

A123 Systems plans to double global manufacturing capacity

02-Jun-2015 12:13 GMT | News | Investments

Currently forecasts its 2015 growth at 50%.

A123 Systems plans to double its global manufacturing capacity to 1.5 GWh within three years, according to a statement from the manufacturer of advanced lithium-ion batteries and energy storage systems. In an announcement yesterday (1 June), the company said, to accomplish this, it will expand a previously announced USD100 million capital investment programme by an additional USD200 million, installed in phases through 2018.

A123 says the new capacity will support applications and new customer programmes, including low-voltage hybrids, passenger plug-in hybrid electric vehicles (PHEVs), and commercial vehicle programmes. "The strength of A123 has never been greater and we are honored to be expanding our existing customer relationships and establishing new ones at the same time," said CEO Jason Forcier in a press release. The company says its current manufacturing operations are working at full capacity. Media reports indicate that the investment funds will be used to purchase more-efficient battery-cell assembly equipment, with new lines added to Chinese production plants.



Significance: A123 currently forecasts its 2015 growth at 50%. The announcement did not give specific details of investment phases or implementation of the programme at its manufacturing hubs in Michigan, United States, and Hangzhou and Changzhou in China. However, *Automotive News* reports that battery-cell production at A123's two Michigan plants will increase from 3.3 million units to 4.3 million units, citing Forcier. The funding for the expansion is coming from A123 Systems' parent, Wanxiang Group. Wanxiang also owns automaker Fisker and is working to reintroduce the Karma plug-in hybrid, renaming it the Elux Karma.

The information contained in this presentation is confidential. Any unauthorized use, disclosure, reproduction, or dissemination, in full or in part, in any media or by any means, without the prior written permission of IHS Markit or any of its affiliates ("IHS Markit") is strictly prohibited. IHS Markit owns all IHS Markit logos and trade names contained in this presentation that are subject to license. Opinions, statements, estimates, and projections in this presentation (including other media) are solely those of the individual author(s) at the time of writing and do not necessarily reflect the opinions of IHS Markit. Neither IHS Markit nor the author(s) has any obligation to update this presentation in the event that any content, opinion, statement, estimate, or projection (collectively, "information") changes or subsequently becomes inaccurate. IHS Markit makes no warranty, expressed or implied, as to the accuracy, completeness, or timeliness of any information in this presentation, and shall not in any way be liable to any recipient for any inaccuracies or omissions. Without limiting the foregoing, IHS Markit shall have no liability whatsoever to any recipient, whether in contract, in tort (including negligence), under warranty, under statute or otherwise, in respect of any loss or damage suffered by any recipient as a result of or in connection with any information provided, or any course of action determined, by it or any third party, whether or not based on any information provided. The inclusion of a link to an external website by IHS Markit should not be understood to be an endorsement of that website or the site's owners (or their products/services). IHS Markit is not responsible for either the content or output of external websites.