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Obtala Limited
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Obtala Limited
("Obtala", the "Group" or the "Company")
(AIM: OBT)

Beaufort Securities initiates coverage on Obtala with 37.5p target price

WoodBois acquisition 'perfect timing' to position Obtala to benefit from 'super-cycle' in timber

Research analysts Beaufort Securities today issued their inaugural research of Obtala Limited (OBT.L), the Sub-Saharan Agriculture and Forestry Group, and the first independent analysis of the company's outlook following the business restructuring and interim results posted at the end of September.

Targeting a share price of 37.5p, more than double the current levels, Beaufort said their 'speculative buy' recommendation was supported by the immediate access to production, trading and distribution gained from the acquisition of WoodBois International ApS in May 2017, the strength of the fundamentals in agriculture and forestry, as well as the transformational changes implemented over the past year. Beaufort further highlighted the planned increase to $25m of WoodBois' credit facilities for its global trading division as a key driver of revenues going forward.

Explaining the headline of the report, Beaufort said the 'marriage made in heaven' combined the management strength and proven access to capital of Obtala with the benefit of WoodBois' global forestry product distribution channel, positioning the new Group to profit from intense international demand for timber, as well as a possible 'super cycle' forged by the removal of illegal loggers from the market.

The full Beaufort Securities Analysis of Obtala Limited is available here: https://www.beaufortsecurities.com/shp/research.php?vid=436

It is also available for download on our website under the Investors section at www.obtala.com/investors-research-coverage

Obtala Limited +44 (0)20 7099 1940
Miles Pelham - Chairman
Paul Dolan - CEO
Martin Collins - Deputy Chairman
www.obtala.com

ZAI Corporate Finance Limited (Nomad) +44 (0)20 7060 2220
John Treacy

Brandon Hill Capital (Joint Broker) +44 (0)20 3463 5000

Jonathan Evans

Beaufort Securities Limited (Joint Broker) +44 (0)20 7382 8300

Jon Belliss

This announcement contains information which was previously inside information for the purposes of Article 7 of the Market Abuse Regulation EU Regulation 596/2014.

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