

Corporate

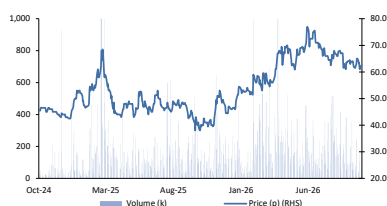
Current price **62.5p**

Sector **TMT**

Code **MWE.L**

Listing **AIM**

Share Performance



% Change	1m	3m	12m
MWE.L	-2.3	-9.4	+64.5

Source: Thomson Reuters, Allenby Capital

Share Data

Market Cap (£m) **55.4**

Shares in issue (m) **86.2**

52 weeks (p)	High	Low
	77.0	38.0

Financial year end **31 December**

Source: Company Data, Allenby Capital

Key Shareholders

Borovitz Family	32.2%
Beer Family	11.6%
Directors & PDMRs	6.3%
Herald Inv. Management	3.1%
Chelverton Asset Management	1.7%

Source: Company Data, Allenby Capital

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MTI Wireless Edge Ltd (MWE.L)

Mottech establishes direct presence in the US

The deals announced by MTI Wireless Edge Ltd (MWE.L), the technology group focused on comprehensive communications and radio frequency solutions across multiple sectors, provide its Mottech subsidiary with a direct presence in the large and growing US market for water management solutions plus an existing customer base. The acquisition of Interspec, a longstanding Mottech distributor headquartered in Aubrey, Texas, also brings a team with strong technical skills. Meanwhile, a retiring VAR in Florida will transfer its customers over to Mottech, expanding the US customer base. MTI has been very measured in its M&A strategy, typically working with potential targets for years ahead of a transaction. The use of a deferred contingent consideration also ensures that vendors are aligned, and they will assist during the integration. The deals are earnings' enhancing and increase forecasts accordingly. Fair value moves to 99p/share (from 95p), equivalent to 21.0x FY27 PER 21.0x and 14.0x EV/EBITDA.

- Deal highlights:** Mottech is acquiring 100% of Interspec for up to c. \$2.6m, with an initial cash consideration of \$0.36m and MTI will also provide funding of \$1.2m to support expansion of the business. An earn-out of \$1.25m to \$2.25m will be paid in July 2028, on the basis of Interspec's performance over the 12 months from 01 July 2027. The initial consideration will be funded from MTI's existing cash resources. Interspec had revenue of c. \$2.9m in FY25 (Dec), a PBT of c. \$0.4m, no borrowings and net assets of c. \$0.55m. Alongside this, a VAR in Florida, who has worked with Mottech for more than 15 years is retiring. Going forward, Mottech will contract directly with the VAR's customers to ensure continuity of support and help to integrate these customers into Interspec as required. This is expected to contribute c. \$0.2m in additional revenue to Mottech.
- Strategic rationale:** Interspec will represent MTI's first acquisition of a Mottech distributor in the US and will provide a direct operating platform in a large and strategically important market. The current team will also support future growth as MTI invests in sales and marketing, expanding customer reach and increasing the range of Mottech products and services on offer. MTI is very measured in its M&A activity, typically working with a target for years ahead of a transaction. Mottech has also successfully acquired distributors in the past, investing and scaling operations. In February, it acquired the remaining 50% interest in Mottech Parkland in Australia, having taken the initial stake in 2019.
- Impact on forecast and valuation:** A small increase in FY26 revenue (\$0.5m) and profit (\$0.1m) and a reduction in cash to reflect the initial consideration (\$0.4m) and investment. For FY27, we assume \$2.3m in additional revenue and a \$0.3m contribution to profit. Fair value moves to 99p/share (from 95p/share).

Year End: 31 December

(\$'000)	2025A	2026E Old	2026E New	2027E Old	2027E New
Revenue	51,476	54,511	54,973	57,781	60,079
Adj. EBITDA	6,995	7,099	7,141	7,327	7,579
Adj. PBT	5,410	5,819	5,861	6,027	6,279
Adj. EPS (c)	5.86	5.79	5.83	5.98	6.23
Net Cash	9,369	10,574	9,161	11,715	9,948
EV/EBITDA (x)	9.5		8.9		8.4
Yield (%)	4.0		4.3		4.4

Source: Company; Allenby Capital. Allenby Capital acts as Nomad & Joint Broker to MTI Wireless Edge Ltd (MWE.L).

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