

Amaero International Ltd

Binding off-take agreement boosts strategic C103 position

Amaero International 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 secured a binding offtake agreement for the supply of C103 additive manufacturing powder, a key milestone in the development of its critical metals powder manufacturing presence in the US. Concurrently, Amaero has raised \$20m by way of a placement to institutional investors, which the company anticipates will be the last equity capital raise in the Australian market. Going forward, Amaero says it intends to seek equity capital from strategic US investors. We continue to incorporate Amaero's guidance that it expects to report an EBITDA loss of \$14m in CY2024 and to break-even in CY2025. We have made adjustments to our forecasts based on both timing and product mix as a result of its new offtake agreement. The earnings revisions deliver a base-case valuation of \$1.13b or \$1.37/share fully diluted (previously \$1.40/share). On the current share count of 541m shares, the valuation is \$2.09/share.

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 with the first EIGA seemingly on track to be commissioned and installed by June 2024. Amaero has indicated that, 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. It has highlighted that 10% of PBF production in C103 niobium powder could contribute ~58% of revenue.

Meeting more milestones, closer to production

Amaero International has announced it has entered into a binding off-take agreement for the supply of C103 additive manufacturing powder with a yet-to-be announced but leading US additive manufacturer of C103 and refractory alloys for the defence and space industries ([ASX release 27 March](#)). In our view, the agreement is a key milestone for Amaero's development as a speciality alloy powder manufacturer for the space and defence sector. Once Amaero's C103 AM powder is qualified to specification, the counterparty will take 2.25 tonnes of powder at a fixed price. Amaero has highlighted that it expects to deliver on this contract over the course of CY2025. The company reiterated that it expects to achieve operational break-even in CY2025 with this new agreement reflected in the revenue mix to achieve this outcome. We have incorporated the timing of the agreement as well as the recent \$20m institutional raise into our forecasts. Our model anticipates that the company will complete one more equity raise of ~US\$20m (A\$31m) with strategic US investors with remaining capital requirements debt-funded.

Base-case DCF valuation is \$1.13b or \$1.37/share fully-diluted

Our base-case DCF valuation is \$1.37/share (previously \$1.40/share), or \$1.13b, fully diluted for the current raising, an additional anticipated US\$20m strategic raising and options conversion. On the current share count of 541m shares post the current raise, the valuation is \$2.09/share. A -15%/+15% sensitivity analysis to our base-case revenue and costs delivers a downside case valuation of \$0.79/share and an upside case of \$1.85/share. Our base case forecasts and valuation are predicated on the expectation that Amaero will deliver revenue from FY25, profitability from FY26, and secure 'at capacity' earnings in H2 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)
06/23a	0.8	2.1	(7.9)	(12.5)	(2.8)	nm	nm	nm
06/24f	3.0	(2.7)	(12.7)	(15.4)	(2.6)	nm	nm	nm
06/25f	21.0	4.4	(9.1)	(11.1)	(1.9)	17.2	nm	nm
06/26f	95.0	45.2	27.0	14.0	1.8	3.7	12.3	22.2
06/27f	172.8	71.7	49.6	32.1	4.0	1.8	6.1	10.2

Source: Company data; RaaS estimates for FY24f-FY27f

Critical Metals Manufacturing

8 April 2024

Share details

ASX code	3DA
Share price (5-Apr)	\$0.41
Market capitalisation	\$222M
Shares on issue (post raise)	541M
Cash post raise (est)	~\$25M
Free float	37%

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
- Strong Chairman/CEO with experience and connectivity to key stakeholders in the US

Downside Case

- Further strategic equity raises result in dilution
- Pre-production with no guarantee that strategy will translate into earnings success
- Cashflow profit still at least two years away

Catalysts

- Project finance secured for Tennessee operation
- Strategic equity commitment secured
- Completion of fitout at Tennessee facility
- Successful commissioning of first EIGA atomiser
- Confirmation of first revenues/cashflow

Company Interview

[Amaero International RaaS Interview 8 April 2024](#)

Board of Directors & Management

Hank J. Holland	Chairman and CEO
Eric Bono	Executive Director/CTO
Lucy Robb Vujcic	Non-Executive Director
Omar Granit	Non-Executive Director
Robert (Bob) Latta	Non-Executive Director
Erik Levy	Non-Executive Director
Jamie Levy	Non-Executive Director

Company Contacts

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Significant Milestone Achieved With Offtake Agreement

Amaero says it has entered into a binding offtake agreement with a US manufacturer of C103 and refractory alloys for the defence and space industries. The agreement is conditional on the qualification of Amaero's C103 additive manufacture (AM) powder to the counterparty's specifications. Amaero noted in its release of 27 March that it and the counterparty have agreed to collaborate throughout the qualification process which is expected to commence once the first EIGA is installed at Amaero's Tennessee facility. The company has said this remains on track to be completed by June. We expect the qualification process to take place in H2 CY2024.

Once qualification is achieved, the counterparty is required to take 2.25 tonnes of Amaero C103 AM powder at an agreed fixed price. Amaero has noted in its release that it expects the bulk of this to be shipped over the course of CY2025. There is no commitment by the counterparty to take a minimum amount of C103 AM powder beyond the supply of the initial 2.25 tonnes, but Amaero has stated that there will be opportunities to further supply over the five-year term of the agreement post successful qualification.

We see the agreement as a significant milestone for Amaero in its pursuit of commercialisation. We expect the company to release more details about the counterparty once qualification is achieved.

Institutional Placement Raising \$20m

The company has also completed a \$20m institutional placement of 60.6m shares at \$0.33/share, which was an 11% discount to the last closing price before the company went into trading halt for the placement and nil discount to the 30-day volume-weighted average price (VWAP). The company placed ~87.5% of the issue with three cornerstone institutional investors. The company noted in its release that it received bids in excess of the placement amount.

Chairman and CEO Hank Holland told investors on the company's [investor call](#) post the raise that the company was likely to seek future capital from strategic US investors. He noted that US government grants and government contracts usually required companies to be more than 50% held in US investor hands. Amaero's current US investor base is currently less than 40% with Pegasus Growth Capital, of which Mr Holland is Managing Partner, holding 34.8% post raise.

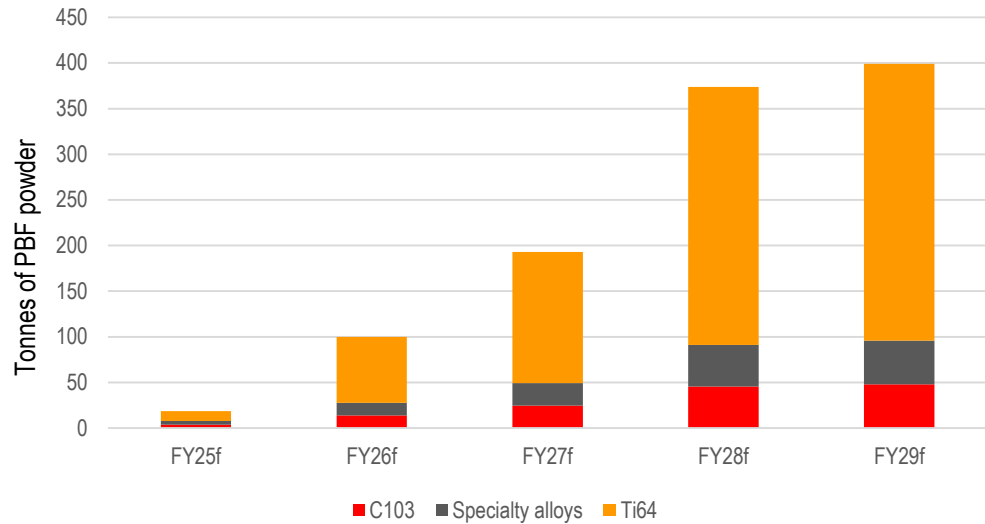
Earnings Forecast Changes

We have adjusted our earnings forecasts to include the capital raise and to reflect the timing of the offtake agreement. We have also made some adjustments to the product mix near-term, with lower C103 and specialty alloys production and more Ti64 production. For conservatism, we have also adjusted our assumptions for C103, specialty alloys and Ti64 prices. This has resulted in a reduction to our FY25 revenue forecasts. Our forecasts for FY26 and FY27 have been adjusted at the top line but we have also moderated our cost expectations based on the company's guidance for a \$14m EBITDA loss in CY24 and EBITDA break-even in CY25. Our modelling continues to anticipate that Amaero will secure around 20% of the C103 market (estimated by Fairmont Consulting to be 25 tonnes in FY25 and 105 tonnes by FY28), gradually increasing its share until it achieves around 40% or 48 tonnes in FY29f.

Our forecasts also assume that Amaero will produce a similar level of specialty alloys as C103 with the remainder of production capacity taken up by Ti64 production. Exhibit 1 sets out the expected production

profile as per our forecasts. Our previous estimates included a higher estimate for specialty alloy production, which with higher prices per tonne, resulted in ~15-18% higher revenue estimates in FY26f and FY27f than our revised forecasts.

Exhibit 1: RaaS's forecasts for PBF powder production by type



Source: RaaS estimates

Exhibit 2 sets out the parameters we have used in the production profile in our model.

Exhibit 2: Key parameters used in model

Parameters	Current
Number of gas atomisers	Four
Annual PBF powder production capacity per unit	101t
Total 'at capacity' annual production	404t
Price for C103 powder/kg	US\$3,000/kg*
Price discount for initial production	40%
Price for specialty alloy powder/kg	US\$600/kg^
Spot price for Ti64/kg (unchanged)	US\$200/kg#
Total capital required	A\$80m
Shares on issue fully diluted	822m

Source: RaaS analysis *previously US\$3,100/kg, ^previously US\$675/kg, #previously US\$210/kg.

Our earnings adjustments from FY24f-FY27f are set out in Exhibit 3. Note that the first EIGA, producing a combination of C103, specialty alloys and Ti64, is the key driver of our FY25f to FY27f forecasts, contributing 88% of our revenue forecast in FY26f and 49.7% in FY27f.

Exhibit 3: Earnings adjustments FY24f-FY27f (in A\$m unless otherwise stated)

Year ending June 30	FY24f old	FY24f new	FY25f old	FY25f new	FY26f old	FY26f new	FY27f old	FY27f new
Sales revenue	2.0	3.0	33.7	21.0	111.9	95.0	219.7	172.8
Gross profit	(3.1)	(2.7)	12.2	4.4	48.0	45.2	99.5	71.7
Gross profit margin (%)	-	-	36.2	21.0	42.9	47.6	45.3	41.5
EBITDA	(14.1)	(12.7)	(5.2)	(9.1)	14.1	27.0	47.0	49.6
EBITDA margin (%)	nm	nm	nm	nm	12.6	28.5	21.4	28.7
NPAT	(16.9)	(15.4)	(9.3)	(11.1)	1.8	14.0	28.1	32.1

Source: RaaS estimates

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 11.6%, unchanged, (Cost of Equity 14.4%, beta 1.6, terminal growth rate 2.2%) and this gives us a base-case valuation of \$1,128m or \$1.37/share on a fully

diluted basis. On the current share count of 541m, the valuation is \$2.09/share (previously \$2.35/share on a share count of 479m). We use an equity risk premium of 6.5%, risk-free rate of 4.0%, and target gearing of 25%. Note that we use the US corporate tax rate of 21% in our valuation. The valuation also assumes that the \$76m in capital expenditure outlined by the company is funded half from strategic equity and half via debt. As a sense check, our FY27 forecast, the first year that the company reaches at capacity production, implies EV/Sales of 6.5x, EV/EBITDA of 22.8x, and a PE Ratio of 34.5x.

Exhibit 4: DCF valuation (in A\$m unless otherwise stated)	
DCF valuation	Parameters
WACC (unchanged)	11.6%
Beta	1.6
Terminal growth rate	2.2%
Sum of PV (\$M)	462.0
Present value of terminal value (\$M)	656.4
PV of enterprise (\$M)	1118.4
Fully diluted cash and debt inc options conversion (\$M)	(10.2)
Net value – shareholder (\$M)	1128.6
No. of shares on issue (fully diluted) (M)	821.5
NPV in A\$/share	\$1.37
NPV per share based on current share count (541M)	\$2.09
Source: RaaS estimates	

Exhibit 5: Financial Year Financial Summary

Amaero International Ltd						Share price (5 April 2024)						A\$	0.41					
Profit and Loss (A\$m)						Interim (A\$m)						H123A	H223A	H124F	H224F	H125F	H225F	
Y/E 30 June	FY23A	FY24F	FY25F	FY26F	FY27F													
USD Sales Revenue	0.5	1.9	13.7	61.7	112.3	Sales Revenue	0.5	0.3	0.8	2.9	7.1	13.9						
Sales Revenue	0.8	3.0	21.0	95.0	172.8	EBITDA Adj	(3.1)	(4.7)	(5.8)	(8.2)	(5.8)	(3.3)						
Total Revenue	2.8	3.0	21.0	95.0	172.8	EBIT Adj ⁱ	(3.7)	(5.7)	(4.9)	(9.2)	(7.1)	(6.2)						
Gross Profit	2.1	(2.7)	4.4	45.2	71.7	NPAT (Adj)	(3.8)	(5.8)	(4.9)	(7.2)	(5.6)	(5.5)						
EBITDA Adj	(7.9)	(12.7)	(9.1)	27.0	49.6	Minorities	-	-	-	-	-	0.2						
Depn	(1.5)	(1.4)	(4.3)	(7.8)	(7.7)	NPAT (reported)	(6.6)	(5.9)	(8.2)	(7.2)	(5.6)	(5.5)						
Amort	0.0	0.0	0.0	0.0	0.0	EPS (Adj)	(1.05)	(1.76)	(1.52)	(1.42)	(0.97)	(0.89)						
EBIT Adj	(9.4)	(15.6)	(13.4)	19.2	41.8	EPS (reported)	(2.39)	(1.23)	(1.93)	(1.34)	(0.91)	(0.82)						
Interest	(0.2)	0.0	(0.6)	(1.5)	(1.2)	Dividend (cps)	-	-	-	-	-	-						
Tax	0.0	1.9	2.9	(3.7)	(8.5)	Imputation	-	-	-	-	-	-						
Minorities	(0.2)	0.0	0.0	0.0	0.0	Operating cash flow	(6.2)	(4.6)	(6.2)	(15.7)	(6.7)	(16.2)						
Equity accounted assoc	0.0	0.0	0.0	0.0	0.0	Free Cash flow	(6.2)	(4.6)	(6.2)	(15.7)	(6.7)	(16.2)						
NPAT pre significant items	(9.7)	(15.4)	(11.1)	14.0	32.1	Divisions	H123A	H223A	H124F	H224F	H125F	H225F						
Significant items	(2.8)	(0.0)	0.0	0.0	0.0	Sales and service revenue	0.5	0.3	0.8	2.9	7.1	13.9						
NPAT (reported)	(12.5)	(15.4)	(11.1)	14.0	32.1	R&D grants	1.4	0.6	0.0	0.0	0.0	0.0						
Cash flow (A\$m)						Total Revenue	1.9	0.9	0.8	2.9	7.1	13.9						
Y/E 30 June	FY23A	FY24F	FY25F	FY26F	FY27F	COGS	0.5	0.2	1.9	5.6	6.6	10.0						
EBITDA	(7.9)	(12.7)	(9.1)	27.0	49.6	Gross Profit	1.4	0.7	(1.1)	(2.8)	0.5	3.9						
Interest	(0.2)	0.1	(0.6)	(1.5)	(1.2)	R&D costs	(1.6)	(1.7)	(1.6)	0.0	0.0	0.0						
Tax	0.0	0.0	0.0	(4.1)	(8.5)	Employment	(1.2)	(1.0)	(0.3)	(0.8)	(1.3)	(1.7)						
Working capital changes	(2.7)	(9.3)	(13.2)	(8.6)	22.1	General & Admin costs	(1.2)	(1.6)	(2.4)	(3.8)	(4.2)	(4.5)						
Operating cash flow	(10.8)	(21.9)	(22.9)	12.8	62.0	Other costs	(0.5)	(1.1)	(0.3)	(0.8)	(0.9)	(0.9)						
Mtce capex	0.0	(0.0)	0.0	0.0	0.0	EBITDA	(3.1)	(4.7)	(5.7)	(8.2)	(5.8)	(3.3)						
Free cash flow	(10.8)	(21.9)	(22.9)	12.8	62.0	Margins, Leverage, Returns		FY23A	FY24F	FY25F	FY26F	FY27F						
Growth capex	(1.6)	(17.9)	(36.3)	(11.0)	(4.0)	EBITDA		nm	nm	nm	28.5%	28.7%						
Acquisitions/Disposals	0.8	0.0	0.0	0.0	0.0	EBIT		nm	nm	nm	20.2%	24.2%						
Other	(0.0)	0.0	0.0	0.0	0.0	NPAT pre significant items		nm	nm	nm	14.7%	18.6%						
Cash flow pre financing	(11.6)	(39.8)	(59.2)	1.8	58.0	Net Debt (Cash)		8.8	(2.8)	(53.5)	(42.1)	30.2						
Equity	10.6	30.0	30.0	10.2	15.0	Net debt/EBITDA (x)	(x)	n/a	n/a	n/a	(1.6)	0.6						
Debt	(0.3)	9.6	30.0	14.6	(30.0)	ND/ND+Equity (%)	(%)	(141.9%)	8.6%	53.0%	37.2%	(34.5%)						
Dividends paid	0.0	0.0	0.0	0.0	0.0	EBIT interest cover (x)	(x)	n/a	n/a	n/a	0.1	0.0						
Net cash flow for year	(1.3)	(0.1)	0.8	26.5	43.0	ROA		(46.8%)	(47.7%)	(15.7%)	13.6%	23.9%						
Balance sheet (A\$m)						ROE		(84.3%)	(68.3%)	(28.5%)	23.6%	34.1%						
Y/E 30 June	FY23A	FY24F	FY25F	FY26F	FY27F	ROIC		(58.6%)	(137.0%)	(25.8%)	23.0%	53.7%						
Cash	8.8	7.2	6.5	32.5	74.7	NTA (per share)		0.04	0.05	0.06	0.09	0.14						
Accounts receivable	0.2	2.6	6.5	3.1	5.7	Working capital		0.4	1.5	2.5	4.6	4.1						
Inventory	1.0	5.9	10.9	16.3	25.4	WC/Sales (%)		45.1%	nm	11.9%	4.8%	2.4%						
Other current assets	0.1	0.5	0.5	0.5	0.5	Revenue growth		nm	nm	nm	352.2%	81.9%						
Total current assets	10.1	16.1	24.4	52.5	106.4	EBIT growth pa		n/a	n/a	n/a	(244.0%)	117.6%						
PPE	7.7	17.4	49.4	52.6	48.9	Pricing		FY23A	FY24F	FY25F	FY26F	FY27F						
Intangibles and Goodwill	0.0	0.0	0.0	0.0	0.0	No of shares (y/e)	(m)	417	615	759	759	821						
Investments	0.2	11.7	44.0	50.5	28.9	Weighted Av Dil Shares	(m)	346	508	615	674	773						
Deferred tax asset	0.0	1.9	4.9	5.2	5.2	EPS Reported	cps	(3.6)	(2.6)	(1.9)	1.8	4.0						
Other non current assets	0.2	0.0	0.0	0.0	0.0	EPS Normalised/Diluted	cps	(2.8)	(3.2)	(1.9)	1.8	4.0						
Total non current assets	8.1	31.1	98.2	108.3	83.0	EPS growth (norm/dil)		n/a	n/a	n/a	-198%	119%						
Total Assets	18.2	47.2	122.6	160.8	189.3	DPS	cps	-	-	-	-	-						
Accounts payable	0.8	6.9	14.9	14.9	27.0	DPS Growth		n/a	n/a	n/a	n/a	n/a						
Short term debt	0.0	0.0	20.0	20.0	20.0	Dividend yield		0.0%	0.0%	0.0%	0.0%	0.0%						
Tax payable	0.0	0.0	0.0	0.0	0.0	Dividend imputation		0	0	0	0	0						
Other current liabilities	1.4	0.4	0.4	0.4	0.4	PE (x)		-	-	-	22.2	10.2						
Total current liabilities	2.2	7.3	35.3	35.3	47.3	PE market		15.6	15.6	15.6	15.6	15.6						
Long term debt	0.0	10.0	40.0	54.6	24.6	Premium/(discount)		nm	nm	nm	nm	nm						
Other non current liabs	1.0	0.0	0.0	0.0	0.0	EV/EBITDA		nm	nm	nm	nm	nm						
Total long term liabilities	1.0	10.0	40.0	54.6	24.6	FCF/Share	cps	(2.60)	(3.56)	(3.01)	1.69	7.54						
Total Liabilities	3.2	17.3	75.3	89.8	71.9	Price/FCF share		(15.6)	(11.39)	(13.43)	23.95	5.37						
Net Assets	15.1	30.0	47.5	71.0	117.4	Free Cash flow Yield		(6.4%)	(8.8%)	(7.4%)	4.2%	18.6%						
Share capital	48.3	78.1	108.1	118.2	133.2													
Accumulated profits/losses	(33.4)	(49.7)	(62.2)	(48.8)	(17.3)													
Reserves	0.2	1.7	1.6	1.6	1.6													
Minorities	0.0	0.0	0.0	0.0	0.0													
Total Shareholder funds	15.1	30.1	47.4	71.0	117.5													

Source: Company data for historicals, RaaS estimates

Exhibit 6: Calendar Year Financial Summary

Amaero International Ltd						Share price (5 April 2024)						A\$	0.41				
Profit and Loss (A\$m)						Interim (A\$m)						H1CY23A	H2CY23A	H1CY24F	H2CY24F	H1CY25F	H2CY25F
Year End December 31	CY23F	CY24F	CY25F	CY26F	CY27F												
USD Sales Revenue	0.3	6.5	27.2	90.5	166.5	Sales Revenue	0.3	0.1	2.9	7.1	13.9	28.0					
Sales Revenue	0.4	10.0	41.9	139.2	256.1	EBITDA Adj	(4.7)	(4.5)	(8.2)	(5.8)	(3.3)	2.9					
Total Revenue	1.0	10.0	41.9	139.2	256.1	EBIT Adj ⁱ	(5.7)	(4.9)	(9.2)	(7.1)	(6.2)	(0.8)					
Gross Profit	0.2	(2.2)	15.3	60.9	127.2	NPAT (Adj)	(6.0)	(4.9)	(7.2)	(5.6)	(5.5)	(1.3)					
EBITDA Adj	(9.2)	(14.0)	(0.4)	40.4	104.1	Minorities	(0.17)	0.00	0.00	0.00	0.00	0.00					
Depn	(1.4)	(2.3)	(6.7)	(8.1)	(7.5)	NPAT (reported)	(6.6)	(5.9)	(8.2)	(7.2)	(5.6)	(5.5)					
Amort	0.0	0.0	0.0	0.0	0.0	EPS (Adj)	(1.23)	(1.93)	(1.34)	(0.91)	(0.82)	(0.17)					
EBIT Adj	(10.6)	(16.3)	(7.1)	32.4	96.6	EPS (reported)	(1.76)	(1.52)	(1.42)	(0.97)	(0.89)	(0.19)					
Interest	0.1	0.1	(1.4)	(1.4)	(0.9)	Dividend (cps)	-	-	-	-	-	-					
Tax	0.0	3.4	1.8	(6.5)	(20.1)	Imputation	-	-	-	-	-	-					
Minorities	(0.2)	0.0	0.0	0.0	0.0	Operating cash flow	(4.6)	(6.2)	(15.7)	(6.7)	(16.2)	(4.3)					
Equity accounted assoc	0.0	0.0	0.0	0.0	0.0	Free Cash flow	(4.8)	(6.2)	(33.5)	(30.3)	(28.9)	(13.4)					
NPAT pre significant items	(10.8)	(12.8)	(6.7)	24.5	75.6	Divisions	H1CY23A	H2CY23A	H1CY24F	H2CY24F	H1CY25F	H2CY25F					
Significant items	(3.2)	0.0	0.0	0.0	0.0	Sales and service revenue	0.3	0.8	2.9	7.1	13.9	28.0					
NPAT (reported)	(14.0)	(12.8)	(6.7)	24.5	75.6	R&D grants	0.6	0.0	0.0	0.0	0.0	0.0					
Cash flow (A\$m)						Total Revenue	0.9	0.8	2.9	7.1	13.9	28.0					
Year End December 31	CY23F	CY24F	CY25F	CY26F	CY27F	COGS	0.2	1.9	5.6	6.6	10.0	16.6					
EBITDA	(9.2)	(14.0)	(0.4)	40.4	104.1	Gross Profit	0.7	(1.1)	(2.8)	0.5	3.9	11.4					
Interest	(0.1)	0.1	(1.4)	(1.4)	(0.9)	R&D costs	(1.7)	(1.6)	0.0	0.0	0.0	0.0					
Tax	0.0	0.0	0.0	(6.5)	(20.1)	Employment	(1.0)	(0.3)	(0.8)	(1.3)	(1.7)	(2.7)					
Working capital changes	(1.5)	(8.5)	(18.7)	6.7	41.9	General & Admin costs	(1.6)	(2.4)	(3.8)	(4.2)	(4.5)	(4.8)					
Operating cash flow	(10.8)	(22.4)	(20.5)	39.2	125.0	Other costs	(1.1)	(0.3)	(0.8)	(0.9)	(0.9)	(1.0)					
Mtce capex	(0.0)	0.0	0.0	0.0	0.0	EBITDA	(4.7)	(5.7)	(8.2)	(5.8)	(3.3)	2.9					
Free cash flow	(10.8)	(22.4)	(20.5)	39.2	125.0	Margins, Leverage, Returns	CY23F	CY24F	CY25F	CY26F	CY27F						
Growth capex	(0.2)	(41.5)	(21.7)	(4.0)	(4.0)	EBITDA		nm	(139.8%)	(0.9%)	29.0%	40.6%					
Acquisitions/Disposals	0.8	0.0	0.0	0.0	0.0	EBIT		nm	(163.3%)	(16.9%)	23.2%	37.7%					
Other	(0.0)	0.0	0.0	0.0	0.0	NPAT pre significant items		nm	(128.2%)	(16.0%)	17.6%	29.5%					
Cash flow pre financing	(10.3)	(63.9)	(42.2)	35.2	121.0	Net Debt (Cash)			11.7	(24.7)	(57.2)	(7.8)					
Equity	9.2	47.5	9.6	14.3	0.0	Net debt/EBITDA (x)	(x)	n/a	n/a	n/a	(0.2)	1.1					
Debt	(0.5)	30.0	17.2	(2.6)	(30.0)	ND/ND+Equity (%)	(%)	(176.6%)	31.7%	50.6%	7.6%	(199.0%)					
Dividends paid	0.0	0.0	0.0	0.0	0.0	EBIT interest cover (x)	(x)	n/a	n/a	n/a	0.0	0.0					
Net cash flow for year	(1.6)	13.6	(15.4)	46.8	91.0	ROA		(51.1%)	(24.4%)	(5.6%)	20.3%	46.1%					
Balance sheet (A\$m)						ROE		(85.1%)	(36.0%)	(12.3%)	32.6%	57.2%					
Year End December 31	CY23F	CY24F	CY25F	CY26F	CY27F	ROIC		(65.3%)	(50.7%)	(9.3%)	44.9%	173.4%					
Cash	11.7	25.3	10.0	56.8	147.8	NTA (per share)		0.04	0.09	0.07	0.12	0.21					
Accounts receivable	0.1	3.1	7.2	4.6	8.4	Working capital		(0.2)	0.1	5.0	2.8	7.5					
Inventory	0.7	8.2	12.9	19.8	32.3	WC/Sales (%)		(49.1%)	nm	12.0%	2.0%	2.9%					
Other current assets	0.5	0.5	0.5	0.5	0.5	Revenue growth		nm	nm	nm	232.6%	84.0%					
Total current assets	13.1	37.2	30.6	81.7	189.0	EBIT growth pa		n/a	n/a	n/a	(558.8%)	198.6%					
PPE	0.6	39.7	54.7	50.7	47.2	Pricing		CY23F	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	759	821	821					
Investments	5.9	34.1	47.9	43.5	(3.1)	Weighted Av Dil Shares	(m)	431	578	674	773	821					
Deferred tax asset	0.0	3.4	5.2	5.2	5.2	EPS Reported	cps	(3.2)	(2.4)	(1.1)	3.2	9.2					
Other non current assets	0.0	0.0	0.0	0.0	0.0	EPS Normalised/Diluted	cps	(3.3)	(2.4)	(1.1)	3.2	9.2					
Total non current assets	6.5	77.2	107.8	99.3	49.3	EPS growth (norm/dil)		n/a	n/a	n/a	-398%	187%					
Total Assets	19.6	114.4	138.4	181.1	238.3	DPS	cps	-	-	-	-	-					
Accounts payable	1.0	11.2	15.1	21.6	33.3	DPS Growth		n/a	n/a	n/a	n/a	n/a					
Short term debt	0.0	20.0	20.0	20.0	20.0	Dividend yield		0.0%	0.0%	0.0%	0.0%	0.0%					
Tax payable	0.0	0.0	0.0	0.0	0.0	Dividend imputation		0	0	0	0	0					
Other current liabilities	0.4	0.4	0.4	0.4	0.4	PE (x)		-	-	-	12.6	4.4					
Total current liabilities	1.4	31.6	35.5	42.0	53.6	PE market		15.6	15.6	15.6	15.6	15.6					
Long term debt	0.0	30.0	47.2	44.6	14.6	Premium/(discount)		nm	nm	nm	nm	nm					
Other non current liab	0.0	0.0	0.0	0.0	0.0	EV/EBITDA		nm	nm	nm	nm	nm					
Total long term liabilities	0.0	30.0	47.2	44.6	14.6	FCF/Share	cps	(2.26)	(3.56)	(3.01)	1.56	7.54					
Total Liabilities	1.4	61.6	82.7	86.6	68.2	Price/FCF share		(17.9)	(11.39)	(13.43)	25.93	5.37					
Net Assets	18.2	52.9	55.9	94.5	170.1	Free Cash flow Yield		(5.6%)	(8.8%)	(7.4%)	3.9%	18.6%					
Share capital	58.1	108.1	118.2	133.2	133.2												
Accumulated profits/losses	(41.5)	(56.7)	(64.0)	(40.3)	35.3												
Reserves	1.8	1.7	1.6	1.6	1.6												
Minorities	0.0	0.0	0.0	0.0	0.0												
Total Shareholder funds	18.3	53.0	55.8	94.5	170.1												

Source: Company data for historicals, RaaS estimates



FINANCIAL SERVICES GUIDE

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