

A large, dark red, 3D-rendered sign for "WALL STREET" is tilted diagonally across the left side of the slide. The sign features the word "WALL" in large, bold, white letters, and "STREET" in smaller, white letters to its right. Above the "STREET" text, the numbers "22 51" and a right-pointing arrow are visible. The background of the slide is a dark red, textured surface with a subtle grid pattern.

# Fiscal third quarter 2020 financial results

July 23, 2020

# 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 28, 2019, as supplemented by our Form 10-Q filed with the SEC on May 8, 2020, 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.

# Fiscal third quarter results

	Q3F20 Results	Q3F20 Guidance	Q2F20 Results
Revenue (\$ millions)	\$857	\$790 to \$830	\$767
GAAP Diluted EPS	\$1.20 <sup>(1)</sup>	\$0.72 to \$0.82 <sup>(2)</sup>	\$0.43 <sup>(3)</sup>

- Record quarterly revenue representing 12% sequential growth and 7% y-o-y growth
- Strong growth from HC/LS, I/C and COMM
- GAAP operating margin of 5.3% - best result in three years
- Margin benefitted from leverage, reduced US healthcare costs and strong operating performance

(1) Includes \$0.22 stock-based compensation expense  
 (2) Includes \$0.21 stock-based compensation expense  
 (3) Includes \$0.19 stock-based compensation expense;  
 non-GAAP EPS was \$0.61, which excluded \$0.18 of restructuring expense

# Fiscal third quarter highlights

## EXCEPTIONAL WINS PERFORMANCE

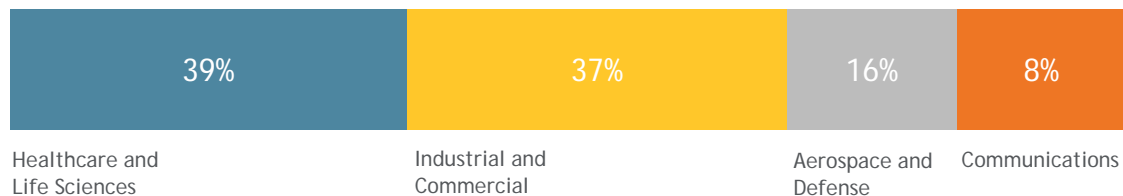
- Manufacturing wins of \$252M
- Capitalized on innovative virtual business development

## FUNNEL EXPANDED TO \$2.5B

- Well positioned for future growth

## PORTFOLIO DIFFERENTIATION

- 92% of revenue generated from combined Healthcare/Life Sciences, Industrial/Commercial and Aerospace/Defense market sectors



## CASH CYCLE OF 79 DAYS

- 8 day improvement over the fiscal second quarter

## STRONG FREE CASH FLOW

- Q3F20 free cash flow of \$37M, exceeding expectations

## ROIC of 12.9%

- Economic return of 410bps above WACC of 8.8%

## RESPONSE TO COVID-19

- Committed to providing a safe environment for our teams
- Enhanced decontamination and contact tracing procedures
- Sites remained near full capacity in Q3, enabling Plexus to meet the needs of our customers and communities

# Enabling the new normal.



WAREHOUSE  
AUTOMATION



SEMICONDUCTOR  
EQUIPMENT



COMMUNICATIONS



INSTRUMENTATION



3D PRINTING

# Fiscal 2020 fourth quarter guidance

## REVENUE GUIDE

- End markets are volatile
- Strength in HC/LS, semi-cap and defense
- Aerospace weak

## EPS GUIDE

- Leveraging recent productivity gains
- GAAP operating margin of 4.8% to 5.2%

	Q4F20 Guidance
Revenue	\$850 to \$890 million
GAAP Diluted EPS	\$1.05 to \$1.20*

## FISCAL 2021 OUTLOOK

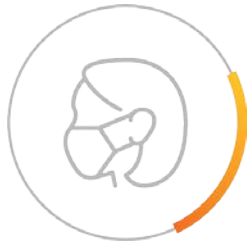
- Early F21 COVID-related demand reduction in critical care, communications and certain industrial programs
- New programs drive growth later in the year
- A path to strong operating performance throughout the year

\* Includes \$0.21 of stock-based compensation expense and excludes any non-recurring charges.

# Striving to make Plexus workplaces the safest place our team can be outside of their own homes



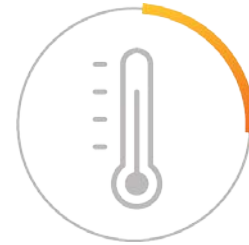
WORK FROM HOME



PERSONAL  
PROTECTIVE  
EQUIPMENT



SOCIAL  
DISTANCING



TEMPERATURE  
SCREENING



CONTACT TRACING



TESTING

# Leading through the COVID-19 pandemic

## SUPPLY CHAIN

- COVID-19 disruptions being managed
- Increased demand within lead-time is largest effort

## OPERATIONS

- Performing above expectations
- Q3F20: operating at or near capacity at end of quarter
- Q4F20: expecting to operate at or near full capacity

## BUSINESS DEVELOPMENT

- Virtual meetings and tours
- Increased focus on delivery performance
- Expect continued strong wins performance





# Performance by sector

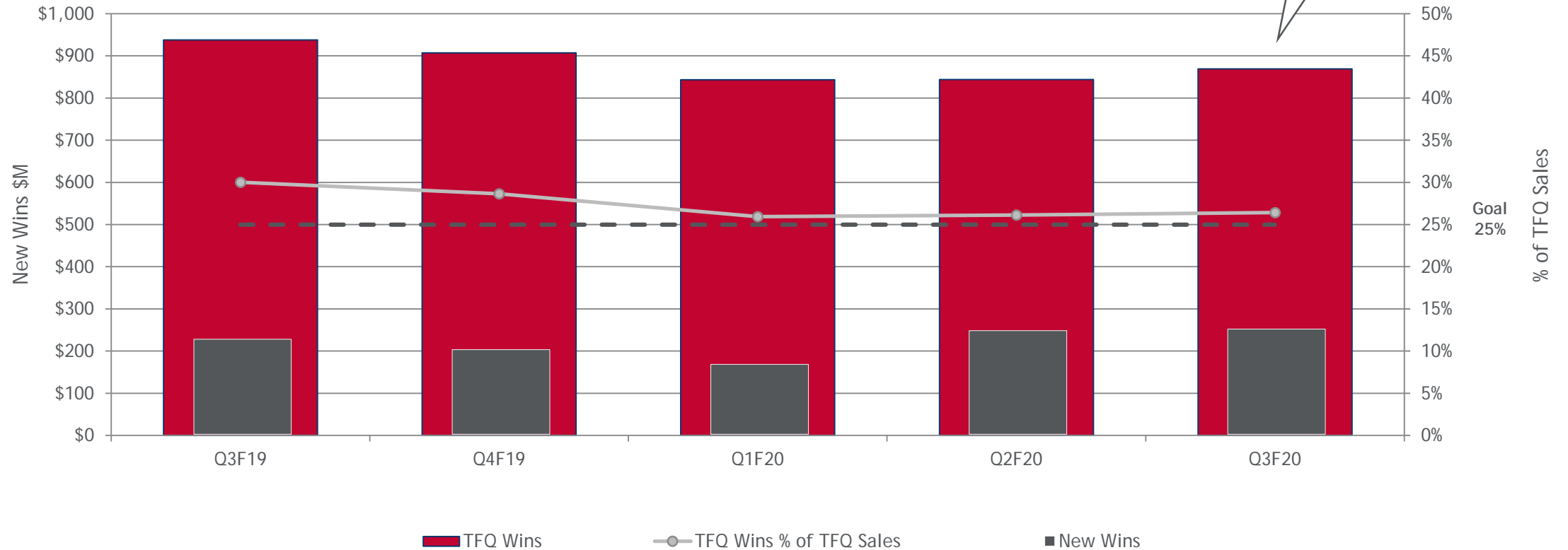
	Q3F20 Jul 4, 2020		Q2F20 Apr 4, 2020		Q3F20 vs. Q2F20	Q4F20 Expectations (percentage points)
Healthcare and Life Sciences	\$330	39%	\$271	35%	+ 22%	Up low single
Industrial and Commercial	\$317	37%	\$287	37%	+ 11%	Up low single
Aerospace and Defense	\$141	16%	\$157	21%	- 10%	Down low single
Communications	\$69	8%	\$52	7%	+ 33%	Up high teens
Total Revenue	\$857	100%	\$767	100%	+ 12%	

# Manufacturing wins

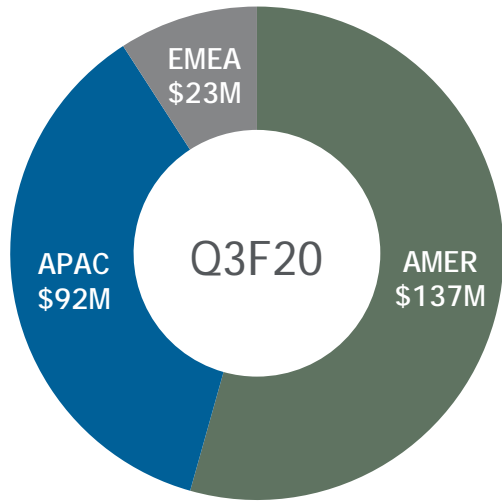
Q3F20 wins: \$252M  
 New programs: 35

## Trailing Four Quarters (TFQ) Manufacturing Wins

TFQ  
 \$868M



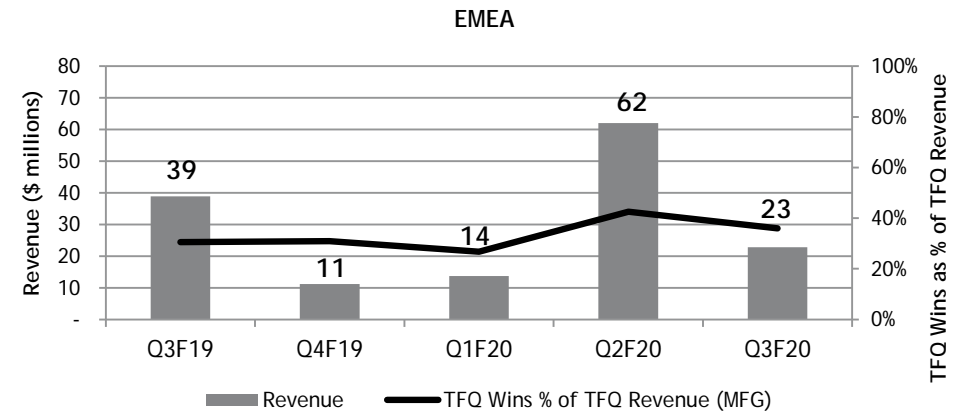
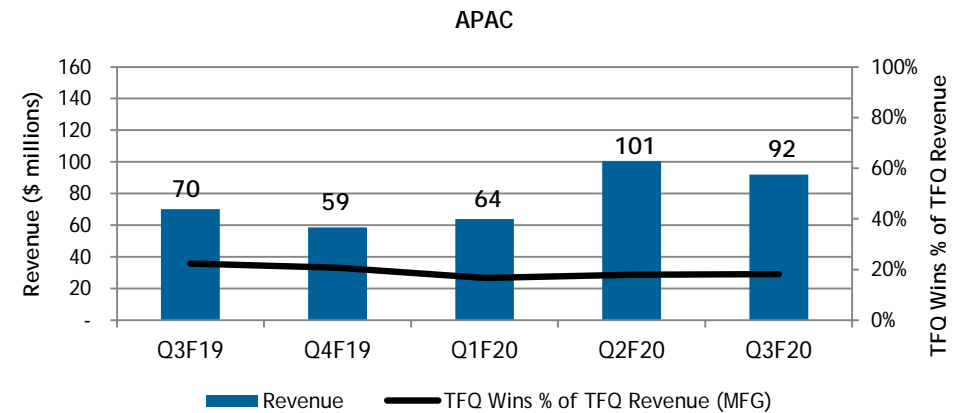
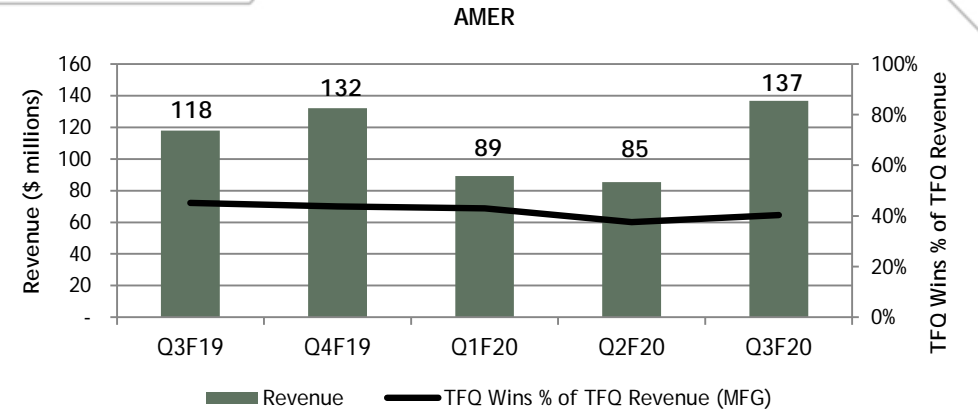
# Manufacturing wins by region



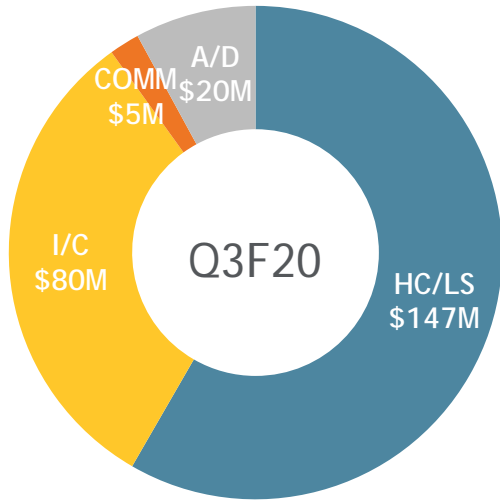
AMER: supporting programs to increase COVID-19 testing capabilities

APAC: all three China locations win meaningful new programs

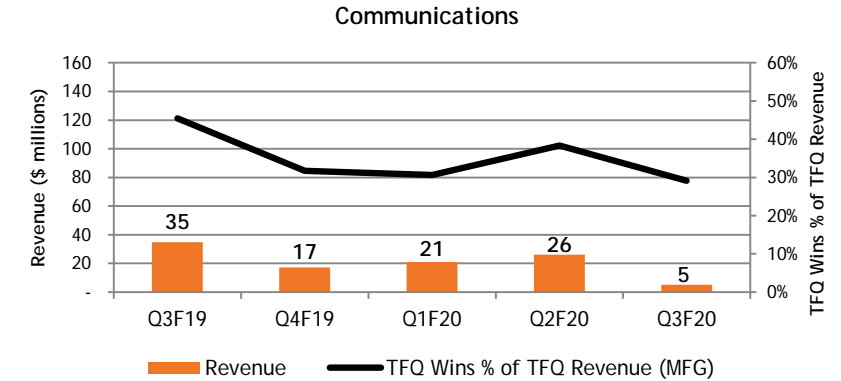
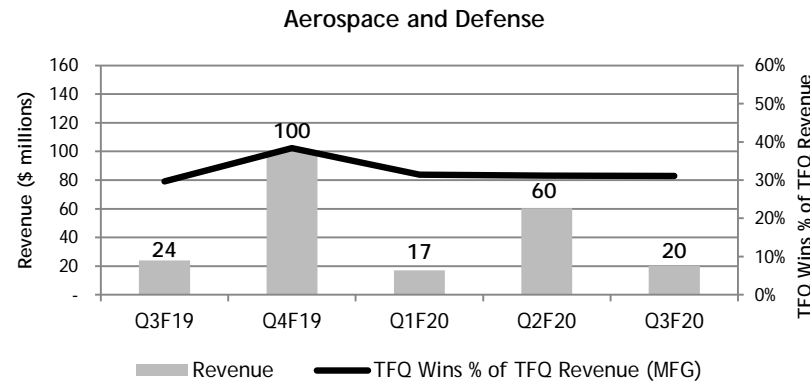
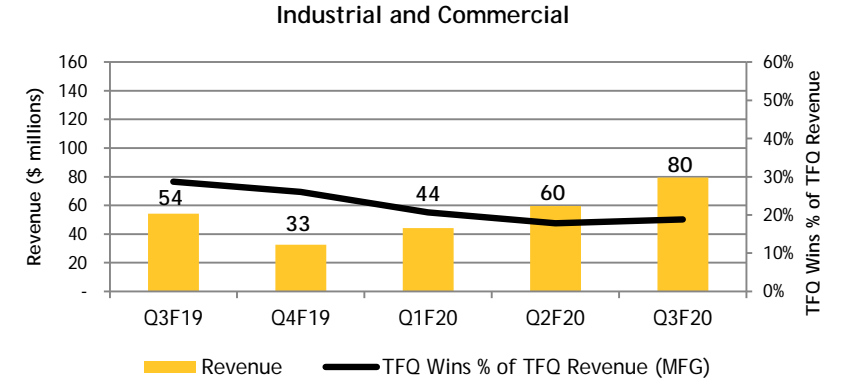
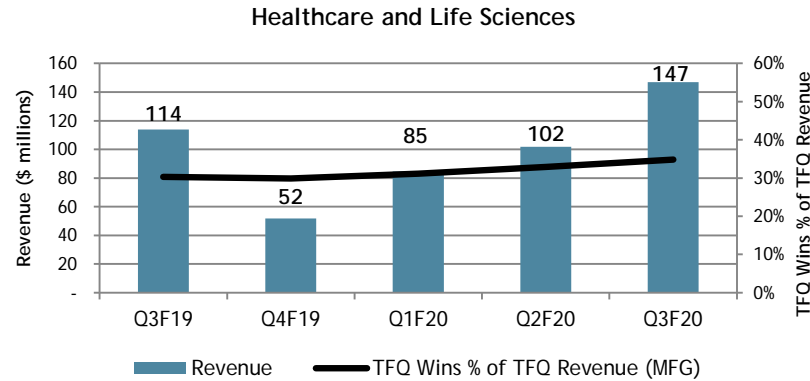
EMEA: responds to UK government's request for ventilator support



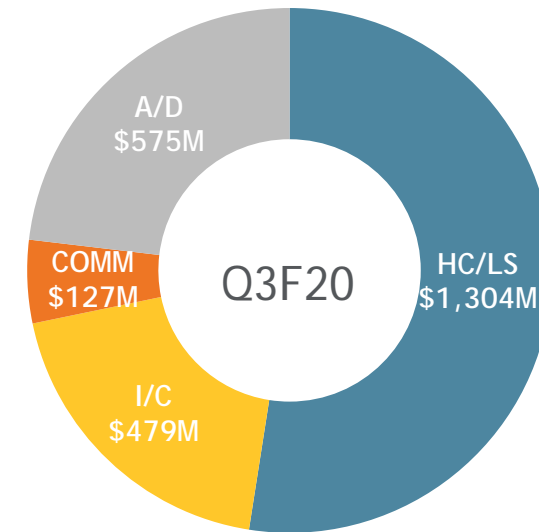
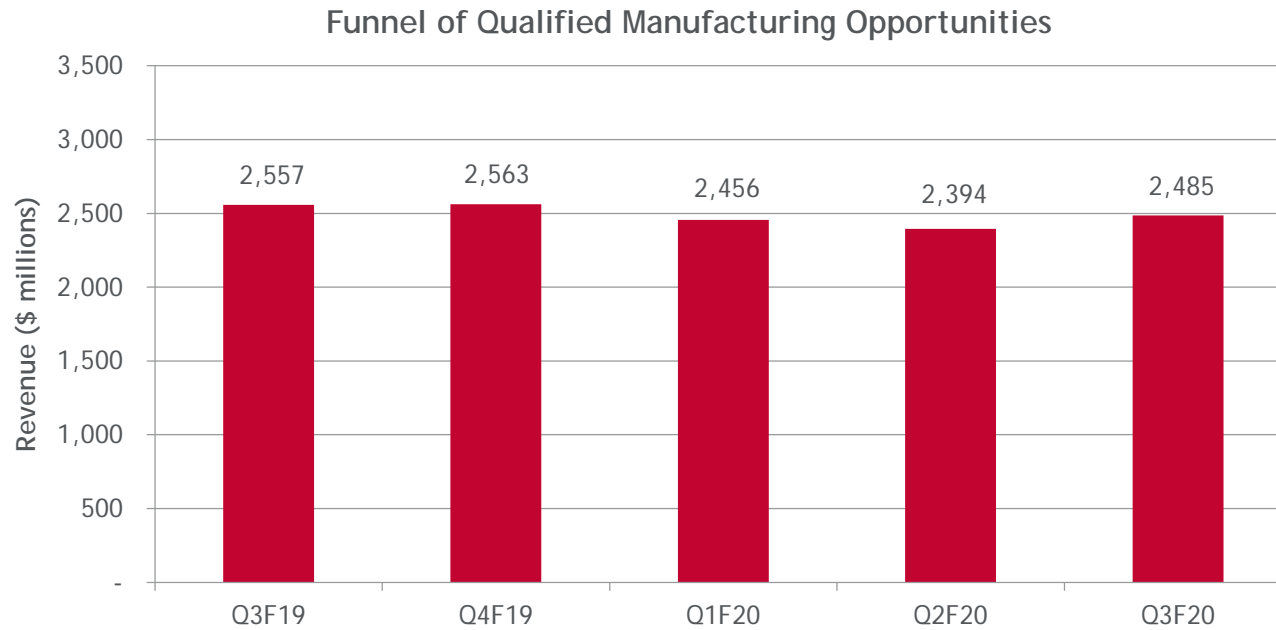
# Manufacturing wins by sector



HC/LS wins supporting COVID-19 fight  
 I/C adds new power grid customer  
 A/D wins significant security device



# Manufacturing funnel



*Qualified manufacturing funnel grows in spite of strong wins performance*

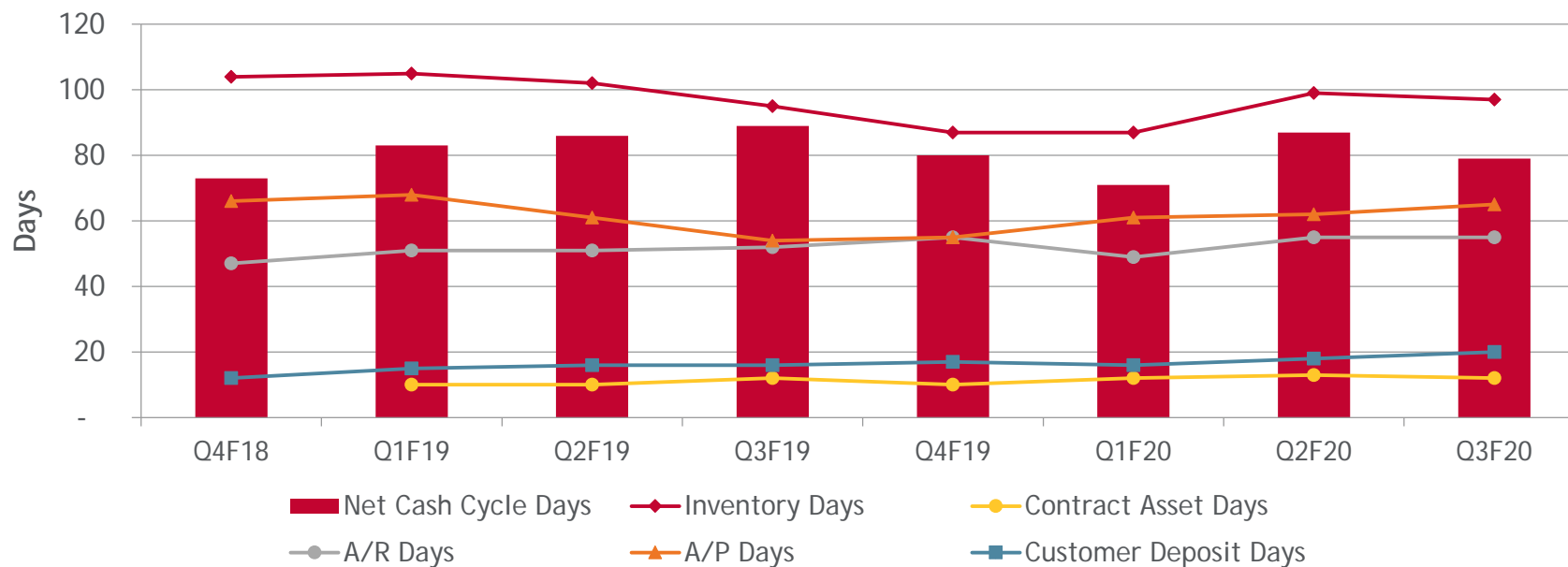
# Income statement

	Q3F20	Comments
Revenue	\$857 million	Sequentially higher by \$90 million or 12%
Gross margin	9.7%	Sequentially higher 170 basis points
Selling & administrative expenses	\$37.0 million	Sequentially lower \$1.2 million
GAAP operating margin	5.3%	Improved 230 basis points from Q2F20 non-GAAP result
Non-operating expenses	\$4.2 million	Improved from expectations
GAAP diluted EPS	\$1.20	Benefited from strong operating results, lower non-operating expenses and lower than expected tax expense

# Cash flow and balance sheet

	Q3F20	Comments
Free cash flow	\$37 million	Cash from operations: \$47 million Capital expenditures: \$10 million
Share repurchases	None	Previously suspended due to COVID-19
Cash balance	Approximately \$300 million	Sequentially higher \$73 million
Total debt	\$335 million	Gross debt to EBITDA ratio of 1.6X
Return on invested capital	12.9%	410 basis points above fiscal 2020 WACC of 8.8%
Cash cycle days	79 days	Sequential improvement of 8 days

# Working capital trends



	Q4F18	Q1F19	Q2F19	Q3F19	Q4F19	Q1F20	Q2F20	Q3F20
Inventory Days	104	105	102	95	87	87	99	97
Contract Asset Days		10	10	12	10	12	13	12
A/R Days	47	51	51	52	55	49	55	55
A/P Days	66	68	61	54	55	61	62	65
Customer Deposit Days	12	15	16	16	17	16	18	20
Net Cash Cycle Days	73	83	86	89	80	71	87	79



# Fiscal fourth quarter 2020 guidance

	Guidance
Revenue	\$850 to \$890 million
GAAP diluted EPS	\$1.05 to \$1.20
Gross margin	9.1% to 9.5%
SG&A	\$37.0 to \$38.0 million
GAAP operating margin	4.8% to 5.2%
Depreciation and amortization	Approximately \$14 million
Non-operating expenses	\$4.8 to \$5.2 million
Effective tax rate	13% to 15%*
Diluted weighted average shares outstanding	Approximately 30 million
Cash cycle days	77 to 81 days

\* Fiscal year 2020 tax rate anticipated to be 12% to 14%.

Q&A  
Thank you.