



Investor Meeting

Financial Statements as at 30.6.24



The information contained in this Investors presentation constitutes a convenience translation. The Hebrew version was submitted by the Company to the relevant authorities pursuant to Israeli law and represents the binding version and the only one having legal effect. This translation was prepared for convenience purposes only

Clarifications



- The presentation contains the Company's forecasts, estimates and plans regarding its operations and other information about future events and matters, which constitute forward-looking information, as defined in the Securities Law, 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, among other things, 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, among other things, 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.
- This presentation was prepared as a summary and for convenience only, and is not intended to be in lieu of a review of the reports publicized by the Company, including its financial statements.
- The information contained in this presentation is subject to that stated in the relevant Company's reports.
- This presentation should not be viewed an offer or invitation to acquire the Company's securities. The information included in the presentation is not a recommendation or opinion to invest in the Company and is not in lieu a potential investor's judgment.



Second Quarter 2024

Continued growth of sales, gross profit, operating profit, EBITDA, net income, and cashflows



despite the effects of the war and differences in work hours compared to the corresponding quarter last year (approximately -2%)

Sales - 3.6% growth to NIS 1.33 billion

Gross profit - 9% growth to NIS 201.8 million while improving its margin to 15.1%

Operating profit - 13.9% growth to a record NIS 111.3 million while improving its margin to 8.3%

Net income - 16.4% growth to a record - NIS 73.1 million while improving its margin to 5.5%

EBITDA net of IFRS 16 - 8.5% growth to NIS 125 million while improving its margin to 9.3%



First Half of 2024

Continued growth of sales, gross profit, operating profit, EBITDA, net income, and cashflows



despite the effects of the war and differences in work hours compared to the corresponding half of last year (approximately -2%)

Sales - 8.1% growth to NIS 2.78 billion

Gross profit - 9.4% growth to NIS 408.9 million while improving its margin to 14.7%

Operating profit - 11.5% growth to a NIS 221.9 million while improving its rate to 8%

Net profit - 12.8% growth to NIS 144.5 million with a profit margin of 5.2%

EBITDA net of IFRS 16 - 8.1% growth to NIS 249 million while improving its margin to 8.9%



The War's Impact



- Despite the war, the Company's operations were characterized by increased sales, profits, and cashflows, **all as a result of organic growth**.
- As of 30.6.2024, **approximately 145 Company employees have been called up to active reserve duty** - a decrease as compared to the 470 (and at its peak - more than 700) on active reserve duty at the end of 2023.
- During the course of the second quarter, the Company received **reimbursement from the National Insurance Institute** in respect of the 20% of the social benefits component of the reservists wages, retroactive to the start of the war, in the sum of NIS 11 million (for Q4/23 - NIS 6 million, for Q1/24 - NIS 3 million, and for Q2/24 - NIS 2 million). The amount reimbursed is similar to the net expense recorded by the Company for its employees' reserve duty during the relevant periods.
- **Growth in the Company's operations with the Ministry of Defense and the Aerospace & Defense industries** in carrying projects, providing services, and selling software products.
- **Significant growth in customers equipping themselves with infrastructure solutions related to Business Continuity and Disaster Recovery Plans.**
- **Significant growth in customer investment in securing against Cyber attacks as well as increased procurement of Cyber attack recovery services and products.**
- **Training and implementation segment operations** (constituting less than 4% of the Company's operations) are still far from their results before the war, but have returned to being profitable after showing a loss in Q4/23.
- Net of the results of the training segment and net of the retroactive reimbursement from the National Insurance Institute – **Matrix presents growth of 12.3% in its operating profit for 1-6/2024.**

Financial Statements

30.6.2024



Key figures from the Statement of Profit and Loss - Q2 2024 – compared to the corresponding quarter.

Key results (in NIS millions)

	Q2 2024	Q2 2023	Difference	Change in %
Sales*	1,333	1,287	46	3.6%
Gross profit	202	185	17	9.0%
Selling, administrative, and general expenses	91	87	4	3.6%
Operating profit	111	98	13	13.9%
Financing expenses, net	15	15	-	(3.9%)
Taxes on income	23	19	4	20.1%
Net income	73	63	10	16.4%
Net earnings per share	69	59	10	18.6%
Adjusted EBITDA**	124	115	9	8.5%

Gross profit margin	15.1%	14.4%	
Selling, administrative, and general expenses	6.8%	6.8%	
Operating profit margin	8.3%	7.6%	
Net profit margin	5.5%	4.9%	

* Differences in work hours compared to last year (-1.9% and -1.7% for the quarter and first half, respectively)

** Profit before financing, taxes, depreciation, and amortization, as well as net of IFRS 16 - Leases.

Key figures from the Statement of Profit and Loss - H1 2024 compared to the corresponding period

Key results (in NIS millions)

	H1 2024	H1 2023	Difference	Change in %
Sales*	2,786	2,578	208	8.1%
Gross profit	409	374	35	9.4%
Selling, administrative, and general expenses	187	175	12	7.1%
Operating profit	222	199	23	11.5%
Financing expenses, net	31	32	(1)	(2.8%)
Taxes on income	46	39	7	19.0%
Net income	145	128	17	12.8%
Net earnings per share	138	119	19	15.7%
Adjusted EBITDA**	249	231	18	8.1%

Gross profit margin	14.7%	14.5%	
Selling, administrative, and general expenses	6.7%	6.8%	
Operating profit margin	8%	7.7%	
Net profit margin	5.2%	4.9%	

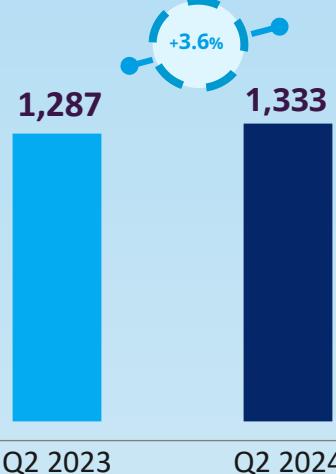
* Differences in work hours compared to last year (-1.9% and -1.7% for the quarter and first half, respectively)

** Profit before financing, taxes, depreciation, and amortization, as well as net of IFRS 16 - Leases.

Summary of Q2 2024 - Organic growth despite the war and the Passover holiday

Key results (in NIS millions)

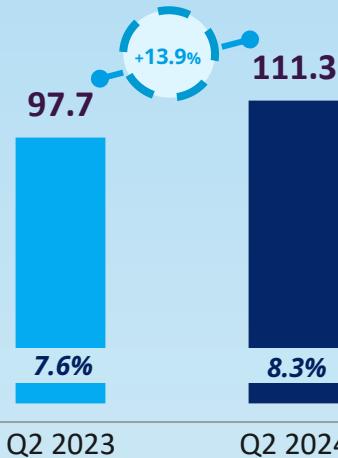
Sales



Gross profit



Operating profit



3.6% growth in revenues to NIS 1.3 billion

9% growth in gross profit to NIS 201.8 million, with an increase in Pifut margin to 15.1%

13.9% growth in operating profit to a record NIS 111.3 million, while increasing the profit margin to 8.3%

Summary of Q2 2024 - Organic growth despite the war and the Passover holiday

Key results (in NIS millions)

Financing expenses, net (in NIS millions)

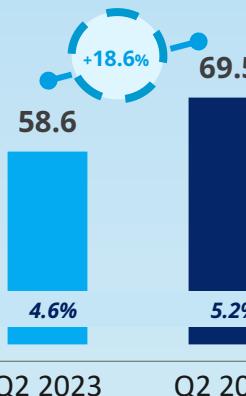
	Q2 2024	Q2 2023
Interest, commissions, and other (net)	5.8	9.7
Exchange rate differences	2.9	(3)
Accounting finance expenses	6.1	8.7
Total financing expenses (net)	14.8	15.4

Net income



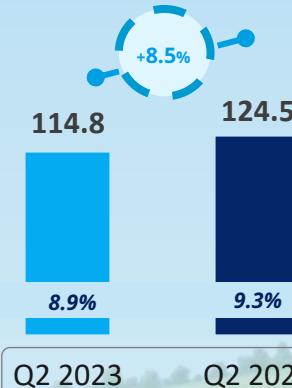
16.4% growth in net income to a record NIS 73.1 million

Net income attributable to shareholders



18.6% growth in net earnings per share to a record NIS 69.5 million

Adjusted EBITDA*



8.5% growth in adjusted EBITDA to NIS 124.5 million

*Earnings before financing, taxes, depreciation, and amortization and net of IFRS 16 - Leases

Summary of H1 2024 - Continued improvement of results over the years

Constant growth of sales and profits (in NIS millions)

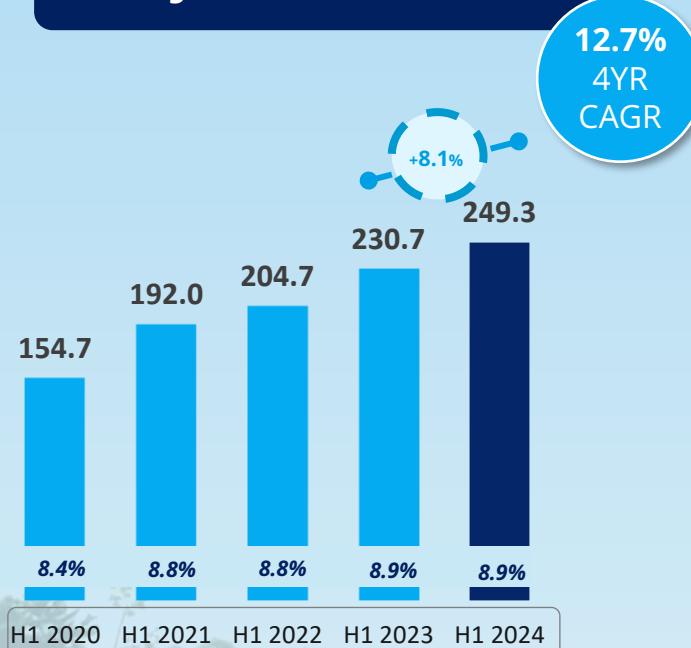


* In 2022 - excluding profit from the realization of an investment in a subsidiary (NIS 150 million)

Summary of H1 2024 - Continued improvement of results over the years

Constant growth of sales and profits (in NIS millions)

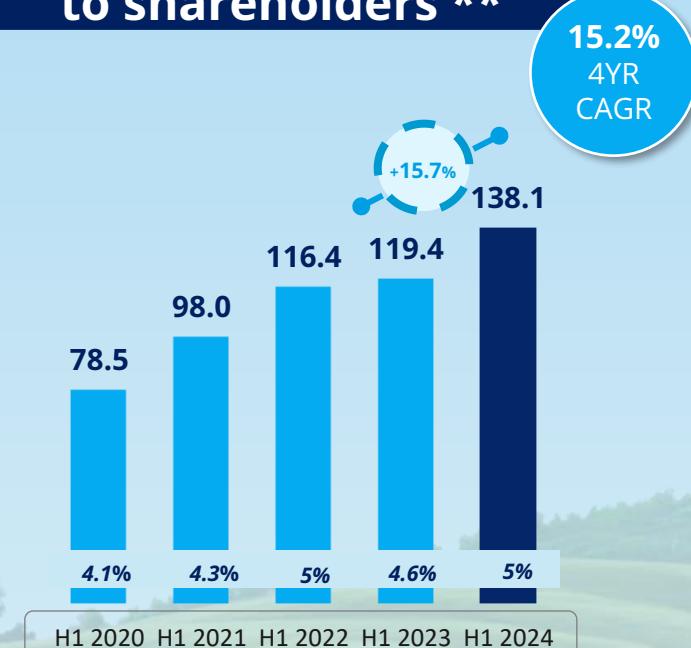
Adjusted EBITDA*



Net income**



Net income attributable to shareholders **



* Profit before financing, taxes, depreciation and amortization, before capital gains and realization of an investment and net of IFRS 16 - Leases

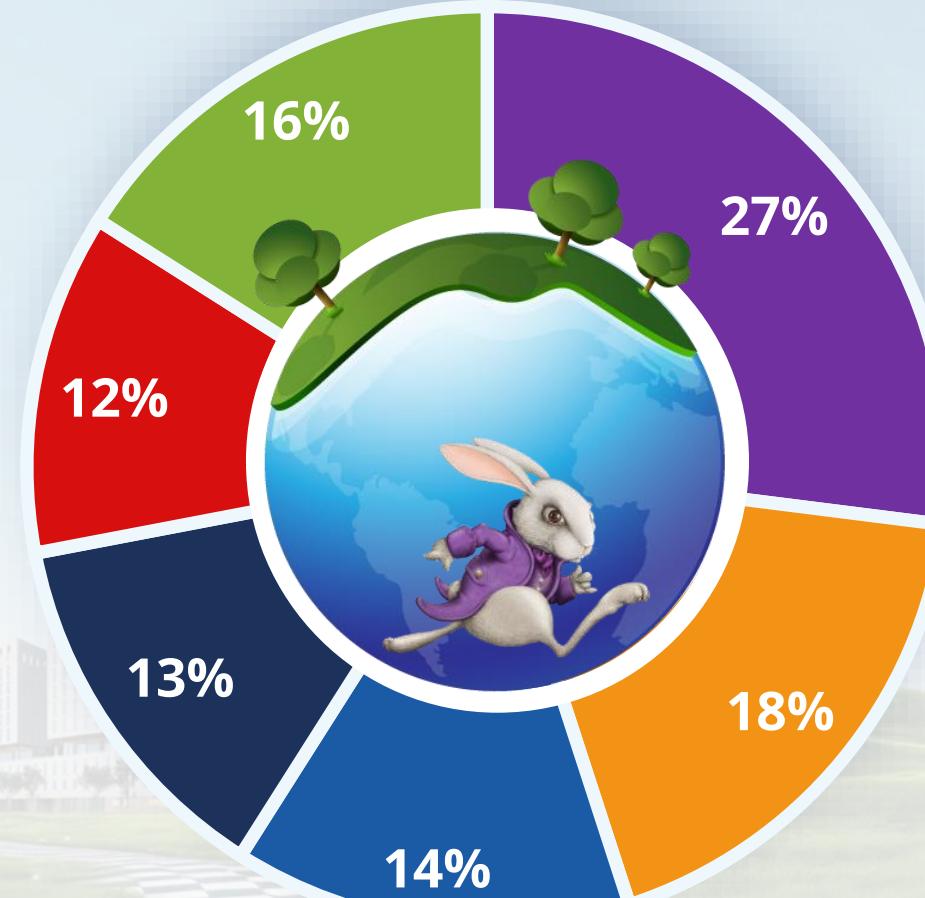
** In 2022 - excluding profit from the realization of an investment in a subsidiary, net of tax (NIS 121 million)

Israel Operations



Created in Midjourney AI platform

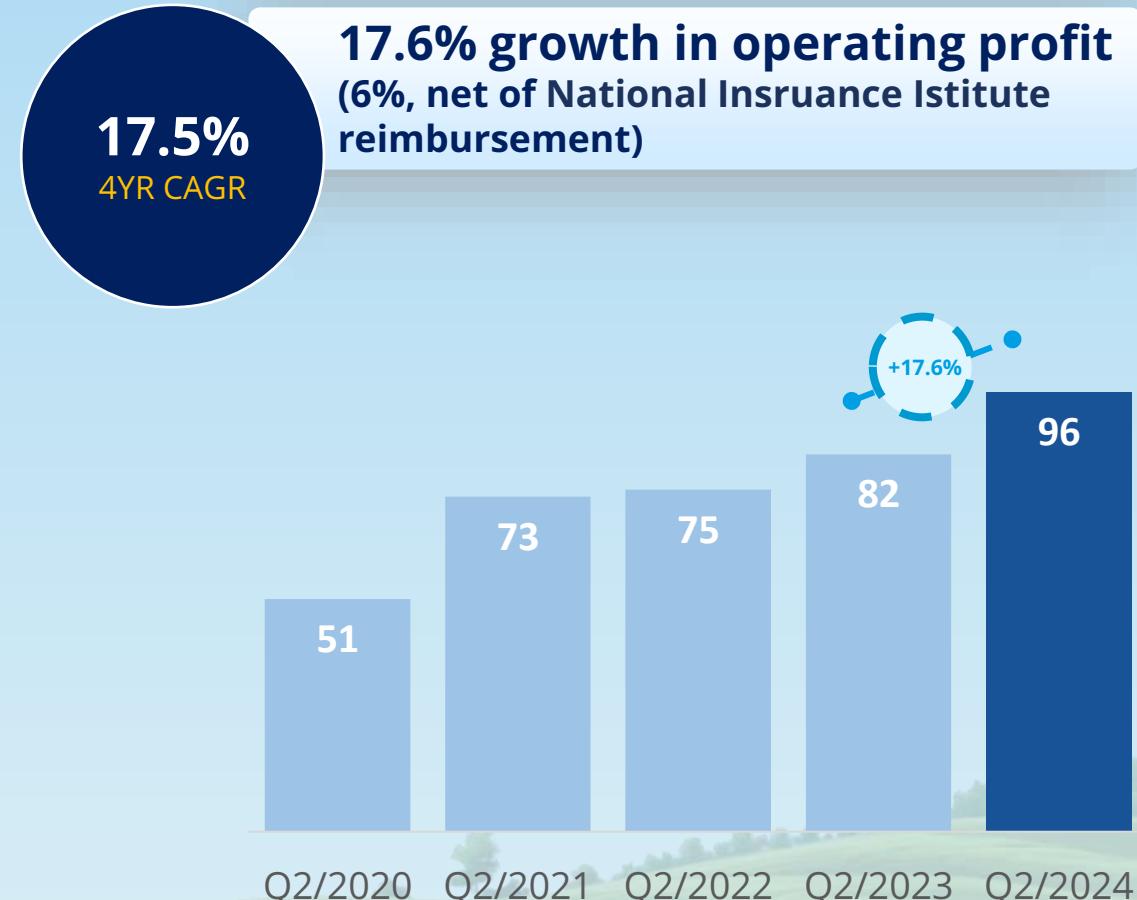
- Government and Defense
- Financial
- Hi-Tech
- Industry, Communications, and Retail
- Health and Transportation
- Other



Breakdown of sales by customer industry*

Operations in Israel* Q2 2024

(in NIS millions)

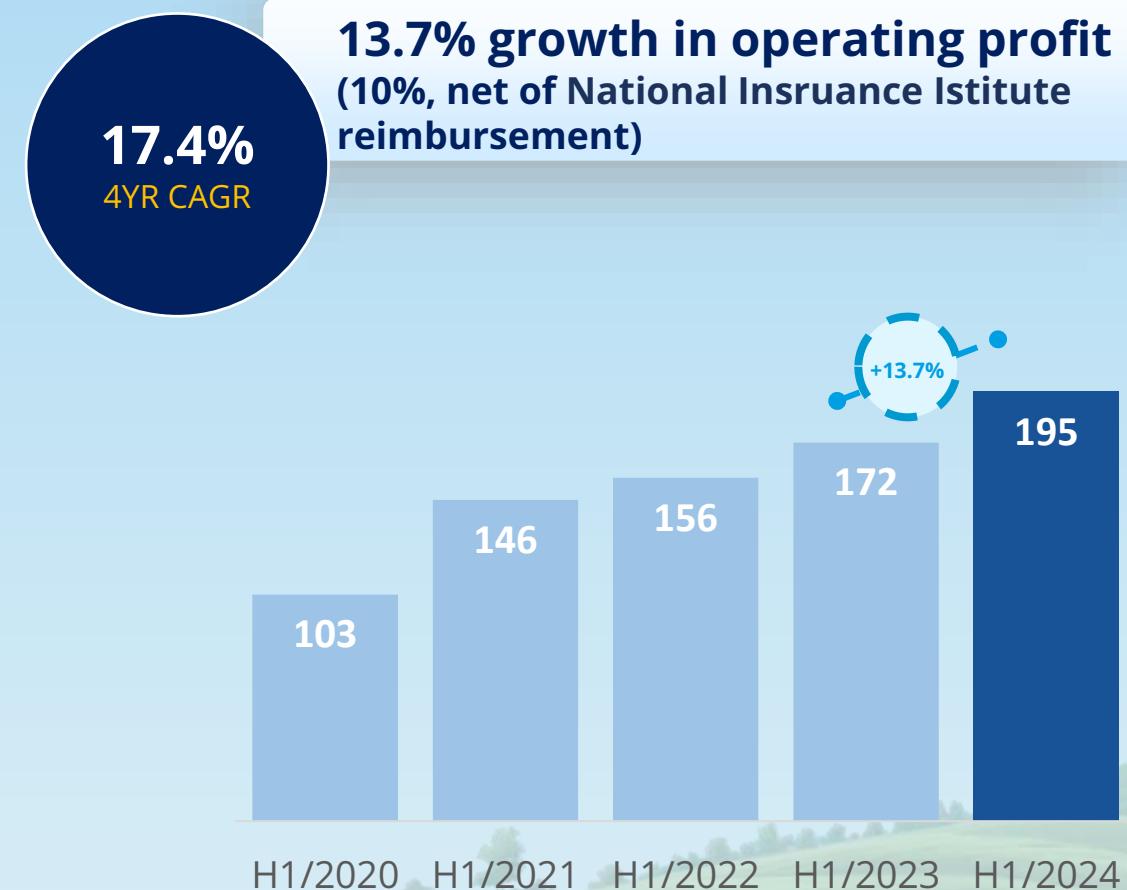


* Including the results of operations in Europe, in immaterial amounts

Operations in Israel* H1 2024



(in NIS millions)



* Including the results of operations in Europe, in immaterial amounts

Operating segments in Israel - Q2/2024

(in NIS thousands)



	Sales			Operating profit		
	Q2/2024	Q2/2023	%	Q2/2024	Q2/2023	%
Information technology solutions and services, consulting, and management in Israel	774,290	727,960	6.4%	62,080	49,186	26.2%
<i>Profit margin (%)</i>				8%	6.8%	

- Organic growth in volumes despite the decrease in work hours in the quarter (-1.9%) compared to the corresponding quarter
- **Growth in the digital, cyber, cloud, data, and AI operations, in all of which, Matrix is the market leader**
- Extensive growth of operations with the Security and Defense establishment.
- **Mega projects provide high visibility over time.**
- Operating profit and profit margin were also affected by the reimbursement of pension contributions for active duty reservists received from the NII, the majority of which is attributed to this segment.

Operating segments in Israel - Q2/2024

(in NIS thousands)



	Sales			Operating profit		
	Q2/2024	Q2/2023	%	Q2/2024	Q2/2023	%
Information technology solutions and services, consulting, and management in Israel	774,290	727,960	6.4%	62,080	49,186	26.2%
<i>Profit margin (%)</i>				8%	6.8%	
Cloud and computing infrastructures	324,278	356,066	(8.9%)	22,826	20,094	13.6%
<i>Profit margin (%)</i>				7%	5.6%	

- The decrease in segmental sales relative to the increase in operating profit and increased profitability during the quarter, compared to the corresponding quarter, is primarily due to an increase in the weight of Enterprise Discount Program ("EDP") Cloud transactions, in which Sales are presented on a net basis.

Operating segments in Israel – Q2/2024

(in NIS thousands)



	Sales			Operating profit		
	Q2/2024	Q2/2023	%	Q2/2024	Q2/2023	%
Information technology solutions and services, consulting, and management in Israel	774,290	727,960	6.4%	62,080	49,186	26.2%
<i>Profit margin (%)</i>				8%	6.8%	
Cloud and computing infrastructures	324,278	356,066	(8.9%)	22,826	20,094	13.6%
<i>Profit margin (%)</i>				7%	5.6%	
Marketing and support of software products	121,985	82,206	48.4%	8,926	7,674	16.3%
<i>Profit margin (%)</i>				7.3%	9.3%	

- Significant organic growth in volumes.
- Increased customer procurement of software for Cyber Security, digital acceleration, cloud solutions, data, and AI.
- The decrease in profit margin is attributed to changes in the blend of transactions.

Operating segments in Israel - Q2/2024

(in NIS thousands)



	Q2/2024	Sales		Operating profit		
		Q2/2023	%	Q2/2024	Q2/2023	%
Information technology solutions and services, consulting, and management in Israel	774,290	727,960	6.4%	62,080	49,186	26.2%
<i>Profit margin (%)</i>				8%	6.8%	
Cloud and computing infrastructures	324,278	356,066	(8.9%)	22,826	20,094	13.6%
<i>Profit margin (%)</i>				7%	5.6%	
Marketing and support of software products	121,985	82,206	48.4%	8,926	7,674	16.3%
<i>Profit margin (%)</i>				7.3%	9.3%	
Training and implementation	43,010	48,216	(10.8%)	3,077	5,422	(43.2%)
<i>Profit margin (%)</i>				7.2%	11.2%	

- The continuation of the war adversely affects demand for training services (which constitute less than 4% of the Company))
- There is a clear decrease in demand for junior employees in the technology sector
- The training segment is characterized by a high rate of fixed expenses - the war's impact on the training segment's profits is material
- However, a certain recovery is evident in the training segment (which showed a loss in Q4/23)

US Operations



Created in Midjourney AI platform

Operating segments - Q2/2024

(in NIS millions)



	Sales			Operating profit		
	Q2/2024	Q2/2023	%	Q2/2024	Q2/2023	%
Information technology solutions and services, consulting, and management in Israel	774.3			62		
Information technology solutions and services, consulting, and management in the US	118.8	123.1	(3.5%)	16.9	18.3	(7.5%)
<i>Profit margin (%)</i>				14.2%	14.9%	

- The decrease in sales and operating profit in this segment is the result of the completion of two large GRC projects, which was only partially compensated (because of the timing differences) by new engagements that we have secured with a number of banks during the course of the quarter
- The growth in sales and profits from the new contracts is expected to be reflected in the upcoming quarters.

Operating segments - H1/2024

(in NIS millions)

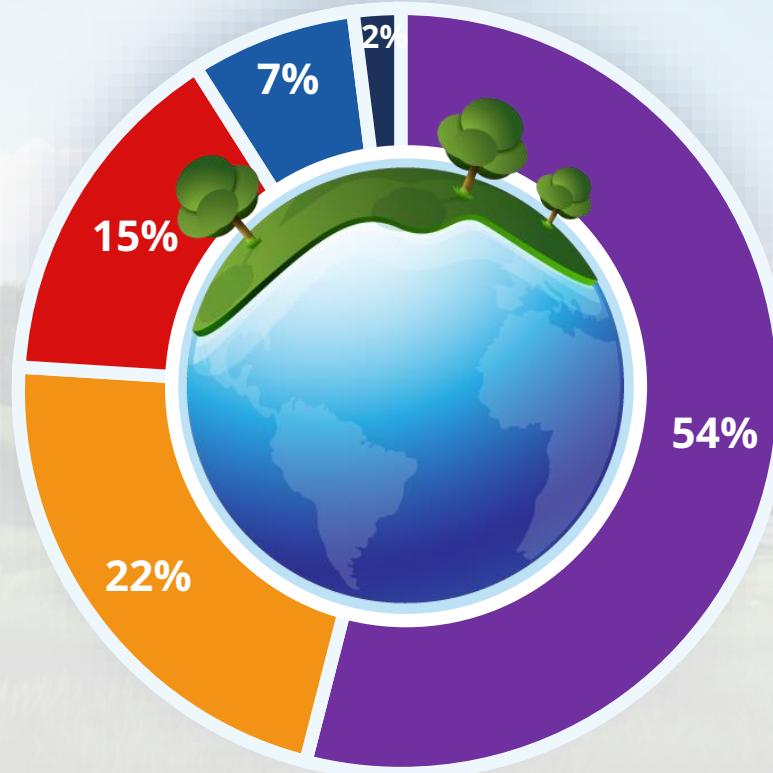


	Sales			Operating profit		
	H1/2024	H1/2023	%	H1/2024	H1/2023	%
Information technology solutions and services, consulting, and management in Israel	1,568.5			123.7		
Information technology solutions and services, consulting, and management in the US	237.5	230.9	2.8%	33.9	33	2.7%
<i>Profit margin (%)</i>				14.3%		14.3%

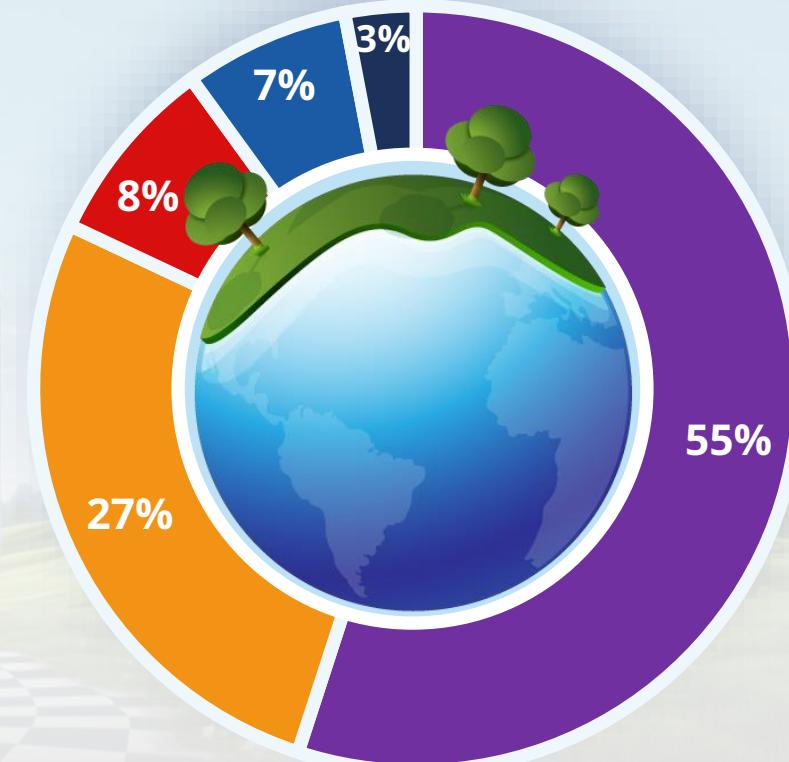
- The slow growth in sales and operating profit in this segment is due to the completion of two large GRC projects
- The growth in sales and profits from the new engagements we secured during the second quarter is expected to be reflected in the coming quarters.

Breakdown of sales and profits by operating segment - H1/2024

Contribution to profits



Sales



Training and implementation



Software products



US Operations



Cloud and computing infrastructures



Software Services

Financial indexes



Financial indexes (NIS millions)



	30.06.2024	31.12.2023
Cash and cash equivalents	498	640
Unused credit facilities*	1,207	1,448
Total liquid assets	1,705	2,088

* Of which NIS 350 million committed credit facilities

Cashflows from current operations

- Positive cashflow of NIS 93.8 million in H1/24 compared to NIS 46 million in positive cashflow in H1/23
- Positive cashflow from current operations LTM for 6/24 - NIS 544 million, compared to LTM cashflow for 6/23 - NIS 412 million**

Cash flows from current operations LTM



Aa3 credit rating from Midroog (rating confirmed in March 2024)

Financial indexes (NIS millions)

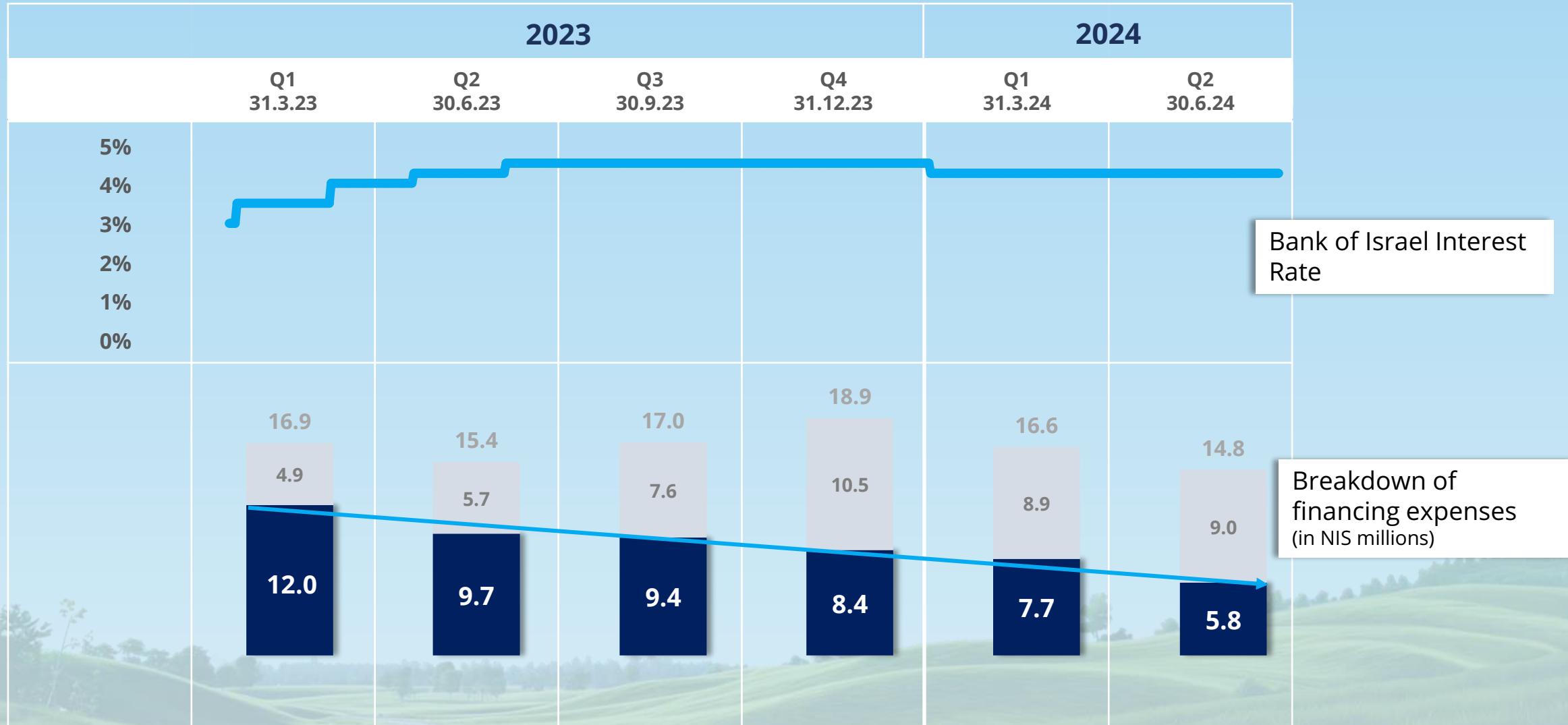


* In July 2024, the Commercial Securities series was expanded by an additional NIS 100 million and the Commercial Securities' interest terms were improved - Bank of Israel interest rate plus 0.25% (instead of 0.5%).

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

	30.06.2024	31.12.2023
Shareholder equity	1,108	1,107
% of total balance sheet	28.2%	27.1%
Financial debt, gross	896.1	956.4
Financial debt, net	397.7	316.2
Current ratio	1.1	1.2
Net debt to balance sheet ratio	10.1%	7.7%
Net debt to adjusted EBITDA LTM** ratio	0.83	0.69

Decrease in cash interest expenses



■ Interest expenses (net) and commission

■ Accounting Finance Expenses and Exchange Differences

Dividend Distribution

NIS 741 million in 3.5 years



**Dividend Yield
3.65%**

Date of distribution	Dividend per share (in agorot)	Amount (NIS millions)
April 2024	127	80.67
July 2024	81	51.45
Total for H1 2024	208	132.12
Total for FY 2023	199	126.4
Total for FY 2022 ^(*)	452	284.3
Total for FY 2021	234	146.5

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

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

Matrix's Positioning 2024

Selected Ratings



Based on  **stki.info**
IT Knowledge Integrators 2024 research

Founded in 1992, STKI is the leading business technologies market research and strategic analyst firm in Israel.



**Ranked first
in the field of software
services**

19 years in a row

* and in 47 more categories



CYBER

CISO as a SERVICE



Cyber Security Consulting



Cyber Security Product Implementations

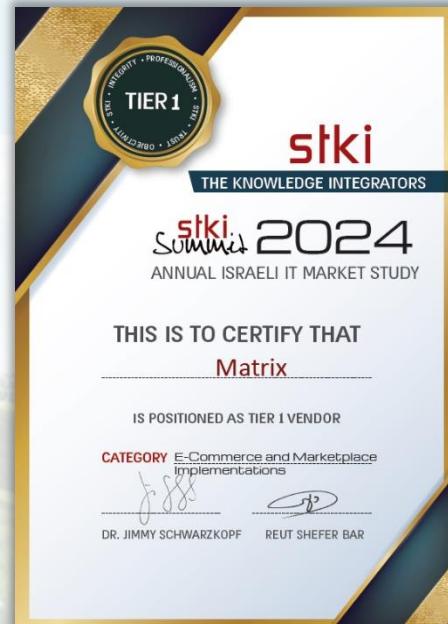


SIEM as a Service



DIGITAL

E-Commerce & Marketplace Implementations



UX Design



CLOUD

Data & Analytics Cloud Migration



Enterprise Cloud Infrastructure Projects



DATA & AI

Data Management
Implementation

**Generative AI &
LLM Projects**
* New category

Advanced Analytics, Data
Science & ML projects

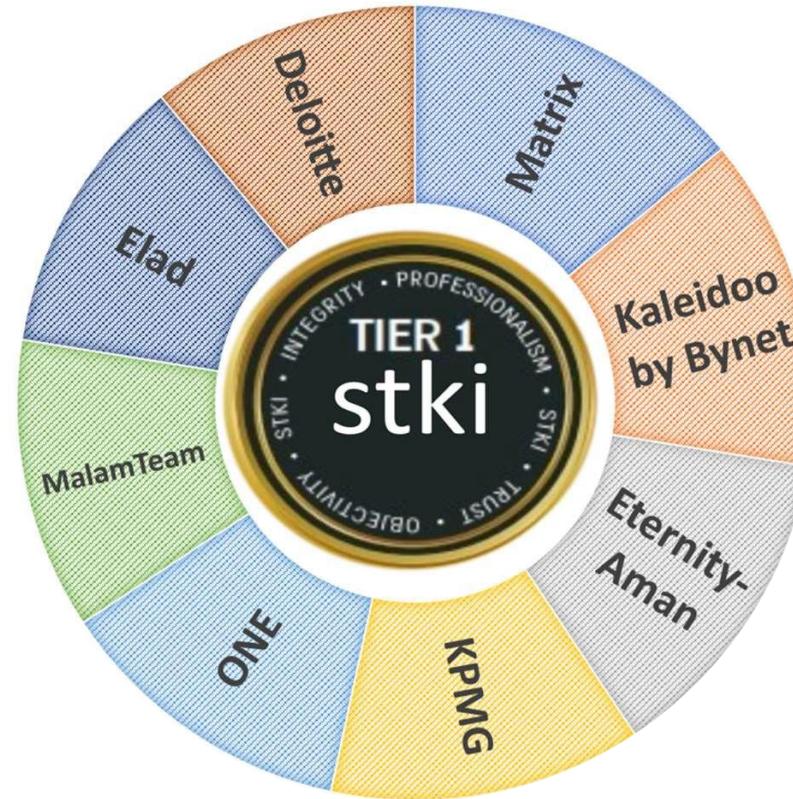
Data & AI Strategy
Consulting



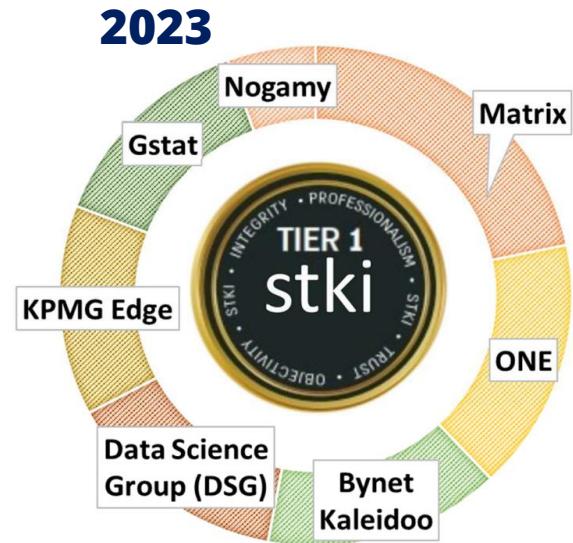
Generative AI and LLM projects

NEW - 2024

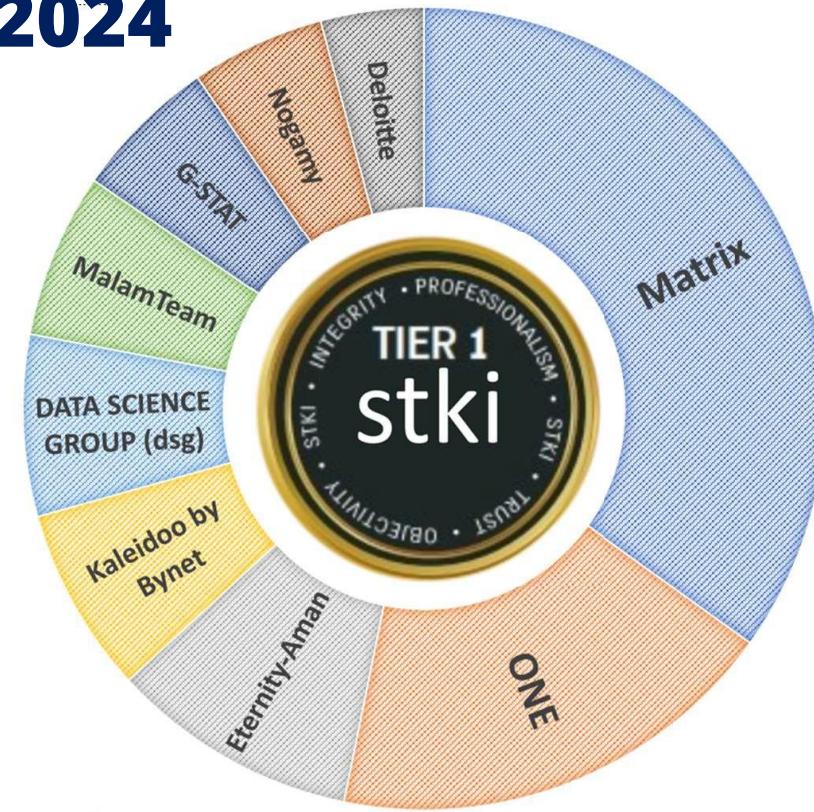
**Matrix is ranked first in a
new and important
category!!**



Advanced Analytics, Data Science and ML projects



2024



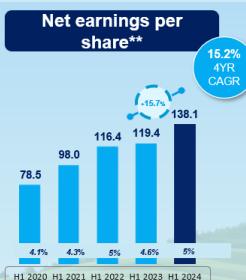
Data & Analytics Cloud migration

(Migrating DW and Data Lakes to the cloud)

2024



Summary



Organic growth in revenues and profits during 2nd quarter and 1st half, during wartime

The Company continues its growth trend despite the harm to its revenues and profits resulting from approximately 145 of its employees being on active reserve duty, the slowdown in demand for services in the training segment, and the negative difference in work hours during this quarter and this half (-2%).

Continued consistent growth rates in wartime and thereafter

Matrix has been the market leader for 19 years. The visibility provided by mega-projects, the technology leadership in all significant categories (D²C³), and the Company's excellent reputation - enable it to retain our growth rates even during the war.

Back to growth in the US

Despite the completion of two projects during 1st half, we are working on continued growth during the coming quarters based on the new projects we recently secured.

Acquisitions

The Company intends to reach closing in a number of M&A deals this year in order to support acceleration of growth rates and increased value offerings to our customers.



Thank you

