

MTI Wireless Edge Ltd

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

Q1 2023 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 2023.

Financial highlights

- Generated increased revenues of \$11.3m, up 1% (Q1 2022: \$11.2m) representing a solid start to the year
- Strong order pipeline, providing confidence in the outlook for the year
- Profit before tax up 15% to \$1.1m (Q1 2022: \$0.97m), reflecting an improvement in gross margin and higher interest received from cash on deposit
- Net profit increased by 9% to \$0.88m (Q1 2022: \$0.81m)
- Earnings per share increased by 14% to 1.01 US cents (Q1 2022: 0.89 US cents)
- Strong financial position maintained with net cash standing at \$8.5m on 31 March 2023 (31 March 2022: \$6.5m) - the annual dividend of \$2.5m was paid in April 2023, in the prior year the annual dividend was paid in March 2022

Operational highlights

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. Growing focus on providing 5G backhaul antenna solutions to support mobile phone operators as they roll-out their 5G networks.
- In Q1 2023, the division's overall trading continued positively with good demand for products, in particular orders for military antennas resulting from interest that has been building in 2022. The pipeline for future military orders remains good.
- Contact with Tier 1 corporations continues to deepen on the back of significant interest from these sector leaders in the Company's 5G automatic beam steering ("ABS") antenna solution, as well as the Company's Indian manufacturing facility.
- Expanding customer relationships across the telecoms sector are expected to feed through into demand for the Company's 5G backhaul solution, and while Q1 has been relatively quiet for 5G sales, the potential is clearly growing.
- Overall antenna revenue and profit grew in Q1 2023 compared to Q1 2022.

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.
- Our solutions reduce water and power usage, whilst providing customers with higher revenue from accurate irrigation, leading to more and better quality crops and plants being grown.

- Q1 2023 was a strong period with revenues and profit increasing against Q1 2022, with nearly every market performing well.
- As the year progresses, the division will benefit from the price increases successfully agreed during 2022, and this will feed through into improving gross margin.
- Future demand for Mottech's services is growing and the division has recently agreed two long-term contract wins for five years with a large Israeli municipality worth \$2.2m.

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 assist with devising complete radio frequency/microwave solutions.
- Q1 2023 was a relatively quiet period for this division. The defence market is in a growth phase and the design wins secured, especially for military solutions, support a positive outlook for 2023.
- The acquisition of PSK last year has been very successful and firmly further underpins prospects for this division, with significant contracts in the pipeline.

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

“This represents a solid start to 2023, off the back of a successful period in 2022. There is clear ongoing demand for our comprehensive communication and radio frequency solutions across all three divisions and we feel confident in the outlook for the year.

“Revenues were up 1%, alongside recording double digit growth in PBT and EPS of 15% and 14% respectively. Rising interest rates fed through into increased financial income and positive FX rates also helped the increase in profit margin. The overall financial position of the Group remains strong with net cash available of \$8.5 million and we remain ungeared, providing good flexibility to support or expand the business.

“While there remain multiple economic and geo-political challenges across the globe, the fundamentals of our business remain strong. We sell our market leading expertise in radio frequency communications across three divisions, all of which address sizeable and growing markets. Water scarcity is a reality, with a recent report from the Global Commission on the Economics of Water predicting a 40% shortfall in freshwater supply by 2030, putting Governments and businesses under pressure to find workable solutions, such as those provided by Mottech. 5G is inevitable and our position in this market has been significantly boosted by our ABS antenna solution which has initiated new relationships with several key Tier 1 & 2 mobile radio manufacturers. Defence, for obvious reasons, has become an increased priority for nearly all leading nations, this is being clearly reflected in current orders and the opportunities we see.

“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.”

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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 174 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 5G backhaul, Broadband access, public safety, RFID, base station 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 and monitoring 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, increase crops quality and yield while reducing operational and maintenance costs providing fast ROI while helping sustain the environment. 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. It also specializes in the development, manufacture and integration of communication systems and advanced monitoring and control systems for the Government and defence industry market.