Sensata Technologies

SENSATA THIRD QUARTER 2021 EARNINGS PRESENTATION

October 26, 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.

Q3-2021 GAAP Results

$ and shares outstanding in millions, except EPS	Q3-2021	Q3-2020	B/(W)
Revenue	$951.0	$788.3	20.6 %
Gross Profit *(% of revenue)*	$322.1 *33.9%*	$258.1 *32.7%*	24.8 %
R&D *(% of revenue)*	$40.1 *4.2%*	$33.4 *4.2%*	(19.9)%
SG&A *(% of revenue)*	$85.8 *9.0%*	$75.7 *9.6%*	(13.3)%
Amortization of Intangibles *(% of revenue)*	$34.6 *3.6%*	$32.6 *4.1%*	(6.2)%
Restructuring and Other *(% of revenue)*	$0.3 *0.0%*	$(10.5) *(1.3) %*	nm
Operating Income *(% of revenue)*	$161.3 *17.0%*	$126.8 *16.1%*	27.2 %
Tax Rate	20.4%	16.5%	(390) bps
Net Income *(% of revenue)*	$85.0 *8.9%*	$76.7 *9.7%*	10.7 %
Diluted EPS	$0.53	$0.49	8.2 %
Diluted Shares Outstanding	159.5	158.0	(1.5)

Key Performance Highlights

Outgrowth exceeding long-term targets

- **Strong Q3-21 revenue outgrowth of 1,190 bps** across all of Sensata
- **570 bps of revenue outgrowth** on average since 2018, driven by:
  - **1,050 bps** of outgrowth in Heavy Vehicle, Off-Road on average since 2018
  - **650 bps** of outgrowth in Automotive on average since 2018

Growth vector strategy expanding opportunities

- **>$220M estimated Electrification revenue** across Sensata's businesses in 2021; 10% higher than our estimate in July
- Acquisitions propel inorganic growth within Electrification Components, Clean Energy Solutions, and Insights growth vectors
- **$2.0B in cash;** Sensata well positioned to pursue acquisitions in important growth vectors

Executing well despite market and supply constraints

- **Revenue of $951.0M** grew **20.6%** in Q3-21 from the prior-year period
- Strong results despite declining automotive production as we serve customers' needs
- **Adjusted operating income of $201.0M (21.1% margin)** in Q3-21
- Achieving **leadership in targeted markets** with **organizational resiliency and focus**

Sensata published its first Sustainability Report

Sensata is committed to enhancing sustainability across our business against these enterprise-wide longer-term goals:

DIVERSITY, EQUITY & INCLUSION

Our 2026
GOALS



REACH
30%
female representation in manager and above roles (worldwide)



REACH
25%
racial/ethnic diverse representation in manager and above roles (U.S. only)

Annual goals for our leadership team focus on improving diversity, reducing turnover, and encouraging internal promotions.

PROTECTING OUR ENVIRONMENT

Our 2050
GOAL



ACHIEVE
CARBON NEUTRALITY

Our 2026
GOAL



REDUCE OUR GHG EMISSIONS INTENSITY BY
10%
from a 2021 baseline

RESPONSIBLE SOURCING

Our 2026
GOALS

ACHIEVE
75%
response rate on our responsible sourcing campaigns

ACHIEVE
100%
sourcing of Conflict Minerals and Cobalt from smelters that are conformant with the Responsible Minerals Assurance Process (RMAP) or an equivalent standard

Electrification components driving growth for Sensata

Sensata components designed into BEVs

Carryover components

- Electronic Stability Control brake pressure
- Tire management solutions
- Thermal management pressure

New EV-specific component initiatives

- Contactors
- Fuses
- ElectroMechanical force and pressure
- Advanced battery sensing
- E-motor position and temperature
- Thermal management pressure + temperature
- Current sensing

Spotlight on Braking: Key recent business wins in BEVs support future growth

>$11M* EV ESC braking award

Incremental business win with leading brake system supplier Continental maintains Sensata's leadership in Electronic Stability Control brake sensing

>$9M* EMB design award

Pressure and force sensors to enable next-generation ElectroMechanical Brake systems for leading EV OEM

Higher content in battery electric light vehicles

- EV $ content per vehicle has demonstrated an average ~20% uplift from comparable-class ICEs
- BEVs represent ~50% of automotive designs wins so far this year
- BEV content per vehicle on path to be **double** ICEs within five years given expected growth in our focus areas

*Annual revenue at run-rate

Sensata moves beyond components to create Clean Energy Solutions

Addressing market needs for comprehensive electrification solutions

Pending acquisition of Spear Power Systems enables full energy storage solutions for specialty transportation

- Emissions regulations driving rapid growth
- Lithium Ion chemistry agnostic - uses multiple battery sources
- Highly-engineered safety features for mission-critical applications



COMPONENTS

Components like Contactors, Fuses, and Sensors

$5B SAM by 2030

Recent Churod JV



SUBSYSTEMS

Combine components with Battery Management Systems to create Power Distribution Units

$2B SAM by 2030

>$20M* Mega-Watt Charging Units award
Design win with leading EU heavy truck OEM



ENERGY STORAGE SYSTEMS

Combine Power Distribution Units with LiOn batteries and services to create complete Energy Storage Solutions

$8B SAM by 2030

Spear is enabling the Washington State Ferry System to go electric
by providing custom-designed battery energy storage systems with highly reliable safety systems

GIGAVAC® MAGNUM ENERGY LITHIUM BALANCE BATTERY MANAGEMENT SYSTEMS XOLTA SPEAR

*Annual revenue at run-rate

Sensata Insights is expanding its capabilities to address more fleet analytics needs

Sensata Insights forward 12 month order book has grown rapidly to $85M

Industry-wide semiconductor supply constraints are limiting our ability to meet near-term demand

>$9M* refrigeration and cargo monitoring new business awarded

Incremental Q3-21 business wins with leading telematics service provider and shipping companies



*Initial order of systems over first 12 months

SMARTWITNESS

Pending acquisition adds critical video telematics capabilities to Sensata Insights

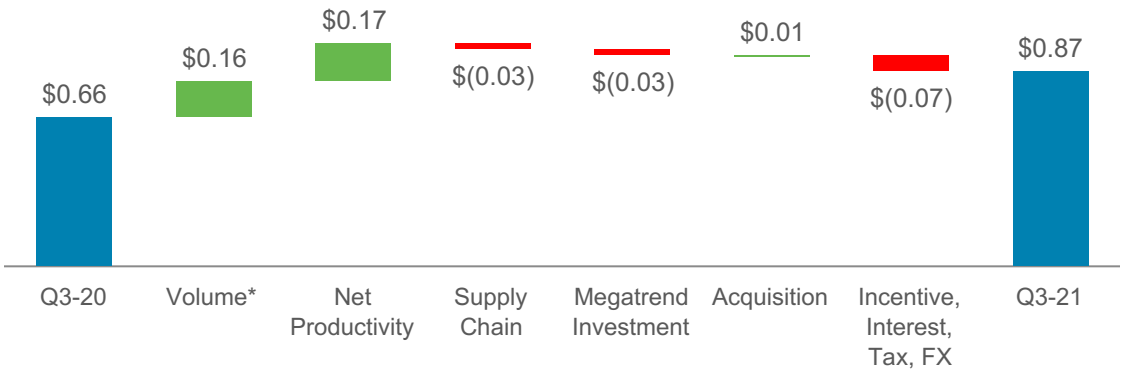
- Leading supplier of video telematics systems, software and support
- SmartWitness systems logging 50 million miles of information on average per day
- Expands portfolio of telematics service provider partners - a key channel to market

Sensata Technologies

Q3-21 FINANCIALS & Q4-21 OUTLOOK

Q3-2021 Financial Summary

$ in millions, except EPS	Q3-2021	Q3-2020	B/(W)
Revenue	$951.0	$788.3	20.6 %
Adjusted Operating Income	$201.0	$154.8	29.8 %
% Revenue	*21.1%*	*19.6%*	
Adjusted Net Income	$138.6	$103.6	33.8 %
% Revenue	*14.6%*	*13.1%*	
Adjusted EPS	$0.87	$0.66	31.8 %



- Revenue growth YoY of 20.6% composed of:
  - Organic revenue increased 16.6%
  - Acquisition increased revenue by 2.3%
  - Foreign exchange increased revenue by 1.7%
- Adjusted operating income increased 29.8% YoY due to:
  - Higher revenue largely due to end-market recovery and outgrowth
  - Offset somewhat by increased costs related to supply chain shortages and material inflation net of recovery

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

Sensata Q3-21 organic revenue growth included 470 bps of market and 1,190 bps of market outgrowth

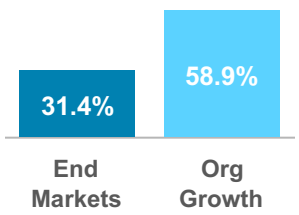
PERCENT OF REVENUES

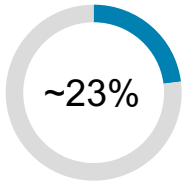
Performance Sensing

Heavy Vehicle, Off-Road

2,400 bps of outgrowth; 1,050 bps on average since 2018

- Outgrowth driven by China VI emissions regulation, operator controls, RADAR safety, and tire pressure monitoring applications
- Channel growth of 350 bps (~$4M) excluded from outgrowth

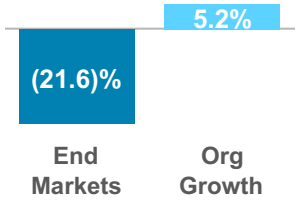


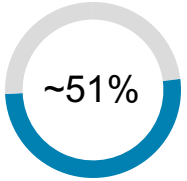


Automotive

1,150 bps of outgrowth; 650 bps on average since 2018

- Outgrowth driven by powertrain and emissions, safety, and electrification-related applications
- Channel restocking of 1,530 bps YoY excluded from outgrowth; ~$35M incremental

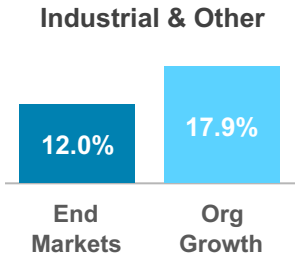


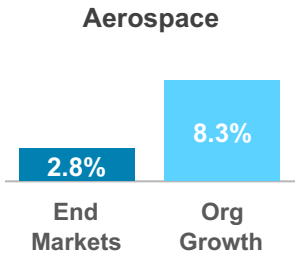


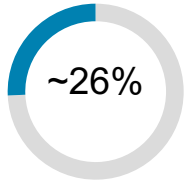
Sensing Solutions

Aerospace, Industrial & Other

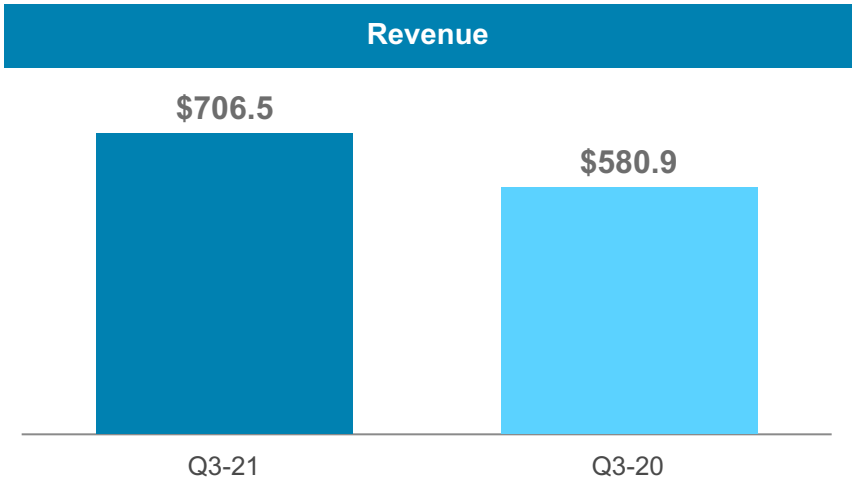
- Industrial outperformance led by electrification, HVAC
- Aerospace outperformance led by defense product launches

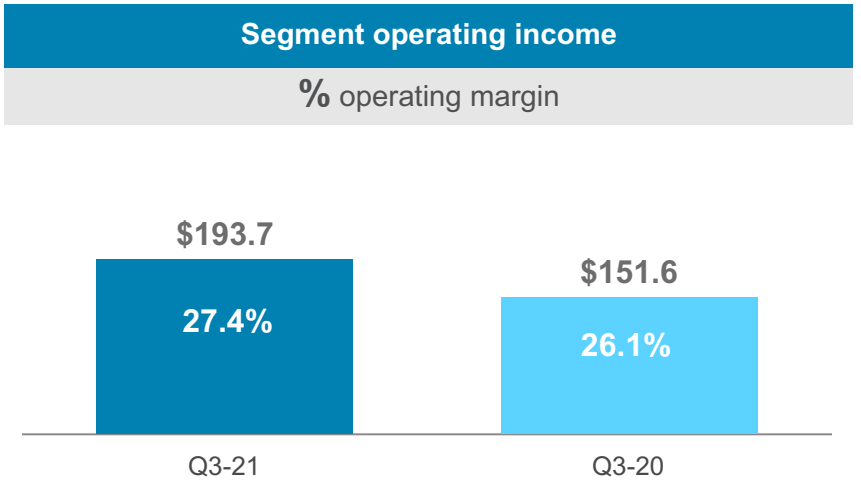






Q3-2021: Performance Sensing





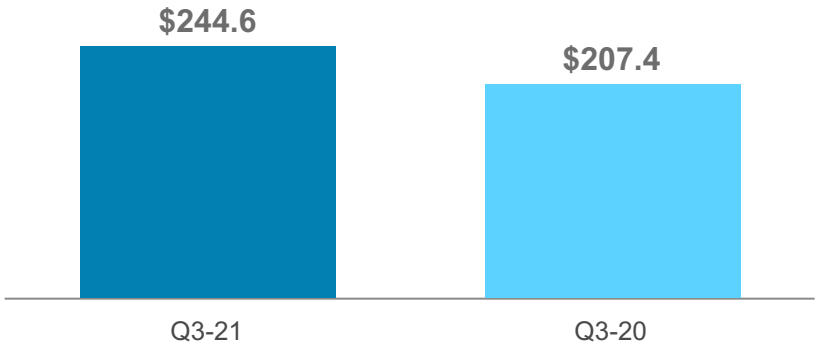
Q3-21 YoY REVENUE GROWTH	REPORTED	ORGANIC
Automotive	7.0%	5.2%
Heavy Vehicle, Off-Road	75.1%	58.9%
Performance Sensing	**21.6%**	**16.7%**

- Foreign exchange 1.8% positive impact
- Acquisition 3.1% positive impact

- Increasing customer orders, Xirgo acquisition, and newly launched programs drove revenue increase
- Higher YoY segment income generated by higher revenues somewhat offset by elevated supply chain costs due to shortage
- Margin rate of 37% on incremental YoY organic revenue

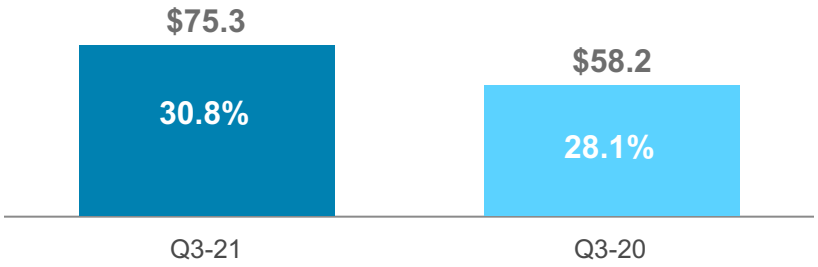
Q3-2021: Sensing Solutions

Revenue



Segment operating income

% operating margin



Q3-21 YoY REVENUE GROWTH	REPORTED	ORGANIC
Industrial & Other	19.7%	17.9%
Aerospace	8.3%	8.3%
Sensing Solutions	**17.9%**	**16.4%**

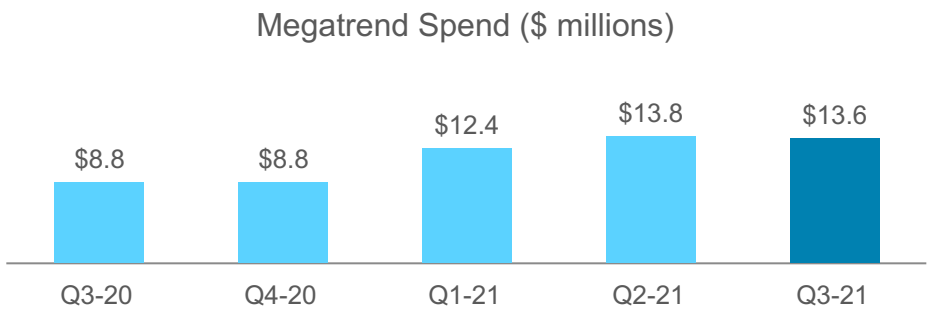
- Revenue increase YoY reflects new Electrification launches and HVAC market recovery
- Higher YoY segment income generated by higher revenues
- Margin rate of 46% on incremental YoY organic revenue

Foreign exchange 1.5% positive impact

Corporate and Other Operating Expenses

$ in millions	Q3-2021	Q3-2020	B/(W)
Corporate and Other	$72.7	$61.0	(19.3)%
% Revenue	*7.6%*	*7.7%*	
Adj. Corporate and Other	$65.7	$53.4	(23.0)%
% Revenue	*6.9%*	*6.8%*	

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



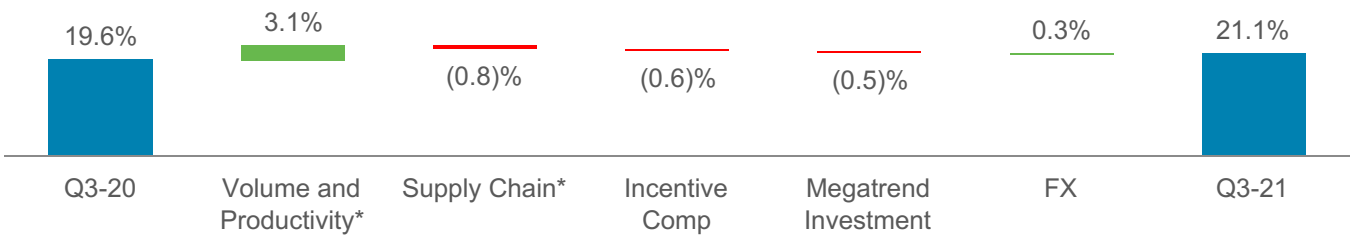
- **$13.6M** Megatrend spend in Q3-21
- **$53M - $55M** Megatrend spend expected in 2021

Q3-2021 Non-GAAP Results

$ and shares outstanding in millions, except EPS	Q3-2021	Q3-2020	B/(W)
Revenue	$951.0	$788.3	20.6 %
Adj. Gross Profit *(% of revenue)*	$326.1 *34.3%*	$258.8 *32.8%*	26.0 %
R&D *(% of revenue)*	$40.1 *4.2%*	$33.4 *4.2%*	(19.9)%
Adj. SG&A *(% of revenue)*	$82.8 *8.7%*	$68.9 *8.7%*	(20.0)%
Adj. Operating Income *(% of revenue)*	$201.0 *21.1%*	$154.8 *19.6%*	29.8 %
Adj Tax Rate [1]	9.9%	10.7%	80 bps
Adj. Net Income *(% of revenue)*	$138.6 *14.6%*	$103.6 *13.1%*	33.8 %
Adj. EPS	$0.87	$0.66	31.8 %
Diluted Shares Outstanding	159.5	158.0	(1.5)

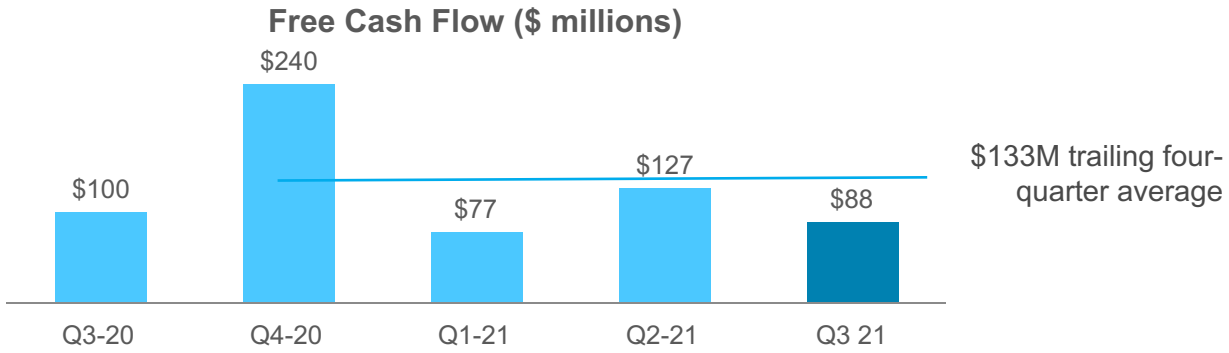
1 – Adjusted tax rate expressed as a % of adjusted profit before tax. Adjusted tax rate expressed as a % of adjusted EBIT was 7.7% and 7.8% in Q3-2021 and Q3-2020, respectively.

ADJUSTED OPERATING MARGIN WALK Q3-20 TO Q3-21



*Productivity includes manufacturing efficiencies, restructuring, acquisitions, and price; Supply Chain costs include additional semiconductor and materials, labor and logistics costs.

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



$88M

Q3-21 free cash flow
~80% conversion rate expected for full year 2021

$37M

Q3-21 Capital Expenditures
$145M-$155M expected for full year 2021

Share Buyback

Reinstating share buyback program in Q4-21
$302M outstanding board authorization

2.5x

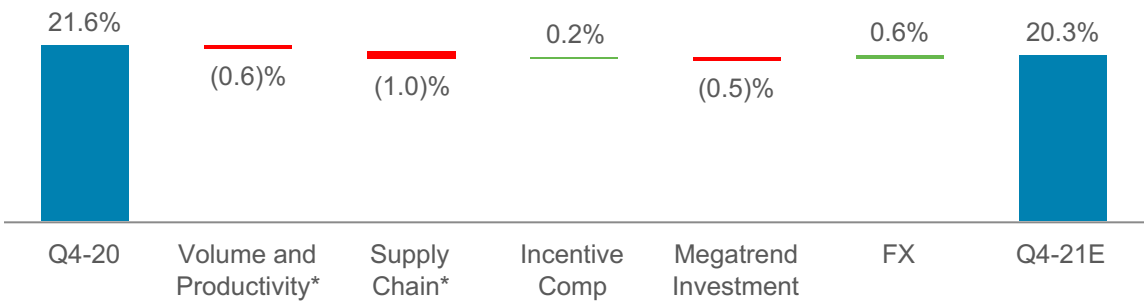
net leverage ratio as of September 30, 2021,
low end of target range

Q4-21 Financial Guidance

$ in millions, except EPS	Q4-21 GUIDANCE	Q4-20	B/(W)
Revenue *organic*	$895 – $925	$906.5	(1)% - 2% *(3)% - 0%*
Adj. Op Income	$180 – $190	$195.6	(8)% - (3)%
Adj. Net Income	$121 – $131	$134.7	(10)% - (3)%
Adj. EPS	$0.76 – $0.82	$0.85	(11)% - (4)%

- Q4-21 end-market growth expected to be ~(14%) YoY
  - Auto: ~(28)%
    - NA: ~(28)%
    - EU: ~(33)%
    - China: ~(26)%
  - HVOR: ~2%
  - Industrial: ~3%
  - Aerospace: ~(7%)
- FX expected to increase revenue by ~$2.6M at mid-point
  - Adjusted EPS: $0.02 increase from FX at mid-point
- Fill rate of 95% at the mid-point

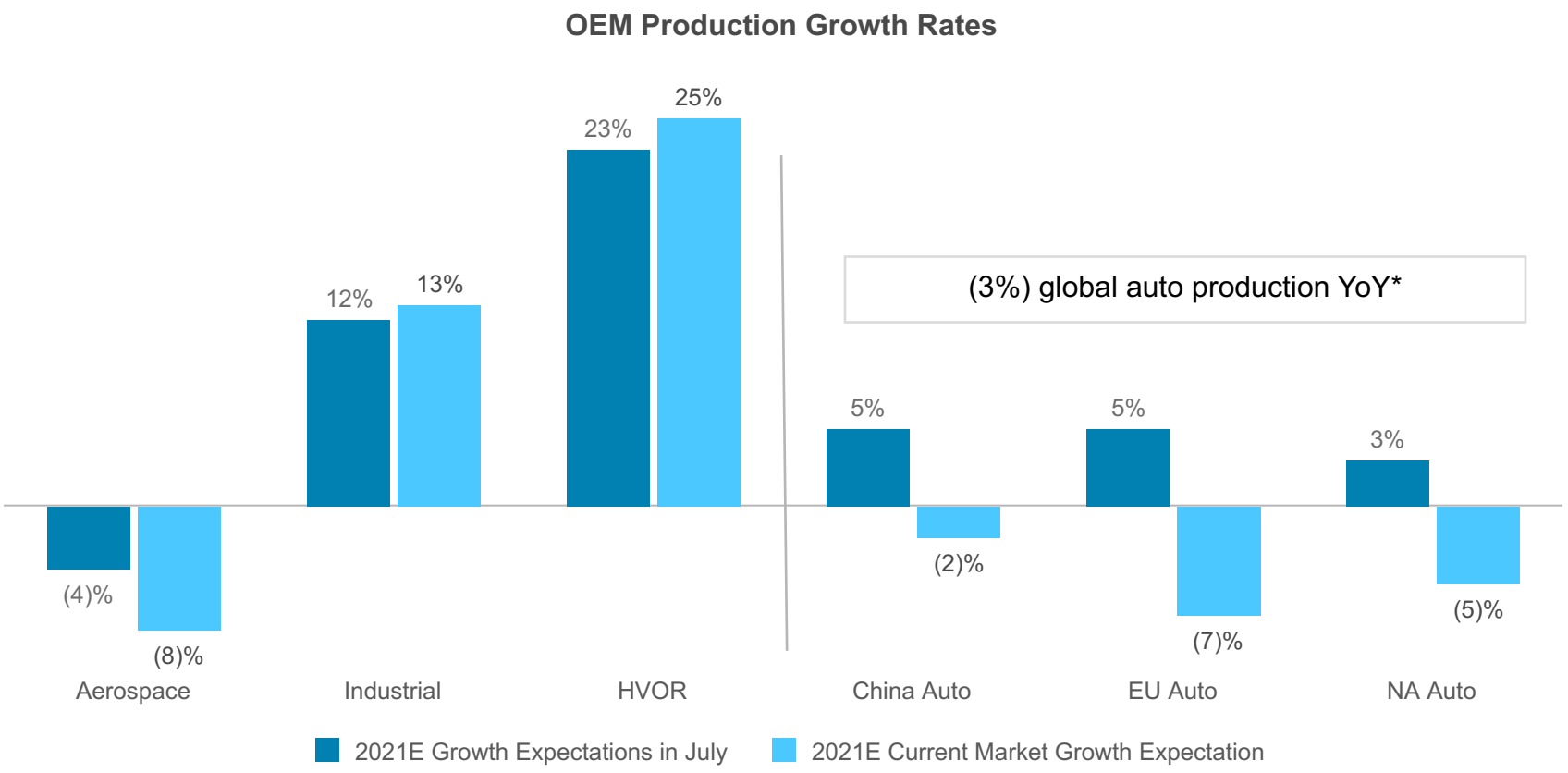
ADJUSTED OPERATING MARGIN WALK Q4-20 TO Q4-21



*Productivity includes manufacturing efficiencies, restructuring, acquisitions, and price; Supply Chain costs include additional semiconductor and materials, labor and logistics costs.

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

Our Auto production estimates are slightly below IHS' forecast for the balance of the year



*Sensata estimate for global auto OEM production growth, regionally adjusted.

Key Messages – Looking Forward

Strong results well above markets

Strong Q3-21 performance enabled by strength and resiliency 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

Published first Sustainability Report with key goals to meaningfully advance Sensata on our ESG journey



Sensata
Technologies

APPENDIX A

OTHER FINANCIAL INFORMATION

Q3-2021 Cash Flow Statement

$ in millions	Q3-2021	Q3-2020	B/(W)
Net Income	$85.0	$76.7	10.7 %
Depreciation & Amortization	$66.1	$61.5	7.5 %
Changes in Working Capital	($44.5)	$35.0	nm
Other	$18.8	($50.2)	nm
Operating Cash Flow	$125.3	$123.1	1.8 %
Capital Expenditures	($36.8)	($23.2)	(58.5)%
Free Cash Flow	$88.5	$99.8	(11.4)%

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

Balance Sheet

$ in millions	SEP 30, 2021	DEC 31, 2020
Total Assets	$ 8,504.8	$ 7,844.2
Working Capital	$ 2,472.8	$ 1,484.8
Intangibles, Net & Other Long-Term Assets	$ 5,202.1	$ 4,864.2

$ in millions	SEP 30, 2021	DEC 31, 2020
Cash & Equivalents	$ 1,958.1	$ 1,862.0
Current Debt (1)	$ 6.6	$ 757.2
Net Cash	$ 1,951.5	$ 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 (or loss), 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 other transaction costs, (3) deferred gain or loss on 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 number of diluted weighted-average ordinary shares outstanding. Refer also to definition of ANI, below.

Adjusted Operating Income – represents operating income (or loss), 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 other transaction costs, (3) deferred gain or loss on 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 (or loss), 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, and 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 other transaction costs – 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 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 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 and withholding tax on repatriation of foreign earnings.

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 material acquisitions and divestitures for the 12 month period 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**	**3Q 2021**	**2Q 2021**	**1Q 2021**	**4Q 2020**	**3Q 2020**
Net income	**$ 373,275**	**$ 84,959**	**$ 112,916**	**$ 53,733**	**$ 121,667**	**$ 76,729**
Interest expense, net	181,810	45,137	45,213	44,043	47,417	44,129
Provision for/(benefit from) income taxes	36,008	21,840	7,638	20,281	(13,751)	15,181
Depreciation expense	125,825	31,528	31,636	31,197	31,464	28,928
Amortization of intangible assets	132,644	34,571	34,857	32,064	31,152	32,562
Earnings before interest, taxes, depreciation, and amortization ("EBITDA")	849,562	218,035	232,260	181,318	217,949	197,529
Non-GAAP adjustments:						
Restructuring related and other	31,619	4,340	7,011	7,366	12,902	(5,050)
Financing and other transaction costs	34,963	(1,823)	1,710	35,908	(832)	1,842
Deferred loss/(gain) on derivative instruments	11,472	9,062	1,409	2,993	(1,992)	(5,926)
Adjusted EBITDA	**$ 927,616**	**$ 229,614**	**$ 242,390**	**$ 227,585**	**$ 228,027**	**$ 188,395**

Organic Revenue Growth

	Q3-2021				
	Reported % Change (GAAP)	Less: FX Impact	Constant Currency % Change (non-GAAP)	Less: Acquisition & Divestitures, net	Organic Growth (non-GAAP)
Performance Sensing	**21.6%**	1.8%	**19.8%**	3.1%	**16.7%**
Sensing Solutions	**17.9%**	1.5%	**16.4%**	—%	**16.4%**
Sensata Total	**20.6%**	1.7%	**18.9%**	2.3%	**16.6%**

	Q3 YTD 2021				
	Reported % Change (GAAP)	Less: FX Impact	Constant Currency % Change (non-GAAP)	Less: Acquisition & Divestitures, net	Organic Growth (non-GAAP)
Performance Sensing	**40.9%**	3.3%	**37.6%**	2.9%	**34.7%**
Sensing Solutions	**19.7%**	2.2%	**17.5%**	—%	**17.5%**
Sensata Total	**34.9%**	3.0%	**31.9%**	2.0%	**29.9%**

Free Cash Flow

$ in thousands	Q3			YTD		
Total Sensata	**2021**	**2020**	**Change**	**2021**	**2020**	**Change**
Net cash provided by operating activities	**$ 125,295**	**$ 123,066**	**1.8%**	**$ 393,226**	**$ 293,338**	**34.1%**
Additions to property, plant and equipment and capitalized software	(36,838)	(23,242)	(58.5%)	(100,410)	(79,939)	(25.6%)
Free cash flow	**$ 88,457**	**$ 99,824**	**(11.4%)**	**$ 292,816**	**$ 213,399**	**37.2%**

Net Debt and Net Leverage Ratio

$ in thousands

Total Sensata	As of 9/30/2021	6/30/2021	3/31/2021	12/31/2020	9/30/2020
Current portion of long-term debt, finance lease and other financing obligations [1]	$ 6,632	$ 7,281	$ 9,678	$ 757,205	$ 7,049
Finance lease and other financing obligations, less current portion	27,000	27,220	27,605	27,931	28,360
Long-term debt, net	4,214,388	4,213,830	3,961,397	3,213,747	3,963,076
Total debt, finance lease and other financing obligations	**4,248,020**	**4,248,331**	**3,998,680**	**3,998,883**	**3,998,485**
Less: Discount, net of premium	(5,652)	(6,097)	(8,416)	(9,605)	(10,143)
Less: Deferred financing costs	(27,953)	(29,224)	(30,495)	(28,114)	(29,404)
Total gross indebtedness	4,281,625	4,283,652	4,037,591	4,036,602	4,038,032
Less: Cash and cash equivalents	1,958,144	1,861,769	1,893,926	1,861,980	1,610,191
Net debt	**$ 2,323,481**	**$ 2,421,883**	**$ 2,143,665**	**$ 2,174,622**	**$ 2,427,841**
Adjusted EBITDA (LTM)	$ 927,616	$ 886,397	$ 748,467	$ 685,146	$ 682,216
Net leverage ratio	**2.5**	**2.7**	**2.9**	**3.2**	**3.6**

(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	Q3		YTD	
Total Sensata	**2021**	**2020**	**2021**	**2020**
Provision for income taxes	**$ 21,840**	**$ 15,181**	**$ 49,759**	**$ 15,106**
Non-GAAP adjustments:				
Deferred income tax and other tax expense/ (benefit)	1,971	(7,272)	5,893	(7,803)
Current tax effect of non-GAAP adjustments	4,599	10,042	(333)	(8,337)
Adjusted taxes	**$ 15,270**	**$ 12,411**	**$ 44,199**	**$ 31,246**
Adjusted income before taxes	$ 153,836	$ 116,006	$ 471,733	$ 245,727
Adjusted tax rate	**9.9 %**	**10.7 %**	**9.4 %**	**12.7 %**

Other GAAP to non-GAAP Reconciliations

$ in thousands (except EPS amounts)

Total Sensata	Q3-2021 Operating Income	Q3-2021 Operating Margin	Q3-2021 Net Income	Q3-2021 EPS	Q3-2020 Operating Income	Q3-2020 Operating Margin	Q3-2020 Net Income	Q3-2020 EPS
Reported (GAAP)	**$ 161,339**	**17.0%**	**$ 84,959**	**$ 0.53**	**$ 126,845**	**16.1%**	**$ 76,729**	**$ 0.49**
Non-GAAP adjustments:								
Restructuring related and other	5,426	0.6%	5,379	0.03	(5,555)	(0.7)%	4,992	0.03
Financing and other transaction costs	(972)	(0.1)%	1,723	0.01	1,842	0.2%	1,842	0.01
Step-up depreciation and amortization	32,656	3.4%	32,656	0.20	31,467	4.0%	31,467	0.20
Deferred loss/(gain) on derivative instruments	2,567	0.3%	10,162	0.06	212	0.0%	(5,926)	(0.04)
Amortization of debt issuance costs	—	—%	1,716	0.01	—	—%	1,763	0.01
Deferred income tax and other tax related	—	—%	1,971	0.01	—	—%	(7,272)	(0.05)
Total adjustments	39,677	4.2%	53,607	0.34	27,966	3.5%	26,866	0.17
Adjusted (non-GAAP)	**$ 201,016**	**21.1%**	**$ 138,566**	**$ 0.87**	**$ 154,811**	**19.6%**	**$ 103,595**	**$ 0.66**

$ in thousands (except EPS amounts)

Total Sensata	Q3 YTD 2021 Operating Income	Q3 YTD 2021 Operating Margin	Q3 YTD 2021 Net Income	Q3 YTD 2021 EPS	Q3 YTD 2020 Operating Income	Q3 YTD 2020 Operating Margin	Q3 YTD 2020 Net Income	Q3 YTD 2020 EPS
Reported (GAAP)	**$ 483,548**	**16.8%**	**$ 251,608**	**$ 1.58**	**$ 183,576**	**8.6%**	**$ 42,619**	**$ 0.27**
Non-GAAP adjustments:								
Restructuring related and other	15,689	0.5%	19,596	0.12	79,041	3.7%	76,778	0.49
Financing and other transaction costs	6,143	0.2%	35,795	0.22	7,195	0.3%	7,195	0.05
Step-up depreciation and amortization	96,036	3.3%	96,036	0.60	95,635	4.5%	95,635	0.61
Deferred loss/(gain) on derivative instruments	7,002	0.2%	13,464	0.08	1,021	0.0%	(4,969)	(0.03)
Amortization of debt issuance costs	—	—%	5,142	0.03	—	—%	5,026	0.03
Deferred income tax and other tax related	—	—%	5,893	0.04	—	—%	(7,803)	(0.05)
Total adjustments	124,870	4.3%	175,926	1.10	182,892	8.6%	171,862	1.09
Adjusted (non-GAAP)	**$ 608,418**	**21.1%**	**$ 427,534**	**$ 2.68**	**$ 366,468**	**17.1%**	**$ 214,481**	**$ 1.36**