

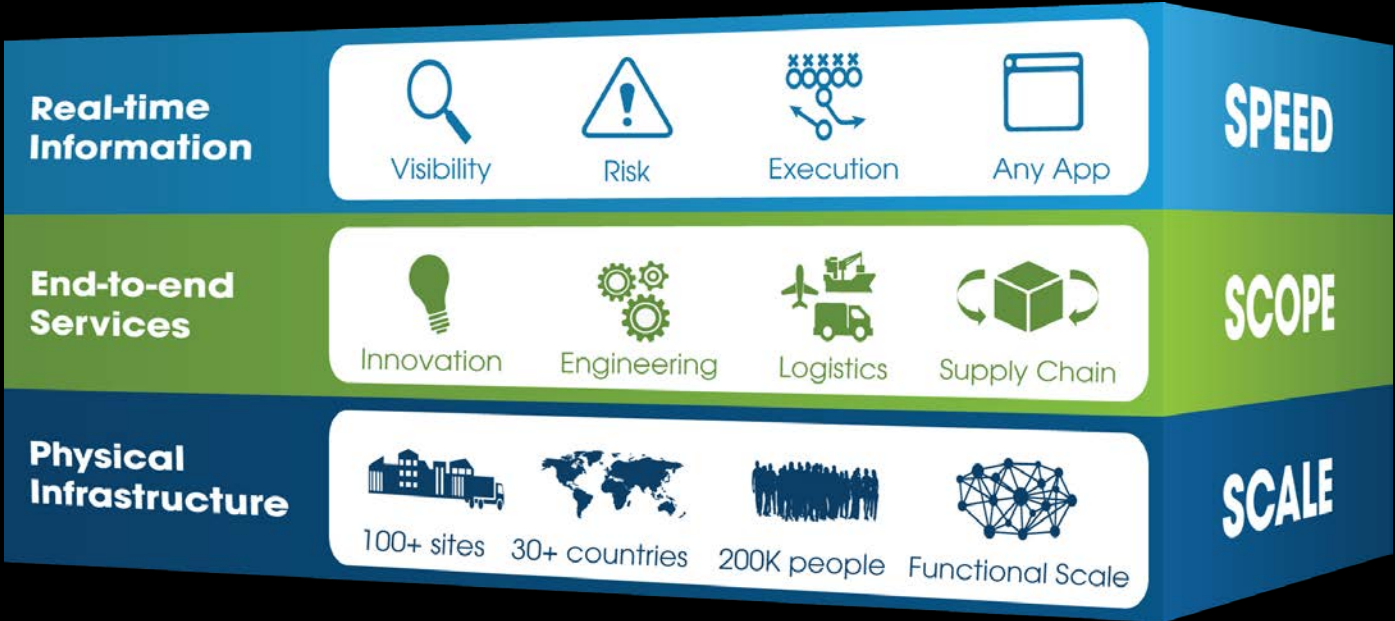
Investor & Analyst Day

20
18

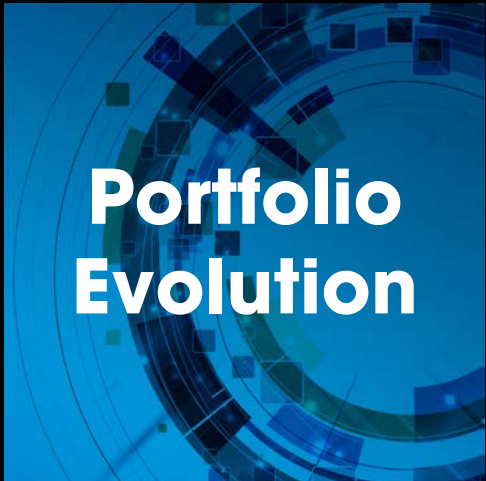
Our Financial Path

Chris Collier
Chief Financial Officer

Our Consistent Strategy and Focus



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Guided by Our Financial Principles

Revenue Growth

Operating Profit Expansion

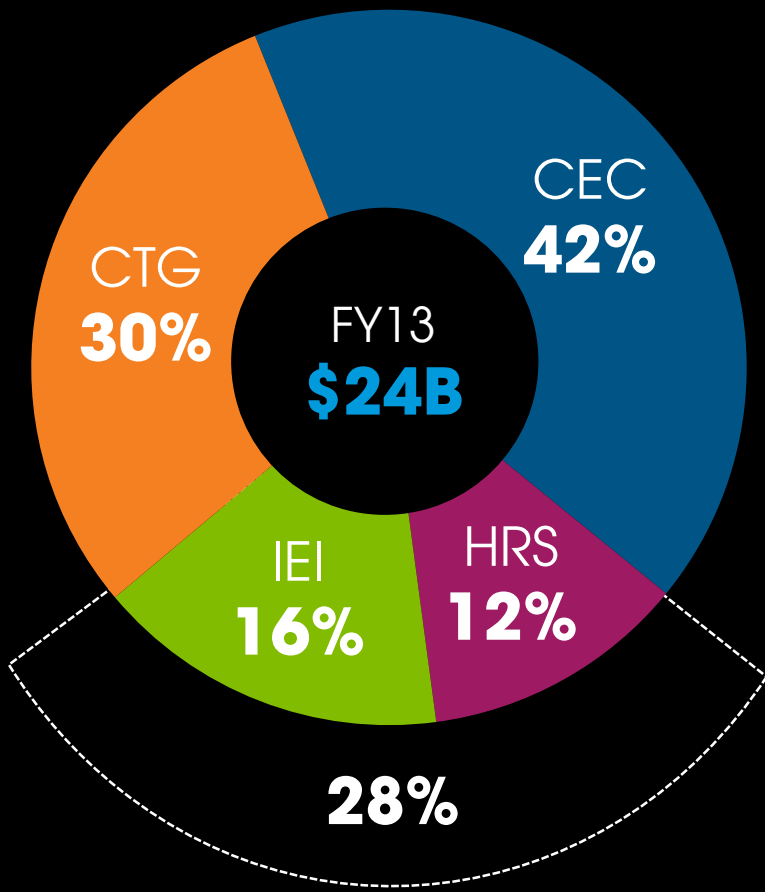
EPS Growth

Cash Flow Generation

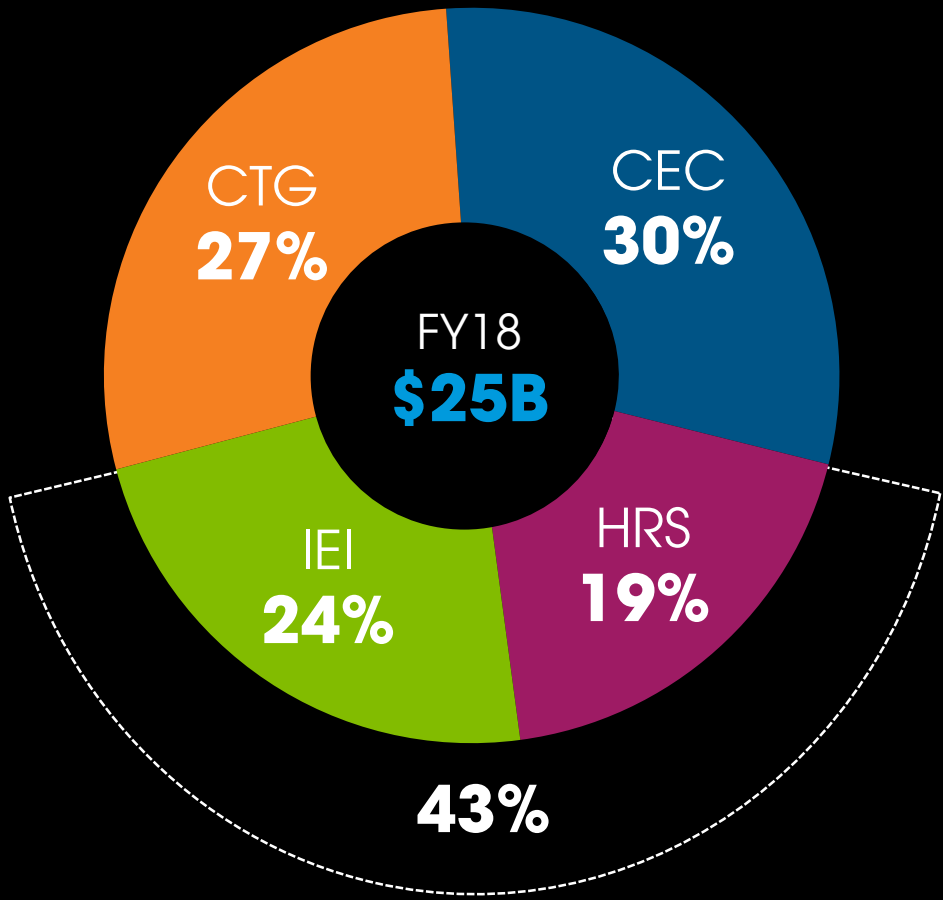
Solid Capital Structure

Our Portfolio is Diversified, Balanced and Scaling

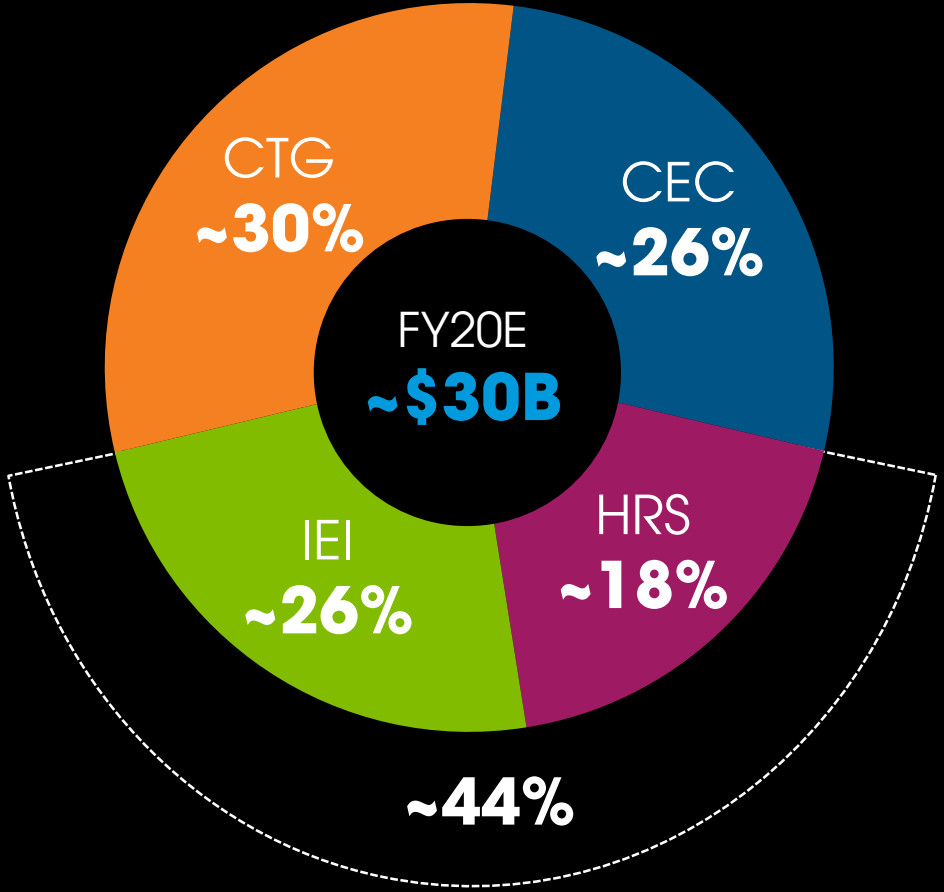
Revenue



HRS & IEI
\$6.6B



HRS & IEI
\$10.7B

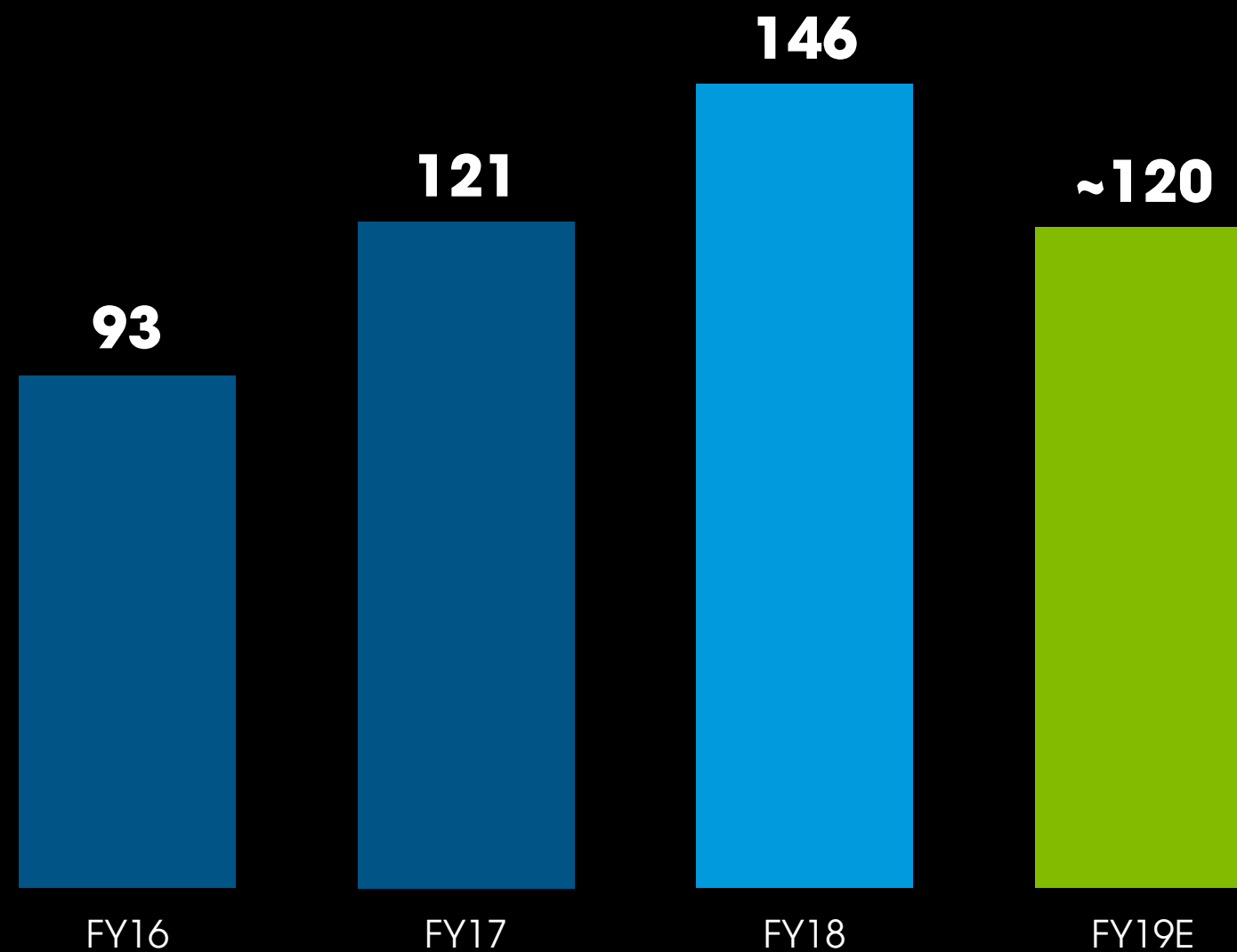


HRS & IEI
~\$13B

Transforming Our Business Capabilities to Support Sketch-to-Scale and Platform Initiatives

Innovation and R&D Investments

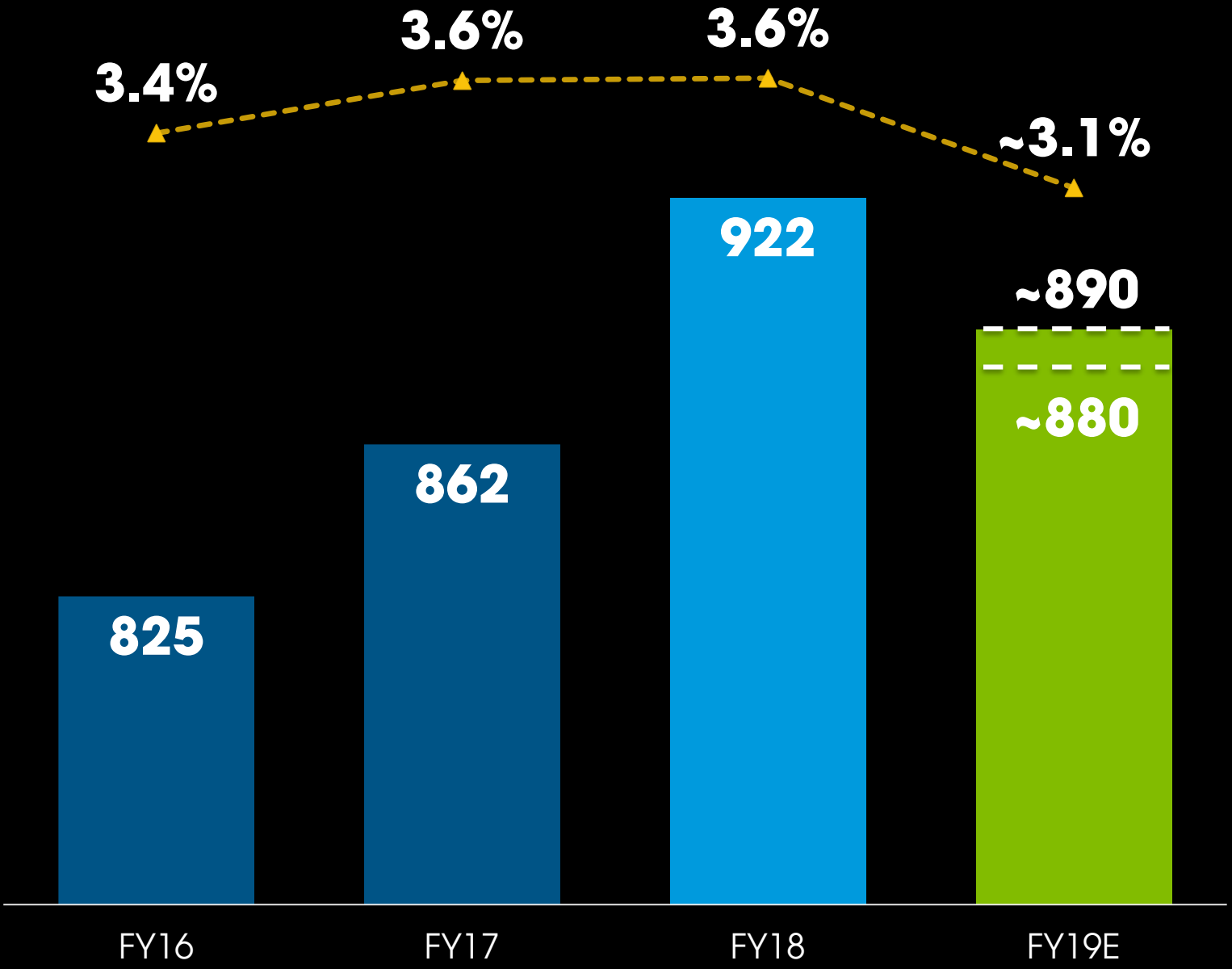
(\$M)



- Over last 3 years we have built out our global system to enable innovation
 - Centers of Excellence
 - CTO organization
 - Over 20 global design centers
- Investments aligning to our customer technology roadmaps
- Repositioning to improve effectiveness and leveraging across the enterprise

Structurally Repositioning Our SG&A Levels

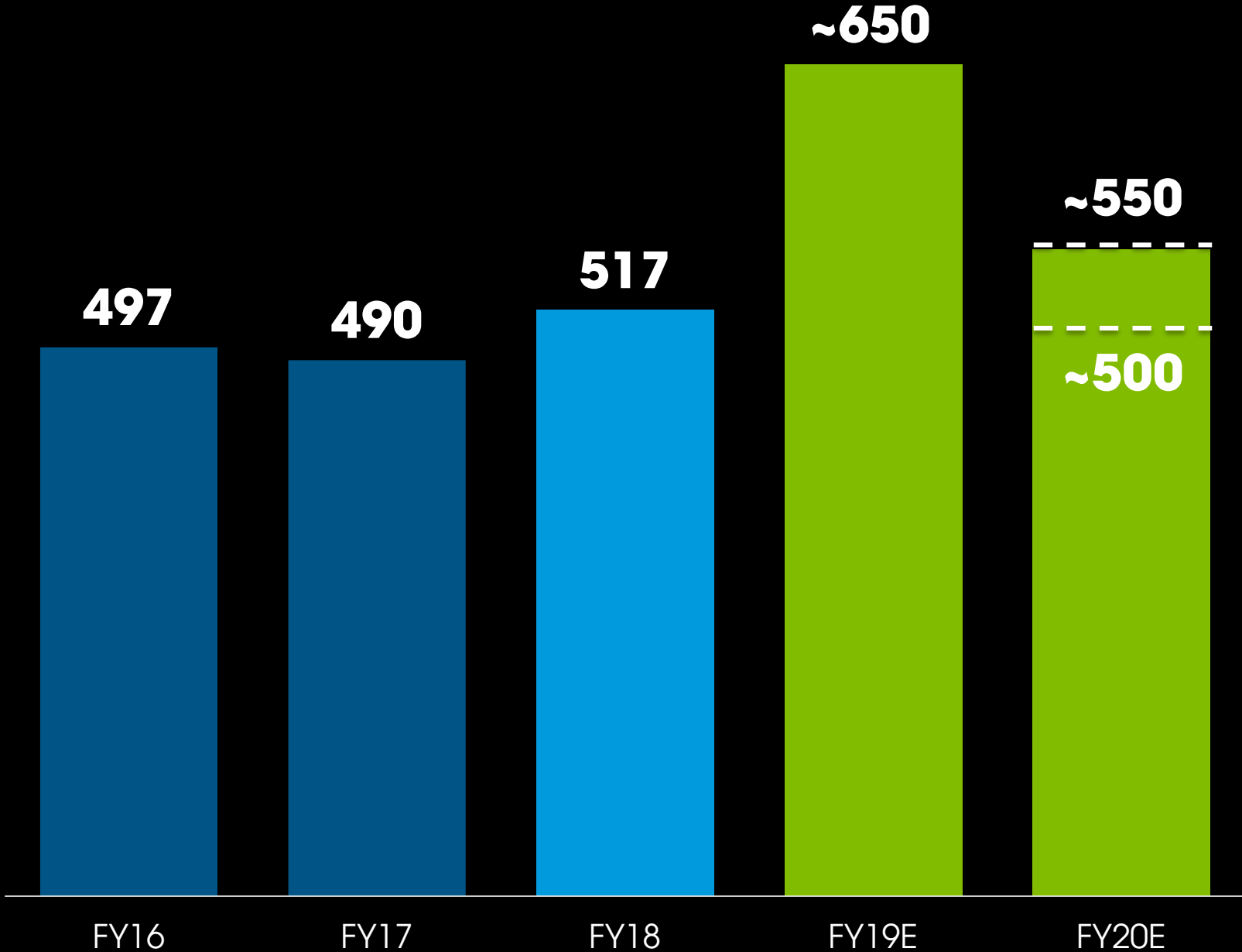
SG&A
(\$M)



- Distinct actions taken to drive agility and efficiency
- Confident in our ability to leverage installed cost structure to support FY19 top-line expansion
- Targeted ability to operate in the range of 3 – 3.2% of revenues going forward

Reinvesting into Organic Growth

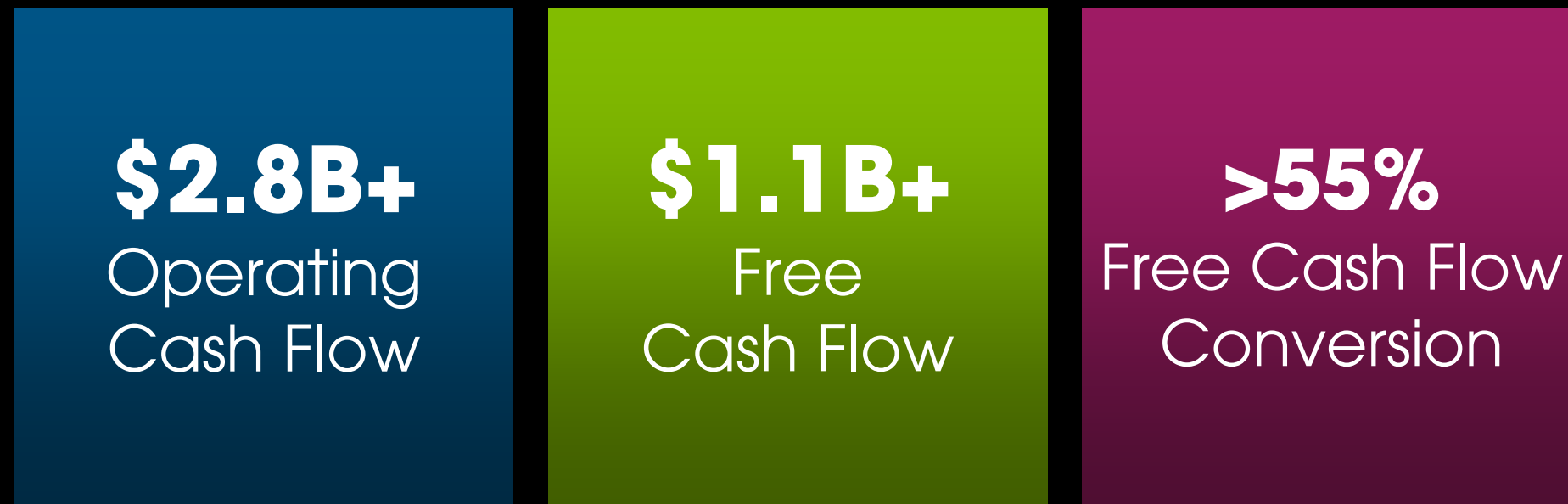
Capex Investment
(\$M)



- Nearly half of FY19 capex supports our Auto, Medical, and Industrial capacity and capability expansion
- Targeted investment over 20% of capex to support India
- Large portion of investment in FY19 supports revenue growth beyond FY20

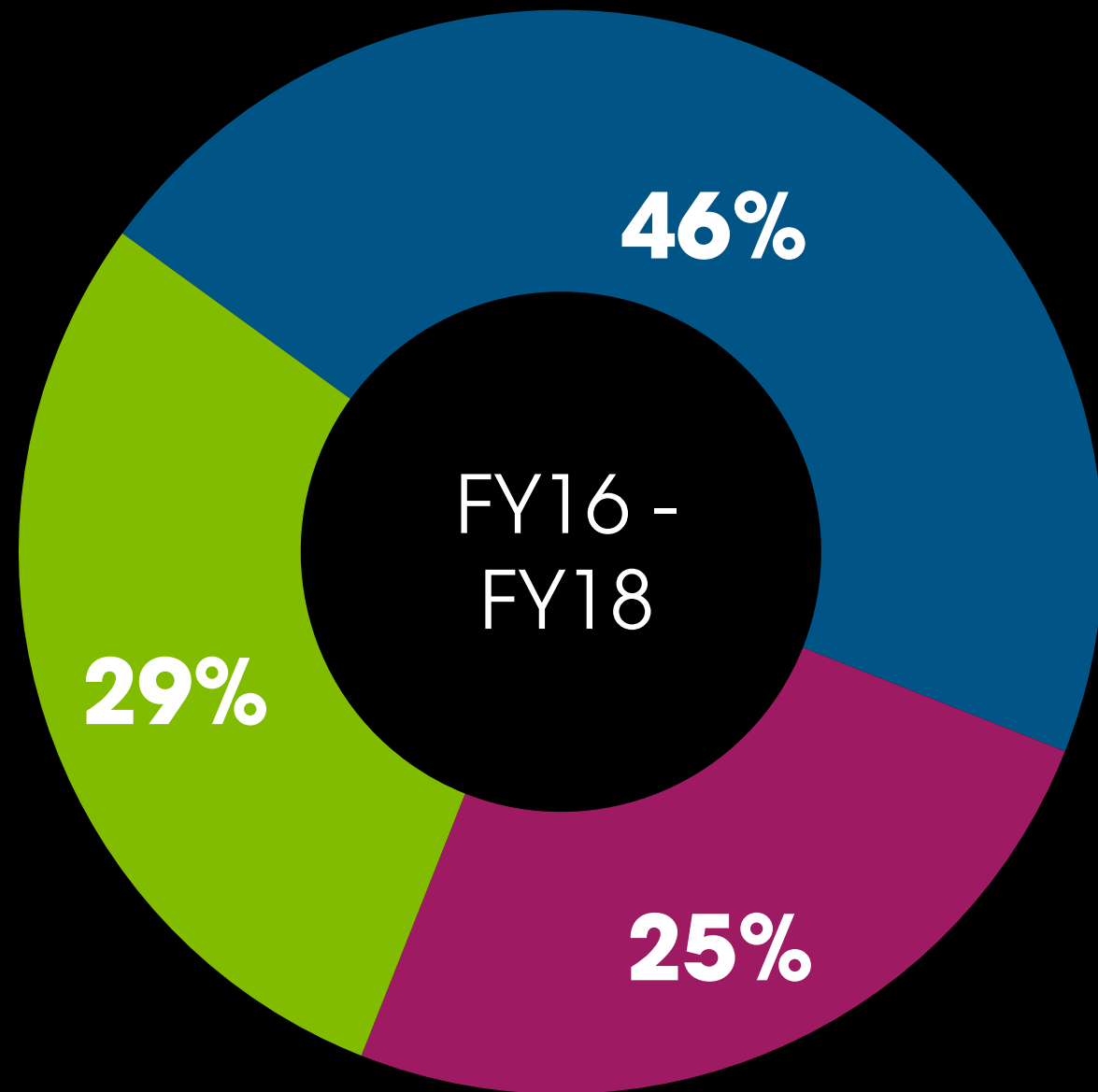
Cash Flow Generation

Revised Cash Flow Generation Targets FY18–FY20



- Revised targets reflect greater near-term capital intensity
- Business growth requiring increased investments in working capital
- Capex investments meaningfully above depreciation as we invest into growth
- Free cash flow generation moves higher off FY18 low point

Capital Allocation



- Capex
- M&A (net of acq. funding) and Investments
- Share Repurchase

- Reinvestment in our business fuels organic growth
- Maintaining commitment to return 50%+ of annual FCF generation to shareholders
- Limited need for M&A investment
- Maintain Investment Grade Credit Profile

Our Goal and the Opportunity Remain

A strong partnership, technology and automation advancements, and a growing market all combine to bolster long-term value



FY13

FY16

FY18

FY19

FY20

FY21 & Beyond

FuelBand

Invest and Create

Ramp and Optimize

Expand

- Investing in automation
- Moved into purpose built footwear factory
- Launched NIKEiD
- \$100M+ revenue

- Significant Y/Y revenue growth
- Moving from losses to profitability in 2H'FY19
- Margins improving to CTG+ levels in FY20

- Continued regional expansion
- Realize HRS-like margins
- Top 10 customer

Long-Term Business Group Financial Targets

HRS

+10% revenue growth

6 - 9% OP range

IEI

+10% revenue growth

4 - 6% OP range

CTG

+5% revenue growth

2 - 4% OP range

CEC

Return to growth

2.5 - 3.5% OP range

Fiscal 2019 Business Group Outlook

	Revenue	Comments
HRS	Up 2% to 7%	<ul style="list-style-type: none">• Operating at scale with massively diverse set of capabilities• Programs and platform delays – not perishable revenue
IEI	Up 10% to 20%	<ul style="list-style-type: none">• Record bookings across broad portfolio• Benefitting from Sketch-to-Scale led solutions
CTG	Up 20% to 30%	<ul style="list-style-type: none">• Accelerating consumer and IoT demand in emerging India market
CEC	- 2.5% to 2.5%	<ul style="list-style-type: none">• Underlying portfolio continues to shift to greater concentration of cloud infrastructure

Fiscal 2019 Guidance

\$27B - \$29B
Revenue*

\$900M - \$975M
Adjusted Operating
Income

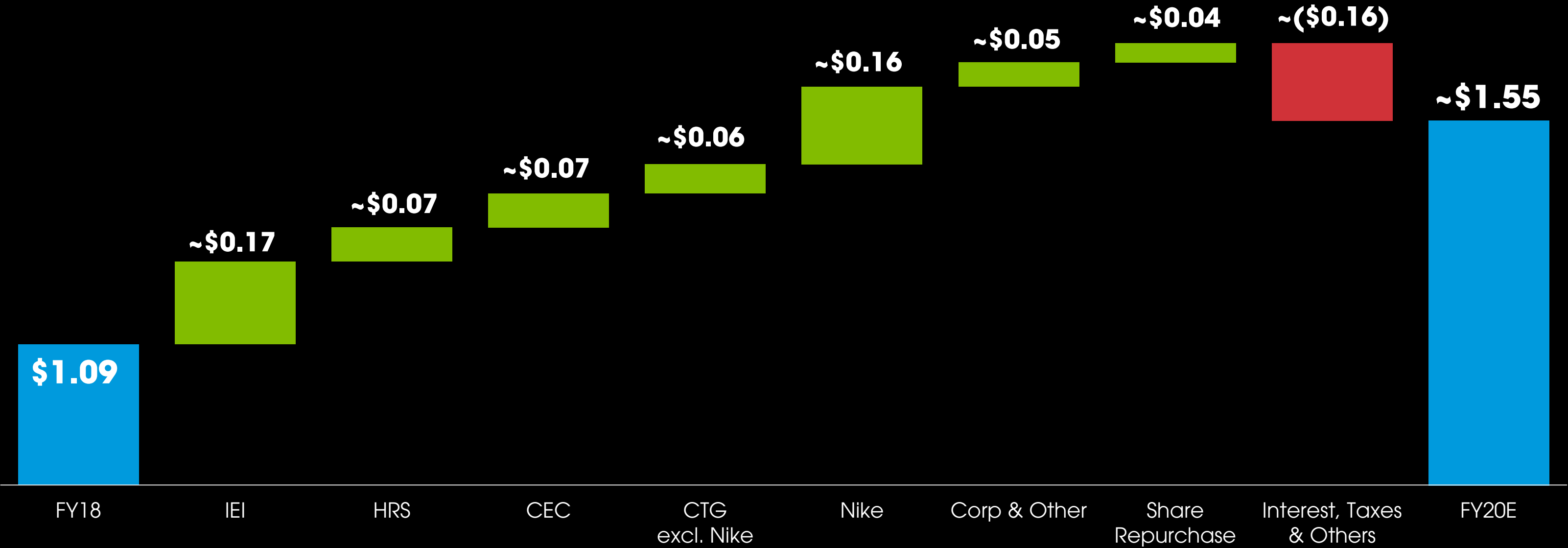
\$170M - \$180M
Interest and Other

\$1.20 - \$1.30
Adjusted Earnings
Per Share

- Strong 2H top-line expansion with less seasonality due to multiple ramping programs
- Optimized SG&A spend drives leverage with top-line growth
- Interest reflects anticipated rate increases and over \$0.04 in losses from our equity interests
- WASO reflects returning 50% of our annual Free Cash Flow through share repurchases

*The Company's fiscal 2019 outlook excludes the impact from adoption of ASU 2014-09 "Revenue from Contracts with Customers (Topic 606)".

Structured for Earnings Leverage Through 2020 and Beyond



Our Path to Creating Shareholder Value

Balanced
Portfolio

Operating
Profit
Expansion

Consistent
Cash Flow
Generation

Return
Value to
Shareholders