



Results for Q2 Fiscal 2022

Earnings Announcement: October 27, 2021
(Quarter Ended October 1, 2021)

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; our planned acquisition of Anord Mardix, the expected timing for the closing of the acquisition, expected benefits of the acquisition and Anord Mardix's expected impact on our financial results; and our consideration of alternatives relating to our Nextracker business. 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: the effects of the COVID-19 pandemic on our business, results of operations and financial condition; that we may not achieve our expected future revenues and earnings; the effects that the current macroeconomic environment could have on our business and demand for our products; the impact of component shortages and logistical constraints, including their impact on our revenues; uncertainties and risks relating to our ability to successfully complete a transaction for our Nextracker business, including the potential 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 regulatory and other approvals and conditions to our acquisition of Anord Mardix are not received or satisfied on a timely basis or at all; the possibility that we may not fully realize the projected benefits of the acquisition; the possibility that Anord Mardix's revenue may not meet expectations; changes in the anticipated timing for closing the acquisition; business disruption during the pendency of or following the acquisition; diversion of management time on acquisition-related issues; the reaction of customers and other persons to the acquisition; other events that could adversely impact the completion of the acquisition or the expected benefits of the acquisition, including the ongoing COVID-19 pandemic and other industry or economic conditions outside of our control; the effects that current 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; the challenges of effectively managing our operations, including our ability to control costs and manage changes in our operations; litigation and regulatory investigations and proceedings; our compliance with legal and regulatory requirements; 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 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; geopolitical risk, including the termination and renegotiation of international trade agreements and trade policies, including the impact of tariffs and related regulatory actions; 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; 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, 2021 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. This presentation does not constitute an offer to sell or the solicitation of an offer to buy any securities. Any securities to be offered in any offering may not be sold nor may offers to buy be accepted prior to the time a registration statement becomes effective.

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:



Automotive: autonomous, connectivity, electrification and smart technologies.
Health Solutions: medical devices, medical equipment, and drug delivery.
Industrial: capital equipment, industrial devices, renewable including our Nextracker business, grid edge and power systems.



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.





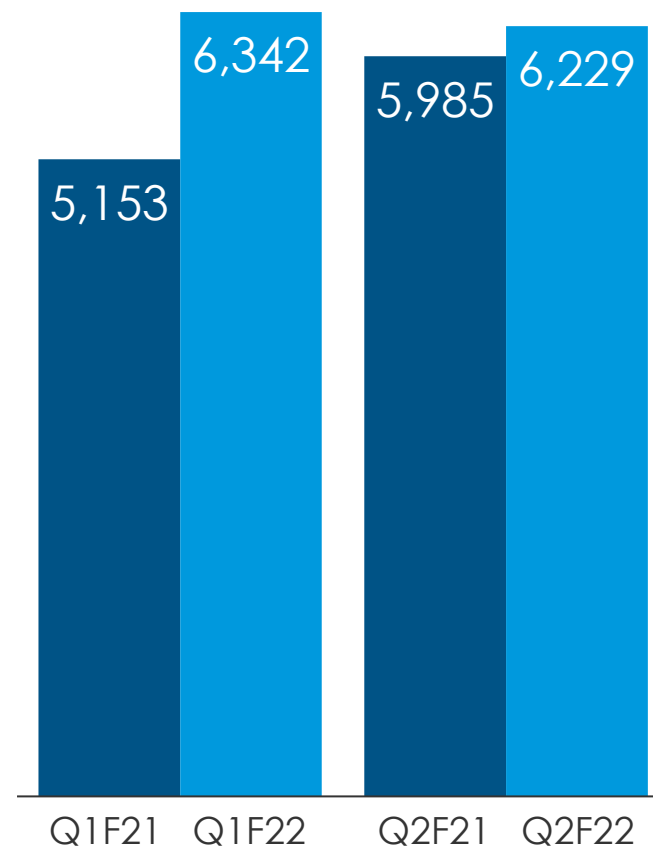
Business Update

Revathi Advaiti, CEO

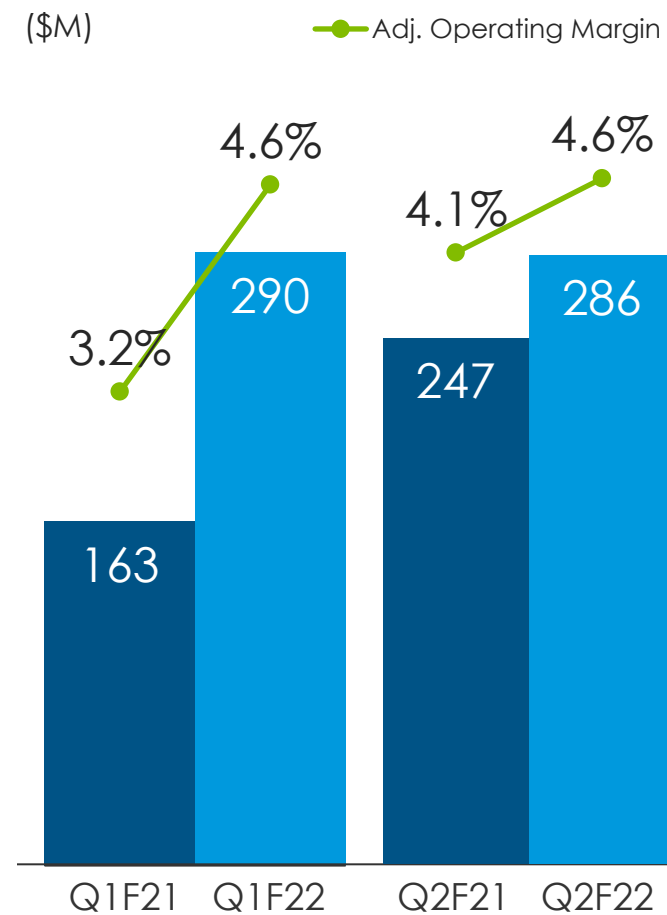
Q2 FY2022 Financial Summary

Significant demand across every end-market; upside limited by global supply chain challenges

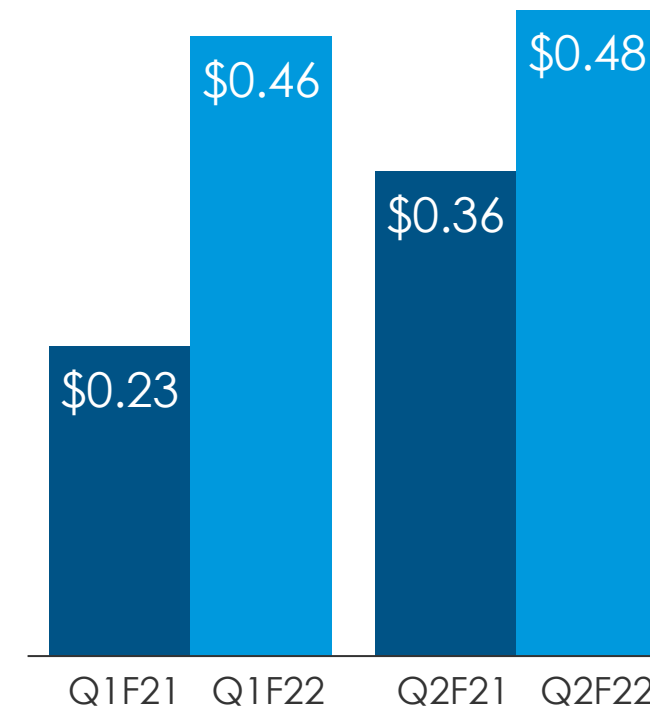
Revenue (\$M)



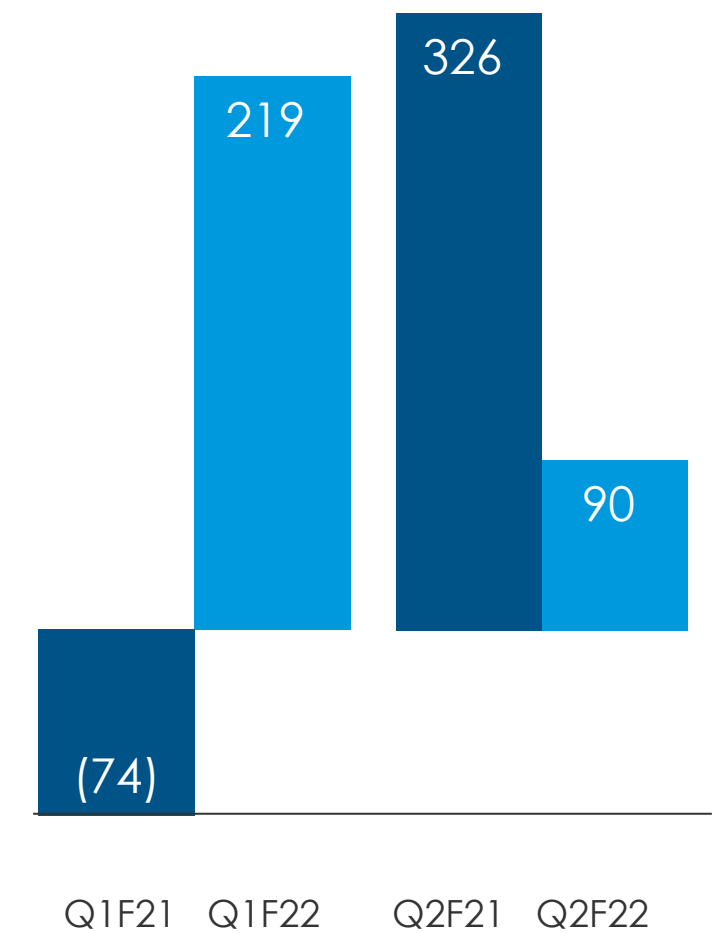
Adj. Operating Income (\$M)



Adj. Earnings Per Share



Adj. Free Cash Flow (\$M)



Q2 FY2022 Overview

- Benefiting from our expansive global supply chain and actively managing through disruptions caused by component shortages and logistic constraints
- Experiencing strong, broad-based demand due to new wins across all businesses, continued global recovery, and replenishment of inventories
- Diversifying our growing customer base by securing new project wins and expanding the breadth of our portfolio
- Achieved strong adjusted operating margin and adjusted gross margin driven by disciplined execution, improving cost optimization, and strategic mix shift
- Extending our current cloud offerings through inorganic expansion into critical power systems

M&A Update

Acquisition of Anord Mardix positions us to accelerate growth in the attractive datacenter space and capture higher margin opportunities

Comprehensive Range of Data Center Server & Storage Hardware...

- Complex PCBA assembly
- Server and storage product design
- Racks and enclosures
- Full system integration

...As well as Critical Power Products

- Embedded power
- Switchgear
- Busway
- Power distribution
- Modular power
- Monitoring solutions
- Services





Q2 2022 Financial Results

Paul Lundstrom, CFO

Q2 FY2022 Income Statement Summary

Broad-based demand remains strong, despite the macro environment

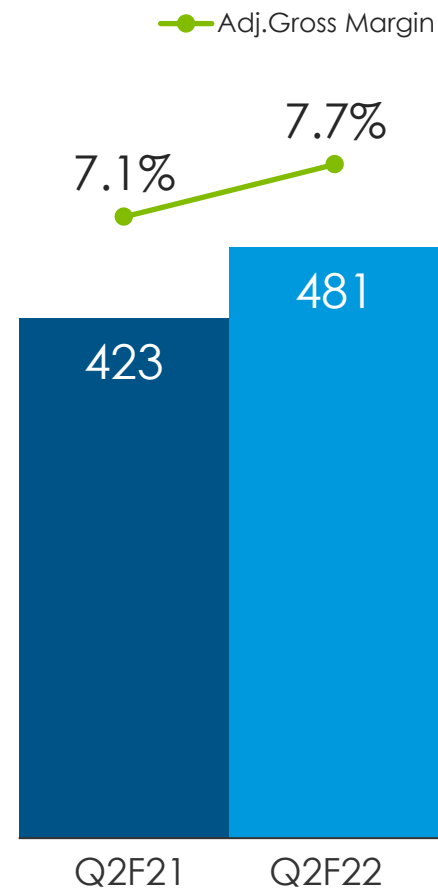
	Prior Year	Current Quarter
(\$M, except per share amounts)	September 25, 2020	October 1, 2021
Revenue	\$5,985	\$6,229
Adjusted Operating Income	\$247	\$286
Adjusted Net Income	\$180	\$233
Adjusted Earnings Per Share	\$0.36	\$0.48
GAAP Operating Income	\$175	\$237
GAAP Net Income	\$113	\$336
GAAP Earnings Per Share	\$0.22	\$0.69

Q2 FY2022 Financial Highlights

Disciplined execution, improving cost optimization, and strategic mix shift drove adjusted gross margin and adjusted operating margin growth

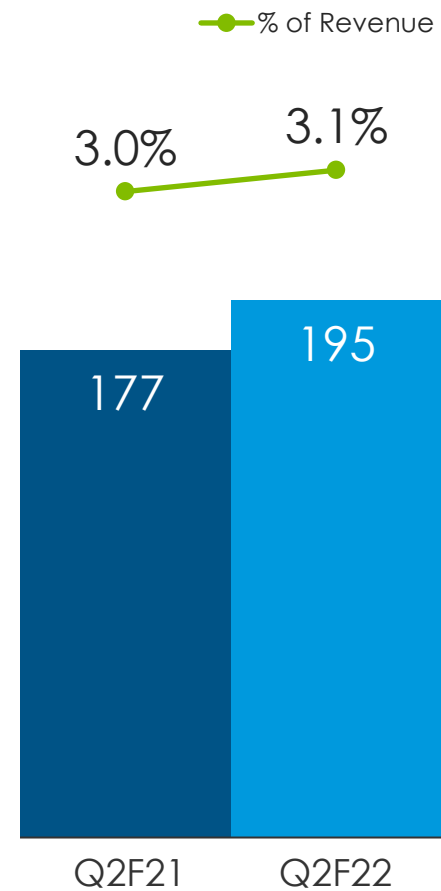
Adj. Gross Profit

(\$M)



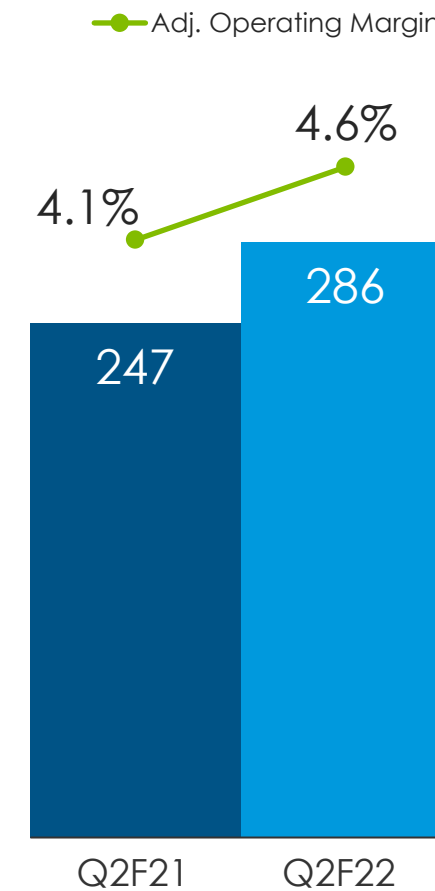
Adj. SG&A

(\$M)



Adj. Operating Income

(\$M)



Q2 FY2022 Segment Performance

	Revenue		Adj. Operating Income & Margin				
	(\$B)	Y/Y	(\$M)	Y/Y	Margin %	Y/Y	
Flex Reliability Solutions^A	\$2.8	4.7%	\$151	(15.4%)	5.4%	(130 bps)	<p>Health Solutions: Difficult COVID-driven Y/Y revenue comp, but demand remained strong, multiple product ramps continued</p> <p>Automotive: Adversely impacted by numerous OEM shutdowns and component constraints in the quarter</p> <p>Industrial: Strong demand across multiple categories</p>
Flex Agility Solutions	\$3.4	3.6%	\$153	73.4%	4.4%	180 bps	<p>CEC: Demand remains solid, upside limited by component constraints</p> <p>Lifestyle: Revenue benefited from strong demand, successful new product ramps, and new customers</p> <p>Consumer Devices: Recovery in emerging market demand, offset by component constraints</p>
Corporate Services & Other^B	--	--	(\$18)	--	--	--	
Total	\$6.2	4.1%	\$286	15.8%	4.6%	50 bps	

A. Includes Nexttracker Revenue of \$0.33 billion in Q2 Fiscal 22 vs. \$0.29 billion Q2 Fiscal 21, and Adj EBITDA margin of 7% for Q2 Fiscal 22 vs. 16% for Q2 Fiscal 21.

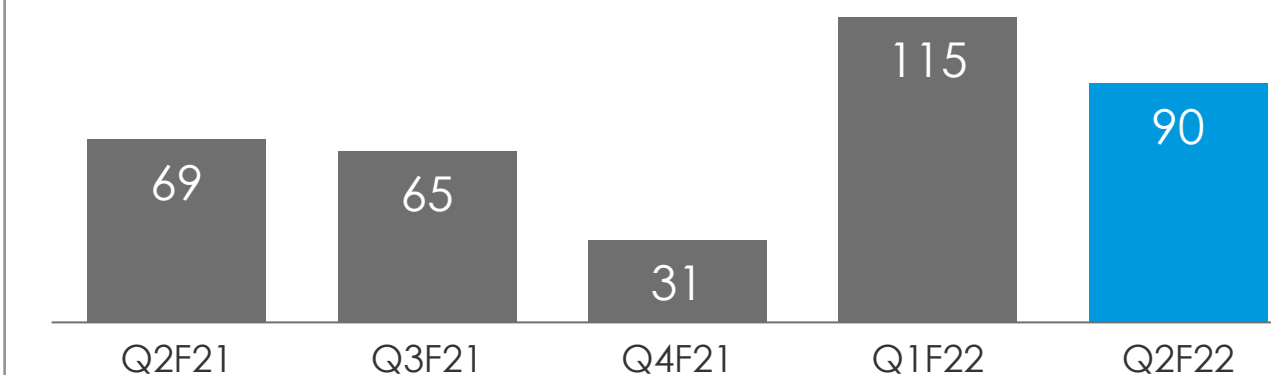
B. Corporate Services and Other: centralized administrative costs that are not included in the assessment of the performance of each of the identified segments.

Cash Flow Highlights

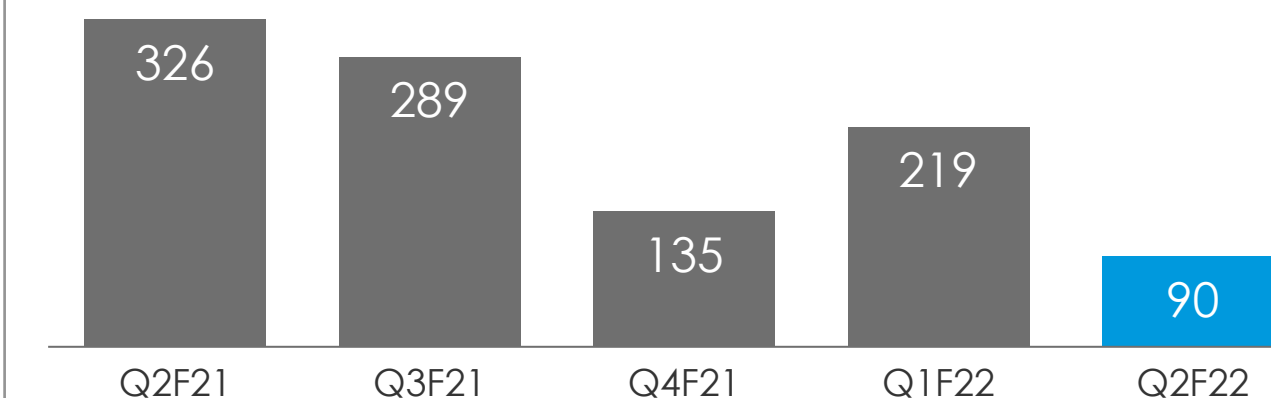
Substantial share repurchases totaling \$328M during the quarter impacted cash flow; fiscal year-to-date share repurchases total \$490M

	3-Months Ended	6-Months Ended
	October 1, 2021	
GAAP Net Income	\$336	\$542
Depreciation, Amortization and other Impairment Charges	118	236
Change in Working Capital and other, net	(274)	(264)
Operating Cash Flow	180	514
Capital Expenditures, net ^A	(90)	(205)
Adjusted Free Cash Flow	90	309
Payments for Share Repurchases	(328)	(490)
Debt Proceeds, net	13	11
Other Investing And Financing, net	(10)	(9)
Net Change In Cash And Cash Equivalents	(\$235)	(\$179)

Net Capital Expenditures^A
(\$M)



Adjusted Free Cash Flow
(\$M)



Q3 FY2022 Segment Outlook

Demand remains strong across all businesses due to new wins, replenishment of inventories, and continued global recovery

Flex Reliability Solutions



- New wins in EV, ADAS and China this quarter; Euro pipeline improving
- Component driven rolling plant shutdowns are the biggest risk through second half FY22, despite significant demand



- Chronic care demand remains stable
- Strength continues in COVID testing and diagnostics
- Considerable customer interest in production regionalization: multi-geo duplication of sites



- Seeing broad market demand continue to improve
- Solid project demand in power, EV power, gaming, and semiconductor capital equipment

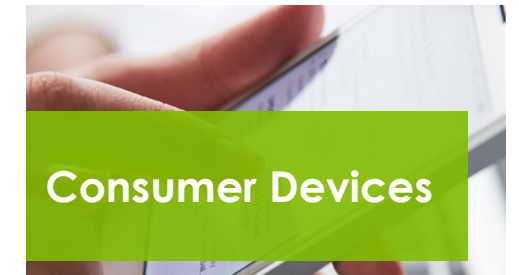
Flex Agility Solutions



- Demand remains significant, with return to work providing new upgrade cycles
- Winning new customer logos and continuing to expand our portfolio



- Cloud growth very robust driven by hyperscale and colocation
- Communication demand remains significant from 5G and optical; expect demand preservation despite near-term constraints
- Enterprise strength based on current product cycle



- Emerging markets, particularly in Brazil and India improving
- Facing difficult comp from strong prior year period as well as demand recovery and planned project completion

Q3 FY2022 Guidance

	Guidance
Revenue	\$6.1 - \$6.5 billion
Adjusted Operating Income ^A	\$250 - \$290 million
Adjusted Earnings Per Share	\$0.38 - \$0.44
GAAP Operating Income	\$210 - \$250 million
GAAP Earnings Per Share ^B	\$0.30 - \$0.36
Interest & Other Expense	~\$40 million
Adjusted Income Tax Rate	High end of 10% to 15%
Weighted Average Shares Outstanding	~ 487 million

Segment Revenue Outlook

(Y/Y)

Flex Reliability Solutions

Up low single to down mid-single digits

Flex Agility Solutions

Down high single digits to low teens

A. Adjusted operating income excludes approximately \$25 million for stock-based compensation and \$15 million for intangible amortization from GAAP operating income.

12 B. GAAP earnings per share includes \$0.03 for net intangible amortization and \$0.05 for stock-based compensation expense not included in adjusted earnings per share.

FY2022 Guidance - *Updated*

	Original Guidance	July Update		Updated Guidance
Revenue	\$25 - \$26 billion	\$25.5 - \$26.5 billion	»»»	\$24.8 - \$25.8 billion
Adjusted Operating Margin ^A	4.4% to 4.6%	4.5% to 4.7%		4.4% to 4.6%
Adjusted Earnings Per Share	\$1.60 - \$1.75	\$1.70 - \$1.85		\$1.70 - \$1.85
GAAP Earnings Per Share ^B	\$1.30 - \$1.45	\$1.42 - \$1.57		\$1.71 - \$1.86

A. Adjusted operating margin does not include the impact of 0.4% for stock-based compensation and 0.2% for intangible amortization when comparing to GAAP operating margin.

13 B. GAAP earnings per share includes \$0.19 for stock-based compensation and \$0.11 for intangible amortization offset by (\$0.31) for restructuring and other gains primarily related to \$0.30 non-cash income from a favorable operational tax ruling recorded in Q2FY22.

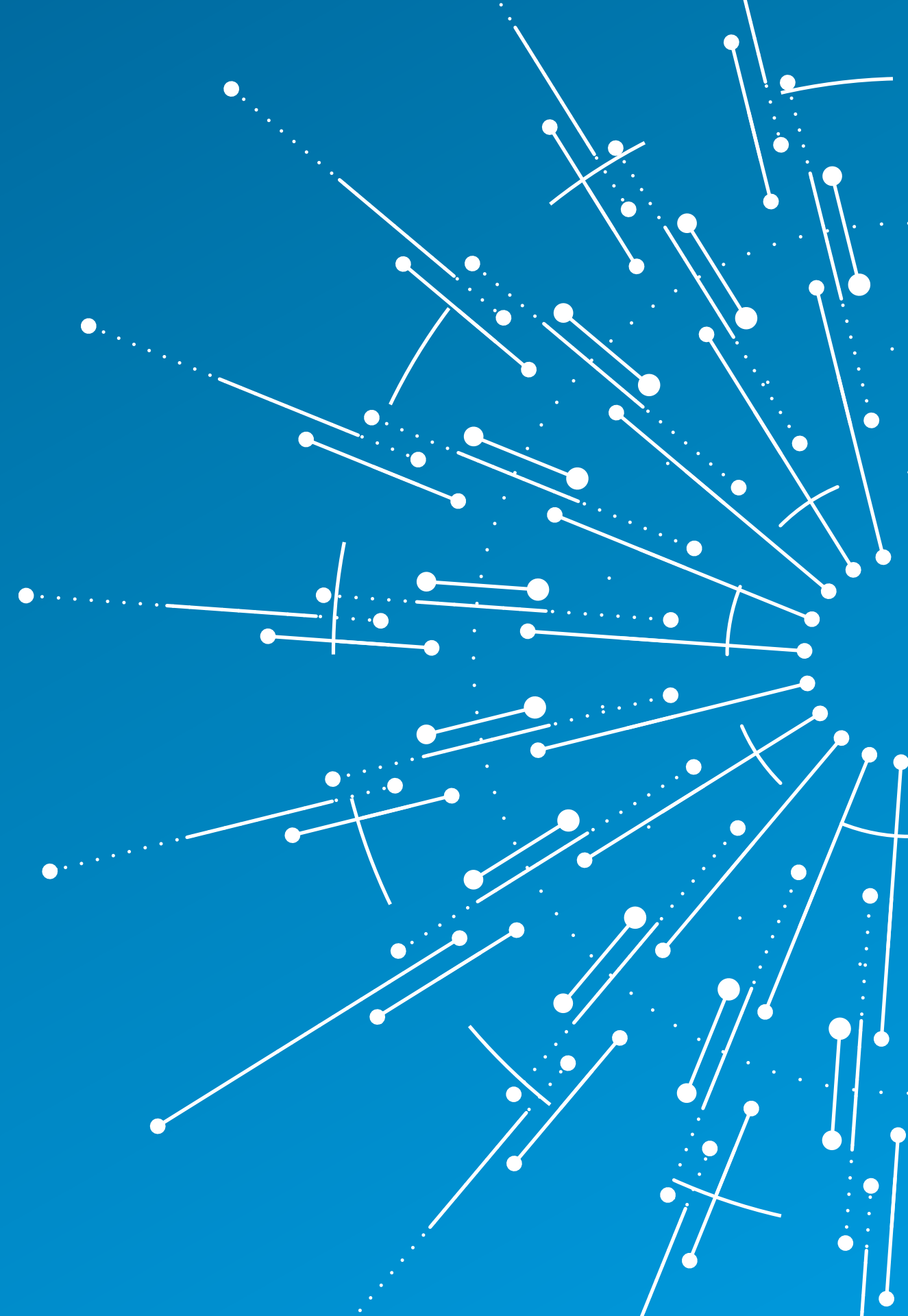
Moving Forward

- Continue to expertly navigate global supply chain challenges by adapting and implementing operational efficiencies to ensure we're able to meet strong customer demand across all end-markets
- Organic growth strategy is working with strong bookings in targeted segments, diversifying our growing customer base, and securing positive renewals
- Balanced and return-focused approach to capital allocation, including return of capital to shareholders and acceleration of growth in higher value segments through acquisitions



Thank you.

For more information, please
visit investors.flex.com



Appendix: Reconciliation of GAAP to Non-GAAP Measures

	Quarter- ended Oct 01, 2021	Quarter- ended July 02, 2021	Quarter- ended September 25, 2020	Quarter- ended June 26, 2020
(\$ in Millions)**				
GAAP operating income	\$237	\$255	\$175	\$98
Intangible Amortization	15	15	16	15
Stock-based compensation expense	24	20	24	13
Restructuring charges	9	-	35	10
Legal and other	1	-	(3)	27
Non-GAAP operating income	\$286	\$290	\$247	\$163
Non-GAAP operating margin*	4.6%	4.6%	4.1%	3.2%

*We calculate our Non-GAAP operating margin as current quarter Non-GAAP operating income divided by current quarter revenue.

**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)*	October 01, 2021	July 02, 2021	September 25, 2020	June 26, 2020
GAAP net income	\$336	\$206	\$113	\$52
Intangible amortization	15	15	16	15
Stock-based compensation expense	24	20	24	13
Restructuring charges	9	-	35	10
Legal and other	1	-	(3)	27
Interest and other, net	(152)	(3)	(3)	1
Adjustments for taxes	1	(8)	(2)	(3)
Non-GAAP net income	\$233	\$230	\$180	\$116
Diluted earnings per share:				
GAAP	\$0.69	\$0.41	\$0.22	\$0.10
Non-GAAP	\$0.48	\$0.46	\$0.36	\$0.23
Diluted shares used in computing per share amounts	487	499	504	502

*Amounts may not sum due to rounding.

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Appendix: Reconciliation of GAAP to Non-GAAP Measures

	Quarter-ended		Quarter-ended	
	October 01, 2021		September 25, 2020	
(\$ in Millions)*		% of revenue		% of revenue
GAAP gross profit	\$465	7.5%	\$395	6.6%
Stock-based compensation expense	6		6	
Restructuring charges	9		24	
Legal and Other	-		(2)	
Non-GAAP gross profit	\$481	7.7%	\$423	7.1%
GAAP SG&A expenses	\$213	3.4%	\$193	3.2%
Stock-based compensation expense	(18)		(18)	
Legal and other	-		1	
Non-GAAP SG&A expenses	\$195	3.1%	\$177	3.0%

*Amounts may not sum due to rounding.

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Appendix: Reconciliation of GAAP to Non-GAAP Measures

	Quarter- ended
	October 01, 2021
(\$ in Millions)	
Segment income:	
Flex Agility Solutions	\$153
Flex Reliability Solutions	151
Corporate and Other*	(18)
Total segment income:	\$286
Operating margin**:	
Flex Agility Solutions	4.4%
Flex Reliability Solutions	5.4%

	Quarter- Ended
	October 01, 2021
(\$ in Millions)	
Reconciliation of segment income	
Total segment income	\$237
Intangible Amortization	15
Stock-based compensation expense	24
Restructuring charges	9
Legal and other	1
Operating income	\$286

*Corporate and Other: corporate service costs that are not included in the assessment of the performance of each of the identified reporting segments.

**We calculate our segment operating margin as current quarter segment operating income divided by current quarter revenue.

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)*	October 01, 2021	July 02, 2021	March 31, 2021	December 31, 2020	September 25, 2020
Net cash provided by operating activities	\$180	\$334	\$161	\$348	\$265
Reduction in ABS levels and other	-	-	5	6	132
Net capital expenditures	(90)	(115)	(31)	(65)	(69)
Adjusted free cash flow	\$90	\$219	\$135	\$289	\$326

	Six-Months ended
(\$ in Millions)*	October 1, 2021
Net cash used in operating activities	\$514
Net capital expenditures	(205)
Adjusted free cash flow	\$309

Adjusted free cash flow is calculated as operating cash flow for the quarter less net capital expenditures. In fiscal year 2021, we proactively and strategically reduced the outstanding balance of our ABS programs which is fully paid and wind down as year end of FY21. 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 products throughout FY21 which had the accounting effect of reducing our cash flow from operations and was excluded from our adjusted free cash flow calculation. Adjusted free cash flow is a non-GAAP financial measure and may not be defined and calculated by other companies in the same manner.

Appendix: Reconciliation of GAAP to Non-GAAP Measures - Nextracker

	Quarter - ended October 01, 2021	Quarter - ended September 25, 2020
Revenue (billions)	\$0.33	\$0.29
Net income (% of Revenue)	5%	11%
Intangible amortization and stock-based compensation	1%	2%
Depreciation	0%	0%
Interest, net	0%	0%
Adjustments for taxes	1%	3%
Adjusted EBITDA (% of Revenue)	7%	16%