Matrix Reports First-Half 2026 Results: Double-Digit Growth in Profits and Profit Margins

- **Quarterly revenue increased to approximately NIS 2.12 billion;**
- **Quarterly operating profit increased by approximately 10.6% to approximately NIS 202 million, and by approximately 20.6% on a constant-currency basis;**
- **Quarterly net profit increased by approximately 13.4% to approximately NIS 135 million, and by approximately 32.4% on a constant-currency basis;**
- **The Company will distribute a dividend of approximately NIS 91.6 million.**

Matrix, Israel's leading IT company, reports its financial results for the second quarter and first half of 2026. Matrix continues to deliver profit growth and expand its strategic areas of activity. During the period, the Company completed its merger with Magic, a move that expands both the scale of its operations and its portfolio of capabilities and solutions. Following the balance sheet date, the Company announced the acquisition of an 80% stake in Laor Energy, which specializes in electrical systems integration and electromechanical solutions, as part of Matrix's strategy to broaden the range of capabilities and solutions it offers to customers in the defense sector.

The Company's results for the second quarter and first half reflect significant growth in the profits of the merged company, with strong profit margins, while more than 20% of the Company's profits are generated by its international operations. In light of the negative impact of the U.S. dollar exchange rate during the quarter and the period, the Company continues to present its results also on a constant-currency basis, enabling the development of its business performance to be assessed on a consistent comparative basis.

Moti Gutman, CEO of Matrix:

"Our business results for the first half of the year reflect Matrix's strength and its ability to continue growing and increasing its profits even in a complex business and macroeconomic environment. We continue to deliver broad-based growth over time across the Company's core activities, including cloud, AI and Data, alongside the expansion of our international operations. These results are particularly notable given the strengthening of the shekel. On a constant-currency basis, we delivered double-digit quarterly growth in both revenue and operating profit, while improving the operating margin and recording strong growth in net profit.

The merger with Magic has significantly expanded the range of our capabilities and solutions, and we are working to realize the business potential of the combined company and deepen the synergies and mutual leverage between its various operations. This will enable us to expand our activities with existing customers and reach new customers, both in Israel and globally. The acquisition of Laor Energy strengthens our capabilities in the infrastructure field and enhances our activity in the defense sector, which has already reached an annual volume of more than NIS 1 billion.

We enter the second half of the year as a strong and growing company, with a broader business base, diverse technological capabilities and a significant presence in our markets and in the most advanced technologies. Our goal is to continue growing: in scale, capabilities and profits, and to build a large, diversified and profitable global technology group for the long term".

Key Results

Revenue in the second quarter totaled approximately NIS 2.13 billion, compared with approximately NIS 1.99 billion in the corresponding quarter last year. Revenue for the first half totaled approximately NIS 4.24 billion, compared with approximately NIS 4 billion in the corresponding period last year. On a constant-currency basis, revenue growth in the quarter and the period was approximately 15.3% and 12.3%, respectively.

The increase in revenue, both in the first half and in the second quarter, was driven by growth in activity across the Company's core business segments.

In the **IT Solutions, Software Products and Services, Consulting and Systems Engineering in Israel** segment, quarterly revenue grew by approximately 10.4% on a constant-currency basis, while operating profit increased by approximately 16.1%. The growth was driven primarily by expanded activity in Data, AI, defense and core systems, alongside continued efficiency measures and an improved deal mix.

Revenue from **international operations** grew by approximately 13% in the quarter on a constant-currency basis, while operating profit increased by approximately 17.4%. International operations primarily include professional services in the United States, GRC activities for financial institutions, and AI and Data operations.

The **Cloud Solutions, Computing Infrastructure and Systems in Israel and Abroad** segment recorded significant growth in both activity and results. Revenue grew by approximately 35.5 in the quarter on a constant-currency basis, while operating profit increased by approximately 40.8%. The increase in revenue and operating profit compared with the corresponding periods last year was driven primarily by growth in cloud activities.

Operating profit in the second quarter totaled approximately NIS 202.2 million, representing growth of approximately 10.6%. Operating profit for the first half totaled approximately NIS 405.3 million, an increase of approximately 10.8%. The operating profit margin in the quarter and the first half was approximately 9.5%, compared with 9.2% and 9.0%, respectively, in the corresponding periods last year. On a constant-currency basis, operating profit growth in the period and the quarter was approximately 20.6% and 19.2%, respectively.

The increase in operating profit during the period and the quarter was attributable to profit growth across all segments, with the exception of a slight quarterly decline in the **IT Solutions, Software Products and Services Abroad** segment, resulting from the negative impact of exchange-rate movements. Excluding this impact, the segment recorded double-digit growth.

Net profit in the quarter totaled approximately NIS 135.4 million, compared with approximately NIS 119.4 million in the corresponding quarter last year, representing growth of approximately 13.4%. In the first half, net profit totaled approximately NIS 272.3 million, compared with approximately NIS 244.7 million in the corresponding period last year, an increase of approximately 11.3%. On a constant-currency basis, net profit increased by approximately 32.4% in the quarter and by approximately 25.6% in the first half.

Matrix continues its **dividend distributions** to shareholders in accordance with its regular dividend policy and announced a dividend distribution of approximately NIS 91.6 million in respect of second-quarter earnings.