Sensata Technologies

SENSATA FOURTH QUARTER AND FULL YEAR 2018 EARNINGS PRESENTATION

FEBRUARY 6, 2019

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 2018 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.

FY-2018 GAAP Results

$ and shares outstanding in millions, except EPS	FY-2018	FY-2017	Δ
Revenue	$3,521.6	$3,306.7	6.5%
Gross Profit (% of revenue)	$1,254.8 *35.6%*	$1,167.8 *35.3%*	7.4%
R&D (% of revenue)	$147.3 *4.2%*	$130.1 *3.9%*	13.2%
SG&A (% of revenue)	$305.6 *8.7%*	$301.9 *9.1%*	1.2%
Profit from Operations (% of revenue)	$710.4 *20.2%*	$555.8 *16.8%*	27.8%
Net Income (% of revenue)	$599.0 *17.0%*	$408.4 *12.3%*	46.7%
Tax Rate	(13.8%)	(1.5%)	NM
Diluted EPS	$3.53	$2.37	48.9%
Diluted Shares Outstanding	169.9	172.2	(2.3)

FY-2018: Solid year of secular growth and operational performance despite year-end market softness

- ✓ **Organic revenue growth of 6.0% –** growth driven by 15.5% organic revenue growth in HVOR and 4.5% organic growth in Auto as a result of strong performance in NA and China
- ✓ **Strong Secular growth –** HVOR outgrows end market by 830 basis points; auto outgrows end market by 520 basis points
- ✓ **Continued adjusted EBIT margin expansion –** adjusted EBIT margin expands by 60 basis points y/y
- ✓ **Double-digit adjusted EPS growth –** adjusted EPS growth of 14% y/y driven primarily by volume, operating leverage and cost initiatives
- ✓ **Value-creating capital deployment** – finished re-domicile to the UK; repurchased $400 million of stock, completed GIGAVAC acquisition



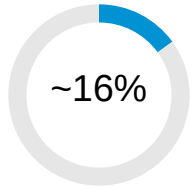
FY-18 Performance by End Market

PERCENT OF REVENUES



HVOR – Organic revenue growth: 15.5%

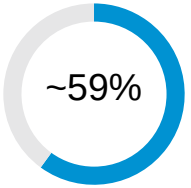
- Every segment of business delivers double-digit organic revenue growth and strong content gains in full year 2018
- After strong end-market growth in 2018, expect an end market decline of 1%-2% in FY-19
- New business wins set foundation for sustained secular growth





Auto – Organic revenue growth: 4.5%

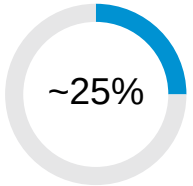
- Met revenue growth guidance despite volatile market
- Outgrew underlying market production by 520 basis points as a result of secular performance in high-growth segments of auto
- NA delivers mid-single digit organic growth in a down market
- China delivers strong growth for the year, despite 15% end-market decline in the fourth quarter





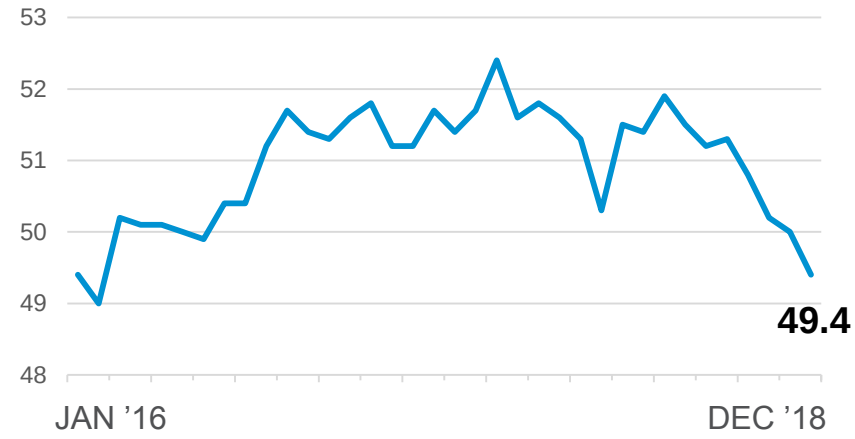
Industrial & Other – Organic rev growth: 4.2%

- Aerospace delivers highest growth rate as a result of strong market and content growth gains
- Greater than anticipated slowdown in China economy and corresponding inventory reductions in Q4-18 somewhat offset content growth for full year

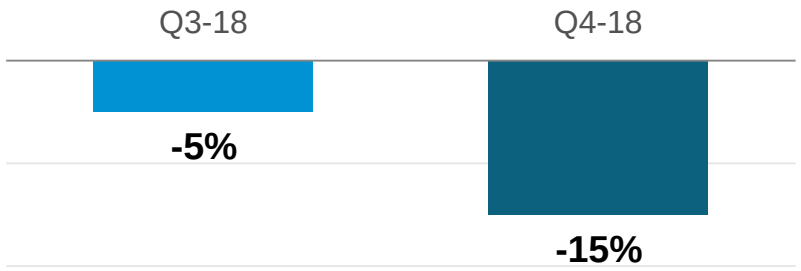


Sharper than expected declines in China auto and industrial end-markets lowered Q4-18 revenue growth

CHINA PMI LOWEST IN THREE YEARS



SHARP DECLINE IN AUTO PRODUCTION



SENSATA PERFORMANCE Q4-18

Overall China organic growth:

4.3%

China Auto organic growth:

0.6%

Outgrew auto end market production by

~1560 bps

After one year, we are tracking in-line or above the operational targets we established at our Investor Day

Accelerate Growth

6.0%

FY-18 Revenue Growth (Organic)

3 Year Target*:

4–6%

CAGR

Increase Margins

60 bps

FY-18 Adj. EBIT Margin Expansion

3 Year Target*:

250 bps

Margin Expansion

Deliver Double-Digit Adjusted EPS Growth

14.4%

FY-18 Adj. EPS Growth

3 Year Target*:

10–14%

CAGR

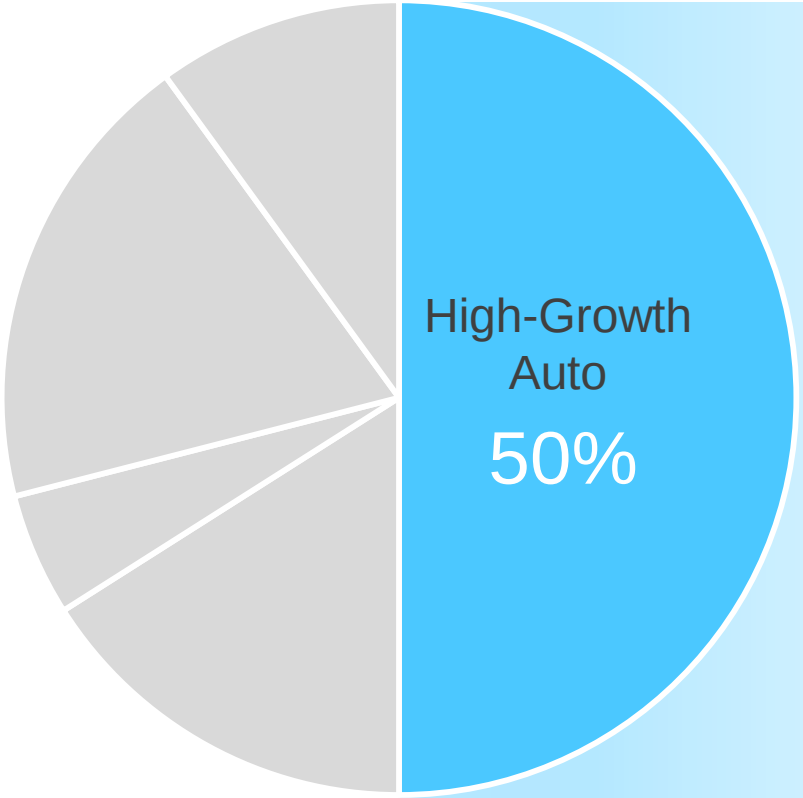
Execute Balanced, Returns-Driven Capital Deployment



- Completed GIGAVAC acquisition
- Completed $400M share repurchase program
- Announced new share repurchase authorization of up to $250M

*provided in Dec 2017

Significant exposure to high-growth auto will help to sustain attractive outgrowth relative to end market production

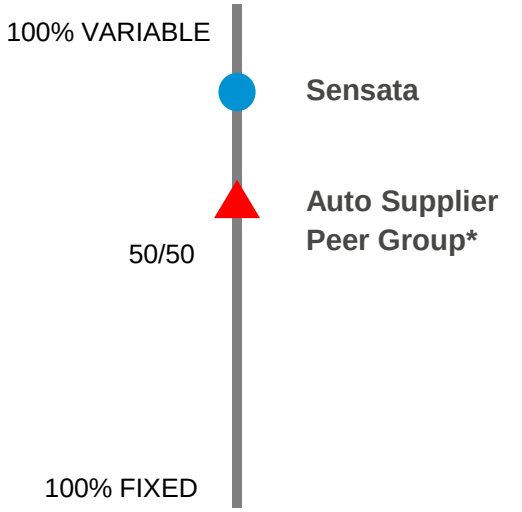


% of Sensata Revenue

- Intersecting high-growth segments of auto market that will offset effects of weaker end-market
  - **Sensor-rich solutions** for efficient, connected subsystems
  - **Cleaner, more electrified vehicles**
  - Solutions for **new energy vehicles**
- Secured **significant new business wins** over past few years that provide visibility into future secular growth
- **Expect ~400-500 bps of outgrowth** relative to underlying auto production in FY-19E

Strength of business model enables sustained profitability and cash flow even in the face of weaker end markets

FIXED COSTS AS A % OF COGS



- **Highly variable** cost structure limits decremental margins
  - Ability to quickly take costs out
- **Industry-leading** margins and cash flow
- **Track record** of expanding margins and generating double-digit EPS growth in weak economic environments

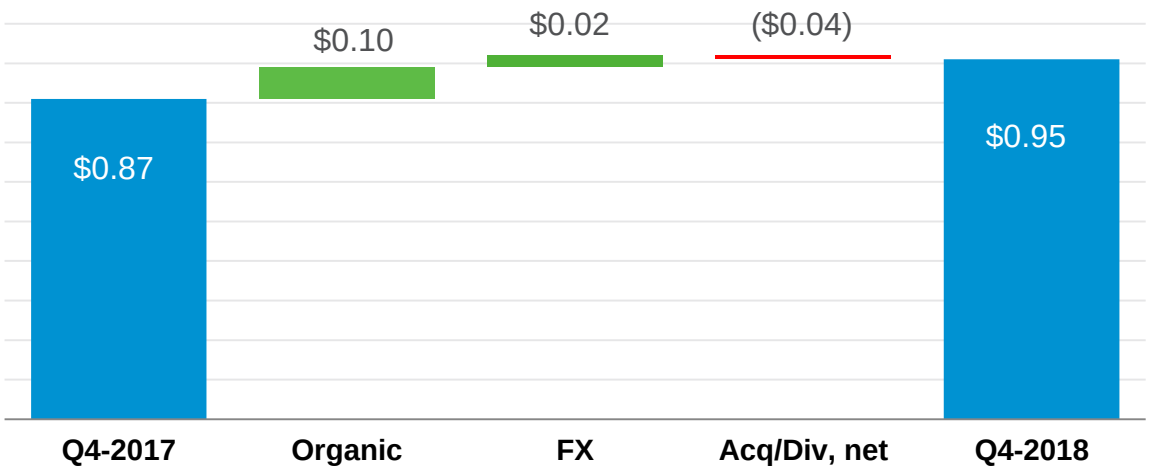
*JP Morgan auto coverage



Q4-2018 Financial Summary

ADJUSTED EBIT MARGINS EXPAND BY 80 BASIS POINTS

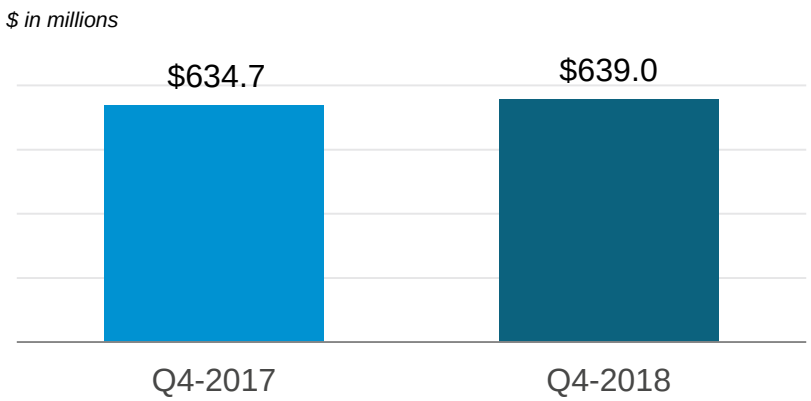
$ in millions, except EPS	Q4-2018	Q4-2017	Δ
Revenue	$848	$841	1%
Adjusted EBIT *% revenue*	$209 *24.7%*	$201 *23.9%*	4%
Adjusted Net Income *% revenue*	$158 *18.6%*	$149 *17.8%*	5%
Adjusted EPS	$0.95	$0.87	9%



- Revenue growth of 0.9% composed of:
  - Organic revenue growth: 3.5%
  - Net effect of acq./divestitures decreases revenue by 1.9%
  - Foreign exchange decreases revenue by 0.7%
- Adjusted EBIT grows 4.2% despite higher investment and unfavorable impact from tariffs
- Adjusted EPS benefited $0.04 as a result of FY-18 share buybacks

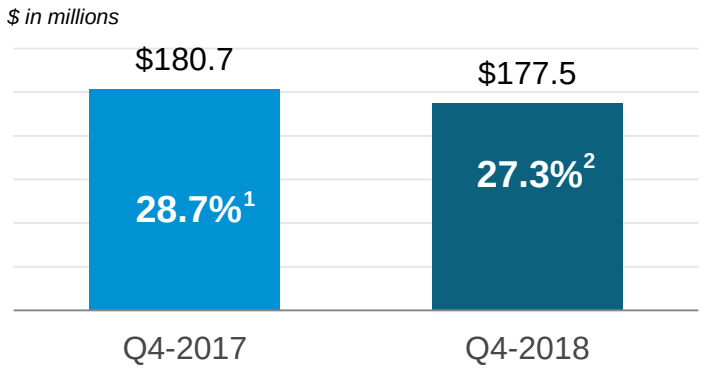
Q4-2018: Performance Sensing

REVENUE



SEGMENT PROFIT

% SEGMENT MARGIN



Q4-18 REVENUE GROWTH	REPORTED	ORGANIC
Automotive	(2.2%)	3.1%
HVOR	13.4%	13.6%
Performance Sensing	**0.7%**	**5.0%**

- Foreign exchange 0.8% negative impact
- 3.5% negative impact from net effect of acquisitions/divestitures

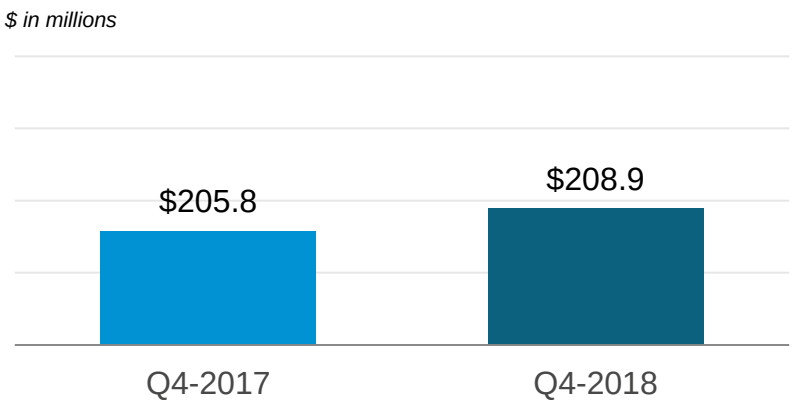
- Strong secular growth and healthy end market continued for HVOR
- HVOR growth balanced geographically and by end market
- NA auto growth strong, China delivers organic growth in quarter despite sharp market decline
- Segment margin decline due to late quarter volume decline and increased R&D costs to intersect fast growing megatrends

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

[2] % of revenue, excludes FX and GIGAVAC acquisition

Q4-2018: Sensing Solutions

REVENUE

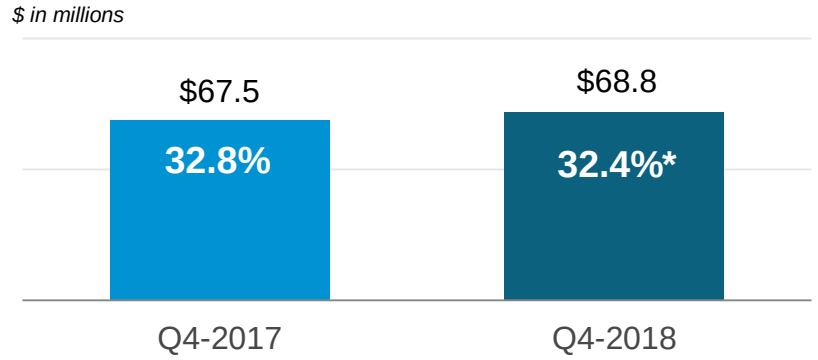


Q4-18 REVENUE GROWTH	REPORTED	ORGANIC
Sensing Solutions	1.5%	(1.3%)

- Foreign exchange 0.1% negative impact
- 2.9% positive impact from GIGAVAC acquisition

SEGMENT PROFIT

% SEGMENT MARGIN



- Aerospace delivers strong growth on healthy end market and growing content
- Weaker performance in Industrials Business as a result economic slowdown and year-end production declines in China
  - ~17% of segment revenues generated in China
  - Customers in NA and Europe selling into China also affected

*% of revenue, excludes FX and GIGAVAC acquisition

Q4-2018 Non-GAAP Results

$ in millions, except EPS	Q4-2018	Q4-2017	Δ
Revenue	$847.9	$840.5	0.9%
Adj. Gross Profit *(% of revenue)*	$312.6 *36.9%*	$306.3 *36.4%*	2.1%
R&D *(% of revenue)*	$35.5 *4.2%*	$33.1 *3.9%*	7.2%
Adj. SG&A *(% of revenue)*	$64.4 *7.6%*	$71.2 *8.5%*	(9.6%)
Adj. Other Opex[1]	$1.7	$2.6	(34.8%)
Adj. Other (Loss)/Gain, net	($2.0)	$1.3	NM
Adj. EBIT *(% of revenue)*	$209.0 *24.7%*	$200.6 *23.9%*	4.2%
Adj. Tax Rate[2]	6.9%	6.8%	10 bps
Adj. Net Income *(% of revenue)*	$157.6 *18.6%*	$149.4 *17.8%*	5.5%
Adj. EPS	$0.95	$0.87	9.2%

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 8.3% in Q4 2018 and 8.4% in Q4 2017

FY-2018 Non-GAAP Results

$ in millions, except EPS	FY-2018	FY-2017	Δ
Revenue	$3,521.6	$3,306.7	6.5%
Adj. Gross Profit (% of revenue)	$1,275.5 *36.2%*	$1,188.1 *35.9%*	7.4%
R&D (% of revenue)	$147.3 *4.2%*	$130.1 *3.9%*	13.2%
Adj. SG&A (% of revenue)	$292.5 *8.3%*	$290.7 *8.8%*	0.6%
Adj. Other Opex[1]	$5.7	$18.5	(69.0%)
Adj. Other (Loss)/Gain, net	($8.5)	$1.7	NM
Adj. EBIT (% of revenue)	$821.4 *23.3%*	$750.5 *22.7%*	9.5%
Adj. Tax Rate[2]	6.8%	6.6%	20 bps
Adj. Net Income	$619.4 *17.6%*	$548.7 *16.6%*	12.9%
Adj. EPS	$3.65	$3.19	14.4%

COMMENTS

- Strong EBIT growth of 9.5% despite loss of valves business and negative impact of tariffs in 2H-18
- Higher R&D spend relates to supporting megatrends, previous business wins and addition of GIGAVAC
- Adjusted Net Income margins improved by 100 bps
- Highly effective capital deployment: adjusted EPS benefited $0.05 from share buybacks in FY-18

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 FY-2018 and 8.2% in FY-2017

2019 Financial Guidance

$ in millions, except EPS	FY-2018	FY-2019 GUIDANCE	REPORTED	ORGANIC
Revenue	$3,521.6	$3,580 - $3,680	2% - 5%	2% - 5%
Adj. EBIT	$821.4	$858 – $886	4% – 8%	3% – 6%
Adj. Net Income	$619.4	$643 – $669	4% – 8%	3% – 6%
Adj. EPS	$3.65	$3.94 – $4.10	8% – 12%	7% - 10%

ASSUMPTIONS

- FX expected to decrease revenue by ~$16M
  - Adjusted EPS: positive impact from FX of $0.14 - $0.17
- Adjusted tax rate: ~8%
- Diluted share count: ~$0.16 y/y benefit from share repurchase
- Free cash flow of $510M - $550M
  - Capex: $165M - $185M

Market assumptions: global auto market: -1% to -2%; China auto: -3% to -4%; global HVOR market: -1% to -2%

Q1-19 Financial Guidance

$ in millions, except EPS	Q1-18	Q1-19 GUIDANCE	REPORTED	ORGANIC
Revenue	$886.3	$840 - $864	(5%) – (3%)	(2%) - 0%
Adj. EBIT	$197.1	$188 - $194	(5%) – (2%)	(2%) - 0%
Adj. Net Income	$147.0	$136 - $142	(8%) – (3%)	(3%) - 0%
Adj. EPS	$0.85	$0.83 - $0.87	(2%) - 2%	2% - 5%

COMMENTS

- Valves divestiture and GIGAVAC acquisition (net) expected to decrease revenue by ~$12M
- FX expected to decrease revenue by ~$14M
  - Adjusted EPS: $0.00-($0.01) impact from FX
- ~$0.04 benefit from share repurchase
- Fill rate of 91%

APPENDIX

SENSATA FOURTH QUARTER AND FULL YEAR 2018 EARNINGS SUMMARY

Q4-2018 GAAP Results

$ and shares outstanding in millions, except EPS	Q4-2018	Q4-2017	Δ
Revenue	$847.9	$840.5	0.9%
Gross Profit *(% of revenue)*	$304.4 *35.9%*	$301.8 *35.9%*	0.8%
R&D *(% of revenue)*	$35.5 *4.2%*	$33.1 *3.9%*	7.2%
SG&A *(% of revenue)*	$69.9 *8.2%*	$75.1 *8.9%*	(6.9%)
Profit from Operations *(% of revenue)*	$162.4 *19.1%*	$153.9 *18.3%*	5.5%
Tax Rate	(112.8%)	(46.5%)	NM
Net Income *(% of revenue)*	$254.1 *30.0%*	$169.1 *20.1%*	50.2%
Diluted EPS	$1.54	$0.98	57.1%
Diluted Shares Outstanding	165.3M	172.6M	(7.3M)

Q4-2018 Cash Flow Statement

$ in millions	Q4-2018	Q4-2017	Δ
Net Income	$254.1	$169.1	50.2%
Depreciation & Amortization	$62.2	$66.8	(6.8%)
Changes in Working Capital	$21.4	$12.8	66.9%
Other	($137.3)	($63.4)	NM
Operating Cash Flow	$200.4	$185.4	8.1%
Capital Expenditures	($48.5)	($41.0)	(18.2%)
Free Cash Flow	$151.9	$144.3	5.3%

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

FY-2018 Cash Flow Statement

$ in millions	FY-2018	FY-2017	Δ
Net Income	$599.0	$408.4	46.7%
Depreciation & Amortization	$245.3	$270.4	(9.3%)
Changes in Working Capital	($66.9)	($94.8)	29.4%
Other	($156.8)	($26.2)	NM
Operating Cash Flow	$620.6	$557.6	11.3%
Capital Expenditures	($159.8)	($144.6)	(10.5%)
Free Cash Flow	$460.8	$413.1	11.6%

Balance Sheet

$ in millions	DEC 31, 2018	DEC 31, 2017
Total Assets	$6,797.7	$6,641.5
Working Capital[1]	$1,277.2	$1,218.8
Intangibles, Net & Other Long-Term Assets	$4,880.5	$4,793.2

$ in millions	DEC 31, 2018	DEC 31, 2017
Cash & Equivalents	$729.8	$753.1
Current Debt	$14.6	$15.7
Net Cash	$715.3	$737.4

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 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 – Q4-2018

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

$ in thousands	Q4 2018		Q4 2017		Change	
Total Sensata	**Amount**	**Margin[1]**	**Amount**	**Margin[1]**	**Amount**	**Margin[1]**
Net income	**$254,099**	**30.0%**	**$169,129**	**20.1%**	**50.2%**	**990 bps**
Interest expense, net	38,871	4.6%	39,183	4.7%	(0.8%)	(10 bps)
Provision for/(benefit from) income taxes	(134,706)	(15.9%)	(53,675)	(6.4%)	(151.0%)	(950 bps)
Earnings before interest and taxes ("EBIT")	158,264	18.7%	154,637	18.4%	2.3%	30 bps
Non-GAAP adjustments:						
Restructuring related and other	9,764	1.2%	3,032	0.4%	222.0%	80 bps
Financing and other transaction costs	6,070	0.7%	4,729	0.6%	28.4%	10 bps
Deferred gain on other hedges	(1,253)	(0.1%)	(2,124)	(0.3%)	41.0%	20 bps
Depreciation and amortization expense related to the step-up in fair value of fixed and intangible assets and inventory.	36,170	4.3%	40,294	4.8%	(10.2%)	(50 bps)
Total adjustments	50,751	6.0%	45,931	5.5%	10.5%	50 bps
Adjusted EBIT	**$209,015**	**24.7%**	**$200,568**	**23.9%**	**4.2%**	**80 bps**

[1] - Percentage of net revenue

Less year-over-year change due to:		
Acquisition and divestiture, net	(2.7%)	(20 bps)
Foreign exchange rate differences	1.8%	60 bps
Organic growth	**5.1%**	**40 bps**

Adjusted EBIT – FY-18

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

$ in thousands	FY 2018		FY 2017		Change	
Total Sensata	**Amount**	**Margin[1]**	**Amount**	**Margin[1]**	**Amount**	**Margin[1]**
Net income	**$598,995**	**17.0%**	**$408,357**	**12.3%**	**46.7%**	**470 bps**
Interest expense, net	153,679	4.4%	159,761	4.8%	(3.8%)	(40 bps)
Provision for/(benefit from) income taxes	(72,620)	(2.1%)	(5,916)	(0.2%)	(1127.5%)	(190 bps)
Earnings before interest and taxes ("EBIT")	680,054	19.3%	562,202	17.0%	21.0%	230 bps
Non-GAAP adjustments:						
Restructuring related and other	28,035	0.8%	21,331	0.6%	31.4%	20 bps
Financing and other transaction costs	(40,344)	(1.1%)	9,267	0.3%	(535.4%)	(140 bps)
Deferred loss/(gain) on other hedges	12,499	0.4%	(7,365)	(0.2%)	269.7%	60 bps
Depreciation and amortization expense related to the step-up in fair value of fixed and intangible assets and inventory.	141,193	4.0%	165,040	5.0%	(14.4%)	(100 bps)
Total adjustments	141,383	4.0%	188,273	5.7%	(24.9%)	(170 bps)
Adjusted EBIT	**$821,437**	**23.3%**	**$750,475**	**22.7%**	**9.5%**	**60 bps**

[1] - Percentage of net revenue

Less year-over-year change due to:		
Acquisition and divestiture, net	(1.0%)	(10 bps)
Foreign exchange rate differences	1.8%	10 bps
Organic growth	**8.7%**	**60 bps**

Adjusted EBITDA

$ in thousands	Period						
Total Sensata	**LTM**	**FY 2018**	**Q4 2018**	**Q3 2018**	**Q2 2018**	**Q1 2018**	**Q4 2017**
Net income	**$598,995**	**$598,995**	**$254,099**	**$149,118**	**$105,288**	**$90,490**	**$169,129**
Interest expense, net	153,679	153,679	38,871	38,058	38,321	38,429	39,183
Provision for/(benefit from) income taxes	(72,620)	(72,620)	(134,706)	24,562	23,398	14,126	(53,675)
Depreciation expense	106,014	106,014	26,496	26,073	25,590	27,855	27,307
Amortization of intangible assets	139,326	139,326	35,752	33,911	34,594	35,069	39,472
Earnings before interest, taxes, depreciation, and amortization ("EBITDA")	$925,394	$925,394	$220,512	$271,722	$227,191	$205,969	$221,416
Non-GAAP adjustments:							
Restructuring related and other	28,035	28,035	9,764	9,268	2,339	6,664	3,032
Financing and other transaction costs	(40,344)	(40,344)	6,070	(54,173)	2,069	5,690	4,729
Deferred loss/(gain) on other hedges	12,499	12,499	(1,253)	4,553	3,137	6,062	(2,124)
Step-up inventory amortization	900	900	900	-	-	-	-
Adjusted EBITDA	**$926,484**	**$926,484**	**$235,993**	**$231,370**	**$234,736**	**$224,385**	**$227,053**

ANI, Adjusted EPS, and ANI Margin – Q4-2018

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	Q4 2018			Q4 2017			Change		
Total Sensata	**Amount**	**EPS[1]**	**Margin[2]**	**Amount**	**EPS[1]**	**Margin[2]**	**Amount**	**EPS[1]**	**Margin[2]**
Net income	**$254,099**	**$1.54**	**30.0%**	**$169,129**	**$0.98**	**20.1%**	**50.2%**	**57.1%**	**990 bps**
Non-GAAP adjustments:									
Restructuring related and other	9,764	0.06	1.2%	3,032	0.02	0.4%	222.0%	200.0%	80 bps
Financing and other transaction costs	6,070	0.04	0.7%	4,729	0.03	0.6%	28.4%	33.3%	10 bps
Deferred (gain)/loss on other hedges	(1,253)	(0.01)	(0.1%)	(2,124)	(0.01)	(0.3%)	41.0%	0.0%	20 bps
Depreciation and amortization expense related to the step-up in fair value of fixed and intangible assets and inventory	36,170	0.22	4.3%	40,294	0.23	4.8%	(10.2%)	(4.3%)	(50 bps)
Deferred income tax and other tax expense/(benefit)	(149,044)	(0.90)	(17.6%)	(67,343)	(0.39)	(8.0%)	(121.3%)	(130.8%)	(960 bps)
Amortization of debt issuance costs	1,837	0.01	0.2%	1,713	0.01	0.2%	7.2%	0.0%	0 bps
Total adjustments	(96,456)	(0.58)	(11.4%)	(19,699)	(0.11)	(2.3%)	(389.6%)	(427.3%)	910 bps
Adjusted net income ("ANI")	**$157,643**	**$0.95**	**18.6%**	**$149,430**	**$0.87**	**17.8%**	**5.5%**	**9.2%**	**80 bps**

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

[2] - Percentage of net revenue

Less year-over-year change due to:			
Acquisition and divestiture, net	(4.1%)	(4.6%)	(50 bps)
Foreign exchange rate differences	2.5%	2.3%	60 bps
Organic growth	**7.1%**	**11.5%**	**70 bps**

ANI, Adjusted EPS, and ANI Margin – FY-18

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 2018			FY 2017			Change		
Total Sensata	**Amount**	**EPS[1]**	**Margin[2]**	**Amount**	**EPS[1]**	**Margin[2]**	**Amount**	**EPS[1]**	**Margin[2]**
Net income	**$598,995**	**$3.53**	**17.0%**	**$408,357**	**$2.37**	**12.3%**	**46.7%**	**48.9%**	**470 bps**
Non-GAAP adjustments:									
Restructuring related and other	28,035	0.17	0.8%	21,331	0.12	0.6%	31.4%	41.7%	20 bps
Financing and other transaction costs	(40,344)	(0.24)	(1.1%)	9,267	0.05	0.3%	(535.4%)	(580.0%)	(140 bps)
Deferred loss/(gain) on other hedges	12,499	0.07	0.4%	(7,365)	(0.04)	(0.2%)	269.7%	275.0%	60 bps
Depreciation and amortization expense related to the step-up in fair value of fixed and intangible assets and inventory.	141,193	0.83	4.0%	165,040	0.96	5.0%	(14.4%)	(13.5%)	(100 bps)
Deferred income tax and other tax (benefit)/expense	(128,261)	(0.76)	(3.6%)	(55,156)	(0.32)	(1.7%)	(132.5%)	(137.5%)	(190 bps)
Amortization of debt issuance costs	7,317	0.04	0.2%	7,241	0.04	0.2%	1.0%	0.0%	0 bps
Total adjustments	20,439	0.12	0.6%	140,358	0.82	4.2%	(85.4%)	(85.4%)	(360 bps)
Adjusted net income ("ANI")	**$619,434**	**$3.65**	**17.6%**	**$548,715**	**$3.19**	**16.6%**	**12.9%**	**14.4%**	**100 bps**

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

[2] - Percentage of net revenue

Less year-over-year change due to:			
Acquisition and divestiture, net	(1.5%)	(1.6%)	(20 bps)
Foreign exchange rate differences	2.4%	2.5%	20 bps
Organic growth	**12.0%**	**13.5%**	**100 bps**

Adjusted Taxes and Adjusted Tax Rate

$ in thousands	Q4		FY	
Total Sensata	**2018**	**2017**	**2018**	**2017**
Provision for/(benefit from) income taxes	**($134,706)**	**($53,675)**	**($72,620)**	**($5,916)**
Non-GAAP adjustments:				
Deferred income tax and other tax expense/(benefit)	(149,044)	(67,343)	(128,261)	(55,156)
Adjusted taxes	**(14,338)**	**$13,668**	**$55,641**	**$49,240**
Adjusted EBIT	$209,015	$200,568	$821,437	$750,475
Adjusted tax rate	**6.9%**	**6.8%**	**6.8%**	**6.6%**

Free Cash Flow

$ in thousands	Q4			FY		
Total Sensata	**2018**	**2017**	**Change**	**2018**	**2017**	**Change**
Net cash provided by operating activities	**$200,424**	**$185,367**	**8.1%**	**$620,563**	**$557,646**	**11.3%**
Additions to property, plant and equipment and capitalized software	(48,512)	(41,048)	(18.2%)	(159,787)	(144,584)	(10.5%)
Free cash flow	**$151,912**	**$144,319**	**5.3%**	**$460,776**	**$413,062**	**11.6%**

Net Debt and Net Leverage Ratio

$ in thousands

Total Sensata	As of 31-Dec-18	30-Sep-18	30-Jun-18	31-Mar-18	31-Dec-17
Current portion of long-term debt, capital lease and other financing obligations	$14,561	$13,378	$11,044	$8,178	$15,720
Capital lease and other financing obligations	30,618	24,548	26,098	27,735	28,739
Long-term debt	3,219,762	3,220,401	3,221,039	3,221,676	3,225,810
Total debt, capital lease and other financing obligations	**3,264,941**	**3,258,327**	**3,258,181**	**3,257,589**	**3,270,269**
Less: Discount	(15,169)	(15,857)	(16,545)	(17,233)	(14,424)
Less: Deferred financing costs	(23,159)	(24,308)	(25,457)	(26,607)	(27,758)
Total gross indebtedness	3,303,269	3,298,492	3,300,183	3,301,429	3,312,451
Less: Cash and cash equivalents	729,833	811,394	863,380	828,266	753,089
Net debt	**$2,573,436**	**$2,487,098**	**$2,436,803**	**$2,473,163**	**$2,559,362**
Adjusted EBITDA (LTM)	$926,484	$917,544	901,536	$881,703	$ 853,626
Net leverage ratio	**2.8**	**2.7**	**2.7**	**2.8**	**3.0**

Organic Revenue Growth

	2018 versus 2017	
Total Sensata	**Q4**	**FY**
Reported net revenue (percentage) change	**0.9%**	**6.5%**
Less year-over-year change due to:		
Acquisition and divestiture, net	(1.9%)	(0.8%)
Foreign exchange rate differences	(0.7%)	1.3%
Organic revenue growth	**3.5%**	**6.0%**

Performance Sensing	**Q4**	**FY**
Reported net revenue (percentage) change	**0.7%**	**6.8%**
Less year-over-year change due to:		
Acquisition and divestiture, net	(3.5%)	(1.3%)
Foreign exchange rate differences	(0.8%)	1.5%
Organic revenue growth	**5.0%**	**6.6%**

Sensing Solutions	**Q4**	**FY**
Reported net revenue (percentage) change	**1.5%**	**5.7%**
Less year-over-year change due to:		
Acquisition and divestiture, net	2.9%	0.7%
Foreign exchange rate differences	(0.1%)	0.8%
Organic revenue (decline)/growth	**(1.3%)**	**4.2%**

Segment Margin

$ in thousands	Q4			FY		
Performance Sensing	**2018**	**2017**	**Change**	**2018**	**2017**	**Change**
Segment profit	$177,516	$180,695	(1.8%)	$712,682	$664,186	7.3%
Segment net revenue	638,994	634,696	0.7%	2,627,651	2,460,600	6.8%
Segment margin (reported basis)	**27.8%**	**28.5%**	**(70 bps)**	**27.1%**	**27.0%**	**10 bps**
Less year-over-year change due to:						
Acquisition and divestiture, net	(0.3%)	(0.2%)	(10 bps)	0.0%	(0.1%)	10 bps
Foreign exchange rate differences	0.8%	0.0%	80 bps	0.4%	0.0%	40 bps
Segment margin (organic basis)	**27.3%**	**28.7%**	**(140 bps)**	**26.7%**	**27.1%**	**(40 bps)**

Sensing Solutions	**2018**	**2017**	**Change**	**2018**	**2017**	**Change**
Segment profit	$68,760	$67,539	1.8%	$293,009	$277,450	5.6%
Segment net revenue	208,928	205,838	1.5%	893,976	846,133	5.7%
Segment margin (reported basis)	**32.9%**	**32.8%**	**10 bps**	**32.8%**	**32.8%**	**0 bps**
Less year-over-year change due to:						
Acquisition and divestiture, net	(0.5%)	0.0%	(50 bps)	(0.1%)	0.0%	(10 bps)
Foreign exchange rate differences	1.0%	0.0%	100 bps	0.5%	0.0%	50 bps
Segment margin (organic basis)	**32.4%**	**32.8%**	**(40 bps)**	**32.4%**	**32.8%**	**(40 bps)**