

BENCHMARK ELECTRONICS INC
Form 10-Q
May 08, 2015

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

FORM 10 Q

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

For the quarterly period ended March 31, 2015.

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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	Texas	74 2211011
	(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
	3000 Technology Drive	77515
	Angleton, Texas	(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 May 7, 2015, there were 52,398,514 Common Shares of Benchmark Electronics, Inc., par value \$0.10 per share, outstanding.

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

(in thousands, except par value)	March 31, 2015 (unaudited)	December 31, 2014
Assets		
Current assets:		
Cash and cash equivalents	\$ 383,596	\$ 427,376
Accounts receivable, net of allowance for doubtful accounts of \$2,918 and \$2,943, respectively	490,686	520,389
Inventories	426,837	401,261
Prepaid expenses and other assets	34,571	30,453
Income taxes receivable	152	572
Deferred income taxes	6,646	8,502
Total current assets	1,342,488	1,388,553
Long-term investments	1,012	1,008
Property, plant and equipment, net of accumulated depreciation of \$369,128 and \$362,620 respectively	187,049	190,180
Goodwill, net	45,970	45,970
Deferred income taxes	25,054	25,017
Other, net	27,834	28,161
	\$ 1,629,407	\$ 1,678,889
Liabilities and Shareholders' Equity		
Current liabilities:		
Current installments of capital lease obligations	\$ 701	\$ 676
Accounts payable	248,563	289,786
Income taxes payable	5,077	5,470
Accrued liabilities	58,287	63,166
Total current liabilities	312,628	359,098
Capital lease obligations, less current installments	8,665	8,845
Other long-term liabilities	17,406	17,800
Deferred income taxes	2,106	2,106
Shareholders' equity:		
Preferred shares, \$0.10 par value; 5,000 shares authorized, none issued	—	—
Common shares, \$0.10 par value; 145,000 shares authorized; issued and outstanding – 52,478 and 52,994, respectively	5,248	5,300

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Additional paid-in capital	645,066	649,715
Retained earnings	651,224	645,500
Accumulated other comprehensive loss	(12,936)	(9,475)
Total shareholders' equity	1,288,602	1,291,040
Commitments and contingencies		
	\$ 1,629,407	\$ 1,678,889

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 March 31,	
	2015	2014
Sales	\$ 620,925	\$ 639,344
Cost of sales	569,146	588,221
Gross profit	51,779	51,123
Selling, general and administrative expenses	28,202	28,153
Restructuring charges and integration costs	4,869	2,109
Thailand flood-related items, net of insurance	-	(1,571)
Income from operations	18,708	22,432
Interest expense	(435)	(476)
Interest income	432	515
Other income (expense), net	(1,057)	26
Income before income taxes	17,648	22,497
Income tax expense	3,443	3,372
Net income	\$ 14,205	\$ 19,125
Earnings per share:		
Basic	\$ 0.27	\$ 0.36
Diluted	\$ 0.27	\$ 0.35
Weighted-average number of shares outstanding:		
Basic	52,463	53,650
Diluted	53,045	54,277

See accompanying notes to condensed consolidated financial statements.

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

(in thousands)	Three Months Ended March 31,	
	2015	2014
Net income	\$ 14,205	\$ 19,125
Other comprehensive loss:		
Foreign currency translation adjustments	(3,462)	(27)
Unrealized gain (loss) on investments, net of tax	5	(9)
Other	(4)	(8)
Other comprehensive loss	(3,461)	(44)
Comprehensive income	\$ 10,744	\$ 19,081

See accompanying notes to condensed consolidated financial statements.

BENCHMARK ELECTRONICS, INC. AND SUBSIDIARIES
Condensed Consolidated Statement of Shareholders' Equity
(unaudited)

	Common Shares	Additional	Accumulated	Total
	Shares	Paid-in	Other	Shareholders'
(in thousands)	Outstanding	Retained	Comprehensive	