

August 14, 2024

HIPER Global reports results for the second quarter of 2024.

Revenues in the second quarter grew by 5.8% and amounted to \$ 61.1 million compared to \$ 57.7 million in the corresponding quarter last year.

Gross profit in the quarter grew by 3.4% compared to last year and amounted to \$ 10.3 million (approximately 16.9% of the revenues).

Operating profit in the quarter grew by 22.4% compared to last year and amounted to \$ 5.1 million (8.4% of the revenues).

EBITDA in the quarter grew by 14.8% compared to last year and amounted to \$ 6.2 million.

Net income in the quarter grew by 78.2% compared to last year and amounted to \$ 2.9 million.

The Company declares a dividend distribution of approximately \$ 0.9 million.

Shahaf Shrager, CEO of HIPER Global, said: "We continued to show an improvement in profitability in the quarter, which was mainly due to organic growth in activity while controlling operating expenses. We await the expected recovery in the markets, especially in the field of chip manufacturing and hope to soon see signs of a return to growth among our customers in the field. At the same time, we continue to see increased demand from our customers in the military-security sector and will continue to look for various opportunities in the field of AI, where we believe the Company is in a place where it can provide value to its customers to realize the innovative solutions in this field worldwide."

Highlights of the results for the second quarter of 2024

The Company's revenue from sales and services in the quarter increased by approximately 5.8% and amounted to approximately \$ 61.1 million, compared to approximately \$ 57.7 million in the corresponding quarter last year. The increase in revenues is mainly due to organic growth in the activity in Israel. **Revenues from the Israel operating segment** grew by approximately 14.2% compared to last year and amounted to approximately \$ 42.5 million in the quarter, compared to approximately \$ 37.2 million in the corresponding quarter last year. **Revenues from the international operating segment** amounted to approximately \$ 20.9 million in the quarter, similar to the corresponding quarter last year.

Gross profit in the quarter grew by 3.4% and amounted to approximately \$ 10.3 million (approximately 16.9% of the revenues) compared to approximately \$ 10 million (approximately 17.3% of the revenues) in the corresponding quarter last year. The increase in gross profit is due to the increase in revenue turnover, which is partially offset by a change in the revenue mix and different profitability rates.

Selling, administrative and general expenses in the quarter amounted to approximately \$ 5.2 million, compared to approximately \$ 5.8 million in the corresponding quarter last year. The main decrease in expenses stems from a decrease in intangible asset amortization expenses, from a decrease in payroll expenses and from the effect of the devaluation in the NIS/dollar exchange rate.

Operating profit in the quarter increased by approximately 22.4% and amounted to approximately \$ 5.1 million (8.4% of the revenues) compared to approximately \$ 4.2 million (7.2% of the revenues) in the corresponding quarter last year.

Operating profit of the Israel operating segment grew by approximately 18.4% compared to last year and amounted to approximately \$ 3.7 million in the quarter compared to approximately \$ 3.2 million in the corresponding quarter last year. The improvement in profit of the Israeli operating segment is due to increase in revenues and decrease in selling general and administrative expenses.

Operating profit of the international operating segment grew by 35% compared to last year and amounted to approximately \$ 1.4 million in the quarter compared to approximately \$ 1 million in the corresponding quarter last year. The improvement in profit in the international segment stems from a decrease in intangible asset amortization expenses and a decrease in general and administrative expenses.

Financial expenses, net in the quarter, amounted to approximately \$ 0.9 million compared to financial expenses, net of approximately \$ 1.5 million last year. The increase in financial expenses, net is mainly due to a decrease in interest expenses due to a decrease in net credit and changes in liability value adjustments.

Net income in the quarter increased by approximately 14.8% and amounted to approximately \$ 6.2 million compared to approximately \$ 5.4 million in the corresponding quarter last year.

EBITDA in the quarter increased by approximately 14.8% and amounted to approximately \$ 6.2 million compared to approximately \$ 5.4 million in the corresponding quarter last year.

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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