



Q2 FY25
**Earnings
Presentation**

Quarter End: September 27, 2024

Earnings Announcement: October 30, 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 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 planned Crown Technical Systems acquisition; the possibility that regulatory and other approvals and conditions to Crown Technical Systems acquisition are not received or satisfied on a timely basis or at all, or that the acquisition will not close or that the closing may be delayed; and other events that could adversely impact the completion of the acquisition or the anticipated benefits of the acquisition, 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 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

Q2 FINANCIAL PERFORMANCE

Revenue \$6.5B	Adj. operating income \$358M	Adj. net income \$255M	Adj. earnings per share \$0.64
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BUSINESS UPDATE

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

Margin improvement based on favorable mix and continued operational execution

End-market trends as expected with strength in Cloud, Power, and Medical Devices

Continued progress on our longer-term strategy

Flex EMS + Products + Services long-term strategy

LATEST UPDATES: CLOUD & POWER

Open Compute Summit:

- Next-Gen modular compute platform
- Flex Integrated Rack solution with liquid cooling
- New Flex Intermediate Bus DC/DC Converter

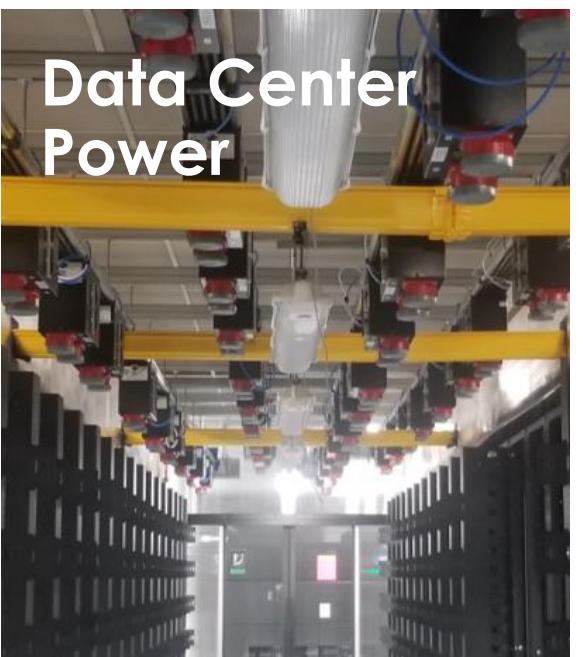
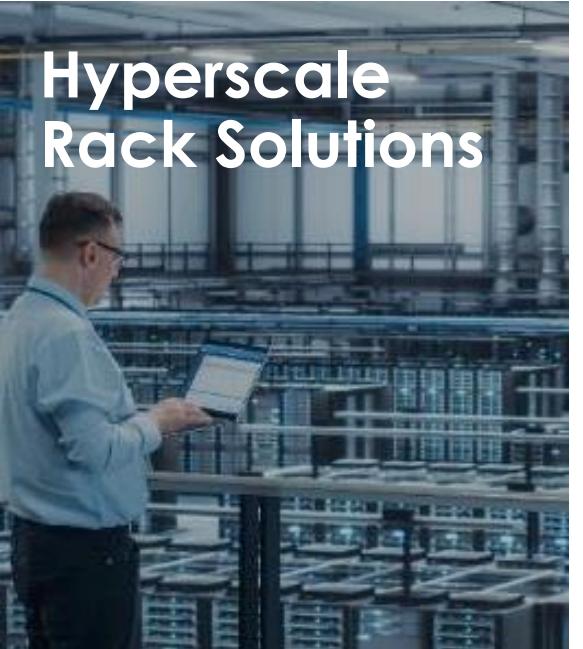
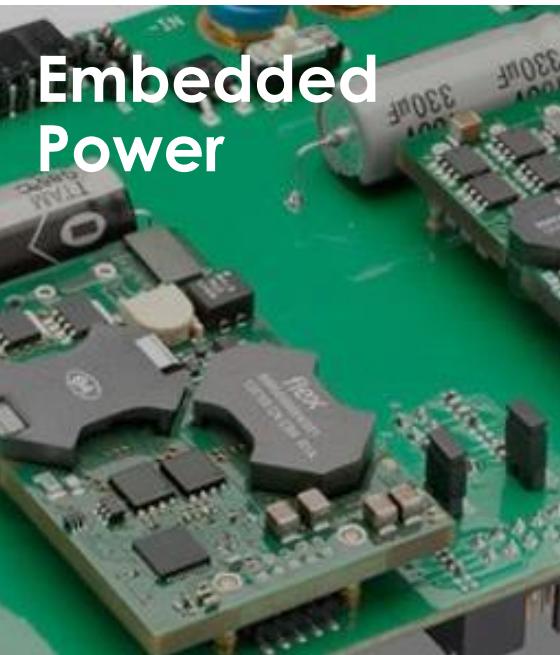
Partnerships:

- Power: Musashi Energy Solutions
- Cloud: JetCool direct-to-chip liquid cooling

Acquisition:

Crown Technical Systems

- Expands power distribution footprint
- Synergistic to current data center power portfolio



Financial results

Jaime Martinez

Interim Chief Financial Officer

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Key financials

	Q2FY24	Q2FY25
FLEX		
Revenue	\$6,933M	\$6,545M
Adj. Gross Profit / Margin	\$527M / 7.6%	\$554M / 8.5%
Adj. Operating Income / Margin	\$327M / 4.7%	\$358M / 5.5%
Adj. Earnings Per Share	\$0.57	\$0.64
GAAP Earnings Per Share	\$0.45	\$0.54

See Appendix for GAAP to non-GAAP reconciliations.
Q2FY24 Results reflect continuing operations, excluding Nextracker.

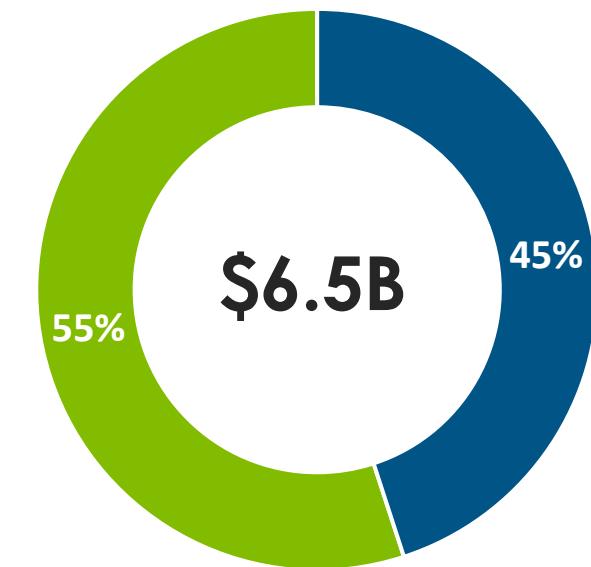
FLEX DYNAMICS

- High demand across our data center portfolio driving margin improvement in both Reliability and Agility segments
- Well-positioned to serve evolving healthcare market needs
- New program ramps progressing across Flex
- Well-positioned across our end-markets for eventual cyclical recoveries
- Strong operational & cost execution

Segment performance

	REVENUE ^A (\$B)	Y/Y GROWTH	ADJ. OPERATING INCOME (\$M)	Y/Y GROWTH	ADJ. OPERATING MARGIN %	Y/Y CHANGE
RELIABILITY	\$2.9	(11%)	\$159	(7%)	5.4%	20 bps
AGILITY	\$3.6	0%	\$218	31%	6.1%	150 bps
CORPORATE SERVICES AND OTHER ^B	--	--	(\$19)	--	--	--
TOTAL	\$6.5	(6%)	\$358	9%	5.5%	80 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

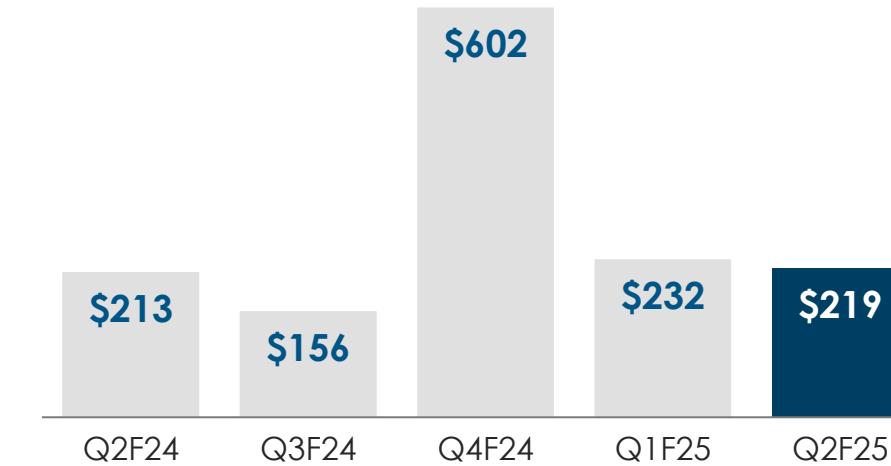
(\$M)

	Q2F25	FYTD
GAAP NET INCOME	\$214	\$353
Depreciation, Amortization and other Impairment Charges	131	257
Change in Working Capital and other, net	(26)	49
OPERATING CASH FLOW	319	659
Capital expenditures, net ^A	(100)	(208)
ADJ. FREE CASH FLOW	219	451
Payments for Share Repurchases	(300)	(757)
Other Investing, Financing, and FX, net	439	433
NET CHANGE IN CASH AND CASH EQUIVALENTS	\$358	\$127

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.



Q3 business outlook

RELIABILITY

Automotive Macro-related softness muting 2H growth expectations

Health Solutions Medical device demand strong

Industrial Data Center power demand very strong, weaker core industrial

AGILITY

CEC Cloud strength continues, networking and enterprise IT spending limited

Lifestyle Value-added services expansion countering soft durable goods market

Consumer Devices Focused on key customers, strong cost and operational execution

Q3 FY25 guidance

Revenue

\$6.0B - \$6.4B

Adj. operating income^A

\$335M - \$365M

GAAP \$257M - \$287M

Adj. earnings per share^B

\$0.60 - \$0.66

GAAP \$0.42- \$0.48

Interest expense

\$50M

Adj. income tax rate

17%

Weighted avg. shares outstanding

~ 400M

A. Adjusted operating income excludes approximately \$35 million for stock-based compensation expense, \$27 million restructuring charges, and \$16 million for intangible amortization, compared to GAAP operating income.

B. Adjusted earnings per share excludes \$0.08 for stock-based compensation expense, \$0.07 for net restructuring charges, and \$0.03 for net intangible amortization, included in GAAP earnings per share.

FY25 outlook and guidance



\$24.9 - \$25.5B revenue



5.4% - 5.5% adj. operating margins^A



\$2.39 - \$2.51 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 0.5% 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 \$0.30 for stock-based compensation expense, \$0.19 for restructuring charges and \$0.13 for net intangible amortization, included in GAAP earnings per share

Flex 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**

Appendix

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Appendix: Reconciliation of GAAP to Non-GAAP Measures

	Quarter-ended September 27, 2024	Quarter-ended June 28, 2024	Quarter-ended September 29, 2023	Quarter-ended June 30, 2023
(\$ in Millions)	% of revenue	% of revenue	% of revenue	% of revenue
GAAP gross profit	\$531	8.1%	\$471	7.5%
Stock-based compensation expense	8	8	7	7
Restructuring charges	15	16	1	17
Legal and Other	-	-	-	1
Non-GAAP gross profit	\$554	8.5%	\$495	7.8%

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
	September 27, 2024	June 28, 2024	September 29, 2023	June 30, 2023
(\$ in Millions)				
GAAP operating income	\$297	\$233	\$281	\$215
Intangible Amortization	16	16	17	20
Stock-based compensation expense	28	32	28	32
Restructuring charges	17	25	1	23
Legal and other	-	-	-	3
Non-GAAP operating income	\$358	\$306	\$327	\$293
GAAP operating margin	4.5%	3.7%	4.1%	3.1%
Non-GAAP operating margin*	5.5%	4.8%	4.7%	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 September 27, 2024	Quarter-ended June 28, 2024	Quarter-ended September 29, 2023	Quarter-ended June 30, 2023
(\$ in Millions, except for EPS)				
GAAP net income from continuing operations	\$214	\$139	\$201	\$147
Intangible amortization	16	16	17	20
Stock-based compensation expense	28	32	28	32
Restructuring charges	17	25	1	23
Legal and other	-	-	-	3
Interest and other, net	(1)	-	8	1
Adjustments for taxes	(19)	(1)	-	(12)
Non-GAAP net income from continuing operations	\$255	\$211	\$255	\$214
Diluted earnings per share from continuing operations				
GAAP	\$0.54	\$0.34	\$0.45	\$0.32
NON-GAAP	\$0.64	\$0.51	\$0.57	\$0.47
Diluted shares used in computing per share amounts	400	411	448	455

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
	September 27, 2024		September 27, 2024
(\$ in Millions)		(\$ in Millions)	
Segment income:			
Flex Agility Solutions	\$218	GAAP Operating Income	\$297
Flex Reliability Solutions	159	Intangible amortization	16
Corporate and Other*	(19)	Stock-based compensation expense	28
Total segment income:	\$358	Restructuring charges	17
		Total segment income	\$358
Operating margin**:			
Flex Agility Solutions	6.1%		
Flex Reliability Solutions	5.4%		

*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
	September 27, 2024	June 28, 2024	March 31, 2024	December 31, 2023	September 29, 2023	June 30, 2023
Net cash provided by operating activities	\$319	\$340	\$679	\$284	\$357	\$6
Net capital expenditures	(100)	(108)	(77)	(128)	(144)	(156)
Adjusted free cash flow*	\$219	\$232	\$602	\$156	\$213	\$(150)

(\$ in Millions)	Six-Months ended
	September 27, 2024
Net cash provided by operating activities	\$659
Net capital expenditures	(208)
Adjusted free cash flow*	\$451

*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.

