



DIGITAL TRANSFORMATION SOLUTIONS & SERVICES

March 2021

Safe Harbor Statement

Certain statements made in this presentation may be forward-looking in nature (within the meaning of the "safe harbor" provisions of the US Private Securities Litigation Reform Act of 1995). These statements are based on the current expectations or beliefs of the company's management and are subject to various known and unknown risks that could cause actual results to differ materially from those described in the forward-looking statements, including, but not limited to, product demand, pricing, market acceptance, changing economic conditions, risks in product and technology development, the effect of the company's accounting policies, increasing competition, our ability to integrate companies and businesses acquired by us and certain other risk factors, including those that are set forth from time to time in the company's filings with the United States Securities Exchange Commission, which may cause the actual results, performance and achievements of the Company to be materially different from any future results, performance and achievements implied by such forward-looking statements.

Magic

Global Provider of Digital Transformation Solutions and Services

Dual-listed Company
Traded on NASDAQ and
TASE (MGIC)



>**3,000 Customers**
around the globe

\$371 Million Revenues in 2020
+14% YOY
80% from repeatable business
based on long engagement
cycles

\$54 Million
EBITDA in 2020
+20% YOY

**Experienced and Stable
Management**

Global Presence
48% North America
40% Israel
7% Europe
5% RoW¹

2018-2020
Average annual rate of
14% Revenue CAGR
15% Operating Margin

**Attractive dividend
distribution policy**
Up to 75% of the
annual net income
(Since August 2017)

**3,039 Employees spread
globally** (31.12.20)
1,513 North America
1,184 Israel
127 Europe
215 RoW¹

1. Includes APAC and South Africa.





Our Mission

To become a preferred vendor of the digital transformation market by providing a wide range of top technologies, methodologies and services.

Value Proposition



Top Transformation &
Integration
Technologies



Top Methodologies
& Delivery Teams



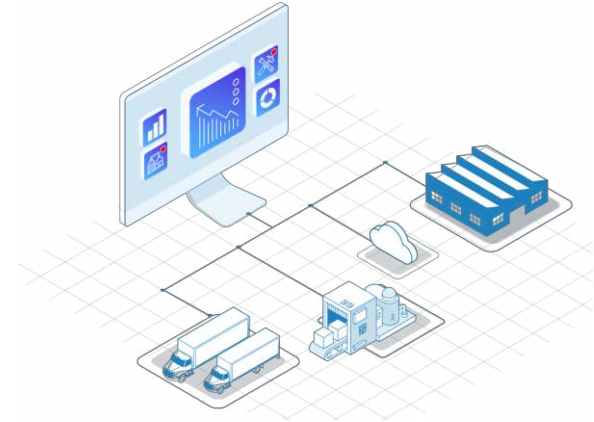
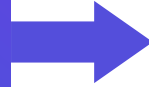
One
Stop-Shop
A-Z

The Market

The IT world is changing rapidly

In order to remain competitive, enterprises need to be able to quickly and easily adjust to market changes and trends

Technology became a critical factor for achieving future business success



Digital transformation
is in center of the world's
attention with endless
market size

Our Solutions



BEST TECHNOLOGIES

35 years of developing and offering best low-code technologies which are well-known for their very high ROI



BEST PRACTICES

Best practices to support today's constant changes of the IT world:

- ✓ Agility
- ✓ Flexibility
- ✓ Reduced time to market (TTM)



BEST PEOPLE

Top quality and experienced human resource, alumni of top IDF units and universities

Customers Benefits

- ✓ We support our customers throughout the full cycle
- ✓ We offer them the most appealing agile/ on-demand products and services out there
- ✓ We use top methodologies
- ✓ Our software is future safe

**We significantly reduce
our customers'**



TIME



RISKS



**AND
ESPECIALLY
MONEY!**

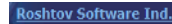
Global Customer Base

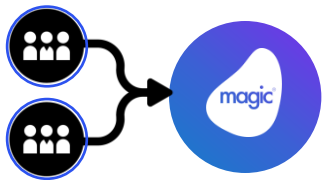


Our Strategy



Acquisition Track Record 2009-2020





Our M&A Strategy



100% of Acquisitions Driven By Our Business Units

as a result of long-term relationship and familiarity with targets' business and management, and therefore low risk



Target Companies with Knowledgeable and Unique High Skilled Capabilities



Complementary Technologies, Solutions and Services



Financial Highlights

Revenue Growth

Consistent Record of Revenue Growth

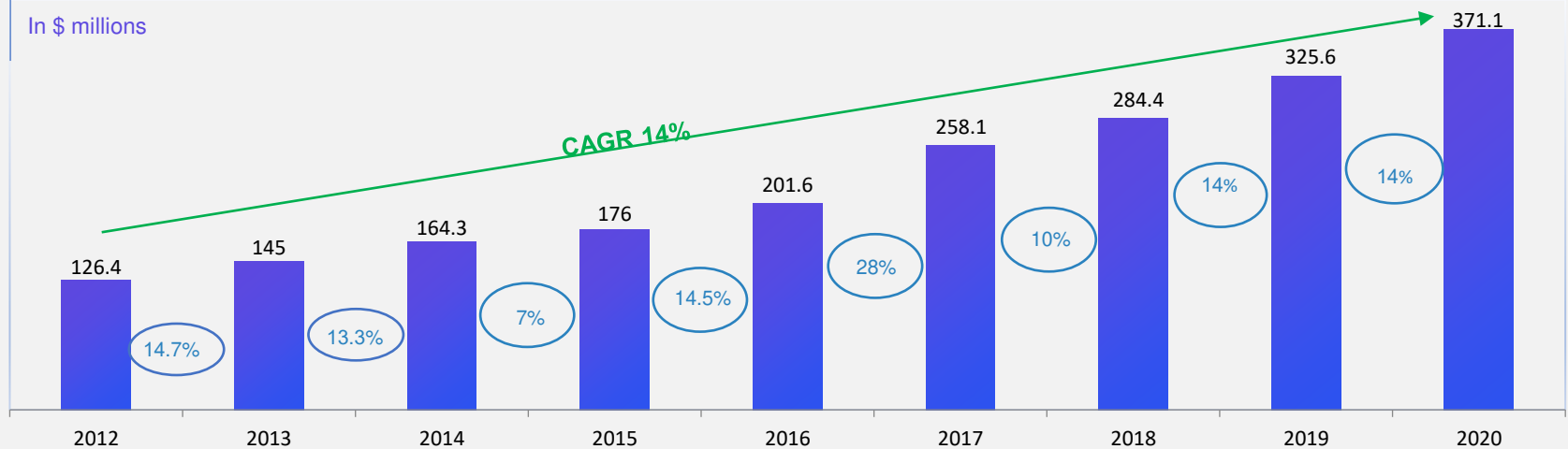
14% average revenue
CAGR 2012-2020
(from \$126 million in '12 to \$371 million in '20).

2021 Revenue guidance:
\$420 million – \$430 million,
reflecting 13% - 16% growth.

Track record of acquiring diversified
targets and generating significant
value by increasing revenues and
profits.

YOY Revenue Growth

In \$ millions



Operating Profit Growth

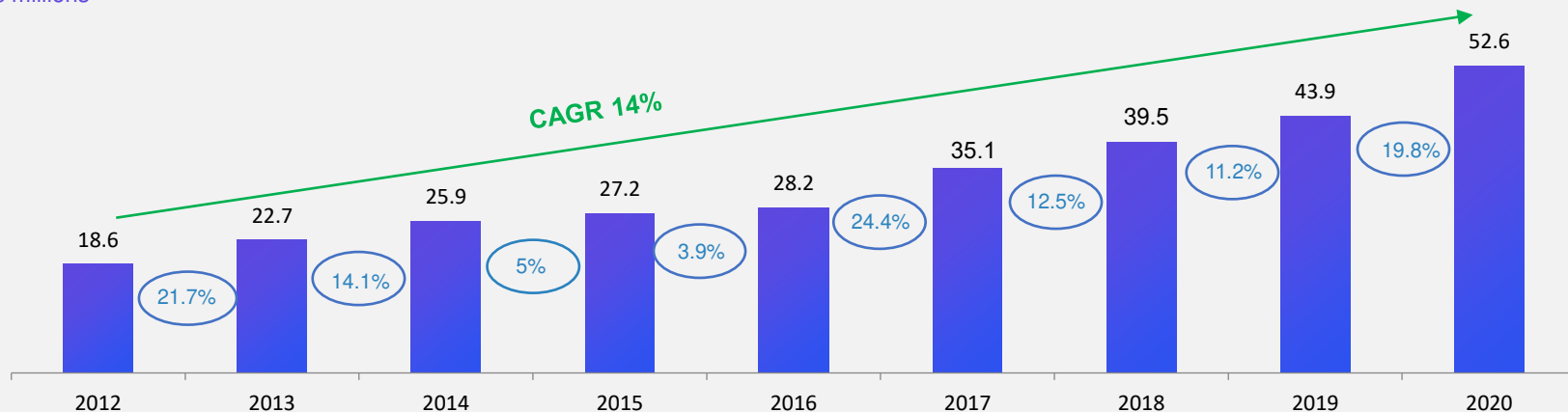
Strong Profitability

Average Non-GAAP operating profit CAGR of 14% from 2012 to 2020, with \$54 million EBITDA for 2020.

Operating margins⁽¹⁾ range between 14%-16% in 2012-2020.

YOY Non-GAAP Operating Profit Growth

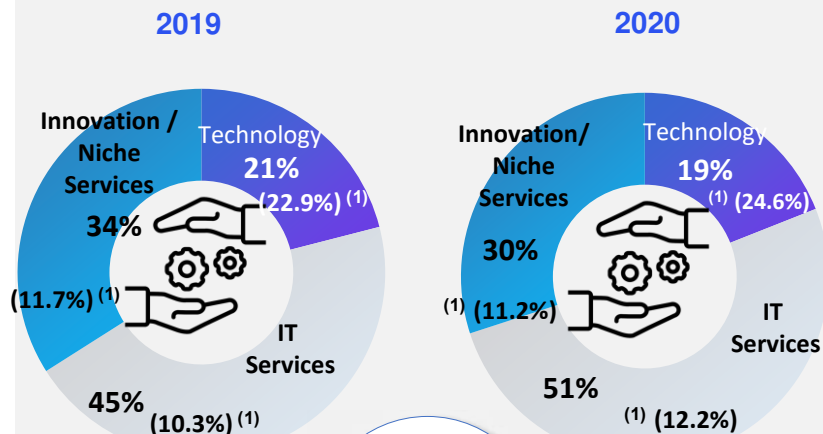
In \$ millions



Diverse Business Model

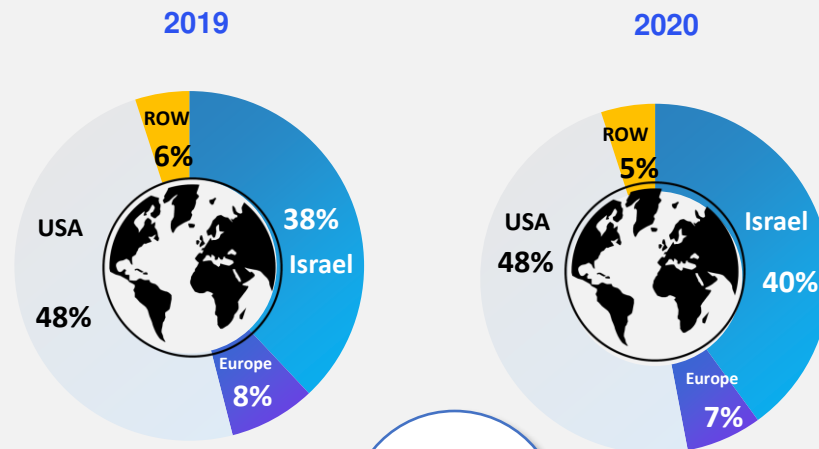
Well Diverse Business Model: Diverse customer base; our two largest customers account for 19% of revenue (with no other client accounting for more than 3% of our revenue).

Business Segments % Revenues



**Business Activity
in Multiple Fields
and Industries**
Thousands of
partners and
customers

Geographic Presence % Revenues



**Impressive
Geographic
Presence**
4 Continents

(1) Non-GAAP Operating margin

Cash Flow

High Cash Flow Low Capital Intensity

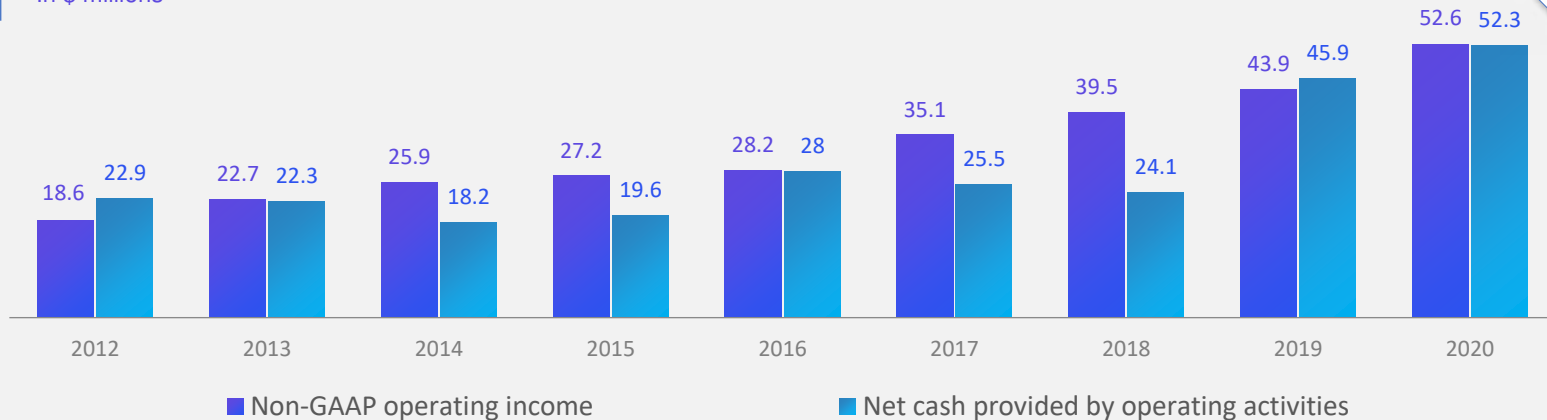
Our operating profits are translated into cash flow (\$258.8 million in operating cash flow 2012-2020 compared to \$293.7 million in non-GAAP operating profit; \$52.3 million cash flow from operating activities in 2020).

Attractive dividend policy of up to 75% of annual net income.

As of 12.31.2020 \$92.0 million in cash, cash equivalents, short and long-term bank deposits, and securities investments (Net Cash \$67.1 million).

Strong Cash Flow

In \$ millions



Net
Cash:
**\$67.1
Million**

Why Magic? Why Now?

Magic was under the radar in the Israeli market for too long, and it is time to bring it back to the spotlight



Global provider of digital transformation products and services



Targeting a massive market with significant growth potential



More than 3,000 customers across the globe



Repeated revenue business model



Double digit organic growth with M&A to accelerate



Proven growth strategy



2021 Revenue guidance

**\$420 million – \$430 million,
reflecting 13% - 16% growth.**



Thank
You

