Iofina jumps as crystalline iodine production better than expected in the second half, new plant construction on track

Iofina PLC (LON:IOF) jumps as crystalline iodine production at the company’s four operating IOsorb® plants has continued to deliver encouraging results, with better than expected iodine volumes in the second half, and construction of its IO#7 plant remains on track.

The AIM-listed firm - specialists in the exploration and production of iodine and halogen-based specialty chemical derivatives - said it now anticipates crystalline iodine production in the second half to exceed 265 metric tonnes (MT).

READ: Iofina delivers bullish update; latest plant progressing to plan
It added that would take the company’s full year 2017 crystalline iodine production total to over 500 MT (2016: 474.2 MT), barring significant weather or other year end issues.

The group pointed out that it had expected total crystalline iodine production in the second half to be in the range of 225-240 metric tonnes but measures executed by Iofina's operations team, as well as by the company's brine supply partners, have resulted in better than expected volumes.

Iofina also said that construction at IO#7 continues to progress well within expected timeframes and budget, with most of the large infrastructure complete and the next stage of construction will shift to finalizing electrical and plumbing requirements.

It added that, barring significant changes in weather, hydrostatic and other plant testing is expected in January 2018, with first production commencing in February 2018.

In late afternoon trading, Iofina shares were nearly 9% higher at 15.5p.

New IO#7 plant could bring on another 40% more iodine
Speaking to Proactive Investors after the announcement today, Iofina's president and CEO Dr Tom Becker said there have been improvements with "negotiations with some partners that have allowed us to get a little bit more water at some of our plants, and that's been a positive."

"But," he added, "the biggest thing is that our management team and down to our operators at plant level have just done a really good job of keeping the plants going, improving efficiencies, keeping downtime to a minimum and as a result we have been able to produce more iodine".

Becker also noted that, from current production, the new IO#7 plant could bring on another 40% more iodine to that levels.
He said: "It probably won't happen right away as we ramp that plant up to capacity, but we anticipate that in the first quarter it could increase by 40% from where we are at today."

The Iofina boss also pointed out that iodine prices in the second half have recovered and increased, having held steady over the last couple of months, which is positive news for the company moving forward.

-- Adds share price, comments from interview with CEO --

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

No investment advice

Proactive Investors is a publisher and is not registered with or authorised by the Financial Conduct Authority (FCA). You understand and agree that no content published constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value or suitability of any particular security, portfolio of securities, transaction, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including company related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.