Third Quarter 2018 Financial Results

October 24, 2018

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, generally and in relation to our business; our anticipated financial and/or operational results and targets, including those on the slides captioned "Q4 2018 Outlook", "Non-IFRS Operating Margin Target", "Q4 2018 End Market Revenue Outlook", and our anticipated non-IFRS adjusted annual effective tax rate. Such forward-looking statements may, without limitation, be preceded by, followed by, or include words such as "believes," "expects," "anticipates," "estimates," "intends," "plans," "continues," "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: our customers' ability to compete and succeed with our products and services; customer and segment concentration; challenges of replacing revenue from completed or lost programs or customer disengagements; changes in our mix of customers and/or the types of products or services we provide; the impact on gross profit of higher concentrations of lower margin programs; price, margin pressures and other competitive factors affecting, and the highly competitive nature of, the EMS industry in general and our Connectivity and Cloud Solutions (CCS) segment in particular; the cyclical nature of the semiconductor capital equipment business; responding to changes in demand, rapidly evolving and changing technologies, and changes in our customers' business and outsourcing strategies; customer, competitor and/or supplier consolidation; integrating acquisitions and "operate-in-place" arrangements, and achieving the anticipated benefits therefrom; the failure to obtain (or a delay in obtaining) the necessary regulatory approvals or the failure to satisfy the other closing conditions required for our purchase of Impakt Holdings, LLC (Impakt), a material adverse change at Impakt, the purchase price varying from the expected amount, our failure to obtain adequate third-party financing for the acquisition under our new credit facility on anticipated and acceptable terms, the failure to consummate our purchase of Impakt when anticipated or at all, and if the acquisition is consummated, a failure to successfully integrate the acquisition, further develop our capabilities in expected markets or otherwise expand our portfolio of solutions, and/or achieve the other expected benefits from the acquisition (collectively, Impakt Risks); retaining or expanding our business due to execution and quality issues (including our ability to successfully resolve these challenges); our having sufficient financial resources and working capital to fund currently anticipated financial obligations and to pursue desirable business opportunities; negative impacts on our business resulting from significant uses of cash and/or any future securities issuances or increased third-party indebtedness for acquisitions (including increased third-party indebtedness for the anticipated acquisition of Impakt) or to otherwise fund our operations; delays in the delivery and availability of components, services and materials; the impact of our restructuring actions; the incurrence of future impairment charges or other write-downs of assets; managing our operations, growth initiatives, and our working capital performance during uncertain market and economic conditions; disruptions to our operations, or those of our customers, component suppliers and/or logistics partners, including as a result of global or local events outside of our/their control; the expansion or consolidation of our operations; recruiting or retaining skilled talent; changes to our operating model; changing commodity, materials and component costs as well as labor costs and conditions; defects or deficiencies in our products, services or designs; non-performance by counterparties; our financial exposure to foreign currency volatility; our dependence on industries affected by rapid technological change; increasing taxes, tax audits, and challenges of defending our tax positions; obtaining, renewing or meeting the conditions of tax incentives and credits; the potential that conditions to closing the sale of our Toronto real property and related transactions may not be satisfied on a timely basis or at all; the costs, timing and/or execution of relocating our existing Toronto manufacturing operations and/or corporate headquarters proving to be other than anticipated; computer viruses, malware, hacking attempts or outages that may disrupt our operations; the variability of revenue and operating results; compliance with applicable laws, regulations, government grants and social responsibility initiatives; and current or future litigation, governmental actions, and/or changes in legislation. 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 2017 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.

Our revenue, earnings and other financial guidance contained in this presentation are based on various assumptions, many of which involve factors that are beyond our control. Our material assumptions include those related to the following: 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 successful pursuit, completion and integration of acquisitions; the success of our customers' products; our ability to retain programs and customers; the stability of general economic and market conditions, currency exchange rates, and interest rates; supplier performance, pricing and terms; compliance by third parties with their contractual obligations and the accuracy of their representations and warranties; the costs and availability of components, materials, services, equipment, labor, energy and transportation; that our customers will retain liability for recently-imposed tariffs and countermeasures; our ability to keep pace with rapidly changing technological developments; the impact of the recent U.S. tax reform on our operations; the timing, execution and effect of restructuring actions; the successful resolution of quality issues that arise from time to time; our having sufficient financial resources and working capital to fund currently anticipated financial obligations and to pursue desirable business opportunities; our ability to successfully diversify our customer base and develop new capabilities; the availability of cash resources for repurchases of outstanding subordinate voting shares; that we achieve the expected benefits from the acquisition of Atrenne Integrated Solutions, Inc.; that the sale of our Toronto real property will be consummated when anticipated; and that none of the Impakt Risks materialize. While management believes these assumptions to be reasonable under the current circumstances, they may prove to be inaccurate. 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.

In addition, this presentation refers to non-International Financial Reporting Standards (IFRS) measures. Non-IFRS measures do not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other public companies that use IFRS, or who report under U.S. GAAP and use non-GAAP measures to describe similar operating metrics. Non-IFRS measures are not measures of performance under IFRS and should not be considered in isolation or as a substitute for any standardized measure under IFRS. 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. Forward-looking non-IFRS measures may vary materially from the corresponding IFRS financial measures.

CEO Remarks

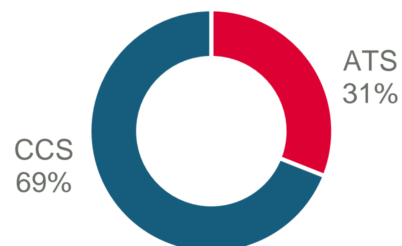
Q3 2018 Highlights

$US	Q3 2018	Comments
Revenue	$1.71B	12% YTY Increase; *17% YTY Growth in ATS* *9% YTY Growth in CCS*
IFRS Net Earnings	$8.6M	Down $26.2M YTY
IFRS EPS - diluted	$0.06	Down 18 cents YTY
Non-IFRS Operating Margin	3.3%	Down 0.3% YTY[1]
Adjusted EPS – diluted (non-IFRS)	$0.26	Down 5 cents YTY[1]
Adjusted ROIC (non-IFRS)	16.2%	Down 2.9% YTY[1]

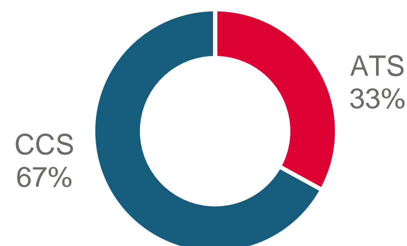
[1] Please refer to the appendix section of this presentation for a reconciliation of Non-IFRS financial measures to the most directly comparable IFRS measures.

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

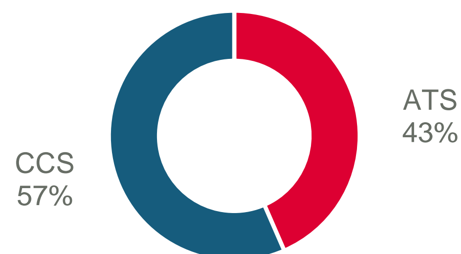
Q3 2017 Revenue [4]



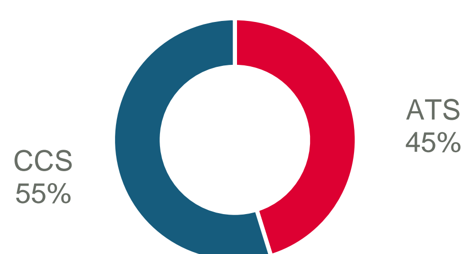
Q3 2018 Revenue [5]



Q3 2017 % of Total Segment Income



Q3 2018 % of Total Segment Income



3Q18 Revenue $	Sequential	Year over Year
ATS	Relatively flat	Up 17%
CCS	Up 1%	Up 9%
Communications	*Up 3%*	*Up 7%*
Enterprise[3]	*Down 2%*	*Up 13%*

Segment Income[6]	3Q17	3Q18
ATS	24.3M	25.5M
CCS	31.6M	30.9M

Segment Margin[6]	3Q17	3Q18
ATS	5.1%	4.6%
CCS	3.0%	2.7%

[1] ATS consists of Aerospace & Defense, Industrial, Smart Energy, Healthtech, and Capital Equipment. Capital equipment includes semiconductor capital equipment, and has been renamed to reflect the expanding nature of our business in this market.

[2] CCS consists of Communications and Enterprise.

[3] Enterprise consists of Servers and Storage.

[4] In Q3 2017, Communications represented 45% of total revenue and Enterprise represented 24% of total revenue.

[5] In Q3 2018, Communications represented 43% of total revenue and Enterprise represented 24% of total revenue.

[6] 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, amortization of intangible assets (excluding computer software), employee stock-based compensation expense, other solar charges, a $1.6 million fair value adjustment due to the write-up in the value of the inventory of Atrenne Integrated Solutions, Inc. on the date of the acquisition, and net restructuring, impairment and other charges (recoveries).

Q3 2018 Highlights

$US Millions (Except for per share amounts and %)	Q3 2018	B/(W) QTQ (vs. Q2 2018)	B/(W) YTY (vs. Q3 2017)
Revenue	$1,711	$16	$179
IFRS Net Earnings	$8.6	($7.5)	($26.2)
IFRS EPS - diluted	$0.06	($0.05)	($0.18)
Non-IFRS Adjusted Gross Margin[1]	6.7%	0.3%	(0.4%)
Non-IFRS Adjusted SG&A[2]	$50.0	($1.7)	($5.1)
Non-IFRS Adjusted EBIAT	$56.4	$3.3	$0.5
Non-IFRS Operating Margin	3.3%	0.2%	(0.3%)
Non-IFRS Adjusted Effective Tax Rate	27%	(10%)	(12%)
Non-IFRS Adjusted Net Earnings	$36.0	($4.2)	($9.8)
Non-IFRS Adjusted EPS – diluted	$0.26	($0.03)	($0.05)
Non-IFRS Adjusted ROIC	16.2%	0.2%	(2.9%)

Please refer to the appendix section of this presentation for a reconciliation of Non-IFRS financial measures to the most directly comparable IFRS measures.

[1] IFRS gross margin, adjusted for employee stock-based compensation expense, other solar charges (inventory write down), and Atrenne inventory fair value adjustment.

[2] IFRS SG&A, adjusted for employee stock-based compensation expense and other solar charges (A/R write down).

Working Capital / Capex / Non-IFRS Free Cash Flow / NCIB

$US	
6.2 inventory turns[1]	Inventory increased $56M from last quarter to $1.1B
$21.1M Capex	1.2% of revenue
$24.6M Non-IFRS Free Cash Flow	Improvement from lower working capital requirements compared to Q3/17

Celestica launched a normal course issuer bid (NCIB) in November 2017. Since the commencement of this program through September 30, 2018, we paid $81.5 million (including transaction fees) to repurchase and cancel 7.4 million subordinate voting shares.

Cash Cycle Days

	3Q17[2]	2Q18	3Q18
Days in A/R	58	57	60
Days in Inventory	50	56	59
Days in A/P	(56)	(60)	(65)
Cash Cycle Days	**52**	**53**	**54**

[1] Not defined under IFRS

[2] Restated for IFRS 15, which we adopted effective January 1, 2018.

Balance Sheet

$US	At September 30, 2018
Cash and cash equivalents	$457.7M
Revolver	$55.0M
Term Loan	$350.0M

Net Cash: $52.7M

As of September 30, 2018, Celestica's debt leverage ratio was 1.4x.

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

Gross debt is defined as the total borrowings under applicable credit facilities ($405.0M as of September 30, 2018). See note 11 to our Q3 2018 unaudited interim condensed consolidated financial statements (Q3 2018 Interim Financial Statements) for quantification of these items.

Non-IFRS TTM adjusted EBITDA as of September 30, 2018 is defined as the sum of non-IFRS adjusted EBITDA for the end of the third quarter of 2018 and each of the previous three quarters. See the Supplemental Information to our Q3 2018 Interim Financial Statements (at www.celestica.com under the Investor Relations tab) for details on how non-IFRS adjusted EBITDA is calculated, as well as a reconciliation of historical non-IFRS adjusted EBITDA to IFRS earnings before income taxes for each such period.

Q4 2018 Outlook

$US	
Revenue	$1.70B - $1.80B
Non-IFRS Operating Margin	3.5% at the mid-point of revenue and non-IFRS adjusted EPS guidance ranges
Non-IFRS Adjusted EPS – diluted	$0.27 - $0.33
Non-IFRS Adjusted SG&A	$49M - $51M
Non-IFRS Adjusted Effective Tax Rate	17% - 19%

Non-IFRS Operating Margin Target

Our target range for non-IFRS operating margin is 3.75% to 4.5% over the next 12 to 18 months[1]

Guidance provided Wednesday, October 24, 2018. 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.

[1] The target range represents our objectives and goals and is not intended to be a projection or forecast of future performance.

Q4 2018 End Market Revenue Outlook

	Year over Year Revenue % Change
ATS[1]	Increase low-double digits
Communications	Increase mid-teens
Enterprise[2]	Increase mid-single digits

[1] ATS consists of Aerospace & Defense, Industrial, Smart Energy, Healthtech, and Capital Equipment.

[2] Enterprise consists of Servers and Storage.

Third Quarter 2018 Financial Results

October 24, 2018

Appendix

Historical Segment Income and Margin[1]

Revenue by segment:

	Three months ended September 30				Nine months ended September 30			
	2017		2018		2017		2018	
		% of total		% of total		% of total		% of total
ATS	$ 475.7	31%	$ 556.3	33%	$ 1,445.6	32%	$ 1,642.3	33%
CCS	1,057.1	69%	1,155.0	67%	3,126.9	68%	3,263.9	67%
Total	$ 1,532.8		$ 1,711.3		$ 4,572.5		$ 4,906.2	

Segment income, segment margin, and reconciliation of segment income to IFRS earnings before income taxes:

	Three months ended September 30				Nine months ended September 30			
	2017		2018		2017		2018	
		Segment Margin		Segment Margin		Segment Margin		Segment Margin
ATS segment income and margin	$ 24.3	5.1%	$ 25.5	4.6%	$ 70.1	4.8%	$ 81.6	5.0%
CCS segment income and margin	31.6	3.0%	30.9	2.7%	97.2	3.1%	72.6	2.2%
Total segment income	55.9		56.4		167.3		154.2	
Reconciling items:								
Finance costs	2.3		7.0		7.5		15.2	
Employee stock-based compensation expense	6.0		7.4		22.7		25.0	
Amortization of intangible assets (excluding computer software)	1.4		2.7		4.4		6.5	
Net restructuring, impairment and other charges[2]	3.9		17.8		19.5		44.1	
Other solar charges (inventory and A/R write-down)	—		—		1.4		—	
Atrenne inventory fair value adjustment[3]	—		—		—		1.6	
IFRS earnings before income taxes	$ 42.3		$ 21.5		$ 111.8		$ 61.8	

[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, amortization of intangible assets (excluding computer software), employee stock-based compensation expense, net restructuring, impairment and other charges (recoveries), other solar charges, and the Atrenne fair value inventory adjustment.

[2] See note 13 to our Q3 2018 Interim Financial Statements

[3] See note 5 to our Q3 2018 Interim Financial Statements

IFRS to non-IFRS Reconciliation

(in millions, except per share amounts and %)

	Three months ended September 30				Nine months ended September 30			
	2017		2018		2017		2018	
		% of revenue		% of revenue		% of revenue		% of revenue
IFRS revenue	$ 1,532.8		$ 1,711.3		$ 4,572.5		$ 4,906.2	
IFRS gross profit	$ 105.6	6.9%	$ 112.2	6.6%	$ 316.9	6.9%	$ 310.5	6.3%
Employee stock-based compensation expense	2.9		3.0		11.4		10.9	
Other solar charges (inventory write-down)	—		—		0.9		—	
Atrenne inventory fair value adjustment	—		—		—		1.6	
Non-IFRS adjusted gross profit	$ 108.5	7.1%	$ 115.2	6.7%	$ 329.2	7.2%	$ 323.0	6.6%
IFRS SG&A	$ 48.0	3.1%	$ 54.4	3.2%	$ 152.1	3.3%	$ 159.4	3.2%
Employee stock-based compensation expense	(3.1)		(4.4)		(11.3)		(14.1)	
Other solar charges (A/R write-down)	—		—		(0.5)		—	
Non-IFRS adjusted SG&A	$ 44.9	2.9%	$ 50.0	2.9%	$ 140.3	3.1%	$ 145.3	3.0%
IFRS earnings before income taxes	$ 42.3	2.8%	$ 21.5	1.3%	$ 111.8	2.4%	$ 61.8	1.3%
Finance costs	2.3		7.0		7.5		15.2	
Employee stock-based compensation expense	6.0		7.4		22.7		25.0	
Amortization of intangible assets (excluding computer software)	1.4		2.7		4.4		6.5	
Net restructuring, impairment and other charges (recoveries) [1]	3.9		17.8		19.5		44.1	
Other solar charges (inventory and A/R write-down)	—		—		1.4		—	
Atrenne inventory fair value adjustment	—		—		—		1.6	
Non-IFRS operating earnings (adjusted EBIAT) [1]	$ 55.9	3.6%	$ 56.4	3.3%	$ 167.3	3.7%	$ 154.2	3.1%
Depreciation expense	18.0		18.5		52.5		57.5	
Non-IFRS adjusted EBITDA [1]	$ 73.9		$ 74.9		$ 219.8		$ 211.7	

	Three months ended September 30				Nine months ended September 30			
	2017		2018		2017		2018	
IFRS net earnings	$ 34.8	2.3%	$ 8.6	0.5%	$ 91.9	2.0%	$ 38.8	0.8%
Employee stock-based compensation expense	6.0		7.4		22.7		25.0	
Amortization of intangible assets (excluding computer software)	1.4		2.7		4.4		6.5	
Net restructuring, impairment and other charges (recoveries) [1]	3.9		17.8		19.5		44.1	
Other solar charges (inventory and A/R write-down)	—		—		1.4		—	
Atrenne inventory fair value adjustment	—		—		—		1.6	
Adjustments for taxes [2]	(0.3)		(0.5)		(6.0)		(5.9)	
Non-IFRS adjusted net earnings	$ 45.8		$ 36.0		$ 133.9		$ 110.1	
Diluted EPS								
Weighted average # of shares (in millions)	145.7		140.3		145.1		141.5	
IFRS earnings per share	$ 0.24		$ 0.06		$ 0.63		$ 0.27	
Non-IFRS adjusted earnings per share	$ 0.31		$ 0.26		$ 0.92		$ 0.78	
# of shares outstanding at period end (in millions)	143.7		137.4		143.7		137.4	
IFRS cash provided by (used in) operations	$ (7.5)		$ 55.3		$ 83.3		$ 35.0	
Purchase of property, plant and equipment, net of sales proceeds	(32.2)		(20.9)		(81.2)		(59.7)	
Finance lease payments	(1.7)		(3.5)		(4.8)		(16.1)	
Repayments from former solar supplier	—		—		12.5		—	
Finance costs paid	(2.7)		(6.3)		(7.6)		(21.7)	
Non-IFRS free cash flow [3]	$ (44.1)		$ 24.6		$ 2.2		$ (62.5)	
IFRS ROIC % [4]	14.5%		6.2%		13.1%		6.3%	
Non-IFRS adjusted ROIC % [4]	19.1%		16.2%		19.6%		15.6%	

Footnotes related to reconciliation on following slide

See Celestica Third Quarter 2018 Financial Results Press Release for non-IFRS definitions and uses

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 adjusted EBIAT is defined as earnings before finance costs (consisting of interest and fees related to our credit facility, our accounts receivable sales program and a customer's supplier financing program), amortization of intangible assets (excluding computer software) and income taxes. Non-IFRS adjusted EBIAT also excludes, in periods where such charges have been recorded, employee stock-based compensation expense, net restructuring and other charges (recoveries) (including acquisition-related consulting, transaction and integration costs (net of recoveries) (Acquisition Costs), legal settlements (recoveries), Toronto transition costs (recoveries), impairment charges (recoveries), and the accelerated amortization of unamortized deferred financing costs), other solar charges, and the Atrenne inventory fair value adjustment. During the third quarter and first nine months of 2018, we recorded $3.1 million and $8.3 million of Toronto transition costs, respectively, which are reported under other charges (no such costs were recorded during the third quarter or first nine months of 2017) and we expect these costs to continue into 2019. See note 13 to our Q3 2018 Interim Financial Statements for separate quantification and discussion of restructuring charges, Toronto transition costs, Acquisition Costs, the accelerated amortization of unamortized deferred financing costs, and legal settlements (recoveries). Non-IFRS adjusted EBITDA is defined as non-IFRS adjusted EBIAT before depreciation expenses related to property, plant and equipment and computer software.

(2) The adjustments for taxes, as applicable, represent the tax effects of our non-IFRS adjustments and non-core tax impacts, which consist of tax adjustments related to acquisitions, and certain other tax costs or recoveries related to restructuring actions or restructured sites (described below).

The following table sets forth a reconciliation of our IFRS tax expense and IFRS effective tax rate to our non-IFRS adjusted tax expense and our non-IFRS adjusted 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:

	Three months ended September 30				Nine months ended September 30			
	2017	Effective tax rate	2018	Effective tax rate	2017	Effective tax rate	2018	Effective tax rate
IFRS tax expense and IFRS effective tax rate	$ 7.5	18%	$ 12.9	60%	$ 19.9	18%	$ 23.0	37%
Tax costs (benefits) of the following items excluded from IFRS tax expense:								
Employee stock-based compensation	0.2		0.2		0.8		1.2	
Amortization of intangible assets (excluding computer software)	—		—		—		—	
Net restructuring, impairment and other charges	0.1		0.3		1.4		0.7	
Other solar charges (inventory and A/R write-down)	—		—		0.4		—	
Non-core tax impact related to fair value adjustment on acquisition *	—		—		—		3.7	
Non-core tax impacts related to restructured sites **	—		—		3.4		0.3	
Non-IFRS adjusted tax expense and Non-IFRS adjusted effective tax rate	$ 7.8	15%	$ 13.4	27%	$ 25.9	16%	$ 28.9	21%

* Consists of deferred tax assets attributable to our acquisition of Atrenne recorded in the second quarter of 2018.
** Includes the Solar Benefit [(5)] in the nine months ended September 30, 2017.

(3) Management uses non-IFRS 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 free cash flow provides another level of transparency to our liquidity. Non-IFRS 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), finance lease payments, repayments from a former solar supplier, and finance costs paid. As a measure of liquidity, we intend to include any amounts we receive from the sale of our Toronto real property, if consummated, in non-IFRS free cash flow in the period of receipt. See note 13(b) to our Q3 2018 Interim Financial Statements. Note that non-IFRS free cash flow, however, does not represent residual cash flow available to Celestica for discretionary expenditures.

Reconciliation table on previous slide

IFRS to non-IFRS Reconciliation…continued

(4) 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. Our non-IFRS adjusted ROIC measure reflects non-IFRS operating earnings, working capital management and asset utilization. Non-IFRS adjusted ROIC is calculated by dividing non-IFRS adjusted EBIAT by average net invested capital. Net invested capital (calculated in the table below) consists of the following IFRS measures: total assets less cash, accounts payable, accrued and other current liabilities and provisions, and income taxes payable. We use a two-point average to calculate average net invested capital for the quarter and a four-point average to calculate average net invested capital for the nine-month period. A comparable measure under IFRS would be determined by dividing IFRS earnings before income taxes by net invested capital (which we have set forth in the charts above and below), however, this measure (which we have called IFRS ROIC), is not a measure defined under IFRS.

(5) IFRS net earnings for the first nine months of 2017 were favorably impacted by a deferred income tax benefit (a $0.03 per share impact) related to the write-downs and impairments we recorded for our solar assets in the second quarter of 2017 and prior quarters (Solar Benefit). See notes 13 and 14 to our Q3 2018 Interim Financial Statements for further detail. Non-IFRS adjusted earnings for the first nine months of 2017 excluded, among other items noted hereto, the impact of the Solar Benefit.

IFRS to non-IFRS Reconciliation…continued

The following table sets forth, for the periods indicated, our calculation of IFRS ROIC % and non-IFRS adjusted ROIC % (in millions, except IFRS ROIC % and non-IFRS adjusted ROIC %):

	Three months ended September 30		Nine months ended September 30	
	2017	2018	2017	2018
IFRS earnings before income taxes	$ 42.3	$ 21.5	$ 111.8	$ 61.8
Multiplier to annualize earnings	4	4	1.333	1.333
Annualized IFRS earnings before income taxes	$ 169.2	$ 86.0	$ 149.0	$ 82.4
Average net invested capital for the period	$ 1,169.4	$ 1,391.1	$ 1,136.0	$ 1,316.2
IFRS ROIC % (1)	14.5%	6.2%	13.1%	6.3%

	Three months ended September 30		Nine months ended September 30	
	2017	2018	2017	2018
Non-IFRS operating earnings (adjusted EBIAT)	$ 55.9	$ 56.4	$ 167.3	$ 154.2
Multiplier to annualize earnings	4	4	1.333	1.333
Annualized non-IFRS adjusted EBIAT	$ 223.6	$ 225.6	$ 223.0	$ 205.5
Average net invested capital for the period	$ 1,169.4	$ 1,391.1	$ 1,136.0	$ 1,316.2
Non-IFRS adjusted ROIC % (1)	19.1%	16.2%	19.6%	15.6%

	December 31 2017	March 31 2018	June 30 2018	September 30 2018
Net invested capital consists of:				
Total assets	$ 2,964.2	$ 2,976.0	$ 3,212.2	$ 3,316.1
Less: cash	515.2	435.7	401.4	457.7
Less: accounts payable, accrued and other current liabilities, provisions and income taxes payable	1,228.6	1,278.1	1,413.8	1,473.3
Net invested capital at period end (1)	$ 1,220.4	$ 1,262.2	$ 1,397.0	$ 1,385.1

	December 31 2016	March 31 2017	June 30 2017	September 30 2017
Net invested capital consists of:				
Total assets	$ 2,841.9	$ 2,833.5	$ 2,876.7	$ 2,892.0
Less: cash	557.2	558.0	582.7	527.0
Less: accounts payable, accrued and other current liabilities, provisions and income taxes payable	1,189.7	1,165.2	1,167.9	1,152.4
Net invested capital at period end (1)	$ 1,095.0	$ 1,110.3	$ 1,126.1	$ 1,212.6

(1) See footnote 4 of the previous slide.

Third Quarter 2018 Financial Results

October 24, 2018