

ELTEK LTD
Form 6-K
August 12, 2015

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

F O R M 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR
15d-16 UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of August 2015

ELTEK LTD.
(Name of Registrant)

Sgoola Industrial Zone, Petach Tikva, Israel
(Address of Principal Executive Office)

Indicate by check mark whether the registrant files or will file annual reports under cover of 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):

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-

This Form 6-K is being incorporated by reference into the Registrant's Form S-8 Registration Statements File Nos. 333-12012 and 333-123559.

SIGNATURES

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.

ELTEK LTD.
(Registrant)

By: */s/ Amnon Shemer*
Amnon Shemer
Chief Financial Officer

Date: August 12, 2015

Press Release

Eltek Reports Net Profit in the Second Quarter of 2015

Net Profit of \$424,000
Gross Margin Increased to 18.3% from 13.9%

PETACH-TIKVA, Israel, August 12, 2015 (NASDAQ:ELTK) - Eltek Ltd. (NASDAQ:ELTK - News), the leading Israeli manufacturer of advanced circuitry solutions, including complex build-ups of rigid and flex-rigid printed circuit boards, announced today its financial results for the quarter ended June 30, 2015.

Revenues for the quarter ended June 30, 2015 were \$10.4 million compared to revenues of \$12 million in the second quarter of 2014.

Gross profit for the second quarter of 2015 was \$1.9 million (18.3% of revenues) compared to gross profit of \$1.7 million (13.9% of revenues) in the second quarter of 2014.

Operating profit for the second quarter of 2015 was \$543,000 compared to an operating loss of \$65,000 in the second quarter of 2014.

Net profit for the second quarter of 2015 was \$424,000 or \$0.04 per share, compared to a net loss of \$125,000 or (\$0.01) per share, in the second quarter of 2014.

First six months of 2015:

Revenues for the first six months of 2015 were \$ 20.1 million compared to revenues of \$24.3 million in the first six months of 2014.

Gross profit for the first six months of 2015 was \$3.1 million (15.6% of revenues) compared to gross profit of \$3.2 million (13.1% of revenues) in the first six months of 2014.

Operating profit for the first six months of 2015 was \$435,000 compared to an operating loss of \$186,000 in the first six months of 2014.

Net profit for the first six months of 2015 was \$190,000 or \$0.02 per fully diluted share, compared to a net loss of \$312,000, or (\$0.03) per fully diluted share, in the first six months of 2014.

EBITDA:

In the quarter ended June 30, 2015, Eltek had EBITDA of \$1.0 million compared to EBITDA of \$480,000 in the second quarter of 2014.

In the first six months of 2015, Eltek had EBITDA of \$1.4 million compared to EBITDA of \$834,000 in the first six months of 2014.

Mr. Yitzhak Nissan, Chairman of the Board and Chief Executive Officer, commented: “Our revenues in the second quarter increased by \$650,000 (6.7%) from the first quarter of 2015. This increase of revenues combined with the efficiency measures that we have implemented, enabled us to report a net profit of 4.1% of total sales, despite the decline in our revenues, as compared to the second quarter of last year.

"Our local market is improving, and demand from the US and Canadian markets is growing as well. We are concentrating on delivering high technology boards as expected by our customers. I believe that the ongoing combined efforts of our outstanding employees and management will open up a new horizon for Eltek," Mr. Nissan concluded.

About Eltek

Eltek is Israel's leading manufacturer of printed circuit boards, the core circuitry of most electronic devices. It specializes in the complex high-end of PCB manufacturing, i.e., HDI, multilayered and flex-rigid boards. Eltek's technologically advanced circuitry solutions are used in today's increasingly sophisticated and compact electronic products. For more information, visit Eltek's web site at www.nisteceltek.com.

Use of EBITDA

ELTEK uses EBITDA as a non-GAAP financial performance measurement. EBITDA is calculated by adding back to net income interest, taxes, depreciation and amortization. EBITDA is provided to investors to complement results provided in accordance with GAAP, as management believes the measure helps illustrate underlying operating trends in the Company's business and uses the measure to establish internal budgets and goals, manage the business and evaluate performance. EBITDA should not be considered in isolation or as a substitute for comparable measures calculated and presented in accordance with GAAP. Reconciliation between the company's results on a GAAP and non-GAAP basis is provided in a table immediately following the Consolidated Statement of Operations.

Forward Looking Statement:

Certain matters discussed in this news release are forward-looking statements that involve a number of risks and uncertainties including, but not limited to statements regarding expected results in future quarters, risks in product and technology development and rapid technological change, product demand, the impact of competitive products and pricing, market acceptance, the sales cycle, changing economic conditions and other risk factors detailed in the Company's Annual Report on Form 20-F and other filings with the United States Securities and Exchange Commission.

Eltek Ltd.
Consolidated Statements of Operations
(In thousands US\$, except per share data)

| | Three months ended June 30, | | Six months ended June 30, | |
|--|--------------------------------|-----------|------------------------------|-----------|
| | 2015 | 2014 | 2015 | 2014 |
| Revenues | 10,383 | 12,031 | 20,100 | 24,294 |
| Costs of revenues | (8,481) | (10,355) | (16,972) | (21,107) |
| Gross profit | 1,902 | 1,676 | 3,128 | 3,187 |
| Selling, general and administrative expenses | (1,286) | (1,742) | (2,585) | (3,373) |
| R&D Expenses | (73) | 0 | (108) | 0 |
| Operating profit (loss) | 543 | (65) | 435 | (186) |
| Financial income (expenses), net | (87) | (117) | (205) | (185) |
| Profit (loss) before other income, net | 456 | (182) | 230 | (372) |
| Other income, net | 3 | 22 | 5 | 22 |
| Profit (loss) before income tax expenses | 459 | (161) | 235 | (350) |
| Income tax (expenses), net | (17) | (23) | (31) | (41) |
| Net Profit (loss) | 442 | (184) | 204 | (391) |
| Net profit (loss) attributable to non controlling interest | 18 | (58) | 14 | (79) |
| Net Profit (loss) attributable to Eltek Ltd. | 424 | (125) | 190 | (312) |
| Earnings per share | | | | |
| Basic and diluted net gain (loss) per ordinary share | 0.04 | (0.01) | 0.02 | (0.03) |
| Weighted average number of ordinary shares used to compute basic and diluted net gain (loss) per ordinary share (in thousands) | 10,143 | 10,143 | 10,143 | 10,143 |

Eltek Ltd.
Consolidated Balance Sheets
(In thousands US\$)

| | June 30, | |
|--|---------------|---------------|
| | 2015 | 2014 |
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | 994 | 1,237 |
| Receivables: Trade, net of provision for doubtful accounts | 8,185 | 8,773 |
| Other | 504 | 408 |
| Inventories | 5,278 | 5,635 |
| Prepaid expenses | 274 | 243 |
| Total current assets | 15,235 | 16,296 |
| Deferred taxes | 1,089 | 2,891 |
| Assets held for employees' severance benefits | 50 | 55 |
| Fixed assets, less accumulated depreciation | 9,971 | 10,326 |
| Intangible asset | 215 | 0 |
| Goodwill | 0 | 72 |
| Total assets | 26,560 | 29,640 |
| Liabilities and Shareholder's equity | | |
| Current liabilities | | |
| Short-term credit and current maturities of long-term debts | 2,302 | 2,012 |
| Accounts payable: Trade | 6,629 | 7,319 |
| Other | 4,733 | 5,742 |
| Total current liabilities | 13,664 | 15,073 |
| Long-term liabilities | | |
| Long term debt, excluding current maturities | 2,921 | 1,125 |
| Employee severance benefits | 206 | 375 |
| Total long-term liabilities | 3,127 | 1,500 |
| Equity | | |
| Ordinary shares, NIS 0.6 par value authorized 50,000,000 shares, issued and outstanding 10,142,762 in 2014 and 10,142,762 in 2015 | 1,985 | 1,985 |
| Additional paid-in capital | 17,270 | 17,270 |
| Cumulative foreign currency translation adjustments | 2,241 | 3,299 |

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| | | |
|--|-----------|-----------|
| Capital reserve | 695 | 695 |
| Accumulated deficit | (12,359) | (10,197) |
| Shareholders' equity | 9,832 | 13,052 |
| Non controlling interest | (63) | 15 |
| Total equity | 9,769 | 13,067 |
| Total liabilities and shareholders' equity | 26,560 | 29,640 |

Eltek Ltd.

Unaudited Non-GAAP EBITDA Reconciliations
(In thousands US\$)

| Non-GAAP EBITDA Reconciliations | Three months ended | | Six months ended | |
|---------------------------------|--------------------|--------|------------------|--------|
| | June 30, | | June 30, | |
| | 2015 | 2014 | 2015 | 2014 |
| GAAP net Income (loss) | 424 | (125) | 190 | (312) |
| Add back items: | | | | |
| Financial expenses, net | 87 | 117 | 205 | 185 |
| Income tax expense (benefit) | 17 | 23 | 31 | 41 |
| Depreciation and amortization | 508 | 465 | 926 | 920 |
| Adjusted EBITDA | 1,036 | 480 | 1,352 | 834 |