Results for Q3 Fiscal 2020

Earnings Announcement: January 30, 2020

(Quarter Ended December 31, 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; 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; and exposure to infectious disease and epidemics, including the effects of the coronavirus outbreak on our business operations in geographic locations impacted by the outbreak and on the business operations of our customers and suppliers. 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

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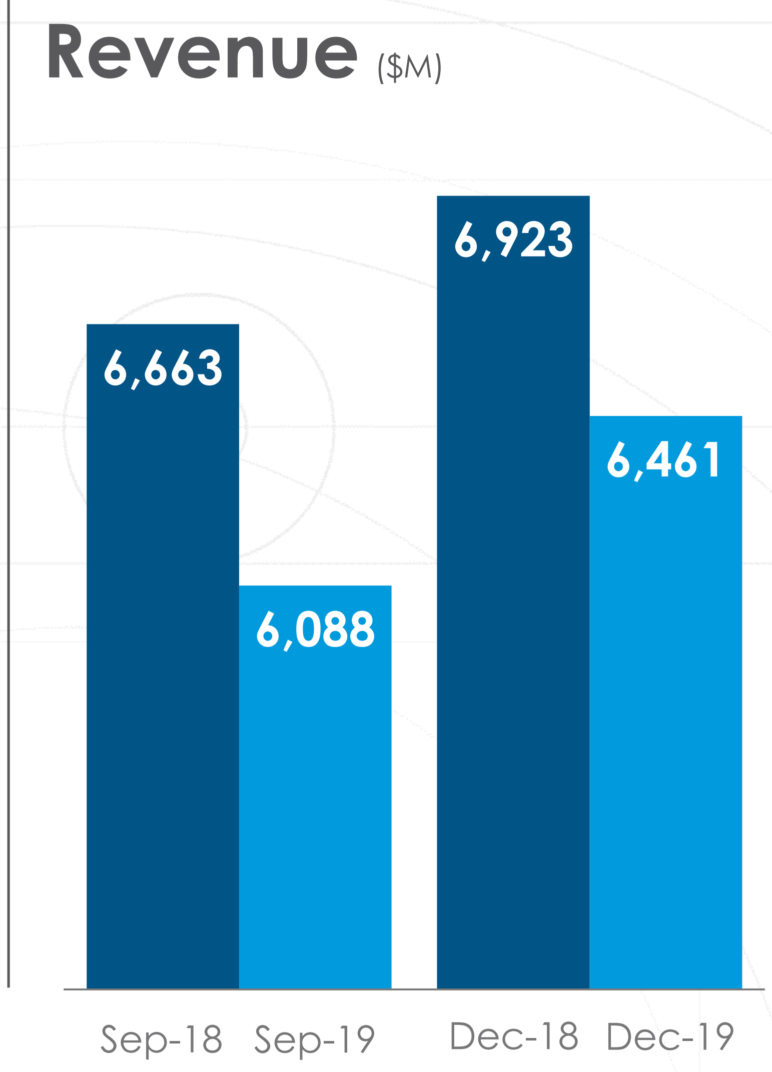
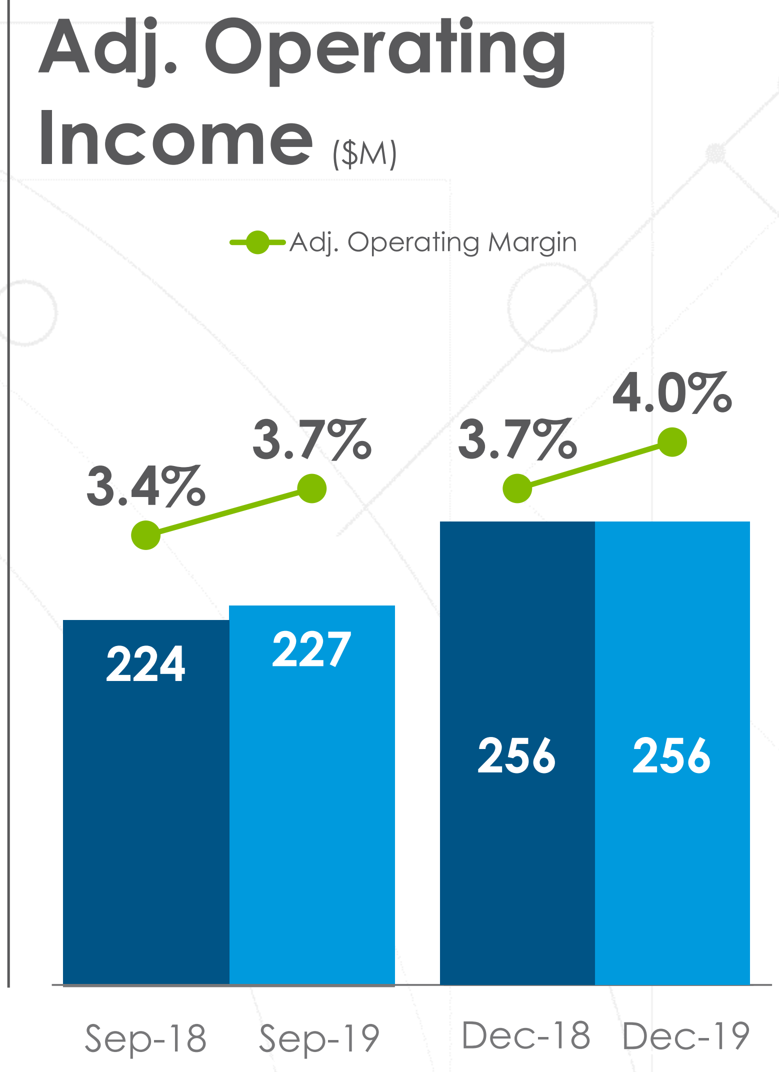
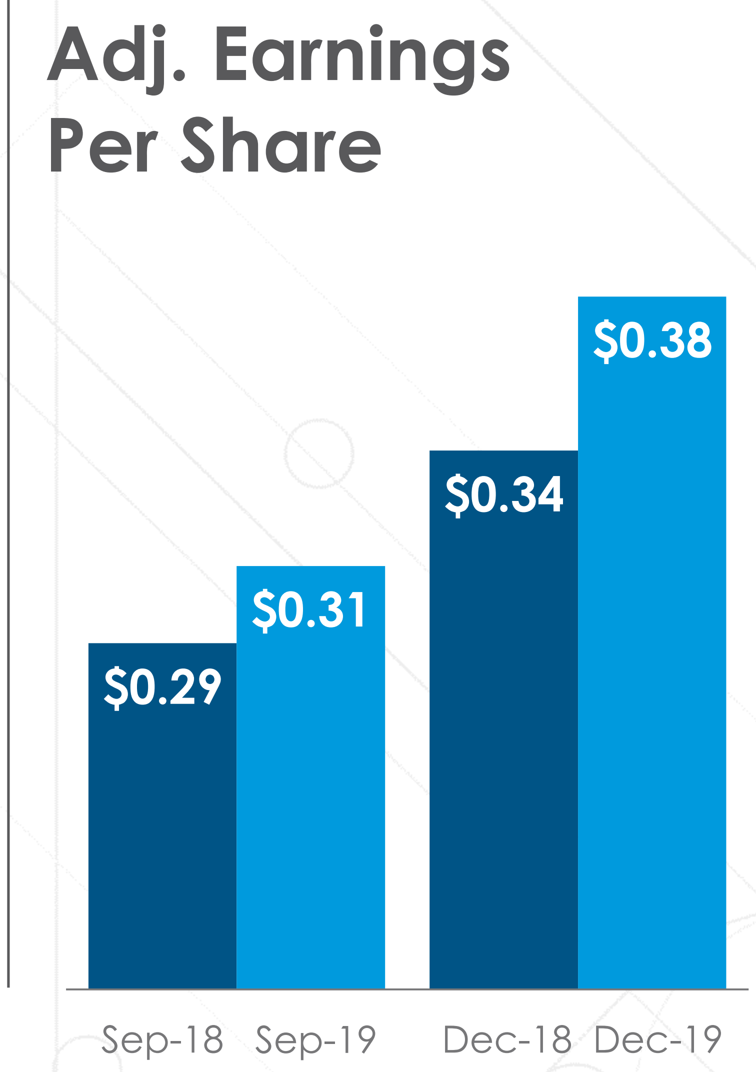
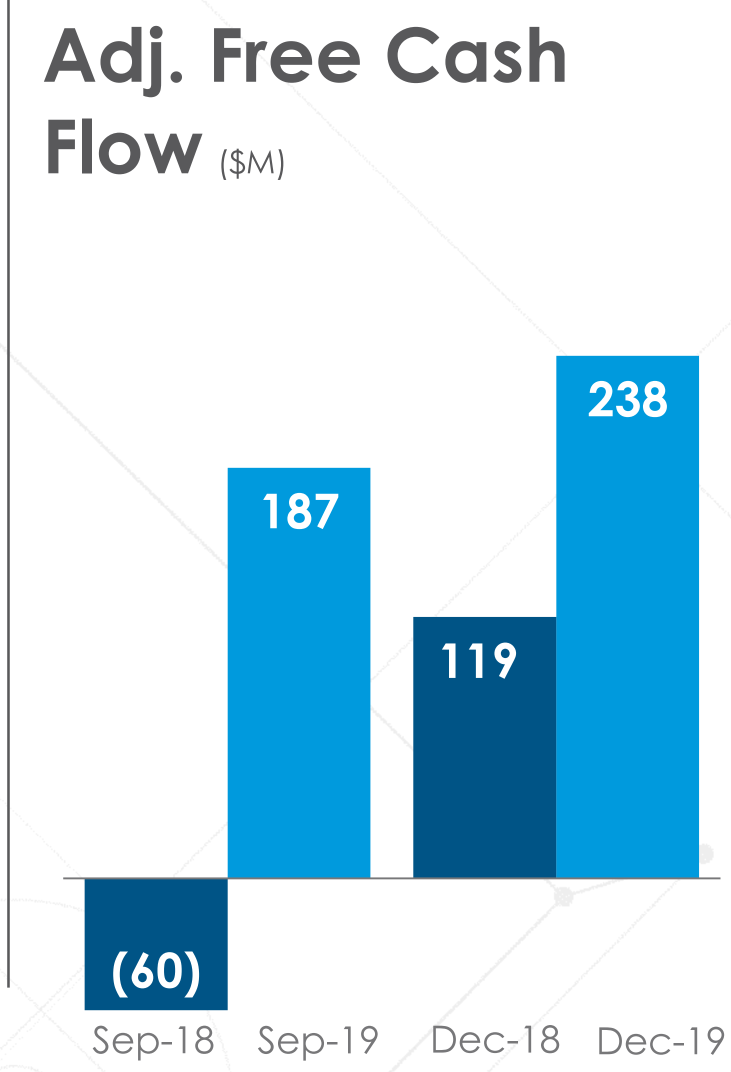
Q3 FY2020 Business Summary









Portfolio management and operational discipline delivered strong profitability and cash flow

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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
adjusted free cash flow and have prudent capital allocation

Grow
Drive profitable growth and market leadership

We delivered on our goals this quarter and are well-positioned for continued progress

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Q3 2020 Financial Results

Chris Collier, CFO

Q3 FY2020 Income Statement Summary

($M, except per share amounts)

	Prior Yr December 31, 2018	Current Qtr December 31, 2019
Net sales	$6,923	$6,461
Adjusted operating income	256	256
Adjusted net income	181	193
Adjusted EPS	$0.34	$0.38
GAAP income (loss) before income taxes	($32)	$145
GAAP net income (loss)	(45)	111
GAAP EPS (loss)	($0.09)	$0.22

Results vs. Guidance

» Net sales of $6.5B is above the guidance range of $6.0-$6.3B

» Adjusted operating income of $256m is above the guidance range of $230-$255M

» Adjusted EPS of $0.38 is above the guidance range of $0.32-$0.36

Delivered on our committed guidance

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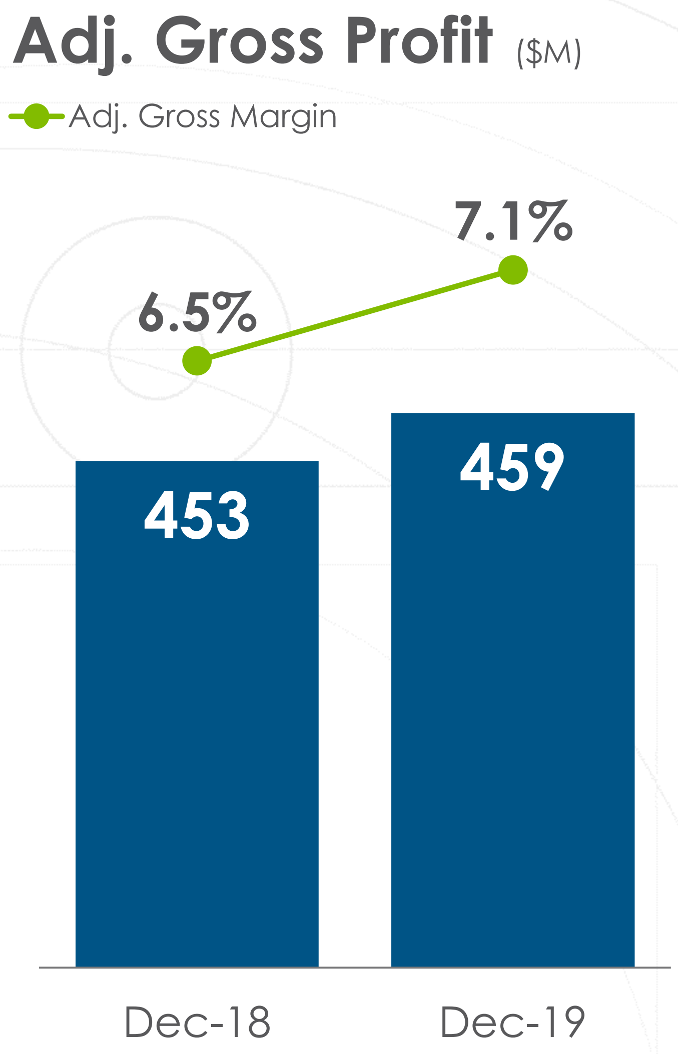
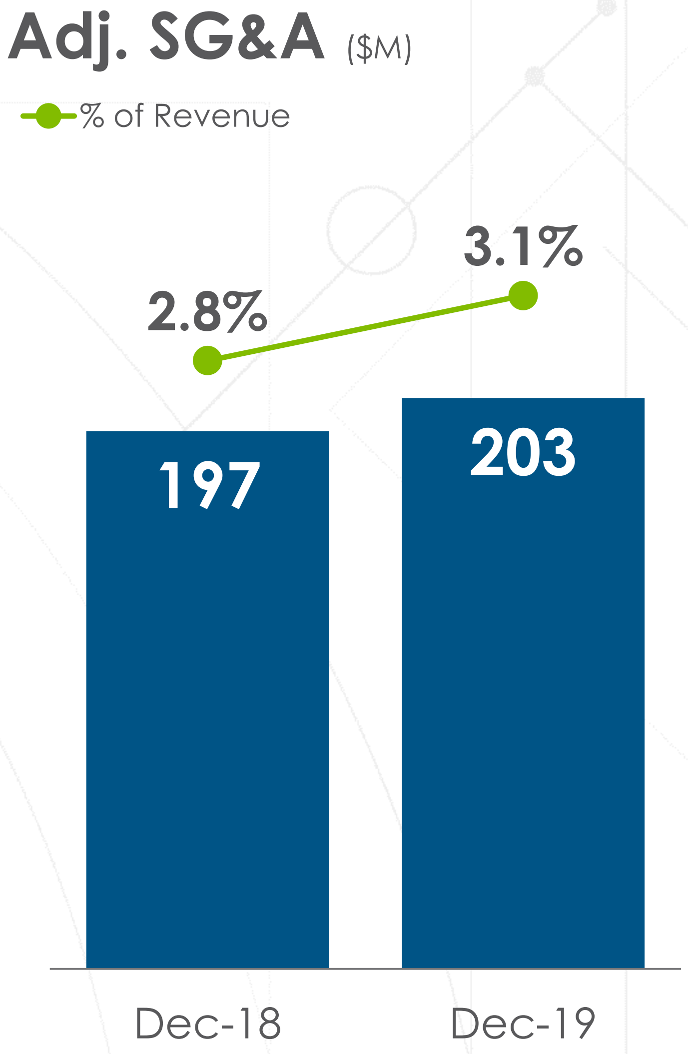
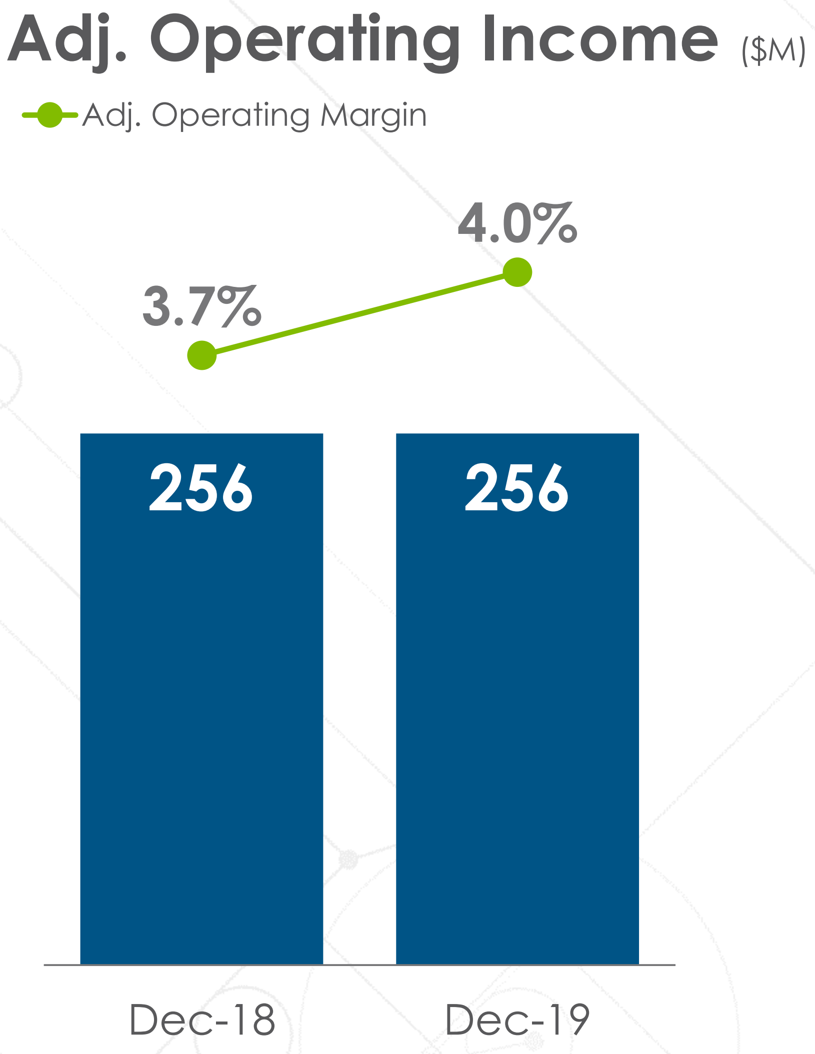
Quarterly Financial Highlights







Continued margin expansion and improved profitability

Q3 FY2020 Business Group Performance

	Revenue		Adjusted Operating Income & Margin		
	($M)	Y/Y Growth	($M)		
HRS	$1,245	3%	$82	6.6%	Continuing investments into ramping business
IEI	$1,989	20%	$124	6.3%	Strong revenue and earnings growth across the portfolio, led by energy
CEC	$1,881	-17%	$53	2.8%	Profitability benefitted from cost structure alignment
CTG	$1,346	-25%	$25	1.8%	Ongoing portfolio rationalization
Corporate Services & Other*	--		($28)		--
Total	**$6,461**	**-7%**	**$256**	**4.0%**	

Business group performance reflects strategic actions being undertaken

**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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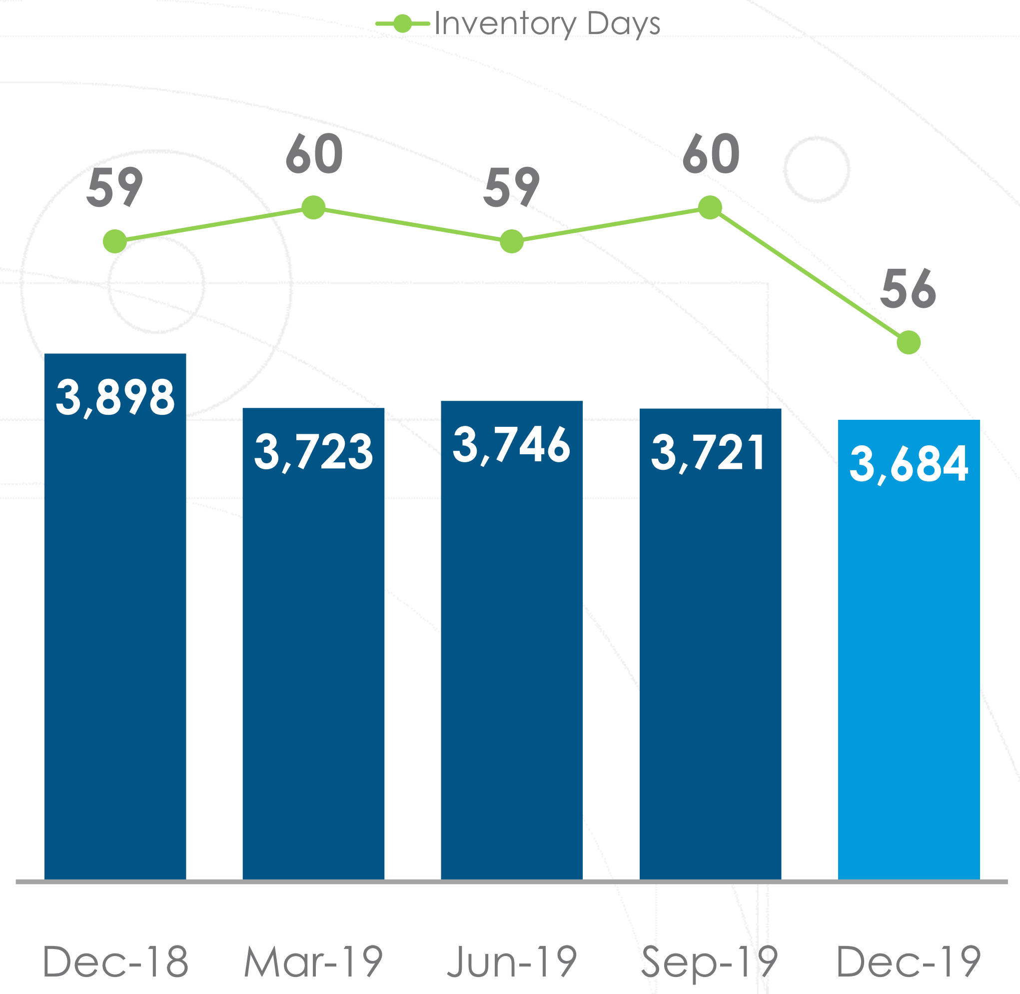
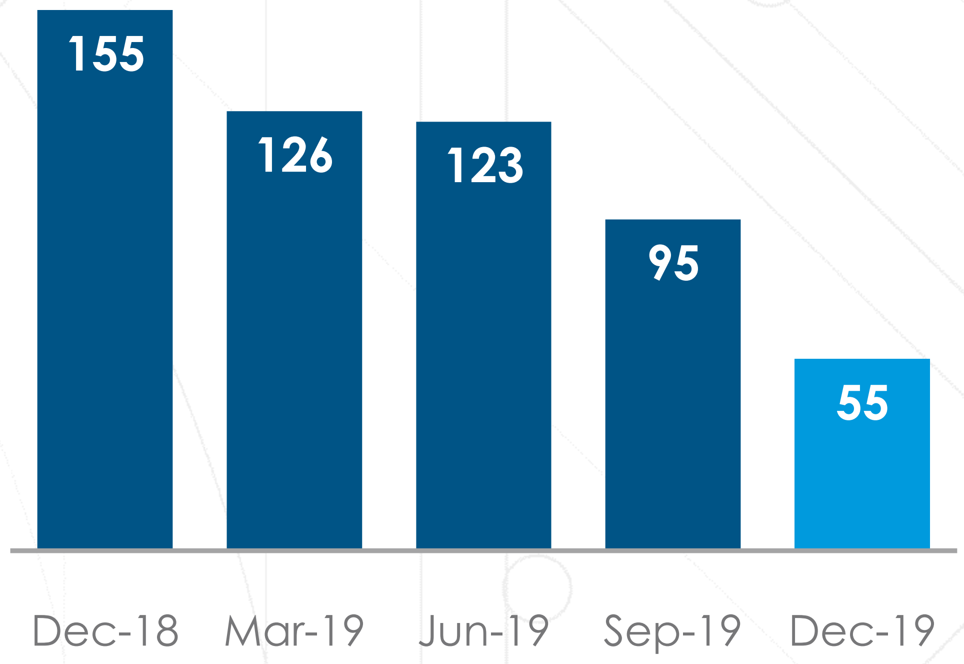
Cash Flow Generation Highlights

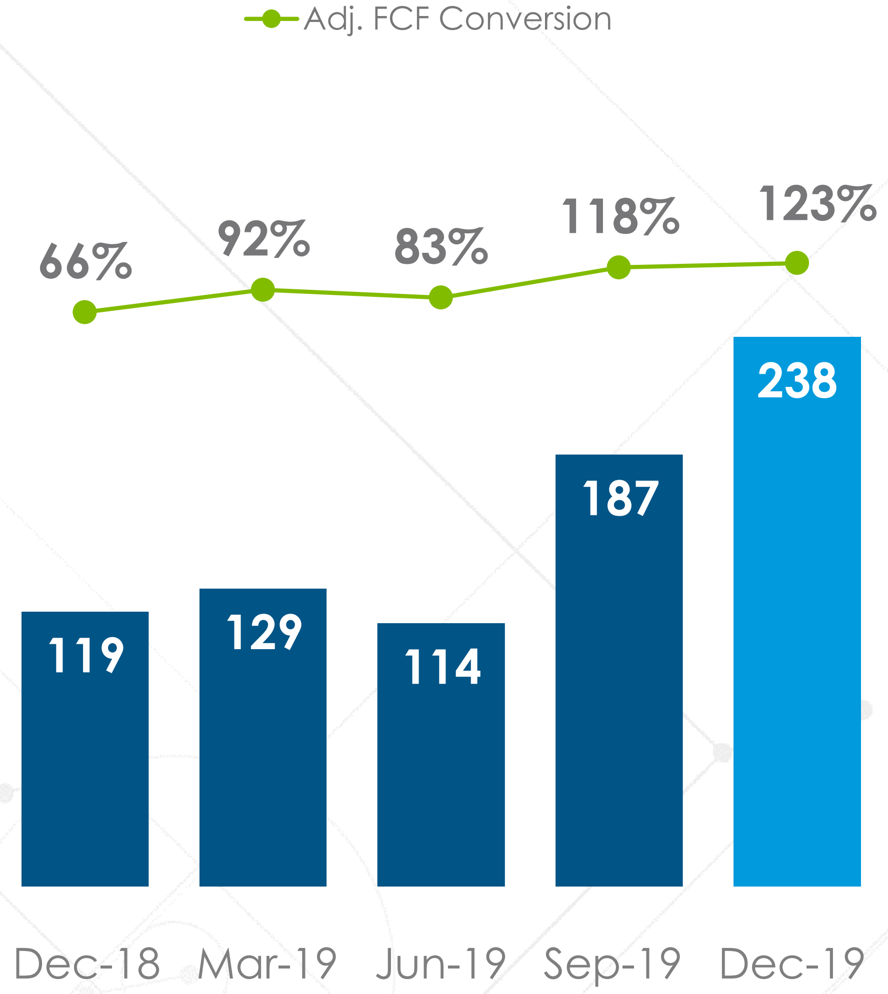
Inventory and Inventory Days* ($M)



Net Capital Expenditures** ($M)



Adjusted Free Cash Flow ($M)



Sustaining our improved cash generation

*Inventory days are calculated as average inventory for the quarter divided by annualized Non-GAAP cost of sales for the current quarter.

**Net Capital Expenditures is calculated as purchases of property and equipment minus proceeds from the disposition of property and equipment.

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Fourth Quarter Fiscal 2020 Guidance – March 2020

	Guidance
Revenue	$5,800 - $6,200 million
Adjusted Operating Income	$220 - $250 million
Adjusted Earnings Per Share	$0.30 - $0.34
GAAP Income Before Income Taxes	$120 – $145 million
GAAP Earnings Per Share	$0.19 – $0.23
Interest & Other Expense	$40 - $45 million
Adjusted Income Tax Rate	Mid range of 10% to 15%
WASO	~510 million shares

Business Group Revenue Outlook (Y/Y)

HRS	Flat to up 5%
IEI	Up 20% to 25%
CEC	Down 5% to 15%
CTG	Down 20% to 30%

Fourth Quarter 2020 guidance excludes any potential impacts from the coronavirus outbreak given the rapidly evolving situation.

Guidance for adjusted operating income excludes approximately $19 million for stock-based compensation, $15 million net intangible amortization expense, approximately $40 million to $45 million for interest and other expenses and approximately $26 million restructuring and other charges from GAAP income before income taxes. Guidance for GAAP earnings per share includes approximately $0.02 for intangible amortization, $0.04 for stock-based compensation expense and $0.05 for restructuring and other charges not included in adjusted earnings per share.

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Summary

- We exceeded our adjusted EPS guidance range with record quarterly performance
- We displayed strong adjusted operating margin expansion benefitting from a richer mix of business and cost discipline
- We demonstrated solid cash flow generation
- We continued to invest in manufacturing capabilities and innovative technologies to meet customer needs
- We are working hard to establish a consistent and sustainable track record that our stakeholders can have confidence in

For more information, go to investors.flex.com

Appendix: Reconciliation of GAAP to Non-GAAP Measures

($Thousands, except per share amounts)	Quarter-ended December 31, 2019	Quarter-ended September 27, 2019	Quarter-ended December 31, 2018	Quarter-ended September 28, 2018
GAAP income (loss) before income taxes	$145,389	($95,693)	($31,913)	$108,794
Intangible amortization	15,598	16,223	20,308	18,234
Stock-based compensation expense	19,215	18,890	21,027	19,081
Customer related asset impairments	3,754	90,973	50,153	-
Restructuring charges	14,616	128,315	65,843	25,773
Legal and other	6,864	19,538	4,994	4,058
Other charges, net	14,395	1,147	71,879	6,530
Interest and other, net	36,207	47,749	54,087	41,060
Non-GAAP operating income	$256,038	$227,142	$256,378	$223,530
Non-GAAP operating margin*	4.0%	3.7%	3.7%	3.4%
Diluted earnings (loss) per share:				
GAAP**	$0.22	($0.23)	($0.09)	$0.16
Non-GAAP	$0.38	$0.31	$0.34	$0.29
Basic shares used in computing per share amounts	506,938	512,692	524,876	531,503
Diluted shares used in computing per share amounts	510,339	515,263	526,801	534,458

**We calculate our Non-GAAP operating margin as current quarter Non-GAAP operating income divided by current quarter revenue.*

***Basic shares were used in calculating diluted GAAP EPS for the quarter ended September 27, 2019 and December 31, 2018, due to the net loss recognized for the period.*

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.

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Appendix: Reconciliation of GAAP to Non-GAAP Measures

($Thousands)	Quarter-ended December 31, 2019	% of revenue	Quarter-ended December 31, 2018	% of revenue
GAAP gross profit	$430,477	6.7%	$357,325	5.2%
Stock-based compensation expense	4,275		4,769	
Customer related asset impairments	4,368		29,491	
Restructuring charges	13,632		60,435	
Legal and other	6,382		1,174	
Non-GAAP gross profit	$459,134	7.1%	$453,194	6.5%
GAAP SG&A expenses	$217,904	3.4%	$237,556	3.4%
Stock-based compensation expense	(14,940)		(16,258)	
Customer related asset impairment, legal and other	132		(24,482)	
Non-GAAP SG&A expenses	$203,096	3.1%	$196,816	2.8%
GAAP net income (loss)	$111,388		($45,169)	
Intangible amortization	15,598		20,308	
Stock-based compensation expense	19,215		21,027	
Restructuring charges	14,616		65,843	
Customer related asset impairments	3,754		50,153	
Legal and other	7,047		4,994	
Other charges, interest and other, net	16,592		72,903	
Adjustments for taxes	4,595		(9,461)	
Non-GAAP net income	$192,805		$180,598	

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.

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Appendix: Reconciliation of GAAP to Non-GAAP Measures

($Thousands)

	Quarter-ended December 31, 2019
Segment income:	
Communication & Enterprise Compute	$53,086
Consumer Technologies Group	24,654
Industrial & Emerging Industries	124,420
High Reliability Solutions	82,111
Corporate and Other*	(28,233)
Total segment income:	$256,038
Operating margin:	
Communication & Enterprise Compute	2.8%
Consumer Technologies Group	1.8%
Industrial & Emerging Industries	6.3%
High Reliability Solutions	6.6%

($Thousands)

	Quarter-ended December 31, 2019
Reconciliation of segment income to income before income taxes	
Total segment income	$256,038
Intangible amortization	15,598
Stock-based compensation expense	19,215
Customer related asset impairments	3,754
Restructuring charges	14,616
Legal and other	6,864
Other charges, net	14,395
Interest and other, net	36,207
Income before income taxes	$145,389

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

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.

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Appendix: Reconciliation of GAAP to Non-GAAP Measures

($Thousands, except for conversion %)	Quarter-ended December 31, 2019	Quarter-ended September 27, 2019	Quarter-ended June 28, 2019	Quarter-ended March 31, 2019	Quarter-ended December 31, 2018
Net cash used in operating activities	($50,894)	($991,546)	($656,866)	($642,419)	($621,009)
Cash collections of ABS positions and other	343,928	1,273,431	893,735	897,737	894,617
Net capital expenditures	(55,239)	(94,997)	(123,214)	(126,019)	(154,968)
Adjusted free cash flow	$237,795	$186,888	$113,655	$129,299	$118,640
GAAP net income (loss)	$111,388	($116,940)	$44,872	($64,352)	($45,169)
Intangible amortization	15,598	16,223	17,082	17,337	20,308
Stock-based compensation expense	19,215	18,890	15,227	14,971	21,027
Restructuring charges	14,616	128,315	56,192	12,880	65,843
Customer related asset impairments	3,754	90,973	483	19,576	50,153
Legal and other	7,047	19,538	1,610	10,281	4,994
Other charges interest and other, net	16,592	3,511	7,091	120,293	72,903
Adjustments for taxes	4,595	(2,549)	(4,872)	10,247	(9,461)
Non-GAAP net income	$192,805	$157,961	$137,685	$141,233	$180,598
GAAP cash flow conversion	-46%	848%	-1464%	998%	1375%
Non-GAAP adjusted free cash flow conversion	123%	118%	83%	92%	66%

Adjusted free cash flow conversion is calculated by dividing the Company's current quarter adjusted free cash flow by Non-GAAP net income. We believe adjusted free cash flow conversion is a useful measure in providing investors with information regarding the Company's ability to convert profits into cash and is a widely accepted measure. Adjusted free cash flow is calculated as operating cash flow for the quarter less net capital expenditures adding back cash collections of deferred purchase price and certain receivables sold to certain financial institutions under a customer's supplier financing program in the second quarter of fiscal 2020 that subsequently qualified for operating cash flow treatment per GAAP in the third quarter of fiscal year 2020. In addition, it includes collection of the deferred purchase price receivables which the Company repurchased as part of the ABS program amended in the third quarter of fiscal year 2020 (refer to our summary financials published on our company website for additional details). Adjusted free cash flow also excludes impacts related to certain vendor programs that is required for GAAP.

Non-GAAP net income excludes certain amounts that are included in the most directly comparable measures under GAAP including stock-based compensation expense, intangible amortization, restructuring charges, customer related asset impairments, tax adjustments and certain other charges. Adjusted free cash flow conversion 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.

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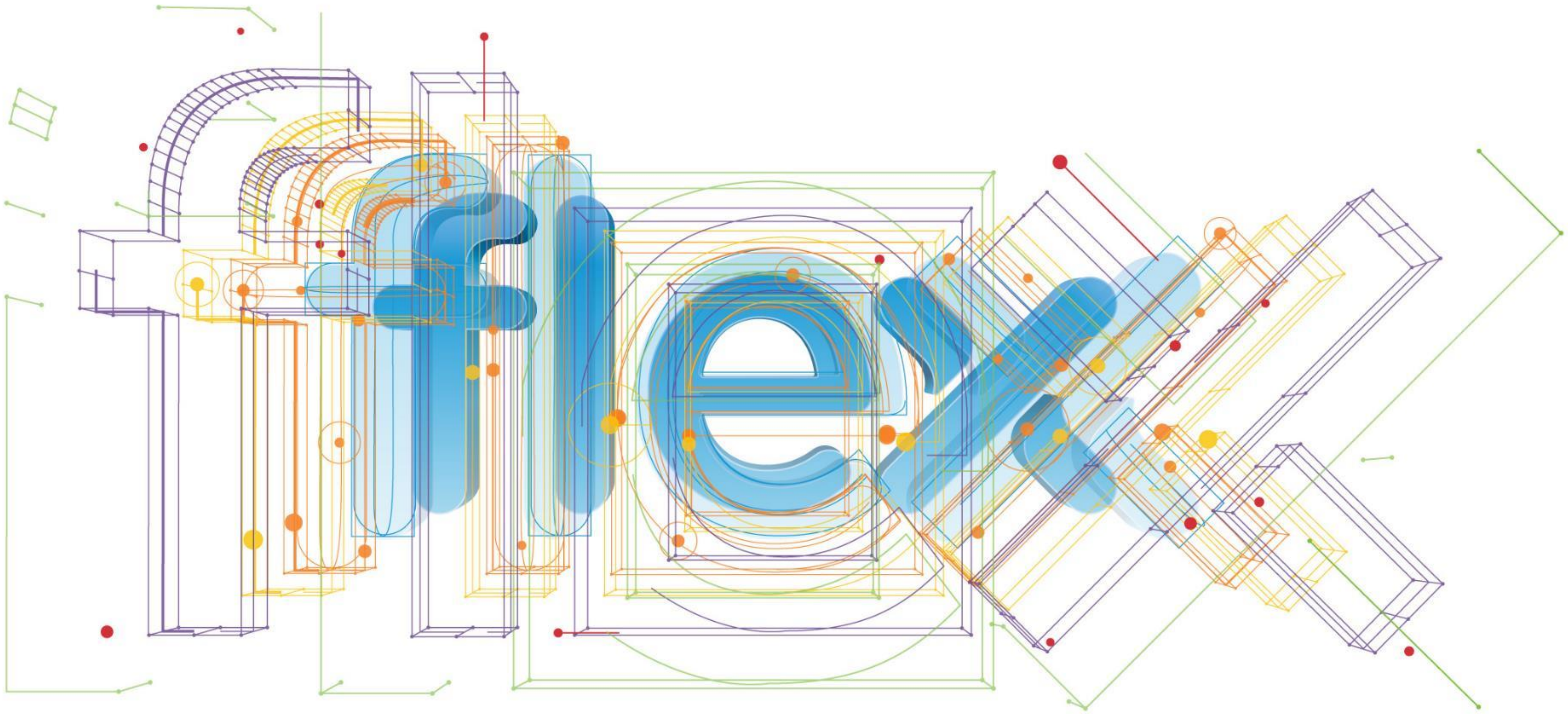
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