



# Israel's Capital Markets 101

By Brian Friedman

# BRIAN FRIEDMAN

## President, Co-Founder and Portfolio Manager Israel Investment Advisors, LLC (IIA)

- Co-Founder and President of IIA's parent company, GHP Investment Advisors, Inc. with \$2.9 billion AUM
- Founder of Israel Investment Advisors in 2010 with \$75 million AUM
  - IIA is the GP of the Israel Investment Fund, L.P., an actively managed Israeli stock portfolio focused on long-term growth.
  - Invested in profitable companies with strong balance sheets and reasonable valuations.



# Israel Securities | Summary Statistics

**Total Israel Stock Market Capitalization** **\$548 Billion (USD)**

**Total Number of Listed Companies >\$25M (USD)** **454**

**Companies >\$10B (USD)** **10**

**Companies \$1-10B (USD)** **89**

**Companies \$100M-\$10B (USD)** **220**

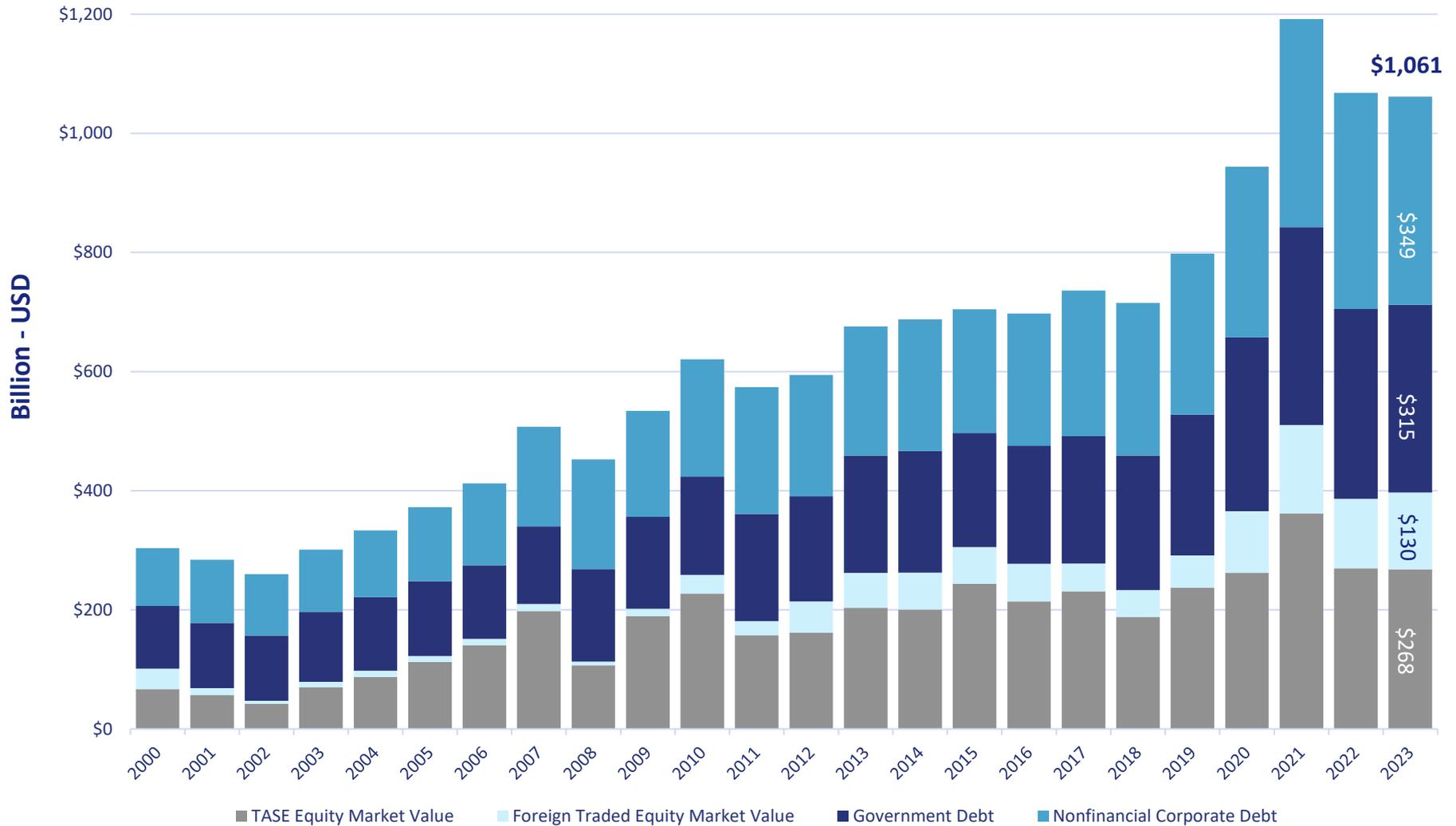
**Companies \$25M-100M (USD)** **135**

**Number of Israeli Companies on Foreign Exchanges  
(excludes dual listed companies)** **121**

Source: Factset and TASE as of 9/10/2025



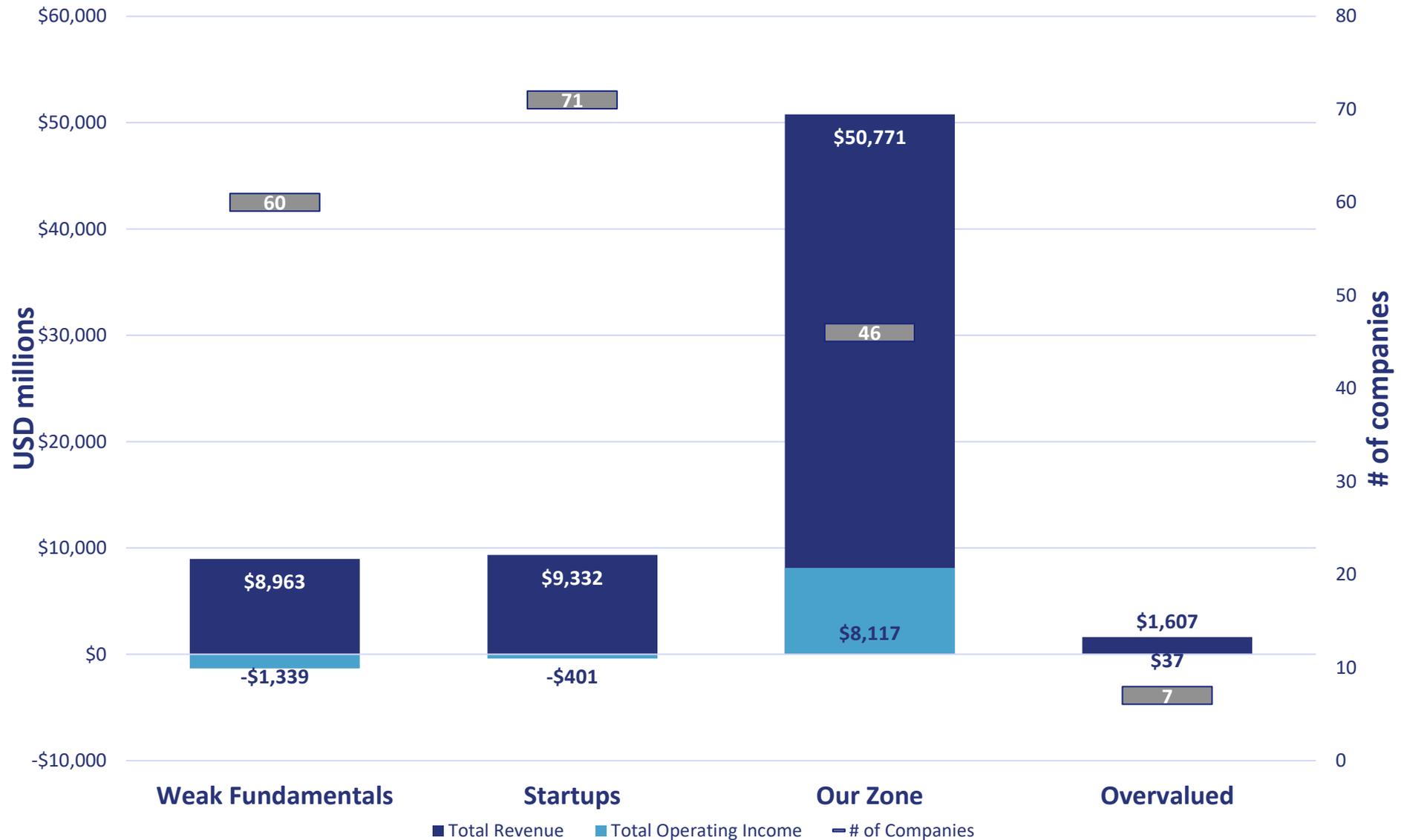
# ISRAEL'S CAPITAL MARKETS (Billion USD) 2000-2023



Source: IMF; Factset



# PUBLICLY TRADED ISRAELI TECHNOLOGY COMPANIES



Source: FactSet



# TEL-AVIV 125 INDEX VS. S&P 500 INDEX – EV/EBITDA

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
TA-125 Index	8.4	8.4	8.9	8.9	9.8	12.3	8.2	6.7	5.7	8.0	8.7	12.2
S&P 500 Index	10.5	11.7	12.7	13.1	11.4	13.8	18.2	16.4	12.5	14.8	16.5	16.6
Valuation Gap	80%	72%	70%	68%	86%	89%	45%	41%	46%	54%	53%	73%

Source: Factset



# UNIVERSAL PRINCIPLES OF INVESTING

- Intrinsic value = Present value of future cash flows
- Key ratios: P/E for quick valuation; EV/EBITDA adjusts for debt, taxes, and accounting



# ELEMENTS UNIQUE TO ISRAEL

- Security
- Scale-Up Nation
- Post-Bahar Reforms
- Evolution Toward Competition



# ISRAEL: SCALE UP NATION

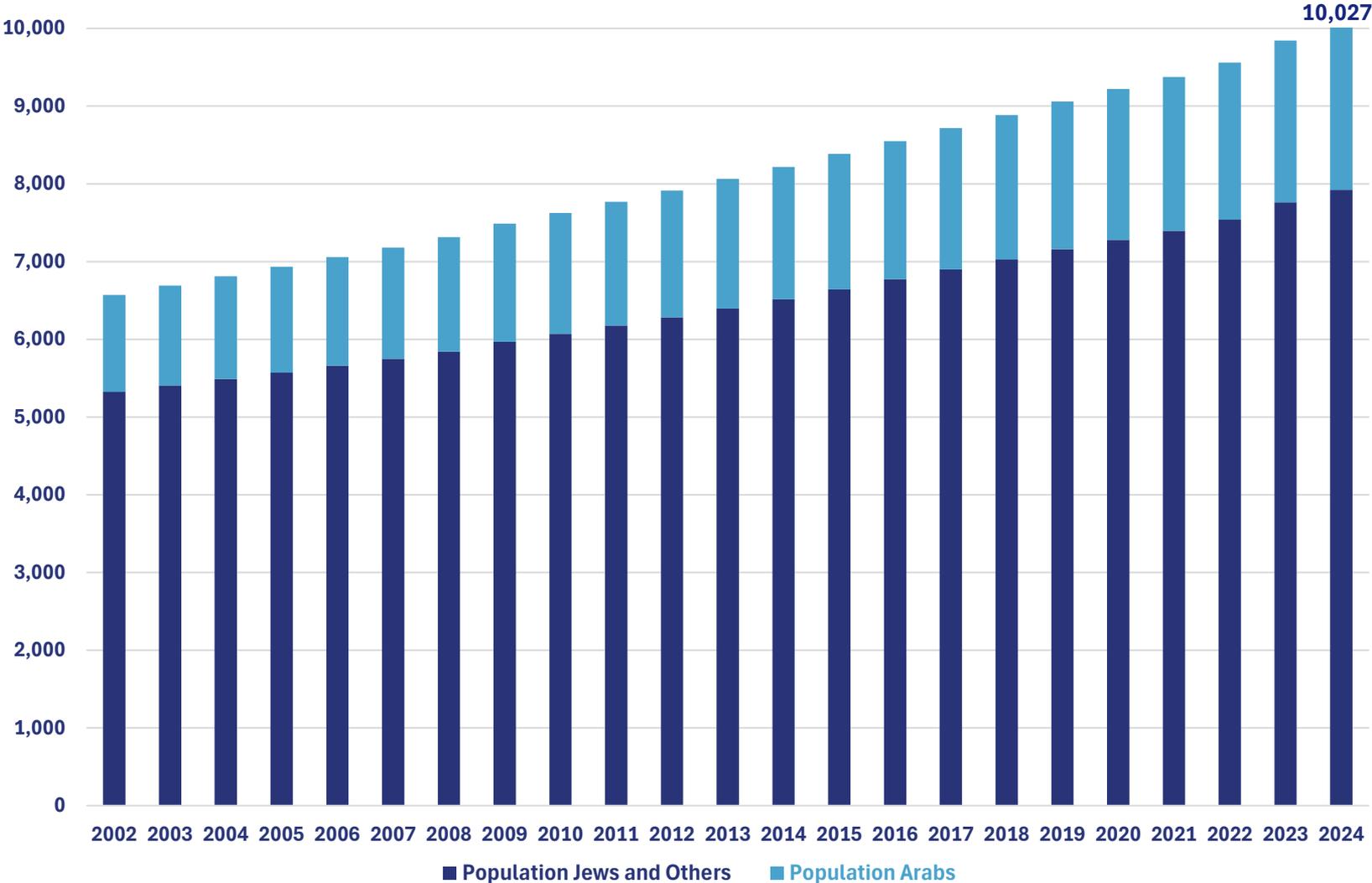


Photo by [Shai Pal](#) on [Unsplash](#)



# ISRAEL POPULATION (Thousands)

## 2002-2024



Source: Israel Central Bureau of Statistics

# ISRAEL'S POPULATION GROWTH IS THE FASTEST IN THE DEVELOPED WORLD

Israel population comparison table

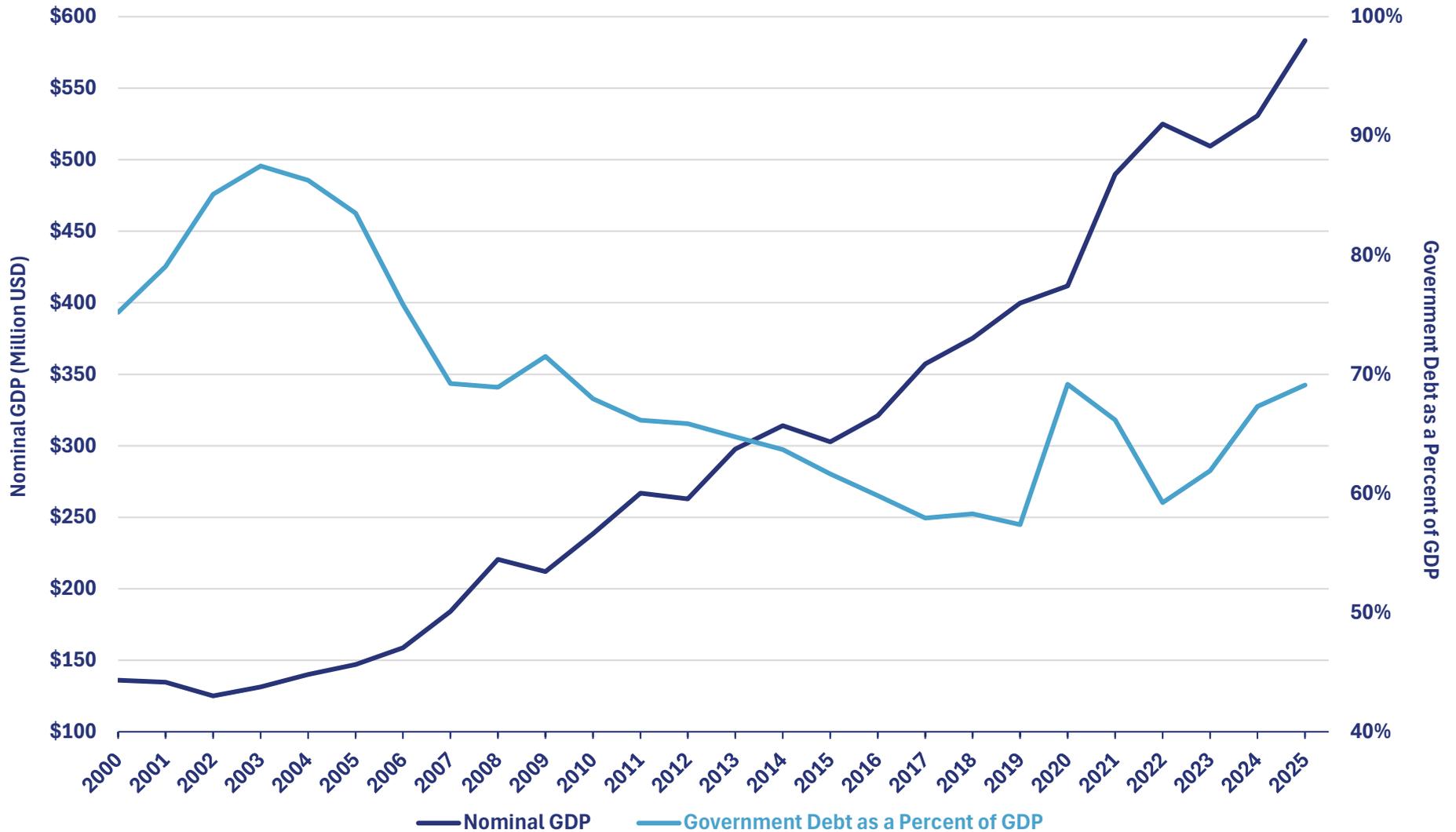
Population (millions)	2010	2025	CAGR		2040*	CAGR
Total	7.7	10.1	1.8%		13.2	1.8%
Jews	5.8	7.7	1.9%		10.1	1.8%
Non-Orthodox	4.1	5.1	1.5%		6.3	1.4%
Dati	0.9	1.3	2.5%		1.8	2.2%
Haredi	0.8	1.3	3.3%		2.0	3.0%
Arabs & Others	1.9	2.4	1.6%		3.2	1.8%
Muslim	1.6	2.0	1.5%		2.5	1.4%
Non-Muslim	0.3	0.3	0.0%		0.3	0.0%
Others	N/A	0.3			0.4	1.9%

\* Israel Investment Advisors Projection

**Source:** The Israel Central Bureau of Statistics and the Israel Democracy Institute



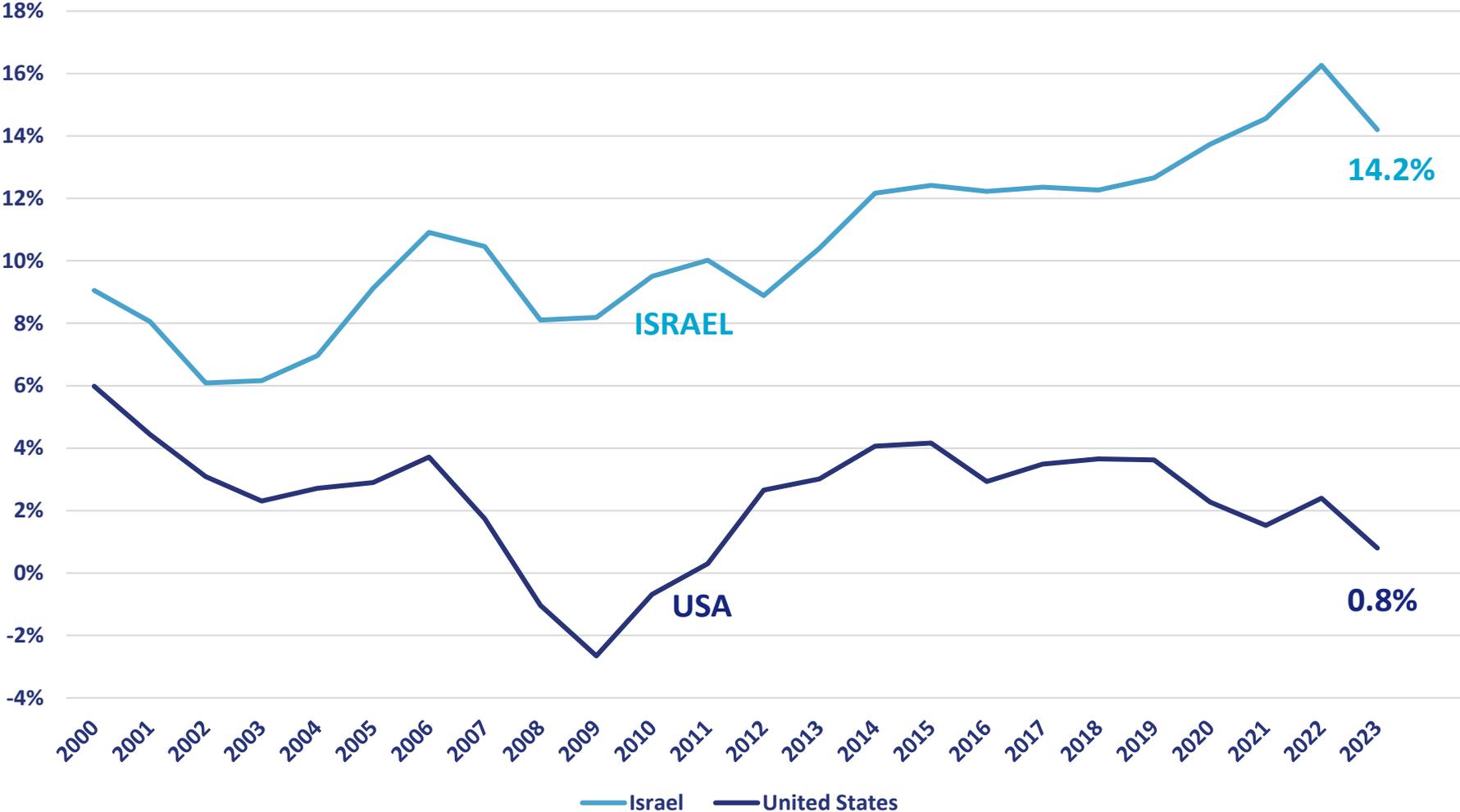
# ISRAEL NOMINAL GDP VS GOVERNMENT DEBT AS A PERCENT OF GDP 2000-2025



Source: IMF

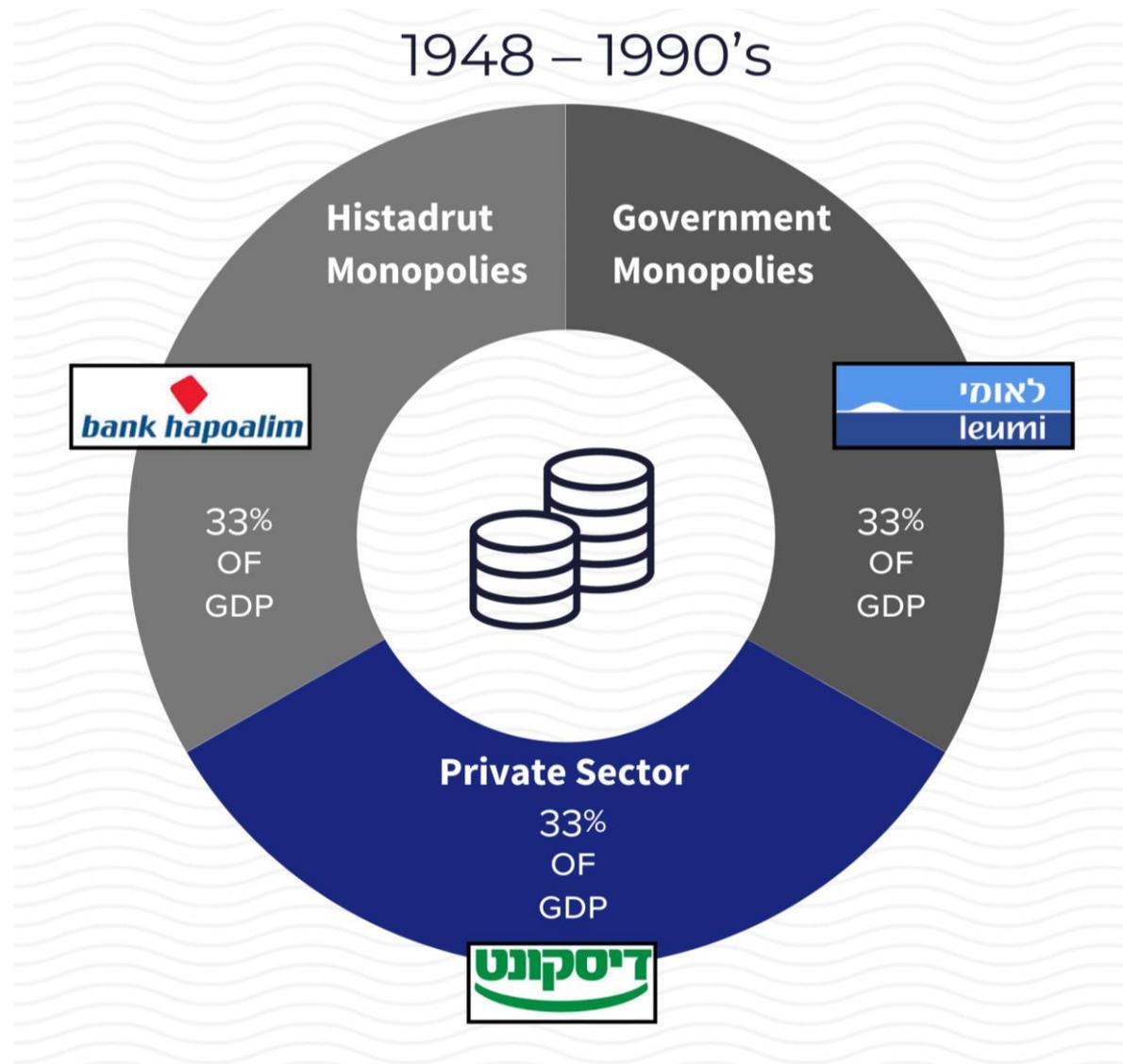


# ISRAEL AND USA SAVINGS RATE 2000-2023



Source: OECD (2023), Saving rate (indicator). doi: 10.1787/ff2e64d4-en

# ISRAEL'S SOCIALIST ECONOMIC STRUCTURE



# ISRAELI DEFENSE SPENDING WILL REMAIN HIGH

## Israel's Security

	2010	2022	CAGR	2040*	CAGR
Defense Spending (\$billions)	\$ 18.8	\$ 23.4	1.5%	\$ 50.0	4.3%
Defense Spending per capita	\$ 2,442	\$ 2,317	-0.3%	\$ 3,779	2.8%
IDF Standing Army (i.e. excluding reserves)	184,550	178,000	-0.2%	275,000	2.4%

\*Israel Investment Advisors Projection

Source: The World Bank

Note: 2024 Israel Defense Spending is \$46.5B





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**Now more than ever, Invested in the future of Israel!**

Thank you!

