelers into electric mode, are doing so at their own peril.

The Ola boss says that the company is already the market

leader in the premium scooter market (over ₹1 lakh), where 90 per cent of the market has converted to electric. In the premium mass scooter segment, Ola is launching its third model in April next year. This will be on the same premium scooter platform, but with a much more optimised powertrain, and will be priced at ₹85,000. Currently, 85 per cent of the scooter market is in this category, and so Ola plans to give a big push to their volumes in this space.

Aggarwal says Ola Electric also plans to launch a cheaper model, priced below ₹85,000. Also on the anvil are plans to launch motorbikes across all segments next year. When it comes to the passenger car space, Aggarwal concedes that there will be competition from global players. Even so, it wants to put out its first upper-end model by 2024. “Our aim is that within three years of the first launch, we will have elec-

tric cars costing between ₹5 lakh and ₹50 lakh,” he says.

Aggarwal says that the median of the passenger car market has shifted from the ₹10-lakh price point to ₹15-20 lakh, because of the growth of mid-sized SUVs in the last couple of years. He also points out that the sub-₹10 lakh segment is not growing. Only 1 million cars are being sold in this category, he says, and that is because consumers do not find it “exciting enough”. Hence, says Aggarwal, “well-engineered electric cars in this category will bring back the customers again.”

He feels the real competition in the passenger car market will be seen after two years when global players will come in with multiple world-class products, and not just lower price points. But he believes an Indian firm can do better in India than foreign players.