

Amaero Ltd

New five-year contract kicks off commercialisation push

Amaero Ltd (ASX:3DA) is a global specialist in advanced materials manufacturing for the defence, aerospace and other industrial sectors, developing a critical metals alloy powder manufacturing facility in Tennessee, USA. The company has announced it has signed a five-year, exclusive supply agreement with US-based metal additive manufacturing technology company Velo3D (OTC:VLDX) for mission-critical parts in the defence, space and aviation industries ([ASX release 29 April](#)). Amaero said, based on demand estimates from Velo3D, revenue from C103 and titanium alloy powder sales over the five-year agreement are expected to equal approximately US\$22m (A\$35m). The announcement came on the back of Amaero's **Q3 FY25 cash-flow** summary in which it reported revenue of \$0.652m, cash receipts of \$0.588m and operating cash outflows of \$5.76m. Q3 revenue comprised \$0.416m in powder sales and \$0.236m in Powder Metallurgy Hot Isostatic Pressing (PM-HIP) manufacturing. The company noted in its release that it expected 'revenue growth to accelerate in the current quarter (Q4 FY25), and to significantly scale in FY26'. Amaero says it is advancing numerous strategic partnerships, long-term agreements and commercial contracts. Q3 revenue and cash receipts were lower than we expected but the operating cash outflow appears to be tracking in-line with our H2 FY25 forecasts. We note too that there is a risk of delays to US defence contracts due to federally funded agencies including the Department of Defense operating under **Continuing Resolutions**. For conservatism, we have pushed our earnings estimates out by at least 12 months until it becomes clear that any delays have been resolved. As a consequence, we now expect EBITDA breakeven in FY27 and the first full year of 'at capacity earnings' in FY30. Our DCF valuation has reduced to \$0.95/share, fully diluted, (previously \$1.10/share), representing potential capital upside of 265% on the current share price.

Business model

Amaero is developing a critical metals powder manufacturing facility in Tennessee, USA, targeting the production of high-value alloy powders for mission-critical defence and space applications. The company has announced plans to install four electrode induction melting gas atomisers (EIGAs) at its facility over the next three years and has the first one in commercial production. Amaero has indicated that at full capacity, based on a 50% yield, it will produce up to 399 tonnes a year of high-end alloy powders for use in powder bed fusion (PBF) 3D printing of hypersonic, space, satellite and strategic missile parts.

Scaling in Q4 FY25 and into FY26

Amaero noted in its Q3 FY25 results commentary that it remained positioned to transition to commercialisation in FY26, with 'revenue growth expected to accelerate in the current quarter...and to significantly scale in FY2026'. Amaero also highlighted that its second atomiser is currently in transit on a container ship and is expected to be commissioned at the end of FY25, positioning the company to be the United States' 'largest domestic producer by approximately 4x the capacity of laser powder bed fusion spherical powder'. The five-year supply agreement with Velo3D further validates Amaero's positioning as the go-to supplier of critical alloys powder in the US. Our earnings adjustments are a reflection of the delays to US federal government agency funding and impact this may have on both government and commercial contracts. We see Amaero as well-positioned to benefit from the US government's push for companies to re-shore, particularly in the critical industries of defence and aerospace.

Base-case DCF valuation is \$0.95/share, (previously \$1.10/sh)

Our base-case DCF valuation is \$0.95/share (previously \$1.10/share), fully diluted by 30% of existing options converting. We estimate that the fully diluted share count will rise to 802m in FY26. Our base-case forecasts and valuation are predicated on our expectation that Amaero will deliver revenue from FY25, EBITDA break-even in FY27 (previously FY26), and deliver NPAT profitability in FY28 along with the first full year of 'at capacity' earnings in FY30 (previously CY28).

Historical earnings and RaaS' forecasts (in A\$m unless otherwise stated)

Y/E	Sales revenue	Gross profit	EBITDA	NPAT	EPS (c)	EV/Sales (x)	EV/EBITDA (x)	PER (x)
06/24a	0.5	0.1	(11.9)	(18.8)	(4.0)	n.m.	n.m.	n.m.
06/25f	5.9	(4.2)	(19.6)	(25.3)	(3.7)	27.3	n.m.	n.m.
06/26f	36.6	3.7	(11.2)	(17.8)	(2.5)	5.9	n.m.	n.m.
06/27f	77.0	20.7	4.1	(6.9)	(0.9)	3.0	56.1	n.m.

Source: Company data; RaaS estimates for FY25-FY27

Q3 FY25 and Contract Update

Critical Metals Manufacturing

5 May 2025

Share Details

ASX code	3DA
Share price (2-May)	\$0.26
Market capitalisation	\$179.4M
Shares on issue (post-raise)	690.0M
Net cash at 31-Mar-25	\$28.9M
Free float (LSEG)	57.4%

Share Performance (12 months)



Upside Case

- Amaero develops a significant presence in the advanced manufacturing supply chain
- Strong tailwinds in US and global demand for US advanced metal powder production
- Highly experienced management team led by Chairman/CEO with proven track record of delivering ahead of schedule

Downside Case

- Production schedule may not match forecasts
- Pre-production with no guarantee that strategy will translate into earnings success
- Cash-flow profit still at least 18-24 months away

Catalysts

- Commission second atomiser by FY25 end
- Secure multi-year commercial agreements for powder sales and PM-HIP manufactured parts
- Secure US government grant funding
- Install/commission third atomiser by end FY26
- Deliver EBITDA break-even in FY27
- Deliver 'at capacity' earnings in FY30

Board & Management

Hank J. Holland	Chairman and CEO
Eric Bono	Executive Director/CTO
Omer Granit	Non-Executive Director
Robert (Bob) Latta	Non-Executive Director
Erik Levy	Non-Executive Director
Jamie Levy	Non-Executive Director
Alistair Cray	Non-Executive Director

Company Contacts

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Long-Term Contract With Velo3D Kicks Off Commercialisation Push

Amaero and Velo3D announced on [April 29](#) that they had signed a five-year, exclusive supply agreement for mission-critical parts in the defence, space and aviation sectors. Amaero expects the contract to generate revenue of approximately A\$35m over the life of the contract. Under the deal, Amaero will be the exclusive supplier to Velo3D for niobium C103 and other refractory alloy powders and will be the preferred supplier on titanium alloy powders. Velo3D will qualify Amaero's spherical powders and develop proprietary print parameters exclusively for Amaero's C103 and refractory alloy powders on all Velo3D's Sapphire family of printers. Velo3D will also exclusively use Amaero's C103 and refractory alloy powders for all parts production. Amaero's titanium alloy powder will also be qualified by Velo3D and an exclusive print parameter developed for new machine sales. A deadline of 30 November 2025 for qualification has been set, with Amaero holding the right to terminate the agreement if it is not met by this time. Velo3D will exclusively offer Amaero's C103, refractory and titanium alloy powders for sale to its 3D printing machine customers.

Velo3D, a US-listed metal additive manufacturing company with a market capitalisation of US\$86m and generating around US\$40m in annual sales (CY2024), supplies its 3D printers and services to defence and aviation titans including Lockheed Martin, SpaceX, Honeywell, Siemens Energy, and General Motors and has the backing of Retired US Navy Rear Admiral Jason Lloyd and Kenneth Thieneman, CEO of Thieneman Construction, who both recently joined the board of directors and cornerstoned a recent funding round.

Q3 FY25 Results Analysis

Amaero reported its Q3 FY25 results on 24 April, noting Q3 revenue of \$0.652m and ending cash of \$28.9m, following the successful completion of a two-tranche institutional placement to raise \$22m, at \$0.30/share. This included a \$20.5m raise prior to the end of the quarter and a second tranche of \$1.5m completed post quarter end and following shareholder approval. The funds together with the US\$22.8m loan from the US Export-Import Bank ([ASX release 26 February 2025](#)) will be used to fund the purchase of capital equipment and working capital for its Tennessee manufacturing facility.

Operating cash outflow for the quarter was in line with our forecasts for H2 FY25, although cash receipts and revenue were lower than we expected. This suggests that our forecasts for costs were higher than reported for the quarter.

Exhibit 1: Q3 FY25 versus Q3 FY24 and Q2 FY25 (in A\$m unless otherwise stated)				
	Q3 FY24	Q2 FY25	Q3 FY25	% chg Q3 FY25 over Q3 FY24
Cash receipts	0.106	0.920	0.588	455
Product manufacturing and operating costs	(0.064)	(1.250)	(1.135)	1,673
Employee costs	(1.666)	(2.113)	(2.277)	37
Admin. and other costs	(2.052)	(2.712)	(3.185)	55
Net interest	0.072	0.200	0.186	158
Other	0.167	0.336	0.060	(64)
Operating cash flow	(3.437)	(4.619)	(5.763)	68
Cash outflow including capex	(6.229)	(7.908)	(10.383)	67
Cash at the end of the period	6.009	19.478	28.898	381
Source: Company data				

Outlook Commentary

The company has commented that it expects an acceleration of revenue growth in the current quarter and for this to significantly scale in FY26. Amaero says it is advancing numerous strategic partnerships, long-term contracts and commercial contracts. It also noted that it is well-positioned to benefit from the Trump Administration's push to have US companies re-shore their manufacturing capabilities and integrate supply chains, having established its location in the US manufacturing heartland in June 2023. Amaero noted that once its second gas atomiser is commissioned, which is scheduled by the end of FY25, it will be the largest US domestic producer, by 4x the capacity, of laser powder bed fusion spherical powder.

Earnings Forecast Changes

Our revenue forecasts have been adjusted to incorporate the Q3 FY25 results, in which the company generated \$0.652m in revenue, comprising \$0.416m from powder sales and \$0.236m from PM-HIP manufacturing. The result is a downgrade to our FY25 revenue forecasts with the flow-on impact to EBITDA and NPAT in the same year. We have also taken into account the potential for ongoing delays to defence contracts and spending as a result of the US Congress not passing its budget for FY25 and federal agencies, including the Department of Defense operating on temporary funding under Continuing Resolutions (CRs). CRs operate under the premise of continuing funding from the previous year, which can hinder a federal agency's ability to plan for new initiatives and projects. Our forecasts have been pushed out at least by 12 months to reflect the potential impact of these delays and we set out the changes in Exhibit 2.

Exhibit 2: Earnings adjustments FY25f-FY27f (in A\$m unless otherwise stated)						
Year ending June 30	FY25f old	FY25f new	FY26f old	FY26f new	FY27f old	FY27f new
Sales revenue	9.6	5.9	49.3	36.6	110.8	77.0
Gross profit	(0.2)	(4.2)	14.0	3.7	34.5	20.7
Gross profit margin (%)	<i>n.m.</i>	(71.5)	28.3	10.2	31.2	26.8
EBITDA underlying	(14.8)	(19.6)	(0.0)	(11.2)	16.9	4.1
EBITDA margin (%)	<i>n.m.</i>	<i>nm</i>	(0.0)	(30.6)	15.3	5.4
NPAT	(20.3)	(25.2)	(8.2)	(17.8)	4.8	(6.9)

Source: RaaS estimates

We now estimate that Amaero will reach EBITDA break-even in FY27 (previously FY26), NPAT break-even in FY28, and the first full year of 'at-capacity' earnings in FY30 (previously CY28). In FY30, we are forecasting revenue of \$328m, EBITDA of \$86m and NPAT of \$62m.

It should be noted that longer-term, we see Amaero as well-placed to benefit from the US Administration's commitment to increased defence spend. On [May 2](#), the White House released its 'skinny' budget blueprint for FY26 which contemplates a 13.4% increase in the defence budget to US\$1.01tr (the first time the budget has surpassed the US\$1tr threshold).

Peer Comparison

Amaero is trading at a significant discount to its peers. The company's nearest listed Australian peer is IperionX (ASX:IPX) which is aiming to become a leading US titanium and critical minerals company using patented metal technologies to produce high performance titanium alloys, from titanium minerals or scrap titanium, at lower energy and carbon emissions at its Tennessee, USA facility. For completeness we have included AML3D (ASX:AL3), a large-format additive manufacturing hardware and services group, and Titomic (ASX:TTT), a metal AM group with cold-spray technology which is also developing operations in the US. Using LSEG consensus estimates for the three peers, the median FY26 EV/revenue multiple is 7.5x while the median FY27 EV/revenue multiple is 4.4x. Both multiples have reduced substantially over the past month due to market capitalisations reducing but they remain well ahead of the implied EV/Revenue multiples in our FY26 and FY27 forecasts for Amaero. If we were to apply the FY26 peer multiple to our FY26 revenue forecast for Amaero, the peer

valuation would be \$0.40/share. Based on the FY27 peer multiple, the peer valuation would be \$0.49/share. Both are at a substantial premium to the current Amaero share price of \$0.26/share.

Exhibit 3: Peer multiples

Peers	ASX code	Share price (\$)	Enterprise value (A\$m)	EV/Revenue FY26	EV/Revenue FY27
AML3D	AL3	0.14	43	2.2	1.5
IperionX	IPX	3.39	1,035	41.5	4.7
Titomic	TTT	0.24	294	7.5	4.4
Median			294	7.5	4.4
Amaero	3DA	0.26	110	3.0	1.4

Source: LSEG consensus estimates; RaaS estimates for 3DA; Prices at 2 May 2025

DCF Valuation

In our view, given the early-stage nature of Amaero's business and the lead time to revenue and cash generation, the discounted cash-flow methodology is the most appropriate method for valuing the company. We derive a Weighted Average Cost of Capital (WACC) of 11.0% (cost of equity 12.9%, beta 1.37 using the observed five-year beta calculated by LSEG, terminal growth rate 2.2%), and this gives us a base-case valuation of \$762m (previously \$933m) or \$0.95/share (previously \$1.10/share) on a fully diluted basis. Note that we use the US corporate tax rate of 21% in our valuation. The valuation also assumes that the \$71.5m in capital expenditure outlined by the company (ASX release 14 August, page 22) is funded through the recent A\$22m capital equity raise and cash in hand (total of \$28.9m in cash at 31 March), A\$38m in debt funding from EXIM. The company has also pointed to potential US government grants for capital support but for conservatism we have chosen to assume debt funding in our modelling.

A -15%/+15% sensitivity analysis to our base-case revenue and costs delivers range of \$0.41/share to \$1.38/share, fully diluted for an estimated 30% options conversion.

Exhibit 4: DCF valuation (in A\$m unless otherwise stated)

DCF valuation	Parameters
WACC (unchanged) (%)	11.0
Beta*	1.37
Terminal growth rate (%)	2.2
Sum of PV (\$M)	207.7
Present value of terminal value (\$M)	489.0
PV of enterprise (\$M)	696.8
Fully diluted cash and debt (\$M)	(65.5)
Net value – shareholder (\$M)	762.3
No. of shares on issue (fully diluted) (M)	801.9
NPV in A\$/share	0.95
NPV per share in A\$ based on current share count (690.04M)	1.10

Source: RaaS estimates; *LSEG observed beta

Exhibit 5: Financial Year Financial Summary

Amaero Ltd						Share price (2 May 2025)						A\$	0.26
Profit and Loss (A\$m)						Interim (A\$m)							
Y/E 30 June	FY23A	FY24A	FY25F	FY26F	FY27F	Sales Revenue	H123A	H223A	H124A	H224A	H125A	H225F	
USD Sales Revenue	0.0	0.3	4.0	24.5	51.6	Gross Profit	(0.0)	0.0	0.1	0.1	0.8	(5.1)	
Sales Revenue	0.1	0.5	5.9	36.6	77.0	EBITDA reported	(6.0)	1.6	(6.0)	(10.5)	(9.8)	(12.1)	
Gross Profit	(0.0)	0.1	(4.2)	3.7	20.7	EBITDA Adj	(3.1)	0.4	(4.5)	(7.4)	(9.7)	(12.1)	
EBITDA Reported	(6.1)	(16.5)	(21.9)	(11.2)	4.1	EBIT Adj ⁱ	(3.7)	(0.4)	(4.9)	(8.0)	(8.3)	(14.2)	
EBITDA Adj	(2.8)	(11.9)	(19.6)	(11.2)	4.1	NPAT (Adj)	(3.8)	(0.5)	(6.7)	(7.5)	(8.8)	(14.1)	
Depn	(1.3)	(1.0)	(2.9)	(6.6)	(7.9)	Minorities	-	-	-	-	-	-	
Amort	0.0	0.0	0.0	0.0	0.0	NPAT (reported)	(6.6)	(0.9)	(9.9)	(8.9)	(11.1)	(14.1)	
EBIT Adj	(4.1)	(12.9)	(24.8)	(17.8)	(3.8)	EPS (Adj)	(1.05)	(1.61)	(1.52)	(1.52)	(1.51)	(2.17)	
Interest	(0.2)	(0.6)	(0.4)	(1.1)	(2.5)	EPS (reported)	(2.39)	(1.23)	(1.93)	(2.11)	(1.89)	(2.05)	
Tax	0.0	(0.0)	(0.0)	1.1	(0.6)	Dividend (cps)	-	-	-	-	-	-	
Minorities	0.0	0.0	0.0	0.0	0.0	Imputation	-	-	-	-	-	-	
Equity accounted assoc	0.0	0.0	0.0	0.0	0.0	Operating cash flow	(6.2)	(4.6)	(6.2)	(6.4)	(6.7)	(11.2)	
NPAT pre significant items	(9.2)	(14.1)	(25.2)	(17.8)	(6.9)	Free Cash flow	(6.2)	(4.6)	(6.2)	(6.4)	(6.7)	(11.2)	
Significant items	(3.3)	(4.6)	(0.1)	0.0	0.0	Divisions							
NPAT (reported)	(12.5)	(18.8)	(25.3)	(17.8)	(6.9)	Sales and service revenue	0.5	(0.4)	0.1	0.3	1.8	4.3	
Cash flow (A\$m)						R&D grants	1.4	(0.8)	0.0	(0.0)	0.0	0.0	
Y/E 30 June	FY23A	FY24A	FY25F	FY26F	FY27F	Total Revenue	1.9	(1.3)	0.1	0.3	1.8	4.3	
EBITDA	(2.8)	(11.9)	(19.6)	(11.2)	4.1	COGS	0.5	(0.4)	0.0	0.3	5.6	9.3	
Interest	(0.2)	(0.5)	0.4	(1.1)	(2.5)	Gross Profit	1.4	(0.8)	0.1	0.0	(3.9)	(5.1)	
Tax	0.0	0.0	0.0	0.0	(0.6)	R&D costs	(1.6)	(1.1)	(1.6)	(0.9)	(0.6)	0.0	
Working capital changes	(7.8)	(0.2)	1.4	(5.5)	(7.0)	Employment	(1.2)	1.3	(0.3)	(3.3)	(3.7)	(2.0)	
Operating cash flow	(10.8)	(12.6)	(17.9)	(17.8)	(6.0)	General & Admin costs	(1.2)	0.7	(2.4)	(1.9)	(3.7)	(4.1)	
Mtce capex	0.0	0.0	0.0	0.0	0.0	Other costs	(0.5)	0.4	(0.3)	(1.2)	(0.5)	(0.9)	
Free cash flow	(10.8)	(12.6)	(17.9)	(17.8)	(6.0)	EBITDA Adj.	(3.1)	0.4	(4.5)	(7.4)	(12.4)	(12.1)	
Growth capex	(1.6)	(12.2)	(26.3)	(17.5)	(11.3)	Margins, Leverage, Returns							
Acquisitions/Disposals	0.8	0.0	0.0	0.0	0.0	FY23A		FY24A		FY25F		FY26F	
Other	(0.0)	(0.4)	0.1	0.0	0.0	EBITDA	nm	nm	nm	nm	(30.6%)	5.4%	
Cash flow pre financing	(11.6)	(25.2)	(44.1)	(35.3)	(17.3)	EBIT	nm	nm	nm	nm	(48.7%)	(4.9%)	
Equity	10.6	30.6	47.2	10.2	4.5	NPAT pre significant items	nm	nm	nm	nm	(48.5%)	(8.9%)	
Debt	(0.3)	(0.6)	11.8	22.5	0.0	Net Debt (Cash)	8.8	12.0	14.3	(14.1)	(27.2)		
Dividends paid	0.0	0.0	0.0	0.0	0.0	Net debt/EBITDA (x)	(x)	n/a	n/a	n/a	n/a	(6.6)	
Net cash flow for year	(1.3)	4.8	14.9	(2.6)	(12.8)	ND/ND+Equity (%)	(%)	(141.9%)	(68.4%)	(35.3%)	24.5%	39.9%	
Balance sheet (A\$m)						EBIT interest cover (x)	(x)	n/a	n/a	n/a	n/a	n/a	
Y/E 30 June	FY23A	FY24A	FY25F	FY26F	FY27F	ROA	(20.3%)	(37.8%)	(35.0%)	(17.9%)	(3.5%)		
Cash	8.8	12.0	26.9	23.9	10.8	ROE	(84.3%)	(84.3%)	(60.0%)	(36.1%)	(16.3%)		
Accounts receivable	0.2	0.2	1.1	6.5	13.7	ROIC	(25.5%)	(350.9%)	(149.2%)	(61.1%)	(9.5%)		
Inventory	1.0	1.5	1.1	3.3	5.5	NTA (per share)		0.04	0.05	0.08	0.06	0.05	
Other current assets	0.1	0.8	1.0	1.0	1.0	Working capital		0.4	0.3	(0.3)	5.2	12.2	
Total current assets	10.1	14.4	30.1	34.6	31.1	WC/Sales (%)		521.6%	nm	(5.7%)	14.2%	15.8%	
PPE	7.7	16.7	41.0	51.9	55.3	Revenue growth		nm	nm	nm	517.9%	110.6%	
Intangibles and Goodwill	0.0	0.0	0.0	0.0	0.0	EBIT growth pa		n/a	n/a	n/a	n/a	n/a	
Investments	0.2	0.0	0.0	0.0	0.0	Pricing							
Deferred tax asset	0.0	0.0	0.0	1.1	1.1	FY23A		FY24A		FY25F		FY26F	
Other non current assets	0.2	19.0	20.3	20.3	20.3	No of shares (y/e)	(m)	417	543	690	784	802	
Total non current assets	8.1	35.7	61.3	73.3	76.7	Weighted Av Dil Shares	(m)	346	465	650	699	788	
Total Assets	18.2	50.1	91.4	107.9	107.7	EPS Reported	cps	(3.6)	(4.0)	(4.1)	(2.5)	(0.9)	
Accounts payable	0.8	1.4	2.5	4.6	7.0	EPS Normalised/Diluted	cps	(2.7)	(3.0)	(3.7)	(2.5)	(0.9)	
Short term debt	0.0	0.0	0.0	0.0	0.0	EPS growth (norm/dil)	n/a	n/a	n/a	n/a	n/a	n/a	
Tax payable	0.0	0.1	0.2	0.2	0.2	DPS	cps	-	-	-	-	-	
Other current liabilities	1.4	0.1	0.2	0.2	0.2	DPS Growth	n/a	n/a	n/a	n/a	n/a	n/a	
Total current liabilities	2.2	1.6	2.9	5.0	7.4	Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Long term debt	0.0	0.0	12.7	38.0	38.0	Dividend imputation	0	0	0	0	0	0	
Other non current liabs	1.0	19.1	21.3	21.3	21.3	PE (x)	-	-	-	-	-	-	
Total long term liabilities	1.0	19.1	34.0	59.3	59.3	PE market	18.0	18.0	18.0	18.0	18.0	18.0	
Total Liabilities	3.2	20.7	36.9	64.3	66.8	Premium/(discount)	nm	nm	nm	nm	nm	nm	
Net Assets	15.1	29.5	54.6	43.6	41.0	EV/EBITDA	nm	nm	nm	nm	nm	nm	
Share capital	48.3	77.4	123.0	133.2	137.7	FCF/Share	cps	(2.60)	(2.32)	(2.59)	(2.27)	(0.75)	
Accumulated profits/losses	(33.4)	(52.1)	(78.5)	(96.7)	(103.8)	Price/FCF share	(9.8)	(10.99)	(9.85)	(11.26)	(34.20)		
Reserves	0.2	4.2	10.1	7.1	7.1	Free Cash flow Yield	(10.2%)	(9.1%)	(10.2%)	(8.9%)	(2.9%)		
Minorities	0.0	0.0	0.0	0.0	0.0								
Total Shareholder funds	15.1	29.5	54.7	43.6	41.0								

Source: Company data for historicals, RaaS estimates for FY25 to FY27

Exhibit 6: Calendar Year Financial Summary

Amaero Ltd						Share price (2 May 2025)					A\$	0.26						
Profit and Loss (A\$m)						Interim (A\$m)		H1CY23A	H2CY23A	H1CY24A	H2CY24F	H1CY25F	H2CY25F					
Year End December 31	CY23A	CY24F	CY25F	CY26F	CY27F													
USD Sales Revenue	(0.2)	1.3	8.2	36.8	79.4	Sales Revenue	(0.4)	0.1	0.3	1.7	4.3	8.4						
Sales Revenue	(0.3)	2.0	12.6	56.6	122.1	EBITDA Adj	0.4	(4.5)	(7.4)	(7.5)	(12.1)	(10.1)						
Gross Profit	0.1	0.9	(7.9)	10.4	41.7	EBIT Adj'	(0.4)	(4.9)	(8.0)	(8.3)	(14.2)	(13.2)						
EBITDA Reported	(4.4)	(20.4)	(22.2)	(5.3)	21.2	NPAT (Adj)	(0.5)	(6.7)	(7.5)	(8.8)	(14.1)	(13.5)						
EBITDA Adj	(4.2)	(14.9)	(22.2)	(5.3)	21.2	Minorities	0.00	0.00	0.00	0.00	0.00	0.00						
Depn	(1.1)	(1.4)	(5.2)	(7.5)	(8.2)	NPAT (reported)	(6.6)	(0.9)	(9.9)	(8.9)	(11.1)	(14.1)						
Amort	0.0	0.0	0.0	0.0	0.0	EPS (Adj)	(1.23)	(1.93)	(2.11)	(1.89)	(2.05)	(1.72)						
EBIT Adj	(5.3)	(16.3)	(27.4)	(12.8)	13.1	EPS (reported)	(1.61)	(1.52)	(1.52)	(1.51)	(2.17)	(1.93)						
Interest	0.1	(1.0)	(0.2)	(2.0)	(2.5)	Dividend (cps)	-	-	-	-	-	-						
Tax	0.0	(0.0)	0.0	1.1	(2.2)	Imputation	-	-	-	-	-	-						
Minorities	0.0	0.0	0.0	0.0	0.0	Operating cash flow	(4.6)	(6.2)	(6.4)	(6.7)	(11.2)	(11.7)						
Equity accounted assoc	0.0	0.0	0.0	0.0	0.0	Free Cash flow	(4.8)	(6.2)	(18.6)	(18.1)	(26.1)	(21.3)						
NPAT pre significant items	(7.1)	(16.2)	(27.6)	(13.6)	8.3	Divisions	H1CY23A	H2CY23A	H1CY24A	H2CY24F	H1CY25F	H2CY25F						
Significant items	(3.7)	(3.7)	0.0	0.0	0.0	Sales and service revenue	(0.4)	0.1	0.3	1.8	4.3	8.4						
NPAT (reported)	(10.8)	(19.9)	(27.6)	(13.6)	8.3	R&D grants	(0.8)	0.0	(0.0)	0.0	0.0	0.0						
Cash flow (A\$m)						Total Revenue		(1.3)	0.1	0.3	1.8	4.3	8.4					
Year End December 31	CY23A	CY24F	CY25F	CY26F	CY27F	COGS	(0.4)	0.0	0.3	5.6	9.3	11.2						
EBITDA	(4.2)	(14.9)	(22.2)	(5.3)	21.2	Gross Profit	(0.8)	0.1	0.0	(3.9)	(5.1)	(2.8)						
Interest	(0.1)	(0.2)	(0.2)	(2.0)	(2.5)	R&D costs	(1.1)	(1.6)	(0.9)	(0.6)	0.0	0.0						
Tax	0.0	0.0	0.0	0.0	(2.2)	Employment	1.3	(0.3)	(3.3)	(3.7)	(2.0)	(2.1)						
Working capital changes	(6.6)	2.1	(0.5)	(7.7)	(11.2)	General & Admin costs	0.7	(2.4)	(1.9)	(3.7)	(4.1)	(4.3)						
Operating cash flow	(10.8)	(13.1)	(22.9)	(14.9)	5.3	Other costs	0.4	(0.3)	(1.2)	(0.5)	(0.9)	(0.9)						
Mtce capex	(0.0)	0.0	0.0	0.0	0.0	EBITDA	0.4	(4.5)	(7.4)	(12.4)	(12.1)	(10.1)						
Free cash flow	(10.8)	(13.1)	(22.9)	(14.9)	5.3	Margins, Leverage, Returns								CY23A	CY24F	CY25F	CY26F	CY27F
Growth capex	(0.2)	(23.6)	(24.6)	(13.5)	(7.7)									EBITDA	nm	(741.8%)	(175.6%)	(9.4%)
Acquisitions/Disposals	0.8	0.0	0.0	0.0	0.0	EBIT	nm	(812.2%)	(216.7%)	(22.5%)	(22.5%)	10.7%						
Other	(0.0)	(0.3)	0.0	0.0	0.0	NPAT pre significant items	nm	(808.8%)	(218.3%)	(24.0%)	(24.0%)	6.8%						
Cash flow pre financing	(10.3)	(37.0)	(47.5)	(28.4)	(2.4)	Net Debt (Cash)		11.7	19.5	(0.2)	(24.3)	(26.7)						
Equity	9.2	43.0	30.5	4.3	0.0	Net debt/EBITDA (x)	(x)	n/a	n/a	n/a	n/a	(1.3)						
Debt	(0.5)	(1.1)	22.5	12.7	(12.7)	Net debt/Equity (%)	(%)	(176.6%)	(66.4%)	0.5%	38.7%	36.3%						
Dividends paid	0.0	0.0	0.0	0.0	0.0	EBIT interest cover (x)	(x)	n/a	n/a	n/a	n/a	0.2						
Net cash flow for year	(1.6)	4.9	5.6	(11.4)	(15.1)	ROA		(25.5%)	(34.9%)	(31.8%)	(12.6%)	12.6%						
Balance sheet (A\$m)						ROE		(65.7%)	(59.4%)	(57.0%)	(31.4%)	19.5%						
Year End December 31	CY23A	CY24F	CY25F	CY26F	CY27F	ROIC		(32.6%)	(203.1%)	(162.8%)	(37.1%)	30.2%						
Cash	11.7	19.5	25.1	13.7	(1.4)	NTA (per share)		0.04	0.09	0.07	0.05	0.06						
Accounts receivable	0.1	0.9	2.3	10.1	21.8	Working capital		(0.2)	0.5	1.0	8.7	19.8						
Inventory	0.7	4.1	2.1	4.5	7.8	WC/Sales (%)		69.0%	nm	7.8%	15.3%	16.2%						
Other current assets	0.5	1.0	1.0	1.0	1.0	Revenue growth		nm	nm	nm	348.0%	115.8%						
Total current assets	13.1	25.5	30.4	29.3	29.2	EBIT growth pa		n/a	n/a	n/a	n/a	(202.6%)						
PPE	0.6	28.2	47.6	53.6	53.1	Pricing		CY23A	CY24F	CY25F	CY26F	CY27F						
Intangibles and Goodwill	0.0	0.0	0.0	0.0	0.0	No of shares (y/e)	(m)	479	615	784	802	802						
Investments	5.9	0.0	0.0	0.0	0.0	Weighted Av Dil Shares	(m)	431	581	699	788	802						
Deferred tax asset	0.0	0.0	0.0	1.1	1.1	EPS Reported	cps	(3.2)	(4.0)	(4.1)	(1.7)	1.0						
Other non current assets	0.0	20.3	20.3	20.3	20.3	EPS Normalised/Diluted	cps	(3.1)	(3.0)	(4.1)	(1.7)	1.0						
Total non current assets	6.5	48.5	67.8	75.0	74.5	EPS growth (norm/dil)		n/a	n/a	n/a	n/a	(160.3%)						
Total Assets	19.6	73.9	98.3	104.3	103.7	DPS	cps	-	-	-	-	-						
Accounts payable	1.0	4.5	3.4	6.0	9.7	DPS Growth		n/a	n/a	n/a	n/a	n/a						
Short term debt	0.0	0.0	0.0	0.0	0.0	Dividend yield		0.0%	0.0%	0.0%	0.0%	0.0%						
Tax payable	0.0	0.2	0.2	0.2	0.2	Dividend imputation		0	0	0	0	0						
Other current liabilities	0.4	0.2	0.2	0.2	0.2	PE (x)		-	-	-	-	24.5						
Total current liabilities	1.4	4.9	3.8	6.4	10.1	PE market		27.0	27.0	27.0	27.0	27.0						
Long term debt	0.0	0.0	25.3	38.0	25.3	Premium/(discount)		nm	nm	nm	nm	(9.3%)						
Other non current liabs	0.0	20.4	21.3	21.3	21.3	EV/EBITDA		nm	nm	nm	nm	nm						
Total long term liabilities	0.0	20.4	46.7	59.3	46.7	FCF/Share	cps	(2.26)	(2.05)	(2.28)	(2.22)	(0.75)						
Total Liabilities	1.4	25.2	50.4	65.7	56.8	Price/FCF share		(11.3)	(12.45)	(11.19)	(11.51)	(34.20)						
Net Assets	18.2	48.8	48.0	38.6	46.9	Free Cash flow Yield		(8.9%)	(8.0%)	(8.9%)	(8.7%)	(2.9%)						
Share capital	58.1	101.0	133.2	137.7	137.7													
Accumulated profits/losses	(41.5)	(62.1)	(92.4)	(106.3)	(97.8)													
Reserves	1.8	9.9	7.2	7.2	7.0													
Minorities	0.0	0.0	0.0	0.0	0.0													
Total Shareholder funds	18.3	48.8	48.0	38.6	46.9													

Source: Company data for historicals, RaaS estimates for CY25 to CY27

FINANCIAL SERVICES GUIDE

RaaS Research Group Pty Ltd

ABN 99 614 783 363

Corporate Authorised Representative, number 1248415, of

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Effective Date: 26th March 2024

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