



Fiscal second quarter 2020
financial results

April 23, 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 8-K filed with the SEC yesterday, 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 second quarter results

	Q2F20 Results	Q1F20 Results
Revenue (\$ millions)	\$767	\$852
GAAP Diluted EPS	\$0.43 ⁽¹⁾	\$1.03
Non-GAAP Diluted EPS	\$0.61 ⁽¹⁾⁽²⁾	\$1.00

- Revenue and EPS negatively impacted by COVID-19 constraints
- Penang operated at ~40% of capacity final three weeks of the quarter
- Other sites near full staffing capacity
- Non-GAAP EPS excluded \$0.18 due to previously announced Boulder Design Center closure
- EPS results include \$0.14 of costs directly related to impact of COVID-19

(1) Includes \$0.19 stock-based compensation expense
 (2) Excludes \$5.4 million of restructuring costs, net of tax

We are supporting the fight against COVID-19

PLEXUS



INFUSION
PUMPS



PORTABLE
ULTRASOUNDS



MEDICAL AND SURGICAL
BED ELECTRONICS



BEDSIDE AND PORTABLE
PATIENT MONITORS



VENTILATORS



MOBILE RADIOGRAPHY
ELECTRONICS



DIAGNOSTIC
TEST SYSTEMS



Committed to meeting the essential needs of our team and customers

Well-defined crisis management protocol:

- Global executive meetings focused on best practices and needs of our employees and customers
- Executive steering committee sets priorities and policies
- Regional teams drive action
- Implemented travel restrictions prior to government regulations
- Supporting our team by performing temperature screenings and providing face coverings
- Providing regular communications and resource hub to all team members
- Site-specific decontamination plans in place, which have been successfully implemented

Striving to ensure our facilities are the safest place employees can be when away from their homes



HEALTHCARE AND LIFE SCIENCES

INDUSTRIAL AND COMMERCIAL

AEROSPACE AND DEFENSE

COMMUNICATIONS

Leading through uncertainty

Focused on the future, despite COVID-19

- Healthy manufacturing wins of \$248M in our second quarter
- \$102M of Healthcare/Life Sciences wins
- Currently ramping five programs across the US and Europe associated with ventilators for COVID-19 testing
- Focused on meeting the needs of our existing and new customers
- Upside demand from multiple customers for existing programs that support emergency medical applications

We'll help you create the products that build a better world.

Fiscal 2020 third quarter guidance

REVENUE GUIDE

- End markets are highly volatile
- Strength in HC/LS, semi-cap and defense
- Aerospace weak. I/C and COMM mixed
- Output at all sites near full capacity

EPS GUIDE

- Impacted by inefficiencies due to COVID-19
- Operating margin of 3.8% to 4.2%
- Non-recurring charges not anticipated

	Q3F20 Guidance
Revenue	\$790 to \$830 million
GAAP Diluted EPS	\$0.72 to \$0.82*

* Includes \$0.21 of stock-based compensation expense and excludes any non-recurring charges.

Operational status of global facilities

GOVERNMENTAL RESTRICTIONS DUE TO COVID-19

- Government requirements impact all regions in which we operate
- Permission to operate in all geographies

NON-PRODUCTION WORKFORCE

- Required to work from home

APAC REGION

- China overcame Q2F20 COVID-19 challenges
- Malaysian Movement Control Order in effect
 - Adjusting shift patterns, improving productivity and optimizing work-from-home to achieve near full production
 - Partnering with suppliers for continuity of supply

AMER REGION

- Efficiently managed facility decontamination

EMEA REGION

- No significant issues to date

EMPLOYEE HEALTH & SAFETY

- Implementation of social distancing
 - Work-from-home requirements
 - Restricted access to our buildings
 - Modified shift patterns in manufacturing facilities
 - Physical reconfiguration of work spaces
 - Physical layout changes to common spaces

Performance by sector

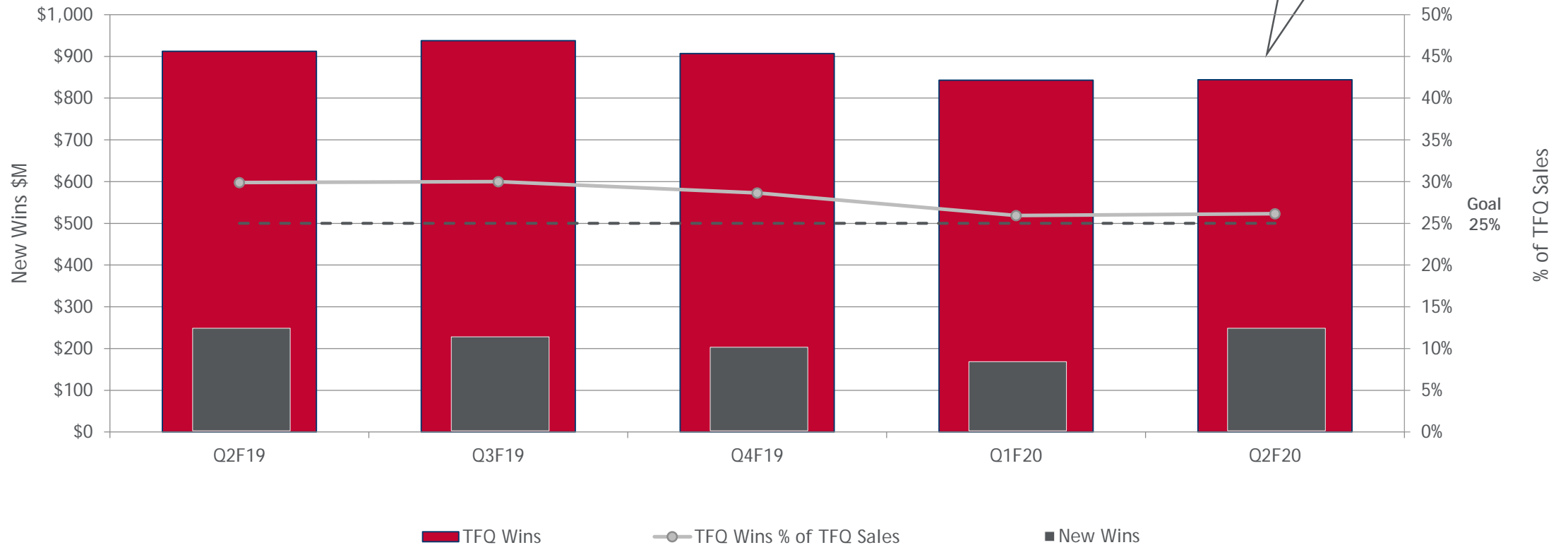
	Q2F20 Apr 4, 2020		Q1F20 Jan 4, 2020		Q2F20 vs. Q1F20	Q3F20 Expectations (percentage points)
Healthcare and Life Sciences	\$271	35%	\$312	37%	- 13%	Up >20%
Industrial and Commercial	\$287	37%	\$310	36%	- 7%	Down high single
Aerospace and Defense	\$157	21%	\$172	20%	- 9%	Down high single
Communications	\$52	7%	\$58	7%	- 10%	Up almost 30%
Total Revenue	\$767	100%	\$852	100%	- 10%	

Manufacturing wins

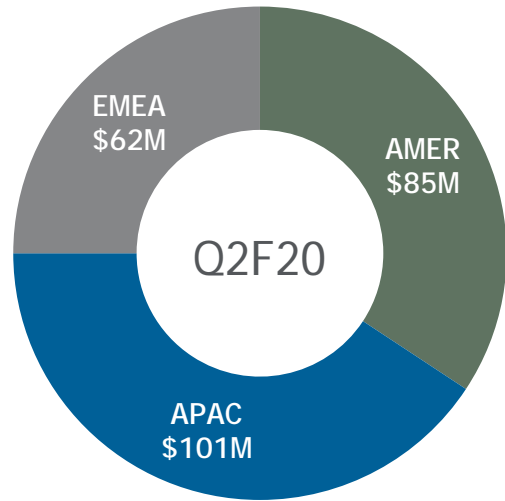
Q2F20 wins: \$248M
 New programs: 36

Trailing Four Quarters (TFQ) Manufacturing Wins

TFQ
 \$844M



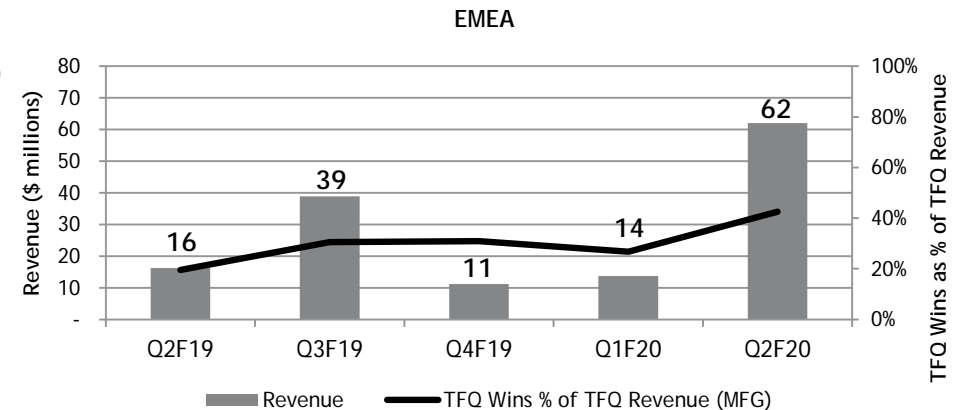
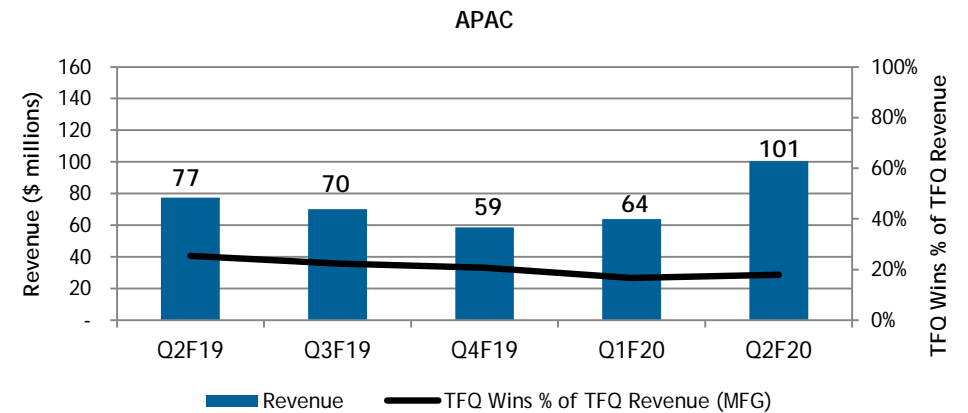
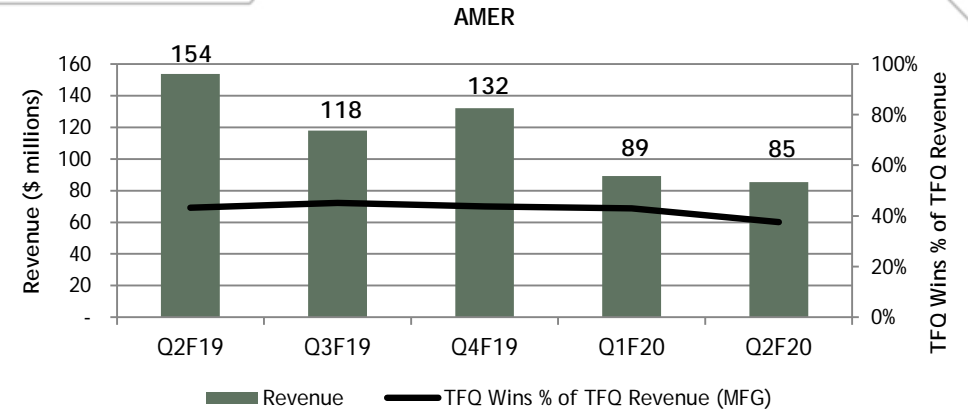
Manufacturing wins by region



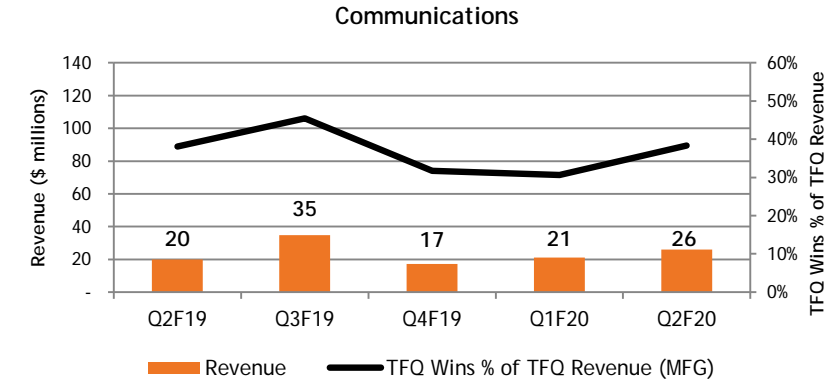
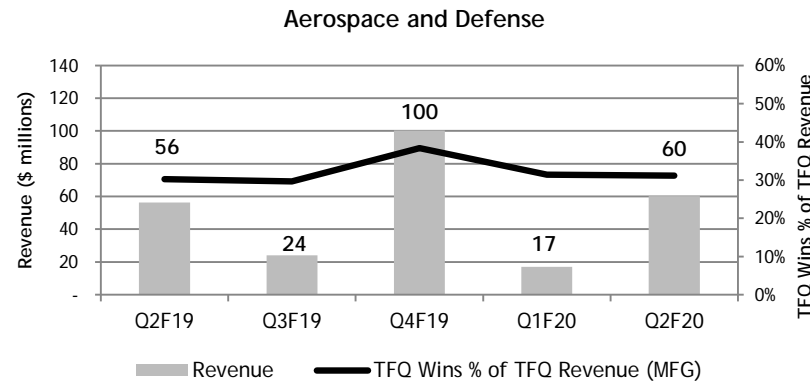
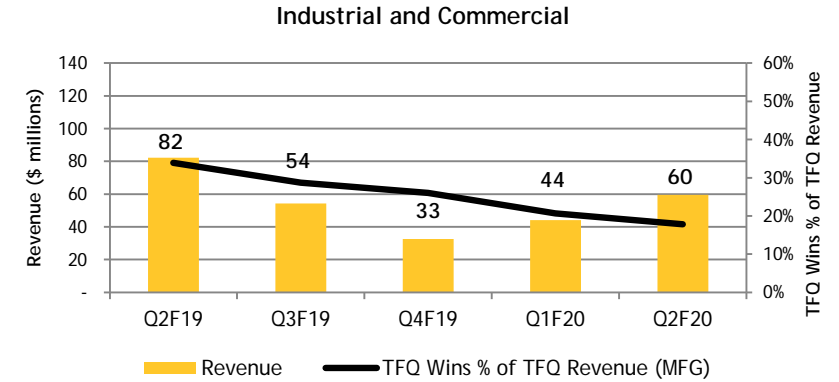
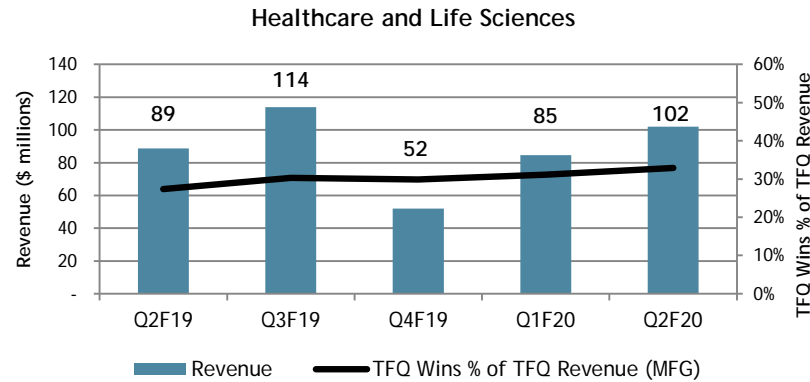
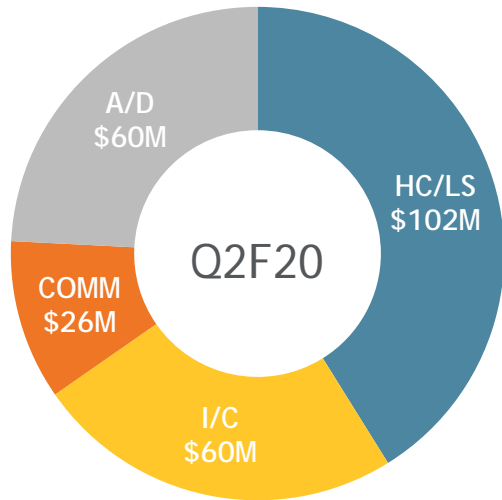
AMER: wins include program directly involved in the fight against of COVID-19

APAC: team's ability to deliver rewarded with market share gains

EMEA: co-designed Life Sciences product will be produced in Romania

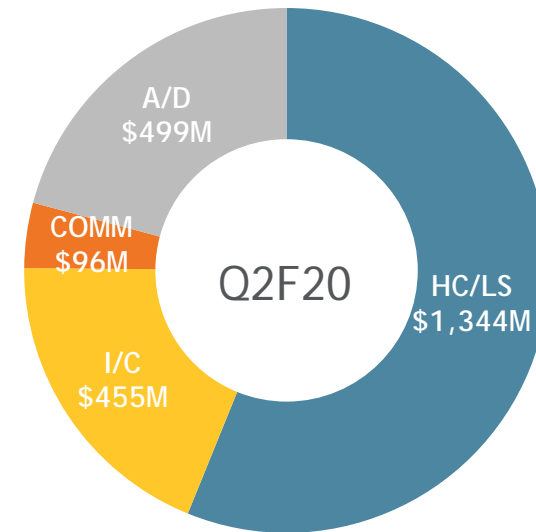
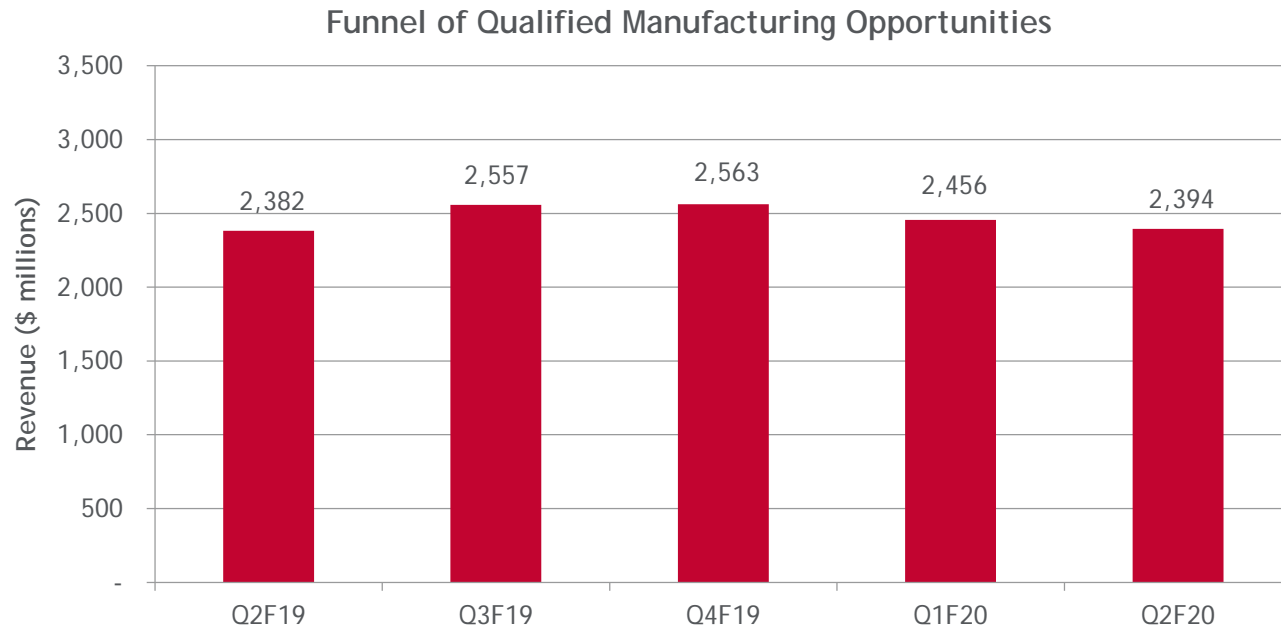


Manufacturing wins by sector



HC/LS adds large Life Sciences program
 I/C grows market share with customers
 A/D wins significant Space program
 COMM expand customer relationship

Manufacturing funnel



Qualified manufacturing funnel continues to be healthy at \$2.4B

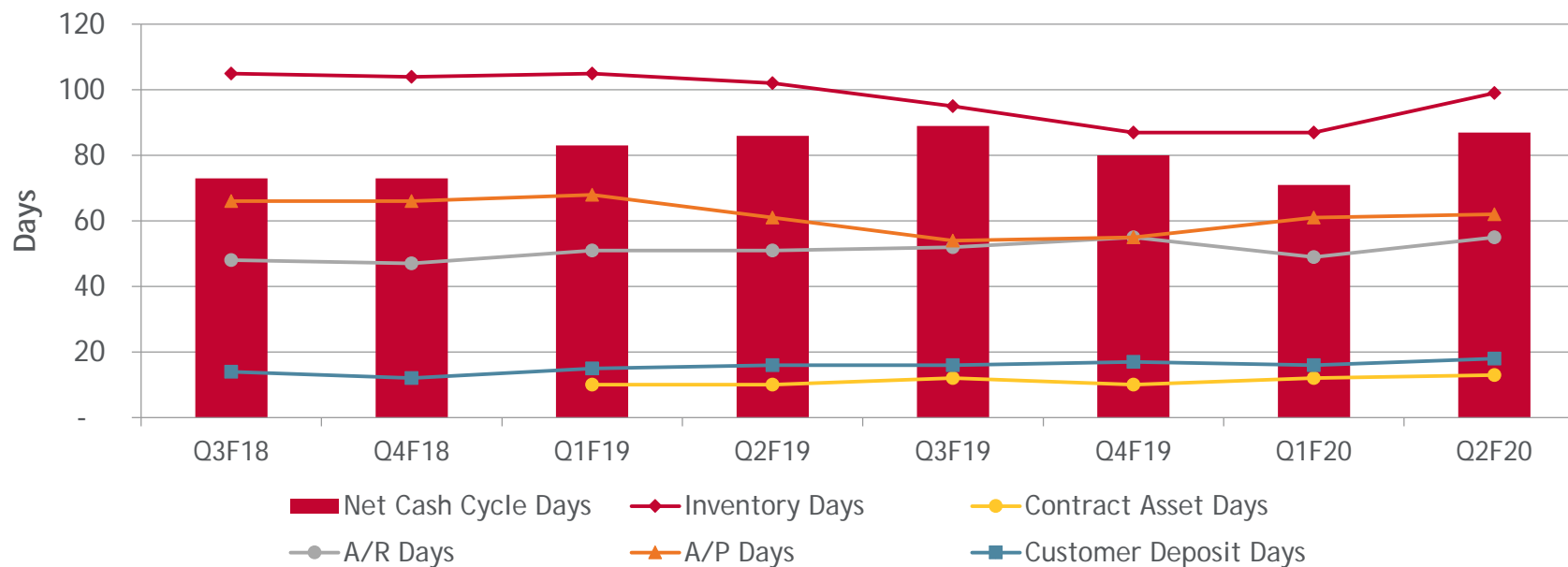
Income statement

	Q2F20	Comments
Revenue	\$767 million	Sequentially lower 10%
Gross margin	8.0%	Sequentially lower 130 basis points
Selling & administrative expenses	\$38.2 million	Consistent with expectations
Operating margin	2.2%	Includes \$6.0 million of restructuring charges
Adjusted operating margin excluding restructuring charges	3.0%	Includes approximately 75 basis points of stock based compensation expense
Non-operating expenses	\$3.1 million	Improved from expectations
GAAP diluted EPS	\$0.43	Includes \$0.18 related to restructuring activities
Non-GAAP diluted EPS	\$0.61	

Balance sheet and cash flow

	Q2F20	Comments
Share repurchases	\$13.2 million	~ 225,000 at an average price of \$58.57 per share, indefinitely suspended in March due to COVID-19
Free cash flow	(\$46) million	Cash used in operations: \$29 million Capital expenditures: \$17 million
Cash balance	\$227 million	Sequentially lower \$28 million
Total debt	\$294 million	Gross debt to EBITDA ratio of 1.5 times
Cash cycle days	87 days	Sequentially higher 16 days

Working capital trends



	Q3F18	Q4F18	Q1F19	Q2F19	Q3F19	Q4F19	Q1F20	Q2F20
Inventory Days	105	104	105	102	95	87	87	99
Contract Asset Days			10	10	12	10	12	13
A/R Days	48	47	51	51	52	55	49	55
A/P Days	66	66	68	61	54	55	61	62
Customer Deposit Days	14	12	15	16	16	17	16	18
Net Cash Cycle Days	73	73	83	86	89	80	71	87

Fiscal third quarter 2020 guidance

	Guidance
Revenue	\$790 to \$830 million
GAAP diluted EPS	\$0.72 to \$0.82
Gross margin	8.2% to 8.6%
SG&A	\$35.0 to \$36.0 million
Operating margin	3.8% to 4.2%
Depreciation and amortization	Approximately \$14 million
Non-operating expenses	\$4.8 to \$5.2 million
Effective tax rate	15% to 17%*
Diluted weighted average shares outstanding	Approximately 30 million
Cash cycle days	82 to 86 days

* Fiscal year 2020 tax rate anticipated to be 12% to 14%.

Q&A
Thank you.