Sensata Technologies

SENSATA FIRST QUARTER 2020 EARNINGS PRESENTATION

APRIL 29, 2020

Forward-Looking Statements and Non-GAAP Measures

Safe Harbor Statement

This earnings release contains "forward-looking statements" within the meaning of the Private Securities Litigation Act of 1995, which relate to future events and are subject to risks and uncertainties. The forward-looking statements, which address the Company's expected business and financial performance and financial condition, among other matters, may contain words or phrases such as: "believe," "continue," "expect," "look ahead," "predict," or "will," and other words and phrases of similar meaning. Forward-looking statements by their nature address matters that are, to different degrees, uncertain, such as statements about expected earnings, revenues, growth, liquidity or other financial matters, together with any statements related in any way to the COVID-19 pandemic including its impact on the Company. Although the Company believes the expectations reflected in its forward-looking statements are based upon reasonable assumptions, no assurance 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 release, including, without limitation, the following: future risks and existing uncertainties associated with the COVID-19 pandemic, which continues to have a significant adverse impact on our operations including, depending on the specific location, full or partial shutdowns of our facilities as mandated by government decree, government actions limiting our ability to adjust certain costs, significant travel restrictions, "work-from-home" orders, limited availability of our workforce, supplier constraints, supply chain interruptions, logistics challenges and limitations, and reduced demand from certain customers; uncertainties associated with a protracted economic slowdown that could negatively affect the financial condition of our customers and suppliers; uncertainties and volatility in the global capital markets; political, economic, military and other risks in countries outside of the United States; the impact of general economic conditions, geopolitical conditions and U.S. trade policies, legislation, trade disputes, treaties and tariffs, including those affecting China, on the Company's business operations; risks associated with the improper conduct by any of our employees, customers, suppliers, distributors or any other business partners which could impair our business reputation and financial results and could result in our non-compliance with anti-corruption laws and regulations of the U.S. government and various foreign jurisdictions; changes in exchange rates of the various currencies in which the Company conducts business; the Company's ability to obtain a consistent supply of materials, at stable pricing levels; changes in defense expenditures in the military market, including the impact of reductions or changes in the defense budgets of U.S. and foreign governments; the Company's ability to compete successfully on the basis of technology innovation, product quality and performance, price, customer service and delivery time; the Company's ability to continue to conceive, design, manufacture and market new products and upon continuing market acceptance of its existing and future product lines; difficulties and unanticipated expenses in connection with purchasing and integrating newly acquired businesses, including the potential for the impairment of goodwill and other intangible assets; events beyond the Company's control that could lead to an inability to meet its financial covenants under its credit arrangements; the Company's ability to access the capital markets on favorable terms, including as a result of significant deterioration of general economic or capital market conditions, or as a result of a downgrade in the Company's credit rating; changes in interest rates; governmental export and import controls that certain of our products may be subject to, including export licensing, customs regulations, economic sanctions or other laws; cybersecurity threats or incidents that could arise on our information technology systems that could disrupt business operations and adversely impact our reputation and operating results and potentially lead to litigation and/or governmental investigations; changes in fiscal and tax policies, audits and examinations by taxing authorities, laws, regulations and guidance in the United States and foreign jurisdictions; any difficulties in protecting the Company's intellectual property rights; and litigation, customer claims, product recalls, governmental investigations, criminal liability or environmental matters. In addition, the extent to which the COVID-19 pandemic will continue to impact our business and financial results going forward will be dependent on future developments such as the length and severity of the crisis, the potential resurgence of the crisis, future government actions in response to the crisis and the overall impact of the COVID-19 pandemic on the global economy and capital markets, among many other factors, all of which remain highly uncertain and unpredictable.

A further description of these uncertainties and other risks can be found in the Company's 2019 Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and the Company's other reports filed with the SEC. 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 as well as in the "Investor Relations" section of the Company's website, www.investors.sensata.com.

Q1-2020 GAAP Results

$ and shares outstanding in millions, except EPS	Q1-2020	Q1-2019	Δ
Revenue	$774.3	$870.5	(11.1%)
Gross Profit *(% of revenue)*	$207.9 *26.8%*	$289.7 *33.3%*	(28.2%)
R&D *(% of revenue)*	$34.5 *4.4%*	$35.1 *4.0%*	1.8%
SG&A *(% of revenue)*	$77.2 *10.0%*	$70.5 *8.1%*	(9.5%)
Operating Income *(% of revenue)*	$58.6 *7.6%*	$142.6 *16.4%*	(58.9%)
Tax Rate	(21.9%)	20.2%	
Net Income *(% of revenue)*	$8.4 *1.1%*	$85.1 *9.8%*	(90.1%)
Diluted EPS	$0.05	$0.52	(90.4%)
Diluted Shares Outstanding	158.4	164.5	6.1



Response to COVID-19

Safeguarding our employees

- **Continuing to implement preventative measures** including:
  - increased frequency of cleaning and disinfecting of facilities
  - social distancing, remote working when possible
  - travel restrictions and limitations on visitor access to our facilities

Serving customers' critical and essential needs

- **Prioritizing essential production** for our critical customer needs who in many cases are performing work essential in this environment
- **Local governments auditing our sites** and most deemed essential

Further enhancing financial flexibility, aligning our costs to demand

- **$1.2 billion in cash on hand –** Following $400 million drawdown of our revolving credit facility to increase financial flexibility
- **Managing working capital** to further enhance our financial flexibility
- **Reducing capital expenditures** to match anticipated future launches and volumes
- **Suspended our share repurchase program** temporarily
- **Reducing operating costs** to partially offset anticipated drop in revenue



Unprecedented health, economic and market conditions

- **Decisive actions to protect employees,** mitigate supply chain disruptions, improve financial flexibility and align our costs with declining market demand
- **COVID-19 pandemic response** has severely weakened end-market demand and economic conditions in Q1 including:
  - 6.8% drop in China GDP in Q1
  - 20% drop in global light vehicle production in Q1
  - 15% drop in global industrial markets in Q1
- Economic and market conditions expected to deteriorate in Q2
  - IHS predicting 47% drop in light vehicle production in Q2
  - Industrial markets expecting significant GDP decline in Q2

Continued outgrowth versus end markets

- **Attractive outgrowth** – organic revenue decline of 10.4% in Q1-20 reflects:
  - 930 bps of outgrowth in HVOR
  - 600 bps of outgrowth in Auto
  - 430 bps of outgrowth in Aerospace

Investing for future growth

- **Continuing investment in Megatrends** – continued progress in Smart & Connected and Electrification initiatives drives investments in future revenue growth

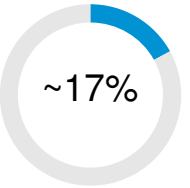
Organic growth declines 10.4% as end-market outgrowth offsets portion of 18% end-market decline

PERCENT OF REVENUES



HVOR – Q1 Organic revenue decline: 10.7%

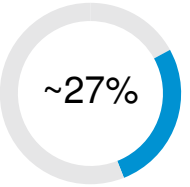
- On-road, construction, and agriculture end markets all declined double-digits in the quarter, 20% overall market decline
- 930 bps outgrowth led by better than expected content growth in China as OEMs prepare for implementation of China VI regulations
- End markets expected to remain in substantial decline in Q2





Industrial, Aero & Other – Q1 Organic rev decline: 10.4%

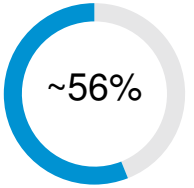
- Aerospace market declined 6% as a result of OEM delays and aftermarket declines
- Global industrial market decline of 15%; China revenue down substantially due to COVID-19, dropping more than 33%
- Expect industrial market to decline substantially in Q2





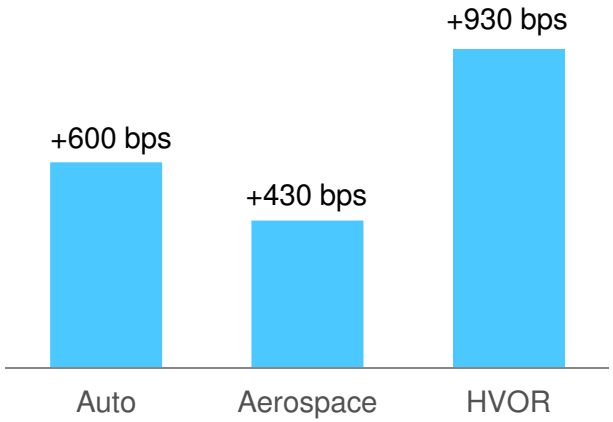
Auto – Q1 Organic revenue decline: 10.4%

- Production declined 20% globally, driven by COVID-19; China, North America and Europe all down substantially
- Market outgrowth of 600 bps. Customer inventory build contributed 310 bps of growth in Q1
- Market expected to substantially worsen in Q2 as OEM plant shutdowns and production declines continue

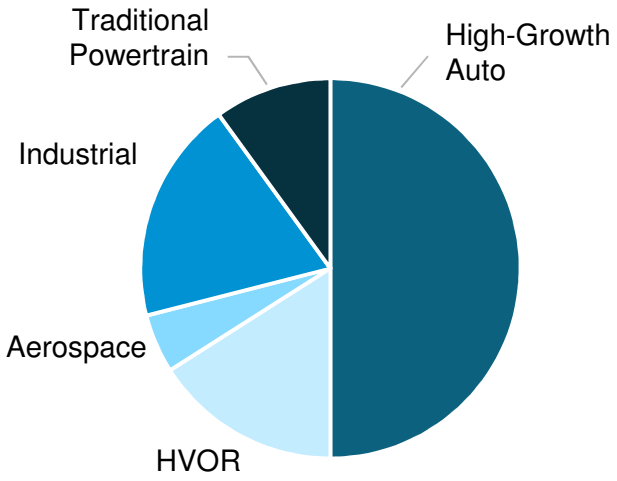


Delivered significant end-market revenue outgrowth in Q1 despite very weak market environment

Q1 OUTGROWTH vs. END-MARKET PRODUCTION



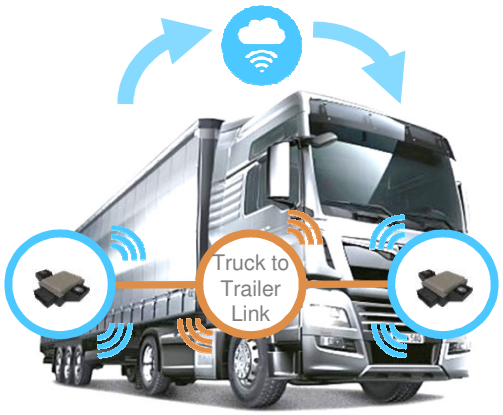
% OF SENSATA REVENUE



Secular drivers will remain attractive through 2020 and beyond

- Efficiency & safety requirements
- Exhaust regulation and control
- Electrified drivetrains
- TPMS expansion
- Telematics/Smart & Connected
- Medical components
- IoT – industry 4.0 proliferation
- Aftermarket
- Cabin and flight controls

Advancing our Megatrend initiatives for long-term growth



SMART & CONNECTED — KEY PROGRESS MADE

OEM business growing rapidly, $15M Q1 wins — $1B SAM

- Executing on ~$90M total new business wins; sensing / vehicle area network solution for insights on tire, on-board weight and wheel-end monitoring
- Providing new insights and connectivity – auto tire location, wireless truck-to-trailer link, partnering with Hendrickson for wheel-end monitoring
- Currently quoting ~$75M of new OEM business

$100M plus retrofit pipeline in place next 12 months — $6B SAM

- Validating retrofit solution under real world conditions – ~2M miles traveled
- Delivering insights on tire performance to reduce downtime and maintenance costs
- Expanding in-house sensing portfolio, actively building partnerships for telematics data integration and channels



ELECTRIFICATION — KEY PROGRESS MADE

- $50M of Electrification wins in Q1
- New wins in high voltage contactors and new application content such as E-Motor position, Vehicle Thermal Management and Battery Thermal Runway detection
- Building leadership position in Electrical protection on DC fast charging stations globally
- Integration of GIGAVAC on track with new high capacity manufacturing line in Mexico launched in Q1

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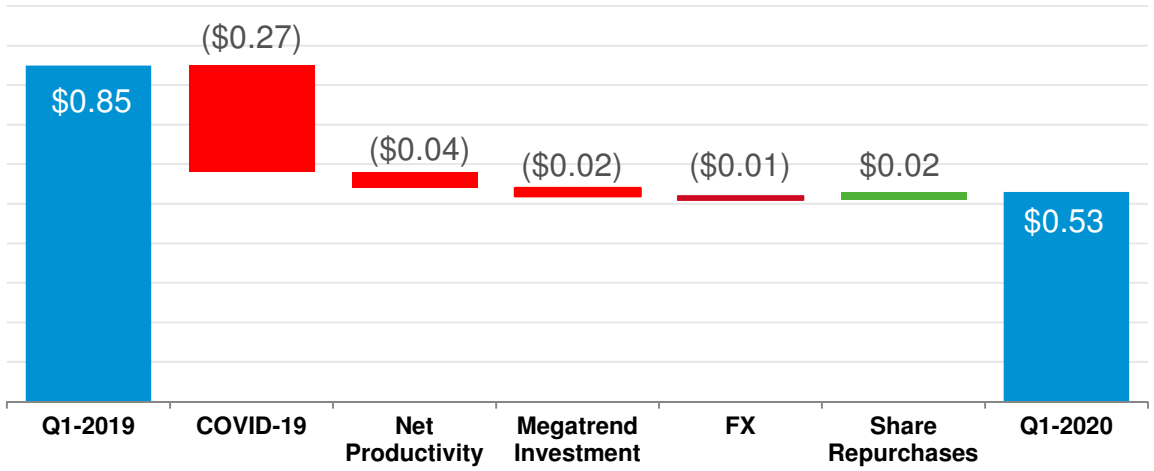
Q1-20 FINANCIALS & Q2-20 OUTLOOK

PAUL VASINGTON, CHIEF FINANCIAL OFFICER

Q1-2020 Financial Summary

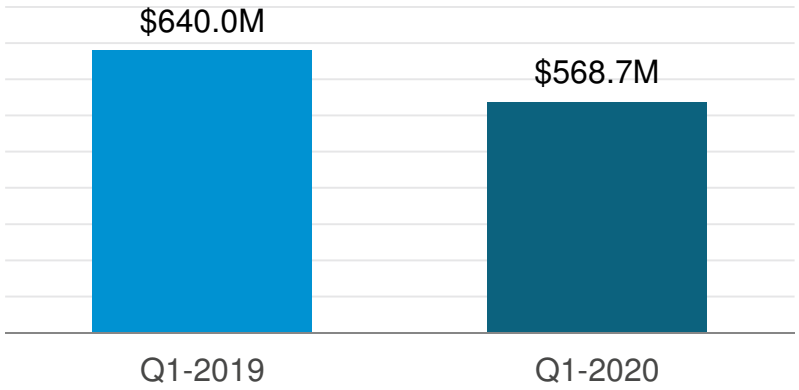
$ in millions, except EPS	Q1-2020	Q1-2019	Δ
Revenue	$774.3	$870.5	(11.1%)
Adjusted Op Income *% revenue*	$136.7 *17.7%*	$188.6 *21.7%*	(27.5%)
Adjusted Net Income *% revenue*	$83.2 *10.7%*	$139.3 *16.0%*	(40.3%)
Adjusted EPS	$0.53	$0.85	(37.6%)



- Revenue decline of (11.1%) composed of:
  - Foreign exchange decreases revenue by (0.7%)
  - Organic revenue decline: (10.4%)
- Adjusted operating income declines 27.5% year over year:
  - Lower revenue largely due to severe end-market decline caused by COVID-19 pandemic
  - Elevated costs to safeguard employees; operational restrictions/disruptions limit effective alignment of costs to declining market demand
  - Greater design and development effort to support new business wins and Megatrend growth initiatives
  - Higher compensation costs to retain talent partly offset by savings from restructuring actions

Q1-2020: Performance Sensing

REVENUE

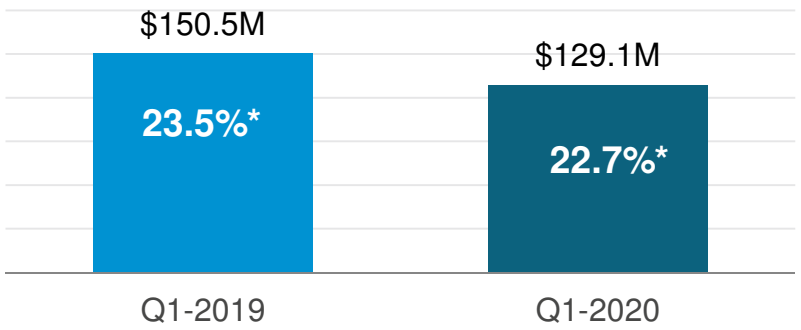


Q1-20 REVENUE GROWTH	REPORTED	ORGANIC
Automotive	(11.0%)	(10.4%)
HVOR	(11.5%)	(10.7%)
Performance Sensing	**(11.1%)**	**(10.4%)**

Foreign exchange (0.7%) negative impact

SEGMENT OPERATING INCOME

% OPERATING MARGIN

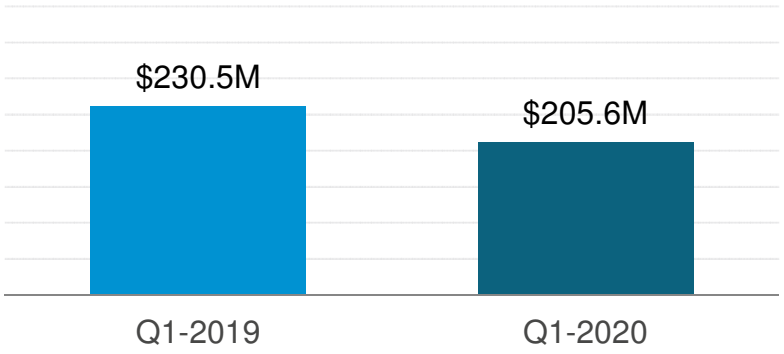


- Automotive market outgrowth of 600 bps and customer inventory build, mostly in China, partially offsets 20% end market production decline
- Strong HVOR market outgrowth growth of 930 bps, particularly in China (NS6 demand accelerated), partially offsets 20% end-market production decline
- Lower segment income driven by lower revenues and productivity headwinds largely due to impact of COVID-19, and higher design and development effort to execute new business wins and advance megatrend growth initiatives

* % of revenue

Q1-2020: Sensing Solutions

REVENUE

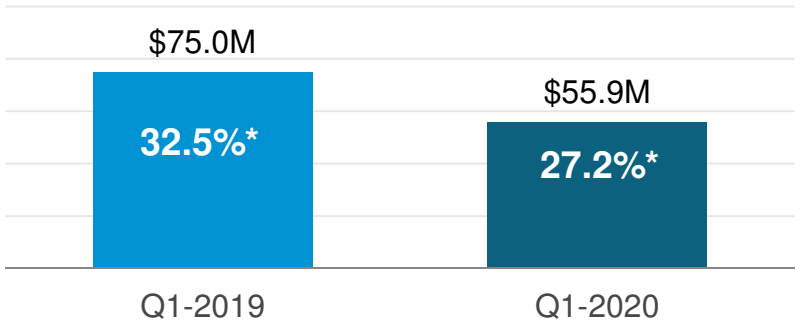


Q1-20 REVENUE GROWTH	REPORTED	ORGANIC
Sensing Solutions	(10.8%)	(10.4%)

Foreign exchange (0.4%) negative impact

SEGMENT OPERATING INCOME

% OPERATING MARGIN



- Revenue decline was largely due to impact of COVID-19. Industrial was down 12.3% organically against a 15% decline in end-market demand. Aerospace was down 2.0% as content gains partially offset a 6.3% market decline due mostly to OEM production delays and a weaker aftermarket.
- Segment operating income was lower largely due to lower revenues, unfavorable product mix and productivity headwinds: all impacted by COVID-19

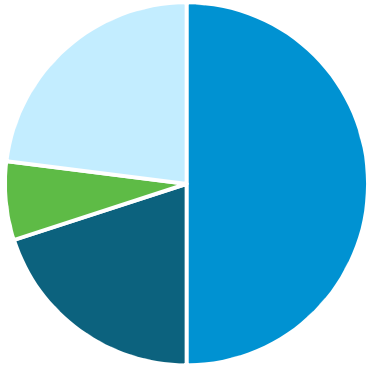
* % of revenue

Q1-2020 Non-GAAP Results

$ in millions, except EPS	Q1-2020	Q1-2019	Δ
Revenue	$774.3	$870.5	(11.1%)
Adj. Gross Profit *(% of revenue)*	$243.9 *31.5%*	$294.5 *33.8%*	(17.2%)
R&D *(% of revenue)*	$34.5 *4.4%*	$35.1 *4.0%*	1.8%
Adj. SG&A *(% of revenue)*	$71.0 *9.2%*	$69.1 *7.9%*	(2.9%)
Adj. Operating Income *(% of revenue)*	$136.7 *17.7%*	$188.6 *21.7%*	(27.5%)
Adj. Tax Rate[1]	13.2%	9.1%	(410 bps)
Adj. Net Income *(% of revenue)*	$83.2 *10.7%*	$139.3 *16.0%*	(40.3%)
Adj. EPS	$0.53	$0.85	(37.6%)

1 – Adjusted tax rate expressed as a % of adjusted profit before tax. Adjusted tax rate expressed as a % of adjusted EBIT was 9.5% and 7.3% in Q1-20 and Q1-19, respectively.

Proactively aligning cost structure to end-market demand



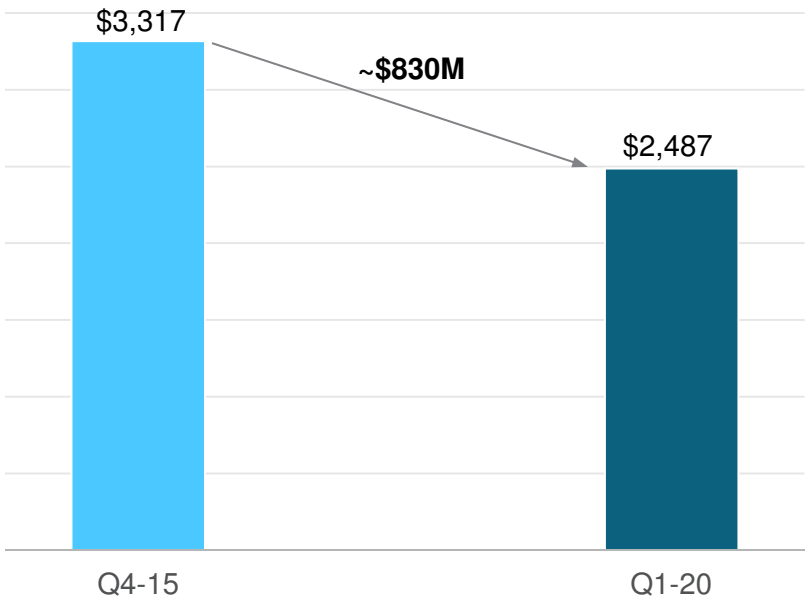
COST CATEGORIES - 2019

- **Variable:** Material Spend, Direct Labor, Freight, Operating Supplies
- **Semi-Variable:** Indirect Labor & Spend, Outside Services, Utilities
- **Fixed:** Depreciation, Leases, Licensing Costs, Outside Services
- **EBIT**

- COVID-19 pandemic has significantly disrupted our operations and ability to align our costs to the decline in end-market demand
  - government mandates are restricting operations to prevent spread of COVID-19
  - costs further elevated as we took action to safeguard employees
- In this environment the margin impact on declining volumes will largely reflect movement in our variable costs and higher costs resulting from operational restrictions and safeguarding employees
- In Q2 we expect $15 – $20M of savings from actions to reduce employee costs and discretionary spend
- ~5% of our total operating costs are non-cash such as depreciation, amortization, equity compensation

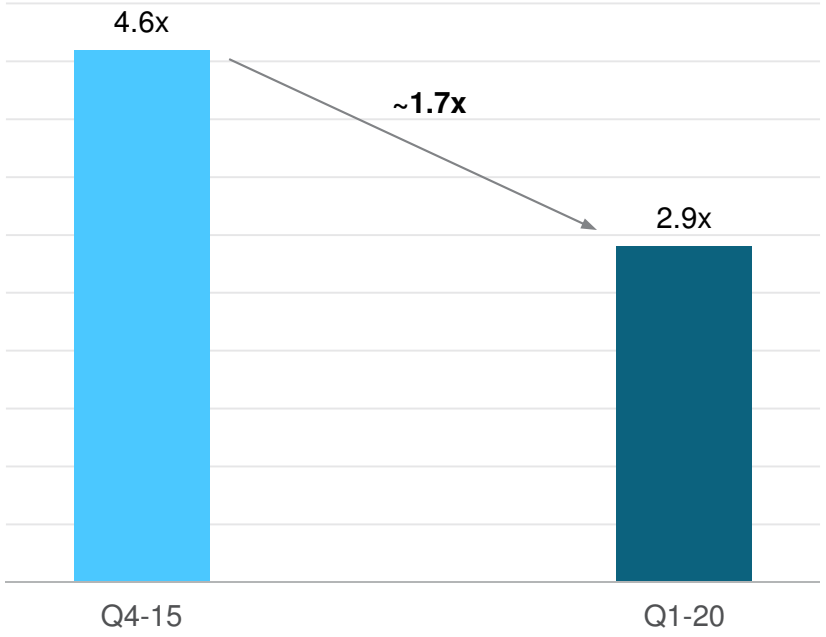
Sensata has de-levered substantially over past 4+ years

NET DEBT ($M)



- Drew down $400M from Revolver on April 1
- $1.2B cash on hand currently
- First maturity $500M not due until Oct. 2023

NET LEVERAGE RATIO



- Substantial buffer to covenants
  - SSNL* covenant <5.0x; currently (0.4x)
  - Incurrence covenant <6.25x; currently 2.9x
- Sufficient financial resources to weather severe downturn

**Senior Secured Net Leverage*

Leading Indicators for Q2-20 Revenue

Each week of NA and EU Auto production shutdown is equivalent to ~$25M in revenue
Estimating 4–5 weeks of shutdown

Automotive tracks with production rates (e.g. IHS predicting 47% Q2 decline)
Also plant re-openings, jobless claims and unemployment, consumer confidence indicators

HVOR tracks with production rates (e.g. LMC for On-Road)
Freight Load Factors, Inventory to Sales Ratios, Building Permits, Industrial Production

Industrial tracks with PMI, GDP, housing starts

Aerospace tracks with OEM commercial and defense production, passenger miles flown

Assumes ability to keep our plants open despite ever-changing pandemic government response
Fill is not an accurate predictor of Revenue this quarter

Key Messages – Looking Forward

We continue to monitor weak and volatile end markets

We are responding operationally to dramatic weakness in our end markets

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

Despite markets, we expect to deliver revenue outgrowth similar to 2019 levels

We are generating solid free cash flow performance

Free cash flow of $69 million in Q1; taking action to remain cash flow positive in 2020

We have $1.2 billion of cash on our balance sheet

Lowering salaries, reducing project and capital expenditures to conserve cash

We are continuing our R,D&E with customers and Megatrend investments to deliver long-term growth

M&A continues to be an important potential driver for future value-creation

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APPENDIX A

OTHER FINANCIAL INFORMATION

Q1-2020 Cash Flow Statement

$ in millions	Q1-2020	Q1-2019	Δ
Net Income	$8.4	$85.1	(90.1%)
Depreciation & Amortization	$67.8	$63.4	7.0%
Changes in Working Capital	($21.5)	($54.8)	60.8%
Other	$43.9	$19.1	129.7%
Operating Cash Flow	$98.5	$112.7	(12.6%)
Capital Expenditures	($29.5)	($41.7)	29.1%
Free Cash Flow	$69.0	$71.0	(2.8%)

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

Balance Sheet

$ in millions	MAR 31, 2020	MAR 31, 2019
Total Assets	$6,812.8	$6,793.5
Working Capital	$1,348.5	$1,248.8
Intangibles, Net & Other Long-Term Assets	$4,843.3	$4,908.4

$ in millions	MAR 31, 2020	MAR 31, 2019
Cash & Equivalents	$803.0	$649.5
Current Debt	$7.1	$13.7
Net Cash	$795.9	$635.9



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, or that we believe impact comparisons to prior period operating results. Such costs include charges related to optimization of our manufacturing processes to increase productivity. This type of activity occurs periodically, however each action is unique, discrete, and driven by various facts and circumstances. 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 the 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**	**1Q 2020**	**4Q 2019**	**3Q 2019**	**2Q 2019**	**1Q 2019**
Net income	**$206,080**	**$8,431**	**$53,538**	**$70,675**	**$73,436**	**$85,065**
Interest expense, net	158,704	39,403	40,137	39,556	39,608	39,253
Provision for/(benefit from) income taxes	84,726	(1,516)	27,060	28,341	30,841	21,467
Depreciation expense	123,333	34,679	31,508	29,172	27,974	27,208
Amortization of intangible assets	139,835	33,092	34,807	35,905	36,031	36,143
Earnings before interest, taxes, depreciation, and amortization ("EBITDA")	$ 712,678	$114,089	$187,050	$203,649	$207,890	$209,136
Non-GAAP adjustments:						
Restructuring related and other	98,564	42,557	19,137	15,557	21,313	8,046
Financing and other transaction costs	33,631	1,734	20,842	8,605	2,450	2,954
Deferred loss/(gain) on derivative instruments	1,060	5,884	(1,932)	(2,440)	(452)	(1,668)
Adjusted EBITDA	**$845,933**	**$164,264**	**$225,097**	**$225,371**	**$231,201**	**$218,468**

1 – Last twelve months ("LTM")

Other GAAP to non-GAAP Reconciliations – Q1 2020

$ in thousands	1Q 2020										
Total Sensata	**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)	**$(566,406)**	**$207,863**	**$(77,221)**	**$(33,092)**	**$(4,498)**	**$58,599**	**$(39,403)**	**$(12,281)**	**$6,915**	**$1,516**	**$8,431**
Non-GAAP adjustments:											
Restructuring related and other	34,811	34,811	5,049	-	3,897	43,757	-	3,700	47,457	(9,269)	38,188
Financing and transaction costs	-	-	1,133	-	601	1,734	-	-	1,734	-	1,734
Deferred loss on commodity and other derivative instruments	309	309	-	-	-	309	-	5,575	5,884	-	5,884
Step-up depreciation and amortization	874	874	-	31,397	-	32,271	-	-	32,271	-	32,271
Amortization of debt issuance costs	-	-	-	-	-	-	1,631	-	1,631	-	1,631
Deferred income tax and other tax related	-	-	-	-	-	-	-	-	-	(4,931)	(4,931)
Total adjustments	35,994	35,994	6,182	31,397	4,498	78,071	1,631	9,275	88,977	(14,200)	74,777
Adjusted (non-GAAP)	**$(530,412)**	**$243,857**	**$(71,039)**	**$(1,695)**	**$-**	**$136,670**	**$(37,772)**	**$(3,006)**	**$95,892**	**$(12,684)**	**$83,208**

$ in thousands	1Q 2019										
Total Sensata	**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)	**$(580,806)**	**$289,693**	**$(70,549)**	**$(36,143)**	**$(5,309)**	**$142,596**	**$(39,253)**	**$3,189**	**$106,532**	**$(21,467)**	**$85,065**
Non-GAAP adjustments:											
Restructuring related and other	4,209	4,209	982	-	2,855	8,046	-	-	8,046	(400)	7,646
Financing and transaction costs	-	-	500	-	2,454	2,954	-	-	2,954	-	2,954
Deferred gain on commodity and other derivative instruments	(545)	(545)	-	-	-	(545)	-	(1,123)	(1,668)	-	(1,668)
Step-up depreciation and amortization	1,112	1,112	-	34,389	-	35,501	-	-	35,501	-	35,501
Amortization of debt issuance costs	-	-	-	-	-	-	1,836	-	1,836	-	1,836
Deferred income tax and other tax related	-	-	-	-	-	-	-	-	-	7,953	7,953
Total adjustments	4,776	4,776	1,482	34,389	5,309	45,956	1,836	(1,123)	46,669	7,553	54,222
Adjusted (non-GAAP)	**$(576,030)**	**$294,469**	**$(69,067)**	**$(1,754)**	**$-**	**$188,552**	**$(37,417)**	**$2,066**	**$153,201**	**$(13,914)**	**$139,287**

Organic Revenue Growth

	1Q				
	Reported % Change (GAAP)	Less: FX Impact	Constant Currency % Change (non-GAAP)	Less: Acquisition & Divestitures, net	Organic Growth/(Decline) (non-GAAP)
Performance Sensing	**(11.1%)**	(0.7%)	**(10.4%)**	0.0%	**(10.4%)**
Sensing Solutions	**(10.8%)**	(0.4%)	**(10.4%)**	0.0%	**(10.4%)**
Sensata Total	**(11.1%)**	(0.7%)	**(10.4%)**	0.0%	**(10.4%)**

Free Cash Flow

$ in thousands

Total Sensata	1Q 2020	1Q 2019	Change
Net cash provided by operating activities	**$ 98,544**	**$ 112,693**	**(12.6%)**
Additions to property, plant and equipment and capitalized software	(29,547)	(41,690)	29.1%
Free cash flow	**$ 68,997**	**$ 71,003**	**(2.8%)**

Net Debt and Net Leverage Ratio

$ in thousands

Total Sensata	As of 31-Mar-20	31-Dec-19
Current portion of long-term debt, finance lease and other financing obligations	$7,095	$6,918
Finance lease and other financing obligations, less current portion	28,280	28,810
Long-term debt, net	3,220,359	3,219,885
Total debt, finance lease and other financing obligations	**3,255,734**	**3,255,613**
Less: Discount	(11,220)	(11,758)
Less: Deferred financing costs	(23,359)	(24,452)
Total gross indebtedness	3,290,313	3,291,823
Less: Cash and cash equivalents	802,971	774,119
Net debt	**$2,487,342**	**$2,517,704**
Adjusted EBITDA (LTM)	$845,933	$900,137
Net leverage ratio	**2.9**	**2.8**

Adjusted Taxes and Adjusted Tax Rate

$ in thousands

Total Sensata	1Q 2020	1Q 2019
(Benefit from)/provision for income taxes	**$(1,516)**	**$21,467**
Non-GAAP adjustments:		
Deferred income tax and other tax (benefit)/expense	(4,931)	7,953
Current tax effect of non-GAAP adjustments	(9,269)	(400)
Adjusted taxes	**$12,684**	**$13,914**
Adjusted income before taxes	$95,892	$153,201
Adjusted tax rate	**13.2%**	**9.1%**