

Investor Meeting

Financial Statements as at 30.09.24



Clarifications



- The presentation contains forecasts, estimates and plans of the Company regarding its operations and other information about future events and matters, which constitute forward-looking information, as defined in the Securities Law, 1968, and realization thereof is uncertain and may be affected by factors that are unforeseeable or beyond the Company's control. Therefore, the Company is uncertain whether its forecasts and/or estimates and/or plans will be realized, in whole or in part, or whether they will be realized differently than expected, among other things, due to factors beyond its control; changes in market conditions and the business and competition environment, as well as materialization of any of the Company's risk factors.
- The presentation includes, among other things, information from various publications as well as data received from external sources (noted in the presentation), and macroeconomic facts and figures, the contents of which have not been reviewed by the Company independently, including slides relating to analyst ratings, all as known by the Company at the time of preparation of the presentation.
- For the avoidance of doubt, we note that the Company does not undertake to update and/or change the information included in this presentation.
- This presentation was prepared as a summary and for convenience only, and is not intended to be in lieu of a review of the reports publicized by the Company, including its financial statements.
- The information contained in this presentation is subject to that stated in the relevant Company reports.
- This presentation should not be viewed an offer or invitation to acquire securities of the Company. The information included in the presentation is not a recommendation or opinion to invest in the Company and is not in lieu a potential investor's judgment



Q3/2024



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

Despite Prolongation of the War's Impact

Sales - 6.4% growth to NIS 1.42 billion. 11.3% growth after adjusting sales accounted for on a net basis(*)

Gross profit - 9.6% growth to NIS 205 million while improving its margin to 14.5%

Operating profit - 16% growth to NIS 108.2 million while improving its margin to 7.6%

Net income - 22.8% growth to NIS 69.7 million while improving its margin to 4.9%

EBITDA excluding IFRS 16 - 11.2% growth to NIS 122.1 million while improving its margin to 8.6%

(*) During the quarter and the period, there was an increase in sales from transactions, that according to IFRS, must be recognized on a net basis (most of the increase was in the Cloud and computing infrastructure segment). This affects the Company's sales volume, sales growth rate, and profit margin. More information below in this presentation.



1-9/2024 compared to the corresponding period:



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

Despite Prolongation of the War's Impact

Sales - 7.5% growth to NIS 4.2 billion, 10% growth after adjusting sales accounted for on a net basis(*)

Gross profit - 9.5% growth to NIS 614 million while improving its margin to 14.6%

Operating profit - 12.9% growth to NIS 330.1 million while improving its margin to 7.9%

Net income - 15.8% growth to NIS 214.2 million while improving its margin to 5.1%

EBITDA excluding IFRS 16 - 9.1% growth to NIS 371.4 million at a margin of 8.8%

(*) During the quarter and the period, there was an increase in sales from transactions, that according to IFRS, must be recognized on a net basis (most of the increase was in the Cloud and computing infrastructure segment). This affects the Company's sales volume, sales growth rate, and profit margin. More information below in this presentation.



Leaders

For 19 consecutive years, we have been leading the information technology market and carry out innovative IT projects in Israel using the most up-to-date technologies for the leading customers in the economy



11,520 professionals



10,682



569



269

Leadership and growth characteristics

The largest and foremost Company in Israel in the last decade, with a double-digit growth rate in revenues and profit.

- The Company **has the widest range of solutions**
- **Broad sectoral distribution** and thousands of customers from all industries with a range of services and solutions
- **Extensive operations in the US**
- **Consistent organic growth** together with expansion of supplementary areas of operation through dozens of successful acquisitions

Operating Segments

Israel Operations:

- Software solutions and services, consulting and management
- Sales, marketing, and support for software products
- Cloud infrastructure and computing
- Training and implementation

US and Canada Operations:

- Software solutions and services and consulting on Cyber crime prevention, regulation, and risk management for the banking sector - GRC
- Software development and support services
- Software marketing and support



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569



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Leading partners



Microsoft

Google Cloud



Analyst ratings



Market leader of added value services
19 consecutive years

May 2024



Leading credit rating in the IT industry - Aa3
15 consecutive years

March 2024



Ranked first as the best company to work for in the category of IT service solution companies

September 2024



The War's Impact



- Despite the war, the Company's operations were characterized by continued **organic growth** in sales, profit, and cash flow.
- As of September 30, 2024, **170 of the Company's employees are enlisted in reserve duty; as of this date, 260 are enlisted** - a decrease compared to 470 at the end of 2023 (at its peak – over 700). The indemnification received from the National Insurance Institute for 20% of the social component of the reservists' salaries for the current quarter is not material.
- **Growth in the Company's activity with the defense sector** and defense industries in executing projects, providing services, and selling software products.
- **Ongoing customer acquisition of infrastructure and solutions for Business Continuity Plans and Disaster Recovery.**
- **Continued customer investments in cyber-attack defense, as well as the procurement of services and products for recovery from cyber-attacks.**
- **The training and implementation segment's performance** is still far from its results prior to the war, but has returned to profitability after posting a loss in Q4/23.

Financial Statements

30.9.2024



Key data from the income statement – Q3 2024 compared to the corresponding quarter

Key results (in NIS millions)

	Q3 2024	Q3 2023	Change in %
Sales	1,419	1,334	*6.4%
Gross profit	205	187	9.6%
SG&A	97	94	3.2%
Operating profit	108	93	16.0%
Financing expenses, net	16	17	(5%)
Taxes on income	22	20	14.4%
Net income	70	57	22.8%
Net earnings attributable to Company shareholders	64	51	25.2%
Adjusted EBITDA**	122	110	11.2%



(*) During the quarter, there was an increase in sales from transactions, that according to IFRS, must be recognized on a net basis (most of the increase was in the Cloud and computing infrastructure segment). This affects the Company's sales volume, sales growth rate, and profit margin.

(**) Earnings before interest, taxes, depreciation, and amortization, and net of the effect of IFRS 16 - Leases

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SG&A	97	94	3.2%
Operating profit	108	93	16.0%
Financing expenses, net	16	17	(5%)
Taxes on income	22	20	14.4%
Net income	70	57	22.8%
Net earnings attributable to Company shareholders	64	51	25.2%
Adjusted EBITDA**	122	110	11.2%

Gross profit margin	14.5%	14.0%	
SG&A	6.8%	7.0%	
Operating profit margin	7.6%	7.0%	
Net profit margin	4.9%	4.3%	



(*) During the quarter, there was an increase in sales from transactions, that according to IFRS, must be recognized on a net basis (most of the increase was in the Cloud and computing infrastructure segment). This affects the Company's sales volume, sales growth rate, and profit margin.

(**) Earnings before interest, taxes, depreciation, and amortization, and net of the effect of IFRS 16 - Leases

Key data from the income statement – 1-9/2024 compared to the corresponding period

Key results (in NIS millions)

	1-9 2024	1-9 2023	Change in %
Sales	4,205	3,911	*7.5%
Gross profit	614	561	9.5%
SG&A	284	268	5.8%
Operating profit	330	292	12.9%
Financing expenses, net	48	49	(3.5%)
Taxes on income	68	58	17.5%
Net income	214	185	15.8%
Net earnings attributable to Company shareholders	203	171	18.6%
Adjusted EBITDA**	371	340	9.1%



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Key results (in NIS millions)

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Sales	4,205	3,911	*7.5%
Gross profit	614	561	9.5%
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Net income	214	185	15.8%
Net earnings attributable to Company shareholders	203	171	18.6%
Adjusted EBITDA**	371	340	9.1%

Gross profit margin	14.6%	14.3%	
SG&A	6.8%	6.9%	
Operating profit margin	7.9%	7.5%	
Net profit margin	5.1%	4.7%	



(*) During the quarter, there was an increase in sales from transactions, that according to IFRS, must be recognized on a net basis (most of the increase was in the Cloud and computing infrastructure segment). This affects the Company's sales volume, sales growth rate, and profit margin.

(**) Earnings before interest, taxes, depreciation, and amortization, and net of the effect of IFRS 16 - Leases

Key Company results after adjusting sales recognized on a net basis (in NIS thousands)



	Q3/2024	Q3/2023	%	1-9/2024	1-9/2023	%
Sales	1,418,810	1,333,520	6.4%	4,205,255	3,911,415	7.5%

During the quarter, there was an increase in sales from transactions, that according to IFRS, must be recognized on a net basis (most of the increase was in the Cloud and computing infrastructure segment). This affects the Company's sales volume, sales growth rate, and profit margin.

Key Company results after adjusting sales recognized on a net basis (in NIS thousands)



	Q3/2024	Q3/2023	%	1-9/2024	1-9/2023	%
Sales	1,418,810	1,333,520	6.4%	4,205,255	3,911,415	7.5%
Adjustments for the increased sales accounted for on a net basis	65,844			96,268		
Adjusted sales	1,484,654	1,333,520	11.3%	4,301,523	3,911,415	10%

During the quarter, there was an increase in sales from transactions, that according to IFRS, must be recognized on a net basis (most of the increase was in the Cloud and computing infrastructure segment). This affects the Company's sales volume, sales growth rate, and profit margin.

Key Company results after adjusting sales recognized on a net basis (in NIS thousands)



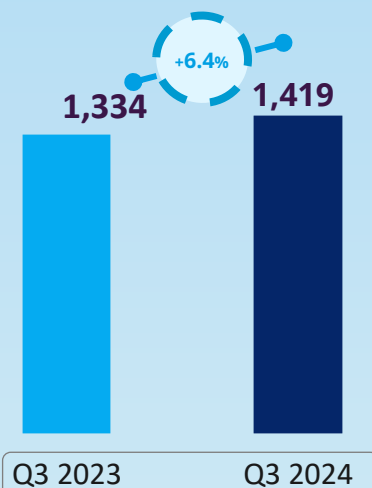
	Q3/2024	Q3/2023	%	1-9/2024	1-9/2023	%
Sales	1,418,810	1,333,520	6.4%	4,205,255	3,911,415	7.5%
Adjustments for the increase in sales accounted for on a net basis	65,844			96,268		
Adjusted sales	1,484,654	1,333,520	11.3%	4,301,523	3,911,415	10%
Operating profit	108,181	93,279	16.0%	330,114	292,407	12.9%
% of sales	7.3%	7.0%		7.7%	7.5%	

During the quarter, there was an increase in sales from transactions, that according to IFRS, must be recognized on a net basis (most of the increase was in the Cloud and computing infrastructure segment). This affects the Company's sales volume, sales growth rate, and profit margin.

Third Quarter 2024 Summary – Organic Growth

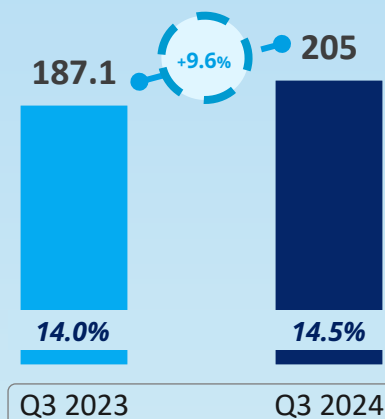
Key results (in NIS millions)

Sales



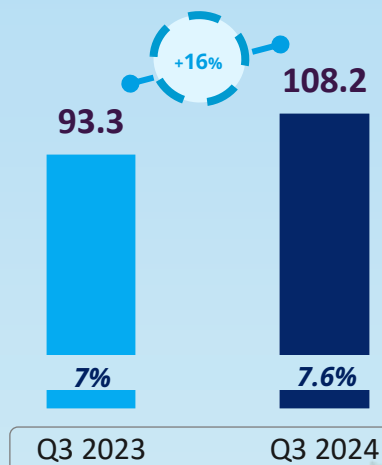
6.4% sales growth to NIS 1.4 billion **11.3%** after adjusting sales recognized on a net basis

Gross profit



9.6% growth in gross profit to NIS 205 million, with an increase in profit margin to 14.5%

Operating profit



16% growth in operating profit to NIS 108.2 million, a profitability increase to 7.6%

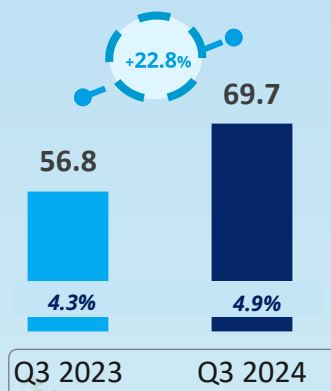
Third Quarter 2024 Summary – Organic Growth

Key results (in NIS millions)

Financing expenses, net (in NIS millions)

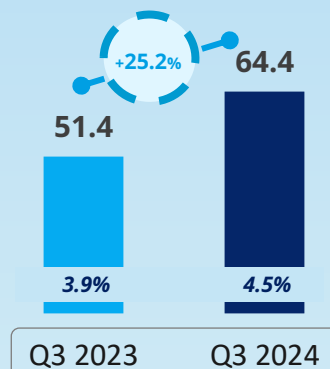
	Q3 2024	Q3 2023
Interest, commissions, and other (net)	5.9	9.4
Exchange rate differences	4.3	0.3
Accounting Finance Expenses	5.9	7.3
Total financing expenses (net)	16.1	17

Net income



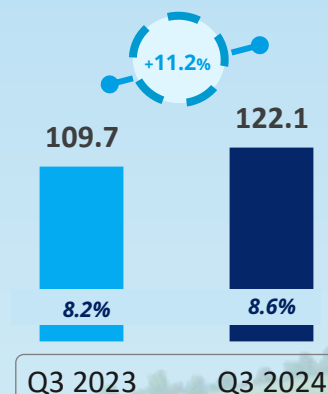
22.8% growth in net income
to NIS 69.7 million

Net earnings to shareholders



25.2% growth in net earnings to shareholders
to NIS 64.4 million

Adjusted EBITDA*

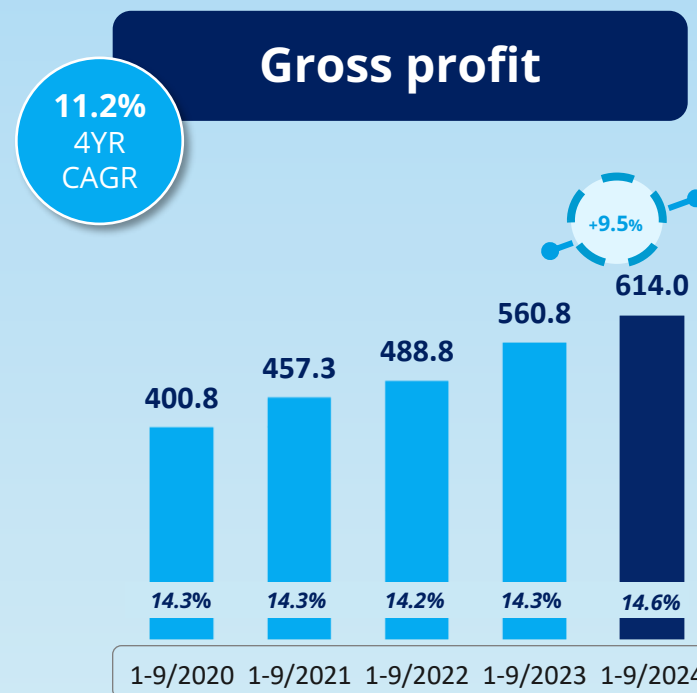


11.2% growth in adjusted EBITDA
to a record NIS 122.1 million

* Earnings before interest, taxes, depreciation, and amortization, and net of the effect of IFRS 16 - leases

Summary 1-9/2024 – Continuous improvement in performance over the years

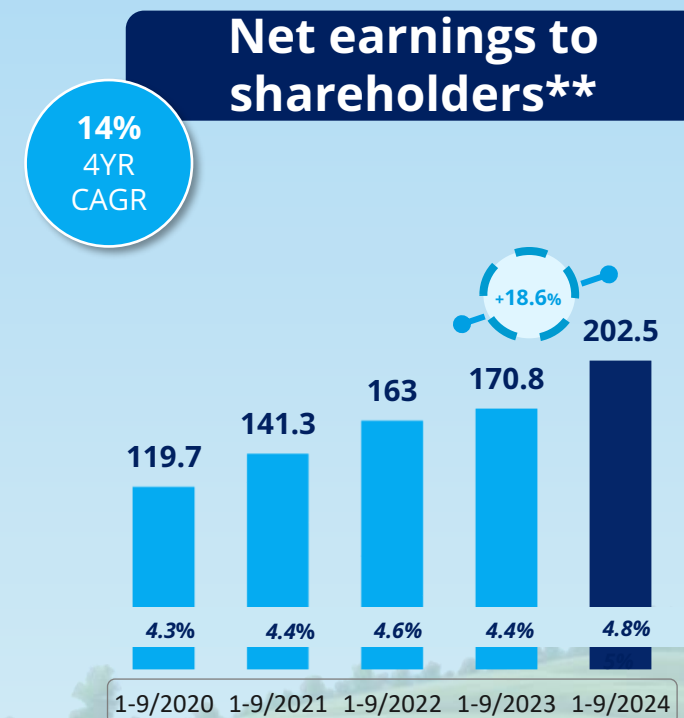
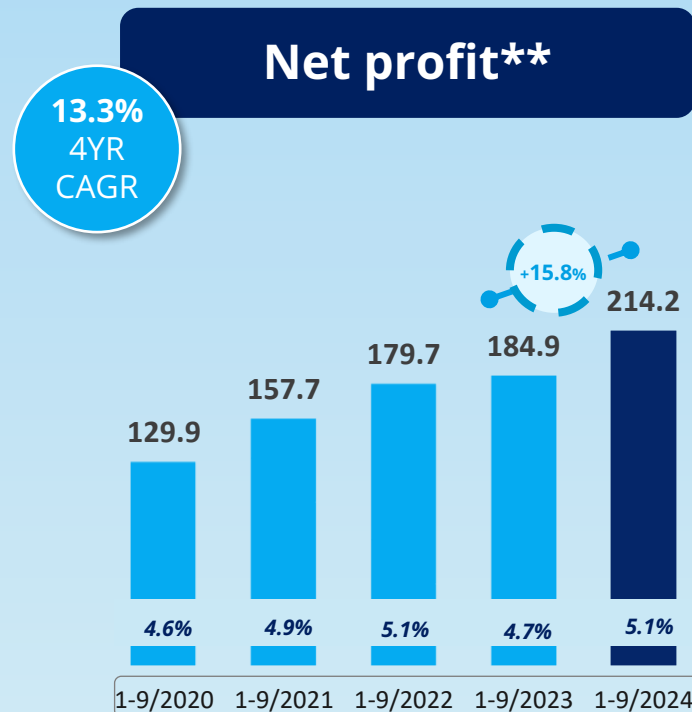
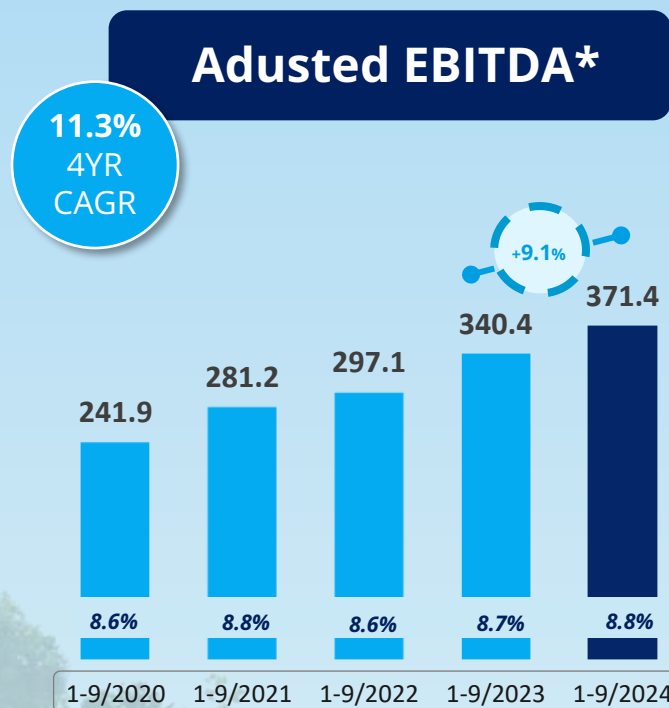
Consistent growth in sales and profits (in NIS millions)



* In 2022 - net of gain on disposal of investment in a subsidiary (NIS 150 million)

Summary 1-9/2024 – Continuous improvement in performance over the years

Consistent growth in revenue and profits (in NIS millions)



* Earnings before financing, taxes, depreciation, and amortization, and net of the effect of IFRS 16 - leases

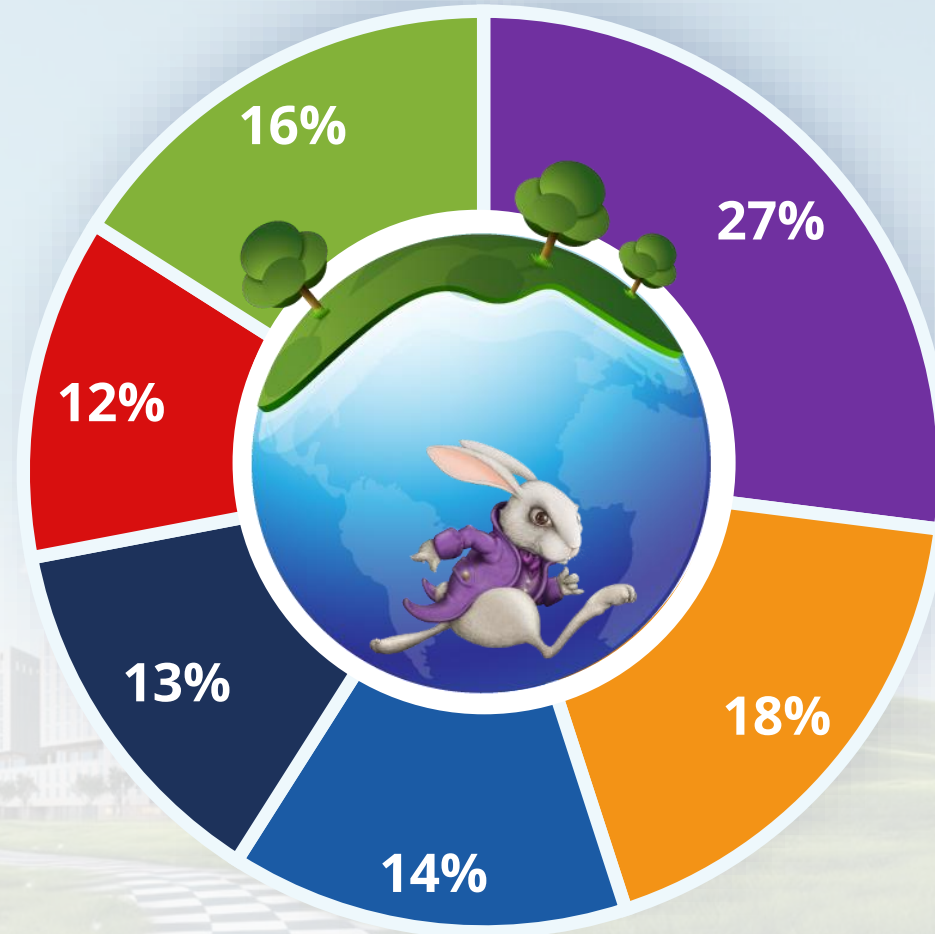
** In 2022 - net of gain on disposal of investment in a subsidiary, net of tax (NIS 121 million)

Israel Operations



Created in Midjourney AI platform

- Government and Defense
- Financial
- High-Tech
- Industry, Communications, and Retail
- Health and Transportation
- Other



Breakdown of sales by customers' areas of operation*

* According to 2023 sales

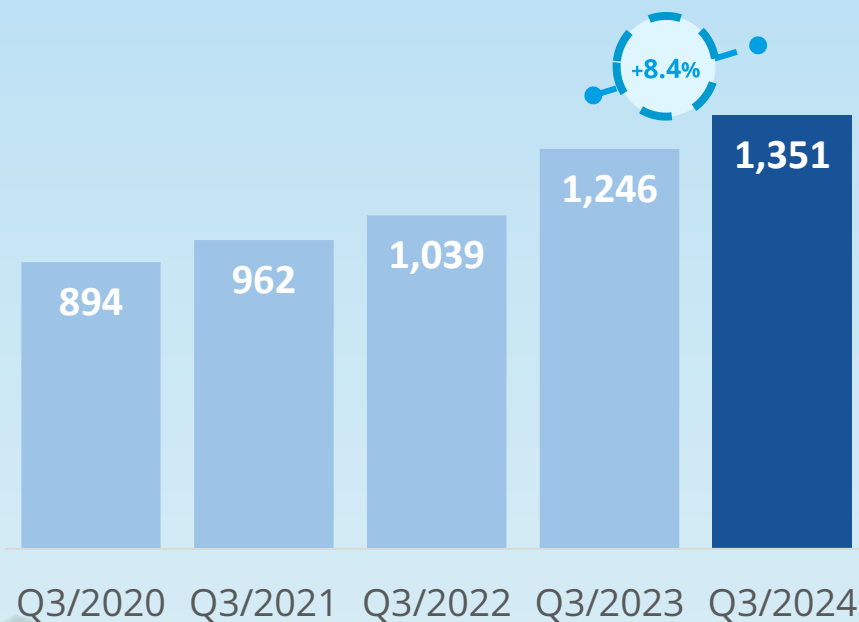
Operations in Israel* Q3 2024



(in NIS millions)

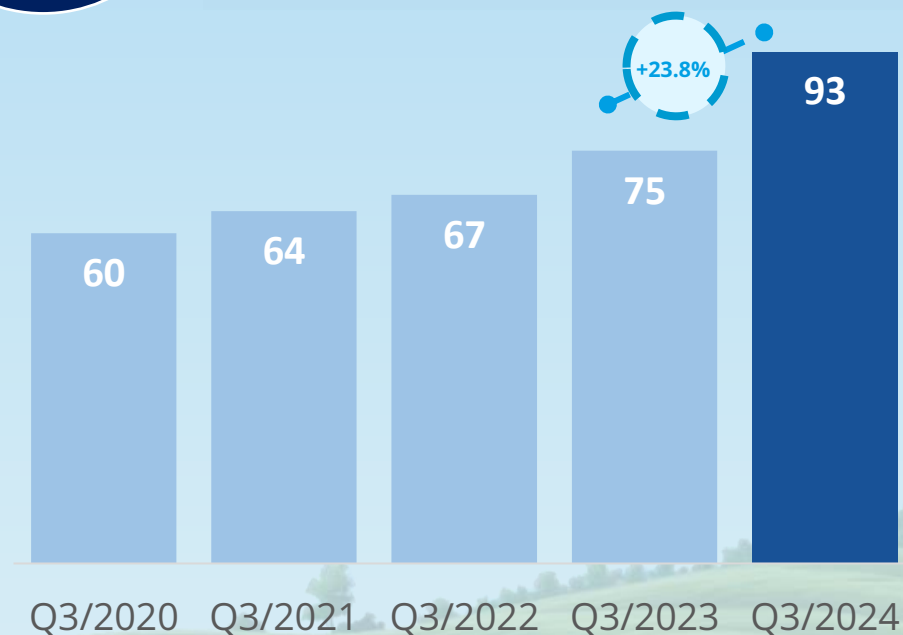
10.9%
4YR CAGR

8.4% sales growth; 13.6% growth after adjusting sales recognized on a net basis



11.6%
4YR CAGR

23.8% growth in operating profit



* Including immaterial operations in Europe

Operations in Israel* 1-9/2024

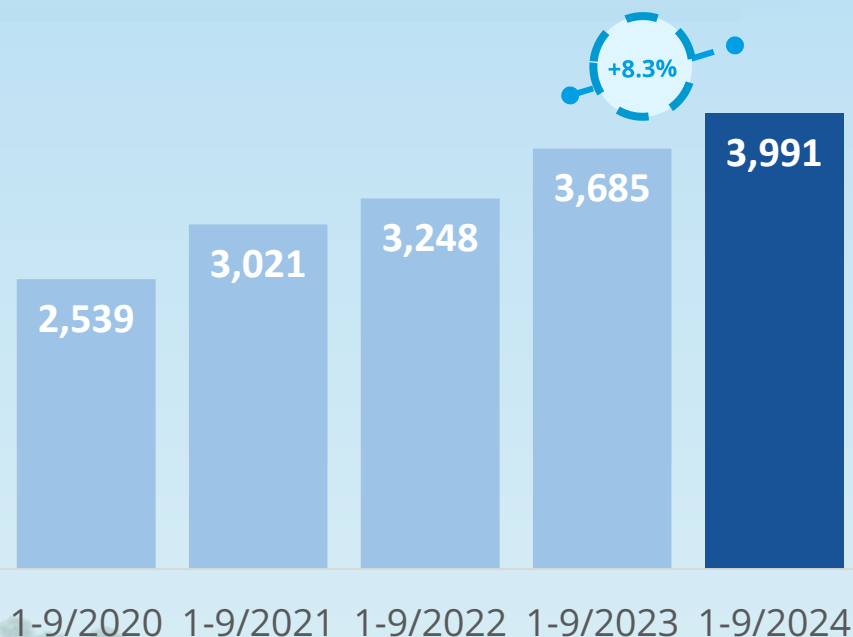


(in NIS millions)

12%

4YR CAGR

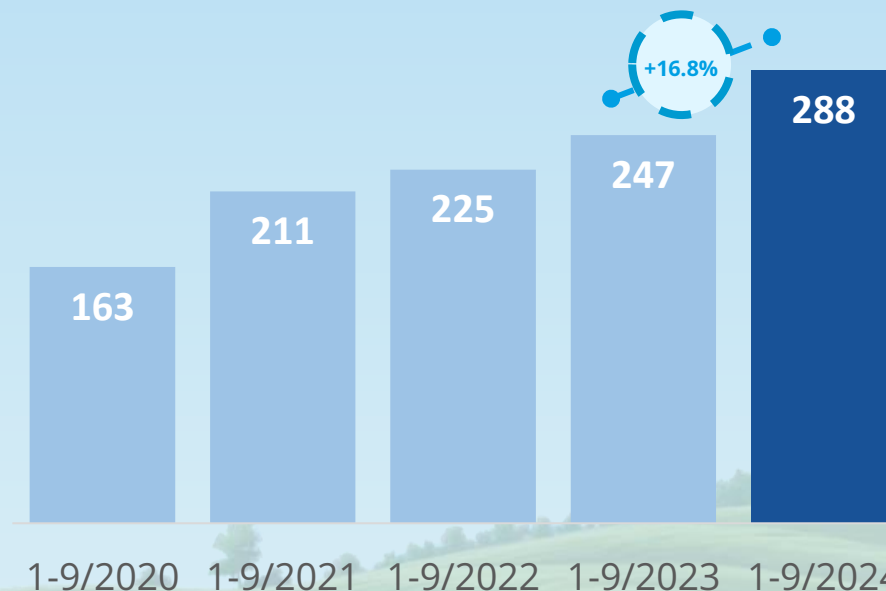
8.3% sales growth; 11% growth after adjusting sales recognized on a net basis



15.3%

4YR CAGR

16.8% growth in operating profit



* Including immaterial operations in Europe

Operating segments in israel - Q3/2024 (in NIS thousands)



	Sales			Operating profit		
	Q3/2024	Q3/2023	%	Q3/2024	Q3/2023	%
Information technology solutions and services, consulting, and management in Israel	820,454	735,500	11.6%	54,873	43,868	25.1%
<i>profit margin (%)</i>				6.7%	6%	

- **Seasonality** impact (increase in the number of working days compared to the corresponding quarter)
- **Growth in digital, cyber, cloud, data, and AI activities, where matrix is a market leader in all areas**
- **Extensive and growing activity with the defense sector**
- **Mega projects provide high visibility over time**

Operating segments in Israel - Q3/2024 (in NIS thousands)



	Sales			Operating profit		
	Q3/2024	Q3/2023	%	Q3/2024	Q3/2023	%
Information technology solutions and services, consulting, and management in Israel	820,454	735,500	11.6%	54,873	43,868	25.1%
<i>profit margin (%)</i>				6.7%	6%	
Cloud and computing infrastructures	367,951	387,027	(4.9%)	27,969	21,322	31.2%
<i>profit margin (%)</i>				7.6%	5.5%	

- See below

Cloud infrastructures and computing after adjusting income accounted for on a net basis (in NIS thousands)



	Q3/2024	Q3/2023	%	1-9/2024	1-9/2023	%
Sales	367,951	387,027	(4.9%)	1,130,011	1,118,278	1.0%
Adjustments for the increase in sales accounted for on a net basis	39,203			89,802		
Adjusted sales	407,154	387,027	5.2%	1,219,813	1,118,278	9.1%
Operating profit	27,969	21,322	31.2%	78,425	64,585	21.4%
% of sales	6.9%	5.5%		6.4%	5.8%	

- **Growth in volume of operations**, with emphasis on sales, marketing and integration of IT systems
- Increase in the volume of **EDP transactions in the cloud**, with revenue from these transactions presented on a net basis
- In the quarter and the period – a mix of transactions with relatively **high profitability**

Operating segments in israel - Q3/2024 (in NIS thousands)



	Sales			Operating profit		
	Q3/2024	Q3/2023	%	Q3/2024	Q3/2023	%
Information technology solutions and services, consulting, and management in Israel	820,454	735,500	11.6%	54,873	43,868	25.1%
<i>profit margin (%)</i>				6.7%	6%	
Cloud and computing infrastructures	367,951	387,027	(4.9%)	27,969	21,322	31.2%
<i>profit margin (%)</i>				7.6%	5.5%	
Marketing and support of software products	118,610	79,777	48.7%	9,067	8,121	11.6%
<i>profit margin (%)</i>				7.6%	10.2%	

- Continued organic growth in activity volumes with a high ARR component
- Accelerated customer acquisition of software products for cyber-attack defense, digital acceleration, cloud solutions, data, and AI
- The decrease in revenue is attributed to changes in transactions mix

Matrix provides the widest range of solutions for the government cloud with 38 services

**Moving up
to Nimbus
with Matrix**

Google Cloud



Google Cloud | aws



Operating segments in Israel - Q3/2024 (in NIS thousands)



	Sales			Operating profit		
	Q3/2024	Q3/2023	%	Q3/2024	Q3/2023	%
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<i>profit margin (%)</i>				7.6%	5.5%	
Marketing and support of software products	118,610	79,777	48.7%	9,067	8,121	11.6%
<i>profit margin (%)</i>				7.6%	10.2%	
Training and implementation	44,098	44,038	0.1%	1,317	2,017	(34.7%)
<i>profit margin (%)</i>				3%	4.6%	

- The impact of the war on profit in the training segment (which constitutes only 3% of the Company's activity) is significant. The training segment is characterized by a high rate of fixed expenses; however, some recovery is evident in this segment (which posted a loss in Q4/23)
- The decline in demand for juniors in the technology sector continues

US Operations



Operating segments - Q3/2024 (in NIS millions)



	Sales			Operating profit		
	Q3/2024	Q3/2023	%	Q3/2024	Q3/2023	%
Information technology solutions and services, consulting, and management in Israel	820.5			54.9		
Information technology solutions and services, consulting, and management in the US	111.1	126.3	(12%)	16.5	19.9	(17.3%)
profit margin (%)				14.9%	15.8%	

- Sales and operating profit in the quarter remained **stable compared to the results of the second quarter of 2024**
- The decline in sales and operating profit compared to the corresponding quarter is due to finalizing of large projects in the GRC field. The decline was partially offset by new contracts secured with several banks during the period, that are being fulfilled gradually.
- **The Company has secured significant new contracts with several large banks and holds a portfolio of projects whose revenues and profits, in our estimation, will start to materialize as early as the beginning of 2025.**

Operating segments - Q3/2024 (in NIS millions)



	Sales			Operating profit		
	1-9/2024	1-9/2023	%	1-9/2024	1-9/2023	%
Information technology solutions and services, consulting, and management in Israel	2,389			178.5		
Information technology solutions and services, consulting, and management in the US	348.6	357.2	(2.4%)	50.4	53	(4.9%)
profit margin (%)				14.5%	14.8%	

- Sales and operating profit in the quarter remained **stable compared to the results of the second quarter of 2024**
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The acquisition of ALACER was completed last night

Alacer is an elite network of experienced financial services practitioners with deep experience in financial services and technology. We provide consulting services, technology solutions and more. We are an agent of change and a trusted resource for Fortune 500 companies and growing organizations alike. If you face a critical challenge, we have the experience, integrity, and intelligence to get you better results faster.

WORK WITH

UnionBank

citi

Standard
Chartered

SoftBank

Santander

Scotiabank

SuperChoice

CITY NATIONAL BANK
an FSC COMPANY

CommonwealthBank

MUFG

TOYOTA
FINANCIAL SERVICES

TD Bank

LBEBW

BANK of the WEST

BANK OF UTAH

TD Canada Trust

CIBC

DISCOVER

ICBC

RBC

Prime Bank

CFSB
COMMERCIAL FEDERAL
SAVINGS BANK

charles
SCHWAB

AIOBB
ATLANTIC COMMUNITY
BANKERS BANK

Peoples Group

JAMUNABANK

MEGHNA BANK LTD.

Moneyturi

brightwell

AGRIWILL BANK LTD.

Risk and Compliance

Lets Get Started

Risk Management and Compliance functions in financial institutions play a pivotal role requiring defined processes designed to identify, measure, monitor, control, and report on specific risks.

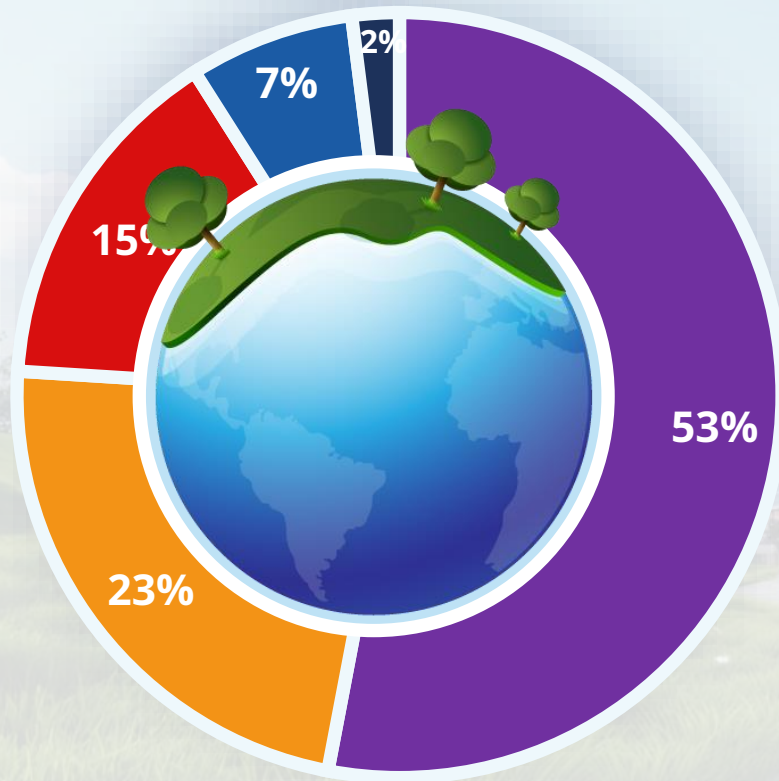
- **Alacer has been providing expert advisory services in the GRC/AML field for 15 years and has an excellent reputation**
- **The acquisition of control in Alacer represents a significant step forward in the development of IFS in the advisory field, reducing dependence on third-party technologies and products and is characterized by high profitability.**
- **The founders of Alacer will remain key partners and will manage the operations**
- **Scope of the transaction - several millions of dollars**

Lets Get Started

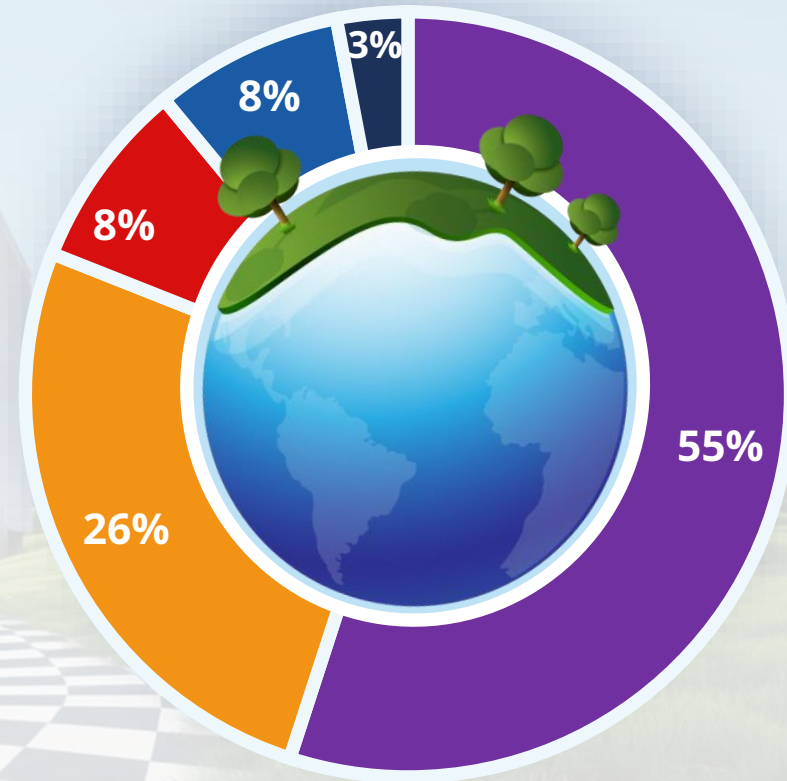
Risk Management and Compliance functions in financial institutions play a pivotal role requiring defined processes designed to identify, measure, monitor, control, and report on specific risks.

Breakdown of sales and profits by operating segment during 1-9/2024

Contribution to profits



Sales



Training and implementation



Software



US Operations



Cloud infrastructures



Software Services

Financial Indexes



Financial indexes (NIS millions)



	30.09.2024	12/31/2023
Cash and cash equivalents	520	640
Unused credit facilities*	1,228	1,448
Total liquid assets	1,748	2,088

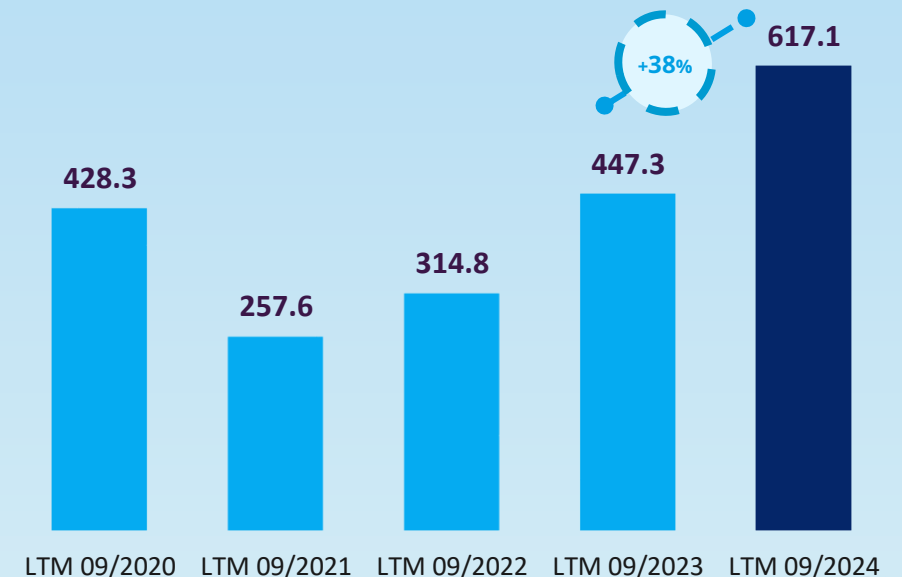
* Of which NIS 300 million committed credit facilities

Cash flows from Operating Activities

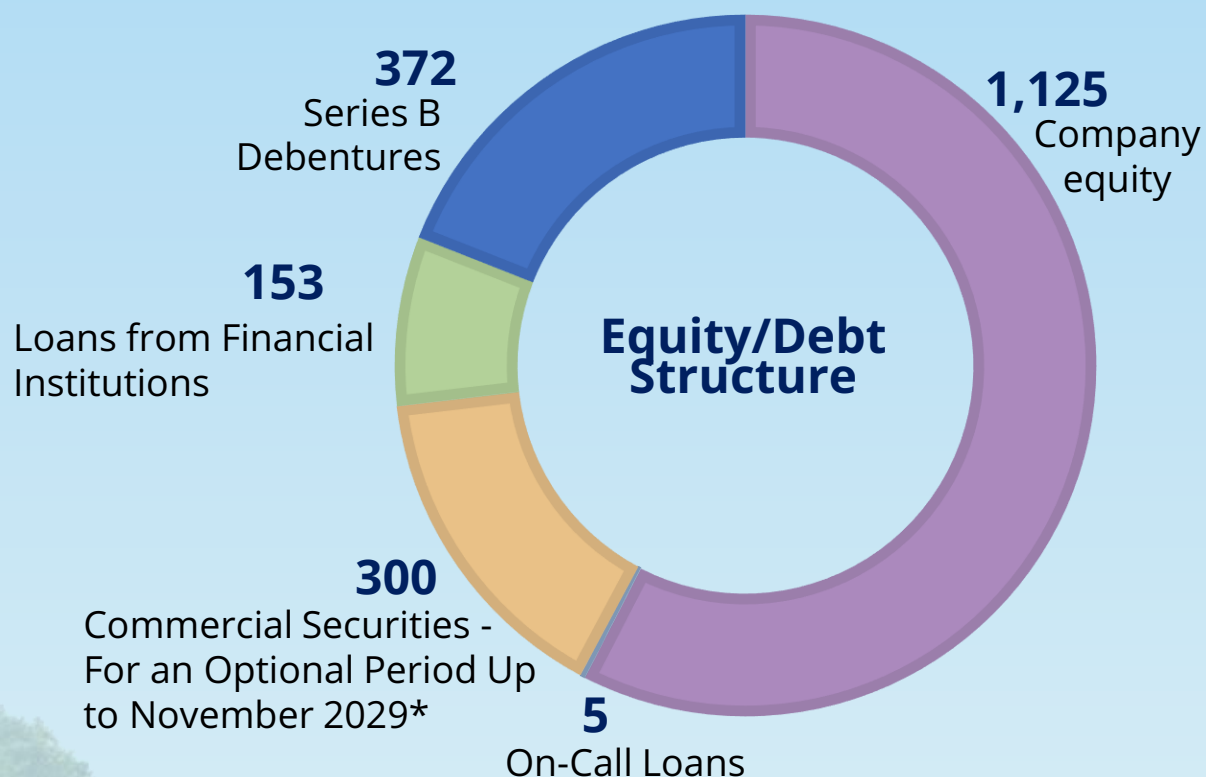
- Positive cash flow from Operating Activities in 1-9/2024 of NIS 284.2 million compared to a positive cash flow of NIS 163.3 million in 1-9/2023
- **Positive cash flow from Operating Activities LTM to 9/2024 – NIS 617 million, compared to LTM cash flow to 9/2023 – NIS 447 million**

Aa3 credit rating from Midroog (rating confirmed in March 2024)

Cash Flows From Current Operations - LTM



Financial indexes (NIS millions)



	30.09.2024	31.12.2023
Shareholder equity	1,126	1,107
% of total balance sheet	27.5%	27.4%
Financial debt, gross	830.6	956.4
Net debt – short-term and long-term credit, net of cash and cash equivalents	310.7	316.2
Current ratio	1.1	1.2
Net debt to balance sheet ratio	7.6%	7.8%
Net debt to adjusted EBITDA LTM**	0.63	0.69

* In July 2024, an expansion of the Commercial Securities (NAAM) series was carried out with an additional NIS 100 million- the interest terms on the Commercial Securities were improved to the Bank of Israel interest rate plus a margin of 0.25% (instead of 0.5%)

** Earnings before interest, taxes, depreciation, and amortization, and net of the effect of IFRS 16 - leases

Continued decline in cash flow interest expenses.



Dividend distribution



790 million NIS in 3.5 years

**Annual
dividend
yield
3.91%**

Date of distribution	Dividend per share (in agorot)	Amount (in NIS millions)
April 2024	127	80.67
July 2024	81	51.45
October 2024	82	52.08
Total 1-9/2024	290	184.2
Total FY 2023	199	126.4
Total FY 2022 ^(*)	452	284.3
Total FY 2021	234	146.5

*Includes a special dividend amounting to NIS 121.5 million in respect of the net capital gain from the realization of an investment in Infinity.

Dividends of NIS 48.2 million.
(NIS 0.76 per share)



Conclusion



Organic growth in sales and profits during a period of war

The Company continues its trend of double-digit organic growth despite the impact on sales and profits due to reserve duty of hundreds of employees and a slowdown in demand for services in the training sector

Maintaining growth rates during and after the war

Matrix has been the market leader for 19 years. The visibility provided by mega projects, technological leadership in all significant categories (D²C³), and the Company's excellent reputation enable us to maintain our growth rates even during the war

Back to growth in the US

The Company has secured significant new contracts with several large banks and holds a portfolio of projects whose revenue and profits, in our estimation, will start to materialize as early as the beginning of 2025

Acquisitions

The Company intends to advance the completion of several M&A transactions by the end of the year to support accelerated growth rates and enhance value propositions for customers in 2025 and beyond.



Thank you

