

TTM Technologies, Inc. Reports Fiscal Fourth Quarter and Fiscal 2017 Results

Revenues and Operating Profits Exceed Expectations

COSTA MESA, Calif., Feb. 07, 2018 (GLOBE NEWSWIRE) -- TTM Technologies, Inc. (NASDAQ:TTMI), a leading global printed circuit board ("PCB") manufacturer, today reported results for the fourth quarter of fiscal 2017, which ended January 1st, 2018.

Fourth Quarter 2017 Highlights

- Net sales were \$739.3 million
- GAAP net income attributable to stockholders was \$49.2 million, or \$0.40 per diluted share
- Non-GAAP net income attributable to stockholders was \$61.2 million, or \$0.57 per diluted share
- Adjusted EBITDA was \$121.7 million
- Cash flow from operations a record high of \$152.7 million
- Signed definitive agreement to acquire Anaren, Inc.

Fourth Quarter 2017 Financial Results

Net sales for the fourth quarter of 2017 were \$739.3 million, compared to \$706.5 million in the fourth quarter of 2016 and \$668.8 million in the third quarter of 2017.

GAAP operating income for the fourth quarter of 2017 was \$71.0 million, compared to \$69.6 million in the fourth quarter of 2016 and \$44.1 million in the third quarter of 2017.

GAAP net income attributable to stockholders for the fourth quarter of 2017 was \$49.2 million, or \$0.40 per diluted share. This compares to a GAAP net loss attributable to stockholders of \$2.0 million, or \$0.02 per share, in the fourth quarter of 2016 and a GAAP net income of \$21.5 million, or \$0.19 per diluted share, in the third quarter of 2017.

On a non-GAAP basis, net income attributable to stockholders for the fourth quarter of 2017 was \$61.2 million, or \$0.57 per diluted share. This compares to non-GAAP net income attributable to stockholders of \$59.8 million, or \$0.58 per diluted share, for the fourth quarter of 2016 and \$33.4 million, or \$0.32 per diluted share, in the third quarter of 2017.

Adjusted EBITDA for the fourth quarter of 2017 was \$121.7 million, or 16.5 percent of net sales, compared to adjusted EBITDA of \$128.5 million, or 18.2 percent of net sales, for the fourth quarter of 2016 and \$85.7 million, or 12.9 percent of net sales, for the third quarter of 2017.

"TTM delivered the fifth consecutive quarter of year on year organic growth with revenues and operating performance that significantly exceeded expectations" said Tom Edman, CEO of TTM. "On a year over year basis, the fastest growth in the fourth quarter came from the

cellular and the aerospace and defense end markets. This drove cash flow from operations to a record high of \$152.7 million in the quarter."

Full Year 2017 Financial Results

Net sales for fiscal year 2017 increased to \$2.7 billion from \$2.5 billion in fiscal year 2016, a 4.9% increase year over year.

GAAP operating income for fiscal year 2017 was \$212.8 million, an increase from GAAP operating income of \$173.5 million in fiscal year 2016.

GAAP net income attributable to stockholders for fiscal year 2017 was \$124.2 million, or \$1.04 per diluted share, compared to GAAP net income attributable to stockholders of \$34.9 million, or \$0.34 per diluted share, for fiscal year 2016.

On a non-GAAP basis, net income attributable to stockholders for fiscal year 2017 was \$167.1 million, or \$1.57 per diluted share. This compares to fiscal year 2016 non-GAAP net income attributable to stockholders of \$142.3 million, or \$1.40 per diluted share.

Adjusted EBITDA for fiscal year 2017 was \$388.6 million, or 14.6 percent of net sales, compared to \$395.4 million, or 15.6 percent of net sales, for fiscal year 2016.

"2017 continued to validate TTM's strategy of diversification, differentiation and discipline. We saw solid organic growth in the aerospace and defense, cellular and computing end markets that more than offset the decline in the networking and communications end markets," continued Edman. "I would like to thank our employees for their tremendous efforts to achieve these results for the year 2017."

"In the first quarter of 2018, we face short term seasonal challenges in our consumer oriented cellular and computing end markets, but remain optimistic for full year growth in nearly all of our end markets driven by megatrends such as growing automotive electronic content, increased aerospace and defense procurement, and upgrades in cellular phones."

Business Outlook

For the first quarter of 2018, TTM estimates that revenue will be in the range of \$610 million to \$660 million, and non-GAAP net income attributable to stockholders will be in the range of \$0.22 to \$0.28 per diluted share.

To Access the Live Webcast/Conference Call

TTM will host a conference call and webcast to discuss fourth quarter 2017 results and first quarter 2018 outlook on Wednesday, February 7th, 2018, at 4:30 p.m. Eastern Time (1:30 p.m. Pacific Time). The conference call will include forward-looking statements.

Telephone access is available by dialing domestic 800-239-9838 or international 323-794-2551 (ID 5818058). The conference call also will be webcast on TTM's website at www.ttm.com.

To Access a Replay of the Webcast

The replay of the webcast will remain accessible for one week following the live event on TTM's website at www.ttm.com.

About TTM

TTM Technologies, Inc. is a leading global printed circuit board manufacturer, focusing on quick-turn and volume production of technologically advanced PCBs, backplane assemblies and electro-mechanical solutions. TTM stands for time-to-market, representing how TTM's time-critical, one-stop manufacturing services enable customers to shorten the time required to develop new products and bring them to market. Additional information can be found at www.ttm.com.

Forward-Looking Statements

This release contains forward-looking statements that relate to future events or performance. TTM cautions you that such statements are simply predictions and actual events or results may differ materially. These statements reflect TTM's current expectations, and TTM does not undertake to update or revise these forward looking statements, even if experience or future changes make it clear that any projected results expressed or implied in this or other TTM statements will not be realized. Further, these statements involve risks and uncertainties, many of which are beyond TTM's control, which could cause actual results to differ materially from the forward-looking statements. These risks and uncertainties include, but are not limited to, general market and economic conditions, including interest rates, currency exchange rates and consumer spending, demand for TTM's products, market pressures on prices of TTM's products, warranty claims, changes in product mix, contemplated significant capital expenditures and related financing requirements, TTM's dependence upon a small number of customers and other factors set forth in the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of the Company's public reports filed with the SEC.

About Our Non-GAAP Financial Measures

This release includes information about TTM's adjusted EBITDA, non-GAAP net income and non-GAAP earnings per share, all of which are non-GAAP financial measures. TTM presents non-GAAP financial information to enable investors to see TTM through the eyes of management and to provide better insight into TTM's ongoing financial performance.

A material limitation associated with the use of the above non-GAAP financial measures is that they have no standardized measurement prescribed by GAAP and may not be comparable to similar non-GAAP financial measures used by other companies. TTM compensates for these limitations by providing full disclosure of each non-GAAP financial measure and reconciliation to the most directly comparable GAAP financial measure. However, the non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP.

With respect to the Company's outlook for non-GAAP net income attributable to stockholders per diluted share, we are unable to predict with reasonable certainty or without unreasonable effort certain items that may affect such measure calculated and presented in accordance with GAAP. Our expected non-GAAP net income attributable to stockholders per diluted share excludes primarily the future impact of restructuring actions, impairment charges, unusual gains and losses, and tax adjustments. These reconciling items are highly variable and difficult to predict due to various factors outside of management's control and could have a material impact on our future period net income attributable to stockholders per diluted share calculated and presented in accordance with GAAP. Accordingly, a reconciliation of non-GAAP net income attributable to stockholders per diluted share to such measure calculated and presented in accordance with GAAP is not available without unreasonable

effort and has not been provided.

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- Tables Follow -

TTM TECHNOLOGIES, INC. Selected Unaudited Financial Information (In thousands, except per share data)

	Fourth Quarter				Т	hird Quarter	Full Year				
	20	017		2016		2017		2017		2016	
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS											
Net sales Cost of goods sold		9,349 7,488	\$	706,534 573,689	\$	666,814 569,980		2,658,592 2,229,011		2,533,359 2,109,744	
Gross profit	13	1,861		132,845		96,834		429,581		423,615	
Operating expenses: Selling and marketing General and administrative Amortization of definite-lived		7,081 7,764		16,848 38,998		16,269 30,018		65,856 128,489		66,366 148,719	
intangibles Restructuring charges Impairment of long-lived assets (Gain)/loss on sale of assets		5,907 65 -		6,407 946 -		5,905 100 - 452		23,634 1,190 - (2,348)		24,252 8,951 3,346 (1,472)	
Total operating expenses	6	0,817		63,199		52,744		216,821		250,162	
Operating income		1,044		69,646		44,090		212,760		173,453	
Interest expense Loss on extinguishment of debt Other, net	•	3,782)		(15,267) (47,767) 8,994		(13,598) (768) (6,984)		(53,898) (769) (18,135)		(76,008) (47,767) 17,324	
Income before income taxes Income tax provision		3,645 4,329)		15,606 (17,416)		22,740 (1,205)		139,958 (15,231)		67,002 (31,427)	
Net income (loss)	\$ 49	9,316	\$	(1,810)	\$	21,535	\$	124,727	\$	35,575	
Net income attributable to noncontrolling interest Net income (loss) attributable to		(105)		(195)		(82)		(513)		(714)	
stockholders	\$ 49	9,211	\$	(2,005)	\$	21,453	\$	124,214	\$	34,861	
Earnings (loss) per share attributable to stockholders:											
Basic	\$	0.48	\$	(0.02)	\$	0.21	\$	1.22	\$	0.35	
Diluted	\$	0.40	\$	(0.02)	\$	0.19	\$	1.04	\$	0.34	

Weighted-average shares used in computing per share amounts: Basic Diluted	101,817 133,170		100,365 100,365	101,814 131,596		101,580 132,476		100,099 101,482
Reconciliation of the numerator and basic earnings per share and dilute	 		calculate					
Net income attributable to stockholders Add back items: interest	\$ 49,211			\$ 21,453	\$	124,214		
expense, net of tax	3,508			3,469		13,803		
Adjusted net income attributable to stockholders	\$ 52,719	- =		\$ 24,922	\$	138,017	_	
Weighted-average shares outstanding	101,817			101,814		101,580		
Dilutive effect of convertible debt	25,939			25,939		25,940		
Dilutive effect of warrants	2,938			2,151		2,799		
Dilutive effect of performance- based stock units, restricted								
stock units & stock options	2,476	_		 1,692		2,157		
Diluted shares	133,170			 131,596		132,476		
Earnings per share attributable to stockholders:	 	_		 	_			

\$

0.21

0.19

\$

\$

1.22

1.04

SELECTED BALANCE SHEET DATA

Basic

Diluted

	J	lanuary 1, 2018	January 2, 2017
Cash and cash equivalents, including restricted cash Accounts and notes receivable,	\$	409,326	\$ 256,277
net		483,903	432,788
Inventories		294,588	269,212
Total current assets	1	,221,307	1,012,841
Property, plant and equipment, net	1	,056,845	966,638
Other non-current assets	-	503,730	520,597
Total assets	2	2,781,882	2,500,076
Short-term debt, including current			
portion of long-term debt	\$	4,578	\$ 110,652
Accounts payable		438,990	371,610
Total current liabilities		720,356	689,065
Debt, net of discount		975,479	909,030
Total long-term liabilities	1	,050,146	981,886
Total equity	1	,011,380	829,125
Total liabilities and equity	2	2,781,882	2,500,076

\$

0.48

0.40

SUPPLEMENTAL DATA

	Fourth Qu	uarter	Third Quarter	Full Year			
	2017	2016	2017	2017	2016		
Gross margin	17.8 %	18.8 %	14.5 %	16.2 %	16.7 %		
Operating margin	9.6 %	9.9 %	6.6 %	8.0 %	6.8 %		

End Market Breakdown:

End Market Breakdown:										
		Fourth Quarter		rter	Third Quarter					
		2017		2016		2017				
Acronnos /Defense		1E 0/		1.4 0/		16 0/				
Aerospace/Defense		15 %		14 %		16 %				
Automotive		18 %		19 %		20 %				
Cellular Phone		27 %		19 %		17 %				
Computing/Storage/Peripherals		10 %		12 %		14 %				
Medical/Industrial/Instrumentation		12 %		13 %		14 %				
Networking/Communications		17 %		21 %		17 %				
Other		1 %		2 %		2 %				
Stock-based Compensation:										
		Fourth	Qua		TI	nird Quarter				
		2017		2016		2017				
Amount included in:	•	040	•	400	•	000				
Cost of goods sold	\$	613	\$	469	\$	606				
Selling and marketing	\$	450		305		369				
General and administrative		3,921		2,426		3,703				
Total stock-based compensation	•	4.004	•	0.000	•	4.070				
expense	\$	4,984	\$	3,200	\$	4,678				
Operating Segment Data:		Eaeth	Out	rtor	T 1	aird Ougartar				
Net sales:		Fourth 2017	Qua	2016		nird Quarter 2017				
PCB	\$	688,572	\$	654,379	\$	609,742				
E-M Solutions	Ψ	54,899	φ	55,332	Ψ	60,620				
		54,699		55,332		00,020				
Corporate						-				
Total sales		743,471		709,711		670,362				
Inter-segment sales		(4,122)		(3,177)		(3,548)				
Total net sales	\$	739,349	\$	706,534	\$	666,814				
Operating segment income:										
PCB	\$	100,352	\$	95,208	\$	70,443				
E-M Solutions	·	2,799	·	3,029	·	2,870				
Corporate		(26,200)		(22,184)		(23,318)				
Total operating segment income		76,951		76,053		49,995				
Amortization of definite-lived				·						
intangibles		(5,907)		(6,407)		(5,905)				
Total operating income		71,044		69,646		44,090				
Total other expense		(17,399)		(54,040)		(21,350)				
Income before income taxes	\$	53,645	\$	15,606	\$	22,740				
DECONOR INTIGNO										
RECONCILIATIONS ¹		Fourth	Qua	rter	TI	nird Quarter		Full	l Yea	r
	_	2017	<u> </u>	2016		2017	_	2017		2016
Non-GAAP gross profit		2011		2010	_	2011	_	2011	-	2010
reconciliation ² :	•	404.004	•	400.045	•	00.004	^	400 504	•	400.015
GAAP gross profit	\$	131,861	\$	132,845	\$	96,834	\$	429,581	\$	423,615
A 1 1 1 1 11										
Add back item:		0.10		400		000		0.0=0		4
Stock-based compensation		613		469		606	_	2,252		1,630
	\$	613 132,474 17.9 %	\$	469 133,314 18.9 %	\$	606 97,440 14.6 %	\$	2,252 431,833 16.2 %	\$	1,630 425,245 16.8

Non-GAAP operating income										
reconciliation ³ : GAAP operating income	\$	71,044	\$	69,646	\$	44,090	\$	212,760	\$	173,453
Add back items:										
Amortization of definite-lived		E 007		6,407		E 00E		23,634		24.252
intangibles Stock-based compensation		5,907 4,984		6,407 3,200		5,905 4,678		23,634 18,290		24,252 11,090
(Gain)/loss on sale of assets		4,904		3,200		4,070 452		(2,348)		(1,472)
Impairments, restructuring,						102		(2,010)		(1,112)
acquisition-related, and other										
charges		2,331		1,725		100		3,556		14,569
Non-GAAP operating income	\$	84,266	\$	80,978	\$	55,225	\$	255,892	\$	221,892
Non-GAAP operating margin		11.4 %		11.5 %		8.3 %		9.6 %		8.8 %
Non-GAAP net income and EPS attributable to stockholders										
reconciliation ⁴ :										
GAAP net income (loss)	•		•	(2.22-)	•	04.4-0	•		•	
attributable to stockholders	\$	49,211	\$	(2,005)	\$	21,453	\$	124,214	\$	34,861
Add back items:										
Amortization of definite-lived intangibles		5,907		6,407		5,905		23,634		24,252
Stock-based compensation		4,984		3,200		4,678		18,290		11,090
Non-cash interest expense		3,017		2,697		2,699		11,069		19,180
(Gain)/loss on sale of assets		-		-		452		(2,348)		(1,472)
Loss on extinguishment of debt		-		47,767		768		769		47,767
Impairments, restructuring,										
acquisition-related, and other charges		2,331		1,725		100		3,556		14,569
Income taxes ⁵										
Non-GAAP net income		(4,204)		49		(2,643)	_	(12,059)		(7,987)
attributable to stockholders	\$	61,246	\$	59,840	\$	33,412	\$	167,125	\$	142,260
Non-GAAP earnings per diluted			<u> </u>	<u> </u>	_		Ė	<u> </u>	<u> </u>	<u> </u>
share attributable to stockholders	\$	0.57	\$	0.58	\$	0.32	\$	1.57	\$	1.40
Non-GAAP diluted number of										
shares ⁶ :										
Diluted shares		133,170		102,563		131,596		132,476		101,482
Dilutive effect of convertible debt		(25,939)				(25,939)	_	(25,940)		
Non-GAAP diluted number of shares		107,231		102,563		105,657		106,536		101,482
	-									
Adjusted EBITDA reconciliation ⁷ :										
GAAP net income (loss)	\$	49,316	\$	(1,810)	\$	21,535	\$	124,727	\$	35,575
Add back items:		4.000		17 110		4.005		45.004		04.407
Income tax provision (benefit)		4,329		17,416		1,205		15,231		31,427
Interest expense Amortization of definite-lived		13,782		15,267		13,598		53,898		76,008
intangibles		5,907		6,407		5,905		23,634		24,252
Depreciation expense		41,090		38,539		37,496		150,809		156,229
Stock-based compensation		4,984		3,200		4,678		18,290		11,090
(Gain)/loss on sale of assets		-		-		452		(2,348)		(1,472)
Loss on extinguishment of debt		-		47,767		768		769		47,767
Impairments, restructuring,										
acquisition-related, and other charges		2,331		1,725		100		3,556		14,569
Adjusted EBITDA	\$	121,739	\$	128,511	\$	85,737	\$	388,566	\$	395,445
Adjusted EBITDA margin	—	16.5 %	—	18.2 %	—	12.9 %	—	14.6 %	—	15.6 %
, soco a Esti Si tindi gili		. 5.5 70		13.2 /0		.2.0 /0		. 1.0 70		.5.5 //

Free cash flow reconciliation: Operating cash flow 152,691 97,650 71,366 332,755 298,336 (32.209 (22,877 (124.090 Capital expenditures, net (20.501)(81,498)Free cash flow 120.482 77,149 48.489 208.665 216.838

⁷ Adjusted EBITDA is defined as earnings before interest expense, income taxes, depreciation, amortization of intangibles, stock-based compensation expense, gain on sale of assets, acquisition-related costs, asset impairments, restructuring and other charges. We present adjusted EBITDA to enhance the understanding of our operating results, and it is a key measure we use to evaluate our operations. In addition, we provide our adjusted EBITDA because we believe that investors and securities analysts will find adjusted EBITDA to be a useful measure for evaluating our operating performance and comparing our operating performance with that of similar companies that have different capital structures and for evaluating our ability to meet our future debt service, capital expenditures, and working capital requirements. However, adjusted EBITDA should not be considered as an alternative to cash flows from operating activities as a measure of liquidity or as an alternative to net income as a measure of operating results in accordance with accounting principles generally accepted in the United States of America.



Source: TTM Technologies

¹ This information provides a reconciliation of non-GAAP gross profit, non-GAAP operating income, non-GAAP net income attributable to stockholders, non-GAAP EPS attributable to stockholders, and adjusted EBITDA to the financial information in our consolidated condensed statements of operations.

² Non-GAAP gross profit and gross margin measures exclude stock-based compensation expense.

³ Non-GAAP operating income and operating margin measures exclude amortization of intangibles, stock-based compensation expense, gain on sale of assets, acquisition-related costs, asset impairments, restructuring and other charges.

⁴ This information provides non-GAAP net income attributable to stockholders and non-GAAP EPS attributable to stockholders, which are non-GAAP financial measures. Management believes that both measures -- which add back amortization of intangibles, stock-based compensation expense, non-cash interest expense on debt (before consideration of capitalized interest), gain on sale of assets, acquisition-related costs, asset impairments, restructuring and other charges as well as the associated tax impact of these charges and discrete tax items -- provide additional useful information to investors regarding the Company's ongoing financial condition and results of operations.

⁵ Income tax adjustments reflect the difference between income taxes based on a non-GAAP tax rate and a forecasted annual GAAP tax rate.

⁶ Non-GAAP diluted number of shares used in computing non-GAAP earnings per share attributable to stockholders exclude the dilutive effect of convertible debt.