Maalot

S&P Global Ratings

Adama Agricultural Solutions Ltd.

June 1, 2022

Primary Credit Analyst:

Nikolaos Boumpoulis, 44-20-7176-0771; nikolaos.boumpoulis@spglobal.com

Additional Contact:

Paulina Grabowiec, 44-20-7176-7051; paulina.grabowiec@spglobal.com

Tom Dar, 972-3-7539722 tom.dar@spglobal.com

Table of Contents

Overview 3
Outlook 4
- Downside Scenario 4
- Upside Scenario 5

Base Case Scenario 5
- Key Assumptions 5
- Key Metrics 5
- Base Case Projections 6

Company Description 6
Business Risk Profile 6
Financial Risk Profile 7
Liquidity 9
Covenant Analysis 9
Modifiers 9
Group Influence 10
Environmental, Social, And Governance 10
- ESG Credit Indicators 10

Recovery Analysis 11
- Key analytical factors 11
- Simulated default assumptions 11
- Simplified Waterfall 11

Reconciliation 12
Related Criteria And Research 13

Ratings List 14

Adama Agricultural Solutions Ltd.

Issuer Credit Affirmed	ilAA-/Stable/ilA-1+

Overview

Key Strengths	Key Risks
• Good market position in the global crop protection products market (No. 7 among all crop protection companies; a leader among off-patent companies). • Proven track record in new product development, registration expertise in over 100 countries, and a wide distribution network. • Highly diverse customer base and good geographic spread in both mature and growth markets. • Financial flexibility supported by well-spread maturities and long-term committed credit facilities.	• Profits anchored in the highly cyclical and seasonal crop protection market. • Competitive environment, aggravated in recent years by consolidation processes. • Cash flow swings, reflecting high working capital volatility. • Exposure to exchange rate and commodity price fluctuations. • Ability to pass through higher input costs is influenced by external market conditions and the actions of major competitors, and may not be within the company's control.

S&P Global Ratings anticipates that the crop protection market will remain demand-driven in 2022, with resilience in prices relative to input costs. High crop prices have supported the affordability of Adama's products in 2021. However, the company's ability to pass through the high raw materials and logistics costs was constrained by the high degree of competition in its key market. Higher crop prices reflect healthy fundamentals, in particular, the firm global demand for food and lower grain crop inventories following the 2021-2022 season. We expect strong agricultural demand for crop protection products in 2022, as the consumption of grain crops is outpacing production and low stock levels will take time to replenish. In addition, we think that the conflict in Ukraine, combined with actions taken by crop exporting nations such as India to curb exports to prioritize food security, will lead to higher crop prices in 2022 and 2023. High crop prices support Adama's ability to pass through higher input costs. Therefore, we anticipate the company's revenue will increase by about 5% in 2022, mainly because of pricing actions. We forecast that EBITDA margins will expand by approximately 50 basis points (bps), thanks to improving ability to recover input cost inflation and improving product mix.

S&P Global Ratings forecasts that Adama's credit metrics will remain within the 2.0x-4.0x range which we consider to be commensurate with the rating in 2022 and 2023. Supportive operating conditions over the next 12 months are likely to help Adama improve its financial leverage, based on EBITDA growth. We estimate Adama's S&P Global Ratings-adjusted debt to EBITDA will improve to about 3.2x-3.5x in 2022, compared with 3.6x in 2021, thanks to pricing actions. However, the company's free operating cash flow (FOCF) is predicted to turn moderately negative in 2022 due to high working capital needs, stemming from cost inflation. Unless it makes material debt-funded acquisitions or aggressive dividend distributions, we anticipate that Adama will be able to maintain its adjusted debt to EBITDA ratio at about 3.3x on average over 2022-2024; This is within the range we consider to be commensurate with the current rating.

Outlook

The stable outlook indicates that Adama is likely to maintain an adjusted debt-to-EBITDA ratio of 2x-4x range. Our forecasts suggest that Adama's adjusted EBITDA will amount to $575 million-$585 million in 2022, supported by ongoing demand and an improving ability to increase prices, which will offset the high feedstock costs. We do not expect the company to complete any material debt-funded acquisitions or distribute dividends to its parent company.

We anticipate that Adama will maintain its large customer base and its leading position in the off-patented crop protection products market. It will do this by continuing to develop new, differentiated products, quickly registering product rights, and maintaining wide distribution channels.

Given the current Israeli regulatory framework, we do not expect parent company Syngenta Group to intervene in a way that would jeopardize Adama's creditworthiness. We expect Syngenta Group's stand-alone credit profile (SACP) to remain at a level that allows its insulation from the rating on Adama. This insulation means that Adama's rating can be higher than Syngenta Group's SACP by up to two notches.

Downside Scenario

We could lower our rating on Adama if its credit metrics, EBITDA margin, and FOCF seem likely to deteriorate more than currently expected over the next 12 months. This could occur if:

- The company's adjusted debt to EBITDA increased to 4.0x and above;
- FOCF remained negative, without near-term prospects of a recovery;
- The company made material debt-funded acquisitions or aggressively distributed dividends; or
- Commodity prices sharply increased from their current level, without the company being able to pass these costs through to its customers, which would erode earnings.

We may also consider lowering the rating if Syngenta Group's SACP materially deteriorates, such that we cannot continue to insulate Adama's rating.

Upside Scenario

We could raise our rating on the company if financial risk improves further, such that Adama's adjusted debt to EBITDA ratio is consistently below 2.0x, its adjusted free cash flow to debt ratio is about 25%, and the company consistently and robustly generates positive FOCF. A positive rating action would also depend on maintaining the current business risk and at least adequate liquidity, and is subject to our assessment that Syngenta Group's SACP has materially improved.

Base Case Scenario

Key Assumptions

- 5% revenue increase in 2022, mainly driven by price actions. In 2023-2024, we assume moderate revenue growth of about 3% per year.
- Adjusted EBITDA margin of about 12.5%-13.0% in 2022. We assume margins to come under pressure in 2023-2024 and to decline to approximately 11.5%-12.0% in 2023. This is due to the high degree of competition and the presence of major global peers that could limit Adama's ability to recover input costs in a moderate growth environment.
- Adjusted EBITDA of about $575 million-$585 million in 2022 and about $545 million-$555 million in 2023, up from $529 million in 2021.
- Capital expenditure (capex) of about $250 million-$300 million per year in 2022-2023, compared with $312 million in 2021.
- Working capital outflows of about $150 million-$200 million in 2022, moderating to $100 million-$120 million in 2023 and 2024 due to the forecast slowdown in revenue growth.
- No material dividend distributions and debt-funded acquisitions in 2022-2023.

Key Metrics

	2020a	2021a	2022e	2023f
EBITDA margin (%)	13.5	12.1	12.5-13.0	11.5-12.0
Debt/EBITDA (x)	3.7	3.6	3.2-3.5	3.3-3.6
FFO/debt (%)	20.1	19.7	20-25	20-25

a--Actual. e--Estimate. f--Forecast. FFO--Funds from operations.

Base Case Projections

We anticipate that Adama's product prices will increase in 2022 due to supportive market conditions and management actions, leading to higher profitability. Continued strong demand for the company's products should support revenue growth in the short-to-medium term. We forecast Adama's sales will increase by about 5% in 2022. We believe that high crop prices and low crop inventory levels mean favorable farm economics, which will allow Adama to fully offset higher input costs, notably raw materials, shipping and logistics. This will lead to a higher EBITDA margin in 2022. However, there could be pressure on demand in Europe, where crop protection products account for a higher proportion of farmers' costs than in other regions, such as North America. In addition, we expect that the conflict in Ukraine will affect Adama's sales volume in the region. Ukraine is a major producer and exporter of agricultural commodities. The conflict in the country has disrupted the spring planting season, which will lower demand for Adama's products in 2022 and 2023. Going forward, we forecast moderating revenue growth, which in conjunction with intense competition could lead to some decline in margins in 2023-2024.

We forecast that Adama will report broadly neutral free operating cash flow in 2022 and 2023. The company has large working capital requirements to support its growth. This is due to input cost inflation, which we expect to lead to cash outflows, mainly in relation to inventory and trade receivables.

Company Description

Adama Agricultural Solutions Ltd. operates in the agrochemical industry. The company develops, produces, and markets off-patented, but license-requiring crop protection products. Adama sells its products in about 100 countries through 60 subsidiaries around the world. Adama Agricultural Solutions Ltd. is fully owned by Adama Ltd., a company traded on the Shenzhen stock exchange. In June 2020, Adama Group became a distinctive member of the newly established Syngenta Group Co. Ltd. (BBB+/Stable). The Syngenta Group is a world leader in agricultural inputs, spanning crop protection, seeds, fertilizers, and additional agricultural and digital technologies. Syngenta Group is part of China National Chemical Corporation Ltd. (ChemChina, A-/Stable), which is held by Sinochem Holdings Co., Ltd. and ultimately owned by the Chinese government.

Business Risk Profile

Our view on Adama's business risk is underpinned by its robust market share in the global agrochemical industry. The company is the seventh-largest in this industry in terms of revenue, and a leader among companies that focus on off-patent products. Adama's revenue base and products are

concentrated in the crop protection segment. We anticipate that the agrochemical industry in general, and the crop protection product market in particular, will continue to display favorable growth prospects in the medium-to-long term, supporting Adama's credit quality. This is because the agrochemical industry benefits from demand supported by long-term demographic trends and by changes to nutrition habits. These lead to intensive use of crop protection products to increase land yield.

The industry is characterized by high barriers to entry based on strict product licensing regulatory requirements. Crop protection products are sold under state authority supervision in each country. Strict licensing requirements make it difficult for new companies to enter the industry, which supports Adama's credit quality as it improves the resilience of earnings. The company also benefits from its global marketing and distribution capabilities, which enable a wide geographical spread of sales and limits Adama's dependence in any single market.

We regard Adama's fairly narrow product diversity as the main rating constraint. The company operates in the cyclical and competitive crop protection market, from which it derives about 95% of its revenue. The cyclical and seasonal nature of the agrochemical industry affects the company's credit quality, in our view, because it reduces earnings quality and predictability. Sales change with agricultural seasons and with yield cyclicity. Volatility in farmers' revenue and their decision to purchase crop protection products are affected by changes in agricultural product prices. The company is exposed to weather changes, as its products target the agricultural market such that extreme weather conditions and natural catastrophes (floods, frost, and drought) directly affect demand.

Adama's raw materials are third- or fourth-order oil derivatives. As such, the company is exposed to increases in the price of raw materials, especially oil prices, and changes in oil prices and energy costs may weaken its profitability, albeit with a time lag. The high degree of competition means that Adama is only partly able to adjust product prices to raw material prices and thus limit the decline in profitability when raw material prices are on the rise. Several leading global companies operate in the crop protection product industry, some of which have become even stronger in recent years following consolidation processes. These companies have substantial financial resources which they invest, among other things, in research and development.

Financial Risk Profile

Our assessment of Adama's financial risk is underpinned by our expectations for continued growth in revenue and adjusted EBITDA. We forecast Adama's adjusted EBITDA at about $575 million-$585 million in 2022 and about $545 million-$555 million in 2023, up from $529 million in 2021.

Our financial risk assessment is mainly constrained by Adama's volatile FOCF, predominantly owing to high capex requirements and the cyclicality of its working capital, which can lead to cash outflows. For example, in 2020, the company reported negative FOCF as its cash from operations (before changes in working capital) of about $433 million were more than offset by the approximately $490 million use of cash owing to working capital and capex needs.

In 2021, the company's adjusted debt to EBITDA improved slightly to 3.6x from 3.7x in 2020. That said, while Adama recorded about 13% revenue growth, the adverse effects of the increase in raw material prices and high logistics costs weakened EBITDA margins, leading to broadly flat year-on-year adjusted EBITDA. Adama improved its collection of trade receivables, which strengthened its cash flow metrics and cash balances and benefited closing net debt.

We believe the company's adjusted debt to EBITDA ratio will improve further to 3.3x in 2022, thanks to Adama's pricing actions, as displayed in the first quarter of 2022, and the favorable supply-and-demand dynamics in its target agricultural markets. Adama is expected to be able to maintain credit metrics commensurate with our rating on it, even if revenue growth falls by about 4% per year and EBITDA margins are about 150 bps lower during 2022-2024.

The company is exposed to exchange rate fluctuations, which affect the volatility of financial ratios. Adama publishes its statements in U.S. dollars, while its operations and obligations also use other currencies, such as euro, new Israeli shekel, and Brazilian real. The company uses hedging instruments that mitigate this exposure.

Table 1.

ADAMA Agricultural Solutions Ltd. – Financial Summary (Mil. $)

Industry Sector: Chemical Cos

	2021	2020	2019	2018	2017
Revenue	4,384.2	3,867.9	3,679.2	3,535.7	3,137.4
EBITDA	529.1	523.7	595.2	554.9	551.4
Funds from operations (FFO)	379.1	388.4	423.3	400.3	423.8
Interest expense	137.6	102.9	121.1	106.1	110.1
Cash interest paid	99.9	93.2	92.1	79.8	85.8
Working capital changes	136.5	(286.9)	(510.5)	(162.7)	(99.3)
Cash flow from operations	512.0	146.5	(50.9)	90.0	420.1
Capital expenditure	311.9	205.5	192.6	176.7	204.4
Free operating cash flow (FOCF)	200.1	(59.1)	(243.6)	(86.7)	215.7
Dividends paid	6.6	5.0	6.3	4.4	26.5
Discretionary cash flow (DCF)	193.6	(64.1)	(249.9)	(91.1)	189.2
Cash and short-term investments	823.0	348.3	379.0	594.0	873.0
Gross available cash	823.0	348.3	379.0	594.0	873.0
Debt	1,923.8	1,934.6	1,694.9	1,182.5	1,383.3

	2021	2020	2019	2018	2017
Equity	2,480.6	2,446.3	2,382.5	2,266.2	1,854.7
Adjusted ratios					
Annual revenue growth (%)	13.3	5.1	4.1	12.7	2.2
EBITDA margin (%)	12.1	13.5	16.2	15.7	17.6
Return on capital (%)	6.5	6.6	9.8	10.6	13.4
EBITDA interest coverage (x)	3.8	5.1	4.9	5.2	5.0
FFO cash interest coverage (x)	4.8	5.2	5.6	6.0	5.9
Debt/EBITDA (x)	3.6	3.7	2.8	2.1	2.5
FFO/debt (%)	19.7	20.1	25.0	33.8	30.6
Cash flow from operations/debt (%)	26.6	7.6	(3.0)	7.6	30.4
FOCF/debt (%)	10.4	(3.1)	(14.4)	(7.3)	15.6
DCF/debt (%)	10.1	(3.3)	(14.7)	(7.7)	13.7

Liquidity

We assess Adama's liquidity as adequate. We forecast that liquidity sources will cover uses by more than 2x over the next 12 months from Jan. 1, 2022. The company's liquidity is underpinned by adequate long-term committed credit facilities and cash on hand compared with maturities.

We cap our liquidity assessment at adequate, as we do not see enough of a track record, or a commitment from the parent company, to maintain strong liquidity under more adverse cyclical conditions.

Adama's principal sources and uses for the period starting Jan. 1, 2022, are:

Principal Liquidity Sources	Principal Liquidity Uses
• About $803 million in cash and cash equivalents. • About $570 million in unused credit facilities committed for a period of over 12 months. • Our estimation of about $400 million in funds from operations in 2022.	• Ongoing maturities on bonds and short- and long-term bank loans of about $245 million. • Capex of about $250 million-$300 million. • Seasonal working capital needs of about $150 million-$180 million.

Covenant Analysis

Adama has several covenants regarding bank loans and a securitization transaction. As of March 31, 2022, the company had sufficient headroom on its financial covenants, and we estimate that it will maintain sufficient headroom in the short term.

Modifiers

- Diversification/portfolio effect: Neutral (no impact)
- Capital structure: Neutral (no impact)

- Liquidity: Adequate (no impact)
- Financial policy: Neutral (no impact)
- Management and governance: Neutral (no impact)
- Comparable ratings analysis: Neutral (no impact)

Group Influence

Adama Agricultural Solutions' rating reflects both its stand-alone credit profile and its relationship with Syngenta Group.

We believe Adama Agricultural Solutions' strategic importance to its intermediate parent, Syngenta, remains moderate. Our rating on Syngenta is underpinned by potential extraordinary support from the Chinese government in times of need, due to Syngenta's strategic importance. Due to this support factor, Syngenta's credit rating is higher than its SACP.

However, we do not think that government support for Syngenta will extend to Adama Agricultural Solutions, as the company, along with its immediate parent Adama Ltd., generates a relatively small portion of Syngenta Group's consolidated EBITDA. Therefore, our reference point in rating Adama Agricultural Solutions is Syngenta's SACP. We consider our rating on Adama Agricultural Solutions to be somewhat insulated from Syngenta's SACP, due to regulatory limitations that apply to private companies whose bonds are traded on the Tel Aviv Stock Exchange and that may prevent a negative intervention by Syngenta Group in a way that would jeopardize Adama's stand-alone credit quality.

Environmental, Social, And Governance

ESG Credit Indicators

ESG Credit Indicator	E-3	S-2	G-3
ESG Factor	Waste and pollution	N/A	N/A

N/A – Not applicable. ESG credit indicators provide additional disclosure and transparency at the entity level and reflect S&P Global Ratings' opinion of the influence that environmental, social, and governance factors have on our credit rating analysis. They are not a sustainability rating or an S&P Global Ratings ESG Evaluation. The extent of the influence of these factors is reflected on an alphanumerical 1-5 scale where 1 = positive, 2 = neutral, 3 = moderately negative, 4 = negative, and 5 = very negative. For more information, see our commentary ESG Credit Indicator Definitions And Applications, published Oct. 13, 2021.

Environmental factors are a moderately negative consideration in our credit rating analysis of Adama. We see crop protection chemicals as having higher environmental exposure and facing long-term tightening regulations on greenhouse gas (GHG) emissions, storage and use of hazardous materials, soil and water contamination, discharge of industrial effluents, etc. However, our assessment of moderate credit influence reflects our expectation that any transition to greener ammonia will take time

and the fact that Adama has already invested in adjusting its facilities to regulations. In addition, we believe crop protection products will remain critical to serve growing global food needs, in particular as companies in this field progressively develop products containing smaller amounts of chemicals, and due to the shift to development and marketing of biological products.

Recovery Analysis

Key analytical factors

- We are affirming our 'ilAA-' rating, identical to the issuer rating, on Adama's Series B bonds. The recovery rating for this series is '3', indicating our expectation of meaningful recovery (50%-70%; rounded estimate: 50%) in a hypothetical default scenario.

Simulated default assumptions

- Simulated year of default: 2027
- In our simulated default scenario, we assume that demand for the company's products will deteriorate in the wake of a protracted economic downturn, increased competition, and an increase in raw material prices that the company will not be able to impose on its customers.
- We believe a viable business would remain after a default, so lenders would achieve their highest recovery through a reorganization, rather than liquidation.
- We assume that prior to default, the company will continue to repay part of its financial debt in line with the amortization schedule, owing to its large cash reserves and its ability to generate cash flows.
- We assume the committed credit facilities to be 85% drawn at default.
- The receivables securitization balance will be about $400 million, similarly to its year-end 2021 level, and the company will use 80% of it at default.

Simplified Waterfall

- EBITDA on emergence: about $340 million
- Industry EBITDA multiple: 5.0x
- Gross enterprise value as going concern: about $1.7 billion
- Administrative costs: 5%
- Enterprise value available for primary unsecured debt: about $1.61 billion
- Total primary unsecured debt (including use of committed facilities and receivables securitization): about $830 million
- Enterprise value available for secondary unsecured debt: about $785 million
- Total secondary unsecured debt (including Series B bonds and bank debt): about 1.46 billion

- Recovery expectations of secondary secured debt: 50%-70%
- Recovery rating for secondary secured debt (1 to 6): 3

All debt amounts include six months' prepetition interest.

Mapping Recovery Percentages To Recovery Ratings

Recovery expectations (%)	Description	Recovery rating	Notching above/below issuer rating
100%	Full recovery	1+	+3 notches
90%-100%	Very high recovery	1	+2 notches
70%-90%	Substantial recovery	2	+1 notch
50%-70%	Meaningful recovery	3	0 notches
30%-50%	Average recovery	4	0 notches
10%-30%	Modest recovery	5	-1 notch
0%-10%	Negligible recovery	6	-2 notches

Recovery ratings are capped in certain countries to adjust for reduced creditor recovery prospects in these jurisdictions. Recovery ratings on unsecured debt issues are generally also subject to caps (see Step 6, paragraphs 90-98 of "Recovery Rating Criteria For Speculative-Grade Corporate Issuers," published Dec. 7, 2016, for further detail). ICR--Issuer credit rating.

Reconciliation

In order to create a basis for comparison with other rated companies, we adjust the data reported in the financial statements which we use to calculate financial ratios. Some of the main adjustments we made to Adama Agricultural Solutions Ltd.'s consolidated data for 2021 were:

- Deducting about $617 million of accessible cash and liquid investments from gross debt.
- Adding about $400 million of receivables securitization.
- Adding about $78 million of post-retirement benefits obligations, net of tax.
- Adding about $78 million of reported lease liabilities.
- Adding about $69 million due to put options held by minority shareholders.

Table 2.

ADAMA Agricultural Solutions Ltd.--Reconciliation Of Reported Amounts With S&P Global Ratings' Adjusted Amounts (Mil. $) For The Fiscal Year Ended Dec. 31, 2021

ADAMA Agricultural Solutions Ltd. reported amounts

	Debt	EBITDA	Interest expense	S&P Global Ratings' adjusted EBITDA	Cash flow from operations
Reported	**1,917.1**	**524.9**	**135.9**	**529.1**	**609.0**
S&P Global Ratings adjustments					
Cash taxes paid	--	--	--	(50.2)	--
Cash interest paid	--	--	--	(99.9)	--
Trade receivables securitizations	399.0	--	--	--	(97.1)
Reported lease liabilities	77.5	--	--	--	--

	Debt	EBITDA	Interest expense	S&P Global Ratings' adjusted EBITDA	Cash flow from operations
Postretirement benefit obligations/deferred compensation	78.5	2.0	1.7	--	--
Accessible cash and liquid investments	(617.2)	--	--	--	--
Share-based compensation expense	--	2.1	--	--	--
Dividends received from equity investments	--	0.1	--	--	--
Nonoperating income (expense)	--	--	--	--	--
Reclassification of interest and dividend cash flows	--	--	--	--	0.1
Debt: Put options on minority stakes	68.9	--	--	--	--
Total adjustments	**6.7**	**4.2**	**1.7**	**(150.0)**	**(97.0)**

S&P Global Ratings adjusted amounts

	Debt	EBITDA	Interest expense	Funds from operations	Cash flow from operations
Adjusted	**1,923.8**	**529.1**	**137.6**	**379.1**	**512.0**

Related Criteria And Research

- Principles Of Credit Ratings, February 16, 2011
- Methodology: Management And Governance Credit Factors For Corporate Entities And Insurers, November 13, 2012
- Methodology: Industry Risk, November 19, 2013
- Country Risk Assessment Methodology And Assumptions, November 19, 2013
- Corporate Methodology, November 19, 2013
- Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, December 16, 2014
- Recovery Rating Criteria For Speculative-Grade Corporate Issuers, December 7, 2016
- Methodology For National And Regional Scale Credit Ratings, June 25, 2018
- Corporate Methodology: Ratios And Adjustments, April 1, 2019
- Group Rating Methodology, July 1, 2019
- Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- S&P Global Ratings Definitions, Nov. 10, 2021

Ratings List

Adama Agricultural Solutions Ltd.	Rating	Date when the rating was first published	Last date when the rating was updated
Issuer rating(s)			
Short term	ilA-1+	09/09/2019	23/05/2021
Long term	ilAA-/Stable	27/11/2001	23/05/2021
Issue rating(s)			
Commercial Papers			
Commercial Papers $30 million	ilA-1+	10/12/2019	23/05/2021
Senior Unsecured Debt			
Series B	ilAA-	19/05/2008	23/05/2021
Issuer Credit Rating history			
Long term			
July 01, 2014	ilAA-/Stable		
July 06, 2011	ilA+/Stable		
September 07, 2010	ilAA-/Negative		
June 29, 2010	ilAA-/Watch Neg		
December 03, 2009	ilAA-/Stable		
March 22 ,2009	ilAA/Negative		
December 11, 2008	ilAA/Watch Neg		
November 26, 2006	ilAA/Stable		
May 10 ,2004	ilAA		
November 27, 2001	ilAA-		
Short term			
September 09, 2019	ilA-1+		
Additional details			
Time of the event	01/06/2022 12:09		
Time when the event was learned of	01/06/2022 12:09		
Rating requested by	Issuer		

S&P Maalot is the commercial name of S&P Global Ratings Maalot Ltd. For a list of the most up-to-date ratings and for additional information regarding S&P Maalot's surveillance policy, see S&P Global Ratings Maalot Ltd. website at www.maalot.co.il.

All rights reserved © No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (collectively, "the Content") may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of of S&P Global Ratings Maalot Ltd. or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. &P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively, "S&P Parties") do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. **S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION.** In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's ratings and other analyses are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on in making investment decisions or any other business decision, and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making such decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. Rating reports are correct as of the time of their publication. S&P updates rating reports following ongoing surveillance of events or annual surveillance..

While S&P obtains information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. S&P publishes rating-related reports for a variety of reasons that are not necessarily dependent on action by rating committees, including, but not limited to, the publication of a periodic update on a credit rating and related analyses.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P receives compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on S&P Maalot's website, www.maalot.co.il and on S&P Global's website, www.spglobal.com/ratings, and may be distributed through other means, including via S&P publications and third-party redistributors.