

Fiscal fourth quarter 2020 financial results

October 29, 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 filings, 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 fourth quarter results

	Q4F20 Results	Q4F20 Guidance	Q3F20 Results
Revenue (\$ millions)	\$913	\$850 to \$890	\$857
GAAP Diluted EPS	\$1.26 ⁽¹⁾	\$1.05 to \$1.20 ⁽²⁾	\$1.20 ⁽³⁾

- Record quarterly revenue representing 7% sequential growth and 13% y-o-y growth
- Strong results from I/C and HC/LS
- GAAP operating margin of 5.5% - best result in over a decade

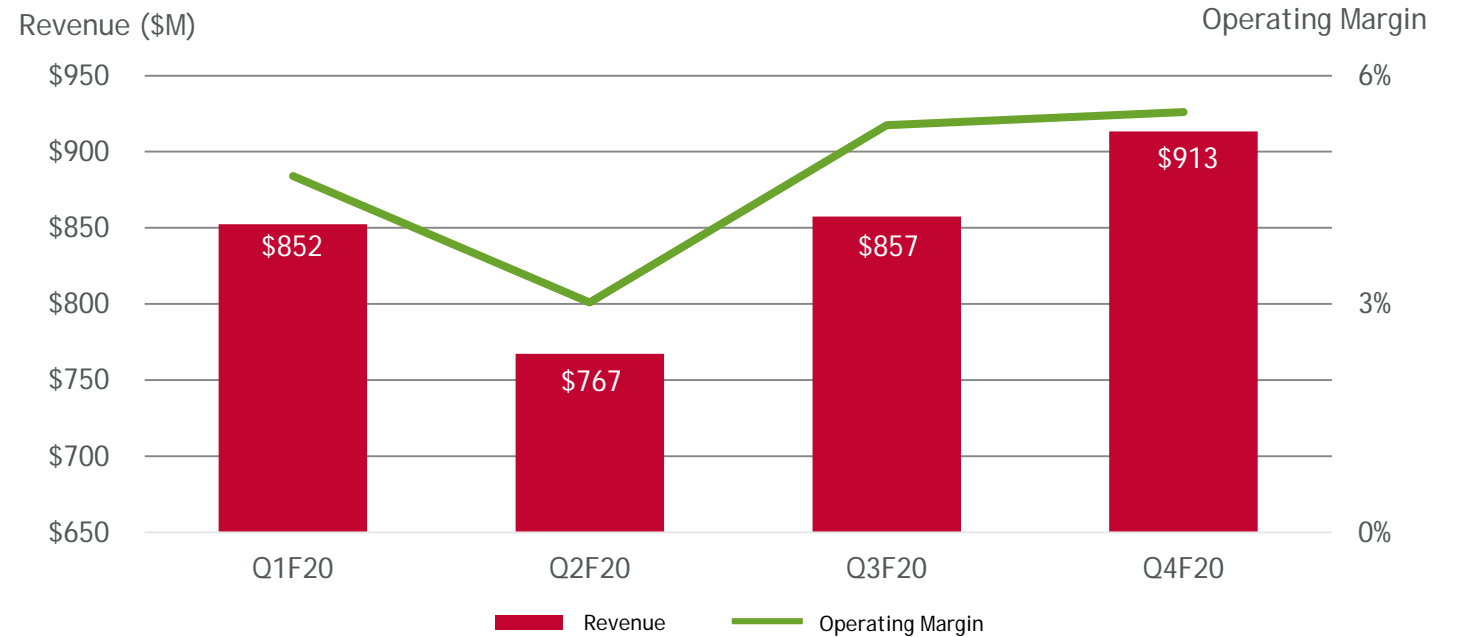
(1) Includes \$0.23 stock-based compensation expense

(2) Includes \$0.21 stock-based compensation expense

(3) Includes \$0.22 stock-based compensation expense

F20 financial performance

	PLXS		
	Revenue	Operating Margin (%)	Economic Return (avg.)
Enduring Goal	9-12%	4.7-5%	500bps
F20	7%	4.7%	520bps

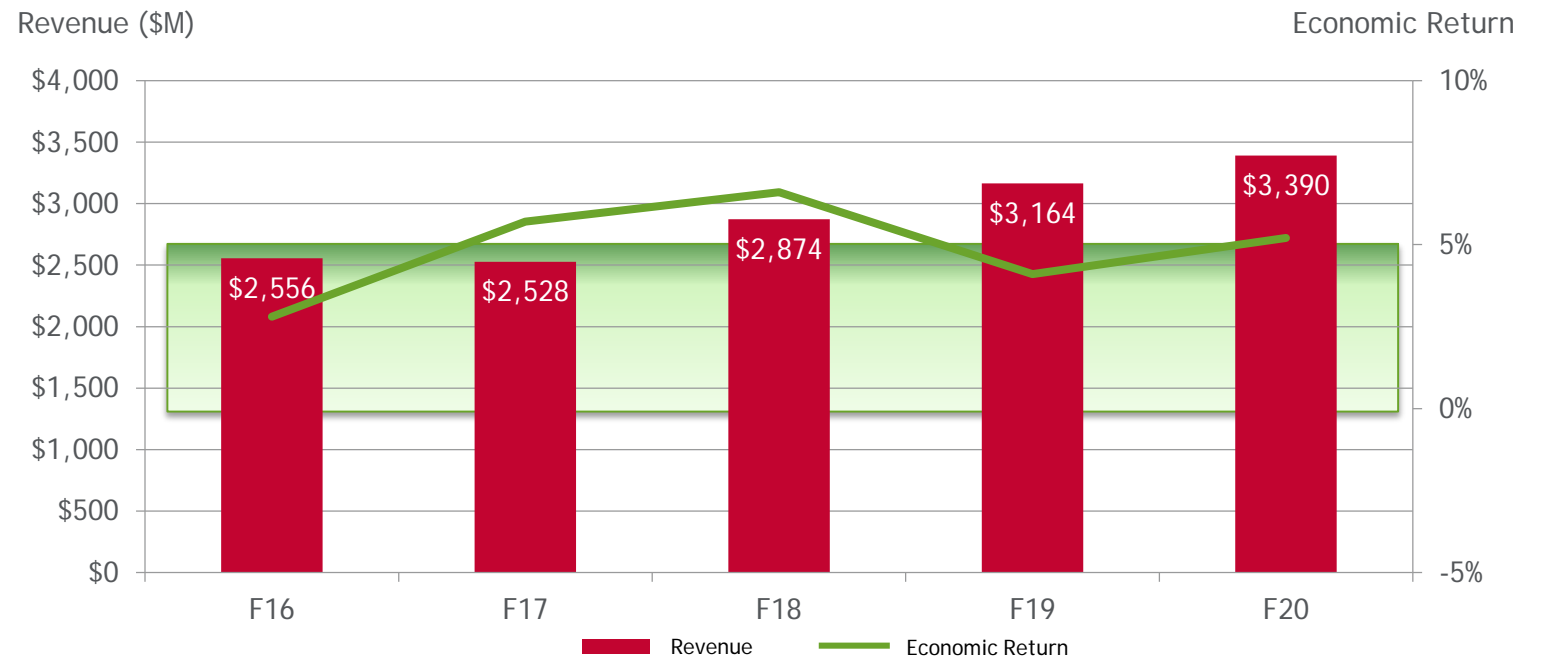


- Record revenue of \$3.4B
- Operating margin of 5.4% in second half of F20
- Non-GAAP diluted EPS growth of 19%
- Record free cash flow of \$160M

Strong performance in the midst of a pandemic

Longer-term financial performance

	PLXS	
	Revenue CAGR	Economic Return (avg.)
Enduring Goal	9-12%	5.0%
1 Year	7%	5.2%
3 Year	10%	5.3%



Consistent performance in-line with our industry leading goals



Building a better world, together

Forbes | 2020

**WORLD'S BEST
EMPLOYERS**

POWERED BY STATISTA

Fiscal 2021 first quarter guidance

REVENUE GUIDE

- Demand reduction for critical care healthcare products and certain industrial products
- Aerospace demand stabilized

EPS GUIDE

- Leveraging recent productivity gains
- GAAP operating margin of 4.9% to 5.3%

	Q1F21 Guidance
Revenue	\$810 to \$850 million
GAAP Diluted EPS	\$1.02 to \$1.17*

* Includes \$0.19 of stock-based compensation expense and excludes any non-recurring charges.



Vision

We help create the products that build a better world.

Mission

The leader in highly complex products and demanding regulatory environments.

Highly complex products and demanding regulatory environments

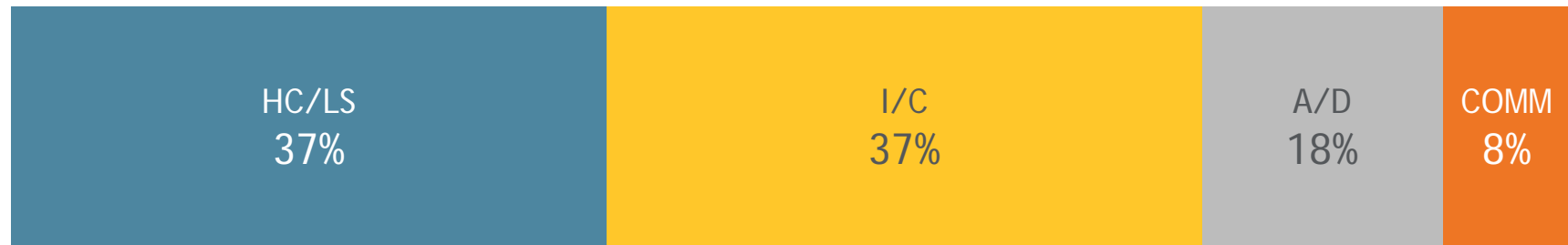
\$1.8B

F08



\$3.4B

F20



Unique portfolio transformed over the past decade

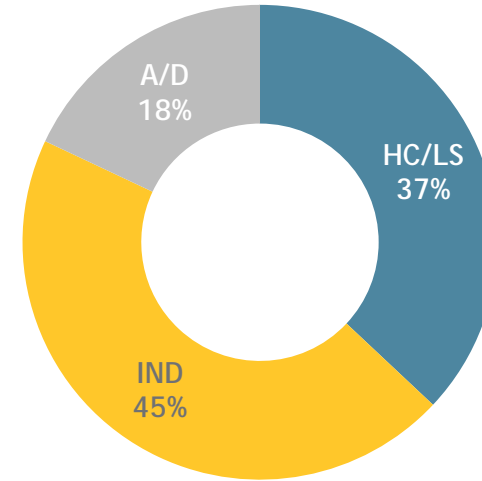
■ Healthcare and Life Sciences
 ■ Industrial and Commercial
 ■ Aerospace and Defense
 ■ Communications

Introducing Industrial (IND)

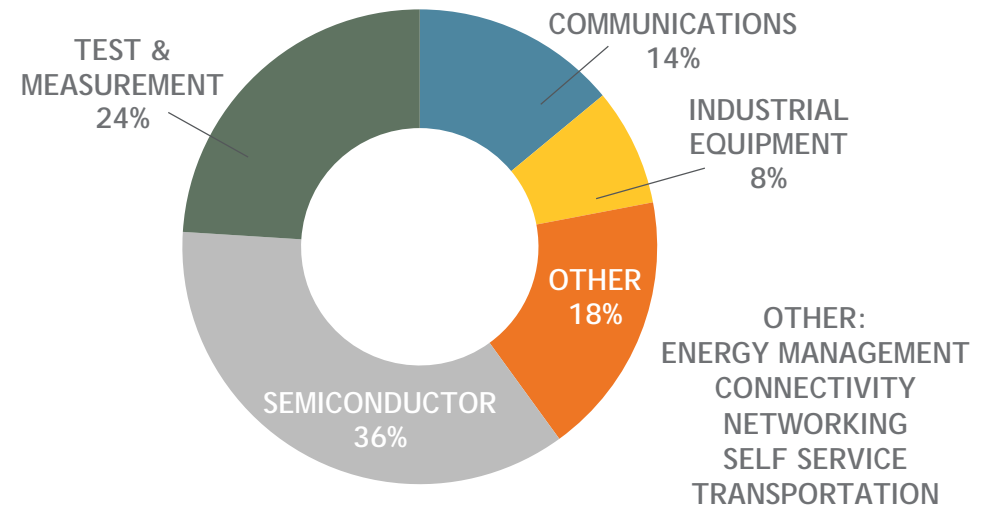
ENHANCING STRATEGIC ALIGNMENT

- Focused on expansion of existing COMM customers
- New COMM logos will be treated opportunistically
- Focus on high complexity electro-mechanical products
- Leverage our skill sets and extensive capabilities

F20 Plexus Revenue



F20 Industrial Revenue



Our portfolio supports our revenue growth goal

Market Sector	Product Life Cycle (years)	Plexus		EMS Market Growth CAGR**
		5 Year CAGR F15-F20	Future Growth Expectations	
Healthcare/Life Sciences	8-10	11%	Mid-teens	5%
Industrial	3-10	13%*	High-single	8%
Aerospace/Defense	15-20	10%	Mid-teens	3%
Total			9-12%	

* 5 Year CAGR represents Industrial/Commercial Sector
 ** Generated via internal market research



Quidel Sofia®2

Fiscal 2021 Outlook

Early F21 demand reduction in critical care and certain industrial programs

New program wins drive growth later in the year

A path to strong operating performance throughout the year

Performance by sector

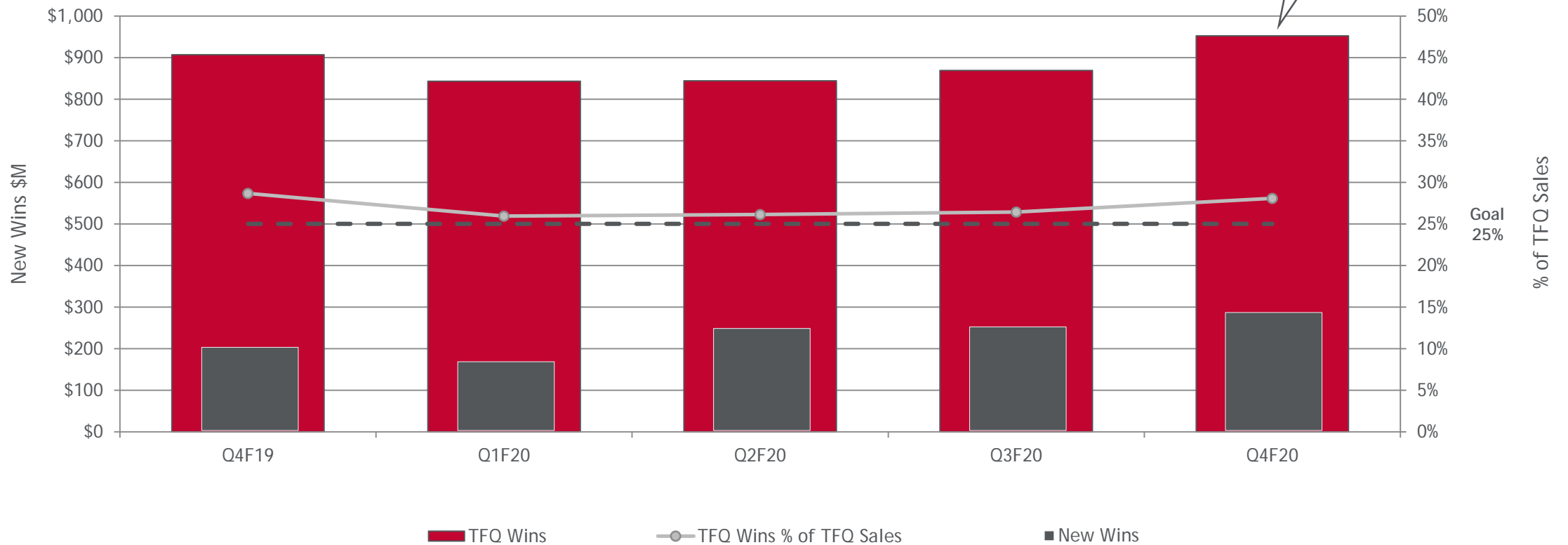
	Q4F20 Oct 3, 2020		Q3F20 Jul 4, 2020		Q4F20 vs. Q3F20
	Revenue	Profit %	Revenue	Profit %	
Healthcare and Life Sciences	\$345	38%	\$330	39%	+ 5%
Industrial and Commercial	\$341	37%	\$317	37%	+ 7%
Communications	\$86	9%	\$69	8%	+ 25%
Aerospace and Defense	\$141	16%	\$141	16%	Flat
Total Revenue	\$913	100%	\$857	100%	+ 7%

	Q1F21 Expectations (percentage points)
Healthcare and Life Sciences	Down high single
Industrial	Down low teens
Aerospace and Defense	Up mid single

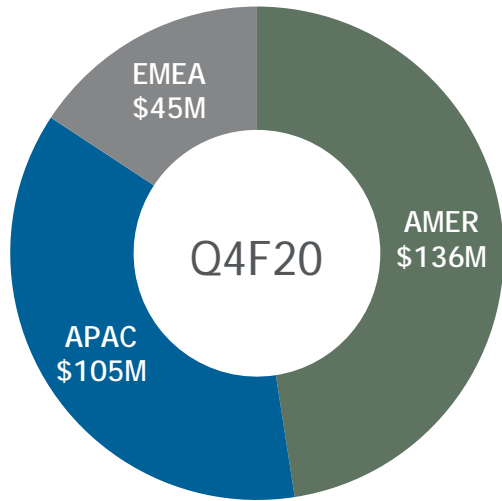
Manufacturing wins

Q4F20 wins: \$286M
 New programs: 44

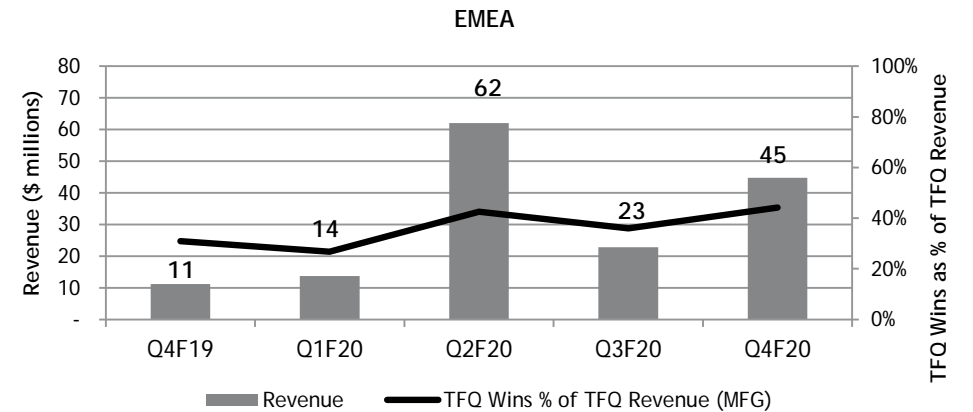
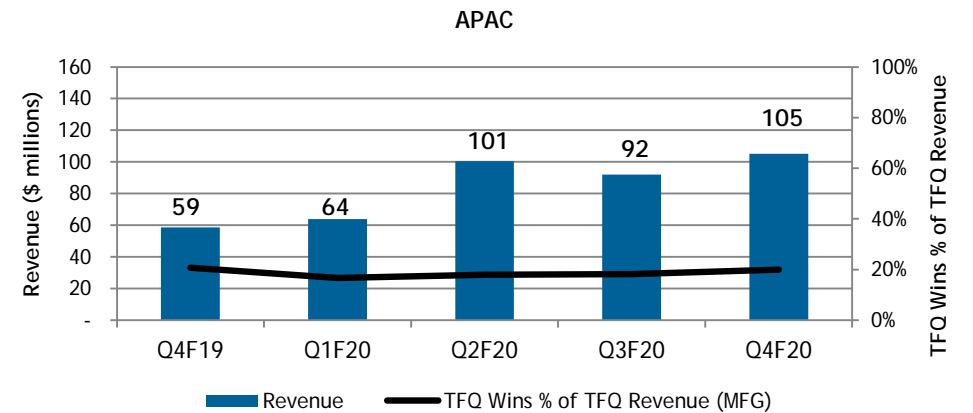
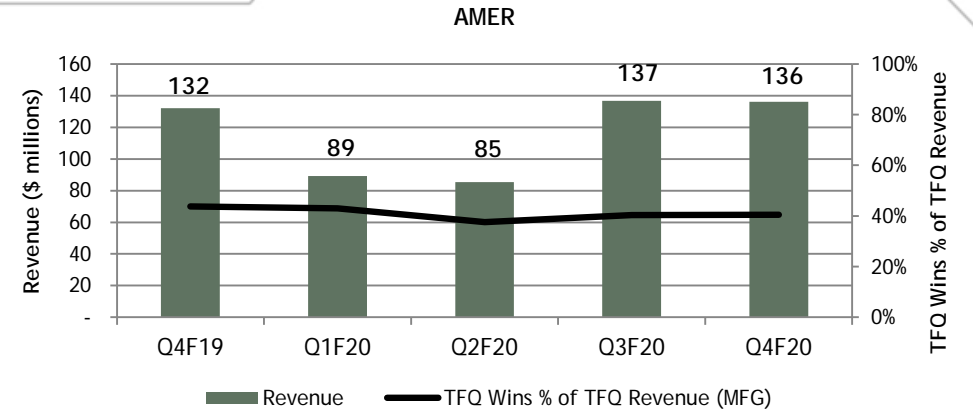
Trailing Four Quarters (TFQ) Manufacturing Wins



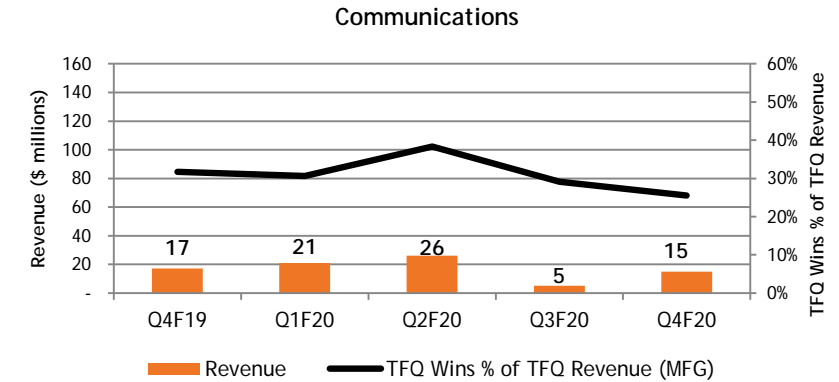
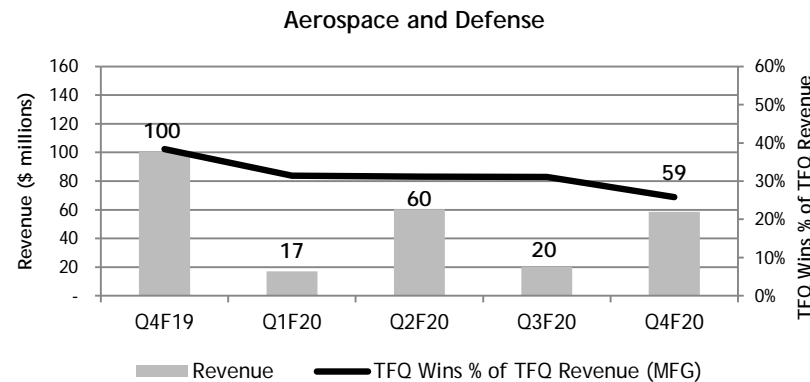
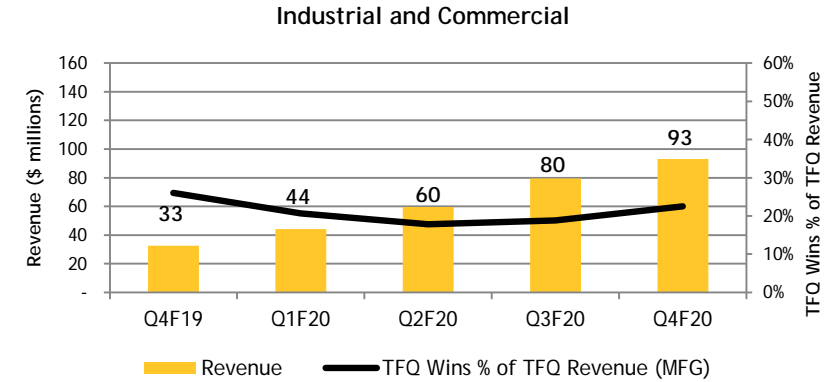
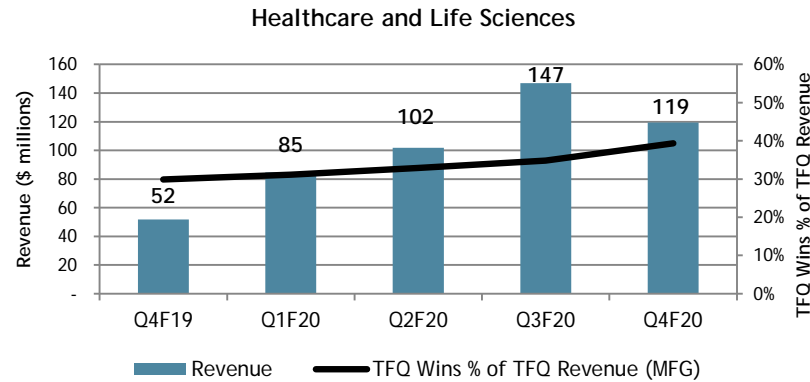
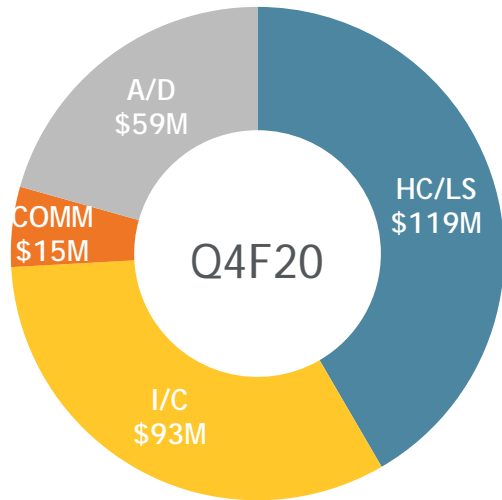
Manufacturing wins by region



- AMER: second consecutive quarter of robust wins
- APAC: wins include a new single-use respiratory device
- EMEA: two new large HC/LS programs for Oradea, Romania facility



Manufacturing wins by sector

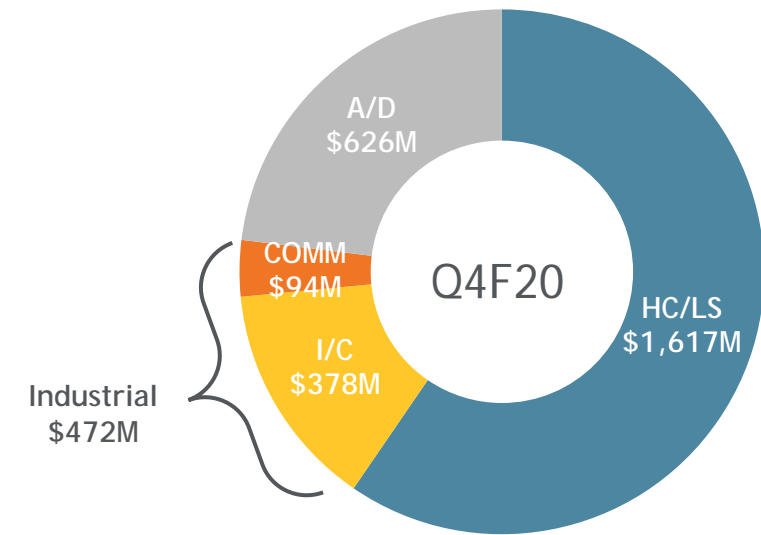
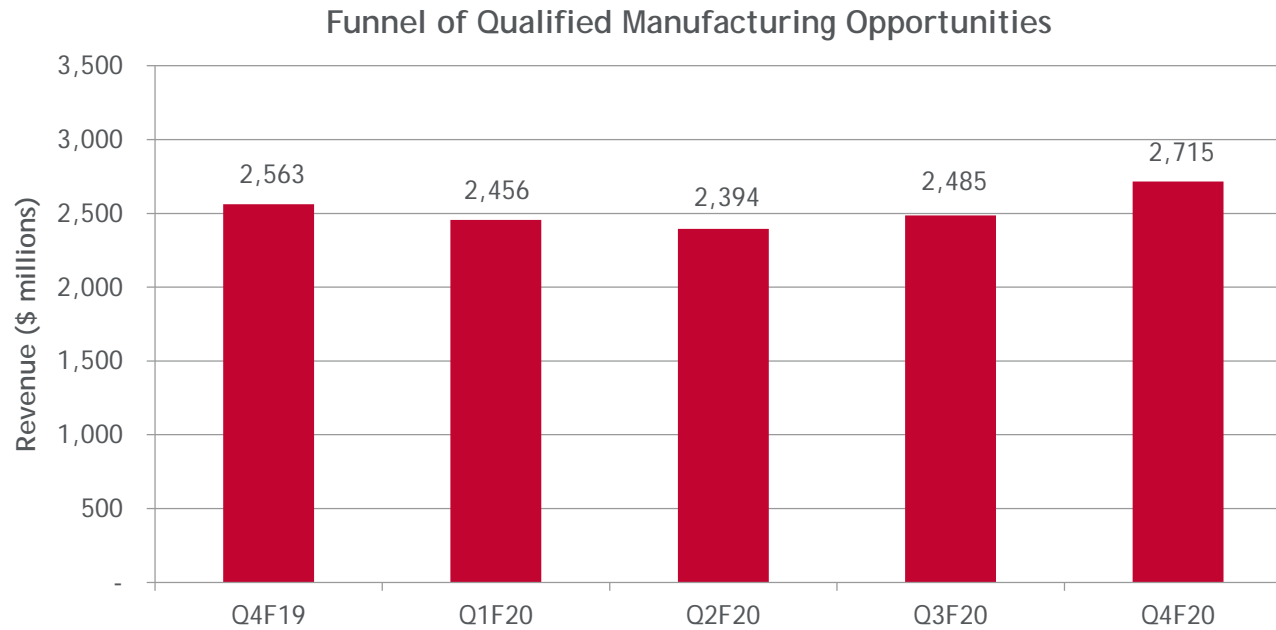


HC/LS expands COVID-19 tester portfolio

I/C adds air purification program

A/D wins include large defense program

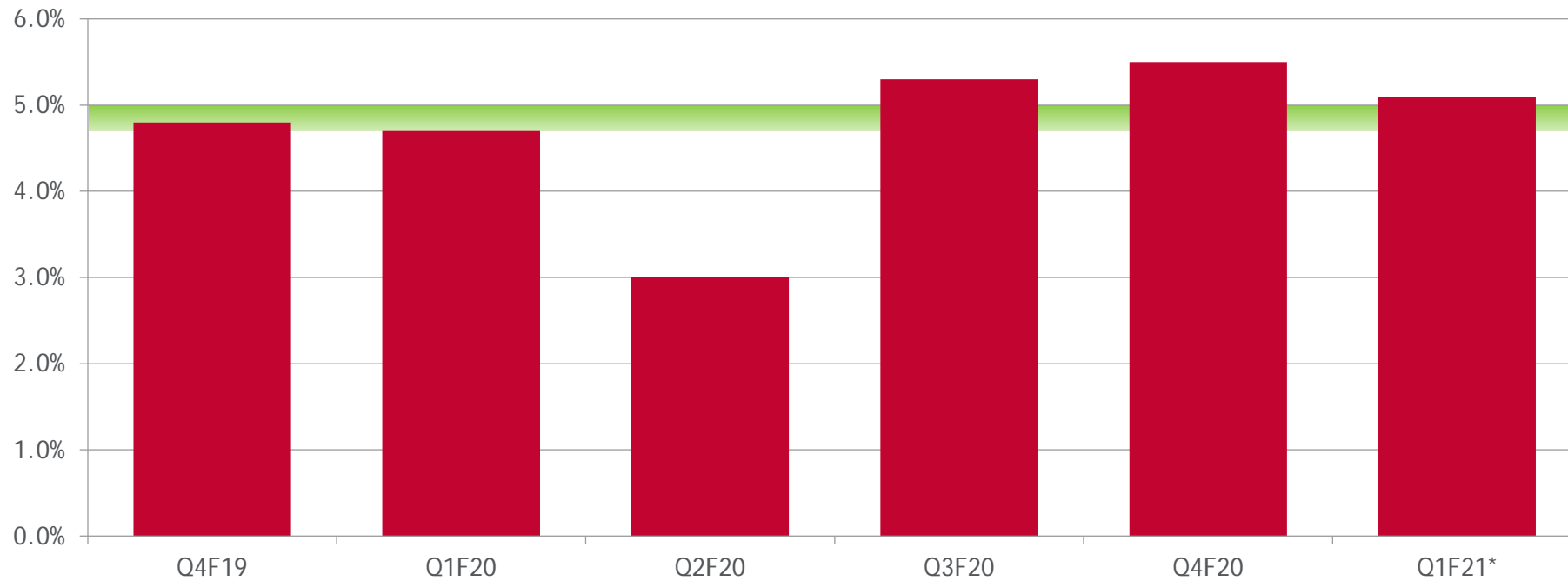
Manufacturing funnel



Qualified manufacturing funnel expands by \$230M to start F21 in excess of \$2.7B

Operating performance

Q4F20 Operating Margin: 5.5%



Operating margin results exceed 5.0% for second consecutive quarter

*Represents midpoint of guidance
Data within the graph represents Adjusted Operating Margin

Thailand expansion

- Growth projections support the need for additional capacity in S.E. Asia
- Investing in approximately 400K sq.ft. manufacturing facility
- Built on land already owned by Plexus near Bangkok, Thailand
- Anticipated construction commencement in Q2F21
- Completion goal of Q3F22



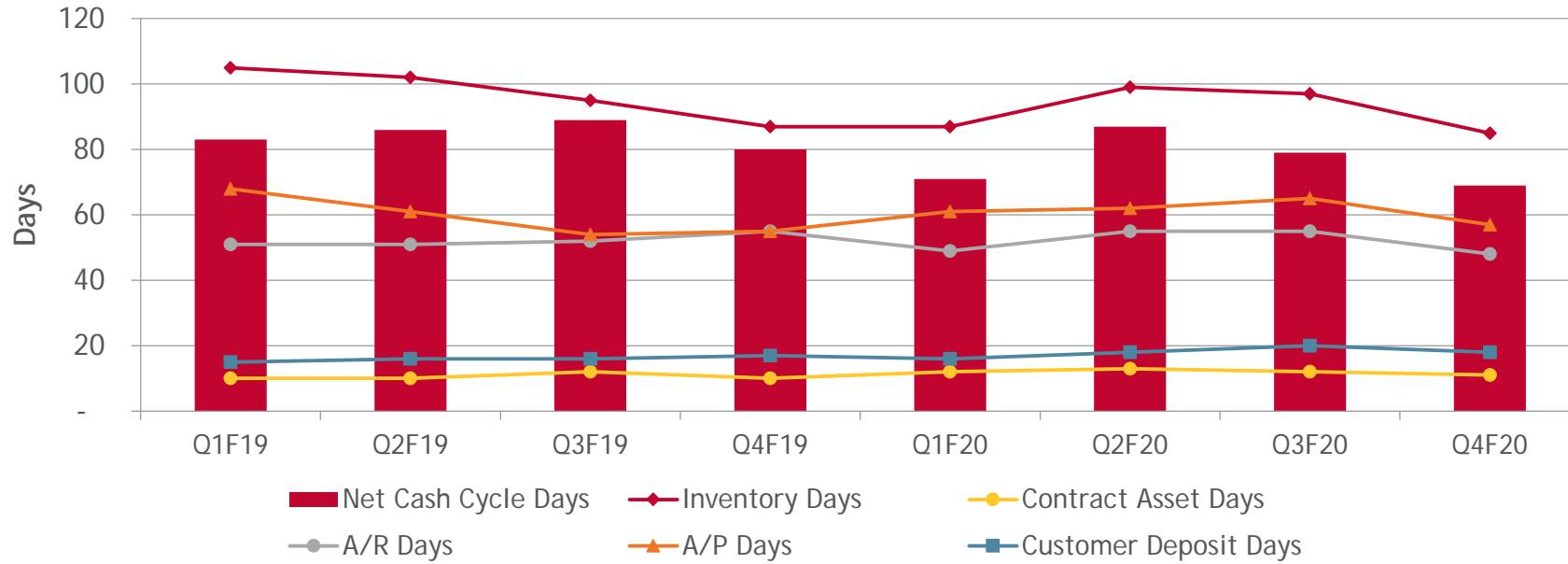
Income statement

	Q4F20	Comments
Revenue	\$913 million	Above guidance range and sequentially higher by \$56 million or 7%
Gross margin	9.8%	Above guidance range of 9.1% to 9.5%
Selling & administrative expenses	\$38.8 million	Above guidance range of \$37.0 to \$38.0 million
GAAP operating margin	5.5%	Sequentially higher 20 basis points and above our target range
Non-operating expenses	\$5.0 million	Consistent with guidance range
GAAP diluted EPS	\$1.26	Record result and above guidance range of \$1.05 to \$1.20

Cash flow and balance sheet

	Q4F20	Comments
Free cash flow	\$109 million	Cash from operations: \$118 million Capital expenditures: \$9 million
Share repurchases	\$21.9 million	Approx. 295,000 shares at an average price of \$74.34 per share
Cash balance	\$388 million	Sequentially higher by \$88 million
Total debt	\$335 million	Gross debt to EBITDA ratio of 1.5X
Return on invested capital	14.0%	520 basis points above fiscal 2020 WACC of 8.8%
Cash cycle days	69 days	Sequential improvement of 10 days

Working capital trends



	Q1F19	Q2F19	Q3F19	Q4F19	Q1F20	Q2F20	Q3F20	Q4F20
Inventory Days	105	102	95	87	87	99	97	85
Contract Asset Days	10	10	12	10	12	13	12	11
A/R Days	51	51	52	55	49	55	55	48
A/P Days	68	61	54	55	61	62	65	57
Customer Deposit Days	15	16	16	17	16	18	20	18
Net Cash Cycle Days	83	86	89	80	71	87	79	69

Fiscal first quarter 2021 guidance

	Guidance
Revenue	\$810 to \$850 million
GAAP diluted EPS	\$1.02 to \$1.17
Gross margin	9.1% to 9.5%
SG&A	\$34.0 to \$35.0 million
GAAP operating margin	4.9% to 5.3%
Depreciation and amortization	Approximately \$14 million
Non-operating expenses	\$4.5 to \$4.9 million
Effective tax rate	13% to 15%
Diluted weighted average shares outstanding	Approximately 29.7 million
Cash cycle days	80 to 84 days

Q&A
Thank you.