Company Sponsored Research Report

EMERGING Growth Research

Wytec International Inc.
OTCQB: WYTC
Flash Report

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Price (as of close May 21, 2025)
$1.29

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About the Company

Wytec International is a designer and developer of small cell technology and wide area networks designed to support 5G cell phone network coverage deployments across the United States. Wytec offers in-building and citywide 5G solutions utilizing multiple 5G equipment vendors in combination with its patented LPN-16 small cell technology to complete its network designs.

52-Week Range	$0.60 – $4.25
Shares Outstanding	16.8 mil
Insider / Institutional	21%/0%
Public Float	12.5 mil
Market Capitalization	$22.2 mil
Total Debt	-
Debt / Equity	-
ROE (LTM)	-
Book Value / Share	$(0.17)
Daily Volume (90-day)	4K
Fwd. Div. & Yield	-

Tactical Re-Rating Candidate with Optionality.

Wytec International (WYTC) presents a compelling investment opportunity, leveraging its high-margin private 5G architecture, targeted to municipal and enterprise market penetration, and strategic pivot toward recurring, service-based revenues. Despite revenues halving y/y to $131K in FY:24, the Company achieved a robust gross margin expansion of 25 percentage points to 57%, underscoring early traction in its network-as-a-service model and improved operational leverage from SmartDAS deployments. While near-term liquidity constraints persist, management estimates a capital requirement of over $3 million in the next 9-12 months to support scalable infrastructure investment - evidenced by continued R&D efforts and its collaboration with the Nextivity Corporation to enhance the AI-driven Application Protocol Interface (API) technology. Near-term catalysts include the rollout of its security-integrated in-building wireless platform (gunshot and drug detection) across more than 200 multi-government facilities including 170 U.S. cities, 50 counties and over 40 special districts including Transit Authorities, Water Utility Boards, Bridge and Highway Authorities, Police Departments, School Districts, Hospitals as well as targeted expansion via strategic partnerships with smart city developers.

Investment Thesis

- **AI-Powered Safety Tech:** WYTC is integrating advanced AI and embedded machine learning in smart sensors for gunshot detection, chemical/vapor monitoring, and in-building cellular solutions – a differentiated approach from traditional alert systems.
- **Proprietary Ecosystem:** The Company's unique value proposition includes a full-stack, local+cloud sensor platform (including a mobile app), bolstered by three awarded and four pending patents, enhancing first responder integration while reducing false positives.
- **Massive Addressable Markets:** WYTC is targeting multiple large and growing addressable markets: in-building cellular, gunshot detection, drug detection, and education through remote learning.
- **Strategic Partnerships & Pilot Validation:** Early traction in Texas schools and collaboration with Nokia, Southwest Research Institute and the University of Texas-San Antonio, adds credibility and supports scale-up potential.
- **Repeatable Revenue Potential:** The scalable software-defined nature of their sensors and cloud-based subscription models (monitoring, analytics, alert response) offer potential for recurring revenue streams.

Key Risks

- As an early-stage tech firm, WYTC must successfully commercialize and scale its offerings from pilot to full deployment.
- WYTC may face liquidity pressures and require dilutive financing to fund R&D and deployment.
- School and municipal safety contracts often have long sales cycles and require robust data security and certification.
- Although several patents are pending, future disputes or rejections could weaken the Company's competitive moat.

- Incumbents like ShotSpotter (SSTI) have existing relationships and infrastructure in the public safety space.

Valuation

- We believe WYTC is strategically positioned to capture meaningful share across several high-growth, mission-critical markets. According to Grand View Research, the in-building cellular, gunshot detection, and vape/smoke detection segments – when enhanced with AI-integrated sensor networks – are projected to reach $19.4 billion, $4.5 billion, and $4.2 billion, respectively, by 2025. Combined, this opportunity represents a total addressable market (TAM) of $27.2 billion across these verticals.
- As a base case, we assume WYTC captures just 0.25% of the TAM by 2025, translating to approximately $68 million in potential revenue**. Importantly, we expect WYTC's market share to expand well beyond 0.25% over time as it scales deployments, secures contracts**, and strengthens its competitive position across verticals.
- Applying a 2x EV/Sales multiple – slightly discounted from the 3x benchmark typical for safety-tech and IoT peers – implies an enterprise value of $136 million. **This amount translates to an intrinsic valuation of ~$8.10 per share, representing ~6x upside from current levels** (see table below).
- Even when adjusting for execution risk and potential dilution, a risk-weighted DCF or probabilistic sum-of-the-parts approach continues to support material upside from WYTC's current micro-cap valuation, particularly as early pilot programs transition into scalable, recurring deployments.
- **Market share and valuation assumptions above are intentionally conservative**. Accelerated execution and market penetration over the next 12–24 months could drive a substantial re-rating.

Valuation Table (Intrinsic Value Estimate)

Assumption/Metric	**Value**
Total Addressable Market (2025), $'million	27,200
WYTEC's Assumed Market Share	0.3%
Implied Revenue (2025), $million	68.0
EV/Sales Multiple	2.0x
Implied Enterprise Value (2030), $million	136.0
Net Debt, $million	-
Fair Value of Equity (2025), $million	**136.0**
Shares Outstanding, millions	16.8
Intrinsic Value per Share (2025), $	**8.10**
Current share price, $	1.29
Upside	*6.3x*

Intrinsic Value per Share under Different Market Share Scenarios

	$'million		
Market Share	**Revenue (2025)**	**EV (2025)**	**Value per Share ($)**
0.25%	**68.0**	**136.0**	**8.10**
0.50%	136.0	272.0	16.21
0.75%	204.0	408.0	24.31
1.00%	272.0	544.0	32.42
1.25%	340.0	680.0	40.52
1.50%	408.0	816.0	48.63

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Rating Definitions

Buy, 30% or greater price appreciation in the next 12 months.
Buy-Extended, near-term EPS and/or revenue horizon is challenging with strong long-term appreciation possibility.
Buy-Emerging, initial stages with low revenue and the potential for large returns with higher risk and volatility.
Hold, perform similar to market.
Sell, 30% or more decline in the next 12 months.

5-Year Chart


US:WYTC
Volume
$4
$3
$2
$1
$0
Volume
50k
0k
10 Jun
8 Jul
5 Aug
2 Sep
30 Sep
28 Oct
25 Nov
23 Dec
20 Jan
17 Feb
17 Mar
14 Apr
12 May