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Novonix Ltd

(NVX-NASDAQ)

NVX: Expanding Production Capacity for Offtake Agreements & as Multiple Potential Customers Sample Materials

NVX is ramping up capacity in advance of multiple long-term contracts coming online & continues to progress toward commercial-scale production at its Chattanooga, Tennessee Riverside facility. NVX believes the facility is on-track to become the first large-scale synthetic graphite manufacturing plant in North America. The company is also working towards finalizing DOE loan funding & has tax credits to advance construction of another greenfield production facility in the state to meet the anticipated growth in additional demand.

OUTLOOK

NVX has binding long-term offtake agreements to supply synthetic graphite to multiple key players, including Panasonic Energy, Stellantis, and PowerCo. In the aggregate, NVX already has 20k tonnes per annum (tpa) capacity fully allocated under these agreements. During 1H 2025, NVX completed the installation of nearly all the mass production equipment it needs for Panasonic. Moreover, in 1H25, the company supplied samples of synthetic graphite material to 13 different customers and potential customers for their evaluation & qualification. These players operate in sectors spanning the EV, energy storage, and industrial spaces and NVX expects to close additional agreements over time.

Current Price (9/2/25) \$1.39
Valuation \$4.00

SUMMARY DATA

52-Week High 2.73
52-Week Low 0.81
One-Year Return (%) N/A
Beta 0.80
Average Daily Volume (sh) 92,906

ADSs Outstanding (mil) 157
Market Capitalization (\$mil) 216
Short Interest Ratio (days) N/A
Institutional Ownership (%) 48
Insider Ownership (%) 21

Annual Cash Dividend \$0.00
Dividend Yield (%) 0.00

5-Yr. Historical Growth Rates
Sales (%) N/A
Earnings Per Share (%) N/A
Dividend (%) N/A

P/E using TTM EPS N/A
P/E using 2025 Estimate N/A
P/E using 2026 Estimate N/A

Risk Level Above average
Type of Stock Growth
Industry Materials

ZACKS ESTIMATES

Revenue

(in millions of US\$)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2022					\$6.1 A
2023		\$3.9			\$8.1 A
2024		\$2.7			\$5.9 A
2025		\$2.8 A			\$5.9 E

Earnings or Loss Per ADR

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2022					-0.11 A
2023		-0.23 A			-0.38 A
2024		-0.23 A			-0.60 A
2025		-0.13 A			-0.35 E

2021-22 FY ended June, Now FY ends Dec
L/ADR do not sum

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MULTIPLE POTENTIAL CUSTOMERS ARE SAMPLING NOVONIX MATERIALS

Offtake agreements have already been signed with multiple key players....

Novonix (NVX-NASDAQ) recently reported 1H 2025 results and provided a business update as the company prepares to ramp up capacity in advance of multiple long-term contracts coming online. NVX continued to progress toward commercial-scale production at its Riverside facility in Chattanooga, Tennessee in 1H 2025. The facility is on-track to become the first large-scale synthetic graphite manufacturing plant in North America, according to NVX, and the company is also working towards finalizing DOE loan funding and has tax credits to advance construction of another greenfield production facility in the state to meet the anticipated growth in demand.

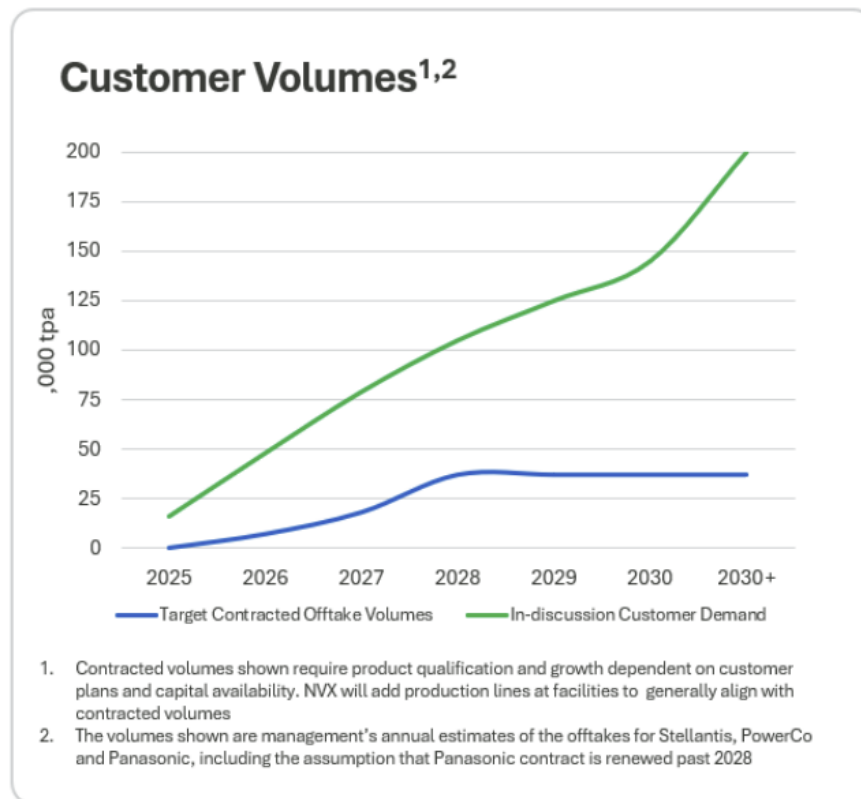


Figure 1 *Agreements require final product qualification.

Source: [Company reports](#)

20k tpa capacity fully allocated under long-term offtake agreements

Novonix has signed binding offtake agreements to supply synthetic graphite to multiple key players, including Panasonic Energy, Stellantis, and PowerCo. In the aggregate, NVX already has 20k tonnes per annum (tpa) capacity fully allocated under these long-term offtake agreements. During 1H 2025, NVX completed the installation of nearly all the mass production equipment it needs for Panasonic, its lead customer. Moreover, in 1H25, the company supplied samples of synthetic graphite material to 13 different customers and potential customers for their evaluation. These players operate in sectors spanning the EV, energy storage, and industrial spaces and NVX expects to close additional agreements. For example, although a June 2023 joint development agreement with LG Energy Solution (LGES) expired per the original terms, the two companies continue to work together to jointly develop materials to LGES' specifications, according to NVX.



Source: [Company reports](#)

Synthetic graphite is a designated U.S. Critical Mineral and NVX's patented production technologies have been shown to be more energy-efficient and environmentally responsible compared to Chinese product, which represents the majority of production currently. Currently, manufacturers in China produce about 65% to 80% of the world's graphite, according to the U.S. Geological Survey and United States Trade Representative (USTR). China accounts for roughly 79% of global production of synthetic anode material and an estimated 80+% of the market for automotive battery anodes, implying potential risks, we believe, that could lead to supply side disruptions.

Multiple factors are driving growing need for battery materials, including rising consumer adoption of electric vehicles (EVs) and installations of electric storage systems (ESS), among others. Novonix believes it has first mover advantage as an early manufacturer of synthetic graphite in North America. The company's second synthetic graphite manufacturing plant, Enterprise South, is also to be located in Chattanooga. With Enterprise South initial capacity and existing capacity at the Riverside facility, which is scaling up to 20k tpa, NVX plans to have total production capacity of more than 50k tpa in Chattanooga.

We also believe recent government measures strengthen the need to develop a North American supply chain to support sustainable energy sources. According to [Energy Storage News](#), the U.S. Department of Commerce provisionally has decided to impose of 93.5% anti-dumping (AD) tariffs on active anode material (AAM) imports from China, which brings the total tariff on Chinese AAM imports to 160%. A final ruling is due on December 5, 2025, by which time the tariff rate could change.

The American Active Anode Material Producers (AAAMP), which includes NVX, had petitioned for tariffs in December 2024. The AAAMP alleged that Chinese manufacturers were receiving government subsidies enabling them to sell at reduced prices in order to retain their dominant industry position. On January 8, 2025, the U.S. Department of Commerce initiated antidumping duty (AD) and countervailing duty (CVD) investigations of active anode material from China. The trade publication notes that the provisional tariff ruling potentially impacts Tesla, Panasonic, SK On and Samsung SDI, among other key customers for these products.

We believe the tariff and trade backdrop also highlight the importance of reducing reliance on other countries for critical materials. Export controls from China also highlight the need for local supply sources, in our view. In 4Q23, China imposed export controls for graphite. NVX expects its material can be a more reliable supply and more competitively priced.

FUNDING: ACCESSING MULTIPLE SOURCES

Recent funding sources include government grants, tax benefits and convertible debentures...

the company has been able to obtain non-dilutive funding from the DOE, Canada's NRC IRAP (National Research Council of Canada Industrial Research Assistance Program) and other sources. The company has successfully garnered government grants, tax credits and also strategic partner funding as it develops infrastructure to produce high performance long lasting materials to support a North American supply chain for battery production. We believe these grants and other funding underscore the government's interest in the development of a local North American supply chain for materials to support sustainable energy sources.

Working towards finalizing DOE loan for construction of Enterprise South

In December 2024 Novonix announced a conditional commitment from the DOE for a direct loan of up to US\$754.8 million (\$692 million in principal and \$62.8 million in capitalized interest) through the Loan Programs Office to be applied towards the financing of its second production plant, Enterprise South. The company is working towards finalizing this funding and does not plan to close on the purchase of land for Enterprise South until the conditions related to the DOE loan have been met.

In 1H 2025 NVX received US\$7.5 million in reimbursements on a previously awarded DOE Manufacturing and Energy Supply Chains (MESC) grant, for an aggregate cumulative US\$27.1 million through June 30, 2025. The company also expects to receive roughly US\$54 million in total net tax and other benefits from the City of Chattanooga and Hamilton County over a 15-year period, contingent upon meeting specific conditions, related to the planned development of Enterprise South.

In terms of private sector funding, NVX completed the share purchase plan portion of a 2024 equity raise for total subscription of US\$20.1 million. The company also obtained an additional investment of US\$5.0 million from existing shareholder Phillips 66. Phillips 66 earlier had acquired a 16% stake in Novonix. Subsequent to June 30, 2025, the company also entered into a funding agreement with Yorkville Advisors Global, LP for up to US\$100 million in convertible debentures.

RECENT RESULTS

The company's Battery Technology Solutions (BTS) operates as the R&D arm of the consolidated organization and also generates revenue from external customers. NVX also believes it has a competitive advantage through what it calls its synergistic operating structure. The company's three operating units – Novonix Anode Materials, Novonix Cathode Materials and Novonix BTS divisions – complement one another and are each expected to play important roles. The Novonix Anode and Cathode divisions are each preparing to produce critical materials and the company believes BTS provides a competitive advantage to help it accelerate innovation in the space. In 1H 2025 NVX delivered first- and second-round cathode material samples to several Tier-1 battery manufacturers and discussions with OEMs and other industry partners continues to advance.

BTS revenue of US\$2.8 million for 1H 2025 was relatively constant with US\$2.8 million in 1H 2024. NVX generated a 1H 2025 loss of US\$20.1 million compared to a US\$28.7 million loss in the same period in 2024.

NVX had a cash balance of US\$24.8 million as of June 30, 2025, down from US\$42.6 million at year-end 2024. The company has secured additional liquidity recently, as noted, entering into a funding agreement for up to US\$100 million convertible debentures with Yorkville Advisors Global, LP.

VALUATION

We expect NVX shares to begin to reflect the value of the company's anode and cathode initiatives as Novonix moves closer to commercializing its North American materials businesses. We believe expected milestones – such as fulfilling the off-take agreements – could act as catalysts for multiple expansion and share price appreciation. Given anticipated battery demand and depending on market conditions, we believe it is not unreasonable to expect that NVX could deliver annual revenue in the US\$15 million to US\$20 million range in the next few years, the combination of the legacy BTS business and new materials and testing revenue.

Share price multiples in the clean tech space average about 3x revenue and multiples for renewable energy players are significantly higher. While there are no true direct comparisons for Novonix, in our view, these sectors can provide a benchmark. If NVX can reach the above noted revenue in the 2026-27 timeframe, discounting back at 11% per annum implies near-term imputed revenue of about US\$8.5 million. To that we apply a 2.5x multiple, below the blended sector multiples noted above to reflect higher risk at this early stage in NVX's development, and a confidence metric of roughly 25% to account for potential delays in delivering this topline. This implies a near-term valuation of about \$4. If the company achieves certain milestones faster than we expect, it could cause us to change our confidence metric.

We believe the risk / reward ratio could be attractive for investors who have a higher than average risk tolerance and longer time horizon, as we think the current share price level does not reflect the fundamental value of the company's prospects as NVX continues to advance its strategy. In success, we would anticipate multiple and share price expansion. Any delay or failure in successful execution of the strategy could cause the share price to decline and represent a potential risk to our valuation.

RISKS

We believe risks to Novonix achieving its goals, and to our valuation, include the following, among others.

- NVX has offtake agreements for anode material additional orders could take longer than the company expects, which could lead to slower than anticipated revenue ramp.
- The timing of expanding production capacity at the Riverside plant could be delayed, which would also delay sales ramp.
- The company could incur unanticipated costs associated with its growth strategy.
- The price of synthetic graphite could come under pressure if substitute materials are shown to be effective or if other producers price irrationally to protect market share.
- Additional commercial deals for the 2nd facility and / or the cathode material might take longer than expected to close or might not materialize at all.
- Competition could increase.
- Technology could evolve that makes the company's advanced materials less important to the global battery sector than management currently anticipates.
- NVX might need to raise additional capital to support its strategy that could be dilutive to current shareholders.

RECENT NEWS

- NVX reported 1H 2025 results on August 21, 2025.
- The U.S. Department of Commerce announced provisional imposition of 93.5% Antidumping Tariffs on Chinese graphite on July 18, 2025.
- On April 29, 2025, NVX finalized the purchase and sale agreement for Enterprise South land.
- The company appointed Michael O'Kronley as Chief Executive Officer on April 27, 2025.
- On March 12, 2025, NVX received approval for purchase of enterprise South Land for planned Enterprise South Manufacturing Facility.
- On February 2, 2025, US Graphite Producers Won Preliminary ITC Trade Case Ruling.
- On Jan 20, 2025, NVX announced the transition of its CEO.
- NVX and Harper International entered a licensing agreement for furnace technology on January 9, 2025.
- On January 6, 2025 NVX announced its planned site for the new plant in the Enterprise South Industrial Park in Chattanooga, Tennessee.

PROJECTED FINANCIALS

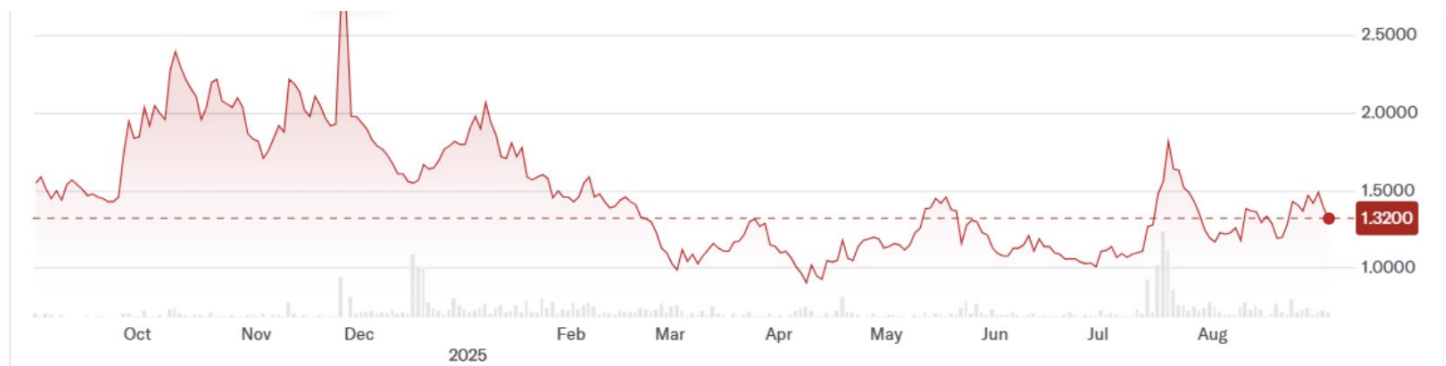
Novonix Income Statement & Projections (6 months ended in US\$)

	June 2023A	Dec 2023A	June 2024A	Dec 2024A	June 2025A	Dec 2025E
Revenue from contracts with customers	3,919,895	8,054,528	2,740,479	5,854,424	2,817,488	5,942,240
COGs	(2,765,896)	2,817,269	1,005,515	1,770,517	643,479	2,020,362
Gross profit / (loss)	1,153,999	5,237,259	1,734,964	4,083,907	2,174,009	3,921,879
Gross margin	29%	65%	63%	70%	77%	66%
Admin & other expense	(9,803,730)	(18,863,896)	(9,522,197)	(19,919,292)	(9,729,900)	(20,118,485)
Borrowing costs	(981,100)	(2,864,102)	(1,886,279)	(3,566,998)	(1,827,194)	(3,602,668)
D&A	(2,331,394)	(4,740,135)	(2,271,186)	(4,568,969)	(2,300,730)	(4,614,659)
Equity pick up	-	-	-	-	-	-
R&D	(2,278,806)	(5,750,574)	(2,026,377)	(4,849,571)	(2,024,208)	(4,898,067)
Share based comp	(6,818,045)	(5,621,959)	(13,089,333)	(5,523,560)	(1,368,001)	(5,578,796)
Employee benefits	(8,909,635)	(20,339,880)	(4,746,702)	(23,632,917)	(13,195,623)	(23,869,246)
Other	1,869,964	6,495,077	3,096,153	4,273,179	8,136,100	4,315,911
Total	(29,252,746)	(51,685,469)	(30,445,921)	(57,788,128)	(22,309,556)	(58,366,009)
Operating income / (loss)	(28,098,747)	(46,448,210)	(28,710,957)	(53,704,221)	(20,135,547)	(54,444,131)
(Loss)/gain fair value of derivative instruments				(4,536,546)	-	-
Loss on equity investment				(15,308,187)	-	-
FX	(2,827,882)	(1,489,976)	(1,820,751)	(1,175,500)	447,931	(1,187,255)
Pretax income / (loss)	(28,098,747)	(46,448,210)	(28,710,957)	(74,724,454)	(19,687,616)	(55,631,386)
Taxes	-	199,949		(97,687)		
Net loss	(30,926,629)	(47,738,237)	(30,531,708)	(74,822,141)	(19,687,616)	(55,631,386)
LPS	(\$0.06)	(\$0.09)	(\$0.06)	(\$0.15)	(\$0.03)	(\$0.09)
Loss per ADR	(\$0.23)	(\$0.38)	(\$0.23)	(\$0.60)	(\$0.13)	(\$0.35)
Avg shares out	486,947,711	487,474,460	489,003,935	496,862,010	628,041,079	628,056,079
ADRs	121,736,928	121,868,615	122,250,984	124,215,503	157,010,270	157,014,020

Source: Company reports, Zacks estimates

FY ends Dec. 31

HISTORICAL STOCK PRICE



Source: Yahoo Finance

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