

## MIRA INFORM REPORT

<b>Report No. :</b>	520483
<b>Report Date :</b>	19.07.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	ZOLTEK CORPORATION
<b>Registered Office :</b>	120 South Central Avenue, Suite 400 Clayton, MO 63105, USA
<b>Country :</b>	United States
<b>Financials (as on) :</b>	2017 [Summarized]
<b>Date of Incorporation :</b>	14.04.1899
<b>Legal Form :</b>	Corporation
<b>Line of Business :</b>	Manufactures and Markets Carbon Fibers.
<b>No. of Employees :</b>	370

### RATING & COMMENTS

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

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

<b>Status :</b>	Satisfactory
<b>Payment Behaviour :</b>	Slow but correct
<b>Litigation :</b>	Clear

#### NOTES :

Any query related to this report can be made on e-mail : [infodept@mirainform.com](mailto: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)
United States	A1	A1

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

**UNITED STATES - ECONOMIC OVERVIEW**

The US has the most technologically powerful economy in the world, with a per capita GDP of \$59,500. US firms are at or near the forefront in technological advances, especially in computers, pharmaceuticals, and medical, aerospace, and military equipment; however, their advantage has narrowed since the end of World War II. Based on a comparison of GDP measured at purchasing power parity conversion rates, the US economy in 2014, having stood as the largest in the world for more than a century, slipped into second place behind China, which has more than tripled the US growth rate for each year of the past four decades.

In the US, private individuals and business firms make most of the decisions, and the federal and state governments buy needed goods and services predominantly in the private marketplace. US business firms enjoy greater flexibility than their counterparts in Western Europe and Japan in decisions to expand capital plant, to lay off surplus workers, and to develop new products. At the same time, businesses face higher barriers to enter their rivals' home markets than foreign firms face entering US markets.

Long-term problems for the US include stagnation of wages for lower-income families, inadequate investment in deteriorating infrastructure, rapidly rising medical and pension costs of an aging population, energy shortages, and sizable current account and budget deficits.

The onrush of technology has been a driving factor in the gradual development of a "two-tier" labor market in which those at the bottom lack the education and the professional/technical skills of those at the top and, more and more, fail to get comparable pay raises, health insurance coverage, and other benefits. But the globalization of trade, and especially the rise of low-wage producers such as China, has put additional downward pressure on wages and upward pressure on the return to capital. Since 1975, practically all the gains in household income have gone to the top 20% of households. Since 1996, dividends and capital gains have grown faster than wages or any other category of after-tax income.

Imported oil accounts for more than 50% of US consumption and oil has a major impact on the overall health of the economy. Crude oil prices doubled between 2001 and 2006, the year home prices peaked; higher gasoline prices ate into consumers' budgets and many individuals fell behind in their mortgage payments. Oil prices climbed another 50% between 2006 and 2008, and bank foreclosures more than doubled in the same period. Besides dampening the housing market, soaring oil prices caused a drop in the value of the dollar and a deterioration in the US merchandise trade deficit, which peaked at \$840 billion in 2008. Because the US economy is energy-intensive, falling oil prices since 2013 have alleviated many of the problems the earlier increases had created.

The sub-prime mortgage crisis, falling home prices, investment bank failures, tight credit, and the global economic downturn pushed the US into a recession by mid-2008. GDP contracted until the third quarter of 2009, the deepest and longest downturn since the Great Depression. To help stabilize financial markets, the US Congress established a \$700 billion Troubled Asset Relief Program (TARP) in October 2008. The government used some of these funds to purchase equity in US banks and industrial corporations, much of which had been returned to the government by early 2011. In January 2009, Congress passed and former President Barack OBAMA signed a bill providing an additional \$787 billion fiscal stimulus to be used over 10 years - two-thirds on additional spending and one-third on tax cuts - to create jobs and to help the economy recover. In 2010 and 2011, the federal budget deficit reached nearly 9% of GDP. In 2012, the Federal Government reduced the growth of spending and the deficit shrank to 7.6% of GDP. US revenues from taxes and other sources are lower, as a percentage of GDP, than those of most other countries.

Wars in Iraq and Afghanistan required major shifts in national resources from civilian to military purposes and contributed to the growth of the budget deficit and public debt. Through FY 2018, the direct costs of the wars will have totaled more than \$1.9 trillion, according to US Government figures.

In March 2010, former President OBAMA signed into law the Patient Protection and Affordable Care Act (ACA), a health insurance reform that was designed to extend coverage to an additional 32 million Americans by 2016,

through private health insurance for the general population and Medicaid for the impoverished. Total spending on healthcare - public plus private - rose from 9.0% of GDP in 1980 to 17.9% in 2010.

In July 2010, the former president signed the DODD-FRANK Wall Street Reform and Consumer Protection Act, a law designed to promote financial stability by protecting consumers from financial abuses, ending taxpayer bailouts of financial firms, dealing with troubled banks that are "too big to fail," and improving accountability and transparency in the financial system - in particular, by requiring certain financial derivatives to be traded in markets that are subject to government regulation and oversight.

In December 2012, the Federal Reserve Board (Fed) announced plans to purchase \$85 billion per month of mortgage-backed and Treasury securities in an effort to hold down long-term interest rates, and to keep short-term rates near zero until unemployment dropped below 6.5% or inflation rose above 2.5%. The Fed ended its purchases during the summer of 2014, after the unemployment rate dropped to 6.2%, inflation stood at 1.7%, and public debt fell below 74% of GDP. In December 2015, the Fed raised its target for the benchmark federal funds rate by 0.25%, the first increase since the recession began. With continued low growth, the Fed opted to raise rates several times since then, and in December 2017, the target rate stood at 1.5%.

In December 2017, Congress passed and President Donald TRUMP signed the Tax Cuts and Jobs Act, which, among its various provisions, reduces the corporate tax rate from 35% to 21%; lowers the individual tax rate for those with the highest incomes from 39.6% to 37%, and by lesser percentages for those at lower income levels; changes many deductions and credits used to calculate taxable income; and eliminates in 2019 the penalty imposed on taxpayers who do not obtain the minimum amount of health insurance required under the ACA. The new taxes took effect on 1 January 2018; the tax cut for corporations are permanent, but those for individuals are scheduled to expire after 2025. The Joint Committee on Taxation (JCT) under the Congressional Budget Office estimates that the new law will reduce tax revenues and increase the federal deficit by about \$1.45 trillion over the 2018-2027 period. This amount would decline if economic growth were to exceed the JCT's estimate.

Source : CIA

## **STATUTORY INFORMATION**

Legal Name	ZOLTEK CORPORATION
Trade Name	ZOLTEK CORPORATION
ID	ID
ID Details	00010724
Creation Date	1899
Incorporation Date	4/14/1899
Legal Address	120 South Central Avenue, Suite 400 Clayton, MO 63105, USA
Operative Address	3101 Mckelvey Rd. St. Louis, Mo 63044, USA
Telephone	314-291-5110
Fax	314-291-8536
Legal Form	Corporation
E-Mail	-
Registered In	MISSOURI
Website	<a href="http://www.zoltek.com">www.zoltek.com</a>
Contact	Mr. Zsolt Romy - Chief Executive Officer
Staff	370
Activity	SIC Code: 2823, Cellulosic Manmade Fibers NAICS Code: 325220, Artificial and Synthetic Fibers and Filaments Manufacturing

## **BANKS**

Name of Bank	Reported Amount
BANK OF AMERICA	

## **HISTORY**

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History	The company was incorporated in 1899 and is based in Bridgeton, Missouri. Zoltek Corporation was formerly known as TECO, Inc. and changed its name to Zoltek Corporation in January 1976.
Key Developments	NA
Parent Company	Zoltek Corporation operates as a subsidiary of: Zoltek Companies Inc. 3101 McKelvey Road St. Louis, MO 63044 United States

## **PRINCIPAL ACTIVITY**

General Description	Zoltek Corporation manufactures and markets carbon fibers.
Service/Product Description	The company also offers filament winding and pultrusion equipment used in the production of composite parts. In addition, it produces oxidized acrylic fiber for flame and heat resistant applications; and technical fibers, which are used to manufacture aircraft brake pads and various friction applications.
Sales	Wholesale
Operations Area	National and International
Imports From	CHINA, SWITZERLAND
Export To	MEXICO
Employees	370 employees
Payments with Suppliers	Slow but correct
Brands	
Brand	Comments
There are not informed brands	

Clients	Country	Comments
Name of Client		
Zoltek De Mexico S.A. De C.V.	MEXICO	-
Comments		-

Suppliers Supplier Name	Country	Comments
Jiaxing Youwei Composite Materials	CHINA	-
Aliancys A.G.	SWITZERLAND	-
Zoltek Zrt	HUNGARY	-
Comments	-	-

## **LOCATION**

Headquarters	3101 MCKELVEY RD. ST. LOUIS, MO 63044, USA
Branches	No branches found.

## **GROUP STRUCTURE AND SUBDIARY COMPANIES**

Listed at the stock exchange	NO
Capital	NA
Shareholders (%)	Zoltek Corporation operates as a subsidiary of: Zoltek Companies Inc. 3101 McKelvey Road St. Louis, MO 63044 United States
Management	Mr. Zsolt Rummy - Chief Executive Officer Nanette Clark – Administrator Jordan Schupp - Process Engineer Mariah Pizzurro - HR Generalist Dave Purcell - Executive Vice President Leigh Culian - General Manager Global Compliance
Subsidiary Companies	No subsidiary companies were found.
Related Companies	Zoltek Zrt Hungary  Zoltek De Mexico S.A. De C.V. Mexico

## **FINANCIAL INFORMATION**

General Description	The company does not make its financial statements public. The following information has been provided by private sources:
Year/Currency	USD 2017
Sales	35.400.000
Money Flow	Normal
Import Fob Dollar Year	Amount
There are not Import Fob Dollar informed	
Export Fob Dollar Year	Amount
There are not Export Fob Dollar informed	

## **LEGAL FILINGS**

Lawsuits	<p>Monco v. Zoltek Corporation et al  Plaintiff: Dean A Monco, John Mortimer and Wood, Phillips, Katz, Clark &amp; Mortimer  Defendant: Zoltek Corporation, Zsolt Rummy, Toray Industries, Inc., Thompson Coburn LLP and Arent Fox LLP  Case Number: 1:2017cv06882  Filed: September 25, 2017  Court: Illinois Northern District Court  Office: Chicago Office  County: Cook  Presiding Judge: Thomas M. Durkin  Nature of Suit: Other Contract  Cause of Action: 28:1332  Jury Demanded By: Plaintiff</p> <p>In re: Zoltek Corporation  Case Number: 13-157  Filed: July 16, 2013  Court: U.S. Court of Appeals, Federal Circuit  Nature of Suit: Other</p> <p>Zoltek Corporation v. Lockheed Martin Corporation</p>
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Trademarks

Plaintiff: Zoltek Corporation  
Defendant: Lockheed Martin Corporation  
Case Number: 1:2009cv00096  
Filed: January 13, 2009  
Court: Georgia Northern District Court  
Office: Atlanta Office  
County: Fulton  
Presiding Judge: Forrester  
Nature of Suit: Patent  
Cause of Action: 28:1338 Patent Infringement  
Jury Demanded By: Plaintiff  
PANEX  
HIGH MODULUS, HIGH STRENGTH CARBON  
FIBER FOR MAKING TOW, YARN AND FABRICS  
AND FOR REINFORCEMENT OF LAMINATES,  
MOLDING COMPOUNDS...  
Owned by: ZOLTEK CORPORATION  
Serial Number: 73019450

PYRON  
Acrylic fibers and carbon fibers for textile use  
Owned by: ZOLTEK CORPORATION  
Serial Number: 76064987

FLEXIGRAF  
flexible graphite packing and gaskets in varying sizes  
and configurations for use on pumps, valves, seals  
and other similar...  
Owned by: ZOLTEK CORPORATION  
Serial Number: 74173099

ZOLTEK  
[ house mark for a line of gaskets and compression  
packing to form a static or dynamic seal for pumps,  
valves or similar...  
Owned by: ZOLTEK CORPORATION  
Serial Number: 74169476

ZOLTEK  
Oxidized polyacrylonitrile fiber for textile use; oxidized  
polyacrylonitrile fiber tows for textile use; carbon fibers  
for...  
Owned by: Zoltek Corporation  
Serial Number: 86677074

FIBERGRAFIX  
Computer programs for filament winding pattern  
generation and optimization  
Owned by: Zoltek Corporation

Patents Registered	<p>Serial Number: 86815090</p> <p>Controlled surface electrical resistance carbon fiber sheet product  Patent number: RE34162  Abstract: A method of manufacturing controlled .ladd.surface .laddend.electrical resistivity carbon fiber sheet products employing a carbonizable starting material, heating and drawing the starting material (if required), .ladd.stabilizing and .laddend.oxidizing the starting material .ladd.if required .laddend.at an elevated temperature of the order of 220 degrees Centigrade to effect molecular aromatic rearrangement of the starting material, .ladd.partially .laddend.carbonizing the oxidized starting material at .ladd.an.]. elevated temperature .ladd.values .laddend.in an oxygen free atmosphere within a furnace having an elevated temperature extending over a temperature range .ladd.from about 370 degrees Centigrade .laddend. to about 1400 degrees Centigrade .ladd.by soaking the.].ladd.. The .laddend.starting material .ladd.is soaked .laddend.at an elevated temperature for a predetermined period of time to provide a .ladd.known .laddend.preselected .ladd.surface .laddend.electrical resistivity to the .ladd.partially .  Type: Grant  Filed: February 20, 1990  Date of Patent: January 19, 1993  Assignee: Zoltek Corporation  Inventor: George P. Boyd, Jr.</p>
Renewals	<p>Type Filing Type Date Filed Effective Date  Registration Reports Annual Registration Report  12/6/2017 12/6/2017  Registration Reports Annual Registration Report  11/30/2016 11/30/2016  Registration Reports Annual Registration Report  3/28/2016 3/28/2016  Administrative - Reminders Reminder Notice to File  the Registration Report 3/1/2016 3/1/2016  Registration Reports Annual Registration Report  11/20/2014 11/20/2014  Modify Change of Registered Agent and/or Registered  Office 11/19/2014 11/19/2014  No records found.</p>
UCC (Uniform Commercial Code)	
OFAC Sanctions List Search	<p>The company is not listed in the OFAC Sanctions List.</p>

## **SUMMARY**

### Summary

Founded in 1899, Zoltek Corporation is an organization in the Artificial and Synthetic Fibers and Filaments Manufacturing Industry headquartered in ST. LOUIS, MO. The company has 370 employees and generates an estimated \$35.5 million USD in annual revenue. It operates nationally and internationally, mainly exporting to Mexico. It is ACTIVE in business with MEDIUM credit risk.

## **RISK INFORMATION**

Debts	Controlled
Payments	Slow but correct
Cash Flow	Normal
State	Active

## **INTERVIEW**

First Name	Mark
Position	Sales
Comments	He confirmed the name of the company, the address of the headquarters and location, the date of creation of the company, the number of employees and the name of the Chief Executive Officer.

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.57
UK Pound	1	INR 89.73
Euro	1	INR 79.74
US Dollar	1	INR 69.01

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	NIS
<b>Report Prepared by :</b>	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)