

PLEXUS CORP
Form 10-Q
May 04, 2018
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended March 31, 2018
OR

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
Commission File Number 001-14423

PLEXUS CORP.
(Exact name of registrant as specified in charter)

Wisconsin 39-1344447
(State of Incorporation) (IRS Employer Identification No.)
One Plexus Way
Neenah, Wisconsin 54957
(Address of principal executive offices)(Zip Code)
Telephone Number (920) 969-6000
(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 (§232.405 of this chapter) 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, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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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 May 1, 2018, there were 32,977,703 shares of Common Stock of the Company outstanding.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

PLEXUS CORP. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(in thousands, except per share data)

Unaudited

| | Three Months Ended | | Six Months Ended | |
|---|--------------------|------------------|-------------------|------------------|
| | March 31, 2018 | April 1, 2017 | March 31, 2018 | April 1, 2017 |
| Net sales | \$698,651 | \$604,349 | \$1,375,945 | \$1,239,368 |
| Cost of sales | 645,699 | 540,549 | 1,259,470 | 1,111,212 |
| Gross profit | 52,952 | 63,800 | 116,475 | 128,156 |
| Selling and administrative expenses | 35,637 | 31,229 | 67,603 | 61,682 |
| Operating income | 17,315 | 32,571 | 48,872 | 66,474 |
| Other income (expense): | | | | |
| Interest expense | (3,547) | (3,262) | (7,272) | (6,536) |
| Interest income | 1,426 | 1,185 | 2,981 | 2,256 |
| Miscellaneous | (477) | 1,925 | (823) | 1,251 |
| Income before income taxes | 14,717 | 32,419 | 43,758 | 63,445 |
| Income tax expense | 2,427 | 3,124 | 129,961 | 5,971 |
| Net income (loss) | \$12,290 | \$29,295 | \$(86,203) | \$57,474 |
| Earnings (loss) per share: | | | | |
| Basic | \$0.37 | \$0.87 | \$(2.57) | \$1.71 |
| Diluted | \$0.36 | \$0.84 | \$(2.57) | \$1.66 |
| Weighted average shares outstanding: | | | | |
| Basic | 33,538 | 33,703 | 33,552 | 33,619 |
| Diluted | 34,387 | 34,702 | 33,552 | 34,631 |
| Comprehensive income (loss): | | | | |
| Net income (loss) | \$12,290 | \$29,295 | \$(86,203) | \$57,474 |
| Other comprehensive income (loss): | | | | |
| Derivative instrument fair value adjustment | 1,229 | 3,159 | 2,768 | (2,244) |
| Foreign currency translation adjustments | 4,773 | 2,613 | 6,915 | (8,746) |
| Other comprehensive income (loss) | 6,002 | 5,772 | 9,683 | (10,990) |
| Total comprehensive income (loss) | \$18,292 | \$35,067 | \$(76,520) | \$46,484 |

The accompanying notes are an integral part of these condensed consolidated financial statements.

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PLEXUS CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands, except per share data)

Unaudited

| | March 31, | September 30, |
|---|-----------|---------------|
| | 2018 | 2017 |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$402,470 | \$ 568,860 |
| Restricted cash | 845 | 394 |
| Accounts receivable, net of allowances of \$1,029 and \$980, respectively | 400,262 | 365,513 |
| Inventories | 701,666 | 654,642 |
| Prepaid expenses and other | 32,313 | 28,046 |
| Total current assets | 1,537,556 | 1,617,455 |
| Property, plant and equipment, net | 324,484 | |