

Executive Summary

The shift towards electric vehicle could soon transpire in Indonesia, following China, India, Taiwan and The United States of America. GESITS, a national electric motorcycle brand, manufactured by a consortium headed by PT WIKA Industry, a state-owned company (BUMN), demonstrates the commitment of the Indonesian government towards the adoption of electric vehicles in Indonesia. This will present a huge business opportunity for electric motorcycle charging, an important aspect of the electric motorcycle ecosystem.

Electric motorcycle charging is believed to be a huge business, especially for “online ojek” motor segment. Based on the sales growth of electric motorcycle in China, rationalized by the number of motorcycle sales in Indonesia, and the segment size of “online ojek” motor users, it is forecasted that 806 charging stations will be required by year-5, and 7.369 stations by year-10 to serve 7.429.000 “online ojek” electric motorcycles.

E-Charge Jozz (the business entity) provides electric charging through its strategically located charging stations and a mobile application will help customers navigate to the nearest station. E-Charge Jozz targets the “online ojek” electric motor segment, which in its operation covers the longest travel distance and requires the highest charging frequency. Three types of station: E-Charge Jozz Express, Premium and Signature with different numbers of charging pods have been designed to suit the different available areas.

E-Charge Jozz goal is to be the market leader in the “online ojek” electric motorcycle charging market, with a 40% market share. In 10 years, E-Charge Jozz plans to build 7.878 charging stations in 10 provinces/big cities in Indonesia, consisting of 6.179 E-Charge Jozz Express, 940 E-Charge Jozz Premium and 759 E-Charge Jozz Signature. E-Charge Jozz broad differentiation strategy emphasizes on the ease of access to its charging stations.

A significant amount of investment is required to build thousands of charging stations. Total investment needed in 10-year is Rp. 4,917 trillion, of which Rp. 566 billion will be funded with equity financing and the rest with company’s retained earnings.

With revenue of Rp. 5,739 trillion in year-10 of its operation and a 68% gross profit margin, E-Charge Jozz is projected to generate positive net income from year-5, when revenue from operation exceeds the total cost of goods sold, operation cost, and depreciation. With a Rp. 262,910,480.000 NPV, 27% IRR and a 7 year-8-month payback period, E-Charge Jozz business is considered feasible.

There are four potential risk to be considered: Unexpected decrease of occupancy rate, unexpected increase of invesment cost, unexpected increase of PLN's electricity tariff and unexpected increase of operational cost. To anticipate the risk, E-Charge Jozz has prepared a mitigation risk plan.

