

Alpha HPA



Macquarie Australia Conference 2025: Key takeaways

What's new

- Managing Director Rob Williamson presented at the 2025 Macquarie Australia Conference.

Why it matters

- Presentation was an overview of the company and emphasised **Alpha's novel HPA manufacturing process** and the technology advantage this offers across a number of end markets. Alpha is gaining traction with prospective customers across industries with **>60% of nameplate capacity** covered by **LOIs**.
- The semiconductor space (thermal packaging and chemical mechanical planarisation use cases) in particular has experienced rapid growth with significant tonnage directed into these markets. Demand in the Semi space driven by **lift in AI-related data centres** which require chips with higher processing power and that have greater thermal management needs (HPA a superior thermal management product).
- Market engagement in the Semi sector is progressing from small batch sales through to LOI signing and Alpha hopes to see binding sales contracts manifest in the coming months. The **lengthy engagement and qualification process** with customers goes towards **deepening the moat** around the company and Alpha's products.
- The electric vehicle battery anode opportunity is also progressing with favourable safety characteristics (**reduced thermal runaway**) from batteries which include Alpha's alumina nitrate product. An increased focus on battery safety particularly in China could act as a tailwind for adoption of Alpha's nitrate product.
- For a fulsome discussion on Alpha's key end market opportunities, see our [initiation report](#).
- Re the Sapphire project and per the recent quarterly, Alpha expects Phase B Sapphire feasibility study (up to 48 additional growth units) in June Q and has selected a preferred site location (Brisbane) for the expansion.

What now

- Outperform.** Stage 2 build continues to progress and LOI development is well advanced. Further LOI signing and conversion into sales contracts remain key catalysts. See our [recent report](#) for more detail and risks to our investment views.

Chemicals Australia



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A4N AU	Outperform
Price (at 8 May 2025)	AUD0.94
12-month target	AUD1.42
12-month TSR (%)	51.9
Volatility Index	High
Market Cap (Local) (m)	1,063
Market Cap (USD) (m)	687
30-day avg turnover (AUD) (m)	0.7

Investment Fundamentals

Year end 30 Jun	2024A	2025E	2026E	2027E
Revenue (m)	6.3	0.5	2.7	104.0
EBITDA (m)	(24.4)	(36.8)	(39.9)	31.6
EBIT (m)	(26.3)	(40.0)	(43.1)	2.0
Reported profit (m)	(24.9)	(32.5)	(38.7)	(9.5)
Adjusted profit (m)	(24.9)	(32.5)	(38.7)	(9.5)
EPS adj (¢)	(2.5)	(2.9)	(3.4)	(0.8)
EPS adj growth (%)	NM	(12.7)	(18.3)	76.0
PER adj (x)	NM	NM	NM	NM
Total DPS (¢)	0.0	0.0	0.0	0.0
Total div yield (%)	0.0	0.0	0.0	0.0
Franking (%)	NM	NM	NM	NM
ROA (%)	(8.4)	(12.9)	(8.6)	0.3
ROE (%)	(10.1)	(14.0)	(16.5)	(3.8)

A4N AU rel Small Ordinaries performance, & rec history



Source: FactSet, Macquarie Research, May 2025 (all figures in AUD unless noted, TP in AUD)

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Recommendation definitions	Volatility index definition	Financial definitions
<p>Macquarie – Asia and USA Outperform – expected return >10% Neutral – expected return from -10% to +10% Underperform – expected return <-10%</p> <p>Macquarie – Australia/New Zealand Outperform – expected return >10% Neutral – expected return from 0% to 10% Underperform – expected return <0%</p> <p>During periods of share price volatility, recommendations and target prices may occasionally and temporarily be inconsistent with the above definitions.</p> <p>Recommendations – 12 months 12-month target – Expected share price in 12 months Valuation – The company's estimated fair value share price based on the disclosed valuation methodology Note: Quant recommendations may differ from Fundamental Analyst recommendations</p>	<p>This is calculated from the volatility of historical price movements.</p> <p>Very high – highest risk – Stock should be expected to move up or down 60-100% in a year – investors should be aware this stock is highly speculative.</p> <p>High – stock should be expected to move up or down at least 40-60% in a year – investors should be aware this stock could be speculative.</p> <p>Medium – stock should be expected to move up or down at least 25-40% in a year.</p> <p>Low – stock should be expected to move up or down at least 15-25% in a year. * Applicable to select stocks in Asia/Australia/NZ</p> <p>Note: expected return is reflective of a Medium Volatility stock and should be assumed to adjust proportionately with volatility risk</p>	<p>All "Adjusted" data items have had the following adjustments made: Added back: goodwill amortisation, provision for catastrophe reserves, IFRS derivatives & hedging, IFRS impairments & IFRS interest expense Excluded: non recurring items, asset revals, property revals, appraisal value uplift, preference dividends & minority interests</p> <p>EPS = adjusted net profit / efpowa* ROA = adjusted ebit / average total assets ROA Banks/Insurance = adjusted net profit / average total assets ROE = adjusted net profit / average shareholders funds Gross cashflow = adjusted net profit + depreciation *equivalent fully paid ordinary weighted average number of shares</p> <p>All Reported numbers for Australian/NZ listed stocks are modelled under IFRS (International Financial Reporting Standards).</p>

Recommendation proportions for quarter ending 31 Mar 2025

	AU/NZ	Asia	USA	
Outperform	64.64%	65.86%	70.45%	(for global coverage by Macquarie, 1.18% of stocks followed are investment banking clients)
Neutral	30.36%	20.94%	29.55%	(for global coverage by Macquarie, 1.81% of stocks followed are investment banking clients)
Underperform	5.00%	13.20%	0.00%	(for global coverage by Macquarie, 0.00% of stocks followed are investment banking clients)

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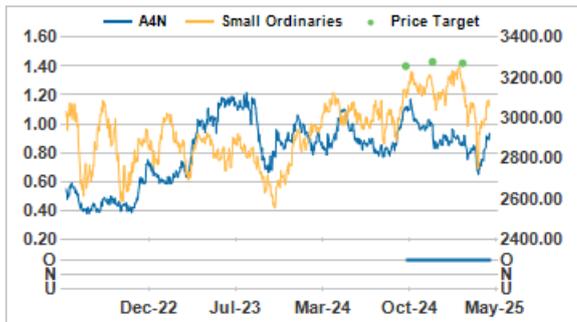
Company Name	Disclosure
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Recommendation history

Company name	Date	Recommendation	Target price
Alpha HPA (A4N AU)	27-Feb-2025	Outperform	AUD 1.42
	11-Dec-2024	Outperform	AUD 1.43
	3-Oct-2024	Outperform	AUD 1.40



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