The Flex Innovation System

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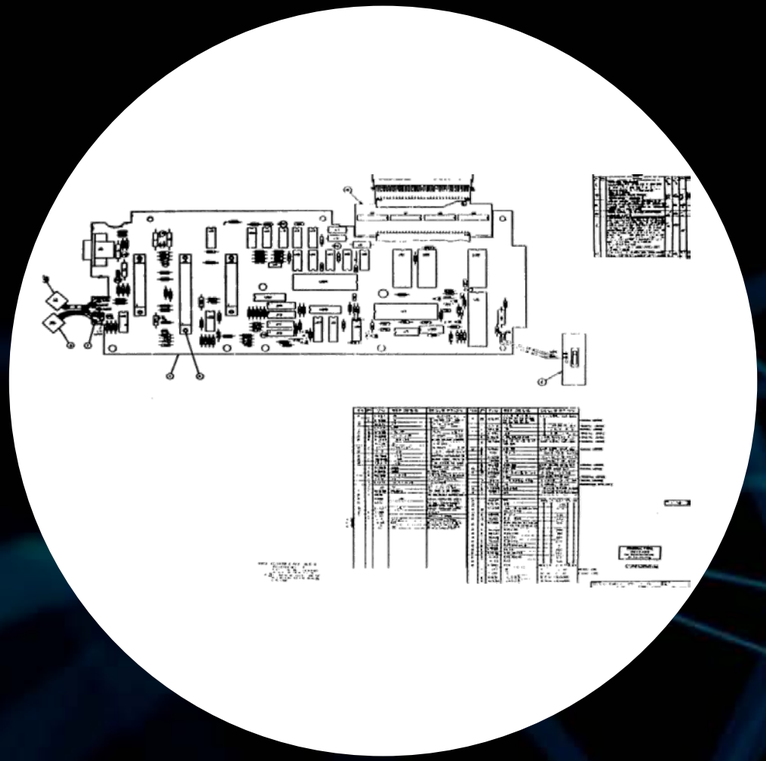
Our Innovation Journey…

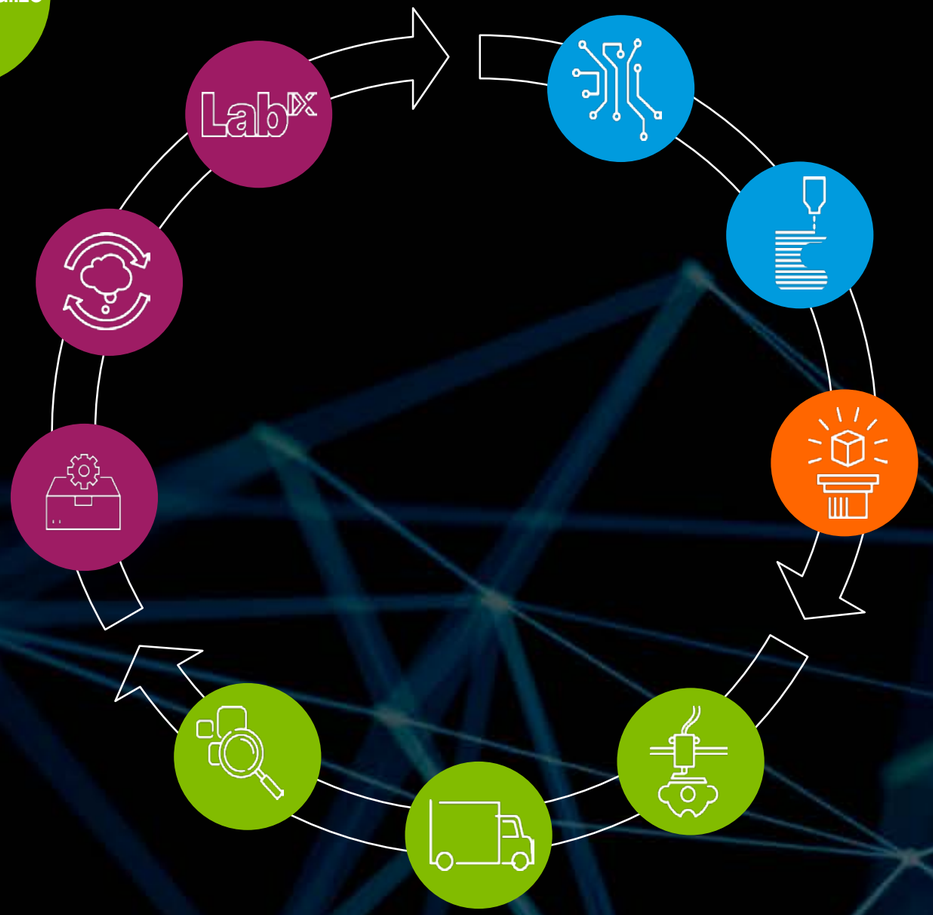
Build-to-Print



Sketch-to-Scale™

Flex Innovation System

Cultivate | Develop | Identify | Commercialize



Cultivate Technology and Provide Market Access

» LabIX
» Collective Innovation Platform (CIP)
» Technology Centers of Excellence (CoE)
» Flex Smart & Connected Solutions (FSC)

Product Development/ Identify Opportunities (Sketch)

» Innovation Labs
» Multek Interconnect Technology Center (ITC)
» Innovative Connected Emerging Technology Group (ICE)
» Innovation Centers
» Global Design Centers
» Cloud Labs
» Flex Power
» Flex Digital Health
» Flex Lighting Solutions
» Flex Living (Residential/Commercial)
» Advanced Engineering Group (AEG)

Commercialization (Scale)

» Product Introduction Centers (PIC)
» Centers of Competence (CoC)
» Manufacturing Sites
» Global Services and Solutions / Logistics
» Active Tracking (Pulse)
» Financial Supply Chain Design (FSCD)
» Elementum

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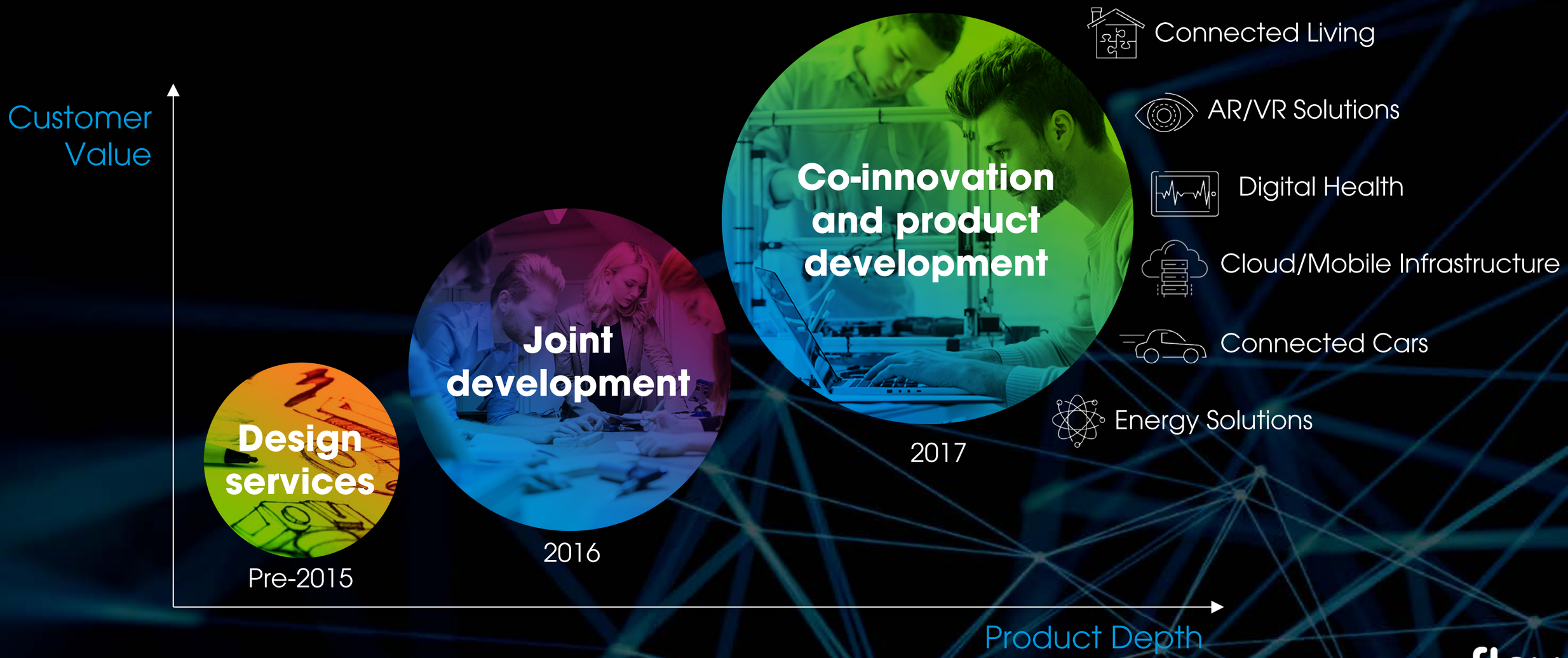
Growing our Innovation System

5 Innovation Centers | 9 Product Introduction Centers | 25+ Design Locations | 3000+ Design Engineers

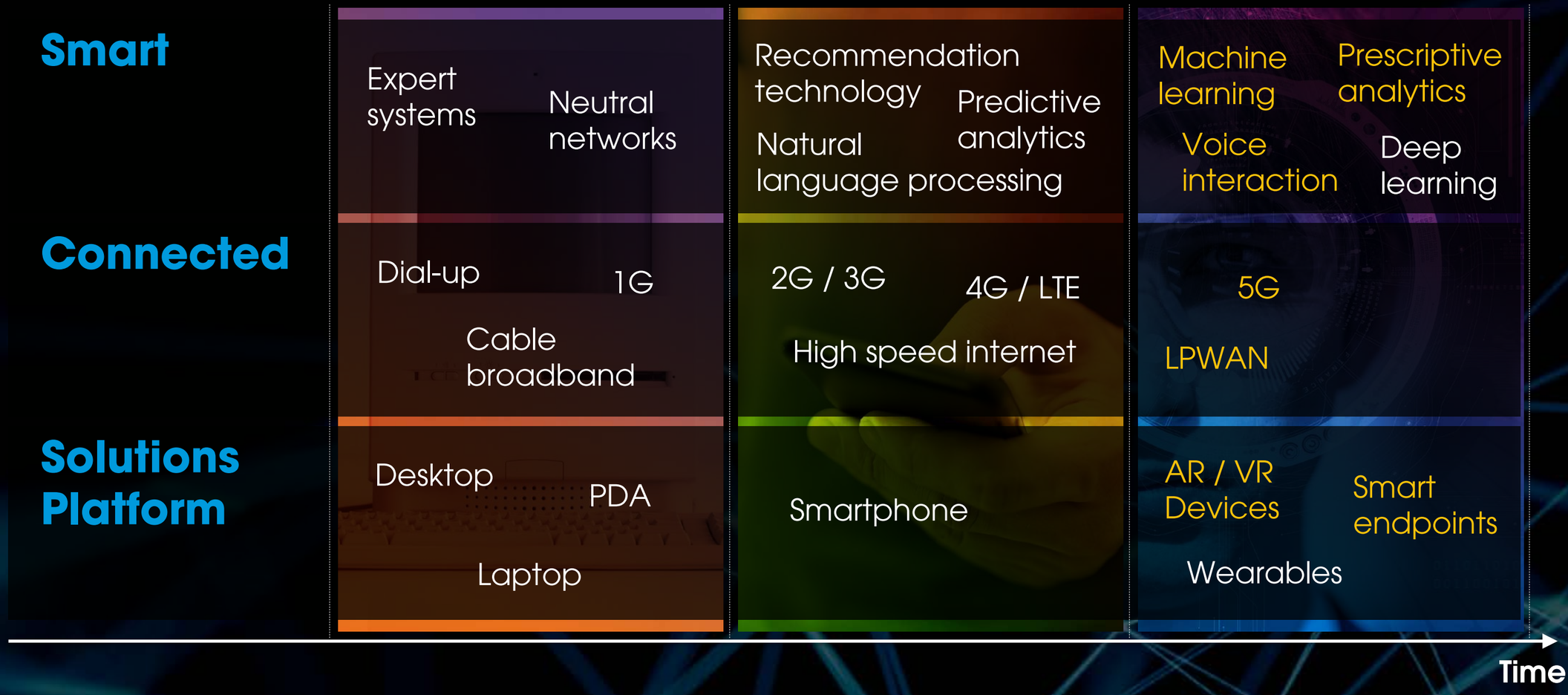
Expanding Our Co-Innovation Capabilities

We are growing our product development scope and depth



Identifying Transformative Opportunities

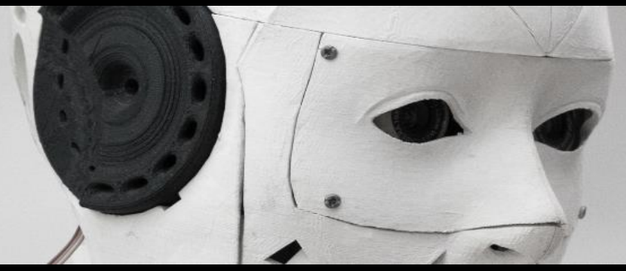
History has shown inflection points in the past. We are at a new inflection point.



Next Key Transformations for Intelligence of Things™

AI

Machine learning
Voice interaction



15% cost saving
from predictive maintenance and vision-based parts inspection

5G

Low cost cellular

10x data speed
to support AR/VR, autonomous vehicles, on-demand video and cloud-based applications

AR/VR

New IoT platform

65% AR adoption
planned by enterprise companies over next 3 years

$3 Trillion+ potential impact of IoT in factory setting

Source: ZDNet research survey, McKinsey Global Institute "Mapping the Value Beyond the Hype"

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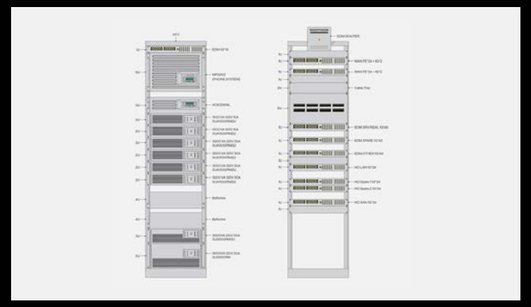
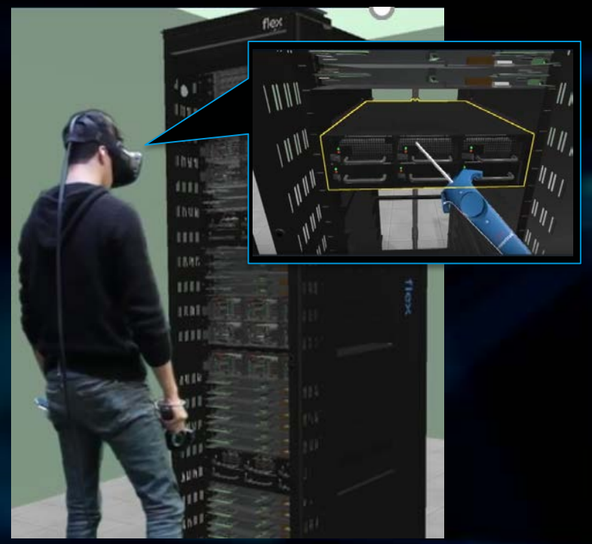
Case Study: AR/VR for Manufacturing

Pricing a complex Configure-to-Order manufacturing opportunity

Traditional Approach



VR Enhanced Approach



Background

- 5 weeks to quote, assemble and validate data center rack with many parts and complicated assembly
- Worldwide 250K+ product SKUs assembled
- Time consuming and error prone to price project
- Difficult to recover cost if build cost higher than initial quoted price

Solution

- 5 days to "virtually build" product, generate quote and validate costs
- Flex-developed VR application avoids manual process

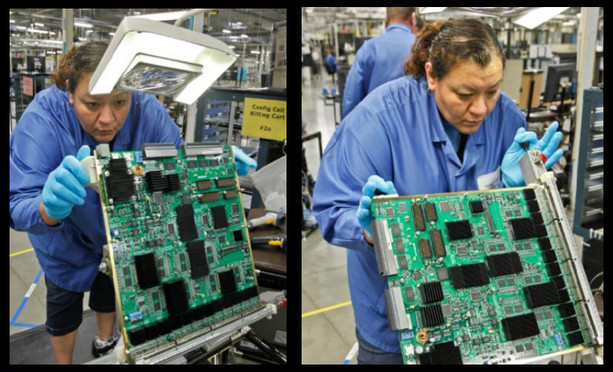
Benefit

- Accurate price quotes in days not weeks
- Applies to multiple business segments

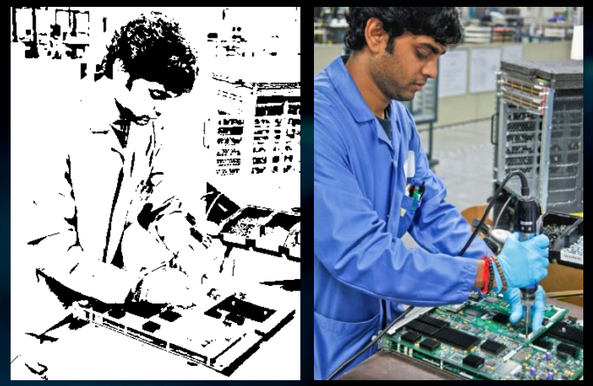
Case Study: AI for Manufacturing

AI enhanced approach to assembly

Traditional Approach



AI Enhanced Approach



Background

- Unnecessary handling, bending and operations cause variance
- 5 Billion+ individual human operations annually performed during product assembly
- Improve repeatability, quality and ergonomics for workers
- Optimize process to replicate and scale

Solution

- Digitize human operations to identify and recommend improvements
- Pilot project uses machine vision and algorithms to digitize human activity, `learn' assembly process and mentor

Benefit

- 10%+ potential quality and productivity improvement
- Improved worker ergonomics and engagement in process

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Case Study: 5G Infrastructure Projects

Telecom Pilots in Europe

Flex Cell Radio Experience

Small cell infrastructure

Cellular base station

Background

- IoT device and data volume will exceed existing cellular capacity
- Telecoms are investing $6B in 5G R&D pilots over next 4 years
- 5G infrastructure market exceeds $250B globally

Solution

- Flex Sketch-to-Scale expertise in centralized radio area networks (C-RAN) applies to 5G infrastructure
- Telecoms can leverage Flex facilities for RF testing and certification

Benefit

- 5x less latency for on demand video
- 10x less expensive to embed in IoT devices
- 100x more connected devices supported
- 1,000x more data volume

Design-Enabled Business Impact

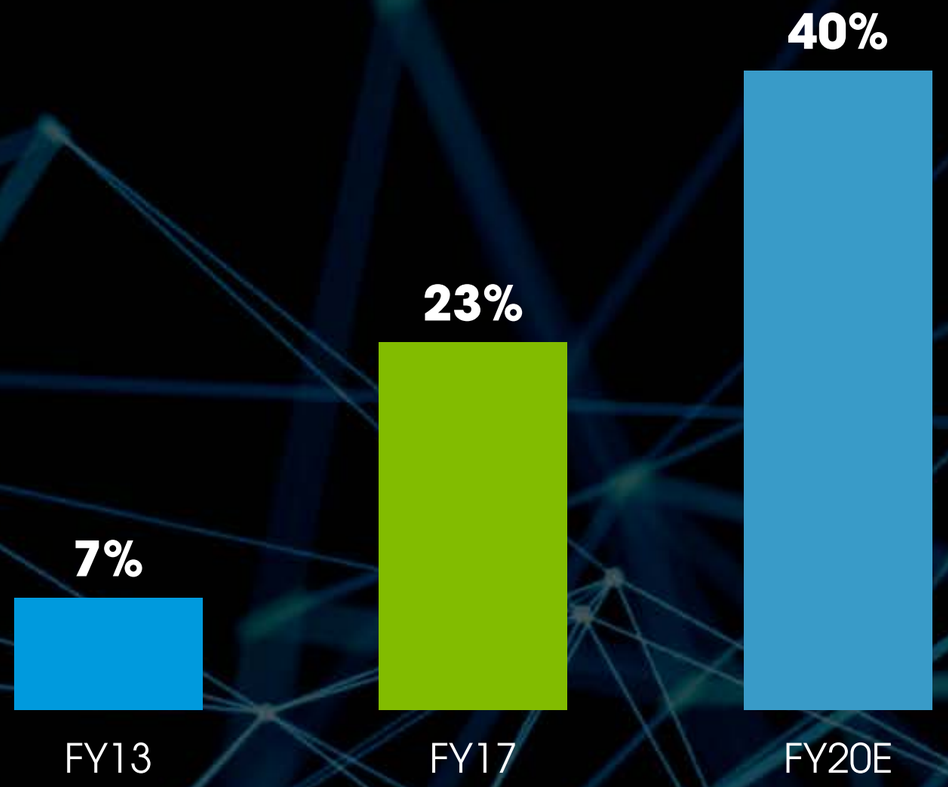
Sketch-to-Scale solutions deliver greater value

Design Win Growth

>75%
Design Center projects are Sketch-to-Scale

>230
patents issued in CY 2017

Sketch-to-Scale Manufacturing Revenue




Developed a comprehensive **innovation system**
Majority of new design engagements are **Sketch-to-Scale**
Leading development of next foundational digital **technology advances**
Next digital disruptions will generate **>$6T economic impact**
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