

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 15, 2018

MICRONET ENERTEC TECHNOLOGIES, INC.
(Exact name of registrant as specified in its charter)

DELAWARE

(State or other jurisdiction
of incorporation)

001-35850

(Commission
File Number)

27-0016420

(IRS Employer
Identification No.)

28 West Grand Avenue, Suite 3, Montvale, New Jersey

(Address of principal executive offices)

07645

(Zip Code)

(201) 225-0190

(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions(see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On May 15, 2018, Micronet Enertec Technologies, Inc. (the “Company”) issued a press release announcing its financial results for the quarter ended March 31, 2018, and other financial information. On the same day, the Company posted to its website a presentation containing its financial results for the quarter ended March 31, 2018. Copies of the press release and the presentation are furnished with this report as Exhibits 99.1 and 99.2, respectively.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No. Description

99.1	Press Release dated May 15, 2018
99.2	Presentation dated May 15, 2018

SIGNATURES

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 hereunto duly authorized.

MICRONET ENERTEC TECHNOLOGIES, INC.

Dated: May 15, 2018

By: /s/ David Lucatz

Name: David Lucatz

Title: President and Chief Executive Officer

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release dated May 15, 2018
99.2	Presentation dated May 15, 2018

Micronet Enertec Reports Financial Results for the 1st Quarter of 2018

- A 121% year-over-year growth in revenues of MRM business from approximately \$2.7 million to approximately \$6 million
- A significant Growth of gross margin from 14% to 29%
- Consolidated backlog of over \$14 million
- Conference call scheduled for today, May 15 at 9:00 a.m. EDT

Montvale, NJ – May 15, 2018 - Micronet Enertec Technologies, Inc. (NASDAQCM: MICT), a developer and manufacturer of rugged computers, tablets and computer-based systems for the commercial Mobile Resource Management (MRM) market and for the aerospace and defense markets, today announced financial results for the three months ended March 31, 2018.

“We are pleased to announce continuing improvement in the Company’s revenues and gross margins, with first quarter revenues from our MRM division growing from \$2.7 million in 2017 to \$6 million in 2018 and gross margin improving to 29%. In addition, at the end of the first quarter, we had consolidated backlog of \$14.5 million,” stated David Lucatz, Chief Executive Officer of Micronet Enertec Technologies.

“We are also seeing steady and strong backlog and pipeline growth in our Aerospace and Defense business in which our backlog as of the end of the quarter was approximately \$9.7 million. Enertec showed improvement in its results and transitioned from a loss to a positive operating profit in the first quarter of 2018.”

As previously announced, the Company has entered into a definitive agreement to sell its aerospace and defense subsidiary, Enertec Systems 2001 Ltd., though a closing has not yet occurred. The parties are working towards completing the closing conditions related to the bank’s approval for the change of control. As a result of this transaction, and according to GAAP, Micronet Enertec Technologies’ statements of income, balance sheets, cash flow statements, and the corresponding consolidated results only include the Company’s MRM activity while its aerospace and defense numbers are presented in the statement of income under “discontinued operation” and in the balance sheet statement under “held for sales assets and liabilities”.

Q1 2018 Financial Highlights

- Total revenue increased 121% to \$6 million for the first quarter of 2018, as compared to \$2.7 million in the first quarter of 2017.
- Gross profit increased by 360% to \$1.72 million in the first quarter of 2018 from \$374,000 in the first quarter of 2017.
- Gross profit margin increased to 29% in the first quarter of 2018 as compared to 14% in the first quarter of 2017.
- Research and development (R&D) expense for the first quarter of 2018 was \$527,000, or 9% of sales, compared to \$397,000, or 15% of sales, in the first quarter of 2017.
- Selling, general and administrative (SG&A) expense was \$1.6 million, or 28% of sales, in the first quarter of 2018, as compared to \$1.5 million, or 56% of sales, in the first quarter of 2017.
- Net loss from continued operation for the first quarter of 2018 was \$1.1 million, or a net loss of \$0.11 per basic and diluted share, as compared to a net loss from continued operation of \$1.7 million, or net loss of \$0.16 per basic and diluted share, for the first quarter of 2017.

- Non-GAAP net loss for the first quarter of 2018 was \$725,000, as compared to a non-GAAP net loss of \$853,000, in the first quarter of 2017.
- At March 31, 2018, the Company reported cash and marketable securities totaling \$3.6 million, net working capital of \$5.3 million, and \$5.7 million in shareholder's equity.

A reconciliation of GAAP to non-GAAP net loss and loss per share is provided in the table at the end of this press release.

Conference Call

Micronet Enertec will host a conference call today at 9:00 a.m. EDT to discuss the Company's financial results for the first quarter ended March 31, 2018. U.S. callers may dial: 1-866-860-9642. Callers from outside of the U.S. may access the call by dialing 972-3-918-0650. Please dial a few minutes before 9:00 am Eastern Time.

A slide presentation accompanying management's remarks can be accessed at www.micronet-enertec.com.

Participants may also access a live webcast of the conference call through the Investor Relations section of Micronet Enertec's website at:

<http://www.veidan-stream.com/micronetq1-2018.html>

A telephone replay of the call will be available for two weeks at: 1-866-276-1485, outside of the U.S.: 972-3-925-5941.

About Micronet Enertec Technologies, Inc.

Micronet Enertec Technologies, Inc. (NASDAQCM: MICT) operates through two primary companies, Enertec Systems 2001 Ltd, its wholly-owned subsidiary, and Micronet Ltd, in which it has a controlling interest. Micronet operates in the growing commercial MRM market, mainly in the United States. Micronet designs, develops, manufactures and sells rugged mobile computing devices that provide fleet operators and field workforces with computing solutions in challenging work environments. Enertec operates in the Defense and Aerospace markets and designs, develops, manufactures and supplies various customized military computer-based systems for missile defense systems, command and control and others. The Company's products, solutions and services are designed to perform in severe environments and battlefield conditions. For more information please visit: www.micronet-enertec.com, the content of which is not incorporated by reference into this press release.

Forward-looking Statement

This press release contains express or implied forward-looking statements within the Private Securities Litigation Reform Act of 1995 and other U.S. Federal securities laws. These forward-looking statements include, but are not limited to, those statements regarding our expectation regarding the sale of our of aerospace and defense business, Enertec and statements regarding our backlog and pipeline. The forward-looking statements contained in this press release are subject to other risks and uncertainties, including those discussed in the "Risk Factors" section and elsewhere in the Company's Annual Report on Form 10-K for the year ended December 31, 2017 filed with the Securities and Exchange Commission and in subsequent filings with the Securities and Exchange Commission. Except as otherwise required by law, the Company is under no obligation to (and expressly disclaims any such obligation to) update or alter its forward-looking statements whether as a result of new information, future events or otherwise.

Contact information:

Tel: (201) 225-0190

info@micronet-enertec.com

Tables To Follow

MICRONET ENERTEC TECHNOLOGIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(USD In Thousands, Except Share and Par Value Data)

	<u>March 31,</u> 2018	<u>December 31,</u> 2017
	Unaudited	Audited
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,379	\$ 2,114
Restricted cash	237	284
Trade accounts receivable, net	4,808	5,183
Inventories	5,099	4,979
Other accounts receivable	885	1,092
Held for sale assets	11,730	11,656
Total current assets	<u>26,138</u>	<u>25,308</u>
Property and equipment, net	883	910
Intangible assets and others, net	1,282	1,494
Deferred tax assets	535	542
Long term deposit	37	12
Goodwill	1,466	1,466
Total long term assets	<u>4,203</u>	<u>4,424</u>
Total assets	<u>\$ 30,341</u>	<u>\$ 29,732</u>

MICRONET ENERTEC TECHNOLOGIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(USD In Thousands, Except Share and Par Value Data)

	March 31, 2018	December 31, 2017
	Unaudited	Audited
LIABILITIES AND EQUITY		
Short term bank credit and current portion of long term bank loans	\$ 2,688	\$ 1,582
Short term credit from others and current portion of long term loans from others	1,268	2,207
Trade accounts payable	3,347	3,973
Other accounts payable	2,193	3,146
Held for sale liabilities	11,319	11,338
Total current liabilities	20,815	22,246
Long term loans from others	3,704	1,379
Accrued severance pay, net	130	133
Total long term liabilities	3,834	1,512
Stockholders' Equity:		
Preferred stock; \$.001 par value, 5,000,000 shares authorized, none issued and outstanding		
Common stock; \$.001 par value, 25,000,000 shares authorized, 9,144,465 and 8,645,650 shares issued and outstanding as of March 31, 2018 and December 31, 2017, respectively.		
	9	8
Additional paid in capital	11,364	10,881
Accumulated other comprehensive income (loss)	154	(363)
Accumulated loss	(10,998)	(10,147)
Micronet Enertec stockholders' equity	529	379
Non-controlling interests	5,163	5,595
Total equity	5,692	5,974
Total liabilities and equity	\$ 30,341	\$ 29,732

MICRONET ENERTEC TECHNOLOGIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(USD In Thousands, Except Share and Earnings Per Share Data)
(Unaudited)

	Three months ended	
	March 31,	
	2018	2017
Revenues	\$ 5,980	\$ 2,701
Cost of revenues	4,258	2,327
Gross profit	<u>1,722</u>	<u>374</u>
Operating expenses:		
Research and development	527	397
Selling and marketing	454	392
General and administrative	1,212	1,119
Amortization of intangible assets	222	235
Total operating expenses	<u>2,415</u>	<u>2,143</u>
Loss from operations	(693)	(1,769)
Financial (expenses) income, net	(392)	60
Loss before provision for income taxes	<u>(1,085)</u>	<u>(1,709)</u>
Taxes on income (benefit)	-	(2)
Net loss from continued operation	(1,085)	(1,707)
Net profit (loss) from discontinued operation	111	(595)
Total Net Loss	<u>(974)</u>	<u>(2,302)</u>
Net loss attributable to non-controlling interests	<u>(124)</u>	<u>(690)</u>
Net loss attributable to Micronet Enertec Technologies, Inc.	<u>(850)</u>	<u>(1,612)</u>
Basic and diluted loss per share from continued operation	(0.11)	(0.16)
Basic and diluted earnings (loss) per share from discontinued operation	<u>\$ 0.01</u>	<u>\$ (0.09)</u>
Weighted average common shares outstanding:		
Basic	<u>8,867,830</u>	<u>6,430,762</u>

Non-GAAP Financial Measures

In addition to providing financial measurements based on generally accepted accounting principles in the United States, or GAAP, we provide additional financial metrics that are not prepared in accordance with GAAP, or non-GAAP financial measures. Management uses non-GAAP financial measures, in addition to GAAP financial measures, to understand and compare operating results across accounting periods, for financial and operational decision making, for planning and forecasting purposes and to evaluate our financial performance.

Management believes that these non-GAAP financial measures reflect our ongoing business in a manner that allows for meaningful comparisons and analysis of trends in our business, as they exclude expenses and gains that are not reflective of our ongoing operating results. Management also believes that these non-GAAP financial measures provide useful information to investors in understanding and evaluating our operating results and future prospects in the same manner as management and in comparing financial results across accounting periods and to those of peer companies.

The non-GAAP financial measures do not replace the presentation of our GAAP financial results and should only be used as a supplement to, not as a substitute for, our financial results presented in accordance with GAAP.

The non-GAAP adjustments, and the basis for excluding them from non-GAAP financial measures, are outlined below:

- **Amortization of acquired intangible assets** - We are required to amortize the intangible assets, included in our GAAP financial statements, related to the through the acquisition of Beijer Electronics, Inc. in 2014. The amount of an acquisition's purchase price allocated to intangible assets and term of its related amortization are unique to this transaction. The amortization of acquired intangible assets are non-cash charges. We believe that such changes do not reflect our operational performance. Therefore, we exclude amortization of acquired intangible assets to provide investors with a consistent basis for comparing pre- and post-transaction operating results.
- **Amortization of note discount** - These expenses are non-cash and are related to amortization of discount of the note purchase agreements with YA II PN, or YA II. Such expenses do not reflect our on-going operations.
- **Stock-based compensation** – Stock based compensation consists of share based awards granted to certain individuals. They are non-cash and affected by our historical stock prices which are irrelevant to forward-looking analyses and are not necessarily linked to our operational performance.

The following table reconciles, for the periods presented, GAAP net loss attributable to Micronet Enertec to non-GAAP net loss attributable to Micronet Enertec and GAAP loss per diluted share attributable to Micronet Enertec to non-GAAP net gain (loss) per diluted share attributable to Micronet Enertec:

	Three months ended	
	March 31,	
	(Dollars in Thousands, other than share and per share amounts)	
	2018	2017
GAAP net loss from continued operation attributable to Micronet Enertec	\$ (961)	\$ (1,017)
Amortization of acquired intangible assets	111	132
Stock-based compensation and shares issued to service providers	88	33
Amortization of note discount	37	-
Income tax-effect of above non-GAAP adjustments	-	(1)
Total Non-GAAP net loss from continued operation	<u>\$ (725)</u>	<u>\$ (853)</u>



Always in Front

First Quarter 2018 Financial Results
Conference Call



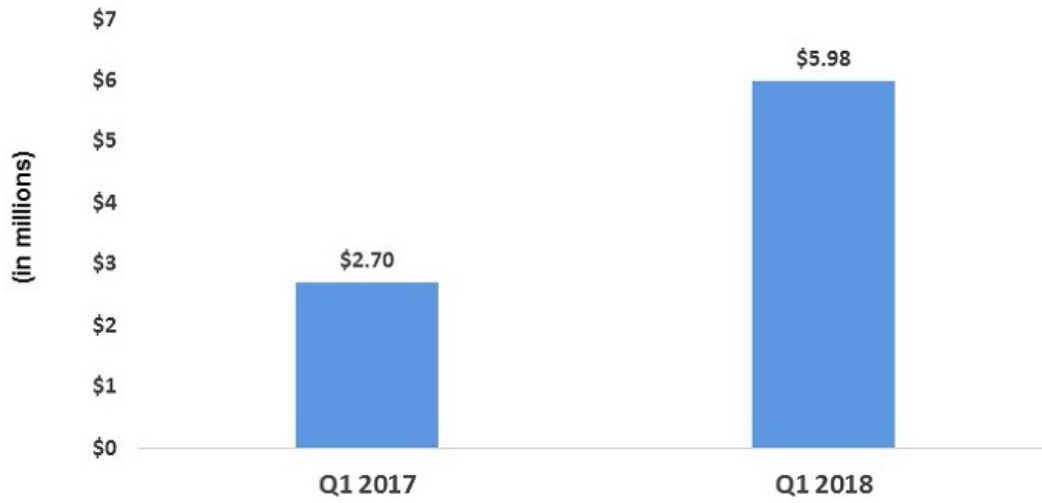
This presentation contains express or implied forward-looking statements within the Private Securities Litigation Reform Act of 1995 and other U.S. federal securities laws. These forward-looking statements include, but are not limited to those statements regarding the expected sale of our aerospace and defense business, Enertec, that we believe the sale of Enertec will fortify our balance sheet and enable us to expand our MRM offerings, that we see demand continuing to grow for Micronet's products as the Electronic Logging Device, or ELD, mandate nears, our plans for new MRM products, including Software as a Services, or SaaS, products that as Micronet delivers on higher volume we will continue to see top line improvement, our expectation that Micronet will see continued demand for its products in the second quarter of 2018, our strategy to increase market share in Europe our expectations regarding fulfillment of backlog, pipeline and future growth, that we believe that Enertec's defense business is in a strong position in the marketplace and has the potential for growth, our belief that the combination of our existing backlog and potential new orders should improve our topline and gross margin numbers, that we are broadening our portfolio of products to address additional target market segments in the MRM market to drive our expansion and other trend information. Such forward-looking statements and their implications involve known and unknown risks, uncertainties and other factors that may cause actual results or performance to differ materially from those projected. The forward-looking statements contained in this presentation are subject to other risks and uncertainties including those discussed in the risk factor section and elsewhere in the company's annual report on Form 10-K for the year ended December 31, 2017 and in subsequent filings with the Securities and Exchange Commission.

- Micronet Enertec experienced substantial growth in revenues and gross margins by shipping against its existing backlog to current and new customers
- Q1 2018 revenues increased by 121% to \$5.98 million over Q1 2017 revenues of \$2.70 million
- Gross margin increased to 29% in Q1 2018 from 14% Q1 2017
- MRM backlog was \$4.7 million as of March 31, 2018
- Demand expected to continue to grow as electronic logging device (ELD) mandate requirement deadline nears and additional new MRM products are introduced by Micronet

- \$4.7 million backlog from existing customers with growing amount of customers evaluating products in the field
- Q1 2018 revenues resulting from fulfillment of prior orders which resulted in improvement in revenues and in gross margin
- New orders stream resumed in April. Expecting continued demand in the coming months
- Accelerated MDM (Business development Mobile device Management) monetization, our SAAS offering generating over ~\$300,000/Year
- Building foundation to address Value Added Reseller (VAR) and distribution channels
 - Launching marketing efforts in Europe with Big TSP's (Telematics Service Provider)
 - Market Place – Ongoing integrations, recruitments, partner meetings
 - Strategic partnership initiatives including exploring Video Apps Integrations

- Enertec revenues for the Q1 2018 were approximately the same as Q1 2017, at \$2.6 million.
- Gross margin improved to 25% in Q1 2018 as compared to 12% in Q1 2017.
- Enertec announced it received a purchase order of approximately \$1.6 million with a Fortune 50 medical device company, in a follow-on order for fully automated testing systems for medical calibration devices treating heart rhythm disorders
- A stable backlog of ~ \$ 9.7 million as of March 31, 2018.
- A transition from two-year projects to one and one and a half year projects.
- Increase in medical sales should contribute higher profitability in 2018.
- Command & Control shelters (C&C): strong future potential following good performance in the C&C 2017 deliveries.
- Defense: Strong position in the market place.
- Medical: Significant potential.

Revenues for Q1 2017 vs. Q1 2018



	Three months ended	
	March 31,	
	2018	2017
Revenues	\$ 5,980	\$ 2,701
Cost of revenues	4,258	2,327
Gross profit	1,722	374
Operating expenses:		
Research and development	527	397
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Net loss from continued operation	(1,085)	(1,707)
Net loss from discontinued operation	111	(595)
Total Net Loss	(974)	(2,302)
Net loss attributable to non-controlling interests	(124)	(690)
Net loss attributable to Micronet Enertec Technologies, Inc.	(850)	(1,612)
Basic and diluted loss per share from continued operation	(0.11)	(0.16)
Basic and diluted loss per share from discontinued operation	\$ 0.01	\$ (0.09)
Weighted average common shares outstanding:		
Basic	8,867,830	6,430,762

	Three months ended March 31,	
	(Dollars in Thousands, other than share and per share amounts)	
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GAAP net loss from continued operation attributable to Micronet Enertec	\$ (961)	\$ (1,017)
Amortization of acquired intangible assets	111	132
Stock-based compensation and shares issued to service providers	88	33
Amortization of note discount	37	-
Income tax-effect of above non-GAAP adjustments	-	(1)
Total Non-GAAP net loss from continued operation	\$ (725)	\$ (853)

	March 31, 2018	December 31, 2017
Cash, cash equivalents and marketable securities	\$3.6M	\$2.4M
Trade account receivable, net	\$4.8M	\$5.2M
Bank & others debts	\$7.7M	\$5.2M
Net working capital	\$5.3M	\$3M
Stockholders' equity	\$5.7M	\$6.0M

Q & A

