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eight:120%;padding-bottom:12px;font-size:10pt;">We review our internal calculation of WACC annually. Our WACC was 11.0% for fiscal years 2016, 2015 and 2014. By exercising discipline to generate ROIC in excess of our WACC, our goal is to create value for our shareholders. ROIC was 13.8%, 14.0%, and 15.2% for fiscal 2016, 2015 and 2014, respectively, and was calculated excluding special items of \$15.1 million for fiscal 2016 related to accelerated stock-based compensation expense due to the retirement of our former President and Chief Executive Officer, typhoon-related losses and restructuring and other charges. Fiscal 2015 and 2014 ROIC was calculated excluding \$1.7 million and \$11.3 million of restructuring and other charges, respectively. Fiscal 2016 ROIC of 13.8% reflects an Economic Return of 2.8%, based on our weighted average cost of capital of 11.0%.

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

Refer to the table below, which includes the calculation of ROIC and Economic Return (dollars in millions) for the indicated periods:

	2016	2015	2014	
Adjusted operating income (tax effected)	\$102.0	\$104.2	\$101.8	
Average invested capital	740.0	745.6	669.7	
After-tax ROIC	13.8	% 14.0	% 15.2	%
WACC	11.0	% 11.0	% 11.0	%
Economic Return	2.8	% 3.0	% 4.2	%

Table of Contents

REPORTABLE SEGMENTS

A further discussion of our fiscal 2016, 2015 and 2014 financial performance by reportable segment is presented below (in millions):

	2016	2015	2014
Net sales:			
AMER	\$1,328.8	\$1,389.0	\$1,238.2
APAC	1,161.9	1,285.9	1,132.5
EMEA	170.4	140.3	115.9
Elimination of inter-segment sales	(105.1)	(160.9)	(108.4)
Total net sales	\$2,556.0	\$2,654.3	\$2,378.2
Operating income (loss):			
AMER	\$64.9	\$68.6	\$79.2
APAC	155.5	160.2	135.5
EMEA	(3.7)	(8.1)	(11.9)
Corporate and other costs	(117.3)	(105.3)	(102.2)
Total operating income	\$99.4	\$115.4	\$100.6

AMER. Net sales for fiscal 2016 in the AMER segment decreased \$60.2 million, or 4.3%, as compared to fiscal 2015, primarily due to decreased net sales of \$75.8 million with a customer that resulted from decreased end-market demand for one of its products, \$42.7 million due to a previously announced customer disengagement and \$29.2 million due to the disengagement of a customer. The remaining reduction in net sales resulted from decreases of: \$17.4 million due to two customers bringing the manufacturing process of three programs in house; \$12.4 million due to pilot programs for three customers not transitioning into the production stage; \$5.5 million due to a product disengagement with one customer; and a net overall decrease in customer end-market demand. Partially offsetting these decreases were increased net sales of \$187.3 million due to the ramp of production for a major customer, \$59.8 million from the ramp of various new programs for several existing customers and \$10.4 million due to the ramp of production for a new customer. Operating income for fiscal 2016 decreased \$3.7 million, or 5.4%, as compared to fiscal 2015, driven primarily by decreased net sales. The impact of the net sales decrease was partially offset by a positive change in customer mix due in part to decreased net sales to lower margin customers that resulted from two customer disengagements.

Net sales for fiscal 2015 in the AMER segment increased \$150.8 million, or 12.2%, as compared to fiscal 2014, primarily due to a then-new Industrial/Commercial sector customer that ramped during fiscal 2015, which contributed \$45.6 million in sales, and a \$37.2 million increase in net sales from a customer in the Networking/Communications sector as a result of new product ramps and expansion of its end-market demand. The remainder of the increase was a result of increased end-market demand and new product ramps for several of our larger customers across the Industrial/Commercial and Healthcare/Life Sciences sectors. These increases were partially offset by the disengagement of a customer due to the inability to reach contractual terms, which resulted in a \$22.1 million decrease. There was also a \$19.8 million decrease due to a customer that experienced softening in its end-market demand, a \$14.6 million decrease due to the loss of a customer program, and softening end-market demand for several customers, particularly in the Networking/Communications sector. During fiscal 2015, production of a Healthcare/Life Sciences customer was transferred from the AMER segment to the APAC segment, which resulted in a decrease of \$8.4 million (sales to this customer increased by \$47.0 million in the APAC segment, as noted below). Operating income for fiscal 2015 decreased \$10.6 million from fiscal 2014 primarily due to continued investments in our new manufacturing facilities in Neenah and Guadalajara and costs related to production process constraints in a focus factory for our Defense/Security/Aerospace sector, partially offset by the impact of the increase in net sales.

APAC. Net sales for fiscal 2016 in the APAC segment decreased \$124.0 million, or 9.6%, as compared to fiscal 2015. The reduction in net sales was primarily driven by a \$90.7 million decrease in net sales due to a previously announced program disengagement. Net sales also declined by \$30.2 million due to two customers revising their business models as a result of decreased end-market demand and \$7.0 million due to two customer disengagements. The remaining decrease in net sales was due to a net decrease in customer end-market demand. These decreases were partially offset

by increased net sales of \$76.5 million from the ramp of new programs for three existing customers and \$19.4 million from the ramp of production for two new customers. Operating income decreased \$4.7 million in fiscal 2016 as compared to fiscal 2015, primarily as a result of the decrease in net sales. The impact of the decrease in net sales was partially offset by a positive shift in net sales mix, partially due to a previously announced program disengagement, and a \$4.7 million decrease in fixed manufacturing expenses due to cost saving initiatives.

Table of Contents

Net sales for fiscal 2015 in the APAC segment increased \$153.4 million, or 13.5%, as compared to fiscal 2014. Net sales increased in all market sectors with the most significant increase in the Networking/Communications sector, including a combined \$62.8 million increase for three customers as a result of increased end-market demand and an aggregate \$23.9 million increase related to program ramps for two customers. In addition, net sales to one of our largest customers in the Healthcare/Life Sciences sector increased by \$47.0 million. Operating income increased \$24.7 million in fiscal 2015 as compared to fiscal 2014, primarily as a result of the increase in net sales as fixed manufacturing expenses and S&A for the segment were relatively stable in fiscal 2015 as compared to 2014.

EMEA. Net sales for fiscal 2016 in the EMEA segment increased \$30.1 million, or 21.5%, as compared to fiscal 2015, primarily due to a \$30.3 million increase in net sales due to the ramp of production of various new programs with several existing customers and \$5.0 million from the ramp of production for a new customer. This was partially offset by a \$3.8 million decrease as a result of a customer bringing the manufacturing of a program in house. The remaining decrease in net sales was due to a net decrease in customer end-market demand. Operating loss decreased \$4.4 million in fiscal 2016 as compared to fiscal 2015 primarily due to the impact of the net sales increase, while fixed costs remained relatively flat.

Net sales for fiscal 2015 in the EMEA segment increased \$24.4 million, or 21.1%, as compared to fiscal 2014, primarily due to a combined increase of \$18.7 million from three new customers, a \$7.3 million increase to a Networking/Communications customer due to improved end-market demand and new product ramps, and increased end-market demand for several other customers. This was partially offset by a \$7.2 million decrease as a result of end of life products along with the effects of decreased end-market demand for several other customers. Operating loss decreased \$3.8 million in fiscal 2015 as compared to fiscal 2014 primarily due to the increase in net sales and improved profitability for engineering-related services.

Table of Contents

LIQUIDITY AND CAPITAL RESOURCES

Cash and cash equivalents were \$433.0 million as of October 1, 2016 as compared to \$357.1 million as of October 3, 2015.

As of October 1, 2016, 95.7% of our cash and cash equivalents balances were held outside of the U.S. by our foreign subsidiaries. Certain foreign countries impose taxes and overall penalties on transfers of cash. While our intent has been to permanently reinvest the funds held in these countries, from time to time we review and evaluate that strategy, particularly as the percentage of our cash balance held outside the U.S. has increased. During fiscal 2016, the Company repatriated \$100.0 million of current year foreign earnings from the APAC region to the U.S., which had no income statement impact due to U.S. net operating losses, the use of U.S. tax credits and the reversal of the related valuation allowance. The repatriation does not impact the permanently reinvested assertions made by the Company regarding prior period foreign earnings as the remittance was distributed exclusively from current year foreign earnings. The Company does not have a history of repatriating foreign earnings by way of a taxable dividend and considers the fiscal 2016 remittance to be an isolated occurrence. The Company does not anticipate a similar repatriation in the foreseeable future. Currently, we believe that cash held in the U.S., together with cash available under our Credit Facility, will be sufficient to meet our U.S. liquidity needs for the next twelve months and for the foreseeable future.

Cash Flows. The following table provides a summary of cash flows for fiscal 2016, 2015 and 2014, excluding the effect of exchange rates on cash and cash equivalents (in millions):

	2016	2015	2014
Cash provided by operating activities	\$127.7	\$76.6	\$88.4
Cash used in investing activities	\$(26.5)	\$(34.7)	\$(62.6)
Cash used in financing activities	\$(21.3)	\$(26.2)	\$(21.0)

Operating Activities. Cash flows provided by operating activities were \$127.7 million for fiscal 2016, as compared to \$76.6 million for fiscal 2015. The improvement was primarily due to increased working capital requirements in fiscal 2015 due to the increase in net sales. This was partially offset by the larger increase in cash flows received for customer deposits in fiscal 2015 (discussed below) and the decrease in earnings in fiscal 2016.

Cash flows provided by operating activities were \$76.6 million for fiscal 2015, as compared to cash flows provided by operating activities of \$88.4 million for fiscal 2014. The decrease was primarily attributable to a significant increase in accounts payable for fiscal 2014 and an increase in net sales to customers with longer payment terms, which resulted in higher accounts receivable balances at the end of fiscal 2015. This was partially offset by improvement in cash flows used for inventory as fiscal 2014 had a significant inventory increase due to the timing of our inventory build to support forecasted sales in the first quarter of fiscal 2015, coupled with an increase in customer deposits and improved earnings in fiscal 2015.

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

	Three months ended		
	October 1, 2016	October 3, 2015	September 27, 2014
Days in accounts receivable	58	53	44
Days in inventory	87	85	80
Days in accounts payable	(61)	(60)	(60)
Days in cash deposits	(13)	(12)	(8)
Annualized cash cycle	71	66	56

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

Days in accounts receivable for the three months ended October 1, 2016 increased five days compared to the three months ended October 3, 2015. The increase is primarily attributable to increased net sales to customers with longer

payment terms and the timing of payments.

33

Table of Contents

Days in inventory for the three months ended October 1, 2016 increased two days compared to the three months ended October 3, 2015. The increase is primarily driven by the decrease in annualized cost of sales due primarily to the decrease in net sales and relatively flat inventory levels as a result of demand reductions late in the fourth quarter, which did not allow inventory to decrease by year end in line with the net sales decrease.

Days in accounts payable for the three months ended October 1, 2016 increased one day compared to the three months ended October 3, 2015. The increase is primarily driven by the decrease in annualized cost of sales due primarily to the decrease in net sales and the timing of purchases.

Days in cash deposits for the three months ended October 1, 2016 increased one day compared to the three months ended October 3, 2015. The increase was primarily attributable to an increase in customer deposits primarily due to a deposit received from one customer to offset on-hand inventory.

As of October 1, 2016 annualized cash cycle days increased five days compared to October 3, 2015 due to the factors discussed above.

Free Cash Flow. We define free cash flow (“FCF”), a non-GAAP financial measure, as cash flow provided by operations less capital expenditures. FCF was \$96.6 million for fiscal 2016 compared to \$41.5 million for fiscal 2015. The increase of \$55.1 million was primarily attributable to the increase in cash provided by operating activities described above and the reduction in capital expenditures.

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

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

	2016	2015	2014
Cash flows provided by operating activities	\$127.7	\$76.6	\$88.4
Payments for property, plant and equipment	(31.1)	(35.1)	(65.3)
Free cash flow	\$96.6	\$41.5	\$23.1

Investing Activities. Cash flows used in investing activities were \$26.5 million for fiscal 2016 compared to \$34.7 million for fiscal 2015. The reduction was due to a \$4.0 million decrease in capital expenditures and a \$4.2 million increase in proceeds received from the sale of property, plant and equipment, primarily related to the sale of our engineering facility in Neenah, Wisconsin.

Cash flows used in investing activities were \$34.7 million for fiscal 2015 compared to \$62.6 million for fiscal 2014. The reduction was due to a \$30.2 million decrease in capital expenditures primarily related to our facility investment for Guadalajara during fiscal 2014.

We utilized available cash and operating cash flows as the sources for funding our operating requirements during fiscal 2016. We currently estimate capital expenditures for fiscal 2017 will be approximately \$50 million to \$60 million.

Financing Activities. Cash flows used in financing activities were \$21.3 million for fiscal 2016 compared to \$26.2 million for fiscal 2015. The decrease was primarily attributable to the \$5.0 million increase in proceeds received from increased stock option exercise activity during fiscal 2016.

Cash flows used in financing activities were \$26.2 million for fiscal 2015 compared to \$21.0 million for fiscal 2014. The increase was primarily attributable to reduced proceeds from stock option exercises during fiscal 2015.

On June 6, 2016, the Board of Directors approved a multi-year stock repurchase program under which the Company is authorized to repurchase up to \$150.0 million of its common stock beginning in fiscal 2017. We will repurchase shares subject to market conditions.

On August 20, 2015, the Board of Directors authorized a stock repurchase program under which the Company was authorized to repurchase up to \$30.0 million of its common stock during fiscal 2016. The Company repurchased 760,903 shares under this

Table of Contents

program for \$30.0 million, at an average price of \$39.43 per share, during fiscal 2016. These shares were recorded as treasury stock.

On August 13, 2014, the Board of Directors authorized a stock repurchase program under which the Company was authorized to repurchase up to \$30.0 million of its common stock during fiscal 2015. During fiscal 2015, the Company repurchased 745,227 shares under this program for \$30.0 million, at an average price of \$40.26 per share. These shares were recorded as treasury stock.

On July 5, 2016, the Company entered into an amendment to the credit agreement (the "Credit Agreement") related to its senior unsecured credit facility (the "Credit Facility"). The amendment increased the maximum commitment under the Credit Facility from \$265 million to \$300 million, provides a potential additional \$200 million increase in borrowing capacity to \$500 million with the approval of the lenders, and extended the termination date of the facility from May 15, 2019, to July 5, 2021.

Consistent with the terms of the Credit Facility prior to its amendment, borrowings under the Credit Facility as amended bear interest, at the Company's option, at a eurocurrency or base rate plus, in each case, an applicable interest rate margin based on the Company's then-current leverage ratio (as defined in the Credit Agreement). As of October 1, 2016, the borrowing rate under the Credit Agreement was LIBOR plus 1.125% (or 1.648%). As of October 1, 2016, the \$75.0 million of outstanding debt under the Credit Facility is effectively at a fixed interest rate as a result of a \$75.0 million notional amount of interest rate swap contracts discussed in Note 5, "Derivatives and Fair Value Measurements." The Company is required to pay an annual commitment fee on the unused revolver credit commitment based on the Company's leverage ratio; the fee was 0.175% as of October 1, 2016. During fiscal 2016, the highest daily borrowing was \$232.0 million, the average daily borrowings were \$188.6 million, and the Company borrowed and repaid \$625.0 million of revolving borrowings under the Credit Facility.

The financial covenants (as defined under the Credit Agreement) require, among other covenants, that the Company maintain, as of each fiscal quarter end, a maximum total leverage ratio and a minimum interest coverage ratio. As of October 1, 2016, the Company was in compliance with all financial covenants of the Credit Agreement.

In fiscal 2011, Plexus issued \$175.0 million in principal amount of 5.20% Senior Notes, due on June 15, 2018 (the "Notes"). The related Note Purchase Agreement contains certain financial covenants, which include a maximum total leverage ratio, a minimum interest coverage ratio and a minimum net worth test, all as defined in the agreement. As of October 1, 2016, the Company was in compliance with all such covenants relating to the Notes and the Note Purchase Agreement.

The Credit Agreement and the Note Purchase Agreement allow for the future payment of cash dividends or the repurchase of shares provided that no event of default (including any failure to comply with a financial covenant) exists at the time of, or would be caused by, the dividend payment or the share repurchases. We have not paid cash dividends in the past and do not currently anticipate paying them in the future. However, we evaluate from time to time potential uses of excess cash, which in the future may include share repurchases above those already authorized, a special dividend or recurring dividends.

On October 4, 2016, the Company entered into a Master Accounts Receivable Purchase Agreement (the "RPA") with The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch (the "Purchaser"). Pursuant to the RPA, the Company, Plexus Malaysia and one or more additional Plexus subsidiaries that may be designed in the future (each, a "Seller") may sell to the Purchaser up to an aggregate of \$100.0 million in accounts receivable owed to such Sellers by specified customers. In exchange, the Purchaser pays a purchase price for each purchased receivable equal to the net face value of the receivable less an agreed upon discount. The facility represented by the RPA is non-committed, meaning that the Company and each other Seller acknowledge that they have not paid a commitment or comparable fee to the Purchaser, and that the Purchaser does not have a continuing obligation to purchase any receivable from any Seller. The Purchaser will pay an agreed-upon servicing fee to each Seller with respect to each purchased receivable sold by such Seller, consistent with common market practices. The RPA contains representations, warranties, covenants, and termination events that are customary for factoring transactions of this type.

Based on current expectations, we believe that our projected cash flows provided by operations, available cash and cash equivalents, potential borrowings under the Credit Facility, and our leasing capabilities, should be sufficient to meet our working capital and fixed capital requirements for the next twelve months. If our future financing needs

increase, we may need to arrange additional debt or equity financing. Accordingly, we evaluate and consider from time to time various financing alternatives to supplement our financial resources. However, we cannot be assured that we will be able to make any such arrangements on acceptable terms.

Table of Contents

CONTRACTUAL OBLIGATIONS, COMMITMENTS AND OFF-BALANCE SHEET OBLIGATIONS

Our disclosures regarding contractual obligations and commercial commitments are located in various parts of our regulatory filings. Information in the following table provides a summary of our contractual obligations and commercial commitments as of October 1, 2016 (dollars in millions):

Contractual Obligations	Payments Due by Fiscal Year				
	Total	2017	2018-2019	2020-2021	2022 and thereafter
Long-Term Debt Obligations (1,2)	\$266.0	\$84.8	\$ 181.2	\$ —	\$ —
Capital Lease and Other Short-Term Debt Obligations	5.2	3.5	1.4	0.3	—
Operating Lease Obligations	29.3	8.5	12.1	7.9	0.8
Purchase Obligations (3)	482.1	473.2	7.7	1.2	—
Other Long-Term Liabilities on the Balance Sheet (4)	11.5	0.5	0.3	—	10.7
Other Long-Term Liabilities not on the Balance Sheet (5)	7.6	3.5	0.2	1.1	2.8
Other financing obligations (6)	12.9	1.5	3.1	3.2	5.1
Total Contractual Cash Obligations	\$814.6	\$575.5	\$ 206.0	\$ 13.7	\$ 19.4

1) Includes amounts outstanding under the Credit Facility. As of October 1, 2016, the outstanding balance was \$75.0 million. The amounts listed above include interest; see Note 4 in Notes to Consolidated Financial Statements for further information.

2) Includes \$175.0 million in principal amount of Notes. The amounts listed above include interest; see Note 4 in Notes to Consolidated Financial Statements for further information.

3) As of October 1, 2016, purchase obligations consist primarily of purchases of inventory and equipment in the ordinary course of business.

4) As of October 1, 2016, other long-term obligations on the balance sheet included deferred compensation obligations to certain of our former and current executive officers, as well as other key employees, and an asset retirement obligation. We have excluded from the above table the impact of approximately \$2.8 million, as of October 1, 2016, related to unrecognized income tax benefits. The Company cannot make reliable estimates of the future cash flows by period related to these obligations.

5) As of October 1, 2016, other long-term obligations not on the balance sheet consisted of guarantees and a commitment for salary continuation and certain benefits in the event employment of one executive officer of the Company is terminated without cause. Excluded from the amounts disclosed are certain bonus and incentive compensation amounts, which would be paid on a prorated basis in the year of termination.

6) Includes future minimum payments under the base lease agreement in Guadalajara, Mexico. Excludes \$20.3 million of future minimum payments under renewal options from 2025 through 2034. See Note 3 in Notes to Consolidated Financial Statements for further information.

Table of Contents

DISCLOSURE ABOUT CRITICAL ACCOUNTING ESTIMATES

Our accounting policies are disclosed in Note 1 of Notes to the Consolidated Financial Statements. During fiscal 2016, there were no material changes to these policies. Our more critical accounting estimates are described below:

Revenue – Net sales from manufacturing services are recognized when the product has been shipped, the risk of ownership has transferred to the customer, the price to the buyer is fixed or determinable, and recoverability is reasonably assured. This point depends on contractual terms and generally occurs upon shipment of the goods from Plexus. Generally, there are no formal customer acceptance requirements or further obligations related to manufacturing services; if such requirements or obligations exist, then a sale is recognized at the time when such requirements are completed and such obligations fulfilled.

Sales are recorded net of estimated returns of manufactured product based on management's analysis of historical rates of returns, current economic trends and changes in customer demand. Net sales also include amounts billed to customers for shipping and handling, if applicable. The corresponding shipping and handling costs are included in cost of sales.

Net sales from engineering design and development services, which are generally performed under contracts with durations of twelve months or less, are typically recognized as costs are incurred utilizing the proportional performance model. The completed performance model is used if certain customer acceptance criteria exist. Any losses are recognized when anticipated.

Income Taxes - The Company accounts for income taxes in accordance with ASC 740. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The Company does not currently provide for additional U.S. and foreign income taxes which would become payable upon repatriation of undistributed earnings of certain foreign subsidiaries. The Company maintains valuation allowances when it is more likely than not that all or a portion of a deferred tax asset will not be realized. In determining whether a valuation allowance is required, the Company takes into account such factors as prior earnings history, expected future earnings, carryback and carryforward periods, and tax strategies that could potentially enhance the likelihood of realization of a deferred tax asset.

Stock-Based Compensation – The Financial Accounting Standard Board ("FASB") requires all share-based payments to employees, including grants of employee stock options, to be measured at fair value and expensed in the consolidated statements of comprehensive income over the service period (generally the vesting period) of the grant. We used the modified prospective application, under which compensation expense is only recognized in the consolidated statements of comprehensive income beginning with the first period that we adopted the FASB regulation and continuing to be expensed thereafter. We use the Black-Scholes valuation model to value stock options and the Monte Carlo valuation model to value performance stock units. See Note 9, "Benefit Plans," in Notes to Consolidated Financial Statements for further information.

NEW ACCOUNTING PRONOUNCEMENTS

See Note 1, "Description of Business and Significant Accounting Policies," in Notes to Consolidated Financial Statements regarding recent accounting pronouncements.

Table of Contents

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk from changes in foreign exchange and interest rates. We selectively use financial instruments to reduce such risks.

Foreign Currency Risk

We do not use derivative financial instruments for speculative purposes. Our policy is to selectively hedge our foreign currency denominated transactions in a manner that partially offsets the effects of changes in foreign currency exchange rates. We typically use foreign currency contracts to hedge only those currency exposures associated with certain assets and liabilities denominated in non-functional currencies. Corresponding gains and losses on the underlying transaction generally offset the gains and losses on these foreign currency hedges. Our international operations create potential foreign exchange risk.

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

	2016	2015	2014
Net Sales	8%	7%	7%
Total Costs	13%	12%	13%

The Company has evaluated the potential foreign currency exchange rate risk on transactions denominated in currencies other than the U.S. dollar for the periods presented above. Based on the Company's overall currency exposure, as of October 1, 2016, a 10.0 percent change in the value of the U.S. dollar relative to our other transactional currencies would not have a material effect on the Company's financial position, results of operations, or cash flows.

Interest Rate Risk

We have financial instruments, including cash equivalents, which are sensitive to changes in interest rates. We consider the use of interest rate swaps based on existing market conditions and have entered into interest rate swaps related to borrowings under our Credit Facility. For more information, refer to Note 5, "Derivatives and Fair Value Measurements," in Notes to Consolidated Financial Statements. Interest rate swap agreements are subject to the further risk that the counterparties to these agreements may fail to comply with their obligations thereunder.

The primary objective of our investment activities is to preserve principal, while maximizing yields without significantly increasing market risk. To achieve this, we maintain our portfolio of cash equivalents in a variety of highly rated securities, money market funds and certificates of deposit, and limit the amount of principal exposure to any one issuer.

As of October 1, 2016, our only material interest rate risk is associated with our Credit Facility, which had an outstanding balance of \$75 million. As of the end of fiscal 2016, through the use of interest rate swaps, as described above, we fixed the basis on which we pay interest with a \$75 million notional amount of interest rate swap contracts, and the borrowings under the Notes are based on a fixed interest rate, thus eliminating much of our interest rate risk.

Table of Contents

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

PLEXUS CORP.

List of Financial Statements and Financial Statement Schedule

October 1, 2016

Contents	Pages
<u>Report of Independent Registered Public Accounting Firm</u>	<u>40</u>
Consolidated Financial Statements:	
<u>Consolidated Statements of Comprehensive Income for the fiscal years ended October 1, 2016, October 3, 2015 and September 27, 2014</u>	<u>41</u>
<u>Consolidated Balance Sheets as of October 1, 2016 and October 3, 2015</u>	<u>42</u>
<u>Consolidated Statements of Shareholders' Equity for the fiscal years ended October 1, 2016, October 3, 2015 and September 27, 2014</u>	<u>43</u>
<u>Consolidated Statements of Cash Flows for the fiscal years ended October 1, 2016, October 3, 2015 and September 27, 2014</u>	<u>44</u>
<u>Notes to Consolidated Financial Statements</u>	<u>45</u>
Financial Statement Schedule:	
<u>Schedule II - Valuation and Qualifying Accounts for the fiscal years ended October 1, 2016, October 3, 2015 and September 27, 2014</u>	<u>70</u>

NOTE: All other financial statement schedules are omitted because they are not applicable or the required information is included in the Consolidated Financial Statements or notes thereto.

Table of Contents

Report of Independent Registered Public Accounting Firm
To the Shareholders
and Board of Directors
of Plexus Corp.:

In our opinion, the consolidated financial statements listed in the accompanying index present fairly, in all material respects, the financial position of Plexus Corp. and its subsidiaries at October 1, 2016 and October 3, 2015, and the results of their operations and their cash flows for each of the three years in the period ended October 1, 2016 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the accompanying index presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of October 1, 2016, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements and financial statement schedule, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Annual Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on these financial statements, on the financial statement schedule, and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

As discussed in Note 1 to the consolidated financial statements, the Company changed the manner in which it classifies deferred taxes in 2016.

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 (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) 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 (iii) 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, internal control over financial reporting may not prevent or detect misstatements. Also, 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.

/s/ PricewaterhouseCoopers LLP
Milwaukee, Wisconsin
November 18, 2016

40

Table of Contents

PLEXUS CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

for the fiscal years ended October 1, 2016, October 3, 2015 and September 27, 2014

(in thousands, except per share data)

	2016	2015	2014
Net sales	\$2,556,004	\$2,654,290	\$2,378,249
Cost of sales	2,328,645	2,414,740	2,152,680
Gross profit	227,359	239,550	225,569
Selling and administrative expenses	120,886	122,423	113,682
Restructuring and other charges	7,034	1,691	11,280
Operating income	99,439	115,436	100,607
Other income (expense):			
Interest expense	(14,635)	(13,964)	(12,295)
Interest income	4,242	3,499	2,934
Miscellaneous	(1,652)	1,324	2,079
Income before income taxes	87,394	106,295	93,325
Income tax expense	10,967	11,963	6,112
Net income	\$76,427	\$94,332	\$87,213
Earnings per share:			
Basic	\$2.29	\$2.81	\$2.58
Diluted	\$2.24	\$2.74	\$2.52
Weighted average shares outstanding:			
Basic	33,374	33,618	33,785
Diluted	34,098	34,379	34,655
Comprehensive income:			
Net income	\$76,427	\$94,332	\$87,213
Other comprehensive income (loss):			
Derivative instrument fair value adjustment - net of income taxes	8,967	(11,223)	1,565
Foreign currency translation adjustments	(14,035)	(13,830)	(3,220)
Other comprehensive loss	(5,068)	(25,053)	(1,655)
Total comprehensive income	\$71,359	\$69,279	\$85,558

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

Table of Contents

PLEXUS CORP. AND SUBSIDIARIES
 CONSOLIDATED BALANCE SHEETS
 as of October 1, 2016 and October 3, 2015
 (in thousands, except per share data)

	2016	2015
ASSETS		
Current assets:		
Cash and cash equivalents	\$432,964	\$357,106
Accounts receivable, net of allowances of \$2,368 and \$879, respectively	416,888	384,680
Inventories	564,131	569,371
Prepaid expenses and other	19,364	22,882
Total current assets	1,433,347	1,334,039
Property, plant and equipment, net	291,225	317,351
Deferred income taxes	4,834	4,657
Other	36,413	35,713
Total non-current assets	332,472	357,721
Total assets	\$1,765,819	\$1,691,760
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt and capital lease obligations	\$78,507	\$3,513
Accounts payable	397,200	400,710
Customer deposits	84,637	81,359
Accrued salaries and wages	41,806	49,270
Other accrued liabilities	48,286	44,446
Total current liabilities	650,436	579,298
Long-term debt and capital lease obligations, net of current portion	184,002	258,293
Other liabilities	14,584	11,897
Total non-current liabilities	198,586	270,190
Total liabilities	849,022	849,488
Commitments and contingencies		
Shareholders' equity:		
Preferred stock, \$.01 par value, 5,000 shares authorized, none issued or outstanding	—	—
Common stock, \$.01 par value, 200,000 shares authorized, 51,272 and 50,554 shares issued, respectively, and 33,457 and 33,500 shares outstanding, respectively	513	506
Additional paid-in capital	530,647	497,488
Common stock held in treasury, at cost, 17,815 and 17,054 shares, respectively	(539,968)	(509,968)
Retained earnings	937,144	860,717
Accumulated other comprehensive loss	(11,539)	(6,471)
Total shareholders' equity	916,797	842,272
Total liabilities and shareholders' equity	\$1,765,819	\$1,691,760

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

Table of Contents

PLEXUS CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

for the fiscal years ended October 1, 2016, October 3, 2015 and September 27, 2014

(in thousands)

	Common Stock				Retained Earnings	Accumulated	
	Shares	Amount	Additional Paid-In Capital	Treasury Stock		Other Comprehensive Income (Loss)	Total
Balances, September 28, 2013	33,600	\$ 492	\$ 449,368	\$(449,968)	\$679,172	\$ 20,237	\$699,301
Net income	—	—	—	—	87,213	—	87,213
Other comprehensive income	—	—	—	—	—	(1,655)	(1,655)
Treasury shares purchased	(733)	—	—	(30,000)	—	—	(30,000)
Stock-based compensation expense	—	—	12,970	—	—	—	12,970
Exercise of stock options, including tax benefits	786	8	13,296	—	—	—	13,304
Balances, September 27, 2014	33,653	500	475,634	\$(479,968)	766,385	18,582	781,133
Net income	—	—	—	—	94,332	—	94,332
Other comprehensive loss	—	—	—	—	—	(25,053)	(25,053)
Treasury shares purchased	(745)	—	—	(30,000)	—	—	(30,000)
Stock-based compensation expense	—	—	13,252	—	—	—	13,252
Exercise of stock options, including tax benefits	592	6	8,602	—	—	—	8,608
Balances, October 3, 2015	33,500	506	497,488	\$(509,968)	860,717	(6,471)	842,272
Net income	—	—	—	—	76,427	—	76,427
Other comprehensive loss	—	—	—	—	—	(5,068)	(5,068)
Treasury shares purchased	(761)	—	—	(30,000)	—	—	(30,000)
Stock-based compensation expense	—	—	19,341	—	—	—	19,341
Exercise of stock options, including tax benefits	718	7	13,818	—	—	—	13,825
Balances, October 1, 2016	33,457	513	\$ 530,647	\$(539,968)	\$937,144	\$ (11,539)	\$916,797

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

Table of Contents

PLEXUS CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
for the fiscal years ended October 1, 2016, October 3, 2015 and September 27, 2014
(in thousands)

	2016	2015	2014
Cash flows from operating activities			
Net income	\$76,427	\$94,332	\$87,213
Adjustments to reconcile net income to net cash flows from operating activities:			
Depreciation	47,414	48,378	47,261
Amortization of intangibles	—	—	603
Amortization of deferred financing fees	405	304	334
Loss on sale of property, plant and equipment	1,215	123	183
Asset impairment charges	—	—	3,160
Deferred income tax net benefit	(330)	(597)	(1,653)
Stock-based compensation expense	19,341	13,252	12,970
Changes in operating assets and liabilities:			
Accounts receivable	(36,990)	(64,876)	(19,426)
Inventories	(785)	(48,202)	(122,611)
Other current and noncurrent assets	2,913	6,398	(1,742)
Accounts payable	5,839	5,283	90,320
Customer deposits	4,466	25,843	(13,130)
Other current and noncurrent liabilities	7,823	(3,666)	4,950
Cash flows provided by operating activities	127,738	76,572	88,432
Cash flows from investing activities			
Payments for property, plant and equipment	(31,123)	(35,076)	(65,284)
Proceeds from sales of property, plant and equipment	4,607	407	2,717
Cash flows used in investing activities	(26,516)	(34,669)	(62,567)
Cash flows from financing activities			
Borrowings under credit facility	625,000	483,000	281,000
Payments on debt and capital lease obligations	(629,571)	(487,811)	(285,263)
Debt issuance costs	(545)	—	—
Repurchases of common stock	(30,000)	(30,000)	(30,000)
Proceeds from exercise of stock options	16,407	11,380	14,869
Minimum tax withholding related to vesting of restricted stock	(2,582)	(2,772)	(1,565)
Cash flows used in financing activities	(21,291)	(26,203)	(20,959)
Effect of exchange rate changes on cash and cash equivalents	(4,073)	(5,185)	(180)
Net increase in cash and cash equivalents	75,858	10,515	4,726
Cash and cash equivalents:			
Beginning of period	357,106	346,591	341,865
End of period	\$432,964	\$357,106	\$346,591
Supplemental disclosure information:			
Interest paid	\$14,927	\$13,483	\$12,681
Income taxes paid	\$11,364	\$11,157	\$8,976

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

Table of Contents

Plexus Corp.

Notes to Consolidated Financial Statements

1. Description of Business and Significant Accounting Policies

Description of Business: Plexus Corp. and its subsidiaries (together “Plexus” or the “Company,”) participate in the Electronic Manufacturing Services (“EMS”) industry. Plexus provides integrated product conceptualization, design, commercialization, manufacturing, fulfillment and sustaining solutions to customers in the Healthcare/Life Sciences, Industrial/Commercial, Networking/Communications and Defense/Security/Aerospace market sectors. Plexus is headquartered in Neenah, Wisconsin and has operations in the Americas (“AMER”), Europe, Middle East, and Africa (“EMEA”) and Asia-Pacific (“APAC”) regions.

Significant Accounting Policies

Consolidation Principles and Basis of Presentation: The consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America (“GAAP”) and include the accounts of Plexus Corp. and its subsidiaries. All significant intercompany transactions have been eliminated.

Certain prior period amounts have been reclassified to conform to the current period presentation.

The Company’s fiscal year ends on the Saturday closest to September 30. The Company also uses a “4-4-5” weekly accounting system for the interim periods in each quarter. Each quarter, therefore, ends on a Saturday at the end of the 4-4-5 period. Periodically, an additional week must be added to the fiscal year to re-align with the Saturday closest to September 30. Fiscal 2016 and fiscal 2014 included 52 weeks; fiscal 2015 included 53 weeks. The first quarter of fiscal 2015 included 14 weeks and all other fiscal quarters presented included 13 weeks.

Cash and Cash Equivalents: Cash equivalents include short-term highly liquid investments and are classified as Level 1 in the fair level hierarchy described below. As of October 1, 2016 and October 3, 2015, cash and cash equivalents consisted of the following (in thousands):

	2016	2015
Cash	\$175,396	\$179,339
Money market funds and other	257,568	177,767
Total cash and cash equivalents	\$432,964	\$357,106

Inventories: Inventories are valued at the lower of cost or market. Cost is determined by the first-in, first-out (“FIFO”) method. Valuing inventories at the lower of cost or market requires the use of estimates and judgment. Customers may cancel their orders, change production quantities or delay production for a number of reasons that are beyond the Company’s control. Any of these, or certain additional actions, could impact the valuation of inventory. Any actions taken by the Company’s customers that could impact the value of its inventory are considered when determining the lower of cost or market valuations.

In certain instances, in accordance with contractual terms, the Company receives customer deposits to offset obsolete and excess inventory risks.

Property, Plant and Equipment and Depreciation: Property, plant and equipment is stated at cost and depreciated using the straight-line method over the estimated useful lives of the respective assets. Estimated useful lives for major classes of depreciable assets are as follows:

Buildings and improvements	5-50 years
Machinery and equipment	3-7 years
Computer hardware and software	3-10 years

Certain facilities and equipment held under capital leases are classified as property, plant and equipment and amortized using the straight-line method over the term of the lease and the related obligations are recorded as liabilities. Amortization of assets held under capital leases is included in depreciation expense (see Note 3, “Property, Plant and Equipment”) and the financing component of the lease payments is classified as interest expense.

Maintenance and repairs are expensed as incurred.

The Company capitalizes significant costs incurred in the acquisition or development of software for internal use. This includes costs of the software, consulting services and compensation costs for employees directly involved in developing internal use computer software.

Table of Contents

Plexus Corp.

Notes to Consolidated Financial Statements

Impairment of Long-Lived Assets: Long-lived assets, including property, plant and equipment and intangible assets with finite lives are reviewed for impairment and written down to fair value when facts and circumstances indicate that the carrying value of long-lived assets or asset groups may not be recoverable through estimated future undiscounted cash flows. If an impairment has occurred, a write-down to estimated fair value is made and the impairment loss is recognized as a charge against current operations. The impairment analysis is based on management's assumptions, including future revenue and cash flow projections. Circumstances that may lead to impairment of property, plant and equipment and intangible assets with finite lives include reduced expectations for future performance or industry demand and possible further restructurings, among others.

Revenue Recognition: Net sales from manufacturing services are recognized when the product has been shipped, the risk of ownership has transferred to the customer, the price to the buyer is fixed or determinable, and recoverability is reasonably assured. This point depends on contractual terms and generally occurs upon shipment of the goods from Plexus. Generally, there are no formal customer acceptance requirements or further obligations related to manufacturing services; if such requirements or obligations exist, then a sale is recognized at the time when such requirements are completed and such obligations are fulfilled.

Sales are recorded net of estimated returns of manufactured products based on management's analysis of historical returns, current economic trends and changes in customer demand. Net sales also include amounts billed to customers for shipping and handling. The corresponding shipping and handling costs are included in cost of sales.

Net sales from engineering design and development services, which are generally performed under contracts with a duration of twelve months or less, are typically recognized as program costs are incurred utilizing the proportional performance model. The completed performance model is used if certain customer acceptance criteria exist. Any losses are recognized when anticipated. Net sales from engineering design and development services were less than 5.0% of consolidated net sales for each of fiscal 2016, 2015 and 2014.

Income Taxes: The Company accounts for income taxes in accordance with ASC Topic 740, "Income Taxes" ("ASC 740"). Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The Company does not currently provide for additional U.S. and foreign income taxes that would become payable upon the repatriation of undistributed earnings of certain foreign subsidiaries. The Company maintains valuation allowances when it is more likely than not that all or a portion of a deferred tax asset will not be realized. In determining whether a valuation allowance is required, the Company takes into account such factors as prior earnings history, expected future earnings, carryback and carryforward periods, and tax strategies that could potentially enhance the likelihood of the realization of a deferred tax asset.

Foreign Currency Translation: The Company translates assets and liabilities of subsidiaries operating outside of the U.S. with a functional currency other than the U.S. dollar into U.S. dollars using exchange rates in effect at the relevant balance sheet date and net sales, expenses and cash flows at the average exchange rates during the respective periods. Adjustments resulting from translation of the financial statements are recorded as a component of "Accumulated other comprehensive loss." Exchange gains and losses arising from transactions denominated in a currency other than the functional currency of the entity involved and remeasurement adjustments for foreign operations where the U.S. dollar is the functional currency are included in our Consolidated Statements of Comprehensive Income as a component "Other income (expense)." Exchange gains (losses) on foreign currency transactions were \$(1.7) million, \$1.3 million, and \$(0.1) million for fiscal 2016, 2015 and 2014, respectively. These amounts include the amount of gain (loss) recognized in income during each fiscal year due to non-designated forward currency exchange contracts the Company entered into during each respective year. Refer to Note 5, "Derivatives and Fair Value Measurements," for further details on derivatives.

Derivatives: All derivatives are recognized on the balance sheet at fair value. The Company periodically enters into forward currency exchange contracts and interest rate swaps. On the date a derivative contract is entered into, the

Company designates the derivative as a hedge of a recognized asset or liability (a “non-designated” hedge), a hedge of a forecasted transaction or of the variability of cash flows to be received or paid related to a recognized asset or liability (a “cash flow” hedge), or a hedge of the net investment in a foreign operation. The Company does not enter into derivatives for speculative purposes. Changes in the fair value of a derivative that qualifies as a non-designated hedge are recorded in earnings as are the gains or losses related to the hedged asset or liability. Changes in the fair value of a derivative that qualifies as a cash flow hedge are recorded in “Accumulated other comprehensive loss” within shareholders’ equity, until earnings are affected by the variability of cash flows. Changes in the fair value of a derivative used to hedge the net investment in a foreign operation are recorded in “Accumulated other comprehensive loss” within shareholders’ equity. The Company's interest rate swaps and certain forward

Table of Contents

Plexus Corp.

Notes to Consolidated Financial Statements

currency exchange contracts are treated as cash flow hedges and, therefore, \$9.0 million, \$(11.2) million and \$1.6 million was recorded in "Accumulated other comprehensive loss" for fiscal 2016, 2015 and 2014, respectively.

Grants from Government Authorities: Grants from governments are recognized at their fair value where there is reasonable assurance that the grant funds will be received and the Company will comply with all attached conditions to the grant. Government grants relating to property, plant and equipment are recorded as an offset to the carrying value of the related assets at the time of capitalization. Government grants relating to other costs incurred are recognized as an offset to those related costs, for which the grants are intended to compensate for, at the time they are recognized.

Earnings Per Share: The computation of basic earnings per common share is based upon the weighted average number of common shares outstanding and net income. The computation of diluted earnings per common share reflects additional dilution from share-based awards, excluding any with an antidilutive effect.

Stock-based Compensation: The Company measures all share-based payments to employees, including grants of employee stock options, at fair value and expenses them in the Consolidated Statements of Comprehensive Income over the service period (generally the vesting period) of the grant.

Comprehensive (Loss) Income: The Company follows the established standards for reporting comprehensive (loss) income, which is defined as the changes in equity of an enterprise except those resulting from shareholder transactions.

Accumulated other comprehensive loss consists of the following as of October 1, 2016 and October 3, 2015 (in thousands):

	2016	2015
Foreign currency translation adjustments	\$(11,637)	\$2,398
Cumulative change in fair value of derivative instruments	98	(8,869)
Accumulated other comprehensive loss	\$(11,539)	\$(6,471)

Refer to Note 5, "Derivatives and Fair Value Measurements," for further explanation regarding the change in fair value of derivative instruments, net of tax adjustments, that is recorded to "Accumulated other comprehensive loss."

Use of Estimates: The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes.

Actual results could differ from those estimates.

Fair Value of Financial Instruments: The Company holds financial instruments consisting of cash and cash equivalents, accounts receivable, certain deferred compensation assets held under trust arrangements, accounts payable, debt, and derivatives. The carrying values of cash and cash equivalents, accounts receivable, accounts payable, and capital lease obligations as reported in the consolidated financial statements approximate fair value. Derivatives and certain deferred compensation assets held under a trust and a rabbi trust arrangement are recorded at fair value. Accounts receivable are reflected at net realizable value based on anticipated losses due to potentially uncollectible balances. Anticipated losses are based on management's analysis of historical losses and changes in customers' credit status. The fair value of the Company's long-term debt was \$251.4 million and \$250.2 million as of October 1, 2016 and October 3, 2015, respectively. The Company uses quoted market prices when available or discounted cash flows to calculate fair value. If measured at fair value in the financial statements, long-term debt (including the current portion) would be classified as Level 2 in the fair value hierarchy described below. The fair values of the Company's derivatives are disclosed in Note 5, "Derivatives and Fair Value Measurements." The fair values of the deferred compensation assets held under a trust and a rabbi trust arrangement are discussed in Note 9, "Benefit Plans."

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

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

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

47

Table of Contents

Plexus Corp.

Notes to Consolidated Financial Statements

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

Business and Credit Concentrations: Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash, cash equivalents, trade accounts receivable and derivative instruments, specifically related to counterparties. In accordance with the Company's investment policy, the Company's cash, cash equivalents and derivative instruments were placed with recognized financial institutions. The Company's investment policy limits the amount of credit exposure in any one issue and the maturity date of the investment securities that typically comprise investment grade short-term debt instruments. Concentrations of credit risk in accounts receivable resulting from sales to major customers are discussed in Note 11, "Reportable Segments, Geographic Information and Major Customers." The Company, at times, requires cash deposits for services performed. The Company also closely monitors extensions of credit.

New Accounting Pronouncements: In March 2016, the Financial Accounting Standards Board ("FASB") issued guidance that changes the accounting for certain aspects of share-based payments to employees. The guidance requires the recognition of the income tax effects of awards in the income statement when the awards vest or are settled, thus eliminating additional paid-in capital pools. The guidance also allows for the employer to repurchase more of an employee's shares for tax withholding purposes without triggering liability accounting. In addition, the guidance allows for a policy election to account for forfeitures as they occur rather than on an estimated basis. The guidance is effective for fiscal years, and interim periods within those years, beginning after December 15, 2016. Early adoption is permitted. The adoption of the new standard is not expected to have a material impact on the Company's Consolidated Financial Statements.

In February 2016, the FASB issued guidance that primarily requires lessees to recognize most leases on their balance sheets but record expenses on their income statements in a manner similar to current accounting. For lessors, the guidance modifies the classification criteria and the accounting for sales-type and direct financing leases. The guidance is effective for fiscal years, and interim periods within those years, beginning after December 15, 2018. Early adoption is permitted. The Company is currently in the process of assessing the impact of the adoption of the new standard on its Consolidated Financial Statements and the timing of adoption.

In November 2015, the FASB issued an accounting standard to simplify the presentation of deferred taxes. The new guidance requires that all deferred tax assets and liabilities, along with any related valuation allowance, be classified as noncurrent on the balance sheet, as opposed to being presented as current and non-current. This guidance is required to be adopted for annual periods beginning after December 15, 2016, and interim periods within those annual periods. In the fourth quarter of fiscal 2016, the Company elected to early adopt the guidance retrospectively. The adoption resulted in a reclassification of \$10.7 million of current deferred income tax assets and \$9.7 million of non-current deferred income tax liabilities to non-current deferred income tax assets in the Company's consolidated balance sheet as of October 3, 2015.

In April 2015, the FASB issued an amendment that requires debt issuance costs related to a recognized debt liability to be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. Under the new guidance, the recognition and measurement of debt issuance costs is not affected. This guidance is effective for annual periods beginning on or after December 15, 2015. In the fourth quarter of fiscal 2016, the Company elected to early adopt the guidance retrospectively. The adoption resulted in a reclassification of \$1.0 million of deferred financing costs from other non-current assets to long-term debt and capital lease obligations, net of current portion in the Company's consolidated balance sheet as of October 3, 2015.

In May 2014, the FASB issued amended guidance for revenue recognition. The standard's core principle is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. In doing so, companies will need to use more judgment and make more estimates than under current guidance. This may include identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each separate performance obligation. In July 2015 the FASB

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approved a one-year deferral of the standard. The new standard will become effective retrospectively for the Company for the fiscal first quarter of 2019, with early adoption permitted, but not before the original effective date (fiscal first quarter of 2018). The Company is currently in the process of evaluating the impact of the adoption of this guidance on its Consolidated Financial Statements.

The Company has determined that no other recently issued accounting standards will have a material impact on its Consolidated Financial Statements, or will not apply to its operations.

Table of Contents

Plexus Corp.

Notes to Consolidated Financial Statements

2. Inventories

Inventories as of October 1, 2016 and October 3, 2015 consisted of the following (in thousands):

	2016	2015
Raw materials	\$414,303	\$407,637
Work-in-process	69,423	84,472
Finished goods	80,405	77,262
Total inventories	\$564,131	\$569,371

In certain circumstances, per contractual terms, customer deposits are received by the Company to offset obsolete and excess inventory risks. The total amount of customer deposits related to inventory and included within current liabilities on the accompanying Consolidated Balance Sheets as of October 1, 2016 and October 3, 2015 was \$74.6 million and \$64.3 million, respectively.

3. Property, Plant and Equipment

Property, plant and equipment as of October 1, 2016 and October 3, 2015 consisted of the following (in thousands):

	2016	2015
Land, buildings and improvements	\$247,806	\$278,637
Machinery and equipment	336,378	334,257
Computer hardware and software	107,239	102,763
Construction in progress	4,298	9,175
Total property, plant and equipment, gross	695,721	724,832
Less: accumulated depreciation	(404,496)	(407,481)
Total property, plant and equipment, net	\$291,225	\$317,351

Assets held under capital leases and included in property, plant and equipment as of October 1, 2016 and October 3, 2015 consisted of the following (in thousands):

	2016	2015
Buildings and improvements	\$4,801	\$22,953
Machinery and equipment	6,070	3,757
Total property, plant and equipment held under capital leases, gross	10,871	26,710
Less: accumulated amortization	(7,375)	(22,201)
Total property, plant and equipment held under capital leases, net	\$3,496	\$4,509

As of October 3, 2015, the building and improvements category in the table above included a subleased manufacturing facility in San Diego, California recorded at a gross and net book value of approximately \$17.9 million and \$1.9 million, respectively. The lease expired during the year and the related asset had no value at the end of fiscal 2016. Amortization of assets held under capital leases totaled \$1.9 million, \$0.5 million and \$0.6 million for fiscal 2016, 2015 and 2014, respectively. Capital lease additions totaled \$2.9 million, \$1.2 million, and \$1.4 million for fiscal 2016, 2015 and 2014, respectively.

As of October 1, 2016, October 3, 2015 and September 27, 2014, accounts payable included approximately \$3.5 million, \$2.7 million and \$7.0 million, respectively, related to the purchase of property, plant and equipment, which have been treated as non-cash transactions for purposes of the Consolidated Statements of Cash Flows.

The Company's lease agreement for the building shell and land of its facility in Guadalajara, Mexico, includes a 10-year base lease term that commenced upon the completion of construction during the fourth quarter of fiscal 2014, with two 5-year renewal options. This lease did not qualify as a sale-leaseback transaction, and was accounted for as a non-cash financing

Table of Contents

Plexus Corp.

Notes to Consolidated Financial Statements

transaction. Since the Company believes that it will exercise both renewal options, the lease is being accounted for using a 20 year lease term.

During the third quarter of fiscal 2014, the Company capitalized the building shell in Guadalajara as a non-cash financing obligation of approximately \$8.0 million, which will be increased by interest expense and land rent expense, and reduced by contractual payments. As of October 1, 2016 and October 3, 2015, the balance of the related financing obligation totaled \$8.4 million and \$8.2 million, respectively. The Company capitalized related leasehold improvements of \$1.4 million during fiscal 2015, which are included in "Property, plant and equipment" in the Consolidated Balance Sheets, and depreciated accordingly; no leasehold improvements were capitalized during fiscal 2016. At the end of the 20-year lease term, the net book value of the assets will approximate the balance of the financing obligation. If the Company does not exercise both renewal options or exercises the first but not the second, it would record a loss related to the disposal of the underlying assets in operating results of \$4.1 million in fiscal 2024 or \$0.8 million in fiscal 2029.

The future minimum payments under the remainder of the ten-year base lease agreement, as well as the two five-year renewal options, are as follows (in thousands):

2017	\$ 1,476
2018	1,513
2019	1,550
2020	1,589
2021	1,629
2022 through 2024	5,135
	\$ 12,892
2025 through 2029	\$9,451
2030 through 2034	\$ 10,870

4. Debt, Capital Lease Obligations and Other Financing

Debt and capital lease obligations as of October 1, 2016 and October 3, 2015, consisted of the following (in thousands):

	2016	2015
Borrowings under the credit facility	\$75,000	\$75,000
5.20% Senior notes, due June 15, 2018	175,000	175,000
Capital lease, non-cash financing of leased facility and other obligations	13,614	12,770
Unamortized deferred financing fees	(1,105)	(964)
Total obligations	262,509	261,806
Less: current portion	(78,507)	(3,513)
Long-term debt and capital lease obligations, net of current portion	\$184,002	\$258,293

The Company's weighted average interest rate on capital lease obligations was 5.58% and 7.59% as of October 1, 2016 and October 3, 2015, respectively.

The aggregate scheduled maturities of the Company's debt obligations as of October 1, 2016, are as follows (in thousands):

2017	\$75,000
2018	175,000
2019	—
2020	—
2021	—
Thereafter	—
Total	\$250,000

Table of Contents

Plexus Corp.

Notes to Consolidated Financial Statements

The aggregate scheduled maturities of the Company's obligations under capital leases and other short-term borrowings (excluding capital lease payments related to the Guadalajara plant disclosed in Note 3, "Property, Plant and Equipment") as of October 1, 2016, are as follows (in thousands):

2017	\$3,507
2018	927
2019	482
2020	183
2021	143
Thereafter—	
Total	\$5,242

The Company has a senior unsecured revolving credit facility (the "Credit Facility"), which was amended on July 5, 2016, to, among other changes, extend its expiration from May 15, 2019, to July 5, 2021, and increase the maximum commitment from \$265.0 million to \$300.0 million. The Credit Facility, as amended, may be further increased to \$500.0 million, generally by mutual agreement of the Company and the lenders, subject to certain customary conditions. During fiscal 2016, the highest daily borrowing was \$232.0 million, the average daily borrowings were \$188.6 million, and the Company borrowed and repaid \$625.0 million of revolving borrowings under the Credit Facility.

The financial covenants (as defined under the related Credit Agreement) require that the Company maintain, as of each fiscal quarter end, a maximum total leverage ratio and a minimum interest coverage ratio. As of October 1, 2016, the Company was in compliance with all financial covenants of the Credit Agreement. Borrowings under the Credit Facility bear interest, at the Company's option, at a eurocurrency or base rate plus, in each case, an applicable interest rate margin based on the Company's then-current leverage ratio (as defined in the Credit Agreement). As of October 1, 2016, the borrowing rate under the Credit Agreement was LIBOR plus 1.125% (or 1.648%). As of October 1, 2016, the \$75.0 million of outstanding debt under the Credit Facility is effectively at a fixed interest rate as a result of a \$75.0 million notional amount of interest rate swap contracts discussed in Note 5, "Derivatives and Fair Value Measurements." The Company is required to pay an annual commitment fee on the unused revolver credit commitment based on the Company's leverage ratio; the fee was 0.175% as of October 1, 2016.

The Company also has outstanding 5.20% Senior Notes, due on June 15, 2018 (the "Notes"). As of October 1, 2016 and October 3, 2015, \$175.0 million was outstanding, and the Company was in compliance with all financial covenants relating to the Notes, which are generally consistent with those in the Credit Agreement discussed above.

5. Derivatives and Fair Value Measurements

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

ASC Topic 815-10, "Derivatives and Hedging," requires companies to recognize all derivative instruments as either assets or liabilities at fair value in the statement of financial position. In accordance with ASC Topic 815-10, the Company designates some foreign currency exchange contracts and float-to-fixed interest rate derivative contracts as cash flow hedges of forecasted foreign currency expenses and of variable rate interest payments, respectively.

Changes in the fair value of the derivatives that qualify as cash flow hedges are recorded in "Accumulated other comprehensive loss" in the accompanying Consolidated Balance Sheets until earnings are affected by the variability of the cash flows. In the next twelve months, the Company estimates that \$0.6 million of unrealized losses, net of tax, related to cash flow hedges will be reclassified from other comprehensive loss into earnings. Changes in the fair value of the non-designated derivatives related to recognized foreign currency denominated assets and liabilities are recorded in "Miscellaneous income (expense)" in the accompanying Consolidated Statements of Comprehensive Income.

The Company enters into forward currency exchange contracts for its Malaysian operations on a rolling basis. The Company had cash flow hedges outstanding with a notional value of \$73.7 million as of October 1, 2016 and a notional value of \$67.0 million as of October 3, 2015. These forward currency contracts fix the exchange rates for the settlement of future foreign

Table of Contents

Plexus Corp.

Notes to Consolidated Financial Statements

currency obligations that have yet to be realized. The total fair value of the forward currency exchange contracts was a \$0.5 million liability as of October 1, 2016 and an \$9.4 million liability as of October 3, 2015.

The Company had additional forward currency exchange contracts outstanding as of October 1, 2016, with a notional value of \$109.6 million; there were no such contracts outstanding as of October 3, 2015. The Company did not designate these derivative instruments as hedging instruments. In accordance with ASC Topic 815-10, the net settlement amount (fair value) related to these contracts is recorded on the Consolidated Balance Sheets as either a current or long-term asset or liability, depending on the term, and as an element of "Other income (expense)." The total fair value of these derivatives was a \$0.1 million asset as of October 1, 2016.

In 2013, the Company entered into a \$75.0 million notional amount interest rate swap contract, which expires on May 5, 2017, related to \$75.0 million of borrowings outstanding under the Credit Facility. This interest rate swap pays the Company variable interest at the one month LIBOR rate, and the Company pays the counterparty a fixed interest rate. The fixed interest rate for the contract is 0.875%. Based on the terms of the interest rate swap contract and the underlying borrowings outstanding under the Credit Facility, the interest rate contract was determined to be effective, and thus qualifies as a cash flow hedge. As such, any changes in the fair value of the interest rate swap are recorded in "Accumulated other comprehensive loss" on the accompanying Consolidated Balance Sheets until earnings are affected by the variability of cash flows. The total fair value of the interest rate swap contract as of October 1, 2016, was a \$0.1 million liability and a \$0.5 million liability as of October 3, 2015. The notional amount of the Company's interest rate swap was \$75.0 million as of both October 1, 2016 and October 3, 2015.

The tables below present information regarding the fair values of derivative instruments (as defined in Note 1, "Description of Business and Significant Accounting Policies") and the effects of derivative instruments on the Company's Consolidated Financial Statements:

Fair Values of Derivative Instruments

In thousands of dollars

	Asset Derivatives		Liability Derivatives			
	Balance Sheet Classification	October 1, 2016	October 3, 2015	Balance Sheet Classification	October 1, 2016	October 3, 2015
		Fair Value	Fair Value		Fair Value	Fair Value
Derivatives designated as hedging instruments						
Interest rate swaps	Prepaid expenses and other	\$—	\$—	Current liabilities – Other	\$132	\$497
Forward currency forward contracts	Prepaid expenses and other	\$—	\$—	Current liabilities – Other	\$486	\$9,408

Fair Values of Derivative Instruments

In thousands of dollars

	Asset Derivatives		Liability Derivatives			
	Balance Sheet Classification	October 1, 2016	October 3, 2015	Balance Sheet Classification	October 1, 2016	October 3, 2015
		Fair Value	Fair Value		Fair Value	Fair Value
Derivatives not designated as hedging instruments						
Forward currency forward contracts	Prepaid expenses and other	\$182	\$—	Current liabilities – Other	\$130	\$—

Derivative Impact on Accumulated Other Comprehensive Loss for the Twelve Months Ended

In thousands of dollars

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Derivatives in Cash Flow Hedging Relationships	Amount of Gain (Loss) Recognized in Other Comprehensive Income (Loss) (“OCI”) on Derivatives (Effective Portion)		
	October 1, 2016	October 3, 2015	September 27, 2014
Interest rate swaps	\$ (16)	\$ (1,258)	\$ (393)
Forward currency forward contracts	\$ 5,311	\$ (15,660)	\$ 1,198

52

Table of Contents

Plexus Corp.

Notes to Consolidated Financial Statements

Derivative Impact on Gain (Loss) Recognized in Income for the Twelve Months Ended

In thousands of dollars

Derivatives in Cash Flow Hedging Relationships	Classification of Gain (Loss) Reclassified from Accumulated OCI into Income (Effective Portion)	Amount of Gain (Loss) Reclassified from Accumulated OCI into Income (Effective Portion)		
		October 1, 2016	October 3, 2015	September 27, 2014
Interest rate swaps	Interest expense	\$ (381)	\$ (579)	\$ (542)
Forward currency forward contracts	Selling and administrative expenses	\$ (350)	\$ (597)	\$ (106)
Forward currency forward contracts	Cost of goods sold	\$ (3,261)	\$ (4,843)	\$ (503)
Treasury Rate Locks	Interest expense	\$ 320	\$ 324	\$ 321
Treasury Rate Locks	Income tax expense	\$ —	\$ —	\$ 70
			Amount of Gain (Loss) on Derivatives Recognized in Income	
Derivatives Not Designated as Hedging Instruments	Location of Gain (Loss) Recognized on Derivatives in Income	October 1, 2016	October 3, 2015	September 27, 2014
Forward currency forward contracts	Miscellaneous income (expense)	\$ 121	\$ 164	\$ —

There were no gains or losses recognized in income for derivatives related to ineffective portions and amounts excluded from effectiveness testing for fiscal years 2016, 2015 and 2014.

The following table lists the fair values of liabilities of the Company's derivatives as of October 1, 2016, by input level as defined in Note 1, "Description of Business and Significant Accounting Policies":

Fair Value Measurements Using Input Levels Asset/(Liability)

In thousands of dollars

Fiscal year ended October 1, 2016	Level 1	Level 2	Level 3	Total
Derivatives				
Interest rate swaps	\$ —	\$(132)	\$ —	\$(132)
Forward currency forward contracts	\$ —	\$(434)	\$ —	\$(434)

Fiscal year ended October 3, 2015

Derivatives

Interest rate swaps	\$ —	\$(497)	\$ —	\$(497)
Forward currency forward contracts	\$ —	\$(9,408)	\$ —	\$(9,408)

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

6. Income Taxes

The domestic and foreign components of income (loss) before income tax expense for fiscal 2016, 2015 and 2014 were as follows (in thousands):

	2016	2015	2014
U.S.	\$ (26,796)	\$ (32,480)	\$ (12,473)
Foreign	114,190	138,775	105,798
	\$ 87,394	\$ 106,295	\$ 93,325

Table of Contents

Plexus Corp.

Notes to Consolidated Financial Statements

Income tax expense (benefit) for fiscal 2016, 2015 and 2014 were as follows (in thousands):

	2016	2015	2014
Current:			
Federal	\$—	\$—	\$(2,050)
State	(15)	(397)	(332)
Foreign	11,312	12,957	10,147
	11,297	12,560	7,765
Deferred:			
Federal	—	—	(1,506)
State	24	(399)	—
Foreign	(354)	(198)	(147)
	(330)	(597)	(1,653)
	\$10,967	\$11,963	\$6,112

The following is a reconciliation of the federal statutory income tax rate to the effective income tax rates reflected in the Consolidated Statements of Comprehensive Income for fiscal 2016, 2015 and 2014:

	2016	2015	2014
Federal statutory income tax rate	35.0 %	35.0 %	35.0 %
Increase (decrease) resulting from:			
Permanent differences	1.6	1.3	1.8
Foreign tax rate differences	(36.3)	(38.0)	(33.2)
Disregarded entity benefit	(1.8)	(1.2)	(1.8)
Dividend repatriation	32.9	—	—
Valuation allowances	(18.7)	16.5	8.4
Other, net	(0.1)	(2.3)	(3.7)
Effective income tax rate	12.6 %	11.3 %	6.5 %

The Company recorded income tax expense of \$11.0 million, \$12.0 million and \$6.1 million for fiscal 2016, 2015 and 2014, respectively.

The effective tax rate for fiscal 2016 was higher than the effective tax rate for fiscal 2015 primarily as a result of the overall decrease in income before taxes in jurisdictions where the Company does not pay taxes. The effective tax rate for fiscal 2015 is higher than that of fiscal 2014 primarily as a result of the geographic distribution of worldwide earnings and tax benefits recorded in fiscal 2014 due to the lapse of statute of limitations related to certain U.S. tax examinations.

During fiscal 2016, the Company repatriated \$100.0 million of current year foreign earnings from the APAC region to the U.S., which had no income statement impact due to U.S. net operating losses, the use of U.S. tax credits and the reversal of the related valuation allowance. The repatriation does not impact the permanently reinvested assertions made by the Company regarding prior period foreign earnings as the remittance was distributed exclusively from current year foreign earnings. The Company does not have a history of repatriating foreign earnings by way of a taxable dividend and considers the fiscal 2016 remittance to be an isolated occurrence. The Company does not anticipate a similar repatriation in the foreseeable future.

During fiscal 2015, the Company recorded a \$17.5 million addition to its valuation allowance relating to continuing losses in certain jurisdictions within the AMER and EMEA regions.

During fiscal 2014, the Company recorded a \$7.9 million addition to its valuation allowance related to continuing losses in certain jurisdictions within the AMER and EMEA regions. During fiscal 2014, the Company also recorded tax benefits of \$3.8 million primarily due to the lapse of statute of limitations related to certain U.S. tax examinations during the fiscal year.

Table of Contents

Plexus Corp.

Notes to Consolidated Financial Statements

The components of the net deferred income tax assets as of October 1, 2016 and October 3, 2015, were as follows (in thousands):

	2016	2015
Deferred income tax assets:		
Loss/credit carryforwards	\$24,017	\$39,380
Inventories	7,527	7,799
Accrued benefits	25,493	25,180
Allowance for bad debts	461	321
Other	2,822	3,724
Total gross deferred income tax assets	60,320	76,404
Less valuation allowances	(41,002)	(58,343)
Deferred income tax assets	19,318	18,061
Deferred income tax liabilities:		
Property, plant and equipment	14,400	13,320
Other	84	84
Deferred income tax liabilities	14,484	13,404
Net deferred income tax assets	\$4,834	\$4,657

During fiscal 2016, the Company's valuation allowance decreased by \$17.3 million. This decrease is primarily the result of the dividend remitted from current year foreign earnings discussed above.

As of October 1, 2016, the Company had approximately \$148.0 million of pre-tax state net operating loss carryforwards that expire between fiscal 2017 and 2037. These state net operating losses have a full valuation allowance against them.

As a result of using the with-and-without method under the requirements for accounting for stock-based compensation, the Company has an unrecognized net operating loss carryforward of \$4.9 million related to tax deductions in excess of compensation expense for stock options. This deduction will remain unrecognized until the related deductions result in a reduction to income taxes payable.

During fiscal 2016, tax legislation was adopted in various jurisdictions. None of these changes are expected to have a material impact on the Company's consolidated financial condition, results of operations or cash flows.

The Company has been granted a tax holiday for a foreign subsidiary in the APAC region. This tax holiday will expire on December 31, 2024, and is subject to certain conditions with which the Company expects to comply. The Company benefited from a second tax holiday within the APAC region, which under the terms of the Company's agreement with the local taxing authority expired on December 31, 2013. During fiscal 2016, 2015 and 2014, these tax holidays resulted in tax reductions of approximately \$27.1 million (\$0.81 per basic share), \$29.9 million (\$0.89 per basic share) and \$24.1 million (\$0.71 per basic share), respectively.

The Company does not provide for taxes that would be payable if undistributed earnings of foreign subsidiaries were remitted because the Company considers these earnings to be permanently reinvested. The aggregate undistributed earnings of the Company's foreign subsidiaries for which a deferred income tax liability has not been recorded was approximately \$836.6 million as of October 1, 2016. If such earnings were repatriated, additional tax expense may result, although the calculation of such additional taxes is not practicable at this time.

The Company has approximately \$2.8 million of uncertain tax benefits as of October 1, 2016. The Company has classified these amounts in the Consolidated Balance Sheets as "Other liabilities" (noncurrent) in the amount of \$0.6 million and an offset to "Deferred income taxes" (noncurrent asset) in the amount of \$2.2 million. The Company has classified these amounts as "Other liabilities" (noncurrent) and "Deferred income taxes" (noncurrent asset) to the extent that payment is not anticipated within one year.

Table of Contents

Plexus Corp.

Notes to Consolidated Financial Statements

The following is a reconciliation of the beginning and ending amounts of unrecognized income tax benefits (in thousands):

	2016	2015	2014
Balance at beginning of fiscal year	\$2,353	\$2,368	\$7,436
Gross increases for tax positions of prior years	534	73	324
Gross increases for tax positions of the current year	—	—	—
Gross decreases for tax positions of prior years	(88)	(88)	(1,582)
Lapse of applicable statute of limitations	—	—	(3,810)
Settlements	—	—	—
Balance at end of fiscal year	\$2,799	\$2,353	\$2,368

The amount of unrecognized tax benefits that, if recognized, would impact the effective tax rate is \$0.6 million for each of the fiscal years ended October 1, 2016 and October 3, 2015.

The Company recognizes accrued interest and penalties related to unrecognized tax benefits in income tax expense. The total accrued penalties and net accrued interest with respect to income taxes was approximately \$0.2 million for each of the fiscal years ended October 1, 2016, October 3, 2015 and September 27, 2014. The Company recognized \$0.1 million of expense for accrued penalties and net accrued interest in the Consolidated Statements of Comprehensive Income for each of the fiscal years ended October 1, 2016, October 3, 2015 and September 27, 2014. It is possible that a number of uncertain tax positions related to federal and state tax positions may be settled within the next 12 months. Settlement of these matters is not expected to have a material effect on the Company's consolidated results of operations, financial position and cash flows. The Company is not currently under examination by taxing authorities in the U.S. or foreign jurisdictions in which the Company operates. The Company is not aware of any material proposed adjustment that has not been reflected in the current financial statements.

The Company files income tax returns, including returns for its subsidiaries, with federal, state, local and foreign taxing jurisdictions. The following tax years remain subject to examination by the respective major tax jurisdictions:

Jurisdiction	Fiscal Years
China	2011-2016
Germany	2011-2016
Mexico	2011-2016
Romania	2010-2016
United Kingdom	2013-2016
United States	
Federal	2011, 2013-2016
State	2003-2016

7. Earnings Per Share

The following is a reconciliation of the amounts utilized in the computation of basic and diluted earnings per share for fiscal 2016, 2015 and 2014 (in thousands, except per share amounts):

	2016	2015	2014
Net income	\$76,427	\$94,332	\$87,213
Basic weighted average common shares outstanding	33,374	33,618	33,785
Dilutive effect of share-based awards outstanding	724	761	870
Diluted weighted average shares outstanding	34,098	34,379	34,655
Earnings per share:			
Basic	\$2.29	\$2.81	\$2.58
Diluted	\$2.24	\$2.74	\$2.52

Table of Contents

Plexus Corp.

Notes to Consolidated Financial Statements

In fiscal 2016, 2015 and 2014, share-based awards for approximately 0.8 million, 0.7 million and 0.5 million shares, respectively, were not included in the computation of diluted earnings per share as they were antidilutive.

Outstanding shares have decreased in recent years as a result of the Company's stock repurchase programs. Refer to Note 13, "Shareholders' Equity" for further information on the Company's stock repurchase programs.

8. Operating Lease Commitments

The Company has a number of operating lease agreements primarily involving manufacturing facilities, manufacturing equipment and computerized design equipment. These leases are non-cancelable and expire on various dates through 2022, and many contain renewal and/or purchase options. Rent expense under all operating leases for fiscal 2016, 2015 and 2014 was approximately \$13.6 million, \$14.4 million and \$15.1 million, respectively.

Future minimum annual payments on operating leases are as follows (in thousands):

2017	\$8,500
2018	6,634
2019	5,455
2020	5,130
2021	2,795
Thereafter	751
Total future minimum operating lease payments	\$29,265

9. Benefit Plans

401(k) Savings Plan: The Company's 401(k) Retirement Plan covers all eligible U.S. employees. The Company matches employee contributions up to 4.0% of eligible earnings. The Company's contributions for fiscal 2016, 2015 and 2014 totaled \$7.4 million, \$7.2 million and \$7.2 million, respectively.

Stock-based Compensation Plans: During fiscal 2016 the Company's shareholders approved the Plexus Corp. 2016 Omnibus Incentive Plan (the "2016 Plan"). The 2016 Plan is a stock and cash-based incentive plan, and includes provisions by which the Company may grant executive officers, employees and directors stock options, stock appreciation rights ("SARs"), restricted stock (including restricted stock units ("RSUs")), performance stock awards (including performance stock units ("PSUs")), other stock awards and cash incentive awards. Similar awards were offered under its predecessor, the 2008 Long-Term Incentive Plan (the "2008 Plan"), which is no longer being used for grants; however, outstanding awards granted under the 2008 Plan and its predecessors continue until vesting, exercise, forfeiture or expiration.

The maximum number of shares of Plexus common stock that may be issued pursuant to the 2016 Plan is 3.2 million shares; in addition, cash incentive awards of up to \$4.0 million per employee may be granted annually. The exercise price of each stock option and SAR granted must not be less than the fair market value on the date of grant. The Compensation and Leadership Development Committee (the "Committee") of the Board of Directors may establish a term and vesting period for awards under the 2016 Plan as well as accelerate the vesting of such awards. Generally, stock options vest in two annual installments and have a term of ten years. SARs vest in two annual installments and have a term of seven years. RSUs granted to executive officers, other officers and key employees generally vest on the third anniversary of the grant date (assuming continued employment), which is also the date as of which the underlying shares will be issued. Vesting of PSUs is dependent on performance related to pre-defined metrics, including the relative performance of the Company's stock price as compared to the companies in the Russell 3000 Index during the three-year performance period. The Committee also grants RSUs to non-employee directors, which generally fully vest on the first anniversary of the grant date, which is also the date the underlying shares are issued (unless further deferred).

Individual stock option and SARs grants are determined annually, but granted on a quarterly basis. Grants of RSUs and PSUs are generally made only on an annual basis.

In fiscal 2016, the Company granted options to purchase 0.2 million shares of the Company's common stock.

Additionally, the Company granted RSUs for 0.4 million shares of common stock and PSUs for 0.1 million shares (at

target).

57

Table of Contents

Plexus Corp.

Notes to Consolidated Financial Statements

In fiscal 2015, the Company granted options to purchase 0.1 million shares of the Company's common stock and 0.1 million stock-settled SARs. Additionally, the Company granted RSUs for 0.2 million shares of common stock and awards of PSUs for 0.1 million shares (at target).

In fiscal 2014, the Company granted options to purchase 0.2 million shares of the Company's common stock and 0.1 million stock-settled SARs. Additionally, the Company granted RSUs for 0.2 million shares of common stock and awards of PSUs for 0.1 million shares (at target).

The Company recognized \$19.3 million, \$13.3 million and \$13.0 million of compensation expense associated with stock-based awards in fiscal 2016, 2015 and 2014, respectively. No deferred tax benefits related to equity awards were recognized in fiscal 2016, 2015 or 2014. Included in the \$19.3 million of total stock-based compensation expense for the year ended October 1, 2016, was \$5.2 million related to modifications of awards held by the Company's former President and Chief Executive Officer. The award modifications were the result of accelerated vesting of previously unvested awards upon his retirement.

A summary of the Company's stock option and SAR activity follows:

	Number of Options/SARs (in thousands)	Weighted Average Exercise Price	Aggregate Intrinsic Value (in thousands)
Outstanding as of September 28, 2013	3,065	\$ 29.27	
Granted	318	41.39	
Canceled	(105)	32.44	
Exercised	(1,008)	27.41	
Outstanding as of September 27, 2014	2,270	\$ 31.65	
Granted	221	39.53	
Canceled	(25)	36.50	
Exercised	(549)	28.93	
Outstanding as of October 3, 2015	1,917	\$ 33.27	
Granted	229	39.52	
Canceled	(66)	41.48	
Exercised	(619)	31.59	
Outstanding as of October 1, 2016	1,461	\$ 34.59	\$ 17,809

	Number of Options/SARs (in thousands)	Weighted Average Exercise Price	Weighted Average Remaining Life (years)	Aggregate Intrinsic Value (in thousands)
Exercisable as of:				
September 27, 2014	1,772	\$ 30.45		
October 3, 2015	1,560	\$ 31.67		
October 1, 2016	1,125	\$ 33.11	5.24	\$ 15,375

The following table summarizes outstanding stock option and SAR information as of October 1, 2016 (Options/SARs in thousands):

Range of Exercise Prices	Number of Options/SARs Outstanding (in thousands)	Weighted Average Exercise Price	Weighted Average Remaining Life (years)	Number of Options/SARs Exercisable (in thousands)	Weighted Average Exercise Price
\$14.17 - \$29.80	390	\$ 25.80	4.29	390	\$ 25.80
\$29.81 - \$36.79	419	\$ 33.20	5.98	313	\$ 32.77
\$36.80 - \$40.64	374	\$ 38.65	6.45	293	\$ 38.83
\$40.65 - \$45.35	277	\$ 43.55	8.47	128	\$ 43.10
\$14.17 - \$45.35	1,461	\$ 34.59	6.12	1,125	\$ 33.11

Table of Contents

Plexus Corp.

Notes to Consolidated Financial Statements

The Company uses the Black-Scholes valuation model to value options and SARs. The Company used its historical stock prices as the basis for its volatility assumptions. The assumed risk-free rates were based on U.S. Treasury rates in effect at the time of grant with a term consistent with the expected option and SAR lives. The expected options and SARs lives represent the period of time that the options and SARs granted are expected to be outstanding and were based on historical experience.

The weighted average fair value per share of options and SARs granted for fiscal 2016, 2015 and 2014 were \$12.82, \$14.55 and \$15.78, respectively. The fair value of each option and SAR grant was estimated at the date of grant using the Black-Scholes option-pricing model based on the assumption ranges below:

	2016	2015	2014
Expected life (years)	5.70	4.50 - 5.70	4.50 - 5.00
Risk-free interest rate	1.23 - 1.87%	1.52 - 1.64%	1.24 - 1.86%
Expected volatility	35 - 37%	37 - 38%	38 - 47%
Dividend yield	—	—	—

The fair value of options and SARs vested for fiscal 2016, 2015 and 2014 was \$3.6 million, \$5.5 million and \$6.1 million, respectively.

For fiscal 2016, 2015 and 2014, the total intrinsic value of options and SARs exercised was \$7.4 million, \$7.7 million and \$13.5 million, respectively.

As of October 1, 2016, there was \$2.6 million of unrecognized compensation cost related to non-vested options and SARs that is expected to be recognized over a weighted average period of 1.1 years.

A summary of the Company's PSU and RSU activity follows:

	Number of Shares (in thousands)	Weighted Average Fair Value at Date of Grant	Aggregate Intrinsic Value (in thousands)
Units outstanding as of September 28, 2013	654	\$ 29.73	
Granted	302	40.76	
Canceled	(92)	31.89	
Vested	(134)	41.06	
Units outstanding as of September 27, 2014	730	\$ 31.97	
Granted	325	41.46	
Canceled	(43)	35.15	
Vested	(216)	37.52	
Units outstanding as of October 3, 2015	796	\$ 38.18	
Granted	499	39.68	
Canceled	(29)	36.84	
Vested	(244)	27.77	
Units outstanding as of October 1, 2016	1,022	\$ 41.49	\$ 47,796

The Company uses the fair value at the date of grant to value RSUs. As of October 1, 2016, there was \$15.8 million of unrecognized compensation cost related to RSUs that is expected to be recognized over a weighted average period of 1.8 years.

The Company uses the Monte Carlo valuation model to determine the fair value of PSUs at the date of grant. The PSUs granted in fiscal 2016 and prior years are payable in shares and vest based on the relative total shareholder return of the Company's common stock as compared to the Russell 3000 Index over a three year performance period. The number of shares that may be issued pursuant to PSUs ranges from zero to 0.3 million. The Company recognizes stock-based compensation expense over the PSUs' vesting period. No PSUs vested during the fiscal year ended October 1, 2016. There were 0.1 million PSUs granted during fiscal 2016, 2015 and 2014.

As of October 1, 2016, there was \$2.4 million of unrecognized compensation cost related to PSUs that is expected to be recognized over a weighted average period of 1.9 years.

Table of Contents

Plexus Corp.

Notes to Consolidated Financial Statements

Deferred Compensation Arrangements: The Company has agreements with certain former executive officers to provide nonqualified deferred compensation. Under these agreements, the Company agrees to pay these former executives, or their designated beneficiaries upon such executives' deaths, certain amounts annually for the first 15 years subsequent to their retirement. As of October 1, 2016 and October 3, 2015, the related deferred compensation liability associated with these arrangements totaled \$0.6 million and \$1.3 million, respectively.

The Company maintains investments in a trust account to fund required payments under the deferred compensation plan. As of October 1, 2016 and October 3, 2015, the total value of the assets held by the trust totaled \$9.3 million and \$8.9 million, respectively, and was recorded at fair value on a recurring basis. These assets were classified as Level 2 in the fair value hierarchy discussed in Note 1, "Description of Business and Significant Accounting Policies." During fiscal 2016, 2015 and 2014, the Company made payments to the participants in the amount of \$0.8 million, \$0.9 million and \$0.8 million, respectively.

Supplemental Executive Retirement Plan: The Company also maintains a supplemental executive retirement plan (the "SERP") as an additional deferred compensation plan for executive officers. Under the SERP, a covered executive may elect to defer some or all of the participant's compensation into the plan, and the Company may credit the participant's account with a discretionary employer contribution. Participants are entitled to payment of deferred amounts and any related earnings upon termination or retirement from Plexus.

The SERP operates under a rabbi trust arrangement (the "Trust"). The Trust allows investment of deferred compensation held on behalf of the participants into individual accounts and, within these accounts, into one or more designated investments. Investment choices do not include Plexus stock. During fiscal 2016, 2015 and 2014, the Company made contributions to the participants' SERP accounts in the amount of \$0.5 million, \$0.5 million and \$0.7 million, respectively.

As of October 1, 2016 and October 3, 2015, the SERP assets held in the Trust totaled \$9.5 million and \$8.3 million, respectively, and the related liability to the participants totaled approximately \$9.8 million and \$6.9 million as of October 1, 2016 and October 3, 2015, respectively. As of October 1, 2016 and October 3, 2015, the SERP assets held in the Trust were recorded at fair value on a recurring basis, and were classified as Level 2 in the fair value hierarchy discussed in Note 1, "Description of Business and Significant Accounting Policies."

The Trust assets are subject to the claims of the Company's creditors. The deferred compensation and Trust assets and the related liabilities to the participants are included in non-current "Other assets" and non-current "Other liabilities," respectively, in the accompanying Consolidated Balance Sheets.

Other: The Company currently does not, and is not obligated to, provide any postretirement medical or life insurance benefits to employees.

10. Litigation

The Company is party to lawsuits in the ordinary course of business. Management does not believe that these proceedings, individually or in the aggregate, will have a material positive or adverse effect on the Company's consolidated financial position, results of operations or cash flows.

11. Reportable Segments, Geographic Information and Major Customers

Reportable segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker, or group, in assessing performance and allocating resources. The Company uses an internal management reporting system, which provides important financial data to evaluate performance and allocate the Company's resources on a regional basis. Net sales for the segments are attributed to the region in which the product is manufactured or the service is performed. The services provided, manufacturing processes used, class of customers serviced and order fulfillment processes used are similar and generally interchangeable across the segments. A segment's performance is evaluated based upon its operating income (loss). A segment's operating income (loss) includes its net sales less cost of sales and selling and administrative expenses, but excludes corporate and other expenses. Corporate and other expenses primarily represent corporate selling and administrative expenses, and restructuring and other charges, if any. Losses incurred from a typhoon that impacted APAC in fiscal 2016 are excluded from the segment results and included within corporate and other

expenses. These costs are not allocated to the segments, as management excludes such costs when assessing the performance of the segments. Inter-segment transactions are generally recorded at amounts that approximate arm's length transactions. The accounting policies for the segments are the same as for the Company taken as a whole.

Table of Contents

Plexus Corp.

Notes to Consolidated Financial Statements

Information about the Company's three reportable segments for fiscal 2016, 2015 and 2014 is as follows (in thousands):

	2016	2015	2014
Net sales:			
AMER	\$1,328,760	\$1,389,017	\$1,238,225
APAC	1,161,851	1,285,905	1,132,503
EMEA	170,450	140,292	115,893
Elimination of inter-segment sales	(105,057)	(160,924)	(108,372)
	\$2,556,004	\$2,654,290	\$2,378,249
Operating income (loss):			
AMER	\$64,921	\$68,585	\$79,211
APAC	155,501	160,217	135,539
EMEA	(3,746)	(8,129)	(11,923)
Corporate and other costs	(117,237)	(105,237)	(102,220)
	\$99,439	\$115,436	\$100,607
Other income (expense):			
Interest expense	(14,635)	(13,964)	(12,295)
Interest income	4,242	3,499	2,934
Miscellaneous	(1,652)	1,324	2,079
Income before income taxes	\$87,394	\$106,295	\$93,325
Depreciation:			
AMER	\$19,937	\$17,753	\$16,452
APAC	16,874	18,176	20,587
EMEA	6,106	8,339	7,509
Corporate	4,497	4,110	2,713
	\$47,414	\$48,378	\$47,261
Capital expenditures:			
AMER	\$14,389	\$17,595	\$53,135
APAC	10,786	9,590	4,096
EMEA	3,399	6,976	6,351
Corporate	2,549	915	1,702
	\$31,123	\$35,076	\$65,284
	October 1, 2016	October 3, 2015	
Total assets:			
AMER	\$590,850	\$573,437	
APAC	1,009,917	1,011,622	
EMEA	136,636	128,306	
Corporate and eliminations	28,416	(21,605)	
	\$1,765,819	\$1,691,760	

Table of Contents

Plexus Corp.

Notes to Consolidated Financial Statements

The following information is provided in accordance with the required segment disclosures for fiscal 2016, 2015 and 2014. Net sales were based on the Company's location providing the product or service (in thousands):

	2016	2015	2014
Net sales:			
United States	\$1,134,342	\$1,303,106	\$1,188,068
Malaysia	844,501	926,059	798,447
China	317,350	359,846	334,056
Mexico	194,418	85,911	50,157
United Kingdom	81,894	70,335	72,443
Romania	83,712	65,338	39,030
Germany	4,844	4,619	4,420
Elimination of inter-segment sales	(105,057)	(160,924)	(108,372)
	\$2,556,004	\$2,654,290	\$2,378,249

	October 1, 2016	October 3, 2015
Long-lived assets:		
United States	\$92,152	\$101,712
Malaysia	71,596	72,327
China	19,197	24,236
Mexico	39,155	39,002
United Kingdom	6,594	11,506
Romania	30,408	30,553
Germany	307	405
Other Foreign	4,940	4,689
Corporate	26,876	32,921
	\$291,225	\$317,351

As the Company operates flexible manufacturing facilities and processes designed to accommodate customers with multiple product lines and configurations, it is impracticable to report net sales for individual products or services or groups of similar products and services.

Long-lived assets as of October 1, 2016 and October 3, 2015 exclude other long-term assets and deferred income tax assets, which totaled \$41.2 million and \$40.4 million, respectively.

As a percentage of consolidated net sales, net sales attributable to customers representing 10.0% or more of consolidated net sales for fiscal 2016, 2015 and 2014 were as follows:

	2016	2015	2014
General Electric Company ("GE")	11.1%	10.6%	11.2%
Micron Technology, Inc. ("Micron")	10.4%	*	*
ARRIS Group, Inc. ("Arris")	10.1%	12.6%	12.5%

* Net sales attributable to the customer were less than 10.0% of consolidated net sales for the period.

During fiscal 2016, 2015, and 2014, net sales attributable to GE were reported in the all three segments and net sales attributable to Arris were reported in the AMER and APAC segments. During fiscal 2016, net sales attributable to Micron were reported in the AMER and APAC segments.

As of October 1, 2016, Micron represented 18.9% of total accounts receivable. No customer represented 10.0% or more of total accounts receivable as of October 3, 2015.

Table of Contents

Plexus Corp.

Notes to Consolidated Financial Statements

12. Guarantees

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

In the normal course of business, the Company also provides its customers a limited warranty covering workmanship, and in some cases materials, on products manufactured by the Company. Such warranty generally provides that products will be free from defects in the Company's workmanship and meet mutually agreed-upon specifications for periods generally ranging from 12 months to 24 months. If a product fails to comply with the Company's limited warranty, the Company's obligation is generally limited to correcting, at its expense, any defect by repairing or replacing such defective product. The Company's warranty generally excludes defects resulting from faulty customer-supplied components, design defects or damage caused by any party or cause other than the Company. The Company provides for an estimate of costs that may be incurred under its limited warranty at the time product revenue is recognized and establishes additional reserves for specifically identified product issues. These costs primarily include labor and materials, as necessary, associated with repair or replacement and are included in the Company's accompanying Consolidated Balance Sheets in "other current accrued liabilities." The primary factors that affect the Company's warranty liability include the value and the number of shipped units and historical and anticipated rates of warranty claims. As these factors are impacted by actual experience and future expectations, the Company assesses the adequacy of its recorded warranty liabilities and adjusts the amounts as necessary.

Below is a table summarizing the activity related to the Company's limited warranty liability for the last three fiscal years 2016, 2015 and 2014 (in thousands):

Limited warranty liability, as of September 28, 2013	\$5,942
Accruals for warranties issued during the period	4,331
Settlements (in cash or in kind) during the period	(3,470)
Limited warranty liability, as of September 27, 2014	6,803
Accruals for warranties issued during the period	1,742
Settlements (in cash or in kind) during the period	(2,698)
Limited warranty liability, as of October 3, 2015	5,847
Accruals for warranties issued during the period	1,777
Settlements (in cash or in kind) during the period	(1,515)
Limited warranty liability, as of October 1, 2016	\$6,109

13. Shareholders' Equity

On June 6, 2016, the Board of Directors authorized a multi-year stock repurchase program under which the Company is authorized to repurchase up to \$150.0 million of its common stock beginning in fiscal 2017. The Company expects to repurchase shares subject to market conditions.

On August 20, 2015, the Board of Directors authorized a stock repurchase program under which the Company was authorized to repurchase up to \$30.0 million of its common stock during fiscal 2016. The Company repurchased 760,903 shares under this program for \$30.0 million, at an average price of \$39.43 per share, during fiscal 2016. These shares were recorded as treasury stock.

On August 13, 2014, the Board of Directors approved a stock repurchase program under which the Company was authorized to repurchase up to \$30.0 million of its common stock during fiscal 2015. The Company repurchased 745,227 shares under this

Table of Contents

Plexus Corp.

Notes to Consolidated Financial Statements

program for \$30.0 million, at an average price of \$40.26 per share, during fiscal 2015. These shares were recorded as treasury stock.

Pursuant to the Company's Rights Agreement, each preferred share purchase right (a "Right") entitles the registered holder to purchase from the Company one one-hundredth of a share of the Company's Series B Junior Participating Preferred Stock, \$0.01 par value per share ("Preferred Share"), at a price of \$125.00 per one one-hundredth of a Preferred Share, subject to adjustment. The Rights are exercisable only if a person or group acquires beneficial ownership of more than 20.0% of the Company's outstanding common stock or commences, or announces an intention to make, a tender offer or exchange offer that would result in such person or group acquiring the beneficial ownership of more than 20.0% of the Company's common stock. The Rights expire on August 28, 2018, subject to extension.

14. Restructuring and Other Charges

During fiscal 2016 the Company recorded \$7.0 million of restructuring and other charges related largely to the Company's closure of its manufacturing facility in Fremont, California as a result of the Company's optimization of its capacity to better reflect customer demand. The Company also recorded restructuring costs in the EMEA segment related to the partial closure of its Livingston, Scotland facility to align with reduced end-market demand.

During fiscal 2015 and 2014 the Company recorded \$1.7 million and \$11.3 million of restructuring and other charges. The charges were incurred in the AMER segment and largely related to the consolidation of the Company's manufacturing facilities in Wisconsin and the relocation of manufacturing operations from Juarez to Guadalajara, Mexico.

These charges are recorded within "Restructuring and other charges" on the Condensed Consolidated Statements of Comprehensive Income. Restructuring liabilities are recorded within "Other accrued liabilities" in the Condensed Consolidated Balance Sheets.

For the year ended October 1, 2016, the Company incurred restructuring and other charges of \$7.0 million, which consisted of the following:

- \$5.3 million of employee termination and severance costs from the closure of the Company's facility in Fremont and the partial closure of the Company's Livingston facility;

- \$1.0 million of moving and transition costs resulting primarily from the relocation of machinery and equipment from the Fremont facility to various other facilities; and

- \$0.8 million loss recorded upon the sale leaseback of the Company's engineering facility in Neenah, Wisconsin.

For the year ended October 3, 2015, the Company incurred restructuring charges of \$1.7 million, which consisted of the following:

- \$1.5 million of moving and transition costs resulting from the relocation of manufacturing operations from Juarez to Guadalajara; and

- \$0.1 million of employee termination and severance costs from the closure of the Company's facility in Juarez.

For the year ended September 27, 2014, the Company incurred restructuring and other charges of \$11.3 million, which consisted of the following:

- \$3.2 million of fixed asset impairment related to the Company's facility in Juarez;

- \$3.2 million of severance from the reduction of the Company's workforce in Juarez; and

- \$4.9 million of rent, moving and associated costs resulting from the early exit of operating leases for two existing facilities and the consolidation of three existing facilities in Wisconsin into the new manufacturing facility in Neenah, as well as moving and transition costs resulting from the relocation of manufacturing operations from Juarez to Guadalajara.

As part of the relocation of manufacturing operations from Juarez to Guadalajara, the Company evaluated the ongoing fair value of the long-lived assets associated with the Juarez facility. Based on this evaluation, the Company determined that long-lived assets were impaired and therefore recorded \$3.2 million of fixed asset impairment for the year ended September 27,

Table of Contents

Plexus Corp.

Notes to Consolidated Financial Statements

2014. Fair value was evaluated using Level 3 inputs, as defined in Note 1, "Description of Business and Significant Accounting Policies."

No income tax benefit for these restructuring and other charges was recognized due to tax losses in these jurisdictions. The Company's restructuring accrual activity for the years ended October 1, 2016 and October 3, 2015 is included in the table below (in thousands):

	Fixed Asset Impairment	Employee Termination and Severance Costs	Lease Obligations and Other Exit Costs	Total
Accrual balance, September 28, 2013	\$ —	\$ —	\$ —	\$ —
Restructuring and other charges	3,160	3,180	4,940	11,280
Amounts utilized	(3,160)	(3,038)	(4,940)	(11,138)
Accrual balance, September 27, 2014	—	142	—	142
Restructuring and other charges	—	144	1,547	1,691
Amounts utilized	—	(286)	(1,547)	(1,833)
Accrual balance, October 3, 2015	—	—	—	—
Restructuring and other charges	—	5,255	1,779	7,034
Amounts utilized	—	(4,571)	(1,621)	(6,192)
Accrual balance, October 1, 2016	\$ —	\$ 684	\$ 158	\$ 842

The restructuring accrual balance is expected to be utilized by the end of the second fiscal quarter of 2017.

15. Quarterly Financial Data (Unaudited)

The following is summarized quarterly financial data for fiscal 2016 and 2015 (in thousands, except per share amounts):

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
2016					
Net sales	\$616,664	\$618,660	\$667,616	\$653,064	\$2,556,004
Gross profit	50,059	53,272	62,498	61,530	227,359
Net income	14,448	16,787	26,099	19,093	76,427
Earnings per share (1):					
Basic	\$0.43	\$0.50	\$0.78	\$0.57	\$2.29
Diluted	\$0.42	\$0.50	\$0.76	\$0.56	\$2.24
2015					
Net sales	\$664,690	\$651,285	\$669,585	\$668,730	\$2,654,290
Gross profit	61,414	59,777	59,087	59,272	239,550
Net income	23,079	23,594	23,794	23,865	94,332
Earnings per share (1):					
Basic	\$0.69	\$0.70	\$0.71	\$0.71	\$2.81
Diluted	\$0.67	\$0.69	\$0.69	\$0.70	\$2.74

(1) The annual total amounts may not equal the sum of the quarterly amounts due to rounding. Earnings per share is computed independently for each quarter.

Table of Contents

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

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

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

Management's Annual Report on Internal Control Over Financial Reporting

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Management of the Company, including its CEO and CFO, has assessed the effectiveness of its internal control over financial reporting as of October 1, 2016, based on the criteria established in "Internal Control - Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") (2013). Based on its assessment and those criteria, management has reached the conclusion that the Company's disclosure controls and procedures and internal control over financial reporting are effective at the reasonable assurance level.

The independent registered public accounting firm of PricewaterhouseCoopers LLP has audited the Company's internal control over financial reporting as of October 1, 2016, as stated in its report included herein.

Changes in Internal Control Over Financial Reporting

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

Limitations on the Effectiveness of Controls

Our management, including our CEO and CFO, does not expect that our disclosure controls and internal controls will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, a control may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected. Notwithstanding the foregoing limitations on the effectiveness of controls, we have nonetheless reached the conclusion that the Company's disclosure controls and procedures and internal control over financial reporting are effective at the reasonable assurance level.

ITEM 9B. OTHER INFORMATION

None.

66

Table of Contents

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information in response to this item is incorporated herein by reference to “Election of Directors” and “Corporate Governance” in the Company’s Proxy Statement for its 2017 Annual Meeting of Shareholders (“2017 Proxy Statement”). Our Code of Conduct and Business Ethics is posted on our website at www.plexus.com. You may access the Code of Conduct and Business Ethics by following the links under “Investor Relations, Corporate Governance” at our website. Plexus’ Code of Conduct and Business Ethics applies to all members of the board of directors, officers and employees; and includes provisions related to accounting and financial matters that apply to the Principal Executive Officer, Principal Financial Officer, Principal Accounting Officer and Controller.

Executive Officers of the Registrant

The following table sets forth our executive officers, their ages and the positions currently held by each person:

Name	Age	Position
Todd P. Kelsey	51	President and Chief Executive Officer
Steven J. Frisch	50	Executive Vice President and Chief Operating Officer
Patrick J. Jermain	50	Senior Vice President and Chief Financial Officer
Angelo M. Ninivaggi	49	Senior Vice President, Chief Administrative Officer, General Counsel and Secretary
Ronnie Darroch	51	Executive Vice President - Global Manufacturing Solutions and Regional President-AMER
Yong Jin Lim	56	Regional President - Plexus APAC
Oliver K. Mihm	44	Regional President - Plexus EMEA

Todd P. Kelsey joined Plexus in 1994 and has served as President and Chief Executive Officer since September 2016; prior thereto, he served as Executive Vice President and Chief Operating Officer since 2013. Previously, Mr. Kelsey served as Executive Vice President – Global Customer Services since 2011 and as Senior Vice President prior thereto. Steven J. Frisch joined Plexus in 1990 and has served as Executive Vice President and Chief Operating Officer since October 2016. Prior thereto, he served as Executive Vice President and Chief Customer Officer since 2014.

Previously, Mr. Frisch served as Executive Vice President - Global Customer Services from 2013 to 2014. Mr. Frisch was Regional President – Plexus EMEA from 2010 to 2013. Mr. Frisch also served as Senior Vice President – Global Engineering Solutions from 2007 to 2013.

Patrick J. Jermain joined Plexus in 2010 and has served as Chief Financial Officer since 2014; he was named a Vice President in 2014 and a Senior Vice President in 2015. Previously, Mr. Jermain served as Treasurer and Vice President of Finance since 2013 and as Corporate Controller since 2010. Prior to joining Plexus, Mr. Jermain served in various positions at Appvion, Inc., formerly Appleton Papers, Inc., since 2006.

Angelo M. Ninivaggi joined Plexus in 2002 and has served as Chief Administrative Officer since 2013. Mr. Ninivaggi has also served as Vice President, General Counsel and Secretary since 2006 and was named Senior Vice President in 2011. Mr. Ninivaggi also served as Corporate Compliance Officer from 2007 to 2013.

Ronnie Darroch joined Plexus in 2012 and has served as Senior Vice President - Global Manufacturing Solutions since 2014, Mr. Darroch was named Regional President-AMER in July 2016 and was named Executive Vice President in October 2016. Previously, Mr. Darroch served as Regional President - Plexus EMEA since 2013 and Vice President of Operations - EMEA since 2012. Prior to joining Plexus, Mr. Darroch served in various positions at Jabil Circuit, Inc., an EMS provider, since 1995.

Yong Jin Lim joined Plexus in 2002 and has served as Regional President – Plexus APAC since 2007.

Oliver K. Mihm joined Plexus in 2000 and has served as Regional President - Plexus EMEA since 2015. Previously, Mr. Mihm served as Market Sector Vice President - Industrial/Commercial from 2014 to 2015, Senior Vice President - Global Engineering Solutions from 2013 to 2015, Vice President - Global Engineering Solutions from 2011 to 2013 and as Vice President of Plexus' Raleigh, North Carolina Design Center prior thereto.

Table of Contents**ITEM 11. EXECUTIVE COMPENSATION**

Incorporated herein by reference to “Corporate Governance – Board Committees – Compensation and Leadership Development Committee,” “Corporate Governance – Directors’ Compensation,” “Compensation Discussion and Analysis,” “Executive Compensation” and “Compensation Committee Report” in the 2017 Proxy Statement.

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

Incorporated herein by reference to “Security Ownership of Certain Beneficial Owners and Management.”
Equity Compensation Plan Information

The following table chart gives aggregate information regarding grants under all Plexus equity compensation plans through October 1, 2016:

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (1)	Weighted-average exercise price of outstanding options, warrants and rights (2)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in 1 st column)
Equity compensation plans approved by securityholders	2,482,357	\$ 34.59	2,951,435
Equity compensation plans not approved by securityholders	—	n/a	—
Total	2,482,357	\$ 34.59	2,951,435

(1) Represents options, stock-settled SARs, PSUs and RSUs granted under the 2016 Omnibus Incentive Plan, the 2008 Long-Term Incentive Plan and the 2005 Equity Incentive Plan, all of which were approved by shareholders. No further awards may be made under the 2008 Long-Term Incentive Plan and the 2005 Equity Incentive Plan.

(2) The weighted average exercise prices exclude PSUs and RSUs.

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

Incorporated herein by reference to “Corporate Governance – Director Independence” and “Certain Transactions” in the 2017 Proxy Statement.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Incorporated herein by reference to the subheading “Auditors - Fees and Services” in the 2017 Proxy Statement.

Table of Contents

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) Documents filed

Financial Statements and Financial Statement Schedule. See the list of Financial Statements and Financial Statement Schedule in Item 8.

(b) Exhibits. See Exhibit Index included as the last page of this report, which index is incorporated herein by reference.

ITEM 16. FORM 10-K SUMMARY

None.

69

Table of Contents

Plexus Corp. and Subsidiaries

Schedule II – Valuation and Qualifying Accounts

For the fiscal years ended October 1, 2016, October 3, 2015 and September 27, 2014 (in thousands):

Descriptions	Balance at beginning of period	Additions charged to costs and expenses	Additions charged to other accounts	Deductions	Balance at end of period
Fiscal Year 2016:					
Allowance for losses on accounts receivable (deducted from the asset to which it relates)	\$ 879	\$ 1,492	\$	—\$ 3	*\$ 2,368
Valuation allowance on deferred income tax assets (deducted from the asset to which it relates)	\$ 58,343	\$ 1,121	\$	—\$ 18,462	\$ 41,002
Fiscal Year 2015:					
Allowance for losses on accounts receivable (deducted from the asset to which it relates)	\$ 1,188	\$ 581	\$	—\$ 890	*\$ 879
Valuation allowance on deferred income tax assets (deducted from the asset to which it relates)	\$ 41,935	\$ 16,408	\$	—\$ —	\$ 58,343
Fiscal Year 2014:					
Allowance for losses on accounts receivable (deducted from the asset to which it relates)	\$ 1,008	\$ 513	\$	—\$ 333	*\$ 1,188
Valuation allowance on deferred income tax assets (deducted from the asset to which it relates)	\$ 34,075	\$ 7,860	\$	—\$ —	\$ 41,935

* Amount represents favorable resolution of amounts previously reserved for and amounts written off.

Table of Contents

SIGNATURES

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

Plexus Corp.
Registrant

Date: November 18, 2016 /s/ Todd P. Kelsey
Todd P. Kelsey
President and Chief Executive Officer

Table of Contents

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Todd P. Kelsey, Patrick J. Jermain and Angelo M. Ninivaggi, and each of them, his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments to this report, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, and any other regulatory authority, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done by virtue hereof. Pursuant to the requirement of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant and in the capacities and on the date indicated.*

SIGNATURE AND TITLE

/s/ Todd P. Kelsey Todd P. Kelsey, President and Chief Executive Officer (Principal Executive Officer) and Director	/s/ Rainer Jueckstock Rainer Jueckstock, Director
/s/ Patrick J. Jermain Patrick J. Jermain, Senior Vice President and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	/s/ Peter Kelly Peter Kelly, Director
/s/ Dean A. Foate Dean A. Foate, Director	/s/ Philip R. Martens Philip R. Martens, Director
/s/ Stephen P. Cortinovis Stephen P. Cortinovis, Director	/s/ Michael V. Schrock Michael V. Schrock, Director
/s/ David J. Drury David J. Drury, Director	/s/ Ralf R. Böer Ralf R. Böer, Director
/s/ Joann M. Eisenhart Joann M. Eisenhart, Director	

*Each of the above signatures is affixed as of November 18, 2016.

Table of Contents

EXHIBIT INDEX

PLEXUS CORP.

Form 10-K for Fiscal Year Ended October 1, 2016

Exhibit No.	Exhibit	Incorporated By Reference To	Filed Herewith
3(i)	(a) Restated Articles of Incorporation of Plexus Corp., as amended through August 28, 2008	Exhibit 3(i) to Plexus' Report on Form 10-Q for the quarter ended March 31, 2004	
	(b) Articles of Amendment, dated August 28, 2008, to the Restated Articles of Incorporation	Exhibit 3.1 to Plexus' Report on Form 8-K dated August 28, 2008	
3(ii)	Amended and Restated Bylaws of Plexus Corp., adopted May 21, 2015	Exhibit 3.1 to Plexus' Report on Form 8-K/A dated May 21, 2015	
4.1	Restated Articles of Incorporation of Plexus Corp., as amended through August 28, 2008	Exhibit 3(i) above	
4.2	Amended and Restated Bylaws of Plexus Corp., adopted May 21, 2015	Exhibit 3(ii) above	
4.3	Rights Agreement, dated as of August 28, 2008, between Plexus Corp. and American Stock Transfer & Trust Company, LLC	Exhibit 4.1 to Plexus' Report on Form 8-A dated August 28, 2008	
10.1(a)	Credit Agreement, dated as of May 15, 2012, among Plexus Corp. and the banks, financial institutions and other institutional lenders listed on the signature pages thereof, U.S. Bank National Association, as administrative agent, PNC Bank, National Association, as syndication agent, The Bank of Tokyo-Mitsubishi UFJ, Ltd., HSBC Bank USA, National Association, RBS Citizens, N.A. and Wells Fargo Bank, N.A., as co-documentation agents, and U.S. Bank National Association and PNC Capital Markets LLC, as joint lead arrangers and joint bookrunners (including the related subsidiary guaranty) (the "Credit Agreement").	Exhibit 10.1 to Plexus' Report on Form 8-K dated May 15, 2012	
10.1(b)	Omnibus Amendment, dated as of May 15, 2014, by and among Plexus Corp., the lenders listed on the signature pages thereto and U.S. Bank National Association, as administrative agent, to the Credit Agreement (including the related subsidiary guaranty) (the Credit Agreement, as amended, is included on Exhibit A-2 to the Omnibus Amendment).	Exhibit 10.1 to Plexus' Report on Form 8-K dated May 15, 2014	
10.1(c)	Amendment No. 2, dated as of July 5, 2016, by and among Plexus Corp., the lenders listed on the signature pages thereto and U.S. Bank National Association, as administrative agent, to the Credit Agreement (including the related subsidiary	Exhibit 10.1 to Plexus' Report on Form 8-K dated	

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	guaranty) (the Credit Agreement, as amended, is included on Exhibit A-2 to Amendment No. 2)	July 5, 2016
10.2 (a)	Note Purchase Agreement, dated as of April 21, 2011, between Plexus Corp. and the Purchasers named therein relating to \$175,000,000 5.20% Senior Notes, due June 15, 2018	Exhibit 10.1 to Plexus' Report on Form 8-K dated April 21, 2011
10.2 (b)	Amendment No. 1, dated as of July 5, 2016, with respect to the Note Purchase Agreement	Exhibit 10.2 to Plexus' Report on Form 8-K dated July 5, 2016

Table of Contents

10.3	Master Accounts Receivable Purchase Agreement between Plexus Corp. and Plexus Manufacturing Sdn. Bhd., and each additional seller party thereto from time to time as the Sellers, Plexus Corp., as Seller Representative, and The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch, as the Purchaser, dated as of October 4, 2016.	Exhibit 10.1 to Plexus' Report on Form 8-K dated October 4, 2016
10.4 (a)	Employment Agreement, dated May 15, 2008, by and between Plexus Corp. and Dean A. Foate* (terminated except where otherwise stated in Exhibit 10.3(b) below)	Exhibit 10.1 to Plexus' Report on Form 8-K dated May 15, 2008
10.4 (b)	Retirement and Transition Agreement, dated August 17, 2016, by and between Plexus Corp. and Dean A. Foate*	Exhibit 10.1 to Plexus' Report on Form 8-K dated August 17, 2016
10.5	Employment Agreement, dated August 17, 2016, by and between Plexus Corp. and Todd P. Kelsey*	Exhibit 10.2 to Plexus' Report on Form 8-K dated August 17, 2016
10.6(a)	Form of Change of Control Agreement with executive officers (other than Dean A. Foate) entered into prior to fiscal 2015*	Exhibit 10.2 to Plexus' Report on Form 8-K dated May 15, 2008
10.6(b)	Amended Form of Change of Control Agreement with executive officers receiving this agreement beginning in fiscal 2015*	Exhibit 10.4(b) to Plexus' Report on Form 10-K for the year ended September 27, 2014
10.7	Summary of Directors' Compensation (11/14)*	Exhibit 10.5(a) to Plexus' Report on Form 10-K for the year ended September 27, 2014
10.8 (a)	Plexus Corp. Executive Deferred Compensation Plan*	Exhibit 10.17 to Plexus' Report on Form 10-K for the fiscal year ended September 30, 2000
10.8 (b)	Plexus Corp Executive Deferred Compensation Plan Trust dated April 1, 2003 between Plexus Corp. and Bankers Trust Company*	Exhibit 10.14 to Plexus' Report on Form 10-K for the fiscal year ended September 30, 2003
10.9	Plexus Corp. Non-employee Directors Deferred Compensation Plan*	Exhibit 10.10 to Plexus' Report on Form 10-K for the fiscal year ended September 29, 2012
10.10 (a)	Plexus Corp. 2016 Omnibus Incentive Plan*	Appendix A to Plexus' Definitive Proxy Statement on Schedule 14A for its 2016 Annual Meeting of Shareholders, filed on December 14, 2015
10.10 (b)	Forms of award agreements thereunder*	
	(i) Form of Stock Option Agreement	

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Exhibit 10.1 to Plexus' Report on
Form 10-Q for the quarter ended
July 2, 2016

(ii) Form of Restricted Stock Unit Award

Exhibit 10.2 to Plexus' Report on Form 10-Q for the quarter
ended July 2, 2016

(iii) Form of Performance Stock Unit Agreement

X

(iv) Form of Stock Appreciation Rights Agreement

Exhibit 10.3 to Plexus' Report on Form 10-Q for the quarter
ended July 2, 2016

(v) Form of Restricted Stock Unit Award
Agreement for Directors

Table of Contents

10.11 (a)	Amended and Restated Plexus Corp. 2008 Long-Term Incentive Plan* (superseded except as to outstanding awards)	Exhibit 10.8(a) to Plexus' Report on Form 10-K for the year ended September 27, 2014
10.11(b)	Forms of award agreements thereunder*	
	(i) Form of Stock Option Agreement	Exhibit 10.2 to Plexus' Report on Form 10-Q for the quarter ended January 2, 2010
	(ii) Form of Restricted Stock Unit Award	Exhibit 10.5(b) to Plexus' Report on Form 10-Q for the quarter ended March 29, 2008
	(iii) Form of Stock Appreciation Rights Agreement	Exhibit 10.5(c) to Plexus' Report on Form 10-Q for the quarter ended March 29, 2008
	(iv) Form of Unrestricted Stock Award	Exhibit 10.3 to Plexus' Report on Form 10-Q for the quarter ended January 2, 2010
	(v) Form of Plexus Corp. Variable Incentive Compensation Plan - Plexus Leadership Team	Exhibit 10.1 to Plexus' Report on Form 10-Q for the quarter ended April 2, 2011
	(vi) Form of Restricted Stock Unit Award Agreement for Directors	Exhibit 10.9(b)(vi) to Plexus' Report on Form 10-K for the year ended September 28, 2013
	(vii) Form of Performance Stock Unit Agreement	Exhibit 10.9(b)(vii) to Plexus' Report on Form 10-K for the year ended September 28, 2013
10.12(a)	Amended and Restated Plexus Corp. 2005 Equity Incentive Plan* [superseded]	Exhibit 10.2 to Plexus' Report on Form 10-Q for the quarter ended January 3, 2009
10.12(b)	Forms of award agreements thereunder* [superseded]	
	(i) Form of Option Grant (Officer or Employee)	Exhibit 10.1 to Plexus' Report on Form 8-K dated April 1, 2005
	(ii) Form of Option Grant (Director)	Exhibit 10.2 to Plexus' Report on Form 8-K dated November 17, 2005
21	List of Subsidiaries	X

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23	Consent of PricewaterhouseCoopers LLP	X
24	Powers of Attorney	(Signature Page Hereto)
31.1	Certification of Chief Executive Officer pursuant to Section 302(a) of the Sarbanes-Oxley Act of 2002.	X
31.2	Certification of Chief Financial Officer pursuant to Section 302(a) of the Sarbanes-Oxley Act of 2002.	X

75

Table of Contents

32.1	Certification of the CEO pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	X
32.2	Certification of the CFO pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	X
99.1	Reconciliation of ROIC to GAAP and Economic Return Financial Statements	X
101	The following materials from Plexus Corp.'s Annual Report on Form 10-K for the fiscal year ended October 1, 2016, formatted in XBRL (Extensible Business Reporting Language): (i) the Consolidated Statements of Comprehensive Income, (ii) the Consolidated Balance Sheets, (iii) the Consolidated Statements of Shareholders' Equity, (iv) the Consolidated Statements of Cash Flows, and (v) Notes to Consolidated Financial Statements.	X
101.INS	XBRL Instance Document	X
101.SCH	XBRL Taxonomy Extension Schema Document	X
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document	X
101.LAB	XBRL Taxonomy Extension Label Linkbase Document	X
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document	X
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document	X
*	Designates management compensatory plans or agreements.	