

PLEXUS CORP
Form 10-Q
February 11, 2015
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

ý Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended January 3, 2015
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 ý 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 ý 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.

Large accelerated filer ý 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 ý

As of February 10, 2015, there were 33,657,357 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

(in thousands, except per share data)

Unaudited

	Three Months Ended	
	January 3, 2015	December 28, 2013
Net sales	\$664,690	\$533,905
Cost of sales	603,276	482,403
Gross profit	61,414	51,502
Selling and administrative expenses	30,940	26,136
Restructuring costs	1,691	3,605
Operating income	28,783	21,761
Other income (expense):		
Interest expense	(3,777) (2,815
Interest income	897	639
Miscellaneous	138	240
Income before income taxes	26,041	19,825
Income tax expense	2,962	2,162
Net income	\$23,079	\$17,663
Earnings per share:		
Basic	\$0.69	\$0.52
Diluted	\$0.67	\$0.51
Weighted average shares outstanding:		
Basic	33,602	33,730
Diluted	34,439	34,693
Comprehensive income:		
Net income	\$23,079	\$17,663
Other comprehensive (loss) income:		
Derivative instrument fair value adjustment —net of income tax	(4,644) (523
Foreign currency translation adjustments	(5,361) 2,421
Other comprehensive (loss) income	(10,005) 1,898
Total comprehensive income	\$13,074	\$19,561

See notes to Condensed Consolidated Financial Statements.

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PLEXUS CORP. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands, except per share data)

Unaudited

	January 3, 2015	September 27, 2014
ASSETS		
Current assets:		
Cash and cash equivalents	\$239,685	\$346,591
Accounts receivable, net of allowances of \$964 and \$1,188, respectively	378,851	324,072
Inventories	539,577	525,970
Deferred income tax	6,399	6,449
Prepaid expenses and other	28,814	27,757
Total current assets	1,193,326	1,230,839
Property, plant and equipment, net	327,577	334,926
Deferred income tax	3,548	3,675
Other	38,491	39,586
Total non-current assets	369,616	378,187
Total assets	\$1,562,942	\$1,609,026
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt and capital lease obligations	\$4,793	\$4,368
Accounts payable	347,139	396,363
Customer deposits	62,780	56,155
Deferred income tax	612	647
Accrued liabilities:		
Salaries and wages	39,979	52,043
Other	35,186	37,739
Total current liabilities	490,489	547,315
Long-term debt and capital lease obligations, net of current portion	260,990	262,046
Deferred income tax	5,190	5,191
Other liabilities	13,975	13,341
Total non-current liabilities	280,155	280,578
Total liabilities	770,644	827,893
Shareholders' equity:		
Preferred stock, \$.01 par value, 5,000 shares authorized, none issued or outstanding	—	—
Common stock, \$.01 par value, 200,000 shares authorized, 50,053 and 49,962 shares issued, respectively, and 33,548 and 33,653 shares outstanding, respectively	501	500
Additional paid-in capital	481,013	475,634
Common stock held in treasury, at cost, 16,505 and 16,309 shares, respectively	(487,257) (479,968
Retained earnings	789,464	766,385
Accumulated other comprehensive income	8,577	18,582
Total shareholders' equity	792,298	781,133
Total liabilities and shareholders' equity	\$1,562,942	\$1,609,026
See notes to Condensed Consolidated Financial Statements.		

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PLEXUS CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
Unaudited

	Three Months Ended	
	January 3, 2015	December 28, 2013
Cash flows from operating activities		
Net income	\$	