

Woodbois Limited

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Woodbois in growth spurt

Woodbois Limited (LON:WBI), the African forestry and timber trading company, notched up record quarterly revenues in the three months to the end of September.

Revenues of US\$4.9m in Q3 represented a 44% increase from 2018's average quarterly run-rate and continued quarter-on-quarter growth.

The group's trading division was responsible for US\$3.4m of those revenues; the division's revenues were up 70% from the average quarterly run rate seen in 2018.

Further growth from the division is expected as a result of further investment made in the third quarter.

Exports back to normal

Revenues from Woodbois's production division were hit by the halting of timber exports from Gabon during the summer due to the 'kevazingogate' scandal relating to the attempted illegal export of logs.

The export from Gabon of logs of all species has been banned since 2010 to encourage in-country processing. With the export situation for processed timber products returning to normal, Woodbois's pace of shipments picked up sharply by the end of the quarter, with revenues from these later shipments due to fall within the final quarter of the year.

The completion of the installation of drying kilns at the group's sawmill in Mouila in September was described as "a major milestone" and should lead to a margin improvement of around eight percentage points from sawn timber, with a further two-point margin increase from reduced logistics costs.

Legal action launched

In a generally upbeat trading statement that was well-received by the market - the shares were up 2.0% early doors at 5.05p - the fly in the ointment was the lack of payment for the Tanzanian agriculture business that the group sold to Envision.

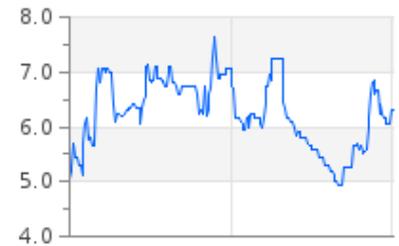
The legal action that Woodbois had commenced against Envision has now been stayed until the end of 2019 to allow for mediation between the parties to give Envision the time required to secure the funds required to meet their commitments as set out within the sale and purchase agreement.

"We still have much to achieve this year as we enter the home straight of 2019, but we draw great encouragement from all that has been achieved during the year to date and the consistent progression and evolution of the business," said Paul Dolan, the chief executive officer of Woodbois.

Price: 6.3

Market Cap: £29.32 m

1 Year Share Price Graph



December 2018 June 2019 December 20

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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