

MANUFACTURERS SERVICES LTD  
Form S-3/A  
April 23, 2002

[QuickLinks](#) -- Click here to rapidly navigate through this document

As filed with the Securities and Exchange Commission on April 23, 2002

Registration No. 333-86192

---

---

## SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO. 1 TO

### FORM S-3

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

---

## MANUFACTURERS' SERVICES LIMITED

(Exact Name of Registrant as Specified in its Charter)

**DELAWARE**

(State or Other Jurisdiction of Incorporation or Organization)

**04-3258036**

(I.R.S. Employer Identification Number)

**300 BAKER AVENUE, SUITE 106  
CONCORD, MASSACHUSETTS 01742  
(978) 287-5630**

(Address, Including Zip Code, and Telephone Number, Including  
Area Code, of Registrant's Principal Executive Offices)

---

**ROBERT C. BRADSHAW  
300 BAKER AVENUE, SUITE 106  
CONCORD, MASSACHUSETTS 01742  
(978) 287-5630**

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent For Service)

Copies to:

**Alan R. Cormier, Esq.  
Manufacturers' Services Limited  
300 Baker Avenue, Suite 106  
Concord, Massachusetts 01742  
Telephone: (978) 287-5630**

**John A. Burgess, Esq.  
Hale and Dorr LLP  
60 State Street  
Boston, Massachusetts 02109  
Telephone: (617) 526-6000**

---

*Approximate date of commencement of proposed sale to the public:*  
As soon as practicable after this Registration Statement becomes effective.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

Edgar Filing: MANUFACTURERS SERVICES LTD - Form S-3/A

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o 333-

---

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o 333-

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. o

**The Company hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Company shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), shall determine.**

---

---

**Subject to completion, dated April 23, 2002**

**The information in this prospectus is not complete and may be changed. The selling stockholders named in this prospectus may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and the selling stockholders named in this prospectus are not soliciting offers to buy these securities in any jurisdiction where the offer or sale is not permitted.**

**PROSPECTUS**

***MANUFACTURERS' SERVICES LIMITED***

**5,937,461 SHARES OF COMMON STOCK**

This prospectus relates to resales of shares of common stock that are issuable upon conversion of shares of series A convertible preferred stock and upon the exercise of warrants issued to the selling stockholders by Manufacturers' Services Limited and shares of common stock issuable as dividends on series A convertible preferred stock in lieu of cash and as payments due upon optional or mandatory conversion of the preferred stock in lieu of cash.

We will not receive any proceeds from the sale of the shares.

The selling stockholders identified in this prospectus, or their pledgees, donees, transferees or other successors-in-interest, may offer the shares from time to time through public or private transactions at prevailing market prices, at prices related to prevailing market prices or at privately negotiated prices.

Our common stock is traded on the New York Stock Exchange under the symbol "MSV." On April 22, 2002, the closing sale price of Manufacturers' Services Limited's common stock on the New York Stock Exchange was \$5.32 per share. You are urged to obtain current market quotations for the common stock.

**Investing in our common stock involves a high degree of risk. See "Risk Factors" beginning on page 4.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

The date of this prospectus is April 23, 2002.

---

**TABLE OF CONTENTS**

	<b>Page</b>
PROSPECTUS SUMMARY	3
THE OFFERING	3
RISK FACTORS	4
SPECIAL NOTE REGARDING FORWARD-LOOKING INFORMATION	10
USE OF PROCEEDS	11
SELLING STOCKHOLDERS	11
PLAN OF DISTRIBUTION	14
UNDERWRITERS	15
LEGAL MATTERS	15
EXPERTS	16
WHERE YOU CAN FIND MORE INFORMATION	16
INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE	16

Manufacturers' Services Limited's executive offices are located at 300 Baker Avenue, Suite 106, Concord, MA, our telephone number is (978) 287-5630 and our Internet address is www.msl.com. The information on our Internet website is not incorporated by reference in this prospectus. Unless the context otherwise requires references in this prospectus to "MSL," "we," "us," and "our" refer to Manufacturers' Services Limited and its subsidiaries.

We have not authorized anyone to provide you with information different from that contained or incorporated by reference in this prospectus. The selling stockholders are offering to sell, and seeking offers to buy, shares of our common stock only in jurisdictions where such offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of common stock.

**PROSPECTUS SUMMARY**

*This summary highlights important features of this offering and the information included or incorporated by reference in this prospectus. This summary does not contain all of the information that you should consider before investing in our common stock. You should read the entire prospectus carefully, especially the risks of investing in our common stock discussed under "Risk Factors."*

**MANUFACTURERS' SERVICES LIMITED**

We are a leading global provider of advanced electronics manufacturing and supply chain services to original equipment manufacturers (OEMs). Our customers include leading OEMs who have chosen outsourcing as a core manufacturing strategy. We have developed relationships with OEMs in a diverse range of industries, including computer systems and peripherals, wired and wireless communications, networking and storage equipment, consumer electronics, industrial equipment, medical devices and commercial avionics. By efficiently and aggressively managing our business, costs and asset base, we are able to offer our customers an outsourcing solution that represents a lower total cost of ownership than that typically provided by their internal operations. We seek to differentiate ourselves by providing advanced manufacturing methodologies and capabilities and exceptional customer focus and by integrating our services into our customers' operations.

We provide integrated supply chain solutions that address all stages of our customer's product life cycle, including engineering and design, new product introduction, global supply chain management, printed circuit board assembly, product assembly and system integration, testing, logistics and distribution, and after-market services. We believe this comprehensive range of services promotes our growth by attracting new customers and capturing additional outsourcing opportunities within our existing customer base.

We have established a global network consisting of 15 manufacturing and logistics facilities in the world's major electronics markets North America, Europe and Asia to serve the increasing outsourcing needs of both multinational and regional OEMs. Our manufacturing facilities are strategically located near our customers and their end-markets, which benefits our customers by reducing the time required to get their products to market and by increasing their flexibility to respond quickly to changing market conditions. We believe that the combination of our services and our global manufacturing network has enabled us to become an integral part of our customers' product development and manufacturing strategies.

**THE OFFERING**

Common Stock offered by selling stockholders	5,937,461 shares
Use of proceeds	Manufacturers' Services Limited will not receive any proceeds from the sale of shares in this offering
New York Stock Exchange symbol	MSV
	3

**RISK FACTORS**

*Investing in our common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below before purchasing our common stock. The risks and uncertainties described below are not the only ones facing our company. Additional risks and uncertainties may also impair our business operations. If any of the following risks actually occur, our business, financial condition or results of operations would likely suffer. In that case, the trading price of our common stock could fall, and you may lose all or part of the money you paid to buy our common stock.*

**Because a significant portion of our sales currently comes from a small number of customers, any decrease in sales from these customers could harm our operating results.**

We depend on a small number of customers for a large portion of our business, and changes in such customers' orders have, in the past, had a significant impact on our operating results. If a major customer significantly reduces the amount of business it does with us, there would be an adverse impact on our operating results. The following table sets forth the percentages of our total net sales to those customers who accounted for 10% or more of our total net sales in any of the last three fiscal years and the percentage of our total net sales to our ten largest customers in those years:

	Year Ended December 31,		
	2001	2000	1999
IBM	23%	24%	49%
Palm	18%	23%	3%
3Com	18%	14%	1%
Hewlett-Packard	10%	11%	8%
Iomega	<1%	4%	14%
Ten largest customers as a group	87%	88%	88%

We expect to continue to depend on sales to our major customers. Because it is not always possible to replace lost business on a timely basis, it is likely that our operating results would be adversely affected if one or more of our major customers were to cancel, delay or reduce a large amount of business with us. Our customer agreements typically permit the customer to terminate the agreement on three to six month's notice. Were a major customer to terminate its agreement with us, it is likely that our operating results would be adversely affected. Moreover, our operating results have been positively affected by several customer contracts containing guaranteed minimum commitments, including our contract with 3Com at our Mt. Prospect, Illinois facility. While those contracts generally have fixed terms and may not be terminated (absent a breach) prior to their stated expiration, the favorable effects of the contracts are unlikely to be replicated after these contracts expire or otherwise terminate.

In addition, we generate significant accounts receivable in connection with providing services to our major customers. If one or more of our customers were to become insolvent or otherwise be unable to pay for our services, or were to become unwilling to make payments in a timely fashion, our operating results and financial condition could be adversely affected.

**We have made several strategic acquisitions of manufacturing facilities and businesses and may make more acquisitions in the future, and the failure to successfully integrate acquired facilities and businesses may adversely affect our financial performance.**

We have made several significant acquisitions since the beginning of fiscal 1999, and selectively pursuing strategic acquisitions remains an important part of our overall business strategy. However, any acquisitions we make could result in:

difficulty integrating our operations, technologies, financial controls and information systems, products and services with those of the acquired facility;

difficulty in managing and operating geographically dispersed businesses, including some located in foreign countries;

diversion of our capital and our management's attention away from other business issues;

an increase in our expenses and our working capital requirements;

potential loss of key employees and customers of facilities or businesses we acquire; and

financial risks, such as:

potential liabilities of the facilities and businesses we acquire;

our need to incur additional indebtedness; and

dilution if we issue additional equity securities.

We may not successfully integrate any operations, technologies, systems, products or services that we acquire, and we cannot assure you that any of our recent or future acquisitions will be successful. If any of our recent or future acquisitions are not successful, it is likely that our financial performance will be adversely affected.

**Our growth may be limited and our competitive position may be harmed if we are unable to identify, finance and complete future acquisitions.**

We expect to selectively pursue strategic acquisitions as part of our overall business strategy. Competition for acquiring attractive facilities and businesses in our industry is substantial. In executing this part of our business strategy, we may experience difficulty in identifying suitable acquisition candidates or in completing selected transactions. In addition, our existing bank credit facilities limit our ability to acquire the assets or businesses of other companies. If we are able to identify acquisition candidates, such acquisitions may be financed with substantial debt or with potentially dilutive issuances of equity securities. Our ability to successfully complete acquisitions in the future will depend upon several factors, including the continued availability of financing. We cannot assure you that financing for acquisitions will be available on terms acceptable to us, if at all.

**The incurrence of indebtedness could harm our operating results and financial condition. We depend on our credit facilities to finance our operations and the modification or termination of these facilities could harm our operating results and financial condition.**

Our growth and acquisition strategy could require us to incur substantial amounts of indebtedness. As of December 31, 2001, our total debt was \$120.6 million and our interest expense for the year ended December 31, 2001 was \$20.1 million. In addition, we may incur additional indebtedness in the future. Our future level of indebtedness could have adverse consequences for our business, including:

vulnerability to the effects of poor economic and industry conditions affecting our business;

dedication of a substantial portion of our cash flow from operations to repayment of debt and interest expense, limiting the availability of cash for working capital, capital expenditures or acquisitions which may be attractive to us;

reduced flexibility in planning for, or reacting to, changes in our business and industry, due to the debt repayment obligations and restrictive covenants contained in our debt instruments; and

failure to comply with the financial covenants under the agreements governing our indebtedness relating to matters such as interest coverage, leverage, consolidated EBITDA and net worth resulting in an event of default, which if not cured or waived, could cause substantially all of our indebtedness to become immediately due and payable.

We have financial instruments that are subject to interest rate risk, principally debt obligations under our bank credit facility. An increase in the base rates upon which our interest rates are determined could have an adverse effect on our operating results and financial condition.

**Competition from existing or new companies in the EMS industry could cause us to experience downward pressure on prices, fewer customer orders, reduced margins, the inability to take advantage of new business opportunities and the loss of market share.**

We operate in a highly competitive industry. We compete against many domestic and foreign companies, some of which have substantially greater manufacturing, financial, research and development and marketing resources than we do. Some of our competitors have broader geographic breadth and range of services than we do. In addition, some of our competitors may have more developed relationships with our existing customers than we do. We also face competition from the manufacturing operations of our current and potential customers, who continually evaluate the benefits of internal manufacturing versus outsourcing. As more OEMs dispose of their manufacturing assets and increase the outsourcing of their products, we will face increasing competitive pressures to grow our business in order to maintain our competitive position.

**Long-term contracts are not typical in our industry, and reductions, cancellations or delays in customer orders would adversely affect our operating results.**

As is typical in the EMS industry, we do not usually obtain long-term purchase orders or commitments from our customers. Instead, we work closely with our customers to develop non-binding forecasts of the future volume of orders. Customers may cancel their orders, change production quantities from forecasted volumes or delay production for a number of reasons beyond our control. Significant or numerous cancellations, reductions or delays in orders by our customers would reduce our net sales. In addition, because many of our costs are fixed, a reduction in net sales could have a disproportionate adverse effect on our operating results. From time to time we make capital investments in anticipation of future business opportunities. There can be no assurance that we will receive the anticipated business. If we are unable to obtain the anticipated business, our operating results and financial condition may be harmed.

**We depend on our suppliers, some of which are the sole source for our components, and our production would be substantially curtailed if these suppliers are not able to meet our demands and alternative sources are not available.**

We order raw materials and components to complete our customers' orders, and some of these raw materials and components are ordered from sole-source suppliers. Although we work with our customers and suppliers to minimize the impact of shortages in raw materials and components, we sometimes experience short-term adverse effects due to price fluctuations, extended lead times and delayed shipments. In the past, there have been industry-wide shortages of electronic components, particularly memory and logic devices. If a significant shortage of raw materials or components were to

occur, we may have to delay shipments to customers, and our operating results would be adversely affected. In some cases, supply shortages of particular components will substantially curtail production of products using these components. While most of our significant customer contracts permit quarterly or other periodic reviews of pricing based on decreases and increases in the prices of raw materials and components, we are not always able to pass on price increases to our customers. Accordingly, some raw material and component price increases could adversely affect our operating results. We also depend on a small number of suppliers for many of the other raw materials and components that we use in our business. If we were unable to continue to purchase these raw materials and components from our suppliers, our operating results would be

adversely affected. Because many of our costs are fixed, our margins depend on our volume of output at our facilities and a reduction in volume will adversely affect our margins.

**If we are left with excess inventory, our operating results will be adversely affected.**

We typically purchase components and manufacture products in anticipation of customer orders based on customer forecasts. For a variety of reasons, such as decreased end-user demand for the products we are manufacturing, our customers may not purchase all of the products we have manufactured or for which we have purchased components. In such event, we would attempt to recoup our materials and manufacturing costs by means such as returning components to our vendors, disposing of excess inventory through other channels or requiring our OEM customers to purchase or otherwise compensate us for such excess inventory. Some of our significant customer agreements do not give us the ability to require our OEM customers to do so. To the extent we are unsuccessful in recouping our material and manufacturing costs, not only would our net sales be adversely affected, but our operating results would be disproportionately adversely affected. Moreover, carrying excess inventory would reduce the working capital we have available to continue to operate and grow our business.

**Uncertainties and adverse trends affecting the electronics industry or any of our major customers may adversely affect our operating results.**

Our business depends on the electronics industry, which is subject to rapid technological change, short product life cycles and pricing and margin pressure. In addition, the electronics industry has historically been cyclical and subject to significant downturns characterized by diminished product demand, rapid declines in average selling prices and production over-capacity. When these factors adversely affect our customers, we may suffer similar effects. Our customers' markets are also subject to economic cycles and are likely to experience recessionary periods in the future. The economic conditions affecting the electronics industry in general or any of our major customers, in particular, including the economic slowdown and heightened levels of uncertainty related to the September 11 terrorist attacks in the United States, may adversely affect our operating results.

**Because we have significant operations overseas, our operating results could be harmed by economic, political, regulatory and other factors existing in foreign countries in which we operate.**

We have substantial manufacturing operations in Europe and Asia. Our international operations are subject to inherent risks, which may adversely affect us, including:

political and economic instability in countries where we have manufacturing facilities, particularly in Asia where we conduct a significant portion of our business;

fluctuations in the value of foreign currencies;

high levels of inflation, historically the case in a number of countries in Asia where we do business;

7

---

changes in labor conditions and difficulties in staffing and managing our foreign operations;

greater difficulty in collecting our accounts receivable and longer payment cycles;

burdens and costs of our compliance with a variety of foreign laws;

increases in the duties and taxes we pay;

imposition of restrictions on currency conversion or the transfer of funds; and

expropriation of private enterprises.

**Our quarterly operating results are subject to fluctuations and seasonality and if we fail to meet the expectations of securities analysts or investors the price of our securities may decrease.**

Our annual and quarterly results may vary significantly depending on various factors, many of which are beyond our control, and may not meet the expectations of securities analysts or investors. If this occurs, the price of our common stock would likely decline. These factors include:

variations in the timing and volume of customer orders relative to our manufacturing capacity;

introduction and market acceptance of our customers' new products;

changes in demand for our customers' existing products;

the timing of our expenditures in anticipation of future orders;

effectiveness in managing our manufacturing processes and costs;

changes in competitive and economic conditions generally or in our customers' markets;

the timing of, and the price we pay for, acquisitions and related integration costs;

changes in the cost or availability of components or skilled labor; and

foreign currency exposure.

As is the case with many technology companies, we typically ship a significant portion of our products in the last few weeks of a quarter. As a result, any delay in anticipated sales is likely to result in the deferral of the associated revenue beyond the end of a particular quarter, which would have a significant effect on our operating results for that quarter. In addition, most of our operating expenses do not vary directly with net sales and are difficult to adjust in the short term. As a result, if net sales for a particular quarter were below our expectations, we could not proportionately reduce operating expenses for that quarter, and, therefore, that revenue shortfall would have a disproportionate adverse effect on our operating results for that quarter.

**Loss of any of our key personnel could hurt our business because of their experience in the EMS industry and their technological expertise.**

We operate in the highly competitive EMS industry and depend on the services of our key senior executives and our technological experts. The loss of the services of one or several of our key employees or an inability to attract, train and retain qualified and skilled employees, specifically engineering, operations and sales personnel, could result in the loss of customers or otherwise inhibit our ability to operate and grow our business successfully. In addition, our ability to successfully integrate acquired facilities or businesses depends, in part, on our ability to retain and motivate key management and employees hired by us in connection with the acquisition.

**If we are unable to maintain our technological expertise in design and manufacturing processes we will not be able to successfully compete.**



We believe that our future success will depend upon our ability to develop and provide design and manufacturing services that meet the changing needs of our customers. This requires that we successfully anticipate and respond to technological changes in design and manufacturing processes in a cost-effective and timely manner. As a result, we continually evaluate the advantages and feasibility of new product design and manufacturing processes. We cannot, however, assure you that our process development efforts will be successful.

**We are subject to a variety of environmental laws that expose us to potential financial liability.**

Our operations are regulated under a number of federal, state and foreign environmental and safety laws and regulations that govern, among other things, the discharge of hazardous materials into the air and water as well as the handling, storage and disposal of these materials. These laws and regulations include the Clean Air Act, the Clean Water Act, the Resource, Conservation and Recovery Act, and the Comprehensive Environmental Response, Compensation and Liability Act, as well as analogous state and foreign laws. Compliance with these environmental laws is a major consideration for us because we use hazardous materials in our manufacturing process. In addition, because we are a generator of hazardous wastes, we, along with any other person who arranges for the disposal of our wastes, may be subject to financial exposure for costs associated with an investigation and any remediation of sites at which we have arranged for the disposal of hazardous wastes if these sites become contaminated, even if we fully comply with applicable environmental laws. In the event of a violation of environmental laws, we could be held liable for damages and the costs of remedial actions, as well as subject to revocation of our effluent discharge permits. Any revocation could require us to cease or limit production at one or more of our facilities, thereby negatively impacting our revenues and results of operations. Environmental laws could also become more stringent over time, imposing greater compliance costs and increasing risks and penalties associated with any violation, which also could negatively impact our operating results.

**Our controlling stockholders and some of our directors may have interests that differ from yours.**

Credit Suisse First Boston, through certain of its affiliates, beneficially owns approximately 50% of our outstanding common stock and, as a result, has significant control over our business, policies and affairs, including, effectively, the power to appoint new management, prevent or cause a change of control and approve any action requiring the approval of the holders of our common stock, such as adopting amendments to our certificate of incorporation and approving mergers or sales of all or substantially all of our assets. Circumstances may occur in which the interests of these stockholders could be in conflict with your interests.

**Provisions in our charter documents and Delaware law may delay, deter or prevent someone from acquiring us, which could decrease the value of our common stock.**

Provisions in our charter and bylaws may have the effect of delaying, deterring or preventing a change of control or changes in our management that investors might consider favorable unless approved by our stockholders and directors affiliated with Credit Suisse First Boston. Those provisions serve to limit the circumstances in which a premium may be paid for our common stock in proposed transactions or where a proxy contest for control of our board may be initiated. If a change of control or change in management is delayed, deterred or prevented, the market price of our common stock could suffer.

**SPECIAL NOTE REGARDING FORWARD-LOOKING INFORMATION**

This prospectus includes and incorporates 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. All statements, other than statements of historical facts, included or incorporated in this prospectus regarding our strategy, future operations, financial position, future revenues, projected costs, prospects, plans and objectives of management are forward-looking statements. The words "anticipates," "believes," "estimates," "expects," "intends," "may," "plans," "projects," "will," "would" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. We cannot guarantee that we actually will achieve the plans, intentions or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements we make. We have included important factors in the cautionary statements included or incorporated in this prospectus, particularly under the heading "Risk Factors," that we believe could cause actual results or events to differ materially from the forward-looking statements that we make. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments we may make. We do not assume any obligation to update any forward-looking statements.

### USE OF PROCEEDS

We will not receive any proceeds from the sale of shares by the selling stockholders.

The selling stockholders will pay any underwriting discounts and commissions and expenses incurred by the selling stockholders for brokerage, accounting, tax or any other expenses incurred by the selling stockholders in disposing of the shares. We will bear some of the legal expenses incurred by the selling stockholders and all other costs, fees and expenses incurred in effecting the registration of the shares covered by this prospectus, including, without limitation, all registration and filing fees, New York Stock Exchange listing fees and fees and expenses of our counsel and our accountants.

### SELLING STOCKHOLDERS

On March 14, 2002, we issued series A convertible preferred stock and warrants to purchase shares of common stock in a private placement. The shares of common stock being offered by the selling stockholders include:

shares of common stock issuable to the selling stockholders upon conversion of their series A convertible preferred stock;

shares of common stock issuable upon exercise of warrants by the selling stockholders;

shares of common stock issuable as dividends on the series A preferred stock in lieu of cash; and

shares of common stock issuable as payment upon optional or mandatory conversion of preferred stock in lieu of cash.

We determined the number of shares of common stock to be offered for resale by this prospectus under the terms of a registration rights agreement with the selling stockholders. In accordance with the terms of the registration rights agreement, this prospectus covers:

the resale of 110% of the number of shares of common stock issuable upon the conversion of the series A convertible preferred stock;

the resale of 100% of the number of shares of common stock issuable upon exercise of the warrants; and

the resale of 110% of the number of shares of common stock issuable in lieu of cash dividends payable on the series A common stock for four quarters.

Because the number of shares of common stock issuable in connection with the series A preferred stock and the warrants may be adjusted based on the market price of our common stock, and because the conversion price of the preferred stock and exercise price of the warrants is subject to adjustment, the number of shares that will actually be issued upon conversion of the preferred stock or exercise of the warrants, as payments upon conversion or in respect of dividends on the preferred stock, may be more than the 5,937,461 shares offered by this prospectus.

Robertson Stephens, Inc. and its affiliates have performed, and expect to continue to perform, financial advisory and investment banking services for us, including acting as placement agent in connection with our March 2002 series A convertible preferred stock private placement. In addition, Robertson Stephens, Inc. is a registered broker-dealer. In the ordinary course of business, Robertson Stephens, Inc. and its affiliates may actively trade our securities for its own account and for the accounts of its customers. Accordingly, Robertson Stephens, Inc. may at any time hold long or short positions in such accounts. Except for these relationships, no other material relationship has existed between us and any of the selling stockholders for the past three years.

Edgar Filing: MANUFACTURERS SERVICES LTD - Form S-3/A

The following table sets forth, to our knowledge, certain information about the selling stockholders as of April 12, 2002. The second column lists, for each selling stockholder, the number of shares of common stock held prior to the March 14, 2002 private placement, plus the number of shares of common stock held based on the selling stockholder's ownership of series A convertible preferred stock and warrants. The third column lists each selling stockholder's portion of the 5,937,461 shares of common stock being offered by this prospectus. The fourth and fifth columns assume the sale of all of the shares offered by this prospectus by each selling stockholder. The number of shares held by any selling stockholder may fluctuate from time to time.

Beneficial ownership is determined in accordance with the rules of the SEC, and includes voting or investment power with respect to shares. Unless otherwise indicated below, to our knowledge, all persons named in the table have sole voting and investment power with respect to their shares of common stock, except to the extent authority is shared by spouses under applicable law. The inclusion of any shares in this table does not constitute an admission of beneficial ownership by the person named below.

Name of Selling Stockholder	Number of Shares of Common Stock Beneficially Owned Prior to Offering	Number of Shares of Common Stock Being Offered(1)	Shares of Common Stock to be Beneficially Owned After Offering(2)	
			Number	Percentage
Castle Creek Technology Partners, LLC	291,375	330,255	0	0%
PCM Partners L.P.	553,613	627,485	0	0
PCM Partners International Ltd.	29,138	33,026	0	0
Cohanzick Partners, LP	48,563	55,043	0	0
Cohanzick High Yield Partners, LP	48,563	55,043	0	0
Deephaven Private Placement Trading Ltd.	194,250	220,170	0	0
Deutsche Bank AG	194,250	220,170	0	0
AIG DKR SoundShore Private Investors Holding Fund Ltd.	97,125	110,085	0	0
AIG DKR SoundShore Holdings Ltd.	134,033	151,917	0	0
AIG DKR SoundShore Opportunity Holding Fund Ltd.	89,355	101,278	0	0
AIG DKR SoundShore Strategic Holding Fund Ltd.	67,988	77,060	0	0
Capital Ventures International	194,252	220,170	0	0
Purchase Associates LP	136,946	155,220	0	0
Levco Alternative Fund	445,804	505,290	0	0
J.P. Morgan Securities, Inc.	194,250	220,170	0	0
Quantico Partners	194,250	220,170	0	0
Halifax Fund L.P.	388,500	440,340	0	0
Portside Growth and Opportunity Fund	194,250	220,170	0	0
Robertson Stephens, Inc. (3)	102,952	102,952	0	0
SF Capital Partners Ltd.	971,251	1,100,852	0	0
Special Situations Private Equity Fund, L.P.	291,375	330,255	0	0
Victus Capital, LP	388,500	440,340	0	0
<b>All Selling Stockholders</b>	<b>5,250,583</b>	<b>5,937,461</b>	<b>0</b>	<b>0</b>

(1) This number represents 110% of the shares issuable upon conversion of the series A preferred stock based on the initial conversion price of \$6.4350, 100% of the shares issuable upon exercise of the warrants and 110% of the shares issuable in lieu of cash dividends payable on the series A preferred stock for four quarters, based on a market value of the common stock of \$5.85.

(2) We do not know when or in what amounts a selling stockholder may offer shares for sale. The selling stockholders might not sell any or all of the shares offered by this prospectus. Because the selling stockholders may offer all or some of the shares pursuant to this offering, and because there are currently no agreements, arrangements or understandings with respect to the sale of any of the shares, we cannot estimate the number of the shares that will be held by the selling stockholders after completion of the offering. However, for

purposes of this table, we have assumed that, after completion of the offering, none of the shares covered by this prospectus will be held by the selling stockholders.

- (3) Consists of shares issuable upon exercise of a warrant issued to Robertson Stephens, Inc. as partial compensation for placement agent activities.

13

---

### PLAN OF DISTRIBUTION

The shares covered by this prospectus may be offered and sold from time to time by the selling stockholders. The term "selling stockholders" includes donees, pledgees, transferees or other successors-in-interest selling shares received after the date of this prospectus from a selling stockholder as a gift, pledge, partnership distribution or other non-sale related transfer. The selling stockholders will act independently of MSL in making decisions with respect to the timing, manner and size of each sale. The selling stockholders may sell their shares by one or more of, or a combination of, the following methods:

directly by the selling stockholders to one or more purchasers;

through underwriters, broker-dealers or agents;

in one or more transactions at fixed prices (which may be changed), at prevailing market prices at the time of sale, at varying prices determined at the time of sale, or at negotiated prices;

in option or other transactions with broker-dealers that require the delivery by such broker-dealers of the shares, which shares may be resold thereafter pursuant to this prospectus;

in hedging transactions with broker-dealers who may engage in short sales of shares in the course of hedging the positions they assume with the selling stockholders; or

in the following additional transactions (which may involve crosses or block transactions):

on any national securities exchange or U.S. inter-dealer quotation system of a registered national securities association on which the shares may be listed or quoted at the time of sale;

in the over-the-counter market;

in transactions otherwise than on such exchanges or services or in over-the-counter market;

through the writing of options, whether the options are listed on an option exchange or otherwise; or

through the settlement of short sales.

In addition, any shares that qualify for sale pursuant to Rule 144 may be sold under Rule 144 rather than pursuant to this prospectus.

To the extent required, this prospectus may be amended or supplemented from time to time to describe a specific plan of distribution. In connection with distributions of the shares or otherwise, the selling stockholders may enter into hedging transactions with broker-dealers or other

## Edgar Filing: MANUFACTURERS SERVICES LTD - Form S-3/A

financial institutions. In connection with such transactions, broker-dealers or other financial institutions may engage in short sales of the common stock in the course of hedging the positions they assume with selling stockholders. The selling stockholders may also sell the common stock short and redeliver the shares to close out such short positions. The selling stockholders may also enter into option or other transactions with broker-dealers or other financial institutions which require the delivery to such broker-dealer or other financial institution of shares offered by this prospectus, which shares such broker-dealer or other financial institution may resell pursuant to this prospectus (as supplemented or amended to reflect such transaction). The selling stockholders may also pledge or grant a security interest in shares, and, upon a default in the performance of the secured obligation, such pledgee or secured party, may effect sales of the pledged shares pursuant to this prospectus (as supplemented or amended to reflect such transaction).

In effecting sales, broker-dealers or agents engaged by the selling stockholders may arrange for other broker-dealers to participate. Broker-dealers, underwriters or agents may receive commissions,

14

---

discounts or concessions from the selling stockholders and/or purchasers of the shares for whom they may act as agents.

In offering the shares covered by this prospectus, the selling stockholders and any broker-dealers, underwriters or agents who execute sales for the selling stockholders may be deemed to be "underwriters" within the meaning of the Securities Act in connection with such sales. Any profits realized by the selling stockholders and the compensation of any broker-dealer, underwriter or agent may be deemed to be underwriting discounts and commissions. Neither we nor any selling stockholder can presently estimate the amount of such compensation. We know of no existing arrangements between any selling stockholder and any other selling stockholder, underwriter, broker/dealer or other agent relating to the sale or distribution of the shares. No underwriter, broker/dealer or agent has been engaged by us in connection with the distribution of the shares.

In order to comply with the securities laws of certain states, if applicable, the shares must be sold in such jurisdictions only through registered or licensed brokers or dealers. In addition, in certain states the shares may not be sold unless they have been registered or qualified for sale in the applicable state or an exemption from the registration or qualification requirement is available and is complied with.

We have advised the selling stockholders that the anti-manipulation rules of Regulation M under the Exchange Act may apply to sales of shares in the market and to the activities of the selling stockholders and their affiliates. We will make copies of this prospectus available to the selling stockholders for the purpose of satisfying the prospectus delivery requirements of the Securities Act, which may include delivery through the facilities of the New York Stock Exchange pursuant to Rule 153 under the Securities Act. The selling stockholders may indemnify any broker-dealer that participates in transactions involving the sale of the shares against certain liabilities, including liabilities arising under the Securities Act.

At the time a particular offer of shares is made, if required, a prospectus supplement will be distributed that will set forth the number of shares being offered and the terms of the offering, including the name of any underwriter, dealer or agent, the purchase price paid by any underwriter, any discount, commission and other item constituting compensation, any discount, commission or concession allowed or reallocated or paid to any dealer, and the proposed selling price to the public.

We have agreed to indemnify the selling stockholders against certain liabilities, including certain liabilities under the Securities Act. We will be indemnified by the selling stockholders severally against certain liabilities, including certain liabilities under the Securities Act.

We have agreed with the selling stockholders to keep the Registration Statement of which this prospectus constitutes a part effective until the earlier of such time as all of the shares covered by this prospectus have been disposed of pursuant to and in accordance with the Registration Statement or such date on which the shares may be resold pursuant to Rule 144(k) under the Securities Act by all selling stockholders that are not affiliates of Manufacturers' Securities Limited.

### UNDERWRITERS

The SEC staff is of a view that selling stockholders who are registered broker-dealers or affiliates of registered broker-dealers may be underwriters under the Securities Act. J.P. Morgan Securities, Inc. and Robertson Stephens, Inc. are registered broker-dealers. PCM Partners L.P., PCM Partners International LTD, Deephaven Private Placement Trading Ltd., Purchase Associates LP, Levco Alternative Fund, SF Capital Partners Ltd., Victus Capital, LP, Deutsche Bank AG and Halifax Fund L.P. are affiliates of registered broker-dealers. Capital Ventures International is under common control with one or more NASD members, none of whom are currently expected to participate in the sale pursuant to this prospectus of shares purchased by Capital Ventures International in the Offering. We will not pay any compensation or give any discounts or commissions to any underwriter in connection with the securities being registered in this prospectus.

---

### LEGAL MATTERS

The validity of the shares offered by this prospectus has been passed upon by Hale and Dorr LLP.

### EXPERTS

The financial statements incorporated in this Prospectus by reference to the Annual Report on Form 10-K for the year ended December 31, 2001 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting.

### WHERE YOU CAN FIND MORE INFORMATION

We file reports, proxy statements and other documents with the SEC. You may read and copy any document we file at the SEC's public reference room at Judiciary Plaza Building, 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549. You should call 1-800-SEC-0330 for more information on the public reference room. Our SEC filings are also available to you on the SEC's Internet site at <http://www.sec.gov>. In addition, these materials may be read at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

This prospectus is part of a registration statement that we filed with the SEC. The registration statement contains more information than this prospectus regarding us and our common stock, including certain exhibits and schedules. You can obtain a copy of the registration statement from the SEC at the address listed above or from the SEC's Internet site.

### INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The SEC requires us to "incorporate" into this prospectus information that we file with the SEC in other documents. This means that we can disclose important information to you by referring to other documents that contain that information. The information incorporated by reference is considered to be part of this prospectus. Information contained in this prospectus and information that we file with the SEC in the future and incorporate by reference in this prospectus automatically updates and supersedes previously filed information. We incorporate by reference the documents listed below and any future filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, prior to the sale of all the shares covered by this prospectus.

- (1) Our Annual Report on Form 10-K for the year ended December 31, 2001;
- (2) The description of our common stock contained in our Registration Statement on Form 8-A dated May 16, 2000;
- (3) Our Current Report on Form 8-K filed February 8, 2002;
- (4) Our Current Report on Form 8-K filed February 26, 2002; and
- (5) Our Current Report on Form 8-K filed March 18, 2002.

You may request a copy of these documents, which will be provided to you at no cost, by writing or telephoning us using the following contact information:

**300 BAKER AVENUE, SUITE 106**  
**CONCORD, MASSACHUSETTS 01742**  
Attention: Robert C. Bradshaw

**PART II**  
**INFORMATION NOT REQUIRED IN PROSPECTUS**

**Item 14. Other Expenses of Issuance and Distribution.**

The following table sets forth the various expenses to be incurred in connection with the sale and distribution of the securities being registered hereby, all of which will be borne by Manufacturers' Services Limited (except any underwriting discounts and commissions and expenses incurred by the selling stockholders for brokerage, accounting, tax or certain legal services or any other expenses incurred by the selling stockholders in disposing of the shares). All amounts shown are estimates except the Securities and Exchange Commission registration fee.

Filing Fee Securities and Exchange Commission	\$ 2,759
Legal fees and expenses	\$ 50,000
Accounting fees and expenses	\$ 100,900
Miscellaneous expenses	\$ 1,341
	<hr/>
Total Expenses	\$ 155,000
	<hr/>

**Item 15. Indemnification of Directors and Officers.**

Section 102 of the Delaware General Corporation Law allows a corporation to eliminate the personal liability of directors of a corporation to the corporation or its stockholders for monetary damages for a breach of fiduciary duty as a director, except where the director breached his duty of loyalty, failed to act in good faith, engaged in intentional misconduct or knowingly violated a law, authorized the payment of a dividend or approved a stock repurchase in violation of Delaware corporate law or obtained an improper personal benefit. Manufacturers' Services Limited has included such a provision in its Restated Certificate of Incorporation.

Section 145 of the General Corporation Law of Delaware provides that a corporation has the power to indemnify a director, officer, employee or agent of the corporation and certain other persons serving at the request of the corporation in related capacities against amounts paid and expenses incurred in connection with an action or proceeding to which he is or is threatened to be made a party by reason of such position, if such person shall have acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and, in any criminal proceeding, if such person had no reasonable cause to believe his conduct was unlawful; provided that, in the case of actions brought by or in the right of the corporation, no indemnification shall be made with respect to any matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the adjudicating court determines that such indemnification is proper under the circumstances.

Manufacturers' Services Limited has purchased directors' and officers' liability insurance which would indemnify its directors and officers against damages arising out of certain kinds of claims which might be made against them based on their negligent acts or omissions while acting in their capacity as such.

II-1

**Item 16. Exhibits**

EXHIBIT NUMBER	DESCRIPTION
4.1	Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the Registrant's Registration Statement on Form S-1, as amended (File No. 333-96227), filed on February 4, 2000).

## Edgar Filing: MANUFACTURERS SERVICES LTD - Form S-3/A

EXHIBIT NUMBER	DESCRIPTION
4.2	Amended and Restated By-laws of the Registrant (incorporated by reference to Exhibit 3.2 to the Registrant's Registration Statement on Form S-1, as amended (File No. 333-96227), filed on February 4, 2000).
4.3	Form of Warrant to Purchase Common Stock (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on March 18, 2002).
4.4	Certificate of Designations of 5.25% Series A Convertible Preferred Stock of Manufacturers' Services Limited (incorporated by reference to Exhibit 4.2 to the Registrant's Current Report on Form 8-K filed on March 18, 2002).
4.5	Registration Rights Agreement dated as of March 12, 2002, by and among Manufacturers' Services Limited, Robertson Stephens, Inc. and the Buyers as defined therein (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed on March 18, 2002).
5.1	Opinion of Hale and Dorr LLP.
23.1	Consent of PricewaterhouseCoopers LLP.
23.2	Consent of Hale and Dorr LLP (included in Exhibit 5.1 filed herewith).
24.1	Power of Attorney (as previously filed).

### Item 17. Undertakings.

*Item 512(a) of Regulation S-K.* The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

- (i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933, as amended (the "Securities Act");
- (ii) To reflect in the prospectus any facts or events arising after the effective date of this Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in this Registration Statement. Notwithstanding the foregoing, any increase or decrease in the volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective Registration Statement; and
- (iii) To include any material information with respect to the plan of distribution not previously disclosed in this Registration Statement or any material change to such information in this Registration Statement;

II-2

*provided, however,* that paragraphs (1)(i) and (1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the Registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), that are incorporated by reference in this Registration Statement.

(2) That, for the purposes of determining any liability under the Securities Act, each post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at the time shall be deemed to be the initial *bona fide* offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

*Item 512(b) of Regulation S-K.* The Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the Registrant's annual report pursuant to Section 13(a) or 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in this Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that





Edgar Filing: MANUFACTURERS SERVICES LTD - Form S-3/A

Signature	Title	Date
*	Director	April 23, 2002
Karl Wyss		
*	Director	April 23, 2002
George W. Chamillard		
	Director	April 23, 2002
William Weyand		
*	Director	April 23, 2002
John F. Fort		
*	Director	April 23, 2002
Dermott O'Flanagan		
*	Director	April 23, 2002
Curtis S. Wozniak		
*By: /s/ ALAN R. CORMIER		
Alan R. Cormier		
<i>Attorney-in-fact</i>		

II-4

EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION
4.1	Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the Registrant's Registration Statement on Form S-1, as amended (File No. 333-96227), filed on February 4, 2000).
4.2	Amended and Restated By-laws of the Registrant (incorporated by reference to Exhibit 3.2 to the Registrant's Registration Statement on Form S-1, as amended (File No. 333-96227), filed on February 4, 2000).
4.3	Form of Warrant to Purchase Common Stock (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on March 18, 2002).
4.4	Certificate of Designations of 5.25% Series A Convertible Preferred Stock of Manufacturers' Services Limited (incorporated by reference to Exhibit 4.2 to the Registrant's Current Report on Form 8-K filed on March 18, 2002).
4.5	Registration Rights Agreement dated as of March 12, 2002, by and among Manufacturers' Services Limited, Robertson Stephens, Inc. and the Buyers as defined therein (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed on March 18, 2002).
5.1	Opinion of Hale and Dorr LLP.
23.1	Consent of PricewaterhouseCoopers LLP.
23.2	Consent of Hale and Dorr LLP (included in Exhibit 5.1 filed herewith).
24.1	Power of Attorney (as previously filed).

II-5

QuickLinks

[TABLE OF CONTENTS](#)

[PROSPECTUS SUMMARY](#)

[MANUFACTURERS' SERVICES LIMITED](#)

[THE OFFERING](#)

[RISK FACTORS](#)

[SPECIAL NOTE REGARDING FORWARD-LOOKING INFORMATION](#)

[USE OF PROCEEDS](#)

[SELLING STOCKHOLDERS](#)

[PLAN OF DISTRIBUTION](#)

[UNDERWRITERS](#)

[LEGAL MATTERS](#)

[EXPERTS](#)

[WHERE YOU CAN FIND MORE INFORMATION](#)

[INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE](#)

[PART II INFORMATION NOT REQUIRED IN PROSPECTUS](#)

[SIGNATURES](#)

[SIGNATURES](#)

[EXHIBIT INDEX](#)