

25.7.05

בני (בנג'מין) שרביט

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## קבוצת דלק

**אנו מתחילים לסקר את קבוצת דלק בהמלצת BUY (קניה), בשל דיסקאונט של 29% והצפת ערך צפויה.**

**להלן תקציר העדכון (העדכון המלא מופיע בעמודים הבאים, כולל שיעור קצר**

**בבלשנות, גיאוגרפיה ומיתולוגיה יוונית לגבי מקור השם ים תטיס...):**

- להערכתנו קבוצת דלק הינה אחת מחברות האחזקה היות מעניינות כיום בישראל, הן בשל תחומי עיסוקה (אנרגיה, דלק, תשתיות, נדל"ן, רכב, ביוכימיה, טלקום ופיננסים) והן בשל מחיר המניה.
- מודל הערכת השווי שלנו מראה כי קבוצת דלק נסחרת בדיסקאונט של 29%. חישוב דיסקאונט זה התבצע בצורה שמרנית, תוך תמחור כל החברות הציבוריות לפי שווי השוק שלהן (כיוון שתחת ההנחה התיאורטית, שאינה מתקיימת במציאות, במידה ואין בעיית סחירות באותן מניות ניתן לקנות אותן ישירות בבורסה, ואין צורך לעשות זאת דרך קניית מניית קבוצת דלק), למרות שאנו מעריכים כי עדיין ישנו ערך חבוי בחלק מאותן חברות. לפיכך, לו היינו מבצעים הערכת שווי לכל אחת מהחברות הציבוריות, היינו מקבלים כי הדיסקאונט הינו אפילו גבוה יותר.
- מדוע ישנו דיסקאונט כה גבוה? ככל הנראה בשל העובדה כי מעט מאוד אנליסטים (מקומיים או זרים) מכסים את המניה, למרות שמדובר במניה הכלולה במדד ת"א 25 (מדד המעו"ף).
- בטווח הקצר אנו מצפים לראות גידול ניכר ברווח הנקי בשנת 2005, ובשל מדיניות חלוקת 50% מהרווח כדיבידנד, הדבר יתבטא גם בתשואת דיבידנד של כ-10%.
- בטווח הארוך יותר אנו מעריכים כי הנהלת קבוצת דלק תמשיך להציף ערך (הנפקת אורפק תעשיות בלונדון, מכירה אפשרית של האחזקה באמישראגז, מימוש האופציה להגדלת האחזקה במנורה ל-15% ולאחר מכן מכירת אחזקה פיננסית זו בשנים הקרובות ועוד).
- על פי המודל שלנו, ערך ה-NAV (שווי נכסי נקי) של החברה הינו כ-1,340 מיליון \$, לעומת שווי שוק של כ-963 מיליון \$ כיום. ערך ה-NAV למניה הינו כ-612 שקל, בעוד מחיר המניה כיום הינו כ-436 שקל בלבד, כך שישנו דיסקאונט של 29%. כיוון שהכנסנו למודל את כל האחזקות הציבוריות לפי ערך השוק שלהן וגם העמסנו את הוצאות המטה (הוצאות ההנהלה "סולו") ואת הוצאות המס העתידיות, אנו מאמינים כי מדובר בדיסקאונט אמיתי ובהחלט גדול. בהתחשב בהנחות השמרניות שלנו, אנו מעריכים כי קבוצת דלק צריכה להיסחר בדיסקאונט של 6% בלבד.
- אנו מתחילים לסקר את קבוצת דלק בהמלצת BUY (קניה) ובמחיר יעד של 575 שקל למניה, לעומת מחיר מניה של 436 שקל כיום.

## Delek Group

**Initiating coverage with BUY rating; Large 29% discount to NAV; Unlocking of hidden value expected.**

25 July 2005

**Benny (Benjamin) Sharvit**

Head of Research

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- We believe that Delek Group is one of the most interesting holding companies in Israel today, because of its areas of activity (energy, fuel, infrastructure, real estate, automotive, biochemical, telecom and finance) and because of its price.
- Our valuation model shows that DLEKG is trading at a discount of 29%. This is a conservative discount, calculated by taking all public holdings at their market cap., although we argue that there still remains some hidden value in some of these companies. Hence, valuating each of the public holdings would result in an even higher discount.
- Why is there such a large discount? This is likely due to the fact that only few analysts (local or global) cover the stock, although it is a member of the TA-25 index.
- In the near term, we expect to see substantial earnings growth in 2005, and the 50% dividend policy to result in a dividend yield of roughly 10%.
- In the longer term, we anticipate DLEKG management will unlock more value.
- According to our model, the Net Asset Value (NAV) per share is ILS 612.35, while the stock price is just ILS 436.40, resulting in a discount of 29% to NAV. Since we modeled all public holdings by their market cap. and also modeled the G&A expenses and tax expenses, we believe this is true discount and a large one indeed. Factoring in our conservative assumptions, we project DLEKG should trade at a discount of just 6%.
- **We initiate coverage of DLEKG with a BUY rating and a price target of ILS 575.**

### Rating BUY

[Prior Rating ---]

**Price (24-Jul) ILS 436.40**

**Price Target ILS 575.00**

[Prior P.T. ---]

Bloomberg DELKG.IT

Reuters DELKG.TA

### TASE DLEKG

Index Membership TA-25

Market Cap. \$963m

Shares Out. 9.922m

Free Float 23%

Avg. Volume ILS 8.0m

52 Week Low 332.38

52 Week High 466.56

Dividend Yield 6%

Price/Book Value 2.9x

Trailing 12m P/E 10.4x

#### Net Asset Value (NAV) Summary

Market Cap., ILS m 4,365

NAV, ILS m 6,076

Discount to NAV 29%

Company Description: Delek Group is a holding company, active in 8 sectors: energy, fuel, infrastructure, real estate, automotive, biochemical, telecom and finance.

■ DLEKG vs. ■ TA-100

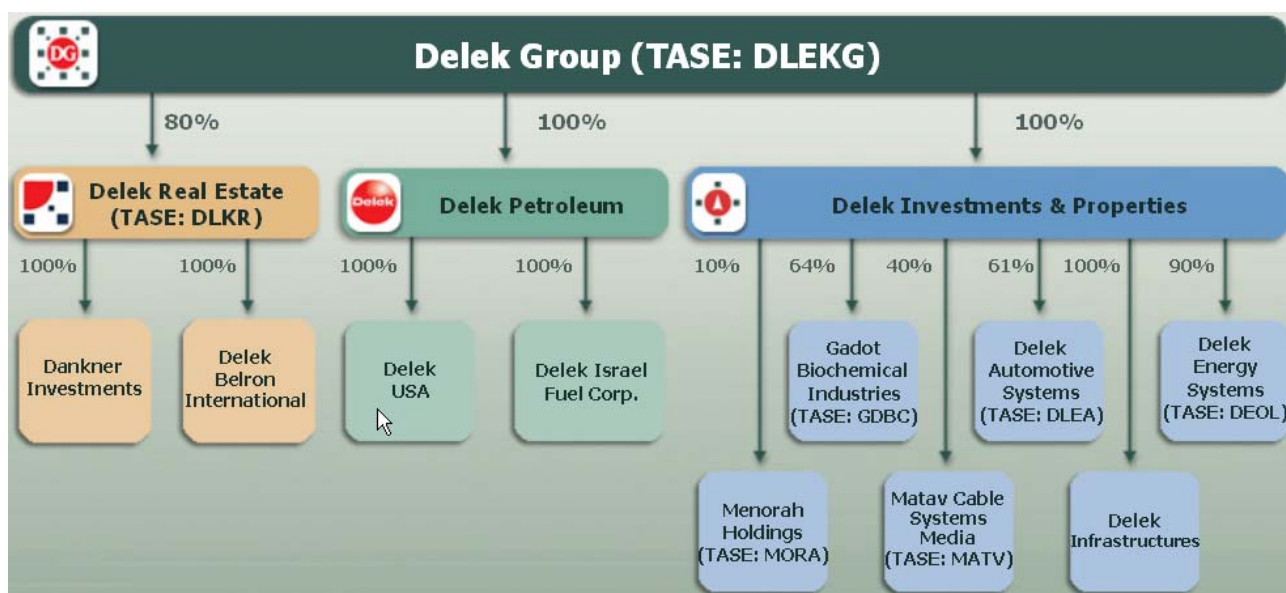


**COMPANY DESCRIPTION**

Delek Group (TASE: DLEKG; note that the symbol on Bloomberg and Reuters is DELKG) is a holding company, active in 8 sectors: energy, fuel, infrastructure, real estate, automotive, biochemical, telecom and finance. DLEKG's shareholders are: Mr. Yitzhak Tshuva (77%) and free float (23%). Under full dilution of convertible bonds and warrants, Tshuva's holding will be 63% and free float will be 37%.

Exhibit 1 shows DLEKG's main holdings. Some minor or smaller holdings not listed here are listed in our NAV model.

**EXHIBIT 1: DELEK GROUP HOLDING STRUCTURE**



Source: Company data.

**MENORAH HOLDINGS**

Delek Group has a 10% stake in Menorah Holdings (TASE: MORA, Bloomberg: MORA.IT, Reuters: MORA.TA, Rating: BUY). MORA is the 5<sup>th</sup> largest insurance company in Israel, active in life, health and general insurance. Of all insurance companies in Israel, MORA's asset management investment team is considered the best. In order to exploit that, MORA acquired Mivtachim, Israel's largest pension fund, for ILS 710m, and is now concentrating on merging its activity. If this merger proves itself, MORA will become the 3<sup>rd</sup> largest insurance company in terms of asset management market share. MORA is now setting up a new investment house and when the Bachar Committee reform takes place, MORA will probably line up with other insurance companies to acquire asset management activities from the banks.

Exhibit 2: MORA



Delek Group has an option to increase its holding in MORA by an additional 5% at a company value of \$440m, compared to MORA's current market cap. of \$478m. The option will expire in July 2006 and we believe that DLEKG will exercise it and increase its stake in MORA to 15%. That said, we feel DLEKG sees MORA as a financial investment and will probably sell it in the next couple of years.

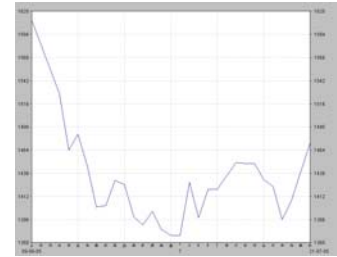
## DELEK REAL ESTATE

Delek Group has an 80% stake in Delek Real Estate (TASE: DLKR, Bloomberg: DLKR.IT, Reuters: DLKR.TA, Rating: NR).

DLKR dropped 9% since its IPO in June 2005 (exhibit 3).

DLKR develops and builds residential and commercial real estate projects in Israel and holds income-producing properties in Israel, Canada, UK and Germany. DLKR is now selling some of its properties in the UK and increasing its activity in Germany and Sweden.

Exhibit 3: DLKR (2 months)



## MATAV CABLE SYSTEMS MEDIA

Delek Group has a 40% stake in Matav Cable Systems Media (TASE: MATV, Bloomberg: MATV.IT, Reuters: MATV.TA, Rating: HOLD).

MATV is active in cable TV, internet and telephony. HOT cable TV is a joint venture between MATV, Tevel and Golden Channels. HOT is in a tight competition with YES, the satellite TV subsidiary of Bezeq (TASE: BEZQ, Bloomberg: BEZQ.IT, Reuters: BEZQ.TA, Rating: HOLD) over multi-channel TV subscribers. In 1H05, YES gained 27,000 new subscribers and now has 492,000 subscribers, while HOT lost 21,000 cable TV subscribers at the same time period and now has 929,000 subscribers. We believe that Bezeq's recent privatization could lead to tougher competition. MATV's vision is to exploit its telecom infrastructure and become Israel's second telecom group, alongside Bezeq. It's too early to say if Cellcom's acquisition by Discount Investments (TASE: DISI, Bloomberg: DISI.IT, Reuters: DISI.TA, Rating: NR) will result in a third telecom group competing with BEZQ and MATV or a possible joint venture between DISI and MATV to build the second telecom group together.

Exhibit 4: MATV



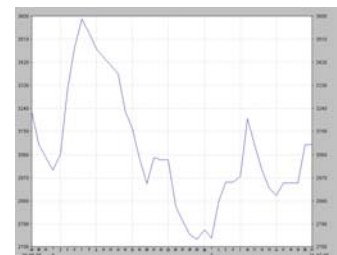
## GADOT BIOCHEMICAL INDUSTRIES

Delek Group has a 64% stake in Gadot Biochemical Industries (TASE: GDBC, Bloomberg: GDBC.IT, Reuters: GDBC.TA, Rating: NR).

GDBC dropped 4% since its IPO in May 2005 (exhibit 5).

GDBC is a manufacturer of ingredients and fine chemicals (natural sweeteners, minerals, acidic flavor additives and food salts) for the food & beverage, cosmetic, detergent and pharmaceutical industries. Products include crystalline fructose, citric acid, citrate salts, phosphate salts and mineral fortifiers such as calcium citrate, calcium phosphate, magnesium citrate and zinc citrate. Roughly 10% of its sales are domestic and 90% are exported to Europe and US.

Exhibit 5: GDBC (2 months)





## DELEK AUTOMOTIVE SYSTEMS

Delek Group has a 61% stake in Delek Automotive Systems (TASE: DLEA, Bloomberg: DLEA.IT, Reuters: DLEA.TA, Rating: NR).

Exhibit 6: DLEA



DLEA is the exclusive importer of Mazda, Ford and Lincoln cars in Israel. Mazda is #1 in market share and Ford is #4, making DLEA the market leader with a 25% market share. That said, recent currency changes and supply shortage helped some competing models like Hyundai, Toyota, Chevrolet and

Renault, become more popular in Israel and DLEA might lose some of its market share. Current market trends clearly show that an increasing number of cars in Israel are sold through leasing companies, rather than car dealerships. Leasing companies are getting a double-digit discount on the regular price, because of the large number of cars they buy, hence the profit margins for DLEA and its local peers are decreasing. DLEA is definitely a cash cow, with ILS 835m in cash dividends over the past 2 years.



## DELEK INFRASTRUCTURES

Delek Group holds 100% of Delek Infrastructure, which has 3 current activities:

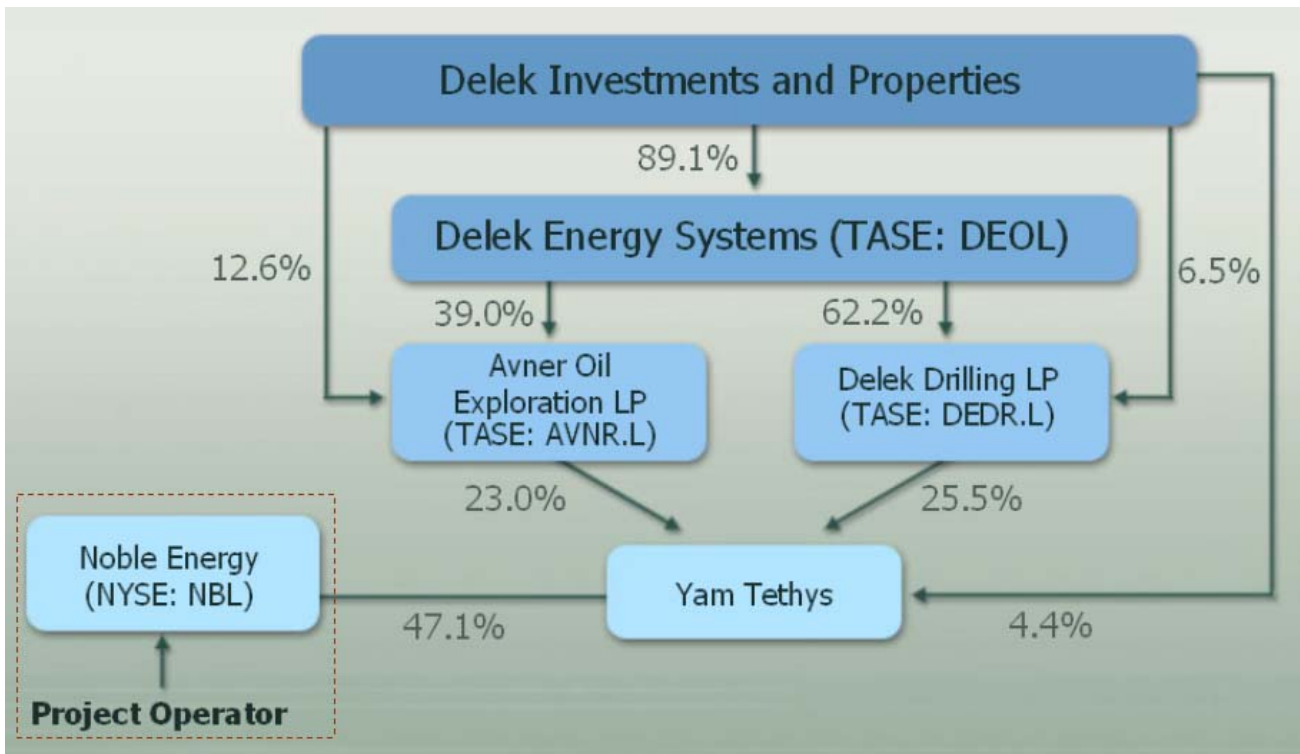
- 50% stake in Israel Desalination Enterprises Technologies ("IDE"). The remaining 50% are held by Israel Chemicals (TASE: CHIM, Bloomberg: CHIM.IT, Reuters: CHIM.TA, Rating: BUY). IDE develops and installs water treatment solutions, including seawater desalination, sewage treatment and purification of industrial streams. IDE has a joint venture with Veolia Environment (NYSE: VE) to build the Ashkelon seawater desalination plant for the Israeli Ministry of Infrastructure. This plant is considered to be the world's largest, with a capacity to provide 100 million cubic meters of drinking water annually. The plant will cost roughly \$300m and expected ROI is 12% over a 22 year period. Another Israeli desalination plant of the same size is planned for Hadera, and IDE will probably participate in that tender in 2006.
- 100% of IPP Ashkelon Fuel. This company will supply electricity to the Ashkelon seawater desalination plant by independent power production (IPP) using gas from Yam Tethys. It is the first IPP in Israel, with a capacity of 80MW and a cost of \$80m. Any surplus of electricity production will be sold to Israel Electric Corp.
- 11% stake in IPP Dorad, a joint venture with Noble Energy (NYSE: NBL) and others. This company will produce electricity by independent power production (IPP) using gas from Yam Tethys, with a capacity of 800MW and a cost of \$600m and will supply electricity to private consumers at prices that will compete with those of the Israel Electric Corp.



**YAM TETHYS**

Exhibit 7 shows the partners in the Yam Tethys project.

**EXHIBIT 7: YAM TETHYS HOLDING STRUCTURE**



Source: Company data.

Yam Tethys is an oil and gas exploration and production project. It currently has 2 proven high quality natural gas reservoirs: The Noa field (June 1999) and the Mari field (February 2000) and is Israel's first offshore natural gas discovery.

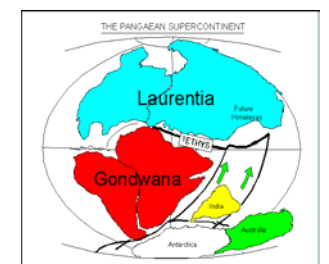
The project is a joint venture with Noble Energy (NYSE: NBL), an experienced worldwide operator and the Delek Group through its subsidiaries: Delek Energy Systems (TASE: DEOL, Bloomberg: DEOL.IT, Reuters: DEOL.TA, Rating: NR), Delek Drilling LP (TASE: DEDR.L, Bloomberg: DEDR.IT, Reuters: DEDR.TA, Rating: NR) and Avner Oil Exploration LP (TASE: AVNR.L, Bloomberg: AVNR.IT, Reuters: AVNR.TA, Rating: NR). The proven gas reserve in Noa and Mari is roughly 33 Billion Cubic Meters (BCM). Israel Electric Corp. (IEC) is to purchase 18 BCM under a 10-year take-or-pay agreement and the remaining 15 BCM are to be sold to Oil Refineries ("Bazan") and other customers. The project started supplying natural gas to IEC in February 2004.

In addition to the production activity of the Yam Tethys project, the partners are also involved in the exploration for additional oil and gas reservoirs.

Yam Tethys is not named after Thetis, the sea nymph of Greek mythology...



...But is rather named after the Tethys Sea, a shallow sea that existed between Laurentia and Gondwana, the geological ancestor of the modern Mediterranean, Black, Caspian and Aral Seas.



## DELEK PETROLEUM

Delek Petroleum has 2 subsidiaries (exhibit 1): 100% of Delek USA and 100% of Delek Israel Fuel Corp.

### ■ Delek USA.

Delek USA operates Mapco gas stations and convenience stores in 8 South-East US states.



Delek USA also holds 100% of the La Gloria refinery and McMurrey crude oil pipeline. This Texas refinery, with a capacity of 54,000 barrels per day, was bought in April 2005 at an excellent timing. Refining margins in the US increased sharply and this improved the company's profits dramatically.

### ■ Delek Israel Fuel Corp.

Delek Israel Fuel Corp. is the 2<sup>nd</sup> largest fuel distribution company in Israel, with a market share of 26%. It operates roughly 230 gas stations and 30 Menta convenience stores.



Delek Israel Fuel Corp. also holds 39% of Amisragas Gas Corp. (supplies gas and appliances to the industrial and commercial sector), 15% of Pi-Giloth Petroleum Terminals & Pipelines (operated supply terminals, but now most of its value is derived from its real estate properties) and 10% of Orpac Industries (develops the Dalkan refueling control system).

Orpac is currently planning an IPO in the UK.

We believe the ownership of Amisragas will also change in the upcoming year, as Delek Israel has a minority interest here with no influence and no dividends paid out. Delek Israel will either buy the remaining 61% stake (not likely) or (more likely) sell its 39% stake.

We believe Delek Israel is the most problematic in the DLEKG portfolio. After 4 CEOs in the past couple of years, the 5th CEO was recently announced: Eyal Lapidot. Our impression is that this is a good move for the company, as we feel Mr. Lapidot has proved himself in his past positions, both as CEO of Direct Insurance (TASE: DIFI, Bloomberg: DIFI.IT, Reuters: DIFI.TA, Rating: NR) and as EVP of Mishkan Mortgage Bank, a subsidiary of Bank Hapoalim (TASE: POLI, Bloomberg: POLI.IT, Reuters: POLI.TA, Rating: BUY).

Our NAV model for Delek Petroleum uses an EV/EBITDA method to value the 2 subsidiaries, and therefore also includes a separate valuation for the additional 4 holdings listed above which are not reflected in these companies' EBITDA.

## INVESTMENT OPINION

We believe that Delek Group is one of the most interesting holding companies in Israel today, because of its areas of activity (energy, fuel, infrastructure, real estate, automotive, biochemical, telecom and finance) and because of its price.

Our valuation model shows that DLEKG is trading at a discount of 29%. This is a conservative discount, calculated by taking all public holdings at their market cap., although we argue that there still remains some hidden value in some of these companies. Hence, valuating each of the public holdings would result in an even higher discount.

Why is there such a large discount? This is likely due to the fact that only few analysts (local or global) cover the stock, although it is a member of the TA-25 index.

In the near term, we expect to see substantial earnings growth in 2005, and the 50% dividend policy to result in a dividend yield of roughly 10%.

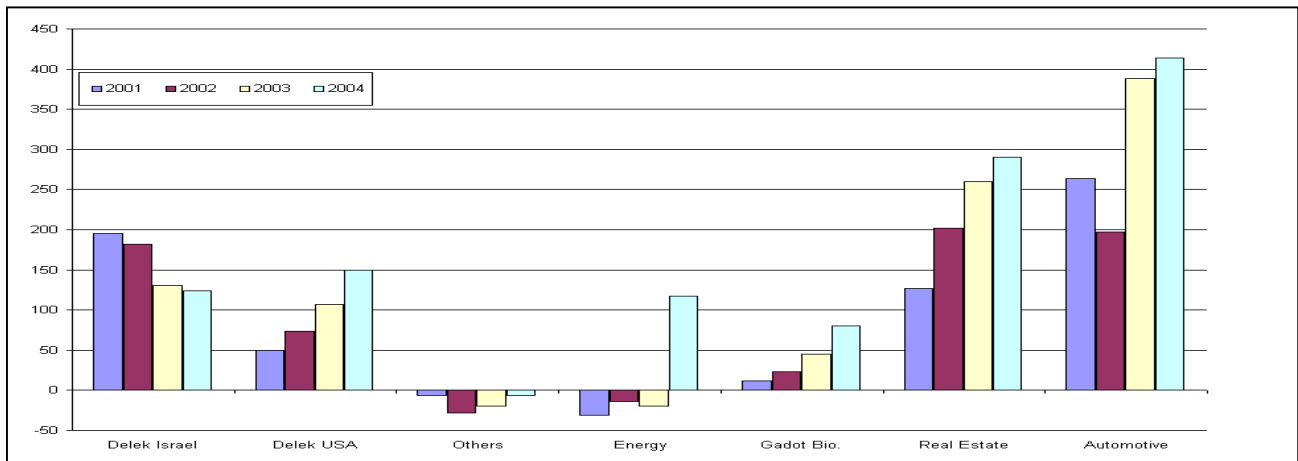
In the longer term, we anticipate DLEKG management will unlock more value.

According to our model, the Net Asset Value (NAV) per share is ILS 612.35, while the stock price is just ILS 436.40, resulting in a discount of 29% to NAV. Since we modeled all public holdings by their market cap. and also modeled the G&A expenses and tax expenses, we believe this is true discount and a large one indeed. Factoring in our conservative assumptions, we project DLEKG should trade at a discount of just 6%.

**We initiate coverage of DLEKG with a BUY rating and a price target of ILS 575.**



**EXHIBIT 8: DELEK GROUP EBITDA BY SECTOR (IN ILS M)**



Source: Company data and Gaon Investment House estimates.

**Delek Group P&L Model**

(In ILS m, except EPS)

	FY02A	FY03A	1Q04A	2Q04A	3Q04A	4Q04A	FY04A	1Q05A
<b>Revenues</b>	<b>9,837</b>	<b>12,105</b>	<b>3,211</b>	<b>3,797</b>	<b>3,941</b>	<b>3,944</b>	<b>14,893</b>	<b>3,595</b>
Δ YoY		23.1%					23.0%	12.0%
<b>Gross Profit</b>	<b>1,409</b>	<b>1,600</b>	<b>442</b>	<b>502</b>	<b>547</b>	<b>536</b>	<b>2,027</b>	<b>455</b>
Δ YoY		13.6%					26.7%	2.9%
Gross Margin	14.3%	13.2%	13.8%	13.2%	13.9%	13.6%	13.6%	12.7%
<b>Operating Profit</b>	<b>435</b>	<b>633</b>	<b>197</b>	<b>234</b>	<b>251</b>	<b>223</b>	<b>905</b>	<b>191</b>
Δ YoY		45.5%					43.0%	-3.0%
Operating Margin	4.4%	5.2%	6.1%	6.2%	6.4%	5.7%	6.1%	5.3%
Financial Income (Expenses)	(173)	(216)	(65)	(80)	(119)	(78)	(342)	(98)
Other Income (Expenses)	(8)	(15)	4	61	29	(22)	72	32
<b>Pre-Tax Income</b>	<b>254</b>	<b>402</b>	<b>136</b>	<b>215</b>	<b>161</b>	<b>123</b>	<b>635</b>	<b>125</b>
Income Tax	100	153	55	71	49	14	189	39
Tax Rate	39.4%	38.1%	40.4%	33.0%	30.4%	11.4%	29.8%	31.2%
Post-Tax Income	154	249	81	144	112	109	446	86
Share in Profits of Affiliates	(8)	20	19	25	18	74	136	52
Minority Interests in Profits	45	86	27	44	40	48	159	52
Effect of accounting rule change	0	0	(20)	0	0	0	(20)	0
<b>Net Income</b>	<b>101</b>	<b>183</b>	<b>53</b>	<b>125</b>	<b>90</b>	<b>135</b>	<b>403</b>	<b>86</b>
Δ YoY		81.2%					120.2%	62.3%
Net Margin	1.0%	1.5%	1.7%	3.3%	2.3%	3.4%	2.7%	2.4%
<b>EPS, ILS</b>	<b>10.42</b>	<b>18.86</b>	<b>5.49</b>	<b>12.44</b>	<b>9.39</b>	<b>13.83</b>	<b>41.41</b>	<b>8.79</b>
Δ YoY		81.0%					119.5%	60.1%

Source: Company data and Gaon Investment House estimates.

## Delek Petroleum NAV Model

	Valuation, ILS m	Stake	Holding Value, ILS m	% of NAV	Valuation Method & Remarks
<b>Private Companies</b>					
<b>Delek USA</b>					
Delek USA	630	100.0%	630	34%	Gaon Investment House EV/EBITDA Valuation.
Oil Refineries	388	100.0%	388	21%	Gaon Investment House Valuation.
<b>Delek Israel Fuel Corp.</b>					
Delek Israel Fuel Corp.	450	100.0%	450	24%	Gaon Investment House EV/EBITDA Valuation.
Amisragas Gas Corp.	585	39.0%	228	12%	Gaon Investment House Valuation, with large discount for being a minority holding (no dividends & no influence).
Pi-Giloth Petroleum	789	15.3%	121	7%	Gaon Investment House Valuation.
Orpac Industries	315	10.0%	32	2%	Gaon Investment House estimated IPO value.
<b>Total Value of Private Holdings</b>			<b>1,849</b>	<b>100%</b>	
<b>Total Value of Holdings</b>			<b>1,849</b>	<b>100%</b>	
<b>Net Cash (Debt)</b>			<b>0</b>	<b>0%</b>	
<b>Headquarter G&amp;A Expenses</b>			<b>0</b>	<b>0%</b>	No headquarter G&A expenses, as Delek Petroleum does not have any employees.
<b>Net Asset Value</b>			<b>1,849</b>	<b>100%</b>	

Source: Company data and Gaon Investment House estimates.

## Delek Investment & Properties NAV Model

	Valuation, ILS m	Stake	Holding Value, ILS m	% of NAV	Valuation Method & Remarks
<b>Public Companies</b>					
Menorah Holdings	2,166	10.0%	216	6%	Market Cap. (TASE: MORA).
Gadot Biochemical Industries	348	64.1%	223	6%	Market Cap. (TASE: GDBC).
Mataf Cable Systems Media	1,060	40.0%	424	12%	Market Cap. (TASE: MATV).
Delek Automotive Systems	2,344	61.5%	1,441	42%	Market Cap. (TASE: DLEA).
Delek Energy Systems	698	89.4%	624	18%	Market Cap. (TASE: DEOL).
Delek Drilling LP	1,119	6.5%	73	2%	Market Cap. (TASE: DEDR.L).
Avner Oil Exploration LP	1,030	12.6%	130	4%	Market Cap. (TASE: AVNR.L).
<b>Total Value of Public Holdings</b>			<b>3,131</b>	<b>91%</b>	
<b>Private Companies</b>					
Delek Infrastructures	345	100.0%	345	10%	Gaon Investment House sum-of-parts valuation: 50% of IDE, 100% of IPP Ashkelon & 11% of IPP Dorad.
Yam Tethys	7,011	4.4%	312	9%	Gaon Investment House Valuation.
Comutech	43	100.0%	43	1%	Tender offer price.
<b>Total Value of Private Holdings</b>			<b>700</b>	<b>20%</b>	
<b>Total Value of Holdings</b>			<b>3,831</b>	<b>111%</b>	
<b>Net Cash (Debt)</b>			<b>(391)</b>	<b>-11%</b>	1Q05 debt minus dividend from Gadot Biochemicals, minus dividend from Delek Automotive Systems.
<b>Headquarter G&amp;A Expenses</b>			<b>0</b>	<b>0%</b>	Headquarter G&A expenses are fully covered by management fees from investees.
<b>Net Asset Value</b>			<b>3,440</b>	<b>100%</b>	

Source: Company data and Gaon Investment House estimates.

## Delek Group NAV Model

	Valuation, ILS m	Stake	Holding Value, ILS m	% of NAV	Valuation Method & Remarks
<b>Public Companies</b>					
Delek Real Estate	1,484	80.3%	1,192	20%	Market Cap. (TASE: DLKR).
<b>Total Value of Public Holdings</b>			<b>1,192</b>	<b>20%</b>	
<b>Private Companies</b>					
Delek Petroleum	1,849	100.0%	1,849	30%	Gaon Investment House NAV model.
Delek Investment & Properties	3,440	100.0%	3,440	57%	Gaon Investment House NAV model.
<b>Total Value of Private Holdings</b>			<b>5,289</b>	<b>87%</b>	
<b>Total Value of Holdings</b>			<b>6,481</b>	<b>107%</b>	
<b>Net Cash (Debt)</b>			<b>(26)</b>	<b>0%</b>	1Q05 debt minus dividend from Delek Real Estate, minus converted bonds and warrants, plus dividend paid.
<b>Headquarter G&amp;A Expenses</b>			<b>0</b>	<b>0%</b>	Headquarter G&A expenses are fully covered by management fees from investees.
<b>Taxes</b>			<b>(380)</b>	<b>-6%</b>	Gaon Investment House estimates.
<b>Net Asset Value</b>			<b>6,076</b>	<b>100%</b>	

Market Cap. (TASE: DLEKG), ILS	4,365
NAV, ILS m	6,076
Discount (Premium) to NAV	28%
Shares Outstanding, '000	9,922
Share Price (TASE: DLEKG), ILS	436.40
NAV Per Share, ILS	612.35
<b>Discount (Premium) to NAV</b>	<b>29%</b>

Source: Company data and Gaon Investment House estimates.

### Rating Key:

- BUY: The stock is expected to outperform the market over the next 12 months.  
 HOLD: The stock is expected to perform in line with the market over the next 12 months.  
 SELL: The stock is expected to underperform the market over the next 12 months.

### Disclaimer:

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