

# Second Quarter Fiscal 2012 Financial Results



SANMINA-SCI®



**Quarter Ended March 31, 2012**

**What we make, makes a difference™**

---

## Safe Harbor Statement

Certain of the following statements, including the discussion regarding our third quarter fiscal 2012 outlook and future prospects, 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 a deterioration in the markets for the Company's customers' products and a resulting decrease in the Company's customers' ability to pay for the Company's products, which therefore could reduce the Company's revenue; customer bankruptcy filings, which could cause the Company to record charges to its earnings; reduction or cancellation of customer orders that reduces forecasts for the quarter; the sufficiency of the Company's cash position and other sources of liquidity to operate and expand its business; an increase in short-term rates that would increase the Company's interest expense; component shortages, including those arising from the natural disaster in Japan and floods in Thailand; impact of the restrictions contained in the Company's credit agreements and indentures upon the Company's ability to operate and expand its business; competition negatively impacting the Company's revenues and margins; any failure of the Company to effectively assimilate acquired businesses and achieve the anticipated benefits of its acquisitions; the need to adopt future restructuring plans as a result of changes in the Company's business, which would increase the Company's costs and decrease its net income; 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 second quarter earnings release, which is available at [www.sanmina-sci.com](http://www.sanmina-sci.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

|                             | Q2'12 (A) | Q2'12 Outlook <u>WAS</u> |
|-----------------------------|-----------|--------------------------|
| Revenue:                    | \$1.46B   | \$1.45 - \$1.55B         |
| Diluted earnings per share: | \$0.27    | \$0.24 - \$0.30          |

# Financial Results

(Unaudited)

|   | Three Month Periods |         |         |
|---|---------------------|---------|---------|
| (\$ in millions, except per share data) | Q2'12               | Q1'12   | Q2'11   |
| <b>GAAP:</b>                            |                     |         |         |
| Revenue                                 | \$1,463             | \$1,502 | \$1,569 |
| Net income (loss)                       | (\$1)               | \$9     | \$13    |
| Diluted earnings (loss) per share       | (\$0.02)            | \$0.10  | \$0.16  |
| <b>Non-GAAP<sup>(1)</sup>:</b>          |                     |         |         |
| Revenue                                 | \$1,463             | \$1,502 | \$1,569 |
| Gross profit                            | \$108               | \$110   | \$117   |
| Operating expense                       | \$63                | \$60    | \$64    |
| Operating income                        | \$45                | \$50    | \$53    |
| Other expense                           | \$18                | \$23    | \$24    |
| Taxes                                   | \$4                 | \$4     | \$5     |
| Net income                              | \$23                | \$23    | \$25    |
| Diluted earnings per share              | \$0.27              | \$0.28  | \$0.30  |

<sup>(1)</sup>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" in our Q2 earnings release available at [www.sanmina-sci.com](http://www.sanmina-sci.com) as well as at the conclusion of this presentation.

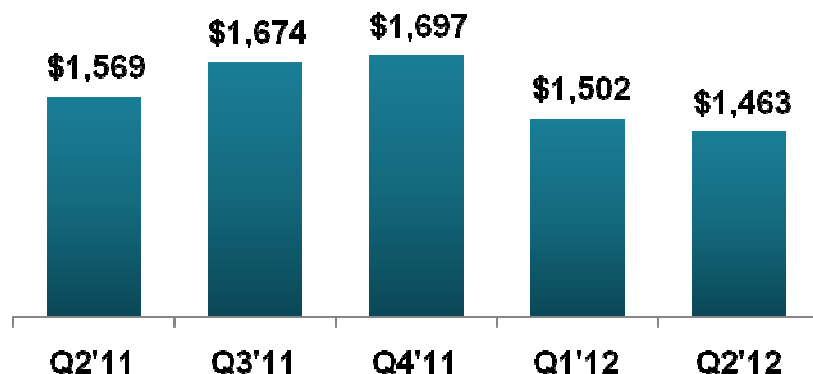
Numbers may not foot due to rounding.



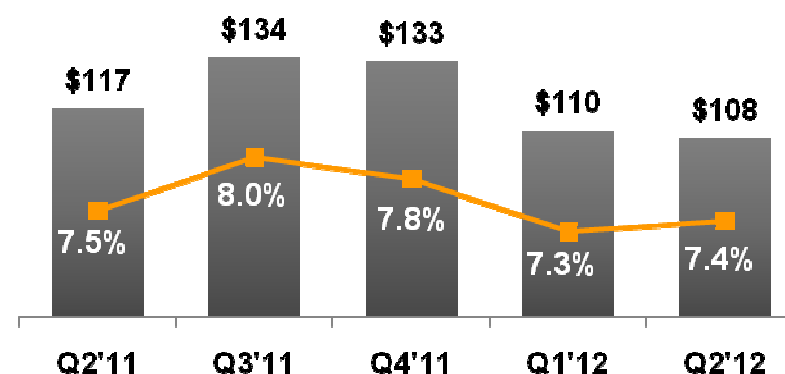
# Non-GAAP P&L Metrics

(\$ in Millions)

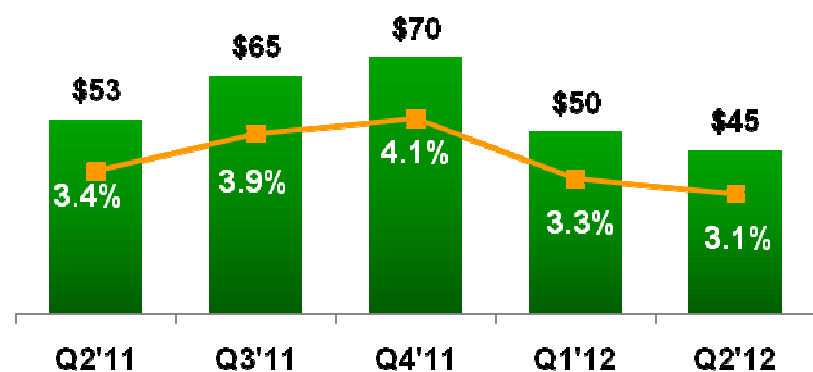
Revenue



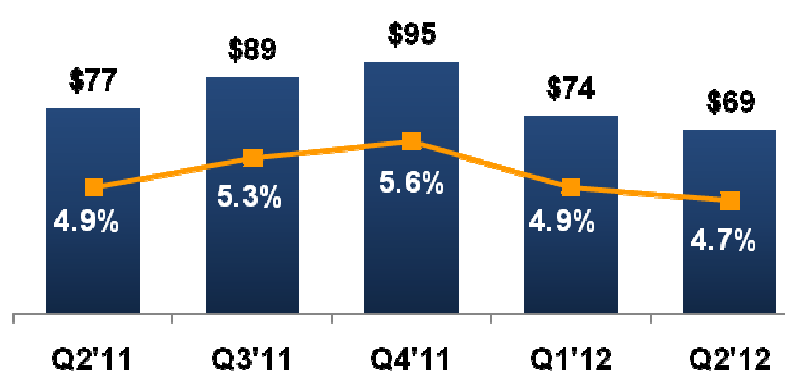
Gross Profit / Margin



Operating Income / Margin



EBITDA / % of Revenue



EBITDA represents non-GAAP operating income plus depreciation expense to the extent not otherwise excluded.

# Summary Balance Sheet

(\$ in Millions)

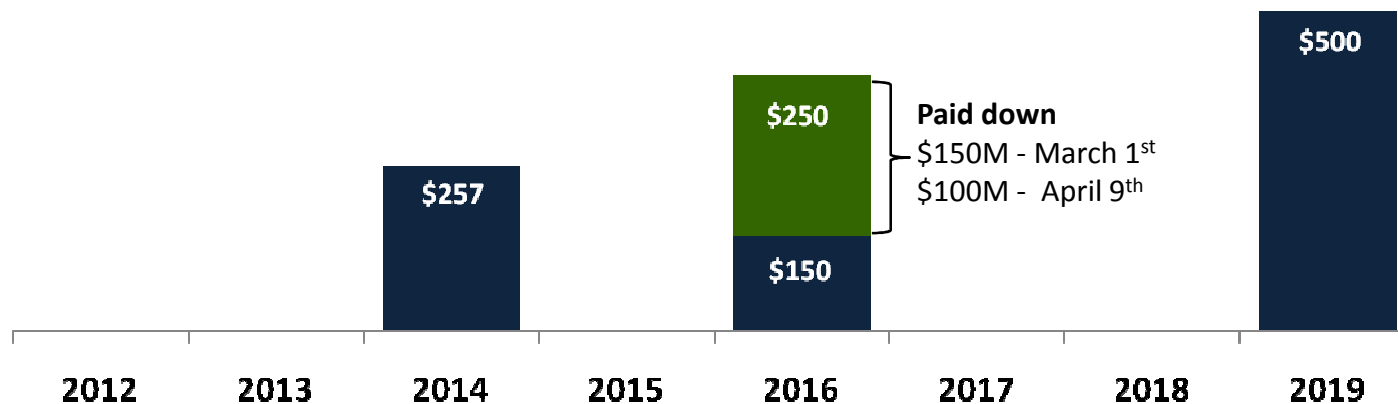
|  | 3/31/2012      | 12/31/2011     |
|--|----------------|----------------|
| Cash and cash equivalents                  | \$464          | \$604          |
| Accounts receivable, net                   | \$929          | \$931          |
| Inventories                                | \$862          | \$904          |
| Property, plant and equipment, net         | \$577          | \$588          |
| Other assets                               | \$198          | \$212          |
| Total assets                               | <u>\$3,031</u> | <u>\$3,239</u> |
| Accounts payable                           | <u>\$834</u>   | <u>\$859</u>   |
| Long-term debt                             | \$1,033        | \$1,185        |
| Other liabilities                          | \$371          | \$411          |
| Total stockholders' equity                 | <u>\$793</u>   | <u>\$785</u>   |
| Total liabilities and stockholders' equity | <u>\$3,031</u> | <u>\$3,239</u> |



---

## Debt Reduction

- First debt obligation in 2014
- Reduced 2016 long-term debt by \$250 million in FY'12
- Healthy debt maturity profile
- Deleveraging remains a priority as the Company generates cash

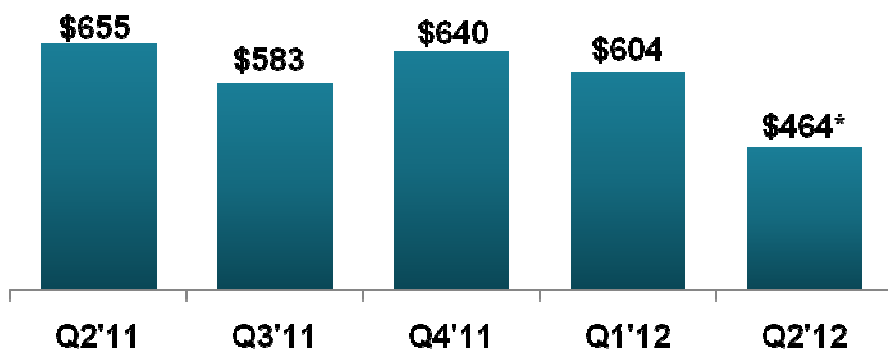


**Annual Net Interest Expense Savings of ~\$20 Million**

# Balance Sheet Metrics

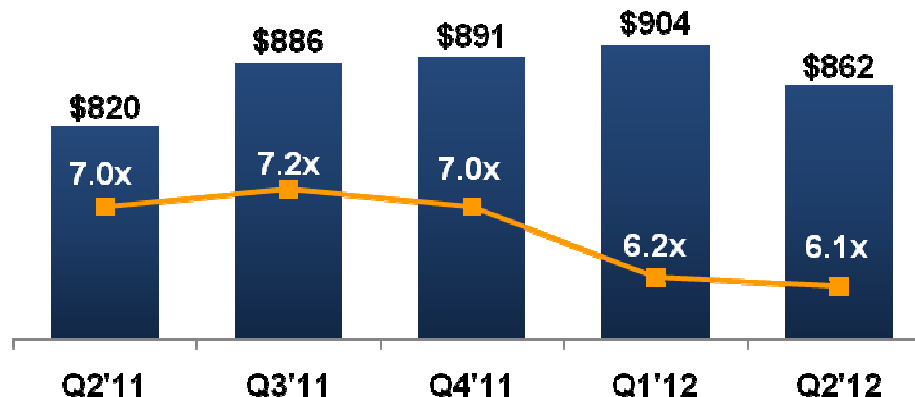
(\$ in Millions)

Cash and Cash Equivalents

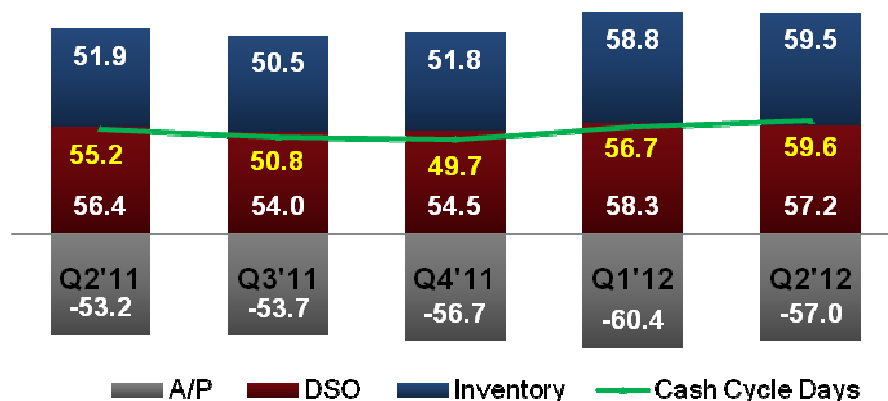


\* \$186 million in cash used to redeem short- and long-term debt.

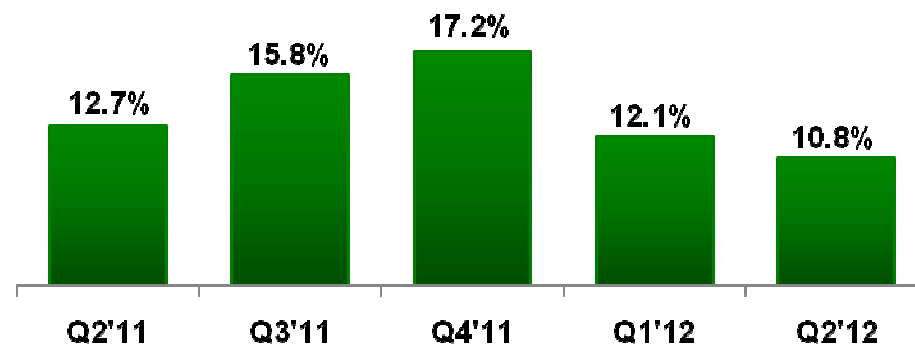
Inventory \$ / Turns



Cash Cycle Days



ROIC





---

## Q3'12 Outlook <sup>(1)</sup>

The following forecast is for the third fiscal quarter ending June 30, 2012. These statements are forward-looking and actual results may differ materially.

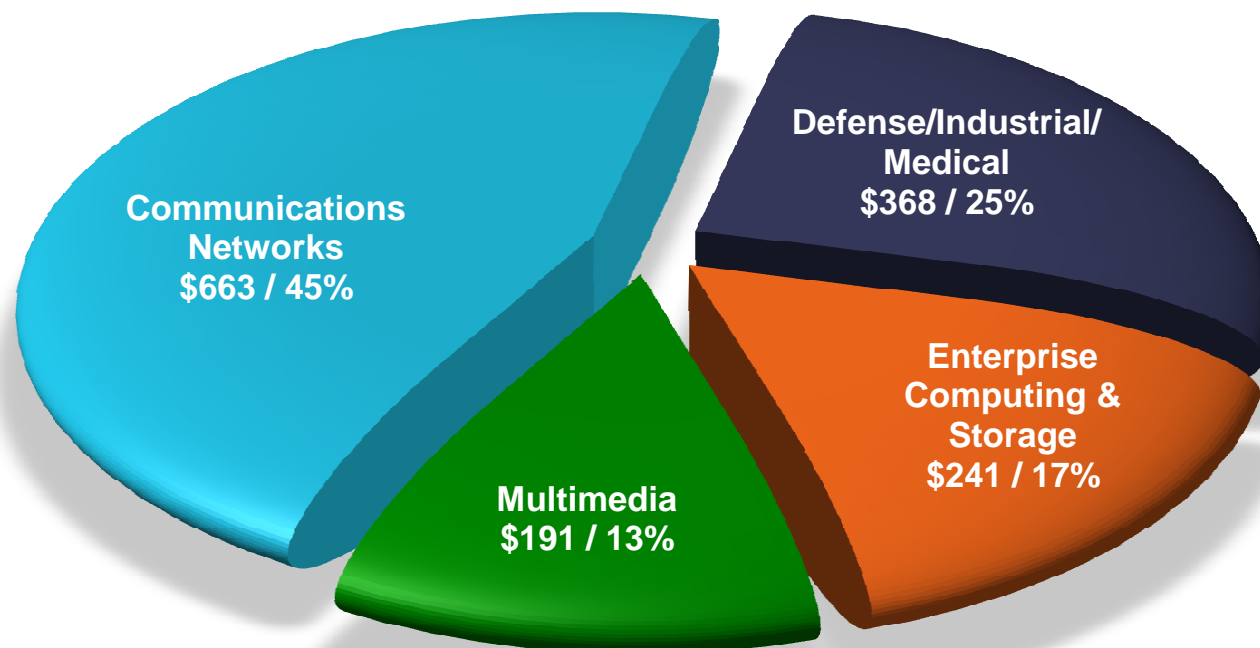
|                      |                           |
|----------------------|---------------------------|
| <b>Revenue:</b>      | <b>\$1.475 - \$1.525B</b> |
| <b>Non-GAAP EPS:</b> | <b>\$0.26 - \$0.32</b>    |

<sup>(1)</sup> The above identified outlook for the quarter ending June 30, 2012 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-SCI's restructuring costs, as well as debt security repurchases, if any, that could result in gains or losses reported in GAAP earnings.



# Q2'12 Revenue Breakdown By End-Market

(\$ in Millions)



## Sequential Change

|            | Communications Networks<br>(Networking, Wireline & Wireless Infrastructure) | Enterprise Computing & Storage<br>(High-end enterprise servers and storage) | Defense/Industrial/Medical<br>(Industrial equipment, aerospace and defense, MRI and CT machines and clean-tech) | Multimedia<br>(Gaming equipment, set-top boxes, cinematography, point-of-sale systems, automotive electronics) |
|------------|---|---|---|--|
| Sequential | ↓ 0.9%  | ↑ 3.2%  | ↓ 2.2%  | ↓ 14.5%  |

Numbers may not foot due to rounding.

## Top 10 Customers - 47.4% of Revenue

# Q3'12 End-Market Outlook

|  | Q3'12       |
|--|-------------|
| <b>Communications Networks</b><br>(Networking, Wireline & Wireless Infrastructure)                                       | ↑           |
| <b>Enterprise Computing &amp; Storage</b><br>(High-end enterprise servers and storage)                                   | ↑           |
| <b>Defense/Industrial/Medical</b><br>(Industrial equipment, aerospace & defense, MRI and CT machines and clean-tech)     | STABLE to ↑ |
| <b>Multimedia</b><br>(Gaming equipment, set-top boxes, cinematography, point-of-sale systems and automotive electronics) | FLAT to ↓   |



# Consolidated Financial Statements

## Reconciliation of GAAP vs. Non-GAAP



SANMINA-SCI®



**Quarter Ended March 31, 2012**

**What we make, makes a difference™**

# GAAP Condensed Consolidated Balance Sheet

|   | March 31,<br>2012<br>(Unaudited) | October 1,<br>2011  |
|---|----------------------------------|---------------------|
| <u>ASSETS</u>                               |                                  |                     |
| Current assets:                             |                                  |                     |
| Cash and cash equivalents                   | \$ 464,419                       | \$ 640,288          |
| Accounts receivable, net                    | 928,943                          | 1,014,121           |
| Inventories                                 | 862,392                          | 891,325             |
| Prepaid expenses and other current assets   | 68,507                           | 83,512              |
| Total current assets                        | <u>2,324,261</u>                 | <u>2,629,246</u>    |
| Property, plant and equipment, net          | 577,182                          | 588,097             |
| Other non-current assets                    | 129,313                          | 136,630             |
| Total assets                                | <u>\$ 3,030,756</u>              | <u>\$ 3,353,973</u> |
| <u>LIABILITIES AND STOCKHOLDERS' EQUITY</u> |                                  |                     |
| Current liabilities:                        |                                  |                     |
| Accounts payable                            | \$ 834,272                       | \$ 984,014          |
| Accrued liabilities                         | 102,680                          | 109,478             |
| Accrued payroll and related benefits        | 105,873                          | 112,193             |
| Short-term debt                             | 30,000                           | 60,200              |
| Total current liabilities                   | <u>1,072,825</u>                 | <u>1,265,885</u>    |
| Long-term liabilities:                      |                                  |                     |
| Long-term debt                              | 1,033,053                        | 1,182,308           |
| Other                                       | 132,175                          | 135,263             |
| Total long-term liabilities                 | <u>1,165,228</u>                 | <u>1,317,571</u>    |
| Total stockholders' equity                  | 792,703                          | 770,517             |
| Total liabilities and stockholders' equity  | <u>\$ 3,030,756</u>              | <u>\$ 3,353,973</u> |

# GAAP Condensed Consolidated Statement of Operations

## (Unaudited)

|  | Three Months Ended |                  | Six Months Ended  |                  |
|--|--------------------|------------------|-------------------|------------------|
|  | March 31,<br>2012  | April 2,<br>2011 | March 31,<br>2012 | April 2,<br>2011 |
| (\$ in thousands, except per share data)                     |                    |                  |                   |                  |
| Net sales  | \$ 1,463,082       | \$ 1,569,058     | \$ 2,965,448      | \$ 3,231,509     |
| Cost of sales  | 1,356,734          | 1,452,227        | 2,750,075         | 2,986,631        |
| Gross profit   | 106,348            | 116,831          | 215,373           | 244,878          |
| Operating expenses:  |                    |                  |                   |                  |
| Selling, general and administrative                          | 62,940             | 62,212           | 122,081           | 120,683          |
| Research and development                                     | 5,923              | 4,914            | 10,056            | 9,080            |
| Amortization of intangible assets                            | 767                | 959              | 1,723             | 1,917            |
| Restructuring and integration costs                          | 5,486              | 4,510            | 9,540             | 9,549            |
| Asset impairment   | 1,024              | -                | 2,077             | 85               |
| Gain on sales of long-lived assets                           | -                  | (398)            | -                 | (2,025)          |
| Total operating expenses                                     | 76,140             | 72,197           | 145,477           | 139,289          |
| Operating income   | 30,208             | 44,634           | 69,896            | 105,589          |
| Interest income  | 442                | 562              | 726               | 1,134            |
| Interest expense   | (20,367)           | (26,269)         | (42,230)          | (52,930)         |
| Other income (expense), net                                  | (4,841)            | 2,061            | (6,359)           | 3,278            |
| Interest and other, net                                      | (24,766)           | (23,646)         | (47,863)          | (48,518)         |
| Income before income taxes                                   | 5,442              | 20,988           | 22,033            | 57,071           |
| Provision for income taxes                                   | 6,881              | 7,923            | 14,897            | 15,647           |
| Net income (loss)  | \$ (1,439)         | \$ 13,065        | \$ 7,136          | \$ 41,424        |
| Basic income (loss) per share                                | \$ (0.02)          | \$ 0.16          | \$ 0.09           | \$ 0.52          |
| Diluted income (loss) per share                              | \$ (0.02)          | \$ 0.16          | \$ 0.09           | \$ 0.50          |
| Weighted-average shares used in computing per share amounts: |                    |                  |                   |                  |
| Basic  | 81,225             | 80,242           | 81,059            | 80,044           |
| Diluted  | 81,225             | 83,940           | 83,511            | 83,338           |



# Reconciliation of GAAP to Non-GAAP Measures

## (Unaudited)

|  | Three Month Periods |                   |                   | Six Month Periods |                   |
|--|---------------------|-------------------|-------------------|-------------------|-------------------|
|  | Q2'12               | Q1'12             | Q2'11             | FY12              | FY11              |
| (\$ in thousands, except per share data)         |                     |                   |                   |                   |                   |
| GAAP Gross Profit                                | \$ 106,348          | \$ 109,025        | \$ 116,831        | \$ 215,373        | \$ 244,878        |
| GAAP gross margin                                | 7.3%                | 7.3%              | 7.4%              | 7.3%              | 7.6%              |
| Adjustments                                      |                     |                   |                   |                   |                   |
| Stock compensation expense (1)                   | 983                 | 907               | 1,013             | 1,890             | 2,052             |
| Amortization of intangible assets                | -                   | 104               | 157               | 104               | 314               |
| Customer bankruptcy reorganization (2)           | 325                 | -                 | (759)             | 325               | (759)             |
| <b>Non-GAAP Gross Profit</b>                     | <b>\$ 107,656</b>   | <b>\$ 110,036</b> | <b>\$ 117,242</b> | <b>\$ 217,692</b> | <b>\$ 246,485</b> |
| <b>Non-GAAP gross margin</b>                     | <b>7.4%</b>         | <b>7.3%</b>       | <b>7.5%</b>       | <b>7.3%</b>       | <b>7.6%</b>       |
| GAAP Operating Expenses                          | \$ 76,140           | \$ 69,337         | \$ 72,197         | \$ 145,477        | \$ 139,289        |
| Adjustments                                      |                     |                   |                   |                   |                   |
| Stock compensation expense (1)                   | (3,546)             | (3,157)           | (3,224)           | (6,703)           | (5,872)           |
| Amortization of intangible assets                | (767)               | (956)             | (959)             | (1,723)           | (1,917)           |
| Customer bankruptcy reorganization (2)           | (2,469)             | -                 | -                 | (2,469)           | -                 |
| Restructuring, acquisition and integration costs | (5,486)             | (4,054)           | (4,510)           | (9,540)           | (9,549)           |
| Gain on sales of long-lived assets               | -                   | -                 | 398               | -                 | 2,025             |
| Asset impairment                                 | (1,024)             | (1,053)           | -                 | (2,077)           | (85)              |
| <b>Non-GAAP Operating Expenses</b>               | <b>\$ 62,848</b>    | <b>\$ 60,117</b>  | <b>\$ 63,902</b>  | <b>\$ 122,965</b> | <b>\$ 123,891</b> |
| GAAP Operating Income                            | \$ 30,208           | \$ 39,688         | \$ 44,634         | \$ 69,896         | \$ 105,589        |
| GAAP operating margin                            | 2.1%                | 2.6%              | 2.8%              | 2.4%              | 3.3%              |
| Adjustments                                      |                     |                   |                   |                   |                   |
| Stock compensation expense (1)                   | 4,529               | 4,064             | 4,237             | 8,593             | 7,924             |
| Amortization of intangible assets                | 767                 | 1,060             | 1,116             | 1,827             | 2,231             |
| Customer bankruptcy reorganization (2)           | 2,794               | -                 | (759)             | 2,794             | (759)             |
| Restructuring, acquisition and integration costs | 5,486               | 4,054             | 4,510             | 9,540             | 9,549             |
| Gain on sales of long-lived assets               | -                   | -                 | (398)             | -                 | (2,025)           |
| Asset impairment                                 | 1,024               | 1,053             | -                 | 2,077             | 85                |
| <b>Non-GAAP Operating Income</b>                 | <b>\$ 44,808</b>    | <b>\$ 49,919</b>  | <b>\$ 53,340</b>  | <b>\$ 94,727</b>  | <b>\$ 122,594</b> |
| <b>Non-GAAP operating margin</b>                 | <b>3.1%</b>         | <b>3.3%</b>       | <b>3.4%</b>       | <b>3.2%</b>       | <b>3.8%</b>       |





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

## (Unaudited)

| (\$ in thousands, except per share data)                     | Three Month Periods |                  |                  | Six Month Periods |                  |
|--|---------------------|------------------|------------------|-------------------|------------------|
|  | Q2'12               | Q1'12            | Q2'11            | FY12              | FY11             |
| GAAP Provision for Income Taxes                              | \$ 6,881            | \$ 8,016         | \$ 7,923         | \$ 14,897         | \$ 15,647        |
| Adjustments  |                     |                  |                  |                   |                  |
| Nonrecurring tax items                                       | (2,906)             | (3,993)          | (3,157)          | (6,899)           | (3,780)          |
| <b>Non-GAAP Provision for Income Taxes</b>                   | <b>\$ 3,975</b>     | <b>\$ 4,023</b>  | <b>\$ 4,766</b>  | <b>\$ 7,998</b>   | <b>\$ 11,867</b> |
| GAAP Net Income (Loss)                                       | \$ (1,439)          | \$ 8,575         | \$ 13,065        | \$ 7,136          | \$ 41,424        |
| Adjustments:   |                     |                  |                  |                   |                  |
| Operating income adjustments (see above)                     | 14,600              | 10,231           | 8,706            | 24,831            | 17,005           |
| Loss on repurchase of debt (3)                               | 6,461               | -                | -                | 6,461             | -                |
| Nonrecurring tax items                                       | 2,906               | 3,993            | 3,157            | 6,899             | 3,780            |
| <b>Non-GAAP Net Income</b>                                   | <b>\$ 22,528</b>    | <b>\$ 22,799</b> | <b>\$ 24,928</b> | <b>\$ 45,327</b>  | <b>\$ 62,209</b> |
| <b>GAAP Income (Loss) Per Share:</b>                         |                     |                  |                  |                   |                  |
| Basic  | \$ (0.02)           | \$ 0.11          | \$ 0.16          | \$ 0.09           | \$ 0.52          |
| Diluted  | \$ (0.02)           | \$ 0.10          | \$ 0.16          | \$ 0.09           | \$ 0.50          |
| <b>Non-GAAP Income Per Share:</b>                            |                     |                  |                  |                   |                  |
| Basic  | \$ 0.28             | \$ 0.28          | \$ 0.31          | \$ 0.56           | \$ 0.78          |
| Diluted  | \$ 0.27             | \$ 0.28          | \$ 0.30          | \$ 0.54           | \$ 0.75          |
| Weighted-average shares used in computing per share amounts: |                     |                  |                  |                   |                  |
| Basic - GAAP   | 81,225              | 80,833           | 80,242           | 81,059            | 80,044           |
| Diluted - GAAP   | 81,225              | 82,668           | 83,940           | 83,511            | 83,338           |
| Basic - Non-GAAP   | 81,225              | 80,833           | 80,242           | 81,059            | 80,044           |
| Diluted - Non-GAAP   | 84,051              | 82,668           | 83,940           | 83,511            | 83,338           |

(1) Stock compensation expense was as follows:

|   | Three Month Periods |                 |                 | Six Month Periods |                 |
|---|---------------------|-----------------|-----------------|-------------------|-----------------|
|   | Q2'12               | Q1'12           | Q2'11           | FY12              | FY11            |
| Cost of sales                                     | \$ 983              | \$ 907          | \$ 1,013        | \$ 1,890          | \$ 2,052        |
| Selling, general and administrative               | 3,519               | 3,130           | 3,184           | 6,649             | 5,789           |
| Research and development                          | 27                  | 27              | 40              | 54                | 83              |
| <b>Stock compensation expense - total company</b> | <b>\$ 4,529</b>     | <b>\$ 4,064</b> | <b>\$ 4,237</b> | <b>\$ 8,593</b>   | <b>\$ 7,924</b> |

(2) Relates to inventory and bad debt reserves associated with customer bankruptcy reorganizations.

(3) Represents a loss, including write-off of unamortized debt issuance costs, on debt redeemed or repurchased prior to maturity.





# Thank You



**SANMINA-SCI®**

**What we make, makes a difference**