



Q1 FY26

# Earnings Presentation

Quarter End: June 27, 2025

Earnings Announcement: July 24, 2025



# Risks and non-GAAP disclosures

This presentation contains forward-looking statements within the meaning of U.S. securities laws, including statements related to our future financial results and our guidance for future financial performance (including expected revenues, operating income, margins and earnings per share). These forward-looking statements are based on current expectations, forecasts and assumptions involving risks and uncertainties that could cause the 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. These risks include: that we may not achieve our expected future operating results; the effects that the current and future macroeconomic environment, including inflationary pressures, currency volatility, stagflation, slower economic growth or recession, and high or rising interest rates, could have on our business and demand for our products; geopolitical uncertainties and risks, including impacts from trade conflicts, the termination and renegotiation of international trade agreements and trade policies, a further escalation of sanctions, tariffs or other trade tensions between the U.S. and China or other countries, or the ongoing conflicts between Russia and Ukraine and in the Middle East, any of which could lead to disruption, instability, and volatility in global markets and negatively impact our operations and financial performance; supply chain disruptions, logistical constraints, manufacturing interruptions or delays, or the failure to accurately forecast customer demand; our dependence on industries that continually produce technologically advanced products with short product life cycles; the impact of fluctuations in the pricing or availability of raw materials and components, labor and energy; 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; that the expected revenue and margins from recently launched programs may not be realized; the challenges of effectively managing our operations, including our ability to control costs and manage changes in our operations; the possibility that benefits of our restructuring actions may not materialize as expected; 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 adversely affect our operations; risks associated with acquisitions and divestitures, including the possibility that we may not fully realize their projected benefits; hiring and retaining key personnel; that recent changes or future changes in tax laws in certain jurisdictions where we operate could materially impact our tax expense; litigation and regulatory investigations and proceedings; risks related to the spin-off of Nextracker, and the transactions related thereto, including the qualification of these transactions for their intended tax treatment; the impact and effects on our business, results of operations and financial condition of union disputes or other labor disruptions as well as unforeseen or catastrophic events; 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 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, misuse or breach of license agreements; physical and operational risks from natural disasters, severe weather events, or climate change; we may be exposed to product liability and product warranty liability; we may be exposed to financially troubled customers or suppliers; our compliance with legal and regulatory requirements; changes in laws, regulations, or policies that may impact our business, including those related to trade policy and tariffs and climate change; our ability to meet sustainability, including environmental, social and governance, expectations or standards or achieve sustainability goals.

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 most recent Annual Report on Form 10-K and in our subsequent filings with the U.S. Securities and Exchange Commission. Flex assumes no obligation to update any forward-looking statements, which speak only as of the date they are made.

The figures presented in this presentation have been rounded. This may lead to individual values not adding up to the totals presented.

The following business segment acronyms will be used throughout this presentation:



- Industrial:** industrial devices, capital equipment, renewables, critical power, and embedded power.
- Automotive:** compute platforms, power electronics, motion and interface.
- Health Solutions:** medical devices, medical equipment, and drug delivery.



- CEC:** data center, edge, and communications infrastructure.
- Lifestyle:** appliances, floorcare, smart living, HVAC, and power tools.
- Consumer Devices:** including mobile and high-velocity consumer devices.

# Business update

**Revathi Advaiti**

Chief Executive Officer

# Executive summary

## Q1 FINANCIAL PERFORMANCE

Revenue	Adj. operating income	Adj. operating margin	Adj. net income	Adj. earnings per share
\$6.6B	\$395M	6.0%	\$274M	\$0.72

## BUSINESS UPDATES

### FINANCIAL

**Margins:** +120bps Y/Y and a record Q1 adjusted operating margin  
**Earnings per Share:** +40% Y/Y and a record Q1 adjusted EPS

### COMPANY

**Index Inclusion:** Added to the Russell Index  
**MIT Collaboration:** Initiative for New Manufacturing with AI and Automation

### PORTFOLIO

**Data Center:** Strong growth supported by power, cooling, and IT hardware  
**Power Expansion:** Enhancing our databar, power distribution units, and remote power panels production

### AWARDS


**2025 Manufacturing Leadership Award:** Digital Supply Chain Award for Flex Pulse Network Design  
**Ford 2025 Sustainability Supplier of the Year**





# Power and compute: winning solutions for the data center


Reliability						Agility			
Health Solutions		Automotive		Industrial		CEC		Lifestyle	Consumer Devices
				Power		Cloud			


ABOVE AND AROUND THE RACK

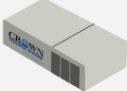
  
LV & MV switch gear


  
Power distribution units (PDU)

  
Remote power panels (RPP)


  
Busway


  
Power Pods


  
Utility control building

  
Metering


IT HARDWARE


  
Custom compute


  
Racks & enclosures


  
Fully integrated racks


IN THE RACK


  
Power modules

  
Vertical Power Delivery (VPD)


  
Capacitive energy storage


  
Power shelves

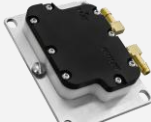
  
Battery backup units (BBUs)


  
Power supplies

LIQUID COOLING

  
SmartPlate™ System Liquid-Assisted Air Cooling

  
SmartPlate™ cold plate

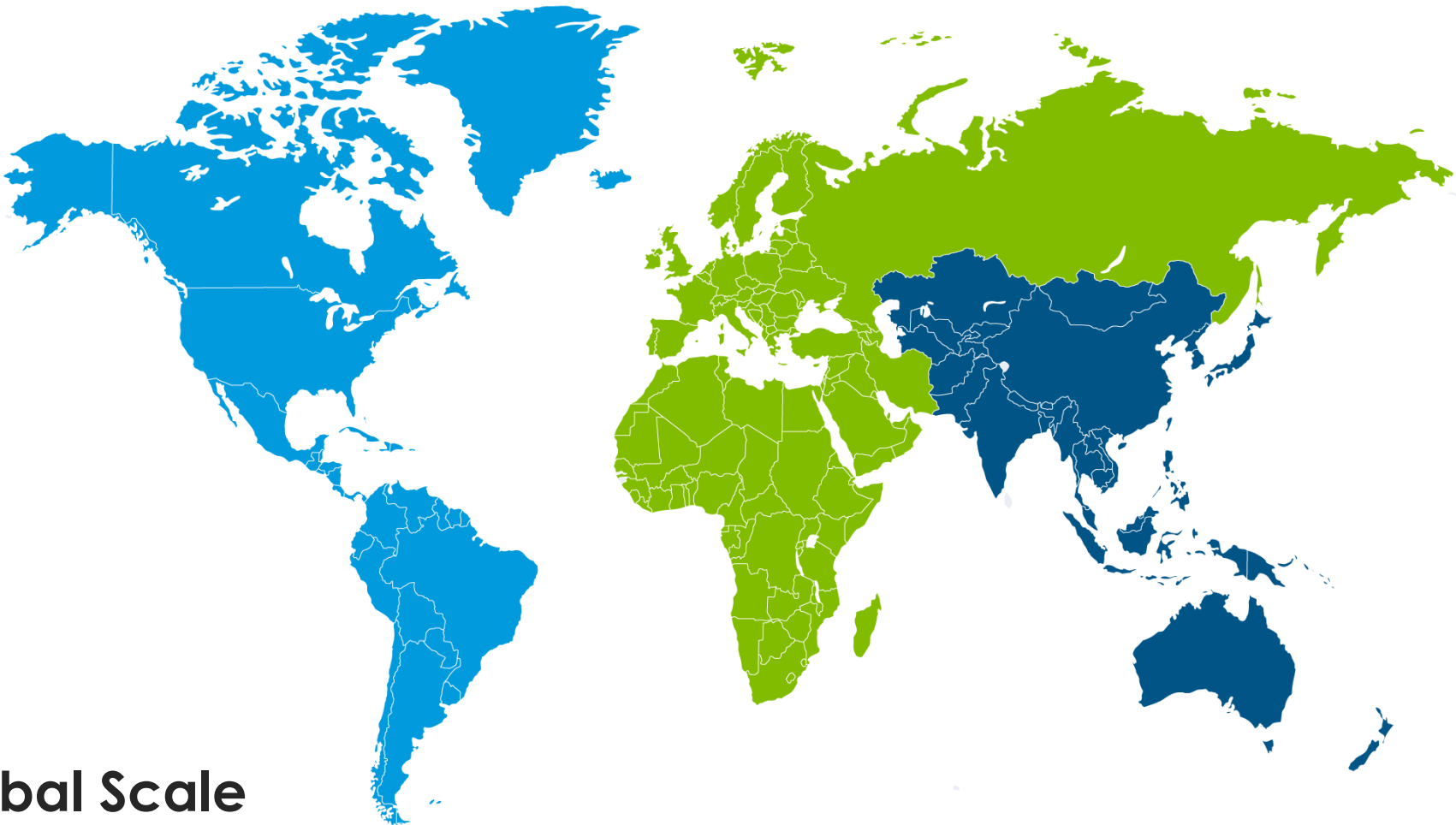
  
SmartLid™ cold plate

  
SmartSense coolant distribution unit (CDU)

Total Data Center Revenue  
\$6.5B FY26E  
+35% Y/Y

# Our unmatched global footprint enables regionalization

Reaching across every major geography and powered by a world-class workforce that delivers precision at scale



## Global Scale

### Americas

18M square feet  
35+ locations

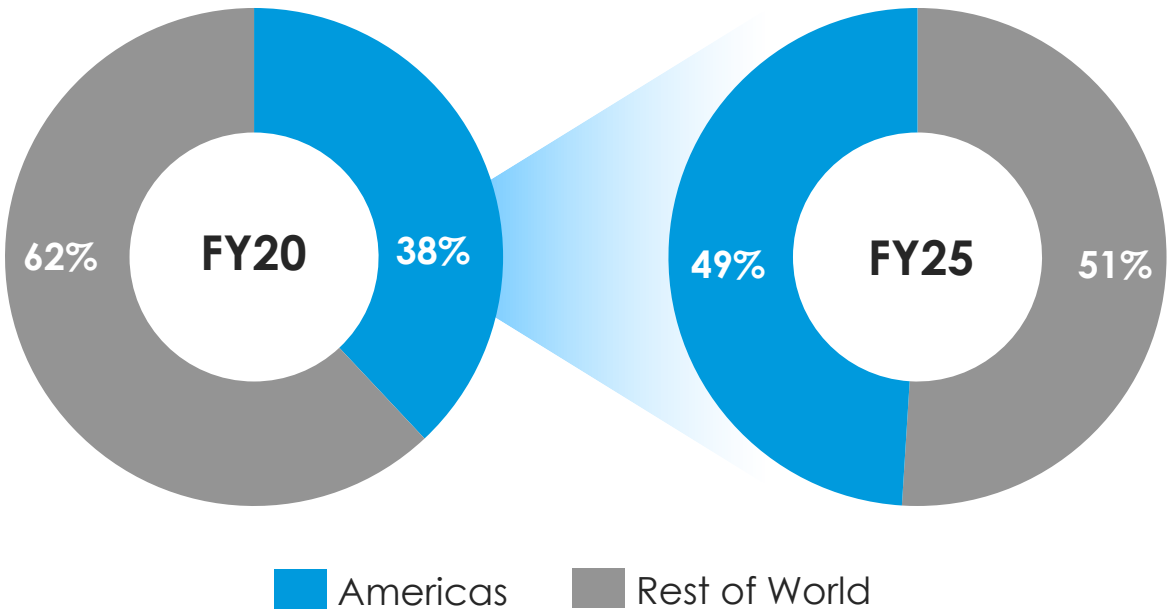
### Europe, Middle East, and Africa (EMEA)

12M square feet  
35+ locations

### Asia

19M square feet  
40+ locations

Americas Revenue Contribution FY20-FY25



# Financials

**Kevin Krumm**  
Chief Financial Officer

# Key financials

	Q1FY25	Q1FY26
FLEX		
Revenue	\$6,314M	<b>\$6,575M</b>
Adj. Gross Profit / Margin	\$495M / 7.8%	<b>\$596M / 9.1%</b>
Adj. Operating Income / Margin	\$306M / 4.8%	<b>\$395M / 6.0%</b>
Adj. Earnings Per Share	\$0.51	<b>\$0.72</b>
GAAP Earnings Per Share	\$0.34	<b>\$0.50</b>

- Strong execution in a dynamic environment
- Robust data center growth across both Cloud and Power end markets
- Solid Y/Y margin expansion supported by strong execution and disciplined cost management

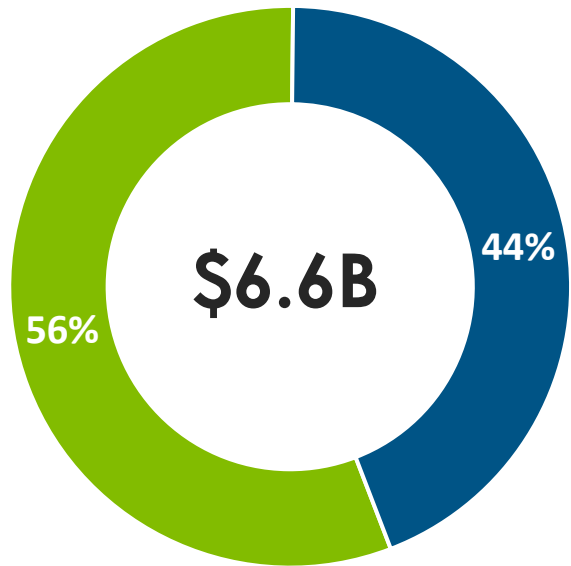
See Appendix for GAAP to non-GAAP reconciliations.



# Segment performance

	REVENUE		ADJ. OPERATING INCOME		ADJ. OPERATING MARGIN	
	(\$B)	Y/Y GROWTH	(\$M)	Y/Y GROWTH	%	Y/Y CHANGE
RELIABILITY	\$2.9	(2%)	\$172	17%	6.0%	100 bps
AGILITY	\$3.7	10%	\$240	34%	6.5%	120 bps
CORPORATE SERVICES AND OTHER <sup>A</sup>	--	--	(\$17)	--	--	--
TOTAL	\$6.6	4%	\$395	29%	6.0%	120 bps

TOTAL FLEX REVENUE



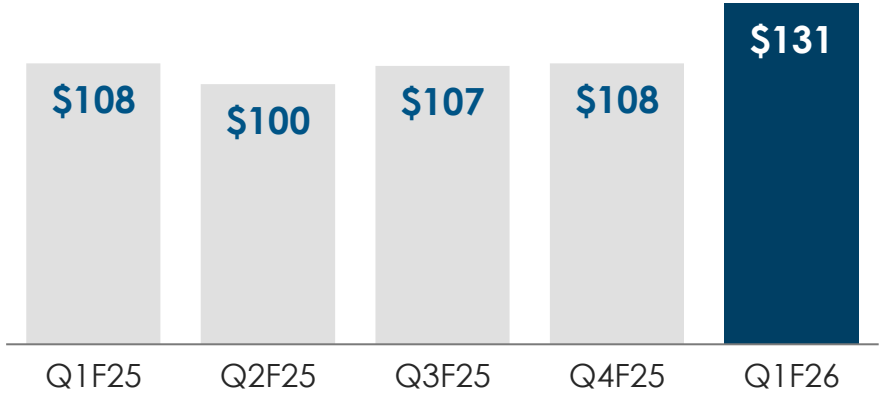
A. Corporate Services and Other includes centralized administrative costs that are not included in the assessment of the performance of each of the identified segments. See Appendix for GAAP to non-GAAP reconciliations.

# Cash flow overview

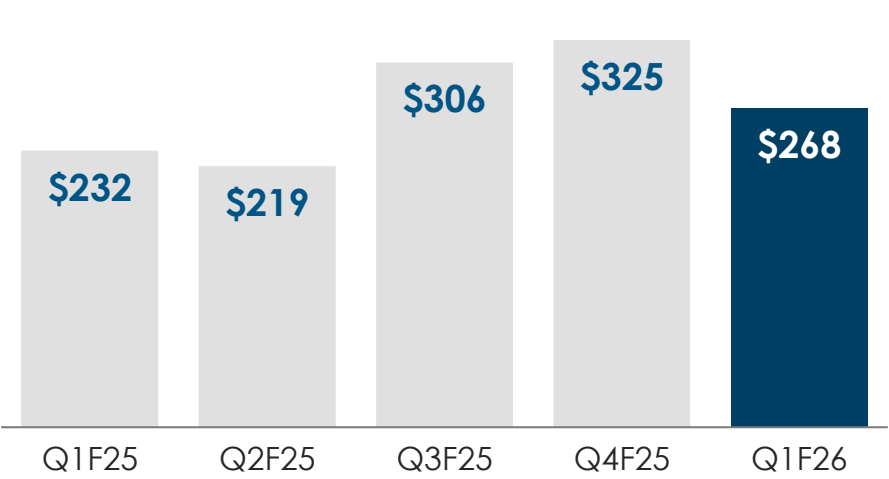
(\$M)	Q1FY26
<b>GAAP NET INCOME</b>	<b>\$192</b>
Depreciation, Amortization and other Impairment Charges	142
Change in Working Capital and other, net	65
<b>OPERATING CASH FLOW</b>	<b>399</b>
Capital expenditures, net <sup>A</sup>	(131)
<b>ADJ. FREE CASH FLOW</b>	<b>268</b>
Payments for Share Repurchases	(247)
Other Investing, Financing, and FX, net	(71)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(\$50)</b>

A. Capital expenditures, net is calculated as purchases of property and equipment minus proceeds from the disposition of property and equipment. See Appendix for GAAP to non-GAAP reconciliations.

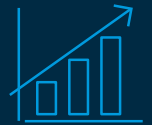
CAPITAL EXPENDITURES, NET <sup>A</sup> (\$M)



ADJ. FREE CASH FLOW (\$M)



# FY26 Guidance



**\$25.9 - \$27.1B** revenue



**6.0% - 6.1%** adj. operating margin<sup>A</sup>



**\$2.86 - \$3.06** adj. earnings per share<sup>B</sup>



**>80%** adj. free cash flow conversion

## Current Market Assumptions & Outlook

- Guidance based on current demand indicators
- Expect to reach FY27 goal for 6%+ adj. operating margin *one year early*
- Strong contractual protection for tariff pass-throughs

A. Adjusted operating margin does not include the impact of approximately 0.6% for stock-based compensation, 0.2% for intangible amortization and 0.1% for restructuring and other charges when compared to GAAP operating margin.

B. Adjusted earnings per share excludes \$0.35 for net stock-based compensation expense, \$0.15 for net intangible amortization, and \$0.09 for net restructuring and other charges included in GAAP earnings per share.



# FY26 Revenue expectations

Balancing growth in key markets & managing mix against continued macro uncertainty

RELIABILITY	Down low-single digit to up mid-single digit
Industrial	Ongoing strong demand in data center power balanced against soft renewables, core industrial
Health Solutions	Steady medical device demand, anticipated recovery in medical equipment in late FY26
Automotive	Broader demand trends and evolving macro environment remain key uncertainties
AGILITY	Up low-single digit to up mid-single digit
CEC	Continued strong cloud and AI demand, networking share gains
Lifestyle	Growth supported by recently established strategic manufacturing partnership; indirect tariff exposure may weigh on consumer sentiment
Consumer Devices	Expecting softer consumer demand

# Q2 FY26 Guidance

RELIABILITY	Down low-single digit to up low-single digit
AGILITY	Up low-single digit to up mid-single digit

Revenue \$6.5B - \$6.8B	Adj. operating income <sup>A</sup> \$375M - \$415M GAAP \$322M - \$362M	Adj. earnings per share <sup>B</sup> \$0.70 - \$0.78 GAAP \$0.58- \$0.66
Interest expense \$38M	Adj. income tax rate 21%	Weighted avg. shares outstanding 381M

A. Adjusted operating income excludes approximately \$37 million for stock-based compensation expense and \$16 million for intangible amortization, compared to GAAP operating income.  
B. Adjusted earnings per share excludes \$0.09 for net stock-based compensation expense and \$0.03 for net intangible amortization included in GAAP earnings per share.



# Thank you.

For more information, please  
visit [investors.flex.com](https://investors.flex.com)



# Appendix

# Appendix: Reconciliation of GAAP to Non-GAAP Measures

	Quarter-ended June 27, 2025		Quarter-ended March 31, 2025		Quarter-ended June 28, 2024		Quarter-ended March 31, 2024	
(\$ in Millions)		% of revenue		% of revenue		% of revenue		% of revenue
GAAP gross profit	\$572	8.7%	\$563	8.8%	\$471	7.5%	\$437	7.1%
Stock-based compensation expense	8		8		8		7	
Restructuring charges	16		27		16		74	
Customer related asset impairment	-		4		-		14	
Non-GAAP gross profit	\$596	9.1%	\$602	9.4%	\$495	7.8%	\$532	8.6%

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 press releases and summary financials of the respective periods.

# Appendix: Reconciliation of GAAP to Non-GAAP Measures

	Quarter- ended	Quarter- ended	Quarter- ended	Quarter- ended
	June 27, 2025	March 31, 2025	June 28, 2024	March 31, 2024
(\$ in Millions)				
GAAP operating income	\$311	\$305	\$233	\$159
Intangible amortization	21	21	16	16
Stock-based compensation expense	34	32	32	27
Restructuring charges	23	30	25	75
Customer related asset impairment	-	4	-	14
Legal and other	6	4	-	42
Non-GAAP operating income	\$395	\$396	\$306	\$333
GAAP operating margin	4.7%	4.8%	3.7%	2.6%
Non-GAAP operating margin*	6.0%	6.2%	4.8%	5.4%

\*We calculate our Non-GAAP operating margin as non-GAAP operating income divided by revenue for the respective periods.

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 press releases and summary financials of the respective periods.

# Appendix: Reconciliation of GAAP to Non-GAAP Measures

	Quarter- ended	Quarter- ended	Quarter- ended	Quarter- ended
(\$ in Millions, except for EPS)	June 27, 2025	March 31, 2025	June 28, 2024	March 31, 2024
GAAP net income	\$192	\$222	\$139	\$395
Intangible amortization	21	21	16	16
Stock-based compensation expense	34	32	32	27
Restructuring charges	23	30	25	75
Customer related asset impairment	-	4	-	14
Legal and other	6	4	-	42
Interest and other, net	-	(20)	-	-
Equity in (earnings) losses of unconsolidated affiliates	17	-	-	(6)
Adjustments for taxes	(19)	(8)	(1)	(319)
Non-GAAP net income	\$274	\$285	\$211	\$244
Diluted earnings per share				
GAAP	\$0.50	\$0.57	\$0.34	\$0.93
NON-GAAP	\$0.72	\$0.73	\$0.51	\$0.57
Diluted shares used in computing per share amounts	381	389	411	425

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 press releases and summary financials of the respective periods.

# Appendix: Reconciliation of GAAP to Non-GAAP Measures

	Quarter- ended
	June 27, 2025
(\$ in Millions)	
Segment income:	
Flex Agility Solutions	\$240
Flex Reliability Solutions	172
Corporate and Other*	(17)
Total segment income:	\$395
Operating margin**:	
Flex Agility Solutions	6.5%
Flex Reliability Solutions	6.0%

	Quarter- Ended
	June 27, 2025
(\$ in Millions)	
<b>Reconciliation of segment income</b>	
GAAP Operating Income	\$311
Intangible amortization	21
Stock-based compensation expense	34
Restructuring charges	23
Legal and other	6
Total segment income	\$395

\*Corporate and Other includes centralized administrative costs that are not included in the assessment of the performance of each of the identified segments.

\*\*We calculate our segment operating margin as segment income divided by revenue for respective periods.

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 press releases and summary financials of the respective periods.



# Appendix: Reconciliation of GAAP to Non-GAAP Measures

	Quarter- ended	Quarter- Ended	Quarter- ended	Quarter- ended	Quarter- ended	Quarter- ended
(\$ in Millions)	June 27, 2025	March 31, 2025	December 31, 2024	September 27, 2024	June 28, 2024	March 31, 2024
Net cash provided by operating activities	\$399	\$433	\$413	\$319	\$340	\$679
Net capital expenditures	(131)	(108)	(107)	(100)	(108)	(77)
Adjusted free cash flow*	\$268	\$325	\$306	\$219	\$232	\$602

\*Adjusted free cash flow is calculated as operating cash flow for the quarter less purchases of property and equipment, net of proceeds from the disposition of property equipment, or net capital expenditures. Adjusted free cash flow is a non-GAAP financial measure and may not be defined and calculated by other companies in the same manner.

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 press releases and summary financials of the respective periods.

