Fourth Quarter 2016 Financial Results

January 26, 2017

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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; our anticipated financial and/or operational results, including our quarterly revenue, non-IFRS operating margin and earnings guidance; the impact of acquisitions and program wins or losses on our financial results and working capital requirements; anticipated expenses, restructuring actions and charges, and amortization of intangible assets (excluding computer software); the anticipated repatriation of undistributed earnings from foreign subsidiaries; the impact of tax and litigation outcomes; our cash flows, financial targets and priorities; changes in our mix of revenue by end market; our ability to diversify and grow our customer base and develop new capabilities; the effect of the pace of technological changes, customer outsourcing and program transfers, and the global economic environment on customer demand; the possibility of future impairments of property, plant and equipment, goodwill or intangible assets; the timing and extent of the expected recovery of cash advances made to the Solar Supplier (defined below); the anticipated termination and settlement of our solar equipment leases; changes in the composition of our end markets commencing with the period ending March 31, 2017; and the impact of the acquisition of the assets of Karel Manufacturing. 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, where applicable, and applicable Canadian securities laws.

Forward-looking statements are provided for the purpose of assisting 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 conclusions, forecasts or projections expressed in such statements, including, among others, risks related to: our customers’ ability to compete and succeed in the marketplace with the services we provide and the products we manufacture; price and other competitive factors generally affecting the EMS industry; managing our operations and our working capital performance during uncertain market and economic conditions; responding to changes in demand, rapidly evolving and changing technologies, and changes in our customers’ business and outsourcing strategies, including the insourcing of programs; customer concentration and the challenges of diversifying our customer base and replacing revenue from completed or lost programs, or customer disengagements; changing commodity, material and component costs, as well as labor costs and 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 our control, including as a result of the June 2016 referendum by British voters advising for the exit of the United Kingdom from the European Union (Brexit) or significant developments stemming from the recent U.S. presidential election; retaining or expanding our business due to execution issues relating to the ramping of new or existing programs or new offerings; the incurrence of future impairment charges; recruiting or retaining skilled personnel; transitions associated with our Global Business Services (GBS) initiative, our Organizational Design (OD) initiative, and/or other changes to our company’s operating model; current or future litigation and/or governmental actions; the operating performance and financial results of our semiconductor business; the timing and extent of recoveries from the sale of inventory and manufacturing equipment relating to our exit from the solar panel manufacturing business, and our ability to recover amounts outstanding from the Solar Supplier; delays in the delivery and availability of components, services and materials, including from suppliers upon which we are dependent for certain components; non-performance by counterparties; our financial exposure to foreign currency volatility, including stock market volatility and currency exchange rate fluctuations resulting from the Brexit or the recent U.S. presidential election; our dependence on industries affected by rapid technological change; the variability of revenue and operating results; managing our global operations and supply chain; increasing income taxes, tax audits, and challenges of defending our tax positions, and obtaining, renewing or meeting the conditions of tax incentives and credits; completing restructuring actions, including achieving the anticipated benefits therefrom, and integrating any acquisitions; defects or deficiencies in our products, services or designs; computer viruses, malware, hacking attempts or outages that may disrupt our operations; any failure to adequately protect our intellectual property or the intellectual property of others; compliance with applicable laws, regulations and social responsibility initiatives; our having sufficient financial resources and working capital to fund currently anticipated financial obligations and to pursue desirable business opportunities; the potential that conditions to closing the sale of our real property in Toronto and related transactions (collectively, the “Toronto Real Property Transactions”) may not be satisfied on a timely basis or at all; and if the Toronto Real Property Transactions are completed, our ability to secure on commercially acceptable terms an alternate site for our existing Toronto manufacturing operations, and the costs, timing and/or execution of such relocation proving to be other than anticipated. 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 MD&A, our most recent 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 our Annual Information Form filed with the Canadian Securities Administrators.

Our revenue, earnings and other financial guidance, as contained in this presentation, is based on various assumptions, many of which involve factors that are beyond our control. Our material assumptions include those related to the following: production schedules from our customers, which generally range from 30 days to 90 days and can fluctuate significantly in terms of volume and mix of products or services; the timing and execution of, and investments associated with, ramping new business; the success in the marketplace of our customers’ products; the stability of general economic and market conditions, currency exchange rates, and interest rates; our pricing, the competitive environment and contract terms and conditions; supplier performance, pricing and terms; compliance by third parties with their contractual obligations, the accuracy of their representations and warranties, and the performance of their covenants; the costs and availability of components, materials, services, plant and capital equipment, labor, energy and transportation; operational and financial matters including the extent, timing and costs of replacing revenue from completed or lost programs, or customer disengagements; technological developments; overall demand improvement in the semiconductor industry; revenue growth and improved financial results in our semiconductor business; the timing and extent of recoveries from the sale of inventory and manufacturing equipment related to our exit from the solar panel manufacturing business and our ability to recover amounts outstanding from the Solar Supplier; the timing, execution and effect of restructuring actions; our having sufficient financial resources and working capital to fund our currently anticipated financial obligations and to pursue desirable business opportunities; and our ability to diversify our customer base and develop new capabilities. 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.

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CEO Remarks

Q4 2016 Financial Results

FY 2016 Highlights

$US	2016	Comments
Revenue	$6.0B	7% YTY Growth; >10% Growth in both Diversified & Communications markets
Non-IFRS Operating Margin	3.7%	Up 20 bps YTY; Operating margin dollars up 14% YTY
IFRS Net Earnings	$136M	Up $69M YTY
IFRS EPS - diluted	$0.95	Up 53 cents YTY
Adjusted EPS – diluted (non-IFRS)	$1.40	Up 48 cents YTY
Adjusted ROIC (non-IFRS)	20.8%	Up 1% YTY
Free Cash Flow (non-IFRS)	$110M	Continued strong performance

Please refer to the appendix section of this presentation for current period reconciliation of Non-IFRS financial measures to the most comparable IFRS measures

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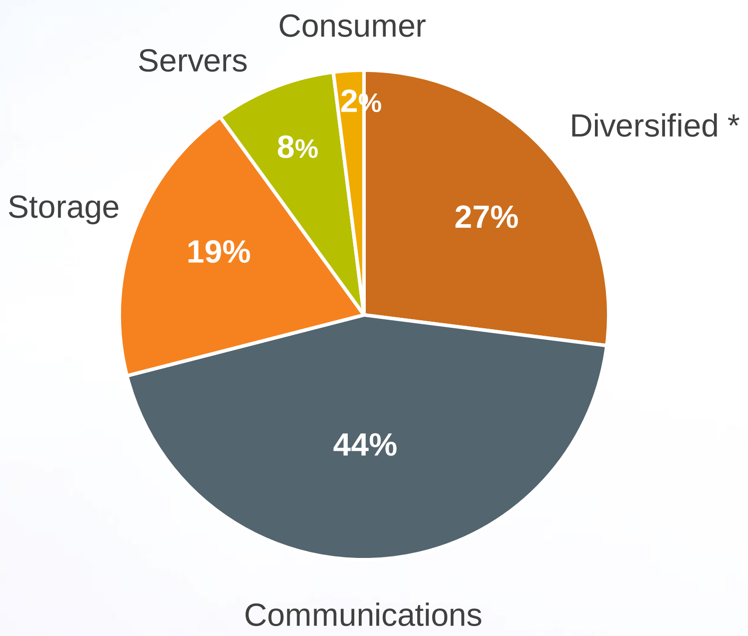
Q4 2016 Financial Results

End markets as % of Q4 2016 revenue



	Sequential Revenue $	Year over Year Revenue $
Diversified*	Down 4%	Flat
Communications	Up 6%	Up 24%
Storage	Up 15%	Up 6%
Servers	Up 7%	Down 19%
Consumer	Down 17%	Down 36%

* Diversified includes Aerospace & Defense, Industrial, Healthcare, Energy and Semiconductor Equipment

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Q4 2016 Financial Results

Q4 2016 Highlights

$US Millions (Except for per share amounts)	**Q4 2016**	**B/(W) QTQ (vs. 3Q 2016)**	**B/(W) YTY (vs. 4Q 2015)**
Revenue	$1,624	$70	$109
Non-IFRS adjusted Gross Margin (adjusted for stock-based comp expense)	7.2%	(0.1%)	0.2%
Non-IFRS adjusted SG&A (adjusted for stock-based comp expense)	$47.4	$0.6	($2.1)
Non-IFRS Operating Earnings	$61.4	$2.7	$8.4
Non-IFRS Operating Margin	3.8%	---	0.3%
IFRS Net Earnings	$20.9	($32.7)	$8.8
IFRS EPS - diluted	$0.15	($0.22)	$0.07
Adjusted Tax Rate (non-IFRS)	11%	(11%)	12%
Adjusted Net Earnings (non-IFRS)	$59.5	($2.5)	$20.6
Adjusted EPS – diluted (non-IFRS)	$0.41	($0.02)	$0.14
Adjusted ROIC (non-IFRS)	22.7%	1.5%	1.3%

Please refer to the appendix section of this presentation for current period reconciliation of Non-IFRS financial measures to the most comparable IFRS measures

Q4 2016 Financial Results

Working Capital / Capex / Cash Flow

$US	
6.6 inventory turns *	Inventory decreased $39 million from last quarter to $891 million
$18 million Capex	1.1% of revenue
44 days cash cycle *	2 day improvement from Q3 2016
$69 million Free Cash Flow *	$110 million in FY 2016

* Non-IFRS measure

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Q4 2016 Financial Results

Balance Sheet

$US	At December 31, 2016
Cash and cash equivalents	$557 million
Term Loan	$213 million drawn
$300 million credit facility	$15 million drawn

Net Cash: $330 million

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Q4 2016 Financial Results

Q1 2017 Outlook

$US	
Revenue (billion)	$1.400 - $1.500
Non-IFRS operating margin	3.5%
Adjusted earnings per share – diluted (non-IFRS)	$0.24 - $0.30

Guidance provided Thursday, January 26, 2017
Guidance is effective on the date provided and will only be updated through a public announcement.

Q1 2017 Forecast

	Year over Year
Diversified(1)	Flat
Communications	Up low 20%
Enterprise(2)	Down low-single

(1) Diversified includes Aerospace & Defense, Industrial, Healthcare, Energy, Semiconductor Equipment and Consumer (effective for Q1 2017 results)
(2) Enterprise includes Storage and Server (effective for Q1 2017 results)

2016 Accomplishments

- Solid financial results; consistent quarterly YTY growth in revenue and EPS
- Double-digit YTY revenue growth in Diversified & Communications markets
- Increased investments in the front-end, strategy, and Joint Design & Manufacturing
- Added capabilities, including acquisition of Karel Manufacturing
- Drove a number of initiatives, including investments in automation to accelerate productivity

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2017 Priorities

- Evolve our customer & product portfolios to drive consistent revenue growth with strong operating margins
- Enhance margin within our Diversified Markets while continuing to invest in growth
- Generate strong free cash flow and adjusted ROIC
- Increase productivity & simplification throughout our organization

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Appendix

Q4 2016 Financial Results
FY 2016 Highlights

$US Millions (Except for per share amounts)	**2016**	**2015**
Revenue	$6,017	$5,639
Non-IFRS Operating Earnings	$221	$195
Non-IFRS Operating Margin	3.7%	3.5%
IFRS Net Earnings	$136	$67
IFRS EPS - diluted	$0.95	$0.42
Adjusted EPS – diluted (non-IFRS)	$1.40	$0.92
Adjusted ROIC (non-IFRS)	20.8%	19.8%
Free Cash Flow (non-IFRS)	$110	$113

Please refer to the appendix section of this presentation for current period reconciliation of Non-IFRS financial measures to the most comparable IFRS measures

IFRS to non IFRS Reconciliation

	Three months ended December 31				Year ended December 31			
	2015		2016		2015		2016	
		% of revenue		% of revenue		% of revenue		% of revenue
IFRS revenue	$ 1,514.9		$ 1,623.7		$ 5,639.2		$ 6,016.5	
IFRS gross profit	$ 101.3	6.7%	$ 111.9	6.9%	$ 391.1	6.9%	$ 427.6	7.1%
Employee stock-based compensation expense	4.3		4.6		16.3		15.0	
Non-IFRS adjusted gross profit	$ 105.6	7.0%	$ 116.5	7.2%	$ 407.4	7.2%	$ 442.6	7.4%
IFRS SG&A	$ 51.8	3.4%	$ 53.2	3.3%	$ 207.5	3.7%	$ 211.1	3.5%
Employee stock-based compensation expense	(6.5)		(5.8)		(21.3)		(18.0)	
Non-IFRS adjusted SG&A	$ 45.3	3.0%	$ 47.4	2.9%	$ 186.2	3.3%	$ 193.1	3.2%
IFRS earnings before income taxes	$ 23.8	1.6%	$ 29.3	1.8%	$ 109.1	1.9%	$ 161.0	2.7%
Finance costs	2.6		2.7		6.3		10.0	
Refund interest income	—		(8.3)		—		(14.3)	
Employee stock-based compensation expense	10.8		10.4		37.6		33.0	
Amortization of intangible assets (excluding computer software)	1.5		1.5		6.0		6.0	
Net restructuring, Impairment and other charges	14.3		25.8		35.8		25.5	
Non-IFRS operating earnings (adjusted EBIAT) [(1)]	$ 53.0	3.5%	$ 61.4	3.8%	$ 194.8	3.5%	$ 221.2	3.7%
IFRS net earnings	$ 12.1	0.8%	$ 20.9	1.3%	$ 66.9	1.2%	$ 136.3	2.3%
Employee stock-based compensation expense	10.8		10.4		37.6		33.0	
Amortization of intangible assets (excluding computer software)	1.5		1.5		6.0		6.0	
Net restructuring, Impairment and other charges	14.3		25.8		35.8		25.5	
Adjustments for taxes [(2)]	0.2		0.9		(1.3)		0.1	
Non-IFRS adjusted net earnings	$ 38.9		$ 59.5		$ 145.0		$ 200.9	
Diluted EPS								
Weighted average # of shares (in millions)*	145.2		143.4		157.9		143.9	
IFRS earnings per share	$ 0.08		$ 0.15		$ 0.42		$ 0.95	
Non-IFRS adjusted earnings per share	$ 0.27		$ 0.41		$ 0.92		$ 1.40	
# of shares outstanding at period end (in millions)	143.5		140.9		143.5		140.9	
IFRS cash provided by operations	$ 92.0		$ 87.5		$ 196.3		$ 173.3	
Purchase of property, plant and equipment, net of sales proceeds	(15.4)		(17.8)		(60.0)		(63.1)	
Deposit on anticipated sale of real property	—		—		11.2		—	
Finance lease payments	—		(1.0)		—		(4.5)	
Repayments from (advances to) Solar Supplier	1.8		3.0		(26.5)		14.0	
Finance costs paid	(2.4)		(2.4)		(7.8)		(9.5)	
Non-IFRS free cash flow [(3)]	$ 76.0		$ 69.3		$ 113.2		$ 110.2	
IFRS ROIC % [(4)]	9.6%		10.8%		11.1%		15.2%	
Non-IFRS adjusted ROIC % [(4)]	21.4%		22.7%		19.8%		20.8%	

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Footnotes related to reconciliation on following slide

IFRS to non IFRS Reconciliation…continued

* The calculation of our weighted average number of shares (used to determine our IFRS EPS and non-IFRS adjusted EPS) for the year ended December 31, 2016 reflects the full impact of the reduction in outstanding subordinate voting shares as a result of our share repurchases and cancellations in 2015 pursuant to our $350.0 million substantial issuer bid and our NCIB then in effect. Accordingly, the positive effect of the reduced weighted average number of shares on our IFRS EPS and non-IFRS adjusted EPS for the full year 2016 was greater as compared to the full year 2015.

(1) Management uses non-IFRS operating earnings (adjusted EBIAT) as a measure to assess our operational 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, restructuring and other charges, including acquisition-related transaction costs (net of recoveries), gains or losses related to the repurchase of our securities, impairment charges and refund interest income. Refund interest income represents the refund of interest on cash then held on account with tax authorities in connection with the resolution of certain previously disputed tax matters in the second half of 2016 (see notes 12 and 14 to our Interim Financial Statements).

(2) The adjustments for taxes, as applicable, represent the tax effects on our non-IFRS adjustments.

Our effective tax rate for the fourth quarter of 2016 was 29%. After excluding the tax effects of employee stock-based compensation expense of $10.4, amortization of intangible assets (excluding computer software) of $1.5, net restructuring, impairment and other charges of $25.8, and other tax charges related to restructured sites of $0.5, our non-IFRS adjusted effective tax rate for the fourth quarter of 2016 was 11%. Our effective tax rate for the full year 2016 was 15%. After excluding the tax effects of employee stock-based compensation expense of $33.0, amortization of intangible assets (excluding computer software) of $6.0, net restructuring, impairment and other charges of $25.5, and other tax charges related to restructured sites of $1.4, our non-IFRS adjusted effective tax rate for the full year 2016 was 11%.

Our effective tax rate for the fourth quarter of 2015 was 49%. After excluding the tax effects of employee stock-based compensation expense of $10.8, amortization of intangible assets (excluding computer software) of $1.5, and net restructuring, impairment and other charges of $14.3, our non-IFRS adjusted effective tax rate for the fourth quarter of 2015 was 23%. Our effective tax rate for the full year 2015 was 39%. After excluding the tax effects of employee stock-based compensation expense of $37.6, amortization of intangible assets (excluding computer software) of $6.0, net restructuring, impairment and other charges of $35.8, and other tax charges related to restructured sites of $1.2, our non-IFRS adjusted effective tax rate for the full year 2015 was 23%.

(3) Management uses non-IFRS free cash flow as a measure, in addition to IFRS cash flow 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), deposits received on the anticipated sale of real property (see note 17 to our 2015 annual audited consolidated financial statements), finance lease payments, advances to (or repayments from) a solar supplier, and finance costs paid. Note that non-IFRS free cash flow, however, does not represent residual cash flow available to Celestica for discretionary expenditures.

(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 five-point average to calculate average net invested capital for the year. 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.

Footnotes related to reconciliation on previous slide

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IFRS to non IFRS Reconciliation…continued

	Three months ended December 31		Year ended December 31	
	2015	2016	2015	2016
IFRS earnings before income taxes	$ 23.8	$ 29.3	$ 109.1	$ 161.0
Multiplier	4	4	1	1
Annualized IFRS earnings before income taxes	$ 95.2	$ 117.2	$ 109.1	$ 161.0
Average net invested capital for the period	$ 992.5	$ 1,083.8	$ 984.0	$ 1,062.3
IFRS ROIC % (1)	9.6%	10.8%	11.1%	15.2%

	Three months ended December 31		Year ended December 31	
	2015	2016	2015	2016
Non-IFRS operating earnings (adjusted EBIAT)	$ 53.0	$ 61.4	$ 194.8	$ 221.2
Multiplier	4	4	1	1
Annualized non-IFRS adjusted EBIAT	$ 212.0	$ 245.6	$ 194.8	$ 221.2
Average net invested capital for the period	$ 992.5	$ 1,083.8	$ 984.0	$ 1,062.3
Non-IFRS adjusted ROIC % (1)	21.4%	22.7%	19.8%	20.8%

	December 31 2015	March 31 2016	June 30 2016	September 30 2016	December 31 2016
Net invested capital consists of:					
Total assets	$ 2,612.0	$ 2,621.9	$ 2,720.1	$ 2,813.7	$ 2,822.3
Less: cash	545.3	511.5	472.9	542.0	557.2
Less: accounts payable, accrued and other current liabilities, provisions and income taxes payable	1,104.3	1,053.8	1,122.5	1,179.4	1,189.7
Net invested capital at period end (1)	$ 962.4	$ 1,056.6	$ 1,124.7	$ 1,092.3	$ 1,075.4

	December 31 2014	March 31 2015	June 30 2015	September 30 2015	December 31 2015
Net invested capital consists of:					
Total assets	$ 2,583.6	$ 2,579.3	$ 2,624.7	$ 2,603.6	$ 2,612.0
Less: cash	565.0	569.2	496.8	495.7	545.3
Less: accounts payable, accrued and other current liabilities, provisions and income taxes payable	1,054.3	1,044.8	1,122.3	1,085.3	1,104.3
Net invested capital at period end (1)	$ 964.3	$ 965.3	$ 1,005.6	$ 1,022.6	$ 962.4

(1) 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 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 five-point average to calculate average net invested capital for the year. 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 chart above), however, this measure (which we have called IFRS ROIC), is not a measure defined under IFRS.

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