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Q3 Fiscal 2026 Financial Results




July 27, 2026

Today's Presenters

Jure Sola
Chairman & CEO

Jon Faust
EVP & CFO

Safe Harbor Statement

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Certain statements made during this presentation, including those relating to anticipated demand during fiscal 2027 and into fiscal 2028, and our financial outlook for the fourth quarter fiscal 2026 and fiscal year 2026, 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 the risk that the integration of and expected benefits from the ZT Systems acquisition may not be realized or may take longer to realize than anticipated; adverse changes in the key markets we target, in particular the cloud and AI infrastructure sectors; the impact of recent or future changes in tariffs and trade policy, which may adversely affect our costs, supply chain, and customer demand; our reliance on a limited number of customers for a substantial portion of our sales; risks arising from our international operations and expansion into new geographic markets; geopolitical uncertainty, including relating to the conflict in the Middle East, and the other risk factors set forth in the Company's annual and quarterly reports filed with the Securities Exchange Commission. In addition, during the course of today's presentation, we will refer to certain non-GAAP financial information. A reconciliation of such non-GAAP financial information to their most 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 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.

Q3 FY'26 Highlights

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Revenue	Non-GAAP Operating Margin*	Non-GAAP Diluted EPS*	Cash Flow From Operations
$3.46B	8.0%	$3.31	$124M

Great Quarter

* Refer to GAAP to non-GAAP reconciliation on slide 23.

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Financial Overview
Jon Faust




Non-GAAP Financial Highlights

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	Q3 FY'26	Outlook WAS
Revenue	**$3.46B**	$3.2B - $3.5B
Operating Margin	**8.0%**	6.4% - 6.9%
Diluted EPS	**$3.31**	$2.55 - $2.85

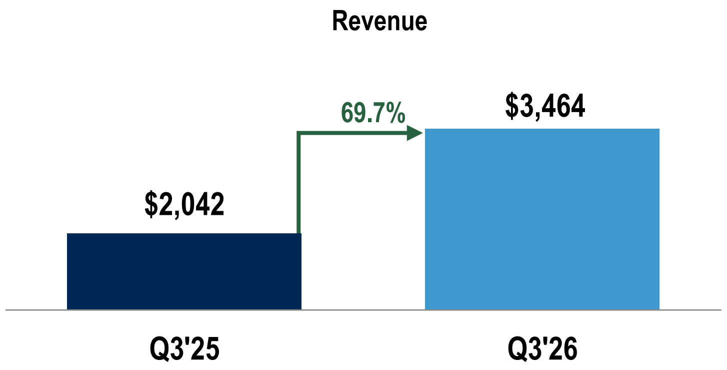
- Core Sanmina revenue grew 17.0% Y/Y to $2.4 billion; exceeded outlook
- ZT Systems revenue of $1.1 billion; midpoint of outlook

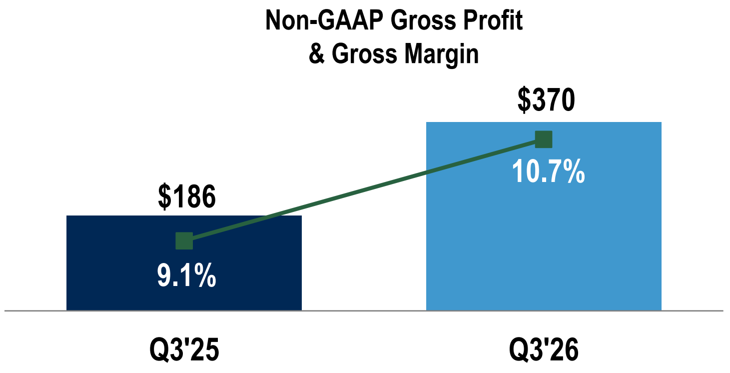
Strong Execution, Mix and Disciplined Cost Management

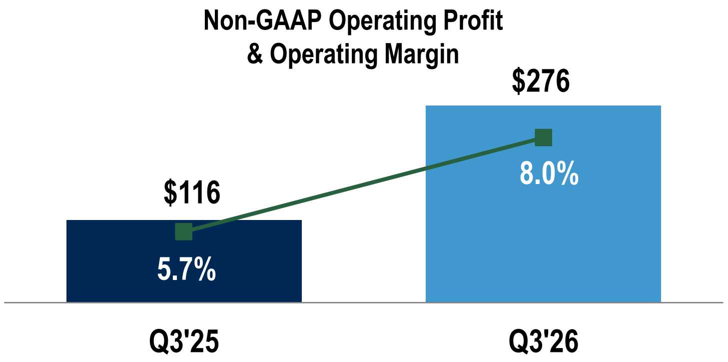
Refer to GAAP to non-GAAP reconciliation on slide 23.

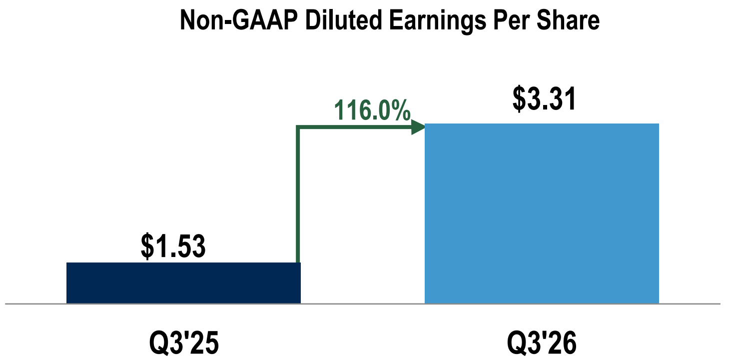
Non-GAAP P&L Performance

($ in millions, except per share data)









Refer to GAAP to non-GAAP reconciliation on slide 23.

Segment Reporting: Revenue and Non-GAAP Gross Margin

($ in millions)

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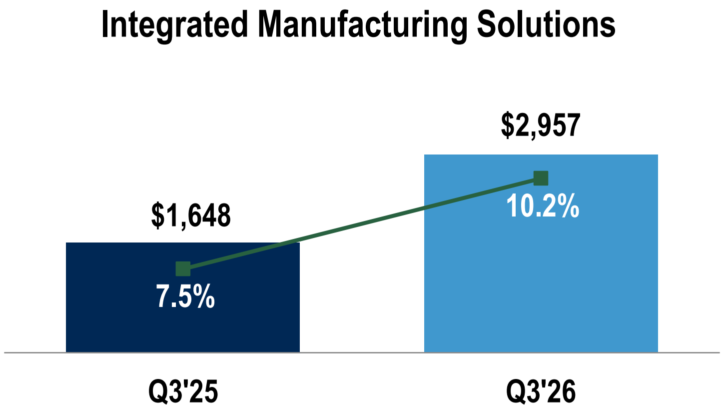

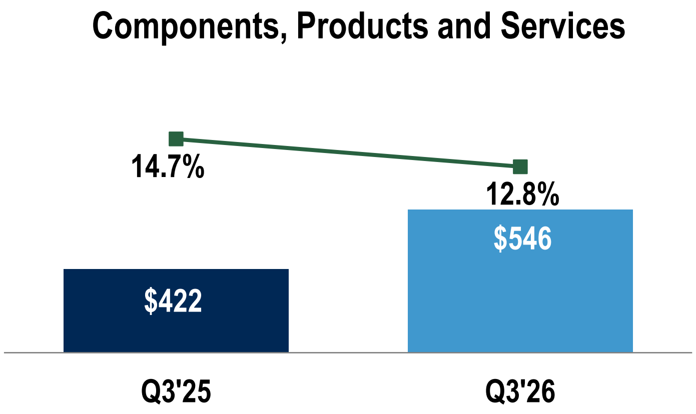

- Core Sanmina IMS revenue of $1.9 billion grew 14.1% Y/Y
- ZT Systems revenue was $1.1 billion
- Non-GAAP gross margin improvement driven by favorable mix

- CPS grew 29.2% Y/Y
- Non-GAAP gross margin up 120 bps sequentially
- Added capacity to support future growth

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

Balance Sheet

($ in millions)

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		6/27/2026
Cash and cash equivalents		1,845
Accounts receivable, net		1,987
Contract assets		522
Inventories		3,152
Property, plant and equipment, net		1,051
Deferred income tax assets		320
Other assets		863
Total assets	$	9,740
Accounts payable		2,453
Deferred revenue and customer advances		1,150
Short-term debt		215
Long-term debt		1,957
Other liabilities		1,205
Total stockholders' equity		2,760
Total liabilities and stockholders' equity	$	9,740

Key Takeaways:

- Substantial liquidity: $4.0 billion
- No borrowings under $1.5 billion Revolver at quarter end
- Net leverage ratio: 0.29x
- Non-GAAP pre-tax ROIC: 39.1%

Healthy Balance Sheet

Substantial liquidity is the sum of cash and cash equivalents, availability on the revolver, availability on the delayed draw term loan A and other foreign facilities.

ROIC (a measure the efficiency at which a company spends the capital contributed by stockholders and lenders to generate returns) is calculated as annualized non-GAAP operating income divided by average invested capital. 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). Average invested capital is the average of invested capital as at the end of current and prior quarter.

Net leverage ratio is calculated as debt minus cash and cash equivalents, divided by annualized non-GAAP EBITDA.

Q3 FY'26 Cash Flow Highlights

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Cash Flow from Operations:	▪ $124 million
Net CapEx:	▪ $101 million
Free Cash Flow:	▪ $24 million
Non-GAAP EBITDA:	▪ $322 million

Making Investments to Drive Growth

Free cash flow = Net cash provided by operating activity less net purchases of property and equipment. Refer to slide 24 for a reconciliation of free cash flow.
Refer to GAAP to non-GAAP EBITDA reconciliation on slide 26.

ZT Systems Update: Phased Execution

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	Completed	Updates & Actions In Progress	Future Actions
Actions	☑ Integration of ZT Systems ☑ Initial capital investments in power, liquid cooling, and test cell capacity to support future growth ☑ Won and shipped current-generation accelerated compute business ☑ Won new, next-generation accelerated compute business with key hyperscale and OEM customers	☑ Additional capital investments in automation ☑ Secured additional orders and expanded customer base for new, next-generation accelerated compute business ☑ Won initial vertical integration synergies for core Sanmina business ☑ Won new programs for additional platform for core Sanmina business ▪ Building and shipping pre-production units for new, next generation accelerated compute business ▪ Finalizing customer production schedules	▪ Continue to invest in the business ▪ Secure additional orders and further expand customer base ▪ Drive additional vertical integration synergies for core Sanmina business

Executing to the Plan

Q4 FY'26 Outlook

Revenue	Non-GAAP Operating Margin*	Non-GAAP Diluted EPS*
$3.3B - $3.6B	7.5% - 8.0%	$3.05 - $3.35

- Core Sanmina revenue of $2.5 billion to $2.6 billion
- ZT Systems revenue of $0.8 billion to $1.0 billion

*This is a forward-looking non-GAAP financial measure that cannot be reconciled to its equivalent GAAP financial measure without unreasonable effort.
Outlook based on current forecasts from customers, includes an extra week and takes into account on-going market uncertainties and the latest geopolitical landscape, actual results could differ materially from those projected in these statements as a result of a number of factors. Refer to the Safe Harbor Statement and risk factors provided in the company filings with the SEC.

FY’26 Outlook

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Revenue	Non-GAAP Operating Margin*	Non-GAAP Diluted EPS*
$14.0B - $14.3B	6.85% - 7.25%	$11.90 - $12.20

- Core Sanmina revenue of $9.1 billion to $9.2 billion; midpoint represents 12.6% Y/Y growth
- ZT Systems revenue of $4.8 billion to $5.0 billion for 11 months; well within $5 - $6 billion annualized run rate

Confident in Our Ability to Deliver $16B+ in FY’27

*This is a forward-looking non-GAAP financial measure that cannot be reconciled to its equivalent GAAP financial measure without unreasonable effort.
Outlook based on current forecasts from customers, Actual results could differ materially from those projected in these statements as a result of a number of factors. Refer to the Safe Harbor Statement and risk factors provided in the company filings with the SEC.
Numbers may not foot due to rounding.

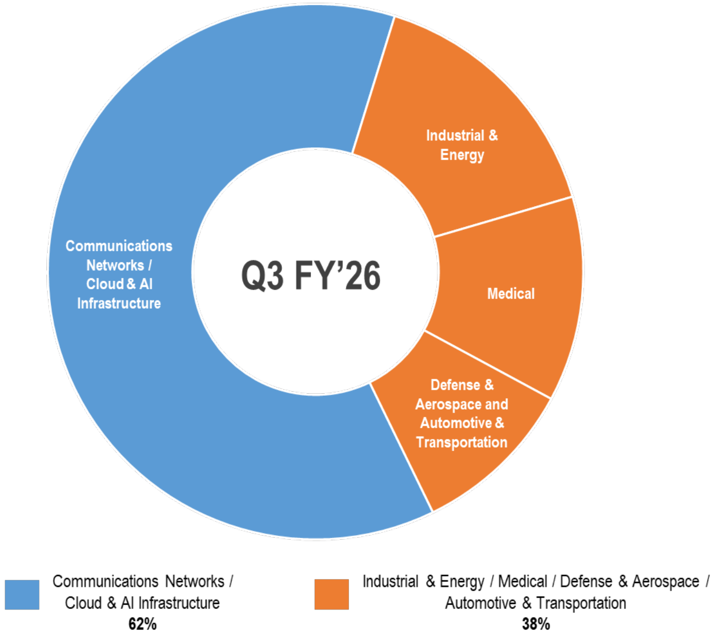


Business Overview
Jure Sola




Diversified Portfolio: End-Market Performance

($ in millions)	Q3 FY'25	Q3 FY'26	*Y/Y*
Communications Networks Cloud & AI Infrastructure	$786	$2,148	*173.2%*
Industrial & Energy Medical Defense & Aerospace Automotive & Transportation	$1,256	$1,316	*4.8%*
Total	**$2,042**	**$3,464**	***69.7%***



Growth Across All End-Markets

End-Market View: Key Takeaways

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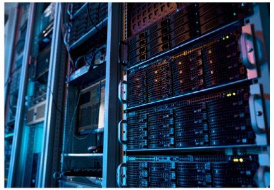
Communications Networks / Cloud & AI Infrastructure	▪ AI is driving growth for the entire end-market ▪ Bookings continue to be strong; added new customers ▪ Strong pipeline of business for FY'27 and FY'28
Industrial & Energy	▪ Expect growth to accelerate ▪ Expanding energy business for AI data centers ▪ Engineering and design to full system with integration
Medical	▪ Very stable end-market ▪ Expect to see more growth in FY'27 ▪ Leveraging our regulatory knowledge and experience to expand customer base and programs
Defense & Aerospace	▪ Expect growth in traditional U.S. defense and aerospace business to continue ▪ Expanding customer base in satellite market ▪ Continue to see strong demand in FY'27, FY'28 and beyond
Automotive & Transportation	▪ Stable demand ▪ Continue to win new programs from new and existing customers ▪ New programs are driving growth



Positive Trends – Strong Foundation

Diverse Set of Capabilities: End-to-End Solutions

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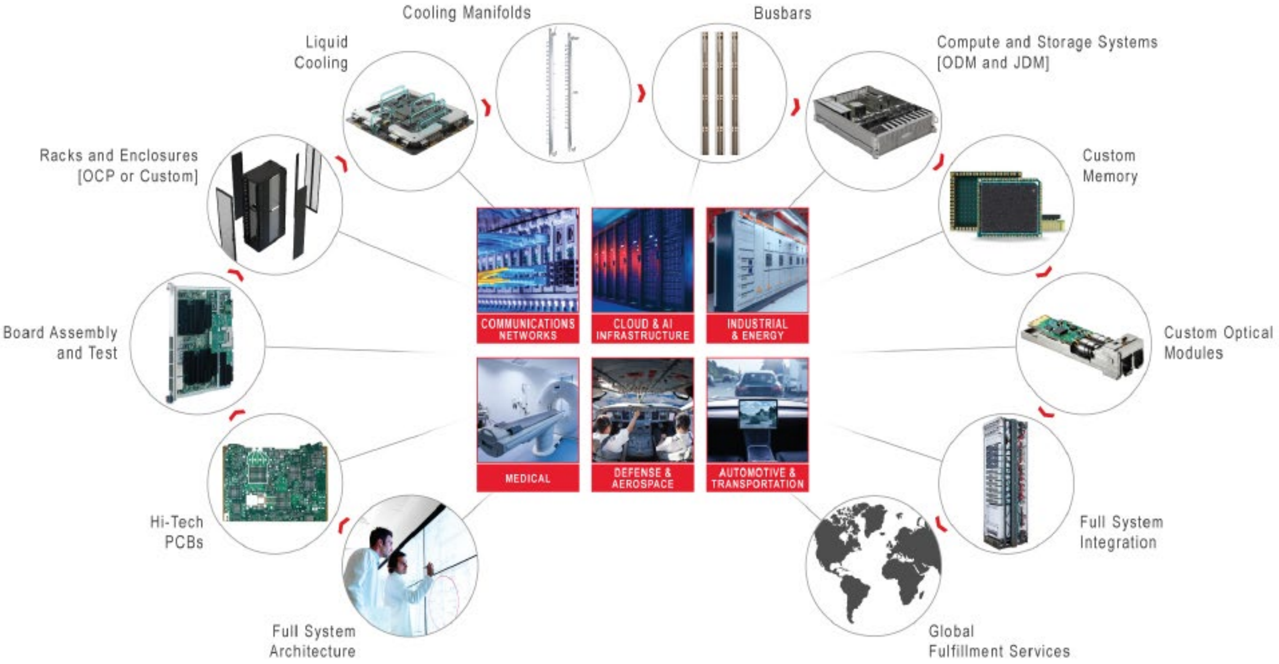


Business Update:

- Expanding our customer base
- Winning new AI platform business
- Increasing our addressable market through vertical integration and engineering
- Continue to invest in capabilities and capacity to support growth in 2027 and 2028

Industry-Leading Capabilities

Sanmina's Manufacturing Footprint

Global/Regional Supply Chain

AMERICAS

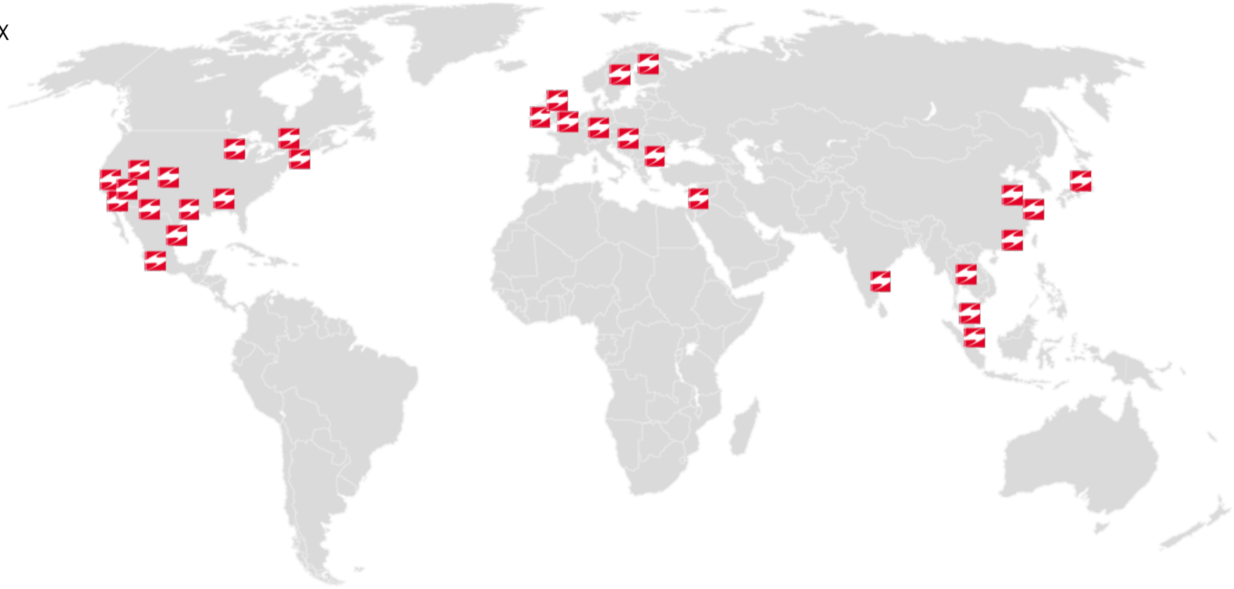
Huntsville, AL
Costa Mesa, CA
Fremont, CA
Newark, CA
San Jose, CA
Manchester, NH
Secaucus, NJ
Austin, TX
Carrollton, TX
El Paso, TX
Georgetown, TX
Houston, TX
Salt Lake City, UT
Kenosha, WI
Turtle Lake, WI
Ottawa, Canada
Guadalajara, MX
Juarez, MX
Monterrey, MX
Reynosa, MX

EUROPE

Plovdiv, Bulgaria
Haukipudas, Finland
Gunzenhausen, Germany
Tatabánya, Hungary
Fermoy, Ireland
Ma'alot, Israel
Almelo, Netherlands
Örnsköldsvik, Sweden
Basingstoke, UK
Port Glasgow, UK

ASIA

Kunshan, China
Shenzhen, China
Wuxi, China
Chennai, India
Yasu, Japan
Penang, Malaysia
Chai Chee, Singapore
Penjuru, Singapore
Pathum Thani, Thailand



Strategically Positioned to Support Our Customers

Summary

Great Q3 Results & Outlook For FY’26

Well Diversified Across and Within End-Markets – Strong Growth in Core Business

Expanding Capabilities and Manufacturing Footprint

Strong Foundation - Excited About the Opportunities Ahead

Well Positioned for Strong Growth in FY’27 and FY’28

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Consolidated Financial Statements Reconciliation of GAAP vs. Non-GAAP

Quarter Ended: June 27, 2026

Sanmina Corporation

Condensed Consolidated Balance Sheets

(in thousands)

(GAAP)

(Unaudited)

	June 27, 2026	September 27, 2025
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,844,942	$ 926,267
Accounts receivable, net	1,986,682	1,400,129
Contract assets	522,364	425,944
Inventories	3,152,247	1,988,462
Prepaid expenses and other current assets	322,179	124,656
Total current assets	7,828,414	4,865,458
Property, plant and equipment, net	1,051,414	682,354
Deferred income tax assets	320,224	171,218
Goodwill	121,889	30,386
Other assets	417,793	108,757
Total assets	$ 9,739,734	$ 5,858,173
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 2,452,745	$ 1,578,895
Accrued liabilities	366,525	179,605
Deferred revenue and customer advances	1,149,752	878,474
Accrued payroll and related benefits	212,858	167,541
Short-term debt, including current portion of long-term debt	215,000	17,500
Total current liabilities	4,396,880	2,822,015
Long-term liabilities:		
Long-term debt	1,957,310	282,974
Other liabilities	625,919	214,021
Total long-term liabilities	2,583,229	496,995
Stockholders' equity	2,759,625	2,539,163
Total liabilities and stockholders' equity	$ 9,739,734	$ 5,858,173

Sanmina Corporation
Condensed Consolidated Statements of Income
(in thousands, except per share amounts)
(GAAP)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	June 27, 2026	June 28, 2025	June 27, 2026	June 28, 2025
Net sales	$ 3,464,016	$ 2,041,562	$ 10,666,980	$ 6,031,990
Cost of sales	3,100,711	1,860,512	9,707,522	5,506,790
Gross profit	363,305	181,050	959,458	525,200
Operating expenses:				
Selling, general and administrative	109,331	69,542	337,766	216,700
Research and development	8,267	8,078	24,916	22,418
Acquisition, integration and others	21,075	7,080	137,022	7,080
Amortization of intangibles	1,831	—	4,883	—
Restructuring	1,576	473	3,040	2,899
Total operating expenses	142,080	85,173	507,627	249,097
Operating income	221,225	95,877	451,831	276,103
Interest income	9,800	4,200	26,291	11,319
Interest expense	(32,464)	(4,981)	(89,324)	(14,961)
Other income (expense), net	(6,809)	(3,686)	(4,326)	(6,370)
Interest and other, net	(29,473)	(4,467)	(67,359)	(10,012)
Income before income taxes	191,752	91,410	384,472	266,091
Provision for income taxes	66,444	18,522	109,594	51,804
Net income before noncontrolling interest	125,308	72,888	274,878	214,287
Less: Net income attributable to noncontrolling interest	8,179	4,272	14,817	16,460
Net income attributable to common shareholders	$ 117,129	$ 68,616	$ 260,061	$ 197,827
Net income attributable to common shareholders per share:				
Basic	$ 2.17	$ 1.28	$ 4.81	$ 3.66
Diluted	$ 2.12	$ 1.26	$ 4.71	$ 3.58
Weighted-average shares used in computing per share amounts:				
Basic	53,861	53,614	54,118	54,074
Diluted	55,133	54,493	55,254	55,285

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Sanmina Corporation
Reconciliation of GAAP to Non-GAAP Measures
(in thousands, except per share amounts)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	June 27, 2026	June 28, 2025	June 27, 2026	June 28, 2025
GAAP Gross profit	$ 363,305	$ 181,050	$ 959,458	$ 525,200
GAAP Gross margin	10.5 %	8.9 %	9.0 %	8.7 %
Adjustments				
Stock compensation expense (1)	6,542	4,956	18,072	14,911
Amortization of inventory fair value adjustment (2)	—	—	49,000	—
Amortization of intangible assets (3)	600	—	1,600	—
Legal (4)	—	—	—	450
Distressed customer charges (5)	—	—	—	6,862
Non-GAAP Gross profit	**$ 370,447**	**$ 186,006**	**$ 1,028,130**	**$ 547,423**
Non-GAAP Gross margin	**10.7 %**	**9.1 %**	**9.6 %**	**9.1 %**
GAAP Operating expenses	$ 142,080	$ 85,173	$ 507,627	$ 249,097
Adjustments				
Stock compensation expense (1)	(18,275)	(11,125)	(54,431)	(32,252)
Amortization of intangible assets (3)	(1,831)	—	(4,883)	—
Acquisition, integration and others (6)	(21,075)	(7,080)	(137,022)	(7,080)
Legal (4)	(4,650)	—	(4,650)	—
Distressed customer charges (5)	—	—	—	(169)
Restructuring and other	(1,576)	3,335	(3,040)	(1,182)
Non-GAAP Operating expenses	**$ 94,673**	**$ 70,303**	**$ 303,601**	**$ 208,414**
GAAP Operating income	$ 221,225	$ 95,877	$ 451,831	$ 276,103
GAAP Operating margin	6.4 %	4.7 %	4.2 %	4.6 %
Adjustments				
Stock compensation expense (1)	24,817	16,081	72,503	47,163
Amortization of inventory fair value adjustment (2)	—	—	49,000	—
Amortization of intangible assets (3)	2,431	—	6,483	—
Acquisition, integration and others (6)	21,075	7,080	137,022	7,080
Legal (4)	4,650	—	4,650	450
Distressed customer charges (5)	—	—	—	7,031
Restructuring and other	1,576	(3,335)	3,040	1,182
Non-GAAP Operating income	**$ 275,774**	**$ 115,703**	**$ 724,529**	**$ 339,009**
Non-GAAP Operating margin	**8.0 %**	**5.7 %**	**6.8 %**	**5.6 %**
GAAP Interest and other, net	$ (29,473)	$ (4,467)	$ (67,359)	$ (10,012)
Adjustments				
Loss on debt extinguishment	—	—	1,345	—
Gain on sale of investment (7)	—	—	(4,710)	—
Legal (4)	—	—	(3,745)	—
Non-GAAP Interest and other, net	**$ (29,473)**	**$ (4,467)**	**$ (74,469)**	**$ (10,012)**
GAAP Provision for income taxes	$ 66,444	$ 18,522	$ 109,594	$ 51,804
Adjustments for taxes (8)	(11,025)	4,849	36,671	18,930
Non-GAAP Provision for income taxes	**$ 55,419**	**$ 23,371**	**$ 146,265**	**$ 70,734**
GAAP Net income attributable to common shareholders	$ 117,129	$ 68,616	$ 260,061	$ 197,827
Adjustments:				
Operating income adjustments (see above)	54,549	19,826	272,698	62,906
Interest and other, net (see above)	—	—	(7,110)	—
Adjustments for taxes (8)	11,025	(4,849)	(36,671)	(18,930)
Non-GAAP Net income attributable to common shareholders	**$ 182,703**	**$ 83,593**	**$ 488,978**	**$ 241,803**
GAAP Net income attributable to common shareholders per share:				
Basic	**$ 2.17**	**$ 1.28**	**$ 4.81**	**$ 3.66**
Diluted	**$ 2.12**	**$ 1.26**	**$ 4.71**	**$ 3.58**
Non-GAAP Net income attributable to common shareholders per share:				
Basic	**$ 3.39**	**$ 1.56**	**$ 9.04**	**$ 4.47**
Diluted	**$ 3.31**	**$ 1.53**	**$ 8.85**	**$ 4.37**
Weighted-average shares used in computing per share amounts:				
Basic	**53,861**	**53,614**	**54,118**	**54,074**
Diluted	**55,133**	**54,493**	**55,254**	**55,285**

(1) Stock compensation expense was as follows:	Three Months Ended		Nine Months Ended	
	June 27, 2026	June 28, 2025	June 27, 2026	June 28, 2025
Cost of sales	$ 6,542	$ 4,956	$ 18,072	$ 14,911
Selling, general and administrative	17,922	10,811	53,323	31,353
Research and development	353	314	1,108	899
Total	**$ 24,817**	**$ 16,081**	**$ 72,503**	**$ 47,163**

(2) Relates to the amortization of the fair value step up on inventory from the ZT acquisition.

(3) Relates to amortization of intangible assets acquired from the ZT acquisition.

(4) Represents expense recorded in connection with the settlement in principle of a legal matter.

(5) Relates to accounts receivable and inventory write-downs associated with distressed customers.

(6) Q3'26 and Q2'26 results include a $13M and $59M fair value adjustment to contingent consideration, respectively, alongside certain employee compensation and professional services related to the ZT acquisition.

(7) Relates to gain on sale of equity interest.

(8) Adjustments for taxes include the tax effects of the various adjustments that we exclude from our non-GAAP measures, and adjustments related to deferred tax and discrete tax items.

Sanmina Corporation
Condensed Consolidated Cash Flow
(in thousands)
(GAAP)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	June 27, 2026	June 28, 2025	June 27, 2026	June 28, 2025
Net income before noncontrolling interest	$ 125,308	$ 72,888	$ 274,878	$ 214,287
Depreciation and intangibles amortization	48,201	29,760	134,817	89,813
Amortization of inventory fair value adjustment	—	—	49,000	—
Deferred income taxes	8,579	2,456	54,976	6,990
Change in fair value of contingent consideration	13,000	—	72,000	—
Other, net	26,606	11,380	72,638	41,921
Net change in net working capital	(97,203)	84,298	43,668	68,567
Cash provided by operating activities	124,491	200,782	701,977	421,578
Purchases of investments	—	(60)	—	(14,700)
Proceeds from sales of investments	—	—	8,710	49,309
Net purchases of property, plant and equipment	(100,806)	(32,604)	(244,196)	(80,172)
Cash paid for business acquisition, net of cash acquired and working capital settlement received	242,781	—	(1,114,152)	—
Cash provided by (used in) investing activities	141,975	(32,664)	(1,349,638)	(45,563)
Proceeds from long-term debt	—	—	2,200,000	—
Repayment of borrowings	—	(4,375)	(301,875)	(13,125)
Repurchases of common stock	—	(13,491)	(239,244)	(113,944)
Payments for tax withholding on stock-based compensation	(3,527)	(892)	(59,602)	(38,547)
Debt issuance costs	(638)	—	(29,341)	—
Cash provided by (used in) financing activities	(4,165)	(18,758)	1,569,938	(165,616)
Effect of exchange rate changes	(866)	1,640	(1,278)	1,461
Net change in cash, cash equivalents and restricted cash equivalents	$ 261,435	$ 151,000	$ 920,999	$ 211,860
Free cash flow:				
Cash provided by operating activities	$ 124,491	$ 200,782	$ 701,977	$ 421,578
Net purchases of property, plant and equipment	(100,806)	(32,604)	(244,196)	(80,172)
	$ 23,685	$ 168,178	$ 457,781	$ 341,406

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Pre-Tax Return on Invested Capital (ROIC)

($ in thousands)

(Unaudited)

		Three Months Ended	
		June 27, 2026	June 28, 2025
GAAP Operating income		$ 221,225	$ 95,877
	x	4.0	4.0
Annualized GAAP Operating income		884,900	383,508
Average invested capital (1)	÷	2,824,204	1,864,563
GAAP Pre-tax ROIC		**31.3 %**	**20.6 %**
Non-GAAP Operating income		$ 275,774	$ 115,703
	x	4.0	4.0
Annualized non-GAAP Operating income		1,103,096	462,812
Average invested capital (1)	÷	2,824,204	1,864,563
Non-GAAP Pre-tax ROIC		**39.1 %**	**24.8 %**

(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). Average invested capital is the average of invested capital as at the end of current and prior quarter.

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Reconciliation of GAAP to Non-GAAP Measures: EBITDA

(in thousands)

(Unaudited)

	Three Months Ended	
	June 27, 2026	**June 28, 2025**
EBITDA		
GAAP Operating Income	$ 221,225	$ 95,877
Depreciation and intangibles amortization	48,201	29,760
GAAP EBITDA	**$ 269,426**	**$ 125,637**
GAAP EBITDA Margin	**7.8 %**	**6.2 %**
Non-GAAP Operating Income	$ 275,774	$ 115,703
Depreciation	45,770	29,760
Non-GAAP EBITDA	**$ 321,544**	**$ 145,463**
Non-GAAP EBITDA Margin	**9.3 %**	**7.1 %**

Sanmina Corporation

Reconciliation of Inventory, Net of Customer Advances

(in thousands)

(Unaudited)

	June 27, 2026	September 27, 2025	June 28, 2025
Inventories	$ 3,152,247	$ 1,988,462	$ 1,589,807
Customer advances for raw materials inventory	944,512	851,514	410,596
Inventories, Net of Customer Advances	2,207,735	1,136,948	1,179,211

Schedule 1

The statements above and financial information provided in this earnings release include non-GAAP measures of operating income, operating margin, net income and earnings per share. Management excludes from these measures stock-based compensation, restructuring, acquisition and integration expenses, impairment charges, amortization charges and other unusual or infrequent items, as adjusted for taxes, as more fully described below.

Management excludes these items principally because such charges or benefits are not directly related to the Company's ongoing core business operations. We use such non-GAAP measures in order to (1) make more meaningful period-to-period comparisons of the Company's operations, both internally and externally, (2) guide management in assessing the performance of the business, internally allocating resources and making decisions in furtherance of Company's strategic plan, (3) provide investors with a better understanding of how management plans and measures the business and (4) provide investors with a better understanding of our ongoing, core business. The material limitations to management's approach include the fact that the charges, benefits and expenses excluded are nonetheless charges, benefits and expenses required to be recognized under GAAP and, in some cases, consume cash which reduces the Company's liquidity. Management compensates for these limitations primarily by reviewing GAAP results to obtain a complete picture of the Company's performance and by including a reconciliation of non-GAAP results to GAAP results in its earnings releases.

Additional information regarding the economic substance of each exclusion, management's use of the resultant non-GAAP measures, the material limitations of management's approach and management's methods for compensating for such limitations is provided below.

Stock-based Compensation Expense, which consists of non-cash charges for the estimated fair value of equity awards granted to employees and directors, is excluded in order to permit more meaningful period-to-period comparisons of the Company's results since the Company grants different amounts and value of equity awards each quarter. In addition, given the fact that competitors grant different amounts and types of equity awards and may use different valuation assumptions, excluding stock-based compensation permits more accurate comparisons of the Company's core results with those of its competitors.

Restructuring, Acquisition, Integration and Other Expenses, which consist of employee severance, lease termination costs, exit costs, environmental investigation, remediation and related employee costs and other charges primarily related to closing and consolidating manufacturing facilities, and those associated with the acquisition, integration and other expenses of acquired businesses including fair value adjustments related to contingent consideration liability, are excluded because such charges (1) can be driven by the timing of acquisitions and exit activities which are difficult to predict, (2) are not directly related to ongoing business results and (3) generally do not reflect expected future operating expenses. In addition, given the fact that the Company's competitors complete acquisitions and adopt restructuring plans at different times and in different amounts than the Company, excluding these charges or benefits permits more accurate comparisons of the Company's core results with those of its competitors. Items excluded by the Company may be different from those excluded by the Company's competitors and restructuring and integration expenses include both cash and non-cash expenses. Cash expenses reduce the Company's liquidity. Therefore, management also reviews GAAP results including these amounts.

Impairment Charges for Goodwill and Other Assets, which consist of non-cash charges, are excluded because such charges are non-recurring and do not reduce the Company's liquidity. In addition, given the fact that the Company's competitors may record impairment charges at different times, excluding these charges permits more accurate comparisons of the Company's core results with those of its competitors.

Amortization Charges, which consist of non-cash charges impacted by the timing and magnitude of acquisitions of businesses or assets, are also excluded because such charges do not reduce the Company's liquidity. In addition, such charges can be driven by the timing of acquisitions, which is difficult to predict. Excluding these charges permits more accurate comparisons of the Company's core results with those of its competitors because the Company's competitors complete acquisitions at different times and for different amounts than the Company.

Other Unusual or Infrequent Items, such as charges or benefits associated with distressed customers, expenses, charges and recoveries relating to certain legal matters, and gains and losses on sales of assets, are excluded because such items are typically non-recurring, difficult to predict or not directly related to the Company's ongoing or core operations and are therefore not considered by management in assessing the current operating performance of the Company and forecasting earnings trends. However, items excluded by the Company may be different from those excluded by the Company's competitors. In addition, these items include both cash and non-cash expenses. Cash expenses reduce the Company's liquidity. Management compensates for these limitations by reviewing GAAP results including these amounts.

Adjustments for Taxes, which consist of the tax effects of the various adjustments that we exclude from our non-GAAP measures and adjustments related to deferred tax and discrete tax items. Including these adjustments permits more accurate comparisons of the Company's core results with those of its competitors. We determine the tax adjustments based upon the various applicable effective tax rates. In those jurisdictions in which we do not expect to realize a tax cost or benefit (due to a history of operating losses or other factors), a reduced tax rate is applied.

SANMINA



Thank You