November 14, 2024

HIPER Global reports results for the third quarter of 2024

Revenues in the third quarter amounted to $ 62.4 million compared to $ 81.2 million in the corresponding quarter last year, which included revenues from a significant project in the AI field.

Gross profit in the quarter amounted to $ 11.5 million, similar to the corresponding quarter last year (approximately 18.5% of the revenues compared to 14.4% in the corresponding quarter last year).

Operating profit in the quarter amounted to $ 5.7 million (9.1% of the revenues compared to 8.0% in the corresponding quarter last year).

EBITDA in the quarter amounted to $ 6.9 million compared to $ 7.4 million in the corresponding quarter last year.

Net income in the quarter amounted to $ 3.8 million compared to $ 4.2 million in the corresponding quarter last year.

The Company declares a dividend distribution of approximately $ 0.8 million.

Shahaf Shrager, CEO of HIPER Global, said: "We continue to show an improvement in profitability in the quarter compared to previous quarters and organic growth in the international segment. In the corresponding quarter last year, most of a one-time transaction totaling approximately $ 35 million was delivered, so that excluding its effects, organic revenues significantly increased this quarter. Recently, our customers' demand for CUSTOM products has been increasing, especially in the military-security industry. In addition, we start to see an increase in new opportunities in various areas of activity, including the fields of AI, cyber and media, in which the Company presents significant technological value that is integrated into unique global operational solutions enabling our customers to realize their vision in the world."

Highlights of the results for the third quarter of 2024

The Company's revenue from sales and services in the quarter amounted to approximately $ 62.4 million, compared to approximately $ 81.2 million in the corresponding quarter last year. The decrease in revenue is mainly due to a significant project in the AI field (a transaction in the amount of $ 35 million), which was mostly delivered in the corresponding quarter last year. However, an increase in revenues from organic activity was shown in the quarter, mainly in the international operating segment.

Revenues from the Israel operating segment amounted to approximately $ 37.5 million in the quarter, compared to approximately $ 64.2 million in the corresponding quarter last year. The decrease in revenues derives from a one-time significant project which was recorded in the corresponding quarter last year.

Revenues from the international operating segment grew by 38.3% and amounted to approximately $ 25.9 million in the quarter compared to $ 18.7 million in the corresponding quarter last year, a growth entirely organic.

Gross profit in the quarter amounted to approximately $ 11.5 million (approximately 18.5% of the revenues) compared to approximately $ 11.7 million (approximately 14.4% of the revenues) in the corresponding quarter last year. The increase in profitability stems from the change in revenue mix, which resulted in a higher profitability rate in the current quarter (mainly due to the impact of the significant project in the corresponding quarter last year).

Selling, administrative and general expenses in the quarter amounted to approximately $ 5.8 million, compared to approximately $ 5.2 million in the corresponding quarter last year.

Operating profit in the quarter amounted to approximately $ 5.7 million (9.1% of the revenues) compared to approximately $ 6.5 million (8% of the revenues) in the corresponding quarter last year.

Operating profit of the Israel operating segment amounted to approximately $ 3.8 million in the quarter compared to approximately $ 5.1 million in the corresponding quarter last year.

Operating profit of the international operating segment grew by 36.1% compared to last year and amounted to approximately $ 1.9 million in the quarter compared to approximately $ 1.4 million in the corresponding quarter last year.

Financial expenses, net in the quarter amounted to approximately $ 0.8 million compared to financial expenses, net of approximately $ 0.6 million last year.

Net income in the quarter amounted to approximately $ 3.8 million compared to approximately $ 4.2 million in the corresponding quarter last year.

EBITDA in the quarter amounted to approximately $ 6.9 million compared to approximately $ 7.4 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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