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Alpha HPA Ltd (A4N)

Q1 FY25 - Addressing EV battery safety

Recommendation
Buy (unchanged)
Price
\$1.02
Valuation
\$2.00 (unchanged)
Risk
Speculative

Sector
Materials

Expected Return

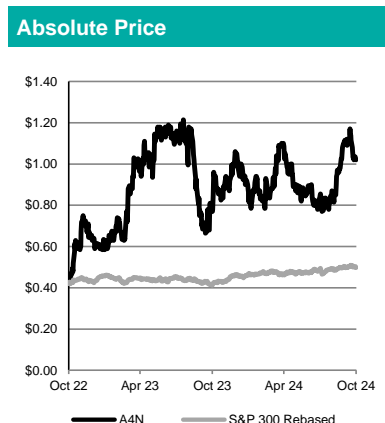
Capital growth	96%
Dividend yield	0%
Total expected return	96%

Company Data & Ratios

Enterprise value	\$976m
Market cap	\$1,157m
Issued capital	1,135m
Free float	80%
Avg. daily val. (52wk)	\$1.9m
12 month price range	\$0.745-\$1.18

Price Performance

	(1m)	(3m)	(12m)
Price (A\$)	1.08	0.78	0.79
Absolute (%)	-5.6	30.8	29.1
Rel market (%)	-5.3	26.6	9.1



SOURCE: IRESS

HPA First Project Stage 2 development kicks off

Civil earthworks at Stage 2 have commenced and A4N's construction team is in place. Long-lead critical path packages have been awarded covering key project components with around \$17.5m capex deployed for the fully funded circa \$550m capital project. During the quarter, A4N received \$15m as part of the previously announced Commonwealth Government Modern Manufacturing Initiative (MMI) grant and a further \$6.2m R&D tax incentive. At 30 September 2024, A4N had cash of \$185m and had yet to draw on its debt funding package (\$320m plus \$80m cost overrun facility).

Addressing lithium-ion battery safety; & DLE potential

A leading battery anode producer has submitted coated anode materials using A4N's UltraCoat process to major battery customers for qualification, expected by the end of 2024. UltraCoat testing has demonstrated a 100% reduction in thermal runaway (battery fires) under penetration tests and that lithium-ion cells can withstand +1,000°C thermal runaway conditions. The UltraCoat process has the potential to play a key role in the regulatory setting for EV battery safety. Separately, a Direct Lithium Extraction (DLE) sorbent manufacturer has demonstrated A4N's high-purity alumina tri-hydroxide (ATH) can improve sorbent production processes and result in lithium extraction rates around twice the level of incumbent products. These product advancements are alongside strong established interest from the semiconductor, lithium-ion battery, LED and synthetic sapphire glass sectors.

Investment view – Speculative Buy \$2.00/sh

A4N's proprietary technologies produce ultra-high purity aluminium compounds with applications in high-technology growth sectors including the manufacturing of lithium-ion batteries, LED displays/lighting and semiconductors. The HPA First Project Stage 1 supported technical and commercial validation; Stage 2 is in development for ramp-up in 2026. A4N is also establishing a downstream synthetic sapphire glass subsidiary. We have made no meaningful changes to our EPS estimates in this report. Our valuation is 2.00/sh (unchanged).

Earnings Forecast

Year ending 30 June	2024a	2025e	2026e	2027e
Sales (A\$m)	7	14	30	185
EBITDA (A\$m)	(24)	(6)	14	105
NPAT (reported) (A\$m)	(25)	(27)	(41)	23
NPAT (adjusted) (A\$m)	(25)	(27)	(41)	23
EPS (adjusted) (eps)	(2.7)	(2.4)	(3.6)	2.0
EPS growth (%)	na	na	na	na
PER (x)	-37.6x	-43.2x	-28.2x	50.0x
FCF Yield (%)	-5%	-16%	-28%	0%
EV/EBITDA (x)	-40.0x	-157.3x	67.8x	9.3x
Dividend (eps)	-	-	-	-
Yield (%)	0%	0%	0%	0%
Franking (%)	-	-	-	-
ROE (%)	-16%	-10%	-15%	9%

SOURCE: BELL POTTER SECURITIES ESTIMATES

Q1 FY25 – Addressing EV battery safety

Key activities during the quarter:

- **Funding in place to support development:** At 30 September 2024, A4N had cash of \$185m and drawn debt of \$3m. During the quarter the company received an additional \$14.85m milestone payment from the Commonwealth Government Modern Manufacturing Initiative grant and a \$6.2m R&D tax incentive. A4N has a \$400m debt funding (\$320m plus \$80m cost overrun facility) package in place from the Northern Australia Infrastructure Facility (NAIF) and Export Finance Australia (EFA) and Commonwealth and Queensland State government grants of at least \$67m to support the project's development. Capex for the project is estimated at \$553m (June 2024 DFS estimate).
- **HPA First Project Stage 2 under construction:** A4N announced the commencement of HPA First Project Stage 2 construction in August 2024. The construction team is in place and development kicked off with civil earthworks on the site adjacent to Stage 1. Long-lead critical path packages have been awarded covering equipment for solvent extraction, product filtering, cooling towers, the aluminium nitrate centrifuge, rotary dryers and calciners.
- **Marketing focuses on battery safety, semiconductors & DLE:** A4N's marketing outreach efforts continue with particular emphasis across the battery end-users, the semiconductor sector, synthetic sapphire markets and in direct lithium extraction (DLE) applications.
 1. **Semiconductor sector:** Increased interest in high purity alumina hydrate products for thermal interface materials used in semiconductor packaging along with Chemical Mechanical Planarization (CMP) applications. A4N's products recently passed a Japan-based end-user's quality threshold tests enabling quotation submission for a further scale-up of testing.
 2. **UltraCoat Safety for lithium-ion batteries:** A4N is engaged with more than 15 anode developers, battery makers and cell casing manufacturers to qualify the UltraCoat process.

A leading battery anode producer has submitted coated anode materials to major battery customers for final qualification, which is expected in 2024.

A technical paper published by leading anode manufacturer BTR New Materials Group (BTR) confirmed a 100% reduction in thermal runaway (battery fires) under a nail-penetration test. Flame testing has also demonstrated lithium-ion cell casings with UltraCoat can withstand +1,000°C thermal runaway conditions for more than 9 minutes compared with less than 15 seconds on un-coated aluminium cell casings.

UltraCoat is a wet process application of aluminium oxide coatings onto cathode and anode active materials, battery cell casings and electrode sheets using A4N's high purity aluminium nitrate.

3. **DLE tests confirm 2x standard extraction rates:** Initial test results from a leading DLE sorbent manufacturer have demonstrated that use of A4N's amorphous nanocrystalline high-purity alumina tri-hydroxide (ATH) materials can improve sorbent production processes and ultimately result in lithium extraction rates around twice the level of incumbent sorbents. Around 13 DLE end-user product orders have been filled. Leading global DLE groups include Arcadium Lithium PLC (LTM, Hold TP\$8.70/sh), Sunresin New Materials (SHE:300487, not

rated); and Vulcan Energy Resources (VUL, not rated) along with other speciality chemicals and water treatment companies.

4. **HPA tablet qualification for third party sapphire group:** A4N's HPA tablets have passed the qualification process of a third party synthetic sapphire glass manufacturer in an application considered non-competitive with A4N's Alpha Sapphire subsidiary.
- **Alpha Sapphire receives product qualification:** Initial sapphire sales have been shipped following successful product qualification with a leading optics supplier. Product qualification with other potential customers is ongoing.

A4N product summaries

Table 1 - A4N product summaries

Product	Specifications	Applications
Ultra-High Purity Alumina (Al ₂ O ₃) Powder TM	+4N5 purity alpha & gamma HPA	Cathode coatings, sapphire glass growth, specialty ceramics
Ultra-High Purity Alumina (Al ₂ O ₃) Tablets TM	+4N5 purity	Synthetic sapphire growth
Ultra-High Purity Nano-Alumina (Al ₂ O ₃) Powder TM	+4N purity with particle size down to 50nm	Chemical Mechanical Planarization (CMP) slurries & LED nanophosphors
Ultra Boehmite (Al-O-OH) Powder TM	+4N5 purity	Sol-gel applications CMP slurries & vaccine adjuvants
5N Ultra Aluminium Nitrate Al(NO ₃) ₃ .9H ₂ O TM	+5N purity (highest commercially available)	Li-ion electrode coatings, micro-LED phosphors, Yttrium Aluminium Garnet laser crystals, CMP slurry oxidants
5N Ultra Aluminium Sulfate Al ₂ (SO ₄) ₃ .16H ₂ O TM	+5N purity (highest commercially available)	Li-ion cathode materials (NCA, NCMA & NMA chemistries)
5N Ultra-High Purity Alumina Tri-Hydrate (Al(OH) ₃) TM	+4N5 purity (world leading purity)	Ultra-pure ceramics, DLE sorbents
Ultra Sapphire (Al ₂ O ₃) TM	Low carbon synthetic sapphire	LED substrate, optics

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

Next steps & value catalysts

HPA FIRST PROJECT

- **Ongoing:**
 1. Customer qualification, offtake LOIs and sales agreements in particular announcements relating to nascent applications for A4N's products including the UltraCoat-BTR engagement and DLE applications for high purity ATH.
 2. Development updates relating to the HPA First Project Stage 2 project.
- **Mid-2026:** HPA First Project Stage 2 commissioning.
- **Late-2026:** HPA First Project Stage 2 first production.

ALPHA SAPPHIRE

- **Late-2024:** Site selection for Phase B rollout of the Ebner-Fametec agreement to 50 synthetic sapphire growth units.
- **1H 2025:** Phase B FID and ordering of growth units, noting that this project is already considered to be fully funded .
- **Ongoing:** Customer qualification and sales

Changes to earnings estimates

We have made no meaningful changes to our EPS estimates in this report. Our valuation is 2.00/sh (unchanged).

Table 2 - Changes to earnings estimates

Year ending 30 June	2024e	2025e	2026e	2025e	2026e	2027e	2025e	2026e	2027e
Production tpa	350	350	3,332	350	350	3,332	0%	0%	0%
Revenue A\$m	19	30	185	14	30	185	-24%	0%	0%
EBITDA A\$m	4	14	105	-6	14	105	na	0%	0%
NPAT A\$m	-18	-42	23	-27	-41	23	na	na	0%
EPS Acps	-2	-4	2	-2	-4	2	na	na	0%
DPS Acps	0	0	0	0	0	0	-	-	-
Valuation	2.00			2.00			0%		

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

Valuation summary

Our base case A4N valuation of \$2.00/sh (unchanged) is based on:

- **Timing:** HPA First Project development over 2024-25 and first production from 2026.
- **Pricing:** Average pricing of US\$27.60/kg (US\$27,600/t) compared with A4N's market outreach seeing average prices of around US\$24/kg and an independent consultant assessments at US\$34/kg.
- **Throughput:** HPA First Project Stage 2 producing 10,430tpa of combined aluminium products.
- **Opex:** US\$7.55/kg compared with the DFS estimate of US\$6.70/kg.
- **Capex & capital requirements:** Capital cost of \$553m, in line with the DFS estimate.

Steady state HPA First Project annual EBITDA under these assumptions is ~\$300m.

- **Alpha Sapphire:** Stand-alone project consisting of 50 sapphire growth units generating around \$45m annual EBITDA. We have applied a 25% risk discount to this project.

Table 3 - Risked & diluted valuation summary

Product price scenario	1	2 Base case	3
Average basket price US\$/kg	24.1	27.6	31.1
HPA First Project			
Unrisked NPV (10% discount rate) \$m	1,418	1,793	2,167
Risk discount %	10%		
Risked NPV (10% discount rate) \$m	1,276	1,613	1,950
Other (Canada potential, 80% risked) \$m	284	359	433
Alpha Sapphire (50 growth units, 25% risked)	207	207	207
Other (downstream & other) \$m	64	81	98
Corporate costs \$m	-50		
Enterprise value \$m	1,781	2,210	2,639
Net debt / (cash) \$m	-182		
Equity valuation (risked, undiluted) \$m	1,963	2,391	2,820
Diluted shares on issue m	1,151		
Equity valuation (risked, diluted) \$/sh	1.70	2.00	2.40

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

Fully funded: FID supported by debt; grants & \$175m equity

A4N's Board approved a positive FID for the HPA First Stage 2 development. The final funding stack for the \$553m DFS capital expenditure estimate provides circa \$640m in liquidity and comprises:

- **NAIF & EFA funding of \$320-400m:** As announced on 17 April 2024. This funding includes a Construction Facility of \$320m with a tenor of 11 years; and Cost Overrun Facility of \$80m with a tenor of 5 years. It is jointly funded by the Northern Australia Infrastructure Facility (NAIF) and Export Finance Australia (EFA)
- **Commonwealth and Queensland State government grants of at least \$67m:** Previously announced grants as outlined in the following table.
- **May 2024 \$180m equity placement & share purchase plant:** A4N completed a \$175m equity placement concurrent with FID. This placement was upsized from the initial \$120m announced placement on significant demand from existing and new institutional shareholders. The placement was conducted at \$0.90/sh. A subsequent Share Purchase Pan raised a further \$5.3m.

ALPHA SAPPHIRE PHASES A & B ARE ALSO FULLY FUNDED

Existing cash and an additional previously announced \$30m project financing from the QIC Critical Minerals and Battery Technology Fund (QCMBTF) supports Phases A and B of A4N's Alpha Sapphire Project.

- **Phase A – 2 Units:** The initial installation of two Ebner-Fametec synthetic sapphire growth units at the HPA First Project in Gladstone to support product qualification.
- **Phase B – 50 Units:** The installation of 50 Ebner-Fametec synthetic sapphire growth units (i.e. an additional 48 units) at a new Queensland-based site. A4N has estimated that Phase B has the potential to generate EBITDA of US\$25.8-34.6m.

The broader agreement with Ebner-Fametec contemplates further roll-out phases including Phase C to a total of 100 growth units (A4N estimate EBITDA of US\$51.6-69.3m) and Nova Phase for up to an additional 1,000 growth units. A4N expect that Phase C could be funded from internal cash flows.

Table 4 - A4N government grants

Source	Program	Purpose	Announced	\$m
Commonwealth Government	Modern Manufacturing Initiative	HPA First Project	16/03/2022	45
Commonwealth Government	Critical Minerals Accelerator Initiative	Stage 1 - PPF	28/04/2022	16
Queensland Government	Industry Partnership Program	HPA First Project	5/04/2023	22
Total grants				82
Stage 1 grants				16
Stage 2 grants				67
Alpha Sapphire	QCMBTF	Alpha Sapphire Phase A&B	28/09/2023	30

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

Alpha HPA Ltd summary

Company description

A4N's HPA First Project in Gladstone Queensland is aiming to supply high-purity aluminium-based products to the lithium-ion battery, light emitting diode (LED) and semiconductor manufacturing sectors. The project's proprietary technology is expected to disrupt incumbent HPA production through delivering ultra-high purity products with significantly lower unit costs.

In May 2024, A4N took FID and announced a Final Definitive Feasibility Study for the HPA First Project Stage 2. The study outlined aluminium product output of 10,430tpa with a project capital cost of \$553m generating steady-state EBITDA of \$255-403m at product prices ranging US\$24-34/kg.

The Stage 2 project was preceded by a smaller commercial-scale Stage 1 facility at the Gladstone site. This facility was commissioned in 2022 and has provided valuable process and product validation to potential offtake customers and funding participants.

The HPA First Project is a solvent extraction process using an aluminium chemical feedstock purchased on globally traded markets. Orica Ltd (ORI) and A4N have executed a definitive agreement for ORI's supply of process reagents and for by-product offtake.

ALPHA SAPPHIRE: A4N'S DOWNSTREAM SUBSIDIARY

In March 2023, A4N announced it had entered a LOI with Austrian technology providers Ebner Industrieofenbau GmbH (Ebner) and Ebner subsidiary Fametec GmbH (Fametec) to establish sapphire glass manufacturing in Australia using A4N's HPA products and Ebner-Fametec's sapphire growth technology. In June 2023, the groups announced a potential expansion and the staged rollout to over 1,000 units. This business is housed under A4N's wholly owned subsidiary Alpha Sapphire.

In September 2023, Alpha Sapphire was awarded up to \$30m in project funding to accelerate the rollout of an initial 50 sapphire growth units under the LOI with Ebner Fametec. The initial two sapphire growth units were commissioned in May 2024.

Investment view – Speculative Buy, Valuation \$2.00/sh

A4N's proprietary technologies produce ultra-high purity aluminium compounds with applications in high-technology growth sectors including the manufacturing of lithium-ion batteries, LED displays/lighting and semiconductors. The HPA First Project Stage 1 supported technical and commercial validation; Stage 2 is in development for ramp-up in 2026. A4N is also establishing a downstream synthetic sapphire glass subsidiary. We have made no meaningful changes to our EPS estimates in this report. Our valuation is 2.00/sh (unchanged).

Investment risks

Risk to an investment in A4N include, but are not limited to:

- **Commodity price and exchange rate fluctuations.** The future earnings and valuations of development and operating assets and companies are subject to fluctuations in underlying commodity prices and foreign currency exchange rates.
- **Technology:** Projects may be reliant on commercialisation of new production processes and methodologies which have yet been proven on a large scale. Technology may be replicated by competitors resulting in a loss of market share.
- **Infrastructure access.** Projects are reliant upon access to transport and pipeline infrastructure. Access to infrastructure is often subject to contractual agreements, permits and capacity allocations. Agreements are typically long-term in nature. Infrastructure can be subject to outages as a result of weather events or the actions of third party providers.
- **Operating and capital cost fluctuations.** Markets for raw material inputs and labour can fluctuate and cause significant differences between planned and actual operating and capital costs. Key operating costs are linked to commodity and labour markets. Companies are also exposed to costs associated with future land rehabilitation.
- **Sovereign risks.** Companies' assets are subject to the sovereign risk of the country of location and may also be exposed to the sovereign risks of major offtake customers.
- **Regulatory changes.** Changes to the regulation of infrastructure and taxation (among other things) can impact the earnings and valuations of companies.
- **Environmental risks.** Companies are exposed to risks associated with environmental degradation as a result of their production processes.
- **Operating and development risks.** Companies' assets are subject to risks associated with their operation and development. Development assets can be subject to approvals timelines or weather events, causing delays to commissioning and commercial production.
- **Occupational health and safety (OH&S) risks.** Companies are exposed to OH&S risks.
- **Funding and capital management risks.** Funding and capital management risks can include access to debt and equity finance, maintaining covenants on debt finance, managing dividend payments and managing debt repayments.
- **Merger/acquisition risks.** Risks associated with value transferred during merger and acquisition activity.
- **Impact of pandemic infection such as Coronavirus disease (COVID-19).** This may have an adverse impact on the macro economic factors, including the mobility of labour, which can impact asset valuations.

Table 5 - Financial summary

Date		30/10/24					Bell Potter Securities							
Price	A\$/sh	1.020					Stuart Howe (showe@bellpotter.com.au, +61 3 9235 1856)							
Valuation	A\$/sh	2.00												
PROFIT AND LOSS														
Year ending 30 June	Unit	2023a	2024a	2025e	2026e	2027e	FINANCIAL RATIOS							
VALUATION							Year ending 30 June	Unit	2023a	2024a	2025e	2026e	2027e	
Revenue	\$m	2	7	14	30	185	Revenue							
Expenses	\$m	(17)	(31)	(21)	(16)	(80)	EPS	Ac/sh	(2)	(3)	(2)	(4)	2	
EBITDA	\$m	(15)	(24)	(6)	14	105	EPS growth (Acps)	%	na	na	na	na	na	
Depreciation & amortisation	\$m	(1)	(2)	(10)	(40)	(61)	PER	x	-54.5x	-37.6x	-43.2x	-28.2x	50.0x	
EBIT	\$m	(16)	(26)	(17)	(25)	44	DPS	Ac/sh	-	-	-	-	-	
Net interest expense	\$m	0	1	(10)	(16)	(21)	Franking	%	0%	0%	0%	0%	0%	
Profit before tax	\$m	(16)	(25)	(27)	(41)	23	Yield	%	0%	0%	0%	0%	0%	
Tax expense	\$m	-	-	-	-	-	FCF/share	Ac/sh	(2.3)	(5.2)	(16.5)	(28.4)	(0.0)	
NPAT (reported)	\$m	(16)	(25)	(27)	(41)	23	FCF yield	%	-2%	-5%	-16%	-28%	0%	
NPAT (adjusted)	\$m	(16)	(25)	(27)	(41)	23	EV/EBITDA	x	-64.5x	-40.0x	-157.3x	67.8x	9.3x	
CASH FLOW STATEMENT														
Year ending 30 June	Unit	2023a	2024a	2025e	2026e	2027e	LIQUIDITY & LEVERAGE							
OPERATING CASH FLOW							Net debt / (cash)	\$m	(21)	(187)	0	322	322	
Receipts from customers	\$m	0	0	21	26	154	Net debt / Equity	%	-37%	-76%	0%	131%	120%	
Payments to suppliers and employees	\$m	(15)	(24)	(24)	(16)	(73)	Net debt / Net debt + Equity	%	-58%	-308%	0%	57%	54%	
Tax paid	\$m	-	-	-	-	-	Net debt / EBITDA	x	1.4x	7.6x	0.0x	22.4x	3.1x	
Net interest	\$m	0	1	(10)	(16)	(21)	EBITDA / net int expense	x	35.4x	17.7x	-0.6x	0.9x	5.0x	
Other	\$m	4	-	-	-	-	PROFITABILITY RATIOS							
Operating cash flow	\$m	(11)	(22)	(13)	(6)	60	EBITDA margin	%	-932%	-373%	-43%	47%	57%	
INVESTING CASH FLOW							EBIT margin	%	-993%	-403%	-116%	-84%	24%	
Capex	\$m	(24)	(29)	(241)	(316)	(60)	Return on assets	%	-26%	-15%	-7%	-8%	4%	
Acquisitions	\$m	-	-	-	-	-	Return on equity	%	-30%	-16%	-10%	-15%	9%	
Other	\$m	16	4	67	-	-	ASSUMPTIONS - HPA FIRST PROJECT							
Investing cash flow	\$m	(8)	(25)	(174)	(316)	(60)	Year ending 30 June	Unit	2023a	2024a	2025e	2026e	2027e	
FINANCING CASH FLOW							Stage 1							
Debt proceeds/(repayments)	\$m	(0)	1	170	180	-	Production	t	196	351	350	350	350	
Dividends paid	\$m	-	-	-	-	-	Stage 2							
Proceeds from share issues (net)	\$m	23	216	-	-	-	Production	t	-	-	-	-	2,982	
Other	\$m	-	(0)	-	-	-	Average price received	US\$/kg	-	-	-	-	27.7	
Financing cash flow	\$m	23	217	170	180	-	Average price received	A\$/kg	-	-	-	-	39.6	
Change in cash	\$m	4	169	(17)	(142)	(0)	HPA First Production - Total	t	196	351	350	350	3,332	
Free cash flow	\$m	(19)	(48)	(187)	(322)	(0)	VALUATION							
BALANCE SHEET							Product price scenario							
Year ending 30 June	Unit	2023a	2024a	2025e	2026e	2027e				1	2	3		
ASSETS							4N HPAe price US\$/kg					24	28	31
Cash	\$m	21	190	173	31	31	HPA First project \$m							
Receivables	\$m	2	8	1	6	37	Unrisked NPV (8% discount rate)			1,418	1,793	2,167		
Inventories	\$m	1	3	2	2	8	Risk discount		10%					
Capital assets	\$m	38	59	289	565	564	Risked NPV			1,276	1,613	1,950		
Other assets	\$m	6	8	8	8	8	Other (Canada potential, 80% risked)			284	359	433		
Total assets	\$m	67	267	474	612	648	Alpha Sapphire (50 growth units, 25% risked)			207	207	207		
LIABILITIES							Other (downstream & other)			64	81	98		
Creditors	\$m	5	8	4	3	16	Corporate costs \$m		(50)					
Borrowings	\$m	-	3	173	353	353	Enterprise value \$m			1,781	2,210	2,639		
Provisions	\$m	-	2	2	2	2	Net debt / (cash) \$m		(182)					
Other liabilities	\$m	6	8	8	8	8	Equity valuation (risked, diluted) \$m			1,963	2,391	2,820		
Total liabilities	\$m	11	20	186	365	378	Diluted shares on issue m		1,151	-	-	-		
NET ASSETS							Equity valuation (risked, diluted) \$/sh			1.70	2.00	2.40		
Share capital	\$m	128	349	416	416	416								
Reserves	\$m	8	3	3	3	3								
Accumulated losses	\$m	(80)	(105)	(132)	(173)	(150)								
Non-controlling interest	\$m	-	-	-	-	-								
SHAREHOLDER EQUITY	\$m	56	247	287	246	269								
Weighted average shares	m	839	922	1,135	1,135	1,135								

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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Research Coverage & Policies

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