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PRESENTATION

Operator

Good morning and welcome to the Sensata Technologies Holding N.V. fourth-quarter and full-year 2015 earnings webcast. At this time, I would like to inform you that this webcast is being recorded.

(Operator Instructions)

For opening remarks and introductions, I would like to turn the call over to Jacob Sayer, Vice President of Treasury and Investor Relations. Mr. Sayer, you may begin.

Jacob Sayer *- Sensata Technologies Holding NV - VP of Treasury and IR*

Thank you, Lauren, and good morning, everyone. Earlier today, Sensata issued a press release describing our financial performance for the fourth-quarter and full-year 2015. You may obtain a copy from the Investor Relations section of our website at www.Sensata.com.

To help provide more color and detail on our business, we will be referring to a slide deck during the course of today's call. These slides are available in the live webcast, and a copy is also available on our IR website. A replay of the webcast will also be available in the Investor Relations section of our website.

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Today's discussion will contain forward-looking statements based on the business environment as we currently see it and as such does include certain risks and uncertainties. Please refer to our press release and our 10-Q and 10-K filings for more information on the specific risk factors that could cause our actual results to differ materially from the projections discussed on today's call.

In addition to US GAAP reporting, we report certain financial measures that do not conform to generally accepted accounting principles. We believe these non-GAAP measures enhance the understanding of our performance. Reconciliation between these GAAP and non-GAAP measures are included in the tables found in today's press release as well as in the Investor Relations section of our website under Financial Reports. Comments made during today's call will primarily refer to our non-GAAP financial results.

On the call with me today are Martha Sullivan, Sensata's President and Chief Executive Officer; and Paul Vasington, Sensata's Chief Financial Officer. We will hold questions until after our prepared remarks.

(Caller Instructions)

I will now turn the call over to Martha to review highlights from the quarter and trends in the end markets that we serve. Martha?

Martha Sullivan - *Sensata Technologies Holding NV - President and CEO*

Thank you, Jacob, and thank you all for joining our fourth-quarter and full-year 2015 conference call. Sensata's strategic goal is to win in sensing, and by doing so, to continue to drive long-term value creation for our shareholders. This year, we delivered double-digit revenue and earnings growth.

The value creation story at Sensata is intact, and we delivered against many strategic goals during 2015. During 2015, we delivered 23% revenue growth and 16% adjusted earnings-per-share growth, driven primarily by acquisitions. Over the past five years, Sensata has grown revenue at a 14% compound average growth rate. In businesses where content is an underlying growth driver, we grew organically faster than our end markets in 2015 thanks to new sensors launched during the course of the year.

We are expanding our end-market exposure beyond automotive into heavy vehicle, industrial and aerospace sensing end markets. OEM customers in these markets are experiencing the same need for sensing solutions as in the automotive space. With the acquisition of the sensing businesses of CST, Sensata will be a primary supplier of their sensor needs.

We continue to improve manufacturing productivity and leverage investments in technology and infrastructure to raise margins. In the core business, which now reflects all prior acquisitions except DeltaTech, Schrader and CST, our adjusted net income margin was 19.7% in 2015 and 21% in the fourth quarter.

Looking back on 2015, there was more end-market volatility than we or many others expected during the year. We did not anticipate the degree of the slowdown in China or the slowdown in commodity prices that significantly impacted heavy vehicle markets during the course of year. This market volatility pushed us off plan from what we anticipated early in 2015.

As we look to 2016, we expect many of the markets mentioned to remain weak and have reflected that in our guidance. During 2015, our hedging program did what it was designed to do and protected earnings from the shifts in foreign currency exchange rates and delayed the impact on our earnings for 12 to 18 months. Those prior shifts in foreign currency exchange rates will be a significant headwind to earnings in 2016.

As you turn to slide 4, you can clearly see that we are executing on our strategy to win in sensing with a growing pipeline of new business wins and the successful execution of our M&A strategy. New design wins of $390 million on a constant currency basis during 2015 are more than sufficient to drive strong content and revenue growth in the coming years, even in a low-growth market environment.

In addition to our organic growth led by new design wins, acquisitions are a core part of our value-creation strategy. Acquisitions are enabled by our strong free cash flow and are a key pillar to delivering long-term double-digit revenue growth. Over the past five years, Sensata has delivered

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14% compound annual revenue growth. In 2015, Sensata delivered 23% revenue growth, driven primarily by acquisitions. Additionally, due to the process of integrating acquired businesses using Sensata's proven best operating practices, we grew the earnings power and the margins of each acquisition. Acquisitions enable us to grow earnings even in years with low revenue growth.

M&A is a catalyst for us in the near and medium term. We are in the early stages of realizing benefits from cost synergies related to recent acquisitions. We expect substantial future earnings growth to be derived from our acquired businesses. During the quarter, we completed the acquisition of the sensing portfolio of Custom Sensors and Technologies or CST. CST adds 10% of non-auto revenues to Sensata, diversifying our secular growth opportunities. This acquisition is profitable, with EBITDA margins already in Sensata's core range. It is cash generative, and we expect it to be a few cents accretive in 2016 after integration and interest expenses.

Schrader continues to perform extremely well and exceeded profit expectations during 2015. TPMS will continue to be incrementally accretive in 2016 as we continue to integrate the business, take out cost and position it for future growth as more TPMS regulations are adopted.

Sensata's strong execution in consolidating acquisitions into our global footprint creates value. Here are some specific examples of cost-saving synergies related to our acquisitions.

In January, we announced the move of TPMS manufacturing from Tennessee into Sensata sites in Mexico and China by the end of 2017 and additional announced plans to close other sites in high-cost locations. We will consolidate manufacturing from these locations into our larger sites, thus lowering manufacturing costs, improving efficiency and raising gross margins.

During 2015, integration expenses related to acquisitions totaled $21 million. We expect to spend a further $15 million to $20 million in 2016 integrating acquisitions including CST. Starting in 2017, barring further acquisitions, integration spend will decline. Combined with margin improvements in the underlying businesses, this will create a natural tailwind to earnings. We expect the contributed earnings-per-share from completed acquisitions to rise from $0.25 in 2015 to more than $0.40 in 2016 and more than $0.60 in 2017. Acquisitions will be a substantial contributor to our earnings growth over the next many years.

Sensata's automotive sensor revenue grew 5.9% organically and 8.4% on a unit basis as compared to only 1.8% automotive vehicle production growth last year, demonstrating the strength of sensor content growth. Listed on page 6 are a number of fast-growing applications where we are well-positioned today that are expected to be catalysts for our sensor growth, even in flat markets. This list is by no means exhaustive but provides some examples of sensor-rich applications expected to continue to gain traction in vehicles. For example, gas-direct injection improves fuel economy of vehicles by 5% to 7% and requires additional pressure and temperature sensors.

Electronic stability control is an active safety braking feature and a starting point for ADAS systems that is widely adopted in the US and Europe today. Asia is a different story. Adoption of this feature in Asia will drive 4% sensor growth compound over the next five years for this application.

Tire pressure sensing has also fully penetrated the US and Europe light vehicle markets. That only represents a fraction of the long-term opportunity for these sensors. Further adoption of regulations by new countries include China and by heavy vehicle truck makers, which will provide a significant tailwind. The adoption of real-world emissions testing would be a further application area that is not yet measured but may be introduced in the coming years in response to emission compliance issues that would drive further sensor growth for Sensata. The adoption of these sensor-enabled applications is improving the safety, emissions and fuel economy of vehicles. They also represent a $350 million to $400 million ultimate revenue opportunity for Sensata.

While only 10% of Sensata's revenue is currently exposed to China, China Automotive continues to represent a great growth opportunity for Sensata. For 2015, Sensata's average sensor content per vehicle manufactured in China was approximately $8 to $10. This represents a doubling of content per vehicle from 2012.

With increasing adoption of the kinds of sensor-rich applications that we see in the US and Europe, China can continue to grow sensor content at a substantial pace. Just bringing these vehicles up to sensor penetration levels seen in the US or Europe could quadruple our business in China. In addition, we expect China vehicle production to continue to grow faster than in developed markets.

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While there was a sharp contraction in production for the third quarter, vehicle production returned to growth in the fourth quarter. And while vehicle inventory in China coming into 2016 appears a little high, we need to keep in mind that vehicle penetration per capita remains far behind other countries, especially in the smaller, fast-growing cities. Consequently, we expect China to continue to be the fastest growing region for car production and Sensata revenue for many years to come.

During the fourth quarter, we delivered several wins that underscored the increased opportunity in applications and in China. We signed large GDI wins in North America and China and advanced transmission wins across multiple European OEMs. These substantial design wins help underpin future content and above-market revenue growth for Sensata.

One area where we've seen accelerated design wins in 2015 are electric vehicles. On page 7, we show some of the sensors we can and do sell into electric vehicles today. While pure electric vehicles lack an internal combustion engine, other systems like brakes and climate control need to be more sophisticated to maximize range and as a result require additional sensor content. For example, we recently launched a new smaller, more sophisticated brake pressure sensor family, the eXtra Small Form Factor, specifically designed to meet the needs of electric and electrified vehicle manufacturers. While the sales of electric and hybrid vehicles have recently been under pressure given the low cost of gas, they represent a real revenue opportunity for Sensata. Each successive generation of electric vehicles have had more sensors from Sensata than prior designs.

The Chevy Volt EV that will go on sale later this year will have $30 of Sensata content on it, and there's even more untapped potential. The total content that we could sell into electric vehicles is $60 to $70 today, already higher than the average content that we have in gas or diesel vehicles. There is no systemic risk to Sensata sensor adoption from the increased sales of electric vehicles. Competitive dynamics will determine our revenue in this category of vehicles like any other.

I would now like to turn the call over to Paul to review our fourth-quarter results in more detail and to provide financial guidance for the first-quarter and full-year 2016. Paul?

Paul Vasington - *Sensata Technologies Holding NV - CFO*

Thank you, Martha. Key highlights for the fourth quarter as shown on slide 8 include net revenue was $726 million, an increase of 3% from the fourth quarter of 2014. Of this, acquisitions contributed 5.9%. Organic revenue was down 20 basis points, and changes in foreign currency exchange rates, primarily the euro, represented a net revenue headwind of 2.7%.

Fourth-quarter adjusted EBITDA was $178 million or 24.5% of net revenue. Adjusted EBIT was $155 million or 21.3% of net revenue. Adjusted net income was $113 million or $0.66 per diluted share, in line with expectations.

Integration costs were $8.8 million including CST. Compared to the prior year, profitability indices are higher in the fourth quarter, primarily due to productivity gains and lower integration spend. Adjusted net income margin in the core business, which includes all prior acquisitions except DeltaTech, Schrader, and CST, was 21% in the fourth quarter, up 110 basis points from the prior year, evidence of our ability to deliver A&I margins at a targeted range of 20% to 23%.

Restructuring and special charges of $10.7 million added back to our non-GAAP numbers in the fourth quarter were primarily related to improving operating efficiency, tightly aligning our cost structure and business models to end-market performance and exiting non-competitive, non-sensing businesses. These charges appear in the cost of revenue, selling, general and administrative, and restructuring and special charges lines in the GAAP income statement. Financing and other transaction costs were $14.4 million, added back to our non-GAAP numbers. These costs were associated with the acquisition of CST and the related debt financing.

Cash taxes in the fourth quarter were approximately $10.5 million or 6.8% of adjusted earnings before interest and tax. During the quarter, we reported a deferred tax -- deferred income tax benefit of $185 million that was excluded from our non-GAAP results, primarily due to the release of a portion of our US valuation allowance in connection with the acquisition of CST. Our deferred tax liabilities were established primarily related to acquired and tangible assets. For the full-year 2015, cash taxes were 5.8% of adjusted earnings before interest and tax.

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Now I'd like to comment on the performance of our two business segments. Moving to page 9, performance-sensing net revenue was $572 million for the fourth quarter, up 4.2% from the year-ago quarter as a result of acquired revenue and new program launches, especially in Europe, partly offset by the impact of changes in foreign currency exchange rates and weakness in certain end markets, most notably HVOR.

Unit volume increased 5% for the year-ago period on high single-digit content growth, partially offset by weak end markets. Performance-sensing profit from operations was $151 million, up 5.7% from the year-ago quarter, primarily from productivity gains and higher volume. Performance-sensing profit from operations index of 26.4% was higher than the fourth quarter of 2014, primarily due to productivity gains.

Sensing Solutions net revenue was $154 million for the fourth quarter, down 1% from the year-ago quarter, due primarily to the impact of continued weak demand and inventory destocking in the industrial appliance and HVAC end markets and the unfavorable impact of changes in foreign currency exchange rates, primarily offset by acquired revenue from CST. Sensing Solutions electrical protection products do not benefit from content growth drivers. As a consequence, outside of industrial sensing, changes in its revenue are highly influenced by the rise and fall of [these] end markets. We have found that a good leading indicator for activity in many of those markets to be manufacturing PMI data, especially from China.

Sensing Solutions profit from operations was $48.7 million, a slight increase from the same quarter last year, primarily due to acquired revenue and productivity gains offset by lower volumes. Sensing Solutions profit from operations index of 31.5% was higher than the fourth quarter of 2014, primarily due to productivity gains.

Corporate and other cost not included in segment operating income, $48 million in the fourth quarter. These costs are lower than fourth quarter of 2014 primarily due to the net impact of M&A deal costs integration charges related to the acquisition of Schrader in 2014 versus similar costs incurred for CST in 2015.

Now let's look at our financial guidance for the full-year 2016 on page 11. Net revenue is expected to be $3.21 billion at the midpoint, which is an increase of approximate 8% from 2015 and just above 1% organically. Our adjusted net income of $492.5 million at the midpoint, reflecting increased operating efficiencies, higher sourcing savings and cost control, and slightly positive adjusted net income from CST. Adjusted net income per diluted share is expected to be $2.87 at the midpoint, up 4% from 2015 and 8% on an organic basis, reflecting a fully diluted share count of 171.7 million shares and cash taxes for the full-year 2016 in the range of 6% with adjusted earnings before interest and tax.

On the bottom of page 10, you will see the key drivers of EPS growth in 2016. Higher volumes from content growth, productivity enhancements and investments in operating systems grow earnings, tempered somewhat by the impact of annual price downs. CST is expected to be accretive by $0.02 to $0.04 in 2016 as compared to being $0.06 dilutive in the fourth quarter of 2015. Combined with the accretion from DeltaTech and Schrader, we expect acquisitions to deliver an incremental $0.15 to $0.20 in 2016.

The impact of changes in foreign exchange rates represent a headwind of $0.17 to $0.21 of earnings per share. The midpoint of this range is higher than previous guidance, primarily due to the continuing weakness of the yuan against the US dollar during the course of 2015. And we have more revenue than expense in China, and we do not hedge that exposure given the high cost of doing so. All together, we expect to deliver $2.74 to $3 in adjusted earnings per share in 2016.

Our financial guide for 2016 net revenue is lower than financial framework we provided in October and reflected on page 12. Our current view is for performance sensing organic revenue to grow in the low-single digits, reflecting 5% to 6% organic growth in the core automotive business, driven by mid to high single-digit content growth. Higher pressure sensor organic revenue to be neutral in 2016 that's price down offset revenue growth from market.

Mid- to high-single digit decline in HVOR related revenue due to continuing weak end-market demand, Sensing Solutions organic revenue to be flat to down 1% driven by continued weakness in China and the broader industrial market. However, comparisons to 2015 will become easier in the second half of the year.

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CST should drive approximately 10 percentage points of inorganic net revenue growth. The exit from unprofitable non-sensor product lines impact revenue by less than 1%, and changes in foreign currency exchange rates are expected to be at 2% to 3% revenue headwind. While the most likely risks are shown on the page, we're confident we can deliver our current financial guidance of $2.74 to $3 given everything we're seeing in the economy and hearing from our customers.

Details of our financial guidance for the first quarter of 2016 shown on page 13 are as follows: net revenue of $790 million at the mid point, which is an increase of approximately 5% from the first quarter of 2015 or a 1.5% decline organically. Reflecting the balance of: acquired revenue growth of approximately 10% from CST; strength in our core automotive business; weakness in HVOR, China and industrial markets; and a 2% to 3% headwind from changes in foreign currency exchange rates.

Our current fill stands at approximately 87% of the midpoint of this guidance. Adjusted net income of $109 million at the midpoint, and adjusted net income per diluted share of $0.64 at the midpoint, which includes $0.04 to $0.05 of detrimental foreign exchange impact to fully diluted share count of 171.5 million shares.

Free cash flow for the quarter was a strong $122 million thanks to good working capital management during the course of the quarter. For the full-year 2015, free cash flow was $356 million, and unlevered free cash flow was 67% of adjusted EBITDA. Our current expectation is for free cash flow of $350 million to $400 million in 2016.

During the fourth quarter, we funded the acquisition of the sensing business of CST through the issuance of $750 million in senior unsecured notes from our revolving credit facility and from cash on hand. While this financing temporarily inflates our leverage ratios, our goal is to reduce debt and grow adjusted EBITDA, and we expect to lower the net leverage ratio over time with the ultimate goal of operating the business in a 2 to 3 times net-leverage range.

Sensata's strong cash generation enables us to balance debt repayment with other high returning investment opportunities. To that end, the Board of Directors recently reset the share buy-back authorization to $250 million. Sensata takes a holistic approach to capital deployment. After we meet the capital needs of the business, we seek to use cash to optimize returns to all investors in the Company.

Turning now to slide 15, Sensata is a leading industrial technology Company. More importantly, we have the largest independent supply of sensors in our sector. Sensing is an attractive, growing market, and we've been in this space for over 25 years. We are better positioned than anyone else to take advantage of this environment.

Our revenue and earnings grow double digits over a multi-year horizon. First, sensor content drives secular growth, enables us to grow faster than our end markets. Second, M&A is a strategic pillar of our growth strategy, enabled by strong cash generation and a disciplined acquisition and integration process to ensure strong financial returns.

Sensata is a high-margin, high-cash generation business, and margins are borne out of long-cycle revenue, highly differentiated products, extremely cost-effective manufacturing operations and a low-cash tax rate. Combined with low capital requirements, strong margins drive strong free cash flows, which in turn allow Management to generate industry-leading returns for investors.

In summary, Sensata continues to deliver on its promises of strong double-digit revenue and earnings that are partly enabled by superior capital deployment.

We are happy to take questions from participants on the line. Operator, please introduce the first question.

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QUESTIONS AND ANSWERS

Operator

(Operator Instructions)

Wamsi Mohan, Bank of America Merrill Lynch.

Wamsi Mohan - *BofA Merrill Lynch - Analyst*

Yes, thank you.

Martha, Paul, thanks also for all the additional details in your guidance and slide deck. It is very helpful.

I wanted to ask you about content growth in 2016. It sounded from Paul's comments that it might be slowing down a little bit relative to 2015. Can you address maybe what the key drivers here are?

Martha Sullivan - *Sensata Technologies Holding NV - President and CEO*

Sure, Wamsi. It is not significantly slower. We finished at about 8% in 2015. We think we are going to be in the 6% to 7% in 2016.

Just keep in mind our NVO wins and the launches of new products do not come in a linear fashion. Sometimes they're stronger in years of regulation; sometimes it is just the take rates on particular optionality in the vehicles.

So there's no specific headwind to content growth at this point. We think we've got a good plan and a good line of sight to achieving that plan.

Wamsi Mohan - *BofA Merrill Lynch - Analyst*

Okay, thanks, Martha.

Then as you look at your Sensing Solutions business, organic growth guidance roughly flat for the year, what are you expecting to see there is as you go through 2016? It likes you exited 4Q at a down 10% organic growth rate. So just wondering how you're thinking about that progression as you go through the year.

Martha Sullivan - *Sensata Technologies Holding NV - President and CEO*

Sure. Yes, we definitely think we're going to continue to see the declines in the early part of the year. Part of that is just the comp that we have in the second half of that year.

Another element is that we continue to see the China PMI erode. So we think we have that captured correctly, but those are the primary puts and takes.

Wamsi Mohan - *BofA Merrill Lynch - Analyst*

Okay, and if I could ask one more. It looks like from your commentary about incremental EPS growth from M&A, if you are roughly flat to slightly down on integration costs, is the primary benefit all accruing from synergies? And is it fair to say that your expectation of earnings contribution from M&A has also degraded somewhat, given the weaker macro trends? Thank you.

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Martha Sullivan - *Sensata Technologies Holding NV - President and CEO*

No, I would say our accretion expectations have not derated.

Your first question, I think the assumption there is correct, that with about similar spend and integration costs, it really is that we're seeing the margin expansion in those businesses. And they are tied to very specific actions, as we profiled here in the deck. So, no, it is not the case that our accretion expectations are down.

Paul Vasington - *Sensata Technologies Holding NV - CFO*

And I would just add, Wamsi, just a bit of a mix change. We've got more integration spent on CST and less so on DeltaTech and Schrader. And that's why -- you can see in the deck, where you can see the nice EPS accretion for DeltaTech and Schrader in 2016.

Wamsi Mohan - *BofA Merrill Lynch - Analyst*

Thanks a lot.

Operator

Matt Sheerin, Stifel.

Matt Sheerin - *Stifel Nicolaus - Analyst*

Yes, thanks.

Good morning. Just wanted to ask some questions regarding the FX headwinds. It looks like based on the EPS guide that it is about a 100-basis-point headwind on operating margin or EBIT margin, which would imply flattish organic year over year. Yet your guidance for the first quarter is certainly weaker than that, implying that you're going to end the year at a higher level in both segments.

So could you give us a little bit more color? Am I right on that? What does the operative margin look like going into FY17?

Paul Vasington - *Sensata Technologies Holding NV - CFO*

I would say, in terms of the organic growth, if you take our guidance and you add $0.19 for that, you will see that organic growth is going to be quite significant in 2016, although I think having about a 1% impact on revenue is the right range. As we get into 2017, we will see a little bit more FX headwind, just given our hedging program and what rates are.

But I think the business continues to drive operating efficiency. And actions we have taken to align our cost structure will deliver increased EPS in 2017. I feel very good about the productivity and the expansion of margins as we go into 2017 from 2016.

Matt Sheerin - *Stifel Nicolaus - Analyst*

Okay. Obviously at your Analyst Day last year, you talked about significantly higher margin targets, certainly not near term. But we are still a long way from that. So could we be looking at a 22% to 23% range as we exit 2017?

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Paul Vasington - *Sensata Technologies Holding NV - CFO*

I don't want to guide on 2017. I think our long-term framework is 20% to 23%. You can see the core business is now delivering at that range.

As the integrations continue to increase in value, as we integrate and drive costs down to improve their operating efficiencies, we will see them start to come up to some subtle levels in terms of A&I margins.

Matt Sheerin - *Stifel Nicolaus - Analyst*

Then on M&A, obviously your debt is up a bit. It sounds like you're managing the integrations well in generating cash. What should we be thinking this year? Are you in the blocking and tackling mode in terms of handling these integrations, let alone you are dealing with some of the macro headwinds that have not gone away yet?

Martha Sullivan - *Sensata Technologies Holding NV - President and CEO*

Yes, I think we certainly are very focused on execution when it comes to the integrations. We are also quite mindful of the macro environment.

We are not anticipating any extreme downturn in 2016. But we actually have done scenario planning and understand how we would respond to a typical downturn. So a lot of focus on blocking and tackling and managing our earnings performance in the business.

Matt Sheerin - *Stifel Nicolaus - Analyst*

Okay, thanks very much.

Operator

Mark Delaney, Goldman Sachs.

Mark Delaney - *Goldman Sachs - Analyst*

Yes, good morning and thanks very much for taking the questions. First question is on the longer-term goal to get to $3.8 billion of revenue by 2017.

Just given some of the factors, especially on macros, that you talked about in your prepared remarks, using the midpoint of your 2015 revenue guidance, to get to 2017 $3.8 billion, you need to grow I think almost 19%. Is that still a number that we can think about for 2017? Or is that too optimistic at this point?

Martha Sullivan - *Sensata Technologies Holding NV - President and CEO*

I think the doubling of the business over five years was an important goal for us to set, primarily for our internal team, and then to share with our other stakeholders. The intent there was really to drive a fundamental change in the pillars of our growth, and primarily to drive the opportunity around M&A and to give everybody a sense of scale for what we would be talking about.

If you look at the 14% compounded growth rate on the top line that that strategy has delivered over the past five years, we're feeling pretty good about directionally having laid out some ambitious plans. Having said that, we are not treating $3.8 billion like religion. So we don't feel forced to go out and acquire to hit a number.

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We think the pipeline continues to be really interesting, really aligned to our overall strategy and sensing. At this point, that number is probably a bit ambitious in that time frame. But keep in mind what it really was intended to do, and I think it has delivered on that.

Mark Delaney - *Goldman Sachs - Analyst*

That's very helpful, Martha.

For a follow-up question, by my math the midpoint of the 2016 guidance implies that adjusted net income margins are actually down a little bit year over year. I understand FX is a headwind. But maybe you can talk about are there any other factors that are weighing on the margins in 2016 versus when 2015 beyond FX?

Paul Vasington - *Sensata Technologies Holding NV - CFO*

I think one of the biggest margin headwinds will be CST, given the fact that they're contributing $300 million plus of revenue and slightly accretive to us at $0.02 to $0.04. When I think about the P&L itself, we continue to maintain and manage our costs very effectively.

We expect our productivity initiatives around manufacturing and material segments to offset price. So there are a lot of positive levers that are going to continue to drive margins forward.

Mark Delaney - *Goldman Sachs - Analyst*

Thank you very much.

Operator

Ambrish Srivastava, BMO.

Ambrish Srivastava - *BMO Capital Markets - Analyst*

Hello, thank you very much.

Martha, you've been through several downturns. There's a big concern out there regarding SAAR or White SAAR. And I apologize if I missed it on the deck -- which by the way, Jacob, thank you, very helpful.

What is your expectation for worldwide SAAR for light vehicles? And what are you seeing versus what we saw in the past? And I will bring up the OA downturn. And then I had a quick follow-up, please.

Martha Sullivan - *Sensata Technologies Holding NV - President and CEO*

Sure. So generally speaking, we are still using third-party forecasters to call production rates. And keep in mind, production is really what drives our overall growth. Having said that, I will tell you we have discounted in two areas from third-party forecast. One of those is China, and the other is North America.

So at this point, we don't think we're going to see more acceleration in growth in North America. We are anticipating about a 2% production improvement. And if you look at where inventories land versus where there's strong demand in North America, we think that's appropriate. But that's below, for example, where IHS would have called it.

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To your question about what are we seeing real-time on the ground and in our backlog, honestly, we are not seeing anything that feels like downturn. So when we look at the signs from the past vehicle inventories, fuel rates, conversations with our customers, we are not feeling the notion that we're going to see a significant downturn. But we think it is important to be prudent in our planning. And we will keep a close eye on that.

Ambrish Srivastava - *BMO Capital Markets - Analyst*

Okay, thank you.

And then on HVOR -- and you are not the only one, it's caught everybody by surprise. Can you help us understand where we are if you look at peak versus where is your HVOR business? And then if you just compare it to the last -- I'm trying to look at peak and troughs.

And a quick related -- actually, not related -- price decline. Is there something going on this year on the annual price decline that you see versus in the past? Thank you very much, Martha.

Martha Sullivan - *Sensata Technologies Holding NV - President and CEO*

Sure. So on the HVOR front, keep in mind, it traditionally has not been a huge part of our overall business. So we deliberately have gone out to gain sensor wins and make that a more meaningful part of the overall Sensata landscape, just because it does have nice content growth available to it over the long term.

So relative to peak to trough, it is a little difficult for us to answer that just based on our own profile of revenue. It definitely feels like we are still troughing. So you can see that where we've called out the overall growth rate for that revenue in our business now being significantly down over the year. We are still doing a bit better than end market, just given the content growth that's available to us.

What was the second question?

Ambrish Srivastava - *BMO Capital Markets - Analyst*

Price decline?

Martha Sullivan - *Sensata Technologies Holding NV - President and CEO*

Sorry, so on the price decline piece, no, the actual price declines are very similar to our phenomena in the past. There is one element of that I would point out as we move into 2016.

We are very often in the mode of introducing NextGen products to the marketplace. And often, we will introduce those products at higher performance, lower cost and better margins for Sensata. So in some cases, what's falling into that pricing line is actually a new NextGen product that, by design, is being delivered to customers at lower prices.

Ambrish Srivastava - *BMO Capital Markets - Analyst*

Thank you very much. Good luck.

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Martha Sullivan - *Sensata Technologies Holding NV - President and CEO*

Thanks.

Operator

Craig Hettenbach, Morgan Stanley.

Craig Hettenbach - *Morgan Stanley - Analyst*

Yes, thanks.

And thanks for the color and the slide deck on details. Just a question on autos, specifically to China. There's been a sharp snapback in production in the back half of the year, a lot of incentives in place. Just want to get a sense of your visibility there. Is that something that could sustain the snapback?

And then, Europe wasn't mentioned. Is that a slow but steady grind, up still in the European market?

Martha Sullivan - *Sensata Technologies Holding NV - President and CEO*

On the China piece, we felt the snapback, had expected some of that, and that did come back strong. We are being mindful of the fact that vehicle inventories are a bit high in China as well.

So to my earlier remarks, we've discounted third-party view on production growth in China a bit. So we are looking at this being a very low single-digit production growth year in China. That's just a combination of looking at inventories, recognizing there's a snapback, but being mindful of where that could land throughout the year.

On the Europe front, Europe has been on a cadence of steady improvement now for the past couple of years, and that feels good. That continues. We see that playing out in our backlog as well.

Craig Hettenbach - *Morgan Stanley - Analyst*

Got it.

Then just as a follow-up on the OpEx side, I understand you have cost initiatives through the acquisitions to help improve margins. But on the core business, how are you thinking about just managing in this type of backdrop? I know you typically do a good job on the variable expense side. How you are managing the business?

Paul Vasington - *Sensata Technologies Holding NV - CFO*

Like I said before, and you can see on the slide deck, we've talked about where we are optimizing our manufacturing network. We are moving manufacturing from high-cost locations into our existing sites. We have a lot of capacity and the ability to streamline those processes.

We are restructuring business models where we're not seeing the end market performance. We are streamlining the operating structure that supports those end markets. We are exiting businesses that are unprofitable. And we continue to improve our process. We continue to hone our operating systems and get more efficiency, more productivity, out of the assets and the people that we have.

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Craig Hettenbach - *Morgan Stanley - Analyst*

Got it, thanks, Paul.

Operator

Shawn Harrison, Longbow.

Shawn Harrison - *Longbow Research - Analyst*

Hello. Good morning.

Wanted to dig into the dynamic of expanding the buyback now back to $250 million with the goal of deleveraging for the year. And can you, or do you, plan to implement the buyback as 2016 progresses, while also taking down leverage to the target goal?

Martha Sullivan - *Sensata Technologies Holding NV - President and CEO*

We think it is really important in this environment to make sure that we have all optionality available to us to create returns for our shareholders. Our practice is to share with you any buyback that we do after the fact at the end of the quarter. Any of that consideration though is really going to be balanced against the strategic needs of the business, our M&A pipeline, and our commitment to return to leverage ratios over time that we think are aligned with capital market appetites.

Shawn Harrison - *Longbow Research - Analyst*

Okay. I guess that's understandable.

Digging into the HVOR business a little bit more, I think you said you thought it was close to troughing. But what do you have for heavy trucks declining in 2016 baked into the forecast?

Paul Vasington - *Sensata Technologies Holding NV - CFO*

Well over 20%.

Shawn Harrison - *Longbow Research - Analyst*

Okay. Just one last clarification --

Martha Sullivan - *Sensata Technologies Holding NV - President and CEO*

Just one clarification. That's North America, and that's really Class A.

Shawn Harrison - *Longbow Research - Analyst*

Class A North America. Europe, what do you have that as? Flattish?

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Paul Vasington - *Sensata Technologies Holding NV - CFO*

Europe is up a little, as they are in a different cycle.

Shawn Harrison - *Longbow Research - Analyst*

Then one clarification. Interest expense run rates beginning of the year and maybe a total number of interest expense for 2016?

Paul Vasington - *Sensata Technologies Holding NV - CFO*

I think we are in --

Jacob Sayer - *Sensata Technologies Holding NV - VP of Treasury and IR*

It's going to be higher. It's going to be in the $190 million range for the full year.

Shawn Harrison - *Longbow Research - Analyst*

Sorry, what was that? $190 million.

Jacob Sayer - *Sensata Technologies Holding NV - VP of Treasury and IR*

$190 million for the full year.

Shawn Harrison - *Longbow Research - Analyst*

Thanks, Jacob.

Operator

Rich Kwas, Wells Fargo.

Rich Kwas - *Wells Fargo Securities, LLC - Analyst*

Hello. Good morning. Thanks for the presentation. Helpful.

Martha, in terms of the longer-term outlook, in terms of what you provided last year at the Investor Day, is high single-digit organic growth still viable for this business in a normalized economic environment? How are you thinking about that? I didn't see that on the last slide.

I know that was part of the pillars of the longer-term outlook. So if you could just provide some additional color on that longer term.

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Martha Sullivan - *Sensata Technologies Holding NV - President and CEO*

Sure. The way we are thinking about that -- if you go back to Investor Day, I think our perspective on the underlying secular growth has not changed. So trying to give you some color on what drives that and why we are confident in that, our thesis have been that over time, markets will move up and markets will move down. And it really will be that secular growth piece that drives the overall.

I think the learnings out of 2015 are really take the time to understand what time is it in the end markets where we play. And by design, we are expanding those end markets. So we are taking the time to really understand the cycles and understand how that overlays. And we will share those perspectives with you as they continue to develop.

But I think the most important piece of this, which is the secular growth driven by strong sensor content, has not changed.

Rich Kwas - *Wells Fargo Securities, LLC - Analyst*

Okay. So the bottom line is there is cyclicality of the business. You are factoring that in, in terms of the end market cyclicality.

Martha Sullivan - *Sensata Technologies Holding NV - President and CEO*

The thing I would point out is unlike votes that are all in and automotive, we are increasing the exposure so that there's different cycles that are phase shifted. And I think that strengthens the overall business model.

Rich Kwas - *Wells Fargo Securities, LLC - Analyst*

Yes, understood.

Then I noticed on the Schrader business, the TPMS business, that's flat now versus the market growth. I know -- Paul, I think you might have mentioned price downs. But is that business going to grow at a production growth level on a longer-term basis? I know you've got potentially China regulation as a lever out in the future. But how do we think about that from a growth standpoint normalized?

Martha Sullivan - *Sensata Technologies Holding NV - President and CEO*

I think you hit the first piece of it correctly. So now we are entering the year, we look at price downs. We look at automotive production rates that are globally 2% up. And where some of that growth is, there's not TPMS today. So we are giving you a line of sight of how that plays out into the year.

Longer term, there is growth in TPMS. And China is an important element of it. China standards continue to develop. We are on track with our thesis of that having an impact in 2019.

But in addition to China, we are seeing some exciting developments around the use of tire pressure sensing, for example, in the commercial truck space, in trailers, and even in places like motorcycles. So we're very optimistic about content growth in TPMS.

At the same time, we have been very clear that that growth is episodic around regulation. And so over the next couple of years, we would expect it to move with production rates.

Rich Kwas - *Wells Fargo Securities, LLC - Analyst*

Okay, that's helpful.

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And two last quick ones. What's the assumption for China PMI within the guidance, underpinning the guidance for the year?

Then, Paul, for FX for 2017, if spot rates stay where they are, is there any lift on a year-over-year basis as we think about 2017? Or is it just unless rates go up or the dollar softens, there is really not going to be much benefit in 2017, but you are neutral?

Paul Vasington - *Sensata Technologies Holding NV - CFO*

Actually, 2017 will be down because we had benefits of the hedges that we put on in 2014, 2015, some of it that benefited 2016. So we've been on this steady decline. The impact will be far less than we would see in 2016. But more likely than not, we will have a little more FX headwind in 2017.

Martha Sullivan - *Sensata Technologies Holding NV - President and CEO*

Significantly different than the 2015 to 2016 headwind that we are facing today.

Paul Vasington - *Sensata Technologies Holding NV - CFO*

We are hedging two years out at times.

Rich Kwas - *Wells Fargo Securities, LLC - Analyst*

So it is lower headwind than this year?

Paul Vasington - *Sensata Technologies Holding NV - CFO*

So a little bit down.

Martha Sullivan - *Sensata Technologies Holding NV - President and CEO*

On the PMI, we are not predicting a strong recovery on PMI. We are not predicting a significant decline from the very low level where it is right now. And we have factored in some of the recent declines into our guide

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Rich Kwas - *Wells Fargo Securities, LLC - Analyst*

Okay, thank you. Appreciate it.

Operator

Samik Chatterjee, JPMorgan.

Samik Chatterjee - *JPMorgan - Analyst*

Hello, Martha.

Hello, Paul.

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Just wanted to come back to the discussion about content growth. And if you could put that in context of the cadence of regulations you see on the light and heavy vehicle side in 2016 and beyond. Because when we talk to some of the auto suppliers, particularly on the imaging side, they talk about 2016 being like a transition year. So maybe you can share your thoughts on that?

Martha Sullivan - *Sensata Technologies Holding NV - President and CEO*

We do have content growth expectations in 2016 for the truck, despite the really weak end markets. We're seeing a little bit of push out in some of those programs, which we are used to seeing in a very down market. So not anticipating that folks are going to comply any earlier than regulation requires them to, just given the state of the overall industry.

But if you look over the next couple of years, that is an important content driver.

Samik Chatterjee - *JPMorgan - Analyst*

Okay. Great.

So just going to tire pressure monitoring next. I noticed recently another manufacturer, Hamilton I believe, announced they're opening a facility in China in 2016. And just wondering if there's been a change in expectations for the industry about the timeline of deregulation coming through that could have triggered that. And any updates on that front.

Martha Sullivan - *Sensata Technologies Holding NV - President and CEO*

No, our expectations on regulation have not changed. One development at Sensata I would point you to is that we launched tire pressure sensing in China actually last year and are continuing to load that location. And we are continuing to get design wins on TPMS in China. So our expectations for a ramp in China in 2019-ish have not changed.

Jacob Sayer - *Sensata Technologies Holding NV - VP of Treasury and IR*

Thanks.

Samik Chatterjee - *JPMorgan - Analyst*

Thank you.

Operator

Amit Daryanani, RBC Capital Markets.

Amit Daryanani - *RBC Capital Markets - Analyst*

Yes, thanks. A couple questions for me.

One, Paul, you can you talk about your free cash flow expectations in 2016? I think you're talking about up 3%, about 4% at the midpoint. I'm a little surprised with that because I thought the take was 2015 free cash flow is depressed because CapEx was ahead of plan. And you had a lot of one-time charges that were flowing through.

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Just what are you thinking about 2016 free cash flow? What is your CapEx assumption there?

Paul Vasington - *Sensata Technologies Holding NV - CFO*

The CapEx assumption will be in the $150 million to $175 million range for 2016. And in 2015, we did have a fair amount of funding of restructuring and pre-acquisition settlements that we disclosed.

Next year -- we've taken a bunch of restructuring this year, and we will be funding some of those programs next year as well. We're going to have higher earnings, and so that will certainly help the free cash flow.

The CapEx will be down a little bit, we will have these funding items as well. So I think the 3.75% makes a lot of sense of terms of a midpoint of guide for 2016.

Martha Sullivan - *Sensata Technologies Holding NV - President and CEO*

At the same time, I would point you to some improvements that we made on our working capital. The team has done a great job of bringing that down on a continuous improvement basis.

Amit Daryanani - *RBC Capital Markets - Analyst*

Fair enough.

And then just on the CST benefits that you are expecting of $0.08 to $0.10, does that factor in $15 million, $20 million of integration charges as well? So that number would be bigger on a gross basis effectively?

Paul Vasington - *Sensata Technologies Holding NV - CFO*

Make sure you understand that that charge shows incremental earnings per share. So it's $0.02 to $0.04 earnings per share in 2016 versus a $0.06 loss in Q4 of 2015. So it is a gross change.

With that said, we are going to be integrating the business. We are going to spend -- of the $20 million or so that we talked about, $15 million or $20 million we talked about in 2016, CST will represent about one-third to one-half of that.

Martha Sullivan - *Sensata Technologies Holding NV - President and CEO*

The $0.02 does include integration

Paul Vasington - *Sensata Technologies Holding NV - CFO*

Yes, it includes integration. It also includes the impact of interest expense on the debt required to fund the purchase of CST.

Amit Daryanani - *RBC Capital Markets - Analyst*

I guess finally, as you look at capital allocation in 2016, is it a bigger priority for you to further deleverage your balance sheet or actually do buybacks at more opportune times? Which one would you weigh more heavily as you go through 2016?

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Martha Sullivan - *Sensata Technologies Holding NV - President and CEO*

I'm going to be very consistent on this point. We look at balancing against all three of the priorities that I talked about previously.

Amit Daryanani - *RBC Capital Markets - Analyst*

Thank you.

Operator

Jim Suva, Citi.

Jim Suva - *Citigroup - Analyst*

Thank you.

You mentioned a little bit about Schrader and the tire pressure industry of what it is going through and waiting for China and things like that. Can you help us remind us about what your expectations are, or maybe the agreed-upon legislation of when that should come out to spur growth?

Then, on the same topic, I believe that you were talking about going into the after-market tire pressure business. Is that still the case, and what is the status of that? I'm trying to triangulate around what type of growth you are expecting for that business and timeline of the cadence.

Martha Sullivan - *Sensata Technologies Holding NV - President and CEO*

Yes, so we have consistently talked about regulation developing in China. We think that is the largest growth driver of TPMS. And our expectation is that we will see that early compliance in around 2019.

So we are carefully watching how standards are developing. We are carefully watching the rule making. And what will be important in China is the actual enforcement of that regulation.

At the same time, we see other applications that are new uses of tire pressure sensing. So that includes commercial truck, for the first time, looking at this as potentially a regulatory area. It includes consumer interest and things like trailers from a safety perspective as well. So while China is an important growth driver, it is not the only growth driver.

Jim Suva - *Citigroup - Analyst*

Okay. Then a follow-up on that. You didn't mention after-market, so I didn't not know if that has changed or not?

Martha Sullivan - *Sensata Technologies Holding NV - President and CEO*

I'm sorry, Jim. My bad. That's actually a really interesting space. We have after-market position today to represent, I believe, about 20% of the overall business.

When you look at how after-market grows, it is a function of what is the installed base of that feature in the overall park or the overall fleet that's out there today. So given that, for example, Europe mandates on tire pressure are only now a year old. So we have a small part of what's already out there in the field with tire pressure sensors on it.

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So each year, that installed base is going to grow. And as it grows, the demand for after-market sensors will grow as well. So we do think it is an important component. It is one more thing that drives the growth of tire pressure sensing. So thanks for the question. Thanks for reminding me, I appreciate that.

Having said that, we think in 2016 and 2017, we will probably see tire pressure sensing. Content growth will be there, but not at the overall Sensata average.

Jim Suva - *Citigroup - Analyst*

Great, thank you so much for the details.

Operator

Joe O'Dea, Vertical Research Partners.

Joe O'Dea - *Vertical Research Partners - Analyst*

Hello, good morning.

First, on the incremental $0.20 of earnings contribution from acquisitions in 2017, is that primarily a function of lower integration costs? Or does it also involve any acceleration from previous time lines in some of the actions that you had for marching margins higher?

Paul Vasington - *Sensata Technologies Holding NV - CFO*

I think it is an all-in number. It includes lower integration costs. It includes operating efficiencies and synergies that are being created as we integrate the business. It reflects our underlying operating performance. So it is an all-in number for those businesses.

Joe O'Dea - *Vertical Research Partners - Analyst*

Okay. But versus prior time lines that you would've laid out for Schrader and CST in particular, that doesn't contemplate pulling anything forward really?

Paul Vasington - *Sensata Technologies Holding NV - CFO*

I think CST is consistent terms of what we had said about accretion. We did pull forward some of the integration costs into Q4 2015. And that's reflective in the integration costs that we report out here of $8.8 million in Q4.

As it relates to Schrader, all along we've been talking about how Schrader has performed extremely well, above expectation. So we're very excited about the progress that's going on there. And that carries into 2016 and beyond.

Martha Sullivan - *Sensata Technologies Holding NV - President and CEO*

I think we don't have the view that the ultimate accretion is higher than what we would have laid out. The pace of accretion has been better, for example, in the case of Schrader.

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Joe O'Dea - *Vertical Research Partners - Analyst*

Yes, okay.

Then on slide 6 and the $350 million to $400 million revenue opportunity in four to five years, I know it is representation, not a full picture of what is out there. But you talk a little bit about the cadence of that?

Martha, you mentioned that's not a linear trajectory. And then how does that generally get affected if you do see lower market volumes? Is it really just a function of lower unit volumes? Or is it also a compounded effect if some things getting delayed?

Martha Sullivan - *Sensata Technologies Holding NV - President and CEO*

Yes, good question. On 6, what we tried to lay out here is take out the end market impacts. So when we are talking about the growth rates of these applications, the first thing to understand is there is no vehicle growth in that; and there's no vehicle decline in that. So it is the standalone installation of these applications into the automotive production rate.

The second thing I would point out is that these are not our numbers. For most of them, I think the HVOR is the only place we needed to develop that ourselves. But that's actually third-party data.

So the way you can think about that is look at what third parties are saying about the growth and the installation of these applications in the worldwide fleet. If we simply hold our share that we have today, and we've got nice shares in these applications, we're going to enjoy that growth. And that will give you a sense of what that overall pace is.

Paul Vasington - *Sensata Technologies Holding NV - CFO*

Thanks.

Joe O'Dea - *Vertical Research Partners - Analyst*

Great. Thanks very much.

Operator

Will Stein, SunTrust.

Will Stein - *SunTrust Robinson Humphrey - Analyst*

Thanks for taking my question. And thanks again for the very detailed and thoughtful presentation today. I'm wondering if you can dig into inventory a little bit.

Martha, you mentioned that while you did see a recovery in sales in China sellthrough, if you will, that inventory has muted the effect on production. Can you talk a bit about the predictability of the inventory builds and then burns in China relative to the rest of the world?

Is that harder to see happen? Did this surprise the Company? And when do we think that gets consumed?

Then maybe the same question relative to the controls business, where I think you are still seeing a burn. Wondering when we anticipate that ending? Thank you.

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Martha Sullivan - *Sensata Technologies Holding NV - President and CEO*

Sure. It is a little more difficult in China for lots of reasons. You've got many more players in the business. You have not the same level of reporting visibility.

Having said that, our backlog and our engagements with customers give us a decent sense for what the actual take rates are. In automotive in China, we get better visibility on that overall order rate than we get in many other aspects of our business in China.

So, yes, it is more difficult than mature markets. Still better visibility than folks might be used to thinking about when you think about China. The way we are thinking about this is we do think that the demand increase is there, for the reason that we talked about. If you just look at the impact of low per capita utilization rates, particularly in the tier 2 through tier 6 cities, we will see vehicle growth in demand in 2015 on those.

If we just do the math though on the overall inventory build, we don't think we can ignore that piece of it. And our expectation is that inventory build will be taken down throughout the year. That's how we got to our overall guide.

Relative to other parts of the market, there are a few things. In China, in particular, we have seen a lot of inventory draw down in most of the applications that affect our solutions business. What we continue to be concerned about is the eroding manufacturing PMI. So that will tend to have us expecting more adjustment, although there does seem to be a bit more discipline on those.

Keep in mind now, when we talk about Sensing Solutions in China, we are talking about no more than $150 million to $200 million in overall revenue for Sensata at this point

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Will Stein - *SunTrust Robinson Humphrey - Analyst*

That's helpful.

If I can follow-up with one more. There's a slide in the presentation that highlights your current average and then your opportunity in all electric vehicles, which I think is helpful and maybe at a higher number than I thought and probably what others perhaps thought as well. But could you highlight what the total opportunity is in EV versus hybrid versus internal combustion for us today? Thank you.

Martha Sullivan - *Sensata Technologies Holding NV - President and CEO*

Yes, it is beginning to be not so different. We are starting to get a bit agnostic on this point. We are certainly -- let me take you through it.

I think the one today that has got the most content opportunity is going to be a hybrid vehicle. The reason being that when you are talking about electrified vehicles, and certainly when you are talking about pure EVs, what we're seeing is a much more deliberate move towards extremely efficient subsystems. So that's actually moved faster than we expected. And that's why you are seeing these content on pure EVs for Sensata come up.

So if you just look at an extremely efficient subsystem, for example climate control, braking, and then you conclude that's going to be on both the hybrid vehicle and an EV. And now you throw back the combustion on the hybrid, that's a nice overall content opportunity for Sensata. We are getting to the point, though, where the EV versus a conventional car with an ICE engine, we are seeing a closing gap on overall content opportunity.

You asked about what is that overall content opportunity on EVs. Today if we had 100% market share -- for example, on the Chevy Volt -- of everything we could provide, we would actually have significantly more than $30 per vehicle, which is a pretty good content number for us.

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Operator

Steven Fox, Cross Research.

Steven Fox - *Cross Research - Analyst*

Thanks. Just a quick question from me.

My understanding is that CST is not included in your organic growth. So can you give us a sense for were you now see organic growth for that business in 2016? And what are the main drivers, and what changed since 90 days ago?

Paul Vasington - *Sensata Technologies Holding NV - CFO*

On the top line, we will have 11 months of CST as an acquired business. Right now, the revenue that the investment case holds, and we feel it is going to perform in line with that. It will have very little impact on organic growth next year since we will count it all as acquired.

Steven Fox - *Cross Research - Analyst*

I understand that. That's why I'm trying to understand what CST as a standalone business would grow organically.

Martha Sullivan - *Sensata Technologies Holding NV - President and CEO*

Just keep in mind, so we're not expecting a lot of growth from what would have been 2015 to 2016, 2015 being under other ownership. The point being that when we look at the business and how it was managed, there was not a lot of investment for growth. Our investment thesis is that we get it growing. And that's been a lot of the early days' focused on this as well.

So the earnings accretion that we are talking about is very well within our control. We are not looking to grow our way into earnings growth for CST in 2016. We do think that we start to see the business move from end market to growth in the two- to three-year time horizon.

Steven Fox - *Cross Research - Analyst*

Got it, and that's basically unchanged from, say, 90 days ago in terms of your view?

Martha Sullivan - *Sensata Technologies Holding NV - President and CEO*

Yes, that's right, exactly.

Steven Fox - *Cross Research - Analyst*

Thank you.

Operator

As there are no more questions, I'd like to turn the conference call back over to Mr. Sayer for closing remarks.

Mr. Sayer?

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Jacob Sayer - *Sensata Technologies Holding NV - VP of Treasury and IR*

Thank you, Lauren.

I'd like to thank you all for joining our fourth-quarter and full-year 2015 financial results call today.

Later in the quarter, Sensata will be participating in Goldman Sachs' Technology Investor Conference in San Francisco on February 9, 2016, and Barclays' Industrial Investor Conference in Miami on February 17, 2016. These events will be webcast live and available for replay from the Investor section of our website at www.Sensata.com.

We appreciate your continued interest in, and support of, Sensata and look forward to speaking with you on the road and again next quarter. Thank you and goodbye.

Operator

This concludes the call for today. You may now disconnect.

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