

BENCHMARK ELECTRONICS INC
Form 10-Q
August 08, 2008

**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 June 30, 2008.

**“ 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)

Texas

(State or other jurisdiction
of incorporation or organization)

74-2211011

(I.R.S. Employer
Identification No.)

3000 Technology Drive

Angleton, Texas

(Address of principal executive offices)

77515

(Zip Code)

(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 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 Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

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

As of August 7, 2008 there were 66,512,030 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) | June 30, 2008 | December 31, 2007 |
|---|------------------|----------------------|
| | (unaudited) | |
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 288,015 | \$ 199,198 |
| Short-term investments | 1,000 | 182,825 |
| Accounts receivable, net of allowance for doubtful accounts of \$1,099 and \$1,406, respectively | 472,183 | 485,907 |
| Inventories, net | 393,020 | 361,952 |
| Prepaid expenses and other assets | 44,775 | 60,847 |
| Deferred income taxes | 14,043 | 14,562 |
| Total current assets | 1,213,036 | 1,305,291 |
| Long-term investments | 55,484 | — |
| Property, plant and equipment, net of accumulated depreciation of \$249,133 and \$233,439 respectively | 145,209 | 144,182 |
| Goodwill, net | 285,125 | 283,725 |
| Other, net | 27,337 | 29,650 |
| | \$ 1,726,191 | \$ 1,762,848 |
| Liabilities and Shareholders' Equity | | |
| Current liabilities: | | |
| Current installments of long-term debt and capital lease obligations | \$ 333 | \$ 430 |
| Accounts payable | 339,715 | 359,422 |
| Income taxes payable | 1,305 | 1,699 |
| Accrued liabilities | 53,746 | 59,509 |
| Total current liabilities | 395,099 | 421,060 |
| Long-term debt and capital lease obligations, less current installments | 12,000 | 12,096 |
| Other long-term liabilities | 33,018 | 31,762 |
| Deferred income taxes | 11,487 | 9,408 |
| 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 - 67,088 and 70,687, respectively; outstanding - 66,977 and 70,576, respectively | 6,698 | 7,058 |
| Additional paid-in capital | 756,506 | 793,272 |
| Retained earnings | 507,482 | 486,848 |
| Accumulated other comprehensive income | 4,173 | 1,616 |
| Less treasury shares, at cost; 111 shares | (272) | (272) |
| Total shareholders' equity | 1,274,587 | 1,288,522 |
| Commitments and contingencies | | |
| | \$ 1,726,191 | \$ 1,762,848 |

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 June 30, | | Six Months Ended June 30, | |
|--|--------------------------------|------------|------------------------------|--------------|
| | 2008 | 2007 | 2008 | 2007 |
| Sales | \$ 682,416 | \$ 756,295 | \$ 1,366,725 | \$ 1,508,777 |
| Cost of sales | 636,389 | 701,800 | 1,275,483 | 1,399,794 |
| Gross profit | 46,027 | 54,495 | 91,242 | 108,983 |
| Selling, general and administrative expenses | 22,662 | 24,219 | 45,937 | 47,467 |
| Amortization of intangibles | 447 | 447 | 894 | 894 |
| Restructuring charges and integration costs | — | 2,205 | — | 5,550 |
| Income from operations | 22,918 | 27,624 | 44,411 | 55,072 |
| Interest income | 1,986 | 2,700 | | |