

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

	Q1 FY18		Q2 FY18		Q3 FY18		Q4 FY18		Q1 FY19		Q2 FY19	
<b>GAAP gross profit</b>	\$ 406,932	6.8%	\$ 393,325	6.3%	\$ 446,328	6.6%	\$ 349,297	5.4%	\$ 377,854	5.9%	\$ 402,301	6.0%
Stock-based compensation expense	3,319		4,985		5,358		5,440		5,404		4,767	
Customer related asset impairments <sup>(1)</sup>	-		-		-		-		12,352		30,100	
Restructuring charges <sup>(2)</sup>	-		7,981		-		58,864		2,310		(3,333)	
New revenue standard adoption impact <sup>(3)</sup>	-		-		-		-		9,291		-	
Contingencies and other <sup>(4)</sup>	-		10,952		-		15,679		5,581		(346)	
<b>Non-GAAP gross profit</b>	<u>\$ 410,251</u>	6.8%	<u>\$ 417,243</u>	6.7%	<u>\$ 451,686</u>	6.7%	<u>\$ 429,280</u>	6.7%	<u>\$ 412,792</u>	6.4%	<u>\$ 433,489</u>	6.5%
<b>GAAP SG&amp;A Expenses <sup>(5)</sup></b>	\$ 250,811	4.2%	\$ 274,149	4.4%	\$ 247,365	3.7%	\$ 247,074	3.9%	\$ 262,882	4.1%	\$ 227,683	3.4%
Stock-based compensation expense	(18,477)		(15,480)		(15,400)		(16,785)		(15,549)		(14,314)	
Customer related asset impairments, contingencies and other <sup>(1) (4)</sup>	-		(29,753)		-		(1,498)		(15,742)		(4,404)	
Restructuring charges <sup>(2)</sup>	-		-		-		-		(6,507)		994	
<b>Non-GAAP SG&amp;A Expenses</b>	<u>\$ 232,334</u>	3.9%	<u>\$ 228,916</u>	3.7%	<u>\$ 231,965</u>	3.4%	<u>\$ 228,791</u>	3.6%	<u>\$ 225,084</u>	3.5%	<u>\$ 209,959</u>	3.1%
<b>GAAP income before income taxes</b>	\$ 145,509		\$ 218,413		\$ 141,160		\$ 15,811		\$ 141,637		\$ 108,794	
Intangible amortization	19,901		16,376		19,588		22,775		18,517		18,234	
Stock-based compensation expense	21,796		20,464		20,758		22,226		20,953		19,081	
Customer related asset impairments <sup>(1)</sup>	-		4,753		-		1,498		17,364		30,100	
Restructuring charges <sup>(2)</sup>	-		7,981		-		82,710		8,817		(4,327)	
New revenue standard adoption impact <sup>(3)</sup>	-		-		-		-		9,291		-	
Contingencies and other <sup>(4)</sup>	-		35,952		-		15,679		16,311		4,058	
Other charges (income), net <sup>(6)</sup>	(36,165)		(143,167)		6,865		2,748		(86,924)		6,530	
Interest and other, net	26,876		27,554		31,350		37,043		41,742		41,060	
<b>Non-GAAP operating income</b>	<u>\$ 177,917</u>	3.0%	<u>\$ 188,326</u>	3.0%	<u>\$ 219,721</u>	3.3%	<u>\$ 200,490</u>	3.1%	<u>\$ 187,708</u>	2.9%	<u>\$ 223,530</u>	3.3%
<b>GAAP provision for income taxes</b>	\$ 20,799	14.3%	\$ 13,327	6.1%	\$ 22,827	16.2%	\$ 35,406	223.9%	\$ 25,602	18.1%	\$ 21,909	20.1%
Intangible amortization benefit	1,766		2,250		2,185		2,605		2,292		2,225	
Valuation allowance and tax receivable, net <sup>(7)</sup>	-		-		-		(27,507)		(8,404)		1,387	
Tax benefit (charges) on restructuring and other	-		2,738		-		5,746		(692)		-	
<b>Non-GAAP provision for income taxes</b>	<u>\$ 22,565</u>	14.9%	<u>\$ 18,315</u>	11.4%	<u>\$ 25,012</u>	13.2%	<u>\$ 16,250</u>	9.8%	<u>\$ 18,798</u>	12.8%	<u>\$ 25,521</u>	14.3%
<b>GAAP net income (loss)</b>	\$ 124,710		\$ 205,086		\$ 118,333		\$ (19,595)		\$ 116,035		\$ 86,885	
Intangible amortization	19,901		16,376		19,588		22,775		18,517		18,234	
Stock-based compensation expense	21,796		20,464		20,758		22,226		20,953		19,081	
Restructuring charges <sup>(2)</sup>	-		7,981		-		82,710		8,817		(4,327)	
Customer related asset impairments <sup>(1)</sup>	-		4,753		-		1,498		17,364		30,100	
New revenue standard adoption impact <sup>(3)</sup>	-		-		-		-		9,291		-	
Contingencies and other <sup>(4)</sup>	-		35,952		-		15,679		16,311		4,058	
Investment and other, net <sup>(6)</sup>	(36,165)		(143,167)		7,892		5,083		(86,121)		2,905	
Adjustments for taxes <sup>(7)</sup>	(1,766)		(4,988)		(2,185)		19,156		6,804		(3,612)	
<b>Non-GAAP net income</b>	<u>\$ 128,476</u>		<u>\$ 142,457</u>		<u>\$ 164,386</u>		<u>\$ 149,532</u>		<u>\$ 127,971</u>		<u>\$ 153,324</u>	
<b>Diluted earnings (losses) per share:</b>												
GAAP	<u>\$ 0.23</u>		<u>\$ 0.38</u>		<u>\$ 0.22</u>		<u>\$ (0.04)</u>		<u>\$ 0.22</u>		<u>\$ 0.16</u>	
Non-GAAP	<u>\$ 0.24</u>		<u>\$ 0.27</u>		<u>\$ 0.31</u>		<u>\$ 0.28</u>		<u>\$ 0.24</u>		<u>\$ 0.29</u>	
Basic shares used in computing per share amounts <sup>(8)</sup>	530,268		531,313		528,405		527,809		529,380		531,503	
Diluted shares used in computing per share amounts <sup>(6)</sup>	538,633		536,019		534,352		535,234		535,454		534,458	

## **FLEX**

### **DEFINITIONS FOR RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES**

(1) Customer related asset impairments relate to additional provisions for doubtful accounts receivable, inventory and impairment of other assets for certain customers experiencing significant financial difficulties as well as \$30 million of exit costs primarily related to our estimated impairment of fixed assets considered not recoverable in conjunction with the wind-down of our NIKE footwear manufacturing operations in Mexico.

(2) Restructuring charges include severance for rationalization at existing sites and corporate SG&A functions as well as asset impairment, lease termination, and other charges relate to the closures and consolidations of certain operating sites. These costs may vary in size based on the Company's restructuring activities.

(3) During the first quarter of fiscal year 2019, the Company amended certain non-substantive terms of its existing contracts for its smaller customers. The amendments removed the consideration regarding over-time recognition under ASC 606. Accordingly, these customer contracts are now accounted for consistent with prior accounting and revenue is recognized upon shipment of product.

(4) Contingencies and other during fiscal year 2018 primarily consists of certain asset impairments, charges in connection with certain legal matters of which loss contingencies are believed to be probable and estimable, and damages incurred from a typhoon that impacted a facility in China. Additionally, during the six-month period of fiscal year 2019, the Company also incurred costs relating to the independent investigation undertaken by the Audit Committee of the Company's Board of Directors which was completed in June 2018 and certain charges of the China based Multek operation that was divested in the second quarter of fiscal year 2019.

(5) GAAP SG&A does not include restructuring charges of \$23.8M for Q4 FY18 as it is separately presented in the restructuring line in the YTD FY18 statement of operations in the form 10-K filed with the SEC.

(6) During the first quarter of fiscal year 2019, the company transferred employees and equipment along with certain related software and IP, into AutoLab AI which later received additional equity funding from third party investors and changed the composition of the Board of directors removing Flex's control. As such, we deconsolidated the entity and recognized a gain of approximately \$92 million in other income, net for the quarter ended June 29, 2018. During the second quarter of fiscal year 2019, the Company adjusted the gain recognized in the first quarter by \$4 million based on the final fair value provided by an independent valuation firm.

During the second quarter of fiscal year 2018, the Company and other minority shareholders of Elementum amended certain agreements and as a result, the Company concluded it no longer had majority control and accordingly, deconsolidated the entity. As part of the deconsolidation, the Company recognized a gain of approximately \$151.6 million with no related tax impact, in other charges (income), net for the quarter ended September 29, 2017.

The company sold its Wink business during first quarter of fiscal year 2018 to an unrelated third-party venture backed company in exchange for contingent consideration fair valued at \$59 million and recognized a gain on sale of \$38.7 million, which is recorded in other charges (income), net in the first quarter of fiscal year 2018. Additionally, the Company recorded impairment of certain non-core investments during fiscal year 2018 and the first and second quarter of fiscal year 2019.

(7) During the fourth quarter of fiscal year 2018, the company booked a valuation receivable, net that relates to recognition of a non-recurring, non-cash, valuation allowance against deferred tax assets in a foreign operating subsidiary offset by the recognition of an associated income tax receivable for prior years. Additionally, the adjustment for exchange rate fluctuation on the same income tax receivable was booked in the first and second quarter of fiscal year 2019.

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

**FLEX**  
**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS**  
(In thousands)

	FISCAL 2018				FISCAL 2019	
	Q1	Q2	Q3	Q4	Q1	Q2
<b>ASSETS</b>						
Current assets:						
Cash and cash equivalents	\$ 1,582,197	\$ 1,369,502	\$ 1,291,183	\$ 1,472,424	\$ 1,254,639	\$ 1,377,720
Accounts receivable, net	2,325,845	2,632,934	3,100,808	2,517,695	2,890,227	2,859,409
Contract assets <sup>(1)</sup>	-	-	-	-	323,599	418,158
Inventories	3,601,175	3,773,654	3,725,643	3,799,829	3,984,571	4,442,855
Other current assets	1,049,092	1,091,957	965,470	1,380,466	1,231,773	935,030
Total current assets	8,558,309	8,868,047	9,083,104	9,170,414	9,684,809	10,033,172
Property and equipment, net	2,346,440	2,415,574	2,443,050	2,239,506	2,190,080	2,277,885
Goodwill	1,039,069	1,086,978	1,104,770	1,121,170	1,094,776	1,082,523
Other intangible assets, net	453,957	420,459	438,552	424,433	390,827	375,407
Other assets	619,213	770,848	770,834	760,332	949,196	957,217
Total non-current assets	4,458,679	4,693,859	4,757,206	4,545,441	4,624,879	4,693,032
Total assets	\$ 13,016,988	\$ 13,561,906	\$ 13,840,310	\$ 13,715,855	\$ 14,309,688	\$ 14,726,204
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>						
Current liabilities:						
Bank borrowings and current portion of long-term debt	\$ 45,661	\$ 46,977	\$ 42,954	\$ 43,011	\$ 42,903	\$ 55,640
Accounts payable	4,781,036	5,231,130	5,406,512	5,122,303	5,709,079	6,236,018
Other current liabilities	1,931,551	1,952,328	1,966,603	2,102,750	2,042,893	1,862,887
Total current liabilities	6,758,248	7,230,435	7,416,069	7,268,064	7,794,875	8,154,545
Long-term debt, net of current portion	2,918,871	2,909,144	2,901,720	2,897,631	2,877,089	2,869,551
Other liabilities	530,091	550,042	542,541	531,587	528,405	532,561
Total non-current liabilities	3,448,962	3,459,186	3,444,261	3,429,218	3,405,494	3,402,112
Total shareholders' equity	2,809,778	2,872,285	2,979,980	3,018,573	3,109,319	3,169,547
Total liabilities and shareholders' equity	\$ 13,016,988	\$ 13,561,906	\$ 13,840,310	\$ 13,715,855	\$ 14,309,688	\$ 14,726,204

(1) Contract assets relate to work in progress and finished inventory recognized as revenue for certain customers designated for over-time recognition versus point in time upon adoption of ASU 2014-09, "Revenue from Contracts with Customers (Topic 606)". Refer to the 10Q filed with the SEC for the detailed disclosure.

**FLEX**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In thousands)

	FISCAL 2018					FISCAL 2019		
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	YTD
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>								
GAAP net income (loss)	\$ 124,710	\$ 205,086	\$ 118,333	\$ (19,595)	\$ 428,534	\$ 116,035	\$ 86,885	\$ 202,920
Depreciation, amortization and other impairment charges	131,396	133,322	135,297	155,349	555,364	121,763	147,299	269,062
Gain from deconsolidation of a Elementum	-	(151,574)	-	-	(151,574)	-	-	-
Gain from deconsolidation of a AutoLab	-	-	-	-	-	(91,025)	4,411	(86,614)
Changes in working capital and other	(1,307,656)	(1,307,261)	(1,176,553)	(889,521)	(4,680,991)	(1,090,038)	(1,002,926)	(2,092,964)
<b>Net cash used in operating activities</b>	<b>(1,051,550)</b>	<b>(1,120,427)</b>	<b>(922,923)</b>	<b>(753,767)</b>	<b>(3,848,667)</b>	<b>(943,265)</b>	<b>(764,331)</b>	<b>(1,707,596)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>								
Purchases of property and equipment, net of dispositions	(119,375)	(108,532)	(161,337)	(127,973)	(517,217)	(169,911)	(180,489)	(350,400)
Acquisition and divestiture of businesses, net of cash acquired and cash held in divested business	(214,334)	(61,782)	3,443	1,347	(271,326)	-	264,438	264,438
Cash collections of deferred purchase price	1,190,066	1,262,716	1,073,136	1,076,347	4,602,265	928,223	884,722	1,812,945
Other investing activities, net	(18,549)	(95,514)	(6,871)	492	(120,442)	(15,218)	(9,193)	(24,411)
<b>Net cash provided by investing activities</b>	<b>837,808</b>	<b>996,888</b>	<b>908,371</b>	<b>950,213</b>	<b>3,693,280</b>	<b>743,094</b>	<b>959,478</b>	<b>1,702,572</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>								
Repayments of bank borrowings and long-term debt, net of proceeds	(7,554)	(18,929)	(15,447)	(13,047)	(54,977)	(31)	(2,546)	(2,577)
Net proceeds from issuance of ordinary shares	696	515	852	711	2,774	45	86	131
Payments for repurchase of ordinary shares	(73,864)	(71,141)	(35,045)	-	(180,050)	-	(59,980)	(59,980)
Other financing activities, net	57,628	2,963	(14,109)	(2,014)	44,468	-	-	-
<b>Net cash provided by (used in) financing activities</b>	<b>(23,094)</b>	<b>(86,592)</b>	<b>(63,749)</b>	<b>(14,350)</b>	<b>(187,785)</b>	<b>14</b>	<b>(62,440)</b>	<b>(62,426)</b>
<b>Effect on cash from:</b>								
Exchange rate changes	(11,642)	(2,564)	(18)	(855)	(15,079)	(17,628)	(9,626)	(27,254)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(248,478)</b>	<b>(212,695)</b>	<b>(78,319)</b>	<b>181,241</b>	<b>(358,251)</b>	<b>(217,785)</b>	<b>123,081</b>	<b>(94,704)</b>
Cash and cash equivalents, beginning of period	1,830,675	1,582,197	1,369,502	1,291,183	1,830,675	1,472,424	1,254,639	1,472,424
<b>Cash and cash equivalents, end of period</b>	<b>\$ 1,582,197</b>	<b>\$ 1,369,502</b>	<b>\$ 1,291,183</b>	<b>\$ 1,472,424</b>	<b>\$ 1,472,424</b>	<b>\$ 1,254,639</b>	<b>\$ 1,377,720</b>	<b>\$ 1,377,720</b>
<b>Reconciliation of GAAP to Non-GAAP Financial Measures <sup>(1)</sup></b>								
Net cash used in operating activities	\$ (1,051,550)	\$ (1,120,427)	\$ (922,923)	\$ (753,767)	\$ (3,848,667)	\$ (943,265)	\$ (764,331)	\$ (1,707,596)
Add: Cash collections of deferred purchase price	1,190,066	1,262,716	1,073,136	1,076,347	4,602,265	928,223	884,722	1,812,945
Adjusted net cash provided by (used in) operating activities	138,516	142,289	150,213	322,580	753,598	(15,042)	120,391	105,349
Less: Net Capital Expenditures	(119,375)	(108,532)	(161,337)	(127,973)	(517,217)	(169,911)	(180,489)	(350,400)
<b>Free Cash Flow</b>	<b>\$ 19,141</b>	<b>\$ 33,757</b>	<b>\$ (11,124)</b>	<b>\$ 194,607</b>	<b>\$ 236,381</b>	<b>\$ (184,953)</b>	<b>\$ (60,098)</b>	<b>\$ (245,051)</b>

(1) In Q1 fiscal year 2019, the adoption of the new cash flow accounting standard, (ASU 2016-15), resulted in a reclassification of cash flows related to the collection of certain receivables sold through the Company's asset-backed receivable securitization program from operating activities to investing activities. The Company redefined its free cash flow metric to be GAAP net cash flows from operating activities, plus cash collection of deferred purchase price, less purchases of property and equipment net of proceeds from dispositions to reflect this change and present cash flows on a consistent basis for investor transparency. In addition, cash flow from operations is also a critical metric that investors use to evaluate a company's earnings power. The Company views and manages all collections under the program similarly without bifurcation and accordingly provides the adjustment to reflect cash flows from operations inclusive of all collections of receivables sold through the programs. The impact was recasted for all prior periods presented.

**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 as annualized Non-GAAP cost of sales for the current quarter divided by average inventory for the quarter. 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.

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.

	<b>FISCAL 2018</b>				<b>ASC 606 <sup>(2)</sup> FISCAL 2019</b>	
	<u>Jun Qtr</u>	<u>Sep Qtr</u>	<u>Dec Qtr</u>	<u>Mar Qtr</u>	<u>Jun Qtr</u>	<u>Sep Qtr</u>
<b>Cash Conversion Cycle in Days</b>						
Based on GAAP Financial Measures	24	23	22	24	22	23
Non-GAAP Adjustments <sup>(1)</sup>	(1)	-	-	(1)	-	(1)
Based on non-GAAP Financial Measures	<u>23</u>	<u>23</u>	<u>22</u>	<u>23</u>	<u>22</u>	<u>22</u>
<b>Inventory Turns in Days</b>						
Based on GAAP Financial Measures	57	57	54	57	58	61
Non-GAAP Adjustments <sup>(1)</sup>	-	-	-	-	-	-
Based on non-GAAP Financial Measures	<u>57</u>	<u>57</u>	<u>54</u>	<u>57</u>	<u>58</u>	<u>61</u>
<b>Accounts Receivable Turns in Days</b>						
	42	44	45	46	45	48
<b>Accounts Payable Turns in Days</b>						
Based on GAAP Financial Measures	75	78	77	79	81	86
Non-GAAP Adjustments <sup>(1)</sup>	1	-	-	1	-	1
Based on non-GAAP Financial Measures	<u>76</u>	<u>78</u>	<u>77</u>	<u>80</u>	<u>81</u>	<u>87</u>

(1) Impact from adjustments to GAAP cost of sales, see descriptions of the non-GAAP adjustments in the second page of this document.

(2) As a result of adopting the new revenue recognition standard beginning Q1 FY19, we redefined our CCC and DSO to include the new contract asset balance. See updated definition for CCC & DSO above. As we adopted the guidance under a modified retrospective basis, prior period numbers are not restated.

**Flex**

**GAAP Reconciliation - EBITDA and Debt/EBITDA**

(In thousands, except Debt/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, contingencies, customer related asset impairments, 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 the losses on sale under our global AR securitization and factoring 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.

**FISCAL 2019**

	Qtr Ended June 29, 2018			Qtr Ended September 28, 2018		
	GAAP	Adjustments	Non GAAP	GAAP	Adjustments	Non GAAP
Pretax Income	\$ 141,637	\$ 5,132	\$ 146,769	\$ 108,794	\$ 70,051	\$ 178,845
Depreciation	95,470	-	95,470	102,738	-	102,738
Amortization	18,517	(18,517)	-	18,234	(18,234)	-
Interest, net	28,393	9,966	38,359	30,387	11,777	42,164
EBITDA	284,017	(3,419)	280,598	260,153	63,594	323,747
EBITDA - Rolling 4 Qtrs	1,123,606		1,228,435	1,016,356		1,250,448
Total Debt	\$ 2,919,992	\$ -	\$ 2,919,992	\$ 2,925,191	\$ -	\$ 2,925,191
Debt to EBITDA	2.6	(0.2)	2.4	2.9	(0.5)	2.3

**FISCAL 2018**

	Qtr Ended June 30, 2017			Qtr Ended September 29, 2017			Qtr Ended December 31, 2017			Qtr Ended March 31, 2018		
	GAAP	Adjustments	Non GAAP	GAAP	Adjustments	Non GAAP	GAAP	Adjustments	Non GAAP	GAAP	Adjustments	Non GAAP
Pretax Income	\$ 145,509	\$ 5,532	\$ 151,041	\$ 218,413	\$ (57,640)	\$ 160,773	\$ 141,160	\$ 48,238	\$ 189,398	\$ 15,811	\$ 149,971	\$ 165,782
Depreciation	108,432	-	108,432	108,421	-	108,421	108,100	-	108,100	109,478	-	109,478
Amortization	19,901	(19,901)	-	16,376	(16,376)	-	19,588	(19,588)	-	22,775	(22,775)	-
Interest, net	24,790	6,870	31,660	24,193	8,347	32,540	27,163	7,338	34,501	28,111	10,733	38,844
EBITDA	298,632	(7,499)	291,133	367,403	(65,669)	301,734	296,011	35,988	331,999	176,175	137,929	314,104
EBITDA - Rolling 4 Qtrs	1,009,128		1,245,975	1,207,422		1,238,989	1,211,526		1,234,266	1,138,221		1,238,970
Total Debt	\$ 2,964,532	\$ -	\$ 2,964,532	\$ 2,956,121	\$ -	\$ 2,956,121	\$ 2,944,674	\$ -	\$ 2,944,674	\$ 2,940,641	\$ -	\$ 2,940,641
Debt to EBITDA	2.9	(0.6)	2.4	2.4	(0.1)	2.4	2.4	(0.0)	2.4	2.6	(0.2)	2.4

**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, contingencies, restructuring charges, customer related asset impairments, 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.

	<b>FISCAL 2018</b>				<b>FISCAL 2019</b>	
	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Q1</b>	<b>Q2</b>
<b>ROIC</b>						
GAAP	13.1%	13.9%	13.4%	10.7%	9.2%	10.0%
Non-GAAP Adjustments	6.0%	4.3%	3.7%	5.6%	6.7%	6.2%
Non-GAAP	19.1%	18.2%	17.1%	16.3%	15.9%	16.2%

## Flex

### Trended Segment Income & Reconciliation to Income Before Income Taxes

	FISCAL 2018				FISCAL 2019	
	Q1	Q2	Q3	Q4	Q1	Q2
	(In thousands)					
<b>Net sales:</b>						
Communication & Enterprise Compute.....	\$ 1,973,333	\$ 1,901,057	\$ 1,979,045	\$ 1,875,915	\$ 1,954,286	\$ 2,140,797
Consumer Technologies Group.....	1,511,969	1,755,143	2,056,801	1,645,908	1,807,934	1,795,883
Industrial & Emerging Industries.....	1,390,599	1,454,539	1,491,063	1,636,295	1,446,311	1,565,953
High Reliability Solutions.....	1,132,371	1,159,681	1,224,643	1,252,769	1,215,425	1,207,971
	<u>\$ 6,008,272</u>	<u>\$ 6,270,420</u>	<u>\$ 6,751,552</u>	<u>\$ 6,410,887</u>	<u>\$ 6,423,956</u>	<u>\$ 6,710,604</u>
<b>Segment income:</b>						
Communication & Enterprise Compute.....	\$ 48,603	\$ 42,733	\$ 50,206	\$ 44,793	\$ 46,017	\$ 62,855
Consumer Technologies Group.....	18,004	30,722	38,768	24,135	26,557	31,212
Industrial & Emerging Industries.....	55,376	50,945	61,328	67,773	51,361	65,857
High Reliability Solutions.....	90,212	92,364	100,976	97,326	93,534	89,589
Corporate and Other <sup>(5)</sup>	(34,278)	(28,438)	(31,557)	(33,537)	(29,761)	(25,983)
Total segment income.....	<u>\$ 177,917</u>	<u>\$ 188,326</u>	<u>\$ 219,721</u>	<u>\$ 200,490</u>	<u>\$ 187,708</u>	<u>\$ 223,530</u>
<b>Operating Margin:</b>						
Communication & Enterprise Compute.....	2.5%	2.2%	2.5%	2.4%	2.4%	2.9%
Consumer Technologies Group.....	1.2%	1.8%	1.9%	1.5%	1.5%	1.7%
Industrial & Emerging Industries.....	4.0%	3.5%	4.1%	4.1%	3.6%	4.2%
High Reliability Solutions.....	8.0%	8.0%	8.2%	7.8%	7.7%	7.4%
<b>Reconciliation of Segment Income to Income before income taxes</b>						
Total segment income.....	\$ 177,917	\$ 188,326	\$ 219,721	200,490	187,708	223,530
Intangible amortization.....	19,901	16,376	19,588	22,775	18,517	18,234
Stock-based compensation.....	21,796	20,464	20,758	22,226	20,953	19,081
Restructuring charges <sup>(2)</sup>	-	7,981	-	82,710	8,817	(4,327)
Customer related asset impairments <sup>(1)</sup>	-	4,753	-	1,498	17,364	30,100
New revenue standard adoption impact <sup>(3)</sup>	-	-	-	-	9,291	-
Contingencies and other <sup>(4)</sup>	-	35,952	-	15,679	16,311	4,058
Other charges (income), net <sup>(6)</sup>	(36,165)	(143,167)	6,865	2,748	(86,924)	6,530
Interest and other, net.....	26,876	27,554	31,350	37,043	41,742	41,060
Income before income taxes.....	<u>\$ 145,509</u>	<u>\$ 218,413</u>	<u>\$ 141,160</u>	<u>\$ 15,811</u>	<u>\$ 141,637</u>	<u>\$ 108,794</u>

(1),(2),(3),(4),(6) Refer to page two for the descriptions of remaining footnotes.

(5) 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.