BELL POTTER

Speculative
See key risks on page 5
Speculative securities may not be suitable for Retail clients

20 May 2025

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AML3D (AL3)

Build bigger, faster, stronger

Recommendation
Buy (Initiation)
Price
$0.155
Valuation
$0.30 (Initiation)
Risk
Speculative

Sector

Capital Goods

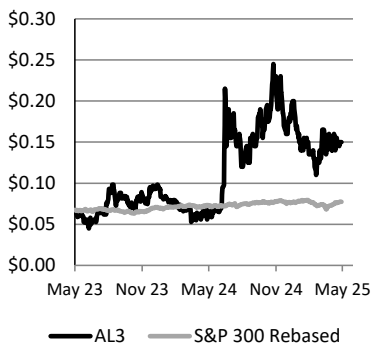
Expected Return	
Capital growth	**96.3%**
Dividend yield	**0.0%**
Total expected return	**96.3%**

Company Data & Ratios	
Enterprise value	**$54.4m**
Market cap	**$83.3m**
Issued capital	**537.7m**
Free float	**95%**
Avg. daily val. (52wk)	**$0.8m**
12 month price range	**$0.06 - $0.27**

Price Performance

	(1m)	(3m)	(12m)
Price (A$)	0.16	0.15	0.07
Absolute (%)	-6.25	3.45	117.39
Rel market (%)	-13.50	5.29	109.85

Absolute Price



SOURCE: IRESS

Introduction to AML3D

AML3D is a welding, metallurgical science, robotics, and software business, which produces automated 3D printing systems that utilise Wire Additive Manufacturing technology (WAM) to produce metal components and structures. WAM is particularly useful for the printing of complex industrial parts for the defence, oil & gas and aerospace industries.

Disrupting traditional manufacturing methods

AL3's WAM technology has key advantages compared to traditional casting and forging methods and is highly adaptable to any weldable material, having been tested on over 30 feed stocks, including aluminium, titanium, copper, and nickel alloys as well as steel and stainless steels. Compared to traditional methods, AL3's ARCEMY systems build certifiable metal parts harder, faster, stronger and with a lower carbon footprint.

A solution to capacity issues within US industrial base

The US DoD has identified AM as an integral part of the solution to capacity issues within its industrial base and AL3 has already completed evaluation contracts for the DoD, including supply of USN Virginia Class submarine parts and delivery of 2 ARCEMY systems to the USN's CoE. The DoD has allocated $951m USD of funding through BFA to accelerate the adoption of AM, including AL3's ARCEMY systems, within the US Navy's SIB. We view this as the key near-term sales opportunity for the company that could be worth $20m - $100m over the next 3 years.

Investment view: Initiate with Buy (Spec.), Valuation $0.30

We believe AL3 is at an inflection point, with accelerating demand from the US defence industrial base driving a material increase in system sales over the next 3-years. AL3's current valuation does not yet reflect the anticipated jump in sales, with the company trading (FY26e EV/rev 2.9x) well below the value of comparable AM companies, such as TTT (FY26e EV/rev 16.4x). We initiate with a BUY (Spec.).

Earnings Forecast

Year End 30 Jun	FY24	FY25e	FY26e	FY27e
Revenue ($m)	7.3	8.1	18.5	32.7
EBITDA (Underlying) ($m)	-3.3	-5.3	-1.5	4.2
NPAT (Underlying) ($m)	-4.2	-6.1	-2.5	2.3
NPAT (Reported) ($m)	-4.2	-6.1	-2.5	2.3
Underlying EPS (cps)	-1.6	-1.3	-0.5	0.4
EPS growth (%)	NM	NM	NM	NM
PE (x)	NM	NM	NM	36.3
EV/EBITDA (x)	NM	NM	NM	12.5
FCF Yield (%)	NM	NM	NM	NM
Dividend (¢ps)	0.0	0.0	0.0	0.0
Yield (%)	0.0%	0.0%	0.0%	0.0%
Franking (%)	NM	NM	NM	NM
ROE(%)	NM	NM	NM	7.3%

SOURCE: BELL POTTER SECURITIES ESTIMATES

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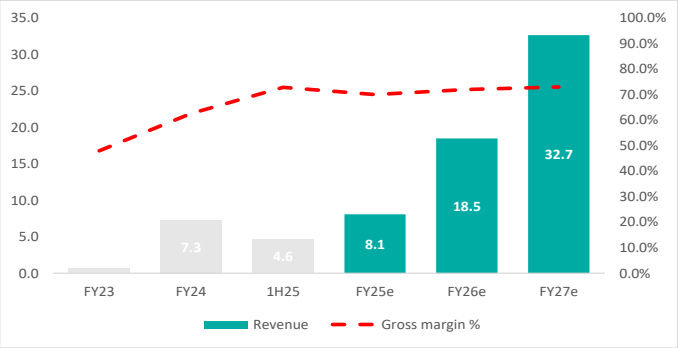
Investment Thesis

Our investment thesis is driven by the following factors:

- **Competitive advantage over traditional manufacturing:** AL3's WAM technology has key advantages compared to traditional casting and forging methods and is highly adaptable to any weldable material, having been tested on over 30 feed stocks, including aluminium, titanium, copper, and nickel alloys as well as steel and stainless steels. Compared to traditional methods, AL3's ARCEMY systems build certifiable metal parts harder, faster, stronger and with a lower carbon footprint.
- **WAM technology validated by high quality customer base:** AL3 has completed several evaluation and alloy testing contracts for high quality customers, which have led to ARCEMY system sales. Highlights include, 1) Supply of US Navy Virginia Class submarine tail piece components, 2) Delivery of two ARCEMY systems to the US Navy's Daneville Centre of Excellence for Additive Manufacturing run by Austal USA, and 3) Manufacturing License Agreements with Boeing Defense & Aerospace and Blue Forge Alliance (BFA).
- **Rapid adoption of AM in US Defence market presents major opportunity:** The US defence industrial base faces major capacity issues and currently lacks the ability to meet its own production targets. In response, the US DoD has identified additive manufacturing as pivotal to boosting capacity by cutting down manufacturing timelines of key parts. AL3 has established strong relationships with the US Navy and BFA, positioning the company to be a key beneficiary of the rapid adoption of AM into the US defence industrial base.
- **Sales approaching inflection point:** We expect AL3 to record FY25 revenue of $8.1m (+10.3% YoY) before jumping to $18.5m in FY26 (+128.8% YoY), largely driven by the accelerating growth in the US defence market. We believe there is likely upside to these forecasts considering the US DoD invested $800m USD in AM in 2024 and BFA was recently awarded a $951m USD contract to boost the capacity of the SIB, including scaling additive manufacturing capacity and capabilities.
- **Recurring revenue underpins earnings growth:** AL3's pivot to a seller of 3D printing systems facilitates a level of recurring revenue from licence fees, production support and maintenance fees charged annually. AL3's recurring revenue is extremely "sticky" due to the integration of the hardware and software systems, with the hardware systems effectively obsolete without the company's proprietary software. These revenue streams are high margin and facilitate greater stability and consistency of earnings.
- **Strong balance sheet to support organic growth:** AL3 is well capitalised with $32.1m in cash (at 31-Dec-24) and no core bank debt following the completion of a $30m equity raising in December 2024. The company's strong financial position facilitates investment in priority growth initiatives, including 1) continued R&D, 2) doubling of the US manufacturing capacity, and 3) establishment of a European facility. This investment will facilitate entry into multiple new markets and further advance the AL3 technology, underpinning long-term growth.
- **Valuation:** AL3's current valuation does not yet reflect the anticipated jump in sales, with the company trading (FY26e EV/rev 2.9x) well below the value of comparable AM companies, such as TTT (FY26e EV/rev 16.4x). Whilst the two companies offer different 3D printing technologies, there is a clear discrepancy between AL3's valuation and that of its peers, in an industry experiencing significant tailwinds. As such, we believe the current valuation is an attractive entry point and initiate with a BUY (Spec.) recommendation and valuation of $0.30.

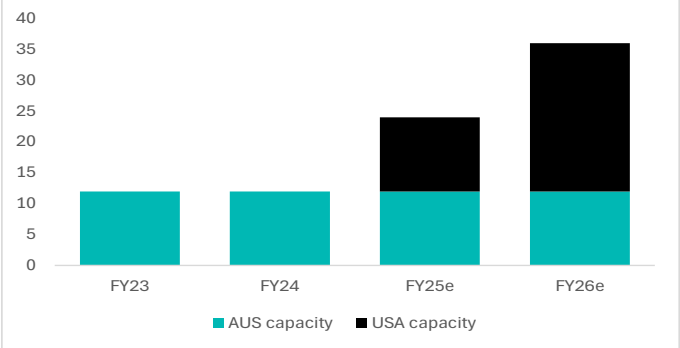
Key Charts

Figure 1 - AL3 revenue w/ gross margin FY23 – FY27e



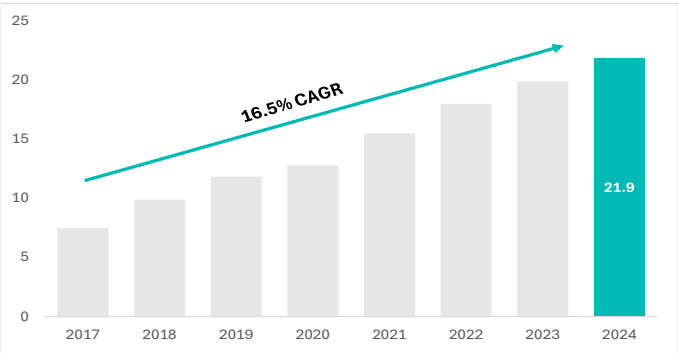
SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

Figure 2 - AL3 Total manufacturing capacity by units



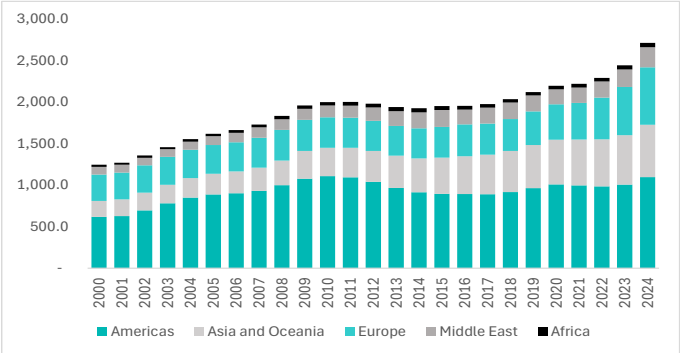
SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

Figure 3 - Global AM market size ($b) USD 2017 – 2024



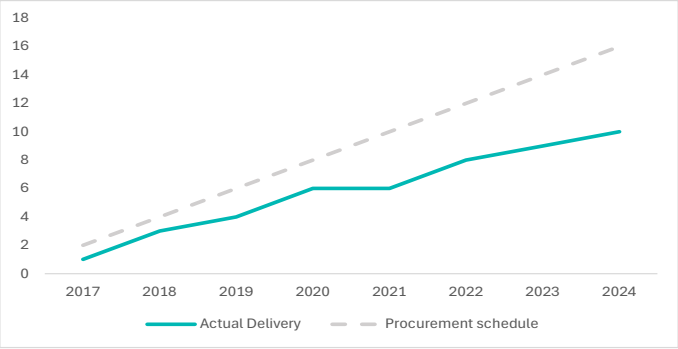
SOURCE: WOHLERS ASSOCIATES

Figure 4 - Global military expenditure ($b USD) 2000-2024



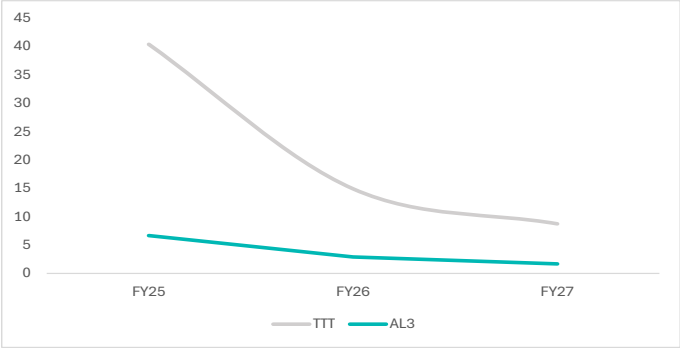
SOURCE: STOCKHOLM INTERNATIONAL PEACE RESEARCH INSTITUTE

Figure 5 - Actual and planned delivery of Virgina-class subs



SOURCE: CONGRESSIONAL RESEARCH SERVICE

Figure 6 - TTT vs AL3 EV/Revenue multiple FY25 – FY27



SOURCE: BLOOMBERG AND BELL POTTER SECURITIES ESTIMATES

Key Risks

Key downside risks to our estimates and valuation include (but are not limited to):

- **Market Resistance to New Technology**: AML3D's WAM technology faces the challenge of disrupting established manufacturing practices (machining, casting, forging). Existing investments in traditional methods and the novelty of wire arc additive manufacturing may hinder widespread adoption. Significant effort is needed to educate the market on the technology's benefits.
- **Costumer Concentration:** The company relies heavily on a limited number of clients, making it vulnerable to revenue loss if a key client is lost. While diversification efforts are underway, immediate client replacement might be challenging.
- **Key personnel risk:** The loss of key management personnel, delays in their replacement, and/or failure to attract new talent, may adversely affect AL3's operations and future performance.
- **Raw Material Access:** The company is dependent on access to raw materials, including titanium alloys, nickel alloys, stainless steel, aluminium alloys and bronze alloys to manufacture components. Disruptions in these markets could negatively impact production.
- **Technical Risk:** Continuous R&D is crucial for staying competitive and scaling the technology, but success is not guaranteed. Failure to overcome technical hurdles, accurately predict costs, or meet development timelines could negatively impact the company.
- **Cybersecurity and Data Loss:** Reliance on digital systems exposes the company to risks like hacking, data theft, and cyberattacks. Security breaches could compromise customer data, disrupt operations, and damage the company's reputation. The company has taken steps to mitigate this by implementing cyber security systems.
- **Credit Risk:** Credit risk is the risk of financial loss to the group if a customer or counterparty fails to meet its contractual obligation. The Group mitigates this risk by dealing with creditworthy parties, obtaining collateral, and closely monitoring its exposure.

Company Overview

Introduction to AML3D Limited

AML3D is a welding, metallurgical science, robotics, and software business, which produces automated 3D printing systems that utilise Wire Additive Manufacturing technology (WAM) to produce metal components and structures

This technology is particularly useful for the printing of complex industrial parts for the defence, oil & gas and aerospace industries, which require a high level of precision.

The company is headquartered in Adelaide, South Australia and recently opened an additional manufacturing hub in Ohio, USA to capitalise on increasing demand from the US defence industrial base.

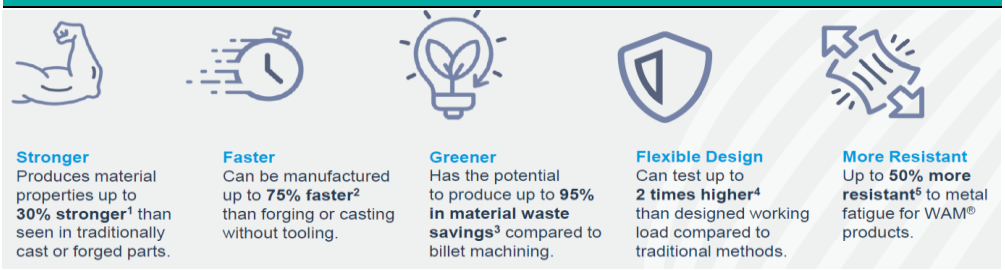
AML3D was founded in 2014 by Chief Technology Officer and Executive Director Andy Sales. The company was listed on the ASX in April 2020.

What is WAM?

Wire Additive Manufacturing technology (WAM) uses an electric arc to deposit layers of molten metal, layer by layer, to produce high performing, industrial scale, metal components. This technology combines sophisticated robotics technology and cutting-edge arc welding science and metallurgy. WAM printed industrial scale metal components are created to near net shape which is then machine finished[1].

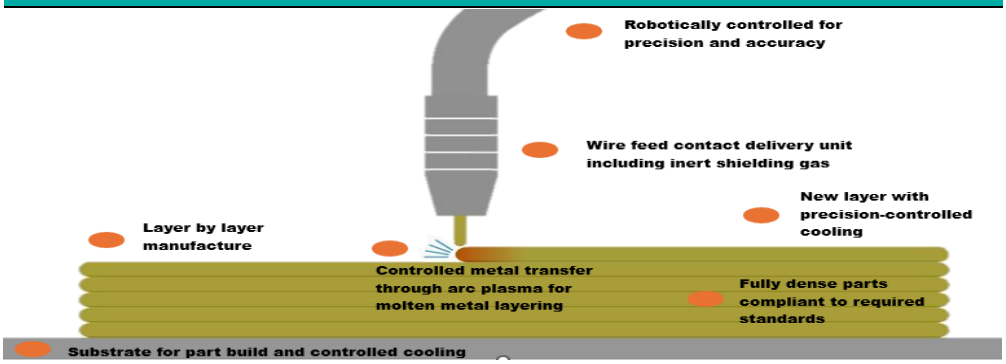
WAM technology has key advantages compared to traditional casting and forging methods and is highly adaptable to any weldable material, having been tested on over 30 feed stocks, including aluminium, titanium, copper, and nickel alloys as well as steel and stainless steels. Compared to traditional methods, AL3's ARCEMY systems build certifiable metal parts harder, faster, stronger and with a lower carbon footprint.

Figure 7 – Advantages of WAM technology versus traditional manufacturing methods



SOURCE: COMPANY DATA

Figure 8 – Overview of Wire Additive Manufacturing (WAM) technology



SOURCE: COMPANY DATA

[1] (AML3D, 2024)

Integrated hardware and software 3D printing solutions

The AML3D product offering consists of a range of 3D printing systems, varying in size and complexity to meet the requirements of all end-users, and a range of software solutions to facilitate the manufacturing process.

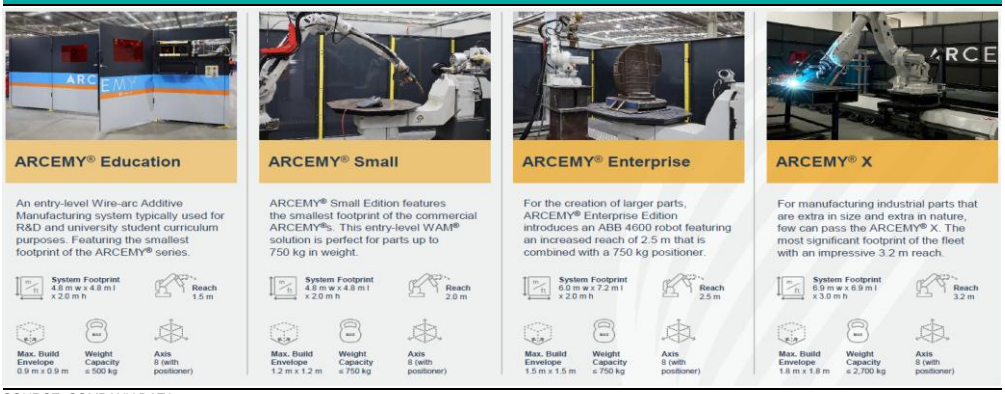
AL3's hardware systems are crafted utilising off-the-shelf robotics parts from ABB before being integrated with the company's proprietary software solutions. AL3's software is proprietary to the company and provides its competitive advantage, with its systems ineffective without the underlying software.

The ARCEMY range

AML3D offers four core editions of its ARCEMY 3D printing system, varying in size and complexity, however each system is fully customisable to suit specific customer requirements.

See **Figure 9** below for an overview of each code edition of the ARCEMY range.

Figure 9 – The ARCEMY range



SOURCE: COMPANY DATA

Proprietary software solutions

AL3 has developed a series of proprietary software solutions to facilitate the manufacturing of 3D parts, including a path planning program, operating system and command system.

The software is highly integrated with the hardware systems, which are effectively obsolete without the underlying software to facilitate the manufacturing process.

These software solutions provide recurring revenue for the company, with licensing fees, software updates and production support charged on an annual basis.

Figure 10 – AML3D software solutions

SOURCE: COMPANY DATA

Business model

AL3 initially went to market as strictly a seller of 3D printed parts, however the company has now pivoted to a seller of 3D printing systems and parts strategy. This new business model broadens the company's offering and allows for more predictable earnings with increased levels of recurring revenue.

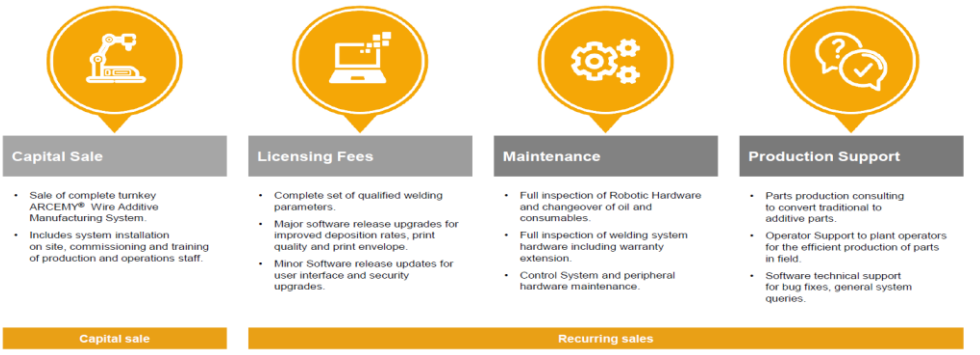
AL3's recurring revenue is extremely "sticky" due to the integration of the hardware and software systems. The hardware systems are effectively obsolete without the company's proprietary software, thus customers are required to make annual payments in order to keep operating the hardware systems.

An ARCEMY system sale will generate revenue from the below avenues:

- **Capital sale**: We estimate the sale value of an ARCEMY unit to be to range from $1m - $3m, depending on the size and level of customisation.
- **Licensing fees**: Licensing fees for an ARCEMY system are $150k p.a, this includes both major and minor software upgrades.
- **Maintenance:** Maintenance fees are $50k p.a and include regular inspections and on-going maintenance for all hardware units.
- **Production support:** Production support costs $50k p.a and include consultation regarding parts manufacturing as well as ongoing software support.

AL3 does not operate as a contract manufacturer, it largely offers its printing services as a proof of concept to drive systems sales. Proof of concept part manufacturing is critical to demonstrating the abilities of its technology and is normally the first step leading to a ARCEMY system sale.

Figure 11 – AML3D System sales revenue model



SOURCE: COMPANY DATA

Growth strategy

AL3's intention at this stage is to grow the business organically, including three main priorities:

- **Continued investment in R&D**: AL3 is investing $3m to continue developing its market leading WAM technology. This follows the recent completion of other R&D programs, including the ARCEMY Increase Deposition Rates ('AIDR') project.
- **Double US capacity:** The company will invest $12m to double its manufacturing capacity in the US, including the opening of a second location. The investment in additional capacity is in response to accelerating customer demand.
- **European expansion:** AL3 has allocated $5m from the recent capital raise to establish a European facility. The initial target will be the UK defence sector, before expanding into additional markets, such European defence, utilities, aerospace, Marine and Oil & Gas sectors.

Industry Overview

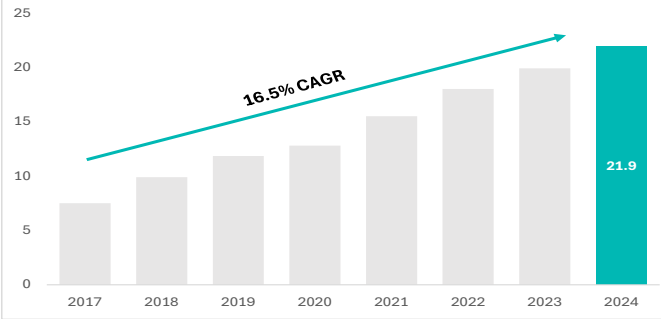
Total Addressable Market

The global Additive Manufacturing market grew 9.1% to $21.9b USD in 2024 and is expected to reach $115b by 2034 at a CAGR of 18%, with a bull case of $145b and bear case of $84b[2].

Categorised by process, 67.1% of the market relates to polymer solutions, 29.7% to metal and 3.2% is categorised as "other 3D printers."

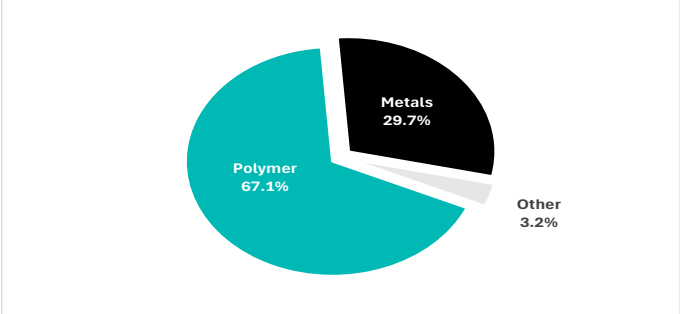
AL3, as a producer of metal parts, operates in approximately 30% of the global market, which is valued at $6.5b based on the 2024 estimate. Within this market, AL3 targets the key sectors of Defence, Oil & gas, Marine, Energy and Aerospace.

Figure 12 – Global AM market size ($b) USD 2017 – 2024



SOURCE: WOHLERS ASSOCIATES

Figure 13 – Global AM market by process, 2024



SOURCE: WOHLERS ASSOCIATES

Key market: US Defence Industrial Base

The US defence industrial base faces major capacity issues and currently lacks the ability to meet its own production targets. In response, the US Navy has identified additive manufacturing as pivotal technology to revolutionise its industrial base, boosting capacity by cutting down manufacturing timelines of key parts.

According to *Additive Manufacturing Research,* the US Department of Defense invested $800m USD in Additive Manufacturing during 2024, a YoY increase of 166% (2023 $300m USD). Direct DoD spending on Additive Manufacturing is forecast to exceed $2.6b by 2030[3]

See **Page 12** for further details regarding the adoption of AM in the US.

Figure 14 – US defence market opportunities

		Expanded AM remit of Marine Industrial Base				
		Submarines	Shipbuilding	Ground	Guided Weapons	Aviation
Dept. of Navy	US Navy	• Attack subs • Strategic Subs • Undersea Drones	• Aircraft Carriers • Frigates • Destroyers • Amphibious	• Shipboard Repair	• Tomahawk • Standard Missile 2, 6 • Air Launched Missiles • Hypersonics	• Fighters
	US Marines		• Watercraft	• Vehicles • Artillery	• Naval strike missile • Tomahawk	• Funded by Navy
Dept. of Army	US Army		• Logistics ships • Amphibious • Watercraft	• Tanks • Vehicles • Artillery	• Tomahawk • PrSM • Hypersonics	• Helicopters • Drones
Dept. of Air Force	US Air Force				• Air Launched Missiles • Hypersonics	• Fighters • Large Aircraft • Helicopters • Drones

SOURCE: COMPANY DATA

[2] (Wohlers Associates)

[3] (Additive Manufacturing Research, 2024)

Alternative 3D printing technologies

The term '3D printing' broadly refers to technology that uses layer-by-layer addition of material to transform digital models into tangible objects.

However, there are various underlying versions of the technology, with AML3D's Wire Additive Manufacturing categorised as a Directed Energy Deposition process.

See **Figure 15** below for an overview of the different 3D printing technologies.

Figure 15 – Overview of 3D printing technologies

	Process	Advantages	Disadvantages
Directed Energy Deposition	Uses a focused energy source to melt and deposit material layer-by-layer, creating 3D parts.	Speed, cost-effective for large parts, robust and versatile.	High cost, low build resolution.
Vat Polymerization	Creates 3D parts by selectively curing liquid resin through targeted light-activated polymerization.	Speed, high sensitivity, smooth surface.	Relatively expensive, limited materials.
Material Jetting	Uses inkjet-like printheads to deposit droplets of liquid material onto a build platform, layer by layer, forming a 3D object.	High accuracy.	Limited materials, support material required.
Powder Bed Fusion	Uses a heat source, like a laser or electron beam, to selectively fuse powder material layer-by-layer, building a solid object.	High accuracy, complex geometries.	High cost, hazardous power material.
Binder Jetting	Uses a liquid binder to selectively bind powdered materials together, creating a layer-by-layer build of a 3D object.	Speed, uses a range of materials.	Not always suitable for structural parts.
Sheet Lamination	Thin sheets of material, like metal, paper, or plastic, are bonded together to create a 3D object. The lamination method can be bonding, ultrasonic welding or brazing	Speed, low cost.	Limited materials.
Cold Spray (CSAM)	Uses high-velocity gas to accelerate metal powder particles onto a substrate, where they bond without melting.	High speed, reduced thermal stress (no melting) and optimal for repairs.	Limited resolution, limited materials, less accurate.

SOURCE: LOUGHBOROUGH UNIVERSITY, BELL POTTER SECURITIES

Competitive landscape

AL3 is not the sole market participant offering WAM technology solutions and the company is also in competition with other methods of 3D printing.

See **Figure 16** below for an overview of some of AL3's competitors.

Figure 16 - Competitive landscape

Company Name	AML3D	Lincoln Electric	Gefertec	Titomic	SPEE3D
Country of Origin					
Technology	WAM	WAM	WAM	Cold spray	Cold spray
Business model					
Seller of systems	✓	–	✓	–	✓
Contract manufacturer	–	✓	–	✓	–

SOURCE: BELL POTTER SECURITIES

The key take-outs are:

- **Lincoln Electric Additive Solutions:** Primary competitor of AL3, particularly in the North American Market. LE has a proprietary software and hardware solution utilising WAM technology. However, the company operates as a contract manufacturer, producing parts for clients, and does not sell its systems.
- **Gefertec:** A German based company, Gefertec does not appear to have a major presence in the US and, whilst it does sell its systems, they are better suited to smaller builds due to its enclosed structure.
- **Cold spray:** Titomic and SPEE3D are two Australian examples of alternative 3D printing technologies. Whilst we view cold spray technology as a viable alternative in AM, we do not view Titomic and SPEE3D as direct competitors based on AL3's target market.

Markt Trends, Outlook and Drivers

A changing world drives increased military spend globally

The war in Ukraine, conflict in the Middle East and tensions in the Pacific were all driving factors in 2024 recording the steepest YoY increase in global military spending since the Cold War.

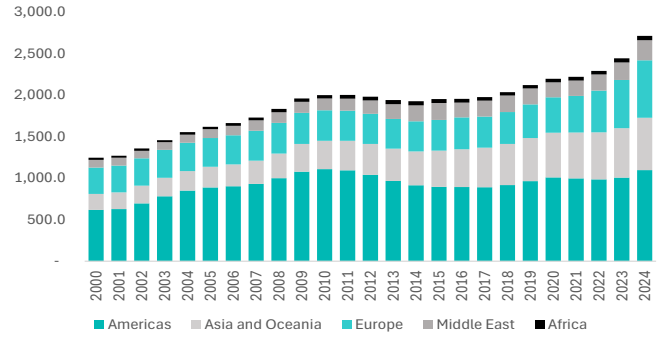
Global military expenditure totalled $2,718b USD in 2024, an increase of 9.4%. Military expenditure increased in all global regions, with Europe and the Middle East experiencing the most significant growth. All NATO members increased expenditure in 2024, with 18 of the 32 members now spending at least 2% of GDP on defence, up from 11 in 2023[4].

This trend is expected to continue, with the Trump Administration's new "America First" foreign policy position forcing allies, including Europe and Australia, to take greater responsibility for their own defence. Nations around the globe have responded quickly, with several major commitments to increased military spend, including:

- **European rearmament:** The EU has announced a plan to "rearm Europe" worth €800b, including a €150bn loan scheme and changes to fiscal rules that could unlock €650bn in spending.
- **Germany:** The German parliament recently approved a major boost to defence spending, exempting defence expenditure from the nation's strict debt policies and establishing a €500b defence infrastructure fund. Germany spent 1.9% of GDP on defence in 2024, which could reach as high as 3% by 2027 and 3.5% in following years.
- **United Kingdom:** The UK has committed to a sustained increase in defence spending to reach 2.5% of GDP by 2027 (2.36% 2026), with an ambition to reach 3%.
- **Australia:** Under the current budget, the Albanese government will invest an additional $50.3 billion into the Australian Defence Force (ADF), which will now see an additional $10.6 billion invested over the forward estimates. Australia spent 1.9% of GDP on defence in 2024.

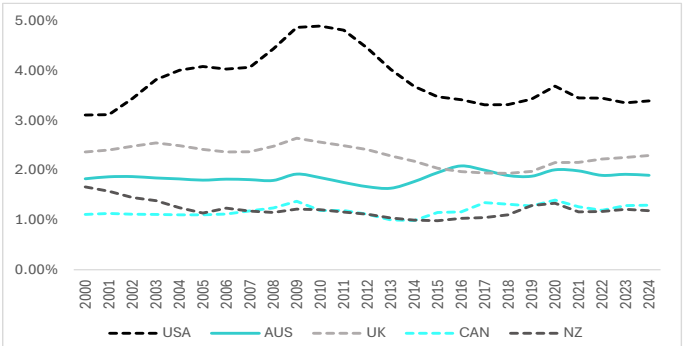
The **United States** military expenditure totalled $997b in 2024, growing 5.7% YoY and representing 3.4% of GDP. Despite initial fears of cuts to the defence budget, US spending is expected to increase further with President Trump recently announcing plans for the US defence budget to exceed $1 trillion USD.

Figure 17 - Global military expenditure ($b USD) 2000-2024



SOURCE: STOCKHOLM INTERNATIONAL PEACE RESEARCH INSTITUTE

Figure 18 - Military expenditure as a % of GDP, 2000-2024



SOURCE: STOCKHOLM INTERNATIONAL PEACE RESEARCH INSTITUTE

[4] (Stockholm International Peace Research Institute, 2024)

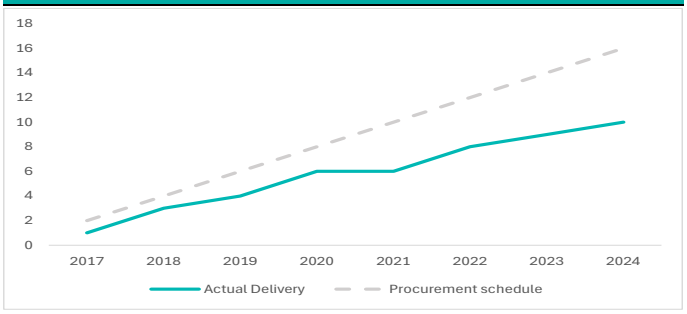
Rapid adoption of additive manufacturing in US defence industrial base

The US defence industrial base faces major capacity issues and currently lacks the ability to meet its own production targets, which has undermined its warfighting capability and weakened its own deterrence stance in a time of increasing geopolitical risks.

Specifically, Shipbuilding is a key area of concern for the US, where the current Chinese is capacity is more than 230x greater than the US and the Chinese naval fleet outnumbers the US 400 to 295.

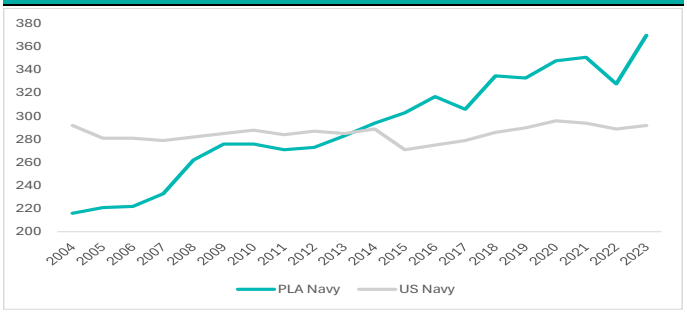
The US has identified additive manufacturing as pivotal technology to revolutionise its industrial base, boosting capacity by cutting down manufacturing timelines of key parts. This is especially important in US naval shipbuilding, where the Navy is aiming to produce 2.0 nuclear-powered submarines per year by 2028 and subsequently increase this to 2.33 per year in order to meet current procurement targets and fulfil AUKUS obligations. However, since 2022 the actual production has been limited to 1.2 – 1.4 per year due to capacity and supply chain issues.

Figure 19 - Actual and planned delivery of Virgina-class subs



SOURCE: CONGRESSIONAL RESEARCH SERVICE

Figure 20 – Size of naval fleet 2004 - 2023



SOURCE: CONGRESSIONAL RESEARCH SERVICE

In response, the US has specifically listed **Wire Additive Manufacturing technology (WAM)**, the basis of AML3D's ARCEMY systems, in the National Defense Authorization Act (NDAA) for 2025 as one of the advanced manufacturing methods to be incorporated into the defence industrial base in an effort to increases its capacity.

Further, the US Department of Defense (DoD) awarded BlueForge Alliance, a US Navy Submarine Industrial Base (SIB) procurement partner, a $951m USD contract to boost the capacity of the SIB, including scaling additive manufacturing capacity and capabilities.

AL3 has already capitalised on government support for additive manufacturing, signing a Manufacturing License Agreement with BFA and selling two ARCEMY systems to the US Navy's Daneville Centre of Excellence for Additive Manufacturing run by Austal USA.

Following the early success in introducing additive manufacturing to the SIB, the US Navy has decided to expand the strategy to include all shipbuilding and missile production in the broader industrial base, tripling the near-term market opportunity for AL3.

Figure 21 - US defence market opportunities

		Expanded AM remit of Marine Industrial Base				
		Submarines	Shipbuilding	Ground	Guided Weapons	Aviation
Dept. of Navy	US Navy	• Attack subs • Strategic Subs • Undersea Drones	• Aircraft Carriers • Frigates • Destroyers • Amphibious	• Shipboard Repair	• Tomahawk • Standard Missile 2, 6 • Air Launched Missiles • Hypersonics	• Fighters
	US Marines		• Watercraft	• Vehicles • Artillery	• Naval strike missile • Tomahawk	• Funded by Navy
Dept. of Army	US Army		• Logistics ships • Amphibious • Watercraft	• Tanks • Vehicles • Artillery	• Tomahawk • PrSM • Hypersonics	• Helicopters • Drones
Dept. of Air Force	US Air Force				• Air Launched Missiles • Hypersonics	• Fighters • Large Aircraft • Helicopters • Drones

SOURCE: COMPANY DATA

Financials

Sales Analysis

Contract history

Since 2023, AL3 has received ~$18m worth of contracts and estimates a current sales pipeline of $40m+ across the US, UK and Australia. AL3 has successfully proven its technology in the US defence market, establishing strong relationships with both the US DoD and BFA. Highlights include:

- Completion of manufacturing and alloy test contracts, including the supply of US Navy Virginia Class submarine tail piece components.
- Delivery of two ARCEMY systems to the US Navy's Daneville Centre of Excellence for Additive Manufacturing run by Austal USA.

The company has also made early gains in targeted non-defence markets, including an ARCEMY X order from the Tennessee Valley Authority (US public utility) and delivery of non-defence test components for both Boeing and Chevron.

Figure 22 - Overview of strategically significant contracts 2023 - present

Customer	Date	Product	Value ($Am)
ARCEMY Sales			
Tennessee Valley Auhtority	Nov-24	6700 Edition ARCEMY® system	2.3
Phillips Corp (On Behalf of Austal USA)	Nov-23	6700 Edition ARCEMY® system	2.2
US Department of Defense	Feb-23	ARCEMY® X – Additional 6700'	1.0
Manufacturing/Prototyping contracts			
BAE Systems	Apr-25	Alloy testing contract	0.8
Blue Forge Alliance	Sept-24	Manufacturing License Agreement	n/a
Boeing Defense and Space	Jul-24	Manufacturing License Agreement	n/a
US Department of Defense	May-24	Alloy testing contract	1.5
US Department of Defense	Aug-23	Submarine parts	2.0

SOURCE: COMPANY DATA

Current capacity

We estimate AL3 currently has a manufacturing capacity of 24 ARCEMY systems per year, which at full capacity can generate sales revenue of $24m -$72m.

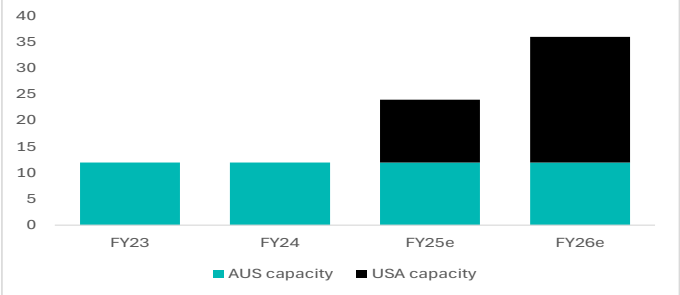
We expect this to increase to 36 systems per year ($36m - $108m sales revenue) once the expansion of the US operations is completed in FY26.

Major sales opportunity: US Submarine Industrial Base (SIB)

BFA, with $951m USD of funding, is expected to invest heavily in accelerating adoption of advanced additive manufacturing technology, including AML3D's ARCEMY systems, within the US Navy's SIB.

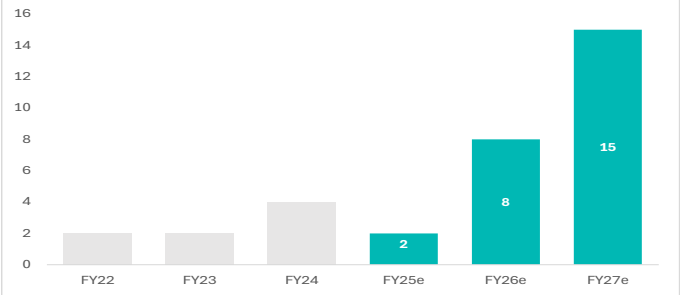
We anticipate AL3 to be a significant contributor in the roll out of AM by BFA and we identify this as the key near-term sales opportunity for the company that could be worth $20m - $100m over the next 3 years.

Figure 23 – Total manufacturing capacity by units



SOURCE: BELL POTTER SECURITIES ESTIMATES

Figure 24 – Actual and forecast system sales FY22 – FY27e



SOURCE: BELL POTTER SECURITIES ESTIMATES

Forecast Profit & Loss

Our forecast Profit & Loss for the next 3 years (FY25-FY27) is shown below.

Figure 25 - Forecast Profit & Loss

Income Statement (A$m)	Jun-23	Jun-24	Dec-24	Jun-25	Jun-26	Jun-27
Year end 30 June	FY23	FY24	1H25	FY25e	FY26e	FY27e
Revenue	**0.6**	**7.3**	**4.6**	**8.1**	**18.5**	**32.7**
growth %		*1054.6%*		*10.3%*	*128.8%*	*76.7%*
Cost of sales	(0.3)	(2.7)	(1.3)	(2.4)	(5.2)	(8.8)
Gross Profit	**0.3**	**4.6**	**3.4**	**5.7**	**13.3**	**23.8**
Gross margin %	*48.0%*	*62.6%*	*72.9%*	*70.0%*	*72.0%*	*73.0%*
Operating expenses (excl. D&A, int.)	**(4.8)**	**(7.5)**	**(5.9)**	**(10.9)**	**(14.8)**	**(19.6)**
EBITDA	**(4.8)**	**(3.3)**	**(2.8)**	**(5.3)**	**(1.5)**	**4.2**
EBITDA margin %	*-755.5%*	*-45.2%*	*-61.1%*	*-65.0%*	*-8.0%*	*13.0%*
Total D&A	(0.7)	(0.8)	(0.4)	(0.8)	(1.0)	(1.1)
EBIT	**(5.5)**	**(4.1)**	**(3.3)**	**(6.0)**	**(2.4)**	**3.2**
Interest Expense	0.0	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Profit Before Tax	**(5.4)**	**(4.2)**	**(3.3)**	**(6.1)**	**(2.5)**	**3.1**
Income Tax Expense	-	-	-	-	-	(0.8)
Reported NPAT	**(5.4)**	**(4.2)**	**(3.3)**	**(6.1)**	**(2.5)**	**2.3**
Diluted EPS (cps)	(2.5)	(1.6)	(0.8)	(1.5)	(0.6)	0.6

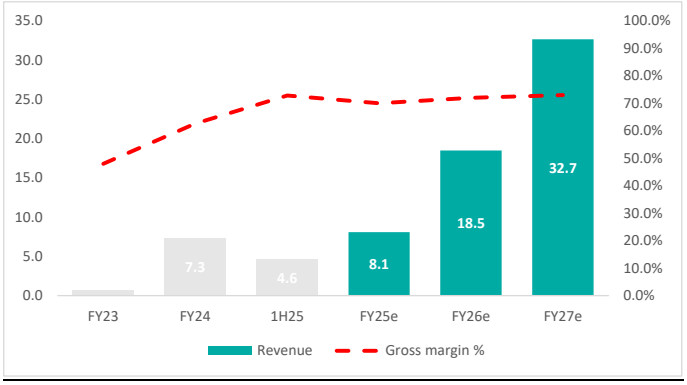
SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

The key points are:

- **Sales approaching inflection point:** We expect AL3 to record FY25 revenue of $8.1m (+10.3% YoY) before jumping to $18.5m in FY26 (+128.8% YoY), largely driven by the accelerating growth in the US defence market. We believe there is likely upside to these forecasts considering the US DoD invested $800m USD in AM in 2024 and BFA was recently awarded a $951m USD contract to boost the capacity of the SIB, including scaling additive manufacturing capacity and capabilities.
- **Gross profit:** AL3 delivered a gross margin of 72% in 1H25 and the company expects to at least maintain a gross margin of >70%. Further, we expect additional margin expansion in later periods as the high margin recurring revenue increases as a proportion of the total revenue.
- **Operating expenses:** We anticipate a material jump in operating expenses in FY25 following the opening of the US manufacturing facility in late 2024. We forecast further increases in the cost base as AL3 doubles its US manufacturing capacity and establishes a facility in Europe.
- **EBITDA positive in FY27**: We forecast AL3 to make a -$5.3m loss at the EBITDA line in FY25 and expect the company to be EBITDA positive in FY27 based on top-line growth.
- **Marginal increases in D&A**: AL3 manufacturing facilities are relatively capital light, with costs largely incurred through occupancy and employee expenses, as well as increased working capital. As such, we forecast only marginal increases in D&A expenses.
- **Interest expenses/benefit non-material:** AL3 has no core bank debt and intends to invest its $32.1m cash balance directly into organic growth initiatives, thus we do not expect material movements at the interest line in the near-term.

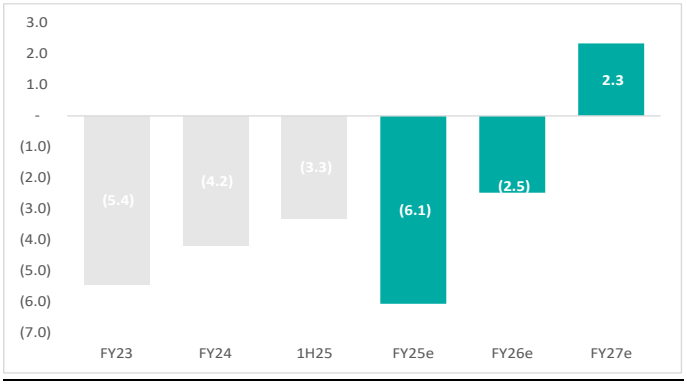
- **NPAT:** We forecast AL3 to make a -$6.1m loss in FY25 and do not, at this stage, expect the company to be profitable until FY27. However, there is likely upside to our forecasts based on the size of the opportunity in the US and greater top-line growth than we forecast may bring this timeline forward.

Figure 26 -AL3 revenue w/ gross margin FY23 – FY27e



SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

Figure 27 – AL3 net profit FY23 – FY27e



SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

Cash Flow

The key figures from the Cash Flow statement over the next 3 years are shown below.

Figure 28 - Key figures and ratios from Cash Flow forecasts

Cash Flow Statement (A$m)	Jun-23	Jun-24	Dec-24	Jun-25	Jun-26	Jun-27
Year end 30 June	FY23	FY24	1H25	FY25e	FY26e	FY27e
Gross Cash Flow	(4.2)	(1.7)	(2.6)	(4.5)	(4.1)	(6.0)
Operating Cash Flow	**(3.6)**	**(1.8)**	**(2.5)**	**(4.5)**	**(4.2)**	**(6.8)**
Capex	(0.1)	(0.9)	(1.0)	(2.1)	(2.6)	(1.6)
Free Cash Flow	**(3.7)**	**(2.6)**	**(3.5)**	**(6.6)**	**(6.8)**	**(8.5)**
Net proceed from equity issue	5.7	6.4	28.0	28.0	-	-
Dividends paid	-	-	-	-	-	-
Net Change in Cash	**1.6**	**-**	**24.3**	**21.2**	**(6.8)**	**(8.5)**

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

- **Well-funded following recent capital raise:** AL3 is well funded following the completion of a $30m ($28.0m net proceeds) equity raising in December 2024. The purpose of the raise was primarily to double the manufacturing capacity in the US and open a European facility in response to accelerating customer demand.
- **Sales include 50% upfront:** AL3's contracts are structured so 50% of the value is received from the customer upfront, which covers the materials and build costs. This structure benefits the company's cash flow and reduces counter-party risk.
- **Free cash outflow:** We are forecasting increasing free cash outflows in FY25 and FY26 due to the increased investment in US and European manufacturing capacity. AL3 manufacturing facilities are quite capital light, with the majority of investment flowing through increased operating expenses and working capital rather than major increases in capex.
- **No dividends forecast:** AL3 is a high-growth company whose priority is to re-invest in organic growth initiatives, as such, we do not expect any dividend payments throughout the forecast period.

Balance Sheet

The key figures from the Balance Sheet over the next 3 years are shown below.

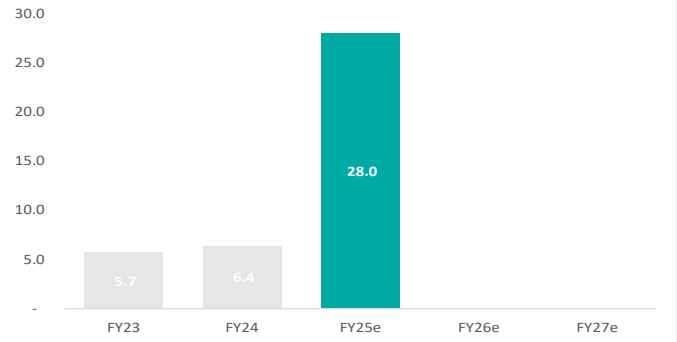
Figure 29 - Key figures and ratios from Balance Sheet forecasts

Balance Sheet (A$m)	Jun-23	Jun-24	Dec-24	Jun-25	Jun-26	Jun-27
Year end 30 June	FY23	FY24	1H25	FY25e	FY26e	FY27e
Cash	**4.5**	**7.8**	**32.1**	**29.0**	**22.3**	**13.8**
Total Debt	0.2	0.2	0.1	0.1	0.1	0.1
Net debt/(cash)	**(4.4)**	**(7.6)**	**(32.1)**	**(29.0)**	**(22.2)**	**(13.7)**
Inventories	1.0	1.7	1.6	1.9	3.7	8.2
PPE	2.2	2.5	2.9	3.8	5.5	6.0
Intangibles	0.0	0.1	0.1	0.1	0.1	0.1
Net Assets	**6.9**	**10.0**	**36.4**	**32.0**	**29.5**	**31.8**

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

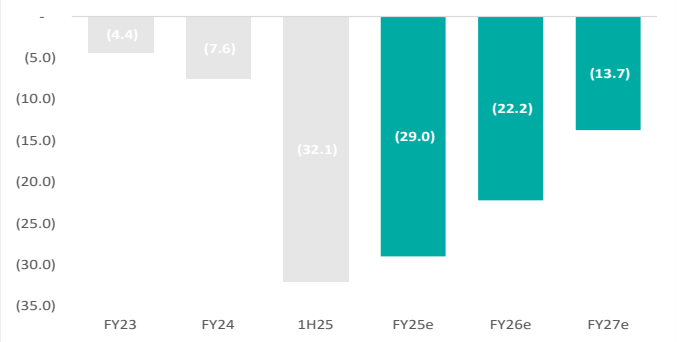
- **Cash $32.1m:** Strong cash position of $32.1m at 31-Dec-24 following the $30m capital raise completed in early December 2024. We do not assume any further capital raisings in our forecasts.
- **No core bank debt:** AL3 has no core bank debt, with the $0.1m of borrowings at 31-Dec-24 relating to insurance premium funding.
- **Inventories:** We expect inventory levels to materially increase from FY25 onwards, as AL3 boosts capacity in the US and opens a new European facility. The increased production levels will require the company to hold higher levels of long-lead time materials (ABB robots) and WIP/finished systems.
- **PPE:** We anticipate PPE to increase less rapidly during the same period as AL3 manufacturing facilities are quite capital light, with the majority of investment flowing through increased operating expenses and working capital.

Figure 30 – Net proceeds from equity issue FY23 – FY27e



SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

Figure 31 – AL3 net debt / (cash) position FY23 – FY27e



SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

Valuation

Our $0.30 valuation is calculated using a blend of two valuation methods: EV/Revenue and DCF.

Peer Analysis

See below for a financial overview of AL3's peers.

Figure 32 - AL3 peer analysis

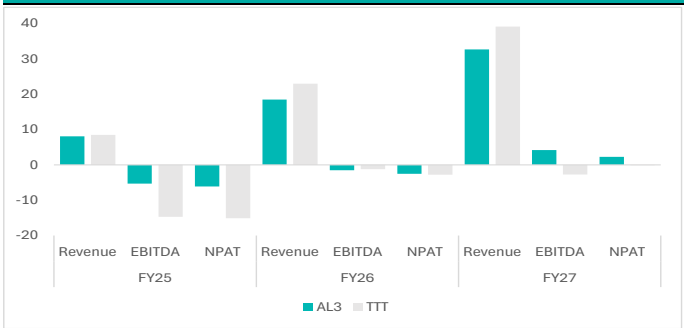
Company name	Code	Currency	Last	Market Cap ($b)	EV ($b)	Revenue ($m) Current FY	Revenue ($m) 1-Yr	EBITDA ($m) Current FY	EBITDA ($m) 1-Yr	EV/Revenue 1-Yr
Titomic Ltd	TTT	AUD	$ 0.31	0.40	0.38	8.5	23.0	(14.7)	(1.2)	16.4
Amaero Ltd	3DA	AUD	$ 0.27	0.18	0.16	12.9	62.1	(19.0)	(1.4)	2.7
Proto Labs Inc	PRLB	USD	$ 41.01	0.97	0.86	511.6	535.0	70.9	77.5	1.6
Stratasys Ltd	SSYS	USD	$ 11.06	0.79	0.67	572.2	605.4	44.9	59.2	1.1
3D Systems Corp	DDD	USD	$ 1.70	0.23	0.37	404.0	418.3	(53.5)	(9.4)	0.9
Codan Ltd	CDA	AUD	$ 17.05	3.09	3.27	639.1	722.9	176.6	207.1	4.5
DroneShield Ltd	DRO	AUD	$ 1.25	1.09	0.88	133.0	160.0	30.2	48.7	5.6
Electro Optic Systems Holdings Ltd	EOS	AUD	$ 1.52	0.29	0.30	157.0	211.6	(18.7)	7.9	1.4
All Peers Median				**0.6**	**0.5**	**280.5**	**314.9**	**7.7**	**28.3**	**2.1**
ASX Peers median				**0.40**	**0.38**	**133.0**	**160.0**	**-14.7**	**7.9**	**4.5**
AML3D (Bpe)	**AL3**	**AUD**	**$ 0.16**	**0.08**	**0.05**	**8.1**	**18.5**	**(5.3)**	**(1.5)**	**2.9**

SOURCE: BLOOMBERG

The key points are:

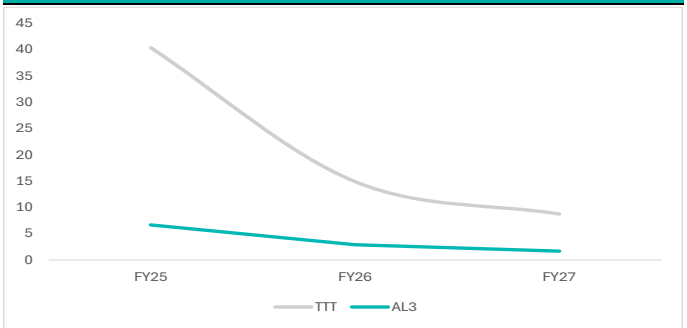
- **Composition of peer group:** We have constructed a peer group of both domestic and international companies that either have direct exposure to 1) additive manufacturing or 2) the defence sector. We view Titomic (TTT) as the closest peer to AL3 and whilst Amaero Ltd (3DA) does not provide 3D printing services, it does produce advanced materials utilised in 3D printing and is listed on the ASX. PRLB, SSYS and DDD are more established providers of 3D printing services and are listed in the US. Finally, CDA, DRO and EOS are ASX listed defence tech companies that provide helpful valuation insights for companies at different stages of maturity.
- **Major valuation discrepancy vs TTT:** There is a clear discrepancy between the valuations of AL3 and TTT considering both companies are early-stage, high growth companies offering 3D printing systems and services, albeit with alternative methods. However, we believe the valuation gap, FY26e EV/revenue TTT 16.4x vs AL3 2.9x, is not justified especially upon comparison of consensus forecasts, see **Figure 33.**
- **Established ASX defence stocks provide valuation reference:** Whilst not directly exposed to AM, CDA and DRO provide reference for defence tech companies once they mature and produce more consistent earnings.

Figure 33 – TTT (consensus) vs AL3 (BPe) forecast earnings



SOURCE: BLOOMBERG AND BELL POTTER SECURITIES ESTIMATES

Figure 34 – TTT vs AL3 EV/Revenue multiple FY25 – FY27



SOURCE: BLOOMBERG AND BELL POTTER SECURITIES ESTIMATES

Relative valuation: EV/Revenue

We have utilised FY26 as the base of our valuation and upon analysis of AL3's peers, we believe a 6.0x multiple is appropriate, see **Figure 35** below.

Figure 35 - EV/Revenue valuation

EV/ Revenue Target Multiple		
FY26e Revenue		18.5
EV/ EBITDA Target Multiple		6.0x
Implied Enterprise Value		**110.9**
Net Debt /(cash) FY24		-29.0
Implied Equity Value		**139.9**
Diluted shares on issue		537.6
Valuation per Share	**$**	**0.26**

SOURCE: BELL POTTER SECURITIES ESTIMATES

Discounted Cash Flow (DCF) valuation

See **Figure 36** below for an overview of our DCF valuation.

Figure 36 - DCF valuation

DCF methodology		FY26e	FY27e	FY28e	FY29e	FY30e	FY31e
Operating Cash Flow (A$m)		(4.2)	(6.8)	4.9	13.8	18.3	
Capex		(2.6)	(1.6)	(1.8)	(1.7)	(1.7)	
Free Cash Flow		**(6.8)**	**(8.5)**	**3.1**	**12.2**	**16.5**	**253.8**
Discount Rate		0.1	1.1	2.1	3.1	4.2	5.1
PV of cash flows		(6.7)	(7.6)	2.5	8.9	10.8	150.4
Sum of present values	**0.6**						
Market value of investments	0.0						
Net debt/(cash)	-29.0						
Equity value	**187.2**						
Equity Value per share ($)	$ 0.35						

Key DCF Inputs	
Cost of debt	5.3%
Market risk premium	5.0%
Beta	1.45
Cost of equity	11.8%
WACC	**10.8%**
Terminal growth Rate	4.0%

SOURCE: BELL POTTER SECURITIES ESTIMATES

Key assumptions used in our DCF valuation include a post-tax WACC of 10.8%, which is derived from a risk-free rate of 4.5%, market risk premium of 5.0% and unlevered asset beta of 1.45, and a Terminal growth rate of 4.0%.

Valuation $0.30

We use a blend of two valuation methodologies, EV/Revenue and DCF, to determine a valuation of $0.30. We have opted to apply an equal weighting to each methodology, with the DCF capturing the long-term value in the stock but the relative valuation accounting for near-term performance.

See **Figure 37** below for a breakdown of the blended valuation.

Figure 37 – Blended valuation of AL3

Methodology	Weighting		Value
DCF Valuation	50%	$	0.35
EV/ revenue	50%	$	0.26
Blended Valuation		**$**	**0.30**

SOURCE: BELL POTTER SECURITIES ESTIMATES

Board of Directors & Key Management

Board of Directors

AL3 Board of Directors is detailed below.

Figure 38 – AL3 Board of Directors

Noel Cornish	*Independent Non-Executive Chairman*	**Andrew Michael Sales**	*CTO & Director*
Sean Ebert	*MD, Interim CEO & Executive Director*	**Peter Siebels**	*Independent Non-Executive Director*

SOURCE: BELL POTTER SECURITIES ESTIMATES

Mr Noel Cornish (Chairman)

Noel Cornish joined the Board of AML3D as a Non-executive Director and Chairman in October 2022.

His former roles include Chief Executive of BlueScope Limited's Australian and New Zealand steel manufacturing businesses, Deputy Chancellor University of Wollongong, President Northstar BHP LLC in Ohio USA, Chairman of Snowy Hydro Limited and IMB Bank, as well as past National President Ai Group. Noel is currently Chairman of the Hunter Valley Coal Chain and a member of the University of Newcastle Council

Sean Elbert (Managing Director and CEO)

Sean has over 25 years of executive experience in both public and private sectors across high growth companies within the engineering, technology and consumer goods sectors in Australia, US, China and Europe.

Sean is currently a Non-Executive Director of FCT International, as well as Non-Executive Director on a range of other privately owned Australian growth companies. Sean was previously the Chief Executive Officer (CEO) of Beston Asset Management, Global Director M&A of Worley, CEO of Camms Pty Ltd and CEO of Profit Impact Pty Ltd. Sean is a former director of Mighty Craft (ASX: MCL, resigned 20 July 2024). Sean brings listed company and international experience to AML3D, is a Member of the Institute of Company Directors and holds a Bachelor Degree in Engineering with honours.

Key Management

Key Management of AL3 are detailed below.

Figure 39 - AL3 Key Management

Sean Ebert	*MD, Interim CEO & Executive Director*	**Peter Goumas**	*President of US Operations*
Hamish McEwin	*Chief Financial Officer*	**Stuart Banks**	*Senior Global VP of Business Development & Sales*
Andrew Michael Sales	*CTO & Director*	**Kaitlin Smith**	*Company Secretary*

SOURCE: COMPANY DATA

Mr Andrew Sales (CTO and Director)

Andrew founded AML Technologies, now known as AML3D, in 2014 and was appointed CTO in 2022. Andrew is a Chartered Engineer with a Master of Engineering and Master of Science and is a renowned expert in welding technology with over 28 years of global experience (Australia, Europe, South America, Africa and Asia).

Andrew has held varying roles across upper management and senior leadership within the oil and gas, resources and mining sectors as well as advanced manufacturing, heavy engineering and fabrication. In addition to Science and Engineering qualifications at Masters level, he also holds a Diploma in Quality Management and Auditing. He is a Chartered Engineer through ECUK and TWI (UK), a professional member of Materials Australia holding a CMatP, and also sits on two Standards Australia committees including the newly established committee for Additive Manufacturing.

Shareholder Register

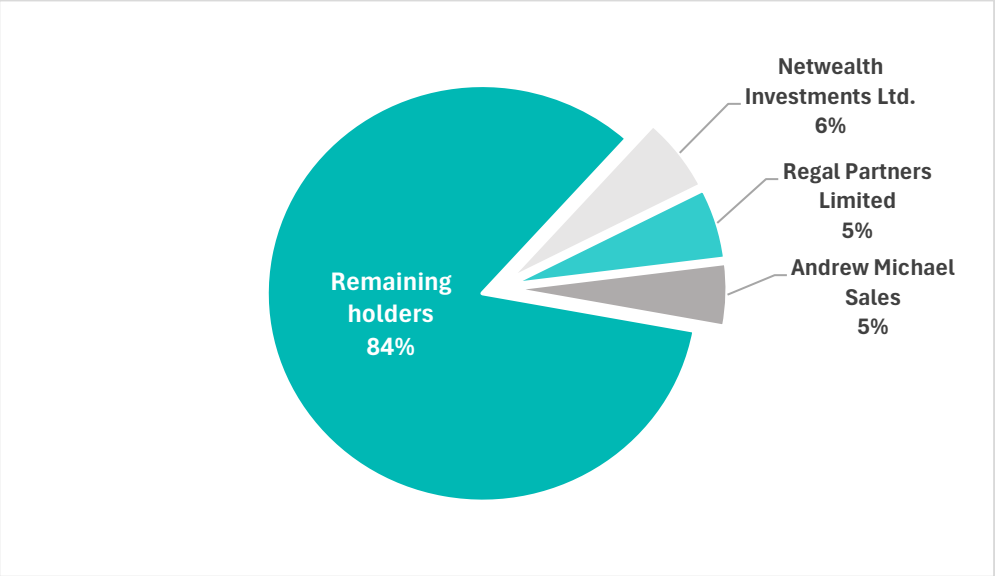
The AL3 top shareholders are detailed below.

Figure 40 - Top Shareholders AL3

Name	No. of Shares held	% of total shares on issue
Netwealth Investments Ltd.	31,320,986	5.8
Regal Partners Limited	29,638,913	5.5
Andrew Michael Sales	26,207,707	4.9
Gavin Martin	9,358,016	1.7
Hunt Prosperity Pty Ltd	8,000,000	1.5
MSC Trustees	7,000,000	1.3
Global Asset Solutions\C	6,987,420	1.3
S3 Consortium Pty Ltd, Asset Management Arm	4,777,530	0.9
Instant Expert Pty Limited	3,703,702	0.7
Kav Building Services Pty Ltd	3,337,901	0.6
Top 10 Total	130,332,175	24.2
Total shares on issue	537,607,269	100

SOURCE: IRESS

Figure 41 - AL3 shareholder register composition



SOURCE: IRESS

AML3D
as at 20 May 2025

Recommendation	Buy, Speculative
Price	$0.155
Valuation:	$0.30

Table 1 - Financial summary

Profit & Loss (A$m)	FY23	FY24	FY25e	FY26e	FY27e
Year Ending 30 June					
Revenue	**0.6**	**7.3**	**8.1**	**18.5**	**32.7**
Change %	*-68.5%*	*1054.6%*	*10.3%*	*128.8%*	*76.7%*
Cost of sales	(0.3)	(2.7)	(2.4)	(5.2)	(8.8)
Gross Profit	**0.3**	**4.6**	**5.7**	**13.3**	**23.8**
Gross margin %	*48.0%*	*62.6%*	*70.0%*	*72.0%*	*73.0%*
Expenses (excl. D&A, int.)	**(4.8)**	**(7.5)**	**(10.9)**	**(14.8)**	**(19.6)**
EBITDA	**(4.8)**	**(3.3)**	**(5.3)**	**(1.5)**	**4.2**
Depreciation and amortisation	(0.7)	(0.8)	(0.8)	(1.0)	(1.1)
EBIT	**(5.5)**	**(4.1)**	**(6.0)**	**(2.4)**	**3.2**
Net interest benefit/(expense)	0.0	(0.0)	(0.0)	(0.0)	(0.0)
Pre-tax profit	**(5.4)**	**(4.2)**	**(6.1)**	**(2.5)**	**3.1**
Income tax benefit/(expense)	-	-	-	-	(0.8)
Underlying NPAT	**(5.4)**	**(4.2)**	**(6.1)**	**(2.5)**	**2.3**
Abnormals (impairment reversal, etc.)	-	-	-	-	-
Reported NPAT	**(5.4)**	**(4.2)**	**(6.1)**	**(2.5)**	**2.3**

Cashflow (A$m)	FY23	FY24	FY25e	FY26e	FY27e
EBITDA	(4.8)	(3.3)	(5.3)	(1.5)	4.2
(-) Change in working capital	(0.6)	(1.6)	(0.8)	2.7	10.3
Gross cash flow	**(4.2)**	**(1.7)**	**(4.5)**	**(4.1)**	**(6.0)**
Income tax refunded/(paid)	-	-	-	-	(0.8)
Operating cash flow	**(3.6)**	**(1.8)**	**(4.5)**	**(4.2)**	**(6.8)**
Payments for PPE	(0.1)	(0.9)	(2.1)	(2.6)	(1.6)
Other	-	-	-	-	-
Investing cash flow	**0.0**	**(0.9)**	**(2.1)**	**(2.6)**	**(1.6)**
Net Proceeds from issue of shares	5.7	6.4	28.0	-	-
Net proceeds of borrowings	-	-	-	-	-
Repayment of borrowings	(0.2)	(0.2)	(0.2)	0.0	0.0
Dividends	-	-	-	-	-
Other	-	-	-	-	-
Financing cash flow	**5.2**	**5.9**	**27.9**	**-**	**-**
Net change in cash	**1.6**	**3.3**	**21.2**	**(6.8)**	**(8.5)**
Cash at start of period	2.9	4.5	7.8	29.0	22.3
Exchange rate impact	-	-	-	-	-
Cash at end of period	**4.5**	**7.8**	**29.0**	**22.3**	**13.8**

Balance Sheet (A$m)	FY23	FY24	FY25e	FY26e	FY27e
Cash and cash equivalents	4.5	7.8	29.0	22.3	13.8
Trade and other receivables	0.6	2.8	2.0	3.7	9.8
Inventories	1.0	1.7	1.9	3.7	8.2
PPE	2.2	2.5	3.8	5.5	6.0
Intangibles	0.0	0.1	0.1	0.1	0.1
Right-of-use assets	0.2	1.8	1.8	1.8	1.8
Other	0.3	0.7	0.7	0.7	0.7
Total assets	**8.8**	**17.3**	**39.4**	**37.7**	**40.4**
Trade and other payables	0.5	1.3	1.5	2.3	2.6
Lease liabilities	0.2	2.0	2.0	2.0	2.0
Borrowings	0.2	0.2	0.1	0.1	0.1
Other	1.1	3.9	3.9	3.9	3.9
Total liabilities	**1.9**	**7.4**	**7.4**	**8.3**	**8.6**
Net Assets	**6.9**	**10.0**	**32.0**	**29.5**	**31.8**
Share capital	26.3	33.0	61.0	61.0	61.0
Other reserves	0.7	1.3	1.3	1.3	1.3
Accumulated losses	(20.1)	(24.3)	(30.4)	(32.8)	(30.5)
Total shareholders' equity	**6.9**	**10.0**	**32.0**	**29.5**	**31.8**

AML3D Limited				Year End 30 Jun
Share Price:	**$0.153**	**Valuation:**		**$0.30**
No. of issued shares (m):	**537.7**	**Market cap:**		**$82.0m**

Valuation Ratios	FY23	FY24	FY25e	FY26e	FY27e
Underlying Basic EPS (cps)	(2.7)	(1.7)	(1.3)	(0.5)	0.4
Underlying Diluted EPS (cps)	(2.5)	(1.6)	(1.3)	(0.4)	0.4
EPS growth (%)	*NM*	*NM*	*NM*	*NM*	*NM*
PE(x)	NM	NM	NM	NM	36.3
EV/Sales (x)	83.6	7.2	6.6	2.9	1.6
EV/EBITDA (x)	NM	NM	NM	NM	12.5
EV/EBIT (x)	NM	NM	NM	NM	16.8
FCF per share	(1.6)	(0.7)	(1.2)	(1.3)	(1.6)
FCF yield %	NM	NM	NM	NM	NM
NTA per share ($ps)	0.03	0.03	0.06	0.05	0.06
P/NTA (x)	5.2	5.8	2.6	2.8	2.6
Book value ($ps)	0.03	0.03	0.06	0.05	0.06
Price/Book (x)	5.2	5.8	2.6	2.8	2.6
DPS (cps)	0.0	0.0	0.0	0.0	0.0
Franking %	NM	NM	NM	NM	NM
Payout ratio %	0.0%	0.0%	0.0%	0.0%	0.0%
Dividend Yield %	0.0%	0.0%	0.0%	0.0%	0.0%

Performance Ratios	FY23	FY24	FY25e	FY26e	FY27e
EBITDA Margin (%)	NM	NM	NM	NM	13.0%
EBIT Margin (%)	NM	NM	NM	NM	9.6%
NPAT Margin (%)	NM	NM	NM	NM	7.1%
Net debt/(cash)	(4.4)	(7.6)	(29.0)	(22.2)	(13.7)
ROE (%)	NM	NM	NM	NM	7.3%

SOURCE: BELL POTTER SECURITIES ESTIMATES

Recommendation structure

Buy: Expect >15% total return on a 12 month view. For stocks regarded as 'Speculative' a return of >30% is expected.

Hold: Expect total return between -5% and 15% on a 12 month view

Sell: Expect <-5% total return on a 12 month view

Speculative Investments are either start-up enterprises with nil or only prospective operations or recently commenced operations with only forecast cash flows, or companies that have commenced operations or have been in operation for some time but have only forecast cash flows and/or a stressed balance sheet.

Such investments may carry an exceptionally high level of capital risk and volatility of returns.

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Disclosure: Bell Potter Securities acted as Joint Lead Manager of AL3's $30m capital raising in December 2024 and received fees for that service.

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