



Results for Q3 Fiscal 2021

Earnings Announcement: January 28, 2021
(Quarter Ended December 31, 2020)

Risks and Non-GAAP Disclosures

This presentation contains forward-looking statements within the meaning of U.S. securities laws, including statements related to future expected revenues and earnings per share, our consideration of alternatives relating to our NEXTracker business, and measures that we are taking to respond to the challenges presented by the COVID-19 pandemic and the resulting economic disruptions. These forward-looking statements involve risks and uncertainties that could cause the actual results to differ materially from those anticipated by these forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements. These risks include: the effects of the COVID-19 pandemic on our business, results of operations and financial condition; that future revenues and earnings may not be achieved as expected; the effects that the current macroeconomic environment could have on our business and demand for our products; uncertainties and risks relating to our ability to successfully complete a transaction for our NEXTracker business; the effects that current credit and market conditions could have on the liquidity and financial condition of our customers and suppliers, including any impact on their ability to meet their contractual obligations; the challenges of effectively managing our operations, including our ability to control costs and manage changes in our operations; litigation and regulatory investigations and proceedings; compliance with legal and regulatory requirements; the possibility that benefits of the Company's restructuring actions may not materialize as expected; that the expected revenue and margins from recently launched programs may not be realized; our dependence on a small number of customers; the impact of component shortages, including their impact on our revenues; geopolitical risk, including the termination and renegotiation of international trade agreements and trade policies, including the impact of tariffs and related regulatory actions; and that recently proposed changes or future changes in tax laws in certain jurisdictions where we operate could materially impact our tax expense. In addition, the COVID-19 pandemic increases the likelihood and potential severity of many of the foregoing risks. The making of any statement in our presentation does not constitute an admission by Flex or any other person that the events or circumstances described in such statement are material. Forward-looking statements are based on current expectations and Flex assumes no obligation to update any forward-looking statements.

Additional information concerning these and other risks is described under "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our annual report on Form 10-K for the fiscal year ended March 31, 2020. Our share repurchase program does not obligate the Company to repurchase a specific number of shares and may be suspended or terminated at any time without prior notice.

Please refer to the appendix section of this presentation for 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 along with the required reconciliation to the most comparable GAAP financial measures.

The figures presented in this presentation have been rounded. This may lead to individual values not adding up to the totals presented.

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

Flex Reliability Solutions

Automotive: autonomous, connectivity, electrification and smart technologies.

Health Solutions: medical devices, medical equipment, and drug delivery.

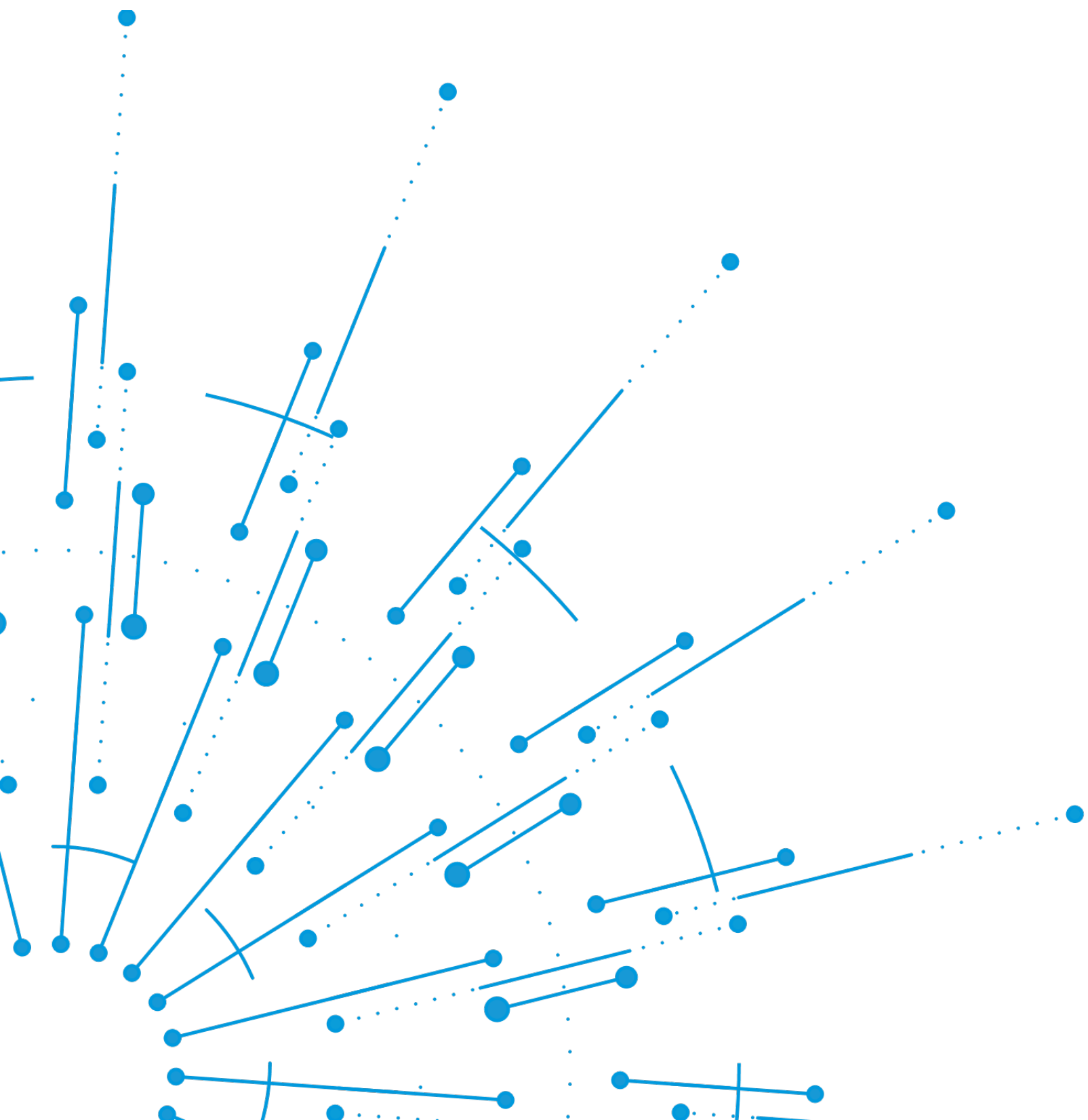
Industrial: capital equipment, industrial devices, renewable & grid edge and power systems.

Flex Agility Solutions

CEC: data infrastructure, edge infrastructure and communications infrastructure.

Lifestyle: appliances, consumer packaging, floorcare, micro mobility and audio.

Consumer Devices: mobile and high velocity consumer devices.

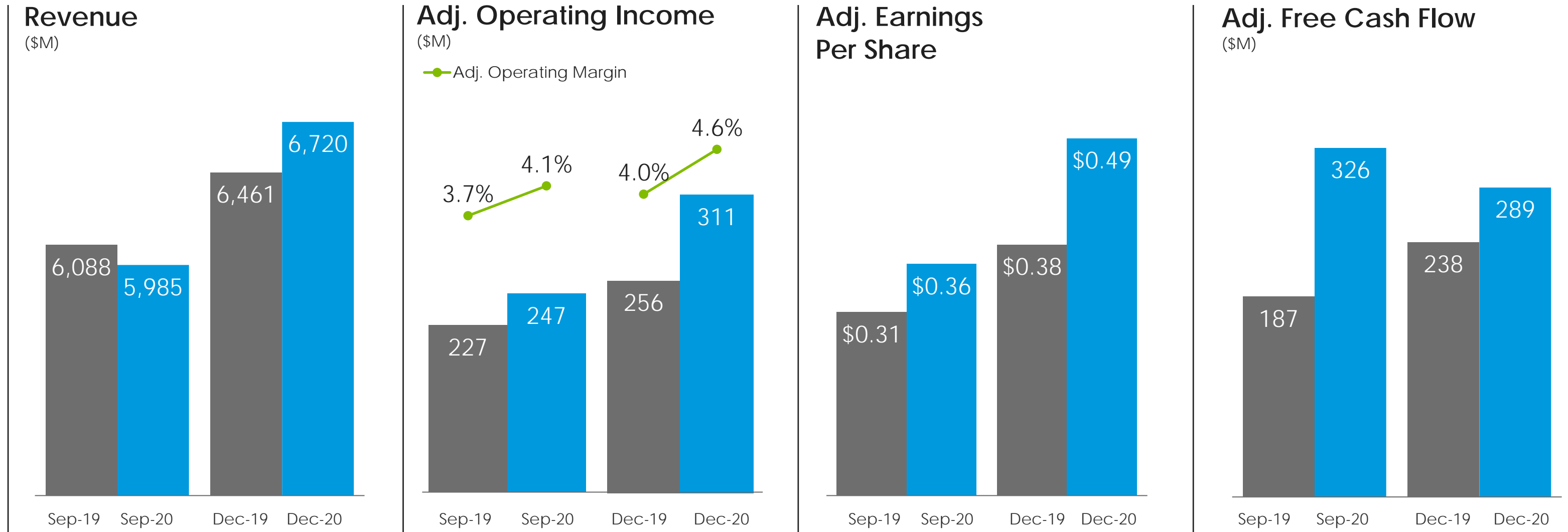


Business Update

Revathi Advaiti, CEO

Q3 FY2021 Financial Summary

Continued disciplined execution resulted in growth and margin expansion



Q3 FY2021 Business Highlights

Disciplined execution converted robust demand and new business ramps into revenue growth and margin expansion

- Flex Reliability Solutions revenue of \$2.9B, +8% Q/Q and +2% Y/Y
 - Sustained Health Solutions demand for COVID-related critical care products
 - Sequential Automotive recovery continues based on improving demand signals
 - Industrial down Y/Y compared to exceptionally strong year-ago performance in power and renewables businesses
- Flex Agility Solutions revenue of \$3.8B, +16% Q/Q, +6% Y/Y
 - Revenue growth in all business groups and record overall operating margin for the segment
 - Lifestyle strength driven by new business ramps, sustained home based demand for premium durable goods and seasonality
 - 5G buildout and investments in critical infrastructure continued in CEC
- Improved operating performance
 - Adjusted operating margin expansion of +60 bps Y/Y
 - Robust adjusted free cash flow generation of \$289M
- Managing through component constraints and monitoring supply chain environment

Guided by consistent business principles



Manage

portfolio to improve mix and profitability



Drive

disciplined, sustainable execution



Pursue

design-led manufacturing for better margins



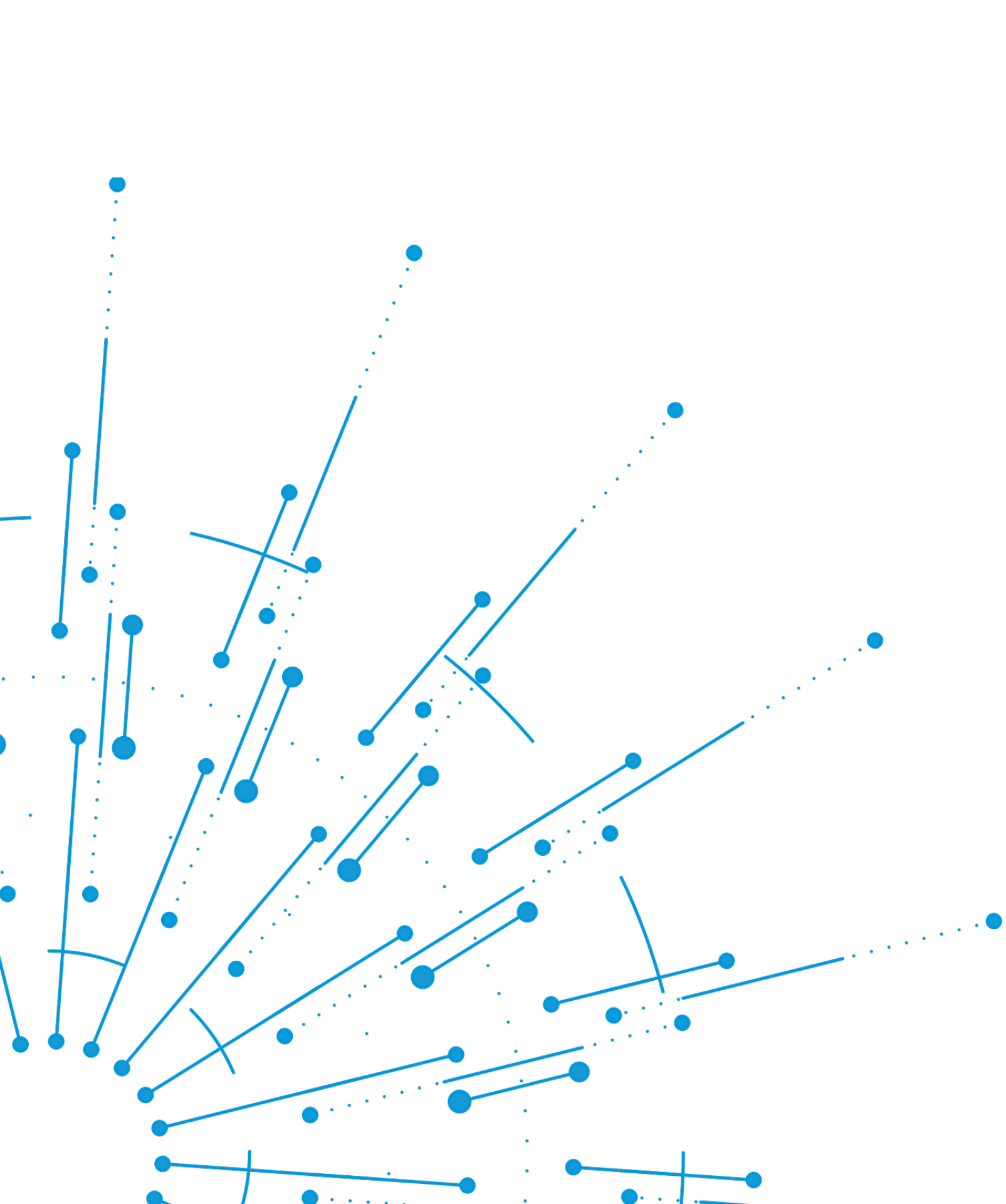
Generate

adjusted FCF with prudent capital allocation



Grow

drive profitable growth and market leadership



Q3 2021 Financial Results

Paul Lundstrom, CFO

Q3 FY2021 Income Statement Summary

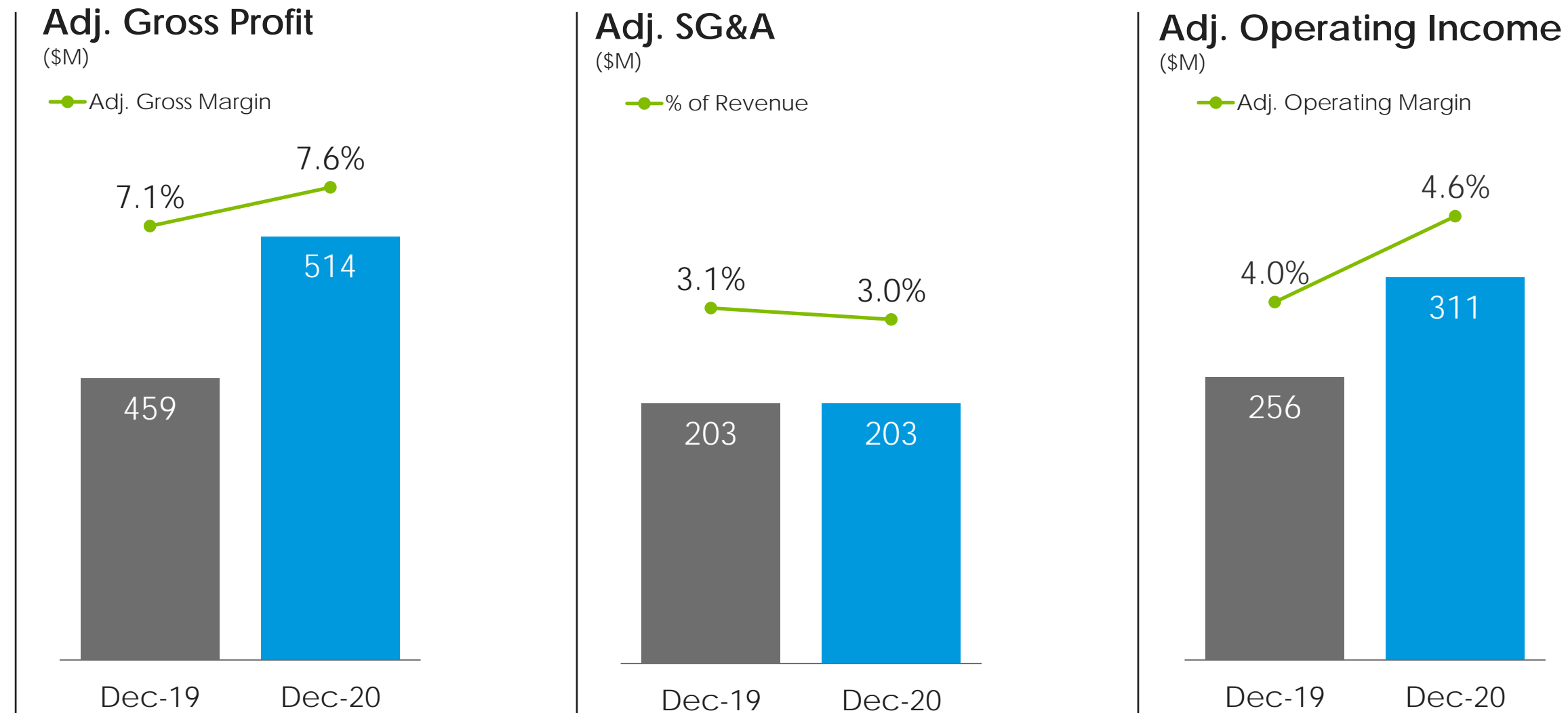
Continued strong execution resulted in growth and margin expansion

(\$M, except per share amounts)

	Prior Yr December 31, 2019	Current Qtr December 31, 2020
Net sales	\$6,461	\$6,720
Adjusted operating income	256	311
Adjusted net income	193	251
Adjusted EPS	\$0.38	\$0.49
GAAP income before income taxes	\$145	\$233
GAAP net income	111	208
GAAP EPS	\$0.22	\$0.41

Quarterly Financial Highlights

Achieved record profitability through strong operational execution



Q3 FY2021 Segment Performance

	Revenue			Adj. Operating Income & Margin				
	(\$M)	Q/Q	Y/Y	(\$M)	Y/Y	(%)	Y/Y	
Flex Reliability Solutions	\$2,886	8%	2%	\$178	-4%	6.2%	-40 bps	<p>Health Solutions: Continuing to fulfill COVID-related critical care demand while ramping new programs</p> <p>Automotive: Strong recovery led to revenue upside</p> <p>Industrial: Growth in core industrial offset by temporary power solutions headwind</p>
Flex Agility Solutions	\$3,834	16%	6%	\$153	56%	4.0%	+130 bps	<p>CEC: 5G rollout and investments in critical infrastructure continued</p> <p>Lifestyle: New business ramps, sustained home based demand and seasonality</p> <p>Consumer Devices: Emerging markets rebounded</p>
Corporate Services & Other*	--	--	--	(\$20)	--	--	--	--
Total	\$6,720	12%	4%	\$311	22%	4.6%	+60 bps	

*Corporate Services and Other: centralized administrative costs that are not included in the assessment of the performance of each of the identified segments

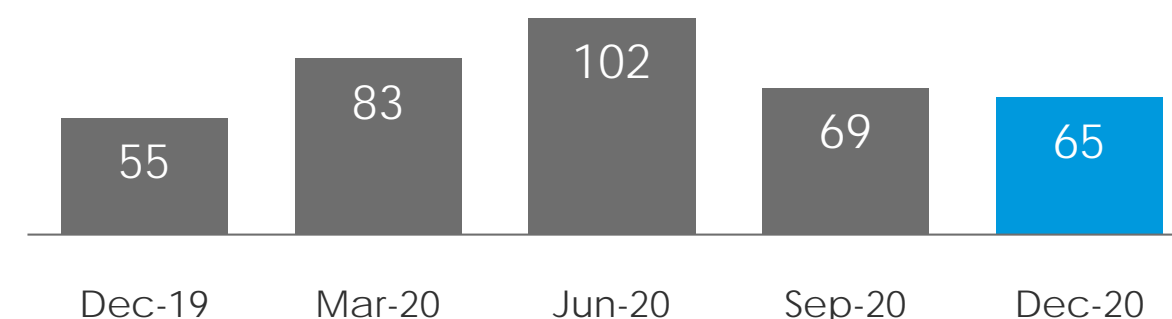
Cash Flow Highlights

Sustained strong cash flow generation

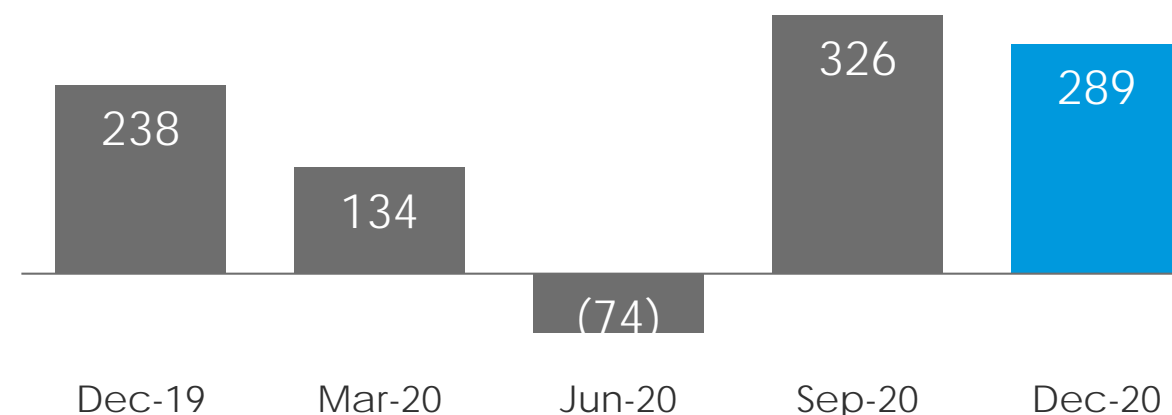
	3-Months Ended	9-Months Ended
	(December 31, 2020)	
(\$M)		
GAAP net income	\$208	\$373
Depreciation, amortization and other impairment charges	180	526
Change in working capital and other (excluding ABS and other)	(34)	(121)
Purchases of property & equipment, net	(65)	(236)
Adjusted Free Cash Flow	289	542
Payments for share repurchases	(38)	(38)
Debt proceeds, net	(6)	932
Reduction in ABS levels	(9)	(796)
Other investing and financing, net	16	49
Net change in cash and cash equivalents	\$252	\$689

*Net Capital Expenditures is calculated as purchases of property and equipment minus proceeds from the disposition of property and equipment.

Net Capital Expenditures* (\$M)



Adjusted Free Cash Flow (\$M)



Fourth Quarter Fiscal 2021 Update – March 2021

Flex Business Segments

Flex Agility Solutions Segment

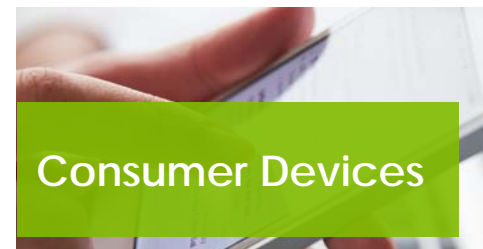
Revenue up low to high single digits Y/Y



- Typical seasonality
- Stable demand for premium durable goods



- Continued demand for 5G and critical infrastructure products
- Enterprise market remains soft



- Steady demand and typical seasonality in emerging markets
- Monitoring potential supply chain disruptions



- Continued recovery from COVID-related trough
- Monitoring potential supply chain disruptions



- Critical care demand remains strong
- Elective procedure volumes still down due to elevated COVID infection rates



- Strong growth driven by core industrial and power businesses

Fourth Quarter Fiscal 2021 Update – March 2021

	Guidance
Revenue	\$5,600 - \$6,000 million
Adjusted Operating Income	\$225 - \$265 million
Adjusted Earnings Per Share	\$0.32 - \$0.38
GAAP Income Before Income Taxes	\$145 – \$185 million
GAAP Earnings Per Share	\$0.24 – \$0.30
Interest & Other Expense	~\$40 million
Adjusted Income Tax Rate	Mid range of 10% to 15%
WASO	~508 million shares

Segment Revenue Outlook ^(Y/Y)

Flex Reliability Solutions	Up low to high single digits
Flex Agility Solutions	Up low to high single digits

Guidance for adjusted operating income excludes approximately \$25 million for stock-based compensation, \$15 million intangible amortization expense, and approximately \$40 million for interest and other expenses from GAAP income before income taxes. Guidance for GAAP earnings per share includes approximately \$0.03 for net intangible amortization and \$0.05 for stock-based compensation expense not included in adjusted earnings per share.

Moving forward

- Remain confident on strategy to drive margin-accretive growth, manage business mix, improve profitability, and generate free cash flow
- Operating with discipline while serving customers and focusing on key growth segments
- Expecting Q4 seasonality effects in-line with historical performance
- Steady demand for products relating to work and school from home
- Monitoring component constraints and the supply chain environment carefully, particularly within the Automotive market
- Continuously evaluating portfolio to improve mix, generate superior returns on investments, and maximize long-term shareholder value

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Thank you.

For more information, please
visit investors.flex.com



Appendix: Reconciliation of GAAP to Non-GAAP Measures

	Quarter- ended December 31, 2020	Quarter- ended September 25, 2020	Quarter- ended December 31, 2019	Quarter- ended September 27, 2019
(\$ in Millions)**				
GAAP income (loss) before income taxes	\$233	\$153	\$145	(\$96)
Intangible amortization	16	16	16	16
Stock-based compensation expense	25	24	19	19
Customer related asset impairments (recoveries)	-	(3)	4	91
Restructuring charges	30	35	15	128
Legal and other	-	-	7	19
Interest and other, net	7	22	50	50
Non-GAAP operating income	\$311	\$247	\$256	\$227
Non-GAAP operating margin*	4.6%	4.1%	4.0%	3.7%

*We calculate our Non-GAAP operating margin as current quarter Non-GAAP operating income divided by current quarter revenue.

**Amounts may not sum due to rounding.

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: Reconciliation of GAAP to Non-GAAP Measures

	Quarter- ended	Quarter- ended	Quarter- ended	Quarter- ended
	December 31, 2020	September 25, 2020	December 31, 2019	September 27, 2019
(\$ in Millions, except for EPS)**				
GAAP net income (loss)	\$208	\$113	\$111	(\$117)
Intangible amortization	16	16	16	16
Stock-based compensation expense	25	24	19	19
Restructuring charges	30	35	15	128
Customer related asset impairments (recoveries)	-	(3)	4	91
Legal and other	-	-	7	19
Interest and other charges (income), net	(25)	(3)	17	5
Adjustments for taxes	(3)	(2)	5	(3)
Non-GAAP net income	\$251	\$180	\$193	\$158
Diluted earnings (losses) per share:				
GAAP*	\$0.41	\$0.22	\$0.22	(\$0.23)
NON-GAAP	\$0.49	\$0.36	\$0.38	\$0.31
Basic shares used in computing per share amounts				
	500	501	507	513
Diluted shares used in computing per share amounts				
	508	504	510	515

*Basic shares were used in calculating diluted GAAP EPS for the quarter ended September 27, 2019 due to the net loss recognized.

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Appendix: Reconciliation of GAAP to Non-GAAP Measures

	Quarter-ended		Quarter-ended	
	December 31, 2020		December 31, 2019	
		% of revenue		% of revenue
(\$ in Millions)*				
GAAP gross profit	\$479	7.1%	\$430	6.7%
Stock-based compensation expense	6		4	
Customer related asset impairments	-		4	
Restructuring charges	29		14	
Legal and other	-		6	
Non-GAAP gross profit	\$514	7.6%	\$459	7.1%
GAAP SG&A expenses	\$222	3.3%	\$218	3.4%
Stock-based compensation expense	(19)		(15)	
Non-GAAP SG&A expenses	\$203	3.0%	\$203	3.1%

*Amounts may not sum due to rounding.

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Appendix: Reconciliation of GAAP to Non-GAAP Measures

	Quarter-ended
	December 31, 2020
(\$ in Millions)**	
Segment operating income:	
Flex Agility Solutions	\$153
Flex Reliability Solutions	\$178
Corporate and Other*	(\$20)
Total segment income:	\$311
Operating margin:	
Flex Agility Solutions	4.0%
Flex Reliability Solutions	6.2%

	Quarter-ended
	December 31, 2020
(\$ in Millions)**	
Reconciliation of segment income to income before income taxes	
Total segment operating income	\$311
Intangible amortization	16
Stock-based compensation expense	25
Restructuring charges	30
Interest and other, net	7
Income before income taxes	\$233

*Corporate and Other: corporate services costs that are not included in the assessment of the performance of each of the identified reporting segments.

**Amounts may not sum due to rounding

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Appendix: Reconciliation of GAAP to Non-GAAP Measures

(\$ in Millions)*

	Quarter- ended December 31, 2020	Quarter- ended September 25, 2020	Quarter- ended June 26, 2020	Quarter- ended March 31, 2019	Quarter- ended December 31, 2019	Quarter- ended September 27, 2019
Net cash provided by (used in) operating activities	\$348	\$265	(\$629)	\$166	(\$51)	(\$992)
Reduction in ABS levels	9	132	655	-	-	-
Cash collections of ABS positions and other	(3)	-	2	51	344	1,273
Net capital expenditures	(65)	(69)	(102)	(83)	(55)	(95)
Adjusted free cash flow	\$289	\$326	(\$74)	\$134	\$238	\$187

(\$ in Millions)*

	9-Months ended December 31, 2020
Net cash used in operating activities	\$(17)
Reduction in ABS levels	796
Cash collections of ABS positions and other	(1)
Net capital expenditures	(236)
Adjusted free cash flow	\$542

Adjusted free cash flow is calculated as operating cash flow for the quarter less net capital expenditures adding back cash collections of deferred purchase price and certain receivables sold to certain financial institutions under a customer's supplier financing program in the second quarter of fiscal 2020 that subsequently qualified for operating cash flow treatment per GAAP in the third quarter of fiscal year 2020. In addition, it includes collection of the deferred purchase price receivables which the Company repurchased as part of the ABS program amended in the third quarter of fiscal year 2020. In the first three quarters of fiscal year 2021, we proactively and strategically reduced the outstanding balance of our ABS programs. Proceeds from our debt issuance replaced the funding from the ABS programs for working capital purposes. We reduced the balance on this short-term financing product by \$796 million year to date, which has the accounting effect of reducing our cash flow from operations and is excluded from the adjusted free cash flow. Adjusted free cash flow also excludes impacts related to certain vendor programs that is required for GAAP. Adjusted free cash flow is a non-GAAP financial measure and may not be defined and calculated by other companies in the same manner.

*Amounts may not sum due to rounding.

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