



## Three Top Ways to Profit from the Lithium Boom in 2023 by Ian Cooper

Lithium stocks could be one of the biggest stories of the year.

For one, demand is set to accelerate on the heels of the electric vehicle boom – which shows no signs of slowing. In fact, according to USA Today, electric vehicles made up about 5% of new auto sales last year. For 2023, analysts at S&P Global Mobility project for EVs to make up about 8% of the market, 15% by 2025, and 37% by the time 2030 rolls around.

Two, the International Energy Agency warns that the, “The supply of critical minerals crucial for technologies such as wind turbines and electric vehicles will have to be ramped up over the next decades if the planet’s climate targets are to be met.”

Three, “The (lithium) market is tighter than it was last year,” Eric Norris, head of Albemarle’s Energy Storage division, as quoted by Reuters. “There’s significant supply coming on, but the demand growth is more significant.” Albemarle also raised its forecast for lithium demand by about 15%, saying the world could consumer 1.8 million tonnes of lithium by 2025, and 3.7 million by 2030. Just two months ago, it forecast 1.5 million for 2025, and 3.2 million for 2030.

With that much demand, lithium stocks could see higher highs, including:

### **Lithium Americas (LAC)**

Lithium Americas has two high-quality assets, including its U.S. Thacker Pass mine, where the company expects to see an average EBITDA of \$520 million. It also holds a stake in Argentinian asset, Cauchari-Olaroz, where the company expects to see an annual EBITDA of \$308 million.

Wanting to unlock even more value, Lithium Americas recently announced a split into two separate entities. That would include:

An Argentina focused lithium company, owning Lithium Americas’ current interest in its Argentine lithium assets, including the near-production Caucharí-Olaroz lithium brine project in Jujuy, Argentina; and a North America focused lithium company owning the Thacker Pass lithium project in Humboldt County, Nevada and the Company’s North American investments.

### **Global X Lithium & Battery Tech ETF (LIT)**

Or, if you’re looking for broader exposure to the lithium market, you can always pick up the Global X Lithium & Battery Tech ETF (LIT). With an expense ratio of 0.75%, the LIT ETF invests in the full lithium cycle, from mining and refining the metal, through battery production. Some of the ETFs top holdings

include Albemarle, BYD Co., Tesla, LG Chem Ltd., Livent Corporation, and dozens more, offering solid diversification among top lithium names.

### **Albemarle (ALB)**

Even at \$272, Albemarle could easily see higher highs. Helping, management just forecast massive growth. In fact, from \$7.3 billion in 2022, the company expects for revenue to range from \$17.6 billion to \$19.3 billion by 2027. It also expects for EBITDA to rise from \$3.5 billion in 2022 to between \$7.2 billion and \$8.5 billion by 2027, as well. Better, it expects to see cash from operations range from \$6.6 billion to \$7.1 billion over that time frame. That's massive.

So, it comes as no surprise analysts are bullish. Mizuho analysts, for example, raised their price target to \$325 from \$300. Deutsche Bank raised its price target to \$305 from \$290. Oppenheimer raised its from \$461 to \$497. Piper Sandler even initiated coverage with an overweight rating, with a price target of \$310.