

TTM TECHNOLOGIES INC  
Form 10-K/A  
August 20, 2004

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# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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## FORM 10-K/A

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

For the fiscal year ended December 31, 2003

Commission file number 0-31285

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## TTM TECHNOLOGIES, INC.

(Exact Name of Registrant as Specified in Its Charter)

**Washington**

(State or Other Jurisdiction of Incorporation or Organization)

**91-1033443**

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

**2630 South Harbor Boulevard, Santa Ana, California 92704**

(Address of Principal Executive Offices) (Zip Code)

**(714) 327-3000**

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(g) of the Exchange Act:

| <b>Title of Each Class</b> | <b>Name of Each Exchange on Which Registered</b> |
|----------------------------|--------------------------------------------------|
| Common Stock, no par value | Nasdaq National Market                           |

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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is an accelerated filer (as defined in Exchange Act Rule 12b-2): Yes  No

The aggregate market value of Common Stock held by nonaffiliates of the registrant (20,605,355) based on the closing price of the registrant's Common Stock as reported on the Nasdaq National Market on July 1, 2002, was \$113,123,399. For purposes of this computation, all officers, directors, and 10% beneficial owners of the registrant are deemed to be affiliates. Such determination should not be deemed to be an admission that such officers, directors, or 10% beneficial owners are, in fact, affiliates of the registrant.

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As of March 29, 2004, there were outstanding 40,718,550 shares of the registrant's Common Stock, no par value.

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**EXPLANATORY NOTE**

The Registrant is amending its annual report on Form 10-K solely to revise its presentation of EBITDA to conform to the guidance in Item 10 of Regulation S-K.

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ITEM 6. SELECTED FINANCIAL DATA

The selected historical financial data presented below are derived from our consolidated financial statements. The selected financial data should be read in conjunction with Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the notes thereto included elsewhere in this report.

|                                                            | Year Ended December 31, |            |            |           |            |
|------------------------------------------------------------|-------------------------|------------|------------|-----------|------------|
|                                                            | 1999                    | 2000       | 2001       | 2002(1)   | 2003(1)    |
| (In thousands, except per share data)                      |                         |            |            |           |            |
| <b>Consolidated Statement of Operations Data:</b>          |                         |            |            |           |            |
| Net sales                                                  | \$ 106,447              | \$ 203,729 | \$ 128,989 | \$ 88,989 | \$ 180,317 |
| Cost of goods sold                                         | 82,200                  | 127,137    | 92,235     | 78,456    | 145,694    |
| Gross profit                                               | 24,247                  | 76,592     | 36,754     | 10,533    | 34,623     |
| Operating expenses:                                        |                         |            |            |           |            |
| Selling and marketing                                      | 3,920                   | 10,156     | 7,272      | 6,447     | 10,858     |
| General and administrative                                 | 2,584                   | 8,305      | 5,435      | 5,519     | 11,696     |
| Amortization of intangibles(2)                             | 2,230                   | 4,810      | 4,808      | 1,202     | 1,202      |
| Restructuring charges(3)                                   |                         |            |            | 3,859     | 649        |
| Amortization of deferred retention bonus                   | 1,849                   | 5,470      |            |           |            |
| Management fees                                            | 439                     | 2,150      |            |           |            |
| Total operating expenses                                   | 11,022                  | 30,891     | 17,515     | 17,027    | 24,405     |
| Operating income (loss)                                    | 13,225                  | 45,701     | 19,239     | (6,494)   | 10,218     |
| Other income (expense):                                    |                         |            |            |           |            |
| Interest expense                                           | (10,432)                | (12,176)   | (2,644)    | (1,084)   | (583)      |
| Amortization of debt issuance costs                        | (755)                   | (742)      | (41)       | (105)     | (97)       |
| Interest income and other, net                             | 54                      | 181        | 629        | 694       | 352        |
| Loss on early extinguishments of debt                      | (2,317)                 | (9,930)    |            |           |            |
| Income (loss) before income taxes and extraordinary item   | (225)                   | 23,034     | 17,183     | (6,989)   | 9,890      |
| Income tax (provision) benefit                             | (2)                     | 5,038      | (6,189)    | 2,278     | (3,901)    |
| Income (loss) before extraordinary item                    | (227)                   | 28,072     | 10,994     | (4,711)   | 5,989      |
| Extraordinary gain                                         |                         |            |            | 6,296     | 1,453      |
| Net income (loss)                                          | \$ (227)                | \$ 28,072  | \$ 10,994  | \$ 1,585  | \$ 7,442   |
| Income (loss) per common share, before extraordinary item: |                         |            |            |           |            |
| Basic                                                      | \$ (0.01)               | \$ 0.88    | \$ 0.29    | \$ (0.12) | \$ 0.15    |
| Diluted                                                    | \$ (0.01)               | \$ 0.82    | \$ 0.28    | \$ (0.12) | \$ 0.15    |
| Income (loss) per common share:                            |                         |            |            |           |            |
| Basic                                                      | \$ (0.01)               | \$ 0.88    | \$ 0.29    | \$ 0.04   | \$ 0.19    |
| Diluted                                                    | \$ (0.01)               | \$ 0.82    | \$ 0.28    | \$ 0.04   | \$ 0.18    |

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Year Ended December 31,

Weighted average common shares:

|         |        |        |        |        |        |
|---------|--------|--------|--------|--------|--------|
| Basic   | 22,312 | 31,919 | 37,482 | 39,511 | 39,993 |
| Diluted | 22,312 | 34,166 | 38,899 | 39,511 | 41,123 |

**Other Financial Data:**

|                                                                         |          |          |          |          |          |
|-------------------------------------------------------------------------|----------|----------|----------|----------|----------|
| Depreciation of property, plant and equipment                           | \$ 3,635 | \$ 5,500 | \$ 8,294 | \$ 8,761 | \$ 7,774 |
| Non-cash restructuring charges for impairment of building and equipment |          |          |          | 1,838    | 446      |
| Non-cash interest expense imputed on debt                               | 455      | 476      |          |          |          |

- (1) Our results for the year ended December 31, 2002 include only six days of activity of Advanced Circuits, Inc., which we acquired on December 26, 2002. A full year of activity at this subsidiary is included in our results for the year ended December 31, 2003. In both 2002 and 2003, we recorded extraordinary gains related to this acquisition. See Note 3 to our consolidated financial statements included herein.
- (2) In 2002, we adopted Statement of Financial Accounting Standards ("SFAS") No. 142, "Goodwill and Intangible Assets" and ceased amortizing goodwill. Our expense in 2002 and 2003 reflects amortization of intangibles related to our acquisition of Power Circuits in July 1999. See Note 2 to our consolidated financial statements included herein.
- (3) We recorded restructuring charges in 2002 and 2003 related to the closure of our Burlington, Washington, facility. The charge in 2002 is composed primarily of severance expense and other cash exit costs as well as non-cash expenses to write down the value of the building and equipment held for sale. The charge in 2003 was to further write down the value of the building and equipment. See Note 4 to our consolidated financial statements included herein.

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As of December 31,

|  | 1999 | 2000 | 2001 | 2002 | 2003 |
|--|------|------|------|------|------|
|  |      |      |      |      |      |

(In thousands)

**Consolidated Balance Sheet Data:**

|                                              |           |           |           |           |           |
|----------------------------------------------|-----------|-----------|-----------|-----------|-----------|
| Working capital                              | \$ 13,995 | \$ 22,186 | \$ 29,099 | \$ 40,405 | \$ 52,352 |
| Total assets                                 | 168,327   | 202,133   | 193,076   | 197,506   | 205,857   |
| Long-term debt, including current maturities | 140,164   | 43,312    | 32,625    | 10,000    | 7,777     |
| Shareholders' equity                         | 16,537    | 137,742   | 150,079   | 167,426   | 178,327   |

Year Ended December 31,

|  | 1999 | 2000 | 2001 | 2002 | 2003 |
|--|------|------|------|------|------|
|  |      |      |      |      |      |

(In thousands)

**Supplemental Data:**

|                                      |           |           |           |           |           |
|--------------------------------------|-----------|-----------|-----------|-----------|-----------|
| EBITDA(1)                            | \$ 16,827 | \$ 46,262 | \$ 32,970 | \$ 10,459 | \$ 21,057 |
| Cash flows from operating activities | (2,227)   | 43,692    | 38,245    | 10,011    | 18,582    |
| Cash flows from investing activities | (99,907)  | (24,079)  | (13,176)  | (8,517)   | (14,087)  |
| Cash flows from financing activities | 103,253   | (11,635)  | (9,873)   | (7,105)   | 863       |

(1)

EBITDA means earnings before interest expense (including amortization of debt issuance costs), income taxes and depreciation and amortization. However, EBITDA should not be considered as an alternative to cash flows from operating activities as a measure of liquidity or as an alternative to net income as a measure of operating results in accordance with accounting principles generally accepted in the United States. Our definition of EBITDA may differ from definitions used by other companies. The following is a reconciliation of net income (loss) to EBITDA for each period presented:

Year Ended December 31,

|  | 1999 | 2000 | 2001 | 2002 | 2003 |
|--|------|------|------|------|------|
|  |      |      |      |      |      |

(In thousands)

|                                               |           |           |           |           |           |
|-----------------------------------------------|-----------|-----------|-----------|-----------|-----------|
| Net income (loss)                             | \$ (227)  | \$ 28,072 | \$ 10,994 | \$ 1,585  | \$ 7,442  |
| Add back items:                               |           |           |           |           |           |
| Income taxes                                  | 2         | (5,038)   | 6,189     | (2,278)   | 3,901     |
| Interest expense                              | 10,432    | 12,176    | 2,644     | 1,084     | 583       |
| Amortization of debt issuance costs           | 755       | 742       | 41        | 105       | 97        |
| Depreciation of property, plant and equipment | 3,635     | 5,500     | 8,294     | 8,761     | 7,774     |
| Amortization of intangibles                   | 2,230     | 4,810     | 4,808     | 1,202     | 1,260     |
| Total                                         | 17,054    | 18,190    | 21,976    | 8,874     | 13,615    |
| EBITDA                                        | \$ 16,827 | \$ 46,262 | \$ 32,970 | \$ 10,459 | \$ 21,057 |



**Exhibit Index**

| <b>Exhibit<br/>Number</b> | <b>Description</b>                                                                                                                                         |
|---------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 31.1                      | Certification of Chief Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a), promulgated under the Securities Exchange Act of 1934, as amended. |
| 31.2                      | Certification of Chief Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a), promulgated under the Securities Exchange Act of 1934, as amended. |
| 32.1                      | Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.         |
| 32.2                      | Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.         |



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