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of ContentsUNITED STATES SECURITIES AND EXCHANGE COMMISSIONWashington, D.C. 20549Â FormÂ 10-Q (Mark One)Â â˜’Â Â Â Â Â QUARTERLY REPORT PURSUANT TO SECTIONÂ 13 OR 15(d)Â OF THE SECURITIES EXCHANGE ACT OF 1934For the quarterly period ended DecemberÂ 31, 2024 Â orÂ â˜Â Â Â Â Â Â Â Â TRANSITION REPORT PURSUANT TO SECTIONÂ 13 OR 15(d)Â OF THE SECURITIES EXCHANGE ACT OF 1934For the transition period from Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â to Â Commission file number 0-23354 Â FLEX LTD.(Exact name of registrant as specified in its charter)SingaporeÂ 98-1773351(State or other jurisdiction ofÂ (I.R.S. Employerincorporation or organization)Â Identification No.)2 Changi South Lane,Â Â SingaporeÂ 486123(Address of principal executive offices)Â (Zip Code)(65)Â 6876-9899 Â (Registrantâ€™s telephone number, including area code)Â Securities registered pursuant to SectionÂ 12(b)Â of the Act:Title of each classTrading Symbol(s)Name of each exchange on which registeredOrdinary Shares, No Par ValueFLEXThe Nasdaq Stock Market LLCIndicate by check mark whether the registrant: (1)Â has filed all reports required to be filed by SectionÂ 13 or 15(d)Â of the Securities Exchange Act of 1934 during the preceding 12Â months (or for such shorter period that the registrant was required to file such reports), and (2)Â has been subject to such filing requirements for the past 90Â days. YesÂ â˜’ NoÂ â˜Â Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to RuleÂ 405 of Regulation S-T (Â§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).Â YesÂ â˜’ NoÂ â˜Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of â€œlarge accelerated filer,â€ â€œaccelerated filer,â€ â€œsmaller reporting company,â€ and â€œemerging growth companyâ€ in RuleÂ 12b-2 of the Exchange Act.Large accelerated filerâ˜’AcceleratedÂ filerâ˜Non-acceleratedÂ filerâ˜SmallerÂ reportingÂ companyâ˜Emerging growth company â˜If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. â˜Indicate by check mark whether the registrant is a shell company (as defined in RuleÂ 12b-2 of the Exchange Act). YesÂ â˜ NoÂ â˜’Â The number of shares of the registrantâ€™s ordinary shares outstanding as ofÂ JanuaryÂ 24, 2025Â wasÂ 383,103,055.Table of ContentsFLEX LTD.Â INDEXÂ Â Â PagePARTÂ I. 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OTHER INFORMATIONÂ Â Â ItemÂ 1.Legal Proceedings38ItemÂ 1A.Risk Factors38ItemÂ 2.Unregistered Sales of Equity Securities and Use of Proceeds38ItemÂ 3.Defaults Upon Senior Securities39ItemÂ 4.Mine Safety Disclosures39ItemÂ 5.Other Information39ItemÂ 6.Exhibits40SignaturesÂ 412Table of ContentsPARTÂ I. FINANCIAL INFORMATIONÂ ITEMÂ 1. FINANCIAL STATEMENTSÂ REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRMÂ To the Board of Directors and Shareholders of Flex Ltd., SingaporeResults of Review of Interim Financial InformationÂ We have reviewed the accompanying condensed consolidated balance sheet of Flex Ltd. and its subsidiaries (the â€œCompanyâ€) as of DecemberÂ 31, 2024, the related condensed consolidated statements of operations, comprehensive income, noncontrolling interest and shareholdersâ€™ equity for the three-month and nine-month periods ended DecemberÂ 31, 2024 and DecemberÂ 31, 2023, the condensed consolidated statement of cash flows for the nine-month periods ended DecemberÂ 31, 2024 and DecemberÂ 31, 2023, and the related notes (collectively referred to as the â€œinterim financial informationâ€). Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim financial information for it to be in conformity with accounting principles generally accepted in the United States of America.We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheet of the Company as of MarchÂ 31, 2024 and the related consolidated statements of operations, comprehensive income, redeemable noncontrolling interest and shareholdersâ€™ equity, and cash flows for the year then ended (not presented herein); and in our report dated May 17, 2024, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of MarchÂ 31, 2024 is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived. Basis for Review Results This interim financial information is the responsibility of the Companyâ€™s management. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.We conducted our reviews in accordance with standards of the PCAOB. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion./s/ DELOITTEÂ & TOUCHE LLPÂ San Jose, CaliforniaÂ January 31, 2025Â 3Table of ContentsFLEX LTD.Â CONDENSED CONSOLIDATED BALANCE SHEETSÂ As of December 31, 2024As of March 31, 2024(InÂ millions, exceptÂ shareÂ amounts)(Unaudited)ASSETSCurrent assets:Â Â Cash and cash equivalents$2,313Â $2,474Â Accounts receivable, net of allowance of $9 and $12, respectively3,382Â 3,033Â Contract assets633Â 249Â Inventories5,270Â 6,205Â Other current assets1,158Â 1,031Â Total current assets12,756Â 12,992Â Property and equipment, net2,241Â 2,269Â Operating lease right-of-use assets, net578Â 601Â Goodwill1,332Â 1,135Â Other intangible assets, net343Â 245Â Other non-current assets1,022Â 1,015Â Total assets$18,272Â $18,257Â LIABILITIES AND SHAREHOLDERS' EQUITYCurrent liabilities:Â Â Bank borrowings and current portion of long-term debt$532Â $â€”Â Accounts payable5,033Â 4,468Â Accrued payroll and benefits511Â 488Â Deferred revenue and customer working capital advances 1,942Â 2,615Â Other current liabilities1,019Â 968Â Total current liabilities9,037Â 8,539Â Long-term debt, net of current portion3,147Â 3,261Â Operating lease liabilities, non-current475Â 490Â Other non-current liabilities621Â 642Â Total liabilities13,280Â 12,932Â Shareholdersâ€™ equityÂ Â Ordinary shares, no par value; 1,500,000,000 authorized, 384,327,094 and 408,101,772 issued and outstanding, respectively4,209Â 5,074Â Accumulated earnings 1,062Â 446Â Accumulated other comprehensive loss(279)(195)Total shareholdersâ€™ equity4,992Â 5,325Â Total liabilities and shareholders' equity$18,272Â $18,257Â The accompanying notes are an integral part of these condensed consolidated financial statements.4Table of ContentsFLEX LTD.Â CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONSÂ Â Three-Month Periods EndedNine-Month Periods EndedÂ December 31, 2024December 31, 2023December 31, 2024December 31, 2023(InÂ millions,Â exceptÂ perÂ shareÂ amounts)(Unaudited)Net sales$6,556Â $6,421Â $19,415Â $20,246Â Cost of sales5,952Â 5,927Â 17,777Â 18,737Â Restructuring charges10Â 61Â 42Â 81Â Gross profit594Â 433Â 1,596Â 1,428Â Selling, general and administrative expenses241Â 205Â 670Â 661Â Restructuring charges2Â 13Â 13Â 19Â Intangible amortization17Â 17Â 49Â 54Â Operating income334Â 198Â 864Â 694Â Interest expense57Â 50Â 166Â 155Â Interest income16Â 13Â 48Â 44Â Other charges (income), net5Â 9Â 2Â 34Â Income from continuing operations before income taxes288Â 152Â 744Â 549Â Provision for (benefit from) income taxes25Â 23Â 128Â 72Â Net income from continuing operations263Â 129Â 616Â 477Â Net income from discontinued operations, net of taxâ€”Â 104Â â€”Â 373Â Net income263Â 233Â 616Â 850Â Net income attributable to noncontrolling interest â€”Â 36Â â€”Â 239Â Net income attributable to Flex Ltd.$263Â $197Â $616Â $611Â Basic earnings per share from continuing operations$0.68Â $0.30Â $1.56Â $1.08Â Basic earnings per share from discontinued operationsâ€”Â 0.16Â â€”Â 0.31Â Basic earnings per share attributable to the shareholders of Flex Ltd.$0.68Â $0.46Â $1.56Â $1.39Â Diluted earnings per share from continuing operations$0.67Â $0.30Â $1.54Â $1.07Â Diluted earnings per share from discontinued operationsâ€”Â 0.15Â â€”Â 0.30Â Diluted earnings per share attributable to the shareholders of Flex Ltd.$0.67Â $0.45Â $1.54Â $1.37Â Weighted-average shares used in computing per share amounts:Â Â Basic387Â 431Â 394Â 440Â Diluted394Â 436Â 401Â 446Â The accompanying notes are an integral part of these condensed consolidated financial statements.5Table of ContentsFLEX LTD.Â CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOMEÂ Â Three-MonthÂ PeriodsÂ EndedNine-Month Periods EndedÂ December 31, 2024December 31, 2023December 31, 2024December 31, 2023(InÂ millions)(Unaudited)Net income$263Â $233Â $616Â $850Â Other comprehensive income (loss), net of tax:Â Â Foreign currency translation adjustments(85)59Â (46)12Â Unrealized gain (loss) on derivative instruments and other(21)39Â (38)40Â Comprehensive income$157Â $331Â $532Â $902Â Comprehensive income attributable to noncontrolling interest â€”Â 36Â â€”Â 239Â Comprehensive income attributable to Flex Ltd.$157Â $295Â $532Â $663Â The accompanying notes are an integral part of these condensed consolidated financial statements.6Table of ContentsFLEXÂ LTD.CONDENSED CONSOLIDATED STATEMENTS OF NONCONTROLLING INTEREST AND SHAREHOLDERS' EQUITYOrdinary SharesAccumulated Other Comprehensive LossTotalThree Months Ended December 31, 2024SharesOutstandingAmountAccumulatedEarnings (Deficit)Unrealized Gain(Loss) onDerivativeInstruments and OtherForeignCurrencyTranslationAdjustmentsTotalAccumulatedOtherComprehensive Gain (Loss)TotalFlex Ltd.Shareholders'EquityNoncontrolling InterestShareholders' Equity(In millions)UnauditedBALANCE ATÂ SEPTEMBER 27, 2024390Â $4,377Â $799Â (13)(160)(173)5,003Â $â€”Â $5,003Â Repurchase of Flex Ltd. ordinary shares at cost(6)(201)â€”Â â€”Â â€”Â â€”Â (201)â€”Â (201)Net incomeâ€”Â â€”Â 263Â â€”Â â€”Â â€”Â 263Â â€”Â 263Â Stock-based compensationâ€”Â 33Â â€”Â â€”Â â€”Â â€”Â 33Â â€”Â 33Â Total other comprehensive income (loss)â€”Â â€”Â â€”Â (21)(85)(106)(106)â€”Â (106)BALANCE ATÂ DECEMBER 31, 2024384Â $4,209Â $1,062Â (34)(245)(279)4,992Â $â€”Â $4,992Â Ordinary SharesAccumulated Other Comprehensive LossTotalNine Months Ended December 31, 2024SharesOutstandingAmountAccumulatedEarnings (Deficit)Unrealized Gain(Loss) onDerivativeInstruments and OtherForeignCurrencyTranslationAdjustmentsTotalAccumulatedOtherComprehensive Gain (Loss)TotalFlex Ltd.Shareholders'EquityNoncontrolling InterestShareholders' Equity(In millions)UnauditedBALANCE ATÂ MARCH 31, 2024408Â $5,074Â $446Â $4Â (199)(195)$5,325Â $â€”Â $5,325Â Repurchase of FlexÂ Ltd. ordinary shares at cost(31)(958)â€”Â â€”Â â€”Â â€”Â (958)â€”Â (958)Issuance of Flex Ltd. vested shares under restricted share unit awards7Â â€”Â â€”Â â€”Â â€”Â â€”Â â€”Â â€”Â â€”Â Net incomeâ€”Â â€”Â 616Â â€”Â â€”Â â€”Â 616Â â€”Â 616Â Stock-based compensationâ€”Â 93Â â€”Â â€”Â â€”Â â€”Â 93Â â€”Â 93Â Total other comprehensive income (loss)â€”Â â€”Â â€”Â (38)(46)(84)(84)â€”Â (84)BALANCE ATÂ DECEMBER 31, 2024384Â $4,209Â $1,062Â (34)(245)(279)4,992Â $â€”Â $4,992Â 7Table of ContentsFLEXÂ LTD.CONDENSED CONSOLIDATED STATEMENTS OF NONCONTROLLING INTEREST AND SHAREHOLDERS' EQUITY (CONTINUED)Ordinary SharesAccumulated Other Comprehensive LossTotalThree Months Ended December 31, 2023SharesOutstandingAmountAccumulatedEarnings (Deficit)Unrealized Gain(Loss) onDerivativeInstruments and OtherForeignCurrencyTranslationAdjustmentsTotalAccumulatedOtherComprehensive Gain (Loss)TotalFlex Ltd.Shareholders'EquityNoncontrolling InterestShareholders' Equity(In millions)UnauditedBALANCE ATÂ SEPTEMBER 29, 2023438Â $6,292Â (146)(13)(227)(240)$5,906Â $450Â $6,356Â Repurchase of FlexÂ Ltd. ordinary shares at cost(11)(275)â€”Â â€”Â â€”Â â€”Â (275)â€”Â (275)Nextracker tax distributionâ€”Â â€”Â â€”Â â€”Â â€”Â â€”Â â€”Â (6)(6)Net incomeâ€”Â â€”Â 197Â â€”Â â€”Â â€”Â 197Â 36Â 233Â Stock-based compensationâ€”Â 39Â â€”Â â€”Â â€”Â â€”Â 39Â â€”Â 39Â Total other comprehensive income (loss)â€”Â â€”Â â€”Â 39Â 59Â 98Â 98Â â€”Â 98Â BALANCE ATÂ DECEMBER 31, 2023427Â $6,056Â $51Â $26Â (168)(142)$5,965Â $480Â $6,445Â Ordinary SharesAccumulated Other Comprehensive LossTotalNine Months Ended December 31, 2023SharesOutstandingAmountAccumulatedEarnings (Deficit)Unrealized Gain(Loss) onDerivativeInstruments and OtherForeignCurrencyTranslationAdjustmentsTotalAccumulatedOtherComprehensive Gain (Loss)TotalFlex Ltd.Shareholders'EquityNoncontrolling InterestShareholders' Equity(In millions)UnauditedBALANCE ATÂ MARCH 31, 2023450Â $6,105Â (560)(14)(180)(194)$5,351Â $355Â $5,706Â Repurchase of FlexÂ Ltd. ordinary shares at cost(31)(781)â€”Â â€”Â â€”Â â€”Â (781)â€”Â (781)Issuance of Flex Ltd. vested shares under restricted share unit awards8Â â€”Â â€”Â â€”Â â€”Â â€”Â â€”Â â€”Â â€”Â Nextracker follow on sales and related transactionsâ€”Â 607Â â€”Â â€”Â â€”Â â€”Â 607Â (114)493Â Net incomeâ€”Â â€”Â 611Â â€”Â â€”Â â€”Â 611Â 239Â 850Â Stock-based compensationâ€”Â 125Â â€”Â â€”Â â€”Â â€”Â 125Â â€”Â 125Â Total other comprehensive income (loss)â€”Â â€”Â â€”Â 40Â 12Â 52Â 52Â â€”Â 52Â BALANCE ATÂ DECEMBER 31, 2023427Â $6,056Â $51Â $26Â (168)(142)$5,965Â $480Â $6,445Â The accompanying notes are an integral part of these condensed consolidated financial statements.8Table of ContentsFLEX LTD.Â CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWSÂ Â Nine-Month Periods EndedÂ December 31, 2024December 31, 2023(InÂ millions)(Unaudited)CASH FLOWS FROM OPERATING ACTIVITIES:Â Â Net income$616Â $850Â Depreciation, amortization and other impairment charges401Â 390Â Changes in working capital and other, net55Â (593)Net cash provided by operating activities1,072Â 647Â CASH FLOWS FROM INVESTING ACTIVITIES:Â Â Purchases of property and equipment(326)(449)Proceeds from the disposition of property and equipment11Â 21Â Acquisition of businesses, net of cash acquired(347)â€”Â Other investing activities, net21Â 14Â Net cash used in investing activities(641)(414)CASH FLOWS FROM FINANCING ACTIVITIES:Â Proceeds from bank borrowings and long-term debt499Â 2Â Payments of bank borrowings, long-term debt and other financing liabilities(58)(398)Payments for repurchases of ordinary shares(958)(781)Proceeds from issuances of Nextracker sharesâ€”Â 552Â Payment for purchase of Nextracker LLC units from TPGâ€”Â (57)Other, net(7)(86)Net cash used in financing activities(524)(768)Effect of exchange rates on cash and cash equivalents(48)5Â Net change in cash and cash equivalents and restricted cash equivalents(141)(530)Cash, cash equivalents, and restricted cash equivalents, beginning of period2,474Â 3,294Â Cash, cash equivalents, and restricted cash equivalents, end of period$2,333Â $2,764Â Reconciliation of cash, cash equivalents, and restricted cash equivalentsCash and cash equivalents$2,313Â $2,764Â Restricted cash equivalents included in other current assets*20Â â€”Â Total cash, cash equivalents, and restricted cash equivalents$2,333Â $2,764Â Non-cash investing activities:Â Â Unpaid purchases of property and equipment$120Â $89Â Right-of-use assets obtained in exchange for operating lease liabilities80Â 98Â *$20Â million of restricted cash is held for sale pending disposition of a European site. Refer to Note 13 for further details.Â The accompanying notes are an integral part of these condensed consolidated financial statements. 9Table of ContentsNOTESÂ TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS(Unaudited)Â 1.Â ORGANIZATION OF THE COMPANY AND BASIS OF PRESENTATIONOrganization of the CompanyFlex Ltd. ("Flex" or the "Company") is the advanced, end-to-end manufacturing partner of choice that helps market-leading brands design, build, deliver and manage innovative products that improve the world. Through the collective strength of a global workforce across approximately 30 countries with responsible, sustainable operations, Flex supports our customers' entire product lifecycle with a broad array of services in every major region. The Company's full suite of specialized capabilities includes design and engineering, supply chain, manufacturing, post-production and post-sale services. Flex partners with customers across a diverse set of industries including cloud, communications, enterprise, automotive, industrial, consumer devices, lifestyle and healthcare. As of DecemberÂ 31, 2024, Flex's two operating and reportable segments were as follows:â€¢Flex Agility Solutions ("FAS"),Â which is comprised of the following end markets:â—¦Communications, Enterprise and Cloud ("CEC"), including data infrastructure, edge infrastructure and communications infrastructureâ—¦Lifestyle, including appliances, consumer packaging, floorcare, micro mobility and audioâ—¦Consumer Devices, including mobile and high velocity consumer devices. â€¢Flex Reliability Solutions ("FRS"),Â which is comprised of the following end markets:â—¦Automotive, including next generation mobility, autonomous, connectivity, electrification, and smart technologiesâ—¦Health Solutions, including medical devices, medical equipment and drug deliveryâ—¦Industrial, including capital equipment, industrial devices, embedded and critical power offerings and renewables and grid edge. The Company's service offerings include a comprehensive range of value-added design and engineering services that are tailored to the various markets and needs of its customers. Other focused service offerings relate to manufacturing (including enclosures, metals, plastic injection molding, precision plastics, machining, and mechanicals), system integration and assembly and test services, materials procurement, inventory management, logistics and after-sales services (including product repair, warranty services, re-manufacturing and maintenance), supply chain management software solutions and component product offerings (including flexible printed circuit boards, power adapters and chargers).Basis of Presentation and Principles of ConsolidationThe accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (â€œU.S. GAAPâ€ or â€œGAAPâ€) for interim financial information and in accordance with the requirements of RuleÂ 10-01 of RegulationÂ S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements, and should be read in conjunction with the Companyâ€™s audited consolidated financial statements as of and for the fiscal year ended MarchÂ 31, 2024 contained in the Companyâ€™s Annual Report on FormÂ 10-K. In the opinion of management, all adjustments (consisting only of normal recurring adjustments) considered necessary for a fair statement have been included. Operating results for the three and nine-month periods ended DecemberÂ 31, 2024 are not necessarily indicative of the results that may be expected for the fiscal year ending MarchÂ 31, 2025.Â The third quarters for fiscal years 2025 and 2024 ended on December 31 of each year and are comprised of 95 and 93 days, respectively. The Company's first three quarters for fiscal years 2025 and 2024 are both comprised of 275 days.The accompanying unaudited condensed consolidated financial statements include the accounts of Flex and its subsidiaries, after elimination of intercompany accounts and transactions. The Company consolidates subsidiaries and investments in entities in which the Company has a controlling interest. For the consolidated subsidiaries in which the Company owns less than 100%, the Company recognizes a noncontrolling interest for the ownership of the noncontrolling owners.On January 2, 2024, Flex completed its spin-off (the "Spin-off") of its remaining interest in Nextracker Inc. ("Nextracker"). After the Spin-off, Flex no longer consolidates the financial results of Nextracker within its financial results of continuing operations. For all the periods prior to the Spin-off, the financial results of Nextracker are presented as net earnings from discontinued operations in the condensed consolidated statements of operations and unless otherwise indicated Flex's disclosures are presented on a continuing operations basis. The historical statements of comprehensive income and cash flows 10Table of Contentsand the balances related to shareholders' equity have not been revised to reflect the Spin-off. See note 6 "Discontinued Operations" for additional information.Use of EstimatesThe preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates are used in accounting for, among other things: allowances for doubtful accounts; inventory write-downs; valuation allowances for deferred tax assets; uncertain tax positions; valuation and useful lives of long-lived assets including property, equipment, and intangible assets; valuation of goodwill; valuation of investments in privately held companies; asset impairments; fair values of financial instruments, notes receivable and derivative instruments; restructuring charges; contingencies; warranty provisions; incremental borrowing rates in determining the present value of lease payments; accruals for potential price adjustments arising from customer contracts; fair values of assets obtained and liabilities assumed in business combinations; and the fair values of restricted share unit awards granted under the Company's stock-based compensation plans. Due to geopolitical conflicts (including the Russian invasion of Ukraine, the Israel-Hamas war, and other geopolitical conflicts), there has been and will continue to be uncertainty and disruption in the global economy and financial markets. The Company has made estimates and assumptions taking into consideration certain possible impacts due to the Russian invasion of Ukraine and the Israel-Hamas war. These estimates may change, as new events occur, and additional information is obtained. Actual results may differ from previously estimated amounts, and such differences may be material to the consolidated financial statements. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the period they occur.Recently Issued Accounting PronouncementsIn November 2024, the FASB issued ASU 2024-03 "Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses", which requires public entities to disclose specified information about certain costs and expenses. The guidance is effective for the Company beginning in the fourth quarter of fiscal year 2028 and will be applied retrospectively to all prior periods presented on its consolidated financial statements. We are currently evaluating the guidance to determine the impact on the Company's disclosures.In December 2023, the FASB issued ASU 2023-09 "Income Taxes (Topic 740): Improvements to Income Tax Disclosures", which expands disclosures in an entityâ€™s income tax rate reconciliation table and regarding cash taxes paid both in the U.S. and foreign jurisdictions. The guidance is effective for the Company beginning in the fourth quarter of fiscal year 2026. The Company expects the new guidance will have an immaterial impact on its consolidated financial statements, and intends to adopt the guidance prospectively when it becomes effective in the fourth quarter of fiscal year 2026.In November 2023, the FASB issued ASU 2023-07 "Segment Reporting - Improvements to Reportable Segment Disclosures", which updates reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses and information used to assess segment performance. The guidance is effective for the Company beginning in the fourth quarter of fiscal year 2025, with early adoption permitted. The Company has assessed the impact of ASU 2023-07 on its consolidated financial statements and intends to adopt the guidance retrospectively with the updated segment disclosures in the fourth quarter of fiscal year 2025.2.Â BALANCE SHEET ITEMSÂ InventoriesÂ The components of inventories, net of applicable lower of cost and net realizable value write-downs, were as follows:Â As of December 31, 2024As of March 31, 2024Â (InÂ millions)Raw materials$4,332Â $5,045Â Work-in-progress465Â 623Â Finished goods473Â 537Â $5,270Â $6,205Â Goodwill and Other Intangible AssetsThe Company completed the acquisitions of Crown Technical Systems (â€œCrownâ€) and JETCOOL Technologies Inc. (â€œJetCoolâ€) in the Industrial and CEC reporting units, respectively. Crownâ€™s goodwill is deductible for tax purposes, while JetCoolâ€™s is non-deductible. Refer to Note 13 for further details.11Table of ContentsThe following table summarizes the activity in the Company's goodwill during the nine-month period ended December 31, 2024:FASFRSTotal(In millions)Balance at March 31, 2024$371Â $764Â $1,135Â Acquisitions (1)38Â 170Â 208Â Foreign currency translation adjustments(1)(10)(11)Balance at December 31, 2024$408Â $924Â $1,332Â (1) Represents goodwill of $170Â million from the Crown acquisition, $30Â million from the JetCool acquisition and $8Â million from an acquisition completed in the first quarter of fiscal year 2025.The components of acquired intangible assets are as follows: Â As of December 31, 2024As of March 31, 2024Gross CarryingAmountAccumulatedAmortizationNet CarryingAmountGross CarryingAmountAccumulatedAmortizationNet CarryingAmountÂ (InÂ millions)Intangible assets:Â Â Â Â Â Â Customer-related intangibles$405Â (173)232Â $316Â (186)130Â Licenses and other intangibles313Â (202)111Â 298Â (183)115Â Total$718Â (375)343Â $614Â (369)245Â The gross carrying amounts of intangible assets are removed when fully amortized. During the nine-month period ended December 31, 2024, the total value of intangible assets increased by $147 million as a result of the Company's estimated value of intangible assets from the acquisitions. Refer to Note 13 for further details.The estimated future annual amortization expense for intangible assets is as follows:Fiscal YearÂ EndingÂ MarchÂ 31,AmountÂ (InÂ millions)2025 (1)$24Â 202672Â 202761Â 202845Â 202942Â Thereafter99Â Total amortization expense$343Â ____(1)Represents estimated amortization for the remaining fiscal three-month period ending MarchÂ 31, 2025.Â Customer Working Capital AdvancesCustomer working capital advances were $1.6Â billion and $2.2Â billion as of DecemberÂ 31, 2024 and MarchÂ 31, 2024, respectively. The customer working capital advances are not interest-bearing, do not generally have fixed repayment dates and are generally reduced as the underlying working capital is consumed in production or the customer working capital advance agreement is terminated.Other Non-Current AssetsOther non-current assets include deferred tax assets of $662Â million and $644Â million as of DecemberÂ 31, 2024 and

MarchÂ 31, 2024, respectively.12Table of ContentsOther Current LiabilitiesOther current liabilities include customer-related accruals of $226Â million and $277Â million as of DecemberÂ 31, 2024 and MarchÂ 31, 2024, respectively.Supplier Finance ProgramsThe Company has four supplier finance programs, all of which have substantially similar characteristics, with various financial institutions that act as the paying agent for certain payables of the Company. The Company established these programs through agreements with the financial institutions to enable more efficient payment processing to our suppliers while also providing our suppliers a potential source of liquidity to the extent they choose to sell their receivables to the financial institutions in advance of the due dates. Our suppliersâ€™ participation in the programs is voluntary, the Company is not involved in negotiations of the suppliersâ€™ arrangements with the financial institutions to sell their receivables, and our rights and obligations to our suppliers are not impacted by our suppliersâ€™ decisions to sell amounts under these programs. Under these supplier finance programs, the Company pays the financial institutions the stated amount of confirmed invoices from its participating suppliers on the original maturity dates of the invoices. All payment terms are short-term in nature and are not dependent on whether the suppliers participate in the supplier finance programs or if the suppliers elect to receive early payment from the financial institutions. No guarantees are provided by the Company under the supplier finance programs and the Company incurs no costs related to the programs. We have no economic interest in a supplierâ€™s decision to participate in the supplier finance programs.Obligations under these programs are classified within accounts payable on the condensed consolidated balance sheets, with the associated payments reflected in the operating activities section of the condensed consolidated statement of cash flows. The Company's outstanding obligations confirmed as valid under its supplier finance programs as of DecemberÂ 31, 2024 and MarchÂ 31, 2024 were $127Â million and $123Â million, respectively.3.Â REVENUEÂ Contract BalancesA contract asset is recognized when the Company has recognized revenue, but not issued an invoice for payment. Contract assets are classified separately on the condensed consolidated balance sheets and transferred to receivables when rights to payment become unconditional and invoiced.A contract liability is recognized when the Company receives payments in advance of the satisfaction of performance. Contract liabilities, identified as deferred revenue, were $355 million and $490 million as of DecemberÂ 31, 2024 and MarchÂ 31, 2024, respectively, of which $314Â million and $449Â million, respectively, is included in deferred revenue and customer working capital advances under current liabilities.Disaggregation of RevenueThe following table presents the Companyâ€™s revenue disaggregated based on timing of transfer, point in time or over time, for the three and nine-month periods ended DecemberÂ 31, 2024 and DecemberÂ 31, 2023, respectively. 13Table of ContentsThree-MonthÂ PeriodsÂ EndedNine-Month Periods EndedDecember 31, 2024December 31, 2023December 31, 2024December 31, 2023Timing of Transfer(In millions)FASPoint in time$2,849Â $3,151Â $8,646Â $9,867Â Over time750Â 314Â 1,924Â 817Â Total 3,599Â 3,465Â 10,570Â 10,684Â FRSPoint in time1,960Â 2,793Â 6,830Â 9,070Â Over time997Â 163Â 2,015Â 492Â Total 2,957Â 2,956Â 8,845Â 9,562Â FlexPoint in time4,809Â 5,944Â 15,476Â 18,937Â Over time1,747Â 477Â 3,939Â 1,309Â Total $6,556Â $6,421Â $19,415Â $20,246Â 4.Â STOCK-BASED COMPENSATIONFlex historically maintains stock-based compensation plans at a corporate level. The Company grants equity compensation awards under its 2017 Equity Incentive Plan (the "2017 Plan").Stock-Based Compensation ExpenseThe following table summarizes the Companyâ€™s share-based compensation expense for the 2017 Plan:Â Three-MonthÂ PeriodsÂ EndedNine-Month Periods EndedÂ December 31, 2024December 31, 2023December 31, 2024December 31, 2023Â (InÂ millions)Cost of sales$9Â $7Â $25Â $21Â Selling, general and administrative expenses24Â 19Â 68Â 65Â Total share-based compensation expense$33Â $26Â $93Â $86Â The 2017 PlanDuring the nine-month period ended DecemberÂ 31, 2024, the Company granted approximately 4.6 million restricted share unit ("RSU") awards. Of this amount, approximately 2.9 million are plain-vanilla unvested RSU awards that vest over a period of three years, with no performance or market conditions, and with an average grant date price of $31.88 per award.Â In addition, approximately 0.7Â million unvested shares represent the target amount of grants made to certain key employees whereby vesting is contingent on certain performance conditions, and with an average grant date price of $31.04 per award. These performance-based RSUs include awards tied to the Company's adjusted earnings per share growth and awards tied to operating profit goals. The number of shares that will ultimately vest will range from zero up to a maximum of approximately 1.2Â million based on the level of achievement of these performance conditions. The awards will cliff vest after a period of one to three years, depending on the specific performance metrics, to the extent such performance conditions have been met.Â Further, approximately 0.3 million unvested shares represent the target amount of grants made to certain key employees whereby vesting is contingent on certain market conditions.Â The average grant date fair value of these awards contingent on certain market conditions was estimated to beÂ $42.36Â per award and was calculated using a Monte Carlo simulation.Â The number of shares contingent on market conditions that ultimately will vest will range from zero up to a maximum of approximately 0.6 million based on a measurement of the percentile rank of the Companyâ€™s total shareholder return over certain specified periods against the Company's peer companies, and will cliff vest after a period of three years, to the extent such market conditions have been met.Â Finally, the remaining balance of approximately 0.7Â million represents the number of shares issued upon the vesting of RSU awards above target levels based on the achievement of certain market and performance conditions for awards granted in fiscal year 2022. These awards were issued and immediately vested in accordance with the terms and conditions of the underlying awards.As of DecemberÂ 31, 2024, approximately 12.3 million unvested RSU awards under the 2017 Plan were outstanding, of which vesting for a targeted amount of approximately 1.2 million shares is contingent on meeting certain market conditions, and vesting for a targeted amount of approximately 1.6Â million shares is contingent on meeting certain performance 14Table of Contentsconditions.Â The number of shares tied to market conditions that will ultimately be issued can range from zero to approximately 2.4 million based on the achievement levels. The number of shares tied to performance conditions that will ultimately be issued can range from zero to approximately 3.0Â million based on the achievement levels. During the nine-month period ended DecemberÂ 31, 2024, approximately 1.6Â million shares vested in connection with the awards with market and performance conditions granted in fiscal year 2022.As of DecemberÂ 31, 2024, total unrecognized compensation expense related to unvested RSU awards under the 2017 Plan was approximately $189Â million, and will be recognized over a weighted-average remaining vesting period of 2.0 years.5.Â EARNINGS PER SHAREÂ The following table reflects basic weighted-average ordinary shares outstanding and diluted weighted-average ordinary share equivalents used to calculate basic and diluted earnings per share attributable to the shareholders of Flex:Â Â Three-MonthÂ PeriodsÂ EndedNine-Month Periods EndedÂ December 31, 2024December 31, 2023December 31, 2024December 31, 2023Â (InÂ millions,Â exceptÂ perÂ shareÂ amounts)Numerator:Net income from continuing operations$263Â $129Â $616Â $477Â Net income from discontinued operations, net of taxâ€"Â 104Â â€"Â 373Â Less: Net income attributable to noncontrolling interestâ€"Â 36Â â€"Â 239Â Net income from discontinued operations attributable to Flex Ltd.â€"Â 68Â â€"Â 134Â Total net income attributable to Flex Ltd.$263Â $197Â $616Â $611Â Denominator:Â Â Weighted-average ordinary shares outstanding - basic387Â 431Â 394Â 440Â Weighted-average ordinary share equivalents from RSU awards (1)7Â 5Â 7Â 6Â Weighted-average ordinary shares and ordinary share equivalents outstanding - diluted394Â 436Â 401Â 446Â Earnings per share - basicContinuing operations$0.68Â $0.30Â $1.56Â $1.08Â Discontinued operations, net of taxâ€"Â 0.16Â â€"Â 0.31Â Total attributable to the shareholders of Flex Ltd.$0.68Â $0.46Â $1.56Â $1.39Â Earnings per share - dilutedContinuing operations$0.67Â $0.30Â $1.54Â $1.07Â Discontinued operations, net of taxâ€"Â 0.15Â â€"Â 0.30Â Total attributable to the shareholders of Flex Ltd.$0.67Â $0.45Â $1.54Â $1.37Â ____(1)An immaterial amount of RSU awards for both the three and nine-month periods ended DecemberÂ 31, 2024 and DecemberÂ 31, 2023, respectively, were excluded from the computation of diluted earnings per share due to their anti-dilutive impact on the weighted-average ordinary share equivalents.15Table of Contents6.Â DISCONTINUED OPERATIONS On January 2, 2024, the Company completed the Spin-off of its remaining interests in Nextracker. For additional details on the Spin-off, refer to Part I, Item 1, â€œBusinessâ€ and note 1, "Organization of The Company" and note 7, â€œDiscontinued Operationsâ€ of the notes to the consolidated financial statements in our Annual Report on Form 10-K for the fiscal year ended March 31, 2024. Nextracker's financial results for periods prior to the Spin-off have been reflected in our condensed consolidated statement of operations, retrospectively, as discontinued operations.The key components of net income from discontinued operations for the three and nine-month periods ended DecemberÂ 31, 2023 were as follows:Three-month period endedNine-month period endedDecember 31, 2023December 31, 2023(In millions)Net sales (1)$682Â $1,664Â Cost of sales (1)473Â 1,198Â Â Â Gross Profit209Â 466Â Selling, general and administrative expenses59Â 145Â Â Â Operating income150Â 321Â Interest and other, net(5)(1)Â Â Income before income taxes155Â 322Â Provision for/ (Benefit from) income taxes51Â (51)Â Â Net income from discontinued operations104Â 373Â Â Â Net income from discontinued operations attributable to noncontrolling interest (2)36Â 239Â Â Â Net income from discontinued operations attributable to Flex Ltd.$68Â $134Â (1)Â Â Â Â Both net sales and cost of sales from discontinued operations includes the effect of intercompany transactions that were eliminated from Flex's condensed consolidated statements of operations of approximately $29Â million and $99Â million for the three and nine-month periods ended DecemberÂ 31, 2023, respectively.(2)Â Â Â Â Net income from discontinued operations attributable to noncontrolling interest represented a share of pre-tax income of $76Â million and $145Â million and of income tax expense of $40Â million and $46Â million for the three and nine-month periods ended DecemberÂ 31, 2023. As such, pre-tax income attributable to Flex Ltd. from discontinued operations was $79Â million and $177Â million for the same periods. In addition, during the nine-month period ended DecemberÂ 31, 2023, a $140Â million deferred tax asset was recorded, with an offsetting entry to income tax benefit fully attributable to noncontrolling interest in connection with Nextracker's follow-on public offering.Details of cash flows from discontinued operations for the nine-month period ended DecemberÂ 31, 2023 were as follows:Nine-month period endedDecember 31, 2023(In millions)Net cash provided by discontinued operations operating activities (1)$317Â Net cash used in discontinued operations investing activities(4)(1)Â Â Â Â Cash flows from discontinued operations operating activities includes an inflow from intercompany transactions that were eliminated from Flex's consolidated operations of $54 million for the nine-month period ended DecemberÂ 31, 2023.16Table of Contents7.Â BANK BORROWINGS AND LONG-TERM DEBTBank borrowings and long-term debt as of DecemberÂ 31, 2024 and MarchÂ 31, 2024 are as follows:Â Maturity DateAs of December 31, 2024As of March 31, 2024(InÂ millions)4.750% Notes (1)June 2025$532Â $584Â 3.750% Notes (1)February 2026679Â 682Â 6.000% Notes (1)January 2028398Â 397Â 4.875% Notes (1)June 2029656Â 657Â 4.875% Notes (1)May 2030677Â 681Â 5.250% Notes (1) (2)January 2032499Â â€"Â 3.600% HUF Bonds (3)December 2031254Â 274Â Otherâ€"Â 1Â Debt issuance costs(16)(15)3,679Â 3,261Â Current portion, net of debt issuance costs(532)â€"Â Non-current portion$3,147Â $3,261Â (1)The notes are carried at the principal amount of each note, less any unamortized discount or premium and unamortized debt issuance costs. The notes are the Companyâ€™s senior unsecured obligations and rank equally with all other existing and future senior unsecured debt obligations.(2)In August 2024, the Company issued $500Â million of 5.250% Notes due 2032. The Company received proceeds of approximately $496Â million, net of discount and certain issuance costs.(3)The bonds mature in December 2031 with annual payments equal to 10% of the original principal amount thereof on each of the seventh, eighth, and ninth anniversaries of the bonds, with the remaining 70% due upon maturity. The weighted-average interest rate for the Company's long-term debt was 4.6% and 4.5% as of DecemberÂ 31, 2024 and MarchÂ 31, 2024, respectively. Scheduled repayments of the Company's bank borrowings and long-term debt as of DecemberÂ 31, 2024 are as follows:FiscalÂ YearÂ EndingÂ MarchÂ 31,Amount(InÂ millions)2025 (1)$â€"Â 20261,211Â 2027â€"Â 2028398Â 202925Â Thereafter2,061Â Total$3,695Â (1)Represents estimated repayments for the remaining fiscal three-month period ending MarchÂ 31, 2025.8.Â INTEREST EXPENSE AND INTEREST INCOMEInterest expense and interest income for the three and nine-month periods ended DecemberÂ 31, 2024 and DecemberÂ 31, 2023Â are composed of the following:Â Three-MonthÂ PeriodsÂ EndedNine-Month Periods EndedÂ December 31, 2024December 31, 2023December 31, 2024December 31, 2023Â (InÂ millions)Interest expenses on debt obligations$50Â $39Â $139Â $121Â AR sale program related expenses7Â 11Â 27Â 34Â Interest income(16)(13)(48)(44)17Table of Contents9.Â FINANCIAL INSTRUMENTSForeign Currency ContractsThe Company enters into short-term and long-term foreign currency derivative contracts, including forward, swap, and options contracts, to hedge only those currency exposures associated with certain assets and liabilities, primarily accounts receivable, accounts payable, debt, and cash flows denominated in non-functional currencies. Gains and losses on the Company's derivative contracts are designed to offset losses and gains on the assets, liabilities and transactions hedged, and accordingly, generally do not subject the Company to risk of significant accounting losses. The Company hedges committed exposures and does not engage in speculative transactions. The credit risk of these derivative contracts is minimized since the contracts are with large financial institutions and, accordingly, fair value adjustments related to the credit risk of the counterparty financial institutions were not material.As of DecemberÂ 31, 2024, the aggregate notional amount of the Companyâ€™s outstanding foreign currency derivative contracts was $8.1 billion as summarized below:Â Â NotionalÂ ContractÂ ValueÂ inÂ USDCurrencyBuySellÂ (In millions)Cash Flow HedgespHUF$403Â $â€"Â MXN377Â â€"Â Other573Â 5Â Â 1,353Â 5Â Other Foreign Currency ContractsCNY1,080Â 875Â EUR775Â 646Â BRLâ€"Â 316Â MXN431Â 350Â MYR309Â 159Â Other922Â 882Â Â 3,517Â 3,228Â Total Notional Contract Value in USD$4,870Â $3,233Â As of DecemberÂ 31, 2024, the fair value of the Companyâ€™s short-term foreign currency contracts was included in other current assets or other current liabilities, as applicable, in the condensed consolidated balance sheets. Certain of these contracts are designed to economically hedge the Companyâ€™s exposure to monetary assets and liabilities denominated in a non-functional currency and are not accounted for as hedges under the accounting standards.Â Accordingly, changes in the fair value of these instruments are recognized in earnings during the period of change as a component of other charges (income), net in the condensed consolidated statements of operations. As of DecemberÂ 31, 2024 and MarchÂ 31, 2024, the Company also has included net deferred gains and losses in accumulated other comprehensive loss, a component of shareholdersâ€™ equity in the condensed consolidated balance sheets, relating to changes in fair value of its foreign currency contracts that are accounted for as cash flow hedges. The deferred loss was $21 million as of DecemberÂ 31, 2024, and is expected to be recognized primarily as a component of cost of sales in the condensed consolidated statements of operations over the next twelve-month period, except for the USD HUF cross currency swaps.The Company entered into USD HUF cross currency swaps in December 2021 to hedge the foreign currency risk on the HUF bonds due December 2031. The fair value of the cross currency swaps was included in other current assets and other non-current liabilities as of DecemberÂ 31, 2024, and MarchÂ 31, 2024. TheÂ changes in fair value of the USD HUF cross currency swaps are recognized in other comprehensive income (loss) and accumulated in accumulated other comprehensive loss.Â Corresponding amounts are subsequently reclassified out of accumulated other comprehensive loss to other charges (income), net to offset the remeasurement of the underlying HUF bond principal, which also impacts the same line.18Table of ContentsThe following table presents the fair value of the Companyâ€™s derivative instruments utilized for foreign currency risk management purposes:Â FairÂ ValuesÂ ofÂ DerivativeÂ InstrumentsÂ AssetÂ DerivativesLiabilityÂ DerivativesÂ Â FairÂ ValueÂ FairÂ ValueÂ BalanceÂ SheetLocationDecember 31,2024March 31,2024BalanceÂ SheetLocationDecember 31,2024March 31,2024Â (InÂ millions)Derivatives designated as hedging instrumentsÂ Â Â Â Â Foreign currency contractsOther current assets$9Â $45Â Other current liabilities(45)(9)Foreign currency contractsOther non-current assets$â€"Â $â€"Â Other liabilities$(53)$(33)Derivatives not designated as hedging instrumentsÂ Â Â Â Â Foreign currency contractsOther current assets$25Â $14Â Other current liabilities(14)(10)The Company has financial instruments subject to master netting arrangements, which provide for the net settlement of all contracts with certain counterparties.Â The Company does not offset fair value amounts for assets and liabilities recognized for derivative instruments under these arrangements, and as such, the asset and liability balances presented in the table above reflect the gross amounts of derivatives in the condensed consolidated balance sheets.Â The impact of netting derivative assets and liabilities is not material to the Companyâ€™s financial position for any of the periods presented.Â 10.Â ACCUMULATED OTHER COMPREHENSIVE LOSSÂ The changes in accumulated other comprehensive loss by component, net of tax, are as follows:Â Three-Month Periods EndedDecember 31, 2024December 31, 2023Â Unrealized gain(loss)Â onÂ derivativeinstrumentsÂ andotherForeignÂ currencytranslationadjustmentsTotalUnrealized gain(loss)Â onÂ derivativeinstrumentsÂ andotherForeignÂ currencytranslationadjustmentsTotal(In millions)Beginning balance(13)(160)(173)(13)(227)(240)Other comprehensive gain (loss) before reclassifications(65)(85)(150)63Â 58Â 121Â Net (gain) loss reclassified from accumulated other comprehensive loss44Â â€"Â 44Â (24)1Â (23)Net current-period other comprehensive gain (loss)(21)(85)(106)39Â 59Â 98Â Ending balance(34)(245)(279)26Â (168)(142)19Table of ContentsNine-Month Periods EndedDecember 31, 2024December 31, 2023Unrealized gain(loss)Â onÂ derivativeinstrumentsÂ andotherForeignÂ currencytranslationadjustmentsTotalUnrealized gain(loss)Â onÂ derivativeinstrumentsÂ andotherForeignÂ currencytranslationadjustmentsTotal(In millions)Beginning balance$4Â (199)(195)(14)(180)$(194)Other comprehensive gain (loss) before reclassifications(87)(46)(133)126Â 11Â 137Â Net (gain) loss reclassified from accumulated other comprehensive loss49Â â€"Â 49Â (86)1Â (85)Net current-period other comprehensive gain (loss)(38)(46)(84)40Â 12Â 52Â Ending balance(34)(245)(279)26Â (168)(142)Substantially all unrealized gains and losses relating to derivative instruments and other, reclassified from accumulated other comprehensive loss for the three and nine-month periods ended DecemberÂ 31, 2024 were reclassified out of accumulated other comprehensive loss to other charges (income), net and cost of sales in the condensed consolidated statement of operations, which primarily relate to the Companyâ€™s foreign currency contracts accounted for as cash flow hedges.Â The tax impacts on the changes in accumulated other comprehensive loss for the three-month periods ended DecemberÂ 31, 2024 and DecemberÂ 31, 2023 were $5Â million and $7Â million, respectively. The tax impacts on the changes in accumulated other comprehensive loss for the nine-month periods ended DecemberÂ 31, 2024 and DecemberÂ 31, 2023 were $16Â million and $2Â million, respectively. 11.Â Â TRADE RECEIVABLES SALES PROGRAMSThe Company sells accounts receivables to certain third-party banking institutions under factoring programs. The outstanding balance of receivables sold and not yet collected on accounts where the Company has continuing involvement was approximately $0.7Â billion and $0.8 billion as of DecemberÂ 31, 2024 and MarchÂ 31, 2024, respectively. For the nine-month periods ended DecemberÂ 31, 2024 and DecemberÂ 31, 2023, total accounts receivable sold to certain third-party banking institutions was approximately $3.0Â billion and $2.6 billion, respectively.Â The receivables that were sold were removed from the condensed consolidated balance sheets and the cash received was included as cash provided by operating activities in the condensed consolidated statements of cash flows.Â 12.Â FAIR VALUE MEASUREMENT OF ASSETS AND LIABILITIESÂ Fair value is defined as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Company considers the principal or most advantageous market in which it would transact, and it considers assumptions that market participants would use when pricing the asset or liability. The accounting guidance for fair value establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The fair value hierarchy is as follows:Â Level 1 - Applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.Â There were no balances classified as level 1 in the fair value hierarchy as of DecemberÂ 31, 2024 and MarchÂ 31, 2024.Â Level 2 - Applies to assets or liabilities for which there are inputs other than quoted prices included within level 1 that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets) such as cash and cash equivalents and money market funds; or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.Â The Company values foreign exchange forward contracts using level 2 observable inputs which primarily consist of an income approach based on the present value of the forward rate less the contract rate multiplied by the notional amount.Â The Companyâ€™s cash equivalents include bank time deposits and money market funds, which are valued using level 2 inputs, such as interest rates and maturity periods. Due to their short-term nature, their carrying amount approximates fair value.Â 20Table of ContentsThe Company has deferred compensation plans for its officers and certain other employees. Amounts deferred under the plans are invested in hypothetical investments selected by the participant or the participant's investment manager. The Company's deferred compensation plan assets are included in other non-current assets on the consolidated balance sheets and include money market funds, mutual funds, corporate and government bonds and certain convertible securities that are valued using prices obtained from various pricing sources.Â These sources price these investments using certain market indices and the performance of these investments in relation to these indices.Â As a result, the Company has classified these investments as level 2 in the fair value hierarchy.Â Level 3 - Applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.Â The Company has accrued for contingent consideration related to its acquisition of JetCool, classified as a level 3 measurement in the fair value hierarchy due to significant unobservable inputs. Fair value is determined using internal cash flow models that incorporate unobservable inputs, including the probability of achieving performance milestones. As of December 31, 2024 and March 31, 2024, the balances of contingent consideration were $5Â million and zero, respectively.The significant inputs include the Company's probability assessments of expected future revenue during the earn-out periods, associated volatility, and a discount rate reflecting uncertainties in the obligation consistent with the terms of the purchase agreement. Significant decreases in expected revenue, or increases in the discount rate or volatility, would reduce fair value estimates. The interrelationship between these inputs is not considered significant. During the three-month periods ended December 31, 2024, and December 31, 2023, there were no other additions to the accrual, payments, fair value adjustments, or unrealized gains or losses included in earnings.There were no transfers between levels in the fair value hierarchy during the nine-month periods ended DecemberÂ 31, 2024 and DecemberÂ 31, 2023.Â Financial Instruments Measured at Fair Value on a Recurring BasisÂ The following table presents the Companyâ€™s assets and liabilities measured at fair value on a recurring basis as of DecemberÂ 31, 2024 and MarchÂ 31, 2024:Â Â FairÂ ValueÂ MeasurementsÂ asÂ of December 31, 2024Â LevelÂ 1LevelÂ 2LevelÂ 3TotalÂ (InÂ millions)Assets:Â Â Â Â Money market funds and time deposits (included in cash and cash equivalents of the condensed consolidated balance sheet)$â€”Â $1,329Â $â€”Â $1,329Â Foreign currency contracts (Note 9)â€”Â 34Â â€”Â 34Â Deferred compensation plan assets:Â Â Â 0Mutual funds, money market accounts and equity securitiesâ€”Â 43Â â€”Â 43Â Liabilities:Â Â Â Foreign currency contracts (Note 9)$â€”Â (112)â€”Â $(112)Contingent consideration in connection with business acquisitionsâ€”Â â€”Â (5)(5)Â FairÂ ValueÂ MeasurementsÂ asÂ of March 31, 2024Â LevelÂ 1LevelÂ 2LevelÂ 3TotalÂ (InÂ millions)Assets:Â Â Â Â Money market funds and time deposits (included in cash and cash equivalents of the condensed consolidated balance sheet)$â€”Â $759Â $â€”Â $759Â Foreign currency contracts (Note 9)â€”Â 59Â â€”Â 59Â Deferred compensation plan assets:Â Â Â 0Mutual funds, money market accounts and equity securitiesâ€”Â 41Â â€”Â 41Â Liabilities:Â Â Â 0Foreign currency contracts (Note 9)$â€”Â (52)â€”Â $(52)21Table of ContentsOther financial instrumentsÂ The following table presents the Companyâ€™s major debts not carried at fair value:Â Â As of December 31, 2024As of March 31, 2024Â CarryingAmountFairValueCarryingAmountFairValueFairÂ Value HierarchyÂ (InÂ millions)4.750% Notes due June 2025 $532Â $532Â $584Â $578Â Level 13.750% Notes due February 2026679Â 670Â 682Â 662Â Level 16.000% Notes due January 2028398Â 406Â 397Â 404Â Level 14.875% Notes due June 2029656Â 644Â 657Â 643Â Level 14.875% Notes due May 2030677Â 662Â 681Â 662Â Level 15.250% Notes due January 2032499Â 494Â â€”Â â€”Â Level 13.600% HUF Bonds due December 2031254Â 203Â 274Â 219Â Level 2The Notes due June 2025, February 2026, January 2028, June 2029, May 2030 and January 2032 are valued based on broker trading prices in active markets.Â HUF Bonds are valued based on the broker trading prices in an inactive market.13. BUSINESS ACQUISITIONS AND DIVESTITUREThe Company completed two acquisitions in the third quarter of fiscal year 2025, accounted for as business combinations. The results of the acquired businesses are included in the Companyâ€™s condensed consolidated financial statements from their respective acquisition dates. The allocation of the purchase price to the tangible and identifiable intangible assets acquired and liabilities assumed was based on their estimated fair values as of the date of acquisition. The excess of the purchase price over the tangible and identifiable intangible assets acquired and liabilities assumed has been allocated to goodwill. Pro-forma results of operations have not been presented because the effects were not material to the Companyâ€™s condensed consolidated financial results for all periods presented. The Company is in the process of evaluating the fair value of the assets and liabilities related to these acquisitions. Additional information, which existed as of the acquisition date, may become known to the Company during the remainder of the measurement period, a period not to exceed 12 months from the date of acquisitions. Changes to amounts recorded as assets and liabilities may result in a corresponding adjustment to goodwill during the respective measurement periods.Acquisition of CrownOn November 19, 2024, the Company completed the business acquisition of 100% ownership of Crown, a U.S. leader in critical power solutions for a total estimated purchase consideration of $317Â million, including cash of $313Â million and a $4Â million estimate of customary closing adjustments. The acquisition adds complementary capabilities to our existing portfolio in the United States, primarily strengthening our industrial power solutions. Crown is included in the Industrial reporting unit 22Table of Contentswithin the FRS segment. The following represents the Company's initial allocation of the total purchase price to the acquired assets and liabilities of Crown (in millions):Current Assets:Cash$5Â Accounts receivable23Â Inventory10Â Other current assets2Â Â Â Â Â Â Â Â Â Total current assets40Â Property and equipment1Â Operating lease right-of-use assets7Â Intangible assets127Â Goodwill170Â Â Â Â Â Â Â Â Â Total assets$345Â Current liabilities:Accounts payable$4Â Accrued liabilities & other current liabilities18Â Â Â Â Â Â Â Â Â Total current liabilities22Â Operating lease liabilities, non-current 6Â Â Â Â Â Â Â Â Â Â Â Total aggregate purchase price$317Â The intangible assets of $127Â million is comprised of customer related intangible assets of $83Â million and licenses and other intangible assets such as trade names and patented technology of $44Â million. Customer related assets will be amortized over a weighted-average estimated useful life of 12.6 years while licensed and other intangibles will be amortized over a weighted-average estimated useful life of 10.0 years.Acquisition of JetCoolOn November 14, 2024, the Company acquired 100% ownership of JetCool, a provider of liquid cooling solutions tailored for the data center market, for approximately $42Â million in cash, a deemed settled pre-existing loan from Flex of approximately $5Â million, and $5Â million of contingent consideration for a total estimated purchase price of $52Â million. Assets acquired totaled $59Â million (including approximately $21Â million in intangibles and $30Â million in goodwill), with $7 million in liabilities assumed in addition to an approximately $5Â million estimated liability for contingent consideration. The intangible asset relates to developed technology and will be amortized over a weighted-average estimated useful life of 6.5 years. JetCool is included in the Communications, Enterprise and Cloud reporting unit within the FAS segment.DivestitureAs of December 31, 2024, the Company has classified the assets and liabilities of one of its European sites as held for sale, following the execution of an agreement to sell the site during the third quarter of fiscal year 2025. The held for sale balances are reported in other current assets, other non-current assets, other current liabilities and other non-current liabilities on the condensed consolidated balance sheet. A loss of $5Â million was recorded in other charges (income), net upon classification as held for sale, in order to reflect the carrying value of the disposed group at the level of expected proceeds. The held for sale balances and expected proceeds are not material to Flex. The transaction is anticipated to close within twelve months.14.Â COMMITMENTS AND CONTINGENCIESÂ Litigation and other legal mattersIn connection with the matters described below, the Company has accrued for loss contingencies where it believes that losses are probable and estimable. Although it is reasonably possible that actual losses could be in excess of the Companyâ€™s accrual, the Company is unable to estimate a reasonably possible loss or range of loss in excess of its accrual, due to various reasons, including, among others, that: (i) the proceedings are in early stages or no claims have been asserted, (ii) specific damages have not been sought in all of these matters, (iii) damages, if asserted, are considered unsupported and/or exaggerated, (iv) there is uncertainty as to the outcome of pending appeals, motions, or settlements, (v) there are significant factual issues to be resolved, and/or (vi) there are novel legal issues or unsettled legal theories presented. Any such excess loss could have a 23Table of Contentsmaterial effect on the Companyâ€™s results of operations or cash flows for a particular period or on the Companyâ€™s financial condition.The Company is currently involved in a commercial dispute related to a construction matter with related production objectives. Management assessed the potential outcomes of this dispute, considered available information, and consulted with legal counsel and as a result of this assessment recognized $50Â million in Selling, general and administrative expenses in the fourth quarter of the fiscal year ended March 31, 2024 as an accrual. The ultimate resolution of this dispute is uncertain, and the actual outcome may differ from the estimates made by management. Changes in circumstances or additional information may impact the Companyâ€™s assessment of its loss and could result in adjustments to the $50Â million accrual, however, management currently believes that the resolution of this dispute will not have a material effect on the Companyâ€™s financial position, results of operations or cash flows. The Company will continue to monitor developments related to this matter and will adjust its accrual and disclosures accordingly in future reporting periods as additional information becomes available.One of the Company's Brazilian subsidiaries received six assessments for certain sales and import taxes. Four of the assessments have been successfully definitively defeated. Two remain, where the Company was unsuccessful at the administrative level and filed annulment actions in federal court in Brasilia, Brazil. The first annulment action was filed on March 23, 2020; the updated value of that assessment inclusive of interest and penalties is 37Â million Brazilian reals (approximately USD $6Â million). The second annulment action was filed on September 19, 2023; the updated value of that assessment inclusive of interest and penalties is 60Â million Brazilian reals (approximately USD $10Â million). The Company believes that it has meritorious defenses to these assessments and will continue to vigorously oppose them, as well as any future assessments. The Company does not expect final judicial determination on any of these claims in the near future.A foreign Tax Authority (â€œTax Authorityâ€) had assessed a cumulative total of approximately $285 million in taxes owed for multiple Flex legal entities within its jurisdiction for various fiscal years ranging from fiscal year 2010 through fiscal year 2020. The assessed amounts related to the denial of certain deductible intercompany payments and taxability of income earned outside such jurisdiction.Â In the quarter ended December 31, 2024, approximately $118Â million of the approximate $285Â million assessment was abated by the Tax Authority, leaving approximately $167Â million remaining. The Company disagrees with the Tax Authorityâ€™s remaining assessments and is actively contesting the assessments through the administrative and judicial processes.Â As the final resolution of the above outstanding tax item remains uncertain, the Company continues to provide for the uncertain tax positions based on the more likely than not standard. While the resolution of the issues may result in tax liabilities, interest and penalties, which may be significantly higher than the amounts accrued for these matters, management currently believes that the resolution will not have a material effect on the Companyâ€™s financial position, results of operations or cash flows.In addition to the matters discussed above, from time to time, the Company is subject to legal proceedings, claims, and litigation arising in the ordinary course of business. The Company defends itself vigorously against any such claims. Although the outcome of these matters is currently not determinable, management expects that any losses that are probable or reasonably possible of being incurred as a result of these matters, which are in excess of amounts already accrued in the Companyâ€™s consolidated balance sheets, would not be material to the financial statements as a whole.15.Â SHARE REPURCHASESÂ During the three and nine-month periods ended DecemberÂ 31, 2024, the Company repurchased 5.5Â million and 30.5Â million shares at an aggregate purchase price of $201Â million and $958Â million, respectively, and retired all of these shares. Under the Companyâ€™s current share repurchase program, the Board of Directors authorized repurchases of its outstanding ordinary shares for up to $1.7 billion in accordance with the share repurchase mandate approved by the Companyâ€™s shareholders at the date of the most recent Annual General Meeting held on August 8, 2024. As of DecemberÂ 31, 2024, shares in the aggregate amount of $1.3 billion were available to be repurchased under the current plan.16.Â Â SEGMENT REPORTINGThe Company reports its financial performance based on two operating and reportable segments, Flex Agility Solutions and Flex Reliability Solutions, and analyzes operating income as the measure of segment profitability. The determination of these segments is based on several factors, including the nature of products and services, the nature of production processes, customer base, delivery channels and similar economic characteristics.An operating segment's performance is evaluated based on its pre-tax operating contribution, or segment income. Segment income is defined as net sales less cost of sales, and segment selling, general and administrative expenses, and does not include intangible amortization, stock-based compensation, restructuring charges, customer related asset impairment (recoveries), legal 24Table of Contentsand other, interest expense, and other charges (income), net. A portion of depreciation is allocated to the respective segments, together with other general corporate research and development and administrative expenses.Selected financial information by segment is in the table below.Â Three-MonthÂ PeriodsÂ EndedNine-Month Periods EndedÂ December 31, 2024December 31, 2023December 31, 2024December 31, 2023Â (InÂ millions)Net sales:Flex Agility Solutions$3,599Â $3,465Â $10,570Â $10,684Â Flex Reliability Solutions2,957Â 2,956Â 8,845Â 9,562Â $6,556Â $6,421Â $19,415Â $20,246Â Segment income and reconciliation of income from continuing operations before income taxes:Flex Agility Solutions$227Â $175Â $624Â $488Â Flex Reliability Solutions198Â 159Â 504Â 495Â Corporate and Other(26)(20)(65)(49)Â Â Â Total segment income 399Â 314Â 1,063Â 934Â Reconciling items:Intangible amortization17Â 17Â 49Â 54Â Stock-based compensation33Â 26Â 93Â 86Â Restructuring charges12Â 73Â 54Â 97Â Legal and other (1)5Â â€”Â 5Â 3Â Customer related asset impairment (recoveries) (2)(2)â€”Â (2)â€”Â Interest expense57Â 50Â 166Â 155Â Interest income16Â 13Â 48Â 44Â Other charges (income), net5Â 9Â 2Â 34Â Â Â Â Â Â Income from continuing operations before income taxes$288Â $152Â $744Â $549Â (1)Legal and other consists of costs not directly related to core business results and including matters relating to commercial disputes, government regulatory and compliance, intellectual property, antitrust, tax, employment or shareholder issues, product liability claims and other issues on a global basis as well as acquisition related costs and asset impairment. During the first three quarters of fiscal year 2025 and 2024, the Company accrued for a $5Â million asset impairment and $3Â million in loss contingencies where losses were considered probable and estimable, respectively.(2)Customer related asset impairments (recoveries) may consist of non-cash impairments of property and equipment to estimated fair value for customers from whom we have disengaged or are in the process of disengaging as well as additional provisions for doubtful accounts receivable for customers that are experiencing financial difficulties and inventory that is considered non-recoverable that is written down to net realizable value. In subsequent periods, the Company may recover a portion of the costs previously incurred related to assets impaired or reduced to net realizable value. During the three and nine-month periods ended December 31, 2024, the Company recognized approximately $2Â million of customer related asset recoveries.Corporate and other primarily includes corporate service costs that are not included in the chief operating decision maker's ("CODM") assessment of the performance of each of the identified reportable segments.The Company provides an overall platform of assets and services, which the segments utilize for the benefit of their various customers. The shared assets and services are contained within the Company's global manufacturing and design operations and include manufacturing and design facilities. Most of the underlying manufacturing and design assets are co-mingled in the operating campuses and are compatible to operate across segments and highly interchangeable throughout the platform. Given the highly interchangeable nature of the assets, they are not separately identified by segment nor reported by segment to the Company's CODM.17.Â Â RESTRUCTURING CHARGESDuring the three and nine-month periods ended DecemberÂ 31, 2024, the Company recognized approximately $12 million and $55 million of restructuring charges, respectively, most of which related to employee severance.25Table of ContentsThe following table summarizes the provisions, respective payments, and remaining accrued balance as of DecemberÂ 31, 2024Â for charges incurred during the nine-month period ended DecemberÂ 31, 2024:SeveranceLong-LivedAssetImpairmentOtherExit CostsTotal(In millions)Balance as of MarchÂ 31, 2024$77Â $â€"Â $3Â $80Â Provision for net charges incurred during the nine-month period ended DecemberÂ 31, 202454Â 1Â â€"Â 55Â Cash payments during the nine-month period ended DecemberÂ 31, 2024(50)â€"Â â€"Â (50)Non-cash reductions during the nine-month period ended DecemberÂ 31, 2024 (1)(28)(1)(3)(32)Balance as of DecemberÂ 31, 202453Â â€"Â â€"Â 53Â Less: Current portion (classified as other current liabilities)53Â â€"Â â€"Â 53Â Accrued restructuring costs, net of current portion (classified as other liabilities)$â€"Â $â€"Â $â€"Â $â€"Â (1) The non-cash adjustments predominantly relate to the transfer of liabilities to held for sale. Refer to Note 13 for further details.26Table of ContentsITEMÂ 2. MANAGEMENTâ€™S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS Unless otherwise specifically stated, references in this report to â€œFlex,â€ â€œthe Company,â€ â€œwe,â€ â€œus,â€ â€œourâ€ and similar terms mean Flex Ltd. and its subsidiaries.Â This report on FormÂ 10-Q contains forward-looking statements within the meaning of SectionÂ 21E of the Securities Exchange Act of 1934, as amended, and SectionÂ 27A of the Securities Act of 1933, as amended. The words â€œexpects,â€ â€œanticipates,â€ â€œbelieves,â€ â€œintends,â€ â€œplansâ€ and similar expressions identify forward-looking statements. In addition, any statements which refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements. We undertake no obligation to publicly disclose any revisions to these forward-looking statements to reflect events or circumstances occurring subsequent to filing this FormÂ 10-Q with the Securities and Exchange Commission. These forward-looking statements are subject to risks and uncertainties, including, without limitation, those risks and uncertainties discussed in this section, as well as any risks and uncertainties discussed in PartÂ I,Â ItemÂ 1A, â€œRisk Factorsâ€ and in PartÂ II,Â ItemÂ 7, â€œManagementâ€™s Discussion and Analysis of Financial Condition and Results of Operationsâ€ in our Annual Report on FormÂ 10-K for the fiscal year ended MarchÂ 31, 2024. In addition, new risks emerge from time to time and it is not possible for management to predict all such risk factors or to assess the impact of such risk factors on our business. Accordingly, our future results may differ materially from historical results or from those discussed or implied by these forward-looking statements. Given these risks and uncertainties, the reader should not place undue reliance on these forward-looking statements.Â OVERVIEWWe are the advanced, end-to-end manufacturing partner of choice that helps market-leading brands design, build, deliver and manage innovative products that improve the world. Through the collective strength of a global workforce across approximately 30 countries with responsible, sustainable operations, we support our customers' entire product lifecycle with a broad array of services in every major region. Our full suite of specialized capabilities includes design and engineering, supply chain, manufacturing, post-production and post-sale services. We partner with customers across a diverse set of industries including cloud, communications, enterprise, automotive, industrial, consumer devices, lifestyle and healthcare. As of DecemberÂ 31, 2024, our two operating and reportable segments were as follows:â€¢Flex Agility Solutions ("FAS"),Â which is comprised of the following end markets:â—¦Communications, Enterprise and Cloud ("CEC"), including data infrastructure, edge infrastructure and communications infrastructureâ—¦Lifestyle, including appliances, consumer packaging, floorcare, micro mobility and audioâ—¦Consumer Devices, including mobile and high velocity consumer devices. â€¢Flex Reliability Solutions ("FRS"),Â which is comprised of the following end markets:â—¦Automotive, including next generation mobility, autonomous, connectivity, electrification, and smart technologiesâ—¦Health Solutions, including medical devices, medical equipment and drug deliveryâ—¦Industrial, including capital equipment, industrial devices, embedded and critical power offerings and renewables and grid edge.Our strategy is to provide customers with a full range of cost competitive, vertically-integrated global supply chain solutions through which we can design, build, ship and service a complete packaged product for our customers. This enables our customers to leverage our supply chain solutions to meet their product requirements throughout the entire product lifecycle.Over the past few years, we have seen an increased level of diversification by many companies, primarily in the technology sector. Some companies that have historically identified themselves as software providers, Internet service providers or e-commerce retailers have entered the highly competitive and rapidly evolving technology hardware markets, such as mobile devices, home entertainment and wearable devices. This trend has resulted in a significant change in the manufacturing and supply chain solution requirements of such companies. While the products have become more complex, the supply chain solutions required by such companies have become more customized and demanding, and it has changed the manufacturing and supply chain landscape significantly.We use a portfolio approach to manage our extensive service offerings. As our customers change the way they go to market, we have the capability to reorganize and rebalance our business portfolio in order to align with our customers' needs and requirements in an effort to optimize operating results. The objective of our business model is to allow us to be flexible and redeploy and reposition our assets and resources as necessary to meet specific customers' supply chain solution needs across all the markets we serve and earn a return on our invested capital above the weighted average cost of that capital.27Table of ContentsWe believe that our strategy is positioning us to take advantage of the long-term, future growth prospects for outsourcing of advanced manufacturing capabilities, design and engineering services and after-market services.We are continuously evaluating our capital structure in response to the current environment and expect that our current financial condition, including our liquidity sources are adequate to fund future commitments. See additional discussion in the Liquidity and Capital Resources section below.Update on Component Shortages and Logistical Constraints on our BusinessComponent shortages experienced in the recent past have largely subsided, however, logistical constraints exist which have increased freight costs. We continue to monitor potential supply chain disruptions, including as a result of emerging and evolving geopolitical conflicts and tensions. Refer to â€œRisk Factors - Supply chain disruptions, manufacturing interruptions or delays, or the failure to accurately forecast customer demand, have in the past affected, and may in the future affect, our ability to meet customer demand, lead to higher costs, or result in excess or obsolete inventory.â€ and â€œ- Global economic conditions, including inflationary pressures, currency volatility, slower growth or recession, higher interest rates, geopolitical uncertainty (including arising from the ongoing conflict between Russia and Ukraine and the Israel-Hamas war) and instability in financial markets may adversely affect our business, results of operations, financial condition, and access to capital markets.â€ as disclosed in PartÂ I, â€œItemÂ 1A. Risk Factorsâ€ of our Annual Report on FormÂ 10-K for the fiscal year ended MarchÂ 31, 2024.Russian Invasion of Ukraine and Israel-Hamas WarWe continue to monitor and respond to the conflict in Ukraine and the associated sanctions and other restrictions. We also are monitoring and responding to the ongoing conflicts in the Middle East, including the Israel-Hamas war. As of the date of this report, there is no material impact to our business operations and financial performance in Ukraine and Israel. The full impact of the conflicts on our business operations and financial performance remains uncertain and will depend on future developments, including the severity and duration of the conflicts and their impact on regional and global economic conditions. We will continue to monitor the conflicts and assess the related restrictions and other effects and pursue prudent decisions for our team members, customers, and business.28Table of ContentsBusiness OverviewWe are one of the world's largest providers of global supply chain solutions, with revenues of $19.4 billion for the nine-month period ended DecemberÂ 31, 2024 and $26.4 billion in the fiscal year ended March 31, 2024. We have established an extensive network of manufacturing facilities in the world's major consumer and enterprise markets (Asia, the Americas, and Europe) to serve the growing outsourcing needs of both multinational and regional customers. We design, build, ship, and service consumer and enterprise products for our customers through a network of approximately 100 facilities in approximately 30 countries across four continents. The following tables set forth the relative percentages and dollar amounts of net sales by region and by country, and net property and equipment by country, based on the location of our manufacturing sites:Â Three-MonthÂ PeriodsÂ EndedNine-Month Periods EndedDecember 31, 2024December 31, 2023December 31, 2024December 31, 2023Â (InÂ millions)Net sales by region:Americas$3,195Â 49Â %$3,080Â 48Â %$9,360Â 48Â %$9,254Â 46Â %Asia1,998Â 30Â %2,006Â 31Â %5,925Â 31Â %6,705Â 33Â %Europe1,363Â 21Â %1,335Â 21Â %4,130Â 21Â %4,287Â by country:Mexico$1,721Â 26Â %$1,727Â 27Â %$5,042Â 26Â %$5,306Â 26Â %China1,101Â 17Â %1,181Â 18Â %3,278Â 17Â %3,975Â 20Â %U.S.1,071Â 16Â %922Â 14Â %3,053Â 16Â %2,745Â 14Â 31, 2024March 31, 2024Â (In millions)Mexico$815Â 36Â %$793Â 35Â %U.S.318Â 14Â %334Â 15Â %China293Â 13Â %307Â 14Â %Malaysia149Â 7Â %142Â 6Â %Hungary133Â 6Â %124Â 5Â %Brazil85Â 4Â %88Â 4Â %Other4 believe that the combination of our extensive open innovation platform solutions, design and engineering services, advanced supply chain management solutions and services, significant scale and global presence, and manufacturing campuses in low-cost geographic areas provide us with a competitive advantage and strong differentiation in the market for designing, manufacturing and servicing consumer and enterprise products for leading multinational and regional customers. Specifically, we offer our customers the ability to simplify their global product development, manufacturing process, and after-sales services, and enable them to meaningfully accelerate their time to market and cost savings.Our operating results are affected by a number of factors, including the following:Â â€¢global economic conditions, including inflationary pressures, currency volatility, slower growth or recession, higher interest rates, and geopolitical uncertainty (including arising from ongoing conflict between Russia and Ukraine and the Israel-Hamas war);29Table of Contentsâ€¢the mix of the manufacturing services we are providing, the number, size, and complexity of new manufacturing programs, the degree to which we utilize our manufacturing capacity, seasonal demand, and other factors;â€¢changes in trade regulations and treaties, trade policies and tariffs, the potential impacts of which, including increased cost of goods sold, decreased margins, increased pricing for customers, and reduced demand, we may be unable to mitigate depending on their scope and duration; â€¢the impacts on our business due to supply chain issues, including transportation disruptions, increased freight costs, and other constraints;â€¢the effects on our business when our customers are not successful in marketing their products, or when their products do not gain widespread commercial acceptance;â€¢our ability to achieve commercially viable production yields and to manufacture components in commercial quantities to the performance specifications demanded by our customers;â€¢the effects on our business due to certain customers' products having short product lifecycles, our customers' ability to cancel or delay orders or change production quantities or locations, the short-term nature of our customers' commitments and rapid changes in demand;â€¢the effects that current credit and market conditions (including as a result of the ongoing conflict between Russia and Ukraine and the Israel-Hamas war) could have on the liquidity and financial condition of our customers and suppliers, including any impact on their ability to meet their contractual obligations;â€¢integration of acquired businesses and facilities;â€¢increased labor costs due to adverse labor conditions in the markets we operate; â€¢changes in tax legislation; andâ€ ¢exposure to infectious disease, epidemics and pandemics on our business operations in geographic locations impacted by an outbreak and on the business operations of our customers and suppliers.We are also subject to other risks as outlined in Part I, Item 1A of our Annual Report on FormÂ 10-K for the fiscal year ended MarchÂ 31, 2024.CRITICAL ACCOUNTING ESTIMATESÂ The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP" or "GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Due to geopolitical conflicts (including the Russian invasion of Ukraine and the Israel-Hamas war), there has been and we expect there will continue to be uncertainty and disruption in the global economy and financial markets. We have made estimates and assumptions taking into consideration certain possible impacts due to the Russian invasion of Ukraine, the Israel-Hamas war, and other geopolitical conflicts. These estimates may change, as new events occur, and additional information is obtained. Actual results may differ from previously estimated amounts, and such differences may be material to the consolidated financial statements. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the period they occur.Refer to the accounting policies under Item 7, â€œManagementâ€™s Discussion and Analysis of Financial Condition and Results of Operationsâ€ in our Annual Report on FormÂ 10-K for the fiscal year ended MarchÂ 31, 2024, where we discuss our more significant judgments and estimates used in the preparation of the condensed consolidated financial statements. 30RESULTS OF OPERATIONSÂ The following table sets forth, for the periods indicated, certain statements of operations data expressed as a percentage of net sales (amounts may not sum due to rounding). The financial information and the discussion below should be read together with the condensed consolidated financial statements and notes thereto included in this document. In addition, reference should be made to our audited consolidated financial statements and notes thereto and related Managementâ€™s Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on FormÂ 10-K for the fiscal year ended MarchÂ 31, 2024. Â Three-MonthÂ PeriodsÂ EndedNine-Month Periods EndedÂ December 31, 2024December 31, 2023December 31, 2024December 31, 2023Net sales100.0Â %100.0Â %100.0Â %100.0Â %Cost of sales90.8Â 92.3Â 91.6Â 92.5Â Restructuring charges0.1Â 1.0Â 0.2Â 0.4Â Gross profit9.1Â 6.7Â 8.2Â 7.1Â Selling, general and administrative expenses3.7Â 3.2Â 3.5Â 3.3Â Restructuring chargesâ€"Â 0.2Â â€"Â 0.1Â Intangible amortization0.3Â 0.2Â 0.2Â 0.3Â Operating income5.1Â 3.1Â 4.5Â 3.4Â Interest expense0.9Â 0.8Â 0.9Â 0.8Â Interest income0.2Â 0.2Â 0.2Â 0.2Â Other charges (income), netâ€"Â 0.1Â â€"Â 0.1Â Income from continuing operations before income taxes4.4Â 2.4Â 3.8Â 2.7Â Provision for (benefit from) income taxes0.4Â 0.4Â 0.6Â 0.3Â Net income from continuing operations4.0Â 2.0Â 3.2Â 2.4Â Net income from discontinued operations, net of taxâ€"Â 1.6Â â€"Â 1.8Â Net income4.0Â 3.6Â 3.2Â 4.2Â Net income attributable to noncontrolling interest â€"Â 0.5Â â€"Â 1.2Â Net income attributable to Flex Ltd.4.0Â %3.1Â %3.2Â %3.0Â %Net salesÂ The following table sets forth our net sales by segment, and their relative percentages (the sum of the individual percentages may not equal 100% due to rounding):Three-MonthÂ PeriodsÂ EndedNine-Month Periods EndedDecember 31, 2024December 31, 2023December 31, 2024December 31, 2023(InÂ millions)Net sales:Flex Agility Solutions$3,599Â 55Â %$3,465Â 54Â %$10,570Â 54Â %$10,684Â 53Â %Flex Reliability Solutions2,957Â 45Â %2,956Â 46Â %8,845Â 46Â %9,562Â 47Â %$6,556Â $6,421Â $19,415Â $20,246Â Net sales during the three-month period ended DecemberÂ 31, 2024 totaled $6.6 billion, representing an increase of approximately $0.1 billion, or 2% from $6.4 billion during the three-month period ended DecemberÂ 31, 2023. Net sales for our FAS segment increased approximately $0.1 billion or 4% from the three-month period ended DecemberÂ 31, 2023, primarily driven by a mid single-digit percentage increase in our CEC business as a result of higher demand in cloud and a high teen percentage increase in our Consumer Devices business, partially offset by a low single-digit decrease in our Lifestyle business due to softer demand. Net sales for our FRS segment remained relatively flat from the three-month period ended DecemberÂ 31, 2023. This was primarily driven by a mid single-digit percentage decrease in our Automotive business due to lower customer demand, which was offset by low single-digit percentage increases in both our Health Solutions and Industrial businesses, driven by continued strength in medical devices and data center power. Net sales decreased $8 million to $2.0 billion in Asia, increased $28 million to $1.4 billion in Europe, and increased $0.1 billion to $3.2 billion in the Americas.31Net sales during the nine-month period ended DecemberÂ 31, 2024 totaled $19.4 billion, representing a decrease of approximately $0.8 billion, or 4% from $20.2 billion during the nine-month period ended DecemberÂ 31, 2023. Net sales for our FAS segment decreased approximately $0.1 billion, or 1% from the nine-month period ended DecemberÂ 31, 2023, primarily driven by a low single-digit percentage decrease in our CEC business from softer demand in our non-cloud businesses and a mid single-digit percentage decrease in our Lifestyle business due to softer demand, partially offset by an increase in our Consumer Devices business due to higher demand. Net sales for our FRS segment decreased approximately $0.7 billion, or 7% from the nine-month period ended DecemberÂ 31, 2023, primarily driven by a low double digit percentage decrease in our Industrial business, along with low single-digit percentage decreases in both our Automotive and Health Solutions businesses, due to lower customer demand. The factors described above that decreased FAS and FRS revenues were partially offset by the impact of certain customer arrangements transitioning from point in time to over time revenue recognition. This transition also contributed to an increase in contract assets as of December 31, 2024. The impact of certain customers arrangements transitioning to over time revenue increased net sales by less than 2% for the nine-month period ended December 31, 2024. Net sales decreased $0.8 billion to $5.9 billion in Asia, decreased $0.1Â billion to $4.1 billion in Europe, and increased $0.1 billion to $9.4 billion in the Americas.Our ten largest customers during the three and nine-month periods ended DecemberÂ 31, 2024 accounted for approximately 45% and 44% of net sales, respectively. Our ten largest customers during the three and nine-month periods ended DecemberÂ 31, 2023 accounted for approximately 39% and 37% of net sales, respectively. No customer accounted for more than 10% of net sales during the three or nine-month periods ended DecemberÂ 31, 2024 or DecemberÂ 31, 2023.Cost of salesCost of sales is affected by a number of factors, including the number and size of new manufacturing programs, product mix, labor cost fluctuations by region, component costs and availability and capacity utilization.Cost of sales during the three-month period ended DecemberÂ 31, 2024 totaled $6.0 billion, representing an increase of approximately $25 million, or 0.4% from $5.9 billion during the three-month period ended DecemberÂ 31, 2023. The higher cost of sales for the three-month period ended DecemberÂ 31, 2024 was primarily driven by a $0.1 billion or 2% increase in consolidated sales, partially offset by cost efficiencies and favorable mix. Cost of sales in our FAS segment for the three-month period ended DecemberÂ 31, 2024 increased approximately $70 million, or 2% from the three-month period ended DecemberÂ 31, 2023, due to higher revenues in our CEC and Consumer Devices businesses net of favorable mix and FAS cost efficiencies. Cost of sales in our FRS segment for the three-month period ended DecemberÂ 31, 2024 decreased approximately $44 million, or 2% from the three-month period ended DecemberÂ 31, 2023, on relatively flat revenue due to favorable mix and cost efficiencies. Cost of sales during the nine-month period ended DecemberÂ 31, 2024 totaled $17.8 billion, representing a decrease of approximately $1.0 billion, or 5% from $18.7 billion during the nine-month period ended DecemberÂ 31, 2023. The lower cost of sales for the nine-month period ended DecemberÂ 31, 2024 was primarily driven by decreased consolidated sales of $0.8 billion or 4% and favorable mix and cost efficiencies. Cost of sales in our FAS segment for the nine-month period ended DecemberÂ 31, 2024 decreased approximately $0.3Â billion, or 3% from the nine-month period ended DecemberÂ 31, 2023, which is consistent with a 1% decrease in FAS revenue during the same period combined with favorable mix and cost efficiencies. Cost of sales in our FRS segment for the nine-month period ended DecemberÂ 31, 2024 decreased approximately $0.7Â billion, or 8% from the nine-month period ended DecemberÂ 31, 2023, which is consistent with a 7% decrease in FRS revenue during the same period.Gross profitGross profit is affected by fluctuations in cost of sales elements as outlined above and further by a number of factors, including product lifecycles, unit volumes, product mix, pricing, competition, new product introductions, and the expansion or consolidation of manufacturing facilities, as well as specific restructuring activities initiated from time to time. The flexible design of our manufacturing processes allows us to manufacture a broad range of products in our facilities and better utilize our manufacturing capacity across our diverse geographic footprint and service customers from all markets. In the case of new programs, profitability normally lags revenue growth due to product start-up costs, lower manufacturing program volumes in the start-up phase, operational inefficiencies, and under-absorbed overhead. Gross margin for these programs often improves over time as manufacturing volumes increase, as our utilization rates and overhead absorption improve, and as we increase the level of manufacturing services content. As a result of these various factors, our gross margin varies from period to period.Gross profit during the three-month period ended DecemberÂ 31, 2024 increased $0.2 billion to $0.6 billion, or 9.1% of net sales, from $0.4 billion, or 6.7% of net sales, during the three-month period ended DecemberÂ 31, 2023. Gross margin improved 240 basis points during the three-month period ended DecemberÂ 31, 2024 primarily due to favorable mix and continued operational execution.32Gross profit during the nine-month period ended DecemberÂ 31, 2024 increased $0.2 billion to $1.6 billion, or 8.2% of net sales, from $1.4 billion, or 7.1% of net sales, during the nine-month period ended DecemberÂ 31, 2023. Gross margin improved 110 basis points during the same period due to the same factors noted above in the three-month period discussion.Segment incomeAn operating segment's performance is evaluated based on its pre-tax operating contribution, or segment income. Segment income is defined as net sales less cost of sales, and segment selling, general and administrative expenses, and does not include intangible amortization, stock-based compensation, restructuring charges, customer related asset impairment (recoveries), legal and other, interest expense, and other charges (income), net. A portion of depreciation is allocated to the respective segments, together with other general corporate research and development and administrative expenses. The following table sets forth segment income and margins. Segment margins in the table below may not recalculate exactly due to rounding.Â Three-MonthÂ PeriodsÂ EndedNine-Month Periods EndedÂ December 31, 2024December 31, 2023December 31, 2024December 31, 2023Â (InÂ millions)Segment income: Flex Agility Solutions$227Â 6.3Â %$175Â 5.1Â %$624Â 5.9Â %$488Â 4.6Â %Flex Reliability Solutions198Â 6.7Â %$159Â 5.4Â %504Â 5.7Â %495Â 5.2Â %FAS segment margin increased approximately 120 basis points to 6.3% for the three-month period ended December 31, 2024, and 130 basis points to 5.9% for the nine-month period ended December 31, 2024, compared to 5.1% and 4.6%, respectively, in the prior-year periods, primarily driven by continued mix improvement and strong cost execution.FRS segment margin increased approximately 130 basis points to 6.7% for the three-month period ended December 31, 2024, and 50 basis points to 5.7% for the nine-month period ended December 31, 2024, compared to 5.4% and 5.2%, respectively, in the prior-year periods, primarily driven by favorable mix and strong cost execution.Restructuring chargesWe committed to targeted restructuring activities to improve operational efficiencies by reducing excess workforce capacity. During the three and nine-month periods ended DecemberÂ 31, 2024, we recognized approximately $12 million and $55 million of restructuring charges, respectively, primarily related to employee severance.Selling, general and administrative expensesÂ Selling, general and administrative expenses (â€œSG&Aâ€) was approximately $0.2 billion, or 3.7% of net sales, during the three-month period ended DecemberÂ 31, 2024, increasing $36 million from approximately $0.2 billion or 3.2% of net sales, during the three-month period ended DecemberÂ 31, 2023. SG&A was $0.7 billion, or 3.5% of net sales, during the nine-month period ended DecemberÂ 31, 2024, increasing $9 million from $0.7 billion or 3.3% of net sales, during the nine-month period ended DecemberÂ 31, 2023. The increase in SG&A is largely attributed to variable costs associated with improved financial performance.Intangible amortizationÂ Amortization of intangible assets remained relatively flat at $17Â million for the three-month period ended December 31, 2024, compared to the same period in 2023. For the nine-month period ended December 31, 2024, amortization decreased to $49Â million from $54Â million for the same period in 2023, primarily due to certain intangibles now being fully amortized.Interest expenseInterest expense increased to $57Â million for the three-month period ended December 31, 2024, from $50Â million in the prior year, driven by a new debt issuance in the second quarter of fiscal year 2025. For the nine-month period ended December 31, 2024, interest expense increased to $166Â million from $155Â million for the same period in 2023, primarily due to higher short-term borrowings and the new debt issuance, partially offset by savings from debt repurchases and repayments.Interest incomeInterest income for the three-month period ended December 31, 2024, increased to $16Â million compared to $13Â million for the same period in 2023. For the nine-month period ended December 31, 2024, interest income increased to $48Â million compared to $44Â million in the prior year. These results remain consistent with the equivalent prior year periods, reflecting higher average cash balances.33Other charges (income), netOther charges (income), net was $5Â million during the three-month period ended DecemberÂ 31, 2024 compared to an expense of $9Â million during the three-month period ended DecemberÂ 31, 2023, primarily due to favorable foreign exchange partially offset by losses on classification of a business held for sale.Other charges (income), net was $2Â million during the nine-month period ended DecemberÂ 31, 2024 compared to an expense of $34Â million during the nine-month period ended DecemberÂ 31, 2023, primarily driven by lower foreign exchange transaction losses and a gain from a Nextracker tax receivable agreement payment, partially offset by losses upon the classification of a business held for sale and on certain non-core equity method investments in the current period. Income taxesÂ Certain of our subsidiaries, at various times, have been granted tax relief in their respective countries, resulting in lower income taxes than would otherwise be the case under ordinary tax rates. Refer to note 15, â€œIncome Taxesâ€ of the notes to the consolidated financial statements in our Annual Report on Form 10-K for the fiscal year ended MarchÂ 31, 2024 for further discussion.Â The consolidated effective tax rate was 9% and 17% for the three and nine-month periods ended DecemberÂ 31, 2024, and 15% and 13% for the three and nine-month periods ended DecemberÂ 31, 2023, respectively. The effective rate varies from the Singapore statutory rate of 17% as a result of recognition of earnings in different jurisdictions (we generate most of our revenues and profits from operations outside of Singapore), operating loss carryforwards, income tax credits, release of previously established valuation allowances for deferred tax assets, liabilities for uncertain tax positions, as well as the effects of certain tax holidays and incentives granted to our subsidiaries primarily in China, Malaysia, the Netherlands and Israel. The effective tax rate for the three-month period ended December 31, 2024 was significantly lower than the effective tax rate for the three-month period ended December 31, 2023, primarily due to the recognition of approximately $26Â million of interest recoverable on prior periods taxes paid by one of our Brazilian subsidiaries. The right to receive the interest became unconditional during the period. The effective tax rate for the nine-month period ended December 31, 2024 was higher than the effective tax rate for the nine-month period ended December 31, 2023 primarily due to the tax accrual required for our U.S. tax group after the U.S. tax group valuation allowance release in the fiscal year ended March 31, 2024 and the recognition of a withholding tax accrual on the undistributed earnings of our Chinese subsidiaries due to the decision in the fiscal year ended March 31, 2024 to not indefinitely reinvest our China earnings in China.The OECD Pillar Two Global Anti-Base Erosion (â€œGloBEâ€) model rules, issued under the OECD Inclusive Framework on Base Erosion and Profit Shifting, introduce a global minimum tax of 15% applicable to multinational enterprise groups with consolidated financial statement revenue in excess of â‚¬750 million. Numerous foreign jurisdictions have already enacted tax legislation based on the GloBE rules, with some effective as early as January 1, 2024. As of DecemberÂ 31, 2024, we recognized a nominal income tax expense for Pillar Two GloBE minimum tax. The Company is continuously monitoring the evolving application of this legislation and assessing its potential impact on our future tax liability.On August 16, 2022, the Inflation Reduction Act of 2022 (â€œIRAâ€) was enacted into law, which includes a new corporate minimum tax, a stock repurchase excise tax, numerous green energy credits, other tax provisions, and significantly increased enforcement resources. While detailed regulations on some aspects of the act are still outstanding, we do not anticipate a material impact to our consolidated financial statements from these provisions.Net income from continuing operationsNet income from continuing operations was $263Â million during the three-month period ended DecemberÂ 31, 2024, compared to $129Â million during the three-month period ended DecemberÂ 31, 2023; net income from continuing operations was $616Â million during the nine-month period ended DecemberÂ 31, 2024 compared to $477Â million during the nine-month period ended DecemberÂ 31, 2023, driven by the factors discussed above.Net income from discontinued operationsNet income from discontinued operations was zero during the three-month period ended DecemberÂ 31, 2024, compared to $104Â million during the three-month period ended DecemberÂ 31, 2023; net income from discontinued operations was zero during the nine-month period ended DecemberÂ 31, 2024 compared to $373Â million during the nine-month period ended DecemberÂ 31, 2023, as Nextracker was spun off during the fourth quarter of fiscal year 2024.Net income attributable to noncontrolling interestNet income attributable to noncontrolling interest was zero during the three-month period ended DecemberÂ 31, 2024, compared to $36Â million during the three-month period ended DecemberÂ 31, 2023; net income attribute to noncontrolling 34interest was zero during the nine-month period ended DecemberÂ 31, 2024 compared to $239Â million during the nine-month period ended DecemberÂ 31, 2023, as Nextracker was spun off during the fourth quarter of fiscal year 2024.LIQUIDITY AND CAPITAL RESOURCESÂ We continuously evaluate our ability to meet our obligations over the next 12 months and beyond and proactively reset our capital structure to improve maturities and liquidity. We expect that our current financial condition, including our liquidity sources are adequate to fund current and future commitments. As of DecemberÂ 31, 2024, we had cash and cash equivalents of approximately $2.3 billion and bank and other borrowings of approximately $3.7 billion. We have a $2.5Â billion revolving credit facility that is due to mature in July 2027, under which we had no borrowings outstanding as of DecemberÂ 31, 2024. We also issued $500 million of 5.250% Notes due January 2032 (the "2032 Senior Notes") in the second quarter of fiscal year 2025. As of DecemberÂ 31, 2024, we were in compliance with the covenants under all of our credit facilities and indentures; we also expect to remain in compliance with the covenants in the upcoming 12 months for our credit facilities and indentures. During the nine-month period ended DecemberÂ 31, 2024, we repurchased approximately $53Â million of our 4.750% Notes due June 2025 under our 10b5-1 bond buyback program, resulting in an immaterial gain on our condensed consolidated statement of operations.Cash provided by operating activities was $1.1 billion during the nine-month period ended DecemberÂ 31, 2024, primarily driven by $0.6 billion of net income for the period plus $0.5 billion of non-cash charges such as depreciation, amortization, and stock-based compensation. We believe net working capital is a key metric that measures our liquidity. Net working capital is calculated as current assets less current liabilities. Net working capital decreased approximately $0.8Â billion to $3.7Â billion as of DecemberÂ 31, 2024, from $4.5Â billion as of MarchÂ 31, 2024. The decrease was primarily the result of the effect of a $0.5Â billion increase in current liabilities as a result of growth in short-term debt of $0.5Â billion and accounts payable of $0.6Â billion offset in part by reductions in working capital advances. In addition, current assets decreased by $0.2 billion as a result of decreases in inventory offset in part by growth in contract assets and accounts receivable. Net cash used in investing activities was $0.6 billion during the nine-month period ended DecemberÂ 31, 2024. This was primarily driven by $0.3 billion of cash paid for the acquisitions of Crown Technical Systems and JETCOOL Technologies Inc. in November 2024, net of cash acquired, and $0.3Â billion of net capital expenditures for property and equipment to continue expanding capabilities and capacity in support of primarily our Automotive, CEC, and Industrial businesses.We believe adjusted free cash flow is an important liquidity metric because it measures, during a given period, the amount of cash generated that is available to repay debt obligations, make investments, fund acquisitions, repurchase company shares and for certain other activities. Our adjusted free cash flow is defined as cash from operations, less net purchases of property and equipment allowing us to present adjusted cash flows on a consistent basis for investors. Our adjusted free cash flow for the nine-month periods ended DecemberÂ 31, 2024 and DecemberÂ 31, 2023 was an inflow of $0.8 billion and $0.2 billion, respectively. Adjusted free cash flow is not a measure of liquidity under U.S. GAAP, and may not be defined and calculated by other companies in the same manner. Adjusted free cash flow should not be considered in isolation or as an alternative to net cash provided by operating activities. Adjusted free cash flows reconcile to the most directly comparable GAAP financial measure of cash flows from operations as follows:Â Â Nine-Month Periods EndedÂ December 31, 2024December 31, 2023Â (InÂ millions)Net cash provided by operating activities$1,072Â $647Â Purchases of property and equipment(326)(449)Proceeds from the disposition of property and equipment11Â 21Â Adjusted free cash flow$757Â $219Â Cash used by financing activities was $0.5 billion during the nine-month period ended DecemberÂ 31, 2024, which was primarily driven by $1.0Â billion of cash paid for the repurchase of our ordinary shares offset by $0.5Â billion of proceeds from the issuance of the 2032 Senior Notes.Our cash balances are generated and held in numerous locations throughout the world. Liquidity is affected by many factors, some of which are based on normal ongoing operations of the business and some of which arise from fluctuations related to global economics and markets. Local government regulations may restrict our ability to move cash balances to meet cash needs under certain circumstances; however, any current restrictions are not material. We do not currently expect such regulations and restrictions to impact our ability to pay vendors and conduct operations throughout the global organization. We believe that our 35existing cash balances, together with anticipated cash flows from operations and borrowings available under our credit facilities, will be sufficient to fund our operations through at least the next twelve months and beyond. As of DecemberÂ 31, 2024 and MarchÂ 31, 2024, approximately 78% and 55%, respectively, of our cash and cash equivalents were held by foreign subsidiaries outside of Singapore.Â Although substantially all of the amounts held outside of Singapore could be repatriated under current laws, a significant amount could be subject to income tax withholdings. We provide for tax liabilities on these amounts for financial statement purposes, except for certain of our foreign earnings that are considered indefinitely reinvested outside of Singapore (approximately $0.7Â billion as of MarchÂ 31, 2024). Repatriation could result in an additional income tax payment; however, for the majority of our foreign entities, our intent is to permanently reinvest these funds outside of Singapore and our current plans do not demonstrate a need to repatriate them to fund our operations in jurisdictions outside of where they are held. Where local restrictions prevent an efficient intercompany transfer of funds, our intent is that cash balances would remain outside of Singapore and we would meet our liquidity needs through ongoing cash flows, external borrowings, or both.Â Future liquidity needs will depend on fluctuations in levels of inventory, accounts receivable and accounts payable, the timing of capital expenditures for new equipment, the extent to which we utilize operating leases for new facilities and equipment, and the levels of shipments and changes in the volumes of customer orders. We maintain a commercial paper program which provides short-term financing under which there were no borrowings outstanding as of DecemberÂ 31, 2024.Historically, we have funded operations from cash and cash equivalents generated from operations, proceeds from public offerings of equity and debt securities, bank debt and lease financings. We may enter into debt and equity financings, sales of accounts receivable and lease transactions to fund acquisitions and anticipated growth as needed.The sale or issuance of equity or convertible debt securities could result in dilution to current shareholders. Further, we may issue debt securities that have rights and privileges senior to those of holders of ordinary shares, and the terms of this debt could impose restrictions on operations and could increase debt service obligations. This increased indebtedness could limit our flexibility as a result of debt service requirements and restrictive covenants, potentially affect our credit ratings, and may limit our ability to access additional capital or execute our business strategy. Any downgrades in credit ratings could adversely affect our ability to borrow as a result of more restrictive borrowing terms. We continue to assess our capital structure and evaluate the merits of redeploying available cash to reduce existing debt or repurchase ordinary shares. Under our current share repurchase program, our Board of Directors authorized repurchases of our outstanding ordinary shares for up to $1.7 billion in accordance with the share purchase mandate approved by our shareholders at the date of the most recent Annual General Meeting which was held on AugustÂ 8, 2024.Â During the nine-month period ended DecemberÂ 31, 2024, we paid $958Â million to repurchase shares under the current and prior repurchase plans at an average price of $31.36 per share.Â As of DecemberÂ 31, 2024, shares in the aggregate amount of $1.3 billion were available to be repurchased under the current plan.Â CONTRACTUAL OBLIGATIONS AND COMMITMENTSÂ Information regarding our long-term debt payments, operating lease payments, capital lease payments and other commitments is provided in ItemÂ 7, â€œManagementâ€™s Discussion and Analysis of Financial Condition and

Results of Operationsâ€ of our Annual Report on our FormÂ 10-K for the fiscal year ended MarchÂ 31, 2024.Â In August 2024, we issued the 2032 Senior Notes, and other than such issuance, there were no material changes in our contractual obligations and commitments as of DecemberÂ 31, 2024.ITEMÂ 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKÂ There were no material changes in our exposure to market risks for changes in interest and foreign currency exchange rates for the nine-month period ended DecemberÂ 31, 2024 as compared to the fiscal year ended MarchÂ 31, 2024.Â ITEMÂ 4. CONTROLS AND PROCEDURESÂ (a)Â Evaluation of Disclosure Controls and ProceduresThe Company's management, with the participation of the Chief Executive Officer and Chief Financial Officer has evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as ofÂ DecemberÂ 31, 2024. Based on that evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that, as ofÂ DecemberÂ 31, 2024, the Company's disclosure controls and procedures were effective in ensuring that information required to be disclosed by the Company in 36reports that it files or submits under the Exchange Act, is (i) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (ii) accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.(b)Â Changes in Internal Control Over Financial ReportingThere were no changes in our internal control over financial reporting that occurred during our quarter ended DecemberÂ 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.Â 37PARTÂ II. OTHER INFORMATIONÂ ITEMÂ 1. LEGAL PROCEEDINGSÂ For a description of our material legal proceedings, see note 14 â€œCommitments and Contingenciesâ€ in the notes to the condensed consolidated financial statements, which is incorporated herein by reference.Â ITEMÂ 1A. RISK FACTORSIn addition to the other information set forth in this report, you should carefully consider the risks and uncertainties discussed in Part I, â€œItem 1A. Risk Factorsâ€ in our Annual Report on Form 10-K for the fiscal year ended March 31, 2024, which could materially affect our business, financial condition or future results. The risks described in our Annual Report on Form 10-K are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be not material also may materially and adversely affect our business, financial condition and/or operating results.ITEMÂ 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDSIssuer Purchases of Equity SecuritiesThe following table provides information regarding purchases of our ordinary shares made by us for the period from September 28, 2024 through DecemberÂ 31, 2024:Period (2)TotalÂ NumberÂ ofSharesPurchased
(1)AverageÂ PricePaidÂ perShareTotalÂ NumberÂ ofSharesÂ PurchasedÂ asPartÂ ofÂ PubliclyAnnouncedÂ PlansÂ orProgramsApproximateÂ DollarÂ ValueÂ of SharesÂ thatÂ MayÂ YetÂ Be PurchasedÂ UnderÂ theÂ PlansÂ or ProgramsSeptember 28, 2024 - November 1, 2024 2,473,550Â $34.36Â 2,473,550Â $1,450,001,049Â November 2, 2024 - November 29, 2024 1,668,106Â $38.73Â 1,668,106Â $1,385,401,438Â November 30, 2024 - December 31, 2024 1,321,436Â $38.59Â 1,321,436Â $1,334,403,087Â Total5,463,092Â 5,463,092Â (1)During the period from September 28, 2024 through DecemberÂ 31, 2024, all purchases were made pursuant to the programs discussed below in open market transactions. All purchases were made in accordance with Rule 10b-18 under the Securities Exchange Act of 1934.(2)On August 8, 2024, our Board of Directors authorized repurchases of our outstanding ordinary shares for up to $1.7Â billion. This is in accordance with the share purchase mandate whereby our shareholders approved a repurchase limit of 20% of our issued ordinary shares outstanding at the Annual General Meeting held on the same date as the Board authorization. As of December 31, 2024, shares in the aggregate amount of $1.3Â billion were available to be repurchased under the current plan.38ITEMÂ 3. DEFAULTS UPON SENIOR SECURITIESÂ NoneÂ ITEMÂ 4. MINE SAFETY DISCLOSURESÂ Not applicableÂ ITEMÂ 5. OTHER INFORMATIONÂ Insider Trading ArrangementsDuring the fiscal quarter ended December 31, 2024, the officers and director listed below adopted trading plans intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Securities Exchange Act of 1934, as amended.On November 6, 2024, Michael P. Hartung, President and Chief Commercial Officer, adopted a trading plan that provides for the sale of up to 64,807 ordinary shares of the Company. The plan will terminate on August 29, 2025, subject to early termination for certain specified events set forth in the plan.On December 5, 2024, Scott Offer, Executive Vice President and General Counsel, adopted a trading plan that provides for the sale of up to 96,852 ordinary shares of the Company. The plan will terminate on June 23, 2025, subject to early termination for certain specified events set forth in the plan.On December 6, 2024, Revathi Advaithi, Chief Executive Officer and a director, adopted a trading plan that provides for the sale of up to 264,000 ordinary shares of the Company. The plan will terminate on December 8, 2025, subject to early termination for certain specified events set forth in the plan.On December 9, 2024, Hooi Tan, President, Global Operations and Components, adopted a trading plan that provides for the sale of up to 50,000 ordinary shares of the Company. The plan will terminate on December 5, 2025, subject to early termination for certain specified events set forth in the plan.No other officers or directors adopted or terminated a â€œRule 10b5-1 trading arrangementâ€ or â€œnon-Rule 10b5-1 trading arrangementâ€, as those terms are defined in Regulation S-K, Item 408, during the fiscal quarter ended December 31, 2024. 39ITEMÂ 6. EXHIBITSEXHIBITÂ INDEXIncorporated by ReferenceExhibitÂ No.Â ExhibitFormFile No.Filing DateExhibit No.Filed Herewith10.01Kevin Krumm Offer Letter, dated November 7, 2024X15.01Â Letter in lieu of consent of DeloitteÂ & Touche LLPX31.01Â Certification of Principal Executive Officer pursuant to RuleÂ 13a-14(a)Â under the Securities Exchange Act of 1934, as adopted pursuant to SectionÂ 302 of the Sarbanes-Oxley Act of 2002X31.02Â Certification of Principal Financial Officer pursuant to RuleÂ 13a-14(a)Â under the Securities Exchange Act of 1934, as adopted pursuant to SectionÂ 302 of the Sarbanes-Oxley Act of 2002X32.01Â Certification of Chief Executive Officer and Chief Financial Officer pursuant to RuleÂ 13a-14(b)Â under the Securities Exchange Act of 1934 and 18 U.S.C. SectionÂ 1350, as adopted pursuant to SectionÂ 906 of the Sarbanes-Oxley Act of 2002*X101.INSÂ XBRL Instance DocumentX101.SCHÂ XBRL Taxonomy Extension Schema DocumentX101.CALÂ XBRL Taxonomy Extension Calculation Linkbase DocumentX101.DEFÂ XBRL Taxonomy Extension Definition Linkbase DocumentX101.LABÂ XBRL Taxonomy Extension Label Linkbase DocumentX101.PREÂ XBRL Taxonomy Extension Presentation Linkbase DocumentX104Cover Page Interactive Data File (formatted as inline XBRL with applicable taxonomy extension information contained in Exhibit 101)* This exhibit is furnished with this Quarterly Report on Form 10-Q, is not deemed filed with the Securities and Exchange Commission, and is not incorporated by reference into any filing of Flex Ltd. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date hereof and irrespective of any general incorporation language contained in such filing.40SIGNATURESÂ Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.Â Â FLEX LTD.Â (Registrant)Â Â Â Â Â /s/ REVATHI ADVAITHIÂ Revathi AdvaithiÂ Chief Executive OfficerÂ (Principal Executive Officer)Â Â Date:January 31, 2025Â Â /s/ KEVIN KRUMMÂ Kevin KrummÂ Chief Financial Officer Â (Principal Financial Officer)Â Â Date:January 31, 2025Â 41DocumentEXHIBIT 10.01November 7, 2024Mr. Kevin KrummDear Kevin:Congratulations! On behalf of Flex, I am delighted to offer you the position of Chief Financial Officer reporting to the Chief Executive Officer. The role will be based at the Northfield, Minnesota office until you relocate to the Austin, TX office by September 2026. The specific details of the offer are as follows:Annual Compensation:Cash Compensation:The starting salary is $832,000, which is equivalent to $34,666.67 semi-monthly. Paydays are on the 15th and last day of each month. You will also be eligible to participate in the Flex Executive Bonus plan. The target annual bonus will be 115% of your base salary (or $956,800), with an opportunity to earn up to 200% of target. Actual payout levels will be prorated and dependent upon company performance and in accordance with the Executive Bonus plan. Equity Compensation:Under Flex's long-term share-based incentive compensation program for fiscal year 2026, you will be granted an award comprised of 50% performance share units (â€œPSUsâ€) and 50% restricted stock units (â€œRSUsâ€) having a target value in the aggregate as of their date of grant of $2,900,000. The RSUs shall vest in 3 substantially equal annual installments, assuming your continued employment through each vesting date. The PSUs shall vest based upon your continued employment and the attainment of performance conditions over the next three fiscal years, consistent with the other executive officers. The PSUs and RSUs shall be subject to the terms and conditions of the applicable Flex plans and policies. You will be eligible to participate in our annual compensation review. Annual stock awards are typically granted in June of each year and are determined on a case-by-case basis in accordance with your individual performance, Flexâ€™s performance and market benchmarks for your position.Deferred Compensation Plan:You will be eligible to participate in the Flex Long-Term Cash Incentive Plan under the 2010 Deferred Compensation Plan (the â€œDeferred Compensation Planâ€) with potential annual company contributions, based on company performance, with a target amount of 30% of your base salary. Your fiscal year 2025 contribution will be based on company performance and prorated based on service during fiscal year 2025. Annual contributions are made in July of each year following the 1completion of the most recent fiscal year. You will also have the opportunity to make additional voluntary contributions to the plan on a tax-deferred basis.Sign-On Compensation: Sign-On Cash Awards:To compensate you for certain forfeitures of incentive compensation upon leaving your current employer, we are pleased to offer you a contingent, make-whole sign-on bonus of $3,500,000, less withholding and customary payroll deductions, which will be paid in the first payroll cycle after your start date. You agree that you will repay such amounts to Flex if, within 24 months after your start date, you either voluntarily terminate your employment with Flex other than for Good Reason (as defined in the Flex Ltd. Executive Severance Plan) or your employment with Flex is terminated for Cause (as defined in the Flex Ltd. Executive Severance Plan).Sign-On Equity Award:Upon commencement of employment with Flex and to compensate you for certain forfeitures of incentive compensation upon leaving your current employer, you will be granted RSUs having an aggregate grant date fair value (as determined by Flex) of $5,800,000 (the â€œMake-Whole RSUsâ€). The Make-Whole RSUs shall vest in 3 substantially equal annual installments from the date of grant, assuming your continued employment through such dates. The Make-Whole RSUs shall be subject to the terms and conditions of the applicable Flex plans and policies.Sign-On Deferred Compensation:Additionally, you will be credited with a one-time cash contribution of $416,000 under the Deferred Compensation Plan the first of the month following commencement of employment. This deferred compensation contribution will be subject to a vesting schedule such that 100% of the contribution will be vested on the 4th anniversary of your funding date, assuming your continued employment through such date. The contribution will otherwise be subject to the terms and conditions of the Deferred Compensation Plan.Relocation Benefits:In connection with your relocation to Austin, Texas, we shall provide you with relocation benefits under the Standard Executive Relocation Policy. The relocation addendum is attached to this offer. Severance:Your employment may be terminated by you or Flex at any time, with or without cause. You will be eligible to participate in Flexâ€™s Executive Severance Plan (the â€œExecutive Severance Planâ€), subject to its terms at the time of your separation from service. Other Benefits:As a Flex Executive Team member, you will be eligible to participate in our Tracking Free Attendance Program. In addition, Flex has scheduled ten paid holidays. Other benefits applicable the first of the month following your date of hire include medical, dental, vision, life/accidental death and dismemberment, short- and long-term disability, supplemental long-term disability, flexible spending accounts and a 401(k) plan. You should also note that Flex reserves the right to modify wages and benefits from time to time at its discretion. Xavier Boza or Amber Butler can discuss further the range of benefits available to you.2Company Policies:All Flex employees are expected to abide by all Flex rules and regulations, including without limitation those contained in Flexâ€™s Employee Handbook, which Flex will distribute to you and update from time to time and online on Flex's Intranet. In addition, you will need to comply with Flex's share ownership guidelines applicable to your position, which currently require share ownership of 3.5 times your base salary within 5 years.You will be responsible for payment of your own state income taxes incurred during business-related travel. Your employment with Flex is "at-will". This means that either you or Flex has the right to terminate the employment relationship at any time for any lawful reason, with or without advance notice, with or without cause. The "at-will" nature of employment with Flex is an aspect of your employment that cannot be changed.Start Date:Your start date is estimated to be January 6, 2025, with the exact date to be determined following the date of this offer letter.Pre-Conditions/Contingencies: Your employment pursuant to this offer is contingent upon:â€¢You completing Section 1 of the Form 1-9 and providing, within 3 business days of your start date, the legally required proof of your identity and authorization to work in the United States which you will need to bring with you on your first day of employmentâ€¢Your execution of Flex's Employee Proprietary Information and Non-Solicitation of Employees and Customers Agreementâ€¢The satisfactory completion of your background investigation by the Companyâ€¢Your satisfactory completion of Flex's Directors & Officers QuestionnaireIf you accept this offer, the terms described in this letter and the Employee Proprietary Information and Non-Solicitation of Employees and Customers Agreement shall be the terms of your employment. This offer letter supersedes any other statements or promises made by any company representative and contains the entire offer Flex is making to you. This letter can only be modified by written agreement signed by you and Flexâ€™s Chief Executive Officer.If you agree with all the terms and conditions set forth in this letter. please sign below and return it to me. We look forward to your positive response and are very, excited about your joining our Flex Team!Sincerely,/s/ Revathi AdvaithiRevathi Advaithi3OFFER ACCEPTANCEI, Kevin Krumm, understand all the terms and conditions in this offer letter, including those regarding the "at will" relationship and I accept this offer. I agree by signing below that Flex has made no other promises other than what is outlined in this letter and that it contains the entire offer Flex is making to me and I accept this offer./s/ Kevin Krumm 11/18/2024 Signature Â Â Â Â Â Â Â Â Â Â Â Â Today's Date4DocumentExhibitÂ 15.01Â LETTER IN LIEU OF CONSENT OF DELOITTEÂ & TOUCHE LLPÂ JanuaryÂ 31, 2025 Â To the Board of Directors and Shareholders of Flex Ltd.2 Changi South LaneSingapore 486123Â We are aware that our report dated JanuaryÂ 31, 2025, on our review of the interim financial information of Flex Ltd. and its subsidiaries appearing in this Quarterly Report on Form 10-Q for the quarter ended DecemberÂ 31, 2024, is incorporated by reference in Registration Statement Nos. 333-273790 and 333-248470 on Form S-8 and Registration Statement No. 333-281573 on Form S-3ASR./s/ DELOITTEÂ & TOUCHE LLPSan Jose, CaliforniaDocumentEXHIBITÂ 31.01Â CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TOSECTIONÂ 302OF THE SARBANES-OXLEY ACT OF 2002Â I, Revathi Advaithi, certify that:Â 1.I have reviewed this Quarterly Report on FormÂ 10-Q of Flex Ltd.;2.Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;3.Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;4.The registrantâ€™s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act RulesÂ 13a-15(e)Â and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act RulesÂ 13a-15(f)Â and 15d-15(f)) for the registrant and have:a.Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;b.Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;c.Evaluated the effectiveness of the registrantâ€™s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; andd.Disclosed in this report any change in the registrantâ€™s internal control over financial reporting that occurred during the registrantâ€™s most recent fiscal quarter (the registrantâ€™s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrantâ€™s internal control over financial reporting; and5.The registrantâ€™s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrantâ€™s auditors and the audit committee of the registrantâ€™s board of directors (or persons performing the equivalent functions):a.All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrantâ€™s ability to record, process, summarize and report financial information; andb.Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrantâ€™s internal control over financial reporting.Â Date:Â JanuaryÂ 31, 2025 Â /s/ Revathi AdvaithiÂ Revathi AdvaithiÂ Chief Executive OfficerÂ DocumentEXHIBITÂ 31.02Â CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TOSECTIONÂ 302OF THE SARBANES-OXLEY ACT OF 2002Â I, Kevin Krumm, certify that:Â 1.I have reviewed this Quarterly Report on FormÂ 10-Q of Flex Ltd.;2.Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;3.Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;4.The registrantâ€™s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act RulesÂ 13a-15(e)Â and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act RulesÂ 13a-15(f)Â and 15d-15(f)) for the registrant and have:a.Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision,

to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;b.Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;c.Evaluated the effectiveness of the registrantâ€™s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; andd.Disclosed in this report any change in the registrantâ€™s internal control over financial reporting that occurred during the registrantâ€™s most recent fiscal quarter (the registrantâ€™s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrantâ€™s internal control over financial reporting; and5.The registrantâ€™s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrantâ€™s auditors and the audit committee of the registrantâ€™s board of directors (or persons performing the equivalent functions):a.All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrantâ€™s ability to record, process, summarize and report financial information; andb.Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrantâ€™s internal control over financial reporting.Â Date:Â JanuaryÂ 31, 2025Â /s/ Kevin KrummÂ Kevin KrummÂ Chief Financial OfficerÂ DocumentEXHIBITÂ 32.01Â CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002Â We, Revathi Advaithi and Kevin Krumm, Chief Executive Officer and Chief Financial Officer, respectively, of Flex Ltd. (the â€œCompanyâ€), hereby certify, to the best of our knowledge, pursuant to 18 U.S.C. Â§ 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:Â â€¢the Quarterly Report on FormÂ 10-Q of the Company for the period ended DecemberÂ 31, 2024, as filed with the Securities and Exchange Commission (the â€œReportâ€), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; andâ€¢the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.A signed original of this written statement has been provided to Flex Ltd. and will be retained by it and furnished to the Securities and Exchange Commission or its staff upon request.Â Â Date:January 31, 2025/s/ Revathi AdvaithiRevathi AdvaithiChief Executive Officer(Principal Executive Officer)Date:January 31, 2025/s/ Kevin KrummKevin KrummChief Financial Officer (Principal Financial Officer)Â