

# Obtala Limited<sup>#</sup>

BBG Ticker: *OBT LN*

Price: 19p

Mkt Cap: £53m

**BUY**

Year to Dec	Revenue (£m)	Adj. EBITDA (£m)	Adj. PBT (£m)	Adj. EPS (£)	DPS (£)	EV/Sales (x)	EV/EBITDA (x)	P/E (x)	Div Yield (%)
2015A	3.7	(3.6)	(4.0)	(6.4)	0.0	23.5	n/a	n/a	0.0
2016A	0.7	(4.3)	(4.6)	(2.7)	0.0	125.3	n/a	n/a	0.0
2017E	12.5	(0.2)	(0.2)	(0.8)	0.0	7.0	n/a	n/a	0.0
2018E	36.2	9.6	7.7	0.6	0.0	2.4	9.1	29.9	0.0

SOURCE: Company, VSA Capital estimates.

## Major Forestry Acquisition

African agriculture and forestry business **Obtala Limited (OBT LN)<sup>#</sup>** has announced the conditional acquisition of **WoodBois International (WBI)**, a private Danish-based forestry business with operations in Gabon and Côte d'Ivoire, by its 75%-owned forestry subsidiary **Argento Limited**. OBT will pay US\$14.8m (£11.4m) for the business, which generated revenues of DKK 106.8m (then £10.4m) and an EBIT of DKK 2.54m (then £0.25m) in FY 2015.

### Adds Wood Trading, Concession, Veneer Facility

WBI started as a wood trading business, using the extensive network of the two founders to connect African producers and international consumers. With margins squeezed in its trading business, WBI expanded upstream, securing its own concessions in Gabon in September 2013 (c41,300ha) and taking full control of a sawmill in the country, with an annual production capacity of 24,000m<sup>3</sup> sawn timber, in 2016. The business also has a veneer factory under construction, which, with an additional US\$200k investment from OBT post-acquisition, will be commissioned in H2 2017 and enable the business to access higher margin product sales.

### Deal Significantly Expands Marketing Footprint

In recent months OBT has been expanding its own timber marketing operations and growing its sales team in anticipation of the commissioning of its own large-scale sawmill in Mozambique in H2 2017. This deal significantly accelerates that process, providing OBT with an established global trading operation for its existing hardwood operation in Mozambique, enabling it to gain greater access to international markets. In FY 2015, WBI sold wood into more than 40 separate countries and importantly, the two founders have agreed to stay with the business for a minimum of five years following this transaction.

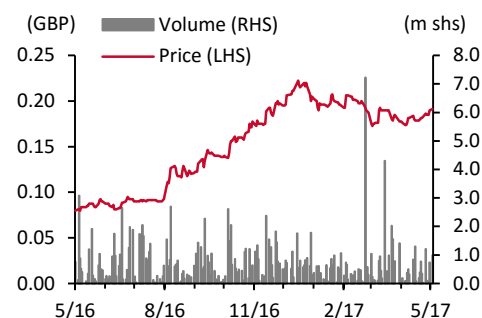
### Recommendation and Target Price

We maintain our **BUY** recommendation but increase our target price to **36p (from 28p)** as a result of this transaction (with the assumption that the due diligence period completes successfully).

#### Company Description

Obtala is developing sustainable agriculture and forestry operations in sub-Saharan Africa.

#### One Year Price Performance



Price % chg	1mn	3mn	12mn
	+8.5%	-7.3%	+152.1%
12mn high/low:	22.3p/8.0p		

SOURCE: FactSet, as of 22 May 2017 close.

Market:	LSE AIM
Sector:	Agriculture & Forestry
Location:	Africa
Shares in issue (pre-deal):	277.5m
Price target:	36p

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## Deal Outline

- The US\$14.8m total consideration will be made in three tranches:
  - **Tranche 1:** OBT will pay US\$3m cash and issue 15,641,499 new OBT ordinary shares on completion of the due diligence period (expected to complete by 30 June). The shares will be issued at 19p (the last closing price), representing US\$3.8m and 5.6% of OBT's existing issued share capital.
  - **Tranche 2:** A further US\$3m cash will be paid 120 days after completion or 30 September 2017 (whichever is earliest)
  - **Tranche 3:** US\$5m cash will be paid over five years in quarterly payments starting from 30 September 2017. The quarterly payments are conditional on the continued employment of the two founders

## Valuation Update

In FY 2015 WBI generated revenues of DKK 106.8m (then £10.4m), an EBIT of DKK 2.54m (then £0.25m) and had net assets of just DKK 16.9m (then £1.64m). However, in 2016 the company took full control of the Gabon sawmill and consolidated other forestry assets onto its balance sheet and as such we believe the current NAV is much higher.

Following this announcement, we have made a number of changes to our forecasts (see page 6) and taken a number of conservative assumptions about the likely future contribution of the WoodBois business to the group. Our 10-year DCF now produces a valuation of c£110m for the OBT business, which corresponds to a target price of 36p, an increase from 28p when we initiated on OBT on 29 March 2017.

### DCF – Summary Table

NPV (£m)	54.7
TV (£m)	90.9
EV (£m)	145.6
Net Cash/(Debt) (Dec 17E)	2.5
minus Minorities (Dec 17E)	(19.7)
minus Pref. Stock (Dec 17E)	(16.8)
<b>Fair Value (£m)</b>	<b>111.5</b>
Ordinary Shares in Issue (Dec 17E)	313.2
<b>Target Price (£p)</b>	<b>36.0</b>
<b>Upside/(Downside) to SP</b>	<b>89.5%</b>
<b>Rating</b>	<b>BUY</b>
<b>Discount Rate</b>	<b>12%</b>
<b>Terminal Growth Rate</b>	<b>3%</b>

*SOURCE: Company Data, VSA Capital Estimates.*

# Overview of the Acquisition

On 24 April **Obtala Limited (OBT LN)**<sup>#</sup> announced the acquisition (subject to due diligence) of **WoodBois International (WBI)**, a Danish-based business with operations in Gabon and Côte d'Ivoire. This acquisition represent OBT's first major move since raising cUS\$27m in 2016 and early 2017 as it looks to build a leading African forestry and agriculture business. This deal also provides OBT with significant diversification away from its two existing operational markets, Mozambique and Tanzania.

## WoodBois International (Gabon, Côte d'Ivoire)

WBI was founded in 2004 and consists of three main operations - a wood trading business in Côte d'Ivoire, a harvesting and sawmill operation in Gabon, and an under construction veneer factory in Gabon. Across the three businesses it employs around 150 people.

### 1) Wood Trading (Côte d'Ivoire)

WBI runs its wood trading business from Abidjan, Côte d'Ivoire, acting as an intermediary between African timber producers and global buyers. Wood is typically exported from Gabon, Côte d'Ivoire and Cameroon. The company trades wood by leveraging the extensive network of the two founders, Zahid Abbas and Jacob Hansen, who have worked in the timber procurement and sales industry for three decades. Importantly for a trading business that relies on such personal networks, the two founders of the business have agreed to remain with the company for a minimum of five years.

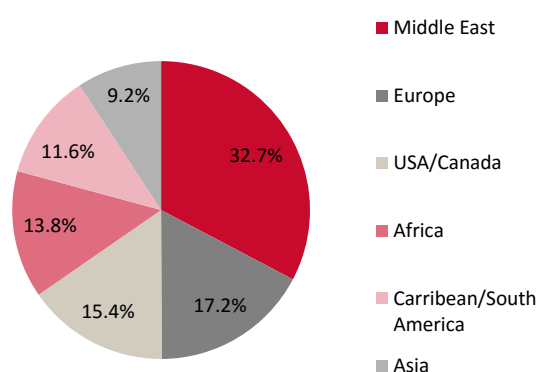
This deal provides OBT with an established global trading operation for its existing hardwood operation in Mozambique to gain greater access to international markets. OBT's own marketing efforts have so far been largely focused on Africa and the Middle East. For comparison purposes, in FY 2015, WBI sold wood into more than 40 separate countries, in every region of the world, although it is strongest in OBT's existing key market, the Middle East. The company recently opened an office in Karachi, Pakistan, under the name WoodBois Asia and views this country in particular as an extremely important market in the region.

#### WBI Operations in Abidjan



SOURCE: Company Data.

#### WBI – FY 2015 Sales Split



OBT believes that this trading operation could rapidly increase its revenues and margins through the use of OBT-sourced export finance. This certainly presents significant potential for upside from our much more conservative assumptions (see page 5).

With margins difficult to maintain in a highly competitive wood trading market, in the early 2010s WBI looked upstream to secure its own timber supply.

## 2) Concession and Sawmill (Gabon)

In September 2013 WBI secured 41,300ha (102,000 acre) of concessions in Gabon and began harvesting operations with an Annual Permitted Cut (APC) of 70,000m<sup>3</sup> (similar to OBT's APC on its 312,465ha of concessions in Mozambique). This concession will add to OBT's existing concessions and provides a certain degree of diversification away from Mozambique. Unlike in Mozambique there is no expiration on these concessions, provided the company abides by forestry regulations and continues to pay the required taxes. The main species of wood contained in the concessions is Okoume, which sells for US\$300-400/m<sup>3</sup> and is therefore a much less valuable wood than the majority of species contained in OBT's Mozambique concessions.

### *Gabon Sawmill*



### *Harvesting in Gabon*



**SOURCE:** *Company Data.*

WBI's sawmill is located 425km south of Gabon's capital Libreville and within 70km of all of its concessions (considerably more accessible than OBT's concessions in Mozambique).

The sawmill has been ramping up production since WBI took full control in 2016, and is currently operating at an annualised production rate of 14,400m<sup>3</sup>. However, it has the capacity to produce 24,000m<sup>3</sup> of sawn timber a year (i.e. about 60% of our forecasted steady run-rate of OBT's under construction sawmill in Nampula) and OBT will inject working capital in order to enable this level to be approached over the next few years.

The sawmill currently uses third-party kilns for drying wood and cannot therefore use the facilities as much as it would like. Sawn timber products are currently split 50:50 between kiln dried and air dried. By providing additional funding to the business, OBT wants to acquire/construct its own kilns and therefore significantly increase the amount of kiln dried timber the business sells in order to increase its margins (kiln dried wood attracts c40% premium).



### 3) Under Construction Veneer factory (Gabon)

WBI currently has a veneer factory under construction at the same location as the sawmill. Post-acquisition, OBT will invest cUS\$200k into the facility to enable construction to be completed in H2 2017. The business is planning for an annual production capacity of 18,000m<sup>3</sup> of peeled veneer (as opposed to sliced veneer). This will allow the wood processing and trading business to produce higher margin sales and should contribute to earnings from 2018 onwards.

#### Veneer Facility (completion in H2 2017)



#### Veneer Sheet Production



SOURCE: Company Data.

### VSA Forecasts Well below Management Expectations

We have been significantly more conservative than management with regards to our forecasts for the WBI business, assuming that each of the three operations ramps-up to deliver a steady state annual contribution from 2020.

However, management believe that with access to significant amounts of export finance (discussions underway), the trading business could expand dramatically, providing an operating profit of more than US\$12m to the group by 2019 under its base case assumptions. However, given the reliance on third-party finance, we have not assumed any expansion in this division. We will revisit this assumption should OBT secure the necessary third-party financing.

#### Divisional Forecasts – VSA Estimates

US\$m	Dec-17E	Dec-18E	Dec-19E	Dec-20E	Dec-21E	Dec-22E	Dec-23E	Dec-24E	Dec-25E
Revenue - Gabon Sawmill	5.5	6.1	6.8	7.6	7.6	7.6	7.6	7.6	7.6
Gross Profit - Gabon Sawmill	1.4	1.6	1.8	2.0	2.0	2.0	2.0	2.0	2.0
Revenue - Veneer Production	-	2.8	5.6	8.4	8.4	8.4	8.4	8.4	8.4
Gross Profit - Veneer Production	-	1.7	3.5	5.2	5.2	5.2	5.2	5.2	5.2
Revenue - Trading Business	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5
Gross Profit - Trading Business	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
<b>Group Revenue</b>	<b>19.0</b>	<b>22.4</b>	<b>25.9</b>	<b>29.5</b>	<b>29.5</b>	<b>29.5</b>	<b>29.5</b>	<b>29.5</b>	<b>29.5</b>
<b>Group Gross Profit</b>	<b>2.3</b>	<b>4.2</b>	<b>6.1</b>	<b>8.0</b>	<b>8.0</b>	<b>8.0</b>	<b>8.0</b>	<b>8.0</b>	<b>8.0</b>

SOURCE: VSA Capital Estimates.

# Changes to Financial Forecasts

## Profit & Loss

### Profit & Loss (£m)

Profit & Loss (£m)	Dec-14A	Dec-15A	Dec-16E	Dec-17E	Dec-18E	Previous Estimates			
						Dec-17E	Chg. %	Dec-18E	Chg. %
<b>Total Revenue</b>	<b>1.7</b>	<b>3.7</b>	<b>0.7</b>	<b>12.5</b>	<b>36.2</b>	<b>5.4</b>	<b>133%</b>	<b>19.7</b>	<b>84%</b>
Cost of Sales	(0.9)	(2.6)	(0.4)	(8.8)	(22.3)	(2.4)		(8.6)	
<b>Gross Profit</b>	<b>0.8</b>	<b>1.1</b>	<b>0.3</b>	<b>3.7</b>	<b>13.9</b>	<b>2.9</b>	<b>26%</b>	<b>11.1</b>	<b>25%</b>
<i>Gross Profit Margin</i>	0.5	0.3	0.4	0.3	0.4	0.5		0.6	
SG&A Expenses	(3.8)	(3.6)	(4.6)	(3.9)	(4.4)	(3.6)		(3.8)	
Loss on derivative financial instruments	(0.7)	(1.1)	0.0	0.0	0.0	0.0		0.0	
<b>EBITDA (adj)</b>	<b>(3.7)</b>	<b>(3.6)</b>	<b>(4.3)</b>	<b>(0.2)</b>	<b>9.6</b>	<b>(0.7)</b>	<b>74%</b>	<b>7.3</b>	<b>32%</b>
Depreciation	(0.3)	(0.3)	(0.3)	(0.0)	(1.9)	(0.2)		(1.0)	
<b>EBIT (adj)</b>	<b>(4.0)</b>	<b>(3.9)</b>	<b>(4.6)</b>	<b>(0.2)</b>	<b>7.7</b>	<b>(0.9)</b>	<b>78%</b>	<b>6.3</b>	<b>23%</b>
Other Exceptionals	0.0	(16.1)	(1.5)	0.0	0.0	0.0		0.0	
<b>EBITDA (rpt)</b>	<b>(3.7)</b>	<b>(19.7)</b>	<b>(5.8)</b>	<b>(0.2)</b>	<b>9.6</b>	<b>(0.7)</b>		<b>7.3</b>	
<b>EBIT (rpt)</b>	<b>(4.0)</b>	<b>(20.0)</b>	<b>(6.1)</b>	<b>(0.2)</b>	<b>7.7</b>	<b>(0.9)</b>		<b>6.3</b>	
Exceptionals	(20.2)	9.6	0.0	0.0	0.0	0.0		0.0	
Finance Income	0.1	0.0	0.0	0.0	0.0	0.0		0.0	
Finance Expense	0.0	(0.0)	0.0	0.0	0.0	0.0		0.0	
<b>PBT (rpt)</b>	<b>(24.1)</b>	<b>(10.4)</b>	<b>(6.1)</b>	<b>(0.2)</b>	<b>7.7</b>	<b>(0.9)</b>		<b>6.3</b>	
<b>PBT (adj)</b>	<b>(3.9)</b>	<b>(4.0)</b>	<b>(4.6)</b>	<b>(0.2)</b>	<b>7.7</b>	<b>(0.9)</b>	<b>78%</b>	<b>6.3</b>	<b>23%</b>
Tax Rebate (Expense)	10.2	(4.5)	(1.1)	(1.2)	(2.3)	(1.2)		(1.9)	
<b>PAT (rpt)</b>	<b>(13.9)</b>	<b>(14.9)</b>	<b>(7.2)</b>	<b>(1.4)</b>	<b>5.4</b>	<b>(2.1)</b>		<b>4.4</b>	
<b>PAT (adj)</b>	<b>6.3</b>	<b>(8.5)</b>	<b>(5.7)</b>	<b>(1.4)</b>	<b>5.4</b>	<b>(2.1)</b>	<b>34%</b>	<b>4.4</b>	<b>23%</b>
<b>Attributable to (rpt):</b>									
Equity Holders	(13.4)	(16.8)	(7.2)	(2.2)	2.0	(2.8)		1.5	
Minority Interests	(0.5)	1.9	(0.0)	0.8	3.4	0.7		2.8	
<i>Ordinary Shares at Year End (m)</i>	263.3	263.3	273.3	313.2	313.2	297.5		297.5	
<i>Diluted Shares at Year End (m)</i>	263.3	263.3	366.0	425.9	425.9	410.3		410.3	
Basic Wtd Av Shs (m)	263.3	263.3	264.1	290.1	313.2	290.1		297.5	
<b>Basic EPS (rpt, £p)</b>	<b>(5.1)</b>	<b>(6.4)</b>	<b>(2.7)</b>	<b>(0.8)</b>	<b>0.6</b>	<b>(1.0)</b>		<b>0.5</b>	
<b>Basic EPS (adj, £p)</b>	<b>(5.1)</b>	<b>(6.4)</b>	<b>(2.7)</b>	<b>(0.8)</b>	<b>0.6</b>	<b>(1.0)</b>		<b>0.5</b>	
Estd dilutive shares	0.0	0.0	92.7	112.7	112.7	112.7		112.7	
Wtd Av Dil Shs (m)	263.3	263.3	356.8	402.9	425.9	402.9		410.3	
<b>Diluted EPS (rpt, £p)</b>	<b>(5.1)</b>	<b>(6.4)</b>	<b>(2.0)</b>	<b>(0.5)</b>	<b>0.5</b>	<b>(0.7)</b>		<b>0.4</b>	
<b>Diluted EPS (adj, £p)</b>	<b>(5.1)</b>	<b>(6.4)</b>	<b>(2.0)</b>	<b>(0.5)</b>	<b>0.5</b>	<b>(0.7)</b>		<b>0.4</b>	
Dividend per share (£p)	0.0	0.0	0.0	0.0	0.0	0.0		0.0	

SOURCE: Company Data, VSA Capital Estimates.

## Balance Sheet

### Balance Sheet (£m)

Balance Sheet (£m)	Dec-14A	Dec-15A	Dec-16E	Dec-17E	Dec-18E	Previous Estimates			
						Dec-17E	Chg. %	Dec-18E	Chg. %
<b>Assets</b>									
Cash & Equivalents	3.3	0.7	0.2	2.5	1.7	7.1	-65%	9.5	-82%
Trade and Other Receivables	0.8	0.3	0.1	0.7	2.0	0.4		1.3	
Inventories	1.4	0.6	0.1	1.9	4.9	0.3		0.7	
Short Term Investments	3.9	0.0	0.0	0.0	0.0	0.0		0.0	
<b>Total Current Assets</b>	<b>9.4</b>	<b>1.5</b>	<b>0.4</b>	<b>5.1</b>	<b>8.6</b>	<b>7.7</b>		<b>11.5</b>	
Net PPE	2.6	1.9	0.1	14.0	15.3	7.6		9.9	
Biological Asset	103.8	118.2	118.2	118.2	118.2	118.2		118.2	
Goodwill & Intangibles	16.1	0.0	0.0	3.7	3.7	0.0		0.0	
Available for Sale Investments	0.1	0.1	0.1	0.1	0.1	0.1		0.1	
<b>Total Long-term Assets</b>	<b>122.6</b>	<b>120.2</b>	<b>118.5</b>	<b>136.0</b>	<b>137.3</b>	<b>125.9</b>		<b>128.2</b>	
<b>Total Assets</b>	<b>131.9</b>	<b>121.7</b>	<b>118.8</b>	<b>141.1</b>	<b>145.9</b>	<b>133.7</b>		<b>139.8</b>	
<b>Liabilities + Equity</b>									
Short-Term Debt	0.0	0.0	0.0	0.0	0.0	0.0		0.0	
Trade and Other Payables	(2.3)	(2.2)	(0.3)	(4.8)	(6.1)	(1.5)		(4.3)	
Financial Investment Liabilities	(3.0)	0.0	0.0	0.0	0.0	0.0		0.0	
Current Tax Liabilities	(0.0)	0.0	0.0	0.0	0.0	0.0		0.0	
<b>Total Current Liabilities</b>	<b>(5.2)</b>	<b>(2.2)</b>	<b>(0.3)</b>	<b>(4.8)</b>	<b>(6.1)</b>	<b>(1.5)</b>		<b>(4.3)</b>	
Long-Term Debt	(0.2)	0.0	0.0	0.0	0.0	0.0		0.0	
Deferred Tax	(33.2)	(37.8)	(37.8)	(37.8)	(37.8)	(37.8)		(37.8)	
Deferred Consideration	0.0	0.0	0.0	(3.9)	(3.1)	(4.0)		(3.2)	
<b>Total Long-term Liabilities</b>	<b>(33.4)</b>	<b>(37.8)</b>	<b>(37.8)</b>	<b>(41.7)</b>	<b>(40.9)</b>	<b>(37.8)</b>		<b>(37.8)</b>	
<b>Total Liabilities</b>	<b>(38.6)</b>	<b>(40.0)</b>	<b>(38.1)</b>	<b>(46.5)</b>	<b>(47.0)</b>	<b>(39.3)</b>		<b>(42.1)</b>	
Share Capital (ord. shares of 1p par value)	2.6	2.6	2.7	3.1	3.1	3.0		3.0	
Share Capital (pref. shares of US\$350 par value)	0.0	0.0	7.3	16.8	16.8	17.4		17.4	
Share Premium	11.5	11.5	11.4	18.0	18.0	15.2		15.2	
Reserves	31.1	31.6	31.6	31.6	31.6	31.6		31.6	
Retained Earnings (Deficit)	31.1	17.0	8.7	5.4	6.2	7.6		8.1	
Minorities	17.0	18.9	18.9	19.7	23.2	19.6		22.4	
<b>Total Equity</b>	<b>93.3</b>	<b>81.7</b>	<b>80.7</b>	<b>94.6</b>	<b>98.9</b>	<b>94.4</b>		<b>97.6</b>	

SOURCE: Company Data, VSA Capital Estimates.

# Cash Flow Statement

## Cash Flow Statement (£m)

Cash Flow (£m)	Dec-14A	Dec-15A	Dec-16E	Dec-17E	Dec-18E	Previous Estimates				
						Dec-17E	Chg. %	Dec-18E	Chg. %	
<u>Cash From Operations</u>										
<b>EBIT (rpt)</b>	<b>(4.0)</b>	<b>(20.0)</b>	<b>(6.1)</b>	<b>(0.2)</b>	<b>7.7</b>	<b>(0.9)</b>		<b>6.3</b>		
Depreciation & Amortisation	0.3	0.3	0.3	0.0	1.9	0.2		1.0		
<b>EBITDA (rpt)</b>	<b>(3.7)</b>	<b>(19.7)</b>	<b>(5.8)</b>	<b>(0.2)</b>	<b>9.6</b>	<b>(0.7)</b>		<b>7.3</b>		
Loss on Derivative Financial Instrument	0.7	1.1	0.0	0.0	0.0	0.0		0.0		
FX Gains	2.4	(2.5)	0.0	0.0	0.0	0.0		0.0		
Losses/(Gains) on Investments/Associates/Licences/Disposals	0.0	0.0	1.5	0.0	0.0	0.0		0.0		
Impairment of Assets	0.0	16.1	0.0	0.0	0.0	0.0		0.0		
Other Non-Cash	0.0	(0.1)	0.0	0.0	0.0	0.0		0.0		
<u>(Increase) decrease in assets:</u>										
Trade and Other Receivables	0.0	0.6	0.2	(0.6)	(1.3)	(0.3)		(1.0)		
Inventories	0.4	0.8	0.5	(1.9)	(3.0)	(0.2)		(0.4)		
<u>Increase (decrease) in liabilities:</u>										
Trade and Other Payables	0.3	(0.2)	(1.9)	4.5	1.3	1.0		2.8		
<b>Cash From Operations</b>	<b>0.1</b>	<b>(4.0)</b>	<b>(5.5)</b>	<b>1.8</b>	<b>6.6</b>	<b>(0.2)</b>		<b>8.7</b>		
Income Tax Paid	0.0	0.0	(1.1)	(1.2)	(2.3)	(1.2)		(1.9)		
<b>Net Cash From Operations</b>	<b>0.1</b>	<b>(4.0)</b>	<b>(6.6)</b>	<b>0.6</b>	<b>4.3</b>	<b>(1.4)</b>	<b>144%</b>	<b>6.8</b>	<b>-37%</b>	
<u>Cash From Investments</u>										
Purchase of PPE	(0.0)	(0.0)	0.0	(6.1)	(3.2)	(6.2)		(3.3)		
Acquisition of Subsidiary	0.0	0.0	0.0	(4.6)	(0.8)	(4.8)		(0.8)		
<b>Cash From Investments</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>0.0</b>	<b>(10.8)</b>	<b>(4.0)</b>	<b>(6.2)</b>		<b>(3.3)</b>		
<u>Cash From Financing</u>										
Proceeds from Issue of Ordinary Shares (net)	0.0	0.0	0.0	4.0	0.0	4.0		0.0		
Funds Raised by Subsidiary (net)	0.0	0.0	7.3	9.5	0.0	9.9		0.0		
Preference Dividends Paid	0.0	0.0	(1.1)	(1.1)	(1.1)	(1.1)		(1.1)		
Proceeds from Sale of Investments	0.0	1.4	0.0	0.0	0.0	0.0		0.0		
Proceeds from Loans	0.0	0.0	0.0	0.0	0.0	0.0		0.0		
Repayment of Loans	0.0	0.0	0.0	0.0	0.0	0.0		0.0		
Finance Income	0.0	0.0	0.0	0.0	0.0	0.0		0.0		
Finance Costs	0.0	0.0	0.0	0.0	0.0	0.0		0.0		
<b>Cash From Financing</b>	<b>1.0</b>	<b>1.4</b>	<b>6.2</b>	<b>12.4</b>	<b>(1.1)</b>	<b>12.8</b>		<b>(1.1)</b>		
Change in Cash	1.1	(2.6)	(0.4)	2.2	(0.8)	5.2		2.4		
<b>Cash &amp; cash equivalents at the beginning of the year</b>	<b>2.1</b>	<b>3.3</b>	<b>0.7</b>	<b>0.2</b>	<b>2.5</b>	<b>1.9</b>		<b>7.1</b>		
FX Adjustments	0.0	0.0	0.0	0.0	0.0	0.0		0.0		
<b>Cash &amp; cash equivalents at the end of the year</b>	<b>3.3</b>	<b>0.7</b>	<b>0.2</b>	<b>2.5</b>	<b>1.7</b>	<b>7.1</b>		<b>9.5</b>		

SOURCE: Company Data, VSA Capital Estimates.



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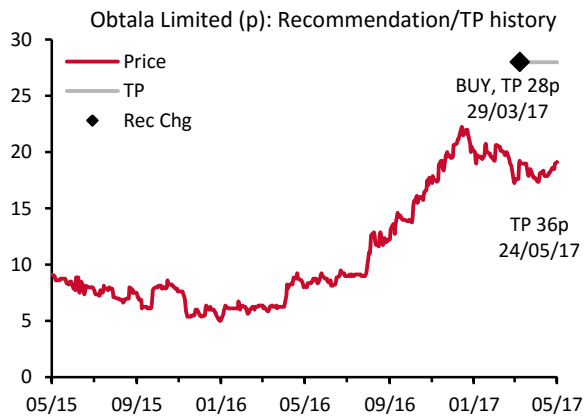
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Equities breakdown: 30 June 2015	Spec. BUY	BUY	HOLD	SELL
Overall equities coverage	26.3%	68.4%	5.3%	0.0%
Companies to which VSA has supplied investment banking services	25.0%	75.0%	0.0%	0.0%

## Recommendation and Target Price History



SOURCE: FactSet data, VSA Capital estimates.

### Valuation basis

We have valued OBT using a 10-year discounted cash flow valuation.

### Risks to that valuation

The main risks to the OBT business model are political, commercial and climate-related.

This recommendation was first published on 29 March 2017.