

CAESARSTONE LTD.

FORM 6-K/A (Amended Report of Foreign Issuer)

Filed 03/13/17 for the Period Ending 03/13/17

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SIC Code	3281 - Cut Stone and Stone Products
Industry	Construction Supplies & Fixtures
Sector	Consumer Cyclical

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K/A

(Amendment No. 1)

REPORT OF FOREIGN PRIVATE ISSUER

Pursuant to Rule 13a-16 or 15d-16 of the

Securities Exchange Act of 1934

For the month of March 2017

Commission File Number: 001-35464

Caesarstone Ltd.

(Translation of registrant's name into English)

Kibbutz Sdot- Yam

MP Menashe

Israel 3780400

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ___

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ___

EXPLANATORY NOTE

Caesarstone Ltd. (the "Company") is furnishing this Form 6-K/A ("Amendment No. 1") in order to replace the financial tables contained in the press release attached as Exhibit 99.1 to the Form 6-K of the Company furnished to the Securities and Exchange Commission ("SEC") on February 8, 2017 (the "Original Form 6-K"). The Original Form 6-K was furnished in connection with the issuance by the Company of a press release titled "Caesarstone Reports Fourth Quarter and Full Year 2016 Results." This Amendment No. 1 speaks as of the date of the Original Form 6-K. Other than as stated below, this Amendment No. 1 does not amend, update or restate the information in any other section of the Original Form 6-K, including Exhibit 99.1 thereto, or reflect any events that have occurred after the date the Original Form 6-K was furnished to the SEC.

The Company increased the amount of the redeemable non-controlling interest on its balance sheet by approximately \$2.2 million to reflect an adjustment to the redemption value associated with such interest. Accordingly, retained earnings were decreased by the same amount. Under U.S. GAAP, an adjustment to the redemption value of non-controlling interest is not reflected in the statement of income other than in the numerator for the calculation of earnings per share. Accordingly, the Company revised its full year 2016 and fourth quarter 2016 basic and diluted net income per share down from \$2.15 to \$2.08 and down from \$0.44 to \$0.37, respectively.

The GAAP financial information included in the financial tables contained in Exhibit 99.1 to this Report on Form 6-K/A are hereby incorporated by reference into (i) the Registrant's Registration Statements on Form S-8 (Files No. 333- 180313 and No. 333-210444) and (ii) the Registrant's Registration Statement on Form F-3 ASR (File No. 333-196335).

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CAESARSTONE LTD.

Date: March 13, 2017

By: /s/ Michal Baumwald Oron

Name: Michal Baumwald Oron

Title: Vice President Business Development & General
Counsel

EXHIBIT INDEX

The following exhibit is furnished as part of this Form 6-K:

<u>Exhibit</u>	<u>Description</u>
99.1	Financial tables.

Caesarstone Ltd. and its subsidiaries
Condensed consolidated balance sheets

U.S. dollars in thousands	As of	
	December 31, 2016 (Unaudited)	December 31, 2015 (Audited)
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents and short-term bank deposits	\$ 106,270	\$ 62,807
Trade receivables, net	63,072	59,185
Other accounts receivable and prepaid expenses	39,484	32,230
Inventories	101,474	95,479
Total current assets	310,300	249,701
LONG-TERM ASSETS:		
Severance pay fund	3,403	3,296
Other receivables long-term	7,977	8,603
Total long-term assets	11,380	11,899
PROPERTY, PLANT AND EQUIPMENT, NET	222,818	225,438
OTHER ASSETS	4,546	6,883
GOODWILL	35,656	35,821
Total assets	\$ 584,700	\$ 529,742
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Short-term bank credit	\$ 8,540	\$ 3,241
Trade payables	48,633	46,382
Related party and other loan	3,099	3,251
Accrued expenses and other liabilities	33,065	27,986
Total current liabilities	93,337	80,860
LONG-TERM LIABILITIES:		
Long-term loan and financing leaseback from a related party	8,070	8,472
Legal settlements and loss contingencies long-term	12,527	11,190
Accrued severance pay	4,265	4,309
Long-term warranty provision	988	934
Deferred tax liabilities, net	14,921	14,767
Share-based payment	-	148
Total long-term liabilities	40,771	39,820
REDEEMABLE NON-CONTROLLING INTEREST	12,939	8,841
EQUITY:		
Ordinary shares	371	370
Treasury shares - at cost	(39,430)	-
Additional paid-in capital	146,536	142,765
Accumulated other comprehensive loss	(1,150)	(1,892)
Retained earnings	331,326	258,978
Total equity	437,653	400,221

Total liabilities and equity

\$ 584,700

\$ 529,742

Caesarstone Ltd. and its subsidiaries
Condensed consolidated statements of income

U.S. dollars in thousands (except per share data)	Three months ended December 31,		Twelve months ended December 31,	
	2016	2015	2016	2015
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Revenues	\$ 134,975	\$ 127,361	\$ 538,543	\$ 499,515
Cost of revenues	83,543	79,143	326,057	299,290
Gross profit	51,432	48,218	212,486	200,225
Operating expenses:				
Research and development	713	993	3,290	3,052
Marketing and selling	18,568	15,047	70,343	59,521
General and administrative	9,930	9,599	40,181	36,612
Legal settlements and loss contingencies, net	3,115	(64)	5,868	4,654
Total operating expenses	32,326	25,575	119,682	103,839
Operating income	19,106	22,643	92,804	96,386
Finance expenses, net	1,000	688	3,318	3,085
Income before taxes on income	18,106	21,955	89,486	93,301
Taxes on income	2,790	2,563	13,003	13,843
Net income	\$ 15,316	\$ 19,392	\$ 76,483	\$ 79,458
Net income attributable to non-controlling interest	(248)	(682)	(1,887)	(1,692)
Net income attributable to controlling interest	\$ 15,068	\$ 18,710	\$ 74,596	\$ 77,766
Basic net income per ordinary share	\$ 0.37	\$ 0.53	\$ 2.08	\$ 2.21
Diluted net income per ordinary share	\$ 0.37	\$ 0.53	\$ 2.08	\$ 2.19
Weighted average number of ordinary shares used in computing basic income per ordinary share	34,321,573	35,294,755	34,706,303	35,252,596
Weighted average number of ordinary shares used in computing diluted income per ordinary share	34,356,672	35,451,861	34,763,920	35,463,698

Caesarstone Ltd. and its subsidiaries
Selected Condensed consolidated statements of cash flows (Unaudited)

U.S. dollars in thousands	Twelve months ended December 31,	
	2016	2015
Cash flows from operating activities:		
Net income	\$ 76,483	\$ 79,458
Adjustments required to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	28,254	22,334
Share-based compensation expense	3,068	2,293
Accrued severance pay, net	(150)	540
Changes in deferred tax, net	(963)	7,051
Capital loss	32	-
Legal settlements and loss contingencies, net	5,868	4,654
Compensation paid by a shareholder	266	-
Increase in trade receivables	(4,184)	(2,968)
Decrease (increase) in other accounts receivable and prepaid expenses	(5,617)	(3,069)
Increase in inventories	(5,376)	(15,267)
Increase (decrease) in trade payables	1,424	(8,659)
Increase (decrease) in warranty provision	100	(447)
Increase (decrease) in accrued expenses and other liabilities including related party	2,314	(259)
Net cash provided by operating activities	<u>101,519</u>	<u>85,661</u>
Cash flows from investing activities:		
Purchase of property, plant and equipment	(22,943)	(76,495)
Proceeds from sale of property, plant and equipment	22	-
Increase in long term deposits	(452)	(1,228)
Net cash used in investing activities (*)	<u>(23,373)</u>	<u>(77,723)</u>
Cash flows from financing activities:		
Dividend paid by subsidiary to non-controlling interest	(243)	-
Changes in short-term bank credit and loans, net	5,157	3,241
Repayment of a financing leaseback related to Bar-Lev transaction	(1,100)	(1,092)
Purchase of treasury shares at cost	(39,430)	-
Net cash provided by (used in) financing activities	<u>(35,616)</u>	<u>2,149</u>
Effect of exchange rate differences on cash and cash equivalents	933	(1,607)
Increase in cash and cash equivalents and short-term bank deposits	43,463	8,480
Cash and cash equivalents and short-term bank deposits at beginning of the period	<u>62,807</u>	<u>54,327</u>
Cash and cash equivalents and short-term bank deposits at end of the period	<u>\$ 106,270</u>	<u>\$ 62,807</u>
Non - cash investing:		
Changes in trade payables balances related to purchase of fixed assets	(403)	(4,389)

(*) Cash used in investing activities does not include changes in bank deposits as such balance is included in the "cash and cash equivalents and short term bank deposits" line at the beginning and end of the period.

Caesarstone Ltd. and its subsidiaries

U.S. dollars in thousands	Three months ended December 31,		Twelve months ended December 31,	
	2016	2015	2016	2015
	(Unaudited)			
Reconciliation of Net Income to Adjusted EBITDA:				
Net income	\$ 15,316	\$ 19,392	\$ 76,483	\$ 79,458
Finance expenses, net	1,000	688	3,318	3,085
Taxes on income	2,790	2,563	13,003	13,843
Depreciation and amortization	7,211	6,706	28,254	22,334
Legal settlements and loss contingencies, net (a)	3,115	(64)	5,868	4,654
Compensation paid by a shareholder (b)	-	-	266	-
Share-based compensation expense (c)	535	1,147	3,068	2,293
Adjusted EBITDA (Non-GAAP)	\$ 29,967	\$ 30,432	\$ 130,260	\$ 125,667

(a) Consists of legal settlements expenses and loss contingencies, net, related to silicosis claims.

(b) One time bonus paid by a shareholder to Company's employees.

(c) Share-based compensation includes expenses related to stock options and restricted stock units granted to employees of the Company. In addition, includes expenses for phantom awards granted and related payroll expenses as a result of exercises.

Caesarstone Ltd. and its subsidiaries

U.S. dollars in thousands (except per share data)	Three months ended December 31,		Twelve months ended December 31,	
	2016	2015	2016	2015
	(Unaudited)			
Reconciliation of net income attributable to controlling interest to adjusted net income attributable to controlling interest:				
Net income attributable to controlling interest	\$ 15,068	\$ 18,710	\$ 74,596	\$ 77,766
Legal settlements and loss contingencies, net (a)	3,115	(64)	5,868	4,654
Compensation paid by a shareholder (b)	-	-	266	-
Share-based compensation expense (c)	535	1,147	3,068	2,293
Tax adjustment (d)	-	-	(1,158)	-
Total adjustments	3,650	1,083	8,044	6,947
Less tax on non-tax adjustments (e)	572	104	1,456	1,031
Total adjustments after tax	3,078	979	6,588	5,916
Adjusted net income attributable to controlling interest (Non-GAAP)	\$ 18,146	\$ 19,689	\$ 81,184	\$ 83,682
Adjusted diluted EPS (f)	\$ 0.53	\$ 0.55	\$ 2.33	\$ 2.36

(a) Consists of legal settlements expenses and loss contingencies, net, related to silicosis claims.

(b) One time bonus paid by a shareholder to Company's employees.

(c) Share-based compensation includes expenses related to stock options and restricted stock units granted to employees of the Company. In addition, includes expenses for phantom awards granted and the related payroll expenses as a result of exercises.

(d) Tax adjustment as a result of tax settlement with the Israeli tax authorities.

(e) Tax adjustments for the three and twelve months ended December 31, 2016 and 2015 were based on the effective tax rates for these periods, respectively.

(f) In calculating adjusted diluted (Non-GAAP) EPS, the diluted weighted average number of shares outstanding excludes the effects of share-based compensation expense in accordance with FASB ASC 718.

Caesarstone Ltd. and its subsidiaries
Geographic breakdown of revenues by region (Unaudited)

U.S. dollars in thousands	Three months ended December 31,		Twelve months ended December 31,	
	2016	2015	2016	2015
USA	\$ 54,963	\$ 56,549	\$ 222,597	\$ 223,341
Australia (incl. New Zealand)	36,062	30,687	130,910	110,290
Canada	21,460	17,879	85,740	70,739
Israel	9,816	9,592	42,545	39,645
Europe	5,199	5,479	25,606	23,948
Rest of World	7,475	7,176	31,145	31,552
	\$ 134,975	\$ 127,361	\$ 538,543	\$ 499,515