

TTM TECHNOLOGIES INC
Form 10-Q
November 03, 2016
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

Form 10-Q

x **QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 26, 2016

Commission File Number: 0-31285

TTM TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of

91-1033443
(I.R.S. Employer

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incorporation or organization)

Identification No.)

1665 Scenic Avenue Suite 250, Costa Mesa, California 92626

(Address of principal executive offices)

(714) 327-3000

(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, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. Check one:

Large accelerated filer

Accelerated filer

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

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

Number of shares of common stock, \$0.001 par value, of registrant outstanding at November 1, 2016: 100,393,160

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Table of Contents**PART I. FINANCIAL INFORMATION****Item 1. Financial Statements (unaudited)****TTM TECHNOLOGIES, INC.****Consolidated Condensed Balance Sheets**

	September 26, 2016	As of December 28, 2015 (Unaudited)
	(In thousands, except par value)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 291,783	\$ 259,100
Restricted cash		3,530
Accounts receivable, net	449,924	456,000
Inventories	281,169	268,923
Prepaid expenses and other current assets	33,112	34,967
Total current assets	1,055,988	1,022,520
Property, plant and equipment, net	1,026,213	1,103,067
Goodwill	372,607	346,990
Definite-lived intangibles, net	133,019	150,874
Deposits and other non-current assets	19,399	16,682
	\$ 2,607,226	\$ 2,640,133
LIABILITIES AND EQUITY		
Current liabilities:		
Short-term debt, including current portion of long-term debt	\$ 146,473	\$ 157,375
Accounts payable	387,613	377,222
Accrued salaries, wages and benefits	89,021	108,649
Other accrued expenses	123,760	101,748
Total current liabilities	746,867	744,994
Long-term debt, net of discount and issuance costs	935,377	1,013,411
Other long-term liabilities	71,867	55,059
Total long-term liabilities	1,007,244	1,068,470
Commitments and contingencies (Note 12)		
Equity:		
Common stock, \$0.001 par value; 200,000 shares authorized, 100,251 and 99,137 shares issued and outstanding in 2016 and 2015, respectively	100	99
Additional paid-in capital	753,618	745,608
Retained earnings	82,232	45,963
Statutory surplus reserve	26,409	25,812
Accumulated other comprehensive (loss) income	(17,327)	1,623
Total TTM Technologies, Inc. stockholders' equity	845,032	819,105
Noncontrolling interest	8,083	7,564

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Total equity	853,115	826,669
	\$ 2,607,226	\$ 2,640,133

See accompanying notes to consolidated condensed financial statements.

Table of Contents**TTM TECHNOLOGIES, INC.****Consolidated Condensed Statements of Operations****For the Quarter and Three quarters Ended September 26, 2016 and September 28, 2015**

	Quarter Ended		Three quarters Ended	
	September 26, 2016	September 28, 2015	September 26, 2016	September 28, 2015
	(Unaudited)			
	(In thousands, except per share data)			
Net sales	\$ 641,720	\$ 652,005	\$ 1,826,825	\$ 1,426,614
Cost of goods sold	532,158	562,887	1,536,055	1,224,747
Gross profit	109,562	89,118	290,770	201,867
Operating expenses:				
Selling and marketing	15,643	17,642	49,518	39,398
General and administrative	35,641	39,523	108,249	126,031
Amortization of definite-lived intangibles	5,949	6,421	17,845	12,205
Impairment of long-lived assets			3,346	
Restructuring charges	2,103	1,936	8,005	1,936
Gain on sale of asset				(2,504)
Total operating expenses	59,336	65,522	186,963	177,066
Operating income	50,226	23,596	103,807	24,801
Other income (expense):				
Interest expense	(18,873)	(21,002)	(60,741)	(39,545)
Loss on extinguishment of debt				(802)
Other, net	3,930	3,998	8,330	4,264
Total other expense, net	(14,943)	(17,004)	(52,411)	(36,083)
Income (loss) before income taxes	35,283	6,592	51,396	(11,282)
Income tax provision	(9,513)	(8,730)	(14,011)	(23,993)
Net income (loss)	25,770	(2,138)	37,385	(35,275)
Less: Net income attributable to the noncontrolling interest	(188)	(99)	(519)	(128)
Net income (loss) attributable to TTM Technologies, Inc. stockholders	\$ 25,582	\$ (2,237)	\$ 36,866	\$ (35,403)
Income (loss) per share attributable to TTM Technologies, Inc. stockholders:				
Basic income (loss) per share	\$ 0.26	\$ (0.02)	\$ 0.37	\$ (0.39)
Diluted income (loss) per share	\$ 0.23	\$ (0.02)	\$ 0.36	\$ (0.39)

See accompanying notes to consolidated condensed financial statements.

Table of Contents**TTM TECHNOLOGIES, INC.****Consolidated Condensed Statements of Comprehensive Income (Loss)****For the Quarter and Three quarters Ended September 26, 2016 and September 28, 2015**

	Quarter Ended		Three quarters Ended	
	September 26, 2016	September 28, 2015	September 26, 2016	September 28, 2015
	(Unaudited)			
	(In thousands)			
Net income (loss)	\$ 25,770	\$ (2,138)	\$ 37,385	\$ (35,275)
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustments:				
Unrealized loss during the period, net	(5,350)	(18,195)	(19,061)	(16,017)
Gain realized in the statement of operations				(1,786)
Net	(5,350)	(18,195)	(19,061)	(17,803)
Net unrealized gains (losses) on cash flow hedges:				
Unrealized gain (loss) on effective cash flow hedges during the period, net	4	33	(17)	(20)
Loss realized in the statement of operations	47	44	128	129
Net	51	77	111	109
Other comprehensive loss, net of tax	(5,299)	(18,118)	(18,950)	(17,694)