

Corporate News

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VARTA AG plans to expand again the production capacity for lithium-ion batteries to well above 100 million batteries a year

The VARTA AG Group, the technology and innovation leader for rechargeable lithium-ion batteries for high-tech consumer products, particularly true wireless premium headphones, is expanding its production capacities further, this time to above 80 million cells per year in 2020, and is planning additional expansion to well above 100 million cells per year in the following year. This is a consequence of continued high customer demand in a market that is growing by more than 30% annually. This very strong market growth is driven by the underlying trends towards miniaturization of application devices, increasing connectivity and wireless devices.

Herbert Schein, CEO of VARTA AG: "We are at the start of an enormous boom from which we stand to greatly benefit. We are growing much faster than the market and, for this reason, we are expanding again our production capacities massively. As innovation leader, we have successful design-in projects with all leading premium headset manufacturers."

VARTA AG has established an unmatched competitive edge in this segment and is benefiting the most from the technological shift away from cylindrical batteries to coin-shaped batteries. With its leading-edge technology, VARTA AG has supported this technological transformation in true wireless premium headsets and is setting industry standards in this area with permanent new innovations.

Steffen Munz, CFO of VARTA AG, added: "The short and medium-term customer demand for lithium-ion batteries can be easily predicted. At the moment, we are recording a strong and steadily growing order backlog. It is necessary to expand production capacities further in order to continue to deliver the demand in the future."

The capacity expansion requires an additional investment of around EUR 100 million (to manufacture an additional 40 million batteries per year). This investment is set to be financed by the cash flows from the operating activities and possibly from a capital increase via a book building process with institutional investors as well, which, depending on market conditions, could be conducted in the near future.

The Group is targeting to attain the global market leadership for lithium-ion batteries with a market share of around 50% in 2020. The original plan had been to expand the production capacity from around 50 million batteries in 2019 to around 60 million batteries in 2020.



About VARTA AG

VARTA AG, as the parent company of the Group, is active in the microbatteries and Power&Energy business segments through its subsidiaries VARTA Microbattery GmbH and VARTA Storage GmbH. Today, VARTA Microbattery GmbH is already an innovation leader in the field of microbatteries, one of the market leaders for hearing aid batteries and is also striving for market leadership for lithium-ion batteries in the wearables sector, especially for hearables. VARTA Storage GmbH focuses on intelligent energy solutions for tailor-made battery storage systems for OEM customers as well as on the design, system integration and assembly of stationary lithium-ion energy storage systems. With five production and manufacturing facilities in Europe and Asia as well as sales centers in Asia, Europe and the USA, the operating subsidiaries of the VARTA AG Group are currently active in over 75 countries worldwide.

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