



SANMINA



Q1 Fiscal 2025 Financial Results



January 27, 2025

Today's Presenters



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Jure Sola
Chairman & CEO



Jon Faust
EVP & CFO



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Safe Harbor Statement

Certain statements made during this presentation, including our financial outlook for the second quarter fiscal 2025 and expectations for 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. 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 21 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.



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Financial Overview

Jon Faust





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Non-GAAP Financial Highlights

	Q1 FY'25	Outlook <u>WAS</u>
Revenue	\$2.01B	\$1.925B - \$2.025B
Gross Margin	9.0%	8.4% - 8.8%
Operating Margin	5.6%	5.3% - 5.7%
Diluted EPS	\$1.44	\$1.30 - \$1.40

Solid Start to Fiscal 2025

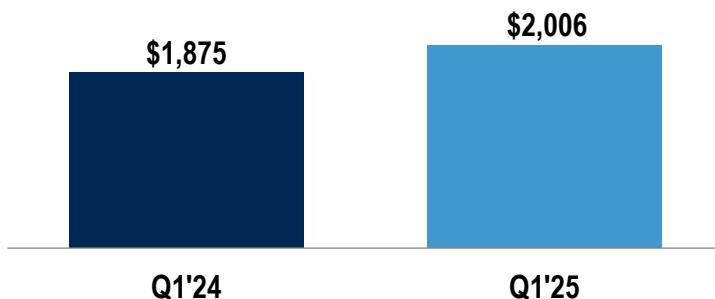
Non-GAAP P&L Performance

(\$ in millions, except per share data)

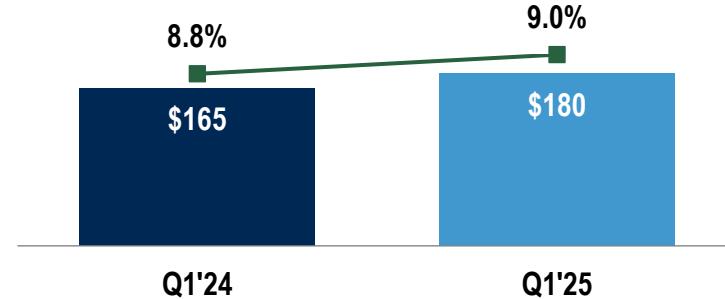


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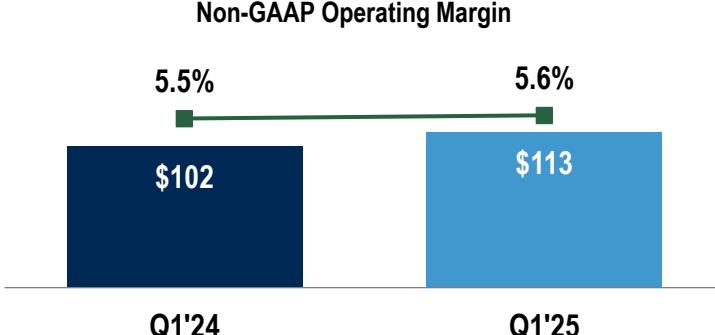
Revenue



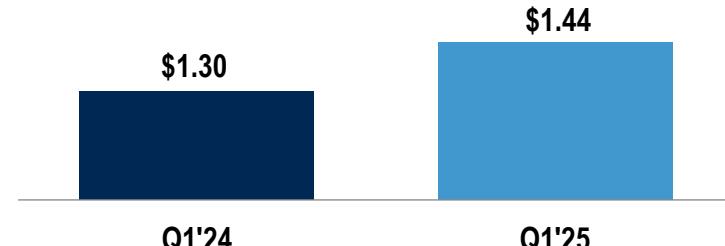
Non-GAAP Gross Margin



Non-GAAP Operating Margin



Non-GAAP Diluted Earnings Per Share

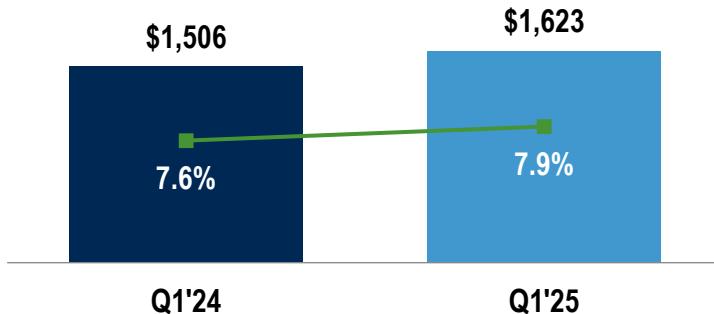


Segment Reporting: Revenue and Non-GAAP Gross Margin*

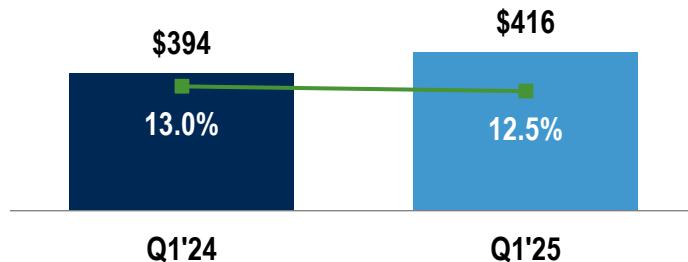
(\$ in millions)



Integrated Manufacturing Solutions



Components, Products and Services



Balance Sheet

(\$ in millions)



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12/28/2024

Cash and cash equivalents	\$ 642
Accounts receivable, net	1,354
Contract assets	387
Inventories	1,426
Property, plant and equipment, net	605
Deferred income tax assets	153
Other assets	245
Total assets	<u>\$ 4,812</u>
Accounts payable	\$ 1,392
Deferred revenue and customer advances	240
Short-term debt	18
Long-term debt	296
Other liabilities	445
Total stockholders' equity	<u>2,421</u>
Total liabilities and stockholders' equity	<u>\$ 4,812</u>

Key Takeaways:

- Strong cash position
- No borrowings under \$800M Revolver at quarter end
- Substantial liquidity: ~\$1.5B
- Q1 non-GAAP pre-tax ROIC: 23.5%
- No net debt; gross leverage ratio of 0.49x

Industry Leading Balance Sheet

Substantial liquidity is the sum of cash and cash equivalents, availability on the revolver and other foreign facilities.

ROIC (a measure of 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.

Leverage ratio is calculated as debt to cash and cash equivalents.



Q1 FY'25 Cash Flow Highlights

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Cash Flow from Operations:	▪ \$64 million
Net CapEx:	▪ \$17 million ▪ Investing in growth markets, technology and capabilities to support long-term growth
Free Cash Flow:	▪ \$47 million
Non-GAAP EBITDA	▪ \$145 million
Share Repurchases:	▪ \$16 million for 0.2 million shares ▪ \$37 million available under the authorized share repurchase program at end of Q1

Solid Cash Generation



Capital Allocation Strategy

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Focused on Growth

Organic Growth

Strategic
M&A and
Partnerships

Reduce Debt

Share
Repurchases

ROI Based Approach

Board Authorized an Additional \$300 Million for Share Repurchases

Q2 FY'25 Outlook



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The following outlook is for the second fiscal quarter ending March 29, 2025*.

Q2 FY'25	
Revenue:	\$1.9B - \$2.0B
GAAP Diluted EPS:	\$1.03 - \$1.13
Non-GAAP Diluted EPS:	\$1.30 - \$1.40

*The outlook and certain statements made during this presentation, including our financial outlook for the second quarter of 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.

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Business Overview Jure Sola



Q1 FY'25 Overview



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- Solid execution
- Revenue and non-GAAP operating margin towards the high end of our outlook
- Non-GAAP gross margin and EPS exceeded our outlook
- Customers continue to work down inventory
- New programs ramping

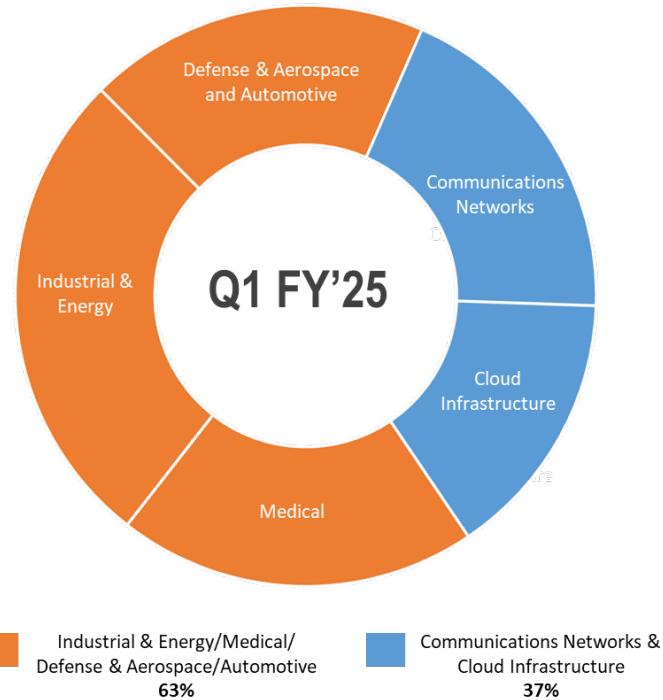
Strong Momentum



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Revenue by End-Market

(\$ in millions)	Q1 FY'24	Q1 FY'25
Industrial & Energy/Medical/ Defense & Aerospace/Automotive	\$1,257	\$1,269
Communications Networks and Cloud Infrastructure	\$618	\$737
Total	\$1,875	\$2,006



Q1 FY'25 Top 10 Customers – 50.1% of Revenue

Key Markets to Drive Future Growth

- Industrial & Energy
- Medical
- Defense & Aerospace
- Automotive & Transportation
- High Density / High Performance Networks
- Cloud Infrastructure

**Providing Leading Technology to Customers in
Heavily Regulated Markets**



FY'25 Outlook – Focused on Profitable Growth



- Revenue growth in the high single digits
- Market diversification with higher margin opportunities
- Margin expansion and earnings growth
- Generate strong cash flow
- Maximize shareholder value

Investing in Faster Growing and Higher Margin End-Markets



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Summary

- Ongoing diversification in growth markets
- Manufacturing footprint is well aligned with customer needs
- Consistent cash generation to fund the business with a disciplined approach
- Remain focused on the fundamentals and future financial performance
- Continue to be a partner of choice with top customers – “Market Leaders”
- Continue to execute on our strategy
- Confident we will grow revenue, expand margins, grow EPS and generate cash in fiscal 2025

Excited About Sanmina's Future



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Consolidated Financial Statements Reconciliation of GAAP vs. Non-GAAP



Quarter Ended: December 28, 2024



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

	December 28, 2024	September 28, 2024
ASSETS		
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>
LIABILITIES AND STOCKHOLDERS' EQUITY		
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>



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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	<u>167,915</u>	<u>160,840</u>
Operating expenses:		
Selling, general and administrative	70,845	64,785
Research and development	7,024	6,289
Restructuring	<u>1,436</u>	<u>2,190</u>
Total operating expenses	<u>79,305</u>	<u>73,264</u>
Operating income	88,610	87,576
Interest income	3,396	3,657
Interest expense	(5,001)	(8,412)
Other income (expense), net	<u>(729)</u>	<u>(1,133)</u>
Interest and other, net	<u>(2,334)</u>	<u>(5,888)</u>
Income before income taxes	86,276	81,688
Provision for income taxes	<u>15,392</u>	<u>21,324</u>
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	<u>\$ 65,003</u>	<u>\$ 57,068</u>
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



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

	Three Month Periods				
	Q1'25	Q4'24	Q3'24	Q2'24	Q1'24
GAAP Gross profit	\$ 167,915	\$ 171,293	\$ 153,539	\$ 154,757	\$ 160,840
GAAP Gross margin	8.4 %	8.5 %	8.3 %	8.4 %	8.6 %
Adjustments					
Stock compensation expense (1)	5,024	4,700	4,327	4,416	4,050
Legal (2)	450	(500)	—	1,350	—
Distressed customer charges (recoveries) (3)	6,703	—	(816)	2,602	—
Non-GAAP Gross profit	\$ 180,092	\$ 175,493	\$ 157,050	\$ 163,125	\$ 164,890
Non-GAAP Gross margin	9.0 %	8.7 %	8.5 %	8.9 %	8.8 %
GAAP Operating expenses	\$ 79,305	\$ 81,703	\$ 71,172	\$ 78,796	\$ 73,264
Adjustments					
Stock compensation expense (1)	(10,268)	(10,789)	(10,355)	(10,235)	(8,535)
Legal (2)	—	220	(500)	—	—
Distressed customer (charges) / recoveries (3)	(169)	—	1,684	(1,697)	—
Restructuring	(1,436)	(2,970)	(1,793)	(3,274)	(2,190)
Non-GAAP Operating expenses	\$ 67,432	\$ 68,164	\$ 60,208	\$ 63,590	\$ 62,539
GAAP Operating income	\$ 88,610	\$ 89,590	\$ 82,367	\$ 75,961	\$ 87,576
GAAP Operating margin	4.4 %	4.4 %	4.5 %	4.1 %	4.7 %
Adjustments					
Stock compensation expense (1)	15,292	15,489	14,682	14,651	12,585
Legal (2)	450	(720)	500	1,350	—
Distressed customer charges (recoveries) (3)	6,872	—	(2,500)	4,299	—
Restructuring	1,436	2,970	1,793	3,274	2,190
Non-GAAP Operating income	\$ 112,660	\$ 107,329	\$ 96,842	\$ 99,535	\$ 102,351
Non-GAAP Operating margin	5.6 %	5.3 %	5.3 %	5.4 %	5.5 %
GAAP Interest and other, net	\$ (2,334)	\$ (2,812)	\$ (7,729)	\$ (1,530)	\$ (5,888)
Adjustments					
Legal (2)	—	—	—	(4,967)	—
Non-GAAP Interest and other, net	\$ (2,334)	\$ (2,812)	\$ (7,729)	\$ (6,497)	\$ (5,888)
GAAP Provision for income taxes	\$ 15,392	\$ 19,438	\$ 19,900	\$ 19,122	\$ 21,324
Adjustments for taxes (4)	8,880	(1,175)	(4,751)	(2,849)	(3,961)
Non-GAAP Provision for income taxes	\$ 24,272	\$ 18,263	\$ 15,149	\$ 16,273	\$ 17,363
GAAP Net income attributable to common shareholders	\$ 65,003	\$ 61,381	\$ 51,602	\$ 52,485	\$ 57,068
Adjustments:					
Operating income adjustments (see above)	24,050	17,739	14,475	23,574	14,775
Interest and other (see above)	—	—	—	(4,967)	—
Adjustments for taxes	(8,880)	1,175	4,751	2,849	3,961
Non-GAAP Net income attributable to common shareholders	\$ 80,173	\$ 80,295	\$ 70,828	\$ 73,941	\$ 75,804
GAAP Net income attributable to common shareholders per share:					
Basic	\$ 1.20	\$ 1.12	\$ 0.93	\$ 0.94	\$ 1.01
Diluted	\$ 1.16	\$ 1.09	\$ 0.91	\$ 0.93	\$ 0.98
Non-GAAP Net income attributable to common shareholders per share:					
Basic	\$ 1.48	\$ 1.47	\$ 1.28	\$ 1.33	\$ 1.34
Diluted	\$ 1.44	\$ 1.43	\$ 1.25	\$ 1.30	\$ 1.30
Weighted-average shares used in computing per share amounts:					
Basic	54,206	54,783	55,466	55,585	56,538
Diluted	55,853	56,235	56,711	56,699	58,240
(1) Stock compensation expense was as follows:					
	Q1'25	Q4'24	Q3'24	Q2'24	Q1'24
Cost of sales	\$ 5,024	\$ 4,700	\$ 4,327	\$ 4,416	\$ 4,050
Selling, general and administrative	9,962	10,461	10,082	9,984	8,340
Research and development	306	328	273	251	195
Total	\$ 15,292	\$ 15,489	\$ 14,682	\$ 14,651	\$ 12,585
(2) Represents charges and recoveries associated with certain legal matters.					
(3) Relates to accounts receivable and inventory write-downs (recoveries) associated with distressed customers.					
(4) 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.					

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.



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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	<u>63,938</u>	<u>51,875</u>	<u>89,999</u>	<u>72,317</u>	<u>126,025</u>
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	<u>(17,221)</u>	<u>(25,897)</u>	<u>(23,372)</u>	<u>(30,311)</u>	<u>(34,816)</u>
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	<u>(28,831)</u>	<u>(60,412)</u>	<u>(59,004)</u>	<u>(21,852)</u>	<u>(128,439)</u>
Effect of exchange rate changes	(1,344)	2,585	(772)	(886)	1,250
Net change in cash & cash equivalents	<u>\$ 16,542</u>	<u>\$ (31,849)</u>	<u>\$ 6,851</u>	<u>\$ 19,268</u>	<u>\$ (35,980)</u>
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)
	<u>\$ 47,017</u>	<u>\$ 29,278</u>	<u>\$ 67,227</u>	<u>\$ 42,706</u>	<u>\$ 91,809</u>



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Sanmina Corporation
Pre-Tax Return on Invested Capital (ROIC)
(\$ in thousands)
(Unaudited)

	Three Month Periods				
	Q1'25	Q4'24	Q3'24	Q2'24	Q1'24
GAAP Operating income	\$ 88,610	\$ 89,590	\$ 82,367	\$ 75,961	\$ 87,576
	x 4.0	4.0	4.0	4.0	4.0
Annualized GAAP Operating income	354,440	358,360	329,468	303,844	350,304
Average invested capital (1)	÷ 1,915,460	1,865,140	1,833,049	1,810,627	1,802,450
GAAP Pre-tax ROIC	18.5 %	19.2 %	18.0 %	16.8 %	19.4 %
Non-GAAP Operating income	\$ 112,660	\$ 107,329	\$ 96,842	\$ 99,535	\$ 102,351
	x 4.0	4.0	4.0	4.0	4.0
Annualized non-GAAP Operating income	450,640	429,316	387,368	398,140	409,404
Average invested capital (1)	÷ 1,915,460	1,865,140	1,833,049	1,810,627	1,802,450
Non-GAAP Pre-tax ROIC	23.5 %	23.0 %	21.1 %	22.0 %	22.7 %

(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.



S A N M I N A

Sanmina Corporation
Reconciliation of GAAP to Non-GAAP Measures: EBITDA
(in thousands)
(Unaudited)

	Three Months Ended		
	December 28, 2024	September 28, 2024	December 30, 2023
EBITDA			
GAAP Operating Income	\$ 88,610	\$ 89,590	\$ 87,576
Depreciation	31,845	31,654	30,726
GAAP EBITDA	\$ 120,455	\$ 121,244	\$ 118,302
GAAP EBITDA Margin	6.0 %	6.0 %	6.3 %
Non-GAAP Operating Income	\$ 112,660	\$ 107,329	\$ 102,351
Depreciation	31,845	31,654	30,726
Non-GAAP EBITDA	\$ 144,505	\$ 138,983	\$ 133,077
Non-GAAP EBITDA Margin	7.2 %	6.9 %	7.1 %



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Thank You

