Sensata Technologies

SENSATA FOURTH QUARTER AND FULL YEAR 2019 EARNINGS PRESENTATION

FEBRUARY 11, 2020

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 2019 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-2019 GAAP Results

$ and shares outstanding in millions, except EPS	FY-2019	FY-2018	Δ
Revenue	$3,450.6	$3,521.6	(2.0%)
Gross Profit (% of revenue)	$1,183.2 *34.3%*	$1,254.8 *35.6%*	(5.7%)
R&D (% of revenue)	$148.4 *4.3%*	$147.3 *4.2%*	0.8%
SG&A (% of revenue)	$281.4 *8.2%*	$305.6 *8.7%*	(7.9%)
Operating Income (% of revenue)	$556.9 *16.1%*	$710.4 *20.2%*	(21.6%)
Tax Rate	27.6%	(13.8%)	NM
Net Income (% of revenue)	$282.7 *8.2%*	$599.0 *17.0%*	(52.8%)
Diluted EPS	$1.75	$3.53	(50.4%)
Diluted Shares Outstanding	162.0	169.9	(4.6%)

Q4-2019

Continued outgrowth versus end-markets	• **Attractive outgrowth vs End-Markets** – organic revenue decline of (0.8%) in Q4-19 reflects 490 basis points of outgrowth in Auto and 1190 basis points of outgrowth in HVOR • **China business benefits from strong secular growth**, easier y/y comparisons – region generates 20% organic revenue growth in Q4-19
Delivering operating profit guidance	• **Delivering solid operating profitability** despite weaker end-markets – operating margins in-line with guidance
Solid free cash flow performance	• **Free cash flow exceeds adjusted net income** – free cash flow to adjusted net income conversion of 104%
Investing for future growth	• **Increasing investment in Megatrends** – continued progress in Electrification and Smart & Connected initiatives drives incremental investments in Q4-19 and beyond

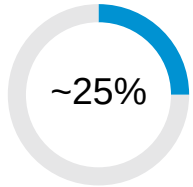
Aero/Industrial business delivers growth, Auto business remains less than 60% of total revenue

PERCENT OF REVENUES



Aero, Industrial & Other – Organic rev increase: 0.7%

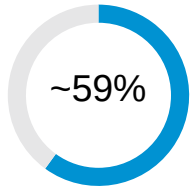
- Aerospace posts double-digit organic growth as a result of end-market strength, content growth, and solid aftermarket performance
- Industrial business in China sequentially improving, but channel inventory reductions continue to adversely affect performance





Auto – Organic revenue decline: (1.1%)

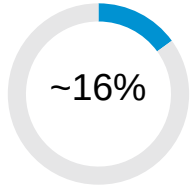
- China delivers strong, double-digit organic growth as a result of strong content growth and easier year-over-year comparisons
- NA auto revenues lowered by General Motors strike, slightly better than expectations; content gains in region remain solid
- European market weak as a result of lower auto exports to China and softness in the U.K. and Turkey markets





HVOR – Organic revenue decline: (1.9%)

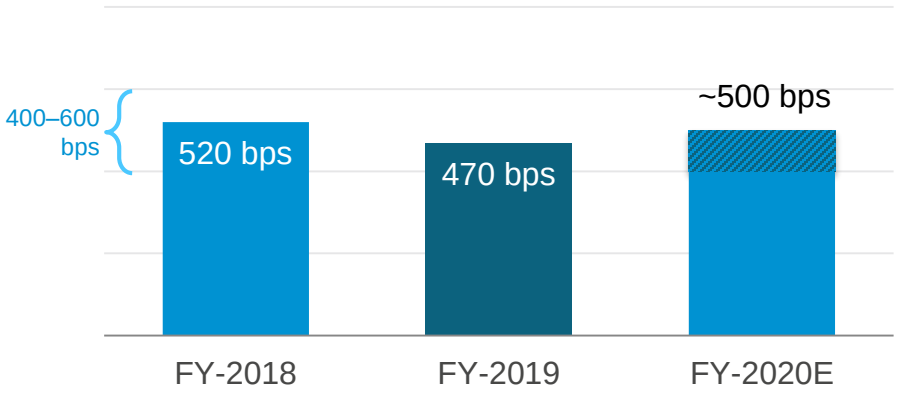
- On-road, construction, and agriculture end-markets all decline double-digits in the quarter
- Strong content growth in China as OEMs prepare for implementation of China VI regulations
- End-markets expected to remain in decline through most of 2020E



Over the past two years, we have delivered on our promise to significantly outgrow our end-markets

AUTO OUTGROWTH VS. END-MARKET

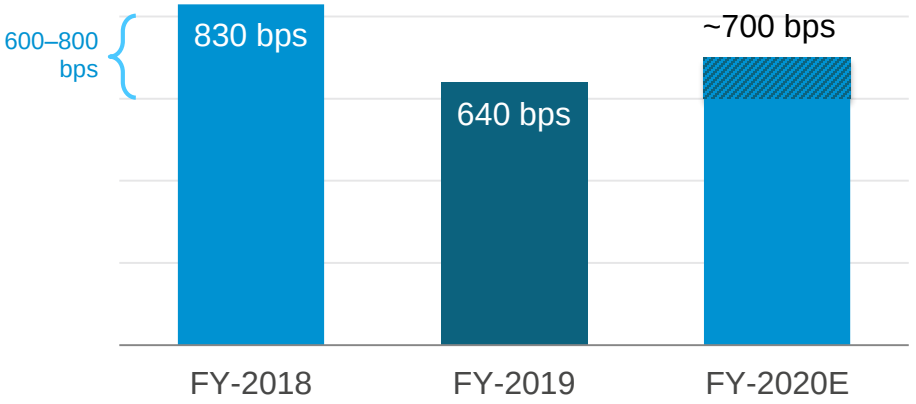
2017 Investor Day Commitment:
400–600 bps



- Average outgrowth of ~495 bps in past two years
- Average end-market decline of **(3.2%)** in past two years compared to previous expectation of **flat market**

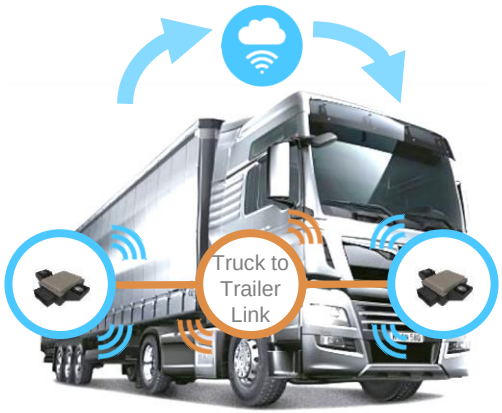
HVOR OUTGROWTH VS. END-MARKET

2017 Investor Day Commitment:
600–800 bps



- Average outgrowth of ~735 bps in past two years
- Average end-market growth of **0.8%** in past two years compared to previous expectation for growth of **3%**

We continue to advance our megatrend initiatives



SMART & CONNECTED — KEY PROGRESS MADE

- Proof-of-concepts currently being tested with leading NA fleet managers
  - Sensata solution actively capturing data on trucks and trailers – information gathered from hundreds of thousands of miles driven
- Value proposition is promising and establishing meaningful productivity opportunities for customers
- Finalizing go-to-market model



ELECTRIFICATION — KEY PROGRESS MADE

- Confidence that many applications serving combustion vehicles today will continue to be required in an electrified environment
  - GIGAVAC - Market leadership for premium electrified platforms
  - Active opportunity pipeline and increasing R&D investment to pursue growth
- First Mover Advantage: established market-leading positions in **Battery Safety** with patented Smart Sensor
- Sustaining leadership in Thermal Management for battery electric vehicles

Key messages

We are delivering attractive end-market outgrowth in-line with expectations

Expect to sustain current levels of outgrowth in Auto and HVOR businesses in 2020E

We are accelerating our megatrend investments in 2020E to deliver long-term growth

Making progress in critical growth initiatives that expand Electrification and Smart & Connected initiatives

We continue to monitor end-markets that remain weak and volatile

We are generating solid free cash flow performance

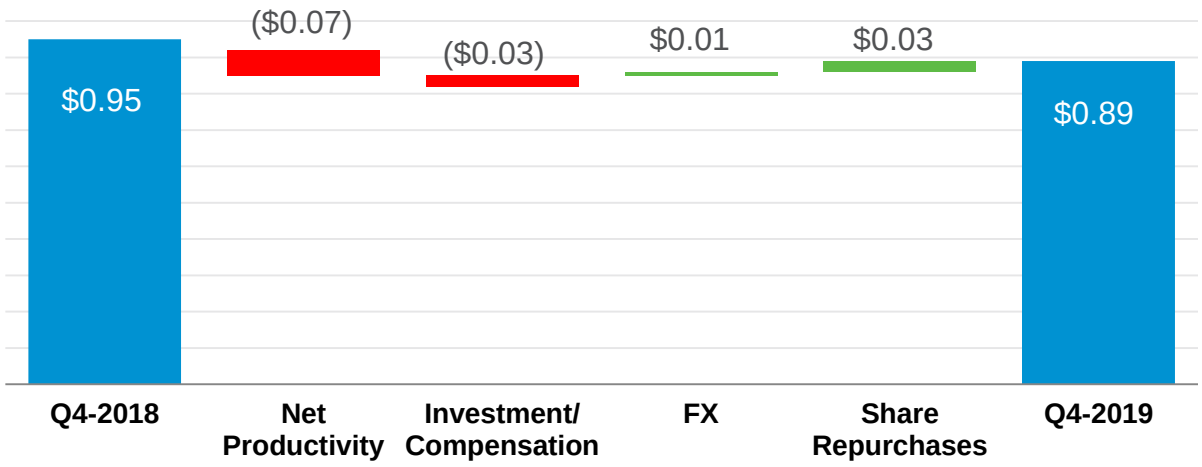
We expect to continue to strengthen our portfolio through disciplined, value-creating M&A

Q4-19 AND FY-19 FINANCIALS & 2020 GUIDANCE

PAUL VASINGTON, CHIEF FINANCIAL OFFICER

Q4-2019 Financial Summary

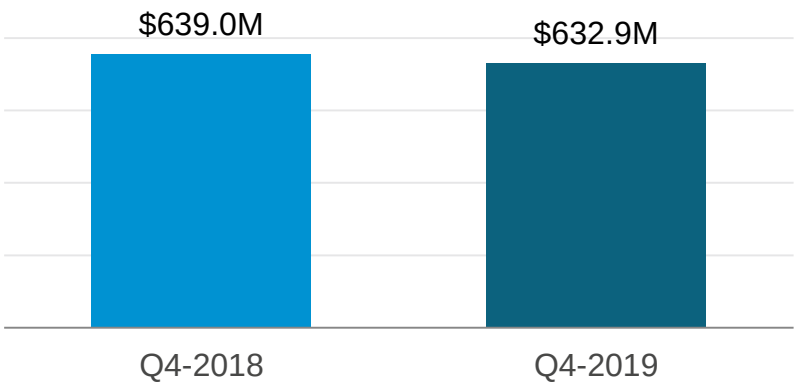
$ in millions, except EPS	Q4-2019	Q4-2018	Δ
Revenue	$846.7	$847.9	(0.1%)
Adjusted Op Income *% revenue*	$192.5 *22.7%*	$210.1 *24.8%*	(8.4%)
Adjusted Net Income *% revenue*	$141.7 *16.7%*	$157.6 *18.6%*	(10.1%)
Adjusted EPS	$0.89	$0.95	(6.3%)



- Revenue decline of (0.1%) composed of:
  - Foreign exchange decreases revenue by (0.3%)
  - GIGAVAC acquisition increases revenue by 1.0%
  - Organic revenue decline: (0.8%)
- Adjusted operating income declines y/y primarily due to the decline in organic revenues, productivity headwinds, greater design and development effort to support new business wins and Megatrend growth initiatives, and higher incentive compensation costs, somewhat offset by savings from previous repositioning actions

Q4-2019: Performance Sensing

REVENUE



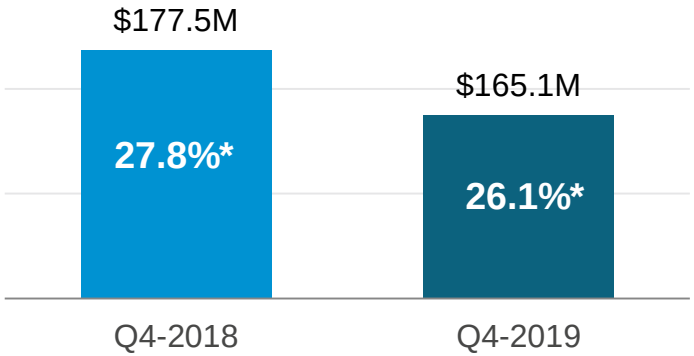
Q4-19 REVENUE GROWTH	REPORTED	ORGANIC
Automotive	(0.8%)	(1.1%)
HVOR	(1.6%)	(1.9%)
Performance Sensing	**(1.0%)**	**(1.3%)**

- Foreign exchange (0.3%) negative impact
- 0.6% positive impact from net effect of acquisitions/divestitures

* % of revenue

SEGMENT OPERATING INCOME

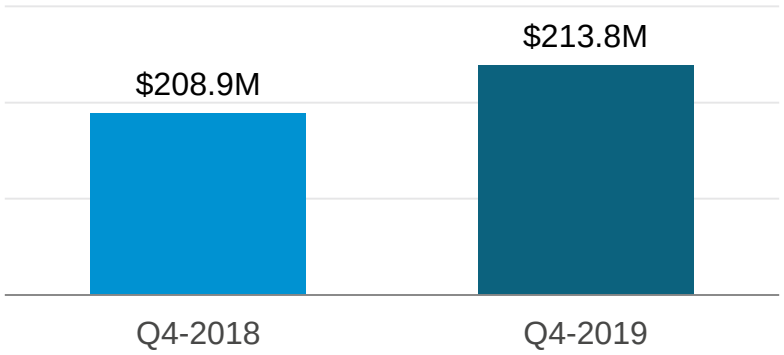
% OPERATING MARGIN



- Auto performance driven by growth in China, NA Auto grows low single-digits excluding GM
- Strong HVOR content growth, particularly in China, mostly offsets 14% end market decline
- Lower segment operating income driven by the decline in organic revenues, productivity headwinds partially due to increasing new product launches and greater design and development effort to support new business wins and Megatrend growth initiatives

Q4-2019: Sensing Solutions

REVENUE

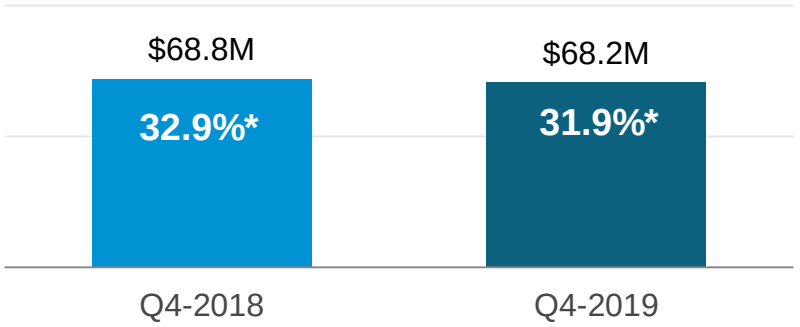


Q4-19 REVENUE GROWTH	REPORTED	ORGANIC
Sensing Solutions	2.3%	0.7%

- Foreign exchange (0.4%) negative impact
- 2.0% positive impact net effect of acquisitions/divestitures

SEGMENT OPERATING INCOME

% OPERATING MARGIN



- Aerospace business delivers double-digit organic revenue growth
- Industrial business declines, but performs better than previous guidance as a result of lower channel inventory reductions and better end-market demand
- Segment operating income relatively flat due primarily to productivity and foreign currency headwinds, partially offset by GIGAVAC acquisition and savings from repositioning actions

* % of revenue

Q4-2019 Non-GAAP Results

$ in millions, except EPS	Q4-2019	Q4-2018	Δ
Revenue	$846.7	$847.9	(0.1%)
Adj. Gross Profit *(% of revenue)*	$297.8 *35.2%*	$311.7 *36.8%*	(4.5%)
R&D *(% of revenue)*	$38.5 *4.5%*	$35.5 *4.2%*	8.3%
Adj. SG&A *(% of revenue)*	$65.1 *7.7%*	$64.4 *7.6%*	1.0%
Adj. Operating Income *(% of revenue)*	$192.5 *22.7%*	$210.1 *24.8%*	(8.4%)
Adj. Tax Rate[1]	8.4%	8.3%	10 bps
Adj. Net Income *(% of revenue)*	$141.7 *16.7%*	$157.6 *18.6%*	(10.1%)
Adj. EPS	$0.89	$0.95	(6.3%)

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 6.9% in Q4-19 and Q4-18, respectively.

FY-2019 Non-GAAP Results

$ in millions, except EPS	FY-2019	FY-2018	Δ
Revenue	$3,450.6	$3,521.6	(2.0%)
Adj. Gross Profit *(% of revenue)*	$1,208.3 *35.0%*	$1,277.5 *36.3%*	(5.4%)
R&D *(% of revenue)*	$148.4 *4.3%*	$147.3 *4.2%*	0.8%
Adj. SG&A *(% of revenue)*	$267.4 *7.7%*	$292.5 *8.3%*	(8.6%)
Adj. Operating Income *(% of revenue)*	$785.7 *22.8%*	$832.0 *23.6%*	(5.6%)
Adj. Tax Rate[1]	8.6%	8.2%	40 bps
Adj. Net Income *(% of revenue)*	$575.9 *16.7%*	$619.4 *17.6%*	(7.0%)
Adj. EPS	$3.56	$3.65	(2.5%)

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 6.8% in FY-2019 and FY-2018, respectively.

Q1-20 Financial Guidance

$ in millions, except EPS	Q1-19	Q1-20 GUIDANCE	Y/Y Change
Revenue *organic growth*	$870.5	$793 – $817	(9%) – (6%) *(8%) – (6%)*
Adj. Op Income	$188.6	$149 – $155	(21%) – (18%)
Adj. Net Income	$139.3	$98 – $104	(30%) – (25%)
Adj. EPS	$0.85	$0.62 – $0.66	(27%) – (22%)

- FX expected to decrease revenue by ~$5M
  - Adjusted EPS: ($0.01) impact from FX
- ~$0.03 benefit from share repurchase
- Fill rate of ~93%

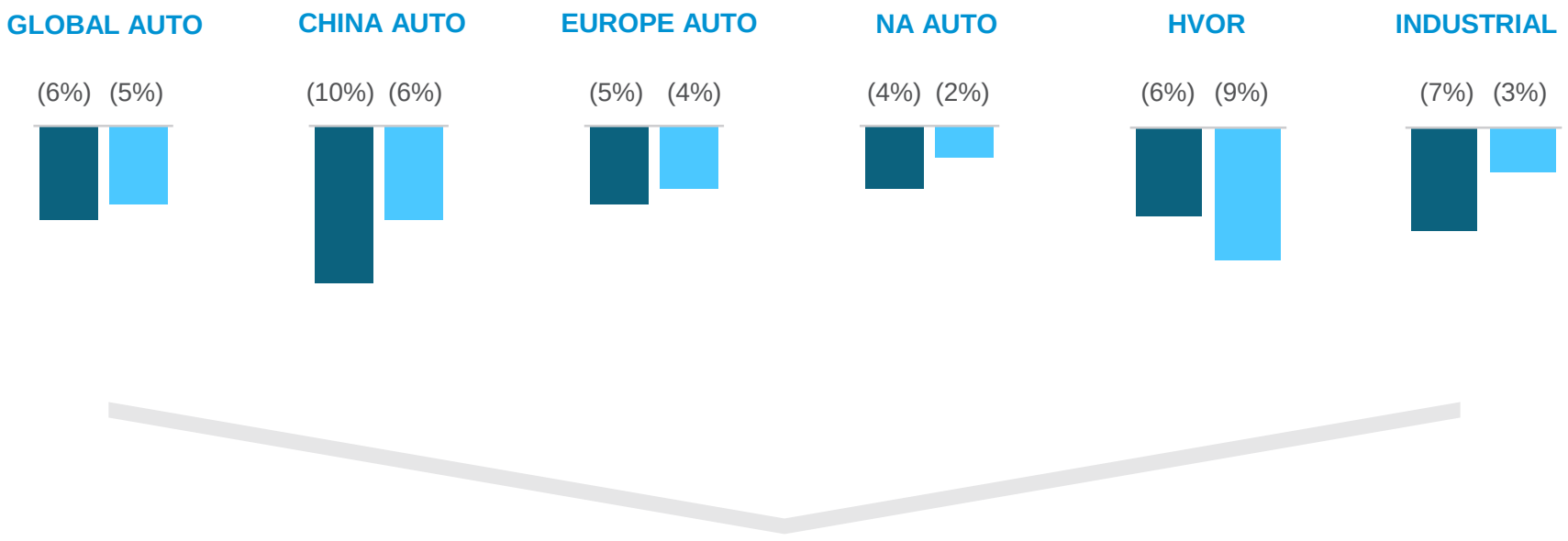
2020 Financial Guidance

$ in millions, except EPS	FY-2019	FY-2020 GUIDANCE	Y/Y Change
Revenue *organic growth*	$3,450.6	$3,399 – $3,499	(1%) – 1% *(1%) – 2%*
Adj. Op Income	$785.7	$753 – $781	(4%) – (1%)
Adj. Net Income	$575.9	$539 – $565	(6%) – (2%)
Adj. EPS	$3.56	$3.42 – $3.58	(4%) – 1%

- FX expected to decrease revenue by ~$15M
  - Adjusted EPS: negative impact from FX of ($0.04)
- Adjusted tax rate: ~9.8%
- Diluted share count: ~$0.09 y/y benefit from share repurchase
- Removing 3-year guidance introduced in 2017; will provide update at next analyst day sometime in next 12 months

We expect the global Auto & Industrial end-markets to improve year-over-year, while HVOR end-markets will further weaken

OEM Production:



Content growth will help to offset end market declines

FY-2019

FY-2020E Guidance

Sensata Technologies

APPENDIX A

OTHER FINANCIAL INFORMATION

Q4-2019 GAAP Results

$ and shares outstanding in millions, except EPS	Q4-2019	Q4-2018	Δ
Revenue	$846.7	$847.9	(0.1%)
Gross Profit (% of revenue)	$290.2 *34.3%*	$304.4 *35.9%*	(4.6%)
R&D (% of revenue)	$38.5 *4.5%*	$35.5 *4.2%*	8.3%
SG&A (% of revenue)	$70.7 *8.4%*	$69.9 *8.2%*	1.2%
Operating Income (% of revenue)	$120.7 *14.3%*	$162.4 *19.1%*	(25.6%)
Tax Rate	33.6%	(112.8%)	NM
Net Income (% of revenue)	$53.5 *6.3%*	$254.1 *30.0%*	(78.9%)
Diluted EPS	$0.34	$1.54	(77.9%)
Diluted Shares Outstanding	159.6	165.3	(3.5%)

Q4-2019 Cash Flow Statement

$ in millions	Q4-2019	Q4-2018	Δ
Net Income	$53.5	$254.1	(78.9%)
Depreciation & Amortization	$66.3	$62.2	6.5%
Changes in Working Capital	$46.3	$21.4	116.2%
Other	$19.9	($137.3)	114.5%
Operating Cash Flow	$186.0	$200.4	(7.2%)
Capital Expenditures	($38.1)	($48.5)	21.6%
Free Cash Flow	$148.0	$151.9	(2.6%)

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

FY-2019 Cash Flow Statement

$ in millions	FY-2019	FY-2018	Δ
Net Income	$282.7	$599.0	(52.8%)
Depreciation & Amortization	$258.7	$245.3	5.5%
Changes in Working Capital	($10.7)	($66.9)	84.0%
Other	$88.8	($156.8)	156.6%
Operating Cash Flow	$619.6	$620.6	(0.2%)
Capital Expenditures	($161.3)	($159.8)	(0.9%)
Free Cash Flow	$458.3	$460.8	(0.5%)

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

Balance Sheet

$ in millions	DEC 31, 2019	DEC 31, 2018
Total Assets	$6,834.5	$6,797.7
Working Capital	$1,330.9	$1,277.2
Intangibles, Net & Other Long-Term Assets	$4,868.9	$4,880.5

$ in millions	DEC 31, 2019	DEC 31, 2018
Cash & Equivalents	$774.1	$729.8
Current Debt	$6.9	$14.6
Net Cash	$767.2	$715.3

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

Total Sensata	Period						
	LTM	FY	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018
Net income	**$282,714**	**$282,714**	**$53,538**	**$70,675**	**$73,436**	**$85,065**	**$254,099**
Interest expense, net	158,554	158,554	40,137	39,556	39,608	39,253	38,871
Provision for/(benefit from) income taxes	107,709	107,709	27,060	28,341	30,841	21,467	(134,706)
Depreciation expense	115,862	115,862	31,508	29,172	27,974	27,208	26,496
Amortization of intangible assets	142,886	142,886	34,807	35,905	36,031	36,143	35,752
Earnings before interest, taxes, depreciation, and amortization ("EBITDA")	$807,725	$807,725	$187,050	$203,649	$207,890	$209,136	$220,512
Non-GAAP adjustments:							
Restructuring related and other	64,053	64,053	19,137	15,557	21,313	8,046	9,764
Financing and other transaction costs	34,851	34,851	20,842	8,605	2,450	2,954	6,070
Deferred (gain)/loss on derivative instruments	(6,492)	(6,492)	(1,932)	(2,440)	(452)	(1,668)	(1,253)
Step-up inventory amortization	-	-	-	-	-	-	900
Adjusted EBITDA	**$900,137**	**$900,137**	**$225,097**	**$225,371**	**$231,201**	**$218,468**	**$235,993**

1 – Last twelve months (“LTM”)

Other GAAP to non-GAAP Reconciliations – Q4-2019

$ in thousands

Total Sensata	Q4 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)	**($556,482)**	**$290,209**	**($70,709)**	**($34,807)**	**($25,520)**	**$120,718**	**($40,137)**	**$17**	**$80,598**	**($27,060)**	**$53,538**
Non-GAAP adjustments:											
Restructuring related and other	6,704	6,704	3,528	-	6,768	17,000	-	2,137	19,137	(343)	18,794
Financing and transaction costs	-	-	2,090	-	18,752	20,842	-	-	20,842	-	20,842
Deferred loss/(gain) on commodity and other derivative instruments	149	149	-	-	-	149	-	(2,081)	(1,932)	-	(1,932)
Step-up depreciation and amortization	724	724	-	33,099	-	33,823	-	-	33,823	-	33,823
Amortization of debt issuance costs	-	-	-	-	-	-	2,231	-	2,231	-	2,231
Deferred income tax and other tax related	-	-	-	-	-	-	-	-	-	14,403	14,403
Total adjustments	7,577	7,577	5,618	33,099	25,520	71,814	2,231	56	74,101	14,060	88,161
Adjusted (non-GAAP)	**($548,905)**	**$297,786**	**($65,091)**	**($1,708)**	**$-**	**$192,532**	**($37,906)**	**$73**	**$154,699**	**($13,000)**	**$141,699**

$ in thousands

Total Sensata	Q4 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)	**($543,563)**	**$304,359**	**($69,877)**	**($35,752)**	**($870)**	**$162,362**	**($38,871)**	**($4,098)**	**$119,393**	**$134,706**	**$254,099**
Non-GAAP adjustments:											
Restructuring related and other	6,136	6,136	1,633	-	(642)	7,127	-	2,637	9,764	-	9,764
Financing and transaction costs	-	-	3,812	-	1,512	5,324	-	746	6,070	-	6,070
Deferred loss/(gain) on commodity and other derivative instruments	(880)	(880)	-	-	-	(880)	-	(373)	(1,253)	-	(1,253)
Step-up depreciation and amortization	2,110	2,110	-	34,060	-	36,170	-	-	36,170	-	36,170
Amortization of debt issuance costs	-	-	-	-	-	-	1,837	-	1,837	-	1,837
Deferred income tax and other tax related	-	-	-	-	-	-	-	-	-	(149,044)	(149,044)
Total adjustments	7,366	7,366	5,445	34,060	870	47,741	1,837	3,010	52,588	(149,044)	(96,456)
Adjusted (non-GAAP)	**($536,197)**	**$311,725**	**($64,432)**	**($1,692)**	**$-**	**$210,103**	**($37,034)**	**($1,088)**	**$171,981**	**($14,338)**	**$157,643**

Other GAAP to non-GAAP Reconciliations – FY 2019

$ in thousands

	FY 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)	**($2,267,433)**	**$1,183,198**	**($281,442)**	**($142,886)**	**($53,560)**	**$556,885**	**($158,554)**	**($7,908)**	**$390,423**	**($107,709)**	**$282,714**
Non-GAAP adjustments:											
Restructuring related and other	23,219	23,219	8,649	-	30,048	61,916	-	2,137	64,053	(1,843)	62,210
Financing and transaction costs	-	-	5,399	-	23,512	28,911	-	5,940	34,851	-	34,851
Deferred gain on commodity and other derivative instruments	(1,604)	(1,604)	-	-	-	(1,604)	-	(4,888)	(6,492)	-	(6,492)
Step-up depreciation and amortization	3,500	3,500	-	136,087	-	139,587	-	-	139,587	-	139,587
Amortization of debt issuance costs	-	-	-	-	-	-	7,804	-	7,804	-	7,804
Deferred income tax and other tax related	-	-	-	-	-	-	-	-	-	55,242	55,242
Total adjustments	25,115	25,115	14,048	136,087	53,560	228,810	7,804	3,189	239,803	53,399	293,202
Adjusted (non-GAAP)	**($2,242,318)**	**$1,208,313**	**($267,394)**	**($6,799)**	**$-**	**$785,695**	**($150,750)**	**($4,719)**	**$630,226**	**($54,310)**	**$575,916**

$ in thousands

	FY 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)	**($2,266,863)**	**$1,254,764**	**($305,558)**	**($139,326)**	**$47,818**	**$710,419**	**($153,679)**	**($30,365)**	**$526,375**	**$72,620**	**$598,995**
Non-GAAP adjustments:											
Restructuring related and other	12,266	12,266	3,804	-	9,328	25,398	-	2,637	28,035	-	28,035
Financing and transaction costs	-	-	9,221	-	(56,261)	(47,040)	-	6,696	(40,344)	-	(40,344)
Deferred loss on commodity and other derivative instruments	1,988	1,988	-	-	-	1,988	-	10,511	12,499	-	12,499
Step-up depreciation and amortization	8,487	8,487	-	132,706	-	141,193	-	-	141,193	-	141,193
Amortization of debt issuance costs	-	-	-	-	-	-	7,317	-	7,317	-	7,317
Deferred income tax and other tax related	-	-	-	-	-	-	-	-	-	(128,261)	(128,261)
Total adjustments	22,741	22,741	13,025	132,706	(46,933)	121,539	7,317	19,844	148,700	(128,261)	20,439
Adjusted (non-GAAP)	**($2,244,122)**	**$1,277,505**	**($292,533)**	**($6,620)**	**$885**	**$831,958**	**($146,362)**	**($10,521)**	**$675,075**	**($55,641)**	**$619,434**

Organic Revenue Growth

	Q4				
	Reported % Change (GAAP)	Less: FX Impact	Constant Currency % Change (non-GAAP)	Less: Acquisition & Divestitures, net	Organic Growth/(Decline) (non-GAAP)
Performance Sensing	**(1.0%)**	(0.3%)	**(0.7%)**	0.6%	**(1.3%)**
Sensing Solutions	**2.3%**	(0.4%)	**2.7%**	2.0%	**0.7%**
Sensata Total	**(0.1%)**	(0.3%)	**0.2%**	1.0%	**(0.8%)**

	FY				
	Reported % Change (GAAP)	Less: FX Impact	Constant Currency % Change (non-GAAP)	Less: Acquisition & Divestitures, net	Organic Growth/(Decline) (non-GAAP)
Performance Sensing	**(3.1%)**	(0.7%)	**(2.4%)**	(1.9%)	**(0.5%)**
Sensing Solutions	**1.2%**	(0.7%)	**1.9%**	4.6%	**(2.7%)**
Sensata Total	**(2.0%)**	(0.7%)	**(1.3%)**	(0.2%)	**(1.1%)**

Free Cash Flow

$ in thousands	Q4			FY		
Total Sensata	**2019**	**2018**	**Change**	**2019**	**2018**	**Change**
Net cash provided by operating activities	**$186,035**	**$200,424**	**(7.2%)**	**$619,562**	**$620,563**	**(0.2%)**
Additions to property, plant and equipment and capitalized software	(38,053)	(48,512)	21.6%	(161,259)	(159,787)	(0.9%)
Free cash flow	**$147,982**	**$151,912**	**(2.6%)**	**$458,303**	**$460,776**	**(0.5%)**

Net Debt and Net Leverage Ratio

$ in thousands

Total Sensata	As of 31-Dec-19	30-Sep-19	30-Jun-19	31-Mar-19	31-Dec-18
Current portion of long-term debt, finance lease and other financing obligations	$6,918	$7,863	$13,582	$13,660	$14,561
Finance lease and other financing obligations	28,810	29,415	30,141	30,864	30,618
Long-term debt	3,219,885	3,219,412	3,216,135	3,216,729	3,219,762
Total debt, finance lease and other financing obligations	**3,255,613**	**3,256,690**	**3,259,858**	**3,261,253**	**3,264,941**
Less: Discount	(11,758)	(12,296)	(13,820)	(14,481)	(15,169)
Less: Deferred financing costs	(24,452)	(25,545)	(23,184)	(24,405)	(23,159)
Total gross indebtedness	3,291,823	3,294,531	3,296,862	3,300,139	3,303,269
Less: Cash and cash equivalents	774,119	721,386	721,073	649,518	729,833
Net debt	**$2,517,704**	**$2,573,145**	**$2,575,789**	**$2,650,621**	**$2,573,436**
Adjusted EBITDA (LTM)	$900,137	$911,033	$917,032	$920,567	$926,484
Net leverage ratio	**2.8**	**2.8**	**2.8**	**2.9**	**2.8**

Adjusted Taxes and Adjusted Tax Rate

$ in thousands	Q4		FY	
Total Sensata	**2019**	**2018**	**2019**	**2018**
Provision for/(benefit from) income taxes	**$27,060**	**($134,706)**	**$107,709**	**($72,620)**
Non-GAAP adjustments:				
Deferred income tax and other tax expense/(benefit)	14,403	(149,044)	55,242	(128,261)
Current tax effect of non-GAAP adjustments	(343)	-	(1,843)	-
Adjusted taxes	**$13,000**	**$14,338**	**$54,310**	**$55,641**
Adjusted income before taxes	$154,699	$171,981	$630,226	$675,075
Adjusted tax rate	**8.4%**	**8.3%**	**8.6%**	**8.2%**