

## **MTI Wireless Edge Ltd**

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

### **Q1 2021 Financial Results**

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 three-month period ended 31 March 2021.

#### **Financial highlights**

- Solid revenue growth, up by 4% to \$9.95m (2020: \$9.55m)
- Increase in profit from operations, up 14% to \$0.96m (2020: \$0.84m), reflecting the benefit of increasing scale on profit margins
- Significant increase in profit before tax, up 25% to \$0.9m (2020: \$0.72m)
- Earnings per share increased by 20% to 0.80 US cents (2020: 0.67 US cents)
- Strong cash generation with net cash up 10% to \$9.5m on 31 March 2021 (31 March 2020: \$8.6m), despite having paid a 2020 dividend of \$2.2m in March 2021 (compared to payment of the 2019 dividend in April 2020).

#### **Operational highlights by division**

##### **Antennas**

- A one stop shop for the sale of 'off the shelf' flat and parabolic antennas, combined with the provision of custom-developed antenna solutions to a range of commercial and military customers, with a growing focus on providing 5G backhaul antenna solutions to support mobile phone operators as they roll-out their 5G networks.
- In Q1 2021, the leading mobile phone companies are now incorporating 5G connectivity in mobile devices as standard. As a result, network operators are responding by rolling out higher bandwidth 5G services increasing demand for MTI's backhaul antenna solutions, although the legacy antenna market (FBWA) was slower as implementation of projects delayed due to COVID-19.

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

- Operates under the Mottech brand and provides wireless control systems to manage irrigation and water distribution for agriculture, municipal authorities and commercial entities.
- Solutions reduce water and power usage, whilst providing customers with higher revenue from accurate irrigation, leading to more and higher quality crops and plants being grown.
- In Q1 2021, Mottech continued to perform well, opening a new office in Alberta Canada, securing new contract wins and retaining its long-term client base including one of Mottech's largest clients, a leading Israeli municipality which extended its contract worth up to \$2.5 million for another 2-4 years.

## **Distribution & Professional Consulting Services**

- Operates under the MTI Summit Electronics brand and represents approximately 40 international suppliers of radio frequency/microwave components and sells these products to Israeli customers.
- Expert knowledge of both the international suppliers and customers further enables MTI to act as a consultant to all parties and assist with devising complete radio frequency/microwave solutions.
- In Q1 2021, MTI Summit had another strong period, benefitting from consistent demand across its core customer base in the defence and technology sector based in Israel and the ongoing success of its Russian office.
- MTI Summit's tethered balloon project continued to generate good revenues and demand for future design solutions remains high, which bodes well for the outlook for this division.

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

"We have enjoyed a good start to the year. The majority of our markets are functioning well, with our home market, Israel, largely back to normal as far as COVID-19 is concerned. Trading is still likely to be disrupted in some areas but overall, given the experience gained last year when operating under the Covid-19 restrictions, we are confident in the ability of our teams to trade effectively.

"The Group's financial performance over Q1 was encouraging. Of particular note, is the continued growth in revenue, combined with the sharper growth in profitability as we benefit from our economies of scale, which translated into a 25% improvement in profit before tax. Cash generation was also positive, showing an increase in our net cash position of 10% to \$9.5m as at 31 March 2021 (\$8.6m 31 March 2020), despite having paid the 2020 dividend (\$2.2m) in March 2021 (compared to the payment of the 2019 dividend of \$1.8m in April 2020). The Company is therefore, we believe, in good financial health.

"Each division is showing clear progress against their respective growth strategies. In 2020 the Covid-19 pandemic emphasised to the world the importance of mobile connectivity and this has accelerated the global roll-out of 5G. As a result, take-up of our 5G backhaul solution is moving ahead positively. Similarly, water scarcity remains a key issue amongst governments worldwide and Mottech's water management solutions are benefiting from the need to reduce water wastage and the cost savings associated with efficient irrigation. Our distribution and professional consulting services business, MTI Summit, has over the last three years established a track record of consistent growth, boosted by increases in defence spending and in particular increased reliance on wireless technologies across the sector.

"Looking ahead, we believe 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 three-month period ended 31 March 2021 alongside a brief case study on MTI Summit Electronics Ltd, the Group's Distribution and Professional Consulting Services Division, 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.