



TTM Technologies, Inc. Reports Second Quarter 2002 Results; Announces Production Realignment and Cost-Saving Restructuring

August 1, 2002

REDMOND, Wash., Aug 1, 2002 /PRNewswire-FirstCall via COMTEX/ -- TTM Technologies, Inc. (Nasdaq: TTMI), a leading manufacturer of time-critical, technologically advanced printed circuit boards, today reported results for the second quarter ended July 1, 2002. The company also announced the realignment of production among its three facilities, an action expected to yield significant cost savings.

Second-Quarter Results

In the second quarter, revenue and profitability declined, year-over-year, due to continued weakness in the electronics industry. Net sales declined 24 percent to \$23.3 million, compared to \$30.7 million for the second quarter of 2001. For the second quarter of 2002, quick-turn business remained essentially flat at 44 percent of total revenues, compared to 45 percent for the second quarter of 2001.

Gross profit declined 75 percent to \$2.0 million, as gross margins declined to 8.4 percent in the second quarter of 2002, compared to 25.3 percent for the same period in 2001. As a result of lower volume and pricing, reduced absorption of fixed manufacturing overhead, and a \$907,000 restructuring charge, the company reported an operating loss of \$1.9 million in the second quarter of 2002, compared to operating income of \$3.8 million for the second quarter of 2001. Prior-period results included a quarterly goodwill amortization charge of \$900,000, which was eliminated with the adoption of Statement of Financial Accounting Standards No. 142 in the first quarter of 2002.

For the second quarter of 2002, the net loss was \$1.3 million, or \$0.03 per diluted share, compared to net income of \$2.2 million, or \$0.06 per diluted share, for the same period in 2001. The net cash loss was \$1.0 million, or \$0.02 on a per share basis, compared to \$3.4 million, or \$0.09 per diluted share, for the same period in 2001. Adjusted for the restructuring charge, the net cash loss per share for the second quarter of 2002 was \$0.01.

Earnings before interest, taxes, depreciation and amortization (EBITDA) declined 86 percent to \$1.0 million for the second quarter of 2002, compared to \$7.4 million for the same period in 2001.

"We continue to manage the business to meet market conditions," said Kent Alder, President and CEO of TTM Technologies. "With our production realignment and associated workforce reduction, we further lowered our cost structure."

Production Realignment and Cost Savings

The latest cost-cutting steps include the realignment of production among TTM's three facilities, located in Burlington and Redmond, Washington, and Santa Ana, California. As a result of the realignment, the Burlington facility will specialize in inner layer production. Outer layers, previously produced in Burlington, will be shifted to Redmond and Santa Ana. With the reduction of 130 employees, plus associated overhead and management support at the Burlington facility, TTM expects to generate quarterly cost savings in excess of \$1.0 million. The company booked a pretax charge of \$907,000, associated with the production realignment and headcount reduction.

"While this realignment will provide additional operating and cost advantages, it will not reduce our long-term capacity or hurt our ability to respond to an industry upturn," said Alder. "If a substantial upsurge in demand necessitates an increase in outer layer capacity, we retain the option of reestablishing outer layer production at Burlington."

Return on Invested Capital

TTM's return on invested capital (ROIC), based on tax-affected EBITA, was 1.2 percent in the second quarter of 2002, excluding the restructuring charge, compared with 10.5 percent in the year-ago period. On a trailing 12-month basis, TTM generated an ROIC of 4.4 percent.

At the quarter's end, TTM had net cash of \$10.7 million, compared with net debt of \$8.1 million at year-end 2001.

Outlook

For the third quarter of 2002, TTM anticipates revenues ranging from \$20 to \$23 million and cash earnings per share between a profit of \$0.01 and a loss of \$0.01.

"Our increasingly efficient production capabilities, combined with our strong balance sheet, provide the strength we need to withstand the protracted downturn in the electronics industry," concluded Alder. "We have continued to invest in our time and technology strategy and remain well positioned to capture market share when the industry recovers."

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 manufacturing services enable customers to shorten the time required to develop new products and bring them to market.

Conference Call/Webcast

The company will conduct a conference call to discuss its second 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 August 8, 2002, on the company's Web site at 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, which 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 and related excess capacity, the unpredictability of future revenues and expenses, potential fluctuations in revenues and operating results, and other "Risk Factors" set forth in the company's Form 10-K for 2001.

TTM TECHNOLOGIES, INC.

Selected Unaudited Financial Information

(In thousands, except per share data)

	Second Quarter			First Two Fiscal Quarters		
	2002	2001	2001 Adjusted*	2002	2001	2001 Adjusted*
CONSOLIDATED STATEMENTS OF OPERATIONS						
Net sales	\$23,287	\$30,666	\$30,666	\$47,021	\$76,668	\$76,668
Cost of goods sold	21,327	22,905	22,905	42,714	50,610	50,610
Gross profit	1,960	7,761	7,761	4,307	26,058	26,058
Operating expenses:						
Sales and marketing	1,591	1,907	1,907	3,246	4,371	4,371
General and administrative	1,040	844	844	1,617	2,921	2,921
Amortization of intangibles	301	1,202	301	601	2,404	601
Restructuring charges	907			907	-	-
Total operating expenses	3,839	3,953	3,052	6,371	9,696	7,893
Operating income (loss)	(1,879)	3,808	4,709	(2,064)	16,362	18,165
Interest expense	(275)	(668)	(668)	(542)	(1,532)	(1,532)
Amortization of debt issuance costs	(11)	(10)	(10)	(21)	(21)	(21)
Interest income and other, net	255	275	275	308	434	434
Income before income taxes	(1,910)	3,405	4,306	(2,319)	15,243	17,046
Income tax benefit (provision)	626	(1,227)	(1,552)	757	(5,503)	(6,152)
Net income (loss)	\$(1,284)	\$2,178	\$ 2,754	\$(1,562)	\$9,740	\$10,894
Earnings per common share (EPS):						
Basic	\$(0.03)	\$0.06	\$0.07	\$(0.04)	\$0.26	\$0.29
Diluted	(0.03)	0.06	0.07	(0.04)	0.25	0.28
Cash (diluted)**	(0.02)	0.09	0.08	(0.02)	0.31	0.30

Weighted average

common shares:

Basic	39,831	37,441	37,441	39,217	37,397	37,397
Diluted	39,831	38,894	38,894	39,217	38,908	38,908

* Adjusted to show the pro-forma impact of eliminating goodwill amortization and the related income tax effect during the first two quarters of 2001

** Fully diluted EPS plus amortization of intangibles

SELECTED BALANCE SHEET DATA 07/01/02 12/31/01

Cash	\$39,419	\$24,490
Accounts receivable, net	10,198	11,208
Inventories	3,256	3,126
Total current assets	57,390	43,971
Net PP&E	49,078	50,906
Other assets	95,390	98,199
Total assets	201,858	193,076

Current maturities of long-term debt	\$5,062	\$4,500
Other current liabilities	8,714	10,372
Long-term liabilities	23,625	28,125
Shareholders' equity	164,457	150,079
Total liabilities and shareholders' equity	201,858	193,076

SUPPLEMENTAL DATA

	2002	Second Quarter 2001	2001 Adjusted*	First Two Fiscal Quarters 2002	2001	2001 Adjusted*
EBITDA***	\$1,031	\$7,377	\$7,377	\$3,475	\$23,248	\$23,248
EBITA****	\$(1,323)	\$5,285	\$5,285	\$(1,155)	\$19,200	\$19,200

Gross margin	8.4%	25.3%	25.3%	9.2%	34.0%	34.0%
EBITDA margin	4.4	24.1	24.1	7.4	30.3	30.3
Operating margin	(8.1)	12.4	15.4	(4.4)	21.3	23.7

Return on Invested Capital (after tax)	-0.3%	10.5%	10.5%
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End Market Breakdown:

	Second Quarter 2002	2001
Networking/communications	31.0%	35.9%
High-end computing	12.5	14.3
Industrial/Medical	28.4	27.3
Computer peripherals	20.0	11.8
Handheld	2.8	7.0
Other	5.3	3.7

*** EBITDA (earnings before interest, taxes, depreciation and

amortization) means earnings before interest expense
(including amortization of debt issuance costs), income taxes,
depreciation and amortization.

**** EBITA (earnings before interest, taxes and amortization) means
earnings before interest expense (including
amortization of debt issuance costs), income taxes and amortization.

SOURCE TTM Technologies, Inc.

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