

# Amaero International Ltd

## Transformative decision to dedicate first atomiser to C-103

Amaero International Ltd (ASX:3DA) is a global specialist in advanced materials manufacturing for the defence, aerospace, and other industrial sectors. The company is developing a 1,000+ tonne a year critical metals alloy powder manufacturing facility in Tennessee, USA, and announced last week that its first EIGA gas atomiser would be dedicated to the refractory alloy powder, C103 (niobium 89%,-hafnium 10%,-titanium 1%), for hypersonic and space applications. The decision to focus initially on C103 is in response to US industry demand for refractory alloy powders and driven by the talent and expertise that Amaero has brought together in its senior executive team. While this is a departure from previous announcements around titanium powder production, C103 is substantially potentially more profitable for the group and contracted revenues can be generated earlier than Ti64, without the need for the 18-month to two-year qualification period required for Grade 5 titanium powder. Our model has been adjusted to encapsulate the new focus together with the recently announced (19-Sept) savings of \$15m in the redesign of its 9,300sqm Tennessee facility. The redesign will accelerate installation of the now-landed first gas atomiser by three months to April 2024. We anticipate first production in Q4 CY24 (H1 FY25), with profitable operations achieved in FY26 and full capacity production of the first EIGA in CY27. Our base case valuation is now \$1.39b or \$1.50/share on a fully-diluted basis or \$3.34/share on the current share count.

### Business model

Amaero is developing a critical metals powder manufacturing facility in Tennessee, USA, with the first EIGA gas atomiser's production focused on C-103, a Niobium alloy with high performance, heat resistant properties which are critical to hypersonic and space applications. We anticipate that the second gas atomiser will be used to produce specialty alloys on short-term assignments with the third deployed to Ti64 production for use in defence and aerospace applications.

### C103 plan enables faster path to profitability

Amaero has made significant strides in its plans to commence powder production. A recent redesign of its floor plan at the Tennessee facility has resulted in the cancellation of a 2,800 sqm high-bay extension, saving \$15m in construction/fitout costs, with the gas atomisers now destined to be installed along the length of the building with 11.6m clear height. The first gas atomiser is on route to the facility and likely to be installed in Q2 CY2024 with first powder production expected by the end of the 2024 calendar year. While titanium powder production is still a very viable opportunity for Amaero, the pathway to C103 production is faster, with no pre-qualification required, and the demand is higher with limited production capacity currently available in the US. In addition, the US government has prioritised rehousing manufacturing supply chain to the US, particularly investment in critical metals and materials to build hypersonic weapons. We have incorporated new estimates for C-103 production along with a second atomiser focused on specialty alloys and the third atomiser on titanium powder production with significant upgrades to our FY25-FY27 forecasts.

### Base-case DCF valuation is \$1.39b or \$1.50/share fully-diluted

Our base-case DCF valuation is \$1.50/share, fully diluted for anticipated strategic raisings, or A\$1.39b (previously \$0.85/share or A\$685m). On the current share count of 417m shares the valuation is \$3.34/share. There is risk in the long lead times to profitability and we have sought to reflect this in our forecasts and valuation. Our expectation is that Amaero will deliver revenue from FY25, profitability from FY26, and achieve "at capacity" earnings in H2 CY28. Our forecasts anticipate Amaero will opt to produce a range of powders, first C103, followed by specialty alloy and Ti64 titanium powder. Our modelling has incorporated only three gas atomisers as per the company's commentary. A decision to add additional gas atomisers and/or to focus entirely on C103 or a mix of C103 and specialty powders would have a significant impact on our forecasts.

#### Historical earnings and RaaS forecasts (in \$A 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	1.8	(7.8)	(22.2)	(19.9)	(3.1)	nm	nm	nm
06/25f	43.3	(14.2)	(30.9)	(28.9)	(4.0)	4.9	nm	nm
06/26f	240.1	63.4	41.3	26.3	2.9	0.8	4.9	7.6
06/27f	474.2	175.5	110.5	80.9	8.7	0.3	1.1	2.5

Source: Company data for historicals; RaaS estimates for FY24f-FY27f

## Critical Metals Manufacturing

4 October 2023

### Share details

ASX code	3DA
Share price (3-Oct)	\$0.22
Market capitalisation	\$91.7M
Shares on issue	417.0M
Cash at 30-Jun-2023	\$8.8M
Free float	33%

### 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 may 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
- Offtake agreements for C103 production
- Purchase/installation of additional EIGAs
- Confirmation of first revenues/cashflow

### Company Interview

[Amaero International RaaS Chairman & CEO Interview](#)

### 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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### RaaS Contact

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## Tapping Into US Demand For Reshoring Critical Metals

Amaero International has announced that the first gas atomiser to be installed at its Tennessee USA facility will be dedicated to producing the refractory alloy powder, C103, which is used in hypersonic and space applications. C103 comprises 89% niobium, 10% hafnium and 1% titanium and is known for its high performance and heat-resistant properties. While for the past year, the company has publicly provided market guidance on the titanium powder opportunity, it has always noted that it saw an opportunity in titanium and specialty alloy powder production. Having recently brought together a new, predominantly US-based executive team, the company's plans, including workflows, facility fitout and optimum production profile have been scrutinised and re-prioritised. This team includes Eric Bono, Executive Director and Chief Technical Officer, Chris Scanlon, Chief Financial Officer and Chief Administrative Officer, Jay Chandran, Vice President-Operations, and the promotion of Ken Davis to Vice President – Corporate Development.

### Why C103?

#### From Amaero's perspective

US demand for C-103 is growing in the context of the broader hypersonics market. The company noted in its recent presentation (26-Sept) that the US is woefully behind its rivals in the production of the raw materials need to enable hypersonic technologies. An 11 May 2023 Air & Space Forces Report noted "current hypersonic supply chains - including supply of critical materials -are incapable of supporting deployment of hypersonic weapons at scale. And lead times have grown exponentially."<sup>1</sup>

Reports on the US industry highlight that there are few critical metal manufacturers in the market, despite the demand that has been building, and those that can manufacturer critical metal powders are already at full capacity. Unreliable supply of foreign-sourced raw materials and a critical shortage of forging capacity in the US has made this an area of focus for the US government with grants and incentives being made to companies prepared to invest in innovative manufacturing operations that can bolster critical supply chains. Our forecasts do not include any grant/incentive forecasts.

#### From a manufacturer's perspective

Conventional component manufacturing of C103 is expensive due to the high cost of feedstock and the high level of waste disposal. C103 is currently used primarily in thrusters and small main propulsion system parts which tend to be highly machined with around 95% of the feedstock wasted and machined away. A May 2020 paper by NASA noted that "ultimately a machined C103 part can cost several thousand dollars but the waste can be several tens of thousands of dollars"<sup>2</sup>

In contrast, C103 powder has a "buy-to-fly ratio" of approximately 1:1:1 and any waste can potentially be re-used, subject to meeting feedstock specs. Thus an additive manufactured (AM) C103 part will still cost several thousand dollars but the waste will be no more than a few hundred dollars, not tens of thousands. The NASA paper concluded that "the cost savings, reproducibility, schedule control, and properties of AM C103 have significant aerospace industry implications for broad implementation of an alloy that may have been previously avoided due to the aforementioned constraints."<sup>3</sup> Amaero noted in its presentation that its HIP Near-Net Shape technology and US-sources metal powders were both solutions to the tooling costs and material waste of traditional forging and casting operators.

<sup>1</sup> Report: Hypersonics Supply Chain not ready for large-scale production, by John A. Tirpak <https://www.airandspaceforces.com/hypersonics-supply-chain-large-scale-production/>

<sup>2</sup> Additive Manufacture of Refractory Alloy C103 for Propulsion Applications. Authors Omar R. Mireles and Omar Rodriguez, Youing Gao and Noah Phillips. [https://ntrs.nasa.gov/api/citations/20205003679/downloads/AM\\_C103\\_\(AIAA\)\\_26May2020.pdf](https://ntrs.nasa.gov/api/citations/20205003679/downloads/AM_C103_(AIAA)_26May2020.pdf)

<sup>3</sup> Additive Manufacture of Refractory Alloy C103 for Propulsion Applications. Authors Omar R. Mireles and Omar Rodriguez, Youing Gao and Noah Phillips. [https://ntrs.nasa.gov/api/citations/20205003679/downloads/AM\\_C103\\_\(AIAA\)\\_26May2020.pdf](https://ntrs.nasa.gov/api/citations/20205003679/downloads/AM_C103_(AIAA)_26May2020.pdf)

## Earnings Forecast Changes

We have made substantial changes to our forecasts for Amaero following its decision to focus initially on C103. The inputs into and revenues generated from C103 are significantly higher than Ti64. This adds some working capital risk to the project but also increases the return on investment significantly.

Our forecasts are predicated on our research into the sector and commentary made by the company at its September 26 investor presentation. We note that the company has only discussed likely production of the first three EIGA gas atomisers and as a consequence we have modelled production from three gas atomisers. The Tennessee facility in its reconfigured design has capacity for five gas atomisers, which could manufacture 1,000+-tonnes a year of metal powder. We have also relied upon previous metrics provided by the company to the market. Following are the additional parameters we have modelled:

- Total number of gas atomisers applied to alloy powder production : Three;
- The first gas atomiser will be dedicated to C-103;
- The 2<sup>nd</sup> gas atomiser is expected to be dedicated to specialty alloys with small batch contracts;
- The 3<sup>rd</sup> is expected to remain on Ti64 powder production;
- For conservatism, EIGA 1 is modelled to operate one shift a day for CY25, two shifts a day for CY26 and at full capacity or three shifts a day from CY27;
- EIGA 2 is modelled to operate one shift a day from January 1 2026, two from January 1 2027 and full capacity January 1 2028;
- EIGA 3 is modelled to commence with one shift a day from July 1 2026, two from July 1 2027 and full capacity July 1 2028, putting the whole facility at capacity at this time;
- Capital expenditure/atomiser unit: A\$4.5m (US\$3m);
- Total capex for the project: A\$66m (US\$44m);
- Annual powder production/unit: 207 tonnes;
- Total annual production: 621 tonnes;
- Price of C103 ingots/kg: US\$750/kg;
- Spot price for C103 powder/kg: US\$2,000/kg;
- Price of Specialty alloy ingots/kg: US\$200/kg
- Spot price for Specialty alloy powder/kg: US\$600/kg;
- % produced under offtake contracts: 50%;
- Revenue generated in testing 75% of feedstock price;
- Price of offtake contracts: 50% of spot;
- Average Gross Margin longer term: 35%.

Our earnings adjustments from FY24f-FY27f are set out in the following table. Note that the first EIGA, producing C-103, is the key driver of our FY25f to FY27f, contributing 80% of our revenue forecast in FY27f.

<b>Exhibit 1: Earnings adjustments FY24f-FY27f (in A\$m unless otherwise stated)</b>								
<b>Year ending June 30</b>	<b>FY24 old</b>	<b>FY24 new</b>	<b>FY25 old</b>	<b>FY25 new</b>	<b>FY26 old</b>	<b>FY26 new</b>	<b>FY27 old</b>	<b>FY27 new</b>
Sales revenue	-	1.8	22.3	43.3	88.3	240.1	140.4	474.2
Gross profit	-	(7.8)	9.1	(14.2)	42.0	63.4	85.6	175.5
Gross profit margin (%)	-	-	41.0	(32.8)	47.6	26.4	61.0	37.0
EBITDA	(20.6)	(22.2)	(23.4)	(30.9)	1.4	41.3	33.0	110.5
EBITDA margin (%)	-	nm	nm	nm	1.6	17.2	23.5	23.3
NPAT	(21.2)	(19.9)	(26.7)	(28.9)	(5.4)	26.3	24.4	80.9

Source: RaaS estimates

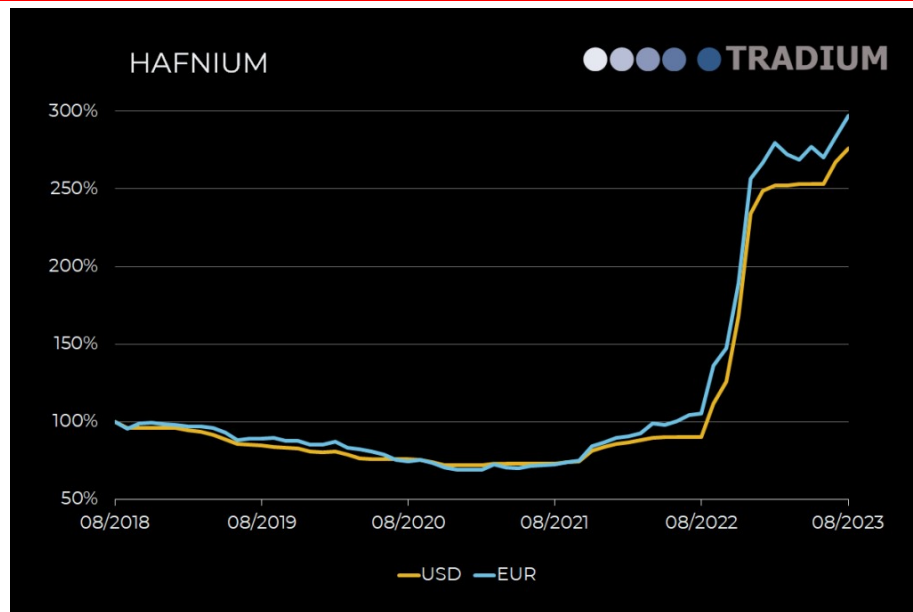
## Risks to our forecasts

There are some very key risks to our forecasts which need to be highlighted.

### Feedstock prices

C103 is 10% hafnium which is a strategic metal in demand for its anti-corrosive, neutron-absorbing, high melting point/resistance properties. It is used in nuclear reactors, in particular control rods, as it absorbs high levels of radiation; and in the aerospace industry in rocket engines and spacecraft components because of its heat and corrosion resistance. It is also in short supply and as a consequence, the price has skyrocketed in the past 18 months from US\$1,632/kg in January 2022 to US\$5,446/kg today. The exhibit below shows the percentage growth in recent times.

**Exhibit 2: Hafnium price growth in both US dollar and Euro (August 2018-2023)**



Source: Strategic Metals Invest

We have acknowledged this price increase in our C103 feedstock forecasts, which we have modelled at US\$750/kg which is 10% premium to the US\$685/kg price we found on Alibaba.com for small batch rods. There is scant information readily available on C103 feedstock prices which may prove different to our forecasts.

### Timing Risk

We have worked on the basis that Amaero will install three gas atomisers over a 2.5-year period with the third atomiser in place by July 1 CY2025 and fully operational by the end of 1 January 2028. If our assumptions are incorrect, Amaero may end up delivering lower results than our estimates.

### Production Risk

We have assumed the first atomiser focuses on C103, the second on specialty alloys and the third atomiser on titanium powder. Amaero may decide not to proceed on this basis which would change the production mix and potentially change the operating margin mix and outcomes. We also note that the production facility has room to install five gas atomisers. Additional capacity will likely require capital but will generate additional revenue and earnings and this is likely to result in a change to our forecasts.

## 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 cashflow methodology is the most appropriate method for valuing the company. Earlier commencement of production would have a material impact on our forecasts given the time weighting in this methodology. We derive a weighted average cost of capital (WACC) of 11.6% (Cost of Equity 14.5%, beta 1.6, terminal growth rate 2.2%) and this gives us a base-case valuation of \$1,390m or \$1.50/share on a fully diluted basis. On the current share count of 416.8m, the valuation is \$3.34/share. 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 project is predominantly strategic equity funded with debt contained to US\$20m. As a sense check, our FY26 forecast, the first full year of profitability, implies EV/Sales of 5.8x, EV/EBITDA of 33.7x and PE Ratio of 52.1x while our FY27 forecast, the first full year at capacity for EIGA 1, implies EV/Sales of 2.9x, EV/EBITDA 12.6x and PE Ratio of 17.2x.

### Exhibit 3: DCF valuation (in A\$m unless otherwise stated)

DCF valuation	Parameters
Cost of Equity	14.5%
Beta	1.6
Cost of Debt after tax	3.2%
WACC	11.6%
Equity risk premium	6.5%
Risk-free rate	4.0%
Terminal growth rate	2.2%
Sum of PV (A\$m)	390.0
Terminal value at FY33 (A\$m)	2,463.2
Present value of terminal value (A\$m)	819.1
PV of enterprise (A\$m)	1,209.2
Fully diluted cash and debt inc options conversion (A\$m)	(181.1)
Net value – shareholder (A\$m)	1,390.2
No. of shares on issue (fully diluted) (M)	926.9
<b>NPV in A\$/share</b>	<b>\$1.50</b>
<b>NPV per share based on current share count (416.8m)</b>	<b>\$3.34</b>
Source: RaaS analysis	

**Exhibit 4: Financial Summary**

Amaero International Ltd						Share price (3 October 2023)						A\$	0.22					
Profit and Loss (A\$m)						Interim (A\$m)						H123A	H223A	H124F	H224F	H125F	H225F	
Y/E 30 June	FY23A	FY24F	FY25F	FY26F	FY27F													
Sales Revenue	0.8	1.8	43.3	240.1	474.2	Sales Revenue	0.5	0.3	0.0	1.8	3.6	39.7						
Total Revenue	2.8	1.8	43.3	240.1	474.2	EBITDA Adj	(3.1)	(4.7)	(10.5)	(11.6)	(14.5)	(16.3)						
Gross Profit	2.1	(7.8)	(14.2)	63.4	175.5	EBIT Adj*	(3.7)	(5.7)	(12.1)	(13.3)	(17.1)	(19.8)						
EBITDA Adj	(7.9)	(22.2)	(30.9)	41.3	110.5	NPAT (Adj)	(3.8)	(5.8)	(9.5)	(10.4)	(13.4)	(15.6)						
Depn	(1.5)	(3.3)	(6.1)	(8.2)	(8.6)	Minorities	-	-	-	-	-	-	0.2					
Amort	0.0	0.0	0.0	0.0	0.0	NPAT (reported)	(6.6)	(5.9)	(9.5)	(10.4)	(13.4)	(15.6)						
EBIT Adj	(9.4)	(25.4)	(36.9)	33.1	101.9	EPS (Adj)	(1.05)	(1.76)	(2.17)	(1.91)	(1.93)	(2.06)						
Interest	(0.2)	0.2	0.3	0.1	0.5	EPS (reported)	(2.39)	(1.23)	(2.06)	(1.65)	(1.77)	(1.94)						
Tax	0.0	5.3	7.7	(7.0)	(21.5)	Dividend (cps)	-	-	-	-	-	-						
Minorities	(0.2)	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)	(12.0)	(17.9)	(37.5)	(33.6)						
NPAT pre significant items	(9.7)	(19.9)	(28.9)	26.3	80.9	Free Cash flow	(6.2)	(4.6)	(12.0)	(17.9)	(37.5)	(33.6)						
Significant items	(2.8)	0.0	0.0	0.0	0.0	<b>Divisions</b>	<b>H123A</b>	<b>H223A</b>	<b>H124F</b>	<b>H224F</b>	<b>H125F</b>	<b>H225F</b>						
NPAT (reported)	(12.5)	(19.9)	(28.9)	26.3	80.9	Sales and service revenue	0.5	0.3	0.0	1.8	3.6	39.7						
<b>Cash flow (A\$m)</b>						R&D grants	1.4	0.6	0.0	0.0	0.0	0.0						
<b>Y/E 30 June</b>	<b>FY23A</b>	<b>FY24F</b>	<b>FY25F</b>	<b>FY26F</b>	<b>FY27F</b>	<b>Total Revenue</b>	<b>1.9</b>	<b>0.9</b>	<b>0.0</b>	<b>1.8</b>	<b>3.6</b>	<b>39.7</b>						
EBITDA	(7.9)	(22.2)	(30.9)	41.3	110.5	COGS	0.5	0.2	3.0	6.6	10.3	47.2						
Interest	(0.2)	0.2	0.3	0.1	0.5	<b>Gross Profit</b>	<b>1.4</b>	<b>0.7</b>	<b>(3.0)</b>	<b>(4.8)</b>	<b>(6.7)</b>	<b>(7.5)</b>						
Tax	0.0	0.0	0.0	(7.5)	(21.5)	R&D costs	(1.6)	(1.7)	0.0	0.0	0.0	0.0						
Working capital changes	(2.7)	(7.9)	(40.6)	(53.9)	(15.9)	Employment	(1.2)	(1.0)	(1.0)	(1.3)	(1.7)	(2.1)						
Operating cash flow	(10.8)	(29.8)	(71.1)	(19.9)	73.6	General & Admin costs	(1.2)	(1.6)	(5.7)	(4.6)	(5.1)	(5.6)						
Mtce capex	0.0	0.0	0.0	0.0	0.0	Other costs	(0.5)	(1.1)	(0.8)	(1.0)	(1.1)	(1.2)						
Free cash flow	(10.8)	(29.8)	(71.1)	(19.9)	73.6	EBITDA	(3.1)	(4.7)	(10.5)	(11.6)	(14.5)	(16.3)						
Growth capex	(1.6)	(29.9)	(20.9)	(17.5)	(5.0)	Margins, Leverage, Returns		<b>FY23A</b>	<b>FY24F</b>	<b>FY25F</b>	<b>FY26F</b>	<b>FY27F</b>						
Acquisitions/Disposals	0.8	0.0	0.0	0.0	0.0	EBITDA		nm	nm	nm	17.2%	23.3%						
Other	(0.0)	0.0	0.0	0.0	0.0	EBIT		nm	nm	nm	13.8%	21.5%						
Cash flow pre financing	(11.6)	(59.8)	(92.1)	(37.3)	68.6	NPAT pre significant items		nm	nm	nm	10.9%	17.1%						
Equity	10.6	58.2	75.0	68.9	0.0	Net Debt (Cash)		8.8	4.4	(16.4)	11.7	80.3						
Debt	(0.3)	29.9	0.0	(2.8)	0.0	Net debt/EBITDA (x)	(x)	n/a	n/a	n/a	0.3	0.7						
Dividends paid	0.0	0.0	0.0	0.0	0.0	ND/ND+Equity (%)	(%)	(141.9%)	(9.5%)	15.0%	(6.8%)	(43.4%)						
Net cash flow for year	(1.3)	28.4	(17.1)	28.8	68.6	EBIT interest cover (x)	(x)	n/a	n/a	n/a	(0.0)	(0.0)						
<b>Balance sheet (A\$m)</b>						ROA		(46.8%)	(46.2%)	(29.6%)	14.8%	28.2%						
<b>Y/E 30 June</b>	<b>FY23A</b>	<b>FY24F</b>	<b>FY25F</b>	<b>FY26F</b>	<b>FY27F</b>	ROE		(84.3%)	(60.8%)	(40.3%)	18.9%	36.0%						
Cash	8.8	34.3	13.5	38.8	107.4	ROIC		(58.6%)	(141.5%)	(55.4%)	38.4%	100.8%						
Accounts receivable	0.2	0.2	5.8	32.0	63.3	<b>NTA (per share)</b>		0.04	0.07	0.10	0.20	0.29						
Inventory	1.0	6.1	32.2	96.7	165.9	<b>Working capital</b>		0.4	(2.8)	5.6	52.9	90.4						
Other current assets	0.1	0.1	0.1	0.1	0.1	<b>WC/Sales (%)</b>		45.1%	nm	12.9%	22.0%	19.1%						
Total current assets	10.1	40.7	51.6	167.7	336.7	<b>Revenue growth</b>		nm	nm	nm	454.6%	97.5%						
PPE	7.7	34.3	49.2	58.4	54.8	<b>EBIT growth pa</b>		n/a	n/a	n/a	(189.6%)	207.9%						
Intangibles and Goodwill	0.0	0.0	0.0	0.0	0.0	<b>Pricing</b>		<b>FY23A</b>	<b>FY24F</b>	<b>FY25F</b>	<b>FY26F</b>	<b>FY27F</b>						
Investments	0.2	11.2	43.4	50.0	28.4	No of shares (y/e)	(m)	417	754	887	927	927						
Deferred tax asset	0.0	5.3	13.0	13.5	13.5	Weighted Av Dil Shares	(m)	346	545	754	836	927						
Other non current assets	0.2	0.2	0.2	0.2	0.2	EPS Reported	cps	(3.6)	(3.1)	(4.0)	2.9	8.7						
Total non current assets	8.1	51.1	105.8	122.1	96.9	EPS Normalised/Diluted	cps	(2.8)	(3.7)	(4.0)	2.9	8.7						
<b>Total Assets</b>	<b>18.2</b>	<b>91.8</b>	<b>157.4</b>	<b>289.8</b>	<b>433.6</b>	EPS growth (norm/dil)		n/a	n/a	n/a	-172%	203%						
Accounts payable	0.8	9.1	32.4	75.9	138.8	DPS	cps	-	-	-	-	-						
Short term debt	0.0	0.0	0.0	0.0	0.0	DPS Growth		n/a	n/a	n/a	n/a	n/a						
Tax payable	0.0	0.0	0.0	0.0	0.0	Dividend yield		0.0%	0.0%	0.0%	0.0%	0.0%						
Other current liabilities	1.4	1.4	1.4	1.4	1.4	Dividend imputation		0	0	0	0	0						
Total current liabilities	2.2	10.6	33.8	77.3	140.2	PE (x)		-	-	-	7.6	2.5						
Long term debt	0.0	29.9	29.9	27.1	27.1	PE market		15.6	15.6	15.6	15.6	15.6						
Other non current liabs	1.0	1.0	1.0	1.0	1.0	Premium/(discount)		nm	nm	nm	nm	nm						
Total long term liabilities	1.0	30.9	30.9	28.1	28.1	EV/EBITDA		nm	nm	nm	nm	nm						
<b>Total Liabilities</b>	<b>3.2</b>	<b>41.4</b>	<b>64.7</b>	<b>105.3</b>	<b>168.2</b>	FCF/Share	cps	(2.60)	(3.96)	(8.02)	(2.14)	7.94						
<b>Net Assets</b>	<b>15.1</b>	<b>50.5</b>	<b>92.8</b>	<b>184.5</b>	<b>265.3</b>	Price/FCF share		(8.5)	(5.56)	(2.74)	(10.27)	2.77						
Share capital	48.3	106.5	181.5	250.4	250.4	Free Cash flow Yield		(11.8%)	(18.0%)	(36.5%)	(9.7%)	36.1%						
Accumulated profits/losses	(33.4)	(56.1)	(88.8)	(66.1)	14.9													
Reserves	0.2	0.2	0.2	0.2	0.1													
Minorities	0.0	0.0	0.0	0.0	0.0													
<b>Total Shareholder funds</b>	<b>15.1</b>	<b>50.5</b>	<b>92.8</b>	<b>184.5</b>	<b>265.3</b>													

Source: Company data for historicals, RaaS estimates



# FINANCIAL SERVICES GUIDE

**RaaS Advisory Pty Ltd**

**ABN 99 614 783 363**

**Corporate Authorised Representative, number 1248415**

**of**

**BR SECURITIES AUSTRALIA PTY LTD**

**ABN 92 168 734 530**

**AFSL 456663**

**Effective Date: 6<sup>th</sup> May 2021**

### About Us

BR Securities Australia Pty Ltd (BR) is the holder of Australian Financial Services License (“AFSL”) number 456663. RaaS Advisory Pty Ltd (RaaS) is an Authorised Representative (number 1248415) of BR.

This Financial Service Guide (FSG) is designed to assist you in deciding whether to use RaaS’s services and includes such things as

- who we are
- our services
- how we transact with you
- how we are paid, and
- complaint processes

Contact Details, BR and RaaS

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RaaS is the entity providing the authorised AFSL services to you as a retail or wholesale client.

**What Financial Services are we authorised to provide?** RaaS is authorised to

- provide general advice to retail and wholesale clients in relation to
  - Securities
- deal on behalf of retail and wholesale clients in relation to
  - Securities

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### Our dealing service

RaaS can arrange for you to invest in securities issued under a prospectus by firstly sending you the offer document and then assisting you fill out the application form if needed.

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We may also receive a fee for our dealing service, from the company issuing the securities.

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### Complaints

If you have a complaint about our service you should contact your representative and tell them about your complaint. The representative will follow BR’s internal dispute resolution policy, which includes sending you a copy of the policy when required to. If you aren’t satisfied with an outcome, you may contact AFCA, see below. BR is a member of the Australian Financial Complaints Authority (AFCA). AFCA provide fair and independent financial services complaint resolution that is free to consumers.

Website: [www.afca.org.au](http://www.afca.org.au); Email: [info@afca.org.au](mailto:info@afca.org.au); Telephone: 1800931678 (free call)

In writing to: Australian Financial Complaints Authority, GPO Box 3, Melbourne, VIC, 3001.

### Professional Indemnity Insurance

BR has in place Professional Indemnity Insurance which satisfies the requirements for compensation under s912B of the Corporations Act and that covers our authorized representatives.





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