

\$7.8m Titanium Deal Supports FY27 Visibility

Amaero Ltd

Amaero Ltd. (ASX:3DA, OTC:AMROF) has signed a **A\$7.8m Master Purchasing Agreement** for titanium alloy powders, with deliveries scheduled from July 2026 to June 2027. The agreement provides early visibility into FY27 revenues and represents a further step in converting underlying demand into contracted supply as the Company progresses through its commercial scale-up.

The contract implies a run-rate of **~A\$2.0m per quarter** across FY27, providing a clearer baseline for near-term revenues. The minimum commitment represents **~18% of our FY27 revenue forecast from this contract alone**, based on our A\$42.3m estimate, and establishes an initial level of contracted volumes for the period. Importantly, the minimum acts as a floor, with management indicating potential upside to FY27 volumes through additional order commitments beyond the contractual baseline.

The agreement builds on the ~\$9.7m of contracted revenue secured for 2H FY26 and reflects continued progression from development-stage engagement toward contracted supply. While still early in the commercial ramp, the contract provides further evidence that customer programs are converting into revenue-generating agreements, supporting a gradual improvement in revenue visibility as the Company moves toward a more repeatable commercial model.

We view the agreement as consistent with the Company's previously flagged commercial pipeline and production ramp, rather than incremental to our existing assumptions. The contract aligns with Amaero's planned atomisation capacity expansion, including additional EIGA systems, and supports utilisation as the business transitions from initial qualification volumes toward more stable, production-level output over time.

Strategically, the agreement reinforces Amaero's positioning as a domestic supplier of high-performance powders into U.S. aerospace and defence supply chains, where supply security, localisation and qualification remain key drivers of demand. Alongside ongoing progress in PM-HIP manufacturing and refractory alloy development, the Company continues to build a foundation for broader commercial adoption across multiple end markets.

Valuation and Outlook

The announcement is incrementally positive from a visibility perspective but remains in line with our existing FY27 assumptions and does not imply upside to forecasts at this stage. As such, no changes have been made to our forecasts or valuation.

We reiterate our **Speculative Buy recommendation and \$0.67 price target**, reflecting unchanged DCF assumptions and continued confidence in Amaero's ability to scale contracted volumes into sustainable revenue growth as commercial production ramps.

Key Near-Term Catalysts

Titanium powder supply agreement ramp-up	FY26–FY27
Initial PM-HIP production revenues (U.S. facility)	FY26–FY27
Conversion of pipeline into additional commercial contracts	FY26–FY27
FY26 Results and FY27 Guidance update	Q1 FY27

Recommendation	Spec Buy
Share Price	\$0.305
Fair Valuation	\$0.67
TSR	120%

Company Profile

Market Cap	\$291M
Enterprise Value	\$282M
Free Float	~66%
Cash	\$47.6m
52-Week Range	\$0.19 - \$0.54

Price Performance



Company Overview

Amaero is a US-based leader in advanced materials and manufacturing, specialising in high-performance, lightweight and heat-resistant alloys for aerospace, defence and industrial markets. Its proprietary technologies enable the production of materials with superior strength, density and thermal resistance while reducing cost and lead times. Operating from its manufacturing headquarters in Tennessee, Amaero focuses on refractory and titanium alloys critical to propulsion systems, hypersonic platforms and next-generation aerospace components. Through integrated capabilities in powder production and advanced processing, the company supports critical supply chains with scalable, cost-efficient solutions that enhance reliability, localisation and supply security.

Analyst

Johanna Burkhardt jb@eveq.com
Industrials Analyst

3DA Coverage

Update 23 Jan 2026 [Link](#)
 Update 23 Oct 2025 [Link](#)



Key Risks

Execution Risk

Amaero is transitioning from pilot-scale operations to full commercial production. Delays in ramping production capacity, including utilisation of newly installed atomisers, or inefficiencies in scaling output could impact revenue timing, contract fulfilment and margin progression.

Customer Concentration & Order Conversion

A significant portion of expected revenues is derived from a limited number of customers and contracts. While recent agreements improve visibility, delays in qualification, order expansion beyond minimum commitments, or conversion into repeat orders could affect near-term revenue realisation.

Supply Chain & Production Risk

Reliance on specialised atomisation equipment and critical raw materials exposes Amaero to supply chain disruptions, input cost volatility and potential delays in production scaling, which could impact delivery timelines and unit economics.

Technology & Certification Risk

The Company's competitive positioning depends on maintaining its technological edge in EIGA and PM-HIP processes, as well as meeting stringent aerospace and defence qualification standards. Any delays in certification, quality issues or technological setbacks could slow customer adoption.

Capital Intensity & Cash Flow Timing

Despite a strengthened balance sheet, the business remains capital-intensive, with ongoing investment required to support capacity expansion. Timing mismatches between capital expenditure, working capital requirements and revenue generation may impact liquidity and cash flow.

Market Adoption & Pricing Risk

Growth assumptions are underpinned by increasing adoption of additive manufacturing across end markets. Slower-than-expected adoption rates, or increased competitive intensity, may result in pricing pressure and impact margin expansion.

Currency & Regulatory Exposure

With revenues largely USD-denominated and exposure to U.S. defence markets, Amaero faces foreign exchange risk as well as regulatory and policy uncertainty. Changes in procurement priorities, export controls or government funding dynamics could influence demand and contract timing.

Appendix

Financial Statements

VALUATION DETAILS					PER SHARE DATA				
					FY25	FY26E	FY27E	FY28E	
Share Price (A\$)	\$0.31				Shares Outstanding (m)	690.7	952.6	980.2	981.2
Market Cap (A\$m)	290.54				Normalised EPS (A\$)	-0.04	-0.03	-0.03	-0.01
Enterprise Value (A\$m)	281.51				Dividends per Share (A\$)	0.00	0.00	0.00	0.00
Fair Value/Share (A\$)	\$0.67				Payout	0%	0%	0%	0%
					Franking	0%	0%	0%	0%
FINANCIAL STATEMENTS (A\$m)					RATIOS				
	FY25	FY26E	FY27E	FY28E		FY25	FY26E	FY27E	FY28E
Income Statement					Liquidity				
Revenue	3.81	18.68	42.30	85.95	Current Ratio	0.70	0.77	0.86	0.44
EBITDA	-22.04	-21.73	-13.95	1.95	Quick Ratio	0.56	0.75	0.33	0.36
EBIT	-23.72	-30.39	-25.04	-7.57					
Net Income	-24.68	-31.57	-25.94	-9.69	Solvency				
					Debt to Equity	0.68	0.98	1.83	2.66
Balance Sheet					Equity to Assets	0.60	0.51	0.35	0.27
Cash & Cash Equivalents	19.22	38.75	8.25	16.96	Profitability				
Inventory	7.02	6.65	8.11	9.42	ROA (Return on Assets)	-35.0%	-27.4%	-19.5%	-7.6%
Receivables	1.31	13.30	18.54	16.48	ROE (Return on Equity)	-59.0%	-50.6%	-45.0%	-24.3%
Other Assets	63.54	81.00	91.65	85.37	EBITDA Margin	-622%	-163%	-59%	-9%
Total Assets	91.08	139.70	126.56	128.24	NPAT Margin	-647.2%	-169.1%	-61.3%	-11.3%
Total Debt	5.36	27.86	34.96	34.96	Growth				
Other Liabilities	31.49	41.21	46.91	58.27	Production Growth (t)	N/A	N/A	264%	102%
Total Liabilities	36.85	69.07	81.87	93.23	Revenue	722.0%	389.8%	126.5%	103.2%
Shareholders' Equity	54.23	70.63	44.69	35.01	EBITDA improvement	-5.5m	+0.3m	+7.8m	+15.9m
					NPAT improvement	-6.6m	-6.9m	+5.6m	+16.3m
Cash Flow Statement					EPS	-3.6%	-3.3%	-2.6%	-1.0%
Net Income	-24.59	-31.57	-25.94	-9.69	Valuation				
Depreciation & Amortisation	1.68	8.66	11.10	9.52	P/E	-18.7	-20.2	-25.3	-67.8
Change in Net Working Capital/Other	5.87	-3.54	-2.17	12.00	EV/Sales	18.9	19.9	16.2	7.9
Cash Flow from Operations	-17.03	-26.45	-17.01	11.83	EV/EBITDA	-3.3	-17.1	-49.2	346.9
Cash Flow from Investing	-26.01	-23.67	-19.65	-2.07	Dividend Yield	0.0%	0.0%	0.0%	0.0%
Equity Raised (net)	47.37	47.97	0.00	0.00					
Net Borrowings/Other	2.78	21.68	6.17	-1.05					
Cash Flow from Financing	50.14	69.65	6.17	-1.05					
Unlevered Free Cash Flow	7.09	-48.94	-35.76	11.87					

Evolution Capital Ratings System

Recommendation Structure

- **Buy:** The stock is expected to generate a total return of >10% over a 12-month horizon. For stocks classified as 'Speculative', a total return of >30% is expected.
- **Hold:** The stock is expected to generate a total return between -10% and +10% over a 12-month horizon.
- **Sell:** The stock is expected to generate a total return of <-10% over a 12-month horizon.

Risk Qualifier

- **Speculative:** This qualifier is applied to stocks that bear significantly above-average risk. These can be pre-cash flow companies with nil or prospective operations, companies with only forecast cash flows, and/or those with a stressed balance sheet. Investments in these stocks may carry a high level of capital risk and the potential for material loss.

Other Ratings:

- **Under Review (UR):** The rating and price target have been temporarily suppressed due to market events or other short-term reasons to allow the analyst to more fully consider their view.
- **Suspended (S):** Coverage of the stock has been suspended due to market events or other reasons that make coverage impracticable. The previous rating and price target should no longer be relied upon.
- **Not Covered (NC):** Evolution Capital does not cover this company and provides no investment view.

Expected total return represents the upside or downside differential between the current share price and the price target, plus the expected next 12-month dividend yield for the company. Price targets are based on a 12-month time frame.

Evolution Capital Pty Ltd

Level 8, 143 Macquarie Street Sydney, NSW 2000

Tel: +61283792960

www.eveq.com

Disclaimer & Disclosures

Evolution Capital Pty Ltd (ACN 652 397 263) is a corporate Authorised Representative (number 1293314) of Evolution Capital Securities Pty Ltd (ACN 669 773 979), the holder of Australian Financial Services Licence number 551094. The information contained in this report is only intended for the use of those persons who satisfy the Wholesale definition, pursuant to Section 761G and Section 761GA of the Corporations Act 2001 (Cth) ("the Act"). Persons accessing this information should consider whether they are wholesale clients in accordance with the Act before relying on any information contained. Any financial product advice provided in this report is general in nature. Any content in this report does not take into account the objectives, financial situation or needs of any person, or purport to be comprehensive or constitute investment advice and should not be relied upon as such. You should consult a professional adviser to help you form your own opinion of the information and on whether the information is suitable for your individual objectives and needs as an investor. It is important to note that Evolution Capital, or its agents or representatives, engaged and received a financial benefit by the company that is the subject of the research report. The financial benefit may have included a monetary payment or certain services including (but not limited to) corporate advisory, capital raising and underwriting. In addition, the agent or representative drafting the advice may have received certain assistance from the company in preparing the research report. Notwithstanding this arrangement, Evolution Capital confirms that the views, opinions and analysis are an accurate and truthful representation of its views on the subject matter covered. Evolution Capital has used its best endeavours to ensure that any remuneration received by it, or by an agent or representative, has not impacted the views, opinions or recommendations set out in this research report. The content of this report does not constitute an offer by any representative of Evolution Capital to buy or sell any financial products or services. Accordingly, reliance should not be placed solely on the content of this report as the basis for making an investment, financial or other decision.

Recipients should not act on any report or recommendation issued by Evolution Capital without first consulting a professional advisor in order to ascertain whether the recommendation (if any) is appropriate, having regard to their investment objectives, financial situation and particular needs. Any opinions expressed are subject to change without notice and may not be updated by Evolution Capital. Evolution Capital believes the information contained in this report is correct. All information, opinions, conclusions and estimates that are provided are included with due care to their accuracy; however, no representation or warranty is made as to their accuracy, completeness, or reliability. Evolution Capital disclaims all liability and responsibility for any direct or indirect loss, or damage, which may be incurred by any recipient through any information, omission, error, or inaccuracy contained within this report. The views expressed in this report are those of the representative who wrote or authorised the report and no part of the compensation received by the representative is directly related to the inclusion of specific recommendations or opinions. Evolution Capital and / or its associates may hold interests in the entities mentioned in any posted report or recommendation. Evolution Capital, or its representatives, may have relationships with the companies mentioned in this report – for example, acting as corporate advisor, dealer, broker, or holder of principal positions. Evolution Capital and / or its representatives may also transact in those securities mentioned in the report, in a manner not consistent with recommendations made in the report. Any recommendations or opinions stated in this report are done so based on assumptions made by Evolution Capital. The information provided in this report and on which it is based may include projections and / or estimates which constitute forward-looking statements. These expressed beliefs of future performance, events, results, or returns may not eventuate and as such no guarantee of these future scenarios is given or implied by Evolution Capital. Any forward-looking statements are subject to uncertainties and risks that may mean those forecasts made by Evolution Capital are materially different to actual events. As such, past performance is not an indicator of future performance.