

Iofina PLC

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Iofina restructures its debt

Iofina PLC (LON:IOF), the iodine extraction technology specialist, is to restructure its issued convertible loan notes and has also agreed to restructure the term loan facility provided by Stena Investment.

With the agreement of its convertible loan note holders, Iofina has extended the repayment term of the loan by 13 months to 1 July 2020.

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The convertible element of the notes has been removed and the coupon has been increased from 5% to 7.5%, with the new rate kicking in as from 1 January of this year.

As for the term loan, this has also been extended to 1 July 2020, with the interest rate adjusted to 7.5% from the beginning of this year, rising to 12% on 1 June of this year.

Iofina said debt as at the end of 2018, comprised roughly US\$22.37m of loan notes and US\$3.26m owed to Stena Investment.

Positive for shareholders

Dr Tom Becker, the president and chief executive officer of Iofina said: "Extending the terms of the notes and facility to 1 July 2020 will allow us to continue upgrading and expanding our plants, which in turn will further boost the level of Iodine production. At the same time, the removal of the debt convertibility is a huge positive for our shareholders. With iodine prices continuing to rise we are well positioned to continue the momentum built over the last few years."

In a note to clients, analysts at 'house' broker finnCap commented: "Iofina will incur a higher interest rate as a result and can no longer capitalise interest payments, although this still looks the best outcome that could have been expected and removes a major issue that has been weighing on the shares. In our forecasts we have delayed the assumed IOsorb plant expansions by 6-9 months, which reduces our EBITDA forecasts by 11-12%."

They added: "This sees our DCF-based price target fall 3% to 34p. Nevertheless, Iofina still offers material upside and strong leverage to improving iodine prices and its continued operational recovery."

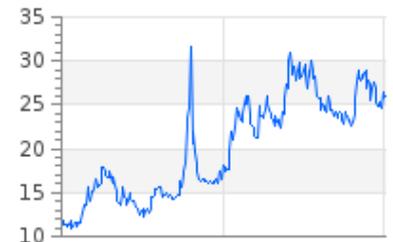
In afternoon trading, shares in Iofina were 1.3% lower at 17.50p.

-- Adds analyst comment, share price --

Price: 26

Market Cap: £49.88 m

1 Year Share Price Graph



December 2018 June 2019 December 20

Share Information

Code: IOF

Listing: LSE

52 week	High	Low
	33.227	10.4687

Sector: Oil & Gas

Website: www.iofina.com

Company Synopsis:

Iofina plc is the holding company of a group of companies involved in the exploration and production of iodine and natural gas which has been discovered on acreages that the Group has acquired and is currently acquiring. Iofina is fully vertically integrated into specialty chemical manufacturing through its wholly owned subsidiary Iofina Chemical.

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