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# China Battery Materials

## China Battery Supply Chain on the Ground: Concerns on Revised Down Production Pipeline

### CITI'S TAKE

ZE Consulting has revised down its previous production pipeline forecasts whereby it expects Top-5 battery makers' production pipeline to be up by 2% MoM (vs 7% MoM up in preview check), mainly attributable to lower forecast for CATL's pipeline. Our discussion with investors and industry contacts indicates fresh concerns recently - (1) even though ESS demand appears to be decent, it may not be able to offset the decline in EV demand, (2) OEM makers probably want to diversify the battery supply chain whereas we have seen Sunwoda's EV battery output has rallied by ~65% MoM in Aug-26, albeit it's still low-base, and (3) shortage of upstream battery materials (i.e. copper foil) is limiting battery production.

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**Figure 1. Top-5 battery production pipeline YoY change**

| YoY | Company A | Company B | Company C | Company D | Company E | Top-5 total |
|---|---|---|---|---|---|---|
| Jan-25 | 72% | 124% | 73% | 55% | 133% | 86% |
| Feb-25 | 111% | 148% | 49% | 35% | 137% | 109% |
| Mar-25 | 35% | 72% | 61% | 61% | 79% | 50% |
| Apr-25 | 28% | 66% | 39% | 32% | 62% | 41% |
| May-25 | 43% | 55% | 26% | 25% | 76% | 45% |
| Jun-25 | 49% | 44% | 42% | 31% | 108% | 48% |
| Jul-25 | 45% | 31% | 33% | 31% | 100% | 42% |
| Aug-25 | 40% | 34% | 23% | 31% | 49% | 37% |
| Sep-25 | 44% | 32% | 35% | 30% | 50% | 39% |
| Oct-25 | 42% | 20% | 71% | 37% | 25% | 37% |
| Nov-25 | 59% | 10% | 97% | 42% | 34% | 45% |
| Dec-25 | 63% | -4% | 83% | 40% | 34% | 42% |
| Jan-26 | 56% | -7% | 68% | 48% | 34% | 37% |
| Feb-26 | 43% | -12% | 95% | 68% | 34% | 32% |
| Mar-26 | 64% | 2% | 80% | 55% | 51% | 45% |
| Apr-26 | 86% | 3% | 78% | 63% | 81% | 58% |
| May-26 | 83% | 18% | 113% | 67% | 56% | 64% |
| Jun-26 | 73% | 27% | 73% | 66% | 56% | 59% |
| Jul-26 | 72% | 42% | 104% | 73% | 56% | 66% |
| Aug-26 | 74% | 44% | 98% | 84% | 68% | 69% |
| Sep-26 est. | 58% | 62% | 71% | 78% | 59% | 61% |
| 2025 YoY | 50% | 42% | 52% | 37% | 63% | 48% |
| 2026 YTD YoY | 68% | 19% | 86% | 68% | 55% | 56% |

Source: ZE Consulting

**Figure 2. Battery production among Top-5 battery makers**

| Top players by types of cells details (GWh) | NCM | | | LFP | | | Total | | |
|---|---|---|---|---|---|---|---|---|---|
| | Aug-26 | Sep-26 | MoM | Aug-26 | Sep-26 | MoM | Aug-26 | Sep-26 | MoM |
| Company A | 25.0 | 20.0 | -20% | 84.5 | 86.5 | 2% | 109.5 | 106.5 | -3% |
| Company B | 0.3 | 0.3 | 0% | 39.0 | 43.0 | 10% | 39.3 | 43.3 | 10% |
| Company C | 2.0 | 2.0 | 0% | 16.0 | 17.0 | 6% | 18.0 | 19.0 | 6% |
| Company D | 2.2 | 2.2 | 0% | 13.8 | 14.5 | 5% | 16.0 | 16.7 | 4% |
| Company E | 0.3 | 0.3 | 0% | 13.0 | 13.5 | 4% | 13.3 | 13.8 | 4% |
| Top 5 battery names | 29.8 | 24.8 | -17% | 166.3 | 174.5 | 5% | 196.1 | 199.3 | 2% |

Source: ZE Consulting

See Appendix A-1 for Analyst Certification, Important Disclosures and Research Analyst Affiliations

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