



SANMINA



# Sanmina To Acquire ZT Systems Manufacturing From AMD



May 19, 2025

# Today's Presenters

---



SANMINA



**Jure Sola**  
**Chairman & CEO**



**Jon Faust**  
**EVP & CFO**

This presentation (the “Presentation”) has been prepared by Sanmina Corporation (“Sanmina” or the “Company”) solely for informational purposes in connection with the announcement of the proposed acquisition of ZT Systems’ manufacturing operations from AMD (the “Acquisition”).

**No Offer or Solicitation**  
This Presentation does not constitute, and should not be construed as, an offer to sell, or the solicitation of an offer to buy, any securities of Sanmina or any other entity, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. This Presentation is not intended to form the basis of any investment decision or any contract or commitment whatsoever.

**No Representations or Warranties**  
The information contained in this Presentation has been prepared to assist understanding of the Company and the proposed Acquisition. The information contained herein does not purport to be all-inclusive and is subject to change without notice. Neither Sanmina nor any of its affiliates, directors, officers, employees, advisors, or representatives makes any representation or warranty, express or implied, as to the accuracy, completeness, or reliability of the information contained in this Presentation, and nothing contained herein is, or shall be relied upon as, a promise or representation, whether as to the past, present, or future. Sanmina expressly disclaims any obligation to update or supplement the information contained in this Presentation or to provide the recipient with access to any additional information, except as required by law.

**Forward-Looking Statements**  
This Presentation contains forward-looking statements within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are generally identified by words such as “believe,” “expect,” “anticipate,” “estimate,” “intend,” “plan,” “will,” “may,” “should,” “could,” “would,” “continue,” “likely,” and similar expressions, and include statements regarding, among other things, the anticipated benefits of the Acquisition, the expected timing and likelihood of closing the transaction, projected accretion to earnings, operational synergies, future financial performance, the Company’s ability to secure permanent financing on favorable terms, and the Company’s outlook for growth. These forward-looking statements are based on current expectations, estimates, and projections about our industry, management’s beliefs, and certain assumptions made by the Company, all of which are subject to change. Actual results may differ materially from those expressed or implied in these forward-looking statements due to a variety of factors, including but not limited to: the risk that the proposed Acquisition may not be completed in a timely manner or at all; the risk that Sanmina may not be able to obtain permanent financing for the transaction on favorable terms or at all; the possibility that regulatory approvals required for the transaction may not be obtained or may be obtained subject to conditions that are not anticipated; the risk that the expected benefits, synergies, and accretion from the transaction may not be realized or may take longer to realize than anticipated; adverse changes in the key markets we target, including 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; significant uncertainties that can cause our future sales, earnings, and cash flows to be variable; 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; integration risks related to combining ZT Systems’ manufacturing operations with our own; geopolitical uncertainty; other risk factors set forth in the Company’s most recent annual and quarterly reports filed with the Securities and Exchange Commission. These forward-looking statements are provided for illustrative purposes only and are not intended to serve as, and must not be relied upon as, a guarantee, assurance, or definitive statement of fact or probability. Any forward-looking statements contained herein speak only as of the date they are made, and the Company undertakes no obligation to (and expressly disclaims any such obligation to) update or alter any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by law.

**Non-GAAP Financial Measures**  
This Presentation may include financial measures which are not presented in accordance with generally accepted accounting principles (“GAAP”). These non-GAAP financial measures are not measures of financial performance in accordance with GAAP and may exclude items that are material in understanding and assessing the Company’s financial results. Such measures may not be comparable to similarly-titled measures used by other companies and should not be considered in isolation or as an alternative to financial measures presented in accordance with GAAP.

**Trademarks and Copyrights**  
This Presentation contains trademarks, service marks, trade names, and copyrights of Sanmina and other companies, which are the property of their respective owners. The use or display of any third party’s trademarks, service marks, trade names, or copyrights in this Presentation is not intended to, and does not imply, a relationship with, or endorsement or sponsorship by, the owner thereof.

**Use of Projections and Industry and Market Data**  
This Presentation includes certain financial projections, estimates and targets regarding the proposed Acquisition, ZT Systems and the anticipated performance of the combined business. These projections and estimates are based on management’s current expectations, assumptions, and beliefs concerning future developments and their potential effect on the Company, as well as information derived from publicly available industry and market data. The projections and forward-looking statements contained in this Presentation, including but not limited to anticipated revenue growth, expected accretion to earnings, operational synergies, and market expansion, reflect various assumptions made by the Company regarding, among other things, the successful completion and integration of the acquisition, the realization of expected synergies, and the continued growth of the cloud and AI infrastructure markets.

Industry and market data presented in this Presentation, including data regarding global data center investment, cloud and AI infrastructure spending, and market growth rates, are based on internal analyses, publicly available information, and third-party industry reports. While the Company believes such information to be reliable, it has not independently verified the accuracy or completeness of the data obtained from these sources. Actual results may differ materially from those expressed or implied in the projections and industry data due to a variety of factors, including those described under “Forward-Looking Statements” and “No Representations or Warranties.” The inclusion of such projections and industry and market data in this Presentation should not be regarded as a representation by the Company or any other person that the results, targets, or estimates will be achieved. These projections and data are provided for illustrative purposes only and are subject to significant business, economic, and competitive uncertainties, many of which are beyond the Company’s control. The Company undertakes no obligation to update or revise any projections or industry and market data, whether as a result of new information, future events, or otherwise, except as required by law.

**Additional Information and Where to Find It**  
For a more detailed discussion of these and other risks and uncertainties, please refer to the Company’s filings with the Securities and Exchange Commission, including the most recent annual and quarterly reports, as well as similar disclosures by other companies in the industry.

# Transaction Overview



SANMINA

- Sanmina to acquire ZT Systems Manufacturing, a leading provider of Cloud and AI infrastructure to the world's largest hyperscalers, from AMD
- Positions Sanmina to capitalize on long-term growth trends in Cloud and AI infrastructure spend
- Establishes a strategic commercial partnership for NPI with AMD to accelerate quality and time-to-deployment of AMD rack and cluster-scale AI solutions
- Acquired manufacturing expertise will allow for expansion of Sanmina's position in the Cloud and AI market
- Purchase price of \$2.55 billion cash and equity, plus \$450 million in contingent consideration, totaling up to \$3 billion
- Sanmina and AMD will partner to ensure success of ongoing platform transition at ZT Systems
- Accretive to non-GAAP EPS in the first year after closing, with further accretion expected as synergies are realized over time

**Transaction Delivers Compelling Value for Sanmina Shareholders**

# ZT Systems Manufacturing: Provider of Critical Accelerated Cloud and AI Infrastructure with Significant Domestic Manufacturing Footprint



S A N M I N A

## Business Highlights

- Leading provider of end-to-end systems integration from components to complete racks, for the Cloud and AI infrastructure ecosystem
- Industry-leading power and liquid cooling capabilities
- Established US and EU-based manufacturing footprint with global supply chain
- Trusted partner to the world's largest hyperscalers
- Extensive experience with next-gen AI platforms
- Warranty and support for hyperscalers
- Seasoned management team with deep industry expertise and world-class manufacturing know-how

## Robust Footprint and Advanced Capabilities

### Secaucus, NJ



Multiple facilities

Liquid Cooling capabilities

1.2mm+ sq. ft.

### Georgetown, TX



State-of-the-art greenfield facility

Liquid Cooling capabilities

~500k sq. ft. with optionality to expand to 1mm+

### Almelo, Netherlands



Single facility fulfilling European demand

Future Liquid Cooling capabilities

~250k sq. ft.

**Plenty of Power Capacity in Place to Support Future Growth**



# Advances Sanmina's Strategic Priorities in Cloud and AI



SANMINA

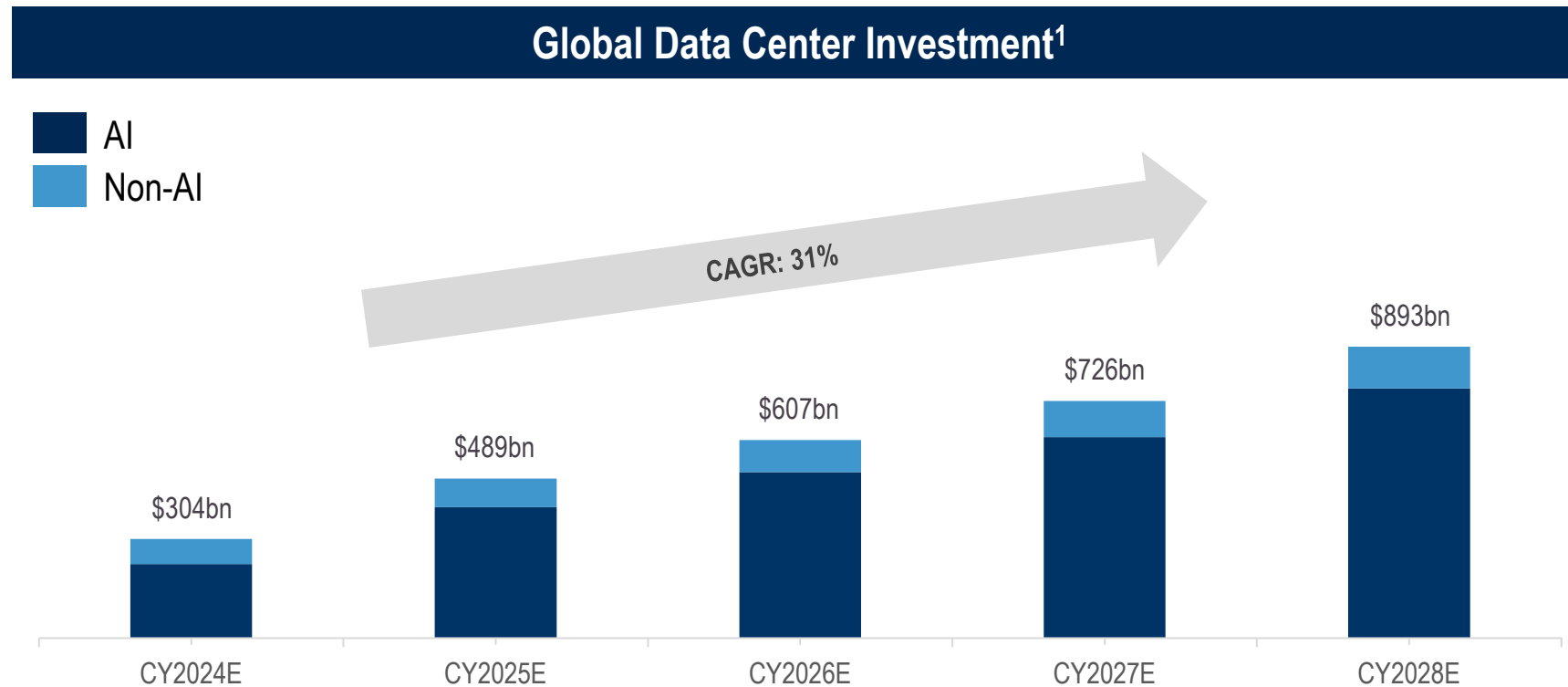
- Positions Sanmina to capitalize on long-term growth trends in Cloud and AI infrastructure spend
- Establishes a strategic commercial partnership for NPI with AMD to accelerate quality and time-to-deployment of AMD rack and cluster-scale AI solutions
- Broadens and deepens relationships with hyperscaler customers
- Enhances Sanmina's ability to partner closely with both hyperscaler and OEM customers across all platforms and technologies in the industry
- Brings industry-leading manufacturing capacity and know-how in the U.S. and Netherlands, reinforcing Sanmina's existing footprint
- Complements Sanmina's well-established vertical integration strategy
- Augments Sanmina's best-in-class management and technical talent pool

**Accelerates Entry Into Cloud and AI Across All Technologies**

# Exposure to Secular Growth Trends in Cloud and AI



SANMINA



**Sanmina + ZT Systems Manufacturing Will Capitalize on Long-term Growth Trends in Cloud and AI Infrastructure Spend**

<sup>1</sup>Wall street research.

# “One-Stop Shop” End-to-End Solutions for Cloud and AI End-Market



SANMINA



FULL SYSTEMS INTEGRATION AT SCALE



**Establishes Sanmina as Industry Leader In Data Center AI End-Market**



# Sanmina and AMD NPI Partnership



SANMINA

- Sanmina to become the preferred NPI manufacturing partner for AMD's rack and cluster-scale AI solutions
- Strategic partnership accelerates deployment of complex AI rack systems tailored to hyperscaler requirements
- Sanmina's mission-critical technology focus and vertical integration, combined with ZT Systems' leading next-gen compute systems manufacturing and AMD's concurrent silicon / systems design will enable Sanmina to accelerate production and validation timelines for hyperscale deployment

**Sanmina-AMD Partnership Accelerates Time-to-Market, Quality and Flexibility  
for Customers**



SANMINA



# Transaction Details



SANMINA

## **Purchase Price (\$3 billion)**

- \$2.25 billion upfront cash consideration to pay for assets at net asset value
- Premium of \$300 million paid \$150 million in cash and \$150 million Sanmina equity aligning interest of Sanmina and AMD
- Up to \$450 million contingent consideration based on financial performance of the business over the next 3 years

## **Target Asset Value (\$2.25 billion)**

- \$2.0 billion target net working capital at closing with corresponding purchase price adjustment mechanism
- Approximately \$250 million of net PP&E at closing, including three state-of-the-art facilities

## **Equity Consideration (\$150 million)**

- \$150 million valued at the 5-day volume-weighted average price on second trading day prior to closing
- Equity lock-up period of 3 years, which begins at the time of closing, during which equity sales are limited to 33% in the first year, 33% in the second year, and the remaining equity in the third year

## **Financing (\$2.5 billion)**

- \$2.5 billion 364-day bridge facility from Bank of America
- Permanent debt financing expected to be secured between signing and closing

**Expect Transaction to Close Near the End of the 2025 Calendar Year**

# Expected Financial Benefits

---



SANMINA

## **Increases Scale and High Value End-Market Exposure**

- ZT Systems Manufacturing has a current annual run-rate net revenue of approximately \$5 - \$6 billion
- Expect to double Sanmina's revenue in 3 years

## **Expected to be Accretive to Financial Profile**

- Accretive to Sanmina's non-GAAP EPS in the first year after closing
- Further non-GAAP EPS accretion expected as synergies are fully realized over time

## **Synergy Opportunity**

- Operational efficiencies due to scale
- Vertical integration opportunities

# Commitment to Strong Balance Sheet

---



SANMINA

- Committed to maintaining a strong balance sheet and ample liquidity
- Investing in working capital, PP&E and capabilities that accelerate entry into Cloud and AI end-market
- Expect working capital build in 2026 / 2027 to support the growth of the business
- Opportunity to improve inventory turns
- We will continue to focus on cash generation, and our capital allocation strategy remains unchanged
- Targeting a net leverage ratio of 1.0x to 2.0x over time

**Committed to Preserving Sanmina's Existing Ratings With a Goal of Achieving  
Investment Grade Over Time**



# Key Takeaways

---



SANMINA

- Accelerates Sanmina's position in the Cloud and AI infrastructure end-market
- ZT Systems brings decades of experience and is a trusted partner to the world's leading hyperscalers
- Complements Sanmina's well-established vertical integration strategy
- Establishes a strategic commercial partnership for NPI with AMD to accelerate quality and time-to-deployment of AMD rack and cluster-scale AI solutions
- Enhances Sanmina's ability to partner closely with both hyperscaler and OEM customers across all platforms and technologies
- Sanmina and AMD will partner to ensure success of ongoing platform transition at ZT Systems
- Committed to maintaining a strong balance sheet and ample liquidity
- Accretive to non-GAAP EPS in the first year after closing, with further accretion expected as synergies are realized over time

**Transaction Delivers Compelling Value for Sanmina Shareholders**



SANMINA

