



OUTPERFORM THE FUTURE™

Financial Fact Sheet

Q1 2021
NASDAQ, TASE: MGIC

About Magic

Magic Software Enterprises Ltd. is a global provider of enterprise-grade application development and business process integration software solutions as well as a broad range of integration and IT professional services.

Magic's software solutions are used by thousands of enterprises, ISVs and implementation partners to develop, deploy and integrate on-premise, mobile and cloud-based business applications.

By enabling enterprises to leverage existing IT systems and get to market quickly with new applications, Magic customers can dramatically improve operational efficiency and innovation with a high return on investment. Magic's integration and IT project management and staffing augmentation services enable enterprises to implement all types of IT projects, from complex to simple, quickly and efficiently.

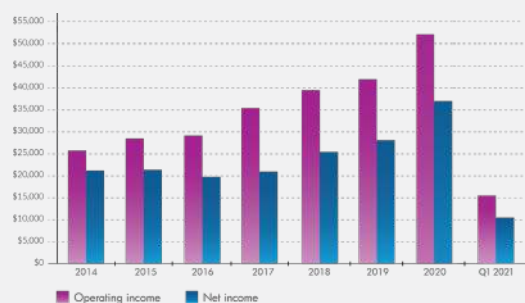
Magic solutions are backed by over 35 years of experience, millions of installations, and strategic alliances with global mobile and IT leaders, including Samsung, IBM, Microsoft, Oracle, Salesforce.com, Sage, SugarCRM, SYSPRO and SAP. With a presence in more than 50 countries, including 24 regional offices, we collaborate closely with our customers and thousands of business partners to accelerate their business performance.

Income Statement Highlights Non-GAAP (US\$, in millions)

	Q1/2021	Q1/2020	YOY%	2020	2019	YOY%	2018
Revenues	107.3	85.2	26%	371.2	325.6	14%	284.4
Operating Income	15.0	11.0	37%	52.6	43.9	20%	39.5
Net Income	10.3	9.4	10%	37.2	28.2	32%	25.7

Income Highlights (Non-GAAP)

(US\$, in thousands)



Balance Sheet Highlights

(US\$, in millions)

	31/3/2021
Total Cash*	100.8
Total Assets	455.0
Total Debt	23.0
Total Equity	262.8

* Including cash and cash equivalents, short and long-term bank deposits and short-term investments in marketable securities

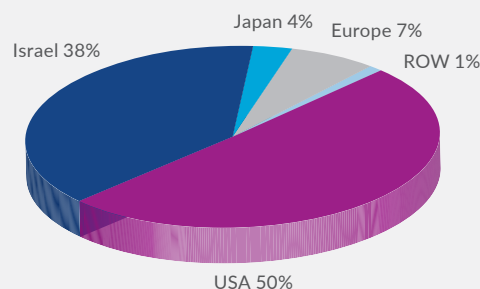
Q1 2021 Cash Flow Overview

(US\$, in millions)

Total Cash 31.12.2020 **	91.9
Purchase of Property, Net	(0.5)
Issuing of Shares	-
Investment in subsidiaries, net	-
Dividend Distribution	-
Dividend paid to non-controlling interests in subsidiaries	(3.0)
Change in loans from financial institutions, net	(1.0)
Exchange rate differences	(1.2)
Net Cash Provided By Operations	14.6
Total Cash 31.03.2021 **	100.8

* Including cash and cash equivalents, short and long-term bank deposits and short-term investments in marketable securities

Revenues by Geography - Q1 2021



Customers

adidas Canada
Adecco Nederland
Agricultural Bank of China
Allstate Life Insurance
AutoScout24
Bank Hapoalim
Bank Leumi
BNP Paribas
Boston Medical Center
Celebi Ground Handling
Christie Digital
Club Med
Coca Cola Brazil
Crane & Co
CVS
Datenlotsen
Ekro
Euroclear
Fiskars
FMRP
Fuji Film
Fujitsu-Marketing
Fukushima Bank
GE Capital
Grange Insurance
Guardian Life Insurance
Hitachi Systems
IDF
ING Commercial
Japan Chamber of Commerce
L'Occitane
Mahindra & Mahindra
Mitsubishi
Mundipharma
NHS Trust
Orangina Schweppes
Pacific Steel
Petzl
Rosenbauer
Segafredo Zanetti France
Sennheiser
Sharp
Sony DADC
Stallergenes
Sterling Crane
Sun Life Insurance
Superior Industries
Topicus Pension & Wealth B.V.
TOTO
Vishay Intertechnology
Vodafone Iceland
Volvo Brazil
Vox International
WellMark

Q1 2021 Highlights

• Financial Performance

- Revenues for Q1 2021 increased 26% YOY to \$107.3 million.
- Non-GAAP operating income for Q1 2021 increased 37% to \$15.0 million compared to \$11.0 million in the same period last year. Operating income for Q1 2021 increased 40% to \$12.2 million compared to \$8.7 million in the same period last year.
- Non-GAAP net income attributable to Magic's shareholders for Q1 2021 increased 10% to \$10.3 million compared to \$9.4 million in the same period last year. Net income for Q1 2021 increased 29% to \$7.5 million compared to \$5.9 million in the same period last year.
- Strong cash position with a healthy total cash balance of approximately \$100.8 million as of March 31, 2021.
- Cash flow from operating activities for the first quarter ended March 31, 2021 amounted to \$15.9 million compared to \$13.1 million in the same period last year.
- Magic Software increases its 2021 revenue guidance to a range of \$425 to \$435 million from its prior range of \$420 to \$430 million, reflecting annual growth of 13.5% to 17.2%.
- Financial analyst coverage by Barclays, William Blair, H.C. Wainwright.

• Dividend Policy

- In accordance with our dividend distribution policy, we distribute 75% of the company's annual net income attributable to Magic's shareholders.
- Cumulative dividend distribution of over \$100 million from 2010 to date.
- Cash dividend for H2 2020 of approximately \$10.2 million (or \$0.21 per share) paid on April 7, 2021. Cash dividend for H1 2020 of approximately \$8.6 million (or \$0.175 per share) paid on September 10, 2020. Cash dividend for H2 2019 of approximately \$3.9 million (or \$0.08 per share) paid on June 23, 2020. Cash dividend for H1 2019 of approximately \$7.6 million (or \$0.156 per share) paid on September 12, 2019.

• Exceptional Product Offering

- Robust application development and integration platforms that enable enterprises and ISVs to accelerate cloud and mobile solutions
- Highly productive and agile environment for rapid development and deployment of multi-channel enterprise-grade applications Certified and native connectors to integrate with and mobilize virtually all enterprise systems (CRM, ERP, Finance, HR, Warehouse Management System, Documentation Management, Website, etc.)
- Highly scalable, secure and future-proof technology
- Integration and consulting services for highly complex end-to-end IT projects
- Expert project management and IT staffing augmentation services

• Leadership and Corporate Vision

- Strong and talented management team focused on efficiency and growth
- More than 20 acquisitions in the past 8 years.
- Corporate culture of openness, ingenuity, and forward-looking determination
- Clear strategic mission
- Close collaboration with customers to enhance and accelerate business performance

• Global Industry Recognition

- More than 35 years of enterprise application development and integration experience
- Global: 3,114 employees worldwide, comprised mostly of technology experts who provide a wide array of global professional services and product development
- Modern technology with millions of successful installations worldwide
- Listed in the NASDAQ Global Select Market and the Tel-Aviv Stock Exchange TA-90
- Israel-based company with a presence in over 50 countries, including 24 regional offices across North America, Europe, Japan, India, South Africa and Israel
- Global network of thousands of ISVs, system integrators, and value-added distributors and resellers
- Strategic partnerships with leading global enterprise mobility and enterprise software ecosystem vendors, including Samsung, SAP, Salesforce.com, IBM, Microsoft, Sage, SugarCRM, ServiceMax, SYSPRO, MicroStrategy and Oracle.

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