Sensata Technologies

SENSATA THIRD QUARTER 2018 EARNINGS PRESENTATION

OCTOBER 30, 2018

Forward-Looking Statements and Non-GAAP Measures

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 presentation, 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 interruptions, which could limit access to manufactured components or raw materials; business disruptions due to natural disasters; labor disruptions; difficulties with or failures integrating acquired businesses; market acceptance of new products; fluctuations in foreign exchange rates; 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.

Non-GAAP Financial Measures

Where we have used non-GAAP financial measures, reconciliations to the most comparable GAAP measures are provided, along with a disclosure on the usefulness of the non-GAAP measure, at the back of this presentation or in the “Investor Relations” section of the Company’s website, www.investors.sensata.com.

Q3-2018 GAAP Results

	Q3-2018	Q3-2017	Δ
Revenue	$873.6M	$819.1M	6.7%
Gross Profit *(% of revenue)*	$315.2M *36.1%*	$291.8M *35.6%*	8.0%
R&D *(% of revenue)*	$37.8M *4.3%*	$34.0M *4.2%*	11.2%
SG&A *(% of revenue)*	$73.9M *8.5%*	$75.9M *9.3%*	(2.6%)
Profit from Operations *(% of revenue)*	$222.3M *25.5%*	$140.3M *17.1%*	58.5%
Tax Rate	14.1%	14.4%	(30 bps)
Net Income *(% of revenue)*	$149.1M *17.1%*	$88.0M *10.7%*	69.4%
Diluted EPS	$0.88	$0.51	72.5%
Diluted Shares Outstanding	168.6M	172.2M	(3.7M)

Delivering strong secular growth and executing high-return capital deployment initiatives

- ✓ **Accelerating organic revenue growth** as a result of attractive, secular content growth in all markets **–** Q3-18 organic revenue growth of 7.9%
- ✓ **End markets performing in-line with expectations –** HVOR remains strong; auto production is in-line with expectations set at start of the year
- ✓ **Sustaining double-digit adjusted EPS growth –** adjusted EPS growth of 12.3%, while making long-term investments
- ✓ **Strengthening portfolio and position in electrification –** completed divestiture of valves business and announced acquisition of GIGAVAC
- ✓ **Executing on high-return capital deployment** – substantially completed $400 million share repurchase program, announcing new $250 million authorization



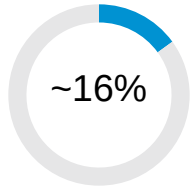
Secular growth drives strong Q3-18 performance

PERCENT OF REVENUES



HVOR – Organic revenue growth: 19.8%

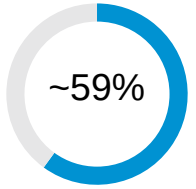
- Outgrew underlying market production by 1020 basis points
- Secular growth being driven by the need for cleaner and more efficient engines and transition to electrified cabins
- Secular growth extends into FY-19 and beyond
- Wins for newly launched applications are ramping quickly





Auto – Organic revenue growth: 6.8%

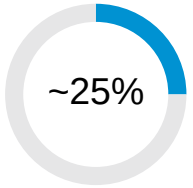
- Outgrew underlying market production by 940 basis points
- NA and China results strong due to new content gains
- Auto production in-line with expectations at beginning of the year
- Content drivers secured for 2019 and beyond: gas particulate filters in Europe, China TPMS and high- speed transmission launches in North America





Industrial & Other – Organic rev growth: 4.0%

- High-single digit organic growth in both Aero & Industrial Sensing
- Aerospace is the strongest performing end market
- North America and China drive growth



Electrification is a significant driver of Sensata's growth over the next 3 years and beyond

Next 3 Years



CLEAN & EFFICIENT

Mandates for cleaner, more efficient vehicles



ELECTRIFICATION

Further expansion of electrification



CHINA

Sustained vehicle modernization in China

Sensata is solving some of our customers' most complex Electrification challenges

Industry Challenges

- Increasing range
- Decreasing charging times
- Scaling production
- Driving lower costs
- Increasing safety as voltages/power density increases
- Onboarding energy regeneration

Examples of Sensata Solutions

- Advancing core sensor technology
- Scaling up high-voltage contactors expected through GIGAVAC acquisition
- Wireless battery management
- Innovative embedded motor sensing
- Operator sensing technologies for electrified cabins



Acquisition of GIGAVAC extends secular growth in Electrification across Auto, HVOR and Industrial markets



- GIGAVAC is a profitable, fast growing provider of **high-voltage contactors**; acquisition intended to extend Sensata's core competency in electrical protection
- GIGAVAC's business is highly aligned to Sensata's strategy and brings **additional content** to Sensata's existing customer base

2X GIGAVAC doubles Sensata's content per vehicle opportunity

34%+ GIGAVAC revenue CAGR from 2013 to 2017

$80M GIGAVAC revenue estimate for FY-2018 – ~60% of revenues are outside of auto

GIGAVAC doubles our content on battery electric vehicles and we have significant potential for additional growth

Pre-GIGAVAC

~$20 per vehicle



- Regenerative Braking
- HVAC
- Thermal Management
- TPMS

Post-GIGAVAC

~$40 per vehicle



- 2–5 High-Voltage Contactors per Vehicle

BEV of the Future

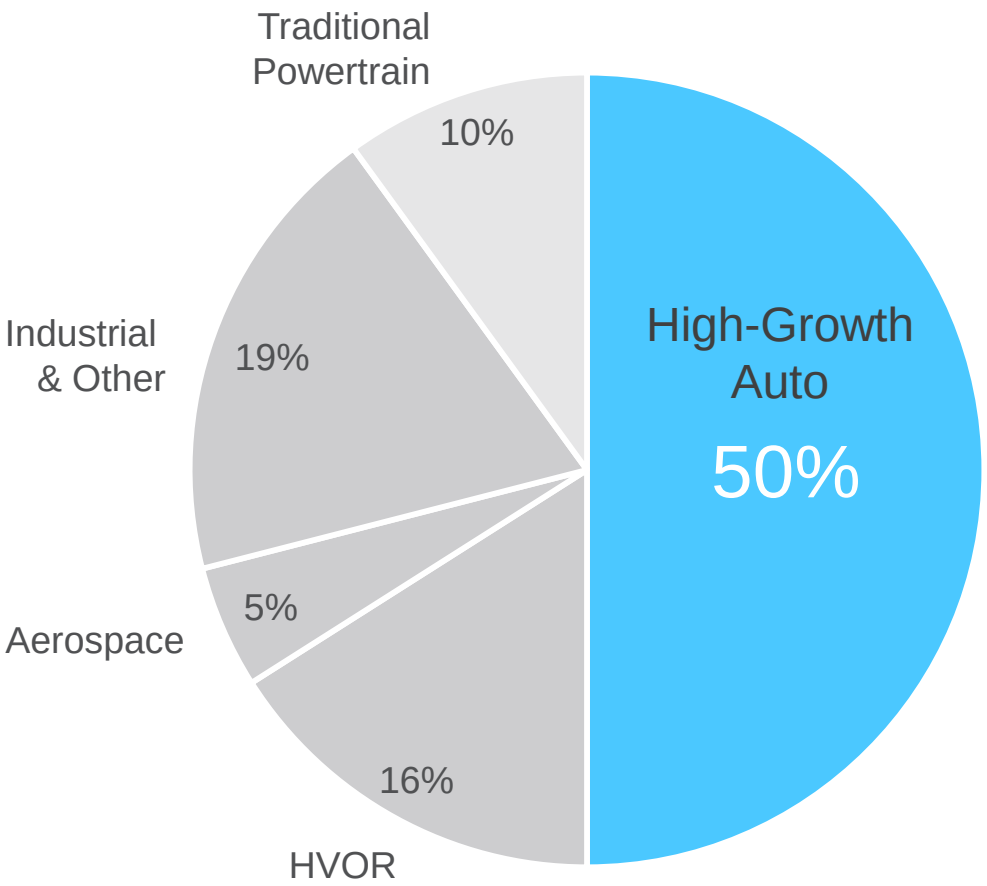
~$175* of incremental content per vehicle



- Wireless Battery Management
- Motor Position Sensing
- Expansion of Core Sensors

*Potential Served Available Market (SAM) for Wireless Battery Management & Motor Position Sensing

Sensata is exposed to some of the most attractive and fastest growing segments of the automotive industry



% of Sensata Revenue

Sensor-Rich Solutions for Efficient, Connected Subsystems

- HVAC
- Regenerative Braking
- Vehicle Health Monitoring

Sensors for Clean Electrified Engines

- Gas Direct Injection
- Gas Particulate Filters
- Cylinder Deactivation

Solutions for New Energy Vehicles

- High-Voltage Contactors
- Embedded Motor Position
- Wireless Battery Management

Growth in Electrification also extends into the HVOR, Industrial and Aerospace markets

HVOR



APPLICATIONS

- High-voltage contactors
- Embedded motor position
- Current sensing
- Wireless battery management

Industrial



APPLICATIONS

- Electrical protection to serve high and low voltage/current applications across industrial markets
- Power conversion components and subsystems
- Battery back-up applications

Aerospace



APPLICATIONS

- Advanced circuit breakers used in long-cycle aerospace electrification

Sensata Electrification strategy: key takeaways

- ✓ Electrification is **a net content tailwind** for Sensata and the company is **winning business today** in its automotive, industrial and heavy vehicle & off-road businesses as secular demand for electrified products grows
- ✓ Sensata is delivering mission-critical, customized solutions to meet its customers most challenging problems and has **expertise in adapting and evolving its portfolio** to meet new market demands such as electrification
- ✓ Acquisition of GIGAVAC is **a positive catalyst for Sensata's electrification strategy**, as Sensata will leverage its industry expertise, manufacturing capabilities and leadership in automotive/electrical protection to **scale GIGAVAC's business globally**



We are executing against the operational targets we established at our Investor Day

Accelerate Growth

6.9%

Q3-18 YTD Organic Revenue Growth

Long-Term Target:

4–6%

CAGR

Increase Margins

70 bps

Q3-18 YTD Adj. EBIT Margin Expansion (Organic)

Long-Term Target:

250 bps

Margin Expansion

Deliver Double-Digit Adjusted Organic EPS Growth

14.2%

Q3-18 YTD Growth (Organic)

Long-Term Target:

10–13%

CAGR

Execute Balanced, Returns-Driven Capital Deployment

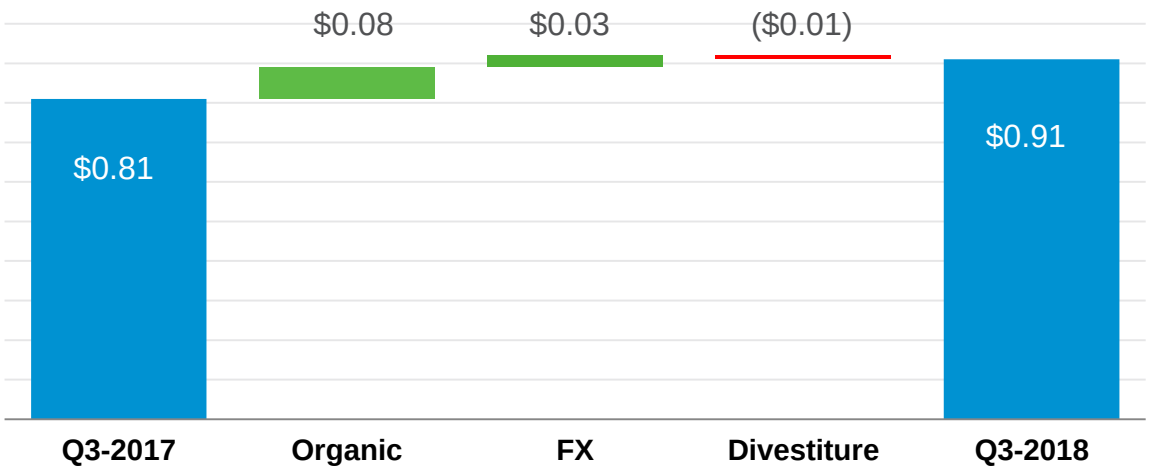


- Announced GIGAVAC acquisition
- Completed $400M share repurchase program in past four months
- Announced new share repurchase authorization of up to $250M over next 18 months

Q3-2018 Financial Summary

ADJUSTED NET INCOME GROWS 11%

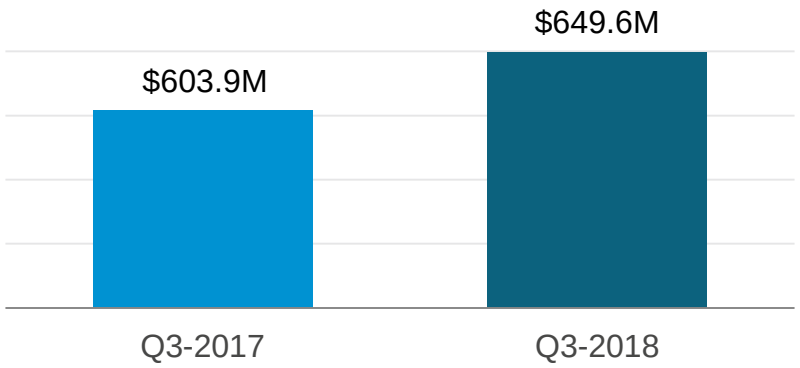
	Q3-2018	Q3-2017	Δ
Revenue	$873.6M	$819.1M	6.7%
Adjusted EBIT *% revenue*	$204.9M *23.5%*	$189.6M *23.2%*	8.0%
Adjusted Net Income *% revenue*	$154.0M *17.6%*	$138.8M *16.9%*	11.0%
Adjusted EPS	$0.91	$0.81	12.3%



- Revenue growth of 6.7% composed of:
  - Organic revenue growth: 7.9%
  - Valves divestiture decreases revenue by 1.2%
- Adjusted EBIT grows 8.0% despite ~$3M unfavorable impact from tariffs
- Adjusted organic EBIT margins decline 30 basis points
- Repurchased 6.4M of shares in Q3-18

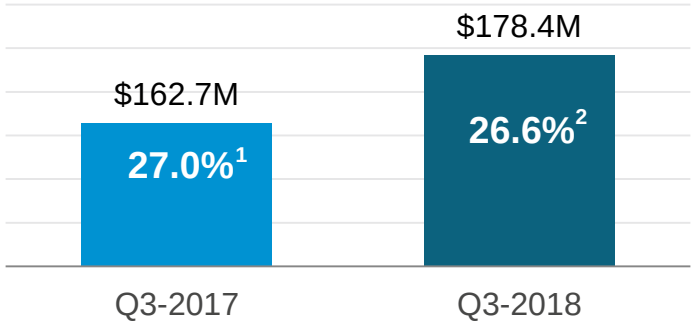
Q3-2018: Performance Sensing

REVENUE



SEGMENT PROFIT

% SEGMENT MARGIN



Q3-18 REVENUE GROWTH	REPORTED	ORGANIC
Automotive	4.7%	6.8%
HVOR	19.4%	19.8%
Performance Sensing	**7.6%**	**9.3%**

Foreign exchange 0.1% negative impact

Valves divestiture 1.6% negative impact

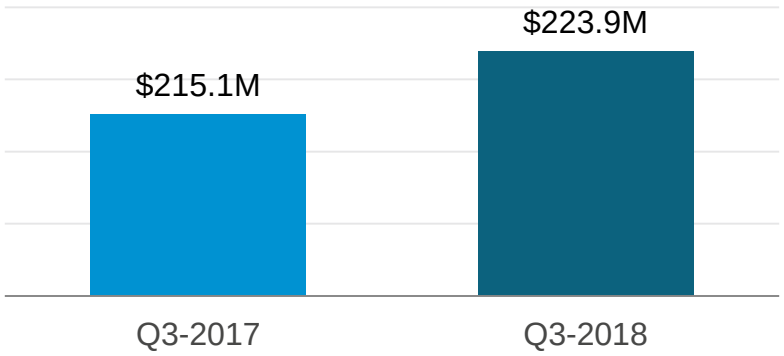
- Secular growth drives strong performance in both HVOR and automotive businesses
- HVOR growth balanced geographically and by end market
- Auto business significantly outperforming the market
- Segment margin impacted by new business launch costs, tariffs, and increased design and development effort to intersect emerging megatrends and execute new design wins

[1] Adjusted to reflect the impact from the valves divestiture

[2] % of revenue, excludes FX

Q3-2018: Sensing Solutions

REVENUE

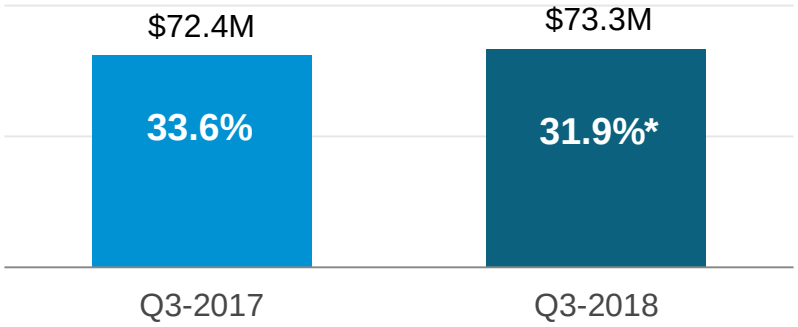


Q3-18 REVENUE GROWTH	REPORTED	ORGANIC
Sensing Solutions	4.1%	4.0%

Foreign exchange 0.1% positive impact

SEGMENT PROFIT

% SEGMENT MARGIN



- Strong demand from industrial and aerospace customers
- China delivers double-digit growth in Q3-18
- Segment margin impacted by broad-based growth investments

*% of revenue, excludes FX

Q3-2018 Non-GAAP Results

	Q3-2018	Q3-2017	Δ
Revenue	$873.6M	$819.1M	6.7%
Adj. Gross Profit *(% of revenue)*	$319.0M *36.5%*	$296.9M *36.3%*	7.4%
R&D *(% of revenue)*	$37.8M *4.3%*	$34.0M *4.2%*	11.2%
Adj. SG&A *(% of revenue)*	$73.0M *8.4%*	$71.6M *8.7%*	1.9%
Adjusted Other Opex[1]	$0.9M	$2.0M	(56.4%)
Adj. Other Gain/(Loss), net	($2.4M)	$0.3M	NM
Adj. EBIT *(% of revenue)*	$204.9M *23.5%*	$189.6M *23.2%*	8.0%
Adj. Tax Rate[2]	7.2%	6.6%	60 bps
Adj. Net Income *(% of revenue)*	$154.0M *17.6%*	$138.8M *16.9%*	11.0%
Adj. EPS	$0.91	$0.81	12.3%

1 – Represents sum of adjusted amortization of intangible assets and adjusted restructuring and other charges, net

2 – Adjusted tax rate expressed as a % of adjusted EBIT; adjusted tax rate expressed as a % of Adjusted profit before tax was 8.7% in Q3 2018 and 8.2% in Q3 2017

Q4-18 Financial Guidance

	Q4-17	Q4-18 GUIDANCE	REPORTED	ORGANIC
Revenue	$840.5M	$853M - $877M	2% - 4%	6% - 8%
Adj. EBIT	$200.6M	$215M - $221M	7% - 10%	10% - 12%
Adj. Net Income	$149.4M	$161M - $167M	8% - 12%	12% - 14%
Adj. EPS	$0.87	$0.97 - $1.01	11% - 16%	16% - 18%

COMMENTS

- Valves divestiture expected to decrease revenue by ~3.5%
- FX expected to decrease revenue by ~$4M
  - Adjusted EPS: positive impact of approximately $0.01 from FX
- ~$0.03 benefit from share repurchase
- Fill rate of 85%

2018 Financial Guidance

	FY-2017	FY-2018 GUIDANCE	REPORTED	ORGANIC
Revenue	$3,307M	$3,527M – $3,551M	7%	7%
Prior guidance			*6% - 8%*	*5% - 7%*
Adj. EBIT	$750M	$827M – $833M	10% – 11%	10% – 11%
Adj. Net Income	$549M	$623M – $629M	14% – 15%	13% – 14%
Adj. EPS	$3.19	$3.66 – $3.70	15% – 16%	15%
Prior guidance			*14% - 17%*	*14% - 15%*

ASSUMPTIONS

- Organic revenue growth guidance at high end of prior range
- FX expected to increase revenue by ~1%
  - Adjusted EPS: positive impact from FX of $0.06 - $0.07
- Adjusted tax rate: ~7.0%
- ~$0.05 y/y benefit from share repurchase
- Free cash flow of $460M - $480M

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APPENDIX

SENSATA THIRD QUARTER 2018 EARNINGS SUMMARY

YTD 2018 GAAP Results

	YTD 2018	YTD 2017	Δ
Revenue	$2,673.7M	$2,466.2M	8.4%
Gross Profit (% of revenue)	$950.4M *35.5%*	$866.0M *35.1%*	9.7%
R&D (% of revenue)	$111.8M *4.2%*	$97.0M *3.9%*	15.2%
SG&A (% of revenue)	$235.7M *8.8%*	$226.8M *9.2%*	3.9%
Profit from Operations (% of revenue)	$548.1M *20.5%*	$401.9M *16.3%*	36.4%
Net Income (% of revenue)	$344.9M *12.9%*	$239.2M *9.7%*	44.2%
Tax Rate	15.3%	16.6%	(130 bps)
Diluted EPS	$2.01	$1.39	44.6%
Diluted Shares Outstanding	171.4M	172.0M	(0.6M)

YTD 2018 Non-GAAP Results

	YTD 2018	YTD 2017	Δ
Revenue	$2,673.7M	$2,466.2M	8.4%
Adj. Gross Profit (% of revenue)	$962.9M *36.0%*	$881.8M *35.8%*	9.2%
R&D (% of revenue)	$111.8M *4.2%*	$97.0M *3.9%*	15.2%
Adj. SG&A (% of revenue)	$228.1M *8.5%*	$219.4M *8.9%*	3.9%
Adj. Other Opex[1]	$4.0M	$15.9M	(74.6%)
Adj. Other Gains/(Losses), net	($6.6M)	$0.4M	NM
Adj. EBIT (% of revenue)	$612.4M *22.9%*	$549.9M *22.3%*	11.4%
Adj. Tax Rate[2]	6.7%	6.5%	20 bps
Adj. Net Income	$461.8M *17.3%*	$399.3M *16.2%*	15.7%
Adj. EPS	$2.69	$2.32	15.9%

1 – Represents sum of adjusted amortization of intangible assets and adjusted restructuring and other charges, net

2 – Represents adjusted taxes divided by adjusted EBIT; adjusted tax rate expressed as a % of Adjusted profit before tax was 8.2% in YTD 2018 and 8.2% in YTD 2017

Q3-2018 Cash Flow Statement

	Q3-2018	Q3-2017	Δ
Net Income	$149.1M	$88.0M	69.4%
Depreciation & Amortization	$60.0M	$67.5M	(11.2%)
Changes in Working Capital	$14.8M	($24.5M)	160.4%
Other	($57.7M)	$7.4M	NM
Operating Cash Flow	$166.2M	$138.4M	20.1%
Capital Expenditures	($45.0M)	($36.3M)	(23.7%)
Free Cash Flow	$121.3M	$102.1M	18.8%

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

YTD 2018 Cash Flow Statement

	YTD 2018	YTD 2017	Δ
Net Income	$344.9M	$239.2M	44.2%
Depreciation & Amortization	$183.1M	$203.6M	(10.1%)
Changes in Working Capital	($88.4M)	($107.7M)	17.9%
Other	($19.5M)	$37.1M	NM
Operating Cash Flow	$420.1M	$372.3M	12.9%
Capital Expenditures	($111.3M)	($103.5M)	(7.5%)
Free Cash Flow	$308.9M	$268.7M	14.9%

Balance Sheet

	SEP 30, 2018	DEC 31, 2017
Total Assets	$6,664.3M	$6,641.5M
Working Capital[1]	$1,372.6M	$1,218.8M
Intangibles, Net & Other Long-Term Assets	$4,637.1M	$4,793.2M

	SEP 30, 2018	DEC 31, 2017
Cash & Equivalents	$811.4M	$753.1M
Current Debt	$13.4M	$15.7M
Net Cash	$798.0M	$737.4M

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

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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 related and other, (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 related and other, (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 related and other - includes charges, net related to certain restructuring actions as well as other costs (or income), which we believe are either unique or unusual to the identified reporting period, and that we believe impact comparisons to prior period operating results. Such amounts are excluded from internal financial statements and analyses that management uses in connection with financial planning, and in its review and assessment of our operating and financial performance, including the performance of our segments. Restructuring related and other does not, however, include charges related to the integration of acquired businesses, including such charges that are recognized as Restructuring and other charges, net in our condensed consolidated statements of operations.

(2) financing and other transaction costs – includes losses / (gains) related to debt financing transactions and third-party transaction costs, including for legal, accounting and other professional services that are directly related to equity transactions, acquisitions or divestures

(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

(5) deferred income tax and other tax expense/(benefit) – includes adjustments for book-to-tax basis differences due primarily to the step-up in fair value of fixed and intangible assets and goodwill, the utilization of net operating losses, and adjustments to our U.S. valuation allowance in connection with certain acquisitions. Other tax expense/(benefit) includes certain adjustments to unrecognized tax positions.

(6) amortization of debt issuance costs

We believe Adjusted net income 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.

Non-GAAP Measures - continued

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 – Q3-2018

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

$ in thousands	Q3 2018		Q3 2017		Change	
Total Sensata	**Amount**	**Margin[1]**	**Amount**	**Margin[1]**	**Amount**	**Margin[1]**
Net income	**$149,118**	**17.1%**	**$88,035**	**10.7%**	**69.4%**	**640 bps**
Interest expense, net	38,058	4.4%	40,263	4.9%	(5.5%)	(50 bps)
Provision for income taxes	24,562	2.8%	14,816	1.8%	65.8%	100 bps
Earnings before interest and taxes ("EBIT")	211,738	24.2%	143,114	17.5%	48.0%	670 bps
Non-GAAP adjustments:						
Restructuring related and other	9,268	1.1%	3,107	0.4%	198.3%	70 bps
Financing and other transaction costs	(54,173)	(6.2%)	4,538	0.6%	(1293.8%)	(680 bps)
Deferred loss / (gain) on other hedges	4,553	0.5%	(2,503)	(0.3%)	281.9%	80 bps
Depreciation and amortization expense related to the step-up in fair value of fixed and intangible assets and inventory.	33,512	3.8%	41,380	5.1%	(19.0%)	(130 bps)
Total adjustments	(6,840)	(0.8%)	46,522	5.7%	(114.7%)	(650 bps)
Adjusted EBIT	**$204,898**	**23.5%**	**$189,636**	**23.2%**	**8.0%**	**30 bps**

[1] - Percentage of net revenue

Less year-over-year change due to:		
Exited business	(1.0%)	0 bps
Foreign exchange rate differences	2.7%	60 bps
Organic growth	**6.3%**	**(30 bps)**

Adjusted EBIT – YTD 2018

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

$ in thousands	YTD 2018		YTD 2017		Change	
Total Sensata	**Amount**	**Margin[1]**	**Amount**	**Margin[1]**	**Amount**	**Margin[1]**
Net income	**$344,896**	**12.9%**	**$239,228**	**9.7%**	**44.2%**	**320 bps**
Interest expense, net	114,808	4.3%	120,578	4.9%	(4.8%)	(60 bps)
Provision for income taxes	62,086	2.3%	47,759	1.9%	30.0%	40 bps
Earnings before interest and taxes ("EBIT")	521,790	19.5%	407,565	16.5%	28.0%	300 bps
Non-GAAP adjustments:						
Restructuring related and other	18,271	0.7%	18,299	0.7%	(0.2%)	0 bps
Financing and other transaction costs	(46,414)	(1.7%)	4,538	0.2%	(1122.8%)	(190 bps)
Deferred loss/(gain) on other hedges	13,752	0.5%	(5,241)	(0.2%)	362.4%	70 bps
Depreciation and amortization expense related to the step-up in fair value of fixed and intangible assets and inventory.	105,023	3.9%	124,746	5.1%	(15.8%)	(120 bps)
Total adjustments	90,632	3.4%	142,342	5.8%	(36.3%)	(240 bps)
Adjusted EBIT	**$612,422**	**22.9%**	**$549,907**	**22.3%**	**11.4%**	**60 bps**

[1] - Percentage of net revenue

Less year-over-year change due to:		
Exited business	(0.3%)	0 bps
Foreign exchange rate differences	1.7%	(10 bps)
Organic growth	**10.0%**	**70 bps**

Adjusted EBITDA

$ in thousands	Period						
Total Sensata	**LTM**	**YTD 2018**	**Q3 2018**	**Q2 2018**	**Q1 2018**	**Q4 2017**	**Q3 2017**
Net income	**$514,025**	**$344,896**	**$149,118**	**$105,288**	**$90,490**	**$169,129**	**$88,035**
Interest expense, net	153,991	114,808	38,058	38,321	38,429	39,183	40,263
Provision for/(benefit from) income taxes	8,411	62,086	24,562	23,398	14,126	(53,675)	14,816
Depreciation expense	106,825	79,518	26,073	25,590	27,855	27,307	27,212
Amortization of intangible assets	143,046	103,574	33,911	34,594	35,069	39,472	40,317
Earnings before interest, taxes, depreciation, and amortization ("EBITDA")	926,298	704,882	271,722	227,191	205,969	221,416	210,643
Non-GAAP adjustments:							
Restructuring related and other	21,303	18,271	9,268	2,339	6,664	3,032	2,684
Financing and other transaction costs	(41,685)	(46,414)	(54,173)	2,069	5,690	4,729	4,538
Deferred loss/(gain) on other hedges	11,628	13,752	4,553	3,137	6,062	(2,124)	(2,503)
Adjusted EBITDA	**$917,544**	**$690,491**	**$231,370**	**$234,736**	**$224,385**	**$227,053**	**$215,362**

ANI, Adjusted EPS, and ANI Margin – Q3-2018

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	Q3 2018			Q3 2017			Change		
Total Sensata	**Amount**	**EPS[1]**	**Margin[2]**	**Amount**	**EPS[1]**	**Margin[2]**	**Amount**	**EPS[1]**	**Margin[2]**
Net income	**$149,118**	**$0.88**	**17.1%**	**$88,035**	**$0.51**	**10.7%**	**69.4%**	**72.5%**	**640 bps**
Non-GAAP adjustments:									
Restructuring related and other	9,268	0.05	1.1%	3,107	0.02	0.4%	198.3%	150.0%	70 bps
Financing and other transaction costs	(54,173)	(0.32)	(6.2%)	4,538	0.03	0.6%	(1293.8%)	(1166.7%)	(680 bps)
Deferred loss/(gain) on other hedges	4,553	0.03	0.5%	(2,503)	(0.01)	(0.3%)	281.9%	400.0%	80 bps
Depreciation and amortization expense related to the step-up in fair value of fixed and intangible assets and inventory	33,512	0.20	3.8%	41,380	0.24	5.1%	(19.0%)	(16.7%)	(130 bps)
Deferred income tax and other tax expense/(benefit)	9,897	0.06	1.1%	2,374	0.01	0.3%	316.9%	500.0%	80 bps
Amortization of debt issuance costs	1,837	0.01	0.2%	1,835	0.01	0.2%	0.1%	0.0%	0 bps
Total adjustments	4,894	0.03	0.6%	50,731	0.29	6.2%	(90.4%)	(89.7%)	(560 bps)
Adjusted net income ("ANI")	**$154,012**	**$0.91**	**17.6%**	**$138,766**	**$0.81**	**16.9%**	**11.0%**	**12.3%**	**70 bps**

[1] - Per diluted weighted-average ordinary shares outstanding

[2] - Percentage of net revenue

Less year-over-year change due to:			
Exited business	(1.3%)	(1.2%)	0 bps
Foreign exchange rate differences	3.6%	3.6%	60 bps
Organic growth	**8.7%**	**9.9%**	**10 bps**

ANI, Adjusted EPS, and ANI Margin – YTD 2018

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	YTD 2018			YTD 2017			Change		
Total Sensata	**Amount**	**EPS[1]**	**Margin[2]**	**Amount**	**EPS[1]**	**Margin[2]**	**Amount**	**EPS[1]**	**Margin[2]**
Net income	**$344,896**	**$2.01**	**12.9%**	**$239,228**	**$1.39**	**9.7%**	**44.2%**	**44.6%**	**320 bps**
Non-GAAP adjustments:									
Restructuring related and other	18,271	0.11	0.7%	18,299	0.11	0.7%	(0.2%)	0.0%	0 bps
Financing and other transaction costs	(46,414)	(0.27)	(1.7%)	4,538	0.03	0.2%	(1122.8%)	(1000.0%)	(190 bps)
Deferred loss/(gain) on other hedges	13,752	0.08	0.5%	(5,241)	(0.03)	(0.2%)	362.4%	366.7%	70 bps
Depreciation and amortization expense related to the step-up in fair value of fixed and intangible assets and inventory.	105,023	0.61	3.9%	124,746	0.73	5.1%	(15.8%)	(16.4%)	(120 bps)
Deferred income tax and other tax (benefit)/expense	20,783	0.12	0.8%	12,187	0.07	0.5%	70.5%	71.4%	30 bps
Amortization of debt issuance costs	5,480	0.03	0.2%	5,528	0.03	0.2%	(0.9%)	0.0%	0 bps
Total adjustments	116,895	0.68	4.4%	160,057	0.93	6.5%	(27.0%)	(26.9%)	(210 bps)
Adjusted net income ("ANI")	**$461,791**	**$2.69**	**17.3%**	**$399,285**	**$2.32**	**16.2%**	**15.7%**	**15.9%**	**110 bps**

[1] - Per diluted weighted-average ordinary shares outstanding

[2] - Percentage of net revenue

Less year-over-year change due to:			
Exited business	(0.5%)	(0.4%)	0 bps
Foreign exchange rate differences	2.4%	2.1%	10 bps
Organic growth	**13.8%**	**14.2%**	**100 bps**

Adjusted Taxes and Adjusted Tax Rate

$ in thousands	Q3		YTD	
Total Sensata	**2018**	**2017**	**2018**	**2017**
Provision for income taxes	**$24,562**	**$14,816**	**$62,086**	**$47,759**
Non-GAAP adjustments:				
Deferred income tax and other tax expense/(benefit)	9,897	2,374	20,783	12,187
Adjusted taxes	**$14,665**	**$12,442**	**$41,303**	**$35,572**
Adjusted EBIT	$204,898	$189,636	$612,422	$549,907
Adjusted tax rate	**7.2%**	**6.6%**	**6.7%**	**6.5%**

Free Cash Flow

$ in thousands	Q3			YTD		
Total Sensata	**2018**	**2017**	**Change**	**2018**	**2017**	**Change**
Net cash provided by operating activities	**$166,226**	**$138,430**	**20.1%**	**$420,139**	**$372,279**	**12.9%**
Additions to property, plant and equipment and capitalized software	(44,974)	(36,344)	(23.7%)	(111,275)	(103,536)	(7.5%)
Free cash flow	**$121,252**	**$102,086**	**18.8%**	**308,864**	**$268,743**	**14.9%**

Net Debt and Net Leverage Ratio

$ in thousands

Total Sensata	As of 30-Sep-18	30-Jun-18	31-Mar-18	31-Dec-17
Current portion of long-term debt, capital lease and other financing obligations	$13,378	$11,044	$8,178	$15,720
Capital lease and other financing obligations	24,548	26,098	27,735	28,739
Long-term debt	3,220,401	3,221,039	3,221,676	3,225,810
Total debt, capital lease and other financing obligations	**3,258,327**	**3,258,181**	**3,257,589**	**3,270,269**
Less: Discount	(15,857)	(16,545)	(17,233)	(14,424)
Less: Deferred financing costs	(24,308)	(25,457)	(26,607)	(27,758)
Total gross indebtedness	3,298,492	3,300,183	3,301,429	3,312,451
Less: Cash and cash equivalents	811,394	863,380	828,266	753,089
Net debt	**$2,487,098**	**$2,436,803**	**$2,473,163**	**$2,559,362**
Adjusted EBITDA (LTM)	$917,544	$901,536	$881,703	$853,626
Net leverage ratio	**2.7**	**2.7**	**2.8**	**3.0**

Organic Revenue Growth

	2018 versus 2017	
Total Sensata	**Q3**	**YTD**
Reported net revenue (percentage) change	**6.7%**	**8.4%**
Less year-over-year change due to:		
Exited business	(1.2%)	(0.4%)
Foreign exchange rate differences	0.0%	1.9%
Organic revenue growth	**7.9%**	**6.9%**

Performance Sensing	**Q3**	**YTD**
Reported net revenue (percentage) change	**7.6%**	**8.9%**
Less year-over-year change due to:		
Exited business	(1.6%)	(0.5%)
Foreign exchange rate differences	(0.1%)	2.2%
Organic revenue growth	**9.3%**	**7.2%**

Sensing Solutions	**Q3**	**YTD**
Reported net revenue (percentage) change	**4.1%**	**7.0%**
Less year-over-year change due to:		
Exited business	0.0%	0.0%
Foreign exchange rate differences	0.1%	1.0%
Organic revenue growth	**4.0%**	**6.0%**

Segment Margin

$ in thousands	3Q			YTD		
Performance Sensing	**2018**	**2017**	**Change**	**2018**	**2017**	**Change**
Segment profit	$178,391	$162,655	9.7%	$535,166	$483,491	10.7%
Segment net revenue	649,611	603,932	7.6%	1,988,657	1,825,904	8.9%
Segment margin (reported basis)	**27.5%**	**26.9%**	**60 bps**	**26.9%**	**26.5%**	**40 bps**
Less year-over-year change due to:						
Exited business	0.0%	(0.1%)	10 bps	0.0%	0.0%	0 bps
Foreign exchange rate differences	0.9%	0.0%	90 bps	0.4%	0.0%	40 bps
Segment margin (organic basis)	**26.6%**	**27.0%**	**(40 bps)**	**26.5%**	**26.5%**	**0 bps**

Sensing Solutions	**2018**	**2017**	**Change**	**2018**	**2017**	**Change**
Segment profit	$73,295	$72,372	1.3%	$224,249	$209,911	6.8%
Segment net revenue	223,941	215,122	4.1%	685,048	640,295	7.0%
Segment margin (reported basis)	**32.7%**	**33.6%**	**(90 bps)**	**32.7%**	**32.8%**	**(10 bps)**
Less year-over-year change due to:						
Exited business	0.0%	0.0%	0 bps	0.0%	0.0%	0 bps
Foreign exchange rate differences	0.8%	0.0%	80 bps	0.3%	0.0%	30 bps
Segment margin (organic basis)	**31.9%**	**33.6%**	**(170 bps)**	**32.4%**	**32.8%**	**(40 bps)**