Sensata Technologies

SENSATA FOURTH QUARTER AND FULL YEAR 2021 EARNINGS PRESENTATION

February 1, 2022

Forward-Looking Statements and Non-GAAP Measures

Safe Harbor Statement

This presentation includes "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements may be identified by terminology such as "may," "will," "could," "should," "expect," "anticipate," "believe," "estimate," "predict," "project," "forecast," "continue," "intend," "plan," "potential," "opportunity," "guidance," and similar terms or phrases. Forward-looking statements involve, among other things, expectations, projections, and assumptions about future financial and operating results, objectives, business and market outlook, megatrends, priorities, growth, shareholder value, capital expenditures, cash flows, demand for products and services, share repurchases, and Sensata's strategic initiatives, including those relating to acquisitions and dispositions and the impact of such transactions on our strategic and operational plans and financial results. These statements are subject to risks, uncertainties, and other important factors relating to our operations and business environment, and we can give no assurances that these forward-looking statements will prove to be correct.

A wide variety of potential risks, uncertainties, and other factors could materially affect our ability to achieve the results either expressed or implied by these forward-looking statements, including, but not limited to, risks related to public health crises, instability and changes in the global markets, supplier interruption or non-performance, the acquisition of disposition of businesses, adverse conditions or competition in the industries upon which we are dependent, intellectual property, product liability, warranty, and recall claims, market acceptance of new product introductions and product innovations, labor disruptions or increased labor costs, and changes in existing environmental or safety laws, regulations, and programs.

Investors and others should carefully consider the foregoing factors and other uncertainties, risks and potential events including, but not limited to, those described in Item 1A: Risk Factors in our most recent Annual Report on Form 10-K and as may be updated from time to time in Item 1A: Risk Factors in our quarterly reports on Form 10-Q or other subsequent filings with the United States ("U.S.") Securities and Exchange Commission (the "SEC"). All such forward-looking statements speak only as of the date they are made, and we do not undertake any obligation to update these statements other than as required by law.

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.

Key Performance Highlights

Outgrowth exceeds long-term targets	• **Strong Q4-21 revenue outgrowth of 800 bps** across all of Sensata • **Outgrowth of 960 bps in 2021** well above target range • **Record New Business Wins of $640M** in 2021 expected to drive future revenue outgrowth
Successful, serial M&A supports growth vectors	• **Xirgo and SmartWitness** create critical mass for Sensata's Insights business • **Lithium Balance, Churod JV, Spear Power, and Sendyne** expand Sensata's Electrification portfolio and capabilities • Acquisitions added **250 bps of inorganic Revenue Growth** in 2021
Rapidly growing Operating Income and EPS	• Adjusted operating income of $198M (**21.1% margin**) in Q4-21; **21.1% margin** in 2021 • Investing in growth while navigating supply chain challenges • 2021 Adj. Earnings per share of $3.56 up 61% YoY
ESG Accomplishments	• Published first Sustainability Report in September 2021 • Set meaningful goals in each area of Environment, Social and Governance • Good progress made in all areas during 2021

Electrification driving substantial growth for Sensata

Sensata Electrification New Business Wins

$270M
during 2021

- **Dramatic increase** from $180M in 2020 and $100M in 2019
- Forward pipeline of potential new business wins exceeds $1B in potential annual Electrification revenue

Sensata Electrification Revenue

$260M
during 2021

- Includes PHEV, BEV, Heavy vehicle, and Clean Energy Solutions
- **Revenue expected to increase 1.5x** in 2022E

Key Recent Electrification New Business Win

e-Motor Win

- Position and temperature sensors designed into next-generation electrical motor with leading European OEM with >$30 value per e-motor

Acquisition provides differentiated current sensing and isolation monitoring
Leading developer of sensing and simulation technologies for next generation e-mobility

Acquisition provides turn-key battery energy storage solutions
Leading battery energy storage provider for land, sea, and air applications

Sensata Insights is addressing fleet analytics needs with expanded capabilities

Sensata Insights New Business Wins

$37M
during 2021

- Total pipeline of potential new business wins exceeds $200M in potential annual Insights revenue

Sensata Insights Revenue

$75M
during 2021

- Includes organic efforts, Xirgo, SmartWitness
- **Revenue expected to increase 2.0x** in 2022E

Key Recent Insights New Business Win

Tire pressure and telematics gateway

- Solution for leading heavy duty trucking firm worth $17M in total contract value

SMARTWITNESS Camera named CES 2022 innovation awards honoree

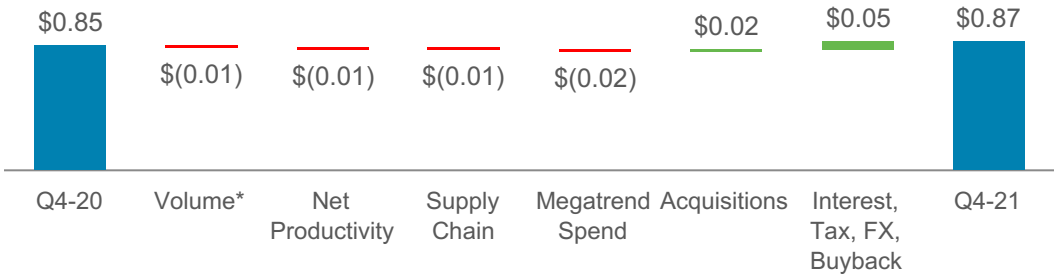
Industry-first mobile app enables drivers to retrieve accident/incident video

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Q4-21 FINANCIALS AND 2022 FINANCIAL GUIDANCE

Q4-2021 Financial Summary

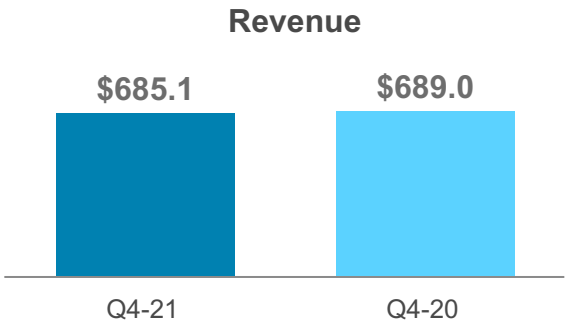
$ in millions, except EPS	Q4-2021	Q4-2020	B/(W)
Revenue	$934.6	$906.5	3.1 %
Adjusted Operating Income	$197.6	$195.6	1.0 %
% Revenue	*21.1%*	*21.6%*	
Adjusted Net Income	$139.3	$134.7	3.4 %
% Revenue	*14.9%*	*14.9%*	
Adjusted EPS	$0.87	$0.85	2.4 %

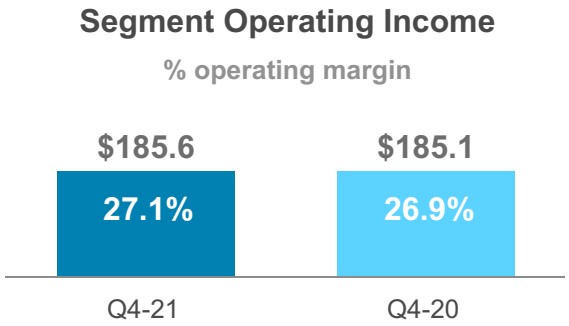


* Adjusted EPS impact of organic revenue change at prior year adjusted operating margin rate.

- Revenue growth YoY of 3.1% composed of:
  - Organic revenue decreased (0.9%)
  - Acquisitions increased revenue by 3.7%
  - Foreign exchange increased revenue by 0.3%
- Adjusted operating income increased 1.0% YoY due to:
  - Revenue from acquisitions and favorable FX
  - Offset somewhat by lower organic revenue and increased Megatrend investments

Q4-2021: Performance Sensing



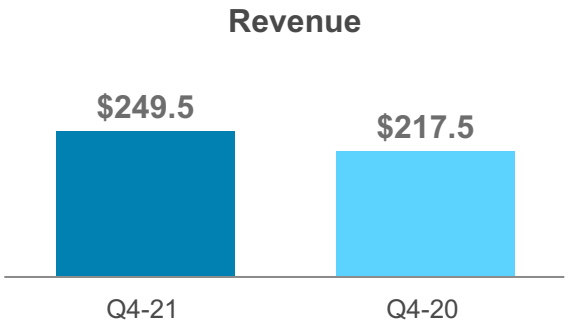


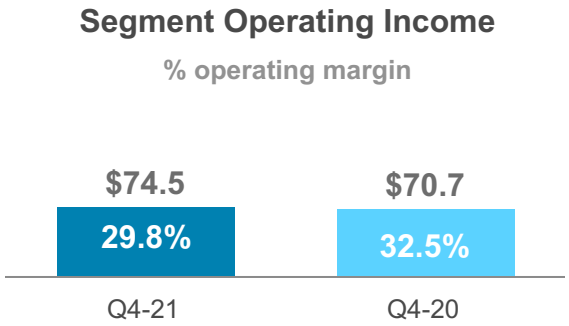
Q4-21 YoY Revenue Growth	Reported	Organic	Market
Automotive	(11.3)%	(11.7)%	(16.2)%
Heavy Vehicle, Off-Road	36.8%	16.4%	(0.6)%
Performance Sensing	**(0.6)%**	**(5.4)%**	

- Foreign exchange 0.3% positive impact
- Acquisitions 4.5% positive impact

- Lower revenue reflects declines in OEM production due to supply chain constraints somewhat offset by strong outgrowth and acquisitions
- Outgrowth: Automotive 520 bps, excluding (70 bps) inventory reduction; HVOR 1,700 bps
- Higher YoY segment income generated from acquisition related revenue and favorable FX, somewhat offset by lower organic volume

Q4-2021: Sensing Solutions





Q4-21 YoY Revenue Growth	Reported	Organic	Market
Industrial & Other	17.7%	16.1%	7.6%
Aerospace	(0.6)%	(0.6)%	(8.5)%
Sensing Solutions	**14.7%**	**13.4%**	

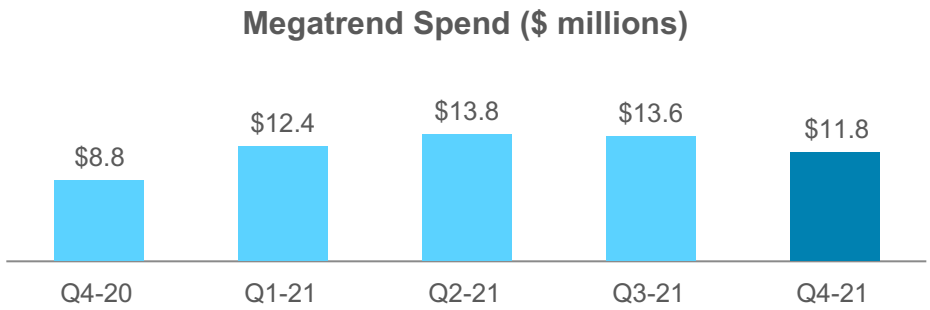
- Foreign exchange 0.1% positive impact
- Acquisitions 1.2% positive impact

- Revenue increase YoY reflects new Electrification launches and HVAC market recovery
- Outgrowth: Industrial 850 bps; Aerospace 790 bps
- Higher YoY segment income generated by higher volumes, partly offset by higher supply chain costs

Corporate and Other Operating Expenses

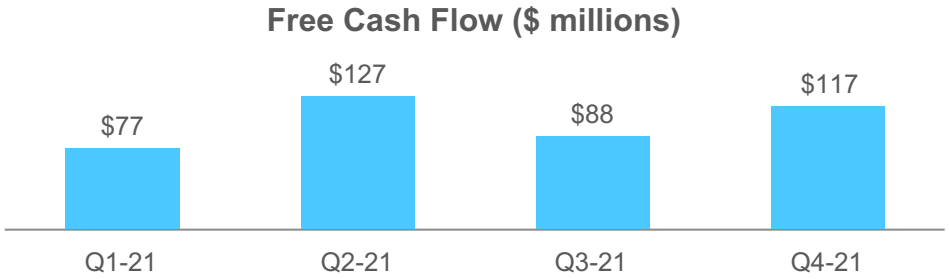
$ in millions	Q4-2021	Q4-2020	B/(W)
Corporate and Other	$72.8	$69.6	(4.6)%
% Revenue	*7.8%*	*7.7%*	
Adj. Corporate and Other	$61.0	$58.5	(4.3)%
% Revenue	*6.5%*	*6.5%*	

- Adj. Corporate and Other increase primarily due to higher Megatrend investments



- **$11.8M** Megatrend spend in Q4-21
- **$60M - $70M** Megatrend spend expected in 2022

Strong free cash generation enables deployment of capital toward M&A and share repurchases



$410M*

2021 free cash flow,
72% conversion;
~80% conversion rate expected for full year 2022

$48M Share Buyback

during Q4-21;
Board issued a new buyback authorization of $500M on January 20, 2022

$44.0M

Q4-21 Capital Expenditures;
$165M-$175M expected for full year 2022

2.8x

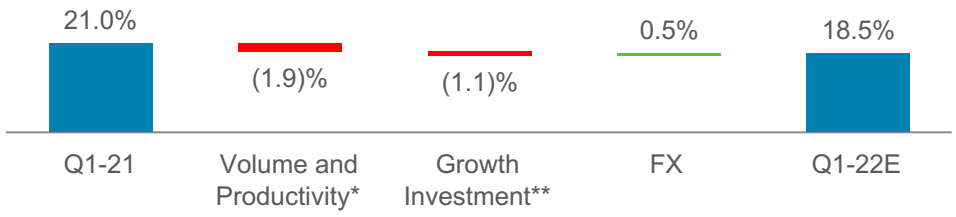
net leverage ratio as of December 31, 2021;
2.2x expected end-2022 excluding M&A

*Free Cash Flow lowered by $16M due to acquisition-related incentive compensation during 2021

Q1-22 Financial Guidance

$ in millions, except EPS	Q1-22 GUIDANCE	Q1-21	B/(W)
Revenue *organic*	$935 – $975	$942.5	(1%) - 3% *(4%) - 1%*
Adj. Op Income	$171 – $183	$198.1	(14%) - (8%)
Adj. Net Income	$112 – $124	$137.6	(19%) - (10%)
Adj. EPS	$0.70 – $0.78	$0.86	(19%) - (9%)

ADJUSTED OPERATING MARGIN WALK Q1-21 TO Q1-22



- Q1-22 end-market growth expected to be ~(7%) YoY
  - Auto: ~(9%)
  - HVOR: ~(14%)
  - Industrial: ~3%
  - Aerospace: ~2%
- FX expected to decrease revenue by ~($7M) at mid-point
  - Adjusted EPS: $0.03 increase from FX at mid-point
- Fill rate of 96% at the mid-point
- Rising material and labor inflation tempers earnings despite robust recovery efforts
- Sequential margin decline consistent with prior Q4 to Q1 periods

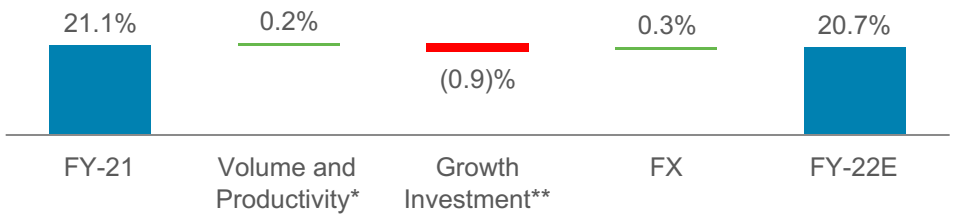
*Productivity includes incremental supply chain and logistics costs, manufacturing efficiencies, restructuring, and price.
**Organic and inorganic investments to drive key growth vectors.

FY-22 Financial Guidance

$ in millions, except EPS	FY-22 GUIDANCE	FY-21	B/(W)
Revenue *organic*	$4,125 – $4,275	$3,820.8	8% - 12% *6% - 10%*
Adj. Op Income	$848 – $892	$806.0	5% - 11%
Adj. Net Income	$600 – $640	$566.8	6% - 13%
Adj. EPS	$3.80 – $4.06	$3.56	7% - 14%

- 2022 end-market growth expected to be ~4% overall
- Automotive supply chain inventory build of $90M in 2021 not expected to repeat in 2022
- FX expected to decrease revenue by ~($12M) at mid-point
  - Adjusted EPS: $0.07 increase from FX at mid-point

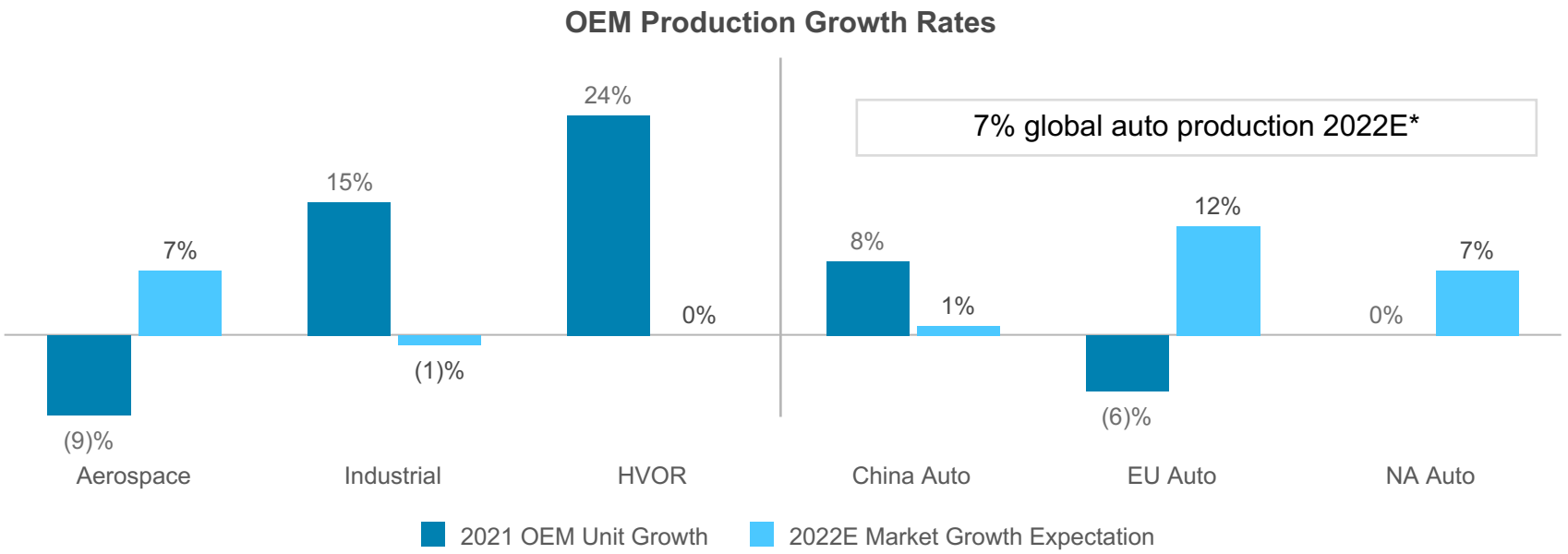
OPERATING MARGIN WALK 2021 TO 2022E



*Productivity includes incremental supply chain and logistics costs, manufacturing efficiencies, restructuring, and price.
**Organic and inorganic investments to drive key growth vectors.

We expect low single digit end-market growth in 2022 overall

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

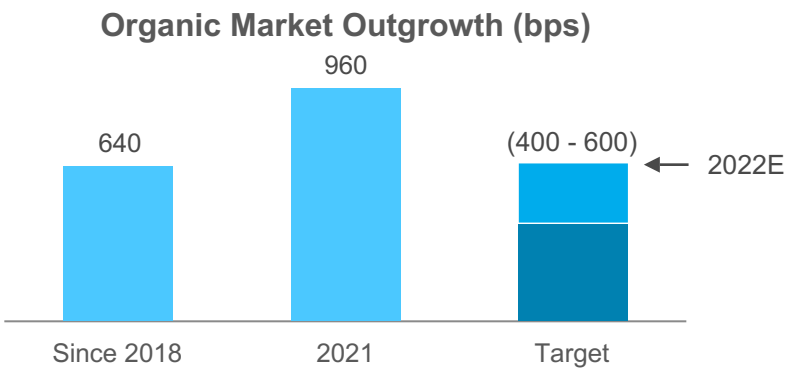


*ST Automotive production estimates more conservative than IHS at 12% on a regionally-weighted basis

Sensata targets revenue growth 8-12% above market

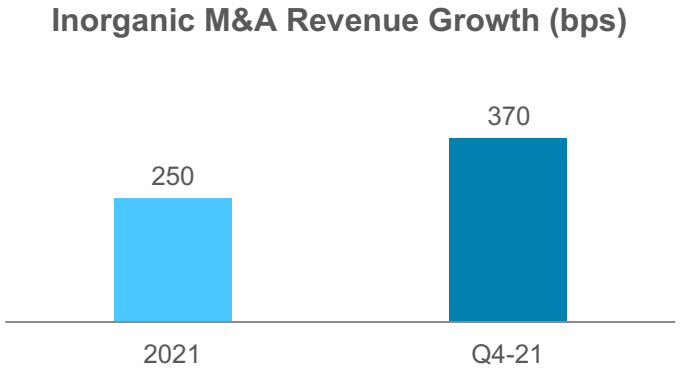
Sensata's markets of Automotive, Heavy Vehicle Off-Road, Industrial, and Aerospace are cyclical in nature

- Sensata grows revenue faster than markets due to expanding content and through acquisitions



Sensata Targets 400 - 600 bps of Annual Organic Revenue Market Outgrowth

and



Sensata Targets 400 - 600 bps of Annual Inorganic Revenue growth

Key Messages – Looking Forward

Deliver strong outgrowth to market

Long-term Company outgrowth target of 400-600 bps

Execute long-term organic Megatrend growth strategy

Evidenced by accelerating pace of new business wins in growth vector areas

Reach our ESG Goals

Targeting 10% reduction in GHG emissions intensity from 2021 baseline by 2026

Reach 30% female representation in manager and above roles (worldwide) by 2026

Reach 25% racial/ethnic diverse representation in manager and above roles (U.S. only) by 2026

Create additional value through M&A and technology partnerships

Targeting M&A contribution of 400-600 bps inorganic revenue growth

Foster a culture of innovation

Helping customers solve their mission-critical, hard-to-do engineering challenges

Generate industry-leading margins

While making incremental investments in our growth and our people

Sensata Technologies

APPENDIX A

OTHER FINANCIAL INFORMATION

Q4-2021 GAAP Results

$ and shares outstanding in millions, except EPS	Q4-2021	Q4-2020	B/(W)
Revenue	$934.6	$906.5	3.1 %
Gross Profit *(% of revenue)*	$314.7 *33.7%*	$296.6 *32.7%*	6.1 %
R&D *(% of revenue)*	$40.1 *4.3%*	$33.3 *3.7%*	(20.5)%
SG&A *(% of revenue)*	$87.3 *9.3%*	$77.0 *8.5%*	(13.3)%
Amortization of Intangibles *(% of revenue)*	$32.6 *3.5%*	$31.2 *3.4%*	(4.8)%
Restructuring and Other *(% of revenue)*	$5.0 *0.5%*	$0.9 *0.1%*	NM
Operating Income *(% of revenue)*	$149.7 *16.0%*	$154.2 *17.0%*	(2.9)%
Tax Rate	0.5%	(12.7)%	NM
Net Income *(% of revenue)*	$112.0 *12.0%*	$121.7 *13.4%*	(8.0)%
Diluted EPS	$0.70	$0.77	(9.1)%
Diluted Shares Outstanding	159.4	158.6	(0.9)

2021 GAAP Results

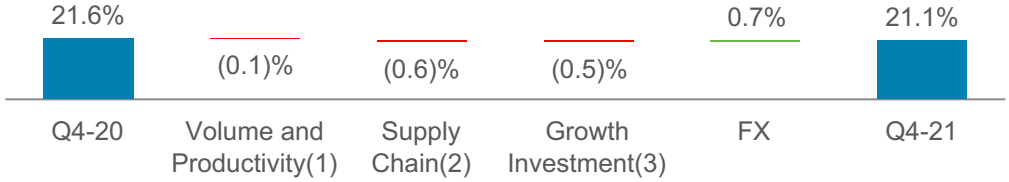
$ and shares outstanding in millions, except EPS	2021	2020	B/(W)
Revenue	$3,820.8	$3,045.6	25.5 %
Gross Profit *(% of revenue)*	$1,278.4 *33.5%*	$926.5 *30.4%*	38.0 %
R&D *(% of revenue)*	$159.1 *4.2%*	$131.4 *4.3%*	(21.0)%
SG&A *(% of revenue)*	$337.0 *8.8%*	$294.7 *9.7%*	(14.3)%
Amortization of Intangibles *(% of revenue)*	$134.1 *3.5%*	$129.5 *4.3%*	(3.5)%
Restructuring and Other *(% of revenue)*	$14.9 *0.4%*	$33.1 *1.1%*	54.8 %
Operating Income *(% of revenue)*	$633.2 *16.6%*	$337.7 *11.1%*	87.5 %
Tax Rate	12.2%	0.8%	NM
Net Income *(% of revenue)*	$363.6 *9.5%*	$164.3 *5.4%*	121.3 %
Diluted EPS	$2.28	$1.04	119.2 %
Diluted Shares Outstanding	159.4	158.1	(1.2)

Q4-2021 Non-GAAP Results

$ and shares outstanding in millions, except EPS	Q4-2021	Q4-2020	B/(W)
Revenue	$934.6	$906.5	3.1 %
Adj. Gross Profit	$321.8	$301.4	6.8 %
(% of revenue)	*34.4%*	*33.2%*	
R&D	$40.1	$33.3	(20.5)%
(% of revenue)	*4.3%*	*3.7%*	
Adj. SG&A	$82.6	$70.8	(16.7)%
(% of revenue)	*8.8%*	*7.8%*	
Adj. Operating Income	$197.6	$195.6	1.0 %
(% of revenue)	*21.1%*	*21.6%*	
Adj Tax Rate [1]	9.5%	10.1%	60 bps
Adj. Net Income	$139.3	$134.7	3.4 %
(% of revenue)	*14.9%*	*14.9%*	
Adj. EPS	$0.87	$0.85	2.4 %
Diluted Shares Outstanding	159.4	158.6	(0.9)

1 – Adjusted tax rate expressed as a % of adjusted profit before tax. Adjusted tax rate expressed as a % of adjusted EBIT was 7.4% and 7.8% in Q4-2021 and Q4-2020, respectively.

ADJUSTED OPERATING MARGIN WALK Q4-20 TO Q4-21



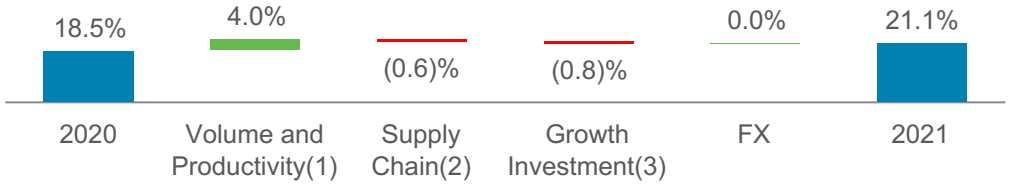
1) Productivity includes manufacturing efficiencies, restructuring, acquisitions, and price.
2) Supply Chain costs include additional semiconductor and materials, labor and logistics costs.
3) Organic and inorganic investments to drive key growth vectors.

2021 Non-GAAP Results

$ and shares outstanding in millions, except EPS	2021	2020	B/(W)
Revenue	$3,820.8	$3,045.6	25.5 %
Adj. Gross Profit	$1,294.9	$969.4	33.6 %
(% of revenue)	*33.9%*	*31.8%*	
R&D	$159.1	$131.4	(21.0)%
(% of revenue)	*4.2%*	*4.3%*	
Adj. SG&A	$321.7	$269.2	(19.5)%
(% of revenue)	*8.4%*	*8.8%*	
Adj. Operating Income	$806.0	$562.1	43.4 %
(% of revenue)	*21.1%*	*18.5%*	
Adj Tax Rate [1]	9.4%	11.7%	230 bps
Adj. Net Income	$566.8	$349.2	62.3 %
(% of revenue)	*14.8%*	*11.5%*	
Adj. EPS	$3.56	$2.21	61.1 %
Diluted Shares Outstanding	159.4	158.1	(1.2)

1 – Adjusted tax rate expressed as a % of adjusted profit before tax. Adjusted tax rate expressed as a % of adjusted EBIT was 7.4% and 8.3% in FY2021 and FY2020, respectively.

ADJUSTED OPERATING MARGIN WALK 2020 TO 2021



1) Productivity includes manufacturing efficiencies, restructuring, acquisitions, and price.
2) Supply Chain costs include additional semiconductor and materials, labor and logistics costs.
3) Organic and inorganic investments to drive key growth vectors.

Q4-2021 Cash Flow Statement

$ in millions	Q4-2021	Q4-2020	B/(W)
Net Income	$112.0	$121.7	(8.0)%
Depreciation & Amortization	$63.2	$62.6	1.0 %
Changes in Working Capital	($0.4)	$109.9	NM
Other	($13.8)	($27.7)	50.1 %
Operating Cash Flow	$160.9	$266.4	(39.6)%
Capital Expenditures	($44.0)	($26.8)	(64.3)%
Free Cash Flow	$116.9	$239.7	(51.2)%

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

Balance Sheet

$ in millions	DEC 31, 2021	DEC 31, 2020
Total Assets	$ 8,613.8	$ 7,844.2
Working Capital	$ 2,240.7	$ 1,484.8
Intangibles, Net & Other Long-Term Assets	$ 5,536.8	$ 4,864.2

$ in millions	DEC 31, 2021	DEC 31, 2020
Cash & Equivalents	$ 1,709.0	$ 1,862.0
Current Debt [(1)]	$ 6.8	$ 757.2
Net Cash	$ 1,702.1	$ 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).

Non-GAAP Measures – continued

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.

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**	**4Q 2021**	**3Q 2021**	**2Q 2021**	**1Q 2021**	**4Q 2020**
Net income	**$ 363,580**	**$ 111,972**	**$ 84,959**	**$ 112,916**	**$ 53,733**	**$ 121,667**
Interest expense, net	179,291	44,898	45,137	45,213	44,043	47,417
Provision for/(benefit from) income taxes	50,337	578	21,840	7,638	20,281	(13,751)
Depreciation expense	124,959	30,598	31,528	31,636	31,197	31,464
Amortization of intangible assets	134,129	32,637	34,571	34,857	32,064	31,152
Earnings before interest, taxes, depreciation, and amortization ("EBITDA")	852,296	220,683	218,035	232,260	181,318	217,949
Non-GAAP adjustments:						
Restructuring related and other	23,644	4,927	4,340	7,011	7,366	12,902
Financing and other transaction costs	41,042	5,247	(1,823)	1,710	35,908	(832)
Deferred loss/(gain) on derivative instruments	11,294	(2,170)	9,062	1,409	2,993	(1,992)
Adjusted EBITDA	**$ 928,276**	**$ 228,687**	**$ 229,614**	**$ 242,390**	**$ 227,585**	**$ 228,027**

Organic Revenue Growth

	Q4-2021				
	Reported % Change (GAAP)	Less: FX Impact	Constant Currency % Change (non-GAAP)	Less: Acquisition & Divestitures, net	Organic Growth (non-GAAP)
Performance Sensing	**(0.6%)**	0.3%	**(0.9%)**	4.5%	**(5.4%)**
Sensing Solutions	**14.7%**	0.1%	**14.6%**	1.2%	**13.4%**
Sensata Total	**3.1%**	0.3%	**2.8%**	3.7%	**(0.9%)**

	FY 2021				
	Reported % Change (GAAP)	Less: FX Impact	Constant Currency % Change (non-GAAP)	Less: Acquisition & Divestitures, net	Organic Growth (non-GAAP)
Performance Sensing	**28.1%**	2.4%	**25.7%**	3.4%	**22.3%**
Sensing Solutions	**18.4%**	1.7%	**16.7%**	0.3%	**16.4%**
Sensata Total	**25.5%**	2.3%	**23.2%**	2.5%	**20.7%**

Free Cash Flow

$ in thousands	Q4			FY		
Total Sensata	**2021**	**2020**	**Change**	**2021**	**2020**	**Change**
Net cash provided by operating activities	**$ 160,925**	**$ 266,437**	**(39.6%)**	**$ 554,151**	**$ 559,775**	**(1.0%)**
Additions to property, plant and equipment and capitalized software	(43,993)	(26,780)	(64.3%)	(144,403)	(106,719)	(35.3%)
Free cash flow	**$ 116,932**	**$ 239,657**	**(51.2%)**	**$ 409,748**	**$ 453,056**	**(9.6%)**

Net Debt and Net Leverage Ratio

$ in thousands

Total Sensata	As of 12/31/2021	9/30/2021	6/30/2021	3/31/2021	12/31/2020
Current portion of long-term debt, finance lease and other financing obligations [1]	$ 6,833	$ 6,632	$ 7,281	$ 9,678	$ 757,205
Finance lease and other financing obligations, less current portion	26,564	27,000	27,220	27,605	27,931
Long-term debt, net	4,214,946	4,214,388	4,213,830	3,961,397	3,213,747
Total debt, finance lease and other financing obligations	**4,248,343**	**4,248,020**	**4,248,331**	**3,998,680**	**3,998,883**
Less: Discount, net of premium	(5,207)	(5,652)	(6,097)	(8,416)	(9,605)
Less: Deferred financing costs	(26,682)	(27,953)	(29,224)	(30,495)	(28,114)
Total gross indebtedness	4,280,232	4,281,625	4,283,652	4,037,591	4,036,602
Less: Cash and cash equivalents	1,708,955	1,958,144	1,861,769	1,893,926	1,861,980
Net debt	**$ 2,571,277**	**$ 2,323,481**	**$ 2,421,883**	**$ 2,143,665**	**$ 2,174,622**
Adjusted EBITDA (LTM)	$ 928,276	$ 927,616	$ 886,397	$ 748,467	$ 685,146
Net leverage ratio	**2.8**	**2.5**	**2.7**	**2.9**	**3.2**

(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	Q4		FY	
Total Sensata	**2021**	**2020**	**2021**	**2020**
Provision for/(benefit from) income taxes	**$ 578**	**$ (13,751)**	**$ 50,337**	**$ 1,355**
Non-GAAP adjustments:				
Deferred income tax and other tax (benefit)/ expense	(10,758)	(33,053)	(4,865)	(40,856)
Current tax effect of non-GAAP adjustments	(3,232)	4,123	(3,565)	(4,214)
Adjusted taxes	**$ 14,568**	**$ 15,179**	**$ 58,767**	**$ 46,425**
Adjusted income before taxes	$ 153,876	$ 149,864	$ 625,609	$ 395,591
Adjusted tax rate	**9.5 %**	**10.1 %**	**9.4 %**	**11.7 %**

Other GAAP to non-GAAP Reconciliations

$ in thousands (except EPS amounts)

Total Sensata	Q4-2021 Operating Income	Q4-2021 Operating Margin	Q4-2021 Net Income	Q4-2021 EPS	Q4-2020 Operating Income	Q4-2020 Operating Margin	Q4-2020 Net Income	Q4-2020 EPS
Reported (GAAP)	**$ 149,692**	**16.0%**	**$ 111,972**	**$ 0.70**	**$ 154,161**	**17.0%**	**$ 121,667**	**$ 0.77**
Non-GAAP adjustments:								
Restructuring related and other	7,876	0.8%	1,760	0.01	8,379	0.9%	17,025	0.11
Financing and other transaction costs	7,093	0.8%	5,182	0.03	1,014	0.1%	(832)	(0.01)
Step-up depreciation and amortization	31,606	3.4%	31,606	0.20	30,042	3.3%	30,042	0.19
Deferred loss on derivative instruments	1,325	0.1%	(2,170)	(0.01)	2,045	0.2%	(1,992)	(0.01)
Amortization of debt issuance costs	—	—%	1,716	0.01	—	—%	1,828	0.01
Deferred income tax and other tax related	—	—%	(10,758)	(0.07)	—	—%	(33,053)	(0.21)
Total adjustments	47,900	5.1%	27,336	0.17	41,480	4.6%	13,018	0.08
Adjusted (non-GAAP)	**$ 197,592**	**21.1%**	**$ 139,308**	**$ 0.87**	**$ 195,641**	**21.6%**	**$ 134,685**	**$ 0.85**

$ in thousands (except EPS amounts)

Total Sensata	FY-2021 Operating Income	FY-2021 Operating Margin	FY-2021 Net Income	FY-2021 EPS	FY-2020 Operating Income	FY-2020 Operating Margin	FY-2020 Net Income	FY-2020 EPS
Reported (GAAP)	**$ 633,240**	**16.6%**	**$ 363,580**	**$ 2.28**	**$ 337,737**	**11.1%**	**$ 164,286**	**$ 1.04**
Non-GAAP adjustments:								
Restructuring related and other	23,565	0.6%	21,356	0.13	87,420	2.9%	93,803	0.59
Financing and other transaction costs	13,236	0.3%	40,977	0.26	8,209	0.3%	6,383	0.04
Step-up depreciation and amortization	127,642	3.3%	127,642	0.80	125,677	4.1%	125,677	0.79
Deferred loss on derivative instruments	8,327	0.2%	11,294	0.07	3,066	0.1%	(6,961)	(0.04)
Amortization of debt issuance costs	—	—%	6,858	0.04	—	—%	6,854	0.04
Deferred income tax and other tax related	—	—%	(4,865)	(0.03)	—	—%	(40,856)	(0.26)
Total adjustments	172,770	4.5%	203,262	1.28	224,372	7.4%	184,880	1.17
Adjusted (non-GAAP)	**$ 806,010**	**21.1%**	**$ 566,842**	**$ 3.56**	**$ 562,109**	**18.5%**	**$ 349,166**	**$ 2.21**