FLEX
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES
(In Millions, except per share amounts)

	Q1 FY20		Q2 FY20		Q3 FY20		Q4 FY20		Q1 FY21		Q2 FY21		Q3 FY21	
GAAP gross profit	$ 353	5.7%	$ 189	3.1%	$ 430	6.7%	$ 366	6.7%	$ 304	5.9%	$ 395	6.6%	$ 479	7.1%
Stock-based compensation expense	3		4		4		4		4		6		6	
Customer related asset impairments (recoveries) [1]	-		88		4		9		-		(2)		-	
Restructuring charges [2]	47		114		14		15		10		24		29	
Legal and other [3]	-		18		6		(2)		-		-		-	
Non-GAAP gross profit	$ 404	6.5%	$ 414	6.8%	$ 459	7.1%	$ 392	7.1%	$ 318	6.2%	$ 423	7.1%	$ 514	7.6%
GAAP SG&A expenses	$ 210	3.4%	$ 205	3.4%	$ 218	3.4%	$ 201	3.7%	$ 191	3.7%	$ 193	3.2%	$ 222	3.3%
Stock-based compensation expense	(12)		(15)		(15)		(14)		(9)		(18)		(19)	
Customer related asset recoveries (impairment), legal and other [1] [3]	(2)		(4)		-		(2)		(27)		1		-	
Non-GAAP SG&A expenses	$ 196	3.2%	$ 186	3.1%	$ 203	3.1%	$ 185	3.4%	$ 155	3.0%	$ 177	3.0%	$ 203	3.0%
GAAP income (loss) before income taxes	$ 64		$ (96)		$ 145		$ 45		$ 67		$ 153		$ 233	
Intangible amortization	17		16		16		15		15		16		16	
Stock-based compensation expense	15		19		19		18		13		24		25	
Customer related asset impairments (recoveries) [1]	-		91		4		11		-		(3)		-	
Restructuring charges [2]	56		128		15		17		10		35		30	
Legal and other [3]	2		19		7		(2)		28		-		-	
Interest and other, net [4]	53		50		50		103		30		22		7	
Non-GAAP operating income	$ 208	3.4%	$ 228	3.7%	$ 256	4.0%	$ 207	3.8%	$ 163	3.2%	$ 247	4.1%	$ 312	4.6%
GAAP provision for (benefit from) income taxes	$ 19	30.0%	$ 21	-22.2%	$ 34	23.4%	$ (4)	-8.0%	$ 16	23.1%	$ 40	26.4%	$ 25	10.7%
Intangible amortization benefit	2		2		2		2		2		2		2	
Other tax related adjustments [5]	2		(13)		(8)		(12)		(1)		(2)		1	
Tax benefit on restructuring and other [5]	1		13		1		41		2		2		-	
Non-GAAP provision for income taxes	$ 24	14.9%	$ 24	13.1%	$ 29	13.2%	$ 27	16.1%	$ 18	13.5%	$ 42	19.0%	$ 28	10.1%
GAAP net income (loss)	$ 45		$ (117)		$ 111		$ 48		$ 52		$ 113		208	
Intangible amortization	17		16		16		15		15		16		16	
Stock-based compensation expense	15		19		19		18		13		24		25	
Restructuring charges [2]	56		128		15		17		10		35		30	
Customer related asset impairments (recoveries) [1]	-		91		4		11		-		(3)		-	
Legal and other [3]	2		19		7		(2)		28		-		-	
Interest and other charges (income), net [4]	7		5		17		66		1		(3)		(25)	
Adjustments for taxes [5]	(5)		(3)		5		(31)		(3)		(2)		(3)	
Non-GAAP net income	$ 138		$ 158		$ 193		$ 143		$ 116		$ 180		$ 251	
Diluted earnings (loss) per share:														
GAAP	$ 0.09		$ (0.23)		$ 0.22		$ 0.10		$ 0.10		$ 0.22		$ 0.41	
Non-GAAP	$ 0.27		$ 0.31		$ 0.38		$ 0.28		$ 0.23		$ 0.36		$ 0.49	
Basic shares used in computing per share amounts [6]	514		513		507		501		498		501		500	
Diluted shares used in computing per share amounts [6]	518		515		510		506		502		504		508	

General Note: Beginning in the second quarter of fiscal year 2021, the Company started reporting all dollar amounts in millions. The figures in this document have been rounded to millions to conform. In certain circumstances, this change in rounding may result in rounding differences or individual values not adding up to the totals presented.

FLEX
DEFINITIONS FOR RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES

(1) Customer related asset impairments (recoveries) may consist of non-cash impairments of property and equipment to estimated fair value for customers we have disengaged or are in the process of disengaging as well as additional provisions for doubtful accounts receivable for customers that are experiencing financial difficulties and inventory that is considered non-recoverable that is written down to net realizable value. In addition, it includes write-downs of inventory that will not be recovered due to significant reductions in future customer demand as the Company reduced its exposure to certain high volatility business in the second quarter of fiscal year 2020. In subsequent periods, the Company may recover a portion of the costs previously incurred related to assets impaired or reduced to net realizable value. These costs and recoveries are excluded by the Company's management in assessing current operating performance and forecasting its earnings trends and are therefore excluded by the Company from its non-GAAP measures.

(2) Restructuring charges include severance for rationalization at existing sites and corporate SG&A functions as well as asset impairment, and other charges related to the closures and consolidations of certain operating sites and targeted activities to restructure the business.

During the first half of fiscal year 2020 in connection with geopolitical developments and uncertainties at the time, primarily impacting one customer in China, the Company experienced a reduction in demand for products assembled for that customer. As a result, the Company accelerated its strategic decision to reduce its exposure to certain high-volatility products in both China and India. The Company also initiated targeted activities to restructure its business to further reduce and streamline its cost structure. During the three and nine-month periods ended December 31, 2019, the Company recognized $15 million and $199 million, respectively, of restructuring charges. The Company incurred cash charges of approximately $15 million and $143 million, respectively, and non-cash charges of an immaterial amount and $56 million, respectively, primarily related to asset impairments during the three and nine-month periods ended December 31, 2019.

In order to support the Company's strategy and build a sustainable organization and after considering that the economic recovery from pandemic will be slower than anticipated, the Company has identified and is engaging in certain structural changes. During the three and nine-month periods ended December 31, 2020, the Company recognized approximately $30 million and $75 million of restructuring charges respectively, most of which related to employee severance.

(3) Legal and other during the second, third and fourth quarters of fiscal year 2020 primarily include certain direct and incremental costs associated with the disengagement of a certain customer which is not expected to be recurring upon completion of wind-down activities. In the fourth quarter of fiscal year 2020, we also recorded certain gain resulting from the recognition of prior year expenses paid to the government now considered probable of recovery and reasonably estimable due to a favorable tax ruling received in fiscal year 2020.

During the first quarter of fiscal year 2021, the Company accrued for certain loss contingencies where losses are considered probable and estimable.

These costs are excluded by the Company's management in assessing current operating performance and forecasting its earnings trends and are therefore excluded by the Company from its non-GAAP measures.

(4) During fiscal year 2020, and in connection with the Company's ongoing assessment of its investment portfolio strategy, the Company concluded that the carrying amounts of certain non-core investments were other than temporarily impaired and recognized a $98 million total impairment, of which $16 million was recorded in the third quarter and $75 million was recorded in the fourth quarter. The impairments in the fourth quarter of fiscal year 2020 were primarily related to Elementum and certain other non-core investments, reflecting recent market valuation changes, in addition to capturing additional risks due to the economic challenges in light of COVID-19. This was offset by $11M realized gain on distribution from one of our non-core investments in the fourth quarter of fiscal year 2020.

In addition, during fiscal year 2020, the Company incurred debt extinguishment cost of $7 million, related to full repayments of the Notes due February 2020 and Term Loan due November 2021.

During the three month period ended December 31, 2020, the Company recognized unrealized gains of $44 million from the value increase in a certain investment funds which was partially offset by impairment charge of $20 million related to a certain investment as a result of the Company's ongoing assessment of its investment portfolio strategy and conclusion that the carrying amount of its investment was other than temporarily impaired.

(5) During the second quarter of fiscal year 2020, the Company recorded $8 million withholding tax liabilities for future planned liquidations of certain legal entities.

During the third quarter of fiscal year 2020, the Company recorded $9 million related to the remeasurement of deferred tax positions with specific countries due to the change in their corporate income tax rates.

The remaining balance is primarily related to adjustment for exchange rate fluctuation on income tax receivable position of an operating subsidiary recognized in a prior period. In addition, the Company has included the tax effects of the various adjustments that we incorporate into Non-GAAP measures under tax benefit on restructuring and other.

(6) Fully diluted shares are used for periods with net income. Basic shares are used for periods with a net loss as applicable.

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UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

(In millions)

	FISCAL 2020				FISCAL 2021		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
ASSETS							
Current assets:							
Cash and cash equivalents	$ 1,920	$ 1,816	$ 1,789	$ 1,923	$ 1,935	2,359	$ 2,611
Accounts receivable, net	2,570	2,415	3,004	2,436	3,281	3,804	4,070
Contract assets	241	206	200	282	306	181	121
Inventories	3,746	3,721	3,684	3,785	3,483	3,611	3,699
Other current assets	910	1,335	684	660	557	524	610
Total current assets	9,387	9,493	9,361	9,086	9,562	10,479	11,111
Property and equipment, net	2,310	2,217	2,206	2,216	2,163	2,106	2,097
Operating lease right-of-use assets, net	656	588	615	605	611	614	609
Goodwill	1,077	1,062	1,070	1,065	1,075	1,088	1,109
Other intangible assets, net	315	292	280	262	250	241	233
Other assets	684	624	604	456	472	473	509
Total non-current assets	5,043	4,784	4,775	4,604	4,571	4,522	4,557
Total assets	$ 14,429	$ 14,277	$ 14,135	$ 13,690	$ 14,133	$ 15,001	$ 15,668
LIABILITIES AND SHAREHOLDERS' EQUITY							
Current liabilities:							
Bank borrowings and current portion of long-term debt	276	32	89	149	162	63	$ 72
Accounts payable	5,193	5,227	5,431	5,108	4,595	5,046	5,159
Accrued payroll	377	383	393	364	391	419	475
Other current liabilities	1,591	1,915	1,638	1,590	1,647	1,629	1,813
Total current liabilities	7,438	7,558	7,551	7,211	6,795	7,157	7,519
Long-term debt, net of current portion	2,962	2,958	2,701	2,689	3,423	3,739	3,740
Operating lease liabilities, non-current	555	512	540	529	539	545	544
Other liabilities	473	443	444	430	436	445	484
Total non-current liabilities	3,990	3,913	3,685	3,648	4,398	4,729	4,768
Total shareholders' equity	3,002	2,806	2,899	2,831	2,940	3,115	3,381
Total liabilities and shareholders' equity	$ 14,429	$ 14,277	$ 14,135	$ 13,690	$ 14,133	$ 15,001	$ 15,668

FLEX

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions)

	FISCAL 2020					FISCAL 2021			
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	YTD
CASH FLOWS FROM OPERATING ACTIVITIES:									
GAAP net income (loss)	$ 45	(117)	$ 111	$ 48	$ 88	$ 52	$ 113	$ 208	$ 373
Depreciation, amortization and other impairment charges	190	167	169	222	748	156	190	180	526
Changes in working capital and other, net	(892)	(1,041)	(331)	(105)	(2,369)	(837)	(38)	(41)	(916)
Net cash provided by (used in) operating activities	(657)	(992)	(51)	166	(1,533)	(629)	265	348	(17)
CASH FLOWS FROM INVESTING ACTIVITIES:									
Purchases of property and equipment, net of dispositions	(123)	(95)	(55)	(83)	(356)	(102)	(69)	(65)	(236)
Cash collections of deferred purchase price	899	941	671	55	2,566	-	-	-	-
Other investing activities, net	(1)	23	2	46	69	2	12	(3)	10
Net cash provided by (used in) investing activities	775	869	617	18	2,279	(100)	(57)	(68)	(226)
CASH FLOWS FROM FINANCING ACTIVITIES:									
Proceeds (repayments) of bank borrowings and long-tern debt	163	(248)	(206)	44	(246)	737	201	(6)	932
Payments for repurchase of ordinary shares	(52)	(60)	(61)	(87)	(260)	-	-	(38)	(38)
Other financing activities, net	(5)	333	(326)	(4)	(2)	4	(2)	(3)	(1)
Net cash provided by (used in) financing activities	106	25	(594)	(47)	(508)	741	199	(46)	893
Effect on cash from:									
Exchange rate changes	(1)	(7)	1	(4)	(11)	1	17	19	38
Net increase (decrease) in cash and cash equivalents	224	(105)	(26)	134	226	12	424	252	688
Cash and cash equivalents, beginning of period	1,697	1,920	1,816	1,789	1,697	1,923	1,935	2,359	1,923
Cash and cash equivalents, end of period	$ 1,920	$ 1,816	$ 1,789	$ 1,923	$ 1,923	$ 1,935	$ 2,359	$ 2,611	$ 2,611
Reconciliation of GAAP to Non-GAAP Financial Measures									
Net cash provided by (used in) operating activities *	(657)	(992)	(51)	166	(1,533)	(629)	265	348	(17)
Add: Reduction in ABS levels *	-	-	-	-	-	655	132	9	796
Add: Cash collections of ABS positions and other *	894	1,273	344	51	2,562	2	-	(3)	(1)
Less: Net capital expenditures	(123)	(95)	(55)	(83)	(356)	(102)	(69)	(65)	(236)
Adjusted free cash flow	$ 114	$ 187	$ 238	$ 134	$ 672	(74)	$ 326	$ 289	$ 542

*During the second quarter of fiscal year 2020, certain invoices were sold and transferred to certain financial institutions under a customer's supplier financing program. However, under the governing law in the jurisdiction of sale, the assignment of receivables is effective against third parties only upon registration of the transferred assets with a governmental agency. The Company was not able to complete the registration of the receivables before the end of the fiscal quarter and accordingly, the Company recognized the $336 million cash received from the financial institutions as cash inflow under other financing activities, net on the statement of cash flows. The Company subsequently registered all of the invoices in October 2019 and the $336 million cash was reflected as cash outflow under financing activities, net and operating cash inflow for the three-month period ended December 31, 2019.

In the third quarter of fiscal year 2020, the Company amended the existing asset-backed receivable securitization ("ABS") program and removed the requirement for the deferred purchase price receivable. At the effective date of the amendment, approximately $1.3 billion representing the outstanding balance of sold receivables was repurchased by the Company by exchanging outstanding deferred purchase price receivable of $0.4 billion and re-investing $0.9 billion of trade account receivables into the new ABS Programs. Cash collections on repurchased deferred purchase price receivables are reported as investing activities in the condensed consolidated statements of cash flows and were approximately $0.1 billion and $0.4 billion for the three-month and twelve-month periods ended March 31, 2020.

The Company utilizes net cash flow from its various A/R sales programs as a low-cost source to fund operations and as a critical net working capital management tool. The Company views and manages all collections under the programs similarly without bifurcation and accordingly provides the adjustment to reflect adjusted free cash flow inclusive of all collections of receivables sold through the programs described above as well as collections on the repurchased receivables as part of the ABS program amendment. The company also excludes the impact related to certain vendor programs that is required for GAAP.

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 replacesd 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 our adjusted free cash flow calculation.

FLEX
Reconciliation of Non-GAAP Financial Measure
Quarterly Cash Conversion Cycle

We believe the Cash Conversion Cycle is a useful measure in providing investors with information regarding our cash management performance and is a widely accepted measure of working capital management efficiency. These are measures of financial performance under generally accepted accounting principles in the U.S. when calculated using GAAP operating measures, but may not be defined and calculated by other companies in the same manner. These should not be considered in isolation or as an alternative to other GAAP metrics as an indicator of performance.

We define our Cash Conversion Cycle as the sum of inventory turns in days and days of sales outstanding in accounts receivable less days of payable outstanding in accounts payable. We calculate inventory turns in days as average inventory divided by annualized Non-GAAP cost of sales for the current quarter by day. We calculate our days sales outstanding as average accounts receivable for the quarter adding back the reduction in accounts receivable resulting from non-cash accounts receivable sales plus contract asset, divided by annualized sales for the current quarter by day. We calculate days payable outstanding as average accounts payable divided by Non-GAAP annualized cost of sales for the current quarter by day. Certain other current liabilities related to vendor financing programs, which are immaterial for the periods presented below, are also included in the days payable outstanding calculation.

The below illustrates the differences in each of the component metrics included in the cash conversion cycle when calculated as described above using GAAP cost of sales.

	FISCAL 2020				FISCAL 2021		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Cash Conversion Cycle in Days							
Based on GAAP Financial Measures	23	23	19	23	33	37	35
Non-GAAP Adjustments (1)	-	(1)	-	(1)	-	-	-
Based on non-GAAP Financial Measures	23	22	19	22	33	37	35
Inventory Turns in Days (2)							
Based on GAAP Financial Measures	59	59	56	67	69	58	54
Non-GAAP Adjustments (1)	-	1	-	-	-	-	-
Based on non-GAAP Financial Measures	59	60	56	67	69	58	54
Accounts Receivable Turns in Days	46	46	44	50	56	58	56
Accounts Payable Turns in Days							
Based on GAAP Financial Measures	82	82	81	94	92	79	75
Non-GAAP Adjustments (1)	-	2	-	1	-	-	-
Based on non-GAAP Financial Measures	82	84	81	95	92	79	75

(1) Impact from adjustments to GAAP cost of sales, see descriptions of the non-GAAP adjustments in the second page of this document.
(2) Annualized Inventory turns can be calculated as 365 days divided by inventory turns in days. For Q3 Fiscal Year 2021, annualized inventory turns was 6.8 based on GAAP and non - GAAP financial measures.

FLEX

GAAP Reconciliation - EBITDA and Debt/EBITDA

(In Millions, except Debt and Net Debt to EBITDA ratios)

Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA) and Debt/EBITDA are non-GAAP financial measures. EBITDA is derived by adjusting for net interest and adding back depreciation to non-GAAP pretax income. Quarterly Debt to EBITDA is calculated by dividing the Company's total debt as of the date presented by LTM EBITDA. Non-GAAP pretax income excludes certain amounts that are included in the most directly comparable measures under GAAP including stock-based compensation expense, intangible amortization, restructuring charges, customer related asset impairments, legal and other, and certain other charges or income. See the second page of the Summary Financials for descriptions of the non-GAAP adjustments. Additionally, non-GAAP interest includes costs related to our global AR securitization, AR factoring and other financing programs. We believe EBITDA and Debt/EBITDA are useful measures for providing investors with information regarding our performance. EBITDA and Debt/EBITDA are not measures 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. EBITDA should not be considered in isolation or as an alternative to pretax income or loss as an indicator of performance.

The following table reconciles EBITDA and Debt/EBITDA as calculated using pretax non-GAAP income to the same performance measure calculated using the nearest GAAP measure, which is GAAP pretax income.

Additionally, Net Debt to EBITDA is being provided in the first three quarters of fiscal year 2021. Net Debt to EBITDA is calculated by subtracting the Company's total cash from the Company's total debt and dividing it by LTM EBITDA (defined above). Net Debt to EBITDA 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.

FISCAL 2021

	Qtr Ended June 26, 2020			Qtr Ended September 25, 2020			Qtr Ended December 31, 2020		
	GAAP	Adjustments	Non-GAAP	GAAP	Adjustments	Non-GAAP	GAAP	Adjustments	Non-GAAP
Pretax Income	$ 67	$ 67	$ 134	$ 153	$ 69	$ 222	$ 233	$ 46	$ 279
Depreciation	104	-	104	112	-	112	104	-	104
Amortization	15	(15)	-	16	(16)	-	16	(16)	-
Interest, net	$ 31	$ 5	$ 36	$ 35	$ 3	$ 38	$ 37	$ 2	$ 39
EBITDA	217	57	274	316	56	372	389	32	421
EBITDA - Rolling 4 Qtrs	756		1,277	1,013		1,316	1,106		1,369
Total Debt	$ 3,585	-	$ 3,585	$ 3,802	-	$ 3,802	$ 3,812	-	$ 3,812
Debt to EBITDA	4.7	(1.9)	2.8	3.8	(0.9)	2.9	3.4	(0.7)	2.8
Cash and cash equivalents	$ 1,935	-	$ 1,935	$ 2,359	-	$ 2,359	$ 2,611	-	$ 2,611
Net Debt	$ 1,650	-	$ 1,650	$ 1,443	-	$ 1,443	$ 1,201	-	$ 1,201
Net Debt to EBITDA	2.2	(0.9)	1.3	1.4	(0.3)	1.1	1.1	(0.2)	0.9

FISCAL 2020

	Qtr Ended June 28, 2019			Qtr Ended September 27, 2019			Qtr Ended December 31, 2019			Qtr Ended March 31, 2020		
	GAAP	Adjustments	Non-GAAP	GAAP	Adjustments	Non GAAP	GAAP	Adjustments	Non GAAP	GAAP	Adjustments	Non GAAP
Pretax Income (loss)	$ 64	$ 98	$ 162	(96)	$ 277	$ 182	$ 145	$ 77	$ 222	$ 45	$ 126	$ 171
Depreciation	112	-	112	108	-	108	106	-	106	96	-	96
Amortization	17	(17)	-	16	(16)	-	16	(16)	-	15	(15)	-
Interest, net	$ 32	$ 14	$ 46	$ 31	$ 12	$ 43	$ 29	$ 11	$ 40	$ 28	$ 8	$ 36
EBITDA	225	95	319	59	274	333	296	72	368	184	118	302
EBITDA - Rolling 4 Qtrs	757		1,335	556		1,344	723		1,355	764		1,323
Total Debt	$ 3,238	-	$ 3,238	$ 2,990	-	$ 2,990	$ 2,790	-	$ 2,790	$ 2,838	-	$ 2,838
Debt to EBITDA	4.3	(1.9)	2.4	5.4	(3.2)	2.2	3.9	(1.8)	2.1	3.7	(1.6)	2.1

FLEX
Reconciliation of Non-GAAP Financial Measure
Return on Invested Capital (ROIC)

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, restructuring charges, customer related asset impairments, legal and other, 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. The following table reconciles ROIC as calculated using after-tax non-GAAP operating income to the same performance measure calculated using the nearest GAAP measure, which is GAAP income adding back interest and other, other charges (income) and intangible amortization.

	FISCAL 2020				FISCAL 2021		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
ROIC							
GAAP	10.8%	6.5%	8.5%	10.0%	9.5%	14.2%	15.1%
Non-GAAP Adjustments	6.9%	12.0%	10.5%	9.5%	8.9%	4.0%	3.9%
Non-GAAP	17.7%	18.5%	19.0%	19.6%	18.4%	18.2%	19.0%

FLEX
GAAP Reconciliation - Adjusted Free Cash Flow Conversion
(In Millions, except for conversion %)

Adjusted free cash flow conversion is calculated by dividing the Company's current quarter adjusted free cash flow by Non-GAAP net income. We believe adjusted free cash flow conversion is a useful measure in providing investors with information regarding the Company's ability to convert profits into cash and is a widely accepted measure. 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 (refer to page 4 for more details). 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 our adjusted free cash flow calculation. Adjusted free cash flow also excludes impacts related to certain vendor programs that is required for GAAP.

Non-GAAP net income excludes certain amounts that are included in the most directly comparable measures under GAAP including stock-based compensation expense, intangible amortization, restructuring charges, customer related asset impairments, tax adjustments and certain other charges. Adjusted free cash flow conversion is a non-GAAP financial measure and may not be defined and calculated by other companies in the same manner.

	Fiscal Year 2020				Fiscal Year 2021		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Net cash provided by (used in) operating activities	(657)	(992)	(51)	$ 166	(629)	$ 265	$ 348
Add: Reduction in ABS levels	-	-	-	-	$ 655	$ 132	$ 9
Add: Cash collections of ABS positions and other	$ 894	$ 1,273	$ 344	$ 51	$ 2	-	(3)
Less: Net capital expenditures	(123)	(95)	(55)	(83)	(102)	(69)	(65)
Adjusted free cash flow	$ 114	$ 187	$ 238	$ 134	(74)	$ 326	$ 289
GAAP net income (loss)	$ 45	(117)	$ 111	$ 48	$ 52	$ 113	$ 208
Intangible amortization	17	16	16	15	15	16	16
Stock-based compensation expense	15	19	19	18	13	24	25
Restructuring charges	56	128	15	17	10	35	30
Customer related asset impairments (recoveries)	-	91	4	11	-	(3)	-
Legal and other	2	20	7	(2)	28	-	-
Interest and other charges (income), net	7	4	17	66	1	(3)	(25)
Adjustments for taxes	(5)	(3)	5	(31)	(3)	(2)	(3)
Non-GAAP net income	$ 138	$ 158	$ 193	$ 143	$ 116	$ 180	$ 251
GAAP cash flow conversion	-1464%	848%	-46%	344%	-1215%	235%	167%
Non-GAAP adjusted free cash flow conversion	83%	118%	123%	94%	-63%	181%	115%

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Trended Segment Income & Reconciliation to Income Before Income Taxes

(In Millions, except for operating margin)

	FISCAL 2020					FISCAL 2021		
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3
Net sales:**								
Flex Agility Solutions	$ 3,908	$ 3,583	$ 3,631	$ 2,931	$ 14,053	$ 2,912	$ 3,318	$ 3,834
Flex Reliability Solutions	2,268	2,505	2,830	2,554	10,157	2,241	2,667	2,886
Total segment sales	$ 6,176	$ 6,088	$ 6,461	$ 5,484	$ 24,210	5,153	5,985	6,720
Segment income:**								
Flex Agility Solutions	$ 109	$ 94	$ 98	$ 68	$ 369	$ 72	88	153
Flex Reliability Solutions	130	159	186	167	642	115	179	178
Corporate and Other *	(31)	(26)	(28)	(28)	(114)	(24)	(20)	(20)
Total segment income	$ 208	$ 227	$ 256	$ 207	$ 898	163	$ 247	$ 311
Operating Margin**:								
Flex Agility Solutions	*2.8%*	*2.6%*	*2.7%*	*2.3%*	*2.6%*	*2.5%*	*2.7%*	*4.0%*
Flex Reliability Solutions	*5.7%*	*6.4%*	*6.6%*	*6.5%*	*6.3%*	*5.1%*	*6.7%*	*6.2%*
Reconciliation of segment income to income before income taxes								
Total segment income	$ 208	$ 227	$ 256	$ 207	$ 898	$ 163	$ 247	$ 311
Intangible amortization	17	16	16	15	64	15	16	16
Stock-based compensation expense	15	19	19	18	72	13	24	25
Customer related asset impairments (recoveries) (1)	-	91	4	11	105	-	(3)	-
Restructuring charges (2)	56	128	15	17	216	10	35	30
Legal and other (3)	2	19	7	(2)	26	28	-	-
Interest and other charges, net (4)	53	50	50	103	257	30	22	7
Income (loss) before income taxes	$ 65	$ (97)	$ 145	$ 45	$ 158	67	$ 153	$ 233

(1),(2),(3),(4) Refer to page two for the descriptions of remaining footnotes.

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

**In March 2020, the Company announced a change in organizational structure as part of its strategy to further drive efficiency and productivity with two focused delivery models. The Company's chief operating decision maker ("CODM") changed from the CEO and certain direct staff who oversee operations of the business, to the CEO herself. As a result, beginning in fiscal year 2021, the Company now reports its financial performance based on two operating and reportable segments, Flex Agility Solutions ("FAS") and Flex Reliability Solutions ("FRS") and analyzes operating income as the measure of segment profitability.