

Alpha HPA



LOI coverage now exceeds 12,000t

What's new

- Alpha has announced that it has received a **further 4 LOIs across 5,500tpa tonnes of capacity**, bringing **total LOI tonnage to >12,000t**. This compares to nameplate of ~10,000 so ~120% coverage. We note a key condition precedent (CP) for \$400m NAIF/EFA debt draw down is reaching 100% of nameplate under LOI coverage.
- Lion's share of LOI's in **lithium-ion battery sector** (5ktpa); we infer this is Alpha's alumina-nitrate anode coating product. Rest across semiconductor packaging (2 LOI's total of 324tpa) and 180tpa ATH in catalyst applications.

Why it matters

- We recently wrote (see [note](#)) a **key catalyst** for Alpha was the **draw-down** and unlock of the **NAIF/EFA \$400m debt package**. One of the key conditions precedent (CP) for financial close on the debt package is reaching 100% of nameplate capacity covered by LOI's; today's ann't is a **significant threshold regarding the satisfaction of the debt CP's**.
- Large-scale LOI in lithium-ion battery sector a positive surprise with slow progress on this front the past 18 months. We note anode coating opportunity previously focussed on **alumina-nitrate precursor material** which has the **lowest cost structure** across Alpha's products considering its position early in the manufacturing process. In our [initiation report](#), we estimated **60% upside from scaling nitrate production up by 3x**. Product pricing in this battery LOI is important to understand re margin potential. Alpha notes that it is working with the end-user to agree product delivery schedule to align with stage 1 capability and stage 2 ramp-up profile.
- Total new semiconductor LOIs of 324tpa** (across 2 individual LOI's) centred on semiconductor packaging applications. While these are relatively modest, LOIs are initial and other product marketing work continues across the sector, with a view vols will continue to scale. **Tailwinds across semiconductor space** include focus on thermal management and Alpha's unique technology advantages (non-detect radiation emission) continue to support demand. Total **incremental semiconductor sector LOIs** signed in CY26TD of **680tpa** and add'l to 4,000tpa CMP LOI received in March 2025 (CMP sector a strong end market for Alpha).
- Alpha has updated **product demand estimates for HPA** across **key end mkts** and now expects total demand for HPA of **>50ktpa** by 2030. This includes ~8ktpa in HPA for thermal filler, 12ktpa in CMP, 10ktpa in semi tooling, 22ktpa in ATH for DLE and 6.5ktpa for other/lithium-ion batteries.

What now

- OP**. Important milestone reached by Alpha with key CP for unlock of debt package achieved. In our view, Alpha is a compelling opportunity with exposure to the rapidly scaling AI theme. Stage 2 commissioning ~12 months away and now firmly within sight.

Chemicals Australia



Ben
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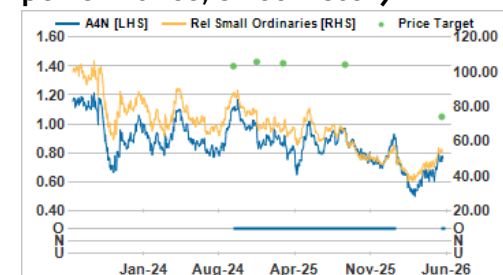
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A4N AU	Outperform
Price (at 15 Jun 2026)	AUD0.76
12-month target	AUD1.05
12-month TSR (%)	38.2
Volatility Index	High
Market Cap (Local) (m)	1,103
Market Cap (USD) (m)	778
30-day avg turnover (AUD) (m)	2.4

Investment Fundamentals

Year end 30 Jun	2025A	2026E	2027E	2028E
Revenue (m)	0.3	0.7	1.4	72.4
EBITDA (m)	(35.9)	(43.9)	(43.8)	0.8
EBIT (m)	(39.2)	(47.3)	(47.6)	(19.7)
Reported profit (m)	(32.6)	(45.1)	(44.9)	(17.9)
Adjusted profit (m)	(32.6)	(45.1)	(44.9)	(17.9)
EPS adj (€)	(2.9)	(3.7)	(3.1)	(1.2)
EPS adj growth (%)	(12.9)	(29.9)	16.2	60.2
Total DPS (€)	0.0	0.0	0.0	0.0
Total div yield (%)	0.0	0.0	0.0	0.0
ROA (%)	(12.4)	(10.9)	(7.4)	(2.4)
ROE (%)	(14.0)	(14.4)	(11.7)	(5.1)

A4N AU rel Small Ordinaries performance, & rec history



Source: FactSet, Macquarie Research, Jun 2026 (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 2026

	AU/NZ	Asia	USA	
Outperform	66.90%	69.32%	67.14%	(for global coverage by Macquarie, 1.93% of stocks followed are investment banking clients)
Neutral	27.18%	17.21%	32.86%	(for global coverage by Macquarie, 0.40% of stocks followed are investment banking clients)
Underperform	5.92%	13.47%	0.00%	(for global coverage by Macquarie, 0.00% of stocks followed are investment banking clients)

Company-Specific Disclosures

Company Name	Disclosure
Alpha HPA (A4N AU) Outperform 12-month target: AUD1.05 - DCF/ multiples Valuation: AUD 0.96 - DCF (WACC 10.2%) Price: AUD0.76	Macquarie managed or co-managed a public offering of securities of Alpha HPA Ltd in the past 12 months, for which it received compensation. Macquarie Group Limited together with its affiliates owns a net long of 0.5% or more of the equity securities of Alpha HPA Ltd. A Macquarie analyst(s) involved with the preparation of this research has, in the past 12 months, visited material operations of Alpha HPA Ltd. In connection with such a visit, the company may have furnished local transportation and/or accommodation, which requires authorisation in adherence with Macquarie policy requirements. Macquarie Group Limited together with its affiliates beneficially owns 1% or more of the equity securities of Alpha HPA Ltd. Macquarie Group is a substantial securities holder of Alpha HPA Ltd.

Target Price Risk Disclosures

Company Name	Risk Disclosure
Alpha HPA (A4N AU)	<ul style="list-style-type: none"> Alpha is a pre- large scale production, pre-earnings project and key risks to our price target being realised are centred on ramp-up of stage 2 facility / ability to produce HPA to generate rev/earnings and further market development thru LOIs/binding sales contracts. For a more fulsome discussion of risks, refer to Key Risks section of our initiation report. LOI development and conversion to sales contracts. Key to sales delivery is increasing conversion of LOIs to binding sales contracts and building towards 100% of nameplate capacity covered by LOIs. Failure to convert LOIs to actual sales out of stage 2 presents downside to sales estimates. Unlock of \$400m govt debt facilities. NAIF/EFA facilities are a key component of the capital stack; failure to unlock these facilities in 2026 would result in a funding gap and need for alternative capital sources. Project ramp-up/execution risks. Delays in construction of the Stage 2 facility would likely mean it takes longer to reach full production and earnings/cash flow positive. A related risk is commissioning problems which likewise delays the production ramp-up profile and timing of earnings generation. Build cost inflation. Further unanticipated costs and/or cost inflation with the build could lead to funding pressure and, in a downside scenario, may necessitate further capital raising (debt or equity). We note ~\$80m in headroom above projected stage 2 cape on our forecasts.

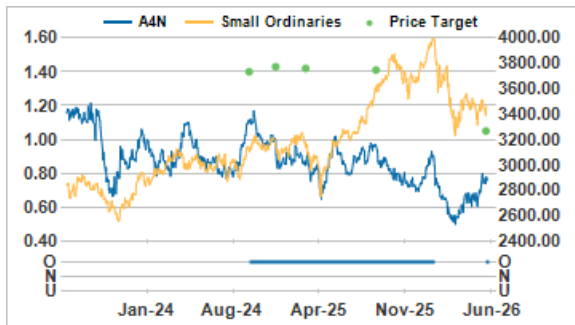
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Recommendation history

Company name	Date	Recommendation	Target price
Alpha HPA (A4N AU)	11-Jun-2026	Outperform	AUD 1.05
	29-Aug-2025	Outperform	AUD 1.41
	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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