



## **TTM Technologies, Inc. Reports Third Quarter 2001 Cash Earnings of \$0.06 Per Share**

October 23, 2001

REDMOND, Wash., Oct. 23 /PRNewswire/ -- TTM Technologies, Inc. (Nasdaq: [TTMI - news](#)), a leading manufacturer of time-critical, technologically advanced printed circuit boards, today reported results for the quarter ended October 1, 2001.

### **Third-Quarter Results**

In the third quarter, continued economic weakness and a sharp downturn in the electronics industry led to a year-over-year decline in revenue and profitability. Net sales declined 51 percent to \$26.9 million, compared to \$55.1 million for the third quarter of 2000. Gross profit declined 73 percent to \$5.9 million, as gross margins declined to 21.8 percent in the third quarter of 2001, compared to 39.0 percent for the same period in 2000.

As a result of lower revenues, operating income declined 86 percent to \$2.0 million in the third quarter of 2001, compared to adjusted operating income (excluding one-time costs associated with the buyout of compensation and management contracts) of \$14.7 million for the third quarter of 2000.

Net income was \$1.0 million, or \$0.03 per diluted share, for the third quarter of 2001, compared to adjusted net income (excluding the above-listed nonrecurring items, an extraordinary item related to the extinguishment of debt, and a one-time tax benefit) of \$6.8 million, or \$0.20 per diluted share, for the same period in 2000. Diluted cash earnings per share were \$0.06 for the third quarter of 2001, compared to adjusted cash earnings per share of \$0.24 in the same period in 2000.

Earnings before interest, taxes, depreciation and amortization (EBITDA) declined 71 percent to \$5.3 million for the third quarter of 2001, compared to \$18.2 million for the third quarter of 2000.

For the third quarter of 2001, quick-turn business as a percentage of total revenues remained stable at 40 percent, compared to 41 percent for the third quarter of 2000. While the number of jobs tooled was steady and the percentage of quick-turn panels sold increased, year-over-year, pricing pressures in the quick-turn segment dampened its impact on total revenues. During the quarter, the company captured 48 new customers.

"Despite a challenging business environment, we generated solid profitability in the third quarter," said Kent Alder, President and CEO of TTM Technologies. "Our focus on time-to-market and new customer capture, combined with proactive cost cutting-including a 35 percent reduction in headcount this year and lower material costs-helped us mitigate pricing pressure and lower demand in all segments of our business."

### **Year-to-Date Results**

Net sales for the first three fiscal quarters ended October 1, 2001 declined 28 percent to \$103.6 million compared to \$143.2 million for the same period in 2000. Gross profit declined 35 percent to \$31.9 million, as gross margins declined to 30.8 percent for the first nine months of 2001, compared to 34.1 percent for the same period in 2000.

During the first nine months of 2001, operating income declined 40 percent to \$18.4 million, compared to adjusted operating income of \$30.8 million for the same period in 2000.

Net income was \$10.7 million, or \$0.28 per diluted share, for the first three quarters of 2001, compared to adjusted net income of \$12.0 million, or \$0.37 per diluted share, for the same period in 2000. Diluted cash earnings per share were \$0.37 for the first three quarters of 2001, compared to adjusted diluted cash earnings per share of \$0.48 in the same period in 2000.

Earnings before interest, taxes, depreciation and amortization (EBITDA) declined 30 percent to \$28.1 million for the first three quarters of 2001, compared to \$40.5 million for the same period in 2000.

### **Return on Invested Capital and Liquidity**

TTM's return on invested capital (ROIC), based on tax-affected EBITA, was 7.7 percent in the third quarter of 2001, compared with 27.4 percent in the year-ago period. On a trailing 12-month basis, TTM generated an ROIC of 19.6 percent.

The company's balance sheet strengthened further during the quarter. Through the first three quarters of the year, TTM reduced its net debt to \$10.5 million, down \$23.5 million since year-end 2000. As a result, TTM had a net debt-to-capital ratio of 6.6 percent, compared to 19.8 percent at year-end 2000. In addition, during the third quarter, the company reduced its cash conversion cycle by more than 15% compared to the same period last year.

### **Outlook**

For the fourth quarter of 2001, the company is estimating revenues of \$24 to \$27 million and cash earnings per share from \$0.03 to \$0.06. "As we navigate the ongoing slowdown in our industry, we actively manage our business to maximize profitability and cash flow," said Alder.

"We remain optimistic about our future. As our results demonstrate, our focus on the most attractive niches of the printed circuit board market provides higher profitability than the overall industry. In addition, our specialized and integrated facilities enable us to meet customer needs at any stage, from prototype through volume production. As the printed circuit board industry continues to consolidate, our full-service capabilities, technological sophistication, and strong financial position will enable us to continue to capture market share," concluded Alder.

TTM Technologies, Inc. is a leading supplier of time-critical, technologically advanced printed circuit boards to original equipment manufacturers and electronic manufacturing services companies. TTM stands for time-to-market, representing how the company's time-critical, one-stop shopping

manufacturing services enable customers to shorten the time required to develop new products and bring them to market. TTM trades on the Nasdaq National Market System under the symbol "TTM".

Conference Call/Webcast

The company will conduct a conference call to discuss its third-quarter performance and outlook today at 4:30 p.m. Eastern/1:30 p.m. Pacific time. The call will be simulcast, and available for replay until October 30, 2001, on the company's Web site at [www.ttmtech.com](http://www.ttmtech.com).

This release contains forward-looking statements that relate to future events or performance. These statements reflect the company's current expectations, and the company 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 company statements will not be realized. Furthermore, readers are cautioned that these statements involve risks and uncertainties, many of which are beyond the company's control, that could cause actual results to differ materially from the forward-looking statements. These risks and uncertainties include, but are not limited to, the company's dependence upon the electronics industry, the company's dependence upon a small number of customers, general economic conditions and specific conditions in the markets TTM addresses, including the recent significant slowdown in the technology sector, the unpredictability of future revenues and expenses, potential fluctuations in revenues and operating results, and the other "Factors That May Affect Future Results" set forth in the company's Form 10-K for 2000.

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

	Third Quarter			First Three Fiscal Quarters		
	2001	2000	2000	2001	2000	2000
			Adjusted*			Adjusted*

CONSOLIDATED STATEMENTS OF INCOME

Net sales	\$26,895	\$55,060	\$55,060	\$103,562	\$143,220	\$143,220
Cost of goods sold	21,021	33,588	33,588	71,631	94,418	94,418
Gross profit	5,874	21,472	21,472	31,931	48,802	48,802
Operating expenses:						
Sales and marketing	1,490	2,912	2,912	5,861	6,939	6,939
General and administrative	1,168	2,037	2,037	4,088	5,429	5,429
Amortization of intangibles	1,202	1,204	1,204	3,606	3,608	3,608
Amortization of deferred retention bonus	-	4,546	463	-	5,470	1,387
Management fees	-	1,650	150	-	2,150	650
Total operating expenses	3,860	12,349	6,766	13,555	23,596	18,013
Operating income	2,014	9,123	14,706	18,376	25,206	30,789
Interest expense	(569)	(3,570)	(3,570)	(2,102)	(11,197)	(11,197)
Amortization of debt issuance costs	(10)	(236)	(236)	(30)	(731)	(731)
Interest income and other, net	96	(85)	(85)	529	124	124
Income before income taxes	1,531	5,232	10,815	16,773	13,402	18,985
Income tax provision (benefit)	552	(11,763)	4,002	6,055	(8,731)	7,024
Income before extraordinary item	979	16,995	6,813	10,718	22,133	11,961
Extraordinary item, net of taxes	-	(6,792)	-	-	(6,792)	-
Net income	979	10,203	6,813	10,718	15,341	11,961

Earnings per common share (EPS):						
Basic	\$0.03	\$0.33	\$0.22	\$ 0.29	\$0.51	\$0.40
Diluted	0.03	0.30	0.20	0.28	0.47	0.37
Cash (diluted)**	0.06	0.34	0.24	0.37	0.58	0.48

Weighted average common shares:						
Basic	37,544	30,677	30,677	37,445	30,173	30,173
Diluted	38,862	33,590	33,590	38,893	32,543	32,543

\* Excluding one-time costs associated with the buyout of compensation and management advisory contracts, the extinguishment of debt and tax benefits and adjustments related to our IPO

\*\* Fully diluted EPS plus amortization of intangibles

#### SELECTED BALANCE SHEET DATA

	Oct. 1, 2001	Dec. 31, 2000
Cash	\$24,083	\$9,294
Accounts receivable, net	13,111	33,690
Inventories	4,068	6,893
Total current assets	45,536	50,296
Net PP&E	46,244	44,774
Other assets	104,009	107,063
Total assets	195,790	202,133
Current maturities of long-term debt	4,219	7,031
Other current liabilities	12,021	21,079
Long-term liabilities	30,375	36,281
Shareholders' equity	149,175	137,742
Total liabilities and shareholders' equity	195,790	202,133

#### SUPPLEMENTAL DATA

	Third Quarter			First Three Fiscal Quarters		
	2001	2000	2000	2001	2000	2000
			Adjusted*			Adjusted*
EBITDA***	\$5,334	\$18,173	\$18,173	\$28,149	\$40,459	\$40,459
EBITA****	3,216	16,523	16,523	21,982	36,434	36,434
Gross margin	21.8	39.0%	39.0%	30.8%	34.1%	34.1%
EBITDA margin	19.8	33.0	33.0	27.2	28.2	28.2
Operating margin	7.5	16.6	26.7	17.7	17.6	21.5
Return on Invested Capital (after tax)	7.7%	27.4%				

#### End Market Breakdown:

	Third Quarter	
	2001	2000
Networking/communications	28.6%	39.7%
High-end computing	25.8	24.9
Industrial/Medical	29.6	17.9

Computer peripherals	8.4	8.8
Handheld	2.6	5.3
Other	5.0	3.4

\* Excluding one-time costs associated with the buyout of compensation and management advisory contracts, the extinguishment of debt and tax benefits and adjustments related to our IPO

\*\*\* EBITDA (earnings before interest, taxes, depreciation and amortization) is the sum of operating income, management fees, amortization of deferred retention bonus, amortization of intangibles and depreciation expense

\*\*\*\* EBITA (earnings before interest, taxes and amortization) is the sum of operating income, management fees amortization of deferred retention bonus and amortization of intangibles.