

ORANCO, INC.

Oranco Core Business Trending in Right Direction

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ORANCO, INC. (OTC – ORNC - \$0.45)

Industry: Consumer Goods

Price Targets Under Review

COMPANY SNAPSHOT

Through its China-based operating subsidiary, Oranco, Inc. is focused on marketing its self-owned brand and wholesale alcoholic beverage business. Oranco has an exclusive relationship to sell the popular Chinese Fenjiu liquor along with the sale of popular imported wines to bars, liquor stores, convenience and supermarkets in a number of provinces in the Chinese marketplace.

KEY STATISTICS

Price as of 10/20/20	\$0.45
52 Week High – Low	\$2.04 - \$0.321
Est. Shares Outstanding	41.9M
Market Capitalization	\$18.9M
Average Volume	1,000
Exchange	OTC

COMPANY INFORMATION

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INVESTMENT HIGHLIGHTS

Key Points: U.S.-domiciled Oranco, Inc. (OTC – ORNC) recently reported results for the first 9 months of its current fiscal year. While we await next quarter's results, the most recent trends suggest sales and positioning are moving in the right direction. Our price targets are under review for potential upgrade upon release of new financials.

Strong Profit recorded in first nine months of fiscal year. Oranco reported a whopping \$6.4M in pre-tax income and net income of \$4.7M on revenue of \$11.4M. EPS was \$0.11 for the period as well.

Effect of COVID-19 on the Company's business. While COVID-19 did have an early impact on Oranco's business this calendar year, it appears its under control in China and that liquor sales have returned to a more normalized level.

New initiatives set to bear fruit. The Company's new vending machines channel is ready to contribute to revenue in the coming weeks, aided by sourcing franchisees in multiple, targeted provinces in China.

Management's financial plan for 2020 appears on track. With the aid of new markets and channels, management is confident that it will implement its business plan and that revenue and profit targets will be met this calendar year.

Investors would be hard pressed to find a microcap that generates higher profit margins or has a comparable balance sheet. Oranco records net margins of around 40% and the stock trades less than 2.0x book value.

Senior Analyst: Robert Goldman

Rob Goldman founded Goldman Small Cap Research in 2009 and has over 20 years of investment and company research experience as a senior research analyst and as a portfolio and mutual fund manager. During his tenure as a sell side analyst, Rob was a senior member of Piper Jaffray's Technology and Communications teams. Prior to joining Piper, Rob led Josephthal & Co.'s Washington-based Emerging Growth Research Group. In addition to his sell-side experience Rob served as Chief Investment Officer of a boutique investment management firm and Blue and White Investment Management, where he managed Small Cap Growth portfolios and *The Blue and White Fund*.

ANALYST CERTIFICATION

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