

TAT TECHNOLOGIES LTD  
Form 6-K  
March 27, 2018

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SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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FORM 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 March 2018

TAT TECHNOLOGIES LTD.  
(Name of Registrant)

P.O.BOX 80, Gedera 70750 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-

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TAT Technologies Ltd.

6-K Items

1. Press Release dated March 27, 2018 re TAT Technologies Ltd. Reports Fourth Quarter and Full Year 2017 Results.

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ITEM 1

Press Release Source: TAT Technologies Limited

TAT Technologies Reports Record Results for Fiscal Year 2017

Annual Revenue of \$106.5 Million Represent an All Time High and Adjusted EBITDA of \$9.4 Million Represent the Highest Recorded Since 2009

Revenues grew 5% and 11% in the quarter and year ended December 31, 2017 compared to the comparable period in 2016, respectively

Adjusted EBITDA grew 19% in the year ended December 31, 2017, compared to the year ended December 31, 2016

GEDERA, Israel, March 27, 2018 - TAT Technologies Ltd. (NASDAQ: TATT - News) (“TAT” or the “Company”), a leading provider of products and services to the commercial and military aerospace and ground defense industries, reported today its unaudited results for the fourth quarter and year ended December 31, 2017.

Key Financial Highlights:

Record revenues of \$106.5 million for the year ended December 31, 2017, compared with \$95.8 million in the year ended December 31, 2016, an 11% growth. Revenues for the fourth quarter were \$26.3 million compared with \$25.0 million in the comparable quarter last year, a 5% growth.

Adjusted EBITDA for the year ended December 31, 2017 increased to \$9.4 million compared with \$7.9 million in the year ended December 31, 2016, an increase of 19%. 2017 adjusted EBITDA is the highest recorded adjusted EBITDA since 2009. Adjusted EBITDA for fourth quarter was \$1.6 million compared with \$3.1 million in the comparable quarter last year.

GAAP net income reached \$2.4 million, or \$0.27 per diluted share in the year ended December 31, 2017, compared with a net income of \$0.1 million, or \$0.01 per diluted share in the year ended December 31, 2016. GAAP net loss for the fourth quarter was \$0.3 million, or \$0.03 per diluted share compared with GAAP net income of \$1.6 million, or \$0.18 per diluted share in fourth quarter of 2016.

Non-GAAP net income totaled \$2.8 million, or \$0.31 per diluted share in the year ended December 31, 2017, compared with non-GAAP net income of \$2.8 million, or \$0.32 per diluted share in the year ended December 31, 2016, and non-GAAP net loss of \$0.2 million, or \$0.02 per diluted share in the fourth quarter of 2017 compared with non-GAAP net income of \$1.8 million, or \$0.20 per diluted share in the fourth quarter of 2016.

Mr. Igal Zamir, CEO and President of TAT Technologies stated, “2017 was a record year for TAT Technologies. Our revenues which grew 11% year over year, reached a record high, while adjusted EBITDA grew 19%, the highest recorded adjusted EBITDA since 2009. These strong record results serve as yet another proof point of our successful growth strategy and effective operational improvement plan. We are well positioned in our markets and have a strong balance sheet which together serve as the foundation for our long-term growth. We continue to pursue new growth initiatives, both organic and strategic, which we expect will drive our growth in 2018 and beyond.”

Mr. Zamir added, “I would like to take this opportunity to thank all of TAT’s employees around the world. Their talent, hard work and dedication are key to our ability to successfully implement our growth strategy and create long term value for our shareholders.”

#### Non-GAAP Financial Measures

To supplement the consolidated financial statements presented in accordance with GAAP, the Company also presents a Non-GAAP presentation of Net Income and Adjusted EBITDA. The adjustments to the Company’s GAAP results are made with the intent of providing both management and investors a more complete understanding of the Company’s underlying operational results, trends and performance. Non-GAAP Net Income excludes changes, income or losses, as applicable, related to one or more of the following: (1) share-based compensation expenses and/or (2) certain tax impact and/or (3) share in results of equity investment of affiliated companies. Adjusted EBITDA is calculated as net income excluding the impact of: the Company's share in results of affiliated companies, share-based compensation, taxes on income, financial (expenses) income, net, and depreciation and amortization. Non-GAAP Net Income and Adjusted EBITDA, however, should not be considered as alternatives to net income and operating income for the period and may not be indicative of the historic operating results of the Company; nor they are meant to be predictive of potential future results. Non-GAAP Net Income and Adjusted EBITDA are not measures of financial performance under generally accepted accounting principles and may not be comparable to other similarly titled measures for other companies. See reconciliation of GAAP Net Income to Non-GAAP Net Income and Adjusted EBITDA in pages 9 and 13 below.

#### About TAT Technologies LTD

TAT Technologies Ltd. is a leading provider of services and products to the commercial and military aerospace and ground defense industries. TAT operates under four segments: (i) Original equipment manufacturing (“OEM”) of heat transfer solutions and aviation accessories through its Gedera facility; (ii) MRO services for heat transfer components and OEM of heat transfer solutions through its Limco subsidiary; (iii) MRO services for aviation components through its Piedmont subsidiary; and (iv) Overhaul and coating of jet engine components through its Turbochrome subsidiary. TAT controlling shareholders is the FIMI Private Equity Fund.

TAT’s activities in the area of OEM of heat transfer solutions and aviation accessories primarily include the design, development and manufacture of (i) broad range of heat transfer solutions, such as pre-coolers heat exchangers and oil/fuel hydraulic heat exchangers, used in mechanical and electronic systems on board commercial, military and business aircraft; (ii) environmental control and power electronics cooling systems installed on board aircraft in and ground applications; and (iii) a variety of other mechanical aircraft accessories and systems such as pumps, valves, and turbine power units.

TAT’s activities in the area of MRO Services for heat transfer components and OEM of heat transfer solutions primarily include the MRO of heat transfer components and to a lesser extent, the manufacturing of certain heat transfer solutions. TAT’s Limco subsidiary operates an FAA-certified repair station, which provides heat transfer MRO services for airlines, air cargo carriers, maintenance service centers and the military.



TAT's activities in the area of MRO services for aviation components include the MRO of APUs, landing gears and other aircraft components. TAT's Piedmont subsidiary operates an FAA-certified repair station, which provides aircraft component MRO services for airlines, air cargo carriers, maintenance service centers and the military.

TAT's activities in the area of overhaul and coating of jet engine components includes the overhaul and coating of jet engine components, including turbine vanes and blades, fan blades, variable inlet guide vanes and afterburner flaps.

For more information of TAT Technologies Ltd., please visit our web-site:

[www.tat-technologies.com](http://www.tat-technologies.com)

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#### Safe Harbor for Forward-Looking Statements

This press release contains forward-looking statements which include, without limitation, statements regarding possible or assumed future operation results. These statements are hereby identified as "forward-looking statements" for purposes of the safe harbor provided by the Private Securities Litigation Reform Act of 1995. These forward-looking statements involve risks and uncertainties that could cause our results to differ materially from management's current expectations. Actual results and performance can also be influenced by other risks that we face in running our operations including, but are not limited to, general business conditions in the airline industry, changes in demand for our services and products, the timing and amount or cancellation of orders, the price and continuity of supply of component parts used in our operations, the change of control that will occur on the sale by the receiver of the Company's shares held by our previously controlling stockholders, and other risks detailed from time to time in the Company's filings with the Securities Exchange Commission, including, its annual report on form 20-F and its periodic reports on form 6-K. These documents contain and identify other important factors that could cause actual results to differ materially from those contained in our projections or forward-looking statements. Stockholders and other readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. We undertake no obligation to update publicly or revise any forward-looking statement.

## TAT TECHNOLOGIES AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEET

(In thousands)

	December 31, 2017 (unaudited)	December 31, 2016 (audited)
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 17,514	\$ 21,433
Short-term bank deposits	470	964
Accounts receivable, net	25,744	21,572
Other current assets and prepaid expenses	2,363	1,687
Inventory, net	38,630	39,269
<b>Total current assets</b>	<b>84,721</b>	<b>84,925</b>
<b>NON-CURRENT ASSETS:</b>		
Investment in affiliates	1,192	1,019
Funds in respect of employee rights upon retirement	2,779	2,660
Deferred income taxes	937	896
Intangible assets, net	1,045	1,179
Property, plant and equipment, net	21,321	21,298
<b>Total non-current assets</b>	<b>27,274</b>	<b>27,052</b>
<b>Total assets</b>	<b>\$ 111,995</b>	<b>\$ 111,977</b>
<b>LIABILITIES AND EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	9,348	8,406
Accrued expenses	8,331	9,836
<b>Total current liabilities</b>	<b>17,679</b>	<b>18,242</b>
<b>NON CURRENT LIABILITIES:</b>		
Other long-term liabilities	146	151
Liability in respect of employee rights upon retirement	3,235	2,994
Deferred income taxes	2,361	1,938
<b>Total non-current liabilities</b>	<b>5,742</b>	<b>5,083</b>
<b>Total liabilities</b>	<b>23,421</b>	<b>23,325</b>
<b>EQUITY:</b>		
Share capital	2,802	2,797
Additional paid-in capital	65,073	64,760
Treasury stock at cost	(2,088 )	(2,088 )

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Accumulated other comprehensive loss	135	(73 )
Retained earnings	22,652	23,256
Total shareholders' equity	88,574	88,652
Total liabilities and shareholders' equity	\$ 111,995	\$ 111,977

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## TAT TECHNOLOGIES AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except share and per share data)

	Three months ended December 31,		Twelve months ended	
	2017	2016	2017	2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Revenues:				
Products	\$8,149	\$7,481	\$36,053	\$30,431
Services	18,148	17,504	70,474	65,363
	26,297	24,985	106,527	95,794
Cost of goods:				
Products	6,096	5,609	28,096	23,788
Services	15,451	13,562	57,987	52,969
	21,547	19,171	86,083	76,757
Gross Profit	4,750	5,814	20,444	19,037
Operating expenses:				
Research and development, net	111	189	731	1,140
Selling and marketing	1,331	1,008	4,974	3,876
General and administrative	2,721	2,631	9,409	10,023
Other loss (income)	26	(117)	53	(138)
	4,189	3,711	15,167	14,901
Operating income	561	2,103	5,277	4,136
Financial expenses, net	(87)	(62)	(338)	(154)
Income before taxes on income	474	2,041	4,939	3,982
Taxes on income	677	420	2,333	3,865
Income (loss) before equity investment	(203)	1,621	2,606	117
Share in results of affiliated companies	(54)	(4)	(210)	(55)
Net income (loss)	\$(257)	\$1,617	\$2,396	\$62
Basic and diluted income (loss) per share				
Net income (loss) per share (basic and diluted)	\$(0.03)	\$0.18	\$0.27	\$0.01
Weighted average number of shares outstanding				
Basic	8,848,028	8,828,444	8,848,028	8,828,444
Diluted	8,926,023	8,833,226	8,919,912	8,830,764



## TAT TECHNOLOGIES AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands)

	Three months ended		Twelve months ended	
	December 31, 2017	December 31, 2016	2017	2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Net income (loss)	\$ (257)	\$ 1,617	\$ 2,396	\$ 62
Other comprehensive income				
Net unrealized gains (losses) from derivatives	(141)	(199)	(686)	174
Reclassification adjustments for gains included in net income and inventory	134	(29)	894	(243)
Total other comprehensive income (loss)	\$ (264)	\$ 1,389	\$ 2,604	\$ (7)

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## TAT TECHNOLOGIES AND ITS SUBSIDIARIES

RECONCILIATION OF GAAP TO NON-GAAP RESULTS (UNAUDITED)

(In thousands, except share and per share data)

	Three months ended December 31,		Twelve months ended	
	2017	2016	2017	2016
Reported net income (loss) on GAAP basis	\$(257	) \$1,617	\$2,396	\$62
Adjustments:				
Tax adjustments re non-GAAP adjustments (1)	-	198	-	2,685
Other expenses (Acquisition related expenses)	-	(105	) -	(105
Share in results of equity investment of affiliated company	54	4	210	55
Share based compensation	23	41	174	105
Non-GAAP net income (loss)	\$(180	) \$1,755	\$2,780	\$2,802
Non-GAAP net income (loss) per share (basic and diluted)	\$(0.02	) \$0.20	\$0.31	\$0.32
Weighted average number of shares outstanding				
Basic	8,848,028	8,828,444	8,848,028	8,828,444
Diluted	8,926,023	8,833,226	8,919,912	8,830,764

During the second quarter of 2016 the Company distributed dividend from its foreign subsidiaries earnings. As a (1) result, the company accrued deferred tax liability due to actual distribution of earnings from foreign subsidiaries of the Company and due to the possibility of future distribution of earnings from such foreign subsidiaries.

## TAT TECHNOLOGIES AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In thousands, except share data)

	TAT Technologies Ltd. Shareholders Share capital		Additional paid-in capital	Accumulated other comprehensive income (loss)	Treasury shares	Retained earnings	Total equity
	Number of shares issued	Amount					
BALANCE AT DECEMBER 31, 2014 (audited)	9,082,817	\$ 2,793	\$ 64,491	\$ -	\$(2,088 )	\$ 20,345	\$ 85,541
CHANGES DURING THE YEAR ENDED DECEMBER 31, 2015 (audited):							
Comprehensive income (loss)	-	-	-	(4 )	-	5,849	5,845
Share based compensation expenses	-	-	38	-	-	-	38
BALANCE AT DECEMBER 31, 2015 (audited)	9,082,817	2,793	64,529	(4 )	(2,088 )	26,194	91,424
CHANGES DURING THE YEAR ENDED DECEMBER 31, 2016 (audited):							
Comprehensive income (loss)	-	-	-	(69 )	-	62	(7 )
Share based compensation expenses	-	-	105	-	-	-	105
Exercise of options	20,100	4	126	-	-	-	130
Dividend distributed	-	-	-	-	-	(3,000 )	(3,000 )
BALANCE AT DECEMBER 31, 2016 (audited)	9,102,917	2,797	64,760	(73 )	(2,088 )	23,256	88,652
CHANGES DURING THE YEAR ENDED DECEMBER 31, 2017 (unaudited):							
Comprehensive income	-	-	-	208	-	2,396	2,604
Share based compensation expenses	-	-	174	-	-	-	174
Exercise of options	19,584	5	139	-	-	-	144
Dividend distributed	-	-	-	-	-	(3,000 )	(3,000 )
BALANCE AT DECEMBER 31, 2017 (unaudited):	9,122,501	\$ 2,802	\$ 65,073	\$ 135	\$(2,088 )	\$ 22,652	\$ 88,574

## TAT TECHNOLOGIES AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	Three months ended December 31,		Twelve months ended	
	2017	2016	2017	2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Net income (loss) attributable to TAT Technologies Ltd. shareholders	\$(257 )	\$ 1,617	\$2,396	\$ 62
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	1,005	976	3,941	3,636
Loss on sale of property, plant and equipment	26	30	54	12
Interest from short-term bank deposits and restricted deposits	(6 )	(13 )	(6 )	(24 )
Loss (gain) from change in fair value of derivatives	(387 )	18	(490 )	(152 )
Provision for doubtful accounts	283	(82 )	321	(29 )
Share in results of equity investment of affiliated Company	54	4	210	55
Share based compensation	23	41	174	105
Liability in respect of employee rights upon retirement	(119 )	63	241	123
Deferred income taxes, net	325	(143 )	382	1,670
Changes in operating assets and liabilities:				
Decrease (increase) in trade accounts receivable	(23 )	1,149	(4,493 )	(2,392 )
Decrease in other current assets and prepaid expenses	1,626	1,456	488	1,487
Decrease (increase) in inventory	(1,109 )	(1,340 )	210	(2,707 )
Increase (decrease) in trade accounts payable	(857 )	(187 )	578	1,192
Increase (decrease) in accrued expenses	(421 )	1,163	(1,505 )	2,521
Increase (decrease) in other long-term liabilities	(17 )	85	(5 )	(38 )
Net cash provided by operating activities	\$146	\$ 4,837	\$2,496	\$ 5,521
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Investment in affiliated company	-	(516 )	(383 )	(905 )
Funds in respect of employee rights upon retirement	(59 )	(73 )	(156 )	2
Proceeds from sale of property and equipment	-	(1 )	-	17
Purchase of property and equipment	(888 )	(1,041 )	(3,520 )	(5,702 )
Maturities of short-term deposits	-	-	500	7,182
Cash flows provided by (used in) investing activities	\$(947 )	\$(1,631 )	\$(3,559 )	\$ 594
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
Realization of contingency	-	-	-	(500 )
Payment of cash dividend	-	-	(3,000 )	(3,000 )
Exercise of options	-	-	144	130
Cash flows used in financing activities	\$-	\$-	\$(2,856 )	\$(3,370 )
Net increase (decrease) in cash and cash equivalents	(801 )	3,206	(3,919 )	2,745

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Cash and cash equivalents at beginning of period	18,315	18,227	21,433	18,688
Cash and cash equivalents at end of period	\$17,514	\$ 21,433	\$17,514	\$21,433

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## TAT TECHNOLOGIES AND ITS SUBSIDIARIES

RECONCILIATION OF NET INCOME TO ADJUSTED EBITDA (NON-GAAP) (UNAUDITED)

(In thousands)

	Three months ended December 31,		Twelve months ended	
	2017	2016	2017	2016
Net income (loss)	\$(257 )	\$1,617	\$2,396	\$62
Adjustments:				
Share in results of equity investment of affiliated companies	54	4	210	55
Taxes on income	677	420	2,333	3,865
Financial expenses, net	87	62	338	154
Depreciation and amortization	1,005	976	3,941	3,636
Share based compensation	23	41	174	105
Adjusted EBITDA	\$1,589	\$3,120	\$9,392	\$7,877

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SIGNATURE

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.

TAT TECHNOLOGIES  
LTD.

(Registrant)

By: /s/ Guy Nathanzon  
Guy Nathanzon  
Chief Financial Officer

Date: March 27, 2018