

Key Tronic Again Breaks Revenue Record

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Wednesday, 31 October 2012 09:35 -

SPOKANE VALLEY, WA -- Electronics manufacturing services provider **Key Tronic** today reported net income more than tripled to \$3.7 million for its fiscal first quarter 2013. For the three months ended Sept. 29, revenue rose 40% year-over-year to a record \$97.5 million. Net income for the period was up 200% from \$1.2 million in fiscal 2012.

For the quarter, gross margin was 10% and operating margin was 6%, compared to 7% and 2%, respectively, in 2012.

“We’re pleased with our strong year-over-year growth in revenue and earnings for the first quarter of fiscal year 2013,” said Craig Gates, president and chief executive. “We achieved record quarterly revenue and continued to increase our operating efficiencies. At the end of the first quarter of fiscal 2013, we were generating revenue from 168 separate programs and had 51 distinct customers, up from 135 programs and 36 customers a year ago. We also continued to diversify our future revenue base during the first quarter of fiscal 2013 by winning new programs involving solar energy and power management products.

“While we continue to face global macroeconomic uncertainty, we believe our unique combination of world-class engineering, global logistics and world-class production capabilities in Mexico, China and the United States continues to provide us with competitive advantage. We expect to continue to see our new programs ramp up, our market share increase and our revenue base diversify. As we grow our business over the long term, we remain focused on maintaining outstanding customer service, carefully managing our operating expenses and maximizing our return on invested capital.”

For the second quarter of fiscal year 2013, the contract printed circuit board assembler expects to revenue in the range of \$93 million to \$99 million.