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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

(Mark One)

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

For the fiscal year ended March 31, 2019

Or

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

Commission file number 000-23354

FLEX LTD.

(Exact name of registrant as specified in its charter)

Singapore (State or other jurisdiction of incorporation or organization)	**Not Applicable** (I.R.S. Employer Identification No.)
2 Changi South Lane, Singapore (Address of registrant's principal executive offices)	**486123** (Zip Code)

Registrant's telephone number, including area code

(65) 6876-9899

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

Securities registered pursuant to Section 12(g) of the Act— **NONE**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes ☐ No ☒

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 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, smaller reporting company, or an emerging growth company. See 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 ☒

As of September 28, 2018, the aggregate market value of the Company's ordinary shares held by non-affiliates of the registrant was approximately $6.9 billion based upon the closing sale price as reported on the Nasdaq Global Select Market.

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

Class	Outstanding at May 13, 2019
Ordinary Shares, No Par Value	514,029,702

DOCUMENTS INCORPORATED BY REFERENCE

Document	Parts into Which Incorporated
Proxy Statement to be delivered to shareholders in connection with the Registrant's 2019 Annual General Meeting of Shareholders	Part III

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PART I

FORWARD-LOOKING STATEMENTS

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

Except for historical information contained herein, certain matters included in this annual report on Form 10-K are, or may be deemed to be forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934 and Section 27A of the Securities Act of 1933. The words "will," "may," "designed to," "believe," "should," "anticipate," "plan," "expect," "intend," "estimate" and similar expressions identify forward-looking statements, which speak only as of the date of this annual report. These forward-looking statements are contained principally under Item 1, "Business," and under Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations." Because these forward-looking statements are subject to risks and uncertainties, actual results could differ materially from the expectations expressed in the forward-looking statements. Important factors that could cause actual results to differ materially from the expectations reflected in the forward-looking statements include those described in Item 1A, "Risk Factors" and Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations." 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. Given these risks and uncertainties, the reader should not place undue reliance on these forward-looking statements. We undertake no obligation to update or revise these forward-looking statements to reflect subsequent events or circumstances.

ITEM 1. *BUSINESS*

OVERVIEW

We are a globally-recognized, provider of *Sketch-to-Scale* ® services - innovative design, engineering, manufacturing, and supply chain services and solutions - from conceptual sketch to full-scale production. We design, build, ship and manage complete packaged consumer and enterprise products, from medical devices and connected automotive systems to sustainable lighting and cloud and data center solutions, for companies of all sizes in various industries and end-markets, through our activities in the following segments:

- High Reliability Solutions ("HRS"), which is comprised of our health solutions business, including surgical equipment, drug delivery, diagnostics, telemedicine, disposable devices, imaging and monitoring, patient mobility and ophthalmology; and our automotive business, including vehicle electrification, connectivity, autonomous, and smart technologies;

- Industrial and Emerging Industries ("IEI"), which is comprised of energy including advanced metering infrastructure, energy storage, smart lighting, smart solar energy; and industrial, including semiconductor and capital equipment, office solutions, household industrial and lifestyle, industrial automation and kiosks;

- Communications & Enterprise Compute ("CEC"), which includes our telecom business of radio access base stations, remote radio heads and small cells for wireless infrastructure; our networking business, which includes optical, routing, and switching products for data and video networks; our server and storage platforms for both enterprise and cloud-based deployments; next generation storage and security appliance products; and rack-level solutions, converged infrastructure and software-defined product solutions; and

- Consumer Technologies Group ("CTG"), which includes our consumer-related businesses in IoT enabled devices, audio and consumer power electronics, mobile devices; and various supply chain solutions for consumer, computing and printing devices.

These segments represent components of the Company for which separate financial information is available that is utilized on a regular basis by the Chief Operating Decision Maker (“CODM”). Our segments are determined based on several factors, including the nature of products and services, the nature of production processes, customer base, delivery channels and similar economic characteristics. Refer to note 19 to the consolidated financial statements in Item 8, "Financial Statements and Supplementary Data" for additional information on our operating segments.

We provide design, manufacturing and supply chain services through a network of over 100 locations in approximately 35 countries across five continents. We have established global scale through an extensive network of innovation labs, design centers, manufacturing and services sites in the world's major consumer and enterprise products markets (Asia, the Americas, and Europe) in order to serve the supply chain needs of both multinational and regional companies. Our services provide customers with a competitive advantage by delivering improved product quality, increased flexibility, leading-edge manufacturability, improved performance, faster time-to-market, and value. Our customers leverage our services to meet their requirements throughout their products' entire life cycles. For the fiscal year ended March 31, 2019 , we had revenue of $26.2 billion and net income of $93 million .

Over the past several years, we have evolved beyond a traditional Electronics Manufacturing Services ("EMS") company, and now consider ourselves to be a provider of a full range of *Sketch-to-Scale* ® services – beyond electronics manufacturing services – including strategic product development planning and design-phase innovation, supported by teams of talented design engineers. Our innovation strategy is focused on three levels: products, systems, and manufacturing technologies and processes.

We believe that the combination of our extensive innovative solutions, design and engineering services, advanced supply chain management solutions and services, significant global scale and regional presence, and manufacturing sites in key geographies provide us with a competitive advantage and strong differentiation in the market for designing, building, and servicing consumer and enterprise products for leading multinational and regional companies. Through these services, centers and sites, we offer our customers improved product design, increased flexibility and responsiveness. We also enable faster time to market, product safety and regulatory compliance and supply chain predictability with real-time visibility, all of which accelerate product launches, access to new markets, and mitigate of risks.

We recognized research and development costs primarily related to our product design and innovations service offerings of $66 million , $78 million , and $66 million for the fiscal years ended March 31, 2019 , 2018 and 2017 , respectively.

INDUSTRY OVERVIEW

Our expertise is *Sketch-to-Scale* ® services: design, manufacture, and supply chain services for a broad range of products, from medical devices, connected automotive systems and smart home appliances to sustainable lighting and cloud data center infrastructures. Although Flex has evolved beyond traditional EMS, the majority of our customers are electronics original equipment manufacturers ("OEMs"); as such, the closest broad definition of our industry remains the outsourced EMS industry.

EMS has experienced significant change and growth as an increasing number of companies elect to outsource some or all of their design, manufacturing, and after-market services requirements. In recent years we have seen an increased level of diversification by many companies, in the technology, automotive and healthcare industries along with the convergence of many industries being transformed by technology advancements. Companies that have historically identified themselves as software providers, internet service providers, or e-commerce retailers are entering the highly competitive and rapidly evolving hardware markets, with products that include mobile devices, home entertainment products, and wearable devices. This trend has resulted in significant changes to the hardware manufacturing and supply chain solutions requirements of such companies. Increasingly complex products require highly customized supply chain solutions, in turn resulting in significant changes to the overall manufacturing and supply chain landscape. The growth of the overall industry for calendar year 2018 is estimated to have been around 4% .

We believe the total available market for the EMS industry is poised for continued growth, with current penetration rates estimated to be about 31% . The intensely competitive nature of the electronics industry, the increasing complexity and sophistication of electronics products, and pressure on OEMs to reduce product costs and shorten product life cycles are all factors that encourage OEMs to utilize supply chain service providers as part of their business and manufacturing strategies. Utilizing global manufacturing and service providers allows OEMs to take advantage of the global design, manufacturing and supply chain management expertise of such providers, and enables OEMs to concentrate on product research, development, marketing, and sales. We believe that OEMs realize a number of important benefits through their strategic relationships with EMS providers, including:

- Improved inventory management and purchasing power;
- Access to worldwide design, engineering, manufacturing, and after-market service capabilities;
- Ability to focus on core branding and R&D initiatives;
- Accelerated time-to-market and time-to-volume production;
- Improved efficiency and optimized production costs;
- Improved product quality through advanced design and production at scale; and

- Reduced capital investment requirements and fixed costs;

We believe that growth in the EMS industry will be largely driven by the need for OEMs to respond to rapidly changing industries, markets and technologies, the increasing complexity of supply chains and the continued pressure to be innovative and cost competitive. Additionally, we believe that there are significant opportunities for global EMS providers to win additional business from OEMs in markets or industry segments that have yet to substantially utilize such providers.

SERVICE OFFERINGS

We offer a broad range of customizable services to our customers. We believe that Flex has the broadest worldwide product development lifecycle capabilities in the industry, from concept design to manufacturing to aftermarket services. We believe a key competitive advantage is our people, processes and capabilities for making products, systems and solutions for our customers:

- *Speed:* Our sophisticated supply chain management tools and expertise allow us to provide customers with access to real-time information that increases visibility throughout the entire product lifecycle, reducing risk while accelerating execution.

- *Scope:* Our full range of services, *from Sketch-to-Scale* ®, include innovation and design, engineering, manufacturing, forward and reverse logistics, and circular economy supply chain management. Our deep industry and cross-industry knowledge and multi-domain expertise accelerate the production of increasingly complex products for increasingly interconnected industries.

- *Scale:* Our physical infrastructure includes over 100 facilities in approximately 35 countries, staffed by approximately 200,000 employees, providing our customers with truly global scale and strategic geographic distribution capabilities.

We offer global economies of scale in advanced materials and technology sourcing, manufacturing and after-market services, as well as market-focused expertise and capabilities in design and engineering. As a result of our extensive experience in specific markets, we have developed deep understanding of complex market dynamics, giving us the ability to anticipate trends that impact our customers' businesses. Our expertise can help improve our customers' market positioning by effectively adjusting product plans and roadmaps to efficiently and cost-effectively deliver high quality products that meet their time-to-market requirements.

Our services include all processes necessary to design, build, ship, and service a wide range of products for our customers. These services include:

Innovation Services. We provide a comprehensive set of services that enable companies to successfully ideate, create new products and solutions, and gain access to new markets. These services span the entire product introduction and solution lifecycle by providing access to new cross-industry and technology platforms and building block technologies, accelerating innovation and product development from early concepts to final production-ready design, and providing advanced manufacturing and testing for new product introduction and market access to grow our customers' offerings. This area of our business has seen increased investment and focus over the past few years.

Beyond our flagship Customer Engagement Center in Silicon Valley, we have established a global network of Design and Engagement Centers. Our innovation and design services include:

- *Innovation and Design Centers.* Our Innovation and Design Centers specialize in supporting customer design and product development. Customers gain access to our design and engineering facilities, technical subject matter expertise, and rapid prototyping resources such as metal and plastic 3D printers and soft tooling capabilities.

- *Cross-industry Technologies.* Along with our portfolio of building block technologies in electrical/electronics, electromechanical, and software, we also have deep technical expertise in cross-industry technologies. Our Cross-industry technologies are a combination of building block technologies expertly applied to products and solutions for use within numerous industries. These technologies include: Human Machine Interface (HMI), Audio and Video, System in Package (SIP), Miniaturization, IoT Platforms and Asset Tracking.

- *Centers of Excellence/Competence.* Our Centers of Excellence/Competence provide strategic technology capabilities developed by Flex in critical solutions areas which leverage our expertise across multiple industries, for integration into our customers' products and next generation industry requirements. Centers of Excellence/Competence have specialized capabilities in connectivity, sensors and actuators, power, battery, interconnects and PMATX, smart software, optical, and "soft" Systems.

- *Systems Integration Services.* Through systems integration, we design and integrate advanced data center servers, storage and networking equipment and data center appliances, providing engineering and design services with an emphasis on multivendor integration and open technologies that promote interoperability at a lower cost. Our CloudLabs provide a staging lab for customers to deploy the latest technologies, allowing for performance testing of workloads and enabling faster diffusion of technologies in a controlled environment.

Design and Engineering Services. We offer a comprehensive range of value-added design and engineering services, tailored to specific industries and markets, and the needs of our customers. These services can be delivered using one of two primary business models:

- Design Services, where customers purchase engineering and development services on a time and materials basis; or

- Joint Design and Manufacturing Services, where our engineering and development teams work jointly with our customers' teams to ensure product development integrity, seamless manufacturing handoffs, and faster time to market.

Our design and engineering services are provided by our global market-based engineering teams and cover a broad range of technical competencies:

- *System Architecture, User Interface and Industrial Design.* We help our customers design and develop innovative and cost-effective products that address the needs of the user and the market. These services include product definition, analysis and optimization of performance and functional requirements, 2-D sketch level drawings, 3-D mock-ups and CAD drawings, proofs of concept, product prototypes, interaction and interface models, detailed hard models, and product packaging.

- *Hardware Design* . We offer design for printed-circuit board assemblies (PCBA); identification and selection of key components, Subsystem design and full-product design including electrical and mechanical design. We provide complete electrical and hardware design for products ranging from small handheld consumer devices to large, high-speed, carrier-grade, telecommunications equipment, incorporating embedded microprocessors, memory, digital signal processing, high-speed digital interfaces, analog circuit design, power management solutions, wired and wireless communication protocols, display imaging, audio/video, and radio frequency systems and antenna design. In addition, we offer detailed mechanical, structural, and thermal design solutions for enclosures that utilize a wide range of plastic, metal and other material technologies. These capabilities and technologies are increasingly important to our customers' product differentiation goals.

- *Software Design.* We offer cloud integration design services which include developing and embedding a cloud agent onto a device, firmware and applications services including developing and embedding software of functionality and user-specific tasks and features.

- *Design for Excellence* . We provide comprehensive design for manufacturing, testing, and reliability services leveraging robust, internally-developed tools and databases. These services leverage our core manufacturing competencies to help our customers achieve their time-to-revenue goals.

We are exposed to different or greater potential liabilities from our various design services than those we typically face in our core assembly and manufacturing services. See "Risk Factors— *The success of certain of our activities depends on our ability to protect our intellectual property rights; claims of infringement or misuse of intellectual property and/or breach of license agreement provisions against our customers or us could harm our business* ."

Systems Assembly and Manufacturing. Our assembly and manufacturing operations, which generate the majority of our revenues, include printed circuit board assembly and assembly of systems and subsystems that incorporate printed circuit boards and complex electromechanical components. We assemble electronics products with custom electronic enclosures on either a build-to-order or configure-to-order basis. In these operations, we employ just-in-time, ship-to-stock and ship-to-line programs, continuous flow manufacturing, demand flow processes, and statistical process controls. As our customers seek to provide greater functionality in physically smaller products, they increasingly require more sophisticated manufacturing technologies and processes. Our investment in advanced manufacturing equipment and our expertise in innovative miniaturization, packaging and interconnect technologies, enables us to offer a variety of leading-edge manufacturing solutions.

We support a wide range of product demand profiles, from low-volume, high-complexity programs, to high-volume production. A continuous focus on Lean manufacturing, and a systematic approach to identifying and eliminating waste (non-value-added activities) through continuous improvement based on customer demand allows us to increase our efficiency and flexibility to meet dynamic customer requirements. Our systems assembly and manufacturing expertise includes the following:

- *Enclosures.* We offer a comprehensive set of custom electronics enclosures and related products and services. Our services include the design, manufacture, integration and deployment of electronics packaging systems, including custom enclosure systems, power and thermal subsystems, interconnect subsystems, cabling, and cases. In addition to standard sheet metal and plastic fabrication services, we assist in the design of electronics packaging systems that protect sensitive electronics and enhance functionality. Our enclosure design services focus on functionality, manufacturability, and testing. These services are integrated with our other assembly and manufacturing services to provide our customers with improved overall supply chain management.

- *Testing Services.* We offer computer-aided testing services for assembled printed circuit boards, systems, and subsystems. These services significantly improve our ability to deliver high-quality products on a consistent basis. Our test services include management defect analysis, in-circuit testing and functional testing; as well as environmental stress tests of board and system assemblies. We also offer design for test, manufacturing, and environmental services to jointly improve customer product design and manufacturing.

- *Materials Procurement and Inventory Management.* Our manufacturing and assembly operations capitalize on our materials inventory management expertise and volume procurement capabilities. As a result, we believe that we are able to achieve highly competitive cost reductions and shorten total manufacturing cycle times our OEM customers. Materials procurement and management consists of the planning, purchasing, expediting, and warehousing of components and materials used in the manufacturing process. In addition, our strategy includes having third-party suppliers of custom components located in our industrial parks to reduce material and transportation costs, simplify logistics, and facilitate inventory management. We also use a sophisticated automated manufacturing resource planning system and enhanced electronic data interchange capabilities to ensure inventory control and optimization. Through our manufacturing resources planning system, we have real-time visibility of material availability and are able to track work in process. We utilize electronic data interchange with our customers and suppliers to implement a variety of supply chain management programs. Electronic data interchange allows customers to share demand and product forecasts, deliver purchase orders and assists suppliers with satisfying just-in-time delivery and supplier-managed inventory requirements. This also enables us to implement vendor-managed inventory solutions to increase flexibility and reduce overall capital allocation in the supply chain. We procure a wide assortment of materials, including electronic components, plastics and metals. There are a number of sources for these materials, including customers for whom we are providing systems assembly and manufacturing services. On some occasions, there have been shortages of certain electronic components, most recently this has been connectors, capacitors, LCD panels and memory (both DRAM and Flash). However, such shortages have not had a material impact on our operating results for any periods presented. See "Risk Factors— *We may be adversely affected by supply chain issues, including shortages of required electronic components* ."

Components Business. We offer a full-service power supply business that provides a range of solutions from custom to highly scalable system solutions. Flex has expertise in high efficiency and high-density switching power supplies ranging from 1 to 3,000 watts. Our product portfolio includes chargers for smartphones and tablets, adapters for notebooks and gaming systems, and power supplies for the server, storage, and networking markets. Our Power Modules business designs and manufactures a wide range of isolated DC/DC converters and non-isolated Point of Load (PoL) converters intended primarily, although not exclusively, for the Information and Communications Technology market, including Servers and High-Performance Computing applications. We also offer specialized power module solutions suitable for other markets. We pride ourselves on our ability to service the needs of industry leaders in these markets through valuable technology, design expertise, collaborative development, and efficient execution. Our products are fully compliant with the environmental and Energy Star requirements that drive efficiency specifications in our industry. Customers who engage with Flex gain access to compelling innovations and design expertise in digital control and smart power.

Logistics. Our Flex Global Services business is a provider of services including after-market and forward supply chain logistics services. Our comprehensive suite of services is tailored to customers operating in the computing, consumer digital, infrastructure, industrial, mobile, automotive and medical industries. Our expansive global infrastructure includes 27 sites and approximately 11,000 employees strategically located throughout the Americas, Europe, and Asia. By leveraging our operational infrastructure, supply chain network, and IT systems, we are able to offer our customers globally consistent logistics solutions. By linking the flow of information from these supply chains, we create supply chain insight for our customers. We provide multiple logistics solutions including supplier-managed inventory, inbound freight management, product postponement, build/configure to order, order fulfillment and distribution, asset tracking, and supply chain network design.

Reverse Logistics and Repair Services. We offer a suite of integrated reverse logistics and repair solutions that use globally consistent processes, which help increase our customers' brand loyalty by improving turnaround times and raising end-customer satisfaction levels. Our objective is to maximize asset value retention for our customers' products throughout their product life cycle while simultaneously minimizing non-value added repair inventory levels and handling in the supply chain. With our suite of end-to-end solutions, we can effectively manage our customers' reverse logistics requirements, while providing critical feedback to their supply chain constituents, delivering continuous improvement and efficiencies for both existing and next generation products. Our reverse logistics and repair solutions include returns management, exchange programs, complex repair, asset recovery, recycling and e-waste management. We provide repair expertise to multiple product lines such as consumer and midrange products, printers, smart phones, consumer medical devices, notebook personal computers, set-top boxes, game consoles and highly complex infrastructure products. With our service parts logistics business, we manage all of the logistics and restocking processes essential to the efficient operation of repair and refurbishment services.

STRATEGY

We help our customers responsibly build products for a connected world. We do this by providing our customers with product development lifecycle services, from innovation, design, and engineering, to manufacturing, logistics, and supply chain solutions. Our strategy is to enable and scale innovation for our customers, maintain our leadership in our capabilities, and build extended offerings in high-growth industries and markets.

Talent . To maintain our competitiveness and world-class capabilities, we focus on hiring and retaining the world's best talent. We empower talented employees to develop innovative solutions that transform industries and companies. We have taken steps to attract the best engineering, functional and operational leaders and have accelerated efforts to develop the future leaders of the company.

Customer Focus . We believe that serving leaders in dynamic industries fosters the development of our core skills and results in superior growth and profitability. Our customers come first, and we have a relentless focus on delivering distinctive products and services in a cost-effective manner with fast time-to-market.

Market Focus . We aim to apply a rigorous approach to managing our portfolio of opportunities by focusing on companies that are leaders in their industry and value our superior capabilities in design, manufacturing, and supply chain services. We focus our energy and efforts on high-growth industries and markets where we have distinctive competence and compelling value propositions. Examples include our investments in specific technologies and industries including healthcare, automotive, industrial markets, and energy. Our market-focused approach to managing our business increases our customers' competitiveness by leveraging our deep vertical industry and cross-industry expertise, as well as global scale, regional presence and agility to respond to changes in market dynamics.

Global Operations Capabilities . We continue to invest in maintaining the leadership of our world-class manufacturing and services capabilities including automation, new product introduction and large-scale manufacturing. We constantly push the state of the art in manufacturing technology, process development and operations management. We continue to capitalize on our industrial park concept, where we co-locate our design, manufacturing, and service resources globally in lower-cost regions, to provide a competitive advantage by minimizing logistics, manufacturing costs, and cycle times while increasing flexibility and responsiveness. We believe our global scale, breadth of services, IP, and assets contribute to our significant competitive advantage.

Extended Value Propositions . We continue to extend our distinctiveness in manufacturing into new value propositions that leverage our core capabilities. We opportunistically invest in new technologies, capabilities and services to provide our customers with a broader value-added suite of innovative services and solutions to meet their product and market requirements.

COMPETITIVE STRENGTHS

We continue to enhance our business through the development and expansion of our product and service offerings. We strive to maintain the efficiency and flexibility of our organization, with repeatable execution that adapts to macro-economic changes to provide clear value to our customers, while increasing their competitiveness. We have a focused strategy on delivering scale, scope and speed to our customers through world-class innovation and design services, operations, supply chain solutions, and industry and market expertise. We provide active tracking and real-time data analytics (Flex Pulse ®) that enable improved supply chain visibility, allowing customers to better monitor and mitigate risks. We believe the following capabilities further differentiate us from our competitors and better serve our customers' requirements:

Significant Scope and Global Scale . We believe that scale is a significant competitive advantage, as our customers' solutions increasingly require capabilities and competitive solutions that can only be achieved through capabilities scope and global scale.

We have established an extensive, integrated network of design, manufacturing and logistics facilities in the world's major consumer electronics and industrial markets to serve the outsourcing needs of both multinational and regional companies. Our extensive global network of over 100 facilities in approximately 35 countries with approximately 200,000 employees, helps increase our customers' competitiveness by simplifying their global product development processes while delivering improved product quality with improved performance and accelerated time to market.

Additionally, we are a leader in global procurement, purchasing approximately $27 billion of electrical and mechanical materials during our fiscal year ended March 31, 2019. This scale provides us with an ability to use our worldwide supplier relationships to achieve leading-edge technologies, access, supply chain flexibility and advantageous pricing for our customers.

Digitized Supply Chain Solutions . We offer a comprehensive range of worldwide supply chain services that simplify and improve global product development processes, providing meaningful time and cost savings to our customers. Our broad-based, full cycle services enable us to cost effectively design, build, ship and service a complete packaged product. We believe that our capabilities help our customers improve product quality, manufacturability and performance, while optimizing costs. We have expanded and enhanced our service offerings by adding capabilities in innovation and design centers, modern manufacturing including additive manufacturing, automation, robotics, real-time supply chain software, end-to-end supply chain modeling and simulation, precision plastics, and machining.

Long-Standing Customer Relationships . We believe that maintaining our long-term relationships with key customers is a critical requirement for maintaining our market position, growth and profitability. We believe that our ability to maintain and grow these customer relationships results from our history and reputation of creating value for our customers while increasing their own competitiveness. We achieve this through our market-focused approach, our broad range of service offerings and solutions, and our deep vertical industry and cross-industry expertise, which allow us to provide innovative solutions to all of the manufacturing and related service needs of our customers. We continue to receive numerous service and quality awards that further validate the strength of our customer relationships.

Extensive Design and Engineering Capabilities . We have an industry-leading global design service offering, with extensive product design engineering resources, that provides design services, product developments, and solutions to satisfy a wide array of customer requirements across all of our key industries and markets. We combine our design and manufacturing services to provide *Sketch-to-Scale* ® customized solutions that include services from design concept, through product industrialization and development, including the manufacture of components and complete products across the industries and market that we serve, which are then sold by our customers under their brand names.

Geographic, Customer and End Market Diversification . We believe we have created a well-diversified and balanced company. Our business spans multiple end markets, significantly expanding our total available market. The world is experiencing rapid changes, and macro-economic disruptions have led to demand shifts and realignments. We believe that we are well-positioned through our market diversification to grow faster than the industry average and successfully navigate through difficult economic times. Our broad geographic footprint and experiences with multiple product types and complexity levels create a significant competitive advantage. We continually look for new ways to diversify our offering within each market segment.

Customer and Product Innovation Hubs . We have established state-of-the art innovation hubs in the Americas, Asia and Europe, with differentiated offerings and specialized services and focus. With subject matter expertise in connectivity, sensors and actuators, batteries, power, interconnects, human machine interfaces, smart textiles, optical technologies, software & security and advanced manufacturing, our technology leaders collaborate with customers to co-develop their next generation of products. We offer concepting and quick-turn prototyping utilizing the most advanced 3D plastic printing, 3D metal printing, surface mount technology (SMT), AI, Machine Learning and advanced collaborative software to support major industries in bringing innovative products to market rapidly. We are dedicated to providing quality and reliable solutions to meet the customers' requirements. We ensure confidentiality offering dedicated customer-confidential work spaces that provide increased security and restricted access to protect our customers' intellectual property and the confidentiality of new products being launched into the marketplace. These innovation hubs offer our customers a geographically-focused version of our *Sketch-to-Scale* ® services, taking their product from concept to volume production and go-to-market in a rapid, cost effective and low risk manner.

Industrial Parks; Cost-Efficient Manufacturing Services . We have developed self-contained campuses that co-locate our manufacturing and logistics operations with our suppliers in various cost-efficient locations. These sites enhance our supply chain management efficiency, while providing multi-technology solution value for our customers. This approach increases the competitiveness of our customers by reducing logistical barriers and costs, improving communications, increasing flexibility, lowering transportation costs and reducing turnaround times. We have strategically established our industrial parks in Brazil, China, India, and Mexico .

We have selected manufacturing operations situated in regions around the world to provide our customers with a wide array of manufacturing solutions where our customers and/or their customers are located. As of March 31, 2019 , approximately 80% of our manufacturing capacity was located in emerging markets, including Brazil, China, Hungary, India, Indonesia, Malaysia, Mexico, Poland, Romania, and the Ukraine.

Sustainability. We believe in the power of technology to connect people, products and services to create a smarter, more sustainable future. It's not just good business, but it's good for the environment, for people and the communities in which we live and work. This belief forms the cornerstone of our sustainability commitments and actions.

CUSTOMERS

Our customers include many of the world's leading technology companies. We have focused on establishing long-term relationships with our customers and have been successful in expanding our relationships to incorporate additional product lines and services.

As our business spans multiple end markets, we believe that we are well-positioned through our market diversification to grow faster than the industry average and successfully navigate through difficult economic times. As an example, we serve the following key customers across our diverse business groups: health solutions customers Abbott and Johnson & Johnson and auto customers Ford and Nexteer in our HRS segment; Teradyne, Applied Materials and Xerox in our IEI segment; Cisco, Nokia Solutions and Ericsson in our CEC segment; and Lenovo/Motorola, HP and Bose in our CTG segment.

In fiscal year 2019 , our ten largest customers accounted for approximately 43% of net sales. No customer accounted for greater than 10% of the Company's net sales in fiscal year 2019 .

BACKLOG

Although we obtain firm purchase orders from our customers, OEM customers typically do not place firm orders for delivery of products more than 30 to 90 days in advance. In addition, OEM customers may reschedule or cancel firm orders depending on contractual arrangements. Therefore, we do not believe that the backlog of expected product sales covered by firm purchase orders is a meaningful measure of future sales.

COMPETITION

Our market is extremely competitive and includes many companies, several of which have achieved substantial market share. We compete against numerous domestic and foreign manufacturing service providers, as well as our current and prospective customers, who evaluate our capabilities in light of their own capabilities and cost structures. We face particular competition from Asian-based competitors, including Taiwanese Original Design Manufacturing ("ODM") suppliers who compete in a variety of our end markets and have a substantial share of global information technology hardware production.

We compete with different companies depending on the type of service we are providing or the geographic area in which an activity takes place. We believe that the principal competitive factors in the manufacturing services market are: quality and range of services; design and technological capabilities; cost; location of sites; and responsiveness and flexibility. We believe we are extremely competitive with regard to all of these factors.

CORPORATE SOCIAL RESPSONSIBLITY

Sustainability remains central to who we are and how we operate. Our sustainability governance principles are a core part of our business operations. Through innovation and smart technologies, our sustainable solutions positively impact people and the environment.

Since February 2018, we have been participants of the United Nations Global Compact ("UNGC"), the world's largest corporate sustainability initiative, to showcase our commitment to integrate sustainability throughout our company and across our entire supply chain. Our commitment aims to help customers, partners and other businesses increase their own efforts to build a more sustainable future.

Our strategy and global efforts, through our sustainability programs and multi-year "Flex 20 by 2020 goals," are aligned with the principles set forth in the UNGC, and the 2030 Sustainable Development Goals ("SDGs"). While our global efforts contribute to most of the SDGs, we have prioritized them and focus on decent work, quality education, clean energy and responsible consumption and production.

We achieve social and environmental compliance through a robust integrated management system that consolidates several management systems into one. Our Corporate Social and Environmental Responsibility management system has several elements, including environmental, health and safety compliance, labor and human rights and ethics. The Flex Social and Environmental framework is based upon the principles, policies, and standards prescribed by the Responsible Business Alliance (“RBA”), a worldwide association of electronics companies committed to promoting an industry code of conduct for global electronics supply chains to improve working and environmental, health and safety conditions, as well as other relevant international standards (e.g., ISO 14001, United Nations Guiding Principles on Business and Human Rights). Flex is a founding member of the RBA. Social responsibility is also an area of increasing concern, with specific regulations such as the California Transparency in Supply Chains Act, the U.S. Federal Acquisition Regulation on Human Trafficking and the U.K. Modern Slavery Act of 2015, all creating new compliance and disclosure obligations for the Company and for our customers. We operate a number of programs, including compliance audits, data collection, training and leadership programs that focus upon driving continuous improvement in social, ethical, and environmental performance throughout all of our global operating units, all in accordance with our Code of Business Conduct and Ethics ("CoBCE"). We also go beyond compliance by offering a wide range of programs and initiatives to engage both our internal and external stakeholders.

We are committed to providing decent work for Flex employees, respecting their dignity and striving to advance human rights around the world. Our philosophy, strategies, and policies in human rights, health and safety, diversity and inclusion, support the inclusion of all people in our working environment. Some of the cornerstone specific goals through which we measure our performance include increasing employee development, social and environmental management system audits, human rights policy training completion, RBA compliance for rest day requirements and decreasing incident rates.

We work with nonprofits, community leaders and governments to promote inclusive and sustainable economic growth, employment and decent work for all. We help protect the environment, support resource conservation and provide disaster relief. We accomplish this through grants from the Flex Foundation, corporate and employee donations and volunteerism. Our multi-year goals in this area cover increasing volunteer hours and the percentage of sites with community activities as well as implementing the worker empowerment training program and Flex Foundation community grants.

We take necessary measures to protect the environment, conserve energy and natural resources, and prevent pollution by applying appropriate management practices and technology. We take actions to protect the environment, including but not limited to strict compliance with material requirements, reduction of greenhouse gas emissions, waste, water and energy consumption, and circular economy implementation, among others. Our multi-year goals for environment cover increasing our use of renewable energy, water recycling, waste diversion rate and number of powered homes equivalents and decreasing water consumption, CO2 emissions, and cost of electricity to the grid vs. fossil fuels.

Our corporate compliance program integrates our obligations and commitment to integrity into our day-to-day business practices. We expect our employees and business partners to follow the highest ethical standards. The CoBCE serves as the foundation of our Ethics and Compliance program. We conduct regular internal audits, and we maintain metrics around compliance to continuously benchmark and improve. Implementing in-person training on CoBCE for direct labor employees and increasing CoBCE training for annual completion for indirect labor employees are our integrity multi-year goals targeted for 2020.

We are committed to continuously monitoring and complying with social and environmental requirements across the supply chain. We require our suppliers to have a management system in place to ensure compliance and mitigate potential risks. We also have sustainability supply chain programs in place like on-site sustainability training for suppliers, working hours improvement and labor agent programs which help us to develop our supplier’s competencies for them to comply with the applicable requirements. We measure our progress through two goals, namely increasing out sustainability supplier training and supplier screening on social and environmental criteria.

All of these activities are the subject of our annual sustainability reporting, done in accordance with the Global Reporting Initiative’s (“GRI”) standards, and further information can be found in our annual sustainability executive and GRI reports, as well as the Flex 20 by 2020 bi-annual report posted on our website.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”), Section 1502, introduced reporting requirements related to the verification of whether we are directly (or indirectly through suppliers of materials) purchasing the following minerals (“Conflict Minerals”): columbite-tantalite, also known as coltan (the metal ore from which tantalum is extracted); cassiterite (the metal ore from which tin is extracted); gold; wolframite (the metal ore from which tungsten is extracted); or their derivatives, which are limited to tantalum, tin and tungsten; or any other mineral or its derivatives as determined by the U.S. Secretary of State to be associated with financing conflicts in the Democratic Republic of the Congo or an adjoining country. We work directly with suppliers, industry groups, and customers to comply with the reporting requirements necessary to comply with this law. See "Risk Factors - *Compliance with government regulations regarding the use of 'Conflict Minerals' may result in increased costs and risks to us* ." We have filed the required reports on Form SD with the Securities and Exchange Commission ("SEC") in accordance with the Dodd-Frank Act.

In addition, we are a founding member and active participant in the RBA's Responsible Minerals Initiative ("RMI"). RMI promotes the goal of understanding and mitigating social and environmental impacts of extraction and processing of raw materials in supply chains. As an active member of RMI, we leverage direct and indirect partnerships and use international standards, e.g.. Organization for Economic Co-operation and Development ("OECD") Guidelines for Multinational Enterprises, and the United Nations (UN) Guiding Principles on Business and Human Rights, as our guides. We are committed to responsibly sourcing minerals, in accordance with our Responsible Sourcing Policy, and follow the RMI's Conflict Minerals data reporting format.

ENVIRONMENTAL REGULATION

Our operations are regulated under various federal, state, local and international laws governing the environment, including laws governing the discharge of pollutants into the air and water, the management and disposal of hazardous substances and wastes and the cleanup of contaminated sites. We have implemented processes and procedures to ensure that our operations are in compliance with all applicable environmental regulations. We do not believe that costs of compliance with these laws and regulations will have a material adverse effect on our capital expenditures, operating results, or competitive position. In addition, we are responsible for cleanup of contamination at some of our current and former manufacturing facilities and at some third-party sites. We engage environmental consulting firms to assist us in the evaluation of environmental liabilities associated with our ongoing operations, historical disposal activities and closed sites in order to establish appropriate accruals in our financial statements. We determine the amount of our accruals for environmental matters by analyzing and estimating the probability of occurrence and the reasonable possibility of incurring costs in light of information currently available.

The imposition of more stringent standards or requirements under environmental laws or regulations, the results of future testing and analysis undertaken by us at our operating facilities, or a determination that we are potentially responsible for the release of hazardous substances at other sites could result in expenditures in excess of amounts currently estimated to be required for such matters. Additionally, we could be required to alter our operations in order to comply with any new standards or requirements under environmental laws or regulations. There can be no assurance that additional environmental matters will not arise in the future or that costs will not be incurred with respect to sites as to which no issue is currently known.

We are also required to comply with an increasing number of product environmental compliance regulations focused upon the restriction of certain hazardous substances. The electronics industry is subject to various regulations based on region or country. For example:

- Restrictions on Hazardous Substances ("RoHS") 2011/65/EU
- Waste Electrical and Electronic Equipment ("WEEE") 2012/19/EU directives
- The regulation EC 1907/2006 EU Directive REACH ("Registration, Evaluation, Authorization, and Restriction of Chemicals")
- China RoHS entitled, Management Methods for Controlling Pollution for Electronic Information Products ("EIPs").

Similar legislation has been or may be enacted in other jurisdictions, including the United States. Our business requires close collaboration with our customers and suppliers to mitigate risks of non-compliance. We have developed rigorous compliance programs designed to meet the needs and specifications of our customers as well as the regulations. These programs vary from collecting compliance or material data from our Flex controlled or managed suppliers to full laboratory testing, and we include compliance requirements in our standard supplier contracts. Non-compliance could result in significant costs and/or penalties.

RoHS and other similar legislation ban or restrict the use of lead, mercury and certain other specified substances in electronics products and WEEE requires EU importers and/or producers to assume responsibility for the collection, recycling and management of waste electronic products and components. In the case of WEEE, although the compliance responsibility rests primarily with the EU importers and/or producers rather than with EMS companies, OEMs may turn to EMS companies for assistance in meeting their WEEE obligations. Flex continues to monitor developments related to product environmental compliance and is working with our customers and other technical organizations to anticipate and minimize any impacts to our operations.

EMPLOYEES

Our policies, philosophy and strategies support the inclusion of all people in our working environment. We're committed to respecting the human rights of our employees and improving their quality of life. We encourage our people to engage in lifelong learning and growth. And we give them opportunities to perform to the best of their abilities.

As of March 31, 2019 , our global workforce totaled approximately 200,000 employees including our contractor workforce. In certain international locations, our employees are represented by labor unions and by work councils. We have never experienced a significant work stoppage or strike, and we believe that our employee relations are good.

Our success depends to a large extent upon the continued services of key managerial and technical employees. The loss of such personnel could seriously harm our business, results of operations and business prospects. To date, we have not experienced significant difficulties in attracting or retaining such personnel.

INTELLECTUAL PROPERTY

We own or license various United States and foreign patents relating to a variety of technologies. For certain of our proprietary processes, inventions, and works of authorship, we rely on trade secret or copyright protection. We also maintain trademark rights (including registrations) for our corporate name and several other trademarks and service marks that we use in our business in the United States and other countries throughout the world. We have implemented appropriate policies and procedures (including both technological means and training programs for our employees) to identify and protect our intellectual property, as well as that of our customers and suppliers. As of March 31, 2019 and 2018 , the carrying value of our intellectual property was not material.

Although we believe that our intellectual property assets and licenses are sufficient for the operation of our business as we currently conduct it, from time to time third parties assert patent infringement claims against us or our customers. In addition, we provide design and engineering services to our customers and also design and make our own products. As a consequence of these activities, our customers are sometimes requiring us to take responsibility for intellectual property to a greater extent than in our manufacturing and assembly businesses. If and when third parties make assertions regarding the ownership or right to use intellectual property, we could be required to either enter into licensing arrangements or to resolve the issue through litigation. Such license rights might not be available to us on commercially acceptable terms, if at all, and any such litigation might not be resolved in our favor. Additionally, litigation could be lengthy and costly and could materially harm our financial condition regardless of the outcome. We also could be required to incur substantial costs to redesign a product or re-perform design services.

From time to time, we enter into intellectual property licenses (e.g., patent licenses and software licenses) with third parties which obligate us to report covered behavior to the licensor and pay license fees to the licensor for certain activities or products, or that enable our use of third-party technologies. We may also decline to enter into licenses for intellectual property that we do not think is useful for or used in our operations, or for which our customers or suppliers have licenses or have assumed responsibility. Given the diverse and varied nature of our business and the location of our business around the world, certain activities we perform, such as providing assembly services in China and India, may fall outside the scope of those licenses or may not be subject to the applicable intellectual property rights. Our licensors may disagree and claim royalties are owed for such activities. In addition, the basis (e.g. base price) for any royalty amounts owed are audited by licensors and may be challenged. Some of these disagreements may lead to claims and litigation that might not be resolved in our favor. Additionally, litigation could be lengthy and costly and could materially harm our financial condition regardless of the outcome.

FINANCIAL INFORMATION ABOUT SEGMENTS AND GEOGRAPHIC AREAS

Refer to note 19 to our consolidated financial statements included under Item 8 for financial information about our business segments and geographic areas.

ADDITIONAL INFORMATION

Our Internet address is https://www.flex.com. We make available through our Internet website the Company's annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) of the Securities Exchange Act of 1934 as soon as reasonably practicable after we electronically file such material with, or furnish it to, the Securities and Exchange Commission.

We were incorporated in the Republic of Singapore in May 1990. Our principal corporate office is located at 2 Changi South Lane, Singapore 486123. Our U.S. corporate headquarters is located at 6201 America Center Drive, San Jose, CA 95002.

ITEM 1A. *RISK FACTORS*

We depend on industries that continually produce technologically advanced products with short product life cycles and our business would be adversely affected if our customers' products are not successful or if our customers lose market share.

We derive our revenues from customers in the following business groups:

- HRS, which is comprised of our health solutions business, including surgical equipment, drug delivery, diagnostics, telemedicine, disposable devices, imaging and monitoring, patient mobility and ophthalmology; and our automotive business, including vehicle electrification, connectivity, autonomous, and smart technologies;

- IEI, which is comprised of energy including advanced metering infrastructure, energy storage, smart lighting, smart solar energy; and industrial, including semiconductor and capital equipment, office solutions, household industrial and lifestyle, industrial automation and kiosks;

- CEC , which includes our telecom business of radio access base stations, remote radio heads and small cells for wireless infrastructure; our networking business, which includes optical, routing, and switching products for data and video networks; our server and storage platforms for both enterprise and cloud-based deployments; next generation storage and security appliance products; and rack-level solutions, converged infrastructure and software-defined product solutions; and

- CTG, which includes our consumer-related businesses in IoT enabled devices, audio and consumer power electronics, mobile devices; and various supply chain solutions for consumer, computing and printing devices.

Factors affecting any of these industries in general or our customers in particular, could adversely impact us. These factors include:

- rapid changes in technology, evolving industry standards, and requirements for continuous improvement in products and services that result in short product life cycles;

- demand for our customers' products may be seasonal;

- our customers may fail to successfully market their products, and our customers' products may fail to gain widespread commercial acceptance;

- our customers' products may have supply chain issues;

- our customers may experience dramatic market share shifts in demand which may cause them to lose market share or exit businesses; and

- there may be recessionary periods in our customers' markets.

Our customers may cancel their orders, change production quantities or locations, or delay production, and our current and potential customers may decide to manufacture some or all of their products internally, which could harm our business.

Cancellations, reductions, or delays by a significant customer or by a group of customers have harmed, and may in the future harm, our results of operations by reducing the volumes of products we manufacture and deliver for those customers, by causing a delay in the repayment of our expenditures for inventory in preparation for customer orders and for an impairment loss for inventory, and by lowering our asset utilization and overhead absorption resulting in lower gross margins and earnings. Additionally, current and prospective customers continuously evaluate our capabilities against other providers as well as against the merits of manufacturing products themselves. Our business would be adversely affected if customers decide to perform these functions internally or transfer their business to another provider. In addition, we face competition from the manufacturing operations of some of our current and potential customers, who are continually evaluating the merits of manufacturing products internally against the advantages of outsourcing. In the past, some of our customers moved a portion of their manufacturing from us in order to more fully utilize their excess internal manufacturing capacity. Any of these developments could cause a decline in our sales, loss of market acceptance of our products or services, decreases of our profits or loss of our market share.

As a provider of design and manufacturing services and components for electronics, we must provide increasingly rapid product turnaround times for our customers. We generally do not obtain firm, long-term purchase commitments from our customers, and we often experience reduced lead times in customer orders which may be less than the lead time we require to procure necessary components and materials.

The short-term nature of our customers' commitments and the rapid changes in demand for their products reduces our ability to accurately estimate the future requirements of our customers. This makes it difficult to schedule production and maximize utilization of our manufacturing capacity. In that regard, we must make significant decisions, including determining the levels of business that we will seek and accept, setting production schedules, making component procurement commitments, and allocating personnel and other resources based on our estimates of our customers' requirements.

On occasion, customers require rapid increases in production or require that manufacturing of their products be transitioned from one facility to another to reduce costs or achieve other objectives. These demands stress our resources, can cause supply chain management issues, and reduce our margins. We may not have sufficient capacity at any given time to meet our customers' demands, and transfers from one facility to another can result in inefficiencies and costs due to excess capacity in one facility and corresponding capacity constraints at another. Many of our costs and operating expenses are relatively fixed, and thus customer order fluctuations, deferrals, and transfers of demand from one facility to another, as described above, have had a material adverse effect on our operating results in the past and we may experience such effects in the future.

Our industry is extremely competitive; if we are not able to continue to provide competitive services, we may lose business.

We compete with a number of different companies, depending on the type of service we provide or the location of our operations. For example, we compete with major global EMS providers, other smaller EMS companies that have a regional or product-specific focus and ODMs with respect to some of the services that we provide. We also compete with our current and prospective customers, who evaluate our capabilities in light of their own capabilities and cost structures. Our industry is extremely competitive, many of our competitors have achieved substantial market share, and some may have lower cost structures or greater design, manufacturing, financial or other resources than we do. We face particular competition from Asian-based competitors, including Taiwanese ODM suppliers who compete in a variety of our end markets and have a substantial share of global information technology hardware production. If we are unable to provide comparable manufacturing services and improved products at lower cost than the other companies in our market, our net sales could decline.

A significant percentage of our sales come from a small number of customers and a decline in sales to any of these customers could adversely affect our business.

Sales to our ten largest customers represent a significant percentage of our net sales. Our ten largest customers accounted for approximately 43% , 41% and 43% of net sales in fiscal years 2019 , 2018 and 2017 , respectively. No customer accounted for more than 10% of net sales in fiscal year 2019 , 2018 and 2017. Our principal customers have varied from year to year. These customers may experience dramatic declines in their market shares or competitive position, due to economic or other forces, that may cause them to reduce their purchases from us or, in some cases, result in the termination of their relationship with us. Significant reductions in sales to any of these customers, or the loss of major customers, would materially harm our business. If we are not able to timely replace expired, canceled or reduced contracts with new business, our revenues and profitability could be harmed. Additionally, mergers, acquisitions, consolidations or other significant transactions involving our key customers generally entail risks to our business. If a significant transaction involving any of our key customers results in the loss of or reduction in purchases by any of our largest customers, it could have a materially adverse effect on our business, results of operations, financial condition and prospects.

Our components business is dependent on our ability to quickly launch world-class component products, and our investment in the development of our component capabilities, together with the start-up and integration costs necessary to achieve quick launches of world-class component products, may adversely affect our margins and profitability.

Our components business, which include power supply manufacturing, is part of our strategy to improve our competitive position and to grow our future margins, profitability and shareholder returns by expanding our capabilities. The success of our components business is dependent on our ability to design and introduce world- class components that have performance characteristics which are suitable for a broad market and that offer significant price and/or performance advantages over competitive products.

To create these world class components offerings, we must continue to make substantial investments in the development of our components capabilities, in resources such as research and development, technology licensing, test and tooling equipment, facility expansions, and personnel requirements. We may not be able to achieve or maintain market acceptance for any of our components offerings in any of our current or target markets. The success of our components business will also depend upon the level of market acceptance of our customers' end products, which incorporate our components, and over which we have no control.

Our exposure to financially troubled customers or suppliers may adversely affect our financial results.

We provide manufacturing services to companies and industries that have in the past, and may in the future, experience financial difficulty. If some of our customers experience financial difficulty, we could have difficulty recovering amounts owed to us from these customers, or demand for our products from these customers could decline. Additionally, if our suppliers experience financial difficulty we could have difficulty sourcing supplies necessary to fulfill production requirements and meet scheduled shipments. If one or more of our customers were to become insolvent or otherwise were unable to pay for the services provided by us on a timely basis, or at all, our operating results and financial condition could be adversely affected. Such adverse effects could include one or more of the following: an increase in our provision for doubtful accounts, a charge for inventory write-offs, a reduction in revenue, and an increase in our working capital requirements due to higher inventory levels and increases in days our accounts receivables are outstanding.

On April 21, 2016, SunEdison, Inc. and certain of its subsidiaries (“SunEdison”) filed for protection under Chapter 11 of the U.S. Bankruptcy Code. For the fiscal year ended March 31, 2016, we recognized a bad debt reserve charge of $61.0 million associated with our outstanding SunEdison receivables and accepted return of previously shipped inventory of approximately $90 million. During the second quarter of fiscal year 2017, prices for solar panel modules declined significantly. We determined that certain solar panel inventory previously designated for SunEdison on hand at the end of the second quarter of fiscal year 2017 was not fully recoverable and recorded a charge of $60.0 million to reduce the carrying costs to market during fiscal year 2017. In addition, we recognized a $16.0 million impairment charge for solar module equipment and incurred $16.9 million of incremental costs primarily related to negative margin sales and other associated solar panel direct costs. The estimates underlying our recorded provisions, as well as consideration of other potential customer bankruptcy-related contingencies associated with the SunEdison bankruptcy proceedings, are based on the facts currently known to us; no preference claims have been asserted against the Company. SunEdison stated in schedules filed with the Bankruptcy Court that, within the 90 days preceding SunEdison's bankruptcy filing, the Company received approximately $98.6 million of inventory and cash transfers of $69.2 million, which in aggregate represents the Company's estimate of the maximum reasonably possible contingent loss. On April 15, 2018, a subsidiary of the Company together with its subsidiaries and affiliates, entered into a tolling agreement with the trustee of the SunEdison Litigation Trust to toll any applicable statute of limitations or other time-related defense that might exist in regards to any potential claims that either party might be able to assert against the other for a period that will end at the earlier to occur of: (a) 60 days after a party provides written notice of termination; (b) six years from the effective date of April 15, 2018; or (c) such other date as the parties may agree in writing. We believe that we continue to have a number of affirmative and direct defenses to any potential claims for recovery and intend to vigorously defend any such claim, if asserted. An unfavorable resolution of this matter could be material to our results of operations, financial condition, or cash flows.

We may be adversely affected by supply chain issues, including shortages of required electronic components.

From time to time, we have experienced shortages of some of the electronic components that we use. These shortages can result from strong demand for those components or from problems experienced by suppliers, such as shortages of raw materials. These unanticipated component shortages could result in curtailed production or delays in production, which may prevent us from making scheduled shipments to customers. Our inability to make scheduled shipments could cause us to experience a reduction in sales, increase in inventory levels and costs, and could adversely affect relationships with existing and prospective customers. Component shortages may also increase our cost of goods sold because we may be required to pay higher prices for components in short supply and redesign or reconfigure products to accommodate substitute components. As a result, component shortages could adversely affect our operating results. Our performance depends, in part, on our ability to incorporate changes in component costs into the selling prices for our products.

Our supply chain may also be impacted by other events outside our control, including macro-economic events, trade restrictions, political crises, or natural or environmental occurrences.

Our margins and profitability may be adversely affected due to substantial investments, start-up and production ramp costs in our design services.

As part of our strategy to enhance our end-to-end service offerings, we continue to expand our design and engineering capabilities. Providing these services can expose us to different or greater potential risks than those we face when providing our manufacturing services.

Although we enter into contracts with our design services customers, we may design and develop products for these customers prior to receiving a purchase order or other firm commitment from them. We are required to make substantial investments in the resources necessary to design and develop these products, and no revenue may be generated from these efforts if our customers do not approve the designs in a timely manner or at all. In addition, we may make investments in designing products and not be able to design viable manufacturable products, in which cases we may not be able to recover our investments. Even if we are successful in designing manufacturable products and our customers accept our designs, if our customers do not then purchase anticipated levels of products, we may not realize any profits. Our design activities often require that we purchase inventory for initial production runs before we have a purchase commitment from a customer. Even after we have a contract with a customer with respect to a product, these contracts may allow the customer to delay or cancel deliveries and may not obligate the customer to any particular volume of purchases. These contracts can generally be terminated on short notice. In addition, some of the products we design and develop must satisfy safety and regulatory standards and some must receive government certifications. If we fail to obtain these approvals or certifications on a timely basis, we would be unable to sell these products, which would harm our sales, profitability and reputation.

Our design services offerings require significant investments in research and development, technology licensing, test and tooling equipment, patent applications, facility building and expansion and recruitment. We may not be able to achieve a high enough level of sales for this business to be profitable. The initial costs of investing in the resources necessary to expand our design and engineering capabilities, and in particular to support our design services offerings, have historically adversely affected our profitability, and may continue to do so as we continue to make investments to grow these capabilities.

In addition, we often agree to certain product price limitations and cost reduction targets in connection with these services. Inflationary and other increases in the costs of the raw materials and labor required to produce the products have occurred and may recur from time to time. Also, the production ramps for these programs are typically significant and negatively impact our margin in early stages as the manufacturing volumes are lower and result in inefficiencies and unabsorbed manufacturing overhead costs. We may not be able to reduce costs, incorporate changes in costs into the selling prices of our products, or increase operating efficiencies as we ramp production of our products, which would adversely affect our margins and our results of operations.

We conduct operations in a number of countries and are subject to the risks inherent in international operations.

The geographic distances between the Americas, Asia and Europe create a number of logistical and communications challenges for us. These challenges include managing operations across multiple time zones, directing the manufacture and delivery of products across distances, coordinating procurement of components and raw materials and their delivery to multiple locations, and coordinating the activities and decisions of the core management team, which is based in a number of different countries.

Facilities in several different locations may be involved at different stages of the production process of a single product, leading to additional logistical difficulties.

Because our manufacturing operations are located in a number of countries throughout the Americas, Asia and Europe, we are subject to risks of changes in economic and political conditions in those countries, including:

- fluctuations in the value of local currencies;
- labor unrest, difficulties in staffing and geographic labor shortages;
- longer payment cycles;
- cultural differences;
- increases in duties, tariffs, and taxation levied on our products including anti-dumping and countervailing duties;
- trade restrictions including limitations on imports or exports of components or assembled products, unilaterally or bilaterally;
- trade sanctions and related regulatory enforcement actions and other proceedings;
- potential trade wars;

- increased scrutiny by the media and other third parties of labor practices within our industry (including but not limited to working conditions) which may result in allegations of violations, more stringent and burdensome labor laws and regulations and inconsistency in the enforcement and interpretation of such laws and regulations, higher labor costs, and/or loss of revenues if our customers become dissatisfied with our labor practices and diminish or terminate their relationship with us;
- imposition of restrictions on currency conversion or the transfer of funds;
- expropriation of private enterprises;
- ineffective legal protection of our intellectual property rights in certain countries;
- natural disasters;
- exposure to infectious disease and epidemics;
- inability of international customers and suppliers to obtain financing resulting from tightening of credit in international financial markets;
- political unrest; and
- a potential reversal of current favorable policies encouraging foreign investment or foreign trade by our host countries.

The attractiveness of our services to customers and our ability to conduct business with certain customers can be affected by changes in U.S. and other countries' trade policies. In 2018, the U.S. imposed tariffs on a large variety of products of Chinese origin. The U.S. government has also indicated a readiness to further expand the scope of the tariffs on Chinese goods if negotiations are not successful, and most recently, effective May 10, 2019, increased tariffs on $200 billion of Chinese goods to 25%. Further, on May 15, 2019, President Trump issued an executive order designed to secure the information and communications technology and services supply chain, which would restrict the acquisition or use in the United States of information and communications technology or services designed, developed, manufactured, or supplied by persons owned by, controlled by, or subject to the jurisdiction or direction of foreign adversaries. The executive order is subject to implementation by the Secretary of Commerce and applies to contracts entered into prior to the effective date of the order. In addition, the U.S. Commerce Department has implemented additional restrictions and may implement further restrictions that would affect conducting business with certain Chinese companies. Depending upon their duration and implementation, as well as our ability to mitigate their impact, these tariffs, the executive order and its implementation and other regulatory actions could materially affect our business, including in the form of increased cost of goods sold, decreased margins, increased pricing for customers, and reduced sales.

In addition, some countries in which we operate, such as Brazil, Hungary, India, Mexico, Malaysia and Poland, have experienced periods of slow or negative growth, high inflation, significant currency devaluations or limited availability of foreign exchange. Furthermore, in countries such as China, Brazil, India and Mexico, governmental authorities exercise significant influence over many aspects of the economy, and their actions could have a significant effect on us. We could be seriously harmed by inadequate infrastructure, including lack of adequate power and water supplies, transportation, raw materials and parts in countries in which we operate. In addition, we may encounter labor disruptions and rising labor costs, in particular within the lower-cost regions in which we operate. Any increase in labor costs that we are unable to recover in our pricing to our customers could adversely impact our operating results.

Operations in foreign countries also present risks associated with currency exchange and convertibility, inflation and repatriation of earnings. In some countries, economic and monetary conditions and other factors could affect our ability to convert our cash distributions to U.S. dollars or other freely convertible currencies, or to move funds from our accounts in these countries. Furthermore, the central bank of any of these countries may have the authority to suspend, restrict or otherwise impose conditions on foreign exchange transactions or to approve distributions to foreign investors.

The success of certain of our activities depends on our ability to protect our intellectual property rights; claims of infringement or misuse of intellectual property and/or breach of license agreement provisions against our customers or us could harm our business.

We retain certain intellectual property rights to some of the technologies that we develop as part of our engineering, design and manufacturing services and components offerings. The measures we have taken to prevent unauthorized use of our technology may not be successful. If we are unable to protect our intellectual property rights, this could reduce or eliminate the competitive advantages of our proprietary technology, which would harm our business.

Our engineering, design and manufacturing services and components offerings involve the creation and use of intellectual property rights, which subject us to the risk of claims of infringement or misuse of intellectual property from third parties and/or breach of our agreements with third parties, as well as claims arising from the allocation of intellectual property risk among us and our customers. From time to time, we enter into intellectual property licenses (e.g., patent licenses and software licenses) with third parties which obligate us to report covered behavior to the licensor and pay license fees to the licensor for certain activities or products, or that enable our use of third party technologies. We may also decline to enter into licenses for intellectual property that we do not think is useful for or used in our operations, or for which our customers or suppliers have licenses or have assumed responsibility. Given the diverse and varied nature of our business and the location of our business around the world, certain activities we perform, such as providing assembly services in China and India, may fall outside the scope of those licenses or may not be subject to the applicable intellectual property rights. Our licensors may disagree and claim royalties are owed for such activities. In addition, the basis (e.g. base price) for any royalty amounts owed are audited by licensors and may be challenged. Our customers are increasingly requiring us to indemnify them against the risk of intellectual property-related claims and licensors are claiming that activities we perform are covered by licenses to which we are a party. In March 2018, we received an inquiry from a licensor referencing a patent license agreement, and requesting information relating royalties for products that we assemble for a customer in China. If any of these inquiries result in a claim, the Company intends to contest any such claim vigorously. If a claim is asserted and we are unsuccessful in its defense, a material loss is reasonably possible. We cannot predict or estimate an amount or reasonable range of outcomes with respect to the matter.

If any claims of infringement or misuse of intellectual property from third parties and/or breach of our agreements with third parties, as well as claims arising from the allocation of intellectual property risk among us and our customers, are brought against us or our customers, whether or not these have merit, we could be required to expend significant resources in defense of such claims. In the event of such a claim, we may be required to spend a significant amount of money to develop alternatives or obtain licenses or to resolve the issue through litigation. We may not be successful in developing such alternatives or obtaining such licenses on reasonable terms or at all, and any such litigation might not be resolved in our favor, in which cases we may be required to curtail certain of our services and offerings. Additionally, litigation could be lengthy and costly, and could materially harm our financial condition regardless of outcome.

We are subject to risks relating to litigation and regulatory investigations and proceedings, which may have a material adverse effect on our business.

From time to time, we are involved in various claims, suits, investigations and legal proceedings. Additional legal claims or regulatory matters may arise in the future and could involve matters relating to commercial disputes, government regulatory and compliance, intellectual property, antitrust, tax, employment or shareholder issues, product liability claims and other issues on a global basis. If we receive an adverse judgment in any such matter, we could be required to pay substantial damages and cease certain practices or activities. Regardless of the merits of the claims, litigation and other proceedings may be both time- consuming and disruptive to our business. The defense and ultimate outcome of any lawsuits or other legal proceedings may result in higher operating expenses and a decrease in operating margin, which could have a material adverse effect on our business, financial condition, or results of operations.

On May 8, 2018, a putative class action was filed in the Northern District of California against the Company and certain officers alleging violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, and Rule 10b-5, promulgated thereunder, alleging misstatements and/or omissions in certain of the Company's financial results, press releases and SEC filings made during the putative class period of January 26, 2017 through April 26, 2018. On October 1, 2018, the Court appointed lead plaintiff and lead plaintiff's counsel in the case. On November 28, 2018, lead plaintiff filed an amended complaint alleging misstatements and/or omissions in certain of the Company's SEC filings, press releases, earnings calls, and analyst and investor conferences and expanding the putative class period through October 25, 2018. On April 3, 2019, the Court vacated its prior order appointing lead plaintiff and lead plaintiff's counsel and reopened the lead plaintiff appointment process. Motions for appointment as lead plaintiff are due June 4, 2019. Defendants' deadline to move to dismiss is vacated until after the lead plaintiff appointment process is complete and an operative complaint is designated. In addition, the Court has set a case management conference for July 17, 2019. Any existing or future lawsuits could be time-consuming, result in significant expense and divert the attention and resources of our management and other key employees, as well as harm our reputation, business, financial condition or results of operations.

On February 14, 2019, we submitted an initial notification of voluntary disclosure to the U.S. Department of the Treasury, Office of Foreign Assets Control ("OFAC") regarding possible noncompliance with U.S. economic sanctions requirements among certain non-U.S. Flex-affiliated operations. We have initiated an internal investigation regarding this matter. The matter is at a very preliminary stage and we cannot predict the total costs to be incurred in response to any steps taken by OFAC, the potential impact on our personnel or to what extent we could be subject to penalties, which could be material. Nor can we predict how long it will take to complete our investigation and for a disposition by OFAC.

If we do not effectively manage changes in our operations, our business may be harmed; we have taken substantial restructuring charges in the past and we may need to take material restructuring charges in the future.

The expansion of our business, as well as business contractions and other changes in our customers' requirements, have in the past, and may in the future, require that we adjust our business and cost structures by incurring restructuring charges. Restructuring activities involve reductions in our workforce at some locations and closure of certain facilities. All of these changes have in the past placed, and may in the future place, considerable strain on our financial and management control systems and resources, including decision support, accounting management, information systems and facilities. If we do not properly manage our financial and management controls, reporting systems and procedures to manage our employees, our business could be harmed.

In recent years, including fiscal years 2019, 2018 and 2017, we initiated targeted restructuring activities focused on optimizing our portfolio, in particular customers and products in our CTG business, optimizing our cost structure in lower growth areas and, more importantly, streamlining certain corporate and segment functions as well as exited our NIKE operations in Mexico. Restructuring charges are recorded based upon employee termination dates, site closure and consolidation plans generally in conjunction with an overall corporate initiative to drive cost reduction and realign the Company's global footprint.

We may be required to take additional charges in the future to align our operations and cost structures with global economic conditions, market demands, cost competitiveness, and our geographic footprint as it relates to our customers' production requirements. We may consolidate certain manufacturing facilities or transfer certain of our operations to lower cost geographies. If we are required to take additional restructuring charges in the future, our operating results, financial condition, and cash flows could be adversely impacted. Additionally, there are other potential risks associated with our restructurings that could adversely affect us, such as delays encountered with the finalization and implementation of the restructuring activities, work stoppages, and the failure to achieve targeted cost savings.

A breach of our IT or physical security systems, or violation of data privacy laws, may cause us to incur significant legal and financial exposure.

We rely on our information systems to process, transmit and store electronic information (including sensitive data such as confidential business information and personally identifiable data relating to employees, customers, and other business partners), and to manage or support a variety of critical business processes and activities. We regularly face attempts by others to gain unauthorized access through the Internet or to introduce malicious software to our information systems. We are also a target of malicious attackers who attempt to gain access to our network or data centers or those of our customers or end users; steal proprietary information related to our business, products, employees, and customers; or interrupt our systems and services or those of our customers or others. We believe such attempts are increasing in number and in technical sophistication. In some instances, we, our customers, and the users of our products and services might be unaware of an incident or its magnitude and effects. We have implemented security systems with the intent of maintaining the physical security of our facilities and inventory and protecting our customers' and our suppliers' confidential information. In addition, while we seek to detect and investigate all unauthorized attempts and attacks against our network, products, and services, and to prevent their recurrence where practicable through changes to our internal processes and tools, we are subject to, and at times have suffered from, breach of these security systems which have in the past and may in the future result in unauthorized access to our facilities and/or unauthorized use or theft of the inventory or information we are trying to protect. If unauthorized parties gain physical access to our inventory or if they gain electronic access to our information systems or if such information or inventory is used in an unauthorized manner, misdirected, or lost or stolen during transmission or transport, any theft or misuse of such information or inventory could result in, among other things, unfavorable publicity, governmental inquiry and oversight, difficulty in marketing our services, allegations by our customers that we have not performed our contractual obligations, litigation by affected parties including our customers and possible financial obligations for damages related to the theft or misuse of such information or inventory, any of which could have a material adverse effect on our profitability and cash flow. In addition, new data privacy laws and regulations, including the new European Union General Data Protection Regulation ("GDPR") effective May 2018, pose increasingly complex compliance challenges, which may increase compliance costs, and any failure to comply with data privacy laws and regulations could result in significant penalties. Additionally, California recently enacted legislation, the California Consumer Privacy Act ("CCPA"), which will become effective January 1, 2020. The CCPA will, among other requirements, require covered companies to provide new disclosures to California consumers, and allow such consumers new abilities to opt-out of certain sales of personal information. The effects of the CCPA may be significant, and may require us to modify our data processing practices and policies and to incur substantial costs and expenses in an effort to comply.

Our strategic relationships with major customers create risks.

In the past, we have completed numerous strategic transactions with customers. Under these arrangements, we generally acquire inventory, equipment and other assets from the customers, and lease or acquire their manufacturing facilities, while simultaneously entering into multi-year manufacturing and supply agreements for the production of their products. We may pursue these customer divestiture transactions in the future. These arrangements entered into with divesting customers typically involve many risks, including the following:

- we may need to pay a purchase price to the divesting customers that exceeds the value we ultimately may realize from the future business of the customer;
- the integration of the acquired assets and facilities into our business may be time-consuming and costly, including the incurrence of restructuring charges;
- we, rather than the divesting customer, bear the risk of excess capacity at the facility;
- we may not achieve anticipated cost reductions and efficiencies at the facility;
- we may be unable to meet the expectations of the customer as to volume, product quality, timeliness and cost reductions;
- our supply agreements with the customers generally do not require any minimum volumes of purchase by the customers, and the actual volume of purchases may be less than anticipated; and
- if demand for the customers' products declines, the customer may reduce its volume of purchases, and we may not be able to sufficiently reduce the expenses of operating the facility or use the facility to provide services to other customers.

As a result of these and other risks, we have been, and in the future may be, unable to achieve anticipated levels of profitability under these arrangements. In addition, these strategic arrangements have not, and in the future may not, result in any material revenues or contribute positively to our earnings per share.

If our compliance policies are breached, we may incur significant legal and financial exposure.

We have implemented local and global compliance policies to ensure compliance with our legal obligations across our operations. A significant legal risk resulting from our international operations is compliance with the U.S. Foreign Corrupt Practices Act or similar local laws of the countries in which we do business, including the UK Anti-Bribery Act, which prohibits covered companies from making payments to foreign government officials to assist in obtaining or retaining business. Our Code of Business Conduct prohibits corrupt payments on a global basis and precludes us from offering or giving anything of value to a government official for the purpose of obtaining or retaining business, to win a business advantage or to improperly influence a decision regarding Flex. Nevertheless, there can be no assurance that all of our employees and agents will refrain from taking actions in violation of this and our related anti-corruption policies and procedures. Any such violation could have a material adverse effect on our business.

We are subject to the risk of increased income taxes.

We are subject to taxes in numerous jurisdictions. Our future effective tax rates could be affected by changes in the mix of earnings in countries with differing statutory rates and changes in tax laws or their interpretation including changes related to tax holidays or tax incentives. The international tax environment continues to change as a result of both coordinated efforts by governments and unilateral measures designed by individual countries, both intended to tackle concerns over perceived international tax avoidance techniques, which could ultimately have an adverse effect on the taxation of international businesses. In addition, legislative changes may result from the Organization for Economic Co-operation and Development’s Base Erosion and Profit Shifting Project. Any such changes, if adopted, could adversely impact our effective tax rate.

Our taxes could also increase if certain tax holidays or incentives are not renewed upon expiration, or if tax rates applicable to us in such jurisdictions are otherwise increased. Our continued ability to qualify for specific tax holiday extensions will depend on, among other things, our anticipated investment and expansion in these countries and the manner in which the local governments interpret the requirements for modifications, extensions or new incentives.

In addition, the Company and its subsidiaries are regularly subject to tax return audits and examinations by various taxing jurisdictions around the world. In determining the adequacy of our provision for income taxes, we regularly assess the likelihood of adverse outcomes resulting from tax examinations. While it is often difficult to predict the final outcome or the timing of the resolution of a tax examination, we believe that our reserves for uncertain tax benefits reflect the outcome of tax positions that are more likely than not to occur. However, we cannot assure you that the final determination of any tax examinations will not be materially different than that which is reflected in our income tax provisions and accruals. Should additional taxes be assessed as a result of a current or future examination, there could be a material adverse effect on our tax provision, operating results, financial position and cash flows in the period or periods for which that determination is made.

Changes in financial accounting standards or policies have affected, and in the future may affect, our reported financial condition or results of operations.

We prepare our financial statements in conformity with U.S. GAAP. These principles are subject to interpretation by the Financial Accounting Standards Board (FASB), the American Institute of Certified Public Accountants (AICPA), the SEC and various bodies formed to interpret and create accounting policies. For example, significant changes to revenue recognition rules have been enacted and applied to us in fiscal year 2019 per Accounting Standard Update ("ASU") 2014-09 "Revenue from Contracts with Customers (Topic 606)". Changes to accounting rules or challenges to our interpretation or application of the rules by regulators may have a material adverse effect on our reported financial results or on the way we conduct business. Refer to "Recently Adopted Accounting Pronouncements" within note 2 of Item 8, Financial Statements and Supplementary Data.

We may encounter difficulties with acquisitions and divestitures, which could harm our business.

We have completed numerous acquisitions of businesses and we may acquire additional businesses in the future. Any future acquisitions may require additional equity financing, which could be dilutive to our existing shareholders, or additional debt financing, which could increase our leverage and potentially affect our credit ratings. Any downgrades in our credit ratings associated with an acquisition could adversely affect our ability to borrow by resulting in more restrictive borrowing terms. As a result of the foregoing, we also may not be able to complete acquisitions or strategic customer transactions in the future to the same extent as in the past, or at all.

To integrate acquired businesses, we must implement our management information systems, operating systems and internal controls, and assimilate and manage the personnel of the acquired operations. The difficulties of this integration may be further complicated by geographic distances. The integration of acquired businesses may not be successful and could result in disruption to other parts of our business. In addition, the integration of acquired businesses may require that we incur significant restructuring charges.

In addition, acquisitions involve numerous risks and challenges, including:

- diversion of management's attention from the normal operation of our business;
- potential loss of key employees and customers of the acquired companies;
- difficulties managing and integrating operations in geographically dispersed locations;
- the potential for deficiencies in internal controls at acquired companies;
- increases in our expenses and working capital requirements, which reduce our return on invested capital;
- lack of experience operating in the geographic market or industry sector of the acquired business;
- cybersecurity and compliance related issues;
- initial dependence on unfamiliar supply chain or relatively small supply chain partners; and
- exposure to unanticipated liabilities of acquired companies.

In addition, divestitures involve significant risks, including without limitation, difficulty finding financially sufficient buyers or selling on acceptable terms in a timely manner, and the agreed-upon terms could be renegotiated due to changes in business or market conditions. Divestitures could adversely affect our profitability and, under certain circumstances, require us to record impairment charges or a loss as a result of the transaction. In addition, completing divestitures requires expenses and management attention and could leave us with certain continuing liabilities.

These and other factors have harmed, and in the future could harm, our ability to achieve anticipated levels of profitability at acquired operations or realize other anticipated benefits of an acquisition or divestiture, and could adversely affect our business and operating results.

We may not meet regulatory quality standards applicable to our manufacturing and quality processes for medical devices, which could have an adverse effect on our business, financial condition or results of operations.

As a medical device manufacturer, we have additional compliance requirements. We are required to register with the U.S. Food and Drug Administration ("FDA") and are subject to periodic inspection by the FDA for compliance with the FDA's Quality System Regulation ("QSR") requirements, which require manufacturers of medical devices to adhere to certain regulations, including testing, quality control and documentation procedures. Compliance with applicable regulatory requirements is subject to continual review and is rigorously monitored through periodic inspections and product field monitoring by the FDA. If any FDA inspection reveals noncompliance with QSR or other FDA regulations, and the Company does not address the observation adequately to the satisfaction of the FDA, the FDA may take action against us. FDA actions may include issuing a letter of inspectional observations, issuing a warning letter, imposing fines, bringing an action against the Company and its officers, requiring a recall of the products we manufactured for our customers, refusing requests for clearance or approval of new products or withdrawal of clearance or approval previously granted, issuing an import detention on products entering the U.S. from an offshore facility, or shutting down a manufacturing facility. If any of these actions were to occur, it would harm our reputation and cause our business to suffer.

In the European Union ("EU"), we are required to maintain certain standardized certifications in order to sell our products and must undergo periodic inspections to obtain and maintain these certifications. Continued noncompliance to the EU regulations could stop the flow of products into the EU from us or from our customers. In China, the Safe Food and Drug Administration controls and regulates the manufacture and commerce of healthcare products. We must comply with the regulatory laws applicable to medical device manufactures or our ability to manufacture products in China could be impacted. In Japan, the Pharmaceutical Affairs Laws regulate the manufacture and commerce of healthcare products. These regulations also require that subcontractors manufacturing products intended for sale in Japan register with authorities and submit to regulatory audits. Other Asian countries and Latin America where we operate have similar laws regarding the regulation of medical device manufacturing.

If our products or components contain defects, demand for our services may decline and we may be exposed to product liability and product warranty liability.

Defects in the products we manufacture or design, whether caused by a design, engineering, manufacturing or component failure or deficiencies in our manufacturing processes, could result in product or component failures, which may damage our business reputation and expose us to product liability or product warranty claims.

Product liability claims may include liability for personal injury or property damage. Product warranty claims may include liability to pay for the recall, repair or replacement of a product or component. Although we generally allocate liability for these claims in our contracts with our customers, increasingly we are unsuccessful in allocating such liability, and even where we have allocated liability to our customers, our customers may not have the resources to satisfy claims for costs or liabilities arising from a defective product or component for which they have assumed responsibility.

If we design, engineer or manufacture a product or component that is found to cause any personal injury or property damage or is otherwise found to be defective, we could spend a significant amount of money to resolve the claim. In addition, product liability and product recall insurance coverage are expensive and may not be available for some or all of our services offerings on acceptable terms, in sufficient amounts, or at all. A successful product liability or product warranty claim in excess of our insurance coverage or any material claim for which insurance coverage is denied, limited or is not available could have a material adverse effect on our business, results of operations and financial condition.

Fluctuations in foreign currency exchange rates could increase our operating costs.

We have manufacturing operations and industrial parks that are located in various part of the world, including Asia, Eastern Europe, Mexico and Brazil. A portion of our purchases and our sale transactions are denominated in currencies other than the United States dollar. As a result, we are exposed to fluctuations in these currencies impacting our fixed cost overhead or our supply base relative to the currencies in which we conduct transactions.

Currency exchange rates fluctuate on a daily basis as a result of a number of factors, including changes in a country's political and economic policies. Volatility in the functional and non-functional currencies of our entities and the United States dollar could seriously harm our business, operating results and financial condition. The primary impact of currency exchange fluctuations is on the cash, receivables, payables and expenses of our operating entities. As part of our currency hedging strategy, we use financial instruments such as forward exchange, swap contracts, and options to hedge our foreign currency exposure in order to reduce the short-term impact of foreign currency rate fluctuations on our operating results. If our hedging activities are not successful or if we change or reduce these hedging activities in the future, we may experience significant unexpected fluctuations in our operating results as a result of changes in exchange rates.

We are also exposed to risks related to the valuation of the Chinese currency relative to the U.S. dollar. The Chinese currency is the renminbi ("RMB"). A significant increase in the value of the RMB could adversely affect our financial results and cash flows by increasing both our manufacturing costs and the costs of our local supply base.

Our operating results may fluctuate significantly due to seasonal demand.

Two of our significant end markets are the mobile devices market and the consumer devices market. These markets exhibit particular strength generally in the two quarters leading up to the end of the calendar year in connection with the holiday season. As a result, we have historically experienced stronger revenues in our second and third fiscal quarters as compared to our other fiscal quarters. Economic or other factors leading to diminished orders in the end of the calendar year could harm our business.

We depend on our executive officers and skilled management personnel.

Our success depends to a large extent upon the continued services of our executive officers and other key employees. Generally, our employees are not bound by employment or non-competition agreements, and we cannot assure you that we will retain our executive officers and other key employees. We could be seriously harmed by the loss of any of our executive officers or other key employees. We will need to recruit and retain skilled management personnel, and if we are not able to do so, our business could be harmed. In addition, in connection with expanding our design services offerings, we must attract and retain experienced design engineers. There is substantial competition in our industry for highly skilled employees. Our failure to recruit and retain experienced design engineers could limit the growth of our design services offerings, which could adversely affect our business.

Our failure to comply with environmental laws could adversely affect our business.

We are subject to various federal, state, local and foreign environmental laws and regulations, including regulations governing the use, storage, discharge and disposal of hazardous substances used in our manufacturing processes. We are also subject to laws and regulations governing the recyclability of products, the materials that may be included in products, and our obligations to dispose of these products after end users have finished with them. Additionally, we may be exposed to liability to our customers relating to the materials that may be included in the components that we procure for our customers' products. Any violation or alleged violation by us of environmental laws could subject us to significant costs, fines or other penalties.

We are also required to comply with an increasing number of global and local product environmental compliance regulations focused on the restriction of certain hazardous substances. We are subject to the EU directives, including the Restrictions on RoHS, the WEEE as well as the EU's REACH regulation. In addition, new technical classifications of e-Waste being discussed in the Basel Convention technical working group could affect both our customers' abilities and obligations in electronics repair and refurbishment. Also of note is China's Management Methods for Controlling Pollution Caused by EIPs regulation, commonly referred to as "China RoHS", which restricts the importation into and production within China of electrical equipment containing certain hazardous materials. Similar legislation has been or may be enacted in other jurisdictions, including in the United States. RoHS and other similar legislation bans or restricts the use of lead, mercury and certain other specified substances in electronics products and WEEE requires EU importers and/or producers to assume responsibility for the collection, recycling and management of waste electronic products and components. We have developed rigorous risk mitigating compliance programs designed to meet the needs of our customers as well as applicable regulations. These programs may include collecting compliance data from our suppliers, full laboratory testing and public reporting of other environmental metrics such as carbon emissions, electronic waste and water, and we also require our supply chain to comply. Non-compliance could potentially result in significant costs and/or penalties. In the case of WEEE, the compliance responsibility rests primarily with the EU importers and/or producers rather than with EMS companies. However, customers may turn to EMS companies for assistance in meeting their obligations under WEEE.

In addition, we are responsible for the cleanup of contamination at some of our current and former manufacturing facilities and at some third party sites. If more stringent compliance or cleanup standards under environmental laws or regulations are imposed, or the results of future testing and analyses at our current or former operating facilities indicate that we are responsible for the release of hazardous substances into the air, ground and/or water, we may be subject to additional liability. Additional environmental matters may arise in the future at sites where no problem is currently known or at sites that we may acquire in the future. Additionally, we could be required to alter our manufacturing and operations and incur substantial expense in order to comply with environmental regulations. Our failure to comply with environmental laws and regulations or adequately address contaminated sites could limit our ability to expand our facilities or could require us to incur significant expenses, which would harm our business.

Failure to comply with domestic or international employment and related laws could result in the payment of significant damages, which would reduce our net income.

We are subject to a variety of domestic and foreign employment laws, including those related to safety, wages and overtime, discrimination, whistle-blowing, classification of employees and severance payments. Enforcement activity relating to these laws, particularly outside of the United States, can increase as a result of increased media attention due to violations by other companies, changes in law, political and other factors. There can be no assurance that we won't be found to have violated such laws in the future, due to a more aggressive enforcement posture by governmental authorities or for any other reason. Any such violations could lead to the assessment of fines against us by federal, state or foreign regulatory authorities or damages payable to employees, which fines could be substantial and which would reduce our net income.

We are subject to risks associated with investments.

We invest in private funds and companies for strategic reasons and may not realize a return on our investments. We make investments in private funds and companies to further our strategic objectives, support key business initiatives, and develop business relationships with related portfolio companies. Many of the instruments in which we invest are non-marketable at the time of our initial investment. During the last half of fiscal year 2019, we reassessed our strategy with respect to our investment portfolio. We focused on streamlining our investment portfolio and disposed of some of our investments and recognized certain charges. If any of the funds or companies in which we invest fail, we could lose all or part of our investment. From time-to-time we have identified observable price changes, or impairments in investments, and we have written down certain investments fair values and recognized a loss.

Our business could be impacted as a result of actions by activist shareholders or others.

We may be subject, from time to time, to legal and business challenges in the operation of our company due to actions instituted by activist shareholders or others. Responding to such actions could be costly and time-consuming, may not align with our business strategies and could divert the attention of our Board of Directors and senior management from the pursuit of our business strategies. Perceived uncertainties as to our future direction as a result of shareholder activism may lead to the perception of a change in the direction of the business or other instability and may make it more difficult to attract and retain qualified personnel and business partners and may affect our relationships with vendors, customers and other third parties.

Our debt level may create limitations.

As of March 31, 2019 , our total debt was approximately $3.1 billion . This level of indebtedness could limit our flexibility as a result of debt service requirements and restrictive covenants, and may limit our ability to access additional capital or execute our business strategy.

Changes in our credit rating may make it more expensive for us to raise additional capital or to borrow additional funds. We may also be exposed to interest rate fluctuations on our outstanding borrowings and investments.

Our credit is rated by credit rating agencies. Our 4.625% Notes, our 5.000% Notes and our 4.750% Notes are currently rated BBB- by Standard and Poor's ("S&P") which is considered to be “investment grade” by S&P, rated Baa3 by Moody’s which is considered to be “investment grade” by Moody's, and rated BBB- by Fitch which is considered to be "investment grade" by Fitch. Any decline in our credit rating may make it more expensive for us to raise additional capital in the future on terms that are acceptable to us, if at all, negatively impact the price of our ordinary shares, increase our interest payments under some of our existing debt agreements, and have other negative implications on our business, many of which are beyond our control. In addition, the interest rate payable on some of our credit facilities is subject to adjustment from time to time if our credit ratings change. Thus, any potential future negative change in our credit rating may increase the interest rate payable on these credit facilities.

In addition, we are exposed to interest rate risk under our variable rate terms loans, bilateral facilities and revolving credit facility for indebtedness we have incurred or may incur under such borrowings. The interest rates under these borrowings are based on either (i) a margin over LIBOR or (ii) the base rate (the greatest of the agent's prime rate, the federal funds rate plus 0.50% and LIBOR for a one-month interest period plus 1.00%) plus an applicable margin, in each case depending on our credit rating. Refer to the discussion in note 7 , "Bank Borrowings and Long-Term Debt" to the consolidated financial statements for further details of our debt obligations. We are also exposed to interest rate risk on our invested cash balances, our securitization facilities and our factoring activities.

In addition, the U. K.’s Financial Conduct Authority, which regulates LIBOR, announced that it intends to phase out LIBOR by the end of 2021. The U.S. Federal Reserve has begun publishing a Secured Overnight Funding Rate (“SOFR”), which is intended to replace U.S. dollar LIBOR. Plans for alternative reference rates for other currencies have also been announced. At this time, we cannot predict how markets will respond to these proposed alternative rates or the effect of any changes to LIBOR or the discontinuation of LIBOR. If LIBOR is no longer available or if our lenders have increased costs due to changes in LIBOR, we may experience potential increases in interest rates on our variable rate debt, which could adversely impact our interest expense, results of operations and cash flows.

Weak global economic conditions, geopolitical uncertainty and instability in financial markets may adversely affect our business, results of operations, financial condition, and access to capital markets.

Our revenue and gross margin depend significantly on general economic conditions and the demand for products in the markets in which our customers compete. Adverse worldwide economic conditions and geopolitical uncertainty may create challenging conditions in the electronics industry. For example, these conditions may be adversely impacted by the pending withdrawal of the United Kingdom from the EU, which is scheduled to take place on October 31, 2019, following its referendum on EU membership and the actions that the U.S. has taken or may take with respect to certain treaty and trade relationships with other countries. These conditions may result in reduced consumer and business confidence and spending in many countries, a tightening in the credit markets, a reduced level of liquidity in many financial markets, high volatility in credit, fixed income and equity markets, currency exchange rate fluctuations, and global economic uncertainty. In addition, longer term disruptions in the capital and credit markets could adversely affect our access to liquidity needed for our business. If financial institutions that have extended credit commitments to us are adversely affected by the conditions of the U.S. and international capital markets, they may become unable to fund borrowings under their credit commitments to us, which could have an adverse impact on our financial condition and our ability to borrow additional funds, if needed, for working capital, capital expenditures, acquisitions, research and development and other corporate purposes.

Catastrophic events could have a material adverse effect on our operations and financial results.

Our operations or systems could be disrupted by natural disasters, terrorist activity, public health issues, cyber security incidents, interruptions of service from utilities, transportation or telecommunications providers, or other catastrophic events. Such events could make it difficult or impossible to manufacture or deliver products to our customers, receive production materials from our suppliers, or perform critical functions, which could adversely affect our revenue and require significant recovery time and expenditures to resume operations. While we maintain business recovery plans that are intended to allow us to recover from natural disasters or other events that can be disruptive to our business, some of our systems are not fully redundant and we cannot be sure that our plans will fully protect us from all such disruptions.

We maintain a program of insurance coverage for a variety of property, casualty, and other risks. We place our insurance coverage with multiple carriers in numerous jurisdictions. However, one or more of our insurance providers may be unable or unwilling to pay a claim. The types and amounts of insurance we obtain vary depending on availability, cost, and decisions with respect to risk retention. The policies have deductibles and exclusions that result in us retaining a level of self-insurance. Losses not covered by insurance may be large, which could harm our results of operations and financial condition.

Our business could be adversely affected by any delays, or increased costs, resulting from issues that our common carriers are dealing with in transporting our materials, our products, or both.

We rely on a variety of common carriers to transport our materials from our suppliers to us, and to transport our products from us to our customers. Problems suffered by any of these common carriers, whether due to a natural disaster, labor problem, increased energy prices, criminal activity or some other issue, could result in shipping delays, increased costs, or other supply chain disruptions, and could therefore have a material adverse effect on our operations.

Our business and operations could be adversely impacted by climate change initiatives.

Concern over climate change has led to international legislative and regulatory initiatives directed at limiting carbon dioxide and other greenhouse gas emissions. Proposed and existing efforts to address climate change by reducing greenhouse gas emissions could directly or indirectly affect our costs of energy, materials, manufacturing, distribution, packaging and other operating costs, which could impact our business and financial results.

Our goodwill and identifiable intangible assets could become impaired, which could reduce the value of our assets and reduce our net income in the year in which the write-off occurs.

Goodwill represents the excess of the cost of an acquisition over the fair value of the net assets acquired. We also ascribe value to certain identifiable intangible assets, which consist primarily of customer relationships, developed technology and trade names, among others, as a result of acquisitions. We may incur impairment charges on goodwill or identifiable intangible assets if we determine that the fair values of goodwill or identifiable intangible assets are less than their current carrying values. We evaluate, on a regular basis, whether events or circumstances have occurred that indicate all, or a portion, of the carrying amount of goodwill may no longer be recoverable, in which case an impairment charge to earnings would become necessary.

Refer to note 2 to the consolidated financial statements and 'critical accounting policies' in "management's discussion and analysis of financial condition and results of operations" for further discussion of the impairment testing of goodwill and identifiable intangible assets.

A decline in general economic conditions or global equity valuations could impact the judgments and assumptions about the fair value of our businesses and we could be required to record impairment charges on our goodwill or other identifiable intangible assets in the future, which could impact our consolidated balance sheet, as well as our consolidated statement of operations. If we are required to recognize an impairment charge in the future, the charge would not impact our consolidated cash flows, liquidity, capital resources, and covenants under our existing credit facilities, asset securitization program, and other outstanding borrowings.

The market price of our ordinary shares is volatile.

The stock market in recent years has experienced significant price and volume fluctuations that have affected the market prices of companies, including technology companies. These fluctuations have often been unrelated to or disproportionately impacted by the operating performance of these companies. The market for our ordinary shares has been and may in the future be subject to similar volatility. Factors such as fluctuations in our operating results, announcements of technological innovations or events affecting other companies in the electronics industry, currency fluctuations, general market fluctuations, and macro-economic conditions may cause the market price of our ordinary shares to decline.

Compliance with government regulations regarding the use of "Conflict Minerals" may result in increased costs and risks to us.

As part of the Dodd-Frank Act, the SEC has promulgated disclosure requirements regarding the use of certain minerals ("Minerals") that may have originated in the Democratic Republic of the Congo or adjoining countries. In our most recent report on Form SD, we reported that, based on our diligence review, we were unable to determine whether Minerals contained in our products originated in the Democratic Republic of the Congo or adjoining countries or whether the mining or trade of such Minerals directly or indirectly financed or otherwise benefited armed groups in those countries. We expect to undertake further reviews of our supply chain as necessary to comply with the SEC’s requirements. Additionally, customers rely on us to provide critical data regarding the products they purchase and request information on such Minerals. Our materials sourcing is broad-based and multi-tiered, and we may not be able to easily verify the origins of the Minerals used in the products we sell. We have many suppliers and each may provide the required information in a different manner, if at all. Accordingly, because the supply chain is complex, our reputation may suffer if we are unable to sufficiently verify the origins of the Minerals, if any, used in our products. Additionally, customers may demand that the products they purchase be free of any Minerals originating in the specified countries. The implementation of this requirement could affect the sourcing and availability of products we purchase from our suppliers. This may reduce the number of suppliers that may be able to provide products and may affect our ability to obtain products in sufficient quantities to meet customer demand or at competitive prices.

ITEM 1B. *UNRESOLVED STAFF COMMENTS*

None.

ITEM 2. *PROPERTIES*

Our facilities consist of a global network of industrial parks, regional manufacturing operations, and design, engineering and product introduction centers, providing approximately 27 million square feet of productive capacity as of March 31, 2019 . We do not identify or allocate assets by operating segment, as they are interchangeable in nature and used by multiple operating segments.

The composition of the square footage of our facilities, by region, is as follows:

	Leased (Manufacturing)	Owned (Manufacturing)	Total (Manufacturing)	Non-manufacturing	Total
			(in million square feet)		
Americas	3.4	5.4	8.8	8.9	17.7
Asia	7.8	5.9	13.7	7.6	21.3
Europe	1.9	2.6	4.5	5.1	9.6
Total	13.1	13.9	27.0	21.6	48.6

Our facilities include large industrial parks, ranging in size from approximately 100,000 to 5.7 million square feet in Brazil, China, India, and Mexico . We also have regional manufacturing operations, generally ranging in size from under 100,000 to approximately 2.7 million square feet in Austria, Brazil, Canada, China, Denmark, Hungary, India, Indonesia, Ireland, Israel, Italy, Japan, Malaysia, Mexico, The Netherlands, Poland, Romania, Singapore, Spain, Switzerland, the Ukraine and the United States. We also have smaller design and engineering centers, innovation centers and product introduction centers at a number of locations in the world's major industrial and electronics markets.

Our facilities are well maintained and suitable for the operations conducted. The productive capacity of our plants is adequate for current needs.

ITEM 3. *LEGAL PROCEEDINGS*

For a description of our material legal proceedings, see note 12 "Commitments and Contingencies" to the consolidated financial statements included under Item 8, which is incorporated herein by reference.

ITEM 4. *MINE SAFETY DISCLOSURES*

Not applicable

PART II

ITEM 5. *MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED SHAREHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES*

MARKET AND SHAREHOLDER INFORMATION

Our ordinary shares are quoted on the Nasdaq Global Select Market under the symbol "FLEX."

As of May 13, 2019 there were 3,053 holders of record of our ordinary shares. This does not include persons whose stock is in nominee or "street name" accounts through brokers.

DIVIDENDS

Since inception, we have not declared or paid any cash dividends on our ordinary shares. We currently do not have plans to pay any dividends in fiscal year 2020 .

STOCK PRICE PERFORMANCE GRAPH

The following stock price performance graph and accompanying information is not deemed to be "soliciting material" or to be "filed" with the SEC or subject to Regulation 14A under the Securities Exchange Act of 1934 or to the liabilities of Section 18 of the Securities Exchange Act of 1934, and will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, regardless of any general incorporation language in any such filing.

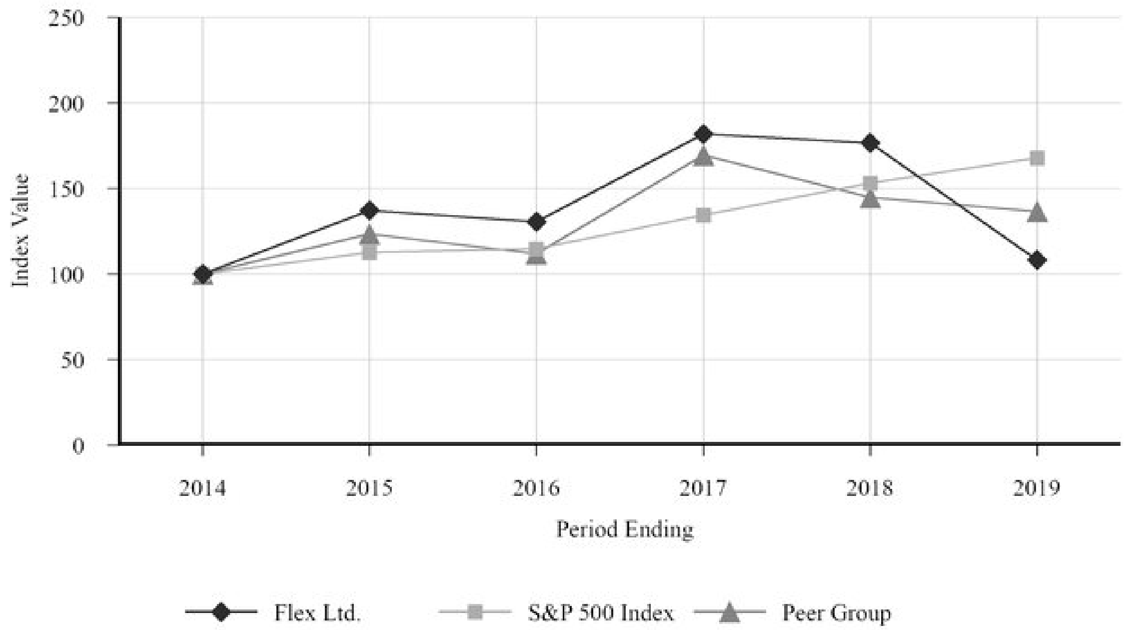
The graph below compares the cumulative total shareholder return on our ordinary shares, the Standard & Poor's 500 Stock Index and a peer group comprised of Benchmark Electronics, Inc., Celestica Inc., Jabil Inc., and Sanmina Corporation.

The graph below assumes that $100 was invested in our ordinary shares, in the Standard & Poor's 500 Stock Index and in the peer group described above on March 31, 2014 and reflects the annual return through March 31, 2019 , assuming dividend reinvestment.

The comparisons in the graph below are based on historical data and are not indicative of, or intended to forecast, the possible future performances of our ordinary shares.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN

Flex, the S&P 500 Index, and Peer Group



	3/14	3/15	3/16	3/17	3/18	3/19
Flex Ltd.	100.00	137.23	130.52	181.82	176.73	108.23
S&P 500 Index	100.00	112.73	114.74	134.45	153.26	167.81
Peer Group	100.00	123.37	111.90	169.45	144.64	136.56

Issuer Purchases of Equity Securities

The following table provides information regarding purchases of our ordinary shares made by us for the period from January 1, 2019 through March 31, 2019.

Period (2)	Total Number of Shares Purchased (1)	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
January 1 - January 25, 2019	1,058,740	$ 8.03	1,058,740	$ 381,021,766
January 26 - March 1, 2019	2,245,925	10.24	2,245,925	358,017,848
March 2 - March 31, 2019	3,270,091	10.24	3,270,091	324,522,119
Total	6,574,756		6,574,756	

(1) During the period from January 1, 2019 through March 31, 2019 all purchases were made pursuant to the program discussed below in open market transactions. All purchases were made in accordance with Rule 10b-18 under the Securities Exchange Act of 1934.

(2) On August 16, 2018, our Board of Directors authorized repurchases of our outstanding ordinary shares for up to $500 million. 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 March 31, 2019 , shares in the aggregate amount of $324,522,119 were available to be repurchased under the current plan.

RECENT SALES OF UNREGISTERED SECURITIES

None.

INCOME TAXATION UNDER SINGAPORE LAW

Dividends. Singapore does not impose a withholding tax on dividends. All dividends are tax exempt to shareholders.

Gains on Disposal. Under current Singapore tax law there is no tax on capital gains, and thus any profits from the disposal of shares are not taxable in Singapore unless the gains arising from the disposal of shares are income in nature and subject to tax, especially if they arise from activities which the Inland Revenue Authority of Singapore regards as the carrying on of a trade or business in Singapore (in which case, the profits on the sale would be taxable as trade profits rather than capital gains).

Shareholders who apply, or who are required to apply, the Singapore Financial Reporting Standard 39 Financial Instruments—Recognition and Measurement ("FRS 39") for the purposes of Singapore income tax may be required to recognize gains or losses (not being gains or losses in the nature of capital) in accordance with the provisions of FRS 39 (as modified by the applicable provisions of Singapore income tax law) even though no sale or disposal of shares is made.

Stamp Duty. There is no stamp duty payable for holding shares, and no duty is payable on the issue of new shares. When existing shares are acquired in Singapore, a stamp duty of 0.2% is payable on the instrument of transfer of the shares at market value. The stamp duty is borne by the purchaser unless there is an agreement to the contrary. If the instrument of transfer is executed outside of Singapore, the stamp duty must be paid only if the instrument of transfer is received in Singapore.

Estate Taxation. The estate duty was abolished for deaths occurring on or after February 15, 2008. For deaths prior to February 15, 2008 the following rules apply:

If an individual who is not domiciled in Singapore dies on or after January 1, 2002, no estate tax is payable in Singapore on any of our shares held by the individual.

If property passing upon the death of an individual domiciled in Singapore includes our shares, Singapore estate duty is payable to the extent that the value of the shares aggregated with any other assets subject to Singapore estate duty exceeds S$600,000. Unless other exemptions apply to the other assets, for example, the separate exemption limit for residential properties, any excess beyond S$600,000 will be taxed at 5% on the first S$12,000,000 of the individual's chargeable assets and thereafter at 10%.

An individual shareholder who is a U.S. citizen or resident (for U.S. estate tax purposes) will have the value of the shares included in the individual's gross estate for U.S. estate tax purposes. An individual shareholder generally will be entitled to a tax credit against the shareholder's U.S. estate tax to the extent the individual shareholder actually pays Singapore estate tax on the value of the shares; however, such tax credit is generally limited to the percentage of the U.S. estate tax attributable to the inclusion of the value of the shares included in the shareholder's gross estate for U.S. estate tax purposes, adjusted further by a pro rata apportionment of available exemptions. Individuals who are domiciled in Singapore should consult their own tax advisors regarding the Singapore estate tax consequences of their investment.

Tax Treaties Regarding Withholding. There is no reciprocal income tax treaty between the U.S. and Singapore regarding withholding taxes on dividends and capital gains.

ITEM 6. *SELECTED FINANCIAL DATA*

These historical results are not necessarily indicative of the results to be expected in the future. The following selected consolidated financial data set forth below was derived from our historical audited consolidated financial statements and is qualified by reference to, and should be read in conjunction with, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Item 8, "Financial Statements and Supplementary Data." On April 1, 2018, we adopted the new revenue standard and as a result we recognized the cumulative effect of initially applying the new revenue standard as an adjustment to the opening balance of retained earnings, as further described in note 2 to the consolidated financial statements included under Item 8. The comparative information has not been restated and continues to be reported under the accounting standards in effect at the time.

	Fiscal Year Ended March 31,				
	2019	2018	2017	2016	2015
	(In millions, except per share amounts)				
CONSOLIDATED STATEMENT OF OPERATIONS DATA:					
Net sales	$ 26,211	$ 25,441	$ 23,863	$ 24,419	$ 26,148
Cost of sales	24,594	23,778	22,303	22,811	24,603
Restructuring charges (3)	99	67	39	—	—
Gross profit	1,518	1,596	1,521	1,608	1,545
Selling, general and administrative expenses	953	1,019	937	955	844
Intangible amortization	74	79	81	66	32
Restructuring charges (3)	14	24	11	—	—
Interest and other, net	183	123	100	84	51
Other charges (income), net (1)	110	(170)	21	48	(53)
Income before income taxes	182	521	371	455	671
Provision for income taxes	89	92	51	11	70
Net income	$ 93	$ 429	$ 320	$ 444	$ 601
Diluted earnings per share:					
Total	$ 0.18	$ 0.80	$ 0.59	$ 0.79	$ 1.02

	As of March 31,				
	2019	2018	2017	2016	2015
	(In millions)				
CONSOLIDATED BALANCE SHEET DATA:					
Working capital (2)	$ 1,506	$ 1,902	$ 1,883	$ 1,743	$ 1,986
Total assets	13,499	13,716	12,593	12,385	11,653
Total long-term debt, excluding current portion	2,422	2,898	2,891	2,709	2,026
Shareholders' equity	2,972	3,019	2,678	2,606	2,396

(1) For fiscal years 2019 , 2018 and 2017 , refer to note 15 to the consolidated financial statements in Item 8, "Financial Statements and Supplementary Data" for further discussion.

During fiscal year 2016, the Company incurred non-cash losses of $47.7 million primarily due to a $26.8 million loss on the disposition of a non-strategic Western European manufacturing facility, which included a non-cash foreign currency translation loss of $25.3 million, and a $21.8 million loss from the impairment of a non-core investment offset by immaterial currency translation gains.

During fiscal year 2015, an amendment to a customer contract to reimburse a customer for certain performance provisions was executed which included the derecognition of a $55 million contractual obligation previously recognized during fiscal year 2014. Accordingly, the Company reversed this charge with a corresponding credit to other charges (income), net in the consolidated statement of operations. Additionally, during fiscal year 2015, the Company recognized a loss of $11 million in connection with the disposition of a manufacturing facility in Western Europe.

(2) Working capital is defined as current assets, less current liabilities.

(3) The Company initiated restructuring plans during fiscal years 2019, 2018 and 2017 , refer to note 14 to the consolidated financial statements in Item 8, "Financial Statements and Supplementary Data" for further discussion.

ITEM 7. *MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS*

This report on Form 10-K 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-K with the Securities and Exchange Commission. These forward-looking statements are subject to risks and uncertainties, including, without limitation, those discussed in this section and in Item 1A, "Risk Factors." 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 a globally-recognized, provider of *Sketch-to-Scale* ® services - innovative design, engineering, manufacturing, and supply chain services and solutions - from conceptual sketch to full-scale production. We design, build, deliver and manage complete packaged consumer and enterprise products, from medical devices and connected automotive systems to sustainable lighting and cloud data center infrastructures, for companies of all sizes in various industries and end-markets, through our activities in the following segments:

- High Reliability Solutions ("HRS"), which is comprised of our health solutions business, including surgical equipment, drug delivery, diagnostics, telemedicine, disposable devices, imaging and monitoring, patient mobility and ophthalmology; and our automotive business, including vehicle electrification, connectivity, autonomous, and smart technologies;

- Industrial and Emerging Industries ("IEI"), which is comprised of energy including advanced metering infrastructure, energy storage, smart lighting, smart solar energy; and industrial, including semiconductor and capital equipment, office solutions, household industrial and lifestyle, industrial automation and kiosks;

- Communications & Enterprise Compute ("CEC"), which includes our telecom business of radio access base stations, remote radio heads and small cells for wireless infrastructure; our networking business, which includes optical, routing, and switching products for data and video networks; our server and storage platforms for both enterprise and cloud-based deployments; next generation storage and security appliance products; and rack-level solutions, converged infrastructure and software-defined product solutions; and

- Consumer Technologies Group ("CTG"), which includes our consumer-related businesses in IoT enabled devices, audio and consumer power electronics, mobile devices; and various supply chain solutions for consumer, computing and printing devices.

These segments represent components of the Company for which separate financial information is available that is utilized on a regular basis by the Chief Operating Decision Maker (“CODM”). Our segments are determined based on several factors, including the nature of products and services, the nature of production processes, customer base, delivery channels and similar economic characteristics.

During the fourth quarter of fiscal year 2019, we announced that Revathi Advaithi was appointed CEO of the Company effective February 11, 2019. As part of her new role and responsibilities, the CEO along with certain direct reports that oversee operations of the business, are now considered the CODM. There is a possibility that the CODM will request changes in the information that is regularly reviewed in determining how to allocate resources and in assessing performance, which could eventually result in changes to our reportable segments.

Refer to note 19 to the consolidated financial statements in Item 8, "Financial Statements and Supplementary Data" for additional information on our operating segments.

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 life cycle.

Over the past few years, we have seen an increased level of diversification by many companies, primarily in the technology sector. Some companies that have historically identified themselves as software providers, Internet service providers or e-commerce retailers have entered the highly competitive and rapidly evolving technology hardware markets, such as mobile devices, home entertainment and wearable devices. This trend has resulted in a significant change in the manufacturing and supply chain solutions requirements of such companies. While the products have become more complex, the supply chain solutions required by such companies have become more customized and demanding, and it has changed the manufacturing and supply chain landscape significantly.

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

During the past several years, we have evolved our long-term portfolio towards a mix of businesses which possess longer product life cycles and higher segment operating margins such as reflected in our IEI and HRS businesses. We have expanded our design and engineering relationships through our product innovation centers and global design centers.

During fiscal year 2019, we took action to revise our go-to-market strategy within our CTG business, where we are actively managing under-performing accounts and are focused on partnering with well-funded, leading multi-national brands that control multiple categories of products and have regional demand requirements. We expect this transition to continue in fiscal year 2020 which will continue to put downward pressure on the segment operating margins until fully transitioned. During the fiscal year 2019, we also completed the wind down of our NIKE operations in Mexico and concurrently streamlined our third-party investments. In addition, we developed a measured and sustainable operating plan for India and as of March 31, 2019, we have completed the majority of our regional build-out. We continue to invest in the capital expenditures necessary to support underlying higher margin, long-term programs in our IEI and HRS businesses.

We believe that our continued business transformation is strategically positioning us to take advantage of the long-term, future growth prospects for outsourcing of advanced manufacturing capabilities, design and engineering services and after-market services.

We are one of the world's largest providers of global supply chain solutions, with revenues of $26.2 billion in fiscal year 2019 . 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 over 100 facilities in approximately 35 countries across four continents. As of March 31, 2019 , our total manufacturing capacity was approximately 27 million square feet. In fiscal year 2019 , our net sales in Asia, the Americas and Europe represented approximately 44% , 38% and 18% , respectively, of our total net sales, based on the location of the manufacturing site. On April 1, 2018, we adopted a new revenue standard and as a result we recognized a cumulative effect of adoption as an adjustment to the opening balance of retained earnings, as further described in note 2 to the consolidated financial statements included under Item 8. The comparative information has not been restated and continues to be reported under the accounting standards in effect at the time. The following tables set forth the relative percentages and dollar amounts of net sales and net property and equipment, by country, based on the location of our manufacturing sites:

Net sales:	Fiscal Year Ended March 31, 2019		2018		2017	
	(In millions)					
China	$ 6,649	25%	$ 7,450	29%	$ 7,214	30%
Mexico	4,539	17%	4,362	17%	4,076	17%
U.S.	3,106	12%	2,860	11%	2,560	11%
Brazil	2,181	8%	2,578	10%	1,908	8%
Malaysia	1,996	8%	2,005	8%	2,267	10%
India	1,805	7%	609	2%	511	2%
Other	5,935	23%	5,577	23%	5,327	22%
	$ 26,211		$ 25,441		$ 23,863	

Amounts may not sum due to rounding.

Property and equipment, net:	Fiscal Year Ended March 31, 2019		2018	
	(In millions)			
Mexico	$ 537	23%	$ 587	26%
China	523	22%	492	22%
U.S.	361	15%	305	14%
India	219	9%	78	3%
Hungary	103	4%	150	7%
Malaysia	138	6%	153	7%
Other	454	21%	475	21%
	$ 2,336		$ 2,240	

Amounts may not sum due to rounding.

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 in low-cost geographic areas provide us with a competitive advantage and strong differentiation in the market for designing, manufacturing and servicing consumer and enterprise products for leading multinational and regional customers. Specifically, we have launched multiple product innovation centers ("PIC") focused exclusively on offering 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:

- changes in the macro-economic environment and related changes in consumer demand;
- 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, shortages of components 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 life cycles;
- our customers' ability to cancel or delay orders or change production quantities;

- our customers' decisions to choose internal manufacturing instead of outsourcing for their product requirements;
- our exposure to financially troubled customers;
- integration of acquired businesses and facilities;
- increased labor costs due to adverse labor conditions in the markets we operate;
- the impacts on our business due to component shortages or other supply chain related constraints;
- changes in tax legislation; and
- changes in trade regulations and treaties.

The attractiveness of our services to customers and our ability to conduct business with certain customers can be affected by changes in U.S. and other countries' trade policies. In 2018, the U.S. imposed tariffs on a large variety of products of Chinese origin. The U.S. government has also indicated a readiness to further expand the scope of the tariffs on Chinese goods if negotiations are not successful, and most recently, effective May 10, 2019, increased tariffs on $200 billion of Chinese goods to 25%. Further, on May 15, 2019, President Trump issued an executive order designed to secure the information and communications technology and services supply chain, which would restrict the acquisition or use in the United States of information and communications technology or services designed, developed, manufactured, or supplied by persons owned by, controlled by, or subject to the jurisdiction or direction of foreign adversaries. The executive order is subject to implementation by the Secretary of Commerce and applies to contracts entered into prior to the effective date of the order. In addition, the U.S. Commerce Department has implemented additional restrictions and may implement further restrictions that would affect conducting business with certain Chinese companies. Depending upon their duration and implementation, as well as our ability to mitigate their impact, these tariffs, the executive order and its implementation and other regulatory actions could materially affect our business, including in the form of increased cost of goods sold, decreased margins, increased pricing for customers, and reduced sales.

We also are subject to other risks as outlined in Item 1A, "Risk Factors".

Net sales for fiscal year 2019 increased 3% or $0.8 billion to $26.2 billion from the prior year. The increase was primarily due to a $0.6 billion increase in our CEC segment and a $0.2 billion increase in our IEI segment. Our fiscal year 2019 gross profit totaled $1.5 billion , representing a decrease of $78 million , or 5% , from the prior year, which is primarily driven by an incremental increase of $32 million of restructuring charges, coupled with approximately $47 million of additional charges related to distressed customers that were included in cost of sales in fiscal year 2019 . These incremental charges were part of our targeted actions to optimize our business portfolio, most notably within CTG, as we eliminated certain non-core activities and repositioned ourselves to align with go-forward strategies. The decline in gross margin is also due to the mix of revenues included in our portfolio most notably a decline in revenues from our automotive products and services within HRS which carry higher gross profit margins. Increased revenues from our ramping businesses in India further impacted the decline in gross profit margin from the prior year as the new programs were pressured below our average margins during the ramp. Our net income totaled $93 million , representing a decrease of $335 million , or 78% , compared to fiscal year 2018 . The decrease in net income during fiscal year 2019 is primarily due to the same factors explained above in addition to the recognition of $193 million of charges primarily for the impairment of certain of our investments, including our investment in Elementum SCM (Cayman) Ltd ("Elementum"), offset by an $87 million gain from the deconsolidation of Bright Machines (formerly known as AutoLab AI). We also recognized a $152 million gain from the deconsolidation of Elementum in fiscal year 2018, which contributed further to the decrease in net income from fiscal year 2018 to 2019. Refer to note 2 to the consolidated financial statements in Item 8, "Financial Statements and Supplementary Data" for details of the investment impairments and the deconsolidation of Bright Machines, respectively.

Cash used in operations decreased by approximately $0.9 billion to $3.0 billion for fiscal year 2019 compared with $3.9 billion for fiscal year 2018 primarily due to a lower level of cash collections on deferred purchase price being reclassed to investing activities offset by elevated levels of investment required to support the business growth and operating through a more constrained inventory marketplace in fiscal year 2019. Our net working capital, defined as accounts receivable, net of allowance for doubtful accounts, adding back the reduction in accounts receivable resulting from non-cash accounts receivable sales, plus inventories, less accounts payable, was redefined upon the adoption of ASC 606 (as further described in note 2 to the consolidated financial statements in Item 8, "Financial Statements and Supplementary Data"), to include contract assets on a going forward basis. Our net working capital as a percentage of annualized sales for fiscal year 2019 increased by 0.3% to 6.7% from the prior year. Upon adoption of Accounting Standard Update (ASU) 2016-15 during the first quarter of fiscal year

2019, cash collections on deferred purchase price from our ABS programs that were previously classified as operating cash inflows are now classified as cash flows from investing activities. Refer to note 2 to the consolidated financial statements in Item 8, "Financial Statements and Supplementary Data" for further description on the ASU.

As a result, we redefined our free cash flow as cash from operating activities, plus cash collections of deferred purchase price, less net purchases of property and equipment in order to present free cash flows on a consistent basis for investor transparency. We also excluded the reduction to operating cash flows related to certain vendor programs from the free cash flow calculation. Free cash flow was $3 million for fiscal year 2019 compared to $236 million for fiscal year 2018 . The decrease in free cash flow is primarily due to increased capital expenditures in fiscal year 2019 as we built out our regional capacity in India and continued to expand our capacity and capability in support of our expanding IEI and HRS businesses, as well as increased inventory levels due to a more constrained inventory marketplace and higher business levels. Refer to the Liquidity and Capital Resources section for the free cash flows reconciliation to our most directly comparable GAAP financial measure of cash flows from operations. Cash provided by investing activities decreased by approximately $458 million to $3.3 billion for fiscal year 2019 , compared with $3.7 billion for fiscal year 2018 , primarily due lower cash collection on deferred purchase price and higher capital expenditures as described above. Cash used in financing activities totaled $30 million during fiscal year 2019 , which decreased by approximately $158 million from $188 million in the prior year, primarily due to higher net proceeds from bank borrowings and long-term debt in fiscal year 2019.

CRITICAL ACCOUNTING POLICIES AND 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. Actual results may differ from those estimates and assumptions.

We believe the following critical accounting policies affect our more significant judgments and estimates used in the preparation of our consolidated financial statements. For further discussion of our significant accounting policies, refer to note 2 to the consolidated financial statements in Item 8, "Financial Statements and Supplementary Data."

Revenue Recognition

In determining the appropriate amount of revenue to recognize, we apply the following steps: (i) identify the contracts with the customers; (ii) identify performance obligations in the contracts; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations per the contracts; and (v) recognize revenue when (or as) we satisfy a performance obligation. Further, we assess whether control of the product or services promised under the contract is transferred to the customer at a point in time (PIT) or over time (OT). We are first required to evaluate whether our contracts meet the criteria for OT recognition. We have determined that for a portion of our contracts, we are manufacturing products for which there is no alternative use (due to the unique nature of the customer-specific product and IP restrictions) and we have an enforceable right to payment including a reasonable profit for work-in-progress inventory with respect to these contracts. As a result, revenue is recognized under these contracts OT based on the cost-to-cost method as it best depicts the transfer of control to the customer measured based on the ratio of costs incurred to date as compared to the total estimated costs at completion of the performance obligation. For all other contracts that do not meet these criteria, we recognize revenue when we have transferred control of the related manufactured products which generally occurs upon delivery and passage of title to the customer. Refer to notes 2 and 3 to the consolidated financial statements in Item 8, "Financial Statements and Supplementary Data" for further details.

Customer Contracts and Related Obligations

Certain of our customer agreements include potential price adjustments which may result in variable consideration. These price adjustments include, but are not limited to, sharing of cost savings, committed price reductions, material margins earned over the period that are contractually required to be paid to the customers, rebates, refunds tied to performance metrics such as on-time delivery, and other periodic pricing resets that may be refundable to customers. We estimate the variable consideration related to these price adjustments as part of the total transaction price and recognize revenue in accordance with the pattern applicable to the performance obligation, subject to a constraint. We constrain the amount of revenues recognized for these contractual provisions based on our best estimate of the amount which will not result in a significant reversal of revenue in a future period. We determine the amounts to be recognized based on the amount of potential refunds required by the contract, historical experience and other surrounding facts and circumstances. Refer to note 2 to the consolidated financial statements in Item 8, "Financial Statements and Supplementary Data" for further details.

Customer Credit Risk

We have an established customer credit policy through which we manage customer credit exposures through credit evaluations, credit limit setting, monitoring, and enforcement of credit limits for new and existing customers. We perform ongoing credit evaluations of our customers' financial condition and make provisions for doubtful accounts based on the outcome of those credit evaluations. We evaluate the collectability of accounts receivable based on specific customer circumstances, current economic trends, historical experience with collections and the age of past due receivables. To the extent we identify exposures as a result of customer credit issues, we also review other customer related exposures, including but not limited to inventory and related contractual obligations.

Restructuring Charges

We recognize restructuring charges related to our plans to close or consolidate excess manufacturing facilities and rationalize administrative functions and to realign our corporate cost structure. In connection with these activities, we recognize restructuring charges for employee termination costs, long-lived asset impairment and other exit-related costs.

The recognition of these restructuring charges requires that we make certain judgments and estimates regarding the nature, timing and amount of costs associated with the planned restructuring activity. To the extent our actual results differ from our estimates and assumptions, we may be required to revise the estimates of future liabilities, requiring the recognition of additional restructuring charges or the reduction of liabilities already recognized. Such changes to previously estimated amounts may be material to the consolidated financial statements. At the end of each reporting period, we evaluate the remaining accrued balances to ensure that no excess accruals are retained, and the utilization of the provisions are for their intended purpose in accordance with developed exit plans.

Refer to note 14 to the consolidated financial statements in Item 8, "Financial Statements and Supplementary Data" for further discussion of our restructuring activities.

Inventory Valuation

Our inventories are stated at the lower of cost (on a first-in, first-out basis) or net realizable value. Our industry is characterized by rapid technological change, short-term customer commitments and rapid changes in demand. We purchase our inventory based on forecasted demand, and we estimate write downs for excess and obsolete inventory based on our regular reviews of inventory quantities on hand, and the latest forecasts of product demand and production requirements from our customers. If actual market conditions or our customers' product demands are less favorable than those projected, additional write downs may be required. In addition, unanticipated changes in the liquidity or financial position of our customers and/or changes in economic conditions may require additional write downs for inventories due to our customers' inability to fulfill their contractual obligations with regards to inventory procured to fulfill customer demand.

Valuation of Private Company Investments

We assess our investments for impairment whenever events or changes in circumstances indicate that the assets may be impaired. The factors we consider in our evaluation of potential impairment of our investments, include, but are not limited to a significant deterioration in the earnings performance or business prospects of the investee, or factors that raise significant concerns about the investee’s ability to continue as a going concern, such as negative cash flows from operation or working capital deficiencies. The carrying value of certain of our investments are individually material, thus there is the potential for material charges in future periods if we determine that those investments are impaired.

During the last half of fiscal year 2019, the Company reassessed its strategy with respect to its investment portfolio. As a result of the change in the Company's strategy and due to market valuation changes, the Company recognized an aggregate net charge related to investment impairments and dispositions of approximately $193 million for the fiscal year ended March 31, 2019, which is recorded in other charges (income), net on the consolidated statement of operations. The aggregate charge was primarily driven by write-downs of the Company's investment positions in a non-core cost method investment and Elementum as well as other investment impairments that were individually immaterial .

Carrying Value of Long-Lived Assets

We review property and equipment and acquired amortizable intangible assets for impairment at least annually and whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. An impairment loss is recognized when the carrying amount of these long-lived assets exceeds their fair value. Recoverability of property and equipment and acquired amortizable intangible assets are measured by comparing their carrying amount to the projected cash flows the assets are expected to generate. If such assets are determined to be impaired, the impairment loss recognized, if any, is the amount by which the carrying amount of the property and equipment and acquired amortizable intangible assets exceeds fair value. Our judgments regarding projected cash flows for an extended period of time and the fair value of assets may be impacted by changes in market conditions, general business environment and other factors. To the extent our estimates relating to cash flows and fair value of assets change adversely we may have to recognize additional impairment charges in the future.

Goodwill is tested for impairment on an annual basis and whenever events or changes in circumstances indicate that the carrying amount of goodwill may not be recoverable. Recoverability of goodwill is measured at the reporting unit level by comparing the reporting unit's carrying amount, including goodwill, to the fair value of the reporting unit, which is measured based upon, among other factors, market multiples for comparable companies as well as a discounted cash flow analysis. These approaches use significant unobservable inputs, or Level 3 inputs, as defined by the fair value hierarchy and require us to make various judgmental assumptions about sales, operating margins, growth rates and discount rates which consider our budgets, business plans and economic projections, and are believed to reflect market participant views. Some of the inherent estimates and assumptions used in determining fair value of the reporting units are outside the control of management, including interest rates, cost of capital, tax rates, market EBITDA comparables and credit ratings. While we believe we have made reasonable estimates and assumptions to calculate the fair value of the reporting units, it is possible a material change could occur. If our actual results are not consistent with our estimates and assumptions used to calculate fair value, it could result in material impairments of our goodwill. During fiscal year 2019, we adopted ASU 2017-04 "Simplifying the Test for Goodwill Impairment", which simplifies the subsequent measurement of goodwill by eliminating step 2 from the goodwill impairment test. The ASU did not have a material impact to Flex's financial position during the period (Refer to note 2 to the consolidated financial statements in Item 8, "Financial Statements and Supplementary Data" for further detail).

We performed our goodwill impairment assessment on January 1, 2019 and determined that no impairment existed as of the date of the impairment test because the fair value of each one of our reporting units exceeded its respective carrying value. As of the date of the impairment test, all reporting units' fair values were 25% or more, over their respective carrying values, with the exception of the CTG reporting unit which was 22% in excess of its carrying value. The estimated future results for CTG used in the impairment analysis reflect our revised strategy including the wind down of our NIKE operations in Mexico, further restrictions on capital expenditures related to our expansion into India and our focus on partnering with well-funded, leading multi-national brands that control multiple categories of products and have regional demand requirements. If we are not successful in driving improved results in our CTG segment it is reasonably possible that material goodwill impairment charges could be recorded in future periods.

Contingent Liabilities

We may be exposed to certain liabilities relating to our business operations, acquisitions of businesses and assets and other activities. We make provisions for such liabilities when it is probable that the settlement of the liability will result in an outflow of economic resources or the impairment of an asset. We make these assessments based on facts and circumstances that may change in the future resulting in additional expenses.

Refer to note 12 to the consolidated financial statements in Item 8, "Financial Statements and Supplementary Data" for further discussion of our contingent liabilities.

Income Taxes

Our deferred income tax assets represent temporary differences between the carrying amount and the tax basis of existing assets and liabilities, which will result in deductible amounts in future years, including net operating loss carry forwards. Based on estimates, the carrying value of our net deferred tax assets assumes that it is more likely than not that we will be able to generate sufficient future taxable income in certain tax jurisdictions to realize these deferred income tax assets. Our judgments regarding future profitability may change due to future market conditions, changes in U.S. or international tax laws and other factors. If these estimates and related assumptions change in the future, we may be required to increase or decrease our valuation allowance against deferred tax assets previously recognized, resulting in additional or lesser income tax expense.

We are regularly subject to tax return audits and examinations by various taxing jurisdictions and around the world, and there can be no assurance that the final determination of any tax examinations will not be materially different than that which is reflected in our income tax provisions and accruals. Should additional taxes be assessed as a result of a current or future examination, there could be a material adverse effect on our tax position, operating results, financial position and cash flows. Refer to note 13 to the consolidated financial statements in Item 8, "Financial Statements and Supplementary Data" for further discussion of our tax position.

RESULTS OF OPERATIONS

The following table sets forth, for the periods indicated, certain statements of operations data expressed as a percentage of net sales. The financial information and the discussion below should be read in conjunction with the consolidated financial statements and notes thereto included in Item 8, "Financial Statements and Supplementary Data." The data below, and discussion that follows, represents our results from operations. On April 1, 2018, we adopted the new revenue standard and as a result we recognized the cumulative effect of initially applying the new revenue standard as an adjustment to the opening balance of retained earnings, as further described in note 2 to the consolidated financial statements included under Item 8. The comparative information has not been restated and continues to be reported under the accounting standards in effect at the time.

	Fiscal Year Ended March 31,		
	2019	2018	2017
Net sales	100.0%	100.0 %	100.0%
Cost of sales	93.8	93.5	93.5
Restructuring charges	0.4	0.3	0.2
Gross profit	5.8	6.2	6.3
Selling, general and administrative expenses	3.6	4.0	3.9
Intangible amortization	0.3	0.3	0.3
Restructuring charges	0.1	0.1	—
Interest and other, net	0.7	0.5	0.4
Other charges (income), net	0.4	(0.7)	0.1
Income before income taxes	0.7	2.0	1.6
Provision for income taxes	0.3	0.4	0.2
Net Income	0.4%	1.6 %	1.4%

Net sales

Net sales during fiscal year 2019 totaled $26.2 billion , representing an increase of $0.8 billion , or 3% , from $25.4 billion during fiscal year 2018 . The overall increase in sales was driven by increases in three of our segments offset by a decline in sales in our CTG segment. Net sales was higher across all our regions during fiscal year 2019 , with increase s of $0.5 billion in Europe, $0.3 billion in Asia, and to a lesser extent, $12 million in the Americas.

Net sales during fiscal year 2018 totaled $25.4 billion , representing an increase of $1.5 billion, or 7% , from $23.9 billion during fiscal year 2017 . During fiscal year 2018 , the increase in net sales was primarily driven by an increase of $1.3 billion in the Americas and to a lesser extent, $0.2 billion in Asia with Europe remaining relatively consistent from the prior year.

The following table sets forth net sales by segments and their relative percentages. Historical information has been recast to reflect realignment of customers and/or products between segments:

	Fiscal Year Ended March 31,					
Segments:	2019		2018		2017	
			(In millions)			
High Reliability Solutions	$ 4,829	18%	$ 4,770	19%	$ 4,149	17%
Industrial & Emerging Industries	6,183	24%	5,972	24%	4,968	21%
Communications & Enterprise Compute	8,336	32%	7,729	30%	8,384	35%
Consumer Technologies Group	6,863	26%	6,970	27%	6,362	27%
	$ 26,211		$ 25,441		$ 23,863	

Net sales during fiscal year 2019 increased $0.6 billion or 8% in our CEC segment driven by momentum from our cloud and data center business as well as the expansion of network infrastructure programs to support 4G and 5G technology, offset by declines in our data networking business due to weakness with some legacy product lines. Our IEI segment increased $0.2 billion or 4% , which was mainly driven by new programs and customer launches within our industrial, home and lifestyle businesses, offset by declines in our capital equipment and energy businesses. Our HRS segment increased $59 million or 1% from higher sales in our health solutions business as we benefited from prior year investments in design, engineering and automation that have strengthened and improved our capabilities and competitive positioning that more than offset year over year declines from our automotive customers primarily in Asia. These segment increases were partially offset by a decrease of $107 million or 1.5% in our CTG segment, primarily within the legacy consumer sectors of the segment and as a result of actively repositioning the portfolio of customers and rationalizing underperforming customers and eliminating certain product categories.

Net sales during fiscal year 2018 increased $1.0 billion or 20% in our IEI segment, which was mainly driven by our industrial, home and lifestyle businesses in addition to growth in our solar energy business. Our CTG segment increased $0.6 billion or 10% largely attributable to stronger sales in our connected living and mobile devices businesses, offset by a decrease in gaming. Our HRS segment increased $0.6 billion or 15% from higher sales in our automotive business. These increases were partially offset by a decrease of $0.7 billion or 8% in our CEC segment, largely attributable to lower sales within our telecom and networking businesses, offset by increased sales in our cloud and data center business.

Our ten largest customers during fiscal years 2019 , 2018 and 2017 accounted for approximately 43% , 41% and 43% of net sales, respectively. We have made substantial efforts to diversify of our portfolio which allows us to operate at scale in many different industries, and, as a result, no customer accounted for greater than 10% of net sales in fiscal year 2019 , 2018 or 2017 .

Gross profit

Gross profit is affected by a number of factors, including the number and size of new manufacturing programs, product mix, component costs and availability, product life cycles, unit volumes, pricing, competition, new product introductions, capacity utilization and the expansion or consolidation of manufacturing facilities including specific restructuring activities 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 segments. In the cases 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 decreased $0.1 billion to $1.5 billion from $1.6 billion from fiscal year 2018 to fiscal year 2019 . Gross margin decreased 40 basis points, to 5.8% of net sales in fiscal year 2019 , from 6.2% of net sales in fiscal year 2018. The decrease is primarily due to an additional $32 million , or 10 basis points, of restructuring charges coupled with approximately $47 million of additional charges related to distressed customers incurred during fiscal year 2019 versus fiscal year 2018. As noted above, during the year we completed the wind down of our NIKE Mexico operations and incurred a total of $66 million of charges primarily for non-cash asset impairments in the second and third quarters of fiscal year 2019. Additional gross profit and gross margin declines were due to revenue reductions in some of our higher margin businesses, such as automotive and semi-cap equipment and further due to the Multek China divestiture. Also negatively pressuring the gross profit margin was the significant revenues from ramping new programs in India which had pressured margins below our average margins during the ramp in fiscal year 2019.

Gross profit during fiscal year 2018 increased $75 million to $1.6 billion from $1.5 billion during fiscal year 2017, primarily as a result of the increase in revenue offset by $67 million, or 30 basis points, of restructuring charges incurred during fiscal year 2018. Gross margin decreased 10 basis points, to 6.2% of net sales in fiscal year 2018, from 6.3% of net sales in fiscal year 2017, mainly attributable to the same factors previously described, coupled with elevated levels of investments in ramping new operations for our strategic footwear customer.

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, customer related asset impairments, restructuring charges, the new revenue standard adoption impact, contingencies and other, interest and other, net and other charges (income), net. A portion of depreciation is allocated to the respective segment together with other general corporate research and development and administrative expenses.

The following table sets forth segment income and margins. Historical information has been recast to reflect realignment of customers and/or products between segments:

	Fiscal Year Ended March 31,					
	2019		2018		2017	
	(In millions)					
Segment income & margin:						
High Reliability Solutions	$ 371	7.7%	$ 381	8.0%	$ 334	8.1%
Industrial & Emerging Industries	269	4.4%	235	3.9%	180	3.6%
Communications & Enterprise Compute	215	2.6%	186	2.4%	229	2.7%
Consumer Technologies Group	121	1.8%	112	1.6%	180	2.8%
Corporate and Other	(104)		(128)		(108)	
Total segment income	872	3.3%	786	3.1%	815	3.4%
Reconciling items:						
Intangible amortization	74		79		81	
Stock-based compensation	76		85		82	
Customer related asset impairments (1)	87		6		93	
Restructuring charges (Note 14)	113		91		49	
New revenue standard adoption impact (Note 2 & Note 3)	9		—		—	
Contingencies and other (2)	35		52		18	
Interest and other, net	183		123		100	
Other charges (income), net (Note 15)	110		(170)		21	
Income before income taxes	$ 182		$ 521		$ 371	

Amounts may not sum due to rounding.

(1) Customer related asset impairments for fiscal year 2019, relate to provision for doubtful accounts receivable, inventory and impairment of other assets for certain customers experiencing significant financial difficulties and/or the Company is disengaging from.

During fiscal year 2017, prices for solar panel modules declined significantly. We determined that certain solar panel inventory on hand at the end of the fiscal year 2017 was not fully recoverable and recorded a charge of $60 million to reduce the carrying costs to market in fiscal year 2017. We also recognized a $16 million impairment charge for solar module equipment and $17 million primarily related to negative margin sales and other associated direct costs. The total charge of $93 million is included in cost of sales for fiscal year 2017 but is excluded from segment results above.

(2) Contingencies and other during fiscal year 2019, primarily consists of costs incurred relating to the independent investigation undertaken by the Audit Committee of the Company's Board of Directors which was completed in June 2018. In addition, Contingencies and other also includes certain charges of the China based Multek operations that was divested in the second quarter of fiscal year 2019.

During fiscal year 2018, we incurred charges in connection with certain legal matters, for loss contingencies where it believed that losses were probable and estimable. Additionally, we incurred various other charges predominately related to damages incurred from a typhoon that impacted a China facility as well as certain assets impairments during fiscal year 2018.

Corporate and other primarily includes corporate services costs that are not included in the CODM's assessment of the performance of each of the identified reporting segments.

HRS segment margin decreased 30 basis point to 7.7% for fiscal year 2019 , from 8.0% during fiscal year 2018 , primarily due to reduced revenues from our automotive products and services, which carry higher gross margins partially offset by greater contribution from our growing health solutions business. HRS segment margin decreased 10 basis points to 8.0% for fiscal year 2018, from 8.1% during fiscal year 2017. The slight decrease reflects investments in expanding the segment's design and engineering capabilities, coupled with ramping up new customers and programs.

IEI segment margin increased 50 basis points to 4.4% for fiscal year 2019 , from 3.9% during fiscal year 2018 , as a result of improved overhead absorption benefits from the increased revenues and greater levels of design led programs which have higher gross margins, offset by reduced demand in capital equipment and energy. IEI segment margin increased 30 basis points to 3.9% for fiscal year 2018, from 3.6% during fiscal year 2017. This is primarily driven by strong revenue expansion led by several new customer programs and improving overall demand across its diverse market that has provided to overhead absorption benefits.

CEC segment margin increased 20 basis points to 2.6% for fiscal year 2019 , from 2.4% during fiscal year 2018 . The increase was driven by operational efficiencies and improved absorption of overhead as a result of the 8% increase in revenues. CEC segment margin decreased 30 basis points to 2.4% for fiscal year 2018, from 2.7% during fiscal year 2017. The decrease was driven by lower revenues which negatively impacted profitability with under-absorbed overhead and higher investment costs.

CTG segment margin increased 20 basis points to 1.8% for fiscal year 2019 , from 1.6% during fiscal year 2018 , as a result of lower losses from our NIKE operations in Mexico, which we exited in the third quarter of fiscal year 2019, partially offset by under-performance of certain accounts. CTG segment margin decreased 120 basis points to 1.6% for fiscal year 2018, from 2.8% during fiscal year 2017, primarily driven by negatively impacted profits due to a lower contribution, and continued losses from our NIKE operations in Mexico.

Restructuring charges

During fiscal year 2019, we took targeted actions to optimize our portfolio, most notably within CTG. We recognized restructuring charges of approximately $113 million during the fiscal year ended March 31, 2019, of which $73.2 million were non-cash charges primarily for asset impairments. A significant component of our charges were associated with the wind down of our NIKE operations in Mexico in the third quarter of fiscal year 2019 where we recognized charges of $66 million primarily for non-cash asset impairments. In addition, we executed targeted head-count reductions at existing operating and design sites and corporate functions and exited certain immaterial businesses. Of these total charges, approximately $99 million was recognized as a component of cost of sales during the fiscal year ended March 31, 2019.

During fiscal year 2018, we initiated targeted restructuring activities, focused on optimizing our cost structure in lower growth areas and, more importantly, streamlining certain corporate and segment functions. The objective of the plan is to make Flex a faster, more responsive and agile company, better positioned to react to marketplace opportunities. We recognized $79 million of pre-tax cash charges, predominantly related to employee severance costs, and $12 million of pre-tax non-cash charges for asset impairment and other exit charges. We classified $67 million of these charges as a component of cost of sales and $24 million as a component of selling, general and administrative expenses during fiscal year 2018.

During fiscal year 2017, we initiated a restructuring plan to accelerate our ability to support more *Sketch-to-Scale* ® efforts across the Company and reposition away from historical legacy programs and structures through rationalizing our current footprint at existing sites including certain corporate SG&A functions. We recognized $49 million of pre-tax restructuring charges predominantly for employee termination costs. We classified $39 million of these charges as a component of cost of sales and $10 million as a component of selling, general and administrative expenses.

Refer to note 14 to the consolidated financial statements in Item 8, "Financial Statements and Supplementary Data" for further discussion of our restructuring activities.

Selling, general and administrative expenses

Selling, general and administrative expenses ("SG&A") totaled $953 million or 3.6% of net sales, during fiscal year 2019 , compared to $1.0 billion , or 4.0% of net sales, during fiscal year 2018 , decreasing by $66 million or 7% , due to strong cost discipline focused on driving further productivity improvements and a refined cost structure benefiting from prior restructuring initiatives.

SG&A totaled $1.0 billion or 4.0% of net sales, during fiscal year 2018, compared to $937 million, or 3.9% of net sales, during fiscal year 2017, increasing by $82 million or 9%. This increase in SG&A was due to incremental costs associated with our continued expansion of our design and engineering resources and innovation system but also, due to the recognition of certain contingencies that are probable and estimable of payout. We also incurred incremental costs from our acquisitions in fiscal year 2018.

Intangible amortization

Amortization of intangible assets in fiscal year 2019 decreased by $5 million to $74 million from $79 million in fiscal year 2018 , primarily as a result of certain intangible assets being fully amortized during fiscal year 2019 .

Amortization of intangible assets in fiscal year 2018 decreased by $2 million to $79 million from $81 million in fiscal year 2017, primarily as a result of certain intangible assets being fully amortized during fiscal year 2018.

Other charges (income), net

During the last half of fiscal year 2019 , we reassessed our strategy with respect to our entire investment portfolio. As a result, we recognized an aggregate net charge related to investment impairments and dispositions of approximately $193 million for the year ended March 31, 2019. The aggregate charge was primarily driven by write-downs of our investment positions in a non-core cost method investment and Elementum that were recognized in the third and fourth quarters of fiscal 2019, respectively. We also incurred other investment impairments that were individually immaterial as a result of our strategy shift and due to market valuation changes. Offsetting these charges was an $87 million non-cash gain from the deconsolidation of Bright Machines (formally known as AutoLab AI). Refer to note 2 to the consolidated financial statements in Item 8, "Financial Statements and Supplementary Data" for details on the investment impairments and the deconsolidation of Bright Machines.

During fiscal year 2018, we recognized $152 million of gain from the deconsolidation of Elementum, and $39 million of gain from the sale of Wink. We also recorded $22 million related to the impairment of certain non-core investments during fiscal year 2018. No other components of other charges and income, net incurred during fiscal year 2018 were material.

The fiscal year ended March 31, 2017 includes a $7 million loss attributable to a non-strategic facility sold during the second quarter of fiscal year 2017. No other components of other charges and income, net incurred during fiscal year 2017 were material.

Interest and other, net

Interest and other, net was $183 million during fiscal year 2019 , compared to $123 million during fiscal year 2018 , increasing $60 million due to a $23 million increase of interest expense primarily from higher weighted average interest rates and a higher average borrowing level, as well as a $21 million increase in interest expense from our accounts receivable sales program, coupled with a $14 million decrease in foreign exchange gains as compared to the prior year.

Interest and other, net was $123 million during fiscal year 2018, compared to $100 million during fiscal year 2017. The increase in interest and other, net of $23 million was primarily due to a $15 million increase of interest expense from higher weighted average interest rates and a higher borrowing level.

Income taxes

We work to ensure that we accrue and pay the appropriate amount of income taxes according to the laws and regulations of each jurisdiction in which we operate. Certain of our subsidiaries have, at various times, been granted tax relief in their respective countries, resulting in lower income taxes than would otherwise be the case under ordinary tax rates. The consolidated effective tax rates were 48.7% , 17.7% and 13.8% for the fiscal years 2019 , 2018 and 2017 , respectively. The effective rate varies from the Singapore statutory rate of 17.0% in each year as a result of the following items:

	Fiscal Year Ended March 31,		
	2019	**2018**	**2017**
Income taxes based on domestic statutory rates	17.0 %	17.0 %	17.0 %
Effect of tax rate differential	(74.1)	(46.9)	(23.0)
Change in liability for uncertain tax positions	(8.4)	4.3	0.2
Change in valuation allowance	105.4	57.1	21.2
Recognition of prior year taxes recoverable	3.0	(10.3)	—
Expiration of tax attributes	2.3	—	—
Other	3.5	(3.5)	(1.6)
Provision for income taxes	48.7 %	17.7 %	13.8 %

The variation in our effective tax rate each year is primarily a result of recognition of earnings in foreign jurisdictions which are taxed at rates lower than the Singapore statutory rate including the effect of tax holidays and tax incentives we received primarily for our subsidiaries in China, Malaysia, Costa Rica, India, Netherlands and Israel of $24 million , $22 million and $16 million in fiscal years 2019 , 2018 and 2017 , respectively. Additionally, our effective tax rate is impacted by changes in our liabilities for uncertain tax positions of ($15) million , $22 million , and $1 million and changes in our valuation allowances on deferred tax assets of $192 million , $279 million and $79 million in fiscal years 2019 , 2018 and 2017 , respectively. We generate most of our revenues and profits from operations outside of Singapore.

We are regularly subject to tax return audits and examinations by various taxing jurisdictions and around the world, and there can be no assurance that the final determination of any tax examinations will not be materially different than that which is reflected in our income tax provisions and accruals. Should additional taxes be assessed as a result of a current or future examinations, there could be a material adverse effect on our tax position, operating results, financial position and cash flows.

We provide a valuation allowance against deferred tax assets that in our estimation are not more likely than not to be realized. During fiscal year 2019, we released valuation allowance of $3 million related to our operations in Poland as this amount was deemed to be more likely than not to be realized due to the sustained profitability during the past three fiscal years as well as continued forecasted profitability of this subsidiary. Various other valuation allowance positions were also reduced due to varying factors such as recognition of uncertain tax positions impacting deferred tax assets, one-time income recognition in loss entities, and foreign exchange impacts on deferred tax balances. Lastly, these valuation allowance reductions and eliminations were offset by current period valuation allowance additions due to increased deferred tax assets as a result of current period losses in legal entities with existing full valuation allowance positions.

LIQUIDITY AND CAPITAL RESOURCES

As of March 31, 2019 , we had cash and cash equivalents of $1.7 billion and bank and other borrowings of $3.1 billion . We have a $1.75 billion revolving credit facility that is due to mature in June 2022, under which we had no borrowings outstanding as of March 31, 2019 . We have also entered into two credit facilities in India during fiscal year 2019, (i) a $200 million term loan facility entered in July 2018, under which there were $79 million in borrowings outstanding as of the end of fiscal year 2019, and (ii) a $100 million uncommitted credit import advance facility in India, under which there were $91 million in advances outstanding as of March 31, 2019, which we anticipate repaying in fiscal year 2020. Refer to note 7 to the consolidated financial statement in Item 8, "Financial Statements and Supplementary Data" for additional details. As of March 31, 2019, we were in compliance with the covenants under all of our credit facilities and indentures. In April 2019, we entered into an additional $300 million term loan facility as further explained below.

Our cash balances are held in numerous locations throughout the world. As of March 31, 2019 , over half 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 $1.6 billion as of March 31, 2019). Repatriation could result in an additional income tax payment; however, 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.

Fiscal Year 2019

Cash used in operating activities was $3.0 billion during fiscal year 2019. As further discussed below, cash collections on the deferred purchase price from our ABS sales program of $3.6 billion are now included in cash from investing activities instead of cash from operating activities in accordance with new accounting guidance. The total cash used in operating activities resulted primarily from $93 million of net income for the period plus $804 million of non-cash charges such as depreciation, amortization, restructuring and impairment charges, provision for doubtful accounts, and stock-based compensation, net of a gain of $87 million from the deconsolidation of Bright Machines which are included in the determination of net income. Depreciation expense was $433 million and relatively consistent with prior years. These additions were more than offset by a net change in our operating assets and liabilities of $3.9 billion . In accordance with the new accounting guidance adopted in fiscal 2019 (and further described in note 2 to the consolidated financial statements in Item 8 “Financial Statements and Supplementary Data”), cash collections on deferred purchase price from our ABS programs are now classified as cash flows from investing activities and no longer included in cash receipts related to accounts receivable. As a result, while accounts receivable only increased by approximately $95 million from fiscal year 2018 to fiscal year 2019, the impact to operating cash flows is an outflow of $3.6 billion further described below. Year over year increases in inventory and contract assets also added to the net change in our operating assets and liabilities reflected on our cash flow from operations.

We believe net working capital ("NWC"), and net working capital as a percentage of annualized sales are key metrics that measure our liquidity. NWC was previously calculated as current quarter accounts receivable, net of allowance for doubtful accounts, adding back the reduction in accounts receivable resulting from non-cash accounts receivable sales, plus inventories, less accounts payable. As part of the adoption of ASC 606, we expanded NWC, to include contract assets. We also included certain other current liabilities related to vendor financing programs, which are immaterial for the fiscal year, in the NWC calculation. NWC increased by $32 million to $1.7 billion as of March 31, 2019, from $1.6 billion as of March 31, 2018. This increase is primarily driven by (i) an increase of $216 million in contract assets upon adoption of ASC 606, (ii) a $58 million decrease in accounts receivable adding back reductions from non-cash accounts receivable sales, and (iii) a $77 million decrease in our inventory levels from March 31, 2018, offset by an approximately $25 million increase in accounts payable. Our net working capital as a percentage of annualized net sales as of March 31, 2019 increased slightly to 6.7% as compared to 6.4% of annualized net sales as of March 31, 2018.

Cash provided by investing activities totaled $3.3 billion during fiscal year 2019. This was primarily driven by the impact of our adoption of ASU 2016-15 during the current fiscal year referred to above, which requires us to classify cash collections on deferred purchase price from our ABS programs that were previously classified as operating cash inflows as cash flows from investing activities. Refer to note 2 to the consolidated financial statements in Item 8, "Financial Statements and Supplementary Data", for further description of the ASU. In addition, we received $267 million of proceeds, net of cash held, in connection with the divestitures of our China-based Multek operations as further described in note 17 to the consolidated financial statements in Item 8, "Financial Statements and Supplementary Data". We also invested $631 million of net capital expenditures for property and equipment to expand capabilities and capacity in support of our expanding IEI and HRS businesses as well as building out capacity in India.

Cash used in financing activities was $30 million during fiscal year 2019. This was primarily the result of repurchases of ordinary shares in the amount of $189 million , offset by $170 million received from the drawdown of India Facilities as further described in note 7 to the consolidated financial statements in Item 8, "Financial Statements and Supplementary Data".

Fiscal Year 2018

Cash provided by operating activities was $0.8 billion during fiscal year 2018. This resulted primarily from $429 million of net income for the period plus $478 million of non-cash charges such as depreciation, amortization and stock-based compensation, net of a gain from the deconsolidation of Elementum that are included in the determination of net income. Depreciation expense was $434 million of those non-cash charges. These were partially offset by a net change in our operating assets and liabilities of $153 million, driven primarily by a $354 million increase in inventories, an $88 million increase in other current and noncurrent assets, and a $347 million increase in accounts receivable, including the change in sales of accounts receivable, offset by a $623 million increase in accounts payable.

Cash used in investing activities totaled $0.9 billion during fiscal year 2018. This resulted primarily from $214 million paid for the acquisition of AGM Automotive ("AGM") for our HRS segment, net of cash acquired, and $55 million paid for a power module business for our CEC segment, net of cash acquired. Further, we invested $517 million of net capital expenditures for property and equipment to expand capabilities and capacity in support of our automotive, medical, footwear and IEI businesses. In addition, other investing activities includes $73 million of cash derecognized as of the date of the Elementum deconsolidation, and $46 million of payments for non-core investments, net of cash received.

Cash used in financing activities was $188 million during fiscal year 2018. This was primarily the result of repurchases of ordinary shares in the amount of $180 million, and the repayment of $55 million of debt, partially offset by $65 million received from third party investors in fiscal year 2018 in exchange for an additional noncontrolling equity interest in Elementum prior to the deconsolidation described above.

Fiscal Year 2017

Cash provided by operating activities was $1.1 billion during fiscal year 2017. This resulted primarily from $320 million of net income for the period plus $674 million of non-cash charges such as depreciation, amortization, other impairment charges, provision for doubtful accounts and stock-based compensation expense that are included in the determination of net income. Depreciation expense was $432 million of those non-cash charges. We generated $157 million in cash as a result of changes in our operating assets and liabilities, driven primarily by a $268 million increase in accounts payable, offset by a $184 million increase in accounts receivable, including the change in sales of accounts receivable.

Cash used in investing activities was $0.7 billion during fiscal year 2017. This resulted primarily from $490 million of net capital expenditures for property and equipment to expand capability and capacity in support of our automotive and medical businesses and further investments in both automation and expanding technologies to support our innovation services. We also paid $189 million for the acquisition of four businesses, net of cash acquired, including $162 million, net of $18 million of cash acquired related to the acquisition of manufacturing facilities from Bose. Further, $60 million was paid for a non-controlling interest in a joint venture with RIB Software AG as our partner. Offsetting this were proceeds from various other investing activities of $64 million, most notably the receipt of $38 million for the sale of two non-strategic businesses.

Cash used in financing activities was $242 million during fiscal year 2017. This was primarily the result of repurchases of ordinary shares in the amount $350 million, and $31 million of cash paid to a third-party banking institution for certain assets that were financed by the third-party banking institution on behalf of a customer, which is included in other financing activities. These cash outflows were partially offset by $171 million of net proceeds from bank borrowings and long-term debt, of which $130 million is the incremental amount borrowed extending the maturity date of one of our loan agreements from

August 30, 2018 to November 30, 2021, and $107 million is the amount of proceeds from the €100 million term loan, discussed further in note 7 to the consolidated financial statements in Item 8, "Financial Statements and Supplementary Data".

Free Cash Flow

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 repurchase company shares, fund acquisitions, make investments, repay debt obligations, and for certain other activities. Upon adoption of ASU 2016-15 effective for fiscal year 2019, our free cash flow was redefined as cash from operations, plus cash collections of deferred purchase price, less net purchases of property and equipment to present cash flows on a consistent basis for investor transparency. We also exclude the reduction to operating cash flows related to certain vendor programs that is required for US GAAP presentation. Our free cash flow was $3 million , $236 million and $660 million for fiscal years 2019 , 2018 and 2017 , respectively. Free cash flow is not a measure of liquidity under generally accepted accounting principles in the United States, 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:

	Fiscal Year Ended March 31,		
	2019	2018	2017
	(In millions)		
Net cash used in operating activities	$ (2,971)	$ (3,866)	$ (3,822)
Cash collection of deferred purchase price and other	3,605	4,620	4,971
Purchases of property and equipment	(725)	(562)	(525)
Proceeds from the disposition of property and equipment	94	44	36
Free cash flow	$ 3	$ 236	$ 660

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. Cash balances are generated and held in many locations throughout the world. 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 months.

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 global paying services agreements with several financial institutions. Under these agreements, the financial institutions act as our paying agents with respect to accounts payable due to our suppliers who elect to participate in the program. The agreements allow our suppliers to sell their receivables to one of the participating financial institutions at the discretion of both parties on terms that are negotiated between the supplier and the respective financial institution. Our obligations to our suppliers, including the amounts due and scheduled payment dates, are not impacted by our suppliers' decisions to sell their receivables under this program. At March 31, 2019 and 2018, the cumulative payments due to suppliers participating to the programs amounted to approximately $0.5 billion and $0.3 billion , respectively. Pursuant to their agreement with one of the financial institutions, certain suppliers may elect to be paid early at their discretion. We are not always notified when our suppliers sell receivables under these programs. The available capacity under these programs can vary based on the number of investors and/or financial institutions participating in these programs at any point in time.

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 also sell a designated pool of trade receivables under asset-backed securitization ("ABS") programs and sell certain trade receivables, which are in addition to the trade receivables sold in connection with these securitization agreements.

During fiscal years 2019 , 2018 and 2017 , we received approximately $6.8 billion , $8.0 billion and $7.6 billion , respectively from transfers of receivables under our ABS programs, and $2.7 billion , $1.5 billion and $1.3 billion , respectively from other sales of receivables. As of March 31, 2019 , and 2018 , the outstanding balance on receivables sold for cash was $1.3 billion , for both years, respectively, under all our accounts receivable sales programs, which are removed from accounts receivable balances in our consolidated balance sheets.

We anticipate that we will enter into debt and equity financings, sales of accounts receivable and lease transactions to fund acquisitions and anticipated growth.

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.

Historically we have been successful in refinancing and extending the maturity dates on our term loans and credit facilities. In June 2017, we entered into a five-year credit facility consisting of a $1.75 billion revolving credit facility and a $503 million term loan, which is due to mature on June 30, 2022 (the "2022 Credit Facility"). This 2022 Credit Facility replaced our $2.1 billion credit facility, which was due to mature in March 2019. The outstanding principal of the term loan portion of the 2022 Credit Facility is repayable in quarterly installments of approximately $6 million from September 30, 2017 through June 30, 2020 and approximately $13 million from September 30, 2020 through March 31, 2022 with the remainder due upon maturity. As of March 31, 2019, one of our $500 million Notes due February 2020 has been included in current liabilities on the consolidated balance sheet.

In April 2019, we entered into a JPY 33.5 billion term loan agreement (approximately $300 million) due April 2024, which was then swapped to U.S. dollars. The term loan will be used to fund general operations and refinance certain other outstanding debt. Borrowings under this term loan bear interest, at LIBOR plus the applicable margin of 1.21%

Under our current share repurchase program, our Board of Directors authorized repurchases of our outstanding ordinary shares for up to $500 million 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 16, 2018. During fiscal year 2019 , we paid $189 million to repurchase shares (under the current and prior repurchase plans) at an average price of $10.66 per share. As of March 31, 2019 , shares in the aggregate amount of $ 325 million were available to be repurchased under the current plan.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

Bank borrowings and long-term debt are as follows:

	As of March 31,	
	2019	2018
	(In millions)	
4.625% Notes due February 2020	$ 500	$ 500
Term Loan, including current portion, due in installments through November 2021	672	688
Term Loan, including current portion, due in installments through June 2022	459	484
5.000% Notes due February 2023	500	500
4.750% Notes due June 2025	597	596
India Facilities (1)	170	—
Other	168	187
Debt issuance costs	(11)	(14)
	3,055	2,941
Current portion, net of debt issuance costs	(633)	(43)
Non-current portion	$ 2,422	$ 2,898

(1) India Facilities as of March 31, 2019 include an approximately $91.4 million drawdown of short-term bank borrowings under a facility entered in February 2019 and a $78.8 million drawdown from the $200 million term loan facility entered in July 2018.

Refer to the discussion in note 7 to the consolidated financial statements in Item 8, "Financial Statements and Supplementary Data" for further details of our debt obligations.

We have purchase obligations that arise in the normal course of business, primarily consisting of binding purchase orders for inventory related items and capital expenditures. Additionally, we have leased certain of our property and equipment under capital lease commitments, and certain of our facilities and equipment under operating lease commitments.

Future payments due under our purchase obligations, debt including capital leases and related interest obligations and operating leases are as follows:

	Total	Less Than 1 Year	1 - 3 Years	4 - 5 Years	Greater Than 5 Years
			(In millions)		
Contractual Obligations:					
Purchase obligations	$ 3,299	$ 3,299	$ —	$ —	$ —
Long-term debt and capital lease obligations:					
Long-term debt	3,065	634	913	918	600
Capital leases	45	19	19	7	—
Interest on long-term debt obligations	512	140	253	83	36
Operating leases, net of subleases	683	155	207	149	172
Restructuring costs	32	32	—	—	—
Total contractual obligations	$ 7,636	$ 4,279	$ 1,392	$ 1,157	$ 808

We have excluded $252 million of liabilities for unrecognized tax benefits from the contractual obligations table as we cannot make a reasonably reliable estimate of the periodic settlements with the respective taxing authorities. See note 13 , "Income Taxes" to the consolidated financial statements in Item 8, "Financial Statements and Supplementary Data" for further details.

Our purchase obligations can fluctuate significantly from period to period and can materially impact our future operating asset and liability balances, and our future working capital requirements. We intend to use our existing cash balances, together with anticipated cash flows from operations to fund our existing and future contractual obligations.

OFF-BALANCE SHEET ARRANGEMENTS

We sell designated pools of trade receivables to unaffiliated financial institutions under our ABS programs, and in addition to cash, we receive a deferred purchase price receivable for each pool of the receivables sold. Each of these deferred purchase price receivables serves as additional credit support to the financial institutions and is recorded at its estimated fair value. As of March 31, 2019 and 2018 , the fair value of our deferred purchase price receivable was approximately $293 million and $445 million , respectively. As of March 31, 2019 and 2018 , the outstanding balance on receivables sold for cash was $1.3 billion for both periods, respectively, under all our accounts receivable sales programs, which were removed from accounts receivable balances in our consolidated balance sheets. For further information, see note 10 to the consolidated financial statements in Item 8, "Financial Statements and Supplementary Data".

RECENT ACCOUNTING PRONOUNCEMENTS

Refer to note 2 to the consolidated financial statements in Item 8, "Financial Statements and Supplementary Data" for recent accounting pronouncements.

ITEM 7A. *QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK*

INTEREST RATE RISK

A portion of our exposure to market risk for changes in interest rates relates to our highly liquid investment portfolio, with maturities of three months or less from original dates of purchase and are classified as cash equivalents on our consolidated balance sheet. We do not use derivative financial instruments in our highly liquid investment portfolio. We place cash and cash equivalents with various major financial institutions and highly rated money market accounts. Our investment policy has strict guidelines focusing on preservation of capital. The portfolio is comprised of various instruments including term deposits with banks, marketable securities and money market accounts. Our cash is principally invested in the U.S. dollar and China RMB serving as a natural hedge of our RMB denominated costs. As of March 31, 2019 , the outstanding amount in the highly liquid investment portfolio was $0.5 billion , the largest components of which were Brazilian real, China renminbi and Indian rupee denominated money market accounts with an average return of 2.18% . A hypothetical 10% change in interest rates would not be expected to have a material effect on our financial position, results of operations and cash flows over the next fiscal year.

We had variable rate debt outstanding of approximately $1.5 billion as of March 31, 2019 . Variable rate debt obligations consisted of borrowings under our term loans. Interest on these obligations is discussed in note 7 to the consolidated financial statements in Item 8, "Financial Statements and Supplementary Data".

Our variable rate debt instruments create exposures for us related to interest rate risk. Primarily due to the current low interest rates, a hypothetical 10% change in interest rates would not be expected to have a material effect on our financial position, results of operations and cash flows over the next fiscal year.

As of March 31, 2019 , the approximate average fair value of our debt outstanding under our term loan facilities that mature in November 2021 and June 2022, and Notes due February 2020, February 2023 and June 2025 was 99.9% of the face value of the debt obligations based on broker trading prices.

FOREIGN CURRENCY EXCHANGE RISK

We transact business in various foreign countries and are, therefore, subject to risk of foreign currency exchange rate fluctuations. We have established a foreign currency risk management policy to manage this risk. To the extent possible, we manage our foreign currency exposure by evaluating and using non-financial techniques, such as currency of invoice, leading and lagging payments and receivables management. In addition, we may borrow in various foreign currencies and enter into short-term foreign currency derivative contracts, including forward, swap, and option contracts to hedge only those currency exposures associated with certain assets and liabilities, mainly accounts receivable and accounts payable, and cash flows denominated in non-functional currencies.

We endeavor to maintain a partial or fully hedged position for certain transaction exposures. These exposures are primarily, but not limited to, revenues, customer and vendor payments and inter-company balances in currencies other than the functional currency unit of the operating entity. The credit risk of our foreign currency derivative contracts is minimized since all contracts are with large financial institutions and accordingly, fair value adjustments related to the credit risk of the counter-party financial institution were not material. The gains and losses on foreign currency derivative contracts generally offset the losses and gains on the assets, liabilities and transactions hedged. The fair value of currency derivative contracts is reported on the balance sheet. The aggregate notional amount of outstanding contracts as of March 31, 2019 amounted to $7.8 billion and the recorded fair values of the associated assets and liabilities were not material. The majority of these foreign exchange contracts expire in less than three months and all expire within one year. They will settle primarily in the Brazilian real, British pound, China renminbi, Euro, Hungarian forint, Indian rupee, Malaysian ringgit, Mexican peso, Singapore dollar, and U.S. dollar.

Based on our overall currency rate exposures as of March 31, 2019 , including the derivative financial instruments intended to hedge the nonfunctional currency-denominated monetary assets, liabilities and cash flows, and other factors a 10% appreciation or depreciation of the U.S. dollar from its cross-functional rates would not be expected, in the aggregate, to have a material effect on our financial position, results of operations and cash flows in the near-term.

ITEM 8. ***FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA***

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Flex Ltd. and subsidiaries (the "Company") as of March 31, 2019 and 2018 , and the related consolidated statements of operations, comprehensive income, shareholders' equity, and cash flows for each of the three years in the period ended March 31, 2019 and the related notes. In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Flex Ltd. and subsidiaries as of March 31, 2019 and 2018 , and the results of their operations and their cash flows for each of the three years in the period ended March 31, 2019 , in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of March 31, 2019 , based on the criteria established in *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated May 20, 2019 , expressed an unqualified opinion on the Company's internal control over financial reporting.

Change in Accounting Principles

As discussed in Note 2 to the financial statements, the Company changed its method of accounting for revenue from contracts with customers in fiscal year 2019 due to the adoption of Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers* , using the modified retrospective approach. As also discussed in Note 2 to the financial statements, the Company changed its method of accounting for cash receipts on the deferred purchase price from asset-backed securitization programs in fiscal year 2019 due to the adoption of ASU 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments* using the retrospective approach.

Basis of Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. 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 audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedure included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our audits also included assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

/s/ DELOITTE & TOUCHE LLP
San Jose, California
May 20, 2019

We have served as the Company’s auditors since 2002.

FLEX LTD.

CONSOLIDATED BALANCE SHEETS

	As of March 31,	
	2019	2018
	(In thousands, except share amounts)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,696,625	$ 1,472,424
Accounts receivable, net of allowance for doubtful accounts (Note 2)	2,612,961	2,517,695
Contract assets	216,202	—
Inventories	3,722,854	3,799,829
Other current assets	854,790	1,380,466
Total current assets	9,103,432	9,170,414
Property and equipment, net	2,336,213	2,239,506
Goodwill	1,073,055	1,121,170
Other intangible assets, net	330,995	424,433
Other assets	655,672	760,332
Total assets	$ 13,499,367	$ 13,715,855
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Bank borrowings and current portion of long-term debt	$ 632,611	$ 43,011
Accounts payable	5,147,236	5,122,303
Accrued payroll	391,591	383,332
Other current liabilities	1,426,075	1,719,418
Total current liabilities	7,597,513	7,268,064
Long-term debt, net of current portion	2,421,904	2,897,631
Other liabilities	507,590	531,587
Commitments and contingencies (Note 12)		
Shareholders' equity		
Flex Ltd. Shareholders' equity		
Ordinary shares, no par value; 566,787,620 and 578,317,848 issued, and 516,548,265 and 528,078,493 outstanding as of March 31, 2019 and 2018, respectively	6,523,750	6,636,747
Treasury stock, at cost; 50,239,355 shares as of March 31, 2019 and 2018, respectively	(388,215)	(388,215)
Accumulated deficit	(3,012,012)	(3,144,114)
Accumulated other comprehensive loss	(151,163)	(85,845)
Total shareholders' equity	2,972,360	3,018,573
Total liabilities and shareholders' equity	$ 13,499,367	$ 13,715,855

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

FLEX LTD.

CONSOLIDATED STATEMENTS OF OPERATIONS

	Fiscal Year Ended March 31,		
	2019	2018	2017
	(In thousands, except per share amounts)		
Net sales	$ 26,210,511	$ 25,441,131	$ 23,862,934
Cost of sales	24,593,731	23,778,404	22,303,231
Restructuring charges	99,005	66,845	38,758
Gross profit	1,517,775	1,595,882	1,520,945
Selling, general and administrative expenses	953,077	1,019,399	937,339
Intangible amortization	74,396	78,640	81,396
Restructuring charges	14,308	23,846	10,637
Interest and other, net	183,454	122,823	99,532
Other charges (income), net	110,414	(169,719)	21,193
Income before income taxes	182,126	520,893	370,848
Provision for income taxes	88,727	92,359	51,284
Net income	$ 93,399	$ 428,534	$ 319,564
Earnings per share:			
Basic	$ 0.18	$ 0.81	$ 0.59
Diluted	$ 0.18	$ 0.80	$ 0.59
Weighted-average shares used in computing per share amounts:			
Basic	526,519	529,782	540,503
Diluted	530,070	536,598	546,220

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

FLEX LTD.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Fiscal Year Ended March 31,		
	2019	2018	2017
	(In thousands)		
Net income	$ 93,399	$ 428,534	$ 319,564
Other comprehensive income (loss):			
Foreign currency translation adjustments, net of zero tax	(59,508)	45,618	(1,324)
Unrealized gain (loss) on derivative instruments and other, net of zero tax	(5,810)	(3,320)	9,096
Comprehensive income	$ 28,081	$ 470,832	$ 327,336

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

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FLEX LTD.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

	Ordinary Shares			Accumulated Other Comprehensive Loss					Total
	Shares Outstanding	Amount	Accumulated Deficit	Unrealized Gain (Loss) on Derivative Instruments And Other	Foreign Currency Translation Adjustments	Total Accumulated Other Comprehensive Loss	Total Flex Ltd. Shareholders' Equity	Noncontrolling Interests	Shareholders' Equity
					(In thousands)				
BALANCE AT MARCH 31, 2016	544,823	$6,598,999	$(3,892,212)	$ (41,522)	$ (94,393)	$ (135,915)	$2,570,872	$ 34,658	$2,605,530
Repurchase of Flex Ltd. ordinary shares at cost	(25,125)	(345,782)	—	—	—	—	(345,782)	—	(345,782)
Exercise of stock options	2,283	12,438	—	—	—	—	12,438	610	13,048
Issuance of Flex Ltd. vested shares under restricted share unit awards	9,313	—	—	—	—	—	—	—	—
Issuance of subsidiary shares	—	—	—	—	—	—	—	9,306	9,306
Net income	—	—	319,564	—	—	—	319,564	(8,492)	311,072
Stock-based compensation, net of tax	—	79,669	—	—	—	—	79,669	(2,339)	77,330
Total other comprehensive income	—	—	—	9,096	(1,324)	7,772	7,772	—	7,772
BALANCE AT MARCH 31, 2017	531,294	6,345,324	(3,572,648)	(32,426)	(95,717)	(128,143)	2,644,533	33,743	2,678,276
Repurchase of Flex Ltd. ordinary shares at cost	(10,829)	(180,050)	—	—	—	—	(180,050)	—	(180,050)
Exercise of stock options	667	2,774	—	—	—	—	2,774	256	3,030
Issuance of Flex Ltd. vested shares under restricted share unit awards	6,946	—	—	—	—	—	—	—	—
Issuance of subsidiary shares, net	—	—	—	—	—	—	—	63,363	63,363
Net income	—	—	428,534	—	—	—	428,534	(7,573)	420,961
Stock-based compensation, net of tax	—	80,484	—	—	—	—	80,484	849	81,333
Deconsolidation of subsidiary entity	—	—	—	—	—	—	—	(90,638)	(90,638)
Total other comprehensive income	—	—	—	(3,320)	45,618	42,298	42,298	—	42,298
BALANCE AT MARCH 31, 2018	528,078	6,248,532	(3,144,114)	(35,746)	(50,099)	(85,845)	3,018,573	—	3,018,573
Repurchase of Flex Ltd. ordinary shares at cost	(17,726)	(188,978)	—	—	—	—	(188,978)	—	(188,978)
Exercise of stock options	244	245	—	—	—	—	245	—	245
Issuance of Flex Ltd. vested shares under restricted share unit awards	5,952	—	—	—	—	—	—	—	—
Net income	—	—	93,399	—	—	—	93,399	—	93,399
Stock-based compensation, net of tax	—	76,032	—	—	—	—	76,032	—	76,032
Cumulative effect on opening equity of adopting accounting standards and other	—	(296)	38,703	—	—	—	38,407	—	38,407
Total other comprehensive loss	—	—	—	(5,810)	(59,508)	(65,318)	(65,318)	—	(65,318)
BALANCE AT MARCH 31, 2019	516,548	$6,135,535	$(3,012,012)	$ (41,556)	$(109,607)	$ (151,163)	$2,972,360	$ —	$2,972,360

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

FLEX LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Fiscal Year Ended March 31,		
	2019	2018	2017
	(In thousands)		
Cash flows from operating activities:			
Net income	$ 93,399	$ 428,534	$ 319,564
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	433,413	434,432	432,238
Amortization and other impairment charges	331,539	120,932	177,422
Provision for doubtful accounts (Note 2)	41,977	8,225	(184)
Non-cash other loss (income)	12,655	(58,223)	6,858
Stock-based compensation	76,032	81,346	77,330
Gain from deconsolidation of subsidiary entity (Note 2)	(86,614)	(151,574)	—
Deferred income taxes	(13,856)	43,187	(20,041)
Changes in operating assets and liabilities, net of acquisitions:			
Accounts receivable	(3,628,129)	(4,916,843)	(5,136,256)
Contract assets	215,877	—	—
Inventories	(360,152)	(354,319)	85,047
Other current and noncurrent assets	(7,541)	(138,184)	84,949
Accounts payable	68,070	623,148	268,686
Other current and noncurrent liabilities	(147,694)	13,004	(117,721)
Net cash used in operating activities	(2,971,024)	(3,866,335)	(3,822,108)
Cash flows from investing activities:			
Purchases of property and equipment	(725,606)	(561,997)	(525,111)
Proceeds from the disposition of property and equipment	94,219	44,780	35,606
Acquisitions of businesses, net of cash acquired	(12,796)	(268,377)	(189,084)
Divestitures of businesses, net of cash held in divested businesses	267,147	(2,949)	36,731
Cash collections of deferred purchase price	3,585,901	4,619,933	4,972,017
Other investing activities, net	44,032	(120,442)	(60,329)
Net cash provided by investing activities	3,252,897	3,710,948	4,269,830
Cash flows from financing activities:			
Proceeds from bank borrowings and long-term debt	3,199,460	1,366,000	312,741
Repayments of bank borrowings and long-term debt	(3,059,828)	(1,420,977)	(141,730)
Payments for repurchases of ordinary shares	(188,979)	(180,050)	(349,532)
Proceeds from exercise of stock options	245	2,774	12,438
Other financing activities, net	19,398	44,468	(76,024)
Net cash used in financing activities	(29,704)	(187,785)	(242,107)
Effect of exchange rates on cash	(27,968)	(15,079)	17,490
Net change in cash and cash equivalents	224,201	(358,251)	223,105
Cash and cash equivalents, beginning of year	1,472,424	1,830,675	1,607,570
Cash and cash equivalents, end of year	$ 1,696,625	$ 1,472,424	$ 1,830,675

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

FLEX LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1 . ORGANIZATION OF THE COMPANY

Flex Ltd. ("Flex" or the "Company") was incorporated in the Republic of Singapore in May 1990. The Company's operations have expanded over the years through a combination of organic growth and acquisitions. The Company is a globally-recognized, provider of *Sketch-to-Scale* ® services - innovative design, engineering, manufacturing, and supply chain services and solutions - from conceptual sketch to full-scale production. The Company designs, builds, ships and manages complete packaged consumer and enterprise products, from medical devices and connected automotive systems to sustainable lighting and cloud and data center solutions for companies of all sizes in various industries and end-markets, through its activities in the following segments:

- High Reliability Solutions ("HRS"), which is comprised of our health solutions business, including surgical equipment, drug delivery, diagnostics, telemedicine, disposable devices, imaging and monitoring, patient mobility and ophthalmology; and our automotive business, including vehicle electrification, connectivity, autonomous, and smart technologies;

- Industrial and Emerging Industries ("IEI"), which is comprised of energy including advanced metering infrastructure, energy storage, smart lighting, smart solar energy; and industrial, including semiconductor and capital equipment, office solutions, household industrial and lifestyle, industrial automation and kiosks;

- Communications & Enterprise Compute ("CEC"), which includes our telecom business of radio access base stations, remote radio heads and small cells for wireless infrastructure; our networking business, which includes optical, routing, and switching products for data and video networks; our server and storage platforms for both enterprise and cloud-based deployments; next generation storage and security appliance products; and rack-level solutions, converged infrastructure and software-defined product solutions; and

- Consumer Technologies Group ("CTG"), which includes our consumer-related businesses in IoT enabled devices, audio and consumer power electronics, mobile devices; and various supply chain solutions for consumer, computing and printing devices.

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) and supply chain management software solutions and component product offerings (including flexible printed circuit boards and power adapters and chargers).

2 . SUMMARY OF ACCOUNTING POLICIES

Basis of Presentation and Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Flex and its majority-owned subsidiaries, after elimination of intercompany accounts and transactions. Amounts included in these consolidated financial statements are expressed in U.S. dollars unless otherwise designated. The Company consolidates its majority-owned subsidiaries and investments in entities in which the Company has a controlling interest. For the consolidated majority-owned subsidiaries in which the Company owns less than 100% , the Company recognizes a noncontrolling interest for the ownership of the noncontrolling owners. As of March 31, 2019 , the noncontrolling interest was not material as a result of the deconsolidation of one of the Company's subsidiaries. In prior years, the noncontrolling interest was included on the consolidated balance sheets as a component of total shareholders' equity. The associated noncontrolling owners' interest in the income or losses of these companies is not material to the Company's results of operations for all periods presented, and is classified as a component of interest and other, net, in the consolidated statements of operations.

Use of 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. 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, intangible assets and goodwill; valuation of investments in privately held companies; asset impairments; fair values of financial instruments including highly liquid investments, notes receivable and derivative instruments; restructuring charges; contingencies; warranty provisions; accruals for potential price adjustments arising from customer contracts; fair values of assets obtained and liabilities assumed in business combinations and the fair values of stock options and restricted share unit awards granted under the Company's stock-based compensation plans. 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.

Translation of Foreign Currencies

The financial position and results of operations for certain of the Company's subsidiaries are measured using a currency other than the U.S. dollar as their functional currency. Accordingly, all assets and liabilities for these subsidiaries are translated into U.S. dollars at the current exchange rates as of the respective balance sheet dates. Revenue and expense items are translated at the average exchange rates prevailing during the period. Cumulative gains and losses from the translation of these subsidiaries' financial statements are reported as other comprehensive loss, a component of shareholders' equity. Foreign exchange gains and losses arising from transactions denominated in a currency other than the functional currency of the entity involved, and re-measurement adjustments for foreign operations where the U.S. dollar is the functional currency, are included in operating results. Non-functional currency transaction gains and losses, and re-measurement adjustments were not material to the Company's consolidated results of operations for all periods presented, and have been classified as a component of interest and other, net in the consolidated statements of operations.

Revenue Recognition

In determining the appropriate amount of revenue to recognize, Flex applies the following steps: (i) identify the contracts with the customers; (ii) identify performance obligations in the contracts; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations per the contracts; and (v) recognize revenue when (or as) the Company satisfies a performance obligation. Further, the Company assesses whether control of the product or services promised under the contract is transferred to the customer at a point in time (PIT) or over time (OT). Flex is first required to evaluate whether its contracts meet the criteria for OT recognition. The Company has determined that for a portion of its contracts, it is manufacturing products for which there is no alternative use (due to the unique nature of the customer-specific product and IP restrictions) and Flex has an enforceable right to payment including a reasonable profit for work-in-progress inventory with respect to these contracts. As a result, revenue is recognized under these contracts OT based on the cost-to-cost method as it best depicts the transfer of control to the customer measured based on the ratio of costs incurred to date as compared to the total estimated costs at completion of the performance obligation. For all other contracts that do not meet these criteria, the Company recognizes revenue when it has transferred control of the related manufactured products which generally occurs upon delivery and passage of title to the customer. Refer to note 3 "Revenue Recognition" for further details.

On April 1, 2018, the Company adopted the Accounting Standard Codification 606 ("ASC 606") using the modified retrospective approach by applying the guidance to all open contracts at the adoption date and has implemented revised accounting policies, new operational and financial reporting processes, enhanced systems capabilities and relevant internal controls.

As part of adopting ASC 606, revenue for certain customer contracts where the Company is manufacturing products for which there is no alternative use and the Company has an enforceable right to payment including a reasonable profit for work-in-progress, revenue is recognized over time (i.e., as the Company manufactures the product) instead of upon shipment of products. In addition to the following disclosures, note 3 "Revenue Recognition" provides further disclosures required by the new standard.

FLEX LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The cumulative effect of change made to the Company's April 1, 2018 condensed consolidated balance sheet for the adoption of ASC 606 was as follows:

Condensed Consolidated Balance Sheet

	Impact of Adopting ASC 606		
	Balance at March 31, 2018	Adjustments	Balance at April 1, 2018
		(In thousands)	
ASSETS			
Contract assets	$ —	$ 451,287	$ 451,287
Inventories	3,799,829	(447,752)	3,352,077
Other current assets	1,380,466	(51,479)	1,328,987
LIABILITIES AND SHAREHOLDERS' EQUITY			
Other current liabilities	1,719,418	(87,897)	1,631,521
Other liabilities	531,587	2,098	533,685
Accumulated deficit	$ (3,144,114)	$ 37,855	$ (3,106,259)

The adoption of ASC 606 resulted in the establishment of contract asset and contract liability balance sheet accounts and in the reclassification to these new accounts from certain asset and liability accounts, primarily inventories. The decrease in accumulated deficit in the table above reflects $37.9 million of net adjustments to the balance sheet as of April 1, 2018, resulting from the adoption of ASC 606 primarily related to certain customer contracts requiring an over-time method of revenue recognition. The declines in inventories and other current assets reflect reclassifications to contract assets due to the earlier recognition of certain costs of products sold for over-time contracts. The decline in other current liabilities is primarily due to the reclassification of payments from customers in advance of work performed to contract assets to reflect the net position of the related over-time contracts.

The following tables summarize the impacts of ASC 606 adoption on the Company's consolidated balance sheets and consolidated statements of operations:

Condensed Consolidated Balance Sheet
As of March 31, 2019

	Impact of Adopting ASC 606		
	As Reported	Adjustments	Balance without ASC 606 Adoption
		(In thousands)	
ASSETS			
Contract assets	$ 216,202	$ (216,202)	$ —
Inventories	3,722,854	252,844	3,975,698
Other current assets	854,790	8,865	863,655
LIABILITIES AND SHAREHOLDERS' EQUITY			
Other current liabilities	1,426,075	65,705	1,491,780
Accumulated deficit	$ (3,012,012)	$ (35,114)	$ (3,047,126)

Condensed Consolidated Statement of Operations

	Fiscal Year Ended March 31, 2019		
	Impact of Adopting ASC 606		
	As Reported	Adjustments	Balance without ASC 606 Adoption
		(In thousands)	
Net sales	$ 26,210,511	$ (25,665)	$ 26,184,846
Cost of sales (including restructuring charges)	24,692,736	(28,406)	24,664,330
Gross profit	$ 1,517,775	$ 2,741	$ 1,520,516

In the first quarter of fiscal year 2019, to align contractual terms across the vast majority of customers to allow the Company to efficiently and accurately manage its contracts the Company waived certain contractual rights to bill profit for work in progress in the event of a contract termination, which is expected to be infrequent. These modifications resulted in revenue from these customers being recognized upon shipment of products, rather than over time (i.e., as the Company manufactures products) as further explained in note 3 . The result of the modifications for the fiscal year 2019 reduced revenue and gross profit by approximately $132.7 million and $9.3 million , respectively, compared to amounts that would have been reported both (i) under ASC 606 had the Company not amended the contracts, and (ii) had the Company not adopted ASC 606.

The impacts to revenue and gross profit as a result of the adoption of ASC 606 are driven by a number of factors including the timing of inventory levels for over time ("OT") customers at the end of each reporting period and the mix of customer profitability.

For the fiscal year ended March 31, 2019 the as reported revenue was approximately $25.7 million higher and the gross profit approximately $2.7 million lower than it would have been without the adoption of ASC 606. Additional revenue of $158.4 million was reported under ASC 606 due to the accelerated timing of recognition of revenue for contracts which meet the criteria for over-time recognition and revenue recognized for certain contracts that no longer qualify for net revenue treatment. Approximately $6.5 million of additional gross profit was recognized on the customers qualifying for accelerated revenue recognition. These increases were offset by reductions of $132.7 million of revenue and $9.3 million of gross profit respectively, as a result of the waiver of contract rights noted above. There was no material tax impact for the fiscal year ended March 31, 2019 from the adoption of ASC 606.

The Company applies the following practical expedients:

- The Company elected to not disclose information about remaining performance obligations as its performance obligations generally have an expected duration of one year or less.
- In accordance with ASC 606-10-25-18B the Company will account for certain shipping and handling as activities to fulfill the promise to transfer the good, instead of a promised service to its customer.
- In accordance with ASC 606-10-32-18 the Company elected to not adjust the promised amount of consideration for the effects of a significant financing component as the Company expects, at contract inception, that the period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will generally be one year or less.

Concentration of Credit Risk

Financial instruments which potentially subject the Company to concentrations of credit risk are primarily accounts receivable, derivative instruments, and cash and cash equivalents.

Customer Credit Risk

The Company has an established customer credit policy, through which it manages customer credit exposures through credit evaluations, credit limit setting, monitoring, and enforcement of credit limits for new and existing customers. The Company performs ongoing credit evaluations of its customers' financial condition and makes provisions for doubtful accounts based on the outcome of those credit evaluations. The Company evaluates the collectability of its accounts receivable based on specific customer circumstances, current economic trends, historical experience with collections and the age of past due receivables. To the extent the Company identifies exposures as a result of credit or customer evaluations, the Company also reviews other customer related exposures, including but not limited to inventory and related contractual obligations.

The following table summarizes the activity in the Company's allowance for doubtful accounts during fiscal years 2019 , 2018 and 2017 :

	Balance at Beginning of Year	Charged to Costs and Expenses	Deductions/ Write-Offs	Balance at End of Year
	(In thousands)			
Allowance for doubtful accounts:				
Year ended March 31, 2017	$ 64,608	$ (184)	$ (7,122)	$ 57,302
Year ended March 31, 2018	57,302	8,225	(5,476)	60,051
Year ended March 31, 2019 (1)	60,051	41,977	(10,632)	91,396

(1) Charges incurred during fiscal year 2019 are primarily for costs and expenses related to various distressed customers.

No customer accounted for greater than 10% of the Company's net sales in fiscal years 2019 , 2018 and 2017 . One customer within the Company's CTG segment accounted for approximately 11% of the Company's total balance of accounts receivable, net in fiscal year 2019 . One customer within the Company's CTG segment accounted for approximately 17% of the Company's total balances of accounts receivable, net in fiscal years 2018 and 2017 , respectively.

The Company's ten largest customers accounted for approximately 43% , 41% and 43% , of its net sales in fiscal years 2019 , 2018 and 2017 , respectively.

Derivative Instruments

The amount subject to credit risk related to derivative instruments is generally limited to the amount, if any, by which a counterparty's obligations exceed the obligations of the Company with that counterparty. To manage counterparty risk, the Company limits its derivative transactions to those with recognized financial institutions. See additional discussion of derivatives in note 8 .

Cash and Cash Equivalents

The Company maintains cash and cash equivalents with various financial institutions that management believes to be of high credit quality. These financial institutions are located in many different locations throughout the world. The Company's investment portfolio, which consists of short-term bank deposits and money market accounts, is classified as cash equivalents on the consolidated balance sheets.

All highly liquid investments with maturities of three months or less from original dates of purchase are carried at cost, which approximates fair market value, and are considered to be cash equivalents. Cash and cash equivalents consist of cash deposited in checking accounts, money market funds and time deposits.

FLEX LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Cash and cash equivalents consisted of the following:

	As of March 31,			
	2019		2018	
	(In thousands)			
Cash and bank balances	$	1,222,737	$	1,019,802
Money market funds and time deposits		473,888		452,622
	$	1,696,625	$	1,472,424

Inventories

Inventories are stated at the lower of cost (on a first-in, first-out basis) or net realizable value. The stated cost is comprised of direct materials, labor and overhead. The components of inventories, net of applicable lower of cost or net realizable value write-downs, were as follows:

	As of March 31,			
	2019		2018	
	(In thousands)			
Raw materials	$	2,922,101	$	2,760,410
Work-in-progress		366,135		450,569
Finished goods		434,618		588,850
	$	3,722,854	$	3,799,829

Due to the adoption of ASC 606, amounts that would have been reported as inventory under prior guidance are now included in contract assets or liabilities, depending on the net position of the contract, as disclosed above. As a result of this accounting change, work-in-progress and finished goods as of March 31, 2019 are $252.8 million less than they would have been, had the Company not adopted ASC 606. The comparative information as of March 31, 2018, has not been restated and continues to be reported under the accounting standards in effect at that time.

Property and Equipment, Net

Property and equipment are stated at cost, less accumulated depreciation and amortization. Depreciation and amortization are recognized on a straight-line basis over the estimated useful lives of the related assets, with the exception of building leasehold improvements, which are depreciated over the term of the lease, if shorter. Repairs and maintenance costs are expensed as incurred. Property and equipment was comprised of the following:

	Depreciable Life (In Years)	As of March 31,			
		2019		2018	
		(In thousands)			
Machinery and equipment	3 - 10	$	3,305,335	$	3,004,707
Buildings	30		1,111,708		1,154,881
Leasehold improvements	up to 30		453,119		414,917
Furniture, fixtures, computer equipment and software	3 - 7		501,994		482,248
Land	—		121,976		152,992
Construction-in-progress	—		291,458		287,724
			5,785,590		5,497,469
Accumulated depreciation and amortization			(3,449,377)		(3,257,963)
Property and equipment, net		$	2,336,213	$	2,239,506

Total depreciation expense associated with property and equipment was approximately $433.4 million , $434.4 million and $432.2 million in fiscal years 2019 , 2018 and 2017 , respectively.

The Company reviews property and equipment for impairment at least annually and whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of property and equipment is determined by comparing its carrying amount to the lowest level of identifiable projected undiscounted cash flows the property and equipment are expected to generate. An impairment loss is recognized when the carrying amount of property and equipment exceeds its fair value.

Deferred Income Taxes

The Company provides for income taxes in accordance with the asset and liability method of accounting for income taxes. Under this method, deferred income taxes are recognized for the tax consequences of temporary differences between the carrying amount and the tax basis of existing assets and liabilities by applying the applicable statutory tax rate to such differences. Additionally, the Company assesses whether each income tax position is "more likely than not" of being sustained on audit, including resolution of related appeals or litigation, if any. For each income tax position that meets the "more likely than not" recognition threshold, the Company would then assess the largest amount of tax benefit that is greater than 50% likely of being realized upon effective settlement with the tax authority.

Accounting for Business and Asset Acquisitions

The Company has strategically pursued business and asset acquisitions, which are accounted for using the acquisition method of accounting. During fiscal year 2019, the Company adopted the Accounting Standard Update (ASU) No. 2017-01 “Clarifying the Definition of a Business” which did not have a material impact to its financial position as there were no material acquisitions during the period (Refer to " *Recently Adopted Accounting Pronouncement* " below for more details on the ASU). The fair value of the net assets acquired and the results of the acquired businesses are included in the Company's consolidated financial statements from the acquisition dates forward. The Company is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and results of operations during the reporting period. Estimates are used in accounting for, among other things, the fair value of acquired net operating assets, property and equipment, intangible assets and related deferred tax liabilities, useful lives of plant and equipment and amortizable lives for acquired intangible assets. Any excess of the purchase consideration over the fair value of the identified assets and liabilities acquired is recognized as goodwill.

The Company estimates the preliminary fair value of acquired assets and liabilities as of the date of acquisition based on information available at that time. Contingent consideration is recorded at fair value as of the date of the acquisition with subsequent adjustments recorded in earnings. Changes to valuation allowances on acquired deferred tax assets are recognized in the provision for, or benefit from, income taxes. The valuation of these tangible and identifiable intangible assets and liabilities is subject to further management review and may change materially between the preliminary allocation and end of the purchase price allocation period. Any changes in these estimates may have a material effect on the Company's consolidated operating results or financial position.

Goodwill

Goodwill is tested for impairment on an annual basis and whenever events or changes in circumstances indicate that the carrying amount of goodwill may not be recoverable. Recoverability of goodwill is measured at the reporting unit level by comparing the reporting unit's carrying amount, including goodwill, to the fair value of the reporting unit, which typically is measured based upon, among other factors, market multiples for comparable companies as well as a discounted cash flow analysis. These approaches use significant unobservable inputs, or Level 3 inputs, as defined by the fair value hierarchy and require management to make various judgmental assumptions about sales, operating margins, growth rates and discount rates which consider its budgets, business plans and economic projections, and are believed to reflect market participant views. Some of the inherent estimates and assumptions used in determining fair value of the reporting units are outside the control of management, including interest rates, cost of capital, tax rates, market EBITDA comparable and credit ratings. While the Company believes it has made reasonable estimates and assumptions to calculate the fair value of the reporting units, it is possible a material change could occur. If the actual results are not consistent with management's estimates and assumptions used to calculate fair value, it could result in material impairments of the Company's goodwill. During fiscal year 2019, the Company adopted ASU 2017-04 "Simplifying the Test for Goodwill Impairment", which simplifies the subsequent measurement of goodwill by eliminating step 2 from the goodwill impairment test. The ASU did not have a material impact to Flex's financial position during the period as there were no identified impairments during the period. (Refer to " *Recently Adopted Accounting Pronouncement* " below for more details on the ASU).

If the recorded value of the assets, including goodwill, and liabilities ("net book value") of any reporting unit exceeds its fair value, an impairment loss may be required to be recognized. Further, to the extent the net book value of the Company as a whole is greater than its fair value in the aggregate, all, or a significant portion of its goodwill may be considered impaired.

The Company has four reporting units, which correspond to its four reportable operating segments: HRS, IEI, CEC and CTG. The Company concluded that there was no change to its reporting units in fiscal year 2019 and performed its goodwill impairment assessment on January 1, 2019 . The Company performed a quantitative assessment of its goodwill and determined that no impairment existed as of the date of the impairment test because the fair value of each one of its reporting units exceeded its respective carrying value. As of the date of the impairment test, all reporting units' fair values were 25% or more, over their respective carrying values, with the exception of the CTG reporting unit which was 22% in excess of its carrying value. The estimated future results for CTG used in the impairment analysis reflect the Company's revised strategy including the wind down of the Company's NIKE operations in Mexico, further restrictions on capital expenditures related to the Company's expansion into India and the Company's focus on partnering with well-funded, leading multi-national brands that control multiple categories of products and have regional demand requirements.

FLEX LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The following table summarizes the activity in the Company's goodwill during fiscal years 2019 and 2018 (in thousands):

	HRS	IEI	CEC	CTG	Total
Balance, as of March 31, 2017	$ 420,935	$ 337,707	$ 115,002	$ 111,223	$ 984,867
Additions (1)	75,280	—	9,730	—	85,010
Divestitures (2)	—	—	—	(3,475)	(3,475)
Foreign currency translation adjustments (3)	54,768	—	—	—	54,768
Balance, as of March 31, 2018	550,983	337,707	124,732	107,748	1,121,170
Additions (1)	—	—	10,984	—	10,984
Divestitures (2)	(5,303)	(4,450)	(6,391)	(4,484)	(20,628)
Foreign currency translation adjustments (3)	(38,471)	—	—	—	(38,471)
Balance, as of March 31, 2019	$ 507,209	$ 333,257	$ 129,325	$ 103,264	$ 1,073,055

(1) The goodwill generated from the Company's business combinations completed during the fiscal years 2019 and 2018 are primarily related to value placed on the employee workforce, service offerings, capabilities and expected synergies. The goodwill is not deductible for income tax purposes. Refer to the discussion of the Company's business acquisitions in note 17 . Also included in fiscal year 2018 were adjustments based on management's estimates resulting from its review and finalization of the valuation of assets and liabilities acquired through certain business combinations completed in a period subsequent to the respective acquisition. These adjustments were not individually, nor in the aggregate, significant to the Company during the fiscal year ended March 31, 2018.

(2) During the fiscal year ended March 31, 2019, the Company divested its China-based Multek operations along with another non-strategic immaterial business, and as a result, recorded an aggregate reduction of goodwill of $20.6 million . During the fiscal year ended March 31, 2018, the Company disposed of Wink Labs Inc. ("Wink"), a business within the CTG segment.

(3) During the fiscal years ended March 31, 2019 and 2018 , the Company recorded $38.5 million and $54.8 million , respectively, of foreign currency translation adjustments primarily related to historical acquisitions, as the U.S. Dollar fluctuated against foreign currencies.

Other Intangible Assets

The Company's acquired intangible assets are subject to amortization over their estimated useful lives and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an intangible asset may not be recoverable. An impairment loss is recognized when the carrying amount of an intangible asset exceeds its fair value. The Company reviewed the carrying value of its intangible assets as of March 31, 2019 and concluded that such amounts continued to be recoverable.

Intangible assets are comprised of customer-related intangible assets that include contractual agreements and customer relationships; and licenses and other intangible assets, that are primarily comprised of licenses and also include patents and trademarks, and developed technologies. Generally, both customer-related intangible assets and licenses and other intangible assets are amortized on a straight-line basis, over a period of up to ten years. No residual value is estimated for any intangible assets. The fair value of the Company's intangible assets purchased through business combinations is determined based on management's estimates of cash flow and recoverability. The components of acquired intangible assets are as follows:

	As of March 31, 2019			As of March 31, 2018		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
	(In thousands)					
Intangible assets:						
Customer-related intangibles	$ 297,306	$ (113,627)	$ 183,679	$ 306,943	$ (79,051)	$ 227,892
Licenses and other intangibles	274,604	(127,288)	147,316	304,007	(107,466)	196,541
Total	$ 571,910	$ (240,915)	$ 330,995	$ 610,950	$ (186,517)	$ 424,433

Total intangible asset amortization expense recognized in operations during fiscal years 2019 , 2018 and 2017 was $74.4 million , $78.6 million and $81.4 million , respectively. The gross carrying amounts of intangible assets are removed when fully amortized. During fiscal year 2019 , the gross carrying amounts of fully amortized intangible assets totaled $9.4 million . The Company also recorded $21.0 million foreign currency translation adjustments during fiscal year 2019, as the U.S. Dollar fluctuated against foreign currencies for certain intangibles. As of March 31, 2019 , the weighted-average remaining useful lives of the Company's intangible assets were approximately 6.3 years for customer-related intangibles and approximately 5.5 years for licenses and other intangible assets. The estimated future annual amortization expense for acquired intangible assets is as follows:

Fiscal Year Ending March 31,	Amount
	(In thousands)
2020	$ 64,917
2021	60,604
2022	52,099
2023	44,390
2024	42,830
Thereafter	66,155
Total amortization expense	$ 330,995

The Company owns or licenses various United States and foreign patents relating to a variety of technologies. For certain of the Company's proprietary processes, inventions, and works of authorship, the Company relies on trade secret or copyright protection. The Company also maintains trademark rights (including registrations) for the Company's corporate name and several other trademarks and service marks that the Company uses in the Company's business in the United States and other countries throughout the world. The Company has implemented appropriate policies and procedures (including both technological means and training programs for the Company's employees) to identify and protect the Company's intellectual property, as well as that of the Company's customers and suppliers. As of March 31, 2019 and 2018 , the carrying value of the Company's intellectual property was not material.

Derivative Instruments and Hedging Activities

All derivative instruments are recognized on the consolidated balance sheets at fair value. If the derivative instrument is designated as a cash flow hedge, effectiveness is tested monthly using a regression analysis of the change in spot currency rates and the change in present value of the spot currency rates. The spot currency rates are discounted to present value using functional currency Inter-bank Offering Rates over the maximum length of the hedge period. The effective portion of changes in the fair value of the derivative instrument (excluding time value) is recognized in shareholders' equity as a separate component of accumulated other comprehensive income (loss), and recognized in the consolidated statements of operations when the hedged item affects earnings. Ineffective and excluded portions of changes in the fair value of cash flow hedges are recognized in earnings immediately. If the derivative instrument is designated as a fair value hedge, the changes in the fair value of the derivative instrument and of the hedged item attributable to the hedged risk are recognized in earnings in the current period. Additional information is included in note 8 .

Other Current Assets

Other current assets include approximately $292.5 million and $445.4 million as of March 31, 2019 and 2018 , respectively for the deferred purchase price receivable from the Company's Asset-Backed Securitization programs. See note 10 for additional information. Assets held for sale related to the China-based Multek operations previously recorded in other current assets have been removed from the consolidated balance sheet as of March 31, 2019, following the execution of the divestiture during the Company's second quarter of fiscal year 2019. See note 17 for additional information.

Investments

The Company has an investment portfolio that consists of strategic investments in privately held companies, and certain venture capital funds which are included within other assets. These privately held companies range from startups to more mature companies with established revenue streams and business models. As of March 31, 2019, and March 31, 2018, the Company's investments in non-consolidated companies totaled $294.1 million and $411.1 million , respectively. During the last half of fiscal year 2019, the Company reassessed its strategy with respect to its investment portfolio. As a result of the change in the Company's strategy and due to market valuation changes, the Company recognized an aggregate net charge related to investment impairments and dispositions of approximately $193 million for the fiscal year ended March 31, 2019, which is recorded in other charges (income), net on the consolidated statement of operations. The aggregate charge was primarily driven by write-downs of the Company's investment positions in a non-core cost method investment and Elementum as well as other investment impairments that were individually immaterial .

Non-consolidated investments in entities are accounted for using the equity method when the Company has an investment in common stock or in-substance common stock, and either (a) has the ability to significantly influence the operating decisions of the issuer, or (b) if the Company has a voting percentage equal to or generally greater than 20% but less than 50%, and for non-majority-owned investments in partnerships when generally greater than 5%. The equity in the earnings or losses of the Company's equity method investments was not material to the consolidated results of operations for any period presented and is included in interest and other, net. Cost method is used for investments which the Company does not have the ability to significantly influence the operating decisions of the investee, or if the Company’s investment is in securities other than common stock or in-substance common stock.

The Company monitors these investments for impairment indicators and makes appropriate reductions in carrying values as required whenever events or changes in circumstances indicate that the assets may be impaired. The factors the Company considers in its evaluation of potential impairment of its investments include, but are not limited to, a significant deterioration in the earnings performance or business prospects of the investee, or factors that raise significant concerns about the investee’s ability to continue as a going concern, such as negative cash flows from operation or working capital deficiencies. Fair values of these investments, when required, are estimated using unobservable inputs, or Level 3 inputs, as defined by the fair value hierarchy, and require management to make various judgmental assumptions about primarily comparable company multiples and discounted cash flow projections. Some of the inherent estimates and assumptions used in determining fair value of the investments are outside the control of management. While the Company believes it has made reasonable estimates and assumptions to calculate the fair value of the investments, it is possible a material change could occur. If the actual results are not consistent with management's estimates and assumptions used to calculate fair value, it could result in material impairments of investments.

For investments accounted for under cost method that do not have readily determinable fair values, the Company has elected, per ASU 2016-01 and commencing on April 1, 2018, to measure them at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer.

Investment in Elementum SCM (Cayman) Ltd ("Elementum)

Starting in fiscal year 2014, the Company had a majority owned subsidiary, Elementum, which qualified as a variable interest entity for accounting purposes. The Company owned a majority of Elementum' s outstanding equity (consisting primarily of preferred stock) and as of March 31, 2017, controlled its board of directors, which gave the Company the power to direct the activities of Elementum that most significantly impact its economic performance. Accordingly, the Company recognized the carrying value of the noncontrolling interest as a component of total shareholders' equity, and the consolidated financial statements included the financial position and results of operations of Elementum as of and for the period ended March 31, 2017.

During the second quarter of fiscal year 2018, the Company and other minority shareholders of Elementum amended certain agreements resulting in joint control of the board of directors between the Company and other non-controlling interest holders. As a result, the Company concluded it is no longer the primary beneficiary of Elementum and accordingly, deconsolidated the entity and recognized a gain on deconsolidation of approximately $151.6 million with no related tax impact, which is included in other charges (income), net on the consolidated statement of operations for the year ended March 31, 2018. Further, the Company derecognized approximately $72.6 million of cash of Elementum as of the date of deconsolidation, which was reflected as an outflow from investing activities within other investing activities, net in the consolidated statement of cash flows for the year ended March 31, 2018. The Company no longer recognizes the carrying value of the noncontrolling interest as a component of total shareholder's equity. As of March 31, 2018, the carrying value of the Company's variable interest in Elementum was approximately $125 million included in other assets on the consolidated balance sheet.

During the fourth quarter of fiscal year 2019, the Company and Elementum executed agreements that provided for, among other things, the termination of certain commercial agreements between the Company and Elementum, the repurchase of certain shares of Elementum held by the Company and the removal of certain rights associated with such shares, including the Company's right to elect certain members of Elementum's board of directors. Management initiated a valuation of the Company's remaining investment using the public guideline company approach which relied on inputs such as comparable company multiples that would be considered Level 3 inputs in the fair value hierarchy. The latest valuation of the remaining investment resulted in a total charge of approximately $84 million , which is included in other charges (income), net on the consolidated statement of operations for the year ended March 31, 2019. The Company's remaining investment in Elementum is accounted for as a cost method investment, and is included in other assets on the consolidated balance sheet.

Joint Venture with RIB Software AG

During fiscal year 2017, the Company formed a joint venture with RIB Software AG, a provider of technology for the construction industry. The Company contributed $60.0 million for a non-controlling interest in this joint venture which was included in cash flows from other investing activities net in the consolidated statement of cash flows for the year ended March 31, 2017.

During the third quarter of fiscal year 2019, the Company sold its non-controlling interest in the joint venture with RIB Software AG, a provider of technology for the construction industry, to its former joint venture partner, for a total consideration of approximately $48.4 million . The Company recognized an immaterial gain on sale, which is recorded in other charges (income), net on the consolidated statement of operations for the fiscal year ended March 31, 2019. The cash inflows received as consideration have been included in cash flows from other investing activities during the same period.

Investment in Unrelated Third-party Company

During the third quarter of fiscal year 2019, the Company noted, as part of the evaluation of its investment portfolio, a significant deterioration in a certain investee's performance and near-term projections. Additionally, the Company identified certain risks around that investee's capability to acquire additional funding to support its operation in the near term. The Company considered these facts as triggering events for impairment evaluations, and as a result recognized a $76 million impairment charge during the fiscal year ended March 31, 2019, which is included in other charges (income), net on the consolidated statement of operations. The remaining carrying value of this investment at March 31, 2019 was immaterial, and was determined using a discounted cash flow approach which relied on inputs that would be considered Level 3 inputs in the fair value hierarchy.

Bright Machines (formerly known as AutoLab AI)

During the first quarter of fiscal year 2019, the Company transferred existing employees and equipment with a net book value of approximately $35 million along with certain related software and Intellectual Property ("IP"), into the newly created Bright Machines, in exchange for shares of preferred stock and a controlling financial interest in Bright Machines. Bright Machines is a privately held software-as-a service (SaaS) and hardware company focused on developing and deploying an automation solution worldwide. The Company has concluded that Bright Machines does not qualify as a variable interest entity for purposes of evaluating whether it has a controlling financial interest.

Subsequent to the initial formation and prior to June 29, 2018, Bright Machines received equity funding from third party investors and expanded the board of directors, resulting in dilution of the Company's voting interest to below 50%. As a result, the Company concluded it no longer held a controlling financial interest in Bright Machines and accordingly, deconsolidated the entity.

The fair value of the Company's non-controlling interest in Bright Machines upon deconsolidation was approximately $127.6 million as of the date of deconsolidation. The Company accounts for its investment in Bright Machines under the equity method, with the carrying amount included in other assets on the consolidated balance sheet. The value of the Company's interest on the date of deconsolidation was based on management's estimate of the fair value of Bright Machines at that time. Management relied on a multi-stage process which involved calculating the enterprise and equity value of Bright Machines, then allocating the equity value of the entity to the Company's securities. The enterprise value of Bright Machines was estimated based on the value implied by the equity funding Bright Machines received from third parties in the same period (i.e., level 2 inputs). The Company recognized a gain on deconsolidation of approximately $87 million with no material tax impact, which is included in other charges (income), net on the consolidated statement of operations.

Concurrently with the deconsolidation, the Company engaged Bright Machines as a strategic partner to develop and deploy automation solutions for Flex and entered into a 5-year subscription agreement for use of fixed assets along with other automation services. The subscription agreement provides the Company with the use of the assets previously contributed to Bright Machines and accordingly is accounted for as a capital lease. As a result, the Company has recognized a capital lease asset and obligation with balances of $30.3 million and $34.8 million as of March 31, 2019, respectively, in the consolidated balance sheets.

Pro-forma financials have not been presented because the effects were not material to the Company’s consolidated financial position and results of operation for all periods presented. Bright Machines became a related party to the Company starting on the date of deconsolidation. Subscription fees under the Bright Machines agreement were immaterial for the fiscal year ended March 31, 2019.

Other Current Liabilities

Other current liabilities include customer working capital advances of $266.3 million and $153.6 million , customer-related accruals of $260.1 million and $439.0 million , and deferred revenue of $271.8 million and $329.0 million as of March 31, 2019 and 2018 , respectively. The customer working capital advances are not interest bearing, do not have fixed repayment dates and are generally reduced as the underlying working capital is consumed in production. Liabilities held for sale related to the China-based Multek operations of approximately $144 million as of March 31, 2018, previously included in other current liabilities have been removed from the consolidated balance sheet as of March 31, 2019, following the execution of the divestiture. See note 17 for additional information.

Restructuring Charges

The Company recognizes restructuring charges related to its plans to close or consolidate excess manufacturing facilities and rationalize administrative functions. In connection with these activities, the Company records restructuring charges for employee termination costs, long-lived asset impairment and other exit-related costs.

The recognition of restructuring charges requires the Company to make certain judgments and estimates regarding the nature, timing and amount of costs associated with the planned exit activity. To the extent the Company's actual results differ from its estimates and assumptions, the Company may be required to revise the estimates of future liabilities, requiring the recognition of additional restructuring charges or the reduction of liabilities already recognized. Such changes to previously estimated amounts may be material to the consolidated financial statements. At the end of each reporting period, the Company evaluates the remaining accrued balances to ensure that no excess accruals are retained and the utilization of the provisions are for their intended purpose in accordance with developed restructuring plans. See note 14 for additional information regarding restructuring charges.

Recently Adopted Accounting Pronouncements

In January 2017, the Financial Accounting Standards Board ("FASB") issued Accounting Standard Update (ASU) No. 2017-01 “Business Combinations (Topic 805): Clarifying the Definition of a Business” to clarify the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The Company adopted the guidance on a prospective basis during the first quarter of fiscal year 2019, which did not have a material impact to its financial position as there were no material acquisitions during the period of adoption.

In January 2017, the FASB issued ASU 2017-04 "Intangibles—Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment" to simplify the subsequent measurement of goodwill by eliminating step 2 from the goodwill impairment test. This guidance requires that the change be applied on a prospective basis, and it is effective for the Company beginning in the first quarter of fiscal year 2021, with early application permitted. The Company adopted the guidance during fiscal year 2019 without a material impact to its financial position as there were no identified impairments during the period.

In August 2016, the FASB issued ASU 2016-15, "Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments (a consensus of the Emerging Issues Task Force)." The ASU is intended to address specific cash flow issues with the objective of reducing the existing diversity in practice and provide guidance on how certain cash receipts and payments are presented and classified in the statement of cash flows. The majority of the guidance in ASU 2016-15 was consistent with the Company's current cash flow classification. However, cash receipts on the deferred purchase price from the Company's asset-backed securitization programs described in note 10 are now classified as cash flows from investing activities instead of the Company's former presentation as cash flows from operations. The Company adopted the guidance during the first quarter of fiscal year 2019 and retrospectively adjusted cash flows from operating and investing activities for fiscal year 2018. The Company recorded $3.6 billion of cash receipts on the deferred purchase price from the Company's asset-backed securitization programs for the fiscal year ended March 31, 2019 and reclassified $4.6 billion and $5.0 billion of cash receipts on the deferred purchase price for the fiscal years ended March 31, 2018 and 2017, from cash flows from operating activities to cash flows from investing activities, respectively.

In January 2016, the FASB issued ASU 2016-01 "Financial Instruments-Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities." This guidance generally requires equity investments, except those accounted for under the equity method of accounting or those that result in consolidation of the investee, to be measured at fair value with changes in fair value recognized in net income. This guidance also requires the separate presentation of financial assets and financial liabilities by measurement category and form of financial asset on the balance sheet or in the accompanying notes to the financial statements. The Company adopted this guidance on April 1, 2018 with an immaterial impact on the Company's financial position, results of operations and cash flows.

In February 2018, the FASB issued ASU 2018-03 "Technical Corrections and Improvements to Financial Instruments - Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities." This standard comes as an addition to ASU 2016-01 which the Company adopted in the first quarter of fiscal year 2019. This update includes amendments to clarify certain aspects of the guidance issued in Update 2016-01. The Company adopted this guidance during the second quarter of fiscal year 2019 with an immaterial impact on its consolidated financial statements.

In May 2014, the FASB issued ASU 2014-09 "Revenue from Contracts with Customers (Topic 606)" (also referred to as Accounting Standard Codification 606 ("ASC 606")). As noted above, the Company adopted the standard on April 1, 2018 using the modified retrospective approach by applying the guidance to all open contracts at the adoption date and has implemented revised accounting policies, new operational and financial reporting processes, enhanced systems capabilities and relevant internal controls. Details of the impact of adopting ASC 606 has been described in the Revenue Recognition section above.

Recently Issued Accounting Pronouncements

In November 2018, the FASB issued ASU 2018-19 “Codification Improvements to Topic 326: Financial Instruments - Credit Losses” to introduce an expected credit loss methodology for the impairment of financial assets measured at amortized cost basis. That methodology replaces the probable, incurred loss model for those assets. The guidance is effective for the Company beginning in the first quarter of fiscal year 2021 with early adoption permitted. The Company expects the new guidance will have an immaterial impact on its consolidated financial statements, and it intends to adopt the guidance when it becomes effective in the first quarter of fiscal year 2021.

In October 2018, the FASB issued ASU 2018-17 “Consolidation (Topic 810): Targeted Improvements to Related Party Guidance for Variable Interest Entities” to provide a new private company variable interest entity exemption and changes how decision makers apply the variable interest criteria. The guidance is effective for the Company beginning in the first quarter of fiscal year 2021 with early adoption permitted. The Company expects the new guidance will have an immaterial impact on its consolidated financial statements, and it intends to adopt the guidance when it becomes effective in the first quarter of fiscal year 2021.

In August 2018, the FASB issued ASU 2018-15 "Intangibles-Goodwill and Other-Internal-Use Software (Subtopic 350-40): Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract” to provide guidance on a customer's accounting for implementation, set-up, and other upfront costs incurred in a cloud computing arrangement that is hosted by the vendor, i.e., a service contract. Under the new guidance, customers will apply the same criteria for capitalizing implementation costs as they would for an arrangement that has a software license. The new guidance also prescribes the balance sheet, income statement, and cash flow classification of the capitalized implementation costs and related amortization expense, as well as requires additional quantitative and qualitative disclosures. The guidance is effective for the Company beginning in the first quarter of fiscal year 2021 with early adoption permitted. The

Company is still evaluating the impact on its consolidated financial statements, and it intends to adopt the guidance when it becomes effective in the first quarter of fiscal year 2021.

In August 2018, the FASB issued ASU 2018-13, "Fair Value Measurement (Topic 820): Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement", which amends ASC 820 to add, remove, and modify fair value measurement disclosure requirements. The guidance is effective for the Company beginning in the first quarter of fiscal year 2020 with early adoption permitted. The Company expects the new guidance will have an immaterial impact on its consolidated financial statements, and it intends to adopt the guidance when it becomes effective in the first quarter of fiscal year 2020.

In June 2018, the FASB issued ASU 2018-07 "Compensation - Stock Compensation (Topic 718): Improvement to Nonemployee Share-Based Payment Accounting" with the objective of simplifying several aspects of the accounting for nonemployee share-based payment transactions in current GAAP. The guidance is effective for the Company beginning in the first quarter of fiscal year 2020 with early adoption permitted. The Company expects the new guidance will have an immaterial impact on its consolidated financial statements, and it intends to adopt the guidance when it becomes effective in the first quarter of fiscal year 2020.

In August 2017, the FASB issued ASU 2017-12 "Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities" with the objective of improving the financial reporting of hedging relationships and simplifying the application of the hedge accounting guidance in current GAAP. The guidance is effective for the Company beginning in the first quarter of fiscal year 2020 with early adoption permitted. The Company expects the new guidance will have an immaterial impact on its consolidated financial statements, and it intends to adopt the guidance when it becomes effective in the first quarter of fiscal year 2020.

In February 2016, the FASB issued ASU No. 2016-02, Leases with subsequent updates through 2018 (together “ASC 842”). The new standard is intended to improve financial reporting of lease transactions by requiring lease assets and liability to be recorded on the balance sheet for the rights and obligations created by leases that extend more than twelve months. ASC 842 also requires additional disclosures for the amount, timing, and uncertainty of cash flows arising from leases.

ASC 842 is effective for financial statements issued for annual and interim periods beginning after December 15, 2018 for public business entities. The Company adopted the new standard on its effective date of April 1, 2019, using the effective date method. Under this method, the initial recognition of lease assets and liabilities as required by ASC 842 will occur on April 1, 2019, and financial information for comparative periods prior to that date will not be updated. ASC 842 provides a number of optional practical expedients impacting transition to the new standard. Management elected the package of practical expedients which, among other things, allows the Company to carry forward historical lease classification in place prior to April 1, 2019.

ASC 842 also provides practical expedients for an entity’s accounting after transition. Management has elected the short-term lease recognition exemption for all leases that qualify, as well as the practical expedient to not separate lease and non-lease components, Both of these expedients were elected for all classes of underlying leased assets.

As a balance sheet impact upon adoption, the Company expects to recognize right-of-use assets and operating lease liabilities, respectively, in the range of approximately $550 million to $750 million . The Company is continuing to assess the impact of adopting the new standard on its consolidated financial statements but does not expect a material impact on its consolidated statement of operations or its consolidated statement of cash flows. The Company is also continuing to adjust its accounting policies, operational and financial reporting processes, systems capabilities and relevant internal controls.

In December 2017, the Securities and Exchange Commission ("SEC") staff issued Staff Accounting Bulletin No. 118 (SAB 118), Income Tax Accounting Implications of the Tax Cuts and Jobs Act ("Tax Act"), which allowed the Company to record provisional amounts during a measurement period not to extend beyond one year of the enactment date. As of March 31, 2019, the Company has finalized all provisional amounts related to the Tax Act. Finalizing provisional adjustments related to the Tax Act did not have a material impact on the Company's consolidated financial statements as of March 31, 2019. The Company expects further guidance may be forthcoming from the FASB and the SEC, as well as regulations, interpretations and rulings from federal and state tax agencies, which could result in additional impacts.

3 . REVENUE

Revenue Recognition

The Company provides a comprehensive suite of services for its customers that range from advanced product design to manufacturing and logistics to after-sales services. The first step in its process for revenue recognition is to identify a contract with a customer. A contract is defined as an agreement between two parties that create enforceable rights and obligations and can be written, verbal, or implied. The Company generally enters into master supply agreements (“MSA”) with its customers that provide the framework under which business will be conducted. This includes matters such as warranty, indemnification, transfer of title and risk of loss, liability for excess and obsolete inventory, pricing formulas, payment terms, etc., and the level of business under those agreements may not be guaranteed. In those instances, the Company bids on a program-by-program basis and typically receives customer purchase orders for specific quantities and timing of products. As a result, the Company considers its contract with a customer to be the combination of the MSA and the purchase order, or any other similar documents such as a statement of work, product addenda, emails or other communications that embody the commitment by the customer.

In determining the appropriate amount of revenue to recognize, the Company applies the following steps: (i) identify the contracts with the customers; (ii) identify performance obligations in the contracts; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations per the contracts; and (v) recognize revenue when (or as) the Company satisfies a performance obligation. Further, the Company assesses whether control of the product or services promised under the contract is transferred to the customer at a point in time (PIT) or over time (OT). The Company is first required to evaluate whether its contracts meet the criteria for OT recognition. The Company has determined that for a portion of its contracts the Company is manufacturing products for which there is no alternative use (due to the unique nature of the customer-specific product and IP restrictions) and the Company has an enforceable right to payment including a reasonable profit for work-in-progress inventory with respect to these contracts. As a result, revenue is recognized under these contracts OT based on the cost-to-cost method as it best depicts the transfer of control to the customer measured based on the ratio of costs incurred to date as compared to the total estimated costs at completion of the performance obligation. For all other contracts that do not meet these criteria, the Company recognizes revenue when it has transferred control of the related manufactured products which generally occurs upon delivery and passage of title to the customer.

Customer Contracts and Related Obligations

Certain of the Company’s customer agreements include potential price adjustments which may result in variable consideration. These price adjustments include, but are not limited to, sharing of cost savings, committed price reductions, material margins earned over the period that are contractually required to be paid to the customers, rebates, refunds tied to performance metrics such as on-time delivery, and other periodic pricing resets that may be refundable to customers. The Company estimates the variable consideration related to these price adjustments as part of the total transaction price and recognizes revenue in accordance with the pattern applicable to the performance obligation, subject to a constraint. The Company constrains the amount of revenues recognized for these contractual provisions based on its best estimate of the amount which will not result in a significant reversal of revenue in a future period. The Company determines the amounts to be recognized based on the amount of potential refunds required by the contract, historical experience and other surrounding facts and circumstances. Often these obligations are settled with the customer in a period after shipment through various methods which include reduction of prices for future purchases, issuance of a payment to the customer, or issuance of a credit note applied against the customer’s accounts receivable balance. In many instances, the agreement is silent on the settlement mechanism. Any difference between the amount accrued upon shipment for potential refunds and the actual amount agreed to with the customer is recorded as an increase or decrease in revenue. These potential price adjustments are included as part of other current liabilities on the consolidated balance sheet and disclosed as part of customer related accruals in note 2 .

Performance Obligations

The Company derives its revenues primarily from manufacturing services, and to a lesser extent, from innovative design, engineering, and supply chain services and solutions.

A performance obligation is an implicitly or explicitly promised good or service that is material in the context of the contract and is both capable of being distinct (customer can benefit from the good or service on its own or together with other readily available resources) and distinct within the context of the contract (separately identifiable from other promises). The Company considers all activities typically included in its contracts, and identifies those activities representing a promise to transfer goods or services to a customer. These include, but are not limited to, design and engineering services, prototype products, tooling, etc. Each promised good or service with regards to these identified activities is accounted for as a separate performance obligation only if it is distinct - i.e., the customer can benefit from it on its own or together with other resources that are readily available to the customer. Certain activities on the other hand are determined not to constitute a promise to

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transfer goods or service, and therefore do not represent separate performance obligations for revenue recognition (e.g., procurement of materials and standard workmanship warranty).

A contract’s transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. The majority of the Company's contracts have a single performance obligation as the promise to transfer the individual good or service is not separately identifiable from other promises in the contract and is, therefore, not distinct. Promised goods or services that are immaterial in the context of the contract are not separately assessed as performance obligations. In the event that more than one performance obligation is identified in a contract, the Company is required to allocate the transaction price between the performance obligations. The allocation would generally be performed on the basis of a relative standalone price for each distinct good or service. This standalone price most often represents the price that the Company would sell similar goods or services separately.

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 consolidated balance sheets and transferred to receivables when rights to payment become unconditional. The following table summarizes the activity in the Company's contract assets during the fiscal year ended March 31, 2019 (in thousands):

	Contract Assets
Beginning balance, April 1, 2018	$ —
Cumulative effect adjustment at April 1, 2018	451,287
Revenue recognized	7,169,638
Amounts collected or invoiced	(7,404,723)
Ending balance, March 31, 2019	$ 216,202

A contract liability, or deferred revenue is recognized when the Company receives payments in advance of the satisfaction of performance and is included in other current liabilities on the consolidated balance sheets. Contract liabilities were $271.8 million and $265.3 million as of March 31, 2019 and April 1, 2018, respectively.

Disaggregation of Revenue

The following table presents the Company’s revenue disaggregated based on timing of transfer - point in time and over time for the fiscal year ended March 31, 2019:

	Fiscal Year Ended March 31, 2019				
	HRS	IEI	CEC	CTG	Total
	(In thousands)				
Timing of Transfer					
Point in time	$ 3,773,735	$ 4,395,773	$ 6,126,454	$ 4,744,911	$ 19,040,873
Over time	1,055,215	1,786,864	2,209,876	2,117,683	7,169,638
Total segment	$ 4,828,950	$ 6,182,637	$ 8,336,330	$ 6,862,594	$ 26,210,511

4. SHARE-BASED COMPENSATION

Equity Compensation Plans

The Company's primary plan used for granting equity compensation awards is the 2017 Equity Incentive Plan (the "2017 Plan"), which was approved by the Company's shareholders at the 2017 Annual General Meeting of Shareholders, to replace the former 2010 Equity Incentive Plan.

The Company assumed all of the outstanding and unvested restricted shares and options associated with a couple acquisitions and converted all of these shares into Flex awards. As a result, the Company maintains two additional equity compensation plans that are immaterial to the Company for all periods presented. No share options or restricted share unit awards were granted under these plans during fiscal year 2019, nor were there any shares available for grant under these plans as of March 31, 2019.

Share-Based Compensation Expense

The following table summarizes the Company's share-based compensation expense for all Equity Incentive Plans:

	Fiscal Year Ended March 31,		
	2019	2018	2017
	(In thousands)		
Cost of sales	$ 19,554	$ 19,102	$ 10,023
Selling, general and administrative expenses	56,478	66,142	72,243
Total share-based compensation expense	$ 76,032	$ 85,244	$ 82,266

Cash flows resulting from excess tax benefits (tax benefits related to the excess of proceeds from employee exercises of share options over the share-based compensation cost recognized for those options) are classified as operating cash flows. During fiscal years 2019 , 2018 and 2017 , the Company did not recognize any excess tax benefits as an operating cash inflow.

As of March 31, 2019 , the Company had approximately 16.1 million shares available for grant under the 2017 Plan. Options issued to employees under this plan generally vest over four years and expire ten years from the date of grant. Options granted to non-employee directors generally expire five years from the date of grant.

The exercise price of options granted to employees is determined by the Company's Board of Directors or the Compensation Committee and may not be less than the closing price of the Company's ordinary shares on the date of grant.

As of March 31, 2019 , the total unrecognized compensation cost related to unvested share options granted to employees under all plans was not material and will be amortized on a straight-line basis over a weighted-average period of approximately 1.8 years.

The Company also grants restricted share unit awards under its 2017 Plan. Restricted share unit awards are rights to acquire a specified number of ordinary shares for no cash consideration in exchange for continued service with the Company. Restricted share unit awards generally vest in installments over a three to five -year period and unvested restricted share unit awards are forfeited upon termination of employment.

Vesting for certain restricted share unit awards is contingent upon both service and market conditions. Further, vesting for certain restricted share unit awards granted to certain executive officers is contingent upon meeting certain free cash flow targets.

As of March 31, 2019 , the total unrecognized compensation cost related to unvested restricted share unit awards under all plans was approximately $132.9 million . These costs will be amortized generally on a straight-line basis over a weighted-average period of approximately 2.4 years. Approximately $14.2 million of the total unrecognized compensation cost is related to restricted share unit awards granted to certain key employees whereby vesting is contingent on meeting a certain market condition.

Determining Fair Value - Options and restricted share unit awards

Valuation and Amortization Method —The Company estimates the fair value of share options granted under the 2017 Plan using the Black-Scholes valuation method and a single option award approach. This fair value is then amortized on a straight-line basis over the requisite service periods of the awards, which is generally the vesting period. The fair market value of restricted share unit awards granted, other than those awards with a market condition, is the closing price of the Company's ordinary shares on the date of grant and is generally recognized as compensation expense on a straight-line basis over the respective vesting period.

Expected Term —The Company's expected term used in the Black-Scholes valuation method represents the period that the Company's share options are expected to be outstanding and is determined based on historical experience of similar awards, giving consideration to the contractual terms of the share options, vesting schedules and expectations of future employee behavior as influenced by changes to the terms of its share options.

Expected Volatility —The Company's expected volatility used in the Black-Scholes valuation method is derived from a combination of implied volatility related to publicly traded options to purchase Flex ordinary shares and historical variability in the Company's periodic share price.

Expected Dividend —The Company has never paid dividends on its ordinary shares and accordingly the dividend yield percentage is zero for all periods.

Risk-Free Interest Rate —The Company bases the risk-free interest rate used in the Black-Scholes valuation method on the implied yield currently available on U.S. Treasury constant maturities issued with a term equivalent to the expected term of the option.

There were no options granted under the 2017 Plan during fiscal years 2019 , 2018 , and 2017 .

Determining Fair Value - Restricted share unit awards with service and market conditions

Valuation and Amortization Method —The Company estimates the fair value of restricted share unit awards granted under the 2017 Plan whereby vesting is contingent on meeting certain market conditions using Monte Carlo simulation. This fair value is then amortized on a straight-line basis over the vesting period, which is the service period.

Expected volatility of Flex —Volatility used in a Monte Carlo simulation is derived from the historical volatility of Flex's stock price over a period equal to the service period of the restricted share unit awards granted. The service period is three years for those restricted share unit awards granted in fiscal years 2019 , 2018 , and 2017 .

Average peer volatility —Volatility used in a Monte Carlo simulation is derived from the historical volatilities of the Standard and Poor's ("S&P") 500 index for the restricted share unit awards granted in fiscal years 2019 , 2018 , and 2017 .

Average Peer Correlation —Correlation coefficients were used to model the movement of Flex's stock price relative to the S&P 500 index for the restricted share unit awards granted in fiscal years 2019 , 2018 , and 2017 .

Expected Dividend and Risk-Free Interest Rate assumptions —Same methodology as discussed above.

The fair value of the Company's restricted share unit awards under the 2017 Plan, whereby vesting is contingent on meeting certain market conditions, for fiscal years 2019 , 2018 , and 2017 was estimated using the following weighted-average assumptions:

	Fiscal Year Ended March 31,		
	2019	2018	2017
Expected volatility	27.4%	25.1%	25.8%
Average peer volatility	25.6%	28.7%	25.1%
Average peer correlation	0.5	0.6	0.6
Expected dividends	0.0%	0.0%	0.0%
Risk-free interest rate	2.7%	1.5%	0.9%

Share-Based Awards Activity

The following is a summary of option activity for all plans ("Price" reflects the weighted-average exercise price):

	Fiscal Year Ended March 31,					
	2019		2018		2017	
	Options	Price	Options	Price	Options	Price
Outstanding, beginning of fiscal year	1,189,550	$ 3.28	1,937,400	$ 3.75	5,111,490	$ 5.70
Granted	—	—	288,386	0.54	159,057	0.51
Exercised	(244,393)	1.00	(667,184)	4.15	(2,283,201)	5.44
Forfeited	(71,927)	3.37	(369,052)	5.75	(1,049,946)	9.47
Outstanding, end of fiscal year	873,230	$ 3.93	1,189,550	$ 3.28	1,937,400	$ 3.75
Options exercisable, end of fiscal year	546,339	$ 5.34	373,950	$ 4.99	507,965	$ 6.08

The aggregate intrinsic value of options exercised under all plans (calculated as the difference between the exercise price of the underlying award and the price of the Company's ordinary shares determined as of the time of option exercise for options exercised in-the-money) was $2.4 million , $8.9 million and $17.3 million during fiscal years 2019 , 2018 and 2017 , respectively.

Cash received from option exercises under all plans was immaterial for fiscal year 2019. Cash received from option exercises under all plans was $2.8 million and $12.4 million for fiscal years 2018 and 2017 , respectively.

As of March 31, 2019 the aggregate intrinsic value for options outstanding, options vested and expected to vest, and options exercisable under all plans were immaterial. The aggregate intrinsic value is calculated as the difference between the exercise price of the underlying awards and the quoted price of the Company's ordinary shares as of March 31, 2019 for the immaterial amount of options that were in-the-money at March 31, 2019 .

The following table summarizes the Company's restricted share unit award activity under all plans ("Price" reflects the weighted-average grant-date fair value):

	Fiscal Year Ended March 31,					
	2019		2018		2017	
	Shares	Price	Shares	Price	Shares	Price
Unvested restricted share unit awards outstanding, beginning of fiscal year	14,619,692	$ 14.39	17,242,019	$ 12.24	19,309,172	$ 10.71
Granted (1)	8,257,502	12.59	6,680,739	16.97	8,261,666	13.46
Vested (1)	(5,952,039)	13.12	(6,945,393)	11.86	(9,311,984)	9.50
Forfeited	(2,021,269)	14.51	(2,357,673)	12.20	(1,016,835)	11.15
Unvested restricted share unit awards outstanding, end of fiscal year	14,903,886	$ 13.76	14,619,692	$ 14.39	17,242,019	$ 12.24

(1) Included in the fiscal years 2018 and 2017 amounts are 0.7 million and 1.7 million of restricted share unit awards, respectively, representing the number of awards achieved above target levels based on the achievement of certain market conditions, as further described in the table below. These awards were issued and immediately vested in accordance with the terms and conditions of the underlying awards.

Of the 8.3 million unvested restricted share unit awards granted in fiscal year 2019 , approximately 6.5 million are plain-vanilla unvested restricted share unit awards with no performance or market conditions with an average grant date price of $12.57 per share. Further, approximately 1.3 million of these unvested restricted share unit awards granted in fiscal year 2019 represents the target amount of grants made to certain key employees whereby vesting is contingent on certain market conditions, with an average grant date fair value estimated to be $14.00 per award calculated using a Monte Carlo simulation. Vesting information for these shares is further detailed in the table below.

Of the 14.9 million unvested restricted share unit awards outstanding under all plans as of the fiscal year ended March 31, 2019 , approximately 2.5 million unvested restricted share unit awards represent the target amount of grants made to certain key employees whereby vesting is contingent on meeting certain market conditions summarized as follows:

Year of grant	Targeted number of awards as of March 31, 2019 (in shares)	Average grant date fair value (per share)	Range of shares that may be issued (1) Minimum	Maximum	Assessment dates
Fiscal 2019	1,316,279	$ 14.00	—	2,632,558	June 2021
Fiscal 2018	586,077	$ 20.25	—	1,172,154	June 2020
Fiscal 2017	619,574	$ 17.57	—	1,239,148	June 2019
Totals	2,521,930		—	5,043,860	

(1) Vesting ranges from zero to 200% based on measurement of Flex's total shareholder return against the Standard and Poor's ("S&P") 500 Composite Index.

The Company will continue to recognize share-based compensation expense for awards with market conditions regardless of whether such awards will ultimately vest. During fiscal year 2019 , 0.6 million shares vested in connection with the restricted share unit awards with market conditions granted in fiscal year 2016.

The total intrinsic value of restricted share unit awards vested under all the Company's plans was $80.2 million , $116.4 million and $119.1 million during fiscal years 2019 , 2018 and 2017 , respectively, based on the closing price of the Company's ordinary shares on the date vested.

5. EARNINGS PER SHARE

Basic earnings per share excludes dilution and is computed by dividing net income by the weighted-average number of ordinary shares outstanding during the applicable periods.

Diluted earnings per share reflects the potential dilution from stock options and restricted share unit awards. The potential dilution from stock options exercisable into ordinary share equivalents and restricted share unit awards was computed using the treasury stock method based on the average fair market value of the Company's ordinary shares for the period.

The following table reflects the basic weighted-average ordinary shares outstanding and diluted weighted-average ordinary share equivalents used to calculate basic and diluted income per share:

	Fiscal Year Ended March 31,		
	2019	2018	2017
	(In thousands, except per share amounts)		
Basic earnings per share:			
Net income	$ 93,399	$ 428,534	$ 319,564
Shares used in computation:			
Weighted-average ordinary shares outstanding	526,519	529,782	540,503
Basic earnings per share	$ 0.18	$ 0.81	$ 0.59
Diluted earnings per share:			
Net income	$ 93,399	$ 428,534	$ 319,564
Shares used in computation:			
Weighted-average ordinary shares outstanding	526,519	529,782	540,503
Weighted-average ordinary share equivalents from stock options and restricted share unit awards (1) (2)	3,551	6,816	5,717
Weighted-average ordinary shares and ordinary share equivalents outstanding	530,070	536,598	546,220
Diluted earnings per share	$ 0.18	$ 0.80	$ 0.59

(1) An immaterial amount of options to purchase ordinary shares during fiscal years 2019 and 2018 were excluded from the computation of diluted earnings per share due to their anti-dilutive impact on the weighted average ordinary shares equivalents. Options to purchase ordinary shares of 0.5 million during fiscal year 2017 were excluded from the computation of diluted earnings per share.

(2) Restricted share unit awards of 6.8 million during fiscal year 2019 were excluded from the computation of diluted earnings per share due to their anti-dilutive impact on the weighted average ordinary shares equivalents. Less than 0.1 million of anti-dilutive restricted share unit awards were excluded from the computation of diluted earnings per share during fiscal years 2018 and 2017, respectively.

6. SUPPLEMENTAL CASH FLOW DISCLOSURES

The following table represents supplemental cash flow disclosures and non-cash investing and financing activities:

	Fiscal Year Ended March 31,		
	2019	2018	2017
	(In thousands)		
Net cash paid for:			
Interest	$ 190,204	$ 152,750	$ 127,346
Income taxes	134,178	91,846	86,651
Non-cash investing and financing activity:			
Unpaid purchases of property and equipment	$ 111,989	$ 128,044	$ 84,375
Customer-related third party banking institution equipment financing net settlement	—	—	90,576
Non-cash investment in Elementum (Note 2)	—	132,679	—
Non-cash proceeds from sales of Wink (Note 2)	—	59,000	—
Non-cash investment in Bright Machines (Note 2)	127,641	—	—
Capital lease for Bright Machines assets (Note 2)	34,828	—	—

7 . BANK BORROWINGS AND LONG-TERM DEBT

Bank borrowings and long-term debt are as follows:

	As of March 31,	
	2019	2018
	(In thousands)	
4.625% Notes due February 2020	$ 500,000	$ 500,000
Term Loan, including current portion, due in installments through November 2021	671,563	687,813
Term Loan, including current portion, due in installments through June 2022	458,531	483,656
5.000% Notes due February 2023	500,000	500,000
4.750% Notes due June 2025	596,815	596,387
India Facilities (1)	170,206	—
Other	168,039	186,601
Debt issuance costs	(10,639)	(13,815)
	3,054,515	2,940,642
Current portion, net of debt issuance costs	(632,611)	(43,011)
Non-current portion	$ 2,421,904	$ 2,897,631

(1) India Facilities as of March 31, 2019 include approximately $91.4 million drawdown of short-term bank borrowings facility entered in February 2019 and $78.8 million drawdown from the $200 million term loan facility entered in July 2018.

The weighted-average interest rates for the Company's long-term debt were 4.2% and 3.9% as of March 31, 2019 and 2018 , respectively.

Scheduled repayments of the Company's long-term debt are as follows:

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Fiscal Year Ending March 31,	Amount
	(In thousands)
2020	$ 634,321
2021	111,558
2022	801,836
2023	857,571
2024	60,423
Thereafter	599,445
Total	$ 3,065,154

Term Loan due November 2021

In August 2013, the Company entered into a $600 million term loan agreement due August 2018. In November 2016, the Company entered into a new arrangement to extend the maturity date of the agreement from August 30, 2018 to November 30, 2021 , and borrowed an incremental amount of $130 million under this term loan, thereby increasing the total amount under the term loan to $700 million . This loan is repayable in quarterly installments of $4.1 million , which commenced October 31, 2017 and continue through September 30, 2021 , with the remaining amount due at maturity.

Borrowings under this term loan bear interest, at the Company's option, either at (i) LIBOR plus the applicable margin for LIBOR loans ranging between 1.125% and 2.125% , based on the Company's credit ratings or (ii) the base rate (the greatest of the prime rate in effect on each day as published in The Wall Street Journal, the federal funds rate plus 0.5% and LIBOR for a one-month interest period plus 1.00%) plus an applicable margin ranging between 0.125% and 1.125% , based on the Company's credit rating.

This term loan is unsecured, and contains customary restrictions on the ability of the Company and its subsidiaries to (i) incur certain debt, (ii) make certain investments, (iii) make certain acquisitions of other entities, (iv) incur liens, (v) dispose of assets, (vi) make non-cash distributions to shareholders, and (vii) engage in transactions with affiliates. These covenants are subject to a number of exceptions and limitations. This term loan agreement also requires that the Company maintain a maximum ratio of total indebtedness to EBITDA (earnings before interest expense, taxes, depreciation and amortization), and a minimum interest coverage ratio, as defined therein, during its term; provided that the requirement to maintain the minimum interest coverage ratio may be suspended in certain circumstances. As of March 31, 2019 , the Company was in compliance with the covenants under this term loan agreement.

Term Loan Agreement due June 2022 and Revolving Line of Credit

In June 2017, the Company entered into a five -year credit facility consisting of a $1.75 billion revolving credit facility and a $502.5 million term loan, which is due to mature on June 30, 2022 (the "2022 Credit Facility"). This 2022 Credit Facility replaced the Company's $2.1 billion credit facility, which was due to mature in March 2019. The outstanding principal of the term loan portion of the 2022 Credit Facility is repayable in quarterly installments of approximately $6.3 million from September 30, 2017 through June 30, 2020 and approximately $12.6 million from September 30, 2020 through March 31, 2022 with the remainder due upon maturity. The Company determined that effectively extending the maturity date of the revolving credit and repaying the term loan due March 2019 qualified as a debt modification and consequently all unamortized debt issuance costs related to the $2.1 billion credit facility are capitalized and will be amortized over the term of the 2022 Credit Facility.

Borrowings under the 2022 Credit Facility bear interest, at the Company’s option, either at (i) the Base Rate, which is defined as the greatest of (a) the Administrative Agent’s prime rate, (b) the federal funds effective rate, plus 0.50% and (c) the LIBOR (the London Interbank Offered Rate) rate that would be calculated as of each day in respect of a proposed LIBOR loan with a one-month interest period, plus 1.0% ; plus, in the case of each of clauses (a) through (c), an applicable margin ranging from 0.125% to 0.875% per annum, based on the Company’s credit ratings (as determined by Standard & Poor’s Financial Services LLC, Moody’s Investors Service, Inc. and Fitch Ratings Inc.) or (ii) LIBOR plus the applicable margin for LIBOR loans ranging between 1.125% and 1.875% per annum, based on the Company’s credit ratings.

The 2022 Credit Facility is unsecured and contains customary restrictions on the ability of the Company and its subsidiaries to (i) incur certain debt, (ii) make certain investments, (iii) make certain acquisitions of other entities, (iv) incur liens, (v) dispose of assets, (vi) make non-cash distributions to shareholders, and (vii) engage in transactions with affiliates. These covenants are subject to a number of significant exceptions and limitations. The 2022 Credit Facility also requires that the Company maintain a maximum ratio of total indebtedness to EBITDA (earnings before interest expense, taxes, depreciation and amortization), and a minimum interest coverage ratio during the term of the 2022 Credit Facility. As of March 31, 2019 , the Company was in compliance with the covenants under the 2022 Credit Facility agreement.

Notes due February 2020 and February 2023

In February 2013, the Company issued $500 million of 4.625% Notes due February 15, 2020 and $500 million of 5.000% Notes due February 15, 2023 (collectively the "Notes") in a private offering pursuant to Rule 144A and Regulation S under the Securities Act. In July 2013, the Company exchanged these notes for new notes with substantially similar terms and completed the registration of these notes with the Securities and Exchange Commission.

Interest on the Notes is payable semi-annually, which commenced on August 15, 2013. The Notes are senior unsecured obligations of the Company, rank equally with all of the Company's other existing and future senior and unsecured debt obligations, and up until June 30, 2017 were guaranteed, jointly and severally, fully and unconditionally on an unsecured basis, by certain of the Company's 100% owned subsidiaries (the "guarantor subsidiaries"). The Company replaced its $2.1 billion credit facility, which was due to expire in March 2019 and was guaranteed by the guarantor subsidiaries, with the 2022 Credit Facility, which is not guaranteed by the guarantor subsidiaries. Effective upon the replacement, all guarantor subsidiaries were released from their guarantees under each indenture for the Notes.

At any time prior to maturity, the Company may redeem some or all of the Notes at a redemption price equal to 100% of the principal amount of the Notes redeemed, plus an applicable premium accrued and unpaid interest, if any, to the applicable redemption date. Upon the occurrence of a change of control repurchase event (as defined in the Notes indenture), the Company must offer to repurchase the Notes at a repurchase price equal to 101% of the principal amount of the Notes repurchased, plus accrued and unpaid interest, if any, to the applicable repurchase date.

The indenture governing the Notes contains covenants that, among other things, restrict the ability of the Company and certain of the Company's subsidiaries to create liens; enter into sale-leaseback transactions; create, incur, issue, assume or guarantee any funded debt; and consolidate or merge with, or convey, transfer or lease all or substantially all of the Company's assets to, another person. These covenants are subject to a number of significant limitations and exceptions set forth in the indenture. The indenture also provides for customary events of default, including, but not limited to, cross defaults to certain specified other debt of the Company and its subsidiaries. In the case of an event of default arising from specified events of bankruptcy or insolvency, all outstanding Notes will become due and payable immediately without further action or notice. If any other event of default under the indenture occurs or is continuing, the applicable trustee or holders of at least 25% in aggregate principal amount of the then outstanding Notes may declare all of the Notes to be due and payable immediately. As of March 31, 2019 , the note due February 2020 has been included in current liabilities on the consolidated balance sheet, and the Company was in compliance with the covenants in the indenture governing the Notes as of March 31, 2019.

Notes due June 2025

In June 2015, the Company issued $600 million of 4.750% Notes ("2025 Notes") due June 15, 2025 in a private offering pursuant to Rule 144A and Regulation S under the Securities Act, at 99.213% of face value, and an effective yield of approximately 4.850% . The Company received net proceeds of approximately $595.3 million from the issuance which was used for general corporate purposes. During January 2016, the Company exchanged these notes for new notes with substantially similar terms and completed the registration of these notes with the Securities and Exchange Commission.

The Company incurred approximately $7.9 million of costs in conjunction with the issuance of the 2025 Notes. The issuance costs were capitalized and presented on the balance sheet as a direct deduction from the carrying amount of the 2025 Notes.

Interest on the 2025 Notes is payable semi-annually, commencing on December 15, 2015. The 2025 Notes are senior unsecured obligations of the Company, rank equally with all of the Company's other existing and future senior and unsecured debt obligations, and up until June 30, 2017 were guaranteed, jointly and severally, fully and unconditionally on an unsecured basis, by each of the Company's 100% owned subsidiaries (the "guarantor subsidiaries"). The Company replaced its $2.1 billion credit facility, which was due to expire in March 2019 and was guaranteed by the guarantor subsidiaries, with the 2022

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Credit Facilities, which is not guaranteed by the guarantor subsidiaries. Effective upon the replacement, all guarantor subsidiaries were released from their guarantees under the indenture for the 2025 Notes.

At any time prior to March 15, 2025, the Company may redeem some or all of the 2025 Notes at a redemption price equal to 100% of the principal amount of the 2025 Notes redeemed, plus an applicable premium and accrued and unpaid interest, if any, to the applicable redemption date. Upon the occurrence of a change of control repurchase event (as defined in the 2025 Notes indenture), the Company must offer to repurchase the 2025 Notes at a repurchase price equal to 101% of the principal amount of the 2025 Notes repurchased, plus accrued and unpaid interest, if any, to the applicable repurchase date.

The indenture governing the 2025 Notes contains covenants that, among other things, restrict the ability of the Company and certain of the Company's subsidiaries to create liens; enter into sale-leaseback transactions; create, incur, issue, assume or guarantee any funded debt; and consolidate or merge with, or convey, transfer or lease all or substantially all of the Company's assets to, another person, or permit any other person to consolidate, merge, combine or amalgamate with or into the Company. These covenants are subject to a number of significant limitations and exceptions set forth in the indenture. The indenture also provides for customary events of default, including, but not limited to, cross defaults to certain specified other debt of the Company and its subsidiaries. In the case of an event of default arising from specified events of bankruptcy or insolvency, all outstanding 2025 Notes will become due and payable immediately without further action or notice. If any other event of default under the agreement occurs or is continuing, the applicable trustee or holders of at least 25% in aggregate principal amount of the then outstanding 2025 Notes may declare all of the 2025 Notes to be due and payable immediately, but upon certain conditions such declaration and its consequences may be rescinded and annulled by the holders of a majority in principal amount of the 2025 Notes. As of March 31, 2019 , the Company was in compliance with the covenants in the indenture governing the 2025 Notes.

Other Credit Lines

In February 2019, a subsidiary of the Company entered into a $100 million uncommitted credit import advance facility (the "Advance Facility"), under which there was $91.4 million advances outstanding as of March 31, 2019. The Advance Facility will be used to assist the Company in the import of goods into India. Advances under this facility are repayable at any time, and bear interest at LIBOR plus a margin of 0.70% . The Company anticipates repaying the facility in fiscal year 2020.

In July 2018, a subsidiary of the Company entered into a $200 million term loan facility (the "Facility"), under which there was $78.8 million in borrowings outstanding as of March 31, 2019. The Facility will be used to fund capital expenditure to support the Company's expansion plan for India. The availability period during which drawdowns can be made will be from the date of the agreement to and including June 30, 2019. The maximum maturity of each drawdown will be 5 years from the funded Capex shipment date. As a result, the longest maturity date of any future drawdown under the Facility will be June 30, 2024. Borrowings under this term loan bear interest at LIBOR plus a margin of 0.90% to 1.15% depending on loan duration.

In January 2017, the Company borrowed €100 million (approximately $112.5 million as of March 31, 2019), under a 5 -year, term-loan agreement due January 2, 2022 . Borrowings under this term loan bear interest at EURIBOR minus 0.1% plus the applicable margin ranging between 0.40% and 1.35% , based on the Company's credit ratings. The loan is repayable upon maturity.

In October 2015, the Company borrowed €50 million (approximately $56.3 million as of March 31, 2019), under a 5 -year, term-loan agreement due September 30, 2020 . Borrowings under this term loan bear interest at EURIBOR plus the applicaeble margin ranging between 0.80% and 2.00% , based on the Company's credit ratings. The loan is repayable beginning December 30, 2016 in quarterly payments of €312,500 through June 30, 2020 with the remainder due upon maturity.

These term loans are unsecured and are guaranteed by the Company. These term loan agreements contain customary restrictions on the Company's and its subsidiaries' ability to (i) incur certain debt, (ii) make certain investments, (iii) make certain acquisitions of other entities, (iv) incur liens, (v) dispose of assets, (vi) make non-cash distributions to shareholders, and (vii) engage in transactions with affiliates. These covenants are subject to a number of exceptions and limitations. These term loan agreements also require that the Company maintain a maximum ratio of total indebtedness to EBITDA (earnings before interest expense, taxes, depreciation and amortization), and a minimum interest coverage ratio, as defined therein, during their terms. As of March 31, 2019 , the Company was in compliance with the covenants under these term loan agreements.

As of March 31, 2019 , the Company and certain of its subsidiaries had various uncommitted revolving credit facilities, lines of credit and other credit facilities in the amount of $332.2 million in the aggregate. There were no borrowings outstanding under these facilities as of March 31, 2019 and 2018 . These unsecured credit facilities, and lines of credit and other credit facilities bear annual interest at the respective country's inter-bank offering rate, plus an applicable margin, and generally have maturities that expire on various dates in future fiscal years.

Term Loan due April 26, 2024

In April 2019, the Company entered into a JPY 33.525 billion term loan agreement (approximately $300 million) due April 2024, which was then swapped to U.S. dollars. The term loan will be used to fund general operations and refinance certain other outstanding debt. Borrowings under this term loan bear interest, at LIBOR plus the applicable margin of 1.21% . This term loan is unsecured, and contains customary restrictions on the ability of the Company and its subsidiaries to (i) incur certain debt, (ii) make certain investments, (iii) make certain acquisitions of other entities, (iv) incur liens, (v) dispose of assets, (vi) make non-cash distributions to shareholders, and (vii) engage in transactions with affiliates. These covenants are subject to a number of exceptions and limitations. This term loan agreement also requires that the Company maintain a maximum ratio of total indebtedness to EBITDA (earnings before interest expense, taxes, depreciation and amortization), and a minimum interest coverage ratio, as defined therein, during its term.

8 . FINANCIAL INSTRUMENTS

Foreign Currency Contracts

The Company transacts business in various foreign countries and is therefore exposed to foreign currency exchange rate risk inherent in forecasted sales, cost of sales, and monetary assets and liabilities denominated in non-functional currencies. The Company has established risk management programs to protect against volatility in the value of non-functional currency denominated monetary assets and liabilities, and of future cash flows caused by changes in foreign currency exchange rates. The Company tries to maintain a partial or fully hedged position for certain transaction exposures, which are primarily, but not limited to, revenues, customer and vendor payments and inter-company balances in currencies other than the functional currency unit of the operating entity. The Company enters into short-term foreign currency derivatives contracts, including forward, swap, and options contracts to hedge only those currency exposures associated with certain assets and liabilities, primarily accounts receivable and accounts payable, 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 institution were not material.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of March 31, 2019 , the aggregate notional amount of the Company's outstanding foreign currency derivative contracts was $7.8 billion as summarized below:

	Foreign Currency Amount		Notional Contract Value in USD	
Currency	Buy	Sell	Buy	Sell
	(In thousands)			
Cash Flow Hedges				
CNY	2,207,000	—	$ 328,349	$ —
EUR	48,763	700	55,445	788
HUF	34,401,000	—	120,981	—
ILS	181,000	—	49,833	—
MXN	4,123,000	—	212,987	—
MYR	286,100	30,200	70,276	7,418
PLN	144,500	—	37,841	—
RON	247,000	—	58,365	—
SGD	42,500	—	31,354	—
Other	N/A	N/A	17,853	7,089
			983,284	15,295
Other Foreign Currency Contracts				
BRL	—	972,000	—	246,092
CAD	74,484	132,895	55,511	99,042
CNY	3,132,409	458,795	466,085	68,230
EUR	1,793,103	2,043,034	2,019,883	2,303,762
GBP	39,047	30,869	51,590	40,857
HUF	52,526,969	54,425,127	184,727	191,402
ILS	160,775	77,600	44,265	21,365
INR	3,921,500	10,356,508	56,930	150,312
MXN	2,969,832	2,078,128	153,416	107,352
MYR	455,920	255,210	111,989	62,688
SEK	706,435	755,275	76,470	81,479
SGD	83,800	50,280	61,822	37,093
Other	N/A	N/A	77,860	57,612
			3,360,548	3,467,286
Total Notional Contract Value in USD			$ 4,343,832	$ 3,482,581

As of March 31, 2019 and 2018 , 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 consolidated balance sheets. Certain of these contracts are designed to economically hedge the Company's exposure to monetary assets and liabilities denominated in non-functional currencies and are not accounted for as hedges under the accounting standards. Accordingly, changes in fair value of these instruments are recognized in earnings during the period of change as a component of interest and other, net in the consolidated statements of operations. As of March 31, 2019 and 2018 , the Company also has included net deferred gains and losses, in accumulated other comprehensive loss, a component of shareholders' equity in the consolidated balance sheets, relating to changes in fair value of its foreign currency contracts that are accounted for as cash flow hedges. Deferred losses totaled $0.2 million as of March 31, 2019 , and are expected to be recognized primarily as a component of cost of sales in the consolidated statement of operations over the next twelve-month period. The gains and losses recognized in earnings due to hedge ineffectiveness were not material for all fiscal years presented and are included as a component of interest and other, net in the consolidated statements of operations.

The following table presents the fair value of the Company's derivative instruments utilized for foreign currency risk management purposes at March 31, 2019 and 2018 :

	Fair Values of Derivative Instruments					
	Asset Derivatives			Liability Derivatives		
		Fair Value			Fair Value	
	Balance Sheet Location	March 31, 2019	March 31, 2018	Balance Sheet Location	March 31, 2019	March 31, 2018
	(In thousands)					
Derivatives designated as hedging instruments						
Foreign currency contracts	Other current assets	$ 10,503	$ 19,422	Other current liabilities	$ 10,282	$ 7,065
Derivatives not designated as hedging instruments						
Foreign currency contracts	Other current assets	$ 16,774	$ 23,912	Other current liabilities	$ 17,144	$ 18,246

The Company has financial instruments subject to master netting arrangements, which provides for the net settlement of all contracts with the counterparty upon maturity. The Company does not offset fair value amounts for assets and liabilities recognized for derivative instruments under these arrangements, and as such, the asset and liability balances presented in the table above reflect the gross amounts of derivatives in the 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, during fiscal years ended March 31, 2019 , 2018 and 2017 are as follows:

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	Unrealized loss on derivative instruments and other	Foreign currency translation adjustments	Total
		(In thousands)	
Beginning balance on April 1, 2016	$ (41,522)	$ (94,393)	$ (135,915)
Other comprehensive gain (loss) before reclassifications	6,925	(1,198)	5,727
Net (gains) losses reclassified from accumulated other comprehensive loss	2,171	(126)	2,045
Net current-period other comprehensive gain (loss)	9,096	(1,324)	7,772
Ending balance on March 31, 2017	$ (32,426)	$ (95,717)	$ (128,143)
Other comprehensive gain before reclassifications	15,667	46,022	61,689
Net gains reclassified from accumulated other comprehensive loss	(18,987)	(404)	(19,391)
Net current-period other comprehensive gain (loss)	(3,320)	45,618	42,298
Ending balance on March 31, 2018	$ (35,746)	$ (50,099)	$ (85,845)
Other comprehensive loss before reclassifications	(48,302)	(59,508)	(107,810)
Net losses reclassified from accumulated other comprehensive loss	42,492	—	42,492
Net current-period other comprehensive loss	(5,810)	(59,508)	(65,318)
Ending balance on March 31, 2019	$ (41,556)	$ (109,607)	$ (151,163)

Net losses reclassified from accumulated other comprehensive loss during fiscal year 2019 relating to derivative instruments and other includes $40.6 million attributable to the Company's cash flow hedge instruments which were recognized as a component of cost of sales in the consolidated statement of operations.

Net gains reclassified from accumulated other comprehensive loss during fiscal year 2018 relating to derivative instruments and other includes $20.8 million attributable to the Company's cash flow hedge instruments which were recognized as a component of cost of sales in the consolidated statement of operations.

Net (gains) losses reclassified from accumulated other comprehensive loss were immaterial during fiscal year 2017.

10 . TRADE RECEIVABLES SECURITIZATION

The Company sells trade receivables under two asset-backed securitization programs and an accounts receivable factoring program.

Asset-Backed Securitization Programs

The Company continuously sells designated pools of trade receivables under its Global Asset-Backed Securitization Agreement (the "Global Program") and its North American Asset-Backed Securitization Agreement (the "North American Program," collectively, the "ABS Programs") to affiliated special purpose entities, each of which in turn sells 100% of the receivables to unaffiliated financial institutions. These programs allow the operating subsidiaries to receive a cash payment and a deferred purchase price receivable for sold receivables. The portion of the purchase price for the receivables which is not paid by the unaffiliated financial institutions in cash is a deferred purchase price receivable, which is paid to the special purpose entity as payments on the receivables are collected from account debtors. The deferred purchase price receivable represents a beneficial interest in the transferred financial assets and is recognized at fair value as part of the sale transaction. The deferred purchase price receivables, which are included in other current assets as of March 31, 2019 and March 31, 2018, were carried at the expected recovery amount of the related receivables. The difference between the carrying amount of the receivables sold under these programs and the sum of the cash and fair value of the deferred purchase price receivables received at time of transfer is recognized as a loss on sale of the related receivables, and recorded in interest and other, net in the consolidated statements of operations and were immaterial for all periods presented.

Following the transfer of the receivables to the special purpose entities, the transferred receivables are isolated from the Company and its affiliates, and upon the sale of the receivables from the special purpose entities to the unaffiliated financial institutions, effective control of the transferred receivables is passed to the unaffiliated financial institutions, which has the right to pledge or sell the receivables. Although the special purpose entities are consolidated by the Company, they are separate corporate entities and their assets are available first to satisfy the claims of their creditors. The investment limits set by the financial institutions are $900 million for the Global Program, of which $725 million is committed and $175 million is uncommitted, and $250 million for the North American Program, of which $210 million is committed and $40 million is uncommitted. Both programs require a minimum level of deferred purchase price receivable to be retained by the Company in connection with the sales.

The Company services, administers and collects the receivables on behalf of the special purpose entities and receives a servicing fee of 0.1% to 0.5% of serviced receivables per annum. Servicing fees recognized during the fiscal years ended March 31, 2019 , 2018 and 2017 were not material and are included in interest and other, net within the consolidated statements of operations. As the Company estimates the fee it receives in return for its obligation to service these receivables is at fair value, no servicing assets or liabilities are recognized.

The Company's deferred purchase price receivables relating to its asset-backed securitization program are recorded initially at fair value based on a discounted cash flow analysis using unobservable inputs (i.e., level 3 inputs), which are primarily risk free interest rates adjusted for the credit quality of the underlying creditor. Due to its high credit quality and short term maturity, the fair value approximates carrying value. Significant increases in either of the major unobservable inputs (credit spread, risk free interest rate) in isolation would result in lower fair value estimates, however the impact is not material. The interrelationship between these inputs is also insignificant.

As of March 31, 2019 and 2018 , the accounts receivable balances that were sold under the ABS Programs were removed from the consolidated balance sheets and the net cash proceeds received by the Company during fiscal years ended March 31, 2019 , 2018 and 2017 were included as cash provided by operating activities in the consolidated statements of cash flows. The Company recognizes these proceeds net of the deferred purchase price, consisting of a receivable from the purchasers that entitles the Company to certain collections on the receivable. The Company recognizes the collection of the deferred purchase price in net cash provided by investing activities in the consolidated statements of cash flows separately as cash collections of deferred purchase price.

As of March 31, 2019 , approximately $1.2 billion of accounts receivable had been sold to the special purpose entities under the ABS Programs for which the Company had received net cash proceeds of $0.9 billion and deferred purchase price receivables of $0.3 billion . As of March 31, 2018 , approximately $1.5 billion of accounts receivable had been sold to the special purpose entities for which the Company had received net cash proceeds of $1.1 billion and deferred purchase price receivables of $0.4 billion . The deferred purchase price balances as of March 31, 2019 and March 31, 2018, also represent the non-cash beneficial interest obtained in exchange for securitized receivables.

For the fiscal years ended March 31, 2019 , 2018 and 2017 , cash flows from sales of receivables under the ABS Programs consisted of approximately $6.8 billion , $8.0 billion and $7.6 billion , respectively, for transfers of receivables, and approximately $3.6 billion , $4.6 billion and $5.0 billion , respectively, for collections on deferred purchase price receivables. The Company's cash flows from transfer of receivables consist primarily of proceeds from collections reinvested in revolving-period transfers. Cash flows from new transfers were not significant for all periods presented.

Trade Accounts Receivable Sale Programs

The Company also sold accounts receivables to certain third-party banking institutions. The outstanding balance of receivables sold and not yet collected on accounts where the Company has continuing involvement was approximately $0.5 billion and $0.3 billion as of March 31, 2019 and 2018 , respectively. For the years ended March 31, 2019 , 2018 and 2017 , total accounts receivables sold to certain third party banking institutions was approximately $2.7 billion , $1.5 billion and $1.3 billion , respectively. The receivables that were sold were removed from the consolidated balance sheets and the cash received is reflected as cash provided by operating activities in the consolidated statements of cash flows.

11. FAIR VALUE MEASUREMENT OF ASSETS AND LIABILITIES

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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.

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 noncurrent assets on the consolidated balance sheets and include investments in equity securities that are valued using active market prices.

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 are comprised of bank 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.

The Company's deferred compensation plan assets also 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 level 2 in the fair value hierarchy.

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 in connection with its business acquisitions as applicable, which is measured at fair value based on certain internal models and unobservable inputs. There were no contingent consideration liabilities outstanding as of March 31, 2019 and 2018.

There were no transfers between levels in the fair value hierarchy during fiscal years 2019 and 2018 .

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 March 31, 2019 and 2018 :

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

	Fair Value Measurements as of March 31, 2019			
	Level 1	Level 2	Level 3	Total
	(In thousands)			
Assets:				
Money market funds and time deposits (Note 2)	$ —	$ 473,888	$ —	$ 473,888
Foreign exchange forward contracts (Note 8)	—	27,277	—	27,277
Deferred compensation plan assets:				
Mutual funds, money market accounts and equity securities	2,845	76,852	—	79,697
Liabilities:				
Foreign exchange forward contracts (Note 8)	$ —	$ (27,426)	$ —	$ (27,426)

	Fair Value Measurements as of March 31, 2018			
	Level 1	Level 2	Level 3	Total
	(In thousands)			
Assets:				
Money market funds and time deposits (Note 2)	$ —	$ 452,622	$ —	$ 452,622
Foreign exchange forward contracts (Note 8)	—	43,334	—	43,334
Deferred compensation plan assets:				
Mutual funds, money market accounts and equity securities	7,196	67,532	—	74,728
Liabilities:				
Foreign exchange forward contracts (Note 8)	$ —	$ (25,311)	$ —	$ (25,311)

Other financial instruments

The following table presents the Company's liabilities not carried at fair value as of March 31, 2019 and 2018 :

	As of March 31, 2019		As of March 31, 2018		
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Fair Value Hierarchy
	(In thousands)		(In thousands)		
4.625% Notes due February 2020	$ 500,000	$ 499,950	$ 500,000	$ 513,596	Level 1
Term Loan, including current portion, due in installments through November 2021	671,563	670,724	687,813	689,966	Level 1
Term Loan, including current portion, due in installments through June 2022	458,531	457,958	483,656	485,470	Level 1
5.000% Notes due February 2023	500,000	499,950	500,000	525,292	Level 1
4.750% Notes due June 2025	596,815	599,940	596,387	627,407	Level 1
Euro Term Loan due September 2020	52,746	52,746	59,443	59,443	Level 2
Euro Term Loan due January 2022	112,524	112,524	123,518	123,518	Level 2
India Facilities	170,206	170,206	—	—	Level 2
Total	$ 3,062,385	$ 3,063,998	$ 2,950,817	$ 3,024,692	

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The Term Loans due November 2021 and June 2022, and the Notes due February 2020, February 2023 and June 2025 are valued based on broker trading prices in active markets.

The Company values its Euro Term Loans due September 2020 and January 2022, and India Facilities based on the current market rate, and as of March 31, 2019 , the carrying amounts approximate fair values.

12 . COMMITMENTS AND CONTINGENCIES

Commitments

As of March 31, 2019 and 2018 , the gross carrying amount and associated accumulated depreciation of the Company's property and equipment financed under capital leases, and the related obligations was not material. The Company also leases certain of its facilities and equipment under non-cancelable operating leases. These operating leases expire in various years through 2035 and require the following minimum lease payments:

Fiscal Year Ending March 31,	Operating Lease
	(In thousands)
2020	$ 155,391
2021	113,245
2022	93,777
2023	81,335
2024	67,341
Thereafter	171,828
Total minimum lease payments	$ 682,917

Total rent expense amounted to $176.8 million , $140.3 million and $124.7 million in fiscal years 2019 , 2018 and 2017 , respectively.

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. The amounts accrued are not material. 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, except as discussed below, due to various reasons, including, among others, that: (i) the proceedings are in early stages or no claims has 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 adverse effect on the Company’s results of operations or cash flows for a particular period or on the Company’s financial condition.

In addition, the Company provides design and engineering services to its customers and also designs and makes its own products. As a consequence of these activities, its customers are requiring the Company to take responsibility for intellectual property to a greater extent than in its manufacturing and assembly businesses. Although the Company believes that its intellectual property assets and licenses are sufficient for the operation of its business as it currently conducts it, from time to time third parties do assert patent infringement claims against the Company or its customers. If and when third parties make assertions regarding the ownership or right to use intellectual property, the Company could be required to either enter into licensing arrangements or to resolve the issue through litigation. Such license rights might not be available to the Company on commercially acceptable terms, if at all, and any such litigation might not be resolved in its favor. Additionally, litigation could be lengthy and costly and could materially harm the Company's financial condition regardless of the outcome. The Company also could be required to incur substantial costs to redesign a product or re-perform design services.

From time to time, the Company enters into IP licenses (e.g., patent licenses and software licenses) with third parties which obligate the Company to report covered behavior to the licensor and pay license fees to the licensor for certain activities or products, or that enable the Company's use of third party technologies. The Company may also decline to enter into licenses for intellectual property that it does not think is useful for or used in its operations, or for which its customers or suppliers have licenses or have assumed responsibility. Given the diverse and varied nature of its business and the location of its business around the world, certain activities the Company performs, such as providing assembly services in China and India, may fall outside the scope of those licenses or may not be subject to the applicable intellectual property rights. The Company's licensors may disagree and claim royalties are owed for such activities. In addition, the basis (e.g. base price) for any royalty amounts owed are audited by licensors and may be challenged. Some of these disagreements, may lead to claims and litigation that might not be resolved in the Company's favor. Additionally, litigation could be lengthy and costly and could materially harm the Company's financial condition regardless of the outcome. In March 2018, the Company received an inquiry from a licensor referencing its patent license agreement with the Company, and requesting information relating to royalties for products that the Company assembles for a customer in China. The Company and licensor have had subsequent discussions, during which the licensor claimed that the Company owes a material amount under the patent license agreement, which the Company disputes and would contest vigorously. While the Company cannot predict the outcome with respect to this claim or estimate an amount or reasonable range of loss, a material loss is reasonably possible.

On May 8, 2018, a putative class action was filed in the Northern District of California against the Company and certain officers alleging violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, and Rule 10b-5, promulgated thereunder, alleging misstatements and/or omissions in certain of the Company's financial results, press releases and SEC filings made during the putative class period of January 26, 2017 through April 26, 2018. On October 1, 2018, the Court appointed lead plaintiff and lead plaintiff's counsel in the case. On November 28, 2018, lead plaintiff filed an amended complaint alleging misstatements and/or omissions in certain of the Company's SEC filings, press releases, earnings calls, and analyst and investor conferences and expanding the putative class period through October 25, 2018. On April 3, 2019, the Court vacated its prior order appointing lead plaintiff and lead plaintiff's counsel and reopened the lead plaintiff appointment process. Motions for appointment as lead plaintiff are due June 4, 2019. Defendants' deadline to move to dismiss is vacated until after the lead plaintiff appointment process is complete and an operative complaint is designated. In addition, the Court has set a case management conference for July 17, 2019. The Company believes that the claims are without merit and intends to vigorously defend this case.

On April 21, 2016, SunEdison, Inc. (together with certain of its subsidiaries, "SunEdison") filed for protection under Chapter 11 of the U.S. Bankruptcy Code. During the fiscal year ended March 31, 2016, the Company recognized a bad debt reserve charge of $61.0 million associated with its outstanding SunEdison receivables and accepted return of previously shipped inventory of approximately $90.0 million . SunEdison stated in schedules filed with the Bankruptcy Court that, within the 90 days preceding SunEdison's bankruptcy filing, the Company received approximately $98.6 million of inventory and cash transfers of $69.2 million , which in aggregate represents the Company's estimate of the maximum reasonably possible contingent loss. On April 15, 2018, a subsidiary of the Company together with its subsidiaries and affiliates, entered into a tolling agreement with the trustee of the SunEdison Litigation Trust to toll any applicable statute of limitations or other time-related defense that might exist in regards to any potential claims that either party might be able to assert against the other for a period that will end at the earlier to occur of: (a) 60 days after a party provides written notice of termination; (b) six years from the effective date of April 15, 2018; or (c) such other date as the parties may agree in writing. No preference claims have been asserted against the Company and consideration has been given to the related contingencies based on the facts currently known. The Company has a number of affirmative and direct defenses to any potential claims for recovery and intends to vigorously defend any such claim, if asserted.

One of the Company's Brazilian subsidiaries has received related assessments for certain sales and import taxes. There are six tax assessments totaling 359.9 million Brazilian reals (approximately USD $91.1 million based on the exchange rate as of March 31, 2019). The assessments are in various stages of the review process at the administrative level and no tax proceeding has been finalized yet. The Company believes there is no legal basis for these assessments and has meritorious defenses and will continue to vigorously oppose all of these assessments, as well as any future assessments. The Company does not expect final judicial determination on any of these claims for several years.

On February 14, 2019, the Company submitted an initial notification of voluntary disclosure to the U.S. Department of the Treasury, Office of Foreign Assets Control ("OFAC") regarding possible noncompliance with U.S. economic sanctions requirements among certain non-U.S. Flex-affiliated operations. The Company has initiated an internal investigation regarding this matter. The matter is at a very preliminary stage. The Company cannot predict how long it will take to complete the investigation or to what extent the Company could be subject to penalties.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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.

13 . INCOME TAXES

The domestic (Singapore) and foreign components of income before income taxes were comprised of the following:

	Fiscal Year Ended March 31,		
	2019	2018	2017
	(In thousands)		
Domestic	$ (10,498)	$ 323,522	$ 435,709
Foreign	192,624	197,371	(64,861)
Total	$ 182,126	$ 520,893	$ 370,848

The provision for income taxes consisted of the following:

	Fiscal Year Ended March 31,		
	2019	2018	2017
	(In thousands)		
Current:			
Domestic	$ 1,517	$ 2,894	$ 1,037
Foreign	99,894	50,889	71,773
	101,411	53,783	72,810
Deferred:			
Domestic	(40)	422	350
Foreign	(12,644)	38,154	(21,876)
	(12,684)	38,576	(21,526)
Provision for income taxes	$ 88,727	$ 92,359	$ 51,284

The domestic statutory income tax rate was approximately 17.0% in fiscal years 2019 , 2018 and 2017 . The reconciliation of the income tax expense expected based on domestic statutory income tax rates to the expense for income taxes included in the consolidated statements of operations is as follows:

	Fiscal Year Ended March 31,		
	2019	2018	2017
	(In thousands)		
Income taxes based on domestic statutory rates	$ 30,961	$ 88,552	$ 63,044
Effect of tax rate differential	(135,033)	(244,128)	(85,132)
Change in liability for uncertain tax positions	(15,381)	22,180	684
Change in valuation allowance	191,896	297,330	78,728
Recognition of prior year taxes recoverable	5,439	(53,757)	—
Expiration of tax attributes	4,277	—	—
Other	6,568	(17,818)	(6,040)
Provision for income taxes	$ 88,727	$ 92,359	$ 51,284

A number of countries in which the Company is located allow for tax holidays or provide other tax incentives to attract and retain business. In general, these holidays were secured based on the nature, size and location of the Company’s operations. The aggregate dollar effect on the Company’s income resulting from tax holidays and tax incentives to attract and retain business for the fiscal years ended March 31, 2019 , 2018 and 2017 was $24.4 million , $21.7 million and $15.5 million , respectively. For the fiscal year ended March 31, 2019 , the effect on basic and diluted earnings per share was $0.05 and $0.05 , respectively, and the effect on basic and diluted earnings per share during fiscal years 2018 and 2017 were $0.04 and $0.04 , and $0.03 and $0.03 , respectively. Unless extended or otherwise renegotiated, the Company's existing holidays will expire in various years through the end of fiscal year 2028 .

The Company provides a valuation allowance against deferred tax assets that in the Company's estimation are not more likely than not to be realized. During fiscal year 2019 , 2018 and 2017 , the Company released valuation allowances totaling $2.8 million , $1.3 million and $39.6 million , respectively. For fiscal year 2019 , this valuation allowance release was related to the Company's operations in Poland as this amount was deemed to be more likely than not to be realized due to the sustained profitability during the past three fiscal years as well as continued forecasted profitability of that subsidiary. Various other valuation allowance positions were also reduced due to varying factors such as recognition of uncertain tax positions impacting deferred tax assets, one-time income recognition in loss entities, and foreign exchange impacts on deferred tax balances. Lastly, these valuation allowance reductions and eliminations were offset by current period valuation allowance additions due to increased deferred tax assets as a result of current period losses in legal entities with existing full valuation allowance positions. For fiscal years ended March 31, 2019 , 2018 and 2017 , the offsetting amounts totaled $194.8 million , ($65.9) million and $103.9 million , respectively.

Under its territorial tax system, Singapore generally does not tax foreign sourced income until repatriated to Singapore. The Company has included the effects of Singapore's territorial tax system in the rate differential line above. The tax effect of foreign income not repatriated to Singapore for the fiscal years ended March 31, 2019 , 2018 and 2017 were $7.5 million , $65.8 million and $67.9 million , respectively.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The components of deferred income taxes are as follows:

	As of March 31,	
	2019	2018
	(In thousands)	
Deferred tax liabilities:		
Fixed assets	$ (39,376)	$ (33,056)
Intangible assets	(57,939)	(80,565)
Others	(14,879)	(12,544)
Total deferred tax liabilities	(112,194)	(126,165)
Deferred tax assets:		
Fixed assets	67,980	65,155
Intangible assets	7,442	11,237
Deferred compensation	13,864	13,475
Inventory valuation	11,082	6,952
Provision for doubtful accounts	4,797	3,073
Net operating loss and other carryforwards	1,944,782	2,133,097
Others	243,016	236,916
Total deferred tax assets	2,292,963	2,469,905
Valuation allowances	(2,083,082)	(2,259,956)
Total deferred tax assets, net of valuation allowances	209,881	209,949
Net deferred tax asset	$ 97,687	$ 83,784
The net deferred tax asset is classified as follows:		
Long-term asset	$ 164,611	$ 165,319
Long-term liability	(66,924)	(81,535)
Total	$ 97,687	$ 83,784

Utilization of the Company's deferred tax assets is limited by the future earnings of the Company in the tax jurisdictions in which such deferred assets arose. As a result, management is uncertain as to when or whether these operations will generate sufficient profit to realize any benefit from the deferred tax assets. The valuation allowance provides a reserve against deferred tax assets that are not more likely than not to be realized by the Company. However, management has determined that it is more likely than not that the Company will realize certain of these benefits and, accordingly, has recognized a deferred tax asset from these benefits. The change in valuation allowance is net of certain increases and decreases to prior year losses and other carryforwards that have no current impact on the tax provision.

The Company has recorded deferred tax assets of approximately $2.0 billion related to tax losses and other carryforwards against which the Company has recorded a valuation allowance for all but $54.7 million of the deferred tax assets. These tax losses and other carryforwards will expire at various dates as follows:

Expiration dates of deferred tax assets related to operating losses and other carryforwards	
	(In thousands)
2020 - 2025	$ 606,378
2026 - 2031	444,040
2032 and post	295,361
Indefinite	691,313
	$ 2,037,092

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The amount of deferred tax assets considered realizable, however, could be reduced or increased in the near-term if facts, including the amount of taxable income or the mix of taxable income between subsidiaries, differ from management's estimates.

The Company does not provide for income taxes on approximately $1.6 billion of undistributed earnings of its subsidiaries which are considered to be indefinitely reinvested outside of Singapore as management has plans for the use of such earnings to fund certain activities outside of Singapore. The estimated amount of the unrecognized deferred tax liability on these undistributed earnings is approximately $150 million . As of March 31, 2019 , the Company has provided for earnings in foreign subsidiaries that are not considered to be indefinitely reinvested and therefore subject to withholding taxes on $32.8 million of undistributed foreign earnings, recording a deferred tax liability of approximately $2.0 million thereon.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	Fiscal Year Ended March 31,	
	2019	**2018**
	(In thousands)	
Balance, beginning of fiscal year	$ 227,590	$ 203,323
Additions based on tax position related to the current year	82,966	24,415
Additions for tax positions of prior years	5,575	5,926
Reductions for tax positions of prior years	(15,432)	(11,936)
Reductions related to lapse of applicable statute of limitations	(14,786)	(9,029)
Settlements	(22,174)	—
Impact from foreign exchange rates fluctuation	(12,017)	14,891
Balance, end of fiscal year	$ 251,722	$ 227,590

The Company's unrecognized tax benefits are subject to change over the next twelve months primarily as a result of the expiration of certain statutes of limitations and as audits are settled. The Company believes it is reasonably possible that the total amount of unrecognized tax benefits could decrease by approximately $20 million within the next twelve months primarily due to potential settlements of various audits and the expiration of certain statutes of limitations.

The Company and its subsidiaries file federal, state, and local income tax returns in multiple jurisdictions around the world. With few exceptions, the Company is no longer subject to income tax examinations by tax authorities for years before 2008 .

Of the $251.7 million of unrecognized tax benefits at March 31, 2019 , $166.8 million will affect the annual effective tax rate (ETR) if the benefits are eventually recognized. The amount that doesn't impact the ETR relates to positions that would be settled with a tax loss carryforward previously subject to a valuation allowance.

The Company recognizes interest and penalties accrued related to unrecognized tax benefits within the Company's tax expense. During the fiscal years ended March 31, 2019 , 2018 and 2017 , the Company recognized interest and penalty of approximately ($2.9) million and ($3.3) million and ($1.6) million , respectively. The Company had approximately $13.3 million , $16.2 million and $12.9 million accrued for the payment of interest and penalties as of the fiscal years ended March 31, 2019 , 2018 and 2017 , respectively.

14 . RESTRUCTURING CHARGES

Fiscal Year 2019

During fiscal year 2019, the Company took targeted actions to optimize its portfolio, most notably within CTG. The Company recognized restructuring charges of approximately $113.3 million during the fiscal year ended March 31, 2019, of which $73.2 million were non-cash charges primarily for asset impairments. A significant component of its charges were associated with the wind down of its NIKE operations in Mexico in the third quarter of fiscal year 2019 where it recognized charges of $66 million primarily for non-cash asset impairments.

In addition, the Company executed targeted head-count reductions at existing operating and design sites and corporate functions and exited certain immaterial businesses. Of these total restructuring charges, approximately $99.0 million was recognized as a component of cost of sales during the fiscal year ended March 31, 2019.

Restructuring charges are not included in segment income, as disclosed further in note 19 .

Fiscal Year 2018

During fiscal year 2018, the Company initiated targeted restructuring activities focused on optimizing the Company's cost structure in lower growth areas and, more importantly, streamlining certain corporate and segment functions. Restructuring charges are recorded based upon employee termination dates, site closure and consolidation plans generally in conjunction with an overall corporate initiative to drive cost reduction and realign the Company's global footprint. The Company recognized approximately $78.6 million of cash charges predominantly related to employee severance costs and $12.1 million of non-cash charges for asset impairment and other exit charges under the above plan. Of these total charges, approximately $66.8 million was recognized in cost of sales. A majority of the fiscal year 2018 restructuring activities were completed as of March 31, 2018.

Fiscal Year 2017

During fiscal year 2017, the Company initiated a restructuring plan to accelerate its ability to support more *Sketch-to-Scale* ® efforts across the Company and reposition away from historical legacy programs and structures through rationalizing its current footprint at existing sites and at corporate SG&A functions. The Company recognized restructuring charges of approximately $49.4 million primarily for employee termination costs under the above plan. Of these total charges, approximately $38.8 million was recognized in cost of sales. All fiscal year 2017 restructuring activities were completed as of March 31, 2017.

The following table summarizes the provisions, respective payments, and remaining accrued balance as of March 31, 2019 for charges incurred in fiscal years 2019 , 2018 and 2017 and prior periods:

	Severance	Long-Lived Asset Impairment	Other Exit Costs	Total
	(In thousands)			
Balance as of March 31, 2016	$ 11,905	$ —	$ 1,335	$ 13,240
Provision for charges incurred in fiscal year 2017	42,253	—	7,142	49,395
Cash payments for charges incurred in fiscal year 2017	(25,894)	—	—	(25,894)
Cash payments for charges incurred in fiscal year 2016 and prior	(11,905)	—	(1,335)	(13,240)
Balance as of March 31, 2017	16,359	—	7,142	23,501
Provision for charges incurred in fiscal year 2018	69,439	9,417	11,835	90,691
Cash payments for charges incurred in fiscal year 2017 and prior	(13,237)	—	(3,671)	(16,908)
Cash payments for charges incurred in fiscal year 2018	(24,555)	—	—	(24,555)
Non-cash charges incurred in fiscal year 2018	—	(9,417)	(1,968)	(11,385)
Balance as of March 31, 2018	48,006	—	13,338	61,344
Provision for charges incurred in fiscal year 2019	38,634	46,365	28,314	113,313
Cash payments for charges incurred in fiscal year 2018 and prior	(40,623)	—	(4,293)	(44,916)
Cash payments for charges incurred in fiscal year 2019	(22,783)	—	(1,330)	(24,113)
Non-cash charges incurred in fiscal year 2019	—	(46,365)	(26,829)	(73,194)
Balance as of March 31, 2019	23,234	—	9,200	32,434
Less: Current portion (classified as other current liabilities)	23,234	—	9,200	32,434
Accrued restructuring costs, net of current portion (classified as other liabilities)	$ —	$ —	$ —	$ —

15 . OTHER CHARGES (INCOME), NET

Other charges (income), net for the fiscal years ended March 31, 2019 , 2018 and 2017 are primarily composed of the following:

	Fiscal Year Ended March 31		
	2019	2018	2017
	(In thousands)		
Gain on deconsolidation of subsidiary (1)	$ (87,348)	$ (151,574)	$ —
(Gain) loss on sale of non-strategic business (2)	—	(38,689)	7,400
Investment impairments and dispositions (3)	193,063	21,895	—

(1) During fiscal year ended March 31, 2019 the Company recognized other income of approximately $87 million from the deconsolidation of Bright Machines (formally known as AutoLab AI). The fiscal year ended March 31, 2018 includes a $151.6 million gain from the deconsolidation of Elementum. See note 2 for additional information on the deconsolidation of Bright Machines and Elementum.

(2) The Company recognized other income of $38.7 million from the sale of Wink during fiscal year 2018. See note 2 for additional information on the sale of Wink. Fiscal year 2017 includes a $7.4 million loss attributable to a non-strategic facility sold during the second quarter of that year.

(3) During fiscal year ended March 31, 2019 the Company recognized investment impairments of $193.1 million , under other charges, which is primarily driven by an $84 million impairment in its investment in Elementum, coupled with a $76 million loss for the portion of its investment in an unrelated third-party venture backed company, also determined to be impaired. See note 2 for additional information on the impairments. The Company recognized $21.9 million of impairment during fiscal year 2018 for certain non-core investments.

16 . INTEREST AND OTHER, NET

Interest and other, net for the fiscal years ended March 31, 2019 , 2018 and 2017 are primarily composed of the following:

	Fiscal Year Ended March 31		
	2019	2018	2017
		(In thousands)	
Interest expenses on debt obligations	$ 145,658	$ 123,098	$ 107,978
ABS and AR sales programs related expenses	46,344	25,002	15,252
Interest income	(19,496)	(18,840)	(12,084)
Gain on foreign exchange transactions	(1,175)	(15,222)	(16,528)

17 . BUSINESS AND ASSET ACQUISITIONS & DIVESTITURES

Fiscal 2019 Business acquisition

In October 2018, the Company completed the acquisition of a business that was not significant to the consolidated financial position, result of operations and cash flows of the Company. The acquired business expanded the Company's design capabilities in the telecom market within the CEC segment. The assets acquired and liabilities assumed were not material to the Company's consolidated financial results. Results of operations were included in the Company's consolidated financial results beginning on the date of acquisition, and were not material to the Company's consolidated financial results for all periods presented.

Fiscal 2019 Divestitures

During the third quarter of fiscal year 2019, the Company disposed of an immaterial non-strategic business in Brazil that operated across all of its segments. The net loss on disposition was not material to the Company's consolidated financial results, and was included in other charges (income), net in the consolidated statement of operation for the fiscal year 2019.

During the second quarter of fiscal year 2019, the Company divested its China-based Multek operations, for proceeds of approximately $267.1 million , net of cash. The Company transferred approximately $231.4 million of net assets, primarily property and equipment, accounts receivable, and accounts payable. Further, the Company incurred various selling costs as part of this divestiture and allocated approximately $19.0 million of goodwill to the divested business. This transaction resulted in the recognition of an immaterial loss which is included in other charges (income), net in the consolidated statements of operations for the fiscal year 2019.

Pro-forma results of operations for these divestitures have not been presented because the effects were not individually, nor in the aggregate, material to the Company's consolidated financial results for all periods presented.

Fiscal 2018 Business and asset acquisitions

During the fiscal year ended March 31, 2018, the Company completed two acquisitions that were not individually, nor in the aggregate, significant to the consolidated financial position, results of operation and cash flows of the Company.

In April 2017, the Company completed its acquisition of AGM, which expanded its capabilities in the automotive market, and is included within the HRS segment. The Company paid $213.7 million , net of cash acquired.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Additionally, in September 2017, the Company acquired a power modules business, which expanded its capabilities within the CEC segment. The Company paid $54.7 million , net of cash acquired.

A summary of the allocation of the total purchase consideration is presented as follows (in thousands):

	Purchase Consideration	Net Tangible Assets Acquired	Purchased Intangible Assets	Goodwill
AGM	$ 213,718	$ 56,438	$ 82,000	$ 75,280
Power Modules Business	54,659	11,615	33,300	9,744

The intangibles of AGM comprised solely of customer relationships, will amortize over a weighted-average estimated useful life of 10 years. The intangibles of the power modules business, comprised of $16.0 million of customer relationships and $17.3 million of licenses and other intangibles, will amortize over a weighted-average estimated useful life of 10 years and 8 years, respectively.

The results of operations of the acquisitions were included in the Company's consolidated financial results beginning on the respective acquisition dates, and the total amount of net income and revenue, collectively, were immaterial to the Company's consolidated financial results for the fiscal year ended March 31, 2018. Pro-forma results of operations for the acquisitions completed in fiscal year 2018 have not been presented because the effects, individually and in aggregate, were not material to the Company's consolidated financial results for all periods presented.

Fiscal 2017 Business and asset acquisitions

During the fiscal year ended March 31, 2017, the Company completed four acquisitions that were not individually, nor in the aggregate, significant to the consolidated financial position, results of operations and cash flows of the Company. Most notable is the Company's acquisition of two manufacturing and development facilities from Bose Corporation ("Bose"), a global leader in audio systems. The acquisition expanded the Company's capabilities in the audio market and is included in the CTG segment. The other acquired businesses strengthen the Company's capabilities in the communications market and energy market within the CEC and IEI segments, respectively. At the acquisition dates, the Company paid a total of $189.1 million , net of cash acquired, of which $161.7 million , net of $18.0 million of cash acquired is related to the Bose acquisition which is included in cash from investing activities in the consolidated statements of cash flows. The Company acquired primarily $73.1 million of inventory, $60.8 million of property and equipment, and recorded goodwill of $63.8 million and intangible assets of $47.4 million principally related to the Bose acquisition. The intangibles will amortize over a weighted-average estimated useful life of 6.5 years. In connection with these acquisitions, the Company assumed $63.3 million in other liabilities including additional consideration of $28.0 million which was paid in the fourth quarter of fiscal year 2017 and included in other financing activities in the consolidated statements of cash flows. Further, the equity incentive plan of one of the acquirees was assumed as part of the acquisition.

The results of operations for each of the acquisitions completed in fiscal year 2017, including the Bose acquisition, were included in the Company's consolidated financial results beginning on the date of each acquisition, and the total amount of net income and revenue of the acquisitions, collectively, were immaterial to the Company's consolidated financial results for the fiscal year ended March 31, 2017. Pro-forma results of operations for the acquisitions completed in fiscal year 2017 were not presented because the effects, individually and in the aggregate, were not material to the Company's consolidated financial results for all periods presented.

Fiscal 2017 Divestitures

During the fiscal year ended March 31, 2017, the Company disposed of two non-strategic businesses within the HRS and IEI segments. The Company received $30.7 million of proceeds, net of an immaterial amount of cash held in one of the divested businesses. The property and equipment and various other assets sold, and liabilities transferred were not material to the Company's consolidated financial results. The loss on disposition was not material to the Company's consolidated financial results, and was included in other charges, net in the consolidated statements of operations for the fiscal year 2017.

18. SHARE REPURCHASE PLAN

During fiscal year 2019 , the Company repurchased approximately 17.7 million shares for an aggregate purchase value of approximately $189.0 million 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 $500 million in accordance with the share repurchase mandate approved by the Company's shareholders at the date of the most recent Annual General Meeting held on August 16, 2018. As of March 31, 2019 , shares in the aggregate amount of $ 324.5 million were available to be repurchased under the current plan.

19 . SEGMENT REPORTING

Operating segments are defined as components of an enterprise for which separate financial information is available that is evaluated regularly by the Chief Operating Decision Maker ("CODM"), or a decision making group, in deciding how to allocate resources and in assessing performance. Resource allocation decisions and the Company's performance are assessed by its Chief Executive Officer ("CEO"), with support from certain direct staff who oversee operations of the business, collectively identified as the CODM or the decision making group.

During the fourth quarter of fiscal year 2019, the Company announced that Revathi Advaithi was appointed CEO of the Company effective February 11, 2019. As part of her new role and responsibilities, the CEO along with certain direct report that oversee operations of the business, are now considered the CODM. There is a possibility that the CODM will request some changes in the information that it regularly reviews in determining how to allocate resources and in assessing performance, which could eventually result in changes to the Company's reportable segments.

The Company has four reportable segments: HRS, IEI, CEC and CTG. These segments represent components of the Company for which separate financial information is available that is utilized on a regular basis by the CODM. These segments are determined based on several factors, including the nature of products and services, the nature of production processes, customer base, delivery channels and similar economic characteristics. Refer to note 1 for a description of the various product categories manufactured under each of these segments.

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, customer related assets impairments, restructuring charges, the new revenue standard adoption impact, contingencies and other, interest and other, net and other charges (income), net.

Selected financial information by segment is in the table below. For fiscal year 2019, the Company recognized the cumulative effect of initially applying the new revenue standard as an adjustment to the opening balance of retained earnings, as further described in note 2 to the consolidated financial statements. The comparative information for the fiscal years 2018 and 2017 has not been restated and continues to be reported under the accounting standards in effect at the time:

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	Fiscal Year Ended March 31,		
	2019	2018	2017
	(In thousands)		
Net sales:			
High Reliability Solutions	$ 4,828,950	$ 4,769,464	$ 4,149,438
Industrial & Emerging Industries	6,182,637	5,972,496	4,967,738
Communications & Enterprise Compute	8,336,330	7,729,350	8,383,420
Consumer Technologies Group	6,862,594	6,969,821	6,362,338
	$ 26,210,511	$ 25,441,131	$ 23,862,934
Segment income and reconciliation of income before tax:			
High Reliability Solutions	$ 371,003	$ 380,878	$ 334,108
Industrial & Emerging Industries	269,172	235,422	179,749
Communications & Enterprise Compute	214,723	186,335	229,332
Consumer Technologies Group	121,336	111,629	179,910
Corporate and Other	(104,471)	(127,810)	(107,850)
Total income	871,763	786,454	815,249
Reconciling items:			
Intangible amortization	74,396	78,640	81,396
Stock-based compensation	76,032	85,244	82,266
Customer related asset impairments (1)	87,093	6,251	92,915
Restructuring charges (Note 14)	113,313	90,691	49,395
New revenue standard adoption impact (Note 2 & Note 3)	9,291	—	—
Contingencies and other (2)	35,644	51,631	17,704
Interest and other, net	183,454	122,823	99,532
Other charges (income), net (Note 15)	110,414	(169,719)	21,193
Income before income taxes	$ 182,126	$ 520,893	$ 370,848

(1) Customer related asset impairments for fiscal year 2019, relate to provision for doubtful accounts receivable, inventory and impairment of other assets for certain customers experiencing significant financial difficulties and/or the Company is disengaging.

During fiscal year 2017, prices for solar panel modules declined significantly. The Company determined that certain solar panel inventory on hand at the end of the fiscal year 2017 was not fully recoverable and recorded a charge of $60 million to reduce the carrying costs to market in fiscal year 2017. The Company also recognized a $16 million impairment charge for solar module equipment and $17 million primarily related to negative margin sales and other associated direct costs. The total charge of $93 million is included in cost of sales for fiscal year 2017 but is excluded from segment results above.

(2) Contingencies and other during fiscal year 2019, primarily consists of costs incurred relating to the independent investigation undertaken by the Audit Committee of the Company's Board of Directors which was completed in June 2018. In addition, Contingencies and other also includes certain charges of the China based Multek operations that was divested in the second quarter of fiscal year 2019.

During fiscal year 2018, the Company incurred charges in connection with certain legal matters, for loss contingencies where it believed that losses were probable and estimable. Additionally, the Company incurred various other charges predominately related to damages incurred from a typhoon that impacted a China facility, as well as certain assets impairments during fiscal year 2018.

Corporate and other primarily includes corporate services costs that are not included in the CODM's assessment of the performance of each of the identified reporting 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 segments nor reported by segment to the Company's CODM.

Property and equipment on a segment basis is not disclosed as it is not separately identified and is not internally reported by segment to the Company's CODM as described above. During fiscal year 2019 , 2018 and 2017 , depreciation expense included in the segments' measure of operating performance above is as follows. Historical information has been recast to reflect realignment of customers and/or products between segments:

	Fiscal Year Ended March 31,		
	2019	2018	2017
		(In thousands)	
Depreciation expense			
High Reliability Solutions	$ 96,854	$ 97,114	$ 88,604
Industrial & Emerging Industries	92,606	75,366	70,814
Communication & Enterprise Compute	103,162	118,150	133,057
Consumer Technologies Group	104,298	110,276	110,379
Corporate and Other	36,493	33,526	29,384
Total depreciation expense	$ 433,413	$ 434,432	$ 432,238

Geographic information of net sales is as follows:

	Fiscal Year Ended March 31,					
	2019		2018		2017	
			(In thousands)			
Net sales:						
Asia	$ 11,469,617	44%	$ 11,210,793	44%	$ 10,962,075	46%
Americas	9,893,072	38%	9,880,626	39%	8,582,849	36%
Europe	4,847,822	18%	4,349,712	17%	4,318,010	18%
	$ 26,210,511		$ 25,441,131		$ 23,862,934	

Revenues are attributable to the country in which the product is manufactured, or service is provided.

During fiscal years 2019 , 2018 and 2017 , net sales generated from Singapore, the principal country of domicile, were approximately $642.7 million , $686.9 million and $595.3 million , respectively.

The following table summarized the countries that accounted for more than 10% of net sales in fiscal year 2019 , 2018 , and 2017 .

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

	Fiscal Year Ended March 31,								
Net sales:	2019			2018			2017		
				(In thousands)					
China	$	6,648,549	25%	$	7,449,591	29%	$	7,213,614	30%
Mexico		4,538,720	17%		4,361,814	17%		4,075,616	17%
U.S.		3,106,222	12%		2,860,242	11%		2,560,300	11%
Brazil		2,181,025	8%		2,578,466	10%		1,907,591	8%
Malaysia		1,996,152	8%		2,005,119	8%		2,267,478	10%

No other country accounted for more than 10% of net sales for the fiscal periods presented in the table above.

Geographic information of property and equipment, net is as follows:

	As of March 31,					
	2019			2018		
	(In thousands)					
Property and equipment, net:						
Asia	$	903,288	39%	$	747,314	33%
Americas		1,003,708	43%		1,012,188	45%
Europe		429,217	18%		480,004	22%
	$	2,336,213		$	2,239,506	

As of March 31, 2019 and 2018 , property and equipment, net held in Singapore were approximately $12.3 million and $12.6 million , respectively.

The following table summarized the countries that accounted for more than 10% of property and equipment, net in fiscal year 2019 and 2018 .

	Fiscal Year Ended March 31,					
Property and equipment, net:	2019			2018		
	(In thousands)					
Mexico	$	537,396	23%	$	586,594	26%
China		523,124	22%		491,664	22%
U.S.		361,098	15%		305,222	14%

No other country accounted for more than 10% of property and equipment, net for the fiscal periods presented in the table above.

20. QUARTERLY FINANCIAL DATA (UNAUDITED)

The Company's third fiscal quarter ends on December 31, and the fourth fiscal quarter and fiscal year ends on March 31 of each year. The first fiscal quarters of 2019 and 2018 ended on June 29, 2018 and June 30, 2017, respectively, and the second fiscal quarters of 2019 and 2018 , ended on September 28, 2018 and September 29, 2017, respectively.

The following table contains unaudited quarterly financial data for fiscal years 2019 and 2018 . For fiscal year 2019, the Company recognized the cumulative effect of initially applying the new revenue standard as an adjustment to the opening balance of retained earnings, as further described in note 2 to the consolidated financial statements. The comparative information for the fiscal year 2018 has not been restated and continues to be reported under the accounting standards in effect at the time.

	Fiscal Year Ended March 31, 2019				Fiscal Year Ended March 31, 2018			
	First	Second	Third	Fourth	First	Second	Third	Fourth
Net sales (1)	$ 6,398,956	$ 6,662,604	$ 6,922,827	$ 6,226,124	$ 6,008,272	$ 6,270,420	$ 6,751,552	$ 6,410,887
Gross profit (2)	377,854	402,301	357,325	380,295	406,932	393,325	446,328	349,297
Net income (loss) (3)	116,035	86,885	(45,169)	(64,352)	124,710	205,086	118,333	(19,595)
Earnings (losses) per share (4):								
Net income:								
Basic	$ 0.22	$ 0.16	$ (0.09)	$ (0.12)	$ 0.24	$ 0.39	$ 0.22	$ (0.04)
Diluted	$ 0.22	$ 0.16	$ (0.09)	$ (0.12)	$ 0.23	$ 0.38	$ 0.22	$ (0.04)

(1) The Company has made certain immaterial corrections to net sales previously reported for the first three quarters of fiscal 2019 primarily to reflect revenue from certain contracts with customers on a net basis. As a result, the amounts presented above for net sales are $25 million , $48 million and $22 million lower than those previously reported for the first, second and third quarters of fiscal year 2019, respectively. These corrections had no impact on gross profit or net income for any period presented, as they were fully offset by corrections to cost of sales. The Company evaluated these corrections, considering both qualitative and quantitative factors, and concluded they are immaterial to previously issued financial statements and will make corrections prospectively in subsequent quarterly filings.

(2) The Company recorded a total of $65.8 million restructuring charges during the third quarter of fiscal year 2019. The Company classified $60.4 million of these charges as a component of cost of sales and approximately $5.4 million as a component of selling, general and administrative expenses. Refer to note 14 for additional information on these charges. The Company recorded $82.7 million restructuring charges during the fourth quarter of fiscal year 2018. The Company classified approximately $58.9 million of these charges as a component of cost of sales and approximately $23.8 million of these charges as a component of selling, general and administrative expenses.

(3) Net income for the fourth quarter of fiscal year 2019 was primarily affected by an $84 million charge for the impairment of the Company's investment in Elementum. Net income for the third quarter of fiscal year 2019 was primarily affected by a $70 million charge for the impairment of the Company's investment in an unrelated third-party company. Net income for the first quarter of fiscal year 2019 was affected by a $91.8 million gain on the deconsolidation of Bright Machines. Refer to note 2 for further details on the investments impairment charges and the gain on deconsolidation. Net income for the first quarter of fiscal year 2018 was affected by a $38.7 million gain recognized for the disposition of Wink. Net income for the second quarter of fiscal year 2018 was affected by $151.6 million non-cash gain as a result of the deconsolidation of the Company's investment in Elementum.

(4) Earnings per share are computed independently for each quarter presented and basic shares are used in the quarters with losses; therefore, the sum of the quarterly earnings per share may not equal the total earnings per share amounts for the fiscal year.

ITEM 9. *CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE*

Not applicable.

ITEM 9A. *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 Exchange Act) as of March 31, 2019 . Based on that evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that, as of March 31, 2019 , 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 Securities Exchange Act of

1934, as amended, is (i) recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and (ii) accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

(b) ***Management's Annual Report on Internal Control over Financial Reporting***

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a- 15(f) under the Securities Exchange Act of 1934, as amended. Internal control over financial reporting consists of policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) are designed and operated to provide reasonable assurance regarding the reliability of the Company's financial reporting and the Company's process for the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company’s assets that could have a material effect on the financial statements. Because of its inherent limitations, a system of internal control over financial reporting can provide only reasonable assurance and may not prevent or detect misstatements or prevent or detect instances of fraud. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls may be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As of March 31, 2019 , under the supervision and with the participation of management, including the Company's Chief Executive Officer and Chief Financial Officer, an evaluation was conducted of the effectiveness of the Company's internal control over financial reporting based on the framework in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on that evaluation, management concluded that the Company's internal control over financial reporting was effective as of March 31, 2019 .

(c) ***Attestation Report of the Registered Public Accounting Firm***

The effectiveness of the Company's internal control over financial reporting as of March 31, 2019 has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report which appears in this Item under the heading "Report of Independent Registered Public Accounting Firm."

(d) ***Changes in Internal Control Over Financial Reporting***

Throughout fiscal year 2019, we implemented enhanced and additional procedures to remediate the control deficiencies that aggregated to material weaknesses in our internal control over financial reporting relating to the accounting for customer contractual obligations and aspects of our control environment and monitoring activities as disclosed in Item 9A on Form 10-K for the fiscal year ended March 31, 2018.

Management, with the oversight of the Audit Committee, took the following steps as part of our remediation efforts during fiscal 2019:

- Designed and implemented additional site level controls related to accounting for customer contractual obligations including establishing criteria for effective contract reviews and approvals with enhanced documentation to evidence judgements and estimates.

- Designed and implemented a centralized Contract Management Office responsible for the determination of the appropriate accounting on material contracts including maintaining proper evidence of review.

- Designed and implemented centralized oversight controls that provide enhanced visibility to the accounting for customer contracts to ensure improved monitoring and detection of material errors related to certain decentralized activities.

- Enhanced the quality and the frequency of training across all levels to improve awareness of Company policies and knowledge of the expected standards of conduct.

Given the remediation efforts noted above, testing of applicable controls completed during the fourth quarter and the determination that controls are designed and operating effectively, management has concluded that the material weaknesses previously identified have been remediated as of March 31, 2019.

Other than the changes described above there have not been any changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) as of March 31, 2019 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Flex Ltd. and subsidiaries (the "Company") as of March 31, 2019, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission(COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of March 31, 2019, based on the criteria established in Internal Control - Integrated Framework (2013) issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements as of and for the year ended March 31, 2019 of the Company and our report dated May 20, 2019, expressed an unqualified opinion on those financial statements and included an explanatory paragraph related to the Company's change in method of accounting for revenue from contracts with customers in fiscal year 2019 due to the adoption of Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers* and the Company's change in method of accounting for cash receipts on the deferred purchase price from asset-backed securitization programs in fiscal year 2019 due to the adoption of ASU 2016-15 *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments* .

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. 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 audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations, internal control over financial reporting, may not prevent or detect misstatements. Also, projections of any evaluation of the effectiveness to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ DELOITTE & TOUCHE LLP
San Jose, California
May 20, 2019

ITEM 9B. ***OTHER INFORMATION***

Not applicable.

PART III

ITEM 10. ***DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE***

Information with respect to this item may be found in the Company's definitive proxy statement to be delivered to shareholders in connection with the Company's 2019 Annual General Meeting of Shareholders. Such information is incorporated by reference.

ITEM 11. ***EXECUTIVE COMPENSATION***

Information with respect to this item may be found in the Company's definitive proxy statement to be delivered to shareholders in connection with the Company's 2019 Annual General Meeting of Shareholders. Such information is incorporated by reference.

ITEM 12. ***SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED SHAREHOLDER MATTERS***

Information with respect to this item may be found in the Company's definitive proxy statement to be delivered to shareholders in connection with the Company's 2019 Annual General Meeting of Shareholders. Such information is incorporated by reference.

ITEM 13. ***CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE***

Information with respect to this item may be found in the Company's definitive proxy statement to be delivered to shareholders in connection with the Company's 2019 Annual General Meeting of Shareholders. Such information is incorporated by reference.

ITEM 14. ***PRINCIPAL ACCOUNTANT FEES AND SERVICES***

Information with respect to this item may be found in the Company's definitive proxy statement to be delivered to shareholders in connection with the Company's 2019 Annual General Meeting of Shareholders. Such information is incorporated by reference.

PART IV

ITEM 15. *EXHIBITS AND FINANCIAL STATEMENT SCHEDULES*

(a) Documents filed as part of this annual report on Form 10-K:

1. *Financial Statements.* See Item 8, "Financial Statements and Supplementary Data."

2. *Financial Statement Schedules.* "Schedule II—Valuation and Qualifying Accounts" is included in the financial statements, see Concentration of Credit Risk in Note 2 , "Summary of Accounting Policies" of the Notes to Consolidated Financial Statements in Item 8, "Financial Statements and Supplementary Data."

3. *Exhibits.* Reference is made to Item 15(b) below.

(b) *Exhibits.* The Exhibit Index, which immediately precedes the signature page to this annual report on Form 10-K, is incorporated by reference into this annual report on Form 10-K.

(c) *Financial Statement Schedules.* Reference is made to Item 15(a)(2) above.

ITEM 16. *FORM 10-K SUMMARY*

None

EXHIBIT INDEX

			Incorporated by Reference			
Exhibit No.	**Exhibit**	**Form**	**File No.**	**Filing Date**	**Exhibit No.**	**Filed Herewith**
3.01	Constitution of the Registrant	10-Q	000-23354	10/31/2016	3.01	
4.01	Indenture, dated as of February 20, 2013, by and between the Registrant, the Guarantors party thereto and U.S. Bank National Association, as Trustee, related to the Registrant's 4.625% Notes due 2020 and 5.000% Notes due 2023	8-K	000-23354	2/22/2013	4.1	
4.02	Form of 4.625% Note due 2020	8-K	000-23354	2/22/2013	4.1	
4.03	Form of 5.000% Note due 2023	8-K	000-23354	2/22/2013	4.1	
4.04	First Supplemental Indenture, dated as of March 28, 2013, among the Registrant, the Guarantor party thereto and U.S. Bank National Association, as Trustee, to the Indenture, dated as of February 20, 2013, by and between the Registrant, the Guarantors party thereto and U.S. Bank National Association, as Trustee, related to the Registrant's 4.625% Notes due 2020 and 5.000% Notes due 2023	10-K	000-23354	5/28/2013	4.11	
4.05	Second Supplemental Indenture, dated as of August 25, 2014, among the Registrant, the Guarantor party thereto and U.S. Bank National Association, as Trustee, to the Indenture, dated as of February 20, 2013, by and between the Registrant, the Guarantors party thereto and U.S. Bank National Association, as Trustee, related to the Registrant's 4.625% Notes due 2020 and 5.000% Notes due 2023	10-Q	000-23354	10/30/2014	4.01	

Exhibit No.	Exhibit	Form	Incorporated by Reference File No.	Filing Date	Exhibit No.	Filed Herewith
4.06	Third Supplemental Indenture, dated as of September 11, 2015, among the Registrant, the Guarantor party thereto and U.S. Bank National Association, as Trustee, related to the Registrant’s 4.625% Notes due 2020 and 5.000% Notes due 2023	S-4	333-207067	9/22/2015	4.11	
4.07	Indenture, dated as of June 8, 2015, by and between the Registrant, the Guarantors party thereto and U.S. Bank National Association, as Trustee	8-K	000-23354	6/8/2015	4.1	
4.08	Form of 4.750% Note due 2025	8-K	000-23354	6/8/2015	4.1	
4.09	First Supplemental Indenture, dated as of September 11, 2015, among the Registrant, the Guarantor party thereto and U.S. Bank National Association, as Trustee, related to the Registrant’s 4.750% Notes due 2025	S-4	333-207067	9/22/2015	4.04	
4.10	Description of Registrant's Securities					X
10.01	Credit Agreement, dated as of June 30, 2017, among Flex Ltd. and certain of its subsidiaries, from time to time party thereto, as borrowers, Bank of America, N.A., as Administrative Agent and Swing Line Lender, and the other Lenders party thereto	8-K	000-23354	6/30/2017	10.01	
10.02	Term Loan Agreement, dated as of November 30, 2016, among Flex Ltd., as borrower, The Bank of Tokyo-Mitsubishi UFJ, Ltd., as Administrative Agent, and the other Lenders party thereto	8-K	000-23354	12/1/2016	10.01	
10.03	Amendment No. 1, dated as of July 25, 2017, to Term Loan Agreement, dated as of November 30, 2016, among Flex Ltd., as borrower, The Bank of Tokyo-Mitsubishi UFJ, Ltd., as Administrative Agent, and the other Lenders party thereto	10-Q	000-23354	10/30/2017	10.01	
10.04	Form of Indemnification Agreement between the Registrant and its Directors and certain officers†	10-K	000-23354	5/20/2009	10.01	
10.05	Form of Indemnification Agreement between Flextronics Corporation and Directors and certain officers of the Registrant†	10-K	000-23354	5/20/2009	10.02	
10.06	Flex Ltd. 2010 Equity Incentive Plan†	8-K	000-23354	7/28/2010	10.01	
10.07	Form of Share Option Award Agreement under 2010 Equity Incentive Plan†	10-Q	000-23354	8/5/2010	10.02	
10.08	Flex Ltd. 2017 Equity Incentive Plan†	DEF 14A	000-23354	7/5/2017	Annex A	
10.09	Form of Restricted Share Unit Award Agreement under the 2017 Equity Incentive Plan for time-based vesting awards†	10-Q	000-23354	10/30/2017	10.05	
10.10	Form of Restricted Share Unit Award Agreement under the 2017 Equity Incentive Plan for performance-based vesting awards†	10-Q	000-23354	10/30/2017	10.06	

Exhibit No.	Exhibit	Form	Incorporated by Reference File No.	Filing Date	Exhibit No.	Filed Herewith
10.11	Flextronics International USA, Inc. Third Amended and Restated 2005 Senior Management Deferred Compensation Plan†	10-Q	000-23354	2/6/2009	10.02	
10.12	Flextronics International USA, Inc. Third Amended and Restated Senior Executive Deferred Compensation Plan†	10-Q	000-23354	2/6/2009	10.01	
10.13	Summary of Directors' Compensation†	10-Q	000.23354	10/30/2017	10.02	
10.14	Executive Incentive Compensation Recoupment Policy†	10-Q	000-23354	8/5/2010	10.06	
10.15	2010 Flextronics International USA, Inc. Deferred Compensation Plan†	10-Q	000-23354	11/3/2010	10.04	
10.16	Form of Award Agreement under 2010 Deferred Compensation Plan†	10-Q	000-23354	7/30/2012	10.01	
10.17	Summary of Compensation Arrangements of Certain Executive Officers of Flex Ltd.†					X
10.18	Form of Restricted Share Unit Award Agreement under the 2010 Equity Incentive Plan for time-based vesting awards†	10-Q	000-23354	11/1/2013	10.02	
10.19	Form of 2010 Deferred Compensation Plan Award Agreement (performance targets, cliff vesting)†	10-Q	000-23354	8/2/2013	10.02	
10.20	Form of 2010 Deferred Compensation Plan Award Agreement (non-performance, periodic vesting, continuing Participant)†	10-Q	000-23354	8/2/2013	10.03	
10.21	Award Agreement under the 2010 Deferred Compensation Plan†	10-Q	000-23354	7/28/2014	10.01	
10.22	Form of Restricted Share Unit Award Agreement under the 2017 Equity Incentive Plan for retention performance-based vesting awards†	10-Q	000-23354	2/6/2019	10.01	
10.23	Form of Restricted Share Unit Award Agreement under the 2017 Equity Incentive Plan for retention service-based vesting awards†					X
10.24	Description of Annual Incentive Bonus Plan for Fiscal 2019†	10-Q	000-23354	8/2/2018	10.01	
10.25	NEXTracker Inc. 2014 Equity Incentive Plan†	S-8	333-207325	10/7/2015	99.01	
10.26	BrightBox Technologies, Inc. 2013 Stock Incentive Plan†	S-8	333-212267	6/27/2016	99.01	
10.27	Flex Ltd. Executive Severance Plan†					X
10.28	Separation and Release of Claims dated December 24, 2018 between Flex Ltd. and Michael M. McNamara†	10-Q	000-23354	2/6/2019	10.02	
10.29	Revathi Advaithi Offer Letter, dated February 7, 2019					X
21.01	Subsidiaries of Registrant					X
23.01	Consent of Deloitte & Touche LLP					X
24.01	Power of Attorney (included on the signature page to this Form 10-K)					X
31.01	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) of the Exchange Act					X

Exhibit No.	Exhibit	Form	Incorporated by Reference File No.	Filing Date	Exhibit No.	Filed Herewith
31.02	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) of the Exchange Act					X
32.01	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Rule 13a-14(b) of the Exchange Act and 18 U.S.C. Section 1350*					X
101.INS	XBRL Instance Document					X
101.SCH	XBRL Taxonomy Extension Scheme 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

* This exhibit is furnished with this Annual Report on Form 10-K, 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.

† Management contract, compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirement of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

Flex Ltd.		
By:	/s/ REVATHI ADVAITHI	
	Revathi Advaithi	
	Chief Executive Officer	

Date: May 20, 2019

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints jointly and severally, Revathi Advaithi and Christopher E. Collier and each one of them, her or his attorneys-in-fact, each with the power of substitution, for her or him in any and all capacities, to sign any and all amendments to this Report, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorneys-in-fact, or her or his substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ REVATHI ADVAITHI Revathi Advaithi	Chief Executive Officer and Director (Principal Executive Officer)	May 20, 2019
/s/ CHRISTOPHER E. COLLIER Christopher E. Collier	Chief Financial Officer (Principal Financial Officer)	May 20, 2019
/s/ DAVID P. BENNETT David P. Bennett	Senior Vice President and Chief Accounting Officer (Principal Accounting Officer)	May 20, 2019
/s/ MICHAEL D. CAPELLAS Michael D. Capellas	Chairman of the Board	May 20, 2019
/s/ JILL A. GREENTHAL Jill A. Greenthal	Director	May 20, 2019
/s/ JENNIFER LI Jennifer Li	Director	May 20, 2019
/s/ MARC A. ONETTO Marc A. Onetto	Director	May 20, 2019
/s/ WILLY C. SHIH, PH.D. Willy C. Shih, Ph.D.	Director	May 20, 2019
/s/ CHARLES K. STEVENS, III Charles K. Stevens, III	Director	May 20, 2019
/s/ LAY KOON TAN Lay Koon Tan	Director	May 20, 2019
/s/ WILLIAM D. WATKINS William D. Watkins	Director	May 20, 2019
/s/ LAWRENCE A. ZIMMERMAN Lawrence A. Zimmerman	Director	May 20, 2019

DESCRIPTION OF ORDINARY SHARES

The following description of our ordinary shares summarizes the material terms and provisions of our ordinary shares. The following description of our ordinary shares and provisions of our Constitution are summaries and are qualified in their entirety by reference to applicable Singapore law and our Constitution, a copy of which has been filed as Exhibit 3.01 to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2016 filed with the SEC on October 31, 2016. A copy of our Constitution is also available for inspection at our registered office in Singapore.

References to “Flex,” “we,” “us” and “our” in this “Description of Ordinary Shares” are only to Flex Ltd. and not to any of its subsidiaries.

Ordinary Shares

Our share capital consists of ordinary shares, with no par value per ordinary share. There is no authorized share capital under Singapore law. There is a provision in our Constitution to enable us to issue shares with preferred, deferred or other special rights or such restrictions whether in regard to dividend, voting, return of capital or otherwise as our directors may determine, subject to the provisions of the Singapore Companies Act and every other act for the time being in force concerning companies and affecting our company (collectively, the “Statutes”) and our Constitution and without prejudice to any special right previously conferred on the holders of any existing shares or class of shares. All ordinary shares presently issued are fully paid and existing shareholders are not subject to any calls on ordinary shares. All ordinary shares are in registered form. We cannot, except in the circumstances permitted by the Singapore Companies Act, grant any financial assistance for the acquisition or proposed acquisition of our own ordinary shares.

New Shares

Under applicable Singapore law and our Constitution, new shares may be issued only with the prior approval from our shareholders in a general meeting. General approval may be sought from our shareholders in a general meeting for the issue of shares. Approval, if granted, will lapse at the earlier to occur of:

- the conclusion of the next annual general meeting;
- the expiration of the period within which the next annual general meeting is required by law to be held; or
- the subsequent revocation or modification of approval by our shareholders acting at a duly convened meeting.

Subject to this approval, the provisions of the Statutes and our Constitution, the directors may allot and issue new shares to such persons on such terms and conditions and with the rights and privileges annexed thereto as such general meeting resolving upon the creation thereof shall direct and if no direction be given as the directors shall determine.

Shareholders

Only persons who are registered in our Register of Members are recognized under Singapore law as shareholders of our company with legal standing to institute shareholder actions against us or otherwise seek to enforce their rights as shareholders. We may close the Register of Members at any time and for one or more periods, but the register may not be closed for an aggregate of more than thirty days in any calendar year.

Transfer of Ordinary Shares

Subject to applicable securities laws in relevant jurisdictions and our Constitution, our ordinary shares are freely transferable. The directors may in their absolute discretion decline to register any transfer of shares on which we have a lien and, in the case of shares not fully paid up, may refuse to register a transfer to a transferee of whom they do not approve, provided, however, that as required by the Singapore Companies Act the directors shall, within 30 days beginning with the day on which the application for a transfer of shares was made, serve a notice in writing to the applicant stating the facts which are considered to justify the refusal. Shares may be transferred by a duly signed instrument of transfer in the usual common form or in any other form which the directors may approve. The directors may decline to register any instrument of transfer unless, among other things, it is presented for registration together with a certificate of payment of stamp duty (if any), the share certificate(s) to which the transfer relates and such other evidence as they may reasonably require to show the right of the transferor to make the transfer. We will replace lost or destroyed certificates for shares upon notice to us and upon, among other things, the applicant furnishing evidence and indemnity as the directors may require and the payment of all applicable fees.

Re-election of Directors

Under article 94 of our Constitution, at each annual general meeting, one-third of the directors, or, if their number is not a multiple of three, then the number nearest to but not more than one-third of the directors, are required to retire from office by rotation. Under article 95 of our Constitution, the directors required to retire in each year are those who have been in office longest since their last re-election or appointment. As between persons who became or were last re-elected directors on the same day, those required to retire are (unless they otherwise agree among themselves) determined by lot. Retiring directors are eligible for re-election. Under article 90 of our Constitution, any director holding office as a Chief Executive Officer (or an equivalent position) shall not, unless our board of directors determines otherwise, be subject to retirement by rotation or be taken into account in determining the number of directors to retire by rotation. Under article 100 of our Constitution, any director appointed by our board of directors either to fill a casual vacancy or as an additional director is eligible for re-election at the next annual general meeting, but shall not be taken into account in determining the number of directors required to retire by rotation at that annual general meeting.

Shareholders' Meetings

We are required to hold an annual general meeting within six months after the end of our fiscal year. Under our Constitution, any general meeting other than the annual general meeting is called an “extraordinary general meeting”. The directors may convene an extraordinary general meeting whenever they think fit, and they must also do so upon the written request of shareholders representing not less than one-tenth of the paid-up shares as at the date of the deposit of the written request (disregarding paid-up shares held as treasury shares) carries the right of voting at general meetings. In addition, two or more shareholders holding not less than one-tenth of our total number of issued shares (excluding treasury shares) may call a meeting of our shareholders.

Unless otherwise required by law or by our Constitution, voting at general meetings is by ordinary resolution, requiring the affirmative vote of a simple majority of the total votes attached to all the fully paid-up shares which are represented at the meeting (of which at least fourteen days’ written notice is given) and voting on such resolution in person or by proxy. An ordinary resolution suffices, for example, for appointments of directors. A special resolution, requiring an affirmative vote of a majority of not less than three-fourths of the total votes attached to all the fully paid-up shares which are represented at the meeting (of which not less than 21 days’ written notice specifying the intention to propose the resolution as a special resolution has been duly given) and voting on such resolution in person or by proxy, is necessary for certain matters under Singapore law, such as an alteration of our Constitution.

Voting Rights

Voting at any meeting of shareholders is by a show of hands unless a poll is duly demanded before or on the declaration of the result of the show of hands. If voting is by a show of hands, every shareholder who is entitled to vote and who is present in person or by proxy or attorney or, in the case of a corporation, by a representative at the meeting has one vote. On a poll, every shareholder who is present in person or by proxy or by attorney or, in the case of a corporation, by a representative, has one vote for every share of which such shareholder holds or represents. A poll may be demanded by any of:

- the chairman of the meeting;
- not less than three shareholders who are entitled to vote at the meeting and who are present in person or by proxy or by attorney or in the case of a corporation by a representative;
- any shareholder or shareholders present in person or by proxy or by attorney or in the case of a corporation by a representative and representing not less than five (5) percent of the total voting rights of all shareholders entitled to vote at the meeting; or
- any shareholder or shareholders present in person or by proxy or by attorney or in the case of a corporation by a representative and holding not less than five (5) percent of the total sum paid up on all the shares conferring the right to vote.

Dividends

At a general meeting, our shareholders may declare dividends, but no dividend will be payable in excess of the amount recommended by the directors. The directors may also declare an interim dividend. No dividend may be paid except out of our profits. Except as otherwise may be provided in special rights as to dividends specified in the terms of issue of any shares (no such shares currently being in issue), all dividends are paid pro rata among the shareholders. To date, we have not declared any cash dividends on our ordinary shares and have no current plans to pay cash dividends in the foreseeable future.

Bonus and Rights Issues

In a general meeting, our shareholders may, upon the recommendation of the directors, by ordinary resolution:

- issue bonus shares to the shareholders for which no consideration is payable to us, in proportion to their shareholdings; or
- capitalize any reserves or profits as bonus shares to the shareholders in proportion to their shareholdings.

The directors may also issue to shareholders rights to take up additional shares, in proportion to their shareholdings. These rights are subject to any conditions attached to the issue and the regulations of any stock exchange on which the ordinary shares are listed.

Takeovers

The acquisition of our ordinary shares is regulated by the SFA and the Singapore Code on Take-overs and Mergers.

Under the Singapore Code on Take-overs and Mergers, where:

- any person acquires whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by parties acting in concert with such person) carry 30% or more of the voting rights of a company; or
- any person who, together with parties acting in concert with such person, holds not less than 30% but not more than 50% of the voting rights and such person, or any party acting in concert with such person, acquires in any period of six months additional shares carrying more than 1% of the voting rights,

such person is required to extend a mandatory take-over offer for the remaining voting shares of the company. The Securities Industry Council is empowered to waive compliance with this requirement. Subject to certain exceptions, a mandatory take-over offer made must be in cash or be accompanied by a cash alternative at not less than the highest price paid by the offeror or any party acting in concert with such person for voting rights of the offeree company during the offer period and within six months prior to its commencement.

Liquidation or Other Return of Capital

On a winding-up or other return of capital, subject to any special rights attaching to any other class of shares, holders of ordinary shares will be entitled to participate in any surplus assets in proportion to their shareholdings.

Indemnity

As permitted by the laws of Singapore, our Constitution provides that, subject to the Statutes, our directors and officers will be indemnified by our company against all costs, charges, losses, expenses and liabilities incurred or to be incurred by him or her in the execution and discharge of his or her duties (including, without limitation, where he or she serves at the request of the registrant as a director, officer, employee or agent of another corporation, partnership, joint venture or other enterprise) or in relation thereto. Except as permitted under the Singapore Companies Act, directors and officers may not be indemnified by our company against any liability which by law would otherwise attach to them relating to any negligence, default, breach of duty or breach of trust of which they may be guilty in relation to our company.

Limitations on Rights to Hold or Vote Ordinary Shares

There are no limitations imposed by the laws of Singapore or by our Constitution on the right of non-resident shareholders to hold or vote ordinary shares.

EXHIBIT 10.17

Summary of Compensation Arrangements of Certain Executive Officers of Flex Ltd.

Note: The following summary of compensation arrangements does not include all previously-reported compensation arrangements or awards granted under previously-disclosed incentive plans. Disclosures with respect to compensation for Named Executive Officers for the 2019 fiscal year will be included in the Company's definitive proxy statement for the Company's 2019 Annual General Meeting of Shareholders, and disclosures with respect to compensation for Named Executive Officers for the 2020 fiscal year will be included in the Company's definitive proxy statement for the Company's 2020 Annual General Meeting of Shareholders.

Compensation for Revathi Advaithi (*Chief Executive Officer*)

Ms. Advaithi's current annual base salary is $1,150,000. In addition, Ms. Advaithi was awarded compensation pursuant to an Offer Letter entered into on February 7, 2019, which is summarized in the Company's Form 8-K filed on February 11, 2019. Ms. Advaithi will be eligible to participate in the Company's annual incentive bonus plan and the long-term cash incentive deferred compensation program. Ms. Advaithi also will be eligible to receive awards of performance-based restricted share unit awards and service-based restricted share unit awards under the Company's equity incentive plan as part of her fiscal 2020 compensation.

Compensation for Christopher Collier (*Chief Financial Officer*)

Mr. Collier's current annual base salary is $700,000. In addition, Mr. Collier will be eligible to participate in the Company's annual incentive bonus plan and the long-term cash incentive deferred compensation program. Mr. Collier also will be eligible to receive awards of performance-based restricted share unit awards and service-based restricted share unit awards under the Company's equity incentive plan as part of his fiscal 2020 compensation.

Compensation for Francois P. Barbier

Mr. Barbier's current annual base salary is $710,000. In addition, Mr. Barbier will be eligible to participate in the Company's annual incentive bonus plan and long-term cash incentive deferred compensation plan. Mr. Barbier also will be eligible to receive awards of performance-based restricted share unit awards and service-based restricted share unit awards under the Company's equity incentive plan as part of his fiscal 2020 compensation.

Compensation for Paul Humphries

Mr. Humphries's current annual base salary is $710,000. In addition, Mr. Humphries will be eligible to participate in the Company's annual incentive bonus plan and long-term cash incentive deferred compensation plan. Mr. Humphries also will be eligible to receive awards of performance-based restricted share unit awards and service-based restricted share unit awards under the Company's equity incentive plan as part of his fiscal 2020 compensation.

Compensation for Scott Offer

Mr. Offer's current annual base salary is $605,000. In addition, Mr. Offer will be eligible to participate in the Company's annual incentive bonus plan and long-term cash incentive deferred compensation plan. Mr. Offer also will be eligible to receive awards of performance-based restricted share unit awards and service-based restricted share unit awards under the Company's equity incentive plan as part of his fiscal 2020 compensation.

No. «GrantID»

FLEX LTD.
2017 EQUITY INCENTIVE PLAN

FORM OF RESTRICTED SHARE UNIT AWARD AGREEMENT

This Restricted Share Unit Award Agreement (the " ***Agreement*** ") is made and entered into as of [insert date], (the " ***Effective Date*** ") by and between Flex Ltd., a Singapore corporation (the " ***Company*** "), and the participant named below (the " ***Participant*** "). Capitalized terms not defined herein shall have the meaning ascribed to them in the Flex Ltd. 2017 Equity Incentive Plan (the " ***Plan*** "). The Participant understands and agrees that this Restricted Share Unit Award (the " ***RSU Award*** ") is granted subject to and in accordance with the express terms and conditions of the Plan and this Agreement including any country- specific terms set forth in Exhibit A to this Agreement. The Participant further agrees to be bound by the terms and conditions of the Plan and the terms and conditions of this Agreement. The Participant acknowledges receipt of a copy of Plan and the official prospectus for the Plan. A copy of the Plan and the official prospectus for the Plan are available at the offices of the Company and the Participant hereby agrees that the Plan and the official prospectus for the Plan are deemed delivered to the Participant.

Participant:	«Name», «First»
Restricted Share Unit Award:	«Shares»
Date of Grant:	«Grant Date»
Vesting Criteria:	Provided the Participant continues to provide services to the Company or to any Parent, Subsidiary, or Affiliate, the shares underlying this RSU Award shall be issued as follows: [insert vesting schedule]

1. <u>Grant of RSU Award</u> .

1.1 <u>Grant of RSU Award</u> . Subject to the terms and conditions of the Plan and this Agreement, including any country-specific terms set forth in Exhibit A to this Agreement, the Company hereby grants to the Participant an RSU Award for the number of ordinary shares set forth above under "RSU Award" (the " ***Shares*** ").

(a) *Vesting Criteria* . Subject to Section 1.1(b), the RSU Award shall vest, and the Shares shall be issuable to the Participant, according to the Vesting Criteria set forth above. If application of the Vesting Criteria causes vesting of a fractional Share, such Share shall be rounded down to the nearest whole Share. Shares that vest and are issuable pursuant to the Vesting Criteria are " ***Vested Shares*** ."

(b) *Termination of Service* . The RSU Award, all of the Company's obligations and the Participant's rights under this Agreement, shall terminate on the earlier of the Participant's Termination Date or the date when all the Shares that are subject to the RSU Award have been allotted and issued, or forfeited in the case of any portion of the RSU Award that fails to vest; provided, however, that any unvested Shares of the RSU Award shall immediately vest if, prior to the [insert final vesting date] anniversary of the Effective Date, the Participant's employment is terminated by the Company or the Participant's employer (the "Employer") without "Cause" or the Participant terminates employment for "Good Reason." For purposes of this Agreement, "Cause" shall mean, with respect to the Participant: (a) the willful and continued failure by the Participant to substantially perform Participant's duties with the Company and its Subsidiaries (other than any such failure resulting from Participant's incapacity due to physical or mental illness) after a written demand for substantial performance is delivered to the Participant by the Company or the Employer which demand specifically identifies the manner in which the Company or the Employer believes that the Participant has not substantially performed Participant's duties, (b) the willful engaging by the Participant in conduct which is demonstrably and materially injurious to the Company or its Subsidiaries, monetarily or otherwise, or (c) the Participant's conviction of, or entering a plea of *nolo contendere* to, a felony. For purposes of clauses (a) and (b), no act or failure to act on the Participant's part shall be deemed "willful" unless done, or omitted to be done, by the Participant not in good faith or without reasonable belief that his action or omission was in the best interest of the Company and its Subsidiaries. For purposes of this Agreement, "Good Reason" shall mean, with respect to the Participant, a material diminution in the position, authority, duties or responsibilities of the Participant or the assignment to the Participant of any duties that are materially inconsistent with the Participant's status as an officer; provided, however, the Participant must give the Company or Employer written notice of the circumstances giving rise to the Good Reason event within 90 days of the initial occurrence of the event and 30 days to cure such circumstance.

(c) *Allotment and Issuance of Vested Shares* . The Company shall allot and issue the Vested Shares as soon as practicable after such Shares have vested pursuant to the Vesting Criteria. The Company shall have no obligation to allot and issue, and the

Participant will have no right or title to, any Shares, and no Shares will be allotted and issued to the Participant, until satisfaction of the Vesting Criteria.

(d) *No Obligation to Employ* . Nothing in the Plan or this Agreement shall confer on the Participant any right to continue in the employ of, or other relationship with, the Company or any Parent, Subsidiary or Affiliate or limit in any way the right of the Company or any Parent, Subsidiary or Affiliate to terminate the Participant's employment or service relationship at any time, with or without cause.

(e) *Nontransferability of RSU Award* . None of the Participant's rights under this Agreement or under the RSU Award may be transferred in any manner other than by will or by the laws of descent and distribution. Notwithstanding the foregoing, the Participants in the U.S. may transfer or assign the RSU Award to Family Members through a gift or a domestic relations order (and not in a transfer for value), or as otherwise allowed by the Plan. The terms of this Agreement shall be binding upon the executors, administrators, successors and assigns of the Participant.

(f) *Privileges of Share Ownership* . The Participant shall not have any of the rights of a shareholder until the Vested Shares are allotted and issued after the applicable vest date.

(g) *Interpretation* . Any dispute regarding the interpretation of the terms and provisions with respect to the RSU Award and this Agreement shall be submitted by the Participant or the Company to the Committee for review. The resolution of such a dispute by the Committee shall be final and binding on the Company and on the Participant.

1.2 Title to Shares . Title will be provided in the Participant's individual name on the Company's records unless the Participant otherwise notifies Stock Administration of an alternative designation in compliance with the terms of this Agreement and applicable laws.

2. Delivery .

2.1 Deliveries by Participant . The Participant hereby delivers to the Company this Agreement.

2.2 Deliveries by the Company . The Company will issue a duly executed share certificate or other documentation evidencing the Vested Shares in the name specified in Section 1.2 above upon vesting, provided the Participant has delivered and executed this Agreement prior to the applicable vesting date and has continued to provide services as a Director, Employee or Consultant through each applicable vesting date.

3. Compliance with Laws and Regulations . The issuance and transfer of the Shares to the Participant shall be subject to and conditioned upon compliance by the Company and the Participant with all applicable requirements of any share exchange or automated quotation system on which the Company's Ordinary Shares may be listed at the time of such issuance or transfer. The Participant understands that the Company is under no obligation to register or qualify the Shares with the U.S. Securities and Exchange Commission, any state, local or foreign securities commission or any share exchange to effect such compliance.

4. Rights as Shareholder . Subject to the terms and conditions of this Agreement, the Participant will have all of the rights of a shareholder of the Company with respect to the Vested Shares which have been allotted and issued to the Participant until such time as the Participant disposes of such Vested Shares.

5. Stop-Transfer Orders .

5.1 Stop-Transfer Instructions . The Participant agrees that, to ensure compliance with the restrictions imposed by this Agreement, the Company may issue appropriate "stop-transfer" instructions to its transfer agent, if any, and if the Company administers transfers of its own securities, it may make appropriate notations to the same effect in its own records.

5.2 Refusal to Transfer . The Company will not be required (i) to register in its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Agreement or (ii) to treat as owner of such Shares, or to accord the right to vote or pay dividends to any Participant or other transferee to whom such Shares have been so transferred.

6. Change of Control . If a Change of Control occurs, the RSU Award shall be subject to Section 11.2 of the Plan.

7. Taxes and Disposition of Shares .

7.1 Tax Obligations .

(a) Regardless of any action the Company or the Participant's employer (the "Employer") takes with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related items arising out of the Participant's participation in the Plan and legally applicable to the Participant ("Tax-Related Items"), the Participant acknowledges that the ultimate liability for all

Tax-Related Items is and remains the Participant's responsibility and may exceed the amount actually withheld by the Company and/or the Employer. The Participant further acknowledges that the Company and/or the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the RSU Award, including but not limited to, the grant, vesting or issuance of Vested Shares underlying the RSU Award, the subsequent sale of Vested Shares acquired upon vesting and the receipt of any dividends; and (b) do not commit and are under no obligation to structure the terms of the grant or any aspect of the RSU Award to reduce or eliminate the Participant's liability for Tax-Related Items or achieve any particular tax result. Furthermore, if the Participant has become subject to tax in more than one jurisdiction between the Date of Grant and the date of any relevant taxable event, the Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) Prior to the relevant taxable or tax withholding event, as applicable, the Participant shall pay or make arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, the Participant authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy the Tax-Related Items by one or a combination of the following (1) withholding from the Participant's wages or other cash compensation paid to the Participant by the Company, the Employer, or any Parent or Subsidiary of the Company; or (2) withholding from the proceeds of the sale of Vested Shares either through a voluntary sale or through a mandatory sale arranged by the Company (on the Participant's behalf pursuant to this authorization).

(c) To avoid any negative accounting treatment, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates.

(d) The Participant shall pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of the Participant's participation in the Plan that cannot be satisfied by the means previously described in this section. The Company may refuse to issue or deliver the Vested Shares or the proceeds from the sale of Shares, if the Participant fails to comply with his or her obligations in connection with the Tax-Related Items.

7.2 Disposition of Shares. Participant hereby agrees that the Participant shall make no disposition of the Shares (other than as permitted by this Agreement) unless and until the Participant shall have complied with all requirements of this Agreement applicable to the disposition of the Shares.

8. Nature of Grant. In accepting the RSU Award, the Participant acknowledges and agrees that:

(a) the Plan is established voluntarily by the Company, is discretionary in nature and may be amended, suspended or terminated by the Company at any time;

(b) the grant of the RSU Award is voluntary and occasional and does not create any contractual or other right to receive future RSU Awards, or benefits in lieu of RSU Awards, even if RSU Awards have been granted repeatedly in the past;

(c) all decisions with respect to future RSU Awards, if any, will be at the sole discretion of the Company;

(d) the Participant's participation in the Plan is voluntary;

(e) the future value of the Shares underlying the RSU Award is unknown and cannot be predicted with certainty;

(f) no claim or entitlement to compensation or damages shall arise from the forfeiture of the RSU Award resulting from a Termination of Service (for any reason whatsoever and whether or not in breach of local labor laws), and in consideration of the RSU Award to which the Participant is otherwise not entitled, the Participant irrevocably agrees never to institute any claim against the Company and/or the Employer, waives the Participant's ability, if any, to bring any such claim, and releases the Company and/or the Employer from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, the Participant shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claims; and

(g) for the Participants residing outside of the U.S.A.:

(A) the RSU Award and any Shares acquired under the Plan are not intended to replace any pension rights or compensation;

(B) the RSU Award is not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, dismissal, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to past services for the Employer, the Company or any Parent, Subsidiary or Affiliate; and

(C) in the event of the Participant's Termination of Service (whether or not in breach of local labor laws), the Participant's right to vest in the RSU Award under the Plan, if any, will terminate effective as of the date of Termination of Service and;

the Committee shall have the exclusive discretion to determine when the Participant is no longer actively providing service for purposes of this RSU Award.

9. No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Participant's participation in the Plan, or the sale of the Shares acquired upon vesting of the RSU Award. The Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

10. Data Privacy.

(a) The Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Participant's personal data as described in this Agreement and any other RSU Award materials by and among, as applicable, the Employer, the Company and its Parent, Subsidiaries and Affiliates for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan.

(b) The Participant understands that the Company and the Employer may hold certain personal information about the Participant, including, but not limited to, the Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all RSU Awards or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in the Participant's favor, for the exclusive purpose of implementing, administering and managing the Plan ("Data").

(c) The Participant understands that Data will be transferred to the Company stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. The Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections from the Participant's country. The Participant understands that he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. The Participant authorizes the Company, the Company stock plan service provider and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing his or her participation in the Plan. The Participant understands that Data will be held only as long as is necessary to implement, administer and manage the Participant's participation in the Plan. The Participant understands that he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. The Participant understands, however, that refusing or withdrawing his or her consent may affect the Participant's ability to participate in the Plan. For more information on the consequences of the Participant's refusal to consent or withdrawal of consent, the Participant understands that he or she may contact his or her local human resources representative.

11. Successors and Assigns. The Company may assign any of its rights under this Agreement. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth in this Agreement and in the Plan, this Agreement will be binding upon the Participant and the Participant's heirs, executors, administrators, legal representatives, successors and assigns.

12. Governing Law; Venue; Severability. This Agreement shall be governed by and construed in accordance with the internal laws of the State of California as such laws are applied to agreements between California residents entered into and to be performed entirely within California, excluding that body of laws pertaining to conflict of laws. For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by the RSU Award or this Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the State of California and agree that such litigation shall be conducted only in the courts of Santa Clara County, California, or the federal courts for the United States for the Northern District of California, and no other courts, where this Agreement is made and/or to be performed. If any provision of this Agreement is determined by a court of law to be illegal or unenforceable, then such provision will be enforced to the maximum extent possible and the other provisions will remain fully effective and enforceable.

13. Notices. Any notice required to be given or delivered to the Company shall be in writing and addressed to the Vice President of Finance of the Company at its corporate offices at 847 Gibraltar Drive, Milpitas, California 95035. Any notice required to be given or delivered to the Participant shall be in writing and addressed to the Participant at the address indicated on the signature page hereto or to such other address as the Participant may designate in writing from time to time to the Company. All notices shall be deemed effectively given upon personal delivery, three (3) days after deposit in the United States mail by certified or registered mail (return receipt requested), one (1) business day after its deposit with any return receipt express courier (prepaid), or one (1) business day after transmission by facsimile.

14. Headings. The captions and headings of this Agreement are included for ease of reference only and will be disregarded in interpreting or construing this Agreement. All references herein to Sections will refer to Sections of this Agreement.

15. Language . If the Participant has received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different from the English version, the English version will control.

16. Electronic Delivery . The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

17. Exhibit A . Notwithstanding any provision in this Agreement to the contrary, the RSU Award shall be subject to any special terms and provisions as set forth in Exhibit A to this Agreement for the Participant's country. Moreover, if the Participant relocates to one of the countries included in Exhibit A, the special terms and conditions for such country will apply to the Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan. Exhibit A constitutes part of this Agreement.

18. Code Section 409A . With respect to U.S. taxpayers, it is intended that the terms of the RSU Award will comply with the provisions of Section 409A of the Code and the Treasury Regulations relating thereto so as not to subject the Participant to the payment of additional taxes and interest under Section 409A of the Code, and this Agreement will be interpreted, operated and administered in a manner that is consistent with this intent. In furtherance of this intent, the Committee may adopt such amendments to this Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, in each case, without the consent of the Participant, that the Committee determines are reasonable, necessary or appropriate to comply with the requirements of Section 409A of the Code and related U.S. Department of Treasury guidance. In that light, the Company makes no representation or covenant to ensure that the RSU Awards that are intended to be exempt from, or compliant with, Section 409A of the Code are not so exempt or compliant or for any action taken by the Committee with respect thereto.

19. Imposition of Other Requirements . The Company reserves the right to impose other requirements on the Participant's participation in the Plan, on the RSU Award and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

20. Entire Agreement . The Plan and this Agreement, together with all its Exhibits, constitute the entire agreement and understanding of the parties with respect to the subject matter of this Agreement, and supersede all prior understandings and agreements, whether oral or written, between the parties hereto with respect to the specific subject matter hereof.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the Effective Date.

FLEX LTD.		**PARTICIPANT**	
By:	__________	By:	__________
Name:	__________	Name:	__________
Title:	__________	Title:	__________

FLEX LTD. 2017 EQUITY INCENTIVE PLAN

EXHIBIT A TO THE

RESTRICTED SHARE UNIT AWARD AGREEMENT FOR NON-U.S. PARTICIPANTS

Terms and Conditions

This Exhibit A includes additional terms and conditions that govern the RSU Award granted to the Participant under the Plan if the Participant resides in one of the countries listed below. Certain capitalized terms used but not defined in this Exhibit A have the meanings set forth in the Plan and/or the Agreement.

Notifications

This Exhibit A also includes information regarding exchange controls and certain other issues of which the Participant should be aware with respect to his or her participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of July 2010. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Participant not rely on the information in this Exhibit A as the only source of information relating to the consequences of the Participant's participation in the Plan because the information may be out of date at the time that the RSU Award vests and Shares are issued to the Participant or the Participant sells Shares acquired upon vesting of the RSU Award under the Plan.

In addition, the information contained herein is general in nature and may not apply to the Participant's particular situation, and the Company is not in a position to assure the Participant of a particular result. Accordingly, the Participant is advised to seek appropriate professional advice as to how the relevant laws in the Participant's country may apply to his or her situation.

Finally, if the Participant is a citizen or resident of a country other than the one in which he or she is currently working or transfers employment after the Date of Grant, the information contained herein may not be applicable to the Participant.

AUSTRIA

Notifications

Exchange Control Information . If the Participant holds Shares acquired under the Plan outside of Austria, the Participant must submit a report to the Austrian National Bank. An exemption applies if the value of the shares as of any given quarter does not exceed €30,000,000 or as of December 31 does not exceed €5,000,000. If the former threshold is exceeded, quarterly obligations are imposed, whereas if the latter threshold is exceeded, annual reports must be given. The annual reporting date is December 31 and the deadline for filing the annual report is March 31 of the following year.

When the Participant sells Vested Shares issued under the Plan, there may be exchange control obligations if the cash received is held outside Austria. If the transaction volume of all the Participant's accounts abroad exceeds €3,000,000, the movements and balances of all accounts must be reported monthly, as of the last day of the month, on or before the fifteenth day of the following month.

Consumer Protection Information . To the extent that the provisions of the Austrian Consumer Protection Act are applicable to the Agreement and the Plan, the Participant may be entitled to revoke his or her acceptance of the Agreement if the conditions listed below are met:

(i) If the Participant accepts the RSU Award outside of the business premises of the Company, the Participant may be entitled to revoke his or her acceptance of the Agreement, provided the revocation is made within one week after the Participant accepts the Agreement.

(ii) The revocation must be in written form to be valid. It is sufficient if the Participant returns the Agreement to the Company or the Company's representative with language that can be understood as the Participant's refusal to conclude or honor the Agreement, provided the revocation is sent within the period set forth above.

BRAZIL

Notifications

Compliance with Law. By accepting the RSU Award, the Participant acknowledges his or her agreement to comply with applicable Brazilian laws and to pay any and all applicable taxes associated with the RSU Award, the receipt of any dividends, and the sale of Vested Shares issued under the Plan.

Exchange Control Information . If the Participant is a resident or domiciled in Brazil, he or she will be required to submit an annual declaration of assets and rights held outside of Brazil to the Central Bank of Brazil if the aggregate value of such assets and rights is equal to or greater than US$100,000 (approximately BRL318,870 as of September 2017). Foreign individuals holding Brazilian visas are considered Brazilian residents for purposes of this reporting requirement and must declare at least the assets held abroad that were acquired subsequent to the Participant's date of admittance as a resident of Brazil. Assets and rights that must be reported include Shares issued upon vesting of the RSU Award under the Plan.

CANADA

Terms and Conditions

French Language Provision . The following provision will apply if the Participant is a resident of Quebec:

The parties acknowledge that it is their express wish that the Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir exigé la rédaction en anglais de cette convention, ainsi que de tous documents, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou liés directement ou indirectement à, la présente convention.

Termination of Service . This provision supplements Section 1.1(c) of the Agreement:

In the event of involuntary Termination of Service (whether or not in breach of local labor laws), the Participant's right to receive and vest in the RSU Award under the Plan, if any, will terminate effective as of the date that is the earlier of: (1) the date the Participant receives notice of Termination of Service from the Company or the Employer, or (2) the date the Participant is no longer actively providing service by the Company or his or her Employer regardless of any notice period or period of pay in lieu of such notice required under local law (including, but not limited to, statutory law, regulatory law and/or common law); the Committee shall have the exclusive discretion to determine when the Participant no longer actively providing service for purposes of the RSU Award.

Data Privacy. This provision supplements Section 9 of the Agreement:

The Participant hereby authorizes the Company and the Company's representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. The Participant further authorizes the Company, any Parent, Subsidiary or Affiliate and the Committee to disclose and discuss the Plan with their advisors. The Participant further authorizes the Company and any Parent, Subsidiary or Affiliate to record such information and to keep such information in the Participant's employee file.

Notifications

Grant of RSU Award . The RSU Award does not constitute compensation nor is in any way related to the Participant's past services and/or employment to the Company, the Employer, and/or a Parent, Subsidiary or Affiliate of the Company.

CHINA

Terms and Conditions

Issuance of Vested Shares and Sale of Shares . This provision supplements Section 1.1(d) of the Agreement:

Due to local regulatory requirements, upon the vesting of the RSU Award, the Participant agrees to the immediate sale of any Vested Shares to be issued to the Participant upon vesting and settlement of the RSU Award. The Participant further agrees that the Company is authorized to instruct its designated broker to assist with the mandatory sale of such Vested Shares (on the Participant's behalf pursuant to this authorization) and the Participant expressly authorizes the Company's designated broker to complete the sale of such Vested Shares. The Participant acknowledges that the Company's designated broker is under no obligation to arrange for the sale of the Vested Shares at any particular price. Upon the sale of the Vested Shares, the Company agrees to pay the Participant the cash proceeds from the sale, less any brokerage fees or commissions and subject to any obligation to satisfy Tax-Related Items.

Exchange Control Requirements . The Participant understands and agrees that, pursuant to local exchange control requirements, the Participant will be required to immediately repatriate the cash proceeds from the sale of Vested Shares underlying the RSU Award to China. The Participant further understands that, under local law, such repatriation of his or her cash proceeds may need to be effectuated through a special exchange control account established by the Company, any Parent, Subsidiary, Affiliate or the Employer, and the Participant hereby consents and agrees that any proceeds from the sale of Vested Shares may be transferred to such special account prior to being delivered to the Participant. The Company is under no obligation to secure any exchange conversion rate, and the Company may face delays in converting the proceeds to local currency due to exchange control restrictions in China. The Participant agrees to bear any currency fluctuation risk between the time the Vested Shares are sold and the time the sale proceeds are distributed through any such special exchange account. The Participant further agrees to comply with any other requirements that may be imposed by the Company in the future in order to facilitate compliance with exchange control requirements in China. These requirements will not apply to non-PRC citizens.

CZECH REPUBLIC

Notifications

Exchange Control Information. Upon request of the Czech National Bank, the Participant may need to file a notification within 15 days of the end of the calendar quarter in which he or she acquires Shares pursuant to the Plan.

DENMARK

Notifications

Danish Stock Options Act . The Participant will receive an Employer Statement pursuant to the Danish Act on Stock Options.

Exchange Control/Tax Reporting Information . If the Participant holds Shares acquired under the Plan in a brokerage account with a broker or bank outside Denmark, the Participant is required to inform the Danish Tax Administration about the account. For this purpose, the Participant must file a Form V (*Erklaering V*) with the Danish Tax Administration. The Form V must be signed both by the Participant and by the applicable broker or bank where the account is held. By signing the Form V, the broker or bank undertakes to forward information to the Danish Tax Administration concerning the Vested Shares in the account without further request each year. By signing the Form V, the Participant authorizes the Danish Tax Administration to examine the account. A sample of the Form V can be found at the following website: www.skat.dk.

In addition, if the Participant opens a brokerage account (or a deposit account with a U.S. bank) for the purpose of holding cash outside Denmark, the Participant is also required to inform the Danish Tax Administration about this account. To do so, the Participant must also file a Form K (*Erklaering K*) with the Danish Tax Administration. The Form K must be signed both by the Participant and by the applicable broker or bank where the account is held. By signing the Form K, the broker/bank undertakes an obligation, without further request each year, to forward information to the Danish Tax Administration concerning the content of the account. By signing the Form K, the Participant authorizes the Danish Tax Administration to examine the account. A sample of Form K can be found at the following website: www.skat.dk.

FINLAND

There are no country specific provisions.

FRANCE

Term and Conditions

Language Consent . By accepting the RSU Award, the Participant confirms having read and understood the documents relating to this grant (the Plan, the Agreement and this Exhibit A) which were provided in English language. The Participant accepts the terms of those documents accordingly.

En acceptant l'attribution, vous confirmez ainsi avoir lu et compris les documents relatifs à cette attribution (le Plan, le contrat et cette Annexe) qui ont été communiqués en langue anglaise. Vous acceptez les termes en connaissance de cause.

GERMANY

Notifications

Exchange Control Information . Cross-border payments in excess of €12,500 must be reported monthly to the German Federal Bank. If the Participant uses a German bank to effect a cross-border payment in excess of €12,500 in connection with the sale of Shares acquired under the Plan, the bank will make the report for the Participant. In addition, the Participant must report any receivables or payables or debts in foreign currency exceeding an amount of €5,000,000 on a monthly basis. Finally, the Participant must report Shares on an annual basis that exceeds 10% of the total voting capital of the Company.

HONG KONG

Terms and Conditions

Warning: The RSU Award and Shares acquired upon vesting of the RSU Award do not constitute a public offering of securities under Hong Kong law and are available only to employees of the Company, its Parent, Subsidiary or Affiliates. The Agreement, including this Exhibit A, the Plan and other incidental communication materials have not been prepared in accordance with and are not intended to constitute a "prospectus" for a public offering of securities under the applicable securities legislation in Hong Kong. Nor have the documents been reviewed by any regulatory authority in Hong Kong. The RSU Award is intended only for the personal use of each eligible Employee of the Employer, the Company or any Parent, Subsidiary or Affiliate and may not be distributed to any other person. If the Participant is in any doubt about any of the contents of the Agreement, including this Exhibit A, or the Plan, the Participant should obtain independent professional advice.

Sale Restriction. Notwithstanding anything contrary in the Notice, the Agreement or the Plan, in the event the Participant's RSU Award vests such that Vested Shares are issued to the Participant or his or her heirs and representatives within six months of the Date of Grant, the Participant agrees that the Participant or his or her heirs and representatives will not dispose of any Vested Shares acquired prior to the six-month anniversary of the Date of Grant.

Notifications

Nature of Scheme . The Company specifically intends that the Plan will not be an occupational retirement scheme for purposes of the Occupational Retirement Schemes Ordinance.

HUNGARY

There are no country specific provisions.

INDIA

Notifications

Exchange Control Information. The Participant must repatriate the proceeds from the sale of Vested Shares acquired under the Plan within 90 days after receipt. The Participant must maintain the foreign inward remittance certificate received from the bank where the foreign currency is deposited in the event that the Reserve Bank of India or the Employer requests proof of repatriation. It is the Participant's responsibility to comply with applicable exchange control laws in India.

IRELAND

Notifications

Director Notification Obligation . Directors, shadow directors and secretaries of the Company's Irish Subsidiary or Affiliate are subject to certain notification requirements under the Irish Companies Act. Directors, shadow directors and secretaries must notify the Irish Subsidiary or Affiliate in writing of their interest in the Company and the number and class of Shares or rights to which the interest relates within five days of the issuance or disposal of Shares or within five days of becoming aware of the event giving rise to the notification. This disclosure requirement also applies to any rights or Shares acquired by the director's spouse or children (under the age of 18).

ISRAEL

There are no country specific provisions.

ITALY

Terms and Conditions

Data Privacy. This provision replaces Section 9 of the Agreement:

The Participant understands that the Company and the Employer as the Privacy Representative of the Company in Italy, may hold certain personal information about the Participant, including, but not limited to, the Participant's name, home address and telephone number, date of birth, social insurance or other identification number, salary, nationality, job title, any Shares or directorships held in the Company or any Parent, Subsidiary or Affiliate, details of all RSU Awards or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in the Participant's favor, and that the Company and the Employer will process said data and other data lawfully received from third party ("Personal Data") for the exclusive purpose of managing and administering the Plan and complying with applicable laws, regulations and Community legislation. The Participant also understands that providing the Company with Personal Data is mandatory for compliance with laws and is necessary for the performance of the Plan and that the Participant's denial to provide Personal Data would make it impossible for the Company to perform its contractual obligations and may affect the Participant's ability to participate in the Plan. The Participant understands that Personal Data will not be publicized, but it may be accessible by the Employer as the Privacy Representative of the Company and within the Employer's organization by its internal and external personnel in charge of processing, and by the data Processor, if appointed. The updated list of Processors and of the subjects to which Data are communicated will remain available upon request at the Employer. Furthermore, Personal Data may be transferred to banks, other financial institutions or brokers involved in the management and administration of the Plan. The Participant understands that Personal Data may also be transferred to the independent registered public accounting firm engaged by the Company, and also to the legitimate addressees under applicable laws. The Participant further understands that the Company and any Parent, Subsidiary or Affiliate will transfer Personal Data amongst themselves as necessary for the purpose of implementation, administration and management of the Participant's participation in the Plan, and that the Company and any Parent, Subsidiary or Affiliate may each further transfer Personal Data to third parties assisting the Company in the implementation, administration and management of the Plan, including any requisite transfer of Personal Data to a broker or other third party with whom the Participant may elect to deposit any Vested Shares acquired under the Plan or any proceeds from the sale of such Shares. Such recipients may receive, possess, use, retain and transfer Personal Data in electronic or other form, for the purposes of implementing, administering and managing the Participant's participation in the Plan. The Participant understands that these recipients may be acting as Controllers, Processors or persons in charge of processing, as the case may be, according to applicable privacy laws, and that they may be located in or outside the European Economic Area, such as in the United States or elsewhere, in countries that do not provide an adequate level of data protection as intended under Italian privacy law.

Should the Company exercise its discretion in suspending all necessary legal obligations connected with the management and administration of the Plan, it will delete Personal Data as soon as it has accomplished all the necessary legal obligations connected with the management and administration of the Plan.

The Participant understands that Personal Data processing related to the purposes specified above shall take place under automated or non-automated conditions, anonymously when possible, that comply with the purposes for which Personal Data is collected and with confidentiality and security provisions as set forth by applicable laws and regulations, with specific reference to Legislative Decree no. 196/2003.

The processing activity, including communication, the transfer of Personal Data abroad, including outside of the European Economic Area, as specified herein and pursuant to applicable laws and regulations, does not require the Participant's consent thereto as the processing is necessary to performance of law and contractual obligations related to implementation, administration and management of the Plan. The Participant understands that, pursuant to section 7 of the Legislative Decree no. 196/2003, he or she has the right at any moment to, including, but not limited to, obtain confirmation that Personal Data exists or not, access, verify its contents, origin and accuracy, delete, update, integrate, correct, blocked or stop, for legitimate reason, the Personal Data processing. To exercise privacy rights, the Participant should contact the Employer. Furthermore, the Participant is aware that Personal Data will not be used for direct marketing purposes. In addition, Personal Data provided can be reviewed and questions or complaints can be addressed by contacting the Participant's human resources department.

Plan Document Acknowledgement . The Participant acknowledges that the Participant has read and specifically and expressly approves the following sections of the Agreement: Section 1: Grant of RSU Award; Section 2: Delivery; Section 3: Compliance with Laws and Regulations; Section 4: Rights as Shareholder; Section 5: Stop-Transfer Orders; Section 6: Taxes and Disposition of Shares; Section 7: Nature of Grant; Section 8: No advice Regarding Grant; Section 11: Governing Law; Venue; Section 15: Electronic Delivery; Section 16: Exhibit A; Section 18: Imposition of Other Requirements; and the Data Privacy section of this Exhibit A.

Notifications

Exchange Control Information . To participate in the Plan, the Participant must comply with exchange control regulations in Italy. The Participant is required to report in his or her annual tax return: (a) any transfers of cash or Vested Shares to or from Italy exceeding €10,000; (b) any foreign investments or investments held outside of Italy at the end of the calendar year exceeding €10,000 if such investments (Vested Shares) that may give rise to taxable income in Italy that combined with other foreign assets exceeds €10,000; and (c) the amount of the transfers to and from Italy which have had an impact during the calendar year on the Participant's foreign investments or investments held outside of Italy. The Participant may be exempt from the requirement in (a) if the transfer or investment is made through an authorized broker resident in Italy, as the broker will generally comply with the reporting obligation on his or her behalf.

JAPAN

There are no country specific provisions.

KOREA

Notifications

Exchange Control Information . If the Participant realizes US$500,000 (approximately KRW 571,700,000 as of September 2017) or more from the sale of Shares, Korean exchange laws require the Participant to repatriate the proceeds to Korea within eighteen months of the sale.

MALAYSIA

Notifications

Malaysian Insider Trading Notification. The Participant should be aware of the Malaysian insider-trading rules, which may impact his or her acquisition or disposal of Shares or rights to Shares under the Plan. Under the Malaysian insider-trading rules, the Participant is prohibited from selling Shares when he or she is in possession of information which is not generally available and which he or she knows or should know will have a material effect on the value of the Shares once such information is generally available.

Director Notification Obligation. If the Participant is a director of the Company's Malaysian Subsidiary, he or she is subject to certain notification requirements under the Malaysian Companies Act. Among these requirements is an obligation to notify the Malaysian Subsidiary in writing when the Participant receives or disposes of an interest (*e.g.* , RSU Award, Shares) in the Company or any related company. Such notifications must be made within 14 days of receiving or disposing of any interest in the Company or any related company.

MEXICO

Terms and Conditions

No Entitlement for Claims or Compensation . The following section supplements Section 7 of the Agreement:

Modification . By accepting the RSU Award, the Participant understands and agrees that any modification of the Plan or the Agreement or its termination shall not constitute a change or impairment of the terms and conditions of employment.

Policy Statement . The RSU Award grant the Company is making under the Plan is unilateral and discretionary and, therefore, the Company reserves the absolute right to amend it and discontinue it at any time without any liability.

The Company, with registered offices at One Marina Boulevard, #28-00, Singapore 018989, is solely responsible for the administration of the Plan, and participation in the Plan and the grant of the RSU Award do not, in any way, establish an employment relationship between the Participant and the Company since he or she is participating in the Plan on a wholly commercial basis and the sole employer is Availmed Servicios S.A. de C.V., Grupo Flextronics S.A. de C.V., Flextronics Servicios Guadalajara S.A. de C.V., Flextronics Servicios Mexico S. de R.L. de C.V. and Flextronics Aguascalientes Servicios S.A. de C.V., nor does it establish any rights between the Participant and the Employer.

Plan Document Acknowledgment . By accepting the RSU Award, the Participant acknowledges that he or she has received copies of the Plan, has reviewed the Plan and the Agreement in their entirety, and fully understands and accepts all provisions of the Plan and the Agreement.

In addition, the Participant further acknowledges that he or she has read and specifically and expressly approves the terms and conditions in the Nature of Grant section of the Agreement, in which the following is clearly described and established: (i) participation in the Plan does not constitute an acquired right; (ii) the Plan and participation in the Plan is offered by the Company on a wholly discretionary basis; (iii) participation in the Plan is voluntary; and (iv) the Company and any Parent, Subsidiary or Affiliates are not responsible for any decrease in the value of the Shares acquired upon vesting of the RSU Award.

Finally, the Participant hereby declares that he or she does not reserve any action or right to bring any claim against the Company for any compensation or damages as a result of his or her participation in the Plan and therefore grants a full and broad release to the Employer, the Company and any Parent, Subsidiary or Affiliates with respect to any claim that may arise under the Plan.

Spanish Translation

Condiciones y duración

Sin derecho a reclamo o compensación : La siguiente sección complementa la sección 7 de este Acuerdo:

Modificación : Al aceptar el Otorgamiento de Acciones por Bonificación, el Participante entiende y acuerda que cualquier modificación del Plan o del Acuerdo o su extinción, no constituirá un cambio o disminución de los términos y condiciones de empleo.

Declaración de Política : El Otorgamiento de Acciones por Bonificación por parte de la Compañía es efectuada bajo el Plan en forma unilateral y discrecional y por lo tanto, la Compañía se reserva el derecho absoluto de modificar y discontinuar el Otorgamiento de Acciones en cualquier momento sin responsabilidad alguna hacia la Compañía.

La Compañía, con oficinas registradas en One Marina Boulevard, #28-00, Singapore 018989 es la única responsable de la administración de los Planes y de la participación en los mismos y el otorgamamiento de el Otorgamiento de Acciones por Bonificación no establece de forma alguna una relación de trabajo entre el Participante y la Compañía, ya que su participación en el Plan es completamente comercial y el único empleador es Availmed Servicios S.A. de C.V., Grupo Flextronics S.A. de C.V., Flextronics Servicios Guadalajara S.A. de C.V., Flextronics Servicios Mexico S. de R.L. de C.V. and Flextronics Aguascalientes, así como tampoco establece ningún derecho entre el Participante y el Empleador.

Reconocimiento del Documento del Plan . Al aceptar la el Otorgamiento de Acciones por Bonificación, el Participante reconoce que ha recibido copias de los Planes, ha revisado los mismos, al igual que la totalidad del Acuerdo y, que ha entendido y aceptado completamente todas las disposiciones contenidas en los Planes y en el Acuerdo.

Además, el Partcipante reconoce que ha leído, y que aprueba específica y expresamente los términos y condiciones contenidos en la sección Naturaleza del Orotgamiento en el cual se encuentra claramente descripto y establecido lo siguiente: (i) la participación en los Planes no constituye un derecho adquirido; (ii) los Planes y la participación en los mismos es ofrecida por la Compañía de forma enteramente discrecional; (iii) la participación en los Planes es voluntaria; y (iv) la Compañía, así como su Sociedad controlante, Subsidiaria o Filiales no son responsables por cualquier disminución en el valor de las Acciones adquiridas a través del conferimiento del Otorgamiento de Acciones por Bonificación.

Finalmente, el Partcipante declara que no se reserva ninguna acción o derecho para interponer una demanda en contra de la Compañía por compensación, daño o perjuicio alguno como resultado de su participación en el Plan y, en consecuencia, otorga el más amplio finiquito al Empleador, así como a la Compañía, a su Sociedad controlante, Subsidiaria o Filiales con respecto a cualquier demanda que pudiera originarse en virtud de los Planes.

NETHERLANDS

Notifications

Securities Law Information. The Participant should be aware of the Dutch insider-trading rules, which may impact the sale of Shares acquired under the Plan. In particular, the Participant may be prohibited from effectuating certain transactions if the Participant has inside information about the Company.

Under Article 5:56 of the Dutch Financial Supervision Act, anyone who has "insider information" related to an issuing company is prohibited from effectuating a transaction in securities in or from the Netherlands. "Inside information" is defined as knowledge of specific information concerning the issuing company to which the securities relate or the trade in securities issued by such company, which has not been made public and which, if published, would reasonably be expected to affect the share price, regardless of the development of the price. The insider could be any Employee in the Netherlands who has inside information as described herein.

Given the broad scope of the definition of inside information, certain Employees working at a Parent, Subsidiary or Affiliate in the Netherlands may have inside information and, thus, would be prohibited from effectuating a transaction in securities in the Netherlands at a time when the Participant has such inside information.

If the Participant is uncertain whether the insider-trading rules apply to him or her, he or she should consult his or her personal legal advisor.

NORWAY

There are no country specific provisions.

POLAND

Terms and Conditions

Restriction on Type of Shares Issued . Due to tax regulations in Poland, as necessary, the Participant's Vested Shares will be settled in newly issued Shares only. Treasury Shares will not be used to satisfy the RSU Award upon vesting.

ROMANIA

Notifications

Exchange Control Information. If the Participant remits foreign currency into or out of Romania (*e.g* ., the proceeds from the sale of his or her Vested Shares), the Participant may have to provide the Romanian bank assisting with the transaction with appropriate documentation explaining the source of the income. *The Participant should consult his or her personal legal advisor to determine whether the Participant will be required to submit such documentation to the Romanian bank* .

SINGAPORE

Notifications

Securities Law Information . The RSU Award is being granted to the Participant pursuant to the "Qualifying Person" exemption under section 273(1)(f) of the Singapore Securities and Futures Act (Chapter 289, 2006 Ed.) ("SFA"). The Plan have not been lodged or registered as a prospectus with the Monetary Authority of Singapore. The Participant should note that the RSU Award is subject to section 257 of the SFA and the Participant will not be able to make any subsequent sale in Singapore of the Shares acquired under the Plan, or any offer of such subsequent sale of the Shares acquired under the Plan unless such sale or offer in Singapore is made pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the SFA (Cap 289, 2006 Ed.).

Director Notification Obligation. If the Participant is a director, associate director or shadow director of the Company or a Singapore Subsidiary or Affiliate, the Participant is subject to certain notification requirements under the Singapore Companies Act. Among these requirements is an obligation to notify the Company or the Singaporean Subsidiary or Affiliate in writing when the Participant receives an interest (*e.g* ., RSU Award, Shares) in the Company or any related companies. Please contact the Company to obtain a copy of the notification form. In addition, the Participant must notify the Company or the Singapore Subsidiary or Affiliate when the Participant sells Shares of the Company or any related company (including when the Participant sell Shares acquired under the Plan). These notifications must be made within two days of acquiring or disposing of any interest in the Company or any related company. In addition, a notification must be made of the Participant's interests in the Company or any related company within two days of becoming a director.

SLOVAK REPUBLIC

There are no country specific provisions.

SOUTH AFRICA

Terms and Conditions

Tax Obligations . The following provision supplements Section 6.1 of the Agreement:

By accepting the RSU Award, the Participant agrees to notify the Employer of the amount of any gain realized at vesting and settlement of the RSU Award. If the Participant fails to advise the Employer of the gain realized at vesting and settlement of the RSU Award, he or she may be liable for a fine.

Notifications

Exchange Control Information. *The Participant should consult his or her personal advisor to ensure compliance with applicable exchange control regulations in South Africa, as such regulations are subject to frequent change* . The Participant is solely responsible for complying with all exchange control laws in South Africa, and neither the Company nor the Employer will be liable for any fines or penalties resulting from the Participant's failure to comply with South African exchange control laws.

SWEDEN

There are no country specific provisions.

SWITZERLAND

Notifications

Securities Law Information . The RSU Award is considered a private offering in Switzerland; therefore, it is not subject to registration.

TAIWAN

Notifications

Exchange Control Information . The Participant may acquire and remit foreign currency (including proceeds from the sale of Shares) into and out of Taiwan up to US$5,000,000 (approximately TWD 151,565,000 as of September 2017) per year. If the transaction amount is TWD 500,000 or more in a single transaction, the Participant must submit a Foreign Exchange Transaction Form and also provide supporting documentation to the satisfaction of the remitting bank.

TURKEY

Notifications

Securities Law Information . Under Turkish law, the Participant is not permitted to sell the Shares acquired under the Plan in Turkey.

UNITED KINGDOM

Terms and Conditions

Tax Obligations. The following provisions supplement Section 6.1 of the Agreement:

The Participant agrees that, if Participant does not pay or the Employer or the Company does not withhold from the Participant the full amount of Tax-Related Items that the Participant owes at vesting/settlement of the RSU Award, or the release or assignment of the RSU Award for consideration, or the receipt of any other benefit in connection with the RSU Award (the "Taxable Event") within 90 days after the Taxable Event, or such other period specified in section 222(1)(c) of the U.K. Income Tax (Earnings and Pensions) Act 2003, then the amount that should have been withheld shall constitute a loan owed by the Participant to the Employer, effective 90 days after the Taxable Event. The Participant agrees that the loan will bear interest at the HMRC's official rate and will be immediately due and repayable by the Participant, and the Company and/or the Employer may recover it at any time thereafter by withholding the funds from salary, bonus or any other funds due to the Participant by the Employer, by withholding from the cash proceeds from the sale of Vested Shares or by demanding cash or a check from the Participant. The Participant also authorizes the Company to delay the issuance of any Vested Shares unless and until the loan is repaid in full.

Notwithstanding the foregoing, if the Participant is an officer or executive director (as within the meaning of section 13(k) of the U.S. Securities and Exchange Act of 1934, as amended), the terms of the immediately foregoing provision will not apply. In the event that the Participant is an officer or executive director and Tax-Related Items are not collected from or paid by Participant within 90 days of the Taxable Event, the amount of any uncollected Tax-Related Items may constitute a benefit to the Participant on which additional income tax and National Insurance Contributions may be payable. The Participant acknowledges that the Company or the Employer may recover any such additional income tax and National Insurance Contributions at any time thereafter by any of the means referred to in Section 6.1 Agreement, although the Participant acknowledges that he/she ultimately will be responsible for reporting any income tax or National Insurance Contributions due on this additional benefit directly to the HMRC under the self-assessment regime.

National Insurance Contributions Acknowledgment. As a condition of participation in the Plan and the vesting of the RSU Award, the Participant agrees to accept any liability for secondary Class 1 National Insurance Contributions which may be payable by the Company and/or the Employer in connection with the RSU Award and any event giving rise to Tax-Related Items (the "Employer NICs"). To accomplish the foregoing, the Participant agrees to execute a joint election with the Company, the form of such joint election being formally approved by HMRC (the "Joint Election"), and any other required consent or election. The Participant further agrees to execute such other joint elections as may be required between the Participant and any successor to the Company and/or the Employer. The Participant further agrees that the Company and/or the Employer may collect the Employer NICs from the Participant by any of the means set forth in Section 6.1 of the Agreement.

If the Participant does not enter into a Joint Election prior to vesting of the RSU Award or if approval of the Joint Election has been withdrawn by HMRC, the RSU Award shall become null and void without any liability to the Company and/or the Employer and the Company may choose not to issue or deliver Shares upon vesting of the RSU Award.

FLEX LTD.

EXECUTIVE SEVERANCE PLAN

(Effective Date: January 18, 2019)

In order to encourage the retention of key management employees of Flex Ltd., a Singapore registered public company limited by shares and having company registration no. 199002645H (the " **Company** "), the Company has adopted this Executive Severance Plan (this " **Plan** "). The purpose of the Plan is to provide severance benefits to a group of employees of the Company and its participating Affiliates (as defined below) and the Plan is intended to be subject to ERISA as an unfunded employee welfare benefit plan primarily providing benefits for certain management or highly compensated employees.

1. ELIGIBILITY . Participants in this Plan are those individuals who (a) are classified as employees of the Company or one of its Affiliates who are at or above Grade 35, but not including the Chief Executive Officer of the Company (the " **CEO** "), and (b) whose employment is terminated by the Company Without Cause or who voluntarily terminate their employment for Good Reason, as the terms are defined in Section 2 of this Plan (the " **Participant** " or " **Participants** "). Notwithstanding the foregoing, this Plan shall not apply to any person who is party to another plan or agreement providing for severance benefits and such person shall not be eligible to receive any benefits under this Plan. This exclusion does not apply to severance benefits plans funded in whole or in part by Participants, such as 401(k)s, IRAs, Non-Qualified Deferred Compensation Plans, etc.

The Plan and the Plan Documents are written based on the provisions of US law and the concept of "at-will" employment, but will be modified to meet local legal requirements, provided that the broad principles and the amounts payable under this Plan are expected to be followed to the maximum extend permissible by law.

2. TERMINATION OF EMPLOYMENT .

(a) ***General; Termination Without Cause or Voluntary Termination for Good Reason*** . In the event of a termination without Cause (as defined below) or a voluntary termination for Good Reason (as defined below), the Participant will be required to sign a Transition and Release Agreement in a form provided by the Company (the " **Transition Agreement** ") pursuant to which the Participant agrees to provide transition services to the Company consistent with the Plan for a period of 12 months (or such shorter or longer period as set forth in the Transition Agreement) following termination of employment (the " **Transition Period** ") in order to receive benefits under this Plan.

(b) ***Termination Without Cause*** . The Company will provide written notice to Participant of the Company's election to terminate Participant's employment without Cause and simultaneously provide Participant with the Transition Agreement.

(i) If Participant is presented with and executes the Transition Agreement within the applicable review period, Participant's employment status and compensation and benefits shall be governed by the terms of the Transition Agreement.

(ii) If Participant is presented with and does not execute the Transition Agreement within the applicable review period, Participant's employment will terminate without Cause immediately following expiration of the applicable review period. Participant will not be entitled to any of the payments or benefits under the Transition Agreement. Participant shall be paid only (1) any earned but unpaid base salary and any outstanding expense reimbursements submitted and approved in accordance with the Company's expense reimbursement policies, (2) any accrued and unused paid time off, and (3) other unpaid vested amounts or benefits under the Company's or any of its Affiliates' compensation, incentive and benefit plans in which Participant participates, in each case as of the effective date of such termination.

(c) ***Voluntary Termination For Good Reason*** . Participant must provide written notice to the Company of a Good Reason condition and at least thirty (30) days' written notice to the Company of Participant's election to terminate employment, in accordance with Section 8(c) hereof, within 90 days after the initial existence of the condition. If the specified condition remains uncorrected for 30 days after the Company receives such notice, the Company shall provide Participant with the Transition Agreement. For the avoidance of doubt, the Company may notify Participant before the correction period expires that it will not correct the circumstance and the correction period shall end immediately.

(i) If Participant is presented with and executes the Transition Agreement within the applicable review period, Participant's employment status and compensation and benefits shall be governed by the terms of the Transition Agreement.

(ii) If Participant is presented with and does not execute the Transition Agreement within the applicable review period, Participant's employment will terminate immediately following expiration of the applicable review period. Participant will not be entitled to any of the payments or benefits under the Transition Agreement. Participant shall be paid only the amounts and benefits above in Section 2(b)(ii) .

(iii) ***Termination for Cause, Voluntary Termination Other than for Good Reason, or Termination on Account of Death or Permanent Disability (as such terms are defined below)*** . In each such case, Participant or Participant's estate shall be paid only the amounts and benefits above in Section 2(b)(ii) (which, for the avoidance of doubt, to the extent applicable, may include pro rata vesting of performance-based restricted stock units (" **PSUs** ") upon a qualifying retirement as provided in the award agreements governing any outstanding PSUs), in each case as of the effective date of such termination. Neither the Company nor the Participant shall be party to or bound by the Transition Agreement.

3. BENEFITS PAYABLE UNDER EXECUTIVE SEVERANCE PLAN

Provided that Participant signs, does not revoke and complies with the terms of the Transition Agreement, including remaining employed through the Transition Period and refraining from conduct prohibited under this Plan and/or the Transition Agreement, the Company will provide the following benefits:

(a) Continuation of base salary and benefits coverage for 12 months during the Transition Period;

(b) Continued vesting in the Restricted Stock Units (" **RSUs** "), Performance Stock Units (" **PSUs** "), Free Cash Flow (" **FCF** ") and Deferred Compensation (" **DC** ") plans, per plan rules and Company's policies, during the Transition Period;

(c) Payment of the quarterly component of the Quarterly Bonus for any full quarter completed prior to the commencement of the Transition Period, and a pro-rated portion of the Participant's annual bonus to cover the annual bonus portion of quarters for which Participant received a quarterly bonus, as calculated and determined per plan rules and Company's policies. Participant shall cease to be eligible for any bonuses for any period commencing on or after the start of the Transition Period;

(d) Acceleration of one year of RSU and DC values for the year following the Transition Period. This benefit is subject to Participant signing an additional Release of Claims and re-affirmation of compliance with Participant's obligations after the conclusion of the Transition Period; and

(e) Continued provision of indemnification as provided by Company's indemnification policy.

Other than as set forth above, all incentives due to vest after the Transition Period and any and all remaining unvested incentives not set forth in the Transition Agreement will expire as set forth by plan rules without any additional compensation.

4. EXECUTIVE'S OBLIGATIONS TO RECEIVE BENEFITS UNDER EXECUTIVE SEVERANCE PLAN

In order to be eligible for benefits under this Plan, Participant will be required to comply with the terms and conditions outlined below and more fully set forth in the Transition Agreement that Participant will be required to sign. Failure to comply with the obligations set forth in the Transition Agreement may result in suspension of benefits, claw back of all or some of the benefits already provided, to the extent allowed by law, and appropriate legal action.

(a) During the Transition Period, Participant may not

(i) provide services of any kind for competing firms, suppliers, and/or customers without Prior Approval (as defined below). For the avoidance of any doubt, Participant shall also obtain Prior Confirmation (as defined below) regarding whether a potential employer is considered a competing firm, supplier or customer of Flex;

(ii) solicit or recruit Flex employees, contractors, etc., without Prior Approval; or

(iii) solicit business from Flex customers or suppliers without Prior Approval.

(b) Participant shall not use or disclose Flex or customer confidential information before, during and after the Transition Period.

(c) Participant shall cooperate with the Company in any investigation, litigation or other proceeding; provide testimony as may be required, and notify the Company should Participant become aware of any investigation, litigation or other proceeding or be subject to any subpoena or legally compulsive process seeking disclosure of confidential information.

(d) Participant shall provide transition duties as set forth in the Transition Agreement.

(e) Participant shall not disparage the Company.

(f) Participant shall return to the Company all Company documents, badges, devices and equipment.

5. DISPUTE RESOLUTION .

(a) To the extent permitted by applicable law and to the extent that the enforceability of this Plan is not thereby impaired, any and all disputes, controversies or claims between a Participant and the Company or any of its Affiliates arising out of, or relating to, the terms, conditions, commencement, termination, or any other aspect of Participant's employment or engagement with the Company or any of its Affiliates (including but not limited to any disputes arising under this Plan), except those arising under Section 5(d) hereof, shall be determined exclusively by final and binding arbitration before a single arbitrator in accordance with the applicable Arbitration Rules and Procedures, or successor rules then in effect, of Judicial Arbitration and Mediation Services, Inc. (" **JAMS** ") and judgment upon the award of the arbitrator may be rendered in any court of competent jurisdiction. As a material part of this agreement to arbitrate claims, the parties expressly waive all rights to a jury trial in court on all statutory or other claims. This Section 5 does not purport to limit either party's ability to recover any remedies provided for by applicable statute, including attorneys' fees.

(b) The arbitration shall be held in the San Jose, California metropolitan area, and shall be administered by JAMS or, in the event JAMS does not then conduct arbitration proceedings, a similarly reputable arbitration administrator. Under such proceeding, the parties shall select a mutually acceptable, neutral arbitrator from among the JAMS panel of arbitrators. Except as provided herein, the Federal Arbitration Act shall govern the interpretation and enforcement of such arbitration proceeding. The arbitrator shall apply the substantive law (and the law of remedies, if applicable) of the State of California or federal law as applicable, and the arbitrator is without jurisdiction to apply any different substantive law. The parties agree that they will be allowed to engage in adequate discovery, the scope of which will be determined by the arbitrator, consistent with the nature of the claims in dispute and the efficiencies that arbitration is designed to promote. The arbitrator shall have the authority to entertain a motion to dismiss and/or a motion for summary judgment by any party and shall apply the standards governing such motions under the Federal Rules of Civil Procedure. The arbitrator shall render an award that shall include a written statement of opinion setting forth the arbitrator's findings of fact and conclusions of law. Judgment upon the award may be entered in any court having jurisdiction thereof. The parties intend this arbitration provision to be valid, enforceable, irrevocable and construed as broadly as possible.

(c) The Company shall be responsible for payment of the arbitrator's fees as well as all administrative fees associated with the arbitration. The parties shall be responsible for their own attorneys' fees and costs (including expert fees and costs). However, the arbitrator will have the authority to award attorneys' fees to the prevailing party, if the arbitrator finds that the non-prevailing party has acted in bad faith.

(d) The parties agree, however, that damages would be an inadequate remedy for the Company or any of its Affiliates in the event of a breach or threatened breach of any provision of any proprietary information and/or inventions agreement entered into by Participant. In the event of any such breach or threatened breach, the Company or any of its Affiliates may, either with or without pursuing any potential damage remedies, obtain from a court of competent jurisdiction, and enforce, an injunction prohibiting Participant from violating any provision of any proprietary information agreement and requiring Participant to comply with the terms of that agreement.

6. ADMINISTRATION OF PLAN; CLAIMS PROCEDURE .

(a) <u>General</u> . Except as specifically provided herein, the Plan shall be administered by the Compensation Committee of the Board (the " **Committee** "). The Committee may delegate any administrative duties, including, without limitation, duties with respect to the processing, review, investigation, approval and payment of severance benefits, to designated individuals or committees. The Committee shall be the "administrator" and a "named fiduciary" under the Plan for purposes of ERISA (as defined below).

(b) <u>Interpretations and Variations</u> . The Committee shall have the duty and authority to interpret and construe, in its sole discretion, the terms of the Plan in regard to all questions of eligibility, the status and rights of Participants, and the manner, time and amount of any payment under the Plan. The Committee or its representative shall decide any issues arising under this Plan, and the decision of the Committee shall be binding and conclusive on the Participants and the Company. Any variations from the Plan may be made only by the Committee in its sole discretion.

(c) <u>Filing a Claim</u> . It is not normally necessary to file a claim in order to receive benefits under this Plan; however, if a Participant (the " **Claimant** ") feels he or she has been improperly denied severance benefits, any claim for payment of severance benefits shall be signed, dated and submitted to the General Counsel of the Company, as set forth in <u>Section 8(c)</u> hereof. The Committee shall then evaluate the claim and notify the Claimant of the approval or disapproval in accordance with the provisions of this Plan not later than 90 days after the Company's receipt of such claim unless special circumstances require an extension of time for processing the claims. If such an extension of time for processing is required, written notice of the extension shall be furnished to the Claimant prior to the termination of the initial 90-day period which shall specify the special circumstances requiring an extension and the date by which a final decision will be reached (which date shall not be later than 180 days after the date on which the claim was filed). If the Claimant does not provide all the necessary information for the Committee to process the claim, the Committee may request additional information and set deadlines for the Claimant to provide that information.

(d) <u>Notice of Initial Determination</u> . The Claimant shall be given a written notice in which the Claimant shall be advised as to whether the claim is granted or denied, in whole or in part. If a claim is denied, in whole or in part, the Claimant shall be given written notice which shall contain (i) the specific reasons for the denial, (ii) specific references to pertinent Plan provisions on which the denial is based, (iii) a description of any additional material or information necessary to perfect the claim and an explanation of why such material or information is necessary and (iv) an explanation of this Plan's appeal procedures, which shall also include a statement of the Claimant's right to bring a civil action under Section 502(a) of ERISA following a denial of the claim upon review.

(e) Right to Appeal . If a claim for payment of severance benefits made in accordance with the procedures specified in this Plan is denied, in whole or in part, the Claimant shall have the right to request that the Committee review the denial, provided that the Claimant files a written request for review with the Committee within 60 days after the date on which the Claimant received written notification of the denial. The Claimant may review or receive copies, upon request and free of charge, of any documents, records or other information "relevant" (within the meaning of Department of Labor Regulation 2560.503-1(m)(8)) to the Claimant's claim. The Claimant may also submit written comments, documents, records and other information relating to his or her claim.

(f) Review of Appeal . In deciding a Claimant's appeal, the Committee shall take into account all comments, documents, records and other information submitted by the Claimant relating to the claim, without regard to whether such information was submitted or considered in the initial review of the claim. If the Claimant does not provide all the necessary information for the Committee to decide the appeal, the Committee may request additional information and set deadlines for the Claimant to provide that information. Within 60 days after a request for review is received, the review shall be made and the Claimant shall be advised in writing of the decision on review, unless special circumstances require an extension of time for processing the review, in which case the Claimant shall be given a written notification within such initial 60 day period specifying the reasons for the extension and when such review shall be completed (provided that, to the extent required by ERISA, such review shall be completed within 120 days after the date on which the request for review was filed).

(g) Notice of Appeal Determination . The decision on review shall be forwarded to the Claimant in writing and, in the case of a denial, shall include (i) specific reasons for the decision, (ii) specific references to the pertinent Plan provisions upon which the decision is based, (iii) a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records or other information "relevant" to the Claimant's claim and (iv) a statement of the Claimant's right to bring a civil action under Section 502(a) of ERISA following a wholly or partially denied claim for benefits. The Committee's decision on review shall be final and binding on all persons for all purposes. If a Claimant shall fail to file a request for review in accordance with the procedures herein outlined, such Claimant shall have no right to review and shall have no right to bring any arbitration or court action, and the denial of the claim shall become final and binding on all persons for all purposes. Any notice and decisions by the Committee under this Section 6 may be furnished electronically in accordance with the applicable Department of Labor regulations.

7. NON-DUPLICATION OF BENEFITS; NO MITIGATION . The Company may, in its discretion and to the extent permitted under applicable law, offset against the Participant's benefits under this Plan or the Transition Agreement, any other severance, termination, or similar benefits payable to the Participant by the Company, including, but not limited to any amounts paid under any employment agreement or other individual contractual arrangement, or amounts paid to comply with, or satisfy liability under, the Worker Adjustment and Retraining Notification Act or any other federal, state, or local law requiring payments in connection with an involuntary termination of employment, plant shutdown, or workforce reduction, including, but not limited to, amounts paid in connection with paid leaves of absence, back pay, benefits, and other payments intended to satisfy such liability or alleged liability. In no event shall any Participant be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Participant under any of the provisions of this Plan and such amounts shall not be reduced whether or not the Participant obtains other employment.

8. GENERAL.

(a) No Waiver. No failure by the Company or a Participant at any time to give notice of any breach by the Company or a Participant, or to require compliance with, any condition or provision of this Plan shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

(b) Severability. If for any reason a court of competent jurisdiction or arbitrator finds any provision of this Plan to be unenforceable, the provision shall be deemed amended as necessary to conform to applicable laws or regulations, or if it cannot be so amended, the remainder of the Plan shall continue in full force and effect as if the offending provision were not contained herein.

(c) Notices. All notices and other communications required or permitted to be given under this Plan shall be in writing and shall be considered effective either (a) upon personal service, or (b) upon delivery by facsimile and depositing such notice in the U.S. Mail, postage prepaid, return receipt requested and, if addressed to the Company, in care of the General Counsel at the Company's U.S. corporate headquarters at 6201 America Center Drive, San Jose, CA 95002, and, if addressed to Participant, at his or her most recent address shown on the Company's corporate records or at any other address that Participant may specify in any appropriate notice to the Company, or (c) upon only depositing such notice in the U.S. Mail as described in clause (b) of this paragraph, or (d) upon delivery by email, if addressed to the Company to General.Counsel@flex.com, and if addressed to Participant to such email address as Participant may specify by notice to the Company.

(d) Governing Law. THIS PLAN SHALL BE DEEMED TO BE MADE IN THE STATE OF CALIFORNIA, AND, TO THE EXTENT NOT PREEMPTED BY ERISA OR OTHER FEDERAL LAW, SHALL BE GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA, WITHOUT REGARD TO ITS CONFLICT OF LAWS PRINCIPLES. By participating in this Plan, each Participant and the Company hereby irrevocably consent to, and agree not to object or assert any defense or challenge to, the jurisdiction and venue of the state and federal courts located in California and agree that, subject to Sections 5 and 6 hereof, any claim may be brought in a court of law or equity in any such California court. Note, however, that Transition Agreements with Participants outside of California may be governed by the laws of the jurisdiction in which they worked prior to the separation of employment.

(e) Assignment and Successors. The Company shall have the right to assign its rights and obligations under this Plan to an entity that, directly or indirectly, acquires all or substantially all of the assets of the Company. The rights and obligations of the Company under this Plan shall inure to the benefit and shall be binding upon the successors and assigns of the Company. Participant's rights, benefits and obligations under this Plan are personal and shall not be voluntarily or involuntarily assigned, alienated, or transferred, whether by operation of law or otherwise, without the prior written consent of the Company.

(f) Amendment and Termination of this Plan. The Committee may amend, modify or terminate this Plan at any time; provided, however, that except as specifically provided for in Section 8(j) hereof, (i) no amendment, modification or termination of the Plan that is materially adverse to the Participants shall become effective earlier than ninety (90) days after the date of the relevant corporate action authorizing such amendment, modification or termination, (ii) within the one-year period following a Change of Control, no amendment, modification or termination of the Plan that is materially adverse to the Participants shall become effective earlier than one (1) year after the date of the relevant corporate action authorizing such amendment, modification or termination, and (iii) no such amendment, modification or termination shall affect the right to any unpaid severance benefits under the terms of this Plan or the Transition Agreement of any Participant whose notice of termination without Cause or notice of termination for Good Reason has occurred prior to such amendment, modification or termination of this Plan.

(g) Survival. If a Participant's notice of termination without Cause or notice of termination for Good Reason occurs while the Plan is in effect, the provisions of this Plan, including Sections 2, 4, 5, 6, 7, 8, and 9 shall survive and remain binding and enforceable, notwithstanding the expiration or termination of this Plan or the termination of such Participant's employment with the Company or any of its Affiliates, to the extent necessary to preserve the intended benefits of such provisions.

(h) Taxes and Other Withholdings. Notwithstanding any other provision of this Plan, the Company or any of its Affiliates may withhold from amounts payable hereunder all federal, state, local and foreign taxes and other amounts that are required to be withheld by applicable laws or regulations, and the withholding of any amount shall be treated as payment thereof for purposes of determining whether the Participant has been paid amounts to which Participant is entitled.

(i) Tax Matters. The intent of the parties is that payments and benefits under this Plan and the Transition Agreement comply with Section 409A of the Code, to the extent subject thereto, and accordingly, to the maximum extent permitted, this Plan and the Transition Agreement shall be interpreted and administered to be in compliance therewith. In the event that the Company determines that any provision of this Plan or the Transition Agreement does not comply with Section 409A of the Code or any such rules, regulations or guidance and that as a result any Participant may become subject to a Section 409A tax, notwithstanding Section 9(f) hereof, the Company shall have the discretion to amend or modify such provision to avoid the application of such Section 409A tax, and in no event shall any Participant's consent be required for such amendment or modification. Notwithstanding anything contained herein to the contrary, the Participant shall not be considered to have terminated employment with the Company or any of its Affiliates for purposes of any payments under this Plan or the Transition Agreement which are subject to Section 409A of the Code until the Participant has incurred a "separation from service" from the Company and its Affiliates within the meaning of Section 409A of the Code. Each amount to be paid or benefit to be provided under this Plan or the Transition Agreement shall be construed as a separate identified payment for purposes of Section 409A of the Code. Without limiting the foregoing and notwithstanding anything contained herein to the contrary, to the extent required in order to avoid an accelerated or additional tax under Section 409A of the Code, amounts that would otherwise be payable and benefits that would otherwise be provided pursuant to this Plan, the Transition Agreement and all other company plans and agreements during the six-month period immediately following a Participant's separation from service shall instead be paid on the first business day after the date that is six (6) months following the Participant's separation from service (or, if earlier, the Participant's date of death). With respect to any amounts or benefits that are conditioned on the receipt and non-revocation of a release, if the period during which the Participant may execute such release commences in one calendar year and ends in a subsequent calendar year, such amounts or benefits shall be paid or provided in the subsequent calendar year to the extent required to comply with Section 409A of the Code. To the extent required to avoid an accelerated or additional tax under Section 409A of the Code, amounts reimbursable to the Participant shall be paid to the Participant on or before the last day of the year following the year in which the expense was incurred and the amount of expenses eligible for reimbursement (and in kind benefits provided to the Participant) during one year may not affect amounts reimbursable or provided in any subsequent year. The Company makes no representation that any or all of the payments described in this Plan or the Transition Agreement will be exempt from or comply with Section 409A of the Code and makes no undertaking to preclude Section 409A of the Code from applying to any such payment.

(j) Excise Taxes .

(i) Notwithstanding anything to the contrary in this Plan or the Transition Agreement (or any other agreement entered into by and between a Participant and the Company or any of its Affiliates or any incentive arrangement or plan offered by the Company or any of its Affiliates), in the event that any amount or benefit paid or distributed to the Participant pursuant to this Plan or the Transition Agreement, taken together with any amounts or benefits otherwise paid or distributed to the Participant by the Company or any of its Affiliates (collectively, the " **Covered Payments** "), would exceed the amount which can be paid to the Participant without the Participant incurring an Excise Tax (as defined below), then the amounts payable to the Participant under this Plan, the Transition Agreement or any other agreement by and between the Participant and the Company (or any of its Affiliates) or pursuant to any incentive arrangement or plan offered by the Company (or any of its Affiliates) may, in the discretion of the Company, be reduced (but not below zero) to the maximum amount which may be paid this Plan and the Transition Agreement without the Participant becoming subject to the Excise Tax (such reduced payments to be referred to as the " **Payment Cap** "), but only if and to the extent such reduced amount would provide a greater net after-tax benefit (after taking into account federal, state, local or other income, employment and excise taxes) to the Participant than an unreduced payment that would subject the Participant to an Excise Tax. In the event the Participant receives reduced payments and benefits as a result of application of this Section 8(j) , such payments and/or benefits to the Participant shall be reduced in the following order: first, payments that are payable in cash, with amounts that are payable last reduced first; second, payments due in respect of any equity or equity awards included at their full value under Section 280G of the Code (rather than their accelerated value); third, payments due in respect of any equity or equity awards valued at accelerated value under Section

280G, with the highest values reduced first (as such values are determined under Treasury Regulation Section 1.280G-1, Q&A 24); and fourth, all other non-cash benefits.

(ii) Immediately upon a Change of Control, the Company shall notify the Participant of any modification or reduction as a result of the application of this Section 8(j). In the event the Participant and the Company disagree as to the application of this Section 8(j), the Company shall select a law firm or accounting firm from among those regularly consulted (during the twelve-month period immediately prior to the Change of Control that resulted in the characterization of the Covered Payments as parachute payments) by the Company, and such law firm or accounting firm shall determine, at the Company's expense, the amount to which the Participant shall be entitled hereunder (and pursuant to any other agreements, incentive arrangements or plans), taking into consideration the application of this Section 8(j), and such determination shall be final and binding upon the Participant and the Company.

(k) Deemed Resignations. Any termination of a Participant's employment (or execution of a Transition Agreement) shall constitute an automatic resignation of such Participant as an officer of the Company and each Affiliate of the Company, an automatic resignation from the board of directors, if applicable, of the Company and each Affiliate of the Company and from the board of directors or similar governing body of any corporation, limited liability company or other entity in which the Company or any Affiliate holds an equity interest and with respect to which board or similar governing body such Participant serves as the Company's or such Affiliate's designee or other representative.

(l) No Guarantee of Employment. This Plan shall not be construed as creating any contract of employment between the Company or any of its Affiliates, on the one hand, and any Participant, on the other hand, nor shall this Plan be construed as restricting in any way the rights of the Company or any of its Affiliates to terminate the employment of any Participant at any time and for any reason subject, however, to any rights of a Participant under this Plan.

(m) Discrepancies. In case of discrepancies between this Plan and the Transition Agreement, the terms set forth in the Transition Agreement will control.

9. DEFINITIONS.

For purposes of this Plan, the following terms shall have the meanings set forth below:

(a) "Affiliate(s)" shall mean, with respect to any specified person, any other person that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such specified person. For purposes of the definition of "Affiliate(s)," the term "person" has the meaning described in Section 13(d) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**").

(b) "Base Salary" shall mean, with respect to any Participant, such Participant's annual rate of base salary in effect at the time the Participant commences participation in the Plan (or such higher level as may be in effect in the future).

(c) "Board" shall mean the Board of Directors of the Company.

(d) " Cause " shall mean, with respect to any Participant, the occurrence of any of the following: (i) the failure by Participant to perform Participant's duties with the Company and its subsidiaries (other than any such failure resulting from Participant's incapacity due to physical or mental illness) after a written demand for performance is delivered to Participant by the Company which demand identifies the manner in which the Company believes that Participant has not performed Participant's duties, (ii) the engaging by Participant in conduct which is injurious to the Company or its subsidiaries, monetarily or otherwise, (iii) Participant's conviction of, guilty plea to, or entering a plea of nolo contendere to, a felony, or (iv) Participant's breach of any terms of the Company's Code of Conduct, employee handbook or manual, written policies, or written agreements between the Company and Participant, including in each case, without limitation, with respect to confidential information and restrictive covenants

(e) " Change of Control " shall mean the occurrence of any of the following events:

(i) a transaction or series of transactions (other than an offering of shares to the general public through a registration statement filed with the Securities and Exchange Commission (" **SEC** ")) whereby any "person" or related "group" of "persons" (as such terms are used in Sections 13(d) and 14(d)(2) of the Exchange Act) (other than the Company, any of its subsidiaries, an employee benefit plan maintained by the Company or any of its subsidiaries or a "person" that, prior to such transaction, directly or indirectly controls, is controlled by, or is under common control with, the Company) directly or indirectly acquires beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of securities of the Company possessing more than 50% of the total combined voting power of the Company's securities outstanding immediately after such acquisition; or

(ii) during any one-year period, individuals who, at the beginning of such period, constitute the Board together with any new director(s) (other than any one or more directors designated by any person who shall have entered into an agreement with the Company in connection with any transaction described in subparagraphs (i) or (iii) hereof) whose election or appointment by the Board or nomination for election by the Company's shareholders was approved by a vote of at least a majority of the directors then still in office who either were directors at the beginning of the one-year period (other than vacant seats) or whose election or appointment or nomination for election was previously so approved, cease for any reason to constitute a majority of the Board pursuant to a transaction or other mechanism outside of the normal election process of directors under the Singapore Companies Act and/or the Company's Constitution; or

(iii) the consummation by the Company (whether directly involving the Company or indirectly involving the Company through one or more intermediaries) of (x) a merger, consolidation, reorganization, or business combination or (y) a sale or other disposition of all or substantially all of the Company's assets in any single transaction or series of related transactions or (z) the acquisition of assets or shares of another entity, in each case other than a transaction:

A. which results in the Company's voting securities outstanding immediately before the transaction continuing to represent (either by remaining outstanding or by being converted into voting securities of the Company or the person that, as a result of the transaction, controls, directly or indirectly, the Company or owns, directly or indirectly, all or substantially all of the Company's assets or otherwise succeeds to the business of the Company (the Company or such person, the "**Successor Entity**") directly or indirectly, at least a majority of the combined voting power of the Successor Entity's outstanding voting securities immediately after the transaction, and

B. after which no person or group, beneficially owns voting securities representing 50% or more of the combined voting power of the Successor Entity; *provided, however,* that no person or group shall be treated for purposes of this subparagraph (iii)(B) as beneficially owning 50% or more of combined voting power of the Successor Entity solely as a result of the voting power held in the Company prior to the consummation of the transaction; or

(iv) the Company's shareholders approve a liquidation or dissolution of the Company.

A transaction will not constitute a Change of Control or other consolidating event if effected for the purpose of changing the place of incorporation or form of organization of the ultimate parent entity (including where the Company is succeeded by an issuer incorporated under the laws of another state, country or foreign government for such purpose and whether or not the Company remains in existence following such transaction) where all or substantially all of the persons or group that beneficially own all or substantially all of the combined voting power of the Company's voting securities immediately prior to the transaction beneficially own all or substantially all of the combined voting power of the Company in substantially the same proportions of their ownership after the transaction. The Committee shall have full and final authority, which shall be exercised in its discretion, to determine conclusively whether a Change of Control of the Company has occurred pursuant to the above definition, and the date of the occurrence of such Change of Control and any incidental matters relating thereto.

(f) "CEO" shall mean Chief Executive Officer of the Company.

(g) "Claimant" shall mean a Participant who feels he or she has been improperly denied severance benefits under this Plan and who signs, dates and submits a claim for payment of severance benefits under this Plan to the General Counsel of the Company, as set forth in Section 8(c) hereof.

(h) "COBRA" shall mean the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended from time to time, or any successor statute thereto.

(i) "Committee" shall mean the Compensation Committee of the Board of Directors of the Company.

(j) "Company" shall mean Flex Ltd., a Singapore registered public company limited by shares and having company registration no. 199002645H.

(k) "Covered Payments" shall mean any amount or benefit paid or distributed to the Participant pursuant to this Plan or the Transition Agreement, taken together with any amounts or benefits otherwise paid or distributed to the Participant by the Company or any of its Affiliates.

(l) " DC " shall mean Deferred Compensation.

(m) " ERISA " shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated thereunder.

(n) " Excise Tax " shall mean the excise tax imposed by Section 4999 of the Code or any similar state or local tax that may be imposed.

(o) " FCF " shall mean Free Cash Flow.

(p) " JAMS " shall mean Arbitration Rules and Procedures, or successor rules then in effect, of Judicial Arbitration and Mediation Services, Inc.

(q) " GC " shall mean General Counsel of the Company.

(r) " Good Reason " shall mean the occurrence of any of the following events or circumstances:

(i) a material diminution in the position, authority, duties or responsibilities of the Participant;

(ii) the assignment to the Participant of any duties that are materially inconsistent with the Participant's status as an officer;

(iii) any failure by the Company to obtain the written assumption of this Plan by any successor to the Company as contemplated in Section 8(e) hereof;

(iv) material reduction in target base salary and target bonus opportunity; or

(v) mandatory relocation of 50 miles or more.

(s) " Participant or Participants " shall mean individuals who are classified as employees of the Company or one of its Affiliates who are at or above Grade 35, but not including the CEO of the Company, and whose employment is terminated by the Company Without Cause or who voluntarily terminate their employment with the Company for Good Reason.

(t) " Permanent Disability " shall mean any medically determinable physical or mental impairment that can reasonably be expected to result in death or that has lasted or can reasonably be expected to last for a continuous period of not less than twelve (12) months and that renders Participant unable to perform effectively all of the essential functions of Participant's position, with or without reasonable accommodation.

(u) " Plan " shall mean this Executive Severance Plan.

(v) " Prior Approval " shall mean the CEO's and the GC's written approval, which shall not be denied unreasonably, that Participants are required to obtain before providing services to competing firms, suppliers, and/or customers.

(w) " Prior Confirmation " shall mean the CEO's and the GC's written confirmation, which shall be made in good faith, that Participants are required to obtain (before obtaining Prior Approval) regarding whether a Participant's potential employer is considered a competing firm, supplier or customer of the Company.

(x) " RSUs " shall mean Restricted Stock Units.

(y) " Payment Cap " shall mean the maximum amount of Covered Payments after a reduction (but not below zero) by the Company in its discretion that may be paid under this Plan and the Transition Agreement without the Participant becoming subject to the Excise Tax.

(z) " PSUs " shall mean Performance Stock Units.

(aa) " Transition Agreement " shall mean a Transition and Release Agreement in a form provided by the Company which the Participants are required to sign in order to receive benefits under this Plan and in which Participants agree to provide services during the Transition Period, in each case in accordance with and subject to the terms thereof.

(bb) " Transition Period " shall mean a period of 12 months (or such shorter or longer period as set forth in the Transition Agreement) following termination of employment Without Cause or voluntarily for Good Reason during which Participants agree to provide transition services to the Company in order to receive benefits under this Plan, in each case in accordance with and subject to the terms of the Transition Agreement.

February __, 2019

Ms. Revathi Advaithi

Dear Revathi:

Congratulations! On behalf of Flex, I am delighted to offer you the position of Chief Executive Officer, working at our San Jose office and reporting to the Flex Board of Directors. The specific details of the offer are as follows:

Annual Compensation:

Cash Compensation:
The starting salary is $1,150,000, which is equivalent to $47,916.67 semi-monthly. Paydays are on the 15 th and last day of each month. Commencing in Flex's 2020 fiscal year, you will also be eligible to participate in the Flex Executive Bonus Program. Your target annual bonus is 150% of your base salary (or $1,725,000), with an opportunity of a 2.5X multiplier for a total bonus opportunity of 375% of salary (or $4,312,500). Actual payout levels are dependent upon company performance and in accordance with the bonus plan. Payouts will be based on annual objectives and results. You will be paid a pro rata bonus at target for the portion of the 2019 fiscal year during which you are employed by Flex.

Deferred Compensation Plan:
You will be eligible to participate in the Flex Long Term Cash Incentive Plan under the 2010 Deferred Compensation Plan (Deferred Compensation Plan) with potential annual company contributions of up to 30% of your base salary, commencing with Flex's 2020 fiscal year. The Long Term Cash Incentive Plan annual contribution is subject to company performance. You will also have the opportunity to make additional elective contributions to the plan on a tax-deferred basis.

Equity Compensation:
As part of Flex's fiscal year 2020 annual stock grant process, you will be granted an award comprised of 50% performance share units (PSUs) and 50% restricted stock units (RSUs) having a target value in the aggregate as of their date of grant of $7,500,000. The RSUs shall vest in 4 substantially equal annual installments, assuming your continued employment through each vesting date. The PSUs shall vest based upon your continued employment and the attainment of performance conditions over the 3 year period. The PSUs and RSUs shall be subject to the terms and conditions of the applicable Flex plans and policies. Following fiscal year 2020, you will be eligible to participate in our annual compensation review. Annual stock awards are determined on a case-by-case basis in accordance with your individual performance and market benchmarks for your position.

Sign-On Compensation:

Sign-On Cash Awards:
We are pleased to offer you a contingent sign-on bonus of $3,000,000, less withholding and customary payroll deductions, which will be paid in the first payroll cycle after your start date. You agree that you will repay such amounts to Flex if, within 18 months after your start date. you either voluntarily terminate your employment with Flex other than for Good Reason (as defined in the Flex Ltd. Executive Severance Plan (Severance Plan) or your employment with Flex is terminated for Cause (as defined in the Severance Plan).

Sign on Deferred Compensation Plan:
Additionally, you will be credited with a contribution of $2,000,000 under the Deferred Compensation Plan. This deferred compensation contribution will be subject to a vesting schedule such that 100% of the contribution will be vested on the 3rd anniversary of your commencement of employment with Flex, assuming your continued employment through such date. The contribution will otherwise be subject to the terms and conditions of the Deferred Compensation Plan.

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Sign-On Equity Award:
Effective on or as soon as practicable following your commencement of employment with Flex, you will be granted RSUs having an aggregate grant date fair value (as determined by Flex) of $2,000,000 (Sign-On RSUs). The Sign-On RSUs shall vest in 3 substantially equal annual installments from the date your employment commences, assuming your continued employment through such dates. The Sign-On RSUs shall be subject to the terms and conditions of the applicable Flex plans and policies.

Severance:

While you will not be a participant in the Severance Plan, in the event your employment with Flex terminates in circumstances under which you would be eligible for Severance Plan benefits if you were a participant in the plan (i.e. your employment is terminated without Cause (as defined in the Severance Plan) or you voluntarily terminate your employment for Good Reason (as defined in the Severance Plan)) you will be eligible for the following severance benefits:

(i) conditioned on your execution and non-revocation of a standard release of claims in a form acceptable to the Company, accelerated vesting and immediate payment of the sign-on compensation (cash bonus, deferred compensation contribution, and sign-on equity award).

(ii) (a) 2 years continued base salary payments plus 2 years of your target annual bonus amount, (b) 2 years continued vesting of your then-outstanding equity awards and deferred compensation account and (c) 2 years continued benefits coverage; which severance benefits shall be payable in accordance with the terms and conditions set forth in the Severance Plan as if you were a participant in such plan. You will be provided with additional documentation of your severance eligibility in connection with your commencement of employment.

The amounts payable pursuant to clauses (i) and (ii) above shall be deemed subject to Section 8(i) of the Severance Plan.

Relocation Benefits:

In connection with your relocation to the San Francisco Bay Area, we shall reimburse you for documented and reasonable expenses you incur in the relocation of your primary residence to the San Francisco Bay Area including expenses to move household goods, pets, automobiles, closing costs for selling your current residence, and travel and related expenses to locate a new home in California.

Other Benefits:

As a Flex Executive Team member, you will be eligible to participate in our Tracking Free Attendance Program. In addition, the Company has scheduled ten paid holidays. Other benefits applicable the first of the month following your date of hire include medical, dental, vision, life/accidental death and dismemberment, short- and long-term disability, supplemental long-term disability, flexible spending accounts and a 401(k) plan (deferrals begin as soon as administratively possible, once you enroll). Timely enrollment of specific benefit plans is critical. You must enroll within 31 days of your benefits eligibility date or you will receive default coverage (no medical, dental or vision coverage but you will be enrolled for basic life/accidental death and dismemberment, core short-term and long-term disability). In addition, you will not be able to make an election until the next annual "Open Enrollment." We will provide the plan booklet for more information. You should also note that the Company reserves the right to modify wages and benefits from time to time at its discretion. Paul Baldassari can discuss further the range of benefits available to you.

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Company Policies:

All Flex employees are expected to abide by all Company rules and regulations, including without limitation those contained in the Company's Employee Handbook, which the Company will distribute to you and update from time to time and online on Flex's Intranet. In addition, you will need to comply with the Company's share ownership guidelines applicable to your position, which currently require share ownership of 4 times your base salary within 5 years.

Your employment with the Company is "at-will". This means that either you or the Company has the right to terminate the employment relationship at any time for any lawful reason, with or without advance notice, with or without cause. The "at-will" nature of employment with Flex is an aspect of your employment that cannot be changed.

Start Date:

Your start date will be ___________ ___ , 2019.

Pre-Conditions/Contingencies:

Your employment pursuant to this offer is contingent upon:

- You completing Section 1 of the Form 1-9 (included) and providing, within 3 business days of your start date, the legally required proof of your identity and authorization to work in the United States which you will need to bring with you on your first day of employment, (see attached List of Acceptable Documents)
- Your execution of the Company's Employee Proprietary Information and Non Solicitation Of Employees and Customers Agreement (included)
- The satisfactory completion of your background investigation by the Company
- Your satisfactory completion of the Company's Directors & Officers Questionnaire (included)

If you accept this offer, the terms described in this letter and the Employee Proprietary Information and Non Solicitation Of Employees and Customers Agreement shall be the terms of your employment. This offer letter supersedes any other statements or promises made by any company representative and contains the entire offer the Company is making to you. This letter can only be modified by written agreement signed by you and an authorized member of the Company's Board of Directors.

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If you agree with all the terms and conditions set forth in this letter. please sign below and return it to me. We look forward to your positive response and are very, excited about your joining our Flex Team!

Sincerely,

Michael Capellas

OFFER ACCEPTANCE

I, Revathi Advaithi, understand all the terms and conditions in this offer letter, including those regarding the "at will" relationship and I accept this offer. I agree by signing below that the Company has made no other promises other than what is outlined in this letter and that it contains the entire offer the Company is making to me and I accept this offer.

Signature	Today's Date	Start Date

EXHIBIT 21.01

SUBSIDIARIES OF FLEX LTD.

Name of Subsidiary	Country/State of Incorporation/Organization
Advance Mold & Manufacturing, Inc.	United States - Connecticut
AGM Automotive Costa Rica S.A.	Costa Rica
AGM Automotive Mexico, LLC	United States - Delaware
AGM Automotive, LLC	United States - Delaware
AGM Durmont Austria GmbH	Austria
AGM Durmont Mexico International, S. de R.L. de C.V.	Mexico
AGM Durmont Mexico, S. de R.L. de C.V.	Mexico
AGM Holding GmbH	Austria
Avail Medical Products, Inc.	United States - Delaware
Availmed, S.A. de C.V.	Mexico
BISSELL Asia Development Center (Shenzhen) Limited	China
BrightInsight, Inc.	United States - Delaware
Chatham International Holdings B.V.	Netherlands
Ciii Ltd.	Federal Territory of Labuan
Ciii USA, Inc.	United States - Delaware
Commercial Company in the form of a limited liability company factory “Flextronics LLC”	Ukraine
Dii International Holdings C.V.	Netherlands
Dongguan Flextronics Precision Metal Co., Ltd.	China
Elementum Holding Ltd	Cayman Islands
Elementum Ltd.	Cayman Islands
Esju Oy	Finland
Express Cargo Forwarding Limited	United Kingdom
Farm Design, Inc.	United States - New Hampshire
Finchley Trading Limited	Hong Kong
FIT INSTITUTO DE TECNOLOGIA DA AMAZÔNIA - FIT	Brazil
Flex Asia Investment Limited	Mauritius
Flex Automotive GmbH	Germany
Flex Electronics (Shanghai) Co., Ltd.	China
Flex Foundation	United States - California
Flex Home Product Co Ltd	China
Flex Home Products (M) Sdn. Bhd.	Malaysia
Flex Intelligent Technology Solutions Limited	Ireland
Flex International s.r.o.	Czech Republic
Flex Lighting Solutions, Inc.	United States - Delaware
Flex Precision Plastics Solutions (Switzerland) AG	Switzerland
Flex Solutions Nordic AB	Sweden
Flex Solutions Poland sp. z o. o.	Poland
Flex Technology (Changsa) Co., Ltd.	China
Flextronics (China) Electronics Technology Co., Ltd.	China

Name of Subsidiary	Country/State of Incorporation/Organization
Flextronics (Israel) Ltd.	Israel
Flextronics (Malaysia) Sdn. Bhd.	Malaysia
Flextronics (Shanghai) Co., Ltd	China
Flextronics Aerospace & Defense Services Inc	United States - Colorado
Flextronics America, LLC	United States - Delaware
Flextronics AP, LLC	United States - Colorado
FLEXTRONICS AUSTRALIA PTY LTD	Australia
Flextronics Automotive (Suzhou) Co., Ltd.	China
Flextronics Automotive de Juarez, S.A. de C.V.	Mexico
Flextronics Automotive Sales and Marketing, Ltd.	Mauritius
Flextronics Automotive USA (Texas), LLC	United States - Texas
Flextronics Automotive USA Design and Development Corporation	Philippines
Flextronics Automotive USA Manufacturing Co.	United States - Ohio
Flextronics Automotive USA, Inc.	United States - Michigan
Flextronics Beerse N.V.	Belgium
Flextronics Bermuda Ltd.	Bermuda
Flextronics Canada Design Services, Inc.	Canada
Flextronics Cayman (SLR) Limited	Cayman Islands
Flextronics Central Europe B.V.	Netherlands
Flextronics China (Mauritius) Electronics Technology Co., Ltd.	Mauritius
Flextronics China Holding (Singapore) Pte. Ltd.	Singapore
Flextronics Computing (Suzhou) Co., Ltd	China
Flextronics Computing Mauritius Limited	Mauritius
Flextronics Computing Sales and Marketing (L) Ltd.	Federal Territory of Labuan
Flextronics Corporation	United States - Delaware
Flextronics Design Asia Pte. Ltd.	Singapore
Flextronics Design Korea Ltd.	Korea
Flextronics Design S.r.l.	Italy
Flextronics Design, s.r.o.	Czech Republic
Flextronics Electronics (Mauritius) Limited	Mauritius
Flextronics Electronics Technology (Shenzhen) Co., Ltd.	China
Flextronics Electronics Technology (Suzhou) Co., Ltd.	China
Flextronics Enclosure (Zhuhai) Co., Ltd	China
Flextronics Enclosure Zhuhai (Mauritius) Co., Ltd.	Mauritius
Flextronics Enclosures (Hong Kong) Limited	Hong Kong
Flextronics Europe Holdings C.V.	Netherlands
Flextronics Europe Holdings LLC	United States - Delaware
Flextronics Europe Limited	United Kingdom
Flextronics Funding LLC	United States - Delaware
Flextronics Global Enclosures (Shanghai) Co., Ltd.	China
Flextronics Global Enclosures (Singapore) Pte. Ltd.	Singapore
Flextronics Global Enclosures Shanghai (Mauritius) Co., Ltd	Mauritius
Flextronics Global Holdings II Ltd.	Cayman Islands
Flextronics Global Holdings L.P.	Cayman Islands
Flextronics Global Procurement Ltd.	Bermuda

Name of Subsidiary	Country/State of Incorporation/Organization
Flextronics Global Services (Manchester) Limited	United Kingdom
Flextronics Global Services Canada Inc. Services Globaux Flextronics Canada Inc.	Canada
Flextronics Global Services Lojistik Hizmetleri Limited ªirketi	Turkey
Flextronics Guadalajara Group, S. de R.L. de C.V.	Mexico
Flextronics Holding (Singapore) Pte. Ltd.	Singapore
Flextronics Holding do Brasil Ltda.	Brazil
Flextronics Holding Finland Oy	Finland
Flextronics Holding France SAS	France
Flextronics Holding GmbH	Austria
Flextronics Holding USA, Inc.	United States - Delaware
Flextronics Holdings Mexico Dos, S.A. de C.V.	Mexico
Flextronics Holdings Mexico, S.A. de C.V.	Mexico
Flextronics Holdings Spain, S.L.U.	Spain
Flextronics Ind. (Malaysia) Sdn. Bhd.	Malaysia
Flextronics Industrial (Shenzhen) Co Ltd	China
Flextronics Industrial (Suzhou) Co., Ltd.	China
Flextronics Industrial (Zhuhai) Co., Ltd.	China
Flextronics Industrial Ltd.	Mauritius
Flextronics Industrial Shenzhen (Mauritius) Co Ltd.	Mauritius
Flextronics Industrial Zhuhai (Mauritius) Co., Ltd.	Mauritius
Flextronics Industries Marketing (L) Ltd.	Federal Territory of Labuan
Flextronics Industries Singapore Ltd.	Singapore
Flextronics Information Technology (Shen Zhen) Co., Ltd	China
Flextronics Information Technology Shen Zhen (Mauritius) Co., Ltd.	Mauritius
Flextronics Instituto de Tecnologia - FIT	Brazil
Flextronics Integrated Services Mex, S. de R.L. de C.V.	Mexico
Flextronics International (Singapore Group) Pte. Ltd.	Singapore
Flextroncs Internatonal (Taiwan) Ltd.	Taiwan
Flextronics International Asia-Pacific Ltd	Mauritius
Flextronics International Componentes Ltda.	Brazil
Flextronics International Cork B.V.	Netherlands
Flextronics International Europe B.V.	Netherlands
Flextronics International Gesellschaft m.b.H.	Austria
Flextronics International Holding LLC	United States - Delaware
Flextronics International Holdings Pte. Ltd.	Singapore
Flextronics International Ireland Limited	Ireland
Flextronics International Japan Co., Ltd	Japan
Flextronics International Lojýstýk Hýzmetler Týcaret Lýmýted Þýrketý	Turkey
Flextronics International Management Services Ltd.	Mauritius
Flextronics International N.V.	Curacao
Flextronics International Ostersund AB	Sweden
Flextronics International Poland Sp. z o.o.	Poland
Flextronics International Sweden AB	Sweden
Flextronics International Tecnologia Ltda	Brazil
Flextronics International Termelõ és Szolgáltató Vámszabadterületi Korlátolt Felelõsségû Társaság	Hungary

Name of Subsidiary	Country/State of Incorporation/Organization
Flextronics International USA, Inc.	United States - California
Flextronics Investment Holding (Singapore) Pte. Ltd.	Singapore
Flextronics Italy S.p.A.	Italy
Flextronics Laval S.N.C.	France
Flextronics Logistics (Hong Kong) Limited	Hong Kong
Flextronics Logistics B.V.	Netherlands
Flextronics Logistics Poland Sp. z o.o.	Poland
Flextronics Logistics USA, Inc.	United States - California
Flextronics Manufacturing (H.K.) Limited	Hong Kong
Flextronics Manufacturing (Singapore) Pte. Ltd.	Singapore
Flextronics Manufacturing (Tianjin) Co., Ltd.	China
Flextronics Manufacturing (Zhuhai) Co., Ltd.	China
Flextronics Manufacturing Aguascalientes, S.A. de C.V.	Mexico
Flextronics Manufacturing Europe B.V.	Netherlands
Flextronics Manufacturing Juarez, S. de R.L. de C.V.	Mexico
Flextronics Manufacturing Mex, S.A. de C.V.	Mexico
Flextronics Manufacturing S.r.l.	Italy
Flextronics Manufacturing Zhuhai (Mauritius) Co., Ltd.	Mauritius
Flextronics Marketing (L) Ltd.	Federal Territory of Labuan
Flextronics Mauritius Holdings Limited	Mauritius
Flextronics Mauritius Limited	Mauritius
Flextronics Mechanicals Marketing (L) Ltd.	Federal Territory of Labuan
Flextronics Mechanicals Singapore Pte. Ltd.	Singapore
Flextronics Medical Sales and Marketing, Ltd	Mauritius
Flextronics Mexico Holdings II LLC	United States - Delaware
FLEXTRONICS NEW ZEALAND PTY LIMITED	New Zealand
Flextronics ODM Luxembourg S.A.	Luxembourg
Flextronics Ostersund AB	Sweden
Flextronics Photonics PPT, Inc.	United States - Oregon
Flextronics Plastic (Asia Pacific) Limited	Hong Kong
Flextronics Plastic Technology (Chengdu) Co., Ltd.	China
Flextronics Plastic Technology (ShenZhen) Ltd.	China
Flextronics Plastic Technology ShenZhen (Mauritius) Ltd.	Mauritius
Flextronics Plastics (Shenzhen) Co., Ltd	China
Flextronics Plastics (Singapore) Pte. Ltd.	Singapore
Flextronics Plastics Gushu (Mauritius) Co., Ltd	Mauritius
Flextronics Plastics, S.A. de C.V.	Mexico
Flextronics Power Systems (Dongguan) Co., Ltd.	China
Flextronics Precision Metal (Hong Kong) Limited	Hong Kong
Flextronics Precision Plastics, Inc.	United States - Delaware
Flextronics Puerto Rico Limited	Cayman Islands
Flextronics R&D (Shenzhen) Co., Ltd	China
Flextronics R&D Shenzhen (Mauritius) Co., Ltd	Mauritius
Flextronics Romania S.R.L.	Romania

Name of Subsidiary	Country/State of Incorporation/Organization
Flextronics S.R.L.	Italy
Flextronics Sales & Marketing (A-P) Ltd.	Mauritius
Flextronics Sales & Marketing North Asia (L) Ltd.	Federal Territory of Labuan
Flextronics Sales and Marketing Consumer Digital Ltd.	Mauritius
Flextronics Sárvár Logistics Korlátolt Felelõsségû Társaság	Hungary
Flextronics Scotland Limited	United Kingdom
Flextronics Shah Alam Sdn. Bhd.	Malaysia
Flextronics Shanghai (Mauritius) Co., Ltd.	Mauritius
Flextronics Systems (Penang) Sdn. Bhd.	Malaysia
Flextronics Technologies (India) Private Limited	India
Flextronics Technologies Luxembourg S.a r.l.	Luxembourg
Flextronics Technologies Mexico, S. de R.L. de C.V.	Mexico
Flextronics Technologies San Luis, S.A. de C.V.	Mexico
Flextronics Technology (Malaysia) Sdn. Bhd.	Malaysia
Flextronics Technology (Nanjing) Co., Ltd	China
Flextronics Technology (Penang) Sdn. Bhd.	Malaysia
Flextronics Technology (Shah Alam) Sdn. Bhd.	Malaysia
Flextronics Technology (Shanghai) Co., Ltd.	China
Flextronics Technology (ShenZhen) Co., Ltd	China
Flextronics Technology (Singapore) Pte. Ltd.	Singapore
Flextronics Technology (Zhuhai) Co. Ltd.	China
Flextronics Technology Nanjing (Mauritius) Co., Ltd	Mauritius
Flextronics Technology Shanghai (Mauritius) Co., Ltd.	Mauritius
Flextronics Technology ShenZhen (Mauritius) Co., Ltd	Mauritius
Flextronics Technology Wujiang (Mauritius) Ltd	Mauritius
Flextronics Technology Zhuhai (Mauritius) Co., Ltd	Mauritius
Flextronics Tecnologia Do Brasil Ltd.	Cayman Islands
Flextronics Telecom Systems Ltd	Mauritius
Flextronics UK Limited	United Kingdom
Flextronics Vagyonkezelõ és Befektetési Korlátolt Felelõsségû Társaság	Hungary
Flextronics Verwaltungs GmbH	Germany
Glouple Ventures 2000-II, LLC	United States - Delaware
I E C Holdings Limited	Ireland
IDE8 Cayman	Cayman Islands
IDE8 Mauritius Limited	Mauritius
IDE8 Technology (Shanghai) Co., Ltd.	China
International Manufacturing Synergies, Ltd.	British Virgin Islands
Irish Express Cargo Limited	Ireland
Irumold Servicios, S.L.U.	Spain
Irumold, S.L.U.	Spain
Kunshan AGM Automotive Components Co., Ltd.	China
Kunshan AGM Trading Company Ltd.	China
Lab IX	Cayman Islands
Lighting Acquisition LLC	United States - Delaware
Masa da Amazônia Ltda.	Brazil

Name of Subsidiary	Country/State of Incorporation/Organization
MCi (Mirror Controls International) Asia B.V.	Netherlands
MCi (Mirror Controls International) B.V.	Netherlands
MCi (Mirror Controls International) Inc.	United States - Delaware
MCi (Mirror Controls International) Ireland Limited	Ireland
MCi (Mirror Controls International) Ireland Operations Limited	Ireland
MCi (Mirror Controls International) Ltd.	Republic of Korea
MCi (Mirror Controls International) Netherlands B.V.	Netherlands
MCi (Mirror Controls International), S. de R.L. de C.V.	Mexico
MCi Ireland Pension Plan Trustee Limited	Ireland
MCi Mirror Controls (Suzhou) Co., Ltd.	China
MICOH B.V.	Netherlands
Multek Display Cayman Ltd.	Cayman Islands
Multilayer Technology Geschäftsführungs GmbH	Germany
Multilayer Technology GmbH & Co. KG	Germany
Nanjing Flextronics Panda Mobile Terminals Co., Ltd	China
NEXTracker Argentina, S.A.	Argentina
NEXTracker Australia Pty. Ltd.	Australia
NEXTracker Chile SpA	Chile
NEXTracker Inc.	United States - Delaware
NEXTRACKER MÉXICO, S. DE R.L. DE C.V.	Mexico
Pacific Device, Inc.	United States - Delaware
Parque de Tecnologia Electronica, S.A. de C.V.	Mexico
Power Systems R&D (Singapore) Pte. Ltd.	Singapore
Power Systems R&D Philippines, Inc.	Philippines
Power Systems Technologies (Beijing) Company Limited	China
Power Systems Technologies Far East Limited	Hong Kong
Power Systems Technologies GmbH	Germany
Power Systems Technologies Ltd.	Mauritius
Private Joint Stock Company “Flextronics Service UA”	Ukraine
PT. Flextronics Technology Indonesia	Indonesia
Sheldahl Flexible Technologies, Inc.	United States - Delaware
SHIANT RESOURCE SERVICE CO., LTD	China
Solectron France SAS	France
Solectron Phillipines Inc.	Philippines
Sønderborg Værktøjsfabrik A/S	Denmark
Suzhou AGM Durmont Automotive Components Co., Ltd.	China
Swedform Enclosure Systems AB	Sweden
ThermoMend B.V.	The Netherlands
ThermoMend International Ltd.	Mauritius
Vim Technologies Ltd	Mauritius
Z124	Cayman Islands

Advance Mold & Manufacturing, Inc. does business under the following names

Subsidiary	dba
Advance Mold & Manufacturing, Inc.	Vision Technical Molding, LLC
Advance Mold & Manufacturing, Inc.	Vision Technical Molding

Flextronics America, LLC does business under the following names

Subsidiary	dba
Flextronics America, LLC	ConFocus, A Flextronics Company

Flextronics Logistics USA, Inc. does business under the following names

Subsidiary	dba
Flextronics Logistics USA, Inc.	Multek Distribution, Inc.
Flextronics Logistics USA, Inc.	Multek, Inc.

Multek Flexible Circuits, Inc. does business under the following names

Subsidiary	dba
Multek Flexible Circuits, Inc.	Sheldahl

Pacific Device, Inc. does business under the following names

Subsidiary	dba
Pacific Device, Inc.	Avail Medical Products, Inc.

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EXHIBIT 23.01

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-222773 on Form S-3ASR, 333-220002 and Nos. 333-212267, 333-207325 and 333-170710 on Form S-8 of our reports dated May 20, 2019 relating to the consolidated financial statements of Flex Ltd. and subsidiaries (the “Company") (which report expresses an unqualified opinion and includes an explanatory paragraph related to the Company’s change in method of accounting for revenue from contracts with customers in fiscal year 2019 due to the adoption of Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers* and the Company’s change in method of accounting for cash receipts on the deferred purchase price from asset-backed securitization programs in fiscal year 2019 due to the adoption of ASU 2016-15 *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments* .) and the effectiveness of the Company's internal control over financial reporting, appearing in this Annual Report on Form 10-K of Flex Ltd. for the year ended March 31, 2019.

/s/ DELOITTE & TOUCHE LLP

San Jose, California

May 20, 2019

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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 Annual Report on Form 10-K 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: May 20, 2019

/s/ REVATHI ADVAITHI

Revathi Advaithi
Chief Executive Officer

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EXHIBIT 31.02

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

I, Christopher E. Collier, certify that:

1. I have reviewed this Annual Report on Form 10-K 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: May 20, 2019

/s/ CHRISTOPHER E. COLLIER

Christopher E. Collier
Chief Financial Officer

EXHIBIT 32.01

CERTIFICATION OF CHIEF EXECUTIVE 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 Christopher E. Collier, 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 Annual Report on Form 10-K of the Company for the fiscal year ended March 31, 2019 , 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; and
- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 20, 2019	/s/ REVATHI ADVAITHI
	Revathi Advaithi Chief Executive Officer (Principal Executive Officer)
Date: May 20, 2019	/s/ CHRISTOPHER E. COLLIER
	Christopher E. Collier Chief Financial Officer (Principal Financial Officer)

A signed original of this written statement required by Section 906 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.