



Q1 FY25  
**Earnings  
Presentation**

Quarter End: June 28, 2024

Earnings Announcement: July 24, 2024



# Risks and non-GAAP disclosures

This presentation contains forward-looking statements within the meaning of U.S. securities laws, including statements related to our future financial results and our guidance for future financial performance (including expected revenues, operating income, margins and earnings per share). These forward-looking statements are based on current expectations, forecasts and assumptions involving risks and uncertainties that could cause the actual outcomes and results to differ materially from those anticipated by these forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements. These risks include: that we may not achieve our expected future operating results; the effects that the current and future macroeconomic environment, including inflation, slower growth or recession, and currency exchange rate fluctuations, could have on our business and demand for our products; supply chain disruptions, manufacturing interruptions or delays, or the failure to accurately forecast customer demand; the impact of fluctuations in the pricing or availability of raw materials and components, labor and energy, and logistical constraints; risks related to the recently completed spin-off of Nextracker, and the transactions related thereto, including the qualification of these transactions for their intended tax treatment; risks associated with acquisitions and divestitures, including the possibility that we may not fully realize their projected benefits; geopolitical risks, including impacts from the termination and renegotiation of international trade agreements and trade policies, the ongoing conflicts between Russia and Ukraine and between Israel and Hamas, disruptions caused by the attacks on shipping vessels in the Red Sea, or an escalation of sanctions, tariffs or other trade tensions between the U.S. and China or other countries, any of which could lead to disruption, instability, and volatility in global markets and negatively impact our operations and financial performance; the effects that current and future credit and market conditions could have on the liquidity and financial condition of our customers and suppliers, including any impact on their ability to meet their contractual obligations to us and our ability to pass through costs to our customers; the challenges of effectively managing our operations, including our ability to control costs and manage changes in our operations; hiring and retaining key personnel; litigation and regulatory investigations and proceedings; our compliance with legal and regulatory requirements; changes in laws, regulations, or policies that may impact our business, including those related to climate change; the possibility that benefits of the Company's restructuring actions may not materialize as expected; that the expected revenue and margins from recently launched programs may not be realized; our dependence on industries that continually produce technologically advanced products with short product life cycles; the short-term nature of our customers' commitments and rapid changes in demand may cause supply chain issues, excess and obsolete inventory, and other issues which adversely affect our operating results; our dependence on a small number of customers; our industry is extremely competitive; we may be exposed to financially troubled customers or suppliers; the success of certain of our activities depends on our ability to protect our intellectual property rights and we may be exposed to claims of infringement or breach of license agreements; a breach of our IT or physical security systems, or violation of data privacy laws, may cause us to incur significant legal and financial exposure and disrupt our operations; physical and operational risks from natural disasters, severe weather events, or climate change; our ability to meet environmental, social and governance expectations or standards or achieve sustainability goals; we may be exposed to product liability and product warranty liability; that recent changes or future changes in tax laws in certain jurisdictions where we operate could materially impact our tax expense; and the impact and effects on our business, results of operations and financial condition of a public health issue, including a pandemic, or catastrophic event.

Additional information concerning these and other risks is described under "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our most recent Annual Report on Form 10-K and in our subsequent filings with the U.S. Securities and Exchange Commission. Flex assumes no obligation to update any forward-looking statements, which speak only as of the date they are made.

Please refer to the appendix section of this presentation for reconciliation of the Non-GAAP financial measures to the most directly comparable GAAP measures. If this presentation references historical non-GAAP financial measures, these measures are located on the "Investor Relations" section of our website, [www.flex.com](http://www.flex.com) along with the required reconciliation to the most comparable GAAP financial measures.

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

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

## Flex Reliability Solutions

**Automotive:** autonomous, connectivity, electrification, and smart technologies.

**Health Solutions:** medical devices, medical equipment, and drug delivery.

**Industrial:** capital equipment, industrial devices, renewables, grid edge, and power systems.

## Flex Agility Solutions

**CEC:** data infrastructure, edge infrastructure, and communications infrastructure.

**Lifestyle:** appliances, consumer packaging, floorcare, micro mobility, and audio.

**Consumer Devices:** mobile and high velocity consumer devices.

# Business update

**Revathi Advaithi**  
Chief Executive Officer

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# Executive summary

## Q1 FINANCIAL PERFORMANCE

Revenue <b>\$6.3B</b>	Adj. operating income <b>\$306M</b>	Adj. net income <b>\$211M</b>	Adj. earnings per share <b>\$0.51</b>
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## BUSINESS UPDATE

**Strong results** based on mix improvements and solid operational execution

**Program ramps** progressing as expected in Cloud, Power, and Next-Gen Mobility

**Full year targets** remain on track

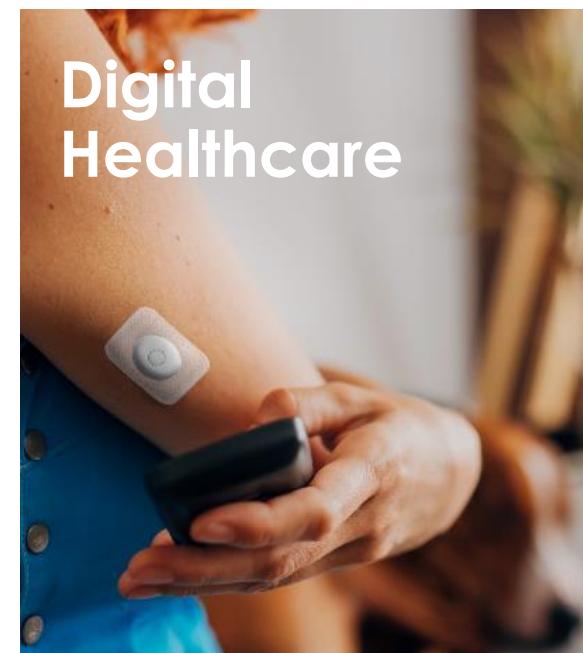
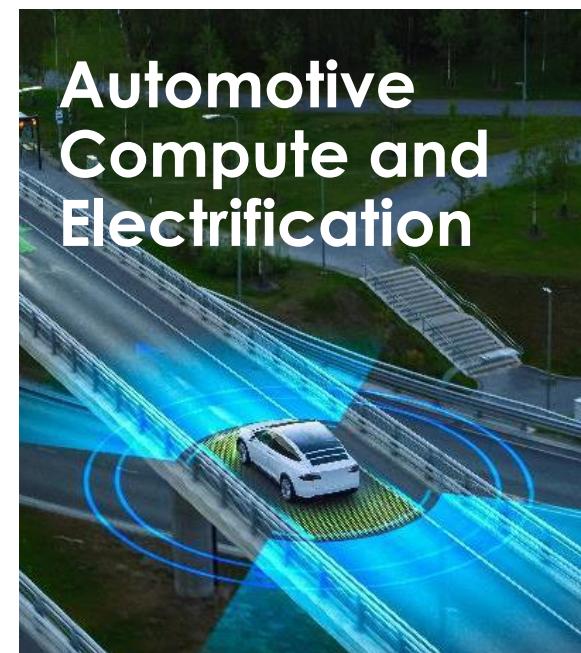
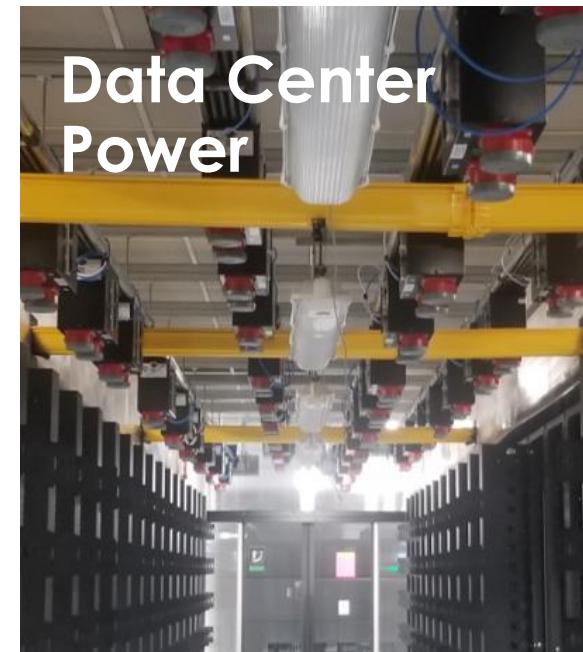
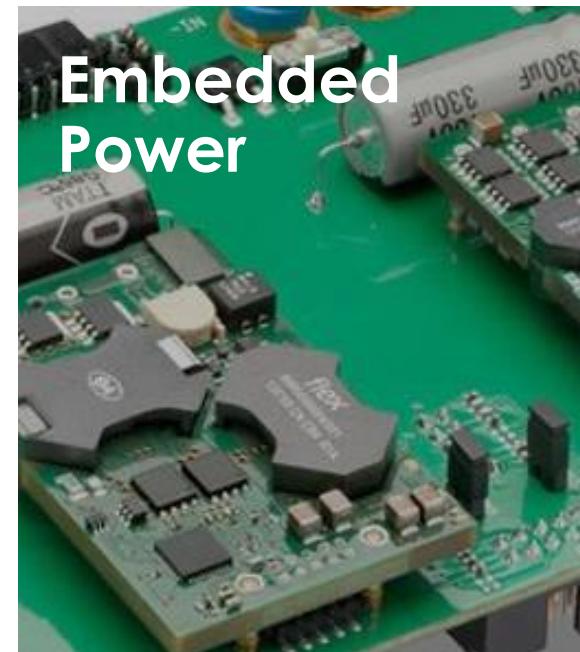
**Enhancing circular economy solutions** through FreeFlow acquisition

See Appendix for GAAP to non-GAAP reconciliations.

# Delivering strategic growth through key market opportunities

## MARKET TRENDS

- **Cloud /AI:** Driving strong demand for Cloud integration and Critical and Embedded Power productions
- **Automotive:** Growth driven by new wins and content gains
- **Digital healthcare:** Demand mixed, but longer-term opportunity remains strong
- **Regionalization** trends continue



# Financial results

**Paul Lundstrom**  
Chief Financial Officer

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# Key financials

	Q1FY24	Q1FY25
<b>FLEX</b>		
Revenue	\$6,892M	<b>\$6,314M</b>
Adj. Gross Profit / Margin	\$501M / 7.3%	<b>\$495M / 7.8%</b>
Adj. Operating Income / Margin	\$293M / 4.3%	<b>\$306M / 4.8%</b>
Adj. Earnings Per Share	\$0.47	<b>\$0.51</b>
GAAP Earnings Per Share	\$0.32	<b>\$0.34</b>

See Appendix for GAAP to non-GAAP reconciliations.  
Results reflect continuing operations, excluding Nextracker.

- High demand for data center embedded power and Anord Mardix critical power products in the Industrial business
- Automotive is outperforming the market, based on both new wins and increasing vehicle content
- Well-positioned to serve evolving healthcare market needs

# Segment performance

	REVENUE <sup>A</sup> (\$B)	Y/Y GROWTH	ADJ. OPERATING INCOME (\$M)	Y/Y GROWTH	ADJ. OPERATING MARGIN %	TOTAL FLEX REVENUE <sup>C</sup> \$6.3B
RELIABILITY	\$2.9	(10%)	\$147	(11%)	5.0%	flat
AGILITY	\$3.4	(7%)	\$179	23%	5.3%	120 bps
CORPORATE SERVICES AND OTHER <sup>B</sup>	--	--	(\$20)	--	--	--
<b>TOTAL</b>	<b>\$6.3</b>	<b>(8%)</b>	<b>\$306</b>	<b>4%</b>	<b>4.8%</b>	<b>50 bps</b>

A. Amounts may not sum due to immaterial intersegment eliminations not presented separately.

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

C. Percentages may not foot due to rounding.

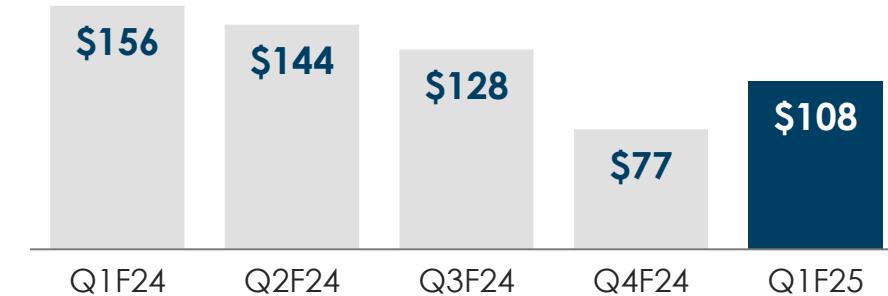
See Appendix for GAAP to non-GAAP reconciliations.

# Cash flow overview

(\$M)

	Q1F25
<b>GAAP NET INCOME</b>	<b>\$139</b>
Depreciation, Amortization and other Impairment Charges	126
Change in Working Capital and other, net	75
<b>OPERATING CASH FLOW</b>	<b>340</b>
Capital expenditures, net <sup>A</sup>	(108)
<b>ADJ. FREE CASH FLOW<sup>B</sup></b>	<b>232</b>
Payments for Share Repurchases	(457)
Other Investing, Financing, and FX, net	(6)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS<sup>B</sup></b>	<b>(\$231)</b>

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



ADJ. FREE CASH FLOW (\$M)



A. Capital Expenditures, net is calculated as purchases of property and equipment minus proceeds from the disposition of property and equipment.

B. Amounts may not sum due to rounding.

See Appendix for GAAP to non-GAAP reconciliations.



# Q2 business outlook

## RELIABILITY

**Automotive** New wins and content gains offsetting soft macro

**Health Solutions** Medical device demand strong, but muted life sciences and hospital capex

**Industrial** Data Center power demand very strong, renewables, core industrial remains weak

## AGILITY

**CEC** Cloud strength continues, networking and enterprise IT spending limited

**Lifestyle** Focus on strategic customers, value-added services expansion countering soft durable goods market

**Consumer Devices** End-markets remain soft, focused on key customers, executing on cost management

# Q2 FY25 guidance

Revenue

**\$6.2B - \$6.8B**

Adj. operating income<sup>A</sup>

**\$310M - \$350M**

GAAP \$257M - \$297M

Adj. earnings per share<sup>B</sup>

**\$0.52 - \$0.60**

GAAP \$0.40 - \$0.48

Interest expense

**\$48M**

Adj. income tax rate

**19%**

Weighted avg. shares outstanding

**~ 411M**

A. Adjusted operating income excludes approximately \$32 million for stock-based compensation expense, \$16 million for intangible amortization, and \$5 million restructuring charges, compared to GAAP operating income.

B. Adjusted earnings per share excludes \$0.08 for stock-based compensation expense, \$0.03 for net intangible amortization and \$0.01 for restructuring charges, included in GAAP earnings per share.

# FY25 outlook and guidance



**\$25.4 - \$26.4B** revenue



**5.2% - 5.4%** adj. operating margins<sup>A</sup>



**\$2.30 - \$2.50** adj. earnings per share<sup>B</sup>



**\$800M+** adj. free cash flow

- Staying conservative given the dynamic macro
- Growth in key end-markets: cloud, power, auto, medical devices
- Rising global tax rates
- Further efficiency gains
- Maintaining current capital allocation priorities

A. Adjusted operating margin does not include the impact of approximately 0.5% for stock-based compensation, 0.4% for restructuring charges, and 0.2% for intangible amortization when compared to GAAP operating margin.

B. Adjusted earnings per share excludes \$0.32 for stock-based compensation expense, \$0.13 for net intangible amortization and \$0.25 for restructuring charges, included in GAAP earnings per share.

# Flex forward value proposition

**Creating shareholder value through profitable revenue and EPS growth, margin expansion, and cash generation.**

1

**Aligning with strong macro and secular drivers**, focused on large, high-value markets with room to grow

2

**Creating differentiation** through end-to-end capabilities and products on a global scale

3

**Expanding technical and manufacturing capabilities** to drive efficiency and position for the future

4

**Solving increasing complexity** to create value for our customers, leading to new wins, deeper relationships



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**Thank you.**

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

# Appendix

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# Appendix: Reconciliation of GAAP to Non-GAAP Measures

	<b>Quarter- ended</b>		<b>Quarter- ended</b>		<b>Quarter- ended</b>		<b>Quarter- ended</b>	
	June 28, 2024		March 31, 2024		June 30, 2023		March 31, 2023	
(\$ in Millions)		% of revenue		% of revenue		% of revenue		
GAAP gross profit	\$471	7.5%	\$437	7.1%	\$476	6.9%	\$465	6.7%
Stock-based compensation expense	8		7		7		6	
Restructuring charges	16		74		17		18	
Customer related asset impairment	-		14		-		-	
Legal and Other	-		-		1		3	
Non-GAAP gross profit	\$495	7.8%	\$532	8.6%	\$501	7.3%	\$492	7.0%

For more details on the GAAP to Non-GAAP adjustments for current and historical periods, please refer to the Investor Relations section of our website which includes press releases and summary financials of the respective periods.

# Appendix: Reconciliation of GAAP to Non-GAAP Measures

	Quarter- ended	Quarter- ended	Quarter- ended	Quarter- ended
	June 28, 2024	March 31, 2024	June 30, 2023	March 31, 2023
(\$ in Millions)				
GAAP operating income	\$233	\$159	\$215	\$223
Intangible Amortization	16	16	20	20
Stock-based compensation expense	32	27	32	25
Restructuring charges	25	75	23	22
Customer related asset impairment	-	14	-	-
Legal and other	-	42	3	3
Non-GAAP operating income	\$306	\$333	\$293	\$293
GAAP operating margin	3.7%	2.6%	3.1%	3.2%
Non-GAAP operating margin*	4.8%	5.4%	4.3%	4.2%

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

For more details on the GAAP to Non-GAAP adjustments for current and historical periods, please refer to the Investor Relations section of our website which includes press releases and summary financials of the respective periods.

# Appendix: Reconciliation of GAAP to Non-GAAP Measures

	Quarter- ended	Quarter- ended	Quarter- ended	Quarter- ended
(\$ in Millions, except for EPS)	June 28, 2024	March 31, 2024	June 30, 2023	March 31, 2023
GAAP net income from continuing operations	\$139	\$395	\$147	\$139
Intangible amortization	16	16	20	20
Stock-based compensation expense	32	27	32	25
Restructuring charges	25	75	23	22
Customer related asset impairment	-	14	-	-
Legal and other	-	42	3	3
Interest and other, net	-	-	1	-
Equity in earnings (losses) of unconsolidated affiliates	-	(6)	-	(1)
Adjustments for taxes	(1)	(319)	(12)	(7)
Non-GAAP net income from continuing operations	\$211	\$244	\$214	\$201
Diluted earnings per share from continuing operations				
GAAP	\$0.34	\$0.93	\$0.32	\$0.30
NON-GAAP	\$0.51	\$0.57	\$0.47	\$0.44
Diluted shares used in computing per share amounts	411	425	455	459

For more details on the GAAP to Non-GAAP adjustments for current and historical periods, please refer to the Investor Relations section of our website which includes press releases and summary financials of the respective periods.

# Appendix: Reconciliation of GAAP to Non-GAAP Measures

	Quarter- ended		Quarter- Ended
	June 28, 2024		June 28, 2024
(\$ in Millions)		(\$ in Millions)	
<b>Segment income:</b>			
Flex Agility Solutions	\$179	GAAP Operating Income	\$233
Flex Reliability Solutions	147	Intangible amortization	16
Corporate and Other*	(20)	Stock-based compensation expense	32
Total segment income:	<b>\$306</b>	Restructuring charges	25
		Total segment income	<b>\$306</b>
<b>Operating margin**:</b>			
Flex Agility Solutions	5.3%		
Flex Reliability Solutions	5.0%		

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

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

For more details on the GAAP to Non-GAAP adjustments for current and historical periods, please refer to the Investor Relations section of our website which includes press releases and summary financials of the respective periods.



# Appendix: Reconciliation of GAAP to Non-GAAP Measures

(\$ in Millions)	Quarter- ended	Quarter- Ended	Quarter- ended	Quarter- ended	Quarter- ended	Quarter- ended
	June 28, 2024	March 31, 2024	December 31, 2023	September 29, 2023	June 30, 2023	March 31, 2023
Net cash provided by operating activities	\$340	\$679	\$284	\$357	\$6	\$450
Net capital expenditures	(108)	(77)	(128)	(144)	(156)	(180)
Adjusted free cash flow*	\$232	\$602	\$156	\$213	\$(150)	\$270

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

For more details on the GAAP to Non-GAAP adjustments for current and historical periods, please refer to the Investor Relations section of our website which includes press releases and summary financials of the respective periods.