

Press Release

Eltek Reports 2019 Third Quarter Financial Results

- Revenues of \$9.3 million
- Gross profit of \$1.8 million
- Net Profit of \$391,000

PETACH-TIKVA, Israel, November 20, 2019 - Eltek Ltd. (NASDAQ: [ELTK](#)), a global manufacturer and supplier of technologically advanced solutions in the field of printed circuit boards, announced today its financial results for the quarter ended September 30, 2019.

Mr. Eli Yaffe, Chief Executive Officer, commented: "We are pleased with our growth in revenues and profitability in the third quarter's results. The improved results are a consequence of the implementation of our previously announced turnaround plan."

Highlights of the Third Quarter of 2019 compared to the Third Quarter of 2018

- **Revenues** for the third quarter of 2019 were \$9.3 million compared to revenues of \$8.5 million in the third quarter of 2018;
- **Gross profit** increased from \$973,000 (11.4% of revenues) in the third quarter of 2018 to \$1.8 million (19.1% of revenues) in the third quarter of 2019;
- **Operating profit** was \$568,000 this quarter as compared to an operating loss of \$307,000 in the third quarter of 2018;
- **Net profit** was \$391,000, or \$0.09 per fully diluted share in the third quarter of 2019 compared to a net loss of \$463,000, or (\$0.23) per fully diluted share, in the third quarter of 2018;
- **EBITDA** was \$940,000 in the third quarter of 2019 compared to EBITDA of \$109,000 in the third quarter of 2018;



- **Net cash provided by operating activities** amounted to \$1.4 million in the third quarter of 2019 compared to net cash provided by operating activities of \$164,000 in the third quarter of 2018.

Highlights for the First Nine Months of 2019

- **Revenues** for the first nine months of 2019 were \$26.2 million compared to \$26.1 million in the first nine months of 2018;
- **Gross profit** was \$4.5 million (17.4% of revenues) compared to gross profit of \$2.0 million (7.6% of revenues) in the first nine months of 2018;
- **Operating profit** was \$1.0 million compared to an operating loss of \$1.7 million in the first nine months of 2018;
- **Other Income** was \$875,000 in the first nine months of 2019 compared to nil in the first nine months of 2018;
- **Net profit** was \$1.4 million, or \$0.40 per fully diluted share compared to a net loss of \$2.0 million, or (\$0.97) per fully diluted share in the first nine months of 2018;
- **EBITDA** was \$3.0 million in the first nine months of 2019, compared to negative EBITDA of \$373,000 in the first nine months of 2018;
- **Net cash provided by operating activities** amounted to \$2.7 million compared to net cash used in operating activities of \$950,000 in the first nine months of 2018.

Use of Non-GAAP Financial Information

The Company reports financial results in accordance with U.S. GAAP and herein provides some non-GAAP measures, including EBITDA. These non-GAAP measures are not in accordance with, nor are they a substitute for, GAAP measures. These non-GAAP measures are intended to supplement the Company's presentation of its financial results that are prepared in accordance with GAAP. The Company uses the non-GAAP measures presented to evaluate and manage the Company's operations internally. The Company is also providing this information to assist investors in performing additional financial analysis. Reconciliation between the company's results on a GAAP and non-GAAP basis is provided in a table below.





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Conference Call

Today, Wednesday, November 20, 2019, at 8:30 a.m. Eastern Time, Eltek will conduct a conference call to discuss the results. The call will feature remarks by Eli Yaffe, Chief Executive Officer and Alon Mualem, Chief Financial Officer.

To participate, please call the following teleconference numbers. Please allow for additional time to connect prior to the call:

United States: 1-888-668-9141
Israel: 03-9180609
International: +972-3-9180609

At:
8:30 a.m. Eastern Time
5:30 a.m. Pacific Time
15:30 p.m. Israel Time

A replay of the call will be available through the Investor Info section on Eltek's corporate website at <http://www.nisteceltek.com> approximately 24 hours after the conference call is completed and will be archived for 30 days.

About Eltek

Eltek – "Innovation Across the Board", is a global manufacturer and supplier of technologically advanced solutions in the field of printed circuit boards (PCBs), and is the Israeli leader in this industry. PCBs are the core circuitry of most electronic devices. Eltek specializes in the manufacture and supply of complex and high quality PCBs, HDI, multilayered and flex-rigid boards for the high-end market. Eltek is ITAR compliant and has AS-9100 and NADCAP Electronics certifications. Its customers include leading companies in the defense, aerospace and medical industries in Israel, the United States, Europe and Asia.

Eltek was founded in 1970. The Company's headquarters, R&D, production and marketing center are located in Israel. Eltek also operates through its subsidiaries in North America and in Europe and by agents and distributors in Europe, India, South Africa and South America.

For more information, visit Eltek's web site at www.nisteceltek.com.



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Forward Looking Statement:

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 Annual Report on Form 20-F and other filings with the United States Securities and Exchange Commission.

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(Tables follow)

