# FLEX
## RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES
**(In millions, except percentages and per share amounts)**

| | Q1 FY26 | | Q2 FY26 | | Q3 FY26 | | Q4 FY26 | | YTD FY26 | | Q1 FY27 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Sales** | $ 6,575 | | $ 6,804 | | $ 7,058 | | $ 7,477 | | $ 27,914 | | $ 7,928 | |
| | | | - | | - | | - | | - | | - | |
| **GAAP gross profit** | $ 572 | 8.7% | $ 614 | 9.0% | $ 679 | 9.6% | $ 702 | 9.4% | $ 2,567 | 9.2% | $ 747 | 9.4% |
| Stock-based compensation expense [1] | 8 | | 9 | | 9 | | 8 | | 34 | | 7 | |
| Restructuring charges [3] | 16 | | 9 | | 4 | | 27 | | 56 | | 3 | |
| Customer related asset impairment (recoveries) [4] | - | | - | | (2) | | - | | (2) | | - | |
| Legal and other [5] | - | | - | | - | | - | | - | | 4 | |
| **Non-GAAP gross profit** | $ 596 | 9.1% | $ 632 | 9.3% | $ 690 | 9.8% | $ 737 | 9.9% | $ 2,655 | 9.5% | $ 761 | 9.6% |
| **GAAP SG&A expenses** | $ 233 | 3.5% | $ 260 | 3.8% | $ 270 | 3.8% | $ 289 | 3.9% | $ 1,052 | 3.8% | $ 334 | 4.2% |
| Stock-based compensation expense [1] | (26) | | (28) | | (28) | | (26) | | (108) | | (44) | |
| Legal and other [5] | (6) | | (9) | | (12) | | (26) | | (53) | | (63) | |
| **Non-GAAP SG&A expenses** | $ 201 | 3.1% | $ 223 | 3.3% | $ 230 | 3.3% | $ 237 | 3.2% | $ 891 | 3.2% | $ 227 | 2.9% |
| **GAAP operating income** | $ 311 | 4.7% | $ 296 | 4.4% | $ 389 | 5.5% | $ 372 | 5.0% | $ 1,368 | 4.9% | $ 392 | 4.9% |
| Intangible amortization [2] | 21 | | 16 | | 15 | | 16 | | 68 | | 23 | |
| Stock-based compensation expense [1] | 34 | | 37 | | 37 | | 34 | | 142 | | 51 | |
| Restructuring and impairment charges [3] | 23 | | 51 | | 9 | | 52 | | 135 | | 1 | |
| Customer related asset impairment (recoveries) [4] | - | | - | | (2) | | - | | (2) | | - | |
| Legal and other [5] | 6 | | 9 | | 12 | | 26 | | 53 | | 67 | |
| **Non-GAAP operating income** | $ 395 | 6.0% | $ 409 | 6.0% | $ 460 | 6.5% | $ 500 | 6.7% | $ 1,764 | 6.3% | $ 534 | 6.7% |
| **GAAP provision for income taxes** | $ 54 | 22.0% | $ 63 | 24.0% | $ 81 | 25.3% | $ 65 | 20.6% | $ 263 | 23.0% | $ 92 | 24.4% |
| Intangible amortization [2] | 5 | | 3 | | 4 | | 3 | | 15 | | 5 | |
| Other tax related adjustments [8] | 14 | | 14 | | 1 | | 25 | | 54 | | 2 | |
| **Non-GAAP provision for income taxes** | $ 73 | 21.0% | $ 80 | 21.1% | $ 86 | 20.9% | $ 93 | 21.1% | $ 332 | 21.0% | $ 99 | 20.9% |
| **GAAP net income** | $ 192 | | $ 199 | | $ 239 | | $ 250 | | $ 880 | | $ 285 | |
| Intangible amortization [2] | 21 | | 16 | | 15 | | 16 | | 68 | | 23 | |
| Stock-based compensation expense [1] | 34 | | 37 | | 37 | | 34 | | 142 | | 51 | |
| Restructuring and impairment charges [3] | 23 | | 51 | | 9 | | 52 | | 135 | | 1 | |
| Customer related asset impairment (recoveries) [4] | - | | - | | (2) | | - | | (2) | | - | |
| Legal and other [5] | 6 | | 9 | | 12 | | 26 | | 53 | | 67 | |
| Interest and other, net [6] | - | | (3) | | 21 | | (2) | | 16 | | (46) | |
| Equity in losses of unconsolidated affiliates [7] | 17 | | 8 | | - | | - | | 25 | | - | |
| Adjustments for taxes [8] | (19) | | (17) | | (5) | | (28) | | (69) | | (7) | |
| **Non-GAAP net income** | $ 274 | | $ 300 | | $ 326 | | $ 348 | | $ 1,248 | | $ 374 | |
| **Diluted earnings per share:** | | | | | | | | | | | | |
| GAAP | $ 0.50 | | $ 0.52 | | $ 0.64 | | $ 0.67 | | $ 2.33 | | $ 0.76 | |
| Non-GAAP | $ 0.72 | | $ 0.79 | | $ 0.87 | | $ 0.93 | | $ 3.30 | | $ 1.00 | |
| Diluted shares used in computing per share amounts | 381 | | 380 | | 376 | | 374 | | 378 | | 374 | |

(1) to (8) Refer to page 2 for the descriptions of these footnot

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

(1) Stock-based compensation expense consists of non-cash charges for the estimated fair value of unvested restricted share units granted to employees and assumed in business acquisitions. The Company believes that the exclusion of these charges provides for more accurate comparisons of its operating results to peer companies due to the varying available valuation methodologies, subjective assumptions and the variety of award types. In addition, the Company believes it is useful to investors to understand the specific impact stock-based compensation expense has on its operating results.

(2) Intangible amortization consists primarily of non-cash charges that can be impacted by, among other things, the timing and magnitude of acquisitions. The Company considers its operating results without these charges when evaluating its ongoing performance and forecasting its earnings trends, and therefore excludes such charges when presenting non-GAAP financial measures. The Company believes that the assessment of its operations excluding these costs is relevant to its assessment of internal operations and comparisons to the performance of its competitors.

(3) Restructuring and impairment charges include severance charges at existing sites and corporate SG&A functions as well as asset impairment, and other charges related to the closures and consolidations of certain operating sites and targeted activities to restructure the business. These costs also include asset impairment charges related to assets significantly impacted by the geopolitical events on the basis of management's best estimate of the recoverable value of assets.  These costs may vary in size based on the Company’s initiatives, are not directly related to ongoing or core business results, and do not reflect expected future operating expenses. These costs are excluded by the Company’s management in assessing current operating performance and forecasting its earnings trends and are therefore excluded by the Company from its non-GAAP measures.

During the three-month period ended June 26, 2026, and June 27, 2025, the Company recognized approximately $1 million, and $23 million of restructuring charges, respectively, most of which related to employee severance. During the fiscal year 2026, the Company recognized approximately $84 million of restructuring charges, most of which related to employee severance.

During the fiscal year 2026, the Company recognized $51 million, in asset impairments, inventory write-downs and other charges as a result of an August 21, 2025 missile strike on the Company’s Mukachevo, Ukraine operations located in Western Ukraine. The August 21, 2025 missile strike represents an unusual and infrequent event as hostilities related to the Russian invasion of Ukraine have been primarily focused in Eastern Ukraine. The missile strike caused substantial destruction, disrupted Mukachevo’s normal operations and Flex initiated contingency manufacturing plans at alternative manufacturing facilities. The Company expects additional immaterial near-term inefficiencies as Mukachevo’s operations are restored.

(4) Customer related asset impairments (recoveries) may consist of non-cash impairments of property and equipment to estimated fair value for customers from whom we have disengaged or are in the process of disengaging as well as additional provisions for doubtful accounts receivable for customers that are experiencing financial difficulties and inventory that is considered non-recoverable that is written down to net realizable value. In subsequent periods, the Company may recover a portion of the costs previously incurred related to assets impaired or reduced to net realizable value. During the fiscal year 2026, the Company recognized $2 million of customer related asset recoveries. These costs are excluded by the Company’s management in assessing current operating performance and forecasting its earnings trends and are therefore excluded by the Company from its non-GAAP measures. No such costs were incurred in first quarter of fiscal year 2027.

(5) Legal and other consist primarily of costs not directly related to core business results and may include matters relating to commercial disputes, government regulatory and compliance, intellectual property, antitrust, tax, employment or shareholder issues, product liability claims and other costs such as acquisition, portfolio optimization related costs and asset impairment. These costs are excluded by the Company’s management in assessing current operating performance and forecasting its earnings trends and are therefore excluded by the Company from its non-GAAP measures. During the three month period ended June 26, 2026, the Company incurred approximately $53 million primarily related to the planned spin-off of its Cloud and Power Infrastructure segment into a separate publicly traded company as well as $14 million of acquisition costs. During the fiscal year 2026, the Company incurred approximately $53 million primarily related to the planned spin-off of its Cloud and Power Infrastructure segment into a separate publicly traded company combined with other portfolio optimization costs.

(6) Interest and other, net consist of various other types of items that are not directly related to ongoing or core business results, such as the gain or losses related to certain divestitures, currency translation reserve write-offs upon liquidation of certain legal entities, debt extinguishment costs and impairment charges or gains associated with certain non-core investments. The Company excludes these items because they are not related to the Company’s ongoing operating performance or do not affect core operations. During the three month period ended June 26, 2026, the Company recognized a $46 million gain on the divestiture of a subsidiary.  During the fiscal year 2026, the Company incurred $16 million predominantly related to an impairment of a non-core unconsolidated cost method investment. Excluding these amounts provides investors with a basis to compare Company performance against the performance of other companies without this variability.

(7) Equity in losses of unconsolidated affiliates consists of various other types of items that are not directly related to ongoing or core business results, such as significant gains or losses associated with certain non-core investments. The Company excludes these items because they are not related to the Company’s ongoing operating performance or do not affect core operations. Excluding these amounts provides investors with a basis to compare Company performance against the performance of other companies without this variability. During the fiscal year 2026, the Company recognized approximately $25 million of equity in losses from a reduced valuation of a certain non-core investment fund. No such costs were incurred in first quarter of fiscal year 2027

(8) Adjustments for taxes relates to the tax effects of the various adjustments that we incorporate into non-GAAP measures in order to provide a more meaningful measure on non-GAAP net income and certain adjustments related to non-recurring settlements of tax contingencies or other non-recurring tax charges, when applicable. Effective in fiscal year 2026, the Company adopted an annual normalized tax rate for the purpose of determining the tax effect of non-GAAP adjustments. In estimating the normalized tax rate, the Company utilizes a full-year projection of earnings that considers the mix of earnings across tax jurisdictions, existing tax positions and other significant tax matters. During the three-month periods ended June 26, 2026, and June 27, 2025, the Company recognized $7 million and $19 million net tax benefits, respectively, related to the tax effects of various adjustments that are incorporated into non-GAAP measures on restructuring and other. During the fiscal year 2026, the Company recognized $69 million net tax benefits, related to the tax effects of various adjustments, that included a charge to income tax expense of $19 million related to the resolution of a tax dispute with a foreign tax authority related to fiscal years 2010 through 2020.

(9) Free cash flow is an important liquidity metric because it measures, during a given period, the amount of cash generated that is available to repay debt obligations, make investments, fund acquisitions, repurchase company shares and for certain other activities. The Company's free cash flow is defined as cash flows from operating activities, less net purchases of property and equipment and proceeds from the disposition of property and equipment ("net capital expenditures"), allowing us to present free cash flow on a consistent basis for investors.

During the three month periods ended June 26, 2026 and June 27, 2025, the Company recognized $41 million and $268 million of free cash inflow, respectively. Free Cash Flow for the three month period ended June 26, 2026, was negatively impacted by $24 million of separation costs incurred in connection with the spin-off of Flex's Cloud & Power Infrastructure segment. During the twelve-month period ended March 31, 2026, the Company recognized $1,060 million of free cash inflow. Free cash flow is not a measure of liquidity under U.S. GAAP, and may not be defined and calculated by other companies in the same manner.

# FLEX
## UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
**(In millions)**

| | FISCAL 2026 | | | | FISCAL 2027 |
|---|---|---|---|---|---|
| | Q1 | Q2 | Q3 | Q4 | Q1 |
| **ASSETS** | | | | | |
| Current assets: | | | | | |
| Cash and cash equivalents | $ 2,239 | $ 2,249 | $ 3,057 | $ 2,389 | $ 2,840 |
| Accounts receivable, net of allowance | 3,924 | 3,857 | 3,837 | 4,679 | 5,036 |
| Contract assets | 751 | 819 | 881 | 1,063 | 1,386 |
| Inventories | 5,208 | 5,270 | 5,549 | 5,845 | 6,453 |
| Other current assets | 1,345 | 1,647 | 1,828 | 2,356 | 2,522 |
| Total current assets | 13,467 | 13,842 | 15,152 | 16,332 | 18,237 |
| Property and equipment, net | 2,329 | 2,352 | 2,393 | 2,505 | 2,655 |
| Operating lease right-of-use assets, net | 686 | 703 | 667 | 659 | 794 |
| Goodwill | 1,369 | 1,375 | 1,375 | 1,369 | 1,831 |
| Other intangible assets, net | 330 | 314 | 300 | 283 | 736 |
| Other non-current assets | 951 | 960 | 933 | 912 | 945 |
| Total non-current assets | 5,665 | 5,704 | 5,668 | 5,728 | 6,961 |
| Total assets | $ 19,132 | $ 19,546 | $ 20,820 | $ 22,060 | $ 25,198 |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | | | | |
| Current liabilities: | | | | | |
| Bank borrowings and current portion of long-term debt | $ 677 | $ 676 | $ 675 | $ - | $ - |
| Accounts payable | 5,799 | 6,125 | 6,482 | 8,055 | 9,195 |
| Accrued payroll and benefits | 494 | 568 | 590 | 671 | 579 |
| Deferred revenue and customer working capital advances | 1,876 | 1,914 | 1,959 | 2,156 | 2,053 |
| Other current liabilities | 1,075 | 1,091 | 1,150 | 1,134 | 1,393 |
| Total current liabilities | 9,921 | 10,374 | 10,856 | 12,016 | 13,220 |
| Long-term debt, net of current portion | 3,004 | 3,013 | 3,760 | 3,751 | 5,219 |
| Operating lease liabilities, non-current | 583 | 604 | 583 | 565 | 711 |
| Other non-current liabilities | 535 | 520 | 500 | 584 | 548 |
| Total non-current liabilities | 4,122 | 4,137 | 4,843 | 4,900 | 6,478 |
| Total liabilities | 14,043 | 14,511 | 15,699 | 16,916 | 19,698 |
| Total shareholders' equity | 5,089 | 5,035 | 5,121 | 5,144 | 5,500 |
| Total liabilities and shareholders' equity | $ 19,132 | $ 19,546 | $ 20,820 | $ 22,060 | $ 25,198 |

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

| | FISCAL 2026 | | | | | FISCAL 2027 |
|---|---|---|---|---|---|---|
| | Q1 | Q2 | Q3 | Q4 | YTD | Q1 |
| **CASH FLOWS FROM OPERATING ACTIVITIES:** | | | | | | |
| Net income | $ 192 | $ 199 | 239 | $ 250 | $ 880 | $ 285 |
| Depreciation, amortization, and other impairment charges | 142 | 156 | 135 | 130 | 563 | 140 |
| Changes in working capital and other, net | 65 | 98 | 46 | 33 | 242 | (149) |
| **Net cash provided by operating activities** | 399 | 453 | 420 | 413 | 1,685 | 276 |
| **CASH FLOWS FROM INVESTING ACTIVITIES:** | | | | | | |
| Purchases of property and equipment | (133) | (150) | (148) | (202) | (633) | (236) |
| Proceeds from the disposition of property and equipment | 2 | 2 | 3 | 1 | 8 | 1 |
| Acquisition of businesses, net of cash acquired | (41) | (2) | 3 | - | (40) | (1,134) |
| Proceeds from divestiture of businesses, net of cash held in divested businesses | - | (4) | - | - | (4) | 90 |
| Other investing activities, net | (7) | (1) | 4 | 1 | (3) | - |
| **Net cash used in investing activities** | (179) | (155) | (138) | (200) | (672) | (1,279) |
| **CASH FLOWS FROM FINANCING ACTIVITIES:** | | | | | | |
| Proceeds from bank borrowings and long-term debt | 500 | - | 751 | - | 1,251 | 2,830 |
| Payments of bank borrowings, long-term debt and other financing liabilities | (532) | (3) | (7) | (675) | (1,217) | (1,385) |
| Payments for repurchase of ordinary shares | (247) | (297) | (200) | (200) | (944) | - |
| Other financing activities, net | (4) | 8 | (15) | (3) | (14) | 10 |
| **Net cash provided by (used in) financing activities** | (283) | (292) | 529 | (878) | (924) | 1,455 |
| **Effect of exchange rates on cash and cash equivalents** | 13 | 4 | (3) | (3) | 11 | (1) |
| **Net change in cash and cash equivalents** | (50) | 10 | 808 | (668) | 100 | 451 |
| Cash and cash equivalents, beginning of period | 2,289 | 2,239 | 2,249 | 3,057 | 2,289 | 2,389 |
| **Cash and cash equivalents, end of period** | $ 2,239 | $ 2,249 | $ 3,057 | $ 2,389 | $ 2,389 | $ 2,840 |
| **Reconciliation of GAAP to Non-GAAP Financial Measures** | | | | | | |
| Net cash provided by operating activities | 399 | 453 | 420 | 413 | 1,685 | 276 |
| Purchases of property and equipment | (133) | (150) | (148) | (202) | (633) | (236) |
| Proceeds from the disposition of property and equipment | 2 | 2 | 3 | 1 | 8 | 1 |
| Free Cash Flow [9] | $ 268 | $ 305 | $ 275 | $ 212 | $ 1,060 | $ 41 |

(9) Refer to page 2 for the description of the footnote.

# FLEX
## Trended Non-GAAP Operating Income & Reconciliation to Operating Income
**(In millions, except for operating margin)**

| | FISCAL 2026 | | | | | FISCAL 2027 |
|---|---|---|---|---|---|---|
| | Q1 | Q2 | Q3 | Q4 | YTD | Q1 |
| **Net sales:** | | | | | | |
| Integrated Technology Solutions (ITS) | $ 2,558 | $ 2,720 | $ 2,914 | $ 2,917 | $ 11,109 | $ 3,056 |
| Regulated Manufacturing Solutions (RMS) | 2,391 | 2,454 | 2,633 | 2,713 | 10,191 | 2,670 |
| Cloud and Power Infrastructure (CPI) | 1,626 | 1,630 | 1,511 | 1,847 | 6,614 | 2,202 |
| Total sales | $ 6,575 | $ 6,804 | $ 7,058 | $ 7,477 | $ 27,914 | $ 7,928 |
| **Non-GAAP operating income:** | | | | | | |
| Integrated Technology Solutions (ITS) | $ 131 | $ 144 | $ 174 | $ 147 | $ 596 | $ 158 |
| Regulated Manufacturing Solutions (RMS) | 126 | 144 | 161 | 180 | 611 | 176 |
| Cloud and Power Infrastructure (CPI) | 155 | 136 | 137 | 182 | 610 | 214 |
| Corp and Others* | (17) | (15) | (12) | (9) | (53) | (14) |
| Total non-GAAP operating income | $ 395 | $ 409 | $ 460 | $ 500 | $ 1,764 | $ 534 |
| ***Operating Margin:*** | | | | | | |
| *Integrated Technology Solutions (ITS)* | *5.1%* | *5.3%* | *6.0%* | *5.0%* | *5.4%* | *5.2%* |
| *Regulated Manufacturing Solutions (RMS)* | *5.3%* | *5.9%* | *6.1%* | *6.6%* | *6.0%* | *6.6%* |
| *Cloud and Power Infrastructure (CPI)* | *9.6%* | *8.3%* | *9.1%* | *9.9%* | *9.2%* | *9.7%* |
| ***Reconciliation of GAAP operating income to non-GAAP operating income:*** | | | | | | |
| GAAP Operating Income | $ 311 | $ 296 | $ 389 | $ 372 | $ 1,368 | $ 392 |
| Intangible Amortization (2) | 21 | 16 | 15 | 16 | 68 | 23 |
| Stock-based compensation expense (1) | 34 | 37 | 37 | 34 | 142 | 51 |
| Restructuring and impairment charges (3) | 23 | 51 | 9 | 52 | 135 | 1 |
| Customer related asset impairment (recoveries) (4) | - | - | (2) | - | (2) | - |
| Legal and other (5) | 6 | 9 | 12 | 26 | 53 | 67 |
| Total non-GAAP operating Income | $ 395 | $ 409 | $ 460 | $ 500 | $ 1,764 | $ 534 |

(1) to (5) Refer to page 2 for the descriptions of these footnotes.
*Corp and Others includes centralized administrative costs that are not included in the assessment of the performance of each of the identified segments.