

TAT TECHNOLOGIES LTD
Form 6-K
August 30, 2018

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 August 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-

TAT Technologies Ltd.

6-K Items

1. Press Release dated August 30, 2018 re TAT Technologies Ltd. Reports Second Quarter 2018 Results.

2

ITEM 1

Press Release Source: TAT Technologies Limited

TAT Technologies Reports Second Quarter 2018 Results

GEDERA, Israel, August 30, 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 three month and six month periods ended June 30, 2018.

Key Financial Highlights:

Revenues for Q2 2018 were \$24.8 million compared with \$26.6 million in Q2 2017. Revenues for the six-month period that ended on June 30, 2018 were \$49.2 million compared with \$53.6 million in the six-month period that ended on June 30, 2017.

Adjusted EBITDA for Q2 2018 was \$(0.3) million compared with \$2.4 million in Q2 2017. Adjusted EBITDA for the six-month period that ended on June 30, 2018 was \$0.05 million compared with \$5.3 million in the six-month period that ended on June 30, 2017.

GAAP net loss was \$1.4 million, or \$0.16 per diluted share in Q2 2018 compared with a net income of \$0.6 million, or \$0.07 per diluted share in Q2 2017.

Non-GAAP net loss of \$1.2 million, or \$0.14 per diluted share in Q2 2018, compared with non-GAAP net income of \$0.8 million, or \$0.09 per diluted share in Q2 2017.

Mr. Igal Zamir, CEO and President of TAT Technologies stated, "The first six months of 2018 were challenging. We suffered from delay in order intake. Also, as a preparation for 2018 we invested in employees and machinery which caused an increased level of expenses. Starting Q2 we initiated a plan to increase sales and streamline operations which I expect will improve the results in the second half of 2018. Our increased back-log keeps me optimistic about the future of the company. During the first six months of 2018 we won several long-term strategic contracts with expected revenue over the next few years of approximately USD60M. These contracts position us in the front line of MRO companies both to aircraft manufactures and leading airlines around the world."

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) acquisition related expenses and/or (4) share in results of equity investment of affiliated companies. Adjusted EBITDA is calculated as net income before the Company's share in results and sale of equity investment 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

Contact:

Ms. Inna Shpringer

MARCOM Manager

Tel: 972-8-862-8594

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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)

	June 30, 2018 (unaudited)	December 31, 2017 (audited)
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 15,186	\$ 17,514
Short-term bank deposits	470	470
Accounts receivable, net	22,596	25,744
Other current assets and prepaid expenses	2,797	2,363
Inventory, net	38,560	38,630
Total current assets	79,609	84,721
NON-CURRENT ASSETS:		
Investment in affiliates	1,132	1,192
Funds in respect of employee rights upon retirement	2,499	2,779
Deferred income taxes	623	937
Intangible assets, net	978	1,045
Property, plant and equipment, net	21,636	21,321
Total non-current assets	26,868	27,274
Total assets	\$ 106,477	\$ 111,995
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Accounts payable	8,423	9,348
Accrued expenses	6,439	8,331
Total current liabilities	14,862	17,679
NON CURRENT LIABILITIES:		
Other long-term liabilities	225	146
Liability in respect of employee rights upon retirement	2,932	3,235
Deferred income taxes	1,992	2,361
Total non-current liabilities	5,149	5,742
Total liabilities	20,011	23,421
EQUITY:		
Share capital	2,809	2,802
Additional paid-in capital	65,382	65,073
Treasury stock at cost	(2,088)	(2,088)

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Accumulated other comprehensive income (loss)	(171)	135
Retained earnings	20,534	22,652
Total shareholders' equity	86,466	88,574
 Total liabilities and shareholders' equity	 \$ 106,477	 \$ 111,995

6

TAT TECHNOLOGIES AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except share and per share data)

	Three months ended		Six months ended			Year ended December 31, 2017
	June 30, 2018	2017	2018	2017		(Audited)
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)		
Revenues:						
Products	\$6,160	\$9,369	\$12,996	\$	18,919	\$36,05
Services	18,672	17,199	36,193		34,730	70,47
	24,832	26,568	49,189		53,649	106,5
Cost of goods:						
Products	6,451	7,532	12,981		14,443	28,09
Services	15,784	13,993	30,439		28,606	57,98
	22,235	21,525	43,420			

As of December 31, 2012

	Assets Measured at Fair Value	Fair Value Hierarchy Level		
		Level 1	Level 2	Level 3
Assets				
Guaranteed interest accounts	\$43,353,909	\$ –	\$ –	\$43,353,909
Separate accounts of Principal Life:				
Fixed-income security	145,209,329	–	145,209,329	–
Lifetime balanced asset allocation	222,678,065	–	222,678,065	–
Large U.S. equity	290,103,858	–	290,103,858	–
Small/mid U.S. equity	269,664,912	–	269,664,912	–
International equity	191,604,411	–	191,604,411	–
U.S. real estate	101,678,622	–	101,678,622	–
Other	8,567,119	–	8,567,119	–
Principal Financial Group, Inc.	68,288,524	68,288,524	–	–

ESOP
Total
invested
assets,
excluding
plan interest
in Principal \$ 1,341,148,749 \$ 68,288,524 \$ 1,229,506,316 \$ 43,353,909
Select
Savings
Stable Value
Master Trust

As of December 31, 2011

Assets Measured at Fair Value Hierarchy Level

	Fair Value	Level 1	Level 2	Level 3
Assets				
Guaranteed interest accounts	\$47,258,750	\$ –	\$ –	\$47,258,750
Separate accounts of Principal Life:				
Fixed-income security	124,687,109	–	124,687,109	–
Lifetime balanced asset allocation	179,567,565	–	179,567,565	–
Large U.S. equity	251,562,353	–	251,562,353	–
Small/mid U.S. equity	237,842,809	–	237,842,809	–
International equity	162,117,305	–	162,117,305	–
Short-term fixed income	67,176,915	–	67,176,915	–
U.S. real estate	84,204,454	–	84,204,454	–
Other	8,068,369	–	8,068,369	–
Principal Financial Group, Inc. ESOP	64,178,110	64,178,110	–	–
Total invested assets	\$1,226,663,739	\$64,178,110	\$1,115,226,879	\$47,258,750

The Principal Select Savings Plan for Employees
Notes to Financial Statements (continued)

5. Fair Value of Financial Instruments (continued)

Changes in Level 3 Fair Value Measurements

The reconciliation for all assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended December 31, 2012 and 2011, are as follows:

For the year ended December 31, 2012

	Beginning Asset Balance as of January 1, 2012	Interest	Purchases**	Sales**	Transfers in (Out) of Level 3	Ending Asset Balance as of December 31, 2012	Changes in Unrealized Gains (Losses) Included in Statements of Changes in Net Assets Available for Benefits Relating to Positions Still Held
Assets							
Guaranteed interest accounts	\$47,258,750	\$666,644	\$13,408,315	\$(17,979,800)	\$ –	\$43,353,909	\$(70,060)
Total	\$47,258,750	\$666,644	\$13,408,315	\$(17,979,800)	\$ –	\$43,353,909	\$(70,060)

For the year ended December 31, 2011

	Beginning Asset Balance as of January 1, 2011	Interest	Purchases**	Sales**	Transfers in (Out) of Level 3	Ending Asset Balance as of December 31, 2011	Changes in Unrealized Gains (Losses) Included in Statements of Changes in Net Assets Available for Benefits Relating to Positions Still Held
Assets							
Guaranteed interest accounts	\$49,394,988	\$1,157,794	\$15,425,612	\$(18,719,644)	\$ –	\$47,258,750	\$199,283
U.S. real estate	68,032,089	–	–	–	(68,032,089)	–	–
Total	\$117,427,077	\$1,157,794	\$15,425,612	\$(18,719,644)	\$(68,032,089)	\$47,258,750	\$199,283

** Includes interest, contributions, transfers from affiliated and unaffiliated plans, transfers to other investments via participant direction, benefits paid to participants, and administrative expenses.

The Principal Select Savings Plan for Employees

Notes to Financial Statements (continued)

5. Fair Value of Financial Instruments (continued)

Quantitative Information about Level 3 Fair Value Measurements

The following table provides quantitative information about the significant unobservable inputs used for recurring fair value measurements categorized within Level 3.

	As of December 31, 2012		Unobservable input description	Input/range of inputs
	Assets measured at fair value	Valuation technique(s)		
Assets				
Guaranteed interest accounts	\$43,353,909	See note (1)	Interest rate on account	0.05% - 4.57%
			Applicable interest rate	0.64% - 1.45%
			Maturity date	12/31/2012 – 12/31/2018

(1) If the applicable interest rate is equal to or less than the interest rate on the account, the fair market value is equal to the contract value.

If the applicable interest rate is greater than the interest rate on the account, the fair market value is the contract value reduced by a percentage. This percentage is equal to:

1. The difference between the applicable interest rate and the interest rate on the account, multiplied by
2. The number of years (including fractional parts of a year) until the maturity date.

6. Interest in Principal Select Savings Stable Value Master Trust

A portion of the Plan's investments are in the Master Trust, which was established for the investment of assets of the Plan and the Company's other defined contribution plan, the Principal Select Savings Plan for Individual Field. Each participating retirement plan has an undivided interest in the Master Trust. The value of the Plan's interest in the Master Trust is based on the STIF balance, principal balance of the Contract, plus accrued interest at the stated contract rate, less payments received and contract changes by Principal Life. At December 31, 2012, the Plan's interest in the net assets of the Master Trust was approximately 82%. Investment income and administrative expenses relating to the Master Trust are allocated to the individual Plans based upon the Plan's interest in the Master Trust.

The crediting interest rate is based on a formula agreed upon with Principal Life, but it may not be less than 0%. Such interest rates are reviewed on a monthly basis for resetting.

The Principal Select Savings Plan for Employees
Notes to Financial Statements (continued)

6. Interest in Principal Select Savings Stable Value Master Trust (continued)

Certain events limit the ability of the Plan to transact at contract value with Principal Life when material events withdrawals are greater than 25% of the Contract as of the start of each Contract year. These events include (1) certain termination of employment of a group of participants (including through layoffs or early retirement incentive programs instituted by the Company), (2) a certain spin-off or sale of the Company's business entity or location, (3) certain adoptions of an amendments to the Plan, any change in practice, or any change in participant withdrawal rights under the Plan. The plan administrator does not believe that the occurrence of any such value event, which would limit the Plan's ability to transact at contract value with participants, is probable.

The average yields earned by the guaranteed investment contract are as follows:

Average yields:	2012
Based on actual earnings	0.54%
Based on interest rate credited to participants	0.46%

The net assets, including investments, of the Master Trust are as follows:

	December 31 2012	2011
STIF	\$4,662,240	\$ –
Bond Fund	77,079,255	–
Total assets	81,741,495	–
Payables	(506,630)	–
Net assets at fair value	81,234,865	–
Adjustments from fair value to contract value for fully benefit-responsive investment contract	(394,304)	–
Total net assets at contract value	\$80,840,561	\$ –
Plan interest in Principal Select Savings Stable Value Master Trust at contract value	\$65,984,560	\$ –

The Principal Select Savings Plan for Employees
Notes to Financial Statements (continued)

6. Interest in Principal Select Savings Stable Value Master Trust (continued)

Investment income for the Master Trust is as follows:

	For the year ended December 31,	
	2012	2011
Interest income	\$434,951	\$ –
Total investment income	\$434,951	\$ –

The NAV of each of the investments is calculated in a manner consistent with U.S. GAAP for investment companies and is determinative of their fair value. As of December, 31, 2012, the Bond Fund is reflected as Level 2 and the STIF is reflected as Level 1. The Bond Fund generally invests in fixed maturity securities. When available, the fair value of the fixed maturities is based on quoted prices of identical assets in active markets. When quoted prices are not available, the first priority is to obtain prices from third party pricing methodologies and to confirm they are utilizing observable market information. The STIF is a money market fund.

Master Trust assets measured at fair value on a recurring basis are summarized below.

As of December 31, 2012				
	Assets Measured at Fair Value	Fair Value Hierarchy Level		
		Level 1	Level 2	Level 3
Assets				
STIF	\$4,662,240	\$4,662,240	\$ –	\$ –
Bond Fund	77,079,255	–	77,079,255	–
Total invested assets	\$81,741,495	\$4,662,240	\$77,079,255	\$ –

Within the Master Trust, the Plan holds a wrapper contract with an inconsequential value for the 2012 Plan year. The investments that represent 5% or more of the Master Trust's net assets are as follows:

	December 31	
	2012	2011
Bond Fund	\$77,079,255	\$ –

The Principal Select Savings Plan for Employees
Notes to Financial Statements (continued)

7. Contingencies

Until March 25, 2011, the real estate separate account had a temporary withdrawal limitation related to past turmoil in the credit markets that resulted in a sharp slowdown in the sale of commercial real estate assets over the last several years. The uncertain environment led to significantly increased requests for withdrawals. To allow for orderly administration and management benefiting all separate account investors, Principal Life implemented a pre-existing contractual limitation to delay withdrawal requests for the real estate separate account. Certain high need payments, such as death, disability, certain eligible retirements, and hardship withdrawals, were not subject to the withdrawal limitation. Other withdrawal requests were subject to the limitation until certain liquidity levels were achieved, mainly via proceeds from sales of underlying properties, rents from tenants, and new investor contributions. With the inception of the withdrawal limitation, all sources of cash were first used to satisfy cash requirements at the properties, meet debt maturities, maintain compliance with debt covenants, and meet upcoming separate account obligations. Outstanding withdrawal requests were paid in multiple payments. Except for certain de minimis payments, payments were made proportionately among all other outstanding withdrawal requests based upon available liquidity. All withdrawals are being transacted at the NAV price at the date of distribution. The restriction had been in place since September 26, 2008, and ended on March 25, 2011.

While the outcome of any future litigation or regulatory matter cannot be predicted, management does not believe that any future litigation or regulatory matter will have a material adverse effect on our net assets available for benefits. The outcome of such matters is always uncertain, and unforeseen results can occur. It is possible that such outcomes could materially affect net assets available for benefits in a particular year.

8. Related-Party Transactions

In addition to the transactions with parties-in-interest discussed herein, Principal Life provides recordkeeping services to the Plan and receives fees, which are paid through revenue generated by Plan investments, for those services. These transactions are exempt from the prohibited transactions rules of ERISA. The Company may pay other Plan expenses from time to time.

The Principal Select Savings Plan for Employees
Notes to Financial Statements (continued)

9. Form 5500

The following table reconciles net assets available for benefits per the financial statements to the

Form 5500:

	December 31 2012	2011
Net assets available for benefits per the financial statements	\$1,428,530,482	\$1,248,172,701
Adjustments from contract value to fair value for fully benefit-responsive investment contract	321,843	—
Net assets available for benefits per the Form 5500	\$1,428,852,325	\$1,248,172,701

The following table reconciles the statement of changes in net assets available for benefits per the financial statements to the Form 5500:

	December 31 2012	2011
Net change from contract value to fair value for fully benefit-responsive investment contracts	\$321,843	\$—
Master trust investment income	314,896	—
Net investment gain from master trust investment accounts per the Form 5500	\$636,739	\$—

Financial statements are required to report interest in fully benefit-responsive contracts at contract value, while the Form 5500 is required to report these investments at fair value.

The Principal Select Savings Plan for Employees

EIN: 42-0127290 Plan Number: 003

Schedule H, Line 4i – Schedule of Assets
(Held at End of Year)

December 31, 2012

Identity of Issue	Description of Investment	Current Value
Principal Life Insurance Company*	Deposits in guaranteed interest accounts	\$43,353,909
Principal Life Insurance Company*	Deposits in insurance company Small-Cap Value II Separate Account	16,804,376
Principal Life Insurance Company*	Deposits in insurance company Large Company Growth Separate Account	47,178,406
Principal Life Insurance Company*	Deposits in insurance company U.S. Property Separate Account	101,678,622
Principal Life Insurance Company*	Deposits in insurance company Bond and Mortgage Separate Account	102,832,077
Principal Life Insurance Company*	Deposits in insurance company Diversified International Separate Account	102,279,108
Principal Life Insurance Company*	Deposits in insurance company Large-Cap Stock Index Separate Account	154,333,168
Principal Life Insurance Company*	Deposits in insurance company Government and High Quality Bond Separate Account	25,428,783
Principal Life Insurance Company*	Deposits in insurance company Medium Company Blend Separate Account	91,328,228

Page 22 of 27

Identity of Issue	Description of Investment	Current Value
Principal Life Insurance Company*	Deposits in insurance company International Emerging Markets Separate Account	\$89,325,303
Principal Life Insurance Company*	Deposits in insurance company Large Company Value Separate Account	19,503,613
Principal Life Insurance Company*	Deposits in insurance company Inflation Protection Separate Account	16,948,469
Principal Life Insurance Company*	Deposits in insurance company Partner Large-Cap Growth I Separate Account	24,840,720
Principal Life Insurance Company*	Deposits in insurance company Lifetime Strategic Income Separate Account	8,958,679
Principal Life Insurance Company*	Deposits in insurance company Partner Mid-Cap Growth Separate Account	35,881,994
Principal Life Insurance Company*	Deposits in insurance company Partner Small-Cap Growth I Separate Account	38,919,099
Principal Life Insurance Company*	Deposits in insurance company Small-Cap Stock Index Separate Account	86,731,215
Principal Life Insurance Company*	Deposits in insurance company Equity Income Separate Account	44,247,951
Principal Life Insurance Company*	Deposits in insurance company Principal Financial Group, Inc. Stock Separate Account	8,567,119

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Identity of Issue	Description of Investment	Current Value
Principal Life Insurance Company*	Deposits in insurance company Lifetime 2010 Separate Account	\$ 11,792,234
Principal Life Insurance Company*	Deposits in insurance company Lifetime 2020 Separate Account	50,732,128
Principal Life Insurance Company*	Deposits in insurance company Lifetime 2030 Separate Account	66,529,252
Principal Life Insurance Company*	Deposits in insurance company Lifetime 2040 Separate Account	51,018,794
Principal Life Insurance Company*	Deposits in insurance company Lifetime 2050 Separate Account	33,646,978
Principal Life Insurance Company*	Deposits in insurance company Principal Select Savings Stable Value Fund	66,306,403
Principal Financial Group, Inc.*	2,394,408 shares of Principal Financial Group, Inc. ESOP	68,288,524
Loans to participants*	Notes receivable from participants with interest rates ranging from 5.25% to 10.50%	21,349,940 \$ 1,428,805,092

*Indicates party in interest to the Plan.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the administrator of The Principal Select Savings Plan for Employees has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

THE PRINCIPAL SELECT SAVINGS PLAN FOR
EMPLOYEES
by Benefit Plans Administration Committee

Date: June 28, 2013 By /s/ Christopher J. Bowman
Christopher J. Bowman
Committee Member

Page 25 of 27

Exhibit Index

The following exhibit is filed herewith:

Page

23	Consent of Ernst & Young LLP	27
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Page 26 of 27

Exhibit 23

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement (Form S-8, No. 333-178510) pertaining to The Principal Select Savings Plan for Employees of Principal Financial Group, Inc. of our report dated June 28, 2013, with respect to the financial statements and supplemental schedule of The Principal Select Savings Plan for Employees included in this Annual Report (Form 11-K) for the year ended December 31, 2012, filed with the Securities and Exchange Commission.

/s/ Ernst & Young, LLP

Des Moines, Iowa
June 28, 2013

Page 27 of 27