

Fiscal fourth quarter 2018 financial results

October 25, 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 fourth quarter results

	Q4F18 Sep 29, 2018	Q4F18 Guidance Jul 18, 2018	Q3F18 Jun 30, 2018
Revenue (\$ millions)	\$771	\$735 to \$775	\$726
GAAP Diluted EPS	\$2.20	\$0.82 to \$0.92	\$0.79
Non-GAAP Diluted EPS	\$0.96		\$0.79
ROIC	16.1%		15.9%

- Record quarterly revenue, up 15% from Q4F17 and 6% from Q3F18
- HC/LS, I/C and A/D sectors produced strong results
- Operating margin of 4.8%, within our target range of 4.7% to 5.0%
- Non-GAAP EPS result exceeded guidance range

F18: strong growth and economic return

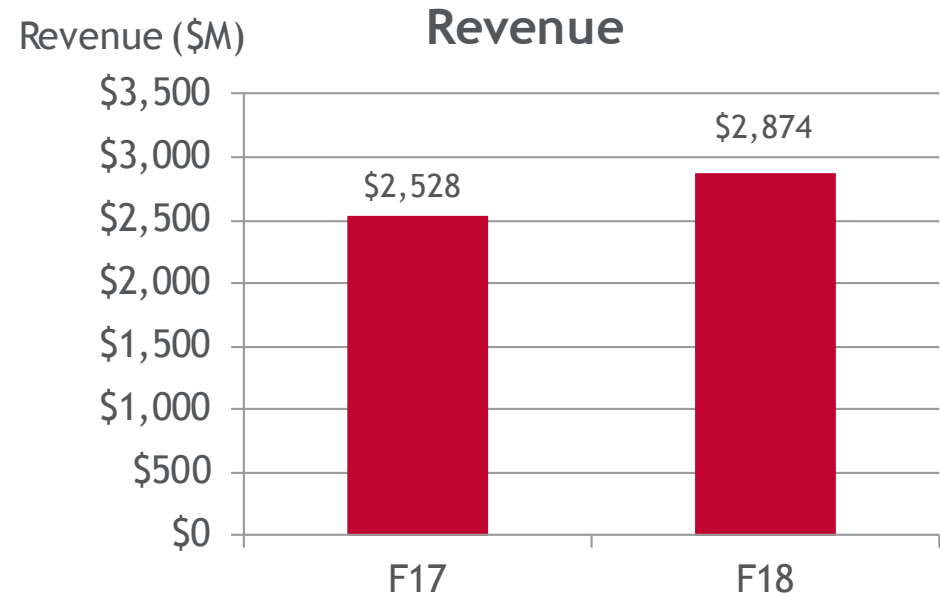
GROWTH

- Engineering Solutions grew >20%
- HC/LS revenue exceeded \$1B
- Growth in all regions; EMEA up 46%
- New facilities added to support further growth

ECONOMIC RETURN

- ROIC of 16.1%
- Economic return of 660bps
- Second consecutive year above 500bps goal

	Revenue Growth	Economic Return
Enduring Goal	12%	500 bps
F18	14%	660 bps



Fiscal 2018 highlights

ROBUST WINS PERFORMANCE

- Q4F18 manufacturing wins of \$233M
- F18 manufacturing wins of \$889M
- Record engineering wins

RECORD NET PROMOTER SURVEY SCORE OF 84%

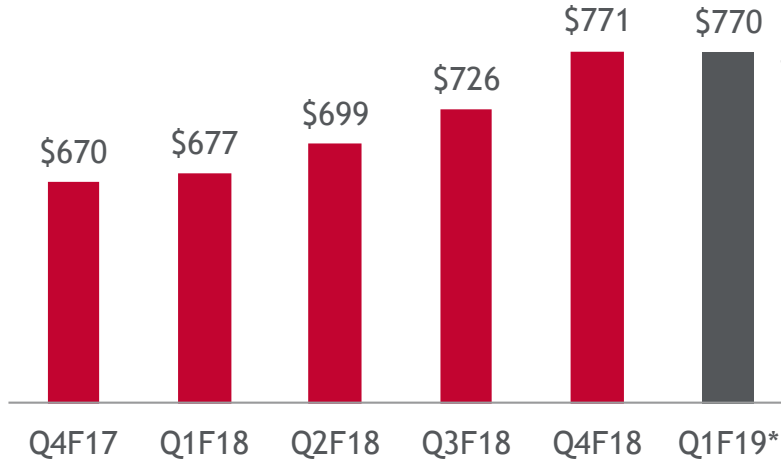
- Focus on mid/low volume, high complexity
- Passion for delivering Customer Service Excellence

LAUNCHED REVISED CAPITAL ALLOCATION STRATEGY

- Repatriated over \$430M from APAC region
- Invested in new facilities and working capital
- Reduced debt and interest expense
- Funded one-time, non-executive employee bonus
- Repurchased \$137M of PLXS shares



Fiscal first quarter guidance



Q1F19 Guidance	
Revenue	\$750 to \$790 million
GAAP Diluted EPS	\$0.85 to \$0.95**

- Guidance suggests low-to-mid teens growth from Q1F18
 - Expectations for strong sequential growth in HC/LS
 - Softening demand within semiconductor capital equipment
- Further sequential growth expected in Q2F19
- Anticipate Q1F19 operating margin similar to the strong Q4F18 results
- Expect increased tax expense of \$0.05 per share as compared to Q4F18

* Represents mid-point of guidance
 ** Includes \$0.15 stock-based compensation expense



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

F19 - A look forward

EXPECT STRONG GROWTH IN FISCAL 2019

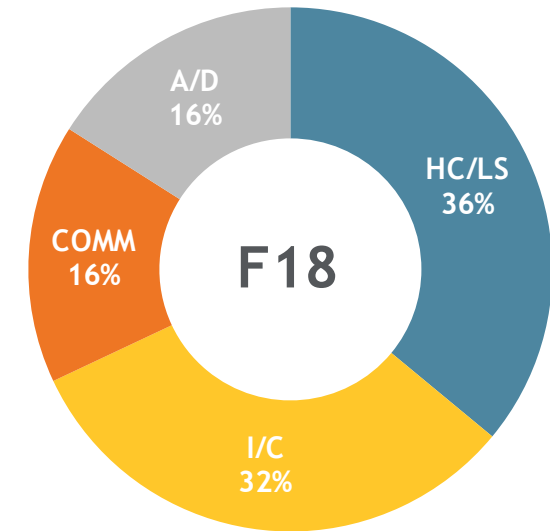
- Differentiated portfolio aligned with non-commoditized markets
- Strong fiscal 2018 wins performance
- Success mitigating supply chain constraints
- Exceptional execution to grow share with our customers

FOCUSED ON DELIVERING STRONG OPERATING PERFORMANCE

- Expect to achieve target operating margin range of 4.7% to 5.0%
- Operating and fixed cost benefit of ~30 bps vs. fiscal 2018

FURTHER EPS LEVERAGE RESULTING FROM SHARE REPURCHASE PROGRAM

Differentiated Portfolio



Ten year CAGR of 9%, excluding Networking

Performance by sector

	Q4F18 Sep 29, 2018		Q3F18 Jun 30, 2018		Q4F18 vs. Q3F18	Q1F19 Expectations (percentage points)
Healthcare and Life Sciences	\$289	37%	\$266	37%	+ 9%	Up mid single
Industrial and Commercial	\$244	32%	\$225	31%	+ 8%	Down mid single
Communications	\$118	15%	\$120	16%	- 1%	Flat
Aerospace and Defense	\$120	16%	\$115	16%	+ 5%	Down low single
Total Revenue	\$771	100%	\$726	100%	+ 6%	

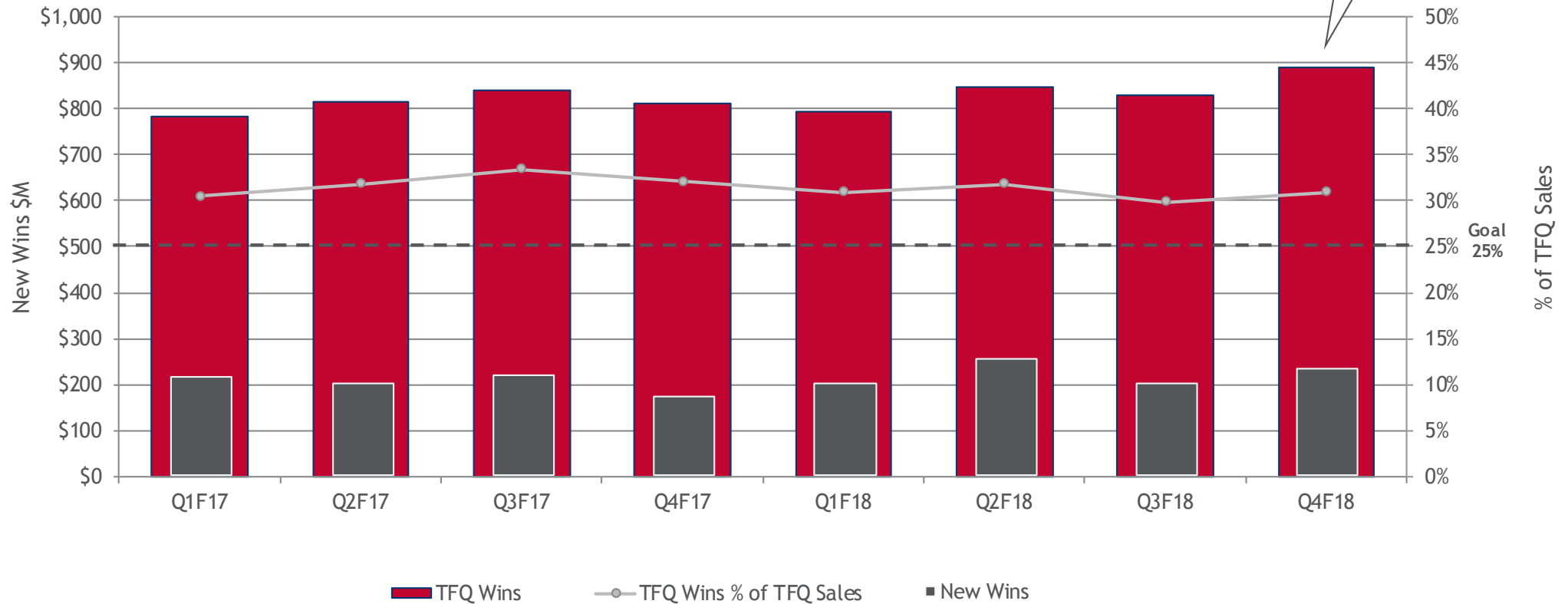
Revenue in millions

Manufacturing wins

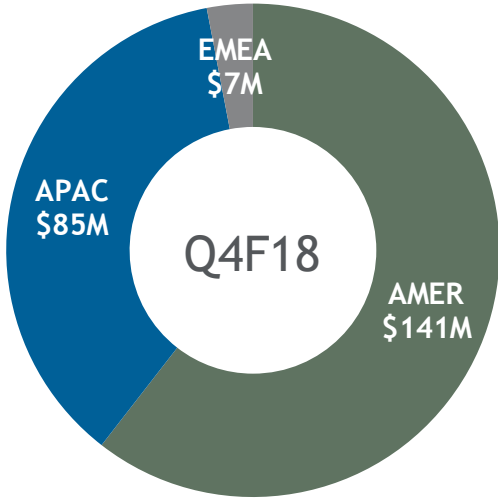
Q4F18 wins: \$233M
 New programs: 44

Trailing Four Quarters (TFQ) Manufacturing Wins

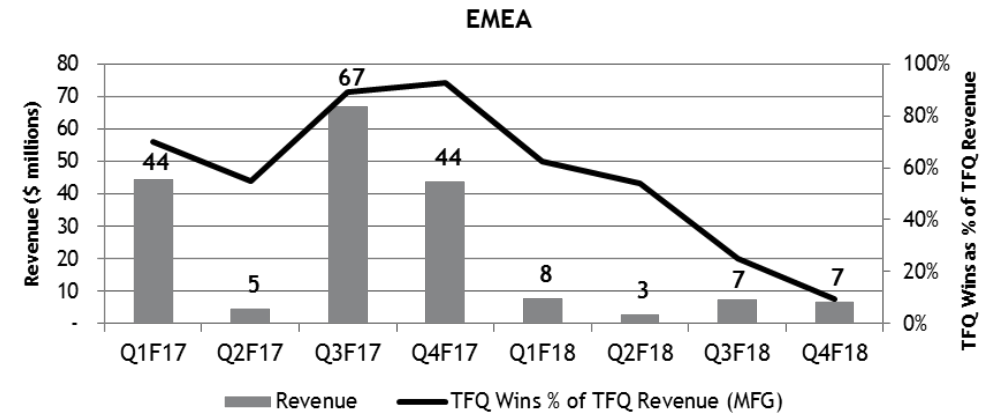
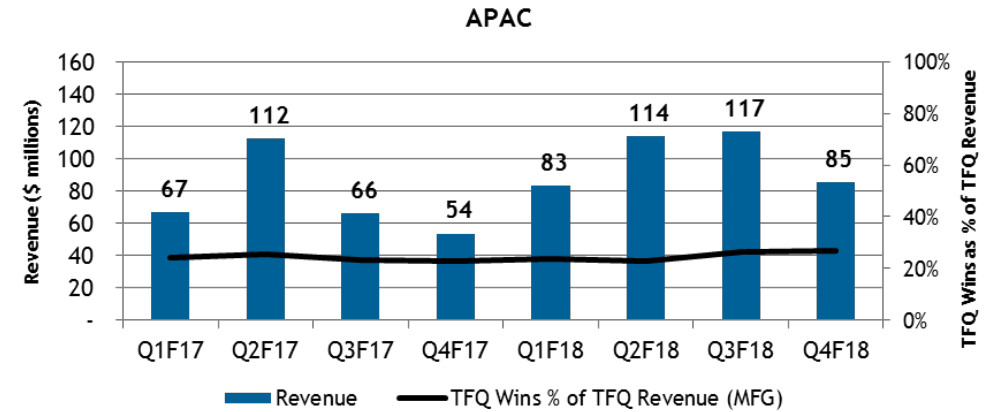
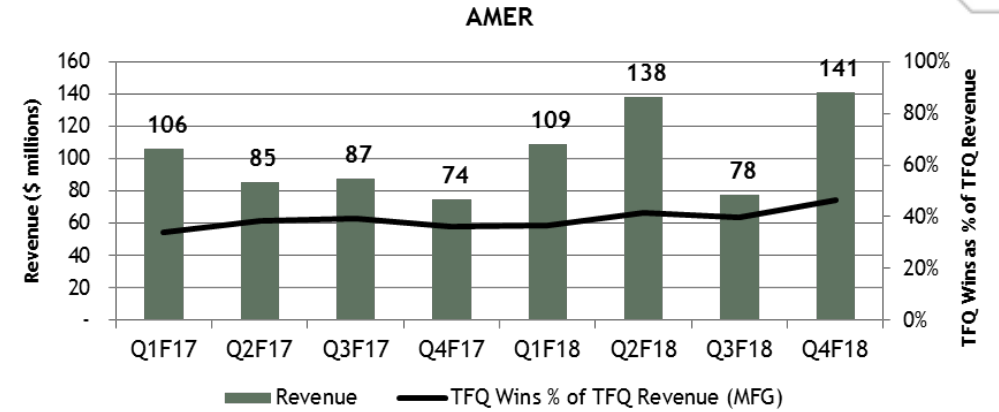
TFQ
 \$889M



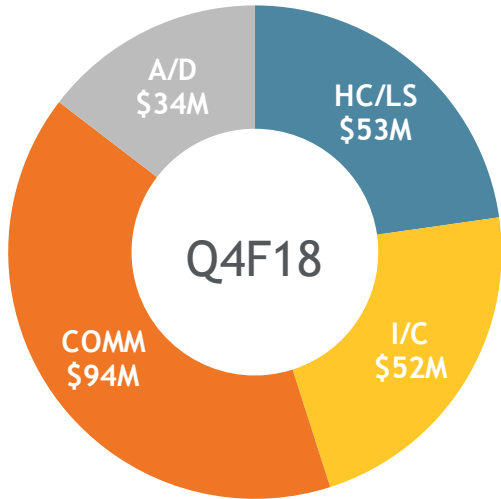
Manufacturing wins by region



- AMER wins include mechatronics and micro-electronics programs
- APAC wins include customer for new HC/LS facility
- EMEA adds new customer

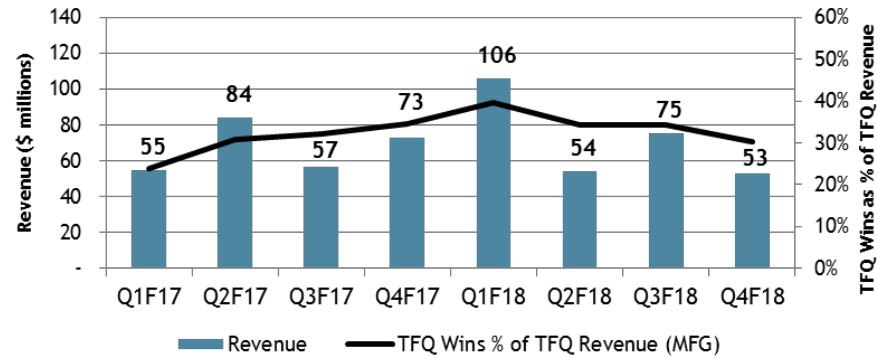


Manufacturing wins by sector

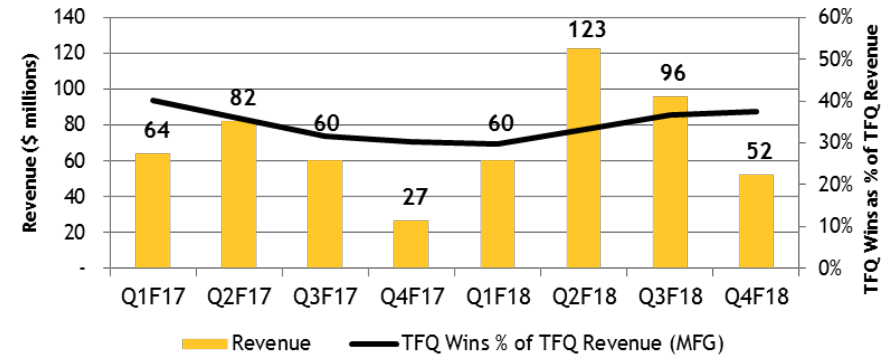


- COMM adds two wireless customers
- HC/LS adds three new customers
- I/C adds new additive mfg customer
- A/D adds new strategic customer

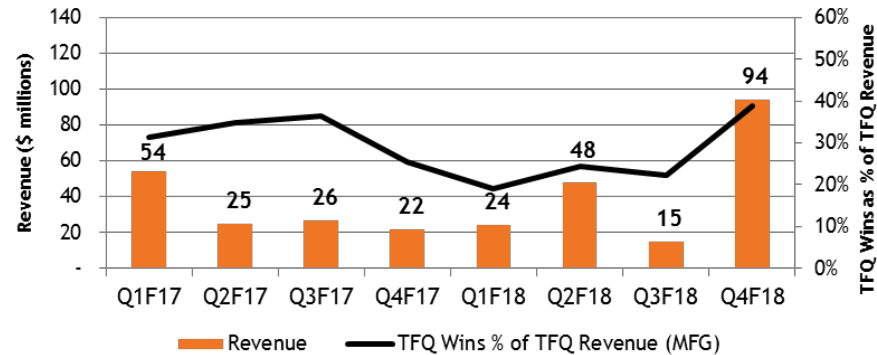
Healthcare and Life Sciences



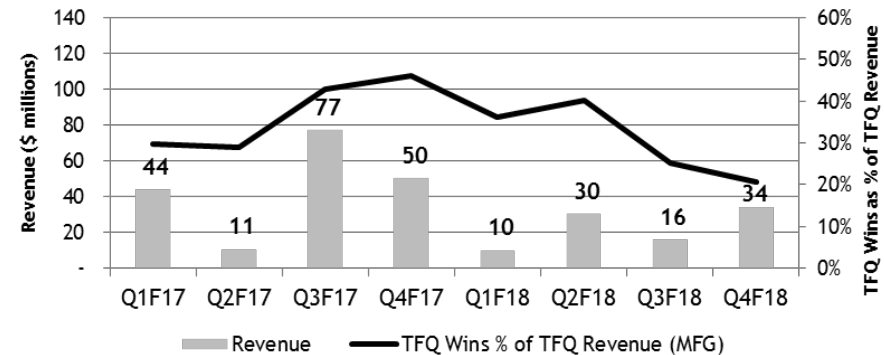
Industrial and Commercial



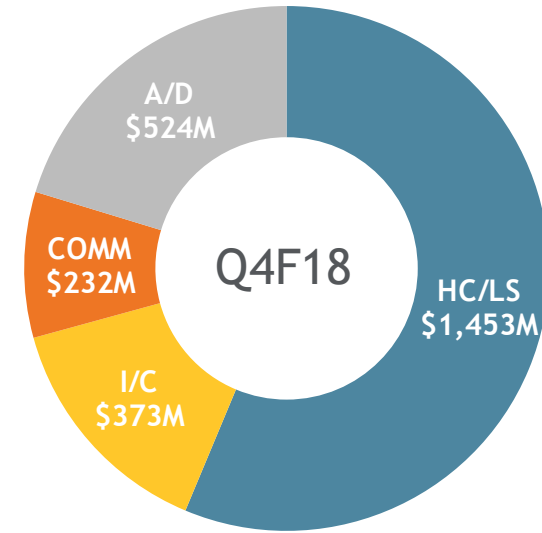
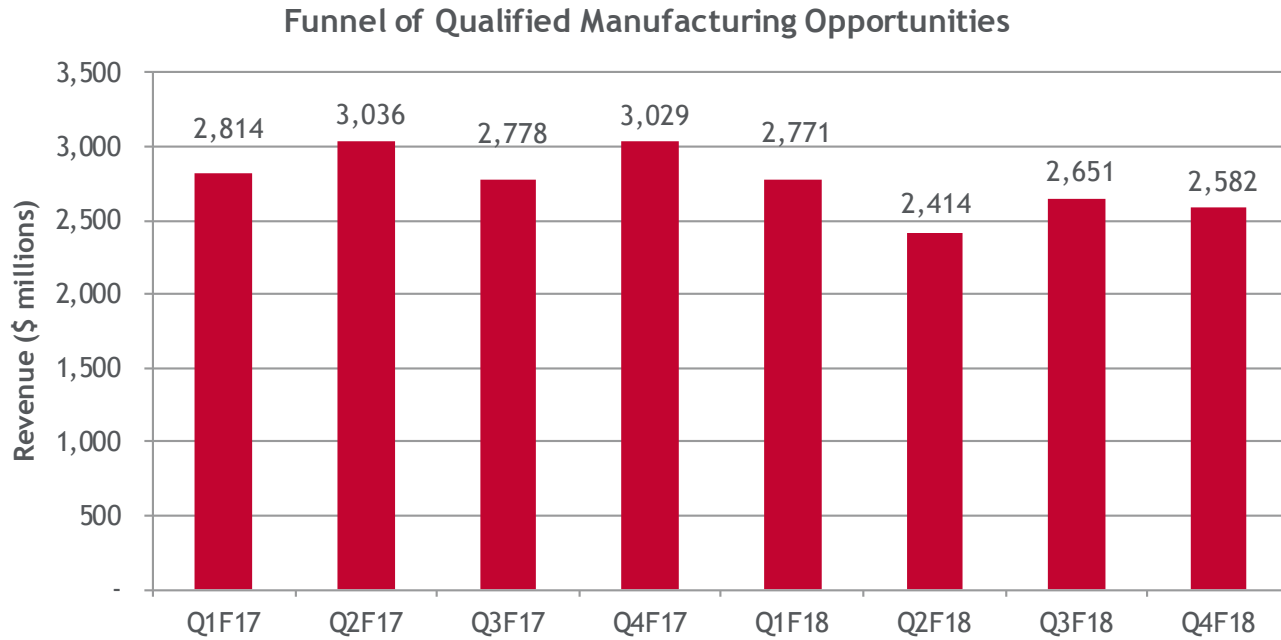
Communications



Aerospace and Defense



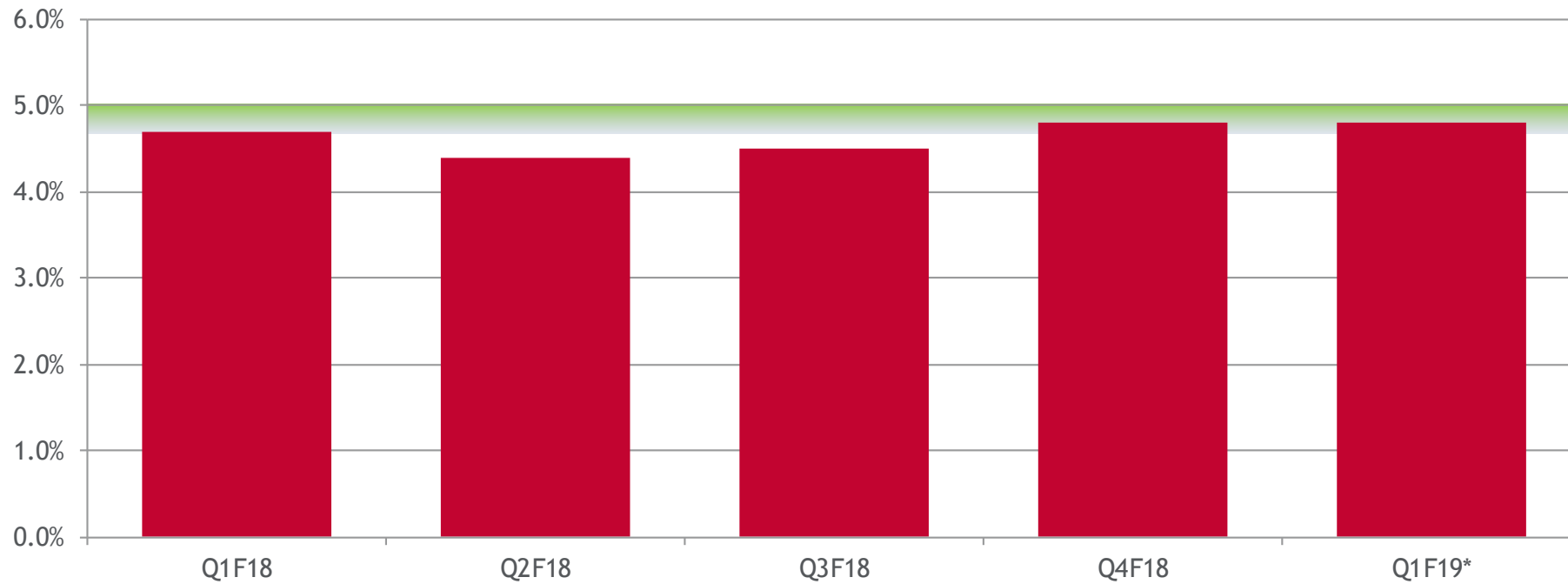
Manufacturing funnel



Qualified manufacturing funnel remains healthy even with strong wins

Operating performance

Operating Margin Target Range: 4.7% to 5.0%



Strong finish to F18 expected to continue in Q1F19

*Represents midpoint of guidance

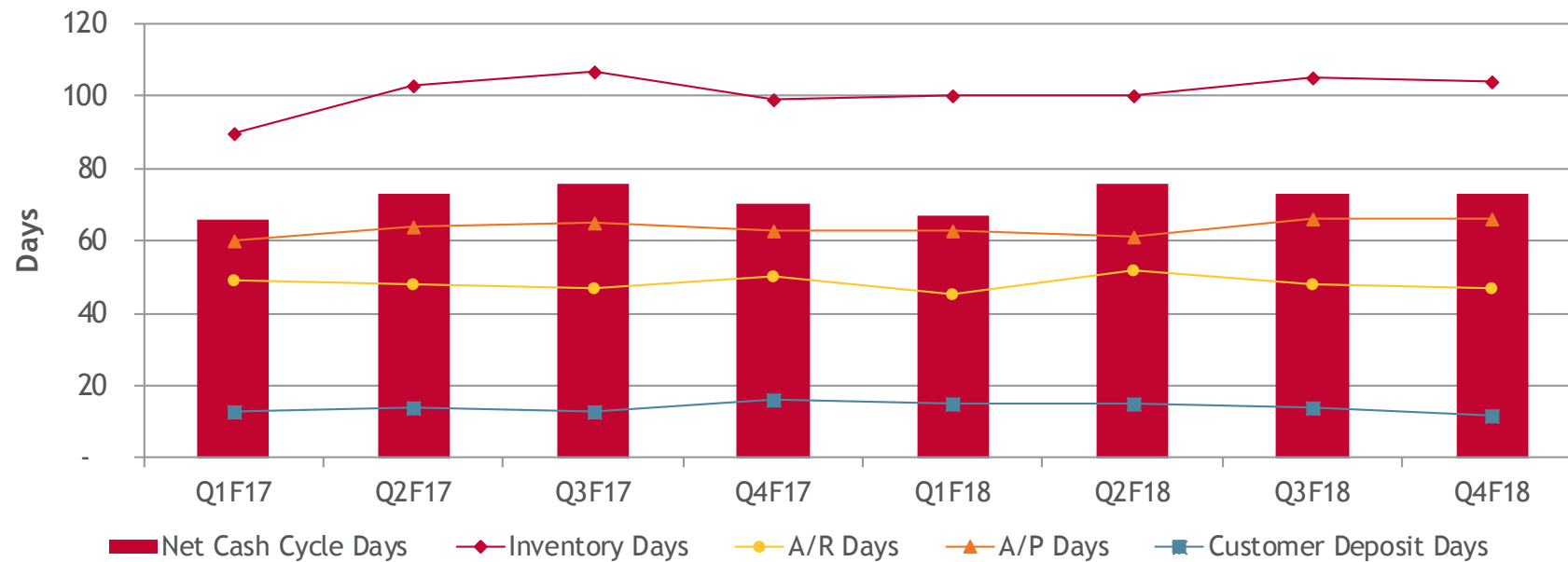
Income statement

	Q4F18	Comments
Revenue	\$771 million	At high end of guidance range of \$735 to \$775
Gross margin	9.5%	At high end of guidance range of 9.2% to 9.5%
Selling & administrative expenses	\$36.3 million	Slightly above guidance range of \$35.0 to \$36.0 million
Operating margin	4.8%	At higher end of guidance range of 4.5% to 4.9%
Other expense	\$2.7 million	Improved from our guidance range of \$3.2 to \$3.6 million
GAAP diluted EPS	\$2.20	Includes \$1.24 benefit due to U.S. Tax Reform
Non-GAAP diluted EPS	\$0.96	Above guidance range of \$0.82 to \$0.92
Diluted shares outstanding	33.0 million	Within guidance range of 33.0 to 33.3 million

Balance sheet and cash flow

	Q4F18	Comments
Return on invested capital	16.1%	660 basis points above fiscal 2018 WACC of 9.5%
Share repurchases	\$39.2 million	639,144 at an average price of \$61.32 per share
Free cash flow	\$14.7 million	Cash from operations: \$25.4 million Capital expenditures: \$10.7 million
Cash balance	\$298 million	70% offshore
Cash cycle days	73 days	Improved from our guidance range of 75 to 79 days

Working capital trends



	Q1F17	Q2F17	Q3F17	Q4F17	Q1F18	Q2F18	Q3F18	Q4F18
Inventory Days	90	103	107	99	100	100	105	104
A/R Days	49	48	47	50	45	52	48	47
A/P Days	60	64	65	63	63	61	66	66
Customer Deposit Days	13	14	13	16	15	15	14	12
Net Cash Cycle Days	66	73	76	70	67	76	73	73

Fiscal first quarter 2019 guidance

	Guidance
Revenue	\$750 to \$790 million
GAAP diluted EPS	\$0.85 to \$0.95
Gross margin	9.3% to 9.6%
SG&A	\$35.0 to \$36.0 million
Operating margin	4.6% to 5.0%
Depreciation and amortization	~\$13.5 million
Other expense	\$3.0 to \$3.5 million
Tax rate - Q1	13% to 15%
Tax rate - F19	13% to 15%
Diluted weighted average shares outstanding	32.4 to 32.6 million
Cash cycle days	79 to 83 days
Capital expenditures - F19	\$70 to \$90 million

Q&A

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