

# Fiscal fourth quarter 2017 financial results

October 26, 2017

# 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 1, 2016, 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 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

	Q4F17 Sep 30, 2017	Q4F17 Guidance Jul19, 2017	Q3F17 Jul 1, 2017
Revenue (\$ millions)	\$670	\$660 to \$700	\$619
Diluted EPS	\$0.84 Includes \$0.14 stock-based compensation expense	\$0.77 to \$0.87	\$0.74
ROIC	16.2%		16.1%

- Record quarterly revenue with 8% sequential growth
- HC/LS and COMM achieved meaningful revenue growth
- Sixth consecutive quarter at or above target operating margin range (4.7% to 5.0%)

# Fiscal 2017 highlights

## STRONG OPERATING PERFORMANCE

### OPERATING MARGIN OF 5.1%, BEST SINCE FISCAL 2008

- Achieved record operating profit of \$130M

### RETURN ON INVESTED CAPITAL OF 16.2%

- Economic Return 570 basis points above WACC
  - 290 basis point improvement from Fiscal 2016
  - Best result since Fiscal 2006

### SUCCESS IN ENGINEERING SOLUTIONS AND AMS

### FREE CASH FLOW OF \$133M

## ENABLERS FOR FUTURE GROWTH

### ROBUST MANUFACTURING WINS MOMENTUM

- Trailing four quarter wins of \$811M
- Healthy balance among market sectors
- Significant business expansion in Europe

### ROBUST \$3.0B FUNNEL OF QUALIFIED MANUFACTURING OPPORTUNITIES

### RECORD NET PROMOTER SURVEY SCORE OF 84%

- Result highlights our focus on delivering Operational Excellence and Customer Service Excellence

# F18 - A look forward

LAUNCHED NEW PLEXUS BRAND

REBRANDED AEROSPACE/DEFENSE SECTOR

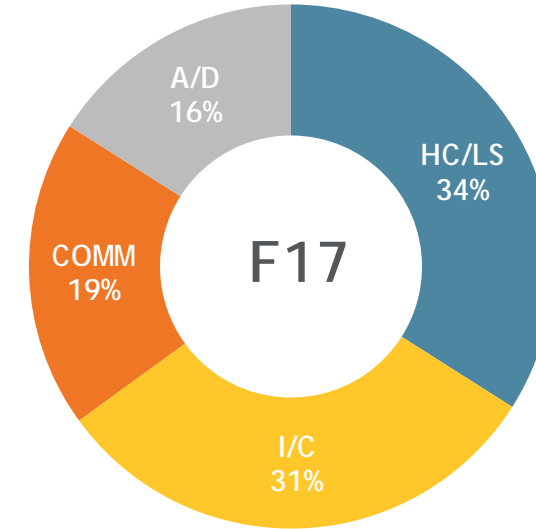
FOCUSED ON DELIVERING STRONG OPERATING PERFORMANCE

- Target operating margin of 4.7% to 5.0% each quarter

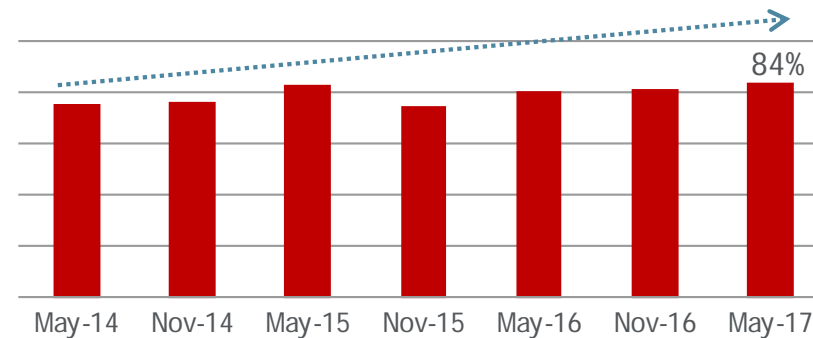
GROWTH ACCELERATION STRATEGY

- Differentiated portfolio aligned with non-commoditized markets
- Expertise in our customers' markets
- Exceptional execution to grow share with our customers

Differentiated Portfolio



Net Promoter Score



# Fiscal first quarter guidance

	Q1F18 Guidance
Revenue	\$665 to \$705 million
GAAP Diluted EPS	\$0.75 to \$0.85 Includes \$0.11 stock-based compensation expense

- Midpoint of revenue guidance suggests modest sequential growth
  - Expectations for sequential growth in I/C and COMM
  - Modest weakening within A/D
- Midpoint of EPS guidance implies continued solid operating margin

# Performance by sector

	Q4F17 Sep 30, 2017		Q3F17 Jul 1, 2017		Q4F17 vs. Q3F17	Q1F18 Expectations (percentage points)
Healthcare and Life Sciences	\$233	35%	\$210	34%	+ 11%	Flat
Industrial and Commercial	\$189	28%	\$201	32%	- 6%	Up mid single
Communications	\$140	21%	\$99	16%	+ 41%	Up mid single
Aerospace and Defense	\$108	16%	\$109	18%	- 1%	Down low single
Total Revenue	\$670	100%	\$619	100%	+ 8%	

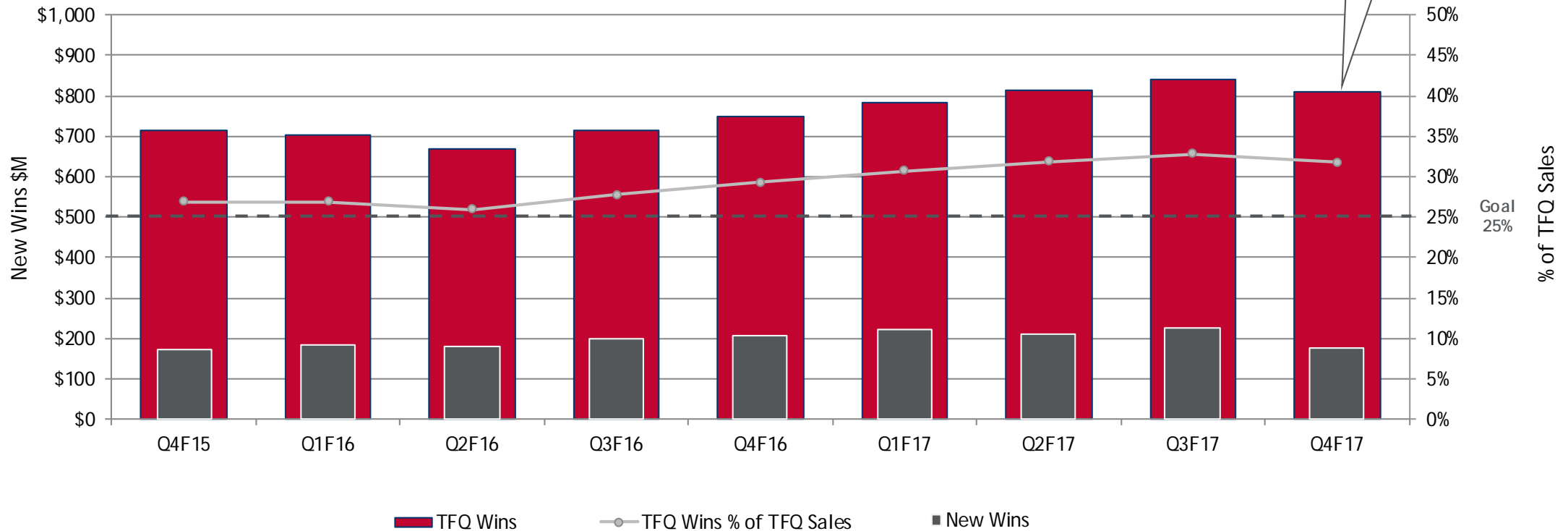
Revenue in millions

# Manufacturing wins

Q4F17 Wins: \$172M  
 New programs: 34

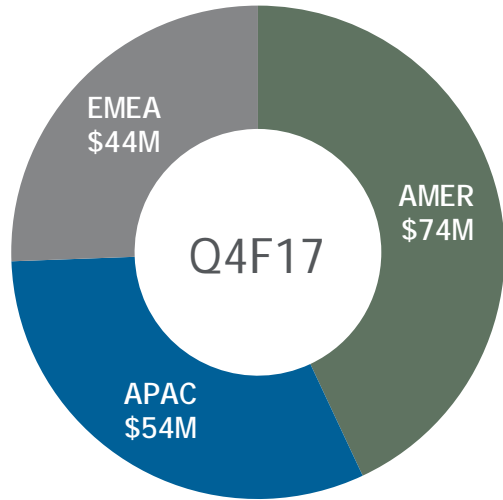
TFQ  
 \$811M

Trailing Four Quarters (TFQ) for Manufacturing Wins



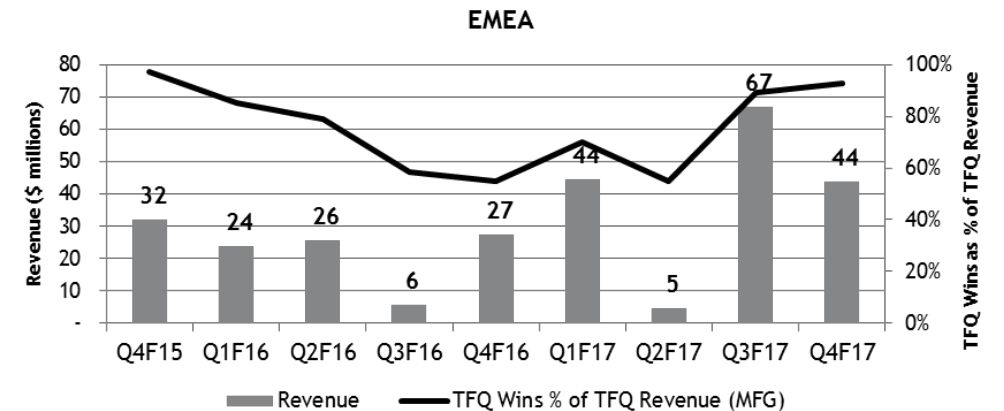
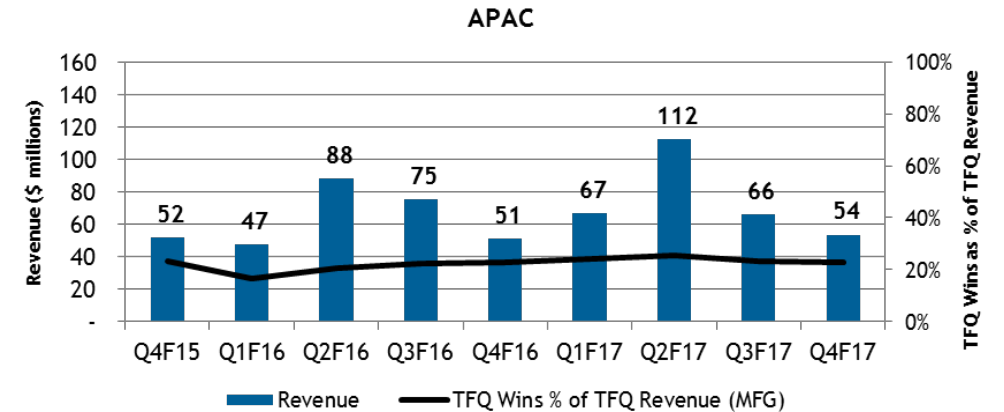
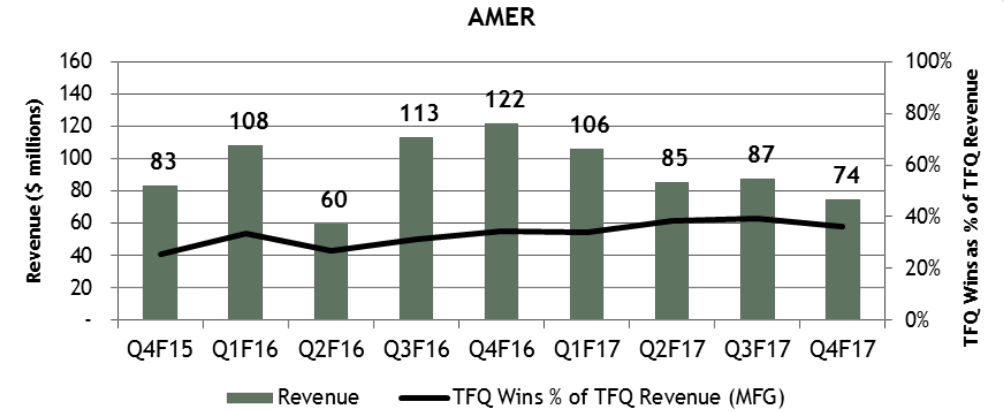


# Manufacturing wins by region

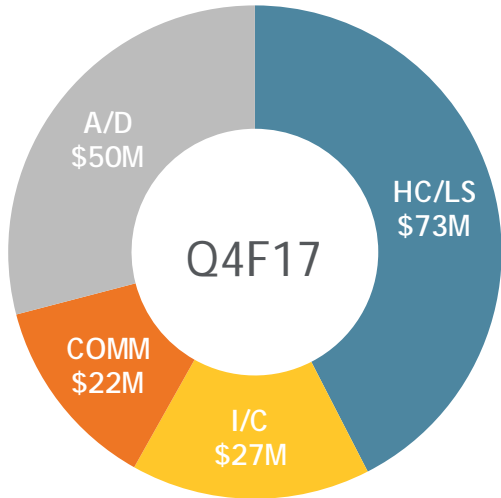


- \$172M in annualized manufacturing revenue when fully ramped (34 programs)
- Wins balanced across regions
- Gaining market share with customers in APAC and AMER
- Investments in EMEA attracting new customers

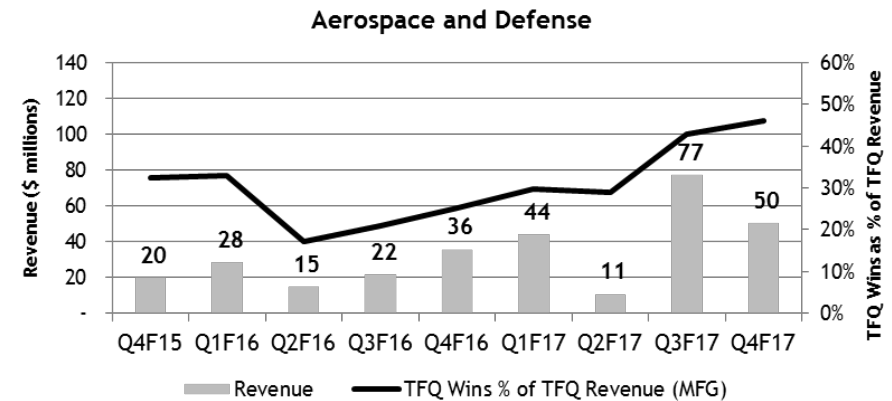
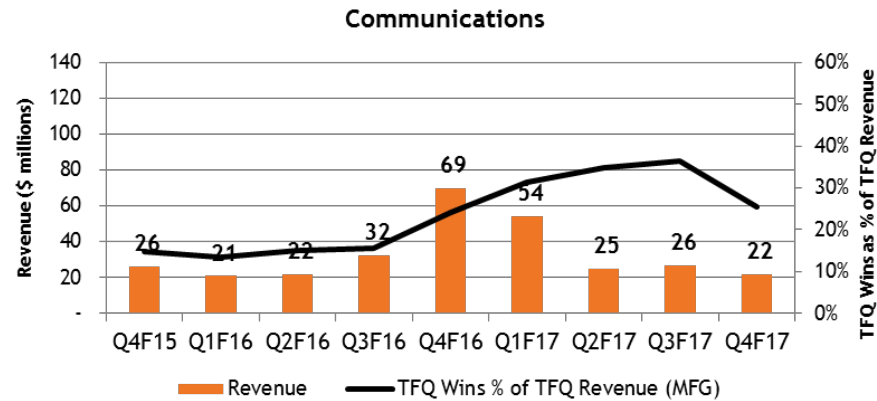
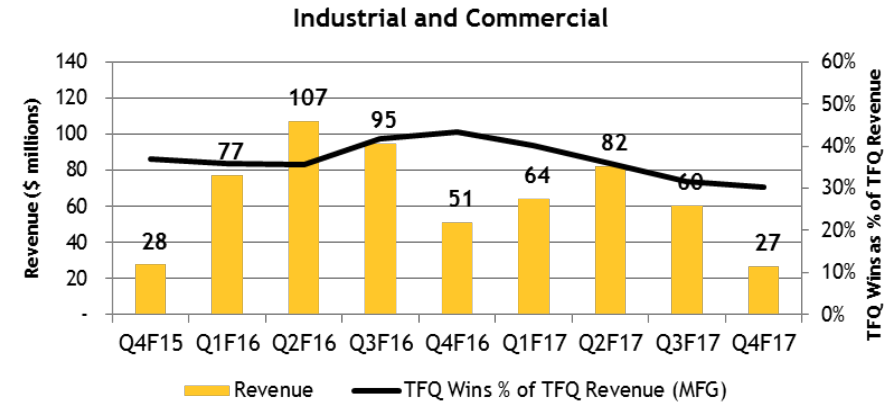
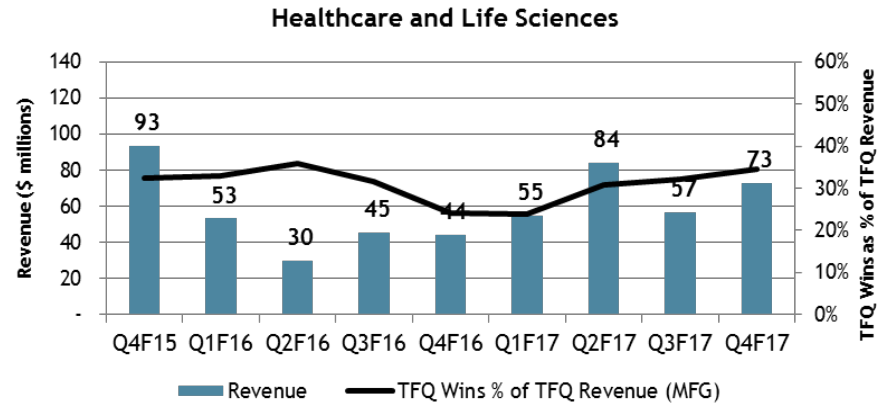
*Wins Momentum = TFQ Wins / TFQ Revenue*



# Manufacturing wins by sector

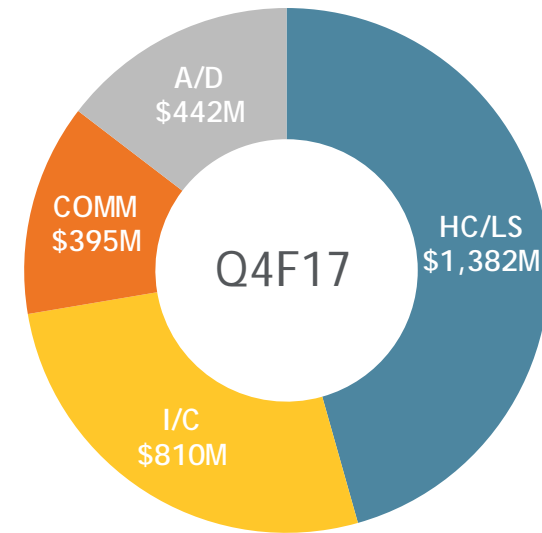
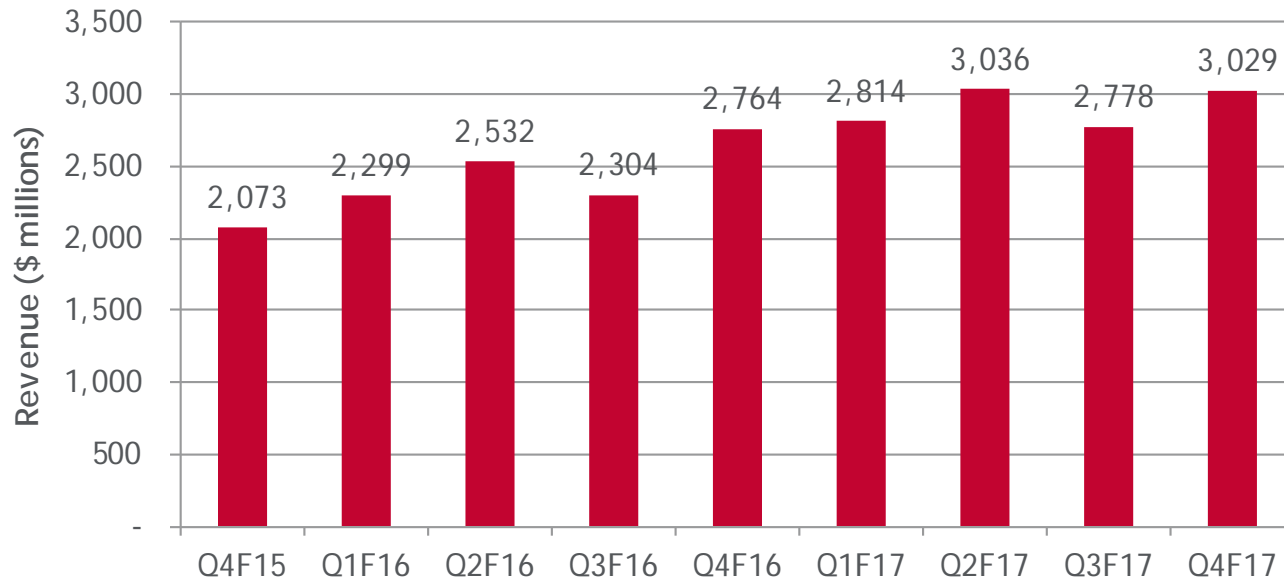


- Continued strength in HC/LS
- Key A/D wins in EMEA
- I/C added two new customers



# Manufacturing funnel

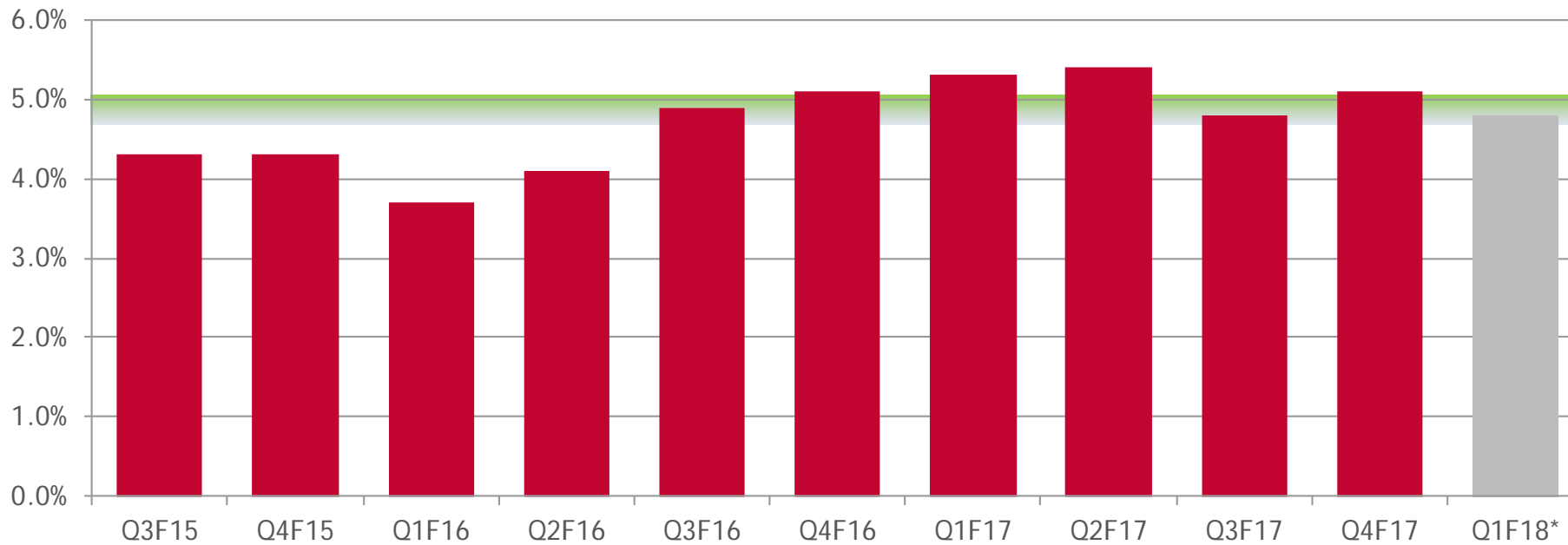
PLXS-MFG Funnel of Opportunities



- Manufacturing funnel near record at \$3.0B
- HC/LS exceptionally strong
- Supports the growth goals for F18 and beyond

# Operating performance

Operating Margin Target Range: 4.7% to 5.0%



*Focused on exceptional operating results while growing revenue*

\*Represents midpoint of guidance

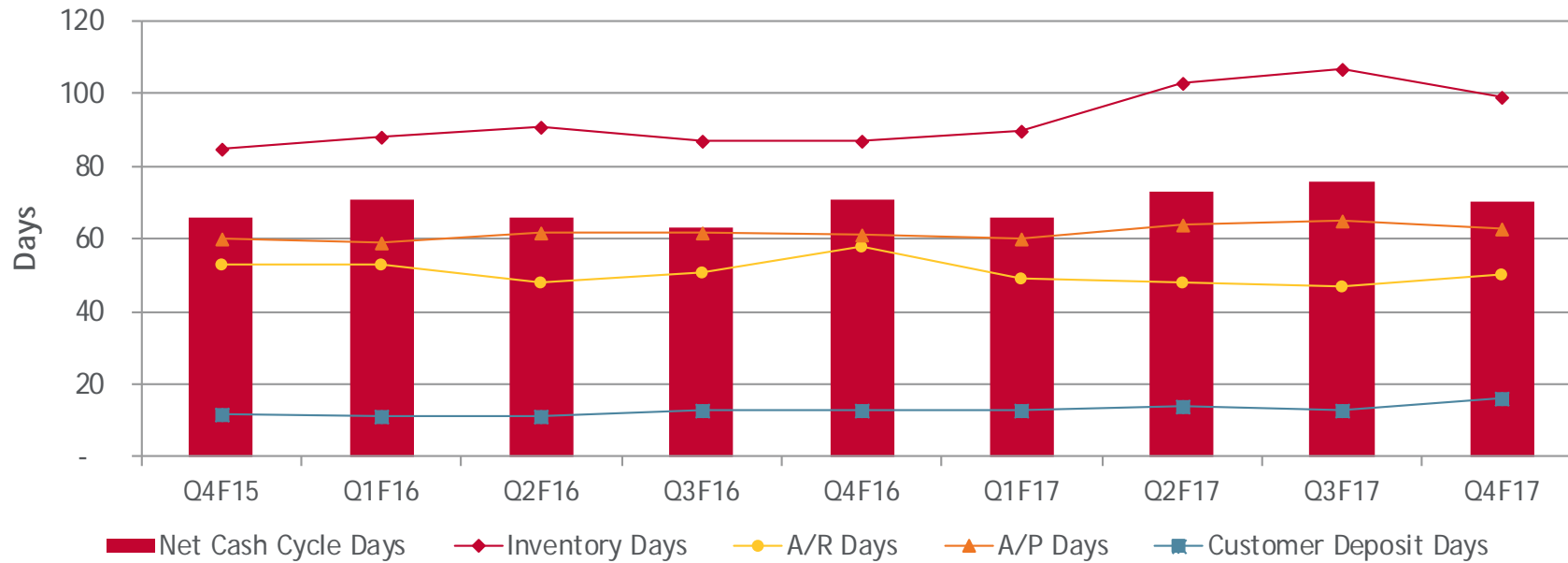
# Income statement

	Q4F17	Comments
Revenue	\$670 million	Within guidance range of \$660 to \$700 million
Gross margin	9.9%	Above guidance range of 9.4% to 9.8%
Selling & administrative expenses	\$32.5 million	Within guidance range of \$31.5 to \$32.5 million
Operating margin	5.1%	At high end of guidance range of 4.7% to 5.1%
GAAP Diluted EPS	\$0.84	Above mid-point of guidance range of \$0.77 to \$0.87

## Balance sheet and cash flows

	Q4F17	Comments
Return on invested capital	16.2%	570 basis points above fiscal 2017 WACC of 10.5%
Free cash flow	\$35.7 million	Cash from operations: \$49.8 million Capital expenditures: \$14.1 million
Share repurchases	\$10.3 million	~198,000 at an average price of \$51.98 per share
Cash balance	\$569 million	~95% offshore
Cash cycle days	70 days	Within guidance range of 69 to 73 days

# Working capital trends



	Q4F15	Q1F16	Q2F16	Q3F16	Q4F16	Q1F17	Q2F17	Q3F17	Q4F17
Inventory Days	85	88	91	87	87	90	103	107	99
A/R Days	53	53	48	51	58	49	48	47	50
A/P Days	60	59	62	62	61	60	64	65	63
Customer Deposit Days	12	11	11	13	13	13	14	13	16
Net Cash Cycle Days	66	71	66	63	71	66	73	76	70

# Fiscal first quarter 2018 guidance

	Guidance
Revenue	\$665 to \$705 million
GAAP diluted EPS	\$0.75 to \$0.85
Gross margin	9.3% to 9.7%
SG&A	\$31.5 to \$32.5 million
Operating margin	4.6% to 5.0%
Depreciation	~\$12 million
Q1 tax rate	8% to 10%
F18 tax rate	8% to 10%
Cash cycle days	68 to 72 days
F18 capital expenditures <i>includes potential footprint expansion</i>	\$80 to \$90 million



## Q&A

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