

MTI Wireless Edge Ltd

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

Q3 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 nine-month period ended 30 September 2023 (the "Period").

Financial highlights

- Revenue for the Period of \$33.7m (nine months to 30 September 2022: \$34.8m). On a constant currency basis this represents an increase of 1% over the same period last year
- 6% improvement in profit before tax to \$3.4m (nine months to 30 September 2022: \$3.2m), helped by positive currency movements and margin improvement
- 9% improvement in earnings per share to 3.25 US cents (nine months to 30 September 2022: 2.99 US cents)
- Company remains virtually ungeared with net cash of \$6.4m as at 30 September 2023 (30 September 2022: \$5.2m)
- Final dividend anticipated to be declared alongside MTI's full year results which will be announced during the first quarter of 2024

Operational highlights

- A stable performance with the Company remaining well placed for the rest of the year and into 2024
- Antenna division recorded good growth, driven by military and RFID sales
 - Demand for military antennas globally is strong and is expected by the Company to continue to grow
 - India remains a key market for 5G sales, with recent wins demonstrating the technical strength of the Company's 5G backhaul solution
- Mottech delivered a solid performance during the first nine months of the year
 - Good contribution to the Group, helped by improved margins following successful price increases and positive exchange rates from the international businesses
 - Israeli market remains firm, growing in NIS terms but, given the NIS/US\$ foreign exchange effects, remained flat in the year
 - Growth coming through from France and Italy
 - Pipeline for Q4 2023 looks promising to support a good end to the year and start to 2024
- MTI Summit affected by a slightly slower order rate, but its pipeline is positive
 - The division has seen a slight slowdown in order rate which has impacted sales in the period
 - PSK continues to grow and returned to profitability in the third quarter, although the first nine months of the year still showed a minor loss, as it suffered from delays to key projects in Q2
 - Overall, MTI Summit remains well placed to deliver a good result for the year and is likely to benefit from increased government spend in Q4

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

“The business continues to perform well despite the tragic events on 7 October 2023 and the subsequent war. Several of our employees have been called up for military service and a number of others that survived the terrible events have had to leave the attacked area (where they lived) and are still not able to live a normal life. This, together with the overall sadness and turmoil, has had some effect in reducing the Company’s labour resources. At the same time, there is high motivation and solidarity in the country as well as in the workplace, resembling to some extent the beginning of the COVID era where people worked long hours and adapted their working practices. As announced in July 2022 we are engaged, in part of our business, in a service contract with the Israeli Government and we are currently working very long hours under this agreement, supporting the needs of the country and compensating for the lost hours elsewhere. As a result, overall demand for our services in Israel is largely unchanged. Our internal infrastructure is unaffected and we continue to import and export goods as normal. 40% of MTI’s employees reside outside of Israel where all the Company’s international operations are running and performing normally.

“The business is further supported by a strong balance sheet with \$6.4m in net cash at the end of September 2023. Q3 results were impacted adversely by currency movements, especially the 9% decrease in NIS against the US\$ from the beginning of the year, at the revenue level but those same currency changes had a positive impact on profitability, resulting in an overall positive performance for the first nine months of the year.

“Q4 has begun well with good opportunities visible in all divisions of the Group, part of which is related to the increased spending by the Israeli Government for services from both our Antenna and MTI Summit divisions. I believe that the Company is therefore well placed to weather the current challenges and, in the absence of unforeseen geopolitical developments, to continue to grow.”

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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 internationally recognised as a producer of commercial off-the-shelf and custom-developed antenna solutions in a broad frequency range of HF to 170 GHz for commercial, RFID and military applications. MTI continuously invests in ground breaking technologies, explores new frequencies, and devises innovative solutions which empower our wireless communication customers with cutting-edge off-the-shelf and custom-made antennas.

We are at the forefront of technology and innovation, being the first to introduce Dual Band parabolic antennas, E Band Automatic Beam Steering antennas, E Band FCC compliant flat antennas, and more.

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.