



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 - 24.05.21 - MWE.L, BIRD.L, BOOM.L**

### **MTI Wireless Edge Ltd\* (MWE.L, 68.0p/£60.2m)**

#### **Q1 update: Solid start to FY21 and outlook positive (19.05.21)**

##### [Note published](#)

**Allenby Capital comment:** Solid start to FY21 by MTI Wireless Edge Ltd, the technology group specialising in comprehensive radio frequency communication solutions across multiple sectors, with Q1 revenue growth of 4% to \$9.95m and EBIT +14% to \$0.96m, reflecting operational gearing. There was strong cash generation with net cash up 10% to \$9.95m despite paying the FY20 dividend of \$2.2m in March (the FY19 dividend was paid in April 2020). Each of the three divisions (Antennas, Water Solutions (Mottech) and Distribution & Consultation (MTI Summit)) remained profitable with the bulk of the growth coming from Mottech. The outlook remains positive with structural growth drivers for each division (5G roll out, water scarcity and growth in the international defence market) and the disruption caused by COVID-19 is starting to dissipate. Forecasts and fair value of 95p/share remain unchanged, equivalent to an FY21 EV/EBITDA of 19.1x falling to 16.9x in FY22. The current share price offers a yield of 2.8% in FY21 and 3.0% in FY22.

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

### **Blackbird plc\* (BIRD.L, 37.0p/£124.7m)**

#### **Contract win: Demonstrates flexibility of cloud-based video editor (19.05.21)**

- ODK Media has chosen Blackbird's eponymous video editing platform for flexible and efficient cloud video production for its new OnDemandLatino service.
- ODK Media is a leading provider of international video content to global audiences through its popular streaming services. Its suite of products comprise movie distribution, e-commerce, content management and journalism. Its globally distributed production team will use Blackbird to instantly access libraries of content sourced from multiple regional locations and then rapidly edit, enrich and version content before publishing to multiple digital end points (web, social, VoD etc).
- No financial terms were provided.

**Allenby Capital comment:** The contract, similar to March's agreement with Tyspy, demonstrates the flexibility of the Blackbird cloud-based video editor for globally distributed production teams. The instantaneous access to large amounts of content in a browser combined with professional content creation tools drives productivity by reducing production

times, technical overheads and carbon emissions while increasing the volume of quality output. The OnDemandLatino is a new service from ODK Media and there should be the potential to extend the use of Blackbird to other work streams.

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

### **Audioboom plc\* (BOOM.L, 600p/£94m)**

#### **Retains position in Triton Digital US ranker (21.05.21)**

- Audioboom retained its position as the fourth largest podcaster in Triton Digital’s latest ranker of the US market by number of Average Weekly Users (4.2m) and fifth by Average Weekly Downloads (12.0m). It should be noted that Audioboom continues to grow both the number of users as well as downloads (by 63% and 43% respectively since May 2020).
- True Crime remains Audioboom’s key genre with *Morbid: A True Crime Podcast* at number eight by weekly downloads plus *Casefile True Crime* (43) and *True Crime Obsessed* (48) but there is a good spread across its network with current affairs (*The John Batchelor Show* (42) and *The Morning Toast* (49)) and comedy (*The Tiny Meat Gang* (83)) also featuring.
- No change to [forecasts](#) and 935p/share fair value.

**Allenby Capital comment:** Although Triton Digital’s ranker is not comprehensive, it is certified by the IAB Tech Lab and eliminates inconsistent measurement practices and self-reported data, providing content creators, marketers, media buyers and the wider audio industry with validated and transparent podcast audience data. It is widely used by agencies and brands in determining their advertising spend. The ranker also only focuses on Audioboom’s premium network titles (275 in April). Audioboom also has the top ranked podcast in Australia by number of monthly downloads (*Casefile True Crime*) and ranked overall the third largest podcast publisher by monthly downloads.

*\* 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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#### **Research recommendation disclosure**

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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