

## MIRA INFORM REPORT

<b>Report No. :</b>	541738
<b>Report Date :</b>	29.11.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	CARMEX PRECISION TOOLS LTD.
<b>Registered Office :</b>	P.O. Box 404 (2101302) 1 Hacharoshet Street Industrial Park Koren Maalot-Tarshiha 2101805
<b>Country :</b>	Israel
<b>Date of Incorporation :</b>	31.03.1988
<b>Legal Form :</b>	Private limited company
<b>Line of Business :</b>	<ul style="list-style-type: none"> <li>Manufacturers, exporters and marketers of cutting tools for the metal industry.</li> <li>Subject specializes in the production of threading tools for turning and milling.</li> </ul>
<b>No. of Employees :</b>	Not Available

### 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 (30.06.2018)	Current Rating (30.09.2018)
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

### 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 AND ADDRESS**

### **CARMEX PRECISION TOOLS LTD.**

Telephone 972 4 907 74 00  
Fax 972 4 907 74 40  
Email: [info@carmex.com](mailto:info@carmex.com)  
P.O. Box 404 (2101302)  
1 Hacharoshet Street  
Industrial Park Koren  
MAALOT-TARSHIHA 2101805 ISRAEL

## **HISTORY & LEGAL FORMATION**

A private limited company, incorporated as per file No. 51-128623-9 on the 31.03.1988.

## **SHARE CAPITAL**

Authorized share capital NIS 20,000,000.00, divided into -  
19,999,700 ordinary shares (10,489,520 shares issued),  
300 management shares (30 shares issued), all of NIS 1.00 each,  
of which shares amounting to NIS 10,489,550.00 were issued.

## **SHAREHOLDERS**

Subject is fully owned by CARMEX METALS (1998) LTD, owned by Ilan Cohen (who holds 2 management shares himself directly).

## **DIRECTORS**

1. Ilan Cohen, General Manager,
2. Asaf Cohen,
3. Yuval Cohen.

## **BUSINESS**

Manufacturers, exporters and marketers of cutting tools for the metal industry.

Subject specializes in the production of threading tools for turning and milling. Product lines include thread turning inserts and toolholders, mill thread inserts and tool holders, mill-thread solid carbide and spiral mill threads.

Most of sales are for export.

Amongst local clients: IMI SYSTEMS, ISCAR, HAM-LET, A.B. DENTAL DEVICES, etc.

Among local suppliers: ISCAR, SCOPE METALS GROUP, and more.

Operating from owned premises, according to our records on an area of 17,000 sq. meters, in 1 Hacharoshet Street, Industrial Park Koren, Maalot-Tarshiha, in the Upper Galilee in the country's north (formerly the town of Maalot which was unified with Ma'alot Tarshiha).

Website: [www.carmex.com](http://www.carmex.com)

Number of employees not forthcoming, known to be tens of employees (well over 50 employees). Number of employees also increased by 22 employees as subject committed to as part of the Israeli Investment Centre investment approval in 2015 (see more below).

## **MEANS**

Financial data not forthcoming.

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

In 2003 the Israeli Investment Centre (IIC) approved a US\$ 800,000 investment plan for the expansion of subject's plant.

In 2004 IIC approved a US\$ 1.3 million investment plan for the expansion of subject's plant.

In 2015 the IIC approved a NIS 23,138,500 investment plan for the expansion of subject's plant.

There is 1 charge for an unlimited amount registered on the company's assets (all assets), in favor of The State of Israel (charge placed November 2014).

## **REVENUES**

Sales figures not forthcoming.

## **OTHER COMPANIES**

Subsidiaries:

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C.P.T. GmbH, a sales branch in Stuttgart Germany serving Europe.  
CARMEX PRECISION TOOLS LLC, a sales branch in Wisconsin, USA serving North America and Mexico.  
CARMEX ITALIA SRL, a sales branch in Modena, Italy.

CARMEX METALS (1998) LTD., affiliated company.

## ***BANKERS***

Bank Leumi Le'Israel Ltd., Hamifratz Business Branch (No. 898), Kiryat Bialik.

## ***CHARACTER AND REPUTATION***

Nothing unfavorable learned.

Subject's officials said they are a private company, and as such only provide general information, no business data.

Subject is ISO 9001:2008, ISO 13485:2003, ISO 14001:2004 and OHSAS 18001 certified, as well as holding a CE mark.

In 2014 subject received a "Golden Mark" from the Standard Institution of Israel.

Subject is among the 10 largest companies in Israel in the precision cutting tools field. There are some 30 companies in the precision cutting tools field, generating US\$ 1.1 billion turnover in 2011, of which US\$ 1 billion for export.

There are over 8,000 employees work in the precision cutting tools branch (over 50% of them in the leading company ISCAR).

The local Metal, Electricity and Infrastructure Industries manufacture 21% of Israel's industrial production, according to data by the Metal, Electrical and Infrastructure Industries Association, representing, large scale export-oriented industries on one hand and family-owned plants which sell to the local market.

2012 sales (local and export) by the said industries amounted to NIS 75 billion, of which US\$ 9 billion were for export (20% of Israel's industrial export).

Some 98,000 employees serve the said industries (27% of Israel's industrial workforce).

According to the Central Bureau of Statistics (CBS), export by the local Manufacturing of Fabricated Metal Products, Machinery & Equipment and Domestic Appliances witnessed 1.8% decrease in 2017 from 2016 to US\$ 5,842.5 million, after 8.4% increase in 2016 from 2015 and 9.1% decrease in 2015 from 2014. Export of such in the first 5 months of 2018 marked 3% rise compared to the parallel period in 2017.

The CBS data on investment in imported machinery and other equipment for the manufacturing industry in 2017 (quantity change percent change on previous year): investments in the manufacture of basic metal totaled NIS 202.8 million, representing 24.5% decrease, after close to 30% increase in 2016; investments in the manufacture of fabricated metal products was NIS 1,047 million, 14.2% increase, after decrease by 1.1% in 2016.

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## **SUMMARY**

Notwithstanding the refusal to update business data, considered good for trade engagements.  
Maximum unsecured credit recommended € 100,000 (*Note: subject may be good for a higher credit limit, however, lacking updated business data, we prefer to be cautious*).

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.69
UK Pound	1	INR 90.14
Euro	1	INR 79.88
ILS	1	INR 18.75

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

**INFORMATION DETAILS**

Analysis Done by :	NIY
Report Prepared by :	TRU

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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)

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