

TAT TECHNOLOGIES LTD
Form 6-K
February 24, 2016

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

F O R M 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 February 2016

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-

TAT Technologies Ltd.

6-K Items

1. Press Release dated February 24, 2016 re TAT Technologies Ltd. Reports 2015 Results.

ITEM 1

Press Release

Source: TAT Technologies Limited

TAT Technologies Reports 2015 Results

GEDERA, Israel, Wednesday, February 24, 2016 - TAT Technologies Ltd. (NASDAQ: TATT - News) (the "Company"), a leading provider of services and products to the commercial and military aerospace and ground defense industries, reported today its unaudited results for the year ended December 31, 2015.

Financial Highlights for the fourth quarter of 2015 (unaudited):

- Total Revenue: \$21.7 million compared to \$21.4 million in the fourth quarter of 2014.
- Operating income: \$2.9 million compared to \$2.2 million in the fourth quarter of 2014.
- Net income: \$3 million compared to \$1.2 million in the fourth quarter of 2014.
- Earnings per share basic and diluted: \$0.34 per share compared to \$0.13 per share in the fourth quarter of 2014.

Financial Highlights for 2015 (unaudited):

- Total Revenue: \$85.6 million compared to \$80.7 million in 2014.
- Operating income: \$5.6 million compared to \$3.8 million in 2014.
- Net income: \$5.8 million compared to \$1.4 million in 2014.
- Earnings per share basic and diluted: \$0.66 per share compared to \$0.16 per share in 2014.
- Cash and cash equivalents and short-term bank deposits: During 2015, the cash balance decreased in \$ 1.2 million, from \$28 million as of December 31, 2014 to \$26.8 million as of December 31, 2015. Net cash provided by operating activities during the period was \$0.7 million.
- Chromalloy Israel Ltd. acquisition: On Oct 19, 2015, the Company announced that it has completed the acquisition of Chromalloy Israel Ltd. The Company has included Chromalloy Israel's financial results in its consolidated financial statements as of the date of closing.
The transaction resulted in \$ 4.8 million gain on bargain purchase.

Following the completion of the transaction, Chromalloy Israel has changed its name to Turbochrome Ltd. \$1.9 million of the Company's revenue for the fourth quarter of 2015 is due to consolidation of Turbochrome's financial results for the first time following its acquisition by the Company.

- Long-Term Projects: During a periodic assessment of its long-term projects, the Company updated its estimates of profits expected to be earned from several long-term contracts. This assessment resulted in a decrease in revenues for the year ended December 31, 2015 in an amount of \$2.1 million and a decrease of \$1.4 million in net income for the same period.
- New JV in Russia: The Company has recently announced that it has signed an agreement with Engineering Holding of Moscow, Russia, to establish a new maintenance facility for heat exchangers. The new company, TAT-Engineering LLC, will be based in Novosibirsk's Tolmachevo airport.

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 or "OEM" of Heat Management Solutions (ii) Heat Transfer Services and Products (iii) Maintenance, Repair and Overhaul or "MRO" services of Aviation Components and (iv) overhaul and coating of certain jet engine components.

TAT's activities in the area of OEM of Heat Management Solutions primarily include the design, development, manufacture and sale of (i) a broad range of heat transfer components (such as heat exchangers, pre-coolers and oil/fuel hydraulic coolers) used in mechanical and electronic systems on-board commercial, military and business aircraft; (ii) environmental control and cooling systems on board aircraft and for ground applications; and (iii) a variety of other electronic and mechanical aircraft accessories and systems such as pumps, valves, power systems and turbines.

TAT's activities in the area of Heat Transfer Services and Products include the maintenance, repair and overhaul of heat transfer equipment and in a lesser extent, the manufacturing of certain heat transfer products. TAT's Limco subsidiary operates FAA certified repair station, which provides heat transfer MRO services and products 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 maintenance, repair and overhaul of APUs, Landing Gear 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 jet engine overhaul includes the overhaul and coating of jet engine components, including turbine vanes and blades, fan blades, variable inlet guide vanes, afterburner flaps and other components.

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

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TAT Technologies Ltd.
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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, 2015 (unaudited) | December 31, 2014 (Revised) |
|--|--|--------------------------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash and cash equivalents | \$18,688 | \$22,894 |
| Short-term bank deposits | 8,122 | 5,089 |
| Accounts receivable-trade (net of allowance for doubtful accounts of \$331 as of December 31, 2015 and \$125 as of December 31, 2014) | 19,151 | 15,657 |
| Other accounts receivable and prepaid expenses | 3,025 | 2,604 |
| Inventories, net | 36,664 | 35,477 |
| Total current assets | 85,650 | 81,721 |
| Long-term assets: | | |
| Investment in an affiliated company | - | 2,556 |
| Investment in investee company | 169 | - |
| Funds in respect of employee rights upon retirement | 2,626 | 2,496 |
| Long-term deferred tax | 890 | 879 |
| Property, plant and equipment, net | 18,934 | 11,524 |
| Intangible assets, net | 1,314 | - |
| Total Long-term assets | 23,933 | 17,455 |
| Total assets | \$109,583 | \$99,176 |
| LIABILITIES AND EQUITY | | |
| Current Liabilities: | | |
| Accounts payables trade | 7,022 | 5,886 |
| Other accounts payable and accrued expenses | 7,815 | 5,060 |
| Total current liabilities | 14,837 | 10,946 |
| Long-term liabilities: | | |
| Other accounts payable | 189 | 34 |
| Liability in respect of employee rights upon retirement | 2,871 | 2,655 |
| Long-term deferred tax liability | 262 | - |
| Total long-term liabilities | 3,322 | 2,689 |
| Total liabilities | 18,159 | 13,635 |
| EQUITY: | | |
| Share capital | 2,793 | 2,793 |

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| | | |
|--------------------------------------|-----------|----------|
| Additional paid-in capital | 64,529 | 64,491 |
| Treasury stock at cost | (2,088) | (2,088) |
| Accumulated other comprehensive loss | (4) | - |
| Retained earnings | 26,194 | 20,345 |
| Total equity | 91,424 | 85,541 |
| Total liabilities and equity | \$109,583 | \$99,176 |

TAT TECHNOLOGIES AND ITS SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except share data)

| | Three months ended | | Twelve months ended | |
|--|--------------------|-------------|---------------------|-------------|
| | December 31, | | | |
| | 2015 | 2014 | 2015 | 2014 |
| | (unaudited) | (unaudited) | (unaudited) | (unaudited) |
| | | (Revised) | | (Revised) |
| Revenues: | | | | |
| Products | \$8,359 | \$8,348 | \$31,339 | \$31,363 |
| Services | 13,344 | 13,037 | 54,268 | 49,363 |
| | 21,703 | 21,385 | 85,607 | 80,726 |
| Cost of goods: | | | | |
| Products | 5,875 | 5,891 | 24,466 | 23,616 |
| Services | 13,530 | 10,329 | 47,476 | 40,906 |
| | 19,405 | 16,220 | 71,942 | 64,522 |
| Gross Profit | 2,298 | 5,165 | 13,665 | 16,204 |
| Operating expenses: | | | | |
| Research and development, net | 320 | 185 | 890 | 1,070 |
| Selling and marketing | 773 | 788 | 2,903 | 3,203 |
| General and administrative | 2,488 | 2,024 | 8,469 | 8,123 |
| Other expenses (income) | 631 | - | 631 | (11) |
| Gain on bargain purchase | (4,833) | - | (4,833) | - |
| | (621) | 2,997 | 8,060 | 12,385 |
| Operating income | 2,919 | 2,168 | 5,605 | 3,819 |
| Financial expenses, net | (117) | (511) | (349) | (1,294) |
| Income before taxes on income | 2,802 | 1,657 | 5,256 | 2,525 |
| Taxes on income | (455) | 550 | 644 | 1,360 |
| Net income after taxes on income | 3,257 | 1,107 | 4,612 | 1,165 |
| Share in results and sale of equity investment of affiliated company | (254) | 45 | 1,237 | 267 |
| Net income | \$3,003 | \$1,152 | \$5,849 | \$1,432 |
| Basic and diluted income per share | | | | |
| Net income per share | \$0.34 | \$0.13 | \$0.66 | \$0.16 |
| Weighted average number of shares outstanding | | | | |
| Basic | 8,808,344 | 8,808,344 | 8,808,344 | 8,808,344 |
| Diluted | 8,813,533 | 8,811,824 | 8,810,689 | 8,826,542 |

TAT TECHNOLOGIES AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)

| | Three months ended | | Twelve months ended | |
|--|--------------------|-------------|---------------------|-----------|
| | 2015 | 2014 | 2015 | 2014 |
| | (unaudited) | (unaudited) | (unaudited) | (Revised) |
| | | (Revised) | | |
| Net income | \$3,003 | \$1,152 | \$5,849 | \$1,432 |
| Other comprehensive income | | | | |
| Foreign currency translation adjustments | - | - | - | 429 |
| Net unrealized losses from derivatives | (4) | - | (4) | - |
| Total other comprehensive income | \$2,999 | \$1,152 | \$5,845 | \$1,861 |

TAT TECHNOLOGIES AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In thousands, except share data)

| | TAT Technologies Ltd. Shareholders | | | | | | | |
|--|------------------------------------|----------------------------|---------------------------------|-----------|------------|-----------------|-------------------|--------------------------|
| | Share capital | | Accumulated other comprehensive | | | Treasury shares | Retained earnings | Non-controlling interest |
| Number of shares issued | Amount | Additional paid-in capital | income (loss) | | | | | |
| BALANCE AT DECEMBER 31, 2012 (audited) | 9,073,043 | \$ 2,790 | \$ 64,410 | \$ (897) | \$ (2,088) | \$ 18,111 | \$ 2,803 | \$ 85,129 |
| CHANGES DURING THE YEAR ENDED DECEMBER 31, 2013 (audited): | | | | | | | | |
| Comprehensive income (loss) | - | - | - | 468 | - | 2,802 | (842) | 2,428 |
| Share based compensation expenses | - | - | 3 | - | - | - | - | 3 |
| Exercise of options | 6,666 | 2 | 41 | - | - | - | - | 43 |
| BALANCE AT DECEMBER 31, 2013 (audited) | 9,079,709 | \$ 2,792 | \$ 64,454 | \$ (429) | \$ (2,088) | \$ 20,913 | \$ 1,961 | \$ 87,603 |
| CHANGES DURING THE YEAR ENDED DECEMBER 31, 2014 (audited): | | | | | | | | |
| Comprehensive income | - | - | - | 429 | - | 1,432 | - | 1,861 |
| Share based compensation expenses | - | - | 38 | - | - | - | - | 38 |
| Exercise of option | 3,108 | 1 | (1) | - | - | - | - | - |
| Dividend distributed | - | - | - | - | - | (2,000) | - | (2,000) |
| Sale of subsidiary | - | - | - | - | - | - | (1,961) | (1,961) |
| 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 (unaudited): | | | | | | | | |

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| | | | | | | | | |
|--|-----------|----------|-----------|---------|------------|-----------|------|-----------|
| Comprehensive income (loss) | - | - | - | (4) | - | 5,849 | - | 5,845 |
| Share based compensation expenses | - | - | 38 | - | - | - | - | 38 |
| BALANCE AT DECEMBER 31, 2015 (unaudited) | 9,082,817 | \$ 2,793 | \$ 64,529 | \$ (4) | \$ (2,088) | \$ 26,194 | \$ - | \$ 91,424 |

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TAT TECHNOLOGIES AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

| | Three months ended | | Twelve months ended | |
|---|--------------------|-------------|---------------------|-----------|
| | 2015 | 2014 | 2015 | 2014 |
| | (unaudited) | (unaudited) | (unaudited) | (Revised) |
| | | (Revised) | | |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | |
| Net income | \$3,003 | \$1,152 | \$5,849 | \$1,432 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | | |
| Depreciation | 891 | 526 | 2,781 | 2,069 |
| Exchange differentials of loans | - | - | - | (1) |
| Gain on sale of property and equipment | - | 17 | - | 10 |
| Interest from short-term bank deposits and restricted deposits | (13) | (59) | (33) | (128) |
| Loss from change in fair value of derivatives | 10 | - | 10 | - |
| Provision for doubtful accounts | 62 | - | 206 | - |
| Share in results and sale of equity investment of affiliated company | 254 | (45) | (1,237) | (267) |
| Share based compensation expenses | 12 | 10 | 38 | 38 |
| Gain on bargain purchase | (4,833) | - | (4,833) | - |
| Liability in respect of employee rights upon retirement | (25) | (373) | 28 | (485) |
| Deferred income taxes, net | (693) | 1,496 | (21) | 1,229 |
| Changes in operating assets and liabilities: | | | | |
| Amounts due to related parties, net | - | - | - | 5 |
| Decrease (increase) in trade accounts receivable | 1,528 | (1,352) | (2,375) | 2,730 |
| Decrease (increase) in other accounts receivable, prepaid expenses and other | 191 | 1,505 | (85) | (833) |
| Increase in inventories, net | (153) | (4,605) | (571) | (6,009) |
| Increase (decrease) in trade accounts payable | 1,237 | 1,606 | 436 | (509) |
| Increase (decrease) in other accounts payable and accrued expenses | (527) | (1,972) | 525 | (715) |
| Increase (decrease) in other long-term liabilities | (10) | (6) | 15 | (24) |
| Net cash provided by (used in) operating activities | \$934 | \$(2,100) | \$733 | \$(1,458) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | |
| Proceeds from sale of subsidiary (A) | - | - | - | 2,176 |
| Acquisitions of subsidiary, net of cash acquired (B) | (1,796) | - | (1,796) | - |
| Proceeds from sale of equity investment of affiliated company | - | - | 3,624 | - |
| Funds in respect of employee rights upon retirement | 69 | 272 | 8 | 352 |
| Proceeds from sale of property and equipment | - | 12 | 9 | 19 |
| Purchase of property and equipment | (871) | (787) | (3,315) | (3,021) |

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| | | | | |
|--|------------|----------|------------|------------|
| Investments in short-term deposits | (3,000) | - | (3,000) | - |
| Maturities of short-term deposits | - | 5,098 | - | 5,098 |
| Cash flows provided by (used in) investing activities | \$(5,598) | \$4,595 | \$(4,470) | \$4,624 |
| Cash flows used in financing activities | \$(469) | \$- | \$(469) | \$(2,909) |
| Net increase (decrease) in cash and cash equivalents | (5,133) | 2,495 | (4,206) | 257 |
| Cash and cash equivalents at beginning of period | 23,821 | 20,399 | 22,894 | 22,637 |
| Cash and cash equivalents at end of period | \$18,688 | \$22,894 | \$18,688 | \$22,894 |
| (A) Proceeds from sale of subsidiary | | | | |
| Assets held for sale (excluding cash in the amount of \$2,823) | - | - | - | 7,136 |
| Liabilities held for sale | - | - | - | (3,428) |
| Non-controlling interest | - | - | - | (1,532) |
| | \$- | \$- | \$- | \$2,176 |
| (B) Acquisitions of subsidiary | | | | |
| Assets (excluding cash in the amount of \$1,164) | (10,876) | - | (10,876) | - |
| Liabilities | 4,247 | - | 4,247 | - |
| Gain on bargain purchase | 4,833 | - | 4,833 | - |
| | \$(1,796) | \$- | \$(1,796) | \$- |

Additional comments:

1. During November 2015, the FASB issued ASU 2015-17, Balance Sheet Classification of Deferred Taxes, which simplifies the presentation of deferred income taxes. ASU 2015-17 provides presentation requirements to classify deferred tax assets and liabilities as noncurrent in a classified statement of financial position. The standard is effective for fiscal years beginning after December 15, 2016, including interim periods within that reporting period. Early adoption is permitted for any interim and annual financial statements that have not yet been issued. We early adopted ASU 2015-17 effective October 31, 2015, retrospectively. Adoption resulted in a \$1.7 million decrease in other accounts receivable and prepaid expenses, a \$0.6 million decrease in other accounts payable and accrued expenses, a \$0.7 million decrease in Long-term deferred tax assets, net, and a \$1.8 million decrease in Long-term deferred tax liability, net in our Consolidated Balance Sheets at December 31, 2014. Adoption had no impact on our results of operations and cash flow.
2. During the three months period ended December 31, 2015 the company adjusted the gain from the sale of equity investment of affiliated company reported in the three months period ended March 31, 2015.
3. During Q3 2015, the Company identified an error related to the classification of US employees' social benefits expenses. Previously, the Company classified these expenses in 'general and administrative expenses' instead of classifying a part of them in 'Cost of goods' (product and services) for employees allocated to this line item. This change in classification also impacted the capitalization of inventory balances. There was no material impact on the statement of cash flows.

The error only impacts one segment of the Company, Heat Transfer Services and Products. The Company will revise previously reported segment information in its Annual Report on Form 20-F for the year ended December 31, 2015.

The Company assessed the materiality of this error in accordance with the SEC's Staff Accounting Bulletin 99 and Accounting Standards Codification Topic 250, Accounting Changes and Error Corrections, and concluded that the previously issued financial statements were not materially misstated. In accordance with the SEC's Staff Accounting Bulletin, the Company will correct these errors by revising the affected financial statements in the Company's 2015 Annual Report on Form 20-F.

Following is the effect of the revision on the Company's previously reported results:

Statements of income per share:

For the three and twelve months periods ended December 31, 2014:

| | Three months ended December 31, 2014 | | | twelve months ended December 31, 2014 | | |
|----------------------------|---|------------|------------|--|------------|------------|
| | As reported previously | Adjustment | As revised | As reported previously | Adjustment | As revised |
| Cost of goods: | | | | | | |
| Products | 5,829 | 62 | 5,891 | 23,340 | 276 | 23,616 |
| Services | 10,172 | 157 | 10,329 | 40,286 | 620 | 40,906 |
| Gross profit | 5,384 | (219) | 5,165 | 17,100 | (896) | 16,204 |
| General and administrative | 2,248 | (224) | 2,024 | 9,019 | (896) | 8,123 |
| Operating income | 2,163 | 5 | 2,168 | 3,819 | * | 3,819 |
| Net (loss) income | 1,147 | 5 | 1,152 | 1,432 | * | 1,432 |
| Net income per share | 0.13 | * | 0.13 | 0.16 | * | 0.16 |

*Represents an amount less than \$1.

Balance sheets and shareholders' capital

As of December 31, 2014:

| | As reported | | |
|----------------------|-------------|------------|------------|
| | Previously | Adjustment | As revised |
| Inventories, net | 35,404 | 73 | 35,477 |
| Total current assets | 83,342 | 73 | 83,415 |
| Total assets | 101,468 | 73 | 101,541 |
| Retained earnings | 20,272 | 73 | 20,345 |
| Total equity | 85,468 | 73 | 85,541 |

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: February 24, 2016

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