



# Investors Presentation

Financial Reports 30.06.23



Created in Midjourney AI platform



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- The presentation includes forecasts, estimates and plans of the company in relation to its activities, and other information relating to future events and matters, which constitutes forward-looking information, as defined by the Securities Law-1968, the realization of which is uncertain and may be affected by factors that cannot be estimated in advance or are beyond the control of the company. Therefore, the company has no certainty that its forecasts and/or estimates and/or plans will materialize, in whole or in part, or that they will materialize in a different way than expected, due, among other things, to factors beyond the company's control, changes in market conditions and the competitive and business environment, as well as the realization of the company's risk factors.
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# Second quarter 2023

Continued growth in Sales, Gross profit, Operating profit, Net profit and EBITDA

Sales - 10.4% growth to ILS 1.29 billion (6.8% organic growth)

Gross profit - 15.9% growth to ILS 185 million while improving its rate to 14.4%

Operating profit - 16% growth to ILS 98 million (12.8% organic growth) while improving its rate to 7.6%

Net profit - 2.6% growth to ILS 63 million despite a significant increase in financial expenses. Net profit rate - 4.9% of revenues

EBITDA - 22.9% growth to ILS 148 million and its rate increased to - 11.4%

The comparison to Q2/2022 neutralizing net capital gains from the sale of investment in Infinity



# First Half of 2023

Continued growth in Sales, Gross profit, Operating profit, Net profit and EBITDA

Sales - 10.9% growth to ILS 2.58 billion

Gross profit - 14% growth to 374 million ILS while improving its rate to 14.5%

Operating profit - 13% growth to ILS 199 million while improving its rate to 7.7%

Net profit - stable at ILS 128 million despite a significant increase in financial expenses.  
Net profit rate - 5% of revenues. The net profit to company shareholders increased by 2.5%

EBITDA - 12.6% growth to ILS 231 million and its rate increased to - 8.9%



The comparison to H1/2022 neutralizing net capital gains from the sale of investment in Infinity



# Matrix 2023



**4.7 billion ILS**

Sales in 2022 (2.6 billion ILS on 1-6/23)

**#1** Provider of Software services in Israel, for 18 consecutive years \*

**11,200**  
Employees

**> 100**  
Mergers & Acquisitions

**MTRX**  
TASE

**Aa3 rating**  
15 years running

**10/10**  
Customers out of the leading Israeli **NASDAQ** listed companies

**31/35**  
Customers out of the **Tel Aviv 35 Index**

**> 3000**  
Customers

**Approx. 20%**  
of profits created abroad

**#1**  
in 47 technology categories  
(From AI to Cyber Defense)

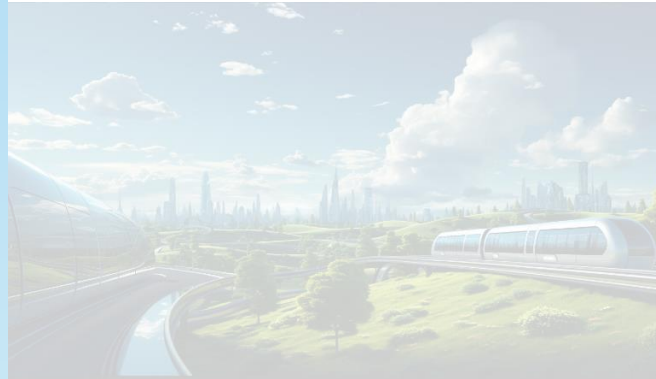




**Software & Computing  
Solutions in Israel & Europe**



**Management Consulting /  
Engineering**



**Software & Computing  
Solutions in the USA &  
Canada**





# Activity in Israel





# Software and Computing Solutions in Israel

- Dedicated core systems: ERP, CRM, modernization
- AI, ML and DATA systems
- Cyber protection
- End-to-end Digital solutions
- Application of Software products:  
Representations | IP -Proprietary software
- Customer service centers
- Consulting, R&D and System Development for the  
Defense sector
- DevOps and ALM
- Computing and communication infrastructures
- Private and public Cloud services
- Partial to full Outsourcing
- Performance of inclusive Computing Integration  
Projects, Consulting and Development services:  
at client site, at Matrix sites.
- Nearshore, Offshore Development services
- Professional training – JB
- Software testing
- Operational back office services



# Leading Partners





# Digital Transformation

## Core Business

ERP, CRM, IP Solutions by  
Matrix, Modernization

## Data, AI & Analytics

Civil and Security

Our main pillars  
**D<sup>2</sup>C<sup>3</sup>**

## Cloud

Private and Public

## Cyber

Civil and Security

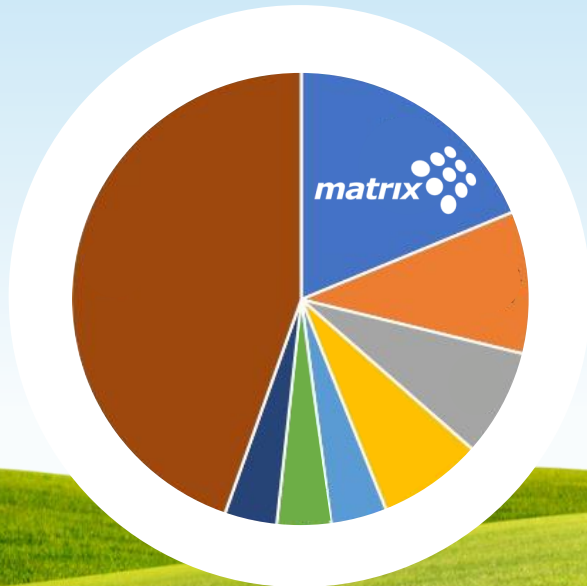


# Ranking



**Leader of the IT  
Services market  
15 consecutive years**

May 2023

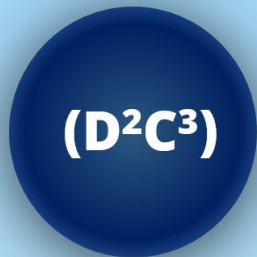


**Leader of the Value-Added  
Services market in Israel  
in 47 categories  
18 consecutive years**

May 2023







# DATA & AI

600 > Projects

A large Data & AI Division  
with an ecosystem of  
more than  
**30** technology partners

Leader of the Israeli Data  
& AI industry for **10**  
consecutive years

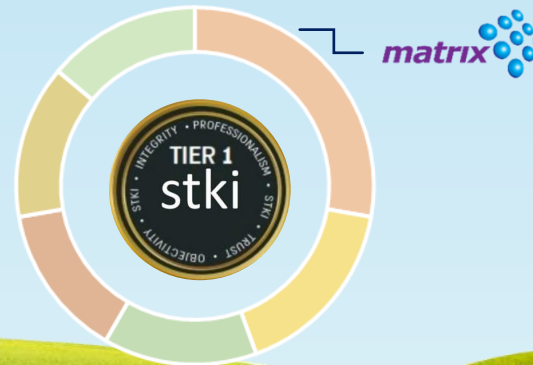
Data & Analytics  
Cloud migration



Data & Analytics Strategy  
Consulting



Advanced Analytics, Data  
Science and ML projects



BI Implementation /  
Development





# DIGITAL

Creation and Management of Digital assets for many hundreds of clients

Millions of Israeli citizens use the Digital solutions and services we have developed in the worlds of Banking, Government, Communications, Health, Local Authorities, Retail and more...

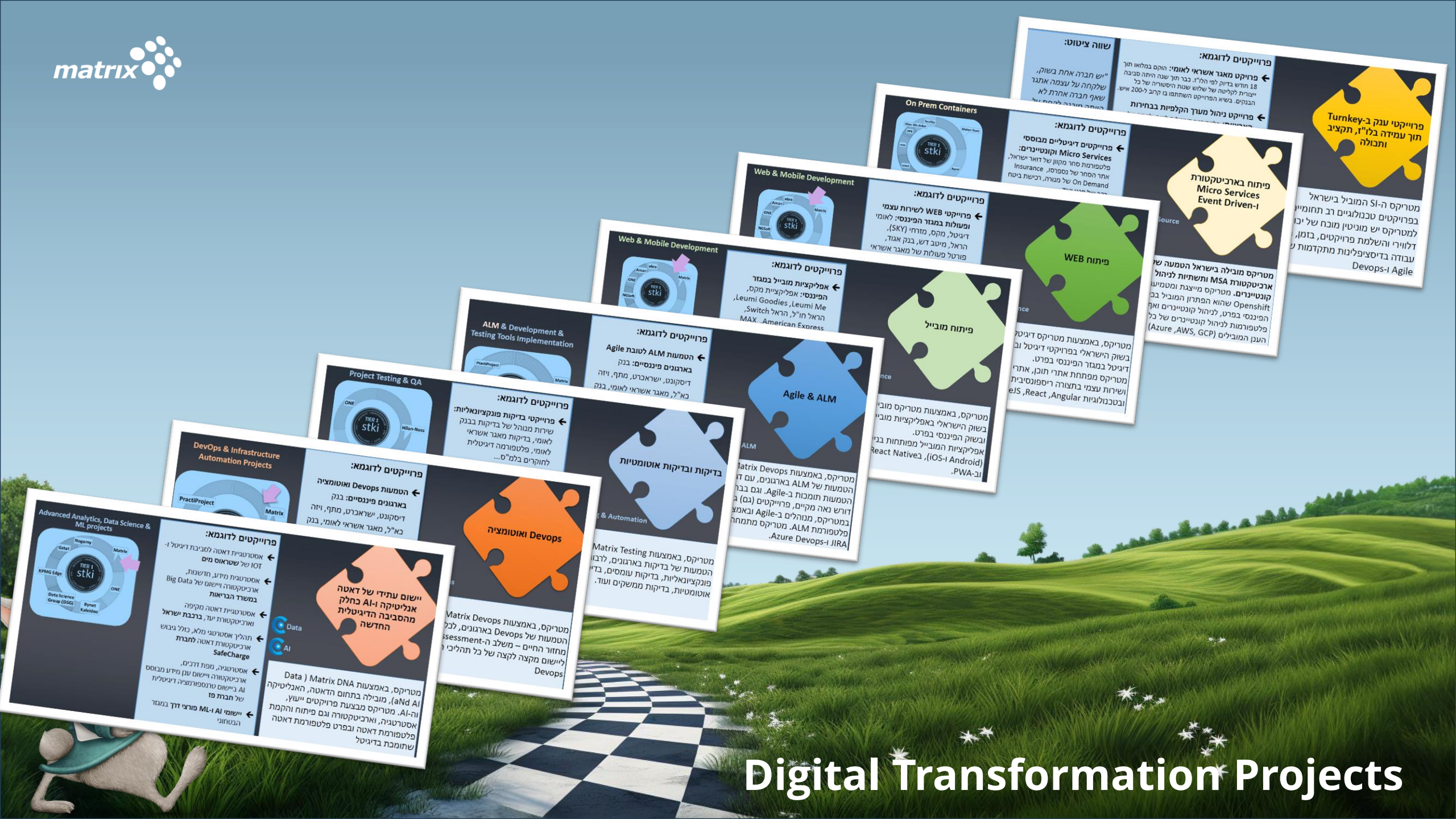
## Web & Mobile Development



## UX Design







**פרויקטים לדוגמא:**

פרויקט מאגר אשראי לאומי: הוקם במלואו תוך 18 חודש בדיוק לפי ה"ל"ז. כבר תוך שנה היתה פגיעה יעילות קליטת של שלוש שנות היסטוריה של כל הבנקים. בשיא הפרויקט השתתפו בו קרוב ל-200 איש.

**פרויקט ניהול מערך הקליפות בבחירות**

פרויקט ענקי שבנק Turnkey-י, תקציב ותכולה

מטריקס ה-SI המוביל בישראל בפרויקטים טכנולוגיים רב תחומיים למטריקס יש מוניטין מוכח של יכולת ללוויה והשלמת פרויקטים, בזמן, עבודה בדיסציפלינות מתקדמות DevOps-Agile

**פרויקטים לדוגמא:**

פרויקט דיגיטליים מבוססי Micro Services קונטיינרים: פלטפורמת סחר מקוון של דואר ישראל, אחר הסחר של נספרס, Insurance On Demand של מנורה, רכישת ביטוח

**פיתוח בארכיטקטורת Micro Services Event Driven-1**

מטריקס מובילה בישראל הטמעה של ארכיטקטורת MSA ותשתיות לניהול קונטיינרים. מטריקס מייצגת ומטמיעת OpenShift שהוא הפתרון המוביל בב הפיננסים בפרט, לניהול קונטיינרים ואף פלטפורמות לניהול קונטיינרים של כל הענן המובילים (Azure, AWS, GCP)

**פיתוח WEB**

מטריקס, באמצעות מטריקס דיגיטל וב בשוק הישראלי בפרויקט דיגיטל וב דיגיטל במגזר הפיננסי בפרט. מטריקס מפתחת אתרי תוכן, אתרי ושירותי עצמי בתצורה ריספונסיבית ובטכנולוגיות React, Angular, eJS וב-PWA.

**פרויקטים לדוגמא:**

פרויקט WEB לשירות עצמי ופעולות במגזר הפיננסי: לאומי (SKY), דיגיטל, מקס, מזרחי (SKY), הראל, מיטב דש, בנק אגוד, פורטל פעולות של מאגר אשראי

**פיתוח מוביל**

מטריקס, באמצעות מטריקס מוביל וב בשוק הישראלי באפליקציות מוביל אפליקציות המוביל מפותחות בני React Native, (iOS-Android) וב-PWA.

**פרויקטים לדוגמא:**

אפליקציות מוביל במגזר הפיננסי: אפליקציות מקס, Leumi Me, Switch, הראל חו"ל, הראל MAX, American Express

**Agile & ALM**

מטריקס, באמצעות מטריקס דיגיטל וב בשוק הישראלי באפליקציות מוביל אפליקציות המוביל מפותחות בני React Native, (iOS-Android) וב-PWA.

**פרויקטים לדוגמא:**

הטמעת ALM לטובת Agile בארגונים פיננסיים: בנק דיסקונט, ישראלכרט, מתף, ויזה בא"ל, מאגר אשראי לאומי, בנק לחוקרים בלמ"ס...

**בדיקות ובדיקות אוטומטיות**

מטריקס, באמצעות מטריקס דיגיטל וב בשוק הישראלי באפליקציות מוביל אפליקציות המוביל מפותחות בני React Native, (iOS-Android) וב-PWA.

**פרויקטים לדוגמא:**

הטמעת DevOps ואוטומציה בארגונים פיננסיים: בנק דיסקונט, ישראלכרט, מתף, ויזה בא"ל, מאגר אשראי לאומי, בנק לחוקרים בלמ"ס...

**DevOps ואוטומציה**

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**פרויקטים לדוגמא:**

אסטרטגיית דאטה לסביבת דיגיטל ו-IOT של שטראוס מים אסטרטגיית מידע, חדשנות, ארכיטקטורה ויישום של Big Data במשרד הבריאות אסטרטגיית דאטה מקיפה וארכיטקטורת יעד, ברבנות ישראל ארכיטקטורת דאטה לחברת SafeCharge אסטרטגיה, מפת דרכים, ארכיטקטורה ויישום ענן מידע מבוסס AI ביישום טרנספורמציה דיגיטלית של חברת פז

**יישום עתיד של דאטה האנליטיקה AI-ה כחלק מהסביבה הדיגיטלית החדשה**

מטריקס, באמצעות מטריקס דיגיטל וב בשוק הישראלי באפליקציות מוביל אפליקציות המוביל מפותחות בני React Native, (iOS-Android) וב-PWA.

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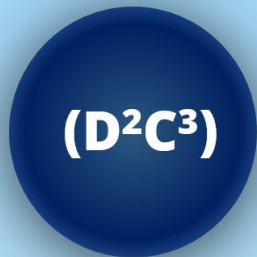
**DevOps & Infrastructure Automation Projects**

מטריקס, באמצעות מטריקס דיגיטל וב בשוק הישראלי באפליקציות מוביל אפליקציות המוביל מפותחות בני React Native, (iOS-Android) וב-PWA.

**Advanced Analytics, Data Science & ML projects**

מטריקס, באמצעות מטריקס דיגיטל וב בשוק הישראלי באפליקציות מוביל אפליקציות המוביל מפותחות בני React Native, (iOS-Android) וב-PWA.



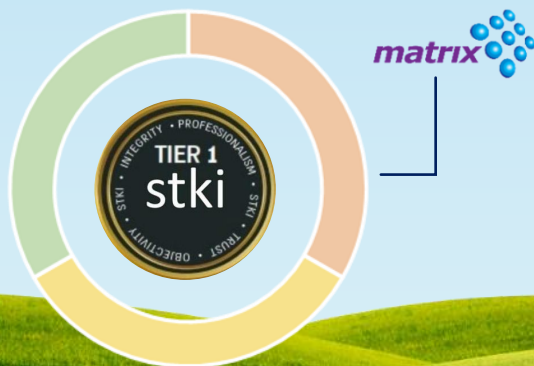


# Civil Cyber

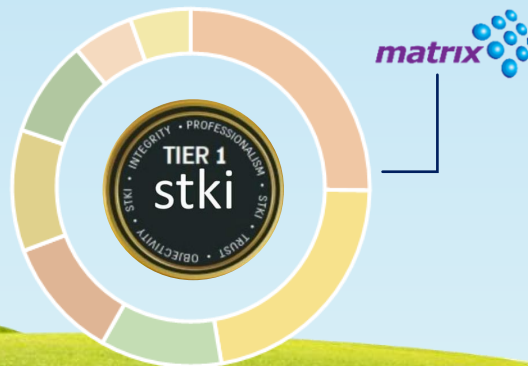
**Monitoring more than 100G events.** Handling more than 16,000 suspicious events annually

**Monitoring more than 11,000 servers,** Managing about 50,000 endpoints, with more than 120,000 events per minute

## SIEM as a Service



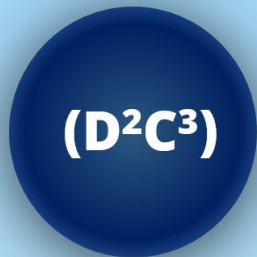
## Cyber Security Product Implementations (on premise)



## Cyber Security Cloud Product Implementation







# CLOUD

**AWS Premier  
Tier Partner**

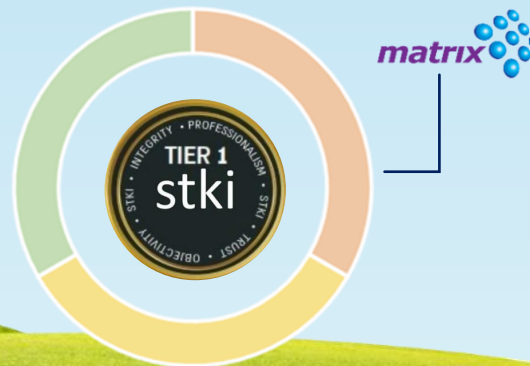
**Hundreds of Cloud  
Migration Projects**

**>5,000 Subscription clients  
in: AWS, Google Cloud,  
Microsoft Azure CSP**

**FinOps  
Integrations & Services**



**Enterprise Public Cloud  
(IaaS; PaaS, Compute as a Service)**



**Enterprise CLOUD**





# Nimbos



The Nimbos Project is an important turning point as it allows migration to cloud, while data remains in Israel. Therefore, the barrier that stopped migration of data (which cannot be transferred to servers outside the country), to the Government and Security Systems Cloud, has been released.

- Amazon and Google, both Matrix business partners, won the basic tender for the Nimbos Project.
- In a follow-up tender, where Matrix won in all categories, the government regulated rapid procurement processes for Cloud software Projects and Products.
- The win gives Matrix the license to be an Expert Provider to government organizations assisting in cloud migration projects and related solutions





# Matrix Market Place



Market place on boarding

Automated Landing Zone

SAP Migration

Enterprise Migration

Application Modernization

Enso Application Security Posture  
Management

Oracle DB migration

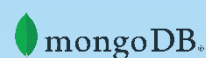
Build a Cloud Lakehouse on AWS

CoDx - OCR Deep Learning Technology

FinOps Framework

Databricks pro-managed service

# Matrix Market Place



MongoDB By Matrix



Mendix By Matrix



SAP BusinessObjects Supported by Matrix



Aerospike Database by Matrix



BMC TrueSight by Matrix  
BMC Client management by Matrix  
BMC Helix ITCM by Matrix  
BMC Control-M by Matrix



IBM MQ Advanced by Matrix  
IBM MQ Standard by Matrix  
IBM Data Power Gateway by Matrix



Quali By Matrix



Cloudera CDP by Matrix



Dynatrace By Matrix



Vault by Matrix



Red Hat® OpenShift® by Matrix



Aqua Security by Matrix

Ansible By Matrix





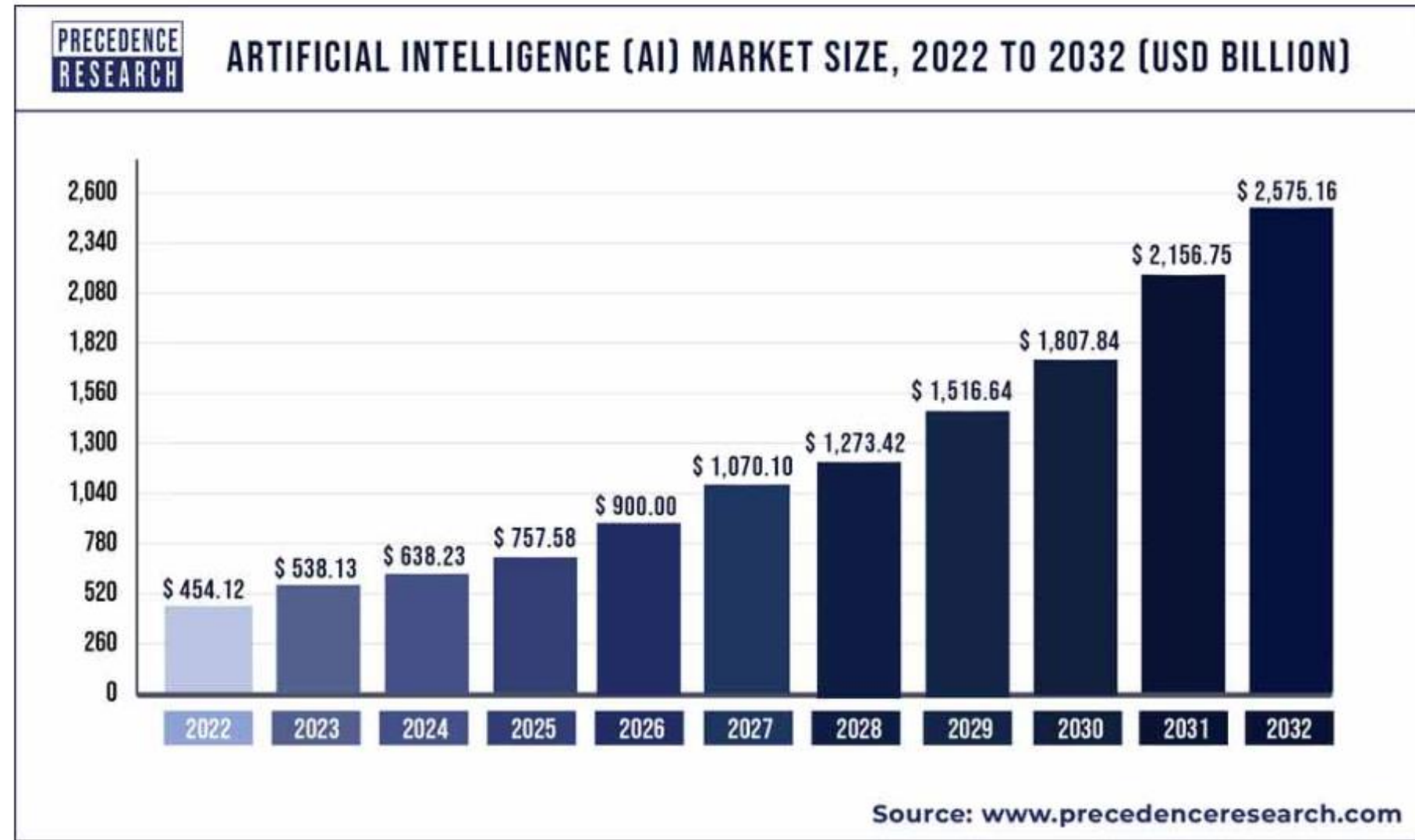


AI@matrix

Created in NightCafe AI platform

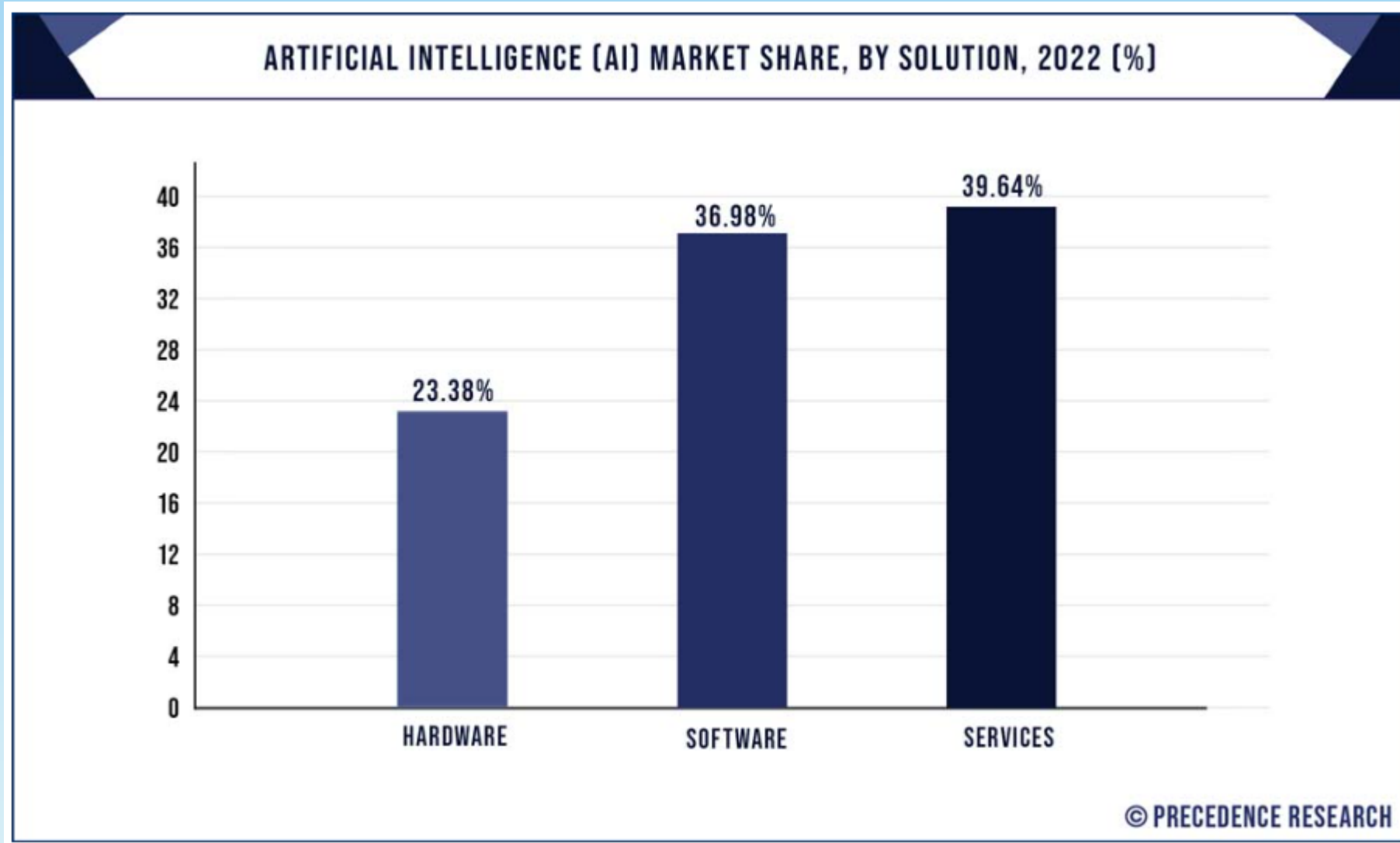


# Global Market Size

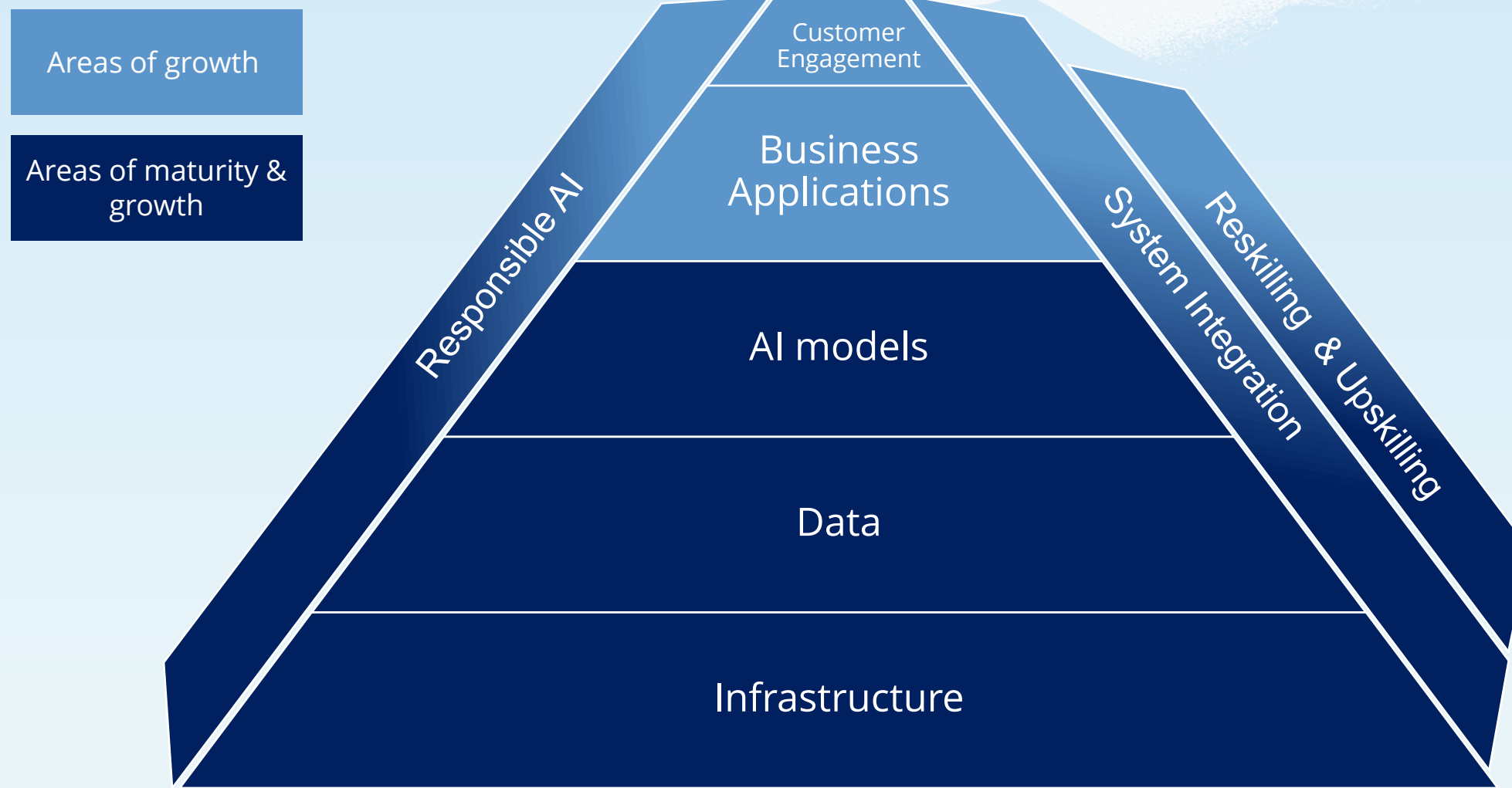




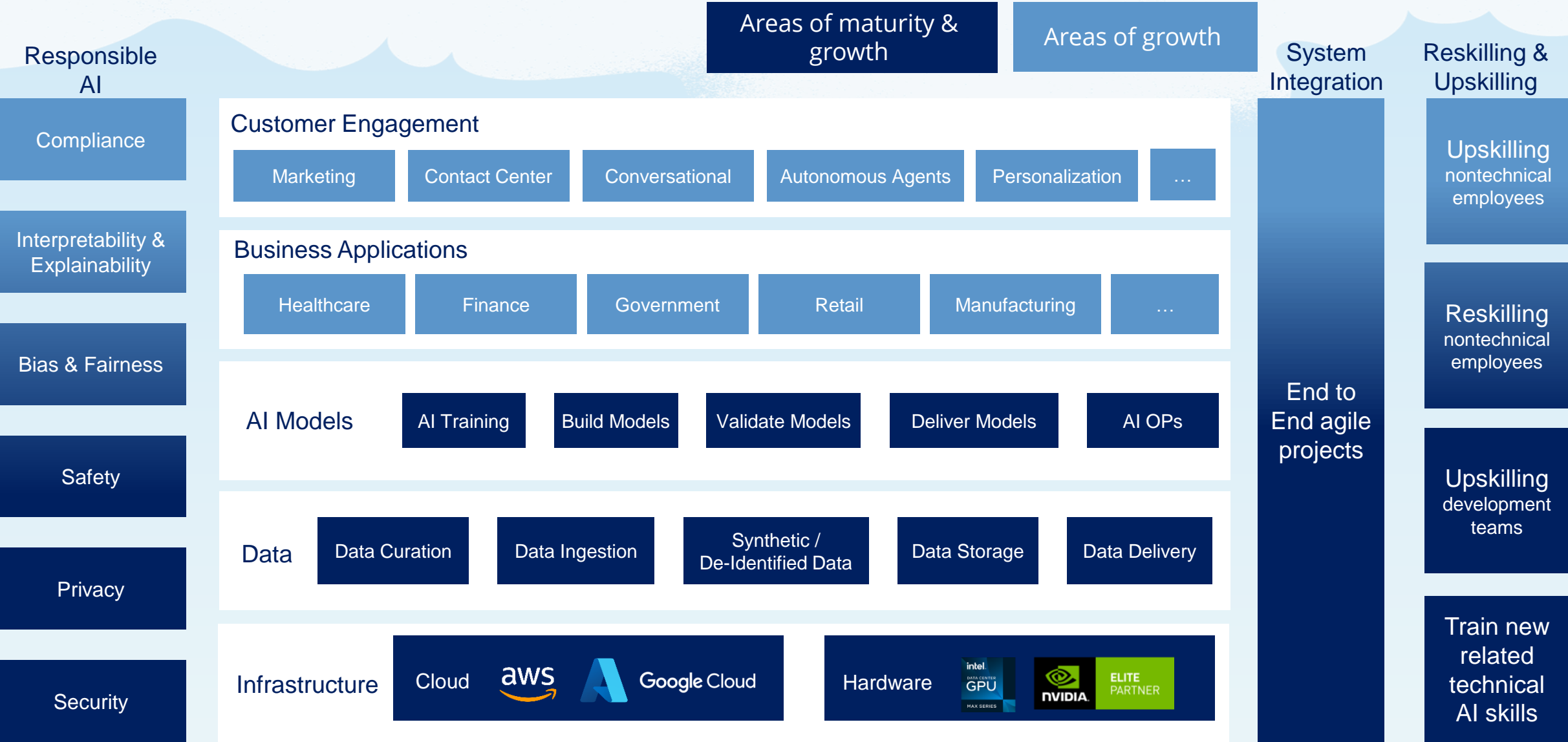
# By Income Type



# Matrix operates in the field of AI from end-to-end

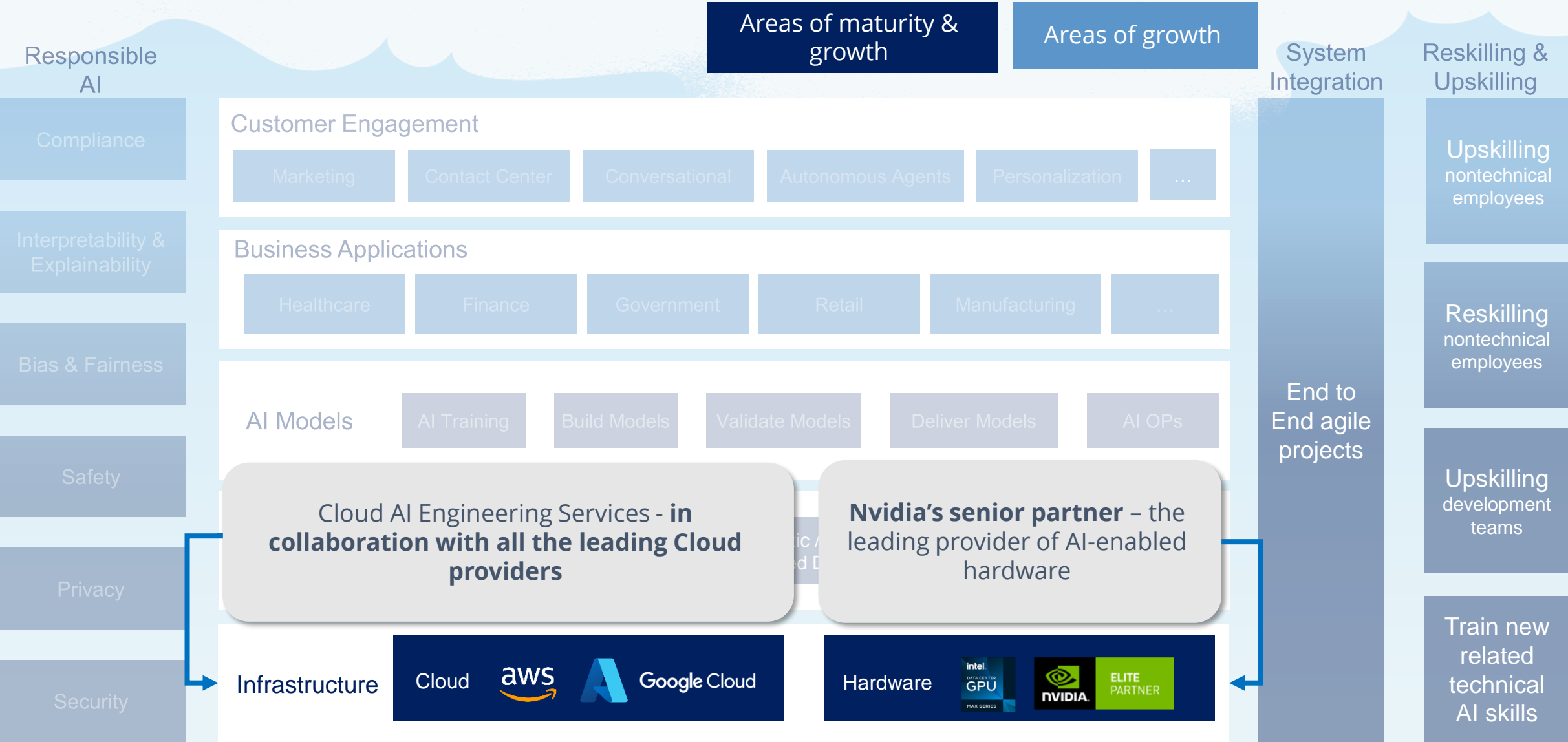


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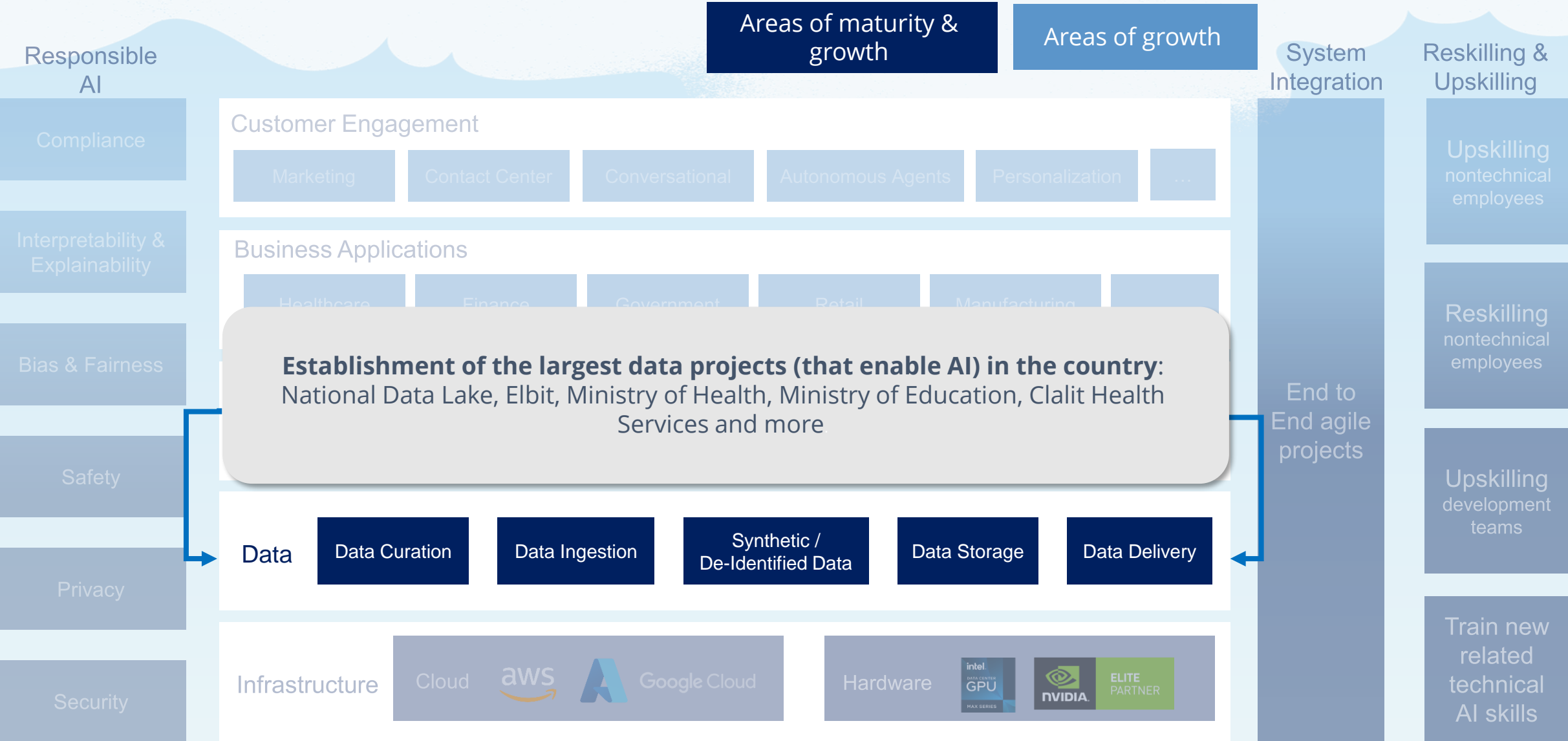




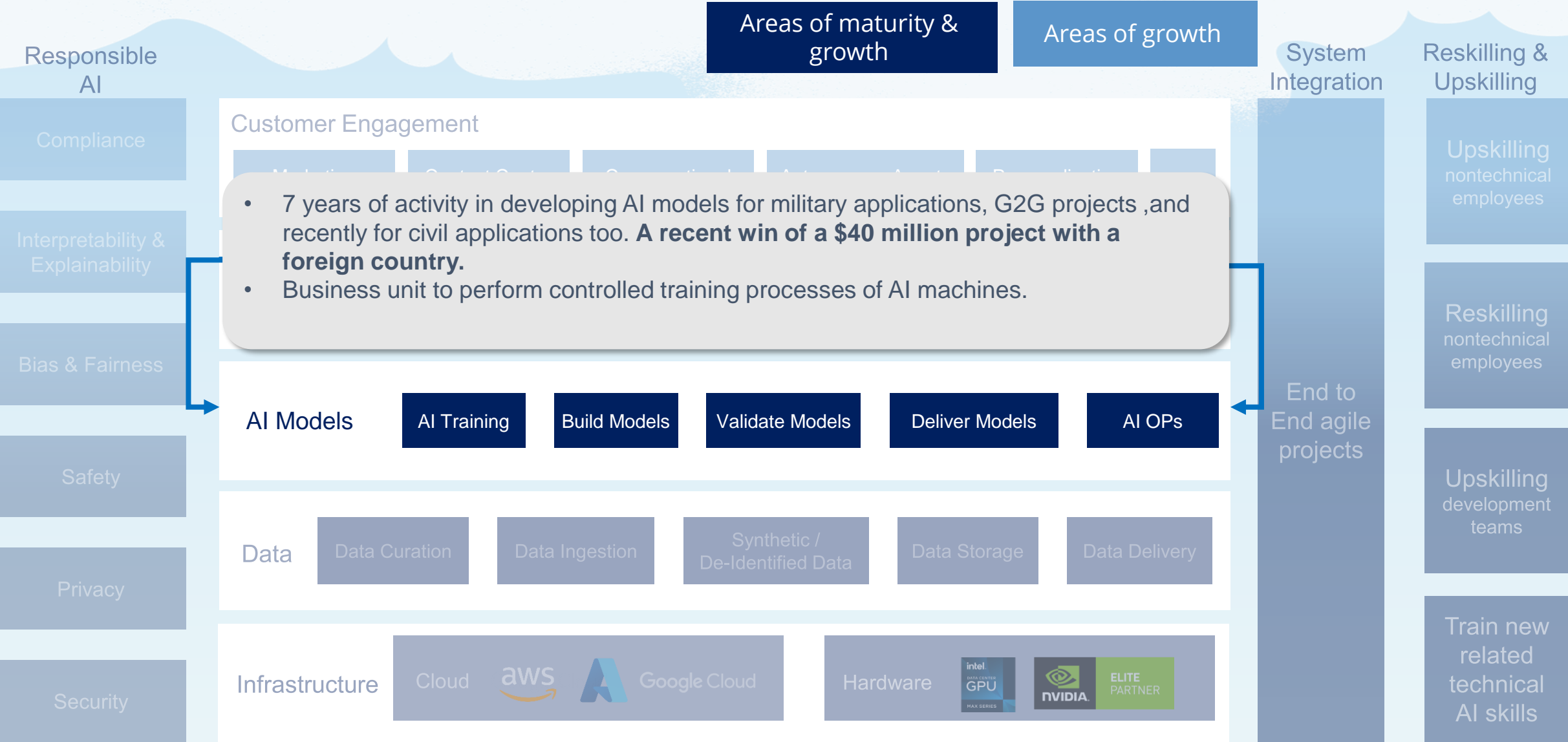
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# Matrix operates in the field of AI from end-to-end

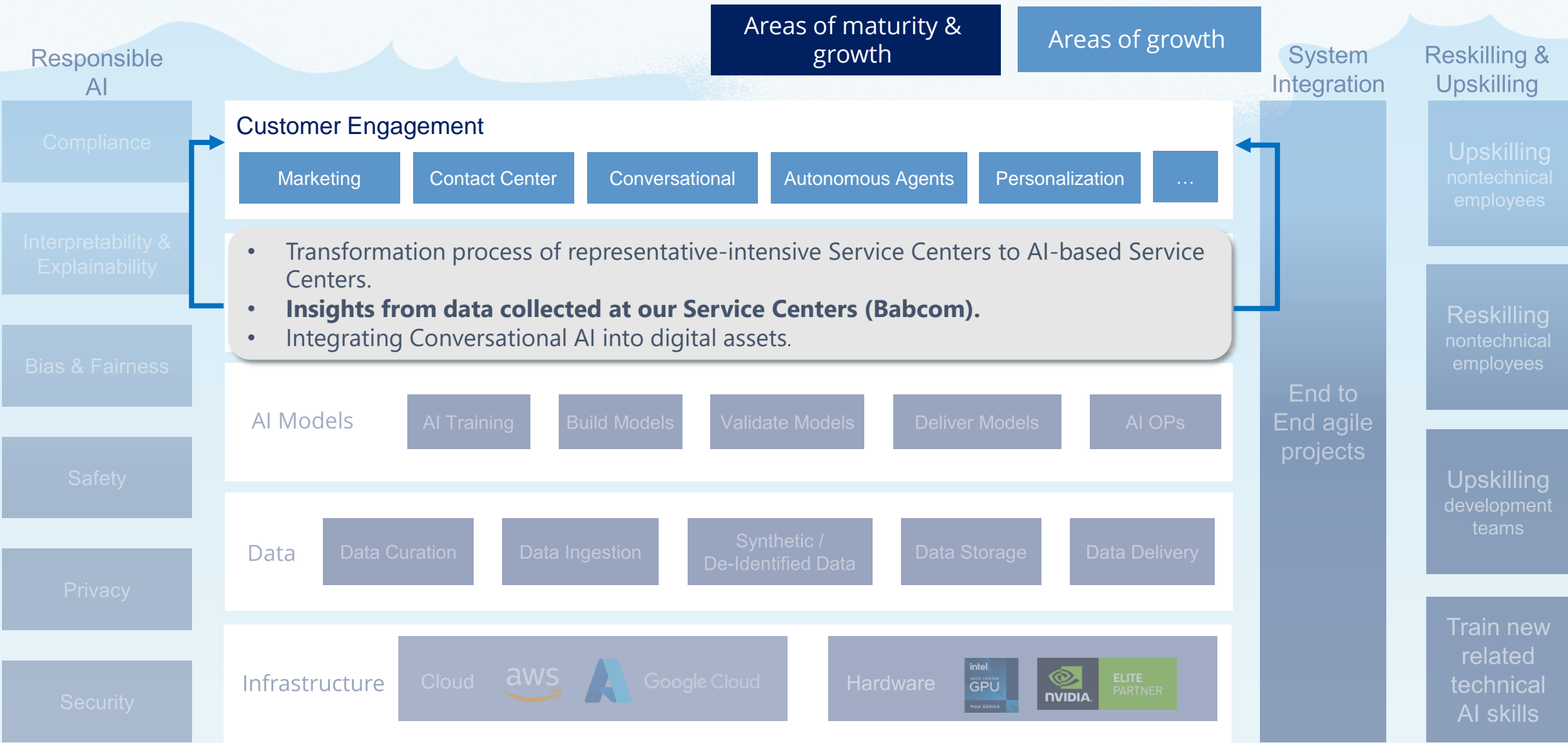




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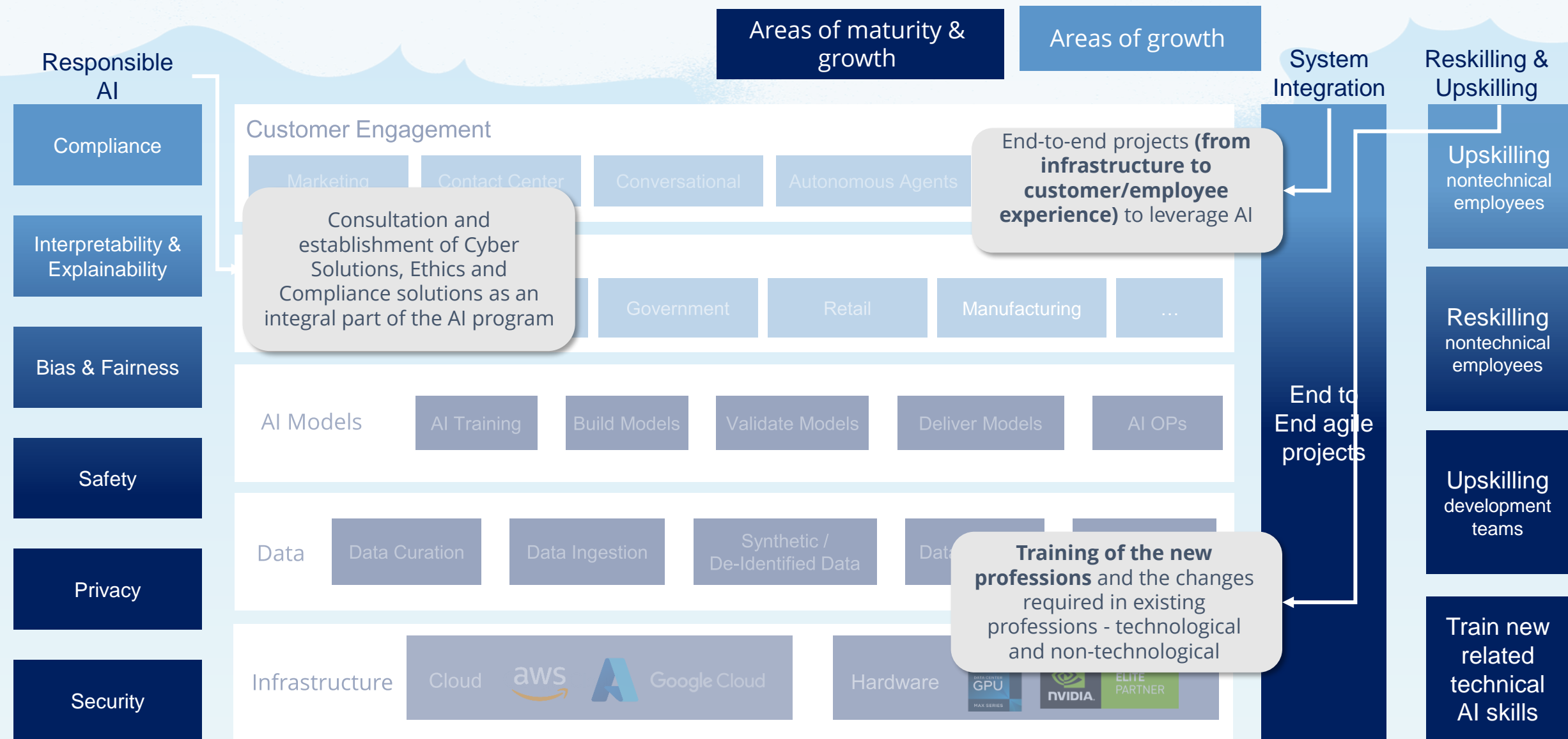


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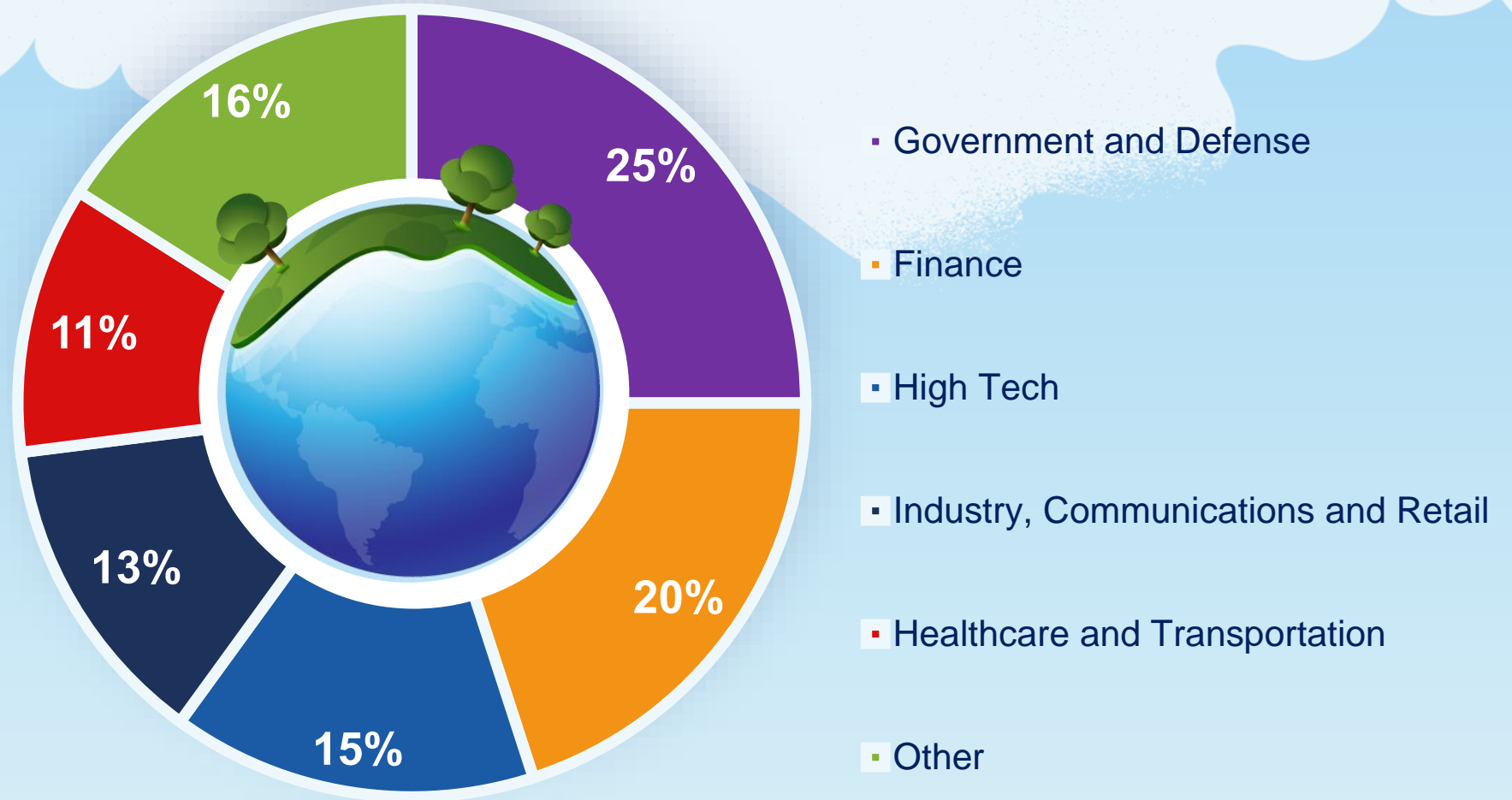




# Matrix operates in the field of AI from end-to-end



# Revenue Break-down \*by Industry



\*According to 2022 revenues

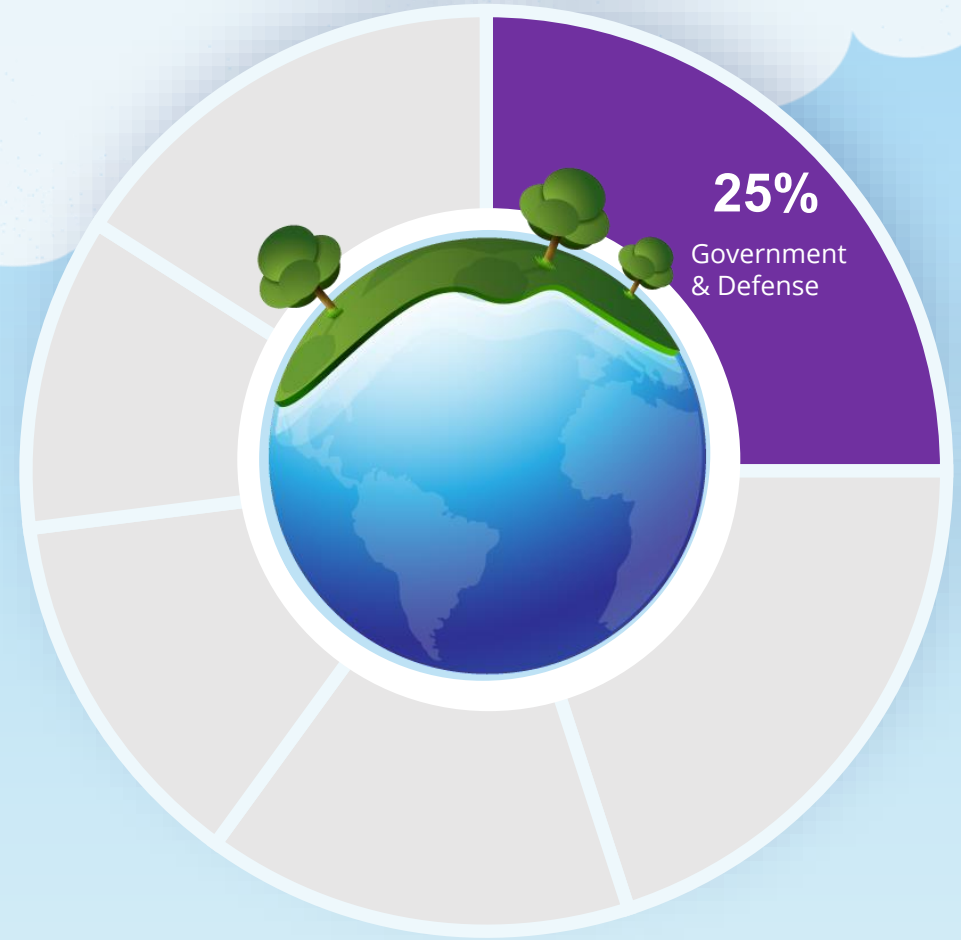


# Governmental Sector



**20< | 136 | 30**

Public Companies      Local Authorities      Government Offices



\*According to 2022 revenues

# Defense Sector

Defense Industry

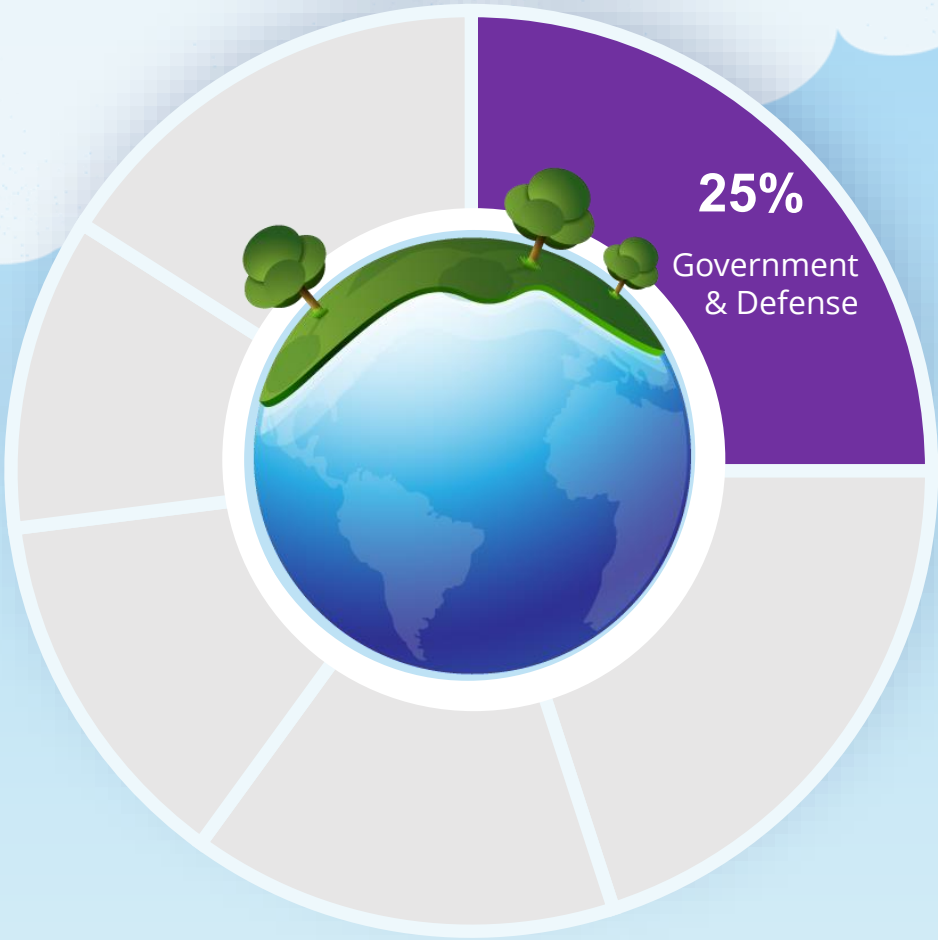
Hundreds of  
Defense Projects  
in Israel and  
abroad

1,000

Employees in the  
Defense sector

2,000

Employees with high  
security clearance



\*According to 2022 revenues

# Financial Sector

100 <

Active customers in the financial sector

Factoring

AML

CRM

Data

Integration

Open Banking

Credit Scoring

Cyber & Security

Fraud Prevention

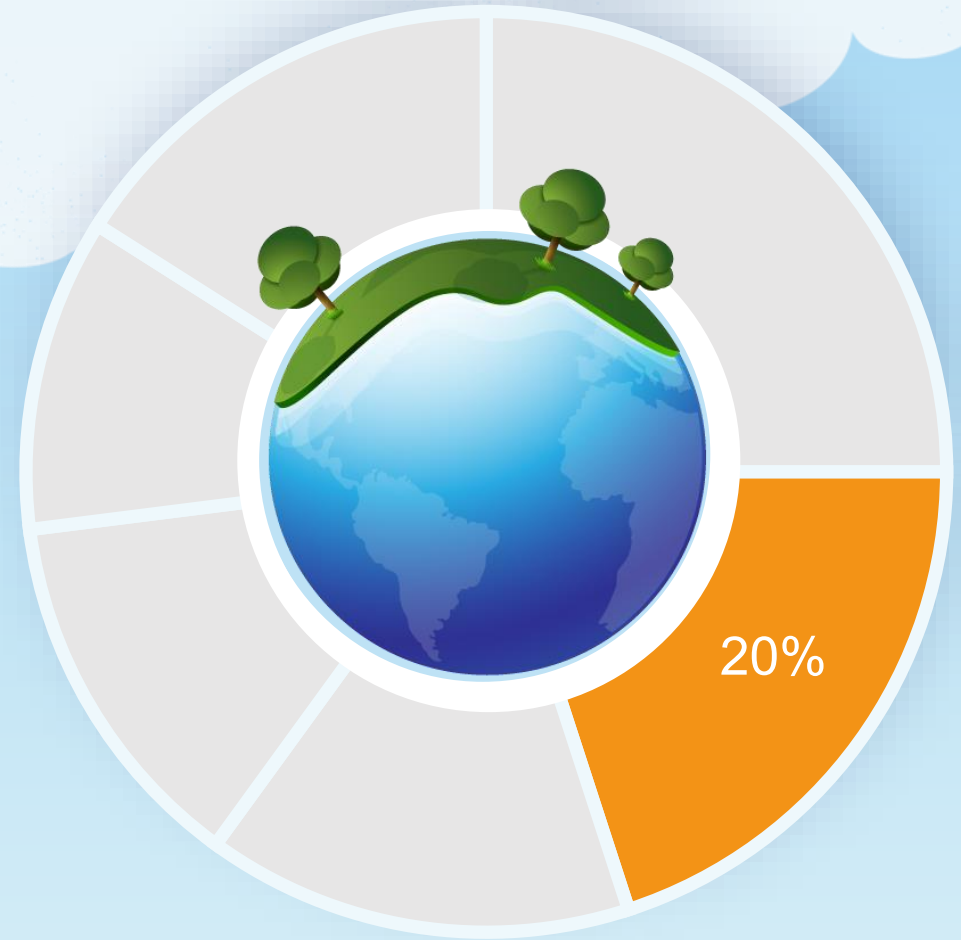
Bank and non-bank credit

Digital assets

Core systems

Mutual Funds

Trade control





# Consulting, management / engineering



Created in Midjourney AI platform

# Consulting, Management / Engineering

- Project management and supervision
- 30 mega projects in the field of National infrastructures
- Management and strategic consulting
- Engineering and budgetary control
- Supply chain management and computerization
- Automation and computer systems of logistics centers





# Transportation sector



Management and Supervision of National Infrastructure Projects to the amount of

about **40** billion ILS



\*According to 2022 revenues



# The Israeli market



Market segments VS adoption of technologies

	Level of investments In August 2023
Government	
Finance	
Defense	
Hi-tech	
Industry & Retail	
Healthcare	
Transportation , construction, and national infrastructure	



# The Israeli market



Market segments VS adoption of technologies

	Level of investments In August 2023	CORE	CLOUD	CYBER	DATA AI	CRM /ERP	DIGITAL UI/UX	ENGINEERING & SCM
Government								
Finance								
Defense								
Hi-tech								
Industry & Retail								
Healthcare								
Transportation , construction, and national infrastructure								



# Activity in the US





# About Matrix-IFS



**15**

Years  
of experience



End-to-end financial  
crime IT services:  
advisory, implementa  
tion, automation,  
data...



Specialized expertise  
- providing services  
for the Banking  
Sector for over 14  
years

**561**

Projects  
Implemented



Market leader in  
financial crime  
implementation  
services

**20**

Countries  
Operations



Offices in US,  
Canada, Europe, Asia  
and Middle East



Partner of leading  
FinCrime technology  
vendors: NICE  
Actimize, Oracle,  
SAS..

# Cyber Security



## core solutions



### CISO-As-A-Service

Missing a CISO function in your organization? No problem, Matrix-IFS will act as your trusted CISO, covering regional and local regulatory requirements to help you stay compliant and ensure the overall resiliency of your cyber security program.



### Targeted Threat Intelligence

Our research and analysis of the accumulated data collected by threat intelligence allow financial institutions to prevent severe impacts of cyber threats. This process also plays a vital role in enriching data gathered by vulnerability scans.



### Risk Management

Our in-depth risk-driven analysis provides enterprises with a holistic view of current risk levels to their networks, systems, and services with the goal to improve their security posture across IT, OT and IoT.



### Application Security

Matrix-IFS' Application Security service covers the entire application development life cycle from the initial design and architecture phase, through development and deployment. Additionally, it includes tools and methods designed to protect applications post-deployment. The service also covers web, mobile apps and services.



### Cloud Security

The Cloud Security services we provide ensure the availability, integrity and confidentiality of cloud-based services, and cloud migration. They do so by defining cloud security requirements to minimize risk and guarantee cloud compliance. Services include the security of infrastructure, data, analysis, infrastructure security and more.



### SOC-As-A-Service

A fully managed, co-managed, hybrid or custom 24X7X365 Security Operation Center including optimization to reduce "noise" and a full T1-4 analysts support. With this offering, you will benefit from actionable intelligence and complete visibility into your environment that will dramatically contribute to your improved security posture..

# Fraud Prevention

## core solutions



### Commercial Banking Fraud Prevention

Leverage our experience in implementing more than 200 fraud detection /prevention solutions at some of the largest commercial banks in the world.



### Online & Mobile Banking Fraud Prevention

Matrix-IFS helps financial institutions to take a step forward in the arms race against criminals and their sophisticated methods for online / mobile fraud.



### Payment Fraud Prevention

Our fraud prevention team will implement and adapt your fraud detecting solutions to cater for the unique requirements of established and innovative payment services providers.



### Internal Fraud Prevention

Avoid excessive losses due to internal fraud by leveraging our extensive technology ecosystem and domain expertise, for real-time monitoring, case management, policy enforcement and reporting.



### Authentication Management

Strike the right balance between applying various authentication methods, adjusting the fraud analytics and optimizing response times by deploying or modifying market-leading fraud prevention software solutions.



### Fraud Detection Operating Model

We have engaged with many financial services providers to analyze and fine-tune the most optimal setup of fraud controls, fraud investigation teams structure, solution architecture and future roadmaps.



# Anti-Money Laundering

core solutions



## Commercial KYC/ CDD / EDD

Our experts will evaluate your current KYC program and advise your AML team on best practices, adjusting processes and procedures to better address the regulator's expectations and help you optimize the execution and ongoing employee behavior.



## Transaction Monitoring

With our help, you can effectively monitor and detect any suspicious customer behavior. We will contentiously update you on emerging threats to ensure your financial crime and compliance program is up-to-date and assist with tuning your models/rules appropriately.



## Sanctions Screenings

Each international sanction expansion requires updates to your financial crime system and model rules, which can pose a real threat to compliance. We will advise you on changes in the sanctions landscape and even help tune your system so it's in line with current regulations.



## Case Management

Our Advisory team is able to examine the alerts being generated by your system, reset false positive ratio, and investigation workflow to ensure optimal efficiency, and provide you with a single view of your entire risk landscape, so you can make data-driven decisions.

# Our Partners



# Global Customers



## US Banks

Bank United N.A  
Citibank  
City National Bank  
First Bank  
First Citizens Banks  
Hancock Whitney Bank  
IDB NY  
JP Morgan Chase  
MoneyGram  
Morgan Stanley  
Netspend  
PNC  
PPBI- Pacific Premier Bancorp  
Raymond James  
Republic Bank  
Signature  
TD Bank  
WAB- Western Alliance Bank  
United BANK N.A

## US subsidiaries of international Banks

### Germany

Baden-Württemberg  
DB - Deutsche Bank

LBBW – Landes bank

### Pakistan

National Bank of Pakistan

### UAE

Mashreq Bank

### Taiwan

Mega Bank

### Netherlands

Rabo Bank

### France

CIC Crédit Industriel et  
Commercial

### Nigeria

UBA - United Bank of  
Africa

### Japan

Nomura

### Swiss

UBS

## International Bank

### Egypt

Afremix bank

### UK

Barclays

### Ghana

Eco Bank

### Canada

BNC - National Bank of Canda  
CIBC  
Desjardins  
TD Bank

### Poland

Vodeono

### Denmark

Nordea



# Financial Reports

## Q2/2023





# Highlights of Q2 2023



- **Double figure growth** in Sales (10.4%), Gross profit (15.9%) and Operating profit (16%), 12.8% organic growth
- **The best half-year of all times** in terms of Sales, Gross, Operating, and Net profit
- **Organic growth of activity in Israel** (despite the Passover holiday)
  - Acceleration in the areas of Digital, DATA and modernization of Core systems, ERP, CRM
  - The continued growth of the Defense Division in the areas of Cyber and AI
  - Growth in Cloud and Computing infrastructure activity
- **Continued steep growth in operations in the US and Canada**
  - Growth in USD - 22% in Sales and 24% in Operating profits - (that is 34% and 35% in ILS, respectively)
  - The first half of the year was characterized by significant wins for the implementation of fraud and AML solutions, which resulted in a growth of 26.4% in Operating Profit to 9.1 million dollars.
- **USA activity already contributes 18% to the aggregate Profit of Matrix**
- **The Net Profit grew despite the sharp increase in Financial expenses**



## Key data from the Q2/2023 Income Statement compared to the corresponding quarter (in Millions ILS)

	Q2 2023	Q2 2022	הפרש	שינוי ב- %
Revenues	1,286.7	1,165.7	121	10.4%
Gross Profit	185	159.6	25.4	15.9%
SG&A	87.4	75.4	12	15.9%
<b>Operating Income*</b>	<b>97.7</b>	<b>84.2</b>	<b>13.5</b>	<b>16%</b>
Financial expenses, net	15.4	4.1	11.3	275%
Taxes on Income*	19.4	18.9	0.5	2.6%
<b>Net Income*</b>	<b>62.8</b>	<b>61.2</b>	<b>1.6</b>	<b>2.6%</b>
<b>Net income attributable to shareholders*</b>	<b>58.6</b>	<b>57.3</b>	<b>1.3</b>	<b>2.2%</b>
<b>Adjusted EBITDA**</b>	<b>114.8</b>	<b>99.2</b>	<b>15.6</b>	<b>15.6%</b>
Gross profit margin	14.4%	13.7%		
SG&A rate	6.8%	6.5%		
Operating Income margin*	7.6%	7.2%		
Net Income margin*	4.9%	5.3%		

\*In 2022 - neutralizing capital gain from the realization of an investment in a subsidiary in the amount of ILS 150 million (ILS 121 million net of tax)

\*\*Earnings before financing, taxes, depreciation, and amortization and before capital gain from the realization of an investment as well as neutralizing the effect of IFRS 16, leases



## Key data from the H1/2023 Income Statement compared to the corresponding semiannual (in Millions ILS)

	H1 2023	H1 2022	הפרש	שינוי ב- %
Revenues	2,577.9	2,323.7	254.2	10.9%
Gross Profit	373.7	327.4	46.3	14%
SG&A	174.5	151.1	23.4	15.5%
<b>Operating Income*</b>	<b>199.1</b>	<b>176.3</b>	<b>22.8</b>	<b>13%</b>
Financial expenses, net	32.3	11.1	21.2	192.4%
Taxes on Income*	38.7	36	2.7	7.5%
Net Income*	128.2	129.2	(1)	(0.8%)
<b>Net income attributable to shareholders*</b>	<b>119.4</b>	<b>116.5</b>	<b>2.9</b>	<b>2.5%</b>
Adjusted EBITDA**	230.7	204.8	25.9	12.6%
Gross profit margin	14.5%	14.1%		
SG&A rate	6.8%	6.5%		
Operating Income margin*	7.7%	7.6%		
Net Income margin*	4.9%	5.6%		

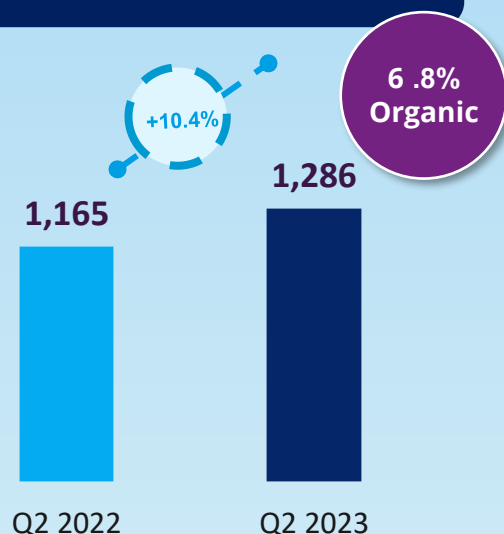
\*In 2022 - neutralizing capital gain from the realization of an investment in a subsidiary in the amount of ILS 150 million (ILS 121 million net of tax)

\*\*Earnings before financing, taxes, depreciation, and amortization and before capital gain from the realization of an investment as well as neutralizing the effect of IFRS 16, leases

# Summary of Q2, 2023 - organic growth despite the Passover holiday

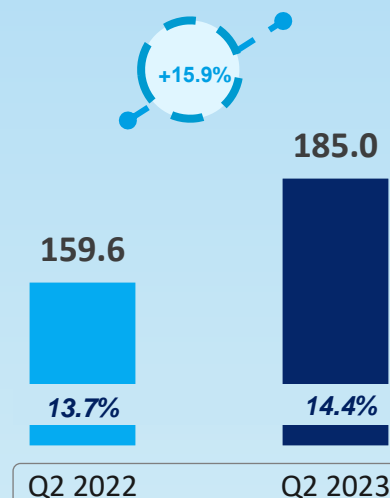
The results (in millions of ILS)

## Revenues



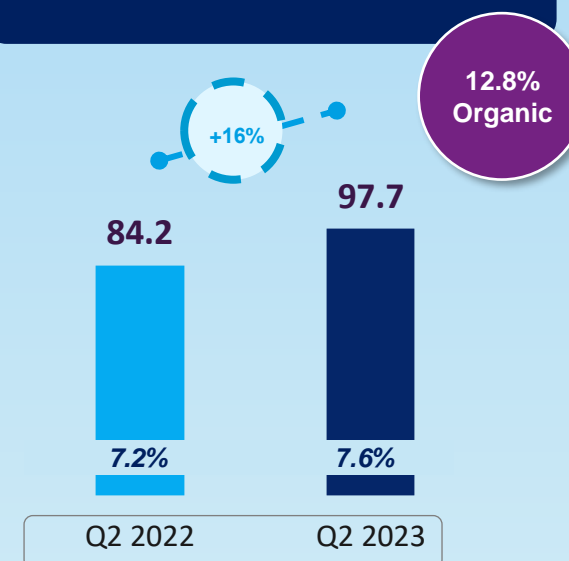
**10.4% growth in Revenues to ILS 1.3 Billion** (6.8% organic growth despite the Passover holiday)

## Gross Profit



**15.9% growth in Gross profit to ILS 185 million, with an increase in profitability margin to 14.4%**

## \*Operating Income



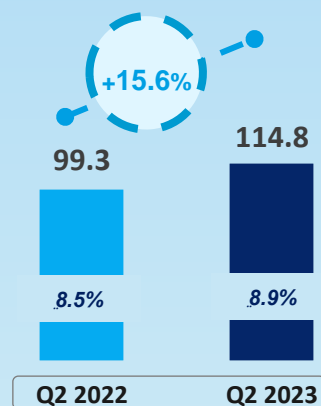
**16% growth in Operating income to ILS 97.7 Million** (12.8% organic growth)

\* In 2022 - neutralizing profit from the realization of an investment in a subsidiary (ILS 150 million)

# Summary of Q2, 2023 - organic growth despite the Passover holiday

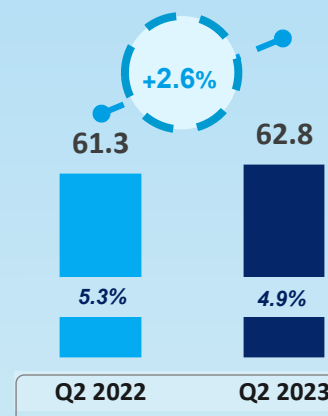
The results (in millions of ILS)

## Adjusted EBITDA \*



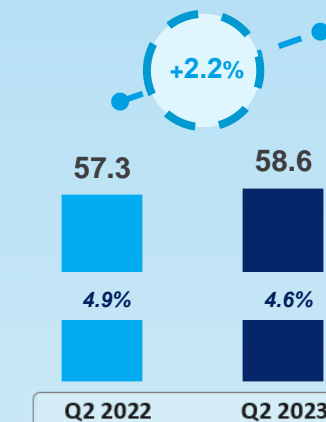
**15.6% increase in adjusted EBITDA to ILS 114.8 million**

## Net Income\*\*



**2.6% increase in net income to ILS 62.8 million:** increase in Operating Income, offsetted by increase in financing expenses (due to increase in market interest rates)

## Net income attributed to shareholders\*\*



**2.2% increase in net income attributed to shareholders to ILS 58.6 million**

\*Earnings before financing, taxes, depreciation, and amortization, before capital gain from investment realization and neutralizing the impact of IFRS 16, leases

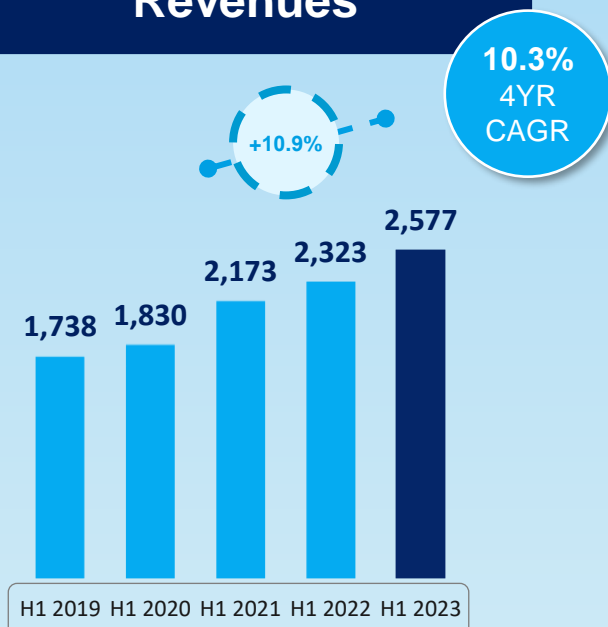
\*\* In 2022 - neutralizing capital gain from the realization of an investment in a subsidiary in the amount of ILS 150 million (ILS 121 million net of tax)



# Summary of H1 2023 – Consistent improvement in performance over the years

## Consistent growth in Revenues and Profit (ILS millions)

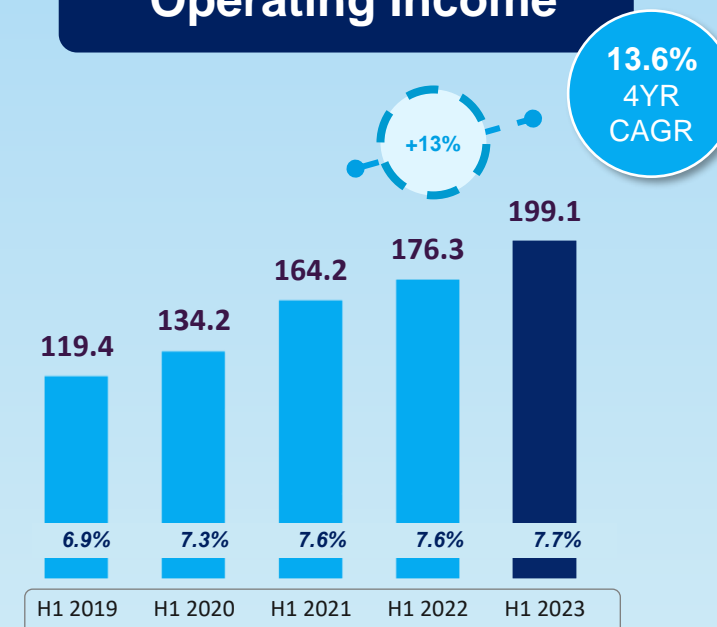
### Revenues



### Gross Profit



### \*Operating Income

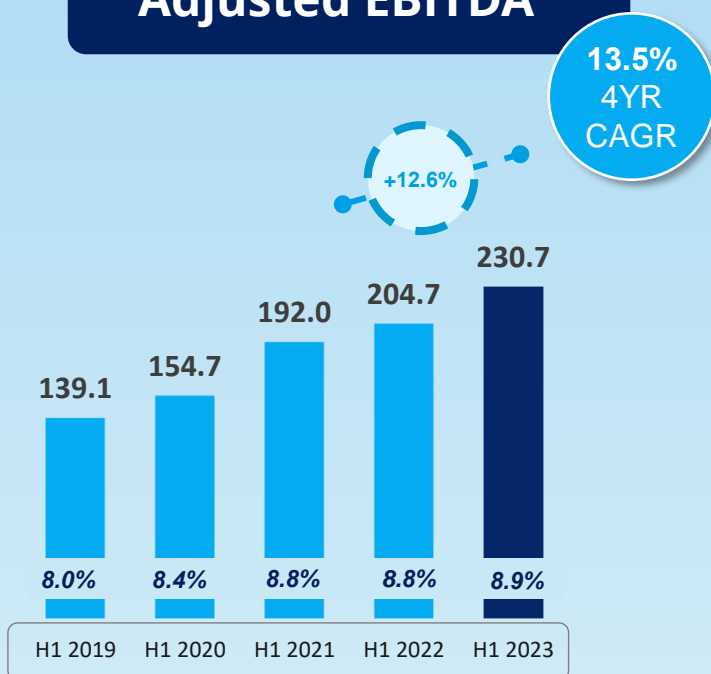


\*In 2022 - neutralizing profit from the realization of an investment in a subsidiary (ILS 150 million)

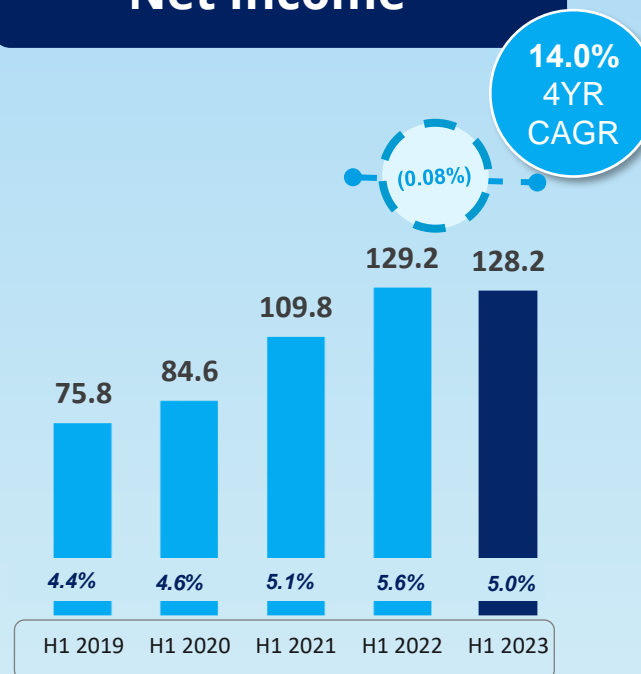
# Summary of H1 2023 – Consistent improvement in performance over the years

## Consistent growth in Revenues and Profit (ILS millions)

### Adjusted EBITDA \*



### Net Income\*\*



### Net income attributed to shareholders\*\*



\*Earnings before financing, taxes, depreciation, and amortization, before capital gain from investment realization and neutralizing the impact of IFRS 16, leases

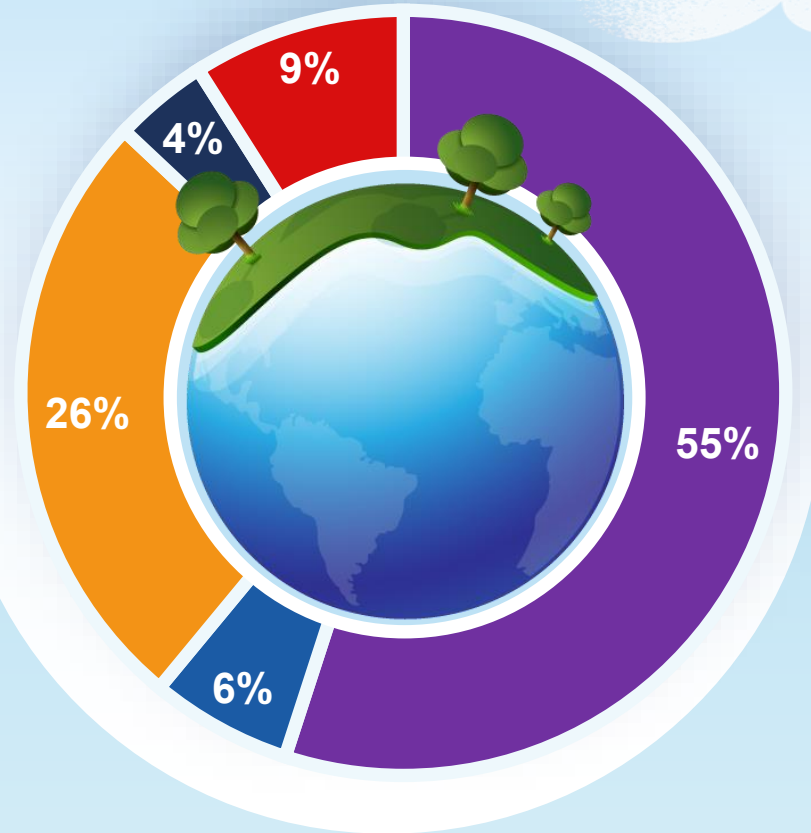
\*\* In 2022 - neutralizing capital gain from the realization of an investment in a subsidiary in the amount of ILS 150 million (ILS 121 million net of tax)

# Distribution of revenue and profit by activity sectors

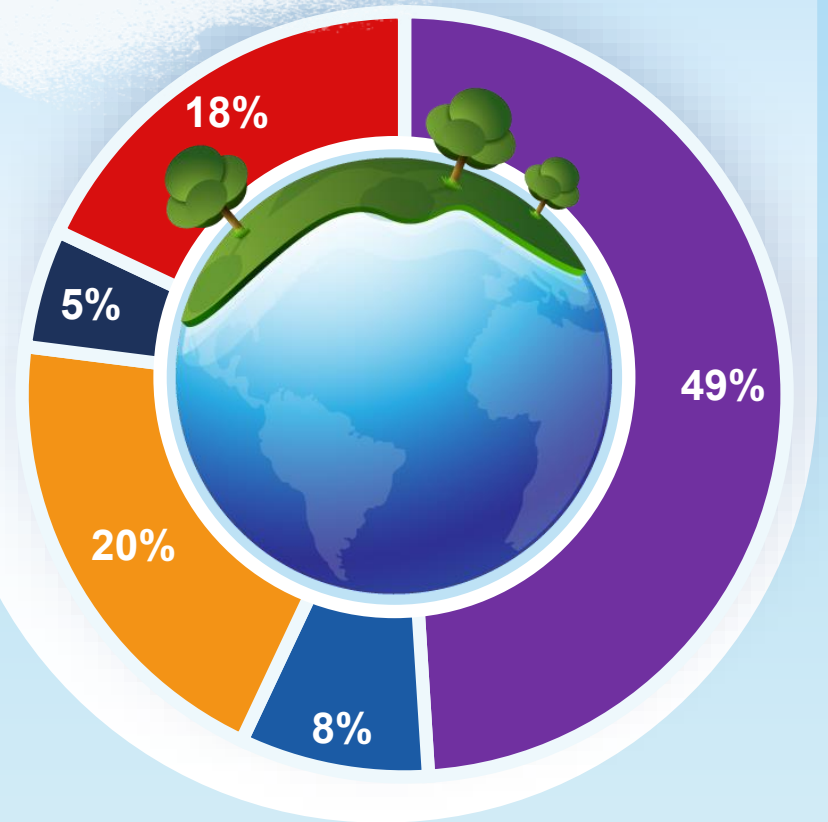
## Q2/2023

- IT Solutions
- Software products
- Cloud solutions and IT infrastructure
- Training and implementation
- USA

### Revenues



### Contribution to Profit





# Activity in Israel



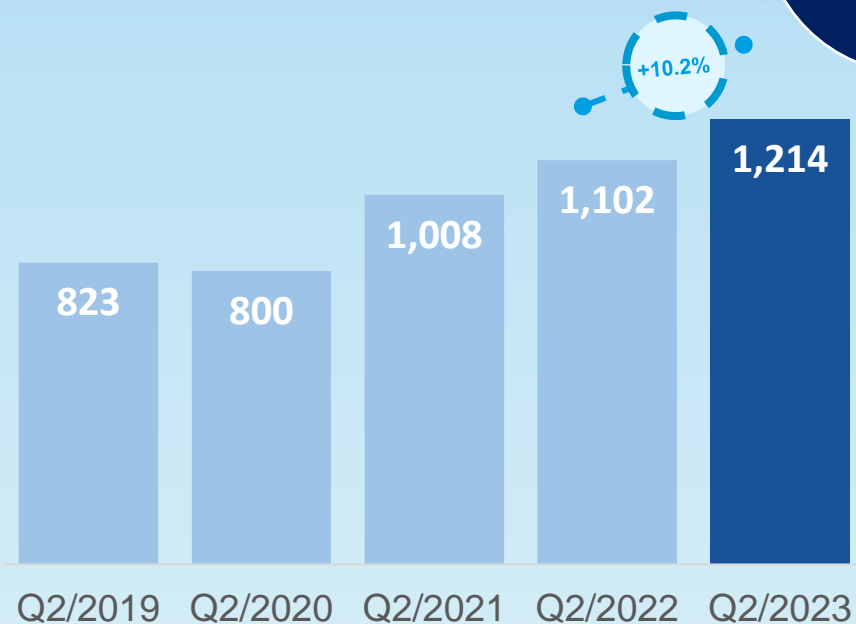
Created in Midjourney AI platform

# Activity in Israel - Q2 2023 \*

(Millions of ILS)

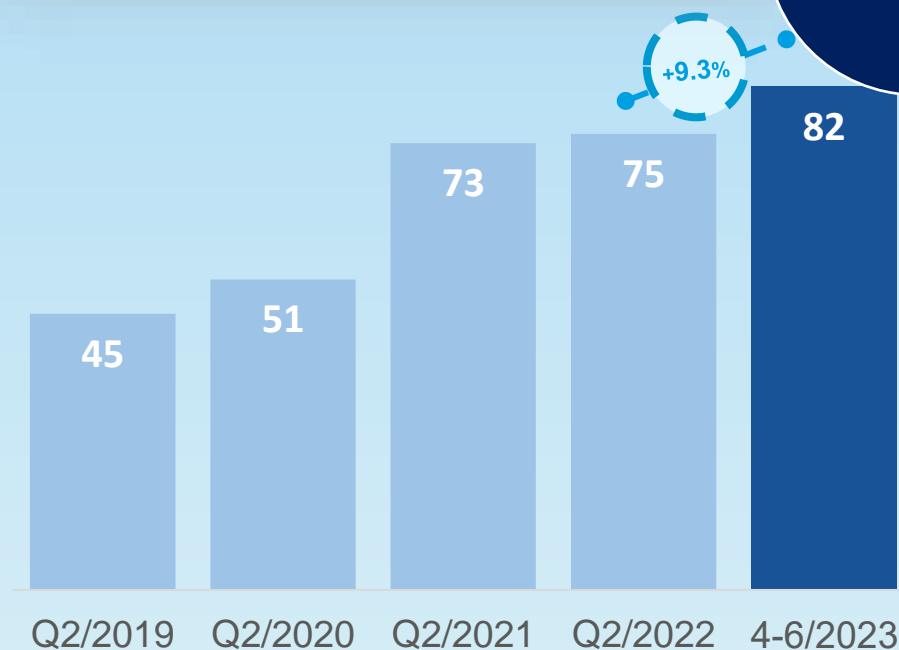
10.2% Increase in Revenues

10.2%  
4YR CAGR



9.3% Increase in Operating Income

16.8%  
4YR CAGR



\* including immaterial activity in Europe



# Activity Sectors Q2 2023



	Revenue growth compared to the corresponding quarter	% of Revenue	Growth in profit compared to the corresponding quarter	Profit margin	Share in operating profit	Organic/M&A
IT Solutions and Consulting	13%	54.7%	9.3%	6.8%	48.9%	Organic
Cloud solutions and IT infrastructure	4%	26.2%	9.9%	5.6%	20%	Including consolidation with RDT
Software products	37.2%	6.1%	73.8%	9.3%	7.6%	Including consolidation with Zebra
Training and implementation	(12.4%)	3.7%	(22.3%)	11.2%	5.4%	Organic





# Activity Sectors Q2 2023

	Revenue growth compared to the corresponding quarter	% of Revenue	Growth in profit compared to the corresponding quarter	Profit margin	Share in operating profit	Organic/M&A
IT Solutions and Consulting in Israel	13%	54.7%	9.3%	6.8%	48.9%	Organic
IT Solutions in the USA	34.2%	9.2%	34.8%	14.9%	18.1%	Organic
Cloud solutions and IT infrastructure	4%	26.2%	9.9%	5.6%	20%	Including consolidation with RDT
Software products	37.2%	6.1%	73.8%	9.3%	7.6%	Including consolidation with Zebra
Training and implementation	(12.4%)	3.7%	(22.3%)	11.2%	5.4%	Organic



# Activity in the USA

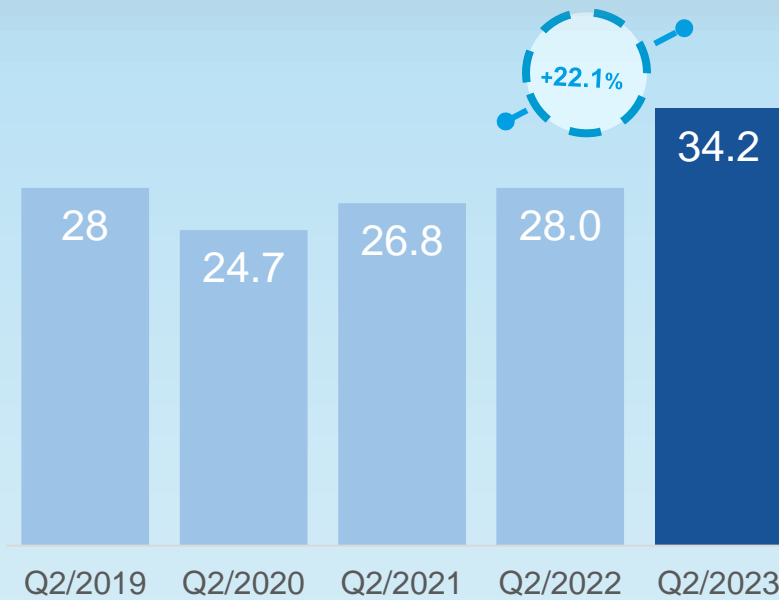


Created in Midjourney AI platform

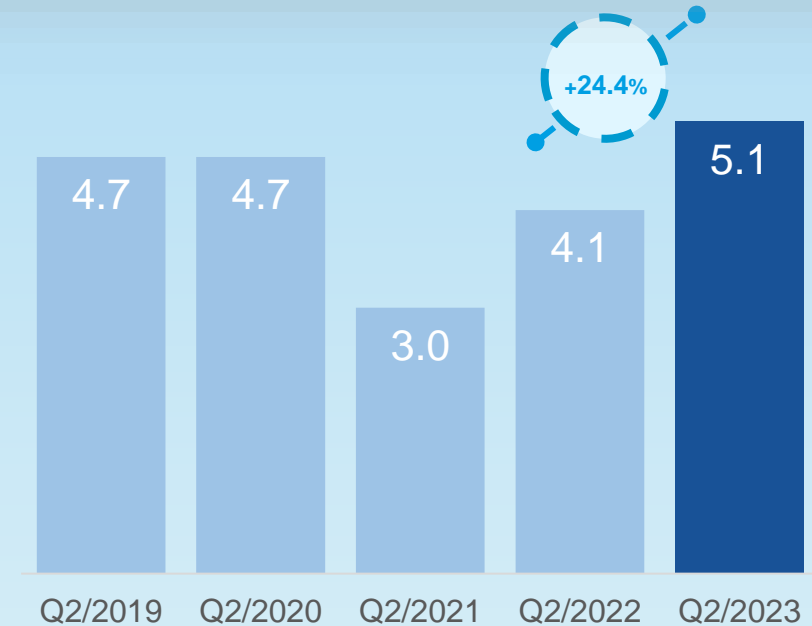
# Q2 2023 –Activity USA

(in millions of \$)

**22.1% Revenue growth (in \$) versus the corresponding quarter**



**24.4% growth in Operating Income (in \$) compared to the corresponding quarter, with an increase in profit rate to 14.9%**



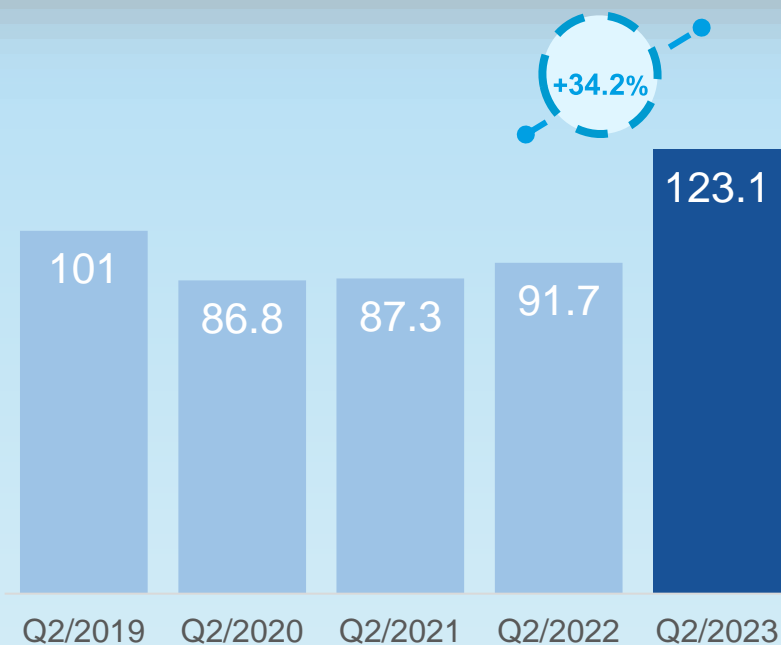


# Activity USA – Q2 2023

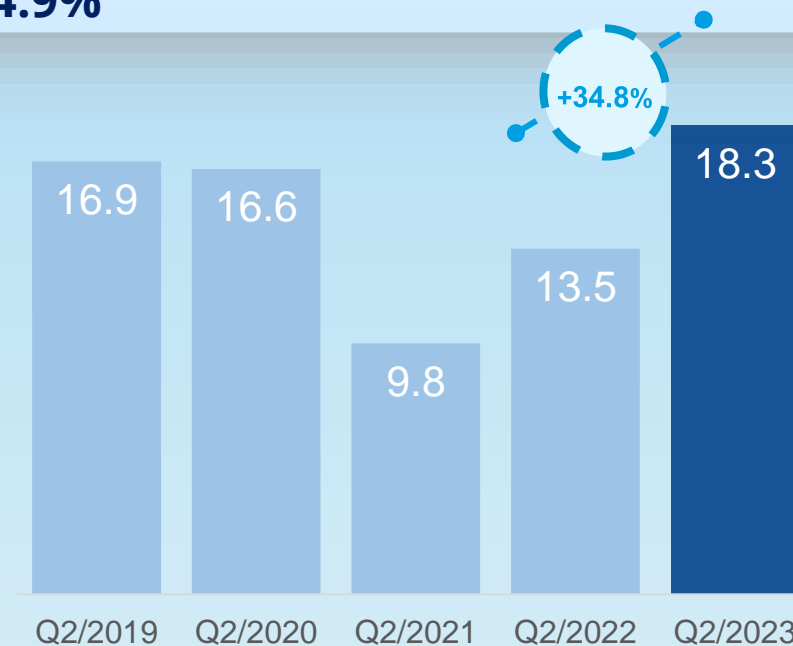
(Millions of ILS)



**34.2% growth in Revenues (in ILS)  
compared to the corresponding  
quarter**



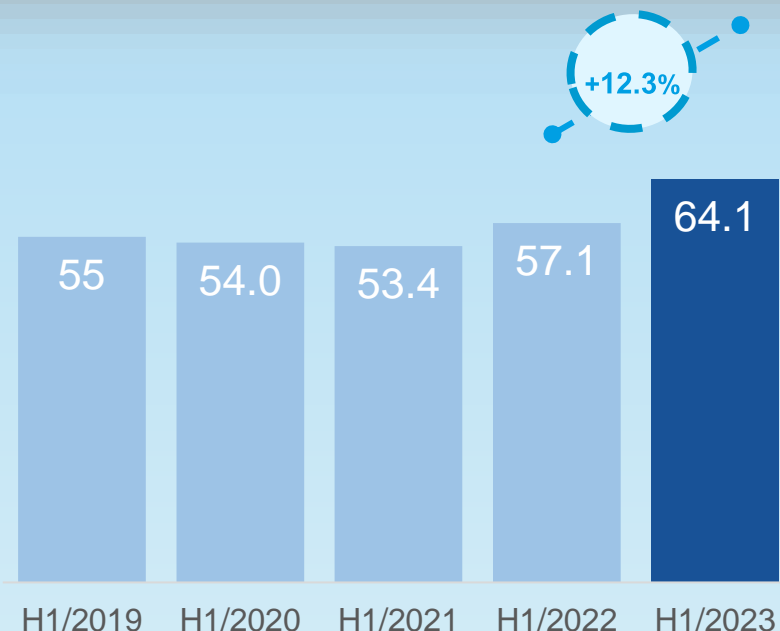
**34.8% growth in Operating Income (in  
ILS) compared to the corresponding  
quarter, with an increase in profit rate  
to 14.9%**



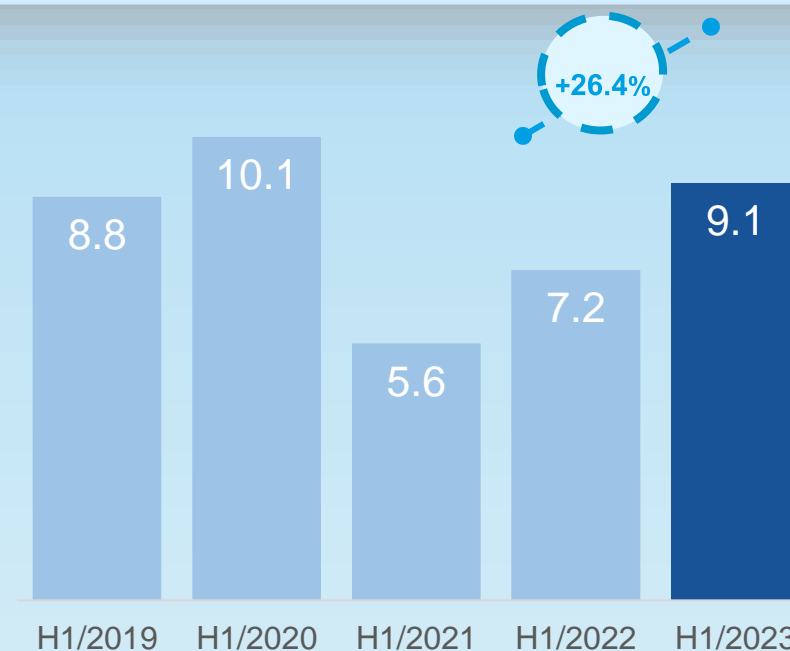
# H1 2023 – Activity USA

(in millions of \$)

**12.3% growth in Revenues (in \$)  
compared to the corresponding period**



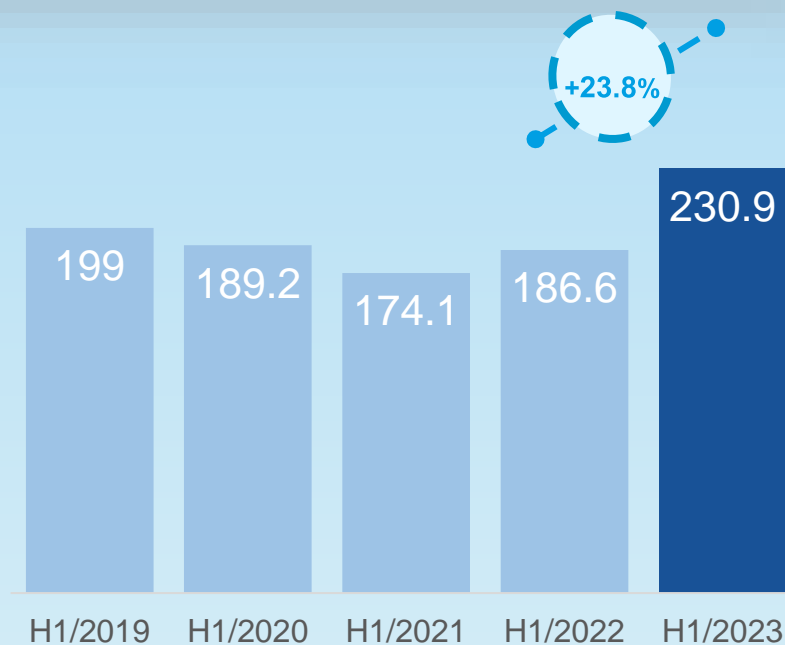
**26.4% growth in Operating Income (in \$)  
compared to the corresponding period,  
with an increase in the profit rate to 14.2%**



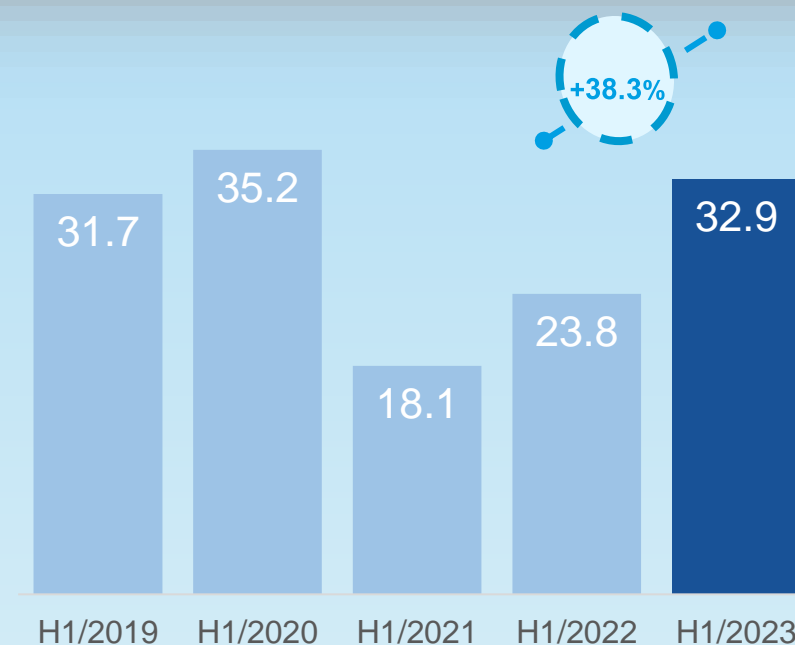
# H1 2023 – Activity USA

(Millions of ILS)

**23.8% growth in Revenues (in ILS)  
compared to the corresponding period**



**38.3% growth in Operating Income (in ILS)  
compared to the corresponding period,  
with an increase in the profit rate to 14.2%**



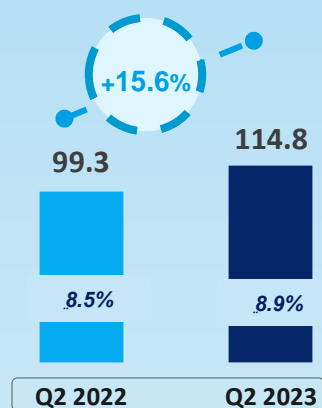


# Summary of Q2, 2023

## The results (in millions of ILS)

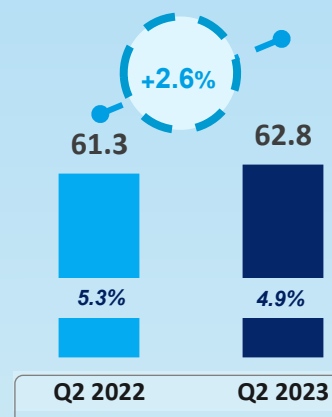
Financing expenses, net (Millions ILS)		
	Q2 2023	Q2 2022
Interest, commission and others, net	9.7	5.1
Currency exchange differences	(3)	(5.5)
Accounting financial expenses	8.7	4.4
<b>Total Financial expenses, net</b>	<b>15.4</b>	<b>4</b>

### Adjusted EBITDA \*



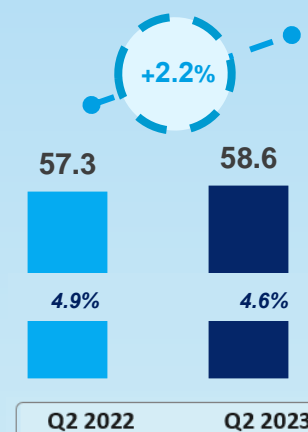
**15.6% increase in adjusted EBITDA to ILS 114.8 million**

### Net Income\*\*



**2.6% increase in net income to ILS 62.8 million:** increase in Operating Income, offsetted by increase in financing expenses (due to increase in market interest rates)

### Net income attributed to shareholders\*\*

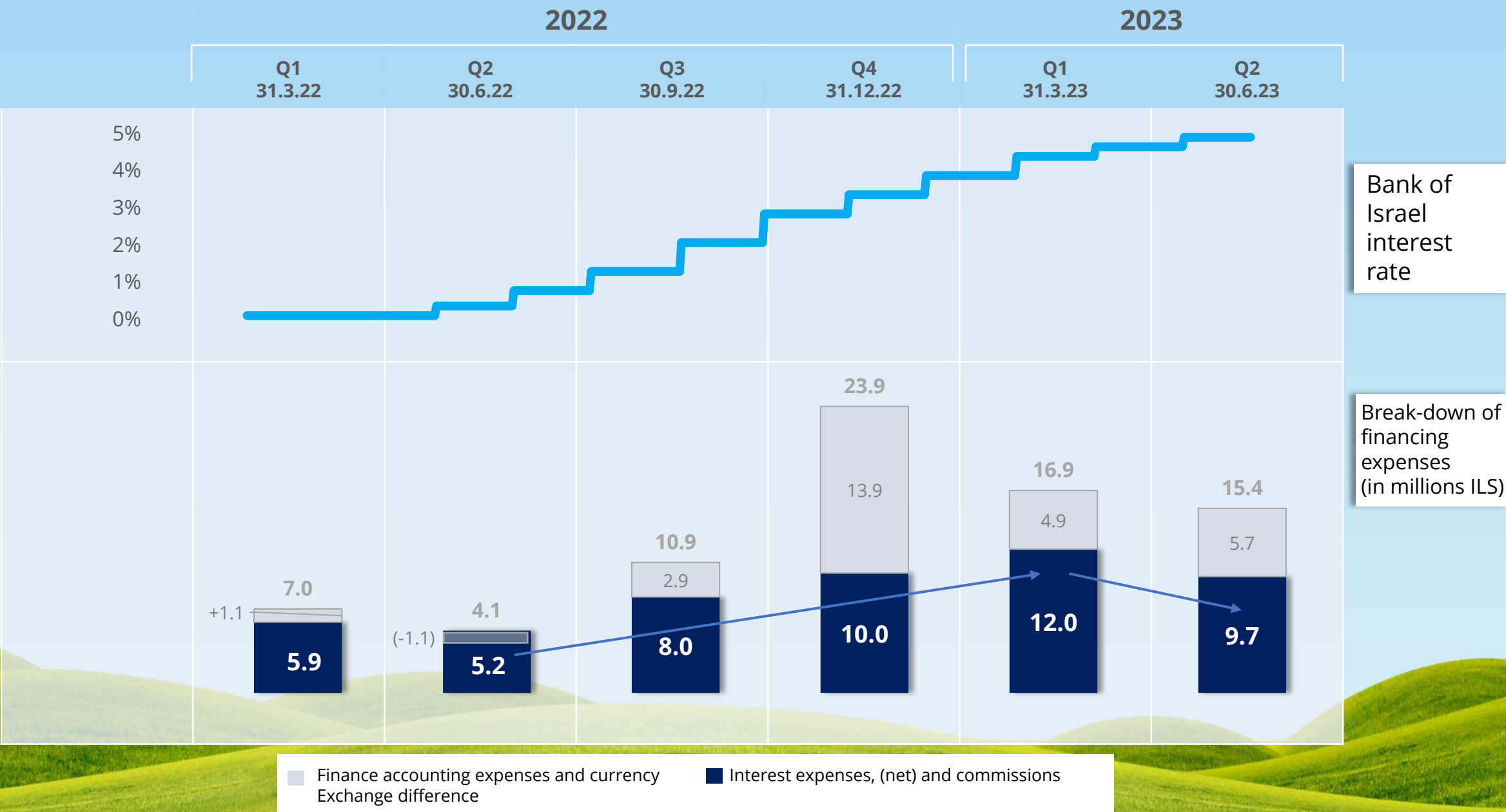


**2.2% increase in net income attributed to shareholders to ILS 58.6 million**

\*Earnings before financing, taxes, depreciation, and amortization, before capital gain from investment realization and neutralizing the impact of IFRS 16, leases

\* \* In 2022 - neutralizing capital gain from the realization of an investment in a subsidiary in the amount of ILS 150 million (ILS 121 million net of tax)

# Stabilizing the increase of interest expenses, despite the continued rise of market interest rates



# Financial indicators

(in millions of ILS)

	30.06.2023	31.12.2022
Cash and cash equivalents	508	839
Unused credit facilities	827	927
<b>Total liquid assets</b>	<b>1,363</b>	<b>1,766</b>

## Cash flow from Operations

- A positive cash flow of ILS 95.5 million in Q2, compared to negative cash flow of ILS 2.9 million in the corresponding quarter
- Positive cash flow from operations LTM for 6/23 - ILS 412 million**, compared to corresponding period **LTM for 6/22 - ILS 272 million**

**Credit rating of Aa3** from Midroog Ltd.(rating confirmation in March 2023)

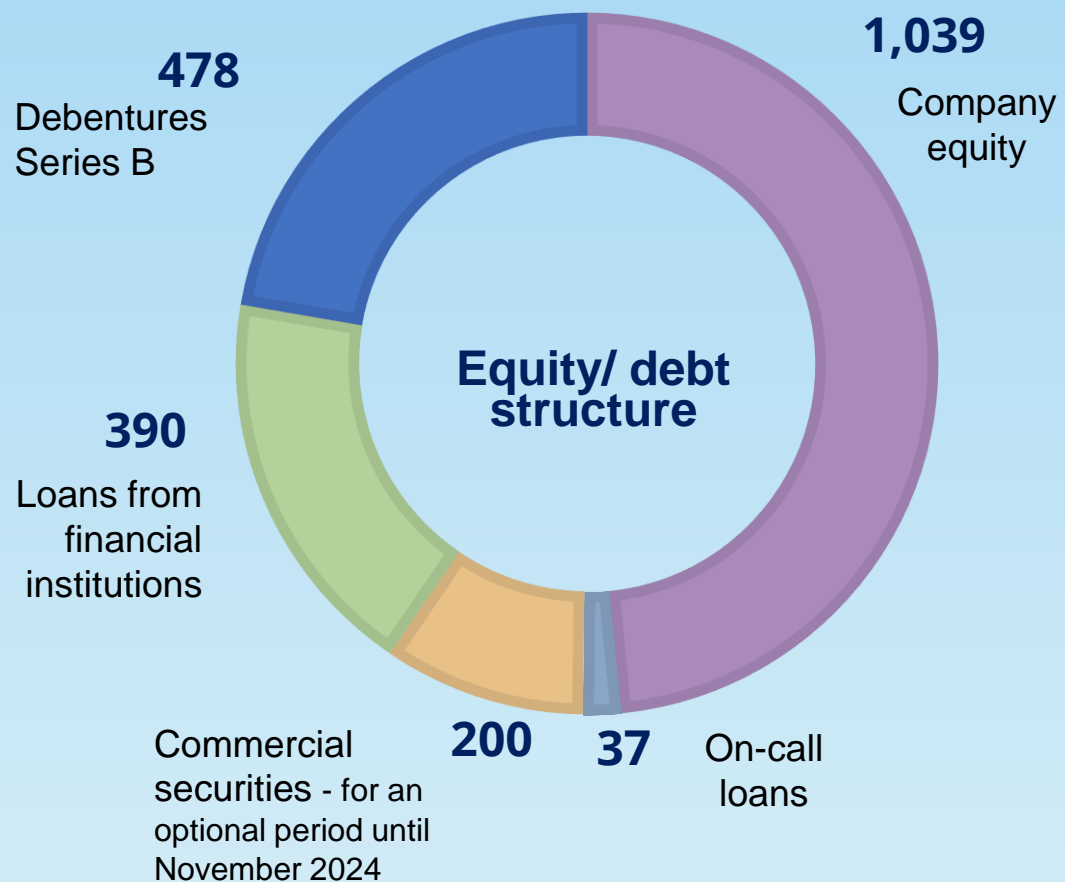
## Cash Flow from Operations LTM





# Financial indicators

(in millions of ILS)



	30.06.2023	31.12.2022
<b>Equity</b>	1,039	965
<b>% of Balance Sheet total</b>	26.4%	24.1%
<b>Current Ratio</b>	1.17	1.21
<b>Net debt-to-equity ratio</b>	15.2%	9.6%
<b>Net debt to adjusted EBITDA* Ratio LTM</b>	1.38	0.94

\*Earnings before financing, taxes, depreciation, and amortization, before capital gain from investment realization and neutralizing the impact of IFRS 16, leases

# Dividend distribution

Dividend  
yield  
**3.9%**



Amount (in millions of ILS)	Dividend per share (in ILS)	Date of distribution
37.5	0.59	2023 April
45.1	0.71	2023 June
<b>82.6</b>	<b>1.30</b>	<b>H1 2023 Total</b>
284.3	4.52	(*)FY 2022 Total
146.5	2.34	FY 2021 Total
124.8	2.01	FY 2020 Total
116.1	1.87	FY 2019 Total

\*Includes a special dividend of ILS 121.5 million for the Net capital gain from the sale of an investment in Infinity





**Dividend of ILS 43.8 million**  
**(0.69 ILS per share)**



**Thank you!**

