SANMINA

Third Quarter Fiscal 2017



Quarter Ended July 1, 2017

Safe Harbor Statement

Certain statements made during this presentation, including the Company's outlook for the fourth quarter fiscal year 2017 and expectations for fiscal year 2017, 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 17 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

	Q3'17 (A)	Q3'17 Outlook
Revenue:	$1.71B	$1.70 - $1.80B
Non-GAAP Diluted earnings per share:	$0.74	$0.72 - $0.77

Financial Results
(Unaudited)

SANMINA

	Three Month Periods		
($ in millions, except per share data)	**Q3'17**	**Q2'17**	**Q3'16**
GAAP:			
Revenue	$1,711	$1,682	$1,669
Gross profit	$131	$133	$127
Operating expense	$64	$75	$72
Operating income	$67	$58	$55
Other expense	$4	$1	$5
Taxes	$26	$25	$20
Net income	$36	$32	$30
Diluted earnings per share	$0.47	$0.41	$0.38
Non-GAAP[(1)]:			
Revenue	$1,711	$1,682	$1,669
Gross profit	$133	$136	$129
Operating expense	$62	$65	$68
Operating income	$71	$71	$62
Other expense	$4	$1	$5
Taxes	$9	$10	$9
Net income	$58	$59	$48
Diluted earnings per share	$0.74	$0.76	$0.63

[(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 charges associated with distressed customers, litigation settlements, gains on sales of assets and redemptions of debt, discrete tax events and deferred tax changes, to the extent material in the applicable period. Please refer to "Reconciliation of Non-GAAP Measures" on slide 17 of this presentation.

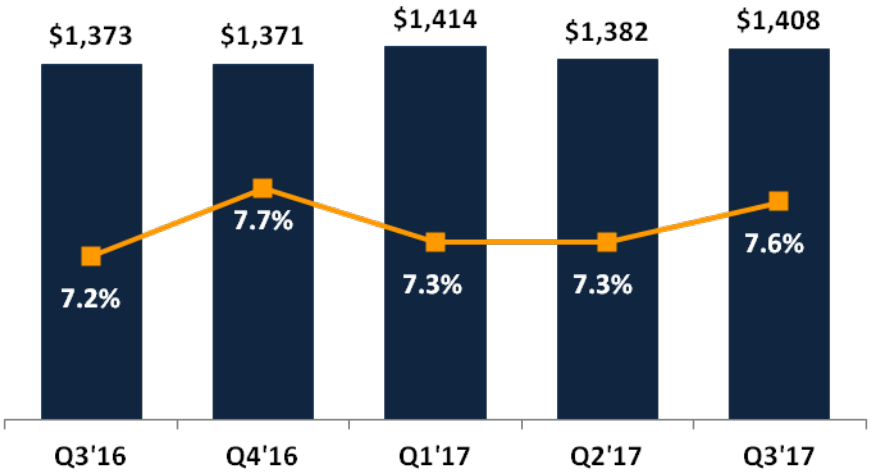
Numbers may not foot due to rounding.

Segment Reporting – Revenue and Non-GAAP Gross Margin*

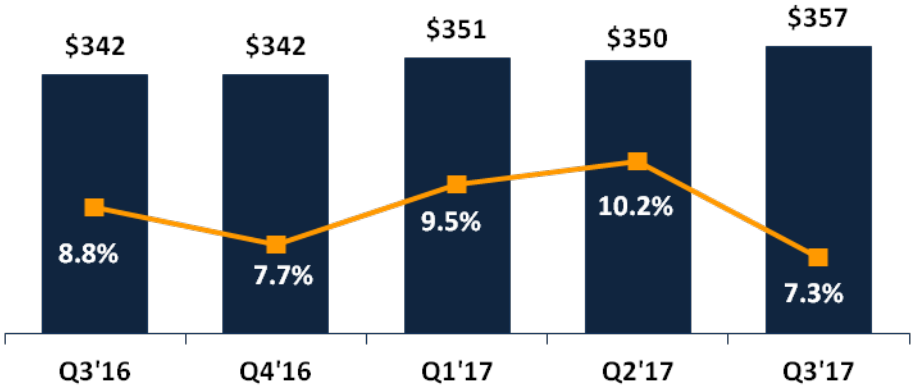
($ in Millions)

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

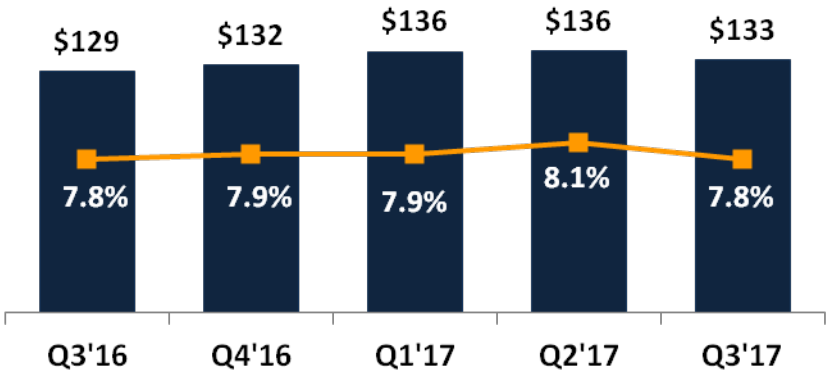
*Non-GAAP revenue and gross margin for IMS segment and CPS category includes inter-segment revenues that are eliminated under GAAP and exclude the same GAAP items that are excluded from the calculation of non-GAAP gross margin for the consolidated business. The reconciliation of non-GAAP gross margin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

Non-GAAP P&L Metrics

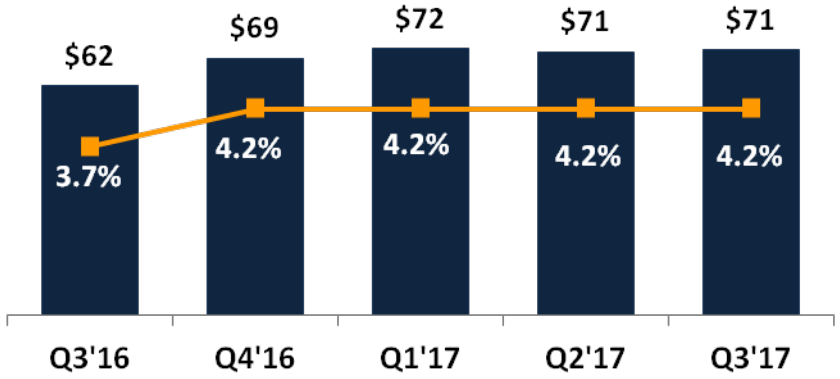
($ in Millions)

SANMINA

Gross Profit / Margin



Operating Income / Margin



Summary Balance Sheet

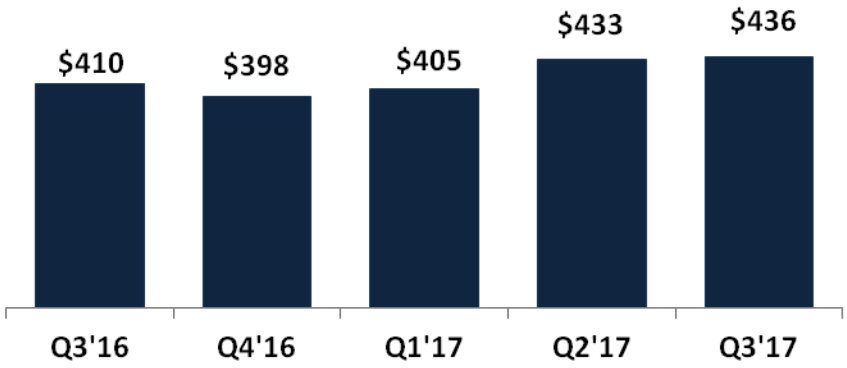
($ in Millions)

	7/1/17	4/1/17	7/2/16
Cash and cash equivalents	$436	$433	$410
Accounts receivable, net	1,036	971	1,000
Inventories	1,047	1,019	913
Property, plant and equipment, net	643	623	616
Deferred tax assets	484	501	465
Other assets	164	173	174
Total assets	$3,809	$3,720	$3,578
Accounts payable	$1,256	$1,174	$1,111
Short-term debt	3	3	83
Long-term debt	391	394	434
Other liabilities	419	432	419
Total stockholders' equity	1,740	1,717	1,531
Total liabilities and stockholders' equity	$3,809	$3,720	$3,578

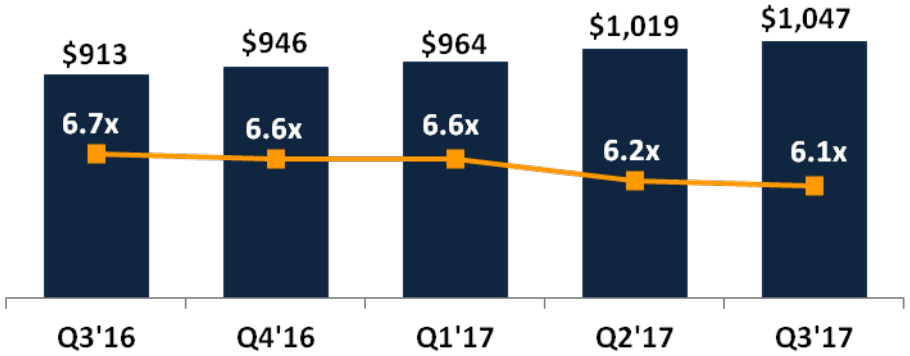
Balance Sheet Metrics
($ in Millions)

SANMINA

Cash and Cash Equivalents

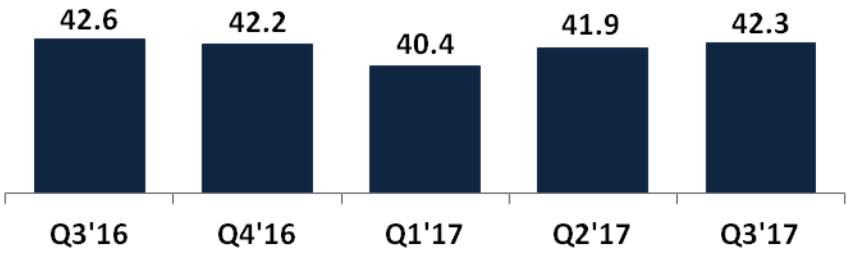


Inventory $ / Turns



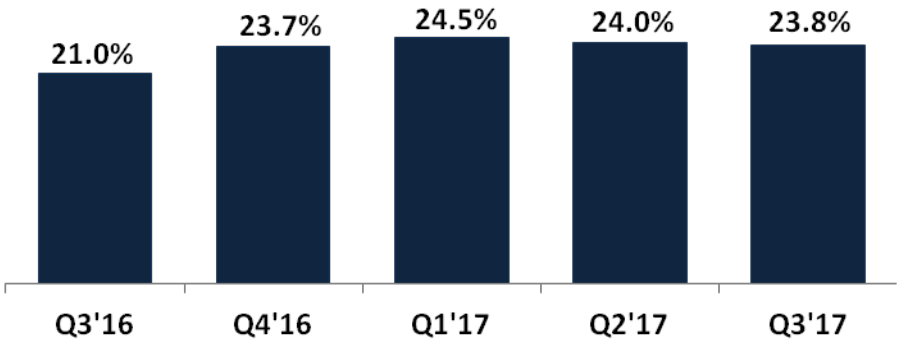
Inventory turns (annualized)are calculated as the ratio of four times cost of sales for the quarter to average inventory.

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 18 for pre-tax ROIC calculation.

Q4’17 Outlook

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

Revenue:	**$1.725 - $1.775B**
GAAP Diluted EPS[(1)] :	**$0.61 - $0.67**
Non-GAAP Diluted EPS:	**$0.73 - $0.79**

[(1)] Includes stock-based compensation expense of $0.10 and amortization of intangible assets of $0.02

SANMINA

CEO Remarks


Industrial


Medical Systems

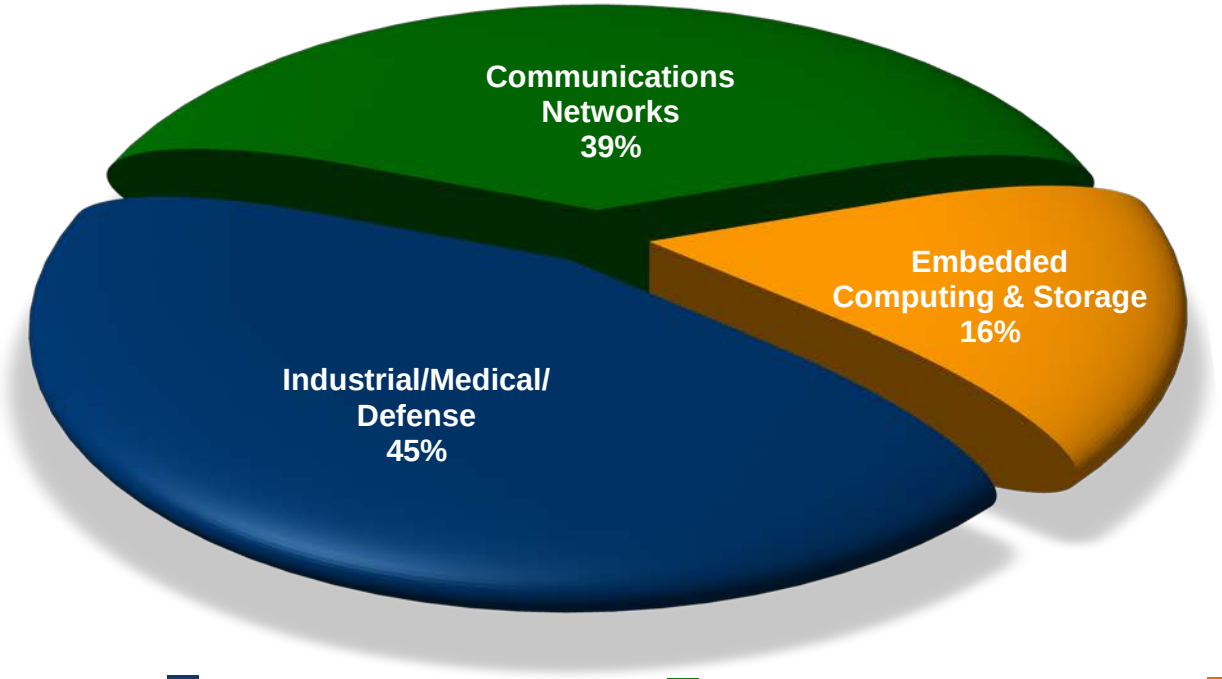

Defense & Aerospace


Communications Networks


Computing & Storage


Automotive

Q3’17 Revenue Breakdown By End-Market



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%	↑7.3%	↓4.3%

Numbers may not foot due to rounding.

Top 10 Customers – 52.6% of Revenue

Q4’17 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

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

Communications Networks ↑
(Networking, optical & wireless infrastructure)

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



Focused on Key Markets
Providing Competitive Advantage

Summary

- Q3'17:
  - Good quarter
  - Consistent operation margin
  - Solid cash flow from operations
  - YTD revenue growth of 6.2%, and non-GAAP EPS YTD growth of 23%
- Q4'17:
  - Good demand continues
  - New programs ramping
  - Expect improvements in CPS gross margins
- FY'17:
  - Confident in operational improvements and growth
  - Expect to finish the year strong

Servicing Our Customers and Operational Discipline Will Yield Continued Improvements in Our Operating Model and Drive Shareholder Value

SANMINA

Consolidated Financial Statements
Reconciliation of GAAP vs Non-GAAP


Industrial


Medical Systems


Defense & Aerospace


Communications Networks


Computing & Storage


Automotive

Quarter Ended July 1, 2017

GAAP Condensed Consolidated Balance Sheet

($ in thousands)	July 1, 2017	October 1, 2016
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 435,500	$ 398,288
Accounts receivable, net	1,036,049	973,680
Inventories	1,046,842	946,239
Prepaid expenses and other current assets	45,940	57,445
Total current assets	2,564,331	2,375,652
Property, plant and equipment, net	642,853	617,524
Deferred tax assets	483,766	514,314
Other	117,906	117,732
Total assets	$ 3,808,856	$ 3,625,222
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 1,256,081	$ 1,121,135
Accrued liabilities	119,979	124,386
Accrued payroll and related benefits	116,178	127,326
Short-term debt	3,416	28,416
Total current liabilities	1,495,654	1,401,263
Long-term liabilities:		
Long-term debt	390,957	434,059
Other	182,698	180,097
Total long-term liabilities	573,655	614,156
Stockholders' equity	1,739,547	1,609,803
Total liabilities and stockholders' equity	$ 3,808,856	$ 3,625,222

GAAP Condensed Consolidated Statement of Operations
(Unaudited)

($ in thousands, except per share data)	Three Months Ended July 1, 2017	Three Months Ended July 2, 2016	Nine Months Ended July 1, 2017	Nine Months Ended July 2, 2016
Net sales	$ 1,711,377	$ 1,669,474	$ 5,113,616	$ 4,815,362
Cost of sales	1,580,689	1,542,813	4,717,556	4,428,351
Gross profit	130,688	126,661	396,060	387,011
Operating expenses:				
Selling, general and administrative	58,708	61,982	186,236	183,169
Research and development	8,394	9,444	25,002	29,088
Amortization of intangible assets	918	918	2,754	2,528
Restructuring costs	(3,908)	(266)	121	1,491
Asset impairments	-	-	-	1,000
Gain on sales of long-lived assets	-	-	(1,451)	-
Total operating expenses	64,112	72,078	212,662	217,276
Operating income	66,576	54,583	183,398	169,735
Interest income	219	177	658	484
Interest expense	(5,503)	(6,410)	(16,256)	(18,641)
Other income, net	952	1,138	6,021	1,409
Interest and other, net	(4,332)	(5,095)	(9,577)	(16,748)
Income before income taxes	62,244	49,488	173,821	152,987
Provision for income taxes	25,840	19,954	60,836	65,954
Net income	$ 36,404	$ 29,534	$ 112,985	$ 87,033
Basic income per share	$ 0.48	$ 0.40	$ 1.52	$ 1.15
Diluted income per share	$ 0.47	$ 0.38	$ 1.45	$ 1.10
Weighted-average shares used in computing per share amounts:				
Basic	75,332	73,620	74,548	75,609
Diluted	78,241	76,992	77,917	78,872

Reconciliation of Non-GAAP Measures
(Unaudited)

SANMINA

($ in thousands, except per share data)	Three Month Periods Q3'17	Q2'17	Q3'16
GAAP Gross Profit	$ 130,688	$ 133,210	$ 126,661
GAAP gross margin	*7.6%*	*7.9%*	*7.6%*
Adjustments			
Stock compensation expense (1)	1,880	2,035	1,542
Amortization of intangible assets	902	902	1,202
Distressed customer charges (2)	(400)	-	-
Non-GAAP Gross Profit	**$ 133,070**	**$ 136,147**	**$ 129,405**
Non-GAAP gross margin	***7.8%***	***8.1%***	***7.8%***
GAAP Operating Expenses	$ 64,112	$ 75,044	$ 72,078
Adjustments			
Stock compensation expense (1)	(5,409)	(5,607)	(3,880)
Amortization of intangible assets	(918)	(918)	(918)
Restructuring costs	3,908	(3,301)	266
Non-GAAP Operating Expenses	**$ 61,693**	**$ 65,218**	**$ 67,546**
GAAP Operating Income	$ 66,576	$ 58,166	$ 54,583
GAAP operating margin	*3.9%*	*3.5%*	*3.3%*
Adjustments			
Stock compensation expense (1)	7,289	7,642	5,422
Amortization of intangible assets	1,820	1,820	2,120
Distressed customer charges (2)	(400)	-	-
Restructuring costs	(3,908)	3,301	(266)
Non-GAAP Operating Income	**$ 71,377**	**$ 70,929**	**$ 61,859**
Non-GAAP operating margin	***4.2%***	***4.2%***	***3.7%***
GAAP Interest and Other, net	$ (4,332)	$ (1,436)	$ (5,095)
Adjustments	-	-	-
Non-GAAP Interest and Other, net	**$ (4,332)**	**$ (1,436)**	**$ (5,095)**
GAAP Provision for Income Taxes	$ 25,840	$ 25,013	$ 19,954
Adjustments			
Tax effect of non-GAAP adjustments	1,765	4,684	2,675
Adjustments for deferred tax and discrete tax items	(18,570)	(19,273)	(14,114)
Non-GAAP Provision for Income Taxes	**$ 9,035**	**$ 10,424**	**$ 8,515**
GAAP Net Income	$ 36,404	$ 31,717	$ 29,534
Adjustments:			
Operating income adjustments (see above)	4,801	12,763	7,276
Adjustments for taxes	16,805	14,589	11,439
Non-GAAP Net Income	**$ 58,010**	**$ 59,069**	**$ 48,249**
GAAP Net Income Per Share:			
Basic	**$ 0.48**	**$ 0.42**	**$ 0.40**
Diluted	**$ 0.47**	**$ 0.41**	**$ 0.38**
Non-GAAP Net Income Per Share:			
Basic	**$ 0.77**	**$ 0.79**	**$ 0.66**
Diluted	**$ 0.74**	**$ 0.76**	**$ 0.63**
Weighted-average shares used in computing per share amounts:			
Basic	75,332	74,761	73,620
Diluted	78,241	77,864	76,992

(1) Stock compensation expense was as follows:

	Three Month Periods Q3'17	Q2'17	Q3'16
Cost of sales	$ 1,880	$ 2,035	$ 1,542
Selling, general and administrative	5,276	5,376	3,669
Research and development	133	231	211
Total	$ 7,289	$ 7,642	$ 5,422

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

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

		Q3 FY17
GAAP operating income		$ 66,576
	x	4
Annualized GAAP operating income		266,304
Average invested capital (1)	÷	1,197,667
GAAP pre-tax ROIC		**22.2%**
Non-GAAP operating income		$ 71,377
	x	4
Annualized non-GAAP operating income		285,508
Average invested capital (1)	÷	1,197,667
Non-GAAP pre-tax ROIC		**23.8%**

(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).

Condensed Consolidated Cash Flow
(Unaudited)

($ in thousands)	Three Month Periods Q3'17	Q2'17	Q3'16
GAAP Net Income	$ 36,404	$ 31,717	$ 29,534
Depreciation and amortization	29,271	29,277	28,785
Other, net*	24,010	19,021	16,495
Net change in net working capital	(30,664)	8,706	6,659
Cash provided by operating activities	59,021	88,721	81,473
Net purchases of property & equipment	(31,411)	(33,370)	(22,606)
Cash used in investing activities	(31,411)	(33,370)	(22,606)
Net share repurchases	(20,910)	12,048	(1,359)
Net borrowing activities	(3,416)	(40,000)	(56,430)
Cash used in financing activities	(24,326)	(27,952)	(57,789)
Effect of exchange rate changes	(311)	(112)	1,223
Net change in cash & cash equivalents	$ 2,973	$ 27,287	$ 2,301
Free cash flow:			
Cash provided by operating activities	$ 59,021	$ 88,721	$ 81,473
Net purchases of property & equipment	(31,411)	(33,370)	(22,606)
	$ 27,610	$ 55,351	$ 58,867

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

What we make, makes a difference™



SANMINA