

Quick Comment

Wide Open Agriculture Ltd (WOA \$0.98) Speculative Buy

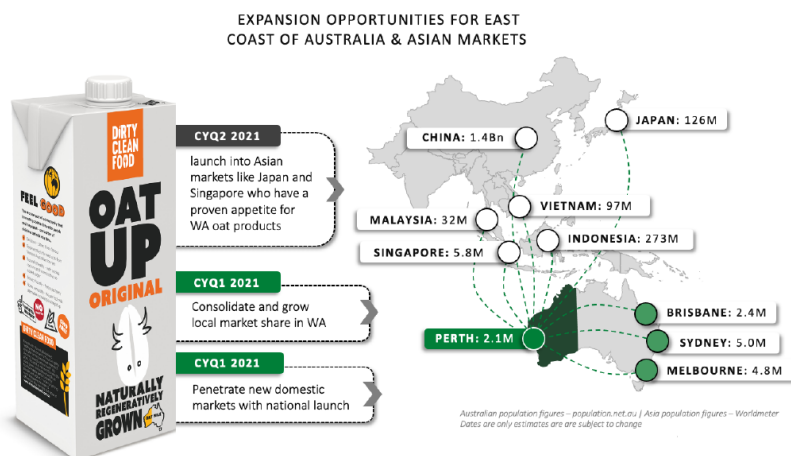
Analyst	Date	Price Target
Harry Stevenson	16 th December 2020	\$1.72/sh

State-wide Launch for OatUp

Key Points

WOA has announced the state-wide launch of OatUp, following the successful soft launch of the product to select retailers. Customer feedback from soft launch earlier this year has been very positive with the product being completely sold out, we anticipate strong demand for state-wide launch.

- WOA has also secured a prime distribution agreement with European Foods, a leading WA distributor with access to over 500 sales access.
- The company has signalled preparations are underway for an East Coast launch in Q1 2021.
- While WOA has also signalled intentions to launch into Asian markets where there is proven demand for WA oats and their value added products in Q2 2021.



- OatUp is a first-to-market opportunity offering a regenerative, carbon neutral oat milk into the A\$2.8bn p.a plant-based milk category.
- In the meantime the company continues development of the plant based lupin protein product following the successful pilot-scale production run in December. The company expects feasibility study and additional functional analysis will be completed in early 2021.

Investment Thesis

2020 has been a breakout year for Wide Open Agriculture with the company positioning itself to take meaningful slice of the massive plant based alternative foods industry. In the background the company continues to experience 30% QoQ revenue growth of the DCF branded line of the products, with sales momentum expected to continue as the company expands the range of products and geographical presence through 2021. We expect continued development of the plant based protein and construction of WA based oat milk plant to continue to fuel momentum through 2021.

Wide Open Agriculture Ltd (WOA)

Share Price	0.98	A\$/sh	Enterprise Value	91.1	A\$/m
Price Target	1.72	A\$/sh	Net Cash (FY'20)	3.9	A\$/m
Valuation	2.05	A\$/sh			
Shares on issue	97	m(dil)			
Market Capitalisation	95	A\$m			

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