



The Product Realization Company

FISCAL FIRST QUARTER 2016 FINANCIAL RESULTS

January 21, 2016

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 October 3, 2015, 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 FIRST QUARTER RESULTS

	Q1F16 Guidance Oct 28, 2015	Q1F16 Jan 2, 2016	Q4F15 Oct 3, 2015	Q1F16 vs. Q4F15
Revenue (\$ millions)	\$600 to \$625	\$617	\$669	- 8%
Non-GAAP Diluted EPS excluding restructuring	\$0.41 to \$0.48	\$0.47	\$0.69	- 32%
GAAP Diluted EPS		\$0.42	\$0.70	- 40%
ROIC		10.8%	14.0%	- 320 bps

As anticipated, Q1F16 was a difficult quarter

- Operating margins challenged as a consequence of rapid reduction in revenue
 - Q1F16 down \$52 million vs. Q4F15
 - Q1F16 down \$69 million vs. our July 2015 Q1F16 forecast
- Actions taken to improve operating margin performance are delivering results

MARGIN IMPROVEMENT ACTIONS

Initial cost reduction and control efforts offset seasonal cost increases in Q2F16

Lower-margin program disengagements

- October 29, 2015—announced disengagement of one program in our N/C sector and one program in our I/C sector

Facility restructuring

- November 4, 2015—announced closure of Fremont, CA site
- November 24, 2015—announced restructuring of Livingston, Scotland site to eliminate volume manufacturing capability. Engineering Solutions and Rapid Prototyping continue.

Continuing to drive productivity improvements across the enterprise while being mindful to prioritize execution for our customers

GROWTH OPPORTUNITIES

Leverage strong customer Net Promotor Scores to drive share gains

Our funnel of new opportunities improved to \$2.3 billion

- Highest level since Q1F14
- Strong at multiple sites, including newer facilities in Guadalajara, MX and Oradea, RO

New program wins in Q1F16 were \$179 million, above our target

- The second consecutive Q/Q improvement in new program wins
- Strongest in “non-tech” sectors

Revenue associated with recent new programs ramps progressing nicely in Q2F16

- Two previously announced program disengagements masking 3-4% underlying Q/Q growth

Anticipate a return to quarter-over-quarter growth in the second half of fiscal 2016

- Customer forecasts stabilizing
- Program disengagements behind us
- New programs ramps

FISCAL SECOND QUARTER

	Q2F16 Guidance
Revenue	\$600 to \$630 million
Non-GAAP Diluted EPS	\$0.47 to \$0.55 <ul style="list-style-type: none">• Includes \$0.11 stock-based compensation expense• Excludes restructuring costs

Mid-point of revenue guidance suggests flat with prior quarter

- Two previously announced program disengagements masking 3-4% underlying Q/Q growth

Mid-point of EPS guidance suggests \$0.04 sequential improvement

- Partial benefit of cost reduction initiatives offset seasonal cost increases
- Lower “below the line” FX impact
- \$0.01 higher stock-based compensation expense

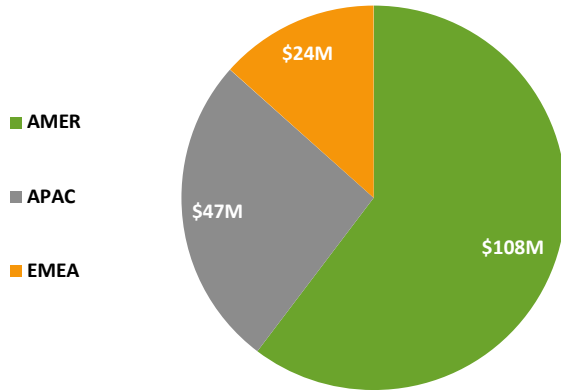
PERFORMANCE BY SECTOR

	Q1F16 Jan 2, 2016		Q4F15 Oct 3, 2015		Q1F16 vs. Q4F15	Q2F16 Expectations (percentage points)
Networking/ Communications	\$157	25%	\$179	27%	- 12%	Down mid single
Healthcare/ Life Sciences	\$191	31%	\$183	27%	+ 4%	Flat
Industrial/ Commercial	\$173	28%	\$201	30%	- 14%	Up low single
Defense/ Security/ Aerospace	\$96	16%	\$106	16%	- 10%	Up mid single
Total Revenue	\$617	100%	\$669	100%	- 8%	

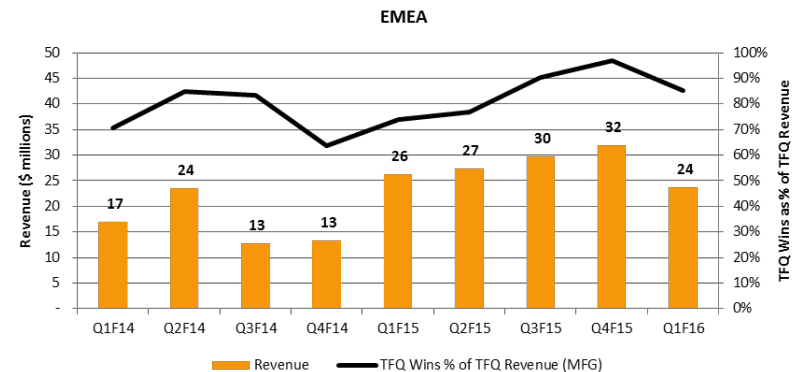
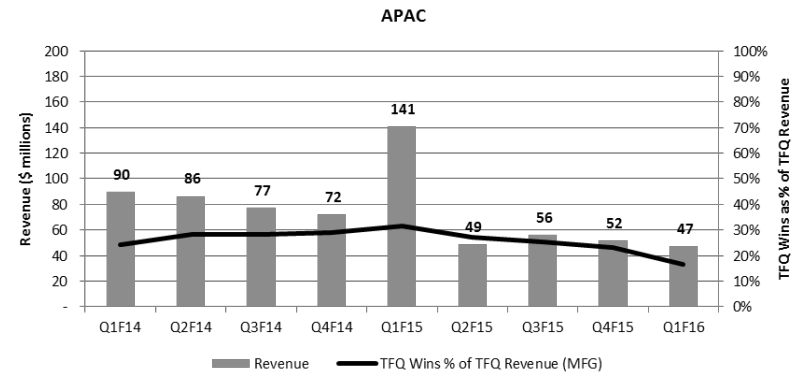
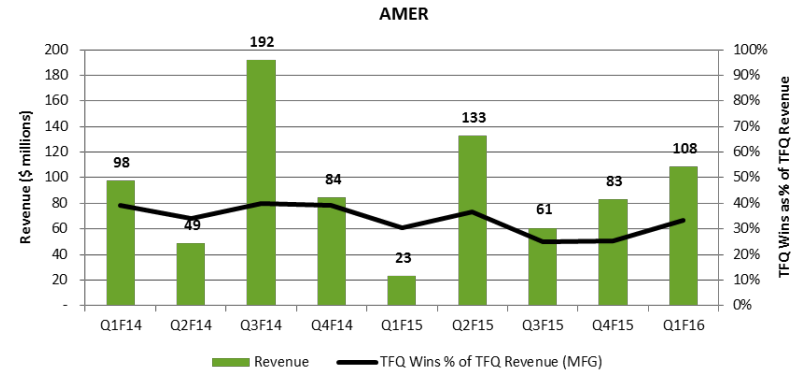
Revenue in millions

MANUFACTURING WINS BY REGION

Q1F16

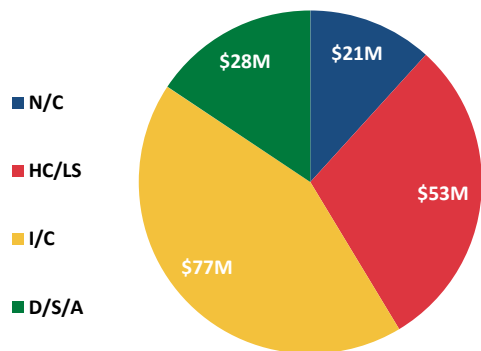


- \$179M in annualized manufacturing revenue when fully ramped (34 programs)
- Strength in AMER and EMEA with consistent sequential results in APAC



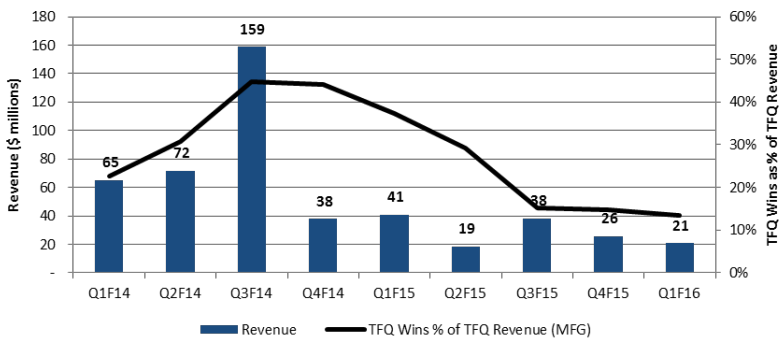
MANUFACTURING WINS BY SECTOR

Q1F16

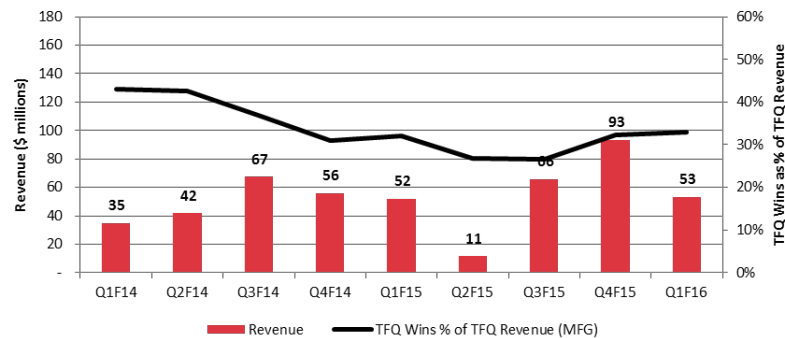


- Robust wins in Industrial/Commercial and Healthcare/Life Sciences
- Sector wins momentum supports healthy portfolio

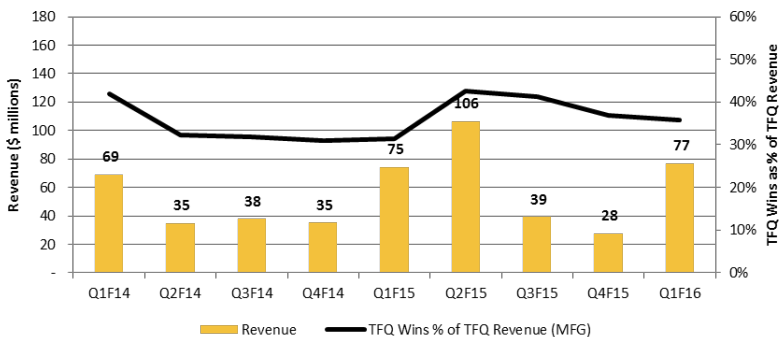
Networking/Communications



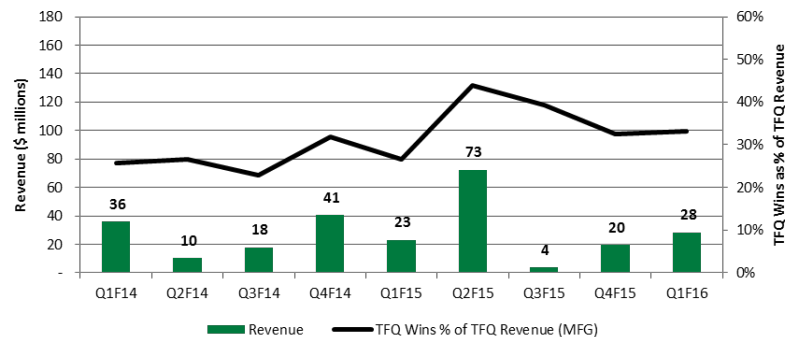
Healthcare/Life Sciences



Industrial/Commercial



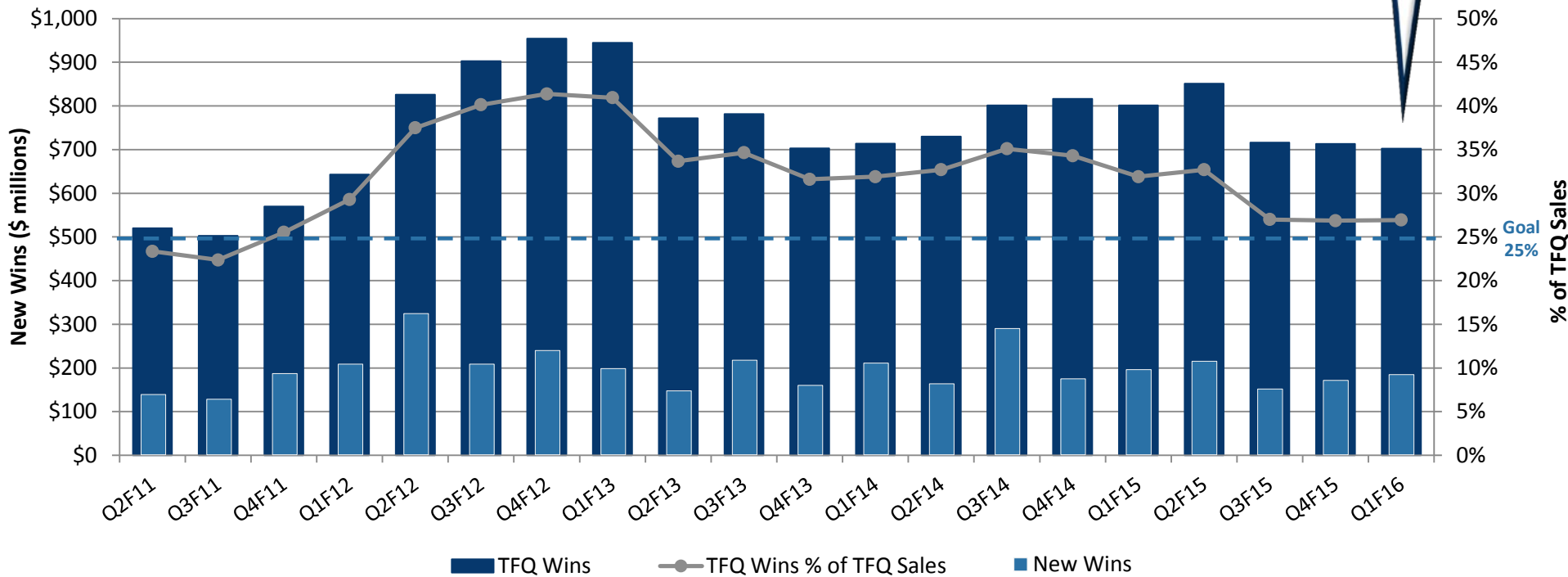
Defense/Security/Aerospace



MANUFACTURING WINS MOMENTUM

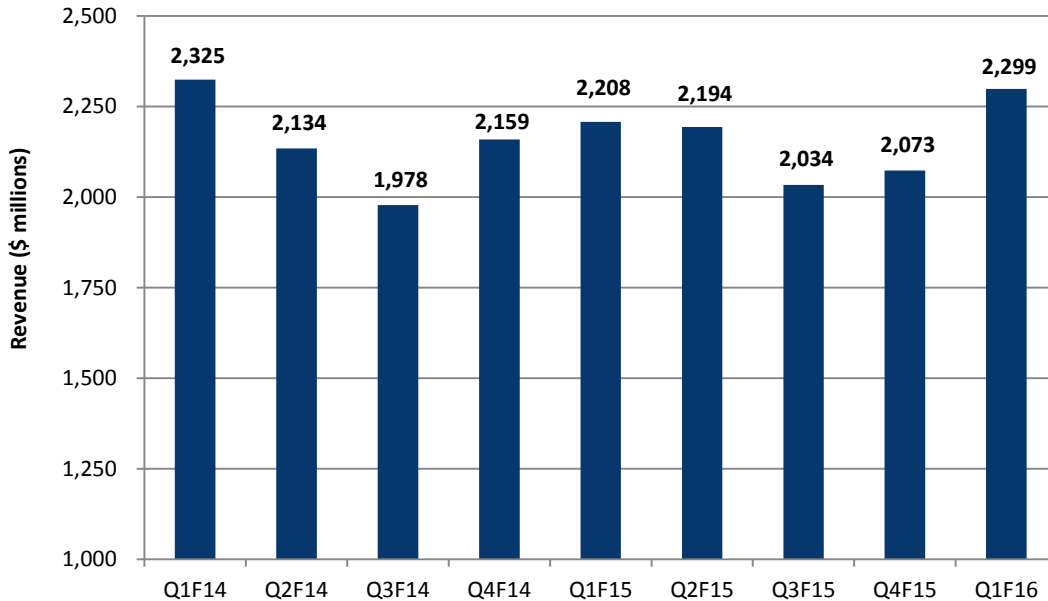
Quarterly Target approximately \$160M
 Trailing Four Quarters (TFQ) for Manufacturing Wins

TFQ
 \$702M

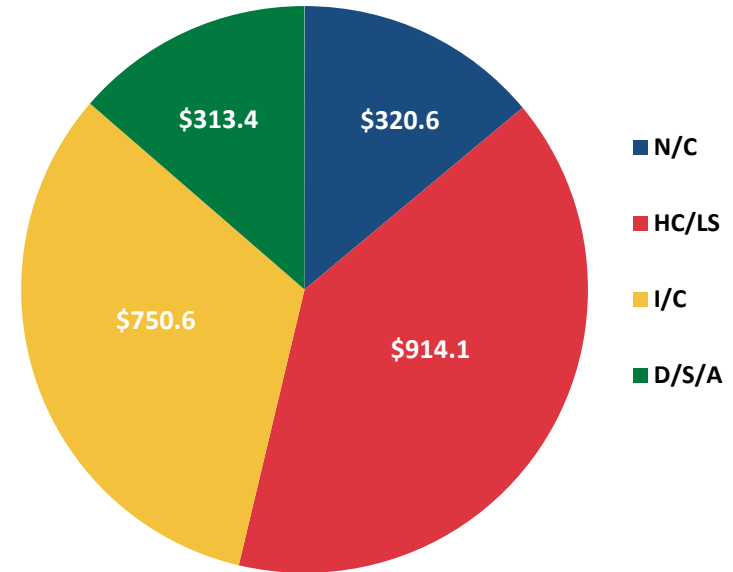


MANUFACTURING FUNNEL

PLXS-MFG Funnel of Opportunities



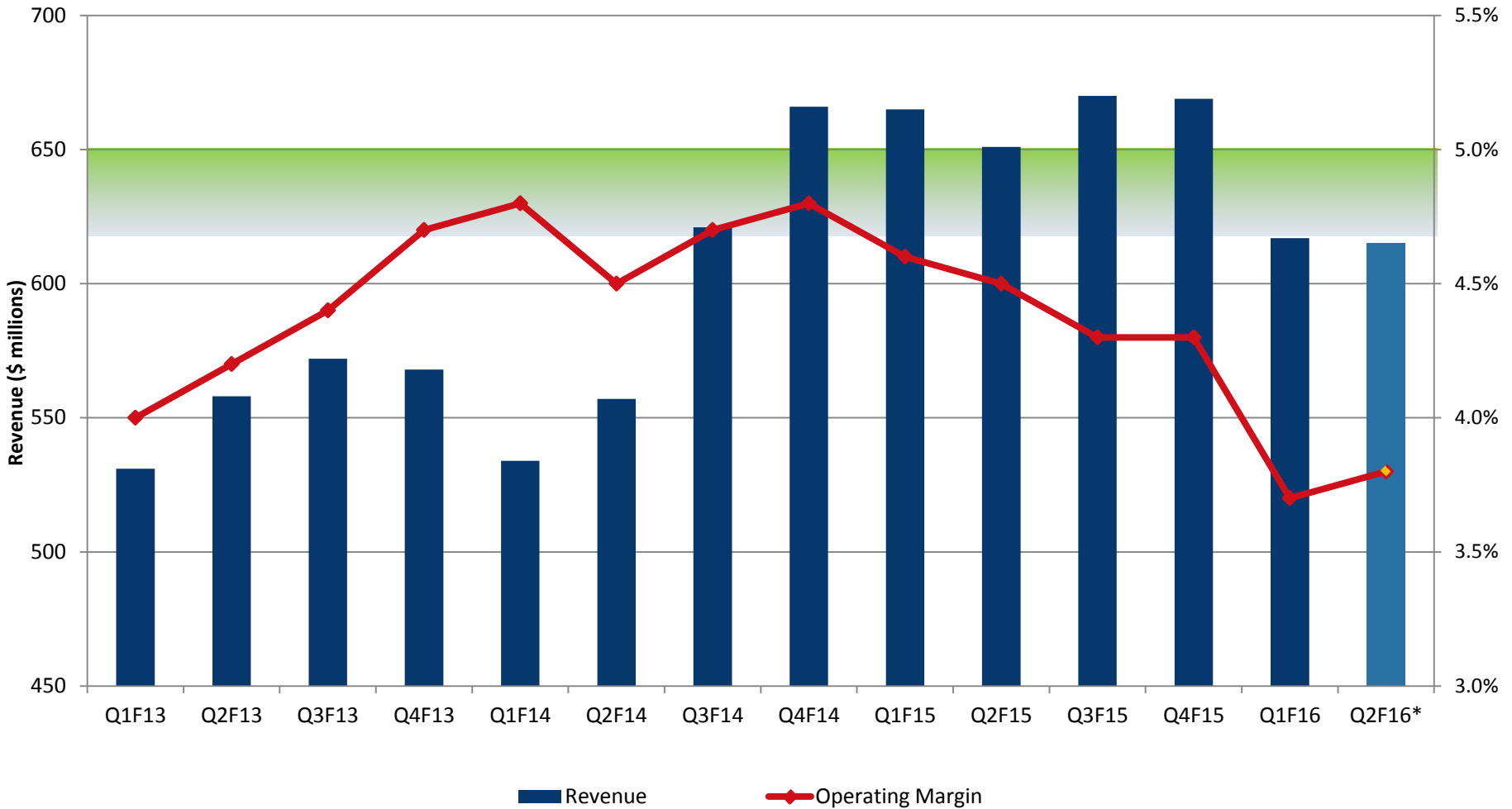
Q1F16



- Manufacturing funnel of \$2.3B at a two year high
- HC/LS and I/C funnels particularly strong
- Supports the delivery of a healthier portfolio

KEY OPERATIONS METRICS

Operating Margin Target Range: 4.7 to 5.0%



OPERATING MARGIN

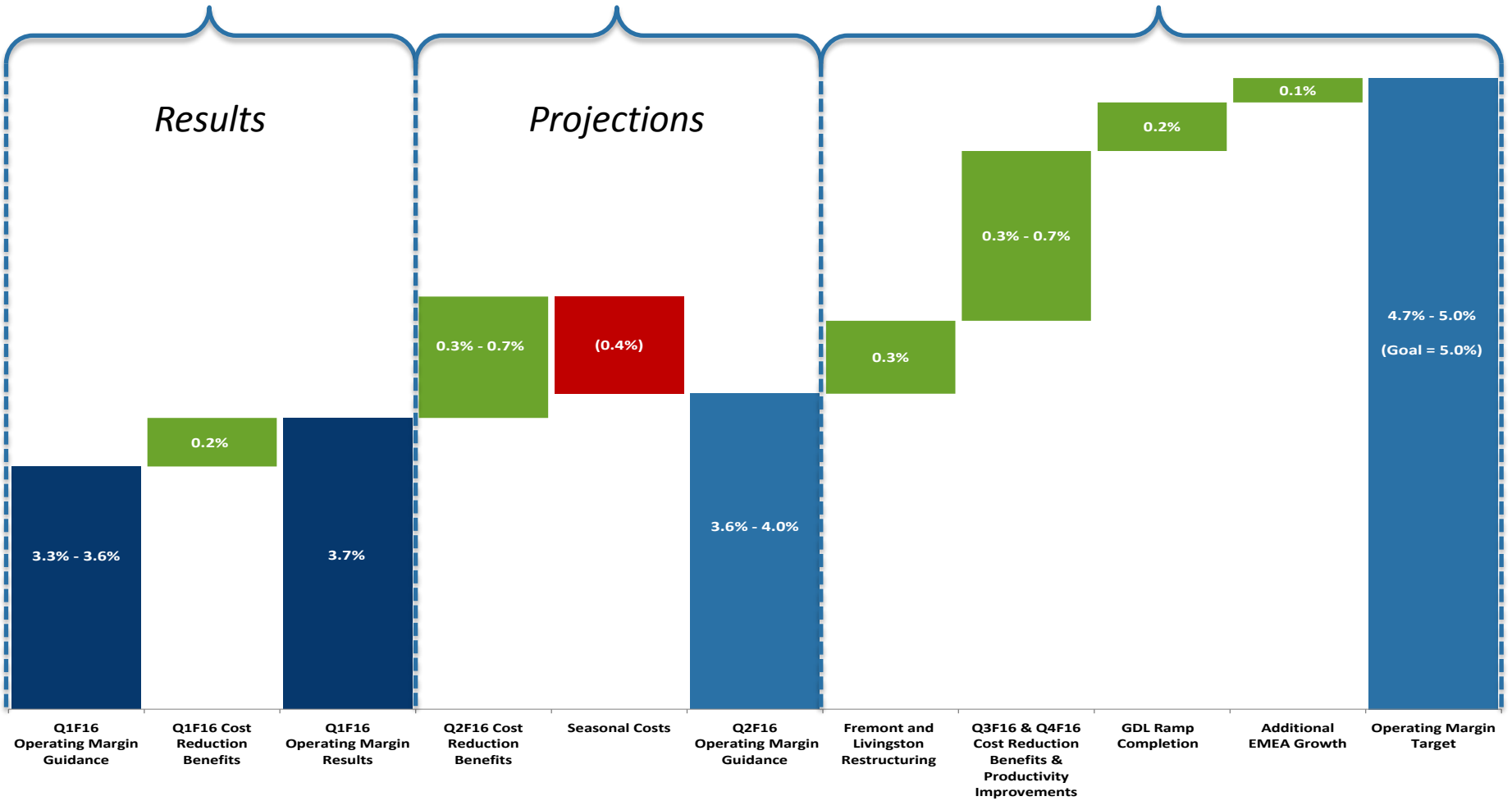
Q1F16

Q2F16

Q3F16 – Q4F16

Results

Projections



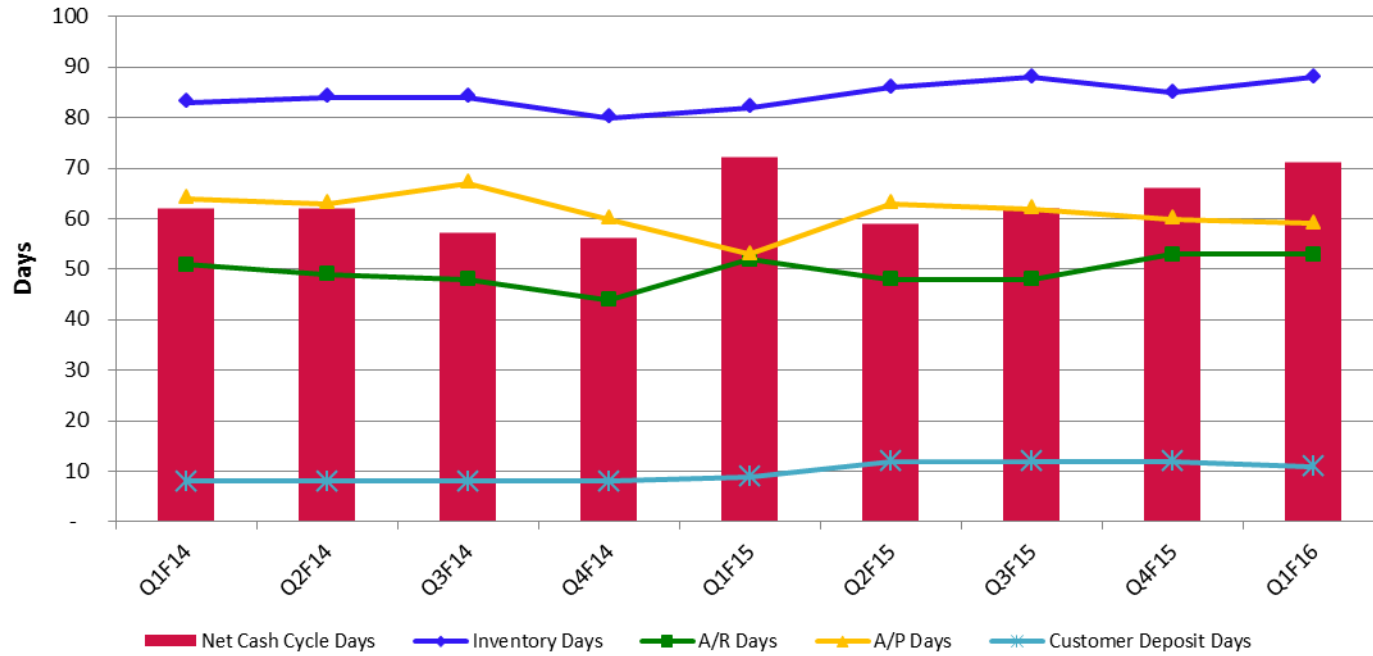
FISCAL FIRST QUARTER INCOME STATEMENT

	Q1F16	Comments
Revenue	\$617 million	Above mid-point of guidance range from stronger revenue in the Networking/Communications sector
Gross margin	8.1%	Above guidance range by 10 bps from improved fixed cost absorption and productivity improvements
Selling & administrative expenses	\$27.0 million	At mid-point of guidance range and 4.4% of revenue. Better than prior quarter by 20 bps.
Operating margin excluding restructuring charges	3.7%	Above guidance range by 10 bps from improved gross margin
GAAP Diluted EPS	\$0.42	Includes \$1.5 million of restructuring charges
Non-GAAP Diluted EPS	\$0.47	At upper end of guidance range

BALANCE SHEET AND CASH FLOWS

	Q1F16	Comments
Return on invested capital	10.8%	Slightly below fiscal 2016 WACC of 11%
Share repurchases	\$8.5 million	~ 227,000 at an average price of \$37.23 per share
Free cash flow	\$9.5 million	Cash from operations: \$21.3 million Capital expenditures: \$11.8 million
Cash cycle days	71 days	5 days better than our guidance range of 76 to 80 days

WORKING CAPITAL TRENDS



	Q1F14	Q2F14	Q3F14	Q4F14	Q1F15	Q2F15	Q3F15	Q4F15	Q1F16
Inventory Days	83	84	84	80	82	86	88	85	88
A/R Days	51	49	48	44	52	48	48	53	53
A/P Days	64	63	67	60	53	63	62	60	59
Customer Deposit Days	8	8	8	8	9	12	12	12	11
Net Cash Cycle Days	62	62	57	56	72	59	62	66	71

FISCAL SECOND QUARTER 2016 GUIDANCE

	Guidance
Revenue	\$600 to \$630 million
Non-GAAP diluted EPS	\$0.47 to \$0.55
Gross margin	8.1% to 8.4%
SG&A	\$27 to \$28 million
Operating margin *	3.6% to 4.0%
Depreciation	~ \$12 million
Q2 tax rate *	12% to 14%
F16 tax rate *	11% to 13%
Cash cycle days	68 to 72 days
F16 capital expenditures	~ \$40 million

** Before restructuring charges, which are anticipated to be \$2 to \$3 million during Q2F16*

Q&A

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

PLEXUS

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The Product Realization Company