Results for Q1 Fiscal 2020

Earnings Announcement: July 25, 2019

(Quarter Ended June 28, 2019)

Risks and Non-GAAP Disclosures

This presentation contains forward-looking statements within the meaning of U.S. securities laws. All statements, other than statements of historical fact, that address activities, events or developments that we expect, believe or anticipate will or may occur in the future, including statements related to future expected revenues and earnings per share are forward-looking statements. 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. Investors are cautioned not to place undue reliance on these forward-looking statements. These risks include: that future revenues and earnings may not be achieved as expected; the challenges of effectively managing our operations, including our ability to control costs and manage changes in our operations; litigation and regulatory investigations and proceedings; compliance with legal and regulatory requirements; 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 a small number of customers; the impact of component shortages, including their impact on our revenues; geopolitical risk, including the termination and renegotiation of international trade agreements and their policies, including the impact of tariffs and related regulatory action; that recently proposed changes or future changes in tax laws in certain jurisdictions where we operate could materially impact our tax expense; the effects that the current macroeconomic environment could have on our business and demand for our products; and the effects that current 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. The making of any statement in our presentation does not constitute an admission by Flex or any other person that the events or circumstances described in such statement are material.

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 reports on Forms 10-K and 10-Q that we file with the U.S. Securities and Exchange Commission. The forward-looking statements in our presentation 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.

Please refer to the appendix section of this presentation for reconciliation of the Non-GAAP financial measures to the most directly comparable GAAP measures.

If this presentation references historical non-GAAP financial measures, these measures are located on the "Investor Relations" section of our website, www.flex.com along with the required reconciliation to the most comparable GAAP financial measures.

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 group acronyms will be used throughout this presentation:

HRS — **High Reliability Solutions**

Health Solutions: Consumer Health, Medical Disposables, Drug Delivery, Medical Equipment & Digital Health.

Automotive: Autonomous, Connectivity, Electrification, Smart Technologies.

IEI — **Industrial & Emerging Industries**

Capital Equipment, Office Solutions, Household Industrial & Lifestyle, Industrial Automation & Kiosks, Energy & Metering, Lighting.

CEC — **Communications & Enterprise Compute**

Cloud Data Center, Communications, Networking, Server & Storage.

CTG — **Consumer Technologies Group**

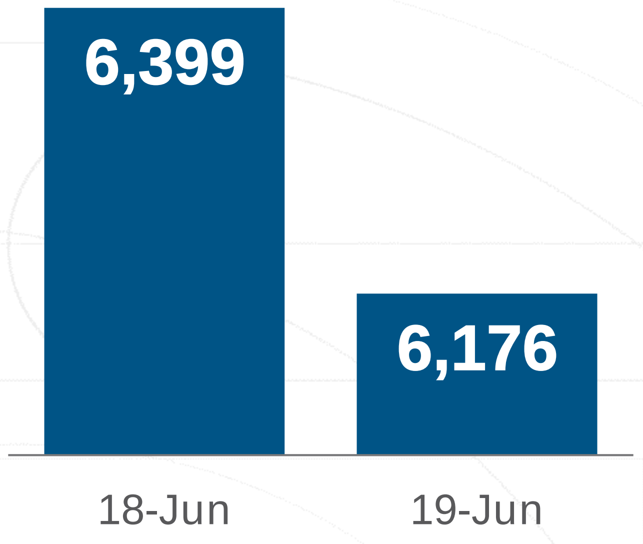
IoT-Enabled Devices, Audio and Consumer Power Electronics, Mobile Devices, Supply Chain Solutions for PCs, Tablets, and Printers.

Business Update

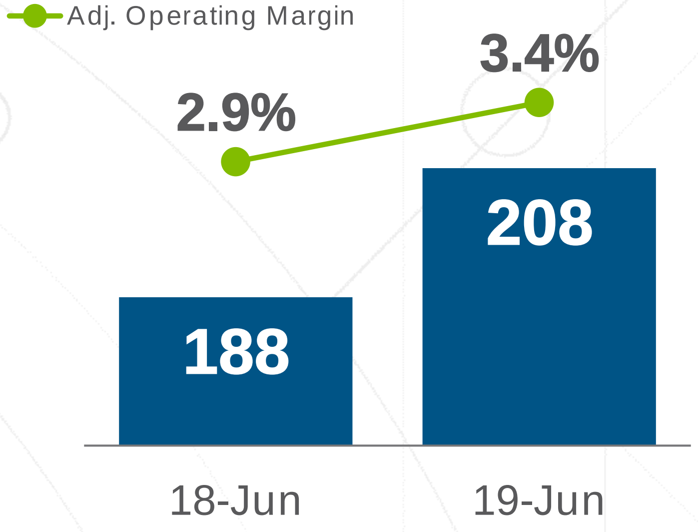
Revathi Advaithi, CEO

Q1 FY2020 Business Summary

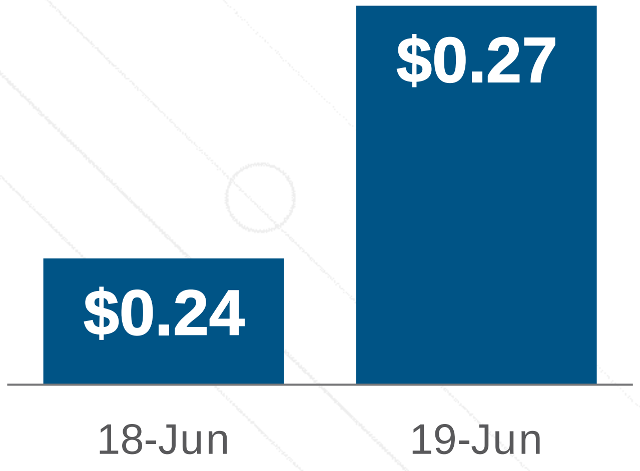
Revenue ($M)



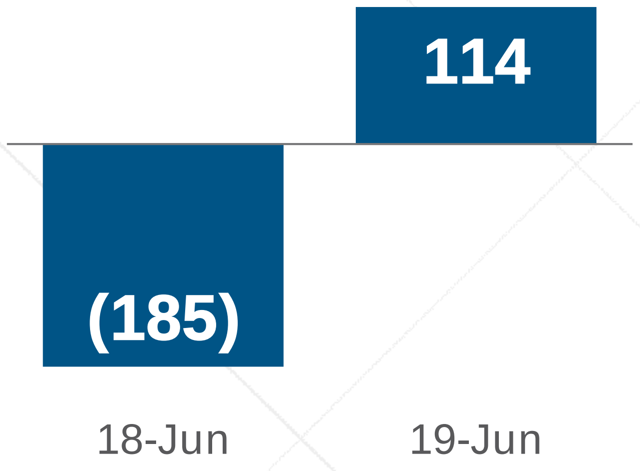
Adj. Operating Income ($M)



Adj. Earnings Per Share



Free Cash Flow ($M)



Business Group and Strategic Updates

- Revenue, adj. operating income, and adj. EPS were all within their respective guidance ranges
- Y/Y Revenue growth in Industrial and Health Solutions led by the successful ramp of new programs
- Geopolitical issues in China resulted in revenue softness with a few telecom and networking customers and lower automotive revenue
- Three out of four business groups performed within targeted adj. operating margin ranges
- Strong free cash flow performance, driven by more disciplined execution

Financial performance is in-line with guidance despite geopolitical headwinds

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Approach to Managing the Business

Manage
portfolio to improve mix and profitability

Drive
disciplined, sustainable execution

Pursue
design-led manufacturing for better margins

Generate
free cash flow and have prudent capital allocation

Accelerating our business strategy and evaluating all opportunities to improve financial performance

Progress to Date

- Thoughtful but swift decision to exit low margin, high volatility products
- CEC booking higher percentage of design-led wins with greater margin
- Emphasis to grow in Industrial capturing new technology trends

- Focus on managing factory variances consistent to revenue and mix change
- Discipline and focus on new program ramps to deliver schedule and cost commitments
- Governance discipline – de staggered board, incentives aligned to new focus

- Continued wins in Auto and Health Solutions
- Design led wins - power supply with integrated battery
- Collaboration across business units on technology

- Free cash flow at committed level even with business repositioning through disciplined execution
- Capex discipline with focus on investing in core areas and commitment to be at or below depreciation levels

Substantial progress to date on executing on our business strategy

Decision Criteria to Manage the Portfolio

- Typically within an industry segment we already serve or immediately adjacent
- Leverage existing global footprint

- Market volatility is low and product lifecycles are longer
- Operating margin is mid single digits or higher

- Technology or design advantage
- Capturing trend of additive, edge computing, distributed IT and controls
- Regulated, high reliability industries, emerging industries

- Return on invested capital is in the targeted range for the segment
- Capex investment fits within depreciation level

Implemented and being deployed across businesses

Capital Allocation Framework

- **Reinvest** organically in our businesses to deliver accretive ROIC
- **Repurchase** stock to offset share dilution and consistent with prior commitments
- Targeted M&A to **expand** longer product lifecycle businesses and design and engineering capabilities
- **Maintain** a healthy balance sheet and our investment grade rating

Operate a prudent capital allocation strategy consistent with creating long-term shareholder value

Q1 2020 Financial Results

Chris Collier, CFO

Q1 FY2020 Income Statement Summary

($M, except per share amounts)

	Prior Yr June 29, 2018	Current Qtr June 28, 2019
Net sales	**$6,399**	**$6,176**
Adjusted operating income	**188**	**208**
Adjusted net income	**128**	**138**
Adjusted EPS	**$0.24**	**$0.27**
GAAP income before income taxes	142	64
GAAP net income	116	45
GAAP EPS	0.22	0.09

Results vs. Guidance

- Net sales of $6.2B is within the guidance range of $6.1-$6.5B
- Adjusted operating income of $208M is within the guidance range of $195-$225M
- Adjusted EPS of $0.27 is at the mid-point of the guidance range of $0.25-$0.29

Achieved our targeted adjusted EPS guidance

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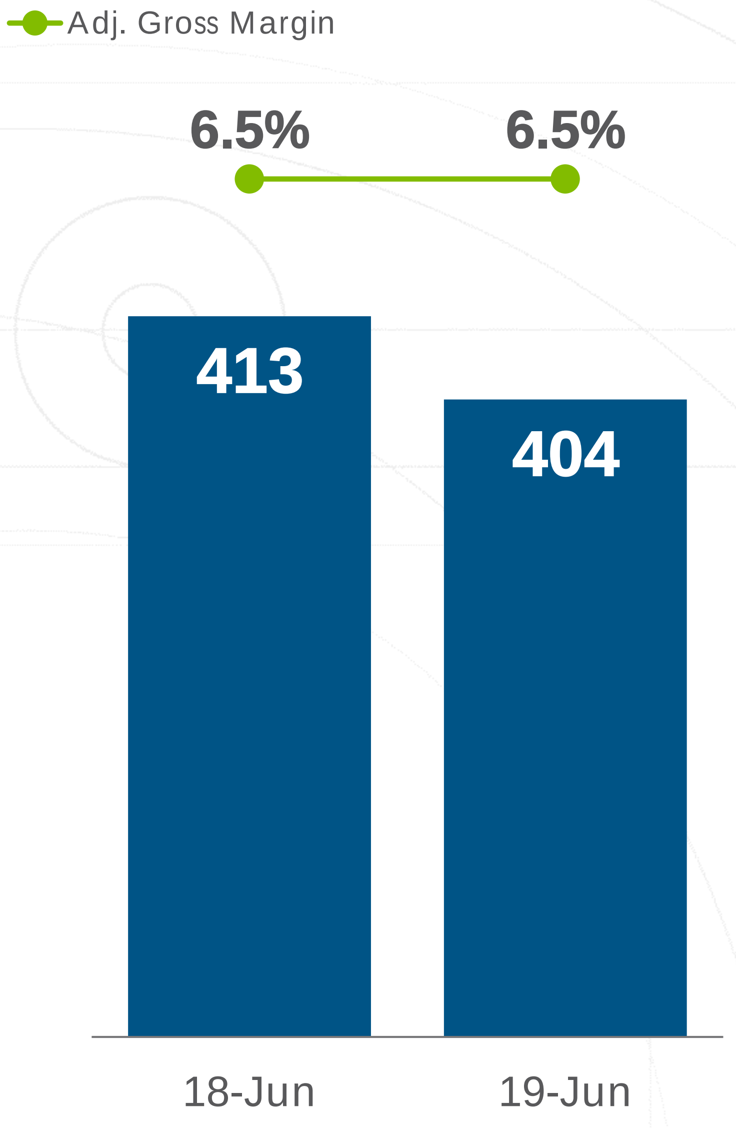
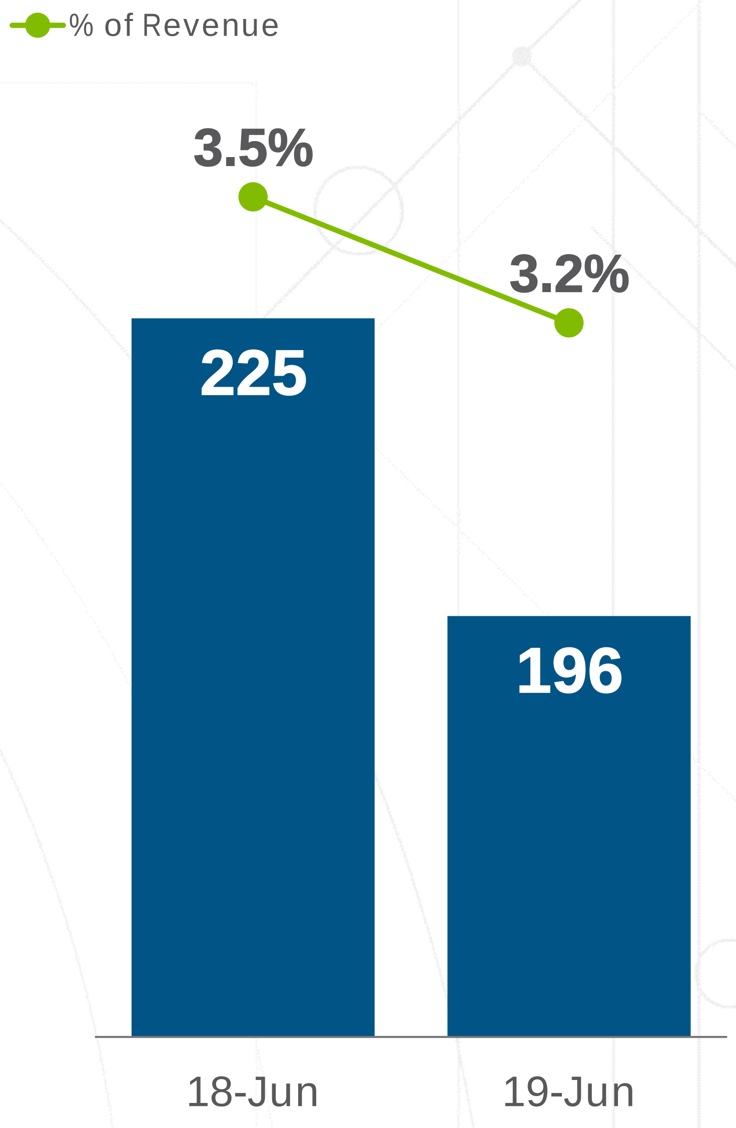
Quarterly Financial Highlights

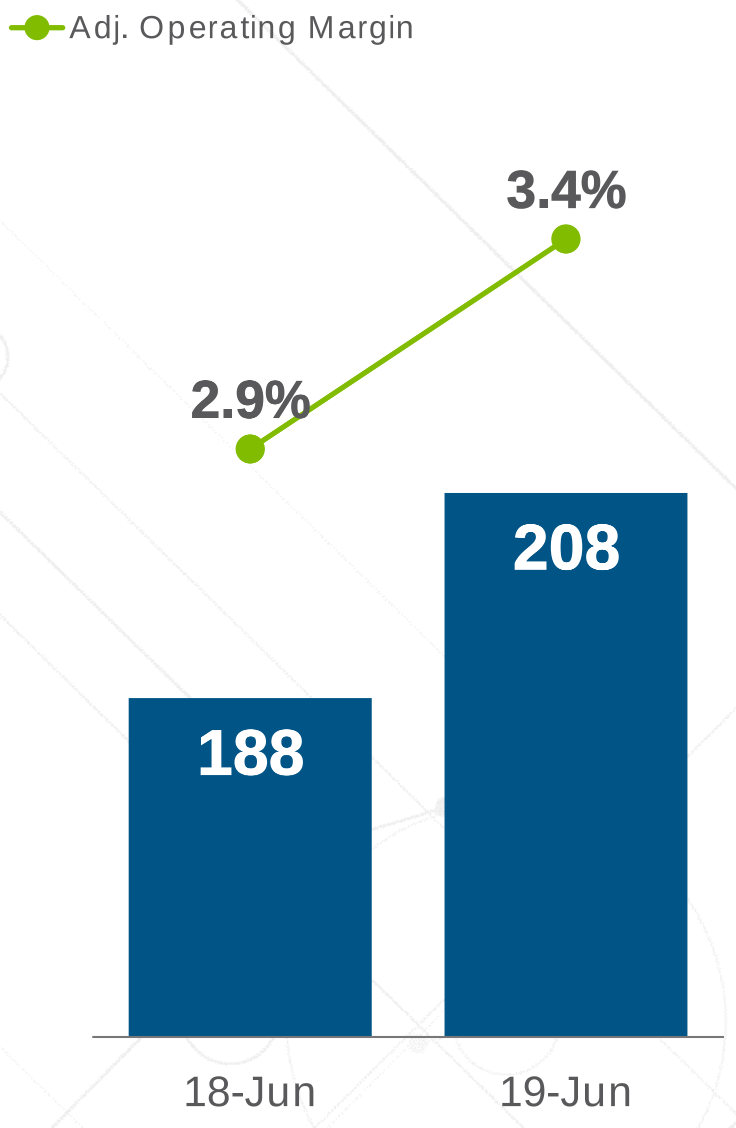
Adj. Gross Profit ($M)



Adj. SG&A (incl. R&D) ($M)



Adj. Operating Income ($M)



Our cost discipline has resulted in improved profitability

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Q1 FY2020 Business Group Performance

	Revenue ($M)	Revenue Y/Y Growth	Adjusted Operating Income ($M)	Targeted Adjusted Operating Margin
HRS	$1,178	-3%	$87	7.4% (6 – 9)
IEI	$1,637	13%	$95	5.8% (4 – 6)
CEC	$1,859	-5%	$26	1.4% (2.5 – 3.5)
CTG	$1,502	-16%	$30	2.0% (2 – 4)
Corporate Services & Other*	--		($31)	--
Total	**$6,176**	**-3%**	**$208**	**3.4%**

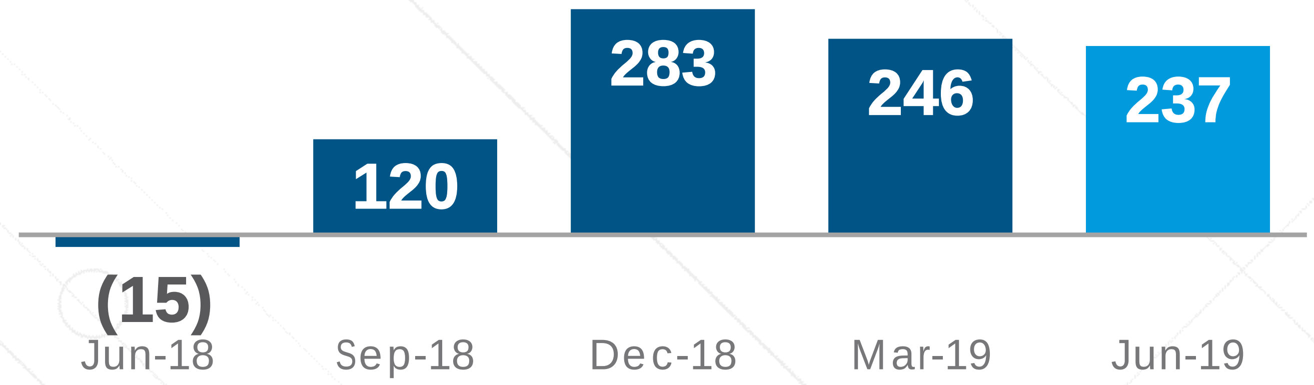
We are committed to achieving our targeted adjusted operating margins

Corporate Services and Other: corporate service costs that are not included in the assessment of the performance of each of the identified business groups.

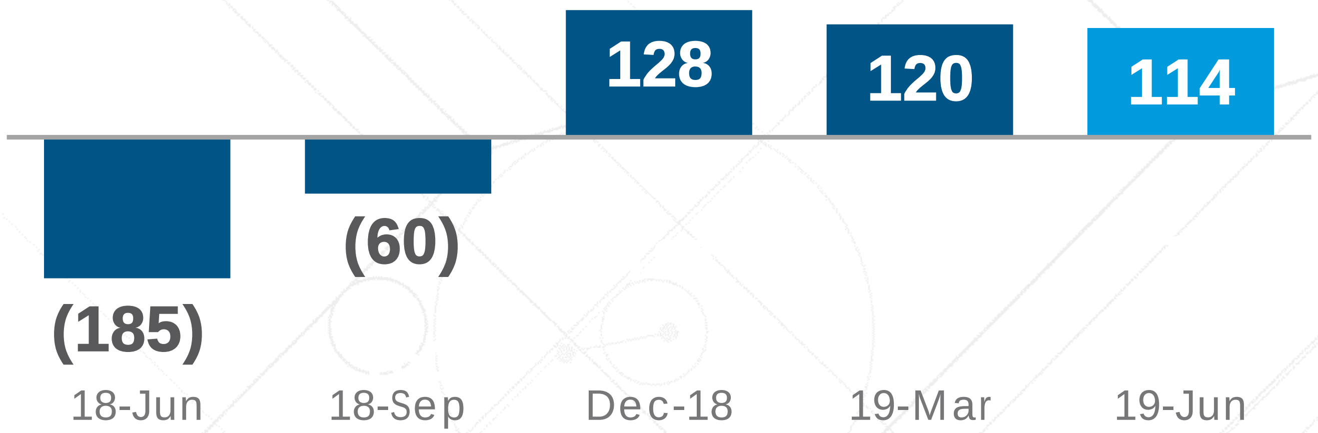
Cash Flow Generation Highlights

($M)	3-Months Ended (Jun 28, 2019)
GAAP net income	$45
Depreciation, amortization and other impairment charges	190
Change in working capital and other	2
Adjusted net cash provided by operating activities	**237**
Purchases of property and equipment, net	(123)
Free Cash Flow	**114**
Payments for share repurchases	(52)
Other investing and financing, net	162
Net change in cash and cash equivalents	**224**

Adjusted Operating Cash Flow ($M)



Free Cash Flow ($M)



Disciplined efforts on investments levels delivers improving cash generation

Second Quarter Fiscal 2020 Guidance – September 2019

	Guidance
Revenue	**$6,100 - $6,500 million**
Adjusted Operating Income	**$220 - $250 million**
Adjusted Earnings Per Share	**$0.29 - $0.33**
GAAP Loss Before Income Taxes	$15 – $110 million
GAAP Loss Per Share	$0.05 – $0.25
Interest & Other Expense	$50 - $55 million
Adjusted Income Tax Rate	Mid range of 10% to 15%
WASO	~518 million shares

Business Group Outlook (Y/Y)

HRS	+/- low single digits
IEI	Up mid to high single digits
CEC	Down 5% to 10%
CTG	Down 15% to 25%

We expect Q1 trends to continue into Q2

Guidance for adjusted operating income excludes approximately $20 million for stock based compensation, $14 million net intangible amortization expense, approximately $50 million to $55 million for interest and other expenses and approximately $145 million to $265 million restructuring and other charges from GAAP income before income taxes. Guidance for GAAP loss per share includes approximately $0.07 for intangible amortization and stock-based compensation expense and $0.27 to $0.51 for restructuring and other charges not included in adjusted earnings per share.

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Summary

- Flex's performance was in-line with guidance despite geopolitical issues
- We are accelerating our portfolio mix strategy to improve the financial performance of our business
- We have made substantial progress to improve our performance by beginning to reduce exposure to high-volatility, low margin businesses
- We are committed to consistently generate free cash flow

Drive sustainable, disciplined execution that delivers a consistent track record

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For more information, go to investors.flex.com

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Appendix: Reconciliation of GAAP to Non-GAAP Measures

($Thousands, except per share amounts)	Quarter-ended June 28, 2019	Quarter-ended June 29, 2018
GAAP income before income taxes	$64,109	$141,637
Intangible amortization	17,082	18,517
Stock-based compensation expense	15,227	20,953
Customer related asset impairments	483	17,364
Restructuring charges	56,192	8,817
New revenue standard adoption impact	-	9,291
Legal and other	1,610	16,311
Other charges (income), net	1,463	(86,924)
Interest and other, net	51,694	41,742
Non-GAAP operating income	$207,860	$187,708
Non-GAAP operating margin	3.4%	2.9%
Diluted earnings per share:		
GAAP	0.09	0.22
Non-GAAP	0.27	0.24
Diluted shares used in computing per share amounts	517,550	535,454

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

($Thousands)	Quarter-ended June 28, 2019	Quarter-ended June 29, 2018
GAAP gross profit	$352,759	$377,854
Stock-based compensation expense	2,940	5,404
Customer related asset impairments	483	12,352
Restructuring charges	47,405	2,310
New revenue standard adoption impact	-	9,291
Legal and other	-	5,581
Non-GAAP gross profit	$403,587	$412,792
GAAP SG&A Expenses	$209,624	$256,375
Stock-based compensation expense	(12,287)	(15,549)
Customer related asset impairments, legal and other	(1,610)	(15,742)
Non-GAAP SG&A Expenses	$195,727	$225,084
GAAP net Income	$44,872	$116,035
Intangible amortization	17,082	18,517
Stock-based compensation expense	15,227	20,953
Restructuring charges	56,192	8,817
Customer related asset impairments	483	17,364
New revenue standard adoption impact	-	9,291
Legal and other	1,610	16,311
Other charges (income) interest and other, net	7,091	(86,121)
Adjustments for taxes	(4,872)	6,804
Non-GAAP net income	$137,685	$127,971

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Appendix: Reconciliation of GAAP to Non-GAAP Measures

($Thousands)	Quarter-ended June 28, 2019
Segment Income:	
Communication & Enterprise Compute	$26,147
Consumer Technologies Group	30,116
Industrial & Emerging Industries	95,457
High Reliability Solutions	87,232
Corporate and Other*	(31,092)
Total Segment Income:	$207,860
Operating Margin:	
Communication & Enterprise Compute	1.4%
Consumer Technologies Group	2.0%
Industrial & Emerging Industries	5.8%
High Reliability Solutions	7.4%

($Thousands)	Quarter-ended June 28, 2019
Reconciliation of segment income to income before income taxes	
Total Segment Income	$207,860
Intangible amortization	17,082
Stock-based compensation expense	15,227
Restructuring charges	56,192
Customer related asset impairments	483
Legal and other	1,610
Other charges, net	1,463
Interest and other, net	51,694
Income before income taxes	$64,109

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

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Appendix: Reconciliation of GAAP to Non-GAAP Measures

($Thousands)	Quarter-ended June 28, 2019	Quarter-ended March 31, 2019	Quarter-ended December 31, 2018	Quarter-ended September 28, 2018	Quarter-ended June 29, 2018
Net cash used in operating activities	($656,866)	($642,418)	($621,010)	($764,331)	($943,265)
Cash collections of deferred purchase price and other	$893,735	$888,048	$904,306	$884,722	$928,223
Adjusted net cash provided by (used in) operating activities	$236,869	$245,630	$283,296	$120,391	($15,042)
Net Capital Expenditures	($123,214)	($126,019)	($154,968)	($180,489)	($169,911)
Free Cash Flow	$113,655	$119,611	$128,328	($60,098)	($184,953)

In Q1 fiscal year 2019, the adoption of the new cash flow accounting standard resulted in a reclassification of cash flows related to the collection of certain receivables sold through the Company's asset-backed receivable securitization program from operating activities to investing activities. The company views and manages all collections under the program similarly without bifurcation and accordingly provides the adjustment to reflect cash flows from operations inclusive of all collections of receivables sold through the programs. The Company also excludes the impacts to operating cash flows related to certain vendor programs that is required for GAAP.

In addition, we define our free cash flow metric to be adjusted operating cash flows described above less purchases of property and equipment net of proceeds from dispositions and present cash flows on a consistent basis for investor transparency.

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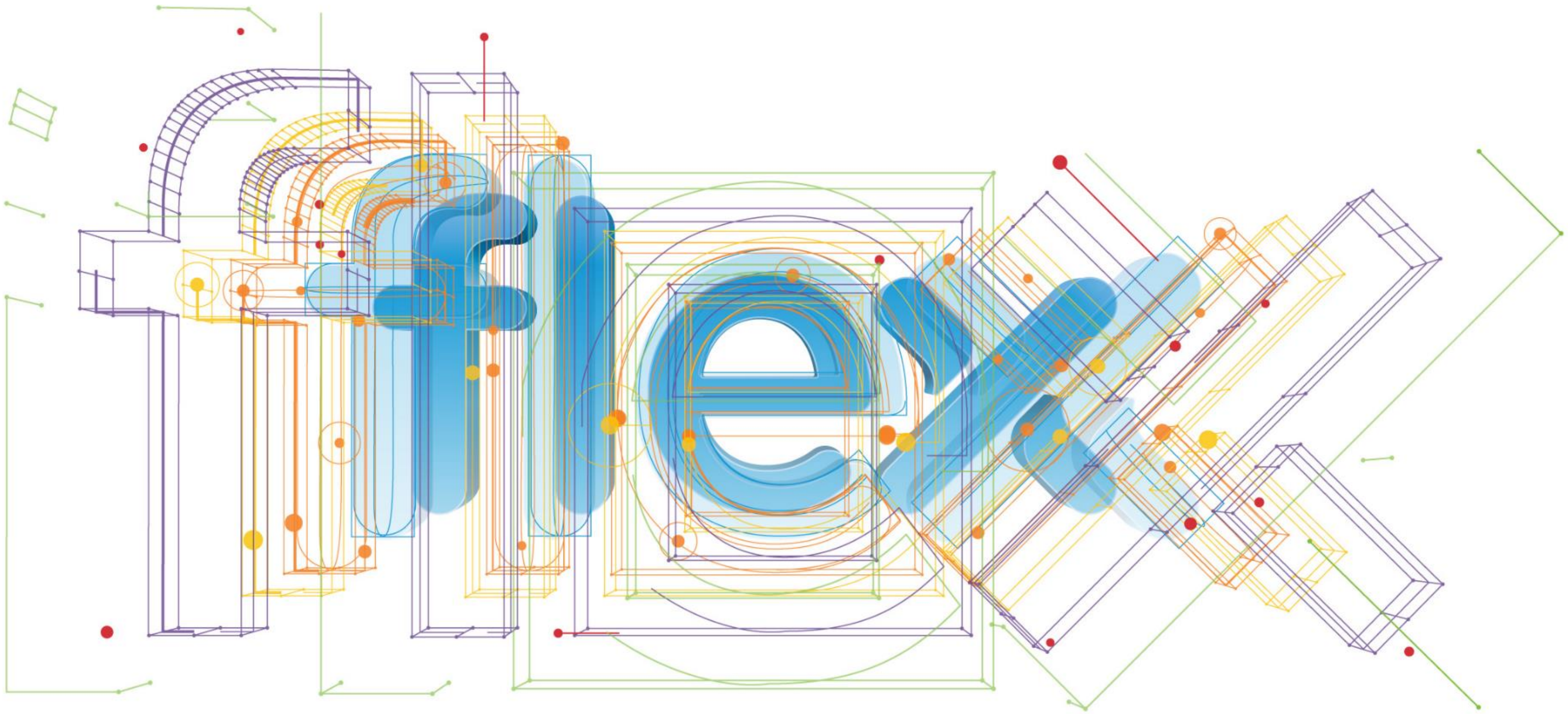
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