Fiscal first quarter 2018 financial results

January 18, 2018

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 30, 2017, 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, adjusted earnings per share 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

	Q1F18 Dec 30, 2017	Q1F18 Guidance Oct 25, 2017	Q4F17 Sep 30, 2017
Revenue ($ millions)	$677	$665 to $705	$670
GAAP Diluted (loss) earnings per share	$(2.93)	$0.75 to $0.85	$0.84
Non-GAAP Diluted EPS	$0.75*		
ROIC	16.2%		16.2%

- Record quarterly revenue
- Seventh consecutive quarter at or above target operating margin range (4.7% to 5.0%)
- I/C and HC/LS sectors exceeded expectations
- Net Promoter Survey score above 80% for two straight years
- Achieved Supplier Gold Status from United Technologies Aerospace Systems
- Expanded Oradea Design Center located in Romania

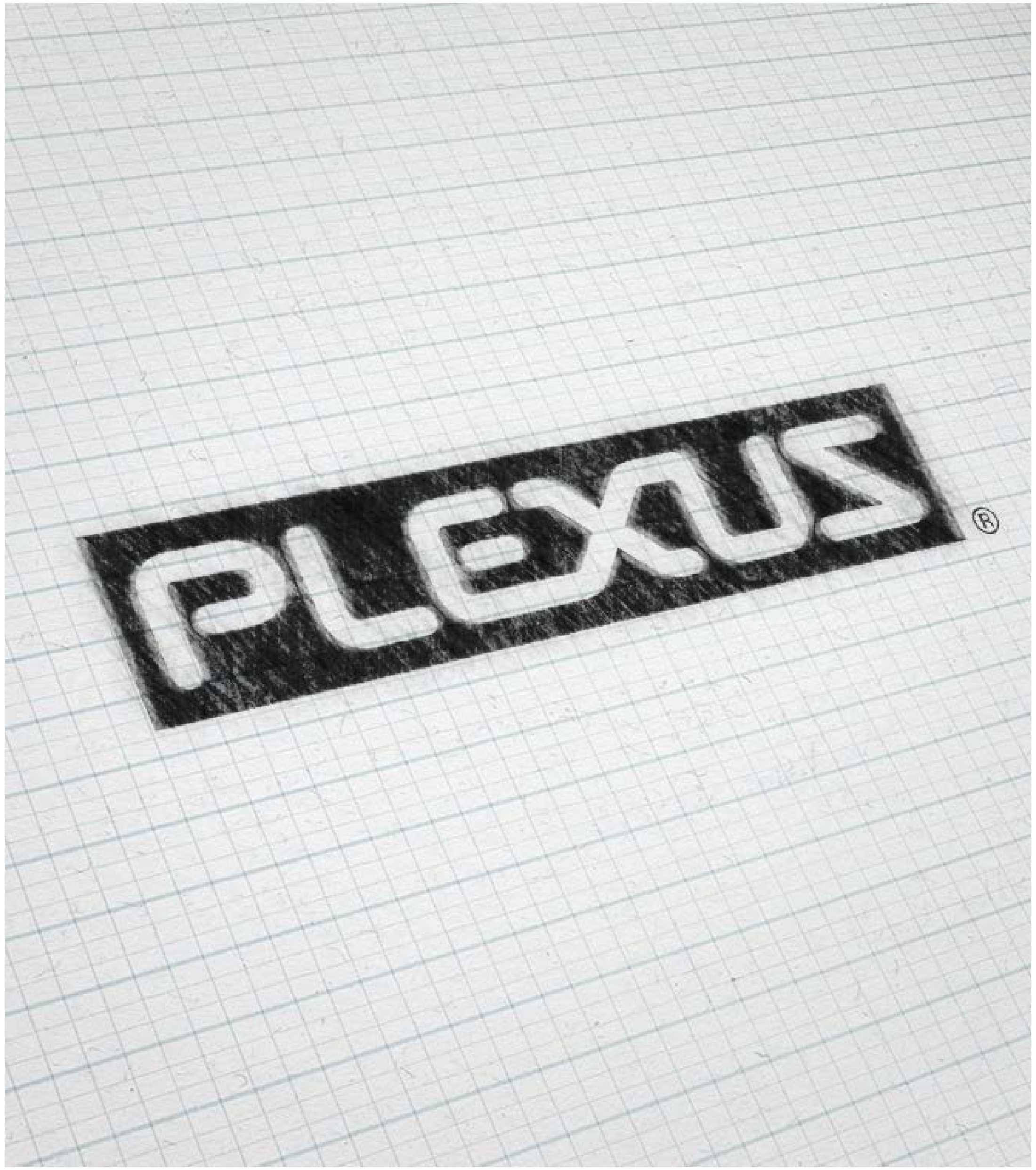
** Includes $0.11 stock-based compensation expense and excludes $3.59 of tax expense related to the effects of U.S. Tax Reform*

Fiscal second quarter guidance

	Q2F18 Guidance
Revenue	$670 to $710 million
GAAP Diluted EPS	$0.68 to $0.78*

- Midpoint of revenue guidance suggests modest sequential growth
  - Expectations for strong sequential growth in HC/LS, I/C and A/D
- Operating margins under near-term pressure
  - Large number of new program ramps
  - Seasonal payroll headwinds due to annual compensation adjustments and U.S. payroll tax reset

** Includes $0.13 stock-based compensation expense and excludes additional impacts related to U.S. Tax Reform*



F18 – A few thoughts

OPERATING MARGIN PERFORMANCE

- Expect to be within target range in Q3 and Q4

STRONG REVENUE OUTLOOK

- Growth in all four market sectors
- Sequential revenue growth each quarter
- Overall double digit growth for F18
- Healthy wins and funnel

U.S. TAX REFORM

- Efficient access to global cash
- Enables more effective capital structure

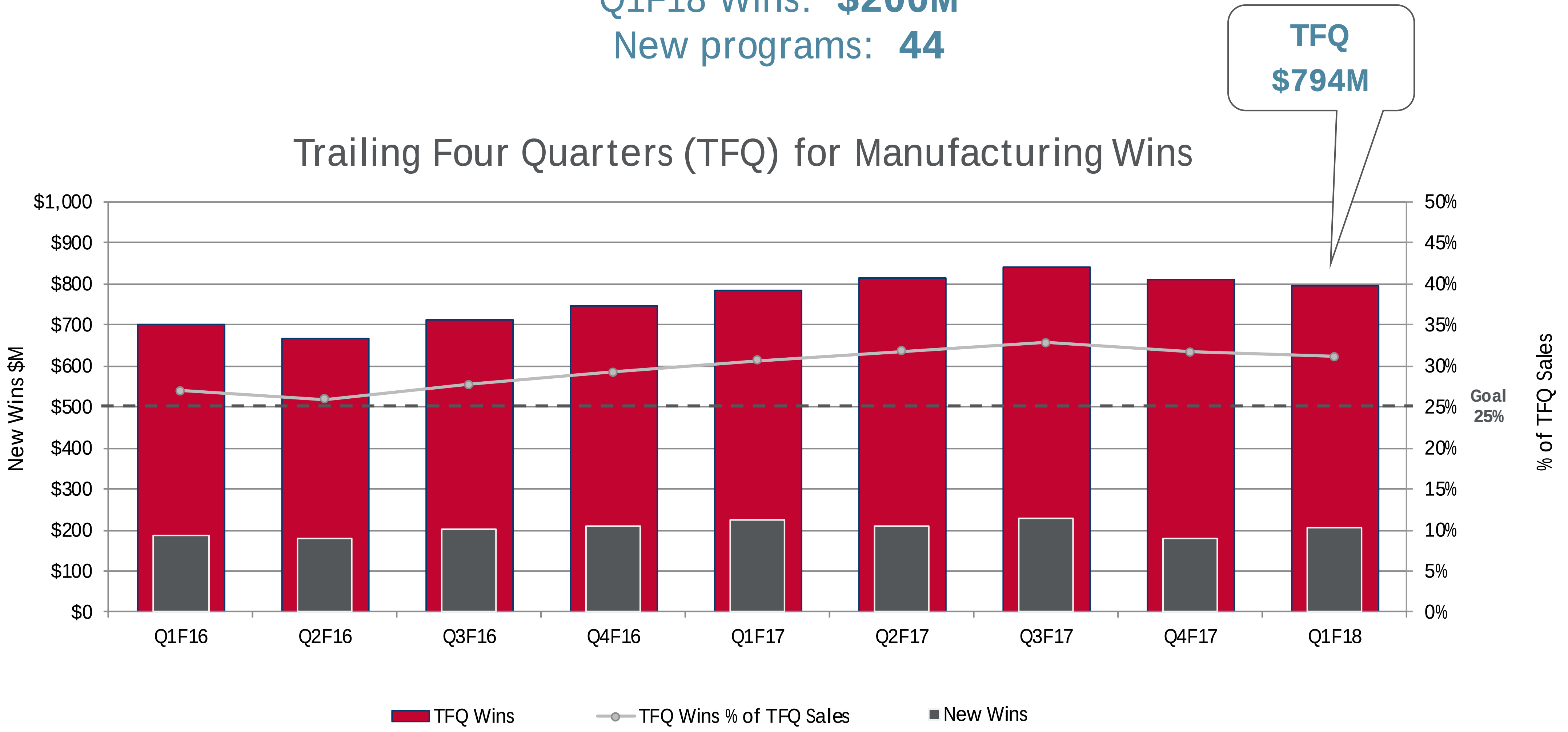
Performance by sector

	Q1F18 Dec 30, 2017		Q4F17 Sep 30, 2017		Q1F18 vs. Q4F17	Q2F18 Expectations (percentage points)
Healthcare and Life Sciences	$237	35%	$233	35%	+ 2%	Up mid single
Industrial and Commercial	$207	30%	$189	28%	+ 9%	Up low double
Communications	$133	20%	$140	21%	- 4%	Down mid twenties
Aerospace and Defense	$100	15%	$108	16%	- 8%	Up mid teens
Total Revenue	$677	100%	$670	100%	+ 1%	

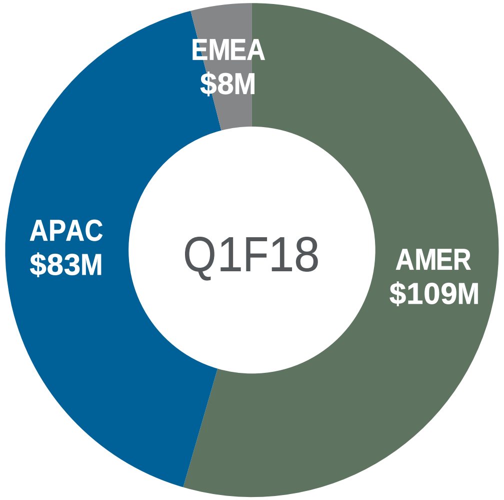
Revenue in millions

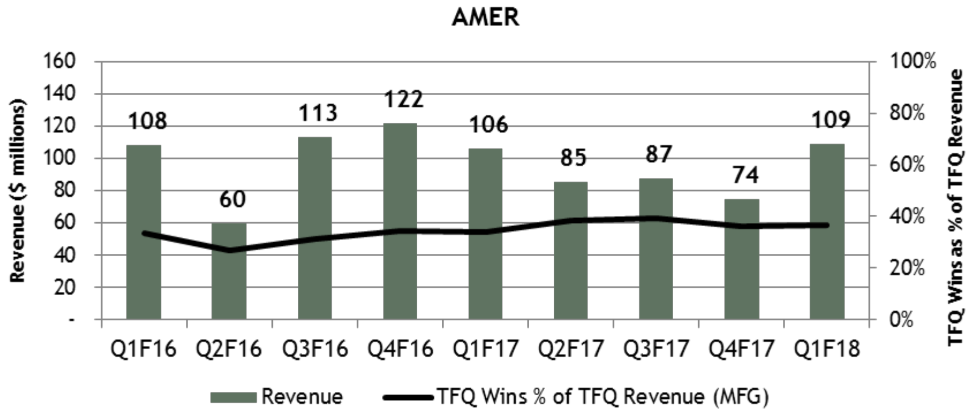
Manufacturing wins

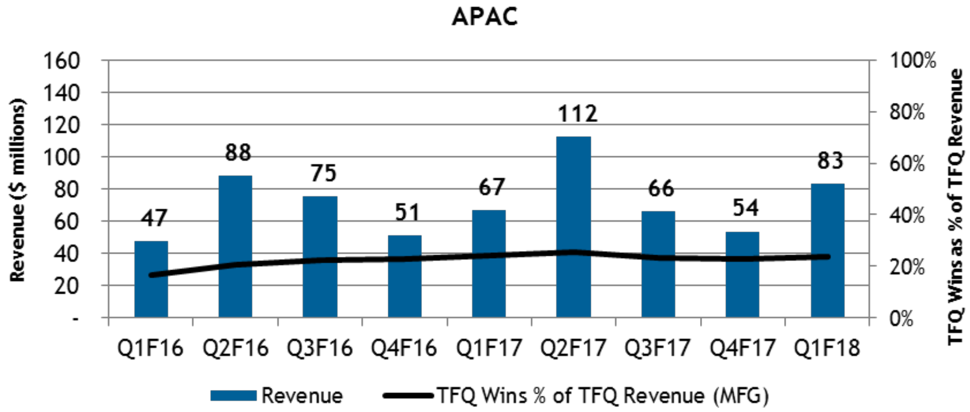
Q1F18 Wins: **$200M**
New programs: **44**

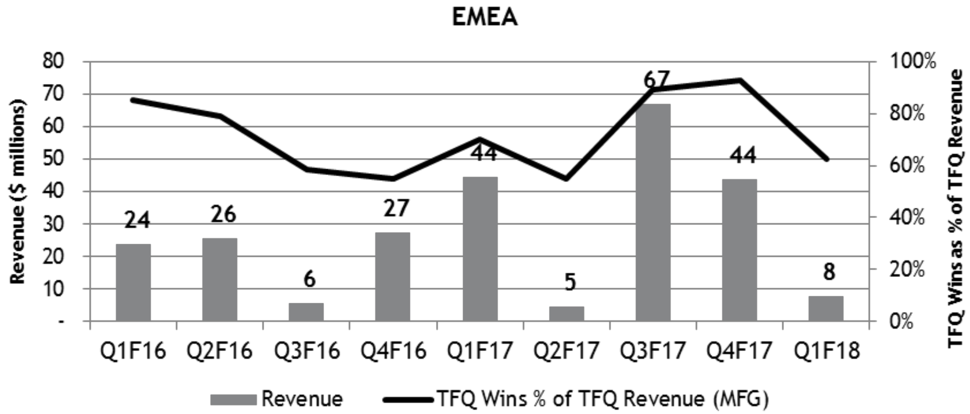


Manufacturing wins by region





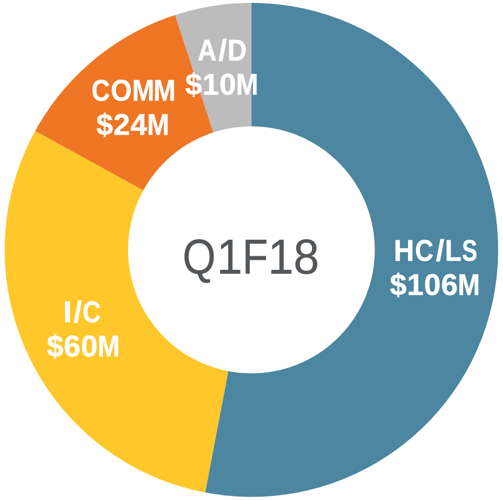




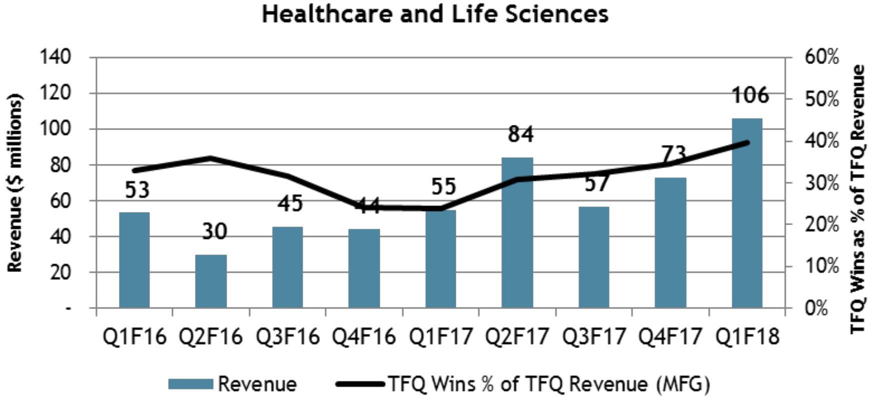
- $200M in annualized manufacturing revenue when fully ramped (44 programs)
- Strong wins in AMER and APAC regions
- Gaining market share with customers in APAC and AMER
- Trailing Four Quarter wins support significant growth in EMEA

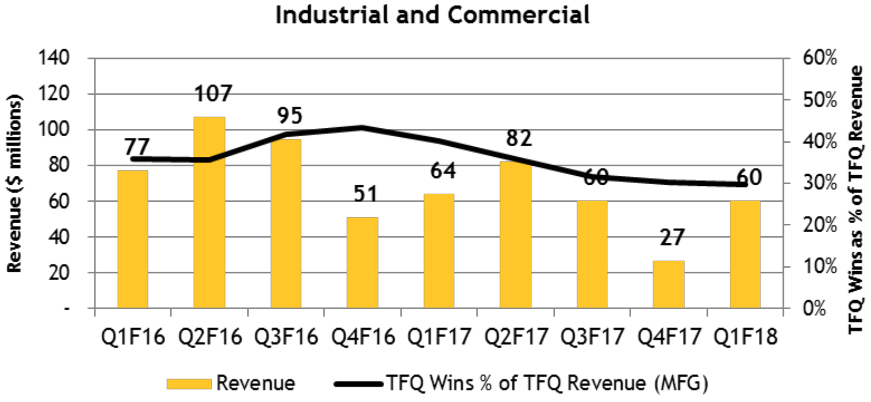
Wins Momentum = TFQ Wins / TFQ Revenue

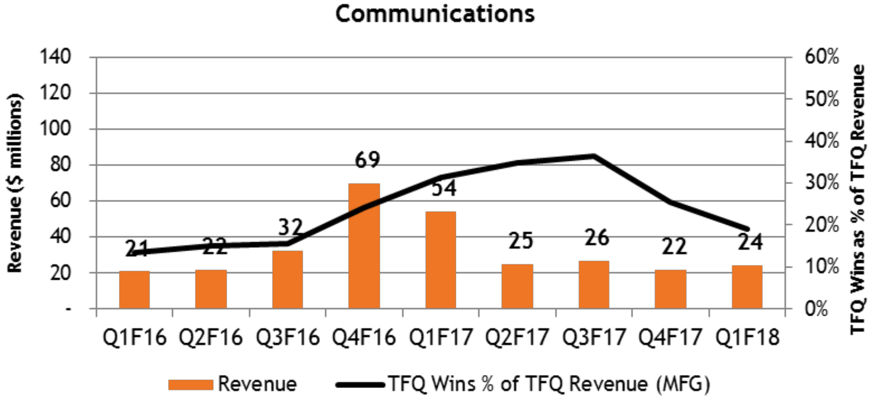
Manufacturing wins by sector

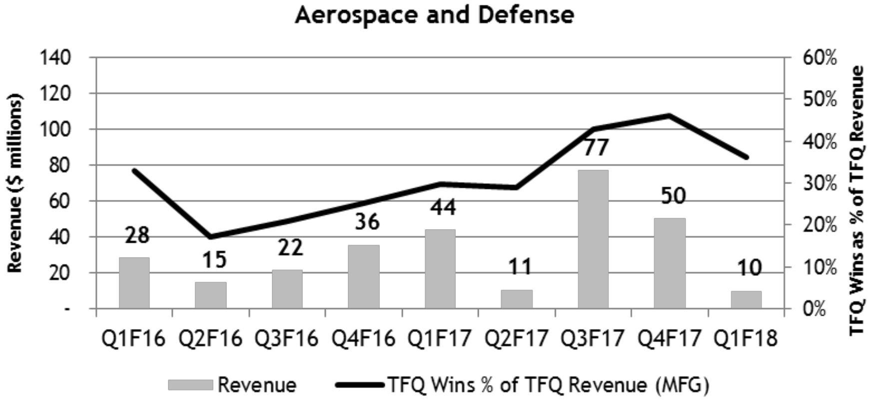


- Exceptional HC/LS wins
- I/C strengthening
- Expansion with existing customers
- Investing in A/D and COMM

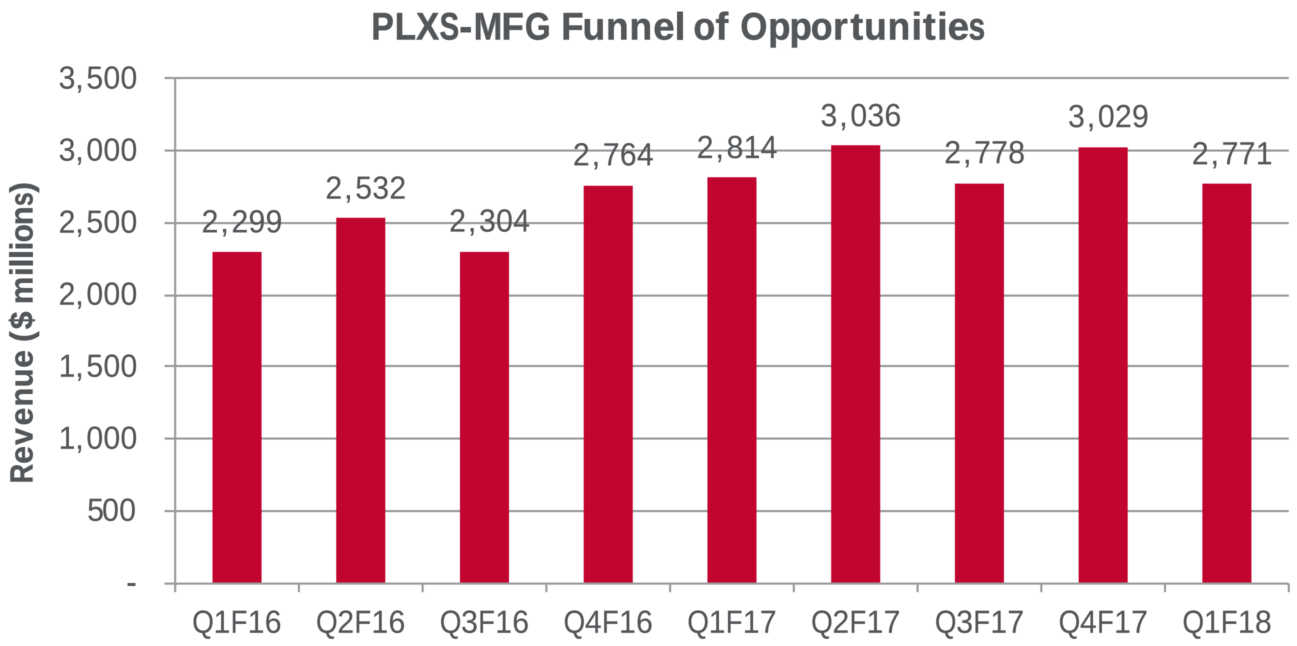


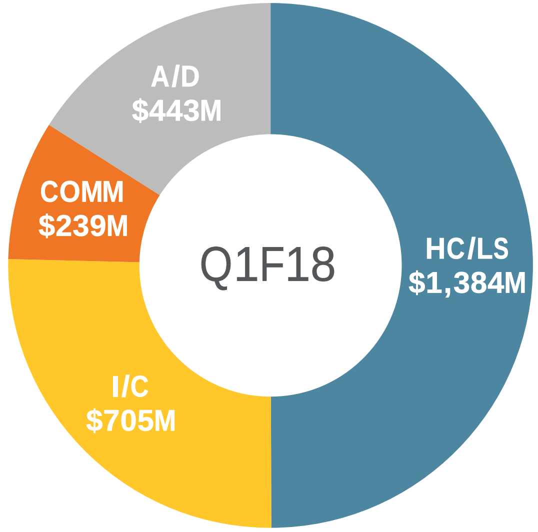






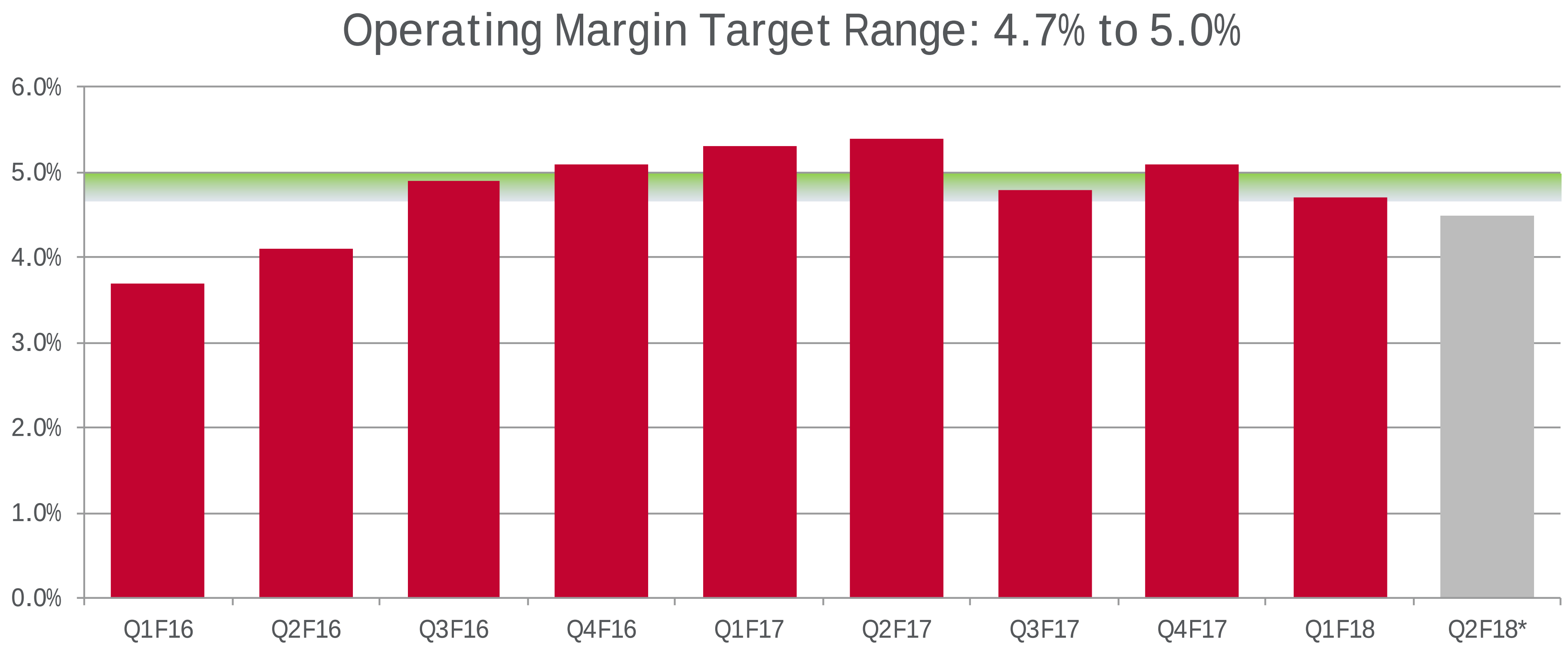
Manufacturing funnel





- Manufacturing funnel strong at $2.8B
- HC/LS remains exceptionally strong
- Supports the growth goals for F18 and beyond

Operating performance



Focused on exceptional operating results while growing revenue

**Represents midpoint of guidance*

Strategic facility investments

Oradea Design Center Expansion

Boulder Design Center Relocation

Penang Riverside Property Acquisition

U.S. Tax Reform

Fiscal first quarter tax expense - $125 million or $3.59 per diluted share

- Mandatory repatriation tax on undistributed earnings ~$100 million
- Withholding tax on offshore cash balances no longer assumed permanently reinvested ~$23 million
- Estimated state taxes related to U.S. Tax Reform ~$2 million

Other comments/considerations

- Fiscal first quarter tax expense represents reasonable estimate
- No income statement impact from write down of deferred tax assets
- Fiscal 2018 effective tax rate impacted by additional withholding tax
- Investigating further tax considerations

Cash use considerations

- U.S. Tax Reform provides access to global cash and improved efficiency to our balance sheet
- Expect ~$500 million available for repatriation
- First priority, capital investment and working capital requirements to support future growth
- Debt reduction
- Potential acceleration and expansion of share repurchase program
- Investigating further opportunities that require Board approval

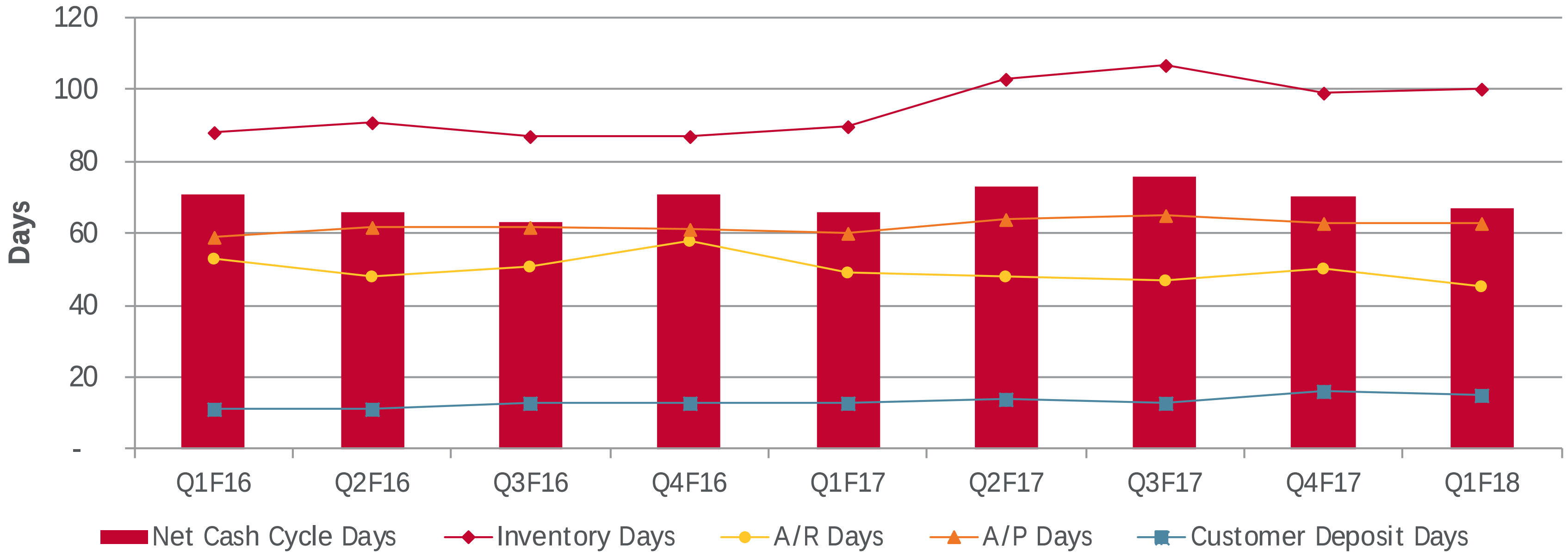
Income statement

	Q1F18	Comments
Revenue	$677 million	Slightly below the midpoint of our guidance range primarily due to lower revenue in the Communications sector
Gross margin	9.4%	Within guidance range of 9.3% to 9.7%
Selling & administrative expenses	$32.0 million	Within guidance range of $31.5 to $32.5 million
Operating margin	4.7%	Within guidance range of 4.6% to 5.0%
GAAP Diluted Loss Per Share	$(2.93)	Included $124.5 million discrete tax charge related to U.S. Tax Reform
Non-GAAP Diluted EPS	$0.75	Within guidance range of $0.75 to $0.85

Balance sheet and cash flows

	Q1F18	Comments
Return on invested capital	16.2%	670 basis points above fiscal 2018 WACC of 9.5%
Share repurchases	$9.5 million	~158,000 at an average price of $60.25 per share
Free cash flow	$52.4 million	Cash from operations: $69.1 million Capital expenditures: $16.7 million
Cash balance	$507 million	~90% offshore
Cash cycle days	67 days	One day better than our guidance range of 68 to 72 days

Working capital trends



	Q1F16	Q2F16	Q3F16	Q4F16	Q1F17	Q2F17	Q3F17	Q4F17	Q1F18
Inventory Days	88	91	87	87	90	103	107	99	100
A/R Days	53	48	51	58	49	48	47	50	45
A/P Days	59	62	62	61	60	64	65	63	63
Customer Deposit Days	11	11	13	13	13	14	13	16	15
Net Cash Cycle Days	71	66	63	71	66	73	76	70	67

Fiscal second quarter 2018 guidance

	Guidance
Revenue	\$670 to \$710 million
GAAP diluted EPS	\$0.68 to \$0.78
Gross margin	9.2% to 9.6%
SG&A	\$33.5 to \$34.5 million
Operating margin	4.3% to 4.7%
Depreciation	~\$12 million
Non-GAAP tax rate – Q2 Non-GAAP tax rate – F18	10% to 12% 10% to 12%
Cash cycle days	70 to 74 days
Capital expenditures – F18	\$80 to \$90 million

Q&A

Analysts please conform to
one question and one follow up.

Thank you.