



OUTPERFORM THE FUTURE™

# Financial Fact Sheet

Q3 & 9M YTD 2022  
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 30 regional offices, we collaborate closely with our customers and thousands of business partners to accelerate their business performance.

## 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

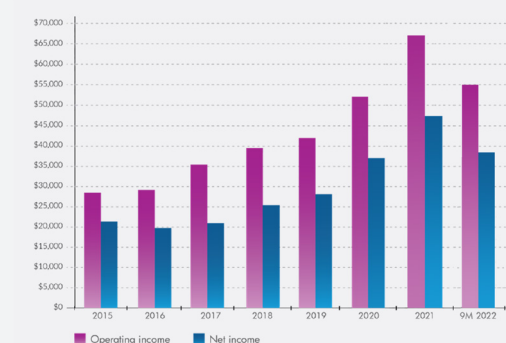
### Income Statement Highlights Non-GAAP (US\$, in millions)

	Q3/2022	Q3/2021	YOY%	9M/2022	9M/2021	YOY%	2021	2020
Revenues	144.0	120.9	19.1%	419.6	347.3	20.8%	480.3	371.2
Operating Income	18.5	16.2	14.4%	55.0	47.1	16.8%	66.8	52.6
Net Income*	13.5	11.8	14.9%	38.1	33.4	14.1%	46.0	37.2

\* To Shareholders

### Income Highlights (Non-GAAP)

(US\$, in thousands)



### Balance Sheet Highlights

(US\$, in millions)

	30/09/2022
Total Cash*	88.8
Total Assets	496.5
Total Debt	59.1
Total Equity	262.4

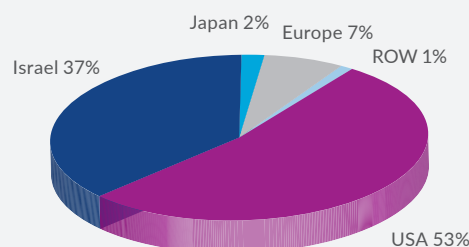
\* Including cash and cash equivalents, short and long-term bank deposits and short-term investments in marketable securities

### 9M 2022 YTD Cash Flow Overview (US\$, in millions)

Total Cash 31.12.2021 **	96.6
Purchase of Property, Net	(3.3)
Investment in subsidiaries, net	(28.0)
Dividend distribution	(24.8)
Dividend paid to non-controlling interests in subsidiaries	(3.8)
Change in loans from financial institutions, net	24.6
Exchange rate differences	(5.0)
Increase in capitalized software development costs	(2.4)
Net Cash Provided By Operations	34.9
<b>Total Cash 30.09.2022 **</b>	<b>88.8</b>

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

### Revenues by Geography - 9M YTD 2022



## Q3 & 9M YTD 2022 Highlights

### Financial Performance

#### For the Third Quarter Ended September 30, 2022

- Revenues for the third quarter of 2022 increased by 19.1% to a record-breaking result of \$144.0 million, compared to \$120.9 million in the same period of the previous year.
- Operating income for the third quarter of 2022 increased by 33.7% to a record-breaking result of \$16.1 million, compared to \$12.0 million in the same period of the previous year.
- Non-GAAP operating income for the third quarter of 2022 increased by 14.4% to a third quarter record-breaking result of \$18.5 million, compared to \$16.2 million in the same period of the previous year.
- Net income attributable to Magic Software's shareholders for the third quarter of 2022 increased by 53.3% to a record-breaking result of \$11.5 million, or \$0.23 per fully diluted share, compared to \$7.5 million, or \$0.15 per fully diluted share, in the same period of the previous year.
- Non-GAAP net income attributable to Magic Software's shareholders for the third quarter of 2022 increased by 14.9% to \$13.5 million, or \$0.28 per fully diluted share, compared to \$11.8 million, or \$0.24 per fully diluted share, in the same period of the previous year.

#### For the First Nine-Month Period Ended September 30, 2022

- Revenues for the first nine months of 2022 increased by 20.8% to a record-breaking \$419.6 million compared to \$347.3 million in the same period last year.
- Operating income for the first nine months of 2022 increased by 26.6% to a record-breaking \$46.8 million compared to \$37.0 million in the same period last year.
- Non-GAAP operating income for the first nine months of 2022 increased by 16.8% to a record-breaking \$55.0 million compared to \$47.1 million in the same period last year.
- Net income attributable to Magic Software's shareholders for the first nine months of 2022 increased by 34.1% to \$30.6 million, or \$0.59 per fully diluted share, compared to \$22.8 million, or \$0.46 per fully diluted share, in the same period last year.
- Non-GAAP net income attributable to Magic Software's shareholders for the first nine months of 2022 increased by 14.1% to \$38.1 million, or \$0.78 per fully diluted share, compared to \$33.4 million, or \$0.68 per fully diluted share, in the same period last year.
- Cash flow from operating activities for the first nine months of 2022 amounted to \$37.5 million compared to \$34.2 million in the same period last year.
- As of September 30, 2022, Magic's net cash, cash equivalents, short and long-term bank deposits and marketable securities amounted to \$88.8 million and total financial debt of \$59.1 million.
- Magic Software has increased its 2022 annual revenue guidance for the third time this year to a range of \$555 to \$565 million, up from its prior range of \$550 to \$560 million, which now reflects an annual growth of 15.6% to 17.6%.
- 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.

- Cash dividend for H1 2022 in amount of 29.0 cent per share (approximately \$14.3 million) announced on August 11, 2022. The dividend paid on September 13, 2022 to all of the company's shareholders of record at the close of the NASDAQ Global Select Market on August 30, 2022.
- Cash dividend for H2 2021 in amount of 21.6 cent per share (approximately \$10.6 million) paid on April 7, 2022 to all of the company's shareholders of record at the close of the NASDAQ Global Select Market on August 30, 2021.
- Magic Software's 10th year anniversary of its semi-annual dividend distribution policy, adopted on September 5th, 2012. During these past 10 years Magic Software has distributed a cumulative amount of over \$132 million to its shareholders.**

### 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: 3,677 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 30 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.

## MAGIC WORLDWIDE OFFICES

### CORPORATE HEADQUARTERS

TEL: +972 3 538 9292

### UK

TEL: +44 1344 667 000

### FRANCE

TEL: +33 1 49 10 58 58

### NORTH & LATIN AMERICA

TEL: +1 949 250 1718

### GERMANY

TEL: +49 89 962 730

### HUNGARY

TEL: +36 1 216 9910

### BENELUX

TEL: +31 30 65 66 266

### INDIA

TEL: +91 20 4102 2022

### JAPAN

TEL: +81 3 5937 3300

### DISTRIBUTION

TEL: +972 3 538 9480

### SOUTH AFRICA

TEL: +27 11 258 4442

### ISRAEL

TEL: +972 3 538 9389



OUTPERFORM THE FUTURE™

Magic Software provides the information in this brochure as is and without any warranties. In no event will Magic Software be liable for any loss of profit, or for any damages of any kind whether based in contract, negligence or other sort. Magic Software may make changes to this brochure and the product information and prices at any time without notice and without obligation to update the materials contained in this brochure.  
© 2020 Magic Software Enterprises Ltd.

ir@magicsoftware.com | www.magicsoftware.com