



### **Matrix ends the year 2023 with all-time record results**

**Annual revenues grew by about 12% and crossed the NIS 5B mark to approximately NIS 5.2B**

**Annual operating profit increased by about 12.2% to approximately NIS 393M**

**Annual net profit increased by about 6% (excluding a one-time capital gain in 2022) to approximately NIS 247M**

**The company's results in the fourth quarter of 2023 show a continued increase in volume of activity, revenues, profits, and cash flow, despite a limited negative impact of the war.**

This morning, Matrix published its financial results for the fourth quarter of 2023 and for the entire year, which despite the consequences of the war, show continued growth in sales volumes, operating and net profits, and cash flow, posting all-time record results for 2023.

Matrix **revenues** for 2023 amounted to approximately NIS 5.2B compared to approximately NIS 4.67B in 2022, an **increase of about 12%**. Matrix revenues in the fourth quarter reached approximately NIS 1.3B compared to approximately NIS 1.2B in 2022, an **increase of about 8.4%**.

The **operating profit** in 2023 amounted to approximately NIS 393M, compared to approximately NIS 350M in 2022 (excluding a one-time capital gain recorded from the sale of most of its holdings in Infinity, a subsidiary of Matrix), an **increase of about 12.2%**. Operating profit in the fourth quarter reached approximately NIS 101M, compared to approximately NIS 94 million in 2022, an **increase of about 7.4%**.

Excluding an expense of approximately NIS 6.5M, which was incurred in the fourth quarter for the calling of company employees to the reserve duty (about 750 workers in the fourth quarter), the growth of the company's operating profit in the fourth quarter **reached about 14.4%**.

The **net profit** in 2023 amounted to approximately NIS 247M, compared to approximately NIS 233M in 2022 (excluding capital gain from the sale of Infiniti), an

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**increase of about 6%.** The net profit in the quarter amounted to approximately NIS 62M compared to approximately NIS 53M in the corresponding quarter of the previous year, an **increase of about 16.3%.**

The adjusted **EBITDA** in 2023 was approximately NIS 459M, compared to approximately NIS 407M in 2022, an **increase of about 12.9%.** The **adjusted EBITDA** in the fourth quarter was approximately NIS 119M compared to approximately NIS 108M in 2022, an **increase of about 9.5%.**

In 2023, MATRIX showed a positive cash flow from current operations in the amount of approximately NIS 496M compared to a positive cash flow from current operations of approximately NIS 387M in the corresponding period of the previous year, an **increase of about 28.1%.** As of 12.31.2023, the equity of Matrix amounts to approximately NIS 1.1B compared to approximately NIS 964.8M in 2022.

**Dividends.** With the publication of the reports, Matrix announced the distribution of a dividend in accordance with its dividend policy (a rate of up to 75% of the net profit attributable to the shareholders) for the profits in the second half of 2023, in the amount of NIS 80.7M (NIS 1.27 per share). The amount of dividends distributed by the company to its shareholders in the course of 2023 reached approximately NIS 169.6M (NIS 2.67 per share).

At the beginning of 2023, Matrix acquired 70% of the share capital of Zebra Technologies for approximately NIS 53M, a purchase that expands and enriches the company portfolio of technological solutions in the field of information and cyber security.

According to **Moti Gutman**, CEO of Matrix: "In the last year, Israeli society has gone through many upheavals. The latest of these, which we are still experiencing today, following the brutal attack of October 7 and the outbreak of the Iron Swords War, is perhaps the most difficult and tragic in the history of our country. In deep grief, Matrix honors the memory of its employees and their families, who were murdered and fell in the battles: the late Aviv Kotz, VP of the subsidiary company, Aviv, his wife Livnat and their children, Rotem, Yonatan, and Yiftah, who were brutally murdered, and the late sergeant major (Res.) Raphael Elias Moshioff, from the Offshore & R&D Services division, killed in battle. We share in the grief of all the families of the fallen and the murdered, and wish full and a speedy recovery to the injured. We pray and wish for the return of all the kidnapped as soon as possible and we fully back the security forces in this most important mission."

"Despite the effects of the war and the calling up of about 750 of our employees for reserve duty, in the fourth quarter of 2023, Matrix shows a continuing increase in volume of activity, revenues, profit, and cash flow in most activity sectors. In the first

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nine months of the year, which were marked by the struggle surrounding the judicial reform, Matrix showed a strong growth of about 13.2% in company revenues, and in the fourth quarter, a more moderate increase of about 8.4% was recorded because of the impact of the war. Yet, we still reached record results for the entire year of 2023, in all activity indicators – revenues, gross profit, operating profit, net profit, and net profit for the company shareholders. The cash flow from operation for 2023 also stood at an all-time high. As a result, this morning we announced a dividend in the amount of over NIS 80M, which will be distributed to company shareholders."

According to Gutman, "for 18 years, Matrix has been leading the information technology market in Israel and has been carrying out the most advanced, innovative, and complex IT projects in Israel. The ability of Matrix to continue showing record results consistently and over many years, including in times of economic, political, and security turbulence and challenges, attests to the professional leadership, the quality of the employees and managers in the company, the wide range of solutions we offer to our customers, our business flexibility, as well as the stability and financial strength of the company, which year after year is ranked as the leader in the IT market in Israel by all analysts. Thanks to our stability and financial strength, we have won an Aa3 rating from Midrug for the 16th year in a row."

"In 2023, we continued to win mega-projects, positioning Matrix as the leading player in the execution of large-scale multi-year integration projects in Israel. Among others, Dana Engineering subsidiary won the tender to manage the planning and execution of the construction of the metro line M1 of Gush Dan — the largest transportation project in Israel, which is estimated to last for about 13 years and cost approximately NIS 2 billion (of which our share is about 36%). Matrix Defense signed an agreement to develop and provide an advanced AI system on cloud infrastructure to a foreign country, in a project that will include data and analytics infrastructures and unique cyber protection capabilities, and is expected to last about two years, at a total cost of approximately \$40 million. Matrix Digital won a large-scale digital transformation project at one of the largest financial institutions in Israel, amounting to over NIS 100 million. These projects join others we won in the past, such as the establishment of the National Data Lake for the Central Bureau of Statistics, the upgrading and management of the technology and infrastructure system of Policy (the National Police College), the establishment of the credit pool for the Bank of Israel, and the establishment of a smart campus for Discount Bank."

"Matrix takes a significant part in the Nimbus project, which is expected to bring about a profound and significant change in all aspects of computing in the public sector. The basic tender for the Nimbus project was won by Amazon and Google, both leading

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business partners of Matrix. At the project level of the tender, Matrix won in all categories and received the permit to be an expert supplier for government bodies, to assist in moving government systems to the cloud. In layer 5, which deals with marketplace activity, Matrix is a central partner in accelerating products and services that will be provided through the marketplace in the cloud."

"Our operations in the US showed significant growth in 2023, with an increase of about 12% in revenues to approximately NIS 487M and an increase of about 26.5% in operating profit to approximately NIS 76.2M, increasing the rate of profitability. Our growth potential in the American market is great. We are extensively active in the financial sector, specializing in the prevention of financial crime, with all the regulations arising from it. We continue to expand our customer base in the US in all areas of our activity there, and carry out large-scale projects to prevent fraud and money laundering for the largest banks in the world, as well as expanding into additional activities, leveraging the connections and experience we have gained in this unique field."

"We are still in the middle of the war, of which we cannot predict the duration and development. But we entered the Iron Swords War crisis with Matrix in an excellent and solid business and financial position. Therefore, we estimate that the damage to the company business in the coming period will continue to be unsubstantial. From this point of view, we continue business as usual, and with about 800 open positions, we continue to actively recruit for employment in most advanced technologies. Matrix has a strong safety net, which stems from its financial solidity, the broad deployment of the company activities in all sectors of the economy and technologies, the stability of its customers, most of whom are large and financially stable companies and entities, and the growing global activity, which makes up a significant share of company profits. I am proud to point out that in this time of many challenges, the company and its employees rally to help by donating money, equipment, and by volunteering. I will mention only a few examples: we supported the command and control systems of local authorities under shelling, we installed dedicated systems in security bodies and IDF units for reinforcement and assistance in relevant tasks in the worlds of cyber, data, AI, and development, and we established a control center for drones for the Home Front Command and the police."

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Summary of consolidated profit reports for the years ending on December 31, 2023, and December 31, 2022, and for the fourth quarter ending on those dates (in thousands of NIS)

	For the year ending 31.12.23	For the year ending 31.12.22	Change in %	For 3 months ending 31.12.23	For 3 months ending 31.12.22	Change in %
Turnover	5,232,105	4,672,689	12.0%	1,320,690	1,218,785	8.4%
Cost of sales and services	4,467,925	4,000,682	11.7%	1,117,274	1,035,568	7.9%
<b>Gross profit</b>	<b>764,180</b>	<b>672,007</b>	<b>13.7%</b>	<b>203,416</b>	<b>183,217</b>	<b>11.0%</b>
<b>% of sales</b>	<b>14.6%</b>	<b>14.4%</b>		<b>15.4%</b>	<b>15.0%</b>	
Sales and marketing expenses	189,698	166,246	14.1%	51,275	45,896	11.7%
Management and general expenses	181,063	155,273	16.6%	51,129	43,269	18.2%
Operating profit before profit on realization of investment	<b>393,419</b>	<b>350,488</b>	<b>12.2%</b>	<b>101,012</b>	<b>94,052</b>	<b>7.4%</b>
<b>% of sales</b>	<b>7.5%</b>	<b>7.5%</b>		<b>7.6%</b>	<b>7.7%</b>	
Profit from the realization of investment in a subsidiary company	-	150,059	-	-	-	
<b>Operating profit</b>	<b>393,419</b>	<b>500,547</b>	<b>(21.4%)</b>	<b>101,012</b>	<b>94,052</b>	<b>7.4%</b>
Financing costs (net)	68,233	45,781	49.0%	18,908	23,854	(20.7%)
Profit before taxes	325,186	454,766	(28.5%)	82,104	70,198	17.0%
<b>Taxes on income</b>	<b>78,331</b>	<b>100,285</b>	<b>(21.9%)</b>	<b>20,183</b>	<b>16,953</b>	<b>19.1%</b>
<b>Net profit</b>	<b>246,855</b>	<b>354,481</b>	<b>(30.4%)</b>	<b>61,921</b>	<b>53,245</b>	<b>16.3%</b>
<b>%</b>	<b>4.7%</b>	<b>7.6%</b>		<b>4.7%</b>	<b>4.4%</b>	
<b>Net profit of:</b>						
Owners of capital rights in the company	227,333	334,669	(32.1%)	56,537	50,134	12.8%
Minority rights	19,522	19,812	(1.5%)	5,384	3,111	73.1%
<b>Net profit</b>	<b>246,855</b>	<b>354,481</b>	<b>(30.4%)</b>	<b>61,921</b>	<b>53,245</b>	<b>16.3%</b>
<b>%</b>	<b>4.7%</b>	<b>7.6%</b>		<b>4.7%</b>	<b>4.4%</b>	
<b>EBITDA<sup>1</sup></b>	<b>597,038</b>	<b>512,713</b>	<b>16.4%</b>	<b>155,020</b>	<b>137,139</b>	<b>13.0%</b>
<b>%</b>	<b>11.4%</b>	<b>11.0%</b>		<b>11.7%</b>	<b>11.3%</b>	

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

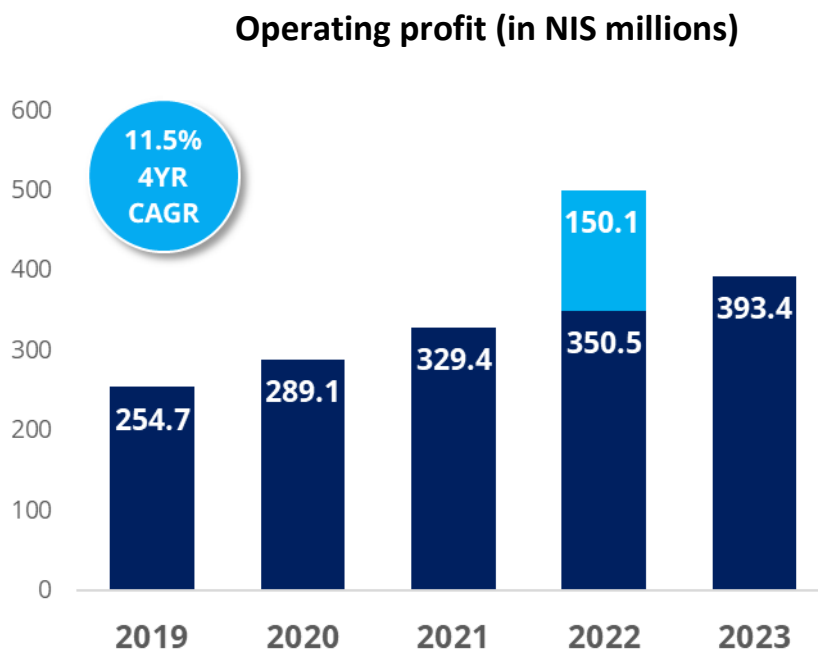
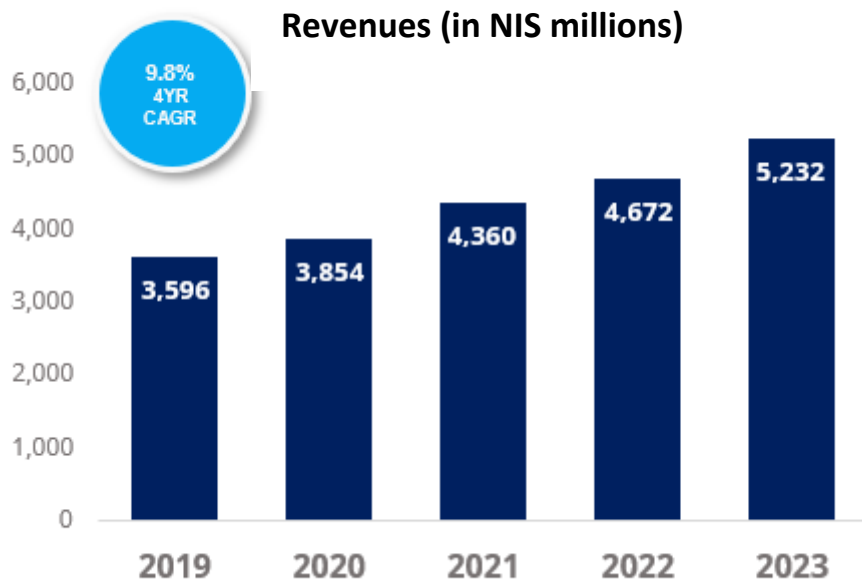
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## Matrix performance in the last 5 years



\* The year 2022 includes a capital gain from the realization of an investment in Infiniti in the amount of NIS 150.1M

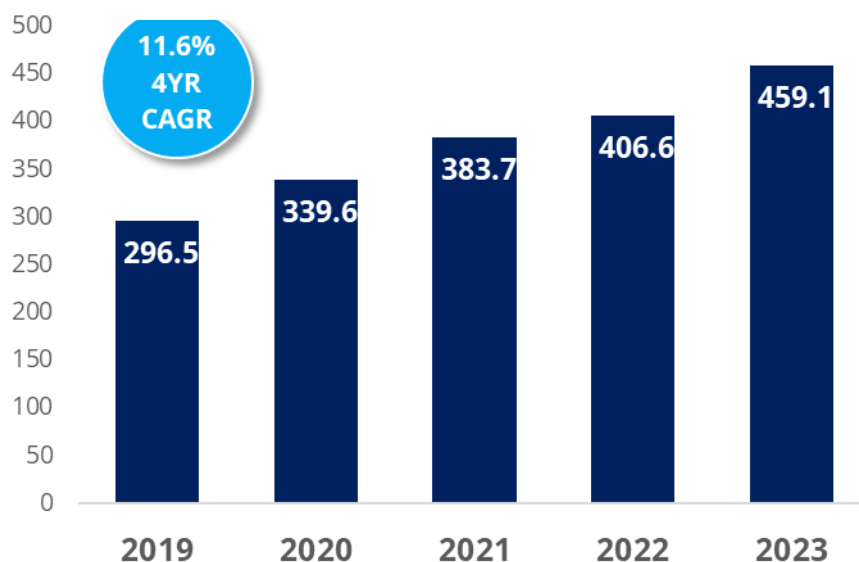
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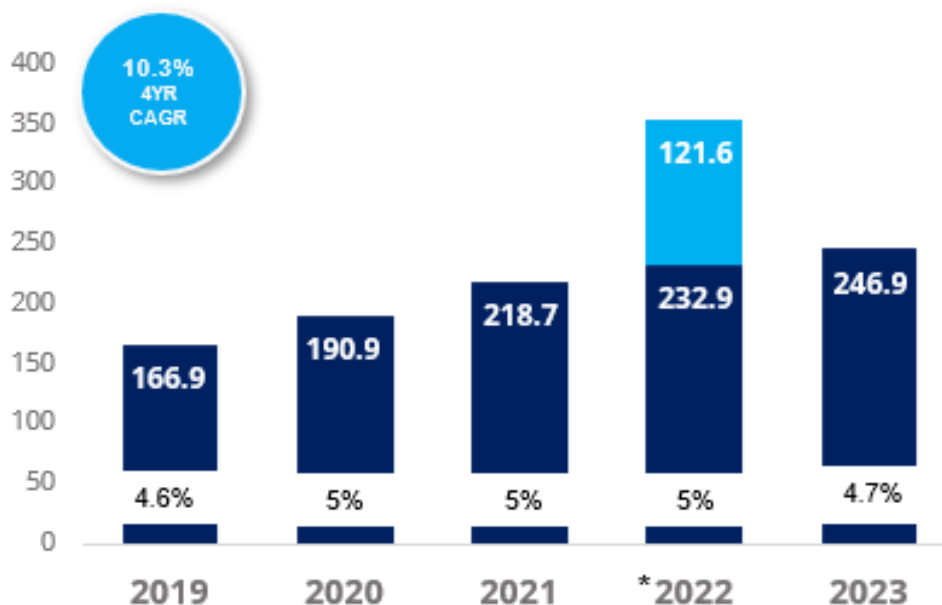
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### Adjusted EBITDA (in NIS millions)



### Net profit (in NIS millions)



\* The year 2022 includes a capital gain from the realization of an investment in Infiniti in the amount of NIS 150.1M gross and NIS 121.6M after tax

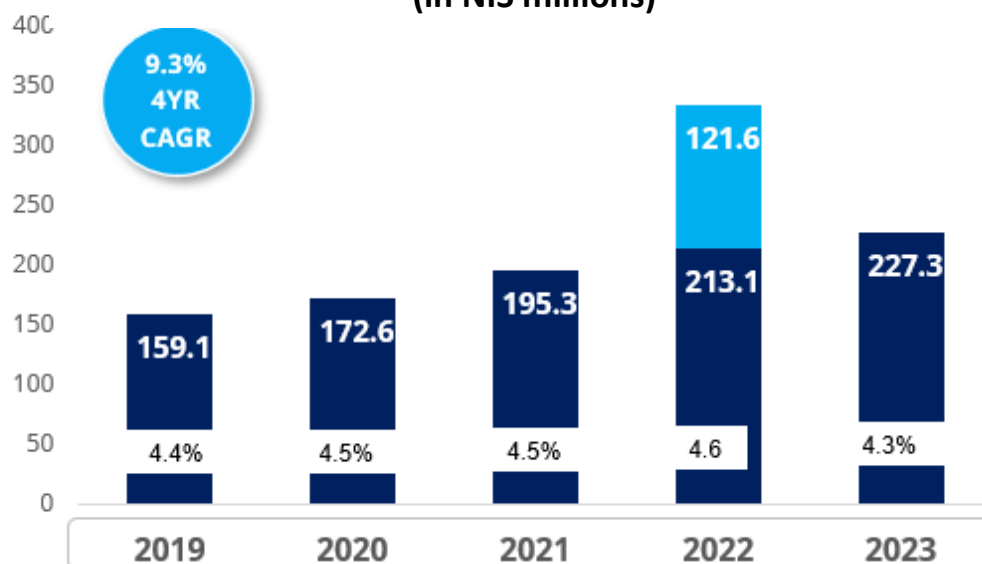
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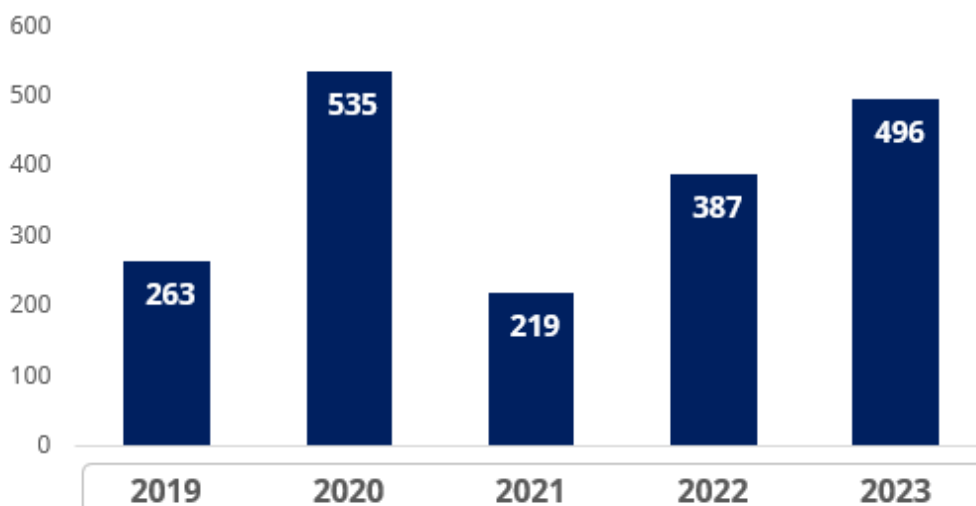
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### Profit of shareholders in the company (in NIS millions)



### Cash flow from ongoing operations (in NIS millions)



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#### **About Matrix**

Matrix (Stock Exchange: Matrix), which employs about 11,200 people, is the leading information technology company in the Israeli market, and carries out extensive operations in the US and Europe. In the age of digital acceleration, Matrix is leading the market in adopting groundbreaking technologies, methodologies, and tools, creating tremendous value for its customers. Matrix provides a 360-degree toolkit and is engaged in the implementation and integration of some of the largest strategic consulting projects in the country, the development and implementation of technologies and enterprise applications, local and cloud infrastructure and service solutions, outsourcing services, offshore and nearshore services, training and deployment, the representation and marketing of leading software products, and more. The company is at all times at the forefront of innovation as it develops and implements innovative technologies in the fields of cloud, cyber, digital, big data, artificial intelligence, machine learning, IoT, automation, augmented reality, and more. The company operates in many sectors, most prominent of which are the security, technology, engineering, government, health, and financial sectors. Matrix is a business leader. For over 18 years, the research companies IDC, STKI, and Gartner have been ranking it in first place in the software services industry in Israel.

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