



Investors Meeting

Financial Statements as at 31.12.2024



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Record results in Q4 and in FY 2024



Clarifications

- The presentation contains forecasts, estimates and plans of the Company regarding its operations and other information about future events and matters, which constitute forward facing information, as defined in the Securities Law 5728-1968, and realization thereof is uncertain and may be affected by factors that are unforeseeable or beyond the Company's control. Therefore, the Company is uncertain whether its forecasts and/or estimates and/or plans will be realized, in whole or in part, or whether they will be realized differently than expected, *inter alia*, due to factors beyond the its control, changes in market conditions and the business and competition environment, as well as materialization of any of the Company's risk factors.
- The presentation includes, *inter alia*, information from various publications as well as data received from external sources (noted in the presentation), and macroeconomic facts and figures, the contents of which have not been reviewed by the Company independently, including slides relating to analyst ratings, all as known by the Company at the time of preparation of the presentation.
- For the avoidance of doubt, we note that the Company does not undertake to update and/or change the information included in this presentation.
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Achievements in 2024

Matrix presents consistent improvement in its results and all-time record sales, gross profit, operating profit, net profit, net profit attributable to shareholders, cash flows, and EBITDA

- Double digit organic growth in sales(*) and in operating profit
- Over 20% growth in operating profit in Israel
- A surge in ARR in cloud infrastructure operations
- Acceleration in the fields of digital, data and core system modernization
- Continued growth in sales and profits in our defense division, which specializes in the fields of cyber and AI
- AI "civilian" capabilities across Matrix generate growth in our infrastructure, cloud computing, software, and services segments
- Significant growth in business sector cyber-defense operations
- Continued M&A trend - acquisition of Alacer, Ortech in Q4 and Gav Systems in Q1/25

(*) In 2024, there was an increase in the revenues from transactions, that, according to IFRS, are recognized on a net basis (most of the increase was in the cloud and computing infrastructure segment). This affects the Company's revenue volume, revenue growth rate, and profitability margin. More information later in this presentation.

Fourth quarter 2024

Growth to an all-time high in sales, gross profit, operating profit, net income, net earnings attributable to shareholders, and cash flows, despite the impact of the Jewish High Holidays - 5.2% less working hours during the fourth quarter compared to the corresponding quarter

Sales - 4.1% growth to NIS 1.37 billion 10.2% growth to a record NIS 1.46 billion after adjusting for income accounted for on a net basis (*)

Gross profit - 7.7% growth to a record NIS 219 million, improving its margin to 15.9%.

Operating profit - 18.8% growth to a peak of NIS 120 million , improving its margin to approximately 8.7% despite a decrease of 5.2% in working hours during the quarter due to the timing of the holidays

Net income - 19.5% growth to a record - NIS 74 million while improving its margin to 5.4%

Net earnings attributable to shareholders - 23.6% growth to a record of NIS 69.9 million while improving its margin to approximately 5.1%

EBITDA - 9% growth to NIS 168.9 million while improving its margin to approximately 12.3%

Cash flow from operating activities - a record NIS 335 million

(*) In 2024, there was an increase in the revenues from transactions, that, according to IFRS, are recognized on a net basis (most of the increase was in the cloud and computing infrastructure segment). This affects the Company's revenue volume, revenue growth rate, and profitability margin. More information later in this presentation.

1-12/2024 compared to the corresponding period:



Growth to all-time highs in sales profit, operating profit, EBITDA, net income, net earnings attributable to shareholders, and cash flows

Despite prolongation of the War's Impact

Sales – 6.6% growth to a record NIS 5.6 billion. 10% growth to a record NIS 5.76 billion after adjusting for sales recognized on a net basis (*)

Gross profit - 9% growth to a record NIS 833 million, improving its margin to 14.9%.

Operating profit - 14.4% growth to a record NIS 450 million while improving its margin to 8.1%

Net income - 16.8% growth to a record - NIS 288.2 million while improving its margin to 5.2%

Net earnings attributable to shareholders – 19.8% growth to a record of NIS 272.4 million while improving its margin to approximately 4.9%

EBITDA - 6.7% growth to a record NIS 636.9 million at a margin of 11.4%

Cash flow from operating activities – 24.8% growth to a record NIS 619 million

(*) In 2024, there was an increase in the revenues from transactions, that, according to IFRS, are recognized on a net basis (most of the increase was in the cloud and computing infrastructure segment). This affects the Company's revenue volume, revenue growth rate, and profitability margin. More information later in this presentation.

Financial Statements

31.12.2024



Key data from the statement of profit and loss – 1-12/2024 compared to the corresponding period

Key results (in NIS millions)



	1-12 2024	1-12 2023	Change in %
Sales*	5,580	5,232	6.6%

(*) Net of the effect of the increase in sales presented on a net basis – 10% growth

(**) Earnings before interest, taxes, depreciation and amortization

Key corporate results, net of the increase in sales presented on a net basis (in NIS thousands)



	1-12/2024	1-12/2023	%	Q4/2024	Q4/2023	%
Sales	5,579,538	5,232,105	6.6%	1,374,283	1,320,690	4.1%
Adjustments for the increase in sales accounted for on a net basis	177,441	-		81,173	-	
Adjusted sales	5,756,979	5,232,105	10%	1,455,456	1,320,690	10.2%
Operating profit	450,074	393,419	14.4%	119,960	101,012	18.8%
% of sales	7.8%	7.5%		8.2%	7.6%	

During the quarter and the period, there was an increase in revenues from transactions, that, according to IFRS, are recognized on a net basis (most of the increase was in the cloud and computing infrastructure segment). This affects the Company's revenue volume, revenue growth rate, and profitability margin

Key corporate results, net of the increase in sales presented on a net basis (in NIS thousands)



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Operating profit	450,074	393,419	14.4%	119,960	101,012	18.8%
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Key figures from the statement of profit and loss - Q4 2024, compared to the corresponding quarter

Key results (in NIS millions)



	Q4 2024	Q4 2023	Change in %
Sales*	1,374	1,321	4.1%
Gross profit	219	203	7.7%
SG&A	99	102	(3.3%)
Operating profit	120	101	18.8%
Financing expenses, net	19	19	2.1%
Taxes on income	27	20	32.2%
Net income	74	62	19.5%
Net earnings attributable to Company shareholders	70	57	23.6%
EBITDA**	169	155	9%

Gross profit margin	15.9%	15.4%	
SG&A margin	7.2%	7.8%	
Operating profit margin	8.7%	7.6%	
Net income margin	5.4%	4.7%	

(*) adjusted to the effect of the increase in sales presented on a net basis - 10.2% growth

(**) Earnings before interest, taxes, depreciation and amortization

Key data from the statement of profit and loss – 1-12/2024 compared to the corresponding period

Key results (in NIS millions)



	1-12 2024	1-12 2023	Change in %
Sales*	5,580	5,232	6.6%
Gross profit	833	764	9%
SG&A	383	371	3.3%
Operating profit	450	393	14.4%
Financing expenses, net	67	68	(2%)
Taxes on income	95	78	21.3%
Net income	288	247	16.8%
Net earnings attributable to Company shareholders	272	227	19.8%
EBITDA**	637	597	6.7%

Gross profit margin	14.9%	14.6%	
SG&A margin	6.9%	7.1%	
Operating profit margin	8.1%	7.5%	
Net income margin	5.2%	4.7%	

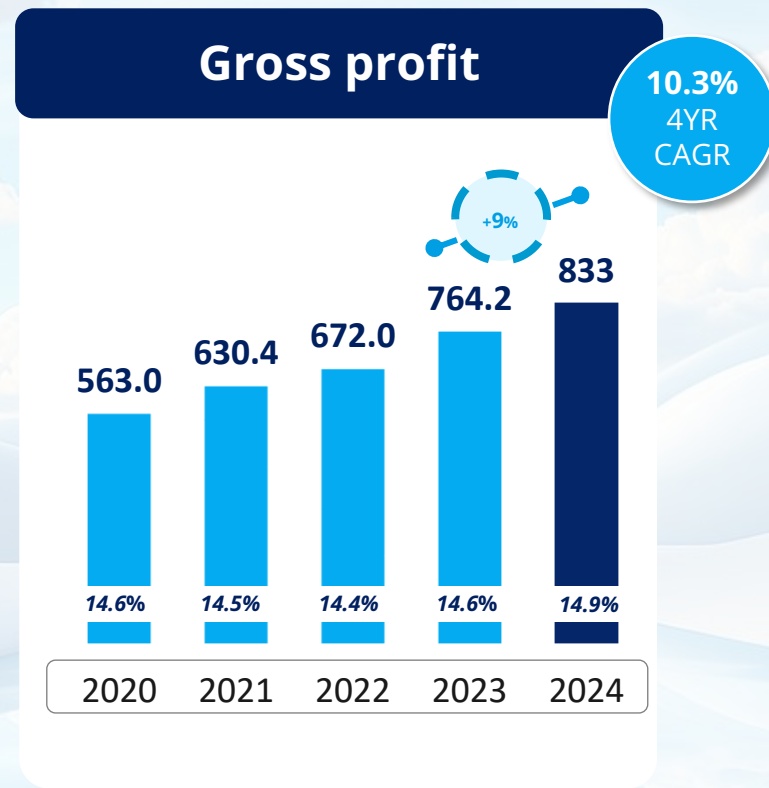
(*) adjusted to the effect of the increase in sales presented on a net basis – 10% growth

(**) Earnings before interest, taxes, depreciation and amortization

Summary of FY 2024:

Continued improvement in results over the years

Consistent growth in sales and profits (in NIS millions)



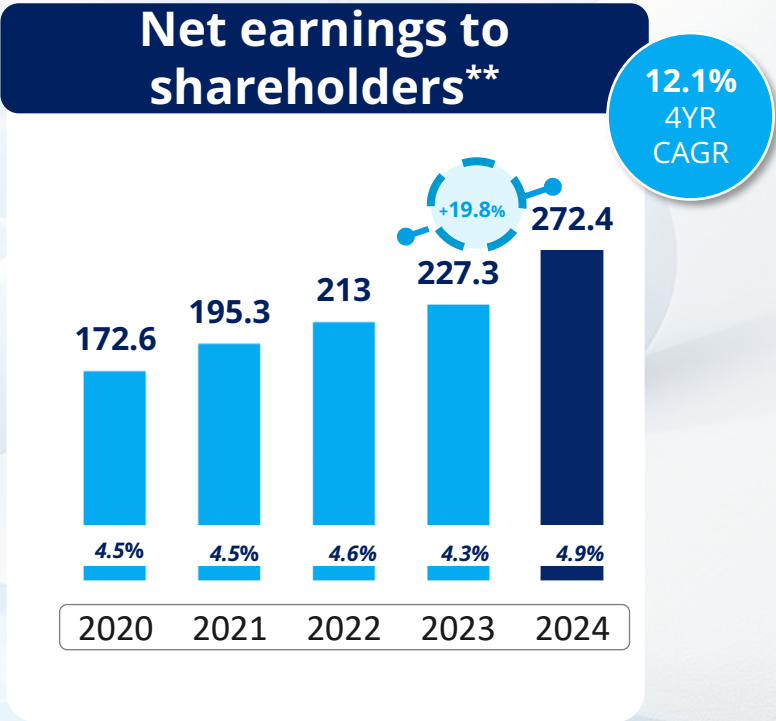
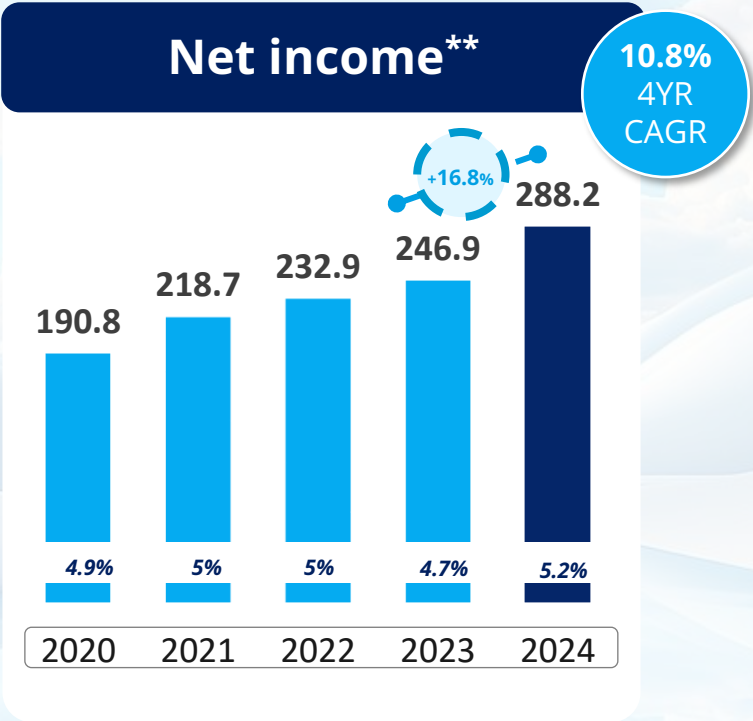
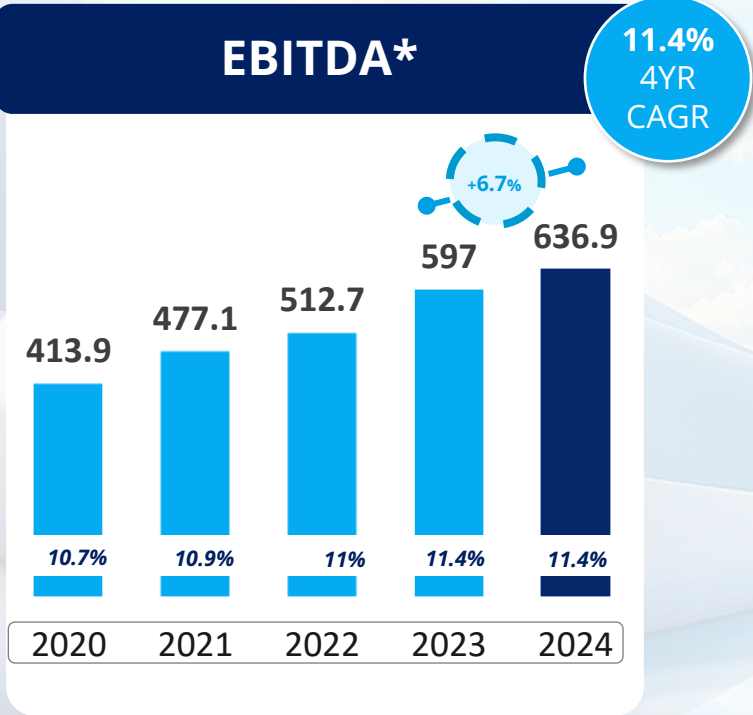
(*) adjusted to the increased sales presented on a net basis; growth in sales in 2024 amounted to 10%

(**) In 2022 - excluding profit from the realization of an investment in a subsidiary (NIS 150 million)

Summary of FY 2024 - Continued improvement in results over the years

Consistent growth in sales and profits (in NIS millions)

Financing expenses, net (in NIS millions)		
	FY 2024	FY 2023
Interest, commissions, and other (net)	25.4	39.5
Exchange rate differences	14.3	1.4
Accounting finance expenses	27.1	27.3
Total financing expenses (net)	66.8	68.2



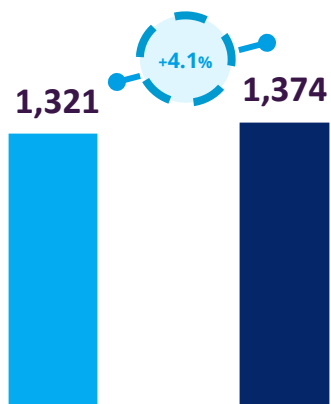
(*) Earnings before interest, taxes, depreciation, and amortization, and before capital gains and realization of an investment
(**) In 2022 - excluding profit from the realization of an investment in a subsidiary, net of tax (NIS 121 million)

Q4 2024 Summary – organic growth

Key results (in NIS millions)



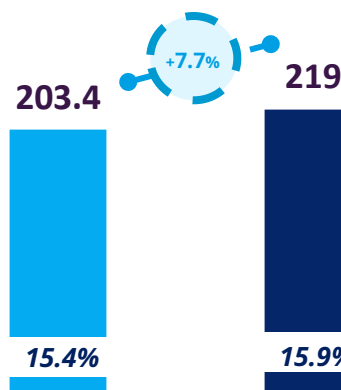
Sales



Q4 2023 Q4 2024

4.1% sales growth
to NIS 1.37 billion
10.2% after adjusting for
sales recognized on a net
basis

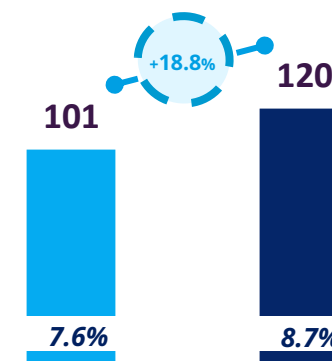
Gross profit



Q4 2023 Q4 2024

7.7% growth in gross profit
to NIS 219 million, with an a
profit margin increase to 15.9%

Operating profit



Q4 2023 Q4 2024

**18.8% growth in operating
profit**
to NIS 120 million, a profit
margin increase of 8.7%
**(despite 5.2% less working
hours during the quarter)**

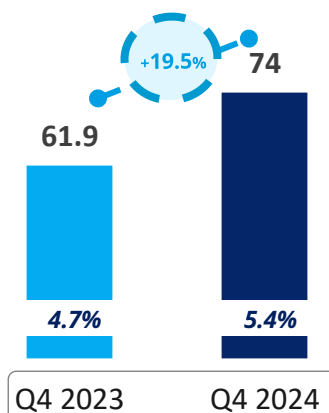
Q4 2024 Summary – Organic Growth

Key results (in NIS millions)

Financing expenses, net (in NIS millions)

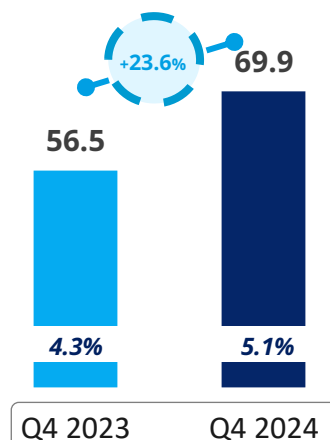
	Q4 2024	Q3 2023
Interest, commissions, and other (net)	6.1	8.4
Exchange rate differences	4.6	5.9
Accounting finance expenses	8.6	4.6
Total financing expenses (net)	19.3	18.9

Net income



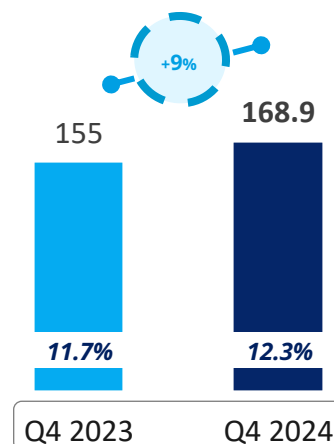
19.5% growth in net income to NIS 74 million

Net earnings to shareholders



23.6% growth in net earnings to shareholders to NIS 69.9 million

EBITDA*



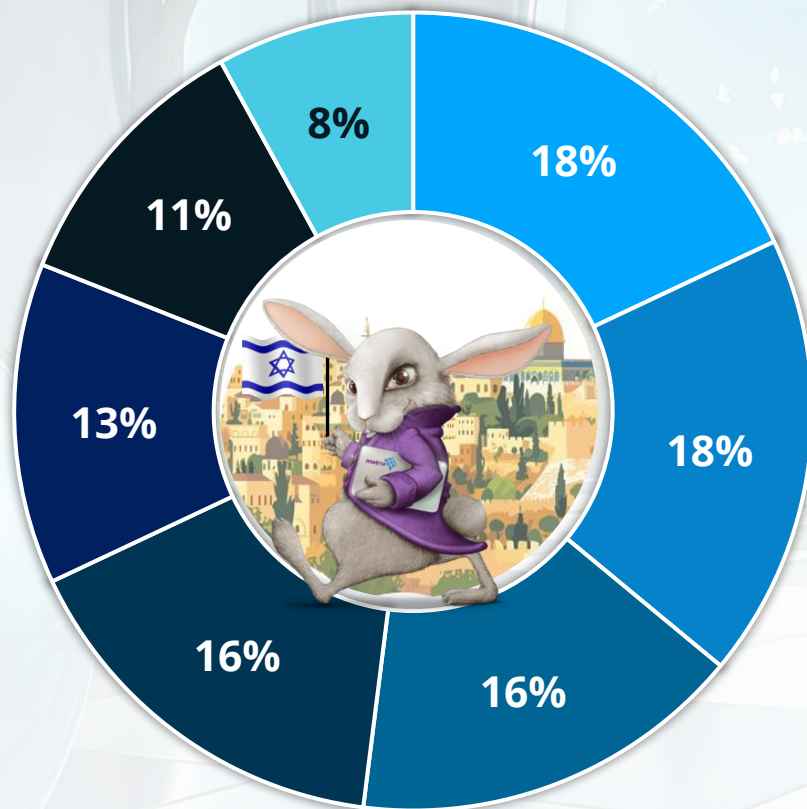
9% growth in adjusted EBITDA to NIS 168.9 million

(*) Earnings before interest, taxes, depreciation and amortization

Operations in Israel



Breakdown of sales by customer industry



- Government
- Financial
- Hi-Tech
- Industry, Communications, and Retail
- Health and Transportation
- Defense
- Other

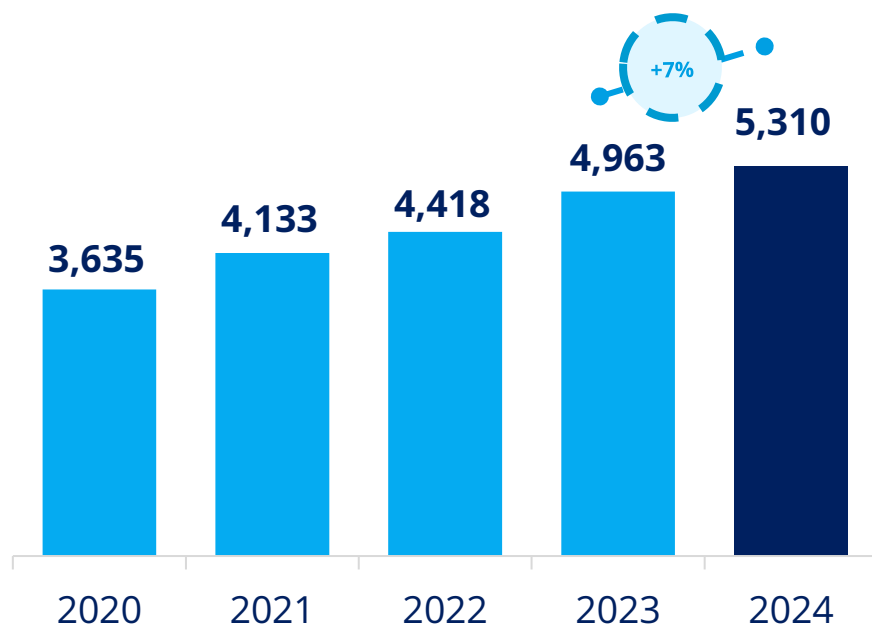
Operations in Israel * FY2024

(in NIS millions)



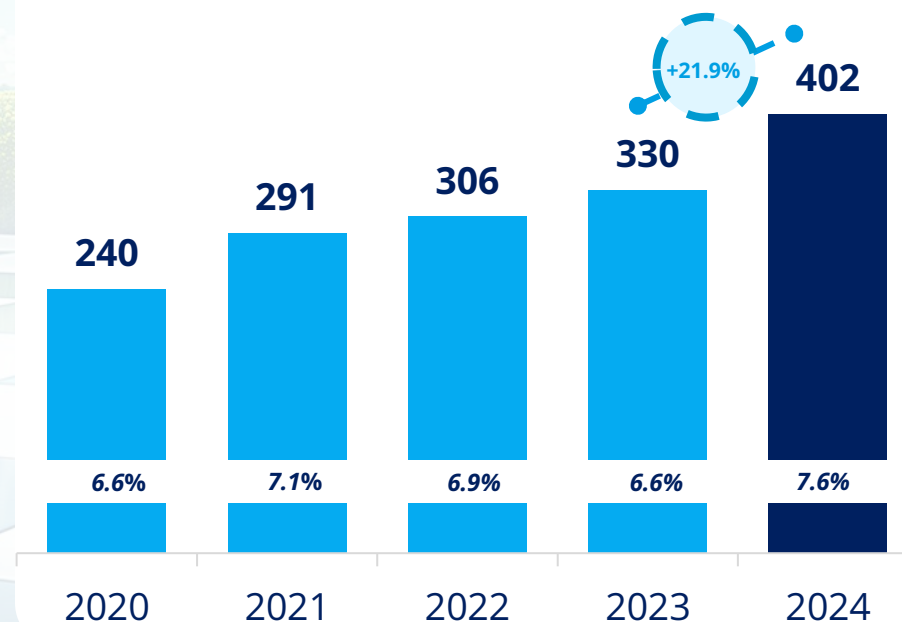
7% growth in sales
10.2% growth after adjustment of
sales recognized on a net basis

9.9%
4YR
CAGR



21.9% growth in operating profit

13.7%
4YR
CAGR



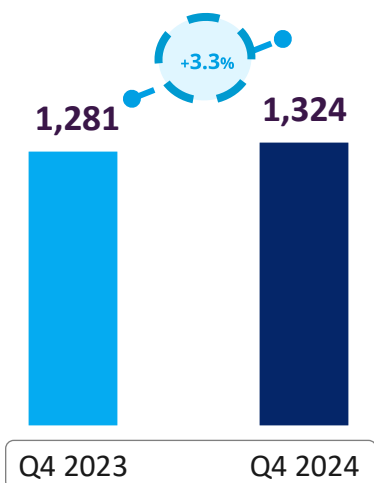
(*) Including immaterial operations in Europe

Operations in Israel * Q4 2024

(in NIS millions)

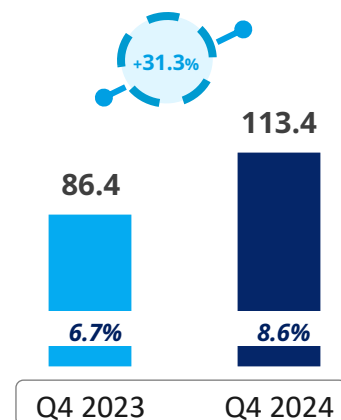


Sales



3.3% sales growth;
7.8% growth after adjusting for
revenue recognized on a net basis

Operating profit



31.3% growth in operating
profit to NIS 113.4 million

(*) Including immaterial operations in Europe

Operating segments in Israel – Q4 2024

(in NIS thousands)

	Sales			Operating profit		
	Q4/2024	Q4/2023	%	Q4/2024	Q4/2023	%
Information technology solutions and services, consulting, and management in Israel <i>Profit margin (%)</i>	819,026	780,292	5%	65,439 8%	47,930 6.1%	36.5%
Cloud and computing infrastructures <i>Profit margin (%)</i>	385,920	395,741	(2.5%)	27,980 7.3%	23,372 5.9%	19.7%
Marketing and support of software products <i>Profit margin (%)</i>	118,819	105,264	12.9%	20,012 16.8%	15,091 14.3%	32.6%

Operating segments in Israel – 2024

(in NIS thousands)



	Sales			Operating profit		
	2024	2023	%	2024	2023	%
Information technology solutions and services, consulting, and management in Israel	3,337,267	3,119,493	7%	250,113	205,658	21.6%
Profit margin (%)				7.5%	6.6%	

- **The effect of seasonality during the fourth quarter** – impressive growth in operating profit in the fourth quarter despite a decrease of 5.2% in working hours compared to the corresponding quarter
- **Growth in digital, cyber, cloud, data, and AI operations - fields in which Matrix is a market leader**
- **Extensive and increasing operations with the security and defense establishment.**
- **Mega projects in the field of IT and engineering - provide high visibility over time**

Operating segments in Israel – 2024

(in NIS thousands)



	Sales			Operating profit		
	2024	2023	%	2024	2023	%
Information technology solutions and services, consulting, and management in Israel	3,337,267	3,119,493	7%	250,113	205,658	21.6%
<i>Profit margin (%)</i>				7.5%	6.6%	
Cloud and computing infrastructures	1,515,931	1,514,019	0.1%	106,405	87,957	21%
<i>Profit margin (%)</i>				7%	5.8%	

- See below

Cloud and computing infrastructures -

Results net of the increase in the volume of sales presented on a net basis (in NIS thousands)

	1-12/2024	1-12/2023	%	Q4/2024	Q4/2023	%
Sales	1,515,931	1,514,019	0.1%	385,920	395,741	(2.5%)
Adjustments for the increase in sales accounted for on a net basis	158,180	-		68,378	-	
Adjusted sales	1,674,111	1,514,019	10.6%	454,298	395,741	14.8%
Operating profit	106,405	87,957	21%	27,980	23,372	19.7%
% of sales	6.4%	5.8%		6.2%	5.9%	

- **Growth in volume of operations**, with an emphasis on sales, marketing, and integration of IT systems, marketing, implementation, and support of advanced technologies
- Increase in the volume of **EDP cloud transactions**, whose revenues are displayed on a **net basis** – multi-year engagements that generate high visibility going forward
- In the quarter and the period – a blend of transactions with relatively **high profitability**
- Segmental results in the fourth quarter were also positively affected by the first-time consolidation of Ortech as of December 2024.

Operating segments in Israel – 2024

(in NIS thousands)



	Sales			Operating profit		
	2024	2023	%	2024	2023	%
Information technology solutions and services, consulting, and management in Israel						
	3,337,267	3,119,493	7%	250,113	205,658	21.6%
<i>Profit margin (%)</i>				7.5%	6.6%	
Cloud and computing infrastructures						
	1,515,931	1,514,019	0.1%	106,405	87,957	21%
<i>Profit margin (%)</i>				7%	5.8%	
Marketing and support of software products	456,765	329,727	38.5%	45,364	36,123	25.6%
<i>Profit margin (%)</i>				9.9%	11%	

- Continued organic growth in the volumes of operations with a high ARR component
- Increased customer procurement of software products to defend against cyber attacks, digital acceleration, cloud solutions, data, and AI.
- The decrease in profit margin compared to the previous year is attributed to the blend of transactions

US Operations



Operating Segments – Q4 2024

(in NIS millions)

	Sales			Operating profit		
	Q4/2024	Q4/2023	%	Q4/2024	Q4/2023	%
Information technology solutions and services, consulting, and management in Israel						
	819	780.3	5%	65.4	47.9	36.5%
<i>Profit margin (%)</i>				8%	6.1%	
Cloud and computing infrastructures						
	385.9	395.7	(2.5%)	28	23.4	19.7%
<i>Profit margin (%)</i>				7.3%	5.9%	
Marketing and support of software products						
	118.8	105.3	12.9%	20	15.1	32.6%
<i>Profit margin (%)</i>				16.8%	14.3%	
IT solutions and services, consulting, and management in the US	112.4	130	(13.6%)	16.5	23.2	(29%)
<i>Profit margin (%)</i>				14.7%	17.9%	

Operating segments – 2024

(in NIS millions)



	Sales			Operating profit		
	2024	2023	%	2024	2023	%
Information technology solutions and services, consulting, and management in Israel						
	3,337.3	3,119.5	7%	250.1	205.7	21.6%
<i>Profit margin (%)</i>				7.5%	6.6%	
Cloud infrastructures and computing						
	1,515.9	1,514.1	0.1%	106.4	88	21%
<i>Profit margin (%)</i>				7%	5.8%	
Marketing and support of software products						
	456.8	329.7	38.5%	45.4	36.1	25.6%
<i>Profit margin (%)</i>				9.9%	11%	
IT solutions and services, consulting, and management in the US	460.9	487.2	(5.4%)	66.9	76.2	(12.2%)
<i>Profit margin (%)</i>				14.5%	15.6%	

- The decrease in sales and operating profit is due primarily to the finalization of several GRC projects
- This decrease was partially compensated for by new customer engagements that are expected to be fully reflected in the scope of operations and earnings amounts for 2025.

US Operations



The decrease in sales and earnings during the quarter and during the period are primarily due to the finalization of large GRC projects, compensated for in part by new projects we secured during the second half of the year.

However, we are positive about the GRC market in the coming years:

Regardless of political shifts, anti-money laundering compliance is here to stay as a critical function, and the market for AML technology will keep growing. Financial institutions are expected to further embrace cutting-edge solutions (**AI-driven platforms**, cloud compliance utilities, integrated risk intelligence) to stay ahead of increasingly sophisticated financial crimes

(pymnts.com)



US Operations



The decrease in sales and earnings during the quarter and during the period are primarily due to the finalization of large GRC projects, compensated for in part by new projects we secured during the second half of the year.

However, we are positive about the GRC market in the coming years:

PYMNTS

PYMNTS TV

Today

B2B

Retail

Fintech

Digital Transformation

Crypto

AI

Regulators: Financial Crime Enforcement Will Remain Priority Under Trump

BY PYMNTS | NOVEMBER 14, 2024

|

Banking regulators say a change in presidential administrations won't change their approach to financial crime.

While Donald Trump may be focused on deregulation, banking industry experts at a conference in New York this week say financial crime will remain a bipartisan focus, Reuters [reported](#) Wednesday (Nov. 13).

Preventing criminals from using banks for financial crimes "has been a priority area and you are going to see enforcement actions" that highlight compliance with the Bank Secrecy Act (BSA), said [Whitney Case](#), associate director of the enforcement and compliance division at the Treasury Department's [Financial Crimes Enforcement Network](#) (FinCEN).

US Operations

The decrease in sales and earnings during the quarter and during the period are primarily due to the finalization of large GRC projects, compensated for in part by new projects we secured during the second half of the year.

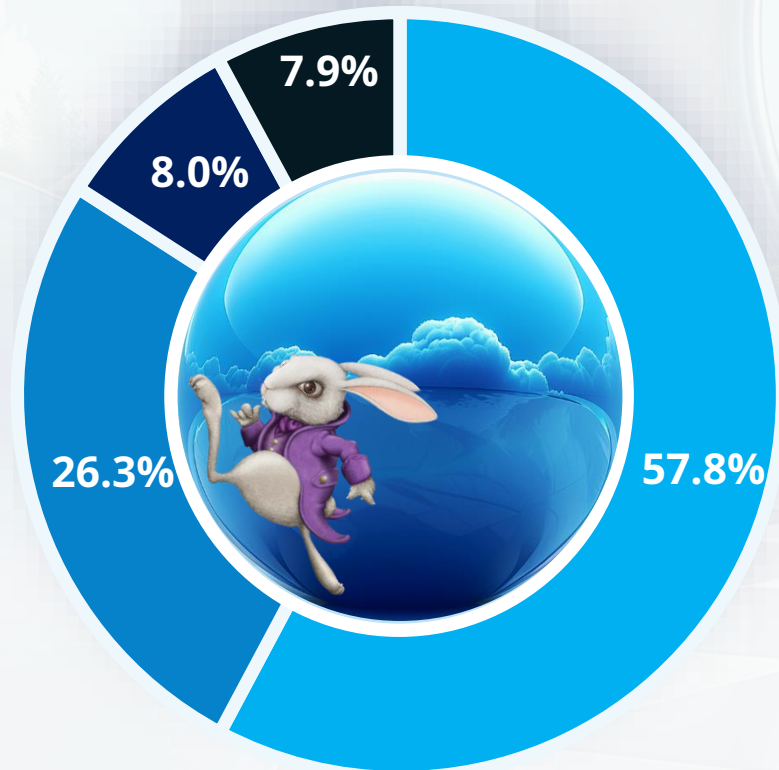
However, we are positive about the GRC market in the coming years:

- The new projects we have secured provide us with **good clarity for the coming year**
- **Expanding the “advisory” field** (organic and reinforced by Alacer) reduces dependence on new sales by software product vendors of AML (Nice, SAS, Oracle, and others)
- With the advent of **AI**, the use of self-developing banking AI solutions is increasing, with Matrix’s help

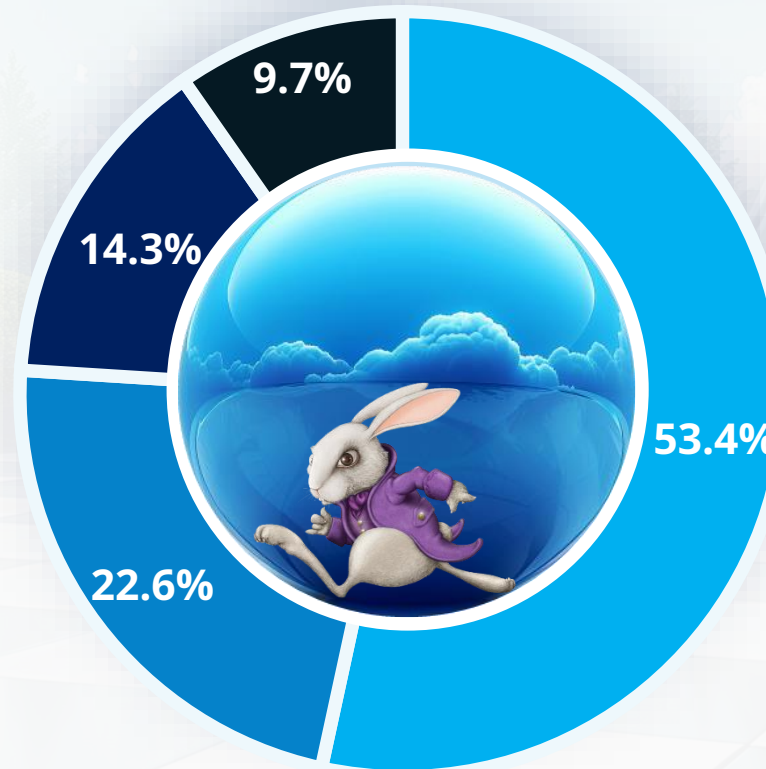


Breakdown of Sales and profit by operating segment in 2024

Sales



Contribution to profits



- Software Services
- Cloud and Computing Infrastructures
- US Operations
- Software Products

Financial indexes

Backlog

(in NIS millions)



	Backlog 31 December 2024 - Adjusted for accounting effects	Adjustments for the increase in sales accounted for on a net basis	Backlog 31 December 2024	Backlog 31 December 2023
Backlog for the coming year	5,078	110	4,968	4,552
<i>% change</i>	11.5%		9.1%	
From the end of the year onward	2,365	304	2,061	2,332
Total backlog	7,443	414	7,029	6,884
<i>% change</i>	8.1%		2.1%	

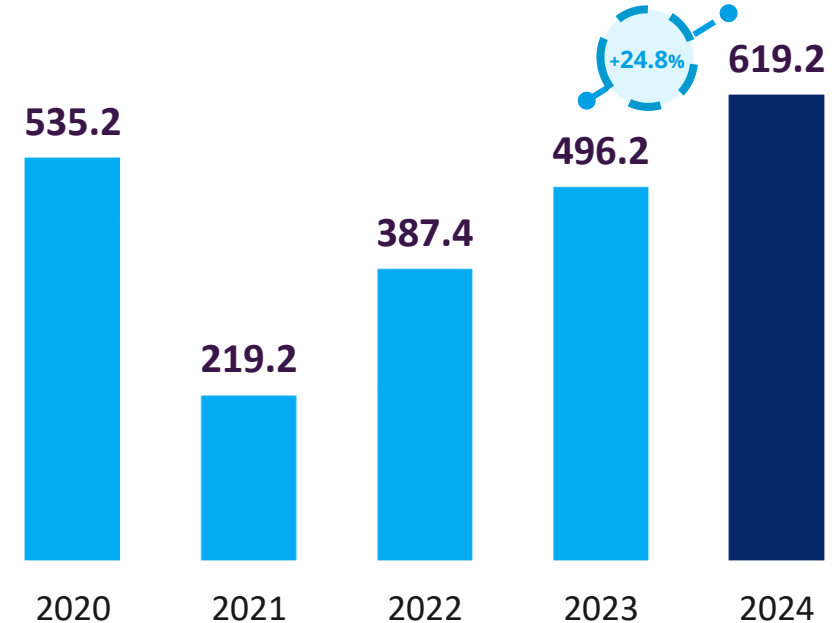
- The backlog is affected by the increase in volume of sales presented on a net basis - mainly in respect of multi-year EDP cloud transactions. Therefore, we also present backlog net of these accounting effects.
- The backlog also includes the Gav Systems backlog as at 31.12.2024 in order to reflect more appropriately the backlog looking ahead, even though its Quisition was completed after the report date.
- For additional details, see Section 8 of Chapter A (Description of the Corporation's Business) in the 2024 annual financial statements

Financial indexes

(in NIS millions)

	31.12.2024	31.12.2023
Cash and cash equivalents	668	640
Unused credit facilities*	1,229	1,448
Total liquid assets	1,897	2,088
* Of which NIS 300 million committed credit facilities		
Aa3 credit rating from Midroog (rating confirmation in March 2024)		

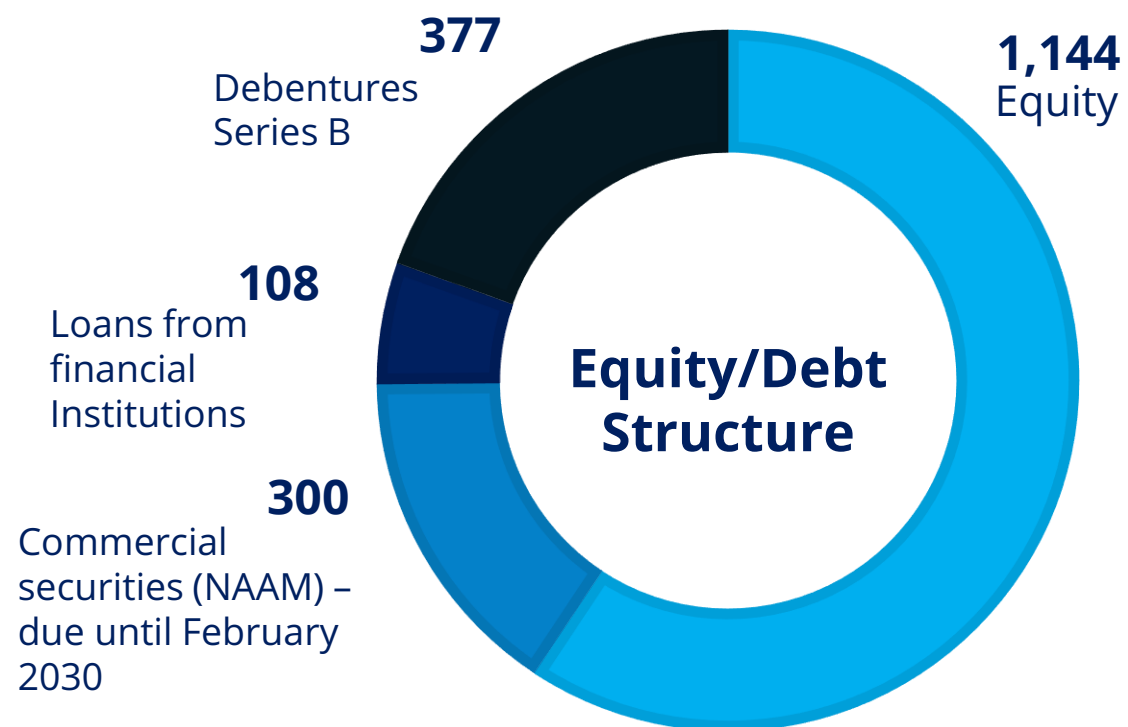
Cashflows from current operations



Growth of approximately 25% in cash flows from operating activities for a record NIS 619 million.

Financial indexes

(in NIS millions)



(*) Earnings before interest, taxes, depreciation and amortization, and net of the effect of IFRS 16 - Leases

	31.12.2024	31.12.2023
Equity	1,144	1,107
% of total balance sheet	25.5%	27.4%
Gross financial debt	785.1	956.4
Net debt – short-term and long-term credit, net of cash and cash equivalents	116.6	316.1
Current ratio	1.1	1.2
Net debt to balance sheet ratio	2.6%	7.8%
Net debt to EBITDA* ratio (adjusted)	0.23	0.69

Continued reduction of financial debt:

- **Gross debt decreased** in 2024 by approximately NIS 171 million
 - **Net debt decreased** in 2024 by approximately NIS 200 million
- Improving coverage and liquidity ratios**

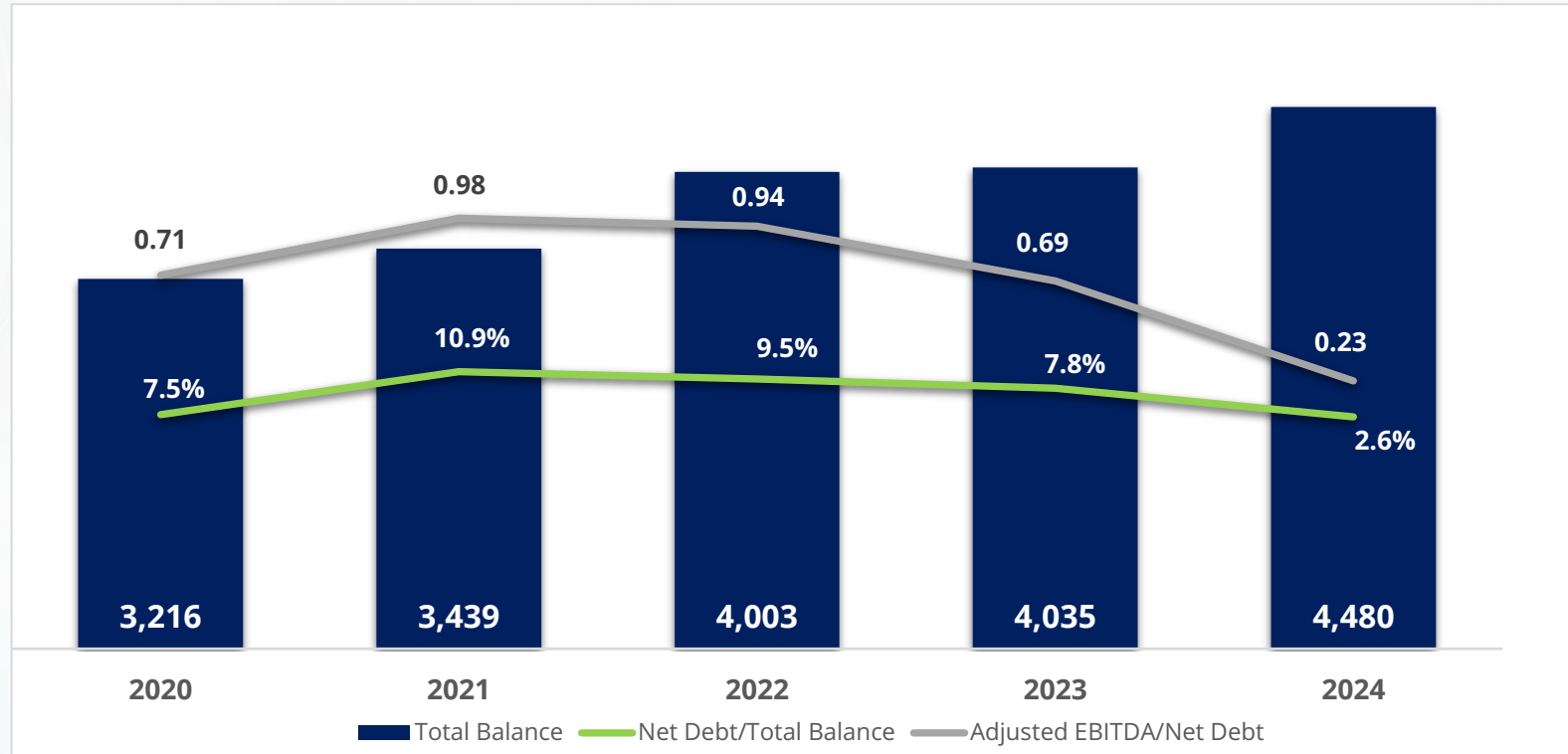
Segmentation of financing expenses – Continued decline and stabilization in cash flow interest expenses (in NIS millions)



	2024	2023	Change	Change in %
Interest and commission expenses (net)	25.4	39.5	(14.1)	(35.6%)
Accounting and exchange rate differences	41.4	28.7	12.7	44.3%
Total financing expenses (net)	66.8	68.2	(1.4)	(2%)

Financial indexes

(in NIS millions)



Improving coverage ratios, alongside continued increase in volume of operations and significant investments, including the acquisition of companies and an increase in holdings in subsidiaries

(*) Earnings before interest, taxes, depreciation and amortization, before capital gains and realization of an investment, and net of the effect of IFRS 16 - Leases (as of its initial application)

**Dividend of NIS 52.1
million (NIS 0.82 per share)**



Dividend distribution

Distribution date	Dividend per share (in agorot)	Amount (in NIS millions)
15 April 2024	127	80.7
25 July 2024	81	51.4
1 October 2024	82	52.1
6 January 2025	76	48.3
TOTAL FY 2024	366	232.5
TOTAL FY 2023	199	126.4
TOTAL FY 2022 ^(*)	452	284.3
Total FY 2021	234	146.5

NIS 915 million

in dividends distributed to shareholders in the last 5 years

NIS 643 million

in dividends distributed to shareholders in the last 3 years

3.4% annual dividend yield

(*) Includes a special dividend amounting to NIS 121.5 million in respect of the net capital gain from the realization of an investment in Infinity.

Summary of 2024 results and a view to 2025



Growth to an all-time high of sales, gross profit, operating profit, EBITDA, net profit, net profit attributable to shareholders, and cash flows

Despite Prolongation of the War's Impact

Impressive organic growth in sales and profits

The Company continues its growth and improved profitability trend mainly thanks to organic growth in Israel. We expect to see continued strengthening of the financial, security, high-tech, transportation, and health sectors and stability in operations with government organizations and the industrial and retail sectors.

Maintaining growth rates during and after the war

Matrix has been the market leader for 19 years. The visibility provided to us by mega projects, technological leadership in all significant categories (A¹D²C³), and the Company's excellent reputation enable us to maintain our growth rates in a market recovering from war.

Back to growth in the US

2024 was characterized by the volatility of the the US financial sector and market in general. Tailoring our solutions alongside securing new projects in the second half of 2024 will enable a return to growth in 2025.

Acquisitions

The first-time consolidation of Ortech (as of December 2024) and Alacer (as of Q4/2024). Consolidation of Gav Systems as of Q1 2025.

Thank you!