Sensata Technologies

SENSATA FOURTH QUARTER AND FULL YEAR 2017 EARNINGS PRESENTATION

FEBRUARY 1, 2018

Forward-Looking Statements

This earnings presentation contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Sensata believes that its expectations are based on reasonable assumptions. No assurance, however, can be given that such expectations will prove to have been correct. A number of factors could cause actual results to differ materially from the projections, anticipated results, or other expectations expressed in this earnings release, including, without limitation, risks associated with regulatory, legal, governmental, political, economic and military matters; adverse conditions in the automotive industry; competition in our industry, including pressure from customers to reduce prices; supplier interruption limiting access to manufactured components or raw materials; business disruptions due to natural disasters; labor disruptions; difficulties or failures to integrate businesses we acquire; market acceptance of new products; and our level of indebtedness. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak to results only as of the date the statements were made; and we undertake no obligation to publicly update or revise any forward-looking statements, whether to reflect any future events or circumstances or otherwise. See "Risk Factors" in the Company's 2017 Annual Report on Form 10-K and other public filings and press releases. Copies of our filings are available from our Investor Relations department or from the SEC website, www.sec.gov.

FY-2017 GAAP Results

	FY-2017	FY-2016	Δ
Revenue	$3,306.7M	$3,202.3M	3.3%
Gross Profit *(% of revenue)*	$1,165.4M *35.2%*	$1,118.0M *34.9%*	4.2%
R&D *(% of revenue)*	$130.2M *3.9%*	$126.7M *4.0%*	2.8%
SG&A *(% of revenue)*	$302.8M *9.2%*	$293.6M *9.2%*	3.1%
Profit from Operations *(% of revenue)*	$552.4M *16.7%*	$492.2M *15.4%*	12.2%
Tax Rate	(1.5%)	18.4%	NM
Net Income *(% of revenue)*	$408.4M *12.3%*	$262.4M *8.2%*	55.6%
Diluted EPS	$2.37	$1.53	54.9%
Diluted Shares Outstanding	172.2M	171.5M	0.7M

FY-2017: Solid revenue growth, margin expansion & double-digit adjusted EPS growth

- ✓ **Accelerating organic revenue growth–** overall organic revenue growth of 4% up significantly y/y; organic revenue growth of 14% in HVOR; strength in industrial businesses and China
- ✓ **Robust EBIT margin expansion –** adjusted EBIT margin expands by 100 basis points y/y
- ✓ **Double-digit adjusted EPS growth –** adjusted EPS growth of 10% y/y driven by M&A cost synergies and net productivity gains
- ✓ **Increasing flexibility for value-creating capital deployment –** re-domiciling would provide more optionality to maintain balanced, returns-driven approach if approved by shareholders
- ✓ **Strong year of new design wins sets foundation for future growth**

Win In Sensing

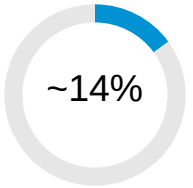
FY-17 Performance by End Market

PERCENT OF REVENUES



HVOR – Organic revenue growth: 13.5%

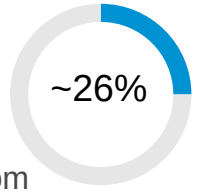
- Strong performance in all market segments
- High single digit content growth driven by increasing use of sensors and operator sensing technologies
- Expect FY-18 to be another year of strong organic revenue growth due to market growth and sustained content gains





Industrial, HVAC & Other – Organic rev growth: 4.1%

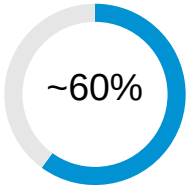
- Continued tailwinds from China and HVAC market
- Need for more efficient products driving higher demand for pressure sensors
- FY-2017 organic revenue growth of 4% represents acceleration from performance in previous two years





Auto – Organic revenue growth: 1.9%

- China sustains strong performance despite a year of slower production growth
- North America and Europe perform in-line with expectations, poised to accelerate performance in 2018
- Strong year of new design wins lays foundation for future growth



Update on proposed re-domicile to the UK

- **Filed definitive proxy statement** on January 19th
- Shareholder meeting scheduled **for February 16th**
- Process of soliciting votes for **shareholder approval** of the transaction has begun
- **Expect the UK High Court** to approve the merger by the end of Q1-2018



Delivering solid results, poised to sustain strong performance

Intersecting attractive secular growth opportunities, including long-term megatrends such as electrification, autonomy, and smart/connected products

Sustaining robust margin expansion

- FY-17 adjusted EBIT margins expanded 100 bps

Delivering double-digit adjusted EPS growth

- FY-17 adjusted EPS growth of 10%

Accelerating free cash flow generation provides significant optionality for value-creating capital deployment initiatives

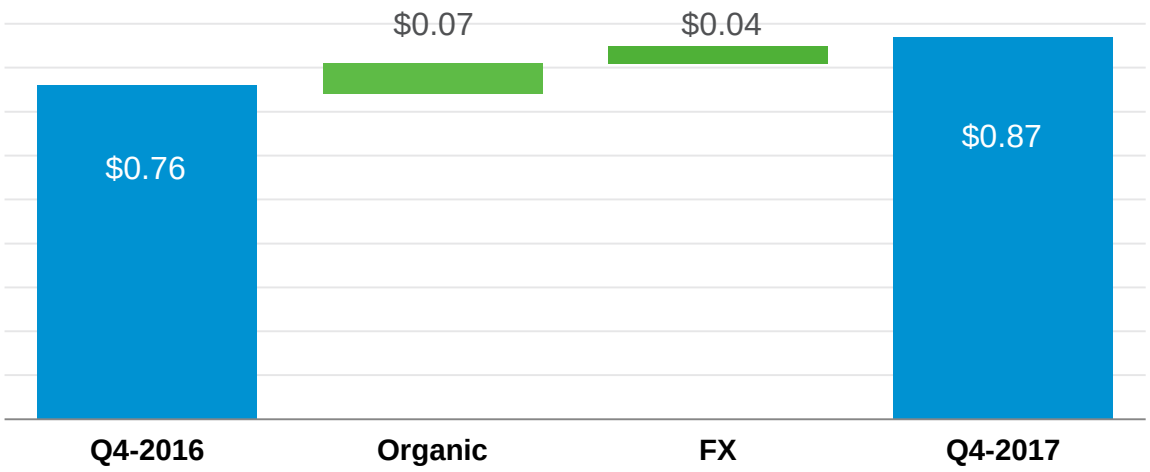
Poised to extend leadership position and deliver strong financial performance in 2018 and over the next three years and beyond



Q4-2017 Financial Summary

ADJUSTED NET INCOME GROWS 9% ORGANICALLY

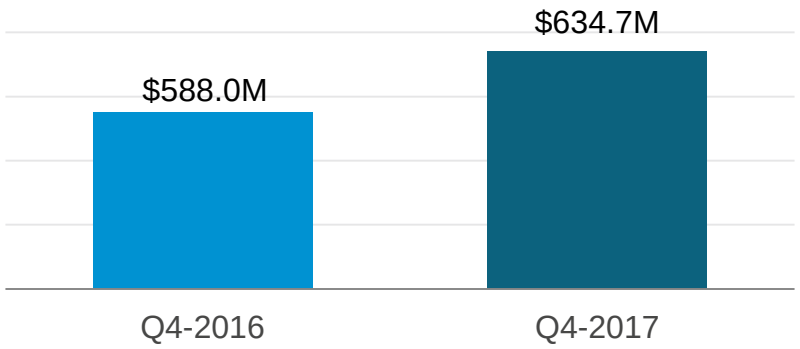
	Q4-2017	Q4-2016	Δ
Revenue	$840.5M	$788.4M	6.6%
Adjusted EBIT *% revenue*	$200.6M *23.9%*	$179.6M *22.8%*	11.7%
Adjusted Net Income *% revenue*	$149.4M *17.8%*	$131.0M *16.6%*	14.1%
Adjusted EPS	$0.87	$0.76	14.5%



- Revenue growth of 6.6% composed of:
  - Organic revenue growth: 5.2%
  - Foreign exchange increases revenue by 1.4%
- Adjusted EBIT grows 7.8% organically due to higher profitability from acquired businesses
- ANI grows 8.7% organically on 5.2% organic revenue growth

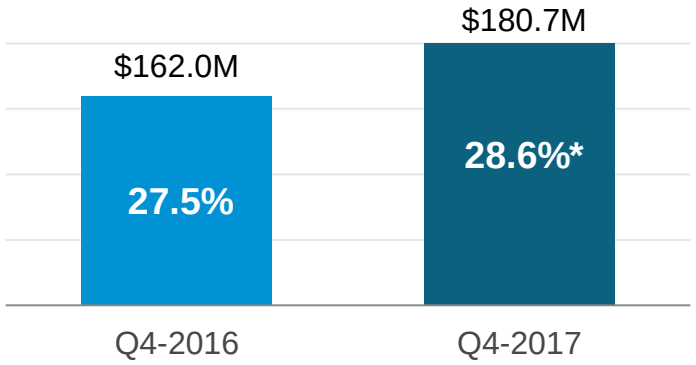
Q4-2017: Performance Sensing

REVENUE



SEGMENT PROFIT

% SEGMENT MARGIN (EXCLUDING FX)



Q4-17 REVENUE GROWTH	REPORTED	ORGANIC
Automotive	5.1%	3.4%
HVOR	22.3%	20.5%
Performance Sensing	**7.9%**	**6.2%**

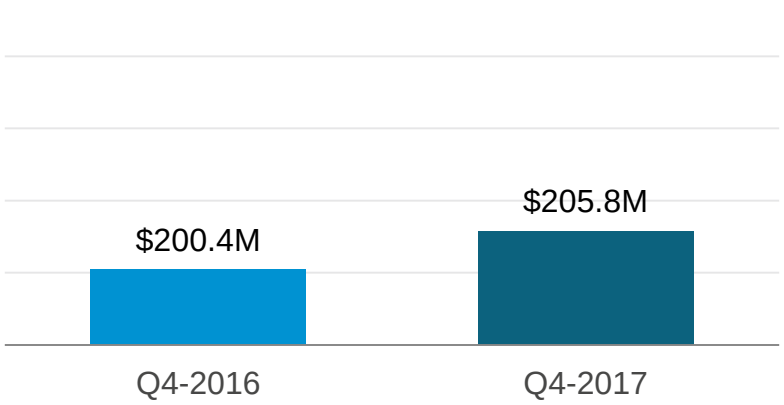
Foreign exchange 1.7% positive impact

- HVOR continues to post strong growth, North America On-Road and Construction markets remain strong
- China auto continues to drive overall automotive growth and delivers another strong year of performance
- Profit margins expand 110 bps y/y excluding FX due primarily to higher M&A cost synergies and net productivity gains

*% of revenue, excludes FX

Q4-2017: Sensing Solutions

REVENUE

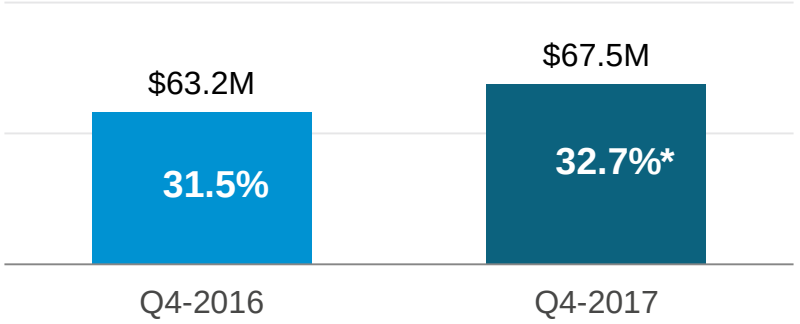


Q4-17 REVENUE GROWTH	REPORTED	ORGANIC
Sensing Solutions	2.7%	2.3%

Foreign exchange 0.4% impact

SEGMENT PROFIT

% SEGMENT MARGIN (EXCLUDING FX)



- Continued momentum in HVAC, Appliance and Industrial markets
  - FY-17 organic revenue growth: 4.1%
- Industrial end markets benefitting from strength in Asia
- Margin improvement driven by M&A cost synergies and operating leverage

*% of revenue, excludes FX

Q4-2017 Non-GAAP Results

	Q4-2017	Q4-2016	Δ
Revenue	$840.5M	$788.4M	6.6%
Adj. Gross Profit *(% of revenue)*	$304.9M *36.3%*	$285.7M *36.2%*	6.7%
R&D *(% of revenue)*	$33.2M *3.9%*	$31.4M *4.0%*	5.6%
Adj. SG&A *(% of revenue)*	$71.7M *8.5%*	$68.7M *8.7%*	4.4%
Adj. Other Opex[1]	$2.6M	$1.4M	88.0%
Adj. Other, net	$3.2M	($4.6M)	168.3%
Adj. EBIT *(% of revenue)*	$200.6M *23.9%*	$179.6M *22.8%*	11.7%
Adj. Tax Rate[2]	6.8%	5.4%	140 bps
Adj. Net Income *(% of revenue)*	$149.4M *17.8%*	$131.0M *16.6%*	14.1%
Adj. EPS	$0.87	$0.76	14.5%

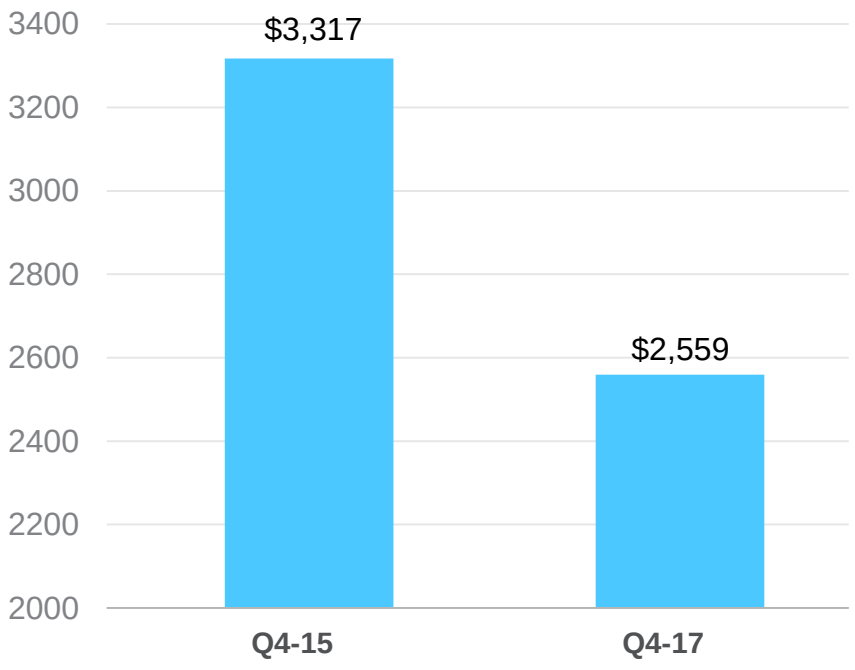
1 – Represents sum of adjusted amortization of intangible assets and adjusted restructuring and special charges

2 – Represents adjusted taxes divided by adjusted EBIT

Delivered on targeted net leverage ratio

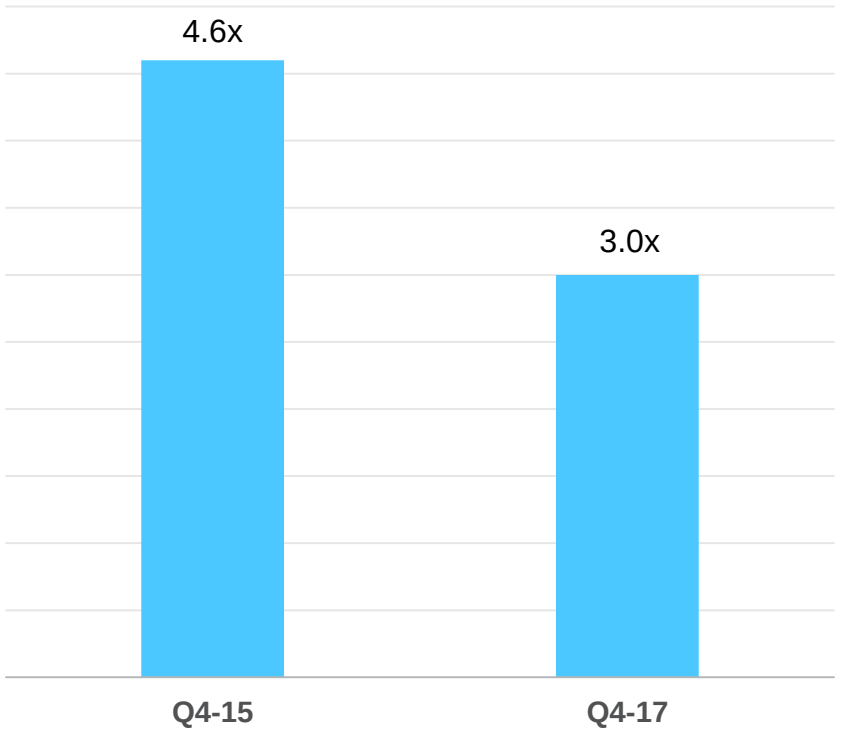
NET DEBT ($M)

~$758M OF NET DEBT REDUCTION SINCE Q4-15



NET LEVERAGE RATIO

LEVERAGE RATIO LOWERED BY **1.6X**



We will maintain a balanced, returns-driven approach to deploying capital

Capital Deployment
fueled by strong, growing free cash flow

Critical to maintain a
strong balance sheet
while deploying capital to highest-return initiatives
(situational approach)

M&A

Expect highest returns

- Target mid-to-high teens unlevered IRR
- Near-term bias for bolt-on acquisitions
- Proven track record of value creation by Sensata management

Share Repurchase

Economic driven decision

- Greater flexibility to repurchase shares when re-domicile transaction is complete
- Amount of buyback could vary based on business, market or economic conditions

Q1-18 Financial Guidance

	Q1-17	Q1-18 GUIDANCE	REPORTED	ORGANIC
Revenue	$807.3M	$849M - $873M	5% - 8%	3% – 5%
Adj. EBIT	$170.7M	$191M - $197M	12% - 15%	8% - 11%
Adj. Net Income	$121.5M	$141M - $147M	16% - 21%	11% - 15%
Adj. EPS	$0.71	$0.81 – $0.85	14% - 20%	10% - 14%

COMMENTS

- FX expected to increase revenue by 2-3%
  - Adjusted EPS: positive impact of $0.03 - $0.04 from FX
- Assumes 140 bps increase y/y in adjusted EBIT margins
- Integration expense of ~$1M
- Diluted share count of 172.8M
- Strong fill rate of 89%

2018 Financial Guidance

	FY-2017	FY-2018 GUIDANCE	REPORTED	ORGANIC
Revenue	$3,307M	$3,442M – $3,542M	4%– 7%	3% – 5%
Adj. EBIT	$750M	$818M – $846M	9% – 13%	7% – 10%
Adj. Net Income	$549M	$617M – $645M	12% – 18%	9% – 13%
Adj. EPS	$3.19	$3.57 – $3.73	12% – 17%	9% – 13%

ASSUMPTIONS

- FX expected to increase revenue by 1-2%
  - Adjusted EPS: positive impact from FX of $0.10 - $0.14
- Cash tax rate: ~7.0%
- Diluted share count of 172.8M shares
- Assumes no M&A
- Free cash flow of $519M - $547M

Sensata continuously creates value for shareholders

- We are a **leader in the Sensing Market** with **differentiated solutions**
- We have demonstrated **an ability to adapt** and leverage our technologies and **capabilities for new applications** and market positions as **megatrends shape our industry**
- Our **accelerating free cash flow** generation and **financial performance** provides significant optionality for **further value creation**



APPENDIX

SENSATA FOURTH QUARTER 2017 EARNINGS SUMMARY

Q4-2017 GAAP Results

	Q4-2017	Q4-2016	Δ
Revenue	$840.5M	$788.4M	6.6%
Gross Profit *(% of revenue)*	$300.4M *35.7%*	$278.9M *35.4%*	7.7%
R&D *(% of revenue)*	$33.2M *3.9%*	$31.4M *4.0%*	5.6%
SG&A *(% of revenue)*	$75.6M *9.0%*	$69.0M *8.7%*	9.6%
Profit from Operations *(% of revenue)*	$152.0M *18.1%*	$127.7M *16.2%*	19.1%
Tax Rate	(46.5%)	13.9%	NM
Net Income *(% of revenue)*	$169.1M *20.1%*	$66.5M *8.4%*	154.2%
Diluted EPS	$0.98	$0.39	151.3%
Diluted Shares Outstanding	172.6M	171.8M	0.8M

FY-2017 Non-GAAP Results

	FY-2017	FY-2016	Δ
Revenue	$3,306.7M	$3,202.3M	3.3%
Adj. Gross Profit *(% of revenue)*	$1,185.6M *35.9%*	$1,137.7M *35.5%*	4.2%
R&D *(% of revenue)*	$130.2M *3.9%*	$126.7M *4.0%*	2.8%
Adj. SG&A *(% of revenue)*	$291.6M *8.8%*	$289.4M *9.0%*	0.7%
Adj. Other Opex[1]	$18.5M	$6.9M	166.7%
Adj. Other Gains/(Losses), net	$5.1M	($19.4M)	126.4%
Adj. EBIT *(% of revenue)*	$750.5M *22.7%*	$695.3M *21.7%*	7.9%
Adj. Tax Rate[2]	6.6%	6.0%	60 bps
Adj. Net Income *(% of revenue)*	$548.7M *16.6%*	$494.8M *15.5%*	10.9%
Adj. EPS	$3.19	$2.89	10.4%

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

2 – Represents adjusted taxes divided by adjusted EBIT

Q4-2017 Cash Flow Statement

	Q4-2017	Q4-2016	Δ
Net Income	$169.1M	$66.5M	154.2%
Depreciation & Amortization	$66.8M	$79.2M	(15.7%)
Changes in Working Capital	$12.8M	($27.7M)	146.4%
Other	($63.4M)	$7.2M	(985.8%)
Operating Cash Flow	$185.4M	$125.2M	48.1%
Capital Expenditures	($41.0M)	($35.6M)	(15.2%)
Free Cash Flow	$144.3M	$89.5M	61.2%

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

FY-2017 Cash Flow Statement

	FY-2017	FY-2016	Δ
Net Income	$408.4M	$262.4M	55.6%
Depreciation & Amortization	$270.4M	$308.4M	(12.3%)
Changes in Working Capital	($94.8M)	($93.9M)	(1.0%)
Other	($26.2M)	$44.6M	(158.8%)
Operating Cash Flow	$557.6M	$521.5M	6.9%
Capital Expenditures	($144.6M)	($130.2M)	(11.0%)
Free Cash Flow	$413.1M	$391.3M	5.6%

Balance Sheet

	DEC 31, 2017	DEC 31, 2016
Total Assets	$6,641.5M	$6,241.0M
Working Capital	$1,218.8M	$758.2M
Intangibles, Net & Other Long-Term Assets	$4,793.2M	$4,899.5M

	DEC 31, 2017	DEC 31, 2016
Cash & Equivalents	$753.1M	$351.4M
Current Debt	$15.7M	$14.6M
Net Cash	$737.4M	$336.8M

Sensata Peer Group

ST Peer Group	Sector
1. Ametek Inc	Industrial
2. Amphenol Corp	Tech
3. Aptiv	Auto
4. Delphi Technologies	Auto
5. Fortive	Industrial Tech
6. FLIR Systems	Tech
7. Gentex	Auto
8. Littelfuse	Industrial
9. Rockwell	Industrial
10. Roper	Industrial
11. TE Connectivity	Industrial Tech
12. 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 – Q4-2017

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

$ in thousands	Q4-2017		Q4-2016		Change	
Total Sensata	**Amount**	**Margin[1]**	**Amount**	**Margin[1]**	**Amount**	**Margin[1]**
Net income	**$169,129**	**20.1%**	**$66,527**	**8.4%**	**154.2%**	**1,170 bps**
Interest expense, net	39,183	4.7%	40,617	5.2%	(3.5%)	(50 bps)
(Benefit from)/provision for income taxes	(53,675)	(6.4%)	10,714	1.4%	(601.0%)	(780 bps)
Earnings before interest and taxes ("EBIT")	154,637	18.4%	117,858	14.9%	31.2%	350 bps
Non-GAAP adjustments:						
Restructuring and special charges	3,032	0.4%	3,985	0.5%	(23.9%)	(10 bps)
Financing and other transaction costs	4,729	0.6%	-	0.0%	100.0%	60 bps
Deferred (gain)/loss on other hedges	(2,124)	(0.3%)	5,150	0.7%	(141.2%)	(100 bps)
Depreciation and amortization expense related to the step-up in fair value of fixed and intangible assets and inventory.	40,294	4.8%	52,559	6.7%	(23.3%)	(190 bps)
Total adjustments	45,931	5.5%	61,694	7.8%	(25.6%)	(230 bps)
Adjusted EBIT	**$200,568**	**23.9%**	**$179,552**	**22.8%**	**11.7%**	**110 bps**

[1] - Percentage of net revenue

Less year-over-year change due to:		
Foreign exchange rate differences	3.9%	60 bps
Organic growth	**7.8%**	**50 bps**

Adjusted EBIT – FY-17

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

$ in thousands	FY-2017		FY-2016		Change	
Total Sensata	**Amount**	**Margin[1]**	**Amount**	**Margin[1]**	**Amount**	**Margin[1]**
Net income	**$408,357**	**12.3%**	**$262,434**	**8.2%**	**55.6%**	**410 bps**
Interest expense, net	159,761	4.8%	165,818	5.2%	(3.7%)	(40 bps)
(Benefit from)/provision for income taxes	(5,916)	(0.2%)	59,011	1.8%	(110.0%)	(200 bps)
Earnings before interest and taxes ("EBIT")	562,202	17.0%	487,263	15.2%	15.4%	180 bps
Non-GAAP adjustments:						
Restructuring and special charges	21,331	0.6%	14,982	0.5%	42.4%	10 bps
Financing and other transaction costs	9,267	0.3%	1,508	0.0%	514.5%	30 bps
Deferred gain on other hedges	(7,365)	(0.2%)	(19,347)	(0.6%)	61.9%	40 bps
Depreciation and amortization expense related to the step-up in fair value of fixed and intangible assets and inventory.	165,040	5.0%	210,847	6.6%	(21.7%)	(160 bps)
Total adjustments	188,273	5.7%	207,990	6.5%	(9.5%)	(80 bps)
Adjusted EBIT	**$750,475**	**22.7%**	**$695,253**	**21.7%**	**7.9%**	**100 bps**

[1] - Percentage of net revenue

Less year-over-year change due to:		
Foreign exchange rate differences	0.0%	20 bps
Organic growth	**7.9%**	**80 bps**

Adjusted EBITDA

$ in thousands

Total Sensata	Period						
	LTM	FY-2017	Q4-2017	Q3-2017	Q2-2017	Q1-2017	Q4-2016
Net income	**$408,357**	**$408,357**	**$169,129**	**$88,035**	**$79,457**	**$71,736**	**$66,527**
Interest expense, net	159,761	159,761	39,183	40,263	40,038	40,277	40,617
(Benefit from)/provision for income taxes	(5,916)	(5,916)	(53,675)	14,816	18,611	14,332	10,714
Depreciation expense	109,321	109,321	27,307	27,212	26,007	28,795	29,254
Amortization of intangible assets	161,050	161,050	39,472	40,317	41,003	40,258	49,926
Earnings before interest, taxes, depreciation, and amortization ("EBITDA")	$832,573	$832,573	$221,416	$210,643	$205,116	$195,398	$197,038
Non-GAAP adjustments:							
Restructuring and special charges	19,151	19,151	3,032	2,684	7,185	6,250	2,185
Financing and other transaction costs	9,267	9,267	4,729	4,538	-	-	-
Deferred (gain)/loss on other hedges	(7,365)	(7,365)	(2,124)	(2,503)	2,602	(5,340)	5,150
Adjusted EBITDA	**$853,626**	**$853,626**	**$227,053**	**$215,362**	**$214,903**	**$196,308**	**$204,373**

ANI, Adjusted EPS, and ANI Margin – Q4-2017

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

$ in thousands	Q4-2017			Q4-2016			Change		
Total Sensata	**Amount**	**EPS[1]**	**Margin[2]**	**Amount**	**EPS[1]**	**Margin[2]**	**Amount**	**EPS[1]**	**Margin[2]**
Net income	**$169,129**	**$0.98**	**20.1%**	**$66,527**	**$0.39**	**8.4%**	**154.2%**	**151.3%**	**1,170 bps**
Non-GAAP adjustments:									
Restructuring and special charges	3,032	0.02	0.4%	3,985	0.02	0.5%	(23.9%)	0.0%	(10 bps)
Financing and other transaction costs	4,729	0.03	0.6%	-	-	0.0%	100.0%	100.0%	60 bps
Deferred (gain)/loss on other hedges	(2,124)	(0.01)	(0.3%)	5,150	0.03	0.7%	(141.2%)	(133.3%)	(100 bps)
Depreciation and amortization expense related to the step-up in fair value of fixed and intangible assets and inventory.	40,294	0.23	4.8%	52,559	0.31	6.7%	(23.3%)	(25.8%)	(190 bps)
Deferred income tax and other tax (benefit)/expense	(67,343)	(0.39)	(8.0%)	936	0.01	0.1%	(7294.8%)	(4000.0%)	(810 bps)
Amortization of deferred financing costs and debt discounts	1,713	0.01	0.2%	1,833	0.01	0.2%	(6.5%)	0.0%	0 bps
Total adjustments	(19,699)	(0.11)	(2.3%)	64,463	0.38	8.2%	(130.6%)	(128.9%)	(1,050 bps)
Adjusted net income ("ANI")	**$149,430**	**$0.87**	**17.8%**	**$130,990**	**$0.76**	**16.6%**	**14.1%**	**14.5%**	**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	5.4%	5.3%	60 bps
Organic growth	**8.7%**	**9.2%**	**60 bps**

ANI, Adjusted EPS, and ANI Margin – FY-17

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

$ in thousands	FY-2017			FY-2016			Change		
Total Sensata	**Amount**	**EPS[1]**	**Margin[2]**	**Amount**	**EPS[1]**	**Margin[2]**	**Amount**	**EPS[1]**	**Margin[2]**
Net income	**$408,357**	**$2.37**	**12.3%**	**$262,434**	**$1.53**	**8.2%**	**55.6%**	**54.9%**	**410 bps**
Non-GAAP adjustments:									
Restructuring and special charges	21,331	0.12	0.6%	14,982	0.09	0.5%	42.4%	33.3%	10 bps
Financing and other transaction costs	9,267	0.05	0.3%	1,508	0.01	0.0%	514.5%	400.0%	30 bps
Deferred gain on other hedges	(7,365)	(0.04)	(0.2%)	(19,347)	(0.11)	(0.6%)	61.9%	63.6%	40 bps
Depreciation and amortization expense related to the step-up in fair value of fixed and intangible assets and inventory.	165,040	0.96	5.0%	210,847	1.23	6.6%	(21.7%)	(22.0%)	(160 bps)
Deferred income tax and other tax (benefit)/expense	(55,156)	(0.32)	(1.7%)	17,086	0.10	0.5%	(422.8%)	(420.0%)	(220 bps)
Amortization of deferred financing costs and debt discounts	7,241	0.04	0.2%	7,334	0.04	0.2%	(1.3%)	0.0%	0 bps
Total adjustments	140,358	0.82	4.2%	232,410	1.36	7.3%	(39.6%)	(39.7%)	(310 bps)
Adjusted net income ("ANI")	**$548,715**	**$3.19**	**16.6%**	**$494,844**	**$2.89**	**15.5%**	**10.9%**	**10.4%**	**110 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	0.1%	0.0%	10 bps
Organic growth	**10.8%**	**10.4%**	**100 bps**

Adjusted Taxes and Adjusted Tax Rate

$ in thousands	Q4		FY	
Total Sensata	**2017**	**2016**	**2017**	**2016**
(Benefit from)/provision for income taxes	**($53,675)**	**$10,714**	**($5,916)**	**$59,011**
Non-GAAP adjustments:				
Deferred income tax and other tax (benefit)/expense	(67,343)	936	(55,156)	17,086
Adjusted taxes	**$13,668**	**$9,778**	**$49,240**	**$41,925**
Adjusted EBIT	$200,568	$179,552	$750,475	$695,253
Adjusted tax rate	**6.8%**	**5.4%**	**6.6%**	**6.0%**

Free Cash Flow

$ in thousands	Q4			FY		
Total Sensata	**2017**	**2016**	**Change**	**2017**	**2016**	**Change**
Net cash provided by operating activities	**$185,367**	**$125,174**	**48.1%**	**$557,646**	**$521,525**	**6.9%**
Additions to property, plant and equipment and capitalized software	(41,048)	(35,633)	(15.2%)	(144,584)	(130,217)	(11.0%)
Free cash flow	**$144,319**	**$89,541**	**61.2%**	**$413,062**	**$391,308**	**5.6%**

Net Debt and Net Leverage Ratio

$ in thousands

Total Sensata	As of 31-Dec-17	30-Sep-17	30-Jun-17	31-Mar-17	31-Dec-16
Current portion of long-term debt, capital lease and other financing obligations	$15,720	$13,176	$10,704	$7,363	$14,643
Capital lease and other financing obligations	28,739	29,990	30,929	31,260	32,369
Long-term debt	3,225,810	3,224,684	3,225,325	3,225,965	3,226,582
Total debt, capital lease and other financing obligations	**$3,270,269**	**$3,267,850**	**$3,266,958**	**$3,264,588**	**$3,273,594**
Less: Discount	(14,424)	(15,812)	(16,426)	(17,041)	(17,655)
Less: Deferred financing costs	(27,758)	(29,971)	(31,192)	(32,413)	(33,656)
Total gross indebtedness	3,312,451	3,313,633	3,314,576	3,314,042	3,324,905
Less: Cash and cash equivalents	753,089	612,972	511,484	431,700	351,428
Net debt	**$2,559,362**	**$2,700,661**	**$2,803,092**	**$2,882,342**	**$2,973,477**
Adjusted EBITDA (LTM)	$853,626	$830,946	$815,881	$800,277	$791,680
Net leverage ratio	**3.0**	**3.3**	**3.4**	**3.6**	**3.8**

Organic Revenue Growth

	2017 versus 2016	
Total Sensata	**Q4**	**FY**
Reported net revenue (percentage) change	**6.6%**	**3.3%**
Less year-over-year change due to:		
Foreign exchange rate differences	1.4%	(0.7%)
Organic revenue growth	**5.2%**	**4.0%**

Performance Sensing	**Q4**	**FY**
Reported net revenue (percentage) change	**7.9%**	**3.2%**
Less year-over-year change due to:		
Foreign exchange rate differences	1.7%	(0.7%)
Organic revenue growth	**6.2%**	**3.9%**

Sensing Solutions	**Q4**	**FY**
Reported net revenue (percentage) change	**2.7%**	**3.6%**
Less year-over-year change due to:		
Foreign exchange rate differences	0.4%	(0.5%)
Organic revenue growth	**2.3%**	**4.1%**

Segment Margin

$ in thousands	Q4			FY		
Performance Sensing	**2017**	**2016**	**Change**	**2017**	**2016**	**Change**
Segment profit	$180,695	$161,986	11.5%	$664,186	$615,526	7.9%
Segment net revenue	634,696	587,985	7.9%	2,460,600	2,385,380	3.2%
Segment margin (reported basis)	**28.5%**	**27.5%**	**100 bps**	**27.0%**	**25.8%**	**120 bps**
Less year-over-year change due to:						
Foreign exchange rate differences	(0.1%)	0.0%	(10 bps)	(0.2%)	0.0%	(20 bps)
Segment margin (constant currency basis)	**28.6%**	**27.5%**	**110 bps**	**27.2%**	**25.8%**	**140 bps**

Sensing Solutions	**2017**	**2016**	**Change**	**2017**	**2016**	**Change**
Segment profit	$67,539	$63,177	6.9%	$277,450	$261,914	5.9%
Segment net revenue	205,838	200,411	2.7%	846,133	816,908	3.6%
Segment margin (reported basis)	**32.8%**	**31.5%**	**130 bps**	**32.8%**	**32.1%**	**70 bps**
Less year-over-year change due to:						
Foreign exchange rate differences	0.1%	0.0%	10 bps	0.1%	0.0%	10 bps
Segment margin (constant currency basis)	**32.7%**	**31.5%**	**120 bps**	**32.7%**	**32.1%**	**60 bps**