

Sensata Technologies Holding plc

Registered company number 10900776

Annual Report

**For the Year Ended
December 31, 2024**

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General Information

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Strategic Report

You should read the following discussion in conjunction with the audited consolidated financial statements and the notes to those statements (our "Financial Statements"), included elsewhere in this Annual Report (this "Report"). In addition to historical facts, this Report contains forward-looking statements.

The Company

The reporting company is Sensata Technologies Holding plc ("Sensata plc"), a public limited company incorporated under the laws of England and Wales, and its consolidated subsidiaries, collectively referred to as the "Company," "Sensata," "we," "our," and "us." Our ordinary shares trade on the New York Stock Exchange ("NYSE") under the symbol "ST."

Sensata plc conducts its operations through subsidiary companies that operate business and product development centers primarily in Belgium, Bulgaria, China, Denmark, India, Japan, the Netherlands, South Korea, the United Kingdom (the "U.K."), and the United States (the "U.S."); and manufacturing operations primarily in Bulgaria, China, Malaysia, Mexico, the U.K., and the U.S.

Overview

We are a global industrial technology company that develops, manufactures, and sells sensors and sensor-rich solutions, electrical protection components and systems, and other products. Our sensors are used by our customers to translate a physical parameter, such as pressure, temperature, position, or location of an object, into electronic signals that our customers' products and solutions can act upon. Our electrical protection portfolio (which includes both components and systems) is composed of various switches, fuses, energy storage systems, high-voltage distribution units, controllers, and software, and includes high-voltage contactors and other products embedded within systems to maximize their efficiency and performance and ensure safety. Other products and services we provide include battery storage systems and power conversion systems, the latter of which include converters, and rectifiers for renewable energy generation, green hydrogen production, electric vehicle charging stations, and microgrid applications, as well as industrial and defense applications.

We present financial information for two reportable segments, Performance Sensing ("PS") and Sensing Solutions ("SS").

Customers

Our customers in the Performance Sensing reportable segment include leading global automotive, on-road truck, construction, and agriculture original equipment manufacturers ("OEMs") and the companies that supply parts directly to these OEMs, known as Tier 1 suppliers. Within the Sensing Solutions reportable segment, our customers include a wide range of industrial and commercial manufacturers and suppliers across multiple end markets, primarily OEMs in the climate control, appliance, medical, energy and charging infrastructure, data/telecom, aerospace and defense industries, various aftermarket distributors, as well as systems integrators and aerospace, motor and compressor distributors.

We have a history of helping our customers with their mission-critical, hard-to-do engineering challenges. We identify future regulatory impacts and trends in our markets early and then work with our customers to help them adapt to these changes while creating innovative solutions. This has allowed us to build trust through various market cycles and through periods of significant change and disruption.

We believe large OEMs and other multinational companies are increasingly demanding a global presence to supply sensors and electrical protection components for their key platforms. We provide all our customers with worldwide technical and manufacturing presence and service support, which helps ensure supply continuity and avoid risks associated with potential supply chain disruptions. Moreover, we have a strong knowledge of our customers' quality and delivery requirements. We also see the growing importance of new 'startup' OEMs as potential market disruptors, and Sensata's flexibility, speed, expertise, and global footprint provide these new entrants with a supplier/partner capable of meeting their demanding requirements.

We have had relationships with our top ten customers for an average of 33 years. No customer exceeded 10% of our net revenue in any of the years ended December 31, 2024, 2023, or 2022.

End Markets

The table below sets forth the amount of net revenue by end market, reconciled to total net revenue, for the years ended December 31, 2024 and 2023:

(In thousands)	For the year ended December 31,	
	2024	2023 (As adjusted)
Net revenue:		
Automotive	\$ 2,208,416	\$ 2,177,189
HVOR ⁽¹⁾	693,939	715,961
Industrial, HVAC ⁽²⁾ , other	712,160	825,293
Aerospace	190,360	188,179
All other	\$ 127,889	\$ 147,461
Total net revenue	<u>\$ 3,932,764</u>	<u>\$ 4,054,083</u>

⁽¹⁾ Heavy vehicle and off-road

⁽²⁾ Heating, ventilation and air conditioning

Business Strategy

Anticipating and Leveraging Change in our End Markets

Over the next ten years we expect our end markets to undergo more pronounced changes than they have experienced during the last fifty years. These changes present unprecedented growth opportunities, and by leveraging our core capabilities and global footprint we are uniquely positioned to capitalize on these safe, clean, and efficient growth drivers.

Invest in the Business

While we may continue to consider strategic partnerships and acquisitions to accelerate the growth and transformation of our product portfolio and to obtain access to new technologies, expertise, processes, and solutions, our primary focus is leveraging the core business, which continues to have meaningful growth and cash flows. Our future success builds upon our deep expertise in customizing the base technologies developed over the years, improving them meaningfully over time, and leveraging new technologies and capabilities that have been acquired.

We incur research and development ("R&D") costs in order to invest in differentiated capabilities and product innovation. As a result of these investments, our addressable market is large and expanding. We believe these are the right strategic decisions for our long-term health and prosperity.

Manufacturing

We have achieved our current cost position through development of manufacturing scale and efficiencies, a continual process of migration and transformation to best-cost manufacturing locations, global best-cost sourcing, product design improvements, and ongoing productivity-enhancing initiatives. We also use our decades of manufacturing expertise to drive efficient, high-quality processes. We leverage next-generation automation to lower labor costs and to drive towards zero defects.

We are building resilient supply chains with a balanced approach in ensuring the continuity of supply while aggressively focusing on innovative ways to drive material cost down. Through collaboration and partnership across our project teams, sourcing, and our supply base partners, we have identified and are executing on project-based material savings programs to help mitigate inflation.

In addition, we continue to drive operational efficiencies with network analysis and optimization, lean initiatives, and accelerating automation deployments to mitigate both labor shortages and wage inflation pressures in our factories.

Capital Allocation

We repaid our \$700.0 million aggregate principal amount of 5.0% senior notes due 2025 (the "5.0% Senior Notes") in July 2024 with a combination of cash on hand and the issuance of our \$500.0 million aggregate principal amount of 6.625% senior notes due 2032 (the "6.625% Senior Notes"). We repaid our \$400.0 million aggregate principal amount of 5.625% senior notes due 2024 (the "5.625% Senior Notes") in December 2023 with cash on hand. In September 2023, our Board of Directors

authorized a new \$500.0 million ordinary share repurchase program (the "September 2023 Program"), which replaced the \$500.0 million ordinary share repurchase program authorized in January 2022 (the "January 2022 Program"), effective on October 1, 2023. Going forward, our capital allocation strategy is focused on supporting the growth of the business through capital expenditures, maintaining our dividend, reducing our debt levels, and repurchasing shares opportunistically.

Safe, Clean, & Efficient

Due to a combination of global regulation and shifting consumer preference, our customers are facing increasing demand to make their products safer, cleaner, and more efficient. Many of our customers are shifting their designs for vehicles, industrial equipment, aircraft, and other systems to meet these evolving requirements, a trend which we refer to as "Safe, Clean, & Efficient." This trend impacts most of our business today and represents an addressable market of \$15.6 billion in 2024.

We design and manufacture products and solutions for mission-critical, hard-to-do applications that enable our customers to protect the environment and improve quality of life. Our products and solutions are being used by our customers in applications to address the Safe, Clean, & Efficient demands, including those that help transportation customers to meet the standards of emissions and pollution-control legislation and industrial customers to introduce new energy-efficient and environmentally friendly motors, compressors, and HVAC systems.

For example, responding to tightening legislation requirements and proliferating content, we enable vehicle OEMs to improve combustion, reduce tailpipe emissions, and increase fuel economy in both traditional internal combustion engines ("ICE") and hybrid vehicles with a combination of sensors, such as pressure, high-temperature, and speed, in next-generation powertrains. In addition, tightening HVOR emissions regulations in the U.S., Europe, and China have resulted in increased sensor content in engines and exhaust after-treatment. Our differentiated operator controls and systems improve operator productivity and enable simplified, improved, and safer operation, even in harsh conditions. Our tire pressure sensors are used by automotive and HVOR OEMs to reduce downtime and operating costs, improve fuel efficiency, and create safer driving conditions. Also, variable HVAC systems are the preferred method to meet stringent energy efficiency and environmental regulations, and our pressure and temperature sensors are critical to optimize these systems and enable them to achieve higher levels of efficiency.

We consider these capabilities to be core to our historical success and will continue to be significant drivers of market outgrowth in the future. We use the term "market outgrowth" to describe the difference between our organic revenue growth and the underlying growth rates in the markets we serve. We believe this metric approximates the increase in the value or quantities of the products that we are providing into those end markets.

Our objective is to become a leading and foundational player in electrification components and sub-systems across broad industrial, transportation, aerospace, recharging infrastructure, and renewable energy generation and storage end markets. These components and solutions will support a future that is more environmentally sustainable and efficient and include (1) components for electric vehicles ("EVs"), charging stations, and chargers and (2) mission-critical high-voltage components and subsystems combined into high-value energy management or energy storage solutions. Throughout this Report, we use the term "electric vehicles" or "EVs" holistically to reference plug-in hybrid and battery-electric vehicles of all kinds, unless otherwise specified.

Due to the prevalence of ICE vehicles today, applications in these vehicles make up most of our current transportation addressable markets (automotive and HVOR). These addressable markets are large today and growing, with expectations that they will continue to grow over the next ten years. However, the automotive market is rapidly changing with the transformation into electrification. Certain of our customers have made commitments regarding the transition from ICE to electrified platforms; these commitments vary by region.

Manufacturers of material handling equipment, aircraft, and industrial systems are also addressing greenhouse gas ("GHG") emissions regulations and taking advantage of falling battery costs and increasing energy capacities of battery cells to provide electrified solutions to their customers. Addressing the increasing demand for electrified solutions, and reducing GHG emissions, requires a broad-based transition to clean electricity that encompasses distribution infrastructure. These demands have been met with more choices, better performance, and improved safety, all combining to advance electrification at a rapid pace.

Many of the components and subsystems we have historically developed and produced, such as those used in braking, tires, and environmental control in traditional ICE vehicles, will play a significant role in this expansion, as we can convert much of this technology for use in electric vehicle applications. Specific to EVs, we also provide and are developing several components that enable the safe and efficient operation of electrified platforms, such as high-voltage electrical protection, advanced temperature and thermal management sensing, highly sensitive electric motor position, and next-generation current sensing.

We are a leading provider of high-voltage electrical protection components on EVs and charging infrastructure and we also seek to be the partner of choice for HVOR, industrial, and aerospace OEMs transitioning to electrified solutions. We are directly enabling direct current ("DC") fast charging through high-voltage components. We enable innovation by providing higher levels of safety through our high-voltage solutions and isolation monitoring devices. Safety is critical given the level of power being transmitted and handled by the end consumer charging their vehicle. We are also delivering higher power solutions through a broad array and range of DC switching and current braking products, and we see meaningful growth opportunities through collaborating with our OEMs on integrated products. Today, our high-voltage contactors are a critical component of our electrification portfolio, and we have continued to build upon that organically and through acquisitions including current sensing and battery management.

We meaningfully started our journey in high-voltage electrification with the 2018 acquisition of GIGAVAC, an industrial contactor-infused business serving the North American market. Since then, we have continued to innovate our contactor portfolio. Our GIGAVAC-branded high-voltage electrical protection products augment our electrical protection portfolio to address many of the needs in EVs as these systems transition to higher voltage architecture. In high voltage applications, the burden on the systems and subsystems to properly control and protect the vehicle from electrical failure becomes mission-critical and is where our solutions play a critical role. Our electrical protection solutions safeguard the expensive electronics used to power the vehicle and allow for an increase in power levels to improve charging times.

Our average U.S. dollar content in an electric vehicle is expected to expand over the next several years to approximately two times the content that we currently realize on average for ICE vehicles, resulting from the broad array of electrical components and sensors designed into EVs.

We continue to invest in innovative technologies, competencies, and solutions to enable our customers' success in electrification.

Segment information

The Performance Sensing reportable segment accounted for approximately 70% of our net revenue in fiscal year 2024. It primarily serves the Automotive and HVOR industries through the development and manufacture of sensors, high-voltage solutions (i.e., electrical protection components), and other solutions that are used in mission-critical systems and applications. Examples include those used in subsystems of automobiles, on-road trucks, and off-road equipment, such as tire pressure monitoring, thermal management, electrical protection, regenerative braking, powertrain (engine/transmission), and exhaust management. Our products are used in subsystems that, among other things, improve operating performance and efficiency and contribute to environmentally sustainable and safe solutions.

Our solutions are present in a wide variety of transportation systems and subsystems, playing a critical role in ensuring the functionality and safety of a vehicle's operation. Within the combustion and electrified propulsion architecture, we provide various sensor solutions (e.g., electric motor position, gasoline direct injection, oil pressure monitoring, and fuel delivery) that enable superior functionality, efficiency, and optimized performance while reducing environmental impact. As more transportation platforms leverage a plug-in hybrid or fully electrified powertrain, the ability to protect the vehicle systems/subsystems from high-voltage power sources becomes critical, a need that our electrical protection portfolio (e.g., high-voltage contactors, fuses, high-voltage junction boxes) addresses. Our cabin thermal management (e.g., pressure plus temperature sensing) and safety (e.g., braking, electronic stability control, and tire management solutions) sensor/product solutions all play critical roles in enabling the safety, improved performance, and increased efficiency and range across ICE, plug-in hybrid, and electrified powertrains.

Applications we serve require close engineering collaboration between us and the OEM or their Tier 1 suppliers. Solutions are designed to meet application-specific requirements with customer-specific fit, form, and function. As a result, OEMs and Tier 1 suppliers make significant investments in selecting, integrating, and testing sensors as part of their product development. Once our solutions are designed into an application, we are well positioned as the incumbent supplier due to the high degree of sensor customization and application/vehicle platform certification. This results in high switching costs for automotive and HVOR manufacturers once a sensor is designed into a particular system or platform. We believe this is one of the reasons that sensors are rarely changed during a platform life cycle, which in the case of the automotive industry typically lasts five to seven years. OEMs and Tier 1 suppliers seek to partner with suppliers with a proven record of quality, on-time delivery, and performance, as well as the engineering and manufacturing scale/resources to meet their needs over the multi-year lifecycle of these highly engineered vehicles and systems.

Sensing Solutions, which accounted for approximately 27% of our net revenue in fiscal year 2024, primarily serves the industrial and aerospace industries through the development and manufacture of a broad portfolio of application-specific sensor and electrical protection products used in a diverse range of industrial markets, including the appliance, HVAC, material

handling, operator controls, charging infrastructure, renewable energy generation, and microgrid applications and markets, as well as the aerospace market, including commercial aircraft, defense, and aftermarket markets.

Sensing Solutions offerings include pressure, temperature, and position sensors, motor and compressor protectors, high-voltage contactors, solid state relays, bimetal electromechanical controls, charge controllers, material handling, and power conversion systems. Our products perform many functions, including prevention of damage from excess heat, gas leak detection sensing, or electrical current, optimization of system performance, low-power circuit control, renewable energy generation, and power conversion from DC power to alternating current power.

Our electrical protection devices are critical for the safe operation of appliances that are used in every day life. We believe that we are the industry leader in the residential and commercial heating and cooling equipment markets for switches and sensors that manage the refrigerant loop of an air conditioner.

Our clean energy products and solutions include high-voltage contactors, rectifiers, energy storage systems, and electrical sensing products, that serve the industrial, transportation, stationary, and commercial energy conversion and storage end markets. Applications include those in battery-energy storage, microgrids, and renewable energy generation and storage. Our fiscal year 2022 acquisition of Dynapower was a foundational addition to our clean energy strategy. Dynapower is a leader in power conversion systems, including inverters, converters, and rectifiers for renewable energy generation, electric vehicle charging stations, and microgrid applications, as well as industrial and defense applications. Dynapower also provides aftermarket sales and service to maintain its equipment in the field.

Seasonality

Because of the diverse global nature of the markets in which we operate, our net revenue is only moderately impacted by seasonality. Sensing Solutions experiences some seasonality, specifically in its air conditioning and refrigeration products, which tend to peak in the first two quarters of the year as inventories are built up for spring and summer sales. In addition, Performance Sensing's net revenue tends to be weaker in the third quarter of the year as automotive OEMs retool production lines for the coming model year.

Risk Management

Although a certain degree of risk is inherent in our business, we endeavor to minimize risk to the extent reasonably possible. Refer to discussion under the heading *Risk Factors* for the significant risks facing our business. A summary of the principal categories of risk we face and our strategies to minimize these risks are described below.

Strategic and operational

We take strategic and operational risks (for example through acquisitions, investments in technology, and restructuring actions to optimize our structure) in pursuit of achieving profitable growth and providing shareholder value. We believe these risks are mitigated through the processes described under the heading *Risk Oversight* below.

Compliance

We consider adherence to laws and regulations to be fundamental in our ability to operate. As noted under the heading *Risk Oversight* below, our Audit Committee is responsible for reviewing major legislative and regulatory developments that could materially impact us.

We require our employees to follow applicable laws and regulations and to operate ethically. To this end, we have adopted a Code of Business Conduct and Ethics governing the conduct of our personnel, including our principal executive officer, principal financial officer, principal accounting officer, controller, and persons performing similar functions.

Financial

We are subject to credit, market, and liquidity risks. Credit risk is the risk of our financial loss if a counterparty fails to meet its contractual obligations. We manage our credit risk on cash equivalents by investing in highly rated, marketable instruments and/or financial institutions. Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect our income or the value of our holdings of financial instruments. We manage our market risk by using foreign currency and commodity derivatives that limit our risk to these changes in market prices. Liquidity risk is the risk that we will not be able to meet our financial obligations as they become due. Our approach to managing liquidity risk is to ensure, as far as possible, that we will always have sufficient liquidity to meet our liabilities when due without incurring unacceptable losses or risking damage to our reputation.

For an overview of the principal risks we are subject to, refer to *Note 24: Financial Risk Management Objectives and Policies* in the Financial Statements included elsewhere in this Report.

Financial Reporting

We strive to ensure that our financial reports are free of material misstatements. Under the supervision and with the participation of our management, including our Chief Executive Officer ("CEO"), Chief Financial Officer, and Chief Accounting Officer, we have conducted an evaluation of the effectiveness of our internal control over financial reporting. Our evaluation was based on the framework in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework).

Risk Oversight

Risk is inherent in every business, and how well a business manages risk can ultimately determine its success. We face a number of risks, including economic risks, financial risks, legal risks, regulatory risks, cybersecurity risks and others. Management is responsible for the day-to-day management of risks that we face, while the Board, as a whole and through its committees, has responsibility for the oversight of risk management. In its risk oversight role, the Board has the responsibility to ensure that the risk management processes designed and implemented by management are adequate and functioning as designed.

The Board receives presentations from senior management on strategic matters involving our operations. The Board regularly dedicates a portion of its meeting agenda to discuss the strategy of the Company, including the corresponding risks. In addition, senior management attends Board meetings and is available to address any questions or concerns raised by the Board related to risk management and other matters.

While the Board is ultimately responsible for our risk oversight, the committees of the Board assist the Board in fulfilling its oversight responsibilities in certain areas of risk. The role of each committee in connection with risk oversight is provided in our proxy statement in the section captioned *Board Meetings, Committees of the Board and Board Leadership Structure*.

The Board has delegated to the Audit Committee oversight of our risk management process. Among its duties, the Audit Committee: (a) reviews with management our policies with respect to risk assessment and management of risks that may be material to us, including the risk of fraud; (b) reviews the integrity of our financial reporting processes, both internal and external, including reviewing management's report on its assessment of the effectiveness of internal control over financial reporting as of the end of each fiscal year; (c) reviews our major financial risk exposures and the steps management has taken to monitor and control such exposures; and (d) reviews our compliance with legal and regulatory requirements. The Audit Committee also is responsible for reviewing legislative and regulatory developments that could materially impact our contingent liabilities and risk profile. Other Board committees also consider and address risk as they perform their respective committee responsibilities. All committees report to the Board as appropriate, including when a matter rises to the level of a material or enterprise level risk.

We believe the division of risk management responsibilities described above is an effective approach for addressing the risks facing us and that the Board leadership structure supports this approach.

Risk Factors

The following are important factors that could cause actual results or events to differ materially from those contained in any forward-looking statements made by us or on our behalf. The risks and uncertainties described below are not the only ones we face. Our business is also subject to general risks that affect many other companies. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business, operations, liquidity, and financial condition. If actions taken by management to limit, monitor, or control enterprise risk exposures are not successful, our business and consolidated financial statements could be materially adversely affected.

Business and Operational Risks

Adverse conditions in the industries upon which we are dependent, including the automotive industry, have had, and may in the future have, adverse effects on our business.

We are dependent on market dynamics to sell our products, and our operating results could be adversely affected by cyclical and reduced demand in these markets. Periodic downturns in our customers' industries could significantly reduce demand for certain of our products, which could have a material adverse effect on our results of operations, financial condition, and cash flows.

Much of our business depends on, and is directly affected by, the global automobile industry. Sales in our automotive end markets accounted for approximately 56% of our total net revenue in fiscal year 2024. Declines in demand such as experienced as a result of the COVID-19 pandemic and other adverse developments like those we have seen in past years in the automotive industry, including but not limited to customer bankruptcies and increased demands on us for lower prices, could have adverse effects on our results of operations and could impact our liquidity and our ability to meet restrictive debt covenants. In addition, these same conditions could adversely impact certain of our vendors' financial solvency, resulting in potential liabilities or additional costs to us to ensure uninterrupted supply to our customers.

Because of the prevalence of ICE vehicles today, applications in these vehicles make up most of our current transportation addressable markets (automotive and HVOR). These addressable markets are large today and growing, with expectations that they will continue to grow over the next ten years. However, the automotive market is rapidly changing with the transformation into electrification. Many of the components and subsystems we have historically developed and produced, such as those used in braking, tires, and environmental control from traditional ICE vehicles, will play a significant role in this expansion, as we can convert much of this technology for use in electric vehicle applications. If the pace of customer adoption of EVs slows, and this demand is not replaced by demand of more traditional vehicles served by our core ICE business, our results of operations, financial condition, and cash flows could be materially adversely affected.

We may incur material losses and costs as a result of product liability, warranty, and recall claims that may be brought against us.

We have been, and will continue to be, exposed to product liability and warranty claims in the event that our products actually or allegedly fail to perform as expected, or the use of our products results, or is alleged to result, in death, bodily injury, and/or property damage. Accordingly, we could experience material warranty or product liability losses in the future and incur significant costs to defend these claims. In addition, if any of our products are, or are alleged to be, defective, we may be required to participate in a recall of the underlying end product, particularly if the defect or the alleged defect relates to product safety and/or regulatory non-compliance. Depending on the terms under which we supply products, an OEM may hold us responsible for some or all of the repair or replacement costs of these products under warranty when the product supplied did not perform as represented.

As we continue to develop products containing complex software systems designed to support today's increasingly connected vehicles, these systems result in potential increases to our risks in product safety, regulatory compliance, product liability, warranty, and recall claims. In addition, the warranty period for certain electric vehicle components is generally eight to ten years, which increases our risk for warranty claims over the life of a product.

In addition, a product recall could generate substantial negative publicity about our business and interfere with our manufacturing plans and product delivery obligations as we seek to repair affected products. Our costs associated with product liability, warranty, and recall claims could be material.

We are dependent on market acceptance of our new product introductions and product innovations for future revenue, and we may not realize all of the revenue or achieve anticipated gross margins from products subject to existing awards or for which we are currently engaged in development.

Substantially all markets in which we operate are impacted by technological change or change in consumer tastes and preferences, which are rapid in certain markets. Our operating results depend substantially upon our ability to continually design, develop, introduce, and sell new and innovative products; to modify existing products; and to customize products to meet customer requirements driven by such change. There are numerous risks inherent in these processes, including the risk that we will be unable to anticipate the direction of technological change; that we will be unable to develop and market profitable new products and applications before our competitors or in time to satisfy customer demands; the possibility that investment of significant time and resources will not be successful; the possibility that the marketplace does not accept our products or services; that we are unable to retain customers that adopt our new products or services; and the risk of additional liabilities associated with these efforts.

Our ability to generate revenue from products pending customer awards is subject to a number of important risks and uncertainties, many of which are beyond our control, including the number of products our customers will actually produce, as well as the timing of such production. Many of our customer agreements provide for the supply of a certain share of the customer's requirements for a particular application or platform, rather than for a specific quantity of products. In some cases, we have no remedy if a customer chooses to purchase less than we expect. In cases where customers do make minimum volume commitments to us, our remedy for their failure to meet those minimum volumes may be limited to increased pricing on those products that the customer does purchase from us or renegotiating other contract terms. There is no assurance that such price increases or new terms will offset a shortfall in expected revenue. In addition, some of our customers may have the right to

discontinue a program or replace us with another supplier under certain circumstances. As a result, products for which we are currently incurring development expenses may not be manufactured by our customers at all, or they may be manufactured in smaller amounts than currently anticipated. Therefore, our anticipated future revenue from products relating to existing customer awards or product development relationships may not result in firm orders from customers for the originally contracted amount.

We also incur capital expenditures and other costs and price our products based on estimated production volumes. If actual production volumes were significantly lower than estimated, our anticipated revenue and gross margin from those new products would be adversely affected. We cannot predict the ultimate demand for our customers' products, nor can we predict the extent to which we would be able to pass through unanticipated per-unit cost increases to our customers.

Increasing costs for, or limitations on the supply of or access to, manufactured components and raw materials may adversely affect our business and results of operations.

We use a broad range of manufactured components, subassemblies, and raw materials in the manufacture of our products in both our Performance Sensing and Sensing Solutions segments, including those containing certain commodities (e.g., semiconductors, resins, and metals), which may experience significant volatility in their price and availability due to, among other things, new laws or regulations, including the impact of tariffs, trade barriers, trade disputes, export or sourcing restrictions, economic sanctions, and global economic or political events including government actions, labor strikes, suppliers' allocations to other purchasers, interruptions in production by suppliers, changes in foreign currency exchange rates, and prevailing price levels.

It has historically been difficult to pass increased prices for manufactured components and raw materials to our customers through price increases. Therefore, a significant increase in the price or a decrease in the availability of these items, such as those experienced in the global supply chain shortages of the past few years, could materially increase our operating costs and materially and adversely affect our business and results of operations. The impact of these global supply chain shortages of the past few years, including production delays on a vast and varied number of products across industries and geographies and increased procurement and logistics costs, has been unprecedented. Accordingly, we continue to actively work with our customers to share the inflationary burden of these factors. In addition, where possible, we have been working to adjust our long-term supply agreements, strengthen our relationships with our suppliers, manage inventory on hand, increase visibility into long-term supply and demand, and accelerate the use of alternate materials to increase supply chain visibility. If the future impacts of these shortages are more severe than we currently expect, or if our efforts to share the inflationary burden of these factors do not sufficiently offset our costs, it could result in deterioration of our results.

We have entered into hedge arrangements for certain metals used in our products in an attempt to minimize commodity pricing volatility and may continue to do so from time to time in the future. Such hedges might not be economically successful. In addition, these hedges do not qualify as accounting hedges in accordance with U.S. generally accepted accounting principles. Accordingly, the change in fair value of these hedges is recognized in earnings immediately, which could cause volatility in our results of operations from quarter to quarter.

Restructuring our business or divesting some of our businesses or product lines in the future may have a material adverse effect on our results of operations, financial condition, and cash flows.

In pursuing our corporate strategy, we continue to evaluate the strategic fit of specific businesses and products and occasionally dispose of or exit businesses and products. The success of this strategy is dependent upon our ability to identify appropriate disposition targets, negotiate transactions on favorable terms, and complete transactions. Any divestitures may result in significant write-offs, including those related to goodwill and other intangible assets, which could have a material adverse effect on our results of operations and financial condition. Divestitures could involve additional risks, including difficulties in the separation of operations, services, products, and personnel; the diversion of management's attention from other business concerns; the disruption of our business; and the potential loss of key employees. There can be no assurance that we will be successful in addressing these or any other significant risks encountered.

We also may seek to restructure our business in the future by relocating operations, disposing of certain assets, or consolidating operations. There can be no assurance that any restructuring of our business will not adversely affect our financial condition, leverage, or results of operations. In addition, any significant restructuring of our business will require significant managerial attention, which may be diverted from our other operations.

Labor disruptions or increased labor costs have had, and may in the future have, adverse impacts on our business.

A material labor disruption or work stoppage at one or more of our manufacturing or business facilities could have a material adverse effect on our business. In addition, work stoppages occur relatively frequently in the industries in which many of our customers operate, such as the transportation industry. If one or more of our larger customers were to experience a material work stoppage for any reason, that customer may halt or limit the purchase of our products. This could cause us to reduce production levels or shut down production facilities relating to those products, which could have a material adverse effect on our business, results of operations, and/or financial condition.

We operate in markets that are highly competitive and competitive pressures could require us to lower our prices or result in reduced demand for our products.

We operate in markets that are highly competitive, and we compete on the basis of product performance in mission-critical operating environments, quality, service, reliability, manufacturing footprint, and commercial competitiveness across the industries and end markets we serve. A significant element of our competitive strategy is to design and manufacture high-quality products that meet the needs of our customers at a commercially competitive price, particularly in markets where low-cost, country-based suppliers, primarily in China with respect to the Sensing Solutions segment, have entered the markets or increased their per-unit sales in these markets by delivering products at low cost to local OEMs. In addition, certain of our competitors in the transportation sensor market are influenced or controlled by major OEMs or suppliers, thereby limiting our access to these customers. These customers may choose to develop relationships with additional suppliers or elect to produce some or all of these products internally, primarily to reduce risk of delivery interruptions or as a means of extracting more value from us. Certain of our customers currently have, or may develop in the future, the capability to internally produce the products that we sell to them and may compete with us with respect to those and other products and with respect to other customers.

Many of our customers, including transportation manufacturers and other industrial and commercial OEMs, demand annual price reductions. If we are not able to offset continued price reductions through improved operating efficiencies and reduced expenditures, these price reductions may have a material adverse effect on our results of operations and cash flows. In addition, our customers occasionally require engineering, design, or production changes. In some circumstances, we may be unable to cover the costs of these changes with price increases. Further, as our customers grow larger, they may increasingly require us to provide them with our products on an exclusive basis, which could limit sales, cause an increase in the number of products we must carry and, consequently, increase our inventory levels and working capital requirements. Certain of our customers, particularly in the automotive industry, are increasingly requiring their suppliers to agree to their standard purchasing terms without deviation as a condition to engage in future business transactions, many of which are increasing warranty requirements. As a result, we may find it difficult to enter into agreements with such customers on terms that are commercially reasonable to us.

Security incidents and other disruptions to our information technology ("IT") infrastructure could interfere with our operations, compromise confidential information, and expose us to liability, which could have a material adverse impact on our business and reputation.

In the ordinary course of business, we rely on IT networks and systems, some of which are managed by third parties, to process, transmit, and store electronic information, and to manage or support a variety of business processes and activities.

We are at risk of attack by a growing list of adversaries through increasingly sophisticated methods. Because the techniques used to obtain unauthorized access or sabotage systems change frequently, we may be unable to anticipate these techniques or implement adequate preventative measures. In addition, we may not be able to detect incidents in our IT systems or assess the severity or impact of an incident in a timely manner. We have experienced attacks to our systems and networks and have from time-to-time experienced cybersecurity incidents, such as computer viruses and malware, unauthorized parties gaining access to our IT systems, and similar incidents, which to date have not had a material impact on our business. If we are unable to efficiently and effectively maintain and upgrade our system safeguards, we may incur unexpected costs and certain of our systems may become more vulnerable to unauthorized access. Additionally, we have been an acquisitive organization and the process of integrating the information systems of the businesses we acquire is complex and exposes us to additional risk as we might not adequately identify weaknesses in the targets' information systems, which could expose us to unexpected liabilities or make our own systems more vulnerable to attack.

Despite our cybersecurity measures (including employee and third-party training, monitoring of networks and systems, maintenance of backup and protective systems, and maintenance of cybersecurity insurance), our IT networks and infrastructure may still be vulnerable to damage, disruptions, or shutdowns due to attacks by hackers, breaches, employee error or malfeasance, power outages, computer viruses, malware and ransomware, telecommunication or utility failures, systems failures, natural disasters, or other catastrophic events. We also face the challenge of supporting our older systems and

implementing necessary upgrades.

Moreover, as we continue to develop products containing complex software systems designed to support today's increasingly connected world, these systems also could be susceptible to similar interruptions, including the possibility of unauthorized access. Further, as we transition to offering more cloud-based solutions that are dependent on the internet or other networks to operate with increased users, we may become a greater target for cyber threats, such as malware, denial of service, external adversaries, or insider threats.

These types of incidents affecting us or our third-party vendors could result in intellectual property or other confidential information being lost or stolen, including client, employee, or company data. Any such events could result in legal claims or proceedings, liability or penalties under privacy laws and/or export control laws, disruption in operations, and damage to our reputation, which could materially adversely affect our business. Further, to the extent that any disruption or security incident results in a loss of, or damage to, our data, or an inappropriate disclosure of confidential information, it could cause significant damage to our reputation, affect our relationships with our customers, lead to claims against us, and ultimately harm our business, financial condition, and/or results of operations.

Improper disclosure of confidential, personal, or proprietary data could result in regulatory scrutiny, legal liability, or harm to our reputation. Changes to data protection laws, new customer requirements, and changes to international data transfer rules could impose new burdens.

One of our significant responsibilities is to maintain the security and privacy of our employees' and customers' confidential and proprietary information. We maintain policies, procedures, and technological safeguards designed to protect the security and privacy of this information and regularly review compliance changes in the jurisdictions where Sensata operates. Nevertheless, we cannot eliminate the risk of human error, employee or vendor malfeasance, or cyber-attacks that could result in improper access to or disclosure or transfer of confidential, personal, or proprietary information by Sensata or our supply chain. Such access transfers could harm our reputation and subject us to liability under our contracts and the laws and regulations that protect personal and export-controlled data, resulting in increased costs, loss of revenue, and loss of customers. The release of confidential information could also lead to litigation or other proceedings against us by affected individuals, business partners, or by regulators, and the outcome of such proceedings, which could include penalties or fines, could have a significant negative impact on our business.

In many jurisdictions we are subject to laws and regulations relating to the use of this information. These laws and regulations are changing rapidly, are becoming increasingly complex, and can conflict across the jurisdictions in which we operate. Our failure to adhere to processes in response to changing regulatory requirements could result in legal liability, significant regulator penalties and fines, or impair our reputation in the marketplace.

In addition, laws and regulations for smart vehicles are expected to continue to evolve in numerous jurisdictions globally, which could affect our product portfolio and operations. Further, managing and securing personal and customer data that our products, as well as our partners' products, gather is a new and evolving risk for us.

Our future success depends in part on our ability to attract and retain key senior management and qualified technical, sales, and other personnel.

Our future success depends in part on our continued ability to retain key executives and our ability to attract and retain qualified technical, sales, and other personnel. Significant competition exists for such personnel, and we cannot assure the retention of our key executives, technical, and sales personnel or our ability to attract, integrate, and retain other such personnel that may be required in the future. We cannot assure that employees will not leave and subsequently compete against us. If we are unable to attract and retain key personnel, our business, financial condition, and results of operations could be adversely affected.

We are subject to risks associated with climate change, including increased regulation of GHG emissions, changing consumer preferences and other risks related to our transition to Electrification, and the potential increased impacts of severe weather events on our operations and infrastructure.

Climate change is receiving increasing attention worldwide, which has led to increased stakeholder and societal expectations on companies to address change and significant legislative and regulatory efforts to limit GHG emissions. For example, adoption of GHG or climate change rules in jurisdictions in which we operate facilities could require installation of emission controls, acquisition of emission credits, emission reductions, or other measures that could be costly, and could also impact utility rates and increase the amount we spend annually for energy. Additionally, jurisdictions throughout the world are enacting more stringent disclosure requirements related to climate change impacts of an entity's business. Such increased disclosure

requirements could increase our costs and could result in risks to our reputation or consumer demand for our products if we do not meet increasingly demanding stakeholder expectations and standards.

Changes in consumer preferences due to transitioning to a greener economy may result in increased costs, reduced demand for our ICE products, and reduced profits. Part of our strategy to address these risks includes our transition to EVs, which presents additional risks, including reduced demand for, and therefore profits from, our ICE vehicles, which we are using to fund our growth strategy; higher costs or reduced availability of materials related to EV technologies impacting profitability; and risks related to the success of our EV strategy.

Finally, given the worldwide scope of our supply chain and operations, we and our suppliers face a risk of disruption or operating inefficiencies that may increase costs due to the adverse physical effects of climate change, which are predicted to increase the frequency and severity of weather and other natural events, e.g., tropical cyclones, extended droughts, and extreme temperatures. Climate change could also disrupt our operations by impacting the availability and cost of materials within our supply chain, and could also increase insurance and other operating costs. These factors may impact our decisions to construct new facilities. If a business interruption occurs and we are unsuccessful in our continuing efforts to minimize the impact of these events, our business, results of operations, financial position, and cash flows could be materially adversely affected.

Our business is subject to numerous global risks, including regulatory, political, economic, governmental, and military concerns and instability.

Our business, including our employees, customers, and suppliers, is located throughout the world. We employ approximately 93% of our workforce outside of the U.S. We have many manufacturing, administrative, and sales facilities outside of the U.S. Our subsidiaries located outside of the U.S. generated approximately 60% of our net revenue in fiscal year 2024 (including approximately 18% in China) and we expect sales from non-U.S. markets to continue to represent a significant portion of our total net revenue. International sales and operations are subject to changes in local government regulations and policies, including those related to tariffs and trade barriers, economic sanctions, investments, taxation, exchange controls, and repatriation of earnings.

As a result, we are exposed to numerous global, regional, and local risks that could decrease revenue and/or increase expenses, and therefore decrease our profitability. Such risks may result from instability in economic or political conditions, inflation, recession, and/or actual or anticipated military or political conflicts, and include, without limitation: trade regulations, including customs, import, export, and sourcing restrictions, tariffs, trade barriers, trade disputes, and economic sanctions; changes in local employment costs, laws, regulations, and conditions; difficulties with, and costs for, protecting our intellectual property; challenges in collecting accounts receivable; tax laws and regulatory changes, including examinations by taxing authorities, variations in tax laws from country to country, changes to the terms of income tax treaties, and difficulties in the tax-efficient repatriation of earnings generated or held in a number of jurisdictions; natural disasters; and the impact of each of the foregoing on our business operations, manufacturing, and supply chain.

Other risks are inherent in our non-U.S. operations, including: the potential for changes in socio-economic conditions and/or monetary and fiscal policies; intellectual property protection difficulties and disputes; the settlement of legal disputes through certain foreign legal systems; the collection of receivables; exposure to possible expropriation or other government actions; unsettled political conditions; and possible terrorist attacks. These and other factors may have a material adverse effect on our non-U.S. operations and, therefore, on our business and results of operations. In addition, a scarcity of resources or other hardships caused by a global pandemic may result in increased nationalism, protectionism, and political tensions which may cause governments and/or other entities to take actions that may have a significant negative impact on our ability – and the ability of our suppliers and customers – to conduct business.

We are subject to various risks related to public health crises, which have had, and may in the future have, material and adverse impacts on our business, financial condition, liquidity, and results of operations.

Any outbreaks of contagious diseases and other adverse public health developments in countries where we operate could have a material and adverse impact on our business, financial condition, liquidity, and results of operations. As has occurred with the COVID-19 pandemic, a global pandemic could cause significant disruption to the global economy, including in all of the regions in which we, our suppliers, distributors, business partners, and customers do business and in which our workforce is located. A global pandemic and efforts to manage it, including those by governmental authorities, could have significant impacts on global markets, and could have a significant, negative impact on our sales and operating results. Disruptions could include: 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. The COVID-19 pandemic has had, and could continue to have, these effects on the economy and our business.

Additionally, the impacts described above and other impacts of a global pandemic, including responses to it, could substantially increase the risk to us from the other risks described in this *Item 1A: Risk Factors*.

In connection with the implementation of our corporate strategies, we face risks associated with the acquisition of businesses, the integration of acquired businesses, and the growth and development of these businesses.

In pursuing our corporate strategy, we have in the past, and may in the future, acquire other businesses. The success of this strategy is dependent upon our ability to identify appropriate acquisition targets, negotiate transactions on favorable terms, complete transactions, and successfully integrate them into our existing businesses. There can be no assurance that we will realize the anticipated synergies or cost savings related to acquisitions, including, but not limited to, revenue growth and operational efficiencies, or that they will be achieved in our estimated timeframe. We may not be able to successfully integrate and streamline overlapping functions from future acquisitions, and integration may be more costly to accomplish than we expect. There is also no guarantee that the acquired businesses will perform according to the business case used in justifying the acquisition. In addition, we could encounter difficulties in managing our combined company due to its increased size and scope.

Subject to the terms of our indebtedness, we may finance future acquisitions with cash from operations, additional indebtedness, and/or by issuing additional equity securities. In addition, we could face financial risks associated with incurring additional indebtedness such as reducing our liquidity, limiting our access to financing markets, and increasing the amount of service on our debt. The availability of debt to finance future acquisitions may be restricted, and our ability to make future acquisitions may be limited. Refer to separate risk factor for additional information related to risks regarding our level of indebtedness.

In addition, many of the businesses that we acquire and develop will likely have significantly smaller scales of operations prior to the implementation of our growth strategy. If we are not able to manage the growing complexity of these businesses, including improving, refining, or revising our systems and operational practices, and enlarging the scale and scope of the businesses, our business may be adversely affected. Other risks include developing knowledge of and experience in the new business, integrating the acquired business into our systems and culture, recruiting professionals, and developing and capitalizing on new relationships with experienced market participants. External factors, such as compliance with new or revised regulations, competitive alternatives, and shifting market preferences may also impact the successful implementation of a new line of business. Failure to manage these risks in the acquisition or development of new businesses could materially and adversely affect our business, results of operations, and financial condition.

Financial Risks

We are exposed to fluctuations in currency exchange rates that could negatively impact our financial results and cash flows.

Our reporting currency is the U.S. dollar ("USD"). We derive a significant portion of our net revenue from and incur expenses in markets outside the U.S. For financial reporting purposes, the functional currency of all of our subsidiaries has historically been the USD because of the significant influence of the USD on our operations. In fiscal year 2023, as a result of significant changes in economic facts and circumstances in the operations of our China foreign entities, the functional currency of our wholly-owned subsidiaries in China changed to the Chinese Renminbi ("CNY"). The changes in economic facts and circumstances caused a permanent change to our strategy in China toward a more self-contained model making China the primary economic environment in which these subsidiaries operate.

A portion of our net revenue, expenses, receivables, and payables are denominated in currencies other than our functional currency. At the date that a transaction denominated in a currency other than our functional currency is recognized, each asset, liability, revenue, expense, gain, or loss arising from the transaction is measured and recorded in the functional currency using the exchange rate in effect at that date. At each balance sheet date, recorded monetary balances denominated in currency other than the functional currency are adjusted to the functional currency using the exchange rate at the balance sheet date, with gains or losses recognized in other, net in the consolidated statements of operations.

We, therefore, face exposure to adverse movements in exchange rates of these currencies, which may change over time and could affect our financial results and cash flows.

Our level of indebtedness could adversely affect our financial condition and our ability to operate our business, including our ability to service our debt and/or comply with the related covenants.

As of December 31, 2024, we had \$3,223.4 million of gross outstanding indebtedness, including various tranches of senior unsecured notes (the "Senior Notes"). The credit agreement governing our secured credit facility (as amended, supplemented, waived, or otherwise modified, the "Credit Agreement") provides for senior secured credit facilities (the "Senior Secured Credit

Facilities") consisting of a term loan facility (the "Term Loan"), a \$750.0 million revolving credit facility (the "Revolving Credit Facility"), and incremental availability (the "Accordion") under which additional secured credit facilities could be issued under certain circumstances. In fiscal year 2023, we repaid the remaining balance on the Term Loan. Refer to *Note 14: Borrowings* of our Financial Statements included elsewhere in this Report for additional information related to our outstanding indebtedness.

Our substantial indebtedness could have important consequences. For example, it could make it more difficult for us to satisfy our debt obligations; restrict us from making strategic acquisitions; limit our ability to repurchase shares; limit our flexibility in planning for, or reacting to, changes in our business and future business opportunities, thereby placing us at a competitive disadvantage if our competitors are not as highly-leveraged; increase our vulnerability to general adverse economic and market conditions; or require us to dedicate a substantial portion of our cash flows from operations to payments on our indebtedness if we do not maintain specified financial ratios or are not able to refinance our indebtedness as it comes due, thereby reducing the availability of our cash flows for other purposes. In addition, the Accordion permits us to incur additional secured credit facilities in certain circumstances in the future, subject to certain limitations as defined in the indentures under which the Senior Notes were issued. This could allow us to issue additional secured debt or increase the capacity of the Revolving Credit Facility. If we increase our indebtedness by borrowing under the Revolving Credit Facility or incur other new indebtedness under the Accordion, the risks described above would increase.

We cannot guarantee that we will be able to obtain enough capital to service our debt and fund our planned capital expenditures and business plan. If we complete additional acquisitions, our debt service requirements could also increase. If we cannot service our indebtedness, we may have to take actions such as selling assets, seeking additional equity financing, or reducing or delaying capital expenditures, strategic acquisitions, investments, and alliances, any of which could have a material adverse effect on our operations. Additionally, we may not be able to complete such actions, if necessary, on commercially reasonable terms, or at all.

If we experience an event of default under any of our debt instruments that is not cured or waived, the holders of the defaulted debt could cause all amounts outstanding with respect to the debt to become due and payable immediately, which, in turn, could result in cross-defaults under our other debt instruments. Our assets and cash flows may not be sufficient to fully repay borrowings if accelerated upon an event of default. If, when required, we are unable to repay, refinance, or restructure our indebtedness under, or amend the covenants contained in, the Credit Agreement, or if a default otherwise occurs, the lenders under the Senior Secured Credit Facilities could: elect to terminate their commitments thereunder; cease making further loans; declare all borrowings outstanding, together with accrued interest and other fees, to be immediately due and payable; institute foreclosure proceedings against those assets that secure the borrowings under the Senior Secured Credit Facilities; and prevent us from making payments on the Senior Notes. Any such actions could force us into bankruptcy or liquidation, and we might not be able to repay our obligations in such an event.

Changes in government trade policies, including the imposition of tariffs, may have a material impact on our results of operations.

We evaluate all trade policies that impact us, and we adjust our operational strategies to mitigate the impact of these policies. However, trade policies, including quotas, duties, tariffs, taxes, or other restrictions on the import or export of our products, are subject to change, and we cannot ensure that any mitigation strategies employed will remain available in the future or that we will be able to offset tariff-related costs or maintain competitive pricing of our products. The adoption and expansion of trade restrictions, the occurrence of a trade war, or other governmental action related to tariffs or trade agreements or policies has the potential to adversely impact demand for our products, our costs, our customers, our suppliers, and the global economy, which in turn could have a material adverse effect on our business, operating results, and financial condition.

Existing duty reduction and deferral programs, such as free-trade agreements, duty drawback, and inward processing relief, provide beneficial impacts to our duties and tariffs for qualifying imports and exports, subject to compliance with each program's unique requirements. Changes in laws or policies governing the terms of these duty reduction and deferral programs could have a material adverse effect on our business and financial results. In addition, most of our facilities in Mexico operate under the Mexican Maquiladora program. This program provides for reduced tariffs and eased import regulations; we could be adversely affected by changes in such program, or by our failure to comply with its requirements.

Further tariffs may be imposed on other imports of our products. For example, effective February 4, 2025, the U.S. announced additional tariffs for goods imported into the U.S. from Mexico, Canada, and China beginning in Q1 2025. We cannot predict what additional actions may ultimately be taken by the U.S. or other governments with respect to tariffs or trade relations and our business may be further impacted by retaliatory trade measures taken by other countries in response to existing or future U.S. tariffs or other measures (e.g., subsidies). We may raise our prices on products subject to such tariffs to share the cost with our customers, which could harm our operating performance or cause our customers to seek alternative suppliers. In addition,

we may seek to shift some of our manufacturing to other countries, which could result in additional costs and disruption to our operations. We also sell our products globally and, therefore, our export sales could be impacted by the tariffs. Any material reduction in sales may have a material adverse effect on our results of operations.

We have recorded a significant amount of goodwill and other identifiable intangible assets, and we may be required to recognize goodwill or intangible asset impairments, which would reduce our earnings.

We have recorded a significant amount of goodwill and other identifiable intangible assets. Goodwill, which represents the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized, and other identifiable intangible assets were recognized at fair value as of the corresponding acquisition date.

In 2024, impairment indicators were identified that suggested the carrying value of the Dynapower cash generating unit could exceed its fair values. Accordingly, we evaluated the Dynapower cash generating unit for impairment and determined that our Dynapower cash generating unit was impaired. This impairment was primarily driven by a lower long-range financial forecast resulting from specific discrete events that changed the timing of our forecasted performance. If Dynapower does not achieve the forecasted future cash flows, there is a possibility that additional impairments of goodwill may be recognized in the future.

Additional impairment of goodwill or other identifiable intangible assets may result from, among other things, deterioration in our performance, adverse market conditions, adverse changes in laws or regulations, significant unexpected or planned changes in the use of assets or future changes to go-to-market or product offerings strategy, and a variety of other factors. We consider a combination of quantitative and qualitative factors to determine whether a cash generating unit is at risk of failing the goodwill impairment test, including: the timing of our most recent quantitative impairment tests and the relative amount by which a cash generating unit's recoverable value exceeded its then carrying value, the inputs and assumptions underlying our valuation models and the sensitivity of our fair value measurements to those inputs and assumptions, the impact that adverse economic or market conditions may have on the degree of uncertainty inherent in our long-term operating forecasts, and changes in the carrying value of a cash generating unit's net assets from the time of our most recent goodwill impairment test.

The amount of any quantified impairment must be expensed immediately as a charge that is included in operating income, which may impact our ability to raise capital. Should certain assumptions used in the development of the fair value of our other cash generating units change, we may be required to recognize additional impairments of goodwill or other intangible assets.

Refer to *Note 11: Goodwill and Other Intangible Assets*, Net of our Financial Statements included elsewhere in this Report for additional information related to our goodwill and other identifiable intangible assets and the Dynapower impairment charge.

Our global effective tax rate is subject to a variety of different factors that could create volatility in that tax rate, expose us to greater than anticipated tax liabilities, or cause us to adjust previously recognized tax assets and liabilities.

We are subject to income taxes in the United Kingdom (the "U.K."), China, Mexico, the U.S., and many other jurisdictions. As a result, our global effective tax rate from period to period can be affected by many factors, including changes in tax legislation, changes in tax rates and tax laws, our jurisdictional mix of earnings, the use of global funding structures, the tax characteristics of our income, the effects on our revenues and costs of complying with transfer pricing requirements under differing laws of various countries, consequences of acquisitions and dispositions of businesses and business segments, the generation of sufficient future taxable income to realize our deferred tax assets, and the taxation of subsidiary income in the jurisdiction of its parent company regardless of whether or not distributed. Significant judgment is required in determining our worldwide provision for (or benefit from) income taxes, and our determination of the amount of our tax liability is always subject to review by applicable tax authorities. Refer to *Note 7: Income Taxes* of our Financial Statements included elsewhere in this Report for additional information related to our accounting for income taxes.

We cannot provide any assurances as to what our tax rate will be in any period because of, among other things, uncertainty regarding the nature and extent of our business activities in any particular jurisdiction in the future and the tax laws of such jurisdictions, as well as changes in U.S. and other tax laws, treaties, and regulations, in particular related to proposed tax laws by the U.S. or other governments, which could increase our tax liabilities. Our actual global tax rate may vary from our expectation and that variance may be material. We continually monitor all global regulatory developments and consider alternatives to limit their detrimental impacts. However, not all unfavorable developments can be moderated, and we may consequently experience adverse effects on our effective tax rate and cash flows.

For example, the European Commission (the "EC") has been conducting investigations of state aid and have focused on whether EU sovereign country laws or rulings provide favorable treatment to taxpayers conflicting with its interpretation of EU

law. EC findings may have retroactive effect and can cause increases in tax liabilities where we considered ourselves in full compliance with local legislation.

We could be subject to future audits conducted by both foreign and domestic tax authorities, and the resolution of such audits could impact our tax rate in future periods, as would any reclassification or other changes (such as those in applicable accounting rules) that increases the amounts we have provided for income taxes in our consolidated financial statements. There can be no assurance that we would be successful in attempting to mitigate the adverse impacts resulting from any changes in law, audits, and other matters. Our inability to mitigate the negative consequences of any changes in the law, audits, and other matters could cause our global tax rate to increase, our use of cash to increase, and our financial condition and results of operations to suffer.

We are a holding company and, therefore, may not be able to receive dividends or other payments in needed amounts from our subsidiaries.

We are organized as a holding company, a legal entity that is separate and distinct from our operating entities. As a holding company without significant operations of its own, our principal assets are the shares of capital stock of our subsidiaries. We rely on dividends, interest, and other payments from these subsidiaries to meet our obligations for paying principal and interest on outstanding debt, repurchasing ordinary shares, and corporate expenses. Certain of our subsidiaries are subject to regulatory requirements of the jurisdictions in which they operate or other restrictions that may limit the amounts that subsidiaries can pay in dividends or other payments to us. No assurance can be given that there will not be further changes in law, regulatory actions, or other circumstances that could restrict the ability of our subsidiaries to pay dividends or otherwise make payments to us. Furthermore, no assurance can be given that our subsidiaries may be able to make timely payments to us in order for us to meet our obligations.

Legal and Regulatory Risks

We could be adversely affected by violations of the U.S. Foreign Corrupt Practices Act (the "U.S. FCPA"), the U.K.'s Bribery Act, and similar worldwide anti-bribery laws.

The U.S. FCPA, the U.K.'s Bribery Act, and similar worldwide anti-bribery laws generally prohibit companies and their intermediaries from making improper payments to government officials for the purpose of obtaining or retaining business. Our policies mandate compliance with these anti-bribery laws. We operate in many parts of the world that have experienced governmental corruption to some degree, and in certain circumstances, strict compliance with anti-bribery laws may conflict with local customs and practices. Despite our training and compliance program, we cannot provide assurance that our internal control policies and procedures will protect us from reckless or criminal acts committed by our employees or agents. Violations of these laws, or allegations of such violations, could disrupt our business and result in a material adverse effect on our results of operations, financial condition, and/or cash flows.

Changes in existing environmental or safety laws, regulations, and programs could reduce demand for our products, which could cause our revenue to decline.

A significant amount of our business is generated either directly or indirectly as a result of existing laws, regulations, and programs related to environmental protection, fuel economy, energy efficiency, and safety regulation. Accordingly, a relaxation or repeal of these laws and regulations, or changes in governmental policies regarding the funding, implementation, or enforcement of these programs, could result in a decline in demand for environmental and/or safety products, which may have a material adverse effect on our revenue.

Our operations expose us to the risk of material environmental liabilities, litigation, government enforcement actions, and reputational risk.

We are subject to numerous federal, state, and local environmental protection and health and safety laws and regulations in the various countries where we operate and where our products are sold. These laws and regulations govern, among other things, the generation, storage, use, and transportation of hazardous materials; emissions or discharges of substances into the environment; investigation and remediation of hazardous substances or materials at various sites; GHG emissions; product hazardous material content; and the health and safety of our employees.

We may not have been, or we may not always be, in compliance with all environmental and health and safety laws and regulations. If we violate these laws, we could be fined, criminally charged, or otherwise sanctioned by regulators. In addition, environmental and health and safety laws are becoming more stringent, resulting in increased costs and compliance burdens.

Certain environmental laws assess liability on current or previous owners or operators of real property for the costs of investigation, removal, and remediation of hazardous substances or materials at their properties or properties at which they have disposed of hazardous substances. Liability for investigation, removal, and remediation costs under certain federal and state laws is retroactive, strict, and joint and several. In addition to cleanup actions brought by governmental authorities, private parties could bring personal injury or other claims due to the presence of, or exposure to, hazardous substances.

We cannot provide assurance that our costs of complying with current or future environmental protection and health and safety laws, or our liabilities arising from past or future releases of, or exposures to, hazardous substances will not exceed our estimates or adversely affect our results of operations, financial condition, and cash flows, or that we will not be subject to additional environmental claims for personal injury, property damage, and/or cleanup in the future based on our past, present, or future business activities.

In addition, our products are subject to various requirements related to chemical usage, hazardous material content, and recycling. The EU, China, and other jurisdictions in which our products are sold have enacted, or are proposing to enact, laws addressing environmental and other impacts from product disposal, use of hazardous materials in products, use of chemicals in manufacturing, recycling of products at the end of their useful life, and other related matters. These laws include but are not limited to the EU RoHS, ELV, and Waste Electrical and Electronic Equipment Directives; the EU REACH regulation; the German Explosives Act; and the China law on Management Methods for Controlling Pollution by Electronic Information Products. These laws prohibit the use of certain substances in the manufacture of our products and directly and indirectly impose a variety of requirements for modification of manufacturing processes, registration, chemical testing, labeling, and other matters. These laws continue to proliferate and expand in these and other jurisdictions to address other materials and aspects of our product manufacturing and sale. These laws could make the manufacture or sale of our products more expensive or impossible, could limit our ability to sell our products in certain jurisdictions, and could result in liability for product recalls, penalties, or other claims.

Export of our products is subject to various export control regulations and may require a license for export. Any failure to comply with such regulations could result in governmental enforcement actions, fines, penalties, loss of export privileges, or other remedies, which could have a material adverse effect on our business, results of operations, and financial condition.

We are subject to compliance with laws and regulations controlling the import and export of goods, services, software, and technical data. Certain of our products are subject to export regulations of the various jurisdictions in which we operate (“Controlled Items”). The export of many such Controlled Items requires a license from the applicable government agency. Licensing decisions are made based on type of product, its destination, end use, end user, the parties involved in the transaction, national security, and foreign policy. As a result, export license approvals are not guaranteed. We have a trade compliance team and other systems in place to apply for licenses and otherwise comply with import and export regulations. Any failure to maintain compliance with such regulations could limit our ability to import or export raw material and finished goods. These laws and regulations are subject to change, and any such change may limit or exclude existing or future business opportunities, require us to change technology, or incur expenditures to comply with such laws and regulations.

We have discovered in the past, and may discover in the future, deficiencies in our trade compliance program. Although we continue to enhance our trade compliance program, we cannot guarantee that any such enhancements will ensure full compliance with applicable laws and regulations at all times, or that applicable authorities will not raise compliance concerns or perform audits to confirm our compliance with applicable laws and regulations. Any failure by us to comply with applicable laws and regulations could result in governmental enforcement actions, fines, penalties, criminal and/or civil proceedings, or other remedies, any of which could have a material adverse effect on our business, results of operations, and/or financial condition.

Our ability to compete effectively depends, in part, on our ability to maintain the proprietary nature of our products and technology.

The electronics industry is characterized by litigation regarding patent and other intellectual property rights. Within this industry, companies have become more aggressive in asserting and defending patent claims against competitors. There can be no assurance that we will not be subject to future litigation alleging infringement or invalidity of certain of our intellectual property rights, or that we will not have to pursue litigation to protect our property rights. Depending on the importance of the technology, product, patent, trademark, or trade secret in question, an unfavorable outcome regarding one of these matters may have a material adverse effect on our results of operations, financial condition, and/or cash flows.

We may be subject to claims that our products or processes infringe on the intellectual property rights of others, which may cause us to pay unexpected litigation costs or damages, modify our products or processes, or prevent us from selling our products.

Third parties may claim that our processes and products infringe their intellectual property rights. Whether or not these claims have merit, we may be subject to costly and time-consuming legal proceedings, and this could divert management's attention from operating our business. If these claims are successfully asserted against us, we could be required to pay substantial damages, make future royalty payments, and/or could be prevented from selling some or all of our products. We also may be obligated to indemnify our business partners or customers in any such litigation. Furthermore, we may need to obtain licenses from these third parties or substantially re-engineer or rename our products in order to avoid infringement. In addition, we might not be able to obtain the necessary licenses on acceptable terms, or at all, or be able to re-engineer or rename our products successfully. If we are prevented from selling some or all of our products, our sales could be materially adversely affected.

We are a defendant to a variety of litigation in the course of our business that could cause a material adverse effect on our results of operations, financial condition, and/or cash flows.

In the normal course of business, we are, from time to time, a defendant in litigation, including litigation alleging the infringement of intellectual property rights, anti-competitive behavior, product liability, breach of contract, and employment-related claims. In certain circumstances, patent infringement and antitrust laws permit successful plaintiffs to recover treble damages. The defense of these lawsuits may divert our management's attention, and we may incur significant expenses in defending these lawsuits. In addition, we may be required to pay damage awards or settlements, or become subject to injunctions or other equitable remedies, that could cause a material adverse effect on our results of operations, financial condition, and/or cash flows.

We have identified material weaknesses in our internal control over financial reporting. These material weaknesses could in the future adversely affect our ability to report our results of operations and financial condition accurately and in a timely manner.

We have identified material weaknesses in our internal control over financial reporting and those weaknesses have led to a conclusion that our internal control over financial reporting and disclosure controls and procedures were not effective as of December 31, 2024 or 2023. We did not specify objectives with sufficient clarity to enable an appropriate level of risk assessment and monitoring. Additionally, our control activities did not adequately establish policies, procedures, information protocols and communications to design and operate effective control, due in part, to a lack of appropriate accounting personnel, impacting areas such as inventory and account reconciliation processes in our Americas Accounting and Shared Services teams located in Mexico. Our management is taking action to remediate the deficiencies in its internal controls over financial reporting by developing a remediation plan, which could include the engagement of third-party consultants to evaluate and help formalize internal controls design and framework; the completion of a risk assessment to determine areas within the internal control structure to strengthen, document and execute; and the augmentation, reorganization or replacement of personnel where necessary to ensure appropriate levels of knowledge and execution to support internal control structure assessment, design, and execution.

If actions to remediate these material weaknesses are not completed on a timely basis, or if other remediation efforts are not successful, we may, in the future, identify additional internal control deficiencies that could rise to the level of a material weakness, or uncover errors in financial reporting.

Failure to have effective internal control over financial reporting and disclosure controls and procedures could impair our ability to produce accurate financial statements on a timely basis, or provide reliable financial statements needed for business decision processes, and our business and results of operations could be harmed. Additionally, investors could lose confidence in our reported financial information and our ability to obtain additional financing, or additional financing on favorable terms, could be adversely affected. Also, failure to maintain effective internal control over financial reporting could result in sanctions by regulatory authorities, and our independent registered public accounting firm may not be able to attest that such internal controls are effective when they are required to do so.

Non-Financial Information and Sustainability Information Statement

Refer to discussion under the heading *The Company* included elsewhere in this *Strategic Report* for a brief description of our business. Also refer to the sections below for additional non-financial information regarding environmental regulations, our employees, social and human rights matters, and ethics.

Environmental and Governmental Regulations

Our operations and facilities are subject to numerous environmental, health, and safety laws and regulations, both domestic and foreign, including those governing air emissions, chemical usage, water discharges, the management and disposal of hazardous substances and wastes, and the cleanup of contaminated sites. We are not aware of any threatened or pending material environmental investigations, lawsuits, or claims involving us or our operations.

Many of our products are governed by material content restrictions and reporting requirements, examples of which include: European Union ("EU") regulations, such as Registration, Evaluation, Authorization, and Restriction of Chemicals ("REACH"), Restriction of Hazardous Substances ("RoHS"), and End of Life Vehicle ("ELV"); U.S. regulations, such as the conflict minerals requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act; and similar regulations in other countries, such as the German Explosives Act. Further, numerous customers across all end markets require us to provide declarations of compliance or, in some cases, extra material content documentation as a requirement of doing business with them.

We maintain a Global ESH Policy, which can be found on our website (www.sensata.com). We consistently comply with applicable ESH regulations as well as customer, community, and other requirements. We commit to continual improvement of our operations, progressively reducing the potential ESH impact of our activities, by focusing on: the health, safety, and productivity of employees and processes; efficient use of natural resources; and prevention of pollution. Refer to discussion under the heading *Risk Management* elsewhere in this *Strategic Report* for a description of the principal risks related to environmental matters.

We are subject to compliance with laws and regulations controlling the import and export of goods, services, software, and technical data. Certain of our products are subject to export regulations of the various jurisdictions in which we operate ("Controlled Items"). The export of many such Controlled Items requires a license from the applicable government agency. Licensing decisions are made based on the type of product, its destination, end use, end user, the parties involved in the transaction, national security, and foreign policy. As a result, export license approvals are not guaranteed. We have a trade compliance team and other systems in place to apply for licenses and otherwise comply with import and export regulations. Any failure to maintain compliance with such regulations could limit our ability to import or export raw materials and finished goods. These laws and regulations are subject to change, and any such change may limit or exclude existing or future business opportunities, require us to change technology, or incur expenditures to comply with such laws and regulations.

Compliance with environmental and governmental regulations and meeting customer requirements have increased our cost of doing business in various ways and may continue to do so in the future. We do not currently anticipate material capital expenditures during fiscal year 2025 for environmental control facilities. We also do not believe that existing or pending legislation, regulation, or international treaties or accords, whether related to environmental or other government regulations, are reasonably likely to have a material adverse effect in the foreseeable future on our business or the markets we serve, nor on our results of operations, capital expenditures, earnings, competitive position, or financial standing.

Employees

Our employees, whom we refer to as Team Sensata, are responsible for upholding our purpose – to help our customers and partners deliver a safer, cleaner, and more efficient world – and they embody our values in all aspects of daily work. Our corporate values are the essence of our identity, provide a level-set foundation, and are an important way for us to improve our culture. Our values include passion, excellence, integrity, flexibility, and teamwork—working together towards common goals, the latter of which we refer to as "One Sensata." In various countries, local law requires our participation in works councils. We believe that our relations with our employees are good.

The following table presents a summary of our employee population as of December 31, 2024:

(in thousands)	Total	U.S. Based	Female	Covered by Collective Bargaining
Employees	19.0	1.4	10.6	0.2
Contractors ⁽¹⁾	2.7	0.1	1.3	—

⁽¹⁾ We engage contract workers in multiple locations, primarily to cost-effectively manage variations in manufacturing volume, but also to perform engineering and other general services. Includes approximately 2,300 direct labor contract workers worldwide.

One of our key areas of prioritization is to empower our workforce through promotion of a culture that values inclusion and diversity and prioritizes employee well-being and safety.

Belonging at Sensata

We believe in treating all people with respect and dignity. Each person brings unique value through their varying backgrounds and life experiences, no matter their age, race, color, disability, ethnicity, family or marital status, gender identity or expression, language, national origin, physical or mental ability, political affiliation, religion, sexual orientation, socio-economic status, veteran status, and other characteristics that make our employees unique. It is our policy and practice to hire and employ qualified individuals without regard to these characteristics.

We strive to create and foster a supportive and understanding environment in which ideas are shared freely, helping all individuals realize their maximum potential within Sensata. An inclusive culture is fundamental to innovation and problem-solving, improving our ability to innovate, and is vital to our business.

We sponsor various employee resource groups (“ERGs”), groups of employees that come together to work strategically, both internally and externally, to benefit and advance their group members by fostering awareness, respect, and inclusion within the workplace. Our ERGs provide our employees meaningful community and global engagement, networking and mentoring opportunities, and an inclusive workplace culture. Through interaction with these groups, senior leadership can identify emerging and high-potential talent, acquire cultural knowledge, hear directly from employees who face challenges inherent in underrepresented groups, and strengthen diversity management skills.

As discussed under the heading *Risk Management* included elsewhere in this *Strategic Report*, the loss of key employees or material work stoppages at our or our customers' manufacturing or business sites could have a material adverse impact on our financial condition and results of operations. Refer to discussion under the heading *Risk Management* included elsewhere in this *Strategic Report* for a description of additional principal risks related to our employee matters.

As of December 31, 2024, we had ten non-executive directors and one executive director (the CEO). The ten non-executive directors consisted of two female directors and eight male directors. The female non-executive directors include the chair of the Audit Committee. The executive director is also female.

As of December 31, 2024, we had eight senior managers (defined as employees of the Company who have responsibility for planning, directing, or controlling the activities of the Company, or a strategically significant part of the Company, including the CEO, who is also an executive director). Three of these senior managers, including our CEO, are female and six are male. We believe our management team has the experience necessary to effectively execute our strategy and advance our product and technology leadership. Our CEO and business leaders average approximately 25 years of industry experience. They are supported by an experienced and talented management team who is dedicated to maintaining and expanding our position as a global leader in the industry. Refer to discussion under the heading *Risk Management* included elsewhere in this *Strategic Report* for additional information on the risks relating to the attraction and retention of management and executive management employees.

Social and Human Rights Matters

We have policies related to our position on various social and human rights matters, including child labor, forced labor, human trafficking, health and safety, non-discrimination, and environmental matters. Each of these policies can be found on our website at www.sensata.com. Our human rights expectations apply to all our personnel, business partners, and other parties involved directly in our operations, products, or services.

We are committed to responsible corporate practices in the area of human rights and working conditions and we respect the United Nations Guiding Principles for Business and Human Rights (2011) and its principles within our operations and supply chains. We also align with practices recommended by industry standards such as the Global Automotive Sustainability Practical Guidance and the RBA Code of Conduct, which incorporate the International Bill of Human Rights, namely the Universal Declaration of Human Rights (1948), the International Covenant on Economic, Social and Cultural Rights and the International Covenant on Civil and Political Rights and its two Optional Protocols (1966).

We also adhere to the principles set forth in the fundamental International Labor Organization ("ILO") Conventions, namely the Forced Labor Convention (1930), the Minimum Age Convention (1973), the Worst Forms of Child Labor Convention (1999), and the ILO Declaration on Fundamental Principles and Rights at Work (1998). The working conditions of our employees are, at minimum, in compliance with internationally recognized labor standards and the laws of the countries we operate in. When national law directly conflicts with international human rights standards or does not fully comply with them, we seek ways to respect internationally recognized human rights.

Employee Engagement

Our long-term success depends on hiring, retaining, training, rewarding, and engaging employees. We strive to retain and engage employees by providing competitive pay and benefits packages, a challenging and rewarding work experience, and by consistently connecting how integral their work is to Sensata's larger purpose and to the work we do as a company. We survey our employees semi-annually to understand where we are succeeding and how we can initiate improvements in these areas.

We focus our employee communications on continual engagement, providing updates on our business, technology, and workforce, including learning opportunities. We work to provide our employees with information to help them feel connected to the business and company strategy and purpose, what we are doing to be a responsible corporate citizen and community neighbor, and how we add value to our customers and investors.

We recognize the importance of supporting our employees' health and well-being. Accordingly, we regularly review our benefit offerings with external advisers with deep industry expertise in risk insurance, health insurance, and other employee benefits for advice and market expertise. We are committed to providing comprehensive and competitive benefits packages that attract, retain, and enhance the well-being of our employees by supporting their physical, financial, and emotional wellness. Our benefits include an array of quality health and income protection benefits. Some benefits are provided automatically at no cost to employees, while the cost of other benefits is shared between the employee and Sensata.

Our employees' health, safety, and well-being are a high priority and integral to our values. We consider safety a core value embedded in the decisions we make across the company to protect our employees, business partners, and local communities.

Learning and Development

We believe that continued success in executing our business strategy requires us to provide a broad range of learning and development programs and opportunities to our employees. We offer our employees an online global learning management system ("Sensata Learning") that enables them to access live virtual and on-demand training. In fiscal year 2024, employees completed over 96,000 hours of training spanning various required learning and professional development topics, including a range of courses on diversity, inclusion, and ethics.

We have an integrated performance management process containing annual goal setting and periodic formal and informal reviews and check-ins, ensuring that our employees are provided continual feedback on their performance regarding goals and competencies. We also have templates for giving feedback anytime to employees, typically tied to performance as part of their role, projects, and deliverables which help foster transparency and delivery of real-time feedback.

In addition, we have a robust talent and succession planning process and have established programs to support the development of our talent pipeline for critical roles in management, engineering, and operations. On an annual basis, we conduct a leadership review process with our chief executive officer, chief administrative officer, and business and functional leaders to identify key talent for additional development opportunities and programs. This helps ensure optimal use of the talent for the benefit of both the employee and Sensata.

Code of Business Conduct and Ethics

We have adopted a Code of Business Conduct and Ethics governing the conduct of our personnel, including our principal executive officer, principal financial officer, principal accounting officer, and controller, and persons performing similar functions. Our Code of Business Conduct and Ethics is modified from time to time and is available on the investor relations page of our website at www.sensata.com under *Corporate Governance*. We have a three-part annual training covering the topics discussed in the Code of Business Conduct and Ethics on Sensata Learning, our online global learning management system.

We hold an annual "Integrity Week," which focuses on integrity as a core value of the organization and underscores our commitment to operating responsibly, one of the four key priority areas outlined in our Sustainability Report. Integrity is at the core of what we do—from how we govern ourselves to how we conduct our business and manage relationships with our stakeholders. The most recent Integrity Week, in fiscal year 2024, focused on "Integrity in a Changing World." By sharing best practices and stories from their professional journeys, various executives and site leaders at Sensata illustrated how integrity is not just about doing the right thing but how it is intrinsic to delivering value and sustainability for our company, environment, and communities.

The U.S. FCPA, the U.K.'s Bribery Act, and similar worldwide anti-bribery laws generally prohibit companies and their intermediaries from making improper payments to government officials for the purpose of obtaining or retaining business. Our policies mandate compliance with these anti-bribery laws. We operate in many parts of the world that have experienced

governmental corruption to some degree, and in certain circumstances, strict compliance with anti-bribery laws may conflict with local customs and practices. Despite our training and compliance program, we cannot provide assurance that our internal control policies and procedures will protect us from reckless or criminal acts committed by our employees or agents. Violations of these laws, or allegations of such violations, could disrupt our business and result in a material adverse effect on our results of operations, financial position, and/or cash flows.

Section 172(1) Statement

The following disclosures describe how the directors have responded to the matters set out in Section 172(1)(a) to (f) of the Companies Act 2006.

Corporate Governance Guidelines

The Board has adopted Corporate Governance Guidelines which are intended to promote effective and transparent functioning of the Board and its committees and to set forth a common set of expectations as to how the Board should perform its functions. These Corporate Governance Guidelines can be found on our website at www.sensata.com. These Corporate Governance Guidelines are in addition to, and should be interpreted in accordance with, any requirements imposed by the U.K. Companies Act 2006, the NYSE, and the Company's Articles of Association (the "Articles"), each as may be amended from time to time. The Nominating and Corporate Governance ("N&CG") Committee periodically reviews these Corporate Governance Guidelines and may recommend changes to the Board, when appropriate.

The Board's primary responsibility is to oversee, on behalf of shareholders and other stakeholders, the long-term health and overall success of the Company. Among other things, the Board's oversight responsibilities include monitoring and/or making inquiries concerning: (i) the Company's performance in relation to its mission, strategies and financial and non-financial objectives; (ii) the performance and effectiveness of the Company's management team; (iii) succession and development plans for key executives, including, but not limited to, the CEO; (iv) the Company's financial reporting processes, internal controls and risk management processes; and (v) the Company's compliance with legal and regulatory requirements.

The Board's decision-making responsibilities include, among other things: (i) select the CEO, (ii) oversee members of senior management who are charged by the Board with conducting the business of the Company; (iii) review and approve the Company's mission, strategies, objectives and policies, as developed by the CEO and senior management; (iv) approve director candidates recommended by the N&CG Committee to be nominated for election by shareholders at the annual general meeting of shareholders (the "AGM"); and (v) approve material investments or divestitures, strategic transactions, related party transactions and other significant transactions not in the ordinary course of the Company's business.

In carrying out their responsibilities, Board members shall exercise their business judgment and act in ways that they reasonably believe will serve the best interests of the Company, its shareholders and other stakeholders, including employees, customers, lenders and the members of the communities in which the Company operates. Directors must fulfill their responsibilities consistent with their fiduciary duties to the shareholders, in compliance with all applicable laws and regulations.

Key Stakeholders

Customers and Suppliers. Our long-term success is dependent on maintaining and growing a loyal customer base in order to drive the long-term growth of our business. Part of this effort is developing a supply chain that produces quality and cost-effective products that help us provide value to our customers. Our customers are broadly described under the heading *Customers* included elsewhere in this *Strategic Report*. The key metrics that we believe are important to our customers include product performance in mission-critical operating environments, quality, service, reliability, on-time delivery, manufacturing footprint, and/or commercial competitiveness. We strive to provide our customers with products that exceed their expectations and that are superior to our competitors with respect to each of these key metrics. Key members of management have regular meetings with key customers to enhance relationships and understand their views.

Employees. Our long-term success is dependent on hiring, retaining, training, rewarding, and engaging employees for the long-term. We believe that the key items that are important to our employees include wages and benefits, learning and growth opportunities and the ability to belong to a company whose purpose is compelling. We strive to retain and engage employees by providing competitive pay and benefits packages and a challenging and rewarding work experience. We want our employees to feel connected to the business and company strategy, our purpose, and what we are doing to add value to them, our customers, and our investors. Our ability to create an environment where ideas are shared freely is fundamental to ensuring our employees reach their true potential, which unlocks the ability to innovate. Each person brings unique value and belongs at Sensata, regardless of race, ethnicity, age, gender, religion, sexual orientation, gender identity, gender expression, disability, economic status and other diverse backgrounds. We believe an inclusive culture is vital.

We believe that in order to continue to be successful in executing on our business strategy, providing a broad range of learning and development programs and opportunities will continue to be important. In 2017, we launched our online global learning management system, "Sensata Learning," that enables employees to access instructor-led classroom, virtual classes, or self-paced lessons. We have a robust talent and succession planning process and have established specialized programs to support the development of our talent pipeline for critical roles in management, engineering, and operations. On an annual basis, we conduct a leadership review process with our CEO, our chief human resources officer, and our business and functional leaders.

Refer also to discussion under the heading *Employment Issues* in the *Directors' Report* and *Non-Financial Information Statement* included elsewhere in this *Strategic Report* for additional information related to involving and informing our employees on our business decisions.

Shareholders. The CEO is responsible for establishing effective communications with all interested parties, including shareholders of the Company. Generally, the Board supports a policy that management, as directed by the CEO and other executive officers, should speak for the Company. This policy does not preclude the Company's directors from meeting with shareholders, as needed or requested, but does suggest that in most circumstances, any such meetings be held with the CEO or other designated management personnel present. However, all shareholders have the opportunity to ask questions at our AGM. We also hold periodic shareholder events, such as "investor days" or "investor teach-ins." Our investor relations department fields questions from shareholders and communicates questions to the Board as necessary.

Community and Environment. As part of the global community, we make decisions in ways that we believe are in the interests of each of our stakeholders. We manufacture products that help make the world safer, cleaner, and more energy efficient. During our history, we have been involved with outreach programs that support education, civic involvement and diversity. We believe our Company must play a substantial role in bettering the communities where we live and work and supporting the talent pipeline of the future, especially in engineering. Our employees have dedicated thousands of hours to local community organizations globally through our volunteer programs. Additionally, through our corporate matching gifts programs, Sensata provides funding to qualifying charitable entities that support our core initiatives. As a company, we are committed to sustainable environmental initiatives and sound social and governance practices at all Sensata locations globally. Refer to discussion under the heading *Non-Financial Information Statement* included elsewhere in this *Strategic Report* for further information. We recognize the evolving nature of our impact on the climate, as a majority of our products are designed to improve safety and energy efficiency to help the environment and the community. Our work to minimize our own environmental impact continues to evolve. We have made a public commitment to work toward achieving carbon neutrality in our operations by 2050.

How stakeholder interests have influenced decision making

We understand the importance of engaging with stakeholders to help inform our strategy and Board decision making. Relevant stakeholder interests inform Board decisions. Our principal decisions are those that are material and of strategic importance to us or our stakeholders. When making decisions, the Board considers the outcomes of relevant stakeholder engagement, as well as the need to maintain a reputation for high standards of business conduct, the need to act fairly between our stakeholders, and the long-term consequences of its decisions. Any stakeholder who would like to communicate with, or otherwise make his or her concerns known directly to the chair of any of the Audit Committee, N&CG Committee, or Compensation Committee, or to the non-executive directors as a group, may do so by addressing such communications or concerns to the Company Secretary, who will forward such communication to the appropriate party as necessary and appropriate. Such communications may be made confidentially or anonymously. Below are some specific decisions made by the Board, and their impact on various stakeholders.

Growth Trends. With oversight by the Board, we have elected to focus much of our research and development ("R&D") activities on certain growth trends that are expected to significantly impact our customers and business strategy, including "Safe, Clean, & Efficient." We believe that this philosophy will benefit all our stakeholders. It will benefit customers as these are the types of technologies that our customers need as they evolve for the future. These growth trends are significantly transforming the industries in which we operate and are creating greater secular demand for our current and new innovative products, resulting in growth that exceeds end market production growth in many of the markets we serve, a defining characteristic of our company. In addition, as we strengthen our business, we become better equipped to reward our employees in both tangible and intangible ways.

Share Repurchase Program. At the Board's request, our shareholders have authorized a share repurchase program. This was considered and implemented to distribute excess capital back to shareholders, improve earnings per share, and provide shareholder value.

Share-Based Compensation. The Board has elected to fund stock-based compensation awards, which are approved by the Board annually. At our AGM held on May 27, 2021, our shareholders approved the Sensata Technologies Holding plc 2021 Equity Incentive Plan (the "2021 Equity Plan"), which replaced the Sensata Technologies Holding plc First Amended and Restated 2010 Equity Incentive Plan (the "2010 Equity Plan"). The 2021 Equity Plan is substantially similar to the 2010 Equity Plan with some updates based on changes in law and current practices. The purpose of the 2021 Equity Plan is to promote the long-term growth, profitability, and interests of the Company and its shareholders by aiding us in attracting and retaining employees, officers, consultants, advisors, and non-employee directors capable of assuring our future success. In addition, such compensation arises out of the need to provide our key employees an ownership interest in the Company, helping to drive decision-making in line with investor interests.

Acquisitions. Acquisitions are made to build the business, leverage new technologies, enter new markets, and create synergies that provide shareholder value. Any time we acquire a company, we consider the impact of such acquisition on all our stakeholders. There have been no acquisitions in 2023 and 2024.

Restructuring. At times, Sensata is faced with decisions on whether to restructure our business. Examples in fiscal year 2024 include decisions to exit certain business lines, such as the Spear aerospace and defense business, and other restructuring plans including reductions in force discussed further in *Note 5: Restructuring and Other Charges, Net*. We do not make such decisions lightly, and the Board considers all stakeholders in doing so. The needs of all stakeholders cannot be met if such restructurings are executed (such as certain customers served by the business and certain employees impacted by the reductions-in-force). Such decisions are difficult, but the Board tries to consider the path forward that benefits the most stakeholders as possible.

The desirability of the Company maintaining a reputation for high standards of business conduct

It is important for Sensata to maintain a reputation for high standards of business conduct. We require our employees to follow applicable laws and regulations and to operate ethically. To this end, we have adopted a Code of Business Conduct and Ethics governing the conduct of our personnel, including our principal executive officer, principal financial officer, principal accounting officer, controller, and persons performing similar functions. Refer to discussion under the heading *Code of Business Conduct and Ethics* in the *Non-Financial Information Statement* section of this *Strategic Report* for additional information.

The need to act fairly as between members of the Company

Sensata understands that there are many different stakeholders of the Company. Their interests need to be carefully balanced and considered to ensure optimization of each of their interests, which will ultimately optimize the interests of Sensata itself.

Statement of corporate governance arrangements

The Board has adopted Corporate Governance Guidelines that specify, among other things, the responsibilities, expectations, and operations of the Board, as well as general qualification criteria for directors. Our Corporate Governance Guidelines are available on the investor relations page of our website at www.sensata.com under *Governance*. In addition, free copies of the guidelines may be obtained by shareholders upon request by contacting our Senior Director, Investor Relations at +1 (508) 954-1561. The Corporate Governance Guidelines are reviewed by the N&CG Committee and changes are recommended to the Board for approval as appropriate.

We applied the Corporate Governance Guidelines in the operations of the Board of the Company and its committees, in order to promote the effective and transparent functioning of the Board and its committees and to set forth a common set of expectations as to how the Board should perform its functions. These Corporate Governance Guidelines are in addition to, and should be interpreted in accordance with, any requirements imposed by the U.K. Companies Act 2006, the NYSE, and the Articles, each as may be amended from time to time. The N&CG Committee periodically reviews these Corporate Governance Guidelines and may recommend changes to the Board, when appropriate.

In addition, the charters of each of our committees: the Audit Committee, Compensation Committee, N&CG Committee, Finance Committee, and Growth & Innovation Committee can be found at the investor relations page of our website at www.sensata.com under *Governance*.

Results of Operations

The table below presents our historical results of operations in millions of dollars and as a percentage of net revenue. We have derived these results of operations from our Financial Statements. In the three months ended March 31, 2024, we realigned our business as a result of organizational changes that better allocate our resources to support changes to our business strategy. The most significant changes include combining our Automotive and HVOR businesses (with the combined business remaining in Performance Sensing) and moving the Insights Business out of Performance Sensing to a new operating segment, which is not aggregated within either of our reportable segments. We combined the Automotive and HVOR businesses to better leverage our core capabilities and prioritize product focus. We also moved certain shorter-cycle businesses from Performance Sensing to Sensing Solutions, which will benefit from organizing our predominantly shorter-cycle businesses together, by allowing us to scale core capabilities and better serve our customers. Prior year amounts in this Report have been recast to reflect this realignment. Amounts and percentages in the table below have been calculated based on unrounded numbers, accordingly, certain amounts may not appear to recalculate due to the effect of rounding.

	For the year ended December 31,			
	2024		2023	
	Amount	Percent of Net Revenue	Amount	Percent of Net Revenue
<i>(Dollars in millions)</i>				
Net revenue:				
Performance Sensing	\$ 2,743.6	69.8 %	\$ 2,749.9	67.8 %
Sensing Solutions	1,061.3	27.0	1,156.7	28.5
Other	127.9	3.3	147.5	3.6
Total net revenue	3,932.8	100.0 %	4,054.1	100.0 %
Total operating costs and expenses	3,711.8	94.4	3,913.0	96.5
Other operating (loss)/income, net	(74.0)	(1.9)	5.9	0.1
Operating income	146.9	3.7	147.0	3.6
Interest expense	(161.2)	(4.1)	(186.3)	(4.6)
Interest income	16.2	0.4	31.3	0.8
Other, net	(6.1)	(0.2)	(27.4)	(0.7)
Loss before taxes	(4.2)	(0.1)	(35.5)	(0.9)
(Benefit from)/Provision for income taxes	(127.6)	(3.2)	19.7	0.5
Net income/(loss)	\$ 123.4	3.1 %	\$ (55.2)	(1.4)%

Net revenue

Net revenue for the year ended December 31, 2024 decreased 3.0% compared to the prior year. Net revenue decreased 1.5% on an organic basis, which excludes a decrease of 0.7% attributed to changes in foreign currency exchange rates and a decrease of 0.8% due to the effect of a divestiture.

Performance Sensing

Performance Sensing net revenue for the year ended December 31, 2024 decreased 0.2% compared to the prior year. Excluding a decrease of 0.9% attributed to changes in foreign currency exchange rate, Performance Sensing net revenue increased 0.7% on an organic basis.

Automotive end market net revenue for the year ended December 31, 2024 increased 0.6% compared to the prior year. Excluding a decrease of 0.9% attributed to changes in foreign currency exchange rates, automotive end market net revenue increased 1.5% on an organic basis. This organic revenue growth was primarily due to content growth, partially offset by unfavorable market conditions.

HVOR end market net revenue for the year ended December 31, 2024 decreased 2.7% compared to the prior year. Excluding a decrease of 0.6% attributed to changes in foreign currency exchange rates, HVOR end market net revenue decreased 2.1% on an organic basis. This organic revenue decline was primarily due to market decline, partially offset by content growth.

Sensing Solutions

Sensing Solutions net revenue for the year ended December 31, 2024 decreased 8.2% compared to the prior year. Excluding a

decrease of 0.3% attributed to changes in foreign currency exchange rates, Sensing Solutions net revenue decreased 7.9% on an organic basis, which primarily reflects weakness in our industrial content and inventory destocking, partially offset by market and content growth in the aerospace business.

Operating costs and expenses

Operating costs and expenses for the years ended December 31, 2024 and 2023 are presented, in millions of dollars and as a percentage of revenue, in the following table. Amounts and percentages have been calculated based on unrounded numbers, accordingly, certain amounts may not appear to recalculate due to the effect of rounding.

	For the year ended December 31,			
	2024		2023	
	Amount	Percent of Net Revenue	Amount	Percent of Net Revenue
Operating costs and expenses:				
Cost of revenue	\$ 2,785.1	70.8 %	\$ 2,811.1	69.3 %
Research and development	144.8	3.7	145.5	3.6
Selling, general and administrative	390.4	9.9	348.3	8.6
Amortization of intangible assets and capitalized development costs	169.3	4.3	202.6	5.0
Impairment charge	187.9	4.8	362.4	8.9
Restructuring and other charges, net	34.4	0.9	43.1	1.1
Total operating costs and expenses	<u>\$ 3,711.8</u>	<u>94.4 %</u>	<u>\$ 3,913.0</u>	<u>96.5 %</u>

Cost of revenue

Cost of revenue as a percentage of net revenue increased in the year ended December 31, 2024, due to (1) higher depreciation expense, (2) lower net revenues, and (3) the net impacts of customer pricing and manufacturing efficiencies.

Research and development expense

R&D expense in the year ended December 31, 2024, did not fluctuate materially from the prior year period. We capitalized \$24.5 million of R&D expenditures in fiscal year 2024, compared to \$33.4 million in fiscal year 2023.

Selling, general and administrative expense

SG&A expense increased in the year ended December 31, 2024 due primarily to (1) \$20.3 million of accelerated depreciation recorded on right-of-use lease assets that the Company intends to cease using in the near term, (2) higher share-based compensation expense, and (3) additional costs incurred to remediate the material weaknesses identified in our internal controls over financial reporting.

Amortization of intangible assets and capitalized development costs

Amortization expense decreased in the year ended December 31, 2024, primarily due to the divestiture of the Insights Business resulting in approximately \$12.0 million lower amortization expense during fiscal year 2024 and the effect of amortization of intangible assets in accordance with their expected economic benefit, which generally results in acceleration of amortization expense in the early years of the life of an intangible asset.

Refer to *Note 5: Restructuring and Other Charges, Net* and *Note 11: Goodwill and Other Intangible Assets, Net* of our Financial Statements included elsewhere in this Report for additional information regarding the charges related to the exit of the Spear businesses and amortization of our intangible assets, respectively.

Impairment charges

In the year ended December 31, 2024, we recorded a \$187.9 million non-cash impairment charge. This impairment was primarily driven by a lower long-range financial forecast resulting from specific discrete events that changed the timing of our forecasted performance. If Dynapower does not achieve the forecasted future cash flows, or if there were a change in the discount rate or other valuation inputs, there is a possibility that additional impairments of the remaining \$192.0 million of goodwill may be recognized in the future.

Restructuring and other charges, net

We recorded \$34.4 million in restructuring and other charges, net in the year ended December 31, 2024, compared to \$43.1 million in the prior year versus the prior year period, due to lower restructuring charges in the current period. Refer to *Note 5: Restructuring and other charges, net* of our Financial Statements included elsewhere in this Report for additional information on the components of restructuring and other charges, net.

Other operating(loss)/income, net

Other operating loss of \$74.0 million in the year ended December 31, 2024 was primarily due to a loss on sale of a business. Other operating income of \$5.9 million in the year ended December 31, 2023 related primarily a gain on sale of a business. Refer to *Note 11: Goodwill and Other Intangible Assets, Net* and *Note 29: Divestitures* of the Financial Statements, included elsewhere in this Report, for additional information related to business combinations and divestitures.

Refer to *Note 30: Other Operating Income, Net* for additional information on the components of other operating income, net.

Operating income

In the year ended December 31, 2024, operating income remained flat, primarily due to (1) the \$187.9 million non-cash impairment charge related to the Dynapower cash generating unit, (2) a \$63.2 million loss on the sale of the Insights Business, (3) higher SG&A expense, (4) the impact of organic revenue declines together with the net impact of customer pricing and manufacturing efficiencies, and (5) the unfavorable impact of foreign exchange rates, partially offset by (1) a \$362.4 million goodwill impairment charge related to the Insights cash generating unit in the prior year and (2) a decrease in amortization of intangibles.

Interest expense

In the year ended December 31, 2024, interest expense decreased from the prior period, primarily due to lower interest expense on (1) the 5.0% Senior Notes, which were redeemed in July 2024, (2) the 5.625% Senior Notes, which were redeemed in the fourth quarter of 2023, and (3) the Term Loan, which was paid in full in the second quarter of 2023, partially offset by higher interest expense related to the 6.625% Senior Notes, which were issued in June 2024. Refer to *Note 14: Borrowings* of our Financial Statements included elsewhere in this Report for additional information regarding the early payment on the Term Loan.

Interest income

In the year ended December 31, 2024, interest income decreased, primarily due to lower cash balances, as we used cash on hand to pay down debt.

Other, net

Other, net for fiscal years 2024 and 2023 consisted of the following (amounts have been calculated based on unrounded numbers, accordingly, certain amounts may not appear to recalculate due to the effect of rounding):

<i>(In millions)</i>	For the year ended December 31,	
	2024	2023
Currency remeasurement gain/(loss) on net monetary assets ⁽¹⁾	\$ 4.0	\$ (20.2)
(Loss)/gain on foreign currency forward contracts ⁽²⁾	(2.6)	4.2
Gain/(loss) on commodity forward contracts ⁽²⁾	3.5	(2.8)
Loss on financing of borrowings ⁽³⁾	(8.9)	(6.4)
Mark-to-market gain/(loss) on investments, net	0.8	(15.5)
Net periodic benefit cost, excluding service cost	(3.3)	(2.6)
Other	0.4	15.8
Other, net	<u>\$ (6.1)</u>	<u>\$ (27.4)</u>

⁽¹⁾ Relates to the remeasurement of non-USD denominated monetary assets and liabilities into U.S. dollars.

⁽²⁾ Relates to changes in the fair value of derivative financial instruments that are not designated as hedges. Refer to *Note 19: Derivative Instruments and Hedging Activities* of the Financial Statements, included elsewhere in this Report, for additional discussion of gains and losses related to our commodity and foreign exchange forward contracts. Refer to *Note*

24: *Financial Risk Management Objectives and Policies* of the Financial Statements, included elsewhere in this Report, for an analysis of the sensitivity of other, net to changes in foreign currency exchange rates and commodity prices.

- (3) Refer to *Note 14: Borrowings* of the Financial Statements, included elsewhere in this Report, for additional information related to our financing transactions on borrowings.

Provision for income taxes

The (benefit from)/provision for income taxes for fiscal years 2024 and 2023 was \$(127.6) million and \$19.7 million, respectively, the components of which are described in more detail in the table below (amounts have been calculated based on unrounded numbers, accordingly, certain amounts may not recalculate due to the effect of rounding):

(In millions)	For the year ended December 31,	
	2024	2023
Tax computed at statutory rate of 25% in 2024 and 23.5% in 2023 ⁽¹⁾	\$ (1.0)	\$ (8.3)
Foreign tax rate differential ⁽²⁾	(35.3)	(25.8)
Goodwill impairment ⁽³⁾	39.5	41.2
Changes in recognition of tax losses ⁽⁴⁾	(184.5)	282.3
Reserve for tax exposure	(2.1)	0.8
Withholding taxes not creditable ⁽⁵⁾	6.1	14.1
Research and development incentives ⁽⁶⁾	(10.4)	(9.0)
Change in tax laws or rates	(2.3)	4.0
Unrealized foreign exchange losses/(gains), net	1.3	4.7
Dispositions and capital restructuring	42.9	(286.4)
Pension	9.9	—
Nontaxable items and other	8.3	2.3
(Benefit from)/Provision for income taxes ⁽⁷⁾	<u>\$ (127.6)</u>	<u>\$ 19.7</u>

- (1) Represents the product of the U.K. statutory tax rate and income before taxes, as reported on our consolidated statements of income.
- (2) We operate in multiple jurisdictions including but not limited to Bulgaria, China, Malaysia, Malta, the Netherlands, South Korea, the U.S., and the U.K. This can result in a foreign tax rate differential that may reflect a tax benefit or detriment. This foreign tax rate differential can change from year to year based upon the jurisdictional mix of earnings and changes in current and future enacted tax rates. Certain of our subsidiaries have been eligible, for tax exemptions or reduced tax rates in their respective jurisdictions. Refer to *Note 7: Income Taxes* of the Financial Statements, included elsewhere in this Report, for further discussion.
- (3) During the years ended December 31, 2024 and 2023, we incurred non-cash impairment charges for goodwill that were nondeductible for tax purposes.
- (4) During the year ended December 31, 2024, we executed a strategy to secure the future deductibility of certain intellectual property rights which allowed for the recognition of a deferred tax asset after remeasurement. During the year ended December 31, 2023, we recorded a \$300 million deferred tax benefit related to the intercompany transfer of certain intellectual property rights. Based on our corporate structure at December 31, 2023, we did not recognize this deferred tax asset as it was more likely than not that this deferred tax asset would not be realized.
- (5) Withholding taxes may apply to intercompany interest, royalty, management fees, and certain payments to third parties. Such taxes are deducted if they cannot be credited against the recipient's tax liability in its country of residence. Additional consideration has been given to the withholding taxes associated with the remittance of unremitted earnings and the recipient's ability to obtain a tax credit for such taxes. Earnings are not considered to be indefinitely reinvested in the jurisdictions in which they were earned. In certain jurisdictions we recognize a deferred tax liability on withholding and other taxes on intercompany payments including dividends.
- (6) Certain income of our U.K. subsidiaries is eligible for lower effective tax rates under the "patent box" regime, resulting in certain of our intellectual property income being taxed at a rate lower than the U.K. statutory tax rate. Qualified investments are eligible for a bonus deduction under China's R&D super deduction regime. In the U.S. we benefit from R&D credit incentives.
- (7) Refer to *Note 7: Income Taxes* of the Financial Statements, included elsewhere in this Report, for additional information related to other components of our rate reconciliation.

Liquidity and Capital Resources

At December 31, 2024 and 2023, we held cash and cash equivalents in the following regions (amounts have been calculated based on unrounded numbers, accordingly, certain amounts may not appear to recalculate due to the effect of rounding):

(In millions)	At December 31,	
	2024	2023
Cash and cash equivalents:		
U.K.	\$ 4.4	\$ 12.6
U.S.	6.9	12.9
Netherlands	256.3	158.2
China	272.2	250.8
Other	53.9	73.6
Cash and cash equivalents	<u>\$ 593.7</u>	<u>\$ 508.1</u>

The amount of cash and cash equivalents held in these geographic regions fluctuates throughout the year due to a variety of factors, such as our use of intercompany loans and dividends and the timing of cash receipts and disbursements in the normal course of business. Our earnings are not considered to be permanently reinvested in certain jurisdictions in which they were earned. We recognize a deferred tax liability on these unremitted earnings to the extent the remittance of such earnings cannot be recovered in a tax-free manner.

In certain jurisdictions, our cash balances are subject to withholding taxes immediately upon withdrawal of funds to a different jurisdiction. In addition, in order to take advantage of incentive programs offered by various jurisdictions, including tax incentives, we are required to maintain minimum cash balances in these jurisdictions. The transfer of cash from these jurisdictions could result in loss of incentives or higher cash tax expense, but those impacts are not expected to be material.

Cash Flows

The table below summarizes our primary sources and uses of cash for the years ended December 31, 2024 and 2023. We have derived these summarized consolidated statements of cash flows from the Financial Statements included elsewhere in this Report. Amounts in the table below have been calculated based on unrounded numbers, accordingly, certain amounts may not appear to recalculate due to the effect of rounding.

(In millions)	For the year ended December 31,	
	2024	2023
Net cash provided by/(used in):		
Operating activities:		
Net income adjusted for non-cash items	\$ 901.6	\$ 910.4
Changes in operating assets and liabilities, net	(79.4)	(138.4)
Cash paid for operating activities	<u>(229.4)</u>	<u>(266.0)</u>
Operating activities	592.7	506.0
Investing activities	(43.7)	(198.4)
Financing activities	(459.5)	(1,032.5)
Effect of foreign currency	<u>(4.0)</u>	<u>7.5</u>
Net change	<u>\$ 85.6</u>	<u>\$ (717.4)</u>

Operating Activities

Refer to *Results of Operations* included elsewhere in this *Strategic Report* for discussion of the drivers of changes in net income/(loss) in fiscal years 2024 and 2023.

Net cash provided by operating activities for the year ended December 31, 2024 increased from the prior year primarily due to favorable changes in working capital, partially offset by decreased cash provided by earnings. Refer to *Results of Operations* included elsewhere in this *Strategic Report* for discussion of the drivers of changes in net income from fiscal year 2024.

Investing Activities

Investing activities primarily include cash exchanged for the acquisition or divestiture of a business or group of assets, cash paid for additions to PP&E, capitalized software, and capitalized development costs, and the acquisition or sale of certain debt and equity securities.

Net cash used in investing activities for the year ended December 31, 2024 decreased compared to the corresponding period of the prior year, primarily due to cash received for the divestiture of the Insights Business in the year ended December 31, 2024, and a decrease in cash paid for capital expenditures.

Refer to discussion in *Note 29: Divestitures* of the Financial Statements, included elsewhere in this Report, for additional information on our acquisitions.

Financing Activities

Net cash used in financing activities for the year ended December 31, 2024 decreased primarily due to \$500.0 million of cash received from the issuance of the 6.625% Senior Notes in the second quarter of 2024 and lower payments on debt of approximately \$147.0 million, partially offset by the payment of \$79.4 million to purchase the remaining equity interest in a former joint venture in the current year.

Indebtedness and Liquidity

The following table details our gross outstanding indebtedness as of December 31, 2024 and the associated interest expense for fiscal year 2024 (amounts have been calculated based on unrounded numbers, accordingly, certain amounts may not sum due to the effect of rounding):

<i>(In millions)</i>	Balance as of December 31, 2024	Interest Expense for the year ended December 31, 2024
5.0% Senior Notes ⁽¹⁾	—	\$ 18.9
4.375% Senior Notes	450.0	\$ 19.7
3.75% Senior Notes	750.0	\$ 28.1
4.0% Senior Notes	1,000.0	\$ 40.0
5.875% Senior Notes	500.0	\$ 29.4
6.625% Senior Notes	500.0	\$ 18.8
Lease liabilities and other financing obligations	82.6	\$ 5.9
Total gross outstanding indebtedness	<u>\$ 3,282.6</u>	
Other interest expense ⁽²⁾		\$ 0.4
Interest expense		<u>\$ 161.2</u>

⁽¹⁾ In July 2024, we redeemed in full the \$700.0 million aggregate principal amount outstanding on our 5.0% Senior Notes.

⁽²⁾ Other interest expense includes amortization of borrowing costs and fees related to our unused balance on the Revolving Credit Facility partially offset by interest costs capitalized in accordance with IAS 23 *Capitalization of Borrowing Costs*.

Borrowings

As of December 31, 2024, our debt instruments included \$450.0 million aggregate principal amount of 4.375% senior notes due 2030 (the "4.375% Senior Notes"), \$750 million aggregate principal amount of 3.75% senior notes due 2031 (the "3.75% Senior Notes"), \$1.0 billion aggregate principal amount of 4.0% senior notes due 2029 (the "4.0% Senior Notes"), \$500.0 million aggregate principal amount of 5.875% senior notes due 2030 (the "5.875% Senior Notes"), and \$500 million aggregate principal amount of 6.625% senior notes due 2032 (the "6.625% Senior Notes"). There are no outstanding borrowings on the Revolving Credit Facility as of December 31, 2024.

In June 2024, we completed the issuance and sale of \$500.0 million aggregate principal amount of the 6.625% Senior Notes. In July 2024, we used the proceeds from this issuance, together with cash on hand, for the redemption in full of the \$700.0 million aggregate principal amount of the 5.0% Senior Notes.

Refer to *Note 14: Borrowings* of our Financial Statements included elsewhere in this Report for additional information related to our debt instruments.

The aggregate principal amount of each tranche of our Senior Notes is due in full at its maturity date. Loans made pursuant to the Revolving Credit Facility must be repaid in full at its maturity date and can be repaid prior to then at par. All letters of credit issued thereunder will terminate at the final maturity of the Revolving Credit Facility unless cash collateralized prior to such time.

The following table presents the remaining mandatory principal repayments of long-term debt, in millions, excluding finance lease payments and discretionary repurchases of debt, in each of the years ended December 31, 2025 through 2029 and thereafter.

For the year ended December 31,	Aggregate Maturities
2025	\$ —
2026	—
2027	—
2028	—
2029	1,000.0
Thereafter	2,200.0
Total long-term debt principal payments	<u>\$ 3,200.0</u>

Refer to *Note 14: Borrowings* of the Financial Statements, included elsewhere in this Report, for further details of the terms of our borrowings.

Capital Resources

Sources of liquidity

Our sources of liquidity include cash on hand, cash flows from operations, and available capacity under the Revolving Credit Facility. As of December 31, 2024, there was \$745.8 million available under the Revolving Credit Facility, net of \$4.2 million of obligations in respect of outstanding letters of credit issued thereunder. Outstanding letters of credit are issued primarily for the benefit of certain operating activities. As of December 31, 2024, no amounts had been drawn against these outstanding letters of credit. This Revolving Credit Facility includes an accordion feature under which maximum borrowings may be increased to \$2.8 billion under certain circumstances.

We believe, based on our current level of operations for the year ended December 31, 2024, and taking into consideration the restrictions and covenants included in the Credit Agreement and Senior Notes Indentures discussed below and in *Note 14: Borrowings* of our Financial Statements included elsewhere in this Report, that the sources of liquidity described above will be sufficient to fund our operations, capital expenditures, dividend payments, ordinary share repurchases, and debt service through June 30, 2026.

The Credit Agreement provides that if our senior secured net leverage ratio exceeds a specified level, we are required to use a portion of our excess cash flow, as defined in the Credit Agreement, generated by operating, investing, or financing activities to prepay some or all of the outstanding borrowings under the Senior Secured Credit Facilities. The Credit Agreement also requires mandatory prepayments of the outstanding borrowings under the Senior Secured Credit Facilities upon certain asset dispositions and casualty events, in each case subject to certain reinvestment rights, and upon the incurrence of certain indebtedness (excluding any permitted indebtedness). These provisions were not triggered during the year ended December 31, 2024.

All obligations under the Senior Secured Credit Facilities are unconditionally guaranteed by certain of our subsidiaries and secured by substantially all present and future property and assets of STBV and its guarantor subsidiaries.

Our ability to raise additional financing, and our borrowing costs, may be impacted by short- and long-term debt ratings assigned by independent rating agencies, which are based, in significant part, on our performance as measured by certain credit metrics such as interest coverage and leverage ratios. As of January 28, 2025, Moody's Investors Service's corporate credit rating for STBV was Ba2 with a positive outlook, and S&P's corporate credit rating for STBV was BB+ with a stable outlook. Any future downgrades to STBV's credit ratings may increase our future borrowing costs but will not reduce availability under the Credit Agreement.

The Credit Agreement and the Senior Notes Indentures contain restrictions and covenants (described in more detail in *Note 14: Debt* of our Financial Statements included elsewhere in this Report) that limit the ability of STBV and certain of its subsidiaries to, among other things, incur subsequent indebtedness, sell assets, pay dividends, and make other restricted payments. These

restrictions and covenants, which are subject to important exceptions and qualifications set forth in the Credit Agreement and Senior Notes Indentures, were taken into consideration when we established our share repurchase programs and will be evaluated periodically with respect to future potential funding of those programs. We do not believe that these restrictions and covenants will prevent us from funding share repurchases under our share repurchase programs or maintaining our dividend with available cash and cash flows from operations. As of December 31, 2024, we believe that we were in compliance with all the covenants and default provisions under the Credit Agreement and the Senior Notes Indentures.

Share repurchase program

From time to time, our Board of Directors has authorized various share repurchase programs, which may be modified or terminated by our Board of Directors at any time. Under these programs, we may repurchase ordinary shares at such times and in amounts to be determined by our management, based on market conditions, legal requirements, and other corporate considerations, on the open market or in privately negotiated transactions, provided that such transactions were completed pursuant to an agreement and with a third party approved by our shareholders at the annual general meeting.

On September 26, 2023, our Board of Directors authorized the September 2023 Program, which replaced the January 2022 Program, effective October 1, 2023.

During the year ended December 31, 2022, we purchased approximately 6.3 million ordinary shares under the January 2022 Program, at a weighted average price per share of \$46.08. During the year ended December 31, 2023, we repurchased approximately 2.3 million ordinary shares at a weighted average price per share of \$38.31. These purchases were made under the January 2022 Program and the September 2023 Program. During the year ended December 31, 2024, we repurchased approximately 1.9 million ordinary shares at a weighted average price per share of 36.19. These purchases were made under the September 2023 Program. As of December 31, 2024, approximately \$403.0 million remained available under the September 2023 Program.

Key Performance Indicators

We use adjusted US GAAP financial information and non-financial information as key performance indicators ("KPIs") in the management and operation of our business.

Financial KPIs

Management's financial KPIs are the measures set out below. Amounts and percentages in the tables below have been calculated based on unrounded numbers, accordingly, certain amounts may not appear to recalculate due to the effect of rounding.

	2024		2023		Change %
Net revenue	\$	3,932,764	\$	4,054,083	(3.0)%
Operating cash flow (US GAAP)	\$	551,547	\$	456,675	20.8 %

The following tables provide reconciliations of financial KPIs to the closest IFRS measure:

	For the year ended December 31, 2024				
(\$ in millions, except per share amounts)	Operating Income	Operating Margin	Income Taxes	Net Income	Diluted EPS
Reported (IFRS)	\$ 146.9	3.7 %	\$ (127.6)	\$ 123.4	\$ 0.82
IFRS to US GAAP adjustments:					
Total IFRS to US GAAP adjustments	\$ 2.4	0.1 %	\$ (12.7)	\$ 5.1	\$ 0.03
Reported (US GAAP)	\$ 149.3	3.8 %	\$ (140.3)	\$ 128.5	\$ 0.85
Non-GAAP adjustments:					
Restructuring related and other ^(a)	321.4	8.2	(5.1)	316.4	2.10
Financing and other transaction costs ^(b)	133.1	3.4	(1.4)	155.4	1.03
Amortization of intangible assets ^(c)	142.1	3.6	—	142.1	0.94
Deferred loss/(gain) on derivative instruments ^(d)	2.6	0.1	0.5	(0.4)	—
Amortization of debt issuance costs ^(e)	—	—	—	5.7	0.04
Deferred taxes and other tax related ^(f)	—	—	(228.7)	(228.7)	(1.52)
Total adjustments	599.2	15.2	(234.6)	390.6	2.59
Adjusted (non-GAAP)	\$ 748.5	19.0 %	\$ 94.3	\$ 519.1	\$ 3.44

	For the year ended December 31, 2023				
(\$ in millions, except per share amounts)	Operating Income	Operating Margin	Income Taxes	Net Income	Diluted EPS
Reported (IFRS)	\$ 147.0	3.6 %	\$ 19.7	\$ (55.2)	\$ (0.36)
IFRS to US GAAP adjustments:					
Total IFRS to US GAAP adjustments	\$ 34.7	0.9 %	\$ 2.1	\$ 51.3	\$ 0.33
Reported (US GAAP)	\$ 181.7	4.5 %	\$ 21.8	\$ (3.9)	\$ (0.03)
Non-GAAP adjustments:					
Restructuring related and other ^(a)	411.5	10.2	(3.7)	407.8	2.67
Financing and other transaction costs ^(b)	16.3	0.4	2.7	24.2	0.16
Amortization of intangible assets ^(c)	168.6	4.2	—	168.6	1.11
Deferred (gain)/loss on derivative instruments ^(d)	(4.1)	(0.1)	0.3	(1.7)	(0.01)
Amortization of debt issuance costs ^(e)	—	—	—	6.8	0.04
Deferred taxes and other tax related ^(f)	—	—	(50.4)	(50.4)	(0.33)
Total adjustments	592.3	14.6	(51.1)	555.3	3.64
Adjusted (non-GAAP)	\$ 774.0	19.1 %	\$ 72.8	\$ 551.4	\$ 3.61

^(a) *Restructuring related and other*: includes net charges related to certain restructuring and other exit activities as well as other costs (or income) determined under US GAAP 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, determined under US GAAP 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 adjustments related to changes in the fair value of acquisition-related contingent consideration amounts.

^(c) *Amortization of intangible assets*: Beginning with the three months ended December 31, 2024, we started adjusting operating income and net income to exclude the amortization of all our intangible assets, and we discontinued the use of adjustments to exclude step-up depreciation determined under US GAAP. This change was applied prospectively and prior periods have not been recast.

^(d) *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 determined under US GAAP.

- (e) *Amortization of debt issuance costs*: represents interest expense related to the amortization of deferred financing costs and debt discounts, net of premiums determined under US GAAP.
- (f) *Deferred taxes and other tax related*: includes adjustments for deferred taxes and other timing differences including, but not limited to, book-to-tax basis differences on the fair value of intangible assets and goodwill, the utilization of net operating losses, and adjustments to our valuation allowance in connection with certain transactions and tax law changes determined under US GAAP.

Revenue and Cash Flow

FY 2024 Revenue of \$3,933 million represents 3% decrease from 2023. Full year Free Cash Flow conversion of 76% of Adjusted Net Income, up from 49% in 2023.

Non-financial KPIs

Non-financial KPIs are aligned to our business model and are fundamental to our strategy.

	2024	2023	Change %
Lost-time injury frequency rate - employees	0.38	0.38	— %
Total waste disposed	\$ 1,550	\$ 1,559	(0.6)%
Scope 1 and Scope 2 market-based GHG emissions	\$ 149,982	\$ 154,167	(2.7)%

Further details on non-financial performance metrics can be found within the Company's Sustainability Report at www.sensata.com/sustainability.

Future Outlook

We believe regulatory requirements for safer vehicles, higher fuel efficiency, and lower emissions, as well as customer demand for operator productivity and convenience, drive the need for advancements in powertrain management, efficiency, safety, and operator controls. These advancements lead to sensor growth rates that we expect to exceed underlying production growth in many of our key end markets, which we expect will continue to offer us significant growth opportunities. Significant drivers of growth in our business include the Safe, Clean, & Efficient growth trends, each described in more detail elsewhere in this Strategic Report. Our growth drivers are expected to significantly impact our customers and business strategy over the long-term.

We have sufficient cash to take advantage of strategic opportunities as they arise. We generated \$592.7 million of operating cash flow in fiscal year 2024, ending the year with \$593.7 million in cash and cash equivalents. In fiscal year 2024, in addition to paying \$718.5 million on debt as discussed elsewhere, we used cash of approximately \$68.9 million for share repurchases and \$72.2 million for payment of cash dividends. In fiscal year 2025, we will continue to execute our capital allocation strategy that is currently designed to reduce our leverage and return capital to shareholders through our dividend and opportunistic share repurchases. This strategy reduces risk in our capital structure, lowers interest expense, and improves net income and earnings per share. We expect improving free cash flow (cash from operations less capital expenditures) will naturally allow net leverage to decline and returns on invested capital to improve over time.

Signatures

The 2024 Strategic Report, from pages 4 to 36, has been reviewed and approved by the Board of Directors on April 17, 2025 and is signed on its behalf by:

/s/ Constance E. Skidmore

Name: Constance E. Skidmore
Title: Director, Chair of the Audit Committee
Date: April 17, 2025

/s/ Stephan von Schuckmann

Name: Stephan von Schuckmann
Title: Chief Executive Officer, and Director
Date: April 17, 2025

Directors' Responsibilities Statement

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors are required to prepare the group financial statements in accordance with U.K. adopted international accounting standards. The financial statements also comply with International Financial Reporting Standards as issued by the IASB. The directors have chosen to prepare the parent company financial statements in accordance with U.K. Generally Accepted Accounting Practice (U.K. Accounting Standards and applicable law), including Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101"). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing the parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- Prepare the financial statements in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") and in accordance with applicable accounting standards, and as applied in accordance with section 838 of the U.K. Companies Act 2006, subject to disclosure exemptions as described in *Note 2: Significant Accounting Policies* of the Company Financial Statements; and
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the Company and/or the group will not continue in business.

In preparing the group financial statements, IAS 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements of the financial reporting framework are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the group and company financial position and financial performance; and
- make an assessment of the Group and Company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole;
- the strategic report includes a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and

- the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the company's position and performance, business model and strategy.

Signatures

This responsibilities statement has been reviewed and approved by the Board of Directors on April 17, 2025 and is signed on its behalf by:

/s/ Constance E. Skidmore

Name: Constance E. Skidmore

Title: Director, Chair of the Audit Committee

Date: April 17, 2025

/s/ Stephan von Schuckmann

Name: Stephan von Schuckmann

Title: Chief Executive Officer, and Director

Date: April 17, 2025

Directors' Report

Company information

The reporting company is Sensata Technologies Holding plc, which is incorporated under the laws of England and Wales as a public limited company with registered company number 10900776 and whose registered office is at Interface House, Interface Business Park, Bincknoll Lane, Royal Wootton Bassett, Swindon, Wiltshire, SN4 8SY, United Kingdom.

Results of Operations

Net revenue for fiscal year 2024 decreased \$121.3 million, or 3.0%, to \$3,932.8 million from \$4,054.1 million for fiscal year 2023. The decrease in net revenue was composed of a 0.2% decrease in Performance Sensing and an 8.2% decrease in Sensing Solutions. Net income/(loss) increased from loss of \$55.2 million ((1.4)% of net revenue) in fiscal year 2023 to income of \$123.4 million (3.1% of net revenue) in fiscal year 2024. Refer to the *Strategic Report* for a more detailed discussion of our results of operations.

Names of Directors

The following individuals served as directors of Sensata plc between January 1, 2024 and the date of this Report:

Directors	Period	Function
Andrew C. Teich	January 1, 2024 - present	Chair, non-executive director
John P. Absmeier	January 1, 2024 - present	Non-executive director
Daniel Black	January 1, 2024 - present	Non-executive director
Lorraine A. Bolsinger	January 1, 2024 - present	Non-executive director
Jeffrey J. Cote	January 1, 2024 - April 30, 2024	Executive director
Phillip Eyler	July 1, 2024 - present	Executive director
John Mirshekari	March 1, 2024 - present	Non-executive director
Stephan von Schuckmann	January 1, 2025 - present	Executive director
Constance E. Skidmore	January 1, 2024 - present	Non-executive director
Steven A. Sonnenberg	January 1, 2024 - present	Non-executive director
Martha N. Sullivan	January 1, 2024 - present	Non-executive director; Executive director effective May 1, 2024 to December 31, 2024
Jugal Vijayvargiya	January 1, 2024 - present	Non-executive director
Stephen M. Zide	January 1, 2024 - present	Non-executive director

Employment Issues

Refer to further discussion under the heading *Employees* in the *Strategic Report* included elsewhere in this Report.

People with disabilities

It is the policy and practice of Sensata to hire and employ individuals without regard to physical and mental ability. This policy applies to all terms and conditions of employment including recruitment and selection; compensation and benefits; professional development and training; promotions; transfers; social and recreational programs; reductions in force; terminations; and the ongoing development of an equitable work environment regardless of race, ethnicity, age, gender, religion, sexual orientation, gender identity, gender expression, disability, economic status and other diverse backgrounds.

Communication with Employees

We provide employees with information on matters of concern to them as employees through various means. We maintain a robust Internal Portal (Intranet) whereby critical information that relates to Sensata's business operations, its people and its processes are updated. We distribute a bi-weekly global digital newsletter recapping the key stories published to the Portal during the previous two-week period. Additionally, we publish various regional newsletters – for the Americas, Europe and Asia. We update either physical display boards or digital display boards with important and relevant information that relates to our business or upcoming events.

We publish our externally-facing quarterly earnings materials (i.e. press release and presentation) to employees and encourage them to listen to the earnings webcast hosted by senior management. Each quarter, we host a 90-minute virtual Global Town

Hall where thousands of employees log in to hear first-hand from senior management on a variety of topics of relevance and importance to employees. Each site leader is required to host a Regional and/or Business unit Town Hall and share information with local employees. Following these global and regional meetings, a feedback survey is distributed to assess whether the messages resonated with the audience.

Director Engagement with Employees

Our Corporate Governance Guidelines note that "anyone who would like to communicate with, or otherwise make his or her concerns known directly to the chair of any of the Audit, Governance, or Compensation Committees, or to the independent directors as a group, may do so by addressing such communications or concerns to the Company Secretary, who will forward such communication to the appropriate party as necessary and appropriate." These Corporate Governance Guidelines are posted on our investor relations website in the governance section. In addition, Sensata encourages and expects our employees to speak up by reporting any concerns of violations of our Code, policies, or applicable law to our third-party managed ethics hotline. These issues are communicated to directors in board meetings as applicable.

Section 172(1) Statement

Refer to the *Section 172(1) Statement* in the *Strategic Report* for information on how the directors have had regard to the need to foster the Company's business relationship with suppliers, customers, and others, and the effect of that regard, including on the principal decisions taken by the Company during the year.

Director Indemnification

The directors benefit from qualifying third-party indemnity provisions for the purposes of Section 236 of the U.K. Companies Act 2006 pursuant to the Articles in effect throughout the financial year and up to the date of this *Directors' Report*. In addition, we have purchased and maintained directors' and officers' liability insurance throughout the year.

Financial Instrument Risk Management Objectives

We are subject to credit, market, and liquidity risks. Credit risk is the risk of our financial loss if a counterparty fails to meet its contractual obligations. We manage our credit risk on cash equivalents by investing in highly rated, marketable instruments and/or financial institutions. Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect our income or the value of our holdings of financial instruments. We manage our market risk by using foreign currency and commodity derivatives that limit our risk to these changes in market prices. Liquidity risk is the risk that we will not be able to meet our financial obligations as they become due. Our approach to managing liquidity risk is to ensure, as far as possible, that we will always have sufficient liquidity to meet our liabilities when due without incurring unacceptable losses or risking damage to our reputation.

For an overview of the principal risks we are subject to, refer to *Note 24: Financial Risk Management Objectives and Policies* in the Financial Statements included elsewhere in this Report.

Share information

Entities incorporated under the laws of England and Wales are limited in the number of shares they can issue to those shares that have been authorized for "allotment" by their shareholders. Our Board has asked shareholders to approve an allotment of ordinary shares equal to the total ordinary shares then issued and outstanding plus the maximum number of ordinary shares that could be reasonably expected to be issued under our equity plans within the next year, which resulted in an allotment of 177.1 million ordinary shares.

From time to time, our Board of Directors has authorized various share repurchase programs, which may be modified or terminated by our Board of Directors at any time. Under these programs, we may repurchase ordinary shares at such times and in amounts to be determined by our management, based on market conditions, legal requirements, and other corporate considerations, on the open market or in privately negotiated transactions, provided that such transactions were completed pursuant to an agreement and with a third party approved by our shareholders at the AGM. Ordinary shares repurchased by us are recognized, measured at cost, and presented as treasury shares on our consolidated statements of financial position, resulting in a reduction of shareholders' equity.

During the year ended December 31, 2023, we repurchased approximately 2.3 million ordinary shares (nominal value of approximately €23 thousand), for a total purchase price of \$88.4 million (weighted average price per share of \$38.31). These purchases were approximately 1.3% of the total nominal value of ordinary shares issued at December 31, 2023 and were made under the January 2022 Program and the September 2023 Program.

During the year ended December 31, 2024, we repurchased approximately 1.9 million ordinary shares (nominal value of €19 thousand) for a total purchase price of \$68.9 million (an average price of \$36.19 per share), under the September 2023 Program. These purchases were approximately 1.3% of the total nominal value of ordinary shares issued at December 31, 2024. As of December 31, 2024, approximately \$403.0 million remained available under the September 2023 Program.

Greenhouse Gas Emission Statement

The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Schedule 7, paragraph 15 require certain disclosures regarding greenhouse gas ("GHG") emissions. Since 2020, Sensata has reported its Scope 1 (direct GHG emissions that occur from sources that are controlled or owned by Sensata) and Scope 2 (indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling) GHG emissions and energy consumption data in accordance with The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) ("The GHG Protocol"). In 2021, Sensata expanded its calculations to include Scope 3 GHG emissions and made a public commitment to work toward achieving carbon neutrality in its operations by 2050. To support the long-term carbon neutrality goal, in 2023, Sensata adopted a new near-term goal to reduce absolute Scope 1 and 2 market-based emissions 45% by 2030 from a 2021 baseline. This goal is consistent with climate science and the level of decarbonization required to limit global temperature increase to 1.5°C compared to pre-industrial levels.

In accordance with the Streamlined Energy and Carbon Reporting ("SECR") requirements, Sensata discloses the following energy and carbon metrics for the year and previous year, including the proportion of such metrics for the U.K.:

Metric		2024 ⁽⁵⁾		2023	
		Total ⁽¹⁾	U.K.-based ⁽¹⁾	Total ⁽¹⁾	U.K.-based ⁽¹⁾
GHG emissions ⁽²⁾	Scope 1	4,587 mt CO2e	6.80%	5,249 mt CO2e	14.61%
	Scope 2 (location-based)	165,753 mt CO2e	0.90%	165,211 mt CO2e	0.94%
	Scope 2 (market-based)	145,133 mt CO2e	0.30%	148,919 mt CO2e	0.32%
	Total Scope 1 + Scope 2 (location-based)	170,340 mt CO2e	1.00%	170,459 mt CO2e	1.36%
	Total Scope 1 + Scope 2 (market-based)	149,720 mt CO2e	0.50%	154,167 mt CO2e	0.81%
	Scope 3	13,305,235 mt CO2e	N/A	14,052,500 mt CO2e	N/A
Energy	Direct energy combustion ⁽³⁾	20,692 MWh	3.00%	23,804 MWh	1.84%
	Indirect energy combustion ⁽⁴⁾	277,168 MWh	2.70%	277,486 MWh	2.71%
	Total energy combustion (Direct + Indirect)	297,861 MWh	2.70%	301,290 MWh	2.64%
Intensity Ratio	Emissions Intensity (Total Scope 1 + Scope 2 (location-based) / \$1 million revenue)	43.31	N/A	42.05	N/A
	Emissions Intensity (Total Scope 1 + Scope 2 (market-based) / \$1 million revenue)	38.07	N/A	38.03	N/A

⁽¹⁾ All data reflects rounded figures. Totals represent 100% of Sensata's global facilities with actual or estimated energy use covering 4,652,485 square feet in 2023 and 4,977,572 square feet in 2024.

⁽²⁾ Region-specific electricity emission factors are obtained from the following sources:

Country	Electricity Emissions Factor Source
Canada	Environment and Climate Change Canada, National Inventory Report
United States	United States Environmental Protection Agency, Emissions & Generation Resource Integrated Database (eGRID)
Australia	Australian Government Department of the Environment and Energy, National Greenhouse Accounts Factors
United Kingdom	UK Department for Business, Energy & Industrial Strategy, Government Emission Conversion Factors for Greenhouse Gas Company Reporting
India	Government of India Ministry of Power, Central Electricity Authority, CO2 Baseline Database for the Indian Power Sector
All Other Countries	International Energy Agency, International Electricity Emission Factors by Country

⁽³⁾ Energy consumption from combustion of fuel and operation of facilities.

⁽⁴⁾ Energy consumption from purchase of electricity, heat, steam, or cooling.

⁽⁵⁾ This data shows estimated energy consumption and GHG emissions starting from 1 January 2024 to 31 December 2024. Although this is a high-confidence estimate, the timing for this report restricts the Company's ability to include complete and verified data for the entire year. As a result, in order to provide a complete picture of its footprint for its stakeholders once all data is available, Sensata publishes its full-year GHG emissions and energy consumption data each year in its

Sustainability Report, published annually in early summer and aligned with the Global Reporting Initiative (GRI) Standards.

Operational Control Methodology

Sensata defines its organizational boundary using the operational control approach. All emissions from assets and facilities over which Sensata has operational control are captured in its GHG emissions inventory. These emission sources include all owned and leased facilities and vehicles. Operational control is defined by The GHG Protocol as whether the Company or one of its subsidiaries possesses the authority to introduce and implement operating policies of the emission-generating activity. Emissions from assets and facilities over which Sensata has no operational control will not be included in its GHG emissions inventory. Defining operational boundaries involves identifying the emissions associated with Sensata's operations and categorizing them as either direct (Scope 1) or indirect (Scope 2). Sensata defines the assumptions and calculation methods for GHG emission data collection and estimations at Sensata facilities, which may change based on data available.

Sensata's 2024 Energy Efficiency Initiatives

Facility Based Efforts

What did we do?

During 2024, Sensata completed projects to improve operational efficiency and incorporate more renewable energy into our portfolio. We upgraded the air handling unit in our Operations Center in Attleboro, MA and installed solar panels at our facilities in Subang Jaya, Malaysia and Botevgrad, Bulgaria. We continued to use our Energy Savings Playbook which provides guidance and direction on what projects each plant can undertake to improve energy efficiency. Additionally, we continued to investigate energy consumption reductions and cost reduction opportunities across our manufacturing facilities. Furthermore, we initiated discussions with several energy vendors and energy suppliers to identify renewable energy projects or adding additional renewable energy purchases from existing energy suppliers.

How did we do it?

In 2024, we estimate that more than 16% of our total energy consumption came from renewable sources, significantly increasing from our renewable energy consumption in 2023. This rise is attributable to purchasing bundled renewable energy credits for our three Bulgaria locations; in addition to the renewable energy already powering our Attleboro headquarters, Engineering Center in Hengelo, Netherlands and Unit 7 and 11 buildings in Antrim, Northern Ireland. Further, our on-site solar panel projects at our facilities in Plovdiv, Bulgaria and Subang Jaya, Malaysia, adding renewable energy capacity to our portfolio.

These actions we took in 2024 resulted in an estimated 16% reduction in emissions intensity relative to revenue in absolute emissions from our 2021 baseline.

CFD Disclosures

Governance

The Board of Directors oversees our corporate sustainability strategy, initiatives and goals and monitors the management of sustainability risks and opportunities, including those related to climate change. The Board considers oversight and effective management of sustainability issues and their related risks and opportunities as crucial to the Company's ability to execute its strategy and achieve long-term sustainable growth. The Board receives quarterly updates on sustainability topics from the management team, which include progress against the Group's sustainability-related goals.

The Board delegates specific sustainability matters its committees:

- The Nominating and Corporate Governance Committee oversees the development of Sensata's sustainability strategy (which includes climate matters), the progress against that strategy, including performance against specific targets, whilst also reviewing sustainability-related risks and opportunities.
- The Audit Committee oversees the non-financial disclosures in our Annual Report and financial filings, which includes climate-related disclosures.
- The Growth and Innovation Committee oversees the Company's growth and product development of the Electrification business, which is the primary climate risk and opportunity for the Company.

- The Compensation Committee supports the sustainability strategy, which includes the climate strategy, through alignment of Sensata's incentive plan to the sustainability strategy and ambitions.

Our strategy on sustainability issues is governed by the Sustainability + Belonging Committee consisting of Vice Presidents and above, which convened four times in 2024 and is co-chaired by the Chief Human Resources Officer and General Counsel. The Committee plays an important decision-making role to support Sensata's sustainability strategy, with membership including senior leaders from across the organization who are responsible for the execution of the sustainability strategy within their respective business areas. Our sustainability efforts are led by our General Counsel who, with the Sustainability team, collaborates with management across the Company to develop and execute our sustainability strategy, initiatives and goals. For example, our Senior Director, Global Sustainability oversees our Scope 1 and 2 GHG emission reduction program and partners with site leaders to drive efficiency projects and renewable energy sourcing.

Strategy

Climate change is a principal risk to Sensata which, to varying degrees, has the potential to impact our business in the short- (1-5 years), medium- (5-10 years) and long-term (10-30 years). These time frames align with both emerging and existing regulations and are in line with practices adopted by leading companies, indicating their widespread acceptance and utility in the corporate sector. These time horizons also capture the delayed and potentially more profound impacts of climate change as climate effects often unfold over extended periods, and a longer time frame is essential to comprehensively assess these evolving risks and impacts. By considering a horizon that stretches to 2050, we ensure our analysis remains robust and relevant, accurately reflecting the long-term trajectory and implications of climate change.

In conducting a qualitative assessment at the group level, we identified that we face potential regulatory and market risks associated with the transition to a low-carbon economy, including regulatory mandates on existing products, changing customer behavior and increased cost of raw materials, as well as physical risks from the effects of climate change on our business, including extreme weather events and changes in long-term weather patterns. However, these risks also present opportunities and are taken into consideration in the development of our company strategy. In determining these risks and opportunities, we assessed the potential impact of each identified risk and opportunity across, including, among other things, revenue projections, increased costs and lost assets. We assigned time horizon, likelihood and impact scores to obtain overall risk and opportunity scores. The top scoring risks and opportunities were determined to be material to Sensata.

Key Risks and Opportunities

Key Risks

Risk Type	Risk Description	Impact	Timeframe	Management of Risk
Policy and Legal	Reduced demand in key business segment due to regulation of existing products and services	Sensata has a diverse global footprint and is exposed to regulation risk across each of the jurisdictions in which we operate. Various regulations in the United States such as the Clean Air Act, Safer Affordable Fuel Efficient (SAFE) Vehicles Rule, and the most recent proposal for reduced light, medium and heavy-duty auto emissions will continue to put downward pressure on the manufacturing of internal combustion engine (ICE) vehicles. At the state level, New York and California have implemented legislation that would effectively ban sales of new ICE cars and trucks by 2035 as part of plans to reduce transportation sector GHG emissions associated with climate change. This will most directly affect the auto industry and likely trickle down to Sensata. Given that a significant amount of our business is generated either directly or indirectly as a result of existing laws, regulations, and programs related to environmental protection, fuel economy, energy efficiency, and safety regulation, this legislation, and similar legislation in other US states, will reduce demand for Sensata products installed in internal combustion engines and reduce revenue related to those products.	Medium	This risk is being mitigated by exploring an increase in production of products for electric vehicles.

Risk Type	Risk Description	Impact	Timeframe	Management of Risk
Market	More stringent requirements by customers on energy and material usage for product manufacturing	Customers may impose stringent requirements on our manufacturing process in terms of GHG emissions and renewable energy use associated with our operations, as well as the material used in products. For example, customers may require Sensata parts to contain a minimum amount of recycled content or be manufactured using a certain percentage of renewable energy. We are already experiencing this as some customers require sites which manufacture parts for them to be powered exclusively by renewable energy. We expect these requirements will become more common in the coming years as an increasing number of downstream supply chain partners impose these requirements. If we are unable to meet these requirements, it could negatively impact our revenue and ability to win new business. Additionally, these requirements may represent a substantially larger investment in renewable energy purchases or onsite renewable energy generation earlier than planned, as well as expediated implementation of processes necessary to accurately track differing stakeholder demands.	Short	This risk is being mitigated by the ongoing development of our roadmap to achieve carbon neutrality and improve our processes for tracking recycled content across our product families.
Technology	Costs associated with the transition to lower emission energy sources used in the manufacturing process	With the development of new technology comes costs associated with facility upgrades. Materials used in electric vehicle components may also be more expensive and more difficult to obtain than those used in internal combustion engine vehicles. In certain countries where we operate, a lack of renewable energy and low carbon infrastructure could hamper the transition to lower emissions technologies, for example, in Bulgaria where solar will only be able to generate 10-18% of energy needed to power our operations and the remaining will need to be sourced from renewable energy credits (RECs) or power purchase agreements (PPAs). Since 2022, the cost of a Green-e® Certified REC rose from roughly \$0.50 per MWh to almost \$8 per MWh. These prices are expected to continue to climb. We are working to meet the energy mix requirements of customers in addition to our own energy and emissions reduction targets. For example, some auto makers are requiring components to be created using 100% renewable energy sources to meet their own Scope 3 emissions goals. Regulators could also make regulations related to emissions standards more stringent which could lead to additional costs associated with compliance.	Short	To mitigate this risk, we're currently exploring the best way to meet the energy mix requirements of customers in addition to our own energy and emissions reduction targets, through power purchase agreements (PPAs), renewable energy credits (RECs) or on-site solar generation.
Market	Increased cost of raw materials / commodities caused by transition to greener economy	Dependence on scarce materials such as rare earth materials and semiconductors that are in high demand from other green manufacturers could lead to increased costs, as raw materials of electric vehicle components are likely to become constrained due to increased demand. This is particularly a risk for our organization as contracts for materials are generally long-term with limited price flexibility.	Medium	This risk is being mitigated through entering into long-term supply agreements and co-investment agreements with key suppliers to secure supply.

Risk Type	Risk Description	Impact	Timeframe	Management of Risk
Acute Physical	Increased severity of extreme weather events poses a risk to Sensata's owned assets as well as to their supply chains and logistics	We have experienced some instances of severe weather/acute physical climate-related events negatively impacting operations, including flooding in Malaysia and China, a hurricane in Puerto Rico which disrupted the manufacturing of a chemical powder used in the production of several components, and severe cold weather in Texas which affected the operations of our largest distribution center in the U.S. Physical risk model projections using a high emissions scenario (SSP5-8.5) show a high risk of tropical cyclone for locations in India, China, Japan, Singapore, South Korea and Mexico. Locations in Europe and the United States show high risk of loss from hail and wind; however, these perils are unlikely to cause significant losses. Finally, our locations in Thousand Oaks, CA, Mexico, and China were found to be at risk of wildfire under a high emissions scenario. Regarding our supplier operations, which are critical to business continuity, there is continued high hail risk at our distribution center in Texas. There is also very high/extreme tropical cyclone risk at some supplier locations in Thailand, the Philippines, Taiwan, and China. Additionally, some suppliers in Thailand are at very high wildfire risk.	Short	Our geographic diversification provides some climate resilience to physical risks. We will include these risks for consideration in decisions regarding development of future Sensata locations.
Chronic Physical	Changes in extreme variability in weather patterns could further disrupt supply chains and operations	Continued changes in extreme weather could further impact our supply chain, already facing significant acute physical risks as described above, and further exacerbate our businesses continuity going forward.	Medium	Our geographic diversification provides some climate resilience to physical risks. We will include these risks for consideration in decisions regarding development of future Sensata locations.

Key Opportunities

Opportunity Type	Opportunity Description	Impact	Timeframe	Management of Opportunity
Energy Source	Increase the use of lower emission energy sources to reduce costs and meet GHG reduction goals	Increasing usage of lower emission energy sources through power purchase agreements and installation of on-site solar equipment will reduce operation costs and enable us to meet our GHG emissions reduction goals. These cost savings can also then be reinvested to further increase our portfolio of low emission energy sources, especially for our operations in countries such as China where the energy grid currently relies primarily on fossil fuels.	Short	Recognizing this opportunity, we have appointed our Senior Director of Sustainability and Facilities, Environmental, Health and Safety as responsible for program management and implementation of initiatives to improve the energy efficiency of our operations.

Opportunity Type	Opportunity Description	Impact	Timeframe	Management of Opportunity
Products and Services	Develop and expand the portfolio of control systems that support electric vehicles, renewable energy systems, and energy-efficient industrial applications	Developing and expanding our portfolio of control systems that support electric vehicles, renewable energy systems and energy-efficient industrial applications that enable the transition to a low carbon economy could lead to increased revenue. Expanding research and development (R&D) investment to create innovative solutions that reduce energy consumption, lower emissions and offer cost savings will both enhance our product offerings and further demonstrate our commitment to sustainability. As a result, we can attract environmentally conscious customers and forge strong partnerships with businesses seeking to address climate-related challenges.	Short	By investing in R&D, we can create cutting-edge solutions that meet regulatory requirements and provide added value to customers through reduced energy consumption, lower emissions and cost savings. Since 2020 we've continued to increase our R&D investment in growth trends.
	Offer products and services that cater to changing consumer preferences due to increased regulation	In the United States, New York and California have implemented legislation that would effectively ban sales of new, ICE cars and trucks in by 2035 as part of plans to reduce transportation sector greenhouse gas emissions associated with climate change. This legislation, and similar legislation in other US states, will shift consumer preferences toward electric vehicles (EVs) and increase demand for our products in EVs, increasing our revenue related to those products.	Medium	We are exploring an increase in production of products for electric vehicles.
Resource Efficiency	Use more efficient production processes to reduce manufacturing costs and increase energy savings	In 2022, approximately 90% of our total electricity consumption occurred at our manufacturing facilities and using more efficient production processes could enable us to reduce manufacturing costs and increase energy savings. Though we already have a variety of energy reduction initiatives in place through the use of our Energy Management Playbook, we also have the opportunity to track implementation of these initiatives at our most material manufacturing sites. Additionally, we could investigate the opportunity to regionalize operations and align manufacturing sites to be in the same countries/ regions as our major customers which could reduce costs and emissions associated with distribution.	Short	To increase production efficiency and reduce cost, we could further explore using energy during off-peak times, which we already have enabled with certain technologies. Examples include optimizing equipment settings, implementing predictive maintenance programs such as AI-driven automation and robotics to reduce energy use and material waste while minimizing production downtime.

Opportunity Type	Opportunity Description	Impact	Timeframe	Management of Opportunity
Markets	Leverage tax credits, grants, and subsidies to expand adoption of energy efficient technologies, such as EVs	New tax credits, grants and subsidies could expand consumer and commercial adoption of energy efficient technologies, such as electric vehicles, leading to increased revenue as we expand our products offerings in the EV market. There are a variety of programs in place to incentivize consumer purchasing of electric vehicles that will provide tailwinds for our products in the charging and EV space: - In the US, the Inflation Reduction Act, passed in 2022, provides a credit of up to \$7,500 towards a new EV or fuel cell vehicle. - In the EU, the Electric Vehicle Incentive Program, also known as the "Umweltbonus," is a joint initiative by the German government and the automotive industry to promote the adoption of electric vehicles. The program provides financial incentives for purchasing electric vehicles and supports the expansion of charging infrastructure. Key aspects of the program that could benefit our company include, incentives of up to €9,000 for the purchase of new EVs as well as financial support for installation of charging infrastructure	Medium	We are capitalizing on providing components for products for which consumers receive tax credits through our investments in our Electrification megatrend. Sensata also supports and participates in a variety of trade associations, including CharIN which aims to develop and advocate for international charging system standards to support the adoption of e-mobility solutions.
Resilience	Invest in renewable energy projects, enter power purchase agreements (PPAs) and/or purchase renewable energy certificates (RECs) to offset carbon footprint	Investing in renewable energy projects, entering into power purchase agreements (PPAs) and/or purchasing renewable energy certificates (RECs) to reduce our carbon footprint could lead to reduced operating costs. By engaging in renewable energy programs, we can reduce our dependence on fossil fuels, lower our greenhouse gas emissions and demonstrate our continued commitment to sustainability. Investment in RECs and PPAs as well as diversifying energy production through use of on-site renewable power generation can protect our assets and operations from disruption, especially as increased energy use globally as a result of increased extreme temperatures is straining power grids. This is particularly important in countries like Mexico, where we have a large manufacturing footprint, that are more likely to experience extreme and prolonged heat stress as a result of climate change. Investing in alternate energy sources can also increase our resilience against business interruptions and operational losses.	Short	We have invested in on-site renewable energy projects at our facilities in Bulgaria and Malaysia, purchased RECs to match our energy consumption at our facilities in Antrim, Northern Ireland; Hengelo, the Netherlands; and Attleboro, MA, USA; and are in the process of evaluating potential power purchase agreements with energy providers for our facilities across the globe. We continue to assess our sites for on-site renewable energy generation projects and potential REC purchases.

In addition to the qualitative assessment that identified our climate-related risks and opportunities outlined above, we conducted a climate scenario analysis in 2023 to quantify the potential impact of these risks to our business strategy and future financial results. Through this exercise we have generated projections for EV and electrification market share growth, energy costs and savings associated with retrofitting and transitioning equipment, and the financial impact physical climate risks pose to our manufacturing assets and supply chain. The data used was from internal environmental, operational and financial data and external science-based data and assumptions from reputable and broadly used sources such as the IPCC and the International Energy Agency. These organizations are considered leaders in developing climate scenarios and utilizing the expertise of these scenario developers enables us to access the most accurate and relevant climate scenario data, ensuring our modeling yields insightful and impactful results.

We found that our business strategy is well-positioned for both high[1] and low[2] emissions scenarios for EV and electrification market growth. However, given our focus on Electrification as a megatrend, we project achieving greater market share and revenue growth under a low emissions scenario as it forecasts faster adoption of EVs and more pronounced demand for renewable energy in a low carbon economy. Regarding the energy transition, electricity costs in a low emissions scenario are projected to surpass those in a high emissions scenario and this gap is anticipated to widen over time. Our current strategy of evaluating on-site solar options for our facilities, purchasing renewable energy credits (RECs) and entering into power purchase agreements (PPAs) is somewhat resilient to the expected increase in energy costs. Our on-site projects will cover a portion of our energy consumption, but we are evaluating long-term PPAs to enable fixed energy costs in the future as demand

for, and therefore the cost of, renewable energy increases. This is particularly pertinent as we look to increase automation and the efficiency of our manufacturing operations.

Physical climate risk was modeled under two climate projections aligned with two IPCC scenarios: SSP1-2.6, a low emissions scenario which projects a 1.7°C increase in global surface temperature, and SSP5-8.5, a worst-case scenario which anticipates a 4°C increase in global surface temperature. As this was our first climate scenario analysis, we conducted the scenario analysis based on the two extremes of IPCC to better understand the scope of exposure for the Company and assess the Company's strategic resilience to identified risks. We evaluated all Sensata manufacturing facilities, engineering facilities and business centers over which we have operational control, as well as the locations of some of our top suppliers. Drought and heat stress were identified as top chronic physical risks, but droughts are not expected to have a significant impact on our operations as we are not water-dependent and the risk of heat stress is expected to be mitigated as the affected locations have air conditioning and employees work inside. Two of our facilities in Asia, as well as some supplier locations, face heightened tropical cyclone and flood risk in both the low and high emissions scenarios. Other supplier locations also face heightened risk for flood, hail, wildfire and wind gusts. We intend to consider these risks in future decisions regarding Sensata's global footprint, as well as during the procurement process.

Risk Management

As part of our annual risk assessment, conducted at the group level, the Enterprise Risk Management team meets with key stakeholders and senior management to assess any changes to previously identified risks and determine whether any new risks have emerged. Risks are then prioritized, and we develop action plans based on an assigned risk rating from our risk matrix that measures the likelihood of the risk occurring and potential impact of the risk. We monitor risks throughout the year to identify changes in principal risk profiles. Top risks are distributed to and actively managed by senior management depending on where the risk resides, who provide updates to the full Board or its committees at least biannually.

Through this risk assessment process, Sensata identified climate change and certain risks associated with executing our strategy for EVs and electrification as principal risks to the Company, which have the potential to impact our business in the short, medium and long term. We also monitor the environment for new and emerging risks, and to our knowledge, we are compliant with current regulations and are staying abreast of global emerging regulations that may require mandatory disclosures (e.g., SEC and California rules in the United States and the Corporate Sustainability Reporting Directive in Europe). Technology, market and reputation risks are also evaluated as one of Sensata's identified megatrends is Electrification, which involves the evolution to more environmentally friendly vehicles that rely more heavily on Electrification and other adjacent technologies; and failure to meet customer sustainability requirements and expectations around climate change could have a negative effect on our reputation and revenue. Further, as we execute our strategy for Electrification, we must monitor our technological investment to mitigate risks associated with lower profitability and delays in new product launches by ensuring Sensata has the expertise and resources to develop the technology needed to achieve the product roadmaps while managing costs.

In addition to this analysis, we conducted a separate climate-related risk and opportunity assessment using the framework developed by the Task Force on Climate-related Financial Disclosures (TCFD). For each TCFD risk and opportunity, we identified one (or more) Sensata-specific risks and opportunities and their associated impact. We examined each identified risk and opportunity across Sensata's enterprise to map and document potential impacts and assigned time horizons, likelihood and impact scores to each risk and opportunity. We then used this data for each risk and opportunity to generate an overall rating for each line item. Based on these ratings, we have consolidated the full list of potential climate risks and opportunities to the six risks and six opportunities that have the greatest potential to affect Sensata, as detailed in the strategy section.

Metrics and Targets

As a global company, we recognize the role we must play to combat climate change by managing energy consumption and emissions resulting from our operations. In support of our climate strategy, we have developed targets linked to the risks modelled as part of the scenario analysis and the opportunities identified by the Company:

Target	Year Goal was Set	Target Year	Associated Risks	Associated Opportunities	Performance Calculation	Performance
Achieve carbon neutrality in our operations (2021 baseline)	2021	2050	More stringent requirements by customers on energy and material usage for product manufacturing Costs associated with the transition to lower emission energy sources used in the manufacturing process	Increase the use of lower emission energy sources to reduce costs and meet GHG reduction goals Invest in renewable energy projects, enter power purchase agreements (PPAs) and/or purchase renewable energy certificates (RECs) to offset carbon footprint	Scope 1 and 2 emissions calculated in accordance with the Greenhouse Gas Protocol. Performance measured as absolute reduction in Scope 1 and 2 emissions compared to 2021 baseline.	13.5% reduction in absolute Scope 1 and 2 emissions in 2024 compared to 2021 baseline
Reduce absolute Scope 1 and 2 market-based emissions by 45% by 2030 (2021 baseline)	2023	2030	More stringent requirements by customers on energy and material usage for product manufacturing Costs associated with the transition to lower emission energy sources used in the manufacturing process	Increase the use of lower emission energy sources to reduce costs and meet GHG reduction goals Invest in renewable energy projects, enter power purchase agreements (PPAs) and/or purchase renewable energy certificates (RECs) to offset carbon footprint	Scope 1 and 2 emissions calculated in accordance with the Greenhouse Gas Protocol. Performance measured as absolute reduction in Scope 1 and 2 emissions compared to 2021 baseline.	16% reduction in absolute Scope 1 and 2 emissions in 2024 compared to 2021 baseline

Note that where 2024 data has been listed above, this is the most recently available data to measure performance to the stated targets.

Although we have set several targets to address emissions from our operations, we understand there is work to be done in refining our climate strategy and further developing a transition plan. We are evaluating our options regarding setting short- and long-term science-based targets and these will be considered as we build out our strategy in 2025 and beyond.

[1] Stated Policies Scenario (STEPS) scenario from the International Energy Agency: High emissions scenario which reflects current policy settings based on a sector-by-sector and country by country assessment of the specific policies that are in place, as well as those that have been announced by governments around the world.

[2] Net Zero Emissions by 2050 Scenario (NZE) scenario from the International Energy Agency: Low emissions scenario which reflects current policy settings based on a sector-by-sector and country by country assessment of the specific policies that are in place, as well as those that have been announced by governments around the world.

Research and Development

We pride ourselves as a world leader and early innovator in mission-critical, hard-to-do sensor solutions. We develop products that address increasingly complex engineering and operating performance requirements to help our customers solve their most difficult engineering challenges in the automotive, HVOR, fleet management, industrial, clean energy, and aerospace industries.

We believe that continued focused investment in R&D is critical to our future growth and maintaining our leadership positions in the markets we serve. Our R&D efforts are directly related to the timely development of new and enhanced products that are central to our business strategy. We continually develop our technologies to meet an evolving set of customer requirements and new product introductions. We conduct such activities in areas we believe will increase our long-term revenue growth. Our development expense is typically associated with engineering core technology platforms to specific applications and engineering major upgrades that improve functionality or reduce the cost of existing products.

A large portion of our R&D activities is directed towards technologies and market trends that we believe have the potential for significant future growth but relate to products that are not currently within our core business or include new features and capabilities for existing products. Expenses related to these activities are less likely than our more mainstream development activities to result in increased near-term revenue.

We benefit from many development opportunities at an early stage for several reasons: (1) we are the incumbent in many systems for our key customers; (2) we have robust design and service capability; and (3) our global engineering teams are located close to key customers in regional business centers. We work closely with our customers to deliver solutions that meet their needs today and in the future. As a result of development lead times and the embedded nature of our products, we collaborate closely with our customers throughout the design and development phase of their products. Systems development by our customers typically requires significant multi-year investment for certification and qualification, which are often government or customer mandated. We believe the capital commitment and time required for this process significantly increase the switching costs once a customer has designed and installed a particular sensor into a system.

We rely primarily on patents, trade secrets, manufacturing know-how, confidentiality procedures, and licensing arrangements to maintain and protect our intellectual property rights. While we consider our patents to be valuable assets, we do not believe that our overall competitive position is dependent on patent protection or that our overall business is dependent upon any single patent or group of related patents. Many of our patents protect specific functionality in our products, and others consist of processes or techniques that result in reduced manufacturing costs.

Market Trends

The markets we serve are seeking to provide cleaner, safer, and connected solutions. Transportation industries provide some of the largest markets for sensors, giving participants with a presence in these markets significant scale advantages over those participating only in smaller, more niche industrial and medical markets. As electrified transportation platforms continue to evolve and grow, we expect OEM and Tier 1 suppliers to continue to require sensing partners that can meet their increasing needs for mission-critical sensors and solutions, enabling their global vehicle strategies.

We believe our automotive end market is light vehicle production and our heavy vehicle and off-road end market is on-road production, agriculture production, and construction production.

We believe that growth in the automotive and HVOR end markets has historically been driven by three principal trends, including growth in the number of vehicles produced globally and expansion in the number and type of sensors per vehicle.

Number of sensors per vehicle: We believe that the number of sensors used in vehicles of all classes will continue to be driven by increasing requirements in vehicle emissions, efficiency, safety, electrification, and comfort-related control systems that depend on sensors for proper functioning, such as electronic stability control, tire pressure monitoring, advanced driver assistance, advanced combustion and exhaust after-treatment applications, and operator controls in heavy off-road equipment. For example, government regulation of emissions, including fuel economy standards such as the National Highway Traffic Safety Administration's Corporate Average Fuel Economy requirements in the U.S. and emissions requirements such as "Euro 7" in Europe, "China National 6" in China, and "EPA 27" in the U.S. require advanced sensors to achieve these performance metrics. Sensors are crucial enablers for a vehicle's systems and sub-systems to meet the ever-increasing requirements in a vehicle's operation.

Higher value sensors: We believe that our revenue growth has been augmented by a continuing shift away from legacy sensors to next-generation, value-rich sensors and related solutions that include controllers, receivers, and software and will continue to grow as our sensors get "smarter" with more embedded algorithms. As we strive to increase the value we bring to the market and our customers, we are continually looking to bring solutions to our customers that drive the next-generation vehicle enhancement in electrification, safety, and reliability through our engineering solutions combined with increased data insights that are derived from these sensing solutions. Our ability to provide our customers with not only solutions in sensing and electrical protection components and systems but also insights into the systems/sub-systems we serve increases the value of our offering and enables improved performance, safety, efficiency, and environmental impacts. Our focus on delivering enhanced value through our mission-critical solutions to the market positions us to drive profitable revenue growth as the market demands continue to evolve.

New Technology: Automobiles and heavy vehicles continue to evolve, with new alternative technologies being developed to make these vehicles more efficient, reliable, financially viable, and safe. We believe this trend will drive growth in our business for the foreseeable future. Moreover, we believe our broad customer base, global diversification, and evolving portfolio provide the foundation that will allow us to grow with these trends across a diverse set of markets.

Demand for our Sensing Solutions products is driven by many of the same factors as in the transportation sensor markets: regulation of emissions, greater energy efficiency and safety, and consumer demand for new features. Gross Domestic Product growth is a broad indicator of demand for our consolidated industrial markets over the long term. We use Purchasing Managers' Index to gauge short-term trends in the industrial, appliance, and HVAC markets we serve. For instance, the growing consumer demand for cleaner heat sources, like heat pumps, which utilize our content, is being driven by government initiatives to reduce carbon emissions to net zero by 2050.

We continue to focus our efforts on expanding our presence in all global geographies and serving our global customers in a highly efficient and cost-effective manner. Our customers include established multinationals as well as local producers in markets such as China, India, Eastern Europe, and Turkey. China remains a priority for us because of its export focus and the increasing domestic consumption of products that use our devices.

Future Developments

Sensata is a leading industrial technology company with attractive secular growth opportunities, such as the need for safer, cleaner, more efficient products, and is well-positioned to take advantage of emerging technology “megatrends.”

Regarding secular opportunities, we expect that the development of cleaner, high-efficiency powertrains will continue to drive significant growth in our business over the next three years as, for example, reduced tailpipe emissions requirements drive the need for reduced combustion temperatures, controlled by sensors.

Regarding the emerging growth trends, we benefit from various technology trends such as Electrification and Safe & Efficient. First is the trend towards more electrification of vehicles, whether related to additional electric subsystems as fleets are modernized or the growing hybrid-electric vehicle markets. We serve many of the applications required in these various markets.

Political donations or expenditures

Sensata has not made any donations to any U.K. or EU political party or to any other U.K. or EU political organization, or to any independent U.K. or EU election candidate or incurred any U.K. or EU political expenditure which in aggregate exceeded £2,000. In addition, Sensata did not contribute any amount to non-U.K. or non-EU political parties during fiscal year 2024.

Declaration and payment of dividends

In the year ended December 31, 2024, the Directors authorized quarterly dividend program in the amount of \$0.12 per share in each quarters. In the years ended December 31, 2024 and 2023, we paid cash dividends totaling an aggregate of \$72.2 million and \$71.5 million, respectively.

On January 24, 2025, we announced that our Board of Directors approved a quarterly dividend of \$0.12 per share, paid on February 26, 2025 to shareholders of record as of February 12, 2025.

Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and all directors have taken all the steps that ought to have been taken as director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of the information.

Statement regarding appointment of auditors

In accordance with s485 of the Companies Act 2006, a resolution is to be proposed at the AGM for appointment of Deloitte LLP as auditor of the Company.

Going Concern

We believe that we are in a strong financial position today and have taken actions to provide ourselves with the financial strength to continue to succeed and take advantage of strategic options as they become available in the future. We generated \$592.7 million of operating cash flow in fiscal year 2024, ending the year with \$593.7 million in cash and cash equivalents. We also have approximately \$2.0 billion of availability under our Senior Secured Credit Facilities and \$746.1 million availability under the Revolving Credit Facility should the need for additional cash arise. We recognized revenue and net income of \$3,932.8 million and \$123.4 million, respectively, in the year ended December 31, 2024. Net income includes a non-cash impairment charge of \$187.9 million related to our Dynapower CGU.

We believe regulatory requirements for safer vehicles, higher fuel efficiency, and lower emissions, as well as customer demand for operator productivity and convenience, drive the need for advancements in powertrain management, efficiency, safety, and operator controls. These advancements lead to sensor growth rates that we expect to exceed underlying production growth in many of our key end markets, which we expect will continue to offer us significant growth opportunities. Significant drivers of growth in our business include the Safe, Clean, & Efficient growth trends described in more detail in this Report in the *Strategic Report*. Each of these growth drivers are expected to significantly impact our customers and business strategy over the long-term.

The Board of Directors has considered the Company's financial position and sources of liquidity as described above, along with the various risks and uncertainties involved in operating a business, as part of its assessment of the Company's ability to continue as a going concern. In addition, the Board reviewed management's projected cash flow analysis, including sensitivities, through June 30, 2026, which concluded that the Company would have sufficient cash on hand throughout the period to June 30, 2026.

Based on the foregoing assessment, at the time of approving the financial statements, the Board had a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence throughout the period to June 30, 2026. As a result, the Board agrees that the Company and the Group continue to adopt the going concern basis of accounting in preparing the financial statements.

Signatures

The 2024 Directors' Report, from pages 39 to 52, has been reviewed and approved by the Board of Directors on April 17, 2025 and is signed on its behalf by:

/s/ Constance E. Skidmore

Name: Constance E. Skidmore
Title: Director, Chair of the Audit Committee
Date: April 17, 2025

/s/ Stephan von Schuckmann

Name: Stephan von Schuckmann
Title: Chief Executive Officer, and Director
Date: April 17, 2025

Directors' Remuneration Report

The Directors' Remuneration Report is divided into three sections:

1. The statement from the Compensation Committee (the "Committee") Chairperson;
2. The Directors' Remuneration Policy which sets out the proposed policy on Directors' compensation for the three-year period beginning on the date of the 2025 Annual General Meeting of the Shareholders (the "2025 AGM"). This will be subject to a binding vote of shareholders at the 2025 AGM and at least every third year after that; and
3. The annual report on remuneration which sets out director compensation for 2024. The annual report on compensation together with this statement is subject to an advisory vote of shareholders at the 2025 AGM.

1. STATEMENT FROM THE COMPENSATION COMMITTEE CHAIRPERSON

Compensation Philosophy

Executive Director

Our executive compensation program, which applies to our Executive Director is structured to pay for performance, and to motivate senior executives to balance both the short- and long-term interests of our shareholders. The majority of total compensation offered to our Executive Director comes in the form of an annual incentive cash bonus and equity awards granted under our long-term incentive ("LTI") program, both of which represent "pay at risk." Payouts under the annual incentive bonus are dependent on, and tied to, achievement of our short-term business objectives. Equity awards granted under the LTI program include restricted stock units ("RSUs") and performance-based restricted units ("PRSUs"). For 2024, PRSUs were focused on our Relative Total Shareholder Return ("Relative TSR" or "rTSR") performance and return-on-invested-capital ("ROIC") over a three-year performance period. The realized value of RSUs are tied to our stock performance and the realized value of PRSUs are tied to both our stock performance and our long-term operating performance. The Compensation Committee believes that our compensation program is designed to hold the Executive Director accountable for our short- and long-term financial and operational performance.

Non-Executive Directors

Our compensation program for Non-Executive Directors includes levels of compensation that we believe are necessary to secure and retain the services of individuals possessing the skills, knowledge and experience to successfully support and oversee the Company as members of our Board of Directors. In addition, a substantial portion of the compensation of our Non-Executive Directors is in the form of RSUs, aligning their interests with the interests of our shareholders.

Compensation Program Changes and Highlights

For 2024, the Committee believed that Adjusted Operating Income Margin Index and Adjusted Free Cash Flow were the appropriate performance metrics for the annual incentive bonus of our Executive Director. Further, the Committee believes that Relative TSR and ROIC over a three-year performance period were appropriate financial metrics for the annual LTI awards. The Committee believes these metrics provide an appropriate balance of short-term and long-term perspectives.

2. SENSATA'S DIRECTOR REMUNERATION POLICY

It is intended that this Directors' Remuneration Policy (this "Policy"), if approved by shareholders, will, for the purposes of section 226D(6)(b) of the U.K Companies Act 2006 (the "Act"), take effect on 31 May 2025. The Company intends to implement the Policy as more specifically set forth in the remuneration tables below and as more specifically described herein. Our Policy applies to our Executive Director, Stephan von Schuckmann (as well as any individual that may become an Executive Director while this Policy is in effect) and also to our Non-Executive Directors.

Objectives of Our Director Remuneration Programs

Our philosophy in establishing compensation for our Executive Director is to align "at risk" compensation with our strategic goals and growth objectives, while offering market competitive target compensation that enables us to attract and retain highly qualified senior executives, including our Executive Director. We also aim to:

- reward outstanding individual performance;
- promote and reward the achievement of our long-term value-creation objectives;
- ensure performance accountability; and
- align the interests of our Executive Director with those of the Company and its shareholders.

Our philosophy in establishing compensation for our Non-Executive Directors is to:

- attract and retain talented individuals to help oversee the Company as members of the Board;
- align with the market value of the role; and
- align the interests of our Non-Executive Directors with those of the Company and its shareholders.

Changes to the Policy

This Policy was drafted in 2025, which the Board will put for shareholder approval at the 2025 Annual General Meeting of Shareholders. As compared to the Directors' Remuneration Policy approved by shareholders in 2022, the following changes have been made:

- Altered maximum Base Salary from \$2,000,000 to 20% year-over-year increase;
- Added language on special bonus not to exceed 100% of Base Salary;
- Altered maximum Annual Long-Term Incentives from \$8,000,000 to 10 times Base Salary;
- Altered maximum Special Long-Term Incentives from \$20,000,000 to 20 times Base Salary;
- Altered maximum Benefits from \$1,000,000 to a variable value based on the Compensation Committee's discretion;
- Altered maximum Non-Executive Director cash compensation from \$300,000 to \$400,000, and maximum equity retainer from \$300,000 to \$350,000;
- Introduced relative Total Shareholder Return ("TSR") and Return on Invested Capital ("ROIC") as the performance measures for the 2025 PRSUs; and
- Added details on the duration of the employment agreement with our Executive Director, Stephan von Schuckmann;

Remuneration for Executive Directors

Components of Remuneration for Executive Directors

Compensation Component	Maximum Opportunity	Recovery or Withholding
Base Salary	No formal maximum although, in the normal course, an annual increases shall not exceed 20% of prior year's highest annualized base salary rate and shall appropriately align with those of other employees unless there is a change in role or responsibility. Increases may be higher in certain circumstances as determined by the Compensation Committee, including, but not limited to a material job promotion or hiring an individual from outside the Company.	No recovery provisions apply to base salary.

Purpose/Link to Strategy

Stream of income provided throughout the year in exchange for performance of specific job responsibilities aimed at securing the talent needed to achieve the Company's strategic objectives.

Operation and Framework

Reviewed annually by the Committee taking into account individual performance (based on achievement of pre-determined goals and objectives), market position of the individual's current base salary versus our desired market positioning, our historical pay practices with respect to that position, affordability of any increase, and internal pay equity. Base salary is not dependent on performance, although performance may be reflected in any review of base salary.

Compensation Component	Maximum Opportunity	Recovery or Withholding
Annual Incentive Bonus	Not to exceed 400% of Base Salary	A recoupment policy is in place which gives the Committee the ability to claw-back Executive Directors' bonuses in the event of a restatement of our financial results.
Special Incentive Bonus	Not to exceed 100% of Base Salary, and only payable under special circumstances as determined by the Committee	

Purpose/Link to Strategy

Short-term performance-based incentive to achieve annual performance objectives.

Operation and Framework

The annual cash incentive bonus or special incentive bonus would be based on achievement of financial and non-financial targets (which may include a combination of corporate, strategic, divisional, team and/or individual measures). For the annual cash incentive bonus, annually, the Committee, in its absolute discretion, pre-establishes threshold, target and maximum performance metrics to align with the Company's operating and strategic priorities for that year. If performance is below the threshold level, the bonus pool is not funded, and no bonus is payable except in extraordinary circumstances where the Committee exercises discretion, which is unlikely. If threshold performance is achieved, the bonus pool for our senior executives, including our Executive Director, is funded in accordance with the level of performance achieved. For any special incentive bonus, the Committee, in its absolute discretion, would establish appropriate targets to align with the short and/or long-term strategy of the business.

Details of the measures, weightings and targets applicable to any incentive bonus for each year, including a description of how they were chosen and whether they were met, will be disclosed retrospectively in the Annual Report on Directors' Remuneration for the following year, subject to commercial sensitivity.

While not currently intended, the Committee reserves the right to implement additional features such as the conversion or deferral of all or part of a bonus into shares or other equity awards permitted under the Company's compensation program and the 2021 Equity Incentive Plan.

Notwithstanding the formal bonus metrics, the Committee reserves the right to make any adjustments to any payout as it deems appropriate, subject to the overall stated maximum.

Compensation Component	Maximum Opportunity	Recovery or Withholding
Equity Based Awards—Annual Long-Term Incentive ("LTI") Program under the 2021 Equity Incentive Plan	Grant-date fair value not to exceed 10 times annual base salary calculated in accordance with ASC 718 For maximum performance, up to 3 times the original number of shares granted may vest In addition, participants may also receive an amount that reflects the value of dividends accrued over the vesting period	A recoupment policy is in place which gives the Committee the ability to claw-back Executive Director equity in the event of a restatement of our financial results or if the Executive Director engaged in Detrimental Activity, as defined under the 2021 Equity Incentive Plan.

Purpose/Link to Strategy

Equity compensation is designed to: (1) balance and align the interests of Executive Directors and shareholders; (2) reward Executive Directors for demonstrated leadership and performance aimed towards the creation of shareholder value; (3) increase equity holding levels; (4) align with competitive levels of compensation opportunity within our peer group; and (5) support in attracting, retaining and motivating Executive Directors.

Operation and Framework

Annual LTI program awards are variable remuneration and are usually granted in the form of performance-based restricted stock units (PRSUs) and time-based restricted stock units (RSUs), but market value stock options, performance-based stock options, stock appreciation rights, restricted securities, and cash-based awards can also be granted under the 2021 Equity Incentive Plan. The Committee regularly reviews the mix of annual LTI program awards made to Executive Directors compared to market information and has discretion to revise the mix from year-to-year.

- Stock Options. Generally vest ratably in equal installments across four years.
- RSUs. Generally vest ratably in equal installments across three years, beginning on the first anniversary of the grant date, and are not subject to performance conditions.
- PRSUs. Generally have a three-year performance period and vest on the third anniversary of the grant date, subject to achievement of pre-established performance targets. Annually, the Committee, in its absolute discretion, establishes threshold, target and maximum performance metrics to align with the Company's operating and strategic priorities for the upcoming performance period, which is typically three years.

Future awards may be subject to different performance measurement periods, including looking at it on an aggregate or final year assessment basis. Different performance vesting conditions may be set for future awards, including measures based on financial or non-financial metrics linked to corporate, strategic, divisional, team and/or individual performance. Details of the measures, weightings, and targets applicable to the Annual LTI program for each year, including a description of how they were chosen and whether they were met, will be disclosed retrospectively in the annual report on Director Remuneration for the following year, subject to commercial sensitivity.

Awards may be settled in cash or shares or other equity instruments at the discretion of the Committee. Where performance conditions apply, no more than 50% of the target award will vest at threshold.

Compensation Component	Maximum Opportunity	Recovery or Withholding
Equity Based Awards—Special Circumstances under the 2021 Equity Incentive Plan	In exceptional circumstances, such as but not limited to where awards are used to facilitate the recruitment, retention, inducement and special achievement of certain individuals, the target may be determined at the Committee's discretion. Grant-date fair value not to exceed 20 times annual base salary calculated in accordance with ASC 718. For maximum performance, up to 3 times the original number of shares granted may vest. In addition, participants may also receive an amount that reflects the value of dividends accrued over the vesting period.	A recoupment policy is in place which gives the Committee the ability to claw-back an Executive Director's equity in the event of a restatement of our financial results or if the Executive Director engaged in Detrimental Activity, as defined under the 2021 Equity Incentive Plan.

Purpose/Link to Strategy

Further retention of senior executives, including Executive Directors, or attraction of new senior executives.

Operation and Framework

The Company may also grant equity-based awards under the 2021 Equity Incentive Plan that do not fall under the annual LTI program. For example, the Committee may approve the grant of a time-vested award to a senior executive, including an Executive Director, in connection with recognition for outstanding performance or retention initiatives or to a newly recruited senior executive, as explained in the "Approach to Recruitment Remuneration" section of this Policy.

Awards are determined based upon an executive's past performance, expectations regarding future contributions to the Company and market pay data as a reference point for grant values. Awards may be settled in cash or shares or other equity instruments at the discretion of the Committee.

Details of the measures, weightings and targets applicable to awards granted under special circumstances for each year, including a description of how they were chosen and whether they were met, will be disclosed retrospectively in the Annual Report on Directors' Remuneration for the following year, subject to commercial sensitivity. Where performance conditions apply, no more than 50% of the target award will vest at threshold.

Compensation Component	Maximum Opportunity	Recovery or Withholding
Benefits	Benefits are provided through third parties and the cost to the Company and value to the Executive Directors may vary. The maximum paid will be the cost to the Company of providing these benefits. The cost of these benefits may vary from year to year, but the Committee is mindful of achieving the best value from providers. Tax equalization payments will be capped at an amount that would result in an after-tax position consistent with what would have occurred had the Company been domiciled in the executives' home country (as advised by a reputable tax advisor). While the Company does not consider it to form a part of benefits in the normal usage of that term, within the U.K, corporate hospitality and attendance at other events including travel for an Executive Director and/or member of his or her family may fall within their definition. The Committee reserves the right for the Company to authorize attendance to events within its agreed policies and may count such items towards the maximum.	No recovery provisions apply to benefits.

Purpose/Link to Strategy

Market competitive benefits aim to attract and retain high caliber Executive Directors.

Operation and Framework

The Company currently provides medical, dental, vision, life insurance and disability benefits to Executive Directors on the same basis as other employees. Senior executives, including our Executive Director, receive other benefits such as financial and legal counseling, travel and accident insurance policies, relocation costs and, in certain limited circumstances, the Company may provide tax equalization payments. These and additional programs are established to align with market practice and, as such, may be adjusted in the discretion of the Committee from time to time.

Any person who may become an Executive Director who was employed prior to November 1997 may also be eligible for Sensata's retiree health and dental benefits.

Benefits Outside the United States. The Company operates different benefits in the jurisdictions in which it operates. Alternate benefits may be offered in the future if Executive Directors reside outside of the U.S. If an Executive Director joins the Board, the Company will provide that Executive Director with benefits customary for senior leaders in the Executive Director's home country. These benefits may include car, housing or tuition allowances as well as other customary benefits to the jurisdiction.

Compensation Component	Maximum Opportunity	Recovery or Withholding
Pension and Retirement Schemes	Under the Sensata 401(k) Plan, the Company will match amounts deferred by employees, including Executive Directors, up to the current United States Internal Revenue Service ("IRS") limit, up to 4% of the current IRS compensation limit. The Company may increase contributions to the Sensata 401(k) Savings Plan to align with any future changes to the IRS limit and the 4% level may be subject to periodic review. The Company reserves the right to provide matching contributions on uncapped pay. Pension benefits with an annual value up to \$500,000 may be provided.	No recovery provisions apply to pension arrangements.

Purpose/Link to Strategy

The arrangements offer Executive Directors a retirement plan contribution which is motivating and in line with the market.

Operation and Framework

Sensata 401(k) Savings Plan. All Executive Directors are eligible to participate in Sensata's 401(k) Savings Plan, a U.S. tax-qualified defined contribution 401(k) plan, on the same basis as all other eligible employees.

Pension Plans Outside the United States. The Company operates different pension schemes in the jurisdictions in which it operates. Alternate schemes may be offered in the future if Executive Directors reside outside of the U.S. If an Executive Director joins the Board, the Company will provide that Executive Director with pension benefits customary for senior leaders in the Executive Director's home country.

Compensation Component	Maximum Opportunity	Recovery or Withholding
Relocation Benefits	The maximum relocation benefits payable is based upon the individual circumstances of the Executive Director and is designed to keep the executive whole. The formal policy maximum is \$1,000,000 per Executive Director annually.	In the case of a voluntary termination or a termination with cause within two years of the first day of employment the executive director may be required to reimburse the company per the relocation benefits repayment agreement.

Purpose/Link to Strategy

Attraction and retention of top talent. This benefit provides Executive Directors with assistance in transitioning to a new work location.

Operation and Framework

Relocation benefits are driven by market practice and the type of relocation i.e. whether it is a new hire relocation or a domestic or international assignment. The Company may provide relocation benefits, including but not limited to housing, cost of living differential benefits, foreign service allowances, transportation and home leave, legal and other adviser expenses, dependent education assistance, tax preparation, or tax equalization.

Maximum Guidelines

The Committee has been advised that U.K. legislation requires a maximum on each element of pay. These maximums have been included to retain the current levels of flexibility normal to a U.S. company and do not reflect any form of aspiration.

Discretion

The Committee has various discretion as set out in the Policy. In addition, under the rules of the 2021 Equity Incentive Plan, the Committee has the power to make decisions in relation to the form of award, level of award, terms of awards, and dealing with awards on a corporate transaction.

Employee Compensation Policy

The compensation policy for other employees is based on broadly consistent principles as that for Executive Directors. Annual salary reviews take into account individual performance, Company performance, local pay and market conditions, and salary levels for similar roles in comparable companies. Some employees are eligible to participate in the annual incentive bonus but opportunity and performance measures vary depending on level, region, and role. Senior executives are eligible to participate in the annual incentive bonus and the annual LTI program on very similar terms to the Executive Director.

Performance Criteria and Permitted Adjustments

The Committee annually assesses which performance measures, or combination and weighting of performance measures, are most appropriate for the annual incentive bonus and the annual LTI awards to closely align with, and reinforce, the Company's strategic priorities. Targets applying to the annual incentive bonus and annual LTI awards are reviewed, based on a number of internal and external reference points, including the Company's strategic plan, analyst forecasts for the Company and its sector comparators, historical growth achieved by the Company and its sector comparators, market practice and external expectations for growth in the Company's markets. The Committee has the discretion to use the following corporate performance metrics, including without limitation to such other measures as it considers appropriate, when administering the Company's compensation programs:

• Earnings per share	• Working capital	• Total shareholder return
• Sales	• Earnings before interest and taxes (EBIT)	• Economic value created or added
• Operating Income	• Earnings before interest, taxes, depreciation and amortization (EBITDA)	• Expense reduction
• Net income (before or after taxes)	• Cash Flow	• Revenues
• Return measures, including return on invested capital, sales, assets, or equity	• Implementation or completion of critical projects, including acquisitions, divestitures and other strategic objectives, including market penetration and product development	• Specified objectives with regard to limiting the level of increase in all or a portion of the Company's bank debt or other long-term or short-term public or private debt or other similar financial obligations of the Company
• Gross profit	• Market share	
• Gross or operating margin	• Price or increase in price of ordinary shares	

Such performance goals also may be based solely by reference to the Company's performance, or the performance of a Subsidiary, division, business segment or business unit of the Company or a Subsidiary, or based upon the Company's performance relative to the performance of other companies or upon comparisons of any of the indicators of performance relative to performance of other companies. The Committee may, in its sole discretion, also exclude, or adjust to reflect, the impact of an event or occurrence that the Committee determines should be appropriately excluded or adjusted, including: (i) restructurings, discontinued operations, extraordinary items, and other unusual, infrequently occurring or non-recurring charges or events, (ii) asset write-downs, (iii) litigation or claim judgments or settlements, (iv) acquisitions or divestitures, (v) reorganization or change in the corporate structure or capital structure of the Company, (vi) an event either not directly related to the operations of the Company, Subsidiary, division, business segment or business unit or not within the reasonable control of management, (vii) foreign exchange gains and losses, (viii) a change in the fiscal year of the Company, (ix) the refinancing or repurchase of bank loans or debt securities, (x) unbudgeted capital expenditures, (xi) the issuance or repurchase of equity securities and other changes in the number of outstanding shares, (xii) conversion of some or all of convertible securities to common stock, (xiii) any business interruption event (xiv) the cumulative effects of tax or accounting changes in accordance with U.S. generally accepted accounting principles, or (xv) the effect of changes in other laws or regulatory rules affecting reported results. Performance goals may also be based upon individual performance criteria, as determined by the Committee, in its sole discretion.

Annual Incentive Bonus

The performance measures used in the annual incentive bonus reflect financial targets for the year and/or non-financial performance objectives. The Policy provides the Committee with flexibility to select appropriate measures and weightings on an annual basis. The current annual incentive bonus uses a mix of Financial and Operational metrics to drive accountability and improve effectiveness of the plan.

Annual incentive bonus performance targets are set to be aggressive but achievable, related to a given year. For financial measures, "target" is based around the annual plan approved by the Board. Prior to the start of the financial year, the Committee sets an appropriate performance range around target, which it considers to provide an appropriate degree of "stretch" challenge and an incentive to outperform.

Annual LTI Awards

Our annual LTI program for Executive Directors may be a combination of the different elements permitted under the Policy. It currently consists of approximately 55% PRSUs and 45% RSUs. The Committee may grant other awards as permitted under the 2021 Equity Incentive Plan. Without limiting the Committee's discretion, the following explains how the current awards operate:

RSUs

RSUs normally vest ratably across three years, beginning on the first anniversary of the grant date. RSU awards are intended to operate as a long-term retention and investment in the Company. As a consequence, vesting in these awards are subject only to a continued employment condition and not to performance conditions; however, realized value is subject to stock price movements. The Committee may impose different vesting terms at its discretion.

PRSUs

PRSU achievement is based on performance measures and targets set by the Committee at the start of the performance period, taking into account the Company's short- and long-term financial operating plans and shareholder expectations regarding the Company's earnings performance and growth. PRSUs are currently tied to relative Total Shareholder Return and return on invested capital. The Committee strives to establish challenging but attainable targets with heavy stretch goals for maximum payout.

Approach to Recruitment Remuneration

There are a number of factors that the Committee takes into account when making an appointment to the Board, which may vary depending on whether the individual is an external hire or internal promotion. While the intention is that the elements of pay will be consistent with the table set out earlier in this Policy, to allow for the uncertainties associated with making appointments, particularly when recruiting externally, the following guiding principles additionally form part of the appointments policy if further Executive Directors are recruited. The maximums contained within the Policy for fixed pay do not apply to a recruit, either on or joining the Board, or for any subsequent annual review within the life of this Policy as approved by shareholders, although the Committee does not envision exceeding these levels in practice. Further, the Committee has the discretion to approve changes to elements of pay for new recruits to attract relevant talent.

- Salary levels will be informed by those factors set out in the Policy table and also by an individual's prior experience.
- The annual incentive bonus will be in line with the Policy table.
- The aggregate LTI awards that can be received in one year generally will not exceed 10 times base salary. However, the Committee reserves the right to make aggregate incentive awards of up to 20 times base salary in special circumstances. In the year of appointment, an off-cycle award under the LTI program may be made by the Committee to ensure an immediate alignment of interests. Performance measures and targets will be reviewed and may be changed to ensure they are appropriate depending on the timing and nature of the appointment.
- In the event of an external appointment, the Committee may buy-out incentive awards (both annual and long-term) that the individual has forfeited on departure. In determining any award, the likelihood of vesting, the applicability of performance requirements, the time horizons, the anticipated value of any awards and the award vehicle will be taken into consideration. These buy-outs are not subject to the maximums stated in this Policy.
- Benefits will be in line with the elements set out in the Policy table but such elements may be varied (at the Committee's discretion) for reasons including, but not limited to where the individual is based and if they have to move to perform the role.
- In the event of an internal appointment, pre-existing obligations can be honored by the Committee and will be permitted under this Policy.

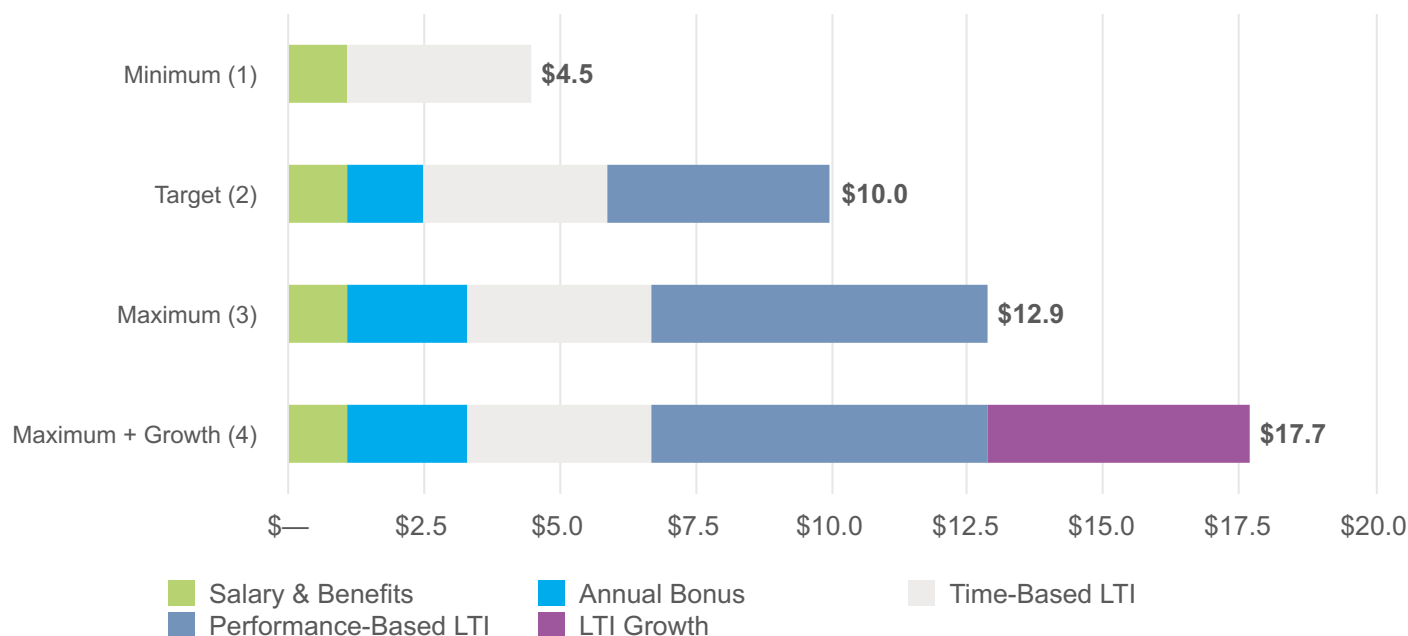
Payments on Existing Awards

Subject to the achievement of the applicable performance conditions, Executive Directors and any former Executive Director with outstanding awards are eligible to receive payment for any award made by the Company prior to the approval and implementation of the Policy. Similarly, the Company will honor any payments provided to a new Executive Director prior to (and not in contemplation of) the appointment to the Board.

Total Remuneration by Performance Scenario

The estimated compensation amounts receivable by the Executive Director for the first fiscal year in which this Policy applies are shown in the following graph.

Total Remuneration by Performance Scenario for 2025 (in \$ millions)



- (1) Minimum reflects salary, benefits and 401(k) contributions. Certain benefits and 401(k) contributions vary from year to year, but make up a small portion of total remuneration. The amounts shown in this table assume these variable amounts will not change in 2025.
- (2) Target reflects salary, benefits and 401(k) contributions plus target annual incentive bonus opportunity for 2025 plus target value of LTI awards granted in 2025. Share price appreciation and dividend roll-up have been excluded from the amount shown.
- (3) Maximum reflects salary, benefits and 401(k) contributions plus maximum annual incentive bonus opportunity for 2025 plus the maximum vesting of LTI awards granted in 2025. Share price appreciation has been excluded from the amount shown.
- (4) Maximum + Growth reflects salary, benefits and 401(k) contributions plus maximum annual incentive bonus opportunity for 2025 plus the maximum vesting of LTI awards granted in 2025 with an additional 50% share price growth.

Director's Service Agreement

The Company enters into employment agreements with our senior executives, including our Executive Directors, which are intended to ensure their attention, efforts and commitments are aligned with maximizing the Company's success. The Committee believes that the provision of employment agreements and change-in-control severance benefits are critical to recruit talented employees and to secure the continued employment and dedication of the Company's existing employees. All or nearly all of the U.S. companies with which the Company competes for talent have change-in-control arrangements in place for their senior executives. While the Committee considers these agreements to be necessary, the terms of these arrangements are not considered as part of the remuneration strategy when the Committee annually determines the remuneration for Mr. Cote or other senior executives. Our employment agreement with Mr. von Schuckmann can be found at <https://www.sec.gov/Archives/edgar/data/1477294/000147729425000022/exhibit1050sensata-ceousem.htm>. The term of the employment agreement with Mr. von Schuckmann is one year, but shall automatically be renewed on the same terms and conditions for additional one-year periods beginning on the first anniversary of the effective date and on each successive anniversary of the effective date, unless the Company or Mr. von Schuckmann gives the other party written notice of the election not to renew the employment agreement at least 90 days prior to any such renewal date; provided that, the employment agreement shall terminate immediately upon Mr. von Schuckmann's resignation, death or disability or upon the Company's termination of Mr. von Schuckmann's employment (whether with Cause (as defined below) or without Cause.

A copy of the employment agreement will be available for inspection at the Annual General Meeting of Shareholders in 2025. We have not entered into service agreements with any of our Non-Executive Directors.

Loss of Office Payments

The following sections summarize the termination benefits payable to our Executive Director following termination of employment due to death or disability, retirement, voluntary resignations for good reason, termination without cause, including non-renewal of employment agreement with Committee consent and Change in Control. None of these termination benefits are

payable to the Executive Director is they terminate their employment with the Company due to voluntary resignation or whose employment is terminated for cause. The Committee has discretion to determine the timing, methodology and other considerations of termination payments under this Policy.

Termination due to death or disability. If an Executive Director terminates their employment due to their death or disability, they will be entitled to (i) their base salary through the date of termination, (ii) any bonus amounts to which they are entitled prior to the date of termination, provided the Executive Director remains employed by the Company through February 1 of the fiscal year following the fiscal year to which the annual bonus relates, (iii) accelerated vesting of any unvested RSUs, and (iv) accelerated vesting of PRSUs based on the greater of (i) target or (ii) actual performance (based on the Committee's determination).

Termination due to retirement. If an Executive Director terminates their employment due to their retirement they will be entitled to (i) their base salary through the date of termination, (ii) any bonus amounts to which they are entitled prior to the date of termination, provided the Executive Director remains employed by the Company through February 1 of the fiscal year following the fiscal year to which the annual bonus relates, (iii) unvested RSUs will remain outstanding and continue to vest according to the vesting schedule without regard to the requirement that the NEO be employed by the Company, and (iv) PRSUs vest based on actual performance according to the vesting schedule without regard to the requirement that the NEO be employed by the Company. To be eligible for retirement, an Executive Director must be at least 55 years of age and have a combined age and years of credited employment service with the Company of 65 years.

Termination without cause or resignation for good reason. If an Executive Director is terminated without cause, or terminates their employment with us for good reason (as those terms are defined in the employment agreement) during their employment term, they will be entitled to (i) a severance payment equal to two years at their base salary, (ii) an amount equal to the bonus payments they received in the two years preceding their termination and (iii) payment to cover continuation of their health and dental benefits for two years. Pursuant to our award agreements under the 2021 Equity Incentive Plan, if an Executive Director is terminated by us without cause (as that term is defined in the respective award agreement), the Executive Director will be entitled to (i) unvested PRSUs that otherwise would have vested within six months of the Executive Director's termination date shall vest on the termination date at the sum of the banked amounts for those performance year(s) completed (if any) plus target for the uncompleted performance year(s), (ii) unvested RSUs that otherwise would have vested within six months of the Executive Director's termination date shall vest in full on the termination date, and (iii) unvested options that would have vested within six months of the Executive Director's termination date shall vest in full on the termination date.

Termination with cause or resignation without good reason. If an Executive Director is terminated by the Company with "cause", or if an Executive Director terminates their employment with the Company without "good reason", the Executive Director will be entitled to (i) their base salary through the date of termination and (ii) any bonus amounts to which they are entitled prior to the date of termination.

Termination without cause or resignation for good reason during a Change in Control period. If an Executive Director is terminated without cause, or terminates their employment with us for good reason (as those terms are defined in the employment agreement) during the 24 months following the Change in Control date, they will be entitled to (i) a severance payment equal to three years at their base salary, (ii) an amount equal to the bonus payments they received in the three years preceding their termination and (iii) payment to cover continuation of their health and dental benefits for three years. Pursuant to the terms of the 2021 Equity Incentive Plan, in the event of a change in control of the Company, awards are subject to a "double trigger" vesting policy. This means that unvested stock options, RSUs and PRSUs only vest if an Executive Director is terminated without cause, within 24 months following a change in control of the Company.

Historic Arrangements

The Committee reserves the right to make remuneration payments and payments for loss of office (including exercising any discretion available to it in connection with such payments) that are not in line with the Policy set out in this report where the terms of the payment were agreed: (i) before the Policy was approved by the Company's shareholders; or (ii) at a time when the relevant individual was not a director of the Company and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a director of the Company. For these purposes, "payments" includes the Committee determining and paying short-term and long-term incentive awards of variable remuneration.

Share Ownership Guidelines

The Committee adopted Stock Ownership Policy that requires Executive Directors satisfy a stock ownership requirement in an amount equal in value to at least six times their salary and calculated in accordance with the Stock Ownership Policy. Further, all Non-Executive Directors are required to hold five times their annual cash retainer in share value (currently a \$500,000 holding requirement for all Non-Executive Directors), to ensure that Directors maintain a meaningful ownership stake in the Company and that they are encouraged to take a long-term view on value creation. Both Executive and Non-Executive Directors have five years from the date of their appointment to meet the required guidelines.

Consideration of Employment Conditions and Consultation with Employees

When reviewing Executive Directors pay, the Committee is aware of the remuneration of all employees. These matters are considered when conducting the annual review of executive remuneration. The Company seeks to promote and maintain good relationships with employees as part of its employee engagement strategy but does not normally formally consult with employees.

Consideration of Shareholder Views

We engage in a dialogue with nearly all of our significant shareholders annually in order to understand their perspectives on our compensation programs and other corporate governance topics. The Committee considered shareholder feedback as part of its annual assessment of the Company's overall executive compensation programs and policies. The Committee reaffirmed the core structure of our Executive Directors' compensation program based on strong shareholder support for our prior year's advisory resolution on Executive Directors' compensation.

The Committee will continue to consider and monitor shareholder feedback when making decisions involving executive compensation.

Remuneration for Non-Executive Directors

Components of Remuneration for Non-Executive Directors

Compensation Component	Maximum Opportunity	Recovery or Withholding
Annual Cash Retainer and Fees	Not to ordinarily exceed \$400,000 annually per Director	No recovery provisions apply to cash compensation.

Purpose/Link to Strategy

Attract top talent to the Board and retain Directors.

Operation and Framework

The annual cash retainer and fees are reviewed at least once every other year by the Committee, which has discretion to change the retainer or fees, including in circumstances where a Non-Executive Director's role has changed, taking into account pay data at comparator companies. This review may result in increases to the annual cash retainer and fees, including the maximum opportunity set forth above.

The Compensation Committee reviews non-executive director compensation on a bi-annual basis with the assistance of an independent compensation consultant. The compensation structure for non-executive directors currently includes:

- Annual cash retainer: cash-based compensation for members of the Board of Directors for their service on the Board; the Board Chair receives an incremental fee.
- Annual equity retainer: equity-based compensation granted in the form of RSUs to align Directors' incentives with shareholder value growth. This award is granted upon re-election to the Board and is calculated by dividing the annual equity award target value by the closing share price on the date of grant, which amount is then rounded up to the fullest share. The RSUs vest 100% on the date of the annual shareholders meeting in the year following the date of grant.
- Annual Committee Chair and Member fees: Committee Chairs and Members receive incremental fees for their service, Committee Chairs do not receive Committee Member fees.
- Other fees: Non-executive directors received a fee for attendance at meetings held in the United Kingdom. All directors are also reimbursed for U.K. tax advisory and preparation fees and reasonable out-of-pocket expenses incurred in connection with their service.

Compensation Component	Maximum Opportunity	Recovery or Withholding
Equity Based Awards—2021 Equity Incentive Plan	Grant-date fair value not to exceed \$350,000 annually per Director calculated in accordance with ASC 718. In addition, participants may receive an amount that reflects the value of dividends accrued over the vesting period.	No recovery provisions apply to equity based plans.

Purpose/Link to Strategy

Attract top talent to the Board, retain Directors and encourage ownership of Sensata equity. Align Directors' incentives to increasing value for Shareholders.

Operation and Framework

The equity-based awards are reviewed at least once every other year by the Committee, which has discretion to change the amount taking into account pay data at comparator companies.

The annual equity award is currently set at \$175,000 in market value. Each Non-Executive Director who is in office immediately following an Annual General Meeting of Shareholders is granted an RSU award calculated by dividing the annual equity award market value (currently \$175,000) by the share price on the date of grant, rounded up to the fullest share. In general, the annual equity award will vest 100% on the date of the Annual General Meeting of Shareholders in the year following the date of grant.

Any new Non-Executive Director who is elected or appointed to the Board not in connection with an Annual General Meeting of Shareholders will receive a RSU award as set forth above, pro-rated to reflect the actual time served on the Board for period of service until the next scheduled Annual General Meeting of Shareholders.

Compensation Component	Maximum Opportunity	Recovery or Withholding
Benefits	There is no set maximum to reimbursable expenses; however, these expenses must be reasonable, and to the extent they come within the U.K. definition of benefits, fall within a maximum of \$250,000 annually per Director. Tax equalization payments will be capped at an amount that would result in an after-tax position consistent with what would have occurred had the Company been domiciled in the executive's home country (as advised by a reputable tax advisor). While the Company does not consider it to form a part of benefits in the normal usage of that term, within the U.K., corporate hospitality and attendance at other events including travel for a director and/or member of his or her family may fall within their definition. The Committee reserves the right for the Company to authorize attendance to events within its agreed policies and may count such items towards the maximum.	No recovery provisions apply to benefits.

Purpose/Link to Strategy

Attract top talent to the Board and retain Directors and ensure they do not incur significant expenses in performing their role.

Operation and Framework

The Company provides its Non-Executive Directors with reimbursement of travel expenses related to their service. Further, the Company may pay for certain U.K. tax preparation and advisory services which are required as a result of their Board service.

Approach to Recruitment Remuneration - Non-Executive Directors

Fees for any new Non-Executive Director will be set in accordance with the levels prevailing for the other Non-Executive Directors at the time of the appointment. In the event of a new Chairman being appointed, the fees will be informed by the individual's experience and profile, as well as the anticipated time commitment and market rates. The Company may pay additional benefits related to travel and relocation depending on the home market of the incumbent. The Committee may make grants of RSUs in line with the Policy table.

Board Discontinuance - Non-Executive Directors

If a Non-Executive Director ceases to serve on the Board not in connection with an Annual General Meeting of Shareholders, any unvested RSUs will be forfeited except in the event of the Non-Executive Director's death, disability, or certain other circumstances, where the RSUs vest in full. Non-Executive Directors are not entitled to any other payments in connection with their loss of office.

The Directors' Remuneration Policy can be viewed within the 2025 proxy statement on our website at www.sensata.com.

3. ANNUAL REPORT ON DIRECTOR REMUNERATION

The following report provides details of how our Directors were compensated during the year ended December 31, 2024.

Compensation of Non-Executive Directors - Single Figure Table

The following table sets out the compensation of our Non-Executive Directors during the year ended December 31, 2024 with comparisons to the year ended December 31, 2023:

Non-Executive Director	Annual Retainer and Committee Fees (\$)	Benefits (\$) ⁽¹⁾	RSU Award (\$) ⁽²⁾	Pension (\$)	Total Fixed Remuneration (\$)	Total Variable Remuneration (\$)	Total (\$)
John P. Absmeier							
2024	118,333	28,085	144,881	—	146,418	144,881	291,299
2023	110,500	6,177	127,731	—	116,677	127,731	244,408
Daniel L. Black							
2024	129,000	4,324	144,881	—	133,324	144,881	278,205
2023	119,500	4,306	127,731	—	123,806	127,731	251,537
Lorraine A. Bolsinger							
2024	134,646	3,763	144,881	—	138,409	144,881	283,290
2023	127,250	9,919	127,731	—	137,169	127,731	264,900
Phillip Eyer ⁽³⁾							
2024	56,042	—	139,426	—	56,042	139,426	195,468
2023	—	—	—	—	—	—	—
John Mirshekari							
2024	96,667	632	144,881	—	97,299	144,881	242,180
2023	—	—	—	—	—	—	—
Constance E. Skidmore							
2024	147,500	7,529	144,881	—	155,029	144,881	299,910
2023	135,000	4,169	127,731	—	139,169	127,731	266,900
Steven A. Sonnenberg							
2024	120,000	11,019	144,881	—	131,019	144,881	275,900
2023	108,000	5,396	127,731	—	113,396	127,731	241,127
Martha N. Sullivan ⁽⁴⁾							
2024	44,167	18,791	—	—	62,958	—	62,958
2023	107,583	10,800	127,731	—	118,383	127,731	246,114
Andrew C. Teich							
2024	271,000	15,182	144,881	—	286,182	144,881	431,063
2023	259,750	4,484	127,731	—	264,234	127,731	391,965
Jugal Vijayvargiya							
2024	123,167	13,130	144,881	—	136,297	144,881	281,178
2023	58,250	2,305	106,690	—	60,555	106,690	167,245
Stephen M. Zide							
2024	117,500	4,779	144,881	—	122,279	144,881	267,160
2023	106,750	4,257	127,731	—	111,007	127,731	238,738

⁽¹⁾ The amounts for 2024 and 2023 include U.K. and Netherlands tax advisory and preparation fees and reimbursement of reasonable out of pocket expenses.

⁽²⁾ RSU figures are the value of the awards made in the corresponding year using the fiscal year three-month ending closing price, which was \$32.47 and \$34.55 for 2024 and 2023, respectively. The RSUs vest on the day of the next Annual General Meeting of Shareholders based on continued service during the vesting period. Refer to *Performance-based*

Restricted Stock Units below for detailed information on the relevant performance targets, including the period over which performance is assessed and the level of vesting for meeting the threshold target.

- (3) Mr. Eyler joined the Board in July 2024 and was granted a pro-rated RSU award at that time for his service until the 2025 Annual General Meeting.
- (4) Ms. Sullivan received compensation as a non-executive director for the period January 1, 2024 through April 20, 2024. She did not receive a RSU award in 2024.

LTI awards granted in 2024

Director	Type of LTI award	Date of grant	Number of shares under LTI award	Grant Date Closing Price \$	Face value (\$) ⁽¹⁾	Vesting date
Jeffrey J. Cote ⁽²⁾	RSU	April 1, 2024	69,117	36.46	2,520,006	1/3 on April 1, 2025, 2026, 2027
	PRSU	April 1, 2024	84,476	36.46	3,079,995	April 1, 2027 based upon satisfaction of Relative TSR and ROIC
Martha N. Sullivan ⁽³⁾	RSU	May 1, 2024	153,886	38.99	6,000,015	1/12 on May 31, 2024 and every month thereafter
John P. Absmeier	RSU	June 11, 2024	4,462	39.22	175,000	Date of 2025 AGM
Daniel L. Black	RSU	June 11, 2024	4,462	39.22	175,000	Date of 2025 AGM
Lorraine A. Bolsinger	RSU	June 11, 2024	4,462	39.22	175,000	Date of 2025 AGM
Phillip Eyler	RSU	July 1, 2024	4,294	37.36	160,424	Date of 2025 AGM
John Mirshekari	RSU	June 11, 2024	4,462	39.22	175,000	Date of 2025 AGM
Constance E. Skidmore	RSU	June 11, 2024	4,462	39.22	175,000	Date of 2025 AGM
Steven A. Sonnenberg	RSU	June 11, 2024	4,462	39.22	175,000	Date of 2025 AGM
Andrew C. Teich	RSU	June 11, 2024	4,462	39.22	175,000	Date of 2025 AGM
Jugal Vijayvargiya	RSU	June 11, 2024	4,462	39.22	175,000	Date of 2025 AGM
Stephen M. Zide	RSU	June 11, 2024	4,462	39.22	175,000	Date of 2025 AGM

(1) Face value is the product of number of shares granted and grant date closing price.

(2) Mr. Cote forfeited his 2024 awards upon retirement in April 2024.

(3) Upon the appointment of a new CEO, the remainder of Ms. Sullivan's award will be forfeited.

Performance-based Restricted Stock Units

2024 LTI PRSUs were granted on April 1, 2024 with a fair market value of \$36.46 (per unit) as of the grant date. The PRSUs are subject to cliff vesting on the third anniversary of the grant date. The number of PRSUs that ultimately will vest depends on the Company's Relative TSR performance and ROIC for each of the fiscal years 2024 through 2026. Relative TSR performance means the Company's TSR performance when ranked among the TSR of a peer group, as set forth below, during the applicable performance year. ROIC means the Company's adjusted earnings before interest divided by total invested capital.

The Compensation Committee strives to establish challenging but attainable targets with heavy stretch goals for maximum payout. Relative TSR performance and ROIC targets for each of the years in the three-year performance period are set at the beginning of the performance period, and take into account, among other things, management's short- and long-term financial and operating plans and shareholder expectations. At the end of each year in the performance period, the award agreement provides that our actual results will be measured against that year's TSR performance of the peer group and our pre-set ROIC targets. One-third of each PRSU award is "banked" as adjusted for performance, after each year, with banked portions subject to continued time vesting over the three-year period. At the end of the performance period, if the three-year compound annual growth rate ("CAGR") for our Relative TSR performance is greater than the 50th percentile of the three-year CAGR TSR of the peer group, a calculation based on 100% of the PRSUs granted is used to determine the payout of PRSUs.

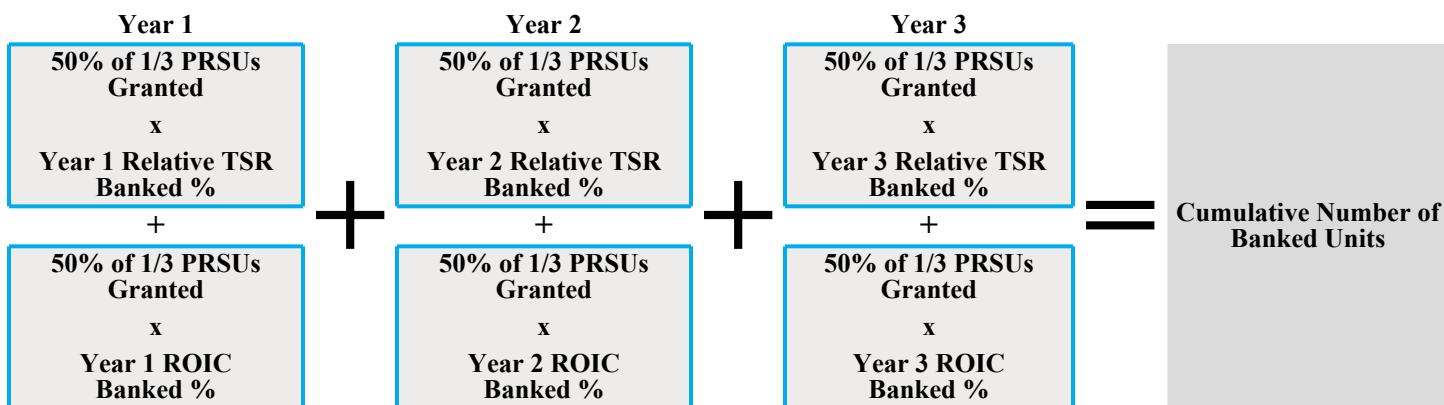
The tables below illustrate how the ultimate payout of the 2024 PRSUs is calculated:

	Relative TSR (annual periods) - 50% of PRSUs Awarded						3-Year CAGR	
	Year 1 Relative TSR Performance	Year 1 Banked Units ⁽¹⁾	Year 2 Relative TSR Performance	Year 2 Banked Units ⁽¹⁾	Year 3 Relative TSR Performance	Year 3 Banked Units ⁽¹⁾	3-Year CAGR Relative TSR Performance	3-Year CAGR Modifier ⁽¹⁾
Threshold	25th %tile	50%	25th %tile	50%	25th %tile	50%	n/a	n/a
Target	50th %tile	100%	50th %tile	100%	50th %tile	100%	50th %tile	100%
Maximum	75th %tile	100%	75th %tile	125%	75th %tile	150%	75th %tile	150%

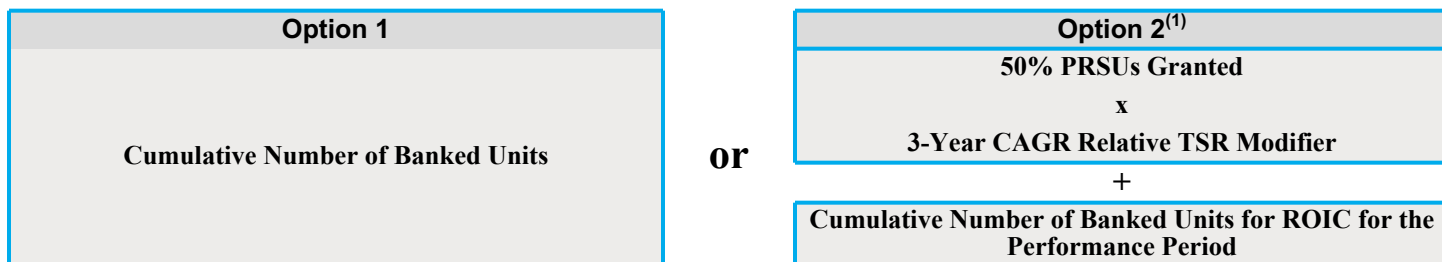
⁽¹⁾ The banked units percentage for each year within the three-year performance period will be interpolated on a straight-line basis provided the Threshold is met.

	ROIC (annual periods) - 50% of PRSUs Awarded					
	Year 1 ROIC Target	Year 1 Banked Units ⁽¹⁾	Year 2 ROIC Target	Year 2 Banked Units ⁽¹⁾	Year 3 ROIC Target	Year 3 Banked Units ⁽¹⁾
Threshold	8%	50%	8%	50%	8%	50%
Target	10%	100%	11.5%	100%	12.8%	100%
Maximum	12%	150%	15%	150%	17.6%	150%

⁽¹⁾ The banked units percentage for each year within the three-year performance period will be interpolated on a straight-line basis provided the Threshold is met.



On the vesting date, the number of PRSUs that will vest is the greater of:



⁽¹⁾ Option 2 can only be applied if three-year CAGR Relative TSR Performance is greater than the 50th percentile of the three-year CAGR TSR performance of the peer group.

We believe this approach to compare annual Relative TSR within the three-year performance period relative to our peer group strengthens our executives' incentives to achieve superior earnings results.

Our peer group for purposes of Relative TSR performance is a blend of our Automotive and Investor Relations peers. If a peer group company is dissolved or acquired, it is removed from the peer group for any uncompleted performance year and the three-year CAGR Relative Performance calculation. For 2024, the Compensation Committee maintained the Relative TSR peer group. Thus, the 2024 Relative TSR peer group consisted of the following companies:

American Axle & Manufacturing, Inc.	AMETEK, Inc.	Amphenol Corporation
Aptiv plc	Autoliv Inc.	BorgWarner, Inc.
Dana Incorporated	Gentex Corporation	Gentherm Incorporated
Lear Corporation	Littelfuse, Inc.	Melexis SA
Regal Rexnord Corporation	Stoneridge, Inc.	TE Connectivity Ltd
Visteon Corporation		

2024 PRSUs (2024 - 2026)

On April 1, 2025, 91% of the 2024 PRSUs banked for 2024 performance as set forth below:

	2024	2025	2026
Relative TSR Performance Target	50th %ile	50th %ile	50th %ile
Relative TSR Performance Achieved	38th %ile	n/a	n/a
Relative TSR Performance Banked %	76%	n/a	n/a
ROIC Performance Target	10.0%	11.5%	12.8%
ROIC Performance Achieved	10.2%	n/a	n/a
ROIC Performance Banked %	105%	n/a	n/a
% Banked	91%	n/a	n/a

2023 PRSUs (2023 - 2025)

On April 1, 2025, 79% of the 2023 PRSUs banked for 2024 performance as set forth below:

	2023	2024	2025
Relative TSR Performance Target	50th %ile	50th %ile	50th %ile
Relative TSR Performance Achieved	13th %ile	38th %ile	n/a
Relative TSR Performance Banked %	—%	76%	n/a
ROIC Performance Target	10.0%	11.5%	12.8%
ROIC Performance Achieved	9.7%	10.2%	n/a
ROIC Performance Banked %	93%	81%	n/a
% Banked	46%	79%	n/a

2022 PRSUs (2022 - 2024)

On April 1, 2025, 60% of the 2022 PRSUs vested for the 2022 - 2024 performance period as set forth below:

The Company granted PRSUs to the then-NEOs on April 1, 2022, which were subject to cliff vesting on the third anniversary of the grant date. The number of PRSUs that ultimately vested was subject to the Company's Adjusted EPS year-over-year growth performance when ranked among the Adjusted EPS year-over-year growth performance of a peer group and ROIC performance. Based on the achievement in 2024, 70% of the 2022 PRSUs banked for 2024 performance. Based on the performance during the performance period, 60% of the 2022 PRSUs vested on April 1, 2025 as set forth below. The 3-Year CAGR Modifier is not applicable to the 2022 PRSUs, because 3-Year CAGR Relative Adjusted EPS Growth Performance did not exceed the 50th percentile for the peer group.

	2022	2023	2024
Relative Adjusted EPS Growth Performance Target	50th %ile	50th %ile	50th %ile
Relative Adjusted EPS Growth Performance Achieved	29th %ile	35th %ile	35th %ile
Relative Adjusted EPS Performance Banked %	59%	70%	70%
ROIC Performance Target	10% - 15%	10% - 15%	10% - 15%
ROIC Performance Achieved	9.1%	9.7%	10.2%
ROIC Performance Modifier	0.85x	0.85x	1.00x
% Banked	50%	60%	70%

1/3 PRSUs Granted x 2022 Relative Adjusted EPS Growth Banked % x 2022 ROIC Modifier	+	1/3 PRSUs Granted x 2023 Relative Adjusted EPS Growth Banked % x 2023 ROIC Modifier	+	1/3 PRSUs Granted x 2024 Relative Adjusted EPS Growth Banked % x 2024 ROIC Modifier	=	2022 PRSUs Total Vest 60%
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Payments to past / former Directors

There were no payments to past or former Directors for the year ended December 31, 2024.

Payments for loss of office

There were no payments for loss of office for the year ended December 31, 2024.

Statement of the Directors' Shareholding and Share Interests

The Compensation Committee has adopted a policy requiring Executive Directors to hold six times their annual salary and Non-Executive Directors to hold five times their annual cash retainer in share value (\$500,000 holding requirement for all Non-Executive Directors), to ensure that Directors maintain a meaningful ownership stake in the Company and that they are encouraged to take a long-term view on value creation. As of December 31, 2024, the Directors were either in compliance with the share ownership guidelines or within the applicable retention or grace periods.

The following table is subject to audit and provides details of the Directors' shareholdings as at December 31, 2024:

Director	Beneficially Owned Shares	% Shareholding Guideline Achieved	Number of shares under vested but unexercised stock options	Number of shares under unvested RSUs and stock options	Number of shares under unvested PRSUs
Martha N. Sullivan	363,712	100 %	357,622	—	—
John P. Absmeier	17,579	100 %	—	4,462	—
Daniel L. Black	10,544	88 %	—	4,462	—
Lorraine A. Bolsinger	14,627	100 %	—	4,462	—
Phillip Eyler	—	25 %	—	4,294	—
John Mirshekari ⁽¹⁾	269,507	100 %	—	4,462	—
Constance E. Skidmore	23,019	100 %	—	4,462	—
Steven A. Sonnenberg	14,514	100 %	—	4,462	—
Andrew C. Teich	26,730	100 %	7,040	4,462	—
Jugal Vijayvargiya	3,036	44 %	—	4,462	—
Stephen M. Zide	29,841	100 %	7,040	4,462	—

(1) Includes indirect shares of 268,310.

During 2024, the following changes in Ms. Sullivan's beneficial ownership occurred:

	Exercised	Vested	Granted ⁽¹⁾
Options	109,022	—	—
RSUs	N/A	106,288	153,886
PRSUs	N/A	—	—

(1) Granted in accordance with the 2021 Equity Plan.

Option exercises during 2024

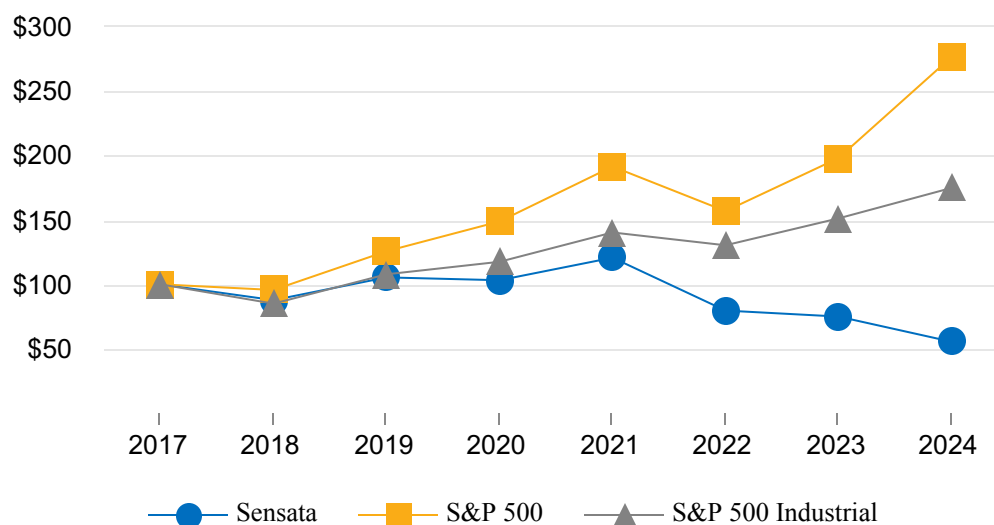
The following table is subject to audit and includes information on the stock options exercised by the Directors during the year ended December 31, 2024:

Director	Number of stock options exercised during 2024	Exercise Price	Expiry Date
Martha N. Sullivan	109,022	\$ 42.52	April 1, 2026

Performance graph and table

The following graph compares the TSR of our ordinary shares since December 31, 2017 to the TSR since that date of the Standard & Poor's ("S&P") 500 Stock Index and the S&P 500 Industrial Index. We consider the S&P 500 Stock index to be the most appropriate broad equity market index against which our performance should be measured. We also compared our

performance against the S&P 500 Industrial Index as another corroborating data set. The graph assumes that the value of the investment in our ordinary shares and each index was \$100.00 on December 31, 2017.



Total Shareholder Return of \$100.00 Investment from December 31, 2017
As of December 31,

	2017	2018	2019	2020	2021	2022	2023	2024
Sensata	\$ 100.00	\$ 87.73	\$ 105.40	\$ 103.19	\$ 120.70	\$ 79.61	\$ 74.95	\$ 55.41
S&P 500	\$ 100.00	\$ 95.62	\$ 125.72	\$ 148.85	\$ 191.58	\$ 156.89	\$ 198.13	\$ 247.70
S&P 500 Industrial	\$ 100.00	\$ 85.00	\$ 107.81	\$ 117.52	\$ 140.32	\$ 130.35	\$ 151.26	\$ 174.92

Compensation of Executive Director - Single Figure Table

The following table is subject to audit and sets out the compensation paid to Ms. Sullivan and Mr. Cote, our Interim Chief Executive Officer and former Chief Executive Officer, respectively, for the fiscal year 2024. Fiscal year 2024 provides Mr. Cote, our former Executive Director, from January through April and Ms. Sullivan, our Interim Executive Director, from May through December. Fiscal year 2023 through 2020 provides for our former Executive Director, Mr. Cote. Fiscal year 2020 provides our former Executive Director, Ms. Sullivan, from January through February and Mr. Cote from March through December.

	Base Salary (1)	Taxable Benefits (2)	Annual Incentive Bonus (3)	LTI Award (4)	Pension (5)	Total Fixed Remuneration	Total Variable Remuneration	Total
2024 - Sullivan	\$ 700,000	\$ 10,160	\$ 945,000	\$ 4,996,678	\$ 13,800	\$ 723,960	\$ 5,941,678	\$ 6,665,638
2024 - Cote	\$ 335,357	\$ 26,360	\$ —	\$ 1,628,596	\$ 13,414	\$ 375,131	\$ 1,628,596	\$ 2,003,727
2023 - Cote	\$ 991,427	\$ 27,436	\$ —	\$ 2,911,396	\$ 13,200	\$ 1,032,063	\$ 2,911,396	\$ 3,943,459
2022 - Cote	\$ 985,839	\$ 26,541	\$ 743,570	\$ 5,378,696	\$ 12,200	\$ 1,024,580	\$ 6,122,266	\$ 7,146,846
2021 - Cote	\$ 953,250	\$ 26,371	\$ 1,206,954	\$ 2,057,669	\$ 11,600	\$ 991,221	\$ 3,264,623	\$ 4,255,844
2020 - Cote	\$ 542,501	\$ 23,049	\$ 937,440	\$ 3,659,024	\$ 9,500	\$ 575,050	\$ 4,596,464	\$ 5,171,514
2020 - Sullivan	\$ 157,500	\$ 662	\$ —	\$ —	\$ 1,182	\$ 159,344	\$ —	\$ 159,344
2019 - Sullivan	\$ 945,000	\$ 27,873	\$ —	\$ 2,672,585	\$ 7,675	\$ 980,548	\$ 2,672,585	\$ 3,653,133

(1) Represents actual base salary paid.

(2) Benefits for Ms. Sullivan included health benefits. Benefits for Mr. Cote included health benefits and payments made in connection with financial counseling.

(3) Mr. Cote did not receive an Annual Incentive Bonus payout for 2024 due to his retirement. The Board exercised its discretion included in Ms. Sullivan's Offer Letter for if a permanent CEO did not commence employment before December 31, 2024 and determined, based on her performance as Interim CEO & President and Mr. von Schuckmann commencing employment on January 1, 2025, to award her a pro rata amount of her Annual Incentive Bonus for 2024 equal to her Annual Incentive Bonus Target based on the number of days in 2024 she was employed as Interim President and CEO.

(4) LTI Award for the current and previous Executive Director consisted of the following:

	RSUs ^(a)	PBUs ^(b)	Options ^(c)	Total
2024 - Sullivan	\$ 4,996,678	\$ —	\$ —	\$ 4,996,678
2024 - Cote	\$ —	\$ 1,628,596	\$ —	\$ 1,628,596
2023 - Cote	\$ 1,740,629	\$ 1,170,767	\$ —	\$ 2,911,396
2022 - Cote	\$ 1,866,742	\$ 3,511,954	\$ —	\$ 5,378,696
2021 - Cote	\$ 2,057,669	\$ —	\$ —	\$ 2,057,669
2020 - Cote	\$ 3,348,310	\$ 310,714	\$ —	\$ 3,659,024
2019 - Sullivan	\$ 755,293	\$ 1,476,800	\$ 440,492	\$ 2,672,585

- (a) RSU figures are the value of the awards made in the corresponding year using the fiscal year three-month ending closing price which was \$32.47, \$34.55 and \$41.45 for 2024, 2023, and 2022 respectively. The RSUs granted to Mr. Cote in 2024 were forfeited upon his retirement. The RSUs granted to Ms. Sullivan vest equally in monthly increments beginning on May 31, 2024 and the unvested amount will be forfeited upon the appointment of a new CEO.
- (b) The amount shown represents the total amount achieved for the year, which is calculated by multiplying the performance results by the number of shares granted by the closing stock price on the vest date. For 2024, Mr. Cote's PRSU value reflect number of PRSUs vested upon his retirement. For 2023 and 2022, the achieved performance on PRSUs was 74% and 82%, respectively, and the closing stock price on the date of vest was \$36.46 and \$50.02, respectively. Refer to *Performance-based Restricted Stock Units* below for detailed information on the relevant performance targets, including the period over which performance is assessed and the level of vesting for meeting the threshold target.
- (c) Consistent with U.K. regulations, the amount reported above for Options is the implied gain on those options compared with the average closing price per share for the last three months of 2024, 2023, and 2022. In 2024, 2023, and 2022, no options were granted.

(5) Includes the Company's matching contributions to Ms. Sullivan's and Mr. Cote's 401(K).

The following table sets out, for our current and previous Executive Director, the total compensation paid as seen in the Single Figure Table, the bonus paid as a percentage of the maximum opportunity and the number of shares that have vested against the maximum number of shares that could have been received over a three year period.

	Single Figure of Total Compensation	Annual Incentive Bonus as a % of Maximum	LTI Award Vesting as a % of Maximum
2024 - Sullivan	\$ 6,665,638	14 %	75 %
2024 - Cote	\$ 2,003,727	— %	81 %
2023 - Cote	\$ 3,943,459	— %	74 %
2022 - Cote	\$ 7,146,846	10 %	75 %
2021 - Cote	\$ 4,255,844	28 %	48 %
2020 - Cote	\$ 5,171,514	18 %	71 %
2020 - Sullivan	\$ 159,344	— %	— %
2019 - Sullivan	\$ 3,653,133	— %	73 %

Annual Incentive Compensation of the CEO

Compensation Arrangement for Martha Sullivan's Service as Interim President & CEO

In her role as Interim President & CEO, Ms. Sullivan received an annual base salary of \$1,050,000, an annual target cash bonus incentive of 135% of base salary ((i) prorated based on target performance in the event a successor commenced employment as permanent CEO before December 31, 2024 or (ii) determined in accordance with factors including, but not limited to, her individual performance, business unit performance, and Sensata's performance as further detailed in the terms and conditions of the Annual Incentive Bonus program), an equity incentive award with a grant date fair value of \$6 million (vesting in equal monthly installments over twelve months, while serving as Interim President and CEO), and eligibility to participate in employee benefits and perquisites generally made available to executive officers of the Company. Ms. Sullivan was not eligible for severance benefits and did not receive compensation for her service on the Board during her time as Interim President and CEO.

Annual Incentive Bonus for the Executive Director

The Annual Incentive Bonus components for 2024 consisted of Adjusted Operating Income Margin and Adjusted Free Cash Flow, equally weighted at 50%. In 2024, the Board exercised its discretion included in Ms. Sullivan's Offer Letter for if a permanent CEO did not commence employment before December 31, 2024 and determined, based on her performance as Interim President and CEO and Mr. von Schuckmann commencing employment on January 1, 2025, to award her a pro rata amount of her Annual Incentive Bonus for 2024 equal to her Annual Incentive Bonus Target based on the number of days in 2024 she was employed as Interim President and CEO. This resulted in a \$945,000 bonus for Ms. Sullivan.

Percentage Change Comparisons: Directors' Compensation Versus Employees

In the table below, values in column "a" represent the percentage change in salary and fees; values in column "b" represent the percentage change in taxable benefits; and values in column "c" represent the percentage change in bonus outcomes for performance periods in respect of each financial year.

For the purposes of comparison, the employee percentages shown below represent the relative change between the average full-time equivalent pay for every employee employed by the Company at any point during the relevant financial year, and the equivalent average value for the preceding financial year.

Percentage Change for:	2024 v 2023			2023 v 2022			2022 v 2021			2021 v 2020			2020 v 2019		
	a	b	c	a	b	c	a	b	c	a	b	c	a	b	c
Employees	(1)%	5%	4%	10%	(21)%	13%	5%	(13)%	12%	8%	25%	14%	5%	70%	(9)%
Martha Sullivan	(1)	592%	296%	n/a	13%	3030%	n/a	33%	—%	n/a	(55)%	(100)%	n/a	(83)%	(98)%
John Absmeier		7%	355%	n/a	11%	(17)%	n/a	—%	32%	n/a	17%	124%	n/a	17%	(30)%
Daniel Black		8%	—%	n/a	10%	204%	n/a	1%	485%	n/a	—%	—%	n/a	—%	—%
Lorraine Bolsinger		6%	(62)%	n/a	21%	—%	n/a	7%	—%	n/a	1%	—%	n/a	—%	—%
Phillip Eyler	(2)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
John Mirshekari	(2)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Constance E. Skidmore		9%	81%	n/a	11%	—%	n/a	2%	(100)%	n/a	16%	(31)%	n/a	(8)%	(50)%
Steven Sonnenberg		11%	104%	n/a	11%	114%	n/a	1%	(10)%	n/a	1%	—%	n/a	—%	—%
Andrew Teich		4%	239%	n/a	5%	—%	n/a	1%	(100)%	n/a	15%	(38)%	n/a	23%	(11)%
Jugal Vijayvargiya	(3)	111%	470%	n/a	n/a	—%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Stephen Zide		10%	12%	n/a	12%	—%	n/a	—%	(100)%	n/a	3%	48%	n/a	(6)%	—%

(1) Ms. Sullivan stepped down from the Board to serve as Interim CEO on May 1, 2024. Her 2024 compensation includes salary fees, and benefits for both roles.

(2) Mr. Eyler and Mr. Mirshekari were appointed to the Board in 2024, and therefore, year over year comparison to 2023 is not available.

(3) Mr. Vijayvargiya was appointed to the Board in 2023, and therefore, no comparison to 2022 is available

Relative importance of spend on pay

During the year ended December 31, 2024, the Company's compensation paid to its employees and distributions to shareholders were as follows:

(\$ millions)	2023	2024	% change 2024 vs. 2023
Employee costs ⁽¹⁾	\$ 791	\$ 779	(2)%
Share repurchases	\$ 88	\$ 69	(22)%
Dividends	\$ 72	\$ 72	— %

(1) Includes \$30.0 million and \$38.5 million of share-based compensation expense for 2023 and 2024, respectively, which are not cash expenditures, but we consider compensation for our employees and are included in expense as wages.

Statement of implementation of compensation policy in 2025

Effective January 1, 2025, Stephan von Schuckmann will begin serving as the Company's Chief Executive Officer. Mr. von Schuckmann will receive an equity grant with a grant date fair value equal to \$1,000,000 to make him whole for certain ZF compensation opportunities previously granted to him, and will consist of 45% time-based restricted stock units and 55% performance-based restricted stock units ("Replacement Awards"). The vesting of these awards will accelerate in the event that Mr. von Schuckmann's employment is terminated by Sensata without cause or he resigns for good reason. Pursuant to the U.K. Letter Agreement, Mr. von Schuckmann will also receive a one-time lump sum cash payment of €1,267,000, to be paid promptly following the Employment Date, to compensate for the forfeiture of certain ZF cash incentive opportunities previously granted to him ("Replacement Cash Payment"). If the German Employment Agreement is terminated by Sensata without cause prior to the Employment Date, Mr. von Schuckmann will be entitled to the cash value of the Replacement Awards and the Replacement Cash Payment.

Mr. von Schuckmann will receive a signing equity award in lieu of an annual equity award for fiscal year 2025 with a grant date fair value equal to \$6,500,000, consisting of 45% time-based restricted stock units and 55% performance-based restricted stock units. Commencing in the Company's fiscal year 2026, Mr. von Schuckmann will be eligible to receive an annual equity award pursuant to the terms of the Company's shareholder approved equity plans, as determined by the Compensation Committee of the Board. Mr. von Schuckmann will also receive a one-time lump sum cash signing bonus of \$150,000, to be paid within 45 days following the Employment Date.

For the 2025 annual incentive bonus program, the performance metrics will be Adjusted Operating Income Margin Index and Adjusted Free Cash Flow. The precise targets are commercially sensitive and will be disclosed in arrears. Their weightings and target are as follows:

	Weighting
Adjusted Operating Income Margin Index	50%
Adjusted Free Cash Flow	50%

For LTI awards in the form of PRSUs, the performance metrics will be Relative TSR Performance and ROIC. LTI awards will be a mix of RSUs and PRSUs for the Executive Director and only RSUs for Non-Executive Directors

Consideration by the Directors of matters relating to Directors' Remuneration

The members of the Compensation Committee met four times during 2024. The meetings attended by each member are set out below:

	Meetings obliged to attend	Meetings attended
Daniel L. Black	4	4
Lorraine A. Bolsinger	4	4
Constance E. Skidmore	4	4
Jugal Vijayvargiya	4	4

FW Cook has been retained as the independent consultant since 2015. The consultant is engaged by, and reports directly to, the Chairman of the Compensation Committee. The consultant does not advise Company management or receive other compensation from the Company. The Compensation Committee annually reviews the independence of FW Cook pursuant to SEC and NYSE rules. The Compensation Committee has determined that no conflict of interest exists that would prevent FW Cook from serving as an independent consultant to the Compensation Committee, and, therefore, considers its advice to be independent and objective. During 2024, the consultant assisted the Compensation Committee by:

- providing insights and advice regarding our Company compensation philosophy, objectives and strategy;
- developing criteria for identification of our peer group for Director compensation and Company performance review purposes;
- reviewing management's design proposals for short-term cash and long-term equity incentive compensation programs;
- providing insights and advice regarding our analysis of risks arising from our compensation policies and practices;
- providing compensation data from the Company's peer group proxy and other disclosures;
- advising on and providing comments on management's recommendations regarding senior executives' annual incentives for 2024 and equity based awards granted in 2024.

FW Cook charges the Company on an hourly rate plus expense basis. During the year ended December 31, 2024, the Company paid FW Cook \$318,146 for its services.

Statement of voting at general meeting

The next advisory vote on the Directors' Compensation Report will take place at the Annual General Meeting in 2025, and the next binding vote on the Directors' Remuneration Policy will take place at the Annual General Meeting in 2025.

The results of the votes on our latest Directors' Compensation Report and Directors' Remuneration Policy are as follows:

	2024 Report	2022 Policy
Votes For (%)	98.45%	99.12%
Votes Against (%)	1.55%	0.87%
Shares that withheld/abstained	214,745	57,438

CEO Pay Ratio Discussion

Year	Method	25th Percentile Pay Ratio	Median Pay Ratio	75th Percentile Pay Ratio
2024	Option A	111:1	84:1	64:1
2023	Option A	73:1	54:1	35:1
2022	Option A	197:1	155:1	112:1
2021	Option A	125:1	96:1	67:1
2020	Option A	144:1	111:1	82:1
2019	Option A	107:1	82:1	59:1

The pay ratios above are calculated by using actual earnings for the CEO and employees in the United Kingdom (the "UK"). The CEO total single figure remuneration of \$8,669,365 is disclosed in the Compensation of Executive Director - Single Figure Table section of this report.

Total remuneration for all our UK full-time equivalent employees on December 31, 2024 have been calculated consistently with the single figure methodology and reflects their actual earnings received in 2024 (excluding business expenses), which were used to produce the percentile calculation under Option A. Business expenses have been excluded as they are reimbursed to the employees and not substantial in value to significantly impact the ratios.

We have chosen Option A because it is the most robust and statistically accurate way for us to calculate the three ratios from the options available in the regulations. It also aligns with our standard internal and external reporting practices and strategic objectives.

2024 base salary and total pay and benefits for each of the percentiles are shown in the table below:

	25th Percentile	Median Percentile	75th Percentile
Salary component	\$ 31,770	\$ 44,569	\$ 64,728
Total pay and benefits	\$ 78,086	\$ 102,835	\$ 136,109

The Compensation Committee believes that the median pay ratio is consistent with our pay, reward and progression policies. Base salaries of all employees, including our CEO (Executive Director), are set with reference to a range of factors including market practice, experience and performance in role.

Our CEO pay ratio is likely to vary, potentially significantly, over time because it will be driven largely by CEO variable pay outcomes. In line with our reward principles, the CEO has a larger portion of pay based on performance than employees at the 25th, median, and 75th percentiles. This means that depending on our performance, the CEO pay ratio could increase or decrease significantly. The Compensation Committee believes that our executive officers should have a significant proportion of their pay directly linked to performance.

Signatures

The 2024 Directors Remuneration Report, from pages 53 to 76, has been reviewed and approved by the Board of Directors on April 17, 2025 and is signed on its behalf by:

/s/ Lorraine A. Bolsinger

Lorraine A. Bolsinger

Chairperson of the Compensation Committee

April 17, 2025

Sensata Technologies Holding plc

Consolidated Financial Statements

For the Years Ended

December 31, 2024 and 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SENSATA TECHNOLOGIES HOLDING PLC

Report on the audit of the financial statements

1. Opinion

In our opinion:

- the financial statements of Sensata Technologies Holding plc (the 'Parent Company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2024 and of the Group's income for the year then ended;
- the Group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Consolidated and Parent Company Statements of Financial Position;
- the Consolidated Statement of Income;
- the Consolidated Statement of Comprehensive Income/ (Loss);
- the Consolidated Statement of Cash Flows;
- the Consolidated and Parent Company Statements of Changes In Shareholders' Equity; and
- the Related Notes 1 to 30 to the Consolidated financial statements and the Related Notes 1 to 12 to the Parent Company financial statements, including the material accounting policy information.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and United Kingdom adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters	The key audit matter that we identified in the current year was: • Goodwill impairment of the Dynapower cash generating unit (“CGU”)
Materiality	The materiality that we used for the Group financial statements was \$30.0m which was determined on the basis of loss before tax, adjusted for impairment, restructuring and related costs, and amortisation of acquired intangibles.
Scoping	Our approach to the audit scoping included performing the following: • Components over which we performed an audit of the entire financial information represented 93% of revenue, and 86% of profit before tax; and • All remaining parts of the Group were subject to analytical review procedures at Group level.
Significant changes in our approach	Based on our risk assessment, we have concluded that the impairment of the Insights CGU is no longer a key audit matter, given the disposal in the current year.

4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors’ assessment of the Group’s and Parent Company’s ability to continue to adopt the going concern basis of accounting included:

- obtaining an understanding of the relevant processes relating to the Group’s forecasting;
- inspecting financing facilities including nature of facilities, repayment terms and covenants;
- assessing the management accounting paper to confirm the consideration of principal risks;
- assessing management’s key assumptions underpinning the Group’s forecasts and the achievability of forecasts which were assessed with reference to external data such as market growth rates and industry data;
- comparing forecasts to historical financial information to assess management’s historical forecasting accuracy; and
- assessing the appropriateness of the going concern disclosures in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group’s and Parent Company’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Goodwill impairment of the Dynapower CGU

Key audit matter description

The Group's evaluation of goodwill for impairment involves the comparison of the recoverable amount of each cash generating unit ("CGU") or group of CGUs, to its carrying value.

The Group determined the recoverable amount of the Dynapower CGU using a fair value less costs to sell model, which is calculated using a blended discounted cash flow and market approach methodology.

The discounted cashflow calculation requires management to make significant estimates and assumptions related to forecasts of future revenues, earnings before interest, taxes, depreciation and amortization ("EBITDA") margins, discount rate, and terminal growth rate. The market approach requires management to make significant assumptions related to the EBITDA multiple.

Changes in these assumptions could have a significant impact on the fair value less costs to sell of the CGU and the amount of any goodwill impairment recognised.

In the third quarter of 2024, impairment indicators were identified that suggested the carrying value of the Dynapower CGU could exceed the recoverable amount. As such the Group performed an evaluation to determine the fair value of the Dynapower CGU. As a result of this evaluation, the Dynapower CGU's carrying value exceeded its fair value less costs to sell and the Group recorded an impairment charge of \$187.9 million as of 1 September, 2024, representing a portion of its goodwill balance.

Given the significant estimates and assumptions management made to estimate the fair value of the Dynapower CGU, performing audit procedures to evaluate the reasonableness of management's estimates and assumptions related to the forecasts of future revenues and EBITDA margins, estimate of the discount rate, and the selection of the terminal growth rate and EBITDA multiple required a high degree of auditor judgement and an increased extent of effort, including the need to involve our fair value specialists.

This matter is further described in Notes 2 and 11 within the Group financial statements.

How the scope of our audit responded to the key audit matter

Our audit procedures related to the forecasts of future revenues, EBITDA margin and multiple, and the selection of discount rate and terminal growth rate for the Dynapower CGU included the following, among others:

- Obtained an understanding of the relevant controls over the valuation of goodwill, in particular controls over the Group's forecasting of future cash flows and the determination of CGU specific discount and growth rates that underpin the impairment model, and controls around management's preparation of the model.
- Evaluated management's ability to accurately forecast by comparing actual results to management's historical forecasts.
- Evaluated the reasonableness of management's forecasts by comparing the forecasts to (1) historical results, (2) internal communications to management, and (3) external information, such as peer company revenue and EBITDA growth rates, and industry reports.
- With the assistance of our fair value specialists, we evaluated the reasonableness of:
 - the discount rate and terminal growth rate, including testing the underlying source information and the mathematical accuracy of the calculations, and developing a range of independent estimates and comparing those to the discount rate and terminal growth rate selected by management.
 - the EBITDA multiple, including testing the underlying source information and mathematical accuracy of the calculations, and comparing the multiple selected by management to its guideline companies for the Dynapower CGU.
 - the transaction costs associated with disposing the CGU.
- Our other procedures included:
 - testing the integrity and mathematical accuracy of the impairment models;
 - checking the application of the input assumptions, and testing their compliance with IAS 36;
 - challenging the reasonableness of the corporate costs allocated to the CGUs; and
 - assessing the appropriateness of the disclosures relating to the Dynapower impairment as an area of accounting containing key sources of estimation certainty, and whether a reasonably possible change disclosure has been included which appropriately reflects the sensitivity of key assumptions within the impairment review.

Key observations

We determined that the assumptions applied in the impairment model and the resultant overall position adopted was reasonable, including the impairment charge recorded of \$187.9 million in the Dynapower CGU. We also determined the disclosures in relation to impairment and impact of a reasonably possible change in key assumptions in notes 2 and 11 for the Dynapower CGU to be appropriate.

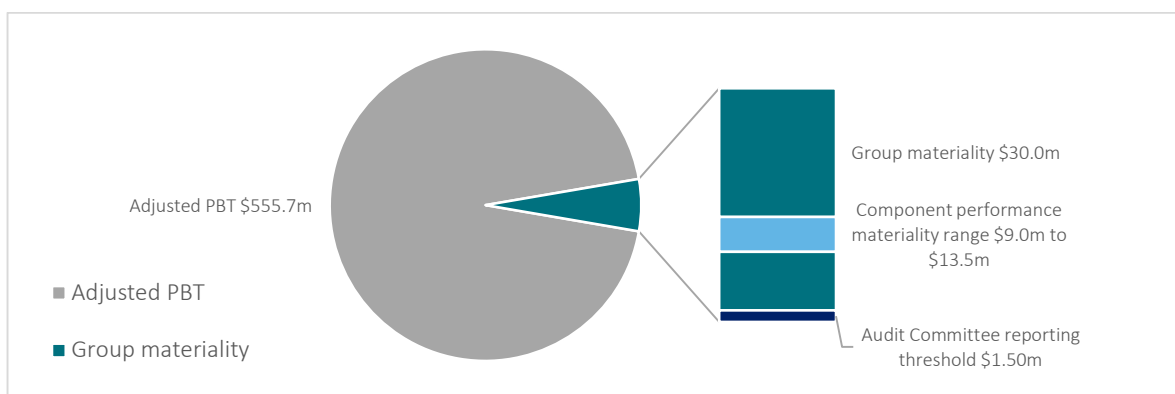
6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent Company financial statements
Materiality	\$30.0m (2023: \$28.0m)	\$28.5m (2023: \$26.6m)
Basis for determining materiality	Our materiality was determined on the basis of 5.8% of profit before tax, adjusted for impairment of \$187.9 million, restructuring and other related costs of \$253.4 million, and amortisation of acquired intangibles of \$136.7 million (2023: 4.8% adjusted profit before tax).	Our materiality was determined using a benchmark of 1% of total assets and capped at 95% of Group materiality (2023: 1% of total assets).
Rationale for the benchmark applied	In making our judgement, we considered the focus of the users of the financial statements as well as a range of benchmark metrics, which included loss before tax, adjusted operating income and adjusted earnings before interest, taxes, depreciation and amortisation ("EBITDA"). We considered the financial measures that were most relevant to users of the financial statements and concluded that profit before tax adjusted for impairment, restructuring and related costs, and amortisation of acquired intangibles represented the most relevant metric for the purpose of evaluating financial performance, given the non-recurring nature of these expenses.	We consider total assets to be the most appropriate benchmark given that the Parent Company acts as a holding company with limited liabilities recognised.



6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Parent Company financial statements
Performance materiality	75% (2023: 70%) of Group materiality	75% (2023: 70%) of Parent Company materiality
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the following factors: - the centralisation and commonality of controls within the Group; - the stability of business operations; and - the number of uncorrected misstatements identified in the previous year.	

6.3. Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of \$1.5m (2023: \$1.4m), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Identification and scoping of components

Our scoping consisted of performing a risk-based approach considering both quantitative and qualitative factors to obtain sufficient appropriate audit evidence to address the risk of material misstatement over the group financial statements. In performing our assessment, we have considered the geographical spread of the Group and any risks presented within each region. In selecting the components which are in scope for audit procedures to be performed as part of the Group audit, we considered:

- the inherent risk in each of the markets that the Group operates, as well as the geographical spread of the Group;

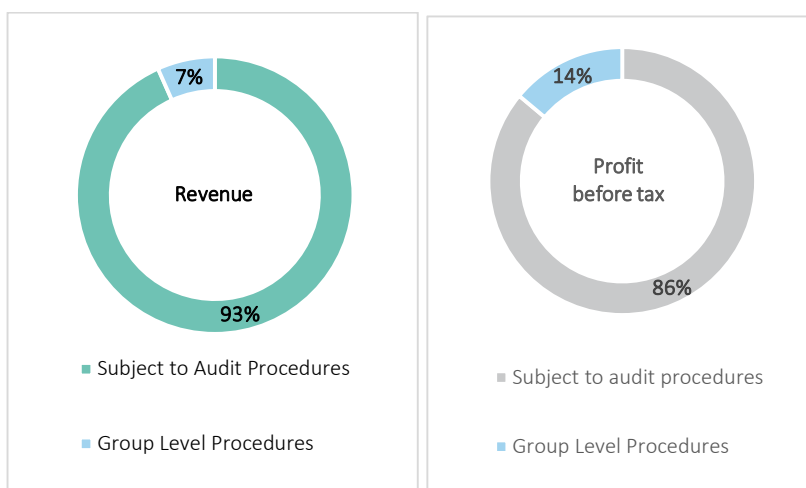
- the significance of identified risks in each of the components, both qualitatively and quantitatively;
- the component's contribution to the Group's revenue and profit;
- the specific qualitative factors, including external risks, management identified risks, and those identified through statistical analysis;
- the importance of introducing variability and unpredictability into our audit scoping

The group has 148 (2023: 148) components and the financial statements reflect a consolidation of entities covering centralised functions, operating units and non-trading legal entities. The reporting units of the group are diverse and operate across a number of geographies.

Our audit work covered group operations in eight (2023: fourteen) countries, covering 25 components, including a number of head office entities, where procedures on two or more classes of transactions, account balances or disclosures were performed, and an additional 88 components where the revenue and cost of sales account balances were scoped in for testing. The range of component performance materialities applied was £9m to £13.5m (2023: £7m to £10m). Together, these components represent 93% (2023: 89%) of revenue, and 86% (2023: 88%) of Profit Before Tax.

Eight components were audited by respective Deloitte component audit teams in the China, Netherlands, Bulgaria, Mexico, and Malaysia while the remaining components were audited by the group engagement team.

In addition to the work performed at a component level, the Group audit team performed audit procedures on the Parent Company and consolidated financial statements relating to corporate activities such as the Group's treasury operations, pension obligations, impairment reviews of goodwill and indefinite-life intangible assets, the going concern assessment and financial statement disclosures. The Group audit team also performed a review at Group level, to minimise the risk of material misstatement in the residual population.



7.2. Our consideration of the control environment

The Group identified material weaknesses in maintaining an appropriate internal control environment as disclosed on page 22 of the Strategic Report. The Company did not specify objectives with sufficient clarity to enable an appropriate level of risk assessment and monitoring. Additionally, the Company's control activities did not adequately and consistently establish policies, procedures, information protocols and communications to design and operate effective controls, due in part, to a lack of appropriate accounting personnel, impacting areas such as inventory and account reconciliation processes in our Americas Accounting and Shared Services teams located in Mexico.

As this is a second year audit with a material weakness identified last year and the current year, we did not plan to rely upon IT or business controls and we adopted a fully substantive approach to the audit.

7.3. Our consideration of climate-related risks

Climate change and the transition to a low carbon economy were considered in our audit where they have the potential to directly or indirectly impact key judgements and estimates within the Group financial statements.

The Group continues to develop its assessment of the potential impacts of climate change. Management has identified sustainability, climate change and the environment as risk factors within the business, as disclosed on page 15, and has concluded that there is no material impact arising from climate change on the judgements and estimates made in the financial statements.

We performed the following procedures to address the climate-related risks:

- We held discussions with management to obtain an understanding of the process for considering the impact of climate-related risks and controls that are relevant to the entity;
- We performed our own qualitative risk assessment of the potential impact of climate change on the Group's account balances and classes of transaction and did not identify any reasonably possible risks of material misstatement;
- We assessed the Climate-Related Financial Disclosures ("CFD") on pages 44 to 51 against regulatory requirements and market peers; and
- We also considered whether information included in the climate related disclosures in the Annual Report were materially consistent with the financial statements and our knowledge obtained in the audit.

7.4. Working with other auditors

Given the Group's geographical presence across the world, we engaged component auditors to perform procedures at the components under our direction and supervision. Referral instructions were issued to the component auditors and we held planning meetings, interim update meetings and year-end close meetings with each component team. Due to the Group's listing on the New York Stock Exchange ("NYSE"), we have a team based in the United States responsible for the Group's 10-k filing that also forms an extension of the Group audit team. With the US team we held on-site visits, frequent calls and remote access was provided to audit documentation to allow us to direct, supervise and review the procedures as necessary.

We also performed component visits on a risk focused and rotational basis to oversee the work performed by our component auditors. For the current year this included visits to the Group's operations in China, Mexico, Bulgaria and the US. These were timed to enable us to be involved during the planning and risk assessment process in addition to the execution of detailed audit procedures. During our visits we attended key meetings with component management and auditors. We also reviewed the audit work papers supporting each component team's reporting to us, which was performed both during in-person visits and remotely using shared desktop technology.

In addition to the above, the Group engagement partner held planning and closing meetings with each of the key component partners and held close communication with the US audit partner responsible for the audit opinion on the Group's 10-K filing.

8. Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

10. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management, internal audit, the directors and the Audit Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the Group's sector;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team including component audit teams and relevant internal specialists, including tax, valuations, pensions, and IT regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the manual entries to revenue. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the reporting framework including UK Companies Act 2006, tax legislation and pensions legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on these financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. This includes environmental legislation, US Federal Securities laws, US Foreign Corrupt Practices Act, data protection and anti-bribery legislation.

11.2. Audit response to risks identified

As a result of performing the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the Audit Committee and in-house and external legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with tax authorities;
- in addressing the risk of fraud through manual journal entries to revenue, assessing whether the rationale for the manual postings were reasonable and not indicative of fraud, and testing the appropriateness of manual journal entries to revenue; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and significant component audit teams and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

13. Matters on which we are required to report by exception

13.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

13.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made or the part of the directors' remuneration report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

14. Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

/s/ Robert Knight

Robert Knight FCA (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London

17 April 2025

SENSATA TECHNOLOGIES HOLDING PLC (Registered company number 10900776)

Consolidated Statement of Financial Position
(In thousands, except per share amounts)

	Note	As of December 31,	
		2024	2023
Assets			
Current assets:			
Cash and cash equivalents	21,28	\$ 593,670	\$ 508,104
Accounts receivable, net	25,28	660,180	744,129
Inventories	9	614,736	713,485
Prepaid expenses and other current assets	28	158,098	136,090
Total current assets		2,026,684	2,101,808
Non-current assets:			
Property, plant and equipment, net	10	870,782	920,824
Goodwill	11	3,381,942	3,578,712
Other intangible assets, net	11	619,199	976,508
Deferred income tax assets	7	254,817	115,798
Other assets	28	90,242	78,321
Total non-current assets		5,216,982	5,670,163
Total assets		\$ 7,243,666	\$ 7,771,971
Liabilities and shareholders' equity			
Current liabilities:			
Current portion of long-term borrowings, lease liabilities and other financing obligations		\$ 16,167	\$ 14,138
Accounts payable		362,186	482,301
Income taxes payable		29,417	32,139
Provisions	15	29,299	34,043
Accrued expenses and other current liabilities	12,28	275,004	262,547
Total current liabilities		712,073	825,168
Non-current liabilities:			
Deferred income tax liabilities		247,662	373,185
Provisions	15	27,910	38,178
Lease liabilities and other financing obligations, less current portion	14,17	66,407	52,828
Long-term borrowings, net	14	3,176,379	3,374,862
Other long-term liabilities	28	32,552	34,119
Total non-current liabilities		3,550,910	3,873,172
Total liabilities		4,262,983	4,698,340
Shareholders' equity attributable to shareholders of the Company:			
Ordinary shares, €0.01 nominal value per share, 177,069 shares authorized and 176,541 and 175,832 shares issued at December 31, 2024 and 2023, respectively		2,257	2,249
Treasury shares, at cost, 26,994 and 25,090 shares as of December 31, 2024 and 2023, respectively		(1,282,051)	(1,213,160)
Additional paid-in capital		1,955,315	1,983,126
Retained earnings		2,315,319	2,262,310
Reserves	16	(10,157)	39,106
Total shareholders' equity		2,980,683	3,073,631
Total liabilities and shareholders' equity		\$ 7,243,666	\$ 7,771,971

The accompanying notes are an integral part of these financial statements.

Reviewed and approved by the Board of Directors and signed on their behalf by:

/s/ Constance E. Skidmore

Name: Constance E. Skidmore
Title: Director, Chair of the Audit Committee
Date: April 17, 2025

/s/ Stephan von Schuckmann

Name: Stephan von Schuckmann
Title: Chief Executive Officer and Director
Date: April 17, 2025

SENSATA TECHNOLOGIES HOLDING PLC

Consolidated Statement of Income/(Loss)

(In thousands, except per share amounts)

	Note	For the year ended December 31,	
		2024	2023
Net revenue	3,20	\$ 3,932,764	\$ 4,054,083
Operating costs and expenses:			
Cost of revenue		2,785,124	2,811,074
Research and development		144,769	145,517
Selling, general and administrative		390,359	348,321
Amortization of intangible assets and capitalized development costs	11,22	169,257	202,584
Impairment charge	11	187,900	362,380
Restructuring and other charges, net	5	34,418	43,118
Total operating costs and expenses		3,711,827	3,912,994
Other operating (loss)/income, net	30	(74,007)	5,877
Operating income		146,930	146,966
Interest expense		(161,195)	(186,314)
Interest income		16,180	31,324
Other, net	6	(6,101)	(27,443)
Loss before taxes		(4,186)	(35,467)
(Benefit from)/Provision for income taxes	7	(127,589)	19,731
Net income/(loss)		\$ 123,403	\$ (55,198)
Net income/(loss) attributable to shareholders:		\$ 123,403	\$ (55,198)
Basic net income/(loss) per share		\$ 0.82	\$ (0.36)
Diluted net income/(loss) per share		\$ 0.82	\$ (0.36)

The accompanying notes are an integral part of these financial statements.

SENSATA TECHNOLOGIES HOLDING PLC
Consolidated Statement of Comprehensive Income/(Loss)
(In thousands)

	Note	For the year ended December 31,	
		2024	2023
Net income/(loss)		\$ 123,403	\$ (55,198)
Other comprehensive income, net of tax:			
Items that are or may be reclassified subsequently to the consolidated statements of income:			
Net unrealized (loss)/income on derivative instruments designated and qualifying as cash flow hedges		(25,426)	1,848
Cumulative translation adjustment		(23,837)	20,948
Items that will never be reclassified subsequently to the consolidated statements of income:			
Remeasurement of defined benefit and retiree healthcare plans		13,484	2,460
Other comprehensive (loss)/income		(35,779)	25,256
Comprehensive income/(loss)		\$ 87,624	\$ (29,942)
Comprehensive income/(loss) attributable to shareholders		\$ 87,624	\$ (29,942)

The accompanying notes are an integral part of these financial statements.

SENSATA TECHNOLOGIES HOLDING PLC

Consolidated Statement of Cash Flows

(In thousands)

		For the year ended December 31,	
	Note	2024	2023
Cash flows from operating activities:			
Net income/(loss)		\$ 123,403	\$ (55,198)
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	22	200,712	146,161
Amortization of borrowing costs		5,972	7,110
Impairment charge		187,900	362,380
Loss/(Gain) on sale of business		65,903	(5,877)
Share-based compensation	4,23	39,712	31,780
Loss on financing of borrowings		8,926	2,403
Amortization of intangible assets and capitalized development costs	11,22	169,257	202,584
Loss on write-down of capitalized development costs		3,131	1,801
Current income taxes		92,052	75,930
Deferred income taxes		(219,641)	(56,208)
Interest expense, net		139,043	147,880
Mark-to-market gain/(loss) on equity investments, net	6	(842)	15,529
Unrealized loss on hedges and other		86,045	34,088
Changes in operating assets and liabilities, net of the effects of acquisitions:			
Accounts receivable, net		56,627	2,861
Inventories		16,172	(70,155)
Prepaid expenses and other current assets		(12,978)	13,943
Accounts payable, accrued expenses, and current portion of provisions		(121,632)	(79,799)
Income taxes payable		954	—
Pension and retiree medical plans		(8,690)	(2,661)
Other		(9,886)	(2,564)
Acquisition-related deferred compensation payments		(5,232)	(22,620)
Cash generated from operations		816,908	749,368
Cash paid for interest		(147,801)	(187,236)
Cash received from interest		16,180	31,324
Cash paid for income taxes		(92,560)	(87,475)
Net cash provided by operating activities		592,727	505,981
Cash flows from investing activities:			
Additions to property, plant and equipment, capitalized software, and capitalized development costs	20	(183,083)	(217,980)
Investment in debt and equity securities		3,681	(390)
Proceeds from sale of business, net of cash sold		135,717	19,000
Other		—	994
Net cash used in investing activities		(43,685)	(198,376)
Cash flows from financing activities:			
Proceeds from exercise of stock options and issuance of ordinary shares		4,605	5,346
Payment of employee restricted stock tax withholdings		(11,661)	(12,280)
Proceeds from issuance of borrowings	14	500,000	—
Payments on borrowings		(718,522)	(864,832)
Dividends paid		(72,210)	(71,543)
Payments to repurchase ordinary shares		(68,891)	(88,398)
Purchase of noncontrolling interest in joint venture		(79,393)	—
Payments of borrowing costs		(13,381)	(787)
Net cash used in financing activities		(459,453)	(1,032,494)
Effect of exchange rate changes on cash and cash equivalents		(4,023)	7,475
Net change in cash and cash equivalents		85,566	(717,414)
Cash and cash equivalents, beginning of year	21,28	508,104	1,225,518
Cash and cash equivalents, end of year	21,28	\$ 593,670	\$ 508,104

The accompanying notes are an integral part of these financial statements.

SENSATA TECHNOLOGIES HOLDING PLC
Consolidated Statement of Changes in Shareholders' Equity
(In thousands)

	Ordinary Shares		Treasury Shares		Additional Paid-In Capital	Reserves	Retained Earnings	Total Shareholders' Equity	Total Comprehensive Income
	Number	Nominal Value	Number	Nominal Value					
Balance as of December 31, 2022	175,207	\$ 2,242	(22,781)	\$ (1,124,713)	\$ 1,945,169	\$ 16,310	\$ 2,398,876	\$ 3,237,884	
Surrender of shares for tax withholding	—	—	(253)	(12,280)	—	—	—	(12,280)	
Stock options exercised	158	2	—	—	5,426	—	—	5,428	
Vesting of restricted securities	720	8	—	—	—	—	(8)	—	
Cash dividends paid	—	—	—	—	—	—	(71,543)	(71,543)	
Repurchase of ordinary shares	—	—	(2,309)	(88,447)	—	—	—	(88,447)	
Other retirements of treasury shares	(253)	(3)	253	12,280	—	—	(12,277)	—	
Share-based compensation	—	—	—	—	31,780	—	—	31,780	
Recognition of deferred tax assets related to share-based compensation	—	—	—	—	751	—	—	751	
Net income	—	—	—	—	—	—	(55,198)	(55,198)	
Other comprehensive income	—	—	—	—	—	22,796	2,460	25,256	
Total comprehensive loss									\$ (29,942)
Balance as of December 31, 2023	175,832	2,249	(25,090)	(1,213,160)	1,983,126	39,106	2,262,310	3,073,631	
Surrender of shares for tax withholding	—	—	(321)	(11,661)	—	—	—	(11,661)	
Stock options exercised	118	1	—	—	4,604	—	—	4,605	
Vesting of restricted securities	912	10	—	—	—	—	(10)	—	
Cash dividends paid	—	—	—	—	—	—	(72,210)	(72,210)	
Repurchase of ordinary shares	—	—	(1,904)	(68,891)	—	—	—	(68,891)	
Other retirements of treasury shares	(321)	(3)	321	11,661	—	—	(11,658)	—	
Share-based compensation	—	—	—	—	39,712	—	—	39,712	
Recognition of deferred tax assets related to share-based compensation	—	—	—	—	(20)	—	—	(20)	
Purchase of noncontrolling interest in joint venture	—	—	—	—	(72,107)	—	—	(72,107)	
Net income	—	—	—	—	—	—	123,403	123,403	
Other comprehensive (loss)/income	—	—	—	—	—	(49,263)	13,484	(35,779)	
Total comprehensive income									\$ 87,624
Balance as of December 31, 2024	176,541	\$ 2,257	(26,994)	\$ (1,282,051)	\$ 1,955,315	\$ (10,157)	\$ 2,315,319	\$ 2,980,683	

The accompanying notes are an integral part of these financial statements.

SENSATA TECHNOLOGIES HOLDING PLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(In thousands, except per share amounts, or unless otherwise noted)

1. General Information

Description of Business

The accompanying consolidated financial statements reflect the financial position, income, comprehensive income, cash flows, and changes in shareholders' equity of Sensata Technologies Holding plc ("Sensata plc"), a public limited company incorporated under the laws of England and Wales, and its consolidated subsidiaries, collectively referred to as the "Company," "Sensata," "we," "our," and "us." Sensata plc is registered under company number 10900776 and is limited by shares. The address of the registered office of Sensata plc is Interface House, Interface Business Park, Bincknoll Lane, Royal Wootton Bassett, Swindon, Wiltshire, SN4 8SY, United Kingdom.

We are a global industrial technology company that develops, manufactures, and sells sensors and sensor-rich solutions, electrical protection components and systems, and other products. Our sensors are used by our customers to translate a physical parameter, such as pressure, temperature, position, or location of an object, into electronic signals that our customers' products and solutions can act upon. Our electrical protection portfolio (which includes both components and systems) is composed of various switches, fuses, energy storage systems, high-voltage distribution units, controllers, and software, and includes high-voltage contactors and other products embedded within systems to maximize their efficiency and performance and ensure safety. Other products and services we provide include battery storage systems and power conversion systems, the latter of which include converters, and rectifiers for renewable energy generation, green hydrogen production, electric vehicle charging stations, and microgrid applications, as well as industrial and defense applications.

Sensata plc conducts its operations through subsidiary companies that operate business and product development centers primarily in Belgium, Bulgaria, China, Denmark, India, Japan, the Netherlands, South Korea, the United Kingdom (the "U.K."), and the United States (the "U.S."); and manufacturing operations primarily in Bulgaria, China, Malaysia, Mexico, the U.K., and the U.S.

We present financial information for two reportable segments, Performance Sensing ("PS") and Sensing Solutions ("SS"). During 2024, we realigned our business as a result of organizational changes that better allocate our resources to support changes to our business strategy. The most significant changes included moving the various assets and liabilities comprising our vehicle area network and data collection businesses (the "Insights Business") out of Performance Sensing to a new operating segment, which is not aggregated within either of our reportable segments. We also moved certain short-cycle businesses from Performance Sensing to Sensing Solutions. Prior year amounts have been recast to reflect these realignments. Refer to *Note 20: Segment Reporting* in this Report for additional information.

The consolidated financial statements of Sensata plc for the year ended December 31, 2024 were authorized for issuance in accordance with a resolution of the Board of Directors of Sensata plc on April 17, 2025. These financial statements will be presented to shareholders for approval on June 10, 2024.

2. Significant Accounting Policies

Statement of Compliance

The accompanying consolidated financial statements and the accompanying notes have been prepared in accordance with U.K. adopted international accounting standards.

New Accounting Standards

In April 2024, the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* ("IFRS 18") which replaces IAS 1 *Presentation of Financial Statements*. IFRS 18 requires an entity to classify all income and expenses within its statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. The first three categories are new. These categories are complemented by the requirement to present subtotals and totals for "operating profit or loss," "profit or loss before financing income and taxes," and "profit or loss." IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after January 1, 2027, but earlier application is permitted.

There are no new IFRS standards or amended standards or interpretations adopted from January 1, 2024 onwards that have a significant impact on the financial statements. Further, there are no new or amended standards not yet adopted that are expected to have a material impact.

Basis of Presentation

The consolidated financial statements have been prepared primarily on a historical cost basis, except for certain items, including certain financial instruments and share-based payments, which are recorded at fair value. All amounts presented, except per share amounts, are stated in thousands of U.S. dollars ("USD"), unless otherwise indicated. All amounts presented herein are calculated based on unrounded numbers. Accordingly, certain amounts may not add due to the effects of rounding.

We believe that we are in a strong financial position today and have taken actions to provide ourselves with the financial strength to continue to succeed and take advantage of strategic options as they become available in the future. We generated \$592.7 million of operating cash flow in fiscal year 2024, ending the year with \$593.7 million in cash and cash equivalents. We also have approximately \$2.0 billion of availability under our Senior Secured Credit Facilities and \$746.1 million availability under the Revolving Credit Facility should the need for additional cash arise. We recognized revenue and net income of \$3,932.8 million and \$123.4 million, respectively, in the year ended December 31, 2024. The net income includes a non-cash impairment charge of \$187.9 million related to our Dynapower CGU.

We believe regulatory requirements for safer vehicles, higher fuel efficiency, and lower emissions, as well as customer demand for operator productivity and convenience, drive the need for advancements in powertrain management, efficiency, safety, and operator controls. These advancements lead to sensor growth rates that we expect to exceed underlying production growth in many of our key end markets, which we expect will continue to offer us significant growth opportunities. Significant drivers of growth in our business include the Safe, Clean, & Efficient growth trends, each described in more detail under the heading *Safe, Clean, & Efficient* included elsewhere in this Report in the *Strategic Report*. Each of these growth drivers are expected to significantly impact our customers and business strategy over the long-term.

The Board of Directors has considered the Company's financial position and sources of liquidity as described above, along with the various risks and uncertainties involved in operating a business, as part of its assessment of the Company's ability to continue as a going concern. In addition, the Board reviewed management's projected cash flow analysis, including sensitivities, through June 30, 2026, which concluded that the Company would have sufficient cash on hand throughout the period to June 30, 2026.

Based on the foregoing assessment, at the time of approving the financial statements, the Board had a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence throughout the period to June 30, 2026. As a result, the Board agrees that the Company and the Group continue to adopt the going concern basis of accounting in preparing the financial statements.

In preparing the consolidated financial statements, management has considered the impact of climate change, taking into account the relevant disclosures in the *Section 172(1) Statement* included in the *Strategic Report*. This included an assessment of assets with indefinite and long lives and how they could be impacted by measures taken to address climate change. The Company does not believe that existing or pending legislation, regulation, or international treaties or accords, whether related to environmental or other government regulations, are reasonably likely to have a material adverse effect in the foreseeable future on our business or the markets we serve, nor on our results of operations, capital expenditures, earnings, competitive position, or financial standing. As such, no issues were identified that would impact the carrying values of such assets or have any other impact on the financial statements.

Basis of Consolidation

The accompanying consolidated financial statements comprise the financial statements of Sensata plc and its consolidated subsidiaries at December 31, 2024. Our subsidiaries are fully consolidated from the date of acquisition, being the date on which we obtain control, and continue to be consolidated until the date that such control ceases. All intercompany balances and transactions have been eliminated.

A complete list of subsidiaries held directly or indirectly by Sensata plc at December 31, 2024 is presented below. All subsidiaries listed below are held indirectly, with the exception of Sensata Technologies Intermediate UK Limited. In addition, the reporting year and accounting policies of the subsidiaries are all consistent with those of Sensata plc.

Name	Registered Address	Jurisdiction
Airpax Electronics (Shanghai) Co., Ltd.	2F no. 4 Building Lane 561 Road Nujiang (N) Putuo District Shanghai 200333 P.R. China	China
August UK HoldCo Limited	Interface House, Interface Business Park, Bincknoll Lane, Royal Wootton Bassett, Swindon, Wiltshire, SN4 8SY	United Kingdom
BEI North America, LLC	251 Little Falls Drive, City of Wilmington, DE 19808	United States
BEI Sensors SAS	9 rue de Copenhague, Espace Européen de l'Entreprise-Schiltigheim, BP 70044 - 67013 STRASBOURG Cedex France	France
CDI Netherlands B.V.	Jan Tinbergenstraat 80, 7559 SP Hengelo, the Netherlands	The Netherlands
Control Devices, Inc.	135 North Pennsylvania Street, Suite 1610, Indianapolis, IN, 46204	United States
Crydom SSR Limited	Interface House, Bincknoll Lane, Royal Wootton Bassett, Swindon, England, SN4 8SY	United Kingdom
Crydom, Inc.	251 Little Falls Drive, City of Wilmington, DE 19808	United States
Custom Sensors & Technologies de Mexico S.A. de C.V.	Av. De La Producción No. 2181, Parque Industrial, 22425 Tijuana, B.C., Mexico	Mexico
Custom Sensors & Technologies Inc.	251 Little Falls Drive, City of Wilmington, DE 19808	United States
Custom Sensors & Technologies Transportation de Mexico S.A. de C.V.	Punta de Canoas 4920, 22550 Tijuana, B.C., Mexico	Mexico
Custom Sensors & Technologies US Corporation	251 Little Falls Drive, City of Wilmington, DE 19808	United States
Custom Sensors & Technologies US LLC	251 Little Falls Drive, City of Wilmington, DE 19808	United States
Cynergy3 Components Fab Limited	7 Cobham Road, Ferndown Industrial Estate, Wimborne, England, BH21 7PE	United Kingdom
Cynergy3 Components LLC	251 Little Falls Drive, City of Wilmington 19808	United States
Cynergy3 Components Limited	7 Cobham Road, Ferndown Industrial Estate, Wimborne, England, BH21 7PE	United Kingdom
Cynergy3 Limited	7 Cobham Road, Ferndown Industrial Estate, Wimborne, England, BH21 7PE	United Kingdom
Cynergy3 Property Limited	7 Cobham Road, Ferndown Industrial Estate, Wimborne, England, BH21 7PE	United Kingdom
DP Acquisition Corporation	251 Little Falls Drive, City of Wilmington, DE 19808	United States
Dynapower Company LLC	251 Little Falls Drive, City of Wilmington, DE 19808	United States
FTCP Bermuda Ltd.	Milner House 18 Parliament Street Hamilton HM 12Bermuda	Bermuda
Gigavac LLC	6382 Rose Lane, Carpinteria, CA 93013	United States
Impress Sensors & Systems Limited	7 Cobham Road, Ferndown Industrial Estate, Wimborne, England, BH21 7PE	United Kingdom
Industrial Interface Limited	7 Cobham Road, Ferndown Industrial Estate, Wimborne, England, BH21 7PE	United Kingdom
Kavlico Corporation	1461 Lawrence Drive, Thousand Oaks, CA 91320	United States
Newall Electronics Inc.	251 Little Falls Drive, City of Wilmington, DE 19808	United States
Newall Measurement Systems Limited	Unit 1, Wharf Way Business Park, Glen Parva, Leicester, England LE2 9UT	United Kingdom
Preco Electronics, LLC	1035 Emerald Street, #100, Boise, ID 83704	United States
Preco Electronics GmbH	Brienner Str. 28, c/o Noerr LLP, 80333, Munch, Germany	Germany
Schrader Electronics Limited	11 Technology Park Antrim N. Ireland BT41 1QS	United Kingdom
Schrader International Brasil Ltda.	Avenida Malek Assad 1600, Bairro Meia Lua CEP 12328-900 City of Jacarei State of São Paulo	Brazil
Schrader International GmbH	Gadastraße 23A, 85232 Bergkirchen Germany	Germany
Sensata Canada, Inc.	Gowling WLG, Gowling WLG, 160 Elgin Street, 2600, Ottawa, Ontario, Canada K1P 1C3	Canada
Sensata Germany GmbH	Potsdamer Strasse 14, Minden, 32423, Germany	Germany
Sensata Malta Holding Ltd	93, Mill Street, Zone 5 Central Business District, Qormi CBD 5090, Malta	Malta
Sensata Technologies (Europe) Limited	Interface House, Interface Business Park, Bincknoll Lane, Royal Wootton Bassett, Swindon, Wiltshire, SN4 8SY	United Kingdom
Sensata Technologies B.V.	Jan Tinbergenstraat 80, 7559 SP Hengelo, the Netherlands	The Netherlands
Sensata Technologies Baoying Co., Ltd.	9 East Taishan Road, Baoying Economic Development Zone, Baoying, China	China
Sensata Technologies Bulgaria EOOD	7 Iskarsko Shose Blvd Building 15, Office 3 Iskar Region 1528 Sofia, Bulgaria	Bulgaria
Sensata Technologies Changzhou Co., Ltd.	18 Chuangxin Avenue Xinbei District Changzhou 213031, China	China
Sensata Technologies China Co., Ltd.	Room 926B, No. 55, Xi Li Road, Shanghai Waigaoqiao Free Trade Zone, 200131, China	China
Sensata Technologies de México, S. de R.L. de C.V.	Ave. Aguascalientes Sur 401, Ex-Ejido Ojocaliente Aguascalientes, C.P. 20190 Aguascalientes, Mexico	Mexico

Name	Registered Address	Jurisdiction
Sensata Technologies Dominicana, S.r.L.	Box 2775 Parque Industrial Itabo (PIISA) Haina Dominican Republic	Dominican Republic
Sensata Technologies Finance Company, LLC	251 Little Falls Drive, City of Wilmington, DE 19808	United States
Sensata Technologies France SAS	29 Rue du Pont 92200, Neuilly-sur-Seine	France
Sensata Technologies Germany GmbH	c/o ATS Allgemeine Treuhand GmbH, Johannstr. 37, 40476 Düsseldorf	Germany
Sensata Technologies GmbH	Freiheit 8 Berlin, Germany 13597	Germany
Sensata Technologies Holding Company Mexico, B.V.	Jan Tinbergenstraat 80, 7559 SP Hengelo, the Netherlands	The Netherlands
Sensata Technologies Holding Company UK	Interface House, Interface Business Park, Bincknoll Lane, Royal Wootton Bassett, Swindon, Wiltshire, SN4 8SY	United Kingdom
Sensata Technologies Holland B.V.	Jan Tinbergenstraat 80, 7559 SP Hengelo, the Netherlands	The Netherlands
Sensata Technologies India Private Limited	Level 9, Regus, Raheja Towers, M.G. Road, Bangalore – 560001	India
Sensata Technologies Intermediate Holding B.V.	Jan Tinbergenstraat 80, 7559 SP Hengelo, the Netherlands	The Netherlands
Sensata Technologies Intermediate UK Limited	Interface House, Interface Business Park, Bincknoll Lane, Royal Wootton Bassett, Swindon, Wiltshire, SN4 8SY	United Kingdom
Sensata Technologies Italia S.r.L.	Via Tortona 25, 20144 Milano, Italy	Italy
Sensata Technologies Japan Limited	Shin-Yokohama Square Building, 3-12, Shin-Yokohama 2-chome, Kohoku-ku, Yokohama, Japan	Japan
Sensata Technologies Korea Limited	7F U-space 2 A, 670, Daewangpangyo-ro, Bundang-gu, Seongnam-si, Gyeonggi-do, Korea, 463-400	Korea
Sensata Technologies Limited	Interface House, Interface Business Park, Bincknoll Lane, Royal Wootton Bassett, Swindon, Wiltshire, SN4 8SY	United Kingdom
Sensata Technologies Malaysia Sdn. Bhd.	Suite 2, 4th Floor, Wisma Teh Wan Sang, 12D, Jalan Tun H S Lee, 50000 Kuala Lumpur	Malaysia
Sensata Technologies Malta Ltd.	93, Mill Street, Zone 5 Central Business District, Qormi CBD 5090, Malta	Malta
Sensata Technologies Management China Co., Ltd.	Room 1311, Building 253, No. 3201 & 3155, Gong He Xin Road, Zhabei District, Shanghai, the People's Republic of China	China
Sensata Technologies Mex Distribution, S.A. de C.V.	Ave. del Obrero s/n Parque Indu Matamoros, TAMPS, 87316 Mexico	Mexico
Sensata Technologies Sensores e Controles do Brasil Ltda.	Avenida Mackenzie 1835 - 8th Floor - Vila Brandina - CEP 13092-523 - Campinas São Paulo, Brazil	Brazil
Sensata Technologies Sensors (Changzhou) Co., Ltd	No. 19 Chuangxin No. 1 Road, Xinbei District, Changzhou	China
Sensata Technologies Singapore Pte. Ltd.	3 Bishan Place #02-04, CPF Building, Singapore 579838	Singapore
Sensata Technologies Taiwan Co., Ltd.	12F-7., No.155, Sec. 1, Keelung Rd., Sinyi District, Taipei City 110, Taiwan (R.O.C.)	Taiwan
Sensata Technologies UK Financing Co., Ltd.	Interface House, Interface Business Park, Bincknoll Lane, Royal Wootton Bassett, Swindon, Wiltshire, SN4 8SY	United Kingdom
Sensata Technologies Wuhu Co., Ltd.	Building 11, Lvzhuang, Standardized Factory Building, Xinwu Economic Development Zone, Wuhu City, Anhui Province, China	China
Sensata Technologies, Inc.	251 Little Falls Drive, City of Wilmington, DE 19808	United States
Sensor-Nite N.V.	Industrielaan 24 B-2250 Olen, Belgium	Belgium
Spear Power Systems AS	Tveiteråsvegen 12, 5232 Paradis, Norway	Norway
Spear Power Systems BV	de Keyserlei 58-60, Box19, 2018 Antwerp, Belgium	Belgium
Spear Power, LLC	251 Little Falls Drive, City of Wilmington, DE 19808	United States
ST Schrader Holding Company UK Limited	Interface House, Interface Business Park, Bincknoll Lane, Royal Wootton Bassett, Swindon, Wiltshire, SN4 8SY	United Kingdom
STI Holdco, Inc.	251 Little Falls Drive, City of Wilmington, DE 19808	United States
Swindon Silicon Systems Limited	Interface House, Interface Business Park, Bincknoll Lane, Royal Wootton Bassett, Swindon, Wiltshire, SN4 8SY	United Kingdom
Wabash Technologies Limited	Interface House, Interface Business Park, Bincknoll Lane, Royal Wootton Bassett, Swindon, Wiltshire, SN4 8SY	United Kingdom
Wabash Technologies de Mexico S. de R.L. de C.V.	de la Eficiencia, #2700 Mexicali, Baja California 21210 Mexico	Mexico

Use of Judgments and Estimates

The preparation of consolidated financial statements in accordance with IFRS requires us to exercise our judgment in the process of applying our accounting policies and to make estimates and assumptions about future matters that affect the reported amounts of assets and liabilities and disclosures of contingencies at the date of the financial statements and the reported

amounts of net revenue and expense during the reporting periods. The accounting estimates used in the preparation of the consolidated financial statements will change as new events occur, as more experience is acquired, as additional information is obtained, and as the operating environment changes. Actual results could differ from those estimates.

The judgments and estimates that we make when applying our significant accounting policies and making assumptions about the future that have the most significant effect on amounts that are recognized (or that could be recognized) in our financial statements include those related to our analysis of goodwill impairment and income taxes.

Goodwill and Other Intangible Assets

The determination of whether goodwill and other intangible assets are impaired requires a number of judgements and estimates to be made. Assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Assumptions used to determine the carrying value of goodwill in relation to the Dynapower cash generating unit ("CGU").

The carrying amount of goodwill as of December 31, 2024 was \$191.9 million (2023: \$379.8 million). Determining whether goodwill is impaired requires an estimation of the fair value less cost to dispose ("FVLCTD") associated with the CGU to which the goodwill has been allocated. The FVLCTD calculation requires management to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate present value. During the year, a full impairment review was performed and an impairment charge of \$187.9 million was recorded in respect of goodwill. Should the business experience unforeseen deterioration of results, a future impairment may be required. Sensitivity analysis is further provided in *Note 11: Goodwill and Other Intangible Assets, Net*.

Income Taxes

The key source of estimation uncertainty with respect to the accounting for income taxes relates to our estimation of positions taken in our tax returns with respect to situations in which applicable tax regulations are subject to interpretation and assessment of the risks related to these positions, including whether the related facts and circumstances require us to record an unrecognized tax benefit, and if so, how much. Refer to *Note 7: Income Taxes* for additional information on this key source of estimation uncertainty.

Summary of significant accounting policies

Revenue Recognition

We recognize revenue to depict the transfer of promised goods to customers in an amount that reflects the consideration to which we expect to be entitled in exchange for those goods. In order to achieve this, we use the five-step model outlined in IFRS 15 *Revenue from Contracts with Customers*. Specifically, we (1) identify the contract with the customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when (or as) we satisfy a performance obligation.

Where we have identified sales incentives linking to future business, we have assessed the contracts to consider whether an asset should be recognized.

While many of the agreements with our customers specify certain terms and conditions that apply to any transaction between the parties, many of which are in effect for a defined term, the vast majority of these agreements do not result in contracts (as defined in IFRS 15) because they do not create enforceable rights and obligations on the parties. Specifically, (1) the parties are not committed to perform any obligations in accordance with the specified terms and conditions until a customer purchase order is received and accepted by us and (2) there is a unilateral right of each party to terminate the agreement at any time without compensating the other party. For this reason, the vast majority of our revenue-generating contracts (as defined in IFRS 15) are customer purchase orders for tangible products, which explicitly require that we transfer a specified quantity of products to our customers, for which performance is generally satisfied in a short amount of time. We do not consider there to be a significant financing component of our contracts, as our terms generally provide for payment in a short time (that is, less than a year) after shipment to the customer.

Our performance obligations are satisfied, and revenue is recognized, when control of the product is transferred to the customer. The transfer of control generally occurs at the point in time the product is shipped from our warehouse or, less often, at the point in time it is received by the customer, depending on the specific terms of the arrangement. Many of our products are designed and engineered to meet customer specifications. These activities, and the testing of our products to determine

compliance with those specifications, occur prior to any revenue being recognized. Products are then manufactured and sold to customers.

In determining the transaction price, we evaluate whether the consideration promised in the contract includes a variable amount and, if applicable, we include in the transaction price some or all of an amount of variable consideration only to the extent it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Variable consideration may be explicitly stated in the contract or implied based on our customary practices. Examples of variable consideration present in our contracts include rights of return, in the case of a defective or non-conforming product, and trade discounts, including early payment discounts and retrospective volume discounts. Such variable consideration has not historically been material in relation to our net revenue. Our contract terms generally require the customer to make payment on negotiated terms after the shipment date. Lastly, we exclude from our determination of the transaction price value-added tax and other similar taxes.

Our performance obligations are satisfied, and revenue is recognized, when control of the product is transferred to the customer. The transfer of control generally occurs at the point in time the product is shipped from our warehouse or, less often, at the point in time it is received by the customer, depending on the specific terms of the arrangement. Many of our products are designed and engineered to meet customer specifications. These activities, and the testing of our products to determine compliance with those specifications, occur prior to any revenue being recognized. Products are then manufactured and sold to customers.

Our standard terms of sale provide our customers with a warranty against faulty workmanship and the use of defective materials, which is not considered a distinct performance obligation in accordance with IFRS 15. Such warranties, depending on the product, generally exist for a period of three years after the date we ship the product to our original equipment manufacturer ("OEM") customers or for a period of twelve months after the date the customer resells our product to the end customer, whichever comes first. Our liability associated with this warranty is, at our option, to repair the product, replace the product, or provide the customer with a credit. We do not generally offer separately priced extended warranty or product maintenance contracts. Warranty provisions are recognized in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. Refer also to *Note 15: Commitments, Contingencies, and Provisions*.

We also sell products to customers under negotiated agreements or where we have accepted the customer's terms of purchase. In these instances, we may provide additional warranties for longer durations, consistent with differing end market practices, and where our liability is not limited. In addition, many sales take place in situations where commercial or civil codes, or other laws, would imply various warranties and restrict limitations on liability.

Refer to *Note 3: Revenue Recognition* for additional information on our net revenue recognized in the consolidated statements of income.

Share-Based Compensation

IFRS 2 *Share-Based Payments* requires that a company measure at fair value any new or modified share-based compensation arrangements with employees, such as stock options and restricted securities, and recognize as compensation expense that fair value over the requisite service period. Share-based compensation cost is generally recognized as a component of selling, general and administrative ("SG&A") expense, which is consistent with where the related employee costs are presented, however, such cost, or a portion thereof, may be capitalized provided certain criteria are met.

Share-based compensation awards are classified as equity. The terms of the awards state that Sensata has the right as to how to settle these awards and it is our intention to settle these with equity. At the date of vesting we will settle the awards either with new issue shares or shares purchased on the market at an earlier point in time.

Share-based awards may be subject to either cliff vesting (i.e., the entire award vests on a particular date) or graded vesting (i.e., portions of the award vest at different points in time). Compensation cost associated with share-based awards subject to cliff vesting must be recognized on a straight-line basis. However, for awards subject to graded vesting, compensation costs are recognized using an accelerated method.

We grant restricted securities for which vesting is contingent only upon service conditions, those that are also subject to performance conditions, and, beginning in fiscal year 2023, those that are subject to conditions based on the attainment of certain market criteria relative to peer companies (the latter referred to as "Market PRSUs").

The fair value of Market PRSUs is estimated at grant date using a Monte Carlo simulation, which requires the use of various assumptions, including the stock price volatility, dividend rate, and risk-free interest rate as of the valuation date corresponding to the length of time remaining in the performance period.

All other restricted securities are valued using the closing price of our ordinary shares on the New York Stock Exchange ("NYSE") on the grant date. Certain of our restricted securities include performance conditions that require us to estimate the probable outcome of the performance condition. Compensation cost is recorded if it is probable that the performance condition will be achieved.

We recognize share-based compensation net of estimated forfeitures. Accordingly, we only recognize compensation expense for those awards expected to vest over the requisite service period. Compensation expense recognized for each award ultimately reflects the number of units that actually vest.

Refer to *Note 4: Share-Based Compensation* for additional information on share-based compensation.

Financial Instruments

Our material financial instruments include derivative instruments, borrowings, equity investments, trade accounts receivable, and trade accounts payable.

Derivative financial instruments

We recognize all derivatives on the consolidated statements of financial position at fair value. The fair value of our derivative financial instruments is determined using widely accepted valuation techniques, including discounted cash flow analysis on the expected cash flows of each instrument. These analyses utilize observable market-based inputs, including foreign currency exchange rates and commodity forward curves, and reflect the contractual terms of these instruments, including the period to maturity.

Derivative instruments that are designated and qualify as hedges of the exposure to changes in the fair value of an asset, liability, or commitment, and that are attributable to a particular risk, such as interest rate risk, are considered fair value hedges in accordance with IAS 39 *Financial Instruments: Recognition and Measurement*. Derivative instruments that are designated and qualify as hedges of the exposure to variability in expected future cash flows are considered cash flow hedges. Derivative instruments may also be designated as hedges of the foreign currency exposure of a net investment in a foreign operation. Currently, all of our derivative instruments that are designated as accounting hedges are cash flow hedges. We also hold derivative instruments that are not designated as accounting hedges.

The accounting for changes in the fair value of our cash flow hedges depends on whether we have elected to designate the derivative as a hedging instrument for accounting purposes and whether the hedging relationship has satisfied the criteria necessary to apply hedge accounting. The effective portion of changes in the fair value of cash flow hedges is recognized in cash flow hedging reserves and is subsequently reclassified into earnings in the period in which the hedged forecasted transaction affects earnings. The ineffective portion of changes in the fair value of cash flow hedges is immediately recognized in earnings.

Derivative instruments that are not designated as accounting hedges are recognized at fair value through profit and loss in accordance with IFRS 9 *Financial Instruments*, and changes in fair value are recognized immediately in other, net.

We present the cash flows arising from our derivative financial instruments in a manner consistent with the presentation of cash flows that relate to the underlying hedged items.

We incorporate credit valuation adjustments to appropriately reflect both our own non-performance risk and the respective counterparty's non-performance risk in the fair value measurements. In adjusting the fair value of our derivative contracts for the effect of non-performance risk, we have considered the impact of netting and any applicable credit enhancements, such as collateral postings, thresholds, mutual puts, and guarantees. We do not offset the fair value amounts recognized for derivative instruments against fair value amounts recognized for the right to reclaim cash collateral or the obligation to return cash collateral.

We maintain derivative instruments with major financial institutions of investment grade credit rating and monitor the amount of credit exposure to any one issuer. We believe there are no significant concentrations of risk associated with our derivative instruments.

Refer to *Note 19: Derivative Instruments and Hedging Activities* for further discussion of our derivative instruments.

Borrowings

Our borrowings are initially measured at fair value less transaction costs (borrowing costs) and are subsequently measured at amortized cost using the effective interest method in accordance with IFRS 9. Costs that are directly attributable to the

acquisition or issue of a borrowing are capitalized against the carrying value of the borrowing. Borrowing costs and original issue premiums and discounts associated with the issuance of borrowings are amortized over the term of the respective financing arrangement using the effective interest method.

Refer to *Note 14: Borrowings* for further details of our borrowings.

Equity Investments

Equity investments are initially measured at fair value with changes in fair value recorded to profit and loss in each subsequent period. We measure fair value of our equity investments in accordance with the requirements of IFRS 13 *Fair Value Measurements*. The objective of fair value measurement in accordance with IFRS 13 is to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions. If an orderly transaction is not available for reference, valuation techniques are required to measure fair value.

Refer to *Note 18: Fair Value Measures* for further discussion of our measurement of financial instruments, including equity investments.

Trade accounts receivable

Trade accounts receivable are recognized at invoiced amounts and do not bear interest. Trade accounts receivable are initially measured at their transaction price in accordance with IFRS 15 and are subsequently measured at amortized cost in accordance with IFRS 9. Trade accounts receivable are generally due a short time (that is, less than a year) after shipment to the customer.

Concentrations of risk with respect to trade accounts receivable are generally limited due to the large number of customers in various industries and their dispersion across several geographic areas. Although we do not foresee that credit risk associated with these receivables will deviate from historical experience, repayment is dependent upon the financial stability of these individual customers. No customer exceeded 10% of our net revenue in the years ended December 31, 2024 or 2023. Refer to *Note 25: Accounts Receivable, Net* for further details of our accounts receivables balances.

Trade accounts receivable are reduced by an allowance for losses on receivables. The allowance for losses on receivables reflects an estimate of lifetime expected credit losses on our trade receivables in accordance with IFRS 9. We estimate the lifetime expected credit losses on the basis of specifically identified receivables that are evaluated individually for impairment and a statistical analysis of the remaining receivables determined by reference to past default experience. We consider the need to adjust historical information to reflect the extent to which we expect current conditions and reasonable forecasts to differ from the conditions that existed for the historical period considered. Customers are generally not required to provide collateral for purchases.

Management judgments are used to determine when to charge off uncollectible trade accounts receivable. We base these judgments on the age of the receivable, credit quality of the customer, current economic conditions, and other factors that may affect a customer's ability and intent to pay.

Losses on receivables have not historically been significant. Refer to *Note 25: Accounts Receivable, Net* for further details on our allowance for losses on receivables.

Trade accounts payable

Trade accounts payable represent liabilities for products provided to us by suppliers prior to the end of the financial year that are unpaid. Trade accounts payable represent short term liabilities as they are due within one year. They are recognized at invoiced amounts and do not bear interest.

Goodwill and Other Intangible Assets

Businesses acquired are recorded at their fair value on the date of acquisition, with the excess of the purchase price over the fair value of identifiable assets acquired and liabilities assumed recognized as goodwill. Intangible assets acquired may include either definite-lived or indefinite-lived intangible assets, or both.

Goodwill and intangible assets determined to have an indefinite useful life are not amortized. Instead these assets are evaluated for impairment on an annual basis, and whenever events or business conditions change that could indicate that the asset is impaired. We evaluate goodwill and indefinite-lived intangible assets for impairment in the fourth quarter of each fiscal year, unless events occur which trigger the need for an earlier impairment review.

Goodwill: As of October 1, 2024, we had seven cash-generating units ("CGUs") for goodwill testing, Automotive, Heavy Vehicle and Off- Road ("HVOR"), Industrial Solutions, Aerospace, Clean Energy Solutions, Aftermarket, and Dynapower. Each of our CGUs are tested for impairment annually or when impairment indicators are present. A CGU represents the lowest level at which goodwill is monitored for internal management purposes, and which is not higher than the Company's operating segment. The Aerospace, Industrial Solutions, Clean Energy Solutions, Aftermarket, and Dynapower CGUs are part of the Sensing Solutions reportable segment. The Automotive and HVOR CGUs are part of the Performance Sensing reportable segment.

When we perform a quantitative impairment test at the CGU level, we compare the CGU's carrying amount, including goodwill, to the greater of its estimated FVLCTD or its estimated value-in-use (VIU). The FVLCTD of a CGU is equal to the fair value less cost of disposal, which is primarily determined using discounted cash flow models for the subsequent ten-year period (the "Discrete Projection Period"), based on our most recent long-range plans, which are estimations. We estimate the value of the net cash flows beyond the tenth fiscal year (the "Terminal Year") by using either the Gordon Growth Model or the H-Model. The net cash flows from the Discrete Projection Period and the Terminal Year were discounted at an estimated weighted-average cost of capital ("WACC") appropriate for each CGU. The estimated WACC was derived, in part, from comparable companies appropriate to each CGU. We believe that our procedures for estimating discounted future net cash flows, including the Terminal Year valuation, were reasonable and consistent with accepted valuation practices. The VIU of a CGU is equal to the discounted cash flow model for the subsequent five-year period, and the VIU applies similar estimations, as previously described for the FVLCTD, over a five-year period.

We then compare the estimated recoverable amount, being the higher of VIU and FVLCTD, of each CGU to its net book value, including goodwill. If the carrying amount of a CGU exceeds its estimated recoverable amount, an impairment loss is recognized in an amount equal to that excess. Impairment losses relating to goodwill cannot be reversed in future periods.

Indefinite-lived intangible assets: We perform an annual impairment review of our indefinite-lived intangible assets in the fourth quarter of each fiscal year, unless events occur that trigger the need for an earlier impairment review. The impairment review requires us to make assumptions about future conditions impacting the value of the indefinite-lived intangible assets, including projected growth rates, cost of capital, effective tax rates, royalty rates, market share, and other items. The recoverability of these assets is assessed by comparing their recoverable value to their respective carrying amounts. Impairment, if any, is based on the excess of the carrying value over the recoverable value. We determine recoverable value by using the appropriate income approach valuation methodology.

Definite-lived intangible assets: Definite-lived, acquisition-related intangible assets are amortized on an economic-benefit basis according to the useful lives of the assets, or on a straight-line basis if a pattern of economic benefits cannot be reliably determined. Capitalized software licenses are amortized on a straight-line basis over the lesser of the term of the license or the estimated useful life of the software. Capitalized software is amortized on a straight-line basis over its estimated useful life.

Reviews are regularly performed to determine whether facts or circumstances exist that indicate that the carrying values of our definite-lived intangible assets to be held and used are impaired. The recoverability of these assets is assessed within their respective CGUs by comparing their recoverable amount to their respective carrying values. Recoverable amount is the higher of fair value less cost of disposal or value-in-use. Fair value is determined by using the appropriate income approach valuation methodology. Impairment, if any, is based on the excess of the carrying amount over the estimated recoverable amount of those assets.

Refer to *Note 11: Goodwill and Other Intangible Assets, Net* for further details of our goodwill and other intangible assets.

Income Taxes

As part of the process of preparing our financial statements, we are required to estimate our provision for (or benefit from) income taxes in each of the jurisdictions in which we operate. This involves estimating our current tax expense, including assessing the risks associated with tax audits, together with assessing temporary differences resulting from the different treatment of items for tax and accounting purposes. These differences result in deferred tax assets and liabilities. Management judgment is required in determining various elements of our provision for (or benefit from) income taxes, including the amount of tax benefits on uncertain tax positions, and deferred tax assets that should be recognized. No provision is made for deferred tax which would become payable on the distribution of retained profits by overseas subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

We measure our current income tax assets and liabilities at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

We provide for deferred taxes utilizing the asset and liability method. Under this method, deferred income taxes are recorded to reflect the tax consequences in future years of differences between the tax bases of assets and liabilities and their financial reporting amounts at each statement of financial position date, based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to reverse or settle. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

Deferred tax relating to items recognized outside of profit or loss is also recognized outside profit or loss, either in other comprehensive income or directly in equity, depending on the nature of the underlying transaction. Deferred income tax assets and liabilities are individually assessed and recorded at the respective reporting period end. Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxation authority. Deferred income tax liabilities are recognized for all taxable temporary differences. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit or loss.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized or that they will reverse. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Refer to *Note 7: Income Taxes* for additional information on our accounting for income taxes.

Pension and Other Post-Retirement Benefits

We sponsor various pension and other post-retirement benefit plans covering our current and former employees in several countries. We estimate the cost of providing employee benefits in the period in which the benefits are earned, rather than when they are paid or payable. We allocate this cost within cost of revenue, research and development ("R&D") expense, and SG&A expense in the consolidated statements of income based on the allocation of payroll costs.

Our pension plans include both defined contribution and defined benefit plans. A defined contribution plan is a pension plan in which we make fixed contributions into state or private pension schemes based on legal or contractual requirements or on a voluntary basis. The contributions are recognized as an employee benefit expense in the period incurred. Once the contributions have been paid, we have no further obligations. A defined benefit plan typically defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service, and compensation. The liability recognized in the consolidated statements of financial position is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries.

The projected unit credit method is used in determining the present value of the defined benefit obligation and related current service costs. The projected unit credit method is defined as an actuarial valuation method that recognizes each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. The current service cost is defined as the increase in the present value of the defined benefit obligation arising from employee service in the current year. The current service cost is recognized as an expense in the current period.

The estimates of the obligations and related expense of these plans recorded in the consolidated financial statements are based on certain assumptions. The most significant assumptions relate to discount rate and rate of increase in healthcare costs. Other assumptions used include employee demographic factors such as compensation rate increases, retirement patterns, employee turnover rates, and mortality rates. We review these assumptions annually. Our review of demographic assumptions includes analyzing historical patterns and/or referencing industry standard tables, combined with our expectations around future compensation and staffing strategies. Actuarial gains and losses, which consist of differences between assumptions and actual experiences and the effects of changes in actuarial assumptions, are recorded directly in other comprehensive income.

The discount rate reflects the current rate at which the pension and other post-retirement liabilities could be effectively settled, considering the timing of expected payments for plan participants. It is used to discount the estimated future obligations of the plans to the present value of the liability reflected in the consolidated financial statements. In estimating this rate in countries

that have a market of high-quality, fixed-income investments, we consider rates of return on these investments included in various bond indices, adjusted to eliminate the effect of call provisions and differences in the timing and amounts of cash outflows related to the bonds. In other countries where a market of high-quality fixed-income investments do not exist, we estimate the discount rate using government bond yields.

The rate of increase of healthcare costs directly impacts the estimate of our future obligations in connection with our post-retirement medical benefits. Our estimate of healthcare cost trends is based on historical increases in healthcare costs under similarly designed plans, the level of increase in healthcare costs expected in the future, and the design features of the underlying plan. The outcomes within the next financial year may vary from the assumption made and could require adjustment to the carrying amount of the asset or liability affected.

Refer to *Note 13: Pension and Other Post-Retirement Benefits* for further information on our pension and other post-retirement benefit plans.

Inventories

Inventories are stated at the lower of cost or estimated net realizable value. The cost of raw materials, work-in-process, and finished goods is determined based on a first-in, first-out basis and includes material, labor, and applicable manufacturing overhead. We conduct quarterly inventory reviews for salability and obsolescence, and inventory considered unlikely to be sold is adjusted to net realizable value.

Refer to *Note 9: Inventories* for details of our inventory balances.

Property, Plant and Equipment and Other Capitalized Costs

Property, plant and equipment ("PP&E") is stated at cost, and in the case of plant and equipment, is depreciated on a straight-line basis over its estimated economic useful life. The depreciable lives of plant and equipment are as follows:

Buildings and improvements	up to 40 years
Machinery and equipment	up to 15 years

Leasehold improvements are amortized using the straight-line method over the shorter of the remaining lease term or the estimated economic useful lives of the improvements. Amortization of leasehold improvements is included in depreciation expense.

Assets held under leases are recorded at the lower of the present value of the minimum lease payments or the fair value of the leased asset at the inception of the lease. Depreciation expense associated with leases is computed using the straight-line method over the shorter of the estimated useful lives of the assets or the period of the related lease, unless ownership is transferred by the end of the lease or there is a bargain purchase option, in which case the asset is depreciated, normally on a straight-line basis, over the useful life that would be assigned if the asset were owned. Amortization expense associated with leases is included within depreciation expense.

Expenditures for maintenance and repairs are charged to expense as incurred, whereas major improvements that increase asset values and extend useful lives are capitalized.

The assets' residual values, useful lives, and methods of depreciation are reviewed and adjusted, if appropriate, at each fiscal year end.

Refer to *Note 10: Property, Plant and Equipment, Net* for details of our PP&E balances.

Provisions

Provisions consist of liabilities of uncertain timing or amounts that arise from litigation, restructuring plans, pension and other post-retirement obligations, and product warranty costs. Provisions are recognized when there is a legal or constructive obligation which is probable and when the future cash out flow can be reasonably estimated. Obligations arising from restructuring plans are recognized when formal plans have been established and when there is a valid expectation that such plans will be carried out by either starting to implement them or announcing their main features.

Leases

We enter into lease agreements for many of our facilities around the world. We assess at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. We occupy leased facilities with initial terms ranging up to 20 years. The lease agreements frequently include options to renew for additional periods or to purchase the leased assets and generally require that we pay taxes, insurance, and maintenance costs. We also lease certain vehicles and equipment, which generally have a term of one year or less. We apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets, in accordance with IFRS 16 *Leases*. We recognize lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

We recognize right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis in the same manner as PP&E. The right of use assets are also subject to impairment

At the commencement date of the lease, we recognize lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees, if any. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised and payments of penalties for terminating the lease, if the lease term reflects our exercising of the option to terminate. We separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

In calculating the present value of lease payments, we use our incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

We apply the short-term lease recognition exemption to our short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). We also apply the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease term.

Refer to *Note 17: Leases* for additional information on the impact to our financial statements.

Foreign Currency

Our reporting currency is the USD. We derive a significant portion of our net revenue from markets outside of the U.S. For financial reporting purposes, the functional currency of all of our subsidiaries has historically been the USD because of the significant influence of the USD on our operations. Effective October 1, 2023, the functional currency of the Company's wholly-owned subsidiaries in China changed to the Chinese Renminbi ("CNY"). Refer to *Note 16: Shareholders' Equity* for additional information related to this change.

In certain instances, our subsidiaries enter into transactions that are denominated in a currency other than their functional currency. At the date that such transaction is recognized, each asset, liability, revenue, expense, gain, or loss arising from the transaction is measured and recorded in the functional currency using the exchange rate in effect at that date. At each balance sheet date, recorded monetary balances denominated in a currency other than the functional currency are adjusted to the functional currency using the exchange rate at the balance sheet date, with gains or losses recognized in other, net in the consolidated statements of operations.

For subsidiaries with a functional currency other than the USD, we translate the subsidiary financial statements from their functional currency to USD in accordance with IAS 21 *The Effects of Changes in Foreign Exchange Rates*. All monetary assets and liabilities are translated at the exchange rate on the balance sheet date, stockholders' equity is translated at historical rates and statement of operations items are translated at the weighted average exchange rate for the period. The resulting translation

adjustments are reported as cumulative translation adjustment ("CTA"), which is a component of other comprehensive income (or loss) and as a separate component of reserves on the consolidated balance sheets.

Research and Development Costs

R&D costs consist of costs related to direct product development and application engineering. Our basic technologies have been developed through a combination of internal development and acquisition. Development expense is typically associated with:

- engineering core technology platforms to specific applications;
- improving functionality of existing products; and
- projects that have not met certain technological feasibility and economic benefit criteria.

The level of R&D costs is related to the number of products in development, the stage of the development process, the complexity of the underlying technology, potential scale of the product upon successful commercialization, and the level of our exploratory research. In accordance with IAS 38 *Intangible Assets*, an intangible asset arising from development expenditures on an individual project is recognized only when we can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, our intention to complete and our ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset, and the ability to measure reliably the expenditure during the development process. Costs that do not meet this criteria for recognition as an intangible asset are recorded within the R&D line of our consolidated statements of income. Intangible assets arising from development costs are amortized over five years, beginning in the period in which customer acceptance of the project is obtained. Amortization of intangible assets arising from development costs is recorded within the amortization line of our consolidated statements of income. Capitalized development costs are written-off through selling, general, and administrative expense when the criteria required to capitalize the expenditures are no longer present.

Cash and Cash Equivalents

Cash comprises cash on hand at financial institutions. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of change in value, and have original maturities of three months or less. We have established guidelines relative to diversification and maturities of our cash balances that maximize both security and liquidity of our funds. These guidelines are periodically reviewed and modified to take advantage of trends in yields and interest rates. As of December 31, 2024 and 2023, most of our cash and cash equivalents balances exceeded federally insured limits and could be at risk of loss.

We prepared the accompanying consolidated statements of cash flows using the indirect method.

Refer to *Note 21: Cash and Cash Equivalents* for details on the components of our cash and cash equivalents balances.

3. Revenue Recognition

Refer to *Note 2: Significant Accounting Policies* for detailed discussion of the accounting policies related to revenue recognition.

We believe that our end markets are the categories that best depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors. The following table presents net revenue disaggregated by segment and end market for the years ended December 31, 2024 and 2023:

	Performance Sensing ⁽¹⁾		Sensing Solutions ⁽¹⁾		Other ⁽¹⁾		Total ⁽¹⁾	
	For the year ended December 31,		For the year ended December 31,		For the year ended December 31,		For the year ended December 31,	
	2024	2023	2024	2023	2024	2023	2024	2023
	(As Adjusted)		(As Adjusted)		(As Adjusted)		(As Adjusted)	
Automotive	\$ 2,073,758	\$ 2,062,058	\$ 134,658	\$ 115,131	\$ —	\$ —	\$ 2,208,416	\$ 2,177,189
HVOR	669,835	687,876	24,104	28,085	—	—	693,939	715,961
Industrial	—	—	556,661	660,551	—	—	556,661	660,551
HVAC ⁽²⁾	—	—	155,499	164,742	—	—	155,499	164,742
Aerospace	—	—	190,360	188,179	—	—	190,360	188,179
Other	—	—	—	—	127,889	147,461	127,889	147,461
Net revenue	\$ 2,743,593	\$ 2,749,934	\$ 1,061,282	\$ 1,156,688	\$ 127,889	\$ 147,461	\$ 3,932,764	\$ 4,054,083

⁽¹⁾ During 2024, we realigned our segments, as discussed further in *Note 1: General Information* and *Note 20: Segment Reporting*. As a result, certain revenue in the Automotive and HVOR end markets has been moved from Performance Sensing to Sensing Solutions. In addition, revenue generated by our Insights Business was moved from the HVOR end market (in Performance Sensing) to the other end market in a separate operating segment that is not aggregated within either of our reportable segments. The year ended December 31, 2023 has been retrospectively recast to reflect this change.

⁽²⁾ Heating, ventilation and air conditioning

In addition, refer to *Note 20: Segment Reporting* for a presentation of net revenue disaggregated by product category and geographic region.

Contract Assets and Liabilities

Excluding trade receivables, which are presented on our consolidated statements of financial position, our contract assets are not material. Contract liabilities, whereby we receive payment from customers related to our promise to satisfy performance obligations in the future, are not material.

4. Share-Based Compensation

At our Annual General Meeting of Shareholders ("AGM") held on May 27, 2021, our shareholders approved the Sensata Technologies Holding plc 2021 Equity Incentive Plan (the "2021 Equity Plan"), which replaced the Sensata Technologies Holding plc First Amended and Restated 2010 Equity Incentive Plan (the "2010 Equity Plan"). The 2021 Equity Plan is substantially similar to the 2010 Equity Plan with some updates based on changes in law and current practices. The purpose of the 2021 Equity Plan is to promote the long-term growth, profitability, and interests of the Company and its shareholders by aiding us in attracting and retaining employees, officers, consultants, advisors, and non-employee directors capable of assuring our future success. All awards granted subsequent to this approval were made under the 2021 Equity Plan. The 2010 Equity Plan was terminated as to the grant of any additional awards, but prior awards remain outstanding in accordance with their terms. As of December 31, 2024, there were 4.0 million ordinary shares available for grants of awards under the 2021 Equity Plan.

Refer to *Note 2: Significant Accounting Policies* for additional information related to our share-based compensation accounting policies.

Share-Based Compensation Awards

We grant restricted stock unit ("RSU") and performance-based restricted stock unit ("PRSU") awards. We no longer grant stock option awards, with the last grants of option awards made in the year ended December 31, 2019. Share-based compensation awards granted prior to May 27, 2021 were made under the 2010 Equity Plan, with all subsequent awards granted under the 2021 Equity Plan.

For option and RSU awards, vesting is typically subject only to service conditions, although they include continued vesting provisions for retirement-eligible employees. For PRSU awards, vesting is also subject to service conditions, however the number of awarded units that ultimately vest also depends on the attainment of certain predefined performance criteria. In the year ended December 31, 2023, we began granting certain Market PRSUs with market performance conditions. These PRSUs are valued using the Monte Carlo simulation. Refer to *Note 2: Significant Accounting Policies* for additional information.

Options

A summary of stock option activity for the years ended December 31, 2024 and 2023 is presented in the table below (amounts have been calculated based on unrounded shares, accordingly, certain amounts may not appear to recalculate due to the effect of rounding):

	Number of Options (thousands)	Weighted- Average Exercise Price Per Option	Weighted-Average Remaining Contractual Term (years)	Aggregate Intrinsic Value
Balance as of December 31, 2022	1,527	\$ 44.55	3.3	\$ 1,802
Forfeited or expired	(102)	\$ 47.66		
Exercised	(158)	\$ 34.31		\$ 1,663
Balance as of December 31, 2023	1,267	\$ 45.58	2.6	\$ —
Forfeited or expired	(312)	\$ 44.45		
Exercised	(118)	\$ 38.96		
Balance as of December 31, 2024	837	\$ 46.94		
Options vested and exercisable as of December 31, 2024	837	\$ 46.94	2.3	\$ —
Vested and expected to vest as of December 31, 2024	837	\$ 46.94	2.3	\$ —

During the year ended December 31, 2024, a total of 118 thousand options were exercised at an average selling price of \$38.96. During the year ended December 31, 2023, a total of 158 thousand options were exercised at an average selling price of \$34.31. The range of exercise prices of our outstanding options at December 31, 2024 was \$36.25 to \$56.94.

The fair value of stock options that vested during the years ended December 31, 2024 and 2023 was \$0.0 million and \$3.2 million, respectively.

Option awards granted to employees generally vest 25% per year over four years from the grant date. We recognize compensation expense for options on a straight-line basis over the requisite service period, which is generally the same as the vesting period. The options generally expire ten years from the date of grant.

For options granted prior to April 2019, except as otherwise provided in specific option award agreements, if a participant ceases to be employed by us, options not yet vested generally expire and are forfeited at the termination date, and options that are fully vested generally expire 90 days after termination of the participant's employment. Exclusions to the general policy for terminated employees include termination for cause (in which case the options expire on the participant's termination date) and termination due to death or disability (in which case any unvested options shall immediately vest and expire one year after the participant's termination date). For options granted in or after April 2019, the same terms apply, except that in the event of termination due to a qualified retirement, options not yet vested will continue to vest and will expire ten years from the grant date.

Restricted Securities

We grant RSU awards that vest one-third on the annual anniversary of the grant for three years and PRSU awards that cliff vest three years after the grant date.

In the event of a qualifying termination, any unvested restricted securities that would have otherwise vested within the next six months vest in full on the termination date, and in the event of termination by reason of a covered retirement, any unvested restricted securities remain outstanding on the termination date and subject to continued vesting. For PRSU awards, the number of units that ultimately vest depends on the extent to which certain performance criteria, described in the table below, are met.

A summary of restricted securities granted in the years ended December 31, 2024 and 2023 is presented below:

		Percentage Range of Units That May Vest ⁽¹⁾							
		0.0% to 150.0%		0.0% to 172.5%		0.0% to 200.0%			
(Awards in thousands)	RSU Awards Granted	Weighted- Average Grant-Date Fair Value	Market PRSU Awards Granted ⁽²⁾	Weighted- Average Grant-Date Fair Value	PRSU Awards Granted	Weighted- Average Grant-Date Fair Value	PRSU Awards Granted	Weighted- Average Grant-Date Fair Value	
2024	1,054	\$ 36.80	323	\$ 37.71	—	\$ —	—	\$ —	
2023	599	\$ 48.68	198	\$ 52.72	—	\$ —	150	\$ 49.15	

(1) Represents the percentage range of PRSU award units granted that may vest according to the terms of the awards. The amounts presented within this table do not reflect our current assessment of the probable outcome of vesting based on the achievement or expected achievement of performance conditions.

(2) Approximately 50 percent of these awards represent Market PRSUs that will be evaluated relative to the performance of certain peers as defined in the award agreement. The number of units that ultimately vest (in April 2026 and July 2026) will be from 0% to 150%, depending on achievement of these performance criteria.

The fair value of Market PRSUs was estimated on the date of grant (April 2024 and 2023) using a Monte Carlo simulation pricing model. See *Note 2: Significant Accounting Policies* for further discussion of this model and key assumptions and inputs. The key assumptions used in estimating the grant-date fair value of Market PRSUs for the year ended December 31, 2023 are presented in the table below:

	For the year ended December 31, 2024	For the year ended December 31, 2023
Expected term (years)	3	3
Risk free interest rate	4.5%	3.8%
Dividend yield	1.3%	0.9%
Stock price on valuation date	\$36.50	\$50.00
Expected volatility	31%	36%

Expected volatility is based on average of (i) historical volatility over a three year look-back period preceding the valuation date and (ii) implied volatility equity based on market activity related to traded options on company equity.

Compensation cost for the year ended December 31, 2024 reflects our estimate of the probable outcome of the performance conditions associated with the PRSU awards granted in the years ended December 31, 2024 and 2023.

A summary of activity related to outstanding restricted securities for the years ended December 31, 2024 and 2023 is presented in the table below (amounts have been calculated based on unrounded shares, accordingly, certain amounts may not appear to recalculate due to the effect of rounding):

	Restricted Securities (thousands)	Weighted-Average Grant-Date Fair Value
Balance as of December 31, 2022	1,755	\$ 46.68
Granted	947	\$ 49.60
Forfeited	(386)	\$ 48.23
Vested	(720)	\$ 48.19
Balance as of December 31, 2023	1,596	\$ 50.51
Granted	1,377	\$ 37.01
Forfeited	(509)	\$ 43.24
Vested	(912)	\$ 36.51
Balance as of December 31, 2024	1,552	\$ 42.06

Aggregate intrinsic value information for restricted securities at December 31, 2024 and 2023 is presented below:

	As of December 31,	
	2024	2023
Outstanding	\$ 50,376	\$ 55,180
Expected to vest	\$ 50,364	\$ 41,282

The weighted-average remaining periods over which the restrictions will lapse at December 31, 2024 and 2023 are as follows:

	As of December 31,	
	2024	2023
(Amounts in years)		
Outstanding	1.3	1.2
Expected to vest	1.3	1.2

The expected to vest restricted securities are calculated based on the application of a forfeiture rate assumption to all outstanding restricted securities as well as our assessment of the probability of meeting the required performance conditions that pertain to the PRSU awards.

Share-Based Compensation Expense

The table below presents non-cash compensation expense related to our equity awards, which is recorded within SG&A expense in the consolidated statements of income, for the years ended December 31, 2024 and 2023:

	For the year ended December 31,	
	2024	2023
Options	\$ 569	\$ 25
Restricted securities	39,143	31,755
Total share-based compensation expense	\$ 39,712	\$ 31,780

The table below presents unrecognized compensation expense at December 31, 2024 for each class of award, and the remaining expected term for this expense to be recognized:

	Unrecognized Compensation Expense	Expected Recognition (years)
Restricted securities	23,596	1.6

5. Restructuring and Other Charges, Net

2H 2024 Plan

In the year ended December 31, 2024, we committed to a plan to reorganize our business (the “2H 2024 Plan”). The 2H 2024 Plan, consisting of involuntary reductions-in-force, site closures, and other cost-savings initiatives, was commenced to adjust our cost structure and business activities to better align with weaker market demand and continued economic uncertainty in many of our end markets and to take active measures to accelerate our margin recovery. The reductions-in-force, which are subject to the laws and regulations of the countries in which the actions are planned, are expected to impact 213 positions. Over the life of the 2H 2024 Plan, we expect to incur restructuring charges of between \$11.8 million and \$15.0 million, primarily related to reductions-in-force. The majority of the actions under the 2H 2024 Plan are expected to be completed on or before September 30, 2025. We expect to settle these charges with cash on hand.

Q3 2023 Plan

In the year ended December 31, 2023, we committed to a plan to reorganize our business (the “Q3 2023 Plan”). The Q3 2023 Plan, consisting of voluntary and involuntary reductions-in-force, site closures, and other cost-savings initiatives, was commenced to adjust our cost structure and business activities to better align with weaker market demand and continued economic uncertainty in many of our end markets and to take active measures to accelerate our margin recovery. The reductions-in-force, which are subject to the laws and regulations of the countries in which the actions are planned, are expected to impact 505 positions. Over the life of the Q3 2023 Plan, we expect to incur restructuring charges of between \$23.9 million and \$25.8 million, primarily related to reductions-in-force. The majority of the actions under the Q3 2023 Plan are expected to be completed on or before December 31, 2025. We expect to settle these charges with cash on hand.

Spear Marine Business

On June 6, 2023, we announced that we had made the decision to exit the marine energy storage business (the "Marine Business") of Spear Power Systems ("Spear"). The exit of the Spear Marine Business was the result of a change in strategy with respect to the business and involved ceasing sales, marketing, and business operations. It resulted in the elimination of certain positions, primarily in the U.S. and the closure of operations in Belgium. In September 2024, we made the decision to exit the Spear aerospace and defense business (the "Aerospace Business") and entered into an asset purchase agreement that closed in October 2024, wherein a third party assumed control of a majority of the remaining Spear assets. The Spear businesses had been included in the Sensing Solutions CGU. Exiting the Spear Marine Business and Aerospace Business resulted in charges in the year ended December 31, 2024 and 2023, as presented in the table below:

	Location	For the year ended December 31,	
		2024	2023
Accelerated amortization	Amortization of intangible assets	\$ 9,619	\$ 13,527
Write-down of inventory	Cost of revenue	1,443	10,479
Severance charges	Restructuring and other charges, net	(328)	1,129
Write-down of property, plant and equipment	Restructuring and other charges, net	3,711	2,002
Other charges, including contract termination costs	Restructuring and other charges, net	7,771	11,335
Total		<u>\$ 22,216</u>	<u>\$ 38,472</u>

Summary

The following table presents the components of restructuring and other charges, net, for the years ended December 31, 2024 and 2023:

	For the year ended December 31,	
	2024	2023
2H 2024 Plan	\$ 8,587	\$ —
Q3 2023 Plan, net	\$ (23)	\$ 20,678
Spear	\$ 11,154	\$ 14,496
Other severance costs, net ⁽¹⁾	6,194	7,522
Facility and other exit costs	4,006	600
Other ⁽²⁾	4,500	(178)
Restructuring and other charges, net	<u>\$ 34,418</u>	<u>\$ 43,118</u>

⁽¹⁾ Represents severance charges not incurred as part of a larger restructuring plan.

⁽²⁾ Amounts presented in the year ended December 31, 2023 primarily relate to charges incurred as a result of the exit of the Spear Marine Business as discussed above.

Changes to our severance liability during the years ended December 31, 2024 and 2023 were as follows:

	2H 2024 Plan	Q3 2023 Plan	Q2 2020 Global Restructure Program	Other	Total
Balance as of December 31, 2022	—	—	8	7,355	7,363
Charges, net of reversals	—	19,486	—	8,682	28,168
Payments	—	(16,199)	—	(15,792)	(31,991)
Foreign currency remeasurement	\$ —	215	—	125	340
Balance as of December 31, 2023	\$ —	\$ 3,502	\$ 8	\$ 370	\$ 3,880
Charges, net of reversals	\$ 8,127	\$ 2,169	\$ —	\$ 3,766	\$ 14,062
Payments	\$ (6,094)	\$ (5,341)	\$ (8)	\$ (3,676)	\$ (15,119)
Foreign currency remeasurement	\$ (10)	\$ (95)	\$ —	\$ (114)	\$ (219)
Balance as of December 31, 2024	<u>\$ 2,023</u>	<u>\$ 235</u>	<u>\$ —</u>	<u>\$ 346</u>	<u>\$ 2,604</u>

6. Other, Net

Other, net for the years ended December 31, 2024 and 2023 consisted of the following:

	For the year ended December 31,	
	2024	2023
Currency remeasurement gain/(loss) on net monetary assets ⁽¹⁾	\$ 3,964	\$ (20,152)
(Loss)/gain on foreign currency forward contracts ⁽²⁾	(2,619)	4,237
Gain/(loss) on commodity forward contracts ⁽²⁾	3,471	(2,762)
Loss on financing of borrowings ⁽³⁾	(8,926)	(6,403)
Gain/(loss) on equity investments, net ⁽⁴⁾	842	(15,529)
Net periodic benefit cost, excluding service cost	(3,265)	(2,584)
Other	432	15,750
Other, net	<u>\$ (6,101)</u>	<u>\$ (27,443)</u>

⁽¹⁾ Relates to the remeasurement of non-functional currency denominated net monetary assets and liabilities into the functional currency. Refer to discussion under the heading *Foreign Currency* in *Note 2: Significant Accounting Policies*.

⁽²⁾ Relates to changes in the fair value of derivative financial instruments that are not designated as hedges. Refer to *Note 19: Derivative Instruments and Hedging Activities* for additional discussion of gains and losses related to our commodity and foreign exchange forward contracts. Refer to *Note 24: Financial Risk Management Objectives and Policies* for an analysis of the sensitivity of other, net to changes in foreign currency exchange rates and commodity prices.

⁽³⁾ Refer to *Note 14: Borrowings* for additional information related to our financing transactions on borrowings.

⁽⁴⁾ The year ended December 31, 2024, primarily includes a loss on equity investment that does not have a readily determinable fair value for which we use the measurement alternative prescribed in FASB Topic 321, Investments-Equity Securities. Refer to *Note 18: Fair Value Measures* for additional information.

7. Income Taxes

Provision for income taxes

Provision for income taxes for the years ended December 31, 2024 and 2023 was as follows:

	For the year ended December 31,	
	2024	2023
Current tax expense:		
Current year	\$ 91,429	\$ 75,516
Adjustment in respect of current income tax of previous year	623	414
Deferred tax expense:		
Origination and reversal of temporary differences	(32,770)	(251,177)
Change in tax rate	(2,398)	(83,506)
Recognition of previously unrecognized tax losses and deductible temporary differences	(184,473)	278,484
Total	<u>\$ (127,589)</u>	<u>\$ 19,731</u>

Tax benefit or expense on continuing operations excludes the Company's share of tax expense reported in equity and other comprehensive income.

	For the year ended December 31,	
	2024	2023
Tax benefit/(expense) recognized:		
Directly in equity	\$ (421)	\$ 425
In other comprehensive income	\$ 18,815	\$ (1,709)

Effective tax rate reconciliation

The principal reconciling items from income tax computed at the U.K. statutory tax rate of 25% and 23.5% for the years ended December 31, 2024 and 2023, respectively, were as follows:

	For the year ended December 31,	
	2024	2023
Tax computed at statutory rate of 25% and 23.5% in fiscal years 2024 and 2023, respectively	\$ (1,047)	\$ (8,334)
Foreign tax rate differential	(35,264)	(25,846)
Goodwill impairment	39,459	41,151
Changes in recognition of tax losses	(184,473)	282,307
Reserve for tax exposure	(2,133)	771
Withholding taxes not creditable	6,090	14,132
Research and development incentives	(10,399)	(9,023)
Change in tax laws or rates	(2,253)	4,030
Unrealized foreign exchange losses/(gains), net	1,315	4,671
Dispositions and capital restructurings	42,931	(286,434)
Pension	9,919	—
Nontaxable items and other	8,266	2,306
Provision for income taxes	<u>\$ (127,589)</u>	<u>\$ 19,731</u>

Changes in recognition of tax losses

The decrease in our effective tax rate for the year ended December 31, 2024, is primarily due to a strategy executed to secure the future deductibility of certain intellectual property rights which allowed for the recognition of a deferred tax asset. This favorable impact was partially offset by losses that could not be recognized from the sale of the Insights business, and excess interest carryforwards. For the year ended December 31, 2023, the transfer of these intellectual property rights did not lead to the recognition of a deferred tax asset.

Capital restructuring and dispositions

The increase in our effective tax rate for the year ended December 31, 2024, is primarily due to the remeasurement of the deferred tax benefit related to the intercompany transfer of certain intellectual property rights in connection with the execution of a strategy to secure the future deductibility of this asset.

During the year ended December 31, 2023, we recorded a \$300 million deferred tax benefit related to the intercompany transfer of certain intellectual property rights, included in the outside basis difference line in the deferred tax table below. Based on our corporate structure at December 31, 2023, it was more likely than not that the future tax benefits associated with this intercompany transfer would not be realized. As such this benefit was not recognized.

Foreign tax rate differential

We operate in multiple jurisdictions including but not limited to Bulgaria, China, Malaysia, Malta, the Netherlands, South Korea, the U.S., and the U.K. This can result in a foreign tax rate differential that may reflect a tax benefit or detriment. This foreign tax rate differential can change from year to year based upon the jurisdictional mix of earnings and changes in current and future enacted tax rates.

Certain of our subsidiaries have been eligible, for tax exemptions or reduced tax rates in their respective jurisdictions. A subsidiary in Changzhou, China has been eligible for a reduced corporate income tax rate of 15% through 2024. The impact on current tax expense of the tax holidays and exemptions is included in the foreign tax rate differential disclosure, reconciling the statutory rate to our effective rate. The remeasurement of the deferred tax assets and liabilities is included in the change in tax laws or rates caption.

Research and development incentives

Certain income of our U.K. subsidiaries is eligible for lower effective tax rates under the "patent box" regime, resulting in certain of our intellectual property income being taxed at an effective rate lower than the U.K. statutory tax rate. Qualified investments are eligible for a bonus deduction under China's R&D super deduction regime. In the U.S., we benefit from R&D credit incentives.

Withholding taxes not creditable

Withholding taxes may apply to intercompany interest, royalty, management fees, and certain payments to third parties. Such taxes are deducted if they cannot be credited against the recipient's tax liability in its country of residence. Additional consideration has been given to the withholding taxes associated with unremitted earnings and the recipient's ability to obtain a tax credit for such taxes. Earnings are not considered to be indefinitely reinvested in the jurisdictions in which they were earned. In certain jurisdictions we recognize a deferred tax liability on withholding and other taxes on intercompany payments including dividends.

Goodwill impairment

During the years ended December 31, 2024 and 2023, we incurred a non-cash impairment charge for goodwill that is nondeductible for tax purposes.

Deferred income tax assets and liabilities

A rollforward of the primary components of deferred income tax assets and liabilities as of December 31, 2024 is as follows:

	Beginning of the year	Acquisition	Disposition	Equity	Recognized in:		End of the Year
					Other comprehensive income	Net income	
Deferred tax assets:							
Inventories and related reserves	\$ 20,679	\$ —	\$ (98)	\$ —	\$ —	\$ 3,363	\$ 23,944
Accrued expenses	36,874	—	250	—	—	(3,566)	33,558
Property, plant and equipment	4,792	—	—	—	—	795	5,587
Intangible assets	20,820	—	(2,736)	—	—	(987)	17,097
Unrealized exchange loss	287	—	—	—	—	(281)	6
Net operating loss and interest expense carryforwards	186,863	—	(5,821)	(398)	—	(20,251)	160,393
Pension liability	6,800	—	—	—	9,974	(9,550)	7,224
Share-based compensation	3,521	—	—	(23)	—	(244)	3,254
Tax on undistributed earnings of subsidiaries	10,449	—	—	—	—	(10,449)	—
Other	3,634	—	—	—	—	3,411	7,045
Total deferred tax assets	294,719	—	(8,405)	(421)	9,974	(37,759)	258,108
Deferred tax liabilities:							
Property, plant and equipment	(23,592)	—	22	—	—	(1,511)	(25,081)
Intangible assets and goodwill	(485,923)	—	15,997	—	—	282,281	(187,645)
Unrealized foreign exchange gain	(7,687)	—	—	—	8,841	(1,202)	(48)
Tax on undistributed earnings of subsidiaries	(34,904)	—	20,448	—	—	(22,168)	(36,624)
Total deferred tax liabilities	(552,106)	—	36,467	—	8,841	257,400	(249,398)
Net deferred tax (liabilities)/assets	\$ (257,387)	\$ —	\$ 28,062	\$ (421)	\$ 18,815	\$ 219,641	\$ 8,710

Included in the table above is approximately \$1.5 million of net deferred tax assets that are associated with assets currently held for sale. Refer to *Note 29: Divestitures* for further information.

A rollforward of the primary components of deferred income tax assets and liabilities as of December 31, 2023 is as follows:

	Recognized in:						
	Beginning of the year	Acquisition	Disposition	Equity	Other comprehensive income	Net income	End of the Year
Deferred tax assets:							
Inventories and related reserves	\$ 19,032	\$ 344	\$ —	\$ —	\$ —	\$ 1,303	\$ 20,679
Accrued expenses	48,259	(684)	—	—	—	(10,701)	36,874
Property, plant and equipment	11,363	—	—	—	—	(6,571)	4,792
Intangible assets	27,228	—	—	—	—	(6,408)	20,820
Unrealized exchange loss	269	—	—	—	—	18	287
Net operating loss and interest expense carryforwards	190,175	(1,714)	—	625	—	(2,223)	186,863
Pension liability	7,870	—	—	—	(1,065)	(5)	6,800
Share-based compensation	3,531	—	—	(200)	—	190	3,521
Tax on undistributed earnings of subsidiaries	—	—	—	—	—	10,449	10,449
Other	3,720	—	—	—	—	(86)	3,634
Total deferred tax assets	311,447	(2,054)	—	425	(1,065)	(14,034)	294,719
Deferred tax liabilities:							
Property, plant and equipment	(26,991)	(17)	—	—	—	3,416	(23,592)
Intangible assets and goodwill	(513,701)	(13,167)	—	—	—	40,945	(485,923)
Unrealized foreign exchange gain	(7,284)	—	—	—	(644)	241	(7,687)
Tax on undistributed earnings of subsidiaries	(60,535)	—	—	—	—	25,631	(34,904)
Total deferred tax liabilities	(608,511)	(13,184)	—	—	(644)	70,233	(552,106)
Net deferred tax liabilities	\$ (297,064)	\$ (15,238)	\$ —	\$ 425	\$ (1,709)	\$ 56,199	\$ (257,387)

Unrecognized deferred tax assets

We utilize the "probable" criteria established in IAS 12 *Income Taxes*, to determine whether the future benefit from the deferred tax assets should be recognized. In measuring the related deferred tax assets, we considered all available evidence, both positive and negative, to determine whether, based on the weight of that evidence, it is probable that we will utilize our deferred tax assets. Judgment is required in considering the relative impact of negative and positive evidence. The weight given to the potential effect of negative and positive evidence is commensurate with the extent to which it can be objectively verified. The more negative evidence that exists, the more positive evidence is necessary and the more difficult it is to support a conclusion that we will utilize deferred tax assets. As a result, we have not recognized deferred tax assets in jurisdictions that it is not probable that the assets will be utilized in the foreseeable future. As of each reporting date, we consider new evidence, both positive and negative, that could impact our view with regard to future realization of deferred tax assets.

Deferred tax assets have not been recognized in respect of the following items, because it is not probable that future taxable profit will be available against which we can use the benefits therefrom:

	For the year ended December 31,	
	2024	2023
Tax credits	\$ 28,932	\$ 28,442
Deductible temporary differences	\$ 1,680,580	\$ 2,252,834
Tax losses	511,037	91,609
Total	\$ 2,191,617	\$ 2,344,443

Included in the table above, we have approximately \$20.5 million of tax credits that expire between 2025 and 2039, and approximately \$16.5 million of tax losses that expire between 2026 and 2029.

Unrecognized tax benefits

The amount of unrecognized tax benefits at December 31, 2024 and 2023 that if recognized, would impact our effective tax rate is \$136.4 million and \$136.4 million, respectively.

Our major tax jurisdictions include Bulgaria, China, France, Germany, Japan, Malaysia, Malta, Mexico, the Netherlands, South Korea, the U.K., and the U.S. These jurisdictions generally remain open to examination by the relevant tax authority for the tax years 2008 through 2024.

On December 15, 2022, the European Union ("EU") Member States formally adopted the EU's Pillar Two Directive, which generally provides for a minimum jurisdictional effective tax rate of 15%. The legislation became effective for our fiscal year beginning January 1, 2024. The Company has evaluated the impact of Pillar Two and continues to assess ongoing guidance. Based on our analysis to date, it has not had a material impact on our 2024 consolidated financial statements and related disclosures. The Company has applied the temporary exception to deferred tax accounting in relation to Pillar Two income taxes, as permitted IAS 12 amendments issued May 2023. We will continue to monitor developments and assess any future implications on our financial position and results of operations.

Indemnifications

We have various indemnification provisions in place with parties including Honeywell (sellers of First Technology Automotive and Special Products), the former shareholders of Elastic M2M, Inc., Sendyne Corp., SmartWitness Holdings, Inc., Xirgo Technologies Intermediate Holdings, LLC and Xirgo Holdings, Inc., whereby such provisions provide for the reimbursement of future tax liabilities paid by us that relate to the pre-acquisition periods of the acquired businesses.

8. Net Income/(Loss) Per Share

Basic and diluted net income/(loss) per share are calculated by dividing net income/(loss) by the number of basic and diluted weighted-average ordinary shares outstanding during the period. For the years ended December 31, 2024 and 2023, the weighted-average ordinary shares outstanding used to calculate basic and diluted net income/(loss) per share were as follows:

(Shares in thousands)	For the year ended December 31,	
	2024	2023
Basic weighted-average ordinary shares outstanding	150,400	152,083
Dilutive effect of stock options	—	—
Dilutive effect of unvested restricted securities	346	—
Diluted weighted-average ordinary shares outstanding	150,746	152,083

Net income/(loss) and net income/(loss) per share are presented in the consolidated statements of income/(loss).

Certain potential ordinary shares were excluded from our calculation of diluted weighted-average ordinary shares outstanding because either they would have had an anti-dilutive effect on net income/(loss) per share or they related to equity awards that were contingently issuable for which the contingency had not been satisfied. Refer to *Note 4: Share-Based Compensation* for further discussion of our equity awards. These potential ordinary shares are as follows:

(Shares in thousands)	For the year ended December 31,	
	2024	2023
Anti-dilutive shares excluded	1,210	2,864
Contingently issuable shares excluded	699	1,239

9. Inventories

The following table presents the components of inventories at December 31, 2024 and 2023:

	As of December 31,	
	2024	2023
Finished goods	\$ 193,167	\$ 223,972
Work-in-process	134,423	113,209
Raw materials	287,146	376,304
Inventories	\$ 614,736	\$ 713,485

As described in *Note 14: Borrowings*, our borrowings under the 4.375% Senior Notes, the 3.75% Senior Notes, the 4.0% Senior Notes, the 5.875% Senior Notes, the 6.625% Senior Notes, and the Senior Secured Credit Facilities (each defined therein) are unconditionally guaranteed by certain of our subsidiaries. At December 31, 2024 and 2023, inventories owned by these subsidiaries totaled \$225.8 million and \$287.4 million, respectively.

During the years ended December 31, 2024 and 2023, inventory costs of \$2,642.6 million and \$2,654.9 million, respectively, were recognized as an expense in cost of revenue.

Inventories are stated after a provision for obsolescence of \$98.6 million and \$84.0 million as of December 31, 2024 and 2023, respectively. We do not consider there to be a material difference between net book value and replacement cost for inventories

Refer to *Note 2: Significant Accounting Policies* for a discussion of our accounting policies related to inventories.

10. Property, Plant and Equipment, Net

PP&E, net at December 31, 2024 and 2023 consisted of the following:

	Land	Building and improvements	Machinery and equipment	Total
Purchase value:				
Balance as of December 31, 2022	\$ 14,835	\$ 384,159	\$ 1,639,851	\$ 2,038,845
Lease right-of-use asset additions/remeasurements	—	11,179	—	11,179
Capital expenditures	—	29,118	154,572	183,690
Disposals	(1,876)	(3,835)	(36,230)	(41,941)
Other	—	(4,166)	4,321	155
Change in foreign currency	—	4,765	13,348	18,113
Balance as of December 31, 2023	12,959	421,220	1,775,862	2,210,041
Lease right-of-use asset additions/remeasurements	—	28,122	—	28,122
Capital expenditures	—	19,610	138,624	158,234
Disposals ⁽¹⁾	—	(2,270)	(25,388)	(27,658)
Reclassification to held for sale ⁽¹⁾	—	(63,863)	—	(63,863)
Change in foreign currency	—	(9,049)	(41,987)	(51,036)
Balance as of December 31, 2024	<u>\$ 12,959</u>	<u>\$ 393,770</u>	<u>\$ 1,847,111</u>	<u>\$ 2,253,840</u>
Depreciation:				
Balance as of December 31, 2022	\$ —	\$ (211,100)	\$ (950,235)	\$ (1,161,335)
Lease right-of-use asset depreciation expense	—	(14,391)	—	(14,391)
Depreciation expense	—	(12,533)	(121,631)	(134,164)
Disposals	—	2,915	28,766	31,681
Change in foreign currency	—	(1,617)	(9,391)	(11,008)
Balance as of December 31, 2023	—	(236,726)	(1,052,491)	(1,289,217)
Lease right-of-use asset depreciation expense	—	(31,006)	—	(31,006)
Depreciation expense	—	(14,990)	(152,236)	(167,226)
Disposals ⁽¹⁾	—	1,162	14,712	15,874
Reclassification to held for sale ⁽¹⁾	—	49,407	—	49,407
Change in foreign currency	—	5,728	33,382	39,110
Balance as of December 31, 2024	<u>\$ —</u>	<u>\$ (226,425)</u>	<u>\$ (1,156,633)</u>	<u>\$ (1,383,058)</u>
Carrying amounts, net:				
At December 31, 2023	\$ 12,959	\$ 184,494	\$ 723,371	\$ 920,824
At December 31, 2024	\$ 12,959	\$ 167,345	\$ 690,478	\$ 870,782
Carrying amounts of right-of-use assets:				
At December 31, 2023	\$ —	\$ 57,265	\$ 177	\$ 57,442
At December 31, 2024	\$ —	\$ 54,381	\$ 177	\$ 54,558

⁽¹⁾ Refer to *Note 29: Divestitures* for further information on assets disposed of and held for sale as of December 31, 2024.

PP&E amounts in the table above include a total of \$136.1 million and \$207.0 million of assets under construction as of December 31, 2024 and 2023, respectively.

At December 31, 2024 and 2023, assets totaling \$738.7 million and \$877.4 million, respectively, were fully depreciated but continued to be in service. As described in *Note 14: Borrowings* our borrowings under the 5.625% Senior Notes, the 5.0% Senior Notes, the 4.375% Senior Notes, the 3.75% Senior Notes, the 4.0% Senior Notes, the 5.875% Senior Notes, and the Senior Secured Credit Facilities (each defined therein) are unconditionally guaranteed by certain of our subsidiaries. At December 31, 2024 and 2023, PP&E, net associated with or owned by these subsidiaries totaled \$173.4 million and \$164.8 million, respectively.

PP&E, net at December 31, 2024 and 2023 included the following assets under leases:

	As of December 31,	
	2024	2023
Assets under leases in PP&E	\$ 180,790	\$ 152,668
Accumulated depreciation	(126,232)	(95,226)
Assets under leases in PP&E, net	\$ 54,558	\$ 57,442

Refer to *Note 2: Significant Accounting Policies* for a discussion of our accounting policies related to PP&E.

11. Goodwill and Other Intangible Assets, Net

The following table outlines the changes in net goodwill by segment for the years ended December 31, 2024 and 2023.

	Performance Sensing ⁽¹⁾	Sensing Solutions ⁽²⁾	Other ⁽³⁾	Total
Balance as of December 31, 2022	2,198,373	1,388,599	321,700	3,908,672
Divestiture	—	(8,240)	—	(8,240)
Goodwill impairment charge ⁽⁴⁾	—	—	(321,700)	(321,700)
Foreign currency translation effect	(20)	—	—	(20)
Goodwill reallocation ⁽⁵⁾	(57,071)	57,071	—	—
Balance as of December 31, 2023	\$ 2,141,282	\$ 1,437,430	\$ —	\$ 3,578,712
Assets held for sale	\$ (8,800)	\$ —	\$ —	\$ (8,800)
Measurement period adjustments	\$ —	\$ —	\$ —	\$ —
Goodwill impairment charge ⁽⁴⁾	\$ —	\$ (187,900)	\$ —	\$ (187,900)
Foreign currency translation effect	\$ (70)	\$ —	\$ —	\$ (70)
Goodwill reallocation ⁽⁵⁾	\$ (143,400)	\$ 143,400	\$ —	\$ —
Balance as of December 31, 2024	\$ 1,989,012	\$ 1,392,930	\$ —	\$ 3,381,942

⁽¹⁾ Performance Sensing goodwill at December 31, 2024, 2023, and 2022 is presented net of accumulated impairment of \$6.1 million, \$6.1 million, and \$6.1 million, respectively.

⁽²⁾ Sensing Solutions goodwill at December 31, 2024, 2023, and 2022 is presented net of accumulated impairment of \$228.4 million, \$40.5 million, and \$40.5 million, respectively.

⁽³⁾ Other goodwill at December 31, 2024, 2023, and 2022 is presented net of accumulated impairment of \$321.7 million, \$321.7 million, and \$— million, respectively. The \$321.7 accumulated impairment is related to the impairment of the Insights CGU in 2023. The Insights business was sold in 2024. Refer to *Note 29. Divestitures* for further details.

⁽⁴⁾ In the fourth quarter of 2023, we determined that our Insights cash-generating unit was impaired and we recorded a \$321.7 million non-cash goodwill impairment charge. In the third quarter of 2024, we determined that our Dynapower cash generating unit was impaired and we recorded a \$187.9 million non-cash impairment charge. Refer to additional information under the heading *Cash-generating units* below.

⁽⁵⁾ Effective April 1, 2023, we moved our material handling products from the HVOR operating segment (in the Performance Sensing reportable segment) to the Sensing Solutions operating segment to align with new management reporting. Refer to *Note 20: Segment Reporting* for additional information. This product move resulted in a reallocation of \$57.1 million of goodwill from the HVOR cash generating unit to the Industrial Solutions cash generating unit based on its fair value relative to the total fair value of the HVOR cash generating unit. Effective January 1, 2024, we moved certain aftermarket product lines from the Automotive and HVOR operating segments (in the Performance Sensing reportable segment) to the Sensing Solutions operating segment. This change resulted in the reallocation of \$122.0 million of goodwill from the

Automotive CGU and \$21.4 million of goodwill from the HVOR CGU to a new Aftermarket CGU based on a relative fair value allocation.

Acquisitions and Divestitures

Goodwill attributed to acquisitions reflects our allocation of purchase price to the estimated fair value of certain assets acquired and liabilities assumed. Net assets acquired are comprised of tangible and identifiable intangible assets acquired and liabilities assumed based on their estimated fair values. We apply estimates and assumptions to determine the fair value of the intangible assets and of any contingent consideration obligations. Critical estimates in valuing purchased technology, customer relationships, and other identifiable intangible assets include future cash flows that we expect to generate from the acquired assets. In addition, we estimate the economic lives of these identified intangible assets and these lives are used to calculate amortization expense. Goodwill has been included in our segments based on a methodology using anticipated future earnings of the components of business. Refer to *Note 29: Divestitures* for additional information related to our acquisitions.

Cash-generating units

In the third quarter of 2024, impairment indicators were identified that suggested the carrying value of the Dynapower CGU could exceed its fair values. The primary indicators of impairment were revised projections of future cash flows and actual performance that was lower than previous projections for this CGU. We evaluated the goodwill of the Dynapower CGU for impairment using a combination of a market-based valuation method and an income approach that discounts forecasted cash flows. As these assumptions were largely unobservable, the estimated fair values fall within Level 3 of the fair value hierarchy. A change in our cash flow forecast or the discount rate used would result in an increase or decrease in our calculated fair value. We determined that our Dynapower CGU was impaired, and in the third quarter of 2024, we recorded a \$187.9 million non-cash impairment charge. If Dynapower does not achieve the forecasted cash flows, there is a possibility that additional impairments of the remaining \$192.0 million of goodwill may be recognized in the future.

As of December 31, 2023, goodwill was monitored for the following CGUs or aggregation of CGUs: Automotive, HVOR, Aerospace, Insights, Clean Energy Solutions, Industrial Solutions, and Dynapower. In the first quarter of 2024, we made organizational changes resulting in the creation of a new CGU, Aftermarket, which resulted in the reallocation of \$122.0 million of goodwill from the Automotive CGU and \$21.4 million of goodwill from the HVOR CGU to the new Aftermarket CGU, based on a relative fair value allocation, as discussed above. During the second half of 2024, we reorganized our Sensing Solutions operating segment, which resulted in the realignment of our CGUs. As a result of this reorganization, our Clean Energy Solutions CGU, which includes high-voltage contactors, inverters, and battery management systems was combined with Industrial Solutions, creating one CGU, Industrial Solutions. Additionally, the Insights CGU ceased to exist upon the sale of the Insights business in the third quarter of 2024. As a result of these changes, as of December 31, 2024, we had six CGUs: Automotive, HVOR, Industrial Solutions, Aerospace, Aftermarket, and Dynapower. There have been no subsequent changes to our cash generating units as of December 31, 2024.

Each of our CGUs are tested for impairment annually or when impairment indicators are present. A CGU represents the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Goodwill is allocated to a CGU or group of CGUs that represents the lowest level at which goodwill is monitored for internal management purposes, and which is not higher than the Company's operating segment.

The Aerospace, Industrial Solutions, Aftermarket, and Dynapower CGUs are part of the Sensing Solutions reportable segment. The Automotive and HVOR CGUs are part of the Performance Sensing reportable segment.

IAS 36 permits the carry forward of the most recent quantitative goodwill impairment analysis for individual CGUs from a preceding year, provided certain conditions are met. Otherwise, we perform an impairment test at the CGU level by comparing the CGU's carrying amount, including goodwill, with its recoverable amount. Refer to *Note 2: Significant Accounting Policies* for additional discussion on our method of performing this test.

We evaluated our goodwill for impairment during 2024, using a quantitative analysis for each CGU (or group of CGUs as applicable), under which a discounted cash flow analysis is prepared (and, when applicable, a market multiples approach using comparable companies) to determine whether the fair value of the CGU is less than its carrying value. Based on these analyses, we have determined that as of October 1, 2024, the fair value of each of our CGUs exceeded their carrying values.

We consider a combination of quantitative and qualitative factors to determine whether a cash-generating unit is at risk of failing the goodwill impairment test, including: the timing of our most recent quantitative impairment tests and the relative amount by which a cash-generating unit's fair value exceeded its then carrying value, the inputs and assumptions underlying our valuation models and the sensitivity of our fair value measurements to those inputs and assumptions, the impact that adverse economic or market conditions may have on the degree of uncertainty inherent in our long-term operating forecasts,

and changes in the carrying value of a cash-generating unit's net assets from the time of our most recent goodwill impairment test. We also consider the impact of recent impairments in our expectations of the CGUs, such as the Dynapower CGU, and how actual performance against the forecasted performance, might put pressure on the cash-generating units' fair value over carrying value in the short term.

The following table outlines the key assumptions used in determining the recoverable amount of our CGUs as of October 1, 2024 and 2023:

	Auto	HVOR	Aftermarket	Industrial Solutions	Aero	CES	Dynapower
Net revenue compound annual growth rate over projection period:							
Q4 2024	1.1%	4.4%	2.1%	2.8%	9.8%	9.0%	18.7%
Q4 2023	8.1%	10.1%	—%	6.6%	10.9%	17.3%	19.4%
Terminal value EBITDA margin							
Q4 2024	40.7%	30.3%	36.9%	34.1%	34.2%	40.6%	30.7%
Q4 2023	33.2%	32.6%	—%	39.9%	52.8%	41.4%	31.4%
Discount rate (pre-tax):							
Q4 2024	7.2%	9.6%	11.4%	12.2%	14.5%	17.4%	17.8%
Q4 2023	13.3%	15.7%	—%	20.6%	18.8%	22.8%	18.1%

The following table reflects the percentages by which the recoverable amount of each of our CGUs exceeded their estimated book values at the time they were tested for impairment in the fourth quarter of 2024 and 2023:

	Auto	HVOR	Aftermarket	Industrial Solutions	Aero	CES	Dynapower
2024	65.4 %	169.0 %	64.5 %	54.8 %	67.2 %	49.2 %	1.7 %
2023	63.2 %	131.2 %	N/A	50.9 %	76.9 %	152.0 %	10.3 %

Sensitivity Analysis

Sensitivity analysis has been provided in respect of reasonably possible changes to key assumptions where applicable.

Key assumptions in the FVLCTD test are the projected performance of the CGUs based on net revenue compound annual growth rates, terminal value EBITDA margin and discount rate. Forecast sales growth rates are based on past experience adjusted for the strategic direction and near-term investment priorities within each CGU. The key assumptions include externally obtained growth rates in the key markets and customer demand for product lines. Forecasted margin and cash flow forecasts are determined based on historic experience of operating margins, adjusted for the impact of changes in product mix and cost-saving initiatives, including the impact of our restructuring projects and cash conversion based on historical experience. The discount rate reflects the implied rate of return that management believes a market participant would require for an investment in a company having similar risks and business characteristics to the CGU being assessed.

The recoverable amounts associated with the goodwill, customer relationships and completed technologies balances which are based on these performance projections and current forecast information do not indicate that any of these assets, other than that for the Dynapower CGU, is impaired. If the company's actual performance does not meet these projections this could lead to a further impairment of goodwill in future periods.

Sensitivity analysis has been performed on the key assumptions; net revenue compound annual growth rates, terminal value EBITDA margin and discount rate. Cash flows can be impacted by changes to sales prices, direct costs and replacement capital expenditure; individually these are not significant assumptions. Forecast sales growth rates are based on past experience adjusted for the strategic direction and near-term investment priorities. Cash flow forecasts are determined based on historic experience of operating margins, adjusted for the impact of changes in product mix and cost-saving initiatives, including the impact of our committed restructuring projects and cash conversion based on historical experience.

As discussed in *Note 2: Significant Accounting Policies*, determination of the recoverable amount involves management judgement on highly uncertain matters, particularly with regard to future growth prospects in the markets in which the CGU operates, the level of competition and discount factors. Changes in these forecast assumptions in the current year has resulted in an impairment charge of \$187.9 million to goodwill. Other than in the case of the Dynapower CGU where an impairment has been recognized, the Directors have not identified any CGUs that are at significant risk of impairment.

A sensitivity analysis has been carried out as illustrated below.

In relation to the Dynapower CGU:

- a further 1% increase in the discount rate would result in a reduction in recoverable value (and additional impairment) of \$25.7 million in goodwill.
- a further 1% decrease in the compound long-term growth rate would result in a reduction in recoverable value of \$11.0 million (and additional impairment).
- a further 5% reduction in the terminal value of EBITDA margin would result in a reduction in recoverable value of \$25.7 million (and additional impairment).

Goodwill and other intangible assets by CGU

The following table outlines information related to the carrying amount of goodwill and other intangible assets associated with each of our CGUs at December 31, 2024. Other intangible assets, net excludes capitalized software, which is not allocated to our CGUs. Amounts in the table below have been calculated based on unrounded numbers, accordingly, certain amounts may not appear to recalculate due to the effect of rounding.

<i>(In millions)</i>	Goodwill	Other Intangible Assets, net
Automotive	\$ 1,606.0	\$ 115.0
HVOR	383.1	60.9
Aftermarket	143.4	23.8
Industrial Solutions	804.8	181.8
Aerospace	252.7	66.0
Dynapower	191.9	164.1
Total	<u>\$ 3,381.9</u>	<u>\$ 611.6</u>

The following tables outline the components of intangible assets at December 31, 2024 and 2023:

	Weighted-Average Life (years)	December 31, 2024			Net Carrying Value
		Gross Carrying Amount	Accumulated Amortization	Accumulated Impairment	
Completed technologies	11	\$ 921,896	\$ (767,219)	\$ —	\$ 154,677
Customer relationships	11	1,887,194	(1,689,358)	—	197,836
Tradenames	15	99,947	(35,671)	—	64,276
Research and development	5	427,227	(300,906)	—	126,321
Capitalized software and other	6	76,706	(69,087)	—	7,619
Definite-lived intangible assets	10	3,412,970	<u>\$ (2,862,241)</u>	<u>\$ —</u>	<u>\$ 550,729</u>
Indefinite-lived brand name		68,470			68,470
Indefinite-lived IPR&D		—			—
Total other intangible assets		<u>\$ 3,481,440</u>			<u>\$ 619,199</u>

	Weighted-Average Life (years)	December 31, 2023			Net Carrying Value
		Gross Carrying Amount	Accumulated Amortization	Accumulated Impairment	
Completed technologies ⁽¹⁾	11	\$ 1,021,422	\$ (797,594)	\$ (157)	\$ 223,671
Customer relationships ⁽¹⁾	12	2,127,388	(1,667,490)	(843)	459,055
Tradenames	18	107,577	(32,314)	—	75,263
Research and development	5	405,834	(273,663)	—	132,171
Capitalized software and other ⁽¹⁾	7	74,765	(63,787)	—	10,978
Definite-lived intangible assets ⁽¹⁾	11	3,736,986	<u>\$ (2,834,848)</u>	<u>\$ (1,000)</u>	<u>\$ 901,138</u>
Indefinite-lived brand name		68,470			68,470
Indefinite-lived IPR&D		6,900			6,900
Total other intangible assets ⁽¹⁾		<u>\$ 3,812,356</u>			<u>\$ 976,508</u>

(1) Adjusted to reflect provisional adjustments made in fiscal year 2023 related to fiscal year 2022 acquisitions, refer to following table.

The following tables rollforward the gross carrying amount and accumulated amortization and impairment our definite-lived intangible assets (i.e. excluding indefinite-lived intangible assets) for the years ended December 31, 2024 and 2023.

Gross Carrying Amount	Completed technologies	Customer relationships	Tradenames	Research and development	Capitalized software and other	Total
Balance as of December 31, 2022	1,021,447	2,131,347	107,577	375,019	74,111	3,709,501
Other additions	(25)	—	—	33,371	1,121	34,467
Write-offs	—	(3,959)	—	(2,556)	(467)	(6,982)
Balance as of December 31, 2023	\$ 1,021,422	\$ 2,127,388	\$ 107,577	\$ 405,834	\$ 74,765	\$ 3,736,986
Other additions	\$ 6,900	\$ —	\$ —	\$ 24,528	\$ 2,409	\$ 33,837
Divestiture ⁽¹⁾	\$ (106,330)	\$ (240,140)	\$ (7,630)	\$ —	\$ —	\$ (354,100)
Write-offs	\$ (96)	\$ (54)	\$ —	\$ (3,135)	\$ (468)	\$ (3,753)
Balance as of December 31, 2024	<u>\$ 921,896</u>	<u>\$ 1,887,194</u>	<u>\$ 99,947</u>	<u>\$ 427,227</u>	<u>\$ 76,706</u>	<u>\$ 3,412,970</u>
Accumulated Amortization ⁽²⁾						
Balance as of December 31, 2022	(684,698)	(1,585,990)	(24,573)	(244,344)	(57,673)	(2,597,278)
Amortization	(72,616)	(85,987)	(7,741)	(30,075)	(6,165)	(202,584)
Write-offs and impairments	(10,595)	(26,198)	—	756	51	(35,986)
Balance as of December 31, 2023	\$ (767,909)	\$ (1,698,175)	\$ (32,314)	\$ (273,663)	\$ (63,787)	\$ (2,835,848)
Amortization	\$ (56,396)	\$ (73,207)	\$ (7,019)	\$ (27,243)	\$ (5,407)	\$ (169,272)
Divestiture ⁽¹⁾	\$ 57,055	\$ 82,024	\$ 3,662	\$ —	\$ —	\$ 142,741
Write-offs and impairments	\$ 31	\$ —	\$ —	\$ —	\$ 107	\$ 138
Balance as of December 31, 2024	<u>\$ (767,219)</u>	<u>\$ (1,689,358)</u>	<u>\$ (35,671)</u>	<u>\$ (300,906)</u>	<u>\$ (69,087)</u>	<u>\$ (2,862,241)</u>
Net carrying value						
December 31, 2023	253,513	429,213	75,263	132,171	10,978	901,138
December 31, 2024	154,677	197,836	64,276	126,321	7,619	550,729

(1) Refer to *Note 29: Divestitures*.

(2) Includes accumulated impairment.

In connection with the completion of the 2006 Acquisition, we concluded that our Klixon® brand name is an indefinite-lived intangible asset, as the brand has been in continuous use since 1927, and we have no plans to discontinue using the Klixon® name. An amount of \$59.1 million was assigned to the brand name in the purchase price allocation. In connection with the acquisition of Airpax, we concluded that our Airpax® brand name is an indefinite-lived intangible asset, as the brand has been in continuous use since 1948 and we have no plans to discontinue using the Airpax® name. An amount of \$9.4 million was assigned to the brand name in the purchase price allocation and is allocated to our Industrial Solutions CGU.

The following summarizes the gross value of other intangible assets (including indefinite-lived intangible assets) before impairments and amortization, by segment:

	Performance Sensing	Sensing Solutions	Other	Corporate	Total
Balance as of December 31, 2022 ⁽¹⁾	1,923,735	1,432,452	354,100	74,584	3,784,871
Additions	32,451	1,002	—	1,121	34,574
Divestitures	—	—	—	—	—
Write offs	(6,622)	—	—	(467)	(7,089)
Balance as of December 31, 2023	\$ 1,949,564	\$ 1,433,454	\$ 354,100	\$ 75,238	\$ 3,812,356
Additions	\$ 24,171	\$ 355	\$ —	\$ 2,409	\$ 26,935
Divestitures	\$ —	\$ —	\$ (354,100)	\$ —	\$ (354,100)
Write offs	\$ (3,283)	\$ —	\$ —	\$ (468)	\$ (3,751)
Balance as of December 31, 2024	<u>\$ 1,970,452</u>	<u>\$ 1,433,809</u>	<u>\$ —</u>	<u>\$ 77,179</u>	<u>\$ 3,481,440</u>

(1) Adjusted to reflect provisional adjustments made in fiscal year 2023 related to fiscal year 2022 acquisitions.

The following table outlines amortization expense on acquisition-related definite-lived intangible assets, capitalized software, and capitalized R&D costs for the years ended December 31, 2024 and 2023:

	For the year ended December 31,	
	2024	2023
Acquisition-related definite-lived intangible assets	\$ 136,622	\$ 166,344
Capitalized software	5,407	6,165
Capitalized research and development costs	\$ 27,243	\$ 30,075
Amortization of intangible assets and capitalized development costs	\$ 169,272	\$ 202,584

This amortization expense was presented as amortization of intangible assets and capitalized development costs in the accompanying consolidated statements of income.

12. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities at December 31, 2024 and 2023 consisted of the following:

	As of December 31,	
	2024	2023
Accrued compensation and benefits	\$ 71,222	\$ 73,209
Accrued interest	55,208	45,187
Foreign currency and commodity forward contracts	22,748	7,909
Other accrued expenses and other current liabilities	125,826	136,242
Accrued expenses and other current liabilities	\$ 275,004	\$ 262,547

13. Pension and Other Post-Retirement Benefits

We provide various pension and other post-retirement benefit plans for current and former employees, including defined benefit, defined contribution, and retiree healthcare benefit plans. Refer to *Note 2: Significant Accounting Policies* for a detailed discussion of our accounting policies related to our pension and other post-retirement benefit plans.

U.S. Benefit Plans

The principal retirement plans in the U.S. include a qualified defined benefit pension plan and a defined contribution plan. In addition, we provide post-retirement medical coverage and non-qualified benefits to certain employees. Effective January 31, 2012, we froze the defined benefit pension plans and eliminated future benefit accruals. During the year ended December 31, 2024, we terminated the defined benefit pension plan.

Non-U.S. Benefit Plans

Retirement coverage for non-U.S. employees is provided through separate defined benefit and defined contribution plans. Retirement benefits are generally based on an employee's years of service and compensation. Funding requirements are determined on an individual country and plan basis and are subject to local country practices and market circumstances. We do not expect to make material contribute to the non-U.S. defined benefit plans during 2025.

Certain of our non-U.S. defined benefit plans have Works Counsels or Investment Committees which are responsible for determining the overall investment decisions and target allocations with the support of the plan trustees and investment advisors. The plan design is reviewed periodically by the Works Counsel or Investment Committee to assess whether the plan is aligned with market practice. Should a plan be amended, the applicable Works Counsel or Investment Committee approves the plan amendment prior to implementation.

Impact on Financial Statements

The total net periodic benefit cost associated with our defined benefit and retiree healthcare plans for the years ended December 31, 2024 and 2023 was \$12.2 million and \$6.6 million, respectively. Components of net periodic benefit cost other than service cost are presented in other, net in the consolidated statements of operations. Refer to *Note 6: Other, Net*. Total expense for defined contribution plans for the years ended December 31, 2024 and 2023 was \$6.4 million and \$7.7 million, respectively.

The following table presents changes in the benefit obligation and plan assets for our defined benefit and other post-retirement benefit plans (in total) for the years ended December 31, 2024 and 2023:

	For the year ended December 31,	
	2024	2023
Change in benefit obligation:		
Beginning balance	\$ 87,707	\$ 84,451
Current service cost	3,444	4,073
Interest cost	3,301	3,453
Plan participants' contributions	497	539
Actuarial loss/(gain)	(103)	31
Benefits paid	(21,646)	(5,975)
Foreign currency remeasurement	(7,769)	1,135
Ending balance	<u>\$ 65,431</u>	<u>\$ 87,707</u>
Change in plan assets:		
Beginning balance	\$ 46,876	\$ 45,861
Interest income	964	1,200
Actual return on plan assets, excluding interest income	1,732	3,572
Employer contributions	10,460	3,419
Plan participants' contributions	497	539
Benefits paid	(21,646)	(5,975)
Administrative costs	(716)	(314)
Foreign currency remeasurement	(3,340)	(1,426)
Ending balance	<u>\$ 34,827</u>	<u>\$ 46,876</u>
Funded plan status at end of year	\$ 1,737	\$ (4,952)
Unfunded plan status at end of year	\$ (32,341)	\$ (35,879)
Current liabilities	\$ (2,429)	\$ 2,653
Non-current assets	\$ 2,477	\$ —
Non-current liabilities	\$ (30,652)	\$ 38,178

The above includes benefit obligations and plan assets for both U.S. plans and non-U.S. plans. The benefit obligation as of December 31, 2024 and 2023 for U.S. Plans was \$3.2 million and \$16.7 million, respectively, and for non-U.S. plans was \$62.2 million and \$71.0 million, respectively. Plan assets as of December 31, 2024 and 2023 for U.S. Plans was \$0 million and \$10.0 million, respectively, and for non-U.S. plans was \$34.8 million and \$36.9 million, respectively. The most significant non-U.S. plan is the Japan Plan. Refer to information below under the heading *Japan plan assets*.

Assumptions and Investment Policies

Inherent in the valuations of our pension plans are numerous assumptions regarding discount rates, compensation increases, mortality rates and health care cost trends. We evaluate these assumptions at least annually.

Weighted-average assumptions used to calculate the projected benefit obligations of our defined benefit and retiree healthcare benefit plans as of December 31, 2024 and 2023 are as follows:

	As of December 31,			
	2024		2023	
	Defined Benefit	Retiree Healthcare	Defined Benefit	Retiree Healthcare
U.S. assumed discount rate	4.65 %	5.35 %	4.85 %	4.85 %
Non-U.S. assumed discount rate	5.22 %	NA	4.60 %	NA
Non-U.S. average long-term pay progression	3.41 %	NA	3.47 %	NA

Weighted-average assumptions used to calculate the net periodic benefit cost of our defined benefit and retiree healthcare benefit plans for the years ended December 31, 2024 and 2023 are as follows:

	For the year ended December 31,			
	2024		2023	
	Defined Benefit	Retiree Healthcare	Defined Benefit	Retiree Healthcare
U.S. assumed discount rate	4.85 %	4.85 %	5.10 %	5.15 %
Non-U.S. assumed discount rate	7.90 %	NA	7.14 %	NA
U.S. average long-term rate of return on plan assets	NA	NA	4.36 %	NA
Non-U.S. average long-term rate of return on plan assets	2.50 %	NA	2.73 %	NA
Non-U.S. average long-term pay progression	5.06 %	NA	4.96 %	NA

Sensitivity Analysis

The discount rate used to calculate the defined benefit obligation has a significant effect on the amounts reported for our defined benefit and retiree healthcare benefit plans. A 0.25 percentage point change in the discount rate for the year ended December 31, 2024 would have the following effect on the defined benefit and retiree healthcare obligations:

	0.25 percentage point increase	0.25 percentage point decrease
U.S. defined benefit plans	\$ (1)	\$ —
U.S. retiree healthcare plan	\$ (43)	\$ 45
Non-U.S. defined benefit plans	\$ (1,655)	\$ 1,736

The sensitivity analysis takes into consideration the movement in our defined benefit pension plans and retiree healthcare obligations of adjusting the actuarial assumptions by 0.25 percentage point as of December 31, 2024. In this process only one of the assumptions is adjusted at a time and the remaining parameters remain unchanged.

Weighted average duration

The weighted average duration of our defined benefit and retiree healthcare obligations as of December 31, 2024 is as follows:

<i>Amounts below are expressed in years</i>	U.S. Plans	Non-U.S. Plans
As of December 31, 2024	6	12

Plan Assets

We hold material assets for our defined benefit plans in the U.S. and Japan. Information about the assets for each of these plans is detailed below.

Japan plan assets

The target asset allocation of the Japan defined benefit plan is 50% fixed income securities, cash, and cash equivalents and 50% equity securities, with allowance for a 40% deviation in either direction. We, along with the trustee of the plan's assets, minimize investment risk by thoroughly assessing potential investments based on indicators of historical returns and current credit ratings. Additionally, investments are diversified by type and geography.

The total fair value of our Japan plan assets as of December 31, 2024 and 2023 was \$26.5 million and \$27.2 million, respectively, which included \$9.2 million and \$12.6 million, respectively, of equity securities, \$7.3 million and \$8.0 million, respectively, of fixed income securities, and \$8.1 million and \$4.7 million, respectively, of cash and cash equivalents. As of December 31, 2024, our Japan plan assets also included \$1.9 million in alternative risk managed balance investments.

All fair value measures presented above are categorized in Level 1 of the fair value hierarchy, with the exception of non-U.S. equity securities of \$1.7 million, and alternative risk managed balance of \$1.9 million as of December 31, 2024, which are categorized as Level 2. The fair values of equity and fixed income securities are based on publicly-quoted closing stock and bond values on the last business day of the year.

Permitted asset classes include equity securities that are traded on the official stock exchange(s) of the respective countries, fixed income securities with certain credit ratings, cash, and cash equivalents.

U.S. plan assets

Our target asset allocation for the U.S. defined benefit plan is 65% fixed income and 35% equity securities. To arrive at the targeted asset allocation, we and our investment adviser reviewed market opportunities using historical data, as well as the actuarial valuation for the plan, to ensure that the levels of acceptable return and risk are well-defined and monitored.

The total fair value of our U.S. plan assets as of December 31, 2024 and 2023 was \$0.4 million and \$10.0 million, respectively, \$0.0 million and \$7.3 million, respectively, of fixed income mutual funds, and \$0.4 million and \$2.7 million, respectively, of money market funds.

All fair value measures presented above are categorized in Level 1 of the fair value hierarchy. Investments in mutual funds are based on the publicly-quoted final net asset values on the last business day of the year.

Permitted asset classes include U.S. and non-U.S. equity, U.S. and non-U.S. fixed income, cash, and cash equivalents. Fixed income includes both investment grade and non-investment grade. Permitted investment vehicles include mutual funds, individual securities, derivatives, and long-duration fixed income securities. While investments in individual securities, derivatives, long-duration fixed income securities, cash, and cash equivalents are permitted, the plan did not hold these types of investments as of December 31, 2024 and 2023.

Prohibited investments include direct investments in real estate, commodities, unregistered securities, uncovered options, currency exchange contracts, and natural resources (such as timber, oil, and gas).

14. Borrowings

Long-term borrowings, net and lease liabilities and other financing obligations as of December 31, 2024 and 2023 consisted of the following:

	Original Issuance (in millions)	Maturity Date	As of December 31,	
			2024	2023
5.0% Senior Notes	\$ 700.0	October 1, 2025	—	700,000
4.375% Senior Notes	\$ 450.0	February 15, 2030	450,000	450,000
3.75% Senior Notes	\$ 750.0	February 15, 2031	750,000	750,000
4.0% Senior Notes	\$ 1,000.0	April 15, 2029	1,000,000	1,000,000
5.875% Senior Notes	\$ 500.0	September 1, 2030	500,000	500,000
6.625% Senior Notes	\$ 500.0	July 15, 2032	500,000	—
Less: discount, net of premium			1,700	(1,100)
Less: borrowing costs			(25,321)	(24,038)
Less: current portion			—	—
Long-term borrowings, net			\$ 3,176,379	\$ 3,374,862
Present value of lease liabilities and other financing obligations			\$ 82,574	\$ 66,966
Less: current portion			(16,167)	(14,138)
Present value of lease liabilities and other financing obligations, less current portion			\$ 66,407	\$ 52,828

There were no outstanding borrowings on the Revolving Credit Facility as of December 31, 2024 and 2023.

Fiscal year 2024 transactions

Issuance of 6.625% Senior Notes

The 6.625% Senior Notes were issued under an indenture dated as of June 6, 2024 (the "6.625% Senior Notes Indenture") among Sensata Technologies, Inc. ("STI"), as issuer, The Bank of New York Mellon, as trustee, and our guarantor subsidiaries named therein (the "Guarantors").

The 6.625% Senior Notes bear interest at a rate of 6.625% per annum and mature on July 15, 2032. Interest is payable semi-annually on January 15 and July 15 of each year, commencing on January 15, 2025. STI's obligations under the 6.625% Senior

Notes are guaranteed by Sensata Technologies B.V. ("STBV") and each of STBV's wholly-owned subsidiaries (other than STI) that is a Guarantor under STI's Senior Secured Credit Facilities and an issuer or a guarantor under our existing senior notes as follows (collectively, the "Existing Notes"): STI's 4.375% Senior Notes due 2030 and 3.75% Senior Notes due 2031 and STBV's 4.0% Senior Notes due 2029 and 5.875% Senior Notes due 2030.

The 6.625% Senior Notes are STI's, and the guarantees are the Guarantors', senior unsecured obligations and rank equally in right of payment to all existing and future senior indebtedness of STI or the Guarantors, respectively, including indebtedness under the Senior Secured Credit Facilities and the Existing Notes.

The 6.625% Senior Notes Indenture contains covenants that limit the ability of STBV and its subsidiaries (including STI and the other Guarantors) to, among other things: incur liens; engage in sale and leaseback transactions; with respect to any subsidiary of STBV (other than STI), incur indebtedness without such subsidiary's guaranteeing the 6.625% Senior Notes; or consolidate, merge with, or sell, assign, convey, transfer, lease, or otherwise dispose of all or substantially all or substantially all of their properties or assets to, another person. These covenants are subject to important exceptions and qualifications set forth in the 6.625% Senior Notes Indenture.

The guarantees of the 6.625% Senior Notes and certain of these covenants will be suspended if the 6.625% Senior Notes are assigned an investment-grade rating by either S&P Global Ratings or Moody's Investors Service, Inc. and no default has occurred and is continuing. The guarantees of the 6.625% Senior Notes and the suspended covenants will be reinstated in the event that the 6.625% Senior Notes are rated below investment grade by both rating agencies, or an event of default has occurred and is continuing at such time.

The 6.625% Senior Notes Indenture provides for events of default (subject in certain cases to customary grace and cure periods), which include, among others, nonpayment of principal or interest when due, breach of covenants or other agreements in the 6.625% Senior Notes Indenture, defaults in payment of certain other indebtedness, certain events of bankruptcy or insolvency, failure to pay certain judgments, and failure of the guarantees of significant subsidiaries to remain in full force and effect. Generally, if an event of default occurs, the trustee or the holders of at least 25% in principal amount of the then outstanding 6.625% Senior Notes may declare the principal of and accrued but unpaid interest on all of the 6.625% Senior Notes to be due and payable immediately. All provisions regarding remedies in an event of default are subject to the 6.625% Senior Notes Indenture.

At any time, and from time to time, prior to July 15, 2027, STI may redeem the 6.625% Senior Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the 6.625% Senior Notes being redeemed, plus a "make whole" premium, plus accrued and unpaid interest, if any, to, but excluding, the redemption date. At any time on or after July 15, 2027, STI may redeem the 6.625% Senior Notes, in whole or in part, at the following prices (expressed as a percentage of principal amount), plus accrued and unpaid interest, if any, to, but excluding, the redemption date:

Period beginning July 15,	Price
2027	103.313 %
2028	101.656 %
2029 and thereafter	100.000 %

In addition, at any time prior to July 15, 2027, STI may redeem up to 40% of the principal amount of the outstanding 6.625% Senior Notes (including additional 6.625% Senior Notes, if any) with the net cash proceeds of certain equity offerings at a redemption price (expressed as a percentage of principal amount) of 106.625%, plus accrued and unpaid interest, if any, to, but excluding, the redemption date, provided that at least 60% of the aggregate principal amount of the 6.625% Senior Notes (including additional 6.625% Senior Notes, if any) remains outstanding immediately after each such redemption.

Upon the occurrence of certain changes in control, each holder of the 6.625% Senior Notes will have the right to require STI to repurchase the 6.625% Senior Notes at 101% of their principal amount plus accrued and unpaid interest, if any, to, but excluding, the date of repurchase.

Upon changes in certain tax laws or treaties, or any change in the official application, administration, or interpretation thereof, STI may, at its option, redeem the 6.625% Senior Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the redemption date, premium, if any, and all Additional Amounts (as defined in the 6.625% Senior Notes Indenture), if any, then due and which will become due on the date of redemption.

Redemption of 5.0% Senior Notes

In July 2024, we redeemed the \$700.0 million aggregate principal amount outstanding on our 5.0% senior notes due 2025 (the "5.0% Senior Notes") in accordance with the terms of the indenture under which the 5.0% Senior Notes were issued and the terms of the notice of redemption, at a redemption price equal to 101% of the aggregate principal amount of the outstanding 5.0% Senior Notes, plus accrued and unpaid interest to (but not including) the redemption date. In addition to the \$700.0 million aggregate principal amount outstanding, at redemption we paid the \$7.0 million premium and \$10.1 million accrued interest.

Fiscal year 2023 transactions

On August 22, 2023, certain of our indirect, wholly-owned subsidiaries, including Sensata Technologies, Inc. ("STI"), Sensata Technologies Intermediate Holding B.V. ("STIHBV"), and Sensata Technologies B.V. ("STBV"), entered into an amendment (the "Thirteenth Amendment") to (i) the credit agreement governing our secured credit facility (as amended, supplemented, waived, or otherwise modified, the "Credit Agreement"), and (ii) the Foreign Guaranty, dated as of May 12, 2011 (as amended, supplemented, waived, or otherwise modified prior to the Thirteenth Amendment).

Among other changes to the Credit Agreement, the Thirteenth Amendment, (i) released the Foreign Guarantors (excluding STBV) (the "Specified Foreign Guarantors") from all of their remaining obligations as guarantors and securing parties under the Credit Agreement, subject to an obligation to reinstate the guarantees under certain conditions, and (ii) modified certain of the operational and restrictive covenants and other terms and conditions of the Credit Agreement to provide us increased flexibility and permissions thereunder.

The Specified Foreign Guarantors were released from their guaranty obligations with respect to the 5.625% Senior Notes, the \$700.0 million aggregate principal amount of 5.0% senior notes due 2025 (the "5.0% Senior Notes"), the \$1.0 billion aggregate principal amount of 4.0% senior notes due 2029 (the "4.0% Senior Notes"), the \$500.0 million aggregate principal amount of 5.875% senior notes due 2030 (the "5.875% Senior Notes"), the \$450.0 million aggregate principal amount of 4.375% senior notes due 2030 (the "4.375% Senior Notes"), and the \$750 million aggregate principal amount of 3.75% senior notes due 2031 (the "3.75% Senior Notes"), in each case in accordance with the terms of the relevant indenture pursuant to which such senior notes were issued (the "Senior Notes Indentures").

On February 6, 2023, we prepaid \$250.0 million of outstanding principal on our Term Loan balance. Accordingly, that portion of the principal balance outstanding on the Term Loan as of December 31, 2022 was presented as current portion of long-term debt. On May 3, 2023, we prepaid \$196.8 million of outstanding principal on the Term Loan, representing the remaining balance on the Term Loan as of that date plus \$0.5 million in interest.

On December 18, 2023, we redeemed in full the \$400.0 million aggregate principal amount outstanding on the 5.625% Senior Notes in accordance with the terms of the indenture under which the 5.625% Senior Notes were issued, at a redemption price of 100.0% of the aggregate principal amount of the outstanding 5.625% Senior Notes, plus a \$4.0 million "make-whole" premium, plus accrued and unpaid interest to (but not including) the redemption date.

Secured Credit Facility

The credit agreement, dated as of May 12, 2011 (as amended, supplemented, waived, or otherwise modified, the "Credit Agreement"), provides for the Senior Secured Credit Facilities, consisting of a term loan facility (the "Term Loan"), the Revolving Credit Facility, and incremental availability under which additional secured credit facilities could be issued under certain circumstances. All obligations under the Senior Secured Credit Facilities are unconditionally guaranteed by certain of our subsidiaries and secured by substantially all present and future property and assets of STBV and its guarantor subsidiaries.

On June 23, 2022, we entered into an amendment (the "Eleventh Amendment") to the Credit Agreement as follows: (i) increased the aggregate principal amount of the Revolving Credit Facility to \$750.0 million; (ii) extended the maturity date of the Revolving Credit Facility to June 23, 2027 (which could be accelerated to June 22, 2026 if, prior to June 22, 2026, the Term Loan is not refinanced with a maturity date that is on or after June 23, 2027); (iii) released the Foreign Guarantors (as defined in the Credit Agreement), excluding STBV, from their obligations to guarantee the obligations of STI and the other Loan Parties (as defined in the Credit Agreement) relating to the Revolving Credit Facility and certain related obligations, subject to an obligation to reinstate such guaranties under certain conditions; (iv) replaced the LIBOR-based interest rates referenced by the Credit Agreement regarding revolving credit loans to (a) for revolving credit loans denominated in U.S. dollars, an interest rate based on the secured overnight financing rate ("SOFR") published by the Federal Reserve Bank of New York and (b) for revolving credit loans denominated in pounds sterling, an interest rate based on the Sterling Overnight Index Average

("SONIA"); and (v) certain of the operational and restrictive covenants and other terms and conditions of the Credit Agreement were modified to provide STI and its affiliates increased flexibility and permissions thereunder.

The Credit Agreement provides that, if our senior secured net leverage ratio exceeds a specified level, we are required to use a portion of our excess cash flow, as defined in the Credit Agreement, generated by operating, investing, or financing activities to prepay the outstanding borrowings under the Senior Secured Credit Facilities. The Credit Agreement also requires mandatory prepayments of the outstanding borrowings under the Senior Secured Credit Facilities upon certain asset dispositions and casualty events, in each case subject to certain reinvestment rights, and the incurrence of certain indebtedness (excluding any permitted indebtedness). These provisions were not triggered during the year ended December 31, 2024.

Revolving Credit Facility

In accordance with the terms of the Credit Agreement, borrowings under the Revolving Credit Facility may, at our option, be maintained from time to time as Base Rate loans, Term SOFR loans, or Daily Simple SONIA loans (each as defined in the Credit Agreement), with each representing a different determination of interest rates. The interest rate margins and letter of credit fees under the Revolving Credit Facility are as follows (each depending on our senior secured net leverage ratio): (i) the interest rate margin for Base Rate loans range from 0.00% to 0.50%; (ii) the interest rate margin for Term SOFR and Daily Simple SONIA loans range from 1.00% to 1.50%; and (iii) the letter of credit fees range from 0.875% to 1.375%.

We are required to pay to our revolving credit lenders, on a quarterly basis, a commitment fee on the unused portion of the Revolving Credit Facility. The commitment fee ranges from 0.125% to 0.250%, depending on our senior secured net leverage ratios.

As of December 31, 2024, there was \$745.8 million available under the Revolving Credit Facility, net of \$4.2 million of obligations in respect of outstanding letters of credit issued thereunder. Outstanding letters of credit are issued primarily for the benefit of certain operating activities. As of December 31, 2024, no amounts had been drawn against these outstanding letters of credit. Availability under the Revolving Credit Facility may be borrowed, repaid, and re-borrowed to fund our working capital needs and for other general corporate purposes.

Senior Notes

We have various tranches of senior unsecured notes outstanding as of December 31, 2024. Information regarding these senior notes and the 5.625% Senior Notes, which were not outstanding as of December 31, 2024 (together, the "Senior Notes") is included in the following table. The Senior Notes were issued under the Senior Notes Indentures among the issuers listed in the table below, The Bank of New York Mellon, as trustee, and our guarantor subsidiaries named in the respective Senior Notes Indentures.

	5.0% Senior Notes ⁽¹⁾	4.375% Senior Notes	3.75% Senior Notes	4.0% Senior Notes	5.875% Senior Notes	6.625% Senior Notes ⁽³⁾
Aggregate principal amount	\$ —	\$ 450,000	\$ 750,000	\$ 1,000,000	\$ 500,000	\$ 500,000
Interest rate	5.0%	4.375%	3.75%	4.0%	5.875%	6.625%
Issue price	100.0%	100.0%	100.0%	Various ⁽²⁾	100.0%	100.0%
Issuer	STBV	STI	STI	STBV	STBV	STI
Issue date	March 2015	September 2019	August 2020	Various ⁽²⁾	August 2022	June 2024
Interest due	April 1	February 15	February 15	April 15	September 1	January 15
Interest due	October 1	August 15	August 15	October 15	March 1	July 15
Maturity Date	October 2025	February 2030	February 2031	April 2029	September 2030	July 2032

⁽¹⁾ On July 15, 2024, we redeemed in full the \$700.0 million aggregate principal amount outstanding on our 5.0% Senior Notes.

⁽²⁾ On March 29, 2021, we issued \$750.0 million of 4.0% Senior Notes that were priced at 100.00%. On April 8, 2021, we issued \$250.0 million of 4.0% Senior Notes that were priced at 100.75%.

⁽³⁾ On June 6, 2024, we issued \$500.0 million of 6.625% Senior Notes that were priced at 100.00%.

Redemption

Upon the occurrence of certain specific change in control events, we will be required to offer to repurchase the Senior Notes at 101% of their principal amount, plus accrued and unpaid interest, if any, to, but excluding, the date of repurchase.

If changes in certain tax laws or treaties, or any change in the official application, administration, or interpretation thereof, of any relevant taxing jurisdiction become effective that would impose withholding taxes or other deductions on the payments of any of the Senior Notes or the guarantees thereof, we may, at our option, redeem the relevant Senior Notes in whole but not in part, at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the redemption date, premium, if any, and all additional amounts (as described in the relevant Senior Notes Indenture), if any, then due and which will become due on the date of redemption.

Except as described below with respect to the 4.375% Senior Notes, 3.75% Senior Notes, the 4.0% Senior Notes, and the 5.875% Senior Notes, at any time, and from time to time, we may optionally redeem the Senior Notes, in whole or in part, at a price equal to 100% of the principal amount of the notes redeemed, plus accrued and unpaid interest, if any, up to, but excluding, the date of redemption, plus a "make-whole" premium set forth in the relevant Senior Notes Indenture.

4.375% Senior Notes

The "make-whole" premium will not be payable with respect to any such redemption of the 4.375% Senior Notes on or after November 15, 2029.

3.75% Senior Notes

The "make-whole" premium will not be payable with respect to any such redemption of the 3.75% Senior Notes on or after February 15, 2026. On or after such date, we may optionally redeem the 3.75% Senior Notes, in whole or in part, at the following prices (expressed as a percentage of principal amount), plus accrued and unpaid interest, if any, up to but excluding the redemption date:

<u>Period beginning February 15,</u>	<u>Price</u>
2026	101.875 %
2027	100.938 %
2028 and thereafter	100.000 %

4.0% Senior Notes

The "make-whole" premium will not be payable with respect to any such redemption of the 4.0% Senior Notes on or after April 15, 2024. On or after such date, we may optionally redeem the 4.0% Senior Notes, in whole or in part, at the following prices (expressed as a percentage of principal amount), plus accrued and unpaid interest, if any, up to but excluding the redemption date:

<u>Period beginning April 15,</u>	<u>Price</u>
2024	102.000 %
2025	101.000 %
2026 and thereafter	100.000 %

In addition, at any time prior to April 15, 2024, STBV may redeem up to 40% of the principal amount of the outstanding 4.0% Senior Notes (including additional 4.0% Senior Notes, if any, that may be issued after March 29, 2021) with the net cash proceeds of certain equity offerings at a redemption price (expressed as a percentage of principal amount) of 104.00%, plus accrued and unpaid interest, if any, up to but excluding the redemption date, provided that at least 60% of the aggregate principal amount of the 4.0% Senior Notes (including additional 4.0% Senior Notes, if any) remains outstanding immediately after each such redemption.

5.875% Senior Notes

At any time, and from time to time, prior to September 1, 2025, STBV may redeem the 5.875% Senior Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the 5.875% Senior Notes being redeemed, plus a "make whole" premium, plus accrued and unpaid interest, if any, to, but excluding, the redemption date. At any time on or after September 1, 2025, STBV may redeem the 5.875% Senior Notes, in whole or in part, at the following prices (expressed as a percentage of principal amount), plus accrued and unpaid interest, if any, up to but excluding the redemption date:

Period beginning September 1,	Price
2025	102.398 %
2026	101.469 %
2027 and thereafter	100.000 %

In addition, at any time prior to September 1, 2025, STBV may redeem up to 40% of the principal amount of the outstanding 5.875% Senior Notes (including additional 5.875% Senior Notes, if any) with the net cash proceeds of certain equity offerings at a redemption price (expressed as a percentage of principal amount) of 105.875%, plus accrued and unpaid interest, if any, up to but excluding the redemption date, provided that at least 60% of the aggregate principal amount of the 5.875% Senior Notes (including additional 5.875% Senior Notes, if any) remains outstanding immediately after each such redemption.

Guarantees

The obligations of the issuers of the Senior Notes are guaranteed by STBV and all of its subsidiaries (excluding the company that is the issuer of the relevant Senior Notes) that guarantee the obligations of STI under the Credit Agreement (after giving effect to the release of guarantees pursuant to the Eleventh Amendment and the Thirteenth Amendment discussed below).

On June 23, 2022, we entered into the Eleventh Amendment, which amended the Credit Agreement to, among other things, release the Foreign Guarantors (as defined in the Credit Agreement), excluding STBV, from their obligations to guarantee the obligations of STI and the other Loan Parties (as defined in the Credit Agreement) relating to the Revolving Credit Facility and certain related obligations, subject to an obligation to reinstate such guaranties under certain conditions.

On August 22, 2023, we entered into the Thirteenth Amendment, which amended the Credit Agreement to, among other things, release the Specified Foreign Guarantors from all of their remaining obligations as guarantors and securing parties under the Credit Agreement, subject to an obligation to reinstate the guarantees under certain conditions. The Specified Foreign Guarantors were released from their guaranty obligations with respect to the 5.625% Senior Notes, the 5.0% Senior Notes, the 4.0% Senior Notes, the 5.875% Senior Notes, the 4.375% Senior Notes, and the 3.75% Senior Notes, in each case in accordance with the terms of the relevant indenture pursuant to which such senior notes were issued.

Events of Default

The Senior Notes Indentures provide for events of default that include, among others, nonpayment of principal or interest when due, breach of covenants or other provisions in the relevant Senior Notes Indenture, defaults in payment of certain other indebtedness, certain events of bankruptcy or insolvency, failure to pay certain judgments, and the cessation of the full force and effect of the guarantees of significant subsidiaries. Generally, if an event of default occurs, the trustee or the holders of at least 25% in principal amount of the then outstanding Senior Notes issued under the relevant Senior Notes Indenture may declare the principal of, and accrued but unpaid interest on, all of the relevant Senior Notes to be due and payable immediately. All provisions regarding remedies in an event of default are subject to the relevant Senior Notes Indenture.

Restrictions and Covenants

As of December 31, 2024, STBV and all of its subsidiaries were subject to certain restrictive covenants under the Credit Agreement and the Senior Notes Indentures.

We entered into the Eleventh Amendment and Thirteenth Amendment to the Credit Agreement on June 23, 2022 and August 22, 2023, respectively. These amendments each amended the Credit Agreement to, among other things, modify certain of the operational and restrictive covenants and other terms and conditions of the Credit Agreement to provide us increased flexibility and permissions thereunder.

Under certain circumstances, STBV is permitted to designate a subsidiary as "unrestricted," for purposes of the Credit Agreement, in which case the restrictive covenants thereunder will not apply to that subsidiary: the Senior Notes Indentures do not contain such a permission. STBV has not designated any subsidiaries as unrestricted. The net assets of STBV subject to these restrictions (based on U.S. GAAP) totaled \$3.0 billion at December 31, 2024.

Credit Agreement

The Credit Agreement contains non-financial covenants (subject to important exceptions and qualifications set forth in the Credit Agreement) that limit our ability to, among other things:

- incur indebtedness or liens, prepay subordinated borrowings, or amend the terms of our subordinated borrowings;

- make loans and investments (including acquisitions), or sell assets;
- change our business or accounting policies, merge, consolidate, dissolve or liquidate, or amend the terms of our organizational documents;
- enter into affiliate transactions;
- pay dividends and make other restricted payments; or
- enter into certain burdensome contractual obligations.

In addition, under the Credit Agreement, STBV and its subsidiaries are required to maintain a senior secured net leverage ratio not to exceed 5.0:1.0 at the conclusion of certain periods when outstanding loans and letters of credit that are not cash collateralized for the full face amount thereof exceed 20% of the commitments under the Revolving Credit Facility.

Senior Notes Indentures

The Senior Notes Indentures contain restrictive covenants (subject to important exceptions and qualifications set forth in the Senior Notes Indentures) that limit the ability of STBV and its subsidiaries to, among other things:

- incur liens;
- incur or guarantee indebtedness without guaranteeing the Senior Notes;
- engage in sale and leaseback transactions; or
- effect mergers or consolidations, or sell, assign, convey, transfer, lease or otherwise dispose of all or substantially all of the assets of STBV and its subsidiaries.

Certain of these covenants will be suspended if the Senior Notes are assigned an investment grade rating by Standard & Poor's Rating Services or Moody's Investors Service, Inc. and provided no default has occurred and is continuing at such time. The suspended covenants will be reinstated if the Senior Notes are no longer assigned an investment grade rating by either rating agency or an event of default has occurred and is continuing at such time. As of December 31, 2024, none of the Senior Notes were assigned an investment grade rating by either rating agency.

Restrictions on Payment of Dividends

STBV's subsidiaries are generally not restricted in their ability to pay dividends or otherwise distribute funds to STBV, except for restrictions imposed under applicable corporate law.

STBV, however, is limited in its ability to pay dividends or otherwise make distributions to its immediate parent company and, ultimately, to Sensata plc, under the Credit Agreement. Specifically, the Credit Agreement prohibits STBV from paying dividends or making distributions to its parent companies except for purposes that include, but are not limited to, the following:

- customary and reasonable operating expenses, legal and accounting fees and expenses, and overhead of such parent companies incurred in the ordinary course of business, provided that such amounts, in the aggregate, do not exceed \$20.0 million in any fiscal year;
- dividends and other distributions in an aggregate amount not to exceed \$200.0 million plus certain amounts, including the retained portion of excess cash flow, but only insofar as no default or event of default exists and the senior secured net leverage ratio is less than 2.0:1.0 calculated on a pro forma basis;
- so long as no default or an event of default exists, dividends and other distributions in an aggregate amount not to exceed \$50.0 million in any calendar year (with the unused portion in any year being carried over to succeeding years) plus unlimited additional amounts but only insofar as the senior secured net leverage ratio is less than 2.5:1.0 calculated on a pro forma basis; and
- other dividends and other distributions in an aggregate amount not to exceed \$150.0 million, so long as no default or event of default exists.

The Senior Notes Indentures generally allow STBV to pay dividends and make other distributions to its parent companies.

Compliance with Financial Covenants

We were in compliance with all of the financial covenants and default provisions associated with our indebtedness as of December 31, 2024 and for the fiscal year then ended.

Accounting for Borrowings and Borrowing Costs

In the year ended December 31, 2024, in connection with the issuance of the 6.625% Senior Notes, we recognized \$6.3 million of deferred financing costs, which are presented as a reduction of long-term debt on our condensed consolidated balance sheets. In connection with the redemption of the 5.0% Senior Notes, we recognized a loss of \$9.8 million, presented in other, net, which reflects the \$7.0 million early redemption premium and \$2.8 million related to the write-off of unamortized deferred financing costs and debt discounts.

In the year ended December 31, 2023, in connection with the early redemption of the 5.625% Senior Notes, we recognized a loss of \$4.7 million, which primarily reflects payment of \$4.0 million for the "make-whole" premium, with the remaining loss representing the write-off of debt discounts and deferred financing costs. In connection with the prepayment on the Term Loan, we recognized a loss of \$1.8 million, representing the write-off of deferred financing costs. These losses are presented in other, net.

In the year ended December 31, 2022, in connection with the entry into the Eleventh Amendment, we recognized \$2.7 million of deferred financing costs, which are presented as a reduction of long-term borrowings on our consolidated balance sheets. In connection with the issuance of the 5.875% Senior Notes, we capitalized \$6.1 million of deferred financing costs, which are presented on the consolidated balance sheets as a reduction of long-term borrowings. In connection with the redemption of the 4.875% Senior Notes, we recognized a loss of \$5.6 million, presented in other, net, related to the write-off of unamortized deferred financing costs and debt discounts.

Amortization of borrowing costs is included as a component of interest expense in the consolidated statements of income/(loss), for which we recorded \$6.0 million and \$7.1 million in the years ended December 31, 2024 and 2023, respectively.

Refer to *Note 2: Significant Accounting Policies* for discussion of our accounting policies regarding borrowing costs

Lease liabilities and other financing obligations

Refer to *Note 17: Leases* for additional information related to our leases.

Maturities

The aggregate principal amount of each tranche of our Senior Notes is due in full at its maturity date. The Term Loan was paid in full on May 3, 2023. Loans made pursuant to the Revolving Credit Facility must be repaid in full at its maturity date and can be repaid prior to then at par. All letters of credit issued thereunder will terminate at the final maturity of the Revolving Credit Facility unless cash collateralized prior to such time. In accordance with the terms of the Senior Secured Credit Facilities, no amount under the Term Loan, once repaid, may be reborrowed.

The following table presents the remaining mandatory principal repayments of long-term debt, excluding finance lease payments and discretionary repurchases of debt, in each of the years ended December 31, 2025 through 2029

and thereafter.

For the year ended December 31,	Aggregate Maturities
2025	\$ —
2026	—
2027	—
2028	—
2029	1,000,000
Thereafter	2,200,000
Total long-term principal payments	<u>\$ 3,200,000</u>

15. Commitments, Contingencies, and Provisions

Commitments

Off-Balance Sheet Commitments

From time to time, we execute contracts that require us to indemnify the other parties to the contracts. These indemnification obligations generally arise in two contexts. First, in connection with certain transactions, such as the divestiture of a business or the issuance of debt or equity securities, the agreement typically contains standard provisions requiring us to indemnify the purchaser against breaches by us of representations and warranties contained in the agreement. These indemnities are generally subject to time and liability limitations. Second, we enter into agreements in the ordinary course of business, such as customer contracts, that might contain indemnification provisions relating to product quality, intellectual property infringement, governmental regulations and employment related matters, and other typical indemnities. In certain cases, indemnification obligations arise by law.

We believe that our indemnification obligations are consistent with other companies in the markets in which we compete. Performance under any of these indemnification obligations would generally be triggered by a breach of the terms of the contract or by a third-party claim. Historically, we have experienced only immaterial and irregular losses associated with these indemnifications. Consequently, any future liabilities brought about by these indemnifications cannot reasonably be estimated or accrued.

Indemnifications Provided as Part of Contracts and Agreements

We are party to the following types of agreements pursuant to which we may be obligated to indemnify a third party with respect to certain matters.

Officers and Directors: Our Articles of Association (the "Articles") provide for indemnification of directors and officers by us to the fullest extent permitted by applicable law, as it now exists or may hereinafter be amended (but, in the case of an amendment, only to the extent such amendment permits broader indemnification rights than permitted prior thereto), against any and all liabilities, including all expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit, or proceeding, provided he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, our best interests, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful or outside of his or her mandate. The Articles do not provide a limit to the maximum future payments, if any, under the indemnification. No indemnification is provided for in respect of any claim, issue, or matter as to which such person has been adjudged to be liable for gross negligence or willful misconduct in the performance of his or her duty on our behalf.

In addition, we have a liability insurance policy that insures directors and officers against the cost of defense, settlement, or payment of claims and judgments under some circumstances. Certain indemnification payments may not be covered under our directors' and officers' insurance coverage.

Initial Purchasers of Senior Notes: Pursuant to the terms of the purchase agreements entered into in connection with our private placement senior note offerings, we are obligated to indemnify the initial purchasers of the Senior Notes against certain liabilities caused by any untrue statement or alleged untrue statement of a material fact in various documents relied upon by such initial purchasers, or to contribute to payments the initial purchasers may be required to make in respect thereof. The purchase agreements do not provide a limit to the maximum future payments, if any, under these indemnifications.

Intellectual Property and Product Liability Indemnification: We routinely sell products with a limited intellectual property and product liability indemnification included in the terms of sale. Historically, we have had only immaterial and irregular losses associated with these indemnifications. Consequently, any future liabilities resulting from these indemnifications cannot reasonably be estimated or accrued.

Guarantee of liabilities of subsidiaries: Sensata plc has guaranteed the liabilities of the following subsidiaries in order that they may qualify for the exemption from audit under section 479A of the U.K. Companies Act of 2006 for the year ended December 31, 2024:

- | | |
|--|------------------------------|
| • Wabash Technologies Limited | (Registered number 06342700) |
| • Sensata Technologies Holding Company UK | (Registered number 05988295) |
| • Sensata Technologies Limited | (Registered number 00644436) |
| • Sensata Technologies (Europe) Limited | (Registered number 04936262) |
| • Sensata Technologies Intermediate UK Limited | (Registered number 11252672) |

• Crydom SSR Limited	(Registered number 05602150)
• Newall Measurement Systems Limited	(Registered number 05199004)
• ST Schrader Holding Company UK Limited	(Registered number 09231290)
• August UK HoldCo Limited	(Registered number 08002561)
• Cynergy3 Components Limited	(Registered number 03049081)
• Impress Sensors & Systems Limited	(Registered number 04346738)
• Industrial Interface Limited	(Registered number 05563003)
• Cynergy3 Limited	(Registered number 09353024)
• Cynergy3 Components Fab Limited	(Registered number 04464544)
• SmartWitness EMEA Limited	(Registered number 10284027)
• Swindon Silicon Systems Limited	(Registered number 01378199)
• Sensata UK Limited	(Registered number SC790746)
• ST Core Technologies LP	(Registered number SL036690)
• Sensata Technologies UK Financing Co Limited	(Registered number 09858689)
• Cynergy3 Property Limited	(Registered number 09719349)

Provisions

Provisions consist of liabilities of uncertain timing or amounts that arise from litigation, restructuring plans, pension and other post-retirement obligations, and product warranty costs. A rollforward of our provisions for the year ended December 31, 2024 is as follows:

	Current				Non-current
	Restructuring	Pension	Warranty	Total	Pension
Balance as of December 31, 2022	7,363	\$ 2,504	\$ 31,457	\$ 41,324	\$ 36,086
Charges, net of reversals	28,168	1,149	17,911	47,228	1,734
Payments	(31,991)	(1,150)	(21,858)	(54,999)	(1,797)
Foreign currency remeasurement	340	150	—	490	2,155
Balance as of December 31, 2023	\$ 3,880	\$ 2,653	\$ 27,510	\$ 34,043	\$ 38,178
Charges, net of reversals	14,062	873	17,506	32,441	(2,837)
Payments	(15,119)	(918)	(20,619)	(36,656)	(3,653)
Foreign currency remeasurement	(219)	(310)	—	(529)	(3,778)
Balance as of December 31, 2024	\$ 2,604	\$ 2,298	\$ 24,397	\$ 29,299	\$ 27,910

Restructuring Plans

Refer to *Note 5: Restructuring and Other Charges, Net* for a description of our restructuring charges and the related provisions.

Pension and Other Post-Retirement Obligations

Refer to *Note 13: Pension and Other Post-Retirement Benefits* for a description of our pension plans and the related provisions. Pensions make up the entire non-current portion of provisions.

Product Warranty Liabilities

Refer to *Note 3: Revenue Recognition* for a description of warranties we provide to customers.

In the event a warranty claim based on defective materials exists, we may be able to recover some of the cost of the claim from the vendor from whom the materials were purchased. Our ability to recover some of the costs will depend on the terms and conditions to which we agreed when the materials were purchased. Recognition of such reimbursements only occurs when such reimbursement is virtually certain. When a warranty claim is made, the only collateral available to us is the return of the inventory from the customer making the warranty claim. Historically, when customers make a warranty claim, we either replace the product or provide the customer with a credit. We generally do not rework the returned product.

Our policy is to record a provision for warranty claims when a loss is both probable and estimable. This is accomplished by recording a provision for estimated returns and estimated costs to replace the product at the time the related revenue is recognized. Liabilities for warranty claims have historically not been material. In some instances, customers may make claims for costs they incurred or other damages related to a claim.

Contingencies

Environmental Remediation Liabilities

Our operations and facilities are subject to U.S. and non-U.S. laws and regulations governing the protection of the environment and our employees, including those governing air emissions, chemical usage, water discharges, the management and disposal of hazardous substances and wastes, and the cleanup of contaminated sites. We could incur substantial costs, including cleanup costs, fines, civil or criminal sanctions, or third-party property damage or personal injury claims, in the event of violations or liabilities under these laws and regulations, or non-compliance with the environmental permits required at our facilities. Potentially significant expenditures could be required in order to comply with environmental laws that may be adopted or imposed in the future. We are, however, not aware of any threatened or pending material environmental investigations, lawsuits, or claims involving us or our operations.

Legal Proceedings and Claims

We are regularly involved in a number of claims and litigation matters that arise in the ordinary course of business. Although it is not feasible to predict the outcome of these matters, based upon our experience and current information known to us, we do not expect the outcome of these matters, either individually or in the aggregate, to have a material adverse effect on our results of operations, financial position, and/or cash flows.

Provisions are generally recorded for probable and estimable losses at our best estimate of a loss. These estimates are often developed prior to knowing the amount of the ultimate loss, require the application of considerable judgment, and are refined each accounting period as additional information becomes known. Accordingly, we are often initially unable to develop a best estimate of loss and therefore the midpoint of our estimate of a range of loss is recorded. As information becomes known, either the range is revised, resulting in a change to the midpoint at which the accrual is recorded, or a best estimate is made. A best estimate amount may be changed to a lower amount when events result in an expectation of a more favorable outcome than previously expected.

Pending Litigation and Claims:

There are no material pending litigation or claims outstanding as of December 31, 2024.

16. Shareholders' Equity

Components of equity include ordinary shares, treasury shares, additional paid-in capital (share premium), retained earnings, and cash flow hedging reserves. We issue share-based compensation to eligible directors, officers, and employees as described in *Note 4: Share-Based Compensation*. We repurchase ordinary shares, which are reflected in treasury shares as described below. Beginning in fiscal year 2022, we began paying cash dividends to our shareholders. We are only able to execute share repurchases and payments of dividends to the extent that we have available distributable reserves. In the year ended December 31, 2024, we complied with this requirement.

Cash Dividends

In the years ended December 31, 2024 and 2023, we paid cash dividends totaling an aggregate of \$72.2 million and \$71.5 million, respectively.

Foreign Currency Translation

Prior to October 1, 2023, the functional currency of the Company's wholly-owned subsidiaries in China was the USD. Effective October 1, 2023, as a result of significant changes in economic facts and circumstances in the operations of our China foreign entities, the functional currency of the Company's wholly-owned subsidiaries in China changed to the CNY. The changes in economic facts and circumstances caused a permanent change to our strategy in China toward a more self-contained model, making China the primary economic environment in which these subsidiaries operate. This change was accounted for prospectively and does not impact prior period financial statements.

As a result of this change, on October 1, 2023, we recorded an adjustment in other comprehensive income attributable to the current-rate translation of non-monetary assets as of that date in accordance with IAS 21 *The Effects of Changes in Foreign Exchange Rates*. In addition, in the fourth quarter of 2023, we started recording an adjustment to translate these subsidiaries' financial statements from CNY to USD (our reporting currency). These adjustments are included in other comprehensive income and are presented under the heading *Reserves* below.

Treasury Shares

From time to time, our Board of Directors has authorized various share repurchase programs, which may be modified or terminated by our Board of Directors at any time, including with respect to the authorized amount under the programs. Under these programs, we may repurchase ordinary shares at such times and in amounts to be determined by our management, based on market conditions, legal requirements, and other corporate considerations, on the open market or in privately negotiated transactions, provided that such transactions were completed pursuant to an agreement and with a third party approved by our shareholders at the annual general meeting. Ordinary shares repurchased by us are recognized, measured at cost, and presented as treasury shares on our consolidated balance sheets, resulting in a reduction of shareholders' equity.

On September 26, 2023, our Board of Directors authorized a new \$500.0 million ordinary share repurchase program (the "September 2023 Program"), which replaced the January 2022 Program, effective on October 1, 2023. Sensata's shareholders had previously approved the forms of share repurchase agreements and the potential broker counterparties needed to execute the buyback program.

During the year ended December 31, 2023, we repurchased approximately 1.5 million ordinary shares (nominal value of €15 thousand) for a total purchase price of \$60.3 million (an average price of \$40.80 per share) under the January 2022 Program. This represents approximately 3.6% of the total number and nominal value of our ordinary shares issued at December 31, 2023.

During the year ended December 31, 2024, we repurchased approximately 1.9 million ordinary shares (nominal value of €19 thousand) for a total purchase price of \$68.9 million (an average price of \$36.19 per share), under the September 2023 Program. During the year ended December 31, 2023, we repurchased approximately 0.8 million ordinary shares under the September 2023 Program for \$28.1 million (an average price of \$33.83 per share). As of December 31, 2024, approximately \$403.0 million remained available under the September 2023 Program.

Reserves

A rollforward of reserves for the years ended December 31, 2024 and 2023 is as follows:

	Cash Flow Hedges	CTA	Total Reserves
Balance as of December 31, 2022	16,310	—	16,310
Pre-tax current period change	2,492	21,390	23,882
Tax effect	(644)	(442)	(1,086)
Balance as of December 31, 2023	\$ 18,158	\$ 20,948	\$ 39,106
Pre-tax current period change	\$ (34,267)	\$ (23,682)	\$ (57,949)
Tax effect	\$ 8,841	\$ (155)	\$ 8,686
Balance as of December 31, 2024	\$ (7,268)	\$ (2,889)	\$ (10,157)

17. Leases

We occupy leased facilities with initial terms ranging up to 20 years. The lease agreements frequently include options to renew for additional periods or to purchase the leased assets and generally require that we pay taxes, insurance, and maintenance costs. We also lease certain vehicles and equipment.

We have elected to account for leases with a term of one year or less (short-term leases) and those for which the underlying asset value is low using a method similar to the operating lease model under IAS 17 (i.e. they are not recorded on the consolidated statements of financial position).

The table below presents the amounts recognized and location of recognition in our consolidated statements of financial position as of December 31, 2024 and 2023 related to our leases:

	As of December 31,	
	2024	2023
Lease right-of-use assets:		
Property, plant and equipment, at cost	\$ 180,790	\$ 152,668
Accumulated depreciation	(126,232)	(95,226)
Property, plant and equipment, net	<u>\$ 54,558</u>	<u>\$ 57,442</u>
	As of December 31,	
	2024	2023
Lease liabilities:		
Current portion of long-term borrowings, lease liabilities and other financing obligations	\$ 16,167	\$ 14,138
Lease liabilities and other financing obligations, less current portion	66,407	52,828
Total lease liabilities	<u>\$ 82,574</u>	<u>\$ 66,966</u>

The consolidated statements of income include separate recognition of interest on the lease liability and amortization of the right-of-use asset. The table below presents our total lease cost for the years ended December 31, 2024 and 2023 (short-term lease cost and low-value lease cost was not material for the years ended December 31, 2024 and 2023):

	For the year ended December 31,	
	2024	2023
Depreciation of right-of-use assets	\$ 31,006	\$ 14,391
Interest on lease liabilities	5,932	5,646
Total lease cost	<u>\$ 36,938</u>	<u>\$ 20,037</u>

Cash flows from operating activities include interest on lease liabilities. Cash flows from financing activities include repayments of the principal portion of lease liabilities. The table below presents the cash paid related to our leases for the years ended December 31, 2024 and 2023:

	For the year ended December 31,	
	2024	2023
Operating cash flows from leases	\$ 1,223	\$ 1,455
Financing cash flows from leases	\$ 18,553	\$ 17,395

The table below presents a maturity analysis of the obligations related to our lease liabilities in effect as of December 31, 2024, in accordance with the required payment schedule, including principal and interest. Certain leases were assumed to extend beyond their current terms because it was probable that such an extension would occur:

Year ending December 31,		
2025		\$ 21,338
2026		15,789
2027		12,585
2028		10,126
2029		8,789
Thereafter		39,063
Total undiscounted cash flows related to lease liabilities		107,690
Less imputed interest		(25,116)
Total lease liabilities		<u>\$ 82,574</u>

18. Fair Value Measures

A reporting entity's credit risk is a component of the non-performance risk associated with its obligation and, therefore, should be considered in measuring the fair value of its liabilities. Our assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The levels of the fair value hierarchy are described below:

- Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets and liabilities that we have the ability to access at the measurement date.
- Level 2 inputs utilize inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, quoted prices in markets that are not active, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals.
- Level 3 inputs are unobservable inputs for the asset or liability, allowing for situations where there is little, if any, market activity for the asset or liability.

Measured on a Recurring Basis

Our assets and liabilities measured at fair value on a recurring basis as of December 31, 2024 and 2023 are shown in the below table. All fair value measures presented are categorized in Level 2 of the fair value hierarchy, with the exception of cash equivalents, which are categorized in Level 1.

	As of December 31,	
	2024	2023
Assets measured at fair value:		
Cash equivalents	\$ 243,640	\$ 138,749
Foreign currency forward contracts	19,110	28,871
Commodity forward contracts	1,486	1,457
Equity investments without a readily determinable fair value ⁽¹⁾	6,094	3,447
Other equity investments	13,738	19,497
Debt investments	—	—
Assets measured at fair value	<u>\$ 284,068</u>	<u>\$ 192,021</u>
Liabilities measured at fair value:		
Foreign currency forward contracts	\$ 27,648	\$ 8,996
Commodity forward contracts	1,262	795
Total liabilities measured at fair value	<u>\$ 28,910</u>	<u>\$ 9,791</u>

⁽¹⁾ Includes investments in equity of companies that are not traded and for which fair market value is not readily determinable. One of these investments is in a company that, subsequent to December 31, 2023, closed a round of capital funding with external investors at a significantly lower valuation than our investment. This investment was valued at \$15.0 million as of December 31, 2022. We recorded a \$14.8 million mark-to-market adjustment in the fair value of this investment in the year ended December 31, 2023. Accordingly, the fair value of this investment is \$0.2 million at December 31, 2023.

Refer to *Note 2: Significant Accounting Policies* for a discussion of the methods used to estimate the fair value of our financial instruments and *Note 19: Derivative Instruments and Hedging Activities* for specific contractual terms used as inputs in determining the fair value measurements of our derivative instruments and a discussion of the nature of the risks that these derivative instruments are intended to mitigate. Cash equivalents consist of U.S. Government Treasury money market funds and are classified as Level 1 as they are exchange traded in an active market.

Although we have determined that the majority of the inputs used to value our derivative instruments fall within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with our derivatives utilize Level 3 inputs, such as estimates of current credit spreads, to appropriately reflect both our own non-performance risk and the respective counterparties' non-performance risk in the fair value measurement. As of December 31, 2024 and 2023, we have assessed the significance of the impact of the credit valuation adjustments on the overall valuation of our derivative positions and have determined that the credit valuation adjustments are not significant to the overall valuation of our derivatives. As a result, we have determined that our derivatives in their entirety are classified in Level 2 in the fair value hierarchy.

Measured on a Nonrecurring Basis

In the third quarter of 2024, impairment indicators were identified that suggested the carrying values of the Dynapower cash generating unit could exceed its fair value. The primary indicators of impairment were revised projections of future cash flows and actual performance that was lower than previous projections for these cash generating units. We evaluated the goodwill of the Dynapower cash generating unit for impairment using a combination of a market-based valuation method and an income approach that discounts forecasted cash flows. As these assumptions were largely unobservable, the estimated fair values fall within Level 3 of the fair value hierarchy. A change in our cash flow forecast or the discount rate used would result in an increase or decrease in our calculated fair value. We determined that our Dynapower cash generating unit was impaired, and in the third quarter of 2024, we recorded a \$187.9 million non-cash impairment charge. If Dynapower does not achieve the forecasted cash flows, there is a possibility that additional impairments of the remaining \$192.0 million of goodwill may be recognized in the future.

We evaluated our goodwill for impairment during 2024. Refer to *Note 11: Goodwill and Other Intangible Assets, Net* for additional information. Based on this analysis, which used the discounted cash flow method, and, when applicable, a market multiples approach using comparable companies, we determined that the fair value of each of our cash generating units exceeded their carrying values. As of December 31, 2024, no events or changes in circumstances occurred that would have triggered the need for an additional impairment review of goodwill or other indefinite-lived intangible assets.

When determining fair value, the recoverable amount of our CGUs is determined primarily using discounted cash flow models that incorporate assumptions for a CGU's short- and long-term revenue growth rates, operating margins and discount rates, which represent our best estimates of current and forecasted market conditions, current cost structure, and the implied rate of return that management believes a market participant would require for an investment in a company having similar risks and business characteristics to the CGU being assessed. We perform a similar analysis to determine whether our indefinite-lived intangible assets are recoverable.

Financial Instruments Not Measured at Fair Value

The following table presents the carrying values and fair values of financial instruments not measured at fair value in the consolidated statements of financial position as of December 31, 2024 and 2023. All fair value measures presented are categorized within Level 2 of the fair value hierarchy.

	As of December 31,			
	2024		2023	
	Carrying Value ⁽¹⁾	Fair Value	Carrying Value ⁽¹⁾	Fair Value
5.0% Senior Notes	\$ —	\$ —	\$ 700,000	\$ 694,750
4.375% Senior Notes	\$ 450,000	\$ 410,625	\$ 450,000	\$ 415,125
3.75% Senior Notes	\$ 750,000	\$ 652,500	\$ 750,000	\$ 656,250
4.0% Senior Notes	\$ 1,000,000	\$ 915,000	\$ 1,000,000	\$ 920,000
5.875% Senior Notes	\$ 500,000	\$ 485,000	\$ 500,000	\$ 495,000
6.625% Senior Notes	\$ 500,000	\$ 497,500	\$ —	\$ —

⁽¹⁾ Excluding any related debt discounts, premiums, and borrowing costs.

The fair values of the Term Loan and the Senior Notes are determined primarily using observable prices in markets where these instruments are generally not traded on a daily basis. Cash and cash equivalents, trade receivables, and trade payables are carried at cost, which approximates fair value because of their short-term nature.

19. Derivative Instruments and Hedging Activities

We utilize derivative instruments that are designated and qualify as hedges of the exposure to variability in expected future cash flows. Hedge accounting generally provides for the matching of the timing of gain or loss recognition on these hedging instruments with the earnings effect of the hedged forecasted transactions. We may enter into other derivative contracts that are intended to economically hedge certain risks, even though we elect not to apply hedge accounting. Derivative financial instruments not designated as hedges are used to manage our exposure to certain risks, not for trading or speculative purposes. Refer to *Note 2: Significant Accounting Policies* for additional information related to the valuation techniques and accounting policies regarding derivative instruments and hedging activities.

Foreign Currency Risk

We are exposed to fluctuations in various foreign currencies against our functional currency, the U.S. dollar. We enter into forward contracts for certain of these foreign currencies to manage this exposure. We currently have outstanding foreign currency forward contracts that qualify as cash flow hedges intended to offset the effect of exchange rate fluctuations on forecasted sales and certain manufacturing costs. We also have outstanding foreign currency forward contracts that are intended to preserve the economic value of foreign currency denominated monetary assets and liabilities, which are not designated for hedge accounting treatment.

For each of the years ended December 31, 2024 and 2023, amounts excluded from the assessment of effectiveness of our foreign currency forward agreements that are designated as cash flow hedges were not material. As of December 31, 2024, we estimate that \$3.8 million in net losses will be reclassified from cash flow hedging reserves to earnings during the twelve-month period ending December 31, 2025.

As of December 31, 2024, we had the following outstanding foreign currency forward contracts:

Notional (in millions)	Effective Date(s)	Maturity Date(s)	Index (Exchange Rates)	Weighted-Average Strike Rate	Hedge Designation ⁽¹⁾
371.0 EUR	Various from January 2023 to December 2024	Various from January 2025 to December 2026	Euro ("EUR") to USD	1.11 USD	Cash flow hedge
3,849.0 MXN	Various from January 2023 to December 2024	Various from January 2025 to December 2026	USD to Mexican Peso ("MXN")	19.43 MXN	Cash flow hedge
61.4 GBP	Various from January 2023 to December 2024	Various from January 2025 to December 2026	British Pound Sterling ("GBP") to USD	1.26 USD	Cash flow hedge

Notional (in millions)	Effective Date(s)	Maturity Date(s)	Index (Exchange Rates)	Weighted-Average Strike Rate	Hedge Designation ⁽¹⁾
91.7 EUR	December 19, 2024	January 31, 2025	EUR to USD	1.04 USD	Not designated
423.0 CNY	December 19, 2024	January 27, 2025	USD to CNY	7.17 CNY	Not designated
1,667.7 CNY	Various September 2024	Various from January 2025 to May 2026	USD to CNY	6.83 CNY	Not designated
238.2 USD	Various from March 2024 to May 2024	Various from January 2025 to May 2026	USD to CNY	7.00 CNY	Not designated
50,633.4 KRW	Various from February 2023 to September 2024	Various from January 2025 to July 2026	USD to Korean Won ("KRW")	1,311.34 KRW	Not designated
409.9 MXN	December 19, 2024	January 31, 2025	USD to MXN	20.49 MXN	Not designated
11.5 GBP	December 19, 2024	January 31, 2025	GBP to USD	1.26 USD	Not designated

⁽¹⁾ Derivative financial instruments not designated as hedges are used to manage our exposure to currency exchange rate risk. They are intended to preserve the economic value and not for trading or speculative purposes. We may also enter into intercompany derivative instruments with our wholly-owned subsidiaries in order to hedge certain forecasted expenses.

Commodity Risk

We enter into commodity forward contracts in order to limit our exposure to variability in raw material costs that is caused by movements in the price of underlying metals. The terms of these forward contracts fix the price at a future date for various notional amounts associated with these commodities. These instruments are not designated for hedge accounting treatment.

As of December 31, 2024, we had the following outstanding commodity forward contracts:

Commodity	Notional	Remaining Contracted Periods	Weighted-Average Strike Price Per Unit
Silver	638,827 troy oz.	January 2025 to December 2026	\$ 28.23
Copper	5,292,770 pounds	January 2025 to December 2026	\$ 4.17

Financial Instrument Presentation

The following table presents the fair value of our derivative financial instruments and their classification in the consolidated balance sheets as of December 31, 2024 and 2023:

	Asset Derivatives			Liability Derivatives		
	Balance Sheet Location	As of December 31,		Balance Sheet Location	As of December 31,	
		2024	2023		2024	2023
Derivatives designated as hedging instruments:						
Foreign currency forward contracts	Prepaid expenses and other current assets	\$ 15,717	\$ 25,176	Accrued expenses and other current liabilities	\$ 17,018	\$ 6,746
Foreign currency forward contracts	Other assets	2,936	3,554	Other long-term liabilities	4,042	1,806
Total		<u>\$ 18,653</u>	<u>\$ 28,730</u>		<u>\$ 21,060</u>	<u>\$ 8,552</u>
Derivatives not designated as hedging instruments:						
Commodity forward contracts	Prepaid expenses and other current assets	\$ 1,413	\$ 1,314	Accrued expenses and other current liabilities	\$ 902	\$ 719
Commodity forward contracts	Other assets	73	143	Other long-term liabilities	360	76
Foreign currency forward contracts	Prepaid expenses and other current assets	457	141	Accrued expenses and other current liabilities	4,828	444
Foreign currency forward contracts	Other assets	\$ —	\$ —		\$ 1,760	\$ —
Total		<u>\$ 1,943</u>	<u>\$ 1,598</u>		<u>\$ 7,850</u>	<u>\$ 1,239</u>

These fair value measurements are all categorized within Level 2 of the fair value hierarchy. Refer to *Note 18: Fair Value Measures* for further discussion regarding the categorization of these fair value measurements within the fair value hierarchy.

The following tables present the effect of our derivative financial instruments on the consolidated statements of operations and the consolidated statements of comprehensive income for the years ended December 31, 2024 and 2023:

	Amount of Deferred (Loss)/Gain Recognized in Other Comprehensive Income		Location of Net Gain Reclassified from Accumulated Other Comprehensive (Loss)/ Income into Net Income/(Loss)	Amount of Net Gain Reclassified from Accumulated Other Comprehensive Income/(Loss) into Net Income/(Loss)	
	For the year ended December 31,			For the year ended December 31,	
	2024	2023		2024	2023
Derivatives designated as hedging instruments					
Foreign currency forward contracts	\$ 27,944	\$ (1,018)	Net revenue	\$ 2,296	\$ 17,120
Foreign currency forward contracts	\$ (36,535)	\$ 42,111	Cost of revenue	\$ 23,380	\$ 21,481
Derivatives not designated as hedging instruments	Amount of (Loss)/Gain Recognized in Net Income/(Loss)		Location of (Loss)/Gain Recognized in Net Income/(Loss)		
	For the year ended December 31,				
	2024	2023			
Commodity forward contracts	\$ 3,471	\$ (2,762)		Other, net	
Foreign currency forward contracts	\$ (2,619)	\$ 4,237		Other, net	

Credit risk related contingent features

We have agreements with certain of our derivative counterparties that contain a provision whereby if we default on our indebtedness, and where repayment of the indebtedness has been accelerated by the lender, then we could also be declared in default on our derivative obligations.

As of December 31, 2024, the termination value of outstanding derivatives in a liability position, excluding any adjustment for non-performance risk, was \$37.2 million. As of December 31, 2024, we have not posted any cash collateral related to these agreements. If we breach any of the default provisions on any of our indebtedness as described above, we could be required to settle our obligations under the derivative agreements at their termination values.

20. Segment Reporting

We present financial information for two reportable segments, Performance Sensing and Sensing Solutions. In the first quarter of 2024, we realigned our segments as a result of organizational changes that better allocate our resources to support changes to our business strategy. Refer to Note 1: Basis of Presentation for additional information. This realignment added an "other" grouping that represents the aggregation of immaterial operating segments that do not meet the quantitative threshold for disclosure. Prior to the realignment in the first quarter of 2024, the Performance Sensing reportable segment consisted of two operating segments, Automotive and HVOR. As a result of the segment realignment, Performance Sensing now represents one operating segment, as does Sensing Solutions. Other immaterial operating segments are aggregated in other, which was created as part of the segment realignment. Our operating segments are businesses that we manage as components of an enterprise, for which separate financial information is evaluated regularly by our chief operating decision maker ("CODM"), who is our chief executive officer, in deciding how to allocate resources and assess performance.

An operating segment's performance is primarily evaluated based on segment operating income, which excludes amortization of intangible assets, restructuring and other charges, net, certain costs associated with our strategic megatrend initiatives, and certain corporate costs or credits not associated with the operations of the segment, including share-based compensation expense and a portion of depreciation expense associated with assets recognized in connection with acquisitions. Corporate and other costs excluded from an operating (and reportable) segment's performance are separately stated below and also include costs that are related to functional areas such as finance, information technology, legal, and human resources. The CODM uses operating income primarily in the annual budget and forecasting process. The CODM considers budget-to-actual variances on a quarterly basis for operating income when making decisions about the allocation of operating and capital resources to each segment. Significant expenses are reviewed by the CODM on a consolidated basis and not at the operating segment level. We believe that segment operating income, as defined above, is an appropriate measure for evaluating the operating performance of our segments. However, this measure should be considered in addition to, and not as a substitute for, or superior to, operating income or other measures of financial performance prepared in accordance with IFRS. The accounting policies of each of our operating and reportable segments are materially consistent with those described in *Note 2: Significant Accounting Policies*.

The Performance Sensing segment serves the automotive and HVOR industries through the development and manufacture of sensors, high-voltage solutions (i.e., electrical protection components), and other solutions that are used in mission-critical systems and applications. Examples include those used in subsystems of automobiles, on-road trucks, and off-road equipment, such as tire pressure monitoring, thermal management, electrical protection, regenerative braking, powertrain (engine/transmission), and exhaust management. These products are used in subsystems that, among other things, improve operating performance and efficiency and contribute to environmentally sustainable and safe solutions.

The Sensing Solutions segment primarily serves the industrial and aerospace industries through the development and manufacture of a broad portfolio of application-specific sensor and electrical protection products used in a diverse range of industrial markets, including the appliance, HVAC, water management, operator controls, charging infrastructure, renewable energy generation, green hydrogen production, and microgrid applications and markets, as well as the aerospace market, including commercial aircraft, defense, and aftermarket markets.

Some of the products and solutions the segment sells include pressure, temperature, and position sensors, motor and compressor protectors, high-voltage contactors, solid state relays, bimetal electromechanical controls, power inverters, charge controllers, battery management systems, operator controls, and power conversion systems. Sensing Solutions products perform many functions, including prevention of damage from excess heat or electrical current, optimization of system performance, low-power circuit control, renewable energy generation, and power conversion from direct current power to alternating current power.

The following table presents net revenue and segment operating income for the reportable segments and other operating results not allocated to the reportable segments for the years ended December 31, 2024 and 2023.

	For the year ended December 31,	
	2024	2023 (As Adjusted)
Net revenue:		
Performance Sensing	\$ 2,743,593	\$ 2,749,934
Sensing Solutions	1,061,282	1,156,688
Other	\$ 127,889	\$ 147,461
Total net revenue	<u>\$ 3,932,764</u>	<u>\$ 4,054,083</u>
Segment operating income (as defined above):		
Performance Sensing	\$ 691,456	\$ 722,009
Sensing Solutions	319,065	330,079
Other	28,054	7,485
Total segment and non-segment operating income	1,038,575	1,059,573
Corporate and other	(613,963)	(672,782)
Amortization of intangible assets and capitalized development costs	(169,257)	(202,584)
Restructuring and other charges, net	(34,418)	(43,118)
Other operating income, net	(74,007)	5,877
Operating income	146,930	146,966
Interest expense	(161,195)	(186,314)
Interest income	16,180	31,324
Other, net	(6,101)	(27,443)
Income before taxes	<u>\$ (4,186)</u>	<u>\$ (35,467)</u>

No customer exceeded 10% of our net revenue in any of the periods presented.

The following table presents depreciation and amortization expense for our reportable segments for the years ended December 31, 2024 and 2023:

	For the year ended December 31,	
	2024	2023
Depreciation and amortization:		
Performance Sensing	\$ 121,440	\$ 129,743
Sensing Solutions	16,513	16,700
Corporate and other ⁽¹⁾	232,016	202,302
Total depreciation and amortization	<u>\$ 369,969</u>	<u>\$ 348,745</u>

- (1) Included within corporate and other is depreciation expense associated with the step-up in fair value of assets acquired in connection with a business combination (e.g., PP&E and inventories), amortization of intangible assets, and accelerated depreciation recognized in connection with restructuring actions. We do not allocate these amounts to our segments. This treatment is consistent with the financial information reviewed by our chief operating decision maker.

The following table presents capital expenditures (including development costs) for our reportable segments for the years ended December 31, 2024 and 2023:

	For the year ended December 31,	
	2024	2023
Capital expenditures (including development costs):		
Performance Sensing	\$ 137,561	\$ 164,233
Sensing Solutions	19,362	21,880
Corporate and other	26,160	31,867
Total	<u>\$ 183,083</u>	<u>\$ 217,980</u>

Geographic Area Information

The following tables present net revenue by geographic area and by significant country for the years ended December 31, 2024 and 2023. In these tables, net revenue is aggregated based on the location of our subsidiaries.

	For the year ended December 31,	
	2024	2023
Net revenue:		
Americas	\$ 1,701,983	\$ 1,825,012
Europe	1,061,599	1,066,100
Asia and rest of world	1,169,182	1,162,971
Net revenue	<u>\$ 3,932,764</u>	<u>\$ 4,054,083</u>
	For the year ended December 31,	
	2024	2023
Net revenue:		
United States	\$ 1,574,028	\$ 1,678,457
Netherlands	897,118	904,176
China	723,998	724,737
United Kingdom	127,201	105,205
All other	610,419	641,508
Net revenue	<u>\$ 3,932,764</u>	<u>\$ 4,054,083</u>

The following tables present long-lived assets, consisting of PP&E, goodwill, and other intangible assets, net, by geographic area and by significant country as of December 31, 2024 and 2023. In these tables, long-lived assets are aggregated based on the location of our subsidiaries.

	As of December 31,	
	2024	2023
Americas ⁽¹⁾	\$ 2,701,870	\$ 3,251,322
Asia and rest of world	546,089	543,618
Europe	1,623,964	1,681,104
Total ⁽¹⁾	<u>\$ 4,871,923</u>	<u>\$ 5,476,044</u>
	As of December 31,	
	2024	2023
United States	\$ 2,466,418	\$ 2,993,975
United Kingdom	545,671	524,319
The Netherlands	723,678	781,303
China	308,188	329,200
Mexico	228,806	248,347
Bulgaria	217,375	231,315
All other	381,787	367,585
Total	<u>\$ 4,871,923</u>	<u>\$ 5,476,044</u>

21. Cash and Cash Equivalents

Cash and cash equivalents at December 31, 2024 and 2023 included the following:

	As of December 31,	
	2024	2023
Cash	\$ 350,030	\$ 369,355
Cash equivalents	243,640	138,749
Cash and cash equivalents	<u>\$ 593,670</u>	<u>\$ 508,104</u>

Cash earns interest at floating rates based on daily bank deposit rates. Cash equivalents consist of money market funds and short-term deposits that are made for varying periods of between one day and three months, depending on our immediate cash requirements, and earn interest at the respective short-term deposit rate.

22. Depreciation and Amortization

The following table presents additional information regarding depreciation and amortization recorded in the consolidated statements of income during the years ended December 31, 2024 and 2023:

	For the year ended	
	2024	2023
Depreciation included within:		
Cost of revenue	\$ 161,138	\$ 126,569
Selling, general and administrative	30,094	13,066
Research and development	9,480	6,526
Total depreciation	<u>200,712</u>	<u>146,161</u>
Amortization of intangible assets and capitalized development costs ⁽¹⁾	169,257	202,584
Total depreciation and amortization	<u>\$ 369,969</u>	<u>\$ 348,745</u>

⁽¹⁾ Includes \$27.2 million and \$30.1 million of amortization of capitalized R&D costs for the years ended December 31, 2024 and 2023, respectively.

23. Personnel Costs

As of December 31, 2024, we had approximately 19,000 employees, of whom approximately 7% were located in the U.S., and approximately 56% of whom were female. Approximately 200 of our employees were covered by collective bargaining agreements. In addition, in various countries, local law requires our participation in works councils. We also engage contract workers in multiple locations, primarily to cost-effectively manage variations in manufacturing volume, but also to perform engineering and other general services. As of December 31, 2024, we had approximately 2,700 contract workers on a worldwide basis.

Personnel costs related to these employees for the years ended December 31, 2024 and 2023 were as follows:

	For the year ended December 31,	
	2024	2023
Wages, salaries, and benefits	\$ 758,943	\$ 774,747
Pension costs	14,305	14,019
Post-employment (benefits)/costs other than pensions	161	177
Expense of share-based payments	39,712	31,780
Total	<u>\$ 813,121</u>	<u>\$ 820,723</u>

24. Financial Risk Management Objectives and Policies

We are subject to credit, market, and liquidity risks. This note presents information about our exposures to each of these risks as well as our objectives, policies, and processes for measuring and managing these risks. Further quantitative disclosures are included throughout these consolidated financial statements.

Credit risk

Credit risk is the risk of our financial loss if a counterparty fails to meet its contractual obligations. We are subject to counterparty risk on financial instruments such as cash equivalents, trade and other receivables, and derivative instruments.

We manage our credit risk on cash equivalents by investing in highly rated, marketable instruments with major financial institutions of investment grade credit rating.

We are subject to credit risk associated with derivative instruments. When the fair value of a derivative contract is positive, the counterparty owes us, thus creating a receivable risk for us. We minimize counterparty credit (or repayment) risk associated with derivative instruments by entering into transactions with major financial institutions of investment grade credit rating. The carrying value and fair value amounts for assets presented in *Note 18: Fair Value Measures* represent our maximum exposure to credit risk.

Concentrations of credit risk with respect to trade receivables are limited due to the large number of customers, and their dispersion across different industries and geographic areas. We are a global company and are subject to sovereign risks as well as the increased counterparty risk of customers and financial institutions in those jurisdictions. We perform ongoing credit evaluations of our customers' financial condition. We do not provide or require collateral to offset possible credit risk.

No customer exceeded 10% of our net revenue in any of the years ended December 31, 2024, 2023, or 2022. Refer to *Note 20: Segment Reporting* for details of our revenue generated in various geographies and *Note 3: Revenue Recognition* for details of revenue generated in various end-markets. Within many of our end-markets, we are a significant supplier to multiple OEMs, reducing our exposure to fluctuations in market share within individual end-markets.

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect our income or the value of our holdings of financial instruments. We are also exposed to changes in the prices of certain commodities (primarily metals) that we use in production. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. We manage our market risk by using foreign currency and commodity derivatives that limit our risk to these changes in market prices.

Interest Rate Risk

As discussed further in *Note 14: Borrowings*, the Credit Agreement provides for the Senior Secured Credit Facilities consisting of the Term Loan, the Revolving Credit Facility, and incremental availability (the "Accordion"), under which additional secured credit facilities could be issued under certain circumstances.

The Term Loan, which accrued interest at a variable rate, was prepaid in fiscal year 2023. As a result, we no longer experience material interest rate risk.

Refer to *Note 14: Borrowings* for details regarding our borrowings.

Sensitivity Analysis

As of December 31, 2024 and 2023, we had no outstanding variable interest rate loans.

Foreign Currency Risks

We are exposed to market risk from changes in foreign currency exchange rates, which could affect operating results as well as our financial position and cash flows. We monitor our exposures to these market risks and may employ derivative financial instruments, such as swaps, collars, forwards, options, or other instruments, to limit the volatility to earnings and cash flows generated by these exposures. We employ derivative contracts that may or may not be designated for hedge accounting treatment, which may result in volatility to earnings depending upon fluctuations in the underlying markets. Derivative financial instruments are executed solely as risk management tools and not for trading or speculative purposes.

Consistent with our risk management objectives and overall strategy to reduce exposure to variability in cash flows and variability in earnings, we entered into foreign currency exchange rate derivatives during the year ended December 31, 2024 that qualify as cash flow hedges intended to offset the effect of exchange rate fluctuations on forecasted sales and certain manufacturing costs. The effective portion of changes in the fair value of derivatives designated and qualifying as cash flow hedges is recorded in retained earnings and cash flow hedging reserves and is subsequently reclassified into earnings in the period in which the hedged forecasted transaction affects earnings. We also enter into foreign currency forward contracts that

were not designated for hedge accounting purposes. We recognize the change in the fair value of these non-designated derivatives in the consolidated statements of income.

Refer to *Note 19: Derivative Instruments and Hedging Activities* for details of the foreign currency forward contracts outstanding as of December 31, 2024.

Sensitivity Analysis

The table below presents our foreign currency forward contracts as of December 31, 2024 and the estimated impact to other comprehensive income and pre-tax earnings as a result of a 10% strengthening/weakening in the foreign currency exchange rate:

(In millions)	Net Asset/(Liability) Balance as of December 31, 2024	(Decrease)/Increase to Future Pre-Tax Earnings Due to:	
		10% Strengthening of the Value of the Foreign Currency Relative to the U.S. Dollar	10% Weakening of the Value of the Foreign Currency Relative to the U.S. Dollar
Euro	\$ 18.7	\$ (48.7)	\$ 48.7
Chinese Renminbi	\$ (6.2)	\$ 5.9	\$ (5.9)
Mexican Peso	\$ (20.4)	\$ 19.8	\$ (19.8)
British Pound Sterling	\$ (0.7)	\$ 6.2	\$ (6.2)

Commodity Risk

We are exposed to the potential change in prices associated with certain commodities used in the manufacturing of our products. We offset a portion of this exposure by entering into forward contracts that fix the price at a future date for various notional amounts associated with these commodities. These forward contracts are not designated as accounting hedges. Refer to *Note 19: Derivative Instruments and Hedging Activities* for details of the commodity forward contracts outstanding as of December 31, 2024.

Sensitivity Analysis

The table below presents our commodity forward contracts as of December 31, 2024 and the estimated impact to pre-tax earnings associated with a 10% increase/(decrease) in the related forward price for each commodity (none of our commodity forward contracts are designated as derivatives as of December 31, 2024, and there would be no impact on other comprehensive income):

(In millions, except per unit amounts)	Net Asset/(Liability) Balance as of December 31, 2024	Average Forward Price Per Unit as of December 31, 2024	Increase/(Decrease) to Pre-tax Earnings Due to	
			10% Increase in the Forward Price	10% Decrease in the Forward Price
Silver	\$ 0.9	\$ 29.67	\$ 1.9	\$ (1.9)
Copper	\$ (0.7)	\$ 4.04	\$ 2.1	\$ (2.1)

Liquidity risk

Liquidity risk is the risk that we will not be able to meet our financial obligations as they become due. Our approach to managing liquidity risk is to ensure, as far as possible, that we will always have sufficient liquidity to meet our liabilities when due without incurring unacceptable losses or risking damage to our reputation.

Our liquidity requirements are significant due to our highly leveraged nature. Our indebtedness may limit our flexibility in planning for, or reacting to, changes in the business and future business opportunities since a substantial portion of our cash flow from operations will be dedicated to the payment of the debt service and this may place us at a competitive disadvantage as some of our competitors are less leveraged.

As of December 31, 2024, there was \$745.8 million available under the Revolving Credit Facility, net of \$4.2 million of obligations in respect of outstanding letters of credit issued thereunder. Outstanding letters of credit are issued primarily for the benefit of certain operating activities. As of December 31, 2024, no amounts had been drawn against these outstanding letters of credit. Availability under the Revolving Credit Facility may be borrowed, repaid, and re-borrowed to fund our working capital needs and for other general corporate purposes.

Contractual Obligations and Commercial Commitments

Refer to *Note 14: Borrowings* and *Note 17: Leases* for information related to future contractually required principal payments of our borrowings and finance lease liabilities, respectively, as of December 31, 2024. As of December 31, 2024, we had recognized a net benefit liability of \$1.7 million, representing the net unfunded benefit obligations of the defined benefit and retiree healthcare plans.

Capital management

The Credit Agreement provides for the Senior Secured Credit Facilities consisting of the Term Loan, the Revolving Credit Facility, and the Accordion.

Our sources of liquidity include cash on hand, cash flows from operations, and available capacity under the Revolving Credit Facility. As of December 31, 2024, there was \$745.8 million available under the Revolving Credit Facility, net of \$4.2 million of obligations in respect of outstanding letters of credit issued thereunder. Outstanding letters of credit are issued primarily for the benefit of certain operating activities. As of December 31, 2024, no amounts had been drawn against these outstanding letters of credit. Availability under the Accordion varies each period based on our attainment of certain financial metrics as set forth in the terms of the Credit Agreement and the Senior Notes Indentures. This Revolving Credit Facility includes an accordion feature under which maximum borrowings may be increased to \$2.8 billion under certain circumstances.

We believe, based on our current level of operations for the year ended December 31, 2024, and taking into consideration the restrictions and covenants included in the Credit Agreement and Senior Notes Indentures discussed below and in *Note 14: Borrowings*, that these sources of liquidity will be sufficient to fund our operations, capital expenditures, acquisitions, ordinary share repurchases, and debt service through at least June 30, 2026.

The Credit Agreement provides that, if our senior secured net leverage ratio exceeds a specified level, we are required to use a portion of our excess cash flow, as defined in the Credit Agreement, generated by operating, investing, or financing activities to prepay some or all of the outstanding borrowings under the Senior Secured Credit Facilities. The Credit Agreement also requires mandatory prepayments of the outstanding borrowings under the Senior Secured Credit Facilities upon certain asset dispositions and casualty events, in each case subject to certain reinvestment rights, and upon the incurrence of certain indebtedness (excluding any permitted indebtedness). These provisions were not triggered during the year ended December 31, 2024.

All obligations under the Senior Secured Credit Facilities are unconditionally guaranteed by the Guarantors. The collateral for such borrowings under the Senior Secured Credit Facilities consists of substantially all present and future property and assets of our indirect, wholly-owned subsidiary, STBV, and the Guarantors.

Our ability to raise additional financing, and our borrowing costs, may be impacted by short- and long-term borrowings ratings assigned by independent rating agencies, which are based, in significant part, on our performance as measured by certain credit metrics such as interest coverage and leverage ratios. As of January 28, 2025, Moody's Investors Service's corporate credit rating for STBV was Ba2 with a positive outlook and Standard & Poor's corporate credit rating for STBV was BB+ with a stable outlook. Any future downgrades to STBV's credit ratings may increase our future borrowing costs but will not reduce availability under the Credit Agreement.

The Credit Agreement and the Senior Notes Indentures contain restrictions and covenants (described in more detail in *Note 14: Borrowings*) that limit the ability of STBV and certain of its subsidiaries to, among other things, incur subsequent indebtedness, sell assets, pay dividends, and make other restricted payments. These restrictions and covenants, which are subject to important exceptions and qualifications set forth in the Credit Agreement and the Senior Notes Indentures, were taken into consideration when we established our share repurchase programs and will be evaluated periodically with respect to future potential funding of these programs. We do not believe that these restrictions and covenants will prevent us from funding share repurchases under our share repurchase programs with available cash and cash flows from operations. As of December 31, 2024, we believe that we were in compliance with all the covenants and default provisions under the Credit Agreement and the Senior Notes Indentures.

Our redomicile to the U.K. gave us the ability to efficiently execute share repurchases. We pursue a balanced, returns-driven approach to capital deployment. This means that we are constantly assessing trade-offs between mergers and acquisitions, investing in our business, and buying back our shares in order to deliver the best risk-adjusted returns for our shareholders.

During fiscal years 2024 and 2023, we repurchased ordinary shares with a value of approximately \$68.9 million and \$88.4 million, respectively (refer to *Note 16: Shareholders' Equity*). The share repurchases reflect our confidence in our long-term financial plan and a belief that our shares trade below their intrinsic value.

Our net leverage ratio (which represents net debt divided by last twelve months adjusted EBITDA) at December 31, 2024 and 2023 was 3.0 x and 3.2x, respectively. We believe our balanced, returns-drive approach to capital deployment will continue to create compelling value for our shareholders in the future.

Refer to *Note 16: Shareholders' Equity* for a discussion of our share capital.

25. Accounts Receivable, Net

Trade accounts receivable are initially measured at transaction price in accordance with IFRS 15, net of lifetime expected credit losses. Customers are generally not required to provide collateral for purchases. Accounts receivable, net, at December 31, 2024 and 2023 consisted of the following:

	12/31/2024	12/31/2023
Accounts receivable, gross	\$ 680,704	\$ 773,019
Provisions	(20,524)	(28,890)
Accounts Receivable, net	<u>\$ 660,180</u>	<u>\$ 744,129</u>

At December 31, 2024 and 2023, the aging analysis of net accounts receivable is as follows:

	Total	Neither past due nor impaired	Past due but not impaired	
			< 30 days	> 30 days
2024	\$ 660,180	\$ 605,696	\$ 49,395	\$ 5,089
2023	744,129	663,726	57,116	23,287

Customer credit risk is managed according to our established policy, procedures, and controls relating to customer credit risk management. Credit quality of a customer is assessed based on a credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables and contract assets are regularly monitored.

Trade accounts receivable are reduced by an allowance for losses on receivables, which reflects an estimate of lifetime expected credit losses on our trade receivables in accordance with IFRS 9. Such losses are determined each period based on an impairment analysis and recorded on the consolidated statements of income. We estimate the lifetime expected credit losses on the basis of specifically identified receivables that are evaluated individually for impairment and a statistical analysis of the remaining receivables determined by reference to past overall default experience. We believe that, due to the short-term nature of our trade accounts receivables, this represents a reasonable representation of future expected losses in a stable economic environment. We analyze potential changes in future economic conditions, such as sharp downturns in the industries in which we operate, as considered necessary.

In measuring the lifetime expected credit losses on our receivables, we group them into those that are neither past due nor impaired, those that are past due less than 30 days, those that are past due between 30 days and 180 days, and those that are past due greater than 180 days.

A reconciliation of provisions recorded during fiscal years 2024 and 2023 is as follows:

	Balance at the beginning of the period	Charged to costs and expenses	Deductions	Balance at end of the period
2024	\$ 28,980	\$ (3,108)	\$ (5,348)	\$ 20,524
2023	24,246	9,027	(4,293)	28,980

Management judgments are used to determine when to charge off uncollectible trade accounts receivable. We base these judgments on the age of the receivable, credit quality of the customer, current economic conditions, and other factors that may affect a customer's ability and intent to pay.

Concentrations of risk with respect to accounts receivable are generally limited due to the large number of customers in various industries and their dispersion across several geographic areas. Although we do not foresee credit risk associated with these receivables to deviate from historical experience, repayment is dependent upon the financial stability of those individual customers. There has been no change to our assessment of credit risk since the prior year. No customer exceeded 10% of our net revenue in any of the years ended December 31, 2024, 2023, or 2022.

26. Auditors Remuneration

The aggregate fees payable to Deloitte LLP and their affiliates for professional services rendered for us for the years ended December 31, 2024 and 2023 are as follows:

	For the year ended December 31,	
	2024	2023
Audit of the Company financial statements	\$ 4,482	\$ 3,967
The auditing of accounts of any associate of the Company	1,915	1,909
Total audit fees	6,397	5,876
Audit related fees	420	5
Other services		
Taxation services	494	110
Other fees	4	4
Total fees	\$ 7,315	\$ 5,995

"Audit Fees" include fees for professional services related to the respective fiscal year, irrespective of the period in which these services are rendered or billed, related to the audit of our financial statements. For fiscal years 2024 and 2023, audit fees included fees for the audits of our annual financial statements filed on Form 10-K and our Annual Report prepared under IFRS for each of the fiscal years 2024 and 2023. Audit Fees also include fees relating to the performance of statutory audits at certain of our non-U.S. subsidiaries.

"Audit related fees" represent fees incurred in 2024 and 2023 for professional services and expenses relating to the reviews of our quarterly financial statements filed on Form 10-Q for the quarters ended March 31, 2023 through September 30, 2024 and audit work performed in connection with the Company's Bond Offering performed in May 2024, along with the Company's S-8 Filing in January 2025.

"Tax Fees" include fees for professional services rendered and expenses incurred during the respective fiscal year, irrespective of the period in which these services are rendered or billed, related to tax planning, tax consulting, and tax compliance.

"All Other Fees" represent fees billed to us for subscriptions to the Deloitte accounting research tool.

No other professional services were rendered or fees were billed by Deloitte LLP or their affiliates related to the years ended December 31, 2024 or 2023.

27. Related Party Transactions

Director remuneration

Refer to the Directors' Remuneration Report included elsewhere in this Report for details of the amount of remuneration paid to or receivable by our directors for their services rendered to us.

We have adopted a compensation policy with respect to our non-executive directors. Pursuant to that policy, our directors receive an annual cash fee of \$100 thousand. We also provide the Chairman of the Board with an incremental annual retainer equal to \$140 thousand cash, for a total retainer to the Chairman of \$240 thousand. In addition, we provide committee membership and committee chair fees as part of our non-executive director compensation. Annually, Audit Committee members receive a fee of \$10 thousand, Compensation Committee members receive a fee of \$9 thousand, Nominating & Corporate Governance members receive a fee of \$7.5 thousand, and Finance members and Growth & Innovation Committee non-executive members receive a fee of \$5.0 thousand. Non-executive Chairs of committees also receive the following incremental annual fees: \$16 thousand for the Audit Committee, \$12 thousand for the Compensation Committee, \$8.5 thousand for the Nominating & Governance Committee and \$7.5 thousand for the Finance and the Growth & Innovation Committees. We also provide a \$5 thousand fee to Board members each time he or she attends meetings held in the U.K. and reimburse our directors for reasonable out-of-pocket expenses incurred in connection with their service on the Board and committees thereof.

Furthermore, our director compensation policy provides that each new non-executive director elected or appointed to the Board is granted an initial RSU award with a grant-date fair value of approximately \$175 thousand, pro-rated for the period of service between the time of appointment and the next annual general shareholders meeting. Upon re-election, all non-executive directors receive an RSU award equal to a grant-date fair value of approximately \$175 thousand.

The aggregate amount of fees paid to or receivable by our non-executive directors in respect of qualifying services to us for both years ended December 31, 2024 and 2023 was approximately \$2.9 million and \$2.4 million, respectively. This includes approximately \$1.4 million and \$1.1 million, respectively, in share-based compensation expense. None of our non-employee directors are accruing retirement benefits.

Key executive officer remuneration

We establish compensation policies for our executive officers to align compensation with our strategic goals and our growth objectives while concurrently providing competitive compensation that enables us to attract and retain highly qualified executives. Components of compensation consist of varying items including: (i) cash compensation in the form of base salary and annual incentive bonuses which collectively constitute the executive's total annual cash compensation; (ii) equity compensation in the form of options and restricted securities pursuant to the 2010 Equity Incentive Plan; and (iii) retirement and other benefits through participation in our pension plans, 401(k) plan, and other health and welfare programs.

Compensation to our key executive officers (in aggregate) is presented below.

Fiscal Year	Salary (\$)	Bonus (\$) ⁽¹⁾	Stock Awards (\$) ⁽²⁾	Option Awards (\$) ⁽³⁾	Change in Pension Value (\$)	All Other Compensation (\$) ⁽⁴⁾	Total (\$)
2024	3,353	3,145	10,275	569	—	137	17,479
2023	3,157	666	7,170	16	—	170	11,179

- (1) Represents the annual incentive bonus and discretionary bonus awarded to each key executive officer in the fiscal years ended December 31, 2024 and 2023.
- (2) Represents the expense recorded for restricted securities in the years ended December 31, 2024 and 2023. See *Note 4: Share-Based Compensation* for further discussion of the relevant assumptions used in calculating the grant date fair value.
- (3) Represents the expense recorded for option awards in the years ended December 31, 2024 and 2023, computed in accordance with IFRS 2, using the assumptions detailed in *Note 4: Share-Based Compensation*.
- (4) Includes amounts for financial and legal counseling, insurance premium contributions, contributions to 401(k) plans, and anniversary awards.

28. Financial Instruments

The below table represents a summary of the financial instruments we hold at December 31, 2024 and 2023:

	Note	As of December 31,	
		2024	2023
Financial assets measured at amortized cost:			
Cash and cash equivalents ⁽¹⁾	21	\$ 593,670	\$ 508,104
Trade accounts receivable ⁽¹⁾⁽⁵⁾	25	\$ 660,180	\$ 744,129
Financial assets measured at fair value through profit or loss:			
Derivative assets (non-designated) ⁽²⁾⁽³⁾	19	\$ 1,943	\$ 1,598
Equity investments without a readily determinable fair value ⁽³⁾	18	\$ 6,094	\$ 3,447
Other equity investments ⁽³⁾	18	\$ 13,738	\$ 19,497
Debt investments ⁽³⁾	18	\$ —	\$ —
Financial liabilities measured at amortized cost:			
Trade accounts payable		\$ 362,186	\$ 482,301
Long-term borrowings ⁽⁴⁾		\$ 3,176,379	\$ 3,374,862
Present value of lease liabilities and other financing obligations ⁽⁴⁾	14,17	\$ 82,574	\$ 66,966
Financial liabilities measured at fair value through profit or loss:			
Derivative liabilities (non-designated) ⁽²⁾⁽³⁾	19	\$ 7,850	\$ 1,239

- (1) Amount presented directly on the consolidated statements of financial position.
- (2) Assets and liabilities related to derivatives that are hedged in accordance with IAS 39 are recorded at fair value through other comprehensive income per that guidance.
- (3) Refer to table below for reconciliation to the consolidated statements of financial position. The balances at December 31, 2024 and 2023 are held at fair value in accordance with IFRS 9.

- (4) Includes current and long-term portion, net of discounts, premium, and borrowing costs. Refer to *Note 14: Borrowings* for reconciliation to the consolidated statements of financial position.
- (5) Refer to *Note 25: Accounts Receivable, Net* for information related to the lifetime expected credit losses related to trade receivables.

Changes in long-term borrowings arising from financing activities

Long-term borrowings, net of discounts, premium, and borrowing costs as of December 31, 2024 and 2023 were \$3,176.4 million and \$3,374.9 million, respectively. The vast majority of changes in these balances arise from cash flow activities. Non-cash changes to this balance result from the amortization of previously recognized discounts, premiums, and borrowing costs. For the years ended December 31, 2024 and 2023, we amortized \$6.0 million and \$7.1 million of borrowing costs, respectively. Refer to *Note 14: Borrowings* for additional information.

Reconciliation to consolidated statements of financial position

The table below presents a reconciliation of our financial assets and liabilities to the consolidated statements of financial position as of December 31, 2024 and 2023.

	Note	As of December 31,	
		2024	2023
Prepaid expenses and other current assets:			
Derivative assets (non-designated)		\$ 1,870	\$ 1,455
Derivative assets (designated)	19	15,717	25,176
Other ⁽¹⁾		140,511	109,459
Total prepaid expenses and other current assets ⁽¹⁾		<u>\$ 158,098</u>	<u>\$ 136,090</u>
Other assets:			
Derivative assets (non-designated)	19	\$ 73	\$ 143
Derivative assets (designated)	19	2,936	3,554
Equity investments without a readily determinable fair value ⁽²⁾	18	6,094	3,447
Other equity investments	18	13,738	19,497
Debt investments	18	—	—
Other		67,401	51,680
Total other assets		<u>\$ 90,242</u>	<u>\$ 78,321</u>
Accrued expenses and other current liabilities:			
Derivative liabilities (non-designated)		\$ 5,730	\$ 1,163
Derivative liabilities (designated)	19	17,018	6,746
Other ⁽¹⁾		252,256	254,638
Total accrued expenses and other current liabilities ⁽¹⁾	12	<u>\$ 275,004</u>	<u>\$ 262,547</u>
Other long-term liabilities:			
Derivative liabilities (non-designated)	19	\$ 360	\$ 76
Derivative liabilities (designated)	19	4,042	1,806
Other		28,150	32,237
Total other long-term liabilities		<u>\$ 32,552</u>	<u>\$ 34,119</u>

⁽¹⁾ Amounts at December 31, 2022 has been adjusted to reflect measurement period adjustments made in the year ended December 31, 2023 relating to acquisitions that occurred in the year ended December 31, 2022. Refer to *Note 29: Acquisitions and Divestitures* and *Note 2: Significant Accounting Policies* for additional information.

⁽²⁾ Includes investments in equity of companies that are not traded and for which fair market value is not readily determinable.

Credit risk

Refer to *Note 24: Financial Risk Management Objectives and Policies* for information regarding credit risk related to our financial instruments. The maximum exposure to credit risk at December 31, 2023 is the carrying value of each financial asset listed. Each of our financial assets are considered to have low credit risk.

29. Divestitures

Insights Business

In August 2024, we executed a purchase agreement whereby we agreed to sell the Insights Business to an affiliate of Balmoral Funds ("the Buyer"). The closing of the transaction ("Closing") occurred in the third quarter of 2024, at which time net assets of approximately \$263.4 million (which included approximately \$247.0 million of intangible assets, net of accumulated amortization) transferred to the Buyer. The total purchase price of the Insights Business was \$165.0 million, with approximately \$155.0 million before adjustments received and \$10.0 million to be received twelve months after Closing. For the year ended December 31, 2024, we recognized a loss on sale of approximately \$63.2 million presented in restructuring and other charges, net in our condensed consolidated statements of operations, and approximately \$11.2 million of transaction-related expenses, which were presented in selling, general and administrative ("SG&A") in our condensed consolidated statements of operations.

Concurrent with the closing, the parties entered into a Transition Services Agreement ("TSA") and a Supply Agreement. The terms of the TSA require that we provide various forms of commercial, operational, and back-office support to the Buyer for two to nine months, depending on the service, with the option to extend support services for one to six months for certain services. The Supply Agreement commenced at Closing and has a term of five years or less. The terms of this agreement require that we sell certain tire pressure monitoring system products to the Buyer over the term of the agreement. Upon Closing, we recognized a liability of \$8.4 million related to this obligation. As of December 31, 2024 the remaining balance of this liability was \$7.3 million, included in accrued expenses and other current liabilities, and other long-term liabilities on our condensed consolidated balance sheets.

For the year ended December 31, 2024 and 2023, the Insights Business was included in Other. Refer to *Note 1: General Information* and *Note 20: Segment Reporting* included elsewhere in this Report for additional information on the segment realignment.

Magnetic Speed and Position Business ("MSP Business")

In November 2024, we executed a purchase agreement whereby we agreed to sell the MSP Business to a third party. As of December 31, 2024, the assets and liabilities to be sold include net assets of \$20.6 million included in prepaid expenses and other current assets, \$15.6 million included in other assets, and \$8.5 million of liabilities included in accrued expenses and other current liabilities on our Consolidated Balance Sheets. We expect to complete the disposition of the MSP Business during the first half of 2025.

30. Other Operating Income, Net

The following table presents the components of other operating income, net in our consolidated statements of operations for the years ended December 31, 2024 and 2023.

	For the year ended December 31,	
	2024	2023
Loss on sale of business ⁽¹⁾	\$ (74,007)	\$ 5,877
Total other operating income, net	\$ (74,007)	\$ 5,877

⁽¹⁾ Loss on sale of business primarily relates to the sale of the Insights Business. Refer to *Note 29: Divestitures* for additional information.

31. Post Balance Sheet Events

On April 6, 2025, the Company experienced a ransomware incident that has encrypted certain devices in the Company's network. Upon discovery, Sensata immediately activated its response protocols, implemented containment measures, including proactively taking its network offline, and launched an investigation with the assistance of third-party cybersecurity professionals. In coordination with legal counsel, the Company has notified law enforcement about the matter and is supporting its investigation.

The incident temporarily impacted Sensata's operations, including shipping, receiving, manufacturing production, and various other support functions. While the Company implemented interim measures to allow for the restoration of certain functions, the timeline for a full restoration is not yet known. The preliminary investigation has identified evidence that files were taken from the Company's environment. The Company is working to identify and review the files involved and will take additional actions as appropriate based on its review, including notifying individuals and regulatory authorities in accordance with applicable law.

As of the date of these financial statements, Sensata does not expect this incident to have a material impact on the Company's financial results and operations; however, the full scope and impact of this incident is not yet known and could result in a future determination that the incident will be material to the Company's financial statements and results of operations.

Sensata Technologies Holding plc

Registered company number 10900776

Company Financial Statements

For the Year Ended

December 31, 2024

SENSATA TECHNOLOGIES HOLDING PLC (Registered company number 10900776)
(Parent Company Only)
Statement of Financial Position
(In thousands, except per share amounts)

	Note	December 31, 2024	December 31, 2023
Assets			
Non-current assets:			
Investment in subsidiaries	2,5	\$ 1,434,711	\$ 1,396,584
Non-current deferred tax assets	4	173	99
Redeemable preference shares	2,12	4,250,000	4,250,000
Total non-current assets		5,684,884	5,646,683
Current assets:			
Debtors due within one year	6	18,783	148,449
Cash at bank and in hand		316	328
Prepaid expenses and other current assets		1,367	1,990
Total current assets		20,466	150,767
Creditors: amounts falling due within one year	7	159,880	12,515
Net current (liabilities)/assets		(139,414)	138,252
Total assets less current liabilities		\$ 5,545,470	\$ 5,784,935
Creditors: amounts falling due in more than one year		\$ —	\$ 112,598
Capital and reserves			
Ordinary shares fully paid up	8	\$ 2,257	\$ 2,249
Retained earnings - distributable		3,534,220	3,636,524
Retained earnings - undistributable	8	3,195,626	3,155,914
Merger reserve		1,834	1,834
Share premium		93,584	88,976
Treasury shares		(1,282,051)	(1,213,160)
Total shareholders' funds		5,545,470	5,672,337
Total liabilities plus shareholders' funds		\$ 5,545,470	\$ 5,784,935

The accompanying notes are an integral part of these financial statements.

Reviewed and approved by the Board of Directors and signed on their behalf by:

/s/ Constance E. Skidmore

Name: Constance E. Skidmore
Title: Director, Chair of the Audit Committee
Date: April 17, 2025

/s/ Stephan von Schuckmann

Name: Stephan von Schuckmann
Title: Chief Executive Officer, and Director
Date: April 17, 2025

SENSATA TECHNOLOGIES HOLDING PLC
(Parent Company Only)
Statement of Changes in Shareholders' Equity
(In thousands)

	Note	Ordinary Shares	Retained Earnings - Distributable	Retained Earnings - Undistributable	Merger Reserve	Share Premium	Treasury Shares	Total Shareholders' Funds	Total Comprehensive Income
Balance as of December 31, 2022		2,242	3,729,649	3,124,143	1,834	83,550	(1,124,713)	5,816,705	
Net loss for the period	3	—	(9,297)	—	—	—	—	(9,297)	
Vesting of restricted securities		8	(8)	—	—	—	—	—	
Surrender of shares for tax withholding		—	—	—	—	—	(12,280)	(12,280)	
Other retirements of treasury shares		(3)	(12,277)	—	—	—	12,280	—	
Cash dividends paid	8	—	(71,543)	—	—	—	—	(71,543)	
Repurchase of ordinary shares	8	—	—	—	—	—	(88,447)	(88,447)	
Share-based compensation (subsidiaries)	5	—	—	30,351	—	—	—	30,351	
Share-based compensation	8,11	—	—	1,429	—	—	—	1,429	
Tax effect of windfall related to share-based compensation		—	—	(9)	—	—	—	(9)	
Options exercised	8	2	—	—	—	5,426	—	5,428	
Total comprehensive loss									\$ (9,297)
Balance as of December 31, 2023		\$ 2,249	\$ 3,636,524	\$ 3,155,914	\$ 1,834	\$ 88,976	\$(1,213,160)	\$ 5,672,337	
Net (loss)/income for the period	3		(18,426)					(18,426)	
Vesting of restricted securities		10	(10)	—	—	—	—	—	
Surrender of shares for tax withholding		—	—	—	—	—	(11,661)	(11,661)	
Other retirements of treasury shares		(3)	(11,658)	—	—	—	11,661	—	
Cash dividends paid	8	—	(72,210)	—	—	—	—	(72,210)	
Repurchase of ordinary shares	8	—	—	—	—	—	(68,891)	(68,891)	
Share-based compensation (subsidiaries)	5	—	—	38,175	—	—	—	38,175	
Share-based compensation	8,11	—	—	1,537	—	—	—	1,537	
Tax effect of windfall related to share-based compensation		—	—	—	—	—	—	—	
Options exercised	8	1	—	—	—	4,608	—	4,609	
Total comprehensive (loss)/income									\$ (18,426)
Balance as of December 31, 2024		\$ 2,257	\$ 3,534,220	\$ 3,195,626	\$ 1,834	\$ 93,584	\$(1,282,051)	\$ 5,545,470	

In the year ended December 31, 2022, we paid out three quarterly dividends at \$0.11 per share, for a total dividend per share of \$0.33 for the full year. In the year ended December 31, 2023, we paid one quarterly dividend at \$0.11 per share and three quarterly dividends at \$0.12 per share, for a total dividend per share of \$0.47 for the full year. In the year ended December 31, 2024, we paid four quarterly dividends at \$0.12 per share, for a total dividend per share of \$0.48 for the full year.

The accompanying notes are an integral part of these condensed financial statements.

SENSATA TECHNOLOGIES HOLDING PLC
NOTES TO COMPANY FINANCIAL STATEMENTS
(In thousands of U.S. dollars)

1. Corporate Information

Sensata Technologies Holding plc (the "Company," also referred to as "Sensata plc," "we," "our," and "us") is a public limited company incorporated under the laws of England and Wales on 4 August 2017, under registration company number 10900776. Our ordinary shares trade on the New York Stock Exchange under the symbol "ST." The address of our registered office is Interface House, Interface Business Park, Bincknoll Lane, Royal Wootton Bassett, Swindon, Wiltshire, SN4 8SY, United Kingdom.

All United States ("U.S.") dollar amounts presented except per share amounts are stated in thousands, unless otherwise indicated.

Statement of compliance with FRS 101

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") and in accordance with applicable accounting standards, and as applied in accordance with section 838 of the U.K. Companies Act 2006. These financial statements were authorized for issuance in accordance with a resolution of the Board of Directors of Sensata plc on April 17, 2025.

Seasonality

We are not materially impacted by seasonality.

Group operations

We conduct limited separate operations and act primarily as a holding company. We have no direct outstanding debt obligations. However, Sensata Technologies B.V., an indirect, wholly-owned subsidiary of Sensata plc, is limited in its ability to pay dividends or otherwise make other distributions to its immediate parent company and, ultimately, to us, under its senior secured credit facilities and the indentures governing its senior notes. For a discussion of the borrowing obligations of the subsidiaries of Sensata plc, see *Note 14: Borrowings* of the group audited consolidated financial statements (the "Consolidated Financial Statements") included elsewhere in this Report.

2. Significant Accounting Policies

Basis of preparation

The accounting policies set out in *Note 2: Significant Accounting Policies* to the Consolidated Financial Statements have, unless otherwise stated, been applied in the preparation of the Company financial statements.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- (a) The requirements of IFRS 7 *Financial Instruments: Disclosures*;
- (b) The requirements of paragraphs 91-99 of IFRS 13 *Fair Value Measurements*;
- (c) The requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1 *Presentation of Financial Statements*;
- (d) The requirements of paragraphs 45(b) and 46 through 52 of IFRS 2 *Share-Based Payments*;
- (e) The requirements of paragraph 17 of IAS 24 *Related Party Disclosures*;
- (f) The requirements of paragraphs 10(d) and 10(f) of IAS 1 *Presentation of Financial Statements*; and
- (g) The requirements of IAS 7 *Statement of Cash Flows*.

Judgments and key sources of estimations

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

There are no judgments that have had a significant effect on amounts recognized in the financial statements. There are also no estimates dependent upon assumptions which could change in the next financial year and have a material effect on the carrying amounts of assets and liabilities recognized at the statement of financial position date.

Going concern

The Board of Directors has considered the Company's financial position and sources of liquidity as described in *Note 2: Significant Accounting Policies* to the Consolidated Financial Statements, along with the various risks and uncertainties involved in operating a business, as part of its assessment of the Company's ability to continue as a going concern. In addition, the Board reviewed management's projected cash flow analysis, including sensitivities, through June 30, 2026, which concluded that the Company would have sufficient cash on hand throughout the period to June 30, 2026.

Based on the foregoing assessment, at the time of approving the financial statements, the Board had a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence throughout the period to June 30, 2026. As a result, the Board agrees that the Company and the Group continue to adopt the going concern basis of accounting in preparing the financial statements.

Investment in subsidiaries

We account for investment in subsidiaries at cost less impairment, if any, in accordance with IAS 27 *Separate Financial Statements*.

Income tax

We measure our current income tax assets and liabilities at the amount expected to be recovered from or paid to the taxation authorities based on tax rates and laws that are enacted or substantively enacted at the reporting date.

We recognize deferred taxes in respect of all timing differences that have originated but not reversed at the reporting date. However, the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred taxes are not provided in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred income tax assets are recognized only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilized.

Currency

Our functional currency is the U.S. dollar because of the significant influence of the U.S. dollar on our operations.

Foreign currencies

Transactions denominated in foreign currencies are translated into U.S. dollars at the exchange rate on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate ruling on the statement of financial position date with resulting gains and losses recognized in the profit and loss account.

Employees

Sensata plc had 7 and 5 employees as of December 31, 2024 and 2023 respectively.

3. Earnings

Net loss of Sensata plc for the years ended December 31, 2024 and 2023 was \$(18.4) million and \$(9.3) million, respectively.

4. Income Taxes

Benefit from income taxes

Benefit from income taxes for the years ended December 31, 2024 and 2023 were as follows:

	For the year ended December 31,	
	2024	2023
Current tax expense:		
Current year	\$ (5,750)	\$ (2,599)
Prior year	50	24
Deferred tax expense:		
Origination and reversal of temporary differences	(71)	27
Total	<u>\$ (5,771)</u>	<u>\$ (2,548)</u>

Effective tax rate reconciliation

The principal reconciling items from income tax computed at the U.K. statutory tax rate of 25% and 23.5% for the years ended December 31, 2024 and 2023, respectively, were as follows:

	For the year ended December 31,	
	2024	2023
Income on ordinary activities before tax	\$ (24,197)	\$ (11,869)
Income on ordinary activities multiplied by standard rate of corporation tax in U.K. of 25% and 23.5%	\$ (6,049)	\$ (2,789)
Benefit related to prior year	50	24
Other	228	217
Benefit from income taxes	<u>\$ (5,771)</u>	<u>\$ (2,548)</u>

Deferred income tax assets

Deferred tax assets recognized at December 31, 2024 and 2023 relate to share-based compensation. Movements in deferred tax assets in the period was as follows:

	For the year ended December 31,	
	2024	2023
Beginning Balance	\$ 99	\$ 220
Amounts recognized in net income	71	(121)
Change in intrinsic value of equity compensation	3	—
Ending Balance	<u>\$ 173</u>	<u>\$ 99</u>

5. Investment in Subsidiaries

We account for investment in subsidiaries, which relates to our wholly-owned subsidiary Sensata Technologies Intermediate UK Limited (“STIHUK”), at cost in accordance with IAS 27 *Separate Financial Statements*. The Company’s subsidiary undertakings are shown in *Note 2: Significant Accounting Policies* to the Consolidated Financial Statements.

The following table presents a rollforward of investments in subsidiaries for the years ended December 31, 2024 and 2023:

	For the year ended December 31,	
	2024	2023
Beginning Balance	\$ 1,396,584	\$ 1,366,233
Share-based compensation (subsidiaries) and other	38,127	30,351
Ending Balance	<u>\$ 1,396,622</u>	<u>\$ 1,396,584</u>

6. Debtors

<i>Due within one year</i>	Note	December 31, 2024	December 31, 2023
Notes receivable from group companies	9	\$ 477	\$ 135,480
Accounts receivable from group companies		18,306	12,969
Total		<u>\$ 18,783</u>	<u>\$ 148,449</u>

Accounts and notes receivables are reduced, if necessary, by an allowance for losses on receivables. The allowance for losses on receivables reflects an estimate of lifetime expected credit losses on our receivables in accordance with IFRS 9. We estimate the lifetime expected credit losses on the basis of specifically identified receivables that are evaluated individually for impairment and a statistical analysis of the remaining receivables determined by reference to past default experience. We consider the need to adjust historical information to reflect the extent to which we expect current conditions and reasonable forecasts to differ from the conditions that existed for the historical period considered.

We have not experienced losses on receivables with group companies and we do not expect to experience any such losses. As a result, we have not recorded an allowance for losses on receivables from group companies.

7. Creditors

<i>Due within one year</i>	Note	December 31, 2024	December 31, 2023
Trade creditors		\$ 437	\$ 694
Amounts due to group companies	9	155,457	9,117
Accruals		3,986	2,704
Total		<u>\$ 159,880</u>	<u>\$ 12,515</u>

8. Share Capital

Cash Dividends

In the year ended December 31, 2024, we paid four quarterly dividends totaling \$0.48 per share, or \$72.2 million in the aggregate. In the year ended December 31, 2023, we paid four quarterly dividends totaling \$0.47 per share, or \$71.5 million in the aggregate. In the year ended December 31, 2022, we paid three quarterly dividends totaling \$0.33 per share, or \$51.1 million in the aggregate.

On January 24, 2025, we announced that the Board of Directors had authorized a quarterly dividend in the amount of \$0.12 per share, payable to shareholders of record as of February 12, 2025. On February 26, 2025, we paid these shareholders \$16.8 million in the aggregate.

Ordinary shares

We have authorized 177,069,000 ordinary shares, €0.01 nominal value per share. Our ordinary shares allotted, called up, and fully paid as of December 31, 2024 and 2023 were as follows:

<i>Ordinary Shares</i>	Number	Value ('000)
2024	176,541,000	\$ 2,257
2023	175,832,000	\$ 2,249

The change in ordinary shares in the year ended December 31, 2024 includes an increase of 118 thousand shares related to option exercises, an increase of 912 thousand shares related to vesting of restricted securities, and a decrease of 321 thousand shares related to a surrender of shares for tax withholdings. Refer to *Note 4: Share-Based Compensation* to the Consolidated Financial Statements for further information.

During the year ended December 31, 2024, we incurred share-based compensation expense of approximately \$1.4 million related to awards to our directors.

Retained earnings - distributable

On March 28, 2018, a cross-border merger (the "Merger") was completed between Sensata Technologies Holding N.V. ("Sensata N.V.") and Sensata plc, upon which we recognized a non-distributable merger reserve of approximately \$2.6 billion. In order to create distributable reserves to enable us to undertake distributions to shareholders, we capitalized approximately \$2.6 billion of the merger reserve through the bonus issue of a fully paid up deferred share with a nominal value of approximately \$2.6 billion.

On May 15, 2018, the U.K. High Court of Justice approved a capital reduction to cancel the deferred bonus share and the €57,100 of redeemable preference shares, creating distributable profits of approximately \$2.6 billion. Refer to the statements of changes in shareholders' equity for additional activity in the distributable profits of Sensata plc.

Retained earnings - undistributable

On March 13, 2018, Sensata plc incorporated a new wholly owned subsidiary, STIHUK, which was incorporated with a single ordinary share of \$1.00. On March 28, 2018, the Merger was completed, upon which we determined that the assets and liabilities of Sensata N.V. were transferred to Sensata plc at historical cost. On the date of the Merger, we recognized an investment in Sensata Technologies Intermediate Holding B.V. ("STIHV") of approximately \$2.5 billion.

On April 12, 2018, the Company sold 50% of its investment in STIHV to STIHUK in exchange for 4.25 billion \$1.00 redeemable preference shares, which are repayable on demand from STIHUK. The redeemable preference shares represent a financial asset which was recognized initially at its fair value of \$4.25 billion. Refer to *Note 12: Redeemable Preference Shares* for additional information related to these financial assets. This sale resulted in an approximately \$3.0 billion gain, that was unrealized in accordance with Technical Release 02/17BL *Guidance on Realised and Distributable Profits under the Companies Act 2006*, paragraph 9.28, and is therefore undistributable. Refer to the statements of changes in shareholders' equity for additional activity in the undistributable profits of Sensata plc.

Merger reserve

The merger reserve represents the amount of equity recorded as a result of the Merger.

Treasury shares

Ordinary shares repurchased by us are recognized, measured at cost, and presented as treasury shares on our consolidated statements of financial position, resulting in a reduction of shareholders' equity. Refer to statement of changes in shareholders' equity for number of shares held as treasury shares as of December 31, 2024 and 2023.

From time to time, our Board of Directors has authorized various share repurchase programs. Under these programs, we may repurchase ordinary shares at such times and in amounts to be determined by our management, based on market conditions, legal requirements, and other corporate considerations, on the open market or in privately negotiated transactions, provided that such transactions were completed pursuant to an agreement and with a third party approved by our shareholders at the AGM. The authorized amount of our various share repurchase programs may be modified or terminated by our Board of Directors at any time.

During the year ended December 31, 2024, we repurchased approximately 1.9 million ordinary shares (nominal value of €19 thousand) for a total purchase price of \$68.9 million (an average price of \$36.19 per share), under the September 2023 Program. During the year ended December 31, 2023, we repurchased approximately 0.8 million ordinary shares under the September 2023 Program for \$28.1 million (an average price of \$33.83 per share). As of December 31, 2024, approximately \$403.0 million remained available under the September 2023 Program.

9. Interest Bearing Borrowings

We have no direct outstanding interest bearing borrowings as of December 31, 2024. Our indirect wholly-owned subsidiary, Sensata Technologies B.V., is limited in its ability to pay dividends or otherwise make any distributions to us, except for limited purposes, due to certain restrictions imposed by its borrowings. For a discussion of the borrowings of our subsidiaries and the related restrictions, see *Note 14: Borrowings* to the Consolidated Financial Statements.

Intercompany interest expense relates to amounts due to group companies as disclosed in *Note 7: Creditors*. These borrowings were made to complete the share repurchases as discussed in *Note 8: Share Capital*.

10. Auditors Remuneration

Refer to *Note 26: Auditors Remuneration* of the Consolidated Financial Statements for the aggregate fees payable to Deloitte LLP and its affiliates for professional services rendered for us for the years ended December 31, 2024 and 2023.

11. Director Remuneration

We paid approximately \$2.9 million and \$2.4 million in compensation to our non-executive directors during the years ended December 31, 2024 and 2023 respectively, including approximately \$1.4 million and \$1.1 million, respectively, in share-based compensation expense.

12. Redeemable Preference Shares

On April 12, 2018, we sold 50% of our investment in STIHBV to STIHUK in exchange for 4.25 billion \$1.00 redeemable preference shares, which are repayable on demand from STIHUK.

The redeemable preference shares are immediately redeemable at par at the option of Sensata Technologies Intermediate Holding Limited or Sensata plc, they are accounted for as a financial asset, as they represent an option or potential for us to receive cash or another financial asset. Accordingly, it is carried at its fair value of \$4.25 billion (4.25 billion shares at \$1.00 par value per share).

In accordance with the guidance in IFRS 9 *Financial Instruments*, this financial asset has been classified at fair value through profit or loss. As of December 31, 2024, the characteristics (number, par value, redemption feature) of the redeemable preference shares have not changed, and as a result, the fair value has not changed, and no gain or loss on this investment has been recorded through the statement of operations.