Iofina PLC

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Iofina expects further progress in 2019 after record year as it moves into cannabis market

- Record results in 2018
- Further progress expected in 2019
- Iofina plans move into US cannabis market

What Iofina does:
Iofina PLC (LON:IOF) is involved in the exploration and production of iodine, iodine specialty chemical derivatives, produced water and natural gas.

The AIM-listed group's strategy is to identify, develop, build, own and operate iodine extraction plants currently focused in North America based on its wellhead extraction technology, IOsorb.

It has production operations in the United States, specifically in Kentucky, Montana, and Oklahoma.

The company has complete vertical integration from the production of iodine in the field to the manufacture of the chemical end products derived from iodine to the consumer, and the recycling of iodine using iodinated side-streams from waste chemical processes.

What the boss says - Dr Tom Becker, chief executive officer

"2018 was an exceptional year and a result of the strategies executed over the last few years by the directors and employees of Iofina," Becker said.

He added: "Over the last few years, by executing cost savings plans, prudent growth, and investing in new products, the group has turned itself around and is performing at its highest level to date.

"This momentum has continued into early 2019 with record Q1 iodine production."

Becker said Iofina intends to continue with this progress. The group is looking to expand its iodine production in 2019 and will continue to invest in new, innovative products, he said.

"The iodine market is continuing to move in a positive direction, although iodine prices are still below pre-2011 levels.

"Our focus on everyday execution, coupled with the development and implementation of near-term and long-term growth strategies, are vital to continue with the exceptional progress of the group moving forward."

Blue Sky:
Commenting on Iofina’s 2018 results, analysts at 'house' broker finnCap said the company's "laser focus" on costs and
efficiency improvements "should continue to pay dividends", with the projected increase in iodine prices likely to amplify the benefits.

The broker added that Iofina's recently established cannabinoid division, IofinaEX, was "a natural fit" as its current iodine production used many of the same processes required to extract the cannabis-derived chemicals.

"Iofina also has operations in Montana, Colorado and Kentucky, the top three regions for hemp production in the US. Diversification into synergistic, high-growth new areas can be no bad thing as long as it doesn't distract from the progress being made in its core Resource and Chemical divisions".

finnCap has Iofina pegged with a 34p target price.
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