Third Quarter 2023 Financial Results

October 26, 2023

Celestica™

Cautionary Note Regarding Forward- Looking Statements

This presentation contains forward-looking statements, including, without limitation, those related to our future growth; trends in the electronics manufacturing services (EMS) industry and our segments (and/or their constituent businesses), and their anticipated impact on our business; our anticipated financial and/or operational results and targets, including those on the slides captioned "Q4 2023 Guidance," "Q4 2023 Non-IFRS Tax Rate Estimate," "Q4 2023 End Market Revenue Outlook," and "Updated 2023 and 2024 Annual Outlook," and our intention to launch a new normal course issuer bid (NCIB). Such forward-looking statements may, without limitation, be preceded by, followed by, or include words such as "believes," "expects," "anticipates," "estimates," "intends," "plans," "continues," "target", "goal", "project," "potential," "possible," "contemplate," "seek," or similar expressions, or may employ such future or conditional verbs as "may," "might," "will," "could," "should," or "would," or may otherwise be indicated as forward-looking statements by grammatical construction, phrasing or context. For those statements, we claim the protection of the safe harbor for forward-looking statements contained in the U.S. Private Securities Litigation Reform Act of 1995 and applicable Canadian securities laws.

Forward-looking statements are provided to assist readers in understanding management's current expectations and plans relating to the future. Readers are cautioned that such information may not be appropriate for other purposes. Forward-looking statements are not guarantees of future performance and are subject to risks that could cause actual results to differ materially from those expressed or implied in such forward-looking statements, including, among others, risks related to: customer and segment concentration; challenges of replacing revenue from completed, lost or non-renewed programs or customer disengagements; managing our business during uncertain market, political and economic conditions, including among others, global inflation and/or recession, and geopolitical and other risks associated with our international operations, including military actions/wars, protectionism and reactive countermeasures, economic or other sanctions or trade barriers, including in relation to the Russia/Ukraine conflict and/or the Israel-Hamas conflict; managing changes in customer demand; our customers' ability to compete and succeed using our products and services; delays in the delivery and availability of components, services and/or materials, as well as their costs and quality; our inventory levels and practices; the cyclical and volatile nature of our semiconductor business; changes in our mix of customers and/or the types of products or services we provide, including negative impacts of higher concentrations of lower margin programs; price, margin pressures, and other competitive factors and adverse market conditions affecting, and the highly competitive nature of, the EMS and original design manufacturer (ODM) industries in general and our segments in particular (including the risk that anticipated market conditions do not materialize); challenges associated with new customers or programs, or the provision of new services; interest rate fluctuations; rising commodity, materials and component costs as well as rising labor costs and changing labor conditions; changes in U.S. policies or legislation; customer relationships with emerging companies; recruiting or retaining skilled talent; our ability to adequately protect intellectual property and confidential information; the variability of revenue and operating results; unanticipated disruptions to our cash flows; deterioration in financial markets or the macro-economic environment, including as a result of global inflation and/or recession; maintaining sufficient financial resources to fund currently anticipated financial actions and obligations and to pursue desirable business opportunities; the expansion or consolidation of our operations; the inability to maintain adequate utilization of our workforce; integrating and achieving the anticipated benefits from acquisitions and "operate-in-place" arrangements; execution and/or quality issues (including our ability to successfully resolve these challenges); non-performance by counterparties; negative impacts on our business resulting from any significant uses of cash, securities issuances, and/or additional increases in third-party indebtedness (including as a result of an inability to sell desired amounts under our uncommitted accounts receivable sales program or supplier financing programs); disruptions to our operations, or those of our customers, component suppliers and/or logistics partners, including as a result of events outside of our control (including those described in "External factors that may impact our business" in our most recent Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A)); defects or deficiencies in our products, services or designs; volatility in the commercial aerospace industry; compliance with customer-driven policies and standards, and third-party certification requirements; negative impacts on our business resulting from our third-party indebtedness; the scope, duration and impact of materials constraints; coronavirus disease 2019 (COVID-19) mutations or resurgences; declines in U.S. and other government budgets, changes in government spending or budgetary priorities, or delays in contract awards; a U.S. government shutdown; changes to our operating model; foreign currency volatility; our global operations and supply chain; competitive bid selection processes; our dependence on industries affected by rapid technological change; rapidly evolving and changing technologies, and changes in our customers' business or outsourcing strategies; increasing taxes (including as a result of global tax reform), tax audits, and challenges of defending our tax positions; obtaining, renewing or meeting the conditions of tax incentives and credits; the management of our information technology systems, and the fact that while we have not been materially impacted by computer viruses, malware, ransomware, hacking incidents or outages, we have been (and may in the future be) the target of such events; the impact of our restructuring actions and/or productivity initiatives, including a failure to achieve anticipated benefits therefrom; the incurrence of future restructuring charges, impairment charges, other unrecovered write-downs of assets (including inventory) or operating losses; the inability to prevent or detect all errors or fraud; compliance with applicable laws and regulations; our pension and other benefit plan obligations; changes in accounting judgments, estimates and assumptions; our ability to maintain compliance with applicable credit facility covenants; our total return swap agreement; our ability to refinance our indebtedness from time to time; our credit rating; our eligibility for foreign private issuer status; activist shareholders; current or future litigation, governmental actions, and/or changes in legislation or accounting standards; volatility in our subordinate voting share (SVS) price; a lack of acceptance by the Toronto Stock Exchange of a new NCIB; the impermissibility of SVS repurchases, or a determination not to repurchase SVS, under any NCIB; potential unenforceability of judgments; negative publicity; the impact of climate change; and our ability to achieve our environmental, social and governance targets and goals, including with respect to climate change and greenhouse gas emissions reduction. The foregoing and other material risks and uncertainties are discussed in our public filings at www.sedar.com and www.sec.gov, including in our most recent MD&A, our 2022 Annual Report on Form 20-F filed with, and subsequent reports on Form 6-K furnished to, the U.S. Securities and Exchange Commission, and as applicable, the Canadian Securities Administrators.

The forward-looking statements contained herein are based on various assumptions, many of which involve factors that are beyond our control. Our material assumptions include: continued growth in our end markets; growth in manufacturing outsourcing from customers in diversified markets; no significant unforeseen negative impacts to our operations (including from mutations or resurgences of COVID-19); no unforeseen materials price increases, margin pressures, or other competitive factors affecting the EMS or ODM industries in general or our segments in particular, as well as those related to the following: the scope and duration of materials constraints (i.e., that they do not materially worsen), and their impact on our sites, customers and suppliers; our ability to fully recover our tangible losses caused by the recent fire at our Batam facility in Indonesia (Batam Fire) through insurance claims; fluctuation of production schedules from our customers in terms of volume and mix of products or services; the timing and execution of, and investments associated with, ramping new business; the success of our customers' products; our ability to retain programs and customers; the stability of currency exchange rates; supplier performance and quality, pricing and terms; compliance by third parties with their contractual obligations; the costs and availability of components, materials, services, equipment, labor, energy and transportation; that our customers will retain liability for product/component tariffs and countermeasures; global tax legislation changes; our ability to keep pace with rapidly changing technological developments; the timing, execution and effect of restructuring actions; the successful resolution of quality issues that arise from time to time; the components of our leverage ratio (as defined in our credit facility); our ability to successfully diversify our customer base and develop new capabilities; the availability of capital resources for, and the permissibility under our credit facility of, repurchases of outstanding SVS under NCIBs, acceptance of a new NCIB, and compliance with applicable laws and regulations pertaining to NCIBs; compliance with applicable credit facility covenants; anticipated demand levels across our businesses; the impact of anticipated market conditions on our businesses; that global inflation and/or recession will not have a material impact on our revenues or expenses; and our maintenance of sufficient financial resources to fund currently anticipated financial actions and obligations and to pursue desirable business opportunities. Although management believes its assumptions to be reasonable under the current circumstances, they may prove to be inaccurate, which could cause actual results to differ materially (and adversely) from those that would have been achieved had such assumptions been accurate. Forward-looking statements speak only as of the date on which they are made, and we disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

All forward-looking statements attributable to us are expressly qualified by these cautionary statements.

NOTE REGARDING NON-IFRS FINANCIAL MEASURES

In addition, this presentation refers to non-International Financial Reporting Standards (IFRS) financial measures (including ratios). Non-IFRS financial measures do not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other public companies that report under IFRS, or who report under U.S. GAAP and use non-GAAP financial measures to describe similar operating metrics. Non-IFRS financial measures are not measures of performance under IFRS and should not be considered in isolation or as a substitute for any IFRS financial measure. We do not provide reconciliations for forward-looking non-IFRS financial measures, as we are unable to provide a meaningful or accurate calculation or estimation of reconciling items and the information is not available without unreasonable effort. This is due to the inherent difficulty of forecasting the timing or amount of various events that have not yet occurred, are out of our control and/or cannot be reasonably predicted, and that would impact the most directly comparable forward-looking IFRS financial measure. For these same reasons, we are unable to address the probable significance of the unavailable information. Forward-looking non-IFRS financial measures may vary materially from the corresponding IFRS financial measures.

CEO Remarks

Celestica™

Q3 2023 Highlights

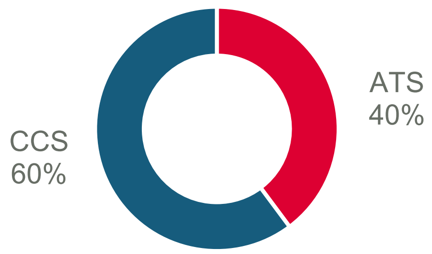
$US	Q3 2023	Comments
Revenue	$2.04B	Aggregate 6% YTY Increase; *12% YTY Increase in ATS* *2% YTY Increase in CCS*
Non-IFRS Operating Margin[1]	5.7%	Up 60 bps YTY
Non-IFRS Adjusted EPS – diluted[1]	$0.65	Up 13 cents YTY

IFRS financial measures (Most directly comparable to non-IFRS financial measures above)	Q3 2023	Comments
Earnings from Operations as a Percentage of Revenue	5.7%	Up 160 bps YTY
EPS - diluted	$0.67	Up 30 cents YTY

[1] See "Note Regarding Non-IFRS Financial Measures". Also see the Appendix for, among other things, the definition and uses of non-IFRS operating margin and non-IFRS adjusted EPS, and a reconciliation of these non-IFRS financial measures (in the case of these ratios, the non-IFRS financial measure used in calculating such ratio) to the most directly comparable IFRS financial measures. In Q4 2022, we entered into a total return swap (TRS) agreement (TRS Agreement). Similar to employee stock-based compensation (SBC) expense, quarterly fair value adjustments of our TRS (TRS FVAs) are classified in cost of sales and SG&A expenses in our consolidated statement of operations, and commencing in Q1 2023, are excluded in our determination of all non-IFRS financial measures that exclude employee SBC expense, including these non-IFRS financial measures, as TRS FVAs reflect fluctuations in the price of our SVS, and not our operating performance. In addition: (i) commencing in Q2 2023, costs associated with Onex Corporation's conversion and sale of our shares (Secondary Offering Costs), and related costs pertaining to certain accounting considerations (Accounting Costs); and (ii) in Q3 2023, a $3.9 million Purchase Lease Charge, recorded as Transition Costs (each defined on slide 17), are included in Other Charges, which are excluded in the determination of these non-IFRS financial measures (see footnote (1) on slide 16). We incurred $0.95 million of Secondary Offering Costs in Q2 2023 and $0.65 million in Q3 2023 (see the Appendix for further detail).

ATS[1] and CCS[2] Segment Revenue and Profitability

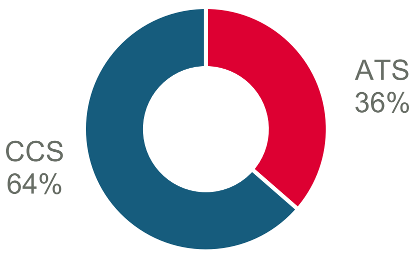
Q3 2022 Revenue [4]



Q3 2023 Revenue [5]

Q3 2022 % of Total Segment Income

Q3 2023 % of Total Segment Income



- **Non-IFRS Lifecycle Solutions** revenue[7] accounted for 66% of total revenue in Q3 2023 (compared to 67% of total revenue in Q3 2022)

Q3 2023 Revenue $	Sequential	Year over Year
ATS	Down 1%	Up 12%
CCS	Up 10%	Up 2%
Communications	*Up 29%*	*Down 10%*
Enterprise[3]	*Down 11%*	*Up 31%*

Segment Income[6] $	Q3 2022	Q3 2023
ATS	38.0M	42.1M
CCS	60.2M	73.6M

Segment Margin[6]	Q3 2022	Q3 2023
ATS	5.0%	4.9%
CCS	5.2%	6.2%

[1] Our ATS segment consists of our ATS end market, and is comprised of our Aerospace & Defense (A&D), Industrial, HealthTech, and Capital Equipment businesses.
[2] Our CCS segment consists of our Communications and Enterprise end markets.
[3] Our Enterprise end market consists of our Servers and Storage businesses.
[4] In Q3 2022, Communications represented 42% of total revenue and Enterprise represented 18% of total revenue.
[5] In Q3 2023, Communications represented 36% of total revenue and Enterprise represented 22% of total revenue.
[6] See footnote 1 on slide 16 for the definition of segment income and segment margin.
[7] Non-IFRS Lifecycle Solutions revenue consists of combined ATS segment and HPS business revenues (our HPS business is part of our CCS segment). See “Note Regarding Non-IFRS Financial Measures”. Also see the Appendix for, among other things, uses for this non-IFRS financial measure, and a reconciliation of this non-IFRS financial measure to IFRS revenue for Q3 2023 and Q3 2022.

Q3 2023 Highlights[1]

$US Millions (Except for per share amounts and %)	**Q3 2023**	**B/(W) QTQ (vs. Q2 2023)**	**B/(W) YTY (vs. Q3 2022)**
Revenue	$2,043	$104	$120
Non-IFRS Adjusted Gross Margin	9.8%	0.1%	0.9%
Non-IFRS Adjusted SG&A	$66.7	($0.8)	($5.8)
Non-IFRS Operating Earnings (adjusted EBIAT)[2]	$115.7	$9.3	$17.5
Non-IFRS Operating Margin[2]	5.7%	0.2%	0.6%
Non-IFRS Adjusted Effective Tax Rate[2]	20%	1%	1%
Non-IFRS Adjusted Net Earnings[2]	$78.2	$11.6	$14.6
Non-IFRS Adjusted EPS – diluted[2]	$0.65	$0.10	$0.13
Non-IFRS Adjusted ROIC	21.5%	1.5%	2.3%
Most directly-comparable IFRS financial measures (to non-IFRS financial measures above)	**Q3 2023**	**B/(W) QTQ (vs. Q2 2023)**	**B/(W) YTY (vs. Q3 2022)**
Gross Margin	10.1%	0.6%	1.4%
SG&A	$56.9	$12.2	$9.2
Earnings from Operations	$117.4	$29.6	$39.0
Earnings from Operations as a Percentage of Revenue	5.7%	1.2%	1.6%
Effective Tax Rate	19%	(3%)	6%
Net Earnings	$80.2	$24.7	$34.5
EPS - diluted	$0.67	$0.21	$0.30
IFRS ROIC	21.8%	5.3%	6.5%

[1] See "Note Regarding Non-IFRS Financial Measures". Also see the Appendix for, among other things, definitions and uses of the non-IFRS financial measures (including ratios based on non-IFRS financial measures) set forth in the table, and a reconciliation of these non-IFRS financial measures (or, in the case of ratios, the non-IFRS financial measure used in calculating such ratio) to the most directly comparable IFRS financial measures. Commencing in Q1 2023, TRS FVAs are excluded in our determination of these non-IFRS financial measures (other than non-IFRS adjusted ROIC). See footnote (1) on slide 4 and the Appendix for further detail.

[2] Commencing in Q2 2023, Secondary Offering Costs and Accounting Costs, and in Q3 2023, the Purchaser Lease Charge (defined on slide 17), are included in Other Charges (which are excluded in the determination of these non-IFRS financial measures).

Working Capital / Capex / Non-IFRS Adjusted Free Cash Flow[1]

Q3 2023 ($US)	
3.2 inventory turns[2]	Inventory turns were up by 0.2 turns sequentially (Inventory down $65M YTY and down $85M sequentially)
$27M Capex	1.3% of Revenue
$34M Non-IFRS Adjusted Free Cash Flow[1] **$88M IFRS Cash Provided by Operations**	Achieved $110M of non-IFRS adjusted free cash flow[1] in 2023 YTD, higher by $59M vs Q3 YTD in 2022 Achieved $291M of IFRS cash provided by operations in 2023 YTD, higher by $94 vs 2022 YTD

Cash Cycle Days

	Q3 2022	Q2 2023	Q3 2023
Days in A/R[3]	56	60	65
Days in Inventory[3]	115	123	114
Days in A/P[3]	(78)	(68)	(65)
Days in Cash Deposits[3,4]	(30)	(42)	(42)
Cash Cycle Days	**63**	**73**	**72**

[1] See "Note Regarding Non-IFRS Financial Measures". Also see the Appendix for, among other things, the definition and use of this non-IFRS financial measure, and a reconciliation of historic non-IFRS adjusted free cash flow to IFRS cash provided by operations.

[2] Inventory turns are determined by dividing 365 by the number of days in inventory. Days in inventory are calculated by dividing the average inventory balance for the quarter by the average daily cost of sales.

[3] Days in A/R is defined as the average A/R for the quarter divided by the average daily revenue. Days in inventory, days in A/P and days in cash deposits are calculated by dividing the average balance for each item for the quarter by the average daily cost of sales. Cash cycle days is defined as the sum of days in A/R and days in inventory minus the days in A/P and days in cash deposits.

[4] Celestica receives cash deposits from certain customers to help mitigate the impact of high inventory levels carried due to materials constraints, and to reduce risks related to excess and/or obsolete inventory.

Balance Sheet

$US	At September 30, 2023
Cash and cash equivalents	$353M
Revolver (excluding L/Cs)	-
Term Loans	$613M

Net Debt: $260M

As of September 30, 2023, Celestica's (i) gross debt to trailing twelve month (TTM) earnings from operations ratio (IFRS debt leverage ratio) was 1.8x; and (ii) gross-debt to non-IFRS TTM adjusted EBITDA ratio (non-IFRS adjusted debt leverage ratio) was 1.1x. See "Note Regarding Non-IFRS Financial Measures". Also see the Appendix for a reconciliation of non-IFRS adjusted debt leverage ratio to IFRS debt leverage ratio, the most directly comparable financial measure determined under IFRS. Prior to Q2 2022, non-IFRS TTM adjusted EBITDA was reconciled to IFRS TTM earnings before income taxes, and non-IFRS adjusted debt leverage ratio was reconciled to gross debt to TTM earnings before income taxes ratio, but commencing in Q2 2022, are reconciled to IFRS TTM earnings from operations, and gross debt to TTM earnings from operations ratio, respectively (the most directly comparable IFRS financial measures). This modification had no impact on either resultant non-IFRS financial measure. Prior period reconciliations herein reflect the current presentation. In addition: (i) commencing in Q1 2023, TRS FVAs are excluded in our determination of non-IFRS TTM adjusted EBITDA and non-IFRS adjusted debt leverage ratio; (ii) commencing in Q2 2023, Secondary Offering Costs and Accounting Costs are included in Other Charges, and (iii) in Q3 2023, the Purchase Lease Charge, as additional Transition Costs (each defined on slide 17), are included in Other Charges. Other Charges are excluded in the determination of the foregoing non-IFRS financial measures. See the Appendix for further detail.

Non-IFRS adjusted debt leverage ratio is defined as Gross Debt divided by non-IFRS TTM adjusted EBITDA (each defined below). Adjusted debt leverage ratio and TTM adjusted EBITDA are non-IFRS financial measures. Non-IFRS financial measures do not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other public companies that report under IFRS, or who report under U.S. GAAP and use non-GAAP financial measures to describe similar operating metrics.

Gross Debt is defined as the total borrowings under our credit facility, excluding ordinary course letters of credit ($613M as of September 30, 2023).

Non-IFRS TTM adjusted EBITDA as of September 30, 2023 is defined as the sum of non-IFRS adjusted EBITDA for the third quarter of 2023 and each of the previous three quarters. See "Note Regarding Non-IFRS Financial Measures". Also see the Appendix for, among other things, details on how non-IFRS adjusted EBITDA is calculated, as well as a reconciliation of historical non-IFRS adjusted EBITDA to IFRS earnings from operations for each such period. Prior to Q2 2022, non-IFRS adjusted EBITDA was reconciled to IFRS earnings before income taxes, but commencing in Q2 2022, is reconciled to IFRS earnings from operations (the most directly comparable IFRS financial measure), with no change to the resultant non-IFRS financial measure. Prior period reconciliations herein reflect the current presentation. In addition: (i) commencing in Q1 2023, TRS FVAs are excluded in our determination of non-IFRS adjusted EBITDA, and (ii) commencing in Q2 2023, Secondary Offering Costs and Accounting Costs, and in Q3 2023, the Purchaser Lease Charge, are included in Other Charges (which are excluded in the determination of non-IFRS adjusted EBITDA). See the Appendix for further detail.

Q4 2023 Guidance[1,2]

$US	
Revenue	$2.00B - $2.15B
Non-IFRS Operating Margin	5.7% at the mid-point of revenue and non-IFRS adjusted EPS guidance ranges
Non-IFRS Adjusted EPS – diluted	$0.65 - $0.71
Non-IFRS Adjusted SG&A	$67M - $69M

Q4 2023 Non-IFRS Tax Rate Estimate[1]

Non-IFRS Adjusted Effective Tax Rate of approximately 20%[3]

[1] Although we have incorporated the anticipated impact of demand softness in our Capital Equipment business into our guidance to the best of our ability, its adverse impact (in terms of duration and severity) cannot be estimated with certainty, and may be materially in excess of our expectations. Guidance is effective on the date provided and will only be updated through a public announcement. We do not provide reconciliations for forward-looking non-IFRS financial measures as we are unable to provide a meaningful or accurate calculation or estimation of reconciling items and the information is not available without unreasonable effort. This is due to the inherent difficulty of forecasting the timing or amount of various events that have not yet occurred, are out of our control and/or cannot be reasonably predicted, and that would impact the most directly comparable forward-looking IFRS financial measure. For these same reasons, we are unable to address the probable significance of the unavailable information. Forward-looking non-IFRS financial measures may vary materially from the corresponding IFRS financial measures.

[2] Commencing in Q1 2023, TRS FVAs are excluded in our determination of non-IFRS operating margin, non-IFRS adjusted EPS, non-IFRS adjusted SG&A, and non-IFRS adjusted effective tax rate (see footnote (1) on slide 4 and the Appendix for further detail). Commencing in Q2 2023, Secondary Offering Costs and Accounting Costs are included in Other Charges, and in Q3 2023, the Purchaser Lease Charge, recorded as Transition Costs (each defined on slide 17) are included in Other Charges. Other Charges are excluded in the determination of non-IFRS operating margin, non-IFRS adjusted EPS, and non-IFRS adjusted effective tax rate.

[3] Our Q3 2023 non-IFRS Adjusted Effective Tax Rate estimate does not account for the impact of taxable foreign exchange or unanticipated tax settlements.

Q4 2023 End Market Revenue Outlook[1]

	Year-over-Year Revenue % Change
ATS[2]	Increase low single-digits
Communications	Decrease mid-teens
Enterprise[3]	Increase high-twenties

[1] Although we have incorporated the anticipated impact of demand softness in our Capital Equipment business into our end market revenue outlook to the best of our ability, its adverse impact (in terms of duration and severity) cannot be estimated with certainty, and may be materially in excess of our expectations. Outlook is effective on the date provided.

[2]ATS consists of A&D, Industrial, HealthTech, and Capital Equipment.

[3]Enterprise consists of Servers and Storage.

Updated 2023 and 2024 Annual Outlook[1]

$US	2023 Outlook[2]	Previous 2023 Outlook
Revenue outlook	$7.90B	$7.85B or more
Non-IFRS operating margin	5.5%	5.5%
Non-IFRS Adjusted EPS	$2.36	$2.25
Non-IFRS adjusted free cash flow	$150M	$125M

2024 Annual Outlook

- Non-IFRS adjusted EPS growth of 10%, or more, compared to our updated 2023 Annual Outlook

[1] Although we have incorporated the anticipated impact of demand softness in our Capital Equipment business into our 2023 and 2024 annual outlook to the best of our ability, its adverse impact (in terms of duration and severity) cannot be estimated with certainty, and may be materially in excess of our expectations. We do not provide reconciliations for forward-looking non-IFRS financial measures as we are unable to provide a meaningful or accurate calculation or estimation of reconciling items and the information is not available without unreasonable effort. This is due to the inherent difficulty of forecasting the timing or amount of various events that have not yet occurred, are out of our control and/or cannot be reasonably predicted, and that would impact the most directly comparable forward-looking IFRS financial measure. For these same reasons, we are unable to address the probable significance of the unavailable information. Forward-looking non-IFRS financial measures may vary materially from the corresponding IFRS financial measures. Our 2023 and 2024 annual outlook as set forth above is effective on the date provided and will only be updated through a public announcement.

[2] Our 2023 Outlook for revenue is based on the midpoint of our Q4 2023 Guidance


Business Outlook and
Concluding Remarks
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Q&A

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October 26, 2023

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Appendix

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Segment Income and Margin[1]

Revenue by segment:	Three months ended September 30				Nine months ended September 30			
	2022		2023		2022		2023	
		% of total		% of total		% of total		% of total
ATS	$ 765.5	40%	$ 859.4	42%	$ 2,157.5	41%	$ 2,516.9	43%
CCS	1,157.8	60%	1,183.9	58%	3,049.9	59%	3,303.6	57%
Communications end market revenue as a % of total revenue		42 %		36 %		40 %		34%
Enterprise end market revenue as a % of total revenue		18 %		22 %		19 %		23%
Total	$ 1,923.3		$ 2,043.3		$ 5,207.4		$ 5,820.5	

Segment income, segment margin, and reconciliation of segment income to IFRS earnings before income taxes:	Note*	Three months ended September 30				Nine months ended September 30			
		2022		2023		2022		2023	
			Segment Margin		Segment Margin		Segment Margin		Segment Margin
ATS segment income and margin		$ 38.0	5.0%	$ 42.1	4.9%	$ 104.7	4.9%	$ 118.6	4.7%
CCS segment income and margin		60.2	5.2%	73.6	6.2%	145.5	4.8%	198.9	6.0%
Total segment income		98.2		115.7		250.2		317.5	
Reconciling items:									
Finance costs	6	17.5		18.3		40.4		62.1	
Employee SBC expense		9.0		12.9		36.8		45.8	
TRS FVAs (gains)	10	—		(29.4)		—		(34.2)	
Amortization of intangible assets (excluding computer software)		9.2		9.2		27.8		27.6	
Other charges, net of recoveries	8	1.6		5.6		3.9		13.7	
IFRS earnings before income taxes		$ 60.9		$ 99.1		$ 141.3		$ 202.5	

*Refers to notes to our September 30, 2023 unaudited interim condensed consolidated financial statements (Q3 2023 Interim Financial Statements)

[1] Segment income is defined as a segment's net revenue less its cost of sales and its allocable portion of selling, general and administrative expenses and research and development expenses (collectively, Segment Costs). Identifiable Segment Costs are allocated directly to the applicable segment while other Segment Costs, including indirect costs and certain corporate charges, are allocated to our segments based on an analysis of the relative usage or benefit derived by each segment from such costs. Segment income excludes Finance Costs (defined below), employee SBC expense, amortization of intangible assets (excluding computer software), Other Charges (Recoveries) (defined below), and commencing in Q1 2023, TRS FVAs, as these costs and charges/recoveries are managed and reviewed by our CEO at the company level. Finance Costs consist of interest expense and fees related to our credit facility (including any debt issuance and related amortization costs), our interest rate swap agreements, our TRS Agreement, our accounts receivable sales program and our customers' supplier financing programs, and interest expense on our lease obligations, net of interest income earned. Other Charges (Recoveries) consist of (when applicable) restructuring charges (recoveries), impairment charges (recoveries), acquisition-related consulting, transaction and integration costs, and charges or releases related to the subsequent re-measurement of indemnification assets or the release of indemnification or other liabilities recorded in connection with acquisitions, legal settlements (recoveries), Transition Costs (recoveries) (defined on slide 17), specified credit facility-related charges, post-employment benefit plan losses, during Q2 2022, offsetting charges (recoveries) recorded in connection with write-downs of inventory, equipment and a building in connection with the Batam Fire, and commencing in Q2 2023, Secondary Offering Costs and Accounting Costs. The Purchaser Lease Charge (defined on slide 17) was recorded as Transition Costs in Q3 2023. See note 8 to our Q3 2023 Interim Financial Statements for separate quantification and discussion of the components of Other Charges (Recoveries) for the periods set forth in the table above. Segment margin is segment income as a percentage of segment revenue.

Non-IFRS Supplementary Information

In addition to disclosing detailed operating results in accordance with International Financial Reporting Standards (IFRS), Celestica provides supplementary non-IFRS financial measures (including ratios based on non-IFRS financial measures) to consider in evaluating the company's operating performance. Management uses adjusted net earnings and other non-IFRS financial measures to assess operating performance and the effective use and allocation of resources; to provide more meaningful period-to-period comparisons of operating results; to enhance investors' understanding of the core operating results of Celestica's business; and to set management incentive targets. We believe investors use both IFRS and non-IFRS financial measures to assess management's past, current and future decisions associated with our priorities and our allocation of capital, as well as to analyze how our business operates in, or responds to, swings in economic cycles or to other events that impact our core operations.

The non-IFRS financial measures included in this presentation are: Lifecycle Solutions revenue, adjusted gross profit, adjusted gross margin (adjusted gross profit as a percentage of revenue), adjusted selling, general and administrative expenses (SG&A), adjusted SG&A as a percentage of revenue, non-IFRS operating earnings (or adjusted EBIAT), adjusted EBITDA, TTM adjusted EBITDA, non-IFRS operating margin (non-IFRS operating earnings or adjusted EBIAT as a percentage of revenue), adjusted EBITDA as a percentage of revenue, adjusted net earnings, adjusted EPS, adjusted return on invested capital (adjusted ROIC), adjusted free cash flow, adjusted tax expense, adjusted effective tax rate and non-IFRS adjusted debt leverage ratio.

Prior to Q2 2022, non-IFRS operating earnings (adjusted EBIAT) and non-IFRS adjusted EBITDA were each reconciled to IFRS earnings before income taxes, and non-IFRS operating margin and non-IFRS adjusted EBITDA as a percentage of revenue were each reconciled to IFRS earnings before income taxes as a percentage of revenue, but commencing in Q2 2022, are reconciled to IFRS earnings from operations and IFRS earnings from operations as a percentage of revenue, respectively (the most directly comparable IFRS financial measures). As a result, non-IFRS TTM adjusted EBITDA, which was previously reconciled to IFRS TTM earnings before income taxes, and non-IFRS adjusted debt leverage ratio, which was previously reconciled to gross debt to TTM earnings before income taxes ratio, are now reconciled to IFRS TTM earnings from operations, and gross debt to IFRS TTM earnings from operations ratio, respectively (the most directly comparable IFRS financial measures). In addition, since non-IFRS adjusted ROIC is based on non-IFRS operating earnings, in comparing this measure to the most directly-comparable financial measure determined under IFRS (which we refer to as IFRS ROIC), commencing in Q3 2022, our calculation of IFRS ROIC is based on IFRS earnings from operations (instead of IFRS earnings before income taxes). The foregoing modifications did not impact the resultant non-IFRS financial measures. Prior period reconciliations and calculations herein reflect the current presentation. In addition, prior to Q2 2022, non-IFRS adjusted free cash flow was referred to as non-IFRS free cash flow, but has been renamed. Its composition remains unchanged.

In Q4 2022, we entered into a TRS. Similar to employee SBC expense, quarterly TRS FVAs are classified in cost of sales and SG&A, and commencing in Q1 2023, are excluded in our determination of the same non-IFRS financial measures that exclude employee SBC expense (as shown in the following reconciliation tables) for the reasons described below. TRS FVAs also impact the determination of our non-IFRS adjusted tax expense and non-IFRS adjusted effective tax rate. In addition, commencing in Q2 2023, Secondary Offering Costs and Accounting Costs (each defined in footnote (1) on slide 4) are included in Other Charges.

Transition Costs (which are a component of Other Charges, as noted on slide 16) consist of costs recorded in connection with: (i) the transfer of manufacturing lines from closed sites to other sites within our global network; (ii) the sale of real properties unrelated to restructuring actions (Property Dispositions) and (iii) in Q3 2023 and YTD 2023, the Purchaser Lease Charge (defined below). Transition Costs consist of direct relocation and duplicate costs (such as rent expense, utility costs, depreciation charges, and personnel costs) incurred during the transition periods, as well as cease-use and other costs incurred in connection with idle or vacated portions of the relevant premises that we would not have incurred but for these relocations, transfers and dispositions. In connection with our March 2019 Toronto real property sale, we treated associated relocation and duplicate costs as Transition Costs. As part of such sale, we entered into a 10-year lease with the purchaser of such property for our then-anticipated headquarters, to be built by such purchaser on the site of our former location (Purchaser Lease). However, as previously disclosed, we were informed that due to construction issues, the commencement date of the Purchaser Lease would be delayed beyond the prior target of May 2023. As a result, in November 2022, we extended (on a long-term basis) the lease on our current corporate headquarters. Subsequently, we were informed that the Purchaser Lease would commence in June 2024. In Q3 2023, we executed a sublease for a portion of the space under the Purchaser Lease. Consistent with our prior treatment of duplicate costs incurred as a result of our 2019 Toronto real property sale, we recorded Transition Costs of \$3.9 million (Purchaser Lease Charge) in Q3 2023 and YTD 2023, representing the excess of rental expenses under the Purchaser Lease (with respect to the subleased space) over anticipated rental recoveries under the sublease.

We believe the non-IFRS financial measures we present herein are useful to investors, as they enable investors to evaluate and compare our results from operations in a more consistent manner (by excluding specific items that we do not consider to be reflective of our core operations), to evaluate cash resources that we generate from our business each period, and to provide an analysis of operating results using the same measures our chief operating decision makers use to measure performance. Management further believes that the use of a non-IFRS adjusted tax expense and a non-IFRS adjusted effective tax rate provide improved insight into the tax effects of our core operations, and are useful to management and investors for historical comparisons and forecasting. These non-IFRS financial measures result largely from management's determination that the facts and circumstances surrounding the excluded charges or recoveries are not indicative of our core operations.

Non-IFRS financial measures do not have any standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies that report under IFRS, or who report under U.S. GAAP and use non-GAAP financial measures to describe similar financial metrics. Non-IFRS financial measures are not measures of performance under IFRS and should not be considered in isolation or as a substitute for any IFRS financial measure. The most significant limitation to management's use of non-IFRS financial measures is that the charges or credits excluded from the non-IFRS financial measures are nonetheless recognized under IFRS and have an economic impact on us. Management compensates for these limitations primarily by issuing IFRS results to show a complete picture of our performance, and reconciling non-IFRS financial measures back to the most directly comparable financial measures determined under IFRS.

In calculating our non-IFRS financial measures other than non-IFRS adjusted free cash flow (which is described in footnote (6) on slide 21), management excludes the following items (where indicated): employee SBC expense, TRS FVAs, amortization of intangible assets (excluding computer software), and Other Charges (Recoveries) (defined on slide 16) all net of the associated tax adjustments, and any non-core tax impacts (tax adjustments related to acquisitions, and certain other tax costs or recoveries related to restructuring actions or restructured sites), quantified on slide 22.

Non-IFRS Supplementary Information…continued

The economic substance of the exclusions described above (where applicable to the periods presented) and management's rationale for excluding them from non-IFRS financial measures is provided below:

Employee SBC expense, which represents the estimated fair value of stock options, restricted share units and performance share units granted to employees, is excluded because grant activities vary significantly from quarter-to-quarter in both quantity and fair value. In addition, excluding this expense allows us to better compare core operating results with those of our competitors who also generally exclude employee SBC expense in assessing operating performance, who may have different granting patterns and types of equity awards, and who may use different valuation assumptions than we do.

TRS FVAs represent mark-to-market adjustments to our TRS, as the TRS is recorded at fair value at each quarter end. We exclude the impact of these non-cash fair value adjustments (both positive and negative), as they reflect fluctuations in the market price of our subordinate voting shares from period to period, and not our ongoing operating performance. In addition, we believe that excluding these non-cash adjustments permits a better comparison of our core operating results to those of our competitors.

Amortization charges (excluding computer software) consist of non-cash charges against intangible assets that are impacted by the timing and magnitude of acquired businesses. Amortization of intangible assets varies among our competitors, and we believe that excluding these charges permits a better comparison of core operating results with those of our competitors who also generally exclude amortization charges in assessing operating performance.

Other Charges (Recoveries) (defined on slide 16), are excluded because we believe that they are not directly related to ongoing operating results and do not reflect expected future operating expenses after completion of these activities or incurrence of the relevant costs or recoveries. Our competitors may record similar charges, net of recoveries, at different times, and we believe these exclusions permit a better comparison of our core operating results with those of our competitors who also generally exclude these types of charges, net of recoveries, in assessing operating performance. See our quarterly earnings releases and MD&A for each period shown in the tables below for separate quantification of the components of Other Charges (Recoveries).

Non-core tax impacts are excluded, as we believe that these costs or recoveries do not reflect core operating performance and vary significantly among those of our competitors who also generally exclude these costs or recoveries in assessing operating performance.

IFRS to non-IFRS Reconciliation*

		Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	YTD 2023	FY 2022
IFRS	**Revenue**	$ 1,512.1	$ 1,566.9	$ 1,717.2	$ 1,923.3	$ 2,042.6	$ 1,837.8	$ 1,939.4	**$ 2,043.3**	**$ 5,820.5**	$ 7,250.0
	Net earnings	31.9	21.8	35.6	45.7	42.4	24.7	55.5	**80.2**	**160.4**	145.5
	Earnings per share - diluted	$ 0.26	$ 0.17	$ 0.29	$ 0.37	$ 0.35	$ 0.20	$ 0.46	**$ 0.67**	**$ 1.33**	$ 1.18
	W.A. # of shares (in millions), on a diluted basis, used to determine IFRS earnings (loss) per share and non-IFRS adjusted EPS	124.8	124.7	124.0	123.2	122.4	121.6	120.3	**119.6**	**120.5**	123.5
	Actual # of shares o/s (in millions) as of period end	124.7	124.1	123.2	122.6	121.6	120.7	119.3	**119.4**	**119.4**	121.6
Non-IFRS adjusted gross profit	IFRS gross profit	$ 142.1	$ 132.5	$ 149.9	$ 167.7	$ 186.2	$ 164.0	$ 184.6	**$ 206.7**	**$ 555.3**	$ 636.3
	As a percentage of revenue	9.4%	8.5%	8.7%	8.7%	9.1%	8.9%	9.5%	**10.1%**	**9.5%**	8.8%
	Employee SBC expense	3.6	5.6	5.3	3.8	5.6	8.5	4.8	**5.1**	**18.4**	20.3
	TRS FVAs	-	-	-	-	-	0.1	(2.1)	**(11.8)**	**(13.8)**	-
	Non-IFRS adjusted gross profit	$ 145.7	$ 138.1	$ 155.2	$ 171.5	$ 191.8	$ 172.6	$ 187.3	**$ 200.0**	**$ 559.9**	$ 656.6
	As a percentage of revenue	9.6%	8.8%	9.0%	8.9%	9.4%	9.4%	9.7%	**9.8%**	**9.6%**	9.1%
Non-IFRS SG&A	IFRS SG&A	$ 65.5	$ 65.7	$ 71.0	$ 66.1	$ 77.1	$ 77.9	$ 69.1	**$ 56.9**	**$ 203.9**	$ 279.9
	As a percentage of revenue	4.3%	4.2%	4.1%	3.4%	3.8%	4.2%	3.6%	**2.8%**	**3.5%**	3.9%
	Employee SBC expense	(5.6)	(9.0)	(7.9)	(5.2)	(8.6)	(13.5)	(6.1)	**(7.8)**	**(27.4)**	(30.7)
	TRS FVAs	-	-	-	-	-	(0.1)	2.9	**17.6**	**20.4**	-
	Non-IFRS SG&A	$ 59.9	$ 56.7	$ 63.1	$ 60.9	$ 68.5	$ 64.3	$ 65.9	**$ 66.7**	**$ 196.9**	$ 249.2
	As a percentage of revenue	4.0%	3.6%	3.7%	3.2%	3.4%	3.5%	3.4%	**3.3%**	**3.4%**	3.4%
Non-IFRS operating earnings (adjusted EBIAT)(1) and non-IFRS adjusted EBITDA(2)	IFRS Earnings from operations	$ 49.9	$ 40.6	$ 62.7	$ 78.4	$ 81.6	$ 59.4	$ 87.8	**$ 117.4**	**$ 264.6**	$ 263.3
	As a percentage of revenue	3.3%	2.6%	3.7%	4.1%	4.0%	3.2%	4.5%	**5.7%**	**4.5%**	3.6%
	Other Charges (Recoveries)	7.4	4.8	(2.5)	1.6	2.8	4.6	3.5	**5.6**	**13.7**	6.7
	Employee SBC expense	9.2	14.6	13.2	9.0	14.2	22.0	10.9	**12.9**	**45.8**	51.0
	TRS FVAs	-	-	-	-	-	0.2	(5.0)	**(29.4)**	**(34.2)**	
	Amortization of intangible assets (excluding computer software)	7.8	9.3	9.3	9.2	9.2	9.2	9.2	**9.2**	**27.6**	37.0
	Non-IFRS adjusted EBIAT	$ 74.3	$ 69.3	$ 82.7	$ 98.2	$ 107.8	$ 95.4	$ 106.4	**$ 115.7**	**$ 317.5**	$ 358.0
	As a percentage of revenue	4.9%	4.4%	4.8%	5.1%	5.3%	5.2%	5.5%	**5.7%**	**5.5%**	4.9%
	Depreciation expense under IFRS16	8.6	8.5	8.9	8.9	9.2	9.1	9.5	**9.2**	**27.8**	35.5
	Depreciation expense (Property, plant, equipment and computer software)	18.4	18.1	17.6	17.5	19.1	20.0	20.7	**20.9**	**61.6**	72.3
	Non-IFRS adjusted EBITDA	$ 101.3	$ 95.9	$ 109.2	$ 124.6	$ 136.1	$ 124.5	$ 136.6	**$ 145.8**	**$ 406.9**	$ 465.8
	As a percentage of revenue	6.7%	6.1%	6.4%	6.5%	6.7%	6.8%	7.0%	**7.1%**	**7.0%**	6.4%
Non-IFRS Adjusted Debt Leverage Ratio Reconciliation	Borrowings under the Revolver**				$ -	$ -	$ -	$ -	**$ -**		
	Borrowings under the Term Loans				646.7	627.2	622.6	618.0	**613.4**		
	Gross Debt				$ 646.7	$ 627.2	$ 622.6	$ 618.0	**$ 613.4**		
	TTM earnings from operations(3)				$ 231.6	$ 263.3	$ 282.1	$ 307.2	**$ 346.2**		
	Gross debt to TTM earnings from operations (IFRS debt leverage ratio)				2.8x	2.4x	2.2x	2.0x	**1.8x**		
	Non-IFRS TTM adjusted EBITDA(3)				$ 431.0	$ 465.8	$ 494.4	$ 521.8	**$ 543.0**		
	Gross debt to non-IFRS TTM adjusted EBITDA (non-IFRS adjusted debt leverage ratio)				1.5x	1.3x	1.3x	1.2x	**1.1x**		

* The footnotes to this reconciliation table are set forth on slide 21

** Excluding ordinary course letters of credit.

IFRS to non-IFRS Reconciliation…continued*

		Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	YTD 2023	FY 2022
Non-IFRS adjusted net earnings[4] and non-IFRS adjusted EPS	IFRS Net earnings	$ 31.9	$ 21.8	$ 35.6	$ 45.7	$ 42.4	$ 24.7	$ 55.5	**$ 80.2**	**$ 160.4**	$ 145.5
	As a percentage of revenue	2.1%	1.4%	2.1%	2.4%	2.1%	1.3%	2.9%	**3.9%**	**2.8%**	2.0%
	Employee SBC expense	9.2	14.6	13.2	9.0	14.2	22.0	10.9	**12.9**	**45.8**	51.0
	Amortization of intangible assets (excluding computer software)	7.8	9.3	9.3	9.2	9.2	9.2	9.2	**9.2**	**27.6**	37.0
	Other Charges (Recoveries)	7.4	4.8	(2.5)	1.6	2.8	4.6	3.5	**5.6**	**13.7**	6.7
	TRS FVAs	-	-	-	-	-	0.2	(5.0)	**(29.4)**	**(34.2)**	
	Income tax effects of above and non-core tax impacts[4]	(1.1)	(2.3)	(1.4)	(1.9)	(0.2)	(3.5)	(7.5)	**(0.3)**	**(11.3)**	(5.8)
	Non-IFRS adjusted net earnings	$ 55.2	$ 48.2	$ 54.2	$ 63.6	$ 68.4	$ 57.2	$ 66.6	**$ 78.2**	**$ 202.0**	$ 234.4
	As a percentage of revenue	3.7%	3.1%	3.2%	3.3%	3.3%	3.1%	3.4%	**3.8%**	**3.5%**	3.2%
	Non-IFRS adjusted earnings per share - diluted	$ 0.44	$ 0.39	$ 0.44	$ 0.52	$ 0.56	$ 0.47	$ 0.55	**$ 0.65**	**$ 1.68**	$ 1.90
Non-IFRS adjusted ROIC[5]	IFRS Earnings from operations	$ 49.9	$ 40.6	$ 62.7	$ 78.4	$ 81.6	$ 59.4	$ 87.8	**$ 117.4**	**$ 264.6**	$ 263.3
	Multiplier to annualize earnings	4	4	4	4	4	4	4	**4**	**1.333**	1.0
	Annualized IFRS earnings from operations	$ 199.6	$ 162.4	$ 250.8	$ 313.6	$ 326.4	$ 237.6	$ 351.2	**$ 469.6**	**$ 352.7**	$ 263.3
	Average Net Invested Capital for the period	$ 1,794.9	$ 2,000.7	$ 2,036.8	$ 2,044.2	$ 2,085.4	$ 2,127.1	$ 2,132.6	**$ 2,155.9**	**$ 2,141.5**	$ 2,040.3
	IFRS ROIC %	11.1%	8.1%	12.3%	15.3%	15.7%	11.2%	16.5%	**21.8%**	**16.5%**	12.9%
	Non-IFRS adjusted EBIAT	$ 74.3	$ 69.3	$ 82.7	$ 98.2	$ 107.8	$ 95.4	$ 106.4	**$ 115.7**	**$ 317.5**	$ 358.0
	Multiplier to annualize earnings	4	4	4	4	4	4	4	**4**	**1.333**	1.0
	Annualized non-IFRS adjusted EBIAT	$ 297.2	$ 277.2	$ 330.8	$ 392.8	$ 431.2	$ 381.6	$ 425.6	**$ 462.8**	**$ 423.2**	$ 358.0
	Average Net Invested Capital for the period	$ 1,794.9	$ 2,000.7	$ 2,036.8	$ 2,044.2	$ 2,085.4	$ 2,127.1	$ 2,132.6	**$ 2,155.9**	**$ 2,141.5**	$ 2,040.3
	Non-IFRS adjusted ROIC %	16.6%	13.9%	16.2%	19.2%	20.7%	17.9%	20.0%	**21.5%**	**19.8%**	17.5%
	Net invested capital consists of:										
	Total assets	$ 4,666.9	$ 4,848.0	$ 5,140.5	$ 5,347.9	$ 5,628.0	$ 5,468.1	$ 5,500.5	**$ 5,745.3**	**$ 5,745.3**	$ 5,628.0
	Less: cash	394.0	346.6	365.5	363.3	374.5	318.7	360.7	**353.1**	**353.1**	374.5
	Less: ROU assets	113.8	109.8	133.6	128.0	138.8	133.1	146.5	**157.8**	**157.8**	138.8
	Less: accounts payable, accrued and other liabilities, provisions and income tax payable	2,202.0	2,347.4	2,612.1	2,797.5	3,003.0	2,873.9	2,870.6	**3,045.4**	**3,045.4**	3,003.0
	Net invested capital at period end	$ 1,957.1	$ 2,044.2	$ 2,029.3	$ 2,059.1	$ 2,111.7	$ 2,142.4	$ 2,122.7	**$ 2,189.0**	**$ 2,189.0**	$ 2,111.7
Non-IFRS adjusted free cash flow[6]	IFRS cash provided by operations	$ 65.8	$ 35.3	$ 86.9	$ 74.4	$ 101.3	$ 72.3	$ 130.2	**$ 88.4**	**$ 290.9**	$ 297.9
	Purchase of property, plant and equipment, net of sales proceeds	(14.3)	(16.4)	(21.5)	(38.7)	(32.3)	(33.1)	(31.2)	**(26.2)**	**$ (90.5)**	(108.9)
	Lease payments	(10.0)	(11.2)	(11.9)	(13.0)	(9.9)	(11.3)	(12.8)	**(12.8)**	**$ (36.9)**	(46.0)
	Finance costs paid (excluding debt issuance costs paid)	(5.9)	(7.2)	(10.2)	(15.3)	(16.5)	(18.7)	(19.4)	**(15.3)**	**(53.4)**	(49.2)
	Non-IFRS adjusted free cash flow	$ 35.6	$ 0.5	$ 43.3	$ 7.4	$ 42.6	$ 9.2	$ 66.8	**$ 34.1**	**$ 110.1**	$ 93.8

* The footnotes to this reconciliation table are set forth on slide 21

IFRS to non-IFRS Reconciliation…continued*

(1) Management uses non-IFRS operating earnings (adjusted EBIAT) as a measure to assess performance related to our core operations. Non-IFRS operating earnings (adjusted EBIAT) is defined as earnings from operations before Other Charges (Recoveries) (defined on slide 16), employee (SBC) expense, TRS FVAs, and amortization of intangible assets (excluding computer software). Non-IFRS operating margin is defined as non-IFRS operating earnings as a percentage of revenue.

(2) Non-IFRS adjusted EBITDA is defined as earnings from operations before Other Charges (Recoveries) (defined on slide 16), employee SBC expense, TRS FVAs, amortization of intangible assets (excluding computer software), and depreciation expense (under IFRS 16 and in relation to PP&E and computer software).

(3) TTM earnings from operations as of any quarter-end is defined as the sum of earnings from operations as of such quarter-end plus earnings from operations as of the end of each of the preceding three fiscal quarters. Non-IFRS TTM adjusted EBITDA as of any quarter-end is defined as the sum of non-IFRS adjusted EBITDA as of such quarter-end plus non-IFRS adjusted EBITDA as of the end of each of the preceding three fiscal quarters.

(4) Non-IFRS adjusted net earnings is defined as net earnings before: employee SBC expense; TRS FVAs, amortization of intangible assets (excluding computer software); Other Charges (Recoveries) (defined on slide 16); the income tax effect of the foregoing adjustments; and any non-core tax impacts (tax adjustments related to acquisitions, and certain other tax costs or recoveries related to restructuring actions or restructured sites). See slide 22 for quantification of the components of tax adjustments and any non-core tax impacts for each such period shown.

(5) Management uses non-IFRS adjusted ROIC as a measure to assess the effectiveness of the invested capital we use to build products or provide services to our customers, by quantifying how well we generate earnings relative to the capital we have invested in our business. Non-IFRS adjusted ROIC is calculated by dividing annualized non-IFRS adjusted EBIAT by average net invested capital for the period. Net invested capital is derived from IFRS measures, and is defined as total assets less: cash, right-of-use (ROU) assets, accounts payable, accrued and other current liabilities, provisions, and income taxes payable. We use a two-point average to calculate average net invested capital for the quarter, and a five-point average to calculate average net invested capital for the year. For example, average net invested capital for Q3 2023 is the average of net invested capital as at June 30, 2023 and September 30, 2023, and average net invested capital for the full year 2022 is the average of net invested capital as at December 31, 2021, March 31, 2022, June 30, 2022, September 30, 2022 and December 31, 2022. A comparable financial measure to non-IFRS adjusted ROIC determined using IFRS measures would be calculated by dividing annualized IFRS earnings from operations by average net invested capital for the period.

(6) Management uses non-IFRS adjusted free cash flow as a measure, in addition to IFRS cash provided by (used in) operations, to assess our operational cash flow performance. We believe non-IFRS adjusted free cash flow provides another level of transparency to our liquidity. Non-IFRS adjusted free cash flow is defined as cash provided by (used in) operations after the purchase of property, plant and equipment (net of proceeds from the sale of certain surplus equipment and property), lease payments, and Finance Costs (defined on slide 16) paid (excluding any debt issuance costs paid and when applicable, waiver fees related to our credit facility paid). We do not consider debt issuance costs paid (nil in Q3 2023, Q2 2023, Q1 2023, Q4 2022, Q3 2022, and Q2 2022, $0.8 million paid in Q1 2022 and $3.6 million paid in Q4 2021) or such waiver fees (when applicable) to be part of our ongoing financing expenses. As a result, these costs are excluded from total Finance Costs paid in our determination of non-IFRS adjusted free cash flow. Note, however, that non-IFRS adjusted free cash flow does not represent residual cash flow available to Celestica for discretionary expenditures.

* Reconciliation tables on slides 19 and 20

Non-IFRS Supplementary Information…continued

The following table sets forth a reconciliation of our non-IFRS adjusted tax expense and our non-IFRS adjusted effective tax rate to our IFRS tax expense and IFRS effective tax rate for the periods indicated, in each case determined by excluding the tax benefits or costs associated with the listed items (in millions, except percentages) from our IFRS tax expense for such periods:

$US millions	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	2023 YTD	FY2022
IFRS tax expense	$ 9.7	$ 9.0	$ 14.0	$ 15.2	$ 19.9	$ 13.0	$ 10.2	**$ 18.9**	**$ 42.1**	$ 58.1
Effective tax rate	23%	29%	28%	25%	32%	34%	16%	**19%**	**21%**	29%
Employee SBC expense	(0.1)	1.5	1.5	0.5	(1.0)	2.3	6.4	(0.5)	8.2	2.5
TRS FVAs	-	-	-	-	-	-	-	(0.6)	(0.6)	-
Amortization of intangible assets (excluding computer software)	0.5	0.8	0.7	0.8	0.7	0.8	0.7	0.7	2.2	3.0
Other Charges (recoveries)	0.7	-	(0.8)	0.6	0.5	0.4	0.4	0.7	1.5	0.3
Non-IFRS adjusted tax expense	$ 10.8	$ 11.3	$ 15.4	$ 17.1	$ 20.1	$ 16.5	$ 17.7	**$ 19.2**	**$ 53.4**	$ 63.9
Non-IFRS adjusted effective tax rate	16%	19%	22%	21%	23%	22%	21%	**20%**	**21%**	21%

Non-IFRS Lifecycle Solutions portfolio revenue consists of our combined ATS segment and HPS business revenues. We disclose the combined revenue of these businesses as they share several key characteristics and commercial strategy focus, including robust long-term growth prospects, higher-value added solutions throughout the product lifecycle, and higher margins than our traditional CCS segment businesses. See below for a reconciliation of non-IFRS Lifecycle Solutions revenue to IFRS revenue for the periods indicated:

$US millions	Q1 2022		Q2 2022		Q3 2022		Q4 2022		FY2022		Q1 2023		Q2 2023		Q3 2023		2023 YTD	
Revenue	$ 1,567		$ 1,717		$ 1,923		$ 2,043		$ 7,250		$ 1,838		$ 1,939		$ 2,043		$ 5,821	
HPS Revenue	362		459		517		491		1,830		371		354		493		1,218	
% of revenue		*23%*		*27%*		*27%*		*24%*		*25%*		*20%*		*18%*		*24%*		*21%*
ATS Segment Revenue	697		695		766		821		2,979		792		865		859		2,517	
% of revenue		*44%*		*40%*		*40%*		*40%*		*41%*		*43%*		*45%*		*42%*		*43%*
Lifecycle Solution Revenue	**$ 1,059**		**$ 1,154**		**$ 1,283**		**$ 1,313**		**$ 4,809**		**$ 1,163**		**$ 1,219**		**$ 1,352**		**$ 3,735**	
% of revenue		*67%*		*67%*		*67%*		*64%*		*66%*		*63%*		*63%*		*66%*		*64%*

Third Quarter 2023 Financial Results

October 26, 2023