

Sanmina-SCI 1Q net income falls 70 percent

The Associated Press

Sanmina-SCI Corp., which makes parts used in electronic equipment, said Wednesday that its fiscal first-quarter net income plunged 70 percent as flooding in Thailand and weakness in its communications networks division hurt sales.

The company's results missed analysts' expectations, sending shares down nearly 6 percent in after-hours trading.

Sanmina-SCI makes equipment such as circuit boards and other components, and offers manufacturing services including new product design and testing. CEO Jure Sola said the Thai floods hurt shipments of some computing and storage products. He said the current quarter remains challenging, and issued a forecast mostly below average analyst estimates.

Net income for the quarter ended Dec. 31 fell to \$8.6 million, or 10 cents per share, from \$28.4 million, or 34 cents per share, during the same period last year. Excluding one-time expenses and stock options costs, adjusted earnings totaled 28 cents per share.

Revenue slid to \$1.50 billion from \$1.66 billion.

Analysts had expected adjusted earnings of 31 cents per share on revenue of \$1.56 billion, according to FactSet.

The company forecast revenue in the current quarter in a range of \$1.45 billion and \$1.55 billion, compared with the \$1.53 billion expected by analysts. Sola said input from Sanmina's customers indicates that business in its communications networks segment should pick up later this quarter.

Profit excluding one-time items is forecast between 24 cents and 30 cents per share, compared with analysts' average estimate of 30 cents per share.

Shares closed up 34 cents, or 3.4 percent, at \$10.50 before the results were released. The stock fell 60 cents, or 5.7 percent, to \$9.90 in aftermarket trading.

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