

First Quarter Fiscal 2014 Financial Results



Communications • Computing & Storage • Medical Systems • Defense & Aerospace • Multimedia • Clean Technology • Industrial • Automotive

Quarter Ended December 28, 2013

Safe Harbor Statement



SANMINA

Certain statements made during this presentation, including the Company's outlook for the second quarter and expectations regarding fiscal 2014, constitute forward-looking statements within the meaning of the safe harbor provisions of Section 21E of the Securities Exchange Act of 1934. Actual results could differ materially from those projected in these statements as a result of a number of factors, including changes to or a deterioration in the markets for the Company's customers' products; competition that could adversely impact the Company's pricing and therefore result in a reduction of revenues and margin; dependence on a relatively small number of customers, the loss or reduction in business from any of which could significantly reduce our revenue and net income; inability of customers to pay for the Company's products due to insolvency or otherwise; any failure of the Company's Components, Products and Services business to meet expectations; component shortages, which could result in production delays or increases in manufacturing costs; and the other factors set forth in the Company's annual and quarterly reports filed with the Securities Exchange Commission ("SEC"). In addition, during the course of today's presentation, we may refer to certain non-GAAP financial information for historical periods. The corresponding GAAP financial information and a reconciliation from GAAP to Non-GAAP for such information is contained in our first quarter earnings release, which is available at www.sanmina.com, as well as at the conclusion of this presentation.

The Company is under no obligation to (and expressly disclaims any such obligation to) update or alter any of the forward-looking statements made in this presentation, the press release, the conference call or the Investor Relations section of our website whether as a result of new information, future events or otherwise, unless otherwise required by law.

Non-GAAP Financial Results Compared to Outlook



SANMINA

	Q1'14 (A)	Q1'14 Outlook <u>WAS</u>
Revenue:	\$1.45B	\$1.425 - \$1.475B
Diluted earnings per share:	\$0.41	\$0.35 - \$0.41

Financial Results

(Unaudited)



SANMINA

Three Month Periods

(\$ in millions, except per share data)	Q1'14	Q4'13	Q1'13
GAAP:			
Revenue	\$1,447	\$1,505	\$1,495
Net income	\$23	\$39	\$1
Diluted earnings per share ⁽¹⁾	\$0.26	\$0.44	\$0.01
Non-GAAP⁽²⁾:			
Gross profit	\$113	\$117	\$101
Operating expense	\$64	\$62	\$60
Operating income	\$49	\$56	\$41
Other expense	\$6	\$9	\$13
Taxes	\$7	\$7	\$4
Net income	\$35	\$40	\$24
Diluted earnings per share	\$0.41	\$0.46	\$0.29

⁽¹⁾Fourth quarter fiscal 2013 GAAP diluted earnings per share includes a non-recurring tax benefit of \$0.25.

⁽²⁾Non-GAAP financial results exclude charges or gains relating to: stock-based compensation expenses, restructuring costs (including employee severance and benefits costs and charges related to excess facilities and assets), acquisition and integration costs (consisting of costs associated with the acquisition and integration of acquired businesses into our operations), impairment charges for goodwill and intangible assets, amortization expense and other infrequent or unusual items, to the extent material or which we consider to be of a non-operational nature in the applicable period. Please refer to "Reconciliation of GAAP to Non-GAAP Measures" on slides 17 and 18 of this presentation.

Numbers may not foot due to rounding.

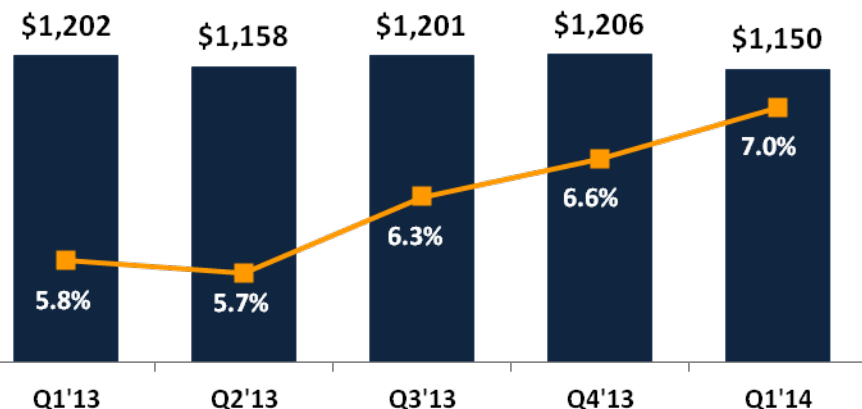
Segment Reporting - Revenue and Non-GAAP Gross Margin*

(\$ in Millions)



SANMINA

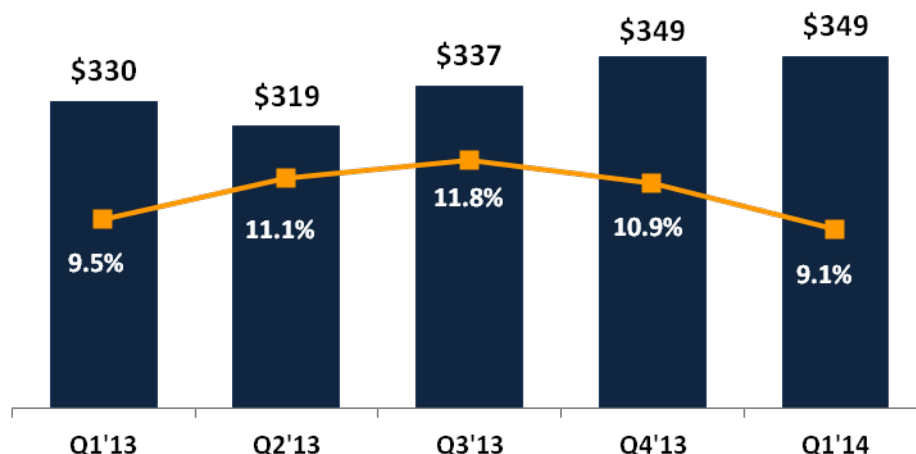
Integrated Manufacturing Solutions



Integrated Manufacturing Solutions

- PCB Assembly & Test
- Final System Assembly & Test
- Direct Order Fulfillment

Components, Products and Services



Components, Products & Services

- Components
 - Interconnect Systems
 - High Technology Printed Circuits
 - Backplane Assemblies
 - Cable Assemblies
 - Mechanical Systems
 - Precision Machining
 - Enclosures
 - Plastics
- Products
 - Computing & Storage
 - Defense & Aerospace
 - Memory & SSD Modules
 - Optical & RF Modules
- Services
 - Design & Engineering
 - Logistics
 - Repair

*Non-GAAP revenue and gross margin for IMS segment and CPS category includes inter-segment revenues that are eliminated under GAAP and exclude the same GAAP items that are excluded from the calculation of non-GAAP margin for the consolidated business. The GAAP reconciliation of non-GAAP gross margin for the consolidated business is shown on slide 17.

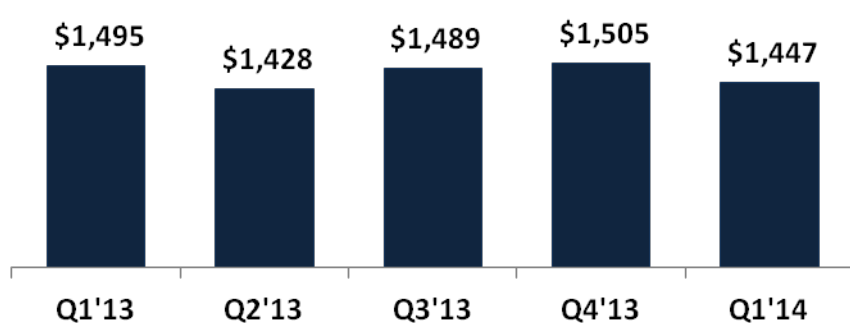
Non-GAAP P&L Metrics

(\$ in Millions)

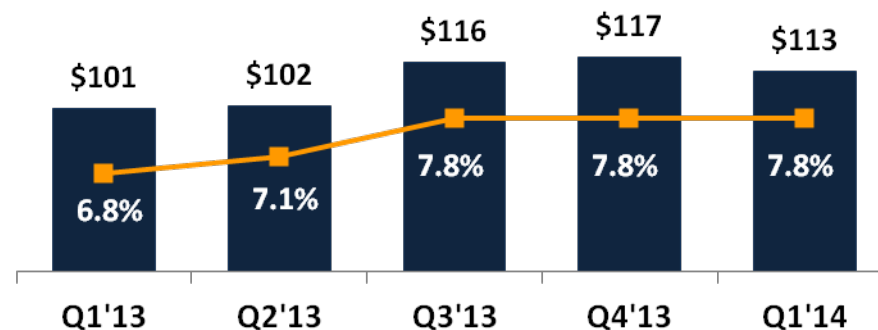


SANMINA

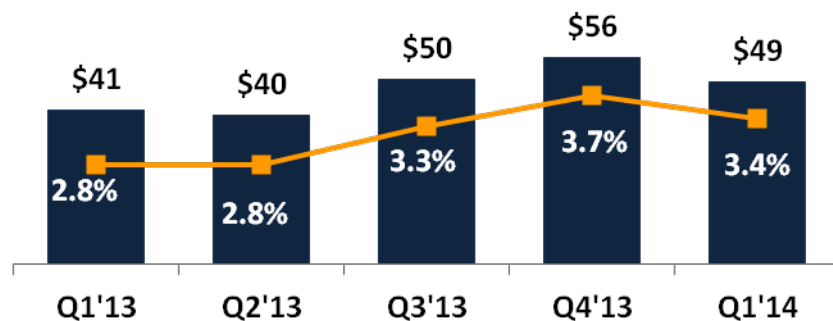
Revenue



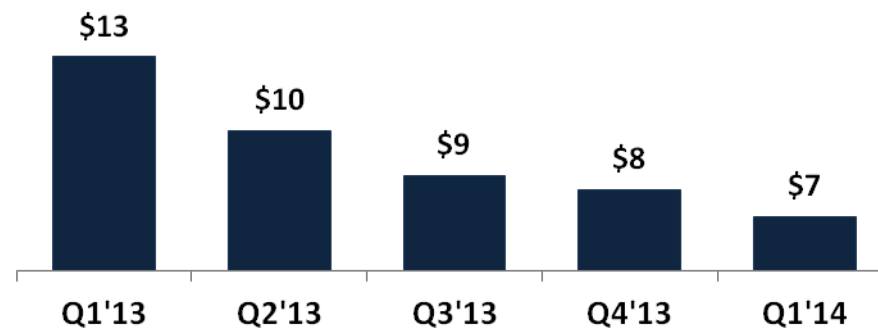
Gross Profit / Margin



Operating Income / Margin



Net Interest Expense



Summary Balance Sheet

(\$ in Millions)



SANMINA

	12/28/13	9/28/13	12/29/12
Cash and cash equivalents	\$407	\$403	\$491
Accounts receivable, net	\$917	\$945	\$897
Inventories	\$792	\$782	\$780
Property, plant and equipment, net	\$562	\$540	\$563
Other assets	\$352	\$326	\$349
Total assets	\$3,030	\$2,996	\$3,079
Accounts payable	\$925	\$956	\$834
Short-term debt	\$84	\$22	\$163
Long-term debt	\$561	\$563	\$735
Other liabilities	\$367	\$363	\$361
Total stockholders' equity	\$1,093	\$1,092	\$986
Total liabilities and stockholders' equity	\$3,030	\$2,996	\$3,079

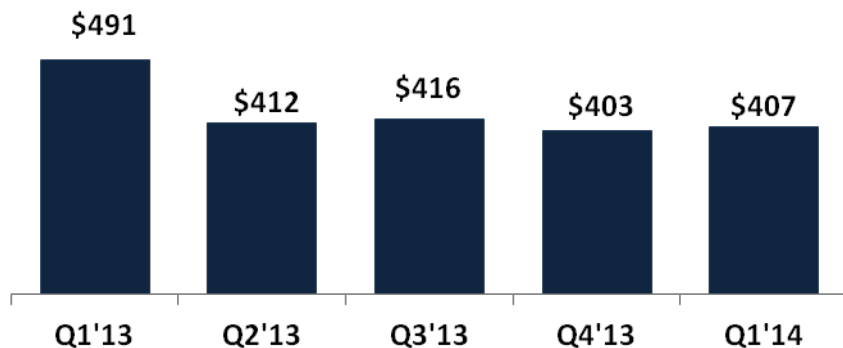
Balance Sheet Metrics

(\$ in Millions)

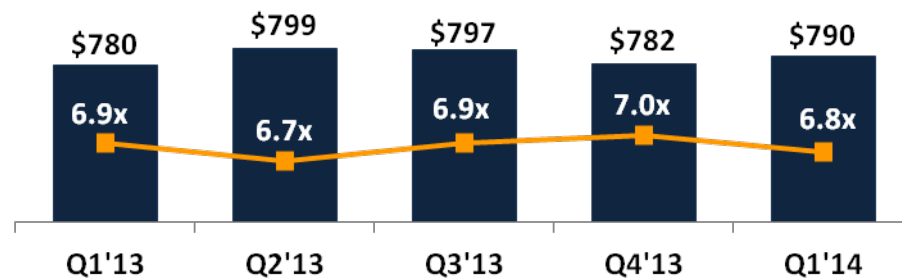


SANMINA

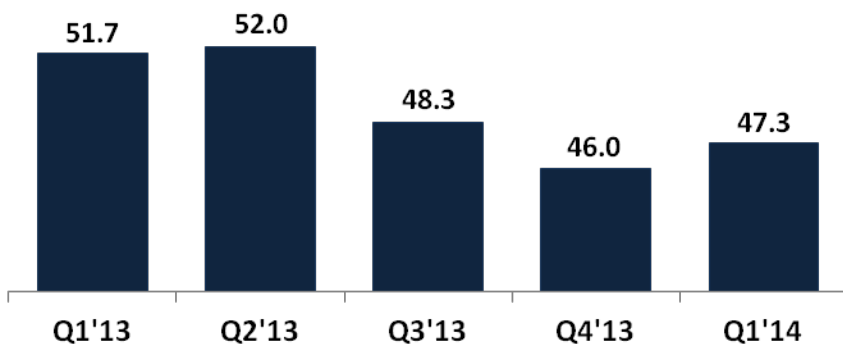
Cash and Cash Equivalents



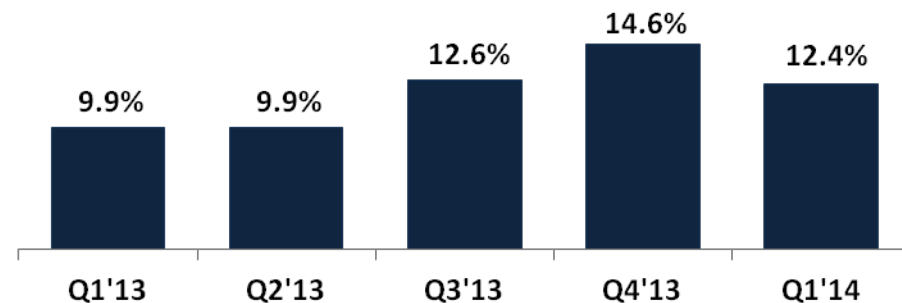
Inventory \$ / Turns



Cash Cycle Days



ROIC



Q2'14 Outlook⁽¹⁾



SANMINA

The following outlook is for the second fiscal quarter ending March 29, 2014. These statements are forward-looking and actual results may differ materially.

Revenue:	\$1.425 - \$1.475B
----------	--------------------

Non-GAAP EPS:	\$0.36 - \$0.42
---------------	-----------------

⁽¹⁾ The above identified outlook for the quarter ending March 29, 2014 is on a non-GAAP basis. The comparable GAAP earnings or loss per share amount is not accessible without unreasonable effort due to inherent difficulties in predicting certain expenses and gains affecting GAAP earnings or loss, such as the amount and timing of Sanmina's restructuring costs, if any, that would be included in GAAP earnings.



SANMINA-SCI®

CEO Remarks



What we make, makes a difference

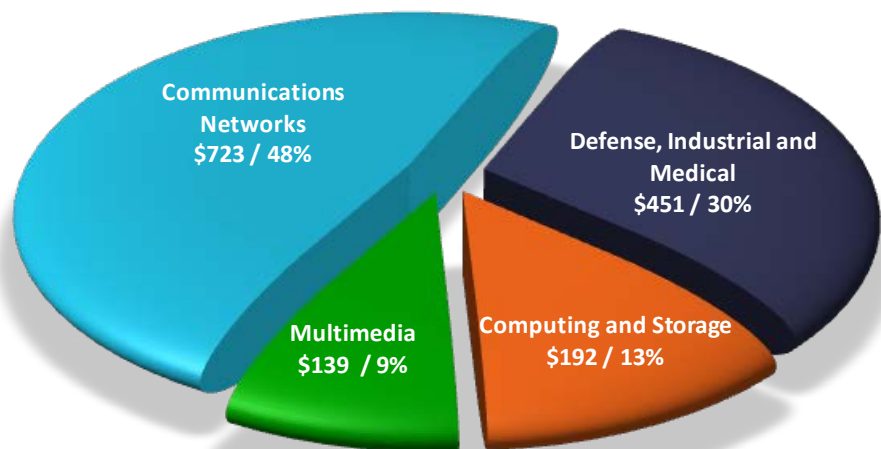
Q1'14 Revenue Breakdown By End-Market

(\$ in Millions)

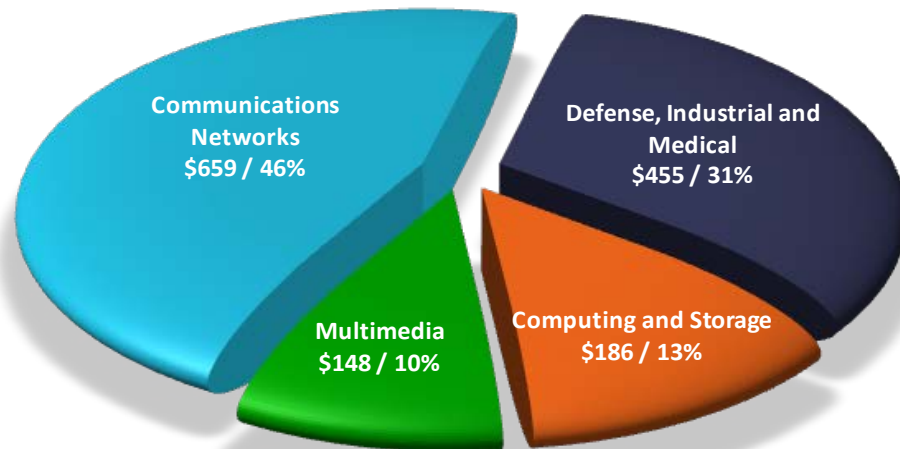


SANMINA

Q4'13



Q1'14



Communications Networks
(Networking, Wireline & Wireless Infrastructure)

Defense/Industrial/Medical
(Industrial equipment, aerospace and defense, MRI and CT machines and clean-tech)

Computing and Storage
(High-end enterprise servers and storage)

Multimedia
(Gaming equipment, set-top boxes, cinematography and automotive electronics)

Sequential

↓ 8.9%

↑ 0.9%

↓ 3.2%

↑ 6.3%

Numbers may not foot due to rounding.

Q1 FY'14 Top 10 Customers - 49.2% of Revenue

Q2'14 End-Market Outlook



SANMINA

Collaborative
Design and
Engineering

Interconnect
Systems

Mechanical
Systems

Optical / RF
Solutions

Integrated
Manufacturing
Solutions

Products and
Services

Direct Order
Fulfillment
and Logistics

Q2'14

Communications Networks

(Networking, Wireline & Wireless Infrastructure)



Defense/Industrial/Medical

(Industrial equipment, aerospace & defense, MRI and CT machines and clean-tech)



Computing & Storage

(High-end enterprise servers and storage)

FLAT

Multimedia

(Gaming equipment, set-top boxes, cinematography and automotive electronics)



- Q1'14: Good results, per our expectations
- Q2'14: Visibility is improving, more stable demand
- Strong customer base and expanding
- FY'14: Modest growth and improvements in our financial results

Predictable and Sustainable Results

Consolidated Financial Statements

Reconciliation of GAAP vs. Non-GAAP



Communications • Computing & Storage • Medical Systems • Defense & Aerospace • Multimedia • Clean Technology • Industrial • Automotive

Quarter Ended December 28, 2013

What we make, makes a difference™

GAAP Condensed Consolidated Balance Sheet



SANMINA

(\$ in thousands)	December 28, 2013 (Unaudited)	September 28, 2013
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 407,051	\$ 402,875
Accounts receivable, net	917,211	944,816
Inventories	791,979	781,560
Prepaid expenses and other current assets	87,702	75,337
Total current assets	2,203,943	2,204,588
Property, plant and equipment, net	562,450	540,151
Other	263,807	251,109
Total assets	\$ 3,030,200	\$ 2,995,848
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Current liabilities:		
Accounts payable	\$ 925,436	\$ 956,488
Accrued liabilities	113,815	109,363
Accrued payroll and related benefits	117,139	118,572
Short-term debt	83,822	22,301
Total current liabilities	1,240,212	1,206,724
Long-term liabilities:		
Long-term debt	560,616	562,512
Other	136,137	135,048
Total long-term liabilities	696,753	697,560
Stockholders' equity	1,093,235	1,091,564
Total liabilities and stockholders' equity	\$ 3,030,200	\$ 2,995,848

GAAP Condensed Consolidated Statement of Operations

(Unaudited)



SANMINA

(\$ in thousands, except per share data)	Three Months Ended	
	Dec. 28, 2013	Dec. 29, 2012
Net sales	\$ 1,447,498	\$ 1,494,945
Cost of sales	1,336,713	1,398,017
Gross profit	110,785	96,928
Operating expenses:		
Selling, general and administrative	59,182	59,868
Research and development	7,905	5,395
Amortization of intangible assets	474	474
Restructuring and integration costs	3,704	3,947
Gain on sales of long-lived assets	-	(4,218)
Total operating expenses	71,265	65,466
Operating income	39,520	31,462
Interest income	806	198
Interest expense	(7,473)	(13,084)
Other income (expense), net	878	(14,922)
Interest and other, net	(5,789)	(27,808)
Income before income taxes	33,731	3,654
Provision for income taxes	10,630	3,033
Net income	\$ 23,101	\$ 621
Basic income per share	\$ 0.28	\$ 0.01
Diluted income per share	\$ 0.26	\$ 0.01
Weighted-average shares used in computing per share amounts:		
Basic	83,766	81,920
Diluted	87,259	84,011

Reconciliation of GAAP to Non-GAAP Measures

(Unaudited)



SANMINA

(\$ in thousands, except per share data)	Three Month Periods		
	Q1'14	Q4'13	Q1'13
GAAP Gross Profit	\$ 110,785	\$ 115,334	\$ 96,928
GAAP gross margin	7.7%	7.7%	6.5%
Adjustments			
Stock compensation expense (1)	1,202	1,362	1,340
Distressed customer charges (2)	673	768	3,020
Non-GAAP Gross Profit	\$ 112,660	\$ 117,464	\$ 101,288
Non-GAAP gross margin	7.8%	7.8%	6.8%
GAAP Operating Expenses	\$ 71,265	\$ 70,646	\$ 65,466
Adjustments			
Stock compensation expense (1)	(3,073)	(2,786)	(3,326)
Amortization of intangible assets	(474)	(474)	(474)
Distressed customer charges (2)	-	-	(2,071)
Restructuring and integration costs	(3,704)	(4,647)	(3,947)
Gain on sales of long-lived assets	-	-	4,218
Asset impairments	-	(1,000)	-
Non-GAAP Operating Expenses	\$ 64,014	\$ 61,739	\$ 59,866
GAAP Operating Income	\$ 39,520	\$ 44,688	\$ 31,462
GAAP operating margin	2.7%	3.0%	2.1%
Adjustments			
Stock compensation expense (1)	4,275	4,148	4,666
Amortization of intangible assets	474	474	474
Distressed customer charges (2)	673	768	5,091
Restructuring, acquisition and integration costs	3,704	4,647	3,947
Gain on sales of long-lived assets	-	-	(4,218)
Asset impairments	-	1,000	-
Non-GAAP Operating Income	\$ 48,646	\$ 55,725	\$ 41,422
Non-GAAP operating margin	3.4%	3.7%	2.8%
GAAP Interest and Other, net	\$ (5,789)	\$ (6,177)	\$ (27,808)
Adjustments			
Loss on dedesignation of interest rate swap (3)	-	-	14,903
Litigation settlements (4)	-	(2,421)	-
Non-GAAP Interest and Other, net	\$ (5,789)	\$ (8,598)	\$ (12,905)

Reconciliation of GAAP to Non-GAAP Measures *(Continued)*

(Unaudited)



SANMINA

(\$ in thousands, except per share data)	Three Month Periods		
	Q1'14	Q4'13	Q1'13
GAAP Provision for (benefit from) Income Taxes	\$ 10,630	\$ (290)	\$ 3,033
Adjustments			
Nonrecurring tax items	(3,259)	7,537	1,245
Non-GAAP Provision for Income Taxes	\$ 7,371	\$ 7,247	\$ 4,278
GAAP Net Income	\$ 23,101	\$ 38,801	\$ 621
Adjustments:			
Operating income adjustments (see above)	9,126	11,037	9,960
Litigation settlements (4)	-	(2,421)	-
Loss on dedesignation of interest rate swap (3)	-	-	14,903
Nonrecurring tax items	3,259	(7,537)	(1,245)
Non-GAAP Net Income	\$ 35,486	\$ 39,880	\$ 24,239
GAAP Net Income Per Share:			
Basic	\$ 0.28	\$ 0.46	\$ 0.01
Diluted	\$ 0.26	\$ 0.44	\$ 0.01
Non-GAAP Net Income Per Share:			
Basic	\$ 0.42	\$ 0.48	\$ 0.30
Diluted	\$ 0.41	\$ 0.46	\$ 0.29
Weighted-average shares used in computing per share amounts:			
Basic	83,766	83,790	81,920
Diluted	87,259	87,201	84,011

(1) Stock compensation expense was as follows:

	Three Month Periods		
	Q1'14	Q4'13	Q1'13
Cost of sales	\$ 1,202	\$ 1,362	\$ 1,340
Selling, general and administrative	3,071	2,767	3,295
Research and development	2	19	31
Total	\$ 4,275	\$ 4,148	\$ 4,666

- (2) Relates to inventory and bad debt reserves / recoveries associated with distressed customers.
- (3) Represents a non-cash loss resulting from dedesignation of an interest rate swap.
- (4) Represents cash received in connection with a litigation settlement.

What we make, makes a difference™



S A N M I N A