



OUTPERFORM THE FUTURE™

# Financial Fact Sheet

Q4 & Full Year 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.

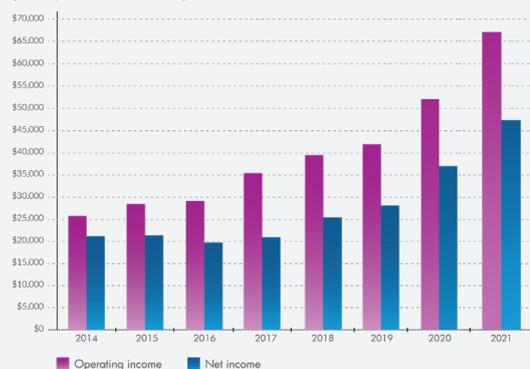
Magic solutions are backed by over 35 years of experience, millions of installations, and strategic alliances with global mobile and IT leaders, including Samsung, IBM, Microsoft, Oracle, Salesforce.com, Sage, SugarCRM, SYSPRO and SAP. With a presence in more than 50 countries, including 30 regional 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)

|                  | Q4/2021 | Q4/2020 | YOY%  | 2021  | 2020  | YOY%  | 2019  |
|------------------|---------|---------|-------|-------|-------|-------|-------|
| Revenues         | 133.0   | 104.6   | 27.2% | 480.3 | 371.2 | 29.4% | 325.6 |
| Operating Income | 19.8    | 15.3    | 29.5% | 66.8  | 52.6  | 27.0% | 43.9  |
| Net Income       | 12.6    | 10.3    | 22.5% | 46.0  | 37.2  | 23.5% | 28.2  |

### Income Highlights (Non-GAAP)

(US\$, in thousands)



### Balance Sheet Highlights

(US\$, in millions)

|              | 31/12/2021 |
|--------------|------------|
| Total Cash*  | 96.6       |
| Total Assets | 492.0      |
| Total Debt   | 37.2       |
| Total Equity | 275.7      |

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

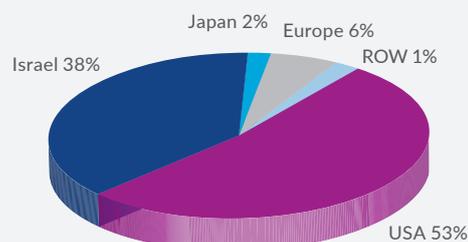
### 2021 YTD Cash Flow Overview

(US\$, in millions)

|  |             |
|--|-------------|
| Total Cash 31.12.2020 **                                   | 91.9        |
| Purchase of Property, Net                                  | (1.4)       |
| Acquisition related costs                                  | (14.3)      |
| Investment in deposits                                     | (0.1)       |
| Dividend distribution                                      | (21.8)      |
| Dividend paid to non-controlling interests in subsidiaries | (4.7)       |
| Change in loans from financial institutions, net           | 11.1        |
| Exchange rate differences                                  | (0.8)       |
| Net Cash Provided By Operations                            | 36.7        |
| <b>Total Cash 31.12.2021 **</b>                            | <b>96.6</b> |

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

### Revenues by Geography - 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

## Financial Performance

### For The Fourth Quarter Ended December 31, 2021

- Revenues for Q4.21 increased 27% to a record breaking \$133.0 million compared to \$104.6 million in the same period of the previous year.
- Non-GAAP operating income for Q4.21 increased 29.5% to a record breaking \$19.8 million compared to \$15.3 million in the same period of the previous year.
- Operating income for Q4.21 increased 30% to a record breaking \$14.3 million compared to \$11.0 million in the same period of the previous year.
- Non-GAAP net income attributable to Magic's shareholders for Q4 2021 increased 23% to a record breaking \$12.6 million compared to \$10.3 million in the same period last year.
- Net income for Q4 2021 remained constant at \$6.5 million compared to \$6.5 million in the same period last year.

### For The Year Ended December 31, 2021

- Revenues for the year increased 29% to a record breaking \$480.3 million compared to \$371.2 million in the previous year.
- Non-GAAP operating income for the year increased 27% to a record breaking \$66.8 million compared to \$52.6 million in the previous.
- Operating income for the year increased 26% to a record breaking \$51.2 million compared to \$40.6 million in the preceding year.
- Non-GAAP net income attributable to Magic's shareholders for the year increased 24% to a record breaking \$46.0 million compared to \$37.2 million in the preceding year.
- Net income attributable to Magic's shareholders for the year increased 16% to a record breaking \$29.3 million compared to \$25.2 million in the same period last year.
- Strong cash position with a healthy total cash balance of approximately \$96.6 million as of December 31, 2021.
- Cash flow from operating activities for the twelve months ended December 31, 2021 amounted to \$40.5 million compared to \$52.3 million in the same period last year.
- Magic is providing revenue guidance for 2022 of between \$535 million to \$545 million, reflecting annual growth of 11.5% to 13.5%.
- 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 2021 in amount of 21.6 cent per share (approximately \$10.6 million) payable on April 7, 2022. Cash dividend for H1 2021 in amount of 23.4 cent per share (approximately \$11.5 million) announced on August 12, 2021. The dividend paid on September 14, 2021 to all of the company's shareholders of record at the close of the NASDAQ

Global Select Market on August 30, 2021. Cash dividend for H2 2020 in amount of 21.0 cent per share (approximately \$10.2 million) paid on April 7, 2021. Cash dividend for H1 2020 in amount of 17.5 cent per share (approximately \$8.6 million) paid on September 10, 2020.

## 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

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