



A Wireless Communication and Systems Company

מצגת משקיעים

מרץ 2016

# Forward-Looking Statements



The following slides contain forward-looking statements that include, but are not limited to, projections about our business and our future revenues, expenses and profitability.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual events, results, performance, circumstances or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements due to various factors.

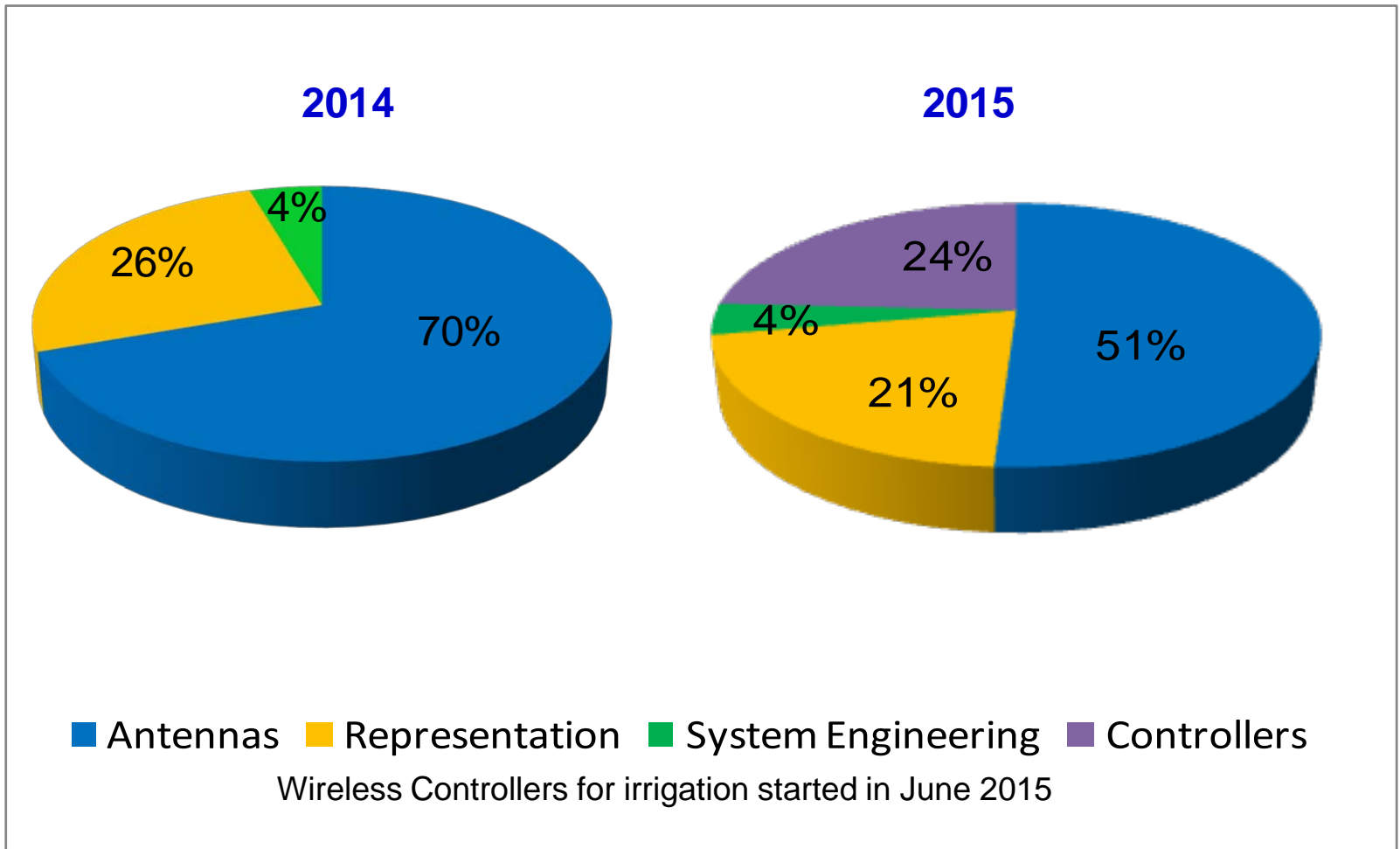
You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of these slides. The Company undertakes no obligation to update any forward-looking statements, to report events or to report the occurrence of unanticipated events that may lead to the actual events, results, performance, circumstances or achievements of the Company being different than as envisaged by such forward looking statements.

# Company Profile



- MTI is an RF&MW specialty house – A global provider of innovative antenna solutions, facilitator of all RF&MW components and solutions.
  - Antennas – MTI Wireless (52.4%)
  - Remote Wireless controllers for irrigation (52.4%)
  - System Engineering – (100%)
  - Representation of international companies in Israel (100%)
- Headquarters : Israel,
- Manufacturing Sites: Israel and India
- Employees: Approximately 150+ 20 Average temp
- 2015 Results - \$25.7m revenue, OP of \$2.2m, net profit of - \$1m <sup>3</sup>

# Key markets

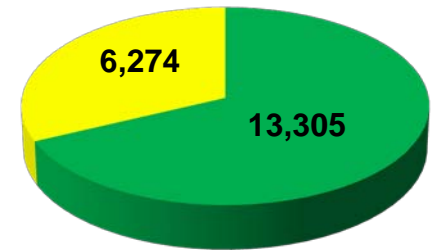




# Executive Summary

- **MTI Wireless Edge (AIM : MWE) has over 40 years experience in the manufacture of antennas in High Frequency (“HF”) to 90GHz**
- **Acquired Mottech Water Solutions Ltd., World Wide distributor of Motorola wireless irrigations solutions, in June 2015 for up to approximately US\$4.5m**
- **Revenue of \$19.6m in 2015 (only 7 months of Mottech), Shareholders’ equity of \$18.6m at 31/12/2015**
- **AIM Listed since 2006 and profitable with \$5m in dividends distributed since flotation**

**Key markets  
2015**



\$'000s

- Antenna
- Wireless Controllers (7 months)

# Antenna Business today

## Basic Description

MTI is a global provider of innovative antenna solutions. A one stop shop for wide range of applications.

MTI's high-value antennas provide cost effective communication solutions worldwide.

## Key Statistics

Headquarters : Israel

Offices : Israel and India

Employees : 70+ 20 Average temp

Confidential and Proprietary to MTI

## Commercial

### Broadband Wireless Access

- ❖ Vertical Markets
- ❖ Cellular Off Load
- ❖ Small Cell Backhaul
- ❖ Point to Multi Point (PtMP)
- ❖ Point to Point (PtP) & High Capacity PtP



### RFID – Radio Frequency Identification

- ❖ Asset Management & Retail
- ❖ Toll Roads & Parking lots
- ❖ Airport Efficiency



## Military

- Ground, Naval & Airborne
- Communication, Electronic Warfare & SIGINT



# Controllers Business today

## Basic Description

Global prime distributor for Motorola's IRRInet solutions for remote water and irrigation control application.

Recurring revenues from services and cost effective management systems for the water industry.

## Key Statistics

Headquarters : Israel

Offices : Israel, South Africa,  
Australia and USA

Rep Office : Italy, Mexico, Peru &  
China

Employees : 60

## Remote Irrigation Control

- Agriculture
- Landscape



## Remote Water Control and Monitoring

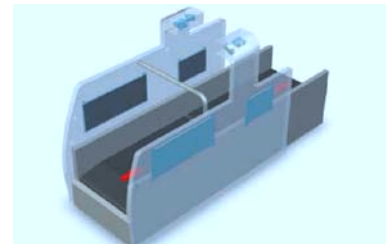
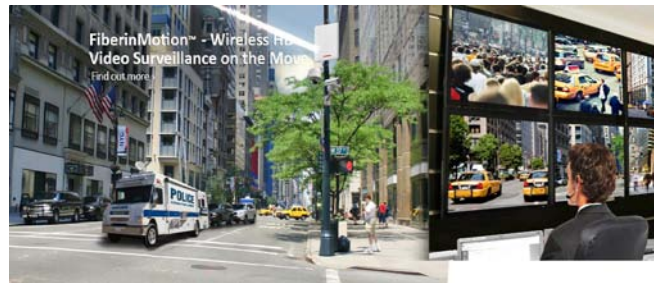
- Water Distribution
- Rainwater harvesting and reuse
- Wastewater reuse





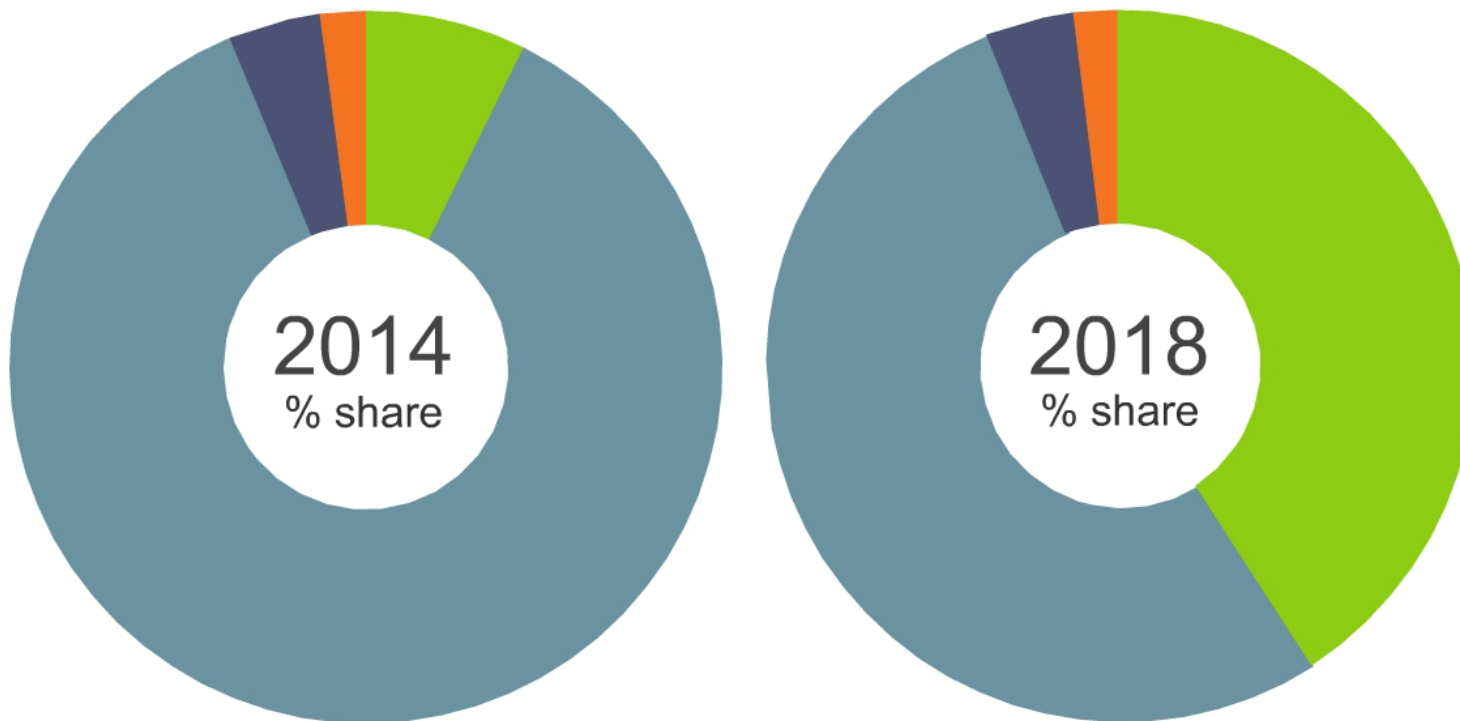
# Trends & Opportunities

- Cellular offloading / Access Wifi
- Small Cell Backhaul
- High Capacity PtP
- BWA Vertical markets
  - ❖ Safe Cities
  - ❖ Trains
  - ❖ Oil, Gas and remote utilities
- RFID applications for
  - ❖ Retail
  - ❖ Fleet management
  - ❖ Airport efficiency



# Point to Point backhaul communication

Small cell backhaul will fuel the millimeter wave equipment space, jumping from 7% to 41% of the market by 2018

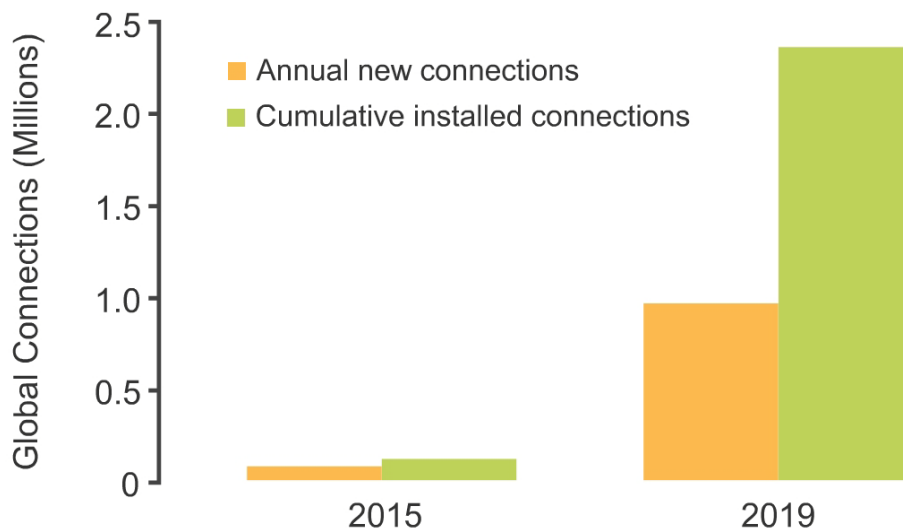


■ Small Cell Backhaul  
 ■ Macrocell backhaul  
 ■ Access  
 ■ Transport

© Infonetics Research, *Millimeter Wave Equipment: Biannual Market Share, Size, and Forecasts*, October 2014

# PtP backhaul communication

**In 2019, there will be almost 1 million new outdoor small cell backhaul connections**



Point-to-point (P2P) microwave is anticipated to account for just under a third of total small cell backhaul equipment revenue in 2015, the highest of any technology.

© IHS, *IHS Infonetics Small Cell Mobile Backhaul Equipment: Biannual Market Size and Forecasts; 2nd Edition 2015*

## MTI Advantages & Channels

- ❖ **One Stop Shop**
- ❖ **Strong long term relations with leading OEMs in lower bands**
- ❖ **Proven track record (performance & reliability)**
- ❖ **Strong penetration to tier 2 OEMs in higher bands**
- ❖ **Involvement in new innovative solution to the market – two major customer wins in 2015**
- ❖ **Pioneer in Technology – Dish & Flat Antenna (strong R&D function)**

# BWA - Mature Market with growth potential in Vertical Markets

## Governments & Municipalities



### Smart Cities

- Traffic management
- Video surveillance
- Smart grid
- Water utilities
- Community services
- Public access



### Education

- eEducation
- Digital inclusion initiatives



### Public Safety & Security

## Business & Industries



### Mining



### Oil & Gas



### Utilities

- Smart grid
- Water



### Trains

# RFID – Markets & Applications

- **Retail - MTI was selected by key integrators**

- ❖ Warehouse & Storage
- ❖ In shop shelf management
- ❖ Point of sale
- ❖ Electronic Article Surveillance – loss prevention



- **Fleet management - Toll Roads & Parking Lots – Tier 1 Customer**

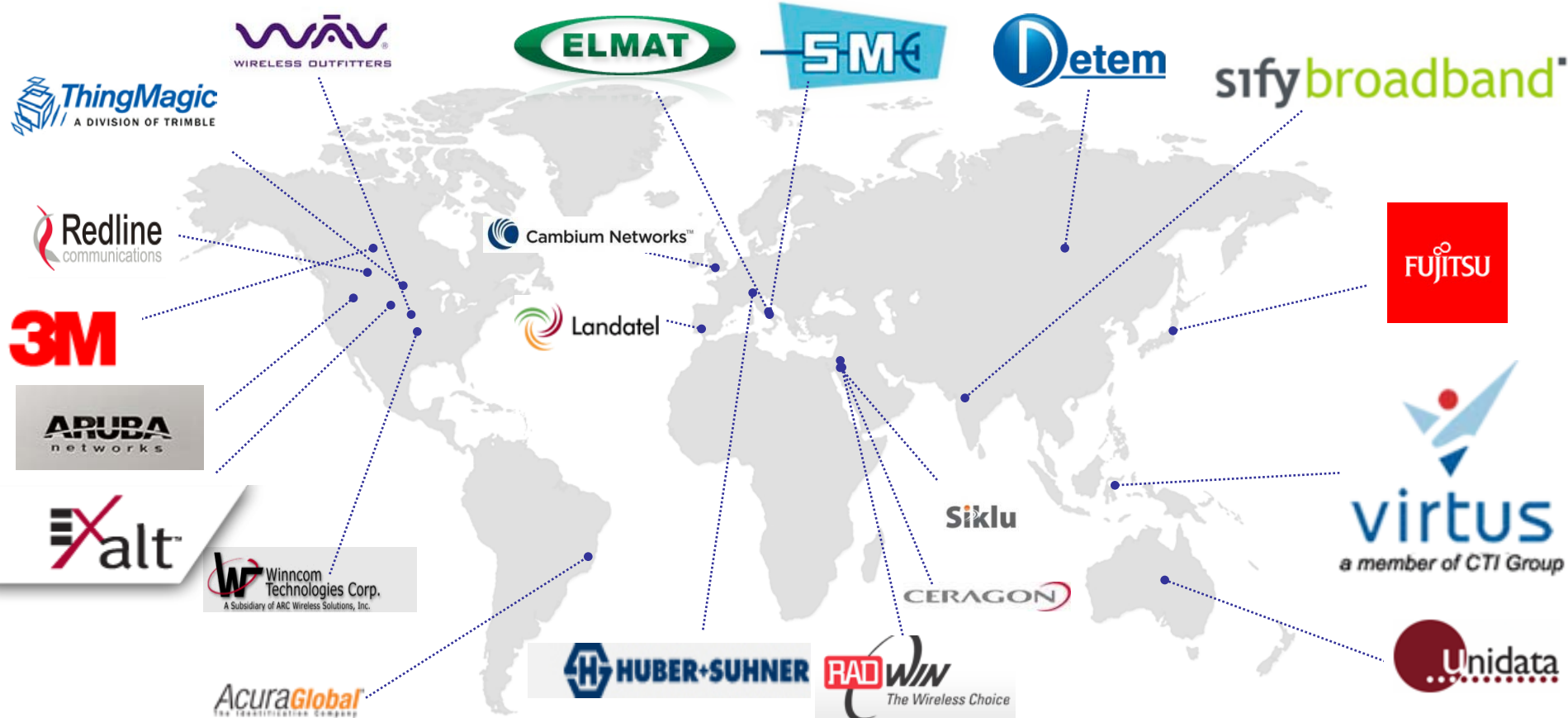
- **Baggage Tracking – progress with world largest Conveyor integrator**

International Air Transport Association (IATA) estimated that **38 million pieces of luggage are lost annually**, and up to **\$4 billion** is spent tracking, returning and replacing lost or mishandled luggage

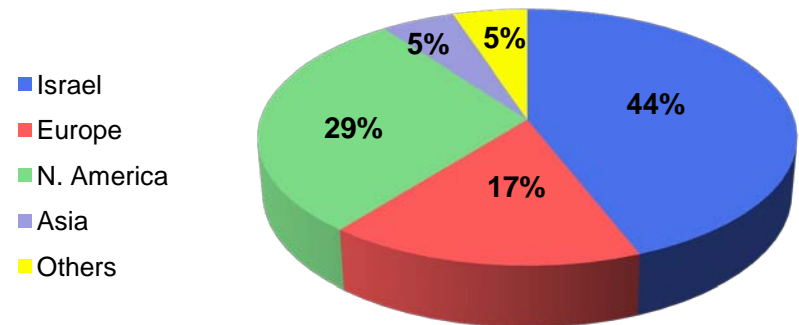
A system, designed to meet pending requirements from the IATA, was tested on Aeroflot flights from Moscow to airports in Prague, Bologna and Tallinn. In terminal Sheremetyevo's Terminal E 16 reader points with two MTI Wireless Antennas Each



# Antennas - Customers



**2015 Commercial revenue breakdown**



- Strong relationships over many years
- Main customers are key OEMs
- Top 20 customers ~ 70% of revenue

# Military



- Acts as a pipeline for new products
- Unique Testing Equipment – 2 MHz to 90 GHz
- Special solutions for Airborne, RPV, Naval & Submarine systems
- Project oriented business
- Strong Brand name with leading system houses



**indra**

**HARRIS**



# Trends & Opportunities - Controllers

- **Water and Energy Savings**
  - ❖ Timely & precise irrigation
  - ❖ Leakages are identified and treated instantly
  - ❖ Pumps are activated according to demands and scheduling
- **Increased Yields**
  - ❖ Quantity and Quality
- **Fast ROI for customers**
  - ❖ Easy and Efficient Maintenance
  - ❖ Cost Effective Control Tool
  - ❖ Flexibility and Scalability
  - ❖ Reliable Products. Proven solution





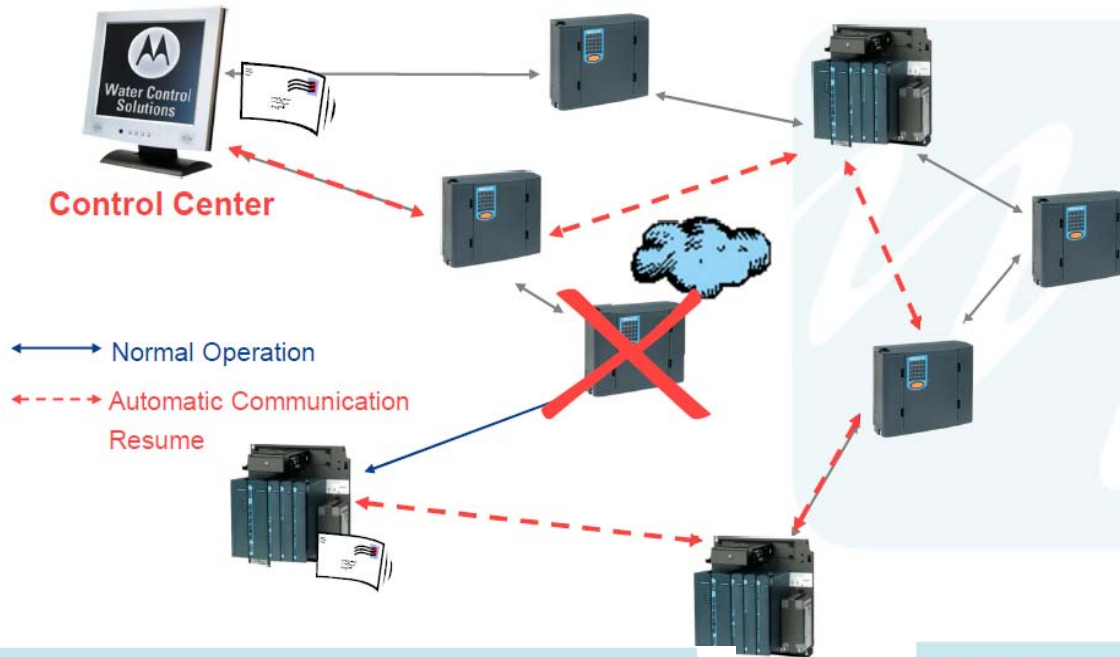
# System Concept & Business Case

- **Up the value chain** – wireless monitoring solutions
- **Software licensing** and **recurring revenue** from services

## IRRInet & ICC PRO - System Concept



# The Technology



Store & Forward feature is utilized to pass information from IRRInet to IRRInet through the system

IRRInet allows radio communication between IRRInet-to-Central and IRRInet-to-IRRInet, using **existing** units as nodes in the network  
**(cost effective communication)**

## Messages and Alerts Via SMS/Email

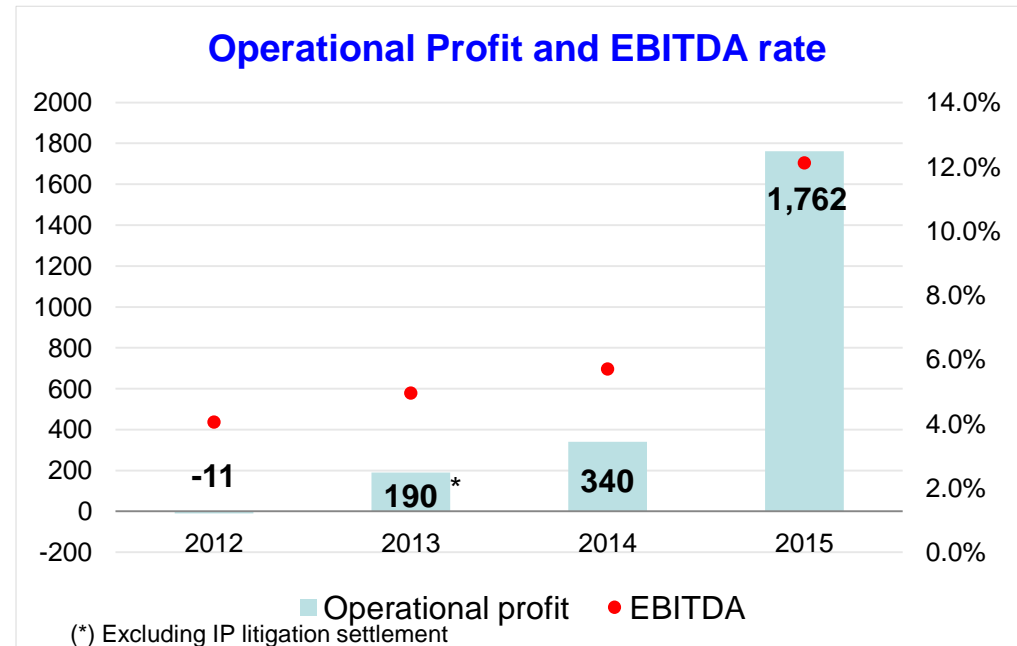
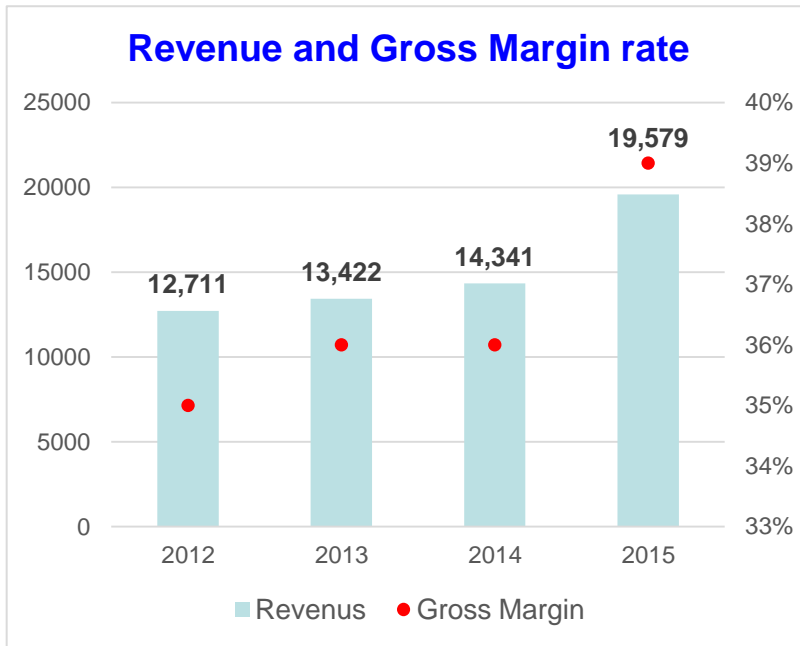


## Interoperability

Connectivity to External Devices



# Financials – Highlights (in κ USD)



- **Profit from Operation** increased 5 times to \$1.8m in 2015
- **EBITDA** improved to 12% (\$2.4m) in 2015
- **Dividend** of 1.1c per share to be paid in April 2016

# Solid Balance Sheet

	31/12/2015 (in millions USD)	Per share (in pence)*
Cash and Investments	4.7	6.4
Financial debt	(1.9)	(2.6)
Building (net of Mortgage)	4	5.4
Shareholders' Equity	18.6	25.4
Total Shares	51.6	

(\*) Calculated at £/\$ rate of 1.42

Shareholders  
(March 2016)

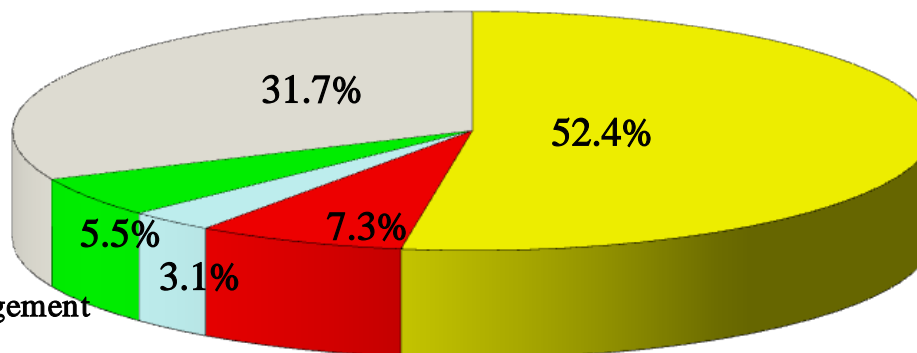
■ MTI Computers

■ Directors

■ Employees

■ Herald Investment Management Limited

■ Public



**MTI** ENGINEERING LTD.  
**SUMMIT**  
ELECTRONICS

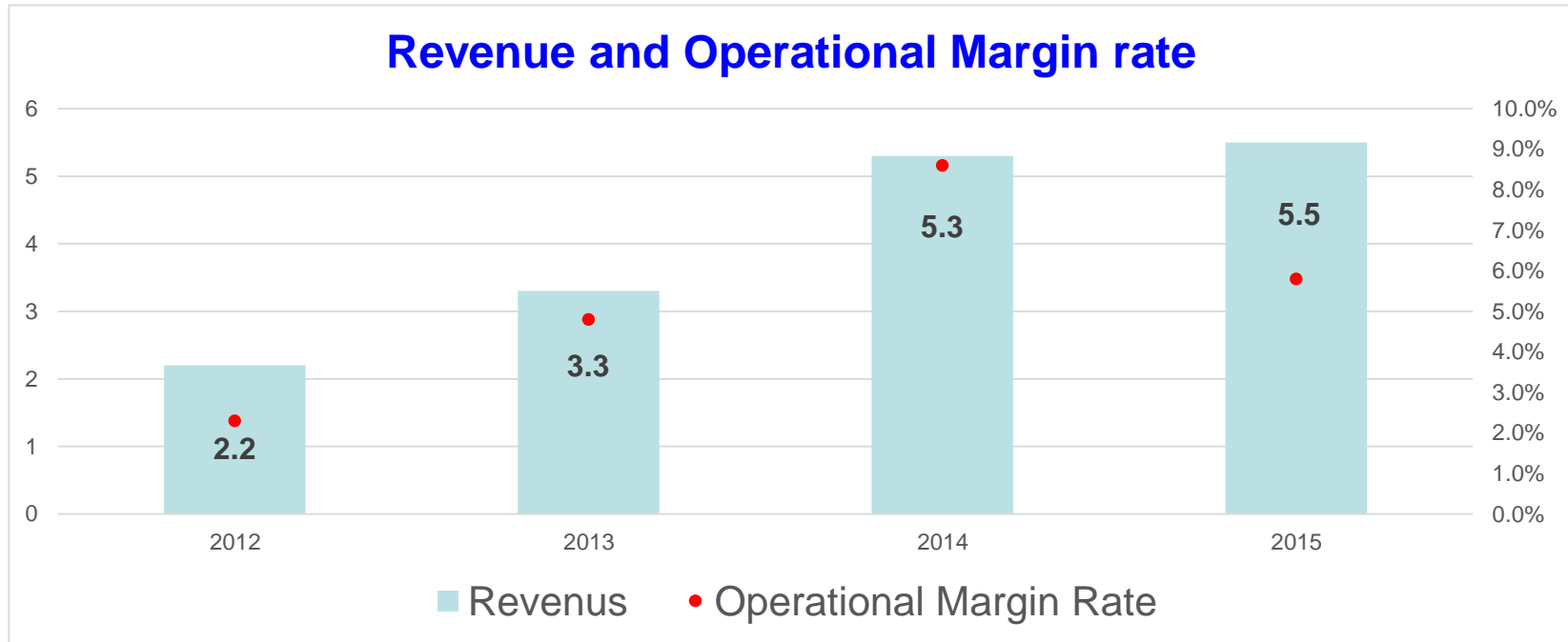


# Executive Summary

- Representing more than 40 RF & Microwave companies from US, Europe and Asia
- Over 40 years of experience
- Major customers are large companies in Israel (IAI, Rafael, Elbit, Intel, Ceragon, etc.)
- Successful acquisition made in July 2013
- New Operation in Russia and East Europe



# Financial Highlights



- **Revenue increased 4% in 2015**
- **EBIT @ 318K (6%) in 2015**

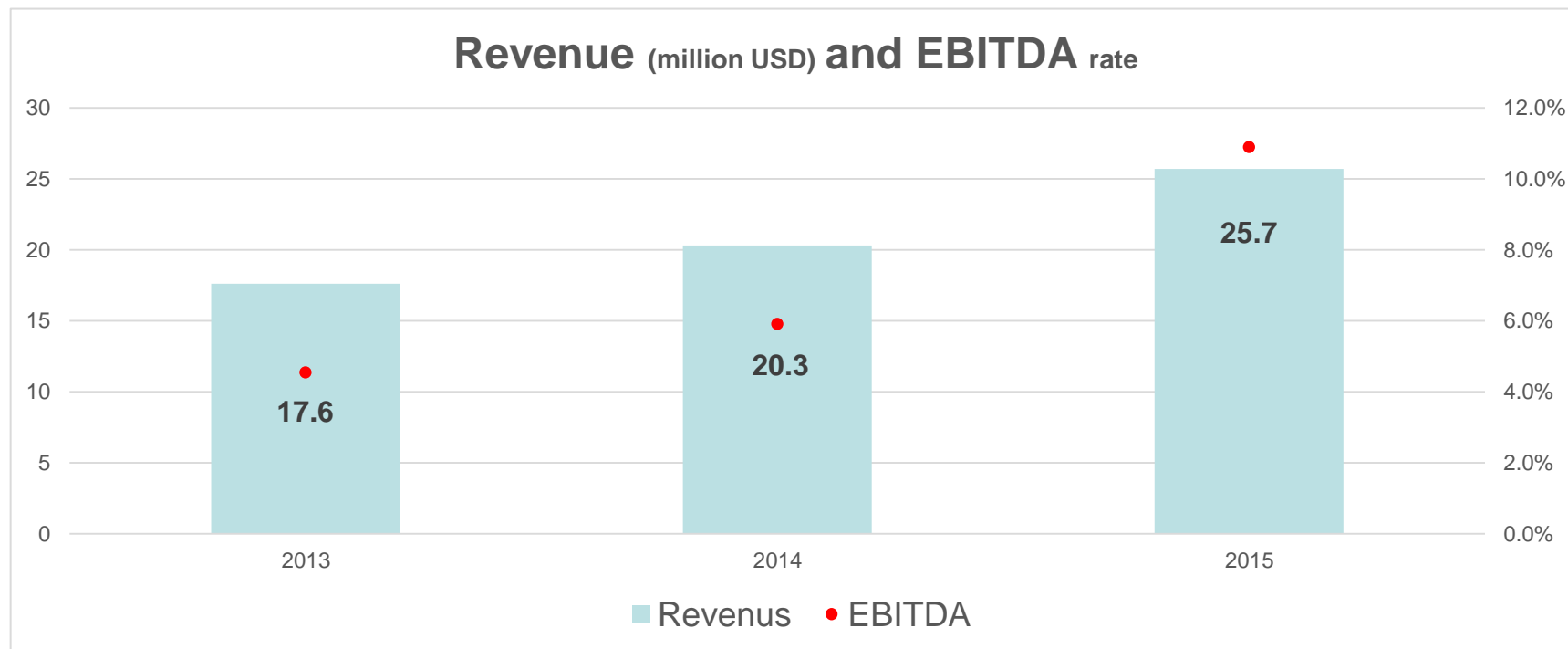


Computers & Software Services





# Consolidated Financials



## 2015 Highlights

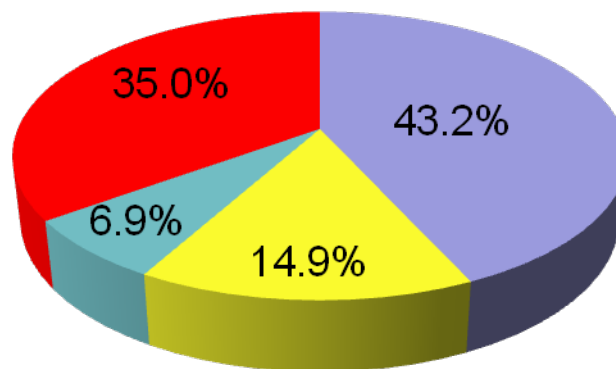
- Revenue growth of 26% to \$25.7m
- Operational profit grew 3 times to \$2.2m
- EBITDA growth of 130% to a rate of 11% (\$2.8m)
- Net profit to shareholder's of the company @ \$1m

# Solid Balance Sheet & Shareholders base



As 31.12.2015 – US\$ millions	
Cash and Investments	5.4
Current Ratio >	2.9
Debt to banks (mainly for acquisition)	2.3
Mortgage (including short term part)	1.3
Equity	16.9 (62%)

Shareholders  
(March 2016)



■ Borovitz ■ Bar ■ Management ■ Public



Thank You