SANMINA

Second Quarter Fiscal 2014 Financial Results



Communications • Computing & Storage • Medical Systems • Defense & Aerospace • Multimedia • Clean Technology • Industrial • Automotive

Quarter Ended March 29, 2014

What we make, makes a difference™

Safe Harbor Statement

Certain statements made during this presentation, including the Company's outlook for the third quarter and expectations regarding fiscal 2014, 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 changes to or a deterioration in the markets for the Company's customers' products; competition that could adversely impact the Company's pricing and therefore result in a reduction of revenues and margin; dependence on a relatively small number of customers, the loss or reduction in business from any of which could significantly reduce our revenue and net income; inability of customers to pay for the Company's products due to insolvency or otherwise; any failure of the Company's Components, Products and Services business to meet expectations; 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 second quarter earnings release, which is available at www.sanmina.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.

Non-GAAP Financial Results Compared to Outlook

	Q2'14 (A)	Q2'14 Outlook WAS
Revenue:	$1.48B	$1.425 - $1.475B
Diluted earnings per share:	$0.44	$0.36 - $0.42

Financial Results
(Unaudited)

SANMINA

	Three Month Periods		
($ in millions, except per share data)	**Q2'14**	**Q1'14**	**Q2'13**
GAAP:			
Revenue	$1,477	$1,447	$1,428
Net income	$21	$23	$21
Diluted earnings per share	$0.24	$0.26	$0.25
Non-GAAP[(1)]:			
Gross profit	$121	$113	$102
Operating expense	$68	$64	$62
Operating income	$53	$49	$40
Other expense	$7	$6	$10
Taxes	$8	$7	$4
Net income	$38	$35	$25
Diluted earnings per share	$0.44	$0.41	$0.30

[(1)]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" on slides 17 and 18 of this presentation.

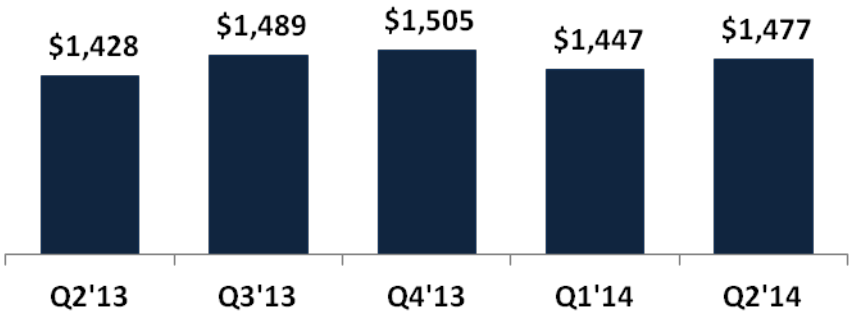
Numbers may not foot due to rounding.

Non-GAAP P&L Metrics

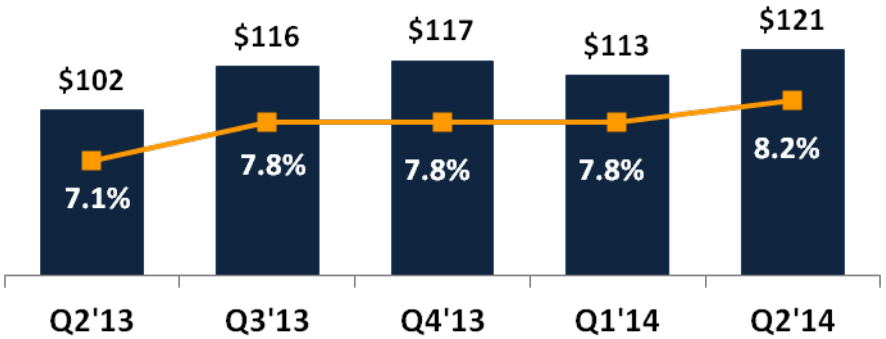
($ in Millions)

SANMINA

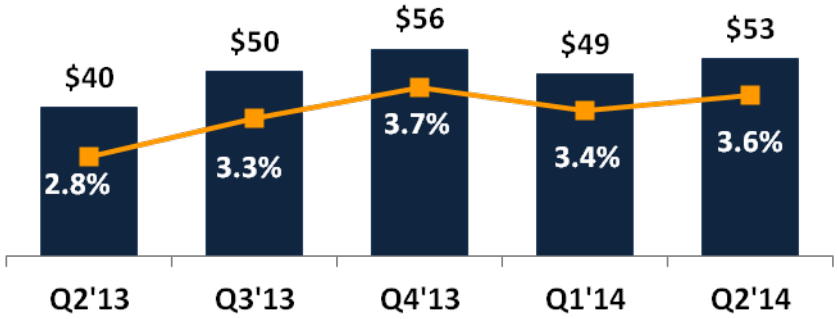
Revenue



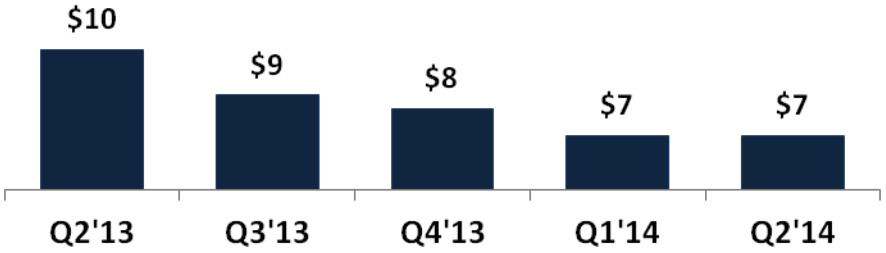
Gross Profit / Margin



Operating Income / Margin



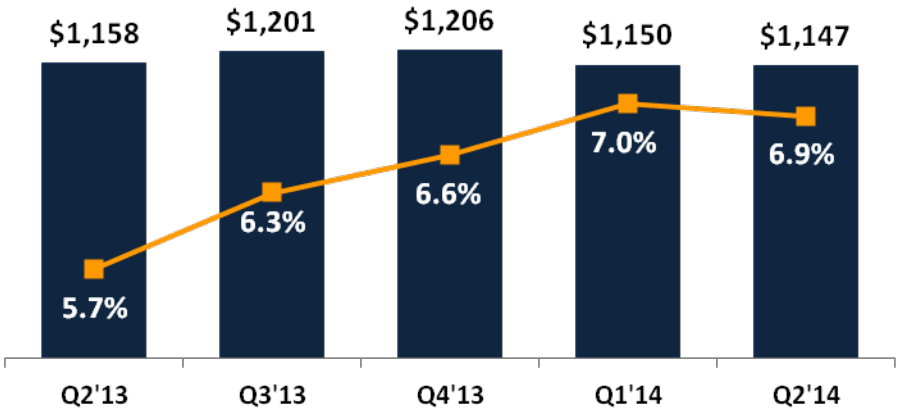
Net Interest Expense



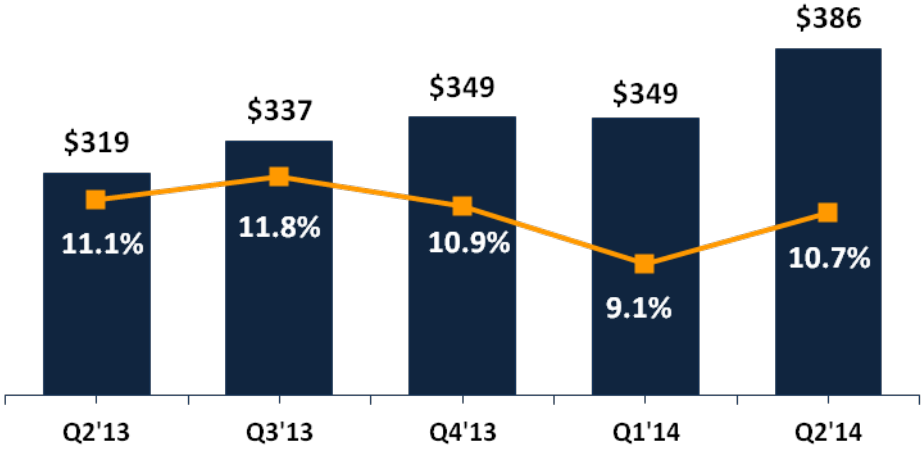
Segment Reporting – Revenue and Non-GAAP Gross Margin*
($ in Millions)

SANMINA

Integrated Manufacturing Solutions



Components, Products and Services



Integrated Manufacturing Solutions

- PCB Assembly & Test
- 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
  - Optical & RF Modules
- Services
  - Design & Engineering
  - Logistics
  - Repair

*Non-GAAP revenue and gross margin for IMS segment and CPS category includes inter-segment revenues that are eliminated under GAAP and exclude the same GAAP items that are excluded from the calculation of non-GAAP margin for the consolidated business. The GAAP reconciliation of non-GAAP gross margin for the consolidated business is shown on slide 17.

Summary Balance Sheet

($ in Millions)

SANMINA

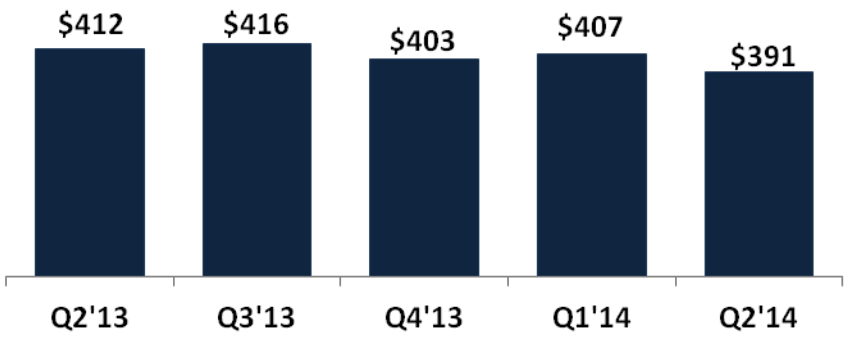
	3/29/14	12/28/13	3/30/13
Cash and cash equivalents	$391	$407	$412
Accounts receivable, net	$953	$917	$871
Inventories	$800	$792	$799
Property, plant and equipment, net	$546	$562	$548
Other assets	$330	$352	$335
Total assets	$3,020	$3,030	$2,965
Accounts payable	$918	$925	$852
Short-term debt	$86	$84	$170
Long-term debt	$557	$561	$574
Other liabilities	$356	$367	$354
Total stockholders' equity	$1,104	$1,093	$1,015
Total liabilities and stockholders' equity	$3,020	$3,030	$2,965

Balance Sheet Metrics

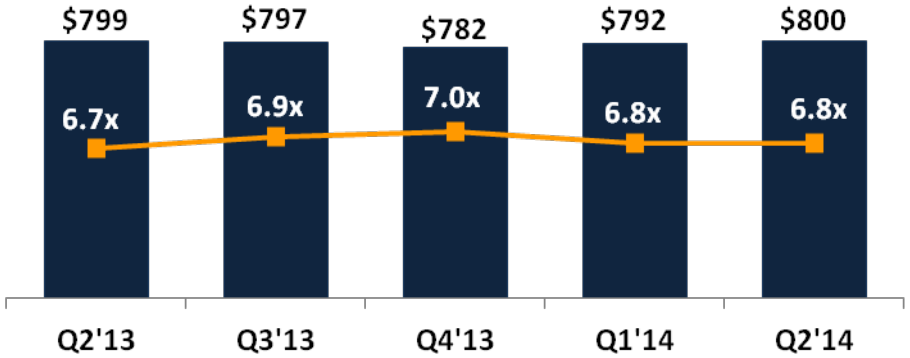
($ in Millions)

SANMINA

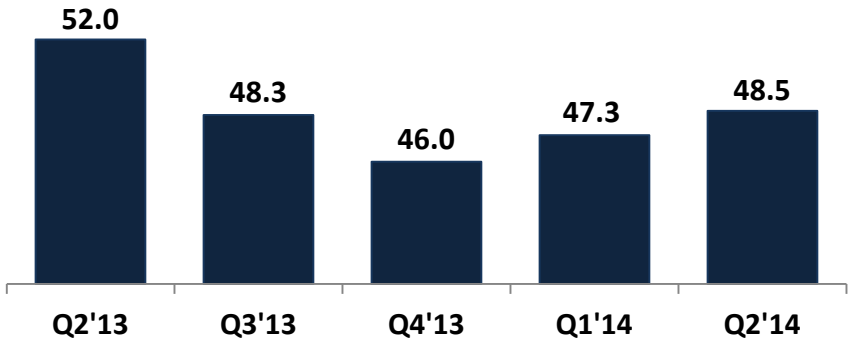
Cash and Cash Equivalents



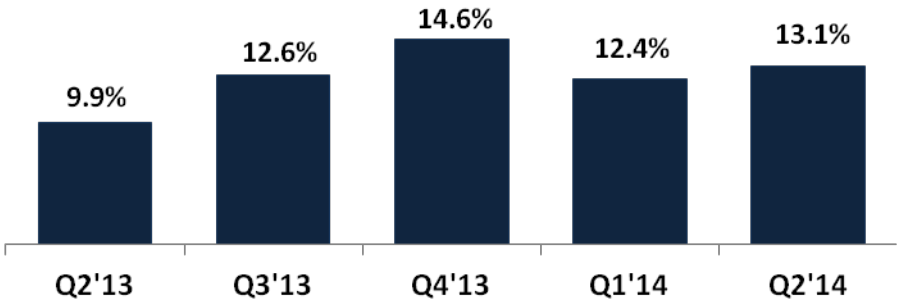
Inventory $ / Turns



Cash Cycle Days



ROIC



Q3'14 Outlook[1]

The following outlook is for the third fiscal quarter ending June 28, 2014. These statements are forward-looking and actual results may differ materially.

Revenue:	**$1.50 - $1.60B**
Non-GAAP EPS:	**$0.45 - $0.49**

[1] The above identified outlook for the quarter ending June 28, 2014 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's restructuring costs, if any, that would be included in GAAP earnings.

SANMINA-SCI

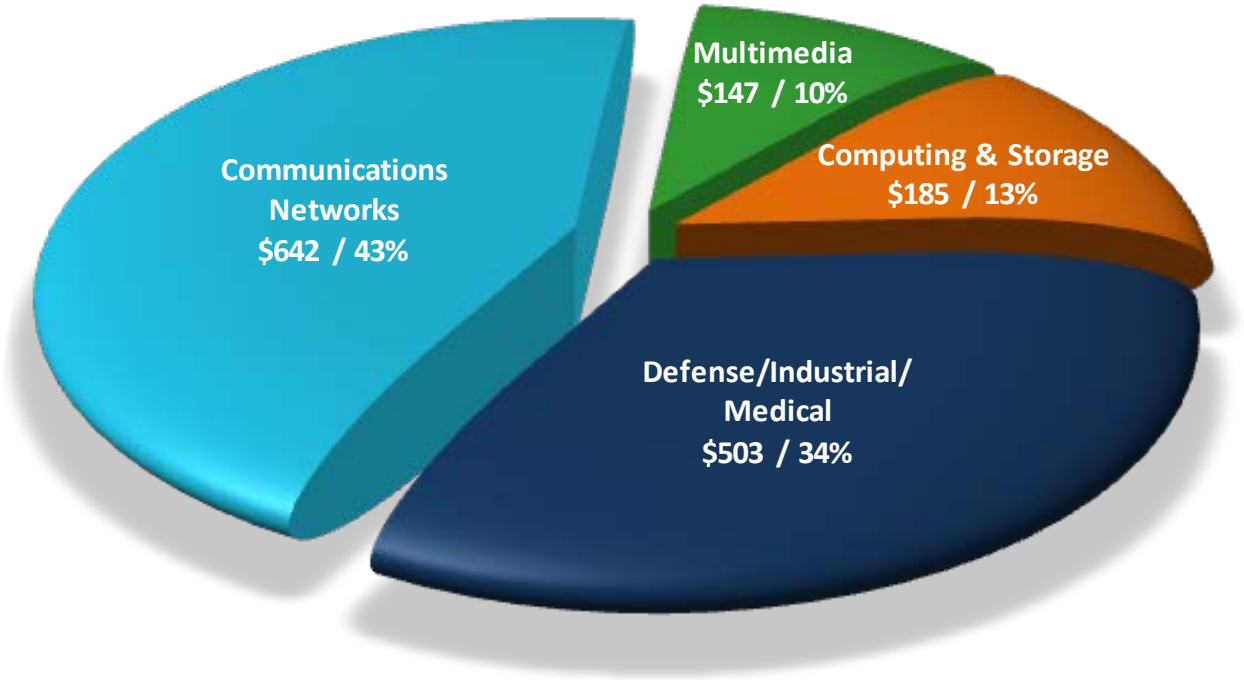
CEO Remarks



What we make, makes a difference

Q2'14 Revenue Breakdown By End-Market

($ in Millions)



	Communications Networks (Networking, Wireline & Wireless Infrastructure)	Defense/Industrial/Medical (Industrial equipment, aerospace and defense, MRI and CT machines and clean-tech)	Computing and Storage (High-end enterprise servers and storage)	Multimedia (Gaming equipment, set-top boxes, cinematography and automotive electronics)
Sequential	↓ 2.6%	↑ 10.6%	↓ 0.6%	↓ 0.5%

Numbers may not foot due to rounding.

Q2 FY'14 Top 10 Customers – 49.1% of Revenue

Q3’14 End-Market Outlook

SANMINA

Collaborative Design and Engineering | Interconnect Systems | Mechanical Systems | Optical / RF Solutions | Integrated Manufacturing Solutions | Products and Services | Direct Order Fulfillment and Logistics

	Q3’14
Communications Networks (Networking, Wireline & Wireless Infrastructure)	↑
Defense/Industrial/Medical (Industrial equipment, aerospace & defense, MRI and CT machines and clean-tech)	↑
Computing & Storage (High-end enterprise servers and storage)	↑
Multimedia (Gaming equipment, set-top boxes, cinematography and automotive electronics)	FLAT



Summary

- Q2’14: Good results, per our expectations
- Q3’14: Programs ramping and demand improving
- Strong customer base and expanding
- FY’14: Second half remains positive

Predictable and Sustainable Results

SANMINA

Consolidated Financial Statements
Reconciliation of GAAP vs. Non-GAAP



Communications • Computing & Storage • Medical Systems • Defense & Aerospace • Multimedia • Clean Technology • Industrial • Automotive

Quarter Ended March 29, 2014

What we make, makes a difference™

GAAP Condensed Consolidated Balance Sheet

($ in thousands)	March 29, 2014	September 28, 2013
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 390,622	$ 402,875
Accounts receivable, net	953,347	944,816
Inventories	799,663	781,560
Prepaid expenses and other current assets	88,218	75,337
Total current assets	2,231,850	2,204,588
Property, plant and equipment, net	546,366	540,151
Other	241,995	251,109
Total assets	$ 3,020,211	$ 2,995,848
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 917,780	$ 956,488
Accrued liabilities	108,445	109,363
Accrued payroll and related benefits	113,986	118,572
Short-term debt	85,682	22,301
Total current liabilities	1,225,893	1,206,724
Long-term liabilities:		
Long-term debt	557,241	562,512
Other	133,560	135,048
Total long-term liabilities	690,801	697,560
Stockholders' equity	1,103,517	1,091,564
Total liabilities and stockholders' equity	$ 3,020,211	$ 2,995,848

GAAP Condensed Consolidated Statement of Operations
(Unaudited)

SANMINA

($ in thousands, except per share data)	Three Months Ended		Six Months Ended	
	Mar. 29, 2014	Mar. 30, 2013	Mar. 29, 2014	Mar. 30, 2013
Net sales	$ 1,476,712	$ 1,427,642	$ 2,924,210	$ 2,922,587
Cost of sales	1,357,745	1,327,338	2,694,458	2,725,355
Gross profit	118,967	100,304	229,752	197,232
Operating expenses:				
Selling, general and administrative	62,332	58,954	121,514	118,822
Research and development	8,829	6,020	16,734	11,415
Amortization of intangible assets	474	474	948	948
Restructuring and integration costs	2,565	6,925	6,269	10,872
Asset impairments	-	1,100	-	1,100
Gain on sales of long-lived assets	(530)	(18,967)	(530)	(23,185)
Total operating expenses	73,670	54,506	144,935	119,972
Operating income	45,297	45,798	84,817	77,260
Interest income	174	246	980	444
Interest expense	(7,482)	(10,416)	(14,955)	(23,500)
Other income (expense), net	626	(1,477)	1,504	(16,399)
Interest and other, net	(6,682)	(11,647)	(12,471)	(39,455)
Income before income taxes	38,615	34,151	72,346	37,805
Provision for income taxes	17,775	12,960	28,405	15,993
Net income	$ 20,840	$ 21,191	$ 43,941	$ 21,812
Basic income per share	$ 0.25	$ 0.26	$ 0.53	$ 0.27
Diluted income per share	$ 0.24	$ 0.25	$ 0.51	$ 0.26
Weighted-average shares used in computing per share amounts:				
Basic	82,728	82,543	83,247	82,226
Diluted	86,144	84,683	86,723	84,369

Reconciliation of GAAP to Non-GAAP Measures
(Unaudited)

SANMINA

($ in thousands, except per share data)	Three Month Periods Q2'14	Q1'14	Q2'13	Six Month Periods FY14	FY13
GAAP Gross Profit	$ 118,967	$ 110,785	$ 100,304	$ 229,752	$ 197,232
GAAP gross margin	*8.1%*	*7.7%*	*7.0%*	*7.9%*	*6.7%*
Adjustments					
Stock compensation expense (1)	1,364	1,202	1,291	2,566	2,631
Amortization of intangible assets	777	-	-	777	-
Contingency item expected to reverse in a future period (3)	124	-	-	124	-
Distressed customer charges (2)	(290)	673	321	383	3,341
Non-GAAP Gross Profit	**$ 120,942**	**$ 112,660**	**$ 101,916**	**$ 233,602**	**$ 203,204**
Non-GAAP gross margin	***8.2%***	***7.8%***	***7.1%***	***8.0%***	***7.0%***
GAAP Operating Expenses	$ 73,670	$ 71,265	$ 54,506	$ 144,935	$ 119,972
Adjustments					
Stock compensation expense (1)	(3,393)	(3,073)	(3,051)	(6,466)	(6,377)
Amortization of intangible assets	(474)	(474)	(474)	(948)	(948)
Distressed customer charges (2)	-	-	-	-	(2,071)
Restructuring and integration costs	(2,565)	(3,704)	(6,925)	(6,269)	(10,872)
Gain on sales of long-lived assets	530	-	18,967	530	23,185
Asset impairments	-	-	(1,100)	-	(1,100)
Non-GAAP Operating Expenses	**$ 67,768**	**$ 64,014**	**$ 61,923**	**$ 131,782**	**$ 121,789**
GAAP Operating Income	$ 45,297	$ 39,520	$ 45,798	$ 84,817	$ 77,260
GAAP operating margin	*3.1%*	*2.7%*	*3.2%*	*2.9%*	*2.6%*
Adjustments					
Stock compensation expense (1)	4,757	4,275	4,342	9,032	9,008
Amortization of intangible assets	1,251	474	474	1,725	948
Distressed customer charges (2)	(290)	673	321	383	5,412
Restructuring, acquisition and integration costs	2,565	3,704	6,925	6,269	10,872
Contingency item expected to reverse in a future period (3)	124	-	-	124	-
Gain on sales of long-lived assets	(530)	-	(18,967)	(530)	(23,185)
Asset impairments	-	-	1,100	-	1,100
Non-GAAP Operating Income	**$ 53,174**	**$ 48,646**	**$ 39,993**	**$ 101,820**	**$ 81,415**
Non-GAAP operating margin	***3.6%***	***3.4%***	***2.8%***	***3.5%***	***2.8%***
GAAP Interest and Other, net	$ (6,682)	$ (5,789)	$ (11,647)	$ (12,471)	$ (39,455)
Adjustments					
Loss on dedesignation of interest rate swap (5)	-	-	-	-	14,903
Loss on repurchases of debt (4)	-	-	1,401	-	1,401
Litigation settlements (6)	(261)	-	-	(261)	-
Non-GAAP Interest and Other, net	**$ (6,943)**	**$ (5,789)**	**$ (10,246)**	**$ (12,732)**	**$ (23,151)**

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

SANMINA

($ in thousands, except per share data)	Three Month Periods Q2'14	Q1'14	Q2'13	Six Month Periods FY14	FY13
GAAP Provision for Income Taxes	$ 17,775	$ 10,630	$ 12,960	$ 28,405	$ 15,993
Adjustments					
Nonrecurring tax items	(9,823)	(3,259)	(8,498)	(13,082)	(7,253)
Non-GAAP Provision for Income Taxes	**$ 7,952**	**$ 7,371**	**$ 4,462**	**$ 15,323**	**$ 8,740**
GAAP Net Income	$ 20,840	$ 23,101	$ 21,191	$ 43,941	$ 21,812
Adjustments:					
Operating income adjustments (see above)	7,877	9,126	(5,805)	17,003	4,155
Loss on repurchases of debt (4)	-	-	1,401	-	1,401
Litigation settlements (6)	(261)	-	-	(261)	-
Loss on dedesignation of interest rate swap (5)	-	-	-	-	14,903
Nonrecurring tax items	9,823	3,259	8,498	13,082	7,253
Non-GAAP Net Income	**$ 38,279**	**$ 35,486**	**$ 25,285**	**$ 73,765**	**$ 49,524**
GAAP Net Income Per Share:					
Basic	**$ 0.25**	**$ 0.28**	**$ 0.26**	**$ 0.53**	**$ 0.27**
Diluted	**$ 0.24**	**$ 0.26**	**$ 0.25**	**$ 0.51**	**$ 0.26**
Non-GAAP Net Income Per Share:					
Basic	**$ 0.46**	**$ 0.42**	**$ 0.31**	**$ 0.89**	**$ 0.60**
Diluted	**$ 0.44**	**$ 0.41**	**$ 0.30**	**$ 0.85**	**$ 0.59**
Weighted-average shares used in computing per share amounts:					
Basic	82,728	83,766	82,543	83,247	82,226
Diluted	86,144	87,259	84,683	86,723	84,369

(1) Stock compensation expense was as follows:

	Three Month Periods Q2'14	Q1'14	Q2'13	Six Month Periods FY14	FY13
Cost of sales	$ 1,364	$ 1,202	$ 1,291	$ 2,566	$ 2,631
Selling, general and administrative	3,382	3,071	3,004	6,453	6,299
Research and development	11	2	47	13	78
Total	$ 4,757	$ 4,275	$ 4,342	$ 9,032	$ 9,008

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

(3) Represents a non-recurring contingency that the Company expects to resolve favorably in future periods. However, there can be no assurance of the exact amount or timing of this recovery.

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

(5) Represents a non-cash loss resulting from dedesignation of an interest rate swap.

(6) Represents cash received in connection with a litigation settlement.

What we make, makes a difference™



SANMINA