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

Form 10-K/A

(Amendment No. 1)

(Mark one)

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

For the fiscal year ended October 1, 2022

or

☐ 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 0-21272

Sanmina Corporation

(Exact name of registrant as specified in its charter)

DE	**77-0228183**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
2700 N. First St., San Jose CA	**95134**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code:
408 964-3500

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock	SANM	NASDAQ Global Select Market

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Securities Act. Yes ☐ No ☒

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act 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 every Interactive Data File required to be submitted 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 such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☒	Accelerated filer ☐	Non-accelerated filer ☐	Smaller reporting company	☐
				Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C.7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☒

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

The aggregate market value of the voting and non-voting common stock held by non-affiliates of the registrant was approximately $1,453,429,173 as of April 2, 2022 based upon the last reported sale price of the common stock on the NASDAQ Global Select Market on April 1, 2022.

As of May 3, 2023, the number of shares outstanding of the registrant's common stock was 58,168,859.

EXPLANATORY NOTE

Sanmina Corporation ("we" or "Sanmina" or the "Company") is filing this Amendment No. 1 on Form 10-K/A (the "Amendment" or "Form 10-K/A") to amend and restate certain items in its Annual Report on Form 10-K for the fiscal year ended October 1, 2022, originally filed with the Securities and Exchange Commission (the "SEC") on November 10, 2022 (the "Original Form 10-K"). Except as described below, no other information included in the Original Form 10-K is being amended or updated by this Amendment and this Amendment does not purport to reflect any information or events subsequent to the Original Form 10-K.

Restatement Background

One of the Company's divisions, which accounts for approximately 3% of the Company's total revenue on an annual basis and is part of its Components, Products and Services business (the "division"), primarily enters into long-term fixed price customer contracts on a project basis. The rules under U.S. generally accepted accounting principles require that the estimated amount of revenue and profit expected to be realized upon completion of a profitable contract is recognized over the life of the contract. However, if a contract is expected to be unprofitable upon completion, 100% of the expected loss must be recognized in the period in which it is initially estimated that a contract will result in a loss upon completion. To the extent a contract has any actual or anticipated cost overruns, the Company may have the ability to seek recovery from its customers.

During the preparation of its unaudited consolidated financial statements for the fiscal quarter ended April 1, 2023, the Company determined that certain personnel in the division had failed to properly substantiate and update cost estimates for materials and other costs over the life of certain contracts. As a result, the Company conducted an independent investigation (the "Investigation") under the direction of the Audit Committee of the Company's Board of Directors (the "Audit Committee"). The division, like other Company divisions, has a stand-alone finance organization, which reports directly to the Company's finance organization and indirectly to the management of the division. References in the findings below refer solely to this division unless otherwise noted. The Investigation found that:

- In connection with the preparation and review of quarterly contract cost and other estimates, an internal control in the Company's accounting process for the division's contracts with customers, certain division personnel made inappropriate and unsupported adjustments to reduce certain cost estimates and failed to appropriately evaluate and increase other cost estimates to reflect cost overruns and other costs associated with delays in completing certain contracts.

- The division had a culture that did not recognize or emphasize the importance of rigor in the division's quarterly contract estimate review process or its significance to the Company's internal control over financial reporting and accounting and financial reporting determinations with respect to the division's contracts with customers. Instead, the division's tone at the top and other control weaknesses enabled participants in the quarterly contract estimate review process to tolerate, place undue reliance on or otherwise fail to challenge unsupported adjustments and assumptions to contract cost estimates that had been made based on unsubstantiated optimism and/or a desire to avoid adverse outcomes.

- The division had an ineffective finance function that did not provide sufficient oversight on financial accounting and reporting matters or effectively challenge adjustments or other improper practices in the quarterly contract estimate review process.

- Certain division personnel lacked sufficient understanding of the division's policies and procedures for the quarterly contract estimate review process as well as the relevant cost and contract accounting practices and requirements.

- Certain division personnel provided materially inaccurate and incomplete information to, including in response to inquiries from, Company management and the Company's internal and independent auditors concerning contract cost estimates and related items.

Primarily as a result of these findings, revenue was over/(understated) by approximately $10.2 million, $18.3 million, ($29.1 million), $5.6 million and $1.0 million, and earnings per share was over/(understated) by approximately $0.09, $0.29, $0.25, ($0.06) and $0.04 in the fiscal years ended October 3, 2020, October 2, 2021 and October 1, 2022, and the fiscal quarters ended December 31, 2022 and January 1, 2022, respectively (collectively, the “Affected Periods”). The associated interim periods for the Affected Periods were also impacted. Because these misstatements are material to the Affected Periods compared to the previously reported results of operations for such periods, on May 10, 2023, the Audit Committee concluded that the consolidated financial statements for the Affected Periods included in the Company’s Annual Reports on Form 10-K for the fiscal years ended October 3, 2020, October 2, 2021 and October 1, 2022 and the unaudited condensed consolidated financial statements included in the Company’s Quarterly Reports on Form 10-Q for the quarterly fiscal periods included in such fiscal years and for the first fiscal quarter ended December 31, 2022 should no longer be relied upon. Any previously issued or filed reports, press releases, earnings releases and investor presentations or other communications describing the Company’s consolidated financial statements and other related financial information covering the Affected Periods should also no longer be relied upon.

Additionally, the Audit Committee concluded that management’s report on internal control over financial reporting for the fiscal year ended October 1, 2022, the opinion of PricewaterhouseCoopers LLP (“PwC”), the Company’s independent registered public accounting firm, on the consolidated financial statements for fiscal years ended October 3, 2020, October 2, 2021 and October 1, 2022, as well as PwC’s opinion on the effectiveness of the Company’s internal control over financial reporting as of October 1, 2022, should also no longer be relied upon. The Company’s management has concluded that in light of the findings described above, the Company’s disclosure controls and procedures for the Affected Periods were not effective because of material weaknesses in its internal controls over financial reporting. Refer to Item 9A. Controls and Procedures for additional details.

Restatement of Consolidated Financial Statements

This Form 10-K/A includes audited restated consolidated financial statements for the fiscal years ended October 3, 2020, October 2, 2021 and October 1, 2022, as well as unaudited restated quarterly financial information for the quarterly periods in the fiscal years ended October 2, 2021 and October 1, 2022. In addition to correcting the misstatements identified by the Investigation as described above, the audited restated consolidated financial statements for the fiscal years ended October 3, 2020, October 2, 2021 and October 1, 2022 and the unaudited restated quarterly financial information for the quarterly periods in the fiscal years ended October 2, 2021 and October 1, 2022 included herein also correct previously identified misstatements that the Company determined to be immaterial, both individually and in the aggregate. The impact of these corrections is included in the amounts referenced above.

For additional information on the audited restated consolidated financial statements for the fiscal years ended October 3, 2020, October 2, 2021 and October 1, 2022, see Note 2 of “Notes to the Consolidated Financial Statements” in this Form 10-K/A. For additional information on the unaudited restated quarterly financial information for the quarterly periods in the fiscal years ended October 2, 2021 and October 1, 2022, see Note 20 of “Notes to the Consolidated Financial Statements” in this Form 10-K/A.

This Form 10-K/A also amends and restates the following items included in the Original Form 10-K as appropriate to reflect the restatement and revision of the relevant periods: “Item 7-Management’s Discussion and Analysis of Financial Condition and Results of Operations”; “Item 8-Financial Statements and Supplementary Data”; “Item 9A-Controls and Procedures”; and “Item 15-Exhibits and Financial Statement Schedules.”

In accordance with Rule 12b-15 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), the Company is also including with this Form 10-K/A currently dated certifications of the Company’s Chief Executive Officer and Chief Financial Officer (attached as Exhibits 31.1, 31.2, 32.1, and 32.2). This Form 10-K/A also contains an updated consent of PwC attached as Exhibit 23.1.

Except as discussed above and as further described in Note 2 of “Notes to the Consolidated Financial Statements” in this Form 10-K/A, the Company has not modified or updated the disclosures presented in this 10-K/A. Accordingly, this 10-K/A does not reflect events occurring after the Original Form 10-K or modify or update those disclosures affected by subsequent events. Information not affected by the restatement is unchanged and reflects disclosures made at the time of the filing of the Original Form 10-K.

SANMINA CORPORATION

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Item 7. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

This report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements relate to our expectations for future events and time periods. All statements other than statements of historical fact are statements that could be deemed to be forward-looking statements, including any statements regarding trends in future revenue or results of operations, gross margin, operating margin, expenses, earnings or losses from operations, or cash flow; any statements of the plans, strategies and objectives of management for future operations and the anticipated benefits of such plans, strategies and objectives; any statements regarding future economic conditions or performance; any statements regarding litigation or pending investigations, claims or disputes; any statements regarding the timing of closing of, future cash outlays for, and benefits of acquisitions and other strategic transactions, any statements regarding expected restructuring costs and benefits; any statements concerning the adequacy of our current liquidity and the availability of additional sources of liquidity; any statements regarding the potential impact of the COVID-19 pandemic on our business, results of operations and financial condition; any statements regarding the potential impact of supply chain shortages and inflation on our business; any statements regarding the future impact of tariffs and export controls on our business; any statements relating to the expected impact of accounting pronouncements not yet adopted; any statements regarding future repurchases of our common stock; any statements of expectation or belief; and any statements of assumptions underlying any of the foregoing. Generally, the words "anticipate," "believe," "plan," "expect," "future," "intend," "may," "will," "should," "estimate," "predict," "potential," "continue" and similar expressions identify forward-looking statements. Our forward-looking statements are based on current expectations, forecasts and assumptions and are subject to risks and uncertainties, including those contained in Part I, Item 1A of this report. As a result, actual results could vary materially from those suggested by the forward looking statements. We undertake no obligation to publicly disclose any revisions to these forward-looking statements to reflect events or circumstances occurring subsequent to filing this report with the Securities and Exchange Commission (the "SEC"). Investors and others should note that Sanmina announces material financial information to our investors using our investor relations website (http://ir.sanmina.com/investor-relations/overview/default.aspx), SEC filings, press releases, public conference calls and webcasts. We use these channels to communicate with our investors and the public about Sanmina, its products and services and other issues. It is possible that the information we post on our investor relations website could be deemed to be material information. Therefore, we encourage investors, the media, and others interested in Sanmina to review the information we post on our investor relations website. The contents of our investor relations website are not incorporated by reference into this annual report on Form 10-K or in any other report or document we file with the SEC.

Overview

We are a leading global provider of integrated manufacturing solutions, components, products and repair, logistics and after-market services. Our revenue is generated from sales of our products and services primarily to original equipment manufacturers (OEMs) that serve the industrial, medical, defense and aerospace, automotive, communications networks and cloud solutions industries.

Our operations are managed as two businesses:

1) Integrated Manufacturing Solutions (IMS). Our IMS segment consists of printed circuit board assembly and test, high-level assembly and test and direct-order-fulfillment.

2) Components, Products and Services (CPS). Components include printed circuit boards, backplanes and backplane assemblies, cable assemblies, fabricated metal parts, precision machined parts, and plastic injected molded parts. Products include memory solutions from our Viking Technology division; high-performance storage platforms for hyperscale and enterprise solutions from our Viking Enterprise Solutions (VES) division; optical, radio frequency (RF) and microelectronic (microE) design and manufacturing services from Advanced Microsystems Technologies; defense and aerospace products from SCI Technology; and cloud-based manufacturing execution software from our 42Q division. Services include design, engineering and logistics and repair.

Our only reportable segment for financial reporting purposes is IMS, which represented approximately 80% of our total revenue in 2022. Our CPS business consists of multiple operating segments which do not individually meet the quantitative thresholds for being presented as reportable segments. Therefore, financial information for these operating segments is combined and presented in a single category entitled "Components, Products and Services".

All references in this section to years refer to our fiscal years ending on the Saturday nearest to September 30. Fiscal 2022 and 2021 were each 52-weeks and fiscal 2020 was a 53-week year, with the extra week occurring during the fourth quarter of fiscal 2020. All references to years relate to fiscal years unless otherwise noted.

Our strategy is to leverage our comprehensive product and service offerings, advanced technologies and global capabilities to further penetrate diverse end markets that we believe offer significant growth opportunities and have complex products that require higher value-added services. We believe this strategy differentiates us from our competitors and will help drive more sustainable revenue growth and provide opportunities for us to ultimately achieve operating margins that exceed industry standards.

There are many challenges to successfully executing our strategy. For example, we compete with a number of companies in each of our key end markets. This includes companies that are much larger than we are and smaller companies that focus on a particular niche. Although we believe we are well-positioned in each of our key end markets and seek to differentiate ourselves from our competitors, competition remains intense and profitably growing our revenues has been challenging. Additionally, the COVID-19 pandemic created a unique and challenging environment in which our revenue and profitability in 2021 and 2020 were significantly and negatively impacted. These impacts arose from rapidly changing market and economic conditions caused by the pandemic, as well as by numerous measures imposed by government authorities to try to limit the spread of the virus. These conditions and measures disrupted our operations and those of our customers, interrupted the supply of components, reduced the capacity of our logistics providers to deliver the components we use and ship the products we manufacture and resulted in temporary closures of manufacturing sites and reduced staffing of our plants. Although conditions have improved in many of the regions in which we operate, we cannot predict when the COVID-19 pandemic will cease to present risks to our business due to a large number of uncertainties, including the duration of ongoing supply chain constraints directly and indirectly caused by the pandemic, the extent of the impact of the pandemic on our customers' businesses, the number of employees who may become infected or exposed to infected persons, the need for temporary plant closures caused by large scale employee infections, the duration of the outbreak, the continued efficacy and availability of COVID-19 vaccines, the geographic locations of any future outbreaks, including outbreaks caused by variants of COVID-19, such as the Omicron variant and its subvariants, and actions that government authorities may take in response. For example, China continues to maintain a "zero tolerance" policy towards COVID-19 infections, which has disrupted and could continue to disrupt our operations and our suppliers' operations there. Thus, we believe the pandemic and related supply chain disruptions could continue to have a negative impact on our business, results of operations and financial condition for the foreseeable future.

Separately, over the past three years, we incurred restructuring charges of $31 million under our company-wide restructuring plan adopted in October 2019 ("Q1 FY20 Plan"). These charges consist primarily of severance. Substantially all cash payments have occurred.

Sales to our ten largest customers typically represent approximately 50% of our net sales in any given year. Sales to Nokia and Motorola each represented 10% or more of our net sales in 2022. Nokia represented 10% or more of our net sales in 2021 and 2020.

We typically generate about 80% of our net sales from products manufactured in our foreign operations. The concentration of foreign operations has resulted primarily from a desire on the part of many of our customers to manufacture in lower cost locations in regions such as Asia, Latin America and Eastern Europe.

Historically, we have had substantial recurring sales to existing customers. We typically enter into supply agreements with our major OEM customers. These agreements generally have terms ranging from three to five years and cover the manufacture of a range of products. Under these agreements, a customer typically purchases its requirements for specific products in particular geographic areas from us. However, these agreements generally do not obligate the customer to purchase minimum quantities of products, which can have the effect of reducing revenue and profitability. In addition, some customer contracts contain cost reduction objectives, which can also have the effect of reducing revenue from such customers.

The U.S., China, the E.U. and several other countries have imposed tariffs impacting certain imported products. Although our customers are generally liable to us for reimbursement of tariffs we pay on components imported for the manufacture of their products, there can be no assurance that we will be successful in recovering all of the tariffs that are owed to us. Unrecovered tariffs paid on behalf of our customers reduce our gross margins. Also, although we are required to pay tariffs upon importation of the components, we may not recover these amounts from customers until sometime later, which adversely impacts our operating cash flow in a given period. However the net impact of tariffs, after recovery from customers, has not been, and is not expected to be, material to us.

On October 3, 2022, subsequent to the end of the fourth quarter of 2022, we completed a joint venture transaction in which we entered into a Share Subscription and Purchase Agreement (the “SSPA”) and a Joint Venture and Shareholders’ Agreement (the “Shareholders’ Agreement”) with Reliance Strategic Business Ventures Limited (“RSBVL”), a wholly owned subsidiary of Reliance Industries Limited. Pursuant to the SSPA and the Shareholders’ Agreement, the parties established Sanmina SCI India Private Limited (“SIPL”), our existing Indian manufacturing entity, as a joint venture to engage in manufacturing in India of telecommunications equipment, data center and internet equipment, medical equipment, clean technology equipment and other high-tech equipment. As a result of the transaction, RSBVL acquired shares of SIPL for approximately $215 million of cash such that immediately after the closing of the transaction, RSBVL holds 50.1% of the outstanding shares of SIPL and Sanmina holds the remaining 49.9% of the outstanding shares of SIPL. The amount received from RSBVL was based on preliminary calculations and is subject to adjustment based on final calculations. Given the terms of the agreements entered into by the parties concerning management of the joint venture, we expect to continue to consolidate SIPL in future periods.

Restatement

As described in the Explanatory Note above and in Note 2 of “Notes to the Consolidated Financial Statements,” we have restated our consolidated financial statements and Item 7. Management’s Discussion of Financial Condition and Results of Operations for the years ended October 1, 2022, October 2, 2021 and October 3, 2020.

Critical Accounting Policies and Estimates

Management’s discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements which have been prepared in accordance with accounting principles generally accepted in the United States (“GAAP”). We review the accounting policies used in reporting our financial results on a regular basis. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, net sales and expenses and related disclosure of contingent liabilities. On an ongoing basis, we evaluate the process used to develop estimates related to accounts receivable, inventories, income taxes, environmental matters, litigation and other contingencies, as well as estimates related to costs expected to be incurred to satisfy performance obligations under long-term contracts and variable consideration related to such contracts. We base our estimates on historical experience and on various other assumptions that we believe are reasonable for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Due to the COVID-19 pandemic, the global economy and financial markets were disrupted and there is a significant amount of uncertainty about the length and severity of the consequences caused by the pandemic. We have considered information available to us as of the date of issuance of these financial statements and, other than the impairments described in Note 5, are not aware of any specific events or circumstances that would require an update to our estimates or judgments, or a revision to the carrying value of our assets or liabilities. Our estimates may change as new events occur and additional information becomes available. Our actual results may differ materially from these estimates.

We believe the following critical accounting policies reflect the more significant judgments and estimates used by us in preparing our consolidated financial statements:

Revenue Recognition. We derive revenue principally from sales of integrated manufacturing solutions, components and Company-proprietary products. Other sources of revenue include logistic and repair services; design, development and engineering services; defense and aerospace programs; and sales of raw materials to customers whose requirements change after we have procured inventory to fulfill the customer’s forecasted demand.

For purposes of determining when to recognize revenue, and in what amount, we apply a 5-step model: (1) identify the contract with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when (or as) we satisfy a performance obligation. Each of these steps may involve the use of significant judgments.

We recognize revenue for the majority of our contracts on an over time basis. This is due to the fact that 1) we do not have an alternative use for the end products we manufacture for our customers and have an enforceable right to payment, including a reasonable profit, for work-in-progress upon a customer’s cancellation of a contract for convenience or 2) our customer simultaneously receives and consumes the benefits provided by our services. For these contracts, revenue is recognized on an over time basis using the cost-to-cost method (ratio of costs incurred to date to total estimated costs at completion) which we believe best depicts the transfer of control to the customer. Revenue streams for which revenue is recognized on an over time basis include sales of vertically integrated manufacturing solutions (integrated manufacturing solutions and components); logistics and repair services; design, development and engineering services; and defense and aerospace programs.

Application of the cost-to-cost method for government contracts in our Defense and Aerospace division requires the use of significant judgments with respect to estimated materials, labor and subcontractor costs included in the total estimated costs at completion. Additionally, we evaluate whether contract modifications for claims have been approved and, if so, estimate the amount, if any, of variable consideration that can be included in the transaction price of the contract. This division is an operating segment whose results are combined with eleven other operating segments and reported under CPS. In 2022, CPS revenue and gross profit were $1.5 billion and $176 million, respectively.

Estimates of materials, labor and subcontractor costs expected to be incurred to satisfy a performance obligation are updated on a quarterly basis. These estimates consider costs incurred to date and estimated costs to be incurred over the remaining expected period of performance to satisfy a performance obligation. Such estimates are reviewed each quarter by a group of employees that includes representatives from numerous functions such as engineering, materials, contracts, manufacturing, program management, finance and senior management. If a change in estimate is deemed necessary, the impact of the change is recognized in the period of change. Additionally, contract modifications for claims are assessed each quarter to determine whether the claims have been approved. If it is determined that a claim has been approved, the amount of the claim, if any, that can be included in transaction price is estimated considering a number of factors such as the length of time expected to lapse until uncertainty about the claim has been resolved and the extent to which our experience with claims for similar contracts has predictive value.

For contracts for which revenue is required to be recognized at a point-in-time, we recognize revenue when we have transferred control of the related goods, which generally occurs upon shipment or delivery of the goods to the customer. Revenue streams for which revenue is recognized at a point-in-time include Company-proprietary products and sales of raw materials.

Inventories— We state inventories at the lower of cost (first-in, first-out method) and net realizable value. Cost includes raw materials, labor and manufacturing overhead. We regularly evaluate the carrying value of our inventories and make provisions to reduce excess and obsolete inventories to their estimated net realizable values. The ultimate realization of inventory carrying amounts is affected by changes in customer demand for inventory that customers are not contractually obligated to purchase and inventory held for specific customers who are experiencing financial difficulties. Inventory write-downs are recorded based on forecasted demand, past experience with specific customers, the ability to redistribute inventory to other programs or return inventories to our suppliers, and whether customers are contractually obligated and have the ability to pay for the related inventory. Certain payments received from customers for inventories that have not been shipped to customers or otherwise disposed of are netted against inventory.

We generally procure inventory based on specific customer orders and forecasts. Customers generally have limited rights of modification (for example, rescheduling or cancellations) with respect to specific orders. Customer modifications of orders affecting inventory previously procured by us and our purchases of inventory beyond customer needs may result in excess and obsolete inventory. Although we may be able to use some excess inventory for other products we manufacture, a portion of this excess inventory may not be returnable to vendors or recoverable from customers. Write-offs or write-downs of inventory could be caused by:

- changes in customer demand for inventory, such as cancellation of orders, and our purchases of inventory beyond customer needs that result in excess quantities on hand that we are not able to return to the vendor, use to fulfill orders from other customers or charge back to the customer;
- financial difficulties experienced by specific customers for whom we hold inventory; and
- declines in the market value of inventory.

Long-lived Assets—We review property, plant and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. An asset group is the unit of accounting that represents the lowest level for which identifiable cash flows are largely independent of the cash flows of other groups of assets. An asset or asset group is considered impaired if its carrying amount exceeds the undiscounted future net cash flows the asset or asset group is expected to generate. If an asset or asset group is considered impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset or asset group exceeds its fair value. For asset groups for which a building is the primary asset, we estimate fair value primarily based on data provided by commercial real estate brokers. For other assets, we estimate fair value based on projected discounted future net cash flows, which requires significant judgment.

Income Taxes— We estimate our income tax provision or benefit in each of the jurisdictions in which we operate, including estimating exposures related to examinations by taxing authorities. We believe our accruals for tax liabilities are adequate for all open years based on our assessment of many factors, including past experience and interpretations of tax law applied to the facts of each matter. Although we believe our accruals for tax liabilities are adequate, tax regulations are subject to interpretation and the tax controversy process is inherently lengthy and uncertain; therefore, our assessments can involve a series of complex judgments about future events and rely heavily on estimates and assumptions. To the extent the probable tax outcome of these matters changes, such changes in estimate will impact our income tax provision in the period in which such determination is made. We only recognize or continue to recognize tax positions that meet a "more likely than not" threshold of being upheld. Interest and penalties related to unrecognized tax benefits are recognized as a component of income tax expense.

We must also make judgments regarding the realizability of deferred tax assets. The carrying value of our net deferred tax assets is based on our belief that it is more likely than not that we will generate sufficient future taxable income in certain jurisdictions to realize these deferred tax assets. We evaluate positive and negative evidence each reporting period when assessing the need for a valuation allowance. A valuation allowance is established for deferred tax assets if we believe realization of such assets is not more likely than not. Our judgments regarding future taxable income may change due to changes in market conditions, new or modified tax laws, tax planning strategies or other factors. If our assumptions, and consequently our estimates, change in the future, the valuation allowances we have established may be increased or decreased, resulting in a respective increase or decrease in income tax expense.

Our effective tax rate is highly dependent upon the amount and geographic distribution of our worldwide income or losses, the tax regulations, rates and holidays in each geographic region, the utilization of net operating losses, the availability of tax credits and carryforwards, and the effectiveness of our tax planning strategies.

Results of Operations

Years Ended October 1, 2022, October 2, 2021 and October 3, 2020.

The following table presents our key operating results.

	Year Ended		
	October 1, 2022	October 2, 2021 (Restated)	October 3, 2020
		(In thousands)	
Net sales	$ 7,919,622	$ 6,738,356	$ 6,950,208
Gross profit	$ 622,206	$ 526,441	$ 517,164
Gross margin	7.9 %	7.8 %	7.4 %
Operating expenses	$ 272,727	$ 270,505	$ 298,020
Operating income	$ 349,479	$ 255,936	$ 219,144
Operating margin	4.4 %	3.8 %	3.2 %
Net income	$ 240,384	$ 249,546	$ 133,169

Net Sales (As Restated)

Net sales increased from $6.7 billion for 2021 to $7.9 billion for 2022, an increase of 17.5%. Net sales decreased from $7.0 billion for 2020 to $6.7 billion for 2021, a decrease of 3.0%. Sales by end market were as follows:

	Year Ended			2022 vs. 2021		2021 vs. 2020	
	October 1, 2022	October 2, 2021	October 3, 2020	Increase/(Decrease)		Increase/(Decrease)	
			(Dollars in thousands)				
Industrial, Defense, Medical and Automotive	$ 4,744,088	$ 3,871,754	$ 4,117,558	$ 872,334	22.5 %	$ (245,804)	(6.0)%
Communications Networks and Cloud Infrastructure	3,175,534	2,866,602	2,832,650	308,932	10.8 %	33,952	1.2 %
Total	$ 7,919,622	$ 6,738,356	$ 6,950,208	$ 1,181,266	17.5 %	$ (211,852)	(3.0)%

Comparison of 2022 to 2021 by End Market

The increase in sales was primarily due to three factors. First, there was stronger demand overall in each of our end markets, driven in part by the continued stabilization of lead times for supply constrained parts. Secondly, we were able to pass to our customers the vast majority of the increased cost of components caused by supply constraints. Lastly, we added several new programs that contributed to increased sales in 2022.

Comparison of 2021 to 2020 by End Market

The decrease in sales in our industrial, defense, medical and automotive end market was caused primarily by the continuing negative impact of the COVID-19 pandemic in 2021, which resulted in supply shortages, restrictions on the types of products we could manufacture and disruptions to our operations and those of our customers. In particular, there was a shortage of components in our industrial segment starting in the second half of 2021 that prevented us from shipping all of the product for which we had demand. The slight increase in sales in our communications networks and cloud infrastructure end market was primarily due to a more significant impact from the COVID-19 pandemic in 2020 than in 2021.

Gross Margin (As Restated)

Gross margin was 7.9%, 7.8% and 7.4% in 2022, 2021 and 2020, respectively. IMS gross margin increased to 7.2% in 2022 from 7.1% in 2021. Despite an increase in revenue, IMS gross margin increased only slightly because there was little to no markup on the increased cost of components that we were able to pass on to our customers. Despite higher revenues, CPS gross margin decreased to 10.6% in 2022 from 11% in 2021, primarily due to a less favorable mix of revenue between the individual businesses in CPS.

IMS gross margin increased to 7.1% in 2021 from 6.7% in 2020, primarily due to increased operational efficiencies and the benefit of cost reduction and containment efforts implemented in 2020, some of which were in response to the COVID-19 pandemic. CPS gross margin increased to 11% in 2021 from 10.8% in 2020, primarily due to increased volume, operational efficiencies, favorable product mix and the benefit of cost reduction and containment efforts described above.

We have experienced fluctuations in gross margin in the past and may continue to do so in the future. Fluctuations in our gross margin may be caused by a number of factors, including:

- the ongoing impacts of the COVID-19 pandemic and related supply chain constraints on our operations, the operations of our suppliers and on our customers' businesses;
- capacity utilization which, if lower, results in lower margins due to fixed costs being absorbed by lower volumes;
- changes in the mix of high and low margin products demanded by our customers;
- competition in the EMS industry and pricing pressures from OEMs due to greater focus on cost reduction;
- the amount of our provisions for excess and obsolete inventory, including those associated with distressed customers;
- levels of operational efficiency and production yields; and
- our ability to transition the location of and ramp manufacturing and assembly operations when requested by a customer in a timely and cost-effective manner.

Selling, General and Administrative

Selling, general and administrative expenses were $244.6 million, $234.5 million and $240.9 million in 2022, 2021 and 2020, respectively. As a percentage of net sales, selling, general and administrative expenses were 3.1%, 3.5% and 3.5% for 2022, 2021 and 2020, respectively. The increase in absolute dollars in 2022 was primarily due to higher incentive compensation, partially offset by a decrease in our deferred compensation liability resulting from a decline in the market value of participant investment accounts in 2022. The decrease in absolute dollars in 2021 was primarily attributable to reduced headcount in 2021 resulting from continued actions under our Q1 FY20 Plan and reduced travel and certain other expenses in 2021 in continued response to the COVID-19 pandemic.

Restructuring

Restructuring costs were $11 million, $15 million, and $27 million in 2022, 2021, and 2020, respectively.

The following table is a summary of restructuring costs:

	Year Ended		
	October 1, 2022	October 2, 2021	October 3, 2020
		(In thousands)	
Severance costs	$ 319	$ 9,405	$ 17,919
Other exit costs (recognized as incurred)	1,500	1,834	71
Total - Q1 FY20 Plan	1,819	11,239	17,990
Costs incurred for other plans	9,606	3,818	8,793
Total - all plans	$ 11,425	$ 15,057	$ 26,783

Q1 FY20 Plan

On October 28, 2019, we adopted a Company-wide restructuring plan ("Q1 FY20 Plan") under which we have incurred restructuring costs of approximately $31 million through October 1, 2022. These charges consist primarily of severance. Substantially all cash payments have occurred and actions under this plan are complete.

Other plans

Other plans include a number of plans for which costs are not expected to be material individually or in the aggregate.

All Plans

Our Integrated Manufacturing Solutions ("IMS") segment incurred costs of $1 million and $9 million for the year ended October 1, 2022 and October 2, 2021, respectively. Our CPS segment incurred costs of $10 million and $5 million for the years ended October 1, 2022 and October 2, 2021, respectively. In addition, we incurred costs of $1 million for the year ended October 2, 2021 for corporate headcount reductions that were not allocated to our IMS and CPS segments. We had accrued liabilities of $6 million as of October 1, 2022 and October 2, 2021 for restructuring costs (exclusive of long-term environmental remediation liabilities).

We expect to incur restructuring costs, which could be material, in future periods primarily relating to vacant facilities and former sites for which we are or may be responsible for environmental remediation.

Goodwill And Other Impairments

We recorded an impairment charge of $2 million in 2022 and 2020 for certain long-lived assets.

During the second quarter of 2020, commodity prices in the oil and gas market experienced a sharp decline due to a combination of an oversaturated supply and a decrease in demand caused by the COVID-19 pandemic. This commodity price decline negatively impacted the projected cash flows of our oil and gas reporting unit, which is part of our CPS operating segment. Therefore, we performed a goodwill impairment test for this particular reporting unit and concluded that the fair value of the reporting unit was below its carrying value, resulting in an impairment charge of $7 million. The fair value of the reporting unit was estimated based on the present value of future discounted cash flows. We had no such charge in 2022 and 2021.

Gain on Sale of Long-lived Assets

During the first quarter of 2022, we recognized a gain of $5 million primarily from the sale of a certain real property.

Interest Expense

Interest expense was $22 million, $20 million and $29 million in 2022, 2021 and 2020, respectively. Interest expense increased $3 million in 2022 primarily due to higher daily average borrowings under our revolving credit facility. Interest expense decreased $9 million in 2021 compared to 2020 due primarily to lower daily average borrowings under our revolving credit facility in 2021.

Other Income (Expense), net

Other income (expense), net was $(26) million in 2022, $44 million in 2021 and a $(0.3) million in 2020.

Other income (expense), net of $(26) million in 2022 consists primarily of a $7 million allowance that was provided for a note receivable from the 2021 sale of certain intellectual property assets based on our expectation that we will incur credit losses with the counterparty, a $6 million decline in the market value of participant investment accounts in our deferred compensation plan in 2022, $5 million in fees for sales of accounts receivable, a pension settlement charge of $2 million for the termination of our frozen U.S. defined benefit plan and a loss on extinguishment of debt of $1 million consisting of a write-off of unamortized debt issuance costs.

Other income (expense), net of $44 million in 2021 consists primarily of receipt of payments of $16 million in connection with settlements of certain anti-trust class action matters, a $15 million gain from the sale of certain intellectual property assets and an $8 million gain on liquidation of a foreign entity.

Provision for Income Taxes (As Restated)

We recorded income tax expense of $62 million, $32 million and $59 million in 2022, 2021 and 2020, respectively. Our effective tax rate was 20%, 11% and 31% for 2022, 2021 and 2020, respectively.

Our effective tax rates for 2022 and 2021 were lower than the expected U.S. statutory rate of 21% primarily due to a $16 million and $43 million tax benefit, respectively, resulting from the release of foreign tax reserves due to lapse of time and expiration of statutes of limitations.

Liquidity and Capital Resources

	Year Ended		
	October 1, 2022	October 2, 2021	October 3, 2020
		(In thousands)	
Net cash provided by (used in):			
Operating activities	$ 330,854	$ 338,342	$ 300,555
Investing activities	(132,214)	(91,325)	(64,409)
Financing activities	(314,299)	(77,318)	(210,280)
Effect of exchange rate changes	(4,510)	(199)	(81)
Increase (decrease) in cash and cash equivalents	$ (120,169)	$ 169,500	$ 25,785

Key Working Capital Management Measures

	As of	
	October 1, 2022	October 2, 2021
	(Restated)	
Days sales outstanding (1)	48	64
Contract asset days (2)	19	19
Inventory turns (3)	5.0	6.3
Days inventory on hand (4)	73	58
Accounts payable days (5)	90	83
Cash cycle days (6)	50	58

(1) Days sales outstanding (a measure of how quickly we collect our accounts receivable), or “DSO”, is calculated as the ratio of average accounts receivable, net, to average daily net sales for the quarter.

(2) Contract asset days (a measure of how quickly we transfer contract assets to accounts receivable) are calculated as the ratio of average contract assets to average daily net sales for the quarter.

(3) Inventory turns (annualized) (a measure of how quickly we sell inventory) are calculated as the ratio of four times our cost of sales for the quarter to average inventory.

(4) Days inventory on hand (a measure of how quickly we turn inventory into sales) is calculated as the ratio of average inventory for the quarter to average daily cost of sales for the quarter.

(5) Accounts payable days (a measure of how quickly we pay our suppliers), or “DPO”, is calculated as the ratio of 365 days to accounts payable turns, in which accounts payable turns is calculated as the ratio of four times our cost of sales for the quarter to average accounts payable.

(6) Cash cycle days (a measure of how quickly we convert investments in inventory to cash) is calculated as days inventory on hand plus days sales outstanding minus accounts payable days.

Cash and cash equivalents were $530 million at October 1, 2022 and $650 million at October 2, 2021. Our cash levels vary during any given period depending on the timing of collections from customers and payments to suppliers, borrowings under credit facilities, sales of accounts receivable under numerous programs we utilize, repurchases of capital stock and other factors. Our working capital was approximately $1.4 billion and $1.5 billion as of October 1, 2022 and October 2, 2021, respectively.

Net cash provided by operating activities was $331 million, $338 million and $301 million for 2022, 2021 and 2020, respectively. Cash flows from operating activities consists of: (1) net income adjusted to exclude non-cash items such as depreciation and amortization, deferred income taxes and stock-based compensation expense and (2) changes in net operating assets, which are comprised of accounts receivable, contract assets, inventories, prepaid expenses and other assets, accounts payable, accrued liabilities and other long-term liabilities. Our working capital metrics tend to fluctuate from quarter-to-quarter based on factors such as the linearity of our shipments to customers and purchases from suppliers, customer and supplier mix, and payment terms with customers and suppliers. These fluctuations can significantly affect our cash flows from operating activities.

During 2022, we generated $427 million of cash from earnings, excluding non-cash items, and used $96 million of cash because of an increase in our net operating assets and liabilities, resulting primarily from increases in inventories and contract assets of $651 million and $143 million, respectively, partially offset by increases in accounts payable and accrued liabilities of $559 million and $124 million, respectively. The increase in inventories is primarily due to shortages of certain components that prevented us from shipping all products for which we had both demand and the other components necessary to build such products. The increase in contract assets is primarily due to an increase in overall demand in 2022, which resulted in a higher level of services performed for which revenue has been recognized, but products had not been delivered and invoiced to the customer. The increase in accounts payable is primarily attributable to the increase in inventory noted above. The increase in accrued liabilities is primarily due to an increase in advance payments from customers and an increase in amounts collected under our accounts receivable sales program that had not been remitted as of the end of the quarter to the financial institutions that purchased the receivables. DSO decreased from 64 days as of 2021 to 48 days as of 2022 due primarily to an increase in accounts receivable factoring.

Net cash used in investing activities was $132 million, $91 million and $64 million for 2022, 2021 and 2020, respectively. In 2022, we used $139 million of cash for capital expenditures, purchased $2 million of long-term investments and received $8 million primarily from the sale of a certain property. In 2021, we used $73 million of cash for capital expenditures, paid $21 million in connection with a business combination, purchased $3 million of long-term investments and received $5 million from the sale of certain intellectual property assets.

Net cash used in financing activities was $314 million, $77 million and $210 million for 2022, 2021 and 2020, respectively. In 2022, we repurchased $331 million of common stock (including $14 million in settlement of employee tax withholding obligations), repaid an aggregate of $333 million of long-term debt using $350 million of proceed from the issuance of a term loan, incurred $3 million of costs in connection with the amendment of the Fourth Amended and Restated Loan Agreement, dated as of November 30, 2018 (the “Existing Credit Agreement”) and received $2 million of proceeds from issuances of common stock pursuant to stock option exercises. In 2021, we repurchased $64 million of common stock (including $10 million in settlement of employee tax withholding obligations), repaid an aggregate of $19 million of long-term debt, received $3 million of proceeds from issuances of common stock pursuant to stock option exercises and received $3 million of installment payments from the sale of certain intellectual property assets.

Revolving Credit Facility. During the fourth quarter of 2022, we entered into a Fifth Amended and Restated Credit Agreement ("Credit Agreement") that amended and restated the Existing Credit Agreement. The Credit Agreement provides for an $800 million revolving credit facility and a $350 million secured term loan ("Term Loan Due 2027"), together with an accordion feature by which we can obtain, subject to the satisfaction of specified conditions and commitment of the lenders, additional revolving commitments in an aggregate amount of up to $200 million.

Costs incurred in connection with the Credit Agreement of $3 million are classified as long-term debt and are being amortized to interest expense over the life of the Term Loan Due 2027 using the effective interest method.

The Term Loan Due 2027 was fully drawn on the Closing Date and proceeds were used to repay the term loan outstanding under the Existing Credit Agreement. Upon repayment, we recorded a loss on extinguishment of debt of $1 million consisting of a write-off of unamortized debt issuance costs for the Existing Credit Agreement.

Loans under the Credit Agreement bear interest, at our option, at either the Secured Overnight Financing Rate benchmark interest rate ("SOFR") or a base rate, in each case plus a spread determined based on our credit rating. Interest on the loans is payable quarterly in arrears with respect to base rate loans and at the end of an interest period (and at three-month intervals if the interest period exceeds three months) in the case of SOFR loans. The outstanding principal amount of all loans under the Credit Agreement, including the Term Loan Due 2027, together with accrued and unpaid interest, is due on September 27, 2027. We are required to repay a portion of the principal amount of the Term Loan Due 2027 equal to 1.25% of the principal in quarterly installments.

Our and our subsidiary guarantors' obligations under the Credit Agreement are secured by substantially all of the assets (excluding real property) of Sanmina and its subsidiary guarantors, including cash, accounts receivable, inventory and the shares of certain of our subsidiaries, subject to certain exceptions.

As of October 1, 2022, no borrowings and $9 million of letters of credit were outstanding under the Credit Agreement, under which $791 million was available to borrow. There were no borrowings outstanding under the Credit Agreement as of October 2, 2021.

Short-term Borrowing Facilities. As of October 1, 2022, certain of our foreign subsidiaries had a total of $70 million of short-term borrowing facilities available, under which no borrowings were outstanding. These facilities expire at various dates through the second quarter of 2024.

Debt Covenants

The Credit Agreement requires us to comply with a minimum consolidated interest coverage ratio, measured at the end of each fiscal quarter, and at all times a maximum consolidated leverage ratio. The Credit Agreement contains customary affirmative covenants, including covenants regarding the payment of taxes and other obligations, maintenance of insurance, reporting requirements and compliance with applicable laws and regulations. Further, the Credit Agreement contains customary negative covenants limiting our ability and that of our subsidiaries to, among other things, incur debt, grant liens, make investments, make acquisitions, make certain restricted payments and sell assets, subject to certain exceptions.

As of October 1, 2022, we were in compliance with these covenants.

Other Liquidity Matters

During 2022 and 2021 we repurchased 8.0 million shares and 1.5 million shares of our common stock for $317 million and $54 million (including commissions), respectively, under stock repurchase programs authorized by the Board of Directors. These programs have no expiration dates and the timing of repurchases will depend upon capital needs to support the growth of our business, market conditions and other factors. Although stock repurchases are intended to increase stockholder value, purchases of shares reduce our liquidity. As a result, the timing of future repurchases depends upon our future capital needs, market conditions and other factors. As of October 1, 2022, an aggregate of $164 million remains available under these programs.

We are party to a Receivables Purchase Agreement (the "RPA") with certain third-party banking institutions for the sale of trade receivables generated from sales to certain customers, subject to acceptance by, and a funding commitment from, the banks that are party to the RPA. As of October 1, 2022, a maximum of $539 million of sold receivables can be outstanding at any point in time under this program, as amended, subject to limitations under our Existing Credit Agreement. Additionally, the amount available under the RPA is uncommitted and, as such, is available at the discretion of our third-party banking institutions. Under the Credit Agreement, the percentage of our total accounts receivable that can be sold and outstanding at any time is 50%. Trade receivables sold pursuant to the RPA are serviced by us.

In addition to the RPA, we have the option to participate in trade receivables sales programs that have been implemented by certain of our customers, as in effect from time to time. We do not service trade receivables sold under these other programs.

The sale of receivables under all of these programs is subject to the approval of the banks or customers involved and there can be no assurance that we will be able to sell the maximum amount of receivables permitted by these programs when desired.

Under each of the programs noted above, we sell our entire interest in a trade receivable for 100% of face value, less a discount. For the years ended October 1, 2022 and October 2, 2021, we sold $1.9 billion and $0.5 billion, respectively, of accounts receivable under these programs. Upon sale, these receivables are removed from the consolidated balance sheets and cash received is presented as cash provided by operating activities in the consolidated statements of cash flows. Discounts on sold receivables were not material for any period presented. As of October 1, 2022 and October 2, 2021, $194 million and $7 million, respectively, of accounts receivable sold under the RPA and subject to servicing by us remained outstanding and had not yet been collected. Our sole risk with respect to receivables we service is with respect to commercial disputes regarding such receivables. Commercial disputes include billing errors, returns and similar matters. To date, we have not been required to repurchase any receivable we have sold due to a commercial dispute. Additionally, we are required to remit amounts collected by us as servicer on a weekly basis to the financial institutions that purchased the receivables. As of October 1, 2022 and October 2, 2021, $49 million and $18 million, respectively, had been collected but not yet remitted. This amount is classified in accrued liabilities on the consolidated balance sheets.

We enter into forward interest rate swap agreements with independent counterparties to partially hedge the variability in cash flows due to changes in the benchmark interest rate (Term SOFR) associated with anticipated variable rate borrowings. These interest rate swaps have a maturity date of December 1, 2023, and effectively converts a portion of our variable interest rate obligations under our Amended Cash Flow Revolver to fixed interest rate obligations. These swaps are accounted for as cash flow hedges under ASC Topic 815, Derivatives and Hedging. Interest rate swaps with an aggregate notional amount of $350 million were outstanding as of October 1, 2022 and October 2, 2021. The aggregate effective interest rate of these swaps as of October 1, 2022 was approximately 4.1%. Given the recent rise in interest rates and the continued likelihood of additional rate increases, these interest rate swaps had a positive value of $6 million as of October 1, 2022, of which the majority is included in prepaid expenses and other current assets and the remaining amount is included in other assets on the consolidated balance sheets.

In the ordinary course of business, we are or may become party to legal proceedings, claims and other contingencies, including environmental, warranty and employee matters and examinations by government agencies. As of October 1, 2022, we had accrued liabilities of $38 million related to such matters. We cannot accurately predict the outcome of these matters or the amount or timing of cash flows that may be required to defend ourselves or to settle such matters or that these reserves will be sufficient to fully satisfy our contingent liabilities.

As of October 1, 2022, we had a liability of $65 million for uncertain tax positions. Our estimate of liabilities for uncertain tax positions is based on a number of subjective assessments, including the likelihood of a tax obligation being assessed, the amount of taxes (including interest and penalties) that would ultimately be payable, and our ability to settle any such obligations on favorable terms. Therefore, the amount of future cash flows associated with uncertain tax positions may be significantly higher or lower than our recorded liability and we are unable to reliably estimate when cash settlement may occur.

Our liquidity is largely dependent on changes in our working capital, including sales of accounts receivable under our receivables sales programs and the extension of trade credit by our suppliers, investments in manufacturing inventory, facilities and equipment, repayments of obligations under outstanding indebtedness and repurchases of common stock. In 2022, we generated $331 million of cash from operations. Our primary sources of liquidity as of October 1, 2022 consisted of (1) cash and cash equivalents of $530 million; (2) our Credit Agreement, under which $791 million, net of outstanding borrowings and letters of credit, was available; (3) our foreign short-term borrowing facilities of $70 million, all of which was available; (4) proceeds from the sale of accounts receivable under our receivables sales programs and (5) cash generated from operations. Subject to satisfaction of certain conditions, including obtaining additional commitments from existing and/or new lenders, we may increase the revolver commitments under the Credit Agreement by an additional $200 million.

We believe our existing cash resources and other sources of liquidity, together with cash generated from operations, will be sufficient to meet our working capital requirements through at least the next 12 months. However, should demand for our services decrease significantly over the next 12 months, should we be unable to recover on inventory obligations owed to us by our customers or should we experience significant increases in delinquent or uncollectible accounts receivable for any reason, our cash provided by operations could decrease significantly and we could be required to seek additional sources of liquidity to continue our operations at their current level.

We distribute our cash among a number of financial institutions that we believe to be of high quality. However, there can be no assurance that one or more of such institutions will not become insolvent in the future, in which case all or a portion of our uninsured funds on deposit with such institutions could be lost.

As of October 1, 2022, approximately 50% of our cash balance was held in the United States. Should we choose or need to remit cash to the United States from our foreign locations, we may incur tax obligations which would reduce the amount of cash ultimately available to the United States. We believe that cash held in the United States, together with liquidity available under our Amended Cash Flow Revolver and cash from foreign subsidiaries that could be remitted to the United States without tax consequences, will be sufficient to meet our United States liquidity needs for at least the next twelve months.

Contractual Obligations

As part of our ongoing operations, we enter into contractual arrangements that obligate us to make future cash payments. These obligations impact our liquidity and capital resource needs. Our estimated future obligations consist of leases, the Term Loan, pension plan funding obligations and unrecognized tax benefits as of October 1, 2022.

A summary of our operating lease obligations as of October 1, 2022 can be found in Note 9, “Leases”, to the Consolidated Financial Statements contained in this report.

A summary of our long-term debt obligations as of October 1, 2022 can be found in Note 8, “Debt”, to the Consolidated Financial Statements contained in this report.

We have defined benefit pension plans with an underfunded amount of $34 million as of October 1, 2022. We will be required to provide additional funding to these plans in the future if our returns on plan assets are not sufficient to meet our funding obligations. Additionally, as of October 1, 2022, we were unable to reliably estimate when cash settlements or closure of audits with taxing authorities may occur with respect to our long-term liabilities arising from unrecognized tax benefits of $65 million. The statutes of limitations for these matters range up to 10 years, and unsettled liabilities are released upon expiration of the statutes.

We also have outstanding firm purchase orders with certain suppliers for the purchase of inventory, which are not included in the table above. These purchase orders are generally short-term in nature. Orders for standard, or catalog, items can typically be canceled with little or no financial penalty. Our policy regarding non-standard or customized items dictates that such items are only ordered specifically for customers who have contractually assumed liability for the inventory, although exceptions are made to this policy in certain situations. Accordingly, our liability from purchase obligations under these purchase orders is not expected to be significant. Lastly, pursuant to arrangements under which vendors consign inventory to us, we may be required to purchase such inventory after a certain period of time. To date, we have not been required to purchase a significant amount of inventory pursuant to these time limitations.

Off-Balance Sheet Arrangements

As of October 1, 2022, we did not have any off-balance sheet arrangements, as defined in Item 303(a)(4)(ii) of Regulation S-K promulgated by the SEC, that have or are reasonably likely to have a current or future effect on our financial condition, changes in our financial condition, revenues, or expenses, results of operations, liquidity, capital expenditures, or capital resources that is material to investors.

Item 8. ***Financial Statements and Supplementary Data***

The information required by this item is included below and incorporated by reference from the financial statement schedule included in “Part IV-Item 15(a)(2)”.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Sanmina Corporation

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Sanmina Corporation and its subsidiaries (the "Company") as of October 1, 2022 and October 2, 2021, and the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows for each of the three years in the period ended October 1, 2022, including the related notes and financial statement schedule listed in the index appearing under Item 15(a)(2) (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of October 1, 2022, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of October 1, 2022 and October 2, 2021, and the results of its operations and its cash flows for each of the three years in the period ended October 1, 2022 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company did not maintain, in all material respects, effective internal control over financial reporting as of October 1, 2022, based on criteria established in Internal Control - Integrated Framework (2013) issued by the COSO because material weaknesses in internal control over financial reporting existed as of that date related to (i) inappropriate tone at the top in the control environment at one of the Company's divisions, specifically division management did not sufficiently promote, monitor or enforce appropriate accounting policies and procedures, thereby resulting in inappropriate and unsupported adjustments to the quarterly contract cost estimate process; (ii) the Company not maintaining a sufficient complement of finance personnel at the division with an appropriate level of expertise, knowledge and training in internal control over financial reporting commensurate with the Company's financial reporting requirements; and (iii) the division not designing and maintaining effective controls over the quarterly contract estimate review process, which led to the failure to timely and appropriately record adjustments to quarterly estimates.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis. The material weaknesses referred to above are described in Management's Report on Internal Control Over Financial Reporting appearing under Item 9A. We considered these material weaknesses in determining the nature, timing, and extent of audit tests applied in our audit of the 2022 consolidated financial statements, and our opinion regarding the effectiveness of the Company's internal control over financial reporting does not affect our opinion on those consolidated financial statements.

Restatement of Previously Issued Financial Statements and Management's Conclusion Regarding Internal Control over Financial Reporting

As discussed in Note 2 to the consolidated financial statements, the Company has restated its 2022, 2021 and 2020 financial statements to correct misstatements.

Management and we previously concluded that the Company maintained effective internal control over financial reporting as of October 1, 2022. However, management has subsequently determined that material weaknesses in internal control over financial reporting related to (i) inappropriate tone at the top in the control environment at one of the Company's divisions, specifically division management did not sufficiently promote, monitor or enforce appropriate accounting policies and procedures, thereby resulting in inappropriate and unsupported adjustments to the quarterly contract cost estimate process; (ii) the Company not maintaining a sufficient complement of finance personnel at the division with an appropriate level of expertise, knowledge and training in internal control over financial reporting commensurate with the Company's financial reporting requirements; and (iii) the division not designing and maintaining effective controls over the quarterly contract estimate review process, which led to the failure to timely and appropriately record adjustments to quarterly estimates existed as of that date. Accordingly, management's report has been restated and our present opinion on internal control over financial reporting, as presented herein, is different from that expressed in our previous report.

See also the "Revenue Recognition - Cost-to-cost method for government contracts in the Defense and Aerospace division" critical audit matter.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in management's report referred to above. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Revenue Recognition - Cost-to-cost method for government contracts in the Defense and Aerospace division

As described in Notes 3 and 5 to the consolidated financial statements, revenues for the CPS segment were $1.5 billion for the year ended October 1, 2022, of which the defense and aerospace division represents a portion of the segment. The Company recognizes revenue for defense and aerospace government contracts on an over time basis using the cost-to-cost method (ratio of costs incurred to date to total estimated costs at completion), which management believes best depicts the transfer of control to the customer. Recognition of revenue on government contracts requires the use of significant judgments with respect to estimated materials, labor and subcontractor costs. See also the “Restatement of Previously Issued Financial Statements and Management’s Conclusion Regarding Internal Control over Financial Reporting” section of our report.

The principal considerations for our determination that performing procedures relating to revenue recognition - cost-to-cost method for government contracts in the defense and aerospace division is a critical audit matter are the significant judgment by management when determining the estimated costs for such contracts which in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures and in evaluating the audit evidence related to management’s determination of estimated materials, labor, and subcontractor costs. Also, as described in the “Opinions on the Financial Statements and Internal Control over Financial Reporting” section of our report, material weaknesses were identified related to this matter.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included, among others, (i) testing management’s process for determining the estimation of costs for a sample of defense and aerospace government contracts; (ii) testing the completeness and accuracy of underlying data used in the estimate; and (iii) evaluating the reasonableness of management’s determination of estimated materials, labor, and subcontractor costs. Evaluating the reasonableness of the estimated materials, labor and subcontractor costs used involved assessing management’s ability to reasonably estimate costs for government contracts by assessing the nature and status of government contracts, performing retrospective reviews of government contract estimates and changes in estimates over time, and obtaining evidence to support estimated costs.

/s/ PricewaterhouseCoopers LLP

San Jose, California

November 10, 2022, except for the effects of the restatement discussed in Note 2 to the consolidated financial statements and the matter discussed in the fifth paragraph of Management's Report on Internal Control Over Financial Reporting, as to which the date is May 19, 2023

We have served as the Company’s auditor since 2016.

SANMINA CORPORATION

CONSOLIDATED BALANCE SHEETS

	As of	
	October 1, 2022	October 2, 2021
	(Restated)	
	(In thousands, except par value)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 529,857	$ 650,026
Accounts receivable, net of allowances of approximately $8 million and $7 million as of October 1, 2022 and October 2, 2021, respectively	1,138,894	1,193,437
Contract assets	475,721	332,190
Inventories	1,684,099	1,041,790
Prepaid expenses and other current assets	62,044	53,952
Total current assets	3,890,615	3,271,395
Property, plant and equipment, net	575,170	532,985
Deferred income tax assets, net	209,554	242,261
Other	160,192	156,953
Total assets	$ 4,835,531	$ 4,203,594
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 2,041,434	$ 1,472,257
Accrued liabilities	281,599	177,203
Accrued payroll and related benefits	130,892	117,648
Short-term debt, including current portion of long-term debt	17,500	18,750
Total current liabilities	2,471,425	1,785,858
Long-term liabilities:		
Long-term debt	329,237	311,572
Other	215,333	253,532
Total long-term liabilities	544,570	565,104
Commitments and Contingencies (Note 11)		
Stockholders' equity:		
Preferred stock, $0.01 par value, authorized 5,000 shares, none issued and outstanding	—	—
Common stock, $0.01 par value, authorized 166,667 shares; 110,160 and 108,734 shares issued and 57,394 and 64,307 shares outstanding as of October 1, 2022 and October 2, 2021, respectively	574	643
Treasury stock, 52,766 and 44,427 shares as of October 1, 2022 and October 2, 2021, respectively, at cost	(1,378,159)	(1,047,202)
Additional paid-in capital	6,380,774	6,338,863
Accumulated other comprehensive income	56,325	40,690
Accumulated deficit	(3,239,978)	(3,480,362)
Total stockholders' equity	1,819,536	1,852,632
Total liabilities and stockholders' equity	$ 4,835,531	$ 4,203,594

See accompanying notes to the consolidated financial statements.

SANMINA CORPORATION

CONSOLIDATED STATEMENTS OF INCOME

	Year Ended		
	October 1, 2022	October 2, 2021 (Restated)	October 3, 2020
	(In thousands, except per share amounts)		
Net sales	$ 7,919,622	$ 6,738,356	$ 6,950,208
Cost of sales	7,297,416	6,211,915	6,433,044
Gross profit	622,206	526,441	517,164
Operating expenses:			
Selling, general and administrative	244,569	234,537	240,931
Research and development	21,343	20,911	22,564
Restructuring and other	11,425	15,057	27,916
Goodwill impairment	—	—	6,609
Gain on sale of long-lived assets	(4,610)	—	—
Total operating expenses	272,727	270,505	298,020
Operating income	349,479	255,936	219,144
Interest income	1,628	925	2,322
Interest expense	(22,473)	(19,551)	(28,903)
Other income (expense), net	(26,314)	44,331	(348)
Interest and other, net	(47,159)	25,705	(26,929)
Income before income taxes	302,320	281,641	192,215
Provision for income taxes	61,936	32,095	59,046
Net income	$ 240,384	$ 249,546	$ 133,169
Net income per share:			
Basic	$ 3.92	$ 3.82	$ 1.93
Diluted	$ 3.81	$ 3.72	$ 1.88
Weighted-average shares used in computing per share amounts:			
Basic	61,310	65,318	69,041
Diluted	63,117	67,084	70,793

See accompanying notes to the consolidated financial statements.

SANMINA CORPORATION

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year Ended		
	October 1, 2022	October 2, 2021 (Restated)	October 3, 2020
	(In thousands)		
Net income	$ 240,384	$ 249,546	$ 133,169
Other comprehensive income (loss), net of tax:			
Foreign currency translation adjustments	(12,191)	(9,223)	(925)
Derivative financial instruments:			
Change in net unrealized amount	8,414	3,034	(8,146)
Amount reclassified into net income	10,003	4,863	1,332
Defined benefit plans:			
Changes in unrecognized net actuarial losses and unrecognized transition cost	5,884	4,713	(6,240)
Amortization of actuarial losses and transition cost	3,525	2,417	2,106
Total other comprehensive income (loss)	$ 15,635	$ 5,804	$ (11,873)
Comprehensive income	$ 256,019	$ 255,350	$ 121,296

See accompanying notes to the consolidated financial statements.

SANMINA CORPORATION

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Common Stock and Additional Paid-in Capital		Treasury Stock		Accumulated Other Comprehensive Income	Accumulated Deficit	Total
	Number of Shares	Amount	Number of Shares	Amount (Restated)			
				(In thousands)			
BALANCE AT SEPTEMBER 28, 2019	105,551	$ 6,267,509	(35,831)	$ (804,118)	$ 46,759	$ (3,863,077)	$ 1,647,073
Issuances under stock plans	2,078	7,793	—	—	—	—	7,793
Stock-based compensation	—	26,235	—	—	—	—	26,235
Repurchases of treasury stock	—	—	(6,799)	(179,025)	—	—	(179,025)
Other comprehensive loss	—	—	—	—	(11,873)	—	(11,873)
Net income	—	—	—	—	—	133,169	133,169
BALANCE AT OCTOBER 3, 2020	107,629	$ 6,301,537	(42,630)	$ (983,143)	$ 34,886	$ (3,729,908)	$ 1,623,372
Issuances under stock plans	1,105	2,993	—	—	—	—	2,993
Stock-based compensation	—	34,976	—	—	—	—	34,976
Repurchases of treasury stock	—	—	(1,797)	(64,059)	—	—	(64,059)
Other comprehensive income	—	—	—	—	5,804	—	5,804
Net income	—	—	—	—	—	249,546	249,546
BALANCE AT OCTOBER 2, 2021	108,734	$ 6,339,506	(44,427)	$ (1,047,202)	$ 40,690	$ (3,480,362)	$ 1,852,632
Issuances under stock plans	1,426	2,378	—	—	—	—	2,378
Stock-based compensation	—	39,608	—	—	—	—	39,608
Repurchases of treasury stock	—	(144)	(8,339)	(330,957)	—	—	(331,101)
Other comprehensive income	—	—	—	—	15,635	—	15,635
Net income	—	—	—	—	—	240,384	240,384
BALANCE AT OCTOBER 1, 2022	110,160	$ 6,381,348	(52,766)	$ (1,378,159)	$ 56,325	$ (3,239,978)	$ 1,819,536

See accompanying notes to the consolidated financial statements.

SANMINA CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended		
	October 1, 2022	**October 2, 2021 (Restated)**	**October 3, 2020**
		(In thousands)	
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Net income	$ 240,384	$ 249,546	$ 133,169
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation and amortization	108,783	109,656	114,218
Stock-based compensation expense	39,608	34,976	26,235
Deferred income taxes	27,910	28,375	11,772
Impairment of goodwill and other assets	1,848	—	8,409
Loss (Gain) on sale of intellectual property	7,000	(15,000)	—
Gain on liquidation of foreign entity	—	(8,263)	—
Other, net	1,260	(1,371)	(239)
Changes in operating assets and liabilities, net of amounts acquired:			
Accounts receivable	47,483	(145,810)	81,914
Contract assets	(143,531)	54,479	9,631
Inventories	(651,118)	(157,278)	24,377
Prepaid expenses and other assets	(31,700)	(5,780)	17,092
Accounts payable	558,828	243,834	(106,640)
Accrued liabilities	124,099	(49,022)	(19,383)
Cash provided by operating activities	330,854	338,342	300,555
CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES:			
Purchases of property, plant and equipment	(138,639)	(73,296)	(65,982)
Proceeds from sales of property, plant and equipment	8,425	1,084	1,573
Purchases of investments	(2,000)	(2,705)	(30,000)
Sale of investments	—	—	30,000
Cash paid for business acquisition, net of cash acquired	—	(21,408)	—
Proceeds from sale of intellectual property	—	5,000	—
Cash used in investing activities	(132,214)	(91,325)	(64,409)
CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES:			
Proceeds from revolving credit facility borrowings	1,874,000	399,600	1,909,000
Repayments of revolving credit facility borrowings	(1,874,000)	(399,600)	(1,909,000)
Repayments of long-term debt	(332,814)	(18,752)	(39,048)
Proceeds from issuance of long-term debt	350,000	—	—
Debt issuance costs	(3,263)	—	—
Net proceeds from stock issuances	2,379	2,993	7,793
Repurchases of common stock	(331,101)	(64,059)	(179,025)
Proceeds from collection of notes receivable	500	2,500	—
Cash used in financing activities	(314,299)	(77,318)	(210,280)
Effect of exchange rate changes	(4,510)	(199)	(81)
Increase (decrease) in cash and cash equivalents	(120,169)	169,500	25,785
Cash and cash equivalents at beginning of year	650,026	480,526	454,741
Cash and cash equivalents at end of year	$ 529,857	$ 650,026	$ 480,526
Cash paid during the year:			
Interest, net of capitalized interest	$ 18,243	$ 15,264	$ 20,477
Income taxes, net of refunds	$ 48,131	$ 33,358	$ 30,700
Unpaid purchases of property, plant and equipment at end of period	$ 38,570	$ 20,929	$ 12,371

See accompanying notes to the consolidated financial statements.

SANMINA CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Organization of Sanmina

Sanmina Corporation ("Sanmina," or the "Company") was incorporated in Delaware in 1989. The Company is a leading global provider of integrated manufacturing solutions, components, products and repair, logistics and after-market services. The Company provides these comprehensive solutions primarily to original equipment manufacturers (OEMs) that serve the industrial, medical, defense and aerospace, automotive, communications networks and cloud infrastructure industries.

The Company's operations are managed as two businesses:

1) Integrated Manufacturing Solutions (IMS). IMS is a single operating segment consisting of printed circuit board assembly and test, high-level assembly and test and direct-order-fulfillment.

2) Components, Products and Services (CPS). Components include printed circuit boards, backplanes and backplane assemblies, cable assemblies, fabricated metal parts, precision machined parts, and plastic injected molded parts. Products include memory solutions from our Viking Technology division; high-performance storage platforms for hyperscale and enterprise solutions from our Viking Enterprise Solutions (VES) division; optical, radio frequency (RF) and microelectronic (microE) design and manufacturing services from Advanced Microsystems Technologies; defense and aerospace products from SCI Technology; and cloud-based manufacturing execution software from the Company's 42Q division. Services include design, engineering and logistics and repair.

The Company's only reportable segment is IMS, which represented approximately 80% of total revenue in 2022. CPS consists of multiple operating segments which do not individually meet the quantitative thresholds for being presented as reportable segments. Therefore, financial information for these operating segments is combined and presented in a single category entitled "Components, Products and Services".

Basis of Presentation

Fiscal Year. The Company operates on a 52 or 53 week year ending on the Saturday nearest September 30. Fiscal 2022 and 2021 were each 52 weeks and fiscal 2020 was a 53-week year, with the extra week occurring during the fourth quarter of fiscal 2020. All references to years relate to fiscal years unless otherwise noted.

Principles of Consolidation. The consolidated financial statements include the Company's accounts and those of its subsidiaries. All intercompany balances and transactions have been eliminated.

Note 2. Restatement of Consolidated Financial Statements

During the preparation of its unaudited consolidated financial statements for the fiscal quarter ended April 1, 2023, the Company determined that certain personnel in one of its divisions had failed to properly substantiate and update cost estimates for materials and other costs over the life of certain contracts. As a result, the Company conducted an independent investigation (the "Investigation") under the direction of the Audit Committee of the Company's Board of Directors (the "Audit Committee"). The division, like other Company divisions, has a stand-alone finance organization, which reports directly to the Company finance organization and indirectly to the management of the division. References in the findings below refer solely to this division unless otherwise noted. The Investigation found that:

- In connection with the preparation and review of quarterly contract cost and other estimates, an internal control in the Company's accounting process for the division's contracts with customers, certain division personnel made inappropriate and unsupported adjustments to reduce certain cost estimates and failed to appropriately evaluate and increase other cost estimates to reflect cost overruns and other costs associated with delays in completing certain contracts.

- The division had a culture that did not recognize or emphasize the importance of rigor in the division's quarterly contract estimate review process or its significance to the Company's internal control over financial reporting and accounting and financial reporting determinations with respect to the division's contracts with customers. Instead, the division's tone at the top and other control weaknesses enabled participants in the quarterly contract estimate review process to tolerate, place undue reliance on or otherwise fail to challenge unsupported adjustments and assumptions to contract cost estimates that had been made based on unsubstantiated optimism and/or a desire to avoid adverse outcomes.

- The division had an ineffective finance function that did not provide sufficient oversight on financial accounting and reporting matters or effectively challenge adjustments or other improper practices in the quarterly contract estimate review process.
- Certain division personnel lacked sufficient understanding of the division's policies and procedures for the quarterly contract estimate review process as well as the relevant cost and contract accounting practices and requirements.
- Certain division personnel provided materially inaccurate and incomplete information to, including in response to inquiries from, Company management and the Company's internal and independent auditors concerning contract cost estimates and related items.

The following tables present the impact of the financial statement adjustments on the Company's previously reported consolidated financial statements for the fiscal year ended October 1, 2022, October 2, 2021 and October 3, 2020. The "Previously Reported" amounts in the following tables are amounts derived from the Original Form 10-K for the fiscal year ended October 1, 2022. The amounts in columns labeled "Investigation Adjustments" represent the effect of adjustments resulting from the Investigation and the amounts in columns labeled "Other Adjustments" represent the effect of other adjustments that relate primarily to uncorrected balance sheet misstatements in previously filed financial statements and were not material, individually or in the aggregate, to those previously filed financial statements. The effects of the restatement, including the related income tax impacts, have been corrected in all impacted tables and footnotes throughout these consolidated financial statements. The only impact to the Consolidated Statements of Comprehensive Income and Consolidated Statements of Stockholders' Equity was to net income.

Investigation Adjustments correct misstatements that resulted primarily from 1) increases to estimated costs at completion of a contract that previously did not properly reflect estimated costs remaining to be incurred to complete a contract, 2) reductions in the amount of transaction consideration expected to be received under a contract, and 3) segmentation of contracts that had previously been combined. The adjustments primarily affected net sales, cost of sales, contract assets and inventory.

Other Adjustments primarily correct balance sheet misstatements related to inventory cut-off, advance payments from customers and long-term leases of land.

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The following table presents the impact of the financial statement adjustments on the Company's previously reported Consolidated Balance Sheets for the fiscal year ended October 1, 2022 and October 2, 2021.

	As of October 1, 2022				As of October 2, 2021			
	Previously Reported	Investigation Adjustments	Other Adjustments	As Restated	Previously Reported	Investigation Adjustments	Other Adjustments	As Restated
	(In thousands)							
ASSETS								
Current assets:								
Cash and cash equivalents	$ 529,857	$ —	$ —	$ 529,857	$ 650,026	$ —	$ —	$ 650,026
Accounts receivable, net of allowances	1,138,894	—	—	1,138,894	1,192,434	—	1,003	1,193,437
Contract assets	503,674	(27,953)	—	475,721	348,741	(28,708)	12,157	332,190
Inventories	1,691,081	(21,705)	14,723	1,684,099	1,036,511	(2,285)	7,564	1,041,790
Prepaid expenses and other current assets	62,044	—	—	62,044	53,952	—	—	53,952
Total current assets	3,925,550	(49,658)	14,723	3,890,615	3,281,664	(30,993)	20,724	3,271,395
Property, plant and equipment, net	575,170	—	—	575,170	532,985	—	—	532,985
Deferred tax assets	198,588	10,966	—	209,554	235,117	7,144	—	242,261
Other	160,192	—	—	160,192	156,953	—	—	156,953
Total assets	$ 4,859,500	(38,692)	14,723	$ 4,835,531	$ 4,206,719	$ (23,849)	$ 20,724	$ 4,203,594
LIABILITIES AND STOCKHOLDERS' EQUITY								
Current liabilities:								
Accounts payable	$ 2,029,534	$ —	$ 11,900	$ 2,041,434	$ 1,464,693	$ —	$ 7,564	$ 1,472,257
Accrued liabilities	275,735	1,441	4,423	281,599	161,896	2,147	13,160	177,203
Accrued payroll and related benefits	130,892	—	—	130,892	117,648	—	—	117,648
Short-term debt, including current portion of long-term debt	17,500	—	—	17,500	18,750	—	—	18,750
Total current liabilities	2,453,661	1,441	16,323	2,471,425	1,762,987	2,147	20,724	1,785,858
Long-term liabilities:								
Long-term debt	329,237	—	—	329,237	311,572	—	—	311,572
Other	215,333	—	—	215,333	253,532	—	—	253,532
Total long-term liabilities	$ 544,570	$ —	$ —	$ 544,570	$ 565,104	$ —	$ —	$ 565,104
Commitments and Contingencies (Note 11)								
Stockholders' equity:								
Preferred stock, $0.01 par value, authorized 5,000 shares, none issued and outstanding	—	—	—	—	—	—	—	—
Common stock, $0.01 par value, authorized 166,667 shares; 110,160 and 108,734 shares issued and 57,394 and 64,307 shares outstanding as of October 1, 2022 and October 2, 2021, respectively	574	—	—	574	643	—	—	643
Treasury stock, 52,766 and 44,427 shares as of October 1, 2022 and October 2, 2021, respectively, at cost	(1,378,159)	—	—	(1,378,159)	(1,047,202)	—	—	(1,047,202)
Additional paid-in capital	6,380,774	—	—	6,380,774	6,338,863	—	—	6,338,863
Accumulated other comprehensive income	56,325	—	—	56,325	40,690	—	—	40,690
Accumulated deficit	(3,198,245)	(40,133)	(1,600)	(3,239,978)	(3,454,366)	(25,996)	—	(3,480,362)
Total stockholders' equity	1,861,269	(40,133)	(1,600)	1,819,536	1,878,628	(25,996)	—	1,852,632
Total liabilities and stockholders' equity	$ 4,859,500	$ (38,692)	$ 14,723	$ 4,835,531	$ 4,206,719	$ (23,849)	$ 20,724	$ 4,203,594

The following table presents the impact of the financial statement adjustments on the Company's previously reported Consolidated Statements of Income for the fiscal year ended October 1, 2022, October 2, 2021 and October 3, 2020.

	Year Ended October 1, 2022				Year Ended October 2, 2021			
	Previously Reported	Investigation Adjustments	Other Adjustments	As Restated	Previously Reported	Investigation Adjustments	Other Adjustments	As Restated
	(In thousands, except per share amounts)							
Net sales	$ 7,890,475	$ 23,265	$ 5,882	$ 7,919,622	$ 6,756,643	$ (18,287)	$ —	$ 6,738,356
Cost of sales	7,249,961	41,573	5,882	7,297,416	6,204,838	7,077	—	6,211,915
Gross profit	640,514	(18,308)	—	622,206	551,805	(25,364)	—	526,441
Operating expenses:								
Selling, general and administrative	244,569	—	—	244,569	234,537	—	—	234,537
Research and development	21,343	—	—	21,343	20,911	—	—	20,911
Restructuring and other	11,425	—	—	11,425	15,057	—	—	15,057
Gain on sale of long-lived assets	(4,610)	—	—	(4,610)	—	—	—	—
Total operating expenses	272,727	—	—	272,727	270,505	—	—	270,505
Operating income	367,787	(18,308)	—	349,479	281,300	(25,364)	—	255,936
Interest income	1,628	—	—	1,628	925	—	—	925
Interest expense	(22,473)	—	—	(22,473)	(19,551)	—	—	(19,551)
Other income (expense), net	(26,314)	—	—	(26,314)	44,331	—	—	44,331
Interest and other, net	(47,159)	—	—	(47,159)	25,705	—	—	25,705
Income before income taxes	320,628	(18,308)	—	302,320	307,005	(25,364)	—	281,641
Provision for income taxes	64,507	(4,171)	1,600	61,936	38,007	(5,912)	—	32,095
Net income	$ 256,121	$ (14,137)	$ (1,600)	$ 240,384	$ 268,998	$ (19,452)	$ —	$ 249,546
Net income per share:								
Basic	$ 4.18	$ (0.23)	$ (0.03)	$ 3.92	$ 4.12	$ (0.30)	$ —	$ 3.82
Diluted	$ 4.06	$ (0.23)	$ (0.03)	$ 3.81	$ 4.01	$ (0.29)	$ —	$ 3.72
Weighted-average shares used in computing per share amounts:								
Basic	61,310	—	—	61,310	65,318	—	—	65,318
Diluted	63,117	—	—	63,117	67,084	—	—	67,084

	Year Ended October 3, 2020			
	Previously Reported	Investigation Adjustments	Other Adjustments	As Restated
	(In thousands, except per share amounts)			
Net sales	$ 6,960,370	$ (10,162)	$ —	$ 6,950,208
Cost of sales	6,434,663	(1,619)	—	6,433,044
Gross profit	525,707	(8,543)	—	517,164
Operating expenses:				
Selling, general and administrative	240,931	—	—	240,931
Research and development	22,564	—	—	22,564
Restructuring and other	27,916	—	—	27,916
Goodwill impairment	6,609	—	—	6,609
Total operating expenses	298,020	—	—	298,020
Operating income	227,687	(8,543)	—	219,144
Interest income	2,322	—	—	2,322
Interest expense	(28,903)	—	—	(28,903)
Other expense, net	(348)	—	—	(348)
Interest and other, net	(26,929)	—	—	(26,929)
Income before income taxes	200,758	(8,543)	—	192,215
Provision for income taxes	61,045	(1,999)		59,046
Net income	$ 139,713	$ (6,544)	$ —	$ 133,169
Net income per share:				
Basic	$ 2.02	$ (0.09)	$ —	$ 1.93
Diluted	$ 1.97	$ (0.09)	$ —	$ 1.88
Weighted-average shares used in computing per share amounts:				
Basic	69,041	—	—	69,041
Diluted	70,793	—	—	70,793

The following table presents the impact of the financial statement adjustments on the Company's previously reported Consolidated Statements of Cash Flows for the fiscal year ended October 1, 2022, October 2, 2021 and October 3, 2020. There were no adjustments to cash flows provided by (used in) investing or financing activities for the fiscal year ended October 1, 2022, October 2, 2021 and October 3, 2020.

	Year Ended October 1, 2022				Year Ended October 2, 2021			
	Previously Reported	Investigation Adjustments	Other Adjustments	As Restated	Previously Reported	Investigation Adjustments	Other Adjustments	As Restated
	(In thousands)							
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES:								
Net income	$ 256,121	$ (14,137)	$ (1,600)	$ 240,384	$ 268,998	$ (19,452)	$ —	$ 249,546
Adjustments to reconcile net income to cash provided by operating activities:								
Depreciation and amortization	108,783	—	—	108,783	109,656	—	—	109,656
Stock-based compensation expense	39,608	—	—	39,608	34,976	—	—	34,976
Deferred income taxes	31,733	(3,823)	—	27,910	33,724	(5,349)	—	28,375
Gain on sale of intellectual property	—	—	—	—	(15,000)	—	—	(15,000)
Gain on liquidation of foreign entity	—	—	—	—	(8,263)	—	—	(8,263)
Impairment of goodwill and other assets	1,848	—	—	1,848	—	—	—	—
Loss on sale of intellectual property	7,000	—	—	7,000	—	—	—	—
Other, net	1,260	—	—	1,260	(1,371)	—	—	(1,371)
Changes in operating assets and liabilities, net of amounts acquired:								
Accounts receivable	46,480	—	1,003	47,483	(146,516)	—	706	(145,810)
Contract assets	(154,933)	(755)	12,157	(143,531)	47,842	4,272	2,365	54,479
Inventories	(663,379)	19,420	(7,159)	(651,118)	(167,186)	17,472	(7,564)	(157,278)
Prepaid expenses and other assets	(31,700)	—	—	(31,700)	(6,486)	706	—	(5,780)
Accounts payable	554,492	—	4,336	558,828	236,270	—	7,564	243,834
Accrued liabilities	133,541	(705)	(8,737)	124,099	(48,302)	2,351	(3,071)	(49,022)
Cash provided by operating activities	$ 330,854	$ —	$ —	$ 330,854	$ 338,342	$ —	$ —	$ 338,342

	Year Ended October 3, 2020			
	Previously Reported	Investigation Adjustments	Other Adjustments	As Restated
	(In thousands)			
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Net income	$ 139,713	$ (6,544)	$ —	$ 133,169
Adjustments to reconcile net income to cash provided by operating activities:				
Depreciation and amortization	114,218	—	—	114,218
Stock-based compensation expense	26,235	—	—	26,235
Deferred income taxes	13,567	(1,795)	—	11,772
Gain on sale of intellectual property	—	—	—	—
Gain on liquidation of foreign entity	—	—	—	—
Impairment of goodwill and other assets	8,409	—	—	8,409
Loss on sale of intellectual property	—	—	—	—
Other, net	(239)	—	—	(239)
Changes in operating assets and liabilities, net of amounts acquired:				
Accounts receivable	83,623	—	(1,709)	81,914
Contract assets	(283)	24,436	(14,522)	9,631
Inventories	39,564	(15,187)	—	24,377
Prepaid expenses and other assets	17,798	(706)	—	17,092
Accounts payable	(106,640)	—	—	(106,640)
Accrued liabilities	(35,410)	(204)	16,231	(19,383)
Cash provided by operating activities	$ 300,555	$ —	$ —	$ 300,555

Note 3. Summary of Significant Accounting Policies

Management Estimates and Uncertainties. The preparation of consolidated financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Due to the COVID-19 pandemic, the global economy and financial markets were disrupted and there is a significant amount of uncertainty about the length and severity of the consequences caused by the pandemic. The Company has considered information available to it as of the date of issuance of these financial statements and is not aware of any specific events or circumstances that would require an update to its estimates or judgments, or a revision to the carrying value of its assets or liabilities. Significant estimates made in preparing the consolidated financial statements relate to allowances for accounts receivable; provisions for excess and obsolete inventories, environmental matters, and legal exposures; determining liabilities for uncertain tax positions; determining the realizability of deferred tax assets; determining fair values of tangible and intangible assets for purposes of impairment tests; and estimating costs expected to be incurred to satisfy performance obligations under long-term contracts and variable consideration related to such contracts. These estimates may change as new events occur and additional information becomes available. Actual results could differ materially from these estimates.

Financial Instruments and Concentration of Credit Risk. Financial instruments consist primarily of cash and cash equivalents, accounts receivable, foreign currency forward contracts, interest rate swap agreements, accounts payable and debt obligations. The fair value of these financial instruments approximates their carrying amount as of October 1, 2022 and October 2, 2021 due to the nature or short maturity of these instruments, or because, in some cases, the instruments are recorded at fair value on the consolidated balance sheets.

Cash and Cash Equivalents. Cash and cash equivalents include cash on hand and on deposit and investments in highly liquid debt instruments with maturities of three months or less.

Accounts Receivable and Other Related Allowances. The Company had allowances of approximately $8 million and $7 million as of October 1, 2022 and October 2, 2021, respectively, for uncollectible accounts, product returns and other net sales adjustments. To establish the allowance for doubtful accounts, the Company estimates credit risk associated with accounts receivable by considering the creditworthiness of its customers, past experience, specific facts and circumstances, and the overall economic climate in industries that it serves. To establish the allowance for product returns and other adjustments, the Company primarily utilizes historical data.

Accounts Receivable Sales. The Company is a party to a Receivables Purchase Agreement (the "RPA") with certain third-party banking institutions for the sale of trade receivables generated from sales to certain customers, subject to acceptance by, and a funding commitment from, the banks that are party to the RPA. Trade receivables sold pursuant to the RPA are serviced by the Company.

In addition to the RPA, the Company has the option to participate in trade receivables sales programs that have been implemented by certain of the Company's customers, as in effect from time to time. The Company does not service trade receivables sold under these other programs. Under each of the programs noted above, the Company sells its entire interest in a trade receivable for 100% of face value, less a discount. Accounts receivable balances sold are removed from the consolidated balance sheets and the related proceeds are reported as cash provided by operating activities in the consolidated statements of cash flows.

Inventories. Inventories are stated at the lower of cost (first-in, first-out method) and net realizable value. Cost includes labor, materials and manufacturing overhead.

Provisions are made to reduce excess and obsolete inventories to their estimated net realizable values. The ultimate realization of inventory carrying amounts is primarily affected by changes in customer demand. Inventory provisions are established based on forecasted demand, past experience with specific customers, the age and nature of the inventory, the ability to redistribute inventory to other programs or back to suppliers, and whether customers are contractually obligated and have the ability to pay for the related inventory. Certain payments received from customers for inventory held by the Company are recorded as a reduction of inventory.

Long-lived Assets. Property, plant and equipment are stated at cost or, in the case of property and equipment acquired through business combinations, at fair value as of the acquisition date. Depreciation is provided on a straight-line basis over 20 to 40 years for buildings and 3 to 15 years for machinery, equipment, furniture and fixtures. Leasehold improvements are amortized on a straight-line basis over the shorter of the lease term or useful life of the asset.

The Company reviews property, plant and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. An asset group is the unit of accounting which represents the lowest level for which identifiable cash flows are largely independent of the cash flows of other groups of assets. An asset or asset group is considered impaired if its carrying amount exceeds the undiscounted future net cash flows the asset or asset group is expected to generate. If an asset or asset group is considered to be impaired, the impairment to be recognized is measured as the amount by which the carrying amount of the asset or asset group exceeds its fair value. For asset groups for which the primary asset is a building, the Company estimates fair value based on data provided by commercial real estate brokers. For other asset groups, the Company estimates fair value based on projected discounted future net cash flows.

Foreign Currency Translation. For foreign subsidiaries using the local currency as their functional currency, assets and liabilities are translated to U.S. dollars at exchange rates in effect at the balance sheet date and income and expenses are translated at average exchange rates. The effects of these translation adjustments are reported in stockholders' equity as a component of accumulated other comprehensive income ("AOCI"). For all entities, remeasurement adjustments for non-functional currency monetary assets and liabilities are included in other income (expense), net in the accompanying consolidated statements of income. Remeasurement gains and losses arising from long-term intercompany loans denominated in a currency other than an entity's functional currency are recorded in AOCI if repayment of the loan is not anticipated in the foreseeable future.

Derivative Instruments and Hedging Activities. The Company conducts business on a global basis in numerous currencies and certain of the Company's outstanding debt has a variable interest rate. Therefore, the Company is exposed to movements in foreign currency exchange rates and interest rates. The Company uses derivatives, such as foreign currency forward contracts and interest rate swaps, to minimize the volatility of earnings and cash flows associated with changes in foreign currency exchange rates and interest rates.

The Company accounts for derivative instruments and hedging activities in accordance with ASC Topic 815, Derivatives and Hedging, which requires each derivative instrument to be recorded on the consolidated balance sheets at its fair value as either an asset or a liability. If a derivative is designated as a cash flow hedge, the Company excludes time value from its assessment of hedge effectiveness and recognizes the amount of time value in earnings over the life of the derivative. Gains or losses on the derivative not caused by changes in time value are recorded in Accumulated Other Comprehensive Income ("AOCI"), a component of equity, and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings. If a derivative is designated as a fair value hedge, changes in the fair value of the derivative and of the item being hedged are recognized in earnings in the current period.

Derivative instruments are entered into for periods of time consistent with the related underlying exposures and are not entered into for speculative purposes. At the inception of a hedge, the Company documents all relationships between derivative instruments and related hedged items, as well as its risk-management objectives and strategies for the hedging transaction.

The Company's foreign currency forward contracts and interest rate swaps potentially expose the Company to credit risk to the extent the counterparties may be unable to meet the terms of the agreement. The Company minimizes such risk by seeking high quality counterparties.

Leases. The Company's leases consist primarily of operating leases for buildings and land and have initial lease terms of up to 44 years. Certain of these leases contain an option to extend the lease term for additional periods or to terminate the lease after an initial non-cancelable term. Renewal options are considered in the measurement of the Company's initial lease liability and corresponding right-of-use ("ROU") asset only if it is reasonably certain that the Company will exercise such options. Leases with lease terms of twelve months or less are not recorded on the Company's balance sheet.

The Company's lease liability and ROU assets represent the present value of future lease payments which are a combination of lease components and non-lease components such as maintenance and utilities. Operating lease expense is recognized on a straight line basis over the term of the lease. Certain of the Company's lease payments are variable because such payments adjust periodically based on changes in consumer price and other indexes. Variable payments are expensed as incurred and not included in the measurement of lease liabilities and ROU assets. Since the Company's leases generally do not provide an implicit rate, the Company uses an incremental borrowing rate based on information available at the lease commencement date for purposes of determining the present value of lease payments. The Company's incremental borrowing rate is based on the term of the lease, the economic environment of the lease and the effect of collateralization, if any.

Revenue Recognition. The Company derives revenue principally from sales of integrated manufacturing solutions, components and Company-proprietary products. Other sources of revenue include logistics and repair services; design, development and engineering services; defense and aerospace programs; and sales of raw materials to customers whose requirements change after the Company has procured inventory to fulfill the customer's forecasted demand.

For purposes of determining when to recognize revenue, and in what amount, the Company applies a 5-step model: (1) identify the contract with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when (or as) the Company satisfies a performance obligation. Each of these steps may involve the use of significant judgments.

The Company recognizes revenue for the majority of its contracts on an over time basis. This is due to the fact that 1) the Company does not have an alternative use for the end products it manufactures for its customers and has an enforceable right to payment, including a reasonable profit, for work-in-progress upon a customer's cancellation of a contract for convenience or 2) the Company's customer simultaneously receives and consumes the benefits provided by the Company's services. For these contracts, revenue is recognized on an over time basis using the cost-to-cost method (ratio of costs incurred to date to total estimated costs at completion) which the Company believes best depicts the transfer of control to the customer. Revenue streams for which revenue is recognized on an over time basis include sales of vertically integrated manufacturing solutions (integrated manufacturing solutions and components); global services (logistics and repair); design, development and engineering services; and defense and aerospace programs.

Application of the cost-to-cost method for government contracts in the Company's Defense and Aerospace division requires the use of significant judgments with respect to estimated materials, labor and subcontractor costs included in the total estimated costs at completion. Additionally, the Company evaluates whether contract modifications for claims have been approved and, if so, estimates the amount, if any, of variable consideration that can be included in the transaction price of the contract. This division is an operating segment whose results are combined with eleven other operating segments and reported under Components, Products and Services ("CPS") for segment reporting purposes. In 2022, CPS revenue and gross profit were $1.5 billion and $176 million, respectively.

Estimates of materials, labor and subcontractor costs expected to be incurred to satisfy a performance obligation are updated on a quarterly basis. These estimates consider costs incurred to date and estimated costs to be incurred over the remaining expected period of performance to satisfy a performance obligation. Such estimates are reviewed each quarter by a group of employees that includes representatives from numerous functions such as engineering, materials, contracts, manufacturing, program management, finance and senior management. If a change in estimate is deemed necessary, the impact of the change is recognized in the period of change. Additionally, contract modifications for claims are assessed each quarter to determine whether the claims have been approved. If it is determined that a claim has been approved, the amount of the claim, if any, that can be included in transaction price is estimated considering a number of factors such as the length of time expected to lapse until uncertainty about the claim has been resolved and the extent to which our experience with claims for similar contracts has predictive value.

For contracts for which revenue is required to be recognized at a point-in-time, the Company recognizes revenue when it has transferred control of the related goods, which generally occurs upon shipment or delivery of the goods to the customer. Revenue streams for which revenue is recognized at a point-in-time include Company-proprietary products and sales of raw materials.

Refer to Note 5 for further discussion.

Income taxes. The Company estimates its income tax provision or benefit in each of the jurisdictions in which it operates, including estimating exposures and making judgments regarding the realizability of deferred tax assets. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The carrying value of the Company's net deferred tax assets is based on the Company's belief that it is more likely than not that the Company will generate sufficient future taxable income in certain jurisdictions to realize these deferred tax assets. A valuation allowance has been established for deferred tax assets which do not meet the "more likely than not" criteria discussed above.

The Company's tax rate is dependent upon the geographic distribution of its worldwide income or losses, the tax regulations and tax holidays in each geographic region, the availability of tax credits and carryforwards, including net operating losses, and the effectiveness of its tax planning strategies.

The Company makes an assessment of whether each income tax position is "more likely than not" of being sustained on audit, including resolution of related appeals or litigation, if any. For each income tax position that meets the "more likely than not" recognition threshold, the Company then assesses the largest amount of tax benefit that is greater than 50% likely of being realized upon effective settlement with the tax authority. Interest and penalties related to unrecognized tax benefits are recognized as a component of income tax expense.

Recent Accounting Pronouncement Adopted

In March 2020, the FASB issued ASU 2020-04, "Reference Rate Reform (Topic 848)", which provides optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships and other transactions affected by reference rate reform. The amendments are effective for all entities as of March 12, 2020 through December 31, 2022. The Company adopted this ASU during the fourth quarter of 2022. The impact of adoption was not material.

Note 4. Balance Sheet and Income Statement Details

Property, Plant and Equipment, net

Property, plant and equipment consisted of the following:

	As of	
	October 1, 2022	October 2, 2021
	(In thousands)	
Machinery and equipment	$ 1,523,598	$ 1,491,156
Land and buildings	656,839	645,639
Leasehold improvements	42,793	44,899
Furniture and fixtures	24,805	25,394
Construction in progress	91,928	40,524
	2,339,963	2,247,612
Less: Accumulated depreciation and amortization	(1,764,793)	(1,714,627)
Property, plant and equipment, net	$ 575,170	$ 532,985

Depreciation expense was $108 million, $109 million and $113 million for 2022, 2021 and 2020, respectively.

Other Income (Expense), net

The Company terminated its frozen U.S. defined benefit plan (the "Plan") effective July 3, 2022 and recorded a pension settlement charge of $2 million during the fourth quarter of 2022 which includes the reclassification of unrecognized pension losses from accumulated other comprehensive income to other income (expense), net on the consolidated statements of income. Refer to Note 17 for discussion.

The Company recorded a loss on extinguishment of debt of $1 million during the fourth quarter of 2022, consisting of a write-off of unamortized debt issuance costs arising from the amendment and restatement of the Fourth Amended and Restated Loan Agreement, dated as of November 30, 2018. Refer to Note 7 for discussion.

In 2021, the Company sold intellectual property for $15 million, of which $8 million has been received in cash. The sale of intellectual property was included in other income (expense), net on the consolidated statements of income. During the fourth quarter of 2022, the Company concluded it expected to incur credit losses with the counterparty for the remaining $7 million due under the arrangement. Accordingly, the Company recorded a charge of $7 million in other income (expense), net on the consolidated statements of income to establish an allowance for the expected credit loss.

A foreign entity of the Company was substantially liquidated in 2021 and the Company reclassified $8 million of cumulative translation adjustments associated with this entity from accumulated other comprehensive income to other income (expense), net on the consolidated statements of income in 2021.

The Company received $16 million of cash in 2021 in connection with settlements of certain anti-trust class action matters.

Note 5. Revenue Recognition

The Company is a leading global provider of integrated manufacturing solutions, components, products and repair, logistics and after-market services. For purposes of determining when to recognize revenue, and in what amount, the Company applies a 5-step model: (1) identify the contract with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when (or as) the Company satisfies a performance obligation. Each of these steps may involve the use of significant judgments, as discussed below.

Step 1 - Identify the contract with a customer

A contract is defined as an agreement between two parties that creates enforceable rights and obligations. The Company generally enters into a master supply agreement ("MSA") with its customers that provides the framework under which business will be conducted, and pursuant to which a customer will issue purchase orders or other binding documents to specify the quantity, price and delivery requirements for products or services the customer wishes to purchase. The Company generally considers its contract with a customer to be a firm commitment, consisting of the combination of an MSA and a purchase order or any other similar binding document.

Step 2 - Identify the performance obligations in the contract

A performance obligation is a promised good or service that is material in the context of the contract and is both capable of being distinct (customer can benefit from the good or service on its own or together with other readily available resources) and distinct within the context of the contract (separately identifiable from other promises). The Company reviews its contracts to identify promised goods or services and then evaluates such items to determine which of those items are performance obligations. The majority of the Company's contracts have a single performance obligation since the promise to transfer an individual good or service is not separately identifiable from other promises in the contract. The Company's performance obligations generally have an expected duration of one year or less.

Step 3 - Determine the transaction price

The Company's contracts with its customers may include certain forms of variable consideration such as early payment discounts, volume discounts and shared cost savings. The Company includes an estimate of variable consideration when determining the transaction price and the appropriate amount of revenue to be recognized. This estimate is limited to an amount which will not result in a significant reversal of revenue in a future period. Factors considered in the Company's estimate of variable consideration are the potential amount subject to these contract provisions, historical experience and other relevant facts and circumstances.

Step 4 - Allocate the transaction price to the performance obligations in the contract

A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. In the event that more than one performance obligation is identified in a contract, the Company is required to allocate a portion of the transaction price to each performance obligation. This allocation would generally be based on the relative standalone price of each performance obligation, which most often would represent the price at which the Company would sell similar goods or services separately.

Step 5 - Recognize revenue when (or as) a performance obligation is satisfied

The Company is required to assess whether control of a product or services promised under a contract is transferred to the customer at a point-in-time or over time as the product is being manufactured or the services are being provided. If the criteria in ASC 606 for recognizing revenue on an over time basis are not met, revenue must be recognized at the point-in-time determined by the Company at which its customer obtains control of a product or service.

The Company has determined that revenue for the majority of its contracts is required to be recognized on an over time basis. This determination is based on the fact that 1) the Company does not have an alternative use for the end products it manufactures for its customers and has an enforceable right to payment, including a reasonable profit, for work-in-progress upon a customer's cancellation of a contract for convenience or 2) the Company's customer simultaneously receives and consumes the benefits provided by the Company's services. For these contracts, revenue is recognized on an over time basis using the cost-to-cost method (ratio of costs incurred to date to total estimated costs at completion) which the Company believes best depicts the transfer of control to the customer. At least 95% of the Company's revenue is recognized on an over time basis, which is as products are manufactured or services are performed. Because of this, and the fact that there is no work-in-process or finished goods inventory associated with contracts for which revenue is recognized on an over-time basis, 99% or more of the Company's inventory at the end of a given period is in the form of raw materials. For contracts for which revenue is required to be recognized at a point-in-time, the Company recognizes revenue when it has transferred control of the related goods, which generally occurs upon shipment or delivery of the goods to the customer.

Application of the cost-to-cost method for government contracts in the Company's Defense and Aerospace division requires the use of significant judgments with respect to estimated materials, labor and subcontractor costs included in the total estimated costs at completion. Additionally, the Company evaluates whether contract modifications for claims have been approved and, if so, estimates the amount, if any, of variable consideration that can be included in the transaction price of the contract. This division is an operating segment whose results are combined with eleven other operating segments and reported under Components, Products and Services ("CPS") for segment reporting purposes. In 2022, CPS revenue and gross profit were $1.5 billion and $176 million, respectively.

Estimates of materials, labor and subcontractor costs expected to be incurred to satisfy a performance obligation are updated on a quarterly basis. These estimates consider costs incurred to date and estimated costs to be incurred over the remaining expected period of performance to satisfy a performance obligation. Such estimates are reviewed each quarter by a group of employees that includes representatives from numerous functions such as engineering, materials, contracts, manufacturing, program management, finance and senior management. If a change in estimate is deemed necessary, the impact of the change is recognized in the period of change. Additionally, contract modifications for claims are assessed each quarter to determine whether the claims have been approved. If it is determined that a claim has been approved, the amount of the claim, if any, that can be included in transaction price is estimated considering a number of factors such as the length of time expected to lapse until uncertainty about the claim has been resolved and the extent to which our experience with claims for similar contracts has predictive value.

Contract Assets

A contract asset is recognized when the Company has recognized revenue, but has not issued an invoice to its customer for payment. Contract assets are classified separately on the consolidated balance sheets and transferred to accounts receivable when rights to payment become unconditional. Because of the Company's short manufacturing cycle times, the transfer from contract assets to accounts receivable generally occurs within the next fiscal quarter.

Other

Taxes assessed by governmental authorities that are both imposed on and concurrent with a specific revenue-producing transaction, and are collected by the Company from a customer, are excluded from revenue.

Shipping and handling costs associated with outbound freight after control of a product has transferred to a customer are accounted for as fulfillment costs and are included in cost of sales.

The Company applies the following practical expedients or policy elections under ASC 606:

- The promised amount of consideration under a contract is not adjusted for the effects of a significant financing component because, at inception of a contract, the Company expects the period between when a good or service is transferred to a customer and when the customer pays for that good or service will generally be one year or less.

- The Company has elected to not disclose information about remaining performance obligations that have original expected durations of one year or less, which is substantially all of the Company's remaining performance obligations.

- Incremental costs of obtaining a contract are not capitalized if the period over which such costs would be amortized to expense is less than one year.

Disaggregation of revenue

In the following table, revenue is disaggregated by segment, market sector and geography.

	Year Ended		
	October 1, 2022	October 2, 2021	October 3, 2020
		(Restated) (In thousands)	
Segments:			
IMS	$ 6,378,324	$ 5,454,269	$ 5,685,751
CPS	1,541,298	1,284,087	1,264,457
Total	$ 7,919,622	$ 6,738,356	$ 6,950,208
End Markets:			
Communications Networks and Cloud Infrastructure	$ 3,175,534	$ 2,866,602	$ 2,832,650
Industrial, Defense, Medical and Automotive	4,744,088	3,871,754	4,117,558
Total	$ 7,919,622	$ 6,738,356	$ 6,950,208
Geography:			
Americas (1)	$ 3,748,643	$ 3,164,562	$ 3,440,365
APAC	3,007,904	2,517,963	2,514,005
EMEA	1,163,075	1,055,831	995,838
Total	$ 7,919,622	$ 6,738,356	$ 6,950,208

(1) Mexico represents approximately 60% of the Americas revenue and the U.S. represents approximately 35%.

Note 6. Financial Instruments

Fair Value Measurements

Fair Value of Financial Instruments

The fair values of cash equivalents (generally 10% or less of cash and cash equivalents), accounts receivable, accounts payable and short-term debt approximate carrying value due to the short-term duration of these instruments. Additionally, the fair value of variable rate long-term debt approximates carrying value as of October 1, 2022.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The Company's primary financial assets and financial liabilities measured at fair value on a recurring basis are deferred compensation plan assets and defined benefit plan assets, which are both measured using Level 1 inputs. Deferred compensation plan assets were $37 million and $46 million as of October 1, 2022 and October 2, 2021, respectively. Defined benefit plan assets were $17 million and $40 million as of October 1, 2022 and October 2, 2021, respectively. Other financial assets and financial liabilities measured at fair value on a recurring basis include foreign exchange contracts and interest rate swaps, which are both measured using Level 2 inputs. Foreign exchange contracts were not material as of October 1, 2022 or October 2, 2021. Interest rate swaps had a positive value of $6 million and a negative value of $19 million, as of October 1, 2022 and October 2, 2021, respectively.

Offsetting Derivative Assets and Liabilities

The Company has entered into master netting arrangements with each of its derivative counterparties that allows net settlement of derivative assets and liabilities under certain conditions, such as multiple transactions with the same currency maturing on the same date. The Company presents its derivative assets and derivative liabilities on a gross basis on the consolidated balance sheets. The amount that the Company had the right to offset under these netting arrangements was not material as of October 1, 2022 or October 2, 2021.

Non-Financial Assets Measured at Fair Value on a Nonrecurring Basis

Other non-financial assets, such as intangible assets, goodwill and other long-lived assets, are measured at fair value as of the date such assets are acquired or in the period an impairment is recorded. During 2020, commodity prices in the oil and gas market experienced a sharp decline due to a combination of an oversaturated supply and a decrease in demand caused by the COVID-19 pandemic. This commodity price decline resulted in a negative impact to the projected cash flows of the Company's oil and gas reporting unit that is part of the Company's Components, Products and Services ("CPS") operating segment and, therefore, the Company performed a goodwill impairment test for this particular reporting unit. The Company concluded that the fair value of the reporting unit was below its carrying value, resulting in a goodwill impairment charge of $7 million. The fair value of the reporting unit was estimated based on the present value of future discounted cash flows. The Company also recorded an impairment charge of $2 million in 2022 and 2020 for certain long-lived assets.

Derivative Instruments

Foreign Exchange Rate Risk

The Company is exposed to certain risks related to its ongoing business operations. The primary risk managed by using derivative instruments is foreign currency exchange risk.

Forward contracts on various foreign currencies are used to manage foreign currency risk associated with forecasted foreign currency transactions and certain monetary assets and liabilities denominated in non-functional currencies. The Company's primary foreign currency cash flows are in certain Asian and European countries, Brazil, Israel and Mexico.

The Company had the following outstanding foreign currency forward contracts that were entered into to hedge foreign currency exposures:

	As of	
	October 1, 2022	**October 2, 2021**
Derivatives Designated as Accounting Hedges:		
Notional amount (in thousands)	$ 123,172	$ 110,098
Number of contracts	50	48
Derivatives Not Designated as Accounting Hedges:		
Notional amount (in thousands)	$ 531,558	$ 353,108
Number of contracts	43	46

The Company utilizes foreign currency forward contracts to hedge certain operational ("cash flow") exposures resulting from changes in foreign currency exchange rates. Such exposures generally result from (1) forecasted non-functional currency sales and (2) forecasted non-functional currency materials, labor, overhead and other expenses. These contracts are designated as cash flow hedges for accounting purposes and are generally one to two months in duration but, by policy, may be up to twelve months in duration.

For derivative instruments that are designated and qualify as cash flow hedges, the Company excludes time value from its assessment of hedge effectiveness and recognizes the amount of time value in earnings over the life of the derivative instrument. Gains or losses on the derivative not caused by changes in time value are recorded in Accumulated Other Comprehensive Income ("AOCI"), a component of equity, and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings. The amount of gain or loss recognized in Other Comprehensive Income on derivative instruments and the amount of gain or loss reclassified from AOCI into income were not material for any period presented herein.

The Company enters into short-term foreign currency forward contracts to hedge currency exposures associated with certain monetary assets and liabilities denominated in non-functional currencies. These contracts have maturities of up to two months and are not designated as accounting hedges. Accordingly, these contracts are marked-to-market at the end of each period with unrealized gains and losses recorded in other income (expense), net, in the consolidated statements of income. The amount of gains or losses associated with these forward contracts was not material for any period presented herein. From an economic perspective, the objective of the Company's hedging program is for gains and losses on forward contracts to substantially offset gains and losses on the underlying hedged items. In addition to the contracts disclosed in the table above, the Company has numerous contracts that have been closed from an economic and financial accounting perspective and will settle early in the first month of the following quarter. Since these offsetting contracts do not expose the Company to risk of fluctuations in exchange rates, these contracts have been excluded from the above table.

Interest Rate Risk

The Company enters into forward interest rate swap agreements with independent counterparties to partially hedge the variability in cash flows due to changes in Secured Overnight Financing Rate benchmark interest rate ("SOFR") associated with anticipated variable rate borrowings. These interest rate swaps have a maturity date of December 1, 2023, and effectively convert the Company's variable interest rate obligations to fixed interest rate obligations. These swaps are accounted for as cash flow hedges under ASC Topic 815, Derivatives and Hedging. Interest rate swaps with an aggregate notional amount of $350 million were outstanding as of October 1, 2022 and October 2, 2021. The aggregate effective interest rate of these swaps as of October 1, 2022 was approximately 4.1%. Given the recent rise in interest rates and the likelihood of additional rate increases, these interest rate swaps had a positive value of $6 million as of October 1, 2022, of which the majority is included in prepaid expenses and other current assets and the remaining amount is included in other assets on the consolidated balance sheets.

Note 7. Financial Instruments and Concentration of Credit Risk

Financial instruments that potentially subject the Company to credit risk consist primarily of cash, cash equivalents, trade accounts receivable, foreign currency forward contracts and interest rate swap agreements. The carrying value of assets such as cash, cash equivalents and accounts receivable is expected to approximate fair value due to the short duration of the assets. The Company maintains its cash and cash equivalents with recognized financial institutions that management believes to be of high credit quality. One of the Company's most significant credit risks is the ultimate realization of accounts receivable. This risk is mitigated by ongoing credit evaluations of, and frequent contact with, the Company's customers, especially its most significant customers, thus enabling it to monitor changes in business operations and respond accordingly. The Company generally does not require collateral for sales on credit. The Company considers these concentrations of credit risks when estimating its allowance for doubtful accounts. Foreign currency forward contracts and interest rate swaps are maintained with high quality counterparties to reduce the Company's credit risk and are recorded on the Company's balance sheets at fair value.

Nokia and Motorola each represented more than 10% of the Company's net sales in 2022. Nokia represented more than 10% of the Company's net sales in 2021 and 2020. Motorola represented 10% or more of the Company's gross accounts receivable as of October 1, 2022 and Nokia represented 10% or more of the Company's gross accounts receivable as of October 2, 2021.

Note 8. Debt

Long-term debt consisted of the following:

	As of	
	October 1, 2022	October 2, 2021
	(In thousands)	
Term loan due 2023, net of issuance costs	$ —	$ 330,322
Term loan due 2027, net of issuance costs	346,737	—
Less: Current portion of long-term debt	17,500	18,750
Long-term debt	$ 329,237	$ 311,572

Revolving Credit Facility.

On September 27, 2022 (the "Closing Date"), the Company entered into a Fifth Amended and Restated Credit Agreement (the "Credit Agreement") that amended and restated the Company's existing Fourth Amended and Restated Loan Agreement, dated as of November 30, 2018 (the "Existing Credit Agreement") by, among other things: (i) increasing the revolving commitments amount, (ii) providing for a term loan facility and (iii) replacing LIBOR with SOFR for purposes of determining the interest rate payable for borrowings under the Credit Agreement.

The Credit Agreement provides for an $800 million revolving credit facility and a $350 million secured term loan ("Term Loan Due 2027"). Subject to the satisfaction of certain conditions, including obtaining additional commitments from existing and/or new lenders, the Company may increase the revolving commitment up to an additional $200 million. Costs incurred in connection with the amendment of the Existing Credit Agreement of $3 million are classified as long-term debt and are being amortized to interest expense over the life of the Term Loan Due 2027 using the effective interest method.

The Term Loan Due 2027 was fully drawn on the Closing Date and the proceeds were used to repay the term loan outstanding under the Existing Credit Agreement. Upon repayment, the Company recorded a loss on extinguishment of debt of $1 million consisting of a write-off of unamortized debt issuance costs of the Existing Credit Agreement.

Loans under the Credit Agreement bear interest, at the Company's option, at either the SOFR or a base rate, in each case plus a spread determined based on the Company's credit rating. Interest on the loans is payable quarterly in arrears with respect to base rate loans and at the end of an interest period (and at three month intervals if the interest period exceeds three months) in the case of SOFR loans. The outstanding principal amount of all loans under the Credit Agreement, including, the Term Loan Due 2027, together with accrued and unpaid interest, is due on September 27, 2027. The Company is required to repay a portion of the principal amount of the Term Loan Due 2027 equal to 1.25% of the principal in quarterly installments.

Maturities of the Term Loan Due 2027 as of October 1, 2022 by fiscal year are as follows:

	(In Thousands)
2023	$ 17,500
2024	13,125
2025	17,500
2026	21,875
2027	280,000
	$ 350,000

Certain of the Company's domestic subsidiaries are guarantors in respect of the Credit Agreement. The Company and the subsidiary guarantors' obligations under the Credit Agreement are secured by a lien on substantially all of their respective assets (excluding real property), including cash, accounts receivable and the shares of certain Company subsidiaries, subject to certain exceptions.

As of October 1, 2022, no borrowings and $9 million of letters of credit were outstanding under the Credit Agreement, under which $791 million was available to borrow. There were no borrowings outstanding under the Credit Agreement as of October 2, 2021.

Foreign Short-term Borrowing Facilities. As of October 1, 2022, certain foreign subsidiaries of the Company had a total of $70 million of short-term borrowing facilities available, under which no borrowings were outstanding. These facilities expire at various dates through the second quarter of 2024.

Debt Covenants

The Company's Credit Agreement requires the Company to comply with certain financial covenants, namely a maximum consolidated leverage ratio and a minimum interest coverage ratio, in both cases measured on the basis of a trailing 12 month look-back period. In addition, the Company's debt agreements contain a number of restrictive covenants, including restrictions on incurring additional debt, making investments and other restricted payments, selling assets and paying dividends, subject to certain exceptions. The Company was in compliance with these covenants as of October 1, 2022.

Note 9. Leases

ROU assets and lease liabilities recorded in the consolidated balance sheet are as follows:

	As of	
	October 1, 2022	October 2, 2021
	(In thousands)	
Other assets	$ 79,495	$ 68,012
Accrued liabilities	$ 16,695	$ 17,219
Other long-term liabilities	48,566	38,587
Total lease liabilities	$ 65,261	$ 55,806
Weighted average remaining lease term (in years)	15.74	14.46
Weighted average discount rate	2.4 %	2.72 %

Lease expense and supplemental cash flow information related to operating leases are as follows:

	Year Ended		
	October 1, 2022	October 2, 2021	October 3, 2020
Operating lease expense (1)	$ 23,978	$ 21,455	$ 20,670

	As of	
	October 1, 2022	October 2, 2021
	(In thousands)	
Cash paid for operating lease liabilities	$ 19,249	$ 19,531

(1) Includes immaterial amounts of short term leases, variable lease costs and sublease income.

Future lease payments under non-cancelable operating leases as of October 1, 2022, by fiscal year, are as follows:

	Operating Leases (In thousands)
2023	$ 18,109
2024	15,350
2025	12,450
2026	8,907
2027	5,724
Thereafter	10,412
Total lease payments	70,952
Less: imputed interest	5,691
Total	$ 65,261

Note 10. Accounts Receivable Sale Program

The Company is a party to a Receivable Purchase Agreement (the "RPA") with certain third-party banking institutions for the sale of trade receivables generated from sales to certain customers, subject to acceptance by, and a funding commitment from, the banks that are party to the RPA. Trade receivables sold pursuant to the RPA are serviced by the Company.

In addition to the RPA, the Company has the option to participate in trade receivables sales programs that have been implemented by certain of the Company's customers, as in effect from time to time. The Company does not service trade receivables sold under these other programs.

Under each of the programs noted above, the Company sells its entire interest in a trade receivable for 100% of face value, less a discount. For the years ended October 1, 2022 and October 2, 2021, the Company sold approximately $1.9 billion and approximately $0.5 billion, respectively, of accounts receivable under these programs. Upon sale, these receivables are removed from the consolidated balance sheets and cash received is presented as cash provided by operating activities in the consolidated statements of cash flows. Discounts on sold receivables were not material for any period presented. As of October 1, 2022 and October 2, 2021, $194 million and $7 million, respectively, of accounts receivable sold under the RPA and subject to servicing by the Company remained outstanding and had not yet been collected. The Company's sole risk with respect to receivables it services is with respect to commercial disputes regarding such receivables. Commercial disputes include billing errors, returns and similar matters. To date, the Company has not been required to repurchase any receivable it has sold due to a commercial dispute. Additionally, the Company is required to remit amounts collected as servicer under the RPA on a weekly basis to the financial institutions that purchased the receivables. As of October 1, 2022 and October 2, 2021, $49 million and $18 million, respectively, had been collected but not yet remitted. This amount is classified in accrued liabilities on the consolidated balance sheets.

Note 11. Contingencies

From time to time, the Company is a party to litigation, claims and other contingencies, including environmental, regulatory and employee matters and examinations and investigations by governmental agencies, which arise in the ordinary course of business. The Company records a contingent liability when it is probable that a loss has been incurred and the amount of loss is reasonably estimable in accordance with ASC Topic 450, *Contingencies,* or other applicable accounting standards. As of October 1, 2022 and October 2, 2021, the Company had reserves of $38 million and $37 million, respectively for environmental matters, warranty, litigation and other contingencies (excluding reserves for uncertain tax positions), which the Company believes are adequate. However, there can be no assurance that the Company's reserves will be sufficient to settle these contingencies. Such reserves are included in accrued liabilities and other long-term liabilities on the consolidated balance sheets.

Legal Proceedings

Environmental Matters

The Company is subject to various federal, state, local and foreign laws and regulations and administrative orders concerning environmental protection, including those addressing the discharge of pollutants into the environment, the management and disposal of hazardous substances, the cleanup of contaminated sites, the materials used in products, and the recycling, treatment and disposal of hazardous waste. As of October 1, 2022, the Company had been named in a lawsuit and several administrative orders alleging certain of its current and former sites contributed to groundwater contamination. One such order demands that the Company and other alleged defendants remediate groundwater contamination at four landfills located in Northern California to which the Company may have sent wastewater in the past. The Company is participating in a working group of other alleged defendants to better understand its potential exposure in this action and has reserved its estimated exposure for this matter as of October 1, 2022. However, there can be no assurance that the Company's reserve will ultimately be sufficient.

In June 2008, the Company was named by the Orange County Water District in a suit alleging that a predecessor company's actions at a plant the Company sold in 1998 contributed to polluted groundwater managed by the plaintiff. The complaint seeks recovery of compensatory and other damages, as well as declaratory relief, for the payment of costs necessary to investigate, monitor, remediate, abate and contain contamination of groundwater. In April 2013, all claims against the Company were dismissed. The plaintiff appealed this dismissal and the Court of Appeal reversed the judgment in August 2017, remanding the case back to the Superior Court of California for trial. The first phase of a multi-phase trial against the Company and several other defendants commenced in April 2021 and the submission of evidence concluded in May 2022. On June 28, 2022, the Court issued a tentative ruling finding Sanmina and the other defendants liable for certain past investigation costs incurred by the plaintiff. A final statement of decision in this phase of the trial is expected on or about the middle of calendar year 2023. Based upon the Court's tentative ruling, the Company believes a loss in this matter is probable and has recorded an estimated loss. Subsequent trial phases to assess the Company's and certain other defendants' liability for the plaintiff's future remediation and other costs, and the allocation of damages among the liable defendants, are anticipated to occur in 2024 and beyond. It is probable that the Company will record additional losses in connection with this matter, and it is reasonably possible that the amount of such additional losses will be material. However, at the current time, the Company is unable to estimate the amount of such additional losses or a range of losses. The Company intends to continue defending the case vigorously and to seek appellate review of any adverse liability rulings or judgment at the appropriate time.

Other Matters

In October 2018, a contractor who had been retained by the Company through a third party temporary staffing agency filed a lawsuit against the Company in the Santa Clara County Superior Court on behalf of himself and all other similarly situated Company contractors and employees in California, alleging violations of California Labor Code provisions governing overtime, meal and rest periods, wages, wage statements and reimbursement of business expenses. The complaint sought certification of a class of all non-exempt employees. Although the Company continued to deny any wrongdoing, on November 19, 2020, the Company reached an agreement to resolve all claims, including claims under California's Private Attorneys General Act of 2004 (the "Settlement"), which also resulted in the dismissal of a suit alleging substantially similar claims filed in the Santa Clara County Superior Court in June 2021. The final amount of the judicially approved Settlement was approximately $4 million, and was paid during the first quarter of fiscal 2022.

In December 2019, the Company sued a former customer, Dialight plc ("Dialight"), in the United States District Court for the Southern District of New York to collect approximately $10 million in unpaid accounts receivable and net obsolete inventory obligations. Later the same day, Dialight commenced its own action in the same court. Dialight's complaint, which asserts claims for fraudulent inducement, breach of contract, and gross negligence/willful misconduct, alleges that the Company fraudulently misrepresented its capabilities to induce Dialight to enter into a Manufacturing Services Agreement (the "Dialight MSA"), and then breached its obligations contained in the Dialight MSA relating to quality, on-time delivery and supply chain management. Dialight seeks compensatory and punitive damages that it contends exceed $200 million, but which the Company believes are vastly overstated and are subject to a contractual limitation of liability that limits any Dialight recovery to less than $2 million. The Company continues to vigorously prosecute its claims against Dialight. Further, the Company strongly disagrees with Dialight's allegations and is defending against them vigorously. No trial date has been set in this matter.

For each of the pending matters noted above, the Company is unable to reasonably estimate a range of possible loss at this time.

Note 12. Restructuring

Restructuring costs were $11 million, $15 million, and $27 million in 2022, 2021, and 2020, respectively.

The following table is a summary of restructuring costs:

	Year Ended		
	October 1, 2022	October 2, 2021	October 3, 2020
		(In thousands)	
Severance costs	$ 319	$ 9,405	$ 17,919
Other exit costs (recognized as incurred)	1,500	1,834	71
Total - Q1 FY20 Plan	1,819	11,239	17,990
Costs incurred for other plans	9,606	3,818	8,793
Total - all plans	$ 11,425	$ 15,057	$ 26,783

Q1 FY20 Plan

On October 28, 2019, the Company adopted a Company-wide restructuring plan ("Q1 FY20 Plan") under which the Company has incurred restructuring costs of approximately $31 million as of October 1, 2022. These charges consist primarily of severance. Substantially all cash payments have occurred and actions under this plan are complete.

Other plans

Other plans include a number of plans for which costs are not expected to be material individually or in the aggregate.

All Plans

The Company's Integrated Manufacturing Solutions ("IMS") segment incurred costs of $1 million and $9 million for the years ended October 1, 2022 and October 2, 2021, respectively. The Company's CPS segment incurred costs of $10 million and $5 million for the years ended October 1, 2022 and October 2, 2021, respectively. In addition, the Company incurred costs of $1 million for the year ended October 2, 2021 for Corporate headcount reductions that were not allocated to the Company's IMS and CPS segments. The Company had accrued liabilities of $6 million as of October 1, 2022 and October 2, 2021, for restructuring costs (exclusive of long-term environmental remediation liabilities).

The Company expects to incur restructuring costs, which could be material, in future periods primarily relating to vacant facilities and former sites for which the Company is or may be responsible for environmental remediation.

Note 13. Income Taxes

Domestic and foreign components of income before income taxes were as follows:

	Year Ended		
	October 1, 2022	October 2, 2021 (Restated)	October 3, 2020
		(In thousands)	
Domestic	$ 145,671	$ 174,936	$ 88,450
Foreign	156,649	106,705	103,765
Total	$ 302,320	$ 281,641	$ 192,215

The provision for income taxes consists of the following:

	Year Ended		
	October 1, 2022	October 2, 2021 (Restated)	October 3, 2020
		(In thousands)	
Federal:			
Current	$ 1,070	$ 705	$ (917)
Deferred	25,399	28,809	7,666
State:			
Current	1,711	3,677	1,500
Deferred	3,081	(302)	2,579
Foreign:			
Current	31,241	(906)	46,376
Deferred	(566)	112	1,842
Total provision for income taxes	$ 61,936	$ 32,095	$ 59,046

The Company's provision for income taxes for 2022, 2021 and 2020 was $62 million (20% of income before taxes), $32 million (11% of income before taxes) and $59 million (31% of income before taxes), respectively.

The effective tax rates for 2022 and 2021 were lower than the expected U.S. statutory rate of 21% primarily due to a $16 million and $43 million tax benefit, respectively, resulting from the release of a foreign tax reserves due to lapse of time and expiration of statutes of limitations. The effective tax rate for 2020 is higher than the expected U.S. statutory rate of 21% primarily due to foreign operations that are taxed at rates higher than the U.S. statutory rate.

The tax effects of temporary differences that give rise to significant portions of deferred tax assets and liabilities are as follows:

	As of	
	October 1, 2022	October 2, 2021
	(Restated)	
	(In thousands)	
Deferred tax assets:		
U.S. net operating loss carryforwards	$ 92,882	$ 134,385
Foreign net operating loss carryforwards	109,416	112,516
Intangibles	25,099	24,219
Accruals not currently deductible	44,963	43,932
Property, plant and equipment	27,514	25,494
Tax credit carryforwards	18,465	17,250
Reserves not currently deductible	14,939	11,534
Stock compensation expense	6,365	7,677
Federal benefit of foreign operations	21,312	18,336
Derivatives and other impacts of OCI	838	7,637
Lease deferred tax asset	15,018	11,563
Other	1,915	—
Valuation allowance	(118,210)	(115,258)
Total deferred tax assets	260,516	299,285
Deferred tax liabilities on undistributed earnings	(14,775)	(14,775)
Deferred tax liabilities on branch operations	(24,182)	(30,000)
Revenue recognition	(1,572)	(1,702)
Lease deferred tax liability	(14,808)	(11,349)
Other	—	(2,495)
Net deferred tax assets	$ 205,179	$ 238,964
Recorded as:		
Deferred tax assets	$ 209,554	$ 242,261
Deferred tax liabilities	(4,375)	(3,297)
Net deferred tax assets	$ 205,179	$ 238,964

A valuation allowance is established or maintained when, based on currently available information and other factors, it is more likely than not that all or a portion of the deferred tax assets will not be realized. The Company regularly assesses its valuation allowance against deferred tax assets on a jurisdiction by jurisdiction basis. The Company considers all available positive and negative evidence, including future reversals of temporary differences, projected future taxable income, tax planning strategies and recent financial results. Significant judgment is required in assessing the Company's ability to generate revenue, gross profit, operating income and jurisdictional taxable income in future periods. The Company's valuation allowance as of October 1, 2022 relates primarily to foreign net operating losses, with the exception of $14 million related to U.S. state net operating losses.

The Company provides deferred tax liabilities for the tax consequences associated with the undistributed earnings that are expected to be repatriated to subsidiaries' parent unless the subsidiaries' earnings are considered indefinitely reinvested. As of October 1, 2022, income taxes and foreign withholding taxes have not been provided for approximately $439 million of cumulative undistributed earnings of several non-U.S. subsidiaries. The Company intends to reinvest these earnings indefinitely in operations outside of the U.S. Determination of the amount of unrecognized deferred tax liabilities on these undistributed earnings is not practicable.

As of October 1, 2022, the Company has cumulative net operating loss carryforwards for federal, state and foreign tax purposes of $344 million, $357 million and $465 million, respectively. The federal and state net operating loss carryforwards begin expiring in fiscal years 2028 and 2023, respectively, and expire at various dates through September 29, 2035. Certain foreign net operating losses start expiring in 2023. However, the majority of foreign net operating losses carryforward indefinitely. As of October 1, 2022, the Company has federal tax credits of $21 million that expire between 2031 and 2042. There are certain restrictions on the utilization of net operating loss and tax credit carryforwards in the event of an "ownership change" as defined in the Internal Revenue Code. The utilization of certain net operating losses may be restricted due to changes in ownership and business operations.

Following is a reconciliation of the statutory federal tax rate to the Company's effective tax rate:

	Year Ended		
	October 1, 2022	October 2, 2021	October 3, 2020
		(Restated)	
Federal tax at statutory tax rate	21.00 %	21.00 %	21.00 %
Effect of foreign operations	3.52	7.99	13.60
Permanent items	0.08	(2.03)	(0.62)
Federal credits	(0.73)	(0.54)	(1.37)
Other	0.59	(0.20)	(0.06)
State income taxes, net of federal benefit	1.60	0.91	1.94
Release of foreign tax reserves	(5.57)	(15.73)	(3.77)
Effective tax rate	20.49 %	11.40 %	30.72 %

A reconciliation of the beginning and ending amount of total liabilities for unrecognized tax benefits, excluding accrued penalties and interest, is as follows:

	Year Ended		
	October 1, 2022	October 2, 2021	October 3, 2020
		(In thousands)	
Balance, beginning of year	$ 67,781	$ 74,612	$ 66,677
Increase (decrease) related to prior year tax positions	(4,456)	6,063	1,327
Increase related to current year tax positions	7,154	7,349	9,907
Settlements	(7,596)	—	—
Decrease related to lapse of time and expiration of statutes of limitations	(9,331)	(20,243)	(3,299)
Balance, end of year	$ 53,552	$ 67,781	$ 74,612

The Company had reserves of $11 million and $17 million as of October 1, 2022 and October 2, 2021, respectively, for the payment of interest and penalties relating to unrecognized tax benefits. During 2022, the Company recognized an income tax benefit for interest and penalties of $3 million due to lapse of time and expiration of statutes of limitations compared to an income tax benefit of $23 million in 2021. The Company recognizes interest and penalties related to liabilities for unrecognized tax benefits as a component of income tax expense. Should the Company be able to ultimately recognize all of these uncertain tax positions, it would result in a benefit to net income of $44 million in 2022.

The Company conducts business globally and, as a result, files income tax returns in the United States federal jurisdiction and various state and foreign jurisdictions. In the normal course of business, the Company is subject to examination by taxing authorities throughout the world. The Company is currently being audited by the Internal Revenue Service for tax years 2008 through 2010. To the extent the final tax liabilities are different from the amounts accrued, this would result in an increase or decrease in net operating loss carryforwards which could materially impact tax expense. Additionally, the Company is being audited by various state tax agencies and certain foreign countries. To the extent the final tax liabilities are different from the amounts accrued, the increases or decreases would be recorded as income tax expense or benefit in the consolidated statements of income. Although the Company believes that the resolution of these audits will not have a material adverse impact on the Company's results of operations, the outcome is subject to uncertainty.

In general, the Company is no longer subject to United States federal or state income tax examinations for years before 2003, and to foreign examinations for years prior to 2006 in its major foreign jurisdictions. It is reasonably possible that the balance of gross unrecognized tax benefits could decrease in the next 12 months by approximately $9 million related to payments, the resolution of audits and expiration of statutes of limitations. In addition, there could be a corresponding decrease in accrued interest and penalties of approximately $4 million.

Note 14. Earnings Per Share

Basic and diluted earnings per share amounts are calculated by dividing net income by the weighted average number of shares of common stock outstanding during the period, as follows:

	Year Ended		
	October 1, 2022	October 2, 2021 (Restated)	October 3, 2020
	(In thousands, except per share amounts)		
Numerator:			
Net income	$ 240,384	$ 249,546	$ 133,169
Denominator:			
Weighted average common shares outstanding	61,310	65,318	69,041
Effect of dilutive stock options and restricted stock units	1,807	1,766	1,752
Denominator for diluted earnings per share	63,117	67,084	70,793
Net income per share:			
Basic	$ 3.92	$ 3.82	1.93
Diluted	$ 3.81	$ 3.72	1.88

Weighted-average dilutive securities that were excluded from the above calculation because their inclusion would have had an anti-dilutive effect under ASC Topic 260, *Earnings per Share*, due to application of the treasury stock method were not material for any period presented.

Note 15. Stockholders' Equity

The Company's 2009 Stock Plan ("2009 Plan") expired as to future grants on January 26, 2019. Although the 2009 Plan expired, it will continue to govern all awards granted under it prior to its expiration date. On March 11, 2019, the Company's stockholders approved the Company's 2019 Equity Incentive Plan ("2019 Plan") and the reservation of 4 million shares of common stock for issuance thereunder, plus any shares subject to stock options or similar awards granted under the 2009 Plan that expire or otherwise terminate without having been exercised in full and shares issued pursuant to awards granted that are forfeited by the Company.

As of October 1, 2022, an aggregate of 7 million shares were authorized for future issuance under the Company's stock plans, of which 4 million of such shares were issuable upon exercise of outstanding options and delivery of shares upon vesting of restricted stock units and 3 million shares of common stock were available for future grant. Awards other than stock options reduce common stock available for grant by 1.36 shares for every share of common stock subject to such an award. Awards under the 2019 Plan and 2009 Plan that expire or are cancelled without delivery of shares generally become available for issuance under the 2019 Plan. The 2019 Plan will expire as to future grants in December 2028.

Stock Repurchase Program

During 2022, 2021 and 2020, the Company repurchased 8.0 million shares, 1.5 million shares and 6.4 million shares of its common stock for $317 million, $54 million and $166 million (including commissions), respectively, under stock repurchase programs authorized by the Board of Directors. These programs have no expiration dates and the timing of repurchases will depend upon capital needs to support the growth of the Company's business, market conditions and other factors. Although stock repurchases are intended to increase stockholder value, purchases of shares reduce the Company's liquidity. As of October 1, 2022, an aggregate of $164 million remains available under these programs.

In addition to the repurchases discussed above, the Company repurchased 369,000, 286,000 and 398,000 shares of its common stock during 2022, 2021, and 2020, respectively, in settlement of employee tax withholding obligations due upon the vesting of restricted stock units. The Company paid $14 million, $10 million and $13 million, respectively, to applicable tax authorities in connection with these repurchases.

Accumulated Other Comprehensive Income

Accumulated other comprehensive income, net of tax as applicable, consisted of the following:

	As of	
	October 1, 2022	October 2, 2021
	(In thousands)	
Foreign currency translation adjustments	$ 63,929	$ 76,120
Unrealized holding gain (loss) on derivative financial instruments	4,112	(14,305)
Unrecognized net actuarial loss and unrecognized transition cost for benefit plans	(11,716)	(21,125)
Total	$ 56,325	$ 40,690

During the third quarter of 2021, a foreign entity of the Company was substantially liquidated and the Company reclassified $8 million of cumulative translation adjustments associated with this entity from accumulated other comprehensive income to other income (expense), net in the consolidated statements of income. During the fourth quarter of 2022, the Company reclassified $2 million of unrecognized pension losses from accumulated other comprehensive income to other income (expense), net in the consolidated statements of income. There were no other significant reclassifications from accumulated other comprehensive income to the consolidated statements of income for any period presented.

Unrealized holding gain (loss) on derivative financial instruments includes losses from interest rate swap agreements with independent counterparties to partially hedge the variability in cash flows due to changes in the benchmark interest rate (SOFR) associated with anticipated variable rate borrowings. These swaps are accounted for as cash flow hedges under ASC Topic 815, Derivatives and Hedging. Interest rate swaps with an aggregate notional amount of $350 million were outstanding as of October 1, 2022 and October 2, 2021. The aggregate effective interest rate of these swaps as of October 1, 2022 was approximately 4.1% and was approximately 4.3% as of October 2, 2021. These interest rate swaps had a negative value of $19 million as of October 2, 2021, of which $9 million is included in accrued liabilities and the remaining amount is included in other long-term liabilities on the consolidated balance sheets. Given the recent rise in interest rates and the likelihood of additional rate increases, these interest rate swaps had a positive value of $6 million as of October 1, 2022, of which the majority is included in prepaid expenses and other current assets and the remaining amount is included in other assets on the consolidated balance sheets.

Note 16. Business Segment, Geographic and Customer Information

ASC Topic 280, *Segment Reporting*, establishes standards for reporting information about operating segments, products and services, geographic areas of operations and major customers. Operating segments are defined as components of an enterprise for which separate financial information is available and evaluated regularly by the chief operating decision maker or decision making group in deciding how to allocate resources and in assessing performance.

The Company's operations are managed as two businesses:

1) Integrated Manufacturing Solutions (IMS). IMS is a reportable segment consisting of printed circuit board assembly and test, high-level assembly and test and direct order fulfillment.

2) Components, Products and Services (CPS). Components include printed circuit boards, backplanes and backplane assemblies, cable assemblies fabricated metal parts, precision machined parts, and plastic injected molded parts. Products include memory solutions from our Viking Technology division; high-performance storage platforms for hyperscale and enterprise solutions from our Viking Enterprise Solutions (VES) division; optical, radio frequency (RF) and microelectronics (microE) design and manufacturing services from Advanced Microsystems Technologies; defense and aerospace products from SCI Technology; and cloud-based manufacturing execution software from the Company's 42Q division. Services include design, engineering and logistics and repair.

The Company determined that it has only one reportable segment - IMS, which generated approximately 80% of the Company's total revenue in 2022. CPS consists of multiple operating segments which do not meet the quantitative threshold for being presented individually as reportable segments. Therefore, financial information for these operating segments is combined and presented in a single category entitled "Components, Products and Services".

The accounting policies for each segment are the same as those disclosed by the Company for its consolidated financial statements. Intersegment sales consist primarily of sales of components from CPS to IMS.

The Company's chief operating decision making group is the Chief Executive Officer who allocates resources and assesses performance of operating segments based on a measure of revenue and gross profit that excludes items not directly related to the Company's ongoing business operations. These items are typically either non-recurring or non-cash in nature.

Segment information is as follows:

	Year Ended October 1, 2022	October 2, 2021 (In thousands)	October 3, 2020
Gross sales (As restated):			
IMS	$ 6,413,606	$ 5,485,612	$ 5,719,180
CPS	1,655,183	1,379,455	1,369,550
Intersegment revenue	(149,167)	(126,711)	(138,522)
Net Sales	$ 7,919,622	$ 6,738,356	$ 6,950,208
Gross Profit (As restated):			
IMS	$ 462,606	$ 391,339	$ 381,638
CPS	175,509	151,884	148,301
Total	638,115	543,223	529,939
Unallocated items (1)	(15,909)	(16,782)	(12,775)
Total	$ 622,206	$ 526,441	$ 517,164
Depreciation and amortization:			
IMS	$ 73,914	$ 77,076	$ 81,169
CPS	30,061	27,770	26,718
Total	103,975	104,846	107,887
Unallocated corporate items (2)	4,808	4,810	6,331
Total	$ 108,783	$ 109,656	$ 114,218
Capital expenditures (receipt basis):			
IMS	$ 94,636	$ 44,672	$ 23,933
CPS	55,993	33,839	23,915
Total	150,629	78,511	47,848
Unallocated corporate items (2)	5,650	3,343	3,227
Total	$ 156,279	$ 81,854	$ 51,075

(1) For purposes of evaluating segment performance, management excludes certain items from its measures of gross profit. These items consist of stock-based compensation expense, amortization of intangible assets, charges or credits resulting from distressed customers and litigation settlements.

(2) Primarily related to selling, general and administration functions.

Segment assets, consisting of accounts receivable, inventories and fixed assets, are substantially proportional to segment sales.

Net sales by geographic segment, determined based on the country in which a product is manufactured were as follows:

	Year Ended		
	October 1, 2022	October 2, 2021 (Restated)	October 3, 2020
		(In thousands)	
Net sales:			
Americas (1)	$ 3,748,643	$ 3,164,562	$ 3,440,365
APAC	3,007,904	2,517,963	2,514,005
EMEA	1,163,075	1,055,831	995,838
Total	$ 7,919,622	$ 6,738,356	$ 6,950,208

(1) Mexico represents approximately 60% of the Americas revenue and the U.S. represents approximately 35%.

Percentage of net sales represented by ten largest customers	48.7 %	52.7 %	55.5 %
Number of customers representing 10% or more of net sales	2	1	1

	As of	
	October 1, 2022	October 2, 2021
	(In thousands)	
Property, plant and equipment, net:		
Americas	$ 367,172	$ 322,545
APAC	151,254	143,111
EMEA	56,744	67,329
Total	$ 575,170	$ 532,985

Note 17. Stock-Based Compensation

Stock-based compensation expense was recognized as follows:

	Year Ended		
	October 1, 2022	October 2, 2021	October 3, 2020
		(In thousands)	
Cost of sales	$ 14,065	$ 14,472	$ 10,099
Selling, general and administrative	25,037	20,118	15,897
Research and development	506	386	239
Total	$ 39,608	$ 34,976	$ 26,235

The Company grants restricted stock units and restricted stock units with performance conditions (“PSUs”) to executive officers, directors and certain other employees. These units vest over periods ranging from one year to four years and/or upon achievement of specified performance criteria, with associated compensation expense recognized ratably over the vesting period.

The Company grants shares for which vesting is contingent on cumulative non-GAAP earnings per share measured over three fiscal years. If a minimum threshold is not achieved during the measurement period, the shares will be cancelled. If a minimum threshold is achieved or exceeded, the number of shares of common stock that will be issued will range from 80% to 120% of the number of PSUs granted, depending on the extent of performance. Additionally, the number of shares that vest may be adjusted up or down by up to 15% based on the Company’s total shareholder return relative to that of its peer group over this same period.

Activity with respect to the Company’s restricted stock units and PSUs was as follows:

	Number of Shares (In thousands)	Weighted Average Grant-Date Fair Value ($)	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value ($) (In thousands)
Outstanding as of September 28, 2019	3,153	27.82	1.30	102,720
Granted	1,340	32.51		
Vested/Forfeited/Cancelled	(1,925)	28.62		
Outstanding as of October 3, 2020	2,568	29.67	1.23	71,571
Granted	1,529	34.26		
Vested/Forfeited/Cancelled	(1,143)	29.27		
Outstanding as of October 2, 2021	2,954	32.21	1.23	113,591
Granted	1,644	40.54		
Vested/Forfeited/Cancelled	(1,318)	30.42		
Outstanding as of October 1, 2022	3,280	37.11	1.35	155,049
Expected to vest as of October 1, 2022	2,909	36.93	1.28	137,524

The fair value of restricted stock units that vested during the year was $44 million for 2022, $32 million for 2021 and $43 million for 2020. As of October 1, 2022, unrecognized compensation expense of $68 million is expected to be recognized over a weighted average period of 1.3 years.

Note 18. Employee Benefit Plans

The Company has various defined contribution retirement plans that cover the majority of its domestic employees. These retirement plans permit participants to elect to have contributions made to the retirement plans in the form of salary deferrals. Under these retirement plans, the Company may match a portion of employee contributions. Amounts contributed by the Company were not material for any period presented herein.

The Company sponsors a deferred compensation plan for eligible employees that allows participants to defer payment of all or part of their compensation. Deferrals under this plan were immaterial. Assets associated with these plans were $37 million and $46 million as of October 1, 2022 and October 2, 2021, respectively. Liabilities associated with these plans were $37 million and $46 million as of October 1, 2022 and October 2, 2021, respectively. These amounts are recorded in other non-current assets and other long-term liabilities on the consolidated balance sheets.

Defined benefit plans covering certain employees in the United States and Canada were frozen in 2001. Employees who had not yet vested will continue to be credited with service until vesting occurs, but no additional benefits will accrue. During the third quarter of 2022, the Board of Directors approved the termination of the Company’s frozen U.S. defined benefit plan (the “Plan”) effective July 3, 2022. In connection with this termination, the Company purchased a group annuity contract for $6 million during the fourth quarter of 2022 that provides for the administration of future payments to eligible plan participants. In addition, the Company recorded a pension settlement charge of $2 million during the fourth quarter of 2022, which includes the reclassification of unrecognized pension losses from accumulated other comprehensive income to other income (expense), net on the consolidated statements of income.

The Company also provides defined benefit pension plans in certain other countries. The assumptions used for calculating the pension benefit obligations for non-U.S. plans depend on the local economic environment and regulations. The measurement date for the Company’s defined benefit plans is October 1, 2022.

The funded status and plan assets for the defined benefit plans and amount reported on the consolidated balance sheets were as follows:

	As of				
	October 1, 2022	October 2, 2021		October 3, 2020	
	Non-U.S.	U.S.	Non-U.S.	U.S.	Non-U.S.
	(In thousands)				
Plan Assets	$ 17,290	$ 16,435	$ 23,575	$ 15,430	$ 23,575
Projected Benefit Obligation	50,871	22,943	63,217	25,704	64,453
Underfunded Status	$ 33,581	$ 6,508	$ 39,642	$ 10,274	$ 40,878
Current Liabilities	$ 3,038	$ —	$ 2,674	$ —	$ 2,054
Non-current liabilities	30,543	6,508	36,968	10,274	38,824
Total liabilities	$ 33,581	$ 6,508	$ 39,642	$ 10,274	$ 40,878

The Company's investment strategy is designed to help ensure that sufficient pension assets are available to pay benefits as they become due. Plan assets are invested in mutual funds that are valued using the NAV that is quoted in active markets (Level 1 input). These plans are managed consistent with regulations or market practices of the country in which the assets are invested. As of October 1, 2022 there were no significant concentrations of credit risk related to pension plan assets. All other amounts and assumptions were not material for any period presented herein.

Note 19. Strategic Transactions

India Joint Venture

On October 3, 2022, subsequent to the end of the fourth quarter of 2022, the Company completed a joint venture transaction in which the Company entered into a Share Subscription and Purchase Agreement (the "SSPA") and a Joint Venture and Shareholders' Agreement (the "Shareholders' Agreement") with Reliance Strategic Business Ventures Limited ("RSBVL"), a wholly owned subsidiary of Reliance Industries Limited. Pursuant to the SSPA and the Shareholder' Agreement, the parties established Sanmina SCI India Private Limited ("SIPL"), the Company's existing Indian manufacturing entity, as a joint venture to engage in manufacturing in India of telecommunications equipment, data center and internet equipment, medical equipment, clean technology equipment and other high-tech equipment. As a result of the transaction, RSBVL acquired shares of SIPL for approximately $215 million of cash such that immediately after the closing of the transaction, RSBVL holds 50.1% of the outstanding shares of SIPL and Sanmina holds the remaining 49.9% of the outstanding shares of SIPL. The amount received from RSBVL was based on preliminary calculations and is subject to adjustment based on final calculations. Given the terms of the agreements entered into by the parties concerning management of the joint venture, the Company expects to continue to consolidate SIPL in future periods.

Acquisition

On April 6, 2021, the Company purchased all of the outstanding stock of a European subsidiary of a multinational company in the industrial end market. This acquisition increased the Company's IMS capabilities in Europe. The Company also entered into a master supply agreement with the seller in connection with this acquisition. Total consideration paid in this acquisition was $38 million of cash, of which $29 million was paid upon closing and $9 million is due in April 2023. The acquiree had $8 million of cash as of the acquisition date, resulting in a net cash outlay upon closing of $21 million. The pro-forma effect of the acquisition, as if it had occurred at the beginning of the year, was not material to the consolidated financial statements. The acquisition is reported in the Company's IMS reportable segment.

The Company's allocation of the purchase price was based on management's estimate of the acquisition-date fair values of the tangible and identifiable intangible assets acquired and liabilities assumed.

The following represents the allocation of the purchase price to the acquired assets and liabilities assumed.

	(In thousands)
Current assets, including cash acquired of $8.1 million	$ 18,696
Noncurrent assets, including identifiable intangible assets of $4.4 million and goodwill of $8.5 million	30,711
Current liabilities	(10,671)
Noncurrent liabilities	(152)
Total net assets acquired	$ 38,584

Goodwill reflects the expectation that the acquisition enables the Company to increase its IMS capabilities in Europe. Goodwill and identifiable intangible assets are recorded in other non-current assets on the consolidated balance sheets. Identifiable intangible assets are being amortized over four years.

Note 20. Quarterly Financial Data – Unaudited

The following tables set forth selected unaudited quarterly financial information for the years ended October 1, 2022 and October 2, 2021. As described in Note 2, the Company has restated its unaudited quarterly financial information for each of the interim periods in the years ended October 1, 2022 and October 2, 2021. This information has been prepared on the same basis as the unaudited consolidated financial statements. The adjustments to the unaudited quarterly financial information below are the same as the Investigation Adjustments and Other Adjustments discussed in Note 2.

	As Restated Year ended October 1, 2022			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	(In thousands, except per share data)			
Net sales	$ 1,756,326	$ 1,915,070	$ 2,023,361	$ 2,224,865
Gross profit	$ 141,297	$ 146,495	$ 162,185	$ 172,229
Gross margin	8.0 %	7.6 %	8.0 %	7.7 %
Operating income	$ 78,241	$ 76,274	$ 91,614	$ 103,350
Operating margin	4.5 %	4.0 %	4.5 %	4.6 %
Net income	$ 56,177	$ 48,621	$ 77,222	$ 58,364
Basic net income per share	$ 0.87	$ 0.77	$ 1.29	$ 1.01
Diluted net income per share	$ 0.85	$ 0.76	$ 1.25	$ 0.98

	As Restated Year ended October 2, 2021			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	(In thousands, except per share data)			
Net sales	$ 1,755,984	$ 1,678,497	$ 1,653,266	$ 1,650,609
Gross profit	$ 140,351	$ 120,985	$ 135,066	$ 130,039
Gross margin	8.0 %	7.2 %	8.2 %	7.9 %
Operating income	$ 74,675	$ 42,610	$ 72,741	$ 65,910
Operating margin	4.3 %	2.5 %	4.4 %	4.0 %
Net income	$ 49,558	$ 27,868	$ 116,195	$ 55,925
Basic net income per share	$ 0.76	$ 0.43	$ 1.78	$ 0.86
Diluted net income per share	$ 0.74	$ 0.42	$ 1.73	$ 0.83

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Consolidated Balance Sheets

The following table presents the impact of the financial statement adjustments on the Company's previously reported Consolidated Balance Sheets as of January 1, 2022, April 2, 2022 and July 2, 2022.

	As of											
	January 1, 2022				April 2, 2022				July 2, 2022			
	Previously Reported	Investigation Adjustments	Other Adjustments	As Restated	Previously Reported	Investigation Adjustments	Other Adjustments	As Restated	Previously Reported	Investigation Adjustments	Other Adjustments	As Restated
	(Unaudited) (In thousands)											
ASSETS												
Current assets:												
Cash and cash equivalents	$ 627,717	$ —	$ —	$ 627,717	$ 559,893	$ —	$ —	$ 559,893	$ 493,305	$ —	$ —	$ 493,305
Accounts receivable, net of allowances	1,298,327	—	687	1,299,014	1,270,494	—	606	1,271,100	1,228,435	—	1,429	1,229,864
Contract assets	364,407	(31,772)	14,948	347,583	417,286	(33,512)	15,508	399,282	459,306	(34,918)	20,408	444,796
Inventories	1,242,440	(2,373)	13,630	1,253,697	1,437,955	(6,913)	12,579	1,443,621	1,591,111	(8,829)	7,841	1,590,123
Prepaid expenses and other current assets	59,188	—	—	59,188	61,525	—	—	61,525	63,827	—	—	63,827
Total current assets	3,592,079	(34,145)	29,265	3,587,199	3,747,153	(40,425)	28,693	3,735,421	3,835,984	(43,747)	29,678	3,821,915
Property, plant and equipment, net	525,159	—	—	525,159	525,362	—	—	525,362	545,673	—	—	545,673
Deferred tax assets	227,239	7,792	—	235,031	220,532	9,042	—	229,574	212,407	9,673	—	222,080
Other	157,533	—	—	157,533	156,867	—	—	156,867	149,608	—	—	149,608
Total assets	$ 4,502,010	$ (26,353)	$ 29,265	$ 4,504,922	$ 4,649,914	$ (31,383)	$ 28,693	$ 4,647,224	$ 4,743,672	$ (34,074)	$ 29,678	$ 4,739,276
LIABILITIES AND STOCKHOLDERS' EQUITY												
Current liabilities:												
Accounts payable	$ 1,694,592	$ —	$ 13,630	$ 1,708,222	$ 1,817,465	$ —	$ 12,579	$ 1,830,044	$ 1,976,533	$ —	$ 7,841	$ 1,984,374
Accrued liabilities	236,227	2,100	15,635	253,962	314,648	1,669	16,114	332,431	303,076	1,299	21,837	326,212
Accrued payroll and related benefits	115,738	—	—	115,738	116,794	—	—	116,794	133,319	—	—	133,319
Short-term debt, including current portion of long-term debt	18,750	—	—	18,750	18,750	—	—	18,750	18,750	—	—	18,750
Total current liabilities	2,065,307	2,100	29,265	2,096,672	2,267,657	1,669	28,693	2,298,019	2,431,678	1,299	29,678	2,462,655
Long-term liabilities:												
Long-term debt	307,160	—	—	307,160	302,751	—	—	302,751	298,345	—	—	298,345
Other	248,326	—	—	248,326	241,416	—	—	241,416	209,716	—	—	209,716
Total long-term liabilities	555,486	—	—	555,486	544,167	—	—	544,167	508,061	—	—	508,061
Contingencies (Note 11)												
Stockholders' equity	1,881,217	(28,453)	—	1,852,764	1,838,090	(33,052)	—	1,805,038	1,803,933	(35,373)	—	1,768,560
Total liabilities and stockholders' equity	$ 4,502,010	$ (26,353)	$ 29,265	$ 4,504,922	$ 4,649,914	$ (31,383)	$ 28,693	$ 4,647,224	$ 4,743,672	$ (34,074)	$ 29,678	$ 4,739,276

Consolidated Statements of Income

The following table presents the impact of the financial statement adjustments on the Company's previously reported Consolidated Statements of Income for the three months ended January 1, 2022, April 2, 2022 and July 2, 2022.

	Three Months Ended											
	January 1, 2022				April 2, 2022				July 2, 2022			
	Previously Reported	Investigation Adjustments	Other Adjustments	As Restated	Previously Reported	Investigation Adjustments	Other Adjustments	As Restated	Previously Reported	Investigation Adjustments	Other Adjustments	As Restated
	(Unaudited) (In thousands)											
Net sales	$ 1,757,325	$ (999)	$ —	$ 1,756,326	$ 1,911,530	$ 3,540	$ —	$ 1,915,070	$ 2,019,059	$ 4,302	$ —	$ 2,023,361
Cost of sales	1,612,836	2,193	—	1,615,029	1,759,083	9,492	—	1,768,575	1,853,870	7,306	—	1,861,176
Gross profit	144,489	(3,192)	—	141,297	152,447	(5,952)	—	146,495	165,189	(3,004)	—	162,185
Operating expenses:												
Selling, general and administrative	61,475	—	—	61,475	61,817	—	—	61,817	61,506	—	—	61,506
Research and development	4,777	—	—	4,777	5,472	—	—	5,472	5,071	—	—	5,071
Restructuring and other	1,414	—	—	1,414	2,932	—	—	2,932	3,994	—	—	3,994
Gain on sale of long-lived assets	(4,610)	—	—	(4,610)		—	—	—		—	—	—
Total operating expenses	63,056	—	—	63,056	70,221	—	—	70,221	70,571	—	—	70,571
Operating income	81,433	(3,192)	—	78,241	82,226	(5,952)	—	76,274	94,618	(3,004)	—	91,614
												—
Interest income	309	—	—	309	349	—	—	349	540	—	—	540
Interest expense	(4,877)	—	—	(4,877)	(4,870)	—	—	(4,870)	(5,615)	—	—	(5,615)
Other income (expense), net	2,072	—	—	2,072	(1,408)	—	—	(1,408)	(7,774)	—	—	(7,774)
Interest and other, net	(2,496)	—	—	(2,496)	(5,929)	—	—	(5,929)	(12,849)	—	—	(12,849)
Income before income taxes	78,937	(3,192)	—	75,745	76,297	(5,952)	—	70,345	81,769	(3,004)	—	78,765
Provision for income taxes	20,303	(735)	—	19,568	23,077	(1,353)	—	21,724	2,226	(683)	—	1,543
Net income	$ 58,634	$ (2,457)	$ —	$ 56,177	$ 53,220	$ (4,599)	$ —	$ 48,621	$ 79,543	$ (2,321)	$ —	$ 77,222
Net income per share:												
Basic	$ 0.91	$ (0.04)	$ —	$ 0.87	$ 0.85	$ (0.08)	$ —	$ 0.77	$ 1.33	$ (0.04)	$ —	$ 1.29
Diluted	$ 0.89	$ (0.04)	$ —	$ 0.85	$ 0.83	$ (0.07)	$ —	$ 0.76	$ 1.29	$ (0.04)	$ —	$ 1.25

The following table presents the impact of the financial statement adjustments on the Company's previously reported Consolidated Statements of Income for the six and nine months ended April 2, 2022 and July 2, 2022, respectively.

	Six Months Ended April 2, 2022				Nine Months Ended July 2, 2022			
	Previously Reported	Investigation Adjustments	Other Adjustments	As Restated	Previously Reported	Investigation Adjustments	Other Adjustments	As Restated
	(Unaudited) (In thousands)							
Net sales	$ 3,668,855	$ 2,541	$ —	$ 3,671,396	$ 5,687,914	$ 6,843	$ —	$ 5,694,757
Cost of sales	3,371,919	11,685	—	3,383,604	5,225,789	18,991	—	5,244,780
Gross profit	296,936	(9,144)	—	287,792	462,125	(12,148)	—	449,977
Operating expenses:								
Selling, general and administrative	123,292	—	—	123,292	184,798	—	—	184,798
Research and development	10,249	—	—	10,249	15,320	—	—	15,320
Restructuring and other	4,346	—	—	4,346	8,340	—	—	8,340
Gain on sale of long-lived assets	(4,610)	—	—	(4,610)	(4,610)	—	—	(4,610)
Total operating expenses	133,277	—	—	133,277	203,848	—	—	203,848
Operating income	163,659	(9,144)	—	154,515	258,277	(12,148)	—	246,129
Interest income	658	—	—	658	1,198	—	—	1,198
Interest expense	(9,747)	—	—	(9,747)	(15,362)	—	—	(15,362)
Other income (expense), net	664	—	—	664	(7,110)	—	—	(7,110)
Interest and other, net	(8,425)	—	—	(8,425)	(21,274)	—	—	(21,274)
Income before income taxes	155,234	(9,144)	—	146,090	237,003	(12,148)	—	224,855
Provision for income taxes	43,380	(2,088)	—	41,292	45,606	(2,771)	—	42,835
Net income	$ 111,854	$ (7,056)	$ —	$ 104,798	$ 191,397	$ (9,377)	$ —	$ 182,020
Net income per share:								
Basic	$ 1.76	$ (0.11)	$ —	$ 1.65	$ 3.07	$ (0.15)	$ —	$ 2.92
Diluted	$ 1.71	$ (0.11)	$ —	$ 1.60	$ 2.98	$ (0.15)	$ —	$ 2.83

Consolidated Statements of Cash Flows

The following table presents the impact of the financial statement adjustments on the Company's previously reported Consolidated Statements of Cash Flows for the periods indicated below.

	Three Months Ended January 1, 2022				Six Months Ended April 2, 2022				Nine Months Ended July 2, 2022			
	Previously Reported	Investigation Adjustments	Other Adjustments	As Restated	Previously Reported	Investigation Adjustments	Other Adjustments	As Restated	Previously Reported	Investigation Adjustments	Other Adjustments	As Restated
						(Unaudited) (In thousands)						
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES:												
Net income	$ 58,634	$ (2,457)	$ —	$ 56,177	$ 111,854	$ (7,056)	$ —	$ 104,798	$ 191,397	$ (9,377)	$ —	$ 182,020
Adjustments to reconcile net income to cash provided by operating activities:												
Depreciation and amortization	27,465	—	—	27,465	55,032	—	—	55,032	82,097	—	—	82,097
Stock-based compensation expense	9,032	—	—	9,032	18,362	—	—	18,362	29,045	—	—	29,045
Deferred income taxes	6,707	(648)	—	6,059	11,071	(1,898)	—	9,173	18,522	(2,529)	—	15,993
Impairment of goodwill and other assets	—	—	—	—	—	—	—	—	1,848	—	—	1,848
Loss on sale of intellectual property												
Other, net	(3,638)	—	—	(3,638)	(1,903)	—	—	(1,903)	(3,146)	—	—	(3,146)
Changes in operating assets and liabilities, net of amounts acquired:												
Accounts receivable	(106,972)	—	316	(106,656)	(79,705)	—	397	(79,308)	(39,850)	—	(426)	(40,276)
Contract assets	(15,666)	3,064	(2,791)	(15,393)	(68,545)	4,804	(3,351)	(67,092)	(110,565)	6,210	(8,251)	(112,606)
Inventories	(207,300)	88	(6,066)	(213,278)	(403,396)	4,628	(5,015)	(403,783)	(559,118)	6,544	(277)	(552,851)
Prepaid expenses and other assets	(2,939)	—	—	(2,939)	(11,334)	—	—	(11,334)	(13,269)	—	—	(13,269)
Accounts payable	234,525	—	6,066	240,591	357,176	—	5,015	362,191	507,632	—	277	507,909
Accrued liabilities	68,452	(47)	2,475	70,880	158,661	(478)	2,954	161,137	144,363	(848)	8,677	152,192
Cash provided by operating activities	$ 68,300	$ —	$ —	$ 68,300	$ 147,273	$ —	$ —	$ 147,273	$ 248,956	$ —	$ —	$ 248,956

Consolidated Balance Sheets

The following table presents the impact of the financial statement adjustments on the Company’s previously reported Consolidated Balance Sheets as of January 2, 2021, April 3, 2021 and July 3, 2021.

	As of											
	January 2, 2021				April 3, 2021				July 3, 2021			
	Previously Reported	Investigation Adjustments	Other Adjustments	As Restated	Previously Reported	Investigation Adjustments	Other Adjustments	As Restated	Previously Reported	Investigation Adjustments	Other Adjustments	As Restated
						(Unaudited) (In thousands)						
ASSETS												
Current assets:												
Cash and cash equivalents	$ 516,030	$ —	$ —	$ 516,030	$ 575,176	$ —		$ 575,176	$ 623,844	$ —	$ —	$ 623,844
Accounts receivable, net of allowances	1,108,472	-	4,453	1,112,925	1,122,962	-	1,876	1,124,838	1,153,813	—	1,440	1,155,253
Contract assets	350,049	(9,427)	17,367	357,989	334,957	(27,204)	14,194	321,947	345,096	(29,357)	17,699	333,438
Inventories	819,474	—	—	819,474	785,406	—		785,406	892,633	—	—	892,633
Prepaid expenses and other current assets	48,851	—	—	48,851	38,584	—		38,584	50,446	—	—	50,446
Total current assets	2,842,876	(9,427)	21,820	2,855,269	2,857,085	(27,204)	16,070	2,845,951	3,065,832	(29,357)	19,139	3,055,614
Property, plant and equipment, net	541,188	-	(14,543)	526,645	529,651	-	(14,448)	515,203	550,038	—	(14,353)	535,685
Deferred tax assets	269,803	2,074	(690)	271,187	259,943	6,649	—	266,592	241,069	6,991	—	248,060
Other	125,867	-	14,543	140,410	123,550	-	14,448	137,998	145,651	—	14,353	160,004
Total assets	$ 3,779,734	$ (7,353)	$ 21,130	$ 3,793,511	$ 3,770,229	$ (20,555)	$ 16,070	$ 3,765,744	$ 4,002,590	$ (22,366)	$ 19,139	$ 3,999,363
LIABILITIES AND STOCKHOLDERS’ EQUITY												
Current liabilities:												
Accounts payable	$ 1,143,431	$ —	$ —	$ 1,143,431	$ 1,108,994	$ —	$ —	$ 1,108,994	$ 1,296,005	$ —	$ —	$ 1,296,005
Accrued liabilities	190,797	(136)	18,920	209,581	176,148	3,621	16,070	195,839	149,236	2,990	19,139	171,365
Accrued payroll and related benefits	120,469	—	—	120,469	114,704	—	—	114,704	123,365	—	—	123,365
Short-term debt, including current portion of long-term debt	18,750	—	—	18,750	18,750	—	—	18,750	18,750	—	—	18,750
Total current liabilities	1,473,447	(136)	18,920	1,492,231	1,418,596	3,621	16,070	1,438,287	1,587,356	2,990	19,139	1,609,485
Long-term liabilities:												
Long-term debt	324,825	—	—	324,825	320,405	—	—	320,405	315,987	—	—	315,987
Other	303,514	—	—	303,514	296,121	—	—	296,121	260,132	—	—	260,132
Total long-term liabilities	628,339	—	—	628,339	616,526	—	—	616,526	576,119	—	—	576,119
Contingencies (Note 11)												
Stockholders’ equity	1,677,948	(7,217)	2,210	1,672,941	1,735,107	(24,176)	—	1,710,931	1,839,115	(25,356)	—	1,813,759
Total liabilities and stockholders’ equity	$ 3,779,734	$ (7,353)	$ 21,130	$ 3,793,511	$ 3,770,229	$ (20,555)	$ 16,070	$ 3,765,744	$ 4,002,590	$ (22,366)	$ 19,139	$ 3,999,363

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Consolidated Statements of Income

The following table presents the impact of the financial statement adjustments on the Company's previously reported Consolidated Statements of Income for the periods indicated below.

	January 2, 2021				April 3, 2021				July 3, 2021			
	Previously Reported	Investigation Adjustments	Other Adjustments	As Restated	Previously Reported	Investigation Adjustments	Other Adjustments	As Restated	Previously Reported	Investigation Adjustments	Other Adjustments	As Restated
						(Unaudited) (In thousands)						
Net sales	$ 1,755,249	$ 735	$ —	$ 1,755,984	$ 1,699,677	$ (21,180)	$ —	$ 1,678,497	$ 1,657,741	$ (4,475)	$ —	$ 1,653,266
Cost of sales	1,614,014	1,619	—	1,615,633	1,556,579	933	—	1,557,512	1,521,151	(2,951)	—	1,518,200
Gross profit	141,235	(884)	—	140,351	143,098	(22,113)	—	120,985	136,590	(1,524)	—	135,066
Operating expenses:												
Selling, general and administrative	58,967	—	—	58,967	61,142	—	—	61,142	57,438	—	—	57,438
Research and development	4,805	—	—	4,805	5,353	—	—	5,353	5,269	—	—	5,269
Restructuring and other	1,904	—	—	1,904	11,880	—	—	11,880	(382)	—	—	(382)
Total operating expenses	65,676	—	—	65,676	78,375	—	—	78,375	62,325	—	—	62,325
Operating income	75,559	(884)	—	74,675	64,723	(22,113)	—	42,610	74,265	(1,524)	—	72,741
Interest income	230	—	—	230	244	—	—	244	217	—	—	217
Interest expense	(4,954)	—	—	(4,954)	(4,880)	—	—	(4,880)	(4,823)	—	—	(4,823)
Other income (expense), net	1,867	—	2,900	4,767	6,143	—	(2,900)	3,243	29,258	—	—	29,258
Interest and other, net	(2,857)	—	2,900	43	1,507	—	(2,900)	(1,393)	24,652	—	—	24,652
Income before income taxes	72,702	(884)	2,900	74,718	66,230	(22,113)	(2,900)	41,217	98,917	(1,524)	—	97,393
Provision for income taxes	24,681	(211)	690	25,160	19,193	(5,154)	(690)	13,349	(18,458)	(344)	—	(18,802)
Net income	$ 48,021	$ (673)	$ 2,210	$ 49,558	$ 47,037	$ (16,959)	$ (2,210)	$ 27,868	$ 117,375	$ (1,180)	$ —	$ 116,195
Net income per share:												
Basic	$ 0.74	$ (0.01)	$ 0.03	$ 0.76	$ 0.72	$ (0.26)	$ (0.03)	$ 0.43	$ 1.79	$ (0.01)	$ —	$ 1.78
Diluted	$ 0.72	$ (0.01)	$ 0.03	$ 0.74	$ 0.70	$ (0.26)	$ (0.03)	$ 0.42	$ 1.74	$ (0.01)	$ —	$ 1.73

	Six Months Ended April 3, 2021				Nine Months Ended July 3, 2021			
	Previously Reported	Investigation Adjustments	Other Adjustments	As Restated	Previously Reported	Investigation Adjustments	Other Adjustments	As Restated
				(Unaudited) (In thousands)				
Net sales	$ 3,454,926	$ (20,445)	$ —	$ 3,434,481	$ 5,112,667	$ (24,920)	$ —	$ 5,087,747
Cost of sales	3,170,593	2,552	—	3,173,145	4,691,744	(399)	—	4,691,345
Gross profit	284,333	(22,997)	—	261,336	420,923	(24,521)	—	396,402
Operating expenses:								
Selling, general and administrative	120,109	—	—	120,109	177,547	—	—	177,547
Research and development	10,158	—	—	10,158	15,427	—	—	15,427
Restructuring and other	13,784	—	—	13,784	13,402	—	—	13,402
Total operating expenses	144,051	—	—	144,051	206,376	—	—	206,376
Operating income	140,282	(22,997)	—	117,285	214,547	(24,521)	—	190,026
Interest income	474	—	—	474	691	—	—	691
Interest expense	(9,834)	—	—	(9,834)	(14,657)	—	—	(14,657)
Other income (expense), net	8,010	—	—	8,010	37,268	—	—	37,268
Interest and other, net	(1,350)	—	—	(1,350)	23,302	—	—	23,302
Income before income taxes	138,932	(22,997)	—	115,935	237,849	(24,521)	—	213,328
Provision for income taxes	43,874	(5,365)	—	38,509	25,416	(5,709)	—	19,707
Net income	$ 95,058	$ (17,632)	$ —	$ 77,426	$ 212,433	$ (18,812)	$ —	$ 193,621
Net income per share:								
Basic	$ 1.46	$ (0.27)	$ —	$ 1.19	$ 3.25	$ (0.29)	$ —	$ 2.96
Diluted	$ 1.42	$ (0.26)	$ —	$ 1.16	$ 3.17	$ (0.28)	$ —	$ 2.89

Consolidated Statements of Cash Flows

The following table presents the impact of the financial statement adjustments on the Company's previously reported Consolidated Statements of Cash Flows for the periods indicated below.

	Three Months Ended January 2, 2021				Six Months Ended April 3, 2021				Nine Months Ended July 3, 2021			
	Previously Reported	Investigation Adjustments	Other Adjustments	As Restated	Previously Reported	Investigation Adjustments	Other Adjustments	As Restated	Previously Reported	Investigation Adjustments	Other Adjustments	As Restated
						(Unaudited) (In thousands)						
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES:												
Net income	$ 48,021	$ (673)	$ 2,210	$ 49,558	$ 95,058	$ (17,632)	$ —	$ 77,426	$ 212,433	$ (18,812)	$ —	$ 193,621
Adjustments to reconcile net income to cash provided by operating activities:												
Depreciation and amortization	27,635	—	—	27,635	54,831	—	—	54,831	82,204	—	—	82,204
Stock-based compensation expense	8,208	—	—	8,208	17,432	—	—	17,432	26,147	—	—	26,147
Deferred income taxes	3,447	(279)	690	3,858	13,641	(4,854)	—	8,787	32,142	(5,196)	—	26,946
Gain on sale of intellectual property	—	—	—	—	—	—	—	—	(15,000)	—	—	(15,000)
Gain on liquidation of foreign entity	—	—	—	—	—	—	—	—	(8,263)	—	—	(8,263)
Impairment of goodwill and other asset	—	—	—	—	—	—	—	—	—	—	—	—
Other, net	(99)	—	—	(99)	(19)	—	—	(19)	(633)	—	—	(633)
Changes in operating assets and liabilities, net of amounts acquired:												
Accounts receivable	(64,217)	—	(2,744)	(66,961)	(79,166)	—	(167)	(79,333)	(108,277)	—	269	(108,008)
Contract assets	46,534	(15,009)	(2,845)	28,680	61,626	2,768	328	64,722	51,487	4,921	(3,177)	53,231
Inventories	42,282	15,187	—	57,469	75,303	15,187	—	90,490	(22,606)	15,187	—	(7,419)
Prepaid expenses and other assets	(9,400)	706	—	(8,694)	1,359	706	—	2,065	(3,574)	706	—	(2,868)
Accounts payable	(66,657)	—	—	(66,657)	(99,525)	—	—	(99,525)	61,524	—	—	61,524
Accrued liabilities	26,057	68	2,689	28,814	2,360	3,825	(161)	6,024	(60,963)	3,194	2,908	(54,861)
Cash provided by operating activities	$ 61,811	$ —	$ —	$ 61,811	$ 142,900	$ —	$ —	$ 142,900	$ 246,621	$ —	$ —	$ 246,621

Item 9A. ***Controls and Procedures***

(a) Evaluation of Disclosure Controls and Procedures

Our management is responsible for establishing and maintaining our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures will prevent all error and all fraud. Disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that their objectives are met. Further, the design of disclosure controls and procedures must reflect the fact that there are resource constraints, and the benefits of disclosure controls and procedures must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of disclosure controls and procedures can provide absolute assurance that all disclosure control issues and instances of fraud, if any, have been detected.

At the time the Original Form 10-K was filed on November 10, 2022, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of October 1, 2022. Subsequent to that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were not effective as of October 1, 2022 because of the material weaknesses in our internal control over financial reporting discussed below.

(b) Management's Report on Internal Control Over Financial Reporting (Restated)

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended, or the Exchange Act). Our management, including our Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of our internal control over financial reporting as of October 1, 2022. In making this assessment, our management used the criteria established in *Internal Control-Integrated Framework* (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected in a timely basis.

We identified material weaknesses in the control environment at one of our divisions due to this division maintaining an inappropriate tone at the top. Specifically, division management did not sufficiently promote, monitor or enforce appropriate accounting policies and procedures, thereby resulting in inappropriate and unsupported adjustments to the quarterly contract cost estimate process. Additionally, we did not maintain a sufficient complement of finance personnel at the division with an appropriate level of expertise, knowledge and training in internal control over financial reporting commensurate with our financial reporting requirements. These material weaknesses contributed to an additional material weakness that the division did not design and maintain effective controls over the quarterly contract estimate review process, which lead to the failure to timely and appropriately record adjustments to quarterly estimates.

These material weaknesses resulted in the restatement of our consolidated financial statements for the fiscal years ended October 3, 2020, October 2, 2021 and October 1, 2022 and for the quarterly fiscal periods included in such fiscal years and for the first fiscal quarter ended December 31, 2022. Additionally, these material weaknesses could result in misstatements of the accounts and disclosures that would result in a material misstatement to the annual or interim consolidated financial statements that would not be prevented or detected, including the misstatements that required the filing of this Form 10-K/A.

In Management's Report on Internal Control Over Financial Reporting, included in our original Annual Report on Form 10-K for the fiscal year ended October 1, 2022, our management previously concluded that we maintained effective internal control over financial reporting as of October 1, 2022. Our management subsequently concluded that the material weaknesses described above existed as of October 1, 2022. As a result, we have concluded that we did not maintain effective internal control over financial reporting as of October 1, 2022. Accordingly, our management has restated this report on internal control over financial reporting in order to disclose the material weaknesses described herein.

The effectiveness of our internal control over financial reporting as of October 1, 2022 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears under Item 8.

(c) Remediation Plan

Management intends to remediate the material weaknesses described above primarily by ensuring that relevant program management and finance personnel possess sufficient knowledge and experience and are sufficiently engaged to identify, escalate and drive closure of matters that could impact estimated long-term customer program costs and require the recording of additional expenses in the Company’s financial statements. This is expected to be achieved through replacements or new hires and organizational realignment, whereby financial analysts whose duties include assessing these estimates will report to senior finance personnel rather than program management. In addition, management believes the recent hiring of a senior division controller for the affected division with significant experience in accounting for the long-term contracts at issue will assist in the remediation of the controls in question.

We believe these measures, and others that may be implemented, will remediate the material weaknesses in internal control over financial reporting described above.

The material weaknesses will not be considered formally remediated until the controls have operated effectively for a sufficient period of time and management has concluded, through testing, that the controls are operating effectively.

(d) Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the quarter ended October 1, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART IV

Item 15. ***Exhibits and Financial Statement Schedules***

(a) **(1)** ***Financial Statements.*** The following financial statements are filed under Item 8 hereof as part of this report:

(2) ***Financial Statement Schedules.*** The following financial statement schedule of Sanmina Corporation is filed as part of this report on Form 10-K immediately after the signature pages hereto and should be read in conjunction with our Financial Statements included in this Item 15:

Schedule II-Valuation and Qualifying Accounts, Years Ended October 1, 2022, October 2, 2021 and October 3, 2020

All other schedules are omitted because they are not applicable or the required information is shown in the Financial Statements or the notes thereto.

(3) **Exhibits.** Refer to Item 15(b) immediately below.

(b) Exhibits

Exhibit Number	Description
3.1(1)	Restated Certificate of Incorporation of the Registrant, dated January 31, 1996.
3.2(2)	Certificate of Amendment of the Restated Certificate of Incorporation of the Registrant, dated March 9, 2001.
3.3(3)	Certificate of Designation of Rights, Preferences and Privileges of Series A Participating Preferred Stock of the Registrant, dated May 31, 2001.
3.4(4)	Certificate of Amendment of the Restated Certificate of Incorporation of the Registrant, dated December 7, 2001.
3.5(5)	Amended and Restated Bylaws of the Registrant dated December 1, 2008.
3.6(6)	Certificate of Amendment of the Restated Certificate of Incorporation of the Registrant, as amended, dated July 27, 2009.
3.7(7)	Certificate of Ownership and Merger as filed with the Secretary of State of the State of Delaware and effective November 15, 2012.
3.8(8)	Certificate of Amendment of Amended and Restated Bylaws dated December 7, 2015
4.1(9)	Indenture, dated as of June 4, 2014, among Sanmina Corporation, certain subsidiaries of Sanmina Corporation as guarantors and U.S. Bank National Association as trustee.
4.5(10)	Description of the Registrant's Securities
10.1(11)*	Intentionally omitted
10.2(12)*	Amended and Restated Sanmina-SCI Corporation Deferred Compensation Plan dated June 9, 2008.
10.3(13)*	Revised form of Officer and Director Indemnification Agreement.
10.4(14)*	2009 Incentive Plan, as amended on March 5, 2018.
10.5(15)*	Intentionally omitted
10.6(16)*	Form of Stock Option Agreement for use under the 2009 Incentive Plan.
10.7(17)*	Form of Restricted Stock Unit Agreement for use under the 2009 Incentive Plan.
10.8(18)*	Form of Restricted Stock Agreement for use under the 2009 Incentive Plan.
10.9(19)*	Form of Change of Control Severance Benefit Agreement.
10.10(20)	Amendment to employment offer letter between Sanmina Corporation and Alan Reid dated March 12, 2010.
10.11(21)*	Form of Restricted Stock Unit Agreement under 2009 Incentive Plan for director grants.
10.12(22)	Purchase Agreement, dated as of May 20, 2014, by and among Sanmina Corporation, certain subsidiaries of Sanmina Corporation, as guarantors, and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as representative of the initial purchasers.
10.13(23)	Second Amendment to the Sanmina Corporation Deferred Compensation Plan adopted as of May 12, 2015.
10.14(24)	Intentionally omitted
10.15(25)*	First Amendment to the Sanmina-SCI Corporation Deferred Compensation Plan.
10.16(26)*	Amendment No. 3 to Sanmina-SCI Corporation Deferred Compensation Plan.
10.17(27)*	Intentionally omitted
10.18(28)*	Intentionally omitted
10.19(29)*	Fourth Amendment to the Sanmina Corporation Deferred Compensation Plan.
10.20(30)‡	Receivables Purchase Agreement, dated March 26, 2018, among Sanmina Corporation, the sellers and buyers from time to time party thereto and the Bank of Tokyo-Mitsubishi UFG, Ltd., as administrative agent.
10.21(31) ‡	Joinder and Amendment No. 1 to the Receivables Purchase Agreement dated June 25, 2018 among Sanmina Corporation, MUFG Bank Ltd. (formerly known as The Bank of Tokyo-Mitsubishi UFG, Ltd.), Wells Fargo Bank N.A., Bank of the West and MUFG Bank Ltd., as administrative agent.
10.22(14)*	Fifth Amendment to Sanmina Corporation Deferred Compensation Plan.
10.23(14)*	Sixth Amendment to Sanmina Corporation Deferred Compensation Plan.
10.24	Intentionally omitted
10.25	Intentionally omitted
10.26(14)±	Joinder Agreement and Amendment No. 2 to the Receivables Purchase Agreement, dated September 17, 2018, among Sanmina Corporation, Sanmina-SCI Systems Pte. Ltd., MUFG Bank Ltd., Wells Fargo Bank N.A., Bank of the West and MUFG Bank Ltd., as administrative agent.
10.27(24)‡	Amendment No. 3 to the Receivables Purchase Agreement, dated December 21, 2018, among Sanmina Corporation, Sanmina-SCI Systems Pte. Ltd., MUFG Bank Ltd., Wells Fargo Bank N.A., Bank of the West and MUFG Bank Ltd., as administrative agent.
10.28	Intentionally omitted
10.29(33)*	2019 Equity Incentive Plan, as amended

10.30(32)*	Form of Restricted Stock Unit Award Agreement for use under 2019 Equity Incentive Plan
10.31(32)*	Form of Stock Option Award Agreement for use under 2019 Equity Incentive Plan
10.32	Intentionally omitted
10.33(34) ±	Amendment No. 4 to the Receivables Purchase Agreement, dated April 3, 2019, among Sanmina Corporation, Sanmina-SCI Systems Pte. Ltd., MUFG Bank Ltd., Wells Fargo Bank N.A., Bank of the West and MUFG Bank Ltd., as administrative agent.
10.34	Intentionally omitted
10.35(35)	Separation and Release Agreement dated January 10, 2020 between Sanmina Corporation and Michael Clarke
10.36(36)	Separation and Release Agreement dated August 14, 2020 between Sanmina Corporation and Hartmut Liebel
10.37(37) ±	Amendment No. 5 to the Receivables Purchase Agreement, dated December 17, 2020, among Sanmina Corporation, Sanmina-SCI Systems Pte. Ltd., MUFG Bank Ltd., Wells Fargo Bank N.A., Bank of the West
10.38(38) ±	Amendment No. 6 to the Receivables Purchase Agreement, dated November 24, 2021, among Sanmina Corporation, Sanmina-SCI Systems Pte. Ltd., MUFG Bank Ltd., Wells Fargo Bank N.A. and Bank of the West.
10.39(33)±	Share Subscription and Purchase Agreement dated as of March 3, 2022 by and among Reliance Strategic Business Ventures Limited, Sanmina Corporation, Sanmina-SCI Systems Singapore Pte Ltd, AET Holdings Limited and Sanmina-SCI India Private Limited.
10.39.1(33)±	Joint Venture and Shareholders' Agreement dated as of March 3, 2022 by and among Reliance Strategic Business Ventures Limited, Sanmina Corporation, Sanmina-SCI Systems Singapore Pte Ltd and Sanmina-SCI India Private Limited.
10.39.2(33)±	Form of Management Services Agreement by and among Reliance Strategic Business Ventures Limited, Sanmina Corporation, Sanmina-SCI Systems Singapore Pte Ltd and Sanmina-SCI India Private Limited.
10.39.3(33)±	Form of Business Transfer Agreement by and between Sanmina-SCI Technology India Private Limited and a wholly-owned subsidiary of Sanmina Corporation to be incorporated under the laws of India.
10.39.4(33)±	Form of Services Agreement by and between Sanmina Corporation and Sanmina-SCI India Private Limited.
10.40(39)	Fifth Amended and Restated Credit Agreement dated as of September 27, 2022 by and among Sanmina Corporation, the lenders from time to time party thereto and Bank of America, N.A., as Administrative Agent.
10.41(39)	Second Amended and Restated Security Agreement dated as of September 27, 2022 by and among Sanmina Corporation, certain subsidiaries of Sanmina Corporation parties thereto and Bank of America, N.A., as Administrative Agent.
10.42(39)±	Joinder Agreement and Amendment No. 7 to the Receivables Purchase Agreement, dated as of July 28, 2022, among Sanmina Corporation, Sanmina-SCI Systems Singapore Ptd. Ltd., Sanmina-SCI Systems Malaysia Sdn. Bhd., MUFG Bank Ltd., Wells Fargo Bank, N.A. and Bank of the West.
14.1(40)	Code of Business Conduct and Ethics of the Registrant
21.1(39)	Subsidiaries of the Registrant.
23.1	Consent of PricewaterhouseCoopers LLP, independent registered public accounting firm (filed herewith).
31.1	Certification of the Principal Executive Officer pursuant to Securities Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
31.2	Certification of the Principal Financial Officer pursuant to Securities Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
32.1(41)	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).
32.2(41)	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Compensatory plan in which an executive officer or director participates.

‡ Portions of this exhibit have been omitted pursuant to an order granting confidential treatment and this exhibit has been filed separately with the SEC.

± Portions of this exhibit have been omitted in accordance with Item 601(b)(10)(iv) of Regulation S-K under the Securities Act of 1933.

(1) Incorporated by reference to Exhibit 3.2 to the Registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 1996, SEC File No. 000-21272, filed with the Securities and Exchange Commission ("SEC") on December 24, 1996.

(2) Incorporated by reference to Exhibit 3.1(a) to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2001, filed with the SEC on May 11, 2001.

(3) Incorporated by reference to Exhibit 3.1.2 to the Registrant's Registration Statement on Form S-4, filed with the SEC on August 10, 2001.

(4) Incorporated by reference to Exhibit 3.1.3 to the Registrant's Annual Report on Form 10-K for the fiscal year ended September 29, 2001, filed with the SEC on December 21, 2001.

(5) Incorporated by reference to Exhibit 3.2 to Registrant's Current Report on Form 8-K, filed with the SEC on December 5, 2008.

(6) Incorporated by reference to Exhibit 3.6 to Registrant's Current Report on Form 8-K, filed with the SEC on August 19, 2009.

(7) Incorporated by reference to Exhibit 3.7 to the Registrant's Annual Report on Form 10-K for the fiscal year ended September 29, 2012, filed with the SEC on November 21, 2012

(8) Incorporated by reference to Exhibit 3.8 to the Registrant's Current Report on Form 8-K filed with the SEC on December 11, 2015.

(9) Incorporated by reference to Exhibit 4.1 to Registrant's Current Report on Form 8-K filed with the SEC on June 5, 2014.

(10) Incorporated by reference to same numbered exhibit to the Registrant's Annual Report on Form 10-K for the fiscal year ended September 28, 2019, filed with the SEC on November 8, 2019.

(11) Intentionally omitted

(12) Incorporated by reference to Exhibit 10.74 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended June 28, 2008, filed with the SEC on August 4, 2008.

(13) Incorporated by reference to Exhibit 10.42 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended June 28, 2008, filed with the SEC on August 4, 2008.

(14) Incorporated by reference to the same numbered exhibit to the Registrant's Annual Report on Form 10-K for the fiscal year ended September 29, 2018, filed with the SEC on November 15, 2018.

(15) Intentionally omitted

(16) Incorporated by reference to Exhibit 10.43 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended March 28, 2009, filed with the SEC on May 5, 2009

(17) Incorporated by reference to Exhibit 10.44 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended March 28, 2009, filed with the SEC on May 5, 2009

(18) Incorporated by reference to Exhibit 10.45 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended March 28, 2009, filed with the SEC on May 5, 2009

(19) Incorporated by reference to Exhibit 10.48 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended January 2, 2010, filed with the SEC on February 5, 2010.

(20) Incorporated by reference to Exhibit 10.48 to Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended December 28, 2013, filed with the SEC on January 31, 2014.

(21) Incorporated by reference to Exhibit 10.49 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended March 29, 2014, filed with the SEC on April 28, 2014.

(22) Incorporated by reference to Current Report on Form 8-K filed by the Registrant with the SEC on May 21, 2014.

(23) Incorporated by reference to Exhibit 10.30 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended June 27, 2015, filed with the SEC on July 24, 2015.

(24) Incorporated by reference to same numbered exhibit to the Registrant's Quarterly Report on Form 10-Q for the first fiscal quarter ended December 29, 2018, filed with the SEC on February 7, 2019.

(25) Incorporated by reference to Exhibit 10.28 to Registrant's Annual Report on Form 10-K for the fiscal year ended October 3, 2015, filed with the SEC on November 19, 2015.

(26) Incorporated by reference to Exhibit 10.29 to Registrant's Annual Report on Form 10-K for the fiscal year ended October 3, 2015, filed with the SEC on November 19, 2015.

(27) Intentionally omitted

(28) Intentionally omitted

(29) Incorporated by reference to Exhibit 10.32 to Registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 2017, filed with the SEC on November 13, 2017.

(30) Incorporated by reference to Exhibit 10.33 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2018 filed with the SEC on May 2, 2018.

(31) Incorporated by reference to Exhibit 10.34 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2018 filed with the SEC on August 3, 2018.

(32) Incorporated by reference to same numbered exhibit to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended March 30, 2019 filed with the SEC on May 2, 2019.

(33) Incorporated by reference to same numbered exhibit to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended April 2, 2022 filed with the SEC on May 4, 2022.

(34) Incorporated by reference to same numbered exhibit to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended June 29, 2019 filed with the SEC on August 1, 2019.

(35) Incorporated by reference from Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended December 28, 2019 filed with the SEC on January 30, 2020.

(36) Incorporated by reference to same numbered exhibit to Registrant's Annual Report on Form 10-K for the fiscal year ended October 3, 2020, filed with the SEC on November 13, 2020.

(37) Incorporated by reference to same number exhibit to Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended January 2, 2021, filed with the SEC on February 4, 2021.

(38) Incorporated by reference to same number exhibit to Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended January 1, 2022, filed with the SEC on February 2, 2022.

(39) Incorporated by reference to same numbered exhibit to the Original Form 10-K, filed with the SEC on November 10, 2022.

(40) Incorporated by reference to same numbered exhibit to Registrant's Annual Report on Form 10-K for the fiscal year ended October 2, 2021, filed with the SEC on November 12, 2021.

(41) This exhibit shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference in any filings under the Securities Act of 1933 or the Securities Exchange Act of 1934, whether made before or after the date hereof and irrespective of any general incorporation language in any filings.

(c) ***Financial Statement Schedules.*** See Item 15(a)(2) above.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Amendment No. 1 to this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Sanmina Corporation
(Registrant)

By: /s/ JURE SOLA
Jure Sola
Chief Executive Officer

Date: May 19, 2023

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ JURE SOLA Jure Sola	Chairman and Chief Executive Officer and Director (Principal Executive Officer)	May 19, 2023
/s/ KURT ADZEMA Kurt Adzema	Chief Financial Officer (Principal Financial Officer)	May 19, 2023
* Brent Billinger	Controller (Principal Accounting Officer)	May 19, 2023
* Eugene A. Delaney	Director	May 19, 2023
* John P. Goldsberry	Director	May 19, 2023
/s/ DAVID V. HEDLEY III David V. Hedley III	Director	May 19, 2023
* Susan Johnson	Director	May 19, 2023
* Joseph Licata	Director	May 19, 2023
* Krish Prabhu	Director	May 19, 2023
* Mario M. Rosati	Director	May 19, 2023

* By:
/s/ KURT ADZEMA
Kurt Adzema
Attorney-in-Fact

FINANCIAL STATEMENT SCHEDULE

The financial statement Schedule II-VALUATION AND QUALIFYING ACCOUNTS is filed as part of this Form 10-K.

SANMINA CORPORATION
SCHEDULE II-VALUATION AND QUALIFYING ACCOUNTS

	Balance at Beginning of Period	Charged to Operations	Charges Utilized	Balance at End of Period
		(In thousands)		
Allowances for Doubtful Accounts, Product Returns and Other Net Sales Adjustments				
Fiscal year ended October 3, 2020	$ 12,481	$ (3,911)	$ —	$ 8,570
Fiscal year ended October 2, 2021	$ 8,570	$ (1,635)	$ —	$ 6,935
Fiscal year ended October 1, 2022	$ 6,935	$ 7,978	$ —	$ 14,913

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-264681, 333-258471, 333-237898, 333-231175, 333-228406, 333-221515, 333-214706, 333-203596, 333-195455, 333-188085, 333-182042, 333-172128, 333-165435, 333-157099, 333-84704, 333-112605, 333-108942, 333-104692, 333-100236, 333-87946, 333-84704, 333-83110, 333-75616, 333-64294, 333-39930, 333-79259, and 333-23565) of Sanmina Corporation of our report dated November 10, 2022, except for the effects of the restatement discussed in Note 2 to the consolidated financial statements and the matter discussed in the fifth paragraph of Management's Report on Internal Control Over Financial Reporting, as to which the date is May 19, 2023, relating to the consolidated financial statements, financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
San Jose, California
May 19, 2023

EXHIBIT 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO SECTION 302(A) OF THE SARBANES-OXLEY ACT OF 2002

I, Jure Sola, certify that:

1. I have reviewed this Annual Report on Form 10-K/A of Sanmina Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's Board of Directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: May 19, 2023
/s/ JURE SOLA
Jure Sola
Chief Executive Officer (Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO SECTION 302(A) OF THE SARBANES-OXLEY ACT OF 2002

I, Kurt Adzema, certify that:

1. I have reviewed this Annual Report on Form 10-K/A of Sanmina Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's Board of Directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: May 19, 2023

/s/ KURT ADZEMA

Kurt Adzema

Chief Financial Officer (Principal Financial Officer)

EXHIBIT 32.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States of America Code (18 U.S.C. §1350), Jure Sola, Chief Executive Officer of Sanmina Corporation (the "Company"), hereby certifies that, to the best of his knowledge:

1. The Company's Annual Report on Form 10-K/A for the fiscal year ended October 1, 2022, to which this Certification is attached as Exhibit 32.1 (the "Periodic Report"), fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"); and

2. The information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

IN WITNESS WHEREOF, the undersigned has set his hand hereto as of May 19, 2023.

/s/ JURE SOLA
Jure Sola
Chief Executive Officer (Principal Executive Officer)

This certification accompanies the Form 10-K/A to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act (whether made before or after the date of the Form 10-K/A), irrespective of any general incorporation language contained in such filing.

EXHIBIT 32.2

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and Section 1350 of Chapter 63 of Title 18 of the United States of America Code (18 U.S.C. §1350), Kurt Adzema, Chief Financial Officer of Sanmina Corporation (the “Company”), hereby certifies that, to the best of his knowledge:

1. The Company’s Annual Report on Form 10-K/A for the fiscal year ended October 1, 2022, to which this Certification is attached as Exhibit 32.2 (the “Periodic Report”), fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”); and

2. The information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

IN WITNESS WHEREOF, the undersigned has set his hand hereto as of May 19, 2023.

/s/ KURT ADZEMA
Kurt Adzema
Chief Financial Officer (Principal Financial Officer)

This certification accompanies the Form 10-K/A to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act (whether made before or after the date of the Form 10-K/A), irrespective of any general incorporation language contained in such filing.