

Woodbois Limited

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Obtala aims for sustainable profitability as it sets new production and sales records

Agriculture and forestry company Obtala Limited (LON:OBT) is on a path of rapid expansion in Africa.

WoodBois, acquired in 2017, extended its reach to the west of the continent and with production and sales hitting records. a cash-flow positive, sustainable profitability model is now the aim.

After a successful equity raise of US\$6.35m in the first quarter of 2018, the company is eyeing investment opportunities and is anticipating rapid returns.

Veneer and sawmills come online

Obtala said its new veneer factory in Gabon has moved into test phase, with production anticipated to begin early in the second quarter of 2018.

Its sawmill in Nampula, Mozambique came online in the first quarter, with the arrival of brand new Wood-Mizer processing equipment from South Africa and some older equipment moved from the existing sawmill in Uape.

Additionally, the company has extended its memorandum of understanding (MOU) with Nouvelle Scierie Moderne de Sassandra (NSMS), the forestry subsidiary of Argento, announced last month in order to complete due diligence and observe more sample data.

Start of hybrid Orchard Model

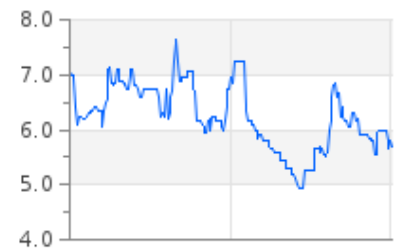
The group said production plans for its 2018 agribusiness in Tanzania have been completed, including the return of 200 hectares of agricultural land to a local partner, adding that 2018 will see the start of the Hybrid Orchard Model, with up to 500 hectares of mango saplings to be planted over future years.

Obtala also says it is at an advanced stage in discussions with an established provider to secure a trade finance facility and was confident that the initial facility of US\$5m would be secured in the second quarter.

Price: 5.7

Market Cap: £26.53 m

1 Year Share Price Graph



January 2019 July 2019 January 2020

Share Information

Code: WBI

Listing: LSE

52 week High Low
7.77 4.8

Sector: Agribusiness

Website: www.woodbois.com

Company Synopsis:

Woodbois Ltd, listed on the AIM section of the London Stock Exchange, is involved in the production, processing, manufacture and supply of sustainable African hardwood and hardwood products. The Group also sources sustainable softwood, hardwood and related products internationally, supplying into Africa and across the globe.

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