

MIRA INFORM REPORT

Report No. :	523994
Report Date :	13.08.2018

IDENTIFICATION DETAILS

Name :	S.T.I LASER INDUSTRIES LTD.
Registered Office :	P.O. Box 34, 9 Hahadas Street, Northern Industrial Zone, Or Akiva 3065001
Country :	Israel
Date of Incorporation :	01.09.1998
Legal Form :	Private Limited Company
Line of Business :	<ul style="list-style-type: none"> An original equipment manufacturer (OEM) specializing in laser cutting and finishing of miniature metal components. Specializing in manufacturing dental implants, as well as surgical tools intended for Minimally Invasive Surgery (MIS) procedures.
No. of Employees :	150

RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23rd January 2017)

MIRA's Rating :	A
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Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

Status :	Satisfactory
Payment Behaviour :	Slow but correct
Litigation :	Clear

NOTES :

Any query related to this report can be made on e-mail : infodept@mirainform.com while quoting report number, name and date.

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ECGC Country Risk Classification List

Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
Israel	B1	B1

Risk Category	ECGC Classification
Insignificant	A1
Low Risk	A2
Moderately Low Risk	B1
Moderate Risk	B2
Moderately High Risk	C1
High Risk	C2
Very High Risk	D

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ISRAEL - ECONOMIC OVERVIEW

Israel has a technologically advanced free market economy. Cut diamonds, high-technology equipment, and pharmaceuticals are among its leading exports. Its major imports include crude oil, grains, raw materials, and military equipment. Israel usually posts sizable trade deficits, which are offset by tourism and other service exports, as well as significant foreign investment inflows.

Between 2004 and 2013, growth averaged nearly 5% per year, led by exports. The global financial crisis of 2008-09 spurred a brief recession in Israel, but the country entered the crisis with solid fundamentals, following years of prudent fiscal policy and a resilient banking sector. Israel's economy also weathered the 2011 Arab Spring because strong trade ties outside the Middle East insulated the economy from spillover effects.

Slowing domestic and international demand and decreased investment resulting from Israel's uncertain security situation reduced GDP growth to an average of roughly 2.8% per year during the period 2014-17. Natural gas fields discovered off Israel's coast since 2009 have brightened Israel's energy security outlook. The Tamar and Leviathan fields were some of the world's largest offshore natural gas finds in the last decade. Political and regulatory issues have delayed the development of the massive Leviathan field, but production from Tamar provided a 0.8% boost to Israel's GDP in 2013 and a 0.3% boost in 2014. One of the most carbon intense OECD countries, Israel generates about 57% of its power from coal and only 2.6% from renewable sources.

Income inequality and high housing and commodity prices continue to be a concern for many Israelis. Israel's income inequality and poverty rates are among the highest of OECD countries, and there is a broad perception among the public that a small number of "tycoons" have a cartel-like grip over the major parts of the economy. Government officials have called for reforms to boost the housing supply and to increase competition in the banking sector to address these public grievances. Despite calls for reforms, the restricted housing supply continues to impact younger Israelis seeking to purchase homes. Tariffs and non-tariff barriers, coupled with guaranteed prices and customs tariffs for farmers kept food prices high in 2016. Private consumption is expected to drive growth through 2018, with consumers benefitting from low inflation and a strong currency.

In the long term, Israel faces structural issues including low labor participation rates for its fastest growing social segments - the ultraorthodox and Arab-Israeli communities. Also, Israel's progressive, globally competitive, knowledge-based technology sector employs only about 8% of the workforce, with the rest mostly employed in manufacturing and services - sectors which face downward wage pressures from global competition. Expenditures on educational institutions remain low compared to most other OECD countries with similar GDP per capita.

Source : CIA

COMPANY NAME & ADDRESS

S.T.I LASER INDUSTRIES LTD.

Telephone 972 4 610 11 03
Mobile 972 50 859 94 99 (Tovy Sivan)
Fax 972 4 610 11 04
Email: office@sti-laser.com
P.O. Box 34
9 Hahadas Street
Northern Industrial Zone
Or Akiva 3065001 Israel

HISTORY & LEGAL FORMATION

A private limited company, incorporated as per file No. 51-267609-9 on the 01.09.1998.

Subject's deduction file number at the Tax Authority is No. 917210403.

SHARE CAPITAL

Authorized share capital NIS 50,000.00, divided into -
50,000 ordinary shares of NIS 1.00 each, of which 8,200 shares amounting to NIS 8,200.00 were issued.

SHAREHOLDERS

Subject is fully owned by Tovy Sivan, directly (42.5%) and via owned TOMI CONSULTING & ENTERPRISING LTD. (57.5%).

SOLE DIRECTOR

Tovy Sivan, General Manager.
Also a registered authorized reporting official.

BUSINESS

An original equipment manufacturer (OEM) specializing in laser cutting and finishing of miniature metal components.

Specializing in manufacturing dental implants, as well as surgical tools intended for Minimally Invasive Surgery (MIS) procedures.

70% of sales are for export.

Subject provides full manufacturing turn-key services (not development), which include precision laser processing and micro machining such as high precision laser cutting, laser welding, after-process treatments, surface finish, CNC, and micron-scale measurements for medical devices, bioengineering and hi-tech companies.

Operating from owned premises, on an area of 2,700 sq. meters (3,000 sq. meters built), in 19 Hahadas Street, Northern Industrial Zone, Or Akiva.

Tovy Sivan informs us that subject acquired an adjacent plot to subject's premises, on an area of 2,400 sq. meters, on which a plant on an area of 4,300 sq. meters will be erected in the very near future.

Website: www.sti-laser.com

Having 150 employees.

MEANS

Financial data not forthcoming.

Work is according to orders.

Subject is an "Approved Enterprise" and as such entitled for State support, grants and tax relief.

In 2004 the Israeli Investment Center (IIC) approved an investment of US\$ 440,000 for the expansion of subject's plant.

There are 2 charges for unlimited amounts registered on the company's assets (real estate assets), in favor of Bank Hapoalim Ltd. (charges placed February 2016 and August 2011).

REVENUES

2016/2017 annual sales claimed to be between US\$ 15 million – US\$ 20 million.

Sales for the first 6 months of 2018 are at a similar pace as in previous years.

OTHER COMPANIES

MEDIBRANE LTD., 30%, polymer coatings for medical devices.

BANKERS

Bank Leumi Le'Israel Ltd., Main Haifa Branch (No. 876), Haifa.
Bank Hapoalim Ltd., Netanya Business Branch (No. 167), Netanya.

CHARACTER AND REPUTATION

Nothing unfavorable learned.

Subject is to ISO 9001:2000, ISO 13485:2003 certified, and complies with GMP. Subject's medical devices meet customers' regulation standards – FDA and CE Mark.

In 2008 subject signed manufacturing agreements with three Tier-1 Medical Device companies in the USA for the manufacturing of stent-like implants.

Israel is one of the leading countries in the dental implant field, and is No. 1 globally with 400 implants per 10,000 people (only 50 implants per 10,000 people in the USA).

Israel is considered one of the leading countries in the world in terms of investment in the Life Science and Biotechnology industry.

There are some 260 biotechnology companies operating in Israel as of 2015, 220 of which are Israeli, the rest are subsidiaries of foreign companies. The volume of investments in R&D in the biotechnology field is around US\$ 400 million per annum, placing Israel 5th in the world in terms of investment in commercial R&D in biotechnology in respect of the GDP.

As of 2016, there are over 1,200 companies in the all Life Science sector in Israel, of which 42% are in the medical devices fields, according a survey published by IATI (the roof organization for the Israeli Advanced Technologies Industries), 16% in the Bio-Pharma (Pharmaceuticals) field, 16% in the medical computerization (Healthcare IT and Digital Health) field, and the rest in the medical services field and others. The medical computerization is the fastest growing.

Furthermore, during 2012-2016 55 local life science companies were acquired by international players, in overall sum of US\$ 4 billion, 77% of which companies from the bio-med field.

According to the Central Bureau of Statistics (CBS) sales for export from the manufacture of medical, dental and orthopedic instruments and supplies in 2017 totaled US\$ 1,526.1 million, compared to export in 2014, 2015 & 2016 of US\$ 1,195.2 million & US\$ 1,209.1 million & US\$ 1,425.1 million, respectively.

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SUMMARY

Good for trade engagements.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.95
UK Pound	1	INR 88.19
Euro	1	INR 79.00
ILS	1	INR 18.72

Note : Above are approximate rates obtained from sources believed to be correct

INFORMATION DETAILS

Analysis Done by :	VIVR
Report Prepared by :	TPT

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RATING EXPLANATIONS

Credit Rating	Explanation	Rating Comments
A++	Minimum Risk	Business dealings permissible with minimum risk of default
A+	Low Risk	Business dealings permissible with low risk of default
A	Acceptable Risk	Business dealings permissible with moderate risk of default
B	Medium Risk	Business dealings permissible on a regular monitoring basis
C	Medium High Risk	Business dealings permissible preferably on secured basis
D	High Risk	Business dealing not recommended or on secured terms only
NB	New Business	No recommendation can be done due to business in infancy stage
NT	No Trace	No recommendation can be done as the business is not traceable

NB is stated where there is insufficient information to facilitate rating. However, it is not to be considered as unfavourable.

This score serves as a reference to assess SC's credit risk and to set the amount of credit to be extended. It is calculated from a composite of weighted scores obtained from each of the major sections of this report. The assessed factors are as follows:

- Financial condition covering various ratios
- Company background and operations size
- Promoters / Management background
- Payment record
- Litigation against the subject
- Industry scenario / competitor analysis
- Supplier / Customer / Banker review (wherever available)