

Ola shares hit record low on weak Q3, downgrades

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Chennai, February 12

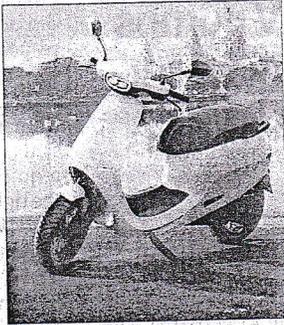
SHARES OF OLA Electric slumped to a record low of ₹27.36 on the National Stock Exchange on Tuesday, sliding over 11% in the past two sessions after weak third-quarter results that saw the company's net loss exceeded revenue. The latest rout also follows the company's strategic pivot to the energy storage business over electric two-wheelers, spooking investors and triggering broker downgrades.

The stock closed at ₹27.98, down 3% from Monday, and is now trading over 64% below its IPO price of ₹76. Its market capitalisation has fallen to about ₹12,280 crore from a peak of nearly ₹69,000 crore during its public issue in August 2024.

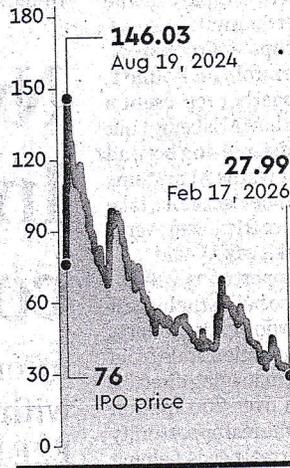
Citi downgraded the stock to 'sell' from 'buy' and cut its target price by 51% to ₹27 from ₹55, citing slower-than-expected EV penetration, continued market-share losses and balance-sheet concerns amid persistent cash burn. The brokerage also cut its estimates and EV/sales multiple to 3.5x.

Ola Electric reported a consolidated net loss of ₹487 crore in Q3 on revenues of ₹470 crore, which fell 55% year-on-year due to weak vehicle sales. Chairman and Managing Director Bhavish Aggar-

BUMPY RIDE



Ola Electric Mobility
Share price (₹)



wal described Q3FY26 as a "structural reset", with the company shifting focus to its newly launched battery energy storage business. "The focus is now on growing this revenue potential of ₹15,000-20,000 crore over

the next few years."

Emkay Global downgraded the stock to 'sell' from 'buy' and cut its target price to ₹20 from ₹50, citing persistent volume decline and market-share erosion despite healthy industry growth. The brokerage noted the company is taking steps such as store rationalisation to 700 (from 4,000 stores), cost-cutting measures and efforts to improve brand perception amid product and service issues. However, it cautioned that Ola Electric's turnaround could be prolonged. "We believe that this could be a difficult, long-drawn process, especially amid greater focus from incumbents and scale-up at Ather," the brokerage said.

The company's auditors highlighted negative operating cash flow of ₹866 crore during 9MFY26, driven by continued operating losses and weaker-than-expected sales growth, noting the need to consider mitigating measures to support operations and meet obligations.

Kotak Securities maintained a 'sell' rating with a target price of ₹20, saying results were below expectations and the volume growth showed no pick-up. The brokerage warned the company is showing visible strain and could face a deeper crisis ahead, with large net losses and net worth erosion likely over FY26-FY28.