



Matrix publishes the results of the first quarter of 2024, the best quarter in its history

Revenue growth of 12.6% to a record of NIS 1.45B;

Gross profit growth of 9.8% to a record of NIS 207M;

Net profit growth of 9.3% to a record of NIS 71.4M;

Growth in shareholders' net profit of 13% to a record of NIS 68.6M

Today (Wednesday) Matrix published its financial results for the first quarter of 2024, showing high organic growth, with record results in all indices: in revenues, gross profit, operating profit, and net profit for the quarter, despite the consequences of the ongoing war.

Matrix **revenues** in the first quarter of 2024 reached a record level of approximately NIS 1.45B, compared with approximately NIS 1.29B in the corresponding quarter of the previous year, an increase of about 12.6%, entirely due to organic growth. The increase in sales in the first quarter compared with the corresponding quarter of the previous year is due to the widening scope of activity in all sectors, with the exception of the Training and Deployment sector.

The **gross profit** in the quarter amounted to approximately NIS 207.1M, which is an all-time record, compared with approximately NIS 188.6M in the corresponding quarter of the previous year, an increase of about 9.8%.

The **operating profit** in the quarter crossed the NIS 110M threshold for the first time and also represents an all-time record. The operating profit in the first quarter amounted to approximately NIS 110.7M, compared with approximately NIS 101.5M in the corresponding quarter of the previous year, an increase of about 9.1%, entirely deriving from organic growth. The increase in operating profit in the first quarter compared with the corresponding quarter of the previous year is attributed to the growth in profit in all sectors, except for the decrease in profits in the Training and Deployment sector.

The **net profit** in the first quarter amounted to a record of approximately NIS 71.4M, compared to approximately NIS 65.3M in the corresponding quarter of the previous year, an increase of about 9.3%.

The **net profit for company shareholders** in the quarter amounted to approximately NIS 68.6M, compared to approximately NIS 60.7M in the corresponding quarter of the previous year, an increase of about 13% and an all-time record.



The **EBITDA** in the quarter amounted to approximately NIS 157.5M, compared to about NIS 148.7 million in the corresponding quarter of the previous year, an increase of about 5.9%.

Dividends. Matrix continues to distribute dividends in accordance with its usual distribution policy, at a rate of up to 75% of the net profit to shareholders. In April of this year, the company distributed a dividend of approximately NIS 80.7M to its shareholders, for the profits of the second half of 2023. With the publication of the financial results of the first quarter of 2024, the company announced the distribution of an additional dividend in the amount of approximately NIS 51.5M (81 agorot per share).

Despite the impact of the ongoing war, the four significant sectors of company activity (with the exception of the Training and Deployment sector, which represents only about 4% of Matrix activity) showed an increase in operating profit in the quarter: the IT Solutions and Services, Consulting and Management sector in Israel showed growth of about 13.6%; the IT Solutions and Services sector in the US showed growth of about 15.4%+; the Software Product Marketing and Support sector showed growth of about 40.5%+; the Cloud and Computing Infrastructure sector showed growth of about 19.3%+.

According to **Moti Gutman**, CEO of Matrix: "We conclude the first quarter of 2024 with all-time record results in all activity indicators: in sales, gross profit, operating profit, net profit, and net shareholders' profit, with the quarterly operating profit crossing for the first time the NIS 110M threshold. All increases originated from organic growth.

This is an impressive achievement at any time, but especially against the background of the Iron Swords War and geopolitical instability.

Matrix has thousands of customers, including the largest and leading companies in Israel and the US, in all areas of technology, especially those characterized by high demand, such as digital, data and AI, cyber, cloud, and core operational systems. Matrix enjoys a strong base of activity and financial stability, which allow it to continue to consistently present growth, leading to record results over the years, including in turbulent times of economic, political, and security challenges.

Our activity in Israel in the first quarter produced organic growth of about 12.4% in revenues and of about 10% in operating profit, despite the effects of the war. We are a leading player in large-scale multi-year integration projects in Israel, for example, management of the planning and execution of the M1 metro line in Gush Dan—the largest transportation project in Israel, which is estimated to last about 13 years and cost about NIS 2B (our share in it is about 36%); and a large-scale digital transformation project we are currently carrying out at one of the largest financial institutions in Israel, which is expected to last several years, amounting to over NIS 100M.

We see growth in the scope of activity in the quarter in the field of infrastructure and the cloud, with an increase of about 16.7% in revenues and of about 19.3% in operating profit. Matrix takes a substantial part in the Nimbus project, which is expected to bring about a profound and significant change in all aspects of public sector computing. As a result of the



war, there has been an acceleration in the transition to the cloud, and Matrix has a broad product portfolio in the Nimbus marketplace, with significant growth potential. It is also worth noting the wide-ranging and growing activity of our defense arm in the cyber and AI fields, with mega projects such as the development of an advanced AI system over cloud infrastructures for a foreign country, with a total value of approximately \$40M. In light of the geopolitical instability, we are experiencing an increase in demand for solutions and products in the security sector.

Our activity in the US continues to show growth, with an increase of about 10% in revenues to approximately NIS 118.7M, and of about 15.4% in the operating profit to approximately NIS 17M, and an increase in profitability to 14.3%. Matrix engages in intensive activity in the financial sector, specializing in the prevention of financial crime, in the context of the various relevant regulations, and we are expanding our engagements with the largest banks in the world, from GRC to data analytics and more.

We are living through one of the most complex and challenging periods in the history of the country. This week, we observed the Memorial Day for the fallen IDF soldiers. It is always a difficult day, but this year it is especially difficult and painful. Matrix deeply mourns the memory of its employees and their family members, who were murdered and fell in the battles of the Iron Swords War: the late Aviv Kotz, VP of Aviv, a subsidiary of Matrix, his wife Livnat and their children — Rotem, Yonatan, and Yiftah — who were brutally murdered, and the late Raphael (Rafa) Elias Moshioff, from the Offshore & R&D Services division, who fell in battle. We share in the grief of all the families of the fallen and the murdered, wish full and speedy recovery to the injured, pray and wish for the return of all the hostages as soon as possible, and stand with the security forces in their mission of utmost importance. We are proud to take part in innovation projects that help the State of Israel in this time of many challenges, both in the public and security sectors, as well as in the private sector, with our cyber, cloud, digital data, and AI experts."

Summary of reports on the consolidated profit for the three months ended March 31, 2024 and 2023 (in thousands of shekels)

	For 3 months ending 31.03.24	For 3 months ending 31.03.23	Change in %
Sales	1,453,713	1,291,153	12.6%
Cost of sales and services	1,246,570	1,102,535	13.1%
Gross profit	207,143	188,618	9.8%
% of sales	14.2%	14.6%	
Sales and marketing expenses	51,048	45,176	13.0%
Management and general expenses	45,417	41,977	8.2%
Operating profit	110,678	101,465	9.1%
% of sales	7.6%	7.9%	



	For 3 months ending 31.03.24	For 3 months ending 31.03.23	Change in %
Financing costs (net)	16,586	16,891	(1.8%)
Profit before taxes	94,092	84,574	11.3%
Taxes on income	22,670	19,228	17.9%
Net profit	71,422	65,346	9.3%
% of sales	4.9%	5.1%	
Net profit of:			
Owners of capital rights in the company	68,646	60,740	13.0%
Minority rights	2,776	4,606	(39.7%)
Net profit	71,422	65,346	9.3%
% of sales	4.9%	5.1%	
EBITDA¹	157,484	148,763	5.9%
% of sales	10.8%	11.5%	

¹ Profit before financing, taxes, depreciation and amortization and before capital gain from the realization of an investment