

Sensata
Technologies

SENSATA SECOND QUARTER 2021 EARNINGS PRESENTATION

July 27, 2021

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 2020 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.

Q2-2021 GAAP Results

$ and shares outstanding in millions, except EPS	Q2-2021	Q2-2020	B/(W)
Revenue	$992.7	$576.5	72.2 %
Gross Profit *(% of revenue)*	$334.4 *33.7%*	$164.1 *28.5%*	103.8 %
R&D *(% of revenue)*	$42.9 *4.3%*	$30.2 *5.2%*	(41.9)%
SG&A *(% of revenue)*	$86.8 *8.7%*	$64.7 *11.2%*	(34.1)%
Amortization of Intangibles *(% of revenue)*	$34.9 *3.5%*	$32.7 *5.7%*	(6.5)%
Restructuring and Other *(% of revenue)*	$5.0 *0.5%*	$38.2 *6.6%*	86.8 %
Operating Income/(Loss) *(% of revenue)*	$164.8 *16.6%*	($1.9) *(0.3%)*	NM
Tax Rate	6.3%	(3.5%)	NM
Net Income/(Loss) *(% of revenue)*	$112.9 *11.4%*	($42.5) *(7.4%)*	NM
Diluted EPS	$0.71	($0.27)	NM
Diluted Shares Outstanding	159.3	157.2	(2.2)

Key Performance Highlights

Executing well amid economic recovery

- **Record revenue of $992.7M** grew **72.2%** in Q2-21 from the prior-year period
- Strong results despite lower automotive production include rising channel inventories
- **Adjusted operating income of $209.3M (or 21.1% margin)** in Q2-21
- Demonstrating **leadership in targeted markets** with **organizational flexibility**

Outgrowth exceeding long-term targets

- **Strong Q2-21 revenue outgrowth:**
  - **2,850 bps** of outgrowth in Heavy Vehicle, Off-Road ex-inventory; **950 bps 3.5-year average**
  - **990 bps** of outgrowth in Automotive ex-inventory; **615 bps 3.5-year average**

Strong financial position and cash generation

- Cash generation – Generated **$127M in free cash flow Q2-21**, 84% conversion rate
- **$1.9B in cash;** Sensata well positioned to pursue acquisitions in important growth vectors

Growth vector strategy driving continued success

- **New business wins tracking to higher full year level than 2020**
- Important new business wins in Sensata Insights and Electrification underscore strength of Megatrends to accelerate growth

Sensata Insights is addressing expanding customer needs in fast-growing markets

Sensata Insights is advancing rapidly

>$800M Pipeline*

Could yield >$170M annual revenue opportunity

$20M in new business

creates 100% committed 2021 revenue pipeline

$75M revenue

Expected in 2021 since Xirgo acquisition (Q2-Q4); in line with >$100M annualized revenue

Key recent business wins support future growth

>$10M container tracking

Refrigerated container tracking solution for global transportation services firm

$6M insurance order

Supporting usage-based model of large insurance carrier; represents competitor displacement

>$9M business win

Wireless gateway and wheel-end sensors for tire inflation with leading heavy duty trailer suspension provider in North America

*Current consolidated unweighted pipeline of new business opportunities

Sensata is making significant progress winning new business in Electrification

Holistic Electrification approach across business units

>$600M Pipeline*

$280M design win backlog

Electrification design wins (2019-2020) underpin future revenue outgrowth

>$200M 2021E revenue

Expected Electrification revenue across Sensata's businesses (Automotive, Industrial, Heavy Vehicle)

Key recent business wins support future growth

>$11M PDU award

Power distribution unit subsystem new business award from leading European heavy vehicle OEM

>$6M JV business win

Churod Electronics joint venture new business award from European OEM for EVs in China

>$18M contactor award

Contactor new business award from NA OEM for future heavy-duty electric trucks

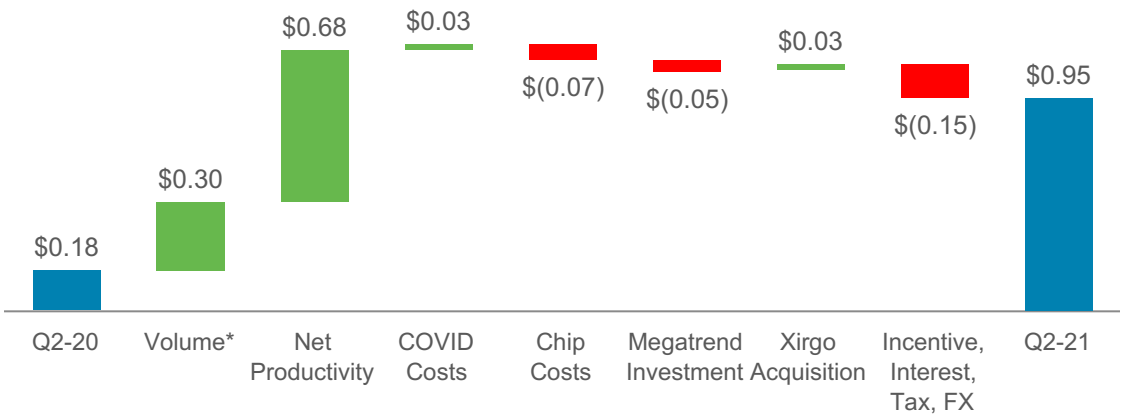
*Current consolidated unweighted pipeline of new business opportunities

Sensata Technologies

Q2-21 FINANCIALS & 2021 OUTLOOK

Q2-2021 Financial Summary

$ in millions, except EPS	Q2-2021	Q2-2020	B/(W)
Revenue	$992.7	$576.5	72.2 %
Adjusted Operating Income	$209.3	$75.0	179.1 %
% Revenue	*21.1%*	*13.0%*	
Adjusted Net Income	$151.4	$27.7	446.9 %
% Revenue	*15.2%*	*4.8%*	
Adjusted EPS	$0.95	$0.18	427.8 %



- Revenue growth YoY of 72.2% composed of:
  - Organic revenue increased 62.9%
  - Acquisition increased revenue by 4.4%
  - Foreign exchange increased revenue by 4.9%
- Adjusted operating income increased 179.1% YoY due to:
  - Higher revenue largely due to end-market recovery and outgrowth
  - Offset somewhat by increased costs related to chip shortages and material inflation only partially recovered

* Adjusted EPS impact of organic revenue change at prior year adjusted operating margin rate

Sensata outgrew its end markets by 1,140 bps in Q2-2021

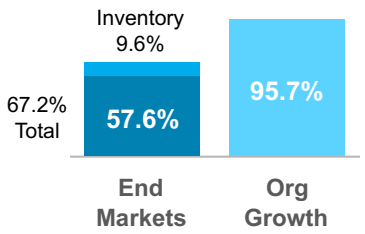
PERCENT OF REVENUES

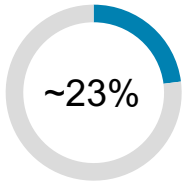
Performance Sensing

Heavy Vehicle, Off-Road

2,850 bps of outgrowth

- Outgrowth adjusted for low prior-year volumes: 1,640 bps
- Channel restocking of 960 bps ($9M) excluded from outgrowth

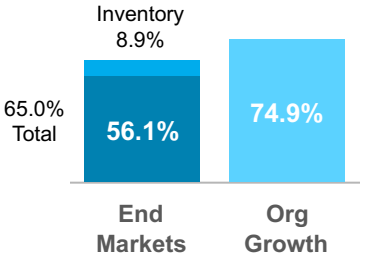


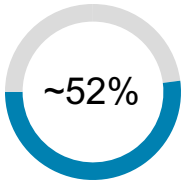


Automotive

990 bps of outgrowth

- NA vehicle inventory still at record lows
- Outgrowth adjusted for low prior-year volumes: 640 bps
- Channel restocking of 890 bps ($25M) excluded from outgrowth

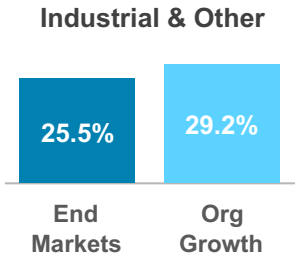


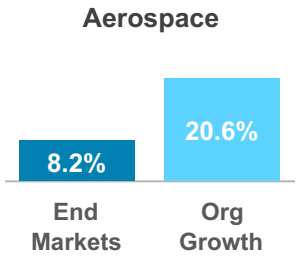


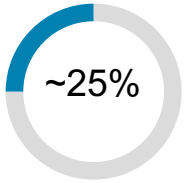
Sensing Solutions

Aerospace, Industrial & Other

- Industrial outperformance led by HVAC, electrification, and supply chain restocking
- Aerospace outperformance led by defense product launches

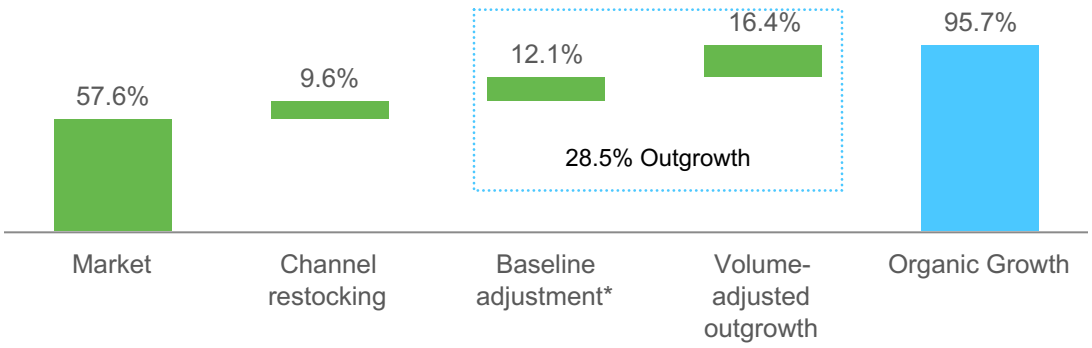






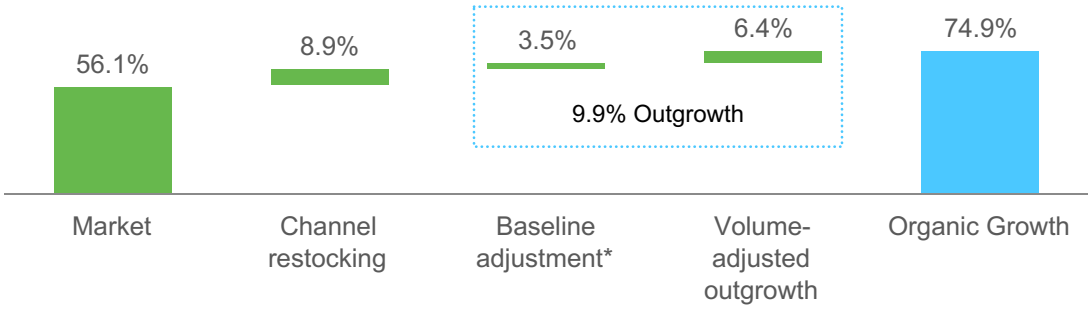
Outgrowth remains strong after adjustment for unusually low revenue in Q2-20

Heavy Vehicle, Off-Road Revenue Outgrowth to Market



- Heavy vehicle outgrowth driven by China VI emissions regulation, operator controls, RADAR safety, and tire pressure monitoring applications

Automotive Revenue Outgrowth to Market

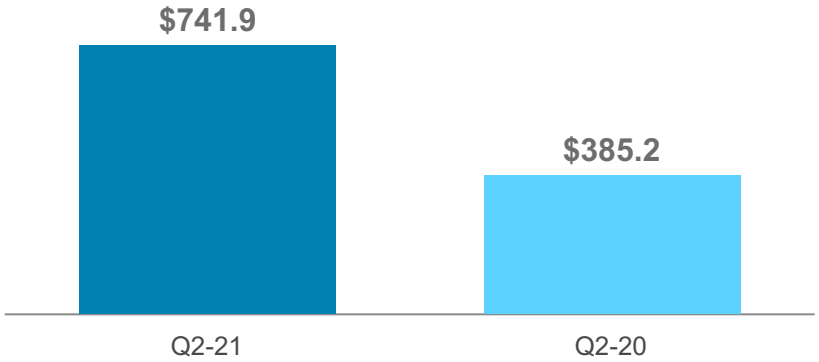


- Automotive outgrowth driven by powertrain and emissions, safety, and electrification-related applications despite ongoing chip shortage

* Adjusted for market growth Q2-20 to Q2-21, to adjust for unusually low revenue in Q2-20

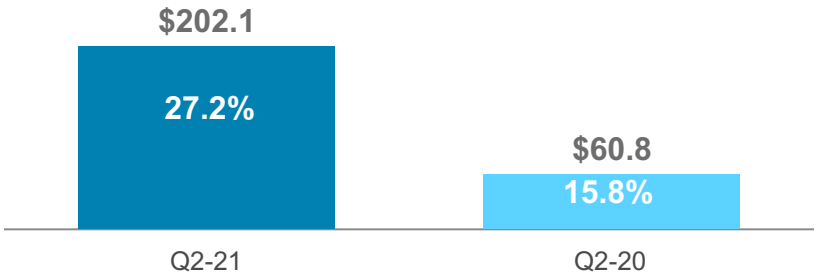
Q2-2021: Performance Sensing

Revenue



Segment operating income

% operating margin



Q2-21 YoY REVENUE GROWTH	REPORTED	ORGANIC
Automotive	80.9%	74.9%
Heavy Vehicle, Off-Road	126.4%	95.7%
Performance Sensing	**92.6%**	**80.2%**

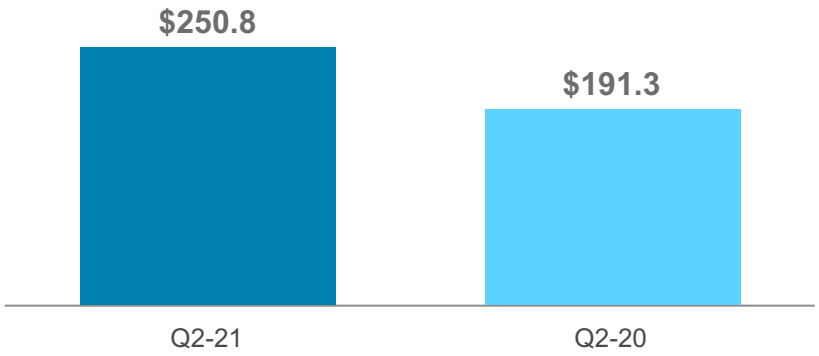
↑ Foreign exchange 5.8% positive impact

↑ Acquisition 6.6% positive impact

- Record revenue: Customers' production recovery, Xirgo acquisition, and newly launched programs drove increase
- Higher YoY segment income generated by higher revenues somewhat offset by elevated chip costs due to shortage
- Margin rate of 43% on incremental YoY organic revenue demonstrates profit potential in market upswing

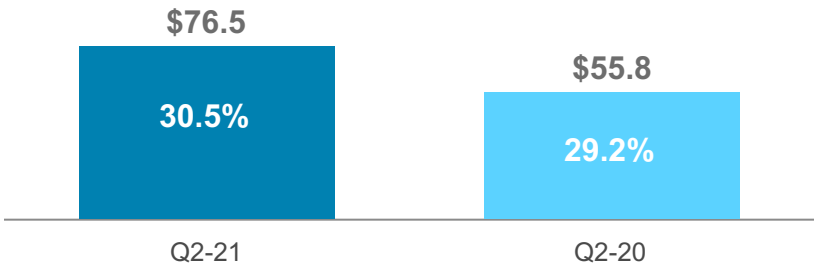
Q2-2021: Sensing Solutions

Revenue



Segment operating income

% operating margin



Q2-21 YoY REVENUE GROWTH	REPORTED	ORGANIC
Industrial & Other	32.9%	29.2%
Aerospace	20.6%	20.6%
Sensing Solutions	**31.1%**	**28.0%**

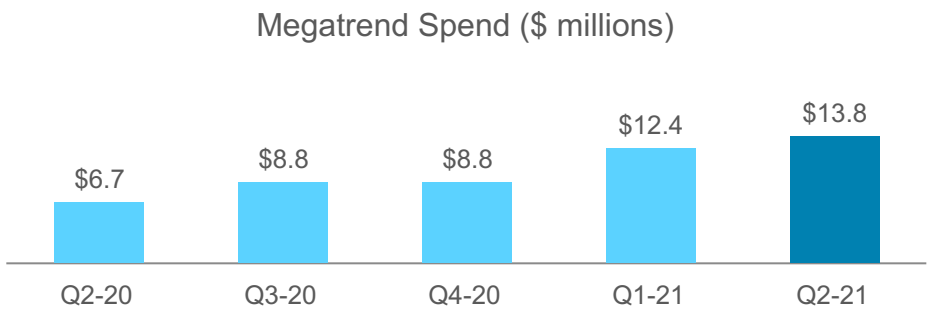
Foreign exchange 3.1% positive impact

- Revenue increase YoY reflects HVAC market recovery and new Electrification launches
- Higher YoY segment income generated by higher revenues somewhat offset by elevated chip costs due to shortage
- Margin rate of 37% on incremental YoY organic revenue demonstrates profit potential in market upswing

Corporate and Other Operating Expenses

$ in millions	Q2-2021	Q2-2020	B/(W)
Corporate and Other	$74.0	$47.5	(55.9)%
% Revenue	*7.5%*	*8.2%*	
Adj. Corporate and Other	$67.7	$39.9	(69.7)%
% Revenue	*6.8%*	*6.9%*	

- Adj. Corporate and Other increase primarily due to higher Megatrend investments and higher global incentive compensation costs aligned to stronger financial results



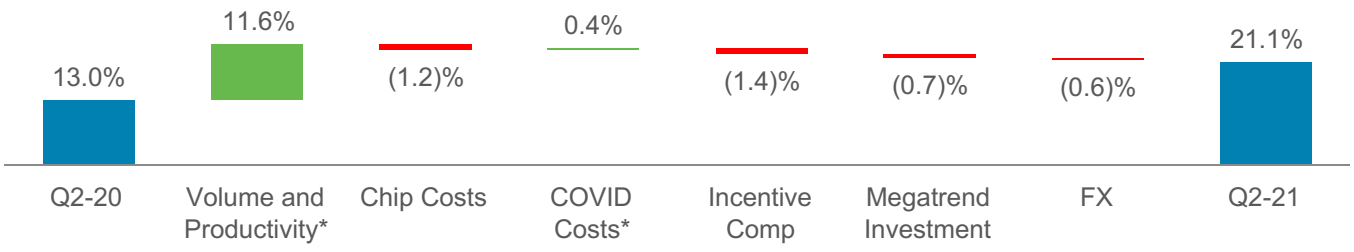
- **$13.8M** Megatrend spend in Q2-21
- **$50M-$55M** Megatrend spend expected in 2021

Q2-2021 Non-GAAP Results

$ and shares outstanding in millions, except EPS	Q2-2021	Q2-2020	B/(W)
Revenue	$992.7	$576.5	72.2 %
Adj. Gross Profit *(% of revenue)*	$337.4 *34.0%*	$165.4 *28.7%*	104.0 %
R&D *(% of revenue)*	$42.9 *4.3%*	$30.2 *5.2%*	(41.9)%
Adj. SG&A *(% of revenue)*	$83.6 *8.4%*	$58.5 *10.1%*	(42.9)%
Adj. Operating Income *(% of revenue)*	$209.3 *21.1%*	$75.0 *13.0%*	179.1 %
Adj Tax Rate [1]	8.9%	18.2%	9.3 %
Adj. Net Income *(% of revenue)*	$151.4 *15.2%*	$27.7 *4.8%*	446.9 %
Adj. EPS	$0.95	$0.18	427.8 %
Diluted Shares Outstanding	159.3	157.6	(1.7)

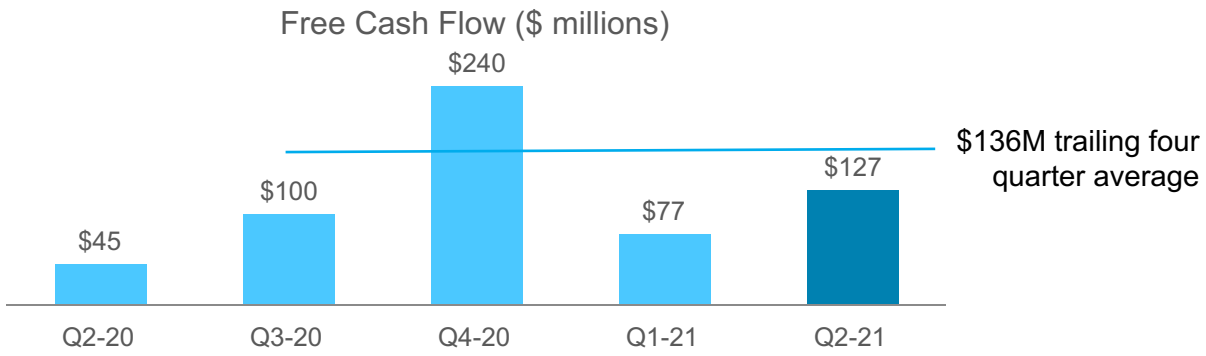
1 – Adjusted tax rate expressed as a % of adjusted profit before tax. Adjusted tax rate expressed as a % of adjusted EBIT was 7.0% and 8.4% in Q2-2021 and Q2-2020, respectively.

OPERATING MARGIN WALK Q2-20 TO Q2-21



*Productivity includes manufacturing efficiencies, restructuring, and price; COVID costs include additional materials, labor and freight and logistics costs

Strong free cash generation enables investment in growth and enhances Sensata's balance sheet



$127M

Q2-21 free cash flow, **84%** conversion rate;
85% conversion rate expected for full year 2021

$36M

Q2-21 Capital Expenditures
$160M-$170M expected for full year 2021

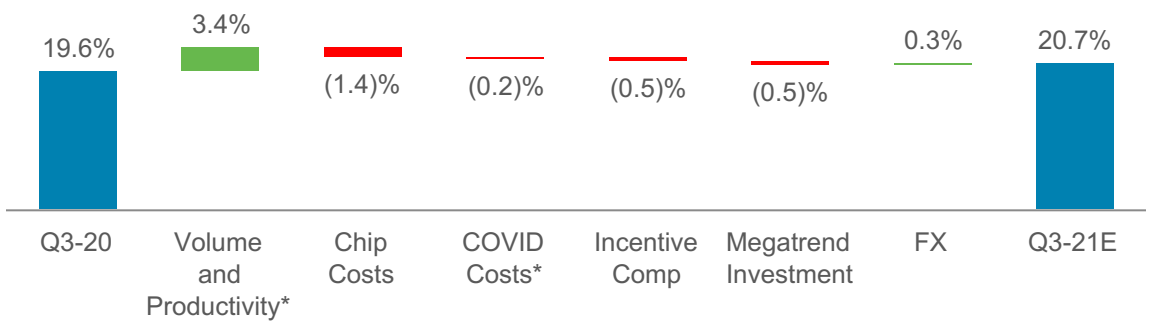
2.7x

net leverage ratio as of June 30, 2021
lower end of **2.5x - 3.5x** range by Q4-21 ex-M&A

Q3-21 Financial Guidance

$ in millions, except EPS	Q3-21 GUIDANCE	Q3-20	B/(W)
Revenue *organic*	$920 – $950	$788.3	17% - 21% *12% - 16%*
Adj. Op Income	$189 – $199	$154.8	22% - 29%
Adj. Net Income	$130 – $140	$103.6	25% - 35%
Adj. EPS	$0.82 – $0.88	$0.66	24% - 33%

OPERATING MARGIN WALK Q3-20 TO Q3-21



- Q3-21 end-market growth expected to be ~2% YoY
  - Auto: ~(9)%
    - NA: ~(20)%
    - EU: ~(6)%
    - China: ~(8)%
  - HVOR: ~25%
  - Industrial: ~12%
  - Aerospace: ~10%
- Sensata is more conservative on auto production expectations as compared to IHS
- FX expected to increase revenue by ~$14M at mid-point
  - Adjusted EPS: $0.01 increase from FX at mid-point
- Fill rate of 98% at the mid-point

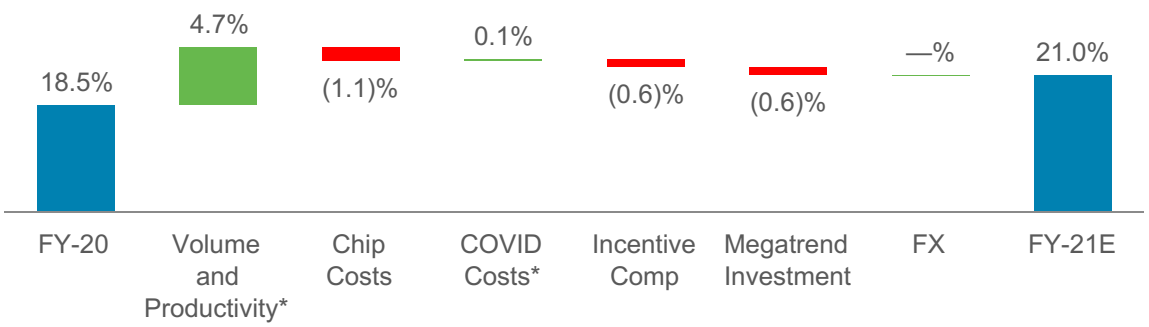
*Productivity includes manufacturing efficiencies, restructuring, and price; COVID costs include additional materials, labor and freight and logistics costs

FY-21 Updated Financial Guidance

$ in millions, except EPS	FY-21 GUIDANCE	FY-20	B/(W)
Revenue *organic*	$3,770 – $3,840	$3,045.6	24% - 26% *19% - 21%*
Adj. Op Income	$782 – $818	$562.1	39% - 46%
Adj. Net Income	$544 – $576	$349.2	56% - 65%
Adj. EPS	$3.42 – $3.62	$2.21	55% - 64%

- Tightening range to reflect H1-21 performance and expectations for H2-21
- FX expected to increase revenue by ~$71M at mid-point
  - Adjusted EPS: $0.05 increase from FX at mid-point
- Offsetting portion of expected increase in H2-21 chip costs, material inflation and logistics costs through cost recovery actions

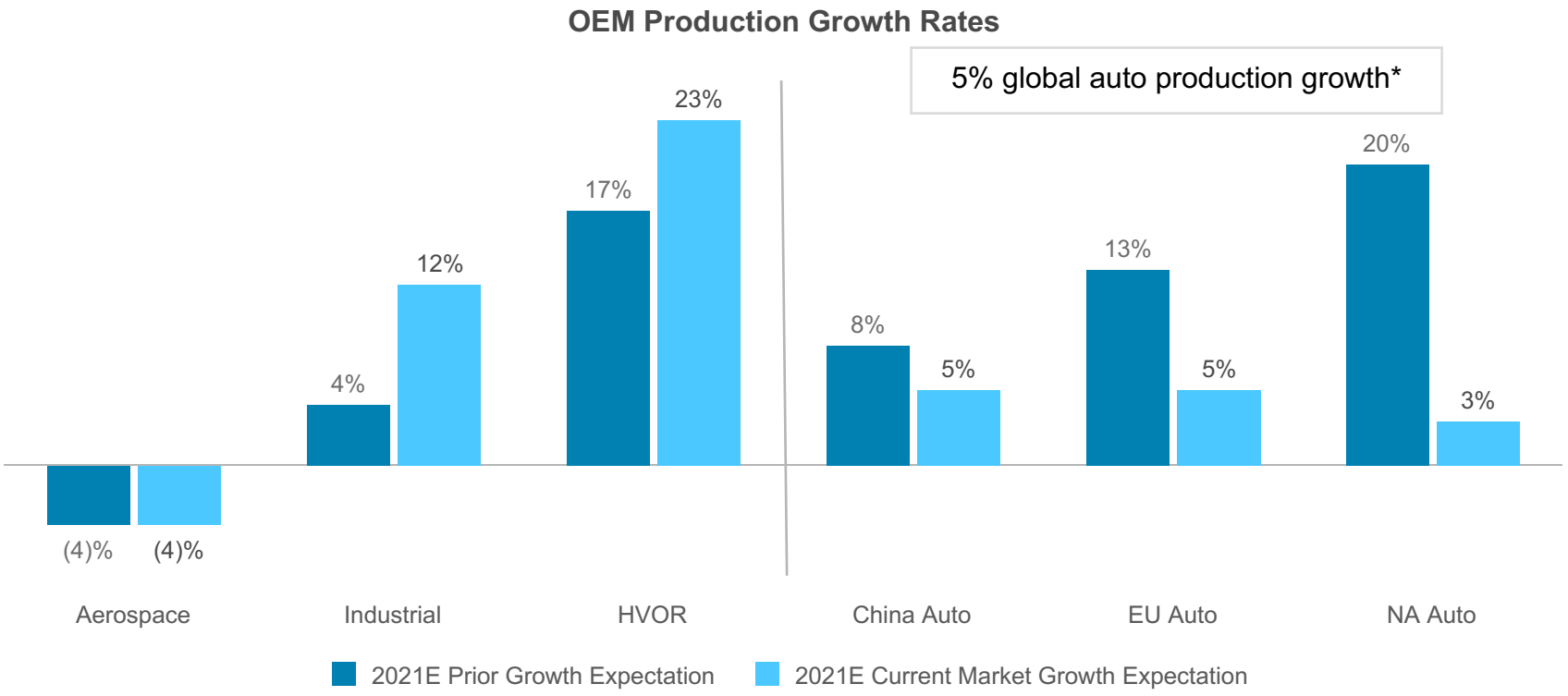
OPERATING MARGIN WALK 2020 TO 2021



*Productivity includes manufacturing efficiencies, restructuring, and price; COVID costs include additional materials, labor and freight and logistics costs

We expect strong end-market growth ex-Auto in 2021

Sensata estimates for Auto production are now lower than IHS for the balance of the year
Heavy Vehicle and Industrial markets expected to show robust improvement



*Sensata estimate for global auto OEM production growth, regionally adjusted. July 2021 IHS data indicates 9% global auto production growth as compared to 12% in April 2021.

Key Messages – Looking Forward

Strong results well above rapidly improving markets

Strong Q2-21 performance enabled by strength and flexibility of organizational model

Delivering higher end-market outgrowth

Exceeding long-term Auto (400-600 bps) and HVOR (600-800 bps) outgrowth targets

Continuing execution of long-term Megatrend growth strategy

Accelerating pace of new business wins in growth vector areas

M&A and technology partnerships are important value creation amplifiers

Accessing new high growth market areas and important additive technologies

Delivering industry-leading margins

While making incremental investments in our growth and our people

Sensata helps create a cleaner, safer world



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APPENDIX A

OTHER FINANCIAL INFORMATION

Q2-2021 Cash Flow Statement

$ in millions	Q2-2021	Q2-2020	B/(W)
Net Income/(Loss)	$112.9	($42.5)	NM
Depreciation & Amortization	$66.5	$63.4	5.0 %
Changes in Working Capital	($20.8)	$31.1	NM
Other	$4.8	$19.8	(75.8)%
Operating Cash Flow	$163.4	$71.7	127.8 %
Capital Expenditures	($36.4)	($27.2)	(34.1)%
Free Cash Flow	$127.0	$44.6	184.9 %

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

Balance Sheet

$ in millions	JUN 30, 2021	DEC 31, 2020
Total Assets	$ 8,418.4	$ 7,844.2
Working Capital	$ 2,340.2	$ 1,484.8
Intangibles, Net & Other Long-Term Assets	$ 5,241.2	$ 4,864.2

$ in millions	JUN 30, 2021	DEC 31, 2020
Cash & Equivalents	$ 1,861.8	$ 1,862.0
Current Debt (1)	$ 7.3	$ 757.2
Net Cash	$ 1,854.5	$ 1,104.8

(1) On February 3, 2021, we announced that we intended to redeem in full the $750.0 million aggregate principal amount outstanding on our 6.25% Senior Notes due 2026. Because we had not issued our 2020 Annual Report on Form 10-K, we determined that these notes should be classified as current on our consolidated balance sheet as of December 31, 2020.



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:

a. 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.

b. 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.

c. 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.

d. 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).

e. 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 valuation allowance in connection with certain acquisitions and tax law changes. Other tax related items include certain adjustments to unrecognized tax positions.

f. Amortization of debt issuance costs.

g. 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**	**2Q 2021**	**1Q 2021**	**4Q 2020**	**3Q 2020**	**2Q 2020**
Net income/(loss)	**$ 365,045**	**$ 112,916**	**$ 53,733**	**$ 121,667**	**$ 76,729**	**$ (42,541)**
Interest expense, net	180,802	45,213	44,043	47,417	44,129	40,808
Provision for/(benefit from) income taxes	29,349	7,638	20,281	(13,751)	15,181	1,441
Depreciation expense	123,225	31,636	31,197	31,464	28,928	30,609
Amortization of intangible assets	130,635	34,857	32,064	31,152	32,562	32,743
Earnings before interest, taxes, depreciation, and amortization ("EBITDA")	829,056	232,260	181,318	217,949	197,529	63,060
Non-GAAP adjustments:						
Restructuring related and other	22,229	7,011	7,366	12,902	(5,050)	42,708
Financing and other transaction costs	38,628	1,710	35,908	(832)	1,842	3,619
Deferred (gain)/loss on derivative instruments	(3,516)	1,409	2,993	(1,992)	(5,926)	(4,927)
Adjusted EBITDA	**$ 886,397**	**$ 242,390**	**$ 227,585**	**$ 228,027**	**$ 188,395**	**$ 104,460**

Organic Revenue Growth

	Q2-2021				
	Reported % Change (GAAP)	Less: FX Impact	Constant Currency % Change (non-GAAP)	Less: Acquisition & Divestitures, net	Organic Growth (non-GAAP)
Performance Sensing	**92.6%**	5.8%	**86.8%**	6.6%	**80.2%**
Sensing Solutions	**31.1%**	3.1%	**28.0%**	—%	**28.0%**
Sensata Total	**72.2%**	4.9%	**67.3%**	4.4%	**62.9%**

	H1-2021				
	Reported % Change (GAAP)	Less: FX Impact	Constant Currency % Change (non-GAAP)	Less: Acquisition & Divestitures, net	Organic Growth (non-GAAP)
Performance Sensing	**52.7%**	4.3%	**48.4%**	2.7%	**45.7%**
Sensing Solutions	**20.6%**	2.6%	**18.0%**	—%	**18.0%**
Sensata Total	**43.3%**	3.8%	**39.5%**	1.9%	**37.6%**

Free Cash Flow

$ in thousands	Q2			H1		
Total Sensata	**2021**	**2020**	**Change**	**2021**	**2020**	**Change**
Net cash provided by operating activities	**$ 163,420**	**$ 71,728**	**127.8%**	**$ 267,931**	**$ 170,272**	**57.4%**
Additions to property, plant and equipment and capitalized software	(36,400)	(27,150)	(34.1%)	(63,572)	(56,697)	(12.1%)
Free cash flow	**$ 127,020**	**$ 44,578**	**184.9%**	**$ 204,359**	**$ 113,575**	**79.9%**

Net Debt and Net Leverage Ratio

$ in thousands

Total Sensata	As of 6/30/2021	3/31/2021	12/31/2020	9/30/2020	6/30/2020
Current portion of long-term debt, finance lease and other financing obligations [1]	$ 7,281	$ 9,678	$ 757,205	$ 7,049	$ 407,042
Finance lease and other financing obligations, less current portion	27,220	27,605	27,931	28,360	28,243
Long-term debt, net	4,213,830	3,961,397	3,213,747	3,963,076	3,220,833
Total debt, finance lease and other financing obligations	**4,248,331**	**3,998,680**	**3,998,883**	**3,998,485**	**3,656,118**
Less: Discount, net of premium	(6,097)	(8,416)	(9,605)	(10,143)	(10,681)
Less: Deferred financing costs	(29,224)	(30,495)	(28,114)	(29,404)	(22,266)
Total gross indebtedness	4,283,652	4,037,591	4,036,602	4,038,032	3,689,065
Less: Cash and cash equivalents	1,861,769	1,893,926	1,861,980	1,610,191	1,242,949
Net debt	**$ 2,421,883**	**$ 2,143,665**	**$ 2,174,622**	**$ 2,427,841**	**$ 2,446,116**
Adjusted EBITDA (LTM)	$ 886,397	$ 748,467	$ 685,146	$ 682,216	$ 719,192
Net leverage ratio	**2.7**	**2.9**	**3.2**	**3.6**	**3.4**

(1) On February 3, 2021, we announced that we intended to redeem in full the $750.0 million aggregate principal amount outstanding on our 6.25% Senior Notes due 2026. Because we had not issued our 2020 Annual Report on Form 10-K, we determined that these notes should be classified as current on our consolidated balance sheet as of December 31, 2020.

Adjusted Taxes and Adjusted Tax Rate

$ in thousands	Q2		H1	
Total Sensata	**2021**	**2020**	**2021**	**2020**
Provision for/(benefit from) income taxes	**$ 7,638**	**$ 1,441**	**$ 27,919**	**$ (75)**
Non-GAAP adjustments:				
Deferred income tax and other tax (benefit)/ expense	(6,200)	4,400	3,922	(531)
Current tax effect of non-GAAP adjustments	(880)	(9,110)	(4,932)	(18,379)
Adjusted taxes	**$ 14,718**	**$ 6,151**	**$ 28,929**	**$ 18,835**
Adjusted income before taxes	$ 166,083	$ 33,829	$ 317,897	$ 129,721
Adjusted tax rate	**8.9 %**	**18.2 %**	**9.1 %**	**14.5 %**

Other GAAP to non-GAAP Reconciliations

$ in thousands (except EPS amounts)

Total Sensata	Q2-2021 Operating Income	Q2-2021 Operating Margin	Q2-2021 Net Income	Q2-2021 EPS	Q2-2020 Operating (Loss)/ Income	Q2-2020 Operating Margin	Q2-2020 Net (Loss)/ Income	Q2-2020 EPS
Reported (GAAP)	**$ 164,755**	**16.6%**	**$ 112,916**	**$ 0.71**	**$ (1,868)**	**(0.3)%**	**$ (42,541)**	**$ (0.27)**
Non-GAAP adjustments:								
Restructuring related and other	5,738	0.6%	6,926	0.04	40,839	7.1%	33,598	0.21
Financing and other transaction costs	2,544	0.3%	1,267	0.01	3,619	0.6%	3,619	0.02
Step-up depreciation and amortization	33,684	3.4%	33,684	0.21	31,897	5.5%	31,897	0.20
Deferred loss/(gain) on derivative instruments	2,595	0.3%	1,057	0.01	500	0.1%	(4,927)	(0.03)
Amortization of debt issuance costs	—	—%	1,715	0.01	—	—%	1,632	0.01
Deferred income tax and other tax related	—	—%	(6,200)	(0.04)	—	—%	4,400	0.03
Total adjustments	44,561	4.5%	38,449	0.24	76,855	13.3%	70,219	0.45
Adjusted (non-GAAP)	**$ 209,316**	**21.1%**	**$ 151,365**	**$ 0.95**	**$ 74,987**	**13.0%**	**$ 27,678**	**$ 0.18**

$ in thousands (except EPS amounts)

Total Sensata	H1-2021 Operating Income	H1-2021 Operating Margin	H1-2021 Net Income	H1-2021 EPS	H1-2020 Operating Income	H1-2020 Operating Margin	H1-2020 Net (Loss)/ Income	H1-2020 EPS
Reported (GAAP)	**$ 322,209**	**16.7%**	**$ 166,649**	**$ 1.05**	**$ 56,731**	**4.2%**	**$ (34,110)**	**$ (0.22)**
Non-GAAP adjustments:								
Restructuring related and other	10,263	0.5%	14,217	0.09	84,596	6.3%	71,786	0.45
Financing and other transaction costs	7,115	0.4%	34,072	0.21	5,353	0.4%	5,353	0.03
Step-up depreciation and amortization	63,380	3.3%	63,380	0.40	64,168	4.8%	64,168	0.41
Deferred loss on derivative instruments	4,435	0.2%	3,302	0.02	809	0.1%	957	0.01
Amortization of debt issuance costs	—	—%	3,426	0.02	—	—%	3,263	0.02
Deferred income tax and other tax related	—	—%	3,922	0.02	—	—%	(531)	—
Total adjustments	85,193	4.4%	122,319	0.77	154,926	11.5%	144,996	0.92
Adjusted (non-GAAP)	**$ 407,402**	**21.1%**	**$ 288,968**	**$ 1.81**	**$ 211,657**	**15.7%**	**$ 110,886**	**$ 0.70**