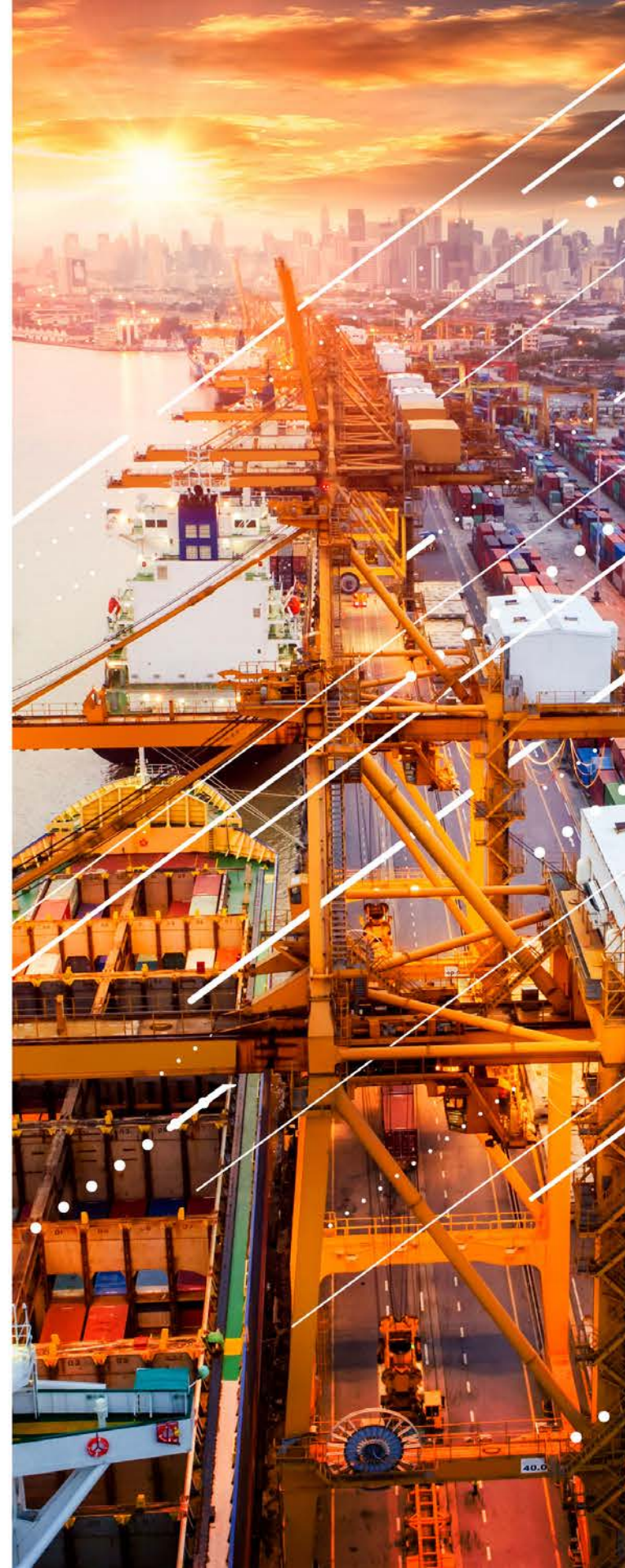


flex<sup>®</sup>

# Q1 FY24 Earnings Presentation

Quarter End: June 30, 2023

Earnings Announcement: July 26, 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, slower growth or recession, higher 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 achieve some or all of the intended or anticipated benefits of Nextracker being a separate, publicly-traded company, which could negatively impact our business, financial condition and results of operations; risks associated with acquisitions and divestitures, including the possibility that we may not fully realize their projected benefits; 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 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 recently proposed 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 the COVID-19 pandemic or another public health issue 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 annual report on Form 10-K for the fiscal year ended March 31, 2023, 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](http://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:

Flex Reliability Solutions	Flex Agility Solutions	Nextracker
<b>Automotive</b> next generation mobility, autonomous, connectivity, electrification, and smart technologies	<b>Communications, Enterprise and Cloud (CEC)</b> data infrastructure, edge infrastructure, and communications infrastructure	
<b>Health Solutions</b> medical devices, medical equipment, and drug delivery	<b>Lifestyle</b> appliances, consumer packaging, floorcare, micro mobility, and audio	
<b>Industrial</b> capital equipment, industrial devices, renewables, and grid edge	<b>Consumer Devices</b> mobile and high velocity consumer devices	



# Business update

Revathi Advaiti  
Chief Executive Officer

# Executive summary

## Q1 financial performance

REVENUE	ADJ. OPERATING INCOME	ADJ. NET INCOME	ADJ. EARNINGS PER SHARE
<b>\$7.3B</b>	<b>\$377M</b>	<b>\$258M</b>	<b>\$0.57</b>

## Nextracker follow-on offering

- Completed Nextracker follow-on offering
- Flex remaining ownership is ~51%
- Net proceeds of \$495 million received on July 3, 2023

See Appendix for GAAP to non-GAAP reconciliations.





# Quarterly highlights

## | MARKET & SECULAR TRENDS

- Consumer remains soft
- Generative AI/ML applications driving longer-term opportunities in the data center and critical power
- EV/ADAS technology transition driving Next Gen Mobility bookings growth
- Seeing strong growth in renewables

## | HIGHLIGHTS

- Invertor U.S. production launch
- EV fast charger U.S. production launch
- Named 2023 Manufacturer of the Year for a large enterprise by Manufacturing Leadership Council and National Association of Manufacturers

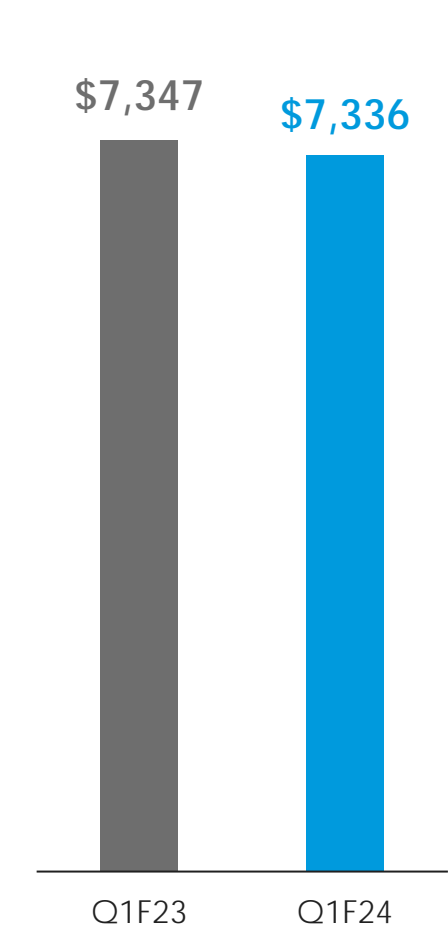


# Financial results

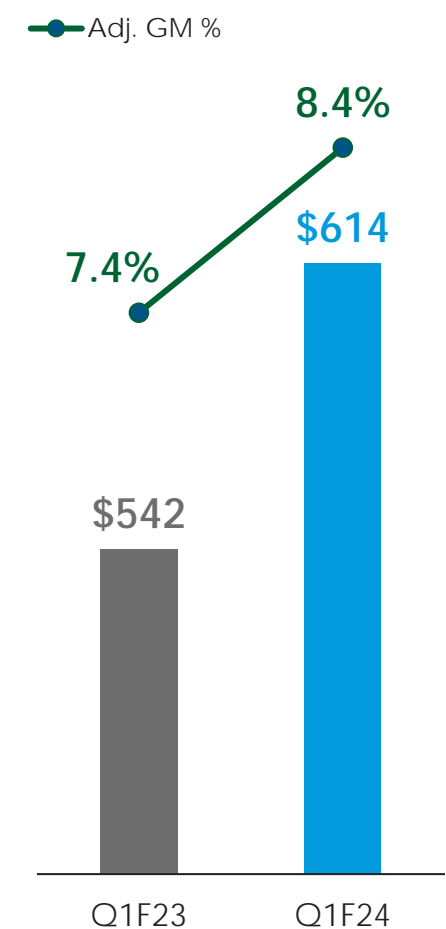
Paul Lundstrom  
Chief Financial Officer

# Key financials

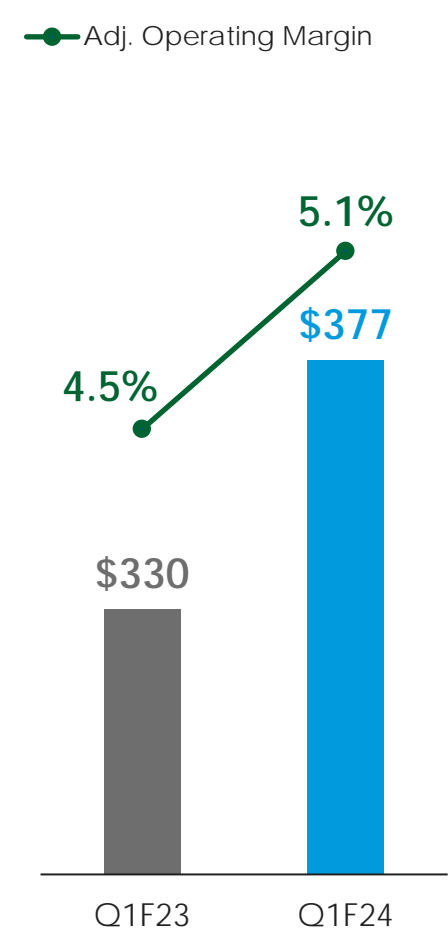
REVENUE  
(\$M)



ADJ. GROSS PROFIT  
(\$M)



ADJ. OPERATING INCOME  
(\$M)



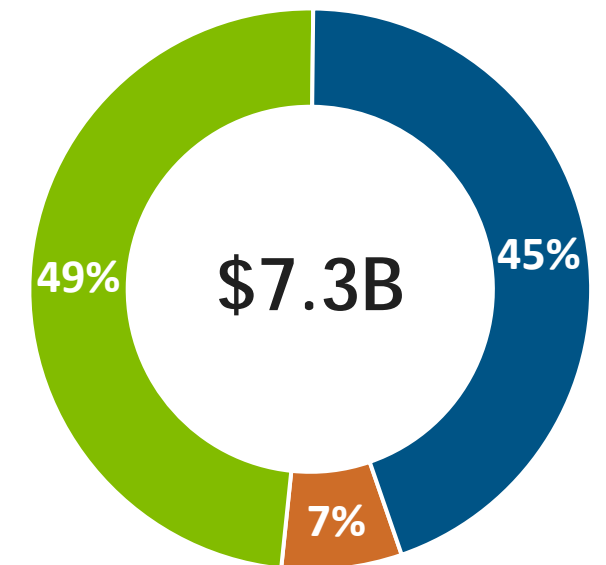
ADJ. EARNINGS PER SHARE



See Appendix for GAAP to non-GAAP reconciliations.

# Segment performance

	REVENUE <sup>A</sup>		ADJ. OPERATING INCOME		ADJ. OPERATING MARGIN		TOTAL FLEX REVENUE
	(\$B)	Y/Y GROWTH	(\$M)	Y/Y GROWTH	%	Y/Y	
<b>Flex Reliability Solutions</b>							
	\$3.3	11%	\$165	12%	5.0%	-- bps	
<b>Flex Agility Solutions</b>							
	\$3.6	(10%)	\$146	(14%)	4.1%	(20 bps)	
<b>Nextracker</b>							
	\$0.5	21%	\$82	176%	17.2%	960 bps	
CORPORATE SERVICES AND OTHER <sup>B</sup>	--	--	(\$16)	--	--	--	
<b>TOTAL</b>	<b>\$7.3</b>	<b>(0.2%)</b>	<b>\$377</b>	<b>14%</b>	<b>5.1%</b>	<b>60 bps</b>	



See Appendix for GAAP to non-GAAP reconciliations.

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

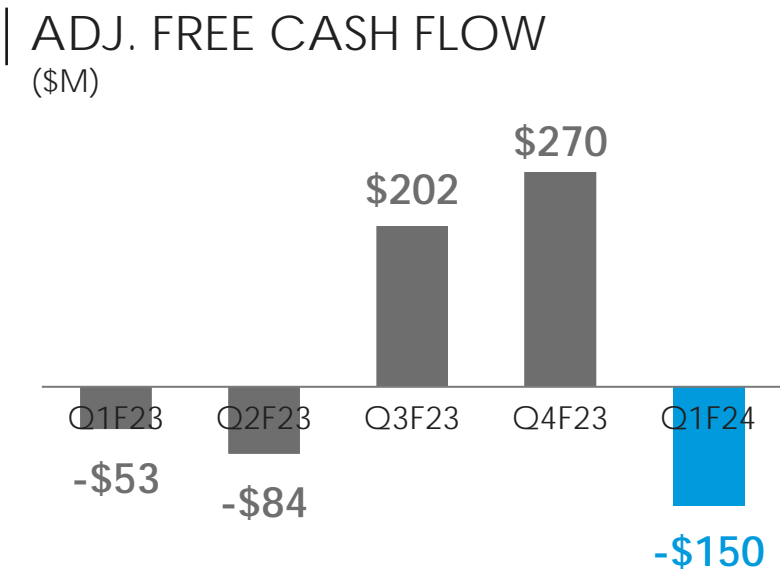
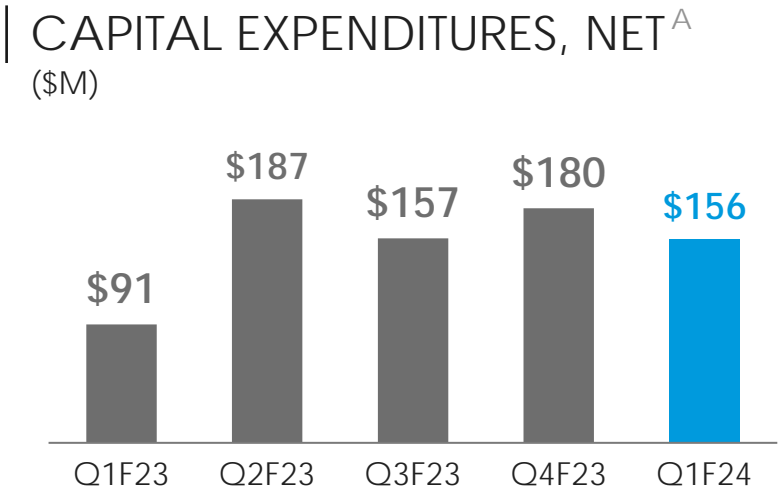
B. Corporate Services and Other includes centralized administrative costs that are not included in the assessment of the performance of each of the identified segments.



# Cash flow overview

(\$M)	
GAAP NET INCOME	Q1F24 \$211
Depreciation, Amortization and other Impairment Charges	133
Change in Working Capital and other, net	(338)
OPERATING CASH FLOW	6
Capital Expenditures, net <sup>A</sup>	(156)
ADJUSTED FREE CASH FLOW <sup>B</sup>	(150)
Payments for Share Repurchases	(197)
Other Investing, Financing, and FX, net	(287)
NET CHANGE IN CASH AND CASH EQUIVALENTS*	(\$634)

\* Net Change in Cash and Cash Equivalents does not include \$495 million of net proceeds from the follow-on Nextracker offering, received on July 3, 2023, after Q1F24 quarter-end.



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.

# Q2 FY24 segment outlook

## Flex Reliability Solutions



### Automotive

- Continued solid demand signals due to pent up demand
- Supply chain is improving, but still a challenge



### Health Solutions

- Life Sciences slowing after an extended period of strength, Elective procedures and devices remains steady
- Multiple program ramps continue supported by long-term secular trends



### Industrial

- Continued demand in high growth areas such as renewables, automation and critical power
- Supply chain is improving, but still a challenge

## Nextracker



- Global demand remains solid with strong pipeline

## Flex Agility Solutions



### CEC

- IT spending environment remains dynamic; Cloud spending continues, Enterprise IT & Comms slowing
- Longer-term trends driving cloud and networking technology transitions remain strong



### Lifestyle

- Strong market position with premium brands, however consumer-related demand remains soft
- Effective cost and cash flow management remains the near-term focus



### Consumer Devices

- Consumer end market weakness persisting
- Remain focused on continued cost management

# Q2 FY24 guidance

| REVENUE

**\$7.3B - \$7.7B**

| ADJ. OPERATING INCOME <sup>A</sup>

**\$370M - \$400M**

GAAP \$316M - \$346M

| ADJ. EARNINGS PER SHARE <sup>B</sup>

**\$0.55 - \$0.60**

GAAP \$0.44 - \$0.49

| INTEREST EXPENSE

**\$52M**

| ADJ. INCOME TAX RATE

**13%**

| WEIGHTED AVG. SHARES OUTSTANDING

**453M**

A. Adjusted operating income excludes approximately \$37 million for stock-based compensation expense, and \$17 million for intangible amortization, compared to GAAP operating income.  
B. Adjusted earnings per share excludes \$0.08 for stock-based compensation expense, \$0.04 for net intangible amortization, and (\$0.01) for non-controlling interest, compared to GAAP earnings per share.



A microscopic view of a circuit board with a probe, showing intricate details of the electronic components and the precision of the manufacturing process.

# FY24 outlook and guidance

## FY24 financial guidance

REVENUE	ADJ. OPERATING MARGIN <sup>A</sup>	ADJ. EARNINGS PER SHARE <sup>B</sup>
<b>\$30.5B - \$31.5B</b>	<b>5.0% - 5.2%</b>	<b>\$2.35 - \$2.55</b>
		GAAP \$1.87 - \$2.07

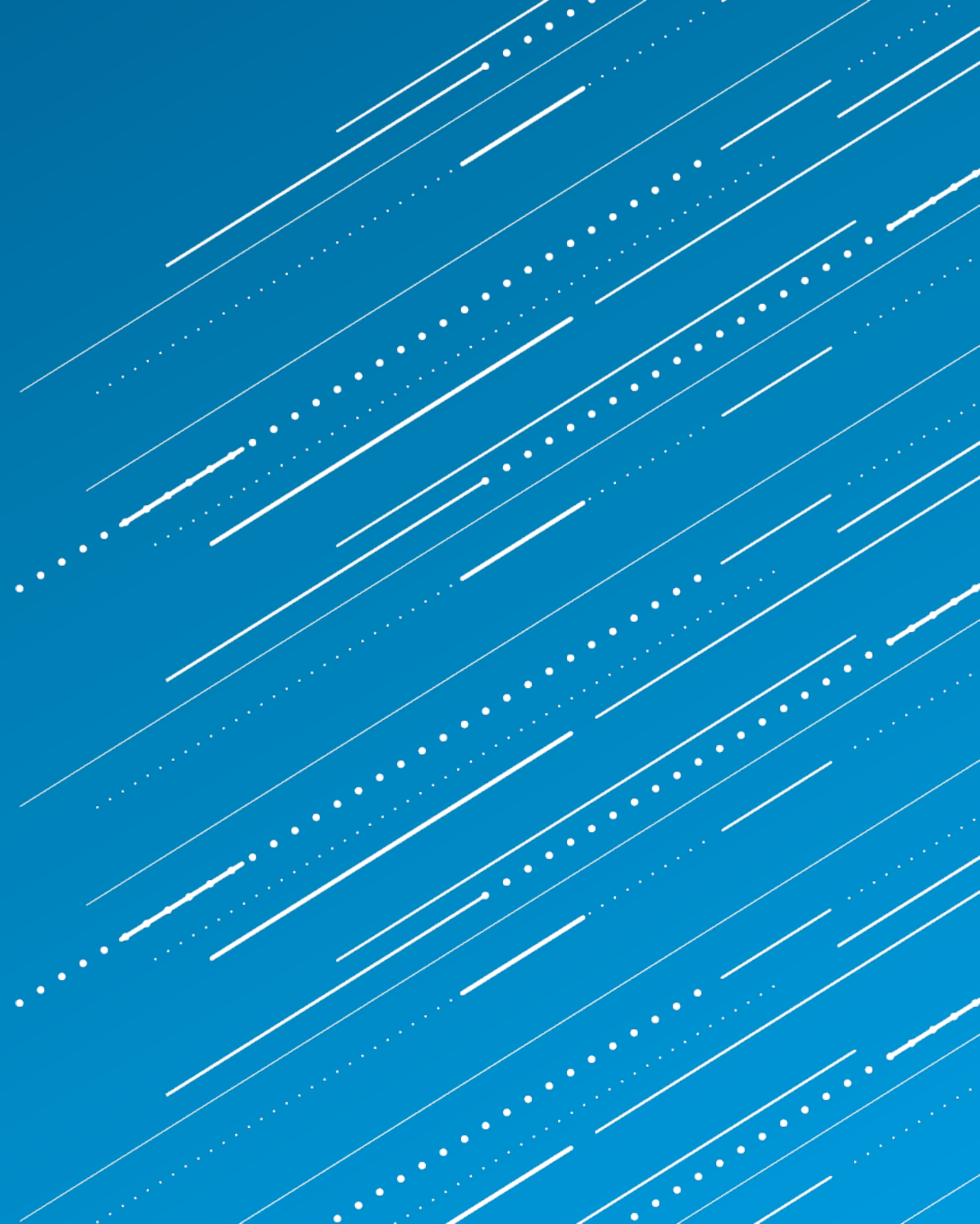
## Continued focus on value creation

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

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

B. Adjusted earnings per share excludes \$0.34 for stock-based compensation expense, \$0.13 for net intangible amortization, and \$0.04 for net restructuring charges, offset by (\$0.03) for noncontrolling interest share of subsidiary's non-GAAP adjustments, compared to GAAP earnings per share.

flex<sup>®</sup>  
Create the  
extraordinary.





# Appendix



# Appendix: Reconciliation of GAAP to Non-GAAP Measures

	Quarter-ended June 30, 2023		Quarter-ended March 31, 2023		Quarter-ended July 01, 2022		Quarter-ended March 31, 2022	
(\$ in Millions)		% of revenue		% of revenue		% of revenue		% of revenue
GAAP gross profit	\$587	8.0%	\$556	7.4%	\$535	7.3%	\$505	7.4%
Stock-based compensation expense	9		18		7		6	
Restructuring charges	17		18		-		4	
Legal and Other	1		2		-		(13)	
Non-GAAP gross profit	\$614	8.4%	\$594	7.9%	\$542	7.4%	\$502	7.3%

# Appendix: Reconciliation of GAAP to Non-GAAP Measures

	Quarter- ended	Quarter- ended	Quarter- ended	Quarter- ended
	June 30, 2023	March 31, 2023	July 01, 2022	March 31, 2022
(\$ in Millions)				
GAAP operating income	\$291	\$266	\$272	\$228
Intangible Amortization	20	20	22	22
Stock-based compensation expense	41	53	26	23
Restructuring charges	23	22	-	4
Legal and other	2	3	10	18
Non-GAAP operating income	\$377	\$364	\$330	\$295
GAAP operating margin	4.0%	3.6%	3.7%	3.3%
Non-GAAP operating margin*	5.1%	4.9%	4.5%	4.3%

\*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 30, 2023	March 31, 2023	July 01, 2022	March 31, 2022
GAAP net income attributable to Flex Ltd.	\$186	\$142	\$189	\$168
Intangible amortization	20	20	22	22
Stock-based compensation expense	41	53	26	23
Restructuring charges	23	22	-	4
Legal and other	2	3	10	18
Interest and other, net	1	(1)	1	6
Paid-in-kind and pre-IPO dividends paid to redeemable noncontrolling interest	-	24	6	4
Noncontrolling interest share of subsidiary's non-GAAP adjustments	(2)	185	-	-
Adjustments for taxes	(13)	(187)	1	(1)
Non-GAAP net income	\$258	\$261	\$255	\$244
Diluted earnings per share:				
GAAP	\$0.41	\$0.31	\$0.40	\$0.36
NON-GAAP	\$0.57	\$0.57	\$0.54	\$0.52
Diluted shares used in computing per share amounts	455	459	468	471

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
	June 30, 2023
(\$ in Millions)	
Segment income:	
Flex Agility Solutions	\$146
Flex Reliability Solutions	165
Nextracker	82
Corporate and Other*	(16)
Total segment income:	\$377
Operating margin**:	
Flex Agility Solutions	4.1%
Flex Reliability Solutions	5.0%
Nextracker	17.2%

	Quarter- Ended
	June 30, 2023
(\$ in Millions)	
<b>Reconciliation of segment income</b>	
Total segment income	\$377
Intangible amortization	20
Stock-based compensation expense	41
Restructuring charges	23
Legal and others	2
Operating income	\$291

\*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 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022	July 01, 2022	March 31, 2022
Net cash provided by operating activities	\$6	\$450	\$359	\$103	\$38	\$360
Net capital expenditures	(156)	(180)	(157)	(187)	(91)	(108)
Adjusted free cash flow*	\$(150)	\$270	\$202	\$(84)	\$(53)	\$252

\*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.

