

May 14, 2025

HIPER Global reports the results of the first quarter of 2025

Revenues in the first quarter amounted to approximately \$ 80.4 million compared to approximately \$ 85.8 million in the corresponding quarter (that included two significant AI transactions)

Gross profit in the quarter amounted to \$ 12.6 million compared to \$ 13.8 million in the corresponding quarter (representing approximately 15.7% of the revenues compared to approximately 16.1% in the corresponding quarter) considering a different transaction mix.

Operating profit in the quarter amounted to approximately \$ 6.7 million compared to approximately \$ 7.8 million in the corresponding quarter (approximately 8.3% of revenues compared to 9.1% in the corresponding quarter)

EBITDA in the quarter amounted to \$ 8 million compared to \$ 8.9 million in the corresponding quarter last year.

Net income in the quarter amounted to \$ 4.7 million compared to approximately \$ 5 million last year. The Company declares a dividend distribution of approximately \$ 1.4 million.

After the balance sheet date, the Company reported that a binding order was received from a new customer in the security sector, which is expected to total over \$ 11 million.

Shahaf Shrager, CEO of HIPER Global, said: "2025 opened with a quarter in which high revenues of approximately \$ 80 million were recorded, which were affected, among other things, by one-time transactions that did not characterize recent quarters, while the corresponding quarter last year included two one-time transactions for the supply of systems for the AI sector in both the Israel and US operating segments."

Considering the complex geopolitical situation and the increasing security challenges in the world and in Israel, we continued to see a significant strengthening of our activity with the security sector, which was reflected in winning significant new projects. In April 2025, we reported that a binding order was received from a new customer in the security sector, which is expected to total over \$11 million. Our activity in the security sector allows us to provide our customers with high added value, while providing a response to complex and unique tactical needs through self-development of innovative computing solutions. In the coming period, we will continue to invest in identifying opportunities for non-organic expansion in territories outside Israel and with a special focus on the security sector."

Highlights of the results for the first quarter of 2025

The Company's revenues in the quarter amounted to approximately \$ 80.4 million, compared to approximately \$ 85.8 million in the corresponding quarter last year.

Revenues from the Israel operating segment grew by approximately 9.4% and amounted to approximately \$ 54.4 million in the quarter, compared to approximately \$ 49.7 million in the corresponding quarter last year. The increase in segment revenues was mainly due to increased activity with customers in various sectors, compared to a significant transaction included in the corresponding quarter last year to supply AI computing systems to a customer in Israel.

Revenues from the US operating segment amounted to approximately \$ 25 million in the quarter, compared to approximately \$ 35.4 million in the corresponding quarter last year. The decrease in revenue was mainly due to a significant transaction in the corresponding quarter to supply AI computing systems to a customer in the US.

Revenues from the Europe (Other) operating segment grew by approximately 46% and amounted to approximately \$ 3.5 million in the quarter, compared to approximately \$ 2.4 million in the corresponding quarter last year. The increase in segment revenue was mainly due to the commencement of equipment deliveries for the Company's long-term project in Switzerland.

Gross profit in the quarter amounted to approximately \$ 12.6 million (approximately 15.7% of the revenues) compared to approximately \$ 13.8 million (approximately 16.1% of the revenues) in the corresponding quarter last year. The decrease in gross profit is due to a decrease in revenue turnover and change in transaction mix.

Selling, administrative and general expenses in the quarter amounted to approximately \$ 5.9 million, compared to approximately \$ 6 million in the corresponding quarter last year.

Operating profit in the quarter amounted to approximately \$ 6.7 million (approximately 8.3% of the revenues) compared to approximately \$ 7.8 million (approximately 9.1% of the revenues) in the corresponding quarter last year.

Operating profit of the Israel operating segment amounted to approximately \$ 4.7 million in the quarter, compared to approximately \$ 4.6 million in the corresponding quarter last year.

Operating profit of the US operating segment amounted to approximately \$ 1.9 million in the quarter, compared to approximately \$ 3.5 million in the corresponding quarter last year. The decrease is due to a decrease in segment sales and a decrease in gross profit due to a change in revenue mix compared to the corresponding quarter.

Operating profit of the Europe operating segment amounted to approximately \$ 0.1 million in the quarter, compared to a loss of \$ 0.3 million in the corresponding quarter last year.

EBITDA in the quarter amounted to \$ 8 million compared to \$ 8.9 million in the corresponding quarter last year.

Net income in the quarter amounted to approximately \$ 4.7 million compared to approximately \$ 5 million in the corresponding quarter last year. Income in the quarter was affected, among other things, by a decrease of approximately \$ 0.4 million in net financing expenses and a decrease of approximately \$ 0.4 million in taxes on income.

About the Company:

The Company is engaged in providing computing solutions to technology companies that develop products, allowing them to turn the customer's idea into a tangible product and consults them from the planning stage to reaching the market on time. The Company operates in Israel, England and the USA and provides its customers with global solutions. The activity in this field includes joint work with the customers' development bodies and adapting complex technological solutions according to their needs. In subsequent stages, the Company manufactures and supplies the systems it has designed in global deployment and in accordance with the business needs of its customers.

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