

## MTI Wireless Edge Ltd

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

### Q1 2024 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 2024.

#### Financial highlights

- Generated revenues of \$11.24m (Q1 2023: \$11.28m), a solid start to the year with new business wins expected to drive revenue growth in Q2 and later in the year.
- 20% increase in EBITDA\* to \$1.68m (Q1 2023: \$1.39m).
- Earnings per share increased by 5% to 1.06 US cents (Q1 2023: 1.01 US cents).
- 133% increase in net cash provided by operating activities to \$1.25m (Q1 2023: \$0.54m), contributing to a continued strong financial position with net cash as at 31 March 2024 of \$8.34m (31 December 2023: \$8.08m).

#### Operational highlights

##### Antennas

- The Antenna division provides 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.
- The division also has a growing focus on providing 5G backhaul antenna solutions to support mobile phone operators as they roll-out their 5G networks.
- The division had a good first quarter with strong revenue growth up 13% versus the same period in the prior year, although the product mix held back profitability which is expected to reverse in Q2 with more profitable product combinations.
- Commercial antenna deliveries drove revenue growth in Q1 with military deliveries below last year. Significant recent orders for military antennas, together with the current order backlog make it likely this segment of the market will be strong for the Group during the remainder of the year.
- 5G remains a key market with the automatic beam steering ("ABS") antenna solution now moving into trial stages with two Tier 1 mobile phone operators.
- Sales of the division's 5G backhaul solutions are coming through from multiple markets, with India still expected to be the largest opportunity in the nearer term.

##### Water Control & Management

- This division operates under the Mottech brand and provides wireless control systems to manage irrigation and water distribution for agriculture, municipal authorities and commercial entities.
- Mottech's solutions reduce water and power usage for its customers and allows these customers to generate higher revenues from the higher yields that result from both an increased number and improved quality of crops cultivated.

- Revenues in Q1 2024 softened 16% compared to the same period in 2023, following the scheduled municipal elections in Israel last year, nevertheless, profitability increased strongly reflecting increased revenues in higher margin markets and improved service contract terms.
- Entering Q2, this division is performing well with a lengthy pipeline of new business opportunities combined with a healthy backlog of orders.

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

- Operates under the MTI Summit Electronics brand and represents approximately 40 international suppliers of radio frequency/microwave components, selling these products to Israeli customers.
- Expert knowledge of both the international suppliers and customers enables MTI to also act as a consultant to all parties and assist with devising complete radio frequency/microwave solutions.
- Delivered 10% growth in revenues for Q1 2024. Whilst sales from PSK were 1% lower, sales from the other parts of this division were up 16% with good growth in profitability.
- PSK projects were slower to complete due to key personnel being called up for military service. This impacted margins in the period resulting in a loss, however, this is expected to reverse and for PSK to move back into profitability in the year.

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

“We expect 2024 to be a successful year for the business. In Q1, we delivered a positive trading performance, but we have not, as yet, felt the full benefit of the backlog of business that we have contracted or indeed the healthy pipeline of opportunities we have ahead of us. MTI is therefore well placed for 2024 and in a strong financial position to respond as opportunities arise.

“The conflict with Hamas is deeply saddening for all concerned. The impact on our business continues to be relatively limited, however, PSK was impacted by some staff shortages in Q1, but overall, the Group’s team has been able to address any challenges”.

“Our three divisions all sell their expertise in delivering radio frequency solutions, each addressing large and growing markets boosted by positive macro trends. These are the growing global problem of water scarcity, the roll-out of 5G mobile networks across the world and the increase in defence spending by governments worldwide.

“MTI entered Q2 in a good position and has since announced sizeable contract wins which have further enhanced the Board’s confidence in our ability to deliver a good performance for the year.”

\*Earnings before interest, tax, depreciation and amortisation.

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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.