

Mid year un-audited financial statement

For the date of Sept 30th 2022

Flextronics International Kft

Tab, the 21st of December 2022



Laszlo Nagy
Managing Director

This report contains forward-looking statements within the meaning of U.S. securities laws, including: statements related to future expected revenues and earnings per share. 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: that we may not achieve our expected future operating results, including margins; the effects that the current and future macroeconomic environment, including inflation, rising interest rates, and currency exchange rate fluctuations, could have on our business and demand for our products; the impact of component shortages, fluctuations in the pricing or availability of raw materials, labor and energy, and logistical constraints, including their impact on our revenues; uncertainties and risks relating to our ability to successfully complete a transaction for our Nextracker business, including the potential initial public offering of our Nextracker business, including the possibility that we may not be able to consummate the transaction on the expected timeline or at all, or that we will achieve the anticipated benefits of the transaction; the possibility that we may not fully realize the projected benefits of the Anord Mardix acquisition, including our expectation that the acquisition will be accretive to our fiscal year 2023 adjusted earnings per share; geopolitical risk, including the termination and renegotiation of international trade agreements and trade policies, including the impact of tariffs and related regulatory actions; the war in Ukraine and escalating geopolitical tensions as a result of Russia's invasion of Ukraine, including the imposition of economic sanctions on Russia which could lead to disruption, instability, and volatility in global markets and negatively impact our operations and financial performance; the effects of the COVID-19 pandemic on our business, results of operations and financial condition; the effects that current and future 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 to us and our ability to pass through costs to our customers; the challenges of effectively managing our operations, including our ability to control costs and manage changes in our operations; retaining key personnel; litigation and regulatory investigations and proceedings; our compliance with legal and regulatory requirements; changes in laws, regulations, or policies that may impact our business, including those related to climate change; 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 industries that continually produce technologically advanced products with short product life cycles; the short-term nature of our customers' commitments and rapid changes in demand may cause supply chain issues, excess and obsolete inventory, and other issues which adversely affect our operating results; our dependence on a small number of customers; our industry is extremely competitive; we may be exposed to financially troubled customers or suppliers; the success of certain of our activities depends on our ability to protect our intellectual property rights and we may be exposed to claims of infringement or breach of license agreements; a breach of our IT or physical security systems, or violation of data privacy laws, may cause us to incur significant legal and financial exposure and disrupt our operations; physical and operational risks from natural disasters, severe weather events, or climate change; our ability to achieve sustainability goals; we may be exposed to product liability and

product warranty liability; 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.

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, 2022 and in subsequent quarterly reports on Form 10-Q. The forward-looking statements in this press release are based on current expectations and Flex assumes no obligation to update these forward-looking statements. 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.

This report does not constitute an offer to sell or the solicitation of an offer to buy any securities. Any securities to be offered in any offering may not be sold nor may offers to buy be accepted prior to the time a registration statement becomes effective.

Performance of the period 04.01.2022 – 09.30.2022

- Net revenue of 6 month changed from 1.1Bn€ (04.01.2021 – 09.30.2021) to 0.9bn€ (04.01.2022 – 09.30.2022)
- Operating income of 6 month from 16.9m€ [1.6%] (04.01.2021 – 09.30.2021) to 14.1m€ [1.6%] (04.01.2022 – 09.30.2022)
- Net working capital from 46m€ (at 09.30.2021) to 75m€ (at 09.30.2022)
(*Receivables + Inventory – Payables*)
- Liquidity from 1.19 (at 09.30.2021) to 1.15 (at 09.30.2022)
(*current assets + prepayments and accrued income*) / (*current liabilities + accruals and deferred income*)

As already indicated in the prior year statements, our consumer digital product line has been discontinued and the resources previously allocated to such product line were reallocated to our automotive and lifestyle businesses. The products for our automotive and lifestyle businesses generally have lower material content than the products for our consumer digital business, and revenue per unit is in the aggregate lower.

The increase in net working capital is driven by an increase in inventory due to strong demand as well as component shortages in the supply chain, in particular semiconductors, and logistics challenges driving up buffer stock. We are proactively working with our partners to secure needed parts and fulfill demand, while also rebalancing safety and buffer stock requirements. While we are actively managing these impacts, we may experience continued working capital pressure in the near future.

We continued to invest in our business to expand our capabilities and capacity, support new program launches and maintain competitiveness, including investing in the area of automation in our operations and shop floor logistics.

Unaudited statement of profit or loss (kEUR)

	04.01.2021 - 09.30.2021	04.01.2022 - 09.30.2022
I. NET SALES REVENUE	1,051,309	876,849
II. OWN PERFORMANCE CAPITALIZED	-12,272	4,183
III. OTHER INCOME	15,221	18,656
IV. MATERIAL COSTS	946,586	798,766
V. STAFF COSTS	62,399	59,219
VI. DEPRECIATION	10,414	10,860
VII. OTHER OPERATING CHARGES	17,889	16,768
A OPERATING (TRADING) PROFIT	16,971	14,075
IX. INCOME FROM FINANCIAL TRANSACTIONS	35,965	64,312
X. EXPENSES ON FINANCIAL TRANSACTIONS	35,710	71,439
B PROFIT OR LOSS FROM FINANCIAL TRANSACTIONS	255	-7,126
C PROFIT OR LOSS ON ORDINARY ACTIVITIES	17,226	6,949
XI. EXTRAORDINARY INCOME	0	0
XII. EXTRAORDINARY EXPENSES	0	0
D EXTRAORDINARY PROFIT OR LOSS	0	0
E PROFIT BEFORE TAX	17,226	6,949
XIII. TAX PAYABLE	146	393
F PROFIT AFTER TAX	17,080	6,556
G PROFIT OR LOSS FOR THE YEAR	17,080	6,556

Unaudited statement of financial position: assets (kEUR)

	03.31.2022	09.30.2022
A <u>FIXED ASSETS</u>	428,719	407,616
I. INTANGIBLE ASSETS	228	235
II. TANGIBLE ASSETS	115,827	124,780
III. FINANCIAL INVESTMENTS	312,663	282,601
B <u>CURRENT ASSETS</u>	838,423	960,998
I INVENTORIES	236,899	295,632
II. RECEIVABLES	596,134	661,652
III. SECURITIES	0	0
IV. LIQUID ASSETS	5,391	3,714
C <u>PREPAYMENTS AND ACCRUED INCOME</u>	59,566	71,494
<u>TOTAL ASSETS</u>	1,326,708	1,440,108

Unaudited statement of financial position: liabilities (kEUR)

	03.31.2022	09.30.2022
D. SHAREHOLDERS' EQUITY	293,523	300,079
I. ISSUED CAPITAL	5,591	5,591
II. ISSUED CAPITAL UNPAID (-)	0	0
III. CAPITAL RESERVE	61,635	61,635
IV. ACCUMULATED PROFIT RESERVE	79,983	117,517
V. TIED-UP RESERVE	108,780	108,780
VI. REVALUATION RESERVE	0	0
VII. PROFIT OR LOSS FOR THE YEAR	37,534	6,556
E. PROVISIONS	5,930	5,734
F. LIABILITIES	950,209	1,031,014
I. SUBORDINATED LIABILITIES	0	0
II. LONG-TERM LIABILITIES	270,550	237,299
III. CURRENT LIABILITIES	679,659	793,716
G. ACCRUALS AND DEFERRED INCOME	77,046	103,281
TOTAL EQUITY AND LIABILITIES	1,326,708	1,440,108