

Keytone Dairy's Debut

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New Zealand dairy business Keytone Dairy Corp (ASX: KTD) debuted on the ASX yesterday with shares up immediately.

The company conducted a significantly oversubscribed IPO, closing on 11 July 2018 at 20 cents, and it seems those that missed out weren't taking no for an answer. At listing Keytone had a market capitalisation of AUD\$30 million, but by the end of the first day's trading this had pushed on to approximately AUD\$71 million.

Shares closed at 36 cents or 80% higher than the IPO price and were heavily traded with close to 54 million changing hands - more than the entire free float.

The company are progressing with plans to gain a slice of the huge Chinese dairy market. Construction of a second manufacturing facility on New Zealand's South Island is advancing and will be ready during the first half of 2019. The location of the plant - and the source of dairy products key selling points to the Chinese market who value the clean and well regulated food industry in New Zealand highly.

To aid in market penetration in China Keytone have recently begun selling goat milk powder via Chinese e-commerce platform JD.com, China's largest retailer by revenue and transaction volume. Several other powdered milk products are anticipated as is an organic certification.

In early trading today shares in Keytone were at 36.5 cents - on healthy volume. Obviously there are some who see another Bellamy's in the making here.

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