



Mechanical Technology Incorporated

2018 Highlights **(third quarter update)**

- Through September 2018, revenue at MTI Instruments continues to surpass prior year levels. This growth has been driven by capacitance product sales earlier this year to Asia and, more recently, increased commercial sales in the U.S. of our PBS vibration and balance systems and accessories.
- New orders booked during the third quarter of 2018 exceeded \$3,000,000 for the first time since the first quarter of 2008 thanks to the aforementioned increase in commercial PBS activity, along with a rise in military PBS business corresponding with the end of the U.S. government's fiscal year. With this activity, the PBS product line family will set a new, annual orders record in 2018!
- Operations remain profitable – with \$745,000 in operating income being generated to date in 2018. Increased sales, improved product margins and lower engineering spending continue to propel these results, which have helped produce an overall net cash surplus of \$871,000 for the first nine months of this year. Available cash at September 30, 2018 is now \$4,699,000; the highest reported cash balance for the Company since December 2007.
- At MTI Instruments, internal development initiatives accelerated during the third quarter of 2018; focusing on our next generation capacitance sensors and engine vibration and balancing systems. Rollout of these new products is currently expected during the first half of next year.
- The Company continues to explore and assess potential mergers and/or acquisition candidates – however, this prolonged search for the right

acquisition at the right price has, unfortunately, not yet yielded a definitive deal. Nevertheless, MTI and Brookstone Partners remain committed to our long-term growth strategy through mergers and/or acquisitions, while also advancing the long-standing, core competencies at our MTI Instruments subsidiary.

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