

SANMINA CORP
Form 10-Q
May 02, 2018

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

Form 10-Q
(Mark one)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2018

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____.

Commission File Number 0-21272

Sanmina Corporation

(Exact name of registrant as specified in its charter)

Delaware 77-0228183
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification Number)

2700 N. First St., San Jose, CA 95134
(Address of principal executive offices) (Zip Code)

(408) 964-3500
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large Accelerated Filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company) Emerging growth company

Edgar Filing: SANMINA CORP - Form 10-Q

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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes No

As of April 23, 2018, there were 68,602,374 shares outstanding of the issuer's common stock, \$0.01 par value per share.

SANMINA CORPORATION

INDEX

	Page
	<u>PART I. FINANCIAL INFORMATION</u>
Item 1.	<u>Interim Financial Statements (Unaudited)</u> 3
	<u>Condensed Consolidated Balance Sheets</u> 3
	<u>Condensed Consolidated Statements of Operations</u> 4
	<u>Condensed Consolidated Statements of Comprehensive Income (Loss)</u> 5
	<u>Condensed Consolidated Statements of Cash Flows</u> 6
	<u>Notes to Condensed Consolidated Financial Statements</u> 7
Item 2.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u> 19
Item 3.	<u>Quantitative and Qualitative Disclosures About Market Risk</u> 28
Item 4.	<u>Controls and Procedures</u> 29
	<u>PART II. OTHER INFORMATION</u>
Item 1.	<u>Legal Proceedings</u> 30
Item 1A.	<u>Risk Factors</u> 31
Item 2.	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u> 41
Item 6.	<u>Exhibits</u> 42
	<u>Signatures</u> 43

SANMINA CORPORATION

CONDENSED CONSOLIDATED BALANCE SHEETS

	As of	
	March 31, 2018	September 30, 2017
	(Unaudited)	
	(In thousands)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$405,277	\$ 406,661
Accounts receivable, net of allowances of approximately \$14,000 in both periods	1,087,713	1,110,334
Inventories	1,122,018	1,051,669
Prepaid expenses and other current assets	55,510	47,586
Total current assets	2,670,518	2,616,250
Property, plant and equipment, net	635,127	640,275
Deferred tax assets	354,658	476,554
Other	119,052	114,284
Total assets	\$3,779,355	\$ 3,847,363
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$1,224,062	\$ 1,280,106
Accrued liabilities	125,332	116,582
Accrued payroll and related benefits	123,549	130,939
Short-term debt, including current portion of long-term debt	244,416	88,416
Total current liabilities	1,717,359	1,616,043
Long-term liabilities:		
Long-term debt	393,236	391,447
Other	205,770	192,189
Total long-term liabilities	599,006	583,636
Contingencies (Note 6)		
Stockholders' equity	1,462,990	1,647,684
Total liabilities and stockholders' equity	\$3,779,355	\$ 3,847,363

See accompanying notes to condensed consolidated financial statements.

SANMINA CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended		Six Months Ended	
	March 31,	April 1,	March 31,	April 1,
	2018	2017	2018	2017
	(Unaudited)			
	(In thousands, except per share data)			
Net sales	\$1,675,629	\$1,682,262	\$3,420,429	\$3,402,239
Cost of sales	1,560,931	1,549,052	3,196,265	3,136,867
Gross profit	114,698	133,210	224,164	265,372
Operating expenses:				
Selling, general and administrative	65,384	62,388	128,987	127,528
Research and development	8,221	8,437	15,836	16,608
Restructuring costs (recovery)	(8,591)	) 3,301	14,951	4,029
Other	910	918	1,828	385
Total operating expenses	65,924	75,044	161,602	148,550
Operating income	48,774	58,166	62,562	116,822
Interest income	287	238	572	439
Interest expense	(6,826)	) (5,486)	) (13,040)	) (10,753)
Other income (expense), net	(483)	) 3,812	2,747	5,069
Interest and other, net	(7,022)	) (1,436)	) (9,721)	) (5,245)
Income before income taxes	41,752	56,730	52,841	