

Edgar Filing: ELTEK LTD - Form 6-K

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](http://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](http://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 September 30,			Three months ended 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
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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.

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(Registrant)

By: /s/Arieh Reichart

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Arieh Reichart  
President and Chief Executive Officer

Date: November 21, 2002

