

Fiscal first quarter 2021 financial results

January 21, 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.

Organizational changes



Shawn Harrison

VP - Communications & Investor Relations



Heather Beresford

VP - Aftermarket Services

Fiscal first quarter results

	Q1F21 Results	Q1F21 Guidance	Q4F20 Results
Revenue (\$ millions)	\$830	\$810 to \$850	\$913
GAAP Diluted EPS	\$1.23 ⁽¹⁾	\$1.02 to \$1.17 ⁽²⁾	\$1.26 ⁽³⁾

- GAAP operating margin of 5.6%, including 64 bps of stock-based compensation expense
- IND and HC/LS exceeded expectations
- GAAP diluted EPS of \$1.23 exceeded guidance range

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

(2) Includes \$0.19 stock-based compensation expense

(3) Includes \$0.23 stock-based compensation expense

Fiscal first quarter highlights

EXCEPTIONAL WINS PERFORMANCE

- Leader in highly complex products and demanding regulatory environments
- Manufacturing wins of \$223M
- Six new logos added
- TFQ wins exceed \$1B, all-time high

FUNNEL EXPANDED TO \$3.3B

- Increased funnel by nearly \$600M
- Result represents a record funnel
- Engineering funnel hits two year high
- Wins and funnel support 9-12% revenue CAGR

ENGINEERING SOLUTIONS STRENGTHENED

- Revolutionary product development and launches
- Strong contributor to profitability and MFG growth

MANUFACTURING PERFORMING WELL

- Aspirational goal of Zero Defects and Perfect Delivery
- Delivered productivity gains and cost management

AFTERMARKET SERVICES DELIVERS

- Strong quarterly revenue and operating income
- Critical for product sustainability

Fiscal 2021 second quarter guidance

REVENUE GUIDE

- Recent, near-term strengthening in medical equipment and Industrial
- 17 of top 20 HC/LS customers increased forecast
- 14 of top 20 IND customers increased forecast

EPS GUIDE

- Leveraging recent productivity gains
- GAAP operating margin of 5.0% to 5.5%, including 73 bps of stock comp.

FISCAL 2021 OUTLOOK

- Potential to capture upside demand as it arises
- Currently expect back half of F21 quarterly revenue to be flat with Q2
- Strong operating performance throughout
- Robust EPS growth

	Q2F21 Guidance
Revenue	\$860 to \$900 million
GAAP Diluted EPS	\$1.17 to \$1.32*

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

Performance by sector

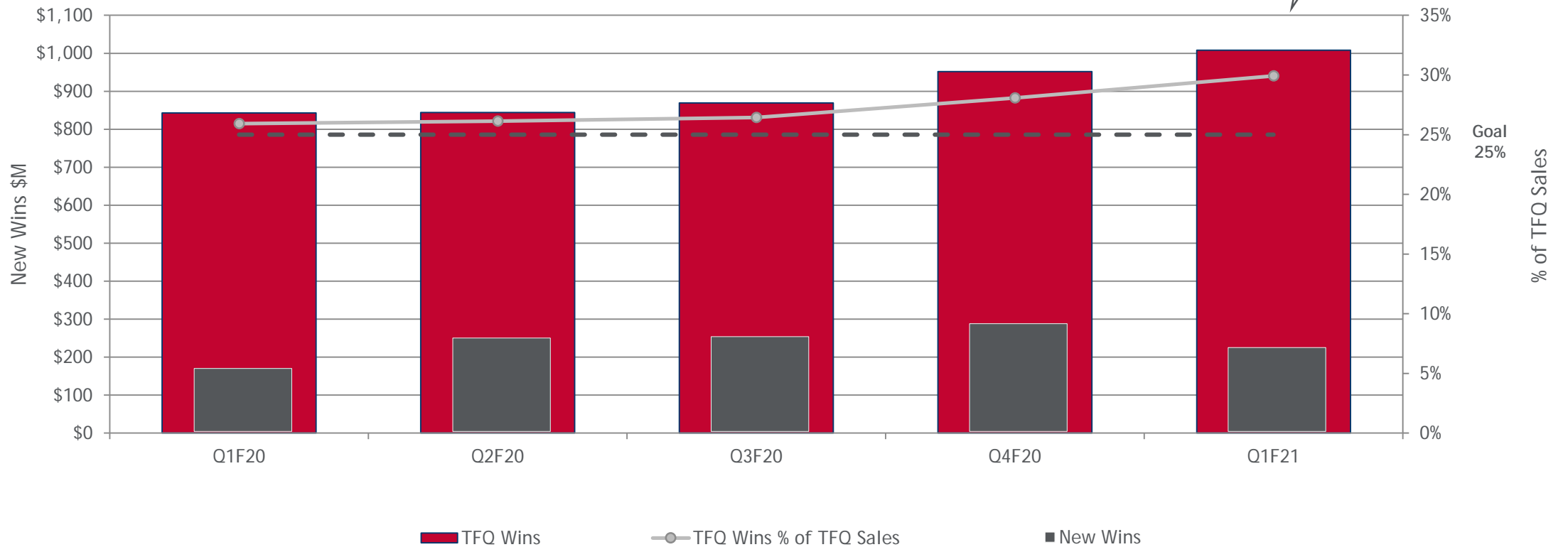
	Q1F21 Jan 2, 2021		Q4F20 Oct 3, 2020		Q1F21 vs. Q4F20	Q2F21 Expectations (percentage points)
Industrial	\$378	46%	\$427	46%	- 12%	Up mid single
Healthcare and Life Sciences	\$319	38%	\$345	38%	- 7%	Up high single
Aerospace and Defense	\$133	16%	\$141	16%	- 6%	Up low single
Total Revenue	\$830	100%	\$913	100%	- 9%	

Manufacturing wins

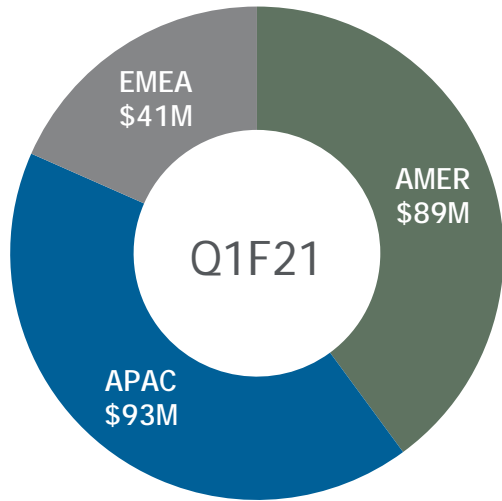
Q1F21 wins: \$223M
 New programs: 35

Trailing Four Quarters (TFQ) Manufacturing Wins

TFQ
 \$1.01B



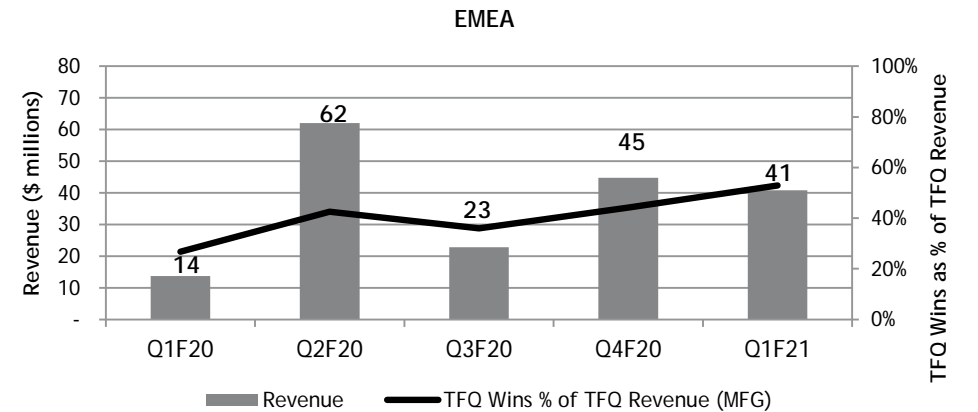
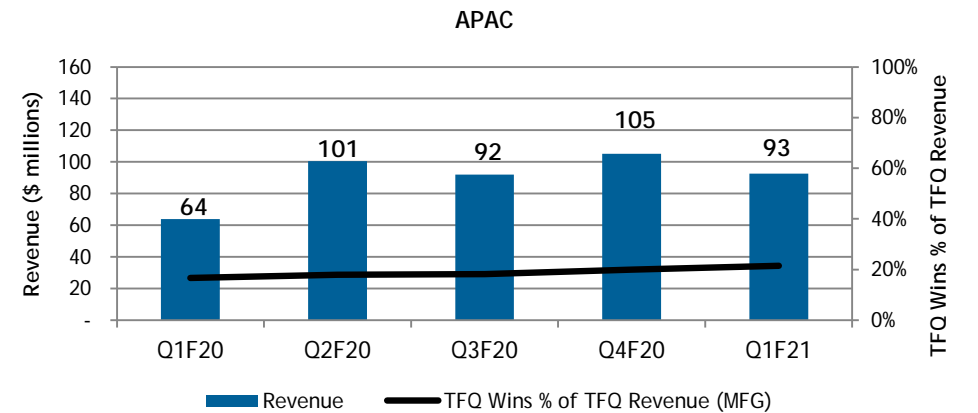
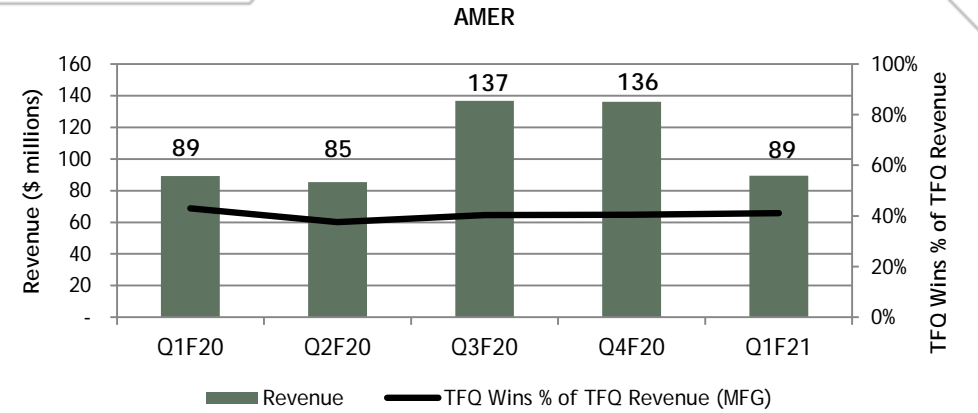
Manufacturing wins by region



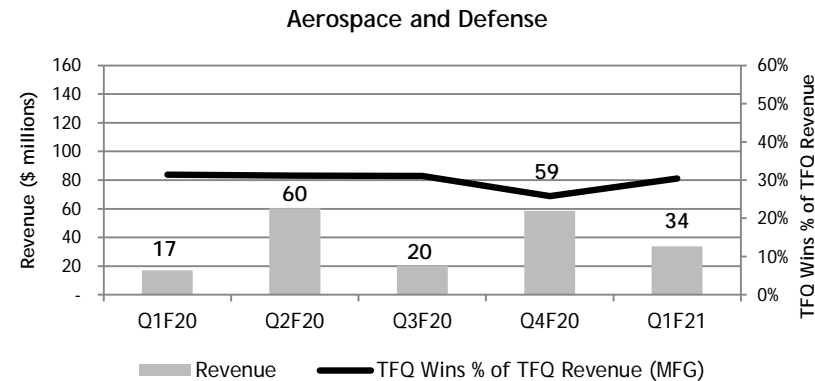
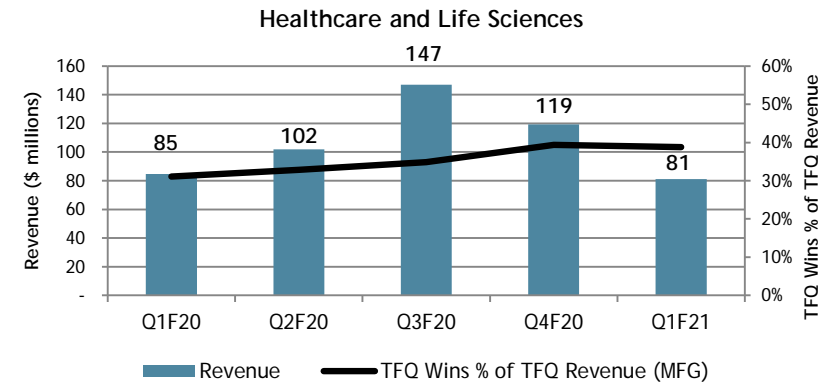
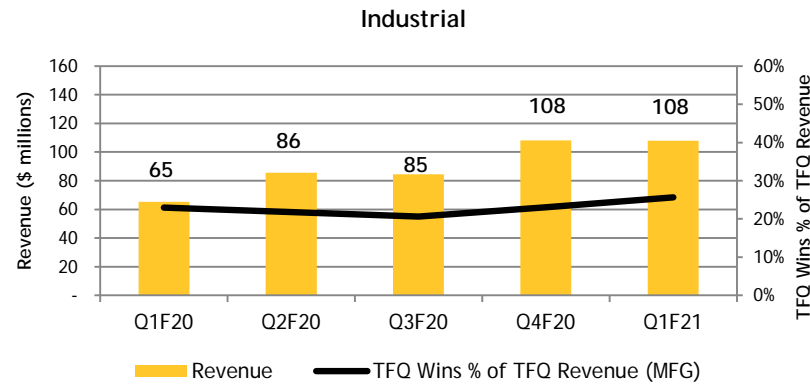
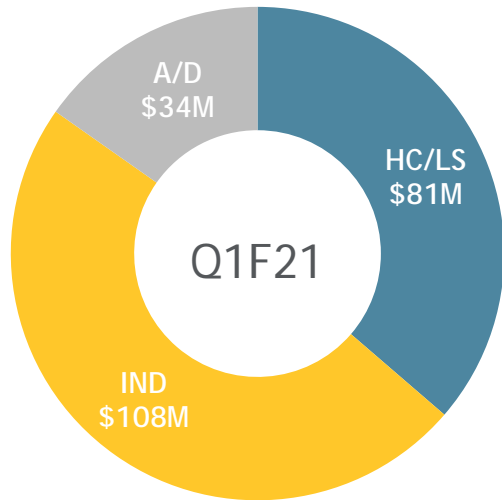
Wins balanced across all three regions

Healthy trailing four quarters (TFQ) metrics in all regions

Wins support long-term regional growth strategy



Manufacturing wins by sector



Wins balanced across all sectors

Healthy mix of wins from existing and new customers

Fiscal first quarter wins highlights

CLASS III CARDIAC CARE DEVICE (HC/LS)

- Product developed by Plexus Engineering Solutions
- Production location: Penang, Malaysia

ANESTHESIA DEVICE (HC/LS)

- Market share gain with existing customer
- Production locations: Guadalajara, Mexico and Penang, Malaysia

ALLERGY DETECTION AND MANAGEMENT (HC/LS)

- New customer engagement
- Production location: Guadalajara, Mexico

ADVANCED MANUFACTURING INSTRUMENTATION (IND)

- New IND customer in APAC
- Production location: Xiamen, China

AIR PURIFICATION PRODUCT (IND)

- New IND customer in EMEA
- Production location: Kelso, Scotland

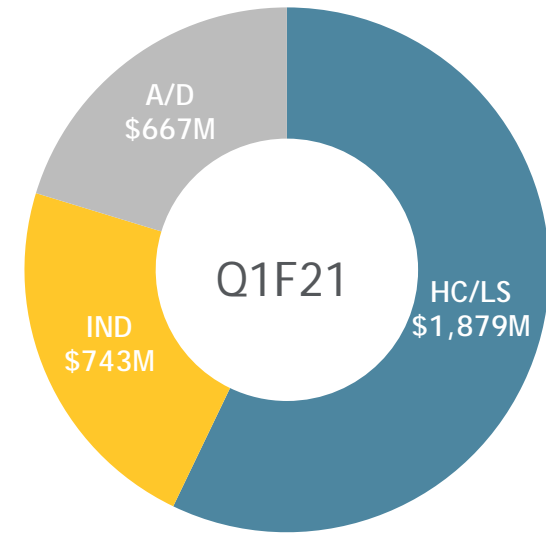
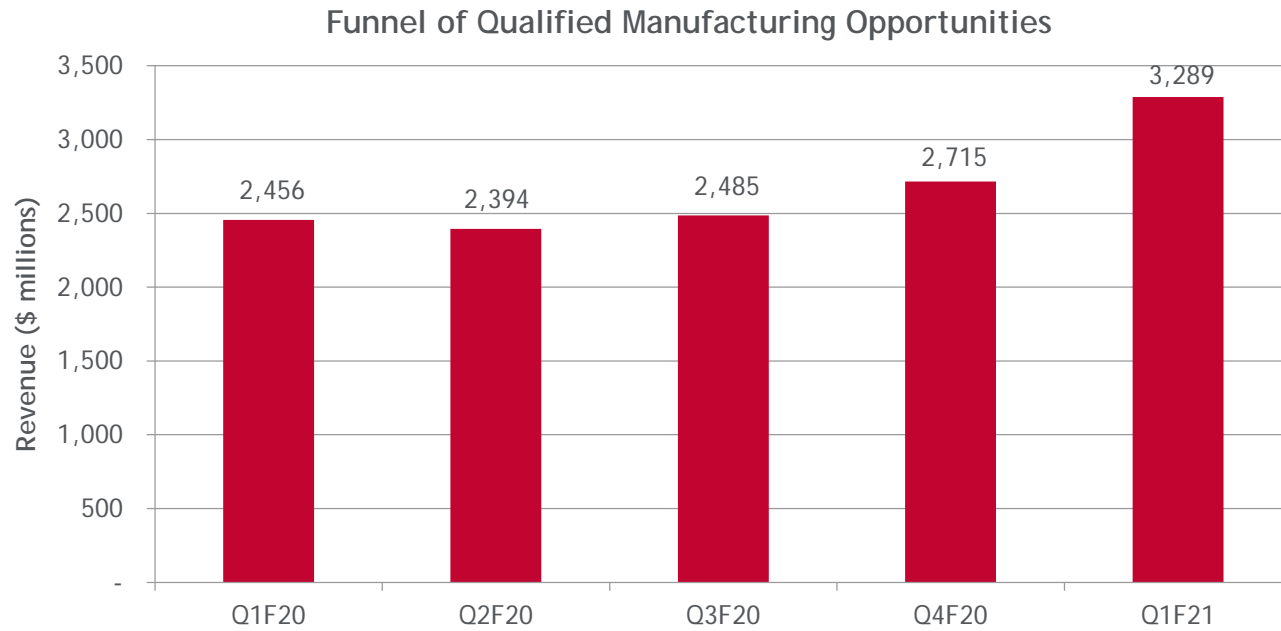
TWO DRONE PROGRAMS (A/D)

- Expansion with existing customer
- Production in Penang, Malaysia

AFTERMARKET SERVICES (AMS)

- HC/LS customer strategic outsourcing
- Initial two opportunities in AMER & EMEA

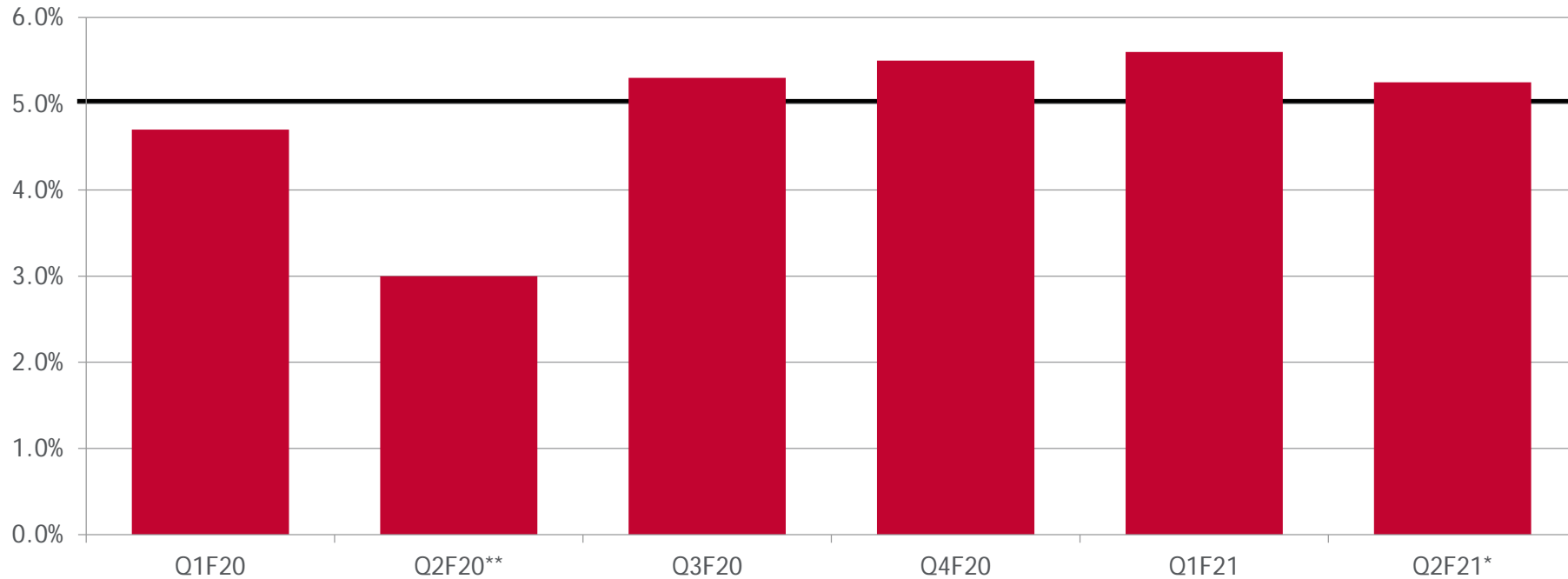
Manufacturing funnel



Qualified manufacturing funnel expands by nearly \$600M

Operating performance

Q1F21 GAAP Operating Margin: 5.6%



Strong operating margin performance expected to continue into Q2F21

*Represents midpoint of guidance
 **Represents Adjusted Operating Margin

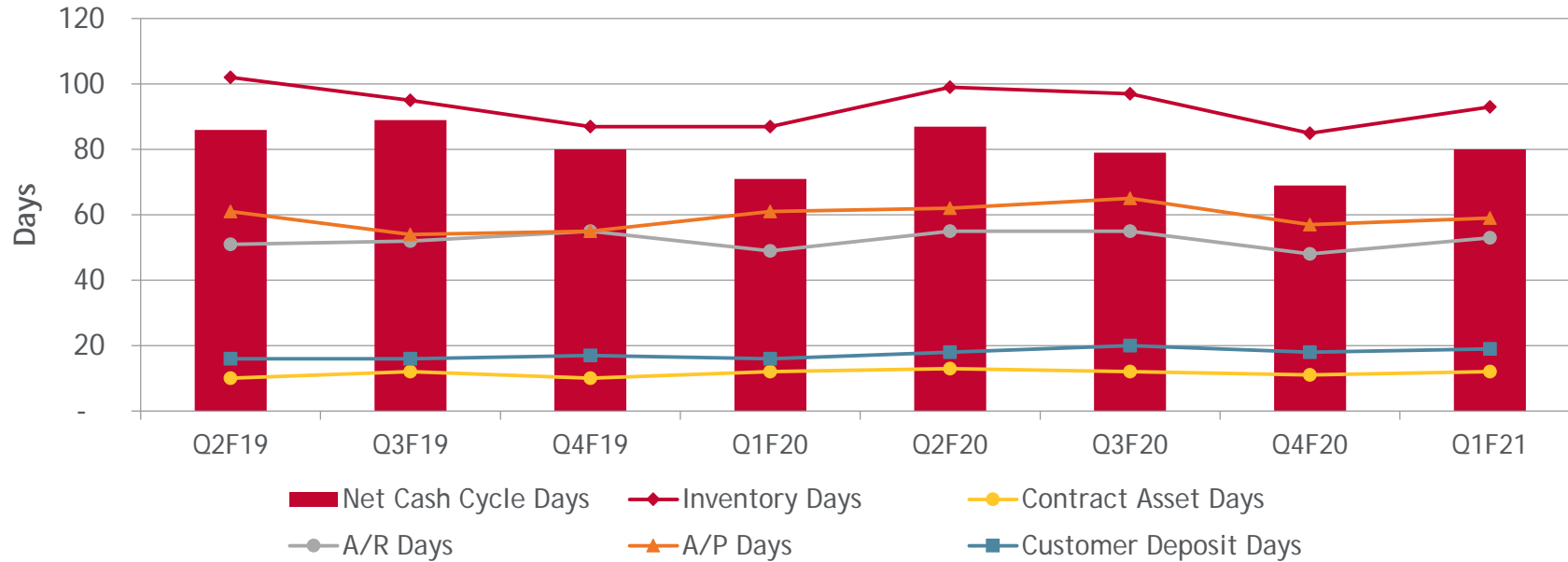
Income statement

	Q1F21	Comments
Revenue	\$830 million	At midpoint of guidance range
Gross margin	9.5%	At high end of guidance range of 9.1% to 9.5%
Selling & administrative expenses	\$32.4 million	Favorable to guidance range of \$34.0 to \$35.0 million
GAAP operating margin	5.6%	Sequentially higher by 10 basis points and above our target range
Non-operating expenses	\$5.2 million	Above guidance range of \$4.5 to \$4.9 million
GAAP diluted EPS	\$1.23	Above guidance range of \$1.02 to \$1.17

Cash flow and balance sheet

	Q1F21	Comments
Free cash flow	(\$9) million	Cash from operations: \$7 million Capital expenditures: \$16 million
Share repurchases	\$22.8 million	Approx. 307,000 shares at an average price of \$74.16 per share
Cash balance	\$357 million	Sequentially lower by \$31 million
Total debt	\$337 million	Gross debt to EBITDA ratio of 1.4X
Return on invested capital	16.3%	820 basis points above fiscal 2021 WACC of 8.1%
Cash cycle days	80 days	At low end of guidance range of 80 to 84 days

Working capital trends



	Q2F19	Q3F19	Q4F19	Q1F20	Q2F20	Q3F20	Q4F20	Q1F21
Inventory Days	102	95	87	87	99	97	85	93
Contract Asset Days	10	12	10	12	13	12	11	12
A/R Days	51	52	55	49	55	55	48	53
A/P Days	61	54	55	61	62	65	57	59
Customer Deposit Days	16	16	17	16	18	20	18	19
Net Cash Cycle Days	86	89	80	71	87	79	69	80

Fiscal second quarter 2021 guidance

	Guidance
Revenue	\$860 to \$900 million
GAAP diluted EPS	\$1.17 to \$1.32
Gross margin	9.5% to 10.0%
SG&A	\$38.0 to \$39.0 million
GAAP operating margin	5.0% to 5.5%
Depreciation and amortization	Approximately \$15 million
Non-operating expenses	\$4.6 to \$5.0 million
Effective tax rate	12% to 14%
Diluted weighted average shares outstanding	Approximately 29.5 million
Cash cycle days	74 to 78 days

Q&A
Thank you.