



The Product Realization Company

FISCAL SECOND QUARTER 2016 FINANCIAL RESULTS

April 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 SECOND QUARTER RESULTS

	Q2F16 Guidance Jan 20, 2016	Q2F16 Apr 2, 2016	Q1F16 Jan 2, 2016	Q2F16 vs. Q1F16
Revenue (\$ millions)	\$600 to \$630	\$619	\$617	Flat
Non-GAAP Diluted EPS excluding restructuring	\$0.47 to \$0.55	\$0.55	\$0.47	+ 17%
GAAP Diluted EPS		\$0.50	\$0.42	+ 19%
ROIC		11.6%	10.8%	+ 80 bps

- Revenue in-line with guidance
- Modest strength in N/C more than offset slight weakness in I/C
- Non-GAAP diluted EPS at high-end of guidance range
- Achieved several cost reduction and productivity improvement goals ahead of plan

FISCAL THIRD QUARTER

	Q3F16 Guidance
Revenue	\$640 to \$670 million
Non-GAAP Diluted EPS	\$0.73 to \$0.81 <ul style="list-style-type: none">• Includes \$0.11 stock-based compensation expense• Excludes restructuring costs

Mid-point of revenue guidance suggests 6% sequential increase

- New programs ramps more than offset program disengagement headwinds

Mid-point of EPS guidance suggests \$0.22 or 40% sequential improvement

- Operating margin performance returns to target range of 4.7% to 5.0%
- Cost reduction and productivity improvement initiatives one quarter ahead of plan

CAUSE FOR OPTIMISM

Fiscal second quarter—significant improvement

- Cost reductions and productivity improvements ahead of plan
- Strong free cash flow of \$65 million
- Underlying revenue growth masked by proactive program disengagements
- New program wins above goal

Fiscal third quarter

- Operating margin performance in target range of 4.7% to 5.0%
- Continuing productivity opportunities lead to confidence in sustained performance
- Return to sequential revenue growth despite program disengagement headwind
- Record level of new business opportunities in the funnel

Exiting fiscal 2016

- Revenue growth momentum
- Operating margins in our target range—sustainable
- Improved invested capital management
- Improved ROIC performance
- Strong free cash flow of approximately \$100 million

CONGRATULATIONS TODD!

Todd will assume role of President and CEO

- Effective October 2, 2016
- Seasoned leader that knows Plexus and our industry well
- Strong relationships with our customers



Dean retiring at fiscal year-end 2016

- Served in the role for 14 years
- Plexus is in a good position with a great management team and optimistic outlook for future success

Dean to serve as Executive Chairman through fiscal year 2017

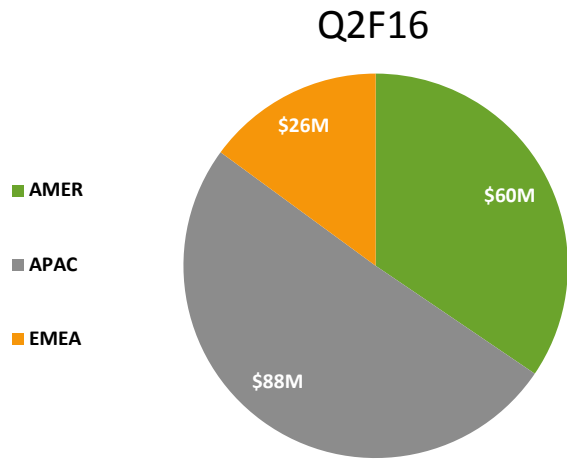
- Assist Todd and the management team to ensure a smooth transition
- Anticipate appointment as non-executive Chairman of the Board at fiscal year-end 2017

PERFORMANCE BY SECTOR

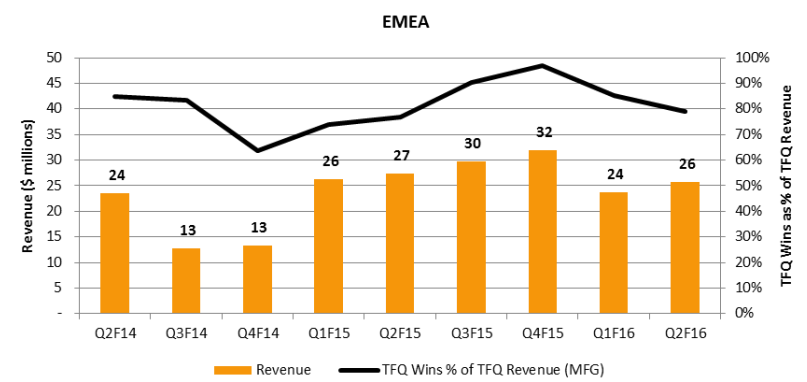
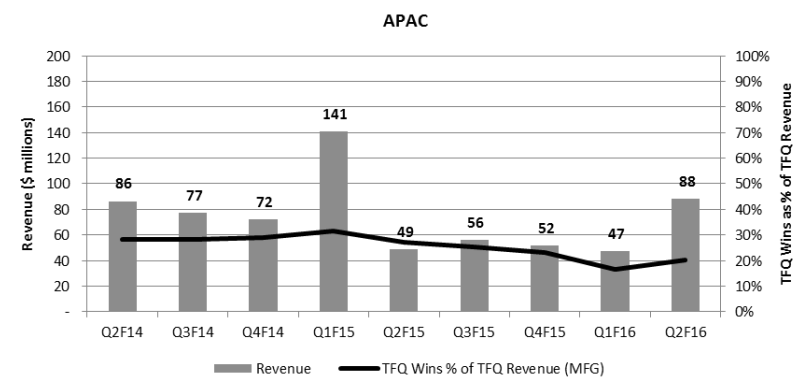
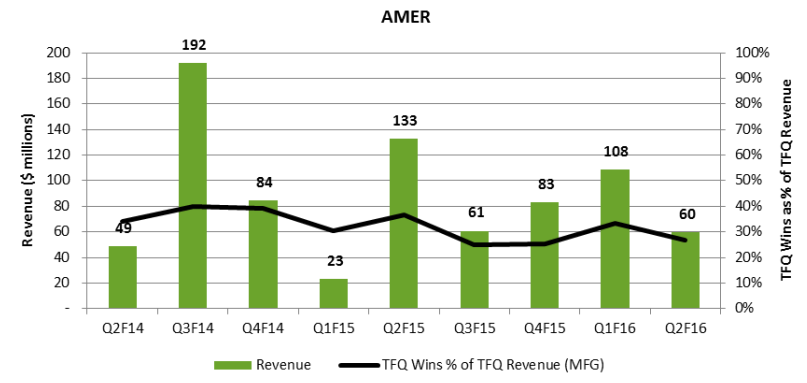
	Q2F16 Apr 2, 2016		Q1F16 Jan 2, 2016		Q2F16 vs. Q1F16	Q3F16 Expectations (percentage points)
Networking/ Communications	\$157	25%	\$157	25%	Flat	Down low single
Healthcare/ Life Sciences	\$190	31%	\$191	31%	- 1%	Up mid single
Industrial/ Commercial	\$169	27%	\$173	28%	- 2%	Up high teens
Defense/ Security/ Aerospace	\$103	17%	\$96	16%	+ 8%	Flat
Total Revenue	\$619	100%	\$617	100%	Flat	

Revenue in millions

MANUFACTURING WINS BY REGION

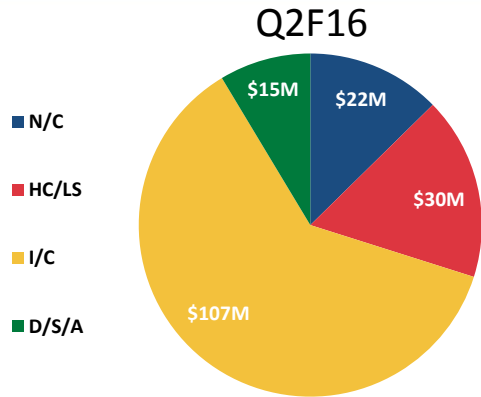


- \$174M in annualized manufacturing revenue when fully ramped (38 programs)
- Strength in APAC region, consistent quarterly results in EMEA



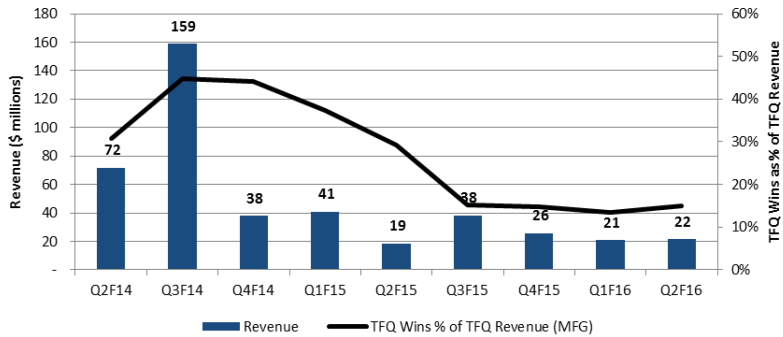
Wins Momentum = TFQ Wins / TFQ Revenue

MANUFACTURING WINS BY SECTOR

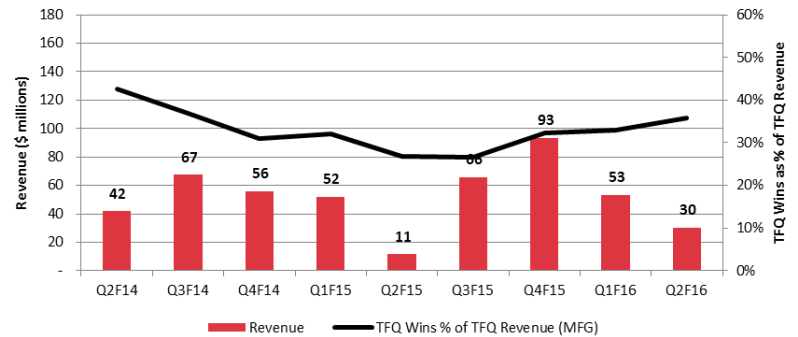


- Continued robust wins in Industrial/Commercial
- Sector wins momentum supports healthy portfolio

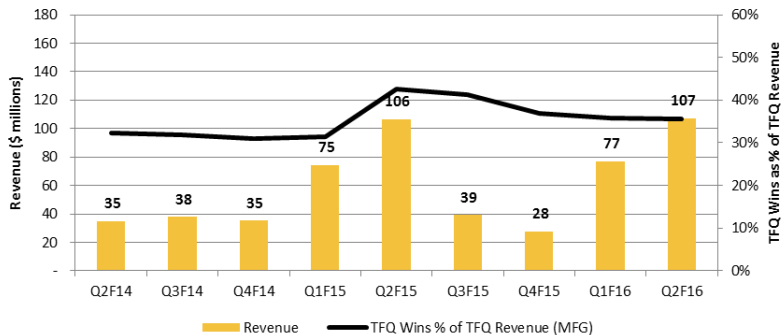
Networking/Communications



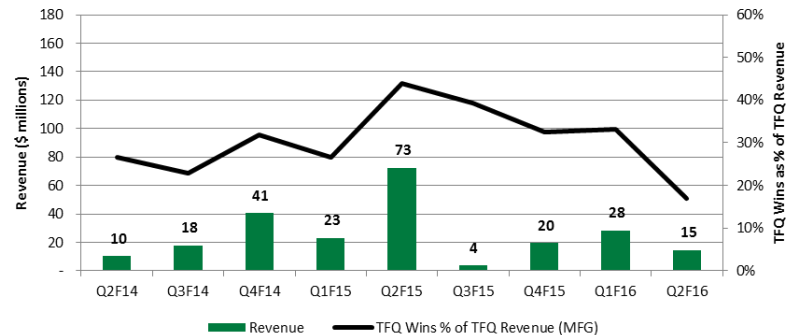
Healthcare/Life Sciences



Industrial/Commercial



Defense/Security/Aerospace

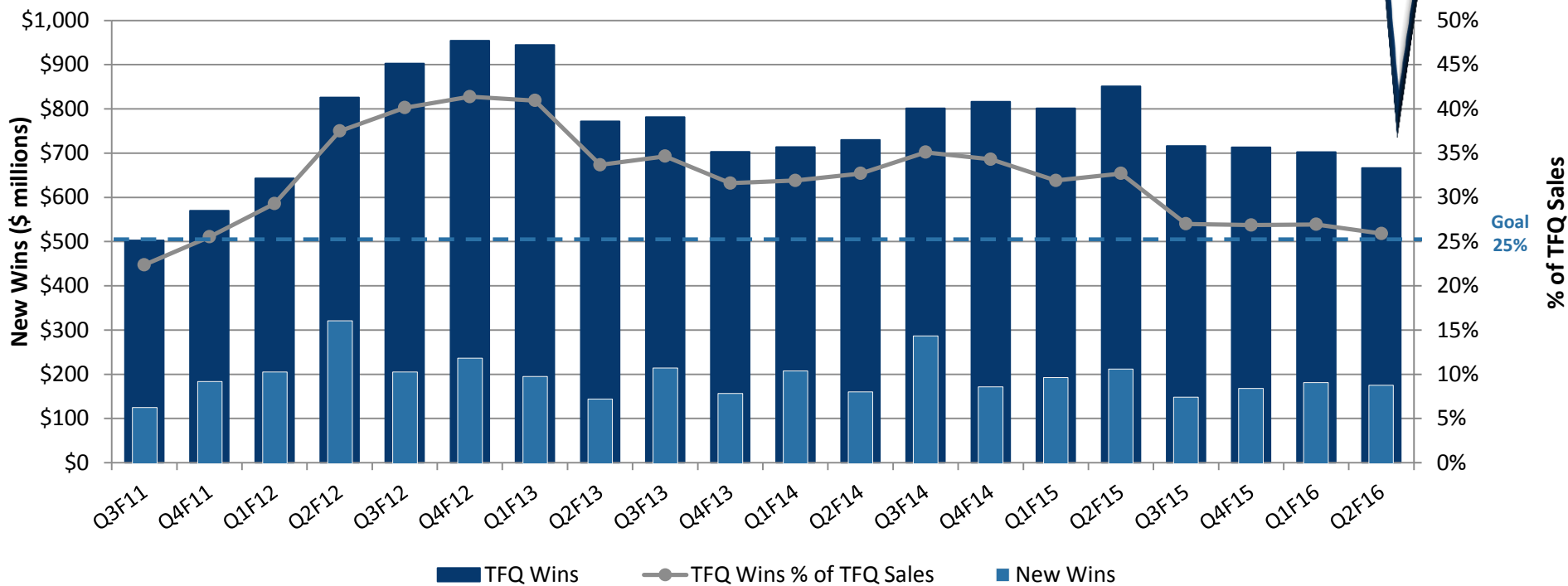


MANUFACTURING WINS MOMENTUM

Quarterly Target approximately \$160M

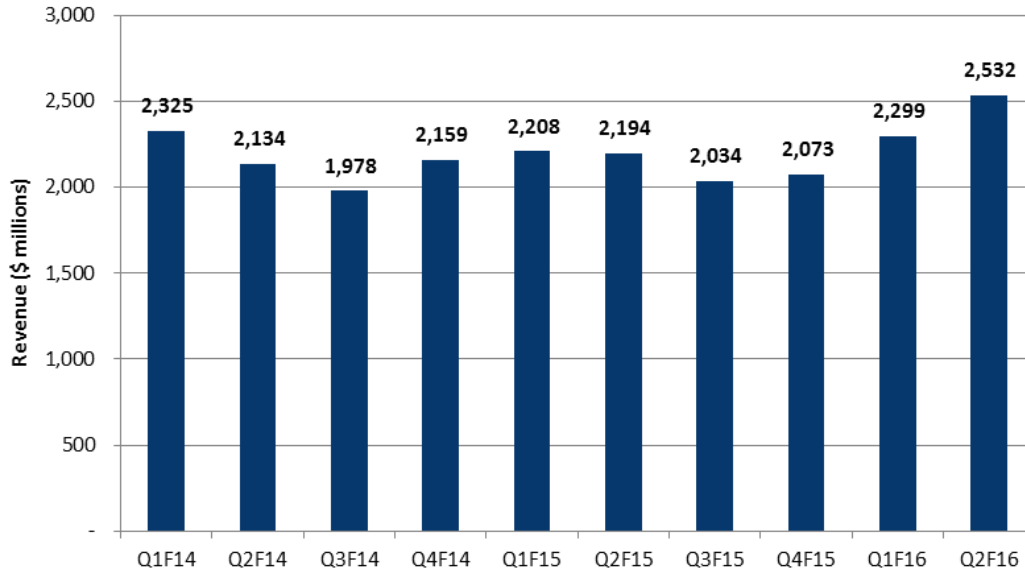
Trailing Four Quarters (TFQ) for Manufacturing Wins

TFQ
\$667M

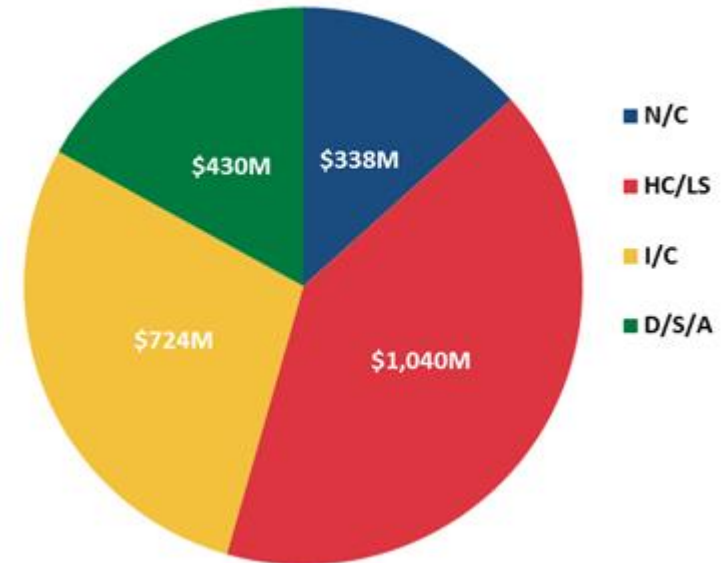


MANUFACTURING FUNNEL

PLXS-MFG Funnel of Opportunities



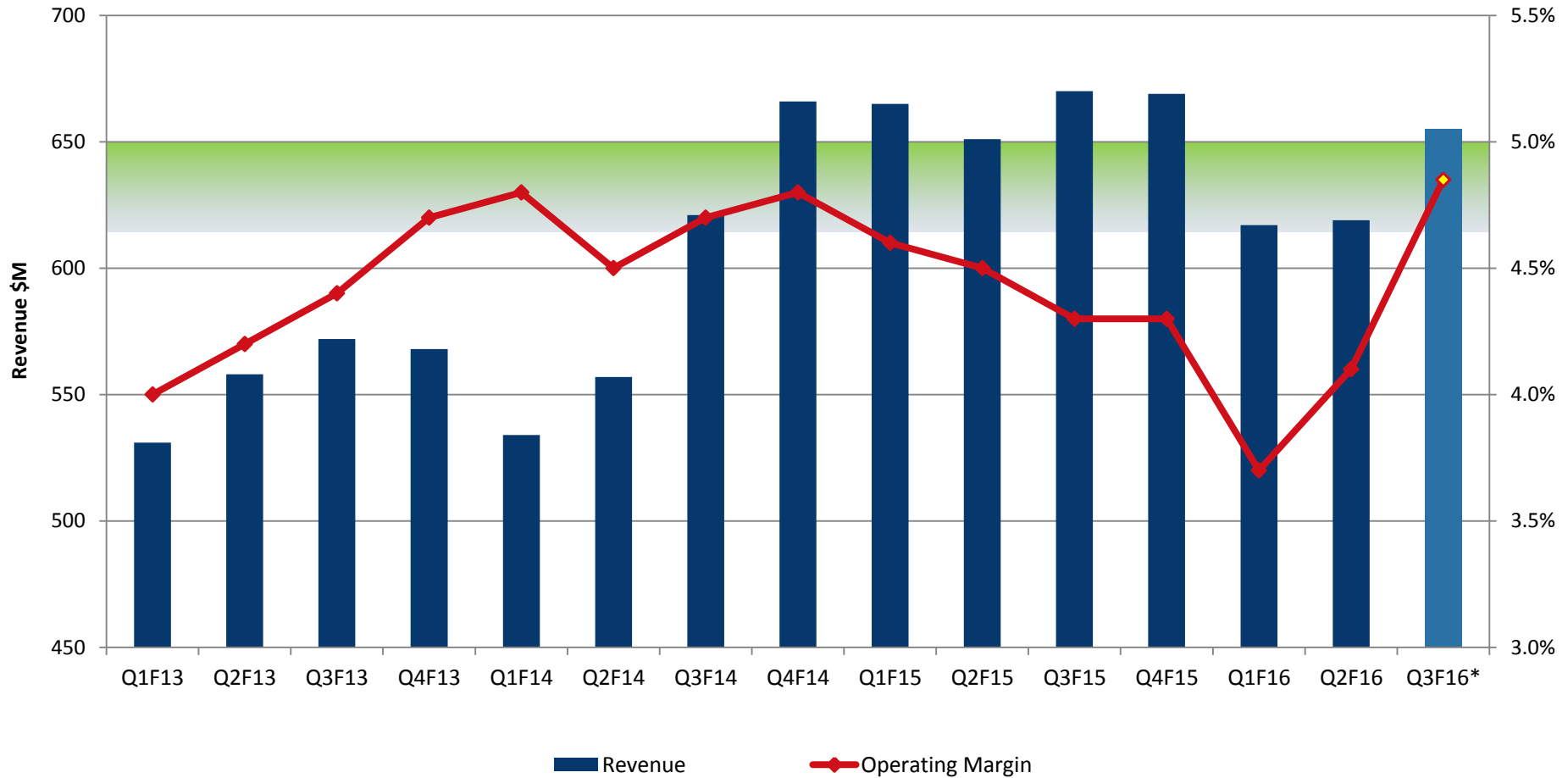
Q2F16



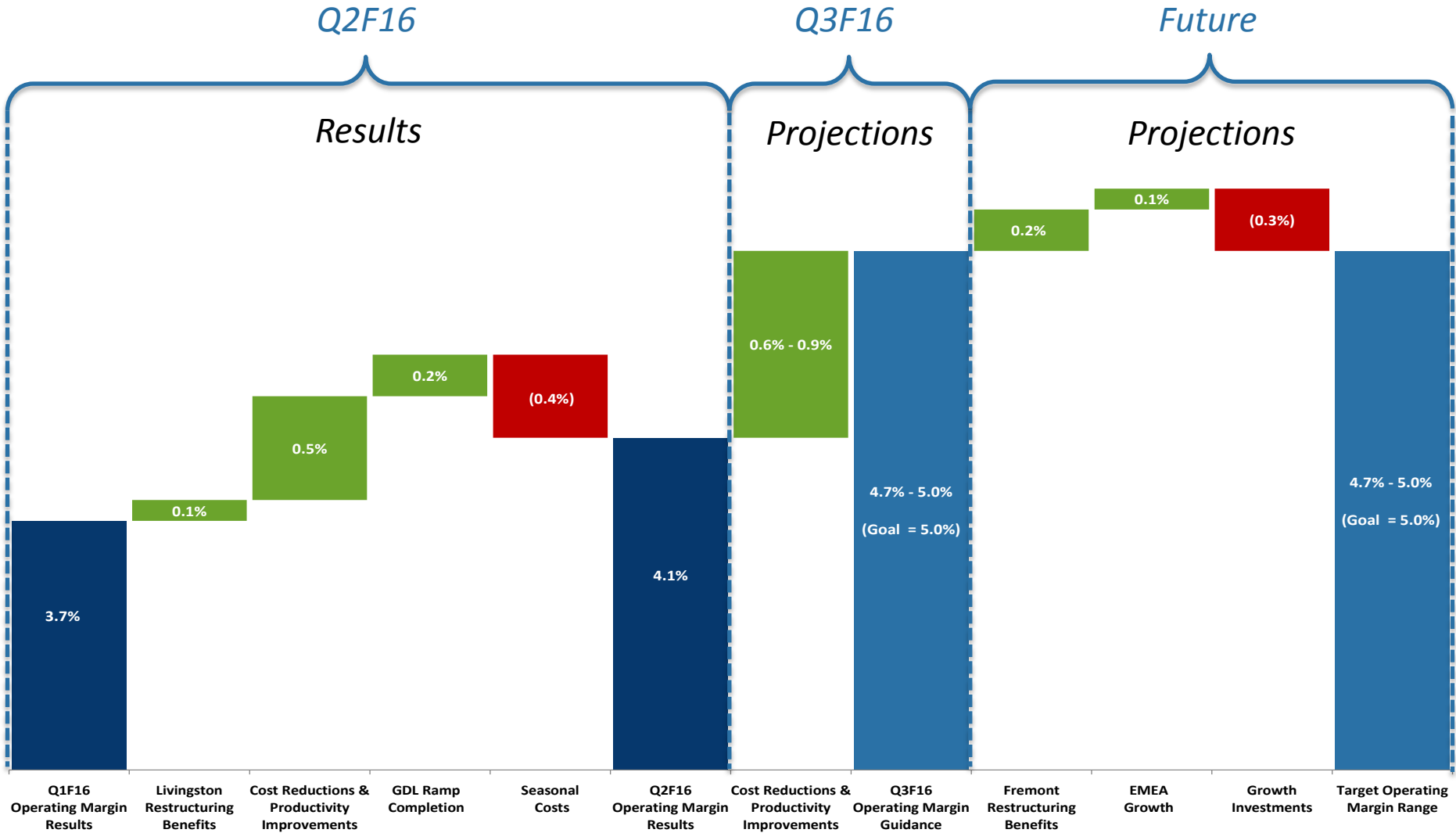
- Manufacturing funnel at a record high of \$2.5B
- HC/LS and I/C funnels particularly strong
- Supports the delivery of a healthier portfolio

KEY OPERATIONS METRICS

Operating Margin Target Range: 4.7 to 5.0%



OPERATING MARGIN



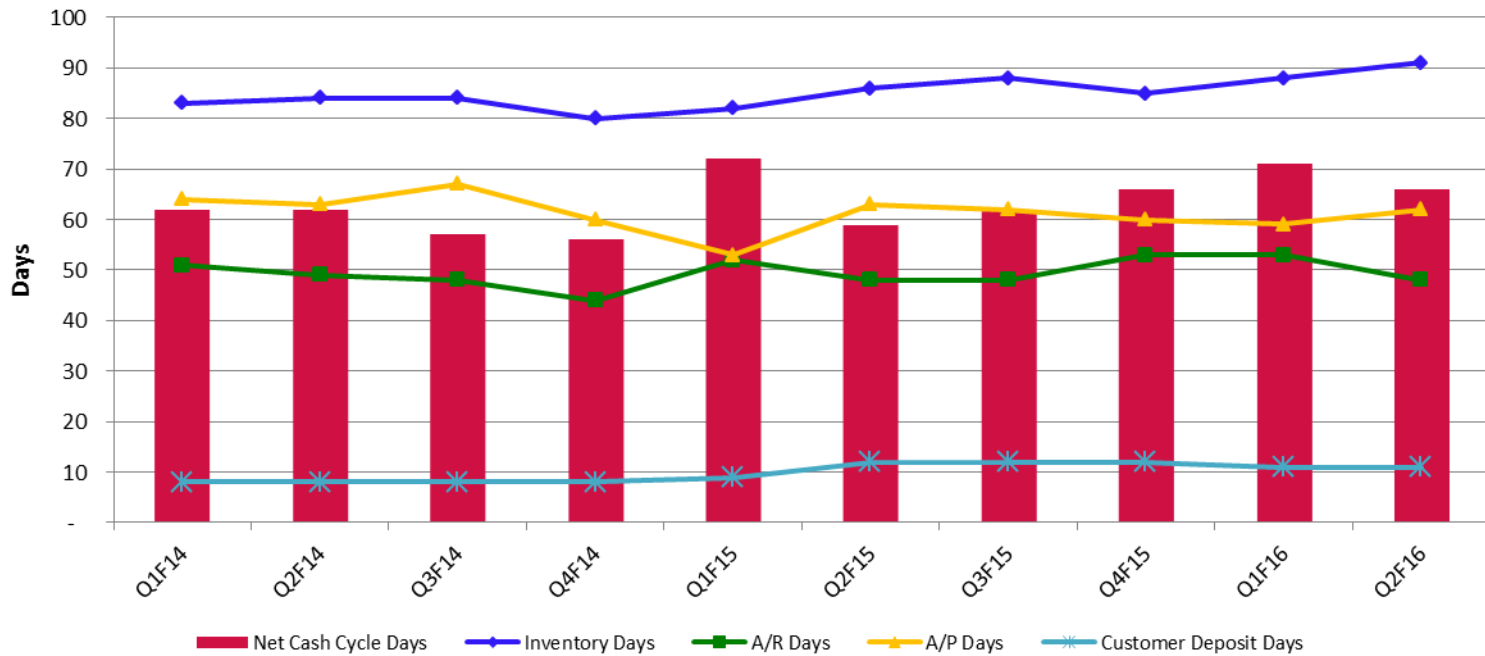
FISCAL SECOND QUARTER INCOME STATEMENT

	Q2F16	Comments
Revenue	\$619 million	Above mid-point of guidance range from stronger revenue in the Networking/Communications sector
Gross margin	8.6%	Above guidance range by 20 bps from planned cost reductions and improved productivity
Selling & administrative expenses	\$28.0 million	High end of guidance range; 4.5% of revenue.
Operating margin excluding restructuring charges	4.1%	Above guidance range by 10 bps from improved gross margin
GAAP Diluted EPS	\$0.50	Includes \$1.9 million of restructuring charges
Non-GAAP Diluted EPS	\$0.55	Top end of guidance range

FISCAL SECOND QUARTER BALANCE SHEET AND CASH FLOWS

	Q2F16	Comments
Return on invested capital	11.6%	60 bps above fiscal 2016 WACC of 11%
Share repurchases	\$7.3 million	~ 209,000 at an average price of \$34.88 per share
Free cash flow	\$65.0 million	Cash from operations: \$70.0 million Capital expenditures: \$5.0 million
Cash cycle days	66 days	2 days better than our guidance range of 68 to 72 days

WORKING CAPITAL TRENDS



	Q1F14	Q2F14	Q3F14	Q4F14	Q1F15	Q2F15	Q3F15	Q4F15	Q1F16	Q2F16
Inventory Days	83	84	84	80	82	86	88	85	88	91
A/R Days	51	49	48	44	52	48	48	53	53	48
A/P Days	64	63	67	60	53	63	62	60	59	62
Customer Deposit Days	8	8	8	8	9	12	12	12	11	11
Net Cash Cycle Days	62	62	57	56	72	59	62	66	71	66

FISCAL THIRD QUARTER 2016 GUIDANCE

	Guidance
Revenue	\$640 to \$670 million
Non-GAAP diluted EPS	\$0.73 to \$0.81
Gross margin	9.2% to 9.5%
SG&A	\$29 to \$30 million
Operating margin *	4.7% to 5.0%
Depreciation	~ \$12 million
Q3 tax rate *	8% to 10%
F16 tax rate *	10% to 12%
Cash cycle days	63 to 67 days
F16 capital expenditures	\$40 to \$45 million

** Before restructuring charges, which are anticipated to be \$1.5 to \$2.5 million during Q3F16*

Q&A

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

PLEXUS

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The Product Realization Company