

A large, 3D-rendered sign for "WALL STREET" is positioned diagonally across the left side of the slide. The sign is dark with "WALL" in large white letters and "ST" in smaller white letters. Above "WALL" is the number "22-51" and an arrow pointing right. The background is a dark red gradient with a faint image of a building facade.

Fiscal first quarter 2020 financial results

January 23, 2020

Safe harbor and fair disclosure statement

Any statements made during our call today and information included in the supporting material that is not historical in nature, such as statements in the future tense and statements that include "believe," "expect," "intend," "plan," "anticipate," and similar terms and concepts, are forward-looking statements. Forward-looking statements are not guarantees since there are inherent difficulties in predicting future results, and actual results could differ materially from those expressed or implied in the forward-looking statements. For a list of factors that could cause actual results to differ materially from those discussed, please refer to the Company's periodic SEC filings, particularly the risk factors in our Form 10-K filing for the fiscal year ended September 28, 2019, and the Safe Harbor and Fair Disclosure statement in yesterday's press release.

Plexus provides non-GAAP supplemental information, such as ROIC, economic return, and free cash flow, because those measures are used for internal management goals and decision making, and because they provide additional insight into financial performance. In addition, management uses these and other non-GAAP measures, such as adjusted operating income, adjusted operating margin, adjusted net income, and adjusted earnings per share, to provide a better understanding of core performance for purposes of period-to-period comparisons. For a full reconciliation of non-GAAP supplemental information please refer to yesterday's press release and our periodic SEC filings.

Fiscal first quarter results

	Q1F20 Results	Q1F20 Guidance	Q4F19 Results
Revenue (\$ millions)	\$852	\$780 to \$820	\$810
GAAP Diluted EPS	\$1.03 ⁽¹⁾	\$0.87 to \$0.97 ⁽³⁾	\$1.23
Non-GAAP Diluted EPS	\$1.00 ⁽¹⁾⁽²⁾		\$0.93

- Both revenue and EPS exceeded guidance range
- HC/LS exceeded expectations due to increased demand from several customers
- I/C exceptionally strong due to semi-cap strengthening and broad sector improvements
- A/D met expectations entering the quarter
- Operating margin of 4.7%, at mid-point of guidance and within target range of 4.7% to 5.0%

⁽¹⁾ Includes \$0.17 stock-based compensation expense

⁽²⁾ Excludes \$0.8 million of special tax items

⁽³⁾ Includes \$0.18 stock-based compensation expense

Fiscal first quarter highlights

CONTINUED PROGRESS IN INVENTORY REDUCTION

- 18 day improvement over Q1F19

CASH CYCLE OF 71 DAYS

- 18 day improvement over past two quarters

STRONG FREE CASH FLOW

- Q1F20: \$61M
- Q4F19: \$92M

ROIC of 14.7%

- Economic return of 590 bps, exceeding 500 bps goal

MANUFACTURING WINS OF \$167M

- Healthcare/Life Sciences wins of \$85M
- Wins momentum above goal

FUNNEL AT \$2.5B

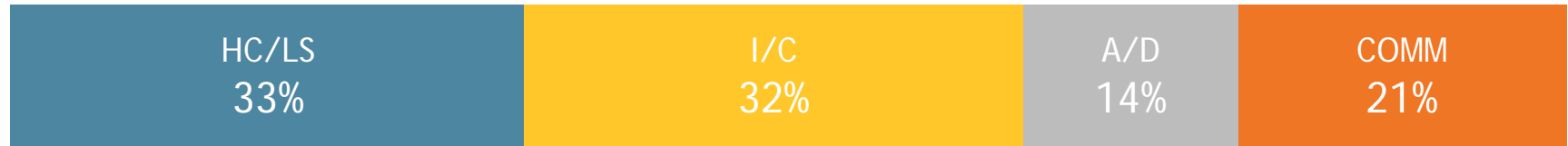
- Expect strong Q2F20 wins performance

END-MARKET PERFORMANCE & PORTFOLIO DIFFERENTIATION

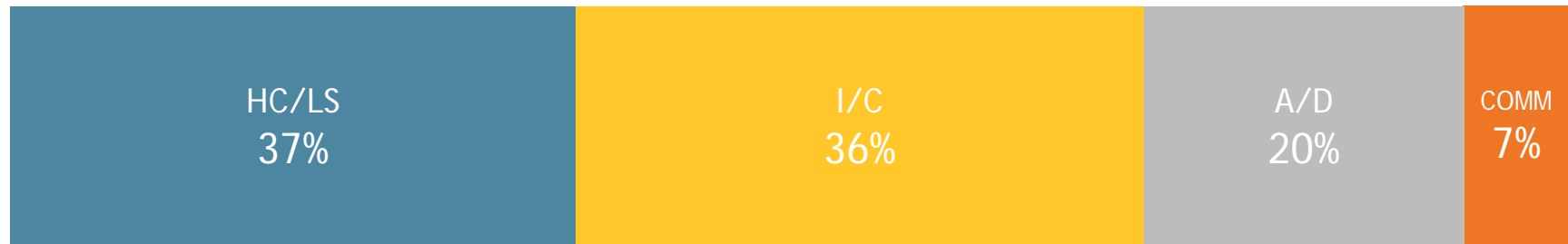
- Industrial/Commercial revenue up 42% Y-O-Y
- Aerospace/Defense revenue up 41% Y-O-Y

A differentiated portfolio

\$635M
Q1F17



\$852M
Q1F20



HC/LS, I/C and A/D comprise 93% of the Plexus portfolio

The leader in highly complex products and demanding regulatory environments

Fiscal 2020 second quarter guidance

REVENUE GUIDE

- HC/LS demand impacted by first quarter results
- Continued I/C and A/D strength

EPS GUIDE

- Impacted by seasonal payroll costs and engineering program pauses
- Operating margin of 4.0% to 4.5%

REPOSITION OF BOULDER DESIGN CENTER TO BOISE

- Creates A/D Center of Excellence

	Q2F20 Guidance
Revenue	\$790 to \$830 million
GAAP Diluted EPS	\$0.80 to \$0.90*

** Includes \$0.21 of stock-based compensation expense and excludes any non-recurring charges.*



We'll help you create
the products that
build a better world.

Fiscal 2020 outlook

OUTLOOK LARGELY UNCHANGED FROM PREVIOUS EXPECTATIONS

SEQUENTIAL REVENUE GROWTH IN SECOND HALF OF FISCAL 2020

- Expect robust A/D and I/C growth
- Anticipate solid growth for fiscal 2020

OVER 90% OF REVENUE IN HC/LS, I/C AND A/D

- Long program life cycles
- History of double-digit revenue CAGR
- Goal to maintain these growth rates beyond fiscal 2020

EXPECT OPERATING MARGINS OF 4.7% TO 5.0% IN SECOND HALF

ENABLES ROBUST EPS EXPANSION

Performance by sector

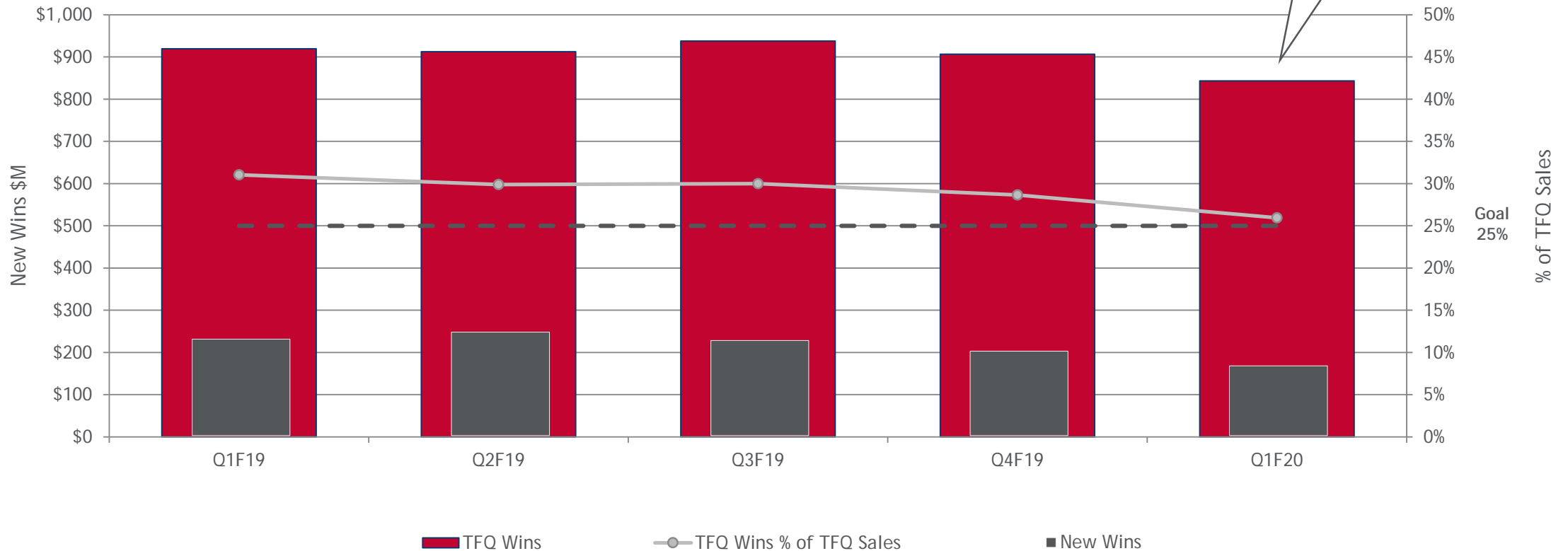
	Q1F20 Jan 4, 2020		Q4F19 Sep 28, 2019		Q1F20 vs. Q4F19	Q2F20 Expectations (percentage points)
Healthcare and Life Sciences	\$312	37%	\$311	38%	Flat	Down ~ 10%
Industrial and Commercial	\$310	36%	\$264	33%	+ 17%	Flat
Aerospace and Defense	\$172	20%	\$174	21%	- 1%	Flat
Communications	\$58	7%	\$61	8%	- 5%	Down mid teens
Total Revenue	\$852	100%	\$810	100%	+ 5%	

Manufacturing wins

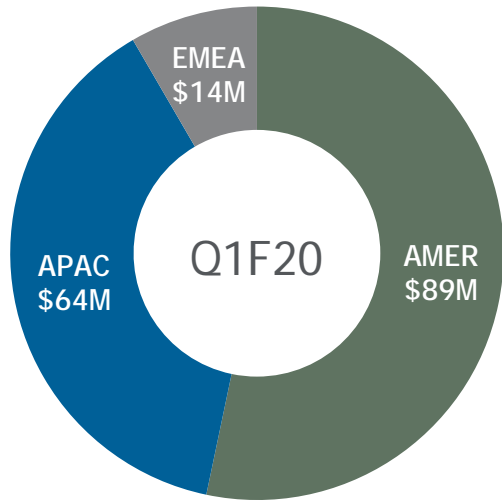
Q1F20 wins: \$167M
 New programs: 30

Trailing Four Quarters (TFQ) Manufacturing Wins

TFQ
 \$843M



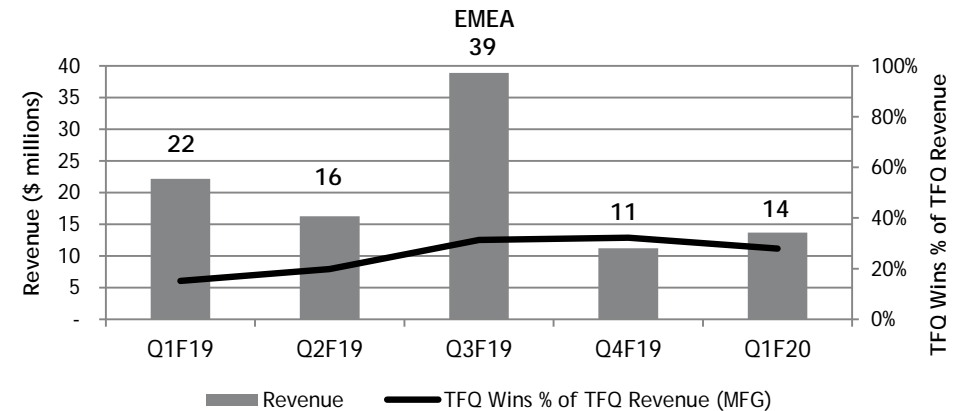
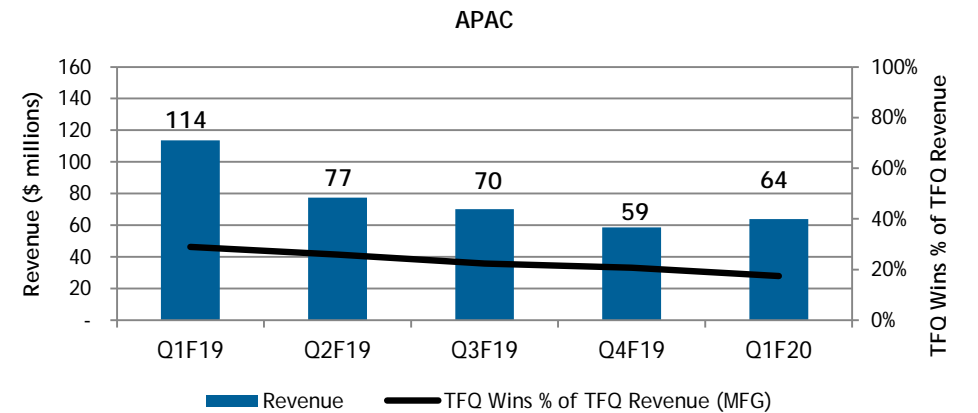
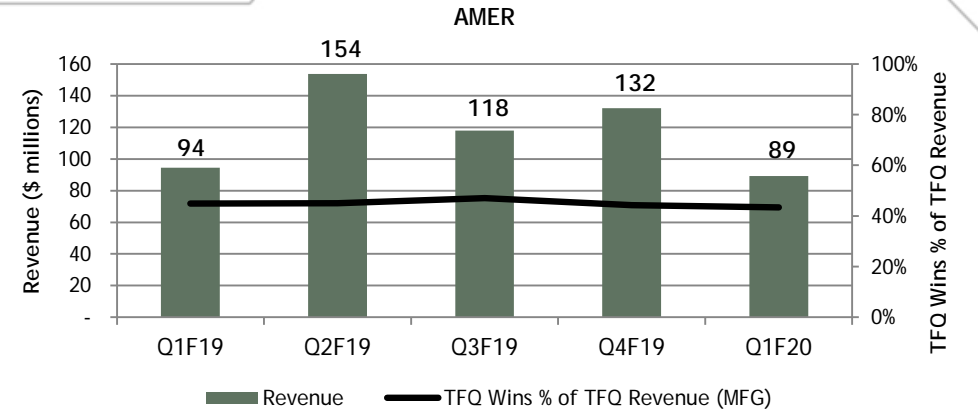
Manufacturing wins by region



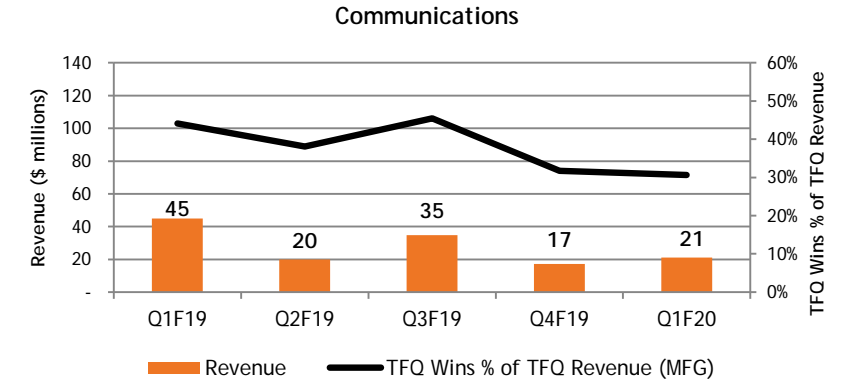
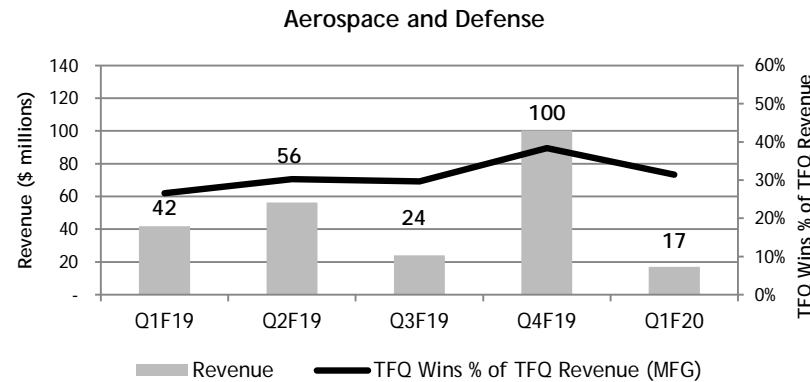
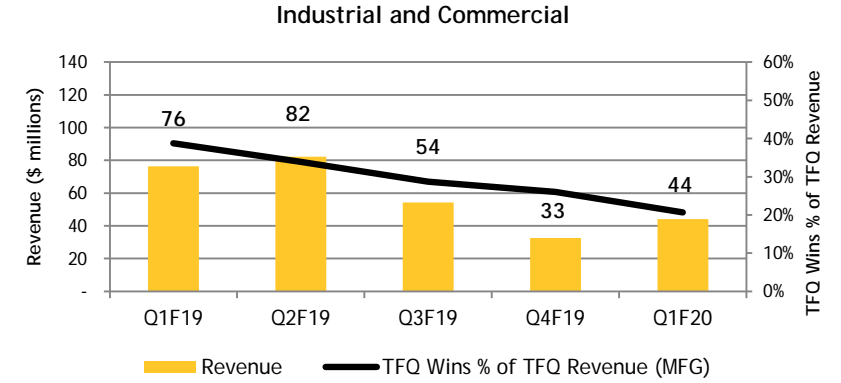
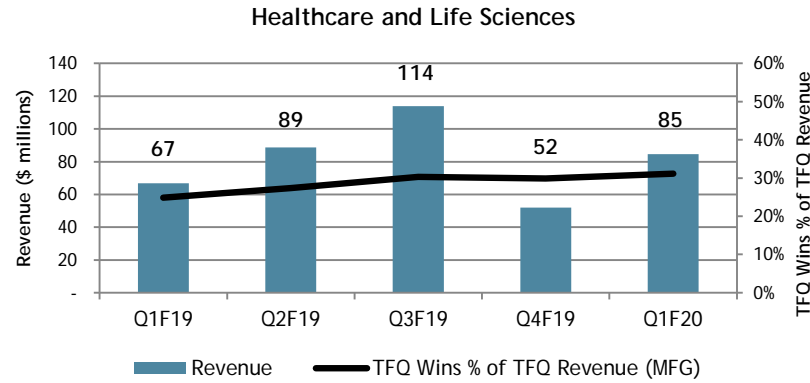
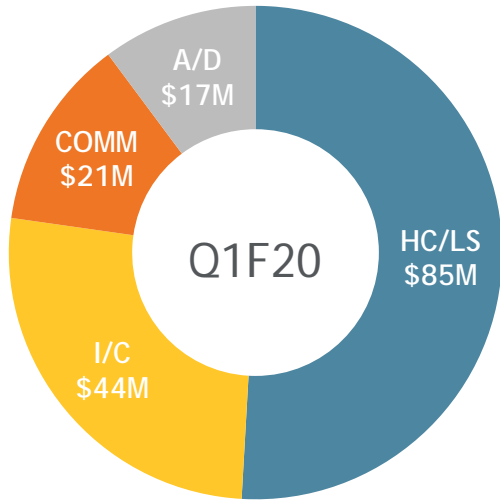
AMER grows robotic assisted medical device portfolio

APAC capabilities enable wins from customers with diverse needs

EMEA manufacturing facility in Oradea adds two new programs

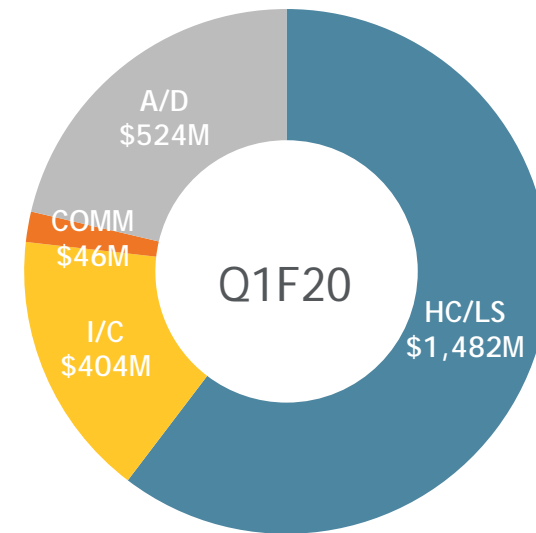
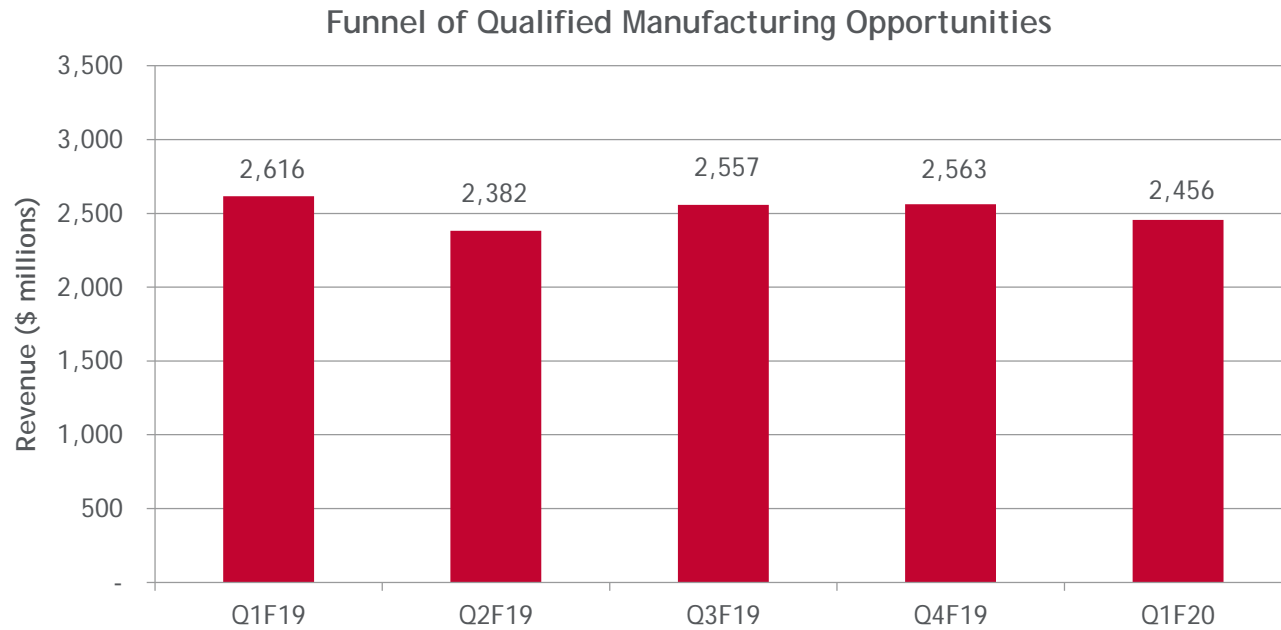


Manufacturing wins by sector



HC/LS has strong wins momentum
 I/C adds factory automation customer
 A/D expands in all three regions
 COMM expands customer relationship

Manufacturing funnel



Qualified manufacturing funnel continues to be healthy at \$2.5B

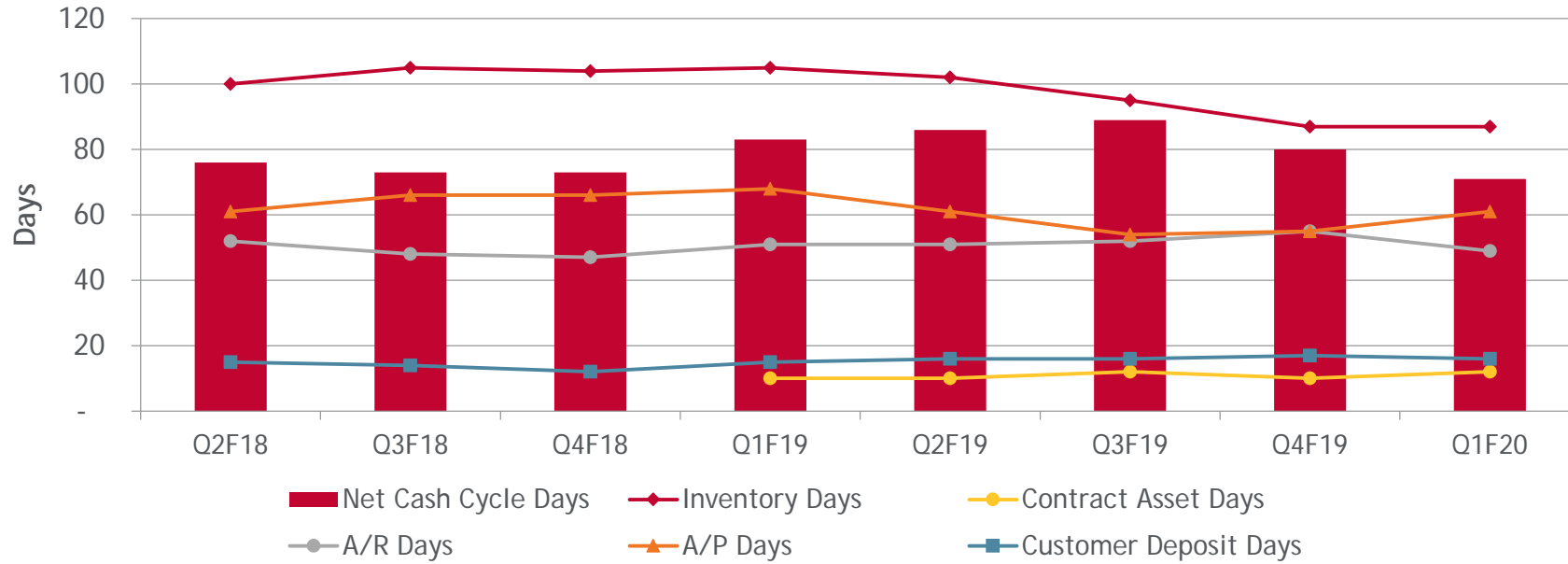
Income statement

	Q1F20	Comments
Revenue	\$852 million	Above guidance range of \$780 to \$820 million
Gross margin	9.3%	At mid-point of guidance range of 9.1% to 9.5%
Selling & administrative expenses	\$39.3 million	Above guidance range of \$36.5 to \$37.5 million
Operating margin	4.7%	At mid-point of guidance range of 4.5% to 4.9%
Non-operating expenses	\$5.7 million	Above guidance range of \$5.1 to \$5.5 million
GAAP diluted EPS	\$1.03	Includes \$0.03 related to special tax items
Non-GAAP diluted EPS	\$1.00	Above guidance range of \$0.87 to \$0.97

Balance sheet and cash flow

	Q1F20	Comments
Share repurchases	\$6.3 million	~ 91,000 at an average price of \$69.82 per share
Free cash flow	\$61 million	Cash from operations: \$75 million Capital expenditures: \$14 million
Cash balance	\$255 million	Sequentially up \$29 million
Cash cycle days	71 days	Sequentially lower 9 days

Working capital trends



	Q2F18	Q3F18	Q4F18	Q1F19	Q2F19	Q3F19	Q4F19	Q1F20
Inventory Days	100	105	104	105	102	95	87	87
Contract Asset Days				10	10	12	10	12
A/R Days	52	48	47	51	51	52	55	49
A/P Days	61	66	66	68	61	54	55	61
Customer Deposit Days	15	14	12	15	16	16	17	16
Net Cash Cycle Days	76	73	73	83	86	89	80	71

Fiscal second quarter 2020 guidance

	Guidance
Revenue	\$790 to \$830 million
GAAP diluted EPS, excluding any non-recurring charges	\$0.80 to \$0.90
Gross margin	8.8% to 9.2%
SG&A	\$38.0 to \$39.0 million
Operating margin	4.0% to 4.5%
Depreciation and amortization	~ \$15 million
Non-operating expenses	\$4.6 to \$5.0 million
Effective tax rate	13% to 15%
Diluted weighted average shares outstanding	~ 30 million
Cash cycle days	75 to 79 days

Q&A
Thank you.