



Results for Q3 Fiscal 2023

Quarter End: December 31, 2022

Earnings Announcement: January 25, 2023

Risks and non-GAAP disclosures

This presentation contains forward-looking statements within the meaning of U.S. securities laws, including: statements related to future expected revenues and earnings per share. These forward-looking statements involve risks and uncertainties that could cause the actual results to differ materially from those anticipated by these forward-looking statements. 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, including margins; the effects that the current and future macroeconomic environment, including inflation, rising interest rates, and currency exchange rate fluctuations, could have on our business and demand for our products; the impact of component shortages, fluctuations in the pricing or availability of raw materials, labor and energy, and logistical constraints, including their impact on our revenues and margins; uncertainties and risks relating to our ability to successfully complete a transaction for our Nextracker business, including the proposed initial public offering of our Nextracker business, including the possibility that we may not be able to consummate the transaction on the expected timeline or at all, or that we will achieve the anticipated benefits of the transaction; the possibility that we may not fully realize the projected benefits of the Anord Mardix acquisition, including our expectation that the acquisition will be accretive to our fiscal year 2023 adjusted earnings per share; geopolitical risk, including the termination and renegotiation of international trade agreements and trade policies, including the impact of tariffs and related regulatory actions; the war in Ukraine and escalating geopolitical tensions as a result of Russia's invasion of Ukraine, including the imposition of economic sanctions on Russia which could lead to disruption, instability, and volatility in global markets and negatively impact our operations and financial performance; the scope and duration of the COVID-19 pandemic and its effects on our business, results of operations and financial condition; 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; 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 achieve sustainability goals; we may be exposed to product liability and product warranty liability; and that recently proposed changes or future changes in tax laws in certain jurisdictions where we operate could materially impact our tax expense. In addition, the COVID-19 pandemic increases the likelihood and potential severity of many of the foregoing risks.

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 annual report on Form 10-K for the fiscal year ended March 31, 2022 and in subsequent quarterly reports on Form 10-Q. The forward-looking statements in this presentation are based on current expectations and Flex assumes no obligation to update these forward-looking statements. Our share repurchase program does not obligate the Company to repurchase a specific number of shares and may be suspended or terminated at any time without prior notice.

Please refer to the appendix section of this presentation for reconciliation of the non-GAAP financial measures to the most directly comparable GAAP measures. If this presentation references historical non-GAAP financial measures, these measures are located on the "Investor Relations" section of our website, www.flex.com along with the required reconciliation to the most comparable GAAP financial measures. Certain forward-looking non-GAAP financial measures are not reconciled to the most directly comparable GAAP measures as the reconciling information is not available without an unreasonable effort.

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:

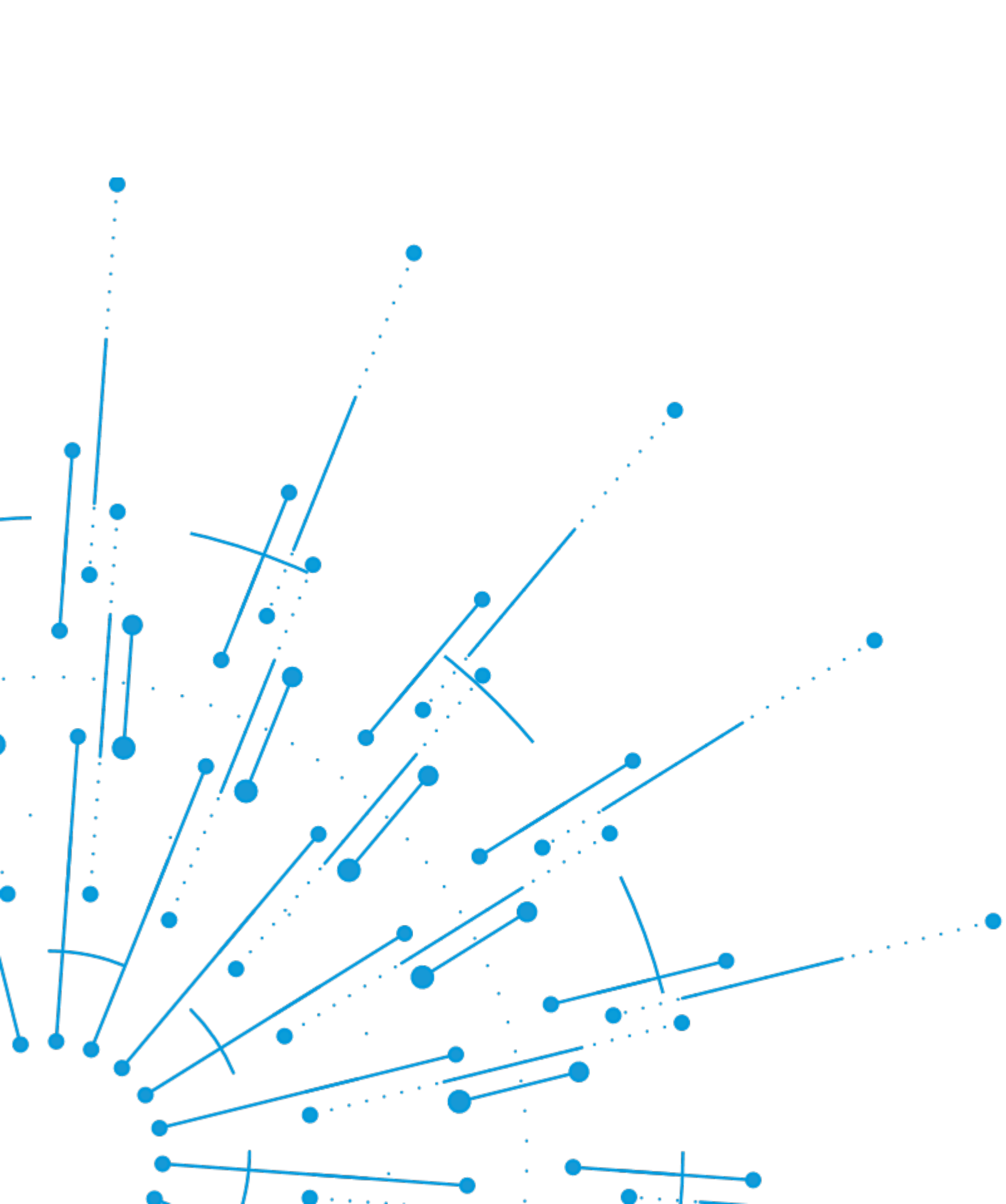


- Automotive**
next generation mobility, autonomous, connectivity, electrification, and smart technologies.
- Health Solutions**
medical devices, medical equipment, and drug delivery.
- Industrial**
capital equipment, industrial devices, renewables, and grid edge.



- Communications, Enterprise and Cloud (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 Advaiti
Chief Executive Officer

Executive summary

Q3F23 FINANCIAL PERFORMANCE

\$7.8B

Revenue

\$372M

Adj. Operating
Income

\$285M

Adj. Net Income

\$0.62

Adj. Earnings Per
Share

THIRD QUARTER RECAP

- Revenue growth of 17% year-over-year
- Returned \$40 million to shareholders in the form of share repurchases
- Publicly filed Form S-1 with the SEC for Nextracker IPO

See Appendix for GAAP to non-GAAP reconciliations.

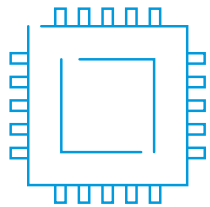
Fiscal third quarter trends



Demand

Reliability: robust demand in industrial and automotive, healthcare remains steady

Agility: strong demand across CEC, consumer-end market weakness continues



Supply chain

Reliability: larger node semis remain a gating factor; impacting growth and efficiency

Agility: broad improvement; not yet fully back to normal



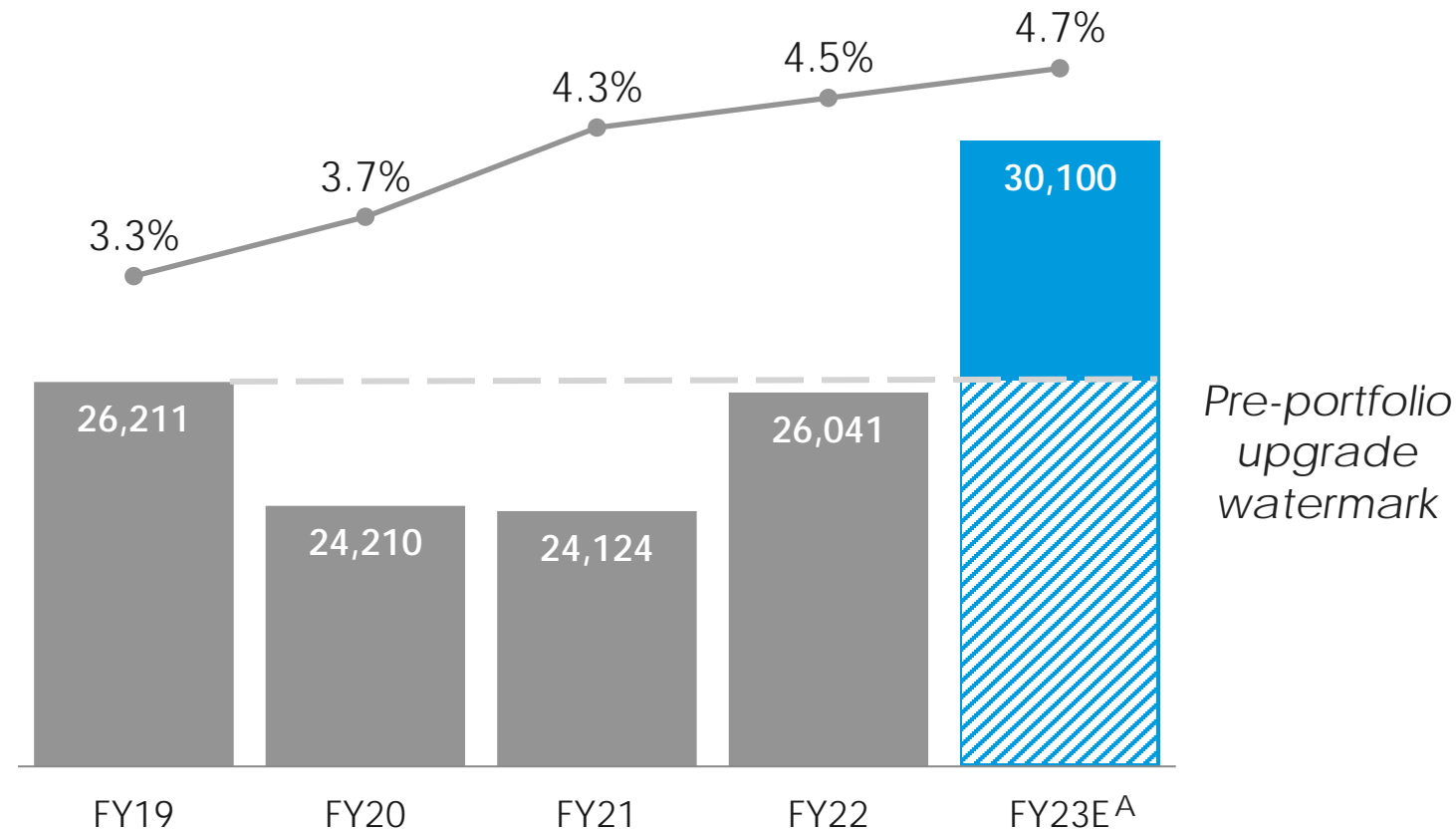
Secular trends

Reliability: EV/ADAS, Renewables, factory automation, healthcare outsourcing remain strong

Agility: heightened demand in cloud expansion, comms infrastructure and network security

Strong FY23...expect continued growth in FY24

Revenue and Adj. Operating Margin
(\$M)



Improved operations and diverse portfolio supporting strategic growth

Opportunities throughout FY24

- Core portfolio aligned to long-term growth trends and higher-value business
- Favorable secular growth drivers including renewables, next gen mobility, and cloud expansion
- Improving Reliability adjusted operating margins
- Inventory normalization / cash generation

Challenges

- Near-term macro pressures
- Risk of slow, larger-node semiconductor recovery
- Difficult revenue comp from atypical inflation recoveries

A. FY23E revenue is based on the mid-point of the FY23 guidance, and adjusted operating margin does not include the impact of approximately 0.4% for stock-based compensation, and 0.3% for intangible amortization when compared to GAAP operating margin.

Revisiting Investor Day 2022: long-term targets intact

New long-term financial framework

Core Flex



High single-digit growth revenue



5%+ adj. operating margins



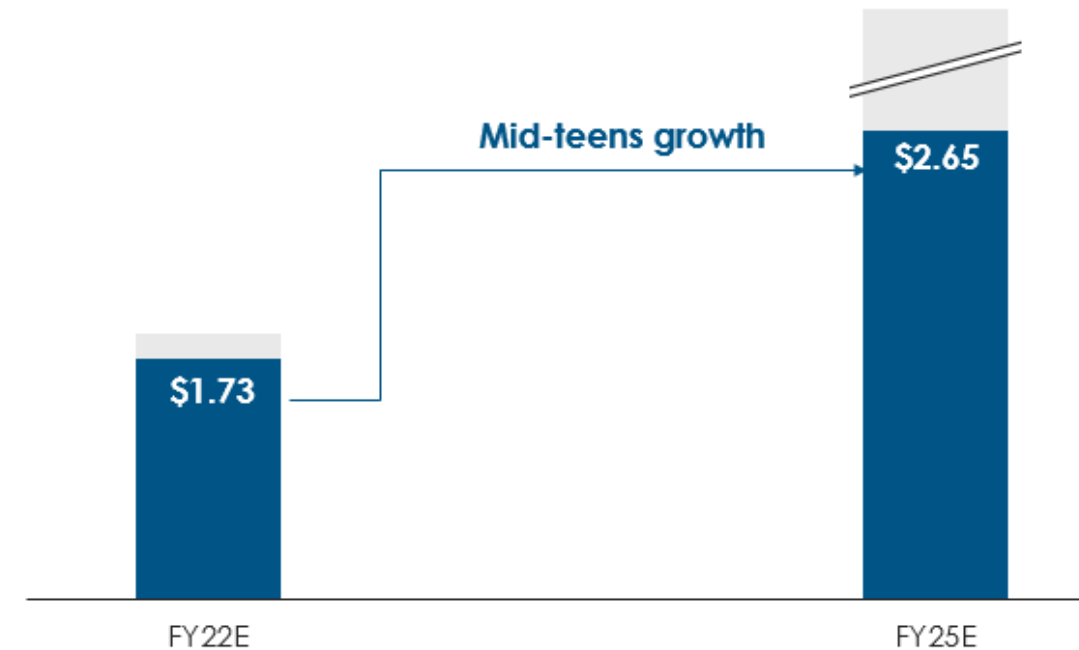
Mid-teens growth adj. earnings per share



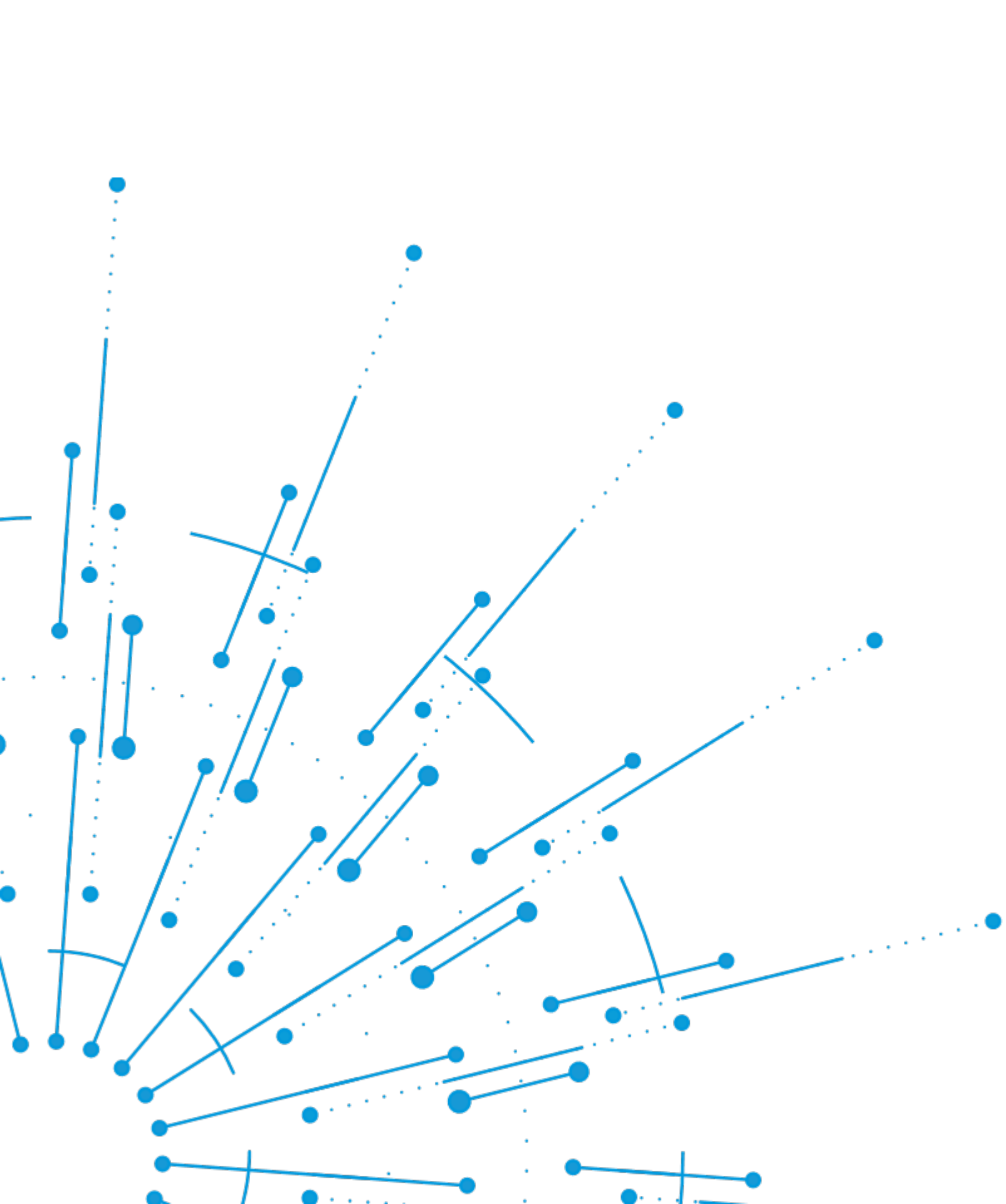
~80% adj. free cash flow conversion

Adj. EPS Growth

■ Core Flex ■ Nexttracker



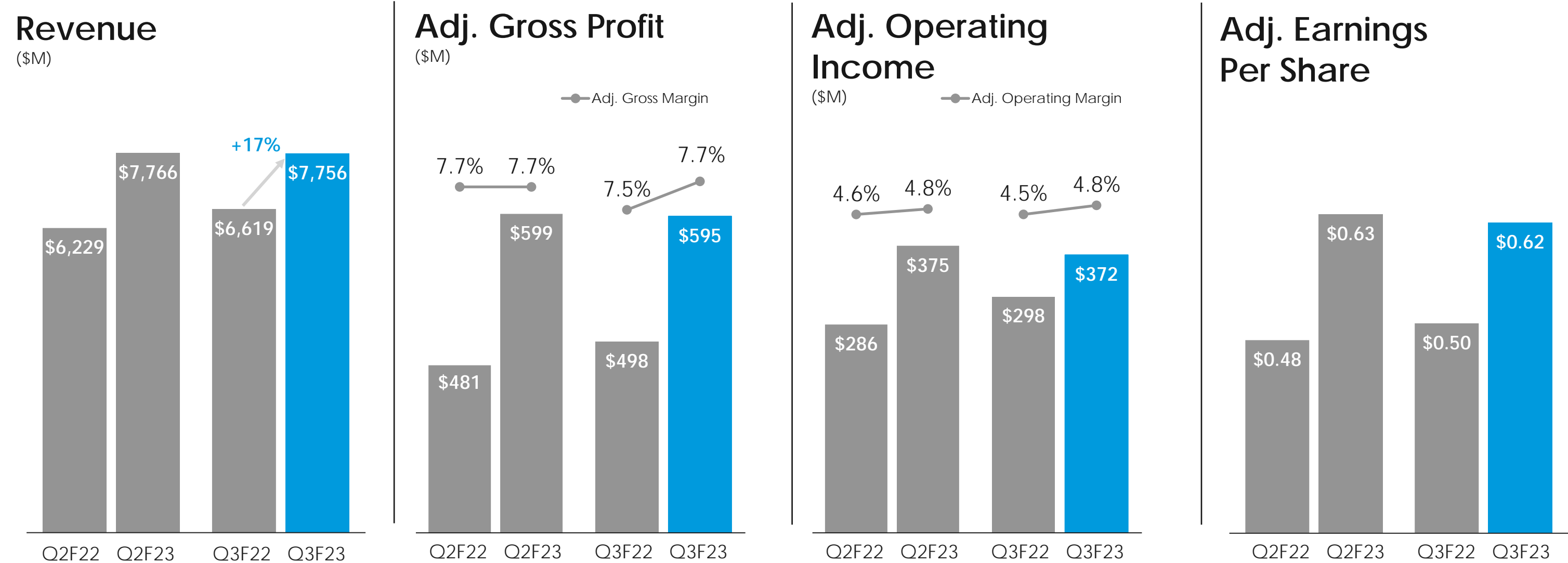
*Based on Core Flex, excluding Nexttracker
See Risks and Non-GAAP Disclosures for additional information regarding non-GAAP measures.



Financial results

Paul Lundstrom
Chief Financial Officer

Key financials



See Appendix for GAAP to non-GAAP reconciliations.

Segment performance

	Revenue ^A		Adj. Operating Income		Adj. Operating Margin		Overview
	(\$B)	Y/Y Growth	(\$M)	Y/Y Growth	%	Y/Y Growth	
RELIABILITY	\$3.2	19%	\$143	6%	4.4%	(55bps)	<ul style="list-style-type: none"> Strong demand across the portfolio; semiconductor constraints and operational investments continue
AGILITY	\$4.0	13%	\$181	11%	4.5%	(5bps)	<ul style="list-style-type: none"> CEC again drove strong segment growth; Lifestyle share gains offset macro weakness
NEXTRACKER	\$0.5	53%	\$60	225%	11.7%	620bps	<ul style="list-style-type: none"> Growth accelerated again this quarter, margins continue to recover
CORPORATE SERVICES AND OTHER ^B	--	--	(\$12)	--	--	--	
TOTAL	\$7.8	17%	\$372	25%	4.8%	30bps	

See Appendix for GAAP to non-GAAP reconciliations.

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.

Cash flow overview

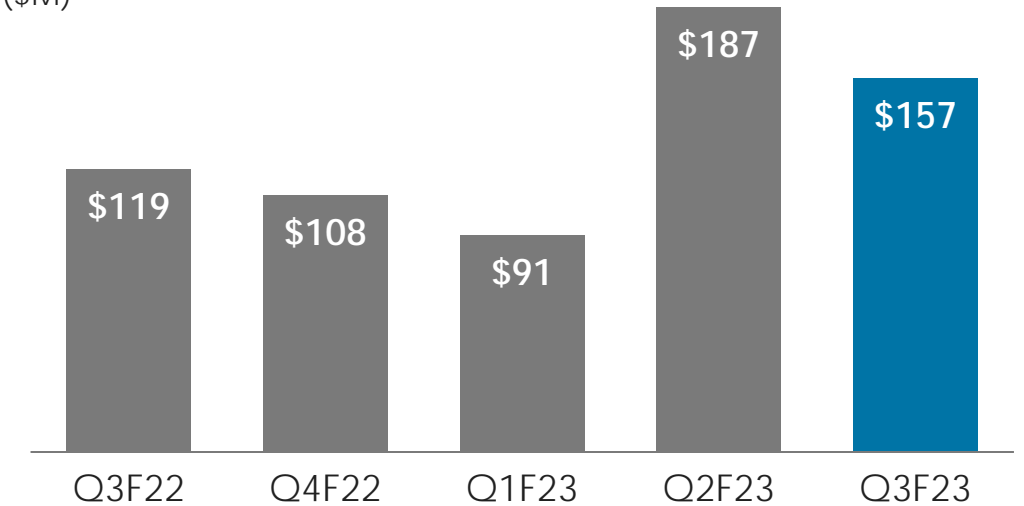
(\$M)	Q3F23	F23 YTD
GAAP Net Income	\$237	\$670
Depreciation, Amortization and other Impairment Charges	124	371
Change in Working Capital and other, net	(2)	(541)
Operating Cash Flow	359	500
Capital Expenditures, net ^A	(157)	(435)
Adjusted Free Cash Flow^B	202	65
Payments for Share Repurchases	(40)	(293)
Other Investing, Financing, and FX, net	(50)	(171)
Net Change in Cash and Cash Equivalents	\$112	(\$399)

See Appendix for GAAP to non-GAAP reconciliations.

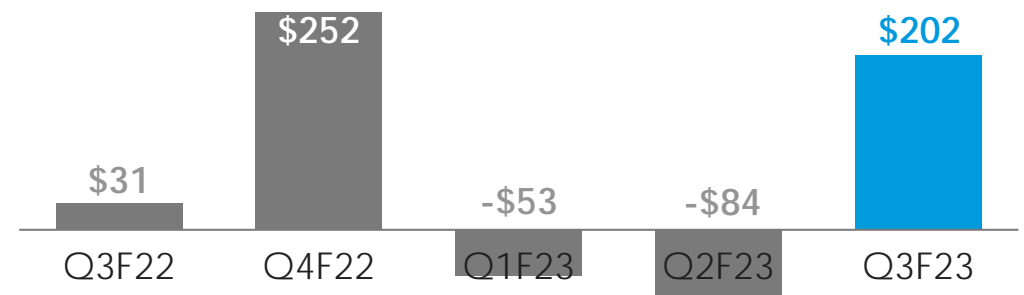
A. Capital Expenditures, net is calculated as purchases of property and equipment minus proceeds from the disposition of property and equipment.

B. Amounts may not sum due to rounding.

Capital Expenditures, net^A (\$M)



Adj. Free Cash Flow (\$M)



Q4 FY23 segment outlook

FLEX RELIABILITY SOLUTIONS



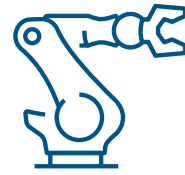
Automotive

- Next-Gen Mobility: EV and compute growth accelerating, strong bookings
- Semi shortages expected to continue



Health Solutions

- Continued capital spending shows industry resilience
- Large medical device program ramps continue



Industrial

- Broad-based strength across the portfolio
- Material tightness remains a limiting factor
- Secular trends, such as renewables and automation remain intact

FLEX AGILITY SOLUTIONS



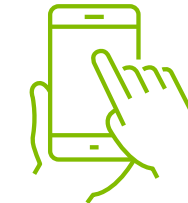
CEC

- Demand across Cloud and Comms remains robust
- Strong growth continues at a more moderate pace



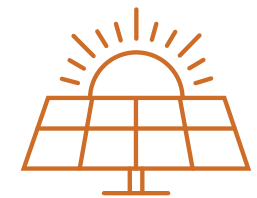
Lifestyle

- Consumer product end market remains soft



Consumer Devices

- End market weakness persists; remains in-line with expectations



NEXTRACKER

- Record backlog continues to grow
- Panel availability remains an industry-wide headwind

Q4 FY23 financial guidance

Revenue	Adj. Operating Income ^A	Adj. Earnings per Share ^B
\$7.0B - \$7.4B	\$315M - \$345M GAAP \$268M - \$298M	\$0.48 - \$0.54 GAAP \$0.37 - \$0.43
Interest Expense	Adj. Income Tax Rate	Weighted Avg. Shares Outstanding
~\$60M	~14%	~460M

A. Adjusted operating income excludes approximately \$26 million for stock-based compensation, and \$21 million for intangible amortization from GAAP operating income.
B. Adjusted earnings per share excludes \$0.06 for stock-based compensation expense, \$0.04 for net intangible amortization, and \$0.01 for Nextracker LLC series A redeemable preferred units dividends payable in kind included in GAAP earnings per share

FY23 financial guidance

Revenue	Adj. Operating Margin ^A	Adj. Earnings per Share ^B
\$29.9B - \$30.3B	~4.7%	\$2.27 - \$2.33 GAAP \$1.78 - \$1.84

A. Adjusted operating margin does not include the impact of approximately 0.4% for stock-based compensation, and 0.3% for intangible amortization when compared to GAAP operating margin.
B. Adjusted earnings per share excludes \$0.23 for stock-based compensation expense, \$0.15 for net intangible amortization, \$0.06 for other charges, and \$0.05 for Nextacker LLC series A redeemable preferred units dividends payable in kind, included in GAAP earnings per share.



Flex is continuing to deliver long- term growth

Executing toward our targets

Resilient portfolio

supporting revenue growth and driving continued margin expansion

Balanced investments

to support growth opportunities

Leveraging operational initiatives

to drive efficiency and improve productivity

flex[®]
Create the
extraordinary.





Appendix

Appendix: Reconciliation of GAAP to Non-GAAP Measures

	Quarter-ended	Quarter-ended	Quarter-ended	Quarter-ended
	December 31, 2022	September 30, 2022	December 31, 2021	October 01, 2021
(\$ in Millions)				
GAAP operating income	\$321	\$325	\$251	\$237
Intangible Amortization	19	21	15	15
Stock-based compensation expense	27	27	25	24
Restructuring charges	5	-	2	9
Legal and other	-	2	5	1
Non-GAAP operating income	\$372	\$375	\$298	\$286
GAAP operating margin	4.1%	4.2%	3.8%	3.8%
Non-GAAP operating margin**	4.8%	4.8%	4.5%	4.6%

**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	
	December 31, 2022		September 30, 2022		December 31, 2021		October 01, 2021	
(\$ in Millions)*		% of revenue		% of revenue		% of revenue		% of revenue
GAAP gross profit	\$583	7.5%	\$591	7.6%	\$491	7.4%	\$465	7.5%
Stock-based compensation expense	7		7		6		6	
Restructuring charges	5		-		2		9	
Legal and Other	-		2		(1)		-	
Non-GAAP gross profit	\$595	7.7%	\$599	7.7%	\$498	7.5%	\$481	7.7%

*Amounts may not sum due to rounding.

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)*	December 31, 2022	September 30, 2022	December 31, 2021	October 01, 2021
GAAP net income attributable to Flex Ltd.	\$230	\$232	\$227	\$336
Intangible amortization	19	21	15	15
Stock-based compensation expense	27	27	25	24
Restructuring charges	5	-	2	9
Legal and other	-	2	5	1
Interest and other, net	-	3	(18)	(152)
Payable-in-kind dividend for subsidiary's redeemable preferred units	7	6	-	-
Adjustments for taxes	(3)	(2)	(17)	1
Non-GAAP net income	\$285	\$289	\$238	\$233
Diluted earnings per share:				
GAAP	\$0.50	\$0.50	\$0.48	\$0.69
Non-GAAP	\$0.62	\$0.63	\$0.50	\$0.48
Diluted shares used in computing per share amounts	459	460	474	487

*Amounts may not sum due to rounding.

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Appendix: Reconciliation of GAAP to Non-GAAP Measures

	Quarter-ended
	December 31, 2022
(\$ in Millions)	
Segment operating income:	
Flex Agility Solutions	\$181
Flex Reliability Solutions	143
Nextracker	60
Corporate and Other*	(12)
Total segment operating income:	\$372
Operating margin**:	
Flex Agility Solutions	4.5%
Flex Reliability Solutions	4.4%
Nextracker	11.7%

	Quarter-ended
	December 31, 2022
(\$ in Millions)	
Reconciliation of segment operating income	
Total segment operating income	\$372
Intangible Amortization	19
Stock-based compensation expense	27
Restructuring charges	5
Operating income	\$321

*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

	Quarter-ended	Quarter-ended	Quarter-ended	Quarter-ended	Quarter-ended
(\$ in Millions)	December 31, 2022	September 30, 2022	July 01, 2022	March 31, 2022	December 31, 2021
Net cash provided by operating activities	\$359	\$103	\$38	\$360	\$150
Net capital expenditures	(157)	(187)	(91)	(108)	(119)
Adjusted free cash flow	\$202	\$(84)	\$(53)	\$252	\$31

	Nine-months ended
(\$ in Millions)	December 31, 2022
Net cash provided by operating activities	\$500
Net capital expenditures	(435)
Adjusted free cash flow	\$65

Adjusted free cash flow is calculated as operating cash flow for the quarter less 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.

