Sensata Technologies

SENSATA FIRST QUARTER 2019 EARNINGS PRESENTATION

MAY 1, 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.

Q1-2019 GAAP Results

$ and shares outstanding in millions, except EPS	Q1-2019	Q1-2018	Δ
Revenue	$870.5	$886.3	(1.8%)
Gross Profit (% of revenue)	$289.7 *33.3%*	$303.8 *34.3%*	(4.7%)
R&D (% of revenue)	$35.1 *4.0%*	$36.0 *4.1%*	(2.5%)
SG&A (% of revenue)	$70.5 *8.1%*	$81.3 *9.2%*	(13.2%)
Operating Income (% of revenue)	$142.6 *16.4%*	$147.7 *16.7%*	(3.4%)
Tax Rate	20.2%	13.5%	670 bps
Net Income (% of revenue)	$85.1 *9.8%*	$90.5 *10.2%*	(6.0%)
Diluted EPS	$0.52	$0.52	0.0%
Diluted Shares Outstanding	164.5	172.9	(8.3)

Q1-2019: Another quarter of strong secular growth and returns-based capital deployment

- ✓ **Organic revenue growth of ~1% –** strong content growth more than offsets meaningful decline in Industrial, China Auto, European Auto markets
- ✓ **Strong Secular growth –** HVOR outgrows end-market by 850 basis points; auto delivers end market outgrowth of 490 basis points
- ✓ **Growth in new products pressuring margin performance –** clear path to higher margins as volumes of new products increase in the future
- ✓ **Capturing megatrend opportunities in Electrification and Smart & Connected–** closed agreement for Wireless Battery Management (Electrification) and secured first Wireless Gateway win for on-road trucks and trailers (HVOR)
- ✓ **Value-creating capital deployment** – repurchased $150M of Sensata stock in Q1-19; total repurchases of ~$550M over past 10 months



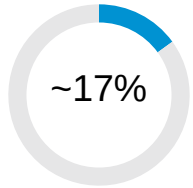
Q1-19 Performance by End Market

PERCENT OF REVENUES



HVOR – Organic revenue growth: 11%

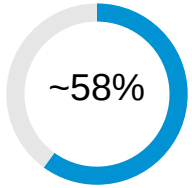
- Outgrew end market by 850 basis points
- Generated solid overall organic revenue growth from NA on-road, construction and agriculture end markets
- Closed agreement for GIGAVAC's high-voltage contactors to be used on electric buses in Paris
- Expect end market decline of ~2% in FY-19





Auto – Organic revenue decline: (1%)

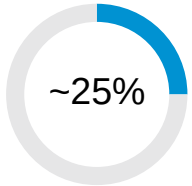
- Outgrew end market by 490 basis points
- Strong content growth helped to offset weak markets in Europe (-5%) and China (-17%)
- Legislative mandates drive solid content growth in Europe
- Lowering full year forecast for end market production due to incremental softness in Europe and China





Industrial & Other – Organic rev decline: (1%)

- Aerospace business and sensor products deliver solid growth
- Underlying content growth in for industrial sensors primarily driven by HVAC and small appliance end markets
- Lower housing starts, European PMI declines, & semiconductor weakness leading to lower demand from industrial customers



We continue to advance our megatrend initiatives across a diverse set of end markets

Proof points of success:

ELECTRIFICATION

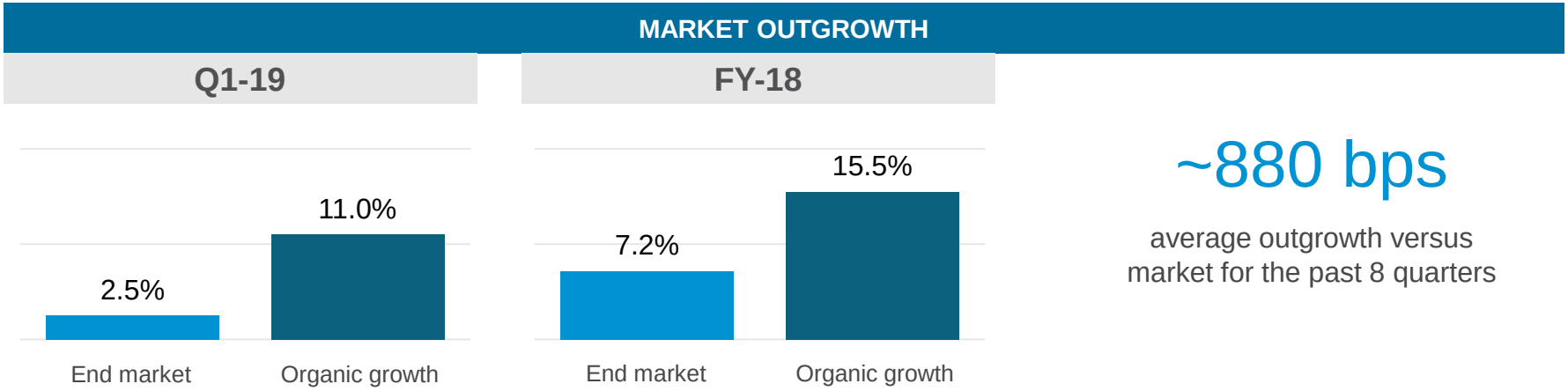
- **AUTO:** Secured agreement for Wireless Battery Management solution with large Chinese auto manufacturer; agreement validates strength of technology and customer value proposition
- **HVOR:** Closed large transaction for GIGAVAC technology for production of electric buses in Europe
- **INDUSTRIAL:** Won award in China as leading component supplier for charging stations
- **GIGAVAC:** Built ~$300M sales pipeline for Auto in first six months of ownership

SMART & CONNECTED

- **HVOR:** Closed first agreement for Wireless Gateway Solution with one of the world's largest truck manufacturers - solution moves Sensata up the "value stack"
- **INDUSTRIAL:** Developing wireless sensors for factory automation



We have sustained attractive outgrowth in HVOR over the past two years



~880 bps

average outgrowth versus market for the past 8 quarters

Drivers

- Electrification of cabins in off-road equipment
- Cleaner and more efficient powertrains
- Electrification of medium-duty trucks and buses



Key priorities for FY-19

Sustain strong outgrowth relative to the market

- Delivering on commitment to accelerate content growth

Continue to align cost structure to lower volume

- Executing initiatives to further streamline operations and drive higher productivity

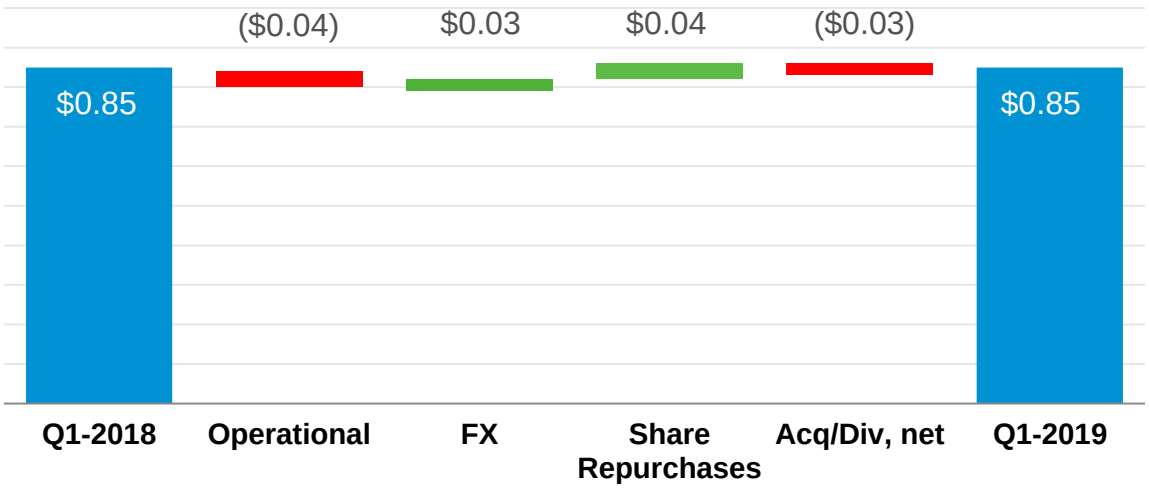
Maintain strong focus on capital deployment

- Continue to execute a combination of share repurchases and bolt-on M&A to drive attractive long-term returns



Q1-2019 Financial Summary

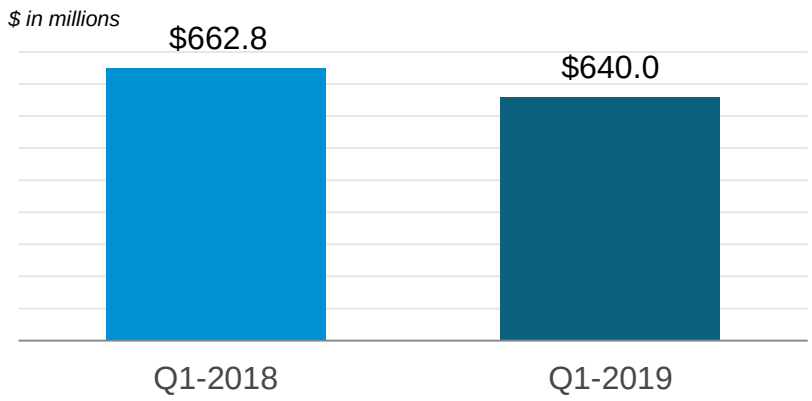
$ in millions, except EPS	Q1-2019	Q1-2018	Δ
Revenue	$870.5	$886.3	(1.8%)
Adjusted Op Income *% revenue*	$188.6 *21.7%*	$194.8 *22.0%*	(3.2%)
Adjusted Net Income *% revenue*	$139.3 *16.0%*	$147.0 *16.6%*	(5.2%)
Adjusted EPS	$0.85	$0.85	0.0%



- Revenue decline of 1.8% composed of:
  - Organic revenue growth: 0.8%
  - Net effect of acq./divestitures decreases revenue by 1.4%
  - Foreign exchange decreases revenue by 1.2%
- Adjusted Op Income declines 3.2%, new product launches and lower productivity offset lower operating expenses
  - Favorability from positive FX offset by the net impact of valves divestment and GIGAVAC acquisition
- Adjusted EPS benefited $0.04 as a result of share buybacks in previous periods

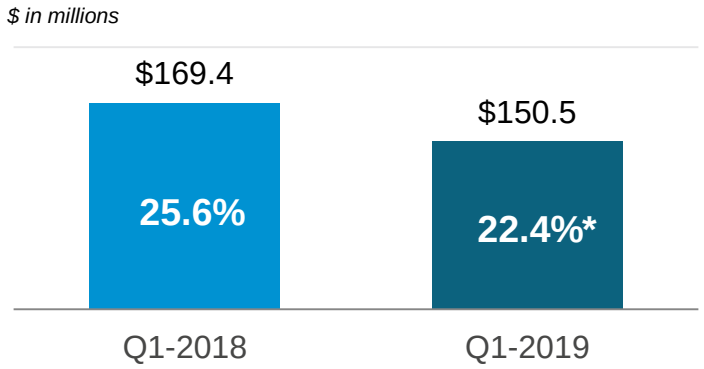
Q1-2019: Performance Sensing

REVENUE



SEGMENT OPERATING INCOME

% OPERATING MARGIN



Q1-19 REVENUE GROWTH	REPORTED	ORGANIC
Automotive	(7.1%)	(1.1%)
HVOR	11.3%	11.0%
Performance Sensing	**(3.4%)**	**1.4%**

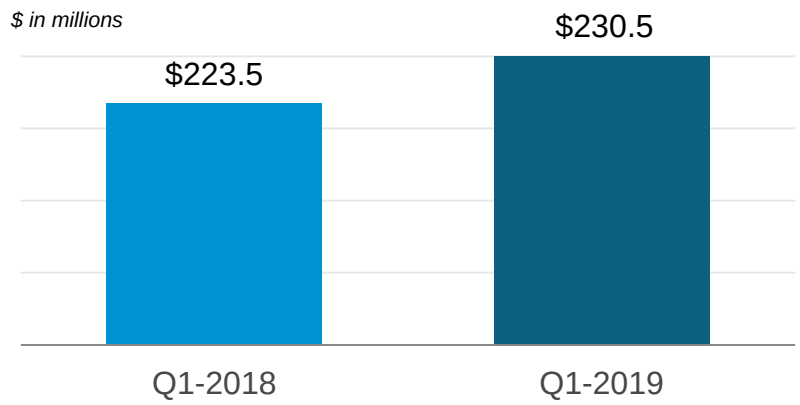
- Foreign exchange 1.2% negative impact
- 3.6% negative impact from net effect of acquisitions/divestitures

- Strong organic growth in HVOR despite slowing end market growth
- Auto performance in-line with expectations as Europe and China markets remain weak
- Customer pricing changes effective at the beginning of the year, divestiture of Valves, new product launches, and higher R&D investment in megatrends lead to lower profitability

* % of revenue, excludes FX

Q1-2019: Sensing Solutions

REVENUE

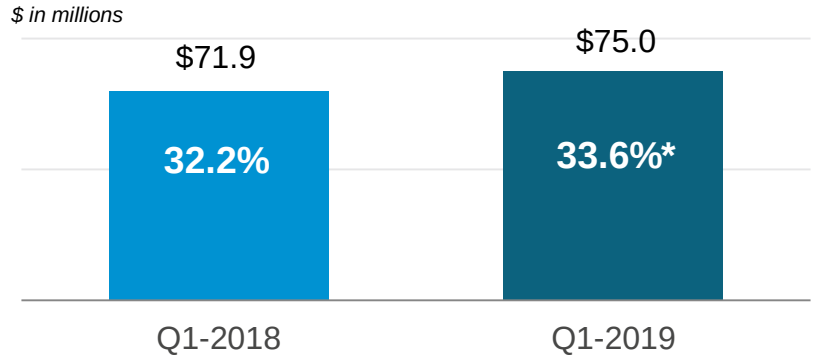


Q1-19 REVENUE GROWTH	REPORTED	ORGANIC
Sensing Solutions	3.1%	(0.9%)

- Foreign exchange 0.9% negative impact
- 4.9% positive impact from GIGAVAC acquisition

SEGMENT OPERATING INCOME

% OPERATING MARGIN



- Generated organic growth in Aerospace and from sensing products sold into industrial markets that benefit from content gains
- Global industrial demand slowing, particularly for control products in China
- Segment margins are up 140 basis points after adjusting for FX due to productivity gains partly offset by GIGAVAC acquisition

* % of revenue, excludes FX

Q1-2019 Non-GAAP Results

$ in millions, except EPS	Q1-2019	Q1-2018	Δ
Revenue	$870.5	$886.3	(1.8%)
Adj. Gross Profit *(% of revenue)*	$294.5 *33.8%*	$309.7 *34.9%*	(4.9%)
R&D *(% of revenue)*	$35.1 *4.0%*	$36.0 *4.1%*	(2.5%)
Adj. SG&A *(% of revenue)*	$69.1 *7.9%*	$77.1 *8.7%*	(10.4%)
Adj. Operating Income *(% of revenue)*	$188.6 *21.7%*	$194.8 *22.0%*	(3.2%)
Adj. Tax Rate[1]	9.1%	8.4%	70 bps
Adj. Net Income *(% of revenue)*	$139.3 *16.0%*	$147.0 *16.6%*	(5.2%)
Adj. EPS	$0.85	$0.85	0.0%

1 – Adjusted tax rate expressed as a % of adjusted profit before tax. Adjusted tax rate expressed as a % of adjusted EBIT was 7.4% and 6.8% in Q1-19 and Q1-18, respectively.

2019 Financial Guidance

$ in millions, except EPS	FY-2018	FY-2019 GUIDANCE	REPORTED
Revenue *organic*	$3,521.6	$3,540 - $3,640	1% - 3% *1% - 4%*
Adj. Op Income	$832.0	$846 – $874	2% – 5%
Adj. Net Income	$619.4	$632 – $658	2% – 6%
Adj. EPS	$3.65	$3.87 – $4.03	6% – 10%

ASSUMPTIONS

- FX expected to decrease revenue by ~$14M
  - Adjusted EPS: positive impact from FX of $0.16 - $0.19
- Adjusted tax rate: ~9%, compared to 8.2% in FY-18
- Diluted share count: ~$0.15 y/y benefit from share repurchase
- Free cash flow of $510M - $550M
  - Capex: $155M - $175M

Market assumptions: global auto market: -3% to -4%; China auto: -5% to -6%; global HVOR market: -2%

Q2-19 Financial Guidance

$ in millions, except EPS	Q2-18	Q2-19 GUIDANCE	REPORTED
Revenue *organic*	$913.9	$890 - $914 *(1%) – 2%*	(3%) - 0% *(1%) – 2%*
Adj. Op Income	$219.4	$205 – $211	(7%) – (4%)
Adj. Net Income	$160.8	$150 – $156	(7%) – (3%)
Adj. EPS	$0.93	$0.92 – $0.96	(1%) – 3%

COMMENTS

- Acquisitions/Divest, net expected to decrease revenue by ~$6M
- FX expected to decrease revenue by ~$9M
  - Adjusted EPS: $0.07-$0.08 impact from FX
- ~$0.05 benefit from share repurchase
- Fill rate of 88%

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APPENDIX

SENSATA FIRST QUARTER 2019 EARNINGS SUMMARY

Q1-2019 Cash Flow Statement

$ in millions	Q1-2019	Q1-2018	Δ
Net Income	$85.1	$90.5	(6.0%)
Depreciation & Amortization	$63.4	$62.9	0.7%
Changes in Working Capital	($54.8)	($48.9)	(12.2%)
Other	$19.1	$18.7	2.1%
Operating Cash Flow	$112.7	$123.3	(8.6%)
Capital Expenditures	($41.7)	($30.9)	(34.8%)
Free Cash Flow	$71.0	$92.3	(23.1%)

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

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 may 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 this Appendix.

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 the following non-GAAP adjustments, if applicable: (1) restructuring related and other, (2) financing and transaction related, (3) deferred gain or loss on commodities and other derivative instruments, and (4) step-up inventory amortization. Refer to definition of ANI, below, for additional information regarding the nature of these non-GAAP adjustments.

Adjusted EPS – represents ANI divided by the diluted weighted-average ordinary shares outstanding. Refer also to definition of ANI, below.

Adjusted Operating Income – represents operating income, determined in accordance with U.S. GAAP, adjusted to exclude the following non-GAAP items, if applicable: (1) restructuring related and other, (2) financing and transaction related, (3) deferred gain or loss on commodities and other derivative instruments, and (4) step-up amortization and depreciation. Refer to definition of ANI, below, for additional information regarding the nature of these non-GAAP adjustments.

Adjusted Operating Margin – represents adjusted operating income divided by net revenue.

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 and other exit activities as well as other costs (or income) that 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 transaction related – includes losses or gains related to debt financing transactions, losses or gains related to the divestiture of a business, and costs incurred, including for legal, accounting and other professional services, that are directly related to an acquisition, divestiture, or equity financing transaction.

(3) Deferred loss or gain on commodities and other derivative instruments – includes unrealized losses or gains on derivative instruments that do not qualify for hedge accounting as well as the impact of commodity prices on our raw material costs relative to the strike price on our commodity forward contracts.

(4) Step-up depreciation and amortization – includes depreciation and amortization expense associated with the step-up in fair value of assets acquired in connection with a business combination (e.g., PP&E, definite-lived intangible assets, and inventory).

(5) Deferred income taxes and other tax related – 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 related items include certain adjustments to unrecognized tax positions.

(6) Amortization of debt issuance costs.

(7) Where applicable, the current tax effect of non-GAAP adjustments (i.e., we use the current rather than the total tax effect since we excluded deferred income taxes from ANI).

Organic or Constant Currency Measures – in discussing trends in the Company's performance, we may refer to the percentage change of certain GAAP or non-GAAP financial measures in one period versus another, calculated on either a reported, constant currency, or organic basis. Changes calculated on a constant currency basis exclude the period-over-period impact of foreign exchange rate differences while changes calculated on an organic basis exclude the period-over-period impact of foreign exchange rate differences as well as the net impact of acquisitions and divestitures for the 12 months following the respective transaction date(s). We believe that these measures are useful to investors and management in understanding our ongoing operations and in analysis of ongoing operating trends.

Non-GAAP Measures - continued

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, finance 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 that the net leverage ratio is a useful measure to management and investors in understanding trends in our overall financial condition.

Adjusted Taxes & Adjusted Tax Rate – adjusted taxes represents the provision for/(benefit from) income taxes, determined in accordance with U.S. GAAP, adjusted to exclude deferred taxes and other tax related items as well as the current tax effect of other non-GAAP adjustments (refer also to definition of ANI). The adjusted tax rate is calculated as adjusted taxes divided by adjusted income before taxes.

Adjusted EBITDA

$ in thousands	Period					
Total Sensata	**LTM[1]**	**Q1 2019**	**Q4 2018**	**Q3 2018**	**Q2 2018**	**Q1 2018**
Net income	**$593,570**	**$85,065**	**$254,099**	**$149,118**	**$105,288**	**$90,490**
Interest expense, net	154,503	39,253	38,871	38,058	38,321	38,429
Provision for/(benefit from) income taxes	(65,279)	21,467	(134,706)	24,562	23,398	14,126
Depreciation expense	105,367	27,208	26,496	26,073	25,590	27,855
Amortization of intangible assets	140,400	36,143	35,752	33,911	34,594	35,069
Earnings before interest, taxes, depreciation, and amortization ("EBITDA")	$928,561	$209,136	$220,512	$271,722	$227,191	$205,969
Non-GAAP adjustments:						
Restructuring related and other	29,417	8,046	9,764	9,268	2,339	6,664
Financing and other transaction costs	(43,080)	2,954	6,070	(54,173)	2,069	5,690
Deferred loss/(gain) on commodities & other derivatives	4,769	(1,668)	(1,253)	4,553	3,137	6,062
Step-up inventory amortization	900	-	900	-	-	-
Adjusted EBITDA	**$920,567**	**$218,468**	**$235,993**	**$231,370**	**$234,736**	**$224,385**

1 – Last twelve months (“LTM”)

Adjusted Operating Income & Margin, ANI, & Adjusted EPS

$ in thousands, except per share amounts	Q1 2019					Q1 2018				
Total Sensata	**Operating Income**	**Operating Margin**	**Income Tax Provision**	**Net Income**	**Diluted EPS**	**Operating Income**	**Operating Margin**	**Income Tax Provision**	**Net Income**	**Diluted EPS**
Reported (GAAP)	**$142,596**	**16.4%**	**$21,467**	**$85,065**	**$0.52**	**$147,678**	**16.7%**	**$14,126**	**$90,490**	**$0.52**
Non-GAAP adjustments:										
Restructuring related and other	8,046	0.9%	(400)	7,646	0.05	6,664	0.8%	-	6,664	0.04
Financing and transaction costs	2,954	0.3%	-	2,954	0.02	3,340	0.4%	-	5,690	0.03
Deferred (gain)/loss on commodities & other derivatives	(545)	(0.1%)	-	(1,668)	(0.01)	1,491	0.2%	-	6,062	0.04
Step-up depreciation and amortization	35,501	4.1%	-	35,501	0.22	35,630	4.0%	-	35,630	0.21
Amortization of debt issuance costs	-	-	-	1,836	0.01	-	-	-	1,805	0.01
Deferred income taxes and other tax related	-	-	7,953	7,953	0.05	-	-	636	636	0.00
Total non-GAAP adjustments	45,956	5.3%	7,553	54,222	0.33	47,125	5.3%	636	56,487	0.33
Adjusted (non-GAAP)	**$188,552**	**21.7%**	**$13,914**	**$139,287**	**0.85**	**$194,803**	**22.0%**	**$13,490**	**$146,977**	**$0.85**

Other GAAP to non-GAAP Reconciliations

$ in thousands	Q1 2019										
	Cost of Revenue	Gross Profit[1]	SG&A	Amortization of Intangibles	Restructuring & Other Charges, Net	Operating Income	Interest Expense, Net	Other, Net	Income Before Taxes	Income Taxes	Net Income
Reported (GAAP)	**$580,806**	**$289,693**	**$70,549**	**$36,143**	**$5,309**	**$142,596**	**($39,253)**	**$3,189**	**$106,532**	**$21,467**	**$85,065**
Non-GAAP adjustments:											
Restructuring related and other	4,209	4,209	982	-	2,855	8,046	-	-	8,046	(400)	7,646
Financing and transaction related	-	-	500	-	2,454	2,954	-	-	2,954	-	2,954
Deferred gain on commodities & other derivatives	(545)	(545)	-	-	-	(545)	-	(1,123)	(1,668)	-	(1,668)
Step-up depreciation and amortization	1,112	1,112	-	34,389	-	35,501	-	-	35,501	-	35,501
Amortization of debt issuance costs	-	-	-	-	-	-	1,836	-	1,836	-	1,836
Deferred income tax and other tax related	-	-	-	-	-	-	-	-	-	7,953	7,953
Total non-GAAP adjustments	4,776	4,776	1,482	34,389	5,309	45,956	1,836	(1,123)	46,669	7,553	54,222
Adjusted (non-GAAP)	**$576,030**	**$294,469**	**$69,067**	**$1,754**	**$ -**	**$188,552**	**($37,417)**	**$2,066**	**$153,201**	**$13,914**	**$139,287**

$ in thousands	Q1 2018										
	Cost of Revenue	Gross Profit[1]	SG&A	Amortization of Intangibles	Restructuring & Other Charges, Net	Operating Income	Interest Expense, Net	Other, Net	Income Before Taxes	Income Taxes	Net Income
Reported (GAAP)	**$582,457**	**$303,836**	**$81,322**	**$35,069**	**$3,766**	**$147,678**	**($38,429)**	**$(4,633)**	**$104,616**	**$14,126**	**$90,490**
Non-GAAP adjustments:											
Restructuring related and other	2,124	2,124	893	-	3,647	6,664	-	-	6,664	-	6,664
Financing and transaction related	-	-	3,340	-	-	3,340	-	2,350	5,690	-	5,690
Deferred loss on commodities & other derivatives	1,491	1,491	-	-	-	1,491	-	4,571	6,062	-	6,062
Step-up depreciation and amortization	2,215	2,215	-	33,415	-	35,630	-	-	35,630	-	35,630
Amortization of debt issuance costs	-	-	-	-	-	-	1,805	-	1,805	-	1,805
Deferred income tax and other tax related	-	-	-	-	-	-	-	-	-	636	636
Total non-GAAP adjustments	5,830	5,830	4,233	33,415	3,647	47,125	1,805	6,921	55,851	636	56,487
Adjusted (non-GAAP)	**$576,627**	**$309,666**	**$77,089**	**$1,654**	**$119**	**$194,803**	**($36,624)**	**$2,288**	**$160,467**	**$13,490**	**$146,977**

1 – Reported amounts refers to net revenue, determined in accordance with U.S. GAAP, minus cost of revenue, also determined in accordance with U.S. GAAP.

Organic Revenue Growth

	Q1 2019 versus 2018				
	Reported % Change (GAAP)	**Less Impact of: Foreign Exchange Rates**	**Constant Currency % Change (non-GAAP)**	**Less Impact of: Acquisitions & Divestitures, Net**	**Organic % Change (non-GAAP)**
Performance Sensing	**(3.4%)**	(1.2%)	**(2.2%)**	(3.6%)	**1.4%**
Sensing Solutions	**3.1%**	(0.9%)	**4.0%**	4.9%	**(0.9%)**
Total Sensata	**(1.8%)**	(1.2%)	**(0.6%)**	(1.4%)	**0.8%**

Free Cash Flow

$ in thousands	Q1		
Total Sensata	**2019**	**2018**	**Change**
Net cash provided by operating activities	**$112,693**	**$123,255**	**(8.6%)**
Additions to property, plant and equipment and capitalized software	(41,690)	(30,938)	(34.8%)
Free cash flow	**$71,003**	**$92,317**	**(23.1%)**

Net Debt and Net Leverage Ratio

$ in thousands	As of	
Total Sensata	**31-Mar-19**	**31-Dec-18**
Current portion of long-term debt, finance lease and other financing obligations	$13,660	$14,561
Finance lease and other financing obligations, less current portion	30,864	30,618
Long-term debt, net	3,216,729	3,219,762
Total reported debt, finance lease and other financing obligations	**$3,261,253**	**$3,264,941**
Less: Discount	(14,481)	(15,169)
Less: Deferred financing costs	(24,405)	(23,159)
Total gross indebtedness	3,300,139	3,303,269
Less: Cash and cash equivalents	649,518	729,833
Net debt	**$2,650,621**	**$2,573,436**
Adjusted EBITDA (LTM)	$920,567	$926,484
Net leverage ratio	**2.9**	**2.8**

Adjusted Taxes and Adjusted Tax Rate

$ in thousands

Total Sensata	Q1 2019	Q1 2018
Provision for income taxes (GAAP)	**$21,467**	**$14,126**
Non-GAAP adjustments:		
Deferred income taxes and other tax related	7,953	636
Current tax effect of non-GAAP adjustments	(400)	-
Adjusted taxes (non-GAAP)	**$13,914**	**$13,490**
Adjusted income before taxes (non-GAAP)	$153,201	$160,467
Adjusted tax rate (non-GAAP)	**9.1%**	**8.4%**