

Edgar Filing: SCI SYSTEMS INC - Form 425

SCI SYSTEMS INC
Form 425
July 16, 2001

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Filed by Sanmina Corporation
Pursuant to Rule 425 under the Securities Act of 1933
And deemed filed pursuant to Rule 14a-12 of the Securities Exchange Act of 1934

Subject Company: SCI Systems, Inc.
Commission File No. 0-2251

SANMINA/SCI MERGER
LOOKING TOWARD THE FUTURE

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[LOGO SANMINA]	[PHOTO]	[SCI SYSTEMS, INC. LOGO]
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SAFE HARBOR STATEMENT

THE FOREGOING CONTAINS CERTAIN FORWARD-LOOKING STATEMENTS THAT INVOLVE RISKS AND UNCERTAINTIES, INCLUDING UNCERTAINTIES ASSOCIATED WITH ECONOMIC CONDITIONS IN THE ELECTRONICS INDUSTRY, CHANGES IN CUSTOMER REQUIREMENTS AND IN THE VOLUME OF SALES TO PRINCIPAL CUSTOMERS, THE ABILITY OF THE COMPANY TO OBTAIN PRODUCT COMPONENTS, ASSIMILATE ACQUIRED BUSINESSES AND TO ACHIEVE THE ANTICIPATED BENEFITS OF SUCH ACQUISITIONS, AND COMPETITION AND TECHNOLOGICAL CHANGE. FOR A MORE DETAILED DISCUSSION OF THESE AND OTHER FACTORS, PLEASE REFER TO OUR MOST RECENT FILINGS WITH THE SECURITIES EXCHANGE COMMISSION.

SANMINA PLANS TO FILE A REGISTRATION STATEMENT ON SEC FORM S-4 IN CONNECTION WITH THE MERGER, AND EACH OF SANMINA AND SCI EXPECTS TO MAIL A JOINT PROXY STATEMENT/PROSPECTUS TO ITS RESPECTIVE STOCKHOLDERS CONTAINING INFORMATION ABOUT THE MERGER. INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE REGISTRATION STATEMENT AND THE JOINT PROXY STATEMENT/PROSPECTUS CAREFULLY WHEN THEY ARE AVAILABLE. THE REGISTRATION STATEMENT AND THE JOINT PROXY STATEMENT/PROSPECTUS WILL CONTAIN IMPORTANT INFORMATION ABOUT SANMINA, SCI, THE MERGER AND RELATED MATTERS. INVESTORS AND SECURITY HOLDERS WILL BE ABLE TO OBTAIN FREE COPIES OF THESE DOCUMENTS THROUGH THE WEBSITE MAINTAINED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION AT WWW.SEC.GOV.

SCI, ITS DIRECTORS, EXECUTIVE OFFICERS AND CERTAIN MEMBERS OF MANAGEMENT AND EMPLOYEES MAY BE SOLICITING PROXIES FROM SCI'S SHAREHOLDERS IN FAVOR OF THE ADOPTION OF THE MERGER AGREEMENT. A DESCRIPTION OF ANY INTERESTS THAT SCI'S DIRECTORS AND EXECUTIVE OFFICERS HAVE IN THE MERGER WILL BE AVAILABLE IN THE JOINT PROXY STATEMENT/PROSPECTUS.

SANMINA, ITS DIRECTORS, EXECUTIVE OFFICERS AND CERTAIN MEMBERS OF MANAGEMENT AND EMPLOYEES MAY BE SOLICITING PROXIES FROM SANMINA'S STOCKHOLDERS IN FAVOR OF THE ISSUANCE OF SANMINA SHARES IN CONNECTION WITH THE MERGER. A DESCRIPTION OF ANY INTERESTS THAT SANMINA'S DIRECTORS AND EXECUTIVE OFFICERS HAVE IN THE MERGER WILL BE AVAILABLE IN THE JOINT PROXY STATEMENT/PROSPECTUS.

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TODAY'S AGENDA

- Sanmina and SCI Profile
- Capabilities and Market Position
- Leading Customers in Growth Markets
- Outsourcing Driving Market Opportunity
- Strong Financial Momentum
- Strategy for Continued, Profitable Growth

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SANMINA/SCI PROFILE

- =====
- Long Term Successful Operating History
 - \$14 Billion in Revenue
 - Global Manufacturing Solution with Presence in 21 Countries
 - 10 Million Square Feet of Manufacturing Space
 - Diversified, High Growth Customer Base
 - 50,000 Employees
 - Strong Balance Sheet

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THE PREMIER "EMS" COMPANY
TOTAL MANUFACTURING SOLUTION

END-TO-END SOLUTION

[PHOTO]

[PHOTO]

ENGINEERING

- 500+ DESIGN ENGINEERS
- 1,600+ MANUFACTURING AND TEST ENGINEERS
- 30 GLOBAL DESIGN CENTERS
- ASIC TO FINAL SYSTEM DESIGN

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ONE OF THE STRONGEST DESIGN AND
ENGINEERING ORGANIZATIONS IN THE WORLD

TOTAL MANUFACTURING SOLUTION

[PHOTO]

CIRCUIT FABRICATION

END-TO-END SOLUTION

[PHOTO]

GLOBAL TECHNOLOGY LEADER

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TOTAL MANUFACTURING SOLUTION

[PHOTO]

CIRCUIT BOARD ASSEMBLY

END-TO-END SOLUTION

[PHOTO]

[PHOTO]

[PHOTO]

GLOBAL TECHNOLOGY LEADER AND ONE OF THE LARGEST
IN TERMS OF CAPACITY

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GLOBAL TECHNOLOGY LEADER

[PHOTO]

BACKPLANE ASSEMBLY

END-TO-END SOLUTION

[PHOTO]

[PHOTO]

[PHOTO]

[PHOTO]

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TOTAL MANUFACTURING SOLUTION

[PHOTO]

RF/OPTICAL CABLE ASSEMBLY

END-TO-END SOLUTION

[PHOTO]

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FOCUSED ON CRITICAL TECHNOLOGIES

TOTAL MANUFACTURING SOLUTION

[PHOTO]

ENCLOSURE SYSTEMS

END-TO-END SOLUTION

[PHOTO]

[PHOTO]

[PHOTO]

[PHOTO]

GLOBAL TECHNOLOGY LEADER AND POSITIONED TO BECOME ONE OF THE LARGEST IN TERMS OF CAPACITY

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TOTAL MANUFACTURING SOLUTION

[PHOTO]

SUBSYSTEM ASSEMBLY

END-TO-END SOLUTION

[PHOTO]

[PHOTO]

[PHOTO]

[PHOTO]

LEVERAGE OUR CORE COMPETENCY STRENGTHS

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TOTAL MANUFACTURING SOLUTION

[PHOTO]

GLOBAL ORDER FULFILLMENT

END-TO-END SOLUTION

[PHOTO]

[PHOTO]

[PHOTO]

[PHOTO]

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SANMINA/SCI COMPETITIVE EDGE

- Unsurpassed End-to-End Solution Capabilities
- Leading Technology
- Culture - Serviced Based Organization
- Global Order Fulfillment
- Diversified Customer Base in High Growth Sectors
- Increased Scale and Financial Strength Position Company for Accelerated Growth

MERGER CREATES PREMIER EMS COMPANY

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GLOBAL FOOTPRINT

100+ MANUFACTURING LOCATIONS

CANADA
 MEXICO
 UNITED STATES
 [MAP]

FINLAND
 FRANCE
 GERMANY
 HUNGARY
 IRELAND
 SCOTLAND
 SPAIN
 SWEDEN
 THE NETHERLANDS
 UNITED KINGDOM

[MAP]
 BRAZIL

[MAP]
 AUSTRALIA
 ISRAEL
 REPUBLIC OF SINGAPORE
 THAILAND

[MAP]
 CHINA
 MALAYSIA
 TAIWAN

21 COUNTRIES

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SANMINA/SCI DIVERSIFIED CUSTOMER BASE IN HIGH GROWTH SECTORS

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SCI	\$2,017mm
Communications	\$ 666
High End Computing	\$ 383
Multimedia	\$ 161
PCs	\$ 545
Medical/Other	\$ 262
	\$3,208mm
Communications	\$1,524
High End Computing	\$ 574
Multimedia	\$ 161
PCs	\$ 545
Industrial/Medical Other	\$ 405
SANMINA	\$1,191mm
Communications	\$ 858
High End Computing	\$ 191
Industrial & Medical Instruments	\$ 143

Based on 3 months ending March, 2001

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BUILD STRONG LONG TERM CUSTOMER PARTNERSHIPS

=====

[TELLABS LOGO]

[MOTOROLA LOGO]

[ECHOSTAR TECHNOLOGIES LOGO]

[SUN MICROSYSTEMS LOGO]

[HUGHES BREAKING THE THOUGHT BARRIER LOGO]

[LEXMARK LOGO]

[HEWLETT PACKARD LOGO]

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[CISCO SYSTEMS LOGO]

[SIEMENS LOGO]

[NORTEL LOGO]

[BOEING LOGO]

[NOKIA LOGO]

[LUCENT TECHNOLOGIES BELL LABS INNOVATIONS]

[INTEL LOGO]

[ROCHE LOGO]

[X LOGO]

[ALCATEL NETWORK SYSTEMS LOGO]

[TEXAS INSTRUMENTS LOGO]

[JOHNSON & JOHNSON CLINICAL DIAGNOSTICS INC. LOGO]

[IBM LOGO]

[AT&T LOGO AT&T FIXED WIRELESS SERVICES]

[KLA TENCOR LOGO]

[PHILIPS LOGO]

[CIENA LOGO]

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[SANMINA LOGO]

ROBUST MARKET OPPORTUNITY

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ELECTRONICS MANUFACTURING
SERVICES MARKET

(\$ BILLIONS)

	'98	'99	'00	'01	'02
ASIA	58.2	70.9	85.1	102.4	122.0
	15.0	18.3	22.8	25.5	32.2

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EUROPE	14.4	18.0	21.0	27.3	32.6
NORTH AMERICA	28.8	34.6	41.3	49.6	57.2

SOURCE: TECHNOLOGY FORECASTERS, INC.

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SANMINA/SCI TOTAL SOLUTION

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- Leading-Edge Technology
- Dedicated Supply Chain Management
- Global Advanced Engineering Support
- Global Flexible Manufacturing Capabilities
- Lower Product Cost

"END-TO-END-SOLUTION"

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[SANMINA LOGO]

SANMINA/SCI FINANCIALS

=====

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SANMINA/SCI FINANCIAL OVERVIEW

HISTORICAL NET SALES

=====

(\$ MILLIONS)

	1997	1998	1999	2000
	-----	-----	-----	-----
SCI	7,797	8,805	9,426	12,946
	6,084	6,634	6,805	8,707
SANM	1,713	2,171	2,621	4,239

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SANMINA/SCI FINANCIAL OVERVIEW
SALES TREND - LAST 4 QUARTERS

(\$ MILLIONS)

	Q3'00	Q4'00	Q1'01	Q2'01
	-----	-----	-----	-----
SCI	3,393	3,395	4,081	3,208
	2,307	2,028	2,595	2,017
SANM	1,086	1,367	1,486	1,191

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SANMINA/SCI FINANCIAL OVERVIEW
NET INCOME TREND - LAST 4 QUARTERS

(\$ THOUSANDS)

	Q3'00	Q4'00	Q1'01	Q2'01
	-----	-----	-----	-----
SCI	126,000	152,900	172,000	148,700
	57,000	50,500	56,000	33,800
SANM	69,000	192,400	116,000	114,900

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SANMINA/SCI FINANCIAL OVERVIEW

Strong Combined Balance Sheet Enhances
Ability to Lead Industry Consolidation

Pro Forma Balance Sheet Items (3/31/01)

Cash and Investments \$1,510

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Total Debt	\$2,687
Stockholders Equity	\$6,661
Total Capitalization	\$9,348
Net Debt to Total Capitalization	13%
Total Debt to Total Capitalization	29%

FINANCIALLY STRONG FOR FUTURE GROWTH

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HOW SANMINA/SCI COMPARES
Merger Creates Premier EMS Company

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(\$ in Millions)

ENTERPRISE VALUE AS OF 7/12/01

Sanmina/SCI	13,702
CLS	10,496
FLEX	12,835
JBL	5,330
SLR	14,046

EBITDA

Sanmina/SCI	1,351
CLS	528
FLEX	776
JBL	367
SLR	1,232

REVENUE

Sanmina/SCI	14,077
CLS	10,832
FLEX	12,110
JBL	4,452
SLR	19,834

EBITDA MARGIN

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Sanmina/SCI	9.6%
CLS	4.9%
FLEX	6.4%
JBL	8.2%
SLR	6.2%

Last twelve month estimate based on March

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[SANMINA LOGO]

SANMINA/SCI
FOCUSED GROWTH STRATEGY
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CAPITALIZE ON CORE COMPETENCIES

PRODUCT DESIGN ENGINEERING	PROCUREMENT AND INVENTORY MANAGEMENT	CIRCUIT FAB CIRCUIT ASSY BACKPLANE ASSY CABLES ENCLOSURES	FULL SYSTEM ASSEMBLY AND TEST	DIRECT ORDER FULFILLMENT
- ASIC TO SYSTEMS DESIGN	- GLOBAL SUPPLY CHAIN MANAGEMENT	- DEDICATED NEW PRODUCT INTRODUCTION	- IN-CIRCUIT FUNCTIONAL AND ENVIRONMENTAL TESTING	- PACKAGING
- NEW PRODUCT MANUFACTURING	- STANDARDIZED WORLDWIDE ERP SYSTEM	- VOLUME PRODUCTION	- QUALITY ASSURANCE	- WAREHOUSE
- TEST RELIABILITY		- TECHNOLOGY LEADER IN EVERY SECTOR		- GLOBAL DISTRIBUTION END CUSTOMER

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EXPAND CUSTOMER PARTNERSHIPS

- New Product Development
- Flexible Worldwide Manufacturing
- Direct Order Fulfillment
- Quality Focused: ISO 9001, 9002, 14001, TL9000
- Global Direct Sales and Services Support

TOTAL MANUFACTURING SOLUTIONS

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EXPANDED GLOBAL SALES FORCE

- 100+ Customer Service Locations
- Experienced Technical Sales Force
- Largest Sales Force in The EMS Industry

TECHNICAL SALES FORCE IS INVOLVED
FROM DESIGN TO FINAL SYSTEM BUILD
AND ORDER FULFILLMENT

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FOCUS ON HIGH GROWTH SECTORS

INDUSTRIAL/MEDICAL	10%-15%
PC COMPUTING	15%-20%
MULTIMEDIA	5%-10%
HIGH-END COMPUTING	15%-20%
COMMUNICATIONS	40%-50%

FUTURE END MARKET SEGMENTS

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LEADER IN COMMUNICATIONS (40% - 50%)

[AT&T LOGO]
AT&T Fixed Wireless Services

[LUCENT TECHNOLOGIES LOGO]
Bell Labs Innovations

[TELLABS LOGO]

[NORTEL LOGO]

[FUJITSU LOGO]

[ERICSSON LOGO]

[CIENA LOGO]

[REDBACK NETWORKS LOGO]

[HARRIS LOGO]

[CISCO SYSTEMS LOGO]

[SIEMENS LOGO]

[ALCATEL NETWORK SYSTEMS LOGO]

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[MOTOROLA LOGO]

[NOKIA LOGO]

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LEADER IN INDUSTRIAL/MEDICAL (15%-25%)

[APPLIED MATERIALS LOGO]

[SIEMENS LOGO]

[BOSTON SCIENTIFIC LOGO]

[HONEYWELL LOGO]

[TEXAS INSTRUMENTS LOGO]

[KLA TENCOR LOGO]

[BOEING LOGO]

[AGILENT TECHNOLOGIES LOGO]

[GE MEDICAL SYSTEMS LOGO]

[ROCHE LOGO]

33

LEADER IN HIGH-END COMPUTING (20%-25%)

[COMPAQ LOGO]

[DELL LOGO]

[EMC (2) LOGO]

[SUN MICROSYSTEMS LOGO]

[HEWLETT PACKARD LOGO]

[IBM LOGO]

34

LEADER IN PC COMPUTING (15%-20%)

[COMPAQ LOGO]

[DELL LOGO]

[INTEL LOGO]

[HEWLETT PACKARD LOGO]

[IBM LOGO]

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LEADERS IN MULTIMEDIA (5%-10%)

[ECHOSTAR TECHNOLOGIES LOGO]

[PHILIPS LOGO]

[NOKIA LOGO]

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STRATEGIC BENEFITS OF MERGER

- Increases Global Footprint and Customer Presence
- Creates a Full Portfolio of Services in One EMS Company
- Well Diversified Company with Strength in Communications, Computing, Medical, Industrial and Multimedia Sectors
- Strong Balance Sheet with Financial Flexibility to Leads Industry Growth and Consolidation
- Creates a More Competitive Company Because of the Vertical Integration -- "End-to-End Solution"

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STRATEGIC BENEFITS OF MERGER

- Scale Bringing Greater Credibility with Customers for New Business and OEM's with Respect to Future Asset Divestitures
- Ability to Offer More Vertical Services to Each Company's Customers (Cross-Selling Opportunities)
- Enhanced Growth Rate Leads Industry
- Creates the Premier EMS Company

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WE'VE CREATED THE PREMIER
EMS COMPANY

[SANMINA LOGO]

[SCI SYSTEMS, INC. LOGO]

THANK YOU