

Plugged In

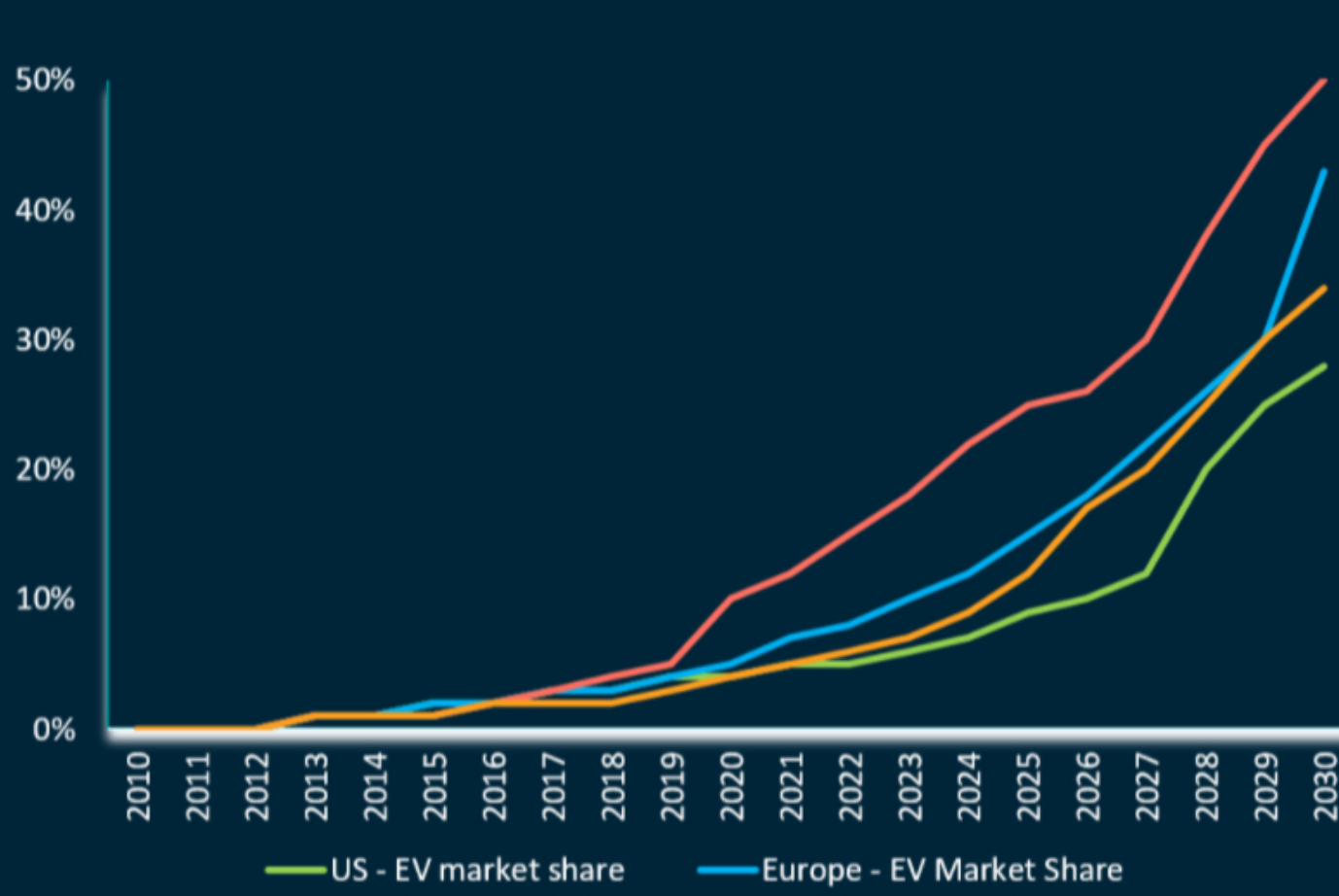


Electric Vehicle market set to roar ahead

This issue discusses the rapid growth in electric vehicle (EV) and Lithium-ion battery production across the globe and highlights Beck&Pollitzer (B&P), the leading international installer of industrial machinery, as a key player in this exciting market. Graphite backed the management buy-out of B&P in 2016, pursuing a strategy of sector diversification and internationalisation. B&P's market-leading position in the installation of EV and battery production plants underlines the success of this strategy.

According to a recent Deloitte forecast, consumer sentiment, government policies and battery efficiency improvements will drive global EV sales from 2.1 million vehicles in 2020 to 31.1m in 2030, a 29% per annum increase. By 2030, Deloitte believe that EVs will account for nearly half of all new car sales in Europe and China, and for a quarter in the United States.

Outlook for EV market share by major region

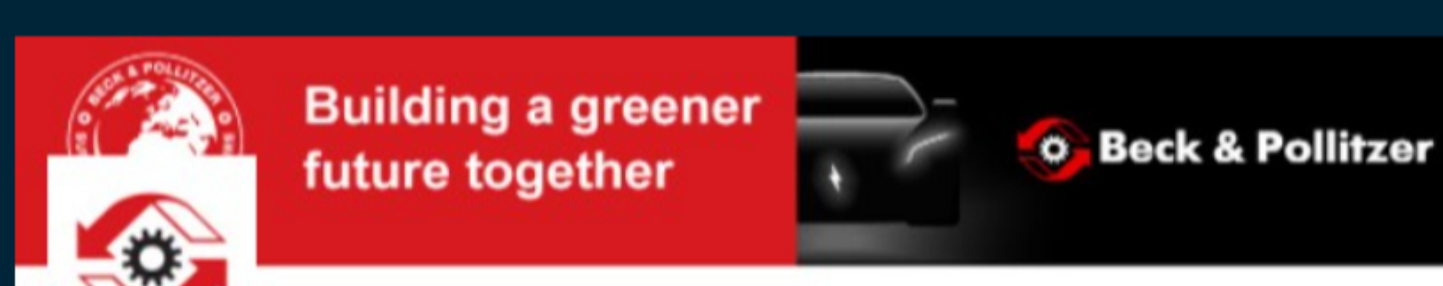


Source: Deloitte analysis, ISH Markit, EV-Volumes.com

Lithium-ion batteries account for 40% of an EV's weight and for 20% of its cost. Significant investment over the last decade has materially increased battery efficiency, with prices falling by almost 90% from over US\$1,000 per kilowatt hour in 2010 to \$137 per kilowatt hour in 2020. This trend is expected to continue, with a fall to US\$100 per kilowatt hour by 2023 creating cost equivalency between EVs and internal combustion engine (ICE) powered vehicles.

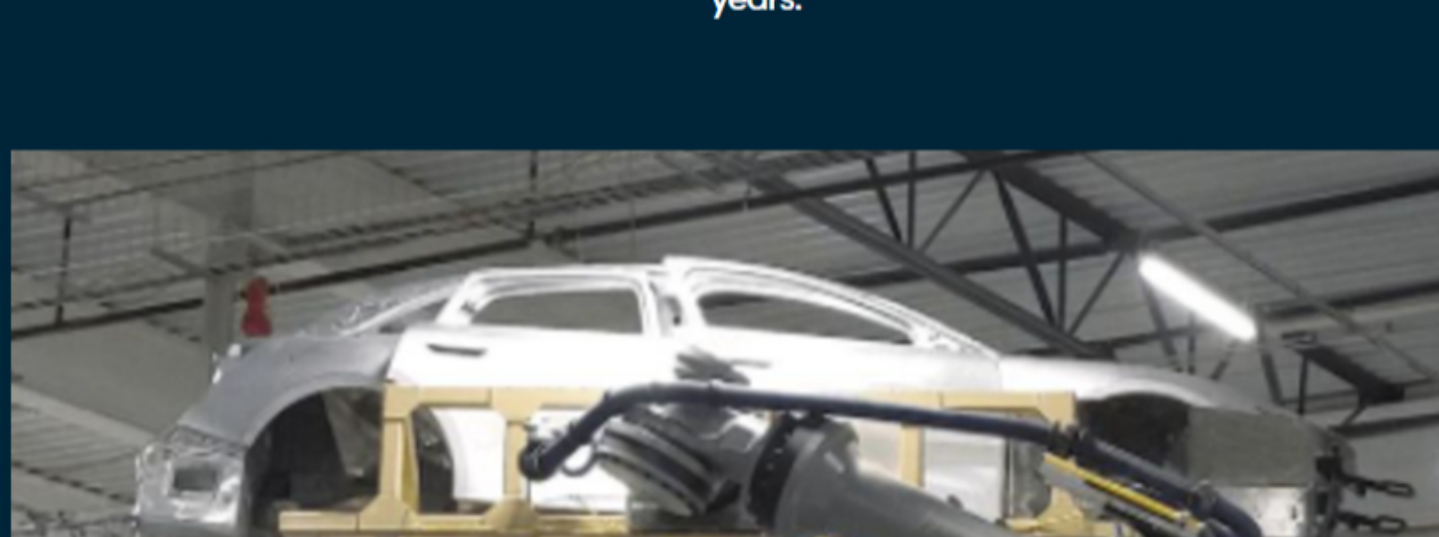
Gigafactories galore

With demand for batteries growing rapidly, new gigafactories are being built across the globe, with China leading the pace. Over 20 projects are underway in Europe, with vehicle manufacturers and policymakers increasingly acknowledging the requirement for a regional strategy, responding to environmental and cost pressures.



Beck&Pollitzer, a key player in the EV market

B&P has installed EV production machinery in Europe and the USA for leading EV manufacturers, including Tesla, Lucid and Rivian. B&P has also installed Lithium-ion battery manufacturing equipment for Japanese, South Korean and Chinese OEMs at major plants on both sides of the Atlantic, including for Tesla/Panasonic and Northvolt. While an EV manufacturing plant is similar to its ICE equivalent, battery plants on today's scale present novel installation challenges, which B&P is well equipped to meet. It is in discussions with the majority of gigafactory operators across Europe for installations in the coming years.

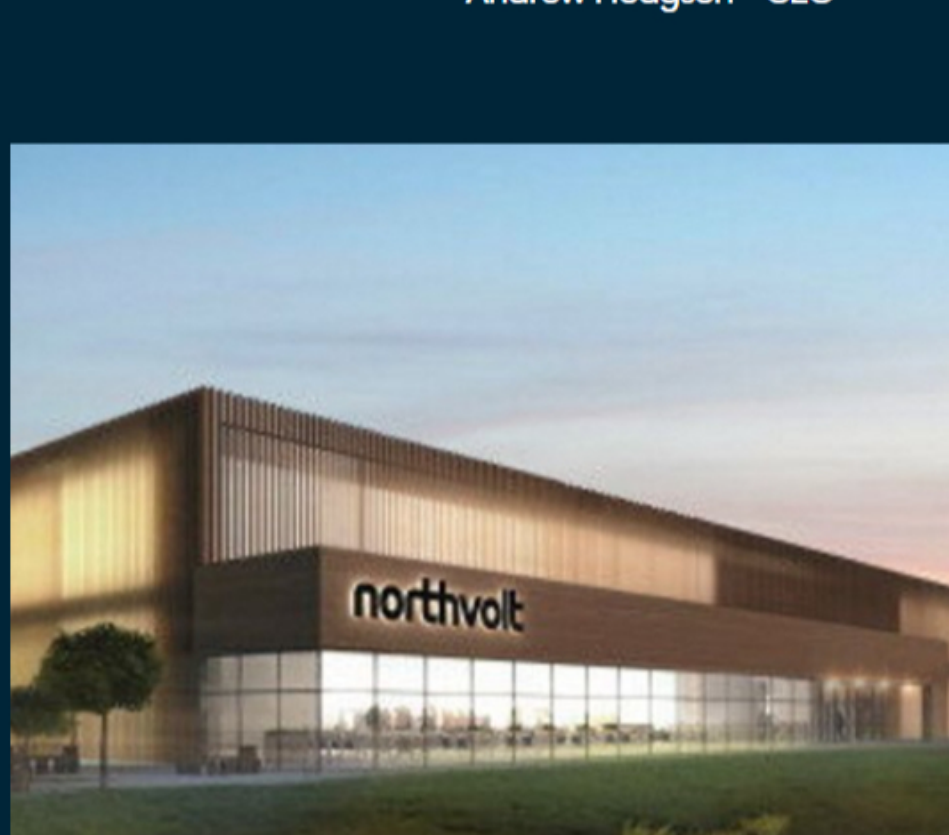


"We are delighted to have worked on these ground-breaking battery-related projects and we are confident of being involved in many more. The electric vehicle sector is very important for Beck&Pollitzer, and for everyone, as we seek to achieve our climate change goals."

Andrew Hodgson - CEO

Watch the Northvolt Gigafactory spring to life

[Watch video](#)



Long-term growth projected, significantly reducing the reliance on petrochemical fuels

The EV and battery market is expected to continue to grow well into the 2030s - VW plans to invest \$86bn in EV development and production over the next five years alone. Current ICE road vehicles account for about 15% of global carbon emissions and the International Energy Agency predicts that EVs will eventually reduce global oil usage by 13 million barrels per day, or 13% of current global consumption. We are delighted that B&P's skillset is contributing materially to the shift away from petrochemicals to renewable energy sources and technologies.

[Read more](#)

CONTACT
Graphite Capital Management LLP
7 Air Street, London, W1B 5AD

Telephone: +44 (0)20 7825 5300
Email: info@graphitecapital.com
www.graphitecapital.com

[Privacy statement](#) | [Unsubscribe](#)

© Graphite Capital Management LLP
Authorised and regulated by the Financial Conduct Authority

