



## **Ahead of the merger with Magic: Matrix reports record results for the third quarter of 2025**

- **Revenues grew by 15.7% to a record of NIS 1.64B**
- **Operating profit grew by 21.5% to a record of NIS 131.5M**
- **Net profit grew by 21% to a record of NIS 84.3M**
- **Matrix will distribute an additional dividend of approximately NIS 57.9M**

### **Key results**

The company's **revenues** for the third quarter reached a record of approximately NIS 1.64B, compared with approximately NIS 1.42B in the corresponding quarter of the previous year, an increase of about 15.7%. Excluding the impact of the increase in net-based revenue recognition, the revenue growth rate was about 20.7%.

Revenues for the first nine months of 2025 amounted to approximately NIS 4.6B, compared with approximately NIS 4.2B in the corresponding period of the previous year, an increase of about 10.3%. Excluding the impact of the increase in net-based revenue recognition, the revenue growth rate for the first nine months of 2025 was about 15.1%.

The quarterly revenue growth stemmed mainly from an expansion of activity in the IT solutions and services, consulting, and management sector in Israel, with an emphasis on data, cyber, digital, core systems, engineering, defense, and the financial sector, as well as in the cloud and computing infrastructure sector.

In addition, this quarter reflected the consolidation of results from companies recently acquired by Matrix: GAV Systems (since Q1 2025), Ortech (since December 2024), and Alacer (since Q4 2024). Excluding the effect of first-time consolidation of these companies, and of the impact of the increase in net-based revenue recognition, the company recorded organic revenue growth of about 15.6% for the quarter and about 10.2% for the period.

The **gross profit** for the quarter reached a record of approximately NIS 241.5M (14.7% of revenues), compared with approximately NIS 205M in the corresponding quarter of the previous year (14.5% of revenues), an increase of about 17.8%.



Gross profit for the first nine months of 2025 amounted to approximately NIS 691.3M (14.9% of revenues), compared with approximately NIS 614M in the corresponding period of the previous year (14.6% of revenues), an increase of about 12.6%.

The increase in gross profit and in the gross profit margin for the quarter and the period resulted mainly from growth in activity levels and from ongoing operational efficiency measures implemented by the company over time. The growth in gross profit was recorded despite offsetting effects, including a decrease of about 3.9% in working hours compared with the corresponding quarter of the previous year, recognition of a one-time income in the corresponding period of the previous year originating in retroactive compensation from the National Insurance Institute, and the continued depreciation of the US dollar exchange rate against the shekel.

**Operating profit** for the quarter reached a record of approximately NIS 131.5M (8% of revenues), compared with approximately NIS 108.2M in the corresponding quarter of the previous year (7.6% of revenues), an increase of about 21.5%.

Operating profit for the first nine months of 2025 totaled approximately NIS 384.2M (8.3% of revenues), compared with approximately NIS 330.1M in the corresponding period of the previous year (7.9% of revenues), an increase of about 16.4%. The increase in operating profit for the quarter and the period, compared with the corresponding periods of the previous year, is attributed to profit growth across all sectors.

Excluding the impact of first-time consolidation of the subsidiaries GAV Systems, Ortech, and Alacer, the company recorded organic operating profit growth of about 15.2% for the quarter and about 11.5% for the first nine months of 2025.

**Net profit** for the quarter reached a record of approximately NIS 84.3M (5.1% of revenues), compared with approximately NIS 69.7M (4.9% of revenues) in the corresponding quarter of the previous year, an increase of about 21%.

Net profit for the first nine months of 2025 amounted to approximately NIS 241.2M (5.2% of revenues), compared with approximately NIS 214.2M (5.1% of revenues) in the corresponding period of the previous year, an increase of about 12.6%.



**Net profit attributable to company shareholders** for the quarter reached a record of approximately NIS 78M (4.7% of revenues), compared with approximately NIS 64.4M (4.5% of revenues) in the corresponding quarter of the previous year, an increase of about 21.1%.

Net profit attributable to shareholders for the first nine months of 2025 amounted to approximately NIS 226.5M (4.9% of revenues), compared with approximately NIS 202.5M (4.8% of revenues) in the corresponding period of the previous year, an increase of about 11.8%.

**EBITDA** for the quarter reached a record of approximately NIS 182.8M (11.1% of revenues), compared with approximately NIS 155.5M in the corresponding quarter of the previous year (11% of revenues), an increase of about 17.6%.

EBITDA for the first nine months of 2025 totaled approximately NIS 534.4M (11.5% of revenues), compared with approximately NIS 467.9M in the corresponding period of the previous year (11.1% of revenues), an increase of about 14.2%.

**Dividend:** Matrix continues to distribute dividends in accordance with its regular dividend policy, under which up to 75% of net profit attributable to shareholders is distributed. With the publication of the third-quarter financial results, the company announced an additional dividend distribution of approximately NIS 57.9M (91 ag. per share).

**Moti Gutman, CEO of Matrix:** “Matrix concludes the third quarter of 2025 with all-time record results in all indicators: revenues, gross profit, operating profit, net profit, and EBITDA. We achieved high double-digit organic growth in revenues and profit from operations in Israel, driven by the leading position of Matrix in sectors experiencing increasing demand.

We continue to show record profit results quarter after quarter, with double-digit growth, despite the ongoing impact of the war and geopolitical changes during this period. The results reflect our leading position in the Israeli IT market, the strong market demand for the diverse value propositions of Matrix, and its business



resilience, expressed in its ability to meet ongoing challenges while leading in the most dynamic and rapidly growing markets and in adopting new technologies.

The defense division of the company, with its unique expertise in the fields of cyber and artificial intelligence, continues to benefit from strong demand for technological solutions and carries out international mega-projects. Defense operations continue to grow at an impressive pace, driving a significant increase in revenues and profit.

The cloud services sector is also showing sustained growth, supported by multi-year contracts that contribute to an increase in the share of annual recurring revenues (ARR) in total company revenues. In addition, our US operations continue the growth trend of recent quarters, with improvements in both revenues and profits, along with continued improvement of profitability ratios. The growth in operations and profit in the US derives from new business relationships and the gradual rollout of new projects in this sector since late 2024 and throughout 2025, and from improved utilization rates.

Matrix is entering the final stage of executing the merger of Magic into the company—the largest merger in the history of the IT market in Israel—subject to all required regulatory approvals, including approval by the special general company meeting scheduled for December. The company’s share performance in recent months clearly indicates the market’s confidence in the merger.

The merger represents a significant strategic move that will mark a quantum leap in the development of Matrix, positioning the company as one of the largest publicly traded IT services companies in the world. The value of the merged company is expected to exceed NIS 11B, and it will benefit from a broad international presence, particularly in the target market in the US.”

