

High-Tech Companies Survey

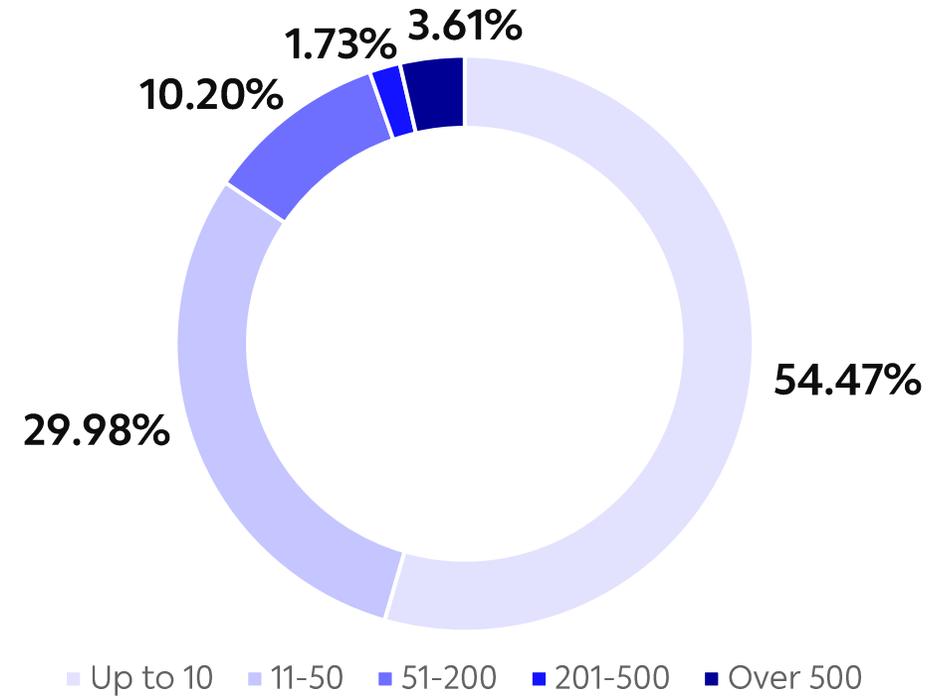
4 Weeks into Operation Roaring Lion

March 2026

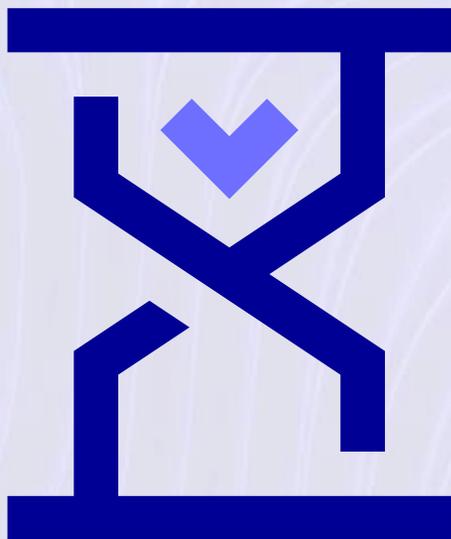
Sample Background and Methodology

- In light of the ongoing Operation Roaring Lion and its impact on the home front, we conducted a targeted survey of high-tech companies regarding the effects of the situation on their operations.
- The survey was distributed during the third week of Operation Roaring Lion between March 18–23, 2026, to approximately 9,000 active high-tech companies, as well as through the Israel Innovation Authority's newsletter.
- 637 CEOs, founders, and deputy directors in high-tech companies responded to the survey.
- The breakdown of respondents by company size aligns with the overall distribution among high-tech companies in the economy, where approximately 80% of companies employ up to 50 employees. Deep tech companies, however, are overrepresented.
- The sample size for each question is 637, unless otherwise specified.

Distribution of respondents by company size (number of employees)

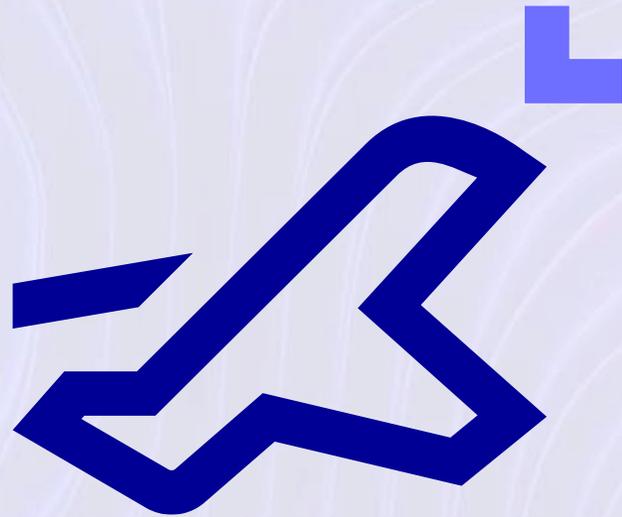


Source: Survey of High-Tech companies, March 2026, Innovation Authority.



Key Findings

1. The high-tech sector continues to operate despite the war, making limited use of the unpaid leave (furlough) mechanism. Only 10% of companies placed employees on some degree of furlough.
2. Large numbers of employees, however, are absent due to the security situation, reserve duty, or the lack of suitable childcare. Almost 50% of companies reported that more than a quarter of their employees were absent due to these reasons.



3. The challenges translate into significant delays in development and product launches. 42% of companies reported significant delays in development, with 22% stating that they have already substantially delayed development or product launches.
4. Additionally, restrictions on international flights, difficulties in importing raw materials, and production challenges have emerged as significant barriers, with:
 - › 35% of companies reported significant impact due to flight restrictions.
 - › 20% of companies reported significant delays in importing raw materials, and 8% reported a halt in part of their supply.
 - › 25% of companies reported significant production disruptions, and 6% reported a complete halt in production.



5. Another impact of the war with possible long-term repercussions involves delays or cancellations of capital raising. 71% of companies reported some impact on their capital raising, with 11% of companies stating that they had canceled these processes.
6. Looking ahead, 18% of companies expect that a continuation of the security situation will force it to downsize operations or workforce, with 12% indicating that the prolonged situation could result in the company closing.
7. Alongside these insights, it is worth noting that the Israeli high-tech sector has demonstrated impressive ability to recover following Iron Swords war and operation Rising Lion, as reflected in volume of capital raising and the number of companies that emerged in the second half of 2025 (IVC 2025 report). The prolonged security situation may, however, require additional attention and different solutions for the industry.

We would like to thank all the companies that took the time to respond to the survey and contributed to shaping the overall picture.

48% of companies reported that more than 25% of their employees were absent, while only 11% of companies reported no absences at all

35% of companies reported that more than a quarter of their employees were absent due to safety restrictions.

33% of companies reported the absence of over a quarter of their employees due to a lack of educational frameworks.

11% of companies reported the absence of over a quarter of their employees due to reserve duty.

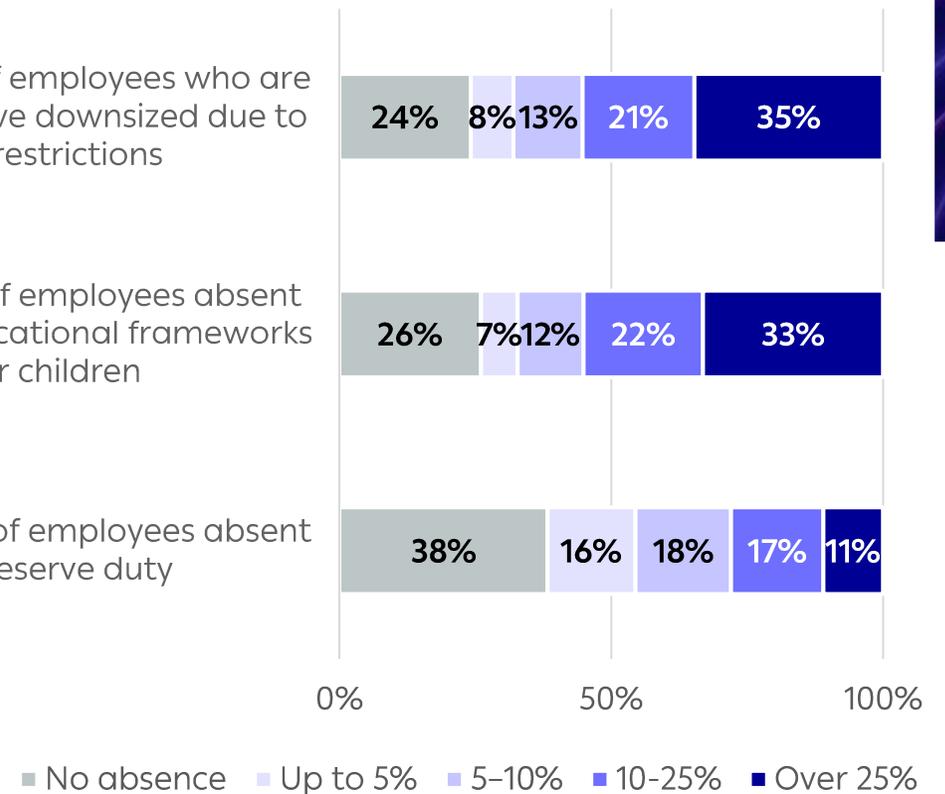
When considering the overlap between cases (companies in which employees were absent for multiple reasons) it is noted that approximately 48% of companies reported that over 25% of their employees were absent for some reason.

A similar analysis found that only 11% of companies reported no employee absences due to these reasons at all.

The percentage of employees who are absent or who have downsized due to security restrictions

The percentage of employees absent due to lack of educational frameworks for their children

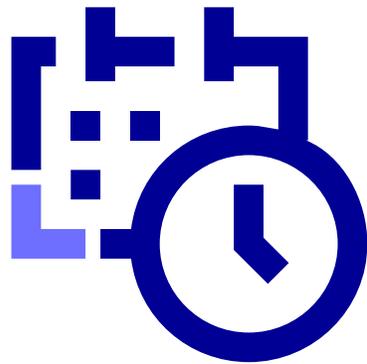
The percentage of employees absent due to reserve duty



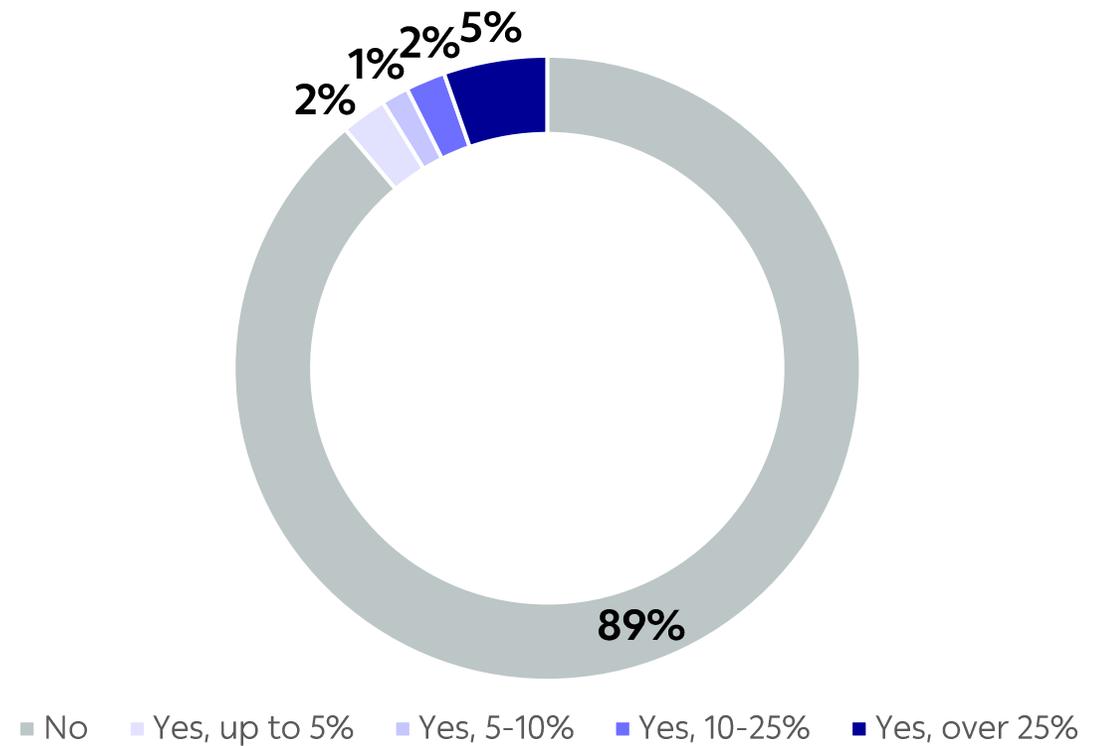
Source: Survey of High-Tech companies, March 2026, Innovation Authority.

89% of companies that responded to the survey did not place their employees on furlough at all

➤ Approximately 10% of the companies that responded to the survey placed employees on furlough to some extent, most of them at a rate exceeding 25%.



Did the company place employees on furlough once the war began?

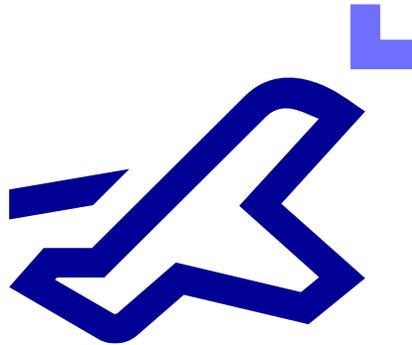


Source: Survey of High-Tech companies, March 2026, Innovation Authority.

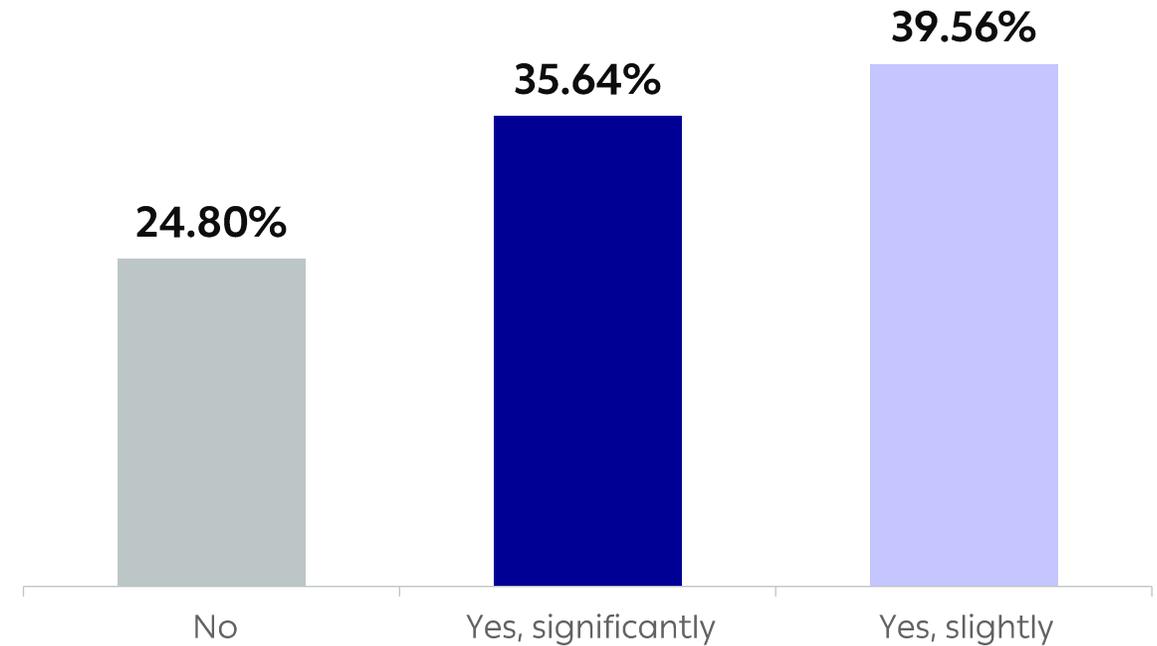
Approximately 75% of the companies that responded to the survey were affected by international flight restrictions

35% of companies are significantly affected by restrictions on international flights, and approximately 40% are affected to a limited extent.

Reasons cited for the impact include, inter alia: cancellation of participation in conferences, difficulty meeting with clients, cancellation of meetings and conferences with investors, and employees who were stranded overseas.



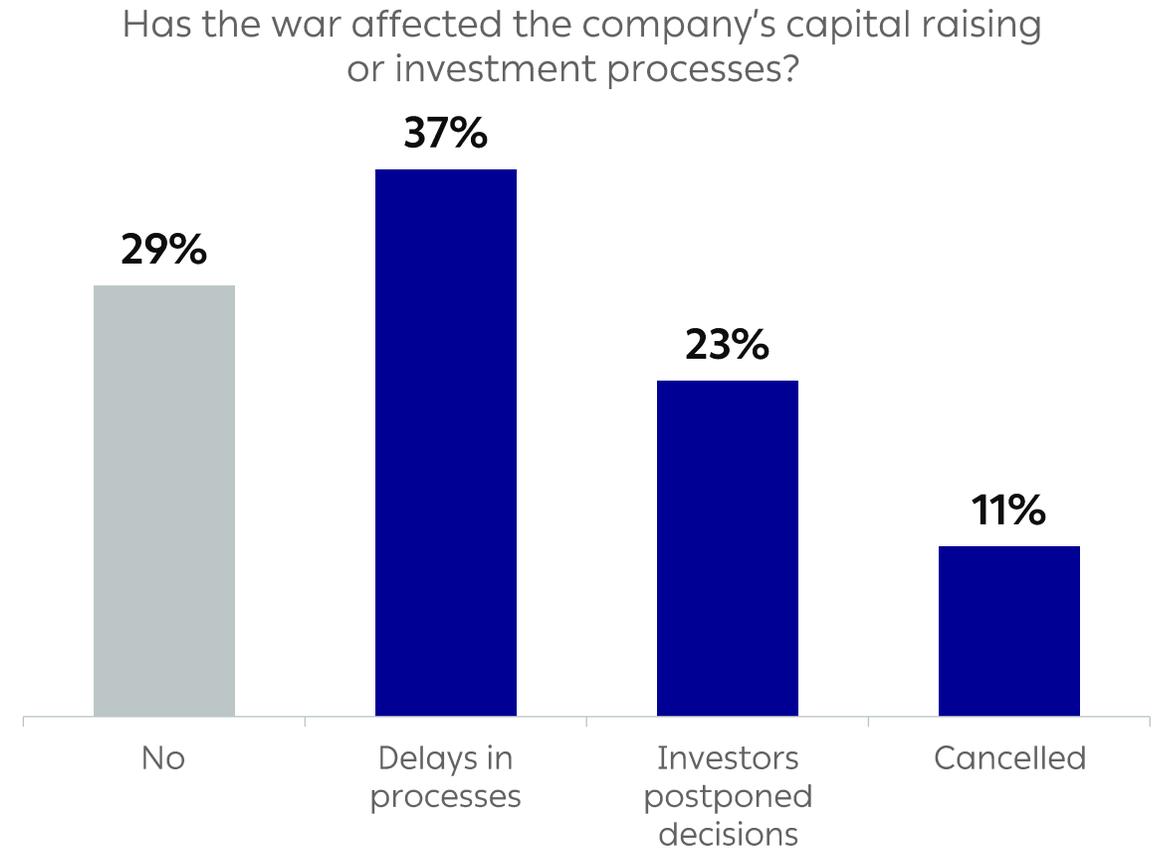
Do restrictions on international flights affect the company's operations?



Source: Survey of High-Tech companies, March 2026, Innovation Authority.

71% of companies reported that the security situation has impacted their capital raising

- 37% of the companies experience delays in capital raising
- 23% of the companies reported that investors postponed their investment decisions
- 11% of the companies reported the cancellation of processes
- A higher proportion of companies in the Northern and Southern regions of Israel reported cancellation of capital raising due to the situation. 18% of companies in the North and South, as compared to 8-10% of companies in the Tel Aviv, Jerusalem, and central regions.
- Additionally, a higher proportion of small companies that employ up to 50 employees reported cancellation of capital raising due to the situation. 12% of companies with up to 10 employees and 13% of companies with 11-50 employees reported cancellation of capital raising due to the situation.



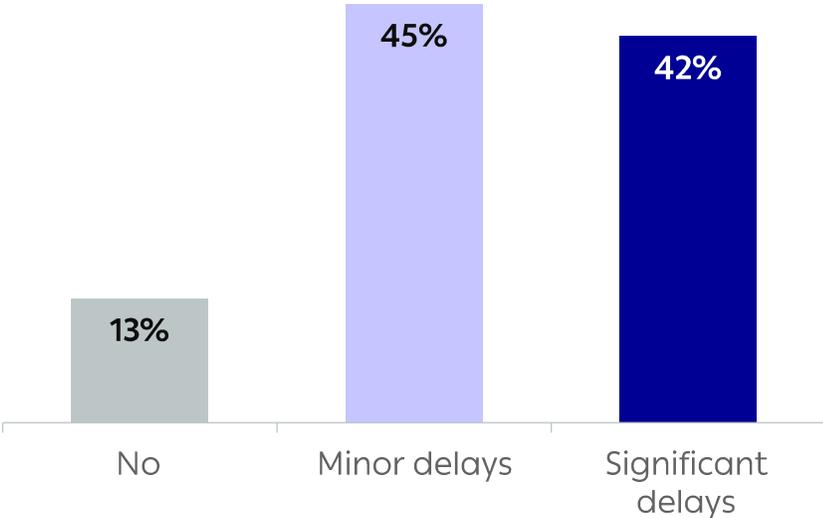
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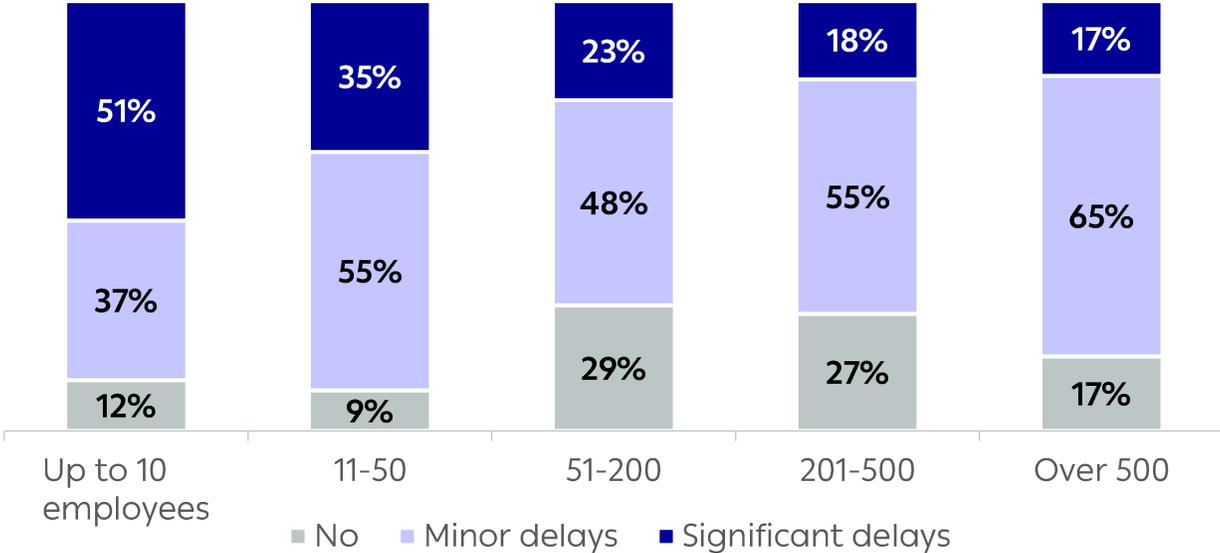
42% of responding companies reported significant delays in meeting development goals or product launches

- 87% of companies reported some delay in development or product launches.
- The proportion of small companies with up to 10 employees that experienced significant delays is higher than in other groups, standing at 51%.

Is the war affecting the company's ability to meet development or product launch milestones?



Breakdown of companies by the extent of delays in development or product launches, by company size



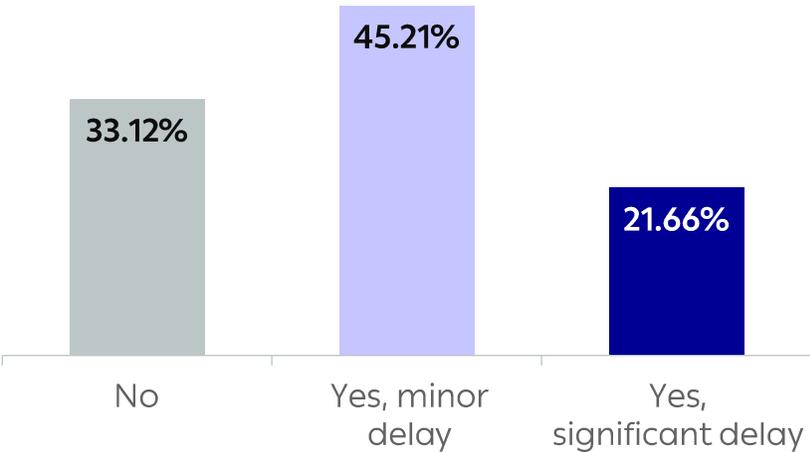
Source: Survey of High-Tech companies, March 2026, Innovation Authority.

22% of companies reported that they have already significantly delayed product targets due to the war

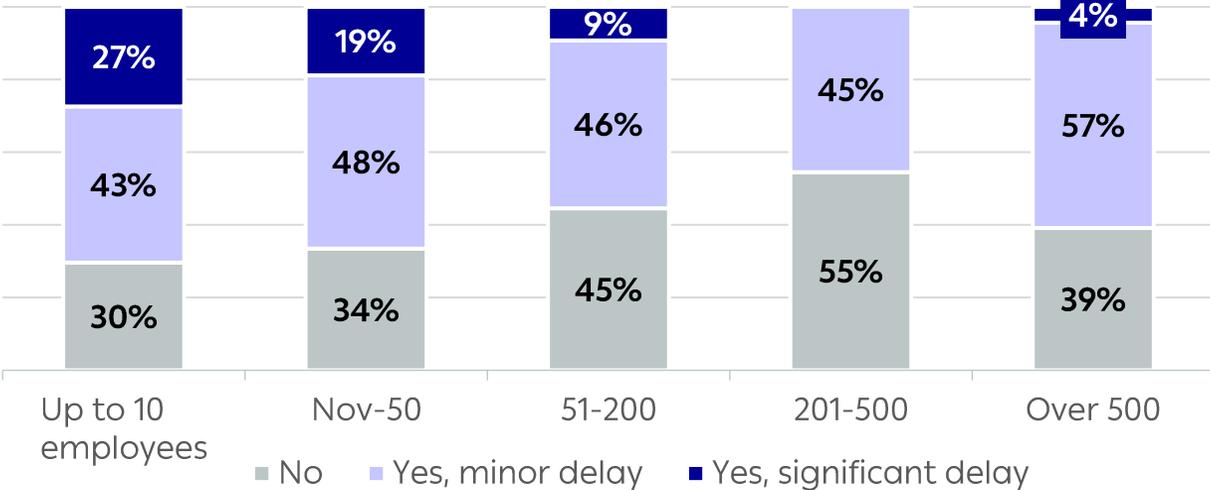
➤ 67% of companies delayed a launch or missed a target due to the war to some extent (either a minor or a significant delay).

➤ The fewer employees a company has, the more it is affected by the situation. 27% of companies with up to ten employees reported significant delays in a launch or missed a target.

Has the company already delayed a launch, development, or product target due to the war?



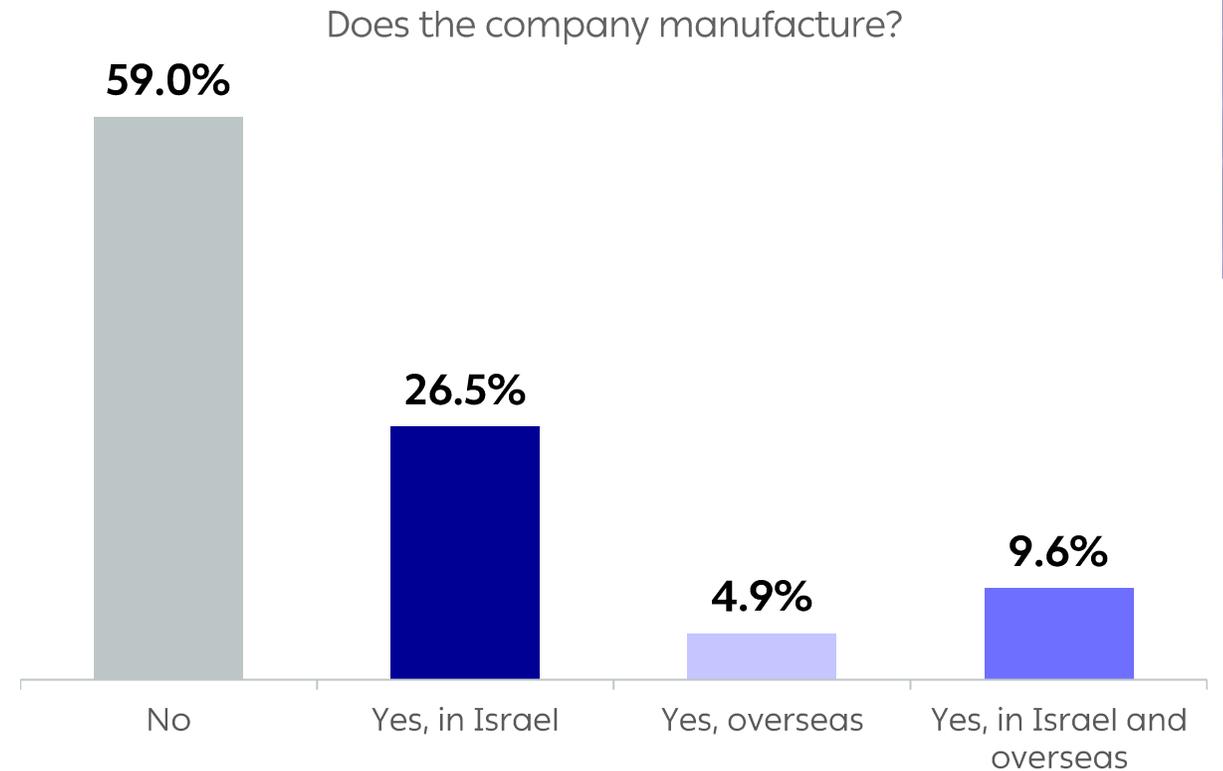
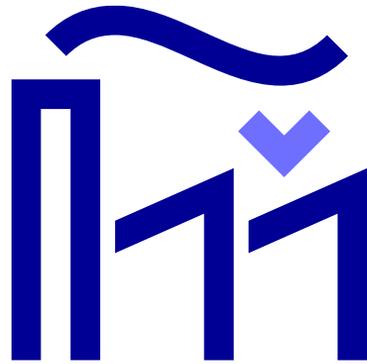
Breakdown of companies by the extent of delays already experienced in product launches, development, or meeting targets, by company size



Source: Survey of High-Tech companies, March 2026, Innovation Authority.

41% of responding companies are manufacturing companies, approximately 65% of which operate in Israel

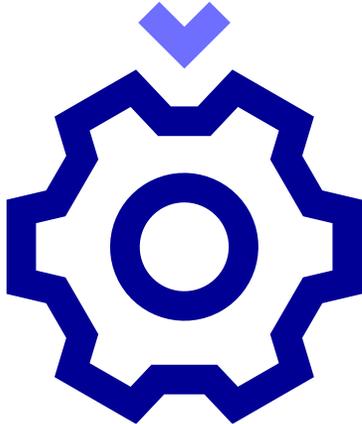
- Approximately 41% of the companies that responded to the survey are manufacturing companies.
- Approximately 26% of companies manufacture in Israel, and approximately 10% manufacture both in Israel and overseas.



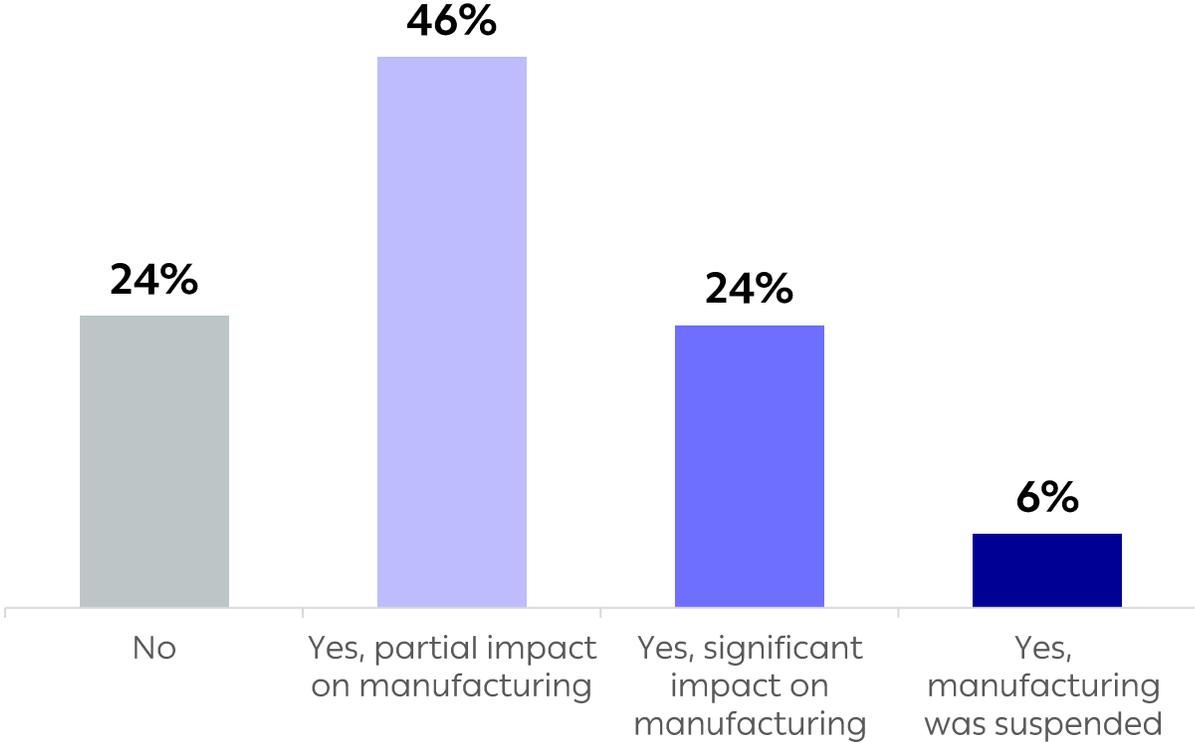
Source: Survey of High-Tech companies, March 2026, Innovation Authority.

76% of manufacturing companies reported some impact in production capacity

For 6% of the manufacturing companies that responded to the survey, production was completely suspended. 24% of these companies reported significant impact, and 46% reported partial impact.



Has the company's production been affected by the situation?



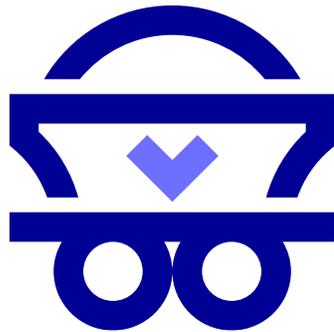
(259 respondents)

Source: Survey of High-Tech companies, March 2026, Innovation Authority.

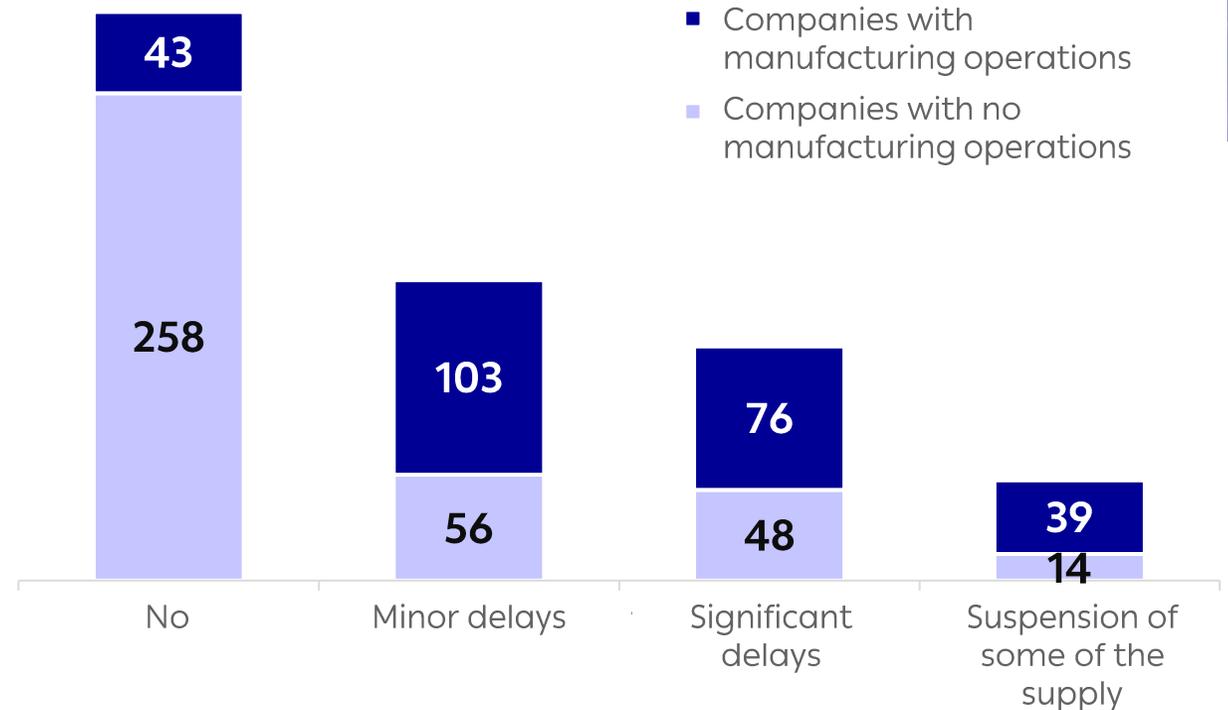


53% of companies experienced difficulties importing equipment or raw materials due to the war

- 25% of companies experienced minor import delays, approximately 20% experienced significant delays, and 8% of companies experienced a complete halt in part of their supply chain.
- 83% of manufacturing companies reported import disruptions, as compared to 31% of non-manufacturing companies. This may reflect the higher dependence of these companies on raw materials and equipment.



Is the company experiencing difficulties importing components, equipment or raw materials due to the war?



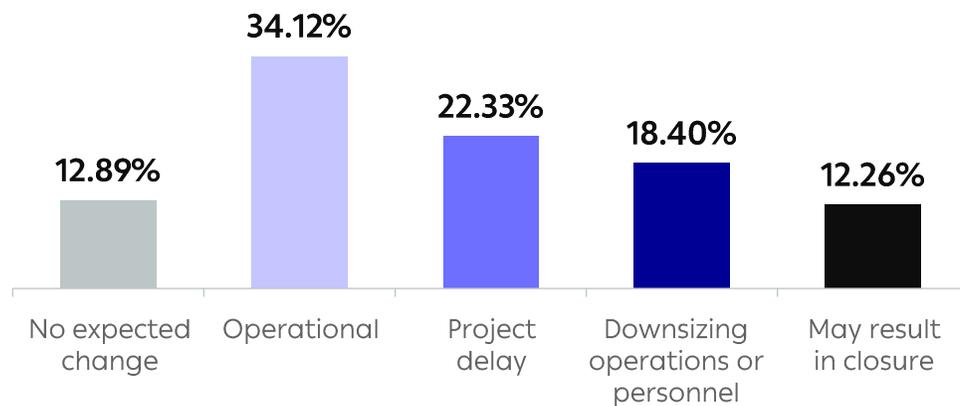
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12% of companies predict that the continuation of the security situation may result in the company closing

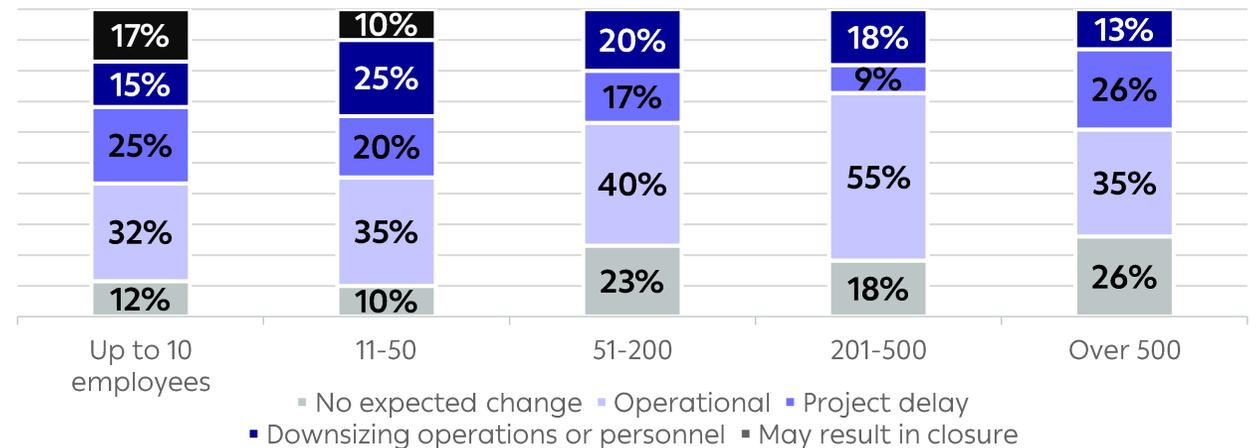
- ▶ 13% of companies expect that the continuation of the security situation will have no impact on their operations. 34% of companies anticipate a in operations, 22% expect project delays, and 18% foresee downsizing operations or personnel.

- ▶ Small companies with up to 10 employees anticipate the continued situation will most significantly impact their operations.
- ▶ 17% of them anticipate that the continuation of the situation may result in the closure of the company, and 40% expect downsizing of operations or project delays.

If the security situation continues for another month, how are company operations expected to change?



Breakdown of companies by expected impact of the continued fighting, by company size



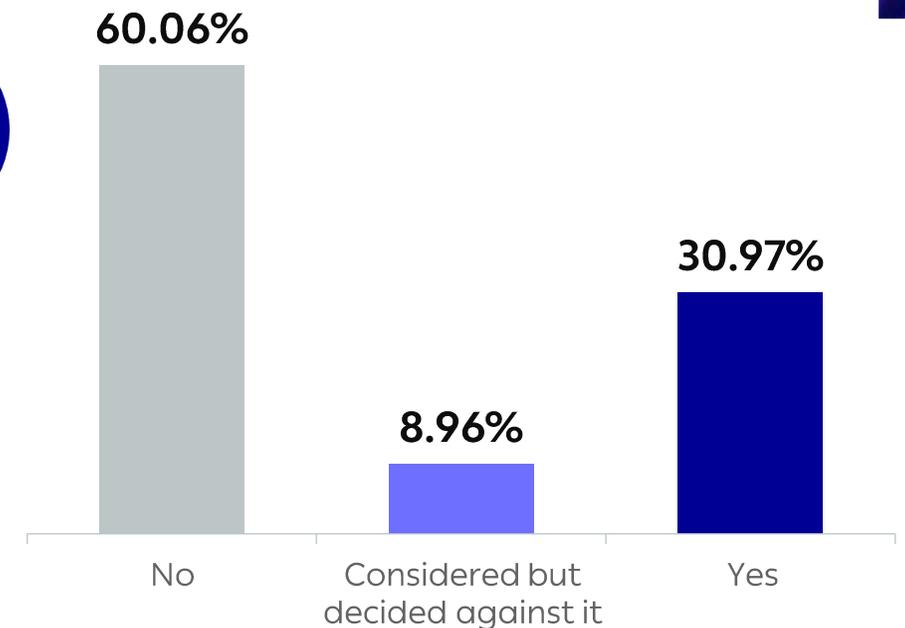
Source: Survey of High-Tech companies, March 2026, Innovation Authority.

31% of companies responded that the situation made them consider overseas relocation, while 9% considered it but decided against it

- There is correlation between a company's willingness to consider overseas relocation of their operations and the extent to which the situation affects its activities. 25% of the companies that considered overseas relocation of their operations are those that fear closure of their company due to continuation of the situation.
- There is also a correlation between the willingness to consider overseas relocation of their operations and the company being internationally oriented.
- 80% of the companies considering overseas relocation, operate primarily in international markets, in comparison with 55% among those that did not consider relocating.



Is the company considering relocating its operations outside of Israel due to the war?



Source: Survey of High-Tech companies, March 2026, Innovation Authority.

רשות החדשנות
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