

Altech Chemicals Ltd

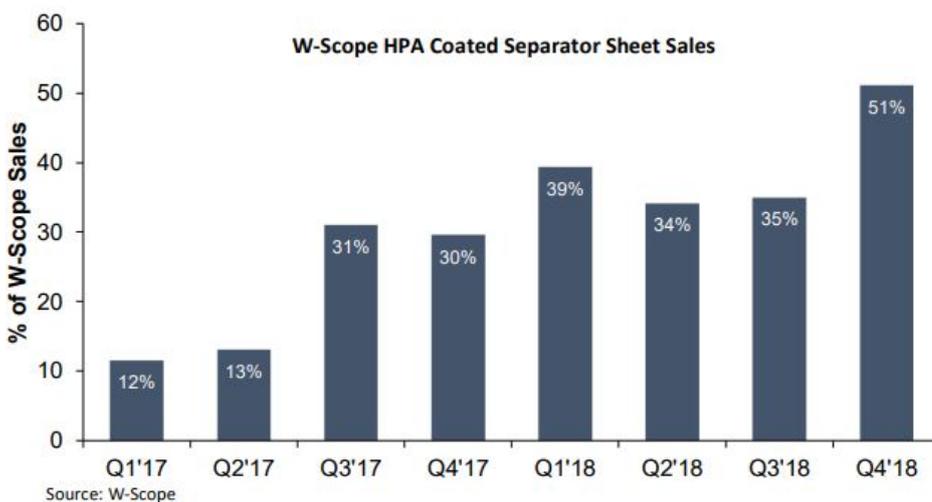
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Altech Chemicals sees increase in demand for HPA from lithium battery manufacturers

Altech Chemicals Ltd (ASX:ATC) (FRA:A3Y) is witnessing a transition by lithium-ion battery manufacturers to high purity alumina (HPA) coated battery separator sheets.

This is apparent in the recently reported quarterly sales data by Japanese separator sheet manufacturer W-Scope (TYO:6619) and from Altech's recent attendance at the Battery Japan 2019 conference, held in Tokyo.

W-Scope reported in its fourth quarter 2018 results that as a proportion of total sales, HPA coated separator sheets jumped to 51%, compared to an average sales volume of about 34% in the preceding four quarters.



W-Scope HPA Coated Separator Sheet Sales Volumes (as % of total sales)

The transition by lithium-ion battery manufacturers to HPA coated separators is primarily a function of advances in battery anode and cathode technology.

As a result, battery energy storage capacity is increasing and battery operating temperature during charge and discharge is higher - to the point where traditional non-coated polymer separator sheets are reaching the limit of safe application, hence the transition to HPA coated separators which tolerate higher operating temperatures.

The transition to HPA coated separators has been anticipated for some time, however the Q4 2018 W-Scope sales data indicates that the transition may be progressing at a rate faster than previously envisaged.

Battery Japan 2019

Price: 0.041

Market Cap: \$35.69 m

1 Year Share Price Graph



Share Information

Code: ATC

Listing: ASX

52 week High Low
0.14 0.023

Sector: Exploration & Production

Website: www.altechchemicals.com

Company Synopsis:

Altech Chemicals Ltd (ASX:ATC) is focused on advancing its high purity alumina (HPA) project in Western Australia.

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At Battery Japan 2019, the Altech booth attracted considerable interest as there appears to be heightened concern about the perceived limited additional supply of high quality HPA from established producers.

There was also feedback from battery manufactures that HPA is now being incorporated within lithium-ion battery cathode's as it aids with battery temperature tolerance and reduces dendrite (crystalline mass) growth.

Although this is an early stage innovation, it is nevertheless adding to HPA supply and quality concerns, and it is another potential area of demand growth for HPA.

READ: Altech Chemicals begins site establishment work at Malaysian HPA plant

The global transition to electric vehicles now seems unstoppable.

Toyota has announced that it is aiming to achieve annual sales of 5.5 million electrically driven vehicles by 2030 and General Motors has plans to launch more than 20 electric vehicle models by 2023.

Tesla, the highest profile electric vehicle manufacturer in the world is expecting between 700,000 and 1,000,000 of its electric vehicles to be sold in 2019; whilst German carmakers BMW and VW are expected to launch over 100 new electric vehicle models over the coming 6 years.

The demand for HPA, which is currently estimated at 1.5 - 1.7 kilograms per electric vehicle, should be positively impacted by the migration to electric vehicles, underpinning the forecast rise in global HPA demand from current levels of about 26,000 tonnes per annum (tpa) to a conservative demand estimate of in excess of 60,000 tpa by 2025.

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