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TMT Update 15.10.18 (ACC.L, MWE.L)

Access Intelligence plc* (ACC.L, 5.875p/£28.6m)

Proposed placing and acquisition - breadth and depth (10.10.18)

[Note published](#)

Allenby Capital comment: The proposed acquisition of ResponseSource significantly broadens ACC's service offering, increases the installed base and enriches its data sets, creating substantial cross-sell and upsell opportunities. ResponseSource is well-established, profitable and has developed the UK's leading media enquiry service and a substantial media contacts database. The acquisition is earnings' enhancing before any cost or revenue synergies are considered. The acquisition complements the Vuelio platform and accelerates the development of solutions for organisations struggling with how best to interface with the new forms of digital media and shift towards 'Earned' media. ResponseSource shares many of the key attributes of ACC in operating a SaaS subscription model with low revenue concentration and a high retention rate. ResponseSource will benefit from access to a larger service offering on an up to date integrated AI enabled technology platform and being part of a larger business focused on corporate communications and reputation management. A fair value of 12.6p, pre the proposed 1-for-10 share consolidation, equivalent to 17.9x FY21 EV/EBITDA, looks realistic for the enlarged business.

** Allenby Capital acts as Nomad and Broker to Access Intelligence plc
Allenby Capital's coverage on Access Intelligence plc is available [here](#)*

MTI Wireless Edge Ltd* (MWE.L, 19.5p/£10.5m)

Contract win: First win in Mozambique (08.10.18)

- Contract win for its Mottech wireless irrigation control systems subsidiary worth an initial 1m Rand (c. £50k) and an expected total value of up to (c. £250k). This represents the first sale of Mottech's agricultural product range to a farm in Mozambique and the project will serve as a reference for the benefits and cost savings that can be gained from precision farming.
- The system will automatically and accurately irrigate and fertilise crops by remote control by wireless activating specific valves in the fields. This should increase crop yields and quality, while saving on operational costs and labour.
- Mottech has had a South African presence for the past ten years.
- No change to forecasts and fair value of 38p/share.

Allenby Capital comment: The majority of Mottech's revenue to date has been derived from water management systems for cities and precision farming represents a significant potential market in Mozambique and Southern Africa more generally as farmers try to cope with increasingly common water shortages and optimise fertiliser usage. Mottech offers water treatment/desalination and purification and irrigation control and management systems and has had an established presence in South Africa. The shares are trading on 8.9x FY18 and 7.2x FY19 and yields 6.3% in FY18 and 7.8% in FY19. Fair value of 38p remains unchanged.

** Allenby Capital acts as Nomad and joint Broker to MTI Wireless Edge Ltd.
Allenby Capital's coverage on MTI Wireless Edge Ltd is available [here](#)*

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