

SANMINA-SCI CORP
Form 10-Q
May 05, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark one)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 28, 2009

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____.

Commission File Number 0-21272

Sanmina-SCI Corporation

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

77-0228183

(I.R.S. Employer
Identification Number)

2700 N. First St., San Jose, CA
(Address of principal executive
offices)

95134
(Zip Code)

(408) 964-3500

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

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Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

As of April 29, 2009, there were 488,403,939 shares outstanding of the issuer's common stock, \$0.01 par value per share.

SANMINA-SCI CORPORATION

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SANMINA-SCI CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS

	As of	
	March 28, 2009	September 27, 2008
	(Unaudited)	
	(In thousands)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 851,497	\$ 869,801
Accounts receivable, net of allowances of \$13,654 and \$14,934 at March 28, 2009 and September 27, 2008, respectively	710,087	986,312
Inventories	706,024	813,359
Prepaid expenses and other current assets	69,743	100,399
Assets held for sale	46,121	43,163
Total current assets	2,383,472	2,813,034
Property, plant and equipment, net	574,692	599,908
Other	132,321	117,785
Total assets	\$ 3,090,485	\$ 3,530,727
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 679,484	\$ 908,151
Accrued liabilities	149,611	191,022
Accrued payroll and related benefits	98,389	139,522
Total current liabilities	927,484	1,238,695
Long-term liabilities:		
Long-term debt	1,451,623	1,481,985
Other	99,339	114,089
Total long-term liabilities	1,550,962	1,596,074
Commitments and contingencies (Note 8)		
Stockholders' equity	612,039	695,958
Total liabilities and stockholders' equity	\$ 3,090,485	\$ 3,530,727

See accompanying notes.

SANMINA-SCI CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended		Six Months Ended	
	March 28, 2009	March 29, 2008	March 28, 2009	March 29, 2008
	(Unaudited)			
	(In thousands, except per share data)			
Net sales	\$ 1,195,107	\$ 1,817,431	\$ 2,614,371	\$ 3,595,571
Cost of sales	1,126,517	1,692,786	2,461,983	3,341,997
Gross profit	68,590	124,645	152,388	253,574
Operating expenses:				
Selling, general and administrative	57,055	79,336	120,042	168,414
Research and development	4,720	4,253	8,912	8,859
Amortization of intangible assets	1,023	1,650	2,673	3,300
Restructuring costs	15,574	48,019	24,809	54,798
Asset impairment	3,384	—	7,182	—
Total operating expenses	81,756	133,258	163,618	235,371
Operating income (loss)	(13,166)	(8,613)	(11,230)	18,203
Interest income	1,829	5,229	5,279	11,446
Interest expense	(28,112)	(31,611)	(57,295)	(66,974)
Other income (expense), net	4,923	4,272	5,476	(368)
Interest and other expense, net	(21,360)	(22,110)	(46,540)	(55,896)
Loss from continuing operations before income taxes	(34,526)	(30,723)	(57,770)	(37,693)
Provision for income taxes	3,012	9,214	5,041	11,697
Net loss from continuing operations	(37,538)	(39,937)	(62,811)	(49,390)
Income from discontinued operations, net of tax	—	15,523	—	32,892
Net loss	\$ (37,538)	\$ (24,414)	\$ (62,811)	\$ (16,498)
Basic and diluted income (loss) per share from:				
Continuing operations	\$ (0.07)	\$ (0.08)	\$ (0.12)	\$ (0.09)
Discontinued operations	\$ —	\$ 0.03	\$ —	\$ 0.06
Net loss	\$ (0.07)	\$ (0.05)	\$ (0.12)	\$ (0.03)
Weighted average shares used in computing per share amounts	500,718	530,747	512,459	530,200

See accompanying notes.

SANMINA-SCI CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six Months Ended	
	March 28, 2009	March 29, 2008
	(Unaudited)	
	(In thousands)	
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Net loss	\$ (62,811)	\$ (16,498)
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	44,781	52,045
Stock-based compensation expense	8,488	7,285
Non-cash restructuring costs	1,770	1,910
Provision for doubtful accounts, product returns and other net sales adjustments	(1,141)	921
Deferred income taxes	2,899	(3,281)
Impairment of assets and long-term investments	8,182	—
(Gain)/loss on extinguishment of debt	(13,490)	2,237
Other, net	(585)	(186)
Changes in operating assets and liabilities:		
Accounts receivable	266,942	821
Inventories	96,996	55,991
Prepaid expenses and other assets	25,805	255
Accounts payable	(209,319)	(44,394)
Accrued liabilities and other long-term liabilities	(82,320)	18,521
Cash provided by operating activities		