



TTM Technologies, Inc. Reports Third Quarter 2002 Results and Stock Buy-Back Program

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REDMOND, Wash., Oct 16, 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 third quarter ended September 30, 2002. The company also announced that its board of directors has authorized a stock buy-back program.

Third-Quarter Results

In the third quarter, revenue and profitability declined, year-over-year, due to continued weakness in the electronics industry. Net sales declined 24 percent to \$20.6 million, compared to \$26.9 million for the third quarter of 2001. For the third quarter of 2002, quick-turn business increased to 45 percent of total revenues, compared to 40 percent for the third quarter of 2001.

Gross profit declined 52 percent to \$2.8 million, as gross margins declined to 13.8 percent in the third quarter of 2002, compared to 21.8 percent for the same period in 2001. As a result of lower volume and reduced absorption of fixed manufacturing overhead, TTM reported an operating loss of \$446,000, for the third quarter of 2002, compared to operating income of \$2.0 million for the third 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 third quarter of 2002, the net loss was \$369,000, or \$0.01 per diluted share, compared to net income of \$1.0 million, or \$0.03 per diluted share, for the same period in 2001. The net cash loss was \$69,000, or breakeven on a per-share basis, compared to cash earnings of \$2.2 million, or \$0.06 per diluted share, for the same period in 2001.

Earnings before interest, taxes, depreciation and amortization (EBITDA) declined 63 percent to \$1.9 million for the third quarter of 2002, compared to \$5.3 million for the same period in 2001.

"Business conditions remained challenging during the quarter," said Kent Alder, President and CEO of TTM Technologies. "Nonetheless, we've continued to successfully manage costs, surpassing the cost savings expected from the second-quarter production realignment and headcount reduction. As a result, gross profit increased 45 percent sequentially, as gross margins increased from 8.4 percent in the second quarter of 2002 to 13.8 percent in the third quarter of 2002."

Financial Strength

"Throughout the downturn in the electronics industry, we have maintained a strong balance sheet and excellent liquidity," said Alder. At the end of the third quarter, TTM had net cash (cash less current and long-term debt obligations) of \$8.5 million, compared with net debt of \$8.1 million at year-end 2001. Cash flow from operations remained positive, at \$1.8 million in the third quarter of 2002, and the company has the full \$25 million available under its revolving line of credit.

Stock Buy-Back

TTM's board authorized a stock repurchase program, enabling the company to buy back up to \$10 million of common stock. "With the current depressed state of the electronics industry, there are a lot of undervalued assets," said Alder. "With our strong balance sheet and net cash position, we have the ability to purchase undervalued assets, including our own stock."

The repurchase program authorizes management, at its discretion, to make purchases from time to time on the open market or in privately negotiated block transactions. The stock repurchases would be based on management's assessment of TTM's capital structure and liquidity, the market price of TTM's stock compared to management's assessment of its underlying value, as well as regulatory, accounting and other factors.

On October 15, 2002, the closing price of TTM common stock was \$1.55 per share, and the company had approximately 40 million shares outstanding.

While the stock buy-back program is not expected to have a material impact on earnings per share at current income levels, it should have an accretive impact when the company is generating positive net income.

Production Realignment and Cost Savings

In the second quarter of 2002, TTM realigned production among its three facilities, located in Burlington and Redmond, Washington, and Santa Ana, California, and reduced headcount by approximately 130 employees. As a result, beginning in the third quarter of 2002, the company realized quarterly cost savings of more than \$1 million.

Outlook

For the fourth quarter of 2002, TTM anticipates revenues ranging from \$19 million to \$22 million, earnings per share between breakeven and a loss of \$0.03, and cash earnings per share between a profit of \$0.01 and a loss of \$0.02.

"Despite the protracted and deep downturn in the electronics industry, we aggressively managed the business to market conditions and enhanced operating efficiencies," concluded Alder. "And with our low-cost production capabilities and strong balance sheet, we plan to capitalize on the opportunities presented by the downturn and are well positioned for an industry upturn."

TTM Technologies, Inc. is a leading supplier of time-critical, technologically advanced printed circuit boards to original equipment manufacturers and electronics 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 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 23, 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)

	Third Quarter			First Three Fiscal Quarters		
	2002	2001	2001	2002	2001	2001
			Adjusted*			Adjusted*
CONSOLIDATED STATEMENTS OF OPERATIONS						
Net sales	\$20,557	\$26,895	\$26,895	\$67,578	\$103,563	\$103,563
Cost of goods sold	17,716	21,021	21,021	60,430	71,631	71,631
Gross profit	2,841	5,874	5,874	7,148	31,932	31,932
Operating expenses:						
Sales and marketing	1,534	1,490	1,490	4,780	5,861	5,861
General and administrative	1,453	1,168	1,168	3,070	4,089	4,089
Amortization of intangibles	300	1,202	301	901	3,606	901
Restructuring charges	---	---	---	907	---	---
Total operating expenses	3,287	3,860	2,959	9,658	13,556	10,851
Operating income (loss)	(446)	2,014	2,915	(2,510)	18,376	21,081
Interest expense	(266)	(569)	(569)	(808)	(2,101)	(2,101)
Amortization of debt issuance costs	(10)	(10)	(10)	(31)	(31)	(31)
Interest income and other, net	192	96	96	500	530	530
Income before income taxes	(530)	1,531	2,432	(2,849)	16,774	19,479
Income tax benefit (provision)	161	(552)	(877)	918	(6,055)	(7,029)

Net income						
(loss)	\$(369)	\$979	\$1,555	\$(1,931)	\$10,719	\$12,450
Earnings per common share (EPS):						
Basic	\$(0.01)	\$0.03	\$0.04	\$(0.05)	\$0.29	\$0.33
Diluted	(0.01)	0.03	0.04	(0.05)	0.28	0.32
Cash (diluted)**	(0.00)	0.06	0.05	(0.03)	0.37	0.34
Weighted average common shares:						
Basic	39,844	37,544	37,544	39,426	37,455	37,455
Diluted	39,844	38,862	38,862	39,426	38,893	38,893

* Adjusted to show the pro-forma impact of eliminating goodwill amortization and the related income tax effect for the 2001 periods.

** Fully diluted EPS plus amortization of intangibles -- see reconciliations table below.

SELECTED BALANCE SHEET DATA	09/30/02	12/31/01
Cash	\$35,255	\$24,490
Accounts receivable, net	9,113	11,208
Inventories	3,157	3,126
Total current assets	53,757	43,971
Net PP&E	51,252	50,906
Other assets	93,269	98,199
Total assets	198,278	193,076
Current maturities of long-term debt	\$5,344	\$4,500
Other current liabilities	7,427	10,372
Long-term liabilities	21,375	28,125
Shareholders' equity	164,132	150,079
Total liabilities and shareholders' equity	198,278	193,076

SUPPLEMENTAL DATA

	2002	Third Quarter 2001		First Three Fiscal Quarters 2002		
		Adjusted*		Adjusted*		
EBITDA	\$1,946	\$5,321	\$5,321	\$5,113	\$28,135	\$28,135
EBITA	\$(146)	\$3,216	\$3,216	\$(1,609)	\$21,982	\$21,982
Gross margin	13.8%	21.8%	21.8%	10.6%	30.8%	30.8%
EBITDA margin	9.5	19.8	19.8	7.6	27.2	27.2
Operating margin	(2.2)	7.5	10.8	(3.7)	17.7	20.4

End Market Breakdown:

	Third Quarter	
	2002	2001
Networking/ communications	29.8%	28.6%
High-end computing	11.5	25.8
Industrial/Medical	27.9	29.6
Computer peripherals	22.6	8.4

Handheld	2.5	2.6
Other	5.7	5.0

RECONCILIATIONS***

	2002	Third Quarter 2001	2001 Adjusted*	First Three 2002	Fiscal Quarters 2001	2001 Adjusted*
EBITA/EBITDA						
Reconciliation:						
Operating income (loss)	\$(446)	\$2,014	\$2,915	\$(2,510)	\$18,376	\$21,081
Amortization of intangibles	300	1,202	301	901	3,606	901
EBITA	(146)	3,216	3,216	(1,609)	21,982	21,982
Depreciation expense	2,092	2,105	2,105	6,722	6,153	6,153
EBITDA	1,946	5,321	5,321	5,113	28,135	28,135
Cash Earnings						
Reconciliation:						
Net income (loss)	\$(369)	\$979	\$1,555	\$(1,931)	\$10,719	\$12,450
Amortization of intangibles	300	1,202	301	901	3,606	901
Cash net income (loss)	(69)	2,181	1,856	(1,030)	14,325	13,351
Diluted Weighted Average Common Shares	39,844	38,862	38,862	39,426	38,893	38,893
Cash Earnings per Share (Diluted)	(0.00)	0.06	0.05	(0.03)	0.37	0.34

*** This information provides a reconciliation of EBITA/EBITDA and cash earnings to the financial information in our consolidated statements of operations.

SOURCE TTM Technologies, Inc.

CONTACT: Stacey Peterson, Chief Financial Officer of TTM Technologies, Inc., +1-714-241-0303

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