

Edgar Filing: ELTEK LTD - Form 6-K

ELTEK LTD  
Form 6-K  
May 24, 2005

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 May 2005

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)

Edgar Filing: ELTEK LTD - Form 6-K

By: /s/ Arieh Reichart

-----  
Arieh Reichart

President and Chief Executive Officer

Date: May 24, 2005

ELTEK LTD.

Amnon Shemer, CFO  
+972-3-9395023  
amnon@eltek.co.il

ELTEK REPORTS FIRST QUARTER 2005 RESULTS AND PROVIDES  
PRELIMINARY INFORMATION ON REVENUES FOR  
THE SECOND QUARTER OF 2005

FIRST QUARTER NET INCOME OF \$192,000 VS. NET LOSS OF \$587,000, IN FIRST QUARTER  
2004 QUARTERLY REVENUES RISE 13% YEAR OVER YEAR TO \$ 7.9 MILLION

-----  
PETACH-TIKVA, Israel, May 23, 2005-Eltek Ltd. (NasdaqSC: ELTK), the leading  
Israeli manufacturer of advanced circuitry solutions, today announced financial  
results for the first quarter ended March 31, 2005.

KEY FINANCIAL HIGHLIGHTS OF Q1 2005:

- \* Second consecutive quarter of profitability: Quarterly net income of \$192,000 or \$0.04 per share
- \* Continued quarterly revenue growth on a year-over-year basis
- \* Further reduction in bank debt

Eltek reported revenues for the three months ended March 31, 2005 of NIS 34.4 million (\$7.9 million) compared with NIS 30.3 million (\$7.0 million) during the first quarter of 2004.

Net income for the first quarter totaled NIS 839,000 (\$192,000), or NIS 0.27 per NIS 1 par value of shares (NIS 0.16 or \$0.04 per share) compared with a net loss of NIS 2.6 million (\$587,000), or NIS (0.61) per NIS 1 par value of shares (NIS 0.37 or \$0.08 per share) for the same quarter in 2004.

The company also announced that it anticipates a decrease in revenues for the second quarter of 2005 on a sequential basis, due to a short term flattening in the demand for production capacity, but expects revenues to be higher than in the comparable quarter of 2004.

"The first quarter of 2005 was another quarter of profitability for Eltek. We grew our revenues by 13% year-over-year, expanded our gross and operating margins, and continued to focus on our international presence," said Arieh

## Edgar Filing: ELTEK LTD - Form 6-K

Reichart, President and Chief Executive Officer of Eltek.

"Based on preliminary internal estimates, we anticipate that our second quarter's revenues will show a decline over the first quarter of 2005, but will be higher than the second quarter of 2004. We intend to continue with our efforts to grow the Company on a consistent basis, leveraging our leading position in the flex-rigid board industry," said Reichart.

Amnon Shemer, CFO of Eltek commented: "In the first quarter of 2005 we continued to reduce our bank debt. As of March 31, 2005, long term bank debt declined by \$1.6 million compared to March 31, 2004 and declined by \$ 0.4 million compared to December 31, 2004. In addition, our working capital deficiency improved by \$ 0.8 million compared to December 31, 2004."

### About the Company

Eltek is 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.

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.

	THREE MONTHS ENDED MARCH 31,		CONVENIENCE TRANSLATION -----
	2004 NIS (UNAUDITED) -----	2005 NIS (UNAUDITED) -----	2005 U.S. \$ (UNAUDITED) -----
Revenues	30,314	34,395	7,887
Costs of revenues	(26,845) *	(28,083)	(6,440)
	-----	-----	-----
Gross profit	3,469	6,312	1,447
Research and development, net	-	(191)	(44)
Selling, general and administrative expenses	(4,629)	(4,519)	(1,036)

Edgar Filing: ELTEK LTD - Form 6-K

Amortization of goodwill	(147)	(152)	(35)
	-----	-----	-----
Operating income (loss)	(1,307)	1,450	332
Financial expenses, net	(1,152)	(614)	(140)
	-----	-----	-----
Income (loss) before other expenses, net	(2,459)	836	192
Other expenses, net	(17) *	(11)	(3)
	-----	-----	-----
Income (loss) before taxes on income	(2,476)	825	189
Taxes on income	(55)	-	-
	-----	-----	-----
Net income (loss) after taxes on income	(2,531)	825	189
Minority share in subsidiary's net results	(31)	14	3
	-----	-----	-----
Net income (loss) for the period	(2,562)	839	192
	=====	=====	=====
Basic and diluted earnings (loss) per NIS 1 par value of the share capital**	(0.61)	0.27	0.06
	=====	=====	=====
Total par value of shares used to compute basic and diluted earnings (loss) per NIS 1 par value of share	4,130	4,197	4,197
	=====	=====	=====

\* Reclassified

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

ELTEK LTD.  
CONSOLIDATED CONDENSED BALANCE SHEETS

DECEMBER 31,	MARCH 31,
-----	-----
2004	2005
NIS	UNAUDITED
-----	NIS
	-----
	(IN THOUSANDS)

ASSETS

Edgar Filing: ELTEK LTD - Form 6-K

CURRENT ASSETS		
Cash and cash equivalents	4,274	2,873
Receivables: Trade	23,835	24,637
Other	1,158	3,316
Inventories	13,633	13,908
Prepaid expenses	563	838
	-----	-----
TOTAL CURRENT ASSETS	43,463	45,572
	-----	-----
DEFERRED TAXES	753	724
	-----	-----
PROPERTY AND EQUIPMENT, NET	31,569	29,374
	-----	-----
GOODWILL	4,656	4,325
	-----	-----
TOTAL ASSETS	80,441	79,995
	=====	=====
LIABILITIES AND SHAREHOLDER'S EQUITY		
CURRENT LIABILITIES		
Short-term credit and current maturities of long-term debts	19,589	19,413
Trade payables	23,577	21,375
Other liabilities and accrued expenses	11,083	12,140
	-----	-----
TOTAL CURRENT LIABILITIES	54,249	52,928
	-----	-----
LONG- TERM LIABILITIES		
Long term debt, excluding current maturities	6,687	4,977
Employee severance benefits	1,048	1,080
	-----	-----
TOTAL LIABILITIES	61,984	58,985
	-----	-----
MINORITY INTERESTS	1,900	1,813
	-----	-----
CONVERTIBLE NOTE	1,566	1,601
	-----	-----
SHAREHOLDER'S EQUITY		
Ordinary shares, NIS 0.6 par value. Authorized 50,000,000 shares, issued and outstanding 5,602,511 shares at March 31, 2005 and 5,491,711 shares at December 31, 2004	29,698	29,765
Additional paid in capital	52,500	54,553
Capital reserves related to loans from controlling shareholders	10,010	10,010
Cumulative foreign currency translation adjustments	2,574	2,220
Capital reserve	6,685	6,685
Accumulated deficit	(86,476)	(85,637)
	-----	-----

Edgar Filing: ELTEK LTD - Form 6-K

TOTAL SHAREHOLDER'S EQUITY	14,991	17,596
	-----	-----
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	80,441	79,995
	=====	=====