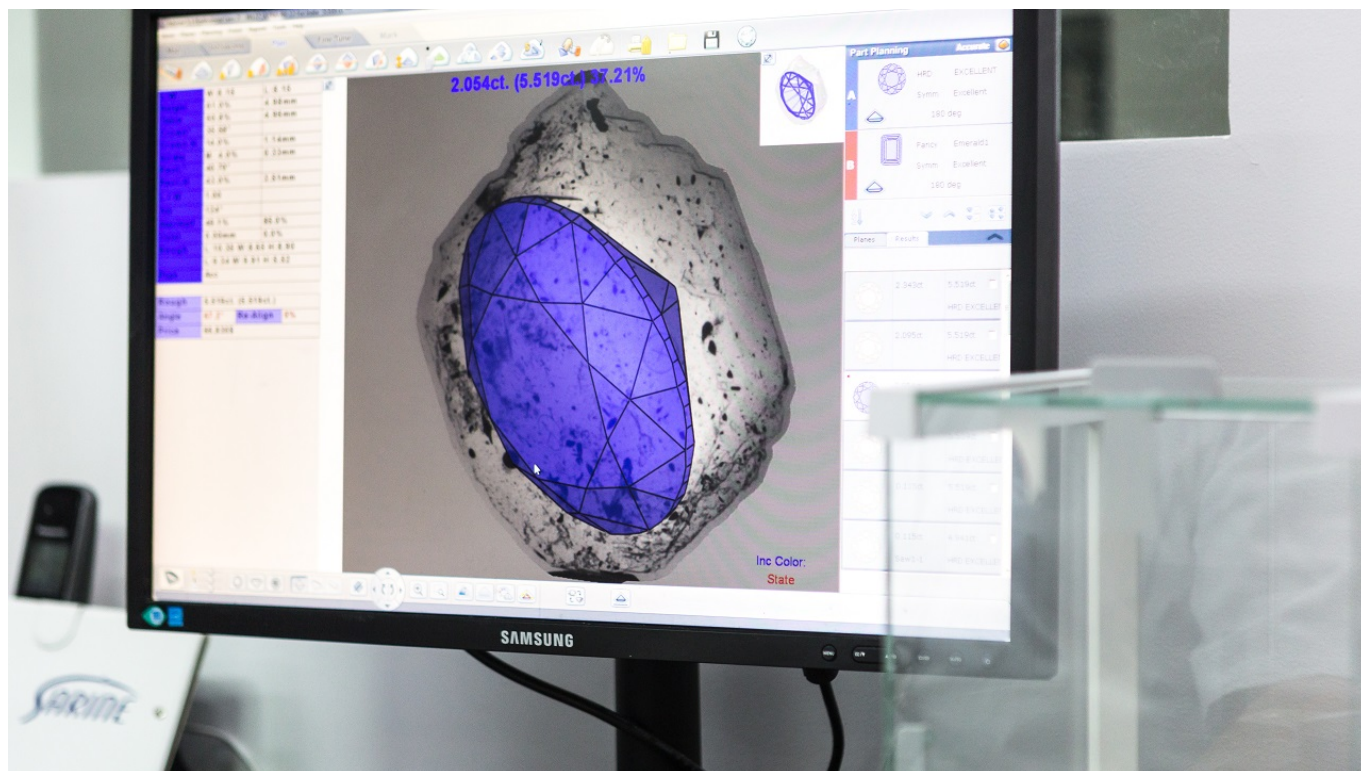


Sarine Profit Nosedives as Global Slump Hits Sales



Sarine Technologies saw a drop in revenue and a sharp slide in earnings for the first half of 2023 as demand for the company's manufacturing equipment slowed.

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Sales declined 24% year on year to \$23.7 million in the six months that ended June 30, the Israel-based producer of technology for the diamond industry reported Sunday. Profit plummeted 85% to \$953,000, as lower sales and a weaker product mix reduced margins.

High inflation and rising interest rates dented consumer demand, as did a sluggish post-pandemic recovery in China, Sarine explained.

“With a decline in the sale of polished diamonds, and the subsequent reduction of rough diamonds in the pipeline, the midstream effected less manufacturing activities,” the company said. “Appropriately, our traditional business of selling capital equipment and, to a much lesser extent our inclusion scanning services, were affected.”

RELATED READING

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RECURRING REVENUES &M DASH; FROM FEES CLIENTS PAY WHEN THEY USE SARINE SYSTEMS, SUCH AS ITS GALAXY ROUGH SCANNERS &M DASH; DECREASED AROUND 9%. OUTRIGHT SALES OF CAPITAL EQUIPMENT &M DASH; CUSTOMERS&RSQUO; ONE-OFF PURCHASES OF MACHINES &M DASH; FELL 40%. &LDQUO;TEETHING&RDQUO; PROBLEMS WITH SARINE&RSQUO;S METEORITE PLUS, A SCANNING MACHINE FOR SMALL ROUGH STONES THAT LAUNCHED LATE LAST YEAR, ALSO IMPACTED THE TOP LINE. THE COMPANY HAS RECTIFIED THESE ISSUES, IT SAID.

REVENUES FROM SERVICES TO THE RETAIL AND WHOLESALE SEGMENTS, WHICH SARINE CALLS TRADE REVENUES, OFFSET THE DECLINES WITH A 12% RISE. THIS MAINLY RESULTED FROM THE ACQUISITION OF NEW YORK-BASED [GEM CERTIFICATION & ASSURANCE LAB \(GCAL\)](#) EARLIER THIS YEAR, SARINE SAID.

OVERALL PROSPECTS FOR THE COMING MONTHS REMAIN GLOOMY, THE [COMPANY](#) ADDED.

&LDQUO;AS INTEREST RATES AND INFLATION ARE LIKELY TO STAY ELEVATED AND THE POSSIBILITY OF A RECESSION IN THE US IS STILL REALISTIC, OVERALL INDUSTRY CONDITIONS ARE LIKELY TO REMAIN CHALLENGING FOR THE REST OF [2023],&RDQUO; IT SAID. &LDQUO;OUR TRADITIONAL BUSINESSES OF SELLING CAPITAL EQUIPMENT AND, TO A MUCH LESSER EXTENT, OUR GALAXY SCANNING SERVICES, WILL REMAIN AFFECTED UNDER SUBDUED MARKET CONDITIONS.&RDQUO;

MAIN IMAGE: A GALAXY SCANNING MACHINE. (SARINE TECHNOLOGIES)