

# Fiscal second quarter 2021 financial results

April 22, 2021

# 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 October 03, 2020, as supplemented by our Form 10-Q filings, 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 second quarter results

	Q2F21 Results	Q2F21 Guidance	Q1F21 Results
Revenue (\$ millions)	\$881	\$860 to \$900	\$830
GAAP Diluted EPS	\$1.42 <sup>(1)</sup>	\$1.17 to \$1.32 <sup>(2)</sup>	\$1.23 <sup>(3)</sup>

- GAAP operating margin of 5.8%
  - Includes 23 bps of restructuring expense and 73 bps of stock-based compensation expense
  - Best result since 2008
- IND and HC/LS exceeded expectations
- GAAP diluted EPS of \$1.42 exceeded guidance range

*(1) Includes \$0.22 stock-based compensation expense and \$0.07 in restructuring charges*

*(2) Includes \$0.22 stock-based compensation expense*

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

# Fiscal second quarter accomplishments enable growth

## BUSINESS DEVELOPMENT

- Quarterly MFG wins of \$284M
- Trailing four quarter wins > \$1B, a new record
- 6 new logos, notable AMS win
- Engineering wins at 2 year high

## THAILAND FACILITY

- 400,000 square feet
- Estimated completion in Q3F22
- Skilled workforce and established supply chain
- Significant customer interest



# Fiscal 2021 third quarter guidance

## REVENUE GUIDE

- HC/LS demand strengthening, beginning of recovery for products related to elective procedures
- Industrial demand robust in semiconductor capital equipment and communications
- Aerospace and Defense demand appears to have troughed
- Demand exceeds guidance, but limited by supply chain constraints

## EPS GUIDE

- Leveraging recent productivity gains
- GAAP operating margin of 5.1% to 5.6%, including 72 bps of stock comp.

## FUTURE OUTLOOK

- Fiscal 2021 - mid-single digit revenue and potentially > 30% EPS growth
- Growth catalysts provide optimism for Fiscal 2022 and beyond
- Target 9-12% annual revenue growth, operating margins consistently > 5%

	Q3F21 Guidance
Revenue	\$875 to \$915 million
GAAP Diluted EPS	\$1.23 to \$1.38*

\* Includes \$0.22 of stock-based compensation expense.

# A leader in ESG

*Increasing our positive impact on people and the planet, while driving enterprise value creation*



## Responsible Employer

Advocating for diversity, encouraging employee development and ensuring ethical labor practices.



## Community Partner

Making a meaningful impact to our communities through volunteerism and charitable giving.



## Global Citizen

Committed to environmental sustainability through our operations, supplier programs and product design services.



## Industry Steward

Active in industry coalitions focused on environmental, ethical and healthy working conditions.



## Corporate Governance

A culture of accountability that competently and ethically manages its operations for the long-term benefit of shareholder.

*Performance rated by Institutional Shareholders Services (ISS) in the top 30% in all categories*

# Performance by sector

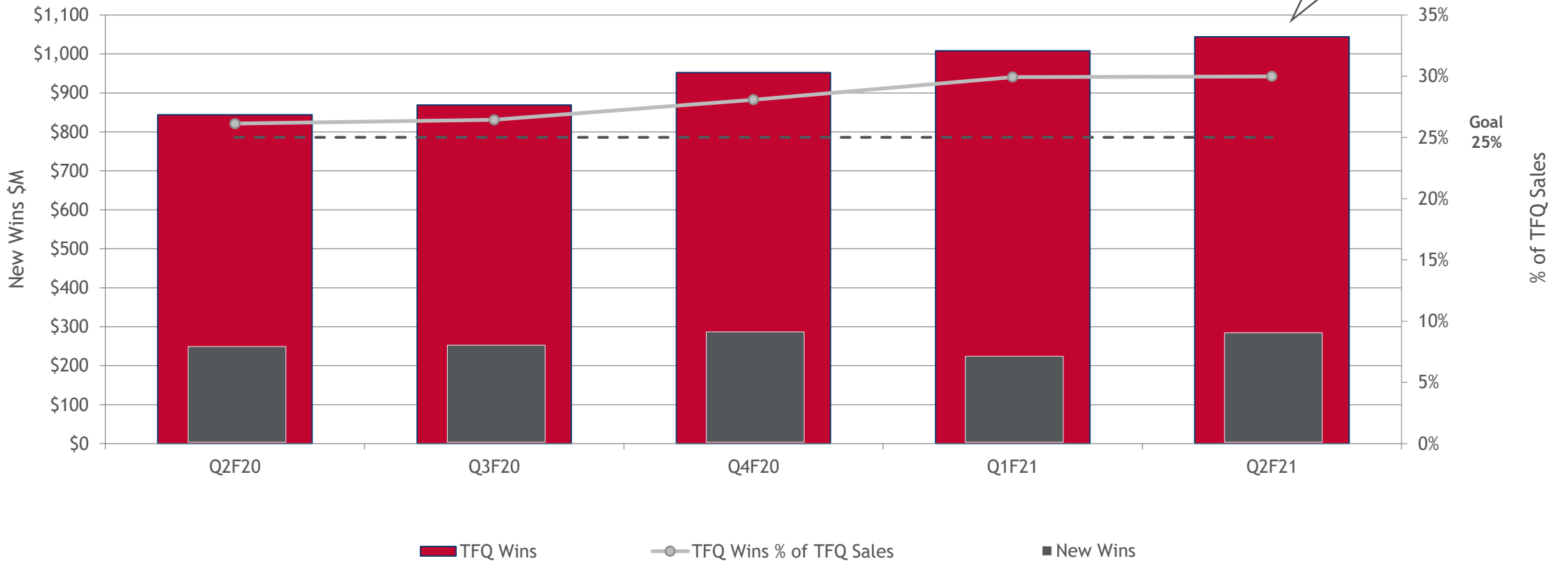
	Q2F21 Apr 3, 2021		Q1F21 Jan 2, 2021		Q2F21 vs. Q1F21	Q3F21 Expectations (percentage points)
Industrial	\$407	46%	\$378	46%	+ 8%	Down low single
Healthcare and Life Sciences	\$350	40%	\$319	38%	+ 10%	Up mid single
Aerospace and Defense	\$124	14%	\$133	16%	- 7%	Flat
Total Revenue	\$881	100%	\$830	100%	+ 6%	

# Manufacturing wins

Q2F21 wins: \$284M  
New programs: 42

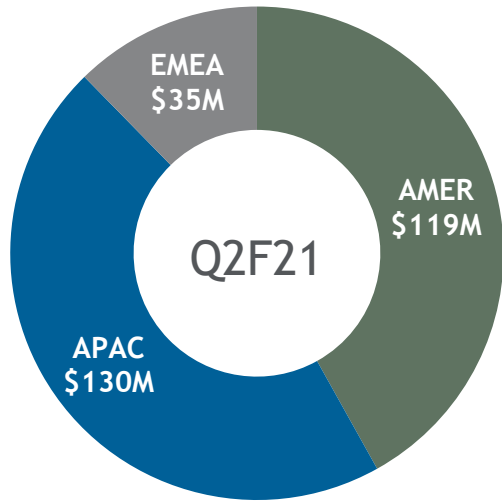
## Trailing Four Quarters (TFQ) Manufacturing Wins

TFQ  
\$1.04B





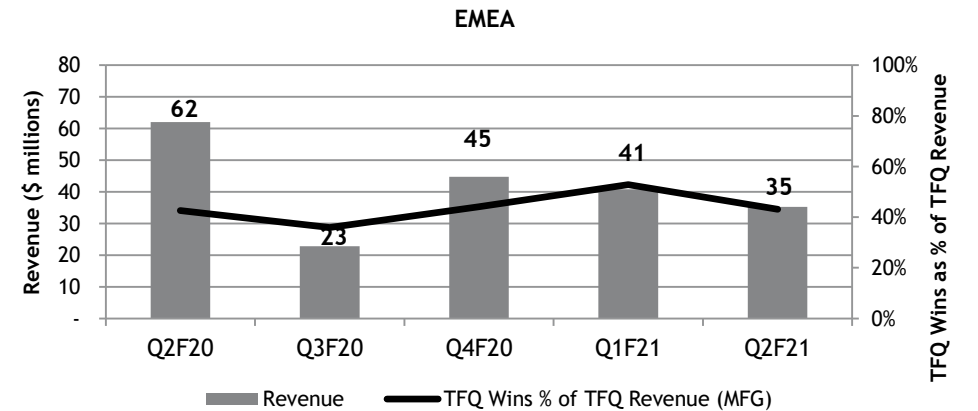
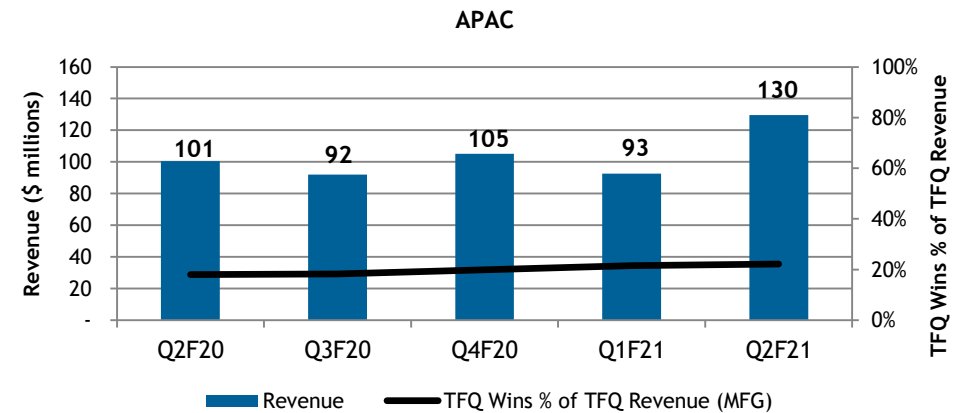
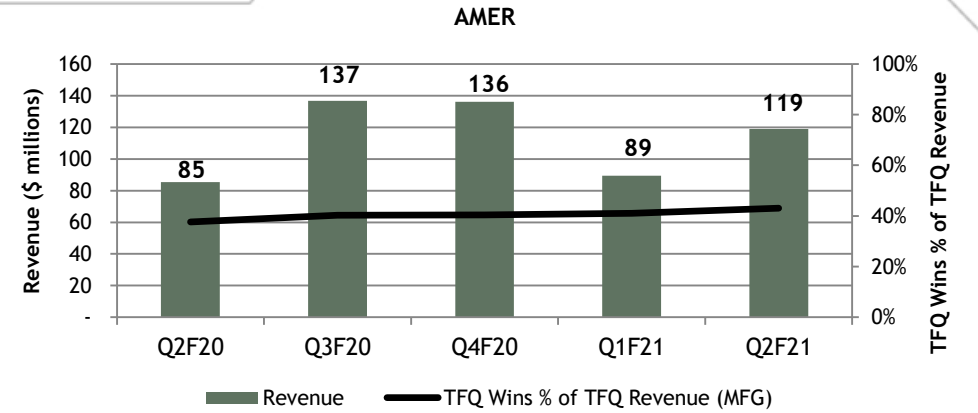
# Manufacturing wins by region



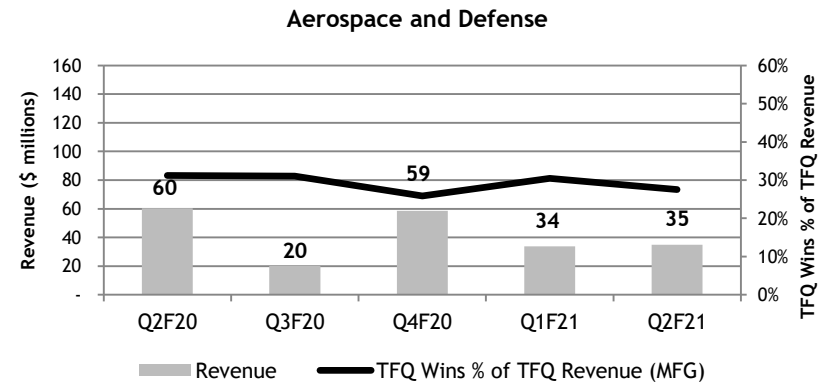
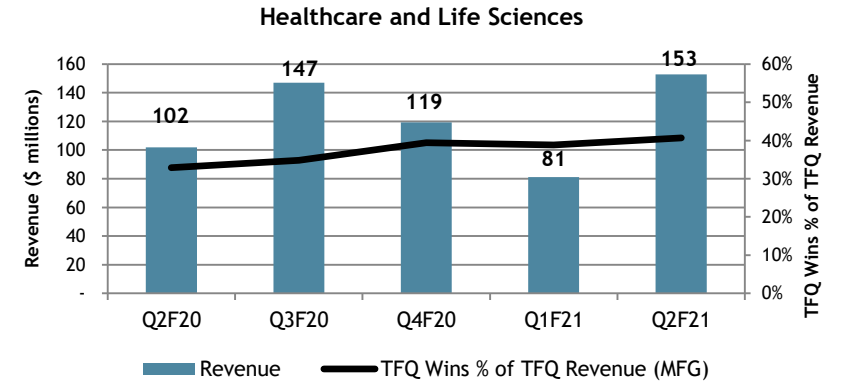
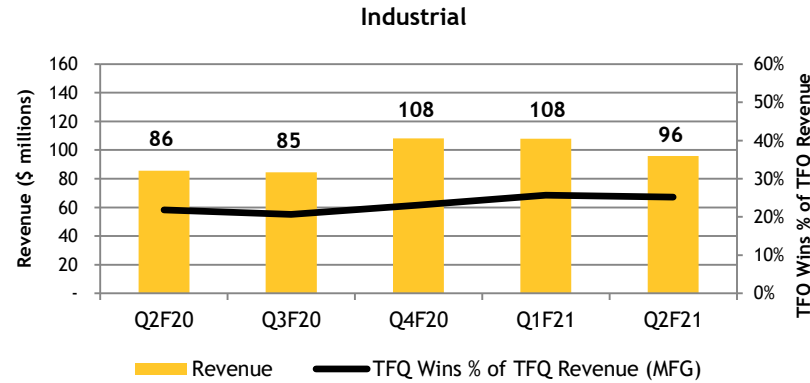
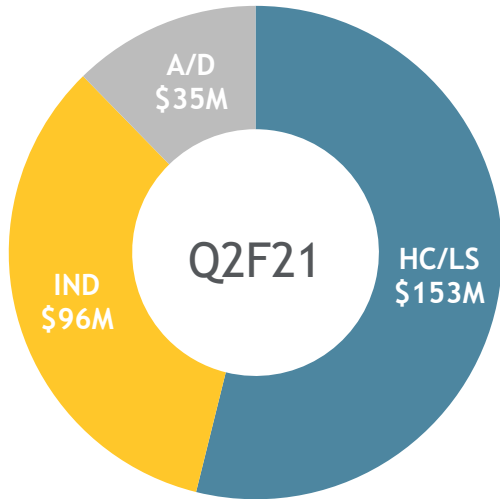
Strong APAC wins performance

HC/LS Centers of Excellence were rewarded with large wins

Trailing Four Quarters (TFQ) wins supports continued growth



# Manufacturing wins by sector



HC/LS achieved record quarterly wins with 2 new logos

IND expanded customer portfolio with 2 new logos

A/D added 2 new logos to Space subsector

# Fiscal second quarter wins highlights

## CLASS III DEFIBRILLATOR (HC/LS)

- Transfer from customer's internal manufacturing
- Production location: Penang, Malaysia

## SINGLE USE DEVICE (HC/LS)

- Breast biopsy for cancer detection
- Production location: Penang, Malaysia

## DIABETES MONITOR (HC/LS)

- Next generation device
- Production location: Guadalajara, Mexico

## WAREHOUSE AUTOMATION (IND)

- Automated picking system
- Production location: Appleton, Wisconsin

## CABLE ACCESS PRODUCT (IND)

- Distributed access architecture
- Production location: Guadalajara, Mexico

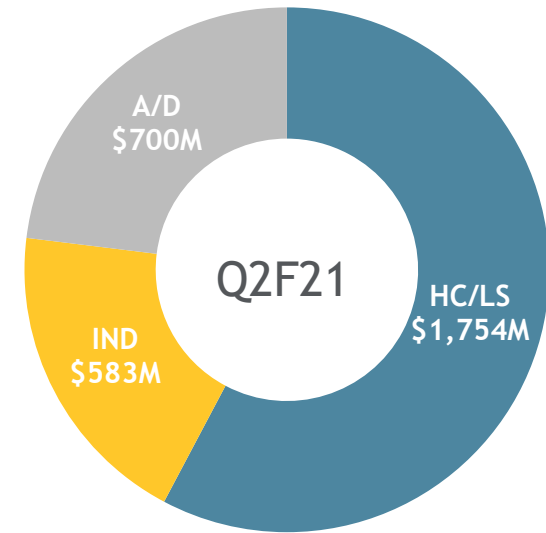
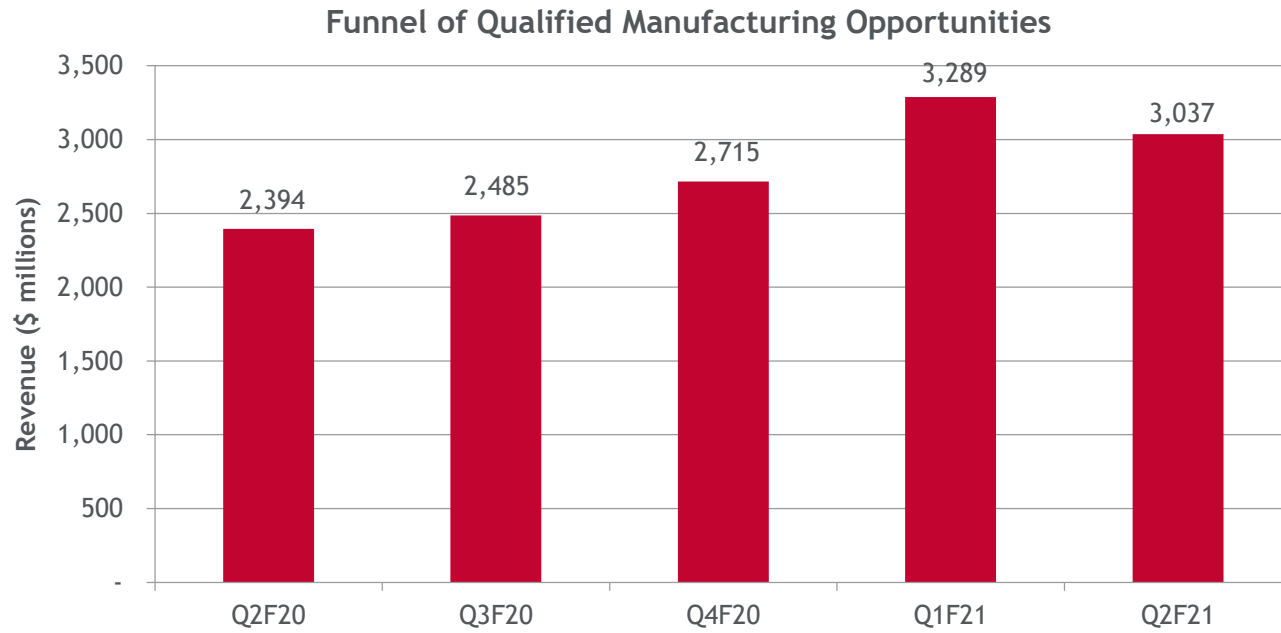
## LARGE DEFENSE PROGRAM (A/D)

- Advanced technology built in the United States
- Production location: Boise, Idaho

## SECURE COMMUNICATION DEVICE (A/D)

- New addition to a family of products
- Production location: Oradea, Romania

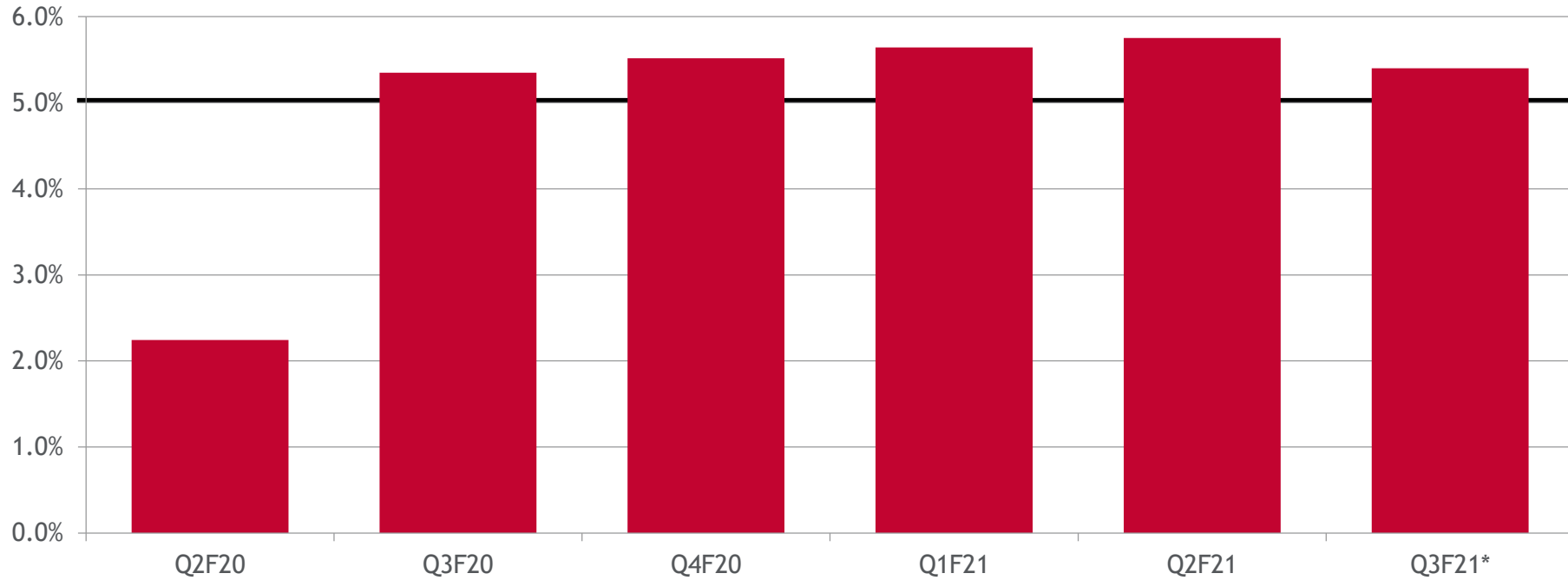
# Manufacturing funnel



*Healthy qualified manufacturing funnel in excess of \$3 billion*

# Operating performance

Q2F21 GAAP Operating Margin: 5.8%



*Sustained strong margin performance driven by operational improvements*

\*Represents midpoint of guidance

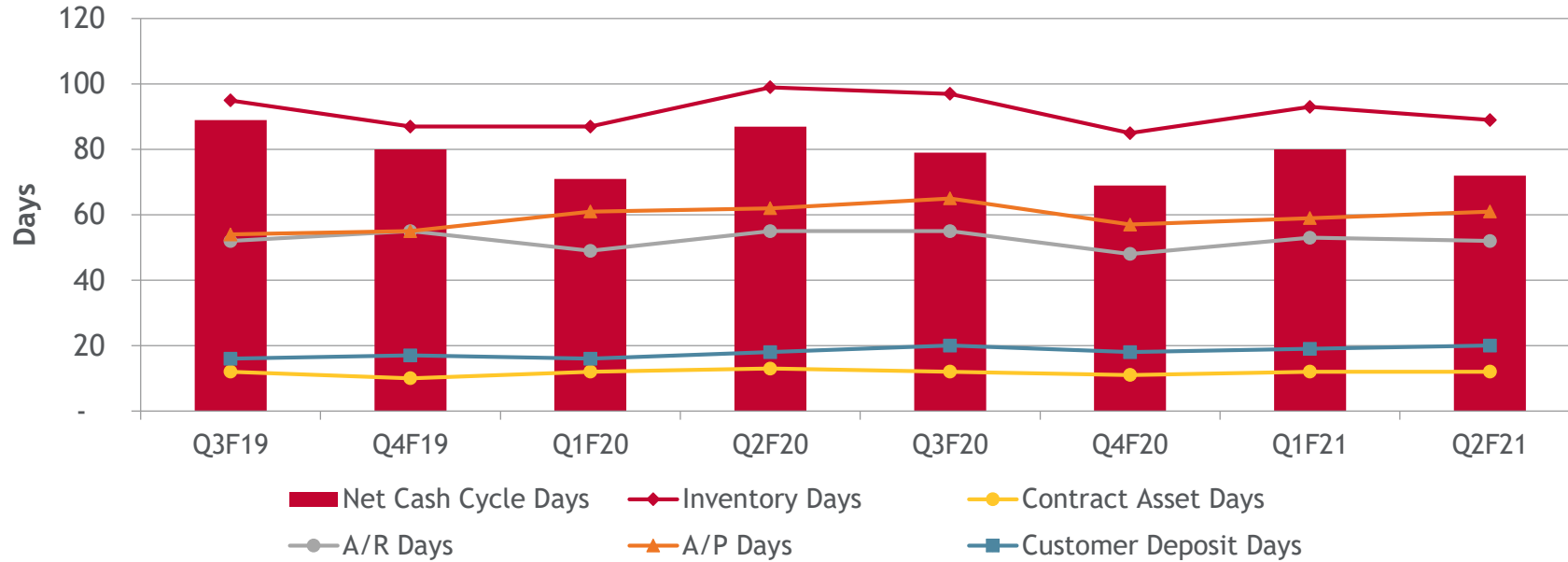
# Income statement

	Q2F21	Comments
Revenue	\$881 million	At the midpoint of guidance range
Gross margin	10.3%	Above guidance range of 9.5% to 10.0%
Selling & administrative expenses	\$38.3 million	Within guidance range of \$38.0 to \$39.0 million
GAAP operating margin	5.8%	Above our guidance range of 5.0% to 5.5%
Non-operating expenses	\$4.3 million	Below guidance range of \$4.6 to \$5.0 million
GAAP diluted EPS	\$1.42	Above guidance range of \$1.17 to \$1.32

# Cash flow and balance sheet

	Q2F21	Comments
Free cash flow	\$75 million	Cash from operations: \$82 million Capital expenditures: \$7 million
Share repurchases	\$29.2 million	Approx. 349,000 shares at an average price of \$83.39 per share
Cash balance	\$295 million	Sequentially lower by \$62 million
Total debt	\$239 million	Sequentially lower by \$98 million
Return on invested capital	17.3%	920 basis points above fiscal 2021 WACC of 8.1%
Cash cycle days	72 days	Below guidance range of 74 to 78 days

# Working capital trends



	Q3F19	Q4F19	Q1F20	Q2F20	Q3F20	Q4F20	Q1F21	Q2F21
Inventory Days	95	87	87	99	97	85	93	89
Contract Asset Days	12	10	12	13	12	11	12	12
A/R Days	52	55	49	55	55	48	53	52
A/P Days	54	55	61	62	65	57	59	61
Customer Deposit Days	16	17	16	18	20	18	19	20
Net Cash Cycle Days	89	80	71	87	79	69	80	72



# Fiscal third quarter 2021 guidance

	Guidance
Revenue	\$875 to \$915 million
GAAP diluted EPS	\$1.23 to \$1.38
Gross margin	9.5% to 10.0%
SG&A	\$39.0 to \$40.0 million
GAAP operating margin	5.1% to 5.6%
Depreciation and amortization	Approximately \$15 million
Non-operating expenses	\$3.8 to \$4.2 million
Effective tax rate	12% to 14%
Diluted weighted average shares outstanding	Approximately 29.2 million
Cash cycle days	77 to 81 days

Q&A  
Thank you.