



PLUGGING INTO THE EV REVOLUTION

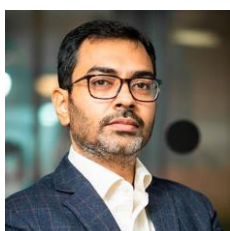
KEY TAKEAWAYS

BDO IN INDIA
2023

To discuss the EV investment landscape and get expert views on equity fundraising, BDO India hosted a web panel discussion on **'Plugging into the EV revolution' on 15 June 2023**

The webinar was attended by professionals in the EV space, equity funds and investment sectors

ON THE PANEL WERE INDUSTRY EXPERTS



ALIPT SHARMA, Managing Director at GEF Capital Partners - a leading investor in the EV sector, with investments including Electra EV, Hero Motors, Murf Electric Bikes (USA) and Unicoba (Brazil). Alipt has over 25 years of experience in investment management, management consulting, and investment banking. Before joining GEF, he played a key role in the investment team at AMP Capital Investors in India, where he focused on identifying, analysing, and managing Indian infrastructure opportunities.



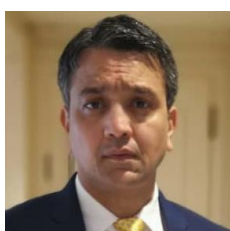
KARAN MITTAL, Partner at Ev2 Ventures - a leading early-stage venture capital firm with a focus on smart mobility and transportation technology.

Karan has over 16 years of expertise in private equity, venture capital, structured finance, and M&A across India, Southeast Asia, and the United States. He also serves as a Board Observer at Cogos Technologies Pvt Ltd and Enmovil, further showcasing his active involvement in the strategic direction of portfolio companies. Previously, he served as a partner at Velos Partners, where he focused on investing at the intersection of consumer and technology.



MOHAMMED SHOEB ALI, Co-founder & Managing Partner at Transition VC - a leading firm that champions early-stage startups in sectors such as New Energy, E-Mobility, Green Hydrogen, Energy Storage, Net Zero Energy Building, and Climate-tech.

Shoeb has over 12 years of experience in venture capital, public equities, investment banking, and corporate finance and possesses extensive expertise in portfolio management, investment strategy, and deal execution. He has been instrumental in EV investments in companies like EMO, Charge+Zone, Exponent, and Billion-E Mobility.



ANANT BADJATYA, the CEO of SUN Mobility India - a leading player in the battery-swapping space. The Company has raised multiple rounds of funding from investors including Vitol, Bosch, MFV Partners, etc.

Anant has over 20 years of experience across diverse industries. Prior to his role at SUN Mobility, he held leadership positions in various organisations across West Africa, the Middle East, and India, with a focus on sectors such as automotive, steel, and chemicals. Notably, he gained experience working with ArcelorMittal, a renowned multinational steel manufacturing company.

AND THE DISCUSSION WAS MODERATED BY



ASHISH BAGADIA, Corporate Finance Partner at BDO India - with a special focus on the EV space.

Ashish has over 18 years of experience in investment banking services and a keen understanding of private equity fundraising, M&A and structured finance.

KEY HIGHLIGHTS FROM THE SESSION

- 1 Private Equity investors (PE Funds) are very bullish on the Indian EV story. Even Limited Partners ((LPs) - investors in PE Funds) are eager to invest in this market.
Approaching the right set of investors, depending on the stage of evolution and investment size is crucial for a successful capital raise.
- 2 Quality and mindset of founders, along with the path to scalability, are the top two evaluation parameters for early-stage funds.
- 3 A lot of growth funding-focused PE Funds (USD 10-50mn cheque investors) will start investing in the EV space proactively. As of now, some of these investors are in a wait-and-watch mode, primarily for 2 reasons:
 - There are a few EV businesses that have scaled up to a level that can absorb such investments
 - Recent policy changes and the dynamic nature of the EV market resulted in some of these funds wanting to observe it for slightly longer, before taking the plunge
- 4 Profitability and market share are equally important for PE Funds. They are open to businesses focusing on market share as long as there is clear visibility on funding and a path to profitability.



SEGMENT-SPECIFIC OUTLOOK THROUGH THE LENS OF PE FUNDS



ORIGINAL EQUIPMENT MANUFACTURER (OEM)

- Players with either an in-house technological advantage or a significant brand & distribution network could be of interest for PE Funds.
- First-generation businesses must establish substantial staying power, ensuring long-term competitiveness and consistent access to capital, especially when competing against established incumbents.



COMPONENTS

- PE Funds exhibit a strong interest in EV component players who have developed good products through in-house technology.
- Furthermore, an investment in a components player will allow them to benefit from the growth in a large number of OEMs.



CHARGING INFRASTRUCTURE

- Players catering to a captive customer base, like corporates or commercial fleet operators are better placed to attract funding. These companies can achieve better asset utilisation and can be price competitive in the long run.
- Charging infrastructure operators with highways/ intercity commute as focus are also attractively placed for receiving PE investment.



BATTERY AS A SERVICE (BAAS)

- BAAS is gaining prominence as a concept and is significant in achieving targeted EV penetration.
- Given that it's a capital-intensive business model, regular investments will be required, and the incoming investors would want to get comfort of ability to achieve scale and raise subsequent rounds.



MOBILITY AS A SERVICE (MAAS)

- MAAS has a significant headroom to grow and given the potential addressable market size, MAAS players are not competing with each other.
- Unit economics of the individual player is essential for PE Funds for investing in a MAAS business.



TRENDS TO WATCH OUT FOR

- ▶ While incumbents have certain advantages from their deep-rooted presence in the auto industry, first-generation EV businesses stand a fair chance of competing due to their ability to innovate and agility.
- ▶ Collaborations and partnerships will play a pivotal role in scaling up EV businesses.
- ▶ M&A activity is expected to pick up soon, owing to:
 - Few players' inability to raise funding at regular intervals.
 - Larger players trying to fill gaps and reduce time to market.
 - Financial investors seeking exits.
- ▶ Allied services like Financing, Insurance, Servicing, etc., have a huge opportunity ahead.

KEY CONSIDERATIONS WHEN TRYING TO RAISE CAPITAL

- ▶ Start at the appropriate time and ensure enough runway is available as the fundraising process takes time.
- ▶ Prepare a realistic business plan, and not one focused on achieving the targeted valuation.
- ▶ Keep the valuation expectations realistic.
- ▶ Fundraising efforts should not distract the entire management team, and business operations should continue as usual.

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ABOUT BDO IN INDIA

BDO in India offers Assurance, Tax, Advisory, Business Services & Outsourcing and Digital Services for both domestic and international clients across industries. The team at BDO in India consists of over 7,500 professionals led by more than 270 partners and directors operating out of 16 offices, across 11 key cities.



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WEBINAR
PLUGGING INTO THE EV REVOLUTION

 **DATE**
15 June 2023

 **TIME**
15:30 to 17:00 IST

The graphic features a car silhouette filled with green leaves, connected to a green charging cable that loops around the right side of the image. The BDO logo is in the top left corner.

To access a copy of the recording, please [click here](#)

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