

Jefferies Israel Group Global Tech Digest

April 17, 2025

We are pleased to share our most recent JIG newsletter, which includes thematic insights from Jefferies research, significant tech industry updates, performance analysis of Israeli stocks, and upcoming events. We hope you find the content relevant and insightful – please feel free to contact any member of our team to discuss the contents of this newsletter in further detail.

NOTABLE JEFFERIES NEWS

[Jefferies acted as Sole Global Coordinator on the ~\\$250m Secondary Follow-On by B Communications in Bezeq](#)

Jefferies acted as Sole Global Coordinator on the ~\$250 million secondary follow-on in Bezeq, the largest public Israeli telecommunications company with a market cap of a ~\$4.6 billion, on behalf of B Communications. The deal represented 5.8% of the company. B Communications is a holding company under the control of Searchlight Capital Partners, a private equity firm based in the US. This transaction represents yet another successful return on investment for a global investor in Israeli public securities

[Jefferies Served as Exclusive Financial Advisor to NinjaTrader on its \\$1.5 Billion Sale to Kraken](#)

Jefferies is pleased to have served as Exclusive Financial Advisor to NinjaTrader on its \$1.5 billion sale to Kraken, representing the largest-ever major acquisition of a traditional finance firm by a crypto-native company. This acquisition bolsters Kraken's position as a 24/7, always-on technology platform built for professional traders while solidifying Kraken as leader in the U.S. futures market for both traditional and crypto trading. Jefferies' prominent leadership role in Market Structure & Technology and Financial Technology sectors is underscored by this marquee transaction and our lead advisory role in the groundbreaking \$1 billion acquisition of tastyTrade by IG Group

HIGHLIGHTED TECH CONTENT

Software: Survey Says - C1Q Moderates & Pipeline Concerns

Joe Gallo | April 14, 2025

- SUMMARY – Our VAR survey indicates a slowdown in demand in C1Q vs C4Q. Pipeline optimism for the next three months was the lowest ever in our survey history (11 surveys), reflective of the macro uncertainty (esp. before the 90-day tariff pause). Network security showed the strongest sector performance in our survey. CHKP also saw the best-improved momentum qoq, while VRNS showed the greatest decline in momentum qoq
- Read [here](#)

Software: Certain uncertainty

Charles Brennan | April 13, 2025

- SUMMARY – In our view, "a pause" leaves the sector in limbo. Tariffs are still higher than the start of the year and uncertainty remains. It seems unlikely we can snap back to the "normal" cadence of decision making and it seems inevitable some decisions will push to the right. Meanwhile, with the shares trading towards the middle of typical valuation ranges, there is insufficient valuation support to feel confident looking through the macro noise
- Read [here](#)

Thematic Research: Balancing Risk & Opportunity: Incorporating Both Shelter & Torque

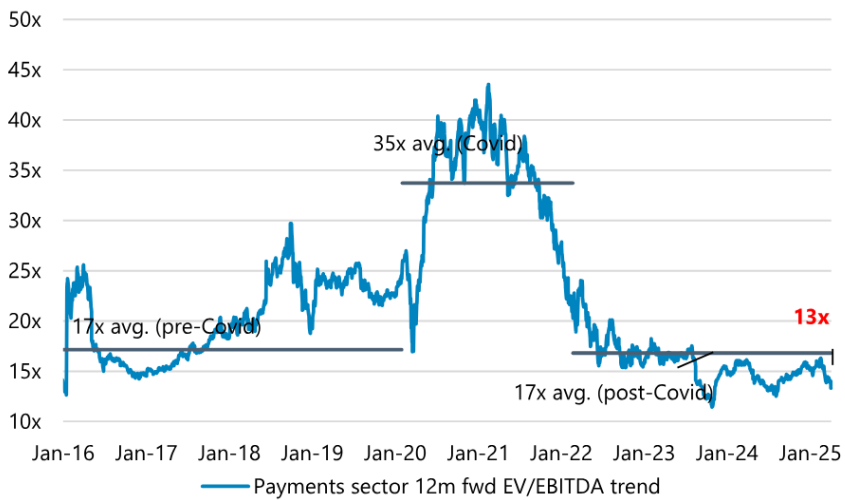
Jefferies Equity Research | April 11, 2025

- SUMMARY – This week's stunning reversals demonstrate how quickly things can change on both the policy/macro front and for equities. Given singular updates can determine risk-on vs. risk-off, we believe a balanced approach is warranted. We asked Jefferies' analysts to provide two picks: 1) a biz eschewing tariffs, more resilient to a slowdown and 2) a stock pricing in significant challenges from both. We think a prudent course draws from both 'shelter' & 'torque' baskets
- Read [here](#)

Payments & Fintech: Q1'25 Preview: Q1 should be fine, but expect cautious Outlooks

Hannes Leitner | April 8, 2025

- SUMMARY – Besides our usual Q1 preview, where we look at macro as well as micro data, we flexed a recession scenario across our coverage using post-pandemic trough-peak multiples. We estimate a full recession could take off another 15-30% of current share levels. We believe Adyen and Wise are best placed for the recovery phase due to their respective structural positions as well as their potential net market share opportunities mitigating cyclical downturns
- Read [here](#)



Semiconductors: Q1'25 Preview: A weaker outlook for Q2 and FY25 due to tariff turmoil

Janardan Menon | April 8, 2025

- SUMMARY – The disruption and uncertainty from tariffs is expected to push the semiconductor sector into sharper downcycle, with weaker demand across segments including the AI supply chain and semicap equipment. Ind./auto chip suppliers should meet Q1 estimates, but their Q2 and FY25 outlooks are likely to be impacted. We prefer industrial/auto stocks on a 12 mth view as we continue to forecast recovery into 2026, while other segments incl. WFE could weaken next year
- Read [here](#)

Software: Cyber VAR Check: C1Q Strong, Cautionary Outlook Remains

Joe Gallo | April 7, 2025

- SUMMARY – We hosted a cloud & cyber channel consultant to gauge C1Q demand. C1Q cyber & cloud performance showed strength yoy. While a lot of uncertainty remains for the rest of 2025, large enterprise, state & local govt spend were deemed healthy while federal & SMB appeared more cautionary. Firewall & endpoint vendors performed well while VM was more constrained
- Read [here](#)

Software: Cutting Estimates Across The Board; Another Mullet Year

Brent Thill | April 6, 2025

- SUMMARY – Amid rising tariff uncertainty, we have preemptively cut forecasts across 29 covered cos. Our analysis suggests ~15% avg stock downside across our group, with most multiple compression at PLTR & least at META. We est. greater downside risks for PLTR, IBM, U & ESTC, while CRM, ADBE, ORCL & WDAY appear as defensive large caps w/ favorable risk/reward. Until macro conditions clarify, a selective buying approach is needed, as broader improvement may wait until 2H
- Read [here](#)

Semiconductors: Blayne's Bytes: OFC Takeaways, Intel Vision 2025, Semis M&A, Trump Tariffs

Blayne Curtis | April 3, 2025

- SUMMARY – Trends in optical remain solid with demand throughout '25 and little impact tied to NVDA's slow ramp. CPO fervor seems overdone with publics seeing a modest 2-3 year ramp while privates aim to push a more abrupt shift. Lastly, incremental opportunity for COHR/LITE tied to hyperscaler interest in OCS. The focus has now quickly shifted to Tariffs, where Semis have been spared directly for now (still impacted by end demand), but Semi-specific tariffs may be next
- Read [here](#)

Software: Software in the DOG(E) House - Lowering PTs Across Coverage

Brent Thill | March 30, 2025

- SUMMARY – We are lowering PTs across our coverage to account for recent multiple compression (IGV - 10% YTD). There are early signs of softening macro factors impacting deal decisions across tech, leading us to believe we may have another “mullet” yr in software (1H chop, 2H flow). We are not lowering #s yet as we await Q1 checks & recent guides were set for no material improvement. Ongoing uncertainty means investors are waiting on the sidelines to assess the impact
- Read [here](#)

Software: M&A Is Back: Read Through to Pure Play Cyber

Joe Gallo | March 18, 2025

- SUMMARY – GOOG announced on 3/18 that it plans to acquire Wiz for \$32B. A deal of this size emphasizes the mission criticality of Cyber & should support valuations broadly. NT, this could pressure cloud vendors (PANW, S, CRWD) as GOOG uses its scale to push pricing & penetrate the market. LT this should benefit pure play vendors as the Switzerland effect is appreciated by customers who may not trust GOOG to guard AWS/Azure. We see no changes to CHKP's Wiz partnership
- Read [here](#)

MACRO STRATEGY RESEARCH

The Treasury Twist

David Zervos | April 17, 2025

- SUMMARY – There have been a few days of calm since the largest weekly rise for US long-term interest rates in over 40 years. To see such a move, along with a sharp weakening in the dollar, during a period of equity and credit market stress, is extraordinarily unusual. For decades, we have all been conditioned to run for the safety of USTs and the USD when economic and financial market uncertainty rises sharply. Then, once at the safe harbor, we eagerly wait for news on the strike price of the Greenspan, Bernanke, Yellen, or Powell Put
- Read [here](#)

JefMacro Weekly—Making Sense of Trump's “No Pain, No Gain” Policy Message

Global Macro Team | April 13, 2025

- SUMMARY – Zervos continues to believe that reducing fiscal largesse and rebalancing the playing field of int'l trade are admirable goals, worthy of LT excitement for risk assets. GREED & Fear sees the rate sell-off as stemming from forced selling triggered by leveraged players in the “basis” trade. Mohit favors reducing allocation to US bonds/equities, favoring Europe/Asia. He expects US term premium to rise, with steeper curves and the long end struggling to rally
- Read [here](#)

What happens when the US rebalances the global trade landscape? David Zervos | April 11, 2025

- SUMMARY – On September 22, 1985 the Plaza Accord went into effect to stem the deep trade imbalances existing between the US, Japan, and Western Europe. Once again, beginning a week ago Thursday, the US made initial moves to rebalance an unlevel global trade playing field. This time, of course, the primary target is China. The game is complex, and the downside risks are high, as they were in 1985. But the potential rewards from a genuine releveling are even higher
- Read [here](#)

Do you remember the Prisoner's Dilemma?

David Zervos | April 3, 2025

- SUMMARY – Here is a simplistic version of the game played every day in the global trade arena. Each country chooses to either be cooperative (C) or uncooperative (U). Right now, the US is playing C, while most of its trading partners are playing U
- C:C -> \$100:\$100
- C:U -> \$30:\$130
- U:C -> \$130:\$30
- U:U -> \$10:\$10
- Read [here](#)

ISRAELI COMPANIES EQUITY RESEARCH

CyberArk (CYBR): Decreasing Certificate Lifespans a Big Tailwind for CYBR

Joe Gallo | April 15, 2025

- SUMMARY – The Certification Authority Browser Forum (cert guideline setting group) recently passed a ballot reducing cert lifespans; this should drive tailwinds for CYBR (via Venafi). The vote, unanimously passed, decreases cert lifespans from 398 days to 47 days by 2029 and increases the need for automated processes. While CYBR is the primary beneficiary given its prowess in managing certs, SAIL/OKTA could benefit from increased spotlight on machine identity
- Read [here](#)

SolarEdge (SEDG): 1Q25 Preview; Navigating the Tariff & IRA Uncertainty

Julien Dumoulin-Smith | April 15, 2025

- SUMMARY – Backdrop on resi remains cautious. Initially, the focus was on IRA, and now it has shifted to tariffs. We est 1Q rev of \$206mn (in-line vs cons) with GM of 6.5% vs cons 7.3% and guide of 6-10%. SEDG has manufacturing facilities in Israel, Italy, SK, and Vietnam, and relies on China for certain "key" components. Given the tariff exposure, we expect GM to be pressured and accordingly, lower our ests and PT as well to \$9.00
- Read [here](#)

Inmode (IMND): 1Q Prelims Below Cons; FY25 Guide Reiterated But Requires Step-Up; Hold

Matthew Taylor | April 14, 2025

- SUMMARY – INMD preannounced 1Q sales of \$77.2-\$77.5MM vs cons \$81MM. GM is expected to be 78-79% vs cons 80.2%. Despite this, INMD reaffirmed its FY25 guide of \$395-\$405MM vs cons \$396MM. This assumes a step-up in the quarterly run rate, which could prove challenging in this environment. We lowered our estimates to reflect softness in 1Q and our PT to \$15, ~8x '26EPS. Our prior \$16 PT was based on ~8x our prior '26E EPS. We DG'd INMD in July'24 and reit. our Hold
- Read [here](#)

CyberArk (CYBR): Impressive Pace of Innovation Culminating in an Identity Platform

Joe Gallo | April 10, 2025

- SUMMARY – We attended CYBR's IMPACT25, in Boston, and came away incrementally positive on: 1) its ability to be an end-to-end identity platform, and 2) its pole position in an emerging and evolving machine/agentive identity market. A broadening product portfolio and positive channel conversations reinforce our confidence in eventual mid-20s ARR growth in '25 vs 21% yoy guide. Remain Buy
- Read [here](#)

Ormat (ORA): Full 'Steam' Ahead on Geothermal, But See Risks to Storage. 1Q25 Preview

Julien Dumoulin-Smith | April 8, 2025

- SUMMARY – We expect Chinese tariffs of 65% in '25 (for now) going to 82% in '26 to meaningfully impact ORA's LT storage goals; as a result, we revise our '28 capacity est. down by ~21% to <800MWs. Even so, we still expect ORA to deliver Rev./EBITDA in line with original LT guide. Conversely, we see minimal risks on geothermal and are encouraged by potential acceleration in opportunities in '28+ from novel counterparties. Maintain Buy despite weaker Storage view
- Read [here](#)

SentinelOne (S): Notes from the Road with S

Joe Gallo | April 4, 2025

- SUMMARY – We hosted S' CFO Barbara Larson, VP IR Doug Clark, IR Director Saad Nazir. S struck a measured, but confident tone across our meetings today in NYC, while investors focused on implications from macro/tariffs. Our key takeaways for the meetings are 1) We continue to have confidence in FY26 guide, 2) FY26 non-GAAP leverage of 660 bps yoy is achievable, 3) Lenovo revenue benefit more of a F2H26/FY27 story & 4) Key areas of focus/growth are cloud, data & AI
- Read [here](#)

Teva (TEVA): Recent Communication Helping 1Q Setup & Could Serve as Clearing Event for Shrs

Glen Santangelo | March 31, 2025

- SUMMARY – We think the setup into 1Q looks better following increased transparency on FY25 guide, which implies 1Q will be lowest on: rev, GM & EBITDA. Further, we exp mgmt to provide increased clarity on the 1Q call pertaining to EBITDA in 2026-2027, which should further alleviate concerns around the LT margin oppty. With valuation at 6x and 1Q dynamics well-known, we think any pos surprises will be a catalyst for the stock. Reit Buy
- Read [here](#)

Energean (ENOG): Upgrade to Hold - Adding Back East Med

Mark Wilson | March 31, 2025

- SUMMARY – Upgrade ENOG to Hold (from Underperform) with 910p PT (from 800p) adding back Italy, Egypt & Croatia assets after termination of the sale to Carlyle. Group production is therefore higher & YE25 net debt is helped by removal of the \$200m special div. Fully re-integrating these assets has challenges - Egypt receivables is one already flagged - but if net debt can be maintained "similar to year end 2024" then valuation is more reasonable, causing us to upgrade
- Read [here](#)

Nayax (NYAX): Feedback from Jefferies Pan-European MidCap Conference 2025

Hannes Leitner | March 26, 2025

- SUMMARY – We hosted CEO and co-founder Yair Nechmad and Chief Strategy Officer Aaron Greenberg at the Jefferies Pan-European MidCap Conference. Key topics discussed were Nayax's unit economics, distribution network, cash-to-card, and OEM strategy, as well as guidance and ambition. We left with a positive impression on the back of market penetration potential, expansion of payment value chain and operational leverage coming through in profits and cash generation
- Read [here](#)

Harel (HARL): Exceeding Expectations

Philip Kett | March 26, 2025

- SUMMARY – To our eyes, Harel's results are materially (+11%) ahead of our earnings expectations, echoing similarly strong beats at peers and justifying the market-wide re-rating that Israeli Insurers have seen year-to-date (+20%). Even more importantly, Harel's management have restated their FY 2026 targets to reflect IFRS 17, resulting in a +38% higher earnings target and +4%pts higher ROE
- Read [here](#)

Strauss (STRS): 4Q24 Results: Momentum Continues

Feng Zhang | March 25, 2025

- SUMMARY – Q4 organic growth was 13.8% and operating profit was NIS 174m with margins of 6.1%, vs Q3 (15.4% org & 7.4% margins). Top line growth is supported by strong performance in Snacks & Sweets (11% of sales), coffee (7% of sales) in Israel, and International Coffee (45% of sales). Operating margins are down 60bps YoY due to higher input inflation in cocoa and coffee
- Read [here](#)

Max Stock (MAXO): MET W/ MGMT: MAXO Remains Well-Positioned to Drive Significant Growth Ahead

Corey Tarlowe | March 25, 2025

- SUMMARY – Over the last week, we hosted investor meetings with MAXO CFO Nir Dagan and Corporate Development and IR Officer Talia Sessler. Our conversations focused on the following topics: 1) margin expansion; 2) healthy comp trends; 3) store growth opportunities; 4) MAXO's strong value offering, and 5) its robust unit economics. With the opportunity for higher margins, continued healthy comp trends, and unit/Sqm expansion, MAXO should remain well-positioned, we believe
- Read [here](#)

Elbit (ESLT): Harvesting European/Israeli Spending Backdrop to Drive HSD Rev Growth + Cash

Sheila Kahyaoglu | March 19, 2025

- SUMMARY – ESLT reported a strong 2024 w/ 14% organic growth and a 99% FCF/GAAP NI conversion, pointing to a new way forward in a rising global defense spending environment. We raise our PT to \$464 on updated \$11.20 2026E EPS reflecting 9% rev growth in 2025E / 5% in 2026E as European and Israeli demand continues to convert, as well as a recovery in profitability at ESA. However, w/ valuation at a 58% prem to peers' EV/EBITDA, further upside appears difficult to justify
- Read [here](#)

ICL (ICL): A Choppy Start To The Year, But Fert Pricing Trends Incrementally Positive

Laurence Alexander | March 18, 2025

- SUMMARY – To better reflect likely near-term bromine headwinds and lags on benefiting from higher potash prices, we are lowering 2025E EPS \$0.05 to \$0.35; we now forecast a cyclical recovery lifting 2026E to \$0.45 and 2027E \$0.50. The catalysts for the next few quarters remain familiar ones: potash

and phosphate prices (we are more positive on phosphates), a turn in cyclical demand for bromine derivatives, secular growth opportunities for battery materials, and M&A

- Read [here](#)

Nova (NVMI): Analyst Day Takeaways: Raised Financial Model in Line with Stronger Performance

Blayne Curtis | March 14, 2025

- SUMMARY – The analyst day laid out the strong path for growth across each of the key drivers. While investors were likely hoping for a bigger headline number (raised from \$1B inorganic to \$1B organic), we would argue that raising to \$1B organic while bringing China down from 39% in CY24 to <30% should get them a little more credit. We would have liked to see more upside on profitability metrics from current levels, but we expect that there is upside to the target model
- Read [here](#)

ZIM (ZIM): Turning the page from a stellar 2024 to a decent 2025

Omar Nokta | March 13, 2025

- SUMMARY – ZIM's 4Q results capped an exceptional 2024, driven by constrained capacity and strong trade flows. ZIM has built up cash, giving its high-spot/high-lease platform a cushion to fall back on should freight rates weaken. We are expecting a more moderate 2025, but for spot rates to remain elevated due to ongoing Red Sea diversions. ZIM's cost structure is improving though we see limited free cash flow generation this year; we maintain our Hold rating
- Read [here](#)

Phoenix (PHOE): Momentum Ahead Plan - and Beyond

Philip Kett | March 13, 2025

- SUMMARY – On a busy results day, Phoenix Financial has managed to seize the limelight, beating our FY 2024 expectations by +15% and disclosing a potential +20% to +30% uplift in the group's medium-term targets. Even more surprisingly, the group is already laying the foundations for the next plan (2028-2031), which is refreshingly forward thinking
- Read [here](#)

ISRAELI STOCK PERFORMANCE

Recent Performance of Selected Israeli Tech Stocks

Company	Ticker	Market Cap (m)	Weekly Performance (%)	52-wk Performance (%)
Amdocs	DOX	\$9,341	(2.4%)	(2.2%)
Arbe Robotics	ARBE	\$110	(4.5%)	(44.7%)
Audiocodes	AUDC	\$264	0.0%	(16.5%)
Camtek	CAMT	\$2,642	(7.1%)	(26.8%)
Cellebrite	CLBT	\$4,557	0.3%	83.3%
Ceva	CEVA	\$542	(8.4%)	18.2%
Check Point	CHKP	\$23,293	(2.0%)	35.7%
CyberArk	CYBR	\$16,386	(5.4%)	39.7%
Evoke PLC	LSE: evok	\$285	15.1%	(36.8%)
Fiverr	FVRR	\$889	(1.9%)	24.9%
Gilat	GILT	\$348	0.7%	13.6%
Global-e	GLBE	\$5,422	(11.3%)	(5.0%)
Hippo	HIPO	\$617	3.5%	25.0%
Innoviz	INVZ	\$125	11.6%	(40.7%)
Ituran	ITRN	\$663	(1.6%)	33.1%
Jfrog	FROG	\$3,590	0.8%	(16.2%)
Kaltura	KLTR	\$310	3.1%	73.3%
Kornit Digital	KRNT	\$880	(0.4%)	23.2%
Lemonade	LMND	\$1,960	(9.7%)	71.1%
Magic Software	MGIC	\$650	0.5%	15.6%
Matrix IT	TASE: MTRX	\$1,500	8.6%	18.4%
Mobileye	MBLY	\$9,984	(18.8%)	(60.3%)
Monday.com	MNDY	\$12,711	(0.7%)	35.2%
Nano Dimension	NNDM	\$322	4.3%	(39.5%)
Nayax	NYAX	\$1,443	13.6%	52.7%
NICE	NICE	\$9,968	7.1%	(34.4%)
Nova	NVMI	\$5,110	(9.0%)	2.7%
Outbrain	OB	\$299	(7.8%)	(21.7%)
Pagaya	PGY	\$700	(8.4%)	(5.1%)
Payoneer	PAYO	\$2,307	(2.7%)	32.2%
Perion	PERI	\$391	9.7%	(23.1%)
Playtech	LSE: PTEC	\$3,012	14.2%	78.9%
Playtika	PLTK	\$1,873	1.0%	(27.5%)
Plus500	LSE: PLUS	\$2,910	9.6%	51.6%
Radware	RDWR	\$899	2.6%	29.6%
REE	REE	\$69	(12.7%)	(40.2%)
Riskified	RSKD	\$716	(1.6%)	(10.0%)
Sapiens	SPNS	\$1,455	(0.6%)	(13.7%)
SentinelOne	S	\$5,637	(9.2%)	(17.0%)
SimilarWeb	SMWB	\$557	(8.4%)	(10.8%)
SolarEdge	SEDG	\$725	(13.0%)	(78.2%)
Stratasys	SSYS	\$669	2.3%	(6.1%)
Taboola	TBLA	\$925	(0.7%)	(30.9%)
Tower	TSEM	\$3,802	(3.6%)	9.2%
Nexxen	NEXN	\$561	3.4%	103.9%
Valens	VLN	\$237	11.4%	(5.1%)
Varonis	VRNS	\$4,595	(1.3%)	(5.4%)
Verint	VRNT	\$992	(0.7%)	(45.1%)
Weebit Nano	ASX:WBT	\$216	25.0%	(46.8%)
Wix	WIX	\$9,003	(2.4%)	32.3%
Israeli Stocks Weighted Average			(2.7%)	13.0%
NASDAQ			(4.7%)	4.9%
S&P 500			(3.3%)	5.3%

Source: S&P Capital IQ (as of April 16, 2025)

UPCOMING JEFFERIES EVENTS

- Private Growth Conference, Santa Monica, April 22 – 23
- Public Technology Conference, Newport Coast, May 28 – 29
- Global Healthcare Conference, New York, June 3 – 5
- Power Conference, Houston, June 5
- Energy Conference, Kiawah Island, June 10-12
- Semiconductors, IT Hardware & Communications Technology Conference, Chicago, August 25 – 27
- **Jefferies Tech Trek, Tel Aviv, September 9 – 11**

Best Regards,
Jefferies Israel Group

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