

# Quick Comment

## Wide Open Agriculture Ltd (WOA \$1.07) Speculative Buy

EUROZ HARTLEYS

Analyst	Date	Price Target
Harry Stevenson	15 <sup>th</sup> October 2020	\$1.72/sh

### Plant-Based Milk Product "OatUp" Launch

#### Key Points

Wide Open Agriculture has announced the launch of the Oat based milk product "OatUp"

- First commercial batch is set for an exclusive launch in late October. A State wide launch is planned for November, with the arrival of bulk sea freight consignment to focus on supermarkets, cafes and restaurants.
- WOA is in advanced negotiations with a leading distributor of plant-based milk products with extensive sales network across WA. In the meantime WOA benefits from an established B2C/B2B distribution platform that will provide an instant sales channel for the OatUp launch.



#### ONLINE

'OatUp' will be offered to customers across our fully operational direct-to-consumer online portal.



#### WA DISTRIBUTOR

WOA is in advanced discussions with a potential WA based food and beverage distributor

- National roll-out is expected to commence in Q1 2021
- WOA is undertaking a feasibility study to investigate construction of an oat milk manufacturing facility in WA, the study is supported by a grant from the State government. A WA based manufacturing facility would clearly improve margins and operating efficiencies.
- Recent \$7m share placement with new and existing investors leaves WOA well capitalised with ~\$14.5m in cash to pursue WA plant development.
- Plant-based milk category worth \$2.8bn globally with oat milk the fastest growing category, recording 1946% growth in US retail sales over the last two years.

#### Investment Thesis

WOA has recently completed a well-supported \$7m placement, leaving the company well-funded to pursue future growth. The launch of OatUp is a strong step forward in the company's development exposing the company to a massive and rapidly growing market space. WOA looks set to leverage their existing distribution networks and Dirty Clean Food brand recognition to successfully launch the product. In the meantime WOA continues to develop their lupin based protein product while expanding the sales and distribution networks of Dirty Clean Food branded products.

#### Wide Open Agriculture (WOA)

Share Price	1.07	A\$/sh	Enterprise Value	83.6	A\$/m
Price Target	1.72	A\$/sh	Debt	0.5	A\$/m
Valuation	2.05	A\$/sh	Cash	4.4	A\$/m
Shares on issue	88	m			
Market Capitalisation	87.5	A\$m			

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