

CaesarStone Sdot-Yam Ltd.
Form F-3ASR
May 28, 2014

As filed with the Securities and Exchange Commission on May 28, 2014

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM F-3
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

CAESARSTONE SDOT-YAM LTD.
(Exact name of registrant as specified in its charter)

Israel
(State or other jurisdiction of
incorporation or organization)

Not Applicable
(I.R.S. Employer
Identification No.)

Kibbutz Sdot-Yam
MP Menashe, 3780400
Israel
+972 (4) 636-4555
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Caesarstone USA, Inc.
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(818) 779-0999
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies of all communications, including communications sent to agent for service, should be sent to:

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Approximate date of commencement of proposed sale to the public:

From time to time after this Registration Statement becomes effective as determined by market conditions.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.C. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.C. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered/ Proposed maximum offering price per share/ Proposed maximum aggregate offering price	Amount of registration fee
Ordinary Shares, par value NIS 0.04 per share	(1)	(2)

(1) An indeterminate aggregate initial offering price or number of ordinary shares is being registered as may from time to time be offered at indeterminate prices.

(2) In accordance with Rules 456(b) and 457(r), the Registrant is deferring payment of all of the registration fee.

PROSPECTUS

Ordinary Shares Offered by the Selling Shareholders

CAESARSTONE SDOT-YAM LTD.

This prospectus relates to the sale or other disposition, from time to time, by the selling shareholders, who will be named in a prospectus supplement, of our ordinary shares. We will not receive any of the proceeds from the sale of ordinary shares by the selling shareholders.

Each time the selling shareholders sell securities pursuant to this prospectus, we will provide a supplement to this prospectus that contains specific information about the offering and the specific terms of the securities offered. You should read this prospectus and the applicable prospectus supplement carefully before you invest in our securities.

The selling shareholders may, from time to time, offer to sell the ordinary shares through public or private transactions, directly or through underwriters, agents or dealers, on or off the Nasdaq Global Select Market at prevailing market prices or at privately negotiated prices. If any underwriters, agents or dealers are involved in the sale of any of these securities, the applicable prospectus supplement will set forth the names of the underwriter, agent or dealer and any applicable fees, commissions or discounts.

Our ordinary shares are traded on the Nasdaq Global Select Market under the symbol “CSTE.”

Investing in these securities involves certain risks. Please carefully consider the “Risk Factors” in “ITEM 3: Key Information—Risk Factors” of our most recent Annual Report on Form 20-F incorporated by reference in this prospectus, the “Risk Factors” beginning on page 2 of this prospectus, and the “Risk Factors” section in any applicable prospectus supplement, for a discussion of the factors you should consider carefully before deciding to purchase these securities.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities being offered by this prospectus, or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is May 28, 2014

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission, or SEC, utilizing a “shelf” registration process. Under this process, the selling shareholders to be named in a prospectus supplement may offer and sell our ordinary shares under this prospectus.

Under this shelf process, the selling shareholders may sell ordinary shares in one or more offerings. The offer and sale of securities under this prospectus may be made from time to time, in one or more offerings in any manner described under the section in this prospectus entitled “Plan of Distribution.”

This prospectus provides you with a general description of the securities the selling shareholders may offer. Each time the selling shareholders sell securities, we will provide a prospectus supplement that will contain specific information about the selling shareholders and the terms of that offering. The prospectus supplement may also add, update or change information contained in this prospectus, and may also contain information about any material federal income tax considerations relating to the securities covered by the prospectus supplement. You should read both this prospectus and any prospectus supplement together with additional information under the headings “Where You Can Find More Information” and “Incorporation of Certain Documents by Reference.”

This summary may not contain all of the information that may be important to you. You should read this entire prospectus, including the financial data and related notes incorporated by reference in this prospectus, before making an investment decision. This summary contains forward-looking statements that involve risks and uncertainties. Our actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause or contribute to such differences include those discussed in “Risk Factors” and “Forward-Looking Statements.”

MARKET AND INDUSTRY DATA AND FORECASTS

This prospectus and the documents incorporated by reference in this prospectus include data, forecasts and information obtained from industry publications and surveys and other information available to us. Some data is also based on our good faith estimates, which are derived from management’s knowledge of the industry and independent sources. Forecasts and other metrics included in this prospectus and the documents incorporated by reference in this prospectus to describe the countertop industry are inherently uncertain and speculative in nature and actual results for any period may materially differ. We have not independently verified any of the data from third-party sources, nor have we ascertained the underlying assumptions relied upon therein. While we are not aware of any misstatements regarding the industry data presented herein or in the documents incorporated by reference in this prospectus, estimates and forecasts involve uncertainties and risks and are subject to change based on various factors, including those discussed under the headings “Forward-Looking Statements” and “Risk Factors” in this prospectus and “Risk Factors” in “ITEM 3: Key Information—Risk Factors” of our most recent Annual Report on Form 20-F incorporated by reference in this prospectus.

Unless otherwise noted in this prospectus or the documents incorporated by reference in this prospectus, Freedonia Custom Research, Inc. (“Freedonia”) is the source for third-party industry data and forecasts. The Freedonia Report, dated March 13, 2013, that we commissioned represents data, research opinion or viewpoints developed on our behalf and does not constitute a specific guide to action. In preparing the report, Freedonia used various sources, including publically available third-party financial statements; government statistical reports; press releases; industry magazines; and interviews with manufacturers of related products (including us), manufacturers of competitive products, distributors of related products, and government and trade associations. Growth rates in the Freedonia Report are based on many variables, such as currency exchange rates, raw material costs and pricing of competitive products, and such variables are subject to wide fluctuations over time. The Freedonia Report speaks as of its final publication date (and not as of the date of this filing), and the opinions and forecasts expressed in the Freedonia Report are subject to

change by Freedonia without notice.

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CAESARSTONE SDOT-YAM LTD.

Overview

Our legal and commercial name is “Caesarstone Sdot-Yam Ltd.” We were founded in 1987 and incorporated under the laws of the State of Israel in 1989. We conducted an initial public offering and listing on the Nasdaq Global Select Market in March 2012.

We are a leading manufacturer of high quality engineered quartz surfaces sold under our premium Caesarstone® brand. The substantial majority of our quartz surfaces are used as countertops in residential kitchens and sold primarily into new residential construction as well as the renovation and remodeling end markets. Other applications for our products include vanity tops, wall panels, back splashes, floor tiles, stairs and other interior surfaces that are used in a variety of residential and commercial applications.

Corporate Information

We are incorporated under the laws of the State of Israel. Our principal executive offices are located at Kibbutz Sdot-Yam, MP Menashe, 3780400, Israel, and our telephone number is +972 (4) 636-4555. Our web site address is www.caesarstone.com. The information on our web site does not constitute part of this prospectus. Our agent in the United States is our subsidiary, Caesarstone USA, Inc. The address of Caesarstone USA, Inc. is 6840 Hayvenhurst Ave., Suite 100, Van Nuys, California 91406, United States.

RISK FACTORS

An investment in our securities involves a high degree of risk. Our business, financial condition or results of operations could be adversely affected by any of these risks. If any of these risks occur, the value of our ordinary shares and our other securities may decline. You should carefully consider the risk factors discussed under the caption “ITEM 3: Key Information—Risk Factors” in our Annual Report on Form 20-F for the year ended December 31, 2013, in any other filing we make with the SEC subsequent to the date of this prospectus, each of which is incorporated herein by reference, and in any supplement to this prospectus, before making your investment decision.

FORWARD-LOOKING STATEMENTS

This prospectus and the documents incorporated in it by reference contain forward-looking statements which involve known and unknown risks and uncertainties. We include this notice for the express purpose of permitting us to obtain the protections of the safe harbor provided by the Private Securities Litigation Reform Act of 1995 with respect to all such forward-looking statements. Examples of forward-looking statements include: projections of capital expenditures, competitive pressures, revenues, growth prospects, product development, financial resources and other financial matters. You can identify these and other forward-looking statements by the use of words such as “may,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “intends,” “potential” or the negative of such terms, or other comparative terminology.

Our ability to predict the results of our operations or the effects of various events on our operating results is inherently uncertain. Therefore, we caution you to consider carefully the matters described under the caption “Risk Factors” and certain other matters discussed in this prospectus, the documents incorporated by reference in this prospectus, and other publicly available sources. Such factors and many other factors beyond the control of our management could cause our actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by the forward-looking statements. Unless we are required to do so under U.S. federal securities laws or other applicable laws, we do not intend to update or revise any forward-looking

statements.

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CAPITALIZATION

The table below sets forth our total capitalization as of March 31, 2014 on an actual basis:

	As of March 31, 2014 (in thousands)
Cash, cash equivalents and short term bank deposits	\$90,786
Total debt (1)	\$18,543
Redeemable non-controlling interest (2)	7,548
Ordinary shares, par value NIS 0.04 per share; 200,000,000 shares authorized; 34,808,850 shares issued and outstanding	365
Additional paid-in capital	139,221
Accumulated other comprehensive income	4,676
Retained earnings	136,068
Total shareholders' equity	280,330
Total capitalization	\$306,421

(1) Includes amounts of \$1,700 and \$1,189 thousand that represent the current maturities of the minority portion of a loan granted to Caesarstone Canada Inc. by its shareholders (Canadian Quartz Holdings Inc. ("CIOT") and us) and a sale leaseback arrangement, respectively, included in our balance sheet under "Accounts payable and current maturities to related parties, including financing leaseback".

(2) Redeemable non-controlling interest consists of 45% of the common stock of our Canadian joint venture, Caesarstone Canada Inc., in which we own a 55% interest. The 45% interest that we do not own is subject to a put option exercisable by the holder to us. Following the formation of our joint venture in October 2010, we measured all of the assets contributed to Caesarstone Canada Inc. by our former distributor in Eastern Canada, CIOT, at their fair value to determine the redeemable non-controlling interest due to the put option granted to CIOT to sell its 45% ownership interest in Caesarstone Canada Inc. to us.

The foregoing table excludes, as of March 31, 2014, 1,613,129 ordinary shares reserved for issuance under our 2011 Incentive Compensation Plan of which options to purchase 748,390 ordinary shares were outstanding with a weighted average exercise price of \$10.61 per share.

PRICE RANGE OF ORDINARY SHARES

Our ordinary shares began trading publicly on the Nasdaq Global Select Market on March 22, 2012. Prior to that date, there was no public market for our ordinary shares. The following table lists the high and low sales prices for our ordinary shares for the periods indicated as reported by the Nasdaq Global Select Market.

Year	High	Low
2014 (through May 27, 2014)	\$ 61.91	\$ 42.25
2013	\$ 52.45	\$ 16.15
2012 (beginning on March 22, 2012)	\$ 17.39	\$ 10.08

Quarter	High	Low
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2014			
Second quarter 2014 (through May 27, 2014)	\$	59.32	\$ 47.53
First quarter 2014	\$	61.91	\$ 42.25
2013			
Fourth quarter 2013	\$	52.45	\$ 36.26
Third quarter 2013	\$	48.69	\$ 26.80
Second quarter 2013	\$	30.26	\$ 21.60
First quarter 2013	\$	27.86	\$ 16.15
2012			
Fourth quarter 2012	\$	17.39	\$ 14.01
Third quarter 2012	\$	14.52	\$ 10.08
Second quarter 2012	\$	13.88	\$ 10.75
First quarter 2012 (beginning on March 22, 2012)	\$	12.33	\$ 10.70
Most Recent Six Months			
		High	Low
May 2014 (through May 27, 2014)	\$	56.39	\$ 47.53
April 2014	\$	59.32	\$ 50.61
March 2014	\$	61.91	\$ 52.40
February 2014	\$	59.90	\$ 42.25
January 2014	\$	53.99	\$ 42.47
December 2013	\$	52.45	\$ 45.96
November 2013	\$	50.83	\$ 41.00

USE OF PROCEEDS

We will not receive any proceeds from the sales of shares by the selling shareholders.

SELLING SHAREHOLDERS

Information regarding the beneficial ownership of our ordinary shares by the selling shareholders, the number of shares being offered by the selling shareholders and the number of shares beneficially owned by the selling shareholders after the applicable offering, where applicable, will be set forth in a prospectus supplement, in a post-effective amendment, or in filings we make with the SEC under the Securities Exchange Act of 1934, as amended, or the Exchange Act, which are incorporated by reference.