

15 November 2021

## **MTI Wireless Edge Ltd**

("MTI", the "Company" or the "Group")

### **Financial Results for the nine months ended 30 September 2021**

MTI Wireless Edge Ltd (AIM: MWE), the technology group focused on comprehensive communication and radio frequency solutions across multiple sectors, is pleased to announce its financial results for the nine-month period ended 30 September 2021 (the "Period").

#### **Financial highlights – nine months to 30 September 2021**

- Demand across all three divisions led to revenue growth of 8% to \$32.1m (nine months to 30 September 2020: \$29.7m)
- Leading to increased profitability with profit from operations up 11% to \$3.33m (nine months to 30 September 2020: \$2.99m)
- Earnings per share increased by 11% to 2.95 US cents (nine months to 30 September 2020: 2.65 US cents)
- Cash flow from operations improved by 15% to \$3.2m (nine months to 30 September 2020:\$2.8m)
- Group remains ungeared with net cash of \$9.3m as at 30 September 2021 (30 September 2020: \$8.4m)
- Final dividend to be confirmed in Full Year 2021 results announcement (expected to be announced in March 2022)

#### **Operational highlights**

- Demand continued to grow for 5G backhaul antenna solutions and antennas for RFID, resulting in revenue growth in the antenna division, leading to all three divisions of the business growing year on year in the Period.
- Although it is still in early stages of adoption of the technology, the Group saw over 30% revenue growth from 5G antennas year on year, which is testimony to the positioning of MTI's solutions with leading radio manufacturers.
- This trend, coupled with the recovery in the RFID sub-segment, led to a change in the Group's commercial antenna revenue breakdown. For the first time the RFID and 5G sub-segments combined accounted for the majority of the Group's commercial antenna revenue. This is viewed as an important step for the Group's future potential growth.
- Mottech continued to perform well, recording steady growth across its main markets of agricultural irrigation, landscape irrigation and water distribution, with a good response from the customers of its newly opened office in Canada.
- MTI Summit has had a strong Period and is well positioned going forward, especially following a new strategic agreement signed in September, where a long-term defence client made MTI Summit its primary supplier and it is expected that this will increase the client's order levels above the \$4m per annum level of recent years.
- After a short pause MTI Summit's tethered balloon project recommenced in October and should generate growing revenues going forward.

**Moni Borovitz, Chief Executive Officer of MTI Wireless Edge, said:**

“This was another positive quarter for the Group, leading to an 11% increase in profitability for the first nine months, and I believe that we are well placed to achieve a good result for the full year. Operationally we are close to normal now, with nearly all of our markets functioning as they did pre-pandemic, but travel limitations and the availability and cost of shipment continue to be part of our challenges as part of the “new normal”. In the third quarter we saw a lower gross margin rate due to our product mix, shipment costs and strengthening of the Israeli currency against the USD and the Euro, but these factors were offset due to the economies of scale achieved from the additional revenues in the Period, enabling us to increase our operational profitability. The financial base of the Company remains strong with a high level of cash generation, no debt and cash balances of \$9.3 million.”

“Sales of 5G and RFID antenna solutions, being our key growth engines in the antenna division, have overtaken, for the first time, our Fixed Broadband Wireless Application (FBWA) antenna sales. By far the majority of industry’s investment in 5G is still to come and so the opportunity remains significant for us and we continue to be well placed with the antenna division being a key supplier to the major mobile network radio manufacturers.”

“In September, MTI Summit announced a new strategic agreement with a large, long-term defence customer. Reflecting the trust built up over time, the agreement enables the client to place orders without the need for individual quotations, thus significantly speeding up all interaction and making the whole ordering process substantially more efficient.”

“One fifth of the world’s population live under conditions of water scarcity and the issue is getting worse. Governments globally are responding and solutions like Mottech’s, which typically save 35% of the volume of water previously used, are gaining traction across all of our target markets.”

“Looking ahead, we believe that the Company’s clear focus on providing radio frequency solutions coupled to being diversified across several markets positions us well to continue to grow and expand through a mix of acquisition-led and organic growth.”

*Moni Borovitz, Chief Executive Officer, will provide a live investor presentation relating to the financial results for the nine-month period ended 30 September 2021 via the Investor Meet Company (“IMC”) platform today at 10.00 am UK time.*

Investors can sign up for free via: <https://www.investormeetcompany.com/mti-wireless-edge-ltd/register-investor>

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## **About MTI Wireless Edge Ltd. ("MTI")**

Headquartered in Israel, MTI is a technology group focused on comprehensive communication and radio frequency solutions across multiple sectors through three core divisions:

### **Antenna Division**

MTI is a world leader in the design, development and production of high quality, state-of-the-art, and cost-effective antenna solutions including Smart Antennas, MIMO Antennas and Dual Polarity Antennas for wireless applications. MTI supplies antennas for both military and commercial markets from 100 KHz to 90 GHz.

Internationally recognized as a producer of commercial off-the-Shelf and custom-developed antenna solutions in a broad frequency range, MTI addresses both commercial and military applications.

MTI supplies directional and omnidirectional antennas for outdoor and indoor deployments, including smart antennas for WiMAX, Broadband access, public safety, RFID, base stations and terminals for the utility market.

Military applications include a wide range of broadband, tactical and specialized communication antennas, antenna systems and DF arrays installed on numerous airborne, ground and naval, including submarine, platforms worldwide.

### **Water Control & Management Division**

Via its subsidiary, Mottech Water Solutions Ltd ("Mottech"), MTI provides high-end remote control solutions for water and irrigation applications based on Motorola's IRRInet state-of-the-art control, monitoring and communication technologies.

As Motorola's global prime-distributor Mottech serves its customers worldwide through its international subsidiaries and a global network of local distributors and representatives. With over 25 years of experience in providing customers with irrigation remote control and management, Mottech's solutions ensure constant, reliable and accurate water usage, while reducing operational and maintenance costs. Mottech's activities are focused in the market segments of agriculture, water distribution, municipal and commercial landscape as well as wastewater and storm-water reuse.

### **Distribution & Professional Consulting Services Division**

Via its subsidiary, MTI Summit Electronics Ltd., MTI offers consulting, representation and marketing services to foreign companies in the field of RF and Microwave solutions and applications including engineering services (including design and integration) in the field of aerostat systems and the ongoing operation of Platform subsystems, SIGINT, RADAR, communication and observation systems which is performed by the Company.