



SANMINA

FINANCIAL NEWS

Sanmina Reports First Quarter Fiscal 2025 Financial Results

San Jose, CA – January 27, 2025. Sanmina Corporation (“Sanmina” or the “Company”) (NASDAQ: SANM), a leading integrated manufacturing solutions company, today reported financial results for the first quarter ended December 28, 2024 and outlook for its second fiscal quarter ending March 29, 2025.

First Quarter Fiscal 2025 Financial Highlights

- Revenue: \$2.01 billion
- GAAP operating margin: 4.4%
- GAAP diluted EPS: \$1.16
- Non-GAAP⁽¹⁾ operating margin: 5.6%
- Non-GAAP⁽¹⁾ diluted EPS: \$1.44

Additional Highlights

- Cash flow from operations: \$64 million
- Free cash flow⁽²⁾: \$47 million
- Share repurchases: 0.2 million shares for \$16 million
- Ending cash and cash equivalents: \$642 million

⁽¹⁾ See [Schedule 1](#) below for information regarding the items excluded from and our use of non-GAAP financial measures. A reconciliation of the non-GAAP financial information contained in this release to their most directly comparable GAAP measures is included in the financial statements furnished with this release.

⁽²⁾ See Condensed Consolidated Cash Flow Statement included in the financial statements furnished with this release.

“We delivered solid first quarter financial results, with revenue towards the high end and non-GAAP earnings per share exceeding our outlook. We continue to execute well, as evident in our consistent operating margin and cash generation,” stated Jure Sola, Chairman and Chief Executive Officer of Sanmina Corporation. “Our operational discipline and ability to service our customers will further strengthen our operating model and drive shareholder value. We continue to see positive trends and are confident that fiscal 2025 will be a growth year.”

Expanded Share Repurchase Program

Sanmina's Board of Directors has authorized the repurchase of up to an additional \$300 million of Sanmina's common stock. The stock repurchase program has no expiration date. As of December 28, 2024, approximately \$37 million remained available under the current repurchase program. The expansion of this program is consistent with Sanmina's capital allocation priorities.

Second Quarter Fiscal 2025 Outlook

The following outlook is for the second fiscal quarter ending March 29, 2025. These statements are forward-looking and actual results may differ materially.

- Revenue between \$1.9 billion to \$2.0 billion
- GAAP diluted earnings per share between \$1.03 to \$1.13
- Non-GAAP diluted earnings per share between \$1.30 to \$1.40

Safe Harbor Statement

The statements above including our financial outlook for the second quarter fiscal 2025 and expectations for growth in fiscal 2025 generally, 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; 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; geopolitical uncertainty, including from the war in Ukraine and 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.

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.

Company Conference Call Information

Sanmina will hold a conference call to review its financial results for the first quarter and outlook for the second quarter of fiscal 2025 on Monday, January 27, 2025 at 5:00 p.m. ET (2:00 p.m. PT). The access numbers are: domestic 800-836-8184 and international 646-357-8785. The conference will also be webcast live over the Internet. You can log on to the live webcast at [Q1'25 Earnings](#). Additional information in the form of a slide presentation is available on Sanmina's website at www.sanmina.com. A replay of the conference call will be available for 48-hours. The access numbers are: domestic 888-660-6345 and international 646-517-4150, access code is 98068#.

About Sanmina

Sanmina Corporation, a Fortune 500 company, is a leading integrated manufacturing solutions provider serving the fastest growing segments of the global Electronics Manufacturing Services (EMS) market. Recognized as a technology leader, Sanmina provides end-to-end manufacturing solutions, delivering superior quality and support to Original Equipment Manufacturers (OEMs) primarily in the industrial, medical, defense and aerospace, automotive, communications networks and cloud infrastructure markets. Sanmina has facilities strategically located in key regions throughout the world. More information about the Company is available at www.sanmina.com.

Sanmina Contact

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Sanmina Corporation
Condensed Consolidated Balance Sheets
(in thousands)
(GAAP)
(Unaudited)

	December 28, 2024	September 28, 2024
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 642,402	\$ 625,860
Accounts receivable, net	1,354,199	1,337,562
Contract assets	386,633	384,077
Inventories	1,425,869	1,443,629
Prepaid expenses and other current assets	67,347	79,301
Total current assets	3,876,450	3,870,429
Property, plant and equipment, net	605,073	616,067
Deferred income tax assets	153,246	160,703
Other assets	177,253	175,646
Total assets	<u>\$ 4,812,022</u>	<u>\$ 4,822,845</u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Current liabilities:		
Accounts payable	\$ 1,391,649	\$ 1,441,984
Accrued liabilities	107,665	132,513
Deferred revenue and customer advances	239,642	215,553
Accrued payroll and related benefits	126,483	133,129
Short-term debt, including current portion of long-term debt	17,500	17,500
Total current liabilities	1,882,939	1,940,679
Long-term liabilities:		
Long-term debt	295,608	299,823
Other liabilities	212,283	220,835
Total long-term liabilities	507,891	520,658
Stockholders' equity	2,421,192	2,361,508
Total liabilities and stockholders' equity	<u>\$ 4,812,022</u>	<u>\$ 4,822,845</u>

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

	Three Months Ended	
	December 28, 2024	December 30, 2023
Net sales	\$ 2,006,348	\$ 1,874,798
Cost of sales	1,838,433	1,713,958
Gross profit	167,915	160,840
Operating expenses:		
Selling, general and administrative	70,845	64,785
Research and development	7,024	6,289
Restructuring	1,436	2,190
Total operating expenses	79,305	73,264
Operating income	88,610	87,576
Interest income	3,396	3,657
Interest expense	(5,001)	(8,412)
Other income (expense), net	(729)	(1,133)
Interest and other, net	(2,334)	(5,888)
Income before income taxes	86,276	81,688
Provision for income taxes	15,392	21,324
Net income before noncontrolling interest	70,884	60,364
Less: Net income attributable to noncontrolling interest	5,881	3,296
Net income attributable to common shareholders	\$ 65,003	\$ 57,068
Net income attributable to common shareholders per share:		
Basic	\$ 1.20	\$ 1.01
Diluted	\$ 1.16	\$ 0.98
Weighted-average shares used in computing per share amounts:		
Basic	54,206	56,538
Diluted	55,853	58,240

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

	Three Months Ended		
	December 28, 2024	September 28, 2024	December 30, 2023
GAAP Operating income	\$ 88,610	\$ 89,590	\$ 87,576
GAAP Operating margin	4.4 %	4.4 %	4.7 %
Adjustments:			
Stock compensation expense (1)	15,292	15,489	12,585
Distressed customer charges (2)	6,872	—	—
Legal (3)	450	(720)	—
Restructuring	1,436	2,970	2,190
Non-GAAP Operating income	\$ 112,660	\$ 107,329	\$ 102,351
Non-GAAP Operating margin	5.6 %	5.3 %	5.5 %

GAAP Net income attributable to common shareholders	\$ 65,003	\$ 61,381	\$ 57,068
Adjustments:			
Operating income adjustments (see above)	24,050	17,739	14,775
Adjustments for taxes (4)	(8,880)	1,175	3,961
Non-GAAP Net income attributable to common shareholders	\$ 80,173	\$ 80,295	\$ 75,804

GAAP Net income attributable to common shareholders per share:			
Basic	\$ 1.20	\$ 1.12	\$ 1.01
Diluted	\$ 1.16	\$ 1.09	\$ 0.98

Non-GAAP Net income attributable to common shareholders per share:			
Basic	\$ 1.48	\$ 1.47	\$ 1.34
Diluted	\$ 1.44	\$ 1.43	\$ 1.30

Weighted-average shares used in computing per share amounts:			
Basic	54,206	54,783	56,538
Diluted	55,853	56,235	58,240

(1) Stock compensation expense			
Cost of sales	\$ 5,024	\$ 4,700	\$ 4,050
Selling, general and administrative	9,962	10,461	8,340
Research and development	306	328	195
Total	\$ 15,292	\$ 15,489	\$ 12,585

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

(3) Represents charges and recoveries associated with certain legal matters.

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

Q2 FY25 Earnings Per Share Outlook*:

	Q2 FY25 EPS Range	
	Low	High
GAAP diluted earnings per share	\$ 1.03	\$ 1.13
Stock compensation expense	\$ 0.27	\$ 0.27
Non-GAAP diluted earnings per share	\$ 1.30	\$ 1.40

* Due to uncertainty regarding the timing of recognition of restructuring charges, impairment charges and other unusual or infrequent items, if any, that could be incurred during the second quarter of FY25, an estimate of such items is not included in the outlook for Q2 FY25 GAAP EPS.

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

	Three Month Periods				
	Q1'25	Q4'24	Q3'24	Q2'24	Q1'24
Net income before noncontrolling interest	\$ 70,884	\$ 67,340	\$ 54,738	\$ 55,309	\$ 60,364
Depreciation	31,845	31,654	29,764	30,274	30,726
Other, net	21,154	30,110	19,708	18,634	18,185
Net change in net working capital	(59,945)	(77,229)	(14,211)	(31,900)	16,750
Cash provided by operating activities	63,938	51,875	89,999	72,317	126,025
Purchases of long-term investments	(300)	(3,300)	(600)	(700)	(600)
Net purchases of property & equipment	(16,921)	(22,597)	(22,772)	(29,611)	(34,216)
Cash used in investing activities	(17,221)	(25,897)	(23,372)	(30,311)	(34,816)
Net share repurchases	(24,456)	(60,412)	(54,629)	(17,477)	(115,619)
Net borrowing activities	(4,375)	—	(4,375)	(4,375)	(12,820)
Cash used in financing activities	(28,831)	(60,412)	(59,004)	(21,852)	(128,439)
Effect of exchange rate changes	(1,344)	2,585	(772)	(886)	1,250
Net change in cash & cash equivalents	\$ 16,542	\$ (31,849)	\$ 6,851	\$ 19,268	\$ (35,980)
Free cash flow:					
Cash provided by operating activities	\$ 63,938	\$ 51,875	\$ 89,999	\$ 72,317	\$ 126,025
Net purchases of property & equipment	(16,921)	(22,597)	(22,772)	(29,611)	(34,216)
	\$ 47,017	\$ 29,278	\$ 67,227	\$ 42,706	\$ 91,809

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 and Integration 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 and integration of acquired businesses, 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.