

Edgar Filing: ELTEK LTD - Form 6-K

ELTEK LTD
Form 6-K
July 16, 2003

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 July 2003

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. Press Release re Eltek Announces 2002 Financial Results dated July 16, 2003.

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ITEM 1

Press Release

Source: Eltek LTD.

Eltek Announces 2002 Financial Results

Wednesday July 16, 1:04 pm ET

PETACH - TIKVA, Israel--(BUSINESS WIRE)--July 16, 2003--Eltek LTD. (Nasdaq:ELTK - News), the leading Israeli manufacturer of advanced circuitry solutions, today announced its financial results for the fourth quarter of 2002 and the year ended December 31, 2002.

Revenues for the year 2002 were NIS 110.1 million (\$23.2 million) compared with NIS 122.2 million (\$25.8 million) for the year 2001. Net loss for the year 2002 was NIS 16 million (\$3.4 million), or NIS 5.46 (\$1.15) per NIS 1 par value of shares, compared with net profit of NIS 2.9 million (\$610,000), or NIS 0.98 (\$0.21) per NIS 1 par value of shares, for 2001.

Revenues for the fourth quarter of 2002 were NIS 27.9 million (\$5.9 million) compared with NIS 30 million (\$6.3 million) for the fourth quarter of 2001. Net loss for the fourth quarter of 2002 was NIS 7 million (\$ 1.5 million), or NIS 2.4 (\$0.50) per NIS 1 par value of shares, compared with a net loss of NIS 1.7 million (\$361,000), or NIS 0.58 (\$0. 12) per NIS 1 par value of shares, for the fourth quarter of 2001.

The company noted that the results for the fourth quarter of 2002 and the year ended December 31, 2002 reflect those of both Eltek and its Kubatronik subsidiary. Eltek completed an acquisition of 76% of Kubatronik in June 2002.

Commenting on the results, Mr. Arie Reichart, president and CEO of Eltek, said, "Eltek's 2002 second half losses are primarily attributable to a drastic price deterioration in our markets as well as steep domestic competitive pressures. Our losses led us to put into operation a comprehensive action plan aimed at substantially narrowing our losses as well as allowing us to achieve positive operating cash flow.

"The painful measures undertaken pursuant to the plan, included personnel reductions, progressive wage reductions and supplier contract modifications. We also entered into a new bank loan agreements. We believe that these actions position us to achieve positive operating cash flow in the second half of 2003. The plan's impact was not reflected in our 2002 results, but will seen in our quarterly results beginning in the first quarter of 2003, which are expected to be released in August 2003."

Mr. Reichart concluded by saying, "Our largest shareholder's financial support further demonstrated by his recent \$0.5 million cash investment in the company, as well as the continued efforts by our employees have played a very significant role in our ability to successfully return to a positive operating cash flow."

About the Company

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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
<http://www.eltek.co.il>

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.

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ELTEK LTD.

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

	Convenience translation		

	Year ended December 31,		
	2001 NIS (Audited)	2002 NIS (Audited)	2002 U.S. \$ (Unaudited)
Revenues	122,225	110,111	23,244
Costs of revenues	103,282	108,504	22,905
Gross profit (loss)	18,943	1,607	339
Research and development costs, net	406	118	25
Selling, general and administrative expenses	14,547	15,443	3,260
Amortization of goodwill	-	298	63
Operating income (loss)	3,990	(14,252)	(3,009)
Financial expenses, net	1,834	1,471	311
Income (loss)			

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before other income (expenses)	2,156	(15,723)	(3,320)
Other incomes (expenses), net	732	296	63
-----	-----	-----	-----
Income (loss) before taxes			
on income	2,888	(15,427)	(3,257)
Taxes on income	-	387	82
-----	-----	-----	-----
Income (loss) after taxes on income	2,888	(15,814)	(3,339)
Minority share in subsidiary's net income	-	202	43
-----	-----	-----	-----
Net income (loss) for the period	2,888	(16,016)	(3,382)
=====	=====	=====	=====
Basic and diluted earnings (loss) per NIS 1 par value of the share capital(a)	0.98	(5.46)	(1.15)
=====	=====	=====	=====

Total par value of shares used to compute basic and diluted net earnings (loss)
per NIS 1 par value of
share

2,932	2,932	2,932
=====	=====	=====

(a) Ordinary shares of a par value of NIS 0.6 each.

	Convenience translation		
	Three months ended December 31,		
	2001 NIS (Unaudited)	2002 NIS (Unaudited)	2002 U.S. \$ (Unaudited)
Revenues	29,974	27,868	5,883
Costs of revenues	27,426	29,506	6,228
-----	-----	-----	-----
Gross profit (loss)	2,548	(1,638)	(345)
Research and development costs, net	-	-	-

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Selling, general and administrative expenses	3,583	4,393	927
Amortization of goodwill	-	140	30
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Operating income (loss)	(1,035)	(6,171)	(1,302)
<hr/>			
Financial expenses, net	675	709	150
<hr/>			
Income (loss) before other income (expenses)	(1,710)	(6,880)	(1,452)
Other incomes (expenses), net	-	303	64
<hr/>			
Income (loss) before taxes on income	(1,710)	(6,577)	(1,388)
Taxes on income	-	291	61
<hr/>			
Income (loss) after taxes on income	(1,710)	(6,868)	(1,449)
Minority share in subsidiary's net income	-	83	18
<hr/>			
Net income (loss) for the period	(1,710)	(6,951)	(1,467)
<hr/>			

Basic and
diluted
earnings
(loss) per
NIS 1 par
value of the
share capital(a) (0.58) (2.37) (0.50)

Total par value
of shares used
to compute
basic and
diluted net
earnings
(loss)
per NIS
1 par value of
share 2,932 2,932 2,932

(a) Ordinary shares of a par value of NIS 0.6 each.

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

	Convenience Translation	December 31,
	December 31,	2002
	2001	2002
	Audited	Unaudited
	NIS	NIS
	-----	U.S. \$
	(in thousands)	
Assets		
Current assets		
Cash and cash equivalents	6,698	6,357
Receivables: Trade	28,996	25,861
Other	1,654	1,665
Inventories	14,804	12,630
Prepaid expenses	1,023	1,212
Total current assets	53,175	47,725
Property and equipment, net	55,444	55,071
Goodwill	-	5,069
Total assets	108,619	107,865
	=====	=====
Liabilities and Shareholder's equity		
Current liabilities		
Short-term credit and current maturities of long-term debts	17,835	21,130
Trade payables	19,625	23,132
Other liabilities and accrued expenses	7,855	8,072
Total current liabilities	45,315	52,334
	=====	=====
Long- term liabilities		
Long term debt, excluding current maturities	15,474	21,130
Employee severance benefits	850	1,013
Total long - term liabilities	16,324	22,143
	=====	=====
Total liabilities	61,639	74,477
	=====	=====
Minority interests	-	1,875
	=====	396

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Shareholder's equity Ordinary shares, NIS 0.6 par value.			
Authorized 50,000,000 shares, issued			
and outstanding 4,885,651 shares	29,898	29,898	6,312
Additional paid in capital	52,984	52,984	11,185
Capital reserves related to loans from controlling shareholders	10,202	10,202	2,154
Cumulative foreign currency translation adjustments	-	549	116
Capital reserve	6,814	6,814	1,438
Accumulated deficit	(52,918)	(68,934)	(14,552)
Total shareholder's equity	46,980	31,513	6,653
Total liabilities and shareholders' equity	108,619	107,865	22,771

Contact:

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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

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Date: July 16, 2003