



The Product Realization Company

FISCAL THIRD QUARTER 2015 FINANCIAL RESULTS

July 23, 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 ROIC, Economic Return, and free cash flow, because such 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 THIRD QUARTER 2015 RESULTS

	Q3F15 Guidance April 22, 2015	Q3F15 Jul 4, 2015	Q2F15 Apr 4, 2015	Q3F15 vs. Q2F15
Revenue (\$ millions)	\$670 to \$700	\$670	\$651	+ 3%
Diluted EPS	\$0.71 to \$0.79	\$0.69	\$0.69	Flat
ROIC		14.1%	14.5%	- 40 bps

Q3F15 consistent with announcement of preliminary results on July 13th

Relative to April 22nd guidance

- Revenue at bottom of the range
- EPS \$0.02 below bottom of the range

FISCAL THIRD QUARTER NOTES

Revenue of \$670 million establishes a new record

- Up 3% Q/Q; up 8% Y/Y

Market Sectors vs. Expectations

- Networking/Communications— Late quarter weakness that continues into Q4
- Healthcare/Life Sciences—modest weakness
- Industrial/Commercial—modest strength
- DSA—modest weakness coupled with missed product shipments

Focus on Customers

- Net Promotor Scores rising
- Six outstanding performance awards, including GE Healthcare 2014 Supplier of the Year!
- AS9100 Quality Management System Certification for Plexus Engineering Solutions in Europe

Global Leadership

- Oliver Mihm named President of Plexus EMEA; relocates to Europe
- Ronnie Darroch to focus on Global Manufacturing strategy and execution; relocates to U.S.
- Mike Running assumes leadership over our global Engineering Solutions business unit

FISCAL FOURTH QUARTER

	Q4F15 Guidance
Revenue	\$650 to \$680 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

All sectors weakened in Q4 versus our view in April

- Networking/Communication had the largest reduction
- Expect growth in other sectors to be offset by reductions in N/C

Assuming revenue at midpoint of guidance

- Down approximately 1% Q/Q and about flat Y/Y
- Fiscal 2015 up about 11% versus prior year; just shy of our enduring goal of 12%
- Fiscal 2015 all sectors achieve Y/Y growth

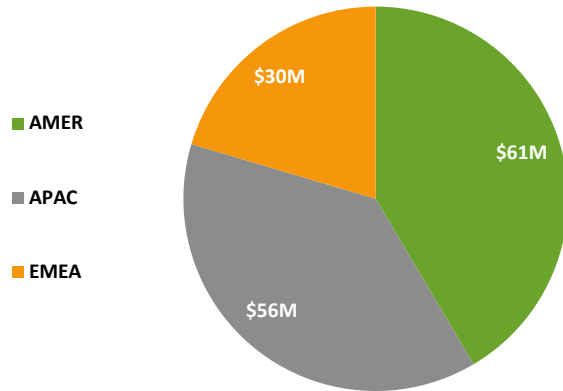
PERFORMANCE BY SECTOR

	Q3F15 Jul 4, 2015		Q2F15 Apr 4, 2015		Q3F15 vs. Q2F15	Q4F15 Expectations (percentage points)
Networking/ Communications	\$222	33%	\$210	32%	+ 6%	Down high teens
Healthcare/ Life Sciences	\$180	27%	\$191	29%	- 6%	Up low single
Industrial/ Commercial	\$176	26%	\$160	25%	+ 10%	Up low double
Defense/ Security/ Aerospace	\$92	14%	\$90	14%	+ 2%	Up low double
Total Revenue	\$670	100%	\$651	100%	+ 3%	

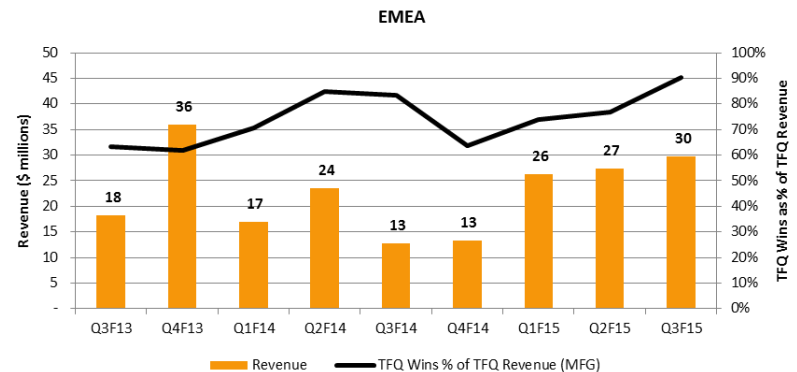
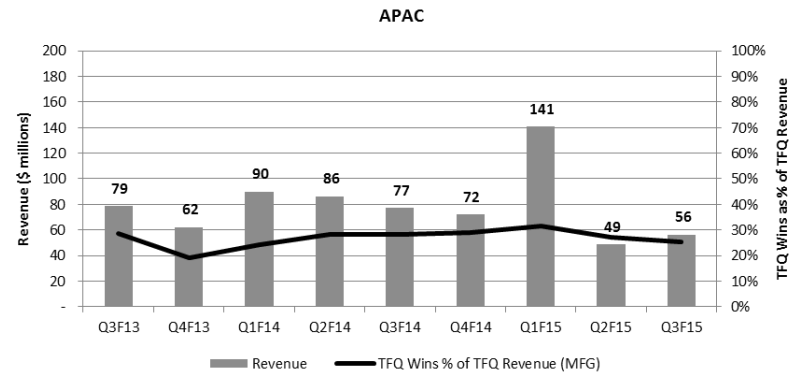
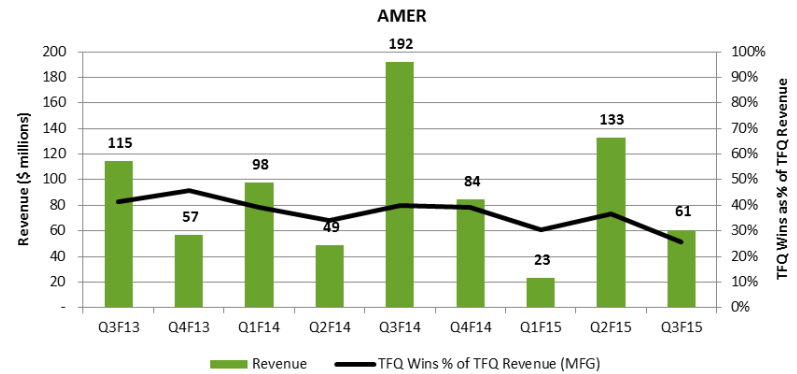
Revenue in millions

MANUFACTURING WINS BY REGION

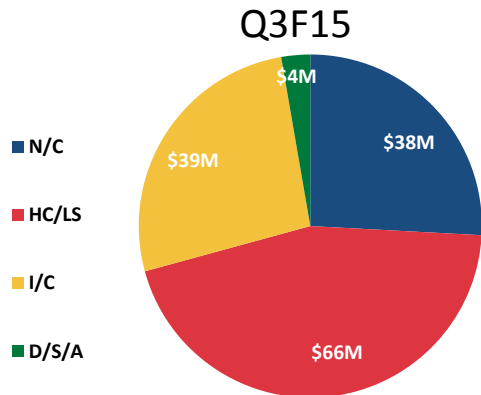
Q3F15



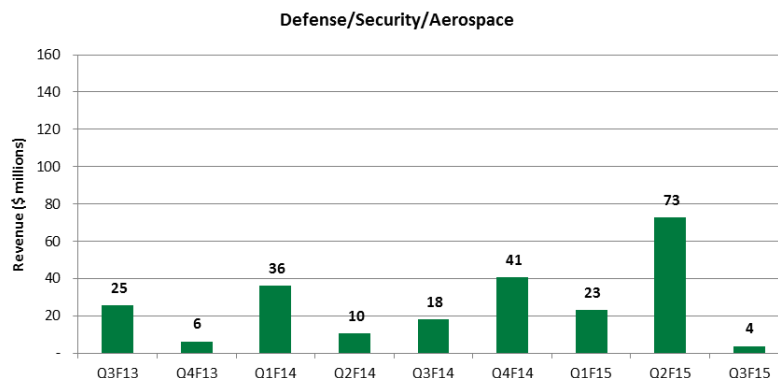
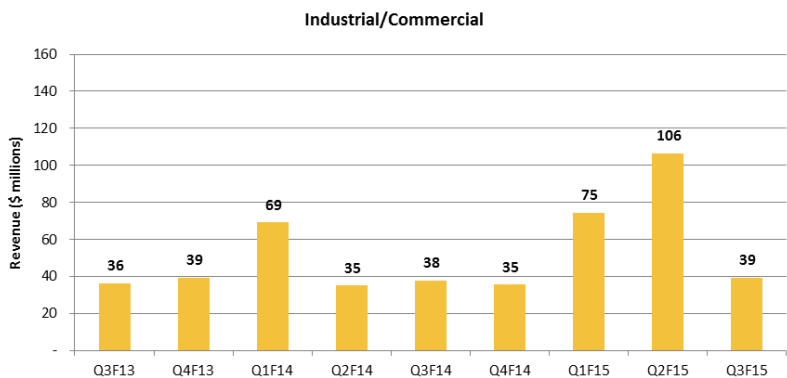
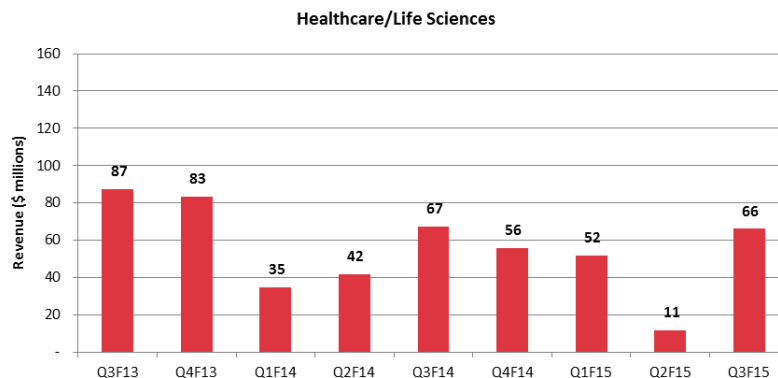
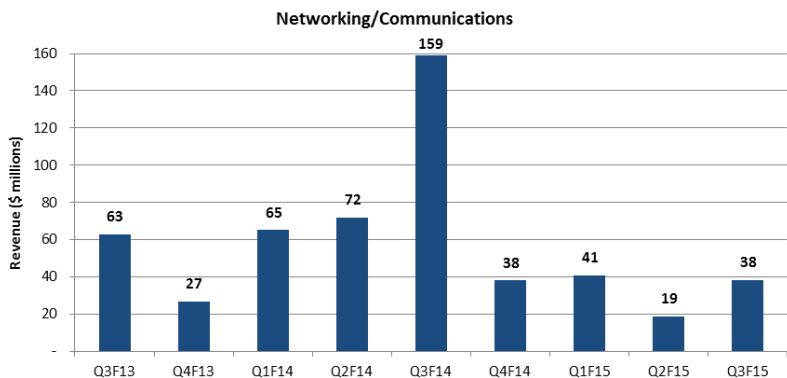
- \$147M in annualized manufacturing revenue when fully ramped (34 programs)
- Balanced wins across the regions
- Strong wins momentum in EMEA



MANUFACTURING WINS BY SECTOR



- Strength in Healthcare/Life Sciences
- Funnel healthy at \$2.0B



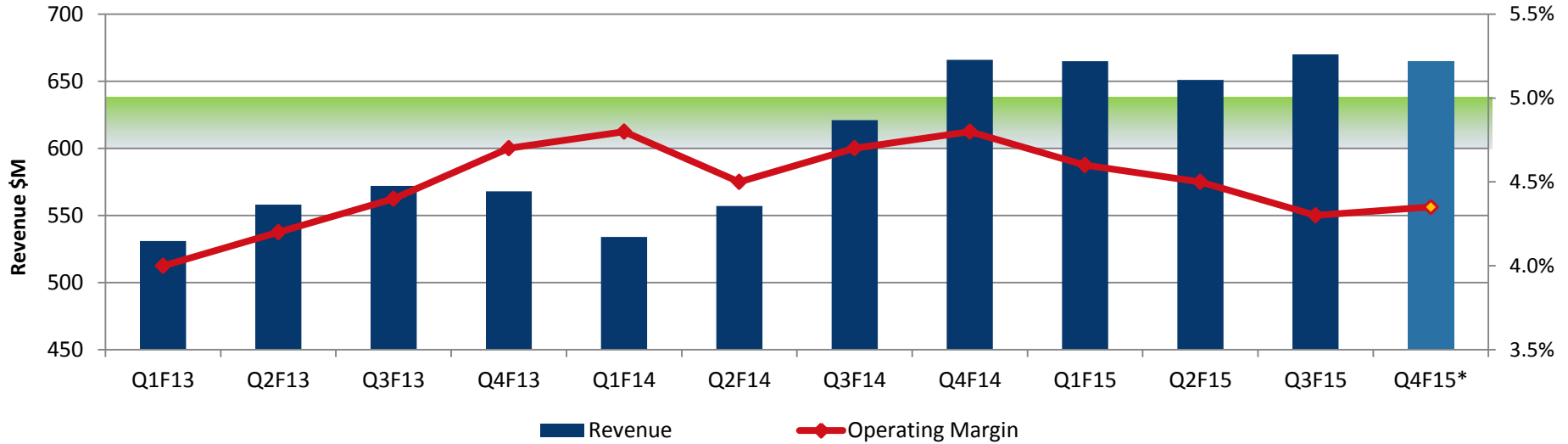
MANUFACTURING WINS MOMENTUM



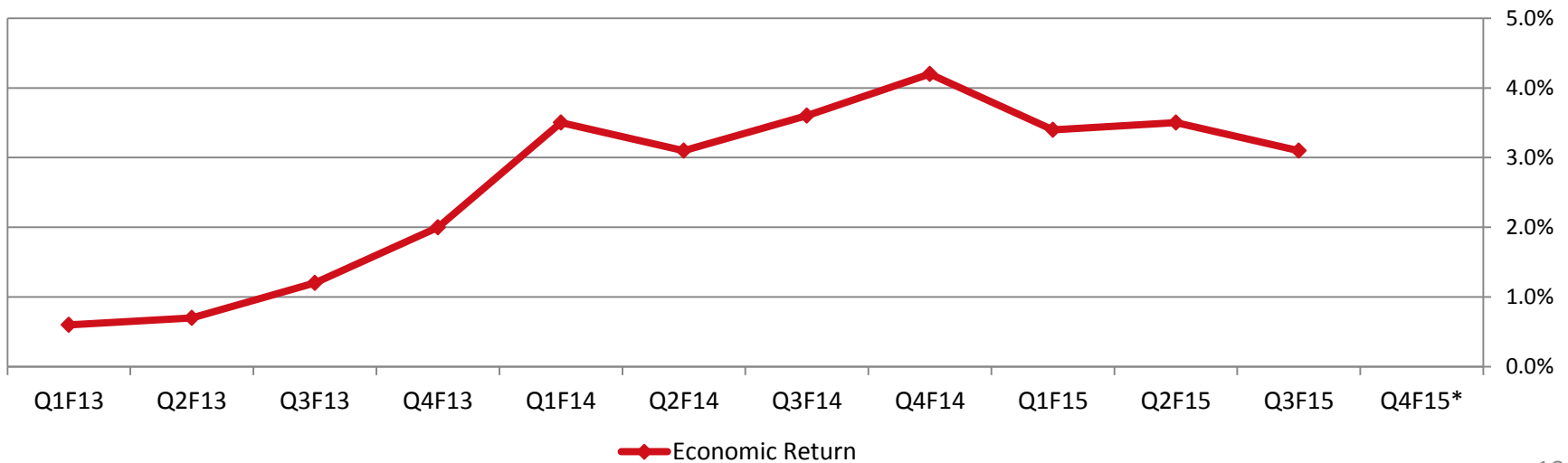
Trailing Four Quarter Wins Above Target

KEY OPERATING METRICS

Operating Margin Target Range: 4.7 to 5.0%



Economic Return Performance



**represents midpoint of guidance*

OPERATING MARGIN

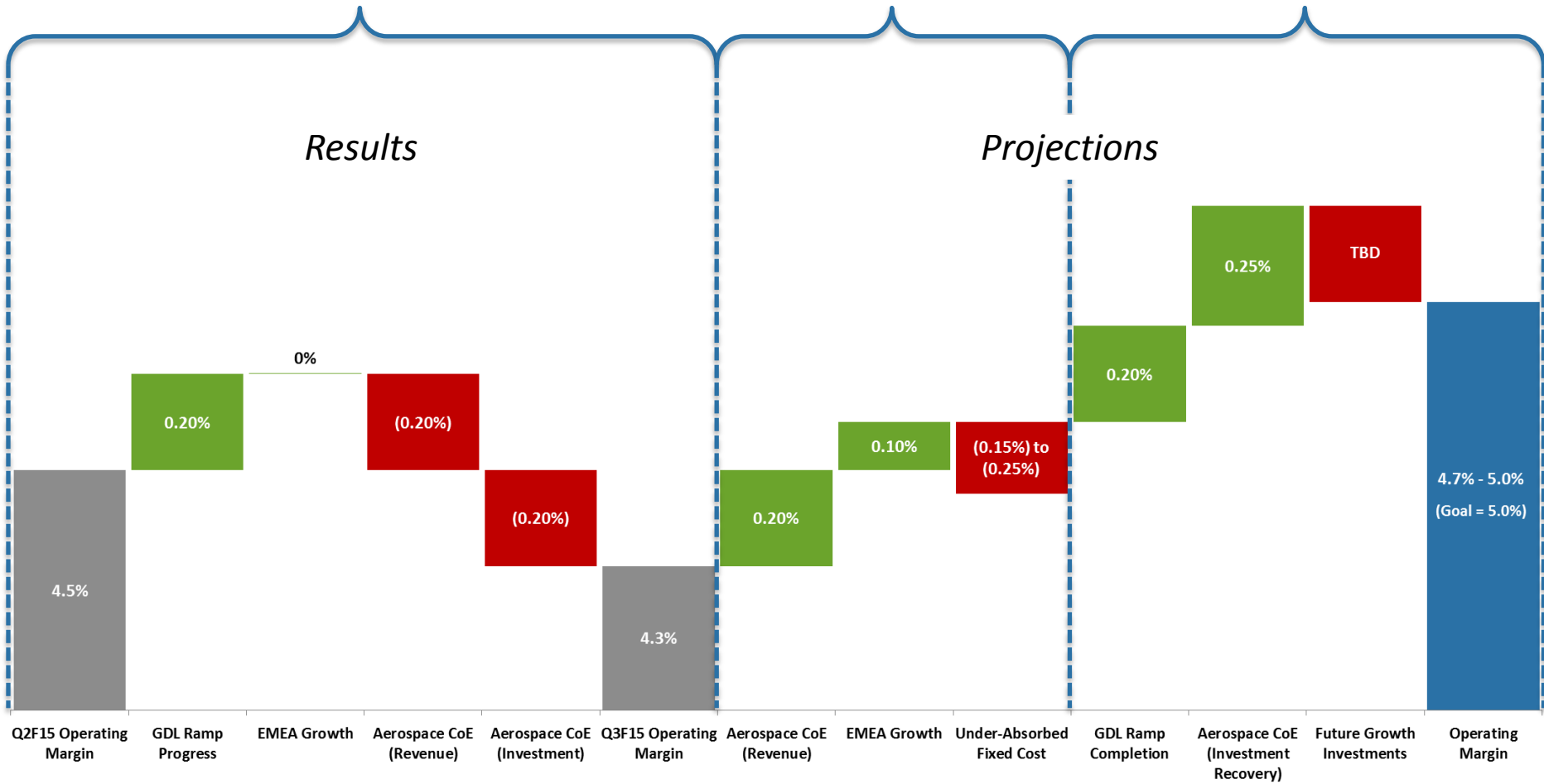
Q2F15 – Q3F15

Q4F15

F16

Results

Projections



FISCAL THIRD QUARTER INCOME STATEMENT

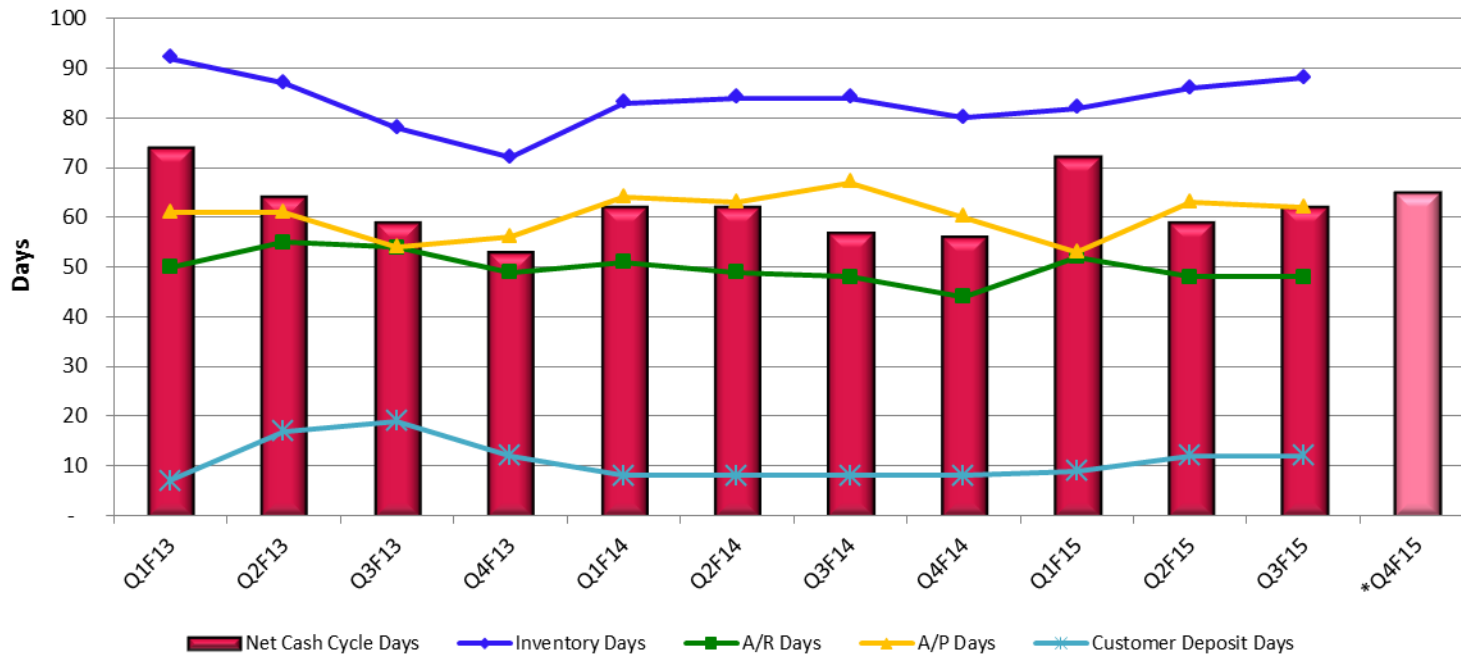
	Q3F15	Comments
Revenue	\$670	Record revenue and at the low end of the guidance range, 8% growth vs Q3F14
Gross margin	8.8%	Below guidance range of 9.0-9.3% and below Q2F15 of 9.2%
Selling & administrative expenses	\$30.5	Low end of guidance range and, as a percent of revenue, the lowest in several years
Operating margin	4.3%	Below guidance range due to lower gross margin
Diluted earnings per share	\$0.69	Sequentially flat

Dollars in millions, except earnings per share

BALANCE SHEET AND CASH FLOWS

	Q3F15	Comments
Return on invested capital	14.1%	Above WACC of 11% and representing an Economic Return of 3.1% compared to enduring goal of 5.0%
Share repurchases	\$7.5 million	~ 170,000 at an average price of \$44.40 per share
Free cash flow	\$5 million	Cash from operations: \$15 million Capital expenditures: \$10 million
Cash cycle days	62 days	In-line with expectations and 3 days higher than Q2F15

WORKING CAPITAL TRENDS



	Q1F13	Q2F13	Q3F13	Q4F13	Q1F14	Q2F14	Q3F14	Q4F14	Q1F15	Q2F15	Q3F15	*Q4F15
Inventory Days	92	87	78	72	83	84	84	80	82	86	88	
A/R Days	50	55	54	49	51	49	48	44	52	48	48	
A/P Days	61	61	54	56	64	63	67	60	53	63	62	
Customer Deposit Days	7	17	19	12	8	8	8	8	9	12	12	
Net Cash Cycle Days	74	64	59	53	62	62	57	56	72	59	62	65

*represents midpoint guidance

FISCAL FOURTH QUARTER 2015 GUIDANCE

	Guidance
Revenue	\$650 to \$680 million
Diluted earnings per share	\$0.64 to \$0.72
Gross margin	8.7% to 9.0%
SG&A	\$30 to \$31 million
Operating margin	4.2% to 4.5%
Depreciation	~ \$12 million
Q4 tax rate	10% to 12%
F15 tax rate	10% to 12%
Cash cycle days	63 to 67 days
F15 capital expenditures	~ \$40 million

Q&A

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

PLEXUS

®

The Product Realization Company