Our Financial Framework

Chris Collier
Chief Financial Officer
Topics to cover

1. Our near-term performance
2. Our financial progress
3. Capital allocation strategy
4. Operating segments
5. Long-term financial framework
Results have improved in the last twelve months

<table>
<thead>
<tr>
<th>Revenue ($M)</th>
<th>Adj. Operating Income ($M)</th>
<th>Adj. Earnings Per Share</th>
<th>Adj. Free Cash Flow ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY18</td>
<td>25,441</td>
<td>786</td>
<td>236</td>
</tr>
<tr>
<td>FY19</td>
<td>26,211</td>
<td>872</td>
<td>$1.14</td>
</tr>
<tr>
<td>LTM</td>
<td>24,952</td>
<td>895</td>
<td>$1.23</td>
</tr>
</tbody>
</table>

*Adj. Operating Margin = 3.6% - 3.3% - 3.1%

Solid foundation for our transformation journey

*LTM reflects last twelve-month performance ending Q3 FY20
Key progress made towards stabilizing financial performance

- Disengaged from over $1.2B of low margin, high volatility business
- Achieved growth in key end markets such as industrial and health solutions
- Improved adjusted gross and operating margin performance
- Maintained strong cost discipline
- Managed through a dynamic geopolitical and trade/tariff environment with minimal financial impact
Actions taken to diversify our portfolio and deliver sustainable business

Sales by Country
No single country represents more than 25% of our sales or PP&E

Sales by Customer
No customer greater than 10% of total LTM revenue

*PP&E as of 12/31/19
Disciplined sustainable execution - Adj. Gross Margin

- Displayed adjusted gross margin expansion last 3 quarters
  - Q3’20 adjusted gross margin reached 7.1%
- Expansion driven from improving business mix and enhancing value-add services
- Operational efficiency and productivity initiatives are underway
  - Increased productivity through Overall Equipment Effectiveness (OEE) focus
  - Reinforced operational excellence

**Objective**
Adjusted gross margin improvement to 7.5%+
Disciplined sustainable execution - Adj. SG&A

- Cost focus driven across all functions at every level of the enterprise
  - Strategic spend management initiative
- Industry leading SG&A expense management
- Sharpened design & engineering focus enabled reduction in R&D expense of over $25 million

**Objective**
Maintain adjusted SG&A at 3.0-3.2% of revenue
**Disciplined capital investment**

- $1.1+ billion of capital investment in last 2 fiscal years
  - Over 50% supported auto, health solutions and industrial businesses
- **Focused investments in our future**
  - ~70% of new capex is in Flex Reliability (Industrial, Automotive, Health Solutions) and automation
- **Focused investments in core growth areas and with increased governance and greater rigor**
  - All capital spending above $10M is reviewed by CEO
  - All capital spending above $50M is reviewed by Board

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**Objective**

Maintain capex at or below depreciation levels

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**Net Capital Expenditures**

<table>
<thead>
<tr>
<th>Year</th>
<th>FY18</th>
<th>FY19</th>
<th>LTM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenditures* ($M)</td>
<td>517</td>
<td>631</td>
<td>434</td>
</tr>
<tr>
<td>Depreciation</td>
<td></td>
<td></td>
<td>631</td>
</tr>
</tbody>
</table>

Historical Net Capital Expenditure

- 3-year (FY17-FY19) average: $546m
- 5-year (FY15-FY19) average: $475m

*Net capital expenditure is calculated as purchases of property and equipment minus proceeds from the disposition of property and equipment*
Sustainable adjusted cash flow generation

- Net working capital management sustainability
  - Maintain target range of 6-8% of revenues

- Historical Adjusted Free Cash Flow (FCF) Conversion
  - 3-year (FY17-FY19) average: 49%
  - 5-year (FY15-FY19) average: 67%

- Disciplined capex management

- Improved business model enables better adjusted free cash flow conversion

**Objective**
Adjusted free cash flow conversion of 80%+

**Adj. Free Cash Flow**
($) - Adj. FCF Conversion %
- FY18: 40% (236)
- FY19: 3 (3)
- LTM: 106% (668)
Balanced capital structure

- Flexible and balanced maturity profile
- No annual maturities greater than anticipated annual adjusted free cash flow
- Ample liquidity to support our business
- Investment grade rated

Key Credit Metrics
- Debt/Adjusted EBITDA 2.1x
- Wt. Avg. maturity ~5 years
- Wt. Avg. cost of debt ~4.1%

Objective
Operate with strong financial flexibility and maintain Investment Grade rating
Prudent capital allocation strategy

Invest in Business

• Focus on disciplined organic investment to drive long-term profitable growth

• Targeted M&A to expand long cycle business and growth segment

• Maintain a healthy balance sheet and our Investment Grade Rating

Returning capital through share repurchase

Repurchased over $3.4B of shares in last 10 years

Shares Repurchased ($M)

<table>
<thead>
<tr>
<th></th>
<th>FY18</th>
<th>FY19</th>
<th>LTM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>180</td>
<td>189</td>
<td>238</td>
</tr>
</tbody>
</table>

• Long-standing strategy to repurchase stock to offset share dilution and provide shareholder return

• Fiscal 2021 repurchase level increasing from current levels

Objective

Creating shareholder value with a long-term commitment
Our business segment transformation

**Operational Benefits**
- Alignment to volume/mix delivery models
- Improved capacity utilization
- Capital deployment aligned with delivery models
- Improved ramp and materials management

**Commercial Benefits**
- Unified go to market strategy
- More efficient sales coverage across segments
- Better ability to connect technology synergies

**Results**
- Adjusted gross margin expansion
- Opex leverage
- Improved capital returns and efficiency

**Benefits for Flex Enterprise**

**Flex Agility Solutions Segment**
- Lifestyle
- CEC
- Consumer Devices

**Flex Reliability Solutions Segment**
- Automotive
- Health Solutions
- Industrial
Flex Reliability Solutions

LTM Financial Snapshot ($M)

- Revenue: $9,848
- Operating Profit: $623
- Operating Margin: 6.3%

Long-term Goal

- Revenue Growth: Above market
- Adjusted Operating Margin: High single digits

Sales by Business Group

- Industrial: 50%
- Automotive: 30%
- Health Solutions: 20%

Business Characteristics

- Higher margin, higher mix products
- Product life cycles of 4-10 years
- Increased capital intensity
- Greater design and engineering content
- 68% of total Flex design and engineering resources
Flex Agility Solutions

LTM Financial Snapshot ($M)

- Revenue: $15,103
- Operating Profit: $387
- Operating Margin: 2.6%

Long-term Goal

- Revenue Growth: In-line with GDP
- Adj. Operating Margin: Low to mid-single digits

Sales by Business Group

- Lifestyle: 25%
- CEC: 25%
- Consumer Devices: 50%

Business Characteristics

- Volume-variable, lower mix products
- Product life cycles of 1-3 years
- Focused on cost structure
- Lower capital intensity
- 40% of total Flex customer base

Long-term Goal

- Revenue Growth: In-line with GDP
- Adj. Operating Margin: Low to mid-single digits
## Our long-term financial framework

<table>
<thead>
<tr>
<th><strong>Revenue Growth</strong></th>
<th>Organic growth at or above GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Portfolio mix focused on longer cycle business</td>
</tr>
<tr>
<td><strong>Earnings Expansion</strong></td>
<td>Mid single digits adjusted operating margin</td>
</tr>
<tr>
<td></td>
<td>10%+ annual adjusted EPS growth</td>
</tr>
<tr>
<td><strong>Cash Generation</strong></td>
<td>Disciplined investment levels</td>
</tr>
<tr>
<td></td>
<td>80%+ adjusted FCF conversion</td>
</tr>
<tr>
<td><strong>Capital Allocation</strong></td>
<td>Increased shareholder returns</td>
</tr>
<tr>
<td></td>
<td>Investment grade rated</td>
</tr>
</tbody>
</table>
• We have made deep and sustainable changes to our business

• Our mid-to-long term plan is to shift mix to a more diversified, higher value portfolio

• We are growing in specific, targeted markets where our differentiated capabilities in complex engineering-led programs create a win-win relationship

• The new Flex can deliver higher margins and consistent earnings – powered by a new operational model and emphasis on business excellence

• We will be consistent and disciplined in our capital allocation plans

• We are in a strong position to lead our industry and deliver a top quartile financial performance
## Appendix: Reconciliation of GAAP to Non-GAAP Measures

<table>
<thead>
<tr>
<th></th>
<th>FY18</th>
<th>% of revenue</th>
<th>FY19</th>
<th>% of revenue</th>
<th>LTM</th>
<th>% of revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GAAP gross profit</strong></td>
<td>$1,595,882</td>
<td>6.3%</td>
<td>$1,517,775</td>
<td>5.8%</td>
<td>$1,352,624</td>
<td>5.4%</td>
</tr>
<tr>
<td><strong>Stock-based compensation expense</strong></td>
<td>19,102</td>
<td></td>
<td>19,554</td>
<td></td>
<td>16,041</td>
<td></td>
</tr>
<tr>
<td><strong>Customer related asset impairments</strong></td>
<td>66,845</td>
<td></td>
<td>99,005</td>
<td></td>
<td>184,488</td>
<td></td>
</tr>
<tr>
<td><strong>Restructuring charges</strong></td>
<td>66,845</td>
<td></td>
<td>99,005</td>
<td></td>
<td>184,488</td>
<td></td>
</tr>
<tr>
<td><strong>New revenue standard adoption impact</strong></td>
<td>-</td>
<td></td>
<td>9,291</td>
<td></td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Legal and other</strong></td>
<td>26,631</td>
<td></td>
<td>15,123</td>
<td></td>
<td>33,274</td>
<td></td>
</tr>
<tr>
<td><strong>Non-GAAP gross profit</strong></td>
<td>$1,708,460</td>
<td>6.7%</td>
<td>$1,707,432</td>
<td>6.5%</td>
<td>$1,684,181</td>
<td>6.7%</td>
</tr>
<tr>
<td><strong>GAAP SG&amp;A expenses</strong></td>
<td>$1,019,399</td>
<td>4.0%</td>
<td>$953,077</td>
<td>3.6%</td>
<td>$863,307</td>
<td>3.5%</td>
</tr>
<tr>
<td><strong>Stock-based compensation expense</strong></td>
<td>(66,142)</td>
<td></td>
<td>(56,478)</td>
<td></td>
<td>(52,262)</td>
<td></td>
</tr>
<tr>
<td><strong>Customer related asset impairments, legal and other</strong></td>
<td>(31,251)</td>
<td></td>
<td>(60,929)</td>
<td></td>
<td>(22,050)</td>
<td></td>
</tr>
<tr>
<td><strong>Non-GAAP SG&amp;A expenses</strong></td>
<td>$922,006</td>
<td>3.6%</td>
<td>$835,670</td>
<td>3.2%</td>
<td>$788,995</td>
<td>3.2%</td>
</tr>
<tr>
<td><strong>GAAP net income before income taxes</strong></td>
<td>$520,893</td>
<td>3.6%</td>
<td>$182,126</td>
<td>3.3%</td>
<td>$77,413</td>
<td>3.6%</td>
</tr>
<tr>
<td><strong>Intangible amortization</strong></td>
<td>78,640</td>
<td></td>
<td>74,396</td>
<td></td>
<td>66,240</td>
<td></td>
</tr>
<tr>
<td><strong>Stock-based compensation expense</strong></td>
<td>85,244</td>
<td></td>
<td>87,093</td>
<td></td>
<td>114,786</td>
<td></td>
</tr>
<tr>
<td><strong>Customer related asset impairments</strong></td>
<td>6,251</td>
<td></td>
<td>87,093</td>
<td></td>
<td>114,786</td>
<td></td>
</tr>
<tr>
<td><strong>Restructuring charges</strong></td>
<td>90,691</td>
<td></td>
<td>113,313</td>
<td></td>
<td>212,003</td>
<td></td>
</tr>
<tr>
<td><strong>New revenue standard adoption impact</strong></td>
<td>-</td>
<td></td>
<td>9,291</td>
<td></td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Legal and other</strong></td>
<td>51,631</td>
<td></td>
<td>35,644</td>
<td></td>
<td>38,293</td>
<td></td>
</tr>
<tr>
<td><strong>Other charges (income), net</strong></td>
<td>(169,719)</td>
<td></td>
<td>110,414</td>
<td></td>
<td>135,934</td>
<td></td>
</tr>
<tr>
<td><strong>Interest and other, net</strong></td>
<td>122,823</td>
<td></td>
<td>183,454</td>
<td></td>
<td>182,215</td>
<td></td>
</tr>
<tr>
<td><strong>Non-GAAP operating income</strong></td>
<td>$786,454</td>
<td>3.1%</td>
<td>$871,763</td>
<td>3.3%</td>
<td>$895,187</td>
<td>3.6%</td>
</tr>
</tbody>
</table>

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 summary financials of the respective periods.
## Appendix: Reconciliation of GAAP to Non-GAAP Measures

<table>
<thead>
<tr>
<th></th>
<th>FY18</th>
<th>FY19</th>
<th>LTM</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>(Thousands, except per share amounts)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GAAP income (loss)</td>
<td>$428,534</td>
<td>$933,999</td>
<td>($25,032)</td>
</tr>
<tr>
<td>Intangible amortization</td>
<td>78,640</td>
<td>74,396</td>
<td>66,240</td>
</tr>
<tr>
<td>Stock-based compensation expense</td>
<td>85,244</td>
<td>76,032</td>
<td>68,303</td>
</tr>
<tr>
<td>Restructuring Charges</td>
<td>90,691</td>
<td>113,313</td>
<td>212,003</td>
</tr>
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<td>6,251</td>
<td>87,093</td>
<td>114,786</td>
</tr>
<tr>
<td>New revenue standard adoption impact</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other charges (income), interest and other, net</td>
<td>-166,357</td>
<td>109,980</td>
<td>147,487</td>
</tr>
<tr>
<td>Adjustments for taxes</td>
<td>10,217</td>
<td>3,978</td>
<td>7,421</td>
</tr>
<tr>
<td><strong>Non-GAAP net income</strong></td>
<td><strong>$584,851</strong></td>
<td><strong>$603,126</strong></td>
<td><strong>$629,684</strong></td>
</tr>
</tbody>
</table>

**Diluted earnings (loss) per share**:  
- **GAAP**: $0.80, $0.18, ($0.04)  
- **Non-GAAP**: $1.09, $1.14, $1.23  

**Diluted shares used in computing per share amounts**:  
- **GAAP**: 536,598  
- **Non-GAAP**: 530,070  

**Net cash used in operating activities**:  
- **GAAP**: ($3,866,335)  
- **Non-GAAP**: $236,381  

**Add**: Cash collections of ABS positions and other  
- **GAAP**: $1,098,900  
- **Non-GAAP**: $1,162,357  

**Less**: Net capital expenditures  
- **GAAP**: ($517,217)  
- **Non-GAAP**: ($631,387)  

**Adjusted free cash flow**:  
- **GAAP**: $236,381  
- **Non-GAAP**: $2,888  

**GAAP free cash flow conversion**  
- **FY18**: -902%  
- **FY19**: -3181%  

**Non-GAAP adjusted free cash flow conversion**  
- **FY18**: 40%  
- **FY19**: 0%  

*FY18 GAAP and Non-GAAP EPS are calculated using the sum of the last 4 quarters GAAP and Non-GAAP EPS respectively. Please refer to the Investor Relations section of our website which includes summary financials of the respective periods for more details.  
**GAAP free cash flow conversion is calculated by dividing the company’s net cash used in operating activities by GAAP net income for the respective periods. Adjusted free cash flow conversion is calculated by dividing the company’s adjusted free cash flow by Non-GAAP net income for the respective periods.
## Appendix: Reconciliation of GAAP to Non-GAAP Measures

<table>
<thead>
<tr>
<th>Segment income:</th>
<th>LTM December 31, 2019 ($Thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flex Agility Solutions</td>
<td>386,894</td>
</tr>
<tr>
<td>Flex Reliability Solutions</td>
<td>622,816</td>
</tr>
<tr>
<td>Corporate and Other*</td>
<td>(114,523)</td>
</tr>
<tr>
<td><strong>Total segment income:</strong></td>
<td><strong>895,187</strong></td>
</tr>
</tbody>
</table>

### Operating margin:

<table>
<thead>
<tr>
<th>Segment</th>
<th>Margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flex Agility</td>
<td>2.6%</td>
</tr>
<tr>
<td>Flex Reliability</td>
<td>6.3%</td>
</tr>
</tbody>
</table>

### Reconciliation of segment income to income before income taxes:

<table>
<thead>
<tr>
<th>Reconciliation</th>
<th>LTM December 31, 2019 ($Thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total segment income</td>
<td>895,187</td>
</tr>
<tr>
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<td>Interest and other, net</td>
<td>182,215</td>
</tr>
<tr>
<td><strong>Income before income taxes</strong></td>
<td><strong>77,413</strong></td>
</tr>
</tbody>
</table>

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