



## Results for Q3 Fiscal 2018

Earnings Announcement: January 25, 2018

(Quarter Ended December 31, 2017)

# Risks and Non-GAAP Disclosures

This presentation contains forward-looking statements, which are based on current expectations and assumptions that are subject to risks and uncertainties and actual results could materially differ. Such information is subject to change and we undertake no obligation to update these forward-looking statements. For a discussion of the risks and uncertainties, see our most recent filings with the Securities and Exchange Commission, including our current, annual and quarterly reports.

Please refer to the appendix section of this presentation for current period reconciliation of the Non-GAAP financial measures to the most directly comparable GAAP measures.

If this presentation references historical non-GAAP financial measures, these measures are located on the “Investor Relations” section of our website, [www.flex.com](http://www.flex.com) along with the required reconciliation to the most comparable GAAP financial measures.

The following business group acronyms will be used throughout this presentation:

**HRS**

## High Reliability Solutions

**Medical:** Consumer Health, Digital Health, Disposables, Drug Delivery, Diagnostics, Life Sciences & Imaging Equipment.

**Automotive:** Vehicle Electronics, Connectivity, Clean Technologies.

**IEI**

## Industrial & Emerging Industries

Semiconductor & Capital Equipment, Office Solutions, Household Industrial & Lifestyle, Industrial Automation & Kiosks, Energy & Metering, Lighting.

**CEC**

## Communications & Enterprise Compute

Cloud Data Center, Communications, Networking, Server & Storage.

**CTG**

## Consumer Technologies Group

Connected Living, Wearables, Gaming, AR/VR, Mobile Devices, Footwear and Clothing, Supply Chain Solutions for PCs, Tablets, and Printers.

# Q3 FY2018 Income Statement Summary

(\$M, except per share amounts)

	<b>Prior Yr</b> December 31, 2016	<b>Current Qtr</b> December 31, 2017
Net sales	\$6,115	\$6,752
Adjusted operating income	223	220
Adjusted net income	183	164
Adjusted EPS	\$0.34	\$0.31
GAAP income before income taxes	140	141
GAAP net income	129	118
GAAP EPS	\$0.24	\$0.22

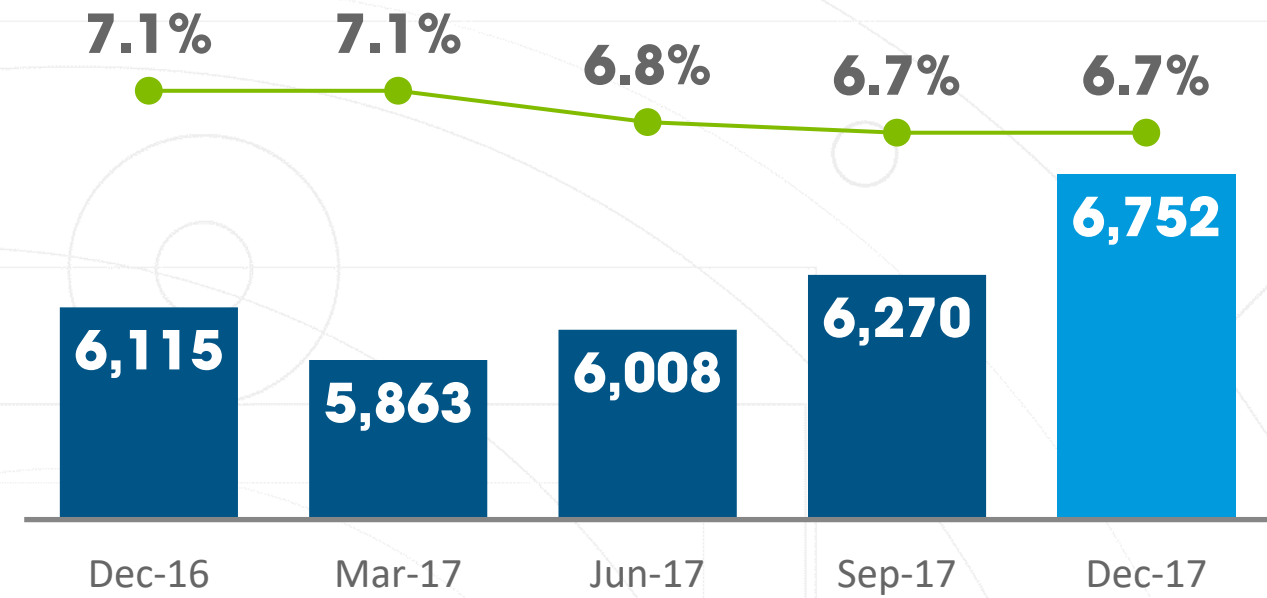
## Results vs. Guidance

- » Net sales of \$6.75B is above guidance of \$6.3-\$6.7B
- » Adjusted operating income of \$220M at the mid-point of guidance \$205-\$235M
- » Adjusted EPS of \$0.31 towards the high-end of guidance \$0.28-\$0.32

# Quarterly Financial Highlights

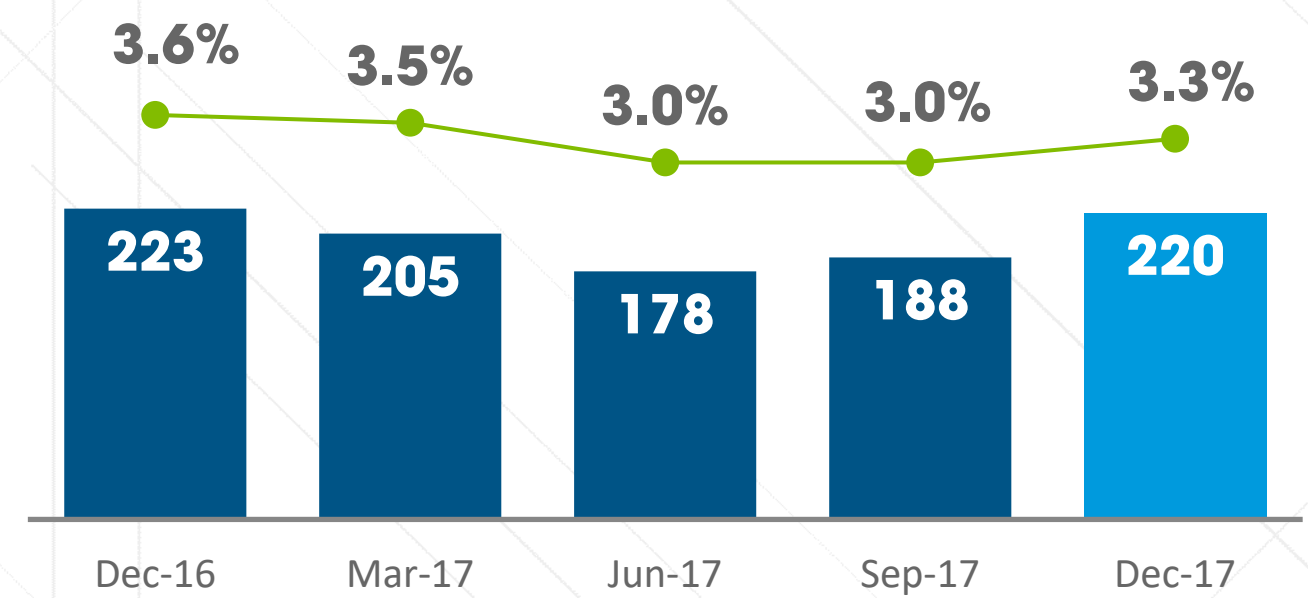
## Revenue & Adjusted Gross Margin

(\$M) —●— Adj. Gross Margin



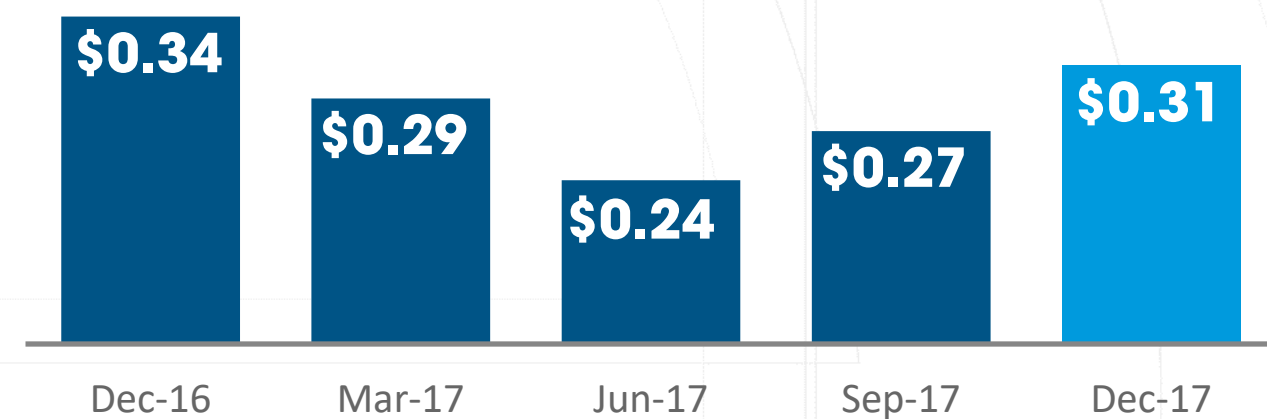
## Adjusted Operating Income

(\$M) —●— Adj. Operating Margin



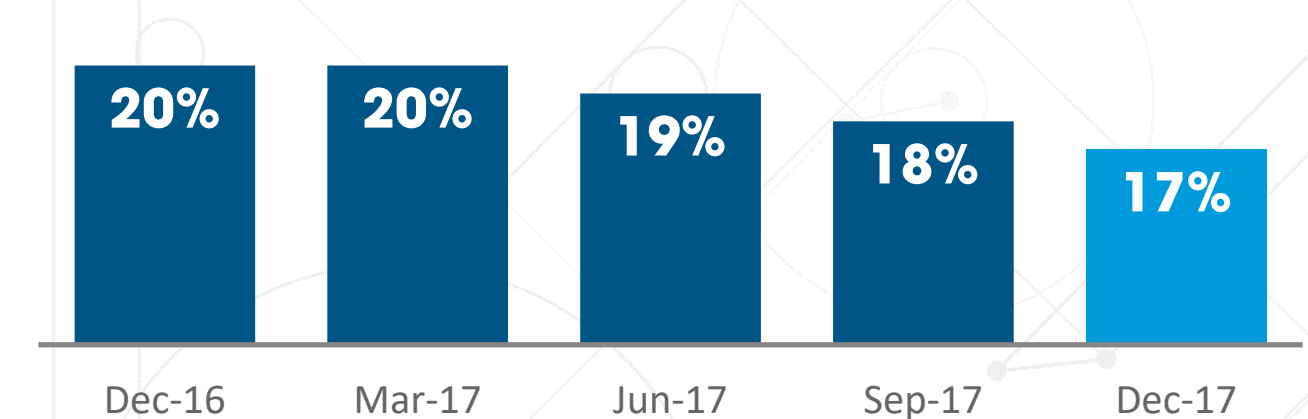
## Adjusted Earnings Per Share

(EPS)



## Return on Invested Capital<sup>1</sup>

(ROIC %)



# Operating Performance by Business Group

	Q3 FY18			Target Adjusted Operating Margin Range		
	Rev\$	OP\$ (adj.)	OP% (adj.)			
CEC	\$1,979	\$50	2.5%	2.5	3.5	Disciplined investments to expand and reinforce our cloud data center progress while managing legacy businesses
CTG	\$2,057	\$39	1.9%	2	4	Improving financial performance with Nike and continuing portfolio evolution
IEI	\$1,491	\$61	4.1%	4	6	Record quarterly revenue and profits reflecting continued strong demand across diversified markets and successful new large program ramps
HRS	\$1,225	\$101	8.2%	6	9	Record quarterly revenue and profits from strong growth and consistent operational execution
Corporate Services & Other <sup>2</sup>	--	(\$31)	--			
<b>Total</b>	<b>\$6,752</b>	<b>\$220</b>	<b>3.3%</b>			

# Cash Flow and Net Working Capital

(\$M)	3-Months Ended	9-Months Ended
	(Dec 31, 2017)	(Dec 31, 2017)
GAAP net income	\$118	\$448
Depreciation and amortization	128	381
Change in working capital and other	(96)	(398)
<b>Net cash provided by operating activities</b>	<b>150</b>	<b>431</b>
Purchases of property & equipment, net	(161)	(389)
<b>Free Cash Flow</b>	<b>(11)</b>	<b>42</b>
Payments for share repurchases	(35)	(180)
Debt repayment, net	(15)	(42)
Other investing and financing, net	(17)	(359)
<b>Net change in cash and cash equivalents</b>	<b>(\$78)</b>	<b>(\$539)</b>

## Net Working Capital<sup>3</sup>

(\$M) — % Annualized Revenue

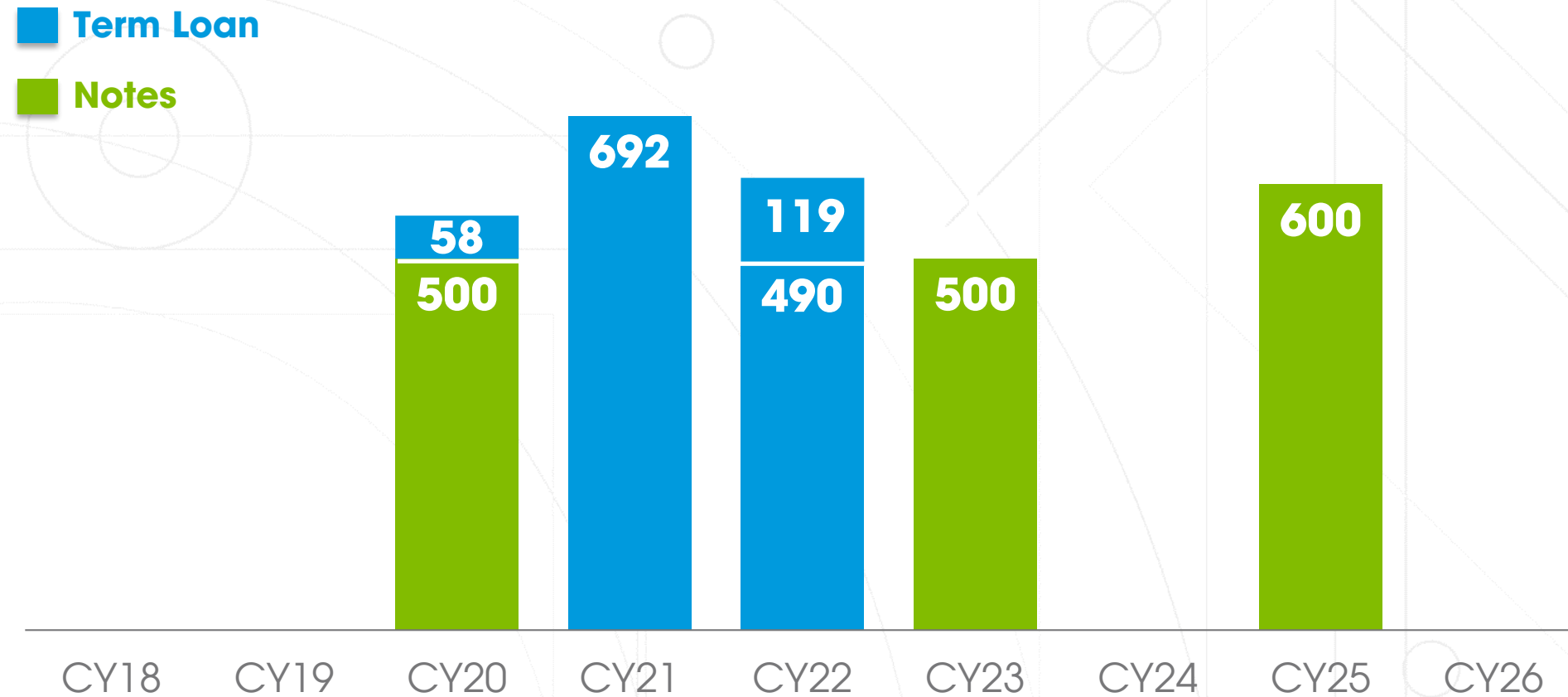
6.6% 6.9% 7.0% 6.6% 6.8%



# Balanced Capital Structure

## Debt Maturities

(\$M) Balances as of December 31, 2017



- » No near-term maturities
- » Low average cost of debt: ~3.7%
- » Ample liquidity of \$3.0B
  - » \$1.75B revolver + \$1.3B cash

**Investment Grade Rated**

Moody's | S&P | Fitch

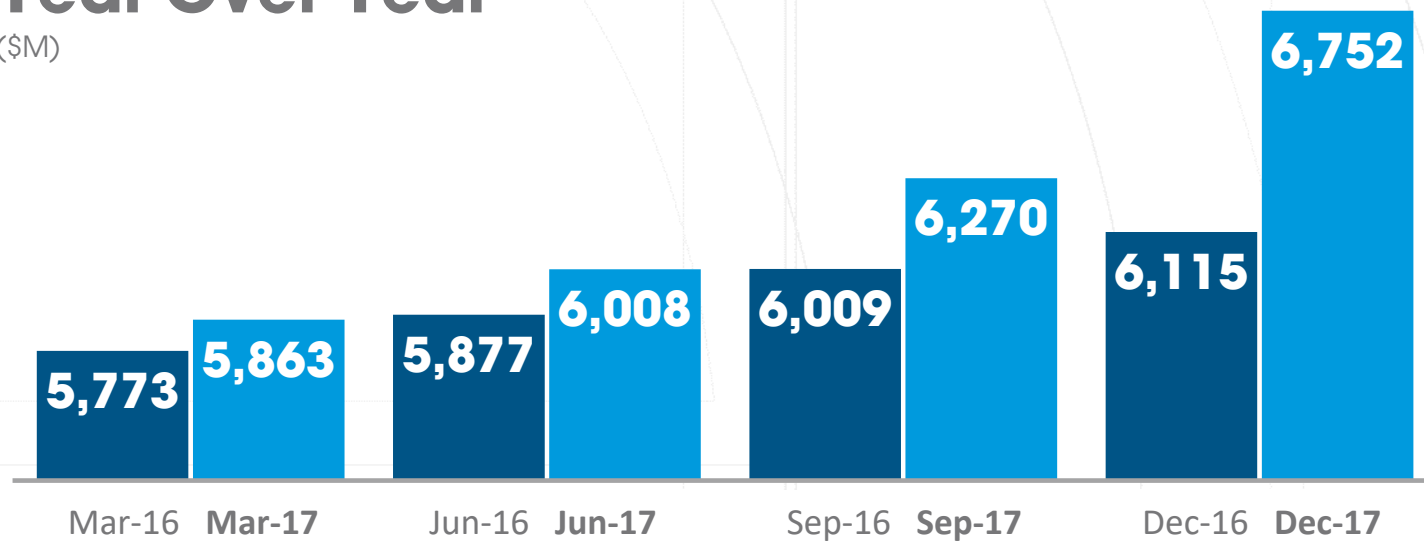
# Q3 FY2018 Business Highlights

## Accelerating Revenue Growth

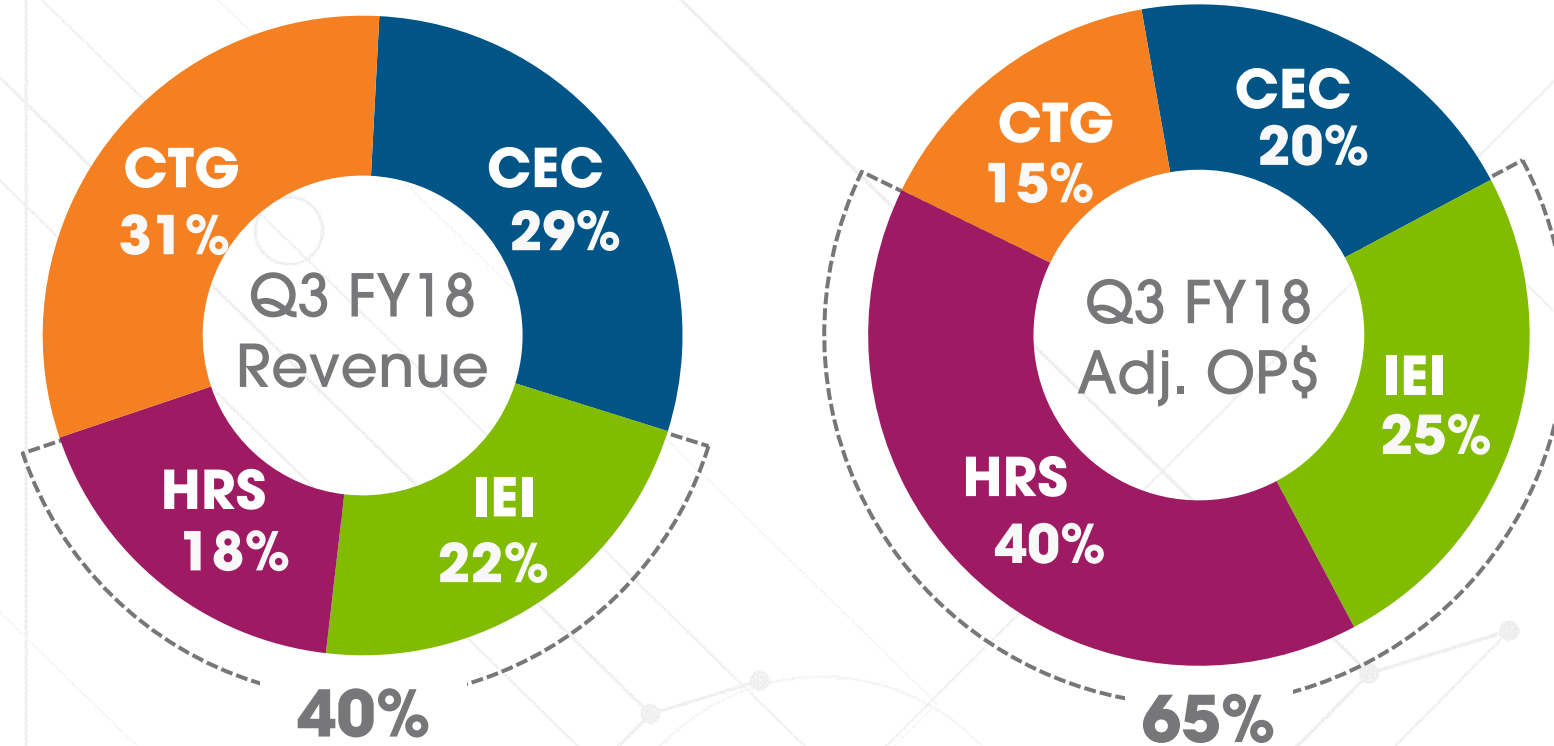
- » 4th straight quarter of Y/Y revenue growth
- » HRS and IEI growing 20% and 31% Y/Y respectively, both achieving record quarterly revenue and profit
- » Fiscal 2018 revenue growth on track

## Quarterly Revenue Year-Over-Year

(\$M)



## Continued Structural Portfolio Evolution



- » HRS and IEI growth accelerating as anticipated
- » Successfully booking new customers and expanding Sketch-to-Scale™ relationships

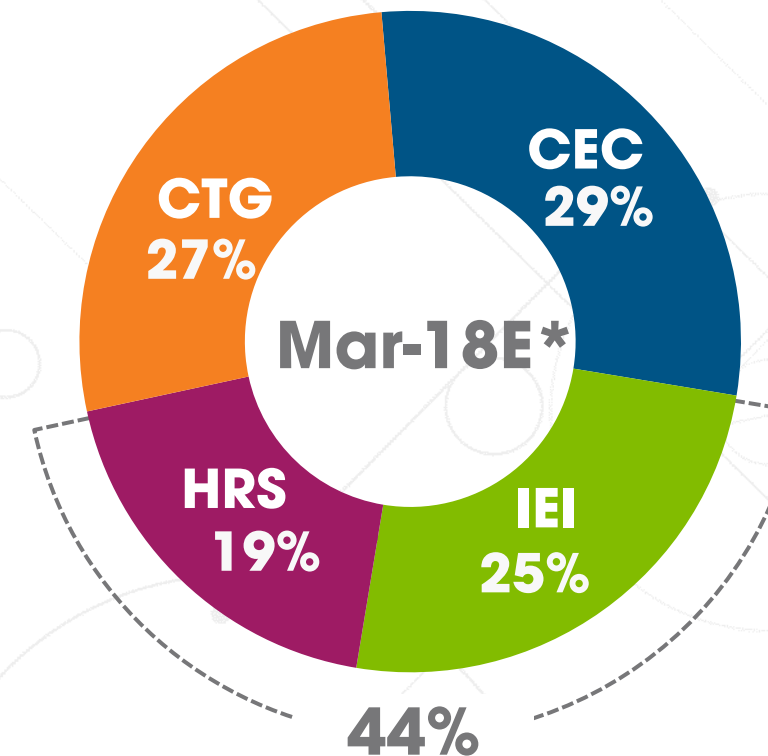
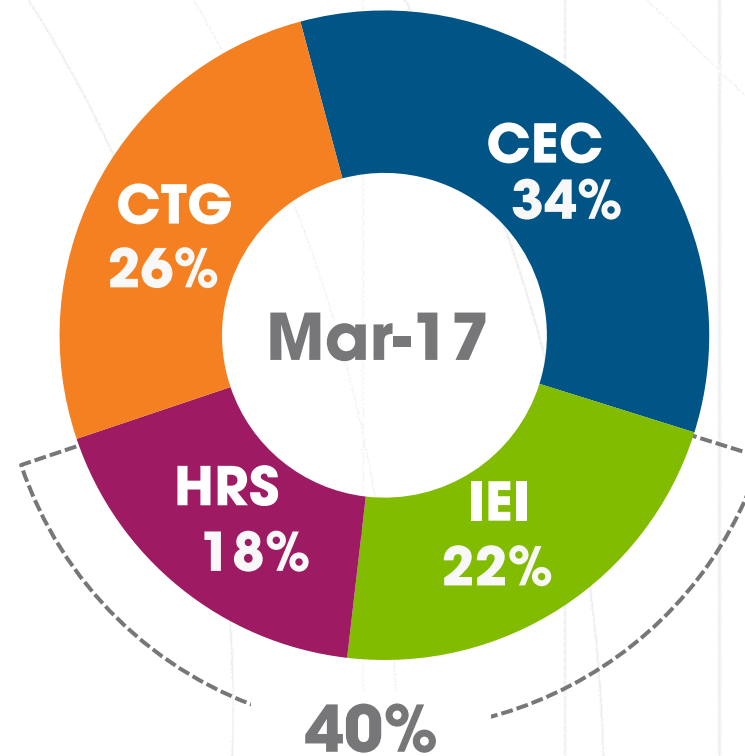


# Revenue by Business Group

(\$M)	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Q/Q %	Y/Y %
	\$	\$	\$	\$			
<b>CEC</b>	2,102	1,983	1,973	1,901	1,979	4%	(6%)
<b>CTG</b>	1,849	1,535	1,512	1,755	2,057	17%	11%
<b>IEI</b>	1,141	1,296	1,391	1,454	1,491	3%	31%
<b>HRS</b>	1,023	1,049	1,132	1,160	1,225	6%	20%
<b>Total</b>	<b>\$6,115</b>	<b>\$5,863</b>	<b>\$6,008</b>	<b>\$6,270</b>	<b>\$6,752</b>	<b>8%</b>	<b>10%</b>

<b>Mar-18E</b>
Outlook Y/Y %
Down 5% to 10%
Up 5% to 10%
Up 15% to 25%
Up 10% to 20%

**Quarterly Revenue Mix**  
(Y/Y)



\*Reflects mid-point of Mar-18E guidance

# Fourth Quarter Guidance - March 2018

(\$M, except per share amounts)

**\$6,100 - \$6,500**  
Revenue

**\$200 - \$230**  
Adjusted Operating  
Income

**\$0.28 - \$0.32**  
Adjusted Earnings  
Per Share

GAAP Income Before Income Taxes \$70 - \$100 million

GAAP Earnings Per Share \$0.10 - \$0.15

## Other Information:

Interest & Other Expense \$35 - \$40 million

Adjusted Income Tax Rate Mid-range of 10% to 15%

WASO ~534 million shares

For more information, go to [investors.flex.com](https://investors.flex.com)

The screenshot shows the Flex Investor Relations website. At the top left is the Flex logo. The main navigation bar includes "Sketch-to-Scale™ Solutions", "Expertise", "Insights", "About", and "Connect". A secondary navigation bar under "Investor Relations" includes "Home", "Financials", "Events & Presentations", "Company News", "Stock Information", "Corporate Governance", and "Contact IR". The main content area features a green-tinted background with a city skyline and a white line graph. On the left, it announces "Q3 FY18 Earnings January 25, 2018" with a "Learn More" button. On the right, a blue box displays stock information: "NASDAQ: FLEX", "\$19.00", "▲ 0.04 (0.24%)", "VOLUME 961,531", and "MARKET CAP 10.04B". Below this is a "More details" button and a "20 minutes delay" note. At the bottom right of the main content area are four small square icons.

# Appendix: Reconciliation of GAAP to Non-GAAP Measures

(\$Thousands, except per share amounts)

	<u>Quarter-ended</u> December 31, 2017
GAAP gross profit	\$446,328
Stock-based compensation expense	5,358
Non-GAAP gross profit	\$451,686
GAAP income before income taxes	\$141,160
Intangible amortization	19,588
Stock-based compensation expense	20,758
Other charges, interest and other, net	38,215
Non-GAAP operating income	\$219,721
GAAP provision for income taxes	\$22,827
Intangible amortization benefit	2,185
Non-GAAP provision for income taxes	\$25,012
GAAP net income	\$118,333
Intangible amortization	19,588
Stock-based compensation expense	20,758
Other charges, interest and other, net	7,892
Adjustments for taxes	(2,185)
Non-GAAP net income	\$164,386
Diluted EPS	
GAAP EPS	\$0.22
Non-GAAP EPS	\$0.31

	<u>Quarter-ended</u> December 31, 2017
ROIC % <sup>1</sup>	
GAAP	13.4%
Non-GAAP Adjustments	3.7%
Non-GAAP	17.1%

For more details on the GAAP to Non-GAAP adjustments for current and historical periods, please refer to the Investor Relations section of our website which includes press releases and summary financials of the respective periods.

# Appendix: Definitions

1. Return on Invested Capital (ROIC) is calculated by dividing the Company's last twelve months after-tax Non-GAAP operating income by the net invested capital asset base as of each date. After-tax non-GAAP operating income excludes charges for stock-based compensation expense, contingencies, distressed customer asset impairment, and certain other charges or income. The net invested capital asset base is defined as the sum of shareholders' equity plus total debt less cash and cash equivalents averaged over the last five quarters. We believe ROIC is a useful measure in providing investors with information regarding our performance. ROIC is a widely accepted measure of earnings efficiency in relation to total capital employed. We believe that increasing the return on total capital employed, as measured by ROIC, is an effective method to sustain and increase shareholder value. ROIC is not a measure of financial performance under generally accepted accounting principles in the U.S., and may not be defined and calculated by other companies in the same manner. ROIC should not be considered in isolation or as an alternative to net income or loss as an indicator of performance.
2. Corporate services and other: corporate service costs that are not included in the assessment of the performance of each of the identified business groups.
3. Net Working Capital is calculated as accounts receivable (AR), net adding back the reduction in AR resulting from the non-cash AR sales plus inventories less accounts payable.