

BENCHMARK ELECTRONICS INC
Form 10-Q
August 09, 2006

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended **June 30, 2006**.

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

For the transition period from _____ to _____.

Commission File Number: **1-10560**

BENCHMARK ELECTRONICS, INC.

(Exact name of registrant as specified in its charter)

Texas
(State or other jurisdiction
of incorporation or organization)

74-2211011
(I.R.S. Employer
Identification No.)

3000 Technology Drive
Angleton, Texas
(Address of principal executive offices)

77515
(Zip Code)

(979) 849-6550

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant is a large accelerated filer, or a non-accelerated filer. See definition of large accelerated filer and non-accelerated filer in Rule 12b-2 of the Act.

Large accelerated filer Accelerated filer Non-accelerated filer

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

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As of August 7, 2006 there were 64,562,923 Common Shares of Benchmark Electronics, Inc., par value \$0.10 per share, outstanding.

PART I FINANCIAL INFORMATION

Item 1. Financial Statements

BENCHMARK ELECTRONICS, INC. AND SUBSIDIARIES

Condensed Consolidated Balance Sheets

(in thousands, except par value)	June 30, 2006 (unaudited)	December 31, 2005
Assets		
Current assets:		
Cash and cash equivalents	\$ 98,911	\$ 110,845
Short-term investments	183,110	215,960
Accounts receivable, net of allowance for doubtful accounts of \$5,323 and \$5,318, respectively	443,264	356,440
Inventories, net	480,662	361,554
Prepaid expenses and other assets	34,538	31,380
Deferred tax asset	8,837	8,327
Total current assets	1,249,322	1,084,506
Property, plant and equipment, net	102,030	94,140
Goodwill, net	112,990	112,978
Other, net	7,983	6,784
	\$ 1,472,325	\$ 1,298,408
Liabilities and Shareholders Equity		
Current liabilities:		
Accounts payable	\$ 468,427	\$ 371,887
Income taxes payable	27,506	29,694
Accrued liabilities	40,993	36,562
Total current liabilities	536,926	438,143
Other long-term liabilities	2,509	2,460
Deferred tax liability	12,607	11,686
Shareholders equity:		
Preferred shares, \$0.10 par value; 5,000 shares authorized, none issued		
Common shares, \$0.10 par value; 85,000 shares authorized; issued 64,555 and 63,360, respectively; outstanding 64,444 and 63,249, respectively	6,444	6,325
Additional paid-in capital	579,911	560,969
Retained earnings	341,318	287,272
Accumulated other comprehensive loss	(7,118)	(8,175)
Less treasury shares, at cost; 111 shares	(272)	(272)
Total shareholders equity	920,283	846,119
Commitments and contingencies		
	\$ 1,472,325	\$ 1,298,408

See accompanying notes to condensed consolidated financial statements.

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

(in thousands, except per share data)	Three Months Ended June 30,		Six Months Ended June 30,	
	2006	2005	2006	2005
Sales	\$ 749,171	\$ 560,817	\$ 1,400,415	\$ 1,070,399
Cost of sales	696,871	522,071	1,302,749	994,168
Gross profit	52,300	38,746	97,666	76,231
Selling, general and administrative expenses	18,409	15,478	34,779	30,690
Restructuring charges	1,261		4,030	
Income from operations	32,630	23,268	58,857	45,541
Interest expense	(97)	(85)	(183)	(152)
Other income	1,981	1,956	3,670	2,626
Income before income taxes	34,514	25,139	62,344	48,015
Income tax expense	6,990	6,441	8,298	12,388
Net income	\$ 27,524	\$ 18,698	\$ 54,046	\$ 35,627
Earnings per share (see note 1):				
Basic	\$ 0.43	\$ 0.30	\$ 0.84	\$ 0.57
Diluted	\$ 0.42	\$ 0.29	\$ 0.83	\$ 0.56
Weighted average number of shares outstanding (see note 1):				
Basic	64,320	62,560		