

Q4 & FY'20
Results

November 10, 2020

SANMINA **40** **YEARS**
CELEBRATING OUR PAST, INVESTING IN OUR FUTURE



Today's Presenters



Jure Sola
Chairman & CEO



Kurt Adzema
EVP & CFO



Safe Harbor Statement



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Certain statements made during this presentation, including the Company's outlook for the first quarter fiscal 2021 financial results, constitutes 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, mostly notably the ongoing impacts of the COVID-19 pandemic, which have reduced demand from our customers, caused supply chain interruptions and created health risks for our employees, and which could result in restrictions on where we can build products, the levels of staffing we can maintain at our plants and the types of products we can build for our customers. Other factors that could cause our results to differ from our outlook include adverse changes to the key markets we target; significant uncertainties that can cause our future sales and net income to be variable; reliance on a small number of customers for a substantial portion of our sales; risks arising from our international operations; 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 financial information during this presentation to their most directly comparable GAAP measures are included on slide 30 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 earnings 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.

Opening Comments

Jure Sola

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Financial
Review
Kurt Adzema

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Q4'20 Non-GAAP Financial Highlights



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- Revenue: \$1.87B, up 13.3% sequentially and exceeding outlook of \$1.73B - \$1.83B
- Gross margin: 8.3%, up 20 bps sequentially
- Operating margin: 5.1%, up 50 bps sequentially
- Diluted EPS: \$1.10, exceeding outlook of \$0.73 - \$0.83

Financial Results

(Unaudited)



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(\$ in millions, except per share data)	Three Month Period			Twelve Month Period	
	Q4'20	Q3'20	Q4'19	FY'20	FY'19
GAAP:					
Revenue	\$1,875	\$1,655	\$1,892	\$6,960	\$8,234
Gross profit	\$152	\$131	\$142	\$526	\$592
Gross margin	8.1%	7.9%	7.5%	7.6%	7.2%
Operating expense	\$70	\$67	\$79	\$298	\$306
Operating income	\$82	\$64	\$63	\$228	\$286
Operating margin	4.4%	3.9%	3.3%	3.3%	3.5%
Other expense	\$5	\$4	\$9	\$27	\$40
Taxes	\$26	\$15	\$35	\$61	\$104
Net income	\$52	\$45	\$20	\$140	\$142
Diluted earnings per share	\$0.75	\$0.64	\$0.27	\$1.97	\$1.97
Non-GAAP⁽¹⁾:					
Revenue	\$1,875	\$1,655	\$1,892	\$6,960	\$8,234
Gross profit	\$156	\$135	\$144	\$538	\$600
Gross margin	8.3%	8.1%	7.6%	7.7%	7.3%
Operating expense	\$61	\$59	\$65	\$247	\$266
Operating income	\$95	\$76	\$80	\$291	\$334
Operating margin	5.1%	4.6%	4.2%	4.2%	4.1%
Other expense	\$6	\$4	\$9	\$28	\$41
Taxes	\$14	\$11	\$10	\$48	\$49
Net income	\$75	\$60	\$61	\$216	\$244
Diluted earnings per share	\$1.10	\$0.86	\$0.84	\$3.05	\$3.40

⁽¹⁾Non-GAAP financial measures 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 other assets; amortization expense; and other unusual or infrequent items (e.g. charges or benefits associated with distressed customers, expenses, charges and recoveries relating to certain legal matters, gains and losses on sales of assets and redemptions of debt, deferred tax and discrete tax items). See Schedule 1 to our Q4 FY20 earnings release filed with the SEC for more information regarding our use of non-GAAP financial measures, including the economic substance behind each exclusion, the manner in which management uses non-GAAP measures to conduct and evaluate the business, the material limitations associated with using such measures and the manner in which management compensates for such limitations. Please refer to "Reconciliation of Non-GAAP Measures" on slide 30 of this presentation for a reconciliation of the non-GAAP financial information disclosed in this presentation to their most directly comparable GAAP measures. Numbers may not foot due to rounding.

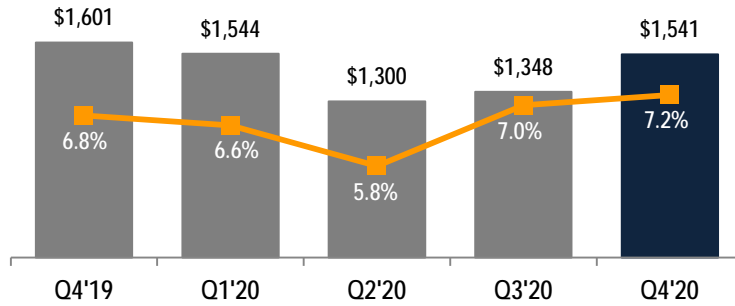
Segment Reporting - Revenue and Non-GAAP Gross Margin*

(\$ in Millions)

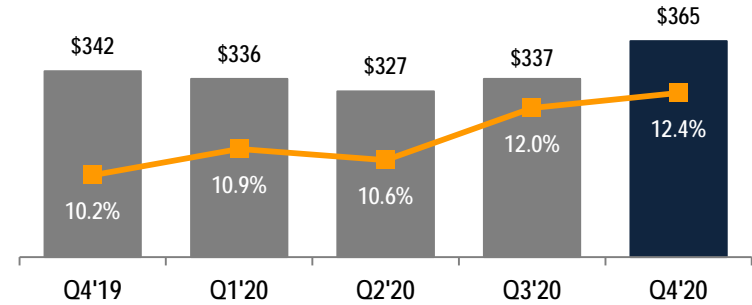


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Integrated Manufacturing Solutions



Components, Products and Services



*Revenue and non-GAAP gross margin for IMS segment and CPS category includes inter-segment revenues that are eliminated under GAAP and non-GAAP gross margin excludes the same GAAP items that are excluded from the calculation of non-GAAP gross margin for the consolidated business.

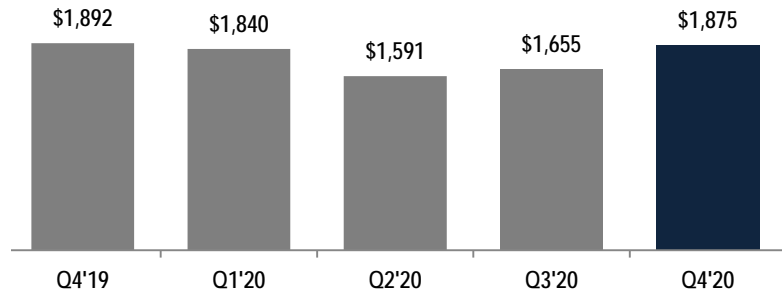
Q/Q Non-GAAP P&L Performance

(\$ in Millions, except per share data)

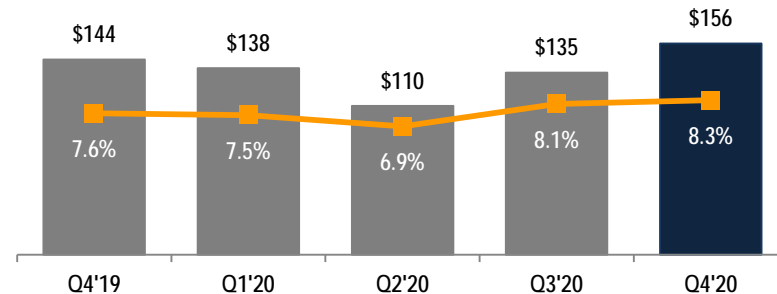


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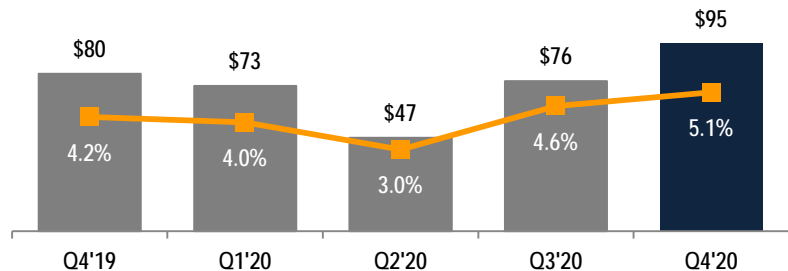
Revenue



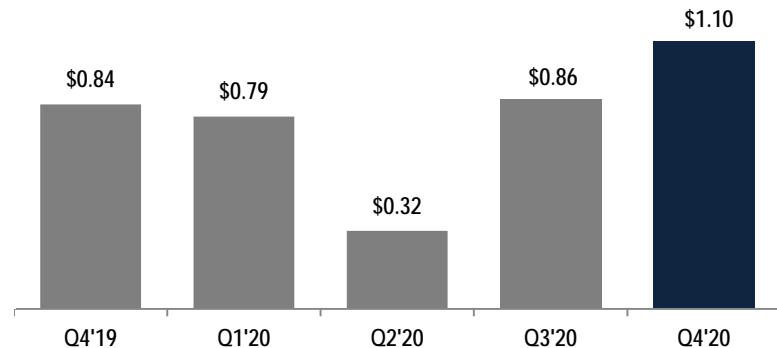
Gross Profit / Margin



Operating Income / Margin



Earnings Per Share



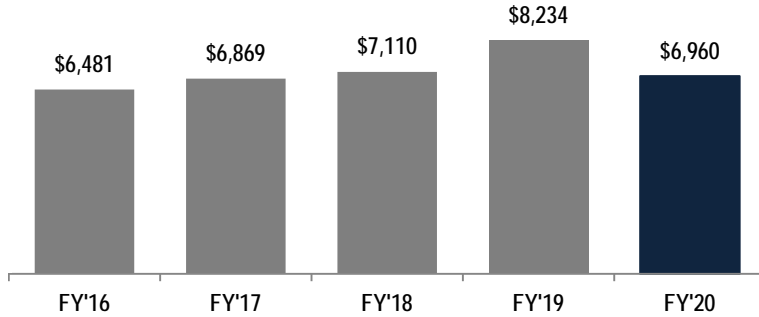
Fiscal Y/Y Non-GAAP P&L Performance

(\$ in Millions, except per share data)

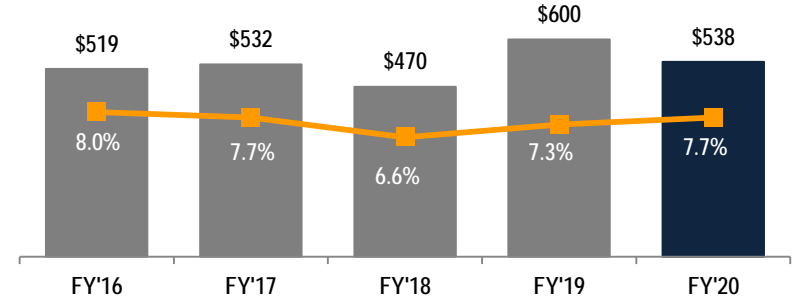


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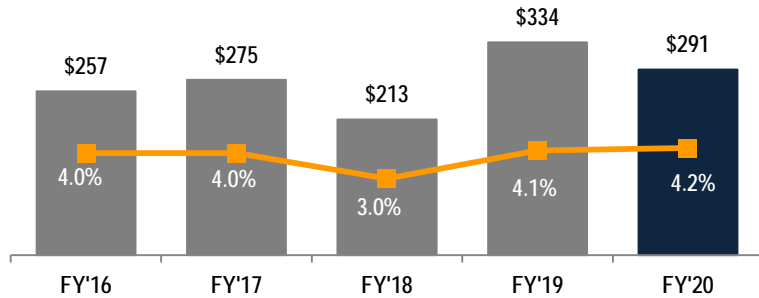
Revenue



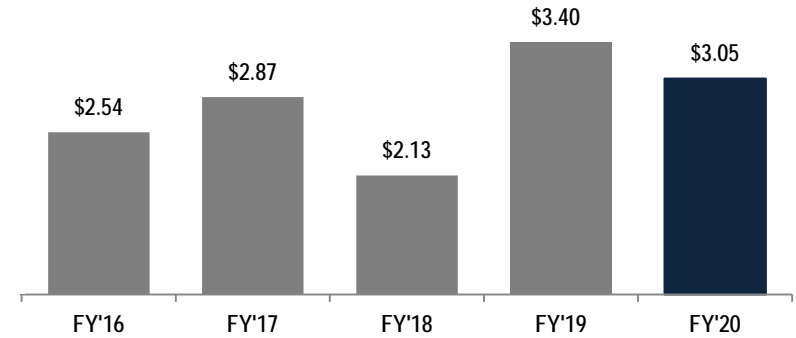
Gross Profit / Margin



Operating Income / Margin



Earnings Per Share



Summary Balance Sheet

(\$ in Millions)



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	10/3/20	6/27/20	9/28/19
Cash and cash equivalents	\$ 481	\$ 1,117	\$ 455
Accounts receivable, net	1,043	1,042	1,128
Contract assets	397	381	396
Inventories	861	884	901
Property, plant and equipment, net	559	575	631
Deferred tax assets	273	277	280
Other assets	158	198	115
Total assets	<u>\$ 3,773</u>	<u>\$ 4,475</u>	<u>\$ 3,906</u>
Accounts payable	\$ 1,210	\$ 1,252	\$ 1,337
Short-term debt	19	673	38
Long-term debt	329	334	347
Other liabilities	585	562	541
Total stockholders' equity	<u>1,630</u>	<u>1,653</u>	<u>1,643</u>
Total liabilities and stockholders' equity	<u>\$ 3,773</u>	<u>\$ 4,475</u>	<u>\$ 3,906</u>

Numbers may not foot due to rounding.

Strong Balance Sheet

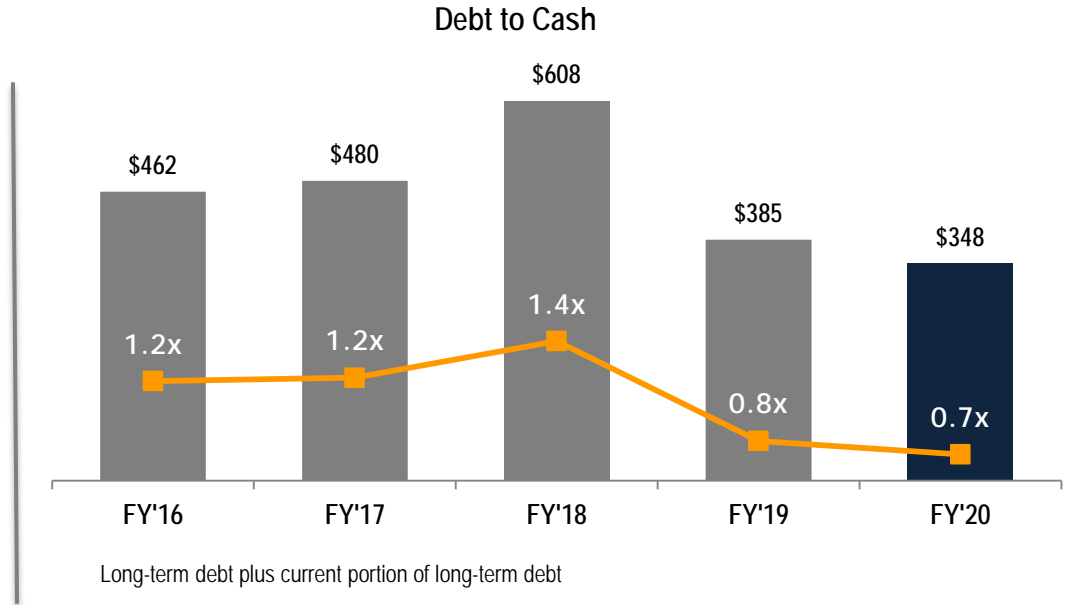
Debt to Cash

(\$ in Millions)



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- Strong capital structure
- Paid off remaining \$650M of \$700M revolver
- Term loan \$348M matures Nov. 2023
- \$692M available under credit facility as of FY'20 year end
- Liquidity: Approximately \$1.2B



Capital Structure to Support Any Market Environment

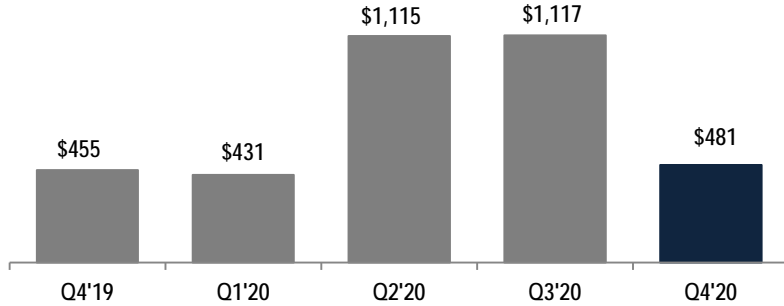
Balance Sheet Metrics

(\$ in Millions)



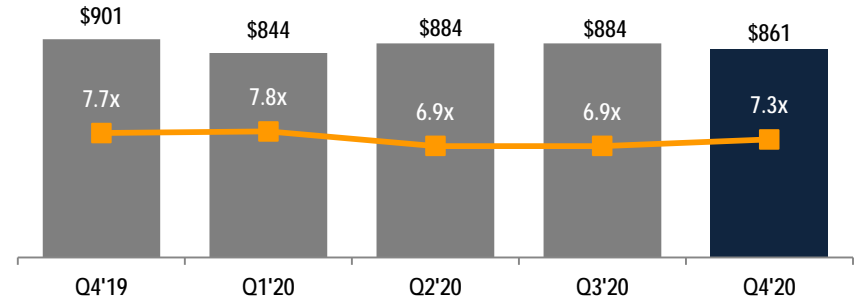
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Cash and Cash Equivalents



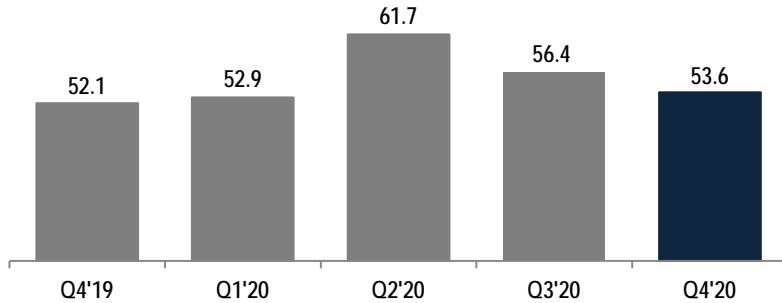
Q2'20 and Q3'20 include \$650 million of borrowings on our cash flow revolver.

Inventory \$ / Turns



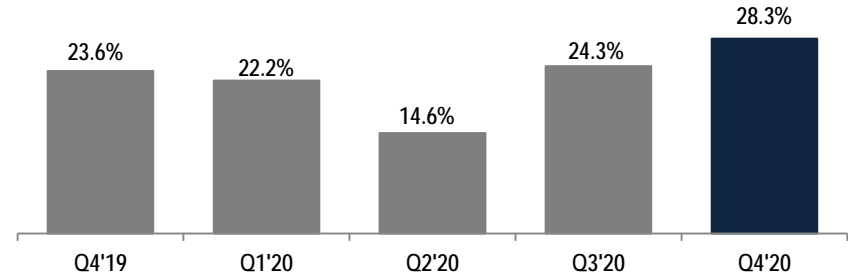
Annualized Inventory turns (a measure of how quickly we sell inventory) are calculated as the ratio of four times non-GAAP cost of sales for the quarter to average inventory.

Cash Cycle Days



Cash cycle days (a measure of how quickly we convert investments in inventory to cash) is calculated as days inventory on hand (ratio of average inventory for the quarter to average daily non-GAAP 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 non-GAAP cost of sales for the quarter to average accounts payable).

Non-GAAP Pre-Tax ROIC



Refer to slide 31 for non-GAAP pre-tax ROIC reconciliation.

Cash Utilization

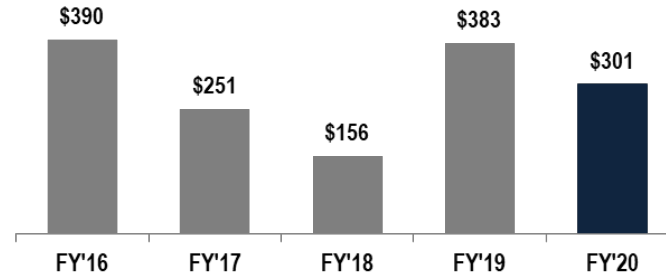
(\$ in Millions)



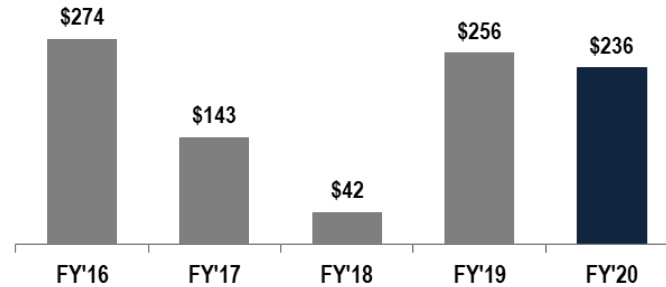
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- Q4'20: \$80M Cash flow from operations
- Q4'20: \$69M Free cash flow

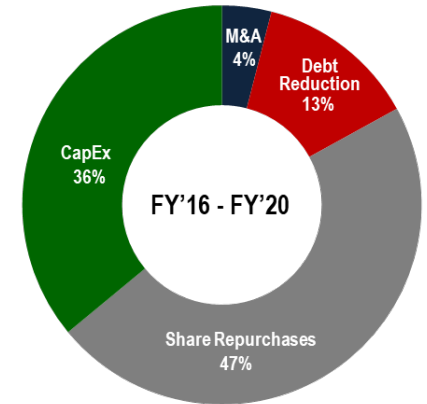
Cash Flow from Operations



Free Cash Flow



Cash Utilization



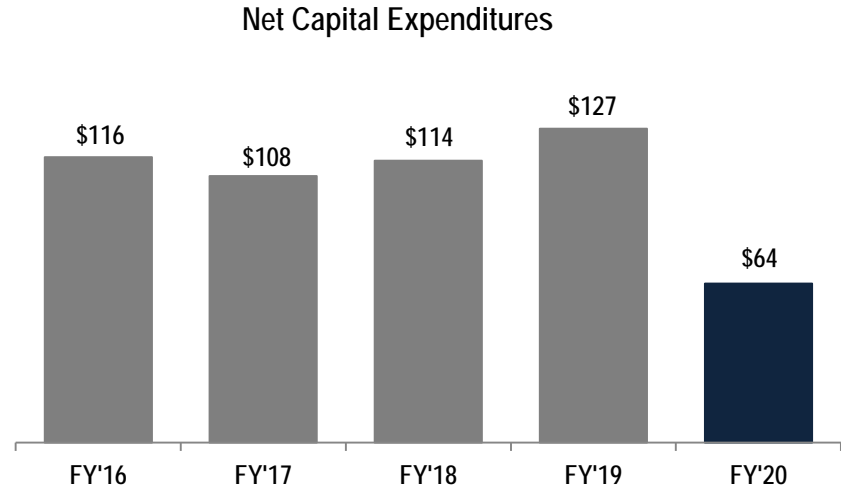
Capital Expenditures

(\$ in Millions)



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- Disciplined approach
- Investments in prior years position us for growth in the future
- Leveraging existing manufacturing capacity
- Q4'20: \$10.5M
- Continue to invest where needed to support growth and technology advancement



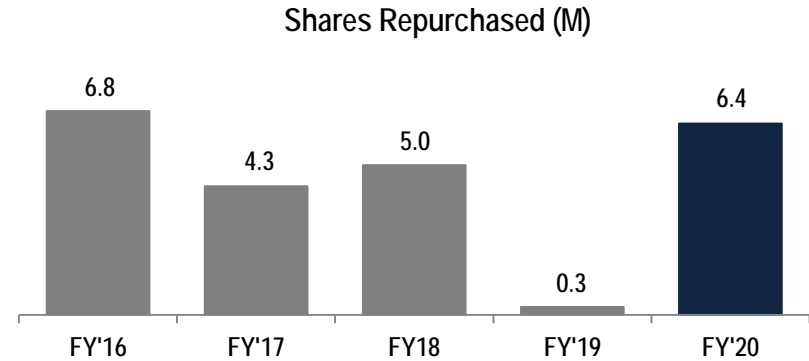
Plenty of Capacity in Place

Share Repurchase Program



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- Q4'20: repurchased 3.0M shares for \$78M
- FY'20: repurchased 6.4M shares for \$166M
- 5 Years: 22.8M shares repurchased for \$619M
- Approximately \$135M remains available under Board authorized program



Optimizing Capital Structure

Q1'21 Outlook*



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The following outlook for the first fiscal quarter ended January 2, 2021. These statements are forward-looking and actual results may differ materially.

Revenue:	\$1.7B - \$1.8B
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GAAP Diluted EPS:	\$0.65 - \$0.75
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Non-GAAP Diluted EPS:	\$0.75 - \$0.85
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- Impact of COVID-19 and macroeconomic environment continues to evolve
- 13 week quarter compared to 14 weeks in prior quarter
- Stable demand

*The outlook and statements made in these slides 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, mostly certain notably the ongoing impacts of the COVID-19 pandemic which have reduced demand from our customers, caused supply chain interruptions, and created health risks to our employees and which could result in restrictions on where we can build products, the levels of staffing we can maintain at our plants and the types of products we can build for our customers. Other factors that could cause our results to differ from our outlook include adverse changes to the key markets we target; significant uncertainties that can cause our future sales and net income to be variable; reliance on a small number of customers for a substantial portion of our sales; risks arising from our international operations; and the other factors set forth in the Company's annual and quarterly reports filed with the Securities Exchange Commission ("SEC").

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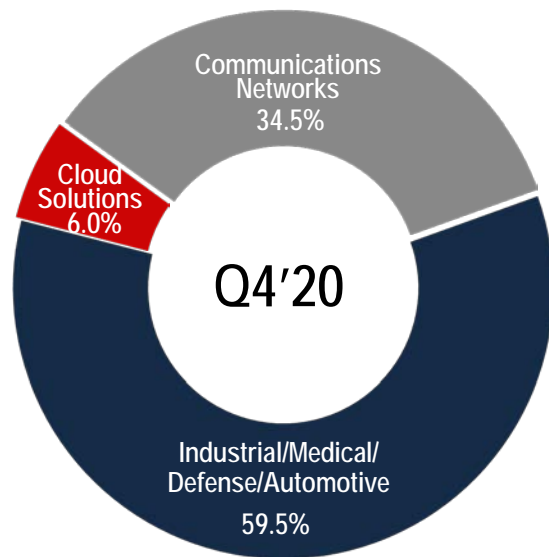
CEO
Remarks
Jure Sola



Q4'20 Revenue By End-Market



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\$ in Millions	Q4'20	Sequential
Industrial/Medical/Defense/Automotive	\$1,116	19.0%
Communications Networks	\$647	8.7%
Cloud Solutions	\$112	(7.6%)
Total	\$1,875	13.3%

Numbers may not foot due to rounding.

Top 10 Customers – 57.1% of Revenue

Q1'21 End-Market Outlook - Stable



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I/M/D/A

Industrial	Security and safety, inverters and renewable energy systems, test and measurement , semiconductor equipment and heavy machinery
Medical	COVID-19 related products: Lab diagnostic, ventilator, patient monitoring and ultrasound, other medical products: MRI, CT scan, blood glucose sensor & meters, medication delivery
Defense & Aerospace	Tactical communications and aircraft interface units
Automotive	LIDAR and radar systems, e-motor power management systems, infotainment, safety systems and electronic control systems

Communications and Cloud Infrastructure

Communications Networks	Broadband routers, switches, RF filters and radios, long haul, wireless, wireline and advanced optical network infrastructure equipment
Cloud Solutions	Enterprise computing and storage



Mission Critical, High-Complexity, Heavily Regulated Markets

Unlocking
Total Value of
Sanmina's
Capabilities



Integrated Manufacturing Solutions

- Product System Build

Components, Products & Services

- Interconnect Systems
- Precision Mechanical Systems
- Global Services
- SCI
- Viking Enterprise
- Viking Technology

Q4 FY'2020

Revenue: \$1.54B
Gross margin: 7.2%



Q4 FY'2020

Revenue: \$365M
Gross margin: 12.4%



Plan: Unlocking Total Value of Sanmina



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Integrated Manufacturing Solutions

- Product System Build
- Global Services - Logistics and Repair
- Optical Modules and RF Microelectronics
- Viking Enterprise

Component Technology

- Interconnect Circuit Boards
- Precision Mechanical Systems

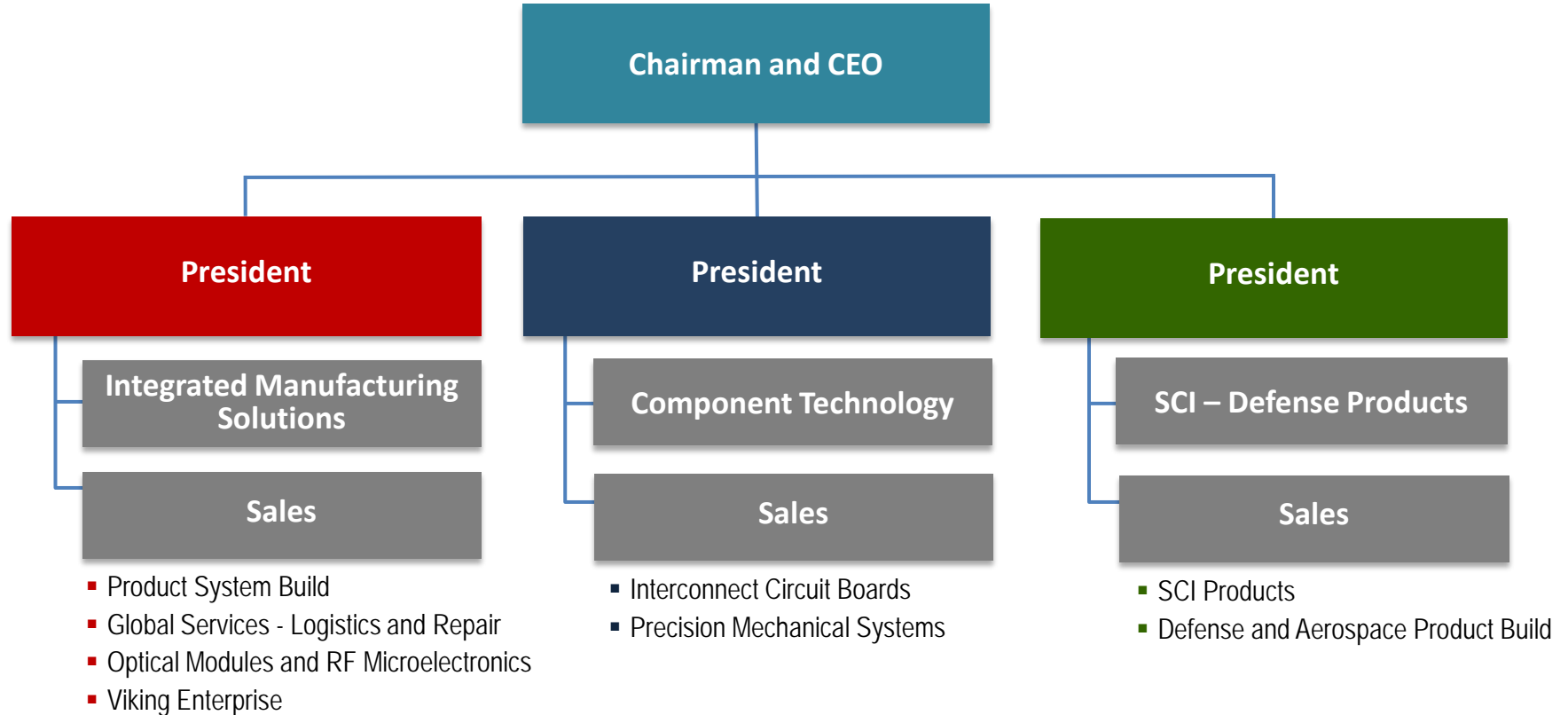
SCI – Defense Products

- SCI Products
- Defense and Aerospace Product Build

Plan: Organizational Realignment



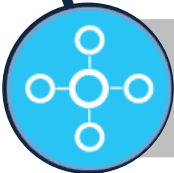
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Sustainable Profitable Revenue Growth

- Focused on customers in mission-critical, high-complexity end markets



Leading Technology, Lean and Flexible Global Structure

- A competitive advantage and supports attractive margins regardless of the business environment



Cash Flow Generation

- Provides flexibility to invest in business and optimize capital structure



Maximizing Shareholder Value

- Unlock the total value of Sanmina's capabilities

- **Q4'20**
 - Revenue: \$1.87B, up 13.3% sequentially
 - Non-GAAP operating margin: 5.1%, up 50 bps sequentially
 - Non-GAAP diluted EPS: \$1.10, solid execution
 - Free cash flow: \$69M

- **FY'20**
 - Revenue: down Y/Y, impact of COVID-19
 - Non-GAAP operating margin: 4.2%, 10 bps improvement over FY'19
 - Non-GAAP diluted EPS: \$3.05
 - Free cash flow: \$236M

- **Q1'21**
 - Revenue outlook of \$1.7B - \$1.8B
 - Non-GAAP diluted EPS outlook of \$0.75 - \$0.85
 - Continued uncertainty around the pandemic
 - Focused on maximizing total shareholder value

**Sanmina is Adapting to Market Changes
Goal Is to Come Out of This a Stronger Company**

Consolidated Financial
Statements
Reconciliation of
GAAP vs. Non-GAAP
Quarter Ended
October 3, 2020

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