



flex®

Q3 FY25
**Earnings
Presentation**

Quarter End: December 31, 2024

Earnings Announcement: January 29, 2025

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 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, including the Crown Technical Systems and JetCool acquisitions; other events that could adversely impact the anticipated benefits of the acquisitions, including industry or economic conditions outside of our control; geopolitical risks, including impacts from the termination and renegotiation of international trade agreements and trade policies, the ongoing conflicts between Russia and Ukraine and in the Middle East, 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 trade policy and tariffs and 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 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

Q3 FINANCIAL PERFORMANCE

Revenue \$6.6B	Adj. operating income \$399M	Adj. net income \$304M	Adj. earnings per share \$0.77
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HIGHLIGHTS

Record quarterly adjusted gross profit, operating profit, operating margin, and EPS results

Margin improvement based on favorable mix and strong operational execution

AI/cloud transformation drove additional demand across our data center portfolio

S&P MidCap 400 inclusion marked an exciting milestone for our company

See Appendix for GAAP to non-GAAP reconciliations.

Q3 FY25 Business update



MARKET TRENDS

AI / Cloud Transformation

- Broad based demand from Hyperscale, Colo and semiconductor customers
- Strength across Integrated Cloud solutions, Critical and Embedded Power

Digital Healthcare

- Medical Device demand remains strong
- Building med tech pipeline in medical device, equipment, and drug delivery

Automotive

- Demand muted from inventory correction, industry transition uncertainty
- Compute and power-train technology transformation driving longer-term opportunities



GLOBAL TRENDS

Regionalization

- Resiliency and adaptability in our core: Helped customers navigate Tariffs 1.0 and other major events
- Diversified global footprint and supply chains: Uniquely positioned to support evolving manufacturing and supply chain strategies

Financial results

Kevin Krumm
Chief Financial Officer

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Key financials

	Q3FY24	Q3FY25
FLEX		
Revenue	\$6,421M	\$6,556M
Adj. Gross Profit / Margin	\$500M / 7.8%	\$610M / 9.3%
Adj. Operating Income / Margin	\$314M / 4.9%	\$399M / 6.1%
Adj. Earnings Per Share	\$0.54	\$0.77
GAAP Earnings Per Share	\$0.30	\$0.67

Q3FY24 Results reflect continuing operations, excluding Nextracker.
See Appendix for GAAP to non-GAAP reconciliations.

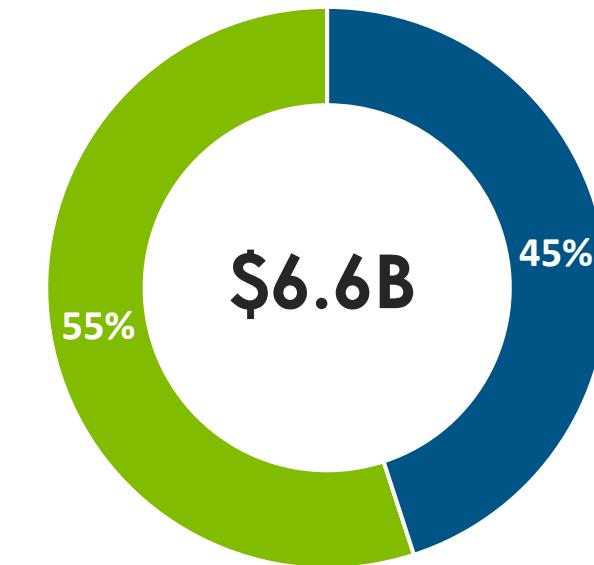
MARKET DYNAMICS

- High demand across our data center, medical device, consumer-related portfolios
- Beneficial mix driving margin improvement in both Reliability and Agility segments
- Remain well-positioned across end-markets for eventual cyclical recoveries
- Continued strong operational & cost execution

Q3 FY25 Segment performance

	REVENUE ^A		ADJ. OPERATING INCOME		ADJ. OPERATING MARGIN		TOTAL FLEX REVENUE
	(\$B)	Y/Y GROWTH	(\$M)	Y/Y GROWTH	%	Y/Y CHANGE	
RELIABILITY							
	\$3.0	0.1%	\$198	24.8%	6.7%	130 bps	
AGILITY							
	\$3.6	3.9%	\$227	30.2%	6.3%	120 bps	
CORPORATE SERVICES AND OTHER ^B	--	--	(\$26)	--	--	--	
TOTAL	\$6.6	2.1%	\$399	26.8%	6.1%	120 bps	

TOTAL FLEX REVENUE



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.

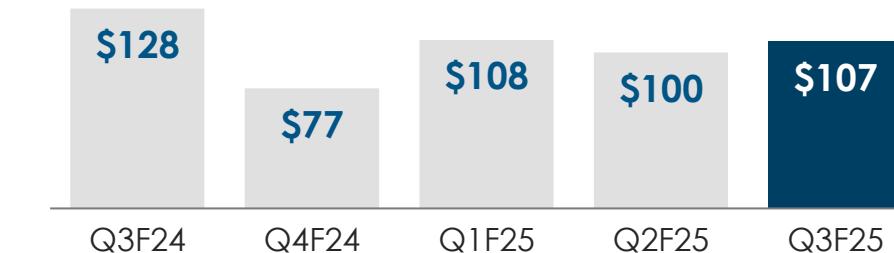
See Appendix for GAAP to non-GAAP reconciliations.

Cash flow overview

(\$M)

	Q3F25	FYTD
GAAP NET INCOME	\$263	\$616
Depreciation, Amortization and other Impairment Charges	144	401
Change in Working Capital and other, net	6	55
OPERATING CASH FLOW	413	1,072
Capital expenditures, net ^A	(107)	(315)
ADJ. FREE CASH FLOW	306	757
Payments for Share Repurchases	(201)	(958)
Other Investing, Financing, and FX, net	(373)	60
NET CHANGE IN CASH AND CASH EQUIVALENTS	(\$268)	(\$141)

CAPITAL EXPENDITURES, NET^A (\$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.
See Appendix for GAAP to non-GAAP reconciliations.



Q4 FY25 business outlook

RELIABILITY

Industrial Data center power demand strong, offsetting soft core industrial

Health Solutions Medical device demand intact, med equipment recovery timing uncertain

Automotive Automotive macro-related challenges remain

AGILITY

CEC Cloud strength offsetting muted comms & enterprise spending

Lifestyle Seasonally muted quarter, focused on developing longer-term opportunities

Consumer Devices Typical post-holiday seasonality, maintaining strong cost management

Q4 FY25 guidance

Revenue

\$6.0B - \$6.4B

Adj. operating income^A

\$360M - \$400M

GAAP \$286M - \$326M

Adj. earnings per share^B

\$0.65 - \$0.73

GAAP \$0.48- \$0.56

Interest expense

\$45M

Adj. income tax rate

19%

Weighted avg. shares outstanding

394M

A. Adjusted operating income excludes approximately \$32 million for stock-based compensation expense, \$22 million for restructuring charges, and \$20 million for intangible amortization, compared to GAAP operating income.

B. Adjusted earnings per share excludes \$0.08 for stock-based compensation expense, \$0.05 for restructuring charges, and \$0.04 for intangible amortization, included in GAAP earnings per share.

FY25 outlook and updated guidance



\$25.4 - \$25.8B revenue



5.6% - 5.7% adj. operating margin^A



\$2.57 - \$2.65 adj. earnings per share^B



\$800M+ adj. free cash flow

- Continued strong execution in a dynamic market
- Operating profit and EPS benefiting from continued mix improvement towards higher value opportunities
- Continued focus on efficiency gains
- Maintaining current capital allocation priorities

A. Adjusted operating margin does not include the impact of approximately 0.4% for stock-based compensation, 0.3% for restructuring charges, and 0.3% for intangible amortization when compared to GAAP operating margin.

B. Adjusted earnings per share excludes \$0.28 for stock-based compensation expense, \$0.15 for net intangible amortization, and \$0.12 for net restructuring charges and others, included in GAAP earnings per share.

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Thank you.

**For more information, please
visit investors.flex.com**

Appendix

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Appendix: Reconciliation of GAAP to Non-GAAP Measures

(\$ in Millions)	Quarter-ended	Quarter-ended	Quarter-ended	Quarter-ended
	December 31, 2024	September 27, 2024	December 31, 2023	September 29, 2023
GAAP gross profit	\$594	9.1%	\$531	8.1%
Stock-based compensation expense	8	8	7	7
Restructuring charges	10	15	60	1
Customer related asset impairment (recoveries)	(2)	-	-	-
Non-GAAP gross profit	\$610	9.3%	\$554	8.5%

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, 2024	September 27, 2024	December 31, 2023	September 29, 2023
(\$ in Millions)				
GAAP operating income	\$334	\$297	\$198	\$281
Intangible Amortization	17	16	17	17
Stock-based compensation expense	33	28	26	28
Restructuring charges	12	17	73	1
Customer related asset impairment (recoveries)	(2)	-	-	-
Legal and other	5	-	-	-
Non-GAAP operating income	\$399	\$358	\$314	\$327
GAAP operating margin	5.1%	4.5%	3.1%	4.1%
Non-GAAP operating margin*	6.1%	5.5%	4.9%	4.7%

*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)	December 31, 2024	September 27, 2024	December 31, 2023	September 29, 2023
GAAP net income from continuing operations	\$263	\$214	\$129	\$201
Intangible amortization	17	16	17	17
Stock-based compensation expense	33	28	26	28
Restructuring charges	12	17	73	1
Customer related asset impairment (recoveries)	(2)	-	-	-
Legal and other	5	-	-	-
Interest and other, net	6	(1)	2	8
Adjustments for taxes	(30)	(19)	(13)	-
Non-GAAP net income from continuing operations	\$304	\$255	\$234	\$255
 Diluted earnings per share from continuing operations				
GAAP	\$0.67	\$0.54	\$0.30	\$0.45
NON-GAAP	\$0.77	\$0.64	\$0.54	\$0.57
 Diluted shares used in computing per share amounts	 394	 400	 436	 448

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
	December 31, 2024		December 31, 2024
(\$ in Millions)		(\$ in Millions)	
Segment income:			
Flex Agility Solutions	\$227	GAAP Operating Income	\$334
Flex Reliability Solutions	198	Intangible amortization	17
Corporate and Other*	(26)	Stock-based compensation expense	33
Total segment income:	\$399	Restructuring charges	12
Operating margin**:		Customer related asset impairment (recoveries)	(2)
Flex Agility Solutions	6.3%	Legal and other	5
Flex Reliability Solutions	6.7%	Total segment income	\$399

*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
	December 31, 2024	September 27, 2024	June 28, 2024	March 31, 2024	December 31, 2023	September 29, 2023
Net cash provided by operating activities	\$413	\$319	\$340	\$679	\$284	\$357
Net capital expenditures	(107)	(100)	(108)	(77)	(128)	(144)
Adjusted free cash flow*	\$306	\$219	\$232	\$602	\$156	\$213

Nine-Months ended

(\$ in Millions)	December 31, 2024
Net cash provided by operating activities	\$1,072
Net capital expenditures	(315)
Adjusted free cash flow*	\$757

*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.

