



Here's why today is a good day to buy TFS Corporation Limited shares

Shares of the world's largest owner and manager of commercial Indian sandalwood plantations, TFS Corporation Limited ([ASX: TFC](#)), have today fallen 3.5% following the announcement of a new debt issuance.

In a release to the ASX this morning, the \$550 million TFS Corporation announced it had issued an additional \$US25 million of debt under the provisions of its existing Senior Secured Notes.

The \$US25 million of notes will generate approximately \$35 million for the Australian company, at a significant discount to its existing debt profile. The new notes will be issued at a yield to maturity of 8.2%.

At 31 December 2015, TFS Corporation had approximately \$183 million of debt.

TFS CEO Frank Wilson said, "The proceeds from this issue provide us with greater balance sheet strength and flexibility as we continue our strategy of building long-term shareholder value by extending our vertically integrated business and increasing our interests in land and Indian sandalwood plantations."

In the half year through December, TFS Corporation posted a profit of \$55 million, up 1,598% on the prior corresponding period. Whilst the result was bolstered by accounting gains on revaluations of tree plantations; a higher oil price and favourable exchange rate also contributed to a better-than-expected result.

At the end of the February 2015 the group confirmed its full year guidance of at least \$90 million net profit after tax (NPAT). With shares currently trading on a price-earnings ratio of just over 6.5 times and net asset value of 1.3 times, TFS Corporation currently looks like a great buy for long-term investors.

Source: <http://www.fool.com.au/2015/03/30/heres-why-today-is-a-good-day-to-buy-tfs-corporation-limited-shares/>

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