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ELTEK LTD
Form 6-K
November 21, 2002

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 November 2002

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- -----

ELTEK LTD.

6-K Items

1. Eltek Ltd. press release dated November 21, 2002.

ITEM 1

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Press Release

Source: Eltek Ltd.

Eltek Ltd. Reports Results for the Third Quarter and First Nine Months of 2002
Thursday November 21, 7:54 am ET

PETACH-TIKVA, Israel, Nov. 21 /PRNewswire-FirstCall/ -- Eltek Ltd. (Nasdaq: ELTK - News), the leading Israeli manufacturer of advanced circuitry solutions, today announced results for the third quarter and nine months ended September 30, 2002.

Eltek reported revenues for the three months ended September 30, 2002 of NIS 26.0 million (\$5.3 million), compared with NIS 28.4 million (\$5.8 million) during the second quarter of 2002, and NIS 26.0 million (\$5.3 million) during the third quarter of 2001. Net loss for the quarter totaled NIS 6.8 million (\$1.4 million), or NIS 1.40 per basic and diluted share (\$0.29), compared with a net loss of NIS 1.1 million (\$229,000), or NIS 0.23 per basic and NIS 0.26 per diluted share (\$0.05), for the second quarter of 2002, and a net loss of NIS 1.3 million (\$274,000), or NIS 0.28 per basic and diluted share (\$0.06), for the quarter ended September 30, 2001.

For the nine-month period ended September 30, 2002, the Company reported revenues of NIS 82.6 million (\$17.0 million), compared with revenues of NIS 92.7 million (\$19.0 million) for the comparable period in 2001.

Net loss for the nine-month period ended September 30, 2002 was NIS 9.1 million (\$1.9 million), or NIS 1.86 (\$0.38) per basic and diluted share, compared with net income of NIS 4.6 million (\$948,000) or NIS 0.95 (\$0.20) per basic and diluted share for the same period in 2001.

The Company noted that the results for the third quarter of 2002 reflect those of both Eltek and its Kubatronik subsidiary. Eltek completed an acquisition of 75% of Kubatronik in June 2002.

In announcing the results, Arie Reichart, President and Chief Executive Officer of Eltek said, "Although the global market for electronic components remains extremely weak, we continue to work diligently to pursue all potential sales opportunities. We have seen continued interest in the marketplace for our products, although the timing for orders remains uncertain. To address the current market environment we have determined it was necessary to better align our operating structure to our anticipated lower level of activity as well as better position the company for growth and profitability as the market recovers. To that end, following the conclusion of the third quarter, we initiated a cost cutting program which includes a company-wide reduction in salaries of up to 10% per employee, in addition to reductions in several other areas, including outsourcing. While this was a difficult decision, we feel that these measures will decrease our operating expenses to bring them more in line with the market, and feel that these changes leave us better positioned to benefit from an upturn in the market.

"Given the short turnaround time that is customary in our business, it is difficult to provide formal guidance going forward. We do however believe that the results of the third quarter represent somewhat of an aberration, as seasonal factors played a part in our results for the quarter. July and August were particularly weak in Europe as a result of customer down time. We do not feel that these results accurately reflect the underlying strength of our business."

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TELECONFERENCE: Eltek will hold a teleconference at 10:00 a.m. EST on Thursday, November 21, 2002 for interested investors, analysts, and stockbrokers. To take part in the teleconference, please dial 888-858-4066 the U.S. and 973-935-2101 internationally. Participants are asked to begin placing their calls about 5 to 10 minutes prior to the scheduled start time. For those unable to participate, a replay will be available from 12:00 p.m. EST on November 21, 2002, through 11:59 p.m. EST on November 23, 2002. To access the replay, please dial: 877-519-4471 in the U.S. and 973-341-3080 internationally. The access code for the replay is 3598197. The call will also be available as a listen-only webcast at www.kcsa.com.

About Eltek

Eltek is one of Israel's leading manufacturers 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.

o (Tables to Follow)

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 United States Securities and Exchange Commission filings.

You may register to receive Eltek's future press releases or to download a complete Digital Investor Kit TM including press releases, regulatory filings and corporate materials by clicking on the "KCSA Interactive Platform" icon at www.kcsa.com.

Eltek Ltd.
Consolidated Statements of Operations
Adjusted to New Israeli Shekels as of September 2002
(In thousands, except per share data)

| | Convenience translation | | | Convenience translation | | |
|---------------------|-------------------------|--------------|--------------|-------------------------|--------------|--------------|
| | Nine months ended | | | Three months ended | | |
| | September 30, | | | September 30, | | |
| | 2001 | 2002 | 2002 | 2001 | 2002 | 2002 |
| | NIS | NIS | U.S. \$ | NIS | NIS | U.S. \$ |
| | (Un-audited) | (Un-audited) | (Un-audited) | (Un-audited) | (Un-audited) | (Un-audited) |
| Revenues | 92,676 | 82,623 | 16,962 | 26,032 | 26,034 | 5,345 |
| Costs of revenues | 76,204 | 79,363 | 16,292 | 24,423 | 27,381 | 5,622 |
| Gross profit (loss) | 16,472 | 3,260 | 670 | 1,609 | (1,347) | (277) |

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| | | | | | | |
|--|--------|---------|---------|---------|---------|---------|
| Research and development costs, net | 407 | 119 | 24 | 44 | -- | -- |
| Selling, general and administrative expenses | 11,016 | 11,100 | 2,279 | 3,506 | 4,006 | 822 |
| Amortization of goodwill | -- | 159 | 33 | -- | 159 | 33 |
| Operating income (loss) | 5,049 | (8,118) | (1,666) | (1,941) | (5,512) | (1,132) |
| Financial expenses, net | 1,164 | 766 | 157 | 181 | 1,090 | 224 |
| Income (loss) before other income (expenses) | 3,885 | (8,884) | (1,823) | (2,122) | (6,602) | (1,356) |
| Other incomes (expenses), net | 735 | (7) | (1) | 788 | (15) | (3) |
| Income (loss) before taxes on income | 4,620 | (8,891) | (1,824) | (1,334) | (6,617) | (1,359) |
| Taxes on income | -- | 96 | 20 | -- | 142 | 29 |
| Net income (loss) after taxes on income | 4,620 | (8,987) | (1,844) | (1,334) | (6,759) | (1,388) |
| Minority share of subsidiary net income | -- | 120 | 25 | -- | 60 | 12 |
| Net income (loss) for the period | 4,620 | (9,107) | (1,869) | (1,334) | (6,819) | (1,400) |
| Basic and diluted earnings (loss) per ordinary share | 0.95 | (1.86) | (0.38) | (0.28) | (1.40) | (0.29) |
| Diluted earnings (loss) per ordinary share | 1.20 | (0.47) | (0.10) | 0.19 | (0.26) | (0.05) |

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| | | | | | | |
|--|-------|-------|-------|-------|-------|-------|
| Weighted average number of ordinary shares used to compute basic and diluted earnings (loss) per ordinary share | 4,855 | 4,886 | 4,886 | 4,855 | 4,886 | 4,886 |
|--|-------|-------|-------|-------|-------|-------|

Eltek Ltd.
Consolidated Condensed Balance Sheets
Adjusted to New Israeli Shekels as of September 2002

| | September 30, 2001 Unaudited NIS | September 30, 2002 Unaudited NIS | September 30, 2002 Unaudited U.S. \$ |
|--|---|---|---|
| | (in thousands) | | |
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 7,411 | 10,613 | 2,179 |
| Receivables: Trade | 23,279 | 25,775 | 5,291 |
| Other | 2,690 | 791 | 162 |
| Inventories | 14,404 | 13,238 | 2,718 |
| Prepaid expenses | 1,360 | 925 | 190 |
| Total current assets | 49,144 | 51,342 | 10,540 |
| Property and equipment, net | 56,698 | 57,066 | 11,715 |
| Other assets | | | |
| Goodwill | -- | 5,025 | 1,032 |
| Investments in non-marketable equity securities | 12 | -- | -- |
| Total other assets | 12 | 5,025 | 1,032 |
| Total assets | 105,854 | 113,433 | 23,287 |
| Liabilities and Shareholder's equity | | | |
| Current liabilities | | | |
| Short-term credit and current installments of long-term debts | 16,930 | 22,622 | 4,644 |
| Trade payables | 16,318 | 19,246 | 3,951 |
| Other liabilities and accrued expenses | 7,783 | 9,513 | 1,953 |
| Total current liabilities | 41,031 | 51,381 | 10,548 |
| Long-term liabilities | | | |
| Long term debt, excluding current installments | 15,037 | 20,841 | 4,279 |
| Employee severance benefits | 1,063 | 974 | 200 |
| Total liabilities | 57,131 | 73,196 | 15,027 |

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| | | | |
|---|----------|----------|----------|
| Minority interests | -- | 2,024 | 416 |
| Shareholder's equity | | | |
| Ordinary shares, NIS 0.6 par value. Authorized 50,000,000 shares, issued and outstanding 4,885,651 and 4,850,151, in 2002 and 2001 respectively | 30,013 | 30,036 | 6,166 |
| Additional paid in capital | *53,059 | 53,229 | 10,928 |
| Capital reserves related to loans from controlling shareholders | 10,249 | 10,249 | 2,104 |
| Cumulative foreign currency translation adjustments | -- | 123 | 25 |
| Capital reserve | 6,845 | 6,845 | 1,405 |
| Accumulated deficit | (51,443) | (62,269) | (12,784) |
| Total shareholder's equity | 48,723 | 38,213 | 7,844 |
| Total liabilities and shareholders' equity | 105,854 | 113,433 | 23,287 |

* Reclassified

[GRAPHIC OMITTED]

Source: Eltek Ltd.

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/Arieh Reichart

Arieh Reichart
President and Chief Executive Officer

Date: November 21, 2002

