



The Product Realization Company

FISCAL FIRST QUARTER 2015 FINANCIAL RESULTS

January 22, 2015

SAFE HARBOR & 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 27, 2014, and the Safe Harbor and Fair Disclosure statement in yesterday's press release.

Plexus provides non-GAAP supplemental information such as earnings or margin excluding special items, as well as ROIC, Economic Return and free cash flow. We present information excluding special items because it provides a better indication of core performance for purposes of period-to-period comparisons. Economic Return, ROIC and free cash flow are used for internal management assessments because they provide additional insight into financial performance. In addition, we provide non-GAAP measures because we believe they offer insight into the metrics that are driving management decisions as well as management's performance under the tests that it sets for itself. For a full reconciliation of non-GAAP supplemental information please refer to yesterday's press release and our periodic SEC filings.

FISCAL FIRST QUARTER 2015 RESULTS

	Q1F15 Guidance	Q1F15 Jan 3, 2015	Q4F14 Sep 27, 2014	Q1F15 vs. Q4F14
Revenue (\$ millions)	\$630 to \$660	\$665	\$666	Flat
Diluted EPS excluding special items	\$0.68 to \$0.74	\$0.72	\$0.78	- 8%
Diluted EPS GAAP		\$0.67	\$0.77	- 13%
ROIC		14.4%	15.2%	- 80 bps

Q1 F15 revenue above guidance range

- Flat with prior quarter
- Up 25% from comparable quarter last year

Non-GAAP diluted EPS of \$0.72 above mid-point of guidance range

- Excludes \$0.05 restructuring charges

FISCAL FIRST QUARTER HIGHLIGHTS

Stronger than anticipated end-market demand in Networking/Communications sector

\$190M of Manufacturing Solutions wins; trailing four quarter wins at \$801M

\$26M of Engineering Solutions wins; another solid quarter

Operating Performance:

- Operating Margin: 4.6%; consistent with guidance, Guadalajara start-up
- Cash Cycle: 72 days; disappointing result that was well above guidance
- Free cash flow: negative \$99.9 million as a consequence of working capital challenges
- ROIC: 14.4%; Economic Return of 3.4%

Juarez, MX facility exit complete

- Production successfully transferred to our Guadalajara facility

Neenah Aerospace Center of Excellence strategy successfully unfolds

- Employment growth in our home State of Wisconsin

Announced Joann Eisenhart, Ph. D. was nominated to join the Plexus Board of Directors

FISCAL SECOND QUARTER

	Q2F15 Guidance
Revenue	\$630 to \$660 million
Diluted EPS	\$0.64 to \$0.72 <ul style="list-style-type: none">• Includes \$0.10 stock based compensation expense• Excludes any unanticipated special items

Revenue guidance mid-point suggests 3% contraction from Q1 F15 to Q2 F15

- Networking / Communications sector down after seasonal strength in Q1 F15

EPS guidance reflects near-term flat margin performance

- Seasonal payroll cost increases
- One quarter delay of certain program transitions to Guadalajara, MX

PERFORMANCE BY SECTOR

	Q1F15 Jan 3, 2015		Q4F14 Sep 27, 2014		Q1F15 vs. Q4F14	Q2F15 Expectations (percentage points)
Networking/ Communications	\$234	35%	\$234	35%	Flat	Down mid teens
Healthcare/ Life Sciences	\$196	30%	\$189	28%	4%	Down mid single
Industrial/ Commercial	\$148	22%	\$150	23%	- 1%	Up mid single
Defense/ Security/ Aerospace	\$87	13%	\$93	14%	- 6%	Up mid teens
Total Revenue	\$665	100%	\$666	100%	Flat	

- N/C exceeded expectations in Q1; Anticipate softening of revenue in Q2F15
- HC/LS met expectations in Q1; Seasonal softness in Q2F15
- I/C met expectations for Q1; Sequential growth throughout F15
- D/S/A met weak expectations for Q1; Q2F15 expected to show strong growth

*Revenue in millions
Comments refer to fiscal quarters*

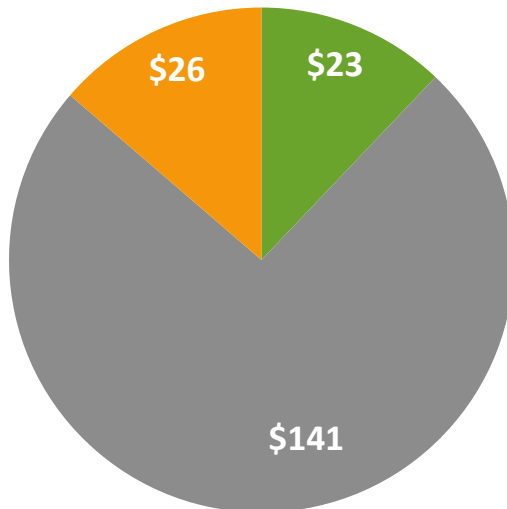
FISCAL FIRST QUARTER WINS

\$190M in annualized manufacturing revenue when fully ramped

- 32 programs
- Strength in APAC and EMEA regions; balanced across sectors

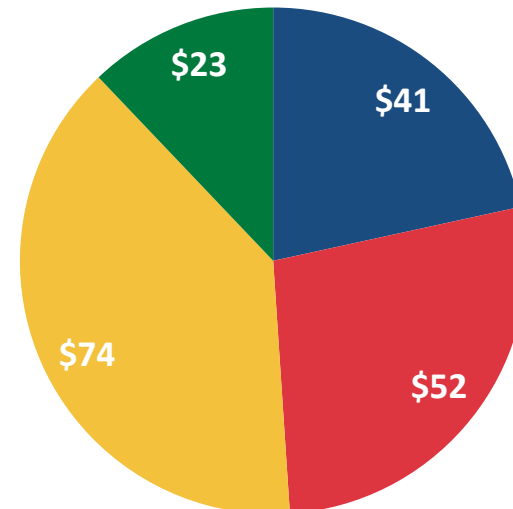
Engineering wins solid at \$26M; Strong HC/LS, I/C and D/S/A performance

Manufacturing Wins by Region (\$Ms)



■ AMER
■ APAC
■ EMEA

Manufacturing Wins by Sector (\$Ms)

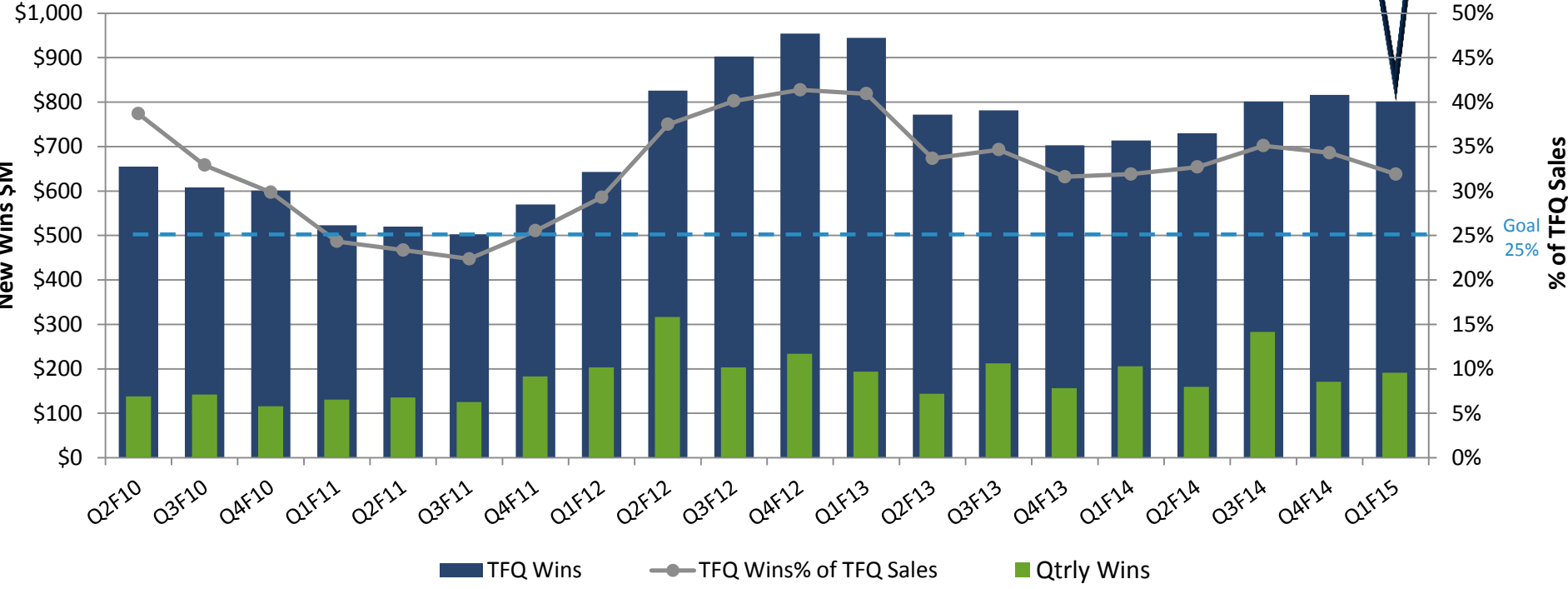


■ Networking/Communications
■ Healthcare/Life Sciences
■ Industrial/Commercial
■ Defense/Security/Aerospace

MANUFACTURING WINS TREND

Trailing Four Quarter Wins Remain Strong

TFQ
\$801M



Quarterly target approximately \$160M

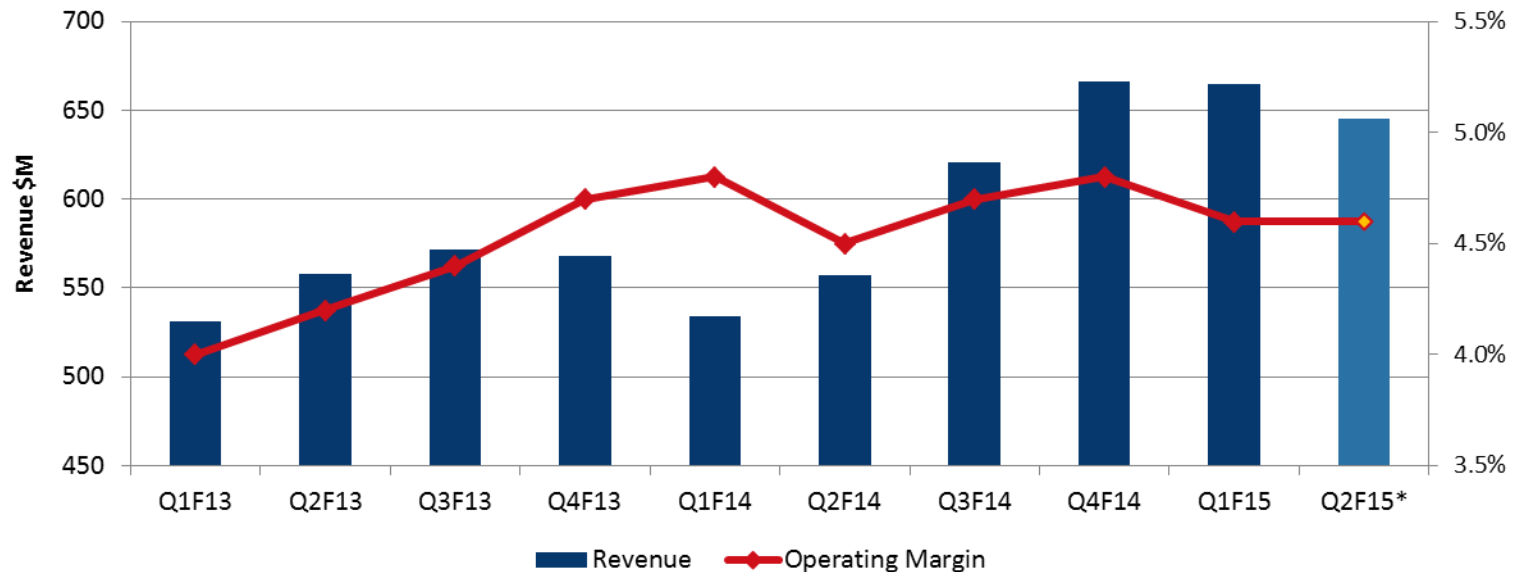
REVENUE AND OPERATING MARGIN TREND

Quarterly revenue remained near record level

Operating margin at 4.6% as we invest in Guadalajara and Aerospace

Expecting to resume positive operating margin trend in second half of F15

Revenue vs. Operating Margin

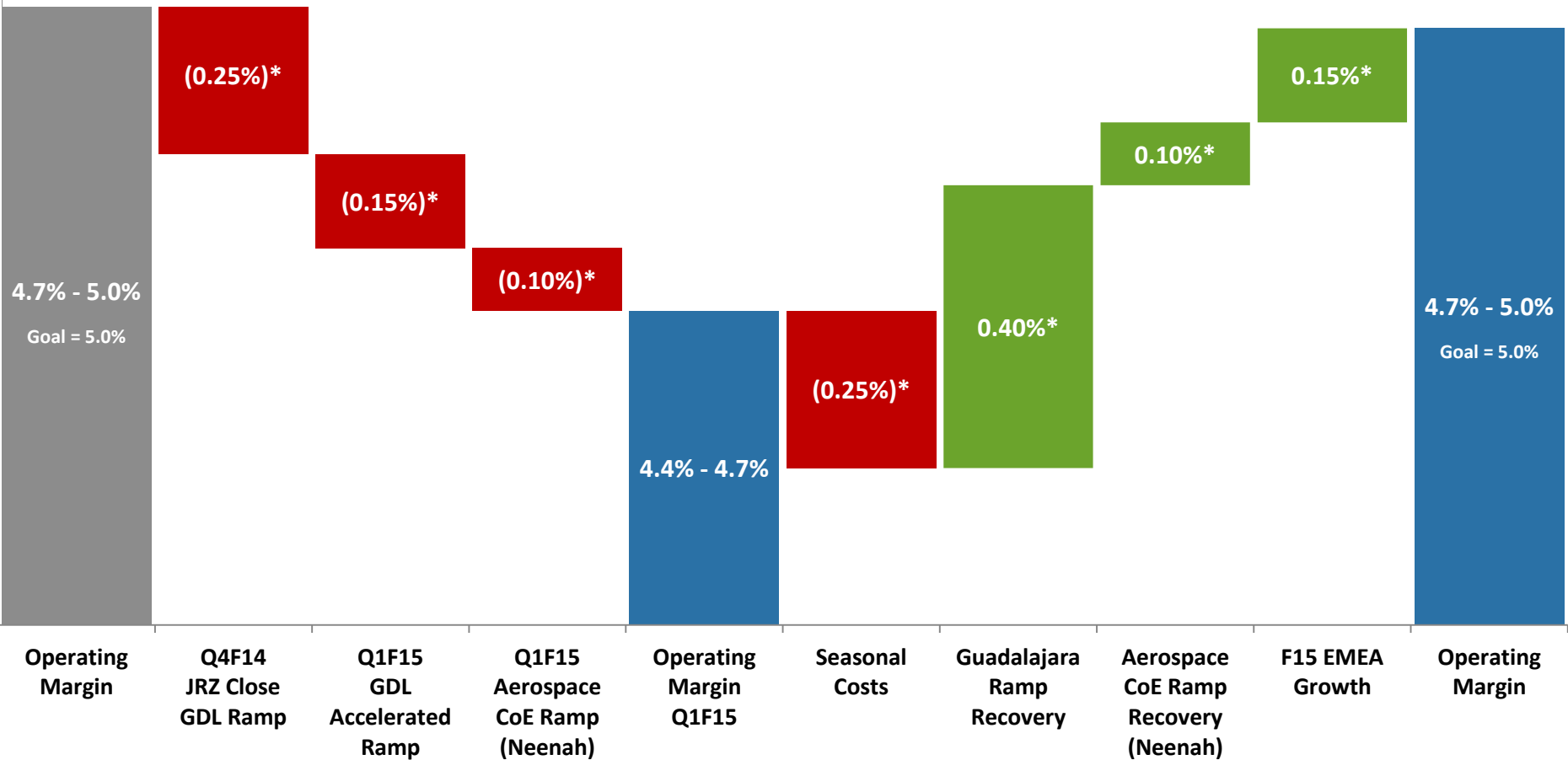


**represents mid-point guidance
OM is non-GAAP*

OPERATING MARGIN

Q4F14 – Q1F15

Q2F15 – Late F15



FISCAL FIRST QUARTER INCOME STATEMENT HIGHLIGHTS

	Q1F15 Jan 3, 2015	Q4F14 Sep 27, 2014	Q1F15 vs. Q4F14 Change
Revenue	\$665	\$666	Flat
Gross margin	9.2%	9.4%	- 20 bps
Selling & administrative expenses	\$30.9	\$30.6	+ 1%
Operating margin excluding special items	4.6%	4.8%	- 20 bps
Diluted earnings per share GAAP	\$0.67	\$0.77	- 13%
Diluted earnings per share excluding special items	\$0.72	\$0.78	- 8%

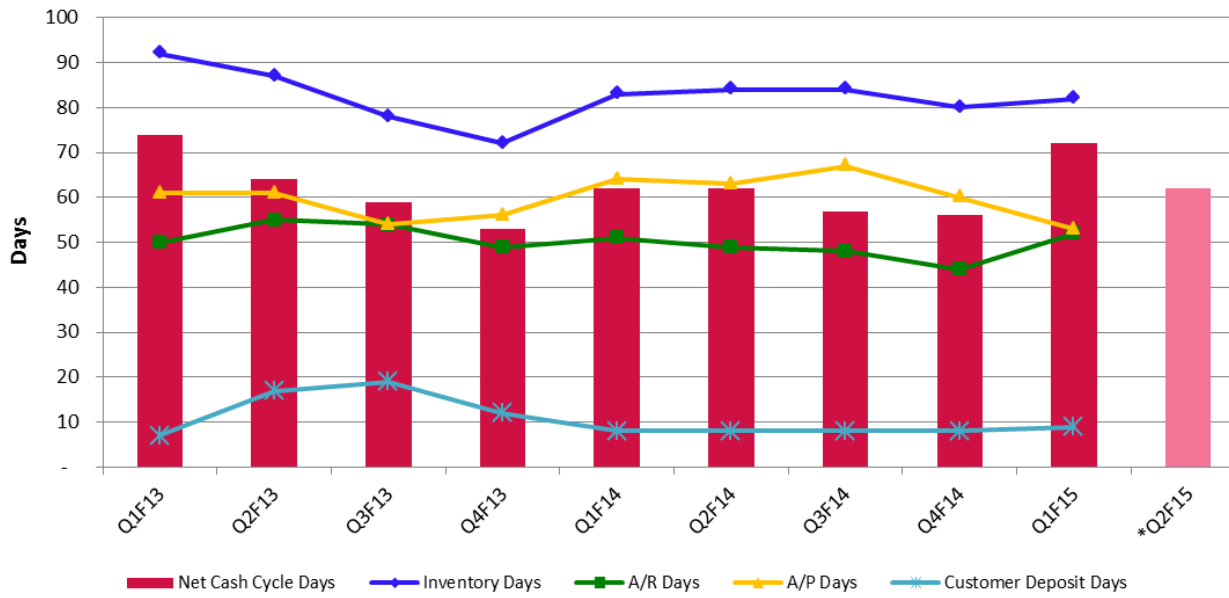
- Gross margin in-line with expectations, SG&A slightly higher than expectations
- Recorded \$1.7M restructuring charges (\$0.05 of diluted EPS) primarily related to the previously announced facility closure in Juarez, MX and transition of programs to Guadalajara, MX

*Dollars in millions, except
earnings per share*

BALANCE SHEET AND CASH FLOWS

	Q1F15	Comments
Return on invested capital	14.4%	Above WACC of 11% and representing an economic return of 3.4% compared to enduring goal of 5.0%
Share repurchases	\$7.3 million	Average price of \$38.81 per share
Cash cycle days	72 days	Greater than expectations due to higher Accounts Receivable days and lower Accounts Payable days
Free cash flow	(\$99.9) million	Cash flow from operations was (\$90.3M) Capital expenditures were \$9.6M

DISAPPOINTING CASH CYCLE PERFORMANCE

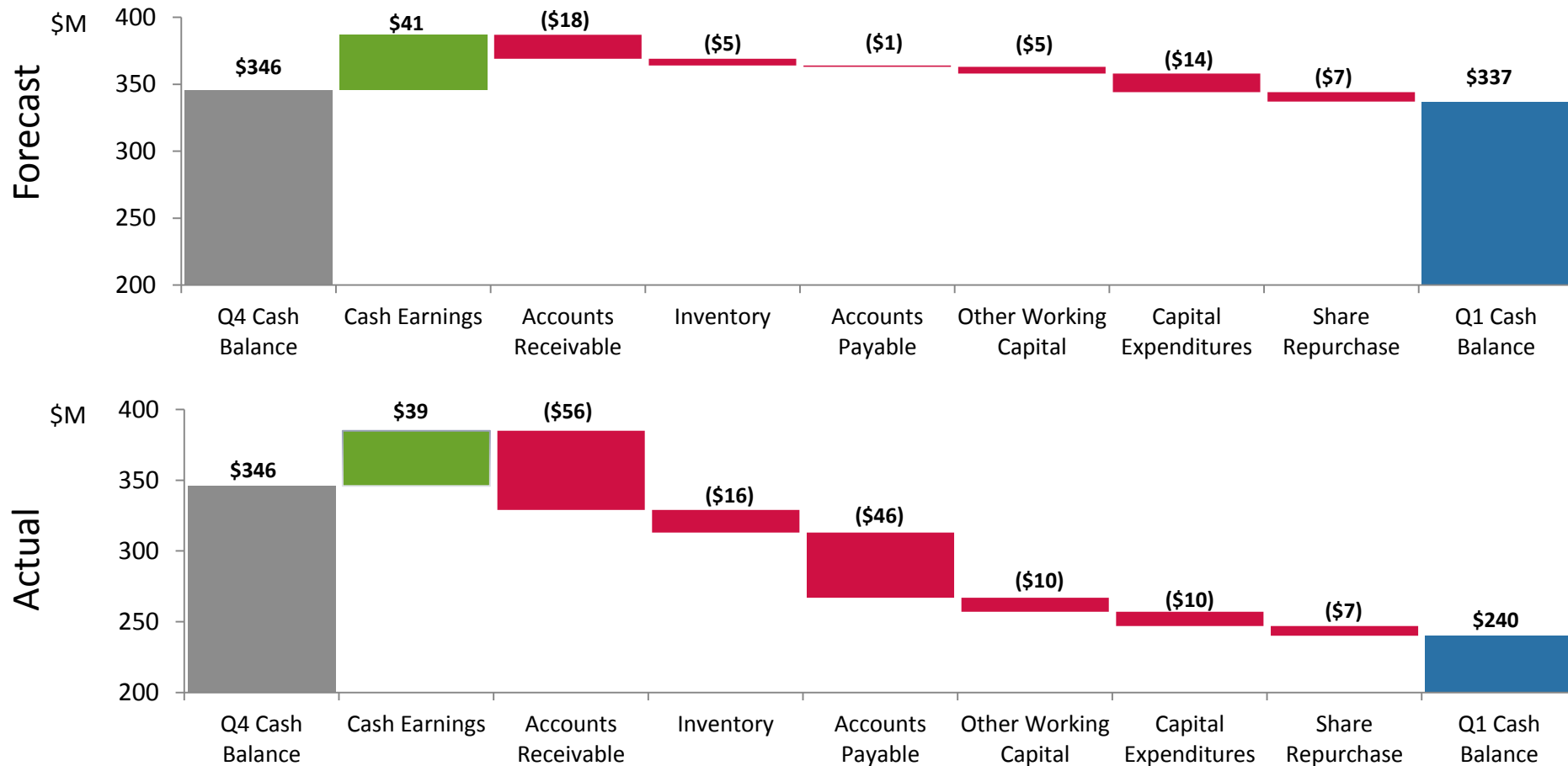


	Q1F13	Q2F13	Q3F13	Q4F13	Q1F14	Q2F14	Q3F14	Q4F14	Q1F15	*Q2F15
Inventory Days	92	87	78	72	83	84	84	80	82	
A/R Days	50	55	54	49	51	49	48	44	52	
A/P Days	61	61	54	56	64	63	67	60	53	
Customer Deposit Days	7	17	19	12	8	8	8	8	9	
Net Cash Cycle Days	74	64	59	53	62	62	57	56	72	62

- Q1F15 results higher than guidance driven by higher A/R days and lower A/P days
- Improvement expected in all areas for Q2F15

**represents mid-point guidance*

CASH FLOW ANALYSIS



- Accounts Receivable – Higher due to higher quarterly revenue and delayed customer payments
- Inventory – Increase partially offset with higher customer deposits
- Accounts Payable – Primarily lower due to advanced payments and lower procurement for Q2

FISCAL SECOND QUARTER 2015 GUIDANCE

	Guidance
Revenue	\$630 to \$660 million
Diluted earnings per share	\$0.64 to \$0.72
Gross margin	9.0 to 9.3%
SG&A	\$29.5 to \$30.5 million
Operating margin	4.4 to 4.7%
Depreciation and amortization	\$12.6 million
Q2 tax rate	10 to 12%
F15 tax rate	9 to 11%
Cash cycle days	60 to 64 days
F15 capital expenditures	\$50 million

NEAR-TERM FOCUS

Fiscal year goals:

- Revenue growth: >10%
- Operating Margins: 4.7% to 5%
- Free Cash Flow: \$80 to \$100 million
- Economic Spread: 400 bps to 500 bps

Key supporting initiatives:

- Guadalajara swings to profitability (was Q3 F15, now Q4 F15)
 - All Juarez programs transitioned flawlessly
 - Additional program transition delayed one quarter; must not slip again
- EMEA region swings to profitability (still Q3 F15)
 - Flawlessly ramp recent wins into Oradea, RO
 - Continue growth momentum and enable further margin expansion
- Working Capital—tighten up our forecasting and management processes
- Operational Excellence—continue our progress on key improvement initiatives
- Forecasts—stay vigilant on end-market dynamics, out-quarter visibility is poor

Q&A

ANALYSTS PLEASE CONFORM TO:
ONE QUESTION
ONE FOLLOW-UP
THANKS

PLEXUS

®

The Product Realization Company