Sensata Technologies

SENSATA SECOND QUARTER 2017 EARNINGS PRESENTATION

JULY 25, 2017

Forward-Looking Statements

In addition to historical facts, this earnings presentation, including any documents incorporated by reference herein, includes "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements relate to analyses and other information that are based on forecasts of future results and estimates of amounts not yet determinable. These forward-looking statements also relate to our future prospects, developments, and business strategies. These forward-looking statements may be identified by terminology such as "may," "will," "could," "should," "expect," "anticipate," "believe," "estimate," "predict," "project," "forecast," "continue," "intend," "plan," and similar terms or phrases, or the negative of such terminology, including references to assumptions. However, these terms are not the exclusive means of identifying such statements. Forward-looking statements contained herein, or in other statements made by us, are made based on management's expectations and beliefs concerning future events impacting us, and are subject to uncertainties and other important factors relating to our operations and business environment, all of which are difficult to predict, and many of which are beyond our control, that could cause our actual results to differ materially from those matters expressed or implied by forward-looking statements. These forward-looking statements relate to analyses and other information that are based on forecasts of future results and estimates of amounts not yet determinable. Although we believe that our plans, intentions, and expectations reflected in, or suggested by, such forward-looking statements are reasonable, we can give no assurances that any of the events anticipated by these forward-looking statements will occur or, if any of them do, what impact they will have on our results of operations and financial condition.

Q2 2017 GAAP Results

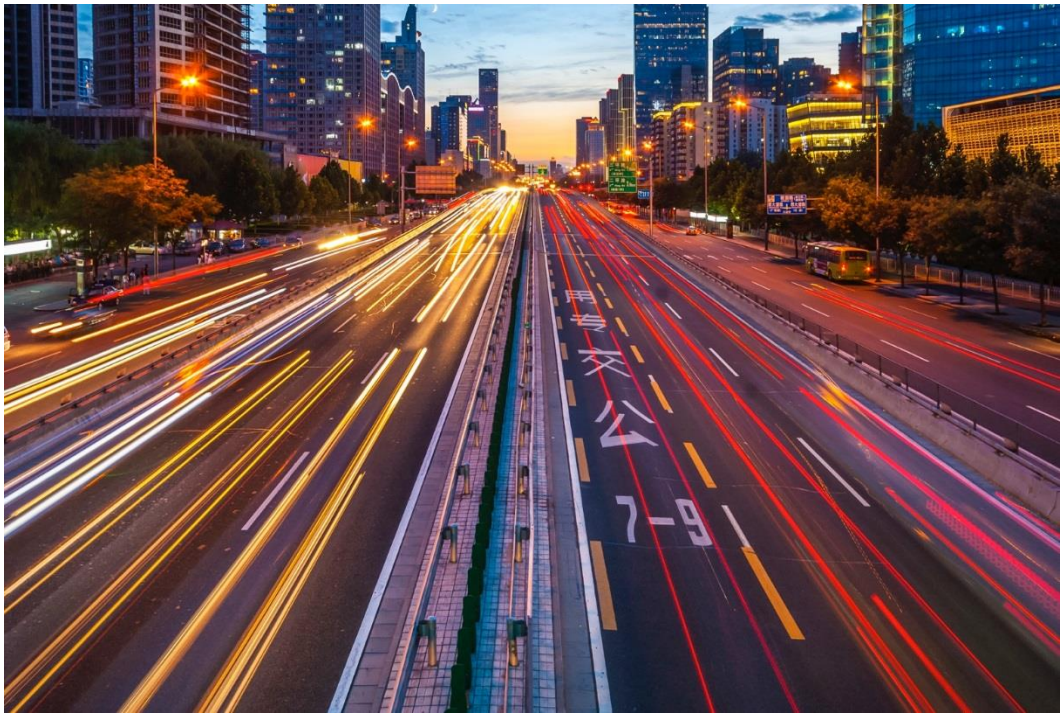
	Q2 2017	Q2 2016	Δ
Revenue	$839.9M	$827.5M	1.5%
Gross Profit (% of revenue)	$298.8M *35.6%*	$290.1M *35.1%*	3.0%
R&D (% of revenue)	$31.2M *3.7%*	$32.3M *3.9%*	(3.3%)
SG&A (% of revenue)	$81.0M *9.6%*	$77.7M *9.4%*	4.3%
Profit from Operations (% of revenue)	$139.2M *16.6%*	$128.1M *15.5%*	8.7%
Net Income (% of revenue)	$79.5M *9.5%*	$65.5M *7.9%*	21.3%
Diluted EPS	$0.46	$0.38	21.1%
Diluted Shares Outstanding	171.9M	171.3M	0.6M

Solid Organic Revenue Growth & Margin Expansion in Q2-17

- ✓ **Organic revenue growth of 3.6% –** significant strength in Asia, HVOR and industrial markets; automotive business outgrows softer market
- ✓ **Robust margin expansion –** adjusted EBIT margin expands by 140 basis points y/y; adjusted net income margin expands 160 basis points y/y
- ✓ **Delivering double-digit adjusted EPS growth –** organic EPS growth of 12.3% y/y driven by both core productivity initiatives and growing profitability of acquired businesses
- ✓ **Good momentum securing new design wins –** expect continued trend of y/y growth for new design wins; second straight quarter of strong performance



Asia Continues to Be Strongest Driver of Organic Revenue Growth Due to Strength in China



ASIA

12.2% organic revenue growth in Q2-17

- Broad-based strength in China across all businesses due to combination of tightening regulation, growing middle-class, and maturation of mid-size cities
- Robust growth in China Auto as content growth drives above market performance
- Strong demand from industrial and HVAC customers

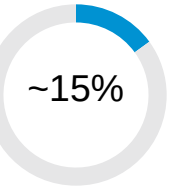
Q2-17 Performance by End Market

PERCENT OF REVENUES



HVOR – Organic revenue growth: 12.5%

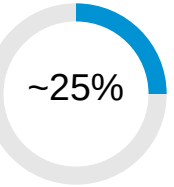
- Strong performance from both on-road and off-road segments
- Strong content growth in Q2-17 and poised to outgrow markets in FY-17 due to another strong year of content gains
- Unit volume production moves higher as markets recover: NA Class 8 Truck, Construction, and Agriculture markets





Industrial, HVAC & Other – Organic rev growth: 3.9%

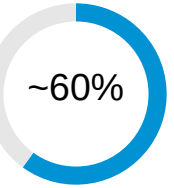
- Strong performance in Industrial Sensing due to expanding content growth, particularly in Europe and Asia
- HVAC market fundamentals remain strong
- Improved health of Chinese industrial customers continues to drive segment





Auto – Organic revenue growth: 1.4%

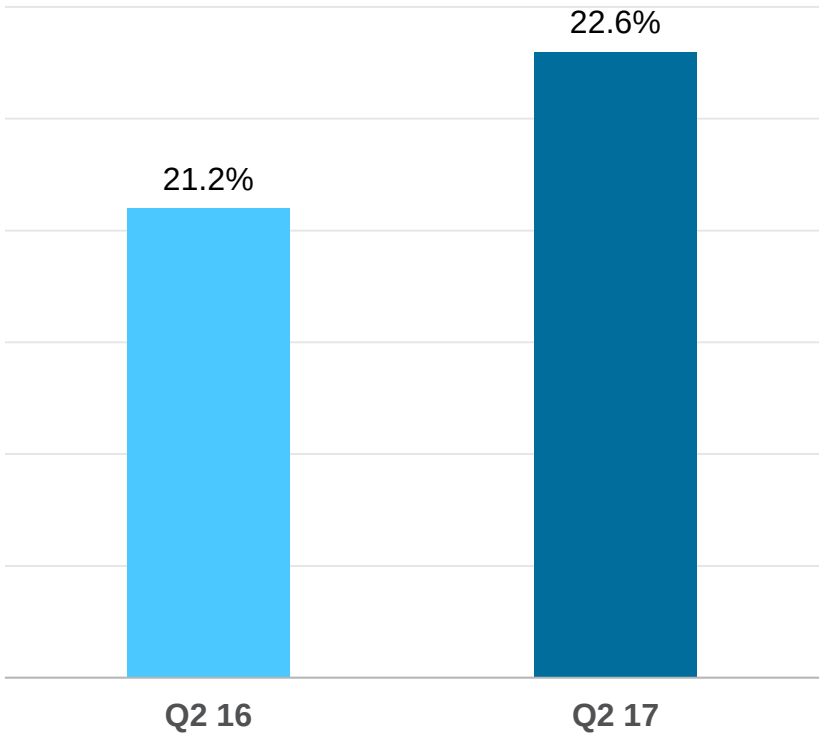
- China Auto drives highest growth in Q2-17
- Auto production down as expected
- Continued momentum with new design wins



Robust Year-Over-Year Margin Improvement

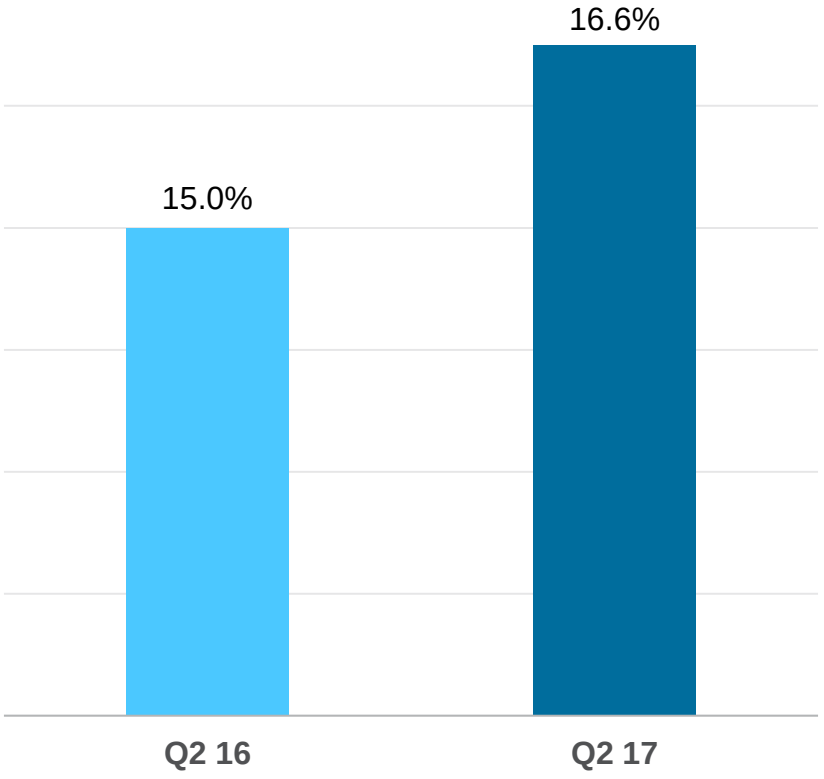
ADJUSTED EBIT MARGINS

+ 140 BASIS POINTS



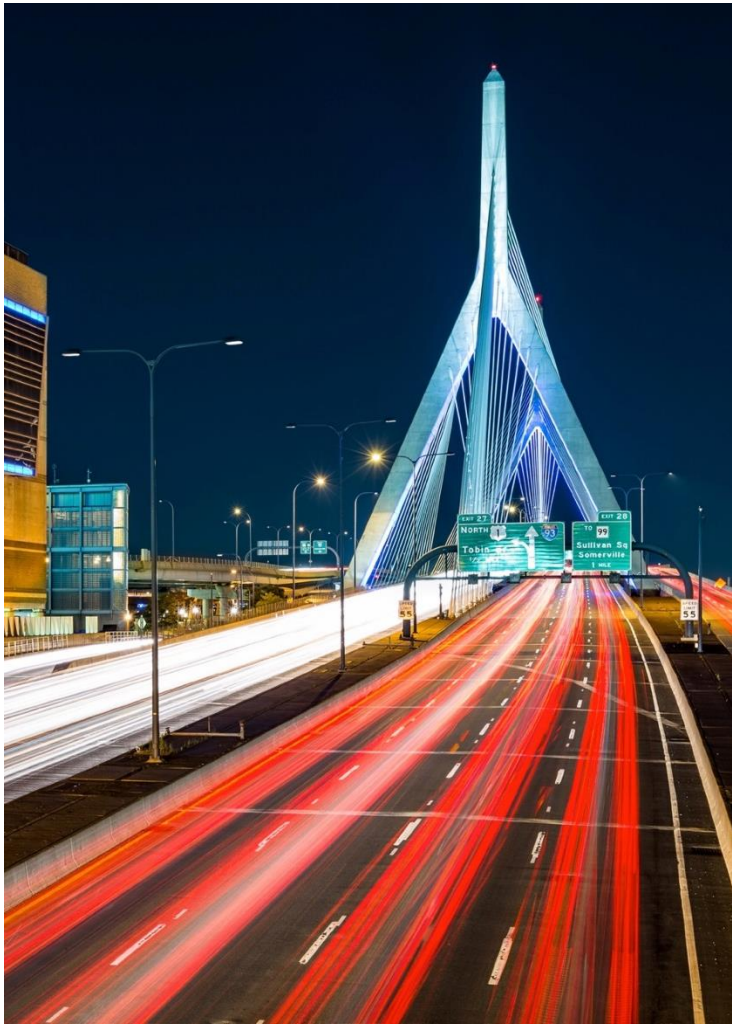
ADJUSTED NET INCOME MARGINS

+ 160 BASIS POINTS



Continued Focus on Growth, Margin Improvement and Capital Deployment

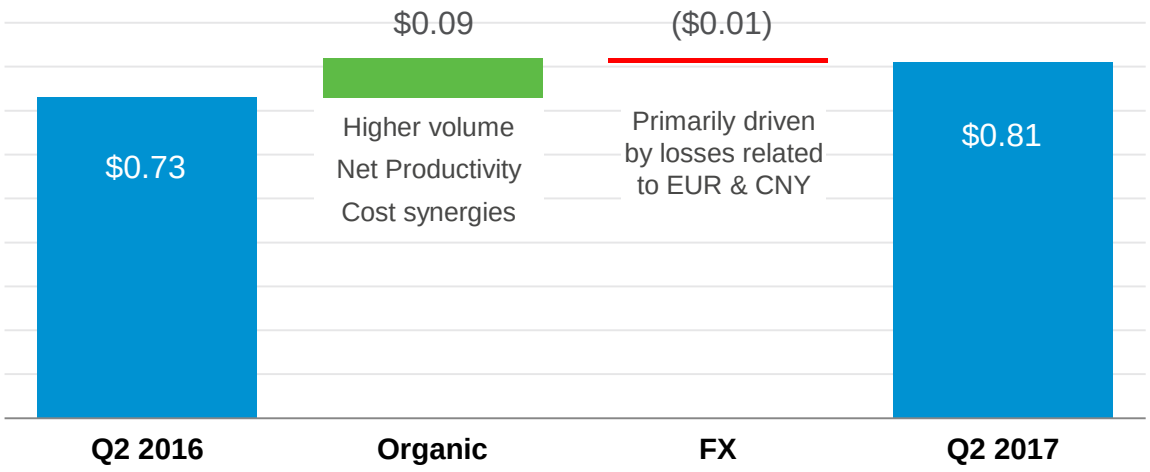
- **Strong performance in H1-17**
  - Strong growth in HVOR and industrial markets
  - Steady organic growth in auto markets
  - Continued execution on margin expansion
- **Raising full year guidance** to reflect strong performance in H1-17
- **Achieving key integration milestones**
- **Delivering on promise to strengthen balance sheet –** net leverage ratio reduced to 3.4x
  - Expect another year of strong free cash flow



Q2 2017 Financial Summary

ADJUSTED NET INCOME GROWS 13% ORGANICALLY

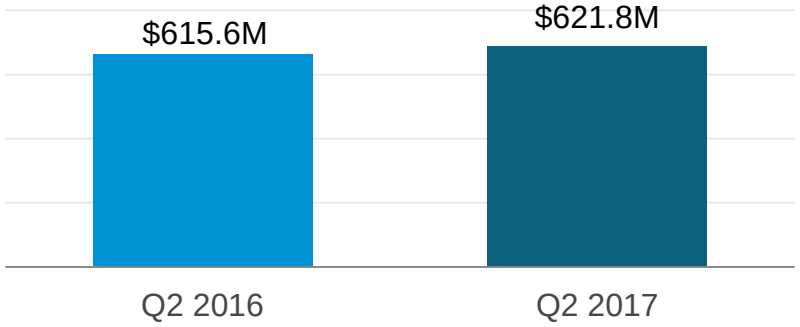
	Q2 2017	Q2 2016	Δ
Revenue	$839.9M	$827.5M	1.5%
Adjusted EBIT *% revenue*	$189.6M *22.6%*	$175.3M *21.2%*	8.2%
Adjusted Net Income *% revenue*	$139.0M *16.6%*	$124.3M *15.0%*	11.8%
Adjusted EPS	$0.81	$0.73	11.0%



- Revenue growth of 1.5% composed of:
  - Organic revenue growth: 3.6%
  - Foreign exchange lowers revenue by (2.1%)
- Adjusted EBIT grows 8.8% organically due to higher volume, core productivity initiatives and improved profitability from acquired businesses
- Majority of FY-17 integration spending now completed
- ANI grows 12.8% organically on only 3.6% organic revenue growth

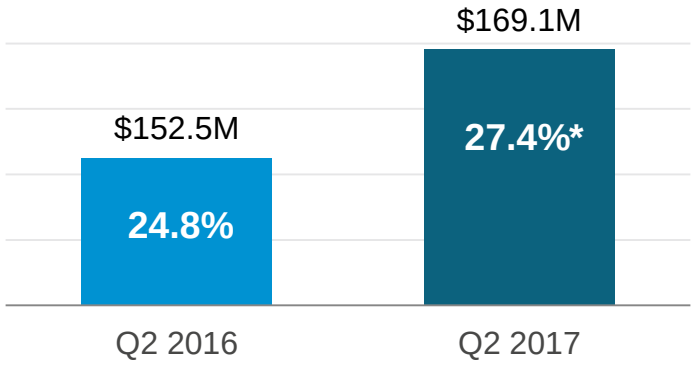
Q2 2017: Performance Sensing

REVENUE



SEGMENT PROFIT

% SEGMENT MARGIN (EXCLUDING FX)



Q2-17 REVENUE GROWTH	REPORTED	ORGANIC
Automotive	(1.2%)	1.4%
HVOR	11.1%	12.5%
Performance Sensing	**1.0%**	**3.5%**

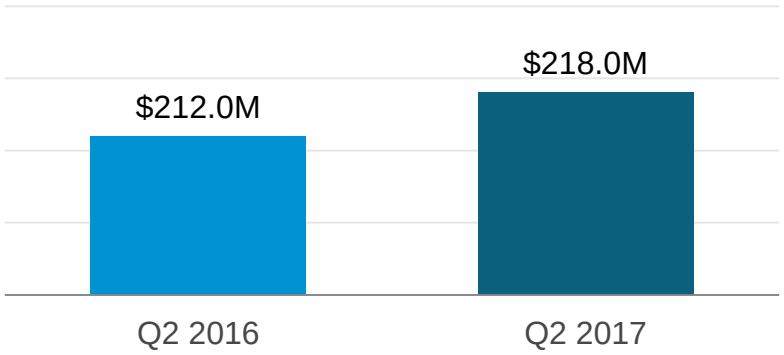
Foreign exchange (2.5%) negative impact

- Positive auto organic revenue growth in a declining global auto production market
- Strong, above market performance in HVOR due to content growth
- Profit margins expand 260 bps y/y excluding FX due to lower integration spend and increasing M&A cost synergies

*% of revenue, excludes FX

Q2 2017: Sensing Solutions

REVENUE

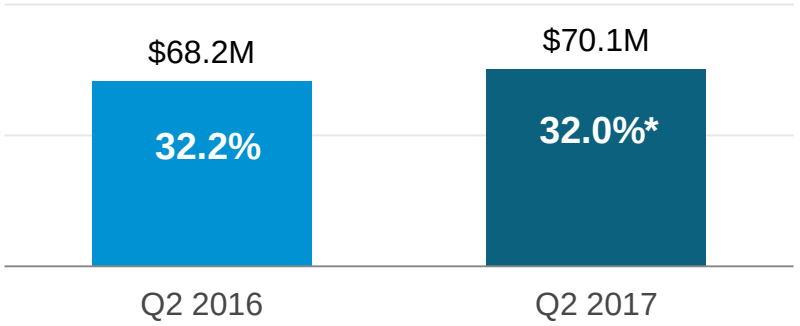


Q2-17 REVENUE GROWTH	REPORTED	ORGANIC
Sensing Solutions	2.9%	3.9%

Foreign exchange (1.0%) impact

SEGMENT PROFIT

% SEGMENT MARGIN (EXCLUDING FX)



- Continued momentum in HVAC, Appliance and Industrial markets
  - Organic revenue growth: 4.4% in H1-17
- Industrials businesses benefitting from strength in Asia
- Poised for higher margins in FY-18 as integration initiatives are completed this year

*% of revenue, excludes FX

Q2 2017 Non-GAAP Results

	Q2 2017	Q2 2016	Δ
Revenue	$839.9M	$827.5M	1.5%
Adj. Gross Profit (% of revenue)	$304.3M *36.2%*	$293.7M *35.5%*	3.6%
R&D (% of revenue)	$31.2M *3.7%*	$32.3M *3.9%*	(3.3%)
Adj. SG&A (% of revenue)	$79.2M *9.4%*	$76.6M *9.3%*	3.4%
Adj. Other Opex[1]	$5.8M	$2.0M	NM
Adj. Other Gains/(Losses), net	$1.5M	($7.5M)	119.8%
Adj. EBIT (% of revenue)	$189.6M *22.6%*	$175.3M *21.2%*	8.2%
Adj. Tax Rate[2]	6.5%	6.3%	20 bps
Adj. Net Income	$139.0M *16.6%*	$124.3M *15.0%*	11.8%
Adj. EPS	$0.81	$0.73	11.0%

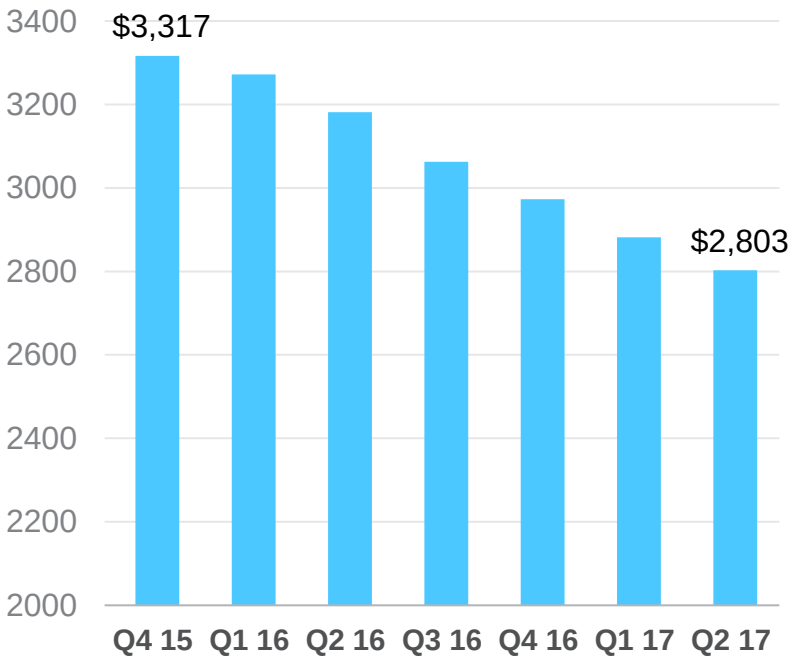
1 – Represents sum of adjusted amortization of intangible assets and adjusted restructuring and special charges

2 – Represents adjusted taxes divided by adjusted EBIT

Delivering on Promise to Strengthen Balance Sheet

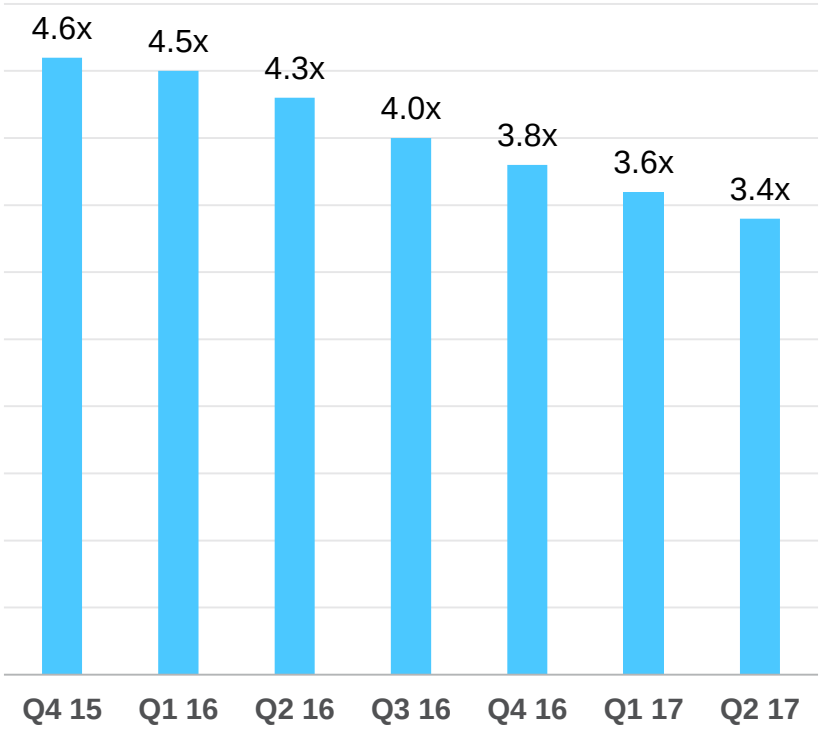
NET DEBT ($M)

~$515M OF NET DEBT REDUCTION SINCE Q4-15



NET LEVERAGE RATIO

LEVERAGE RATIO OF **~3.0X** BY END OF 2017*



* Assumes no additional M&A or share repurchases

2017 Financial Guidance

	FY 2016	FY 2017 GUIDANCE	REPORTED	ORGANIC
Revenue	$3,202M	$3,214M – $3,290M	0%– 3%	2% – 3%
Adj. EBIT	$695.3M	$741M – $755M	7% – 9%	7% – 9%
Adj. Net Income	$494.8M	$537M – $551M	9% – 11%	10% – 12%
Adj. EPS	$2.89	$3.12 – $3.20	8% – 11%	9% – 12%

COMMENTS

- Narrowing revenue guidance to high-end of range
- FX expected to lower revenue by ~$32M
  - Adjusted EPS impact from FX remains unchanged: ($0.02) - ($0.03)
- Integration expense: ~$19M-$20M
- Raising midpoint of Adj. EPS guidance by $0.02

Q3-17 Financial Guidance

	Q3-16	Q3-17 GUIDANCE	REPORTED	ORGANIC
Revenue	$789.8M	$781M – $817M	(1%) – 3%	0% – 3%
Adj. EBIT	$176.3M	$185M – $191M	5% – 8%	4% – 8%
Adj. Net Income	$126.3M	$133M – $139M	5% – 10%	4% – 9%
Adj. EPS	$0.74	$0.77 – $0.81	4% – 9%	3% – 8%

COMMENTS

- Third quarter is historically a seasonably lower quarter for Sensata
- Expected performance in-line with original guidance assumptions (organic) at beginning of the year
- Strong fill rate of 87%

Sensata is Committed to Shareholder Value Creation

- ✓ Deliver **double-digit organic EPS growth**
- ✓ Sustain high-profitability and **increase margins** of acquired businesses
- ✓ Leading and expanding positions in markets with **attractive long-term growth**
- ✓ Strong **cash generation** and value-creating **capital deployment**

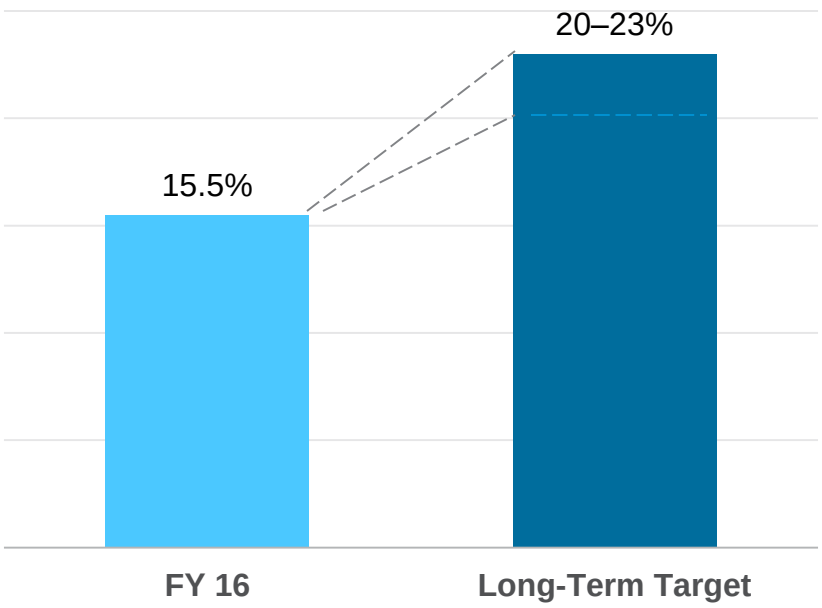
Win In Sensing

APPENDIX

SENSATA SECOND QUARTER 2017 EARNINGS SUMMARY

Opportunity for Sustained, Long-Term Margin Expansion

ADJUSTED NET INCOME MARGIN



PERFORMANCE LEVERS

- Improved profitability of acquired businesses
- Volume growth, operating leverage, and net productivity gains
- Roll-off of integration expenses

H1 2017 GAAP Results

	H1 2017	H1 2016	Δ
Revenue	$1,647.1M	$1,624.1M	1.4%
Gross Profit (% of revenue)	$573.4M *34.8%*	$558.3M *34.4%*	2.7%
R&D (% of revenue)	$63.0M *3.8%*	$63.6M *3.9%*	(1.0%)
SG&A (% of revenue)	$151.3M *9.2%*	$149.6M *9.2%*	1.1%
Profit from Operations (% of revenue)	$260.4M *15.8%*	$241.7M *14.9%*	7.7%
Net Income (% of revenue)	$151.2M *9.2%*	$126.1M *7.8%*	19.9%
Diluted EPS	$0.88	$0.74	18.9%
Diluted Shares Outstanding	171.9M	171.3M	0.6M

H1 2017 Non-GAAP Results

	H1 2017	H1 2016	Δ
Revenue	$1,647.1M	$1,624.1M	1.4%
Adj. Gross Profit (% of revenue)	$584.0M *35.5%*	$565.2M *34.8%*	3.3%
R&D (% of revenue)	$63.0M *3.8%*	$63.6M *3.9%*	(1.0%)
Adj. SG&A (% of revenue)	$148.2M *9.0%*	$146.9M *9.0%*	0.9%
Adj. Other Opex[1]	$13.9M	$3.4M	NM
Adj. Other Gains/(Losses), net	$1.3M	($11.9M)	111.3%
Adj. EBIT (% of revenue)	$360.3M *21.9%*	$339.4M *20.9%*	6.2%
Adj. Tax Rate[2]	6.4%	6.3%	10 bps
Adj. Net Income	$260.5M *15.8%*	$237.5M *14.6%*	9.7%
Adj. EPS	$1.52	$1.39	9.4%

1 – Represents sum of adjusted amortization of intangible assets and adjusted restructuring and special charges

2 – Represents adjusted taxes divided by adjusted EBIT

Q2 2017 Cash Flow Statement

	Q2 2017	Q2 2016	Δ
Net Income	$79.5M	$65.5M	21.3%
Depreciation & Amortization	$67.0M	$75.9M	(11.7%)
Changes in Working Capital	($50.7M)	($49.7M)	(2.1%)
Other	$18.4M	$18.7M	(1.4%)
Operating Cash Flow	$114.1M	$110.4M	3.4%
Capital Expenditures	($34.1M)	($30.2M)	(12.9%)
Free Cash Flow	$80.0M	$80.2M	(0.2%)

Changes recalculated based on unrounded numbers. Certain amounts will not sum due to rounding.

H1 2017 Cash Flow Statement

	H1 2017	H1 2016	Δ
Net Income	$151.2M	$126.1M	19.9%
Depreciation & Amortization	$136.1M	$152.4M	(10.7%)
Changes in Working Capital	($83.2M)	($59.9M)	(38.8%)
Other	$29.8M	$28.1M	6.0%
Operating Cash Flow	$233.8M	$246.6M	(5.2%)
Capital Expenditures	($67.2M)	($64.5M)	(4.2%)
Free Cash Flow	$166.7M	$182.2M	(8.5%)

Balance Sheet

	JUN 30, 2017	JUN 30, 2016	DEC 31, 2016
Total Assets	$6,417.6M	$6,288.9M	$6,241.0M
Working Capital	$987.6M	$567.1M	$758.2M
Intangibles, Net & Other Long-Term Assets	$4,829.4M	$4,992.6M	$4,899.5M

	JUN 30, 2017	JUN 30, 2016	DEC 31, 2016
Cash & Equivalents	$511.5M	$309.1M	$351.4M
Current Debt	$10.7M	$139.2M	$14.6M
Net Cash	$500.8M	$169.9M	$336.8M

Sensata Peer Group

ST Peer Group	Sector
1. Ametek Inc	Industrial
2. Amphenol Corp	Tech
3. Delphi	Auto
4. Fortive	Industrial Tech
5. FLIR Systems	Tech
6. Gentex	Auto
7. Littlefuse	Industrial
8. Rockwell	Industrial
9. Roper	Industrial
10. TE Connectivity	Industrial Tech
11. Wabco	Industrial

Sensata Technologies

NON-GAAP FINANCIAL MEASURES

Non-GAAP Measures

We supplement the reporting of our financial information determined in accordance with U.S. generally accepted accounting principles ("GAAP") with certain non-GAAP financial measures. We use these non-GAAP financial measures internally to make operating and strategic decisions, including the preparation of our annual operating plan, evaluation of our overall business performance, and as a factor in determining compensation for certain employees. We believe presenting non-GAAP financial measures may be useful for period-over-period comparisons of underlying business trends and our ongoing business performance. We also believe presenting these non-GAAP measures provides additional transparency into how management evaluates our business.

Non-GAAP financial measures should be considered as supplemental in nature and are not meant to be considered in isolation or as a substitute for the related financial information prepared in accordance with U.S. GAAP. In addition, our non-GAAP financial measures may not be the same as or comparable to similar non-GAAP measures presented by other companies.

Within this presentation we refer to the below measures which are not determined in accordance with U.S. GAAP (i.e., non-GAAP measures). Reconciliations of each non-GAAP measure to the most directly comparable U.S. GAAP financial measure are included within Appendix B.

Adjusted EBIT – represents net income, determined in accordance with U.S. GAAP, excluding interest expense, net, provision for/(benefit from) income taxes, and certain non-GAAP adjustments including: (1) restructuring and special charges, (2) financing and other transaction costs, (3) deferred losses/(gains) on other hedges, and (4) depreciation and amortization expense related to the step-up in fair value of fixed and intangible assets and inventory. We believe that this measure is useful to investors and management in understanding our ongoing operations and in analysis of ongoing operating trends.

Adjusted EBIT margin – represents adjusted EBIT divided by net revenue. We believe that this measure is useful to investors and management in understanding our ongoing operations and in analysis of ongoing operating trends.

Adjusted EBITDA – represents net income, determined in accordance with U.S. GAAP, excluding interest expense, net, provision for/(benefit from) income taxes, depreciation expense, amortization of intangible assets, and certain non-GAAP adjustments including: (1) restructuring and special charges, (2) financing and other transaction costs, (3) deferred losses/(gains) on other hedges, and (4) amortization expense related to the step-up in fair value of inventory.

Adjusted EPS– represents ANI divided by the number of diluted weighted-average ordinary shares outstanding during the period. We believe that this measure is useful to investors and management in understanding our ongoing operations and in analysis of ongoing operating trends.

Adjusted net income ("ANI") – represents net income, determined in accordance with U.S. GAAP, excluding certain non-GAAP adjustments including: (1) restructuring and special charges, (2) financing and other transaction costs, (3) deferred losses/(gains) on other hedges, (4) depreciation and amortization expense related to the step-up in fair value of fixed and intangible assets and inventory, (4) deferred income tax and other tax expense/(benefit), and (5) amortization of deferred financing costs and debt discounts. We believe that this measure is useful to investors and management in understanding our ongoing operations and in analysis of ongoing operating trends.

ANI margin – represents ANI divided by net revenue. We believe that this measure is useful to investors and management in understanding our ongoing operations and in analysis of ongoing operating trends.

Adjusted taxes – represents provision for/(benefit from) income taxes, determined in accordance with U.S. GAAP, excluding certain non-GAAP adjustments recorded to provision for/(benefit from) income taxes in our U.S. GAAP financial statements, such as deferred income tax and other tax expense/(benefit). We believe that this measure is useful to investors and management in understanding our ongoing operations and in analysis of ongoing operating trends.

Adjusted tax rate – represents adjusted taxes divided by adjusted EBIT. We believe that this measure is useful to investors and management in understanding our ongoing operations and in analysis of ongoing operating trends.

Free cash flow – represents net cash provided by/(used in) operating activities less additions to property, plant and equipment and capitalized software. We believe free cash flow is useful to management and investors as a measure of cash generated by business operations that will be used to repay scheduled debt maturities and can be used to, among other things, fund acquisitions, repurchase ordinary shares, and (or) accelerate the repayment of debt obligations.

Net debt – represents total debt, capital lease and other financing obligations less cash and cash equivalents. We believe net debt is a useful measure to management and investors in understanding trends in our overall financial condition.

Net leverage ratio – represents net debt divided by last twelve months (LTM) adjusted EBITDA. We believe net leverage ratio is a useful measure to management and investors in understanding trends in our overall financial condition.

Organic growth (or decline) – in discussing trends in the Company's performance, we refer to the percentage change of certain GAAP or non-GAAP financial measures in one period versus another, calculated on either a reported or organic basis. Changes calculated on an organic basis exclude the period-over-period impact of foreign exchange rate differences as well as the impact of acquisitions, net of exited businesses for the first 12 months following the transaction date. We believe that this measure is useful to investors and management in understanding our ongoing operations and in analysis of ongoing operating trends.

Segment margin (reported and constant currency basis) – on a reported basis, segment margin represents segment profit, as determined in accordance with U.S. GAAP, divided by segment net revenue. Segment margin on a constant currency basis represents segment profit, measured on a constant currency basis with a comparison (e.g., prior year) period, divided by segment net revenue, also measured on a constant currency basis with the comparison period. We believe that these measures are useful to investors and management in understanding our ongoing operations and in analysis of ongoing operating trends.

Adjusted EBIT – Q2 2017

Percentage amounts have been calculated based on unrounded numbers. Accordingly, certain amounts may not sum due to the effect of rounding.

	Q2 2017		Q2 2016		Change	
TOTAL SENSATA	**$000s**	**Margin[1]**	**$000s**	**Margin[1]**	**$000s**	**Margin[1]**
Net income	**$79,457**	**9.5%**	**$65,510**	**7.9%**	**21.3%**	**160 bps**
Interest expense, net	40,038	4.8%	41,757	5.0%	(4.1%)	(20 bps)
Provision for income taxes	18,611	2.2%	20,981	2.5%	(11.3%)	(30 bps)
Earnings before interest and taxes ("EBIT")	138,106	16.4%	128,248	15.5%	7.7%	90 bps
Non-GAAP adjustments:						
Restructuring and special charges	7,501	0.9%	3,161	0.4%	137.3%	50 bps
Financing and other transaction costs	-	-	275	0.0%	(100.0%)	0 bps
Deferred loss/(gain) on other hedges	2,602	0.3%	(8,294)	(1.0%)	131.4%	130 bps
Depreciation and amortization expense related to the step-up in fair value of fixed and intangible assets and inventory	41,372	4.9%	51,891	6.3%	(20.3%)	(140 bps)
Total adjustments	51,475	6.1%	47,033	5.7%	9.4%	40 bps
Adjusted EBIT	**$189,581**	**22.6%**	**$175,281**	**21.2%**	**8.2%**	**140 bps**

[1] Percentage of net revenue

Less: year-over-year change due to:		
Foreign exchange rate differences	(0.6%)	30 bps
Organic growth	**8.8%**	**110 bps**

Adjusted EBIT – H1 2017

Percentage amounts have been calculated based on unrounded numbers. Accordingly, certain amounts may not sum due to the effect of rounding.

	H1 2017		H1 2016		Change	
TOTAL SENSATA	**$000s**	**Margin[1]**	**$000s**	**Margin[1]**	**$000s**	**Margin[1]**
Net income	**$151,193**	**9.2%**	**$126,122**	**7.8%**	**19.9%**	**140 bps**
Interest expense, net	80,315	4.9%	84,025	5.2%	(4.4%)	(30 bps)
Provision for income taxes	32,943	2.0%	37,176	2.3%	(11.4%)	(30 bps)
Earnings before interest and taxes ("EBIT")	264,451	16.1%	247,323	15.2%	6.9%	90 bps
Non-GAAP adjustments:						
Restructuring and special charges	15,192	0.9%	6,800	0.4%	123.4%	50 bps
Financing and other transaction costs	-	-	1,056	0.1%	(100.0%)	(10 bps)
Deferred loss/(gain) on other hedges	(2,738)	(0.2%)	(21,567)	(1.3%)	87.3%	110 bps
Depreciation and amortization expense related to the step-up in fair value of fixed and intangible assets and inventory	83,366	5.1%	105,757	6.5%	(21.2%)	(140 bps)
Total adjustments	95,820	5.8%	92,046	5.7%	4.1%	10 bps
Adjusted EBIT	**$360,271**	**21.9%**	**$339,369**	**20.9%**	**6.2%**	**100 bps**

[1] Percentage of net revenue

Less: year-over-year change due to:		
Foreign exchange rate differences	(2.2%)	0 bps
Organic growth	**8.4%**	**100 bps**

Adjusted EBITDA

$ in thousands	PERIOD						
TOTAL SENSATA	**LTM[1]**	**H1-17**	**Q2-17**	**Q1-17**	**Q4-16**	**Q3-16**	**Q2-16**
Net income	**$287,505**	**$151,193**	**$79,457**	**$71,736**	**$66,527**	**$69,785**	**$65,510**
Interest expense, net	162,108	80,315	40,038	40,277	40,617	41,176	41,757
Provision for income taxes	54,778	32,943	18,611	14,332	10,714	11,121	20,981
Depreciation expense	110,360	54,802	26,007	28,795	29,254	26,304	25,346
Amortization of intangible assets	181,749	81,261	41,003	40,258	49,926	50,562	50,563
Earnings before interest, taxes, depreciation, and amortization ("EBITDA")	796,500	400,514	205,116	195,398	197,038	198,948	204,157
Non-GAAP adjustments:							
Restructuring and special charges	19,447	13,435	7,185	6,250	2,185	3,827	3,161
Financing and other transaction costs	452	-	-	-	-	452	275
Deferred gain/(loss) on other hedges	(518)	(2,738)	2,602	(5,340)	5,150	(2,930)	(8,294)
Adjusted EBITDA	**$815,881**	**$411,211**	**$214,903**	**$196,308**	**$204,373**	**$200,297**	**$199,299**

[1] Last twelve months ("LTM")

ANI, Adjusted EPS, and ANI Margin

Per share and percentage amounts have been calculated based on unrounded numbers. Accordingly, certain amounts may not sum due to the effect of rounding.

	Q2 2017			Q2 2016			Change		
TOTAL SENSATA	**$000s**	**EPS[1]**	**Margin[2]**	**$000s**	**EPS[1]**	**Margin[2]**	**$000s**	**EPS[1]**	**Margin[2]**
Net income	**$79,457**	**$0.46**	**9.5%**	**$65,510**	**$0.38**	**7.9%**	**21.3%**	**21.1%**	**160 bps**
Non-GAAP adjustments:									
Restructuring and special charges	7,501	0.04	0.9%	3,161	0.02	0.4%	137.3%	100.0%	50 bps
Financing and other transaction costs	-	-	-	275	0.00	0.0%	(100.0%)	100.0%	0 bps
Deferred loss/(gain) on other hedges	2,602	0.02	0.3%	(8,294)	(0.05)	(1.0%)	131.4%	140.0%	130 bps
Depreciation and amortization expense related to the step-up in fair value of fixed and intangible assets and inventory	41,372	0.24	4.9%	51,891	0.30	6.3%	(20.3%)	(20.0%)	(140 bps)
Deferred income tax and other tax expense/(benefit)	6,271	0.04	0.7%	9,942	0.06	1.2%	(36.9%)	(33.3%)	(50 bps)
Amortization of deferred financing costs	1,836	0.01	0.2%	1,834	0.01	0.2%	0.1%	0.0%	0 bps
Total adjustments	59,582	0.35	7.1%	58,809	0.34	7.1%	1.3%	2.9%	0 bps
Adjusted net income ("ANI")	**$139,039**	**$0.81**	**16.6%**	**$124,319**	**$0.73**	**15.0%**	**11.8%**	**11.0%**	**160 bps**

[1] Per diluted weighted-average ordinary shares outstanding

[2] Percentage of net revenue

Less: year-over-year change due to:			
Foreign exchange rate differences	(1.0%)	(1.3%)	20 bps
Organic growth	**12.8%**	**12.3%**	**140 bps**

ANI, Adjusted EPS, and ANI Margin

Per share and percentage amounts have been calculated based on unrounded numbers. Accordingly, certain amounts may not sum due to the effect of rounding.

	1H 2017			1H 2016			Change		
TOTAL SENSATA	**$000s**	**EPS[1]**	**Margin[2]**	**$000s**	**EPS[1]**	**Margin[2]**	**$000s**	**EPS[1]**	**Margin[2]**
Net income	**$151,193**	**$0.88**	**9.2%**	**$126,122**	**$0.74**	**7.8%**	**19.9%**	**18.9%**	**140 bps**
Non-GAAP adjustments:									
Restructuring and special charges	15,192	0.09	0.9%	6,800	0.04	0.4%	123.4%	125.0%	50 bps
Financing and other transaction costs	-	-	-	1,056	0.01	0.1%	(100.0%)	(100.0%)	(10 bps)
Deferred loss/(gain) on other hedges	(2,738)	(0.02)	(0.2%)	(21,567)	(0.13)	(1.3%)	87.3%	84.6%	110 bps
Depreciation and amortization expense related to the step-up in fair value of fixed and intangible assets and inventory	83,366	0.48	5.1%	105,757	0.62	6.5%	(21.2%)	(22.6%)	(140 bps)
Deferred income tax and other tax expense/(benefit)	9,813	0.06	0.6%	15,699	0.09	1.0%	(37.5%)	(33.3%)	(40 bps)
Amortization of deferred financing costs	3,693	0.02	0.2%	3,678	0.02	0.2%	0.4%	0.0%	0 bps
Total adjustments	109,326	0.64	6.6%	111,423	0.65	6.9%	(1.9%)	(1.5%)	(30 bps)
Adjusted net income ("ANI")	**$260,519**	**$1.52**	**15.8%**	**$237,545**	**$1.39**	**14.6%**	**9.7%**	**9.4%**	**120 bps**

[1] Per diluted weighted-average ordinary shares outstanding

[2] Percentage of net revenue

Less: year-over-year change due to:			
Foreign exchange rate differences	(3.1%)	(2.8%)	(10 bps)
Organic growth	**12.8%**	**12.2%**	**130 bps**

Adjusted Taxes and Adjusted Tax Rate

$ in thousands	Q2		H1	
TOTAL SENSATA	**2017**	**2016**	**2017**	**2016**
Provision for income taxes	**$18,611**	**$20,981**	**$32,943**	**$37,176**
Non-GAAP adjustments:				
Less: Deferred income tax and other tax expense/(benefit)	6,271	9,942	9,813	15,699
Adjusted taxes	**$12,340**	**$11,039**	**$23,130**	**$21,477**
Adjusted EBIT	$189,581	$175,281	$360,271	$339,369
Adjusted tax rate	**6.5%**	**6.3%**	**6.4%**	**6.3%**

Free Cash Flow

$ in thousands	Q2		H1	
TOTAL SENSATA	**2017**	**2016**	**2017**	**2016**
Net cash provided by operating activities	**$114,148**	**$110,429**	**$233,849**	**$246,631**
Additions to property, plant and equipment and capitalized software	(34,133)	(30,231)	(67,192)	(64,466)
Free cash flow	**$80,015**	**$80,198**	**$166,657**	**$182,165**

Net Debt and Net Leverage Ratio

$ in thousands	BALANCE AS OF		
TOTAL SENSATA	**JUN-30-2017**	**MAR-31-2017**	**DEC-31-2016**
Current portion of long-term debt, capital lease and other financing obligations	$10,704	$7,363	$14,643
Capital lease and other financing obligations	30,929	31,260	32,369
Long-term debt	3,225,325	3,225,965	3,226,582
Total debt, capital lease and other financing obligations	**3,266,958**	**3,264,588**	**3,273,594**
Less: Discount	(16,426)	(17,041)	(17,655)
Less: Deferred financing costs	(31,192)	(32,413)	(33,656)
Total Gross Indebtedness	3,314,576	3,314,042	3,324,905
Less: Cash and cash equivalents	511,484	431,700	351,428
Net Debt	**$2,803,092**	**$2,882,342**	**$2,973,477**
Adjusted EBITDA (LTM)	$815,881	$800,277	$791,680
Net Leverage Ratio	**3.4**	**3.6**	**3.8**

Organic Revenue Growth

	2017 VERSUS 2016	
TOTAL SENSATA	**Q2**	**H1**
Reported net revenue % change	1.5%	1.4%
Less: year-over-year change due to:		
Foreign exchange rate differences	(2.1%)	(2.2%)
Organic revenue growth	**3.6%**	**3.6%**

PERFORMANCE SENSING	**Q2**	**H1**
Reported net revenue % change	1.0%	0.8%
Less year-over-year change due to:		
Foreign exchange rate differences	(2.5%)	(2.5%)
Organic revenue growth	**3.5%**	**3.3%**

SENSING SOLUTIONS	**Q2**	**H1**
Reported net revenue % change	2.9%	3.4%
Less: year-over-year change due to:		
Foreign exchange rate differences	(1.0%)	(1.0%)
Organic revenue growth	**3.9%**	**4.4%**

Segment Margin

$ in thousands	Q2	
PERFORMANCE SENSING	**2017**	**2016**
Segment profit	$169,100	$152,525
Segment net revenue	621,829	615,570
Segment margin (reported basis)	**27.2%**	**24.8%**
Less year-over-year change due to:		
Foreign exchange rate differences	(0.2%)	0.0%
Segment margin (constant currency basis)	**27.4%**	**24.8%**
Change (constant currency basis)	**260 bps**	

SENSING SOLUTIONS	**2017**	**2016**
Segment profit	$70,101	$68,175
Segment net revenue	218,045	211,975
Segment margin (reported basis)	**32.1%**	**32.2%**
Less year-over-year change due to:		
Foreign exchange rate differences	0.1%	0.0%
Segment margin (constant currency basis)	**32.0%**	**32.2%**
Change (constant currency basis)	**(20 bps)**	

Segment Margin

$ in thousands	1H	
PERFORMANCE SENSING	**2017**	**2016**
Segment profit	$320,836	$298,312
Segment net revenue	1,221,972	1,212,745
Segment margin (reported basis)	**26.3%**	**24.6%**
Less year-over-year change due to:		
Foreign exchange rate differences	(0.3%)	0.0%
Segment margin (constant currency basis)	**26.6%**	**24.6%**
Change (constant currency basis)	**200 bps**	

SENSING SOLUTIONS	**2017**	**2016**
Segment profit	$137,539	$131,423
Segment net revenue	425,173	411,349
Segment margin (reported basis)	**32.3%**	**31.9%**
Less year-over-year change due to:		
Foreign exchange rate differences	0.2%	0.0%
Segment margin (constant currency basis)	**32.1%**	**31.9%**
Change (constant currency basis)	**20 bps**	