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 December 31, 2025

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 0-23354

FLEX LTD.

(Exact name of registrant as specified in its charter)

Singapore (State or other jurisdiction of incorporation or organization)	**98-1773351** (I.R.S. Employer Identification No.)
12515-8 Research Blvd, Suite 300, Austin, Texas (Address of principal executive offices)	**78759** (Zip Code)

(512) 425-7929
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Ordinary Shares, No Par Value	FLEX	The Nasdaq Stock Market LLC

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	☒	Accelerated filer	☐	Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐						

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 ☒

The number of shares of the registrant's ordinary shares outstanding as of January 30, 2026 was 367,673,924.

FLEX LTD.

INDEX

PART I. FINANCIAL INFORMATION

ITEM 1. *FINANCIAL STATEMENTS*

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Flex Ltd., Singapore

Results of Review of Interim Financial Information

We have reviewed the accompanying condensed consolidated balance sheet of Flex Ltd. and subsidiaries (the "Company") as of December 31, 2025, the related condensed consolidated statements of operations, comprehensive income, and shareholders' equity for the three-month and nine-month periods ended December 31, 2025 and December 31, 2024, the condensed consolidated statement of cash flows for the nine-month periods ended December 31, 2025 and December 31, 2024, and the related notes (collectively referred to as the "interim financial information"). Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim financial information for it to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheet of the Company as of March 31, 2025, and the related consolidated statements of operations, comprehensive income, redeemable noncontrolling interest and shareholders' equity, and cash flows for the year then ended (not presented herein); and in our report dated May 21, 2025, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of March 31, 2025 is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Basis for Review Results

This interim financial information is the responsibility of the Company's management. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our reviews in accordance with standards of the PCAOB. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

/s/ DELOITTE & TOUCHE LLP
San Jose, California
February 6, 2026

FLEX LTD.

CONDENSED CONSOLIDATED BALANCE SHEETS

	As of December 31, 2025	As of March 31, 2025
	(In millions, except share amounts) (Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 3,057	$ 2,289
Accounts receivable, net of allowance of $9 and $7, respectively	3,837	3,671
Contract assets	881	616
Inventories	5,549	5,071
Other current assets	1,828	1,194
Total current assets	15,152	12,841
Property and equipment, net	2,393	2,330
Operating lease right-of-use assets, net	667	562
Goodwill	1,375	1,341
Other intangible assets, net	300	343
Other non-current assets	933	964
Total assets	$ 20,820	$ 18,381
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Bank borrowings and current portion of long-term debt	$ 675	$ 1,209
Accounts payable	6,482	5,147
Accrued payroll and benefits	590	560
Deferred revenue and customer working capital advances	1,959	1,957
Other current liabilities	1,150	977
Total current liabilities	10,856	9,850
Long-term debt, net of current portion	3,760	2,483
Operating lease liabilities, non-current	583	456
Other non-current liabilities	500	590
Total liabilities	15,699	13,379
Shareholders' equity		
Ordinary shares, no par value; 373,173,140 and 383,369,073 issued, and 367,621,500 and 377,817,433 outstanding as of December 31, 2025 and March 31, 2025, respectively	3,511	4,142
Treasury stock at cost; 5,551,640 shares	(200)	(200)
Accumulated earnings	1,914	1,284
Accumulated other comprehensive loss	(104)	(224)
Total shareholders' equity	5,121	5,002
Total liabilities and shareholders' equity	$ 20,820	$ 18,381

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

FLEX LTD.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three-Month Periods Ended		Nine-Month Periods Ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	(In millions, except per share amounts) (Unaudited)			
Net sales	$ 7,058	$ 6,556	$ 20,437	$ 19,415
Cost of sales	6,373	5,952	18,541	17,777
Restructuring charges	6	10	31	42
Gross profit	679	594	1,865	1,596
Selling, general and administrative expenses	270	241	763	670
Restructuring and impairment charges	5	2	54	13
Intangible amortization	15	17	52	49
Operating income	389	334	996	864
Interest expense	58	57	161	166
Interest income	15	16	38	48
Other charges (income), net	25	5	19	(1)
Equity in earnings (losses) of unconsolidated affiliates	(1)	—	(26)	(3)
Income before income taxes	320	288	828	744
Provision for (benefit from) income taxes	81	25	198	128
Net income	$ 239	$ 263	$ 630	$ 616
Earnings per share:				
Basic	$ 0.65	$ 0.68	$ 1.69	$ 1.56
Diluted	0.64	0.67	1.66	1.54
Weighted-average shares used in computing per share amounts:				
Basic	369	387	372	394
Diluted	376	394	379	401

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

FLEX LTD.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three-Month Periods Ended		Nine-Month Periods Ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	(In millions) (Unaudited)			
Net income	$ 239	$ 263	$ 630	$ 616
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustments	3	(85)	77	(46)
Unrealized gain (loss) on derivative instruments and other	4	(21)	43	(38)
Comprehensive income	$ 246	$ 157	$ 750	$ 532

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

FLEX LTD.

CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

	Ordinary Shares			Accumulated Other Comprehensive Gain (Loss)			Total
Three-Months Ended December 31, 2025	Shares Outstanding	Amount	Accumulated Earnings (Deficit)	Unrealized Gain (Loss) on Derivative Instruments and Other	Foreign Currency Translation Adjustments	Total Accumulated Other Comprehensive Gain (Loss)	Shareholders' Equity
			(In millions) Unaudited				
BALANCE AT SEPTEMBER 26, 2025	371	$ 3,471	$ 1,675	$ 20	$ (131)	$ (111)	$ 5,035
Repurchase of Flex Ltd. ordinary shares at cost	(3)	(200)	—	—	—	—	(200)
Net income	—	—	239	—	—	—	239
Provision for stock warrants	—	3	—	—	—	—	3
Stock-based compensation	—	37	—	—	—	—	37
Total other comprehensive income (loss)	—	—	—	4	3	7	7
BALANCE AT DECEMBER 31, 2025	368	$ 3,311	$ 1,914	$ 24	$ (128)	$ (104)	5,121

	Ordinary Shares			Accumulated Other Comprehensive Gain (Loss)			Total
Nine-Months Ended December 31, 2025	Shares Outstanding	Amount	Accumulated Earnings (Deficit)	Unrealized Gain (Loss) on Derivative Instruments and Other	Foreign Currency Translation Adjustments	Total Accumulated Other Comprehensive Gain (Loss)	Shareholders' Equity
			(In millions) Unaudited				
BALANCE AT MARCH 31, 2025	378	$ 3,942	$ 1,284	$ (19)	$ (205)	$ (224)	$ 5,002
Repurchase of Flex Ltd. ordinary shares at cost	(16)	(744)	—	—	—	—	(744)
Issuance of Flex Ltd. vested shares under restricted share unit awards	6	—	—	—	—	—	—
Net income	—	—	630	—	—	—	630
Provision for stock warrants	—	5	—	—	—	—	5
Stock-based compensation	—	108	—	—	—	—	108
Total other comprehensive income (loss)	—	—	—	43	77	120	120
BALANCE AT DECEMBER 31, 2025	368	$ 3,311	$ 1,914	$ 24	$ (128)	$ (104)	5,121

FLEX LTD.

CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (CONTINUED)

Three-Months Ended December 31, 2024	Ordinary Shares			Accumulated Other Comprehensive Gain (Loss)			Total
	Shares Outstanding	Amount	Accumulated Earnings (Deficit)	Unrealized Gain (Loss) on Derivative Instruments and Other	Foreign Currency Translation Adjustments	Total Accumulated Other Comprehensive Gain (Loss)	Shareholders' Equity
			(In millions) Unaudited				
BALANCE AT SEPTEMBER 27, 2024	390	$ 4,377	$ 799	$ (13)	$ (160)	$ (173)	$ 5,003
Repurchase of Flex Ltd. ordinary shares at cost	(6)	(201)	—	—	—	—	(201)
Net income	—	—	263	—	—	—	263
Stock-based compensation	—	33	—	—	—	—	33
Total other comprehensive income (loss)	—	—	—	(21)	(85)	(106)	(106)
BALANCE AT DECEMBER 31, 2024	384	$ 4,209	$ 1,062	$ (34)	$ (245)	$ (279)	$ 4,992

Nine-Months Ended December 31, 2024	Ordinary Shares			Accumulated Other Comprehensive Gain (Loss)			Total
	Shares Outstanding	Amount	Accumulated Earnings (Deficit)	Unrealized Gain (Loss) on Derivative Instruments and Other	Foreign Currency Translation Adjustments	Total Accumulated Other Comprehensive Gain (Loss)	Shareholders' Equity
			(In millions) Unaudited				
BALANCE AT MARCH 31, 2024	408	$ 5,074	$ 446	$ 4	$ (199)	$ (195)	$ 5,325
Repurchase of Flex Ltd. ordinary shares at cost	(31)	(958)	—	—	—	—	(958)
Issuance of Flex Ltd. vested shares under restricted share unit awards	7	—	—	—	—	—	—
Net income	—	—	616	—	—	—	616
Stock-based compensation	—	93	—	—	—	—	93
Total other comprehensive income (loss)	—	—	—	(38)	(46)	(84)	(84)
BALANCE AT DECEMBER 31, 2024	384	$ 4,209	$ 1,062	$ (34)	$ (245)	$ (279)	$ 4,992

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

FLEX LTD.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine-Month Periods Ended	
	December 31, 2025	December 31, 2024
	(In millions) (Unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 630	$ 616
Depreciation, amortization and other impairment charges	433	401
Changes in working capital and other, net	209	55
Net cash provided by operating activities	1,272	1,072
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(431)	(326)
Proceeds from the disposition of property and equipment	7	11
Acquisition of businesses, net of cash acquired	(40)	(347)
Proceeds from divestiture of businesses, net of cash held in divested businesses	(4)	—
Other investing activities, net	(4)	21
Net cash used in investing activities	(472)	(641)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from bank borrowings and long-term debt	1,251	499
Payments of bank borrowings, long-term debt and other financing liabilities	(542)	(58)
Payments for repurchases of ordinary shares	(744)	(958)
Other, net	(11)	(7)
Net cash used in financing activities	(46)	(524)
Effect of exchange rates on cash and cash equivalents	14	(48)
Net change in cash, cash equivalents, and restricted cash equivalents	768	(141)
Cash, cash equivalents, and restricted cash equivalents, beginning of period	2,289	2,474
Cash, cash equivalents, and restricted cash equivalents, end of period	$ 3,057	$ 2,333
Reconciliation of cash, cash equivalents, and restricted cash equivalents		
Cash and cash equivalents	$ 3,057	$ 2,313
Restricted cash equivalents included in other current assets	—	20
Total cash, cash equivalents, and restricted cash equivalents	$ 3,057	$ 2,333
Non-cash investing activities:		
Unpaid purchases of property and equipment	$ 133	$ 120
Right-of-use assets obtained in exchange for operating lease liabilities	207	80

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

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. ORGANIZATION OF THE COMPANY AND BASIS OF PRESENTATION

Organization of the Company

Flex Ltd. ("Flex" or the "Company") is the advanced, end-to-end manufacturing partner of choice that helps a diverse customer base design, build, deliver and manage innovative products that improve the world. Through the collective strength of a global workforce across approximately 30 countries with responsible, sustainable operations, Flex delivers technology innovation, supply chain, and manufacturing solutions to diverse industries and end markets. The Company's full suite of specialized capabilities includes design and engineering, supply chain, manufacturing, post-production and post-sale services, and proprietary products. Flex partners with customers across a diverse set of industries including data center, communications, enterprise, consumer, automotive, industrial, healthcare, and power. As of December 31, 2025, Flex's two operating and reportable segments were as follows:

- Flex Agility Solutions ("FAS"), which is comprised of the following end markets:
  - *Communications, Enterprise and Cloud ("CEC")*, including data center, edge, and communications infrastructure
  - *Lifestyle*, including appliances, floorcare, smart living, Heating, Ventilation and Air-Conditioning ("HVAC"), and power tools
  - *Consumer Devices*, including mobile and high velocity consumer devices
- Flex Reliability Solutions ("FRS"), which is comprised of the following end markets:
  - *Industrial*, including industrial devices, capital equipment, renewables, critical power, and embedded power
  - *Automotive*, including compute platforms, power electronics, motion, and interface
  - *Health Solutions*, including medical devices, medical equipment, and drug delivery

The Company's service offerings include a comprehensive range of value-added design and engineering services that are tailored to the various markets and needs of its customers. Other focused service offerings relate to manufacturing (including enclosures, metals, plastic injection molding, precision plastics, machining, and mechanicals), system integration and assembly and test services, materials procurement, inventory management, logistics and after-sales services (including product repair, warranty services, re-manufacturing and maintenance), supply chain management software solutions and component product offerings (including flexible printed circuit boards, power adapters and chargers).

Basis of Presentation and Principles of Consolidation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP” or “GAAP”) for interim financial information and in accordance with the requirements of Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements, and should be read in conjunction with the Company’s audited consolidated financial statements as of and for the fiscal year ended March 31, 2025 contained in the Company’s Annual Report on Form 10-K. In the opinion of management, all adjustments (consisting only of normal recurring adjustments) considered necessary for a fair statement have been included. Operating results for the three and nine-month periods ended December 31, 2025 are not necessarily indicative of the results that may be expected for the fiscal year ending March 31, 2026.

The third quarters for fiscal years 2026 and 2025 ended on December 31 of each year and are comprised of 96 and 95 days, respectively. The first three quarters for fiscal years 2026 and 2025 are comprised of 275 days in both periods.

The accompanying unaudited condensed consolidated financial statements include the accounts of Flex and its subsidiaries, after elimination of intercompany accounts and transactions. The Company consolidates subsidiaries and investments in entities in which the Company has a controlling interest.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates are used in accounting for, among other things: allowances for doubtful accounts; inventory write-downs; valuation allowances for deferred tax assets; uncertain tax positions; valuation and useful lives of long-lived assets including property, equipment, and intangible assets; valuation of goodwill; valuation of investments in privately held companies; asset impairments; fair values of financial instruments, notes receivable and derivative instruments; restructuring charges; contingencies; warranty provisions; incremental borrowing rates in determining the present value of lease payments; accruals for potential price adjustments arising from customer contracts; fair values of assets obtained and liabilities assumed in business combinations; valuation of warrants, and the fair values of restricted share unit awards granted under the Company's stock-based compensation plans. Due to global economic conditions, including the impact of ongoing trade conflicts and tariffs, and geopolitical conflicts (including the Russian invasion of Ukraine, the Israel-Hamas conflict, and other geopolitical conflicts) there has been and will continue to be uncertainty and disruption in the global economy and financial markets. The Company has made estimates and assumptions taking into consideration certain possible impacts due to the foregoing factors. These estimates may change, as new events occur, and additional information is obtained. Actual results may differ from previously estimated amounts, and such differences may be material to the consolidated financial statements. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the period they occur.

Impact of Missile Strike in Ukraine

During the three and nine-month periods ended December 31, 2025, the Company recognized $5 million and $46 million, respectively, in asset impairments, inventory write-downs and other charges as a result of a missile strike on its Mukachevo, Ukraine facility in Western Ukraine on August 21, 2025. The total $46 million expense includes $23 million of long-lived asset impairments, $13 million of inventory write-downs and $10 million of other charges. The missile strike represents an unusual and infrequent event as hostilities related to the Russian invasion of Ukraine have been primarily focused in Eastern Ukraine. The missile strike caused substantial physical damage and disrupted normal operations at the facility. In response, the Company activated contingency manufacturing plans and transitioned production to alternative facilities. As restoration activities progress in Mukachevo, the Company expects to incur additional immaterial near-term inefficiencies. The total $46 million expense is included in restructuring and impairment charges in the condensed consolidated statements of operations.

Recently Issued Accounting Pronouncements

In December 2023, the FASB issued ASU 2023-09 "Income Taxes (Topic 740): Improvements to Income Tax Disclosures", which expands disclosures in an entity’s income tax rate reconciliation table and income taxes paid both in the U.S. and foreign jurisdictions. The guidance is effective for the Company beginning in the fourth quarter of fiscal year 2026. The Company expects the new guidance will have an immaterial impact on its consolidated financial statements and intends to adopt the guidance prospectively when it becomes effective in the fourth quarter of fiscal year 2026.

In November 2024, the FASB issued ASU 2024-03 "Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses", which requires public entities to disclose specified information about certain costs and expenses. The guidance is effective for the Company beginning in the fourth quarter of fiscal year 2028 and will be applied retrospectively to all prior periods presented on its consolidated financial statements. The Company is currently evaluating the guidance to determine the impact on the Company's disclosures. In January 2025, the FASB issued ASU 2025-01 on the same topic to clarify the amendments for ASU 2024-03 are effective for the Company in the fourth quarter of fiscal year 2028.

In December 2025, the FASB issued ASU 2025-10 "Government Grants (Topic 832)", which establishes comprehensive guidance on the recognition, measurement, presentation, and disclosure of government grants. The Company expects the new guidance will have an immaterial impact on its consolidated financial statements and intends to adopt the guidance prospectively when it becomes effective in the first quarter of fiscal year 2030.

In December 2025, the FASB issued ASU 2025-12 "Codification Improvements", which includes numerous refinements and enhancements, including clarifications on the accounting for the retirement of treasury stock among others. The guidance is effective for the Company beginning in the first quarter of fiscal year 2028. The Company is currently evaluating the guidance to determine the method of adoption and impact on the Company's disclosures.

Recently Adopted Accounting Pronouncements

In July 2025, the FASB issued ASU 2025-05 "Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets", which provides for the use of a new practical expedient when estimating expected credit losses for accounts receivable and contract assets arising from transactions accounted for under Topic 606 that assumes that current conditions as of the balance sheet date do not change for the remaining life of the asset. The guidance is effective for the Company, and has been adopted, beginning in the second quarter of fiscal year 2026.

2. BALANCE SHEET ITEMS

Inventories

The components of inventories, net of applicable lower of cost and net realizable value write-downs, were as follows:

	As of December 31, 2025	As of March 31, 2025
	(In millions)	
Raw materials	$ 4,447	$ 4,092
Work-in-progress	462	485
Finished goods	640	494
	$ 5,549	$ 5,071

In addition to the Flex controlled inventory shown above, the Company held inventory controlled by customers of $924 million and $416 million as of December 31, 2025 and March 31, 2025, respectively. These amounts are reported in other current assets in the condensed consolidated balance sheets.

Goodwill and Other Intangible Assets

During the nine-month period ended December 31, 2025, goodwill increased by $34 million with $8 million from an acquisition completed in the first quarter of fiscal year 2026 and currency impacts of $26 million. See note 12 for further details.

The components of acquired intangible assets are as follows:

	As of December 31, 2025			As of March 31, 2025		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
	(In millions)					
Intangible assets:						
Customer-related intangibles	$ 318	$ (147)	$ 171	$ 383	$ (186)	$ 197
Licenses and other intangibles	199	(70)	129	365	(219)	146
Total	$ 517	$ (217)	$ 300	$ 748	$ (405)	$ 343

The gross carrying amounts of intangible assets are removed when fully amortized.

The estimated future annual amortization expense for intangible assets is as follows:

Fiscal Year Ending March 31,	Amount
	(In millions)
2026 (1)	$ 15
2027	59
2028	44
2029	41
2030	36
Thereafter	105
Total amortization expense	$ 300

(1) Represents estimated amortization for the remaining three-month period of the fiscal year ending March 31, 2026.

Customer Working Capital Advances

Customer working capital advances were $1.5 billion and $1.6 billion as of December 31, 2025 and March 31, 2025, respectively. The customer working capital advances are not interest-bearing, do not generally have fixed repayment dates and are generally reduced as the underlying working capital is consumed in production or the customer working capital advance agreement is terminated.

Other Non-Current Assets

Other non-current assets include deferred tax assets of $580 million and $577 million as of December 31, 2025 and March 31, 2025, respectively.

Other Current Liabilities

Other current liabilities include customer-related accruals of $374 million and $246 million as of December 31, 2025 and March 31, 2025, respectively.

Supplier Finance Programs

The Company has four supplier finance programs, all of which have substantially similar characteristics, with various financial institutions that act as the paying agent for certain payables of the Company. The Company established these programs through agreements with the financial institutions to enable more efficient payment processing to our suppliers while also providing our suppliers a potential source of liquidity to the extent they choose to sell their receivables to the financial institutions in advance of the due dates. Our suppliers' participation in the programs is voluntary, the Company is not involved in negotiations of the suppliers' arrangements with the financial institutions to sell their receivables, and our rights and obligations to our suppliers are not impacted by our suppliers' decisions to sell amounts under these programs. Under these supplier finance programs, the Company pays the financial institutions the stated amount of confirmed invoices from its participating suppliers on the original maturity dates of the invoices. All payment terms are short-term in nature and are not dependent on whether the suppliers participate in the supplier finance programs or if the suppliers elect to receive early payment from the financial institutions. No guarantees are provided by the Company under the supplier finance programs and the Company incurs no costs related to the programs. The Company has no economic interest in a supplier's decision to participate in the supplier finance programs.

Obligations under these programs are classified within accounts payable on the condensed consolidated balance sheets, with the associated payments reflected in the operating activities section of the condensed consolidated statement of cash flows. The Company's outstanding obligations confirmed as valid under its supplier finance programs as of December 31, 2025 and March 31, 2025 were $129 million and $119 million, respectively.

3. REVENUE

Contract Balances

A contract asset is recognized when the Company has recognized revenue but not issued an invoice for payment. Contract assets are classified separately on the condensed consolidated balance sheets and transferred to receivables when rights to payment become unconditional and invoiced.

A contract liability is recognized when the Company receives payments in advance of the satisfaction of performance. Contract liabilities, identified as deferred revenue, were $456 million and $377 million as of December 31, 2025 and March 31, 2025, respectively, of which $418 million and $347 million, respectively, is included in deferred revenue and customer working capital advances under current liabilities.

Warrant

During the second quarter of fiscal year 2026, the Company issued a warrant ("the Warrant") to a customer for the purchase of up to an aggregate of 3.9 million ordinary shares of the Company ("Warrant Shares"). The Warrant Shares vest based on qualifying payments (as defined in the Warrant) for the purchase of all products and services over the term of the Warrant and are recognized as a deduction to revenue as qualifying revenues are recognized. Refer to "Note 4 – Share-Based Compensation and Warrants" for further information.

Disaggregation of Revenue

The following table presents the Company's revenue disaggregated based on timing of transfer, point in time or over time:

	Three-Month Periods Ended		Nine-Month Periods Ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Timing of Transfer	(In millions)			
FAS				
Point in time	$ 2,702	$ 2,849	$ 8,471	$ 8,646
Over time	1,116	750	2,804	1,924
Total	3,818	3,599	11,275	10,570
FRS				
Point in time	2,027	1,960	5,856	6,830
Over time	1,213	997	3,306	2,015
Total	3,240	2,957	9,162	8,845
Flex				
Point in time	4,729	4,809	14,327	15,476
Over time	2,329	1,747	6,110	3,939
Total	$ 7,058	$ 6,556	$ 20,437	$ 19,415

4. SHARE-BASED COMPENSATION AND WARRANTS

Flex historically maintains share-based compensation plans at the corporate level. The Company grants equity compensation awards under its 2017 Equity Incentive Plan (the "2017 Plan").

Share-Based Compensation Expense

The following table summarizes the Company's share-based compensation expense for the 2017 Plan:

	Three-Month Periods Ended		Nine-Month Periods Ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	(In millions)			
Cost of sales	$ 9	$ 9	$ 26	$ 25
Selling, general and administrative expenses	28	24	82	68
Total share-based compensation expense	$ 37	$ 33	$ 108	$ 93

The 2017 Plan

During the nine-month period ended December 31, 2025, the Company granted 4.3 million restricted share unit ("RSU") awards. Of this amount, 2.0 million are plain-vanilla unvested RSU awards that vest over a period of three years, with no performance or market conditions, with an average grant date price of $43.99 per award. In addition, 1.0 million unvested shares represent the target amount of grants made to certain key employees whereby vesting is contingent on certain performance conditions, with an average grant date price of $45.09 per award. These performance-based RSUs include awards tied to the Company's adjusted earnings per share growth and awards tied to operating profit goals. The number of shares that will ultimately vest will range from zero up to a maximum of approximately 2.4 million based on the level of achievement of these performance conditions. The awards will cliff vest after a period of three years, depending on the specific performance metrics, to the extent such performance conditions have been met. Further, 0.2 million unvested shares represent the target amount of grants made to certain key employees whereby vesting is contingent on certain market conditions. The average grant date fair value of these awards that are contingent on certain market conditions was estimated to be $58.55 per award and was calculated using a Monte Carlo simulation. The number of shares contingent on market conditions that ultimately will vest will range from zero up to a maximum of approximately 0.4 million based on a measurement of the percentile rank of the Company's total shareholder return over certain specified periods against the Company's peer companies, and will cliff vest after a period of three years, to the extent such market conditions have been met. The remaining balance of 1.1 million represents the number of shares issued upon the vesting of RSU awards above target levels based on the achievement of certain market and performance conditions for awards granted in fiscal year 2023. These awards were issued and immediately vested in accordance with the terms and conditions of the underlying awards.

As of December 31, 2025, 9.5 million unvested RSU awards under the 2017 Plan were outstanding, of which vesting for a targeted amount of 0.8 million shares is contingent on meeting certain market conditions, and vesting for a targeted amount of 1.7 million shares is contingent on meeting certain performance conditions. The number of shares tied to market conditions that will ultimately be issued can range from zero to approximately 1.6 million based on the achievement levels. The number of shares tied to performance conditions that will ultimately be issued can range from zero to approximately 3.9 million based on the achievement levels. During the nine-month period ended December 31, 2025, 2.3 million shares vested in connection with the awards with market and performance conditions granted in fiscal year 2023.

As of December 31, 2025, total unrecognized compensation expense related to unvested RSU awards under the 2017 Plan was $224 million and will be recognized over a weighted-average remaining vesting period of 2.1 years.

Warrant

On August 15, 2025, the Company issued the Warrant to Amazon.com NV Investment Holdings LLC (“Warrantholder”), a wholly-owned subsidiary of Amazon.com, Inc. ("Parent") to purchase up to an aggregate of 3,859,851 Warrant Shares at an exercise price of $51.29 per share, which is the preceding 30 trading days Volume-Weighted Average Price. The Warrant allows for cashless exercise and expires on August 15, 2030; however, if there are unexercised Warrant Shares as of the expiration date, and the Company and Warrantholder maintain a continued commercial relationship, the Company shall negotiate in good faith with Warrantholder to agree to issue to Warrantholder a new two-year warrant as of the expiration date that provides the same exercise price and other terms for vested and unexercised Warrant Shares, that also takes into account the commercial relationship in effect at such time. The Warrant Shares are subject to vesting based on qualifying payments (as defined in the Warrant) for the purchase of all products and services by or on behalf of Parent and its affiliates over the term of the Warrant. Upon the consummation of an acquisition transaction (as defined in the related transaction agreement), subject to a specified condition, the unvested portion of the Warrant will vest in full. So long as the Warrant is unexercised, the Warrant does not entitle Warrantholder to any voting rights or any other shareholder rights. The exercise price and the number of Warrant Shares are subject to customary anti-dilution adjustments. The expense associated with the Warrant Shares will be recorded as a deduction to revenue as the customer purchases products and services over the vesting period.

The estimated fair value of the Warrant was determined as of the issuance date, using the Black-Scholes option pricing model. The following assumptions were used in the model:

	As of August 15, 2025
Expected volatility	45.8 %
Expected dividend yield	— %
Expected life	7 years
Risk-free interest rate	4.0 %

The calculated fair value of each Warrant Share at the issuance date was $25.47. The Company recorded charges of $3 million and $5 million during the three and nine-month periods ended December 31, 2025, respectively. No Warrant Shares have vested, or were exercised, as of December 31, 2025.

5. EARNINGS PER SHARE

The following table reflects basic weighted-average ordinary shares outstanding and diluted weighted-average ordinary share equivalents used to calculate basic and diluted earnings per share attributable to the shareholders of Flex:

	Three-Month Periods Ended		Nine-Month Periods Ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	(In millions, except per share amounts)			
Numerator:				
Net income	$ 239	$ 263	$ 630	$ 616
Denominator:				
Weighted-average ordinary shares outstanding - basic	369	387	372	394
Weighted-average ordinary share equivalents from RSU awards (1)	7	7	7	7
Weighted-average ordinary shares and ordinary share equivalents outstanding - diluted	376	394	379	401
Earnings per share:				
Basic	$ 0.65	$ 0.68	$ 1.69	$ 1.56
Diluted	$ 0.64	$ 0.67	$ 1.66	$ 1.54

(1) An immaterial amount of RSU awards for both the three and nine-month periods ended December 31, 2025 and December 31, 2024, respectively, were excluded from the computation of diluted earnings per share due to their anti-dilutive impact on the weighted-average ordinary share equivalents.

6. BANK BORROWINGS AND LONG-TERM DEBT

Bank borrowings and long-term debt as of December 31, 2025 and March 31, 2025 are as follows:

	Maturity Date	As of December 31, 2025	As of March 31, 2025
		(In millions)	
4.750% Notes (1)	June 2025	$ —	$ 531
3.750% Notes (1)	February 2026	675	678
6.000% Notes (1)	January 2028	398	398
4.875% Notes (1)	June 2029	654	655
4.875% Notes (1)	May 2030	672	676
5.250% Notes (1) (2)	January 2032	651	499
5.375% Notes (1) (2)	November 2035	598	—
Delayed Draw Term Loan (3)	December 2027	500	—
3.600% HUF Bonds (4)	December 2031	305	269
Debt issuance costs		(18)	(14)
		4,435	3,692
Current portion, net of debt issuance costs		(675)	(1,209)
Non-current portion		$ 3,760	$ 2,483

(1) The notes are carried at the principal amount of each note less any unamortized discount and unamortized debt issuance costs and inclusive of any unamortized premium. The notes are the Company's senior unsecured obligations and rank equally with all other existing and future senior unsecured debt obligations.

(2) In November 2025, the Company issued $600 million of 5.375% Notes due November 2035 and $150 million of 5.250% Notes due January 2032.

(3) In March 2025, the Company entered into a $500 million Delayed Draw Term Loan agreement and drew down the funds in June 2025 at the Secured Overnight Financing Rate ("SOFR") plus 100 basis points.

(4) The bonds mature in December 2031 with annual payments equal to 10% of the original principal amount thereof on each of the seventh, eighth, and ninth anniversaries of the bonds, with the remaining 70% due upon maturity.

The weighted-average interest rate for the Company's long-term debt was 4.7% and 4.6% as of December 31, 2025 and March 31, 2025, respectively.

Scheduled repayments of the Company's bank borrowings and long-term debt as of December 31, 2025 are as follows:

Fiscal Year Ending March 31,	Amount (In millions)
2026 (1)	$ 675
2027	—
2028	898
2029	30
2030	685
Thereafter	2,165
Total	$ 4,453

(1) Represents estimated repayments for the remaining fiscal three-month period ending March 31, 2026. On February 2, 2026, the Company repaid the 3.750% Notes due February 2026.

Notes due January 2032 and November 2035

In November 2025, the Company issued $600 million of 5.375% Notes ("2035 Notes") due November 2035 at 99.732% of face value and as a further issuance of the existing Notes due January 2032, the Company issued under the same terms an additional $150 million of 5.250% Notes ("additional 2032 Notes") due January 2032 at 101.561% of face value. Interest on the 2035 Notes is payable on May 13 and November 13 of each year, beginning on May 13, 2026, until maturity on November 13, 2035. Interest on the additional 2032 Notes is payable on January 15 and July 15 of each year, beginning on January 15, 2026, until maturity on January 15, 2032. Immediately after the issuance of the additional 2032 Notes, the Company had $650 million aggregate principal amount of 5.250% Notes due 2032 outstanding. The Company received proceeds in aggregate of $746 million, net of discount, certain issuance costs, and prepaid interest and inclusive of premium for the issuances in November 2025. The Company incurred and capitalized $7 million of costs in conjunction with the Note issuances in November 2025 as a direct reduction to the carrying amount of the Notes presented on the balance sheet. Proceeds from issuances in November 2025 may be used for general corporate purposes, including repaying, redeeming or repurchasing outstanding debt including repayment or redemption of the 3.750% Notes due February 2026, and for working capital, capital expenditures and acquisitions. The Notes are senior unsecured obligations of the Company and rank equally with all of the Company's other existing and future senior and unsecured debt obligations.

As of December 31, 2025, the Company was in compliance with all covenants in the indentures governing the Notes.

The 2030 Credit Facility

In July 2025, the Company entered into a new $2.75 billion credit facility (“2030 Credit Facility”) which matures in July 2030 and consists of a $2.75 billion revolving credit facility with a sub-limit of $400 million available for swing line loans and a sub-limit of $200 million available for the issuance of letters of credit. The 2030 Credit Facility replaced the previous $2.5 billion credit facility, which was due to mature in July 2027. Borrowings under the 2030 Credit Facility bear interest at the Company’s option at various market based rates, adjusted for the Company’s credit rating, or at the SOFR or similar non-reporting currency benchmarks based on the underlying borrowing currency, adjusted for the Company’s credit rating. The Company is required to pay a quarterly commitment fee on the unutilized portion of the 2030 Credit Facility ranging from 0.100% to 0.275% per annum, based on the Company’s credit ratings. The Company is also required to pay letter of credit usage fees ranging from 1.00% to 1.750% per annum, based on the Company’s credit ratings, on the daily average amount of outstanding letters of credit and a fronting fee of 0.125% per annum on the undrawn and unexpired amount of each letter of credit.

Term Loan due December 2027

In March 2025, the Company entered into a $500 million delayed draw term loan agreement. Borrowings under the delayed draw term loan may be used for working capital, capital expenditures, refinancing of current debt, and other general purposes. All borrowings on the delayed draw term loan will come due on December 31, 2027. Interest is based on a Term SOFR-based formula plus a margin of 100 basis points. The Company had $500 million in borrowings outstanding under the loan agreement as of December 31, 2025.

7. INTEREST EXPENSE AND INTEREST INCOME

Interest expense and interest income for the three and nine-month periods ended December 31, 2025 and 2024 are composed of the following:

	Three-Month Periods Ended		Nine-Month Periods Ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	(In millions)			
Interest expenses on debt obligations	$ 54	$ 50	$ 146	$ 139
AR sale program related expenses	4	7	15	27
Interest income	(15)	(16)	(38)	(48)

8. FINANCIAL INSTRUMENTS

Foreign Currency Contracts

The Company enters into short-term and long-term foreign currency derivative contracts, including forward, swap, and options contracts, to hedge only those currency exposures associated with certain assets and liabilities, primarily accounts receivable, accounts payable, debt, and cash flows denominated in non-functional currencies. Gains and losses on the Company's derivative contracts are designed to offset losses and gains on the assets, liabilities and transactions hedged, and accordingly, generally do not subject the Company to risk of significant accounting losses. The Company hedges committed exposures and does not engage in speculative transactions. The credit risk of these derivative contracts is minimized since the contracts are with large financial institutions and, accordingly, fair value adjustments related to the credit risk of the counterparty financial institutions were not material.

As of December 31, 2025, the aggregate notional amount of the Company's outstanding foreign currency derivative contracts was $7.6 billion as summarized below:

	Notional Contract Value in USD	
Currency	Buy	Sell
	(In millions)	
Cash Flow Hedges		
MXN	$ 548	$ —
HUF	449	—
CNY	280	—
Other	507	12
	1,784	12
Other Foreign Currency Contracts		
CNY	713	298
EUR	658	500
MXN	470	363
MYR	276	130
JPY	15	286
BRL	—	283
Other	1,000	775
	3,132	2,635
Total Notional Contract Value in USD	$ 4,916	$ 2,647

As of December 31, 2025, the fair value of the Company's short-term foreign currency contracts was included in other current assets or other current liabilities, as applicable, in the condensed consolidated balance sheets. Certain of these contracts are designed to economically hedge the Company's exposure to monetary assets and liabilities denominated in a non-functional currency and are not accounted for as hedges under the accounting standards. Accordingly, changes in the fair value of these instruments are recognized in earnings during the period of change as a component of other charges (income), net in the condensed consolidated statements of operations. The Company also has included net deferred gains and losses in accumulated other comprehensive loss, a component of shareholders' equity in the condensed consolidated balance sheets, relating to changes in fair value of its foreign currency contracts that are accounted for as cash flow hedges. Deferred gains were $34 million as of December 31, 2025 and are expected to be recognized primarily as a component of cost of sales in the condensed consolidated statements of operations over the next twelve-month period, except for gains attributable to changes in fair value of the USD HUF cross currency swaps, which are discussed below.

The Company entered into USD HUF cross currency swaps in December 2021 to hedge the foreign currency risk on the HUF bonds due December 2031, and the fair value of the cross currency swaps was included in other current assets and other non-current liabilities as of December 31, 2025 and March 31, 2025, respectively. The changes in fair value of the USD HUF cross currency swaps are reported in accumulated other comprehensive loss. In addition, corresponding amounts are reclassified out of accumulated other comprehensive loss to other charges (income), net to offset the remeasurement of the underlying HUF bond principal, which also impacts the same line.

The following table presents the fair value of the Company's derivative instruments utilized for foreign currency risk management purposes at December 31, 2025 and March 31, 2025:

	Fair Values of Derivative Instruments					
	Asset Derivatives			Liability Derivatives		
		Fair Value			Fair Value	
	Balance Sheet Location	December 31, 2025	March 31, 2025	Balance Sheet Location	December 31, 2025	March 31, 2025
	(In millions)					
Derivatives designated as hedging instruments						
Foreign currency contracts	Other current assets	$ 61	$ 13	Other current liabilities	$ (4)	$ (18)
Foreign currency contracts	Other non-current assets	—	—	Other non-current liabilities	(15)	(46)
Derivatives not designated as hedging instruments						
Foreign currency contracts	Other current assets	$ 21	$ 21	Other current liabilities	$ (10)	$ (15)

The Company has financial instruments subject to master netting arrangements, which provide for the net settlement of all contracts with certain counterparties. The Company does not offset fair value amounts for assets and liabilities recognized for derivative instruments under these arrangements. As such, the asset and liability balances presented in the table above reflect the gross amounts of derivatives in the condensed consolidated balance sheets. The impact of netting derivative assets and liabilities is not material to the Company's financial position for any of the periods presented.

9. ACCUMULATED OTHER COMPREHENSIVE LOSS

The changes in accumulated other comprehensive loss by component, net of tax, are as follows:

	Three-Month Periods Ended					
	December 31, 2025			December 31, 2024		
	Unrealized gain (loss) on derivative instruments and other	Foreign currency translation adjustments	Total	Unrealized gain (loss) on derivative instruments and other	Foreign currency translation adjustments	Total
	(In millions)					
Beginning balance	$ 20	$ (131)	$ (111)	$ (13)	$ (160)	$ (173)
Other comprehensive gain (loss) before reclassifications	31	3	34	(65)	(85)	(150)
Net (gain) loss reclassified from accumulated other comprehensive loss	(27)	—	(27)	44	—	44
Net current-period other comprehensive gain (loss)	4	3	7	(21)	(85)	(106)
Ending balance	$ 24	$ (128)	$ (104)	$ (34)	$ (245)	$ (279)

	Nine-Month Periods Ended					
	December 31, 2025			December 31, 2024		
	Unrealized gain (loss) on derivative instruments and other	Foreign currency translation adjustments	Total	Unrealized gain (loss) on derivative instruments and other	Foreign currency translation adjustments	Total
	(In millions)					
Beginning balance	$ (19)	$ (205)	$ (224)	$ 4	$ (199)	$ (195)
Other comprehensive gain (loss) before reclassifications	112	77	189	(87)	(46)	(133)
Net (gain) loss reclassified from accumulated other comprehensive loss	(69)	—	(69)	49	—	49
Net current-period other comprehensive gain (loss)	43	77	120	(38)	(46)	(84)
Ending balance	$ 24	$ (128)	$ (104)	$ (34)	$ (245)	$ (279)

Substantially all unrealized gains and losses relating to derivative instruments and other, reclassified from accumulated other comprehensive loss for the three and nine-month periods ended December 31, 2025 were reclassified out of accumulated other comprehensive loss to other charges (income), net and cost of sales in the condensed consolidated statements of operations, which primarily relate to the Company's foreign currency contracts accounted for as cash flow hedges. The tax impacts on the changes in accumulated other comprehensive loss for the three-month periods ended December 31, 2025 and 2024 were $(1) million and $5 million, respectively. The tax impacts on the changes in accumulated other comprehensive loss for the nine-month periods ended December 31, 2025 and 2024 were $(14) million and $16 million, respectively.

10. TRADE RECEIVABLES SALES PROGRAMS

The Company sells accounts receivables to certain third-party banking institutions under factoring programs. The outstanding balance of receivables sold and not yet collected on accounts where the Company has continuing involvement was $0.6 billion and $0.7 billion as of December 31, 2025 and March 31, 2025. For the nine-month periods ended December 31, 2025 and 2024, total accounts receivable sold to certain third-party banking institutions was $2.3 billion and $3.0 billion, respectively. The receivables that were sold were removed from the condensed consolidated balance sheets and the cash received was included as cash provided by operating activities in the condensed consolidated statements of cash flows.

11. FAIR VALUE MEASUREMENT OF ASSETS AND LIABILITIES

Fair value is defined as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Company considers the principal or most advantageous market in which it would transact, and it considers assumptions that market participants would use when pricing the asset or liability. The accounting guidance for fair value establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The fair value hierarchy is as follows:

Level 1 - Applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2 - Applies to assets or liabilities for which there are inputs other than quoted prices included within level 1 that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets) such as cash and cash equivalents and money market funds; or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

The Company values foreign exchange forward contracts using level 2 observable inputs which primarily consist of an income approach based on the present value of the forward rate less the contract rate multiplied by the notional amount.

The Company's cash equivalents include bank time deposits and money market funds, which are valued using level 2 inputs, such as interest rates and maturity periods. Due to their short-term nature, their carrying amount approximates fair value.

Level 3 - Applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

The Company has accrued for contingent consideration related to an acquisition in fiscal year 2025, classified as a level 3 measurement in the fair value hierarchy due to significant unobservable inputs. Fair value is determined using internal cash flow models that incorporate unobservable inputs, including the probability of achieving performance milestones. As of December 31, 2025 and March 31, 2025, the balance of contingent consideration was $2 million and $5 million, respectively.

The significant inputs include the Company's probability assessments of expected future revenue during the earn-out periods, associated volatility, and a discount rate reflecting uncertainties in the obligation consistent with the terms of the purchase agreement. Significant changes in expected revenues or in the discount rate and volatility assumptions used would impact fair value estimates. The interrelationship between these inputs is not considered significant.

During the nine-month periods ended December 31, 2025 and 2024, there were no other additions to the accrual, payments, fair value adjustments, or unrealized gains or losses included in earnings.

The Company has deferred compensation plans for its officers and certain other employees. Amounts deferred under the plans are invested in hypothetical investments selected by the participant or the participant's investment manager. The Company's deferred compensation plan assets are included in other non-current assets on the consolidated balance sheets and include money market funds, mutual funds, corporate and government bonds and certain convertible securities that are valued using prices obtained from various pricing sources. These sources price these investments using certain market indices and the performance of these investments in relation to these indices. As a result, the Company has classified these investments as either level 1 or level 2, dependent on the valuation inputs, within the fair value hierarchy.

Financial Instruments Measured at Fair Value on a Recurring Basis

The following table presents the Company’s assets and liabilities measured at fair value on a recurring basis as of December 31, 2025 and March 31, 2025:

	Fair Value Measurements as of December 31, 2025			
	Level 1	Level 2	Level 3	Total
	(In millions)			
Assets:				
Money market funds and time deposits (included in cash and cash equivalents of the condensed consolidated balance sheet)	$ —	$ 2,254	$ —	$ 2,254
Foreign currency contracts (Note 8)	—	82	—	82
Deferred compensation plan assets:				
Mutual funds, money market accounts and equity securities	35	14	—	49
Liabilities:				
Foreign currency contracts (Note 8)	$ —	$ (29)	$ —	$ (29)
Contingent consideration in connection with business acquisitions	—	—	(2)	(2)

	Fair Value Measurements as of March 31, 2025			
	Level 1	Level 2	Level 3	Total
	(In millions)			
Assets:				
Money market funds and time deposits (included in cash and cash equivalents of the condensed consolidated balance sheet)	$ —	$ 1,535	$ —	$ 1,535
Foreign currency contracts (Note 8)	—	34	—	34
Deferred compensation plan assets:				
Mutual funds, money market accounts and equity securities	—	43	—	43
Liabilities:				
Foreign currency contracts (Note 8)	$ —	$ (79)	$ —	$ (79)
Contingent consideration in connection with business acquisitions	—	—	(5)	(5)

Other financial instruments

The following table presents the Company's major debts not carried at fair value as of December 31, 2025 and March 31, 2025:

	As of December 31, 2025		As of March 31, 2025		
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Fair Value Hierarchy
	(In millions)				
4.750% Notes due June 2025	$ —	$ —	$ 531	$ 531	Level 1
3.750% Notes due February 2026	675	674	678	672	Level 1
6.000% Notes due January 2028	398	411	398	409	Level 1
4.875% Notes due June 2029	654	665	655	651	Level 1
4.875% Notes due May 2030	672	683	676	669	Level 1
5.250% Notes due January 2032	651	666	499	497	Level 1
5.375% Notes due November 2035	598	600	—	—	Level 1
Delayed Draw Term Loan due December 2027	500	500	—	—	Level 1
3.600% HUF Bonds due December 2031	305	244	269	215	Level 2

The Notes due June 2025, February 2026, January 2028, June 2029, May 2030, January 2032, and November 2035 are valued based on broker trading prices in active markets. The Delayed Draw Term Loan due December 2027 bears interest at variable interest rates; therefore, as of December 31, 2025, the carrying amount approximates fair value. HUF Bonds are valued based on the broker trading prices in an inactive market.

12. BUSINESS ACQUISITIONS

In the first quarter of fiscal year 2026, the Company completed the acquisition of a manufacturing business in Bielsko Biała, Poland, for total purchase consideration of $35 million. The site is included in the FRS segment. The results of the acquired business are included in the Company's condensed consolidated financial statements from the acquisition date. The allocation of the purchase price to the tangible and identifiable intangible assets acquired and liabilities assumed is based on their estimated fair values as of the date of acquisition. Additional information, which existed as of the acquisition date, may become known to the Company during the remainder of the measurement period, a period not to exceed 12 months from the date of the acquisition. Changes to amounts recorded as assets and liabilities may result in a corresponding adjustment to goodwill during the measurement period.

The following represents the Company's initial allocation of the total purchase price to the acquired assets and liabilities of the acquired business (in millions):

Current Assets:		
Inventory	$	15
Unbilled Accounts Receivable		9
Accounts Receivable		1
Total current assets		25
Operating lease right-of-use assets, net		28
Property and equipment		4
Intangible assets (1)		2
Goodwill		8
Total assets	$	67
Current Liabilities:		
Accrued payroll	$	4
Operating lease liabilities		2
Total current liabilities		6
Operating lease liabilities, non-current		26
Total liabilities		32
Total aggregate purchase price	$	35

(1) Intangible assets are comprised of customer related intangible assets and acquired technology, both of which will be amortized over a weighted-average estimated useful life of 5 years.

13. COMMITMENTS AND CONTINGENCIES

Litigation and other legal matters

In connection with the matters described below, the Company has accrued for loss contingencies where it believes that losses are probable and estimable. Although it is reasonably possible that actual losses could be in excess of the Company’s accrual, the Company is unable to estimate a reasonably possible loss or range of loss in excess of its accrual, due to various reasons, including, among others, that: (i) the proceedings are in early stages or no claims have been asserted, (ii) specific damages have not been sought in all of these matters, (iii) damages, if asserted, are considered unsupported and/or exaggerated, (iv) there is uncertainty as to the outcome of pending appeals, motions, or settlements, (v) there are significant factual issues to be resolved, and/or (vi) there are novel legal issues or unsettled legal theories presented. Any such excess loss could have a material effect on the Company’s results of operations or cash flows for a particular period or on the Company’s financial condition.

One of the Company's Brazilian subsidiaries received six assessments for certain sales and import taxes. Four of the assessments have been successfully definitively defeated. The Company was unsuccessful at the administrative level in two of the remaining assessments and filed annulment actions in federal court in Brasilia, Brazil. The first annulment action was filed on March 23, 2020; the updated value of that assessment inclusive of interest and penalties is 37 million Brazilian reals (approximately USD $7 million). The Brazilian court ruled in favor of the Company on the first annulment action on March 7, 2025 and the assessment obligation has been canceled, although it remains subject to appeal. The second annulment action was filed on September 19, 2023; the updated value of that assessment inclusive of interest and penalties is 60 million Brazilian reals (approximately USD $11 million). The Company is still awaiting a resolution of the second annulment action. The Company believes that it has meritorious defenses to these assessments and will continue to vigorously oppose them, as well as any future assessments. The Company does not expect final judicial determination on the remaining assessments and annulment actions in the near future.

A foreign Tax Authority (“Tax Authority”) had assessed a cumulative total of approximately $167 million in taxes owed for multiple Flex legal entities within its jurisdiction for various fiscal years ranging from fiscal year 2010 through fiscal year 2020. The assessed amounts related to the denial of certain deductible intercompany payments and taxability of income earned outside such jurisdiction. The Company disagreed with the Tax Authority’s assessments and was actively contesting the assessments through the administrative and judicial processes. During the three-month period ended December 31, 2025, the Company and the Tax Authority agreed to a $50 million settlement covering all open fiscal years and all assessed amounts. The Company had previously expensed $31 million and paid $30 million to the Tax Authority in prior fiscal years and agreed to make an additional $20 million cash payment to the Tax Authority subsequent to the execution of a definitive settlement agreement, which resulted in a charge to income tax expense of $19 million in the third quarter ended December 31, 2025. The definitive settlement agreement was executed on February 3, 2026 and the $20 million cash payment is expected to occur in the fourth quarter of fiscal year ending March 31, 2026.

In addition to the matters discussed above, from time to time, the Company is subject to legal proceedings, claims, and litigation arising in the ordinary course of business. The Company defends itself vigorously against any such claims. Although the outcome of these matters is currently not determinable, management expects that any losses that are probable or reasonably possible of being incurred as a result of these matters, which are in excess of amounts already accrued in the Company’s consolidated balance sheets, would not be material to the financial statements as a whole.

14. SHARE REPURCHASES

During the three and nine-month period ended December 31, 2025, the Company repurchased 3.3 million and 16.1 million shares at aggregate purchase prices of $200 million and $744 million, respectively, and retired all of these shares.

Under the Company’s current share repurchase program, the Board of Directors authorized repurchases of its outstanding ordinary shares for up to $1.7 billion in accordance with the share repurchase mandate approved by the Company’s shareholders at the most recent Annual General Meeting held on August 6, 2025. As of December 31, 2025, shares in the aggregate amount of $1.3 billion were available to be repurchased under the current plan.

15. SEGMENT REPORTING

The Company reports its financial performance based on two operating and reportable segments, Flex Agility Solutions and Flex Reliability Solutions, and analyzes operating income as the measure of segment profitability. The determination of these segments is based on several factors, including the nature of products and services, the nature of production processes, customer base, delivery channels and similar economic characteristics.

An operating segment's performance is evaluated based on its pre-tax operating contribution, or segment income. Segment income is defined as net sales less cost of sales, and segment selling, general and administrative expenses, and does not include amortization of intangibles, stock-based compensation, certain restructuring and impairment charges, customer related asset impairment, legal and other, interest expense, interest income, other charges (income), net, and equity in earnings of unconsolidated affiliates. A portion of depreciation is allocated to the respective segments, together with other general corporate, research and development and administrative expenses.

The Company's Chief Executive Officer is our Chief Operating Decision Maker ("CODM") who uses segment income in evaluating how we allocate resources, assess performance and make strategic and operational decisions.

Selected financial information by segment for the three and nine-month period ended December 31, 2025 and 2024 are in the tables below:

Three-Months Ended December 31, 2025	FAS	FRS	Corporate & Other	Total
		(In millions)		
Net Sales	$ 3,818	$ 3,240	$ —	$ 7,058
Cost of inventory	(2,795)	(2,137)	1	(4,931)
Manufacturing expenses	(695)	(758)	16	(1,437)
Segment selling, general and administrative expenses	(89)	(112)	(29)	(230)
Segment income	$ 239	$ 233	$ (12)	$ 460
Reconciling items:				
Intangible amortization				$ 15
Stock-based compensation				37
Restructuring and impairment charges (1)				9
Customer related asset recoveries (2)				(2)
Legal and other (3)				12
Interest expenses				58
Interest income				15
Other charges (income), net				25
Equity in earnings (losses) of unconsolidated affiliates				(1)
Income before income taxes				$ 320

(1) Certain restructuring charges of $2 million are excluded from the reconciling amount of $9 million as they are included within segment income.

(2) Customer related asset impairments (recoveries) may consist of non-cash impairments of property and equipment to estimated fair value for customers from whom we have disengaged or are in the process of disengaging as well as additional provisions for doubtful accounts receivable for customers that are experiencing financial difficulties and inventory that is considered non-recoverable that is written down to net realizable value. In subsequent periods, the Company may recover a portion of the costs previously incurred related to assets impaired or reduced to net realizable value.

(3) Legal and other consists of costs not directly related to core business results and including matters relating to commercial disputes, government regulatory and compliance, intellectual property, antitrust, tax, employment or shareholder issues, product liability claims, impairments and other costs such as acquisition and portfolio optimization related costs. During the third quarter of fiscal year 2026, costs primarily related to other costs.

Nine-Months Ended December 31, 2025	FAS	FRS	Corporate & Other	Total
		(In millions)		
Net Sales	$ 11,275	$ 9,162	$ —	$ 20,437
Cost of inventory	(8,307)	(6,020)	—	(14,327)
Manufacturing expenses	(1,996)	(2,207)	11	(4,192)
Segment selling, general and administrative expenses	(266)	(333)	(55)	(654)
Segment income	$ 706	$ 602	$ (44)	$ 1,264
Reconciling items:				
Intangible amortization				$ 52
Stock-based compensation				108
Restructuring and impairment charges (1)				83
Customer related asset recoveries (2)				(2)
Legal and other (3)				27
Interest expenses				161
Interest income				38
Other charges (income), net				19
Equity in earnings (losses) of unconsolidated affiliates				(26)
Income before income taxes				$ 828

(1) During the nine-month period ended December 31, 2025, the Company recognized a total of $46 million in asset impairments, inventory write-downs and other related charges as a result of a missile strike on its Mukachevo, Ukraine facility on August 21, 2025. Refer to note 1 "Organization of the Company and Basis of Presentation" for further details. Certain restructuring charges of $2 million are excluded from the reconciling amount of $83 million as they are included within segment income.

(2) Customer related asset impairments (recoveries) may consist of non-cash impairments of property and equipment to estimated fair value for customers from whom we have disengaged or are in the process of disengaging as well as additional provisions for doubtful accounts receivable for customers that are experiencing financial difficulties and inventory that is considered non-recoverable that is written down to net realizable value. In subsequent periods, the Company may recover a portion of the costs previously incurred related to assets impaired or reduced to net realizable value.

(3) Legal and other consists of costs not directly related to core business results and including matters relating to commercial disputes, government regulatory and compliance, intellectual property, antitrust, tax, employment or shareholder issues, product liability claims, impairments and other costs such as acquisition and portfolio optimization related costs. During fiscal year 2026, legal and other costs primarily related to other costs.

Three-Months Ended December 31, 2024	FAS	FRS	Corporate & Other	Total
		(In millions)		
Net Sales	$ 3,599	$ 2,957	$ —	$ 6,556
Cost of inventory	(2,650)	(1,967)	—	(4,617)
Manufacturing expenses	(637)	(685)	(7)	(1,329)
Segment selling, general and administrative expenses	(85)	(107)	(19)	(211)
Segment income	$ 227	$ 198	$ (26)	$ 399
Reconciling items:				
Intangible amortization				$ 17
Stock-based compensation				33
Restructuring charges				12
Customer related asset recoveries (1)				(2)
Legal and other (2)				5
Interest expenses				57
Interest income				16
Other charges (income), net				5
Income before income taxes				$ 288

(1) Customer related asset impairments (recoveries) may consist of non-cash impairments of property and equipment to estimated fair value for customers from whom we have disengaged or are in the process of disengaging as well as additional provisions for doubtful accounts receivable for customers that are experiencing financial difficulties and inventory that is considered non-recoverable that is written down to net realizable value. In subsequent periods, the Company may recover a portion of the costs previously incurred related to assets impaired or reduced to net realizable value. During the three-month period ended December 31, 2024, the Company recognized $2 million of customer related asset recoveries.

(2) Legal and other consists of costs not directly related to core business results and including matters relating to commercial disputes, government regulatory and compliance, intellectual property, antitrust, tax, employment or shareholder issues, product liability claims, impairments and other costs such as acquisition and portfolio optimization related costs. During the third quarter of fiscal year 2025, the Company accrued for a $5 million asset impairment where losses were considered probable and estimable.

Nine-Months Ended December 31, 2024	FAS	FRS	Corporate & Other	Total
		(In millions)		
Net Sales	$ 10,570	$ 8,845	$ —	$ 19,415
Cost of inventory	(7,826)	(5,958)	—	(13,784)
Manufacturing expenses	(1,875)	(2,076)	(21)	(3,972)
Segment selling, general and administrative expenses	(245)	(307)	(44)	(596)
Segment income	$ 624	$ 504	$ (65)	$ 1,063
Reconciling items:				
Intangible amortization				$ 49
Stock-based compensation				93
Restructuring charges				54
Customer related asset recoveries (1)				(2)
Legal and other (2)				5
Interest expenses				166
Interest income				48
Other charges (income), net				(1)
Equity in earnings (losses) of unconsolidated affiliates				(3)
Income before income taxes				$ 744

(1) Customer related asset impairments (recoveries) may consist of non-cash impairments of property and equipment to estimated fair value for customers from whom we have disengaged or are in the process of disengaging as well as additional provisions for doubtful accounts receivable for customers that are experiencing financial difficulties and inventory that is considered non-recoverable that is written down to net realizable value. In subsequent periods, the Company may recover a portion of the costs previously incurred related to assets impaired or reduced to net realizable value. During the nine-month period ended December 31, 2024, the Company recognized $2 million of customer related asset recoveries.

(2) Legal and other consists of costs not directly related to core business results and including matters relating to commercial disputes, government regulatory and compliance, intellectual property, antitrust, tax, employment or shareholder issues, product liability claims, impairments and other costs such as acquisition and portfolio optimization related costs. During the first three quarters of fiscal year 2025, the Company accrued for a $5 million asset impairment where losses were considered probable and estimable.

Corporate and Other primarily includes corporate service costs that are not included in the CODM's assessment of the performance of each of the identified reportable segments.

The Company provides an overall platform of assets and services, which the segments utilize for the benefit of their various customers. The shared assets and services are contained within the Company's global manufacturing and design operations and include manufacturing and design facilities. Most of the underlying manufacturing and design assets are co-mingled in the operating campuses and are compatible to operate across segments and highly interchangeable throughout the platform. Given the highly interchangeable nature of the assets, they are not separately identified by segment nor reported by segment to the Company's CODM.

Property and equipment on a segment basis is not separately identified and is not internally reported by segment to the Company's CODM as described above.

Total depreciation expense, including amounts allocated to the reportable segments and Corporate and Other for the three and nine-month period ended December 31, 2025 and 2024 are as follows:

	Three-Month Periods Ended		Nine-Month Periods Ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	(In millions)		(In millions)	
Depreciation expense:				
Flex Agility Solutions	$ 44	$ 45	$ 138	$ 134
Flex Reliability Solutions	67	62	195	188
Corporate and Other	2	3	9	9
Total depreciation expense	$ 113	$ 110	$ 342	$ 331

16. RESTRUCTURING CHARGES

The Company continued to improve operational efficiencies through targeted restructuring activities during the third quarter of fiscal year 2026. During the three and nine-month periods ended December 31, 2025, the Company recognized $6 million and $39 million of restructuring charges, respectively, most of which related to employee severance. Certain restructuring charges of $2 million are included in segment income.

The following table summarizes the provisions, respective payments, and remaining accrued balance for charges incurred as of December 31, 2025:

	Severance	Long-Lived Asset Impairment	Other Exit Costs	Total
		(In millions)		
Balance as of March 31, 2025	$ 51	$ —	$ —	$ 51
Provision for net charges incurred	26	9	4	39
Cash payments	(47)	—	(4)	(51)
Non-cash reductions	—	(9)	—	(9)
Other adjustments	—	—	1	1
Balance as of December 31, 2025	30	—	1	31
Less: Current portion (classified as other current liabilities)	30	—	1	31
Accrued restructuring costs, net of current portion (classified as other non-current liabilities)	$ —	$ —	$ —	$ —

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

Unless otherwise specifically stated, references in this report to "Flex," "the Company," "we," "us," "our" and similar terms mean Flex Ltd. and its subsidiaries.

This report on Form 10-Q contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended. The words "expects," "anticipates," "believes," "intends," "plans" and similar expressions identify forward-looking statements. In addition, any statements which refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements. We undertake no obligation to publicly disclose any revisions to these forward-looking statements to reflect events or circumstances occurring subsequent to filing this Form 10-Q with the Securities and Exchange Commission. These forward-looking statements are subject to risks and uncertainties, including, without limitation, those risks and uncertainties discussed in this section, as well as any risks and uncertainties discussed in Part I, Item 1A, "Risk Factors" and in Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the fiscal year ended March 31, 2025. In addition, new risks emerge from time to time and it is not possible for management to predict all such risk factors or to assess the impact of such risk factors on our business. Accordingly, our future results may differ materially from historical results or from those discussed or implied by these forward-looking statements. Given these risks and uncertainties, the reader should not place undue reliance on these forward-looking statements.

OVERVIEW

We are the advanced, end-to-end manufacturing partner of choice that helps a diverse customer base design, build, deliver and manage innovative products that improve the world. Through the collective strength of a global workforce across approximately 30 countries with responsible, sustainable operations, we deliver technology innovation, supply chain, and manufacturing solutions to diverse industries and end markets. Our full suite of specialized capabilities includes design and engineering, supply chain, manufacturing, post-production and post-sale services, and proprietary products. We partner with customers across a diverse set of industries including data center, communications, enterprise, consumer, automotive, industrial, healthcare, and power. As of December 31, 2025, our two operating and reportable segments were as follows:

- Flex Agility Solutions ("FAS"), which is comprised of the following end markets:
  - *Communications, Enterprise and Cloud ("CEC")*, including data center, edge, and communications infrastructure
  - *Lifestyle*, including appliances, floorcare, smart living, Heating, Ventilation and Air-Conditioning ("HVAC"), and power tools
  - *Consumer Devices*, including mobile and high velocity consumer devices
- Flex Reliability Solutions ("FRS"), which is comprised of the following end markets:
  - *Industrial*, including industrial devices, capital equipment, renewables, critical power, and embedded power
  - *Automotive*, including compute platforms, power electronics, motion, and interface
  - *Health Solutions*, including medical devices, medical equipment, and drug delivery

Our strategy is to provide customers with a full range of cost competitive, vertically-integrated global supply chain solutions through which we can design, build, ship and service a complete packaged product for our customers. This enables our customers to leverage our supply chain solutions to meet their product requirements throughout the entire product lifecycle.

In today's business landscape, we are witnessing greater product diversification by many companies, primarily in the technology sector, along with increased product complexity. These companies now require unique and customized manufacturing and supply chain solutions that meet their evolving requirements.

We use a portfolio approach to manage our extensive service offerings. As our customers change the way they go to market, we have the capability to reorganize and rebalance our business portfolio in order to align with our customers' needs and requirements in an effort to optimize operating results. The objective of our business model is to allow us to be flexible and redeploy and reposition our assets and resources as necessary to meet specific customers' supply chain solution needs across all the markets we serve and earn a return on our invested capital above the weighted average cost of that capital.

We believe that our strategy has positioned us to take advantage of the long-term, future growth prospects for outsourcing of advanced manufacturing capabilities, design and engineering services and after-market services.

We are continuously evaluating our capital structure in response to the current environment and expect that our current financial condition, including our liquidity sources are adequate to fund future commitments. See additional discussion in the Liquidity and Capital Resources section below.

Russian Invasion of Ukraine and Israel-Hamas Conflict

We continue to monitor and respond to the conflict in Ukraine and the associated sanctions and other restrictions. We also are monitoring and responding to the Israel-Hamas conflict. The full impact of the conflicts on our business operations and financial performance remains uncertain and will depend on future developments, including the severity and duration of the conflicts and their impact on regional and global economic conditions. We will continue to monitor the conflicts and assess the related restrictions and other effects and pursue prudent decisions for our team members, customers, and business.

During the three and nine-month periods ended December 31, 2025, the Company recognized $5 million and $46 million, respectively, in asset impairments, inventory write-downs and other charges as a result of a missile strike on its Mukachevo, Ukraine facility in Western Ukraine on August 21, 2025. The missile strike represents an unusual and infrequent event as hostilities related to the Russian invasion of Ukraine have been primarily focused in Eastern Ukraine. The missile strike caused substantial physical damage and disrupted normal operations at the facility. In response, the Company activated contingency manufacturing plans and transitioned production to alternative facilities. As restoration activities progress in Mukachevo, the Company expects to incur additional near-term inefficiencies. The $46 million in asset impairments, inventory write-downs and other charges are included in restructuring and impairment charges in the condensed consolidated statements of operations. For further information, refer to Part I, Item 1A, Risk Factors - "*Global economic conditions, including inflationary pressures, currency volatility, stagflation, slower economic growth or recession, high or rising interest rates, trade conflicts, tariffs, geopolitical uncertainty and instability in financial markets have in the past adversely affected, and may in the future adversely affect, our business, results of operations, financial condition, and access to capital markets."* in our Annual Report on Form 10-K for the fiscal year ended March 31, 2025.

Tariffs

In the fourth quarter of our fiscal year ended March 31, 2025, the U.S. implemented a series of global tariffs, including on a number of countries in which Flex operates. Although we have been and expect to continue to be able to pass tariff costs through to our customers, the global tariff landscape, which continues to evolve, has the potential to meaningfully impact end customer demand. During the three and nine-month periods ended December 31, 2025, tariff costs paid and recoveries from our customers impacted our revenues and costs of goods by approximately one percent and had a negligible impact on our profitability. If, in the future, we are no longer able to fully pass through these tariffs, our results from operations and cash flows would be negatively impacted. There are several court cases challenging the U.S. administration's authority to impose tariffs, including a case pending before the U.S. Supreme Court, the outcomes of which could add complexity to our operations in terms of seeking refunds from the U.S. government and adjusting pricing with customers. For further information, refer to Part I, Item 1A, Risk Factors - *"Global economic conditions, including inflationary pressures, currency volatility, stagflation, slower economic growth or recession, high or rising interest rates, trade conflicts, tariffs, geopolitical uncertainty and instability in financial markets have in the past adversely affected, and may in the future adversely affect, our business, results of operations, financial condition, and access to capital markets."* in our Annual Report on Form 10-K for the fiscal year ended March 31, 2025.

Business Overview

We are one of the world's largest providers of global supply chain solutions, with revenues of $20.4 billion for the nine-month period ended December 31, 2025 and $25.8 billion in the fiscal year ended March 31, 2025. We have established an extensive network of manufacturing facilities in the world's major consumer and enterprise markets (Asia, the Americas, and Europe) to serve the growing outsourcing needs of both multinational and regional customers. We design, build, ship, and service consumer and enterprise products for our customers through a network of approximately 100 facilities in approximately 30 countries across four continents. The following tables set forth the relative percentages and dollar amounts of net sales by region and by country, and net property and equipment by country, based on the location of our manufacturing sites.

	Three-Month Periods Ended				Nine-Month Periods Ended			
	December 31, 2025		December 31, 2024		December 31, 2025		December 31, 2024	
	(In millions)							
Net sales by region:								
Americas	$ 3,371	48 %	$ 3,195	49 %	$ 10,135	50 %	$ 9,360	48 %
Asia	2,233	32 %	1,998	30 %	6,122	30 %	5,925	31 %
Europe	1,454	20 %	1,363	21 %	4,180	20 %	4,130	21 %
	$ 7,058		$ 6,556		$ 20,437		$ 19,415	
Net sales by country:								
Mexico	$ 1,719	24 %	$ 1,721	26 %	$ 5,116	25 %	$ 5,042	26 %
U.S.	1,219	17 %	1,071	16 %	3,838	19 %	3,053	16 %
China	1,159	16 %	1,101	17 %	3,354	16 %	3,278	17 %
Malaysia	828	12 %	630	10 %	2,081	10 %	1,829	9 %
Brazil	414	6 %	386	6 %	1,123	5 %	1,198	6 %
Hungary	317	4 %	313	5 %	1,005	5 %	984	5 %
Other	1,402	21 %	1,334	20 %	3,920	20 %	4,031	21 %
	$ 7,058		$ 6,556		$ 20,437		$ 19,415	

	As of December 31, 2025		As of March 31, 2025	
Property and equipment, net:	(In millions)			
Mexico	$ 833	35 %	$ 815	35 %
U.S.	416	17 %	376	16 %
China	293	12 %	293	13 %
Malaysia	186	8 %	163	7 %
Hungary	155	6 %	140	6 %
Brazil	78	3 %	83	4 %
Other	432	19 %	460	19 %
	$ 2,393		$ 2,330	

We believe that the combination of our extensive open innovation platform solutions, design and engineering services, advanced supply chain management solutions and services, significant scale and global presence, and manufacturing campuses, including many in low-cost geographic areas, provide us with a competitive advantage and strong differentiation in the market for designing, manufacturing and servicing products for leading multinational and regional customers. Specifically, we offer our customers the ability to simplify their global product development, manufacturing process, and after-sales services, and enable them to meaningfully accelerate their time to market and cost savings.

Our operating results are affected by a number of factors, including the following:

- global economic conditions, including inflationary pressures, currency volatility, stagflation, slower economic growth or recession, high or rising interest rates, trade conflicts, including trade restrictions impacting the semiconductor supply chain, tariffs, geopolitical uncertainty and conflicts (including the ongoing Russia-Ukraine conflict) and instability in financial markets;

- the impacts on our business due to supply chain issues, including component shortages, semiconductors and particularly involving suppliers who are our sole or primary sources, disruptions in transportation or other supply chain related constraints;
- the mix of the manufacturing services we are providing, the number, size, and complexity of new manufacturing programs, the degree to which we utilize our manufacturing capacity, seasonal demand, and other factors;
- the effects on our business when our customers are not successful in marketing their products, or when their products do not gain widespread commercial acceptance;
- our ability to achieve commercially viable production yields and to manufacture components in commercial quantities to the performance specifications demanded by our customers;
- the effects on our business due to certain customers' products having short product lifecycles, our customers' ability to cancel or delay orders or change production quantities or locations, the short-term nature of our customers' commitments and rapid changes in demand;
- the effects that current credit and market conditions could have on the liquidity and financial condition of our customers and suppliers, including any impact on their ability to meet their contractual obligations;
- integration of acquired businesses and facilities;
- increased labor costs due to adverse labor conditions in the markets we operate;
- changes in tax legislation; and
- changes in trade regulations and treaties

We are also subject to other risks as outlined in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended March 31, 2025.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP" or "GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Due to global economic conditions, including the impact of ongoing trade conflicts and tariffs, and geopolitical conflicts (including the Russian invasion of Ukraine and the Israel-Hamas conflict), there has been and we expect there will continue to be uncertainty and disruption in the global economy and financial markets. We have made estimates and assumptions taking into consideration certain possible impacts due to the foregoing factors. These estimates may change, as new events occur, and additional information is obtained. Actual results may differ from previously estimated amounts, and such differences may be material to the condensed consolidated financial statements. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the period they occur.

Refer to the accounting policies under Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the fiscal year ended March 31, 2025, where we discuss our more significant judgments and estimates used in the preparation of the condensed consolidated financial statements.

RESULTS OF OPERATIONS

The following table sets forth, for the periods indicated, certain statements of operations data expressed as a percentage of net sales (amounts may not sum due to rounding). The financial information and the discussion below should be read together with the condensed consolidated financial statements and notes thereto included in this document. In addition, reference should be made to our audited consolidated financial statements and notes thereto and related Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the fiscal year ended March 31, 2025.

	Three-Month Periods Ended		Nine-Month Periods Ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Net sales	100.0 %	100.0 %	100.0 %	100.0 %
Cost of sales	90.3	90.8	90.7	91.6
Restructuring charges	0.1	0.1	0.2	0.2
Gross profit	9.6	9.1	9.1	8.2
Selling, general and administrative expenses	3.8	3.7	3.7	3.5
Restructuring and impairment charges	0.1	—	0.3	—
Intangible amortization	0.2	0.3	0.2	0.2
Operating income	5.5	5.1	4.9	4.5
Interest expense	0.8	0.9	0.8	0.9
Interest income	0.2	0.2	0.2	0.2
Other charges (income), net	0.4	—	0.1	—
Equity in earnings (losses) of unconsolidated affiliates	—	—	(0.1)	—
Income before income taxes	4.5	4.4	4.1	3.8
Provision for (benefit from) income taxes	1.1	0.4	1.0	0.6
Net income	3.4 %	4.0 %	3.1 %	3.2 %

Net sales

The following table sets forth our net sales by segment, and their relative percentages (the sum of the individual percentages may not equal 100% due to rounding):

	Three-Month Periods Ended				Nine-Month Periods Ended			
	December 31, 2025		December 31, 2024		December 31, 2025		December 31, 2024	
	(In millions)							
Net sales:								
Flex Agility Solutions	$ 3,818	54 %	$ 3,599	55 %	$ 11,275	55 %	$ 10,570	54 %
Flex Reliability Solutions	3,240	46 %	2,957	45 %	9,162	45 %	8,845	46 %
	$ 7,058		$ 6,556		$ 20,437		$ 19,415	

Net sales during the three-month period ended December 31, 2025 totaled $7.1 billion, representing an increase of $0.5 billion, or 8% from $6.6 billion during the three-month period ended December 31, 2024. Net sales for our FAS segment increased $0.2 billion, or 6% from the three-month period ended December 31, 2024, primarily driven by a high single-digit percentage increase in our CEC business due to increased demand and a mid single-digit percentage increase in Lifestyle primarily due to net sales contributed by our Orangeburg Manufacturing Facility acquired on February 4, 2025. This was partially offset by a mid single-digit percentage decrease in Consumer Devices due to lower demand. Net sales for our FRS segment increased $0.3 billion, or 10% from the three-month period ended December 31, 2024, which was primarily driven by high-teen percentage growth in our Industrial business with strength in power and high single-digit percentage growth in Health Solutions, partially offset by a low single-digit percentage decrease in our Automotive business due to lower demand. Net sales increased $0.2 billion in the Americas, $0.2 billion in Asia, and $0.1 billion in Europe for a total gain of $0.5 billion.

Net sales during the nine-month period ended December 31, 2025 totaled $20.4 billion, representing an increase of $1.0 billion, or 5% from $19.4 billion during the nine-month period ended December 31, 2024. Net sales for our FAS segment increased $0.7 billion, or 7% from the nine-month period ended December 31, 2024, primarily driven by a mid-teen percentage increase in our CEC business most notably from increased demand in data center cloud, partially offset by a high-teen percentage decrease in our Consumer Devices business due to lower demand. Net sales for our FRS segment increased $0.3 billion, or 4% from the nine-month period ended December 31, 2024, primarily driven by a high single-digit percentage increase in our Industrial business, primarily in power due to data center growth and business acquisitions, and a low single-digit percentage increase in our Health Solutions business, offset by a low single-digit percentage decrease in our Automotive business due to lower demand. Net sales increased $0.8 billion in the Americas and $0.2 billion in Asia and remained consistent in Europe for a total gain of $1.0 billion.

Our ten largest customers during both the three and nine-month periods ended December 31, 2025 accounted for approximately 46% of net sales. No customer accounted for more than 10% of net sales during the nine-month periods ended December 31, 2025 or December 31, 2024.

Cost of sales

Cost of sales is affected by a number of factors, including the number and size of new manufacturing programs, product mix, labor cost fluctuations by region, component costs and availability and capacity utilization.

Cost of sales during the three-month period ended December 31, 2025 totaled $6.4 billion, representing an increase of $0.4 billion, or 7% from $6.0 billion during the three-month period ended December 31, 2024. The higher cost of sales for the three-month period ended December 31, 2025 was primarily driven by a $0.5 billion, or 8%, increase in consolidated sales, partially offset by cost efficiencies and favorable mix. Cost of sales in our FAS segment for the three-month period ended December 31, 2025 increased by 6% from the three-month period ended December 31, 2024, in line with revenue growth. Cost of sales in our FRS segment for the three-month period ended December 31, 2025 increased by 9% from the three-month period ended December 31, 2024, primarily driven by revenue growth of 10%, partially offset by favorable mix and cost efficiencies.

Cost of sales during the nine-month period ended December 31, 2025 totaled $18.5 billion, representing an increase of $0.8 billion, or 4% from $17.8 billion during the nine-month period ended December 31, 2024. The higher cost of sales for the nine-month period ended December 31, 2025 was primarily driven by a $1.0 billion, or 5% increase in consolidated sales, partially offset by favorable mix and cost efficiencies. Cost of sales in our FAS segment for the nine-month period ended December 31, 2025 increased $0.6 billion, or 6%, from the nine-month period ended December 31, 2024 due to revenue growth of 7%. Cost of sales in our FRS segment for the nine-month period ended December 31, 2025 increased $0.2 billion, or 2%, from the nine-month period ended December 31, 2024 due to revenue growth of 4%, partially offset by favorable mix and cost efficiencies.

Gross profit

Gross profit is affected by fluctuations in net sales and cost of sales elements as outlined above and further by a number of factors, including product lifecycles, unit volumes, product mix, pricing, competition, new product introductions, and the expansion or consolidation of manufacturing facilities, as well as specific restructuring activities initiated from time to time. The flexible design of our manufacturing processes allows us to manufacture a broad range of products in our facilities and better utilize our manufacturing capacity across our diverse geographic footprint and service customers from all markets. In the case of new programs, profitability normally lags revenue growth due to product start-up costs, lower manufacturing program volumes in the start-up phase, operational inefficiencies, and under-absorbed overhead. Gross margin for these programs often improves over time as manufacturing volumes increase, as our utilization rates and overhead absorption improve, and as we increase the level of manufacturing services content. As a result of these various factors, our gross margin varies from period to period.

Gross profit during the three-month period ended December 31, 2025 increased $0.1 billion to $0.7 billion, or 9.6% of net sales, from $0.6 billion, or 9.1% of net sales, during the three-month period ended December 31, 2024. Gross margin improved 50 basis points year over year primarily due to revenue growth, favorable mix and continued operational execution.

Gross profit during the nine-month period ended December 31, 2025 increased $0.3 billion to $1.9 billion, or 9.1% of net sales, from $1.6 billion, or 8.2% of net sales, during the nine-month period ended December 31, 2024. Gross margin improved 90 basis points year over year primarily due to the same factors as for the three-month periods described above.

Segment income

An operating segment's performance is evaluated based on its pre-tax operating contribution, or segment income. Segment income is defined as net sales less cost of sales, and segment selling, general and administrative expenses, and does not include amortization of intangibles, stock-based compensation, certain restructuring and impairment charges, customer related asset impairment, legal and other, interest expense, interest income, other charges (income), net, and equity in earnings of unconsolidated affiliates. A portion of depreciation is allocated to the respective segments, together with other general corporate, research and development and administrative expenses.

The Company's Chief Executive Officer is our Chief Operating Decision Maker ("CODM") who uses segment income in evaluating how we allocate resources, assess performance and make strategic and operational decisions.

The following table sets forth segment income and margins. Segment margins in the table below may not recalculate exactly due to rounding.

	Three-Month Periods Ended				Nine-Month Periods Ended			
	December 31, 2025		December 31, 2024		December 31, 2025		December 31, 2024	
	(In millions)							
Segment income:								
Flex Agility Solutions	$ 239	6.3 %	$ 227	6.3 %	$ 706	6.3 %	$ 624	5.9 %
Flex Reliability Solutions	233	7.2 %	198	6.7 %	602	6.6 %	504	5.7 %

FAS segment margin remained consistent for the three-month period ended December 31, 2025, compared to the three-month period ended December 31, 2024, primarily driven by growth in our higher margin CEC business, offset by unfavorable mix in our consumer businesses. The FAS segment margin increased 40 basis points, to 6.3% for the nine-month period ended December 31, 2025 from 5.9% for the nine-month period ended December 31, 2024, primarily due to favorable mix with growth being driven by our cloud business.

FRS segment margin increased 50 basis points to 7.2% for the three-month period ended December 31, 2025, compared to 6.7% for the three-month period ended December 31, 2024, primarily due to favorable mix with growth in core Industrial, Health Solutions and our power business. FRS segment margin increased 90 basis points to 6.6% for the nine-month period ended December 31, 2025 compared to 5.7% for the nine-month period ended December 31, 2024, primarily due to the same factors as for the three-month period.

Restructuring and impairment charges

We undertook targeted restructuring activities to improve operational efficiencies by reducing excess workforce capacity. During the three and nine-month periods ended December 31, 2025, we recognized $6 million and $39 million of restructuring charges, respectively, primarily related to employee severance. In addition, during the three and nine-month periods ended December 31, 2025, we incurred $5 million and $46 million in impairment and other charges related to a missile strike on our Mukachevo, Ukraine facility, as discussed in the Overview section above.

Selling, general and administrative expenses

Selling, general and administrative expenses (“SG&A”) was $0.3 billion, or 3.8% of net sales, during the three-month period ended December 31, 2025, increasing by $29 million compared to the three-month period ended December 31, 2024. The increase was largely driven by increases in employee compensation and other corporate costs. SG&A was $0.8 billion or 3.7%, of net sales, during the nine-month period ended December 31, 2025, increasing by $93 million from $0.7 billion or 3.5% of net sales during the nine-month period ended December 31, 2024, driven by the same factors as noted for the three-month period.

Intangible amortization

Amortization of intangible assets decreased to $15 million for the three-month period ended December 31, 2025, compared to $17 million in the previous year as certain intangible assets fully amortized during fiscal year 2026. Amortization increased to $52 million during the nine-month period ended December 31, 2025, from $49 million for the nine-month period ended December 31, 2024 as a result of acquisitions in the second half of fiscal year 2025.

Interest expense

Interest expense increased to $58 million for the three-month period ended December 31, 2025, from $57 million during the three-month period ended December 31, 2024, primarily due to senior debt issuances during the quarter. Interest expense decreased to $161 million during the nine-month period ended December 31, 2025 compared to $166 million during the nine-month period ended December 31, 2024. Decreased interest expense for the nine-month period was primarily driven by reduced receivables factoring costs, partially offset by increased interest expense on our long-term debt.

Interest income

Interest income decreased to $15 million for the three-month period ended December 31, 2025 compared to $16 million for the same period in fiscal year 2025. Interest income decreased to $38 million for the nine-month period ended December 31, 2025 compared to $48 million for the nine-month period ended December 31, 2024. The decrease in interest income is primarily due to lower interest rates, and lower average cash balances.

Other charges (income), net

Other charges, net was $25 million during the three-month period ended December 31, 2025 compared to $5 million during the three-month period ended December 31, 2024. The increase was primarily due to an impairment recorded on one of Flex's unconsolidated cost method investments of $21 million during the quarter.

Other charges, net was $19 million for the nine-month periods ended December 31, 2025 compared to $1 million in income during the nine-month periods ended December 31, 2024. The increase was due to the aforementioned impairment on one of Flex's unconsolidated cost method investments.

Equity in earnings (losses) of unconsolidated affiliates

Equity in losses of unconsolidated affiliates was $1 million during the three-month period ended December 31, 2025, compared to zero in the three-month period ended December 31, 2024, primarily due to losses in certain non-core equity method investments.

Equity in losses of unconsolidated affiliates was $26 million during the nine-month periods ended December 31, 2025, compared to $3 million in the nine-month period ended December 31, 2024, primarily due to losses related to a specific venture capital fund.

Income taxes

Certain of our subsidiaries, at various times, have been granted tax relief in their respective countries, resulting in lower income taxes than would otherwise be the case under ordinary tax rates. Refer to note 15, “Income Taxes” of the notes to the consolidated financial statements in our Annual Report on Form 10-K for the fiscal year ended March 31, 2025 for further discussion.

The consolidated effective tax rate was 25% and 24% for the three and nine-month periods ended December 31, 2025, and 9% and 17% for the three and nine-month periods ended December 31, 2024, respectively. The effective tax rate varies from the Singapore statutory rate of 17% as a result of recognition of earnings in different jurisdictions (we generate most of our revenues and profits from operations outside of Singapore), operating loss carryforwards, income tax credits, release of previously established valuation allowances for deferred tax assets, liabilities for uncertain tax positions, as well as the effects of certain tax holidays and incentives granted to our subsidiaries primarily in China, Costa Rica, Malaysia, the Netherlands and Israel. The effective tax rate for the three-month period ended December 31, 2025 was higher than the effective tax rate for the three-month period ended December 31, 2024 for a variety of reasons, primarily due to the changing jurisdictions of income and recognition of a $19 million income tax expense related to an audit settlement with a foreign tax authority during the three-month period ended December 31, 2025 and recognition of a $26 million interest receivable on an income tax receivable for prior period taxes paid by one of its Brazilian subsidiaries during the three-month period ended December 31, 2024.

The OECD Pillar Two Global Anti-Base Erosion (“GloBE”) model rules, issued under the OECD Inclusive Framework on Base Erosion and Profit Shifting, introduce a global minimum tax of 15% applicable to multinational enterprise groups with consolidated financial statement revenue in excess of €750 million. Numerous foreign jurisdictions have already enacted tax legislation based on the GloBE rules, with some effective as early as January 1, 2024. As of December 31, 2025 the Company has reflected all estimated impacts of the Pillar Two GloBE minimum tax accordingly within its estimated annual effective tax rate for the year.

On July 4, 2025, The One Big Beautiful Bill Act (“OBBBA”) was enacted in the U.S. The OBBBA makes permanent various provisions of the Tax Cuts and Jobs Act which otherwise would have expired as well as makes significant modifications to the U.S. international tax framework. The Company is in the process of evaluating the impact of the OBBBA on our consolidated financial statements.

Net income

Net income was $239 million during the three-month period ended December 31, 2025, compared to $263 million during the three-month period ended December 31, 2024 and net income was $630 million during the nine-month period ended December 31, 2025 compared to $616 million during the nine-month period ended December 31, 2024, driven by the factors discussed above.

LIQUIDITY AND CAPITAL RESOURCES

We continuously evaluate our ability to meet our obligations over the next 12 months and beyond and proactively reset our capital structure to improve maturities and liquidity. We expect that our current financial condition, including our liquidity sources are adequate to fund current and future commitments. As of December 31, 2025, we had cash and cash equivalents of approximately $3.1 billion, bank and other borrowings of approximately $4.4 billion and a $2.75 billion revolving credit facility under which we had no borrowings outstanding. We also issued $600 million of 5.375% Notes due November 2035 and $150 million of 5.250% Notes due January 2032 in the third quarter of fiscal year 2026. As of December 31, 2025, we were in compliance with the covenants under all of our credit facilities and indentures; we also expect to remain in compliance with the covenants in the upcoming 12 months for our credit facilities and indentures.

Cash provided by operating activities was $1.3 billion during the nine-month period ended December 31, 2025, primarily driven by $0.6 billion of net income for the period plus $0.4 billion of non-cash charges such as depreciation, amortization, and impairment charges and $0.2 billion of changes in working capital and other.

We believe net working capital is a key metric that measures our liquidity. Net working capital is calculated as current assets less current liabilities. Net working capital increased $1.3 billion to $4.3 billion as of December 31, 2025, from $3.0 billion as of March 31, 2025. The increase was primarily the result of a $0.5 billion decrease in the current portion of long-term debt driven by the repayment of the 4.750% Senior Notes during the first quarter, along with a $0.8 billion increase in cash and cash equivalents driven by the net increase from senior note issuances and repayments. Other movements in working capital largely offset themselves with increases of $0.2 billion in accounts receivable, $0.3 billion in contract assets, $0.5 billion in inventory, and $0.6 billion in other current assets (principally customer-controlled inventory), against increases of $1.3 billion in accounts payable and $0.2 billion in other current liabilities.

Net cash used in investing activities was $0.5 billion during the nine-month period ended December 31, 2025. This was primarily driven by $0.4 billion of net capital expenditures for property and equipment to continue expanding capabilities and capacity in support of our business growth as well as payment for a business acquisition during the period.

We believe free cash flow is an important liquidity metric because it measures, during a given period, the amount of cash generated that is available to repay debt obligations, make investments, fund acquisitions, repurchase company shares and for certain other activities. Our free cash flow is defined as cash from operations, less net purchases of property and equipment allowing us to present adjusted cash flows on a consistent basis for investors. Our free cash flow for the nine-month periods ended December 31, 2025 and December 31, 2024 was an inflow of $0.8 billion during both periods. Free cash flow is not a measure of liquidity under U.S. GAAP, and may not be defined and calculated by other companies in the same manner. Free cash flow should not be considered in isolation or as an alternative to net cash provided by operating activities. Free cash flows reconcile to the most directly comparable GAAP financial measure of cash flows from operations as follows:

	Nine-Month Periods Ended	
	December 31, 2025	December 31, 2024
	(In millions)	
Net cash provided by operating activities	$ 1,272	$ 1,072
Purchases of property and equipment	(431)	(326)
Proceeds from the disposition of property and equipment	7	11
Free cash flow	$ 848	$ 757

Cash used by financing activities was $46 million during the nine-month period ended December 31, 2025, which was primarily driven by $0.7 billion of cash paid for the repurchase of our ordinary shares and debt repayments of $0.5 billion, offset by $1.3 billion of proceeds from debt issuances. Refer to Note 6 and Note 14 to the condensed, consolidated financial statements in Item 1, "Financial Statements" for additional details.

Our cash balances are generated and held in numerous locations throughout the world. Liquidity is affected by many factors, some of which are based on normal ongoing operations of the business and some of which arise from fluctuations related to global economics and markets. Local government regulations may restrict our ability to move cash balances to meet cash needs under certain circumstances; however, any current restrictions are not material. We do not currently expect such regulations and restrictions to impact our ability to pay vendors and conduct operations throughout the global organization. We believe that our existing cash balances, together with anticipated cash flows from operations and borrowings available under our credit facilities, will be sufficient to fund our operations through at least the next twelve-month period and beyond. As of December 31, 2025 and March 31, 2025, approximately 52% and 81%, respectively, of our cash and cash equivalents were held by foreign subsidiaries outside of Singapore. Although substantially all of the amounts held outside of Singapore could be repatriated under current laws, a significant amount could be subject to income tax withholdings. We provide for tax liabilities on these amounts for financial statement purposes, except for certain of our foreign earnings that are considered indefinitely reinvested outside of Singapore (approximately $0.8 billion as of March 31, 2025). Repatriation could result in an additional income tax payment; however, for the majority of our foreign entities, our intent is to permanently reinvest these funds outside of Singapore and our current plans do not demonstrate a need to repatriate them to fund our operations in jurisdictions outside of where they are held. Where local restrictions prevent an efficient intercompany transfer of funds, our intent is that cash balances would remain outside of Singapore and we would meet our liquidity needs through ongoing cash flows, external borrowings, or both.

Future liquidity needs will depend on fluctuations in levels of inventory, accounts receivable and accounts payable, the timing of capital expenditures for new equipment, the extent to which we utilize operating leases for new facilities and equipment, and the levels of shipments and changes in the volumes of customer orders.

We maintain a commercial paper program which provides short-term financing under which there were no borrowings outstanding as of December 31, 2025.

Historically, we have funded operations from cash and cash equivalents generated from operations, proceeds from public offerings of equity and debt securities, bank debt and lease financings. We may enter into debt and equity financings, sales of accounts receivable and lease transactions to fund acquisitions and anticipated growth as needed.

The sale or issuance of equity or convertible debt securities could result in dilution to current shareholders. Further, we may issue debt securities that have rights and privileges senior to those of holders of ordinary shares, and the terms of this debt could impose restrictions on operations and could increase debt service obligations. This increased indebtedness could limit our flexibility as a result of debt service requirements and restrictive covenants, potentially affect our credit ratings, and may limit our ability to access additional capital or execute our business strategy. Any downgrades in credit ratings could adversely affect our ability to borrow as a result of more restrictive borrowing terms. We continue to assess our capital structure and evaluate the merits of redeploying available cash to reduce existing debt or repurchase ordinary shares.

Under our current share repurchase program, our Board of Directors authorized repurchases of our outstanding ordinary shares for up to $1.7 billion in accordance with the share purchase mandate approved by our shareholders at the date of the most recent Annual General Meeting which was held on August 6, 2025. During the nine-month period ended December 31, 2025, we paid $0.7 billion to repurchase shares under the current and previous repurchase plans at an average price of $46.22 per share. As of December 31, 2025, shares in the aggregate amount of $1.3 billion were available to be repurchased under the current plan.

Warrant

On August 15, 2025, the Company issued a warrant (the “Warrant”) to Amazon.com NV Investment Holdings LLC (“Warrantholder”), a wholly-owned subsidiary of Amazon.com, Inc. (“Parent”) to purchase up to an aggregate of 3,859,851 ordinary shares of the Company (“Warrant Shares”) at an exercise price of $51.29 per share. The Warrant allows for cashless exercise and expires on August 15, 2030. The Warrant Shares are subject to vesting based on qualifying payments (as defined in the Warrant) for the purchase of all products and services by or on behalf of Parent and its affiliates over the term of the Warrant. The expense associated with the Warrant Shares will be recorded as a deduction to revenue as the customer purchases products and services over the vesting period. The Company recorded charges of $5 million related to the Warrant during the nine-month period ended December 31, 2025.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

Information regarding our long-term debt payments, operating lease payments, capital lease payments and other commitments is provided in Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” of our Annual Report on our Form 10-K for the fiscal year ended March 31, 2025.

In June 2025, the Company drew down the 2027 Delayed Draw Term Loan and repaid the 4.750% Senior Notes due June 2025. We issued $600 million of 5.375% Notes due November 2035 and $150 million of 5.250% Notes due January 2032 in the third quarter of fiscal year 2026. There were no other material changes in our contractual obligations and commitments as of December 31, 2025.

ITEM 3. ***QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK***

There were no material changes in our exposure to market risks for changes in interest and foreign currency exchange rates for the nine-month period ended December 31, 2025 as compared to the fiscal year ended March 31, 2025.

ITEM 4. *CONTROLS AND PROCEDURES*

(a) Evaluation of Disclosure Controls and Procedures

The Company's management, with the participation of the Chief Executive Officer and Chief Financial Officer has evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of December 31, 2025. Based on that evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that, as of December 31, 2025, the Company's disclosure controls and procedures were effective in ensuring that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act, is (i) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (ii) accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

(b) Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during our quarter ended December 31, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. *LEGAL PROCEEDINGS*

For a description of our material legal proceedings, see note 13 “Commitments and Contingencies” in the notes to the condensed consolidated financial statements, which is incorporated herein by reference.

ITEM 1A. *RISK FACTORS*

In addition to the other information set forth in this report, you should carefully consider the risks and uncertainties discussed in Part I, “Item 1A. Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended March 31, 2025, which could materially affect our business, financial condition or future results. The risks described in our Annual Report on Form 10-K are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be not material also may materially and adversely affect our business, financial condition and/or operating results.

ITEM 2. *UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS*

Issuer Purchases of Equity Securities

The following table provides information regarding purchases of our ordinary shares made by us for the period from September 27, 2025 through December 31, 2025:

Period (1)	Total Number of Shares Purchased (2)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
September 27, 2025 - October 31, 2025	1,326,613	$ 60.77	1,326,613	$ 1,411,176,098
November 1, 2025 - November 28, 2025	1,020,808	$ 60.03	1,020,808	$ 1,349,901,648
November 29, 2025 - December 31, 2025	903,809	$ 64.23	903,809	$ 1,291,851,904
Total	3,251,230		3,251,230	

(1) On August 6, 2025, our Board of Directors authorized repurchases of our outstanding ordinary shares for up to $1.7 billion. This is in accordance with the share purchase mandate whereby our shareholders approved a repurchase limit of 20% of our issued ordinary shares outstanding at the Annual General Meeting held on the same date as the Board authorization. As of December 31, 2025, shares in the aggregate amount of $1.3 billion were available to be repurchased under the current plan.

(2) During the period from September 27, 2025 through December 31, 2025, all purchases were made pursuant to the programs discussed above in open market transactions. All purchases were made in accordance with Rule 10b-18 under the Securities Exchange Act of 1934, as amended.

ITEM 3. *DEFAULTS UPON SENIOR SECURITIES*

None

ITEM 4. *MINE SAFETY DISCLOSURES*

Not applicable

ITEM 5. *OTHER INFORMATION*

Insider Trading Arrangements

During the fiscal quarter ended December 31, 2025, the officer listed below adopted a trading plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Securities Exchange Act of 1934, as amended.

On December 8, 2025, Hooi Tan, Chief Operating Officer, adopted a trading plan that provides for the sale of up to 70,000 ordinary shares of the Company. The plan will terminate on December 10, 2026, subject to early termination for certain specified events set forth in the plan.

No other officers or directors adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement”, as those terms are defined in Regulation S-K, Item 408, during the fiscal quarter ended December 31, 2025.

ITEM 6. ***EXHIBITS***
EXHIBIT INDEX

		Incorporated by Reference				
Exhibit No.	**Exhibit**	**Form**	**File No.**	**Filing Date**	**Exhibit No.**	**Filed Herewith**
4.1	Indenture, dated as of June 6, 2019, by and between the Company and U.S. Bank Trust Company, National Association (as successor in interest to U.S. Bank National Association), as trustee	8-K	000-23354	June 6, 2019	4.1	
4.2	Sixth Supplemental Indenture, dated as of August 21, 2024, by and between the Company and U.S. Bank Trust Company, National Association, as trustee	8-K	000-23354	August 21, 2024	4.2	
4.3	Seventh Supplemental Indenture, dated as of November 13, 2025, by and between the Company and U.S. Bank Trust Company, National Association, as trustee	8-K	000-23354	November 13, 2025	4.3	
4.4	Eighth Supplemental Indenture, dated as of November 13, 2025, by and between the Company and U.S. Bank Trust Company, National Association, as trustee	8-K	000-23354	November 13, 2025	4.4	
4.5	Form of 5.250% Global Note due 2032 (included in Exhibit 4.3)	8-K	000-23354	November 13, 2025	4.5	
4.6	Form of 5.375% Global Note due 2035 (included in Exhibit 4.4)	8-K	000-23354	November 13, 2025	4.6	
15.01	Letter in lieu of consent of Deloitte & Touche LLP					X
31.01	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
31.02	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
32.01	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Rule 13a-14(b) under the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*					X
101.INS	XBRL Instance Document					X
101.SCH	XBRL Taxonomy Extension Schema Document					X
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document					X
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document					X
101.LAB	XBRL Taxonomy Extension Label Linkbase Document					X
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document					X
104	Cover Page Interactive Data File (formatted as inline XBRL with applicable taxonomy extension information contained in Exhibit 101)					

---

* This exhibit is furnished with this Quarterly Report on Form 10-Q, is not deemed filed with the Securities and Exchange Commission, and is not incorporated by reference into any filing of Flex Ltd. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date hereof and irrespective of any general incorporation language contained in such filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	FLEX LTD. (Registrant)
Date: February 6, 2026	/s/ REVATHI ADVAITHI Revathi Advaithi Chief Executive Officer (Principal Executive Officer)
Date: February 6, 2026	/s/ KEVIN KRUMM Kevin Krumm Chief Financial Officer (Principal Financial Officer)

Exhibit 15.01

LETTER IN LIEU OF CONSENT OF DELOITTE & TOUCHE LLP

February 6, 2026

The Board of Directors and Shareholders of Flex Ltd.
2 Changi South Lane
Singapore 486123

We are aware that our report dated February 6, 2026, on our review of the interim financial information of Flex Ltd. and its subsidiaries appearing in this Quarterly Report on Form 10-Q for the quarter ended December 31, 2025, is incorporated by reference in Registration Statement Nos. 333-273790 and 333-248470 on Form S-8 and Registration Statement No. 333-281573 on Form S-3ASR.

/s/ DELOITTE & TOUCHE LLP
San Jose, California

EXHIBIT 31.01

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Revathi Advaithi, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Flex Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The 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: February 6, 2026

/s/ Revathi Advaithi

Revathi Advaithi
Chief Executive Officer

EXHIBIT 31.02

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Kevin Krumm, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Flex Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The 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: February 6, 2026

/s/ Kevin Krumm

Kevin Krumm
Chief Financial Officer

EXHIBIT 32.01

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

We, Revathi Advaithi and Kevin Krumm, Chief Executive Officer and Chief Financial Officer, respectively, of Flex Ltd. (the "Company"), hereby certify, to the best of our knowledge, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- the Quarterly Report on Form 10-Q of the Company for the period ended December 31, 2025, as filed with the Securities and Exchange Commission (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement has been provided to Flex Ltd. and will be retained by it and furnished to the Securities and Exchange Commission or its staff upon request.

Date:	February 6, 2026	/s/ Revathi Advaithi
		Revathi Advaithi Chief Executive Officer (Principal Executive Officer)
Date:	February 6, 2026	/s/ Kevin Krumm
		Kevin Krumm Chief Financial Officer (Principal Financial Officer)