



# Keen to join the biological fertiliser crowd

## THE PUNTER

WITH fertiliser increasingly expensive and in short supply, the Punter has decided to take another stake in the industry.

He already has holdings in would-be Australian urea producer NeuRizer (ASX code NRZ), in Australian Potash (APC) and another potash hopeful, Trigg Mining (TMG).

Those three are still at the stage of burning money and looking to borrow eye-watering amounts of money at a time of rising interest rates. Perhaps not surprisingly,

the recent performance of their shares has been lacklustre. So this week the Punter is putting his money into a relatively small South Australian company that has grown every year since 1988. In the year ended June 2021, revenue of \$17 million yielded a net profit of \$2m.

The company, Neutrog, has more than 25 organic and biological products, rejoicing in names such as Rooster Booster, Whoflungdung, Rapid Raiser and GO-GO Juice. Another 20 are in development.

The company is now

seeking up to \$3m, mainly to expand its research and its visitor education centre, but also to fund growth in general. The shares, at 63c each, will be on a price earnings ratio of 17, with earnings of 3.7c a share, if the offer is fully subscribed by the time it closes on June 16.

Debt of \$6.4m is relatively high compared to total equity of \$10.9m, but the Punter's main reservation is that this is a crowdfunding offer. The shares are not quoted on any stock exchange and could be very difficult to sell. There is no chance of a capital gain

unless and until the company goes public. Neutrog is not proposing to pay any dividends in the near future.

The minimum purchase is only \$500, and there is a five-day cooling off period. Investors have to sign up to OnMarket, the brokers handling the issue, to read the offer and place a bid.

The Punter has applied for 4000 shares at a cost of \$2520.

■ The Punter has no financial qualifications and no links to the financial services industry. He owns shares in a number of companies featured in this column.



The market for alternative fertiliser with a biological impact is gaining ground and The Punter has applied to become part of a growing demand.