

BENCHMARK ELECTRONICS INC  
Form 10-Q  
November 08, 2016

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

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**FORM 10 Q**

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**X QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the quarterly period ended September 30, 2016**

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from \_\_\_\_\_ to \_\_\_\_\_**

**Commission File Number: 1 10560**

**BENCHMARK ELECTRONICS, INC.**

(Exact name of registrant as specified in its charter)

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	<b>Texas</b>	<b>74 2211011</b>
	(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
	<b>3000 Technology Drive</b>	<b>77515</b>
	<b>Angleton, Texas</b>	(Zip Code)
	(Address of principal executive offices)	

**(979) 849 6550**

(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 Act.

Large accelerated filer <input checked="" type="checkbox"/>	Accelerated filer <input type="checkbox"/>
Non-accelerated filer <input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company <input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes  No

As of November 7, 2016, there were 48,878,788 shares of Common Stock of Benchmark Electronics, Inc., par value \$0.10 per share, outstanding.

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## TABLE OF CONTENTS

### PART I

	Page
<b>PART I—FINANCIAL INFORMATION</b>	
<u>Item 1.</u>	1
<u>Financial Statements (Unaudited)</u>	1
<u>Condensed Consolidated Balance Sheets</u>	1
<u>Condensed Consolidated Statements of Income</u>	2
<u>Condensed Consolidated Statements of Comprehensive Income</u>	3
<u>Condensed Consolidated Statement of Shareholders' Equity</u>	4
<u>Condensed Consolidated Statements of Cash Flows</u>	5
<u>Notes to Condensed Consolidated Financial Statements</u>	6
<u>Item 2.</u>	21
<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	21
<u>Item 3.</u>	28
<u>Quantitative and Qualitative Disclosures About Market Risk</u>	28
<u>Item 4.</u>	29
<u>Controls and Procedures</u>	29
<b>PART II—OTHER INFORMATION</b>	
<u>Item 1.</u>	30
<u>Legal Proceedings</u>	30
<u>Item 1A.</u>	30
<u>Risk Factors</u>	30
<u>Item 2.</u>	30
<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	30
<u>Item 6.</u>	31
<u>Exhibits</u>	31
<u>SIGNATURES</u>	32

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**PART I - FINANCIAL INFORMATION****Item 1. Financial Statements.****BENCHMARK ELECTRONICS, INC. AND SUBSIDIARIES**  
**Condensed Consolidated Balance Sheets**

<b>(in thousands, except par value)</b>	<b>September 30, 2016 (unaudited)</b>	<b>December 31, 2015</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 635,683	\$ 465,995
Accounts receivable, net of allowance for doubtful accounts of \$3,314 and \$3,417, respectively	417,325	479,140
Inventories	395,948	411,986
Prepaid expenses and other assets	31,375	31,351
Income taxes receivable	380	156
Total current assets	1,480,711	1,388,628
Property, plant and equipment, net of accumulated depreciation of \$402,359 and \$379,088, respectively	168,806	178,170
Goodwill	191,616	199,290
Deferred income taxes	12,590	14,088
Other, net	105,345	113,702
	\$ 1,959,068	\$ 1,893,878
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Current installments of long-term debt and capital lease obligations	\$ 12,365	\$ 12,284
Accounts payable	308,859	251,163
Income taxes payable	5,112	5,069
Accrued liabilities	74,796	64,578
Total current liabilities	401,132	333,094
Long-term debt and capital lease obligations, less current installments	214,171	222,909
Other long-term liabilities	9,448	15,971
Shareholders' equity:		
Preferred stock, \$0.10 par value; 5,000 shares authorized, none issued	—	—
Common stock, \$0.10 par value; 145,000 shares authorized; issued and outstanding – 48,754 and 50,178, respectively	4,875	5,018
Additional paid-in capital	613,036	624,997
Retained earnings	730,725	704,905
Accumulated other comprehensive loss	(14,319)	(13,016)
Total shareholders' equity	1,334,317	1,321,904
Commitments and contingencies		

\$ 1,959,068      \$ 1,893,878

See accompanying notes to condensed consolidated financial statements.

**BENCHMARK ELECTRONICS, INC. AND SUBSIDIARIES**  
**Condensed Consolidated Statements of Income**  
**(unaudited)**

(in thousands, except per share data)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Sales	\$ 574,341	\$ 630,191	\$ 1,702,908	\$ 1,915,154
Cost of sales	521,519	575,627	1,546,915	1,752,809
Gross profit	52,822	54,564	155,993	162,345
Selling, general and administrative expenses	28,085	26,216	85,082	80,689
Amortization of intangible assets	3,170	1,104	8,945	3,039
Restructuring charges and other costs	3,485	1,096	9,876	7,553
Income from operations	18,082	26,148	52,090	71,064
Interest expense	(2,302)	(495)	(6,935)	(1,427)
Interest income	577	246	1,170	971
Other expense	(383)	(1,121)	(535)	(1,582)
Income before income taxes	15,974	24,778	45,790	69,026
Income tax expense (benefit)	(5,768)	4,213	311	13,046
Net income	\$ 21,742	\$ 20,565	\$ 45,479	\$ 55,980
Earnings per share:				
Basic	\$ 0.44	\$ 0.40	\$ 0.92	\$ 1.08
Diluted	\$ 0.44	\$ 0.40	\$ 0.91	\$ 1.07
Weighted-average number of shares outstanding:				
Basic	48,965	51,192	49,377	51,940
Diluted	49,414	51,588	49,878	52,448

See accompanying notes to condensed consolidated financial statements.

**BENCHMARK ELECTRONICS, INC. AND SUBSIDIARIES**  
**Condensed Consolidated Statements of Comprehensive Income**  
**(unaudited)**

<b>(in thousands)</b>	<b>Three Months Ended September 30,</b>		<b>Nine Months Ended September 30,</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Net income	\$ 21,742	\$ 20,565	\$ 45,479	\$ 55,980
Other comprehensive income (loss):				
Foreign currency translation adjustments	299	378	815	(2,386)
Unrealized gain (loss) on investments, net of tax	1	10	17	(23)
Unrealized gain (loss) on derivative, net of tax	765	-	(2,134)	-
Other	(1)	(3)	(1)	(10)
Other comprehensive income (loss)	1,064	385		