

## Press Release

### Eltek Reports 2020 Second Quarter Financial Results

- Revenues of \$8.8 million
- Gross profit of \$1.9 million
- Net Profit of \$704,000

PETACH-TIKVA, Israel, August 12, 2020 - 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 June 30, 2020.

**Mr. Eli Yaffe, Chief Executive Officer**, commented: "We are pleased that our second quarter reflects the continuing trend of improved results. We are gratified that despite the global Covid-19 pandemic and its related challenges, we were able to grow our top line by 7.2% compared to the second quarter of 2019 and improve our gross margins from 15.3% in Q2 2019 to 21.6% in Q2 2020."

"We are operating in a challenging business environment and making the necessary adjustments to protect our staff, expand our business, improve customer satisfaction, increase revenues, maintain the trend of improved operating efficiencies and reach sustained profitability," concluded Mr. Yaffe.

### Highlights of the Second Quarter of 2020 compared to the Second Quarter of 2019

- **Revenues** for the second quarter of 2020 were \$8.8 million compared to revenues of \$8.2 million in the second quarter of 2019;
- **Gross profit** increased from \$1.3 million (15.3% of revenues) in the second quarter of 2019 to \$1.9 million (21.6% of revenues) in the second quarter of 2020;
- **Operating profit** increased to \$809,000 during the second quarter of 2020 as



compared to operating profit of \$7,000 in the second quarter of 2019;

- **Other expenses** were nil during the second quarter of 2020 as compared to other income of \$871,000 in the second quarter of 2019 that was mainly attributable to receipt of a non-recurring insurance payment relating to the damage to one of our manufacturing machines and the resulting losses;
- **Net profit** was \$704,000, or \$0.16 per fully diluted share in the second quarter of 2020 compared to net profit of \$790,000, or \$0.19 per fully diluted share, in the second quarter of 2019;
- **EBITDA** was \$1.2 million in the second quarter of 2020 compared to EBITDA of \$1.25 million in the second quarter of 2019;
- **Net cash provided by operating activities** amounted to \$1.4 million in the second quarter of 2020 compared to net cash used in operating activities of \$301,000 in the second quarter of 2019.

## Highlights for the First Six Months of 2020

- **Revenues** for the first six months of 2020 were \$17.9 million compared to \$16.9 million in the first six months of 2019;
- **Gross profit** was \$3.7 million (20.6% of revenues) compared to gross profit of \$2.8 million (16.5% of revenues) in the first six months of 2019;
- **Operating profit** was \$1.4 million compared to operating profit of \$440,000 in the first six months of 2019;
- **Other expenses** were \$1,000 in the first six months of 2020 as compared to other income of 877,000 in the first six months of 2019;
- **Net profit** was \$1.2 million, or \$0.28 per fully diluted share compared to net profit of \$1.0 million, or \$0.33 per fully diluted share in the first six months of 2019;
- **EBITDA** was \$2.2 million in the first six months of 2020, compared to EBITDA of \$2.1 million in the first six months of 2019;





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- **Net cash provided by operating activities** amounted to \$2.9 million in the first six months of 2020 compared to net cash provided by operating activities of \$1.3 million in the first six months of 2019.

### Conference Call

Today, Wednesday, August 12, 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.



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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](http://www.nisteceltek.com).

## 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.

## 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, the impact of the Coronavirus on the economy and our operations, 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.

## Investor Contact:

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(Tables follow)

