

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 29, 2024

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 001-14423



PLEXUS CORP.

(Exact name of registrant as specified in charter)

Wisconsin

(State or other jurisdiction of incorporation)

39-1344447

(I.R.S. Employer Identification No.)

One Plexus Way

Neenah , Wisconsin 54957

(Address of principal executive offices) (Zip Code)

Telephone Number (920) 969-6000

(Registrant's telephone number, including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$0.01 par value	PLXS	The Nasdaq Global Select Market

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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 "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>	Non-accelerated filer	<input type="checkbox"/>
Smaller reporting company	<input type="checkbox"/>	Emerging growth company	<input type="checkbox"/>		

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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of July 30, 2024, there were 27,226,184 shares of common stock outstanding.

PLEXUS CORP.
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PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

PLEXUS CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in thousands, except per share data)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
Net sales	\$ 960,751	\$ 1,021,610	\$ 2,910,258	\$ 3,186,358
Cost of sales	866,336	927,964	2,639,640	2,888,520
Gross profit	94,415	93,646	270,618	297,838
Selling and administrative expenses	45,950	42,348	136,487	132,257
Restructuring and other charges, net	9,219	23,094	20,257	23,094
Operating income	39,246	28,204	113,874	142,487
Other income (expense):				
Interest expense	(7,389)	(8,231)	(23,299)	(23,412)
Interest income	1,015	598	2,640	2,291
Miscellaneous, net	(2,568)	(3,194)	(9,097)	(6,750)
Income before income taxes	30,304	17,377	84,118	114,616
Income tax expense	5,164	1,578	13,524	15,783
Net income	\$ 25,140	\$ 15,799	\$ 70,594	\$ 98,833
Earnings per share:				
Basic	\$ 0.92	\$ 0.57	\$ 2.57	\$ 3.58
Diluted	\$ 0.91	\$ 0.56	\$ 2.53	\$ 3.51
Weighted average shares outstanding:				
Basic	27,364	27,561	27,463	27,619
Diluted	27,765	27,992	27,918	28,169
Comprehensive income:				
Net income	\$ 25,140	\$ 15,799	\$ 70,594	\$ 98,833
Other comprehensive (loss) income:				
Derivative instrument and other fair value adjustments	(5,397)	(6,630)	1,391	4,733
Foreign currency translation adjustments	(1,637)	2,357	7,207	19,286
Other comprehensive (loss) income	(7,034)	(4,273)	8,598	24,019
Total comprehensive income	\$ 18,106	\$ 11,526	\$ 79,192	\$ 122,852

The accompanying notes are an integral part of these condensed consolidated financial statements.

PLEXUS CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except per share data)
(Unaudited)

	June 29, 2024	September 30, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 269,868	\$ 256,233
Restricted cash	22	421
Accounts receivable, net of allowances of \$ 1,876 and \$ 1,914 , respectively	643,786	661,542
Contract assets	115,982	142,297
Inventories	1,434,297	1,562,037
Prepaid expenses and other	76,895	49,693
Total current assets	2,540,850	2,672,223
Property, plant and equipment, net	489,856	492,036
Operating lease right-of-use assets	58,867	69,363
Deferred income taxes	55,119	62,590
Other assets	26,183	24,960
Total non-current assets	630,025	648,949
Total assets	<u>\$ 3,170,875</u>	<u>\$ 3,321,172</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt and finance lease obligations	\$ 258,175	\$ 240,205
Accounts payable	592,644	646,610
Advanced payments from customers	736,206	760,351
Accrued salaries and wages	74,602	94,099
Other accrued liabilities	63,080	71,402
Total current liabilities	1,724,707	1,812,667
Long-term debt and finance lease obligations, net of current portion	90,715	190,853
Accrued income taxes payable	17,198	31,382
Long-term operating lease liabilities	31,923	38,552
Deferred income taxes	4,293	4,350
Other liabilities	35,679	28,986
Total non-current liabilities	179,808	294,123
Total liabilities	1,904,515	2,106,790
Commitments and contingencies		
Shareholders' equity:		
Preferred stock, \$ 0.01 par value, 5,000 shares authorized, none issued or outstanding	—	—
Common stock, \$ 0.01 par value, 200,000 shares authorized, 54,487 and 54,297 shares issued, respectively, and 27,285 and 27,466 shares outstanding, respectively	545	543
Additional paid-in capital	670,199	661,270
Common stock held in treasury, at cost, 27,202 and 26,831 shares, respectively	(1,170,574)	(1,134,429)
Retained earnings	1,781,922	1,711,328
Accumulated other comprehensive loss	(15,732)	(24,330)
Total shareholders' equity	1,266,360	1,214,382
Total liabilities and shareholders' equity	<u>\$ 3,170,875</u>	<u>\$ 3,321,172</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

PLEXUS CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(in thousands)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
Common stock - shares outstanding				
Beginning of period	27,470	27,647	27,466	27,679
Exercise of stock options and vesting of other share-based awards	—	1	190	210
Treasury shares purchased	(185)	(150)	(371)	(391)
End of period	27,285	27,498	27,285	27,498
Total stockholders' equity, beginning of period	\$ 1,259,762	\$ 1,182,382	\$ 1,214,382	\$ 1,095,731
Common stock - par value				
Beginning of period	545	543	543	541
Exercise of stock options and vesting of other share-based awards	—	—	2	2
End of period	545	543	545	543
Additional paid-in capital				
Beginning of period	663,130	651,667	661,270	652,467
Share-based compensation expense	7,074	4,057	19,759	15,539
Exercise of stock options and vesting of other share-based awards, including tax withholding	(5)	(49)	(10,830)	(12,331)
End of period	670,199	655,675	670,199	655,675
Treasury stock				
Beginning of period	(1,151,997)	(1,117,360)	(1,134,429)	(1,093,483)
Treasury shares purchased	(18,577)	(13,554)	(36,145)	(37,431)
End of period	(1,170,574)	(1,130,914)	(1,170,574)	(1,130,914)
Retained earnings				
Beginning of period	1,756,782	1,655,268	1,711,328	1,572,234
Net income	25,140	15,799	70,594	98,833
End of period	1,781,922	1,671,067	1,781,922	1,671,067
Accumulated other comprehensive loss				
Beginning of period	(8,698)	(7,736)	(24,330)	(36,028)
Other comprehensive (loss) income	(7,034)	(4,273)	8,598	24,019
End of period	(15,732)	(12,009)	(15,732)	(12,009)
Total stockholders' equity, end of period	\$ 1,266,360	\$ 1,184,362	\$ 1,266,360	\$ 1,184,362

The accompanying notes are an integral part of these condensed consolidated financial statements.

PLEXUS CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(Unaudited)

	Nine Months Ended	
	June 29, 2024	July 1, 2023
Cash flows from operating activities		
Net income	\$ 70,594	\$ 98,833
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation and amortization	58,249	51,366
Share-based compensation expense and related charges	19,759	15,539
Asset impairment charges	4,736	—
Deferred income tax expense (benefit)	7,450	(881)
Other, net	2,230	955
Changes in operating assets and liabilities, excluding impacts of currency:		
Accounts receivable	19,020	38,933
Contract assets	26,049	6,218
Inventories	131,519	(25,356)
Other current and non-current assets	(30,984)	(2,408)
Accrued income taxes payable	(16,054)	(11,711)
Accounts payable	(39,217)	(115,600)
Advanced payments from customers	(25,297)	14,145
Other current and non-current liabilities	(11,683)	5,952
Cash flows provided by operating activities	216,371	75,985
Cash flows from investing activities		
Payments for property, plant and equipment	(68,874)	(79,794)
Other, net	129	2,082
Cash flows used in investing activities	(68,745)	(77,712)
Cash flows from financing activities		
Borrowings under debt agreements	452,000	573,000
Payments on debt and finance lease obligations	(539,332)	(545,649)
Repurchases of common stock	(36,145)	(37,431)
Proceeds from exercise of stock options	210	8
Payments related to tax withholding for share-based compensation	(11,038)	(12,337)
Cash flows used in financing activities	(134,305)	(22,409)
Effect of exchange rate changes on cash and cash equivalents	(85)	2,220
Net increase (decrease) in cash and cash equivalents and restricted cash	13,236	(21,916)
Cash and cash equivalents and restricted cash:		
Beginning of period	256,654	275,470
End of period	\$ 269,890	\$ 253,554

The accompanying notes are an integral part of these condensed consolidated financial statements.

PLEXUS CORP. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED JUNE 29, 2024 AND JULY 1, 2023
Unaudited

1. Basis of Presentation

Basis of Presentation:

The accompanying Condensed Consolidated Financial Statements included herein have been prepared by Plexus Corp. and its subsidiaries (together "Plexus" or the "Company") without audit and pursuant to the rules and regulations of the United States ("U.S.") Securities and Exchange Commission ("SEC"). The accompanying Condensed Consolidated Financial Statements reflect all adjustments, which include normal recurring adjustments necessary for the fair statement of the condensed consolidated financial position of the Company as of June 29, 2024 and September 30, 2023, the results of operations and shareholders' equity for the three and nine months ended June 29, 2024 and July 1, 2023, and the cash flows for the same nine month periods.

The Company's fiscal year ends on the Saturday closest to September 30. The Company uses a "4-4-5" weekly accounting system for the interim periods in each quarter. Each quarter, therefore, ends on a Saturday at the end of the 4-4-5 period. Periodically, an additional week must be added to the fiscal year to re-align with the Saturday closest to September 30. All fiscal quarters presented herein included 13 weeks.

Certain information and footnote disclosures, normally included in financial statements prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP"), have been condensed or omitted pursuant to the SEC's rules and regulations dealing with interim financial statements. However, the Company believes that the disclosures made in the Condensed Consolidated Financial Statements included herein are adequate to make the information presented not misleading. It is suggested that these Condensed Consolidated Financial Statements be read in conjunction with the Consolidated Financial Statements and notes thereto included in the Company's 2023 Annual Report on Form 10-K.

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in the Condensed Consolidated Financial Statements and notes thereto. The Company has considered information available as of the date of issuance of these financial statements and is not aware of any specific events or circumstances that would require an update to its estimates or judgments or a revision of the carrying value of its assets or liabilities. These estimates may change as new events occur and additional information becomes available. Actual results could differ materially from these estimates.

Reclassification:

Certain prior year amounts in the consolidated financial statements and notes thereto have been reclassified related to advanced payments from customers to conform to the current year's presentation.

Recently Adopted Accounting Pronouncements:

In September 2022, the FASB issued ASU 2022-04 Supplier Finance Programs (Subtopic 405-50), which requires enhanced disclosures about supplier finance programs. The Company adopted this guidance during the first quarter of fiscal 2024 with no material impact to the Company's Consolidated Financial Statements; however, the impact of the new standard on future periods will depend on the facts and circumstances of future transactions.

Recently Issued Accounting Pronouncements Not Yet Adopted:

In November 2023, the FASB issued ASU 2023-07 Segment Reporting (Topic 280), which requires enhanced disclosures for segment reporting. The guidance is effective for the Company beginning in the first quarter of fiscal 2025. We are currently evaluating the impact that the updated standard will have on our financial statement disclosures.

In December 2023, the FASB issued ASU 2023-09 Income Taxes (Topic 740), which requires enhanced disclosures for income taxes. The guidance is effective for the Company beginning in the first quarter of fiscal 2026. Early adoption is permitted. We are currently evaluating the impact that the updated standard will have on our financial statement disclosures.

In March 2024, the SEC adopted final rules to require registrants to disclose certain climate-related information in registration statements and annual reports. The SEC stayed its climate disclosure rules to facilitate the orderly judicial resolution of pending legal challenges. We are currently evaluating the impacts that the SEC's rule will have on our financial statement disclosures.

The Company does not believe that any other recently issued accounting standards will have a material impact on its Consolidated Financial Statements or apply to its operations.

2. Inventories

Inventories as of June 29, 2024 and September 30, 2023 consisted of the following (in thousands):

	June 29, 2024	September 30, 2023
Raw materials	\$ 1,292,175	\$ 1,409,638
Work-in-process	57,252	66,340
Finished goods	84,870	86,059
Total inventories	<u>\$ 1,434,297</u>	<u>\$ 1,562,037</u>

In certain circumstances, per contractual terms, customer deposits are received by the Company to offset inventory risks. The total amount of customer deposits related to inventory and included within advanced payments from customers on the accompanying Condensed Consolidated Balance Sheets as of June 29, 2024 and September 30, 2023 was \$ 579.4 million and \$ 590.2 million, respectively.

3. Debt, Finance Lease and Other Financing Obligations

Debt and finance lease obligations as of June 29, 2024 and September 30, 2023 consisted of the following (in thousands):

	June 29, 2024	September 30, 2023
4.05 % Senior Notes, due June 15, 2025	\$ 100,000	\$ 100,000
4.22 % Senior Notes, due June 15, 2028	50,000	50,000
Borrowings under the Credit Facility	150,000	233,000
Finance lease and other financing obligations	49,802	49,233
Unamortized deferred financing fees	(912)	(1,175)
Total obligations	348,890	431,058
Less: current portion	(258,175)	(240,205)
Long-term debt, finance lease and other financing obligations, net of current portion	<u>\$ 90,715</u>	<u>\$ 190,853</u>

As of June 29, 2024, the Company was in compliance with covenants for all debt agreements.

During the nine months ended June 29, 2024, the highest daily borrowing under the Company's 5 -year senior unsecured revolving credit facility (referred to as the "Credit Facility") was \$ 376.0 million; the average daily borrowings were \$ 292.1 million. During the nine months ended July 1, 2023, the highest daily borrowing was \$ 412.0 million; the average daily balance was \$ 341.9 million.

The fair value of the Company's debt, excluding finance lease and other financing obligations, was \$ 294.8 million and \$ 374.3 million as of June 29, 2024 and September 30, 2023, respectively. The carrying value of the Company's debt, excluding finance lease and other financing obligations, was \$ 300.0 million and \$ 383.0 million as of June 29, 2024 and September 30, 2023, respectively. If measured at fair value in the financial statements, the Company's debt would be classified as Level 2 in the fair value hierarchy. Refer to Note 4, "Derivatives and Fair Value Measurements," for further information regarding the Company's fair value calculations and classifications.

4. Derivatives and Fair Value Measurements

All derivatives are recognized in the accompanying Condensed Consolidated Balance Sheets at their estimated fair value. The Company uses derivatives to manage the variability of foreign currency obligations. The Company has cash flow hedges related to forecasted foreign currency obligations, in addition to non-designated hedges to manage foreign currency exposures associated with certain foreign currency denominated assets and liabilities. The Company does not enter into derivatives for speculative purposes.

The Company designates some foreign currency exchange contracts as cash flow hedges of forecasted foreign currency expenses. Changes in the fair value of the derivatives that qualify as cash flow hedges are recorded in "Accumulated other comprehensive loss" in the accompanying Condensed Consolidated Balance Sheets until earnings are affected by the variability of the cash flows. In the next twelve months, the Company estimates that \$ 3.6 million of unrealized losses, net of tax, related to cash flow hedges will be reclassified from other comprehensive (loss) income into earnings. Changes in the fair value of the non-designated derivatives related to recognized foreign currency denominated assets and liabilities are recorded in "Miscellaneous, net" in the accompanying Condensed Consolidated Statements of Comprehensive Income.

The Company enters into forward currency exchange contracts for its operations in certain jurisdictions in the AMER and APAC segments on a rolling basis. The Company had cash flow hedges outstanding with a notional value of \$ 239.8 million as of June 29, 2024, and a notional value of \$ 215.4 million as of September 30, 2023. These forward currency contracts fix the exchange rates for the settlement of future foreign currency obligations that have yet to be realized. The total fair value of the forward currency exchange contracts was a \$ 3.6 million liability as of June 29, 2024 and a \$ 5.0 million liability as of September 30, 2023.

The Company had additional forward currency exchange contracts outstanding as of June 29, 2024, with a notional value of \$ 142.3 million; there were \$ 145.5 million of such contracts outstanding as of September 30, 2023. The Company did not designate these derivative instruments as hedging instruments. The net settlement amount (fair value) related to these contracts is recorded on the Condensed Consolidated Balance Sheets as either a current or long-term asset or liability, depending on the term, and as an element of "Miscellaneous, net" in the Condensed Consolidated Statements of Comprehensive Income. The total fair value of these derivatives was a less than \$ 0.1 million asset as of June 29, 2024 and a \$ 1.3 million liability as of September 30, 2023.

The tables below presents information regarding the fair values of derivative instruments and the effects of derivative instruments on the Company's Condensed Consolidated Financial Statements:

Fair Values of Derivative Instruments (in thousands)						
	Balance sheet classification	Derivative Assets		Balance sheet classification	Derivative Liabilities	
		June 29, 2024	September 30, 2023		June 29, 2024	September 30, 2023
		Fair Value	Fair Value		Fair Value	Fair Value
Derivatives designated as hedging instruments						
Foreign currency forward contracts	Prepaid expenses and other	\$ 183	\$ 2,610	Other accrued liabilities	\$ 3,772	\$ 7,590

Fair Values of Derivative Instruments (in thousands)						
	Balance sheet classification	Derivative Assets		Balance sheet classification	Derivative Liabilities	
		June 29, 2024	September 30, 2023		June 29, 2024	September 30, 2023
		Fair Value	Fair Value		Fair Value	Fair Value
Derivatives not designated as hedging instruments						
Foreign currency forward contracts	Prepaid expenses and other	\$ 590	\$ 1,337	Other accrued liabilities	\$ 567	\$ 2,669

The Effect of Cash Flow Hedge Accounting on Accumulated Other Comprehensive Loss ("OCL") (in thousands)

for the Three Months Ended			
		Amount of Loss Recognized in OCL on Derivatives	
Derivatives in cash flow hedging relationships		June 29, 2024	July 1, 2023
Foreign currency forward contracts		\$ (5,731)	\$ (5,523)

Derivative Impact on (Loss) Gain Recognized in Condensed Consolidated Statements of Comprehensive Income (in thousands)

for the Three Months Ended			
		Amount of (Loss) Gain Reclassified from Accumulated OCL into Income	
Derivatives in cash flow hedging relationships	Classification of (Loss) Gain Reclassified from Accumulated OCL into Income	June 29, 2024	July 1, 2023
Foreign currency forward contracts	Cost of sales	\$ (313)	\$ 1,047
Foreign currency forward contracts	Selling and administrative expenses	(21)	60
		Amount of Loss on Derivatives Recognized in Income	
Derivatives not designated as hedging instruments	Location of Loss Recognized on Derivatives in Income	June 29, 2024	July 1, 2023
Foreign currency forward contracts	Miscellaneous, net	\$ (385)	\$ (574)

The Effect of Cash Flow Hedge Accounting on Accumulated Other Comprehensive Loss ("OCL") (in thousands)

for the Nine Months Ended			
		Amount of (Loss) Gain Recognized in OCL on Derivatives	
Derivatives in cash flow hedging relationships		June 29, 2024	July 1, 2023
Foreign currency forward contracts		\$ (2,939)	\$ 4,201

Derivative Impact on (Loss) Gain Recognized in Condensed Consolidated Statements of Comprehensive Income (in thousands)

for the Nine Months Ended			
		Amount of (Loss) Gain Reclassified from Accumulated OCL into Income	
Derivatives in cash flow hedging relationships	Classification of (Loss) Gain Reclassified from Accumulated OCL into Income	June 29, 2024	July 1, 2023
Foreign currency forward contracts	Cost of sales	\$ (4,093)	\$ (569)
Foreign currency forward contracts	Selling and administrative expenses	(237)	37
		Amount of Gain (Loss) on Derivatives Recognized in Income	
Derivatives not designated as hedging instruments	Location of Gain (Loss) Recognized on Derivatives in Income	June 29, 2024	July 1, 2023
Foreign currency forward contracts	Miscellaneous, net	\$ 1,286	\$ (511)

Fair Value Measurements:

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (or exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The Company uses quoted market prices when available or discounted cash flows to calculate fair value. The accounting guidance establishes a fair value hierarchy based on three levels of inputs that may be used to measure fair value. The input levels are:

Level 1: Quoted (observable) market prices in active markets for identical assets or liabilities.

Level 2: Inputs other than Level 1 that are observable, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liability.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the asset or liability.

The following table lists the fair values of the Company's derivatives as of June 29, 2024 and September 30, 2023 by input level:

Fair Value Measurements Using Input Levels Liability (in thousands)						
Fiscal period ended June 29, 2024	Level 1	Level 2	Level 3	Total		
Derivatives						
Foreign currency forward contracts	\$ —	\$ 3,566	\$ —	\$ 3,566		
Fiscal period ended September 30, 2023						
Derivatives						
Foreign currency forward contracts	\$ —	\$ 6,312	\$ —	\$ 6,312		

The fair value of foreign currency forward contracts is determined using a market approach, which includes obtaining directly or indirectly observable values from third parties active in the relevant markets. Inputs in the fair value of the foreign currency forward contracts include prevailing forward and spot prices for currency.

5. Income Taxes

Income tax expense for the three and nine months ended June 29, 2024 was \$ 5.2 million and \$ 13.5 million compared to \$ 1.6 million and \$ 15.8 million for the three and nine months ended July 1, 2023.

The effective tax rates for the three and nine months ended June 29, 2024 were 17.0 % and 16.1 %, respectively, compared to the effective tax rates of 9.1 % and 13.8 % for the three and nine months ended July 1, 2023. The increase for the three months ended June 29, 2024 compared to the three months ended July 1, 2023 is primarily due to a decrease in discrete tax benefits of \$ 2.0 million. The decrease for the nine months ended June 29, 2024 compared to the nine months ended July 1, 2023 is primarily due to a decrease in discrete tax benefits of \$ 2.3 million.

The amount of unrecognized tax benefits recorded for uncertain tax positions increased by \$ 2.4 million for the three months ended June 29, 2024. The Company recognizes accrued interest and penalties on uncertain tax positions as a component of income tax expense. The amount of interest and penalties recorded for the three and nine months ended June 29, 2024 was \$ 0.3 million and \$ 0.5 million, respectively.

One or more uncertain tax positions may be settled within the next 12 months. Settlement of these matters is not expected to have a material effect on the Company's consolidated results of operations, financial position and cash flows. The Company is not currently under examination by taxing authorities in the U.S. or any foreign jurisdiction.

The Company maintains valuation allowances when it is more likely than not that all or a portion of a net deferred tax asset will not be realized. During the three months ended June 29, 2024, the Company continued to record a full valuation allowance against its net deferred tax assets in certain jurisdictions within the EMEA and APAC segments and a partial valuation against its net deferred tax assets in certain jurisdictions within the AMER segment, as it was more likely than not that these assets would not be fully realized based primarily on historical performance. The Company will continue to provide a valuation allowance against its net deferred tax assets in each of the applicable jurisdictions going forward until it determines it is more likely than not that the deferred tax assets will be realized.

6. Earnings Per Share

The following is a reconciliation of the amounts utilized in the computation of basic and diluted earnings per share for the three and nine months ended June 29, 2024 and July 1, 2023 (in thousands, except per share amounts):

	Three Months Ended		Nine Months Ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
Net income	\$ 25,140	\$ 15,799	\$ 70,594	\$ 98,833
Basic weighted average common shares outstanding	27,364	27,561	27,463	27,619
Dilutive effect of share-based awards and options outstanding	401	431	455	550
Diluted weighted average shares outstanding	27,765	27,992	27,918	28,169
Earnings per share:				
Basic	\$ 0.92	\$ 0.57	\$ 2.57	\$ 3.58
Diluted	\$ 0.91	\$ 0.56	\$ 2.53	\$ 3.51

For the three and nine months ended June 29, 2024 and July 1, 2023, share-based awards for less than 0.1 million shares were not included in the computation of diluted earnings per share as they were antidilutive awards.

See also Note 12, "Shareholders' Equity," for information regarding the Company's share repurchase plans.

7. Leases

The components of lease expense for the three and nine months ended June 29, 2024 and July 1, 2023 indicated were as follows (in thousands):

	Three Months Ended		Nine Months Ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
Finance lease expense:				
Amortization of right-of-use assets	\$ 1,535	\$ 1,668	\$ 4,559	\$ 5,234
Interest on lease liabilities	1,287	1,302	3,984	3,834
Operating lease expense	2,550	2,696	7,820	8,038
Other lease expense	1,945	2,345	5,172	5,941
Total	\$ 7,317	\$ 8,011	\$ 21,535	\$ 23,047

Based on the nature of the right-of-use ("ROU") asset, amortization of finance lease ROU assets, operating lease expense and other lease expense are recorded within either cost of goods sold or selling and administrative expenses and interest on finance lease liabilities is recorded within interest expense on the Condensed Consolidated Statements of Comprehensive Income. Other lease expense includes lease expense for leases with an estimated total term of twelve months or less and variable lease expense related to variations in lease payments as a result of a change in factors or circumstances occurring after the lease possession date.

The following tables sets forth the amount of lease assets and lease liabilities included in the Company's Condensed Consolidated Balance Sheets (in thousands):

Financial Statement Line Item		June 29, 2024	September 30, 2023
ASSETS			
Finance lease assets	Property, plant and equipment, net	\$ 37,472	\$ 37,391
Operating lease assets	Operating lease right-of-use assets	58,867	69,363
Total lease assets		<u>\$ 96,339</u>	<u>\$ 106,754</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Finance lease liabilities	Current portion of long-term debt and finance lease obligations	\$ 5,742	\$ 4,034
Operating lease liabilities	Other accrued liabilities	7,990	8,363
Non-current			
Finance lease liabilities	Long-term debt and finance lease obligations, net of current portion	39,354	39,271
Operating lease liabilities	Long-term operating lease liabilities	31,923	38,552
Total lease liabilities		<u>\$ 85,009</u>	<u>\$ 90,220</u>

As of June 29, 2024, we had a lease signed but not yet commenced totaling payments of \$ 14.6 million. This lease commenced in July 2024, with a lease term of 60 years, and an operating lease right-of-use asset was recorded at that time.

8. Share-Based Compensation

At the 2024 Annual Meeting of Shareholders held on February 14, 2024, the Company's shareholders approved the Plexus Corp. 2024 Omnibus Incentive Plan (the "2024 Plan"). The 2024 Plan is a stock and cash-based incentive plan, and includes provisions by which the Company may grant executive officers, employees and directors stock options, stock appreciation rights ("SARs"), restricted stock (including restricted stock units ("RSUs")), performance stock awards (including performance stock units ("PSUs")), other stock awards and cash incentive awards. Similar awards were offered under its predecessor, the Plexus Corp. 2016 Omnibus Incentive Plan (the "2016 Plan"), which is no longer being used for grants of new awards; however, outstanding awards granted under the 2016 Plan and its predecessor continue until vesting, exercise, forfeiture or expiration.

The Company recognized \$ 7.2 million and \$ 19.6 million of compensation expense associated with share-based awards for the three and nine months ended June 29, 2024, respectively, and \$ 3.9 million and \$ 15.6 million for the three and nine months ended July 1, 2023, respectively.

9. Litigation

The Company is party to lawsuits in the ordinary course of business. We record provisions in the consolidated financial statements for pending legal matters when we determine that an unfavorable outcome is probable, and the amount of the loss can be reasonably estimated.

Management does not believe that any such proceedings, individually or in the aggregate, will have a material positive or adverse effect on the Company's consolidated financial position, results of operations or cash flows. However, legal proceedings and regulatory and governmental matters are subject to inherent uncertainties, and unfavorable rulings or other events could occur. Unfavorable resolutions could involve substantial fines, civil or criminal penalties, and other expenditures.

10. Reportable Segments

Reportable segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker in assessing performance and allocating resources. The Company uses an internal management reporting system, which provides important financial data to evaluate performance and allocate the Company's resources on a regional basis. Net sales for the segments are attributed to the region in which the product is manufactured or the service is performed. The services provided, manufacturing processes used, class of customers serviced and order fulfillment processes used are similar and generally interchangeable across the segments. A segment's performance is evaluated based upon its operating income. A segment's operating income includes its net sales less cost of sales and selling and administrative expenses, but excludes corporate and other expenses. Corporate and other expenses primarily represent corporate selling and administrative expenses, and restructuring and other charges, if any. These costs are not allocated to the segments, as management excludes such costs when assessing the performance of the segments. Inter-segment transactions are generally recorded at amounts that approximate arm's length transactions. The accounting policies for the segments are the same as for the Company taken as a whole.

Information about the Company's three reportable segments for the three and nine months ended June 29, 2024 and July 1, 2023 is as follows (in thousands):

	Three Months Ended		Nine Months Ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
Net sales:				
AMER	\$ 332,491	\$ 371,358	\$ 987,970	\$ 1,168,826
APAC	521,645	572,150	1,595,121	1,801,324
EMEA	136,831	104,385	413,531	295,552
Elimination of inter-segment sales	(30,216)	(26,283)	(86,364)	(79,344)
	<u>\$ 960,751</u>	<u>\$ 1,021,610</u>	<u>\$ 2,910,258</u>	<u>\$ 3,186,358</u>
Operating income:				
AMER	\$ 12,804	\$ 15,927	\$ 26,531	\$ 59,109
APAC	69,298	69,836	207,930	217,970
EMEA	5,559	783	11,067	2,023
Corporate and other costs	(48,415)	(58,342)	(131,654)	(136,615)
	<u>39,246</u>	<u>28,204</u>	<u>113,874</u>	<u>142,487</u>
Other income (expense):				
Interest expense	(7,389)	(8,231)	(23,299)	(23,412)
Interest income	1,015	598	2,640	2,291
Miscellaneous, net	(2,568)	(3,194)	(9,097)	(6,750)
Income before income taxes	<u>\$ 30,304</u>	<u>\$ 17,377</u>	<u>\$ 84,118</u>	<u>\$ 114,616</u>

	June 29, 2024	September 30, 2023
Total assets:		
AMER	\$ 992,873	\$ 1,124,555
APAC	1,576,402	1,696,795
EMEA	489,948	462,199
Corporate and eliminations	111,652	37,623
	<u>\$ 3,170,875</u>	<u>\$ 3,321,172</u>

11. Guarantees

The Company offers certain indemnifications under its customer manufacturing agreements. In the normal course of business, the Company may from time to time be obligated to indemnify its customers or its customers' customers against damages or liabilities arising out of the Company's negligence, misconduct, breach of contract, or infringement of third-party intellectual property rights. Certain agreements have extended broader indemnification, and while most agreements have contractual limits, some do not. However, the Company generally does not provide for such indemnities and seeks indemnification from its customers for damages or liabilities arising out of the Company's adherence to customers' specifications or designs or use of materials furnished, or directed to be used, by its customers. The Company does not believe its obligations under such indemnities are material.

In the normal course of business, the Company also provides its customers a limited warranty covering workmanship, and in some cases materials, on products manufactured by the Company. Such warranty generally provides that products will be free from defects in the Company's workmanship and meet mutually agreed-upon specifications for periods generally ranging from 12 months to 24 months. The Company's obligation is generally limited to correcting, at its expense, any defect by repairing or replacing such defective product. The Company's warranty generally excludes defects resulting from faulty customer-supplied components, design defects or damage caused by any party or cause other than the Company.

The Company provides an estimate of costs that may be incurred under its limited warranty at the time product revenue is recognized and establishes additional reserves for specifically identified product issues. These costs primarily include labor and materials, as necessary, associated with repair or replacement and are included in the Company's accompanying Condensed Consolidated Balance Sheets in "other accrued liabilities." The primary factors that affect the Company's warranty liability include the value and the number of shipped units and historical and anticipated rates of warranty claims. As these factors are impacted by actual experience and future expectations, the Company assesses the adequacy of its recorded warranty liabilities and adjusts the amounts as necessary.

Below is a table summarizing the activity related to the Company's limited warranty liability for the nine months ended June 29, 2024 and July 1, 2023 (in thousands):

	Nine Months Ended	
	June 29, 2024	July 1, 2023
Reserve balance, beginning of period	\$ 5,821	\$ 6,925
Accruals for warranties issued during the period	1,885	2,027
Settlements (in cash or in kind) during the period	(1,186)	(3,467)
Reserve balance, end of period	<u>\$ 6,520</u>	<u>\$ 5,485</u>

12. Shareholders' Equity

On August 18, 2022, the Board of Directors approved a share repurchase program under which the Company is authorized to repurchase up to \$ 50.0 million of its common stock (the "2023 Program"). The 2023 Program completed in February 2024. During the nine months ended June 29, 2024, the Company repurchased 59,277 shares under this program for \$ 5.7 million at an average price of \$ 95.59 per share. During the three months ended July 1, 2023, the Company repurchased 149,783 shares under this program for \$ 13.5 million at an average price of \$ 90.49 per share. During the nine months ended July 1, 2023, the Company repurchased 391,145 shares under this program for \$ 37.4 million at an average price of \$ 95.70 per share.

On January 16, 2024, the Company announced a share repurchase program authorized by the Board of Directors under which the Company is authorized to repurchase up to \$ 50.0 million of its common stock (the "2024 Program"). The 2024 Program became effective upon completion of the 2023 Program, which occurred in February 2024, and has no expiration. During the three months ended June 29, 2024, the Company repurchased 184,581 shares under this program for \$ 18.6 million at an average price of \$ 100.64 per share. During the nine months ended June 29, 2024, the Company repurchased 311,431 shares under this program for \$ 30.5 million at an average price of \$ 97.87 per share. As of June 29, 2024, \$ 19.5 million of authority remained under the 2024 Program.

All shares repurchased under the aforementioned programs were recorded as treasury stock.

13. Trade Accounts Receivable Sale Programs

The Company has Master Accounts Receivable Purchase Agreements with MUFG Bank, New York Branch (formerly known as The Bank of Tokyo-Mitsubishi UFJ, Ltd.) (the "MUFG RPA"), HSBC Bank (China) Company Limited, Xiamen branch (the "HSBC RPA") and other unaffiliated financial institutions, under which the Company may elect to sell receivables at a discount. All facilities are uncommitted facilities. The maximum facility amount under the MUFG RPA is \$ 340.0 million. The maximum facility amount under the HSBC RPA is \$ 70.0 million. The MUFG RPA will be automatically extended each year unless any party gives no less than 10 days prior notice that the agreement should not be extended. The terms of the HSBC RPA are generally consistent with the terms of the MUFG RPA.

Transfers of receivables under the programs are accounted for as sales and, accordingly, receivables sold under the programs are excluded from accounts receivable on the Condensed Consolidated Balance Sheets and are reflected as cash provided by operating activities on the Condensed Consolidated Statements of Cash Flows. Proceeds from the transfer reflect the face value of the receivables less a discount. The sale discount is recorded within "Miscellaneous, net" in the Condensed Consolidated Statements of Comprehensive Income in the period of the sale. The Company continues servicing receivables sold and performing all accounts receivable administrative functions, in exchange receives a servicing fee, under both the MUFG RPA and HSBC RPA. Servicing fees related to trade accounts receivable programs recognized during the three and nine months ended June 29, 2024 and July 1, 2023 were not material.

The Company sold \$ 201.4 million and \$ 205.3 million of trade accounts receivable under these programs, or their predecessors, during the three months ended June 29, 2024 and July 1, 2023, respectively, in exchange for cash proceeds of \$ 199.0 million and \$ 202.9 million, respectively.

The Company sold \$ 638.8 million and \$ 616.6 million of trade accounts receivable under these programs, or their predecessors, during the nine months ended June 29, 2024 and July 1, 2023, respectively, in exchange for cash proceeds of \$ 631.1 million and \$ 609.4 million, respectively.

As of June 29, 2024 and September 30, 2023, \$ 210.7 million and \$ 220.5 million, respectively, of accounts receivables sold under trade accounts receivable programs and subject to servicing by the Company remained outstanding and had not yet been collected by MUFG Bank or HSBC Bank.

14. Revenue from Contracts with Customers

Revenue is recognized over time for arrangements with customers for which: (i) the Company's performance does not create an asset with an alternative use to the Company, and (ii) the Company has an enforceable right to payment, including reasonable profit margin, for performance completed to date. Revenue recognized over time is estimated based on costs incurred to date plus a reasonable profit margin. If either of the two conditions noted above are not met to recognize revenue over time, revenue is recognized following the transfer of control of such products to the customer, which typically occurs upon shipment or delivery depending on the terms of the underlying arrangement.

The Company recognizes revenue when a contract exists and when, or as, it satisfies a performance obligation by transferring control of a product or service to a customer. Contracts are accounted for when they have approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable. A performance obligation is a promise in a contract to transfer a distinct good or service to the customer.

The Company generally enters into a master services arrangement that establishes the framework under which business will be conducted. These arrangements represent the master terms and conditions of the Company's services that apply to individual orders, but they do not commit the customer to work with, or to continue to work with, the Company nor do they obligate the customer to any specific volume or pricing of purchases. Moreover, these terms can be amended in appropriate situations.

Customer purchase orders are received for specific quantities with predominantly fixed pricing and delivery requirements. Thus, for the majority of our contracts, there is no guarantee of any revenue to the Company until a customer submits a purchase order. As a result, the Company generally considers its arrangement with a customer to be the combination of the master services arrangement and the purchase order. Most of the Company's arrangements with customers create a single performance obligation as the promise to transfer the individual manufactured product or service is capable of being distinct.

The Company's performance obligations are satisfied over time as work progresses or at a point in time. A performance obligation is satisfied over time if the Company has an enforceable right to payment, including a reasonable profit margin. Determining if an enforceable right to payment includes a reasonable profit margin requires judgment and is assessed on a contract-by-contract basis.

Generally, there are no subjective customer acceptance requirements or further obligations related to goods or services provided; if such requirements or obligations exist, then a sale is recognized at the time when such requirements are completed and such obligations are fulfilled.

The Company does not allow for a general right of return. Net sales include amounts billed to customers for shipping and handling and out-of-pocket expenses. The corresponding shipping and handling costs and out-of-pocket expenses are included in cost of sales. Taxes assessed by a governmental authority that are both imposed on and concurrent with a specific revenue-producing transaction, that are collected by the Company from a customer, are excluded from net sales.

Contract Costs

For contracts requiring over time revenue recognition, the selection of the method to measure progress toward completion requires judgment and is based on the nature of the products or services to be provided. The Company uses a cost-based input measurement of progress because it best depicts the transfer of assets to the customer, which occurs as costs are incurred during the manufacturing process or as services are rendered. Under the cost-based measure of progress, the extent of progress toward completion is measured based on the costs incurred to date.

There were no other costs to obtain or fulfill customer contracts.

Disaggregated Revenue

The table below includes the Company's revenue for the fiscal years indicated disaggregated by geographic reportable segment and market sector (in thousands):

		Three Months Ended			
		June 29, 2024			
		Reportable Segment:			
		AMER	APAC	EMEA	Total
Market Sector:					
Healthcare/Life Sciences	\$	168,686	\$ 155,906	\$ 55,417	\$ 380,009
Industrial		73,015	270,101	59,997	403,113
Aerospace/Defense		86,155	71,024	20,450	177,629
External revenue		327,856	497,031	135,864	960,751
Inter-segment sales		4,635	24,614	967	30,216
Segment revenue	\$	332,491	\$ 521,645	\$ 136,831	\$ 990,967
		Three Months Ended			
		July 1, 2023			
		Reportable Segment:			
		AMER	APAC	EMEA	Total
Market Sector:					
Healthcare/Life Sciences	\$	205,496	\$ 193,740	\$ 51,764	\$ 451,000
Industrial		97,527	300,258	29,928	427,713
Aerospace/Defense		63,409	57,785	21,703	142,897
External revenue		366,432	551,783	103,395	1,021,610
Inter-segment sales		4,926	20,367	990	26,283
Segment revenue	\$	371,358	\$ 572,150	\$ 104,385	\$ 1,047,893

Nine Months Ended June 29, 2024				
Reportable Segment:				
	AMER	APAC	EMEA	Total
Market Sector:				
Healthcare/Life Sciences	\$ 497,109	\$ 477,643	\$ 164,601	\$ 1,139,353
Industrial	227,923	850,353	177,680	1,255,956
Aerospace/Defense	253,553	194,072	67,324	514,949
External revenue	978,585	1,522,068	409,605	2,910,258
Inter-segment sales	9,385	73,053	3,926	86,364
Segment revenue	\$ 987,970	\$ 1,595,121	\$ 413,531	\$ 2,996,622

Nine Months Ended July 1, 2023				
Reportable Segment:				
	AMER	APAC	EMEA	Total
Market Sector:				
Healthcare/Life Sciences	\$ 649,122	\$ 623,472	\$ 153,643	\$ 1,426,237
Industrial	299,240	963,682	76,154	1,339,076
Aerospace/Defense	208,162	150,884	61,999	421,045
External revenue	1,156,524	1,738,038	291,796	3,186,358
Inter-segment sales	12,302	63,286	3,756	79,344
Segment revenue	\$ 1,168,826	\$ 1,801,324	\$ 295,552	\$ 3,265,702

For the three and nine months ended June 29, 2024, approximately 83 % of the Company's revenue was recognized as products and services transferred over time. For the three and nine months ended July 1, 2023, approximately 83 % and 81 %, respectively, of the Company's revenue was recognized as products and services transferred over time.

Contract Balances

The timing of revenue recognition, billings and cash collections results in billed accounts receivable, contract assets and deferred revenue on the Company's accompanying Condensed Consolidated Balance Sheets.

Contract Assets: For performance obligations satisfied at a point in time, billing occurs subsequent to revenue recognition, at which point the customer has been billed and the resulting asset is recorded within accounts receivable. For performance obligations satisfied over time as work progresses, the Company has an unconditional right to payment, which results in the recognition of contract assets. The following table summarizes the activity in the Company's contract assets during the nine months ended June 29, 2024 and July 1, 2023 (in thousands):

Nine Months Ended		
	June 29, 2024	July 1, 2023
Contract assets, beginning of period	\$ 142,297	\$ 138,540
Revenue recognized during the period	2,419,196	2,589,181
Amounts collected or invoiced during the period	(2,445,511)	(2,594,726)
Contract assets, end of period	\$ 115,982	\$ 132,995

Deferred Revenue: Deferred revenue is recorded when consideration is received from a customer prior to transferring goods or services to the customer under the terms of the contract, which is included in advanced payments from customers on Condensed Consolidated Balance Sheets. As of June 29, 2024 and September 30, 2023, the balance of advance payments from customers attributable to deferred revenue was \$ 146.2 million and \$ 158.7 million, respectively. The advance payment is not considered a significant financing component because it is used to meet working capital demands that can be higher in the early stages of a contract and to protect the company from the other party failing to adequately complete some or all of its obligations under the

contract. Deferred revenue is recognized into revenue when all revenue recognition criteria are met. For performance obligations satisfied over time, recognition will occur as work progresses; otherwise deferred revenue will be recognized based upon shipping terms.

15. Restructuring and Non-recurring Charges

Restructuring and non-recurring charges are recorded within restructuring and other charges on the Condensed Consolidated Statements of Comprehensive Income. Restructuring liabilities are primarily recorded within other accrued liabilities on the Condensed Consolidated Balance Sheets.

For the three months ended June 29, 2024, the Company incurred restructuring and others charges of \$ 9.2 million which consisted of severance from the reduction of the Company's workforce and associated site closure costs in the Company's AMER region. For the nine months ended June 29, 2024, the Company incurred restructuring and other charges of \$ 20.3 million, which consisted of the previously mentioned site closure costs in the AMER region, as well as severance from the reduction of the Company's workforce and closure costs associated with a site in the Company's EMEA region. These costs were offset by insurance proceeds received associated with an arbitration decision regarding a contractual matter that occurred in the Company's EMEA region in fiscal 2023.

For the three and nine months ended July 1, 2023, the Company incurred restructuring and other charges of \$ 8.9 million, which consisted of severance from the reduction of the Company's workforce and a lease agreement termination. Additionally, the Company incurred a one-time, non-recurring charge of \$ 14.2 million relating to an arbitration decision in Norway regarding a contractual matter. The company no longer provides services for this customer.

The Company recognized a tax benefit of \$ 1.0 million and \$ 2.1 million, respectively, related to restructuring and other charges for the three and nine months ended June 29, 2024. The Company recognized a tax benefit of \$ 1.8 million related to restructuring and other charges for the three and nine months ended July 1, 2023.

The Company's restructuring accrual activity for the nine months ended June 29, 2024 and the three and nine months ended July 1, 2023 is included in the tables below (in thousands):

	Termination and Severance Costs	Fixed Asset and Operating ROU Asset Impairment	Arbitration Recovery	Total
Accrual balance, as of December 30, 2023	\$ —	\$ —	\$ —	\$ —
Restructuring and other charges	9,865	3,423	(2,250)	11,038
Amounts utilized	(3,858)	(1,767)	2,250	(3,375)
Accrual balance, as of March 30, 2024	\$ 6,007	\$ 1,656	\$ —	\$ 7,663
Restructuring and other charges	4,265	4,954	—	9,219
Amounts utilized	(5,795)	(4,887)	—	(10,682)
Accrual balance, as of June 29, 2024	<u>\$ 4,477</u>	<u>\$ 1,723</u>	<u>\$ —</u>	<u>\$ 6,200</u>

	Termination and Severance Costs	Arbitration Charge	Total
Accrual balance, as of April 1, 2023	\$ —	\$ —	\$ —
Restructuring and other charges	8,865	14,229	23,094
Amounts utilized	(5,332)	(14,753)	(20,085)
Accrual balance, as of July 1, 2023	<u>\$ 3,533</u>	<u>\$ (524)</u>	<u>\$ 3,009</u>

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

"SAFE HARBOR" CAUTIONARY STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995:

The statements contained in this Form 10-Q that are guidance or which are not historical facts (such as statements in the future tense and statements including believe, expect, intend, plan, anticipate, goal, target and similar terms and concepts), including all discussions of periods which are not yet completed, are forward-looking statements that involve risks and uncertainties. These risks and uncertainties include the ability to realize anticipated savings from restructuring or similar actions, as well as the adequacy of related charges as compared to actual expenses; the effect of inflationary pressures on our costs of production, profitability, and on the economic outlook of our markets; the effects of shortages and delays in obtaining components as a result of economic cycles, natural disasters or otherwise; the risk of customer delays, changes, cancellations or forecast inaccuracies in both ongoing and new programs; the lack of visibility of future orders, particularly in view of changing economic conditions; the economic performance of the industries, sectors and customers we serve; the outcome of litigation and regulatory investigations and proceedings, including the results of any challenges with regard to such outcomes; the effects of tariffs, trade disputes, trade agreements and other trade protection measures; the effects of the volume of revenue from certain sectors or programs on our margins in particular periods; our ability to secure new customers, maintain our current customer base and deliver product on a timely basis; the risks of concentration of work for certain customers; the particular risks relative to new or recent customers, programs or services, which risks include customer and other delays, start-up costs, potential inability to execute, the establishment of appropriate terms of agreements, and the lack of a track record of order volume and timing; the effects of start-up costs of new programs and facilities or the costs associated with the closure or consolidation of facilities; possible unexpected costs and operating disruption in transitioning programs, including transitions between Company facilities; the risk that new program wins and/or customer demand may not result in the expected revenue or profitability; the fact that customer orders may not lead to long-term relationships; our ability to manage successfully and execute a complex business model characterized by high product mix and demanding quality, regulatory, and other requirements; the risks associated with excess and obsolete inventory, including the risk that inventory purchased on behalf of our customers may not be consumed or otherwise paid for by the customer, resulting in an inventory write-off; risks related to information technology systems and data security; increasing regulatory and compliance requirements; any tax law changes and related foreign jurisdiction tax developments; current or potential future barriers to the repatriation of funds that are currently held outside of the United States as a result of actions taken by other countries or otherwise; the potential effects of jurisdictional results on our taxes, tax rates, and our ability to use deferred tax assets and net operating losses; the weakness of areas of the global economy; the effect of changes in the pricing and margins of products; raw materials and component cost fluctuations; the potential effect of fluctuations in the value of the currencies in which we transact business; the effects of changes in economic conditions, political conditions and tax matters in the United States and in the other countries in which we do business; the potential effect of other world or local events or other events outside our control (such as the conflict between Russia and Ukraine, conflict in the Middle East, escalating tensions between China and Taiwan or China and the United States, changes in energy prices, terrorism, global health epidemics and weather events); the impact of increased competition; an inability to successfully manage human capital; changes in financial accounting standards; and other risks detailed herein and in our other Securities and Exchange Commission filings, particularly in Risk Factors contained in our fiscal 2023 Form 10-K.

* * *

OVERVIEW

Plexus Corp. and its subsidiaries (together "Plexus," the "Company", "our", or "we") participate in the Electronic Manufacturing Services ("EMS") industry. Since 1979, we have been partnering with companies to create the products that build a better world. We are a global leader with a team of over 20,000 individuals who are dedicated to providing Design and Development, Supply Chain Solutions, New Product Introduction, Manufacturing and Sustaining Services. We specialize in serving customers in industries with highly complex products and demanding regulatory environments. We deliver customer service excellence to leading global companies in the Healthcare/Life Sciences, Industrial and Aerospace/Defense market sectors by providing innovative, comprehensive solutions throughout the product's lifecycle. We provide these innovative solutions to customers in the Americas ("AMER"), Asia-Pacific ("APAC") and Europe, Middle East and Africa ("EMEA") regions.

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to provide an analysis of both short-term results and future prospects from management's perspective, including an assessment of the financial condition and results of operations, events and uncertainties that are not indicative of future operations and any other financial or statistical data that we believe will enhance the understanding of our company's financial condition, cash flows and other changes in financial condition and results of operations

The following information should be read in conjunction with our condensed consolidated financial statements included herein and "Risk Factors" included in Part II, Item 1A included herein as well as Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended September 30, 2023, and our "Safe Harbor" Cautionary Statement included above.

Market Pressures Update

During the first nine months of fiscal 2024, we experienced market-driven inventory corrections at our customers and incrementally weaker demand from the Healthcare/Lifesciences and Industrial market sectors, creating inefficiencies within our operations. We are starting to see improvements, that we anticipate to continue into fiscal 2025, in market-driven inventory corrections at our customers and demand in certain sectors. However, if market softness continues for extended periods, this would impact our operating results in future periods.

A global minimum tax has been, or is anticipated to be, implemented in many of the countries in which we operate. We anticipate this will materially and unfavorably impact our existing tax holidays and effective tax rate beginning in our fiscal 2025. We will continue to monitor these developments as each jurisdiction incorporates such changes into tax laws.

We believe our balance sheet is positioned to support the potential future challenges presented by the macro-economic pressures we are facing. As of the third quarter of fiscal 2024, cash and cash equivalents and restricted cash were \$270 million, while debt, finance lease obligations and other financing were \$349 million. Borrowings under our Credit Facility as of June 29, 2024 were \$150 million, leaving \$350 million of our revolving commitment of \$500 million available for use as well as the ability to expand our revolving commitment to \$750 million upon mutual agreement with the participating banks. Interest expense could increase above current levels due to increased borrowing under our Credit Facility associated with working capital investments along with the impact of rising interest rates. Refer to Note 3, "Debt, Finance Lease and Other Financing Obligations," in Notes to Condensed Consolidated Financial Statements and "Management's Discussion and Analysis Liquidity and Capital Resources" in Part I, Item 2 for further information.

RESULTS OF OPERATIONS

Consolidated Performance Summary. The following table presents selected consolidated financial data (dollars in millions, except per share data):

	Three Months Ended		Nine Months Ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
Net sales	\$ 960.8	\$ 1,021.6	\$ 2,910.3	\$ 3,186.4
Cost of sales	866.3	928.0	2,639.6	2,888.5
Gross profit	94.4	93.6	270.6	297.8
Gross margin	9.8 %	9.2 %	9.3 %	9.3 %
Operating income	39.2	28.2	113.9	142.5
Operating margin	4.1 %	2.8 %	3.9 %	4.5 %
Other expense	8.9	10.8	29.8	27.9
Income tax expense	5.2	1.6	13.5	15.8
Net income	25.1	15.8	70.6	98.8
Diluted earnings per share	\$ 0.91	\$ 0.56	\$ 2.53	\$ 3.51
Return on invested capital*			10.4 %	13.5 %
Economic return*			2.2 %	4.5 %

*Non-GAAP metric; refer to "Return on Invested Capital ("ROIC") and economic return" below and Exhibit 99.1 for more information.

Net sales. For the three months ended June 29, 2024, net sales decreased \$60.8 million, or 6.0%, as compared to the three months ended July 1, 2023. For the nine months ended June 29, 2024, net sales decreased \$276.1 million, or 8.7%, as compared to the nine months ended July 1, 2023.

Net sales are analyzed by management by geographic segment, which reflects our reportable segments, and by market sector. Management measures operational performance and allocates resources on a geographic segment basis. Our global business development strategy is based on our targeted market sectors.

A discussion of net sales by reportable segment is presented below (in millions):

	Three Months Ended		Nine Months Ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
Net sales:				
AMER	\$ 332.5	\$ 371.4	\$ 988.0	\$ 1,168.8
APAC	521.6	572.1	1,595.1	1,801.3
EMEA	136.8	104.4	413.5	295.6
Elimination of inter-segment sales	(30.1)	(26.3)	(86.3)	(79.3)
Total net sales	\$ 960.8	\$ 1,021.6	\$ 2,910.3	\$ 3,186.4

AMER. Net sales for the three months ended June 29, 2024 in the AMER segment decreased \$38.9 million, or 10.5%, as compared to the three months ended July 1, 2023. The decrease in net sales was driven by overall net decreased customer end-market demand inclusive of market-driven inventory corrections at our customers, as well as reductions in inflated component pricing. The decrease was further driven by a decrease of \$14.1 million due to the discontinuation of programs with existing customers and \$7.8 million due to disengagements with customers. The decrease was partially offset by an increase of \$28.4 million due to production ramps of new products for existing customers and \$16.1 million due to production ramps for new customers.

During the nine months ended June 29, 2024, net sales in the AMER segment decreased \$180.8 million, or 15.5%, as compared to the nine months ended July 1, 2023. The decrease in net sales was driven by overall net decreased customer end-market demand inclusive of market-driven inventory corrections at our customers, as well as reductions in inflated component pricing. The decrease was further driven by a decrease of \$30.9 million due to disengagements with customers and \$19.6 million due to

the discontinuation of a program with an existing customer. The decrease was partially offset by an increase of \$33.3 million due to production ramps for new customers and \$28.6 million due to production ramps of new products for existing customers.

APAC. Net sales for the three months ended June 29, 2024 in the APAC segment decreased \$50.5 million, or 8.8%, as compared to the three months ended July 1, 2023. The decrease in net sales was driven by overall net decreased customer end-market demand inclusive of market-driven inventory corrections at our customers, as well as reductions in inflated component pricing. The decrease was further driven by a decrease of \$9.0 million for end-of-life products. The decrease was partially offset by an \$11.0 million increase due to production ramps of new products for existing customers.

During the nine months ended June 29, 2024, net sales in the APAC segment decreased \$206.2 million, or 11.4%, as compared to the nine months ended July 1, 2023. The decrease in net sales was driven by overall net decreased customer end-market demand inclusive of market-driven inventory corrections at our customers, as well as reductions in inflated component pricing. The decrease was further driven by a decrease of \$41.4 million for end-of-life products. The decrease was partially offset by a \$30.1 million increase due to production ramps of new products for existing customers.

EMEA. Net sales for the three months ended June 29, 2024 in the EMEA segment increased \$32.4 million, or 31.0%, as compared to the three months ended July 1, 2023. The increase in net sales was driven by a \$24.7 million increase due to production ramps for a new customer, a \$6.7 million increase due to production ramps of new products for existing customers and overall net increased customer end-market demand. The increase was partially offset by reductions in inflated component pricing.

During the nine months ended June 29, 2024, net sales in the EMEA segment increased \$117.9 million, or 39.9%, as compared to the nine months ended July 1, 2023. The increase in net sales was driven by an \$84.9 million increase due to production ramps for new customers and overall net increased customer end-market demand. The increase was further driven by a \$14.9 million increase in production ramps of new products for existing customers, partially offset by a \$10.4 million decrease due to the discontinuation of a program with an existing customer and reductions in inflated component pricing.

Our net sales by market sector were as follows (in millions):

	Three Months Ended		Nine Months Ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
Net sales:				
Healthcare/Life Sciences	\$ 380.1	\$ 451.0	\$ 1,139.4	\$ 1,426.2
Industrial	403.1	427.7	1,255.9	1,339.1
Aerospace/Defense	177.6	142.9	515.0	421.1
Total net sales	<u>\$ 960.8</u>	<u>\$ 1,021.6</u>	<u>\$ 2,910.3</u>	<u>\$ 3,186.4</u>

Healthcare/Life Sciences. Net sales for the three months ended June 29, 2024 in the Healthcare/Life Sciences sector decreased \$70.9 million, or 15.7%, as compared to the three months ended July 1, 2023. The decrease in net sales was driven by overall net decreased customer end-market demand inclusive of market-driven inventory corrections at our customers, as well as a reduction in inflated component pricing. The decrease was further driven by a decrease of \$8.8 million for end-of-life products. The decrease was partially offset by an increase of \$35.4 million due to production ramps of new products for existing customers.

During the nine months ended June 29, 2024, net sales in the Healthcare/Life Sciences sector decreased \$286.8 million, or 20.1%, as compared to the nine months ended July 1, 2023. The decrease in net sales was driven by overall net decreased customer end-market demand inclusive of market-driven inventory corrections at our customers, as well as a reduction in inflated component pricing. The decrease was further driven by a decrease of \$37.8 million for end-of-life products. The decrease was partially offset by an increase of \$43.3 million due to production ramps of new products for existing customers and \$8.9 million due to production ramps for a new customer.

Industrial. Net sales for the three months ended June 29, 2024 in the Industrial sector decreased \$24.6 million, or 5.8%, as compared to the three months ended July 1, 2023. The decrease in net sales was driven by overall net decreased customer end-market demand inclusive of reductions in inflated component pricing. The decrease was further driven by a decrease of \$14.8 million due to the discontinuation of programs with existing customers and \$10.5 million due to disengagements with customers. The decrease was partially offset by an increase of \$25.8 million due to production ramps for a new customer.

During the nine months ended June 29, 2024, net sales in the Industrial sector decreased \$83.2 million, or 6.2%, as compared to the nine months ended July 1, 2023. The decrease in net sales was driven by overall net decreased customer end-market demand

inclusive of reductions in inflated component pricing. The decrease was further driven by a decrease of \$32.7 million due to the discontinuation of programs with existing customers and \$19.7 million due to disengagements with customers. The decrease was partially offset by an increase of \$79.1 million due to production ramps for a new customer.

Aerospace/Defense. Net sales for the three months ended June 29, 2024 in the Aerospace/Defense sector increased \$34.7 million, or 24.3%, as compared to the three months ended July 1, 2023. The increase was driven by a \$15.0 million increase due to production ramps for new customers, an \$11.0 million increase due to production ramps of new products for existing customers and overall net increased customer end-market demand.

During the nine months ended June 29, 2024, net sales in the Aerospace/Defense sector increased \$93.9 million, or 22.3%, as compared to the nine months ended July 1, 2023. The increase was driven by overall net increased customer end-market demand, a \$30.2 million increase due to production ramps for new customers and a \$25.7 million increase due to production ramps of new products for existing customers. The increase was partially offset by a decrease of \$15.8 million due to disengagements with customers.

Cost of sales. Cost of sales for the three months ended June 29, 2024 decreased \$61.7 million, or 6.6%, as compared to the three months ended July 1, 2023, while cost of sales for the nine months ended June 29, 2024 decreased \$248.9 million, or 8.6% as compared to the nine months ended July 1, 2023. Cost of sales is comprised primarily of material and component costs, labor costs and overhead. For both the three and nine months ended June 29, 2024 and July 1, 2023, approximately 89% of the total cost of sales was variable in nature and fluctuated with sales volumes. Approximately 87% of these costs were related to material and component costs.

As compared to the three and nine months ended July 1, 2023, the decrease in cost of sales for the three and nine months ended June 29, 2024 was primarily driven by the decrease in net sales and a positive shift in customer mix, partially offset by an increase in fixed costs.

Gross profit. Gross profit for the three months ended June 29, 2024 increased \$0.8 million, or 0.9%, as compared to the three months ended July 1, 2023. Gross margin of 9.8% for the three months ended June 29, 2024 increased 60 basis points compared to the three months ended July 1, 2023. The primary driver of the increase in gross profit and gross margin as compared to the three months ended July 1, 2023 was a positive shift in customer mix, partially offset by the decrease in net sales and an increase in fixed costs.

Gross profit for the nine months ended June 29, 2024 decreased \$27.2 million, or 9.1%, as compared to the nine months ended July 1, 2023. Gross margin of 9.3% for the nine months ended June 29, 2024 remained flat compared to the nine months ended July 1, 2023. The primary drivers of the decrease in gross profit as compared to the nine months ended July 1, 2023 were the decrease in net sales and an increase in fixed costs to support new customer program ramps, partially offset by a positive shift in customer mix.

Operating income. Operating income for the three months ended June 29, 2024 increased \$11.0 million, or 39.0%, as compared to the three months ended July 1, 2023. Operating margin of 4.1% for the three months ended June 29, 2024 increased 130 basis points compared to the three months ended July 1, 2023. The primary driver of the increase in operating income and operating margin for the three months ended June 29, 2024 was the result of a decrease of \$13.9 million in restructuring and other charges as well as the increase in gross profit and gross margin. The restructuring and other charges for the three months ended June 29, 2024 consisted of severance from the reduction of the Company's workforce as well as closure costs associated with a site in the Company's AMER region. The restructuring and other charges for the three months ended July 1, 2023 consisted of severance from the reduction of the Company's workforce, a lease agreement termination and an arbitration decision regarding a contractual matter that occurred in the Company's EMEA region. This increase was partially offset by an increase of \$3.6 million in selling and administrative expenses ("S&A"). The increase in S&A was primarily due to an increase in incentive compensation costs and share based compensation expense.

Operating income for the nine months ended June 29, 2024 decreased \$28.6 million, or 20.1%, as compared to the nine months ended July 1, 2023. Operating margin of 3.9% for the nine months ended June 29, 2024 decreased 60 basis points compared to the nine months ended July 1, 2023. The primary driver of the decrease in operating income and operating margin for the nine months ended June 29, 2024 was the result of the decrease in gross profit and an increase of \$4.2 million in S&A, partially offset by a decrease of \$2.8 million in restructuring and other charges. The increase in S&A was primarily due to an increase in information technology and professional service expenses. The restructuring and other charges for the nine months ended June 29, 2024 consisted of employee severance costs associated with a reduction in the Company's workforce as well as closure costs associated with sites in the Company's AMER and EMEA regions, offset by insurance proceeds received in an arbitration decision regarding a contractual matter that took place in the Company's EMEA region in fiscal 2023. The restructuring and other charges for the nine months ended July 1, 2023 consisted of severance from the reduction of the Company's workforce, a

lease agreement termination and an arbitration decision regarding a contractual matter that occurred in the Company's EMEA region.

A discussion of operating income by reportable segment for the indicated fiscal period (in millions):

	Three Months Ended		Nine Months Ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
Operating income:				
AMER	\$ 12.8	\$ 15.9	\$ 26.5	\$ 59.1
APAC	69.3	69.9	207.9	218.0
EMEA	5.6	0.8	11.1	2.0
Corporate and other costs	(48.5)	(58.4)	(131.6)	(136.6)
Total operating income	\$ 39.2	\$ 28.2	\$ 113.9	\$ 142.5

AMER. Operating income decreased \$3.1 million for the three months ended June 29, 2024 as compared to the three months ended July 1, 2023 primarily as a result of a decrease in net sales, partially offset by a positive shift in customer mix and a decrease in fixed costs.

During the nine months ended June 29, 2024, operating income in the AMER segment decreased \$32.6 million as compared to the nine months ended July 1, 2023 primarily as a result of a decrease in net sales, partially offset by a positive shift in customer mix and a decrease in fixed costs.

APAC. Operating income decreased \$0.6 million for the three months ended June 29, 2024 as compared to the three months ended July 1, 2023 primarily as a result of a decrease in net sales.

During the nine months ended June 29, 2024, operating income in the APAC segment decreased \$10.1 million as compared to the nine months ended July 1, 2023 primarily as a result of a decrease in net sales, partially offset by a positive shift in customer mix and a decrease in S&A.

EMEA. Operating income increased \$4.8 million for the three months ended June 29, 2024 as compared to the three months ended July 1, 2023 primarily as a result of an increase in net sales and a positive shift in customer mix, partially offset by increased fixed costs.

During the nine months ended June 29, 2024, operating income in the EMEA segment increased \$9.1 million as compared to the nine months ended July 1, 2023 primarily as a result of an increase in net sales and a positive shift in customer mix, partially offset by increased fixed costs.

Other expense. Other expense for the three months ended June 29, 2024 decreased \$1.9 million as compared to the three months ended July 1, 2023. The decrease in other expense for the three months ended June 29, 2024 was primarily driven by a decrease in foreign exchange losses of \$1.1 million and a decrease in interest expense of \$0.8 million due to lower borrowings on our credit facility.

Other expense for the nine months ended June 29, 2024 increased \$1.9 million as compared to the nine months ended July 1, 2023. The increase in other expense for the nine months ended June 29, 2024 was primarily driven by a decrease in other miscellaneous income of \$2.8 million and an increase in factoring fees of \$0.6 million, partially offset by a decrease in foreign exchange losses of \$1.1 million.

Income taxes. Income tax expense for the three and nine months ended June 29, 2024 was \$5.2 million and \$13.5 million, respectively, compared to \$1.6 million and \$15.8 million for the three and nine months ended July 1, 2023. The increase for the three months ended June 29, 2024 compared to the three months ended July 1, 2023 is primarily due to a decrease in discrete tax benefits of \$2.0 million and increase in pre-tax book income. The decrease for the nine months ended June 29, 2024 compared to the nine months ended July 1, 2023 is primarily due to a decrease in pre-tax book income, partially offset by a decrease in discrete tax benefits of \$2.3 million.

Our annual effective tax rate varies from the U.S. statutory rate of 21.0% primarily due to the geographic distribution of worldwide earnings as well as a tax holiday granted to a subsidiary located in the APAC segment where we derive a significant portion of our earnings. Our effective tax rate may also be impacted by disputes with taxing authorities, tax planning activities, adjustments to uncertain tax positions and changes in valuation allowances.

The annual effective tax rate for fiscal 2024 is expected to be approximately 15.0% to 17.0% assuming no changes to tax laws.

Net income. Net income for the three months ended June 29, 2024 increased \$9.3 million, or 58.9%, from the three months ended July 1, 2023 to \$25.1 million. Net income increased primarily as a result of the increase in operating income and the decrease in other expense, partially offset by the increase in tax expense as previously discussed.

Net income for the nine months ended June 29, 2024 decreased \$28.2 million, or 28.5%, from the nine months ended July 1, 2023 to \$70.6 million. Net income decreased primarily as a result of the decrease in operating income and the increase in other expense, partially offset by the decrease in tax expense as previously discussed.

Diluted earnings per share. Diluted earnings per share increased to \$0.91 for the three months ended June 29, 2024 from \$0.56 for the three months ended July 1, 2023 primarily as a result of increased net income due to the factors discussed above as well as a reduction in diluted shares outstanding.

Diluted earnings per share decreased to \$2.53 for the nine months ended June 29, 2024 from \$3.51 for the nine months ended July 1, 2023 primarily as a result of decreased net income due to the factors discussed above, partially offset by a reduction in diluted shares outstanding.

Return on Invested Capital ("ROIC") and economic return. We use a financial model that is aligned with our business strategy and includes an ROIC goal of 15% which would exceed our weighted average cost of capital ("WACC") by more than 500 basis points and represent positive economic return. Economic return is the amount our ROIC exceeds our WACC.

Non-GAAP financial measures, including ROIC and economic return, are used for internal management goals and decision making because such measures provide management and investors additional insight into financial performance. In particular, we provide ROIC and economic return because we believe they offer insight into the metrics that are driving management decisions. We view ROIC and economic return as important measures in evaluating the efficiency and effectiveness of our long-term capital investments. We also use ROIC as a performance criteria in determining certain elements of compensation as well as economic return performance.

We define ROIC as tax-effected operating income before restructuring and other charges divided by average invested capital over a rolling four-quarter period for the third fiscal quarter. Invested capital is defined as equity plus debt and operating lease liabilities, less cash and cash equivalents. Other companies may not define or calculate ROIC in the same way. ROIC and other non-GAAP financial measures should be considered in addition to, not as a substitute for, measures of our financial performance prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP").

We review our internal calculation of WACC annually. Our WACC is 8.2% for fiscal 2024 and 9.0% for fiscal 2023. By exercising discipline to generate ROIC in excess of our WACC, our goal is to create value for our shareholders. For the nine months ended June 29, 2024, ROIC of 10.4% reflects an economic return of 2.2%, based on our WACC of 8.2%, and for the nine months ended July 1, 2023, ROIC of 13.5% reflects an economic return of 4.5%, based on our weighted average cost of capital of 9.0%.

For a reconciliation of ROIC, economic return and adjusted operating income (tax-effected) to our financial statements that were prepared using U.S. GAAP, see Exhibit 99.1 to this quarterly report on Form 10-Q, which exhibit is incorporated herein by reference.

Refer to the table below, which includes the calculation of ROIC and economic return for the indicated fiscal period (dollars in millions):

	Nine Months Ended	
	June 29, 2024	July 1, 2023
Adjusted operating income (tax-effected)	\$ 151.2	\$ 192.1
Average invested capital	1,454.9	1,423.0
After-tax ROIC	10.4 %	13.5 %
WACC	8.2 %	9.0 %
Economic return	2.2 %	4.5 %

LIQUIDITY AND CAPITAL RESOURCES

Cash and cash equivalents and restricted cash were \$269.9 million as of June 29, 2024 as compared to \$256.7 million as of September 30, 2023.

As of June 29, 2024, 87% of our cash and cash equivalents balance was held outside of the U.S. by our foreign subsidiaries. Currently, we believe that our cash balance, together with cash available under our Credit Facility, will be sufficient to meet our liquidity needs and potential share repurchases for the next twelve months and the foreseeable future.

Our future cash flows from operating activities will be reduced by \$31.4 million due to cash payments for U.S. federal taxes on the deemed repatriation of undistributed foreign earnings that are payable over an eight year period that began in fiscal 2019 with the first payment. The table below provides the expected timing of these future cash outflows, in accordance with the following installment schedule for the remaining two years (in millions):

2025	\$	14.2
2026		17.2
Total	\$	31.4

Cash Flows. The following table provides a summary of cash flows (in millions):

	Nine Months Ended	
	June 29, 2024	July 1, 2023
Cash flows provided by operating activities	\$ 216.4	\$ 76.0
Cash flows used in investing activities	(68.8)	(77.7)
Cash flows used in financing activities	(134.3)	(22.4)
Effect of exchange rate changes on cash and cash equivalents	(0.1)	2.2
Net increase (decrease) in cash and cash equivalents and restricted cash	\$ 13.2	\$ (21.9)

Operating Activities. Cash flows provided by operating activities were \$216.4 million for the nine months ended June 29, 2024, as compared to cash flows provided by operating activities of \$76.0 million for the nine months ended July 1, 2023. The increase was primarily due to cash flow improvements (reductions) of:

- \$(28.2) million decrease in net income.
- \$156.9 million in inventory cash flows driven by a decrease in inventory in the nine months ended June 29, 2024 compared to an increase in inventory in the nine months ended July 1, 2023 due to inventory reduction efforts and fewer program ramps requiring upfront inventory procurement.
- \$76.4 million in accounts payables cash flows primarily driven by the timing of materials procurement and payments to suppliers.
- \$19.8 million in contract assets cash flows driven by lower demand from over time customers.
- \$(39.4) million in advanced payments from customers cash flows driven by a decrease in advanced payments in the nine months ended June 29, 2024 compared to an increase in advanced payments in the nine months ended July 1, 2023.
- \$(28.6) million in other current and non-current asset cash flows driven by an increase in tax prepayments related to timing of payments and a larger increase in prepayments to suppliers in the nine months ended June 29, 2024 compared to the nine months ended July 1, 2023.
- \$(19.9) million in accounts receivable cash flows driven by timing of shipments and mix of customer payment terms.
- \$(17.6) million in other current and non-current liabilities cash flows driven by federal income tax payments.

The following table provides a summary of cash cycle days for the periods indicated (in days):

	Three Months Ended	
	June 29, 2024	July 1, 2023
Days in accounts receivable	61	63
Days in contract assets	11	12
Days in inventory	151	161
Days in accounts payable	(62)	(68)
Days in advanced payments (1)	(78)	(78)
Annualized cash cycle	83	90

(1) Includes a reclassification in the presentation of advanced payments from customers reflected in prior period amounts. As of July 1, 2023, the impact of this reclassification was an increase in the Company's days in advanced payments and a reduction in annualized cash cycle by 21 days.

We calculate days in accounts receivable and contract assets as each balance sheet item for the respective quarter divided by annualized sales for the respective quarter by day. We calculate days in inventory, accounts payable and advanced payments as each balance sheet line item for the respective quarter divided by annualized cost of sales for the respective quarter by day. We calculate annualized cash cycle as the sum of days in accounts receivable, days in contract assets and days in inventory, less days in accounts payable and days in advanced payments.

As of June 29, 2024, annualized cash cycle days decreased seven days compared to July 1, 2023 due to the following:

Days in accounts receivable for the three months ended June 29, 2024 decreased two days compared to the three months ended July 1, 2023. The decrease is attributable to the timing of customer shipments and payments as well as the mix of customer payment terms.

Days in contract assets for the three months ended June 29, 2024 decreased one day compared to the three months ended July 1, 2023. The decrease is primarily attributable to an increase in advanced payments from customers with arrangements requiring revenue to be recognized over time as products are produced.

Days in inventory for the three months ended June 29, 2024 decreased ten days compared to the three months ended July 1, 2023. The decrease is primarily due to inventory reduction efforts and fewer program ramps requiring upfront inventory procurement.

Days in accounts payable for the three months ended June 29, 2024 decreased six days compared to the three months ended July 1, 2023. The decrease is primarily attributable to timing of materials procurement and payments to suppliers.

Days in advanced payments for the three months ended June 29, 2024 remained flat compared to the three months ended July 1, 2023.

Free Cash Flow. We define free cash flow ("FCF"), a non-GAAP financial measure, as cash flow generated or used in operations less capital expenditures. FCF was \$147.5 million for the nine months ended June 29, 2024 compared to \$(3.8) million for the nine months ended July 1, 2023, an improvement of \$151.3 million. The improvement in FCF was primarily due to lower working capital investments in inventory to support our customers and favorable accounts payable activity due to timing of payments.

Non-GAAP financial measures, including FCF, are used for internal management assessments because such measures provide additional insight to investors into ongoing financial performance. In particular, we provide FCF because we believe it offers insight into the metrics that are driving management decisions. We view FCF as an important financial metric as it demonstrates our ability to generate cash and can allow us to pursue opportunities that enhance shareholder value. FCF is a non-GAAP financial measure that should be considered in addition to, not as a substitute for, measures of our financial performance prepared in accordance with GAAP.

A reconciliation of FCF to our financial statements that were prepared using GAAP as follows (in millions):

	Nine Months Ended	
	June 29, 2024	July 1, 2023
Cash flows provided by operating activities	\$ 216.4	\$ 76.0
Payments for property, plant and equipment	(68.9)	(79.8)
Free cash flow	\$ 147.5	\$ (3.8)

Investing Activities. Cash flows used in investing activities were \$68.8 million for the nine months ended June 29, 2024 compared to \$77.7 million for the nine months ended July 1, 2023. The decrease in cash used in investing activities was due to a \$10.9 million decrease in capital expenditures.

We estimate capital expenditures for fiscal 2024 will be approximately \$90 million to \$110 million to support new program ramps and replace older equipment.

Financing Activities. Cash flows used in financing activities were \$134.3 million for the nine months ended June 29, 2024 compared to cash flows used in financing activities of \$22.4 million for the nine months ended July 1, 2023. The increase was primarily attributable to net repayments on the credit facility for the nine months ended June 29, 2024 of \$83.0 million compared to net borrowings on the credit facility for the nine months ended July 1, 2023 of \$34.0 million.

On August 18, 2022, the Board of Directors approved a share repurchase program under which we are authorized to repurchase up to \$50.0 million of its common stock (the "2023 Program"). The 2023 Program was completed in February 2024. During the nine months ended June 29, 2024, we repurchased 59,277 shares under this program for \$5.7 million at an average price of \$95.59 per share. During the three months ended July 1, 2023, we repurchased 149,783 shares under this program for \$13.5 million at an average price of \$90.49 per share. During the nine months ended July 1, 2023, we repurchased 391,145 shares under this program for \$37.4 million at an average price of \$95.70 per share.

On January 16, 2024, we announced an additional \$50.0 million in share repurchase authority (the "2024 Program") that authorizes us to repurchase our common stock. The 2024 Program became effective upon completion of the 2023 Program, which occurred in February 2024, and has no expiration. During the three months ended June 29, 2024, we repurchased 184,581 shares under this program for \$18.6 million at an average price of \$100.64 per share. During the nine months ended June 29, 2024, we repurchased 311,431 shares under this program for \$30.5 million at an average price of \$97.87 per share. As of June 29, 2024, \$19.5 million of the 2024 Program remained available to repurchase shares.

All shares repurchased under the aforementioned programs were recorded as treasury stock.

We have Master Accounts Receivable Purchase Agreements with MUFG Bank, New York Branch (formerly known as The Bank of Tokyo-Mitsubishi UFJ, Ltd.) (the "MUFG RPA"), HSBC Bank (China) Company Limited, Xiamen branch (the "HSBC RPA") and other unaffiliated financial institutions, under which we may elect to sell receivables, at a discount. These facilities are uncommitted facilities. The maximum facility amount under the MUFG RPA as of June 29, 2024 is \$340.0 million. The maximum facility amount under the HSBC RPA as of June 29, 2024 is \$70.0 million. The MUFG RPA will be automatically extended each year unless any party gives no less than 10 days prior notice that the agreement should not be extended. The terms of the HSBC RPA are generally consistent with the terms of the MUFG RPA previously discussed.

We sold \$201.4 million and \$205.3 million of trade accounts receivable under these programs during the three months ended June 29, 2024 and July 1, 2023, respectively, in exchange for cash proceeds of \$199.0 million and \$202.9 million, respectively. We sold \$638.8 million and \$616.6 million of trade accounts receivable under these programs during the nine months ended June 29, 2024 and July 1, 2023, respectively, in exchange for cash proceeds of \$631.1 million and \$609.4 million, respectively. As of June 29, 2024 and September 30, 2023, \$210.7 million and \$220.5 million, respectively, of accounts receivables sold under trade accounts receivable programs and subject to servicing by us remained outstanding and had not yet been collected by MUFG Bank or HSBC Bank.

In all cases, the sale discount was recorded within "Miscellaneous, net" in the Condensed Consolidated Statements of Comprehensive Income in the period of the sale. For further information regarding the receivable sale programs, see Note 13, "Trade Accounts Receivable Sale Programs," in Notes to Condensed Consolidated Financial Statements.

Based on current expectations, we believe that our projected cash flows provided by operations, available cash and cash equivalents, potential borrowings under the Credit Facility and our leasing capabilities should be sufficient to meet our working capital and fixed capital requirements, as well as execution upon our share repurchase authorizations as management deems

appropriate, for the next twelve months. We believe our balance sheet is positioned to support the potential future challenges presented by macroeconomic factors including increased working capital requirements associated with longer lead-times for components, increased component and labor costs, and operating inefficiencies due to supply chain constraints. As of the end of the third quarter of fiscal 2024, cash and cash equivalents and restricted cash were \$270 million, while debt, finance lease and other financing obligations were \$349 million. If our future financing needs increase, then we may need to arrange additional debt or equity financing. Accordingly, we evaluate and consider from time to time various financing alternatives to supplement our financial resources. However, we cannot be assured that we will be able to make any such arrangements on acceptable terms or at all.

DISCLOSURE ABOUT CRITICAL ACCOUNTING ESTIMATES

Our critical accounting policies are disclosed in our 2023 Annual Report on Form 10-K. During the third quarter of fiscal 2024, there were no material changes.

NEW ACCOUNTING PRONOUNCEMENTS

See Note 1, "Recently Adopted Accounting Pronouncements" and "Recently Issued Accounting Pronouncements Not Yet Adopted," in Notes to Condensed Consolidated Financial Statements regarding recent accounting pronouncements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There were no material changes in our exposure to market risk from changes in foreign exchange and interest rates from those disclosed in our 2023 Annual Report on Form 10-K.

Foreign Currency Risk

Our international operations create potential foreign exchange risk. Our policy is to selectively hedge our foreign currency denominated transactions in a manner that partially offsets the effects of changes in foreign currency exchange rates. We typically use foreign currency contracts to hedge only those currency exposures associated with certain assets and liabilities denominated in non-functional currencies. Corresponding gains and losses on the underlying transaction generally offset the gains and losses on these foreign currency hedges. We cannot predict changes in currency rates, nor the degree to which we will be able to manage the impacts of currency exchange rate changes. Such changes could have a material effect on our business, results of operations and financial condition.

Our percentages of transactions denominated in currencies other than the U.S. dollar for the indicated periods were as follows:

	Three Months Ended	
	June 29, 2024	July 1, 2023
Net Sales	12%	9%
Total Costs	18%	16%

We have evaluated the potential foreign currency exchange rate risk on transactions denominated in currencies other than the U.S. dollar for the periods presented above. Based on our overall currency exposure, as of June 29, 2024, a 10.0% change in the value of the U.S. dollar relative to our other transactional currencies would not have a material effect on our financial position, results of operations, or cash flows.

Interest Rate Risk

We have financial instruments, including cash equivalents and debt, which are sensitive to changes in interest rates. The primary objective of our investment activities is to preserve principal, while maximizing yields without significantly increasing market risk. To achieve this, we limit the amount of principal exposure to any one issuer.

As of June 29, 2024, we were exposed to interest rate risk associated with our Credit Facility. Borrowings under the Credit Facility bear interest, at the Company's option, at (a)(1) for borrowings denominated in U.S. dollars, the Term Secured Overnight Financing Rate ("SOFR"), (2) for borrowings denominated in pounds sterling, the Daily Simple Risk-Free Rate, plus, in each case of (a)(1) and (2), 10 basis points, (b) for borrowings denominated in euros, the EURIBOR Rate plus a statutory reserve rate, or (c) an Alternate Base Rate equal to the highest of (i) 100 basis points per annum, (ii) the prime rate last quoted

by The Wall Street Journal (or, if not quoted, as otherwise provided in the Credit Facility), (iii) the greater of the federal funds effective rate and the overnight bank funding rate in effect on such day plus, in each case, 50 basis points per annum (or, if neither are available, as otherwise provided in the Credit Facility), and (iv) Term SOFR for a one month interest period on such day plus 110 basis points, plus, in each case of (a), (b), and (c), an applicable interest rate margin based on the Company's then current consolidated total indebtedness (minus certain unrestricted cash and cash equivalents in an amount not to exceed \$100 million) to consolidated EBITDA. As of June 29, 2024, the borrowing rate under the Credit Facility was SOFR plus 1.10%. Borrowings under the 2018 NPA are based on a fixed interest rate, thus mitigating much of our interest rate risk. We were also exposed to interest rate risk on our accounts receivables sales programs. The Master Accounts Receivable Purchase Agreements with MUFG Bank, New York Branch (the "MUFG RPA") is subject to an applicable cost of funds based on an applicable margin defined in the agreement with respect to receivables owed by each approved obligor and the applicable SOFR for a period equal to the discount period applicable to such receivable determined as of two business days prior to the applicable purchase date of such receivable with respect to the currency the receivable is denominated in. Other trade receivable sales programs are subject to similar terms. Based on our overall interest rate exposure, as of June 29, 2024, a 10.0% change in interest rates would not have a material effect on our financial position, results of operations, or cash flows.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures designed to ensure that the information the Company must disclose in its filings with the Securities and Exchange Commission ("SEC") is recorded, processed, summarized and reported on a timely basis. The Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") have reviewed and evaluated, with the participation of the Company's management, the Company's disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act") as of the end of the period covered by this report. Based on such evaluation, the CEO and CFO have concluded that, as of the Evaluation Date, the Company's disclosure controls and procedures are effective, at the reasonable assurance level, (a) in recording, processing, summarizing and reporting, on a timely basis, information required to be disclosed by the Company in the reports the Company files or submits under the Exchange Act, and (b) in assuring that information is accumulated and communicated to the Company's management, including the CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

During the third quarter of fiscal 2024, there have been no changes in the Company's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1A. RISK FACTORS

In addition to the risks and uncertainties discussed herein, particularly those discussed in the "Safe Harbor" Cautionary Statement and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part I, Item 2, see the risk factors set forth in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended September 30, 2023 that have had no material changes.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table provides the specified information about the repurchases of shares by us during the three months ended June 29, 2024:

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Maximum approximate dollar value of shares that may yet be purchased under the plans or programs (1)
March 31, 2024-April 27, 2024	82,335	\$ 95.46	82,335	\$ 30,238,329
April 28, 2024 - May 25, 2024	47,297	104.75	47,297	25,284,079
May 26, 2024 - June 29, 2024	54,949	104.87	54,949	19,521,321
	<u>184,581</u>	<u>\$ 100.64</u>	<u>184,581</u>	

(1) On January 16, 2024, the Company announced that its Board of Directors had approved a \$50.0 million share repurchase authorization (the "2024 Program") that authorizes the Company to repurchase its common stock. The 2024 Program commenced upon completion of the 2023 Program and has no expiration. The table above reflects the maximum dollar amount remaining available for purchase under the 2024 Program as of June 29, 2024.

ITEM 5. OTHER INFORMATION

None of our directors or Section 16 officers adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement" (as each term is defined in Item 408(a) of Regulation S-K) during the three months ended June 29, 2024.

ITEM 6. EXHIBITS

The list of exhibits is included below.

Exhibit No.	Exhibit
10.1*	Form of Performance Stock Unit Agreement (Economic Return) under the Plexus Corp. 2024 Omnibus Incentive Plan
10.2*	Form of Performance Stock Unit Agreement (Total Shareholder Return) under the Plexus Corp. 2024 Omnibus Incentive Plan
10.3*	Form of Restricted Stock Unit Agreement under the Plexus Corp. 2024 Omnibus Incentive Plan
10.4*	Form of Director Restricted Stock Unit Agreement under the Plexus Corp. 2024 Omnibus Incentive Plan
31.1	Certification of Chief Executive Officer pursuant to Section 302(a) of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Section 302(a) of the Sarbanes-Oxley Act of 2002.
32.1	Certification of the CEO pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of the CFO pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
99.1	Reconciliation of ROIC to GAAP and Economic Return Financial Statements.
101	The following materials from Plexus Corp.'s Quarterly Report on Form 10-Q for the fiscal quarter ended June 29, 2024, formatted in Inline Extensible Business Reporting Language ("XBRL"): (i) the Condensed Consolidated Statements of Comprehensive Income, (ii) the Condensed Consolidated Balance Sheets, (iii) the Condensed Consolidated Statements of Shareholders' Equity, (iv) the Condensed Consolidated Statements of Cash Flows, and (v) Notes to Condensed Consolidated Financial Statements.
101.INS	Inline XBRL Instance Document (the instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document).
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
104	The cover page from the Company's Quarterly Report on Form 10-Q for the fiscal third quarter ended June 29, 2024, formatted in Inline XBRL and contained in Exhibit 101.
*	Designates management compensatory plans or agreements.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

Plexus Corp.

Registrant

Date: August 2, 2024

/s/ Todd P. Kelsey

Todd P. Kelsey

President & Chief Executive Officer

Date: August 2, 2024

/s/ Patrick J. Jermain

Patrick J. Jermain

Executive Vice President and Chief Financial Officer

**PLEXUS CORP. 2024 OMNIBUS INCENTIVE PLAN
PERFORMANCE STOCK UNIT AGREEMENT**

(ECONOMIC RETURN)

TO: %%FIRST_NAME_MIDDLE_NAME_LAST_NAME%%-%

DATE: %%OPTION_DATE,'Month DD, YYYY'%%-%

In order to provide additional incentive through stock ownership for certain officers and key employees of Plexus Corp. (the "Corporation") and its subsidiaries, you (the "Grantee") are hereby granted a performance stock unit award ("Award") effective as of January XX, XXXX (the "Grant Date"). This Award is subject to the terms and conditions set forth in this Agreement and in the Plexus Corp. 2024 Omnibus Incentive Plan (the "Plan"), the terms of which are incorporated herein by reference. Any capitalized term used but not defined herein has the meaning set forth in the Plan.

1. Target Number of Performance Stock Units.

This Award applies to performance stock units that are based upon shares of the Corporation's Common Stock (the "Performance Stock Units"). The Performance Stock Units granted under this Agreement are units that will be reflected in a book account maintained by the Corporation until they become earned or have been forfeited. The number of Performance Stock Units at target is as follows:

Number of Performance Stock Units (at target): %%TOTAL_SHARES_GRANTED%%-%

2. Performance Terms.

(a) The terms of this Section 2 will apply to your Performance Stock Units except in so far as Section 3 ("Treatment Upon Termination") or Section 5 ("Change in Control") apply.

(b) The performance period (the "Performance Period") for your Performance Stock Units will be the three-year period commencing October XX, XXXX and ending on or near September XX, XXXX. The performance period end date is an estimate based on the projected date of the last day of Fiscal XXXX and may be subject to change. Following the conclusion of the Performance Period, the Committee shall certify in writing the number of Performance Stock Units that are payable (your "Final Performance Stock Units"). The Committee will calculate your Final Performance Stock Units by multiplying your Performance Stock Units (at target) by the "Performance Factor." The Performance Factor means a percentage (from zero to 200%) that is based on the Corporation's Economic Return during the Performance Period, determined according to Table 1 of this Agreement.

(c) All determinations made by the Committee shall be binding and conclusive on all parties.

3. Treatment Upon Termination. If your employment with the Corporation or one of its subsidiaries terminates prior to the end of the Performance Period, your Final Performance Stock Units will be calculated as follows:

(a) Death, Disability. In the event your employment terminates during the Performance Period as a result of your death or Disability, your Final Performance Stock Units will be based upon a prorated number of Performance Stock Units (at target). Your Final Performance Stock Units will be determined by multiplying your Performance Stock Units (at target) by a fraction, the numerator of which is the number of days elapsed between the beginning of the Performance Period and the date of your death or Disability, and the denominator of which is the number of days in the Performance Period.

(b) Termination for Cause. In the event your employment is terminated during the Performance Period for Cause, your Performance Stock Units will be forfeited immediately.

(c) Other Termination (Without Cause, Retirement or Resignation). In the event your employment terminates during the Performance Period for any other reason, your Performance Stock Units will be forfeited immediately unless otherwise determined by the Committee.

4. Payment of Awards.

Except for payments pursuant to Section 5 ("Change in Control"), your Final Performance Stock Units shall be paid in the form of Common Stock and all payments will be made to you within two and a half months after the end of the Performance Period (or earlier termination of employment pursuant to Section 3).

5. Change in Control. In the event of a Change in Control:

(a) The Performance Factor shall be calculated as of the date of the Change in Control. The Performance Factor shall be calculated using achieved performance for any completed fiscal year in the Performance Period prior to the Change in Control and, if applicable, assuming the Target level of performance for the fiscal year of the Change in Control and any future fiscal year(s) remaining in the Performance Period. Your Final Performance Share Units will be equal to the number of Performance Stock Units (at target) times the calculated Performance Factor.

(b) Within 15 days following the Change in Control, your Final Performance Stock Units will be paid in the form of Common Stock or common stock of any successor corporation; provided that the Corporation may elect to pay an amount of cash equal to the value of the Common Stock that would otherwise be issued. The value shall be equal to the number of shares of Common Stock that would be issued times the Fair Market Value of the Common Stock at the time of the Change in Control.

6. Rights Prior to Payment.

Prior to any payment of the Award, you will not have any right to vote the Performance Stock Units or to receive credit for cash dividends. You will not be deemed a stockholder of the

Corporation with respect to any of the Performance Stock Units. The Performance Stock Units may not be sold, assigned, transferred, pledged, encumbered or otherwise disposed of prior to payment.

7. Tax Withholding.

The Corporation shall have the power and right to deduct or withhold, or require you to remit to the Corporation, an amount sufficient to satisfy Federal, state and local taxes required by law to be withheld with respect to issuance of shares under this Agreement. You may make a written election to satisfy this withholding requirement, in whole or in part, by having the Corporation withhold shares having a Fair Market Value on the date the tax is to be determined equal to your withholding obligations; provided that the Shares withheld may not have a Fair Market Value exceeding the applicable maximum statutory tax rates.

8. Transfer Restrictions After Issuance

Under applicable securities laws, you may not be able to sell any shares for a period of time after issuance, and you must comply with the Corporation's Insider Trading Policy. The Corporation's counsel should be consulted on your ability to sell your shares under the 1934 Act.

9. No Employment Agreement Intended.

Neither the establishment of, nor the awarding of Awards under this Plan shall be construed to create a contract of employment between you and the Corporation or its subsidiaries; nor does it give you the right to continue in the employment of the Corporation or its subsidiaries or limit in any way the right of the Corporation or its subsidiaries to discharge you at any time and without notice, with or without cause, or to any benefits not specifically provided by this Plan, or in any manner modify the Corporation's right to establish, modify, amend or terminate any profit sharing, retirement or other benefit plans.

10. Section 409A Compliance.

This Award is intended to comply with the requirements of Section 409A, and shall be interpreted and administered in accordance with that intent. If any provision of the Plan or this Agreement would otherwise conflict with or frustrate this intent, the Committee may adopt such amendments to the Plan and the Agreement as the Committee deems necessary.

11. Wisconsin Contract.

This Agreement reflects an Award made in Wisconsin and shall be construed under the laws of that state without regard to the conflict of laws provision of any jurisdiction.

To accept this grant, logon to your E*TRADE account (www.etrade.com) and follow the instructions provided. By accepting this grant online you acknowledge and accept this grant and the terms and conditions. You also acknowledge receipt of this Performance Stock Unit Agreement, a copy of the 2024 Omnibus Incentive Plan, and a copy of the Corporation's Insider Trading Policy. You also acknowledge that the Shares issued hereunder are subject to the Corporation's compensation recoupment policy, as in effect from time to time. **If this grant is not accepted online within thirty (30) days from the grant date of this Agreement, this Award will be deemed refused and may be withdrawn.**

PLEXUS CORP.

By: /s/ _____

Table 1
Determination of Performance Factor

The Performance Factor shall be determined according to the following table:

Economic Return*	
Performance Period Average	Payout Performance Factor
0.0%	0%
0.5%	20%
1.0%	40%
1.5%	60%
2.0%	80%
2.5%	100%
3.0%	120%
3.5%	140%
4.0%	160%
4.5%	180%
5.0%	200%

* The Economic Return of Plexus shall be measured, on an absolute basis, from 0 – 500 basis points above the weighted average cost of capital ("WACC") as calculated for the annual operating plan of the Corporation for each fiscal year of the Performance Period. The average Economic Return over the Performance Period will determine the Economic Return for calculation of the number of shares delivered, with payout ranging from 0% - 200% of the targeted shares on a linear scale with payout results interpolated for performance between the percentages listed above.

For purposes of the foregoing calculation:

1. "Economic Return" means Return on Invested Capital ("ROIC") minus Weighted Average Cost of Capital ("WACC").
2. "Return on Invested Capital" means (i) Adjusted Operating Income (tax effected) divided by (ii) the five (5) quarter average invested capital ending with the fourth quarter of each fiscal year of the Performance Period.
3. "Weighted Average Cost of Capital" means the weighted average cost of the Company's capital as calculated for the annual operating plan during each year of the Performance Period. For fiscal XXXX, the Company's WACC has been established as X.X%.

4. "Performance Period" means the three fiscal year period beginning with the fiscal year of grant and ending after the conclusion of the third fiscal year.
5. Economic Return for any fiscal year during the Performance Period will be a minimum of 0% and a maximum of 5% for purposes of calculating ER-PSU vesting.

**PLEXUS CORP. 2024 OMNIBUS INCENTIVE PLAN
PERFORMANCE STOCK UNIT AGREEMENT**

(TOTAL SHAREHOLDER RETURN)

TO: %%FIRST_NAME_MIDDLE_NAME_LAST_NAME%-%

DATE: %%OPTION_DATE,'Month DD, YYYY'%-%

In order to provide additional incentive through stock ownership for certain officers and key employees of Plexus Corp. (the "Corporation") and its subsidiaries, you (the "Grantee") are hereby granted a performance stock unit award ("Award") effective as of January XX, XXXX (the "Grant Date"). This Award is subject to the terms and conditions set forth in this Agreement and in the Plexus Corp. 2024 Omnibus Incentive Plan (the "Plan"), the terms of which are incorporated herein by reference. Any capitalized term used but not defined herein has the meaning set forth in the Plan.

1. Target Number of Performance Stock Units.

This Award applies to performance stock units that are based upon shares of the Corporation's Common Stock (the "Performance Stock Units"). The Performance Stock Units granted under this Agreement are units that will be reflected in a book account maintained by the Corporation until they become earned or have been forfeited. The number of Performance Stock Units at target is as follows:

Number of Performance Stock Units (at target): %%TOTAL_SHARES_GRANTED%-%

2. Performance Terms.

(a) The terms of this Section 2 will apply to your Performance Stock Units except in so far as Section 3 ("Treatment Upon Termination") or Section 5 ("Change in Control") apply.

(b) The performance period (the "Performance Period") for your Performance Stock Units will be the three-year period commencing January XX, XXXX and ending January XX, XXXX. Following the conclusion of the Performance Period, the Committee shall certify in writing the number of Performance Stock Units that are payable (your "Final Performance Stock Units"). The Committee will calculate your Final Performance Stock Units by multiplying your Performance Stock Units (at target) by the "Performance Factor." The Performance Factor means a percentage (from zero to 150%) that is based on the Corporation's Total Shareholder Return during the Performance Period compared to the companies in the S&P 400 MidCap Index, determined according to Table 1 of this Agreement.

(c) All determinations made by the Committee shall be binding and conclusive on all parties.

3. Treatment Upon Termination. If your employment with the Corporation or one of its subsidiaries terminates prior to the end of the Performance Period, your Final Performance Stock Units will be calculated as follows:

(a) Death, Disability. In the event your employment terminates during the Performance Period as a result of your death or Disability, your Final Performance Stock Units will be based upon a prorated number of Performance Stock Units (at target). Your Final Performance Stock Units will be determined by multiplying your Performance Stock Units (at target) by a fraction, the numerator of which is the number of days elapsed between the beginning of the Performance Period and the date of your death or Disability, and the denominator of which is the number of days in the Performance Period.

(b) Termination for Cause. In the event your employment is terminated during the Performance Period for Cause, your Performance Stock Units will be forfeited immediately.

(c) Other Termination (Without Cause, Retirement or Resignation). In the event your employment terminates during the Performance Period for any other reason, your Performance Stock Units will be forfeited immediately unless otherwise determined by the Committee.

4. Payment of Awards.

Except for payments pursuant to Section 5 ("Change in Control"), your Final Performance Stock Units shall be paid in the form of Common Stock and all payments will be made to you within two and a half months after the end of the Performance Period (or earlier termination of employment pursuant to Section 3).

5. Change in Control. In the event of a Change in Control:

(a) If the Change in Control occurs prior to the end of the Performance Period, then the Performance Factor shall be calculated as if the date of the Change in Control is the last day of the Performance Period. Your Final Performance Share Units will be equal to the number of Performance Stock Units (at target) times the calculated Performance Factor.

(b) Within 15 days following the Change in Control, your Final Performance Stock Units will be paid in the form of Common Stock or common stock of any successor corporation; provided that the Corporation may elect to pay an amount of cash equal to the value of the Common Stock that would otherwise be issued. The value shall be equal to the number of shares of Common Stock that would be issued times the Fair Market Value of the Common Stock at the time of the Change in Control.

6. Rights Prior to Payment.

Prior to any payment of the Award, you will not have any right to vote the Performance Stock Units or to receive credit for cash dividends. You will not be deemed a stockholder of the Corporation with respect to any of the Performance Stock Units. The Performance Stock Units may not be sold, assigned, transferred, pledged, encumbered or otherwise disposed of prior to payment.

7. Tax Withholding.

The Corporation shall have the power and right to deduct or withhold, or require you to remit to the Corporation, an amount sufficient to satisfy Federal, state and local taxes required by law to be withheld with respect to issuance of shares under this Agreement. You may make a written election to satisfy this withholding requirement, in whole or in part, by having the Corporation withhold shares having a Fair Market Value on the date the tax is to be determined equal to your withholding obligations; provided that the Shares withheld may not have a Fair Market Value exceeding the applicable maximum statutory tax rates.

8. Transfer Restrictions After Issuance

Under applicable securities laws, you may not be able to sell any shares for a period of time after issuance, and you must comply with the Corporation's Insider Trading Policy. The Corporation's counsel should be consulted on your ability to sell your shares under the 1934 Act.

9. No Employment Agreement Intended.

Neither the establishment of, nor the awarding of Awards under this Plan shall be construed to create a contract of employment between you and the Corporation or its subsidiaries; nor does it give you the right to continue in the employment of the Corporation or its subsidiaries or limit in any way the right of the Corporation or its subsidiaries to discharge you at any time and without notice, with or without cause, or to any benefits not specifically provided by this Plan, or in any manner modify the Corporation's right to establish, modify, amend or terminate any profit sharing, retirement or other benefit plans.

10. Section 409A Compliance.

This Award is intended to comply with the requirements of Section 409A, and shall be interpreted and administered in accordance with that intent. If any provision of the Plan or this Agreement would otherwise conflict with or frustrate this intent, the Committee may adopt such amendments to the Plan and the Agreement as the Committee deems necessary.

11. Wisconsin Contract.

This Agreement reflects an Award made in Wisconsin and shall be construed under the laws of that state without regard to the conflict of laws provision of any jurisdiction.

To accept this grant, logon to your E*TRADE account (www.etrade.com) and follow the instructions provided. By accepting this grant online you acknowledge and accept this grant and the terms and conditions. You also acknowledge receipt of this Performance Stock Unit Agreement, a copy of the 2024 Omnibus Incentive Plan, and a copy of the Insider Trading Policy. You also acknowledge that the Shares issued hereunder are subject to the Corporation's compensation recoupment policy, as in effect from time to time. **If this grant is not accepted online within thirty (30) days from the grant date of this Agreement, this Award will be deemed refused and may be withdrawn.**

PLEXUS CORP.

By: /s/ _____

Table 1
Determination of Performance Factor

The Performance Factor shall be determined according to the following table:

Relative TSR Percentile Rank*	Payout Performance Factor
Below 25	0%
25	50%
30	60%
40	80%
50	100%
60	120%
70	140%
75 and above	150%

*TSR shall be based on the percentage increase/decrease from the Initial Price to the Final Price, and shall reflect the reinvestment of dividends paid (if any) to Common Shareholders during the Performance Period. Payouts for performance between the percentages listed above will be interpolated.

For purposes of the foregoing calculation:

1. "Total Shareholder Return" means the quotient (expressed as a percentage) obtained by dividing (i)(A) the Final Price, plus (B) the aggregate amount of dividends paid in respect of a share of Common Stock during the Performance Period (assuming reinvestment of the dividends), minus (C) the Initial Price, by (ii) the Initial Price. The calculation of Total Shareholder Return shall be adjusted to reflect stock splits, recapitalizations and similar events.
2. "Initial Price" means the average closing price of Common Stock over the thirty calendar day measurement period ending on the trading day immediately preceding the first day of the Performance Period.
3. "Final Price" means the average closing price of Common Stock over the thirty calendar day measurement period ending on the last day of the Performance Period.
4. "Performance Period" means three years from the date of PSU grant; provided that in the event of the Grantee's termination of employment during the Performance Period due to the Grantee's death or disability, the final TSR-PSUs will be based upon a prorated number of Performance Stock Units (at target) and, in the event of a Change in Control, Total Shareholder Return shall be calculated through the date of the Change in Control.

5. The Total Shareholder Return of Plexus shall be measured against the constituent companies of the S&P 400 MidCap Index (S&P 400). The constituents of the S&P 400 shall be determined as of the date of grant, excluding any companies that were not publicly traded on a major US stock exchange (e.g., NYSE, NASDAQ, or AMEX) during the entirety of the time period used to define the Initial Price ("S&P 400 Peers").
6. Treatment of S&P 400 Peers for certain corporate events occurring during the Performance Period.
 - a. If an S&P 400 Peer is acquired by another S&P 400 Peer, the TSR of the successor entity will be used for TSR calculation purposes.
 - b. If an S&P 400 Peer is acquired by a company not among the S&P 400 Peers or otherwise ceases to be publicly traded other than for reason of bankruptcy, such company will be removed from the S&P 400 Peers.
 - c. If an S&P 400 peer becomes bankrupt during the Performance Period, then its TSR will be treated as -100% TSR.
 - d. If S&P 400 Peers merge and none of the affected companies is the successor entity, the affected companies will be removed from the S&P 400 Peers. The newly formed company will not be added to the S&P 400 Peers.
 - e. If an S&P 400 Peer remains publicly traded but is not a constituent of the S&P 400 at the end of the Performance Period, (e.g., becomes an S&P 500 or 600 constituent company), such company will continue to be an S&P 400 Peer.
 - f. If an S&P 400 Peer has multiple issuances of stock listed, the primary issuance (as designated by S&P) shall be included as an S&P 400 Peer.

**PLEXUS CORP. 2024 OMNIBUS INCENTIVE PLAN
RESTRICTED STOCK UNIT AGREEMENT**

TO: %%FIRST_NAME%- %%%LAST_NAME%-%

DATE: %%OPTION_DATE,'Month DD, YYYY'%- %

In order to provide additional incentive through stock ownership for certain officers and key employees of Plexus Corp. (the "Corporation") and its subsidiaries, you (the "Grantee") are hereby granted a restricted stock unit award ("Award") effective as of %%OPTION_DATE'Month DD, YYYY'%- % (the "Grant Date"). This Award is subject to the terms and conditions set forth in this Agreement and in the Plexus Corp. 2024 Omnibus Incentive Plan (the "Plan"), the terms of which are incorporated herein by reference. Any capitalized term used but not defined herein has the meaning set forth in the Plan.

1. NUMBER OF UNITS

This Award applies to %%TOTAL_SHARES_GRANTED,'999,999,999'%- % shares of the Corporation's Common Stock, \$.01 par value (the "Restricted Stock Units"). The Restricted Stock Units granted under this Agreement are units that will be reflected in a book account maintained by the Corporation until they become vested or have been forfeited.

2. VESTING REQUIREMENTS

This Award shall become vested in accordance with the schedule established by the Compensation and Leadership Development Committee of the Board (the "Committee") at the time of grant and set forth below:

<u>Years After Grant Date</u>	<u>% of Units Becoming Vested</u>
<i>Less than 1</i>	<i>Zero percent (0%)</i>
<i>1 but less than 2</i>	<i>Zero percent (0%)</i>
<i>2 but less than 3</i>	<i>Zero percent (0%)</i>
<i>3</i>	<i>One hundred percent (100%)</i>

Notwithstanding the foregoing, the Award shall fully vest upon a Change in Control, as defined in the Plan.

3. RESTRICTED PERIOD

The period of time during which the Restricted Stock Units are forfeitable under the Plan is referred to as the "Restricted Period." If your employment with the Corporation or one of its subsidiaries terminates during the Restricted Period for any reason, then the unvested portion of the Award will be forfeited on the date of such termination of employment. However, if you continue to provide services to the Corporation following your termination of employment, the

Committee, in its sole and complete discretion, may treat such period of service as employment with the Corporation for purposes of this Restricted Stock Unit Agreement.

4. RIGHTS DURING RESTRICTED PERIOD

During the Restricted Period, you will not have any right to vote the Restricted Stock Units or to receive credit for cash dividends. You will not be deemed a stockholder of the Corporation with respect to any of the Restricted Stock Units. The Restricted Stock Units may not be sold, assigned, transferred, pledged, encumbered or otherwise disposed of prior to vesting.

5. SETTLEMENT OF RESTRICTED STOCK UNITS

As soon as practicable after the Restricted Stock Units become vested, the Corporation shall issue to you one share of Common Stock for each Restricted Stock Unit that becomes vested.

6. TAX WITHHOLDING

The Corporation shall have the power and right to deduct or withhold, or require you to remit to the Corporation, an amount sufficient to satisfy Federal, state and local taxes required by law to be withheld with respect to issuance of shares under this Agreement. You may make a written election to satisfy this withholding requirement, in or whole in part, by having the Corporation withhold shares having a Fair Market Value on the date the tax is to be determined equal to your withholding obligations; provided that the Shares withheld may not have a Fair Market Value exceeding the applicable maximum statutory tax rates.

7. TRANSFER RESTRICTIONS AFTER VESTING

Under applicable securities laws, you may not be able to sell any shares for a period of time after vesting, and you must comply with the Corporation's Insider Trading Policy. The Corporation's counsel should be consulted on your ability to sell your shares under the 1934 Act.

8. NO EMPLOYMENT AGREEMENT INTENDED

Neither the establishment of, nor the awarding of Awards under, this Plan shall be construed to create a contract of employment between you and the Corporation or its subsidiaries; nor does it give you the right to continue in the employment of the Corporation or its subsidiaries or limit in any way the right of the Corporation or its subsidiaries to discharge you at any time and without notice, with or without cause, or to any benefits not specifically provided by this Plan, or in any manner modify the Corporation's right to establish, modify, amend or terminate any profit sharing, retirement or other benefit plans.

9. WISCONSIN CONTRACT

This Agreement reflects an Award made in Wisconsin and shall be construed under the laws of that state without regard to the conflict of laws provision of any jurisdiction.

To accept this grant, Restricted Stock Unit Agreement and other linked materials, please logon with your user name and password to www.etrade.com and follow the instructions

provided. By accepting this grant online, you acknowledge and accept this grant and its terms and conditions. You also acknowledge receipt of this Restricted Stock Unit Agreement, a copy of the Plan, and a copy of the Corporation's Insider Trading Policy. **If this grant is not accepted online within 30 days from the grant date of this Restricted Stock Unit Agreement, this Award will be deemed refused and may be withdrawn.**

PLEXUS CORP.

By: /s/ _____

**PLEXUS CORP. 2024 OMNIBUS INCENTIVE PLAN
DIRECTOR RESTRICTED STOCK UNIT AWARD AGREEMENT**

TO: %%FIRST_NAME_MIDDLE_NAME_LAST_NAME%%-%

DATE: %%OPTION_DATE,'Month DD, YYYY'%%-%

As a non-employee member of the Board of Directors (the "Board") of Plexus Corp. (the "Corporation"), you have been awarded under the Plexus Corp. 2024 Omnibus Incentive Plan (the "Plan"), Restricted Stock Units (as described in the Plan) covering %%TOTAL_SHARES_GRANTED,'999,999,999'%%-% shares of the Corporation's common stock, \$.01 par value (the "Award Shares"). Your Restricted Stock Unit Award is subject in all respects to the terms and conditions of the Plan. Any capitalized term used but not defined herein has the meaning set forth in the Plan.

Your eligibility to receive the Award Shares is conditioned upon your continued service on the Board through January XX, XXXX (the "Vesting Date"). Should you cease to be a member of the Board for any reason before the Vesting Date, your Restricted Stock Unit Award will be forfeited. Except as provided in the preceding sentence and in the next paragraph, the Award Shares will be transferred to you on the Vesting Date or as soon as practicable thereafter.

Prior to the date shares are issued to you under this award, you will not have any right to vote the Restricted Stock Units or to receive credit for cash dividends. You will not be deemed a stockholder of the Corporation with respect to any of the Restricted Stock Units. The Restricted Stock Units may not be sold, assigned, transferred, pledged, encumbered or otherwise disposed of prior to vesting.

If you made a valid, timely election to defer receipt of the Award Shares, and you remain a member of the Board through the Vesting Date, then your deferral election and the terms of the Plexus Corp. Non-Employee Directors Deferred Compensation Plan will determine when the Award Shares are transferred to you (between the Vesting Date and the date of that transfer your award will be represented by Deferred Stock Units as defined in the deferred compensation plan).

As a reminder, applicable securities laws may restrict your ability to sell the shares you receive under this award. You must comply with the Corporation's Insider Trading Policy, a copy of which is included with this letter. The Corporation's counsel should be consulted on your ability to sell your shares under the 1934 Act.

As an additional reminder, the fair market value of the shares on the transfer date will be includible in your gross income (as ordinary income) and will be reported on IRS Form 1099.

This Agreement reflects an Award made in Wisconsin and shall be construed under the laws of that state without regard to the conflict of laws provision of any jurisdiction.

To accept this grant, Restricted Stock Unit Agreement and other linked materials, please logon with your user name and password to www.etrade.com and follow the instructions provided. By accepting this grant online, you acknowledge and accept this grant and its terms and conditions. You also acknowledge receipt of this Restricted Stock Unit Agreement, a copy

of the 2024 Omnibus Incentive Plan, and a copy of the Corporation's Insider Trading Policy. If this grant is not accepted online within 30 days from the grant date of this Restricted Stock Unit Agreement, this Award will be deemed refused and may be withdrawn.

PLEXUS CORP.

By: /s/_____

CERTIFICATION

I, Todd P. Kelsey, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Plexus Corp.;
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 registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) 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 registrant'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; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant'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 registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 2, 2024

/s/ Todd P. Kelsey

Todd P. Kelsey

President & Chief Executive Officer

CERTIFICATION

I, Patrick J. Jermain, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Plexus Corp.;
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 registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) 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 registrant'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; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant'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 registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 2, 2024

/s/ Patrick J. Jermain

Patrick J. Jermain

Executive Vice President and Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Plexus Corp. (the "Company") on Form 10-Q for the fiscal quarter ended June 29, 2024, as filed with the Securities and Exchange Commission on or about the date hereof (the "Report"), I, Todd P. Kelsey, President & Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Todd P. Kelsey

Todd P. Kelsey

President & Chief Executive Officer

August 2, 2024

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Plexus Corp. and will be retained by Plexus Corp. and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Plexus Corp. (the "Company") on Form 10-Q for the fiscal quarter ended June 29, 2024, as filed with the Securities and Exchange Commission on or about the date hereof (the "Report"), I, Patrick J. Jermain, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Patrick J. Jermain

Patrick J. Jermain

Executive Vice President and Chief Financial Officer

August 2, 2024

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Plexus Corp. and will be retained by Plexus Corp. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 99.1
Return on Invested Capital ("ROIC") and Economic Return Calculations GAAP to non-GAAP reconciliation (dollars in thousands):

	Nine Months Ended		Six Months Ended		Nine Months Ended	
	Jun 29, 2024		Mar 30, 2024		Jul 1, 2023	
Operating income, as reported	\$	113,874	\$	74,628	\$	142,487
Restructuring and impairment charges		20,257		11,038		23,094
Accelerated stock-based compensation (1)	+	892	+	—	+	—
Adjusted operating income		135,023		85,666		165,581
	÷	3	x	2	÷	3
		45,008				55,194
	x	4			x	4
Adjusted annualized operating income	\$	180,032	\$	171,332	\$	220,776
Adjusted effective tax rate	x	16 %	x	15 %	x	13 %
Tax impact	\$	28,805	\$	25,700	\$	28,701
Adjusted operating income (tax-effected)	\$	151,227	\$	145,632	\$	192,075
Average invested capital	\$	1,454,871	\$	1,478,062	\$	1,423,003
ROIC		10.4 %		9.9 %		13.5 %
WACC		8.2 %		8.2 %		9.0 %
Economic Return		2.2 %		1.7 %		4.5 %

	June 29, 2024	March 30, 2024	December 30, 2023	September 30, 2023
Equity	\$ 1,266,360	\$ 1,259,762	\$ 1,266,755	\$ 1,214,382
Plus:				
Debt and finance lease obligations - current	258,175	245,964	251,119	240,205
Operating lease obligations - current (2)	7,990	8,281	9,172	8,363
Debt and finance lease obligations - long-term	90,715	192,025	192,118	190,853
Operating lease obligations - long-term	31,923	33,915	35,989	38,552
Less: Cash and cash equivalents	(269,868)	(265,053)	(231,982)	(256,233)
	\$ 1,385,295	\$ 1,474,894	\$ 1,523,171	\$ 1,436,122
	July 1, 2023	April 1, 2023	December 31, 2022	October 1, 2022
Equity	\$ 1,184,362	\$ 1,182,382	\$ 1,150,259	\$ 1,095,731
Plus:				
Debt and finance lease obligations - current	304,781	294,011	329,076	273,971
Operating lease obligations - current (2)	8,772	8,358	8,878	7,948
Debt and finance lease obligations - long-term	187,468	188,730	187,272	187,776
Operating lease obligations - long-term	40,515	31,257	32,149	33,628
Less: Cash and cash equivalents	(252,965)	(269,664)	(247,880)	(274,805)
	\$ 1,472,933	\$ 1,435,074	\$ 1,459,754	\$ 1,324,249

(1) During the three and nine months ended June 29, 2024, \$0.9 million of accelerated stock-based compensation expense was recorded in selling and administrative expenses in the accompanying Condensed Consolidated Statements of Operations as a result of a previously announced executive retirement agreement.

(2) Included in other accrued liabilities on the Condensed Consolidated Balance Sheets.