Digitizing Industrial and Energy
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**FY17 Overview**

**Revenue ($B)**

- FY14: 3.8
- FY15: 4.5
- FY16: 4.7
- FY17: 5.0

- **9.5% CAGR**
- **6.1% Growth**

**OP ($M)**

- FY14: 127
- FY15: 132
- FY16: 158
- FY17: 180

- **12.3% CAGR**
- **3.6% OP%**

- $2B+ record bookings
- **26%** Sketch-to-Scale™ revenue
- **72+** new logos
Transitioning Into The Age of Intelligence

Cloud Connectivity

Consumer
- Smart Clothing
- Smart TVs
- Wearables
- Home Automation
- Smart Appliances
- Home Monitoring

Industrial
- Smart Cities
- Digital Energy
- Connected Cars
- Industrial Automation
- Industry 4.0
- Digital Health
IEI Key Markets

Capital Equipment
- $505B TAM
  - Mechanicals
  - Power Electronics

Lighting Solutions
- $55B TAM
  - Connectivity

Energy Solutions
- $540B TAM
  - Controls
  - Human Machine Interface (HMI)

Lifestyle and Appliances
- $500B TAM
  - Analytics

Source: TAM market size for 2020 based on internal research
Capital Equipment

85 Active Accts.

~$250M Bookings

12 New Logos
Capital Equipment

**Past**
Hierarchical and Centralized

- Master Control
- Controls
- Machine

**Evolving Now**
Integrated and Decentralized

- Machine
- Analytics
- Controls
In 2016, only 10% of machines were connected and 8% of factory tasks were automated.

By 2025, most machines will be connected, 25% of factory tasks will be automated and ~50% of installed base will be replaced.

Source: BCG, McKinsey, Cisco Research
Lighting

25+ Active Accts.

~$150M Bookings

20+ New Logos
Today, Lighting accounts for almost **19%** of global electricity use.

By 2030, LED will replace most incandescent and florescent lighting.

Transitioning to smart lighting solutions will reduce lighting costs by **>53%**.

*Source: Philips and HSBC Research*
Energy

- 62 Active Accts.
- ~$750M Bookings
- 30 New Logos
Today, only 1.2% of worldwide electricity generation comes from Solar.

By 2030, solar will power 13% of the world.
Artificial Intelligence for Energy

Launching Yield Enhancement recurring revenue services to the market in FY18
Lifestyle and Appliances

46 Active Accts.

~$1.1B Bookings

21 New Logos
Lifestyle and Appliances

Connected Appliances will help transform the way we live

Consumers value \textit{time and health}

We are at the forefront of \textit{automated} and \textit{autonomous products} connected to digital supply chain

Source: Gartner and Quartz Research
Lifestyle and Appliances

Large Appliances
- Connectivity
- Controls
- HMI

Small Appliances
- Connectivity
- Controls
- HMI
- Power Electronics
- Mechanicals
- Tooling Design
In Summary

» The industrial market is digitizing
» IoT disruption is reshaping business models
» Massive opportunities across key industries
» Flex is well positioned to serve these markets

Actual

$2B+
Record Bookings

Targets

10%
Revenue Growth

4–6%
OP Range