

# Quick Comment

## Wide Open Agriculture Ltd (WOA \$0.93) Speculative Buy

**EUROZ HARTLEYS**

Analyst	Date	Price Target
Harry Stevenson	29 <sup>th</sup> October 2020	\$1.72/sh

### Quarterly Update

#### Key Points

##### Foodservice and Wholesale Growth

- WOA has provided a Q'1 update delivering 34% QonQ growth with total revenue from DCF branded products increasing to \$764,807, representing a 282% increase on PCP.
- DCF continues to solidify its presence as Western Australia's leading regenerative and ethical food brand; which we see the company leveraging for the wider launch "OatUp" in November.



##### Lupin Protein

- In mid-October CSIRO commenced the first run of pilot-scale trials using the optimised process flow developed by Curtin University. Curtin University are now preparing for the testing and validation phase of the food grade samples provided from the CSIRO trials.
- CSIRO's food-grade, pilot scale trials are progressing with confidence and are on track for completion in late November.
- WOA has also engaged IMPROVE Innovation to conduct testing of the food-grade lupin protein for gelling properties, protein solubility, foaming capacity and composition.
- During the quarter WOA presented at Europe's leading plant based partnership and network group; WOA has received a number of expressions of interests to receive samples of the food grade protein.

##### Oat milk Development

- WOA has launched the initial commercial batch of Oat Milk; with state wide launch anticipated for late November.
- WOA anticipate a national roll-out to commence in Q1 2021.
- In October WOA completed a \$7.0m placement and is finalising a \$1.5m oversubscribed SPP. The funding will leave WOA well placed for the potential construction of a WA based Oat Milk plant, we have previously estimated capex requirements of ~\$5m.

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### Investment Thesis

Following the recent capital raise WOA remains well placed 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 late November. 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 look for near term catalysts to drive share price, with updates on “OatUp” wider launch and lupin protein development both due before year end. Price Target and Speculative Buy Recommendation maintained.

### Wide Open Agriculture Limited (WOA)

Share Price	0.93	A\$/sh	Enterprise Value	84	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	94	M(dil)			
Market Capitalisation	87.9	A\$m			

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