

Fiscal second quarter 2018 financial results

April 26, 2018

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 30, 2017, 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 net income, adjusted earnings per share and adjusted operating margin, 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.

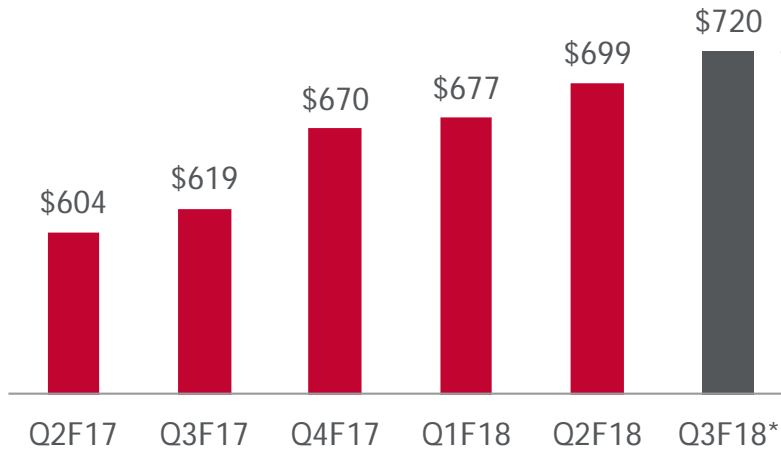
Fiscal second quarter results

	Q2F18 Mar 31, 2018	Q2F18 Guidance Jan 17, 2018	Q1F18 Dec 30, 2017
Revenue (\$ millions)	\$699	\$670 to \$710	\$677
GAAP Diluted EPS	\$0.36	\$0.68 to \$0.78	\$(2.93)
Non-GAAP Diluted EPS	\$0.74*		\$0.75
ROIC	15.6%		16.2%

- Record quarterly revenue, up 16% from Q2F17
- I/C, HC/LS and A/D sectors had strong results
- Announced revised capital allocation strategy in response to U.S. Tax Reform
- Announced construction of second Guadalajara facility
- Manufacturing wins of \$255M and record engineering wins

* Includes \$0.13 stock-based compensation expense and excludes \$0.38 due to one-time employee bonus.

Fiscal third quarter guidance



Q3F18 Guidance	
Revenue	\$700 to \$740 million
GAAP Diluted EPS	\$0.76 to \$0.86**

- Revenue guidance suggests further quarterly sequential growth
 - Expectations for strong sequential growth in HC/LS, A/D and COMM
 - Overall revenue expected to be up mid-teens from Q3F17
- Anticipate operating margin to return to target range
- Positioned for continued sequential revenue growth for the balance of F18 and into F19

* Represents mid-point of guidance

** Includes \$0.13 stock-based compensation expense and excludes additional impacts related to U.S. Tax Reform

Performance by sector

	Q2F18 Mar 31, 2018		Q1F18 Dec 30, 2017		Q2F18 vs. Q1F18	Q3F18 Expectations (percentage points)
	\$	%	\$	%		
Healthcare and Life Sciences	\$248	35%	\$237	35%	+ 5%	Up mid single
Industrial and Commercial	\$242	35%	\$207	30%	+ 17%	Down mid single
Communications	\$99	14%	\$133	20%	- 26%	Up low double
Aerospace and Defense	\$110	16%	\$100	15%	+ 10%	Up mid teens
Total Revenue	\$699	100%	\$677	100%	+ 3%	

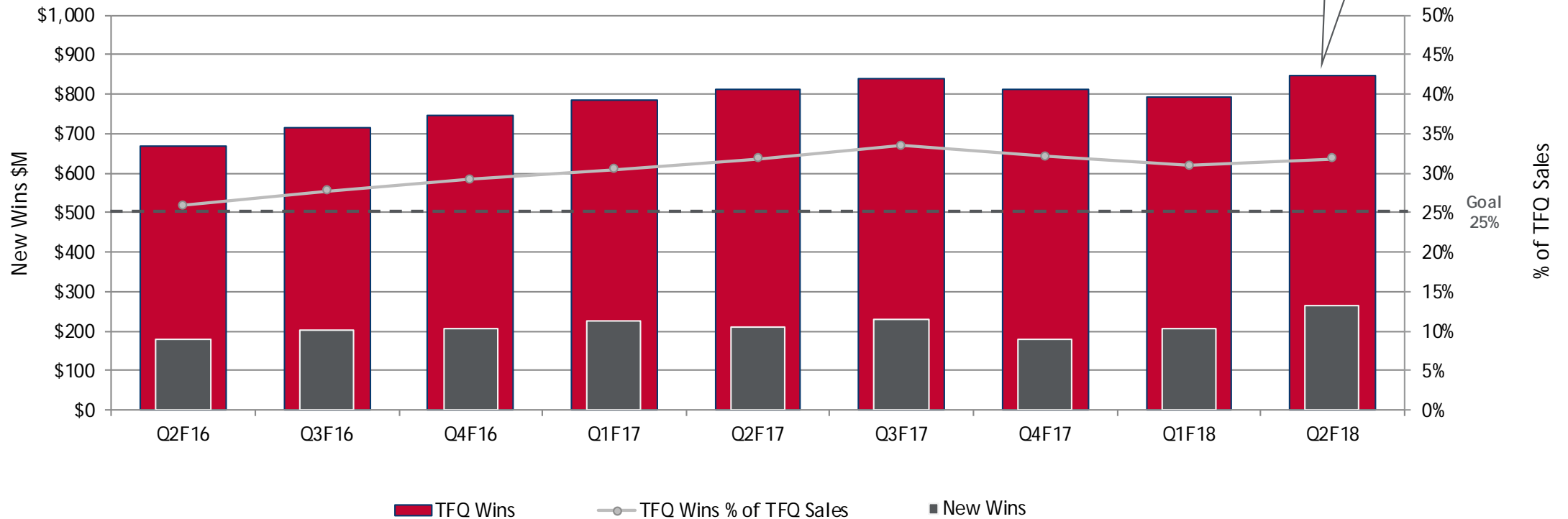
Revenue in millions

Manufacturing wins

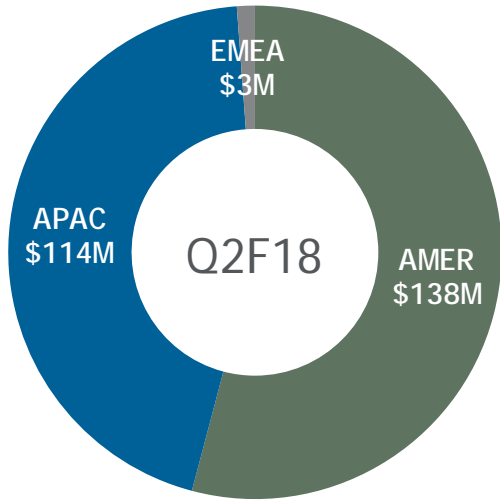
Q2F18 wins: \$255M
 New programs: 41

TFQ
 \$847M

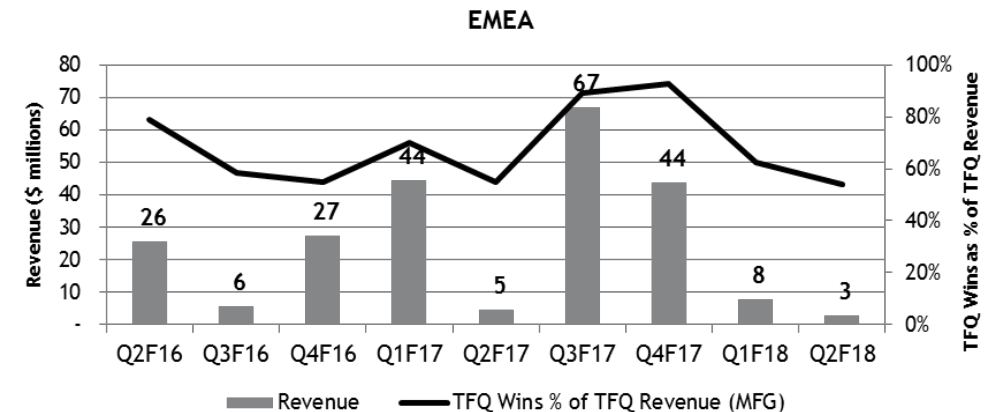
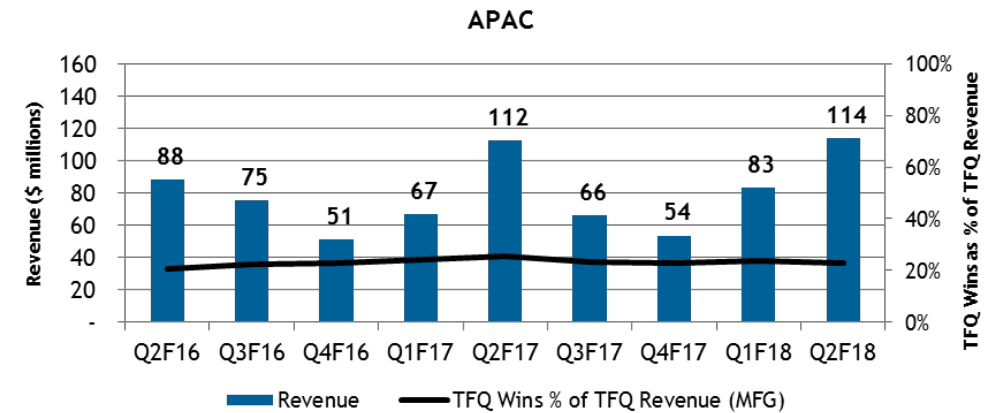
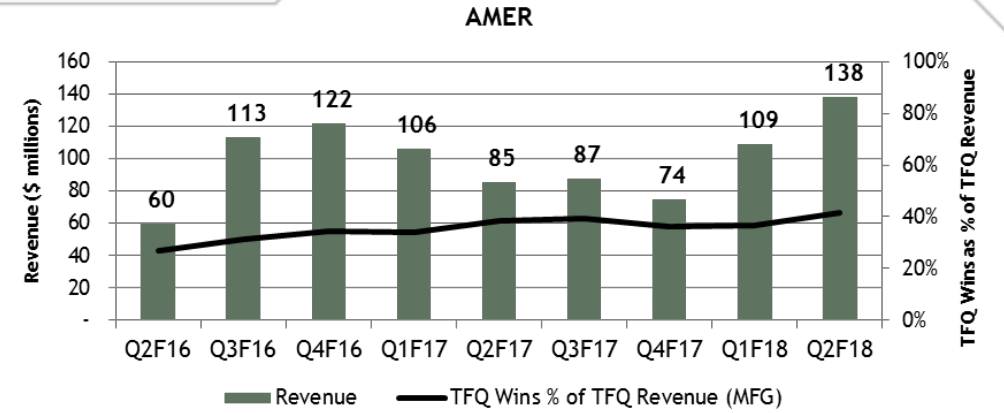
Trailing Four Quarters (TFQ) Manufacturing Wins



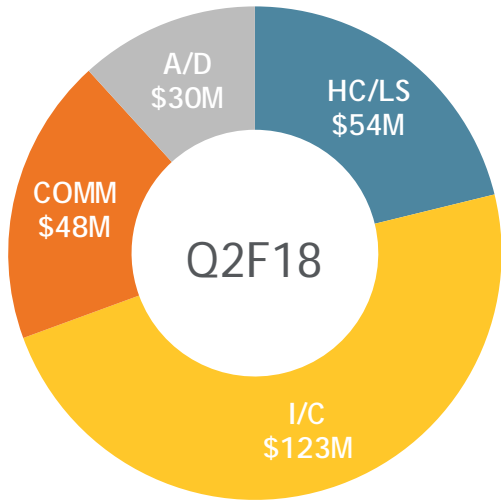
Manufacturing wins by region



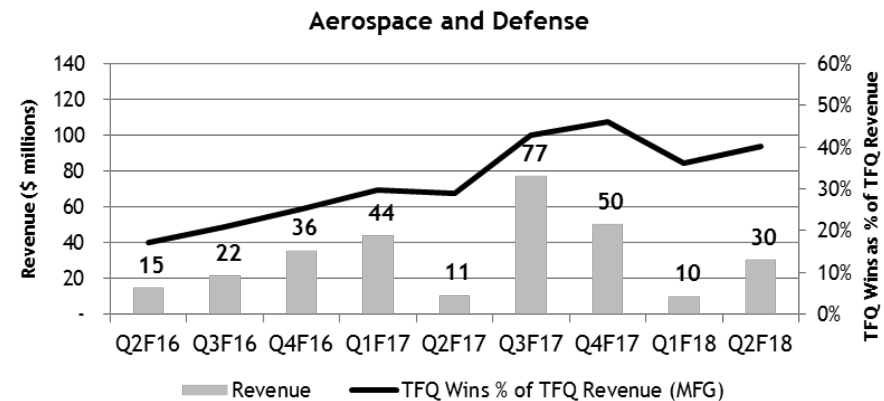
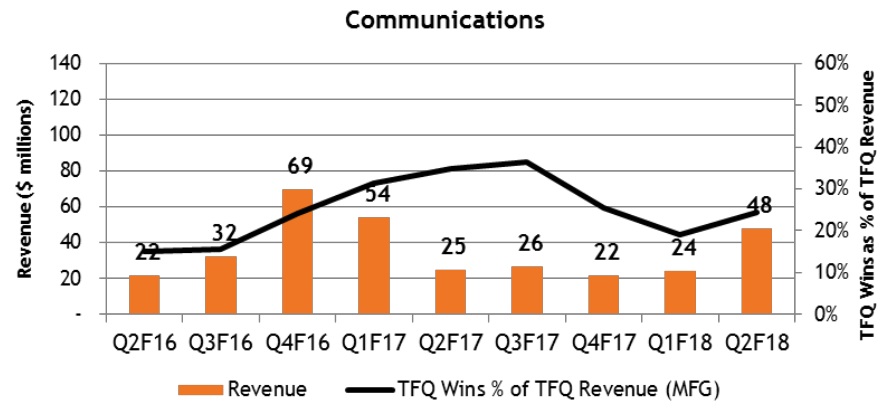
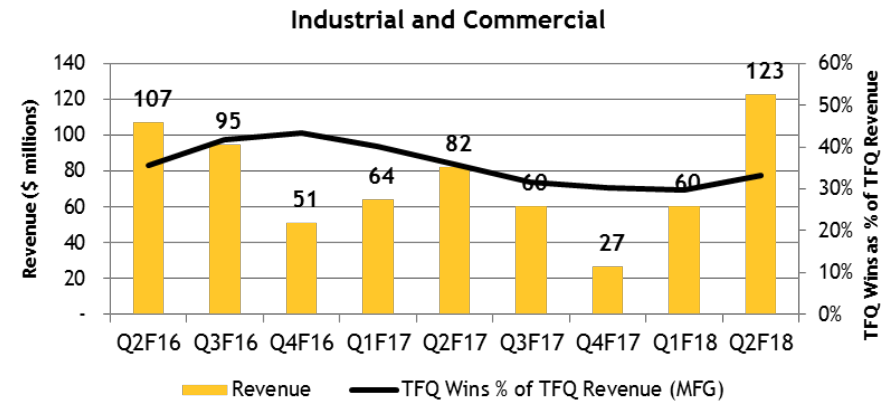
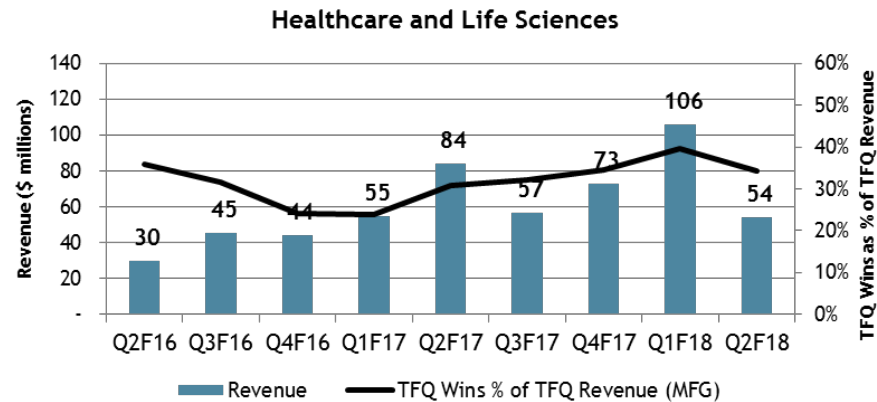
- Strong wins in AMER and APAC regions
- Key new customer additions
- Strong EMEA growth even with light wins



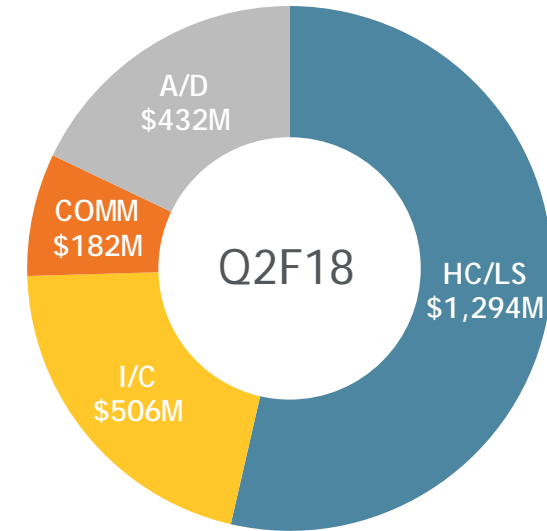
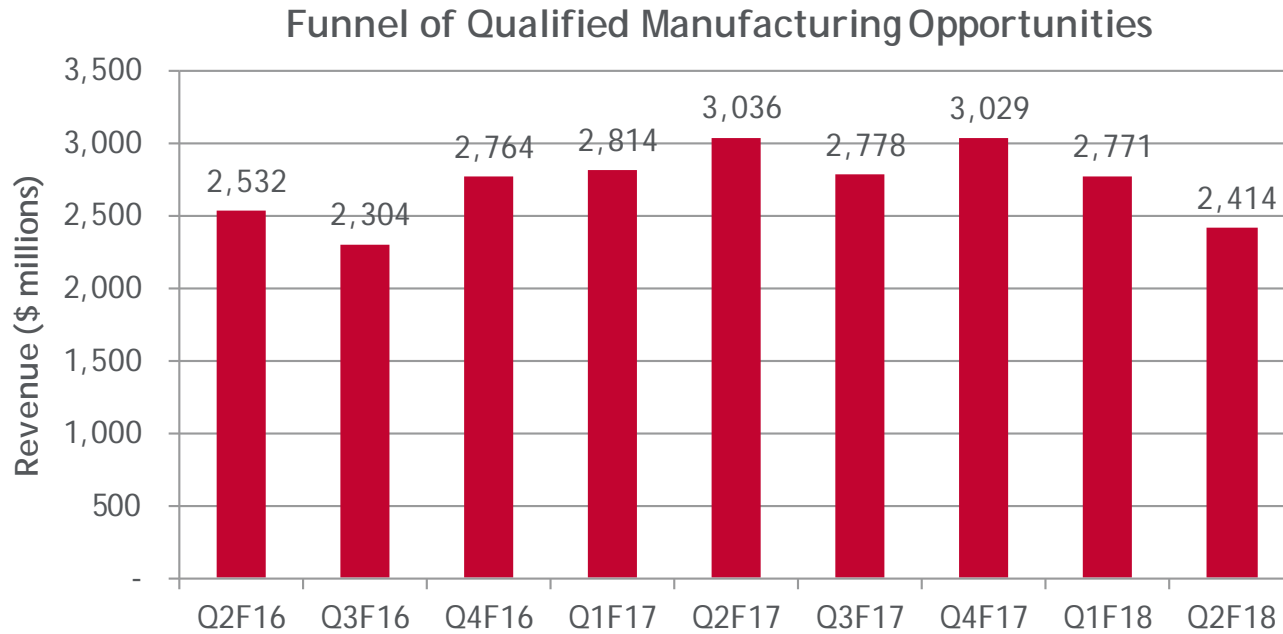
Manufacturing wins by sector



- Exceptional I/C wins
- Key new customer additions
- Expansion with existing customers



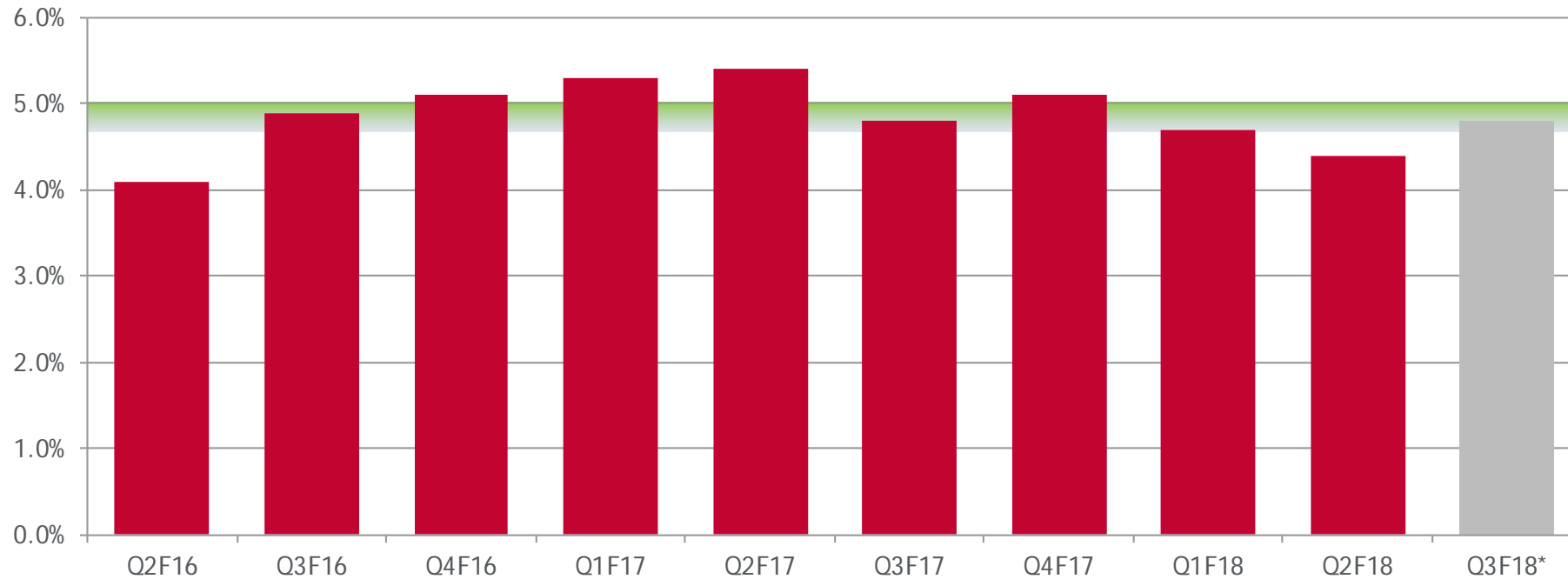
Manufacturing funnel



Robust pipeline in front of qualified manufacturing funnel

Operating performance

Operating Margin Target Range: 4.7% to 5.0%



Focused on exceptional operating results while growing revenue

*Represents midpoint of guidance

Second facility in Guadalajara, Mexico



- 472,000 sq. ft. leased facility
- Adjacent to existing facility
- Construction begins Q3F18
- Operational Q3F19

Expanding to meet future growth projections in the region

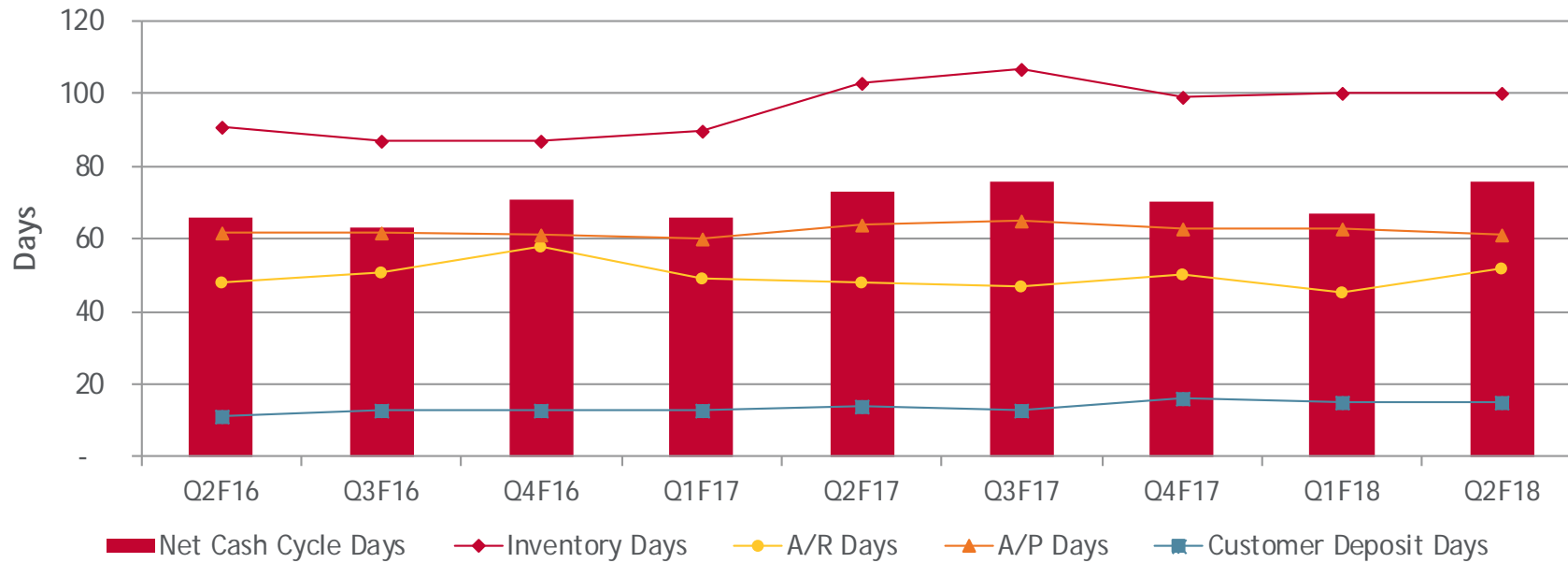
Income statement

	Q2F18	Comments
Revenue	\$699 million	Above midpoint of guidance range of \$670 to \$710 million due to strength in the Industrial/Commercial sector
Gross margin	7.6%	Gross profit includes \$12.6 million of expense or 180 basis points of margin related to the one-time employee bonus
Adjusted gross margin excluding one-time bonus	9.4%	Midpoint of guidance range of 9.2% to 9.6%
Selling & administrative expenses	\$35.6 million	Includes \$0.9 million expense related to the one-time employee bonus
Operating margin	2.5%	Includes \$13.5 million expense related to the one-time employee bonus
Adjusted operating margin excluding one-time bonus	4.4%	Within guidance range of 4.3% to 4.7%
GAAP diluted EPS	\$0.36	Includes \$13.2 million expense related to one-time employee bonus
Non-GAAP diluted EPS	\$0.74	Within guidance range of \$0.68 to \$0.78

Balance sheet and cash flows

	Q2F18	Comments
Return on invested capital excluding one-time bonus	15.6%	610 basis points above fiscal 2018 WACC of 9.5%
Share repurchases	\$31.6 million	~513,000 at an average price of \$61.63 per share
Free cash flow	(\$78.7) million	Cash from operations: (\$66.3) million Capital expenditures: \$12.4 million
Cash balance	\$403 million	~80% offshore
Cash cycle days	76 days	Two days above guidance range of 70 to 74 days driven by higher accounts receivable and inventory days

Working capital trends



	Q2F16	Q3F16	Q4F16	Q1F17	Q2F17	Q3F17	Q4F17	Q1F18	Q2F18
Inventory Days	91	87	87	90	103	107	99	100	100
A/R Days	48	51	58	49	48	47	50	45	52
A/P Days	62	62	61	60	64	65	63	63	61
Customer Deposit Days	11	13	13	13	14	13	16	15	15
Net Cash Cycle Days	66	63	71	66	73	76	70	67	76

Fiscal third quarter 2018 guidance

	Guidance
Revenue	\$700 to \$740 million
GAAP diluted EPS	\$0.76 to \$0.86
Gross margin	9.5% to 9.9%
SG&A	\$34.5 to \$35.5 million
Operating margin	4.6% to 5.0%
Depreciation	~\$12 million
Other expense	\$3.0 to \$3.3 million
Non-GAAP tax rate - Q3	11% to 13%
Non-GAAP tax rate - F18	10% to 12%
Diluted weighted average shares outstanding	~34 million
Cash cycle days	71 to 75 days
Capital expenditures - F18	\$80 to \$90 million

Q&A

Analysts please conform to
one question and one follow up.
Thank you.