



FLEX SPINCO TRANSACTION FAQs

TRANSACTION OVERVIEW

What are you announcing today? What is the anticipated timing of the transaction?

Flex (NASDAQ: FLEX) announced its intention to spin off its Cloud and Power Infrastructure segment into a new, independent publicly traded company ("SpinCo"). The transaction is intended to be tax-free to Flex shareholders and is expected to be completed in the first calendar quarter of 2027.

How will the transaction be structured?

The transaction is expected to be structured as a tax-free spin-off, pursuant to which shares of SpinCo would be distributed pro rata to Flex shareholders. Flex expects to retain an ownership interest in SpinCo not to exceed 19.9%, at the time of spin. Additional details regarding the transaction, including the share distribution ratio and any retained interest, will be described in future filings Flex will make with the U.S. Securities and Exchange Commission (the "SEC").

What is required for the transaction to close?

Closing is subject to customary conditions, including final approval by the Flex Board of Directors, requisite approval of Flex shareholders, receipt of a tax opinion from counsel, and the filing and effectiveness of the Form 10 registration statement with the SEC. There can be no assurance that the transaction will be completed on the anticipated timeline or at all.

What are the next steps?

Flex will continue planning the spin and prepare the Form 10 for filing with the SEC. We plan to provide updates at appropriate milestones, including additional detail on capital structure, leadership, and operating model closer to the transaction date.

STRATEGIC RATIONALE

Why are you spinning off SpinCo? Why now?

We believe SpinCo and Flex will each be better positioned as focused, standalone companies to pursue their distinct strategies and create long-term shareholder value.

The data center industry is undergoing a generational transformation. AI workloads are driving unprecedented demand for power-dense, thermally efficient infrastructure, and the architecture of the data center is shifting toward modular systems that tightly integrate power, compute, and thermal management for rapid deployment and consistent performance at scale. We believe SpinCo will hold a leading position in the technologies enabling that transformation, with strong margins, attractive growth, and a proven M&A track record under Flex.

As an independent company, SpinCo is expected to benefit from a dedicated strategic focus and capital structure to capture this opportunity at scale. At the same time, Flex will be free to optimize its strategy and capital allocation around its core advanced manufacturing and supply chain solutions business.



How will this benefit shareholders?

We believe the spin-off will create value for shareholders by:

- Enabling each company to pursue its high-return investment opportunities with a tailored capital structure
- Allowing investors to value each business on its own merits, alongside the most relevant peer set
- Sharpening management focus and accountability at both companies

How will this benefit customers?

Both companies will continue to deliver the products, services, and partnership their customers expect — with deeper focus and faster decision-making. SpinCo will be purpose-built around the integrated power and thermal solutions critical to AI and digital infrastructure customers, while Flex will continue to serve its diverse global customer base across advanced manufacturing.

SPINCO PROFILE

What will SpinCo look like after the spin-off?

SpinCo will be a global critical digital infrastructure company, delivering end-to-end power and thermal management technologies and integrated infrastructure systems — from grid to rack — for AI data centers and other mission-critical applications.

SpinCo enables the scalable and reliable deployment of high-density digital and industrial infrastructure for diverse end markets, including AI data centers, hyperscale cloud, and utilities. SpinCo is well positioned to benefit from accelerating electrification and power-intensity trends while supporting customers' energy-efficiency, power-optimization, and decarbonization objectives.

How should investors think about SpinCo's market position?

SpinCo is a critical digital infrastructure company. Its earnings profile, growth drivers, customer base, and competitive set are aligned with leading peers in power and thermal infrastructure. SpinCo's products are differentiated, IP-rich, and engineered for the highest-density, most demanding deployments in the industry. SpinCo is unique in that it is the only company that combines critical power and embedded power solutions at scale.

What end markets will SpinCo serve?

SpinCo will serve AI and hyperscale data centers, enterprise and edge cloud, utility and grid infrastructure and other applications driven by electrification and rising power intensity.

What is SpinCo's growth strategy?

SpinCo expects to pursue growth through:

- Capacity expansion to meet rising AI infrastructure demand
- Continued innovation in next-generation power architectures, including high-voltage DC distribution
- Broadening its product and solution coverage from grid to chip
- Disciplined, accretive M&A, building on Flex's track record in the segment



FLEX GOING FORWARD

What will Flex look like after the spin-off?

Flex will be a focused global leader in advanced manufacturing and supply chain solutions, partnering with leading brands across automotive, industrial, healthcare, lifestyle, and communications end markets. Flex's strategy of disciplined execution, customer intimacy, and operational excellence will continue.

Will Flex's strategy change?

Flex's strategic direction in its core markets is expected to remain unchanged. The spin-off allows Flex to deepen its focus on its high-return opportunities and to allocate capital with the discipline its end markets demand.

LEADERSHIP & GOVERNANCE

Who is going to lead SpinCo?

Revathi Advaiti, current CEO of Flex, will become Chief Executive Officer of SpinCo. She will also serve as Chairman of the Board of Flex for a transitional period.

Who is going to lead Flex?

Michael Hartung, current Chief Commercial Officer of Flex, will become Chief Executive Officer of Flex.

When will the broader leadership team and Boards be announced?

Additional information about the leadership teams and Boards of Directors of both companies will be provided closer to the transaction date.

FINANCIAL & CAPITAL STRUCTURE

What is the anticipated capital structure?

We expect SpinCo to launch with investment-grade credit metrics and a capital structure appropriate for its growth profile. Additional details will be available in the Form 10.

What are the anticipated dis-synergies?

We expect modest ongoing dis-synergies as both companies establish standalone corporate functions, along with one-time tax and transaction-related costs. Additional detail will be provided closer to the transaction.

Where will SpinCo be headquartered?

Both Flex and SpinCo are expected to be headquartered in Austin, Texas. Updates on facilities and footprint will be shared closer to the transaction date.

MORE INFORMATION

Where can investors find more information?

Additional information will be available in the Form 10 Flex files with the SEC. Updates may also be posted to Flex's investor relations website at investors.flex.com.



FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding the planned spin-off of Flex's Cloud and Power Infrastructure segment, into an independent, publicly traded company; the expected timing of the spin-off and the ability to complete the spin-off; the anticipated benefits of the spin-off, including enhanced strategic focus, financial flexibility, and value creation for shareholders; the expected tax-free treatment of the spin-off for U.S. federal income tax purposes; the expected future performance of each company following completion of the spin-off; management changes and leadership of each company; and statements about business strategies, growth opportunities, market position, and financial outlook for each company. These forward-looking statements are based on current expectations, estimates, and assumptions involving risks and uncertainties that could cause actual outcomes and 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. Risks and uncertainties related to the proposed spin-off include, but are not limited to: uncertainties as to whether the spin-off will be completed and the timing thereof; the possibility that various conditions to the completion of the spin-off may not be satisfied or waived; the possibility that the spin-off will not qualify for the expected tax-free treatment for U.S. federal income tax purposes; the risk that the spin-off may be more difficult, time-consuming, or costly than expected, including the impact on Flex's resources, systems, procedures, and controls; the possibility that the strategic, operational, and financial benefits of the spin-off may not be achieved or may take longer to achieve than expected; the failure to obtain, or delays in obtaining, required legal, regulatory or other approvals necessary to complete the spin-off; disruption from the spin-off, including potential adverse effects on relationships with customers, suppliers, employees, and other business partners; competitive responses to the announcement or completion of the spin-off; diversion of management's attention from ongoing business operations; the possibility of disputes, litigation, or unanticipated costs in connection with the spin-off; uncertainty regarding the financial performance of either company following the spin-off; negative effects of the announcement or pendency of the spin-off on the market price of Flex's securities and/or on Flex's financial performance; the ability to achieve anticipated capital structures, credit ratings, and financing in connection with the spin-off; the ability to retain key personnel; impacts of geopolitical conflicts; and any changes in general economic and/or industry-specific conditions. Additional information concerning risks relating to our business is described under "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our most recent Annual Report on Form 10-K and in our subsequent filings with the U.S. Securities and Exchange Commission. All forward-looking statements are made as of the date hereof, and Flex assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by applicable law.