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Zacks Small-Cap Research

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Eltek Ltd (ELTK-NASDAQ)

ELTK: The company reported strong 3rd quarter financial results with record gross margins which supports our price target of $14.00. Revenues and earnings were above our expectations.

Utilizing a DCF valuation process containing conservative estimates combined with other valuation methodologies, we believe ETLK could be worth **$14.00** per share.

Current Price (11/17/23)	$12.74
Valuation	**$14.00**

OUTLOOK

Eltek Ltd is an established manufacturer of Printed Circuit Boards (PCBs) that is entering a new growth phase due to increases in manufacturing capacity and potential M&A transactions. The company has the potential to grow both revenues and earnings at double-digit growth rates for the foreseeable future if they can execute on their accelerated investment program and maintain technological superiority. The company maintains a strong balance sheet and generates free cash flow. The company's current stock price does not likely reflect the potential level of profitable growth going forward and we believe the stock to be undervalued at this time.

SUMMARY DATA

52-Week High	**$12.99**
52-Week Low	**$3.84**
One-Year Return (%)	**222.6**
Beta	**-1.43**
Average Daily Volume (sh)	**46,026**
Shares Outstanding (mil)	**5.9**
Market Capitalization ($mil)	**$76.3**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**2**
Insider Ownership (%)	**72**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**2.2**
Earnings Per Share (%)	**46.6**
Dividend (%)	**N/A**
P/E using TTM EPS	**N/A**
P/E using 2023 Estimate	**11.0**
P/E using 2024 Estimate	**10.3**

Risk Level	**Below Avg**
Type of Stock	**Small-Value**
Industry	**Technology**

ZACKS ESTIMATES

Revenue
(in millions of $)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2021	$7.2 A	$9.1 A	$8.0 A	$9.5 A	$33.8 A
2022	$9.8 A	$9.1 A	$10.3 A	$10.4 A	$39.6 A
2023	$11.5 A	$11.0 A	$11.9 A	$12.2 E	$46.6 E
2024					$52.1 E

Earnings Per Share

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2021	$0.04 A	$0.14 A	$0.00 A	$0.65 A	$0.86 A
2022	$0.11 A	$0.13 A	$0.17 A	$0.14 A	$0.55 A
2023	$0.27 A	$0.22 A	$0.36 A	$0.31 E	$1.16 E
2024					$1.24 E

Quarterly revenues may not equal annual revenues due to rounding. Quarterly EPS may not equal annual EPS due to rounding, dilution or intangibles.

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Source: nisteceltek.com

3rd Quarter 2023 Financial Results

Eltek Ltd. (NASDAQ:ELTK) reported strong 3rd quarter 2023 financial results on November 16, 2023. Revenues increased 15.0% to $11.9 million from $10.3 million in the 3rd quarter of 2022. Customers continue to move PCB manufacturing needs from Asian markets to Western markets which creates strong demand for the company's printed circuit boards (PCB). The current conflict in Israel provides evidence of the critical significance of a domestic PCB industry in which Eltek plays an important role. The PCB industry produces complex circuits tailored to specific defense requirements, employing state-of-the-art technology, and ensuring the highest quality standards. Additionally, the company is capable of providing speedy delivery to meet the immediate demands of the defense sector. Eltek holds the status of an Essential Enterprise as designated by the Israeli government, granting the company permission to operate 365 days a year if needed.

Gross profit was $3.68 million (*31.0% gross margin*) compared to $2.4 million (*23.4% gross margin*) in the prior year period. Because of the high level of demand and limitation of production capacity, the company was able to choose orders with high margin potential and when combined with efficient operations, the gross margin was higher than expected. The company experienced a favorable mix of sales, which included sales with relatively low material components and high technological added value which helped increase gross margins. The gross margin was above the company's long-term goal of 27.0%.

Operating profit for the 3rd quarter of 2023 was $2.3 million compared to operating profit of $1.1 million in the 3rd quarter of 2022. Net income for the 2nd quarter of 2023 was $2.1 million or $0.36 per fully diluted share which was a substantial increase from net income of $1.0 million or $0.17 per fully diluted share in the prior year period. EBITDA for the 3rd quarter of 2023 was $2.6 million (*22.0% EBITDA margin*) compared to EBITDA of $1.45 million (*14.0% EBITDA margin*) in the 3rd quarter of 2022.

Operating cash flow for the first nine months of 2023 was $6.5 million and with capital expenditures of $1.19 million, free cash flow was $5.3 million. This free cash flow, along with $2.0 million in insurance proceeds received in the 2nd quarter, was primarily used to eliminate outstanding debt.

The company maintains a strong balance sheet with $11.3 million in cash and short-term investments and no bank debt as of September 30, 2023. Inventories were $5.6 million at year end, an increase of 8.7% from the end of 2022. Net working capital was $16.4 million and shareholders equity was $24.8 million. In addition, the company has approximately $10.4 million in tax operating loss carryforwards to shield against future taxes.

CEO Eli Yaffe stated, *"The ongoing conflict in Israel underscores the critical significance of a domestic PCB industry. Such an industry would not only offer advanced technological solutions but also produce intricate circuits tailored to specific defense requirements, employing state-of-the-art technology, and ensuring the highest quality standards. Additionally, it would enable swift delivery to meet the immediate demands of the defense sector. Eltek holds the status of an Essential Enterprise as designated by the Israeli government, granting us permission to operate around the clock, 365 days a year, as needed."*

Mr. Yaffe continued, *"Over the past weeks, and up to the present moment, we have maintained seamless operations without any disruptions. In certain instances, we've even accelerated the delivery of products to our valued customers. Our dedicated workforce remains fully engaged, reporting for duty on their regular schedules. We have implemented a series of strategic measures to ensure we meet our customers' demands. These includes securing commitments from our suppliers to continue delivering the essential raw materials to our facility in conformance with our orders, bolstering our inventory levels for selected raw materials and expediting the deliveries of crucial resources."*

The company indicated they are still in the process of entering the U.S. markets through an acquisition of an existing manufacturing plant if the right deal can be found. In addition, the $15 million capital improvement plan is on track with the majority of purchase orders for new equipment planned to be operable in 2024 and 2025. Some equipment to improve capacity may occur in late 2023.

On November 20th, the company announced it had recently received five purchase orders totaling $3.8 million. The orders are in connection with two projects for a customer and most of the orders will be supplied by Eltek in 2024. One of the projects is an existing legacy strategic project and the second project is a new one with very high technological specifications. The second order was received after providing a successful proof of concept. A proof of the concept required to meet a high level of technological production and the use of exotic materials.

Valuation and Estimates

Due to the strong operating results in the 3rd quarter, we are raising our 2023 annual EPS estimate to $1.16 from $1.10. We are increasing our price target to **$14.00.** That price target, if achieved, would put the stock selling at roughly 11.3x our 2024 EPS estimate of $1.24. Based on the last closing price of $12.76, ELTK stock is currently selling at 11.0x our revised 2023 EPS estimate.

The global market for flex-rigid PCBs is expected to grow at a CAGR of approximately 10% and reach $7.5 billion by 2025. We expect the company's revenues to grow at solid double-digit rates for at least the next 5 years. We expect gross margins to steadily increase to 28% over the next 2-3 years. EBITDA margins could increase from 16.0% in 2023 to 20.0% in coming years depending on gross margins and levels of SG&A spending going forward.

Our primary valuation tool utilizes a Discounted Cash Flow process. Under the scenario described above, our DCF based valuation target is approximately **$14.00** per share. Our target price may be conservative as it does not account for any M&A transactions that would materially increase the company's manufacturing capacity.

KEY INVESTMENT POINTS

eltek
a Nistec company
Source: nisteceltek.com

- Eltek Ltd. (NASDAQ:ELTK) is a leading Israeli based manufacturer of Printed Circuit Boards with a history dating back to 1970 and approximately 1,500 customers.

- There is a current trend of PCB manufacturing moving from low-cost China manufacturing back to Western markets in Europe and the U.S. due to security and intellectual property issues.

- There are high barriers to entry for new participants in the PCB market with an estimated $35-$50 million total investment required and a 4-5 year time frame before commercial production can commence.

- The company currently has an established 100,000 square foot manufacturing facility located in Petach Tikva, Israel. The facility currently has a revenue capacity in the range of $40-$55 million and has the potential to increase up to $90 million in revenues after the company completes a $15 million accelerated capital investment program and creates additional capacity through acquisitions.

- Approximately 60% of the company's revenues are derived from the defense and aerospace markets and 55% of revenues are derived from Israel. The company is making a strategic effort to increase its presence in North America.

- The company is led by an experienced management team with expertise in manufacturing, technology and distribution.

- The company has approximately $11.3 million in cash on the balance sheet and no bank debt as of 9/30/23.

- The company was founded in 1970 and went public in 1997. The current market capitalization is approximately $76.3 million.

- We believe ELTK stock is worth **$14.00** based on a conservative discounted cash flow (DCF) calculation and peer multiple comparisons.

OVERVIEW



Source: nisteceltek.com

Eltek (NASDAQ:ELTK) is a leading global provider of complex Rigid and Rigid-Flex Printed Circuit Boards (PCBs). Established in 1970, Eltek is an AS9100, ISO-9100, Nadcap and ITAR & EAR certified high technology printed circuit board manufacturer. Eltek currently has over 300 employees including strong engineering support and 50 years of success in aerospace, defense, medical and industrial markets where it is recognized as a reliable PCB global leader.

The company manufactures and supplies technologically advanced custom-made circuitry solutions for use in sophisticated and compact electronic products. The company offers specialized services and are a solution provider in the PCB business, primarily in Israel, Europe, North America and Asia. PCBs are platforms that conduct an electric current among active and passive microelectronics components, microprocessors, memories, resistors and capacitors and are integral parts of the products produced by high technology industries. Eltek's focus is on short run quick-turnaround, prototype, pre-production and low to medium volume runs of high-end PCB products for high growth, advanced electronics applications, mainly flex-rigid PCBs.

The company designs and develops innovative manufacturing solutions pursuant to complex interconnect requirements of original equipment manufacturers (OEMs) and provides customers with a wide range of custom designed PCBs, including complex rigid, double-sided and multi-layer PCBs as well as flexible circuitry (flex and flex-rigid boards) made of several types of high-performance base material. To complement the quick-turnaround, prototype, pre-production and low to medium volume production capabilities and to provide customers with a single source service, the company also acts as an agent for the importation of PCBs from Southeast Asia when customers require high volume production runs.

The company recently commenced Phase 1 of a $15 million capital improvement plan which is expected to substantially increase manufacturing capacity and create a more efficient manufacturing process.

The company maintains a strong balance sheet with $11.3 million in cash and short-term investments and no bank debt as of the end of the 3rd quarter of 2023.



Source: nisteceltek.com

PRODUCT DESCRIPTIONS

Eltek develops and manufactures a variety of advanced Printed Circuit Boards. The primary products include rigid PCBs, flex-rigid PCBs, and flex PCBs.

Rigid PCBs - Rigid PCBs are a core product of the industry and can be found in virtually every electronic device. The layer count of these products generally ranges from two and 30 layers, although some PCBs are composed of 42 layers. Approximately 30% of the company's production is Flex-Rigid PCBs.

Flexible PCBs - Flexible boards are thin, lightweight circuits used to interconnect other circuit boards and electronic devices within electronic equipment. Approximately 5% of the company's production is Flex-Rigid PCBs.

Flex-Rigid PCSs - Flex-rigid boards are composed of rigid parts and flexible layers. They generally range from two to 30 layers. Flex-rigid boards provide solutions for electronic systems that impose space and shape restrictions and for systems in which reliability of connectivity is crucial. These products are often found in military applications (primarily avionics), medical and measurement equipment and the automotive industry, among other uses. Approximately 65% of the company's production is Flex-Rigid PCBs.

Other products produced by Eltek include High-Density Interconnect PCBs and Teflon/Hybrid PCBs.



Source: nisteceltek.com

INDUSTRY OUTLOOK

In recent decades, there has been an increasing concentration of global PCB production in Asia as many manufacturers have moved to that location to take advantage of the large and relatively low-cost work force. This trend has primarily favored China which is believed to be the largest PCB manufacturing market in the world and the country has emerged as a global production center for cell phones, smartphones, tablets, PCs and high-end consumer electronics. However, China's PCB dominance and global security issues have caused Western governments and companies to reconsider moving PCB and other critical electronic production back to Western regions including the U.S., EU and Israel. China currently represents approximately 63% of global PCB production while the U.S. and the EU represent less than 10%.

Ongoing advances in technology have shortened the life cycles of complex commercial electronic products which is placing greater pressure on manufacturers to quickly bring new products to market. The accelerated time-to-market and ramp-to-volume needs of manufacturers for high-end commercial equipment create opportunities for advanced PCB manufacturers like Eltek that can offer engineering support in the prototype stage and manufacturing scalability throughout the production life cycle.

Manufacturers continue to design higher performance electronic products which take advantage of advances in semiconductor technology. This requires technologically complex PCBs that can accommodate higher speeds and component densities including HDI, flexible and substrate PCBs. These complex PCBs can require very high layer counts, miniaturized circuit connections, advanced manufacturing processes, and high-mix production capabilities which typically involve processing small lots in a flexible manufacturing environment. Manufacturers increasingly rely upon larger PCB manufacturers, which possess the financial resources necessary to invest in advanced manufacturing process technologies and sophisticated engineering staff, often to the exclusion of smaller PCB manufacturers that do not have greater technologies or resources.

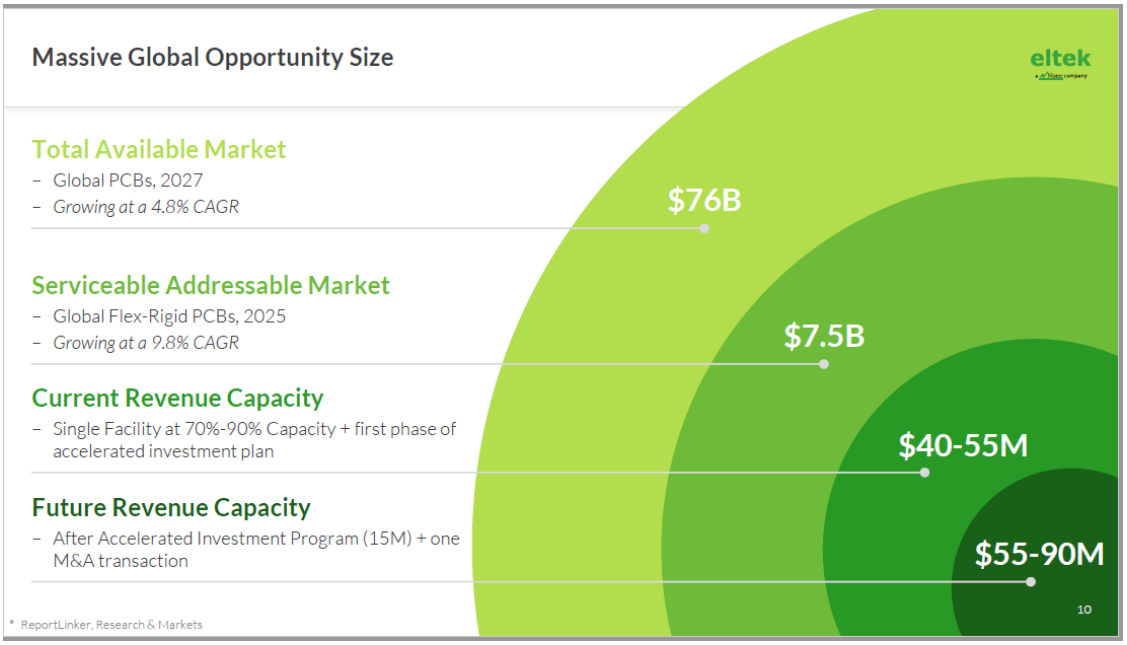
Manufacturers have typically relied on multiple PCB manufacturers to provide different services as an electronic product moves through its life cycle. However, the transfer of a product among different PCB manufacturers often results in increased costs and inefficiencies due to incompatible technologies and manufacturing processes and production delays. As a result, manufacturers are reducing the number of PCB manufacturers and backplane assembly service providers they rely on which presents an opportunity for those PCB producers that can offer one-stop manufacturing capabilities — from prototype to high volume production.

Aerospace and defense markets are characterized by increasingly time-consuming and complex certification processes, long product life cycles, and a demand for leading-edge technology with very high reliability and durability. While the U.S. Department of Defense (DoD) budget faces increasing scrutiny as part of overall U.S. budget deficit reduction efforts, the DoD is expected to remain committed to new product development and upgrades which often incorporate leading-edge PCB technology in products for intelligence, surveillance and reconnaissance, communications and weapon systems. In addition, many European Union countries are generally increasing defense budgets due to geopolitical conflict in the region, largely as a result of the Russia-Ukraine conflict. 16 NATO countries increased their defense spending in 2022 when compared to the prior year. This was even after significant increases in 2021 for many European countries. Aerospace and defense markets represent approximately 60% of Eltek's revenues.

ADDRESSABLE MARKET

The global PCB market is expected to grow to $76.0 billion by 2027 which is a CAGR of almost 5.0%. The majority of that market is low margin rigid PCBs. The higher margin flex-rigid PCB market is expected to grow to $7.5 billion by 2025 which is the current focus of Eltek.

The company currently has revenue capacity of approximately $40-$55 million when operating at 70%-90% utilization and considering the first phase of its capital investment plan at its Petach Tikva facility. After the company's $15 million accelerated investment is completed and considering additional capacity created through an M&A transaction, the company's total revenue capacity could reach up to $90 million.



Source: nisteceltek.com

COMPETITIVE ADVANTAGE

The Western world is now moving in the direction of purchasing PCBs from non-Asian countries, particularly in U.S. and European markets. However, there are high technical barriers to entry to create new and advanced PCB manufacturing facilities.

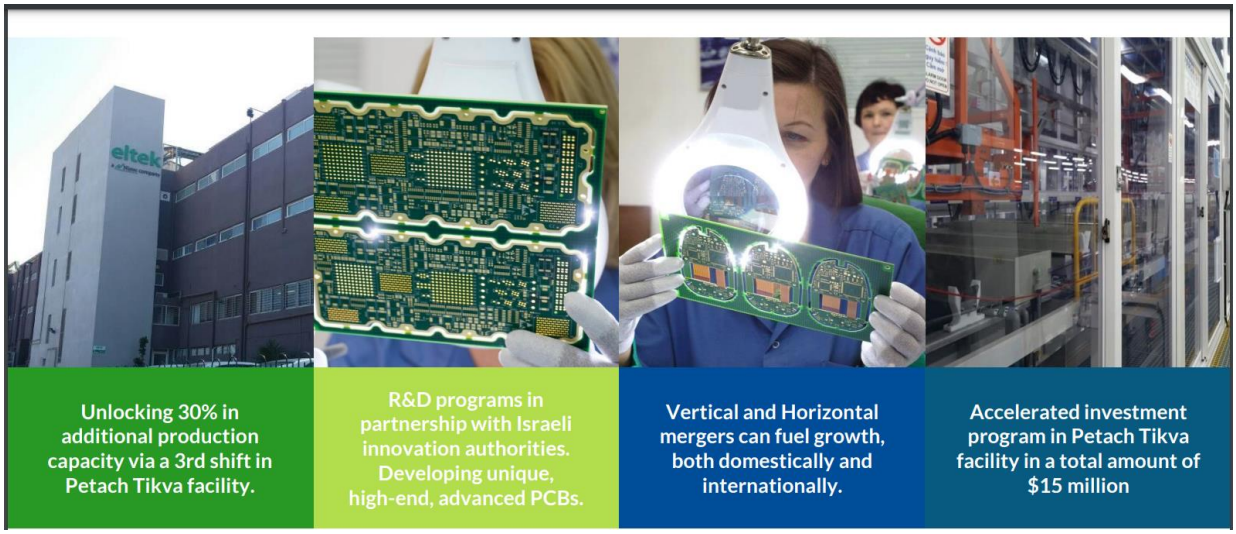
The initial investment and infrastructure costs to create an advanced PCB facility can be $35-$50 million or greater. The time frame from startup to full scale efficient production can take 4 to 5 years. Labor shortages can also be an issue as experienced engineers in the PCB space may be difficult to obtain due to the absence of PCB production in Western countries.

Eltek currently has one major manufacturing facility comprising approximately 100,000 square feet and is located in Petach-Tikva, Israel. The company has the capability to manufacture PCBs with up to 40 layers and flex-rigid boards that consist of blind and buried vias and designs using materials as thin as 1 mil. After receiving orders for production, turnaround times are generally between several days to two months. The company can produce short runs of five to 30 units of simple type PCBs within four to five working days and a few hundred units within ten working days.

The company utilizes advanced Computer Aided Design/Computer Aided Manufacturing (CAD/CAM) technology to develop its products. The CAD system was developed by Frontline PCB Solutions Ltd., an Israeli-based company owned by KLA, and can receive CAD data by electronic data transmission. The CAD workstations perform design rule checks on transmitted designs, incorporate any customer-specific design modifications and perform manufacturability enhancements that increase PCB quality.

The company also provides a large assortment of alternative surface finishes, including hot air solder leveling, E-less nickel (ENIG), E- less nickel & palladium (ENEPIG), hard & soft electrolytic gold, immersion silver, outsourced nickel/palladium/gold, and immersion tin. Eltek uses an advanced inner-layer production line, a direct laser imaging system, mechanical and laser drilling equipment and clean room environments (ISO-7) to produce its technologically advanced products.

At the beginning of 2022, the company decided to accelerate its investment program in machines and equipment. The program includes investments in new production lines as well as in infrastructure in order to increase production capabilities as well as efficiency. The first phase of the program includes investments of $9.0 million and is expected to last two years. The total investment program will be approximately $15.0 million. When completed, this investment along with possible capacity acquisitions, has the potential to double Eltek revenues from current levels.



Source: nisteceltek.com

RISKS

- The company may require additional capital in the future which may not be available based on prevailing market conditions. The lack of sufficient working capital could negatively impact the ability to compete effectively in the future or to expand production facilities. The company may incur operating losses in the future or negative free cash flows from business operations that may require additional capital and funding.

- Pandemics, such as the COVID-19 pandemic, could materially disrupt the company's business and have a negative impact on the company's financial results and financial condition. The company is vulnerable to the general economic effects of epidemics, pandemics and other public health crises. Unlike other industries, as a manufacturer of physical products, the company cannot rely on its main work force to be working remotely or from home.

- Key customers account for a significant portion of company revenues and the loss of a key customer would have an adverse impact on business and financial results. In the years ended December 31, 2021, 2020 and 2019, a group of affiliated companies accounted for 21.2%, 18.9% and 19.5% of total revenues and another group of affiliated companies accounted for 7.9%, 11.6% and 11.5% over the same periods. The company expects that a significant portion of our future revenues will continue to be dependent on a small number of customers.

- The company is dependent on a select number of suppliers for timely delivery of key raw materials and the loss of one or more of these suppliers or delays in supply of these raw materials would adversely affect manufacturing capabilities. As the majority of PCB manufacturing is centered in Southeast Asia, raw material suppliers may focus their attention and give higher priority to manufacturers in those areas. During the year ended December 31, 2022, purchases from two key suppliers accounted for 21% and 23% of consolidated raw material costs.

- Mr. Yitzhak Nissan, individually and through Nistec Golan, is a controlling shareholder of the company and his voting interest may conflict with the interests of other shareholders. Mr. Nissan, Chairman of the Board and the controlling shareholder of Nistec Golan, beneficially owns 69.6% of Eltek's outstanding ordinary shares. Mr. Nissan and Nistec Golan have the ability to exercise a significant influence over business and affairs and generally have the power to determine all matters submitted to a shareholder vote.

MANAGEMENT

Eli Yaffe
Chief Executive Officer

Mr. Yaffe joined Eltek as CEO in July 2018. Prior to this, Mr. Yaffe served as the CEO of Carmel Forge Ltd. (Aerospace), and before that was CEO of Urdan Industries Ltd. (Defense). Mr. Yaffe 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
VP Finance, and CFO

Mr. Freund joined Eltek in January 2022. Mr. Freund is a senior finance executive with more than thirty years of financial, operational and management experience. Prior to joining Eltek, Mr. Freund 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

Mr. Sallary joined Eltek as VP of Worldwide Sales and Marketing in May 2020. Mr. Sallary 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

Mr. Zemach Joined Eltek in September 2018 as VP of 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 the electronic parts manufacturing industry. Mr. Zemach holds a B.Sc. degree in Electronic Engineering from Ariel University and an MBA in IT from Bar Ilan University.

INSIDER TRADING AND OWNERSHIP

Nistec Golan, a company controlled by Yitzhak Nissan, owns approximately 69.5% of Eltek which meets the definition of a controlled company. Nistec has substantial influence on all matters that may require shareholder votes.

Name	Number of Ordinary Shares Beneficially Owned	Percentage of Outstanding Ordinary Shares (2)
Principal Shareholders		
Yitzhak Nissan (1)	4,065,912	69.5%
Senior Management and Directors		
Eli Yaffe (1) (3)	139,350	2.3%
Ron Freund(4)	4,063	*
Yitzhak Zemach(5)	14,907	*
Oriel Sallary(6)	3,926	*
Sagi Balter (7)	9,907	*
Mordechai Marmorstein(8)	7,500	*
David Rubner (9)	7,500	*
Erez Meltzer(10)	7,500	*
Gad Dovev(11)	7,500	*
Ilana Lurie(12)	7,500	*
All executive officers and directors as a group (12 persons) (13)	4,275,564	70.6%

Source:Eltek SEC filings



Source: Eltek investor presentation

SUMMARY

We believe Eltek has the potential to significantly grow its addressable market through organic growth and potential increases in manufacturing capacity. The management team is highly experienced in all aspects of PCB development, manufacturing, and distribution.

The company's growth pillars include effective business planning which involves appropriate price actions, product rationalization and a strong balance sheet. Steps to improve operational efficiency include adopting Achieve Competitive Excellence (ACE), which is similar to a 6-Sigma program. The company uses big data technology for PCB engineering and plans to expand capacity at its current facility. Market expansion is also a key component of its growth plans with a focus on increasing the penetration of U.S. markets. Currently, only about 20% of total revenues come from North America. The company is also on the lookout for potential capacity additions through targeted mergers or acquisitions.

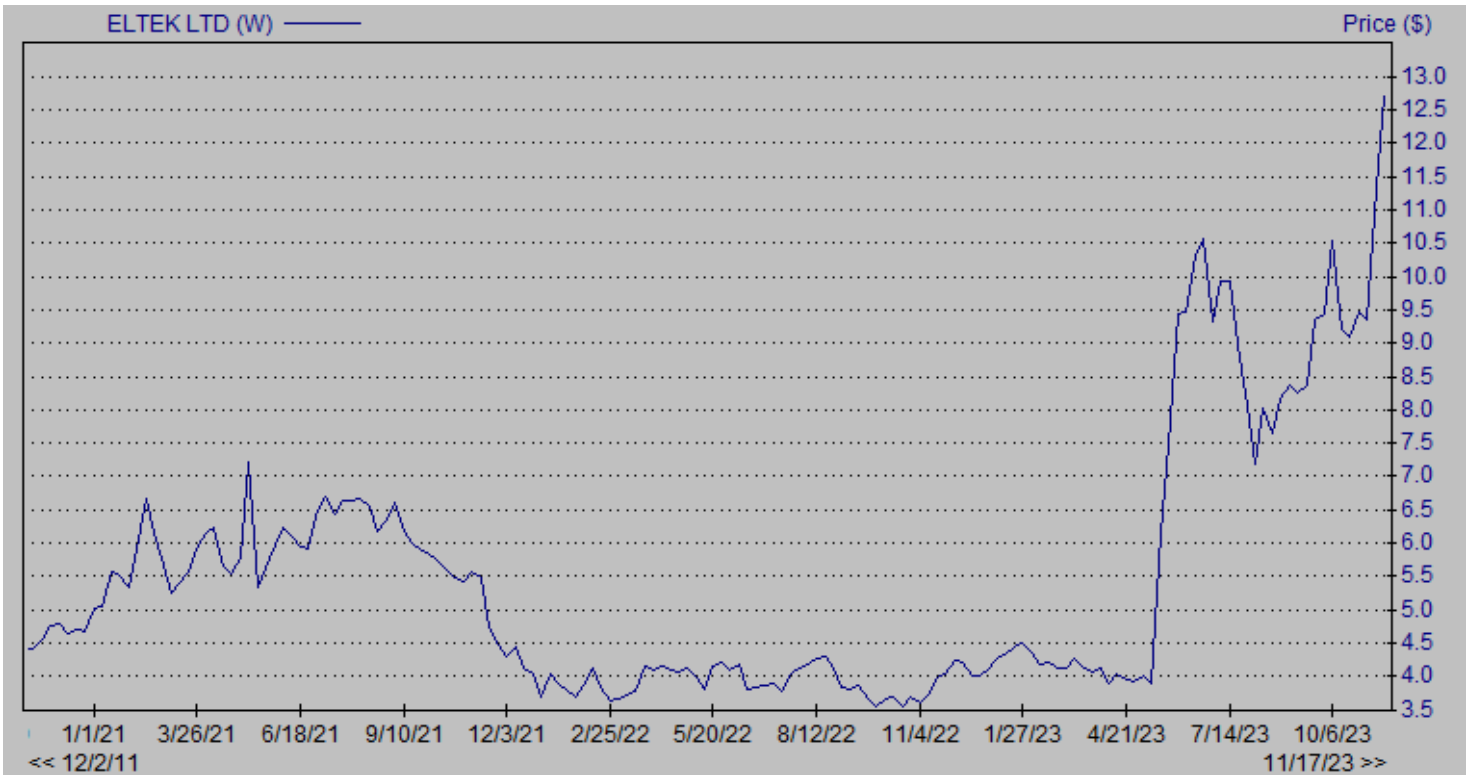
We believe Eltek has the potential to grow both revenues and earnings at double-digit growth rates for the foreseeable future if they are able to execute on their investment program and maintain technological superiority. The company will also likely increase manufacturing capacity through focused acquisitions. The company's current stock price does not likely reflect that potential level of profitable growth going forward and we believe the stock to be undervalued at this time, particularly when compared to competitors.

PROJECTED INCOME STATEMENT

Income Statement	Dec-21	Dec-22	Dec-23	Dec-24	Dec-25
Net Sales	**33,823,000**	**39,650,000**	**46,529,640**	**52,113,197**	**57,324,516**
Growth	*-7.9%*	*17.2%*	*17.4%*	*12.0%*	*10.0%*
Cost of Goods Sold	**25,145,000**	**29,839,000**	**32,242,491**	**36,502,439**	**40,009,372**
%	*74.3%*	*75.3%*	*69.3%*	*70.0%*	*69.8%*
Depreciation & Amort	**1,781,000**	**1,541,000**	**1,228,000**	**1,228,000**	**1,228,000**
Gross Profit	**6,897,000**	**8,270,000**	**13,059,149**	**14,382,757**	**16,087,144**
Margin	*20.4%*	*20.9%*	*28.1%*	*27.6%*	*28.1%*
SG&A Expenses	**4,870,000**	**5,207,000**	**5,741,850**	**5,699,400**	**5,870,382**
% of sales	*14.4%*	*13.1%*	*12.3%*	*10.9%*	*10.2%*
Research & Development	**78,000**	**92,000**	**48,360**	**48,844**	**49,332**
% of sales	*0.2%*	*0.2%*	*0.1%*	*0.1%*	*0.1%*
Other	**0**	**0**	**0**	**0**	**0**
% of sales	*14`%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Amortization	**0**	**0**	**0**	**0**	**0**
% of sales	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Operating Income	**1,949,000**	**2,971,000**	**7,268,939**	**8,634,514**	**10,167,430**
Margin	*5.8%*	*7.5%*	*15.6%*	*16.6%*	*17.7%*
EBITDA	**3,730,000**	**4,512,000**	**8,496,939**	**9,862,514**	**11,395,430**
Margin	*11.0%*	*11.4%*	*18.3%*	*18.9%*	*19.9%*
Other Expenses/(Income)	**(41,000)**	**(887,000)**	**(1,155,000)**	**(149,662)**	**(206,346)**
%	*-0.1%*	*-2.2%*	*-2.5%*	*-0.3%*	*-0.4%*
EBIT	**1,990,000**	**3,858,000**	**8,423,939**	**8,784,175**	**10,373,776**
%	*5.9%*	*9.7%*	*18.1%*	*16.9%*	*18.1%*
Total Interest Exp (net)	**488,000**	**0**	**120,000**	**0**	**0**
%	*1.4%*	*0.0%*	*0.3%*	*0.0%*	*0.0%*
Net Profit Before Tax	**1,502,000**	**3,858,000**	**8,303,939**	**8,784,175**	**10,373,776**
%	*4.4%*	*9.7%*	*17.8%*	*16.9%*	*18.1%*
Income Tax	**(3,537,000)**	**664,000**	**1,411,968**	**1,405,468**	**1,659,804**
% Effective Rate	*-235.5%*	*17.2%*	*17.0%*	*16.0%*	*16.0%*
% Cash Tax Rate	*-235.5%*	*17.2%*	*17.0%*	*16.0%*	*16.0%*
Minority Interests or Preferred Stock	**0**	**0**	**0**	**0**	**0**
Net Profit	**5,039,000**	**3,194,000**	**6,891,970**	**7,378,707**	**8,713,972**
%	*14.9%*	*8.1%*	*14.8%*	*14.2%*	*15.2%*
Non-recurring income (expense)					
Average Diluted Shares Outstanding	5,868,562	5,848,000	5,927,000	5,927,000	5,927,000
Reported FD EPS					
Zacks Cash EPS	**0.86**	**0.55**	**1.16**	**1.24**	**1.47**

Source: Zacks analyst estimates

HISTORICAL STOCK PRICE



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