

Jefferies Israel Group Global Tech Digest

November 24, 2024

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 served as Exclusive Financial Advisor to Wonder on its \\$650 million acquisition of Grubhub from Just Eat Takeaway](#)

Wonder, which is pioneering a new category of ‘fast fine’ dining, will integrate Grubhub’s more than 375,000 merchants to bring together the convenience, speed and selection of first-party and third-party restaurants, groceries and meal kits in a single app order. This was our second transaction for the company and a testament to our culture of client partnership and trust.

[Jefferies Has 40 Ranked Equity Analysts in 2024 All-America Extel Survey](#)

Jefferies’ Americas Equity Research maintains 5th place in this year’s 2024 All-America Extel (formerly Institutional Investor) Survey with 40 ranked analysts, up from 33 in the 2023 survey. 17 Analysts of our 40 ranked Analysts placed in the top 3 within their sector coverage. For the 3rd year running, Jefferies is the most improved firm on Wall Street and is the only firm in the top 5 to have gained market share in the survey

HIGHLIGHTED TECH CONTENT

Software: Cyber Earnings Half Time Recap

Joe Gallo | November 10, 2024

- **SUMMARY** – While C3Q cyber results have been in-line to modestly better so far, weaker C4Q guide has been a theme w/ no expectations of budget

flush. Key themes across results so far include weak C4Q guide, addressing the CY25 problem (cons estimates appear high), firewall refresh timelines, waiting on Gen AI lift off & M&A

- Read [here](#)

Semiconductors: AI Accelerator Industry Model: NVDA Strong, ASIC Opportunity Ramping Alongside

Blayne Curtis | November 7, 2024

- SUMMARY – We are publishing our AI Accelerator Model. We still see NVDA retaining dominant share but believe there is room for ASICs to ramp as well. We believe Trainium 2 (MRVL) is ramping well and see strong upside starting 2H25 for AVGO with ramps at Google and Meta. Our build also suggests continued 40-50% HBM die growth – a positive for CAMT and ONTO
- Read [here](#)

Internet: Building Towards AI - Mega Cloud + Capex Update

Brent Thill | November 3, 2024

- SUMMARY – Key takes: 1) GCP had the most notable growth by accelerating to 40% yoy from 34% last Q; 2) AWS added the most incremental rev. of \$1.17B but MSFT & GOOGL gained share; 3) Still in AI buildout phase with MSFT set to grow capex by \$32B & AMZN by \$27B in CY24; 4) AI is paying off with rev. backlog up \$184B since '22 vs. \$93B capex ramp from '22 to '24; 5) Results point to inflecting consumption trends & gradual AI tailwinds
- Read [here](#)

Semiconductors: Blayne's Bytes: AMD Taking Share but PC Correction Looms, Earnings Previews

Blayne Curtis | November 1, 2024

- SUMMARY – Through the second week of earnings with the busiest week coming up, Analog names continue to miss across the board with the Auto trough lower and Industrial recovery delayed. KLAC marked another Semi Cap to suggest weakening China but did not cut numbers due to strength at the leading edge, but that is at odds with Samsung's lower capex guide. AMD continues to take share from INTC, but PCs seem headed to a correction while there was nothing new on the AI side
- Read [here](#)

Software: JEF Monthly Payroll Monitor — November 2024

Samad Samana | November 1, 2024

- SUMMARY – Our Monthly Payroll Monitor is intended to provide a quick download of key macro data points that matter for our Payroll Software coverage, such as nonfarm payrolls, unemployment, interest rates, as well as notable company-specific news/data

- Read [here](#)

Software: Survey - MSFT Copilot Tracking Well w/ PANW A Surprising Early Winner

Joe Gallo | October 30, 2024

- SUMMARY – Our survey data shows an impressive 67% of Enterprises have adopted M365 Copilot, although only an avg of 16% M365 seats deployed indicating phased rollout. MSFT security copilot saw strong initial adoption at 27%. More surprising was 92% of respondents chose MSFT to secure copilots, followed by PANW at 36% & VRNS at 16%. Phased rollouts may constrain NT uplift for governance vendors, but early adoption appears positive & should drive cyber
- Read [here](#)

Software: Software Apps 3Q Preview: Attractive Set-ups, But Expectations Remain Low

Brent Thill | October 29, 2024

- SUMMARY – Software apps have had a challenging '24 thus far up 5% YTD underperforming the IGV up 14% YTD. Investors remain concerned about AI impact on apps. Despite attractive set-ups with easing comps, our checks and alt. data indicate demand envt. remains stable with more upside being seen in semis and infra. Our checks also indicate it is still early in the AI journey. We favor TEAM (conservative guide) and FRSH (attractive valuation with a third of the cap in cash)
- Read [here](#)

Software: Collab Apps Deep Dive & Preview: MNDY Top Pick

Brent Thill | October 29, 2024

- SUMMARY – We take a deep dive into the top 3 pure-play collaboration software vendors & compare fundamentals. MNDY comes out on top with the fastest growth, biggest share gains, highest FCF margin, increasing move up-market, and attractive growth-adjusted valuation. SMAR is the leader among enterprises, but awaiting acquisition to close in FQ4. ASAN stock has been hit hard, has the lowest growth, negative margins, and decelerating metrics; it's hard to see NT catalysts
- Read [here](#)

Software: 3Q24 Enterprise Comms Preview and Expert Call Takeaways

Samad Samana | October 28, 2024

- SUMMARY – GenAI remains the paramount focus. In CCaaS, the primary concerns are around growing GenAI competition from the hyperscalers/megacaps, the rise of AI agents, and seat declines ([see here](#)). On the fundamentals, the focus for 3Q24 earnings will be on the stability of sub rev growth (or lack thereof), further margin leverage, and driving

shareholder value via capital mgmt. We see the group poised for a relief rally, particularly with investor activism increasing

- Read [here](#)

MACRO STRATEGY RESEARCH

US-China Tech War: Possible Escalation Under Trump

Edison Lee | November 12, 2024

- SUMMARY – Just as we believe Trump will be less ideology-driven than Biden, Trump appointed two China hawks: Mike Walz as National Security Advisor and Marc Rubio as Secretary of State. We are worried our cautious optimism is misplaced. We see 3 risky areas: 1) TSMC/Samsung not allowed to make =< 7nm chips for China, period. 2) Banning countries where Chinese firms are building AI capabilities. 3) Potential return of ADR delisting/US investment ban risk
- Read [here](#)

The Trump Flattener

David Zervos | November 11, 2024

- SUMMARY – The initial market response to Trump’s win last week went largely as expected on the macro front – higher spoos, stronger dollar, higher yields, tighter credit spreads, and a steeper yield curve. However, by the end of the week, the fixed income duration markets began to strengthen. From the close on last Tuesday to the close on Friday, 10yr yields were unchanged after initially selling off ~15bps. The broad consensus in the macro trading community heading into the election had been that yields would rise sharply if Trump won (~25bps or more), with most looking for a sizable bear steepening. This powerful retracement in long term yields - a Trump flattener - was not on many trading bingo cards
- Read [here](#)

A fiscal theory of stagnation, not inflation

David Zervos | November 1, 2024

- SUMMARY – The recent run-up in Treasury yields has injected some adrenaline into the never-ending parade of debt and deficit alarmists. CEOs of Fortune 500 companies, CIOs of centibillion-dollar investment portfolios, ivory tower academics, leaders of multinational government agencies, leading central bankers, and of course elected officials continuously warn us about the risks of unsustainable deficit spending. And when long-term interest rates rise a smidge, they start to amp up even louder!!!
- Read [here](#)

Pagaya (PGY): PGY NDR - Reaffirming GAAP Profitability in 2025; Long-Term Story Intact

John Hecht | November 22, 2024

- SUMMARY – We recently hosted PGY management for institutional meetings in NYC. Topics included funding and partner growth, loan demand and credit trends, the 3Q impairment charge, & vintage performance. PGY remains committed to its guide of reaching GAAP profitability in '25. PGY's value proposition remains strong, we highlight recent positive developments including AAA ABS rating and partner pipeline (top-5 money center bank) as catalysts heading into 2025
- Read [here](#)

ZIM (ZIM): Big 3Q dividend could very well be repeated next quarter

Omar Nokta | November 21, 2024

- SUMMARY – ZIM's cash position has risen above \$3 billion, making a \$100 million special dividend seem trivial. The shares traded at a steep discount when ZIM was burning cash just a couple of quarters ago, and began to trade in line with its cash position once it started generating free cash flow. With big dividends now, it appears the stock may be on the verge of garnering a premium. We remain Hold-rated; raise target from \$25 to \$28
- Read [here](#)

Palo Alto Networks (PANW): F1Q25: LT Growth Trajectory & FCF Story Still On Track

Joe Gallo | November 20, 2024

- SUMMARY – RPO grew 20% yoy to \$12.6B (vs \$12.45B guide) while F2Q was guided to modestly accelerate given the strength in platformization & AI. Billings declined 13% yoy given duration headwinds although FY25 FCF mgn guidance (37-38%) was maintained. While we continue to expect minimal upside to the FY25 income statement, RPO guide continues to indicate PANW's strategy is taking root & driving share gains which should culminate in ~\$4.5B of FY27 FCF. Remain Buy, PT \$450
- Read [here](#)

Global-e (GLBE): Model Update and Final Thoughts

Samad Samana | November 20, 2024

- SUMMARY – GLBE delivered a solid 3Q (recap). Following the EPS call and our callback with mgmt, our takeaways were: 1) recent consumer trends and volume levels at newer large merchants are both encouraging ahead of 4Q; 2) the demand gen product will likely see modest GMV early on, but could be a driver of take rate expansion over time; and 3) Managed Markets remains a work-in-progress. We are raising our PT to \$58 to reflect durability of >25% growth for a longer period

- Read [here](#)

Tel-Aviv Stock Exchange (TASE): 3Q24 Recap: Margin Lower; Non Transactional Momentum Remains Positive

Daniel Fannon | November 20, 2024

- SUMMARY – TASE's 3Q24 adj EBITDA of ILS 45.1M missed our est of ILS 46.6M, leading to a 41.4% margin vs our 42.8% est. Lower commission rates on mutual funds and higher marketing and tech spend were drivers of the ILS -0.8M adj EBIT miss. Strong financing income (ILS +2M vs est) and a lower tax rate (23% vs 24% est) contributed to the ILS +0.01 EPS beat. Product proliferation (custom indices, derivatives) and pricing changes should support higher margins going forward
- Read [here](#)

Max Stock (MAXO): Strong 3Q Top Line; LT Opportunity Remains Attractive

Corey Tarlowe | November 20, 2024

- SUMMARY – MAXO reported solid 3Q results with top-line growth of ~19% and SSS +9%, primarily driven by volume and increased selling sqm. GM witnessed temporary pressure in the Q due to increased costs associated with its new DC; however, higher sales resulted in expense leverage, partially offsetting these costs. Looking ahead, MAXO expects to complete the consolidation of its DC by 2H25, while demand and its whitespace opportunity remain robust. Reit Buy, PT to ILS14
- Read [here](#)

Elbit (ESLT): A Global Defense Play, but FCF Lacking

Sheila Kahyaoglu | November 20, 2024

- SUMMARY – ESLT continues to benefit from global defense spending with backlog up 33% y-o-y driven by 117% sales growth to Israel. However, recruited workers increased to 8% of total employees from 6% last quarter as the ME conflict persists, leading to some inefficiencies. We now est 12% organic growth in '24E and 8% in '25E w/ EPS of \$8.10 in 2025E (\$8.50 prior) reflecting higher finance expense. We remain on the sidelines with our \$240 PT at 3-yr avg prem
- Read [here](#)

Inmode (INMD): London Calling: Macro Challenges Continue; Not Actively Exploring M&A

Matthew Taylor | November 20, 2024

- SUMMARY – We hosted INMD at London HC: Key takes: 1) macro environment remains challenging given high rates and consumer pressure; 2) hopeful for stabilization in '25, but limited visibility; boost of up to ~\$50MM from launches best case in '26; 3) on track for two platform launches per year, ED and Empower a focus for '25; 4) China remains

challenging, similar to global mkt; 5) not actively exploring M&A; mgmt focus on disruption in Israel, no change to buyback

- Read [here](#)

Global-e (GLBE): 3Q24 First Look: Solid Results and a Clearer Path to Big 4Q Ramp

Samad Samana | November 20, 2024

- SUMMARY – GMV (+35% y/y), total rev (+32% y/y) and EBITDA (17.7% margin) all beat consensus. Fulfillment rev drove the upside. The sub rev take rate was slightly light (7.3%-A vs. 7.5%-E), while the total was slightly ahead. Mgmt also called out expansions at existing logos and another notable launch--Harrods. While 3Q was not perfect, we believe it better positions GLBE to hit the 4Q ramp and sustain >30% organic growth
- Read [here](#)

Zim (ZIM): 3Q First Look: Huge beat; massive dividend

Omar Nokta | November 20, 2024

- SUMMARY – ZIM reported 3Q earnings significantly above expectations, raised full-year guidance to well above consensus, declared a quarterly dividend based on its 30% payout ratio and declared a special dividend of \$100 million (combined total of \$3.65/sh). ZIM has reaped the benefits of a much stronger container freight market and its high spot exposure has given it ample firepower to improve its balance sheet and reward shareholders
- Read [here](#)

Nayax (NYAX): a Multi-year Compounder

Hannes Leitner | November 20, 2024

- SUMMARY – In this [video](#), we take you through our latest transfer of coverage (note) of Israeli payments company Nayax (NYAX IT) including an upgrade to Buy based on underlying assumptions of mid20s organic revenue growth, supported by M&A, operational gearing to come through from economies of scale and efficiency gains and lastly attractive valuation. Since our launch, Nayax reported Q3, which we discussed here
- Read [here](#)

Wix (WIX): On a Multi-Quarter Path of Acceleration

Brent Thill | November 20, 2024

- SUMMARY – WIX extended the momentum from last 3 Qs into Q3, despite slightly tougher comps. FY24 guide range was raised, and mgmt still expects rev accel in FY25. Raised FY24 rev guide 13% growth combined with raised FCF mgn guide 27-28% results in Rule of 41 at the high end. Bookings accelerated for the 3rd qtr to 16% y/y, and Wix plans to launch new directly monetized AI products around yr-end. CY25 EV/S is attractive at 5.3x vs. GDDY 6.1x. Buy, PT to \$225
- Read [here](#)

Elbit (ESLT): Quick Take: Global Defense Demand Drives a Beat

Sheila Kahyaoglu | November 19, 2024

- SUMMARY – Elbit reported Q3:24 adj EPS of \$2.21 vs our est/cons of \$1.86/\$1.95. Q3 revs of \$1.72BB rose 14% y-o-y, 7% ahead of our forecast. Adj op income was \$141MM (+\$13MM vs. our est) on higher sales, with Adj op margin of 8.2% 30 bps ahead of our 7.9% est. Q3:24 FCF was \$5MM w/Q3 WC a \$64MM headwind tied to receivables + inventories. B2B was 1.6X in the quarter
- Read [here](#)

Bezeq (BEZQ): Q3 Results | Growth in Core Revenue, Stable Underlying EBITDA & FCF

Alex Wright | November 19, 2024

- SUMMARY – Headline Q3 numbers in line to slightly below consensus, though core drivers remain on track, fibre rollout ahead of target, and stable FCF generation driving net debt reduction. Full year 2024 guidance and mid-term outlook unchanged. Given recent share price strength, market reaction to results suggests some short-term profit taking
- Read [here](#)

Palo Alto Networks (PANW): F1Q Preview: Consolidation Success Will Maintain FCF Trajectory

Joe Gallo | November 19, 2024

- SUMMARY – We expect PANW to report healthy F1Q results with modest upside to 19-20% yoy RPO guidance although our moderating survey results & weaker overall network security prints may mitigate upside. While we don't expect material upside to RPO in FY25 (RPO guide implies acceleration in bookings vs FY24), we continue to have faith in the LT consolidation trajectory yielding strong FCF results. Remain Buy, PT to \$450 based on 38x cons FY26 FCF
- Read [here](#)

Bank Leumi (LUMI): 3Q24: Standout Loan Growth + Efficiency & 40% Payout Ratio

Joe Dickerson | November 19, 2024

- SUMMARY – LUMI produced a ROTE of 15.2% (excluding losses on derivative instruments, RoTE of 15.9%) in Q3 24, supported by a backdrop of higher NII, strong fee income and solid loan growth (+3% QoQ and +7% YoY). TBV/share grew +15% YoY, with shares trading on 1.0x spot TBV. Management have announced distributions totalling 40% of net profit (30% DPS and 10% share buyback)
- Read [here](#)

Israel Discount Bank (DSCT): 3Q24: Solid Shareholder Returns and Inflecting Loan Growth the Highlights

Joe Dickerson | November 18, 2024

- SUMMARY – DSCT produced a ROTC of 14.9% at Q3 24 (14.1% in Q2 24), supported by a backdrop of higher NII, better fee income and solid loan growth (+3% QoQ and +7% YoY), with notable growth in Corporates. TBV/share grew +16% YoY with shares trading on 0.9x spot TBV. Management have announced distributions totaling 40% of net profit (30% DPS and 10% share buyback)
- Read [here](#)

Bank Hapoalim (POLI): 3Q24 - respectable ROE and 40% payout

Joe Dickerson | November 18, 2024

- SUMMARY – POLI reported Q3 ROTC of 13.6% with results somewhat impacted by a realisation loss on bond sales against a strong contribution from CPI linked net interest income, 3% YoY loan growth (notable strength in mortgages and large corporates), and flat YoY costs. NPL ratio improved QoQ with coverage levels up in light of ongoing forward uncertainty. TBV/share grew 14% YoY and shares are on 1x spot TBV. 40% distribution via DPS (27%) and NIS 250m share buyback (13%)
- Read [here](#)

NICE (NICE): 3Q24 Recap: Mixed Quarter Adds to Uncertainty Ahead of 2025

Samad Samana | November 14, 2024

- SUMMARY – 3Q total rev and EPS beat consensus. The rev upside was driven by Product rev, as Cloud rev of ~\$500m fell short. We estimate organic growth slowed to 15% y/y. Mgmt finally cut the 2024 organic growth outlook to 16-17% from 18%. While mgmt sounded constructive on momentum and expects Cloud growth to accelerate in 4Q, we believe another disappointing Cloud quarter, a lack of a 2025 Cloud outlook, and a CEO transition leaves NICE in a lame-duck period
- Read [here](#)

Similarweb (SMWB): 3Q24 Results—Clean Beat as Focus on Enterprise Accounts Showing Traction

Surinder Thind | November 14, 2024

- SUMMARY – 3Q results were better than anticipated and guidance was raised on the flow through of the beat. Revenue growth continues to accelerate and has now improved for four consecutive quarters, with NRR now also beginning to inflect off of its lows. Mgmt's focus on enterprise accounts appears to be gaining traction with healthy growth in clients with >\$100K in ARR, and 3Q marking the company's second >\$10M client. Our estimates move modestly higher. Reiterate Buy
- Read [here](#)

CyberArk (CYBR): Machine Identity Train Just Leaving Station w/ New CFO Conductor

Joe Gallo | November 13, 2024

- SUMMARY – CYBR beat ARR cons by 0.5% (\$4M) which is a moderation vs the 1.2% avg the prev 4 Qs. FY24 org ARR guide was raised by the 3Q beat & continues to look conservative (no budget flush expected). While we remain abundantly bullish on the LT opportunity Venafi presents, it remains clear it will take time (sales cycles 9-12 months) & primarily begin to benefit 2H25. We see ample runway for growth in PAM NT & Machine Identity LT justifying a val of 10x EV/CY25E rev
- Read [here](#)

Amdocs (DOX): Still a Tough End Market; We Like the Decision to Focus

George Notter | November 13, 2024

- SUMMARY – September results were in-line with expectations, but the business will be experiencing lower growth and a \$600M headwind related to discontinued low-margin business. While the overall market remains pressured, we continue to like the stock. Amdocs is a high-quality company with a great competitive moat, sticky customers, nearly 75% recurring revenue, reasonable growth prospects – at an 11.9x forward PE multiple on 2026E EPS
- Read [here](#)

Nayax (NYAX): Q3'24 Recap: Looking through POS Device lumpiness; Long-term story intact

Hannes Leitner | November 12, 2024

- SUMMARY – While Q3 results were dampened by lumpy POS sales, we believe Nayax executed towards our Buy upgrade thesis laid out in our recent transfer note. Revenue growth was led by Recurring, which drove gross margin expansion, while costs remained under check, delivering a solid EBITDA beat. With soft KPI trends remaining strong (customers: +51%, NRR=130%), we see Nayax on track towards its mid-term ambition. Remain Buy
- Read [here](#)

Pagaya (PGY): 3Q24 Recap: Focusing on Growing the Network as FV Mark Volatility Recedes

John Hecht | November 12, 2024

- SUMMARY – Adj EPS of \$0.44 beat JEFe/Cons of \$0.39/\$0.29. Network Volume of \$2.4B, revs of \$257M and Adj EBITDA of \$56M were in line with guide/Street. FRLPC margin % of network vols of 4.3%, highest level since IPO. YTD issued \$4.4B across 12 ABS transactions with 2nd AAA rated and 2nd pass thru. PGY reported (\$70M) in FV impairment charges related to '23 trans, and we are hopeful that volatility tied to impairments will wane, supporting the path to GAAP profitability
- Read [here](#)

Camtek (CAMT): Q3'24 First Look: POS Soft, Offset Good Cost Control Driving a 14% EBITDA Beat

Blayne Curtis | November 12, 2024

- SUMMARY – HBM should reaccelerate in 2025 after flattish near-term revenue given customer capacity constraints. Outside of HPC (HBM/CoWoS), CAMT is seeing improvements from SiC/CMOS/Fan-Out, which should continue into 1Q25. We continue to like CAMT given leadership in advanced packaging, which we highlighted is growing 40-50% Y/Y in our recent AI model
- Read [here](#)

ICL (ICL): Q3 EPS Beat. Exiting Trough In 2025

Laurence Alexander | November 12, 2024

- SUMMARY – Q3 EPS of \$0.11 was \$0.03 above both consensus and \$0.04 above our estimate. Soft ag end market demand likely weighs on Ag Solution and Potash in 4Q. Electronics and construction demand for flame retardant remain soft, though volumes likely to grow on market share gains. The overall environment likely remains depressed near-term, and while credit easing should bolster US industrial and consumer demand, a rebound is unlikely before 2H25, at the earliest
- Read [here](#)

Sapiens (SPNS): 3Q24 Results—Lots of Challenges Emerge

Surinder Thind | November 11, 2024

- SUMMARY – Results missed expectations and 2024 guidance was materially lowered. Mgmt also commented on 2025, indicating they expect it to be a year of low-single-digit growth, as current headwinds are expected to continue into next year. We believe these challenges will ultimately prove transient but, in the meantime, we expect a healthy debate around when growth will rebound. We have lowered our 2025 adj EPS estimate by -8% to \$1.42
- Read [here](#)

monday.com (MNDY): Q3: Monday Blues, but Friday Will Come Again

Brent Thill | November 11, 2024

- SUMMARY – MNDY delivered its usual small rev beat & raise, though Q3 \$4M beat vs. hi-end of guide was at lower end of typical range \$4-7M. Mgmt noted some continued macro choppiness and fewer enterprise net adds, but Oct. has started off strong. We see the bulk of today's stock reaction (-17% intra-day) due to strong +73% YTD performance and rise in multiple to ~14x NTM EV/S. We expect a strong Q4 and potential upside to FY25 rev cons. 27% growth. Reiterate Buy, \$350 PT
- Read [here](#)

Hippo (HIPO): 3Q24 Takeaways: Continued Progress on Unit Economics, but Top-Line Noise Ahead

Yaron Kinar | November 11, 2024

- SUMMARY – The company continues to make progress on LR improvement and on CT exposure reduction, and is benefiting from increased scale and expense efficiency. We caution that TGP growth will face pressure through YE25 due to sale of First Connect, but the Rev impact is minimal and the sale is EBITDA-favorable and also allows the company to shrink its share count. Reiterate Buy. PT +\$6 to \$34 (21% upside)
- Read [here](#)

Teva (TEVA): Updating Model Post 3Q & Guidance Raise: Reiterate BUY + \$23 PT

Glen Santangelo | November 11, 2024

- SUMMARY – Updating model to reflect 3Q results and updated 2024 guidance. We still believe the current valuation (<7x C25E EBITDA) does not fully reflect 1) strength of generics and key products, 2) biosimilar approvals, and 3) continued progress on the innovative pipeline. As a result, we think further multiple expansion from here is warranted as the market begins to better reflect the overall revenue opportunity. Reiterating Buy and \$23 PT
- Read [here](#)

Bezeq (BEZQ): First View: Sale of Bezeq Online - Focus on Core

Alex Wright | November 11, 2024

- SUMMARY – The agreed sale of Bezeq Online for ILS50m, while relatively immaterial in financial terms, is consistent with management's strategy of focusing on core operations such as expansion of the fibre broadband and 5G mobile networks, while growing FCF and maintaining a high level of profit distribution to shareholders subject to maintaining AA credit rating. We expect Q3 results on 19 November to demonstrate further progress towards mid-term goals of 1.5%-2.0% CAGR in adj EBITDA with margins of 42%-44%; 16%-18% capex/sales, an increase in OpFCF (adj EBITDA - capex) of ILS4-500m; and FCF CAGR of 7%-9% off the 2023 base of ILS1.3bn
- Read [here](#)

Nova (NVMI): Firing on All Chambers

Blayne Curtis | November 7, 2024

- SUMMARY – Clean print across the entire business. No hiccups on Leading Edge and GAA with AP/HBM strong despite ONTO commentary on HBM pause. China expected to remain strong into next year. Overall, the story remains right on track, and the two primary concerns in China and HBM don't seem to be headwinds
- Read [here](#)

SolarEdge (SEDG): 3Q24 Miss: Living on the Edge as Solar Slides.

Maintain Underperform

Julien Dumoulin-Smith | November 7, 2024

- SUMMARY – We expect a negative reaction as SEDG reported rev of \$260mn below / in-line vs cons / JEFc of \$270 / \$262mn. Additionally, the company expects 4Q rev of \$190mn at mid-point, -40% below cons. The company expects headwinds to persist in 2025, but re-iterated positive FCF in 1H. We are doubtful, given ongoing headwinds in Europe and US competitive forces not acting in SEDG's favor. Lower PT to \$10.00.
Maintain Underperform
- Read [here](#)

AudioCodes (AUDC): 3Q24 Recap: Mixed Results; Inflection Still

Multiple Quarters Away

Samad Samana | November 6, 2024

- SUMMARY – AUDC posted misses on total rev (~2%) and EPS (~38%). We found the Teams business slowdown to be disappointing, although Live ARR did perform well. Despite the soft quarter, mgmt maintained the full-year 2024 outlook for revenue and EBITDA. Given AUDC has posted a few disappointing quarters in a row, we now estimate 2024 will come in closer to the low end of the guidance range. We are reducing our PT to reflect our downwardly revised estimates
- Read [here](#)

Teva (TEVA): Another Impressive Quarter & Guidance Raise to Lift Shares into YE - Reit Buy

Glen Santangelo | November 6, 2024

- SUMMARY – Strong 3Q on all fronts as revenue and adj EBITDA both came well-above driven by a \$154M beat in US Gx plus mgmt raised the FY24 guide by \$100M/\$50M at the midpoint. With TEVA trading at 7x EBITDA and the co demonstrating cont underlying strength in gx/key products plus pipeline catalysts (biosimilars, Olanzapine LAI no PDSS, anti-TL1A Ph2) coming into focus, we expect Teva's multiple to re-rate to a level more commensurate with its growth & pipeline
- Read [here](#)

Payoneer (PAYO): 3Q Wrap: Keeping Their Swag Turned On

Trevor Williams | November 5, 2024

- SUMMARY – PAYO continues to execute at a high level, posting another big core revenue beat (24% Y/Y growth vs. guide for low-mid teens) off an impressive acceleration in B2B + SMB volume, and ARPU growth reaching +20% Y/Y on the back of cross-sell / improving mix / pricing. The outlook for growth slowing to mid-teens despite stable trends in Oct. should set up

another beat, and makes the outlook for mid-teens core growth in FY25 look like a conservative starting point

- Read [here](#)

Lemonade (LNMD): 3Q24 Takeaways: Relatively Unchanged Guide With Improving Growth Outlook

Yaron Kinar | November 5, 2024

- SUMMARY – This quarter's slight beat was met with a relatively unchanged guide for FY24. We note higher growth spend and retrenchment in HO could lead to temporary EBITDA pressure, though would expect growth, mix shift and improving LRs to offset that in the longer term. We lower ests for '24E, leave '25E unchanged and improve our '26E. Investor Day on 11/19. PT +\$3, to \$17 (-28% return); remains U/P
- Read [here](#)

Radware (RDWR): Solid Results, Refresh Cycle Compelling; Maintain Hold

George Notter | October 31, 2024

- SUMMARY – The DefensePro X upgrade cycle is interesting. It offers more attached software revenue sold in a Subscription model. Nonetheless, we remain on the sidelines with respect to the shares. We're not yet convinced that DefensePro X is a significant EPS lever. Also, it's hard to see investors significantly raise the multiple they're willing to pay for the business
- Read [here](#)

Inmode (INMD): 3Q In-Line With Prelims; FY24 EPS Guide Unchgd Due To Buybacks; Reiterate Hold

Matthew Taylor | October 30, 2024

- SUMMARY – 3Q sales of \$130.2MM were in-line with pre \$130.0-130.1MM. EPS were \$0.70 vs \$0.61 in 3Q'23. FY24 guidance was lowered on 10.10.24 to \$410-420MM (prior \$430-\$440MM). INMD's FY24 GM guide was lowered to 81-82% (prior 82-84%) and EBIT to \$140-145MM (prior \$150-155MM) with EPS unchanged at \$1.92-\$1.96 (-25% to -24%) due to buyback offsetting margin pressure. We DG'd INMD in July given macro issues and operational challenges. Our PT is unchanged; reiterate Hold
- Read [here](#)

Varonis (VRNS): VRNS 3Q: Solid Q; Misses An Elevated Bar

Joe Gallo | October 30, 2024

- SUMMARY – 3Q ARR growth accelerated to 17.9% yoy (beat cons by 0.9% vs 1.0% avg past 4 Qs) but modestly missed elevated expectations due to Fed weakness (which VRNS addressed by changing management).

Management offered bullish commentary on inflecting copilot results although the timing remains uncertain which we will continue to monitor. While overall results were solid, we believe valuation of 9x CY25 ARR feels fair for mid- to high-teen growth. Remain Hold, PT to \$60

- Read [here](#)

Check Point (CHKP): Deal Slippage Raises Questions but LT Opp Remains Apparent

Joe Gallo | October 29, 2024

- SUMMARY – 6% yoy billings growth in 3Q missed cons at 8% yoy and the even higher investor bogey of approx 10% yoy. Billings weakness was explained by 5pts of headwinds from deals that slipped into 4Q (mainly Europe). While we're encouraged by the LT trajectory driven by Infinity Platform & Harmony strength, investors will justifiably question near term visibility given 3Q weakness & cautious 4Q budget flush commentary. Our \$220 PT implies 22x P/NTM E vs 17x 5 yr avg
- Read [here](#)

Nayax (NYAX): A Multi-Year Compounder: Transition to a Full-fledged Payments Play; Up to Buy

Hannes Leitner | October 29, 2024

- SUMMARY – We transfer coverage of Nayax and upgrade to a Buy rating (from Hold) and increase our price target to ILS125.5 (was ILS81). Our Buy rating is based on our expectation of continuous momentum in recurring revenues (+31% CAGR [24E-27E]) driven by customer expansion, supported by operational leverage driving EBITDA margin towards 16.3%, or \$113m in 2027E. Given Nayax's niche and global revenue distribution, we see macro risks as limited
- Read [here](#)

Plus500 (PLUS): Tracking Ahead

Julian Roberts | October 28, 2024

- SUMMARY – The market was looking for c. \$166m of revenue, so this is a 13% beat. Customer numbers are increasing year-on-year, as are average deposits. Management guide that their expectations are in line with consensus revenue and EBITDA (\$725m/\$338m), which they have achieved 80% of so far this year. Guidance and consensus do not ask much of 4Q: revenue could drop 25% QoQ and still beat estimates. We remain confident in the FY24 outlook
- Read [here](#)

Recent Performance of Selected Israeli Tech Stocks

Company	Ticker	Market Cap (m)	Weekly Performance (%)	52-wk Performance (%)
Amdocs	DOX	\$9,783	2.0%	3.1%
Arbe Robotics	ARBE	\$154	18.0%	(1.6%)
Audiocodes	AUDC	\$274	11.3%	(16.5%)
Camtek	CAMT	\$3,401	1.2%	16.7%
Cellebrite	CLBT	\$4,303	11.4%	132.8%
Ceva	CEVA	\$719	12.7%	35.5%
Check Point	CHKP	\$19,989	4.3%	24.9%
CyberArk	CYBR	\$13,822	4.7%	65.2%
Evoke PLC	LSE: evok	\$307	(4.1%)	(32.4%)
Fiverr	FVRR	\$1,133	14.5%	40.5%
Gilat	GILT	\$299	4.2%	(17.1%)
Global-e	GLBE	\$8,331	23.8%	57.9%
Hippo	HIPO	\$828	24.6%	304.4%
Innovid	CTV	\$453	82.6%	89.4%
Innoviz	INVZ	\$89	9.3%	(73.2%)
Ituran	ITRN	\$577	8.3%	16.5%
Jfrog	FROG	\$3,587	4.7%	20.0%
Kaltura	KLTR	\$314	2.9%	20.7%
Kornit Digital	KRNT	\$1,490	1.0%	66.9%
Lemonade	LMND	\$3,519	48.0%	191.6%
Magic Software	MGIC	\$540	(3.8%)	29.6%
Mobileye	MBLY	\$14,575	19.9%	(58.7%)
Monday.com	MNDY	\$14,189	8.3%	62.6%
Nano Dimension	NNDM	\$463	1.0%	(14.9%)
Nayax	NYAX	\$1,046	2.2%	42.5%
NICE	NICE	\$10,816	0.2%	(10.8%)
Nova	NVMI	\$5,221	0.6%	43.9%
Outbrain	OB	\$251	0.2%	28.2%
Pagaya	PGY	\$705	8.6%	(41.8%)
Payoneer	PAYO	\$3,898	5.4%	99.1%
Perion	PERI	\$409	1.7%	(70.2%)
Playtech	LSE: PTEC	\$2,766	(1.3%)	69.9%
Playtika	PLTK	\$3,179	0.9%	0.1%
Plus500	LSE: PLUS	\$2,306	2.3%	65.8%
Radware	RDWR	\$973	0.4%	50.7%
REE	REE	\$136	4.7%	65.0%
Riskified	RSKD	\$771	8.3%	15.5%
Sapiens	SPNS	\$1,549	(1.0%)	8.5%
SentinelOne	S	\$9,054	9.3%	59.3%
SimilarWeb	SMWB	\$1,027	9.2%	139.9%
SolarEdge	SEDG	\$688	11.7%	(84.8%)
Stratasys	SSYS	\$674	1.9%	(15.4%)
Taboola	TBLA	\$1,187	12.4%	(8.5%)
Tower	TSEM	\$5,323	7.4%	69.9%
Nexxen	NEXN	\$653	29.6%	155.2%
Valens	VLN	\$208	2.6%	(10.9%)
Varonis	VRNS	\$5,626	(2.1%)	25.1%
Verint	VRNT	\$1,515	4.0%	(1.0%)
Weebit Nano	ASX:WBT	\$390	(8.5%)	(18.4%)
Wix	WIX	\$12,157	20.7%	125.8%
Israeli Stocks Weighted Average			9.0%	42.3%
NASDAQ			1.9%	29.9%
S&P 500			1.7%	30.9%

UPCOMING JEFFERIES EVENTS

- Renewable & Clean Energy Conference, New York, December 4 – 6
- Jefferies Software Bus Tour, San Francisco, January 6 – 9
- Biotech by the Beach Miami Summit, Miami Beach, March 11 – 12
- Jefferies Pan-European Mid-Cap Conference, March 25 – 27
- Jefferies Energy Conference, June 10-12

Best Regards,
Jefferies Israel Group

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