

# Tech Insights #375

## Tait Communications



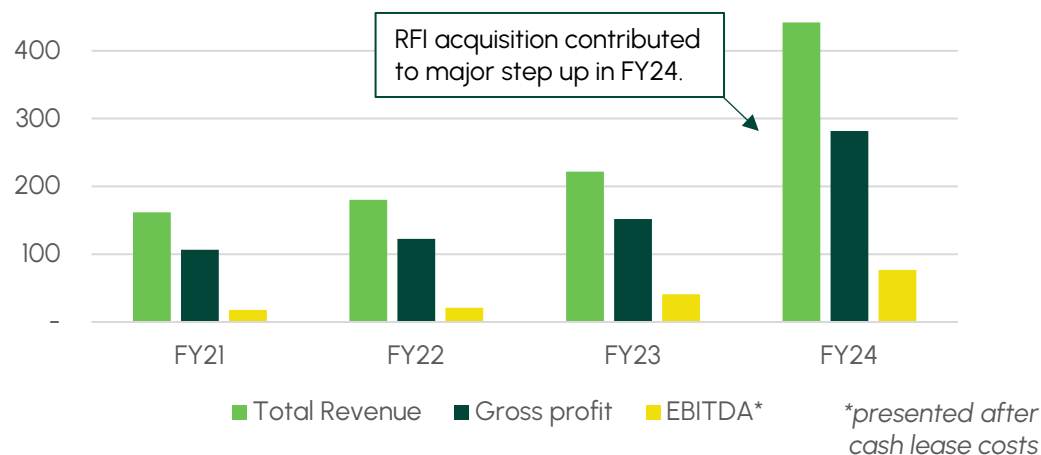
Mergers & acquisitions  
Corporate finance advisory  
Capital raising  
16 June 2025



### Overview

Tait Communications is a Christchurch-based designer and manufacturer of radio communication products for emergency services and industry applications. Its shareholders are Japanese multinational JVCKenwood and majority owner the Tait Foundation - an initiative set up to support STEM education in New Zealand honouring founder Sir Angus Tait's legacy. It has grown into a private business of considerable scale, driven recently through acquisitions. Page 1 gives a financial overview and page 2 dives into recent M&A activity including a proposed takeover of NZX-listed company Vital. Tait Communications' June year-end financials are available through the New Zealand Companies Office.

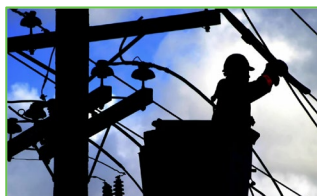
### Profit and loss summary (NZD \$m)



### Operations overview



Broadband radio solutions

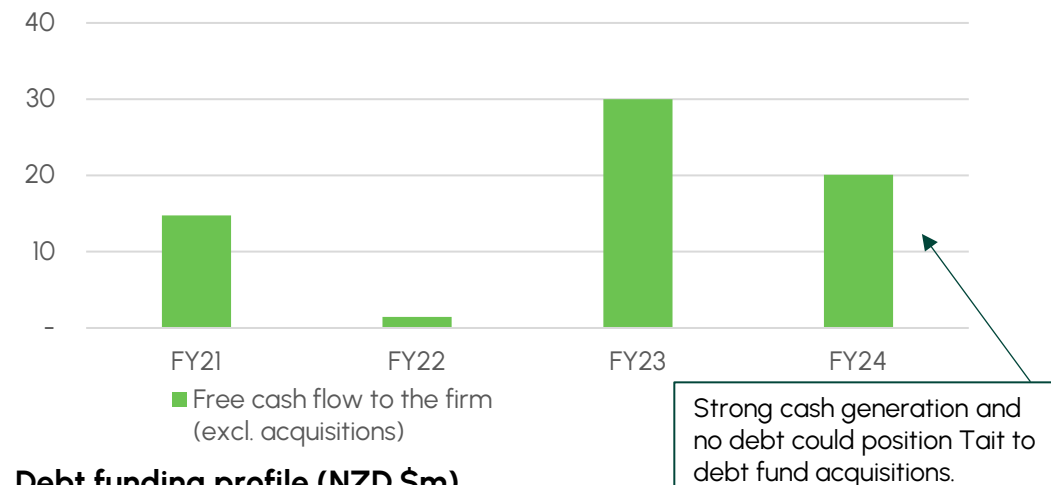


Worker safety technology

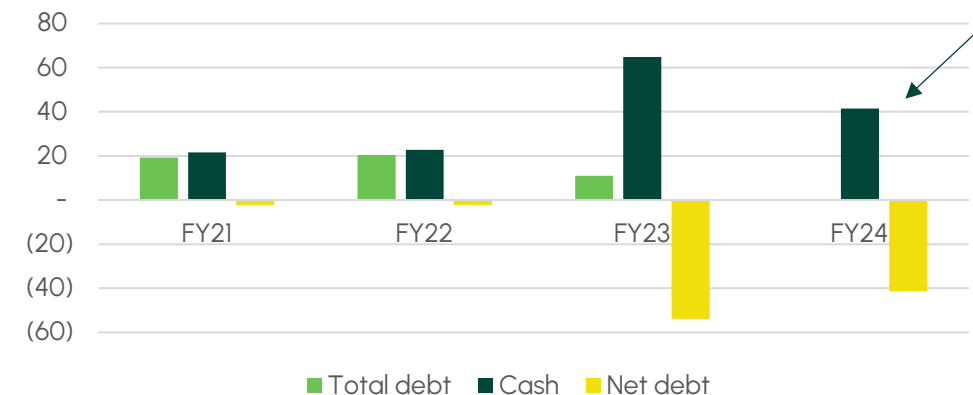


Voice and data systems

### Cash generation (NZD \$m)



### Debt funding profile (NZD \$m)



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### RFI acquisition (Feb 2024)

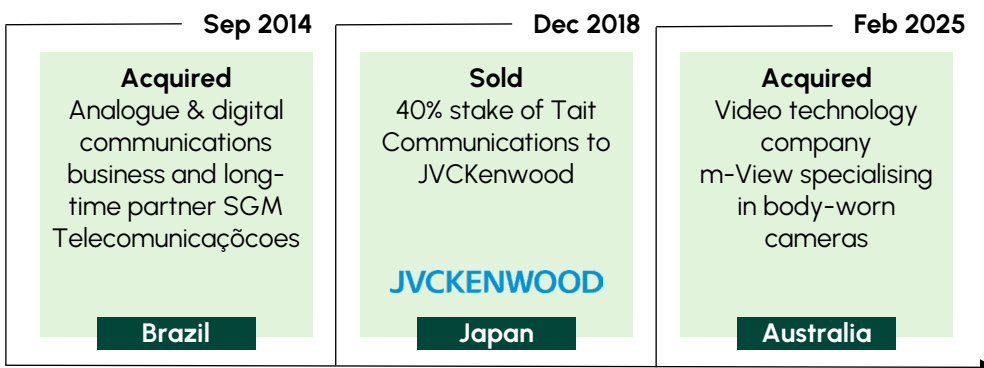


Tait Communications' acquisition of RFI Technology showed a unique target asset base comprised of predominantly working capital items with the majority of the identifiable assets being inventory.

Consideration	\$m	Assets acquired & liabilities assumed	\$m
Cash	45.9	Cash	16.5
Deferred payment	12.6	Inventory	37.3
Estimated earnout (assumed to be paid in full)	8.2	PPE	7.5
		Other assets less liabilities assumed	9.7
<b>Total consideration</b>	<b>66.7</b>	<b>Total identifiable assets</b>	<b>70.9</b>

Tait Communications recognised a bargain purchase gain of \$4.2m (identifiable assets less consideration).

### M&A history – other transactions



### Proposed takeover of Vital (NZX: VTL)



Tait Communications has lodged notice of its intention to acquire all of the shares in NZX-listed company Vital. Tait's deadline to make a formal offer is 4 July 2025.

#### Operating segments

##### Wired

Predominantly Auckland and Wellington based fibre optic networks for wholesale broadband connections.

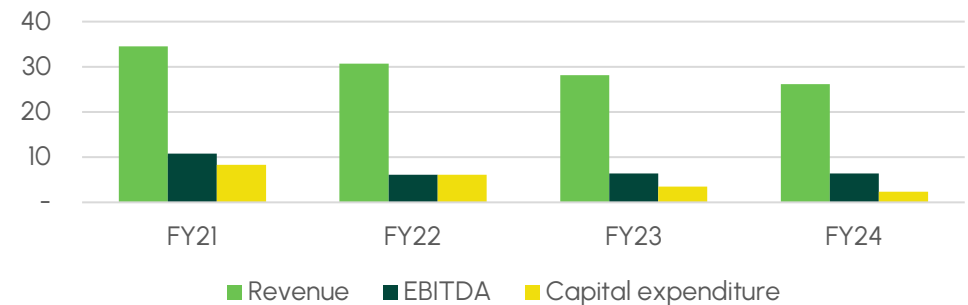
##### Wireless

Mobile radio network for use cases in utilities and emergency services. Key customer: Vital service Hato Hone St John's network for ambulances and event health services.

#### Takeover details

Proposed offer		Implied enterprise value	\$m
Offer price (per share)	\$0.45	Equity value	18.8
Offer price (per employee option)	\$0.13	Bank loans	12.6
Shares outstanding	41.5m	Bank overdraft	1.0
Option outstanding	1.1m	Cash	0.0
<b>Total equity value</b>	<b>\$18.8m</b>	<b>Total enterprise value (Net debt as at 31 Dec 2024)</b>	<b>32.4</b>

#### Select financials (\$m)



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