

Edgar Filing: ELTEK LTD - Form 6-K

ELTEK LTD  
Form 6-K  
November 26, 2004

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
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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 November 2004

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-\_\_\_\_\_

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)

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By: /s/ Arie Reichart

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Arie Reichart

President and Chief Executive Officer

Date: November 26, 2004

ELTEK LTD.

Amnon Shemer, CFO  
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amnon@eltek.co.il

ELTEK LTD. REPORTS THIRD QUARTER AND NINE MONTHS 2004 RESULTS

20 PERCENT INCREASE IN REVENUES OVER PREVIOUS QUARTER

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PETACH-TIKVA, Israel, November 25, 2004 - Eltek Ltd. (NASDAQ: ELTK), the leading Israeli manufacturer of advanced circuitry solutions, today announced its results for the third quarter and the nine months ended September 30, 2004.

### HIGHLIGHTS FOR THE QUARTER:

- \* Increased revenues, both sequentially and year - over - year
- \* Gross margin improvement
- \* Decrease in net loss
- \* Increase in flex-rigid printed circuits board production pursuant to long-term projects
- \* Increase in contribution of revenues generated outside of Israel

Eltek reported revenues for the three months ended September 30, 2004 of NIS 32.6 million (\$7.3 million) compared with NIS 27.1 million (\$6 million) during the third quarter of 2003.

Net loss for the third quarter totaled NIS 933,000 (\$208,000), or NIS 0.22 per NIS 1 par value of shares (\$0.05) compared with a net loss of NIS 3.1 million (\$700,000), or NIS 0.75 per NIS 1 par value of shares (\$0.17) for the same quarter in 2003.

Revenues for the nine months ended September 30, 2004, were NIS 90 million (\$20.1 million) compared with revenues of NIS 80.7 million (\$18 million) for the comparable period in 2003.

Net loss for the nine months ended September 30, 2004 was NIS 7.8 million (\$1.7 million), or NIS 1.85 per NIS 1 par value of shares (\$ 0.41), compared with a net loss of NIS 9.3 million (\$2.1 million) or NIS 2.79 per NIS 1 par value of shares (\$ 0.62) for the same period in 2003.

"We are committed to our strategy of shifting the Company's product mix towards higher margin flex-rigid boards along with increasing our international

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operations," commented Arie Reichart, President and Chief Executive Officer of Eltek. "Our focused execution of this strategy has already started to bear fruits as reflected in our third quarter results."

"I am encouraged with the increased proportion of flex - rigid boards' revenues, as evident in our gross margin expansion, as well as with the growing contribution of our international operations. Based on the response we are receiving from our customers, we see that our remarkable technological capabilities have positioned Eltek as a leading player in the flex-rigid board niche. We look forward to capitalizing on these advantageous trends in the coming quarters," he added.

Amnon Shemer, CFO of Eltek commented: "We are particularly encouraged with the fact that after a period of heavy losses, the Company is close to reaching its break-even point."

"Our improved quarterly financial performance benefited from the increased proportion of purchase orders pursuant to long term projects. These orders tend to be supplied on a weekly basis over some period of time, contributing to our production efficiency as well as to our overall corporate productivity," added Mr. Shemer

### About the Company

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, multi-layered and flex-rigid boards. Eltek's technologically advanced circuitry solutions are used in today's increasingly sophisticated and compact electronic products. The Company has invested heavily in upgrading its production facilities over the past five years.

For more information, visit Eltek's World Wide Web site at [www.eltekglobal.com](http://www.eltekglobal.com)

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 filings with the United States Securities and Exchange Commission.

ELTEK LTD.  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(In thousands, except per share data)

CONVENIENCE  
TRANSLATION  
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	NINE MONTHS ENDED SEPTEMBER 30,			THRE
	2003	2004	2004	2003
	NIS (UNAUDITED)	NIS (UNAUDITED)	U.S. \$ (UNAUDITED)	NIS (UNAUDITED)
	**ADJUSTED AMOUNTS	*REPORTED AMOUNTS	*REPORTED AMOUNTS	**ADJUSTED AMOUNTS
Revenues	80,656	89,985	20,077	27,086
Costs of revenues	(76,323)	(81,605)	(18,207)	(25,077)
Gross profit	4,333	8,380	1,870	2,009
Research and development, net	18	-	-	-
Selling, general and administrative expenses	(11,421)	(13,219)	(2,949)	(3,814)
Amortization of goodwill	(407)	(441)	(98)	(153)
Operating loss	(7,477)	(5,280)	(1,177)	(1,958)
Financial expenses, net	(1,874)	(2,490)	(556)	(1,429)
Loss before other income (expenses), net	(9,351)	(7,770)	(1,733)	(3,387)
Other income (expenses), net	163	(116)	(26)	134
Loss before taxes on income	(9,188)	(7,886)	(1,759)	(3,253)
Taxes on income	(101)	-	-	83
Net loss after taxes on income	(9,289)	(7,886)	(1,759)	(3,170)
Minority share in subsidiary's net results	(37)	112	25	31
Net loss for the period	(9,326)	(7,774)	(1,734)	(3,139)
Basic and diluted loss per NIS 1 par value of the share capital***	(2.79)	(1.85)	(0.41)	(0.75)
Total par value of shares used to compute basic and diluted net loss per NIS 1 par value of share	3,332	4,131	4,131	4,132

\* With respect to to discontinuance of adjustment for effect of inflation as from CPI of December 2003.

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\*\* Amounts adjusted to the effect of inflation in terms of NIS of December 2003.

\*\*\* Ordinary shares of a par value of NIS 0.6 each.

### ELTEK LTD. CONSOLIDATED CONDENSED BALANCE SHEETS

	SEPTEMBER 30,	
	2003	2004
	UNAUDITED	UNAUDITED
	NIS	NIS
	*****	*****
	**ADJUSTED	*REPORTED
	AMOUNTS	AMOUNTS
	*****	*****
	(IN THOUSANDS)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	4,193	4,500
Receivables: Trade	20,483	22,300
Other	1,825	900
Inventories	12,086	12,500
Prepaid expenses	613	900
	39,200	41,300
TOTAL CURRENT ASSETS		
PROPERTY AND EQUIPMENT, NET	45,296	34,200
	4,779	4,500
GOODWILL		
TOTAL ASSETS	89,275	80,100
LIABILITIES AND SHAREHOLDER'S EQUITY		
CURRENT LIABILITIES		
Short-term credit and current maturities of long-term debts	19,718	20,800
Trade payables	20,763	23,400
Other liabilities and accrued expenses	7,305	10,200
	47,786	54,500
TOTAL CURRENT LIABILITIES		

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LONG- TERM LIABILITIES		
Long term debt, excluding current maturities	14,043	8,6
Employee severance benefits	1,014	1,0
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TOTAL LIABILITIES	62,843	64,2
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MINORITY INTERESTS	1,985	1,8
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CONVERTIBLE DEBENTURE NOTE	2,261	1,5
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SHAREHOLDER'S EQUITY		
Ordinary shares, NIS 0.6 par value. Authorized 50,000,000 shares, issued and outstanding 5,491,711 shares at September 30, 2004 and 4,885,651 shares at September 30, 2003	29,334	29,6
Additional paid in capital	51,985	52,5
Capital reserves related to loans from controlling shareholders	10,010	10,0
Cumulative foreign currency translation adjustments	1,132	1,9
Capital reserve	6,685	6,6
Accumulated deficit	(76,960)	(88,3
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TOTAL SHAREHOLDER'S EQUITY	22,186	12,4
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TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	89,275	80,1
	=====	=====

\* With respect to discontinuance of adjustment for the effect of inflation as from CPI of December 2003.

\*\* Amounts adjusted to the effect of inflation in terms of NIS of December 2003.