

PLEXUS CORP  
Form 10-Q  
May 03, 2012  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

x **Quarterly Report Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934**

For the quarterly period ended March 31, 2012

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)

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**Wisconsin**  
(State of Incorporation)

**39-1344447**  
(IRS Employer

Identification No.)

**One Plexus Way**

**Neenah, Wisconsin 54956**

(Address of principal executive offices)(Zip Code)

**Telephone Number (920) 722-3451**

(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.

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

As of April 27, 2012, there were 34,980,198 shares of Common Stock of the Company outstanding.

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**PLEXUS CORP.**

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**Table of Contents****PART I. FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS****PLEXUS CORP. AND SUBSIDIARIES****CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS****AND COMPREHENSIVE INCOME**

(in thousands, except per share data)

Unaudited

	Three Months Ended		Six Months Ended	
	March 31, 2012	April 2, 2011	March 31, 2012	April 2, 2011
Net sales	\$ 573,470	\$ 568,145	\$ 1,103,124	\$ 1,133,919
Cost of sales	518,846	512,675	996,848	1,023,539
Gross profit	54,624	55,470	106,276	110,380
Selling and administrative expenses	28,856	29,060	56,746	56,121
Operating income	25,768	26,410	49,530	54,259
Other income (expense):				
Interest expense	(4,020)	(2,082)	(8,080)	(4,263)
Interest income	415	273	898	566
Miscellaneous	228	(16)	(317)	(157)
Income before income taxes	22,391	24,585	42,031	50,405
Income tax expense	2,433	725	4,203	1,512
Net income	\$ 19,958	\$ 23,860	\$ 37,828	\$ 48,893
Earnings per share:				
Basic	\$ 0.57	\$ 0.60	\$ 1.09	\$ 1.22
Diluted	\$ 0.56	\$ 0.59	\$ 1.07	\$ 1.19
Weighted average shares outstanding:				
Basic	34,874	39,927	34,737	40,197
Diluted	35,658	40,659	35,431	40,934
Comprehensive income:				
Net income	\$ 19,958	\$ 23,860	\$ 37,828	\$ 48,893
Derivative instrument fair market value adjustment net of income tax	2,065	2,259	3,659	2,447
Foreign currency translation adjustments	342	1,552	1,177	2,370
Comprehensive income	\$ 22,365	\$ 27,671	\$ 42,664	\$ 53,710

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See notes to condensed consolidated financial statements.

**Table of Contents****PLEXUS CORP. AND SUBSIDIARIES****CONDENSED CONSOLIDATED BALANCE SHEETS**

(in thousands, except per share data)

Unaudited

	March 31, 2012	October 1, 2011
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 257,754	\$ 242,107
Accounts receivable, net of allowances of \$2,275 and \$3,256, respectively	295,230	284,019
Inventories	492,347	455,836
Deferred income taxes	16,438	15,750
Prepaid expenses and other	15,368	10,858
Total current assets	1,077,137	1,008,570
Property, plant and equipment, net	253,826	247,816
Deferred income taxes	10,656	12,470
Other	37,728	35,669
Total assets	\$ 1,379,347	\$ 1,304,525
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>		
Current liabilities:		
Current portion of long-term debt and capital lease obligations	\$ 17,518	\$ 17,350
Accounts payable	350,293	307,152
Customer deposits	33,805	30,739
Accrued liabilities:		
Salaries and wages	35,164	42,101
Other	46,903	57,335
Total current liabilities	483,683	454,677
Long-term debt and capital lease obligations, net of current portion	261,542	270,292
Other liabilities	18,826	20,674
Total non-current liabilities	280,368	290,966
Commitments and contingencies (Note 13)		
Shareholders' equity:		
Preferred stock, \$.01 par value, 5,000 shares authorized, none issued or outstanding		
Common stock, \$.01 par value, 200,000 shares authorized, 48,731 and 48,298 shares issued, respectively, and 34,977 and 34,544 shares outstanding, respectively	487	483
Additional paid-in capital	429,302	415,556
Common stock held in treasury, at cost, 13,754 shares for both periods	(400,110)	(400,110)
Retained earnings	572,652	534,824
Accumulated other comprehensive income	12,965	8,129
Total shareholders' equity	615,296	558,882
Total liabilities and shareholders' equity	\$ 1,379,347	\$ 1,304,525

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See notes to condensed consolidated financial statements.

**Table of Contents****PLEXUS CORP. AND SUBSIDIARIES****CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

(in thousands)

Unaudited

	<b>Six Months Ended</b>	
	<b>March 31,</b>	<b>April 2,</b>
	<b>2012</b>	<b>2011</b>
<b>Cash flows from operating activities</b>		
Net income	\$ 37,828	\$ 48,893
Adjustments to reconcile net income to cash flows from operating activities:		
Depreciation	24,375	22,545
Amortization of intangibles	346	
Gain on sale of property, plant and equipment	(114)	(7)
Deferred income taxes	1,598	360
Stock based compensation expense	6,384	5,490
Changes in operating assets and liabilities:		
Accounts receivable	(10,583)	32,660
Inventories	(10,046)	(5,819)
Prepaid expenses and other	(4,471)	(7,847)
Accounts payable	49,637	(36,205)
Customer deposits	2,953	2,088
Accrued liabilities and other	(15,951)	(13,801)
Cash flows provided by operating activities	81,956	48,357
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(32,900)	(24,959)
Proceeds from sales of property, plant and equipment	502	738
Sale of long-term investments		