UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended December 31, 2020

Or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number 0-23354

FLEX LTD.

(Exact name of registrant as specified in its charter)

Singapore (State or other jurisdiction of incorporation or organization)	**Not Applicable** (I.R.S. Employer Identification No.)
2 Changi South Lane, Singapore (Address of registrant's principal executive offices)	**486123** (Zip Code)

Registrant's telephone number, including area code
(65) 6876-9899

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Ordinary Shares, No Par Value	FLEX	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.:

Large Accelerated Filer	☒	Accelerated filer	☐	Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐						

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares of the registrant's ordinary shares outstanding as of January 25, 2021 was 499,172,368.

FLEX LTD.

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PART I. FINANCIAL INFORMATION

ITEM 1. ***FINANCIAL STATEMENTS***

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Flex Ltd.
Singapore

Results of Review of Interim Financial Information

We have reviewed the accompanying condensed consolidated balance sheet of Flex Ltd. and its subsidiaries (the "Company") as of December 31, 2020, the related condensed consolidated statements of operations, comprehensive income and shareholders' equity for the three-month and nine-month periods ended December 31, 2020 and December 31, 2019, and the condensed consolidated statements of cash flows for the nine-month periods ended December 31, 2020 and December 31, 2019, and the related notes (collectively referred to as the "interim financial information"). Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim financial information for it to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheet of Flex Ltd. and subsidiaries as of March 31, 2020 and the related consolidated statements of operations, comprehensive income, shareholders' equity, and cash flows for the year then ended (not presented herein); and in our report dated May 28, 2020, we expressed an unqualified opinion on those consolidated financial statements and included an explanatory paragraph regarding changes in accounting principles. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of March 31, 2020 is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Basis for Review Results

The interim financial information is the responsibility of the Company's management. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our reviews in accordance with the standards of the PCAOB. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

/s/ DELOITTE & TOUCHE LLP
San Jose, California
January 29, 2021

FLEX LTD.

CONDENSED CONSOLIDATED BALANCE SHEETS

	As of December 31, 2020	As of March 31, 2020
	(In millions, except share amounts) (Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 2,611	$ 1,923
Accounts receivable, net of allowance of $77 and $96, respectively	4,070	2,436
Contract assets	121	282
Inventories	3,699	3,785
Other current assets	610	660
Total current assets	11,111	9,086
Property and equipment, net	2,097	2,216
Operating lease right-of-use assets, net	609	605
Goodwill	1,109	1,065
Other intangible assets, net	233	262
Other assets	509	456
Total assets	$ 15,668	$ 13,690
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Bank borrowings and current portion of long-term debt	$ 72	$ 149
Accounts payable	5,159	5,108
Accrued payroll	475	364
Other current liabilities	1,813	1,590
Total current liabilities	7,519	7,211
Long-term debt, net of current portion	3,740	2,689
Operating lease liabilities, non-current	544	529
Other liabilities	484	430
Shareholders' equity		
Ordinary shares, no par value; 549,211,158 and 547,665,632 issued, and 498,971,803 and 497,426,277 outstanding, respectively	6,360	6,336
Treasury stock, at cost; 50,239,355 shares as of December 31, 2020 and March 31, 2020	(388)	(388)
Accumulated deficit	(2,529)	(2,902)
Accumulated other comprehensive loss	(62)	(215)
Total shareholders' equity	3,381	2,831
Total liabilities and shareholders' equity	$ 15,668	$ 13,690

The accompanying notes are an integral part of these condensed consolidated financial statements.

FLEX LTD.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three-Month Periods Ended		Nine-Month Periods Ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	(In millions, except per share amounts) (Unaudited)			
Net sales	$ 6,720	$ 6,461	$ 17,858	$ 18,725
Cost of sales	6,212	6,017	16,618	17,578
Restructuring charges	29	14	63	175
Gross profit	479	430	1,177	972
Selling, general and administrative expenses	222	218	606	633
Intangible amortization	16	16	47	49
Restructuring charges	1	1	12	24
Interest and other, net	7	50	58	153
Income before income taxes	233	145	454	113
Provision for income taxes	25	34	81	74
Net income	$ 208	$ 111	$ 373	$ 39
Earnings per share:				
Basic	$ 0.42	$ 0.22	$ 0.75	$ 0.08
Diluted	$ 0.41	$ 0.22	$ 0.74	$ 0.08
Weighted-average shares used in computing per share amounts:				
Basic	500	507	500	511
Diluted	508	510	505	515

The accompanying notes are an integral part of these condensed consolidated financial statements.

FLEX LTD.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three-Month Periods Ended		Nine-Month Periods Ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	(In millions) (Unaudited)			
Net income	$ 208	$ 111	$ 373	$ 39
Other comprehensive income (loss):				
Foreign currency translation adjustments, net of zero tax	42	10	87	(11)
Unrealized gain (loss) on derivative instruments and other, net of zero tax	29	14	66	(3)
Comprehensive income	$ 279	$ 135	$ 526	$ 25

The accompanying notes are an integral part of these condensed consolidated financial statements.

FLEX LTD.

CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

Three Months Ended December 31, 2020	Ordinary Shares: Shares Outstanding	Ordinary Shares: Amount	Accumulated Deficit	Accumulated Other Comprehensive Loss: Unrealized Gain (Loss) on Derivative Instruments and Other	Accumulated Other Comprehensive Loss: Foreign Currency Translation Adjustments	Accumulated Other Comprehensive Loss: Total Accumulated Other Comprehensive Loss	Total Shareholders' Equity
				(In millions) Unaudited			
BALANCE AT SEPTEMBER 25, 2020	501	$ 5,985	$ (2,737)	$ (45)	$ (88)	$ (133)	$ 3,115
Repurchase of Flex Ltd. ordinary shares at cost	(2)	(38)	—	—	—	—	(38)
Net income	—	—	208	—	—	—	208
Stock-based compensation	—	25	—	—	—	—	25
Total other comprehensive income	—	—	—	29	42	71	71
BALANCE AT DECEMBER 31, 2020	499	$ 5,972	$ (2,529)	$ (16)	$ (46)	$ (62)	$ 3,381

Nine Months Ended December 31, 2020	Ordinary Shares: Shares Outstanding	Ordinary Shares: Amount	Accumulated Deficit	Accumulated Other Comprehensive Loss: Unrealized Gain (Loss) on Derivative Instruments and Other	Accumulated Other Comprehensive Loss: Foreign Currency Translation Adjustments	Accumulated Other Comprehensive Loss: Total Accumulated Other Comprehensive Loss	Total Shareholders' Equity
				(In millions) Unaudited			
BALANCE AT MARCH 31, 2020	497	$ 5,948	$ (2,902)	$ (82)	$ (133)	$ (215)	$ 2,831
Repurchase of Flex Ltd. ordinary shares at cost	(2)	(38)	—	—	—	—	(38)
Issuance of Flex Ltd. vested shares under restricted share unit awards	4	—	—	—	—	—	—
Net Income	—	—	373	—	—	—	373
Stock-based compensation	—	62	—	—	—	—	62
Total other comprehensive income	—	—	—	66	87	153	153
BALANCE AT DECEMBER 31, 2020	499	$ 5,972	$ (2,529)	$ (16)	$ (46)	$ (62)	$ 3,381

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CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (Continued)

Three Months Ended December 31, 2019	Ordinary Shares: Shares Outstanding	Ordinary Shares: Amount	Accumulated Deficit	Accumulated Other Comprehensive Loss: Unrealized Gain (Loss) on Derivative Instruments and Other	Accumulated Other Comprehensive Loss: Foreign Currency Translation Adjustments	Accumulated Other Comprehensive Loss: Total Accumulated Other Comprehensive Loss	Total Shareholders' Equity
				(In millions) Unaudited			
BALANCE AT SEPTEMBER 27, 2019	509	$ 6,058	$ (3,062)	$ (59)	$ (131)	$ (190)	$ 2,806
Repurchase of Flex Ltd. ordinary shares at cost	(5)	(61)	—	—	—	—	(61)
Exercise of stock options	—		—	—	—	—	—
Net income	—	—	111	—	—	—	111
Stock-based compensation	—	19	—	—	—	—	19
Total other comprehensive income	—	—	—	14	10	24	24
BALANCE AT DECEMBER 31, 2019	504	$ 6,016	$ (2,951)	$ (45)	$ (121)	$ (166)	$ 2,899

Nine Months Ended December 31, 2019	Ordinary Shares: Shares Outstanding	Ordinary Shares: Amount	Accumulated Deficit	Accumulated Other Comprehensive Loss: Unrealized Gain (Loss) on Derivative Instruments and Other	Accumulated Other Comprehensive Loss: Foreign Currency Translation Adjustments	Accumulated Other Comprehensive Loss: Total Accumulated Other Comprehensive Loss	Total Shareholders' Equity
				(In millions) Unaudited			
BALANCE AT MARCH 31, 2019	517	$ 6,136	$ (3,012)	$ (42)	$ (110)	$ (152)	$ 2,972
Repurchase of Flex Ltd. ordinary shares at cost	(16)	(173)	—	—	—	—	(173)
Exercise of stock options	—	1	—	—	—	—	1
Issuance of Flex Ltd. vested shares under restricted share unit awards	3	—	—	—	—	—	—
Net income	—	—	39	—	—	—	39
Stock-based compensation	—	53	—	—	—	—	53
Cumulative effect on opening equity of adopting accounting standards and other	—	(1)	22	—	—	—	21
Total other comprehensive loss	—	—	—	(3)	(11)	(14)	(14)
BALANCE AT DECEMBER 31, 2019	504	$ 6,016	$ (2,951)	$ (45)	$ (121)	$ (166)	$ 2,899

The accompanying notes are an integral part of these condensed consolidated financial statements.

FLEX LTD.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine-Month Periods Ended	
	December 31, 2020	December 31, 2019
	(In millions) (Unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 373	$ 39
Depreciation, amortization and other impairment charges	526	526
Changes in working capital and other, net	(916)	(2,264)
Net cash used in operating activities	(17)	(1,699)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(261)	(376)
Proceeds from the disposition of property and equipment	25	102
Cash collections of deferred purchase price	—	2,511
Other investing activities, net	10	24
Net cash provided by (used in) investing activities	(226)	2,261
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from bank borrowings and long-term debt	1,944	1,017
Repayments of bank borrowings and long-term debt	(1,012)	(1,308)
Payments for repurchases of ordinary shares	(38)	(173)
Other financing activities, net	(1)	2
Net cash provided by (used in) financing activities	893	(462)
Effect of exchange rates on cash and cash equivalents	38	(8)
Net increase in cash and cash equivalents	688	92
Cash and cash equivalents, beginning of period	1,923	1,697
Cash and cash equivalents, end of period	$ 2,611	$ 1,789
Non-cash investing activities:		
Unpaid purchases of property and equipment	$ 73	$ 64

The accompanying notes are an integral part of these condensed consolidated financial statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. ORGANIZATION OF THE COMPANY AND BASIS OF PRESENTATION

Organization of the Company

Flex Ltd. ("Flex" or the "Company") was incorporated in the Republic of Singapore in May 1990. The Company's operations have expanded over the years through a combination of organic growth and acquisitions. The Company is the manufacturing partner of choice that helps a diverse customer base design and build products that improve the world. Through the collective strength of a global workforce across approximately 30 countries and responsible, sustainable operations, the Company delivers technology innovation, supply chain, and manufacturing solutions to diverse industries and end markets. In the first quarter of fiscal year 2021, the Company made certain changes in its organizational structure as part of its strategy to further drive growth and productivity with two focused delivery models. As a result, beginning in the first quarter of fiscal year 2021, the Company reports its financial performance based on two operating and reportable segments:

- Flex Agility Solutions ("FAS"), which is comprised of the following end markets:
    - *Communications, Enterprise and Cloud ("CEC")*, including data infrastructure, edge infrastructure and communication infrastructure;
    - *Lifestyle*, including appliances, consumer packaging, floorcare, micro mobility and audio; and
    - *Consumer Devices*, including mobile and high velocity consumer devices.
- Flex Reliability Solutions ("FRS"), which is comprised of the following end markets:
    - *Automotive*, including autonomous, connectivity, electrification, and smart technologies;
    - *Health Solutions*, including medical devices, medical equipment and drug delivery; and
    - *Industrial*, including capital equipment, industrial devices, renewable and grid edge, and power systems.

The Company's service offerings include a comprehensive range of value-added design and engineering services that are tailored to the various markets and needs of its customers. Other focused service offerings relate to manufacturing (including enclosures, metals, plastic injection molding, precision plastics, machining, and mechanicals), system integration and assembly and test services, materials procurement, inventory management, logistics and after-sales services (including product repair, warranty services, re-manufacturing and maintenance), supply chain management software solutions, and component product offerings (including flexible printed circuit boards and power adapters and chargers).

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP" or "GAAP") for interim financial information and in accordance with the requirements of Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements, and should be read in conjunction with the Company's audited consolidated financial statements as of and for the fiscal year ended March 31, 2020 contained in the Company's Annual Report on Form 10-K. In the opinion of management, all adjustments (consisting only of normal recurring adjustments) considered necessary for a fair presentation have been included. Operating results for the three and nine-month periods ended December 31, 2020 are not necessarily indicative of the results that may be expected for the fiscal year ending March 31, 2021. Beginning in the second quarter of fiscal year 2021, the Company began reporting all dollar amounts in millions. In certain circumstances, this change in rounding resulted in line items being removed within prior year disclosures. Certain prior period amounts in the condensed consolidated financial statements, as well as in the Notes thereto, have been reclassified to conform to the current presentation.

The first quarters for fiscal years 2021 and 2020 ended on June 26, 2020, which is comprised of 87 days in the period, and June 28, 2019, which is comprised of 89 days in the period, respectively. The second quarters for fiscal years 2021 and 2020 ended on September 25, 2020 and September 27, 2019, which are comprised of 91 days in both periods. The Company's third quarters for fiscal years 2021 and 2020 ended on December 31 of each year, which are comprised of 97 days and 95 days, respectively.

The accompanying unaudited condensed consolidated financial statements include the accounts of Flex and its majority-owned subsidiaries, after elimination of intercompany accounts and transactions. The Company consolidates its majority-owned subsidiaries and investments in entities in which the Company has a controlling interest. For the consolidated majority-owned subsidiaries in which the Company owns less than 100%, the Company recognizes a noncontrolling interest for the ownership of the noncontrolling owners. The associated noncontrolling owners' interest in the income or losses of these companies is not material to the Company's results of operations for all periods presented, and is classified as a component of interest and other, net, in the condensed consolidated statements of operations.

The changes to the Company’s organizational structure noted above had no impact on the condensed consolidated financial statements. For comparability purposes, segment reporting for prior periods have been restated to conform to the current presentation. Refer to note 14, “Segment Reporting,” for additional information on the changes in operating and reportable segments.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates are used in accounting for, among other things: allowances for doubtful accounts; inventory write-downs; valuation allowances for deferred tax assets; uncertain tax positions; valuation and useful lives of long-lived assets including property, equipment, and intangible assets; valuation of goodwill; valuation of investments in privately-held companies; asset impairments; fair values of financial instruments, including highly liquid investments, notes receivable and derivative instruments; restructuring charges; contingencies; warranty provisions; incremental borrowing rates in determining the present value of lease payments; accruals for potential price adjustments arising from customer contracts; fair values of assets obtained and liabilities assumed in business combinations; and the fair values of stock options and restricted share unit awards granted under the Company's stock-based compensation plans. Due to the COVID-19 pandemic, there has been and will continue to be uncertainty and disruption in the global economy and financial markets. The Company has made estimates and assumptions taking into consideration certain possible impacts due to COVID-19. These estimates may change, as new events occur, and additional information is obtained. Actual results may differ from previously estimated amounts, and such differences may be material to the condensed consolidated financial statements. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the period they occur.

Recently Adopted Accounting Pronouncement

In March 2020, the FASB issued ASU 2020-04 "Facilitation of the Effects of Reference Rate Reform on Financial Reporting", which temporarily simplifies the accounting for contract modifications, including hedging relationships, due to the transition from LIBOR and other interbank offered rates to alternative reference interest rates. For example, entities can elect not to remeasure the contracts at the modification date or reassess a previous accounting determination if certain conditions are met. Additionally, entities can elect to continue applying hedge accounting for hedging relationships affected by reference rate reform if certain conditions are met. The Company adopted the guidance during the first quarter of fiscal year 2021 with an immaterial impact on its consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13 “Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments” and also issued subsequent amendments to the initial guidance: ASU 2018-19, ASU 2019-04, ASU 2019-05, ASU 2019-10, and ASU 2019-11, which replace the existing incurred loss impairment model with an expected credit loss model and require a financial asset measured at amortized cost to be presented at the net amount expected to be collected. The Company adopted the guidance during the first quarter of fiscal year 2021 with an immaterial impact on its consolidated financial statements.

Recently Issued Accounting Pronouncements

In October 2020, the FASB issued ASU 2020-10 "Codification Improvements", which improves consistency by amending the Codification to include all disclosure guidance in the appropriate disclosure sections and clarifies application of various provisions in the Codification by amending and adding new headings, cross referencing to other guidance, and refining or correcting terminology. The guidance is effective for the Company beginning in the first quarter of fiscal year 2022 with early adoption permitted. The Company expects the new guidance will have an immaterial impact on its consolidated financial statements, and intends to adopt the guidance when it becomes effective in the first quarter of fiscal year 2022.

In October 2020, the FASB issued ASU 2020-09 "Debt (Topic 470): Amendments to SEC Paragraphs Pursuant to SEC Release No. 33-10762." which amends and supersedes SEC paragraphs in the Accounting Standards Codification to reflect the issuance of SEC Release No. 33-10762 related to financial disclosure requirements for subsidiary issuers and guarantors of registered debt securities and affiliates whose securities are pledged as collateral for registered securities. The guidance is effective for the Company beginning in the fourth quarter of fiscal year 2021 with early adoption permitted. The Company expects the new guidance will have an immaterial impact on its consolidated financial statements, and intends to adopt the guidance when it becomes effective in the fourth quarter of fiscal year 2021.

In January 2020, the FASB issued ASU 2020-01 "Investments - Equity Securities (Topic 321), Investments - Equity Method and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815): Clarifying the Interactions Between Topic 321, Topic 323, and Topic 815 — a consensus of the FASB Emerging Issues Task Force," which makes improvements related to the following two topics: (1) accounting for certain equity securities when the equity method of accounting is applied or discontinued, and (2) scope considerations related to forward contracts and purchased options on certain securities. The guidance is effective for the Company beginning in the first quarter of fiscal year 2022 with early adoption permitted. The Company expects the new guidance will have an immaterial impact on its consolidated financial statements, and intends to adopt the guidance when it becomes effective in the first quarter of fiscal year 2022.

In December 2019, the FASB issued ASU 2019-12 "Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes," which removes certain exceptions for recognizing deferred taxes for investments, performing intra-period allocation and calculating income taxes in interim periods. The ASU also adds guidance to reduce complexity in certain areas, including recognizing deferred taxes for tax goodwill and allocating taxes to members of a consolidated group. The guidance is effective for the Company beginning in the first quarter of fiscal year 2022 with early adoption permitted. The Company expects the new guidance will have an immaterial impact on its consolidated financial statements, and intends to adopt the guidance when it becomes effective in the first quarter of fiscal year 2022.

2. BALANCE SHEET ITEMS

Inventories

The components of inventories, net of applicable lower of cost and net realizable value write-downs, were as follows:

	As of December 31, 2020	As of March 31, 2020
	(In millions)	
Raw materials	$ 2,625	$ 2,836
Work-in-progress	472	373
Finished goods	602	576
	$ 3,699	$ 3,785

Goodwill and Other Intangible Assets

In accordance with accounting guidance on goodwill and other intangible assets, the Company evaluates goodwill for impairment at the reporting unit level annually, and in certain circumstances such as a change in reporting units or whenever there are indications that goodwill might be impaired. As described in note 1, the Company made certain changes in its organizational structure during the first quarter of fiscal year 2021 as part of its strategy to further drive growth and productivity through two separate delivery models that represent reportable segments, FAS and FRS. With these changes, the Company also revised its reporting units. Accordingly, the Company completed an interim test as of April 1, 2020. Recoverability of goodwill is measured at the reporting unit level by comparing the reporting unit's carrying amount, including goodwill, to the fair value of the reporting unit, which typically is measured based upon, among other factors, market multiples for comparable companies as well as a discounted cash flow analysis. These approaches use significant unobservable inputs, or Level 3 inputs, as defined by the fair value hierarchy and require management to make various judgmental assumptions about sales, operating margins, growth rates and discount rates which consider the Company's budgets, business plans and economic projections, and are believed to reflect market participant views. Some of the inherent estimates and assumptions used in determining fair value of the reporting units are outside the control of management, including interest rates, cost of capital, tax rates, market EBITDA comparables and credit ratings. While the Company believes it has made reasonable estimates and assumptions to calculate the fair value of the reporting units, it is possible a material change could occur. If the actual results are not consistent with management's estimates and assumptions used to calculate fair value, it could result in material impairments of the Company's goodwill.

Based on the latest assessment of its goodwill as of April 1, 2020, the Company determined that no impairment existed as of the date of the impairment test, because the fair value of each one of its reporting units exceeds its respective carrying value. In addition, goodwill was reallocated among each of the Company's six reporting units based on each reporting unit’s relative fair value as of April 1, 2020. The Company considered whether an interim impairment test should be performed as of December 31, 2020 and concluded that there were no events or changes in circumstances that indicated the carrying amount of goodwill may not be recoverable. It will perform its next annual impairment test with a valuation date of January 1, 2021 to be completed in the period ending March 31, 2021. The following table summarizes the goodwill allocation as of April 1, 2020 and the activity during the nine-month period ended December 31, 2020:

	FAS			FRS			
	Communications, Enterprise and Cloud	Lifestyle	Consumer Devices	Automotive	Health Solutions	Industrial	Total
	(In millions)						
Balance at April 1, 2020	$ 188	$ 131	$ 51	$ 174	$ 192	$ 329	$ 1,065
Foreign currency translation adjustments	1	—	—	39	4	—	44
Balance at December 31, 2020	$ 189	$ 131	$ 51	$ 213	$ 196	$ 329	$ 1,109

The components of acquired intangible assets are as follows:

	As of December 31, 2020			As of March 31, 2020		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
	(In millions)					
Intangible assets:						
Customer-related intangibles	$ 280	$ (149)	$ 131	$ 275	$ (128)	$ 147
Licenses and other intangibles	258	(156)	102	245	(130)	115
Total	$ 538	$ (305)	$ 233	$ 520	$ (258)	$ 262

The gross carrying amounts of intangible assets are removed when fully amortized. The estimated future annual amortization expense for intangible assets is as follows:

Fiscal Year Ending March 31,	Amount
	(In millions)
2021 (1)	$ 16
2022	55
2023	47
2024	45
2025	40
Thereafter	30
Total amortization expense	$ 233

(1) Represents estimated amortization for the remaining fiscal three-month period ending March 31, 2021.

Other Current Liabilities

Other current liabilities include customer working capital advances of $371.3 million and $264.2 million, customer-related accruals of $242.7 million and $195.1 million, and current operating lease liabilities of $125.2 million and $114.1 million as of December 31, 2020 and March 31, 2020, respectively. The customer working capital advances are not interest-bearing, do not have fixed repayment dates and are generally reduced as the underlying working capital is consumed in production.

3. REVENUE

Revenue Recognition

The Company provides a comprehensive suite of services for its customers that range from advanced product design to manufacturing and logistics to after-sales services. The first step in its process for revenue recognition is to identify a contract with a customer. A contract is defined as an agreement between two parties that creates enforceable rights and obligations and can be written, verbal, or implied. The Company generally enters into master supply agreements ("MSA") with its customers that provide the framework under which business will be conducted. This includes matters such as warranty, indemnification, transfer of title and risk of loss, liability for excess and obsolete inventory, pricing formulas, payment terms, etc., and the level of business under those agreements may not be guaranteed. In those instances, the Company bids on a program-by-program basis and typically receives customer purchase orders for specific quantities and timing of products. As a result, the Company considers its contract with a customer to be the combination of the MSA and the purchase order, or any other similar documents such as a statement of work, product addendum, emails or other communications that embody the commitment by the customer.

In determining the appropriate amount of revenue to recognize, the Company applies the following steps: (i) identifies the contracts with the customers; (ii) identifies performance obligations in the contracts; (iii) determines the transaction price; (iv) allocates the transaction price to the performance obligations per the contracts; and (v) recognizes revenue when (or as) the Company satisfies a performance obligation. Further, the Company assesses whether control of the product or services promised under the contract is transferred to the customer at a point in time (PIT) or over time (OT). The Company is first required to evaluate whether its contracts meet the criteria for OT recognition. The Company has determined that for a portion of its contracts the Company is manufacturing products for which there is no alternative use (due to the unique nature of the customer-specific product and IP restrictions) and the Company has an enforceable right to payment including a reasonable profit for work-in-progress inventory with respect to these contracts. As a result, revenue is recognized under these contracts OT based on the cost-to-cost method as it best depicts the transfer of control to the customer measured based on the ratio of costs incurred to date as compared to the total estimated costs at completion of the performance obligation. For all other contracts that do not meet these criteria, the Company recognizes revenue when it has transferred control of the related manufactured products which generally occurs upon delivery and passage of title to the customer.

Customer Contracts and Related Obligations

Certain of the Company’s customer agreements include potential price adjustments which may result in variable consideration. These price adjustments include, but are not limited to, sharing of cost savings, committed price reductions, material margins earned over the period that are contractually required to be paid to the customers, rebates, refunds tied to performance metrics such as on-time delivery, and other periodic pricing resets that may be refundable to customers. The Company estimates the variable consideration related to these price adjustments as part of the total transaction price and recognizes revenue in accordance with the pattern applicable to the performance obligation, subject to a constraint. The Company constrains the amount of revenues recognized for these contractual provisions based on its best estimate of the amount which will not result in a significant reversal of revenue in a future period. The Company determines the amounts to be recognized based on the amount of potential refunds required by the contract, historical experience and other surrounding facts and circumstances. Often these obligations are settled with the customer in a period after shipment through various methods which include reduction of prices for future purchases, issuance of a payment to the customer, or issuance of a credit note applied against the customer’s accounts receivable balance. In many instances, the agreement is silent on the settlement mechanism. Any difference between the amount accrued upon shipment for potential refunds and the actual amount agreed to with the customer is recorded as an increase or decrease in revenue. These potential price adjustments are included as part of other current liabilities on the consolidated balance sheet and disclosed as part of customer-related accruals in note 2.

Performance Obligations

The Company derives its revenues primarily from manufacturing services, and to a lesser extent, from innovative design, engineering, and supply chain services and solutions.

A performance obligation is an implicitly or explicitly promised good or service that is material in the context of the contract and is both capable of being distinct (customer can benefit from the good or service on its own or together with other readily available resources) and distinct within the context of the contract (separately identifiable from other promises). The Company considers all activities typically included in its contracts, and identifies those activities representing a promise to transfer goods or services to a customer. These include, but are not limited to, design and engineering services, prototype products, tooling, etc. Each promised good or service with regards to these identified activities is accounted for as a separate performance obligation only if it is distinct - i.e., the customer can benefit from it on its own or together with other resources that are readily available to the customer. Certain activities on the other hand are determined not to constitute a promise to transfer goods or service, and therefore do not represent separate performance obligations for revenue recognition (e.g., procurement of materials and standard workmanship warranty).

A contract’s transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. The majority of the Company's contracts have a single performance obligation as the promise to transfer the individual good or service is not separately identifiable from other promises in the contract and is, therefore, not distinct. Promised goods or services that are immaterial in the context of the contract are not separately assessed as performance obligations. In the event that more than one performance obligation is identified in a contract, the Company is required to allocate the transaction price between the performance obligations. The allocation would generally be performed on the basis of a relative standalone price for each distinct good or service. This standalone price most often represents the price that the Company would sell similar goods or services separately.

Contract Balances

A contract asset is recognized when the Company has recognized revenue, but not issued an invoice for payment. Contract assets are classified separately on the condensed consolidated balance sheets and transferred to receivables when rights to payment become unconditional.

A contract liability is recognized when the Company receives payments in advance of the satisfaction of performance and is included in other current liabilities on the condensed consolidated balance sheets. Contract liabilities, identified as deferred revenue, were $483.4 million and $361.5 million as of December 31, 2020 and March 31, 2020, respectively.

Disaggregation of Revenue

The following table presents the Company's revenue disaggregated based on timing of transfer - point in time and over time - for the three and nine-month periods ended December 31, 2020 and December 31, 2019, respectively.

	Three-Month Periods Ended		Nine-Month Periods Ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Timing of Transfer	(In millions)			
FAS				
Point in time	$ 3,544	$ 3,104	$ 8,813	$ 9,060
Over time	290	527	1,250	2,062
Total	3,834	3,631	10,063	11,122
FRS				
Point in time	2,189	2,050	5,292	5,101
Over time	697	780	2,503	2,502
Total	2,886	2,830	7,795	7,603
Flex				
Point in time	5,733	5,154	14,105	14,161
Over time	987	1,307	3,753	4,564
Total	$ 6,720	$ 6,461	$ 17,858	$ 18,725

4. SHARE-BASED COMPENSATION

The Company's primary plan used for granting equity compensation awards is the 2017 Equity Incentive Plan (the "2017 Plan").

The following table summarizes the Company's share-based compensation expense:

	Three-Month Periods Ended		Nine-Month Periods Ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	(In millions)			
Cost of sales	$ 6	$ 4	$ 16	$ 11
Selling, general and administrative expenses	19	15	46	42
Total share-based compensation expense	$ 25	$ 19	$ 62	$ 53

Total unrecognized compensation expense related to share options under all plans as well as the number of options outstanding and exercisable were immaterial as of December 31, 2020.

During the nine-month period ended December 31, 2020, the Company granted 11.0 million unvested restricted share unit ("RSU") awards. Of this amount, approximately 9.4 million are plain-vanilla unvested RSU awards that vest over a period of two to four years, with no performance or market conditions, and with an average grant date price of $10.34 per award. Further, approximately 1.6 million unvested shares represent the target amount of grants made to certain key employees whereby vesting is contingent on certain market conditions. The average grant date fair value of these awards contingent on certain market conditions was estimated to be $15.03 per award and was calculated using a Monte Carlo simulation. The number of shares contingent on market conditions that ultimately will vest will range from zero up to a maximum of 3.2 million based on a measurement of the percentile rank of the Company’s total shareholder return over a certain specified period against the Standard and Poor’s (“S&P”) 500 Composite Index, and will cliff vest after a period of three years, to the extent such market conditions have been met.

As of December 31, 2020, approximately 20.4 million unvested RSU awards under all plans were outstanding, of which vesting for a targeted amount of 3.7 million awards is contingent primarily on meeting certain market conditions. The number of shares that will ultimately be issued can range from zero to 7.4 million based on the achievement levels of the respective conditions. During the nine-month period ended December 31, 2020, no shares vested in connection with the awards with market conditions granted in fiscal year 2018.

As of December 31, 2020, total unrecognized compensation expense related to unvested RSU awards under all plans was approximately $153.6 million, and will be recognized over a weighted-average remaining vesting period of 2.1 years.

5. EARNINGS PER SHARE

The following table reflects basic weighted-average ordinary shares outstanding and diluted weighted-average ordinary share equivalents used to calculate basic and diluted earnings per share attributable to the shareholders of Flex:

	Three-Month Periods Ended		Nine-Month Periods Ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	(In millions, except per share amounts)			
Basic earnings per share:				
Net income	$ 208	$ 111	$ 373	$ 39
Shares used in computation:				
Weighted-average ordinary shares outstanding	500	507	500	511
Basic earnings per share	$ 0.42	$ 0.22	$ 0.75	$ 0.08
Diluted earnings per share:				
Net income	$ 208	$ 111	$ 373	$ 39
Shares used in computation:				
Weighted-average ordinary shares outstanding	500	507	500	511
Weighted-average ordinary share equivalents from stock options and RSU awards (1) (2)	8	3	5	4
Weighted-average ordinary shares and ordinary share equivalents outstanding	508	510	505	515
Diluted earnings per share	$ 0.41	$ 0.22	$ 0.74	$ 0.08

(1) An immaterial number of options to purchase ordinary shares were excluded from the computation of diluted earnings per share during the three and nine-month periods ended December 31, 2020 and December 31, 2019, respectively, due to their anti-dilutive impact on the weighted-average ordinary share equivalents.

(2) An immaterial number of RSU awards and 2.9 million RSU awards for the three and nine-month periods ended December 31, 2020, respectively, were excluded from the computation of diluted earnings per share due to their anti-dilutive impact on the weighted-average ordinary share equivalents. RSU awards of 3.7 million and 4.0 million for the three and nine-month periods ended December 31, 2019, respectively, were excluded from the computation of diluted earnings per share.

6. BANK BORROWINGS AND LONG-TERM DEBT

Bank borrowings and long-term debt as of December 31, 2020 are as follows:

	As of December 31, 2020	As of March 31, 2020
	(In millions)	
Term Loan, including current portion, due in installments through June 2022	$ —	$ 433
5.000% Notes due February 2023	500	500
Term Loan due April 2024 - three-month Yen LIBOR plus 0.500%	324	310
4.750% Notes due June 2025	598	597
3.750% Notes due February 2026	695	—
4.875% Notes due June 2029	661	662
4.875% Notes due May 2030	696	—
India Facilities	136	138
Other	225	211
Debt issuance costs	(23)	(13)
	3,812	2,838
Current portion, net of debt issuance costs	(72)	(149)
Non-current portion	$ 3,740	$ 2,689

The weighted-average interest rate for the Company's long-term debt was 4.0% as of December 31, 2020 and March 31, 2020, respectively.

Scheduled repayments of the Company's bank borrowings and long-term debt as of December 31, 2020 are as follows:

Fiscal Year Ending March 31,	Amount
	(In millions)
2021 (1)	$ 56
2022	222
2023	531
2024	53
2025	324
Thereafter	2,649
Total	$ 3,835

(1) Represents estimated repayments for the remaining fiscal three-month period ending March 31, 2021.

Notes due February 2026 and May 2030

In May 2020, the Company issued $425 million aggregate principal amount of 3.750% Notes due February 2026 (the "Existing 2026 Notes"), at 99.617% of face value and $325 million aggregate principal amount of 4.875% Notes due May 2030 (the "Existing 2030 Notes" and, together with the Existing 2026 Notes, the "Existing Notes"), at 99.562% of face value. In August 2020, as a further issuance of the Existing Notes, the Company issued under the same terms (other than the initial interest accrual date and first interest payment date for the additional 2026 Notes, and the initial offering price and the issue date for the additional 2026 and 2030 Notes), an additional $250 million of 3.750% Notes due February 2026 (together with the Existing 2026 Notes, the "2026 Notes"), at 109.294% of face value, and $325 million of 4.875% Notes due May 2030 (together with the Existing 2030 Notes, the "2030 Notes"), at 114.863% of face value. Immediately after the issuance of the additional notes issued in August 2020, the Company has $675 million aggregate principal amount of 3.750% Notes due 2026 outstanding and $650 million aggregate principal amount of 4.875% Notes due 2030 outstanding. The Company received in aggregate, proceeds of approximately $1.4 billion, net of discounts and after premiums, from the issuances, which have been used for working capital and other general corporate purposes, in addition to repaying the term loan due June 2022. The Company incurred and capitalized as a direct reduction to the carrying amount of the Notes presented on the balance sheet approximately $12.8 million of costs in conjunction with the issuance of the Notes.

Interest on the 2026 Notes and the 2030 Notes is payable semi-annually, commencing on August 1, 2020 and November 12, 2020, respectively, except that interest on the additional 2026 Notes is payable commencing February 1, 2021. The Notes are senior unsecured obligations of the Company and rank equally with all of the Company's other existing and future senior and unsecured debt obligations.

The indenture governing the Notes contains covenants that, among other things, restrict the ability of the Company and certain of the Company's subsidiaries to create liens; enter into sale-leaseback transactions; and consolidate or merge with, or convey, transfer or lease all or substantially all of the Company's assets to, another person, or permit any other person to consolidate, merge, combine or amalgamate with or into the Company. These covenants are subject to a number of significant limitations and exceptions set forth in the indenture. The indenture also provides for customary events of default, including, but not limited to, cross defaults to certain specified other debt of the Company and its subsidiaries. In the case of an event of default arising from specified events of bankruptcy or insolvency, all outstanding Notes will become due and payable immediately without further action or notice. If any other event of default under the indenture occurs or is continuing, the trustee or holders of at least 25% in aggregate principal amount of the then outstanding 2026 Notes or 2030 Notes may declare all of such series of Notes to be due and payable immediately, but upon certain conditions such declaration and its consequences may be rescinded and annulled by the holders of a majority in principal amount of such series of Notes. As of December 31, 2020, the Company was in compliance with the covenants in the indenture governing the Notes.

7. INTEREST AND OTHER, NET

Interest and other, net for the three and nine-month periods ended December 31, 2020 and December 31, 2019 are primarily composed of the following:

	Three-Month Periods Ended		Nine-Month Periods Ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	(In millions)			
Interest expenses on debt obligations (1)	$ 40	$ 35	$ 111	$ 114
ABS and AR sales programs related expenses	2	11	9	35
Interest income	(4)	(5)	(10)	(15)
Gain on foreign exchange transactions	(3)	(3)	(8)	(7)
Equity in (earnings) losses (2)	(49)	(1)	(64)	5
Investment impairment (3)	20	16	21	23

(1) Interest expense on debt obligations for the three and nine-month periods ended December 31, 2019 include debt extinguishment costs of $0.8 million and $7.2 million, respectively, related to the full repayments of the Notes due February 2020 and the Term Loan due November 2021. There were immaterial debt extinguishment costs incurred during fiscal year 2021 from the repayment of the term loan due June 2022.

(2) Represents (gains) losses on strategic investments in privately held companies accounted under equity method. During the three and nine-month periods ended December 31, 2020, the Company recognized equity in earnings of $49.0 million and $63.6 million, respectively, driven by unrealized gains of $44.0 million and $55.2 million, respectively, from the value increase in certain investment funds.

(3) During the three-month periods ended December 31, 2020, and December 31, 2019, the Company incurred impairment charges of $20.1 million and $15.8 million, respectively, related to a certain investment as a result of the Company's ongoing assessment of its investment portfolio strategy and conclusion that the carrying amount of its investment was other than temporarily impaired.

8. FINANCIAL INSTRUMENTS

Foreign Currency Contracts

The Company enters into short-term and long-term foreign currency derivatives contracts, including forward, swap, and options contracts to hedge only those currency exposures associated with certain assets and liabilities, primarily accounts receivable and accounts payable, and cash flows denominated in non-functional currencies. Gains and losses on the Company's derivative contracts are designed to offset losses and gains on the assets, liabilities and transactions hedged, and accordingly, generally do not subject the Company to risk of significant accounting losses. The Company hedges committed exposures and does not engage in speculative transactions. The credit risk of these derivative contracts is minimized since the contracts are with large financial institutions and accordingly, fair value adjustments related to the credit risk of the counterparty financial institution were not material.

As of December 31, 2020, the aggregate notional amount of the Company's outstanding foreign currency derivative contracts was $9.5 billion as summarized below:

Currency	Foreign Currency Amount		Notional Contract Value in USD	
	Buy	Sell	Buy	Sell
		(In millions)		
Cash Flow Hedges				
CNY	2,751	—	$ 421	$ —
HUF	33,062	—	111	—
JPY	33,525	—	300	—
MXN	5,133	—	258	—
MYR	389	44	96	11
Other	N/A	N/A	219	67
			1,405	78
Other Foreign Currency Contracts				
BRL	—	646	—	125
CAD	128	112	100	87
CNY	3,178	391	482	60
EUR	2,025	2,113	2,473	2,580
GBP	55	78	74	105
HUF	63,519	63,796	213	214
ILS	571	150	177	47
MXN	6,882	5,519	346	277
MYR	671	291	165	72
SEK	393	455	47	55
Other	N/A	N/A	219	143
			4,296	3,765
Total Notional Contract Value in USD			$ 5,701	$ 3,843

As of December 31, 2020, the fair value of the Company's short-term foreign currency contracts was included in other current assets or other current liabilities, as applicable, in the condensed consolidated balance sheets. Certain of these contracts are designed to economically hedge the Company's exposure to monetary assets and liabilities denominated in a non-functional currency and are not accounted for as hedges under the accounting standards. Accordingly, changes in the fair value of these instruments are recognized in earnings during the period of change as a component of interest and other, net in the condensed consolidated statements of operations. As of December 31, 2020 and March 31, 2020, the Company also has included net deferred gains and losses in accumulated other comprehensive loss, a component of shareholders' equity in the condensed consolidated balance sheets, relating to changes in fair value of its foreign currency contracts that are accounted for as cash flow hedges. Deferred gains were $39.0 million as of December 31, 2020, and are expected to be recognized primarily as a component of cost of sales in the condensed consolidated statements of operations primarily over the next twelve-month period, except for the USD JPY cross currency swap, which is further discussed below.

The Company entered into a USD JPY cross currency swap to hedge the foreign currency risk on the JPY term loan due April 2024, and the fair value of the cross currency swap was included in other assets as of December 31, 2020. The changes in fair value of the USD JPY cross currency swap are reported in accumulated other comprehensive loss, with the impact of the excluded component reported in interest and other, net. In addition, a corresponding amount is reclassified out of accumulated other comprehensive loss to interest and other, net to offset the remeasurement of the underlying JPY loan principal which also impacts the same line.

The following table presents the fair value of the Company's derivative instruments utilized for foreign currency risk management purposes:

	Fair Values of Derivative Instruments					
	Asset Derivatives			Liability Derivatives		
		Fair Value			Fair Value	
	Balance Sheet Location	December 31, 2020	March 31, 2020	Balance Sheet Location	December 31, 2020	March 31, 2020
	(In millions)					
Derivatives designated as hedging instruments						
Foreign currency contracts	Other current assets	$ 53	$ 7	Other current liabilities	$ 8	$ 47
Foreign currency contracts	Other assets	$ 23	$ 14	Other liabilities	$ —	$ —
Derivatives not designated as hedging instruments						
Foreign currency contracts	Other current assets	$ 32	$ 83	Other current liabilities	$ 31	$ 103

The Company has financial instruments subject to master netting arrangements, which provide for the net settlement of all contracts with a single counterparty. The Company does not offset fair value amounts for assets and liabilities recognized for derivative instruments under these arrangements, and as such, the asset and liability balances presented in the table above reflect the gross amounts of derivatives in the condensed consolidated balance sheets. The impact of netting derivative assets and liabilities is not material to the Company's financial position for any of the periods presented.

9. ACCUMULATED OTHER COMPREHENSIVE LOSS

The changes in accumulated other comprehensive loss by component, net of tax, are as follows:

	Three-Month Periods Ended					
	December 31, 2020			December 31, 2019		
	Unrealized loss on derivative instruments and other	Foreign currency translation adjustments	Total	Unrealized loss on derivative instruments and other	Foreign currency translation adjustments	Total
	(In millions)					
Beginning balance	$ (45)	$ (88)	$ (133)	$ (59)	$ (131)	$ (190)
Other comprehensive gain before reclassifications	43	42	85	1	11	12
Net (gains) losses reclassified from accumulated other comprehensive loss	(14)	—	(14)	13	(1)	12
Net current-period other comprehensive gain	29	42	71	14	10	24
Ending balance	$ (16)	$ (46)	$ (62)	$ (45)	$ (121)	$ (166)

	Nine-Month Periods Ended					
	December 31, 2020			December 31, 2019		
	Unrealized loss on derivative instruments and other	Foreign currency translation adjustments	Total	Unrealized loss on derivative instruments and other	Foreign currency translation adjustments	Total
	(In millions)					
Beginning balance	$ (82)	$ (133)	$ (215)	$ (42)	$ (110)	$ (152)
Other comprehensive gain (loss) before reclassifications	73	87	160	(8)	(10)	(18)
Net (gains) losses reclassified from accumulated other comprehensive loss	(7)	—	(7)	5	(1)	4
Net current-period other comprehensive gain (loss)	66	87	153	(3)	(11)	(14)
Ending balance	$ (16)	$ (46)	$ (62)	$ (45)	$ (121)	$ (166)

Substantially all unrealized losses and gains relating to derivative instruments and other, reclassified from accumulated other comprehensive loss for the three and nine-month periods ended December 31, 2020, respectively, were recognized as a component of cost of sales in the condensed consolidated statement of operations, which primarily relate to the Company's foreign currency contracts accounted for as cash flow hedges.

10. TRADE RECEIVABLES SECURITIZATION

The Company sells trade receivables under two asset-backed securitization programs and an accounts receivable factoring program.

Asset-Backed Securitization Programs

The Company continuously sells designated pools of trade receivables under its Global Asset-Backed Securitization Agreement (the "Global Program") and its North American Asset-Backed Securitization Agreement (the "North American Program," and together with the Global Program, the "ABS Programs") to affiliated special purpose entities, each of which in turn sells a fraction of the receivables to unaffiliated financial institutions, based on the Company's requirements. Under these programs, the entire purchase price of sold receivables are paid in cash. The ABS Programs contain guarantees of payment by the special purpose entities, in amounts equal to approximately the net cash proceeds under the programs, and are collateralized by certain receivables held by the special purpose entities. The fair value of the guarantee obligation was immaterial as of December 31, 2020 and March 31, 2020, respectively. The accounts receivable balances sold under the ABS Programs were removed from the condensed consolidated balance sheets and the cash proceeds received by the Company were included as cash provided by operating activities in the condensed consolidated statements of cash flows.

Following the transfer of the receivables to the special purpose entities, the transferred receivables are legally isolated from the Company and its affiliates, and upon the sale of the receivables from the special purpose entities to the unaffiliated financial institutions, effective control of the transferred receivables is passed to the unaffiliated financial institutions, which have the right to pledge or sell the receivables. Although the special purpose entities are consolidated by the Company, they are separate corporate entities and their assets are available first to satisfy the claims of their creditors. The investment limits set by the financial institutions are $790 million for the Global Program, of which $615 million is committed and $175 million is uncommitted, and $285 million for the North American Program, of which $210 million is committed and $75 million is uncommitted.

The Company services, administers and collects the receivables on behalf of the special purpose entities and receives a servicing fee of 0.1% to 0.5% of serviced receivables per annum. Servicing fees recognized during the three and nine-month periods ended December 31, 2020 and December 31, 2019 were not material and are included in interest and other, net within the condensed consolidated statements of operations. As the Company estimates the fee it receives in return for its obligation to service these receivables is at fair value, no servicing assets or liabilities are recognized.

As of March 31, 2020, approximately $0.8 billion, of accounts receivable had been sold to the special purpose entities under the ABS Programs for which the Company had received net cash proceeds for the same amount. As of December 31, 2020 an immaterial amount of accounts receivables had been sold under the ABS programs.

For the nine-month period ended December 31, 2020, collections from sales of receivables to the special purpose entities under the ABS Programs consisted of approximately $6.6 billion for transfers of receivables. Further, cash flows from sales of receivables from the special purpose entities to unaffiliated financial institutions, during the same period, consisted of approximately $0.6 billion for transfer of receivables. For the nine-month period ended December 31, 2019 cash flows from sales of receivables under the previous ABS Programs consisted of approximately $3.7 billion, for transfers of receivables and approximately $2.2 billion for collections on deferred purchase price receivables (effective November 2019, the Company no longer holds a deferred purchase price receivables balance). The Company's cash flows from transfers of receivables consist primarily of proceeds from collections reinvested in revolving-period transfers. Cash flows from new transfers were not significant for all periods presented.

Trade Accounts Receivable Sale Programs

The Company also sold accounts receivables to certain third-party banking institutions. The outstanding balance of receivables sold and not yet collected on accounts where the Company has continuing involvement was approximately $0.1 billion and $0.4 billion as of December 31, 2020 and March 31, 2020, respectively. For the nine-month periods ended December 31, 2020 and December 31, 2019, total accounts receivable sold to certain third-party banking institutions was approximately $0.6 billion and $1.2 billion, respectively. The receivables that were sold were removed from the condensed consolidated balance sheets and the cash received were included as cash provided by operating activities in the condensed consolidated statements of cash flows.

11. FAIR VALUE MEASUREMENT OF ASSETS AND LIABILITIES

Fair value is defined as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Company considers the principal or most advantageous market in which it would transact, and it considers assumptions that market participants would use when pricing the asset or liability. The accounting guidance for fair value establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument’s categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The fair value hierarchy is as follows:

Level 1 - Applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

The Company has deferred compensation plans for its officers and certain other employees. Amounts deferred under the plans are invested in hypothetical investments selected by the participant or the participant’s investment manager. The Company’s deferred compensation plan assets are included in other noncurrent assets on the condensed consolidated balance sheets and include investments in equity securities that are valued using active market prices. There were no investments classified as level 1 in the fair value hierarchy as of December 31, 2020 and March 31, 2020.

Level 2 - Applies to assets or liabilities for which there are inputs other than quoted prices included within level 1 that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets) such as cash and cash equivalents and money market funds; or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

The Company values foreign exchange forward contracts using level 2 observable inputs which primarily consist of an income approach based on the present value of the forward rate less the contract rate multiplied by the notional amount.

The Company’s cash equivalents are comprised of bank time deposits and money market funds, which are valued using level 2 inputs, such as interest rates and maturity periods. Due to their short-term nature, their carrying amount approximates fair value.

The Company’s deferred compensation plan assets also include money market funds, mutual funds, corporate and government bonds and certain convertible securities that are valued using prices obtained from various pricing sources. These sources price these investments using certain market indices and the performance of these investments in relation to these indices. As a result, the Company has classified these investments as level 2 in the fair value hierarchy.

Level 3 - Applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

The Company has accrued for contingent consideration in connection with its business acquisitions as applicable, which is measured at fair value based on certain internal models and unobservable inputs. There were no contingent consideration liabilities outstanding as of December 31, 2020 and March 31, 2020.

There were no transfers between levels in the fair value hierarchy during the nine-month periods ended December 31, 2020 and December 31, 2019.

Financial Instruments Measured at Fair Value on a Recurring Basis

The following table presents the Company’s assets and liabilities measured at fair value on a recurring basis as of December 31, 2020 and March 31, 2020:

	Fair Value Measurements as of December 31, 2020			
	Level 1	Level 2	Level 3	Total
	(In millions)			
Assets:				
Money market funds and time deposits (included in cash and cash equivalents of the condensed consolidated balance sheet)	$ —	$ 1,755	$ —	$ 1,755
Foreign currency contracts (Note 8)	—	108	—	108
Deferred compensation plan assets:				
Mutual funds, money market accounts and equity securities	—	50	—	50
Liabilities:				
Foreign currency contracts (Note 8)	$ —	$ (39)	$ —	$ (39)

	Fair Value Measurements as of March 31, 2020			
	Level 1	Level 2	Level 3	Total
	(In millions)			
Assets:				
Money market funds and time deposits (included in cash and cash equivalents of the condensed consolidated balance sheet)	$ —	$ 404	$ —	$ 404
Foreign currency contracts (Note 8)	—	104	—	104
Deferred compensation plan assets:				
Mutual funds, money market accounts and equity securities	—	49	—	49
Liabilities:				
Foreign currency contracts (Note 8)	$ —	$ (149)	$ —	$ (149)

Other financial instruments

The following table presents the Company’s major debts not carried at fair value:

	As of December 31, 2020		As of March 31, 2020		
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Fair Value Hierarchy
	(In millions)				
Term Loan, including current portion, due in installments through June 2022	$ —	$ —	$ 433	$ 414	Level 1
5.000% Notes due February 2023	500	541	500	500	Level 1
Term Loan due April 2024 - three-month Yen LIBOR plus 0.500%	324	324	310	310	Level 2
4.750% Notes due June 2025	598	680	597	613	Level 1
3.750% Notes due February 2026	695	771	—	—	Level 1
4.875% Notes due June 2029	661	786	662	628	Level 1
4.875% Notes due May 2030	696	826	—	—	Level 1
Euro Term Loans	175	175	208	208	Level 2
India Facilities	136	136	138	138	Level 2

The Term Loan due June 2022, and the Notes due February 2023, June 2025, February 2026, June 2029 and May 2030 are valued based on broker trading prices in active markets.

The Company values its Term Loan due April 2024, India Facilities, and Euro Term Loans due March 2021 and January 2022 based on the current market rate, and as of December 31, 2020, the carrying amounts approximate fair values.

12. COMMITMENTS AND CONTINGENCIES

Litigation and other legal matters

In connection with the matters described below, the Company has accrued for loss contingencies where it believes that losses are probable and estimable. The amounts accrued for any individual matter are not material. Although it is reasonably possible that actual losses could be in excess of the Company's accrual, the Company is unable to estimate a reasonably possible loss or range of loss in excess of its accrual, due to various reasons, including, among others, that: (i) the proceedings are in early stages or no claims have been asserted, (ii) specific damages have not been sought in all of these matters, (iii) damages, if asserted, are considered unsupported and/or exaggerated, (iv) there is uncertainty as to the outcome of pending appeals, motions, or settlements, (v) there are significant factual issues to be resolved, and/or (vi) there are novel legal issues or unsettled legal theories presented. Any such excess loss could have a material adverse effect on the Company's results of operations or cash flows for a particular period or on the Company's financial condition.

In addition, the Company provides design and engineering services to its customers and also designs and makes its own products. As a consequence of these activities, its customers are requiring the Company to take responsibility for intellectual property to a greater extent than in its manufacturing and assembly businesses. Although the Company believes that its intellectual property assets and licenses are sufficient for the operation of its business as it currently conducts it, from time to time third-parties do assert patent infringement claims against the Company or its customers. If and when third-parties make assertions regarding the ownership or right to use intellectual property, the Company could be required to either enter into licensing arrangements or to resolve the issue through litigation. Such license rights might not be available to the Company on commercially acceptable terms, if at all, and any such litigation might not be resolved in its favor. Additionally, litigation could be lengthy and costly and could materially harm the Company's financial condition regardless of the outcome. The Company also could be required to incur substantial costs to redesign a product or re-perform design services.

From time to time, the Company enters into IP licenses (e.g., patent licenses and software licenses) with third-parties which obligate the Company to report covered behavior to the licensor and pay license fees to the licensor for certain activities or products, or that enable the Company's use of third-party technologies. The Company may also decline to enter into licenses for intellectual property that it does not think is useful for or used in its operations, or for which its customers or suppliers have licenses or have assumed responsibility. Given the diverse and varied nature of its business and the location of its business around the world, certain activities the Company performs, such as providing assembly services in China and India, may fall outside the scope of those licenses or may not be subject to the applicable intellectual property rights. The Company's licensors may disagree and claim royalties are owed for such activities. In addition, the basis (e.g., base price) for any royalty amounts owed are audited by licensors and may be challenged. Some of these disagreements, may lead to claims and litigation that might not be resolved in the Company's favor. Additionally, litigation could be lengthy and costly and could materially harm the Company's financial condition regardless of the outcome. In March 2018, the Company received an inquiry from a licensor referencing its patent license agreement with the Company, and requesting information relating to royalties for products that the Company assembles for a customer in China. The Company and licensor agreed to an immaterial settlement.

On May 8, 2018, a putative class action was filed in the Northern District of California against the Company and certain officers alleging violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, and Rule 10b-5, promulgated thereunder, alleging misstatements and/or omissions in certain of the Company's financial results, press releases and SEC filings made during the putative class period of January 26, 2017 through April 26, 2018. On October 1, 2018, the Court appointed lead plaintiff and lead plaintiff's counsel in the case. On November 28, 2018, lead plaintiff filed an amended complaint alleging misstatements and/or omissions in certain of the Company's SEC filings, press releases, earnings calls, and analyst and investor conferences and expanding the putative class period through October 25, 2018. On April 3, 2019, the Court vacated its prior order appointing lead plaintiff and lead plaintiff's counsel and reopened the lead plaintiff appointment process. On September 26, 2019, the Court appointed a new lead plaintiff and lead plaintiff's counsel in the case. On November 8, 2019, lead plaintiff filed a further amended complaint. On December 4, 2019, defendants filed a motion to dismiss the amended complaint. On May 29, 2020, the Court granted defendants' motion to dismiss without prejudice and gave lead plaintiff 30 days to amend. On June 29, 2020, lead plaintiff filed a further amended complaint. On July 27, 2020, defendants filed a motion to dismiss the amended complaint. On December 10, 2020, the Court granted defendants' motion to dismiss with prejudice and entered judgment in favor of defendants. On January 7, 2021, lead plaintiff filed a notice of appeal to the Ninth Circuit Court of Appeals. Lead plaintiff's opening appeal brief is due April 19, 2021, and defendants' answering brief is due May 19, 2021. The Company believes that the claims are without merit and intends to vigorously defend this case.

On April 21, 2016, SunEdison, Inc. (together with certain of its subsidiaries, "SunEdison") filed for protection under Chapter 11 of the U.S. Bankruptcy Code. During the fiscal year ended March 31, 2016, the Company recognized a bad debt reserve charge of $61.0 million associated with its outstanding SunEdison receivables and accepted return of previously shipped inventory of approximately $90.0 million. SunEdison stated in schedules filed with the Bankruptcy Court that, within the 90 days preceding SunEdison's bankruptcy filing, the Company received approximately $98.6 million of inventory and cash transfers of $69.2 million, which in aggregate represents the Company's estimate of the maximum reasonably possible contingent loss. On April 15, 2018, a subsidiary of the Company together with its subsidiaries and affiliates, entered into a tolling agreement with the trustee of the SunEdison Litigation Trust to toll any applicable statute of limitations or other time-related defense that might exist in regards to any potential claims that either party might be able to assert against the other for a period that will end at the earlier to occur of: (a) 60 days after a party provides written notice of termination; (b) six years from the effective date of April 15, 2018; or (c) such other date as the parties may agree in writing. No preference claims have been asserted against the Company and consideration has been given to the related contingencies based on the facts currently known. The Company has a number of affirmative and direct defenses to any potential claims for recovery and intends to vigorously defend any such claim, if asserted.

One of the Company's Brazilian subsidiaries has received assessments for certain sales and import taxes. There were originally six tax assessments totaling 373.7 million Brazilian reals (approximately USD $72.0 million based on the exchange rate as of December 31, 2020). Four of the assessments are in various stages of the review process at the administrative level; the Company successfully defeated one of the six assessments in September 2019 (totaling approximately 60.5 million Brazilian reals or USD $11.7 million); that assessment remains subject to appeal and no tax proceeding has been finalized yet. The Company was unsuccessful at the administrative level for one of the assessments and filed an annulment action in federal court in Sao Paolo, Brazil on March 23, 2020; the value of that assessment is 33.9 million Brazilian reals (approximately USD $6.5 million). The Company believes there is no legal basis for any of these assessments and that it has meritorious defenses. The Company will continue to vigorously oppose all of these assessments, as well as any future assessments. The Company does not expect final judicial determination on any of these claims for several years.

On February 14, 2019, the Company submitted an initial notification of voluntary disclosure to the U.S. Department of the Treasury, Office of Foreign Assets Control ("OFAC") regarding possible noncompliance with U.S. economic sanctions requirements among certain non-U.S. Flex-affiliated operations. On September 28, 2020, the Company made a submission to OFAC that completed the Company’s voluntary disclosure based on the results of an internal investigation regarding the matter. The Company intends to continue to cooperate fully with OFAC in this matter going forward. Nonetheless, it is reasonably possible that the Company could be subject to penalties that could have a material adverse effect on the Company’s financial position, results of operations or cash flows.

A foreign Tax Authority (“Tax Authority”) has assessed a cumulative total of approximately $162.5 million in taxes owed for multiple Flex legal entities within its jurisdiction for various fiscal years ranging from fiscal year 2010 through fiscal year 2018. The assessed amounts related to the denial of certain deductible intercompany payments. The Company disagrees with the Tax Authority’s assessments and is actively contesting the assessments through the administrative and judicial processes.

A different foreign Tax Authority has issued a letter against one of the Company’s legal entities asserting that the entity did not meet the qualification criteria for tax holiday status for the periods fiscal year 2006 through fiscal year 2013. The asserted additional tax and penalty is approximately $80.0 million. The Company disagrees with the Tax Authority’s assertion and is actively contesting through administrative processes and will defend through judicial processes if necessary.

As the final resolutions of the above tax items remain uncertain, the Company continues to provide for the uncertain tax positions based on the more likely than not standard. While the resolution of the issues may result in tax liabilities, interest and penalties, which may be significantly higher than the amounts accrued for these matters, management currently believes that the resolution will not have a material adverse effect on the Company’s financial position, results of operations or cash flows.

In addition to the matters discussed above, from time to time, the Company is subject to legal proceedings, claims, and litigation arising in the ordinary course of business. The Company defends itself vigorously against any such claims. Although the outcome of these matters is currently not determinable, management expects that any losses that are probable or reasonably possible of being incurred as a result of these matters, which are in excess of amounts already accrued in the Company’s consolidated balance sheets, would not be material to the financial statements as a whole.

13. SHARE REPURCHASES

During the three-month and nine-month periods ended December 31, 2020, the Company repurchased 2.4 million shares at an aggregate purchase price of $37.7 million, and retired all of these shares.

Under the Company’s current share repurchase program, the Board of Directors authorized repurchases of its outstanding ordinary shares for up to $500.0 million in accordance with the share repurchase mandate approved by the Company’s shareholders at the date of Annual General Meeting held on August 7, 2020. As of December 31, 2020, shares in the aggregate amount of $462.3 million were available to be repurchased under the current plan.

14. SEGMENT REPORTING

In March 2020, the Company announced a change in organizational structure as part of its strategy to further drive efficiency and productivity with two focused delivery models. The Company's chief operating decision maker ("CODM") changed from the CEO and certain direct staff who oversee operations of the business, to the CEO herself. As a result, beginning in fiscal year 2021, the Company now reports its financial performance based on two operating and reportable segments, Flex Agility Solutions ("FAS") and Flex Reliability Solutions ("FRS") and analyzes operating income as the measure of segment profitability.

The FAS segment is optimized for speed to market at any volume based on a highly flexible supply and manufacturing system. The Company realigned the majority of the customers under the former Communications & Enterprise Compute ("CEC") and Consumer Technologies Group ("CTG") segments under the new FAS segment. Certain customers that were in the former Industrial and Emerging Industries ("IEI") segment that meet the above delivery model were also consolidated into the FAS segment. FAS is now comprised of the following end markets that represent reportable units:

- *Communications, Enterprise and Cloud ("CEC")*, including data infrastructure, edge infrastructure and communication infrastructure;
- *Lifestyle*, including appliances, consumer packaging, floorcare, micro mobility and audio; and
- *Consumer Devices*, including mobile and high velocity consumer devices.

The FRS segment is optimized for longer product lifecycles requiring complex ramps at any volume with specialized production models and critical environments. The Company consolidated the majority of its customers under the former High Reliability Solutions ("HRS") and IEI segments into the new FRS segment. FRS is now comprised of the following end markets that represent reportable units:

- *Automotive*, including autonomous, connectivity, electrification, and smart technologies;
- *Health Solutions*, including medical devices, medical equipment and drug delivery; and
- *Industrial*, including capital equipment, industrial devices, renewable and grid edge, and power systems.

The determination of the FAS and FRS segments is based on several factors, including the nature of products and services, the nature of production processes, customer base, delivery channels and similar economic characteristics.

An operating segment's performance is evaluated based on its pre-tax operating contribution, or segment income. Segment income is defined as net sales less cost of sales, and segment selling, general and administrative expenses, and does not include amortization of intangibles, stock-based compensation, customer related asset impairment charges, restructuring charges, legal and other, and interest and other, net. A portion of depreciation is allocated to the respective segment, together with other general corporate research and development and administrative expenses.

Selected financial information by segment is in the table below. Fiscal year 2020 historical information has been recast to reflect the new operating and reportable segments, in the table below and in Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations."

	Three-Month Periods Ended		Nine-Month Periods Ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	(In millions)			
Net sales:				
Flex Agility Solutions	$ 3,834	$ 3,631	$ 10,063	$ 11,122
Flex Reliability Solutions	2,886	2,830	7,795	7,603
	$ 6,720	$ 6,461	$ 17,858	$ 18,725
Segment income and reconciliation of income before tax:				
Flex Agility Solutions	$ 153	$ 98	$ 313	$ 301
Flex Reliability Solutions	178	186	472	475
Corporate and Other	(20)	(28)	(64)	(85)
Total segment income	311	256	721	691
Reconciling items:				
Intangible amortization	16	16	47	49
Stock-based compensation	25	19	62	53
Customer related asset impairments (recoveries) (1)	—	4	(3)	95
Restructuring charges (Note 15)	30	15	75	199
Legal and other (2)	—	7	28	29
Interest and other, net	7	50	58	153
Income before income taxes	$ 233	$ 145	$ 454	$ 113

(1) Customer related asset impairments for the three-month and nine-month periods ended December 31, 2020 were not material and for the three-month and nine-month periods ended December 31, 2019 primarily relate to additional provision for doubtful accounts receivable, and reserves for excess and obsolete inventory for certain customers experiencing financial difficulties and/or related to inventory that will not be recovered due to significant reductions in future customer demand.

(2) Legal and other consists 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 issues on a global basis. During the first quarter of fiscal year 2021, the Company accrued for certain loss contingencies where losses are considered probable and estimable.

Legal and other during the three-month and nine-month periods ended December 31, 2019 primarily consists of direct and incremental costs associated with certain wind-down activities related to the disengagement of a certain customer primarily in China and India.

Corporate and other primarily includes corporate services costs that are not included in the CODM's assessment of the performance of each of the identified reporting segments.

The Company provides an overall platform of assets and services, which the segments utilize for the benefit of their various customers. The shared assets and services are contained within the Company's global manufacturing and design operations and include manufacturing and design facilities. Most of the underlying manufacturing and design assets are co-mingled on the operating campuses and are compatible across segments and highly interchangeable throughout the platform. Given the highly interchangeable nature of the assets, they are not separately identified by segments nor reported by segment to the Company's CODM.

15. RESTRUCTURING CHARGES

In order to support the Company’s strategy and build a sustainable organization, and after considering that the economic recovery from the pandemic will be slower than anticipated, the Company has identified and is engaging in certain structural changes. These restructuring actions will eliminate non-core activities primarily within the Company’s corporate function, align the Company’s cost structure with its reorganizing and optimizing of its operations model along its two reporting segments, and further sharpen its focus to winning business in end markets where it has competitive advantages and deep domain expertise.

During the three-month and nine-month periods ended December 31, 2020, the Company recognized approximately $30.0 million and $75.0 million of restructuring charges, respectively, most of which related to employee severance.

During the first half of fiscal year 2020 in connection with geopolitical developments and uncertainties at the time, primarily impacting one customer in China, the Company experienced a reduction in demand for products assembled for that customer. As a result, the Company accelerated its strategic decision to reduce its exposure to certain high-volatility products in both China and India. The Company also initiated targeted activities to restructure its business to further reduce and streamline its cost structure. During the three-month and nine-month periods ended December 31, 2019, the Company recognized $14.6 million and $199.1 million of restructuring charges, respectively. The Company incurred cash charges of approximately $14.9 million and $142.7 million, respectively, that were predominantly for employee severance, and non-cash charges of an immaterial amount and $56.4 million, respectively, primarily related to asset impairments during the three and nine-month periods ended December 31, 2019.

The following table summarizes the provisions, respective payments, and remaining accrued balance as of December 31, 2020 for charges incurred during the nine-month period ended December 31, 2020:

	Severance	Long-Lived Asset Impairment	Other Exit Costs	Total
		(In millions)		
Balance as of March 31, 2020	$ 20	$ —	$ 4	$ 24
Provision for charges incurred during the nine-month period ended December 31, 2020	68	3	4	75
Cash payments for charges incurred in the fiscal year 2020 and prior	(13)	—	(1)	(14)
Cash payments for charges incurred during the nine-month period ended December 31, 2020	(35)	—	(1)	(36)
Non-cash charges incurred during the nine-month period ended December 31, 2020	—	(3)	1	(2)
Balance as of December 31, 2020	40	—	7	47
Less: Current portion (classified as other current liabilities)	39	—	7	46
Accrued restructuring costs, net of current portion (classified as other liabilities)	$ 1	$ —	$ —	$ 1

ITEM 2. *MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS*

Unless otherwise specifically stated, references in this report to “Flex,” “the Company,” “we,” “us,” “our” and similar terms mean Flex Ltd., and its subsidiaries.

This report on Form 10-Q contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended. The words “expects,” “anticipates,” “believes,” “intends,” “plans” and similar expressions identify forward-looking statements. In addition, any statements which refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements. We undertake no obligation to publicly disclose any revisions to these forward-looking statements to reflect events or circumstances occurring subsequent to filing this Form 10-Q with the Securities and Exchange Commission. These forward-looking statements are subject to risks and uncertainties, including, without limitation, those risks and uncertainties discussed in this section, as well as any risks and uncertainties discussed in Part II, Item 1A, “Risk Factors” of this report on Form 10-Q, and in Part I, Item 1A, “Risk Factors” and in Part II, Item 7, “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, 2020. In addition, new risks emerge from time to time and it is not possible for management to predict all such risk factors or to assess the impact of such risk factors on our business. Accordingly, our future results may differ materially from historical results or from those discussed or implied by these forward-looking statements. Given these risks and uncertainties, the reader should not place undue reliance on these forward-looking statements.

OVERVIEW

We are the manufacturing partner of choice that helps a diverse customer base design and build products that improve the world. Through the collective strength of a global workforce across approximately 30 countries and responsible, sustainable operations, the Company delivers technology innovation, supply chain, and manufacturing solutions to diverse industries and end markets. In the first quarter of fiscal year 2021, the Company made certain changes in its organization structure as part of its strategy to further drive efficiency and productivity with two focused delivery models. As a result, the Company now reports its financial performance based on two reportable segments:

- Flex Agility Solutions ("FAS"), which is comprised of the following end markets:
    - *Communications, Enterprise and Cloud ("CEC")*, including data infrastructure, edge infrastructure and communication infrastructure;
    - *Lifestyle*, including appliances, consumer packaging, floorcare, micro mobility and audio; and
    - *Consumer Devices*, including mobile and high velocity consumer devices.

- Flex Reliability Solutions ("FRS"), which is comprised of the following end markets:
    - *Automotive*, including autonomous, connectivity, electrification, and smart technologies;
    - *Health Solutions*, including medical devices, medical equipment and drug delivery; and
    - *Industrial*, including capital equipment, industrial devices, renewable and grid edge, and power systems.

Refer to "note 14 - Segment Reporting,” to the condensed consolidated financial statements for additional information on the changes in operating and reportable segments.

Our strategy is to provide customers with a full range of cost competitive, vertically-integrated global supply chain solutions through which we can design, build, ship and service a complete packaged product for our customers. This enables our customers to leverage our supply chain solutions to meet their product requirements throughout the entire product life cycle.

Over the past few years, we have seen an increased level of diversification by many companies, primarily in the technology sector. Some companies that have historically identified themselves as software providers, Internet service providers or e-commerce retailers have entered the highly competitive and rapidly evolving technology hardware markets, such as mobile devices, home entertainment and wearable devices. This trend has resulted in a significant change in the manufacturing and supply chain solutions requirements of such companies. While the products have become more complex, the supply chain solutions required by such companies have become more customized and demanding, and it has changed the manufacturing and supply chain landscape significantly.

We use a portfolio approach to manage our extensive service offerings. As our customers change the way they go to market, we have the capability to reorganize and rebalance our business portfolio in order to align with our customers' needs and requirements in an effort to optimize operating results. The objective of our business model is to allow us to be flexible and redeploy and reposition our assets and resources as necessary to meet specific customer's supply chain solutions needs across all the markets we serve and earn a return on our invested capital above the weighted average cost of that capital.

During the first half of fiscal year 2020 in connection with geopolitical developments and uncertainties at the time, primarily impacting one customer in China, we experienced a reduction in demand for products assembled for that customer. As a result, we accelerated our strategic decision to reduce our exposure to certain high-volatility products in both China and India. We also initiated targeted activities to restructure our business to further reduce and streamline our cost structure. During fiscal year 2021, in order to further support the Company’s strategy and build a sustainable organization, and after considering that the economic recovery from the pandemic will be slower than anticipated, the Company has identified and is engaging in certain structural changes.

We believe that our continued business transformation is strategically positioning us to take advantage of the long-term, future growth prospects for outsourcing of advanced manufacturing capabilities, design and engineering services and after-market services.

Update on the Impact of COVID-19 on our Business

As anticipated, our results were negatively impacted by COVID-19 disruptions to our factories, workforce, and suppliers most notably in our first quarter as the impact from the pandemic extended throughout the entire quarter. Total COVID-19 related costs incurred over the nine-month period ended December 31, 2020 were over $140 million and were primarily comprised of enhanced health and safety protocols, incremental labor incentives, incremental supply chain costs and forced under-absorption of idle and underutilized labor and overhead costs. As we expected, these incremental costs persisted in our third quarter, but declined significantly from the June and September quarters as demand improved. Although not impacting our results for the third quarter of fiscal year 2021, most recently, with the second wave of the pandemic, we have also been experiencing plant closures and/or restrictions at certain manufacturing facilities in Brazil and Malaysia.

While both the FAS and FRS segments experienced sequential growth, COVID-19 related demand and production pressures remain in certain end markets that we serve. Net sales increased $0.3 billion during the three-month period ended December 31, 2020 versus the prior year period as a result of increases in demand across both of our segments. On the other hand, net sales declined $0.9 billion during the nine-month period ended December 31, 2020 versus the prior year period, primarily due to declines noted in our Consumer Devices business included in the FAS segment. Included in the FRS segment, our Health Solutions business performed well during the nine-month period ended December 31, 2020 driven by the increased demand for critical care products and diagnostics and patient monitoring programs. Our factories were productive for the entire second and third quarters resulting in sales recovering specifically for the automotive businesses that were shut down during the majority of the first quarter. In the three-month period ended December 31, 2020, we have started to see certain component constraints related to Automotive and we continue to carefully monitor potential supply chain disruptions due to ongoing tightness in the overall component environment. In addition, while we anticipate revenue will continue to improve across our end markets, we believe that our businesses tied to consumer spending, such as Lifestyle and Consumer Devices, will continue to be impacted if there is a prolonged demand slowdown. Refer to *"Risk Factors - The COVID-19 pandemic has materially and adversely affected our business and results of operations. The duration and extent to which it will continue to adversely impact our business and results of operations remains uncertain and could be material,"* as disclosed in Part I, "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended March 31, 2020.

As part of our continuous response to the outbreak, we initiated salary cuts, furloughs and other programs to cut costs during the first half of fiscal year 2021. This also included aggressively reducing discretionary corporate spend. Employees that have been operating on a work-from-home basis are continuing to do so. While there still remains an elevated degree of uncertainty, we have removed specific austerity measures involving employee compensation. Further, to continue to support our strategy and build a sustainable organization, and after considering that the economic recovery will be slower than anticipated, we have identified and are continuing to engage in certain structural changes. See additional discussion regarding these restructuring actions below under "Results of Operations - Restructuring charges".

We are continuously evaluating our capital structure in response to the current environment and expect that our current financial condition, including our liquidity sources are adequate to fund future commitments. See additional discussion in the Liquidity and Capital Resources section below.

Other Developments

We are actively pursuing alternatives for our NEXTracker business. We are considering options that may include, among others, a full or partial separation of the business through an initial public offering, sale, spin-off, or other transaction.

Business Overview

We are one of the world's largest providers of global supply chain solutions, with revenues of $17.9 billion for the nine-month period ended December 31, 2020 and $24.2 billion in fiscal year 2020. The following tables set forth the relative percentages and dollar amounts of net sales by region and by country, and net property and equipment by country, based on the location of our manufacturing sites (amounts may not sum due to rounding):

	Three-Month Periods Ended				Nine-Month Periods Ended			
	December 31, 2020		December 31, 2019		December 31, 2020		December 31, 2019	
	(In millions)							
Net sales by region:								
Americas	$ 2,562	38 %	$ 2,630	41 %	$ 7,119	40 %	$ 7,661	41 %
Asia	2,695	40 %	2,563	40 %	6,985	39 %	7,510	40 %
Europe	1,463	22 %	1,268	19 %	3,754	21 %	3,554	19 %
	$ 6,720		$ 6,461		$ 17,858		$ 18,725	
Net sales by country:								
China	$ 1,721	26 %	$ 1,638	25 %	$ 4,631	26 %	$ 4,535	24 %
Mexico	1,177	18 %	1,171	18 %	3,237	18 %	3,408	18 %
U.S.	964	14 %	966	15 %	2,728	15 %	2,677	14 %
Malaysia	459	7 %	398	6 %	1,191	7 %	1,233	7 %
Brazil	405	6 %	480	7 %	1,116	6 %	1,524	8 %
Hungary	385	6 %	352	5 %	942	5 %	994	5 %
India	316	5 %	298	5 %	599	3 %	1,091	6 %
Other	1,293	18 %	1,158	19 %	3,414	20 %	3,263	18 %
	$ 6,720		$ 6,461		$ 17,858		$ 18,725	

Property and equipment, net:	As of December 31, 2020		As of March 31, 2020	
	(In millions)			
Mexico	$ 540	26 %	$ 555	25 %
U.S.	364	17 %	378	17 %
China	337	16 %	396	18 %
India	174	8 %	207	9 %
Hungary	104	5 %	100	5 %
Malaysia	102	5 %	111	4 %
Other	476	23 %	469	22 %
	$ 2,097		$ 2,216	

We believe that the combination of our extensive open innovation platform solutions, design and engineering services, advanced supply chain management solutions and services, significant scale and global presence, and manufacturing campuses in low-cost geographic areas provide us with a competitive advantage and strong differentiation in the market for designing, manufacturing and servicing consumer and enterprise products for leading multinational and regional customers. Specifically, we offer our customers the ability to simplify their global product development, manufacturing process, and after sales services, and enable them to meaningfully accelerate their time to market and cost savings.

Our operating results are affected by a number of factors, including the following:

- the impacts on our business due to component shortages or other supply chain related constraints including as a result of the COVID-19 pandemic;
- the effects of the COVID-19 pandemic on our business and results of operations;
- changes in the macro-economic environment and related changes in consumer demand;

- the mix of the manufacturing services we are providing, the number, size, and complexity of new manufacturing programs, the degree to which we utilize our manufacturing capacity, seasonal demand, shortages of components and other factors;
- the effects on our business when our customers are not successful in marketing their products, or when their products do not gain widespread commercial acceptance;
- our ability to achieve commercially viable production yields and to manufacture components in commercial quantities to the performance specifications demanded by our customers;
- the effects that current credit and market conditions (including as a result of the COVID-19 pandemic) 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 effects on our business due to certain customers' products having short product life cycles;
- our customers' ability to cancel or delay orders or change production quantities;
- our customers' decisions to choose internal manufacturing instead of outsourcing for their product requirements;
- integration of acquired businesses and facilities;
- increased labor costs due to adverse labor conditions in the markets we operate;
- changes in tax legislation; and
- changes in trade regulations and treaties.

We are also subject to other risks as outlined in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended March 31, 2020.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP" or "GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Due to the COVID-19 pandemic, there has been and will continue to be uncertainty and disruption in the global economy and financial markets. We have made estimates and assumptions taking into consideration certain possible impacts due to COVID-19. These estimates may change, as new events occur, and additional information is obtained. Actual results may differ from those estimates and assumptions.

Refer to the accounting policies under Item 7, "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, 2020, where we discuss our more significant judgments and estimates used in the preparation of the condensed consolidated financial statements.

RESULTS OF OPERATIONS

The following table sets forth, for the periods indicated, certain statements of operations data expressed as a percentage of net sales (amounts may not sum due to rounding). The financial information and the discussion below should be read together with the condensed consolidated financial statements and notes thereto included in this document. In addition, reference should be made to our audited consolidated financial statements and notes thereto and related Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the fiscal year ended March 31, 2020. As previously disclosed, we made certain changes in our organization structure. As a result of these changes, we revised our reportable segments as further discussed in note 14 to the condensed consolidated financial statements. There was no change to our condensed consolidated financial statements. For comparability purposes, segment reporting for the prior period has been recast to conform to the current presentation.

	Three-Month Periods Ended		Nine-Month Periods Ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Net sales	100.0 %	100.0 %	100.0 %	100.0 %
Cost of sales	92.4	93.1	93.1	93.9
Restructuring charges	0.4	0.2	0.4	0.9
Gross profit	7.2	6.7	6.5	5.2
Selling, general and administrative expenses	3.3	3.4	3.4	3.4
Intangible amortization	0.2	0.2	0.3	0.3
Restructuring charges	0.0	0.0	0.1	0.1
Interest and other, net	0.1	0.8	0.3	0.8
Income before income taxes	3.6	2.3	2.4	0.6
Provision for income taxes	0.4	0.5	0.5	0.4
Net income	3.2 %	1.8 %	1.9 %	0.2 %

Net sales

The following table sets forth our net sales by segment, and their relative percentages (amounts may not sum due to rounding):

	Three-Month Periods Ended				Nine-Month Periods Ended			
	December 31, 2020		December 31, 2019		December 31, 2020		December 31, 2019	
	(In millions)							
Net sales:								
Flex Agility Solutions	$ 3,834	57 %	$ 3,631	56 %	$ 10,063	56 %	$ 11,122	59 %
Flex Reliability Solutions	2,886	43 %	2,830	44 %	7,795	44 %	7,603	41 %
	$ 6,720		$ 6,461		$ 17,858		$ 18,725	

Net sales during the three-month period ended December 31, 2020 totaled $6.7 billion, representing an increase of approximately $0.3 billion, or 4% from $6.5 billion during the three-month period ended December 31, 2019. Net sales for our FAS segment increased $203 million, or 5.6%, driven by increases across all of its end markets, led by an approximately 10% increase in sales by our Lifestyle business due to extended strength in high-end audio, floor care, and appliance end markets, and an approximately 9% increase in sales by our Consumer Devices business as a result of spikes in consumer spending and demand. Net sales for our FRS segment increased $56 million, or 2.0%, primarily due to an increase of over 20% in sales by our Health Solution business as a result of continued demand for critical care products and diagnostics and patient monitoring programs. In addition, Automotive revenue increased over 5% as we continue to recover from the shutdowns earlier in the year. Offsetting these increases was an over 5% drop in sales in our Industrial business where strong growth in core industrial was offset by expected declines in power solutions due to reductions in demand from a specific customer. Net sales increased $194 million to $1.5 billion in Europe, $132 million to $2.7 billion in Asia, partially offset by a $68 million decline down to $2.6 billion in the Americas.

Net sales during the nine-month period ended December 31, 2020 totaled $17.9 billion, representing a decrease of approximately $0.9 billion, or 5% from $18.7 billion during the nine-month period ended December 31, 2019. The decrease in net sales was most notable in our FAS segment, down $1.1 billion, or 9.5%, from the prior year, mainly due to a drop of over 30% in our Consumer Devices business resulting from lower demand due to the impact of COVID-19, and our continued strategic shift away from high volatility, short cycle businesses that we initiated in the prior year. Offsetting a portion of the overall decline in revenue was an increase in revenues from the FRS segment of $192 million, or 2.4%, driven primarily by an increase of over 20% in sales from our Health Solutions business, as noted above, and an increase of 3% in our Industrial business led by strong demand. These increases in our FRS segment were offset by a drop of approximately 15% in our Automotive business due to the factory shutdowns in the first quarter of fiscal year 2021 despite the recovery noted in the second and third quarters of fiscal year 2021. Net sales decreased $525 million to $7.0 billion in Asia, $542 million to $7.1 billion in the Americas, partially offset by a modest increase of $200 million to $3.8 billion in Europe.

Our ten largest customers, during the three and nine-month periods ended December 31, 2020, accounted for approximately 36% and 37% of net sales, respectively. Our ten largest customers, during the three and nine-month periods ended December 31, 2019, accounted for approximately 40% and 39% of net sales, respectively. No customer accounted for more than 10% of net sales during the three and nine-month periods ended December 31, 2020 or December 31, 2019.

Cost of sales

Cost of sales is affected by a number of factors, including the number and size of new manufacturing programs, product mix, labor cost fluctuations by region, component costs and availability and capacity utilization.

Cost of sales during the three-month period ended December 31, 2020 totaled $6.2 billion, representing an increase of approximately $0.2 billion, or 3% from $6.0 billion during the three-month period ended December 31, 2019. The increase in cost of sales for the three-month period is more notable in our FAS segment. Cost of sales in FAS for the three-month period ended December 31, 2020 increased 4%, or $149 million from the three-month period ended December 31, 2019, which is in line with the overall 5.6% increase in FAS revenue during the same period primarily as a result of demand upsides in our Lifestyle and Consumer Devices businesses coupled with better absorption of fixed costs. In addition, cost of sales in FRS for the three-month period ended December 31, 2020 increased 2%, or $55 million from the three-month period ended December 31, 2019, which is in line with the overall 2% increase in FRS revenue during the same period, as our Health Solutions and Automotive businesses continued to ramp as discussed above.

Cost of sales during the nine-month period ended December 31, 2020 totaled $16.6 billion, representing a decrease of approximately $1.0 billion, or 5% from $17.6 billion during the nine-month period ended December 31, 2019. The decrease in cost of sales for the nine-month period is more notable in our FAS segment. Cost of sales in FAS for the nine-month period ended December 31, 2020 decreased $1.0 billion or 10% from the nine-month period ended December 31, 2019, which is in line with the 10% decrease in revenue, primarily as a result of COVID-19 impacting our Consumer Devices business in the earlier part of fiscal year 2021, coupled with our targeted disengagement of high volatility, short cycle businesses initiated in the prior year. Offsetting the decrease in cost of sales in FAS is an increase of $208 million, or 3%, related to the FRS segment during the nine-month period ended December 31, 2020. These fluctuations are consistent with the associated change in net sales noted above. Cost of sales was also higher in the prior year due to $95 million of customer assets impairment charges for customers that were experiencing financial difficulties as well as the write-down of inventory not recoverable due to significant reductions in future customer demand as we reduced our exposure to certain higher volatility businesses.

Gross profit

Gross profit is affected by a fluctuations in costs of sales elements as outlined above and further by product life cycles, unit volumes, pricing, competition, new product introductions, and the expansion or consolidation of manufacturing facilities, as well as specific restructuring activities initiated from time to time. The flexible design of our manufacturing processes allows us to manufacture a broad range of products in our facilities and better utilize our manufacturing capacity across our diverse geographic footprint and service customers from all segments. In the cases of new programs, profitability normally lags revenue growth due to product start-up costs, lower manufacturing program volumes in the start-up phase, operational inefficiencies, and under-absorbed overhead. Gross margin for these programs often improves over time as manufacturing volumes increase, as our utilization rates and overhead absorption improve, and as we increase the level of manufacturing services content. As a result of these various factors, our gross margin varies from period to period.

Gross profit during the three-month period ended December 31, 2020 increased $49 million to $479 million, or 7.2% of net sales, from $430 million, or 6.7% of net sales, during the three-month period ended December 31, 2019. Gross margin improved 50 basis points during the same period. The increase in gross profit and gross margin resulted primarily from an improvement of the FAS segment gross profit and gross margin driven by strong demand in Consumer Devices and Lifestyle end markets and, as noted above, enhanced productivity and efficiencies driven by disciplined cost reduction initiatives. This more than offset the flat gross profit and slight drop in gross margin for our FRS segment related to certain product transitions to next generation within Automotive coupled with continued investments with new product ramps in our Health Solutions business.

Gross profit during the nine-month period ended December 31, 2020 increased $205 million to $1.2 billion, or 6.5% of net sales, from $1.0 billion, or 5.2% of net sales, during the nine-month period ended December 31, 2019, an improvement of 130 basis points. The increase in gross profit and gross margin during the nine-month period ended December 31, 2020 primarily resulted from lower restructuring costs, $63 million in the nine-month period ended December 31, 2020, versus $175 million in the nine-month period ended December 31, 2019, a decline of $112 million which is primarily due to charges taken in fiscal year 2020 due to geopolitical challenges and uncertainties which impacted certain of our customers. Gross profit also increased due to the $95 million of customer assets impairment charges recorded in the prior year for customers that were experiencing financial difficulties coupled with the write-down of inventory not recoverable due to the significant reductions in future customer demand as we reduced our exposure to certain higher volatility businesses. These increases were partially offset by the decline in revenue and gross profit in our Consumer Devices and Automotive end markets reflecting COVID-19 demand and production pressures during the first half of fiscal year 2021.

Segment income

An operating segment's performance is evaluated based on its pre-tax operating contribution, or segment income. Segment income is defined as net sales less cost of sales, and segment selling, general and administrative expenses, and does not include amortization of intangibles, stock-based compensation, customer related asset impairment charges, restructuring charges, legal and other, and interest and other, net. A portion of depreciation is allocated to the respective segments, together with other general corporate research and development and administrative expenses.

The following table sets forth segment income and margins (amounts may not sum due to rounding):

	Three-Month Periods Ended				Nine-Month Periods Ended			
	December 31, 2020		December 31, 2019		December 31, 2020		December 31, 2019	
	(In millions)							
Segment income:								
Flex Agility Solutions	$ 153	4.0 %	$ 98	2.7 %	$ 313	3.1 %	$ 301	2.7 %
Flex Reliability Solutions	178	6.2 %	186	6.6 %	472	6.1 %	475	6.2 %

FAS segment margin increased 130 basis points, to 4.0% for the three-month period ended December 31, 2020, from 2.7% for the three-month period ended December 31, 2019. The margin increase was driven by an increase in demand from high-end audio, floor care and appliance customers included in our Lifestyle end markets as well as incremental margin enhancement from our Consumer Devices end markets driven by product ramps coupled with better fixed costs absorption. The FAS segment margin increased 40 basis points, to 3.1% for the nine-month period ended December 31, 2020, from 2.7% for the nine-month period ended December 31, 2019. The increase in FAS segment margin during the nine-month period is due to similar drivers as noted in the discussion above for the three-month period partially offset by the elevated under absorption and supply chain constraints noted in the earlier part of fiscal year 2021.

FRS segment margin decreased 40 basis points, to 6.2% for the three-month period ended December 31, 2020, from 6.6% for the three-month period ended December 31, 2019. The margin deterioration was driven by certain product transitions to next generation noted in our Automotive business coupled with investments in new product ramps in our Health Solutions business. FRS segment margin decreased 10 basis points, to 6.1% for the nine-month period ended December 31, 2020, from 6.2% for the nine-month period ended December 31, 2019. The decrease in FRS segment margin during the nine-month period is primarily the results of plant shutdowns during most of our first quarter of fiscal year 2021, which affected the entire automotive ecosystem across all regions, coupled with under-absorption and efficiency impacts.

As a result of the organizational structure changes, as previously disclosed, we revised our reportable segments as further discussed in note 14 to the condensed consolidated financial statements. Selected unaudited quarterly financial information for fiscal year 2020 in the table below have been recast reflecting the new reportable segments (amounts may not sum due to rounding).

	Three-Month Periods Ended												Fiscal Year Ended		
	June 28, 2019			September 27, 2019			December 31, 2019			March 31, 2020			March 31, 2020		
	(In millions) (Unaudited)														
Net sales:															
Flex Agility Solutions	$	3,908	63 %	$	3,583	59 %	$	3,631	56 %	$	2,931	53 %	$	14,053	58 %
Flex Reliability Solutions		2,268	37 %		2,505	41 %		2,830	44 %		2,554	47 %		10,157	42 %
	$	6,176		$	6,088		$	6,461		$	5,484		$	24,210	
Segment income:															
Flex Agility Solutions	$	109	2.8 %	$	94	2.6 %	$	98	2.7 %	$	68	2.3 %	$	369	2.6 %
Flex Reliability Solutions		130	5.7 %		159	6.3 %		186	6.6 %		167	6.5 %		642	6.3 %

During fiscal year 2020, depreciation expense included in the segments' measure of operating performance above is as follows (amounts may not sum due to rounding).

	Fiscal Year Ended	
	March 31, 2020	
	(In millions) (Unaudited)	
Depreciation expense:		
Flex Agility Solutions	$	218
Flex Reliability Solutions		173
Corporate and Other		32
Total depreciation expense	$	422

Property and equipment on a segment basis is not disclosed as it is not separately identified and is not internally reported by segment to the Company's CODM.

Restructuring charges

In order to support our strategy and build a sustainable organization, and after considering that the economic recovery from the pandemic will be slower than anticipated, we have identified and are engaging in certain structural changes. These restructuring actions will eliminate non-core activities primarily within our corporate function, align our cost structure with our reorganizing and optimizing of our operations model along our two reporting segments, and further sharpen our focus to winning business in end markets where we have competitive advantages and deep domain expertise. During the three and nine-month periods ended December 31, 2020, we recognized approximately $30 million and $75 million, respectively, of restructuring charges, primarily cash charges related to employee severance.

During the first half of fiscal year 2020 in connection with the recent geopolitical developments and uncertainties, primarily impacting one customer in China, we experienced a reduction in demand for products assembled for that customer. As a result, we accelerated our strategic decision to reduce our exposure to certain high-volatility products in both China and India. We also initiated targeted activities to restructure our business to further reduce and streamline our cost structure. During the three and nine-month periods ended December 31, 2019, we recognized $15 million and $199 million of restructuring charges. We incurred cash charges of approximately $15 million and $143 million, respectively, that were predominantly for employee severance, and non-cash charges of an immaterial amount and $56 million, respectively, primarily related to asset impairments.

Selling, general and administrative expenses

Selling, general and administrative expenses (“SG&A”) was $222 million, or 3.3% of net sales, during the three-month period ended December 31, 2020, increasing $4 million from $218 million, or 3.4% of net sales, during the three-month period ended December 31, 2019, which reflects our enhanced cost control efforts to support a higher revenue growth while keeping our SG&A expenses relatively flat. SG&A was $606 million, or 3.4% of net sales, during the nine-month period ended

December 31, 2020, decreasing $27 million from $633 million, or 3.4% of net sales, during the nine-month period ended December 31, 2019. The decrease reflects strong cost discipline practiced across the enterprise as well as the benefits from our distinct actions taken to temporarily reduce compensation costs across our employee base and aggressively reducing our discretionary spend levels during the first half of fiscal year 2021. In addition, it reflects a refined cost structure benefiting from prior restructuring initiatives.

Intangible amortization

Amortization of intangible assets remains consistent at $16 million during the three-month periods ended December 31, 2020 and December 31, 2019. During the nine-month period ended December 31, 2020, amortization of intangible assets marginally declined to $47 million, from $49 million for the nine-month period ended December 31, 2019, primarily due to certain intangibles now being fully amortized.

Interest and other, net

Interest and other, net was $7 million of charges during the three-month period ended December 31, 2020 compared to $50 million of charges during the three-month period ended December 31, 2019, primarily driven by $48 million of gains from higher equity in earnings recognized in fiscal year 2021 for certain of our non-core equity method investments.

Interest and other, net was $58 million of charges during the nine-month period ended December 31, 2020 compared to $153 million of charges during the nine-month period ended December 31, 2019. Consistent with the factors above, the decrease in expense is primarily driven by $68 million of gains from higher equity in earnings recognized for certain of our non-core equity method investments in fiscal year 2021, in addition to $26 million of lower expenses from our asset-backed securitization programs as we reduced outstanding balances for these programs.

Income taxes

Certain of our subsidiaries, at various times, have been granted tax relief in their respective countries, resulting in lower income taxes than would otherwise be the case under ordinary tax rates. Refer to note 14, “Income Taxes” of the notes to the consolidated financial statements in our Annual Report on Form 10-K for the fiscal year ended March 31, 2020 for further discussion.

The consolidated effective tax rate was 11% and 18% for the three-month and nine-month periods ended December 31, 2020 and 23% and 65% for the three-month and nine-month periods ended December 31, 2019, respectively. The effective rate varies from the Singapore statutory rate of 17% as a result of recognition of earnings in different jurisdictions (we generate most of our revenues and profits from operations outside of Singapore), operating loss carryforwards, income tax credits, release of previously established valuation allowances for deferred tax assets, liabilities for uncertain tax positions, as well as the effect of certain tax holidays and incentives granted to our subsidiaries primarily in China, Malaysia, Costa Rica, India, the Netherlands and Israel. The effective tax rate for the three-month and nine-month periods ended December 31, 2020 is lower than the effective tax rate for the three-month and nine-month periods ended December 31, 2019, primarily due to the changing jurisdictional mix of income, and the Company's recognition of significant amounts of restructuring charges, impairment of non-core investments, and customer related asset impairments with minimal associated tax benefits for the three-month and nine-month periods ended December 31, 2019.

LIQUIDITY AND CAPITAL RESOURCES

In response to the recent challenging environment following the COVID-19 pandemic, we continuously evaluate our ability to meet our obligations over the next 12 months and have proactively reset our capital structure during these times to improve maturities and liquidity. As a result, we expect that our current financial condition, including our liquidity sources are adequate to fund current and future commitments. As of December 31, 2020, we had cash and cash equivalents of approximately $2.6 billion and bank and other borrowings of approximately $3.8 billion. We had a $1.75 billion revolving credit facility, under which there were no borrowings outstanding as of the end of the quarter. We also issued $675 million of 3.750% Notes due February 2026 and $650 million of 4.875% Notes due May 2030 and repaid $433 million for the term loan due June 2022. Refer to note 6 to the condensed consolidated financial statement for details. As of December 31, 2020, we were in compliance with the covenants under all of our credit facilities and indentures. In January 2021, we entered into a new $2.0 billion credit agreement (the "New Credit Facility") which matures in January 2026 and consists of a $2.0 billion revolving credit facility with a sub-limit of $360 million available for swing line loans and a sub-limit of $175 million available for the issuance of letters of credit. The New Credit Facility replaced the previous $1.75 billion credit facility noted above. Under the New Credit Facility, the interest rate margins, commitment fee and letter of credit usage fee are subject to upward or downward adjustments if the Company achieves, or fails to achieve, certain specified sustainability targets with respect to workplace safety and greenhouse gas emissions. Such upward or downward sustainability adjustments may be up to 0.05% per annum in the case of the interest rate margins and letter of credit usage fee and up to 0.01% per annum in the case of the commitment fee.

Cash used in operating activities was $17 million during the nine-month period ended December 31, 2020, primarily driven by cash outflows related to accounts receivables resulting from the reduction of our outstanding balances of accounts receivable sold through our ABS and accounts receivable factoring programs. These were offset by $373 million of net income for the period plus $517 million of non-cash charges such as depreciation, amortization, restructuring and impairment charges, and stock-based compensation.

We believe net working capital and net working capital as a percentage of annualized net sales are key metrics that measure our liquidity. Net working capital is calculated as current quarter accounts receivable, net of allowance for doubtful accounts, plus inventories and contract assets, less accounts payable and certain other current liabilities related to vendor financing programs. Net working capital increased $1.3 billion to $2.7 billion as of December 31, 2020, from $1.4 billion as of March 31, 2020. This increase is primarily driven by a $1.6 billion increase in net receivables as we reduced our outstanding balances on our ABS and accounts receivable factoring programs as discussed above, partially offset by a $0.2 billion decrease in contract assets and $0.1 billion decrease in inventories. Our current quarter net working capital as a percentage of annualized net sales for the quarter ended December 31, 2020, increased to 10.1% from 6.3% of annualized net sales for the quarter ended March 31, 2020 as a direct result of reducing the outstanding balance of accounts receivable sold through our ABS and accounts receivable factoring programs. The Company expects to operate in this range going forward. Though we have mitigated most of the initial supplier constraints and component shortages that we had encountered in the first quarter of fiscal year 2021, we continue to operate in an unusual and dynamic environment with respect to virus-related production limitations and fluctuating demand. We expect it will take additional time to adequately drive down our inventory levels to align with the current demand environment. We are actively working with our partners to rebalance safety and buffer stock requirements and we have an established enterprise-wide cross-functional initiative resetting our load planning. Component shortages are also expected to persist in the near future as we are seeing increasing supply constraints. We are working diligently with our partners to secure needed parts and fulfill demand.

Cash used in investing activities was $226 million during the nine-month period ended December 31, 2020. This was primarily driven by $236 million of net capital expenditures for property and equipment to continue expanding capabilities and capacity in support of our expanding Health Solutions and Industrial businesses.

We believe adjusted 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. Our adjusted free cash flow is defined as cash from operations, plus cash collections of deferred purchase price receivables (for fiscal year 2020), less net purchases of property and equipment to present adjusted cash flows on a consistent basis for investor transparency (refer to Part II, Item 8, note 11 of our Annual Report on Form 10-K for the fiscal year ended March 31, 2020, for discussion of the amendment of the ABS Programs). We also excluded the impact to cash flows related to certain vendor programs that is required for US GAAP presentation. During the nine-month period ended December 31, 2020, we proactively and strategically reduced the outstanding balance of our ABS programs. Proceeds from our debt issuance replaced the funding from the ABS programs for working capital purposes. We reduced the balance on this short-term financing product by $796 million as of December 31, 2020, from $798 million as of March 31, 2020, which has the accounting effect of reducing our cash flow from operations. As this decrease in cash flow reflects the change of our capital strategy, we have added this back for our adjusted free cash flow calculation. Our adjusted free cash flows for the nine-month period ended December 31, 2020 was an inflow of $542 million compared to an inflow of $538 million for the nine-month period ended December 31, 2019. Adjusted 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. Adjusted free cash flow should not be considered in isolation or as an alternative to net cash provided by operating activities. Adjusted free cash flows reconcile to the most directly comparable GAAP financial measure of cash flows from operations as follows:

	Nine-Month Periods Ended	
	December 31, 2020	December 31, 2019
	(In millions)	
Net cash used in operating activities	$ (17)	$ (1,699)
Reduction in ABS levels	796	—
Cash collection of deferred purchase price and other	(1)	2,511
Purchases of property and equipment	(261)	(376)
Proceeds from the disposition of property and equipment	25	102
Adjusted free cash flow	$ 542	$ 538

Cash provided by financing activities was $893 million during the nine-month period ended December 31, 2020, which was primarily driven by $1.4 billion of proceeds received in aggregate, net of discounts and after premiums, following the issuance of the 2026 Notes and the 2030 Notes, partially offset by $433 million cash paid for the repayment of the term loan due June

2022, and to a lesser extent by $38 million of cash paid for the repurchase of our ordinary shares. For further information, see note 6 to the condensed consolidated financial statements.

Our cash balances are generated and held in numerous locations throughout the world. Liquidity is affected by many factors, some of which are based on normal ongoing operations of the business and some of which arise from fluctuations related to global economics and markets. Local government regulations may restrict our ability to move cash balances to meet cash needs under certain circumstances; however, any current restrictions are not material. We do not currently expect such regulations and restrictions to impact our ability to pay vendors and conduct operations throughout the global organization. We believe that our existing cash balances, together with anticipated cash flows from operations and borrowings available under our credit facilities, will be sufficient to fund our operations through at least the next twelve months. As of December 31, 2020, and March 31, 2020, approximately half of our cash and cash equivalents were held by foreign subsidiaries outside of Singapore. Although substantially all of the amounts held outside of Singapore could be repatriated under current laws, a significant amount could be subject to income tax withholdings. We provide for tax liabilities on these amounts for financial statement purposes, except for certain of our foreign earnings that are considered indefinitely reinvested outside of Singapore (approximately $1.4 billion as of March 31, 2020). Repatriation could result in an additional income tax payment; however, for the majority of our foreign entities, our intent is to permanently reinvest these funds outside of Singapore and our current plans do not demonstrate a need to repatriate them to fund our operations in jurisdictions outside of where they are held. Where local restrictions prevent an efficient intercompany transfer of funds, our intent is that cash balances would remain outside of Singapore and we would meet our liquidity needs through ongoing cash flows, external borrowings, or both.

Future liquidity needs will depend on fluctuations in levels of inventory, accounts receivable and accounts payable, the timing of capital expenditures for new equipment, the extent to which we utilize operating leases for new facilities and equipment, and the levels of shipments and changes in the volumes of customer orders.

We maintain global paying services agreements with several financial institutions. Under these agreements, the financial institutions act as our paying agents with respect to accounts payable due to our suppliers who elect to participate in the program. The agreements allow our suppliers to sell their receivables to one of the participating financial institutions at the discretion of both parties on terms that are negotiated between the supplier and the respective financial institution. Our obligations to our suppliers, including the amounts due and scheduled payment dates, are not impacted by our suppliers' decisions to sell their receivables under this program. The cumulative payments due to suppliers participating in the programs amounted to approximately $0.3 billion and $0.7 billion for the three and nine-month periods ended December 31, 2020, respectively, and approximately $0.2 billion and $0.6 billion for the three and nine-month periods ended December 31, 2019, respectively. Pursuant to their agreement with one of the financial institutions, certain suppliers may elect to be paid early at their discretion. We are not always notified when our suppliers sell receivables under these programs. The available capacity under these programs can vary based on the number of investors and/or financial institutions participating in these programs at any point in time.

In addition, we maintain various uncommitted short-term financing facilities including but not limited to commercial paper program, and revolving sale and repurchase of subordinated note established under the securitization facility, under which there were no borrowings outstanding as of December 31, 2020.

Historically, we have funded operations from cash and cash equivalents generated from operations, proceeds from public offerings of equity and debt securities, bank debt and lease financings. We also sell a designated pool of trade receivables under asset-backed securitization ("ABS") programs and sell certain trade receivables, which are in addition to the trade receivables sold in connection with these securitization agreements. We may enter into debt and equity financings, sales of accounts receivable and lease transactions to fund acquisitions and anticipated growth as needed.

The sale or issuance of equity or convertible debt securities could result in dilution to current shareholders. Further, we may issue debt securities that have rights and privileges senior to those of holders of ordinary shares, and the terms of this debt could impose restrictions on operations and could increase debt service obligations. This increased indebtedness could limit our flexibility as a result of debt service requirements and restrictive covenants, potentially affect our credit ratings, and may limit our ability to access additional capital or execute our business strategy. Any downgrades in credit ratings could adversely affect our ability to borrow as a result of more restrictive borrowing terms. We continue to assess our capital structure and evaluate the merits of redeploying available cash to reduce existing debt or repurchase ordinary shares.

Under our current share repurchase program, our Board of Directors authorized repurchases of our outstanding ordinary shares for up to $500 million in accordance with the share purchase mandate approved by our shareholders at the date of the most recent Annual General Meeting which was held on August 7, 2020. During the nine-month period ended December 31, 2020, we paid $38 million to repurchase shares under the current repurchase plans at an average price of $15.73 per share. As of December 31, 2020, shares in the aggregate amount of $462 million were available to be repurchased under the current plan.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

Information regarding our long-term debt payments, operating lease payments, capital lease payments and other commitments is provided in Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” of our Annual Report on our Form 10-K for the fiscal year ended March 31, 2020.

During fiscal year 2021, we issued $675 million of 3.750% Notes due February 2026 and $650 million of 4.875% Notes due May 2030 and repaid $433 million for the term loan due June 2022. Further, in January 2021, we entered into a new $2.0 billion credit facility which matures in January 2026, replacing our previous $1.75 billion credit facility.

Other than the changes discussed above, there were no material changes in our contractual obligations and commitments since March 31, 2020.

OFF-BALANCE SHEET ARRANGEMENTS

As of December 31, 2020, and March 31, 2020, the outstanding balance on receivables sold for cash was $0.1 billion and $1.2 billion, respectively, under our asset-backed securitization programs and accounts receivable factoring program, which were removed from accounts receivable balances in our condensed consolidated balance sheets. For further information, see note 10 to the condensed consolidated financial statements.

ITEM 3. *QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK*

There were no material changes in our exposure to market risks for changes in interest and foreign currency exchange rates for the nine-month period ended December 31, 2020 as compared to the fiscal year ended March 31, 2020.

ITEM 4. *CONTROLS AND PROCEDURES*

(a) Evaluation of Disclosure Controls and Procedures

The Company's management, with the participation of the Chief Executive Officer and Chief Financial Officer has evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) as of December 31, 2020. Based on that evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that, as of December 31, 2020, the Company's disclosure controls and procedures were effective in ensuring that information required to be disclosed by the Company in reports that it files or submits under the Securities Exchange Act of 1934, as amended, is (i) recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and (ii) accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

(b) Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during our quarter ended December 31, 2020 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. *LEGAL PROCEEDINGS*

For a description of our material legal proceedings, see note 12 “Commitments and Contingencies” in the notes to the condensed consolidated financial statements, which is incorporated herein by reference.

ITEM 1A. *RISK FACTORS*

In addition to the other information set forth in this report, you should carefully consider the risks and uncertainties discussed in Part I, “Item 1A. Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended March 31, 2020, which could materially affect our business, financial condition or future results. The risks described in our Annual Report on Form 10-K are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be not material also may materially and adversely affect our business, financial condition and/or operating results. We are including the following revised risk factors, which update and supersede the corresponding risk factors disclosed in our Annual Report on Form 10-K for the year ended March 31, 2020, and which should be read in conjunction with our description of risk factors in Part I, Item 1A, "Risk Factors" of our Annual Report on Form 10-K for the year ended March 31, 2020:

The COVID-19 pandemic has materially and adversely affected our business and results of operations. The duration and extent to which it will continue to adversely impact our business and results of operations remains uncertain and could be material.

The COVID-19 pandemic has resulted in a widespread public health crisis and numerous disease control measures being taken to limit its spread, including travel bans and restrictions, quarantines, shelter-in-place orders, and shutdowns. These measures have materially impacted and are continuing to impact our workforce and operations, the operations of our customers, and those of our respective vendors and suppliers. We have significant operations worldwide, including in China, Mexico, the United States, Brazil, India, Malaysia and Europe, and each of these geographies has been affected by the outbreak and has taken measures to try to contain it, resulting in disruptions at many of our manufacturing operations and facilities, and further disruptions could occur in the future and any such disruptions could materially adversely affect our business. Most recently, with the second wave of the pandemic, we have been experiencing plant closures and/or restrictions at certain manufacturing facilities in Brazil and Malaysia. The impact of the pandemic on our business has included and could in the future include:

- disruptions to or restrictions on our ability to ensure the continuous provision of our manufacturing services and solutions;
- temporary closures or reductions in operational capacity of our manufacturing facilities;
- reductions in our capacity utilization levels;
- temporary closures of our direct and indirect suppliers, resulting in adverse effects to our supply chain, and other supply chain disruptions, which adversely affect our ability to procure sufficient inventory to support customer orders;
- temporary shortages of skilled employees available to staff manufacturing facilities due to shelter-in-place orders and travel restrictions within as well as into and out of countries;
- restrictions or disruptions of transportation, such as reduced availability of air transport, port closures, and increased border controls or closures;
- increases in operational expenses and other costs related to requirements implemented to mitigate the impact of the pandemic;
- delays or limitations on the ability of our customers to perform or make timely payments;
- reductions in short- and long-term demand for our manufacturing services and solutions, or other disruptions in technology buying patterns;

- workforce disruptions due to illness, quarantines, governmental actions, other restrictions, and/or the social distancing measures we have taken to mitigate the impact of COVID-19 at our locations around the world in an effort to protect the health and well-being of our employees, customers, suppliers and of the communities in which we operate (including working from home, restricting the number of employees attending events or meetings in person, limiting the number of people in our buildings and factories at any one time, further restricting access to our facilities and suspending employee travel); and

- our management team continuing to commit significant time, attention and resources to monitoring the COVID-19 pandemic and seeking to mitigate its effects on our business and workforce.

The global spread of COVID-19 also has created significant macroeconomic uncertainty, volatility and disruption, which may adversely affect our and our customers' and suppliers' liquidity, cost of capital and ability to access the capital markets. As a result, the continued spread of COVID-19 could cause further disruptions in our supply chain and customer demand, and could adversely affect the ability of our customers to perform, including in making timely payments to us, which could further adversely impact our business, financial condition and results of operations. In addition, the COVID-19 pandemic has caused an economic slowdown that is likely to continue and is highly likely to cause a global recession. Even after the COVID-19 pandemic has subsided, we may continue to experience adverse impacts to our business as a result of the pandemic's global economic impact, including any recession, economic downturn, government spending cuts, tightening of credit markets or increased unemployment that has occurred or may occur in the future, which could cause our customers and potential customers to postpone or reduce spending on our manufacturing services and solutions.

The extent to which the COVID-19 pandemic will continue to impact our business and financial results going forward will be dependent on future developments such as the length and severity of the crisis, the potential resurgence of COVID-19 and its variants in the future, future government actions in response to the crisis and the overall impact of the COVID-19 pandemic on the global economy and capital markets, among many other factors, all of which remain highly uncertain and unpredictable. We cannot at this time quantify or forecast the business impact of COVID-19, and there can be no assurance that the COVID-19 pandemic will not have a material and adverse effect on our business, financial results and financial condition. In addition, the COVID-19 pandemic increases the likelihood and potential severity of other risks described in this "Risk Factors" section.

We may be adversely affected by supply chain issues, including shortages of required electronic components.

From time to time, we have experienced shortages of some of the electronic components that we use. These shortages can result from strong demand for those components or from problems experienced by suppliers, such as shortages of raw materials. We have also experienced, and may continue to experience, such shortages due to the effects of the COVID-19 pandemic. Most recently, we have experienced shortages of semiconductor components, which we expect will continue at least through the end of our fiscal year 2021. These unanticipated component shortages have resulted and could continue to result in curtailed production or delays in production, which may prevent us from making scheduled shipments to customers. Our inability to make scheduled shipments could cause us to experience a reduction in sales, increase in inventory levels and costs, and could adversely affect relationships with existing and prospective customers. Component shortages may also increase our cost of goods sold because we may be required to pay higher prices for components in short supply and redesign or reconfigure products to accommodate substitute components. As a result, component shortages could adversely affect our operating results. Our performance depends, in part, on our ability to incorporate changes in component costs into the selling prices for our products. Our customers also may experience component shortages which may adversely affect customer demand for our products and services.

Our supply chain has also been and may continue to be impacted by the COVID-19 pandemic, and may be impacted by other events outside our control, including macro-economic events, trade restrictions, political crises, other public health emergencies, or natural or environmental occurrences.

ITEM 2. *UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS*

Issuer Purchases of Equity Securities

The following table provides information regarding purchases of our ordinary shares made by us for the period from September 26, 2020 through December 31, 2020:

Period (2)	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
September 26, 2020 - October 30, 2020	—	$ —	—	$ 500,000,000
October 31, 2020 - November 27, 2020	1,849,898	$ 15.53	1,849,898	$ 471,270,466
November 28, 2020 - December 31, 2020	546,159	$ 16.39	546,159	$ 462,318,284
Total	2,396,057		2,396,057	

(1) During the period from September 26, 2020 through December 31, 2020, all purchases were made pursuant to the program discussed below in open market transactions. All purchases were made in accordance with Rule 10b-18 under the Securities Exchange Act of 1934.

(2) On August 7, 2020, our Board of Directors authorized repurchases of our outstanding ordinary shares for up to $500 million. This is in accordance with the share purchase mandate whereby our shareholders approved a repurchase limit of 20% of our issued ordinary shares outstanding at the Annual General Meeting held on the same date as the Board authorization. As of December 31, 2020, shares in the aggregate amount of $462 million were available to be repurchased under the current plan.

ITEM 3. ***DEFAULTS UPON SENIOR SECURITIES***

None

ITEM 4. ***MINE SAFETY DISCLOSURES***

Not applicable

ITEM 5. ***OTHER INFORMATION***

None

ITEM 6. ***EXHIBITS***
EXHIBIT INDEX

		Incorporated by Reference				
Exhibit No.	**Exhibit**	**Form**	**File No.**	**Filing Date**	**Exhibit No.**	**Filed Herewith**
10.01	Executive Transition Agreement, dated November 17, 2020 between Flex Ltd. and Paul Humphries.					X
10.02	Form of Addendum Award Agreement under the 2010 Deferred Compensation Plan (FY21).					X
15.01	Letter in lieu of consent of Deloitte & Touche LLP.					X
31.01	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
31.02	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
32.01	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Rule 13a-14(b) under the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*					X
101.INS	XBRL Instance Document					X
101.SCH	XBRL Taxonomy Extension Schema Document					X
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document					X
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document					X
101.LAB	XBRL Taxonomy Extension Label Linkbase Document					X
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document					X
104	Cover Page Interactive Data File (formatted as inline XBRL with applicable taxonomy extension information contained in Exhibits 101)					

* This exhibit is furnished with this Quarterly Report on Form 10-Q, is not deemed filed with the Securities and Exchange Commission, and is not incorporated by reference into any filing of Flex Ltd. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date hereof and irrespective of any general incorporation language contained in such filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

FLEX LTD.
(Registrant)

/s/ REVATHI ADVAITHI
Revathi Advaithi
Chief Executive Officer
(Principal Executive Officer)

Date: January 29, 2021

/s/ PAUL R. LUNDSTROM
Paul R. Lundstrom
Chief Financial Officer
(Principal Financial Officer)

Date: January 29, 2021

EXECUTIVE TRANSITION AGREEMENT

THIS EXECUTIVE TRANSITION AGREEMENT (this "***Agreement***") is made as of this 17th day of November, 2020, by and between Flex Ltd. and its subsidiaries and affiliated entities (collectively, the "***Company***") and Paul Humphries ("***Executive***").

WHEREAS, Executive has served as President, Reliability Solutions since April 1, 2020, President, High Reliability Solutions from April 2011 to March 2020, and in various other leadership roles for the last 20 years, and has provided considerable service to the Company, and now desires to retire; and

WHEREAS, the Company desires to retain Executive for a period of time to ensure a smooth transition of the President, Reliability Solutions position; and

WHEREAS, the Company and Executive have agreed that Executive will retire from his position as President, Reliability Solutions effective November 30, 2020 ("***Date of Transition***"). In connection with his retirement, Executive will remain an employee of the Company and perform such transition and other services effective the Date of Transition through March 31, 2021 (the "*Transition Period*); and

WHEREAS, in connection with the termination of Executive's employment, the parties have agreed to a transition services arrangement and the resolution of any and all disputes between them.

NOW, THEREFORE, IT IS HEREBY AGREED by and between Executive and the Company as follows:

1. Resignation as Officer. Executive hereby resigns, as of the Date of Transition, from all positions as an officer and/or director position (if any) of the Company and its affiliated entities. Executive shall remain an employee of the Company in a transition services position pursuant to the terms set forth in Paragraph 2.

2. Transition Services Arrangement.

(a) Transition Services Terms. Executive shall provide transition and other services to the Company for the Transition Period. The Transition Period will not be extended beyond March 31, 2021 (the "***Date of Termination***"). No severance pay or benefits shall be payable to Executive as a result of Executive's ceasing to be an officer of the Company as of the Date of Transition or ceasing to be an employee of the Company as of the Date of Termination, in either case under the Company's Executive Severance Plan or otherwise.

(b) Services. During the Transition Period, Executive shall, for 30-40 hours per week, (i) render Executive's assistance and participation, giving at all times the full benefit of Executive's knowledge, expertise, technical skill and ingenuity, in all matters relating to the transition of duties to the new President, Reliability Solutions, and (ii) provide such certifications and representations, relating to Executive's period of employment ending with the Date of Termination, as are necessary under the Sarbanes-Oxley Act of 2002 or as are beneficial in order to allow other officers of the Company to make such certifications or representations (the "***Transition Services***"). Notwithstanding the foregoing, upon any breach by Executive of Paragraphs 7, 8, or 9 of this Agreement, the Company shall have no further obligations under this Paragraph 2.

(c) Compensation during Transition Period. During the Transition Period, the Company will pay Executive his base salary currently in effect immediately before the Date of Transition, which salary shall be payable on the Company's regular payroll schedule. The Company will also reimburse Executive for reasonable out-of-pocket expenses incurred by Executive in performing the Transition Services in accordance with the applicable expense reimbursement policies of the Company as in effect from time to time; provided that Executive has received prior written or emailed approval from the Company's Chief Executive Officer (or the Chief Executive Officer's designee) for either the specific expense or for the reimbursement of reasonable expenses for the project or task to which the expenses relate.

(d) Incentive Compensation. Due to Executive's retirement, Executive shall be eligible for a bonus payment based on actual performance under the Company's fiscal year 2021 incentive bonus plan

(e) Deferred Compensation. Due to Executive's retirement, Executive shall be eligible for continued vesting of Executive's deferred compensation award that was granted in July 2020 pertaining to fiscal year 2020 under the Company's deferred compensation plan.

(f) Treatment of Equity Awards. As of the Date of Transition, Executive holds certain equity-based awards (the "***Equity Awards***") which shall continue to vest during the Transition Period in accordance with their terms. For the avoidance of doubt, the Equity Awards remain subject to the terms of the Company's 2010 and 2017 Equity Incentive Plans, as applicable, and the applicable award agreements. Upon the Date of Termination, (i) all PSU awards will be prorated through the Date of Termination and paid out based on performance at the end of the original performance periods, (ii) Executive's fiscal year 2021 RSU award will continue to vest due to Executive's retirement eligibility in accordance with the terms of the award, and (iii) all other unvested Equity Awards will be forfeited. For the avoidance of doubt, Executive shall not be eligible for additional equity incentive grants after the Date of Transition. For purposes of this Agreement "***Cause***" shall have the definition set forth in the Company's Executive Severance Plan.

(g) Medical, Dental and Vision Benefits. During the Transition Period, Executive shall be eligible for medical, dental and vision coverage offered by the Company.

3. Termination Benefits.

(a) Accrued Benefits. Executive shall receive any amounts earned, accrued or owing but not yet paid to Executive as of the Date of Termination, including, but not limited to, unused accrued vacation (if any), and unpaid base salary earned by Executive through the Date of Termination, payable in a lump sum. Any benefits accrued or earned will be distributed in accordance with the terms of the applicable benefit plans and programs of the Company.

(b) No Other Benefits. Executive acknowledges and agrees that the payment(s) and other benefits pursuant to Paragraph 2 are in full discharge of any and all liabilities and obligations of the Company to Executive, monetarily or with respect to employee benefits or otherwise, including but not limited to any and all obligations arising under the Company's Executive Severance Plan or any alleged written or oral employment agreement, policy, plan or procedure of the Company and/or alleged understanding or arrangement between Executive and the Company (other than claims for accrued and vested benefits under an employee benefit, insurance, or pension plan of the Company (excluding any employee benefit plan providing severance or similar benefits)), subject to the terms and conditions of such plan(s)). For the avoidance of doubt, Executive will not be eligible to participate in any employee benefit plans maintained for employees of the Company, including medical, dental and vision plans, following the Transition Period, except as specifically set forth herein. Upon termination of the Transition Period, Executive will be eligible to elect COBRA coverage as required by law.

(c) No Authority. Executive acknowledges that following the Date of Termination, Executive shall not represent himself to be an employee, officer, director, agent or representative of the Company and its direct and indirect parent(s) and subsidiaries (collectively, the ***"Company Group"***) for any purpose.

(d) Release. As a condition precedent to the Company's obligations under this Agreement, Executive agrees to execute the Release and Waiver of Claims in favor of the Company, among other parties, attached to this Agreement as Exhibit A, upon the expiration of the Transition Period.

4. Release and Waiver of Claims.

(a) Executive, for and in consideration of the commitments of the Company as set forth in Paragraph 2 of this Agreement, and intending to be legally bound, does hereby REMISE, RELEASE AND FOREVER DISCHARGE the members of the Company Group, and their present and former officers, directors, employees, and agents, and their respective successors, predecessors, affiliates, assigns, heirs, executors, and administrators (collectively, "***Releasees***") from all causes of action, suits, debts, claims and demands whatsoever in law or in equity, which Executive ever had, now has, or hereafter may have, whether known or unknown, or which

Executive's heirs, executors, or administrators may have, by reason of any matter, cause or thing whatsoever, up to the date of Executive's execution of this Agreement, and particularly, but without limitation of the foregoing general terms, any claims arising from or relating in any way to Executive's employment relationship with the Company and Releasees, the terms and conditions of that employment relationship, and the termination of that employment relationship, including, but not limited to, any claims arising under any applicable Company severance plan(s), the Age Discrimination in Employment Act, the Older Workers' Benefit Protection Act, Title VII of The Civil Rights Act of 1964, the Civil Rights Act of 1991, Sections 1981 through 1988 of Title 42 of the United States Code, the Americans with Disabilities Act, the Executive Retirement Income Security Act of 1974, the Family and Medical Leave Act, the Worker Adjustment and Retraining Notification Act, the Fair Labor Standards Act of 1938, the National Labor Relations Act of 1935, the Consolidated Omnibus Budget Reconciliation Act of 1985, the Immigration Reform and Control Act of 1986, the Occupational Safety and Health Act of 1970, the Dodd–Frank Wall Street Reform and Consumer Protection Act of 2010, the Health Insurance Portability and Accountability Act of 1996, the Vocational Rehabilitation Act of 1973, California employment laws, the California Fair Employment and Housing Act, the California Family Rights Act (Cal. Gov. Code § 12940 *et seq*.), the California Labor Code (including but not limited to Labor Code §§ 98.6, 203, 232, 221, 1102.5, 2698 *et seq.*, 6303, and 6400 *et seq.*), claims for retaliation under the Health and Safety Code section 1278.5; and any other federal, state and local employment laws, as amended, and any other claims under any federal, state or local common law, statutory, or regulatory provision, now or hereafter recognized, and any claims for attorneys' fees and costs. This Agreement is effective without regard to the legal nature of the claims raised and without regard to whether any such claims are based upon tort, equity, implied or express contract or discrimination of any sort.

(b) **WAIVER OF SECTION 1542 RIGHTS**. Executive acknowledges and agrees that he has been informed of and understands the provision of California Civil Code section 1542 which provides as follows:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Executive expressly waives and relinquishes any and all rights and benefits under Section 1542 of the Civil Code of the State of California and under any statute, rule, or principle of common law or equity, of any jurisdiction, that is similar to Civil Code section 1542. Executive understands that if the facts or law with respect to which the foregoing releases are given hereafter turn out to be other than or different from the facts or law in that connection not known to be or believed by them to be true, Executive expressly assumes the risk of the facts or law turning out to be so different, and agrees that the foregoing releases shall be in all respects effective and not subject to termination or rescission based upon any such differences in facts or law.

(c) To the fullest extent permitted by law, and subject to the provisions of Paragraph 4(c) below, Executive represents and affirms that (i) Executive has not filed or caused to be filed on Executive's behalf any claim for relief against the Company or any Releasee and, to the best of Executive's knowledge and belief, no outstanding claims for relief have been filed or asserted against the Company or any Releasee on Executive's behalf; and (ii) Executive has no knowledge of any improper, unethical or illegal conduct or activities that Executive has not already reported to any supervisor, manager, department head, human resources representative, agent or other representative of the Company, to any member of the Company's legal or compliance departments, or to the ethics hotline; and (iii) Executive will not file, commence, prosecute or participate in any judicial or arbitral action or proceeding against the Company or any Releasee based upon or arising out of any act, omission, transaction, occurrence, contract, claim or event existing or occurring on or before the date of execution of this Agreement.

(d) The release of claims described in Paragraphs 4(a), (b) and (c) of this Agreement does not preclude Executive from filing a charge with the U.S. Equal Employment Opportunity Commission. However, Executive agrees and hereby waives any and all rights to any monetary relief or other personal recovery from any such charge, including costs and attorneys' fees. Additionally, this release of claims does not preclude Executive from filing claims that arise after the date of execution of this Agreement.

(e) Subject to the provisions of Paragraph 4(d) of this Agreement, in further consideration of the commitments described in Paragraph 2, Executive agrees that Executive will not file, claim, sue or cause or permit to be filed, any civil action, suit or legal proceeding seeking equitable or monetary relief (including damages, injunctive, declaratory, monetary or other relief) for himself or herself involving any matter released in Paragraph 4. In the event that suit is filed in breach of this release of claims, it is expressly understood and agreed that this release of claims shall constitute a complete defense to any such suit. In the event any Releasee is required to institute litigation to enforce the terms of this Paragraph, Releasees shall be entitled to recover reasonable costs and attorneys' fees incurred in such enforcement. Executive further agrees and covenants that should any person, organization, or other entity file, claim, sue, or cause or permit to be filed any civil action, suit or legal proceeding involving any matter occurring at any time in the past, Executive will not seek or accept personal equitable or monetary relief in such civil action, suit or legal proceeding. Nothing in this Agreement shall prohibit or restrict Executive from: (i) making any disclosure of information required by law; (ii) providing information to, or testifying or otherwise assisting in any investigation or proceeding brought by any federal regulatory or law enforcement agency or legislative body, any self-regulatory organization, or the Company's designated legal, compliance or human resources officers; or (iii) filing, testifying, participating in or otherwise assisting in a proceeding relating to an alleged violation of any federal, state or municipal law relating to fraud, or any rule or regulation of the Securities and Exchange Commission or any self-regulatory organization.

5. Successors and Assigns. The provisions hereof shall inure to the benefit of the Executive's heirs, executors, administrators, legal personal representatives and assigns and shall be binding upon the Executive's heirs, executors, administrators, legal personal representatives and assigns.

6. Severability. If any provision of this Agreement shall be held by any court of competent jurisdiction to be illegal, void or unenforceable, such provision shall be of no force and effect. The illegality or unenforceability of such provision, however, shall have no effect upon and shall not impair the enforceability of any other provision of this Agreement.

7. Cooperation. The Executive acknowledges that the Company may need to consult with the Executive from time to time on a reasonable basis after the end of the Transition Period on matters that the Executive had worked on prior to the end of the Transition Period. The Executive agrees to continue to cooperate with the Company and to provide any such information as is reasonably requested by the Company.

8. Restrictive Covenants.

(a) Confidential Information.

(i) Executive acknowledges that the Company's business and services are highly specialized, the identity and particular needs of the Company's customers, suppliers, and independent contractors are not generally known, and the documents, records, and information regarding the Company's customers, suppliers, independent contractors, services, methods of operation, policies, procedures, sales, pricing, and costs are highly confidential information and constitute trade secrets. Executive further acknowledges that the services rendered to the Company by Executive have been or will be of a special and unusual character which have a unique value to the Company and that Executive has had or will have access to trade secrets and confidential information belonging to the Company, the loss of which cannot be adequately compensated by damages in an action at law.

(ii) Executive agrees to not use for any purpose or disclose to any person or entity any Confidential Information, except as required in the performance of Executive's duties to the Company. "***Confidential Information***" means information that the Company has obtained in connection with its present or planned business, including information Executive developed in the performance of Executive's duties for the Company, the disclosure of which could result in a competitive or other disadvantage to the Company. "***Confidential Information***" includes, but is not limited to, all information of Company to which Executive has had or will have access, whether in oral, written, graphic or machine-readable form, including without limitation, records, lists, specifications, operations or systems manuals, decision processes, policies, procedures, profiles, system and management architectures, diagrams, graphs, models, sketches, technical data, research, business or financial information, plans, strategies, forecasts, forecast assumptions, business practices, marketing information and material, customer names, vendor lists, independent contractor lists, identities, or information, proprietary ideas, concepts, know-how, methodologies and all other information related to Company's business and/or the business of any of its affiliates, knowledge of the Company's customers, suppliers, employees, independent contractors, methods of operation, trade secrets, software, software code, methods of determining prices. Confidential Information shall also include all information of a third party to which Company and/or any of its affiliates have access and to which Executive has had or will have access. Executive will not, directly or indirectly, copy, take, disclose, or remove from the Company's premises, any of the Company's books, records, customer lists, or any Confidential Information. Executive acknowledges and understands that, pursuant to the Defend Trade Secrets Act of 2016: An individual may not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (i) is made (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. Further, an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the employer's trade secrets to the individual's attorney and use the trade secret information in the court proceeding if the individual: (i) files any document containing the trade secret under seal; and (ii) does not disclose the trade secret, except pursuant to court order.

(b) Employee Non-Solicitation.

(i) Non-Solicitation of Employees During Employment. During the term of Executive's employment with the Company, Executive will not, either on Executive's own account or for any person, firm, partnership, corporation, or other entity (a) solicit, interfere with, or endeavor to cause any employee of the Company to leave employment with the Company; or (b) induce or attempt to induce any such employee to breach their obligations to the Company.

(ii) Non-Solicitation of Employees After Employment. After Executive's separation from employment with the Company for any reason whatsoever, Executive will not, either on Executive's own account or for any person, firm, partnership, corporation, or other entity, use the Company's trade secrets to (a) solicit, interfere with, or endeavor to cause any employee of the Company to leave employment with the Company; or (b) induce or attempt to induce any such employee to breach their obligations to the Company.

(iii) Anti-Raiding of Employees. Executive agrees that for a period of one year after Executive's separation from employment with the Company for any reason whatsoever, whether using the Company's trade secrets or not, Executive shall not disrupt, damage, impair, or interfere with the Company's business by raiding the Company's employees.

(c) Non-Disparagement. The Executive agrees that he will not make any disparaging or defamatory comments regarding the Company or any member of the Company Group, their respective affiliates, employees, officers, directors, products or services. The Executive's obligations under this subsection of Paragraph 8 shall not apply to disclosures required by applicable law, regulation or order of a court or governmental agency.

9. Return of Property. The Executive agrees that promptly following the Date of Termination the Executive will have returned to the Company all property belonging to the Company and/or any other member of the Company Group, including but not limited to all proprietary and/or confidential information and documents (including any copies thereof) in any form belonging to the Company, cell phone, Blackberry, iPad, iPhone, keys,

card access to the building and office floors, Employee Handbook, phone card, computer user name and password, disks and/or voicemail code; provided, however, that with respect to such property as may be necessary to perform the Transition Services, provided that the Executive notifies the Company of the property that will remain in his possession and the Company agrees, the Executive will be permitted to retain such property during the Transition Period, and Executive agrees to return such property promptly upon the expiration of the Transition Period.

10. Non-Admission. The parties agree and acknowledge that the agreement by the Company described herein, and the settlement and termination of any asserted or unasserted claims against the Releasees, are not and shall not be construed as an admission of any violation of any federal, state or local statute or regulation, or of any duty owed by any of the Releasees to the Executive.

11. Entire Agreement. This Agreement constitutes the entire understanding and agreement of the parties hereto regarding the termination of the Executive's employment. This Agreement supersedes all prior negotiations, discussions, correspondence, communications, understandings and agreements between the parties relating to the subject matter of this Agreement.

12. Governing Law; Jurisdiction. This Agreement and the obligations of the parties hereunder shall be construed, interpreted and enforced in accordance with and be governed by the laws of the State of California without reference to its conflicts of laws principle.

13. Opportunity for Review; Acceptance. The Executive has until twenty-one (21) days within which to consider this Agreement. Any modifications, material or otherwise, made to this Agreement have not restarted or affected in any manner the original twenty-one (21) days consideration period, and the Executive has signed on the date indicated below after concluding that this Agreement is satisfactory to the Executive. Notwithstanding anything contained herein to the contrary, the Executive may revoke this Agreement within seven (7) calendar days after the Executive's execution and it shall not become effective until the expiration of such seven (7) day revocation period. Any revocation within this period must be submitted, in writing, to the Company and state, "I hereby revoke my acceptance of our Agreement." The revocation must be delivered to the Executive's human resources representative and postmarked within seven (7) calendar days of the Executive's execution of this Agreement. If the last day of the revocation period is a Saturday, Sunday, or legal holiday in the state in which the Executive resides, then the revocation period shall not expire until the next following day which is not a Saturday, Sunday or legal holiday. In the event of the Executive's timely revocation, this Agreement will be deemed null and void and the Company will have no obligations hereunder.

* * *

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date set forth below.

FLEX LTD.

By: /s/ Revathi Advaithi
Name: Revathi Advaithi
Title: Chief Executive Officer
Dated: November 17, 2020

/s/ Paul Humphries
PAUL HUMPHRIES
Dated: November 19, 2020

Exhibit A
Release and Waiver of Claims

This Release and Waiver of Claims (this "***Release***") is hereby delivered by PAUL HUMPHRIES ("I" or "me") to Flex Ltd. (the "***Company***") pursuant to the terms of the Executive Transition Agreement (the "***Agreement***") entered into between the Company and me on November 17, 2020. I am delivering this Release in connection with the expiration of the Transition Period (as defined in the Agreement).

1. <u>Release and Waiver of Claims</u>.

(a) As used in this Release, the term "claims" will include all claims, covenants, warranties, promises, undertakings, actions, suits, causes of action, obligations, debts, accounts, attorneys' fees, judgments, losses and liabilities, of whatsoever kind or nature, in law, equity or otherwise.

(b) In consideration of the commitments of the Company as set forth in Paragraph 2 of the Agreement, I intend to be legally bound, and hereby REMISE, RELEASE AND FOREVER DISCHARGE the Company Group and their present and former officers, directors, employees, and agents, and their respective successors, predecessors, affiliates, assigns, heirs, executors, and administrators (collectively, "***Releasees***") from all causes of action, suits, debts, claims and demands whatsoever in law or in equity, which I ever had, now have, or hereafter may have, whether known or unknown, or which my heirs, executors, or administrators may have, by reason of any matter, cause or thing whatsoever, up to the date of my execution of this Release, and particularly, but without limitation of the foregoing general terms, any claims arising from or relating in any way to my employment relationship, transition services relationship, or consulting relationship with the Company and Releasees, the terms and conditions of that employment relationship, transitions services relationship, and consulting relationship, and the termination of that employment relationship, transition services relationship, and consulting relationship, including, but not limited to, any claims arising under any applicable Company severance plan(s), the Age Discrimination in Employment Act, the Older Workers' Benefit Protection Act, Title VII of The Civil Rights Act of 1964, the Civil Rights Act of 1991, Sections 1981 through 1988 of Title 42 of the United States Code, the Americans with Disabilities Act, the Executive Retirement Income Security Act of 1974, the Family and Medical Leave Act, the Worker Adjustment and Retraining Notification Act, the Fair Labor Standards Act of 1938, the National Labor Relations Act of 1935, the Consolidated Omnibus Budget Reconciliation Act of 1985, the Immigration Reform and Control Act of 1986, the Occupational Safety and Health Act of 1970, the Dodd–Frank Wall Street Reform and Consumer Protection Act of 2010, the Health Insurance Portability and Accountability Act of 1996, the Vocational Rehabilitation Act of 1973, California employment laws, the California Fair Employment and Housing Act, the California Family Rights Act (Cal. Gov. Code § 12940 *et seq*.), the California Labor Code (including but not limited to Labor Code §§ 98.6, 203, 232, 221, 1102.5, 2698 *et seq.*, 6303, and 6400 *et seq.*), claims for retaliation under the Health and Safety Code section 1278.5; and any other federal, state and local employment laws, as amended, and any other claims under any federal, state or local common law, statutory, or regulatory provision, now or hereafter recognized, and any claims for attorneys' fees and costs. This Release is effective without regard to the legal nature of the claims raised and without regard to whether any such claims are based upon tort, equity, implied or express contract or discrimination of any sort.

(c) **WAIVER OF SECTION 1542 RIGHTS**. Executive acknowledges and agrees that he has been informed of and understands the provision of California Civil Code section 1542 which provides as follows:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Executive expressly waives and relinquishes any and all rights and benefits under Section 1542 of the Civil Code of the State of California and under any statute, rule, or principle of common law or equity, of any jurisdiction, that is similar to Civil Code section 1542. Executive understands that if the facts or law with respect to which the foregoing releases are given hereafter turn out to be other than or different from the facts or law in that connection not known to be or believed by them to be true, Executive expressly assumes the risk of the facts or law turning out to be so different, and agrees that the foregoing releases shall be in all respects effective and not subject to termination or rescission based upon any such differences in facts or law.

(d) To the fullest extent permitted by law, and subject to the provisions of Paragraph 1(e) below, I represent and affirm that (i) I have not filed or caused to be filed on my behalf any claim for relief against the Company or any Releasee and, to the best of my knowledge and belief, no outstanding claims for relief have been filed or asserted against the Company or any Releasee on my behalf; and (ii) I have no knowledge of any improper, unethical or illegal conduct or activities that I have not already reported to any supervisor, manager, department head, human resources representative, agent or other representative of the Company, to any member of the Company's legal or compliance departments, or to the ethics hotline; and (iii) I will not file, commence, prosecute or participate in any judicial or arbitral action or proceeding against the Company or any Releasee based upon or arising out of any act, omission, transaction, occurrence, contract, claim or event existing or occurring on or before the date of execution of this Release.

(e) The release of claims described in Paragraphs 1(b), (c) and (d) of this Release does not preclude me from filing a charge with the U.S. Equal Employment Opportunity Commission. However, I agree and hereby waive any and all rights to any monetary relief or other personal recovery from any such charge, including costs and attorneys' fees. Additionally, this release of claims does not preclude me from filing claims that arise after the date of execution of this Release.

(f) Subject to the provisions of Paragraph 1(e) of this Release, in further consideration of the commitments described in Paragraph 2 of the Agreement, I agree that I will not file, claim, sue or cause or permit to be filed, any civil action, suit or legal proceeding seeking equitable or monetary relief (including damages, injunctive, declaratory, monetary or other relief) for himself or herself involving any matter released in Paragraph 1. In the event that suit is filed in breach of this release of claims, it is expressly understood and agreed that this release of claims shall constitute a complete defense to any such suit. In the event any Releasee is required to institute litigation to enforce the terms of this Paragraph, Releasees shall be entitled to recover reasonable costs and attorneys' fees incurred in such enforcement. I further agree and covenant that should any person, organization, or other entity file, claim, sue, or cause or permit to be filed any civil action, suit or legal proceeding involving any matter occurring at any time in the past, I will not seek or accept personal equitable or monetary relief in such civil action, suit or legal proceeding. Nothing in this Agreement shall prohibit or restrict me from: (i) making any disclosure of information required by law; (ii) providing information to, or testifying or otherwise assisting in any investigation or proceeding brought by any federal regulatory or law enforcement agency or legislative body, any self-regulatory organization, or the Company's designated legal, compliance or human resources officers; or (iii) filing, testifying, participating in or otherwise assisting in a proceeding relating to an alleged violation of any federal, state or municipal law relating to fraud, or any rule or regulation of the Securities and Exchange Commission or any self-regulatory organization.

2. Knowing and Voluntary Waiver. I expressly certify and acknowledge as follows:

(a) I have read the terms of this Release and that I understand its terms and effects, including the fact that I have agreed to REMISE, RELEASE, AND FOREVER DISCHARGE the Releasees and each and every one of its affiliated entities from any legal action arising out of my employment relationship, transition services relationship, or consulting relationship with the Company and the termination of that employment relationship, transition services relationship, or consulting relationship;

(b) I have signed this Release voluntarily and knowingly in exchange for the consideration described in Paragraph 2 of the Agreement, which I acknowledge is adequate and satisfactory and which I acknowledge is in addition to any other benefits to which I am otherwise entitled;

(c) I do not waive rights or claims that may arise after the date I execute this Release;

(d) I was advised in writing to consult with my attorney prior to signing this Release; and

(e) I have signed this Release knowingly and voluntarily.

3. Restrictive Covenants.

(a) Confidential Information.

(i) I acknowledge that the Company's business and services are highly specialized, the identity and particular needs of the Company's customers, suppliers, and independent contractors are not generally known, and the documents, records, and information regarding the Company's customers, suppliers, independent contractors, services, methods of operation, policies, procedures, sales, pricing, and costs are highly confidential information and constitute trade secrets. I further acknowledge that the services rendered to the Company by me have been or will be of a special and unusual character which have a unique value to the Company and that I have had or will have access to trade secrets and confidential information belonging to the Company, the loss of which cannot be adequately compensated by damages in an action at law.

(ii) I agree to not use for any purpose or disclose to any person or entity any Confidential Information, except as required in the performance of my duties to the Company. "***Confidential Information***" means information that the Company has obtained in connection with its present or planned business, including information I developed in the performance of my duties for the Company, the disclosure of which could result in a competitive or other disadvantage to the Company. "***Confidential Information***" includes, but is not limited to, all information of Company to which I have had or will have access, whether in oral, written, graphic or machine-readable form, including without limitation, records, lists, specifications, operations or systems manuals, decision processes, policies, procedures, profiles, system and management architectures, diagrams, graphs, models, sketches, technical data, research, business or financial information, plans, strategies, forecasts, forecast assumptions, business practices, marketing information and material, customer names, vendor lists, independent contractor lists, identities, or information, proprietary ideas, concepts, know-how, methodologies and all other information related to Company's business and/or the business of any of its affiliates, knowledge of the Company's customers, suppliers, employees, independent contractors, methods of operation, trade secrets, software, software code, methods of determining prices. Confidential Information shall also include all information of a third party to which Company and/or any of its affiliates have access and to which I have had or will have access. I will not, directly or indirectly, copy, take, disclose, or remove from the Company's premises, any of the Company's books, records, customer lists, or any Confidential Information. I acknowledge and understand that, pursuant to the Defend Trade Secrets Act of 2016: An individual may not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (i) is made (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. Further, an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the employer's trade secrets to the individual's attorney and use the trade secret information in the court proceeding if the individual: (i) files any document containing the trade secret under seal; and (ii) does not disclose the trade secret, except pursuant to court order.

(b) Employee Non-Solicitation.

(i) Non-Solicitation of Employees After Employment. After my separation from employment with the Company for any reason whatsoever, I will not, either on my own account or for any person, firm, partnership, corporation, or other entity, use the Company's trade secrets to (a) solicit, interfere with, or endeavor to cause any employee of the Company to leave employment with the Company; or (b) induce or attempt to induce any such employee to breach their obligations to the Company.

(ii) Anti-Raiding of Employees. I agree that for a period of one year after my separation from employment with the Company for any reason whatsoever, whether using the Company's trade secrets or not, I shall not disrupt, damage, impair, or interfere with the Company's business by raiding the Company's employees.

(c) Non-Disparagement. The Executive agrees that he will not make any disparaging or defamatory comments regarding the Company or any member of the Company Group, their respective affiliates, employees, officers, directors, products or services. The Executive's obligations under this subsection of Paragraph 8 shall not apply to disclosures required by applicable law, regulation or order of a court or governmental agency.

4. Opportunity for Review; Acceptance. I have until twenty-one (21) days within which to consider this Release. Any modifications, material or otherwise, made to this Release have not restarted or affected in any manner the original twenty-one (21) days consideration period, and I have signed on the date indicated below after concluding that this Release is satisfactory to me. Notwithstanding anything contained herein to the contrary, I may revoke this Release within seven (7) calendar days after my execution and it shall not become effective until the expiration of such seven (7) day revocation period. Any revocation within this period must be submitted, in writing, to the Company and state, "I hereby revoke my acceptance of the Release." The revocation must be delivered to my human resources representative and postmarked within seven (7) calendar days of my execution of this Release. If the last day of the revocation period is a Saturday, Sunday, or legal holiday in the state in which I reside, then the revocation period shall not expire until the next following day which is not a Saturday, Sunday or legal holiday. In the event of my timely revocation, this Release will be deemed null and void and the Company will have no obligations to provide the payments and benefits under Paragraph 2 of the Agreement.

/s/ Paul Humphries
PAUL HUMPHRIES
Dated: November 19, 2020

EXHIBIT 10.02

ADDENDUM

AWARD AGREEMENT

Flex 2010 Deferred Compensation Plan

Award Agreement

I am pleased to inform you that Flextronics International USA, Inc. (the "Company") has agreed to provide you with a deferred long-term incentive bonus in return for services to be rendered in the future as an employee of the Company (the "Incentive Bonus"). Unless the context indicates otherwise, capitalized terms used in this Award Agreement have the meanings given to them in the Flex 2010 Deferred Compensation Plan, as it may be amended from time to time (the "Plan").

Subject to the limitations and vesting schedule described below, and subject to the terms and conditions of the Plan, your 2020 Incentive Bonus will be the amount set forth in the Long-Term Cash Incentives (Deferred Compensation) section of your attached FY21 Total Compensation letter.

Awards for Later Years

By July 1st of each calendar year after 2020, or as soon thereafter as practicable, the Company will make a determination, in its sole discretion, of the amount of your Incentive Bonus, if any, with respect to the year ending on such July 1st. The Company will notify you of such determination as soon as practicable following such determination.

The Company reserves the right to amend, reduce, or eliminate your Incentive Bonus for any year at any time before you are notified that you have earned the Incentive Bonus. From time to time, the Company may, in its sole discretion, make additional contributions to your Incentive Bonus.

Method for Determining 2020 Award

Subject to the Company's discretion to increase, decrease, or eliminate your Incentive Bonus for any or no reason, you may earn a 2020 baseline incentive bonus in the amount set forth in the Long-Term Cash Incentives (Deferred Compensation) section of your attached FY21 Total Compensation letter (the "Baseline 2020 Incentive Bonus"), provided that such amount is approved by the Board of Directors. Your 2020 Incentive Bonus, if any, will be deemed to be earned on a date specified by the Company (the "2020 Earning Date"), which will be July 1st or the date thereafter on which it is administratively practicable for the Company to determine the amount of your 2020 Incentive Bonus, if any.

The Company reserves the right to amend, reduce, or eliminate your 2020 Incentive Bonus at any time before you are notified of the amount of your 2020 Incentive Bonus. If your employment with the Company is terminated for any reason prior to the 2020 Earning Date, you will not be eligible to earn a 2020 Incentive Bonus.

Credit of Awards to Deferral Account

The amount of the Incentive Bonus for each year will be credited to a separate subaccount of your Deferral Account (an "Incentive Bonus Deferral Subaccount") as soon as practicable after it is deemed to be earned. The value of each Incentive Bonus Deferral Subaccount will thereupon be subject to adjustment for hypothetical investment gains and losses, as described below.

Vesting

Except as otherwise described below or as otherwise provided for in the Plan, an Incentive Bonus Deferral Subaccount will become one hundred percent (100%) vested on the fourth anniversary of the date that the Incentive Bonus credited to such Incentive Bonus Deferral Subaccount was earned. Prior to such fourth anniversary, the Incentive Bonus Deferral Subaccount will be unvested and subject to forfeiture as described below.

Accordingly, the Incentive Bonus Deferral Subaccount for your 2020 Incentive Bonus will be one hundred percent (100%) vested if you remain continuously employed by the Company until July __, 2024.

Except as provided below, if your employment with the Company is terminated before July __, 2024 for any reason other than your Retirement, Death, or Disability, your 2020 Incentive Bonus Deferral Subaccount (as determined at the end of the day of your termination) will be forfeited for no consideration. For example, if an Incentive Bonus is earned on July 15th of a particular year, the Incentive Bonus Subaccount for such Incentive Bonus will be forfeited if your employment with the Company is terminated prior to the July 15th of the fourth year following that year.

If your employment with the Company is terminated due to Retirement before July __, 2024, your unvested 2020 Incentive Bonus Deferral Subaccount will continue to vest in accordance with the vesting schedule; provided that, if you violate the Confidential Information, Employee Non-Solicitation, Customer Non-Solicitation, or Non-Compete provisions of this Agreement, if applicable, then your 2020 Incentive Bonus Deferral Subaccount will be immediately forfeited for no consideration. For purposes of this Agreement, "Retirement" shall mean your voluntary termination of service after you have attained age fifty-five (55) and completed at least five (5) years of service; provided that your age plus years of service equals at least sixty-five (65); provided, further, that you provide, as may be required by the Company in its discretion, up to 6 months of written notice of such Retirement which is irrevocable by you.

If your employment is terminated as a result of death or Disability, any unvested balance of your 2020 Incentive Bonus Deferral Subaccount will immediately become one hundred percent (100%) vested. For purposes of this Agreement, "Disability" shall be defined as set forth in the Plan document. The Disability determination shall be in the sole discretion of the Company.

Each Incentive Bonus Deferral Subaccount will become one hundred percent (100%) vested upon an Involuntary Separation from Service that occurs within two (2) years following a Change in Control; provided, however, that no Incentive Bonus Deferral Subaccount will vest earlier than 13 months following the date that it is earned. For example, if an Incentive Bonus is earned on July 15th of a particular year and a Change in Control of the Company occurs, the Incentive Bonus Subaccount for such Incentive Bonus will not vest if an Involuntary Separation from Service occurs prior to August 15th of the subsequent year.

Deferral Agreements and Payout of Your Vested Account Balance

You are required to elect a payment schedule for the 2019 Incentive Bonus Deferral Subaccount in accordance with instructions in the email from Merrill Lynch, as mentioned in the attached FY20 Total Compensation letter. All payment schedule elections must be made on the Merrill Lynch website (www.benefits.ml.com). Your payment schedule election for your 2019 Incentive Bonus, which is referred to herein as your "Deferral Agreement," must be completed no later than July 12, 2019. The Deferral Agreement for any later Incentive Bonus must be submitted within the time period that will be communicated to you.

The distribution of the vested portion of your 2020 Incentive Bonus Deferral Subaccount, if any, will be made in accordance with the terms of your applicable Deferral Agreement, except as noted below in cases where your employment with the Company is terminated before July __, 2024 due to your Retirement, death, or Disability. If you do not timely submit a Deferral Agreement, or if your Deferral Agreement is otherwise invalid, the vested portion of the Incentive Bonus Deferral Subaccount, if any, to which such invalid Deferral Agreement relates will be payable to you on the date that is six (6) months after your Separation from Service, or, if earlier, upon the date of your death if you die within six (6) months after your Separation from Service. However, the following rules apply to distributions on account of Retirement, death, or Disability.

If you vest in your 2020 Incentive Bonus Deferral Subaccount because your employment is terminated as a result of your Retirement, your 2020 Incentive Bonus Deferral Subaccount will be paid to you in a lump sum on the later of (i) six (6) months after your Separation from Service, or (ii) the date your 2020 Incentive Bonus Deferral Subaccount vests (July __, 2024 if you satisfy the conditions of this Agreement).

If you vest in your 2020 Incentive Bonus Deferral Subaccount because your employment is terminated as a result of your death, a lump sum payment will be made to your beneficiary within 90 days after the Company is notified of your death.

If you vest in your 2020 Incentive Bonus Deferral Subaccount because your employment is terminated as a result of your Disability, a lump sum payment will be made within 90 days after the Company determines that your employment terminated due to a qualifying Disability.

You may, at the Company's sole discretion, be permitted to elect to re-defer an Incentive Bonus Deferral Subaccount at any time that is at least twelve (12) months before the Incentive Bonus Deferral Subaccount is payable. With respect to a payment other than payments in the event of death, Disability, or Unforeseeable Emergency, any such re-deferral election must be for a period of at least five (5) years after the Incentive Bonus Deferral Subaccount was otherwise payable Deemed Investment of Deferral Subaccounts

The unvested portion of each Incentive Bonus Deferral Subaccount will be held in an unvested subaccount that will be invested in Hypothetical Investments at the Company's direction, or, in the sole discretion of the Company, you may be allowed to direct the investment of the Incentive Bonus Deferral Subaccount; provided, however, that the Company may restrict or limit in any manner the Hypothetical Investments available to you.

Upon vesting, each Incentive Bonus Deferral Subaccount will be held in a vested subaccount that will be deemed invested in Hypothetical Investments at your direction. All investment elections are made online through the Merrill Lynch website (www.benefits.ml.com).

The value of each Incentive Bonus Deferral Subaccount will depend upon the performance of the Hypothetical Investments in which it is deemed to be invested. Each Incentive Bonus Deferral Subaccount will be increased by hypothetical gains, and reduced by hypothetical losses, that result from the Hypothetical Investments in which the Incentive Bonus Deferral Subaccount is deemed to be invested.

Any portion of an Incentive Bonus Deferral Subaccount for which you have not made a valid Hypothetical Investment election shall be deemed to be invested in a default Hypothetical Investment that the Company will designate and which may be changed at the discretion of the Company from time to time.

FICA Taxes

The Company may debit your Deferral Account for any taxes due with respect to an Incentive Bonus Deferral Subaccount at the time that such taxes are required to be withheld. Generally, FICA (social security and Medicare) taxes will be withheld with respect to an Incentive Bonus Deferral Subaccount at the time of vesting.

Account Balance Reachable by Company Creditors

You understand and acknowledge that your Deferral Account, including each Incentive Bonus Deferral Subaccount, will be reachable by the Company's general creditors upon the insolvency of the Company. You also understand and acknowledge that, except as provided in the Plan, you are not entitled to accelerate distributions from the Plan.

Confidential Information

You acknowledge that the Company's business and services are highly specialized, the identity and particular needs of the Company's customers, suppliers, and independent contractors are not generally known, and the documents, records, and information regarding the Company's customers, suppliers, independent contractors, services, methods of operation, policies, procedures, sales, pricing, and costs are highly confidential information and constitute trade secrets. You further acknowledge that the services you rendered to the Company have been or will be of a special and unusual character which have a unique value to the Company and that you have or will have access to trade secrets and confidential information belonging to the Company, the loss of which cannot be adequately compensated by damages in an action at law.

You agree to not use for any purpose or disclose to any person or entity any Confidential Information, except as required in the performance of your duties to the Company. "Confidential Information" means information that the Company has obtained in connection with its present or planned business, including information you developed in the performance of your duties for the Company, the disclosure of which could result in a competitive or other disadvantage to the Company. "Confidential Information" includes, but is not limited to, all information of Company to which you have or will have access, whether in oral, written, graphic or machine- readable form, including without limitation, records, lists, specifications, operations or systems manuals, decision processes, policies, procedures, profiles, system and management architectures, diagrams, graphs, models, sketches, technical data, research, business or financial information, plans, strategies, forecasts, forecast assumptions, business practices, marketing information and material, customer names, vendor lists, independent contractor lists, identities, or information, proprietary ideas, concepts, know-how, methodologies and all other information related to Company's business and/or the business of any of its affiliates, knowledge of the Company's customers, suppliers, employees, independent contractors, methods of operation, trade secrets, software, software code, methods of determining prices. Confidential Information shall also include all information of a third party to which Company and/or any of its affiliates have access and to which you have or will have access. You will not, directly or indirectly, copy, take, disclose, or remove from the Company's premises, any of the Company's books, records, customer lists, or any Confidential Information. You acknowledge and understand that, pursuant to the Defend Trade Secrets Act of 2016: An individual may not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (i) is made (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. Further, an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the employer's trade secrets to the individual's attorney and use the trade secret information in the court proceeding if the individual: (i) files any document containing the trade secret under seal; and (ii) does not disclose the trade secret, except pursuant to court order.

Employee Non-Solicitation

During the term of your employment with the Company, you will not, either on your own account or for any person, firm, partnership, corporation, or other entity (a) solicit, interfere with, or endeavor to cause any employee of the Company to leave employment with the Company; or (b) induce or attempt to induce any such employee to breach their obligations to the Company.

After your separation from employment with the Company for any reason whatsoever, you will not, either on your own account or for any person, firm, partnership, corporation, or other entity, use the Company's trade secrets to (a) solicit, interfere with, or endeavor to cause any employee of the Company to leave employment with the Company; or (b) induce or attempt to induce any such employee to breach their obligations to the Company.

You further agree that for a period of one year after your separation from employment with the Company for any reason whatsoever, whether using the Company's trade secrets or not, you shall not disrupt, damage, impair, or interfere with the Company's business by raiding the Company's employees.

Customer Non-Solicitation

The customer non-solicitation provisions contained in this Section apply to you if you have provided services to the Company outside the state of California.

During the term of your employment with the Company, you will not solicit, induce, or attempt to induce any past or current customer of the Company (a) to cease doing business, in whole or in part, with the Company; or (b) to do business with any other person, firm, partnership, corporation, or other entity which performs services similar to or competitive with those provided by the Company.

After your separation from employment with the Company for any reason whatsoever, you will not, either on your own account or for any person, firm, partnership, corporation, or other entity, use the Company's trade secrets to solicit, induce, or attempt to induce any past or current customer of the Company (a) to cease doing business, in whole or in part, with the Company; or (b) to do business with any other person, firm, partnership, corporation, or other entity which performs services similar to or competitive with those provided by the Company.

Non-Compete

The non-compete provision contained in this Section applies to you if you provide or have provided services to the Company outside the state of California.

For a period of twelve (12) months following the date on which your employment with the Company terminates for any reason, regardless of whether the termination is initiated by you or the Company, you agree that you will not: (i) accept employment with, be employed by or provide services (as an employee, consultant, independent contractor or in any other capacity) to any competitor of the Company; and (ii) own (other than the ownership of five percent or less of the shares of a publicly traded company) or operate a business that is a competitor of the Company. For purposes of this section, the term "competitor" shall mean any business, company or entity that provides any products or services that are the same as, similar to, or compete with the products and services provided by the Company.

Other Agreements

Each Incentive Bonus is in addition to any rights that you have under any other agreement with the Company. An Incentive Bonus will not be deemed to be salary or other compensation for the purpose of computing benefits under any employee benefit plan or other arrangement of the Company for the benefit of its employees. This Award Agreement is subject in its entirety to the terms of the Plan and any applicable Deferral Agreements. If a future change in law would, in the judgment of the Committee or Plan Administrator, likely accelerate taxation to you of amounts that would be credited to your Deferral Account under the Plan, the Company will attempt to amend the Plan to satisfy the requirements of the change in law and, unless and until such an amendment is made, the Company will cease to credit Incentive Bonuses to your account established under the Deferred Compensation Plan. The parties intend that the awards issued under this Award Agreement and the Plan comply with the requirements of Section 409A of the Internal Revenue Code, and this Award Agreement and the Plan (insofar as it relates to this Award Agreement) shall be administered and interpreted in accordance with such intent.

An Incentive Bonus does not give you any right to be retained by the Company and does not affect the right of the Company to dismiss you. The Company may withhold from any payment under the Plan any amount that it is required to withhold pursuant to applicable law.

By participating in the Plan, you represent that you have had adequate opportunity to review and ask any questions about the Plan. You may request a copy of the Plan via email to benefits@flex.com. You understand that although the Company has attempted to structure a plan to accomplish the tax results discussed in the documents, the Company cannot warrant that the tax effect on you will be as expected. You also understand that the Company and its representatives are not attempting to give you tax advice. We strongly advise you to seek any tax advice from your own tax adviser.

If any provision of this agreement is determined to be unenforceable, the remaining provisions shall nonetheless be given effect. This agreement shall be construed in accordance with federal law and, to the extent not superseded by federal law, the laws of the state where you reside without regard to conflict of law rules.

Exhibit 15.01

LETTER IN LIEU OF CONSENT OF DELOITTE & TOUCHE LLP

January 29, 2021

Flex Ltd.
2 Changi South Lane
Singapore 486123

We have reviewed, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the unaudited interim financial information of Flex Ltd. and its subsidiaries for the three-month and nine-month periods ended December 31, 2020 and December 31, 2019, as indicated in our report dated January 29, 2021; because we did not perform an audit, we expressed no opinion on that information.

We are aware that our report referred to above, which is included in your Quarterly Report on Form 10-Q for the quarter ended December 31, 2020, is incorporated by reference in Registration Statement No. 333-222773 on Form S-3ASR, and Registration Statement Nos. 333-248470, 333-220002, 333-207325, and 333-170710 on Form S-8.

We also are aware that the aforementioned report, pursuant to Rule 436(c) under the Securities Act of 1933, is not considered a part of the Registration Statement prepared or certified by an accountant or a report prepared or certified by an accountant within the meaning of Sections 7 and 11 of that Act.

/s/ DELOITTE & TOUCHE LLP

San Jose, California

EXHIBIT 31.01

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Revathi Advaithi, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Flex Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 29, 2021

/s/ Revathi Advaithi

Revathi Advaithi
Chief Executive Officer

EXHIBIT 31.02

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Paul R. Lundstrom, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Flex Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 29, 2021

/s/ Paul R. Lundstrom

Paul R. Lundstrom
Chief Financial Officer

EXHIBIT 32.01

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

We, Revathi Advaithi and Paul R. Lundstrom, Chief Executive Officer and Chief Financial Officer, respectively, of Flex Ltd. (the “Company”), hereby certify, to the best of our knowledge, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- the Quarterly Report on Form 10-Q of the Company for the period ended December 31, 2020, as filed with the Securities and Exchange Commission (the “Report”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement has been provided to Flex Ltd. and will be retained by it and furnished to the Securities and Exchange Commission or its staff upon request.

Date:	January 29, 2021	/s/ Revathi Advaithi Revathi Advaithi Chief Executive Officer (Principal Executive Officer)
Date:	January 29, 2021	/s/ Paul R. Lundstrom Paul R. Lundstrom Chief Financial Officer (Principal Financial Officer)