



# 2023 Full Year Results Presentation

March 2024



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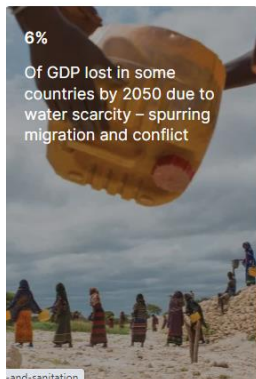
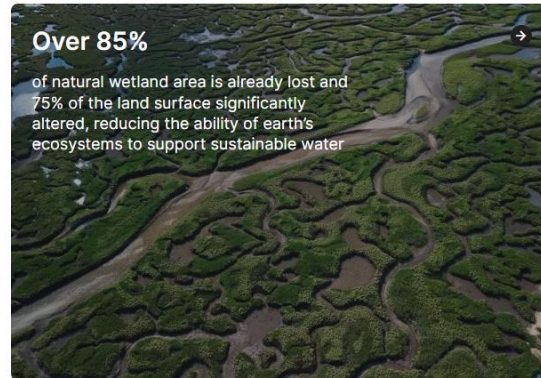
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# Global market trends driving MTI

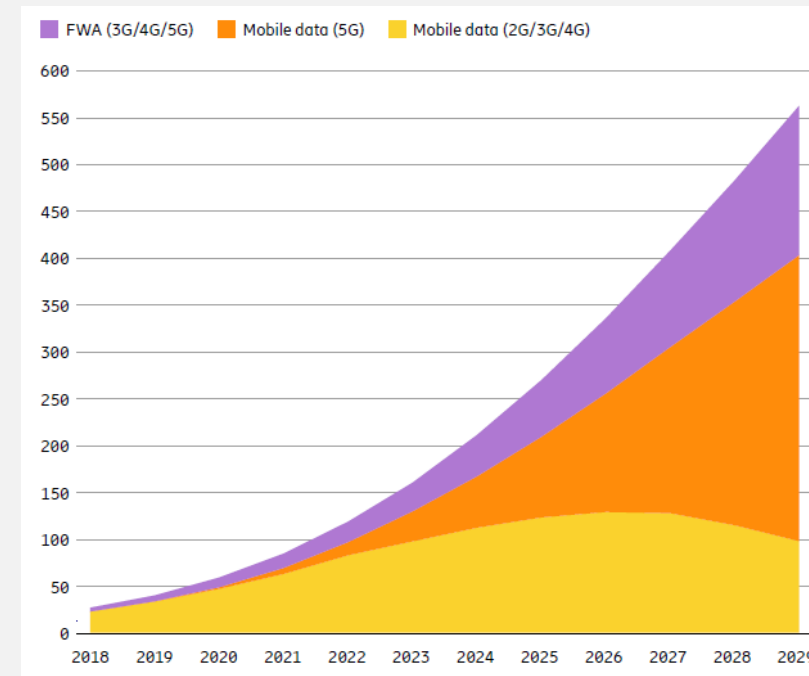
## UN World Water Development Report 2023 Severe water scarcity

Global fresh water demand will outstrip supply by 40% by 2030



<https://www.unesco.org/reports/wwdr/2023/en>

## Global mobile network data traffic (EB per month)



Ericsson Mobility Report, November 2023

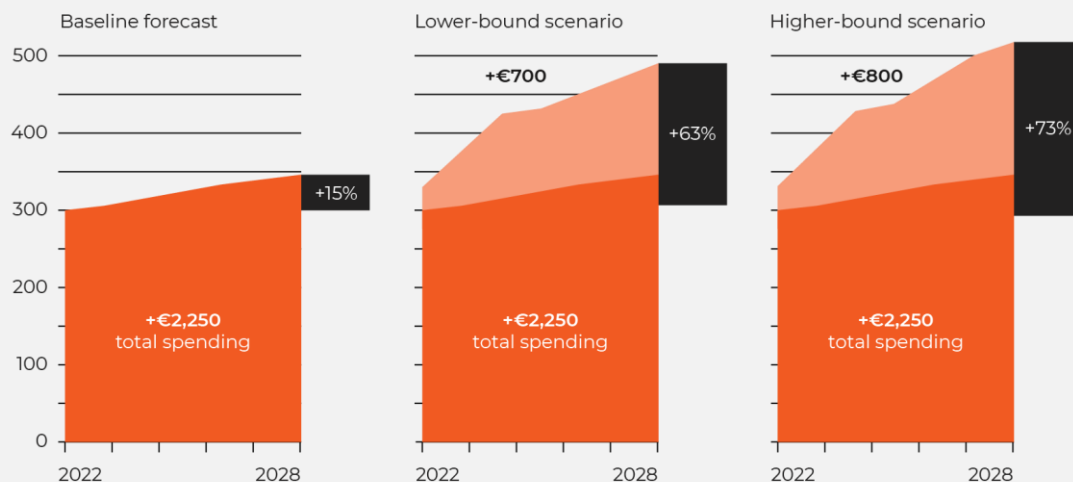
Globally, average monthly mobile data usage per smartphone is expected to reach 56 GB, rising from 21 GB at the end of 2023.

# Global market trends driving MTI

## Increased Defense budgets

European nations have announced spend increases that could add between €700 billion and €800 billion over seven years.

Spending of European NATO countries or member states, by scenario, 2022-28,<sup>1</sup> € billion



<sup>1</sup> Our scenarios and modeling cover all European NATO nations, including Turkey. They also include Austria, Finland, Sweden and Switzerland. Source: Government plans and announcements; NATO; McKinsey analysis

McKinsey & Company

## High Inflation and high interest rates

Very low gearing

Implemented scaling up price increases in services agreements renewed in 2022-23

Increased pricing underpinned by innovation

# Operating Environment since October 7 2023

## No significant damage to the company's activities

### Q4 2023

- **Shock and sadness across Israel** – volunteering activity, reduced working force to ~80% capacity in Israel (some recruited to military service and some refugees).
- **40% of group's employees are int'l** – no effect on them as logistics from / into Israel is not affected
- **Immediate defence requirements** – orders received quickly (over \$2m).
- **Investments in southern part of Israel** - Some of the affected areas are using our irrigation solutions and we provided immediate support

### Mid Term

- **Continued stress in military reserve service** – we assume longer military reserve service in 2024.
- **Defence budgets are increasing** – Both local and int'l budgets are rising and the pipeline / potential of opportunities is large.
- **Investments in southern part of Israel expected** – both in agriculture irrigation and landscape. Agriculture already initiated.

134 are still held hostage





# Key events in 2023

## Strong results

Year ended 2023

Revenue  
**\$45.6m**

Down 1% YoY  
Up 2% on constant currency

PBT  
**\$4.8m**

Up 12% YoY

EPS  
**\$4.58 Cents**

Up 9% YoY

Net Cash  
**\$8.1m**

Operational  
CF \$3.5m

## Defence business is growing

Won several valuable contracts and more opportunities ahead both in Israel and Int'l

## Major water management projects in Europe

## India released 5G backhaul frequencies

Substantial opportunity using MTI's local facility – initial orders still sporadic

## Introduction of ABS® antenna solution

Moving into preproduction

# Water control & management



## 32 years

of system development  
in partnership with  
Motorola



## 5 continents

active in 5 continents  
through subsidiaries  
and distributors



## >140,000 control units

installed in the field,  
managed by our software



## 35% water saving

is the average we  
typically achieve



## > 20 years

the field controllers will be  
compatible with the latest  
central software



## 5 communication technologies

protected from **cyber attacks and  
hacking** enabling the product to work  
from anywhere at anytime, at low cost

# Water control & management

- **Municipalities agreements renewed** with increased pricing in place
- Management of **fountain control** – good progress made
- **Good progress in Italy & France**
- **IoT sensors launched**
- **ICC PRO AUTOPILOT launched**, well accepted in landscape irrigation



The first  
AgroGation system



## Market trends

Irrigation Controllers Market size was valued at USD 1,021.32 Million in 2022 and is projected to grow to USD 3,140.87 Million by 2030, with a CAGR of 15.35% between 2023-2030

Verified Market Research, October 2023

The non-agriculture smart irrigation controller market revenue totaled ~US\$320.5 Million in 2022 and is expected to reach ~US\$ 1,227.5 Million by 2033, at 13.1% CAGR between 2023 and 2033.

Future Market Insight, January 2023



# Antennas



**60 years**  
of antenna  
development



**5 continents**  
active in 5 continents through  
subsidiaries and distributors  
including 2 manufacturing sites



**>5,000,000 Antennas**  
Installed in the field



**Air borne to submarine**  
all platforms – Communication,  
SIGINT, Jamming, GSM and  
Telemetry



**20MHz – 175GHz**  
unique spectrum coverage  
including test equipment  
and certifications



**3 vertical commercial markets**  
5G, RFID & FBWA including  
MIMO, dual band, ABS®  
antennas and flat antennas

# Antennas

## 5G Backhaul

- **MTI is well positioned**  
working with most of the key leading OEMs
- **ABS® antenna solutions**  
working with nearly all Tier 1 corporations – moving from development into preproduction
- **Eband / Multi band is a must**  
deployment is still in early stages
- **India 5G opens**  
number of Eband towers is expected to be significant – MTI considered as a superior solution. Order volumes are sporadic
- **Ericsson Microwave outlook report**  
estimates that in 2027 E-band (70/80 GHz) will account for 25 percent of new deployments, both as SA and in multi-band solutions.

## Military antenna

- **Increased revenue in 2023**  
through expanded technology offering
- **Int'l markets**  
Penetration to several system houses over the last two years has led to multiple new business opportunities
- **New customers gained in 2023**  
coupled to a good pipeline of prospective customers
- **Israel's defence budget forecast to increase**  
early indications that some of the expanded budget will involve products for which MTI is the sole supplier
- The global military antenna market was valued at \$3.7 billion in 2021, and is projected to reach \$6.7 billion by 2031, **growing at a CAGR of 6.1% from 2022 to 2031**

Allied Market Research, October 22

# Distribution & special consulting services



## 52 years

of leadership in RF & MW  
distribution and special  
service consultation



## Global supply

for over 40 leading  
brands exclusively  
represented in Israel



## Over 1,000

different products  
sold every year



## One stop shop

offering an extensive  
variety of products for  
customers



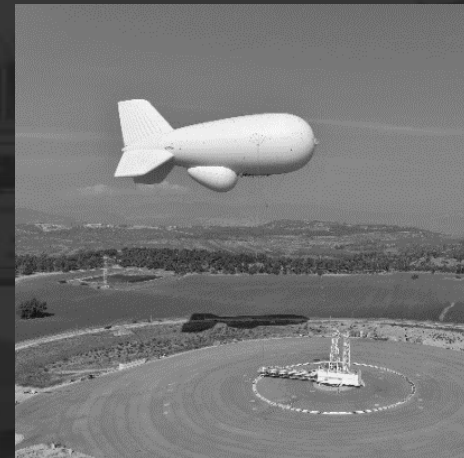
## Strategic positioning

with key defence  
companies providing  
long term view



## Unique

tethered balloon  
and test operation  
expertise

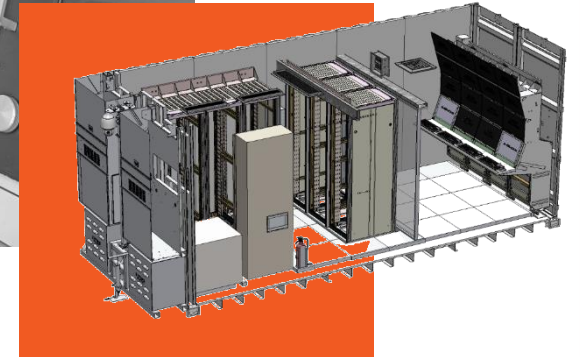


# Distribution & special consulting services

- Strategic agreement for the distribution business operating well – increased orders in 2022 and 2023
- Large service contract (up to \$10m) is operating well – geared up since 7 October 2023
- PSK had a challenging year experiencing delays relating to two contracts but has since started 2024 strongly with a good pipeline of orders
- New customer for shelter building & Integration
- High demand in market for shelter building & integration capabilities
- Good progress in test & measurement equipment



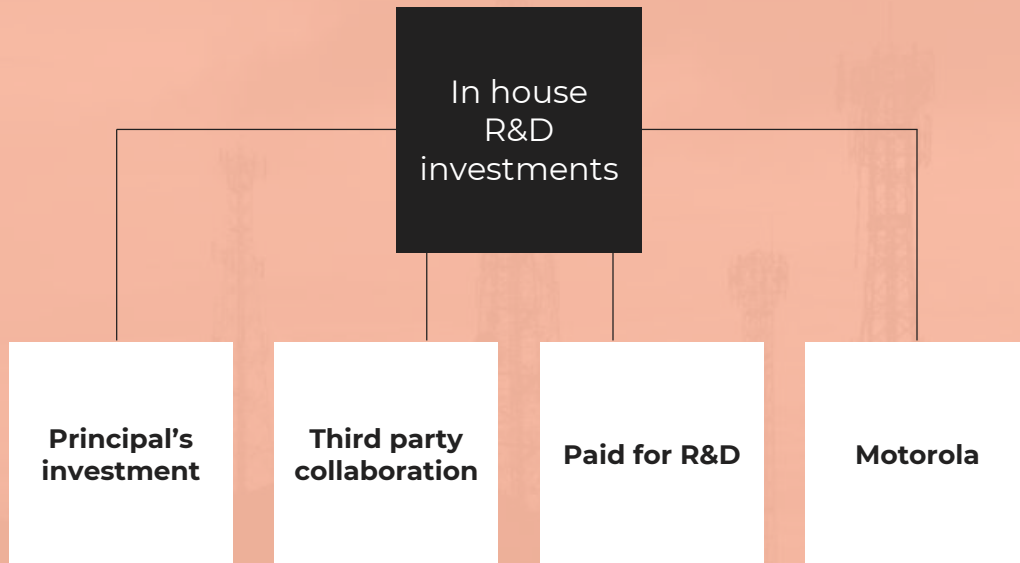
Multi Target  
Telemetry Shelter  
for Test Range App.





# | Focus on innovation

## Leading R&D Investments



## creating unique technology solutions

- Patented antenna technology – for flat, multi-band & ABS® antenna solutions
- Robust conformal antenna technology
- Leading smart wireless irrigation system
- Motorola as an investment partner
- Key Principals with material R&D investment
- Collaboration with partners on sensors technology such as Autopilot, MDS etc.



# Sustainability and environment

The United Nations Sustainable Development Goals (SDGs) are a key framework for our sustainability work. **For us Goals 2, 5, 6, 8, 9 and 16 are the most material and provide the areas in which we can have the greatest positive impact**



**Eradicating hunger** - grow more with less



**Gender equality** – 23% of our employees are women and we aim to grow this proportion, whilst third age (over 55) employment stands at 30%.

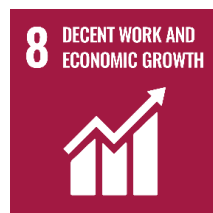


**Water for all** – use of smart solution to reduce water usage and reuse water when applicable



**Connecting the unconnected** – access and equality of service to remote areas

**Reduced pollution** – by using video and other remote means of connectivity



**Employee volunteering projects** – We support the communities in which we operate, focusing on the less fortunate

**Safe environment and safety education** – investing in empowering employees to feel free to state their opinion. Educating the relevant employees on safety requirements, courses and training to make sure all are equipped with the relevant know how and experience.

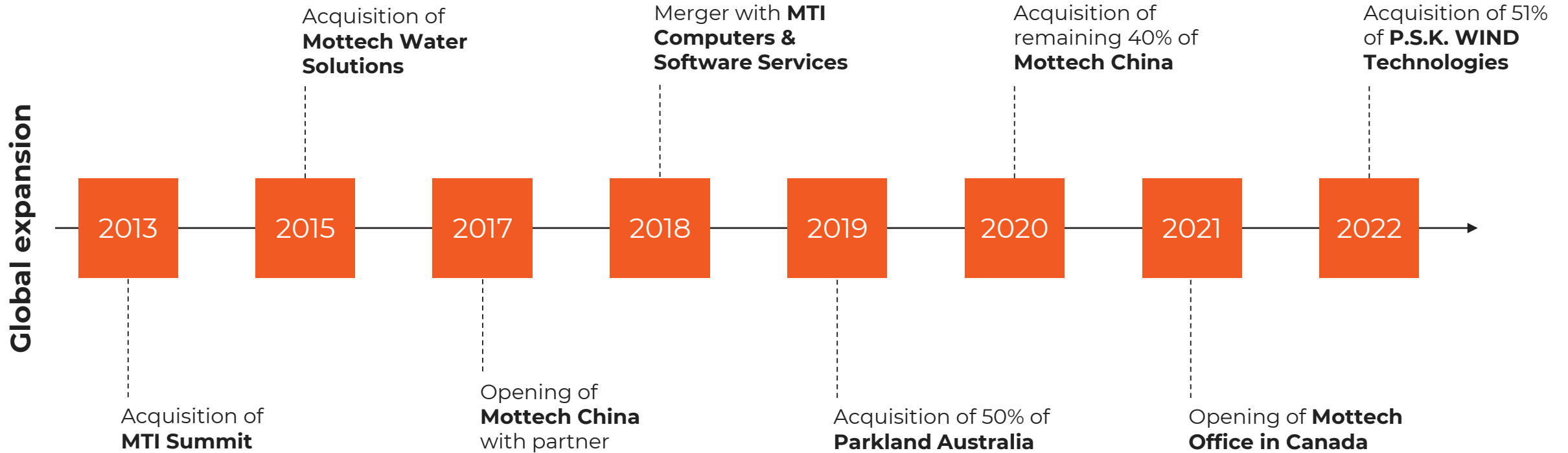
**Employee education and development** – over 1,000 hours invested in 2023 in education including internal technical training and external formal education.



**Board of directors** – 57% of our board members are independent

**Implementation of code of ethics** – all employees are aware of the code and committed to it

# Value creating M&A



# 2023 key financials

**Defence revenue increased to ~ 44% of total revenue**

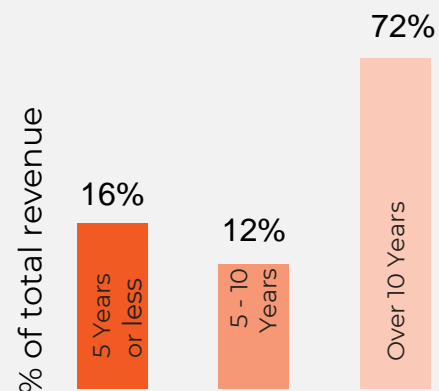
**Strong performance** – all segments remain profitable

**Diversity as strength** – good growth opportunities

**Long-term customer base**

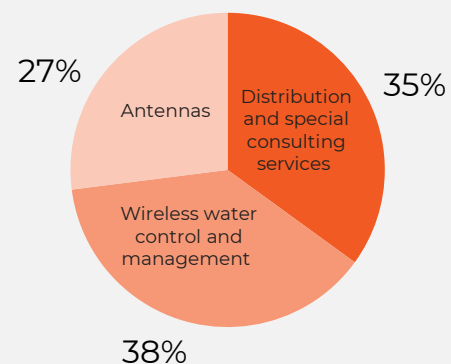
**Focused on EPS growth**

## Long-term customer base



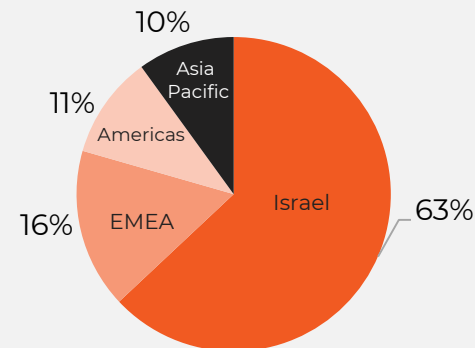
Minor change from 2022

## Well Diversified Business



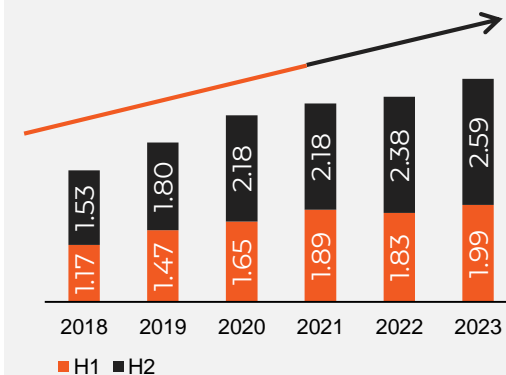
Minor change from 2022

## Global reach



EMEA grew over Americas

## Strong EPS growth



70% growth in 2018-2023

# 2023 key financials (in USD Millions)

	2023	2022	Growth
<b>Revenue</b>	45.6	46.3	(1%)
<b>Gross Profit</b>	14.7	14.6	1%
<b>Operating Profit</b>	4.65*	4.59	1%
<b>PBT</b>	4.8 **	4.3	12%
<b>Net Profit</b>	4.08	3.85	6%
<b>Adj. EBITDA</b>	6.16	6.06	2%
<b>EPS (in cents \$)</b>	4.58	4.21	9%

Up 2% on constant currency

(\*) includes \$0.2m impairment of goodwill

(\*\*) includes \$0.3m financial income from change in contingent liability and earn out both - related to PSK

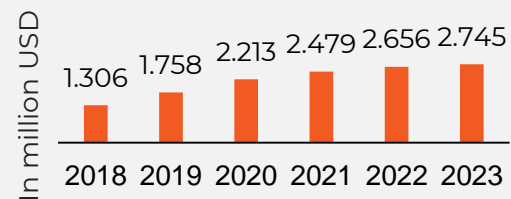
# Focused on shareholder return

## Buy back programme

- Programme initiated in January 2019 - shares held in treasury
- Building larger blocks of shares to satisfy growing institutional demand
- Level of liquidity increased significantly
- Programme extended until end of March 2025 with longer holding perspective
- Maximum value under buy back programme increased to £700,000

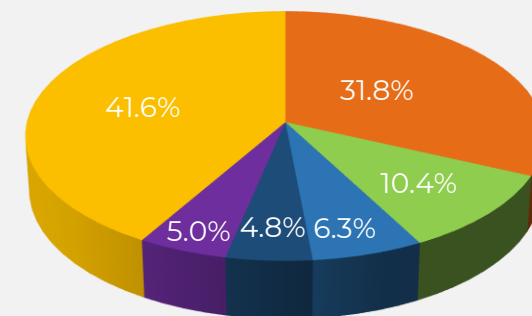
## Dividends

- Announced 3% increase in March 2024
- Dividend grew 110% from 2018
- Total of \$13.16m paid in last six years



## Shareholders as of 11 March 2024

- Borovitz Family\*
- Public
- Beer Family
- Directors & PDMRs
- Premier Miton Group plc
- Herald Investment Management Limited



\* Via Mokirey Aya Ltd. and direct holdings



# Summary

## Expected growth drivers

Increased defence budgets

Continued demand for smart irrigation and water management solutions

Further design solution wins and secured recurring revenue with PSK

Continued pick up in 5G backhaul solution sales

Strong balance sheet with net cash of \$8.1m

Potential M&A opportunities

Good pipeline of opportunities for 2024 and beyond



Thank You!

