WHITE DIAMOND RESEARCH

ORCHIDS PAPER: TOLIET PAPER NEVER LOOKED SO DIRTY – BANKRUPTCY BY YEAR'S END?

December 10, 2018

RESEARCH SUMMARY

Each 2018 quarter, Orchids Paper (TIS) has had a consecutively worse financial performance.

For the past two quarters, Orchids' gross margin has been almost 0%, while its SG&A and interest expense have ballooned to unsustainable levels.

We believe the banks won't extend Orchids deadline for a sale of its assets, and it will file for Ch 11 bankruptcy by the end of the year.

TIS recently rose over 100% on insignificant news, which we believe creates a good short opportunity.

Next quarter, marketing for new customers will be even harder for Orchids as competing ultra-premium tissue manufacturing facilities will begin production.

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Read the entire article here on Seeking Alpha.

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