



SANMINA

Sanmina

Q4 & FY'17 Results

October 30, 2017



WHAT WE MAKE, **MAKES A DIFFERENCE**

Concept to Delivery / Advanced Technology / Manufacturing & Global Supply Chain Solutions / Systems & Intelligence

Safe Harbor Statement



SANMINA

Certain statements made during this presentation, including the Company's outlook for the first quarter fiscal year 2018, 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 adverse changes to the key markets we target; operational and other inefficiencies; risks arising from our international operations; competition that could cause us to lose sales; reliance on a relatively small number of customers for a majority of our sales; 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 will refer to certain non-GAAP financial information. The corresponding GAAP financial information and a reconciliation of the non-GAAP results disclosed during this presentation to their more directly comparable GAAP measures are included on slide 23 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.

Financial Results Compared to Outlook



SANMINA

	Q4'17 (A)	Q4'17 Outlook
Revenue:	\$1.76B	\$1.725 - \$1.775B
Non-GAAP Diluted EPS:	\$0.64	\$0.73 - \$0.79

Financial Results

(Unaudited)



SANMINA

(\$ in millions, except per share data)	Three Month Period			Twelve Month Period	
	Q4'17	Q3'17	Q4'16	FY'17	FY'16
GAAP:					
Revenue	\$1,755	\$1,711	\$1,666	\$6,869	\$6,481
Gross profit	\$124	\$131	\$127	\$520	\$514
Operating expense	\$81	\$64	\$72	\$293	\$289
Operating income	\$43	\$67	\$55	\$226	\$225
Other expense	\$3	\$4	\$3	\$13	\$20
Taxes	\$14	\$26	(\$49)	\$75	\$17
Net income	\$26	\$36	\$101	\$139	\$188
Diluted earnings per share ⁽¹⁾	\$0.33	\$0.47	\$1.30	\$1.78	\$2.38
Non-GAAP⁽²⁾:					
Revenue	\$1,755	\$1,711	\$1,666	\$6,869	\$6,481
Gross profit	\$126	\$133	\$132	\$532	\$519
Operating expense	\$65	\$62	\$62	\$256	\$262
Operating income	\$61	\$71	\$69	\$275	\$257
Other expense	\$3	\$4	\$4	\$13	\$23
Taxes	\$8	\$9	\$9	\$38	\$35
Net income	\$50	\$58	\$56	\$225	\$200
Diluted earnings per share	\$0.64	\$0.74	\$0.72	\$2.87	\$2.54

⁽¹⁾In the fourth quarter of 2016, the Company released valuation allowances attributable to certain U.S. and foreign deferred tax assets. As a result of this release, fourth quarter and full year 2016 GAAP diluted earnings per share include a tax benefit of \$1.24 and \$1.22 per share, respectively.

⁽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), asset impairment charges, amortization expense and amounts associated with distressed customers, litigation settlements, gains on sales of assets and redemptions of debt and adjustments for deferred tax and discrete tax items. Please refer to "Reconciliation of Non-GAAP Measures" on slide 23 of this presentation.

Numbers may not foot due to rounding.

IMS Non-GAAP Revenue and Gross Margin*

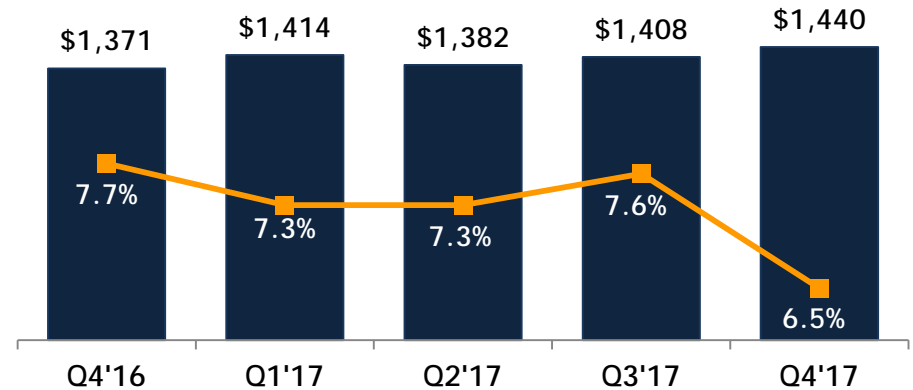
Q-Q (\$ in Millions)



SANMINA

- Revenue increased 2.3% Q/Q and 5.0% Y/Y
- Gross margin impacted by new program ramps

Integrated Manufacturing Solutions



*Non-GAAP revenue and gross margin for IMS segment category includes inter-segment revenues that are eliminated under GAAP and excludes the same GAAP items that are excluded from the calculation of non-GAAP gross margin for the consolidated business. The reconciliation of non-GAAP gross margin for the consolidated business to GAAP gross margin is shown on slide 23.

CPS Non-GAAP Revenue and Gross Margin*

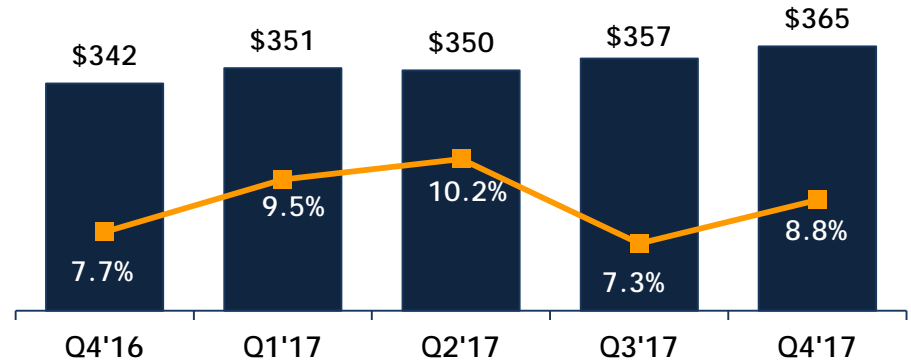
Q-Q (\$ in Millions)



SANMINA

- Revenue increased 2.2% Q/Q and 6.7% Y/Y
- Improved gross margin 150 bps Q/Q and 110 bps Y/Y

Components, Products and Services



*Non-GAAP revenue and gross margin for CPS segment category includes inter-segment revenues that are eliminated under GAAP and excludes the same GAAP items that are excluded from the calculation of non-GAAP gross margin for the consolidated business. The reconciliation of non-GAAP gross margin for the consolidated business to GAAP gross margin is shown on slide 23.

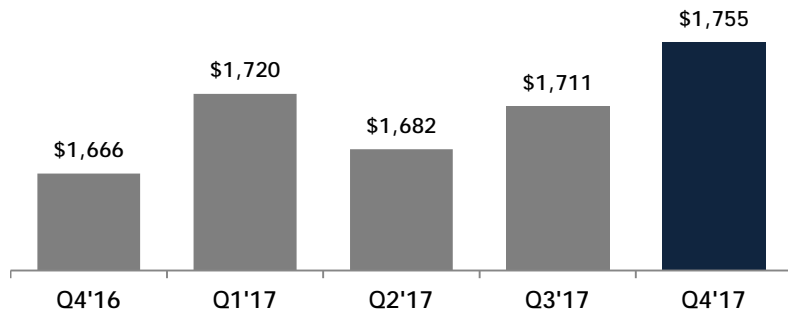
Q-Q Non-GAAP P&L Performance

(\$ in Millions, except per share data)

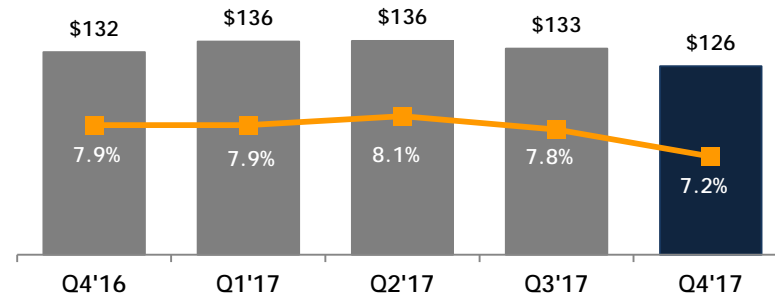


SANMINA

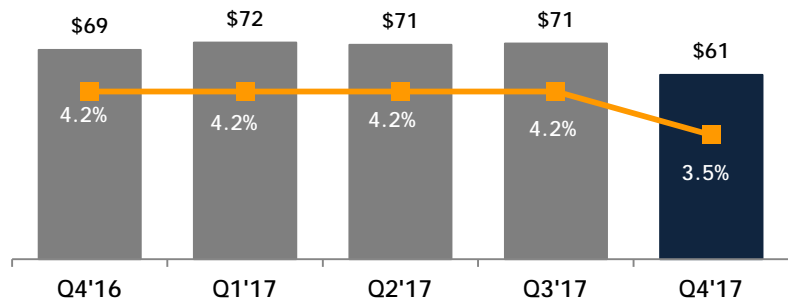
Revenue



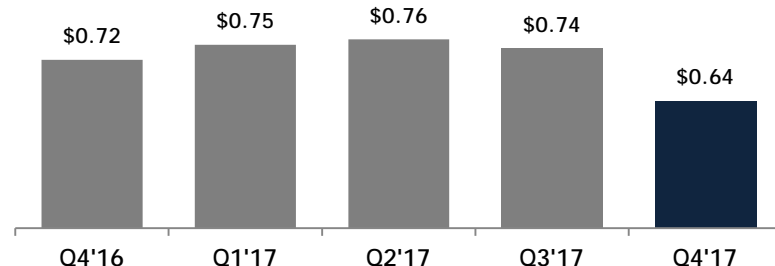
Gross Profit / Margin



Operating Income / Margin



Earnings Per Share



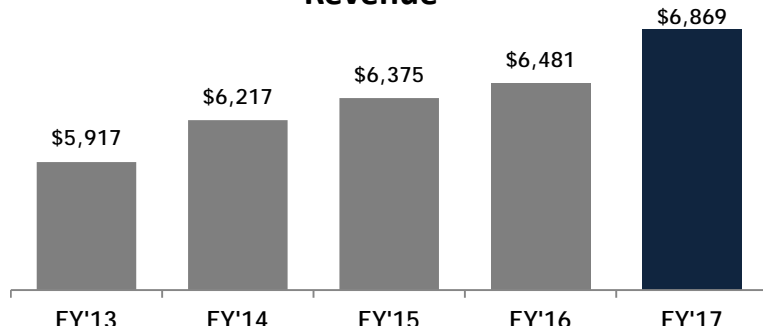
Y-Y Non-GAAP P&L Performance

(\$ in Millions, except per share data)

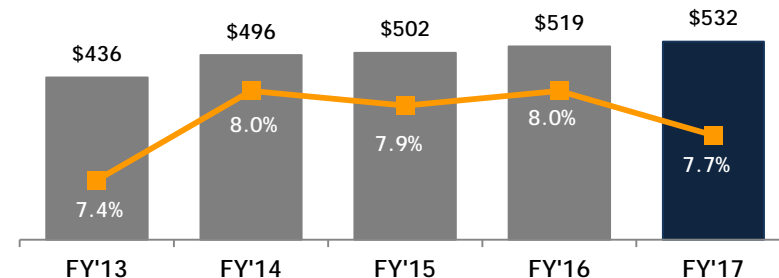


SANMINA

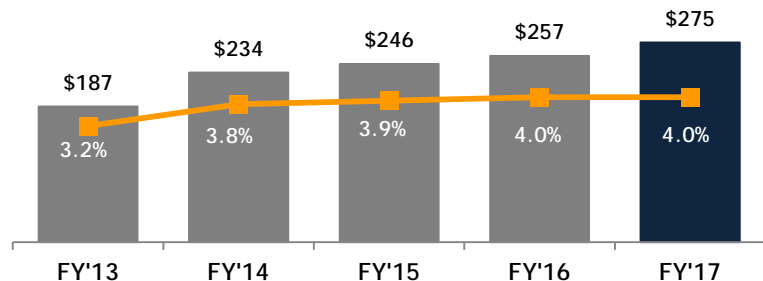
Revenue



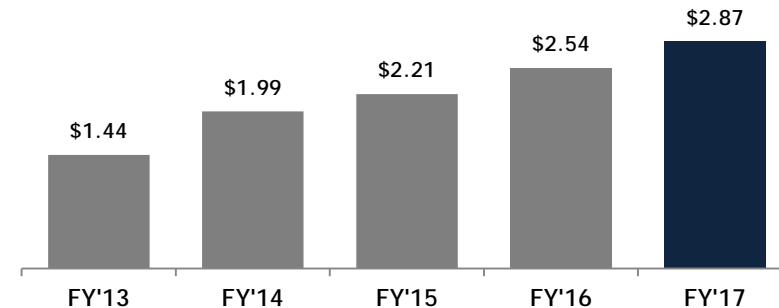
Gross Profit / Margin



Operating Income / Margin



Earnings Per Share



Summary Balance Sheet

(\$ in Millions)



SANMINA

	9/30/17	7/1/17	10/1/16
Cash and cash equivalents	\$407	\$436	\$398
Accounts receivable, net	1,110	1,036	974
Inventories	1,052	1,047	946
Property, plant and equipment, net	640	643	618
Deferred tax assets	477	484	514
Other assets	162	164	175
Total assets	\$3,847	\$3,809	\$3,625
Accounts payable	\$1,280	\$1,256	\$1,121
Short-term debt	88	3	28
Long-term debt	391	391	434
Other liabilities	440	419	432
Total stockholders' equity	1,648	1,740	1,610
Total liabilities and stockholders' equity	\$3,847	\$3,809	\$3,625

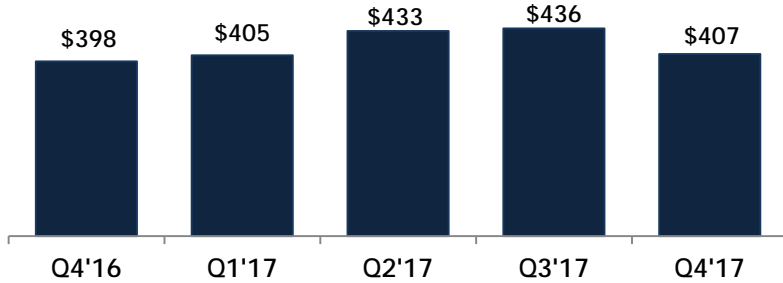
Balance Sheet Metrics

(\$ in Millions)

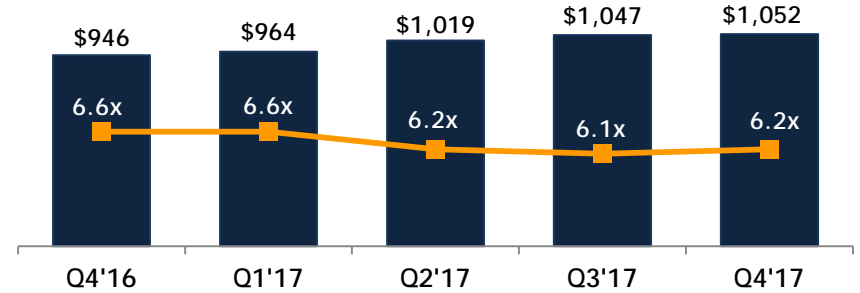


SANMINA

Cash and Cash Equivalents

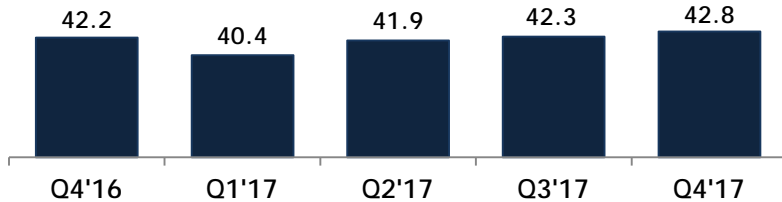


Inventory \$ / Turns



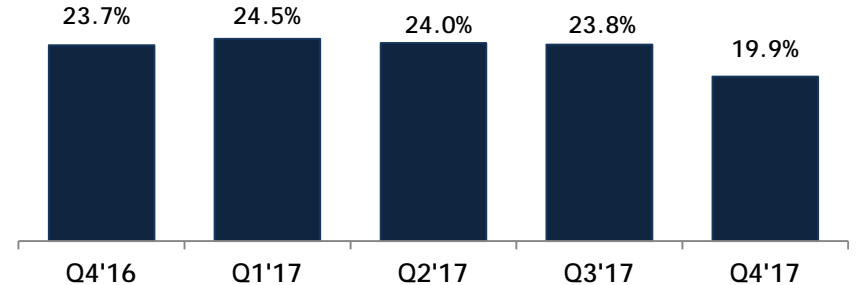
Inventory turns (annualized) are calculated as the ratio of four times cost of sales for the quarter to average inventory.

Cash Cycle Days



Cash cycle days is calculated as days inventory on hand (ratio of average inventory for the quarter to average daily cost of sales for the quarter) plus days sales outstanding (ratio of average net accounts receivable to average daily net sales for the quarter) minus accounts payable days (ratio of 365 days divided by accounts payable turns - ratio of four times cost of sales for the quarter to average accounts payable).

Non-GAAP Pre-Tax ROIC



Refer to slide 24 for pre-tax ROIC calculation.

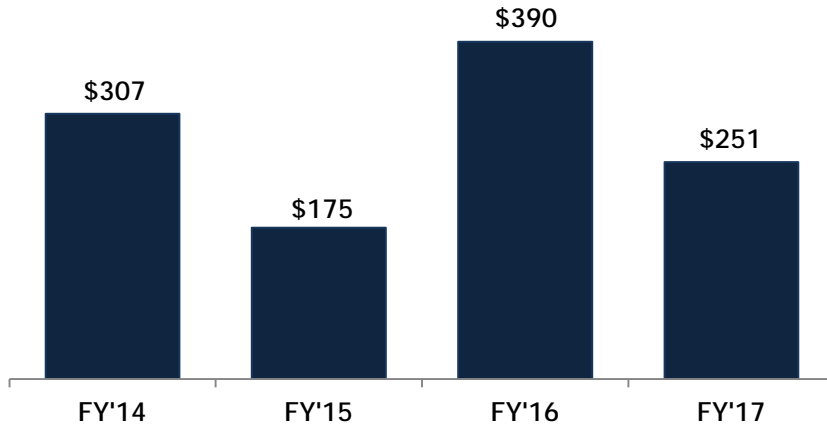
Cash Utilization

(\$ in Millions)

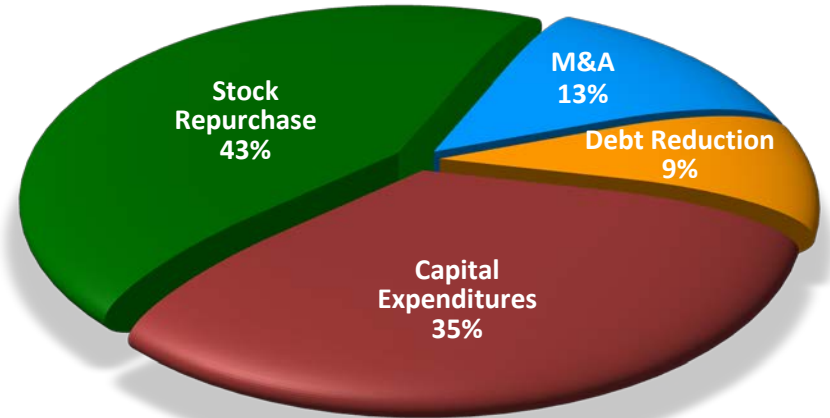


SANMINA

Cash Flow from Operations



Utilization of Cash Flow from Operations Over Past Four Years



Capital Expenditures

(\$ in Millions)



SANMINA

- New program ramps
- Investing in our future

Net Capital Expenditures*



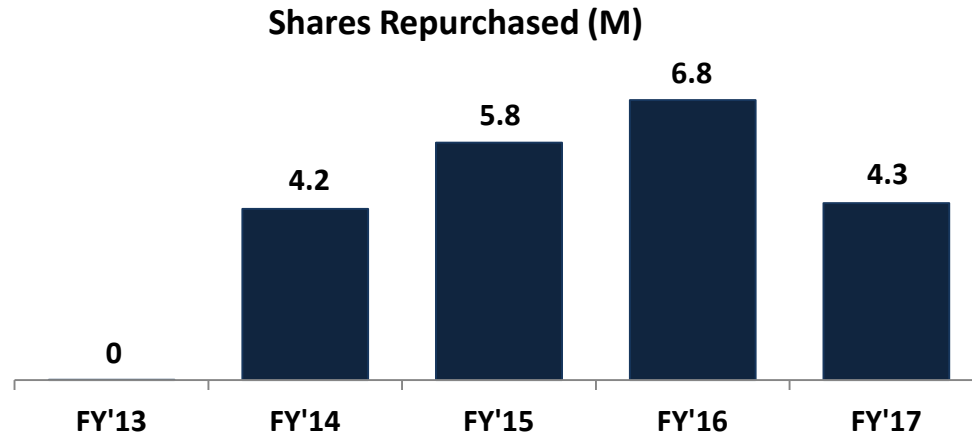
* Net of proceeds from asset sales.

Share Repurchase Program



SANMINA

- \$200 million stock repurchase plan announced September 18, 2017
- Q4'17 repurchased 3.8 million common shares for \$139 million and 4.3 million shares for \$159.6 million in FY'17
- \$497 million share repurchases since FY'14
- \$253 million authorized for future purchases



The following outlook is for the first fiscal quarter ending December 30, 2017. These statements are forward-looking and actual results may differ materially.

Revenue:	\$1.75 - \$1.80B
-----------------	-------------------------

GAAP Diluted EPS⁽¹⁾ :	\$0.58 - \$0.64
---	------------------------

Non-GAAP Diluted EPS:	\$0.68 - \$0.74
------------------------------	------------------------

⁽¹⁾ Includes stock-based compensation expense of \$0.08 and amortization of intangible assets of \$0.02.



SANMINA

Sanmina

CEO Remarks

October 30, 2017



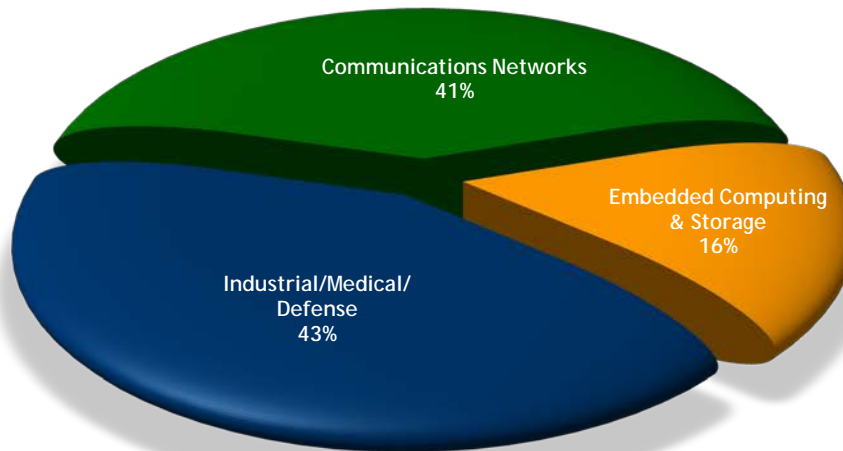
WHAT WE MAKE, **MAKES A DIFFERENCE**

Concept to Delivery / Advanced Technology / Manufacturing & Global Supply Chain Solutions / Systems & Intelligence

Q4'17 Revenue Breakdown By End-Market



SANMINA



Industrial/Medical/Defense
(Industrial equipment, energy, oil and gas, medical equipment and aerospace & defense)

Communications Networks
(Networking, optical & wireless infrastructure)

Embedded Computing & Storage
(Casino gaming equipment, set-top boxes, cinematography, point-of-sale equipment, automotive electronics and storage systems)

Sequential

↓0.5%

↑6.5%

↑1.3%

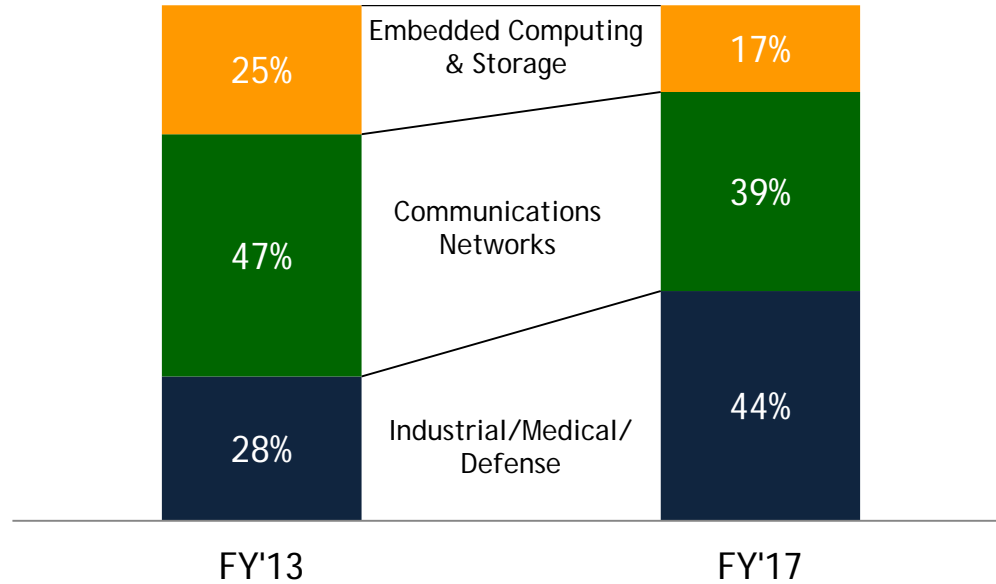
Numbers may not foot due to rounding.

Top 10 Customers - 54.4% of Revenue

End-market Diversification



SANMINA



Industrial/Medical/Defense
(Industrial equipment, energy, oil and gas, medical equipment and aerospace & defense)

Communications Networks
(Networking, optical & wireless infrastructure)

Embedded Computing & Storage
(Casino gaming equipment, set-top boxes, cinematography, point-of-sale equipment, automotive electronics and storage systems)

FY'16 - FY'17

↑10.4%

↑9.8%

↓10.8%

Two 10%+ Customers

Q1'18 End-market Outlook



SANMINA

Industrial/Medical/Defense

(Industrial equipment, energy, oil and gas and medical equipment, aerospace & defense)



Communications Networks

(Networking, optical & wireless infrastructure)



Embedded Computing & Storage

(Casino gaming equipment, set-top boxes, cinematography, point-of-sale equipment, automotive electronics and storage systems)



- Q4'17:
 - Revenue and cash generation in line with expectations
 - Operating margin and EPS challenged by new program introductions
- FY'17
 - Overall, successful year
 - Revenue growth 6% Y/Y
 - Non-GAAP EPS expansion of 13% Y/Y
 - Healthy cash generation provides flexibility to fund the business
 - New program wins - market diversification

Our technical capabilities, footprint and financial strength position us well for the future



SANMINA

Sanmina

Consolidated Financial
Statements
Reconciliation of
GAAP vs. Non-GAAP

Quarter Ended
September 30, 2017



WHAT WE MAKE, **MAKES A DIFFERENCE**

Concept to Delivery / Advanced Technology / Manufacturing & Global Supply Chain Solutions / Systems & Intelligence

GAAP Condensed Consolidated Balance Sheet



SANMINA

(\$ in thousands)	September 30, 2017	October 1, 2016
	(Unaudited)	
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 406,661	\$ 398,288
Accounts receivable, net	1,110,334	973,680
Inventories	1,051,669	946,239
Prepaid expenses and other current assets	47,586	57,445
Total current assets	<u>2,616,250</u>	<u>2,375,652</u>
Property, plant and equipment, net	640,275	617,524
Deferred tax assets	476,554	514,314
Other	114,284	117,732
Total assets	<u>\$ 3,847,363</u>	<u>\$ 3,625,222</u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Current liabilities:		
Accounts payable	\$ 1,280,106	\$ 1,121,135
Accrued liabilities	116,582	124,386
Accrued payroll and related benefits	130,939	127,326
Short-term debt	88,416	28,416
Total current liabilities	<u>1,616,043</u>	<u>1,401,263</u>
Long-term liabilities:		
Long-term debt	391,447	434,059
Other	192,189	180,097
Total long-term liabilities	<u>583,636</u>	<u>614,156</u>
Stockholders' equity	1,647,684	1,609,803
Total liabilities and stockholders' equity	<u>\$ 3,847,363</u>	<u>\$ 3,625,222</u>

GAAP Condensed Consolidated Statement of Operations (Unaudited)



SANMINA

	Three Months Ended		Twelve Months Ended	
	Sept. 30, 2017	Oct. 1, 2016	Sept. 30, 2017	Oct. 1, 2016
(\$ in thousands, except per share amounts)				
Net sales	\$ 1,755,003	\$ 1,665,819	\$ 6,868,619	\$ 6,481,181
Cost of sales	1,631,152	1,538,548	6,348,708	5,966,899
Gross profit	123,851	127,271	519,911	514,282
Operating expenses:				
Selling, general and administrative	65,332	61,435	251,568	244,604
Research and development	8,714	8,658	33,716	37,746
Amortization of intangible assets	918	918	3,672	3,446
Restructuring costs	1,218	1,210	1,339	2,701
Asset impairments	4,600	-	4,600	1,000
Gain on sales of long-lived assets	-	-	(1,451)	-
Total operating expenses	80,782	72,221	293,444	289,497
Operating income	43,069	55,050	226,467	224,785
Interest income	607	196	1,265	680
Interest expense	(5,678)	(6,270)	(21,934)	(24,911)
Other income, net	1,661	2,654	7,682	4,063
Interest and other, net	(3,410)	(3,420)	(12,987)	(20,168)
Income before income taxes	39,659	51,630	213,480	204,617
Provision for (benefit from) income taxes	13,811	(49,175)	74,647	16,779
Net income	\$ 25,848	\$ 100,805	\$ 138,833	\$ 187,838
Basic income per share	\$ 0.35	\$ 1.37	\$ 1.86	\$ 2.50
Diluted income per share	\$ 0.33	\$ 1.30	\$ 1.78	\$ 2.38
Weighted-average shares used in computing per share amounts:				
Basic	74,281	73,549	74,481	75,094
Diluted	77,575	77,371	78,128	78,787

Reconciliation of Non-GAAP Measures (Unaudited)



SANMINA

	Three Month Periods			Twelve Month Periods	
	Q4'17	Q3'17	Q4'16	FY17	FY16
(\$ in thousands, except per share data)					
GAAP Gross Profit	\$ 123,851	\$ 130,688	\$ 127,271	\$ 519,911	\$ 514,282
GAAP gross margin	7.1%	7.6%	7.6%	7.6%	7.9%
Adjustments					
Stock compensation expense (1)	2,180	1,880	2,471	8,958	7,350
Amortization of intangible assets	902	902	902	3,608	3,974
Reversal of contingent consideration accrual (2)	-	-	-	-	(7,558)
Distressed customer charges (3)	(573)	(400)	957	(973)	957
Non-GAAP Gross Profit	\$ 126,360	\$ 133,070	\$ 131,601	\$ 531,504	\$ 519,005
Non-GAAP gross margin	7.2%	7.8%	7.9%	7.7%	8.0%
GAAP Operating Expenses	\$ 80,782	\$ 64,112	\$ 72,221	\$ 293,444	\$ 289,497
Adjustments					
Stock compensation expense (1)	(8,832)	(5,409)	(6,477)	(28,962)	(19,557)
Amortization of intangible assets	(918)	(918)	(918)	(3,672)	(3,446)
Distressed customer charges (3)	-	-	(1,276)	-	(1,276)
Restructuring costs	(1,218)	3,908	(1,210)	(1,339)	(2,701)
Gain on sales of long-lived assets	-	-	-	1,451	-
Asset impairments	(4,600)	-	-	(4,600)	(1,000)
Non-GAAP Operating Expenses	\$ 65,214	\$ 61,693	\$ 62,340	\$ 256,322	\$ 261,517
GAAP Operating Income	\$ 43,069	\$ 66,576	\$ 55,050	\$ 226,467	\$ 224,785
GAAP operating margin	2.5%	3.9%	3.3%	3.3%	3.5%
Adjustments					
Stock compensation expense (1)	11,012	7,289	8,948	37,920	26,907
Amortization of intangible assets	1,820	1,820	1,820	7,280	7,420
Reversal of contingent consideration accrual (2)	-	-	-	-	(7,558)
Distressed customer charges (3)	(573)	(400)	2,233	(973)	2,233
Restructuring costs	1,218	(3,908)	1,210	1,339	2,701
Gain on sales of long-lived assets	-	-	-	(1,451)	-
Asset impairments	4,600	-	-	4,600	1,000
Non-GAAP Operating Income	\$ 61,146	\$ 71,377	\$ 69,261	\$ 275,182	\$ 257,488
Non-GAAP operating margin	3.5%	4.2%	4.2%	4.0%	4.0%
GAAP Interest and Other, net	\$ (3,410)	\$ (4,332)	\$ (3,420)	\$ (12,987)	\$ (20,168)
Adjustments					
Bargain purchase gain, net of tax (4)	-	-	-	-	(1,642)
Litigation settlements (5)	-	-	(1,023)	-	(1,023)
Non-GAAP Interest and Other, net	\$ (3,410)	\$ (4,332)	\$ (4,443)	\$ (12,987)	\$ (22,833)
GAAP Provision for (Benefit from) Income Taxes	\$ 13,811	\$ 25,840	\$ (49,175)	\$ 74,647	\$ 16,779
Adjustments					
Tax effect of non-GAAP adjustments	5,257	1,765	4,848	16,512	11,643
Adjustments for deferred tax and discrete tax items	(11,103)	(18,570)	53,468	(53,547)	6,195
Non-GAAP Provision for Income Taxes	\$ 7,965	\$ 9,035	\$ 9,141	\$ 37,612	\$ 34,617
GAAP Net Income	\$ 25,848	\$ 36,404	\$ 100,805	\$ 138,833	\$ 187,838
Adjustments:					
Operating income adjustments (see above)	18,077	4,801	14,211	48,715	32,703
Bargain purchase gain, net of tax (4)	-	-	-	-	(1,642)
Litigation settlements, net of tax (5)	-	-	(647)	-	(647)
Adjustments for taxes	5,846	16,805	(58,692)	37,035	(18,214)
Non-GAAP Net Income	\$ 49,771	\$ 58,010	\$ 55,677	\$ 224,583	\$ 200,038
GAAP Net Income Per Share:					
Basic	\$ 0.35	\$ 0.48	\$ 1.37	\$ 1.86	\$ 2.50
Diluted	\$ 0.33	\$ 0.47	\$ 1.30	\$ 1.78	\$ 2.38
Non-GAAP Net Income Per Share:					
Basic	\$ 0.67	\$ 0.77	\$ 0.76	\$ 3.02	\$ 2.66
Diluted	\$ 0.64	\$ 0.74	\$ 0.72	\$ 2.87	\$ 2.54
Weighted-average shares used in computing per share amounts:					
Basic	74,281	75,332	73,549	74,481	75,094
Diluted	77,575	78,241	77,371	78,128	78,787

(1) Stock compensation expense was as follows:

	Three Month Periods			Twelve Month Periods	
	Q4'17	Q3'17	Q4'16	FY17	FY16
Cost of sales	\$ 2,180	\$ 1,880	\$ 2,471	\$ 8,958	\$ 7,350
Selling, general and administrative	8,677	5,276	6,246	28,169	18,903
Research and development	155	133	231	793	654
Total	\$ 11,012	\$ 7,289	\$ 8,948	\$ 37,920	\$ 26,907

(2) Represents a reduction in an accrual for contingent consideration related to an acquisition completed in a previous period.

(3) Relates to recovery of previously written-off inventory and bad debt associated with distressed customers.

(4) Represents a bargain purchase gain, net of tax, recorded in connection with an acquisition.

(5) Represents cash received in connection with certain litigation settlements.

Pre-tax Return on Invested Capital (ROIC) (Unaudited)



SANMINA

Q4 FY17

Pre-tax Return on Invested Capital (ROIC)

GAAP operating income	\$	43,069
	x	<u>4</u>
Annualized GAAP operating income		172,276
Average invested capital (1)	÷	<u>1,229,493</u>
GAAP pre-tax ROIC		<u>14.0%</u>
Non-GAAP operating income	\$	61,146
	x	<u>4</u>
Annualized non-GAAP operating income		244,584
Average invested capital (1)	÷	<u>1,229,493</u>
Non-GAAP pre-tax ROIC		<u>19.9%</u>

(1) Invested capital is defined as total assets (not including cash and cash equivalents and deferred tax assets) less total liabilities (excluding short-term and long-term debt).

Condensed Consolidated Cash Flow (Unaudited)



SANMINA

(\$ in thousands)	Three Month Periods		Twelve Month Periods	
	Q4'17	Q4'16	FY17	FY16
GAAP Net Income	\$ 25,848	\$100,805	\$138,833	\$187,838
Depreciation and amortization	31,231	29,682	118,751	111,910
Other, net*	22,871	(38,968)	80,000	11,666
Net change in net working capital	<u>(30,658)</u>	<u>11,815</u>	<u>(86,623)</u>	<u>78,702</u>
Cash provided by operating activities	<u>49,292</u>	<u>103,334</u>	<u>250,961</u>	<u>390,116</u>
Net purchases of property & equipment	(25,032)	(35,373)	(107,898)	(115,660)
Payments for acquisitions	-	-	-	(58,878)
Cash used in investing activities	<u>(25,032)</u>	<u>(35,373)</u>	<u>(107,898)</u>	<u>(174,538)</u>
Net share repurchases	(137,973)	(24,458)	(149,815)	(124,025)
Payments for previous acquisitions	-	-	(2,262)	-
Net borrowing activities	<u>85,000</u>	<u>(55,000)</u>	<u>16,584</u>	<u>(107,396)</u>
Cash used in financing activities	<u>(52,973)</u>	<u>(79,458)</u>	<u>(135,493)</u>	<u>(231,421)</u>
Effect of exchange rate changes	<u>(126)</u>	<u>165</u>	<u>803</u>	<u>1,878</u>
Net change in cash & cash equivalents	<u>\$ (28,839)</u>	<u>\$ (11,332)</u>	<u>\$ 8,373</u>	<u>\$ (13,965)</u>
Free cash flow:				
Cash provided by operating activities	\$ 49,292	\$103,334	\$250,961	\$390,116
Net purchases of property & equipment	<u>(25,032)</u>	<u>(35,373)</u>	<u>(107,898)</u>	<u>(115,660)</u>
	<u>\$ 24,260</u>	<u>\$ 67,961</u>	<u>\$143,063</u>	<u>\$274,456</u>

*Primarily stock-based compensation expense and changes in deferred income taxes.

What we make, makes a difference™



S A N M I N A