



Matrix publishes its financial results for the third quarter of 2024, showing continued growth and improvement in all profitability indicators, and announces the acquisition of a company in the US

Matrix published its financial results for the third quarter and the first nine months of 2024, showing significant growth in all financial indicators, compared to the corresponding period of the previous year, and improving profitability rates.

In the nine months, Matrix revenues grew by about 7.5% compared to the corresponding period of the previous year and amounted to a record of approximately NIS 4.2B; operating profit grew by about 12.9% and reached a record of approximately NIS 330M.

In the third quarter of 2024, operating profit grew by about 16%, to a record of approximately NIS 108.2M for the quarter, and net profit grew by about 22.8%, reaching approximately NIS 69.7M.

Matrix completed the acquisition of the American company Alacer for an amount estimated at millions of dollars. Alacer has been operating for approximately 15 years, providing expert services in the fields of governance, risk management, regulatory compliance (GRC), and anti-money laundering (AML) systems. The consulting activities of Alacer will become part of the activities of Matrix IFS, which specializes in implementing risk management, fraud management, and governance and regulatory compliance solutions, mainly in the US financial sector.

Revenues

The revenues of Matrix in the third quarter of 2024 amounted to approximately NIS 1.42B, compared to approximately NIS 1.33B in the previous year, an increase of about 6.4%. After adjusting for revenues recognized in the company reports on a net basis, Matrix recorded double-digit growth of 11.3% in revenues. The revenues in the first nine months of 2024 reached a record of approximately NIS 4.2B, compared to approximately NIS 3.9B in the previous year, an increase of about 7.5%, and an increase of about 10% after adjusting for revenues recognized on a net basis. All increases in revenues came from organic growth.

Gross profit

Gross profit in the third quarter of 2024 amounted to approximately NIS 205M, compared to approximately NIS 187.1M in the previous year, an increase of about 9.6%. The gross profit rate from revenues increased from about 14% to about 14.5%.



Gross profit in the first nine months of the year amounted to a record amount of approximately NIS 614M, compared to approximately NIS 560.7M in the previous year, an increase of about 9.5%, improving its rate to about 14.6%.

Operating profit

Operating profit in the third quarter of 2024 amounted to approximately NIS 108.2M, compared to approximately NIS 93.3M in the corresponding quarter of the previous year, an increase of about 16%. The operating profit margin from revenues grew from about 7% to about 7.6%.

Operating profit for the period amounted to approximately NIS 330.1M, compared to approximately NIS 292.4M in the corresponding period of the previous year, an increase of about 12.9%, entirely from organic growth. The operating profit margin from revenues for the period grew from about 7.5% to about 7.9%.

Net profit

Net profit for the quarter amounted to approximately NIS 69.7M, compared to approximately NIS 56.7M in the previous year, an increase of about 22.8%, improving its margin to about 4.9%. In the nine months, net profit amounted to approximately NIS 214.2M, compared to approximately NIS 184.9M in the previous year, an increase of about 15.8%.

Adjusted EBITDA (excluding IFRS 16 – Leases)

The adjusted EBITDA in the quarter reached approximately NIS 122.1M, compared to approximately NIS 109.7M in the previous year, an increase of about 11.2%. The adjusted EBITDA for the period reached a record amount of approximately NIS 371.3M, compared to approximately NIS 340.4M in the previous year, an increase of about 9.1%.

Dividends

Matrix continues its policy of distributing dividends at a rate of up to 75% of net profit to shareholders, subject to statutory distribution tests. In the first nine months of 2024, Matrix distributed dividends to its shareholders totaling approximately NIS 184.2M (NIS 290 per share). With the publication of the reports today, Matrix announced the distribution of an additional quarterly dividend amounting to approximately NIS 48.2M (76 agorot per share).

Moti Gutman, CEO of Matrix, says:

"Today we are summarizing the financial results of another excellent quarter. Despite the challenges of the war, we are proud to continue to present a double-digit growth rate in revenues and profits, all as a result of organic growth. The growth that Matrix continues to present consistently, even in a turbulent period, is a clear indication of



the resilience of the company, reflecting on our professional leadership in the IT market in Israel.

I am pleased to announce that last night we completed a transaction to acquire the activities of the American company Alacer, which has an excellent reputation in the field of prevention of fraud and abuse (AML) and in financial regulation. The consulting activity of Alacer complements that of Matrix IFS, which deals with the implementation of risk management and fraud prevention systems, mainly in the financial sector in the US—a field characterized by high profitability. The founders of ALACER will remain essential partners and manage the activity.

Matrix operates at the forefront in all technological fields, offering a rich variety of technological solutions, especially those in high demand, such as cloud, cyber, digital, data, and AI.

Our activity in the defense system and defense industries continues to be extensive and keeps growing consistently. As a result of the war, we see continued investment by customers in cyber defense and in services and products for protection and recovery from attacks, as well as in infrastructure and solutions that enable business continuity and disaster recovery. In the US, we have completed several projects in the GRC field and recently signed new agreements with several large banks. We have an impressive pipeline of projects, which in our estimation, will be reflected in revenues and profits as soon as early 2025.

The leading positioning of Matrix, particularly in high-demand technologies and solutions, the wide range of services and technological solutions we provide, the broad sectoral diversification, and the extensive activity in the US—all these and more enable us to maintain our vitality, value, and leadership in the industry for our customers, partners, and investors, and to continue to show growth even during turbulent periods of economic, political, and security challenges. We continue to implement our strategic policy of mergers and acquisitions in core and complementary areas. As part of it, we intend to complete several additional M&A transactions this year in order to accelerate our growth rates and increase our value propositions to our customers."