

# Quick Comment

## Wide Open Agriculture (WOA \$1.15) Speculative Buy



Analyst	Date	Price Target
Harry Stevenson	26 <sup>th</sup> November 2020	\$1.72/sh

### Lupin Protein Update

#### Key Points

Significant Lupin Protein optimisation work by Curtin University has been completed

- Key processes have been streamlined, including a reduction of processing, steps and confirmation of key temperature conditions.
- Curtin university is now preparing for the testing and validation phase of food-grade samples provided.
- Food-grade pilot scale trials are progressing with confidence and are on track for completion in late November.
- Next steps:
  - Complete the food grade pilot scale production of modified lupin protein.
  - Finalise testing functionality as a food ingredient and complete gelation testing
  - Prepare product information to support sample request from global ingredient and food companies.
  - Complete stage 1 feasibility study in partnership with Process Partners.
- While there remains further work to complete on the Lupin Protein this latest update signals that WOA remains on track, with management continue to hit development timelines. WOA remains the only ASX listed company in development of it's own Plant Based Meat alternative. Plant based meat industry continues to grow in relevance with the market forecast to grow at 14% P.A to reach US\$40.6bn by 2025.
- US listed based Beyond Meat trades on 20x EV/Revenue multiples with analysts looking for 50% growth YOY through to FY'24; investors are clearly willing to pay premiums for exposure to this growing industry.
- In the meantime WOA has successfully Launched OatUP, Australia's first oat milk produced using oats from WA farms; we expect State wide launch early December with an expansion into Eastern and South Asia following the completion of the Oat Milk plant. Company has set a stretch target of operational Oat Milk Plant during second of half calendar year 2021.

#### Investment Thesis

Following the recent capital raise WOA remains on track to accelerate growth and continue product development. We expect WOA will be placed to leverage the growing brand recognition of "Dirty Clean Food" with the State wide launch of "OatUp" anticipated for early December. The successful development and commercialisation of the Lupin protein offers investors significant upside; with sales in the plant based protein sector continuing to accelerate. We continue to look for near term catalysts to drive share price, with further updates on "OatUp" wider launch and lupin protein both due over the next 3 months.

#### Wide Open Agriculture Ltd (WOA)

Share Price	1.15	A\$/sh	Enterprise Value	106.5	A\$/m
Price Target	1.72	A\$/sh	Debt (FY'20)	0.5	A\$/m
Valuation	2.05	A\$/sh	Cash (FY'20)	4.4	A\$/m
Shares on issue	96.0	m(dil)			
Market Capitalisation	110.4	A\$m			

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