

# Fourth Quarter and Fiscal Year End Results



Quarter Ended September 29, 2012

What we make, makes a difference

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# Safe Harbor Statement

Certain of the following statements, including the discussion regarding our first quarter fiscal 2013 outlook and expectations for revenue and margin expansion, 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; inability of customers to pay for the Company's products due to bankruptcy filings or otherwise, which could reduce the Company's revenue and net income; reduction or cancellation of customer orders that would reduce revenues, margins and net income; the sufficiency of the Company's cash position and other sources of liquidity to operate and expand its business; an increase in short-term interest rates that would increase the Company's interest expense; component shortages, which could result in production delays or increases in manufacturing costs; 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 fourth 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.



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## Non-GAAP Financial Results Compared to Outlook

	Q4'12 (A)	Q4'12 Outlook <u>WAS</u>
Revenue:	\$1.58B	\$1.575 - \$1.625B
Diluted earnings per share:	\$0.46	\$0.32 - \$0.38

# Financial Results

## (Unaudited)

	Three Month Periods			Twelve Month Periods	
(\$ in millions, except per share data)	Q4'12	Q3'12	Q4'11	FY'12	FY'11
<b>GAAP:</b>					
Revenue	\$1,579	\$1,549	\$1,697	\$6,093	\$6,602
Net income	\$164	\$9	\$18	\$180	\$69
Diluted earnings per share <sup>(1)</sup>	\$1.96	\$0.11	\$0.22	\$2.16	\$0.83
<b>Non-GAAP<sup>(2)</sup>:</b>					
Revenue	\$1,579	\$1,549	\$1,697	\$6,093	\$6,602
Gross profit	\$117	\$106	\$133	\$441	\$513
Operating expense	\$61	\$62	\$62	\$246	\$255
Operating income	\$56	\$44	\$70	\$195	\$258
Other expense	\$11	\$18	\$25	\$71	\$96
Taxes	\$7	\$4	\$7	\$19	\$26
Net income	\$38	\$22	\$39	\$105	\$136
Diluted earnings per share	\$0.46	\$0.26	\$0.47	\$1.26	\$1.64

<sup>(1)</sup>Includes non-recurring tax benefit of \$1.90 in Q4'12 and FY'12.

<sup>(2)</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 Q4 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.



# Revenue by Segment

(Unaudited)

## Three Month Periods

(\$ in millions)	Q4'12	Q3'12	Q4'11
Integrated Manufacturing Solutions	\$1,285	\$1,271	\$1,383
Components, Products & Services	329	312	350
<b>Sub Total</b>	<b>\$1,614</b>	<b>\$1,583</b>	<b>\$1,733</b>
Inter-segment	(36)	(33)	(36)
<b>Total</b>	<b>\$1,579</b>	<b>\$1,549</b>	<b>\$1,697</b>

### Integrated Manufacturing Solutions

- PCB Assembly & Test
- Optical & RF Modules
- Final System Assembly & Test
- Direct Order Fulfillment

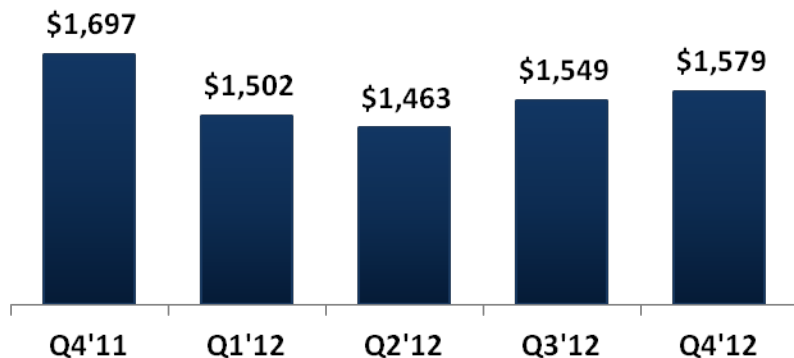
### Components, Products & Services

- 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
- Services
  - Design & Engineering
  - Logistics
  - Repair

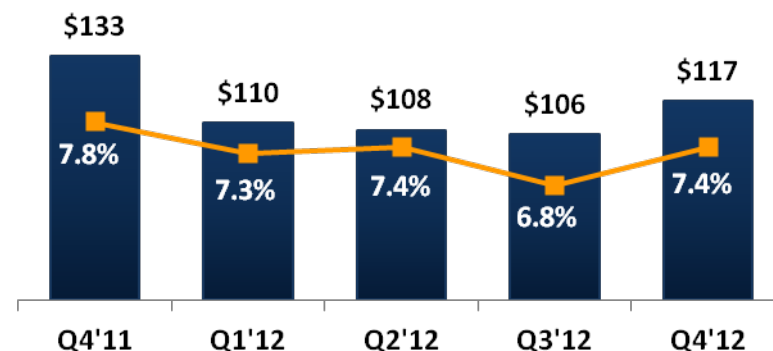
# Non-GAAP P&L Metrics

(\$ in Millions)

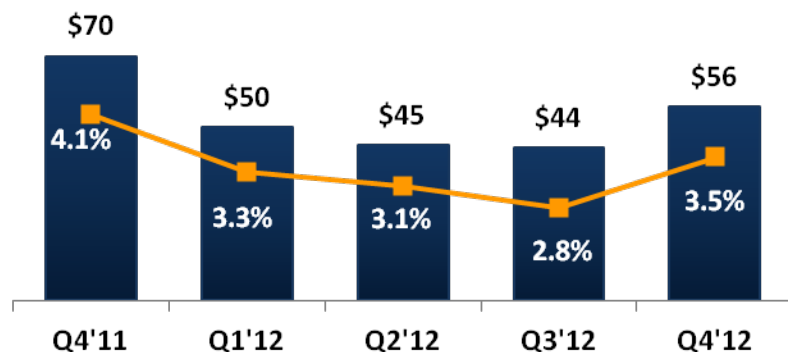
Revenue



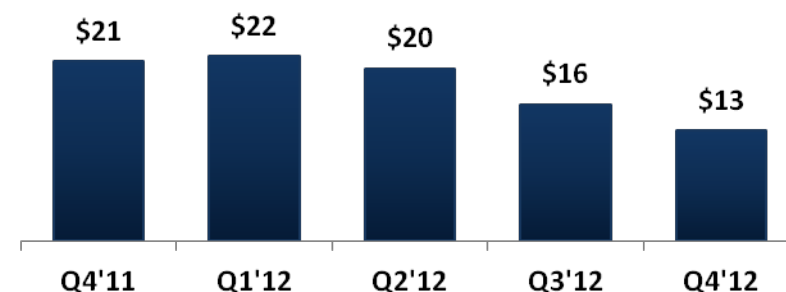
Gross Profit / Margin



Operating Income / Margin



Net Interest Expense



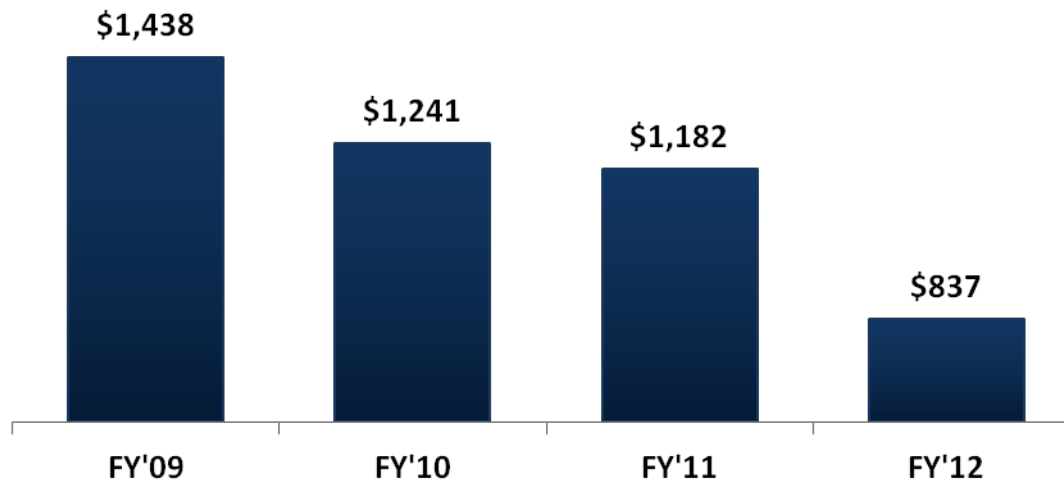
# Summary Balance Sheet

(\$ in Millions)

	9/29/2012	6/30/2012	10/1/2011
Cash and cash equivalents	\$410	\$395	\$640
Accounts receivable, net	\$1,002	\$1,017	\$1,014
Inventories	\$827	\$827	\$891
Property, plant and equipment, net	\$569	\$566	\$588
Other assets	\$361	\$228	\$220
Total assets	<u>\$3,168</u>	<u>\$3,033</u>	<u>\$3,354</u>
Accounts payable	\$938	\$896	\$984
Long-term debt	\$837	\$940	\$1,182
Other liabilities	\$429	\$391	\$417
Total stockholders' equity	<u>\$964</u>	<u>\$806</u>	<u>\$771</u>
Total liabilities and stockholders' equity	<u>\$3,168</u>	<u>\$3,033</u>	<u>\$3,354</u>

## Long-term Debt Reduced

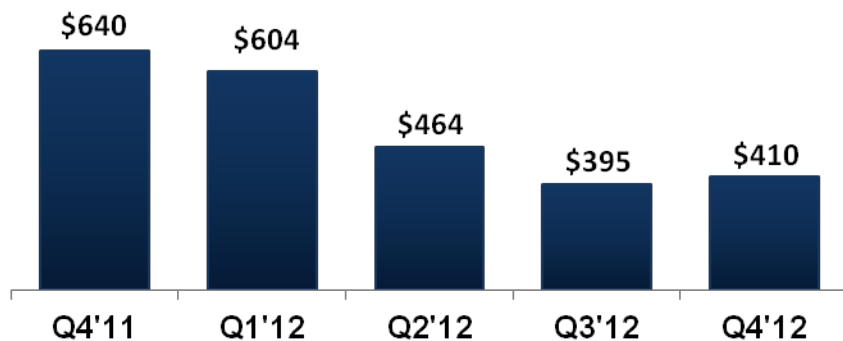
- Debt reduced by \$600 million
- Retired 2016 Notes
- Next maturity in June 2014



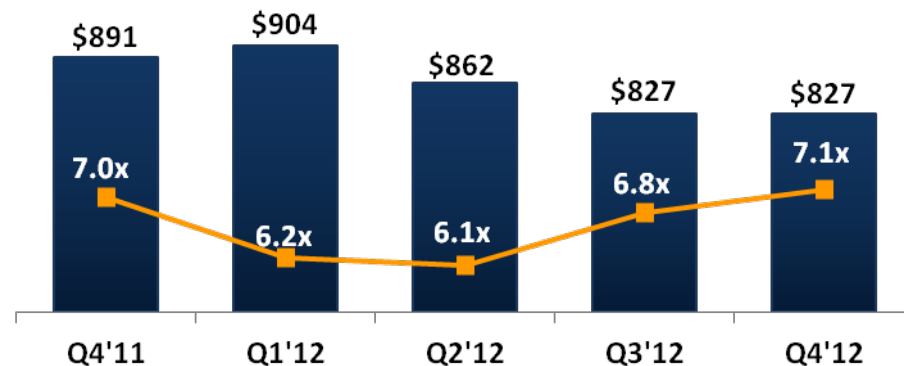
# Balance Sheet Metrics

(\$ in Millions)

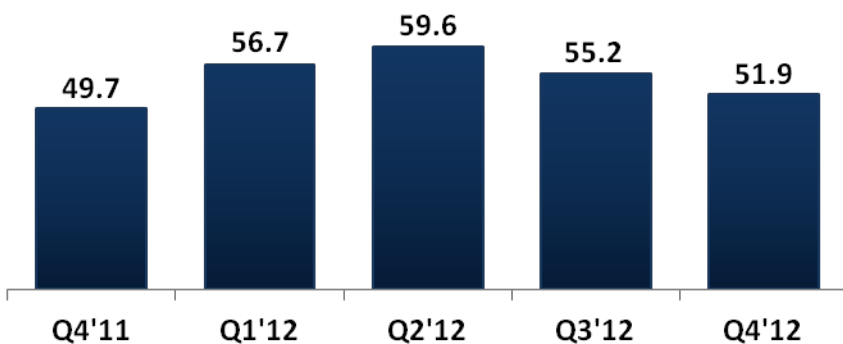
Cash and Cash Equivalents



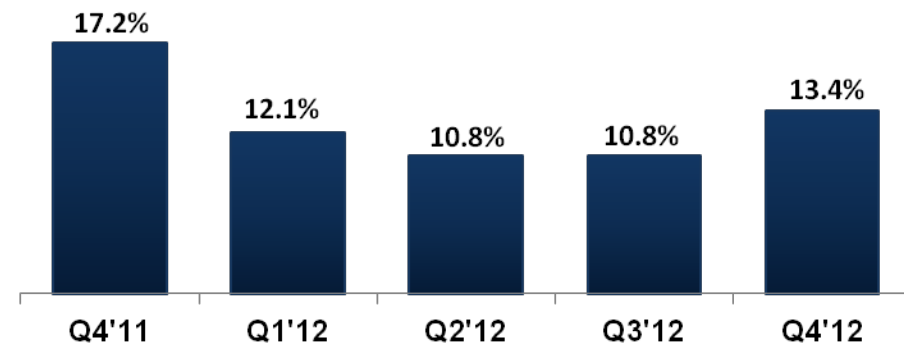
Inventory \$ / Turns



Cash Cycle Days



ROIC



## Q1'13 Outlook<sup>(1)</sup>

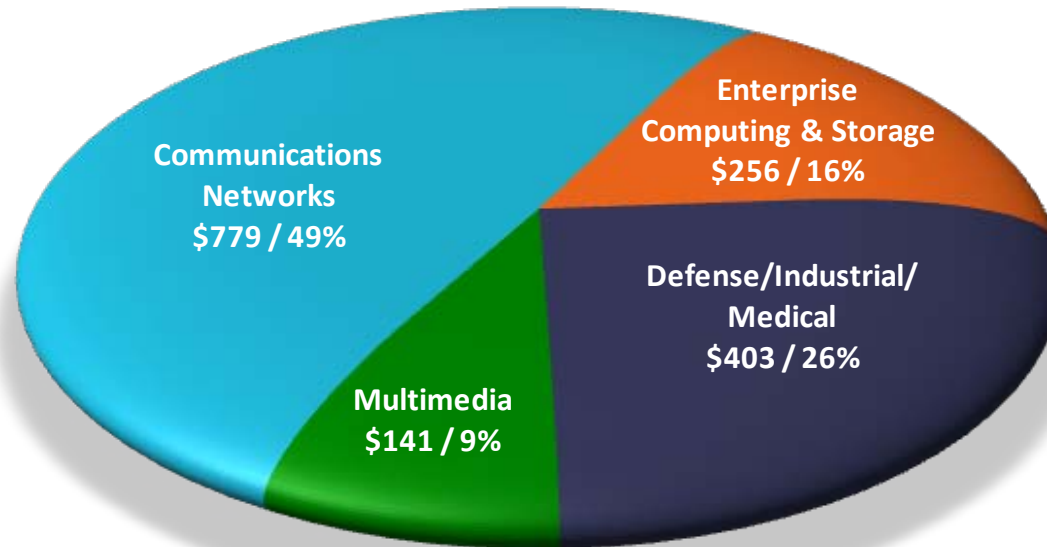
The following forecast is for the first fiscal quarter ending December 29, 2012. These statements are forward-looking and actual results may differ materially.

Revenue:	\$1.50 - \$1.55B
Non-GAAP EPS:	\$0.31 - \$0.37

<sup>(1)</sup> The above identified outlook for the quarter ending December 29, 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.

# Q4'12 Revenue Breakdown By End-Market

(\$ in Millions)



**Communications Networks**  
(Networking, Wireline & Wireless Infrastructure)

**Enterprise Computing & Storage**  
(High-end enterprise servers and storage)

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

**Multimedia**  
(Gaming equipment, set-top boxes, cinematography, point-of-sale systems, automotive electronics)

Sequential

↑ 4.1%

↑ 7.8%

↑ 0.7%

↓ 14.1%

Numbers may not foot due to rounding.

## Top 10 Customers - 51.4% of Revenue

# Q1'13 End-Market Outlook

Q1'13

**Communications Networks**  
(Networking, Wireline & Wireless Infrastructure)



**Enterprise Computing & Storage**  
(High-end enterprise servers and storage)



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

STABLE

**Multimedia**  
(Gaming equipment, set-top boxes, cinematography, point-of-sale systems and automotive electronics)



# Strategy Review

Collaborative  
Design and  
Engineering

Interconnect

Mechanical  
Systems

Optical  
Components

Integrated  
Manufacturing  
Solutions

Products and  
Services

Logistics and  
Direct Order  
Fulfillment



Integrated Manufacturing Solutions\*

\* Includes Optical & RF/Micro-electronics



Components, Products & Services

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## In Summary

- Revenue grew 5% sequentially in 2H FY'12
- Strong cash generation from operations of \$215M and debt reduction of \$345M in FY'12
- Expect to continue to generate positive cash flow from operations in FY'13
- Strong pipeline of new projects in FY'13

**Well positioned for any economic environment**



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# Consolidated Financial Statements

## Reconciliation of GAAP vs. Non-GAAP



Quarter Ended September 29, 2012

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# GAAP Condensed Consolidated Balance Sheet

(\$ in thousands)	September 29, 2012 (Unaudited)	October 1, 2011
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 409,618	\$ 640,288
Accounts receivable, net	1,001,543	1,014,121
Inventories	826,539	891,325
Prepaid expenses and other current assets	88,599	83,512
Total current assets	<u>2,326,299</u>	<u>2,629,246</u>
Property, plant and equipment, net	569,365	588,097
Other non-current assets	272,122	136,630
Total assets	<u>\$ 3,167,786</u>	<u>\$ 3,353,973</u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Current liabilities:		
Accounts payable	\$ 937,737	\$ 984,014
Accrued liabilities	104,741	109,478
Accrued payroll and related benefits	117,074	112,193
Short-term debt	59,995	60,200
Total current liabilities	<u>1,219,547</u>	<u>1,265,885</u>
Long-term liabilities:		
Long-term debt	837,364	1,182,308
Other	147,094	135,263
Total long-term liabilities	<u>984,458</u>	<u>1,317,571</u>
Total stockholders' equity	963,781	770,517
Total liabilities and stockholders' equity	<u>\$ 3,167,786</u>	<u>\$ 3,353,973</u>

# GAAP Condensed Consolidated Statement of Operations

## (Unaudited)

	Three Months Ended		Twelve Months Ended	
	Sept. 29, 2012	Oct. 1, 2011	Sept. 29, 2012	Oct. 1, 2011
(\$ in thousands, except per share data)				
Net sales	\$ 1,578,584	\$ 1,696,702	\$ 6,093,334	\$ 6,602,411
Cost of sales	1,463,427	1,562,830	5,657,552	6,092,060
Gross profit	115,157	133,872	435,782	510,351
Operating expenses:				
Selling, general and administrative	57,817	59,401	240,863	247,127
Research and development	6,256	5,925	21,899	20,802
Amortization of intangible assets	672	956	3,067	3,831
Restructuring and integration costs	17,899	13,724	31,371	29,609
Asset impairment	313	365	2,390	450
Gain on sales of long-lived assets	-	-	(1,298)	(3,465)
Total operating expenses	82,957	80,371	298,292	298,354
Operating income	32,200	53,501	137,490	211,997
Interest income	330	371	1,425	1,861
Interest expense	(13,383)	(21,341)	(71,744)	(99,114)
Other expense, net	(4,034)	(3,717)	(17,228)	(15,206)
Interest and other, net	(17,087)	(24,687)	(87,547)	(112,459)
Income before income taxes	15,113	28,814	49,943	99,538
Provision for (Benefit from) income taxes	(149,037)	10,726	(130,291)	30,621
Net income	\$ 164,150	\$ 18,088	\$ 180,234	\$ 68,917
Basic income per share	\$ 2.01	\$ 0.22	\$ 2.22	\$ 0.86
Diluted income per share	\$ 1.96	\$ 0.22	\$ 2.16	\$ 0.83
Weighted-average shares used in computing per share amounts:				
Basic	81,578	80,713	81,284	80,345
Diluted	83,556	82,729	83,495	83,158

# Reconciliation of GAAP to Non-GAAP Measures

## (Unaudited)

(\$ in thousands, except per share data)	Three Month Periods			Twelve Month Periods	
	Q4'12	Q3'12	Q4'11	FY12	FY11
GAAP Gross Profit	\$ 115,157	\$ 105,252	\$ 133,872	\$ 435,782	\$ 510,351
GAAP gross margin	7.3%	6.8%	7.9%	7.2%	7.7%
Adjustments					
Stock compensation expense (1)	1,908	706	905	4,504	4,730
Amortization of intangible assets	-	-	156	104	627
Distressed customer charges (recoveries) (2)	-	-	(2,332)	325	(3,091)
<b>Non-GAAP Gross Profit</b>	<b>\$ 117,065</b>	<b>\$ 105,958</b>	<b>\$ 132,601</b>	<b>\$ 440,715</b>	<b>\$ 512,617</b>
<b>Non-GAAP gross margin</b>	<b>7.4%</b>	<b>6.8%</b>	<b>7.8%</b>	<b>7.2%</b>	<b>7.8%</b>
GAAP Operating Expenses	\$ 82,957	\$ 69,858	\$ 80,371	\$ 298,292	\$ 298,354
Adjustments					
Stock compensation expense (1)	(2,971)	(3,821)	(3,097)	(13,495)	(13,253)
Amortization of intangible assets	(672)	(672)	(956)	(3,067)	(3,831)
Distressed customer charges (recoveries) (2)	-	-	-	(2,469)	-
Restructuring, acquisition and integration costs	(17,899)	(4,834)	(13,724)	(32,273)	(29,609)
Gain on sales of long-lived assets	-	1,298	-	1,298	3,485
Asset impairment	(313)	-	(365)	(2,390)	(450)
<b>Non-GAAP Operating Expenses</b>	<b>\$ 61,102</b>	<b>\$ 61,829</b>	<b>\$ 62,229</b>	<b>\$ 245,896</b>	<b>\$ 254,696</b>
GAAP Operating Income	\$ 32,200	\$ 35,394	\$ 53,501	\$ 137,490	\$ 211,997
GAAP operating margin	2.0%	2.3%	3.2%	2.3%	3.2%
Adjustments					
Stock compensation expense (1)	4,879	4,527	4,002	17,999	17,983
Amortization of intangible assets	672	672	1,112	3,171	4,458
Distressed customer charges (recoveries) (2)	-	-	(2,332)	2,794	(3,091)
Restructuring, acquisition and integration costs	17,899	4,834	13,724	32,273	29,609
Gain on sales of long-lived assets	-	(1,298)	-	(1,298)	(3,485)
Asset impairment	313	-	365	2,390	450
<b>Non-GAAP Operating Income</b>	<b>\$ 55,963</b>	<b>\$ 44,129</b>	<b>\$ 70,372</b>	<b>\$ 194,819</b>	<b>\$ 257,921</b>
<b>Non-GAAP operating margin</b>	<b>3.5%</b>	<b>2.8%</b>	<b>4.1%</b>	<b>3.2%</b>	<b>3.9%</b>

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

## *(Unaudited)*

(\$ in thousands, except per share data)	Three Month Periods			Twelve Month Periods	
	Q4'12	Q3'12	Q4'11	FY12	FY11
GAAP Provision for (Benefit from) Income Taxes	\$ (149,037)	\$ 3,849	\$ 10,726	\$ (130,291)	\$ 30,621
Adjustments					
Nonrecurring tax items	156,114	16	(3,711)	149,231	(5,066)
<b>Non-GAAP Provision for Income Taxes</b>	<b>\$ 7,077</b>	<b>\$ 3,865</b>	<b>\$ 7,015</b>	<b>\$ 18,940</b>	<b>\$ 25,555</b>
GAAP Net Income	\$ 164,150	\$ 8,948	\$ 18,088	\$ 180,234	\$ 68,917
Adjustments:					
Operating income adjustments (see above)	23,763	8,735	16,871	57,329	45,924
Loss on repurchase of debt (3)	6,240	4,236	-	16,937	16,098
Nonrecurring tax items	(156,114)	(16)	3,711	(149,231)	5,066
<b>Non-GAAP Net Income</b>	<b>\$ 38,039</b>	<b>\$ 21,903</b>	<b>\$ 38,670</b>	<b>\$ 105,269</b>	<b>\$ 136,005</b>
<b>GAAP Income Per Share:</b>					
Basic	\$ 2.01	\$ 0.11	\$ 0.22	\$ 2.22	\$ 0.86
Diluted	\$ 1.96	\$ 0.11	\$ 0.22	\$ 2.16	\$ 0.83
<b>Non-GAAP Income Per Share:</b>					
Basic	\$ 0.47	\$ 0.27	\$ 0.48	\$ 1.30	\$ 1.69
Diluted	\$ 0.46	\$ 0.26	\$ 0.47	\$ 1.26	\$ 1.64
Weighted-average shares used in computing per share amounts:					
Basic	81,578	81,519	80,713	81,284	80,345
Diluted	83,556	83,566	82,729	83,495	83,158

(1) Stock compensation expense was as follows:

	Three Month Periods			Twelve Month Periods	
	Q4'12	Q3'12	Q4'11	FY12	FY11
Cost of sales	\$ 1,908	\$ 706	\$ 905	\$ 4,504	\$ 4,730
Selling, general and administrative	2,921	3,793	3,072	13,363	13,070
Research and development	50	28	25	132	183
<b>Stock compensation expense - total company</b>	<b>\$ 4,879</b>	<b>\$ 4,527</b>	<b>\$ 4,002</b>	<b>\$ 17,999</b>	<b>\$ 17,983</b>

(2) Relates to inventory and bad debt reserves / recoveries associated with distressed customers.

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

# Thank You



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