



The Product Realization Company

Plexus Announces Revised Capital Allocation Plan and Employee Bonus

NEENAH, WI – February 20, 2018 - Plexus Corp. (NASDAQ: PLXS) today announced that recent U.S. tax reform will enable it to tax-efficiently repatriate approximately \$500 million of offshore cash into the United States. As a result, Plexus has established a revised capital allocation plan that is intended to fund growth investments, reduce debt, reward our employees and enhance shareholder value. A summary of the capital allocation plan is summarized below:

- Plexus expects to pay down its existing debt balance held under its revolving credit facility. Eliminating the current debt balance will provide Plexus the full capacity of the revolving credit facility to support future growth investments.
- Plexus has \$175 million of senior notes that mature in June 2018. To further reduce debt, Plexus intends to refinance up to \$150 million of the senior notes in an effort to lower interest expense while maintaining leverage on the balance sheet.
- In June 2016, Plexus announced a three year, \$150 million share repurchase authorization (referred to as the “2016 Share Repurchase Plan”). Under this authorization, Plexus has purchased approximately \$44 million of shares through its fiscal first quarter 2018. Under Plexus’ revised capital allocation plan, Plexus intends to accelerate the repurchases under the 2016 Share Repurchase Plan and complete the remaining \$106 million of authorized purchases in fiscal 2018 through open market purchases.
- Plexus’ Board of Directors has approved a new share repurchase authorization, commencing upon completion of the 2016 Share Repurchase Plan, in the amount of \$200 million. Shares would be purchased through the open market, on a relatively consistent basis, with the intent to complete the repurchases in fiscal 2019.
- In order to reward employees for their contributions towards Plexus’ success, Plexus will provide existing, full-time, non-executive employees a one-time cash bonus. This bonus will be provided in the fiscal second quarter to nearly 16,000 employees, totaling approximately \$13 million.

Todd Kelsey, President and CEO, commented, “We view the recent U.S. tax reform as immensely beneficial for Plexus. Through the reform, Plexus now has the ability to repatriate our current and future offshore cash in a significantly more tax-efficient manner. Access to this cash will enable us to support our growth prospects, improve our capital structure and reward our shareholders. Further, I am pleased to share this benefit with our employees. It is their commitment to Customer Service Excellence that has enabled Plexus to be an industry leader.”

Patrick Jermain, Senior Vice President and CFO, commented, “We believe that our new capital allocation plan provides the opportunity to create significant value for our shareholders by allowing us to reduce debt while returning cash to our shareholders. As a result of our ability to better access our cash in an ongoing manner, we will be in a position to regularly return a targeted amount of our free cash flow to shareholders.”

Mr. Kelsey concluded, “Investing in the company to meet the growing demands of our customers is a top priority for us. Over the past year we have announced investments in our engineering business, including new facilities in Neenah, Wisconsin and Boulder, Colorado and an expanded space within our Oradea, Romania facility. Further, we announced the acquisition of a new manufacturing facility adjacent to our Riverside facility in Penang, Malaysia. Given our current revenue growth expectations, we are optimistic that there will be additional opportunities, in the U.S. and across the globe, to support customer needs and further expand our business.”

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About Plexus Corp. – The Product Realization Company

Since 1979, Plexus has been partnering with companies to create the products that build a better world. We are a team of over 16,000, providing global Design and Development, Supply Chain Solutions, New Product Introduction, Manufacturing, and Aftermarket Services. Plexus is an industry leader that specializes in serving customers with complex products used in demanding regulatory environments. With a culture built around innovation and customer service, Plexus’ teams create customized end-to-end solutions to assure the realization of the most intricate products. For more information about Plexus, visit our website, plexus.com.

Safe Harbor and Fair Disclosure Statement

The statements contained in this press release 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. Risks and uncertainties related to the revised capital allocation plan include, but are not limited to: the potential inability to execute the plan or our plans for return of cash flow to shareholders on an ongoing basis as well as potential negative market reaction to the plan; the risk that the new plan may not bring the intended results; the possibility that we may not be able to refinance the senior notes on terms that are advantageous to Plexus or at all; current or potential future barriers to the repatriation of funds that our currently held outside the United States as a result of actions taken by other countries or otherwise; the risk that we may not be able to repurchase shares as indicated or at prices that are accretive or otherwise advantageous to the Company. Other risks and uncertainties affecting the Company and its business include, but are not limited to; 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 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 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 risks of concentration of work for certain customers; the effect of start-up costs of new programs and 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, low volumes and demanding quality, regulatory, and other requirements; the ability to realize anticipated savings from restructuring or similar actions, as well as the adequacy of related charges as compared to actual expenses; increasing regulatory and compliance requirements; risks related to information technology

systems and data security; the effects of U.S. tax reform and of regional results and tax developments on our taxes and ability to use deferred tax assets and net operating losses; the effects of shortages and delays in obtaining components as a result of economic cycles or natural disasters; 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; 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, trade protection measures, and tax matters in the United States and in the other countries in which we do business (including as a result of the United Kingdom's pending exit from the European Union); the potential effect of other world or local events or other events outside our control (such as changes in energy prices, terrorism and weather events); the impact of increased competition; changes in financial accounting standards; and other risks detailed herein and in our other Securities and Exchange Commission filings (particularly in "Risk Factors" in our fiscal 2017 Form 10-K).