



# eltek

a  Nistec company

## General

The information contained in this presentation does not purport to be all inclusive or to contain all information that prospective investors may require. Prospective investors are encouraged to conduct their own analysis and review of information contained in this presentation as well as important additional information through the Securities and Exchange Commission's ("SEC") EDGAR system at [www.sec.gov](http://www.sec.gov) and on our website at [www.nisteceltek.com](http://www.nisteceltek.com)

## Forward Looking Statements

Certain information contained in this Supplemental Information Package constitute forward-looking statements within the meaning of the federal securities laws.

Although Eltek Ltd. believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions, no assurance can be given that these expectations will be achieved.

Factors that could cause actual results to differ materially from current expectations include changes in macro-economic conditions, the impact of the war and hostility between Israel and Hamas and Israel and Hezbollah, the demand for our products, raw materials shortages, the implementation of our international sales initiatives, and other risks, which are described in Eltek Ltd.'s filings with the Securities and Exchange Commission.

## Basis of Presentation

### GAAP

Unless otherwise stated, all historical and estimated future financial and other information included in this presentation have been prepared in accordance with generally accepted accounting principles in the United States ("GAAP").

### Non-GAAP

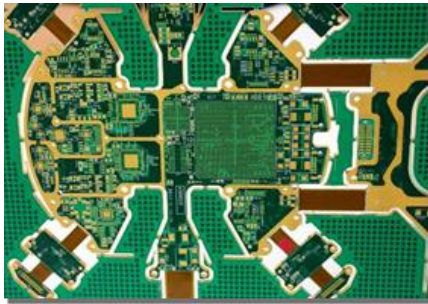
In addition to using financial measures prescribed by GAAP, we use non-generally accepted accounting principles ("non-GAAP") financial measures in this presentation. A reconciliation of historical non-GAAP financial measures to their most directly comparable GAAP measures, can be found in our latest financial press release.

### Industry and Market Data

Certain data included in this presentation has been derived from a variety of sources, including independent industry publications, government publications and other published independent sources. Although we believe that such third-party sources are reliable, we have not independently verified, and take no responsibility for, the accuracy or completeness of such data.

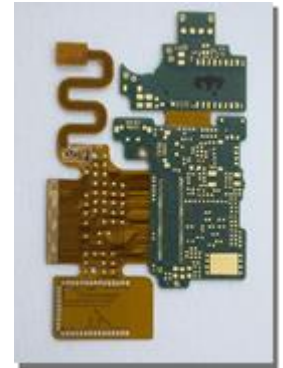
## General

- ✓ Every electronic system contains an electronic printed circuit board (PCB), upon which are integrated several electronic components. The PCB, alongside the electronic components integrated in it, are the center of the electronic system in all electronic products - the main determinant of the characteristics and functioning of the product.
- ✓ PCB is a platform with a purpose of conducting electrical signals among active and passive electronic components. Electrical conductive materials are spread on the board, allowing a connection between the components.
- ✓ PCBs are used in almost all products that have an electronic system - domestic products, computers, automobile, medical devices, aviation, military system, etc



## PCB Types

- ✓ PCBs are constructed from a variety of base raw materials and metals. A standard PCB can be double-sided or multi-layered and made of rigid, flexible, flex-rigid or high-frequency materials.
- ✓ Rigid PCBs are the core product of the industry and can be found in virtually any electronics device. The layer count of these products generally ranges from 2 to 30 layers, although some PCBs composed of as many as 42 layers.
- ✓ PCBs can also be made in a flexible form which consists thin, light-weight circuits used to interconnect other circuit boards and electronic devices within electronic equipment.
- ✓ Flex-rigid boards are composed of rigid parts and flexible layers. They generally range from 2 to 40 layers and provide solutions for electronic systems that impose space and shape restrictions and for systems in which reliability of connectivity is crucial.



# Eltek History & Overview

## Founded in 1970, Eltek is a global PCB manufacturer.

We have 50 years of experience in the space, a wealth of key engineering talent, and additional capacity in our facility to house immediate growth.

- 1970** • Established by Koor Ltd and Elbit Ltd.
- 1997** • IPO on NASDAQ (ELTK)
- 2008** • Established USA HQ  
• Approved MLA for ITAR
- 2013** • Nistec control of Eltek
- 2018** • Key management restructuring  
• Implemented Achieve Competitive Excellence & Turnaround Plan
- 2022** • Commenced \$15 million accelerated investment plan



**Petach Tikva, Israel**

Location



**100,000 ft<sup>2</sup>**

Facility Size



**NADCAP, AS9100D, ISO9001:2015, UL 94V-0**

Key Qualifications

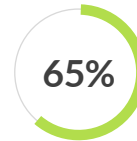


**\$47.0M**

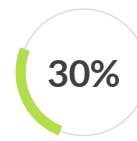
Revenues (Trailing 12 months - 1.4.2023-31.3.2024)

**~325 Employees (42 Engineers)**

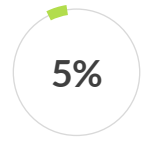
## Main Products



Flex-Rigid



Rigid



Multi-Flex/Flex

**~1,100,000 PCBs Manufactured Annually**

# Where Eltek PCBs are Used



Rafael Iron Dome



Opgal Imaging Systems



Lockheed Martin F-35



Medtronic's PillCam



Elta Radar Systems



IAI Arrow



ASN Satellites Corp



Flir Thermal Systems

# Where Eltek PCBs are Used (Cont.)



J&J SMARTABLATE



Controp Vision Systems



Smart Shooter



ASML systems



Netline Systems



HiSky satellite communicationn



Tandem Insulin Pumps



Nyxoah Genio

Eltek is a leading global manufacturer of quality and highly-reliable printed circuit boards (PCBs)—

creating rigid, flex-rigid, and flex PCBs for use in a variety of industries, including Aerospace, Military, Medical, Satellite, and many others.

We are an end-to-end manufacturer, beginning with custom prototyping and PCB design, into full scale development.

## Strong Portfolio of Customers





For several decades PCB manufacturers in the West have disappeared—leaving global manufacturing highly concentrated in China and Taiwan.



China's PCB dominance and global security issues have caused western government and companies avoiding Chinese PCBs.

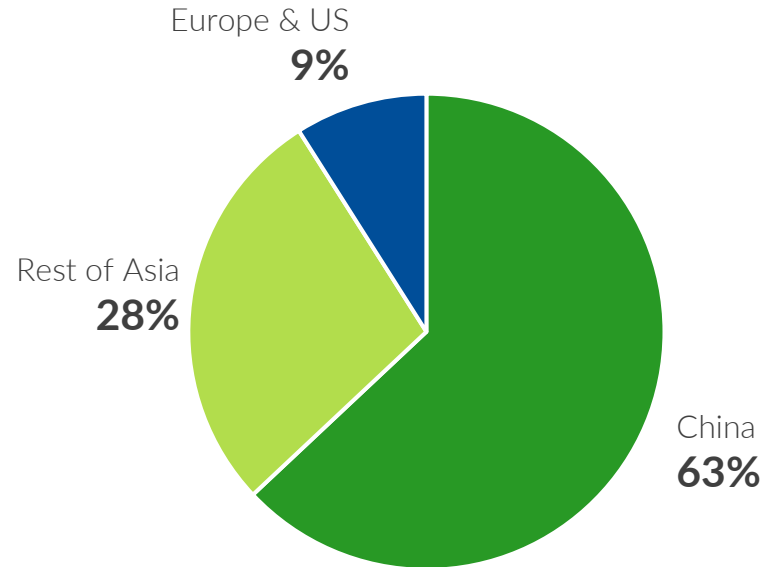


Shift back of manufacturing to western countries due to security and IP considerations.



Increased defence budgets due to political situation in Europe.

## PCB Manufacturing by Region\*



\* Source: Cluster Consulting Group





The Western world is looking to shift back to purchasing Western produced PCB's, but there are **high technical barriers** to entry to create new manufacturers and supply.

## High Barriers for New Entrants in PCB Production

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### Technical “Know-How”

There are no university degrees for PCB production, engineers become experts in PCBs on the job and advance over time

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### Machine Infrastructure Cost

\$35m-\$50m+ machine and infrastructure investment is needed to start a small PCB manufacturing operation

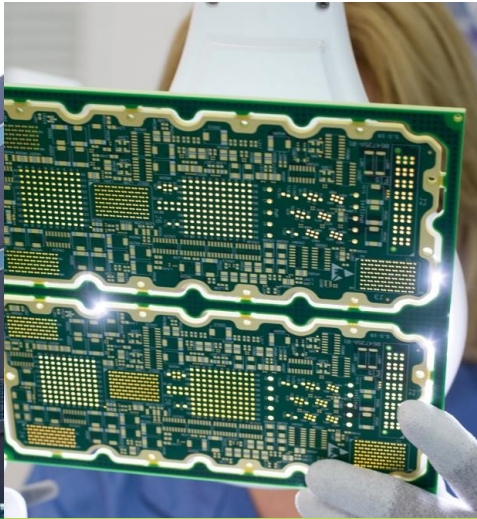
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### Time to Build & Accelerate

From concept to significant PCB production, a new operation requires a minimum of 4-5 years for a small producer to get up and running

# Growing to Satisfy Market Appetite



Unlocking 30% in additional production capacity via a 3rd shift in Petach Tikva facility.

R&D programs in partnership with Israeli innovation authorities. Developing unique, high-end, advanced PCBs.

Vertical and Horizontal mergers can fuel growth, both domestically and internationally.

\$15 million accelerated investment program will gradually increase capacity by 30%.

## 50 years of operational history developing PCBs



### ITAR and EAR Certifications

Certifications allow Eltek to sell to defense contractors and other companies in the United States



### Pioneers in Flex PCBs

Eltek is a brand-name in the Flex PCB market, trusted by leading brands around the world



### Constant R&D

Bringing advanced tech (complex and organic PCBs) currently reserved for the largest corporations, to a broader market



### High-Mix, Low-Volume

Our proprietary production techniques allows us to serve lower minimum order quantities and a broader customer segment

# Massive Global Opportunity Size

## Total Available Market\*

Global PCBs, 2028

\$75B

## Serviceable Addressable Market\*

– Global Flex-Rigid PCBs, 2025

\$7.5B

\$1B-\$2B

Estimated High mix, Low volume  
for Defense, Aerospace and  
Medical markets

## Current Revenue Capacity

– Single Facility at 70%-90% Capacity + accelerated  
investment plan in progress

\$46-50M

## Future Revenue Capacity (estimated)

– After Accelerated Investment Program (\$15M)

\$55-65M

# Generating Profits in a Capital Intensive Industry



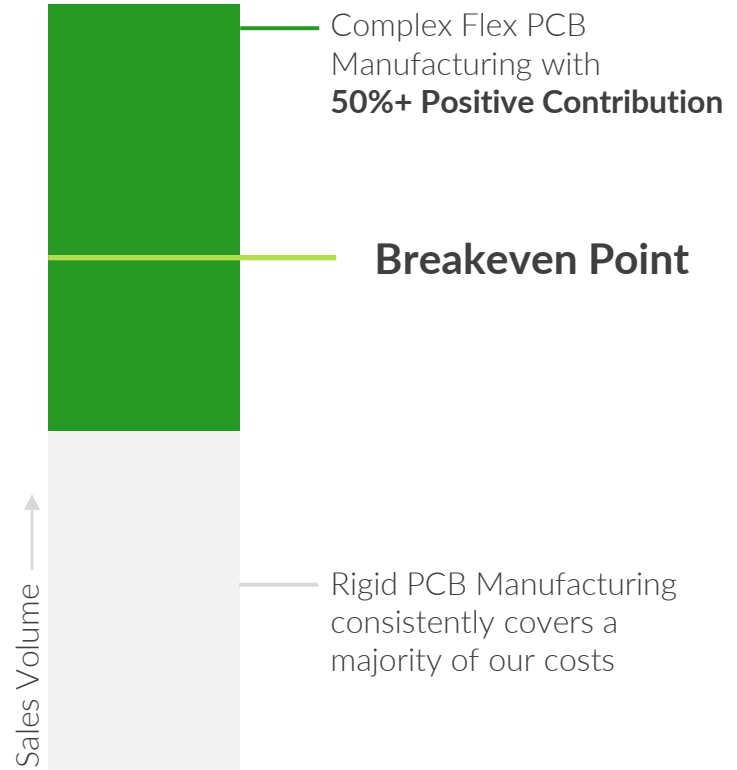
Rigid PCB manufacturing supports the capital intensive fixed costs of our facility, machinery, and staffing—ensuring that Eltek reaches its break even point.



Eltek's Flex PCB manufacturing generates high profit margins on more complex products.



As a result, incremental Flex PCB production is highly-profitable, price-elastic, and fuels market share growth.



# Setting the Stage for Rampant Growth



In 2018, newly hired Eltek management led a turnaround plan and implementation of “Achieving Competitive Excellence”.



Our turnaround targeted higher operational efficiency by reducing fixed costs and improving our pricing strategy.

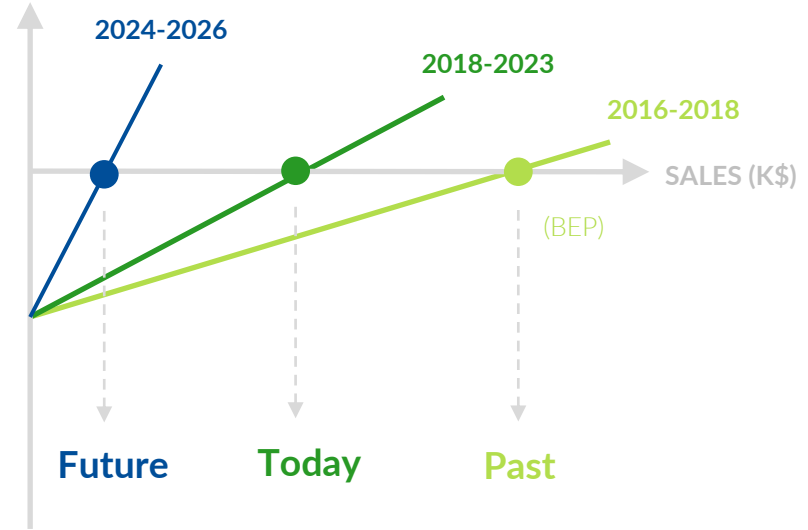


Since 2019, we have been able to maintain profitable operations and positive cash flow.



Since the beginning of 2023, we operate to increase efficiency and to increase marginal contribution.

PROFIT (K\$)



Overall, we have lowered our breakeven point, while increasing our profit per unit manufactured.

## Business Excellence

- ✓ Right pricing
- ✓ Product rationalization
- ✓ ROI focused decision making
- ✓ Smart cost-effective manufacturing equipment procurement

## Operational Efficiency

- ✓ Adopt Achieve Competitive Excellence program (ACE-similar to 6-sigma)
- ✓ Use big data technology for PCB engineering
- ✓ Expand capacity
- ✓ Add technical capabilities

## Market Share Expansion

- ✓ Focus on the US and India markets
- ✓ Look for M&A transaction (US or Europe)
- ✓ Trade PCB FMF between US and Israel
- ✓ Participate in government-to-government Offset Program

# Experienced Leadership Team



**Eli Yaffe**

CEO

Joined Eltek as CEO in July 2018. Prior, Eli served as the CEO of Carmel Forge Ltd. (Aerospace), and prior thereto he served as the CEO of Urdan Industries Ltd. (Defense). Holds a B.Sc. degree from the Technion-Israel Institute of Technology, M.Sc. in Mechanical Engineering from Tel Aviv University, and an MBA in Finance & Marketing from Bar-Ilan University.



**Ron Freund**

CFO

Ron Freund joined Eltek in January 2022. Ron is a senior finance executive with more than thirty years of financial, operational and management experience. Prior to joining Eltek, Ron held various leadership and senior executive finance positions. Ron was a Senior Partner at Ernst & Young Israel and holds a B.A. degree in Accounting and Economics from the Hebrew University, Jerusalem.



**Oriel Sallary**

VP Worldwide Sales and Marketing

Joined Eltek as VP of Worldwide Sales and Marketing in May 2020. Oriel has over 25 years of sales experience in the semiconductor industry. Previously, he held various positions including VP Sales and Marketing, senior account executive and sales director at Tritech Ltd., a distribution company in Israel.



**Itzik Zemach**

VP Operations

Joined Eltek in September 2018 as VP operations. Prior, Mr. Zemach served as the Plant Manager at "Kahane Group" for 6 years, leading all supply-chain processes—and has spent over 15 years in electronic parts manufacturing overall. Holds a B.Sc. degree in Electronic Engineering from Ariel University, and an MBA in IT from Bar Ilan University.



## Experienced Leadership Team (Cont.)



**Sagi Balter**

VP Process Engineering

Joined Eltek in December 2015 as electroplating process engineer and became VP Process Engineering in September 2019. From 2013 to 2015, Mr. Balter served as the senior researcher in the surface physics laboratory of the Weizmann Institute. Mr. Balter holds a Ph.D. degree (magna cum laude) in Chemistry from the Bar-Ilan University.



**Moran Aba**

HR Manager

Joined Eltek in August 2016 as HR Manager. Prior to joining Eltek, Mrs. Aba worked at Shaha Group as a HR Manager 2012 to 2016 and at One1 as a Head of Recruiting Team 2009 to 2012. Mrs. Aba holds a BA degree in communication from Ariel University.

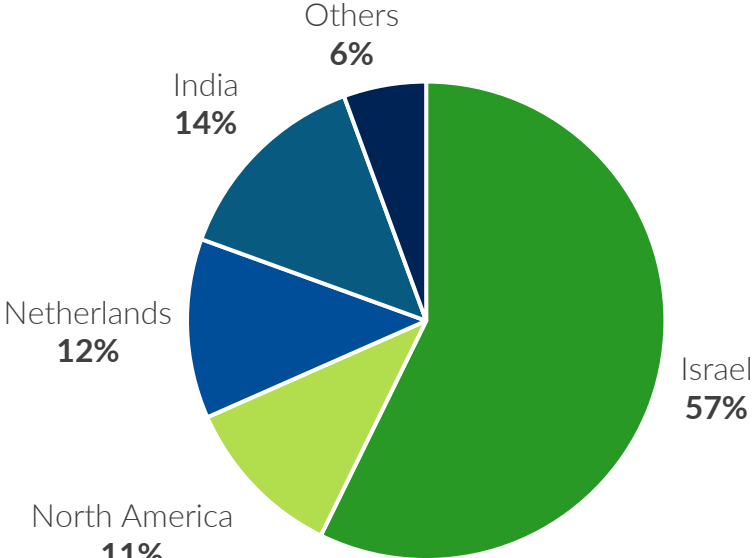


**Shlomi Kisluk**

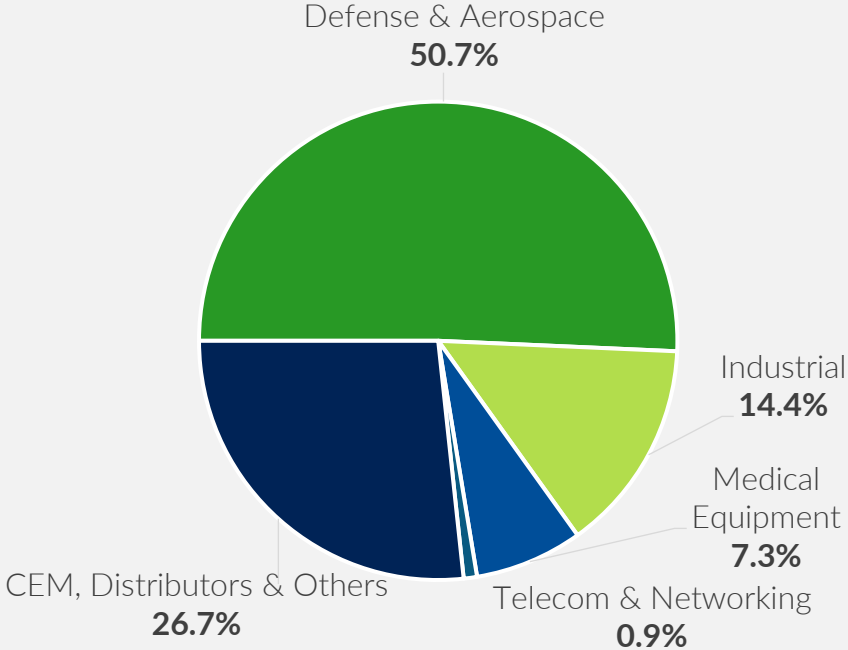
Quality Manager

Joined Eltek in October 2022 as a quality manager. Prior to joining Eltek, he served as a Quality manager in different startup companies responsible for quality, environment, and safety management system implementation. Mr. Kisluk holds a B.Sc. in Material Engineering from Ben-Gurion University and an MBA from Bar-Ilan University

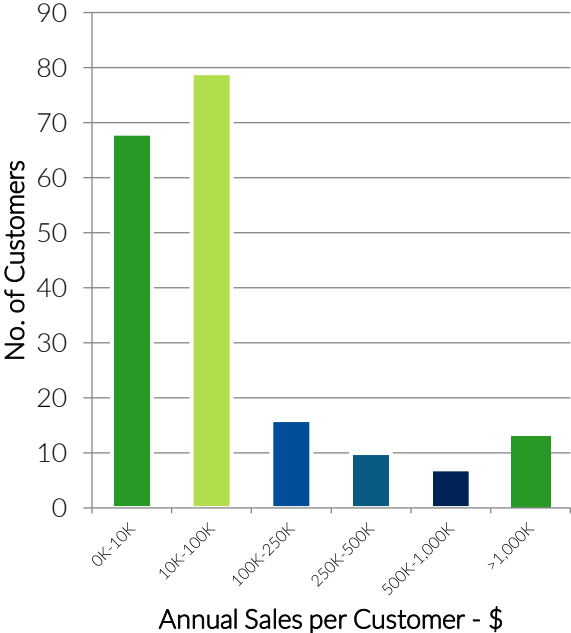
### By Geography



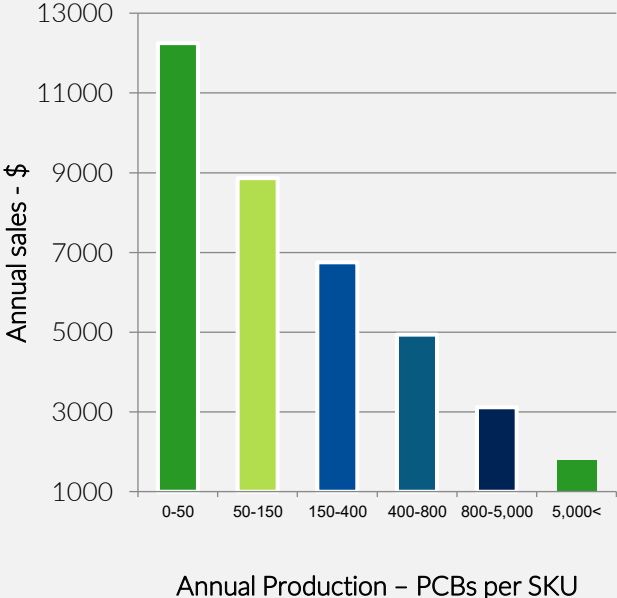
### By Sector



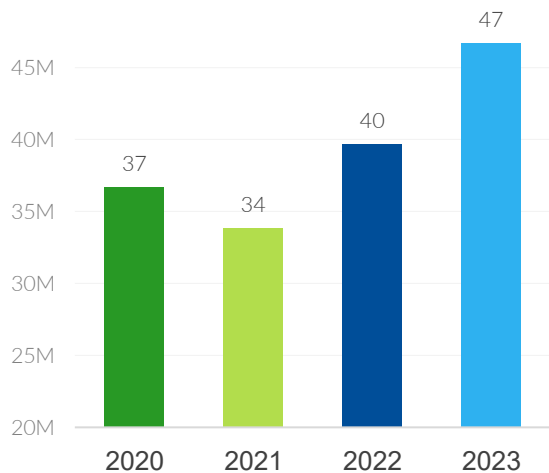
### Customer Distribution by Sales



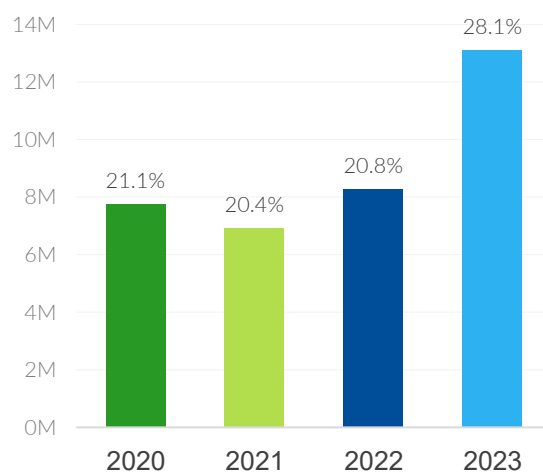
### High Mix, Low Volume



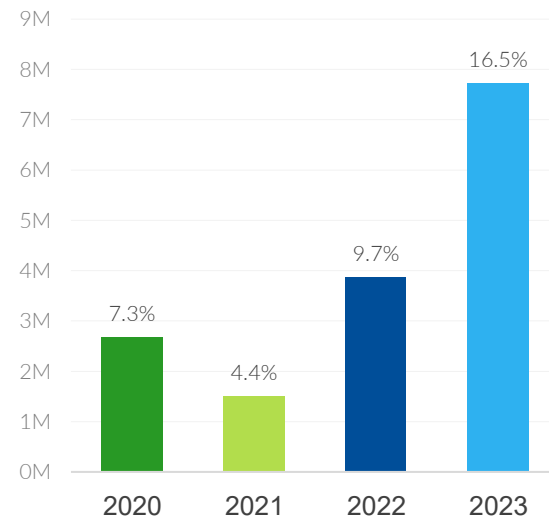
## Revenues



## Gross Profit



## Income before income taxes



**Trailing 4  
Quarters**

**\$47.0M**  
Revenues

**\$13.3M**  
Gross Profit

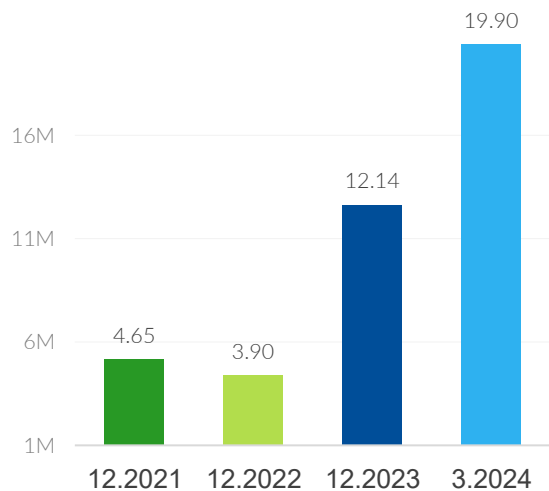
**28%**  
Gross Margin

**\$7.4M (16%)**  
Operating Profit

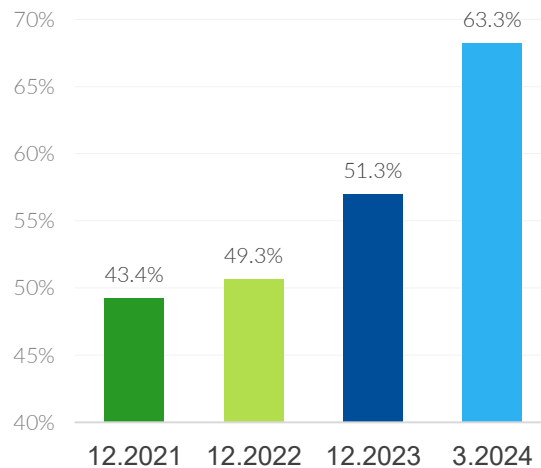
**\$6.5M (14%)**  
Net Profit

**\$1.07**  
EPS

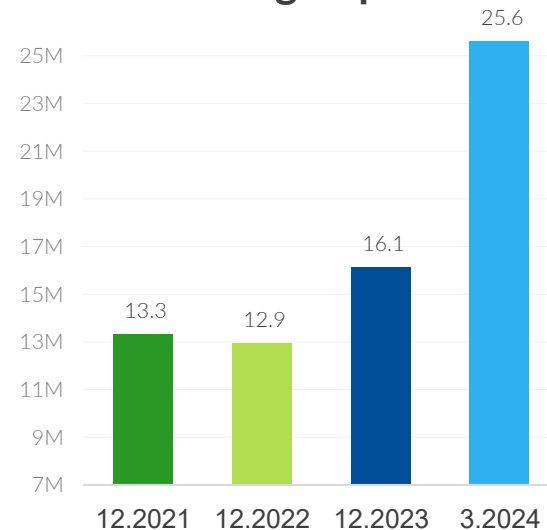
## Net Cash & Bank Deposits



## Net Worth / Total Assets



## Working Capital



**31.3.2024**

**\$55.3M** Total  
Assets

**\$37.8M**  
Shareholders' equity

**\$25.6M**  
Working Capital

**\$19.9M**  
Net Cash & Deposits

**2.6**  
Quick Ratio

# Company Capitalization



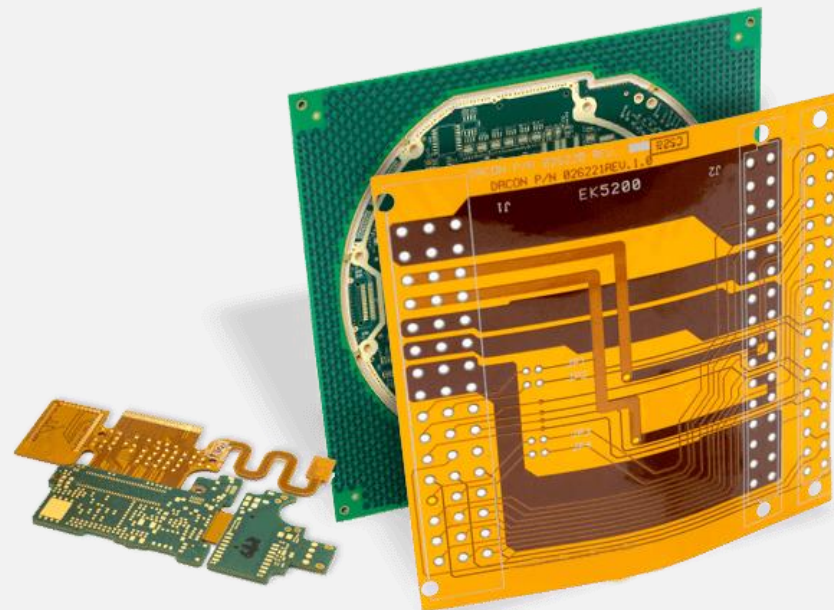
As of March 31, 2024, Eltek has **6,704,830** issued and outstanding shares:

Nistec	3,291,596	49.1%
Yitzhak Nissan (Chairman)	165,224	2.5%
<b>Total Nistec and Yitzhak Nissan</b>	<b>3,456,820</b>	<b>51.6%</b>
Public Float	3,248,010	48.4%
<b>Total</b>	<b>6,704,830</b>	<b>100.0%</b>

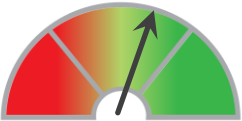


As of March 31, 2024:

**364,019 Outstanding Options**  
**(WAEP: \$8.13)**



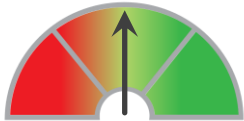
# Business Factors Implications



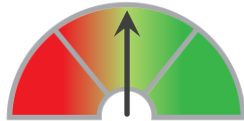
Medical sector



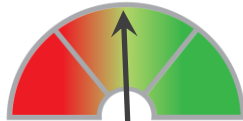
Defense budgets



Exchange rate



Qualified labor availability



Rate of production capacity increase



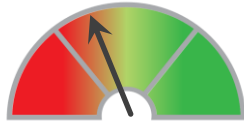
Demand Vs. western world capacity



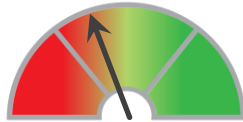
Raw materials prices and availability



Footprint in India



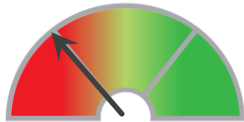
Aerospace sector



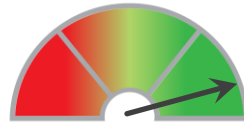
Footprint in the USA



Installed capacity



Energy Prices



Strong balance sheet



# Contact Us



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

## Executive offices & manufacturing facility

### Eltek Ltd.


20 Ben Zion Gelis Street  
Petach Tikvah, 4927920, Israel  
Tel: +972 3 939 5050  
Fax: +972 3 9342584  
Email: [investor-contact@nisteceltek.com](mailto:investor-contact@nisteceltek.com)

## Customer Service Sales – Engineering

### Eltek USA Inc.

Phone: (480) 716-8645  
Email: [info@eltek.us](mailto:info@eltek.us)

**eltek**

a  Nistec company

