



Please find below our weekly update covering themes that we feel that are of interest to investors and participants in the small and mid-cap TMT sector as well as commentary on recent newsflow. The cost of Allenby Capital's research on individual clients is paid for by our research clients.

*For the purpose of MIFID II, the content of the following email qualifies as “non-substantive material or services consisting of short-term market commentary on the latest economic statistics or company results” and so can be treated as ‘acceptable minor non-monetary benefits’ and not as ‘chargeable research’ per the European Commission’s Delegated Directive of 7.4.2016.*

## **Allenby Capital TMT Update - 01.03.21 - MWE.L, CPX.L, BOOM.L**

### **MTI Wireless Edge Ltd\* (MWE.L, 83p/£71.7m)**

#### **Finals: Strength of diversified model (01.03.21)**

[Note published](#)

**Allenby Capital comment:** Finals from MTI Wireless Edge Ltd, the technology group specialising in comprehensive radio frequency communication solutions across multiple sectors, were in line with forecast and demonstrate the advantages of geographic and sector diversification given the challenges posed by COVID-19. Each division can point to structural growth drivers (5G roll out, water scarcity and growth in the international defence market) but were impacted by the pandemic to varying degrees in FY20 although each remained profitable. Group revenue grew 2% to \$40.9m (ACLe: \$40.7m) and PBT by 19% to \$4.1m (ACLe: \$4.3m) reflecting operating gearing and travel and marketing cost savings. Cash collection remained strong and net cash comfortably beat forecasts up 23% to \$9.4m (ACLe: \$7.6m) and the final dividend increases 25% to 2.5 cents. P&L forecasts for FY21 and FY22 remain unchanged but we increase our cash forecasts and fair value per share to 95p from 63p, equivalent to an FY21 EV/EBITDA of 19.0x falling to 16.8x in FY22.

*\* Allenby Capital acts as Nomad and Joint Broker to MTI Wireless Edge Ltd.*

### **CAP-XX Ltd\* (CPX.L, 8.75p/£48.6m)**

#### **Interims: Strong growth in order book and sales enquiries (25.02.21)**

[Note published](#)

**Allenby Capital comment:** Interims from CAP-XX Ltd, the leading designer and manufacturer of prismatic and cylindrical supercapacitors, were in line with the [recent trading statement](#). Group revenue increased 10% to A\$2.1m with Product sales +26% at A\$1.7m. Operating expenses fell and there was a A\$0.8m positive swing in adj. EBITDA to a profit of A\$0.3m. The Murata production lines have gone live at CAP-XX's new facility. Commercial production has started and is being ramped up. The outlook is positive with a current order book double last year's level that spans multiple markets. CAP-XX has also secured several new design wins in wearables, consumer, medical and automotive that should contribute to the order book going forward. The recently announced collaboration around energy harvesting modules with Epishine and ePeas offers an interesting showcase for the functional advantages of supercapacitors and specifically CAP-XX's prismatic products over traditional batteries. No change to forecasts.

*\* Allenby Capital acts as Nomad and Broker to CAP-XX Ltd.*

## **Audioboom plc\* (BOOM.L, 430p/£67.4m)**

### **Update: Ranked 5th biggest US podcast publisher (26.02.21)**

- Audioboom has been ranked the fifth largest US podcast publisher according to Triton Digital's January 2021 Podcast Report. Since joining the ranking service in May 2020, Audioboom had been ranked sixth and has now overtaken Wondery, which was acquired earlier this year by Amazon for >\$300m..
- Triton Digital rates podcast publishers based on average weekly downloads and Audioboom averaged 10.95m per week in January. It has increased weekly downloads by 55% since joining the service in May 2020. Audioboom is also ranked the highest international publisher in Triton Digital's Australian podcast report.
- No change to [forecasts](#).

**Allenby Capital comment:** The Triton Digital report is not exhaustive but does include 15 of the largest publishers and the information is used by advertising agencies and brands in deciding on where to direct spend. The report also only measures Audioboom's premium tier of podcasts that are monetised through host endorsements. The growth in the weekly downloads that the company has achieved since joining the service in May 2020 is a key metric as it demonstrates to potential advertisers the size of Audioboom's audience and also attracts more podcasters to its platform who are looking to monetise their content and expand their reach.

\* Allenby Capital acts as Nomad and Broker to Audioboom plc.

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### **Allenby Capital "paid for" research services**

*The changes initiated by MiFID II has had far reaching implications on both the quantity and continued availability of research on smaller cap companies, including those within the TMT sector. We would therefore remind interested companies that Allenby Capital can offer a "paid for" research service for those corporates that wish to retain an alternative and authoritative source of research that can be accessed freely by the entire investment community. If you would like further information on this service please contact [d.johnson@allenbycapital.com](mailto:d.johnson@allenbycapital.com).*

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David Johnson is the author of this research recommendation. David Johnson is employed by Allenby Capital Limited as an Equity Analyst.

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**Allenby Capital**

**5 St Helen's Place London EC3A 6AB**

**+44 (0)20 3328 5656**

[www.allenbycapital.com](http://www.allenbycapital.com)

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