Sensata Technologies

SENSATA THIRD QUARTER 2019 EARNINGS PRESENTATION

OCTOBER 30, 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.

Q3-2019 GAAP Results

$ and shares outstanding in millions, except EPS	Q3-2019	Q3-2018	Δ
Revenue	$849.7	$873.6	(2.7%)
Gross Profit (% of revenue)	$294.8 *34.7%*	$315.2 *36.1%*	(6.5%)
R&D (% of revenue)	$38.2 *4.5%*	$37.8 *4.3%*	1.0%
SG&A (% of revenue)	$68.2 *8.0%*	$73.9 *8.5%*	(7.8%)
Operating Income (% of revenue)	$146.1 *17.2%*	$222.3 *25.5%*	(34.3%)
Tax Rate	28.6%	14.1%	1,450 bps
Net Income (% of revenue)	$70.7 *8.3%*	$149.1 *17.1%*	(52.6%)
Diluted EPS	$0.44	$0.88	(50.0%)
Diluted Shares Outstanding	161.3	168.6	(4.3%)

Q3-2019: Solid margin and free cash flow performance despite challenging end-markets

- ✓ **Continued secular outgrowth –** organic revenue decline of (2.8%) reflects 140 basis points of outgrowth in Auto and 160 basis points of outgrowth in HVOR; Q3-19 YTD Sensata generated 430 basis points of outgrowth in Auto and 410 basis points of outgrowth in HVOR
- ✓ **Solid adjusted operating margins despite lower revenues –** adjusted operating margins of 23.5%, ahead of Q3-19 guidance
- ✓ **Effectively delivering EPS performance despite lower revenue –** EPS ahead of guidance midpoint after adjusting for FX, contribution from FX approximately $0.03 lower than previous guidance
- ✓ **Investing for long-term growth –** accelerating investments in Electrification/Smart & Connected to penetrate attractive markets
- ✓ **Strong free cash flow performance of $140M –** free cash flow to adjusted net income conversion of 97% reflects improved working capital efficiency



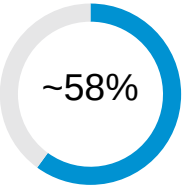
Q3-19 Performance by End Market

PERCENT OF REVENUES



Auto – Organic revenue decline: (0.4%)

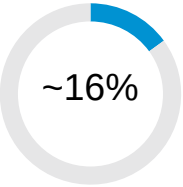
- China content growth remains robust as end market continues to decline, but improves considerably from Q2-19
- NA auto revenues continue to grow, but performance lowered as a result of General Motors strike
- Continue to be affected by a volatile & declining market in Europe
- Outgrowth expected to improve in Q4-19E





HVOR – Organic revenue decline: (6.2%)

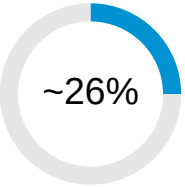
- Construction and agriculture markets incrementally weaken as customers further reduce inventory and lower forecasts
- On-road business strong in China, declines in NA and Europe were in-line with expectations
- Customer delays of planned product launches lowering overall content growth





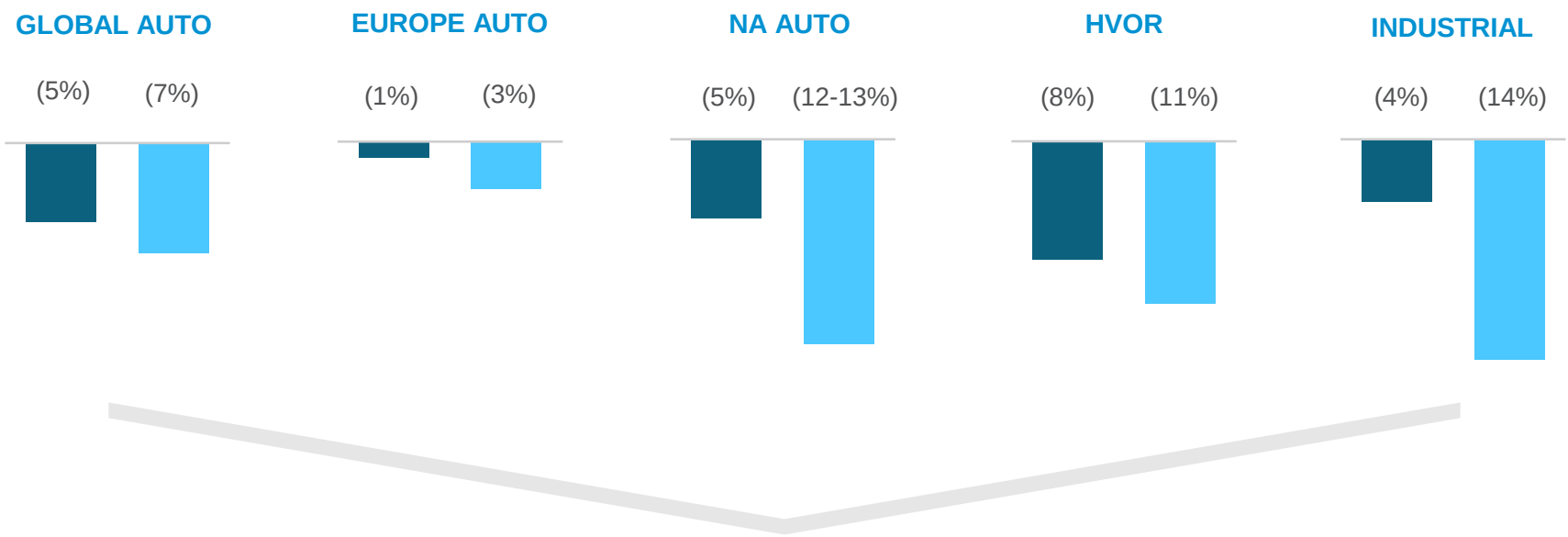
Aero, Industrial & Other – Organic rev decline: (6.3%)

- PMI in all geographic regions signaling contraction and further weakening of demand for our products
- Exports of industrial products out of China particularly weak
- HVAC performance negatively affected by lower demand for refrigerated trucks
- Aerospace business continues to post solid growth



We are lowering our growth expectations for several end markets in Q4-19

OEM Production:



Content growth will help to offset end market declines

Previous Expectations

Current Guidance

Key messages

We have a demonstrated track record of sustaining margins and increasing earnings over the long-term

- Continued secular outgrowth
- Strong operating discipline and quickly aligning costs with customer demand
- 5 year EPS CAGR of ~8% (2014-2019E)

We have a strong balance sheet and we have delivered solid free cash flow performance

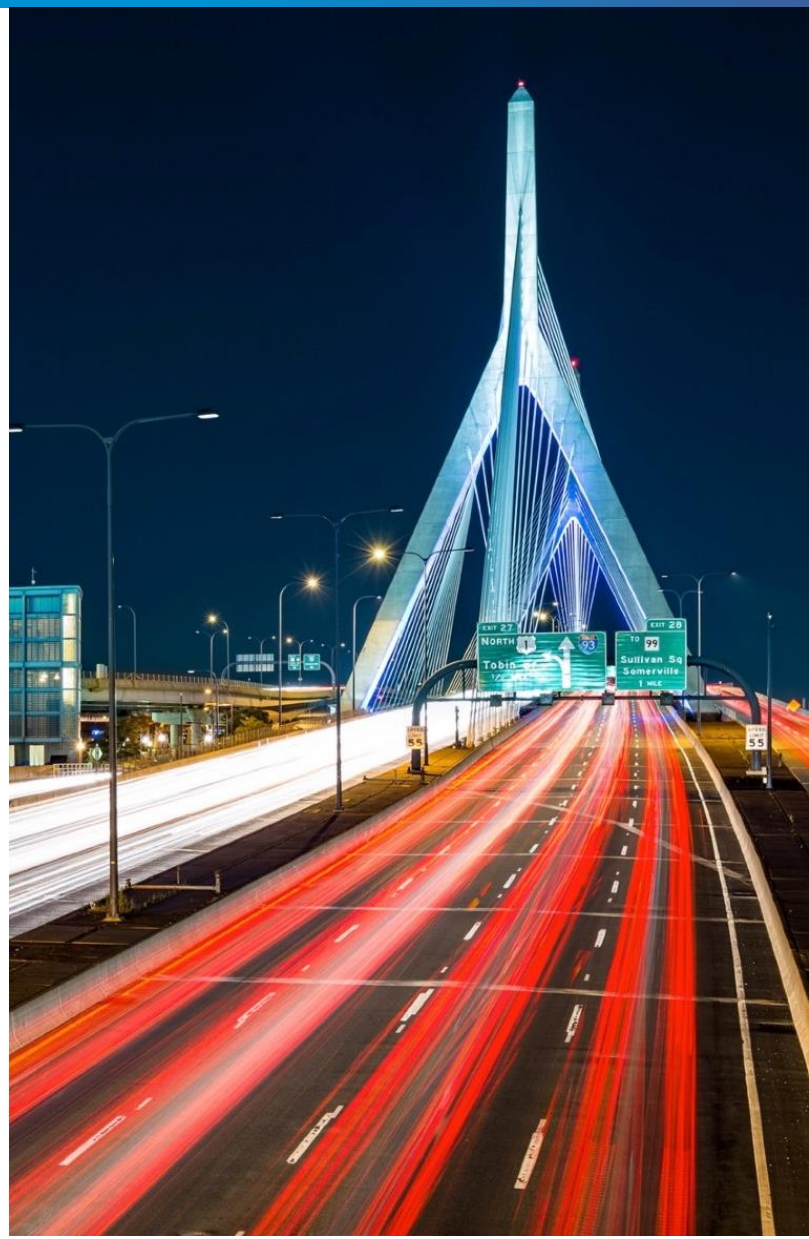
- Net leverage ratio of 2.8x despite deploying more than $900M toward M&A and share repurchases in past 18 months
- Free cash flow to revenue ratio of approximately 12% (Q3-YTD)

We continue to execute value-creating capital deployment

- Balanced approach between M&A and share buybacks

We are accelerating our investments for future growth

- Smart & Connected and Electrification Initiatives



Sensata Technologies

SMART & CONNECTED INITIATIVE

JEFF COTE, PRESIDENT & CHIEF OPERATING OFFICER

Today, we are the leading provider of sensor components for on-road truck and trailer OEMs and tier 1 providers

Trailers
Brake, ABS, Speed, TPMS, Suspension & Refrigerator Sensors

Exhaust
Intake, Temperature, Filter, Urea & SCR Sensors

Transmission
Pressure, Speed, Retarder, Position, Sensors

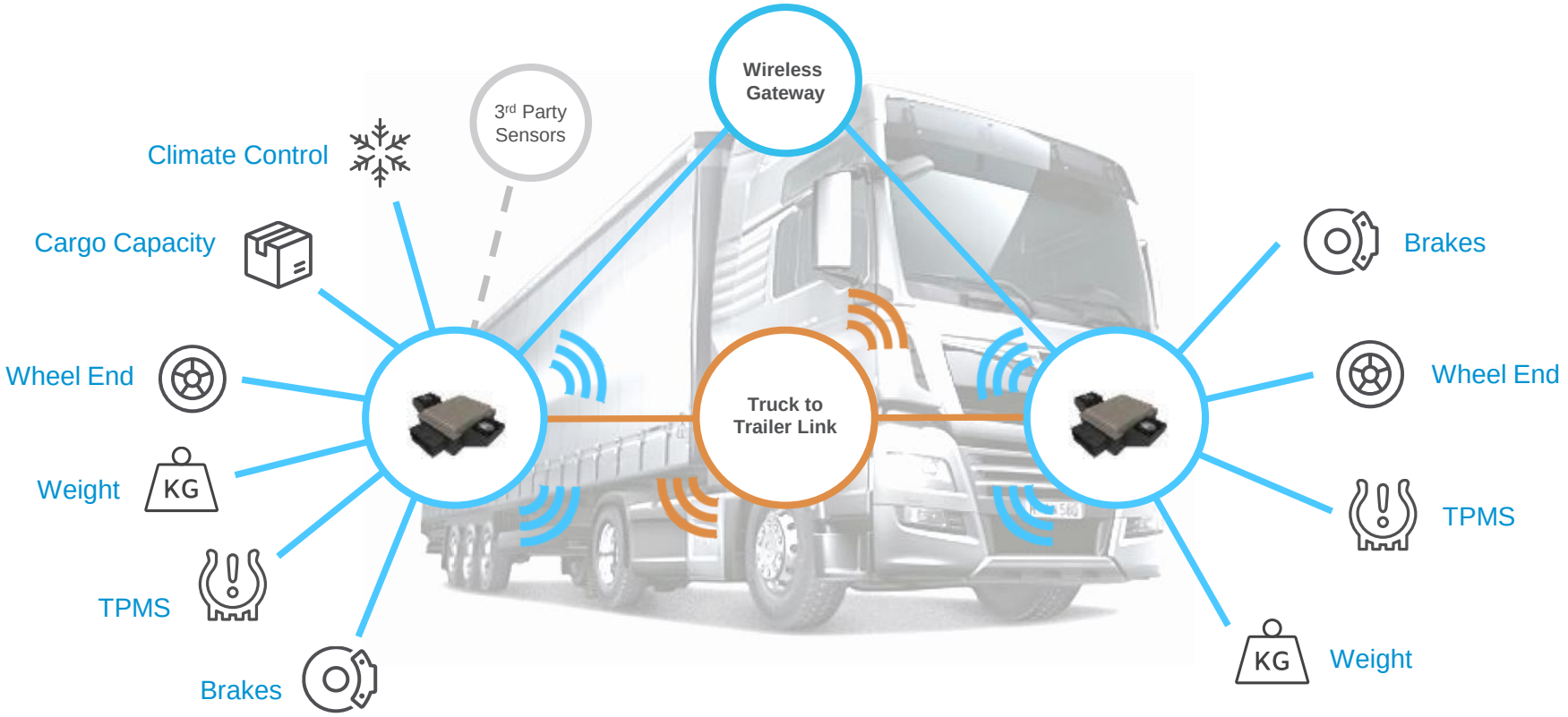


Cabin Comfort
Air Conditioning & Cabin Air Filter Sensors

Engine
Fuel, Oil, Coolant, Speed, EGR, Fuel rail, Filter, Cam & Crank Sensors

Chassis
ABS, Air, Brake, Speed, Height, TPMS & Suspension Sensors

We are our leveraging leadership in wireless & embedded systems to create a Vehicle Area Network for many use cases



Sensata's **vehicle area network (VAN)** provides a **scalable platform** that supports several **wireless sensing** applications across **trucks and trailers** and also has the capability to **interface with other 3rd party devices**

A large market opportunity exists to help Fleet Managers reduce downtime and become more efficient

Real-Time Analytics

Mechanical Condition & Safety Data
Load & Environmental Monitoring Data

Telematics Ecosystem

Valuable Insights for Fleet Managers



Sensata Vehicle Area Network (VAN)



Fleet Managers represent a new, less cyclical customer segment for Sensata

We are evolving into a key data insight partner for our commercial truck, trailer and fleet customers









Leveraged Capabilities

SENSOR DESIGN & DEVELOPMENT

Pressure, temperature, speed, position & more

ON-BOARD WIRELESS SYSTEMS

RF protocols, in-house ASIC design, power optimization & more

VEHICLE AREA NETWORK

Centralized wireless gateway "HUB" with application software hosting and truck-to-trailer link

DATA INSIGHT PARTNER

Embedded algorithms to manage vehicle utilization, readiness, warnings and other advanced features

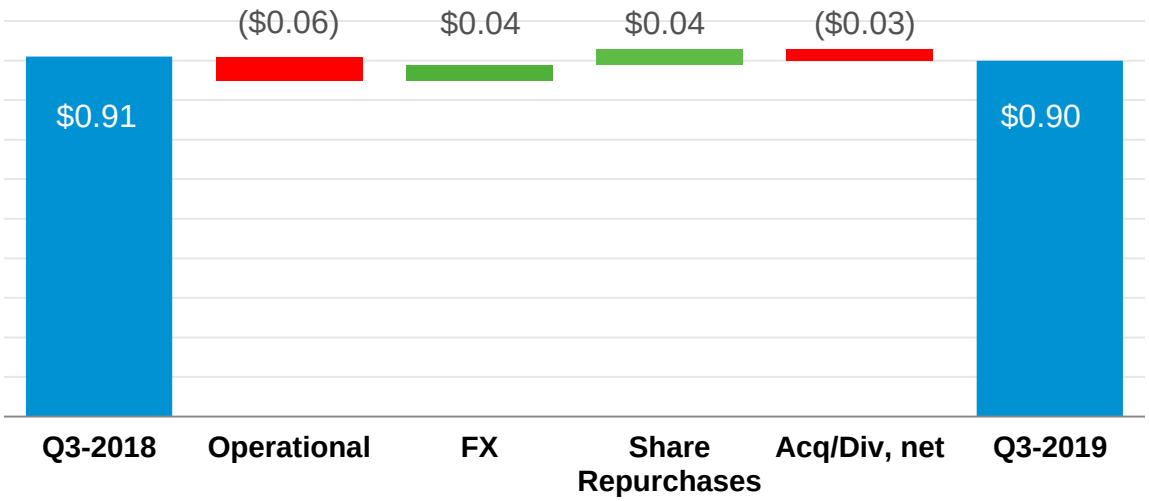
Today | **2020 Roadmap and Beyond**

Q3-19 FINANCIALS & GUIDANCE

PAUL VASINGTON, CHIEF FINANCIAL OFFICER

Q3-2019 Financial Summary

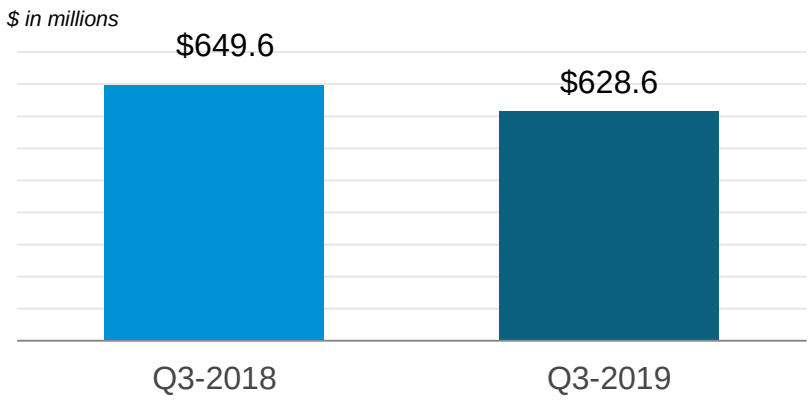
$ in millions, except EPS	Q3-2019	Q3-2018	Δ
Revenue	$849.7	$873.6	(2.7%)
Adjusted Op Income *% revenue*	$199.5 *23.5%*	$207.6 *23.8%*	(3.9%)
Adjusted Net Income *% revenue*	$144.6 *17.0%*	$154.0 *17.6%*	(6.1%)
Adjusted EPS	$0.90	$0.91	(1.1%)



- Revenue decline of (2.7%) composed of:
  - Organic revenue decline: (2.8%)
  - Net effect of acq./divestitures increases revenue by 0.4%
  - Foreign exchange decreases revenue by 0.3%
- Adjusted Op Income declines primarily due to lower organic revenue, productivity headwinds from scaling new product launches, the net effect of acq/div, partially offset by favorable currency
- EPS favorability of $0.04 from FX is approximately $0.03 lower than guidance due primarily to weakness in Chinese Renminbi

Q3-2019: Performance Sensing

REVENUE



Q3-19 REVENUE GROWTH	REPORTED	ORGANIC
Automotive	(2.8%)	(0.4%)
HVOR	(4.8%)	(6.2%)
Performance Sensing	**(3.2%)**	**(1.7%)**

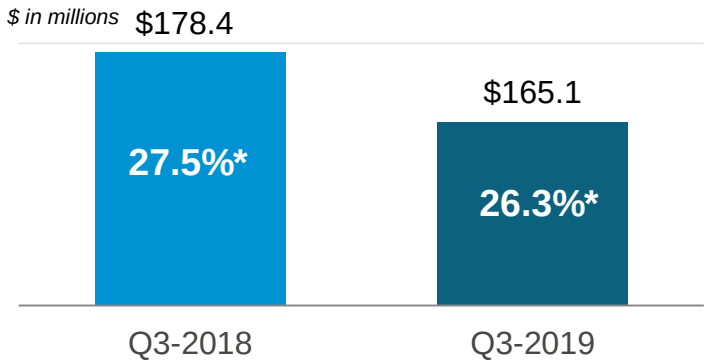
Foreign exchange (0.3%) negative impact

(1.2%) negative impact from net effect of acquisitions/divestitures

* % of revenue

SEGMENT OPERATING INCOME

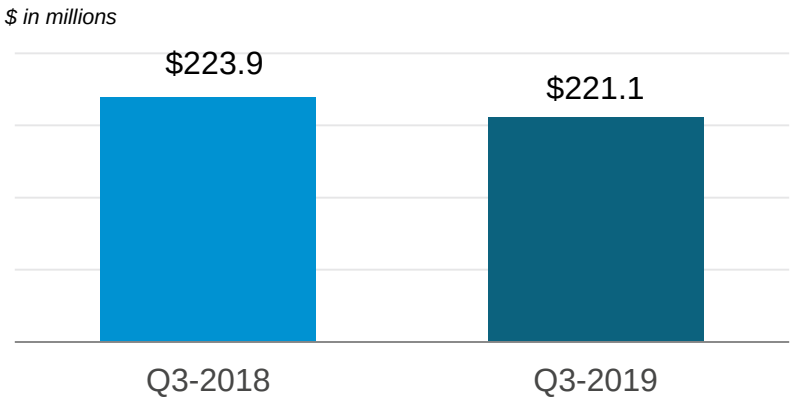
% OPERATING MARGIN



- NA and China Auto deliver organic revenue growth despite continued market declines
- HVOR generating lower revenue as a result of launch delays and incremental market weakness in on-road, construction and agriculture markets
- Lower segment operating income primarily driven by decline in organic revenues, productivity headwinds and the net impact of acq/div, partially offset by foreign currency

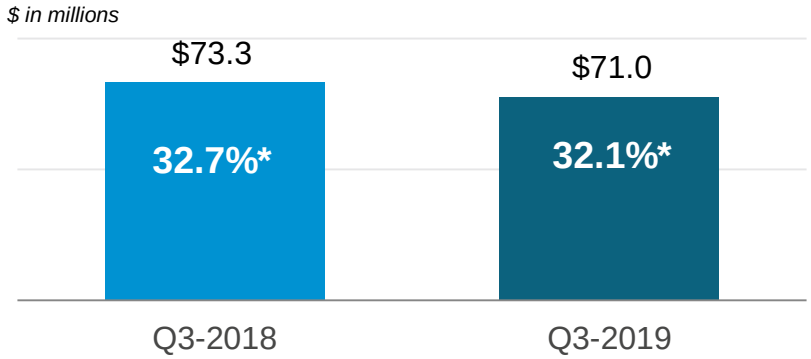
Q3-2019: Sensing Solutions

REVENUE



SEGMENT OPERATING INCOME

% OPERATING MARGIN



Q3-19 REVENUE GROWTH	REPORTED	ORGANIC
Sensing Solutions	(1.3%)	(6.3%)

- Foreign exchange (0.6%) negative impact
- 5.6% positive impact from GIGAVAC acquisition

- Weak end market demand leads to high single-digit organic decline in Industrials business combined with inventory reductions in major geographic regions
- Aerospace business continues to deliver organic growth on solid market and strong content
- Segment operating income decline primarily due to lower organic revenue, partially offset by GIGAVAC acquisition

* % of revenue

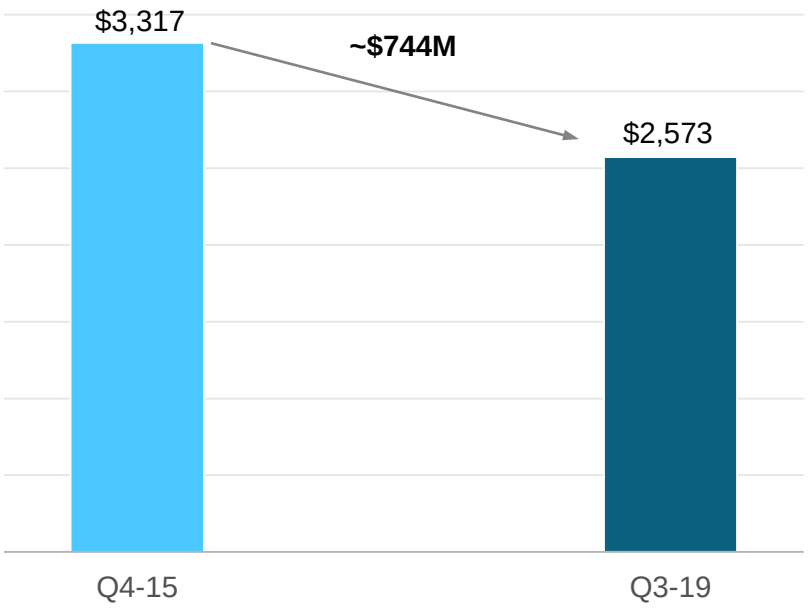
Q3-2019 Non-GAAP Results

$ in millions, except EPS	Q3-2019	Q3-2018	Δ
Revenue	$849.7	$873.6	(2.7%)
Adj. Gross Profit *(% of revenue)*	$303.0 *35.7%*	$319.3 *36.6%*	(5.1%)
R&D *(% of revenue)*	$38.2 *4.5%*	$37.8 *4.3%*	1.0%
Adj. SG&A *(% of revenue)*	$63.7 *7.5%*	$73.0 *8.4%*	(12.8%)
Adj. Operating Income *(% of revenue)*	$199.5 *23.5%*	$207.6 *23.8%*	(3.9%)
Adj. Tax Rate[1]	8.3%	8.7%	(40 bps)
Adj. Net Income *(% of revenue)*	$144.6 *17.0%*	$154.0 *17.6%*	(6.1%)
Adj. EPS	$0.90	$0.91	(1.1%)

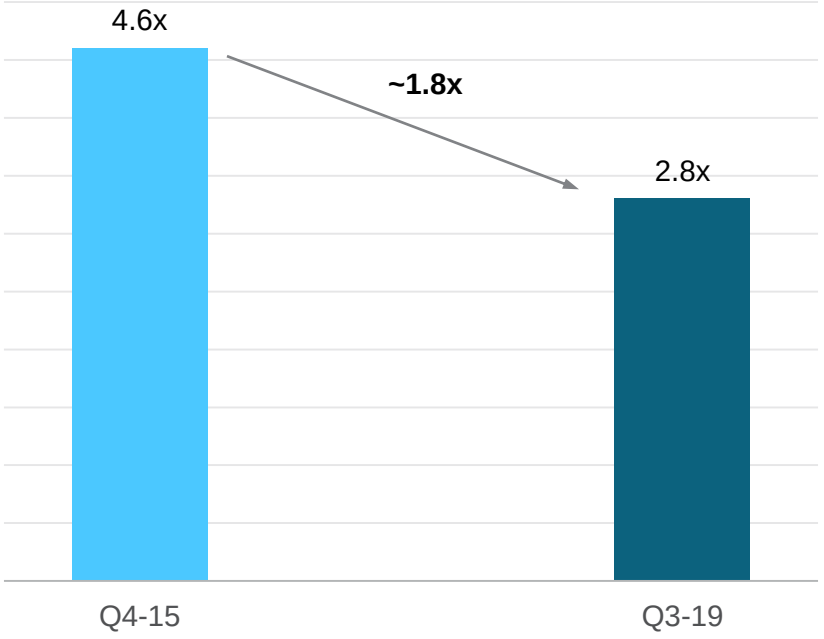
1 – Adjusted tax rate expressed as a % of adjusted profit before tax. Adjusted tax rate expressed as a % of adjusted EBIT was 6.7% and 7.2% in Q3-19 and Q3-18, respectively.

Issued new bond and refinanced term loan at attractive rates, higher portion of debt fixed and maturity pushed out

NET DEBT ($M)



NET LEVERAGE



Issued new 10-year $450M Senior Unsecured Notes: 4.375%, maturity date 2030

Increased fixed debt from 72% of total in Q2-19 to 86% of total in Q3-19

Q4-19 Financial Guidance

$ in millions, except EPS	Q4-18	Q4-19 GUIDANCE	Y/Y Change
Revenue *organic growth*	$847.9	$818 – $842	(3%) – (1%) *(4%) – (1%)*
Adj. Op Income	$210.1	$186 – $192	(12%) – (8%)
Adj. Net Income	$157.6	$135 – $141	(14%) – (11%)
Adj. EPS	$0.95	$0.85 – $0.89	(11%) – (6%)

- Acquisitions/Divest, net expected to increase revenue by ~$9M
- FX expected to decrease revenue by ~$6M
  - Adjusted EPS: ($0.01) to $0.01 impact from FX
- ~$0.03 benefit from share repurchase
- Fill rate of ~88%

2019 Financial Guidance

$ in millions, except EPS	FY-2018	FY-2019 GUIDANCE	Y/Y Change
Revenue *organic growth*	$3,521.6	$3,422 – $3,446	(3%) – (2%) *(2%) – (1%)*
Adj. Op Income	$832.0	$779 – $785	(6%) – (6%)
Adj. Net Income	$619.4	$569 – $575	(8%) – (7%)
Adj. EPS	$3.65	$3.51 – $3.55	(4%) – (3%)

- FX expected to decrease revenue by ~$29M
  - Adjusted EPS: positive impact from FX of $0.12 - $0.13
- Adjusted tax rate: ~8.5 - 9.0%, compared to 8.2% in FY-18
- Diluted share count: ~$0.16 y/y benefit from share repurchase
- Free cash flow of ~$430M - $450M
  - Capex: $160M - $170M

Sensata Technologies

APPENDIX A

OTHER FINANCIAL INFORMATION

YTD 2019 GAAP Results

$ and shares outstanding in millions, except EPS	YTD 2019	YTD 2018	Δ
Revenue	$2,603.9	$2,673.7	(2.6%)
Gross Profit (% of revenue)	$893.0 *34.3%*	$950.4 *35.5%*	(6.0%)
R&D (% of revenue)	$110.0 *4.2%*	$111.8 *4.2%*	(1.6%)
SG&A (% of revenue)	$210.7 *8.1%*	$235.7 *8.8%*	(10.6%)
Operating Income (% of revenue)	$436.2 *16.8%*	$548.1 *20.5%*	(20.4%)
Tax Rate	26.0%	15.3%	1,070 bps
Net Income (% of revenue)	$229.2 *8.8%*	$344.9 *12.9%*	(33.6%)
Diluted EPS	$1.41	$2.01	(29.9%)
Diluted Shares Outstanding	162.8	171.4	(5.0%)

YTD 2019 Non-GAAP Results

$ in millions, except EPS	YTD 2019	YTD 2018	Δ
Revenue	$2,603.9	$2,673.7	(2.6%)
Adj. Gross Profit *(% of revenue)*	$910.5 *35.0%*	$965.8 *36.1%*	(5.7%)
R&D *(% of revenue)*	$110.0 *4.2%*	$111.8 *4.2%*	(1.6%)
Adj. SG&A *(% of revenue)*	$202.3 *7.8%*	$228.1 *8.5%*	(11.3%)
Adj. Operating Income *(% of revenue)*	$593.2 *22.8%*	$621.9 *23.3%*	(4.6%)
Adj. Tax Rate[1]	8.7%	8.2%	50 bps
Adj. Net Income *(% of revenue)*	$434.2 *16.7%*	$461.8 *17.3%*	(6.0%)
Adj. EPS	$2.67	$2.69	(0.7%)

1 – Adjusted tax rate expressed as a % of adjusted profit before tax. Adjusted tax rate expressed as a % of adjusted EBIT was 7.0% and 6.7% in YTD 2019 and YTD 2018, respectively.

Q3-2019 Cash Flow Statement

$ in millions	Q3-2019	Q3-2018	Δ
Net Income	$70.7	$149.1	(52.6%)
Depreciation & Amortization	$65.1	$60.0	8.5%
Changes in Working Capital	$22.7	$14.8	53.4%
Other	$22.9	($57.7)	NM
Operating Cash Flow	$181.4	$166.2	9.1%
Capital Expenditures	($41.7)	($45.0)	7.4%
Free Cash Flow	$139.7	$121.3	15.2%

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

YTD 2019 Cash Flow Statement

$ in millions	YTD 2019	YTD 2018	Δ
Net Income	$229.2	$344.9	(33.6%)
Depreciation & Amortization	$192.4	$183.1	5.1%
Changes in Working Capital	($57.1)	($88.4)	35.4%
Other	$69.0	($19.5)	NM
Operating Cash Flow	$433.5	$420.1	3.2%
Capital Expenditures	($123.2)	($111.3)	(10.7%)
Free Cash Flow	$310.3	$308.9	0.5%

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

Balance Sheet

$ in millions	SEP 30, 2019	DEC 31, 2018
Total Assets	$6,843.6	$6,797.7
Working Capital	$1,329.1	$1,277.2
Intangibles, Net & Other Long-Term Assets	$4,894.0	$4,880.5

$ in millions	SEP 30, 2019	DEC 31, 2018
Cash & Equivalents	$721.4	$729.8
Current Debt	$7.9	$14.6
Net Cash	$713.5	$715.3

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

APPENDIX B

GAAP TO NON-GAAP RECONCILIATIONS

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**	**YTD**	**Q3 2019**	**Q2 2019**	**Q1 2019**	**Q4 2018**	**Q3 2018**
Net income	**$483,275**	**$229,176**	**$70,675**	**$73,436**	**$85,065**	**$254,099**	**$149,118**
Interest expense, net	157,288	118,417	39,556	39,608	39,253	38,871	38,058
Provision for/(benefit from) income taxes	(54,057)	80,649	28,341	30,841	21,467	(134,706)	24,562
Depreciation expense	110,850	84,354	29,172	27,974	27,208	26,496	26,073
Amortization of intangible assets	143,831	108,079	35,905	36,031	36,143	35,752	33,911
Earnings before interest, taxes, depreciation, and amortization ("EBITDA")	$841,187	$620,675	$203,649	$207,890	$209,136	$220,512	$271,722
Non-GAAP adjustments:							
Restructuring related and other	54,680	44,916	15,557	21,313	8,046	9,764	9,268
Financing and other transaction costs	20,079	14,009	8,605	2,450	2,954	6,070	(54,173)
Deferred (gain)/loss on derivative instruments	(5,813)	(4,560)	(2,440)	(452)	(1,668)	(1,253)	4,553
Step-up inventory amortization	900	-	-	-	-	900	-
Adjusted EBITDA	**$911,033**	**$675,040**	**$225,371**	**$231,201**	**$218,468**	**$235,993**	**$231,370**

1 – Last twelve months (“LTM”)

Other GAAP to non-GAAP Reconciliations – Q3-2019

$ in thousands

Total Sensata	Q3 2019 Cost of revenue	Gross profit	SG&A	Amortization	Restructuring and other charges, net	Operating income	Interest expense, net	Other, net	Income before taxes	Income taxes	Net income
Reported (GAAP)	**($554,910)**	**$294,805**	**($68,158)**	**($35,905)**	**($6,421)**	**$146,132**	**($39,556)**	**($7,560)**	**$99,016**	**($28,341)**	**$70,675**
Non-GAAP adjustments:											
Restructuring related and other	8,129	8,129	1,671	-	5,757	15,557	-	-	15,557	(700)	14,857
Financing and transaction costs	-	-	2,809	-	664	3,473	-	5,132	8,605	-	8,605
Deferred gain on commodity and other derivative instruments	(654)	(654)	-	-	-	(654)	-	(1,786)	(2,440)	-	(2,440)
Step-up depreciation and amortization	751	751	-	34,215	-	34,966	-	-	34,966	-	34,966
Amortization of debt issuance costs	-	-	-	-	-	-	1,855	-	1,855	-	1,855
Deferred income tax and other tax related	-	-	-	-	-	-	-	-	-	16,040	16,040
Total adjustments	8,226	8,226	4,480	34,215	6,421	53,342	1,855	3,346	58,543	15,340	73,883
Adjusted (non-GAAP)	**($546,684)**	**$303,031**	**($63,678)**	**($1,690)**	**$-**	**$199,474**	**($37,701)**	**($4,214)**	**$157,559**	**($13,001)**	**$144,558**

$ in thousands

Total Sensata	Q3 2018 Cost of revenue	Gross profit	SG&A	Amortization	Restructuring and other charges, net	Operating income	Interest expense, net	Other, net	Income before taxes	Income taxes	Net income
Reported (GAAP)	**($558,334)**	**$315,218**	**($73,886)**	**($33,911)**	**$52,698**	**$222,319**	**($38,058)**	**($10,581)**	**$173,680**	**($24,562)**	**$149,118**
Non-GAAP adjustments:											
Restructuring related and other	2,555	2,555	892	-	5,821	9,268	-	-	9,268	-	9,268
Financing and transaction costs	-	-	-	-	(57,773)	(57,773)	-	3,600	(54,173)	-	(54,173)
Deferred loss on commodity and other derivative instruments	320	320	-	-	-	320	-	4,233	4,553	-	4,553
Step-up depreciation and amortization	1,227	1,227	-	32,285	-	33,512	-	-	33,512	-	33,512
Amortization of debt issuance costs	-	-	-	-	-	-	1,837	-	1,837	-	1,837
Deferred income tax and other tax related	-	-	-	-	-	-	-	-	-	9,897	9,897
Total adjustments	4,102	4,102	892	32,285	(51,952)	(14,673)	1,837	7,833	(5,003)	9,897	4,894
Adjusted (non-GAAP)	**($554,232)**	**$319,320**	**($72,994)**	**($1,626)**	**$746**	**$207,646**	**($36,221)**	**($2,748)**	**$168,677**	**($14,665)**	**$154,012**

Other GAAP to non-GAAP Reconciliations – YTD 2019

$ in thousands

	YTD 2019										
Total Sensata	**Cost of revenue**	**Gross profit**	**SG&A**	**Amortization of intangibles**	**Restructuring and other charges, net**	**Operating income**	**Interest expense, net**	**Other, net**	**Income before taxes**	**Income taxes**	**Net income**
Reported (GAAP)	**($1,710,951)**	**$892,989**	**($210,733)**	**($108,079)**	**($28,040)**	**$436,167**	**($118,417)**	**($7,925)**	**$309,825**	**($80,649)**	**$229,176**
Non-GAAP adjustments:											
Restructuring related and other	16,515	16,515	5,121	-	23,280	44,916	-	-	44,916	(1,500)	43,416
Financing and transaction costs	-	-	3,309	-	4,760	8,069	-	5,940	14,009	-	14,009
Deferred gain on commodity and other derivative instruments	(1,753)	(1,753)	-	-	-	(1,753)	-	(2,807)	(4,560)	-	(4,560)
Step-up depreciation and amortization	2,776	2,776	-	102,988	-	105,764	-	-	105,764	-	105,764
Amortization of debt issuance costs	-	-	-	-	-	-	5,573	-	5,573	-	5,573
Deferred income tax and other tax related	-	-	-	-	-	-	-	-	-	40,839	40,839
Total adjustments	17,538	17,538	8,430	102,988	28,040	156,996	5,573	3,133	165,702	39,339	205,041
Adjusted (non-GAAP)	**($1,693,413)**	**$910,527**	**($202,303)**	**($5,091)**	**$-**	**$593,163**	**($112,844)**	**($4,792)**	**$475,527**	**($41,310)**	**$434,217**

$ in thousands

	YTD 2018										
Total Sensata	**Cost of revenue**	**Gross profit**	**SG&A**	**Amortization of intangibles**	**Restructuring and other charges, net**	**Operating income**	**Interest expense, net**	**Other, net**	**Income before taxes**	**Income taxes**	**Net income**
Reported (GAAP)	**($1,723,300)**	**$950,405**	**($235,681)**	**($103,574)**	**$48,688**	**$548,057**	**($114,808)**	**($26,267)**	**$406,982**	**($62,086)**	**$344,896**
Non-GAAP adjustments:											
Restructuring related and other	6,130	6,130	2,171	-	9,970	18,271	-	-	18,271	-	18,271
Financing and transaction costs	-	-	5,409	-	(57,773)	(52,364)	-	5,950	(46,414)	-	(46,414)
Deferred loss on commodity and other derivative instruments	2,868	2,868	-	-	-	2,868	-	10,884	13,752	-	13,752
Step-up depreciation and amortization	6,377	6,377	-	98,646	-	105,023	-	-	105,023	-	105,023
Amortization of debt issuance costs	-	-	-	-	-	-	5,480	-	5,480	-	5,480
Deferred income tax and other tax related	-	-	-	-	-	-	-	-	-	20,783	20,783
Total adjustments	15,375	15,375	7,580	98,646	(47,803)	73,798	5,480	16,834	96,112	20,783	116,895
Adjusted (non-GAAP)	**($1,707,925)**	**$965,780**	**($228,101)**	**($4,928)**	**$885**	**$621,855**	**($109,328)**	**($9,433)**	**$503,094**	**($41,303)**	**$461,791**

Organic Revenue Growth

	Q3				
	Reported % Change (GAAP)	**Less: FX Impact**	**Constant Currency % Change (non-GAAP)**	**Less: Acquisition & Divestitures, net**	**Organic Growth/(Decline) (non-GAAP)**
Performance Sensing	**(3.2%)**	(0.3%)	**(2.9%)**	(1.2%)	**(1.7%)**
Sensing Solutions	**(1.3%)**	(0.6%)	**(0.7%)**	5.6%	**(6.3%)**
Sensata Total	**(2.7%)**	(0.3%)	**(2.4%)**	0.4%	**(2.8%)**

	YTD				
	Reported % Change (GAAP)	**Less: FX Impact**	**Constant Currency % Change (non-GAAP)**	**Less: Acquisition & Divestitures, net**	**Organic Growth/(Decline) (non-GAAP)**
Performance Sensing	**(3.8%)**	(0.9%)	**(2.9%)**	(2.6%)	**(0.3%)**
Sensing Solutions	**0.8%**	(0.9%)	**1.7%**	5.5%	**(3.8%)**
Sensata Total	**(2.6%)**	(0.9%)	**(1.7%)**	(0.5%)	**(1.2%)**

Free Cash Flow

$ in thousands	Q3			YTD		
Total Sensata	**2019**	**2018**	**Change**	**2019**	**2018**	**Change**
Net cash provided by operating activities	**$181,361**	**$166,226**	**9.1%**	**$433,527**	**$420,139**	**3.2%**
Additions to property, plant and equipment and capitalized software	(41,657)	(44,974)	7.4%	(123,206)	(111,275)	(10.7%)
Free cash flow	**$139,704**	**$121,252**	**15.2%**	**$310,321**	**$308,864**	**0.5%**

Net Debt and Net Leverage Ratio

$ in thousands

Total Sensata	As of 30-Sep-19	30-Jun-19	31-Mar-19	31-Dec-18
Current portion of long-term debt, finance lease and other financing obligations	$7,863	$13,582	$13,660	$14,561
Finance lease and other financing obligations, less current portion	29,415	30,141	30,864	30,618
Long-term debt	3,219,412	3,216,135	3,216,729	3,219,762
Total debt, finance lease and other financing obligations	**3,256,690**	**3,259,858**	**3,261,253**	**3,264,941**
Less: Discount	(12,296)	(13,820)	(14,481)	(15,169)
Less: Deferred financing costs	(25,545)	(23,184)	(24,405)	(23,159)
Total gross indebtedness	3,294,531	3,296,862	3,300,139	3,303,269
Less: Cash and cash equivalents	721,386	721,073	649,518	729,833
Net debt	**$2,573,145**	**$2,575,789**	**$2,650,621**	**$2,573,436**
Adjusted EBITDA (LTM)	$911,033	$917,032	$920,567	$926,484
Net leverage ratio	**2.8**	**2.8**	**2.9**	**2.8**

Adjusted Taxes and Adjusted Tax Rate

$ in thousands	Q3		YTD	
Total Sensata	**2019**	**2018**	**2019**	**2018**
Provision for income taxes	**$28,341**	**$24,562**	**$80,649**	**$62,086**
Non-GAAP adjustments:				
Deferred income tax and other tax expense/(benefit)	16,040	9,897	40,839	20,783
Current tax effect of non-GAAP adjustments	(700)	-	(1,500)	-
Adjusted taxes	**$13,001**	**$14,665**	**$41,310**	**$41,303**
Adjusted income before taxes	$157,559	$168,677	$475,527	$503,094
Adjusted tax rate	**8.3%**	**8.7%**	**8.7%**	**8.2%**