

Sensata Second Quarter 2023 Earnings Presentation

July 25, 2023

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 or 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 Q2 2023

Robust financial performance

- **Record revenue of $1,062M in Q2-23**
- LTM outgrowth to market of 535 bps; average outgrowth since 2020 of 735 bps
- **Adj. operating profit of $206M or 19.4%** (20.1% or 110 bps increase on constant currencies)
- **ANI of $149M grew 15.1% YoY, Record Adj. EPS of $0.97 grew 16.9% YoY** ($1.02 or 22.9% growth on a constant currency basis)

Electrification progress on-track

- Launching new high performance products to address large addressable markets within Electrification Megatrend
- On track to long-term target of **$2B in Electrification revenue** across the Company by 2026

Capital deployment strategy improving shareholder returns

- Repaid outstanding variable rate Term Loan, reducing interest expense and improving ROIC
- Increased dividend to $0.12 per quarter
- Repurchased $25M of Sensata's shares

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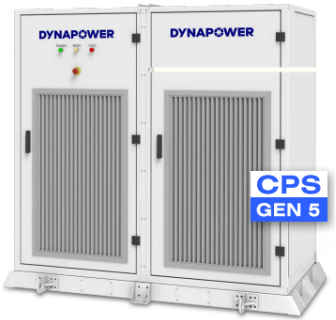
Launching exciting new high-performance products to address Electrification Megatrend holistically

Compact Power Gen-5 Inverter

Launching Q3-23

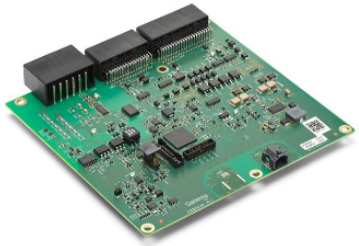
- Enables Green Hydrogen Electrolysis; Microgrids, and Renewable Power Generation connections to the grid
- Industry leading power density: 3x prior generation
- Significant value creation for customers
- Renewable energy power inversion/conversion represents a $2.5B addressable market growing +15%



New N3-Battery Management System

Launched Q2-23

- Monitors and manages key safety, performance, and charging levels of large vehicle batteries
- Off the shelf safety certified for ASIL-C and ISO 26262
- Highly configurable: significantly reduces development costs and time to market
- Ideal for material handling, buses, and other large electric vehicles with power requirements up to 1,000 volts/2,000 amps
- Addressable market of $350M by 2028



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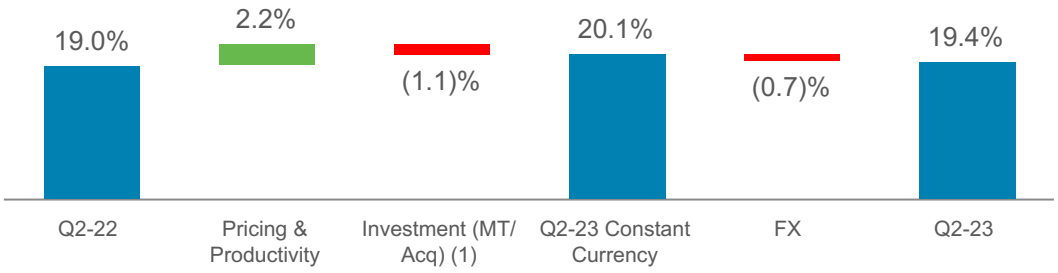
Q2-2023 FINANCIALS AND Q3-2023 FINANCIAL GUIDE

Q2-2023 Financial Summary

$ in millions, except EPS	Q2-2023	Q2-2022	YoY B/(W)
Revenue	$1,062.1	$1,020.5	4.1 %
Adjusted Operating Income	$205.7	$193.8	6.2 %
% Revenue	*19.4%*	*19.0%*	
Adjusted Net Income	$149.2	$129.5	15.1 %
% Revenue	*14.0%*	*12.7%*	
Adjusted EPS	$0.97	$0.83	16.9 %

ADJUSTED OPERATING MARGIN WALK Q2-22 TO Q2-23



(1) Net impact of acquisitions, divestitures and R&D investments to drive key growth vectors.

- Revenue growth YoY of 4.1% composed of:
  - Organic revenue increased 3.4%
  - Acquisitions net of divestitures increased revenue by 2.1%
  - Foreign exchange decreased revenue by (1.4)%
- Adjusted operating income increased 6.2% YoY due to:
  - Organic revenue growth, productivity and favorable pricing
  - Offset somewhat by dilutive impact of acquisitions and divestitures and FX
  - Adj. operating margin increased 110 bps YoY ex-FX; 39% incremental
  - Organic incremental adj. operating margin greater than 80%
- ANI and Adj. EPS growing faster than adj. operating income on de-leveraging and share repurchases

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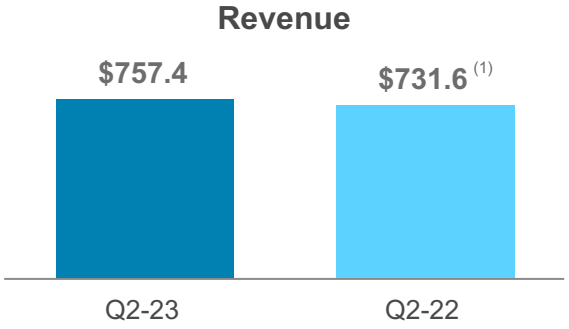
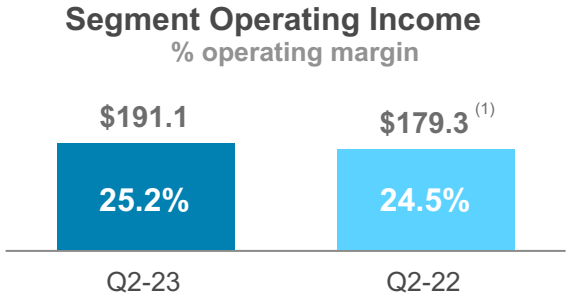
Q2-2023: Performance Sensing





Q2-23 YoY Revenue Growth	Reported	Organic
Automotive	4.7%	6.7%
Heavy Vehicle, Off-Road	0.8%	1.8%
Performance Sensing	**3.5%**	**5.2%**

Foreign exchange (1.7)% negative impact

- Automotive revenue increase reflects market growth, content, and pricing, partially offset by unfavorable revenue mix, channel inventory de-stocking, launch delays, and FX
- HVOR organic revenue increase reflects market growth, partially offset by channel inventory de-stocking
- Segment operating margin increased due to improved pricing and productivity offset by the dilutive impact of FX
- Constant currency adjusted operating margin of 26.0%

(1) Effective April 1, 2023, we reorganized our reportable segments to move material handling products from Performance Sensing to Sensing Solutions to align with new management reporting. Prior year amounts have been recast.

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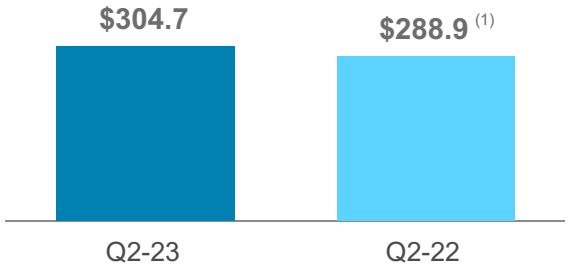
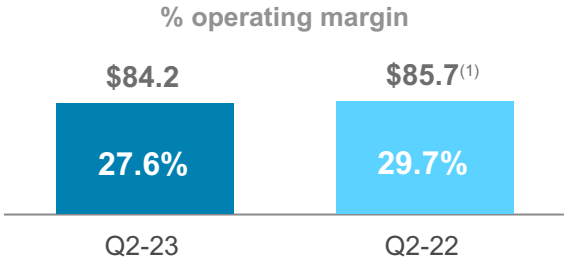
Q2-2023: Sensing Solutions

Revenue



Segment Operating Income



Q2-23 YoY Revenue Growth	Reported	Organic
Industrial & Other	3.0%	(4.7)%
Aerospace	21.5%	21.5%
Sensing Solutions	**5.5%**	**(1.2)%**

- Foreign exchange (0.9)% negative impact
- Acquisitions and divestitures 7.6% net positive impact

- Industrial revenue increase reflects the positive net impact of acquisitions and divestitures offset by weakness in HVAC and appliance markets and unfavorable FX
- Aerospace revenue increase reflects growth in markets, pricing, and content
- Segment operating margin decreased due to the net impact of acquisitions and divestitures (400 bps)
- Constant currency adjusted operating margin of 27.6%

(1) Effective April 1, 2023, we reorganized our reportable segments to move material handling products from Performance Sensing to Sensing Solutions to align with new management reporting. Prior year amounts have been recast.

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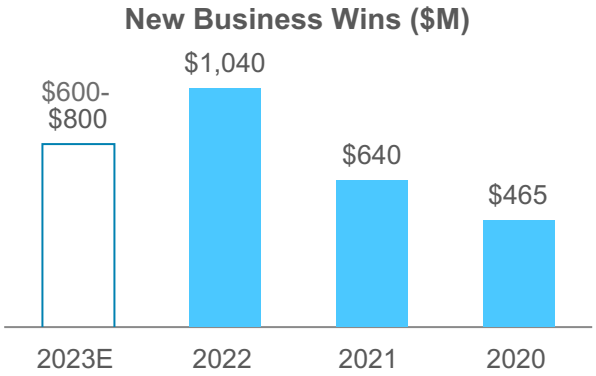
Corporate and Other Operating Expenses

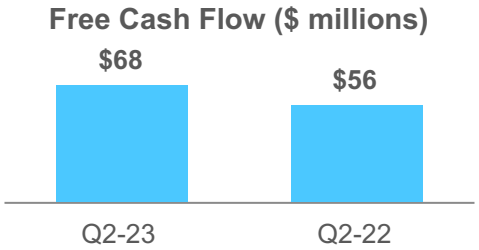
$ in millions	Q2-2023	Q1-2023	Q2-2022	YoY B/(W)
Corporate and Other	$81.5	$62.4	$76.4	(6.7)%
% Revenue	*7.7%*	*6.3%*	*7.5%*	
Adj. Corporate and Other	$68.1	$63.4	$69.4	2.0 %
% Revenue	*6.4%*	*6.4%*	*6.8%*	

- Adj. Corporate and Other decrease YoY primarily due to cost containment and lower incentive compensation

- **$60M - $70M** Megatrend spend expected in 2023, flat with 2022
- Megatrend spend continues to drive robust new business wins



Capital deployment strategy, including repayment of debt, is improving ROIC (now 9.8%, up 50 bps from FYE 2022)



$0.12

Quarterly Dividend Payment

on August 23, 2023 for shareholders of record as of August 9, 2023

3.2x

net leverage ratio

as of June 30, 2023;
<3.0x expected by 2023 FYE
<2.5x expected by 2025 FYE

$371M*

LTM free cash flow, 65% conversion; **~75% conversion** rate expected for 2023

$48M

Q2-23 Capital Expenditures; **$170M–$180M** expected for 2023

$25M

Q2-23 Share Repurchase

*LTM free cash flow lower than target due to increases in receivables, inventory to offset supply chain issues, and acquisition-related compensation payments.

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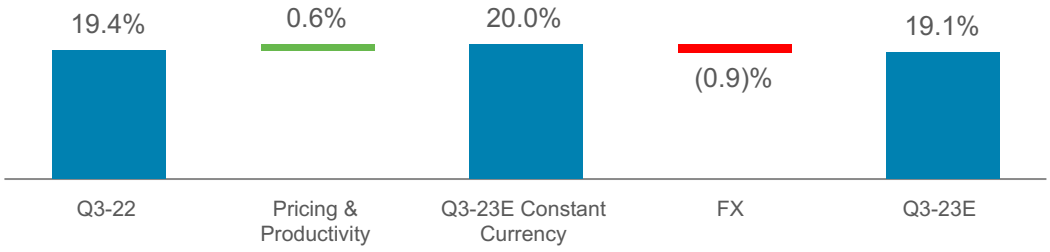
Q3-23 Financial Guidance

$ in millions, except EPS	Q3-23 GUIDANCE	Q3-22	B/(W)
Revenue *organic*	$980 – $1,020	$1,018.3	(4%) - 0% *(3%) - 1%*
Adj. Op Income	$183 – $199	$197.3	(7%) - 1%
Adj. Net Income	$129 – $143	$131.0	(2%) - 9%
Adj. EPS	$0.84 – $0.94	$0.85	(1%) - 11%

- Q3-23 end-market growth expected to be ~(6%) YoY
  - Auto: ~(5%)
  - HVOR: ~2%
  - Industrial: ~(15%)
  - Aerospace: ~5%
- FX expected to decrease revenue by ~($6M) and Adj. EPS by ($0.03)
- Fill rate of 90% at the mid-point

ADJUSTED OPERATING MARGIN WALK Q3-22 TO Q3-23



- FX expected to decrease full year revenue by ~($49M) and decrease Adj. EPS by ($0.20)

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Key Messages – Looking Forward



Deliver strong outgrowth to market

Long-term company outgrowth target of 400-600 bps



Execute long-term strategy to drive organic revenue growth

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



Improve financial returns

Targeting 21% adj. operating margins;
Expect improvements in free cash flow and return on invested capital



Foster a culture of innovation

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



Reach our ESG Goals

Continue making substantial progress on GHG emissions intensity, racial and gender diversity goals



Advance Capital Allocation Priorities

Net leverage ratio expected to decline to below 2.5x by the end of 2025

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Sensata Innovation Investor Event

in New York City

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APPENDIX A: OTHER FINANCIAL INFORMATION



Q2-2023 GAAP Results

$ and shares outstanding in millions, except EPS	Q2-2023	Q2-2022	B/(W)
Revenue	$1,062.1	$1,020.5	4.1 %
Gross Profit	$330.0	$333.9	(1.2)%
(% of revenue)	*31.1%*	*32.7%*	
R&D	$44.9	$48.0	6.5 %
(% of revenue)	*4.2%*	*4.7%*	
SG&A	$91.3	$97.3	6.2 %
(% of revenue)	*8.6%*	*9.5%*	
Amortization of Intangibles	$54.6	$36.8	(48.2)%
(% of revenue)	*5.1%*	*3.6%*	
Restructuring and Other	$21.3	$12.9	(64.8)%
(% of revenue)	*2.0%*	*1.3%*	
Operating Income	$118.0	$138.9	(15.1)%
(% of revenue)	*11.1%*	*13.6%*	
Tax Rate	28.8%	36.5 %	770 bps
Net Income	$49.1	$34.8	41.0 %
(% of revenue)	*4.6%*	*3.4%*	
Diluted EPS	$0.32	$0.22	45.5 %
Diluted Shares Outstanding	153.1	157.0	3.9

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Q2-2023 Non-GAAP Results

$ and shares outstanding in millions, except EPS	Q2-2023	Q2-2022	B/(W)
Revenue	$1,062.1	$1,020.5	4.1 %
Adj. Gross Profit	$341.1	$335.2	1.8 %
(% of revenue)	*32.1%*	*32.8%*	
R&D	$44.9	$48.0	6.5 %
(% of revenue)	*4.2%*	*4.7%*	
Adj. SG&A	$89.1	$91.6	2.8 %
(% of revenue)	*8.4%*	*9.0%*	
Adj. Operating Income	$205.7	$193.8	6.2 %
(% of revenue)	*19.4%*	*19.0%*	
Adj Tax Rate [1]	9.3%	10.3%	100 bps
Adj. Net Income	$149.2	$129.5	15.1 %
(% of revenue)	*14.0%*	*12.7%*	
Adj. EPS	$0.97	$0.83	16.9 %
Diluted Shares Outstanding	153.1	157.0	3.9

1 – Adjusted tax rate expressed as a % of adjusted profit before tax. Adjusted tax rate expressed as a % of adjusted EBIT was 7.6% and 7.9% in Q2-2023 and Q2-2022, respectively.

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Q2-2023 Cash Flow Statement

$ in millions	Q2-2023	Q2-2022	B/(W)
Net Income	$49.1	$34.8	41.0 %
Depreciation & Amortization	$87.2	$68.2	27.9 %
Changes in Working Capital	($46.4)	($40.0)	16.1 %
Other	$25.9	$31.6	(17.9)%
Operating Cash Flow	$115.8	$94.5	22.4 %
Capital Expenditures	($47.6)	($38.4)	(24.0)%
Free Cash Flow	$68.2	$56.2	21.4 %

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

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Balance Sheet

$ in millions	JUN 30, 2023	DEC 31, 2022
Total Assets	$ 8,392.6	$ 8,756.2
Working Capital	$ 1,595.7	$ 1,596.1
Intangibles, Net & Other Long-Term Assets	$ 5,916.0	$ 5,981.2

$ in millions	JUN 30, 2023	DEC 31, 2022
Cash & Equivalents	$ 857.3	$ 1,225.5
Current Debt	$ 1.8	$ 256.5
Net Cash	$ 855.5	$ 969.0

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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 is 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 the 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 Net income ("ANI") – is defined as net income (or loss), determined in accordance with U.S. GAAP, excluding certain non-GAAP adjustments including:

a. Restructuring related and other - includes net charges 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.

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, costs incurred, including for legal, accounting, and other professional services, that are directly related to an acquisition, divestiture, or equity financing transaction, mark-to-market losses or gains on our equity investments, expenses related to compensation arrangements entered into concurrent with the closing of an acquisition, and gains related to changes in the fair value of acquisition-related contingent consideration amounts.

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 expense associated with the step-up in fair value of assets acquired in connection with a business combination (e.g., PP&E and inventory) and amortization of intangible assets.

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 benefits and withholding tax on repatriation of foreign earnings.

f. Amortization of debt issuance costs - represents interest expense related to the amortization of deferred financing costs as well as debt discounts, net of premiums.

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).

Adjusted EPS – is calculated by dividing ANI by the number of diluted weighted-average ordinary shares outstanding in the period.

Adjusted Operating Income – is defined as 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 loss or gain on derivative instruments, and (4) step-up depreciation and amortization. Refer to definition of ANI for additional information regarding the nature of these non-GAAP adjustments.

Adjusted Operating Margin – is calculated by dividing adjusted operating income (or loss) by net revenue.

We believe that ANI, Adjusted EPS, Adjusted Operating Income, and Adjusted Operating Margin 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 – is defined as 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.

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 are determined by stating revenues and expenses at prior period foreign currency exchange rates and excludes the impact of foreign currency exchange rates on all hedges and, as applicable, net monetary assets. 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.

Adjusted EBITDA – is defined as 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, and (3) deferred gain or loss on derivative instruments. Refer to definition of ANI for additional information regarding the nature of these non-GAAP adjustments.

Net Debt – is defined as 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 – is defined as net debt divided by last twelve months (LTM) adjusted EBITDA. We believe that 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.

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Adjusted EBITDA

In thousands	Period					
Total Sensata	**LTM**	**2Q 2023**	**1Q 2023**	**4Q 2022**	**3Q 2022**	**2Q 2022**
Net income	**$ 388,931**	**$ 49,111**	**$ 86,417**	**$ 113,150**	**$ 140,253**	**$ 34,841**
Interest expense, net	166,728	38,105	40,091	43,676	44,856	44,842
Provision for income taxes	102,008	19,873	23,726	11,988	46,421	20,020
Depreciation expense	127,862	32,612	30,948	32,622	31,680	31,351
Amortization of intangible assets	174,952	54,563	40,774	39,302	40,313	36,805
Earnings before interest, taxes, depreciation, and amortization ("EBITDA")	960,481	194,264	221,956	240,738	303,523	167,859
Non-GAAP adjustments:						
Restructuring related and other	63,553	31,078	2,941	13,140	16,394	4,330
Financing and other transaction costs	(87,573)	4,021	4,733	5,053	(101,380)	28,727
Deferred (gain)/loss on derivative instruments	(7,622)	5,322	(4,149)	(14,466)	5,671	19,444
Adjusted EBITDA	**$ 928,839**	**$ 234,685**	**$ 225,481**	**$ 244,465**	**$ 224,208**	**$ 220,360**

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Organic Revenue Growth

	Q2-2023				
	Reported % Change (GAAP)	Less: FX Impact	Constant Currency % Change (non-GAAP)	Less: Acquisition & Divestitures, net	Organic Growth (non-GAAP)
Performance Sensing	**3.5%**	(1.7%)	**5.2%**	—%	**5.2%**
Sensing Solutions	**5.5%**	(0.9%)	**6.4%**	7.6%	**(1.2%)**
Sensata Total	**4.1%**	(1.4%)	**5.5%**	2.1%	**3.4%**

	Q2 YTD 2023				
	Reported % Change (GAAP)	Less: FX Impact	Constant Currency % Change (non-GAAP)	Less: Acquisition & Divestitures, net	Organic Growth (non-GAAP)
Performance Sensing	**4.3%**	(2.1%)	**6.4%**	0.2%	**6.2%**
Sensing Solutions	**0.5%**	(1.2%)	**1.7%**	3.3%	**(1.6%)**
Sensata Total	**3.2%**	(1.9%)	**5.1%**	1.1%	**4.0%**

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Free Cash Flow

$ in thousands	Q2			Q2 YTD		
Total Sensata	**2023**	**2022**	**Change**	**2023**	**2022**	**Change**
Net cash provided by operating activities	**$ 115,754**	**$ 94,533**	**22.4%**	**$ 212,642**	**$ 141,888**	**49.9%**
Additions to property, plant and equipment and capitalized software	(47,562)	(38,358)	(24.0%)	(84,444)	(74,069)	(14.0%)
Free cash flow	**$ 68,192**	**$ 56,175**	**21.4%**	**$ 128,198**	**$ 67,819**	**89.0%**

Adjusted Taxes and Adjusted Tax Rate

$ in thousands	Q2		Q2 YTD	
Total Sensata	**2023**	**2022**	**2023**	**2022**
Provision for income taxes	**$ 19,873**	**$ 20,020**	**$ 43,599**	**$ 27,608**
Non-GAAP adjustments:				
Deferred income tax and other tax expense/(benefit)	6,433	9,669	13,224	1,334
Current tax effect of non-GAAP adjustments	(1,820)	(4,499)	1,235	(3,332)
Adjusted taxes	**$ 15,260**	**$ 14,850**	**$ 29,140**	**$ 29,606**
Adjusted income before taxes	$ 164,416	$ 144,397	$ 318,948	$ 282,568
Adjusted tax rate	**9.3 %**	**10.3 %**	**9.1 %**	**10.5 %**

Net Debt and Net Leverage Ratio

$ in thousands	As of				
Total Sensata	**6/30/2023**	**3/31/2023**	**12/31/2022**	**9/30/2022**	**6/30/2022**
Current portion of long-term debt, finance lease and other financing obligations	$ 1,809	$ 198,696	$ 256,471	$ 6,536	$ 6,566
Finance lease and other financing obligations, less current portion	23,771	24,471	24,742	25,180	25,623
Long-term debt, net	3,770,507	3,768,627	3,958,928	4,208,670	4,213,512
Total debt, finance lease and other financing obligations	**3,796,087**	**3,991,794**	**4,240,141**	**4,240,386**	**4,245,701**
Less: discount, net of premium	(2,355)	(2,831)	(3,360)	(3,740)	(4,317)
Less: deferred financing costs	(27,138)	(28,542)	(29,916)	(30,952)	(26,691)
Total gross indebtedness	3,825,580	4,023,167	4,273,417	4,275,078	4,276,709
Less: cash and cash equivalents	857,312	1,034,134	1,225,518	1,103,916	1,558,578
Net debt	**$ 2,968,268**	**$ 2,989,033**	**$ 3,047,899**	**$ 3,171,162**	**$ 2,718,131**
Adjusted EBITDA (LTM)	$ 928,839	$ 914,514	$ 903,886	$ 888,108	$ 893,514
Net leverage ratio	**3.2**	**3.3**	**3.4**	**3.6**	**3.0**

Adjusted Corporate and Other Expenses

In thousands	Q2		Q2 YTD	
Total Sensata	**2023**	**2022**	**2023**	**2022**
Corporate and other expenses	**$ (81,464)**	**$ (76,362)**	**$ (143,905)**	**$ (152,485)**
Non-GAAP adjustments:				
Restructuring related and other	13,110	2,647	11,681	5,161
Financing and other transaction costs	974	2,778	3,593	6,505
Step-up depreciation and amortization	255	299	309	597
Deferred (gain)/loss on derivative instruments	(947)	1,190	(3,197)	1,842
Total adjustments	13,392	6,914	12,386	14,105
Adjusted corporate and other expenses	**$ (68,072)**	**$ (69,448)**	**$ (131,519)**	**$ (138,380)**

Other GAAP to non-GAAP Reconciliations

$ in thousands (except EPS amounts)

Total Sensata	Q2-2023 Operating Income	Q2-2023 Operating Margin	Q2-2023 Net Income	Q2-2023 EPS	Q2-2022 Operating Income	Q2-2022 Operating Margin	Q2-2022 Net Income	Q2-2022 EPS
Reported (GAAP)	**$ 118,013**	**11.1%**	**$ 49,111**	**$ 0.32**	**$ 138,943**	**13.6%**	**$ 34,841**	**$ 0.22**
Non-GAAP adjustments:								
Restructuring related and other	31,078	2.9%	30,446	0.20	3,888	0.4%	4,294	0.03
Financing and other transaction costs	4,265	0.4%	3,923	0.03	14,434	1.4%	28,277	0.18
Step-up depreciation and amortization	53,326	5.0%	53,326	0.35	35,318	3.5%	35,318	0.22
Deferred (gain)/loss on derivative instruments	(947)	(0.1)%	4,232	0.03	1,190	0.1%	15,431	0.10
Amortization of debt issuance costs	—	—%	1,685	0.01	—	—%	1,717	0.01
Deferred income tax and other tax related	—	—%	6,433	0.04	—	—%	9,669	0.06
Total adjustments	87,722	8.3%	100,045	0.65	54,830	5.4%	94,706	0.60
Adjusted (non-GAAP)	**$ 205,735**	**19.4%**	**$ 149,156**	**$ 0.97**	**$ 193,773**	**19.0%**	**$ 129,547**	**$ 0.83**

$ in thousands (except EPS amounts)

Total Sensata	Q2 YTD 2023 Operating Income	Q2 YTD 2023 Operating Margin	Q2 YTD 2023 Net Income	Q2 YTD 2023 EPS	Q2 YTD 2022 Operating Income	Q2 YTD 2022 Operating Margin	Q2 YTD 2022 Net Income	Q2 YTD 2022 EPS
Reported (GAAP)	**$ 266,855**	**13.0%**	**$ 135,528**	**$ 0.88**	**$ 264,873**	**13.3%**	**$ 57,282**	**$ 0.36**
Non-GAAP adjustments:								
Restructuring related and other	34,019	1.7%	32,715	0.21	8,037	0.4%	8,343	0.05
Financing and other transaction costs	8,513	0.4%	11,530	0.08	30,259	1.5%	102,837	0.65
Step-up depreciation and amortization	92,456	4.5%	92,456	0.60	71,263	3.6%	71,263	0.45
Deferred (gain)/loss on derivative instruments	(3,197)	(0.2)%	936	0.01	1,842	0.1%	8,470	0.05
Amortization of debt issuance costs	—	—%	3,419	0.02	—	—%	3,433	0.02
Deferred income tax and other tax related	—	—%	13,224	0.09	—	—%	1,334	0.01
Total adjustments	131,791	6.4%	154,280	1.01	111,401	5.6%	195,680	1.24
Adjusted (non-GAAP)	**$ 398,646**	**19.3%**	**$ 289,808**	**$ 1.89**	**$ 376,274**	**18.8%**	**$ 252,962**	**$ 1.60**

Sensata Technologies