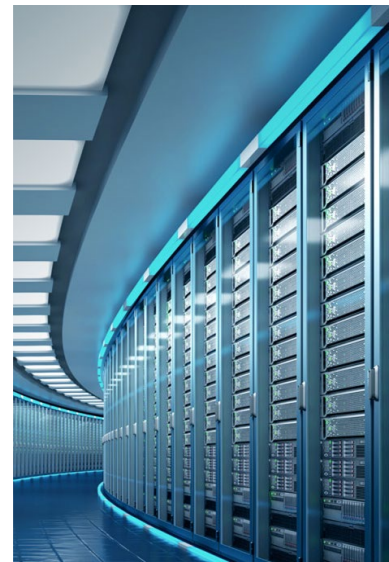
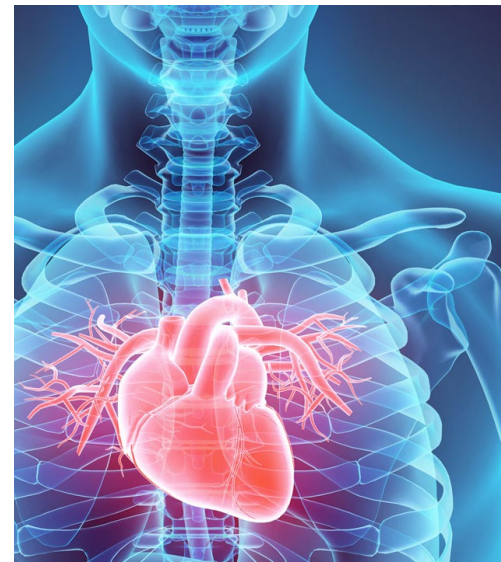


# TE Connectivity First Quarter 2023 Earnings

January 25, 2023

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# Forward-Looking Statements and Non-GAAP Financial Measures

## Forward-Looking Statements

This presentation contains certain "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. These statements are based on management's current expectations and are subject to risks, uncertainty and changes in circumstances, which may cause actual results, performance, financial condition or achievements to differ materially from anticipated results, performance, financial condition or achievements. All statements contained herein that are not clearly historical in nature are forward-looking and the words "anticipate," "believe," "expect," "estimate," "plan," and similar expressions are generally intended to identify forward-looking statements. We have no intention and are under no obligation to update or alter (and expressly disclaim any such intention or obligation to do so) our forward-looking statements whether as a result of new information, future events or otherwise, except to the extent required by law. The forward-looking statements in this presentation include statements addressing our future financial condition and operating results, and the impact on our operations resulting from the coronavirus disease 2019 ("COVID-19"). Examples of factors that could cause actual results to differ materially from those described in the forward-looking statements include, among others, the extent, severity and duration of COVID-19 negatively affecting our business operations; business, economic, competitive and regulatory risks, such as conditions affecting demand for products in the automotive and other industries we serve; competition and pricing pressure; fluctuations in foreign currency exchange rates and commodity prices; natural disasters and political, economic and military instability in countries in which we operate, including continuing military conflict between Russia and Ukraine resulting from Russia's invasion of Ukraine or escalating tensions in surrounding countries; developments in the credit markets; future goodwill impairment; compliance with current and future environmental and other laws and regulations; and the possible effects on us of changes in tax laws, tax treaties and other legislation, including the effects of Swiss tax reform. In addition, the extent to which COVID-19 will impact our business and our financial results will depend on future developments, which are highly uncertain and cannot be predicted. Such developments may include the geographic spread of the virus, the severity of the virus, the duration of the outbreak, the impact on our suppliers' and customers' supply chains, the actions that may be taken by various governmental authorities in response to the outbreak in jurisdictions in which we operate, and the possible impact on the global economy and local economies in which we operate. More detailed information about these and other factors is set forth in TE Connectivity Ltd.'s Annual Report on Form 10-K for the fiscal year ended Sept. 30, 2022 as well as in our Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other reports filed by us with the U.S. Securities and Exchange Commission.

## Non-GAAP Financial Measures

Where we have used non-GAAP financial measures, reconciliations to the most comparable GAAP measure are provided, along with a disclosure on the usefulness of the non-GAAP financial measure, in this presentation.

# Earnings Highlights

## Q1 Sales & Adjusted EPS Exceeded Guidance

- Sales of \$3.8B, up 1% reported, up 8% organically Y/Y
  - Transportation up 14% organically Y/Y, primarily driven by Automotive
  - Industrial up 7% organically Y/Y, with growth in all businesses
  - Communications down 11% organically Y/Y, with weakness in end markets
  - Sales includes ~\$300M of currency exchange headwinds Y/Y
- Orders of \$3.6B, with continued strong Backlog position
- Adjusted Operating Margins as expected at 16.2%, Adjusted EPS of \$1.53
  - Adjusted EPS results include ~\$0.25 of FX and Tax headwinds Y/Y
- Strong Free Cash Flow of ~\$400M; ~\$410M returned to shareholders
- TE named to the Dow Jones Sustainability Index for the 11<sup>th</sup> consecutive year

## Q2 Guidance

- Expect Q2 Sales of ~\$3.9B and Adjusted EPS ~\$1.57
  - Sales down 3% on a reported basis and up 2% organically Y/Y
  - FX headwind impacting Sales by ~\$165M and EPS by ~\$0.11 Y/Y
- Portfolio positioned for long-term growth with benefits from secular trends. Driving additional structural cost reductions to improve margin performance

# Segment Orders Summary

(\$ in millions)

<u>Reported</u>	FY22	FY22	FY23	Q1 Growth	
	Q1	Q4 (13 week)	Q1	Y/Y	Q/Q
Transportation	2,158	2,327	2,154	0%	(7)%
Industrial	1,395	1,172	1,085	(22)%	(8)%
Communications	776	480	395	(49)%	(18)%
<b>Total TE</b>	<b>4,329</b>	<b>3,979</b>	<b>3,633</b>	<b>(16)%</b>	<b>(9)%</b>
<b>Book to Bill</b>	<b>1.13</b>	<b>0.98</b>	<b>0.95</b>		

- Y/Y orders trending as expected, impacted by FX, supply chain dynamics, and continued strong backlog level
- Transportation book to bill 0.95, reflecting ongoing stable demand and strong backlog levels
- Industrial book to bill 1.02, reflecting strong demand across most end markets
- Communications orders reflect market weakness and consumption of inventory across the supply chain

Orders Trending as Expected, Reflecting Y/Y Supply Chain Dynamics, Strong Backlog Levels, and Market Weakness in Communications



# Transportation Solutions

\$ in Millions

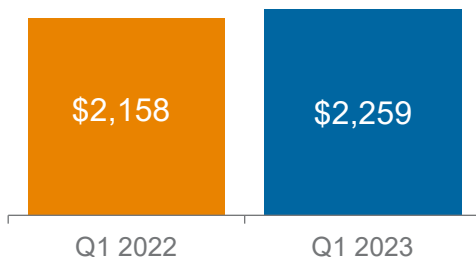
## Q1 Sales

Reported

**Up 5%**

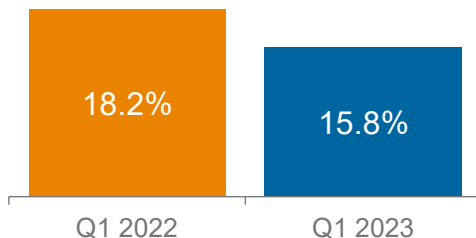
Organic

**Up 14%**



## Q1 Adjusted Operating Margin

Margins reflecting the timing of pricing actions to offset inflation



Adjusted EBITDA Margin      24.1%      20.8%

## Q1 Business Performance

Y/Y Growth Rates

**Reported**

**Organic**

Automotive	\$1,649	9%	20%
Commercial Transportation	348	(5)%	3%
Sensors	262	(4)%	3%
<b>Transportation Solutions</b>	<b>\$2,259</b>	<b>5%</b>	<b>14%</b>

- Automotive organic growth across all regions. Market outperformance driven by our leading position in electric vehicles along with electrification trends
- Commercial Transportation organic growth in North America and Europe, partially offset by declines in China
- Sensors organic growth driven by automotive applications



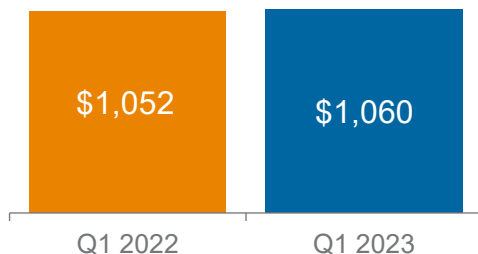
# Industrial Solutions

\$ in Millions

## Q1 Sales

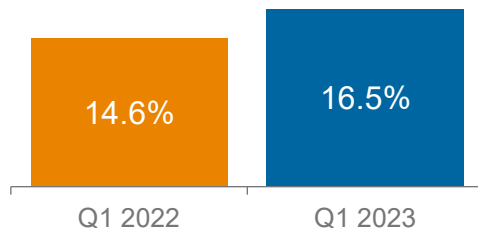
Reported  
**Up 1%**

Organic  
**Up 7%**



## Q1 Adjusted Operating Margin

Margin expansion  
driven by strong  
operational  
performance



Adjusted EBITDA Margin      19.6%      20.8%

## Q1 Business Performance

Y/Y Growth Rates

**Reported**      **Organic**

Industrial Equipment	\$434	(5)%	3%
Aerospace, Defense and Marine	264	9%	14%
Energy	189	1%	8%
Medical	173	4%	5%
<b>Industrial Solutions</b>	<b>\$1,060</b>	<b>1%</b>	<b>7%</b>

- Industrial Equipment growth driven by continued benefits from automation applications
- AD&M organic growth driven by ongoing market improvement in Commercial Aerospace
- Energy organic growth driven by North America and Europe, with continued momentum in renewable applications
- Medical organic growth with increase in interventional procedures

# Communications Solutions

\$ in Millions

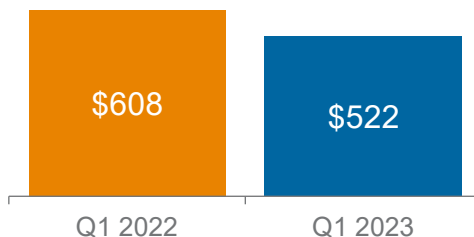
## Q1 Sales

Reported

**Down 14%**

Organic

**Down 11%**



## Q1 Business Performance

Y/Y Growth Rates

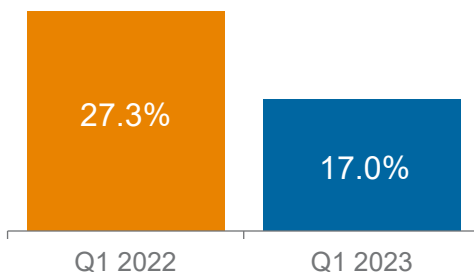
**Reported**

**Organic**

Data & Devices	\$329	(8)%	(6)%
Appliances	193	(23)%	(18)%
<b>Communications Solutions</b>	<b>\$522</b>	<b>(14)%</b>	<b>(11)%</b>

## Q1 Adjusted Operating Margin

Margin decline driven by lower volume and distribution channel mix



Adjusted EBITDA Margin	30.4%	23.0%
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- Data & Devices decline driven by broad market weakness and consumption of inventory across the supply chain
- Appliances decline driven by market moderation in all regions

# Q1 Financial Summary

(\$ in Millions, except per share amounts)

	Q1 FY22	Q1 FY23
<b>Net Sales</b>	<b>\$ 3,818</b>	<b>\$ 3,841</b>
<b>Operating Income</b>	<b>\$ 672</b>	<b>\$ 502</b>
<i>Operating Margin</i>	<i>17.6%</i>	<i>13.1%</i>
Acquisition-Related Charges	16	9
Restructuring & Other Charges, Net	24	111
<b>Adjusted Operating Income</b>	<b>\$ 712</b>	<b>\$ 622</b>
<i>Adjusted Operating Margin</i>	<i>18.6%</i>	<i>16.2%</i>
<b>Earnings Per Share*</b>	<b>\$ 1.72</b>	<b>\$ 1.25</b>
Acquisition-Related Charges	0.04	0.02
Restructuring & Other Charges, Net	0.05	0.26
Tax Items	(0.05)	-
<b>Adjusted EPS</b>	<b>\$ 1.76</b>	<b>\$ 1.53</b>

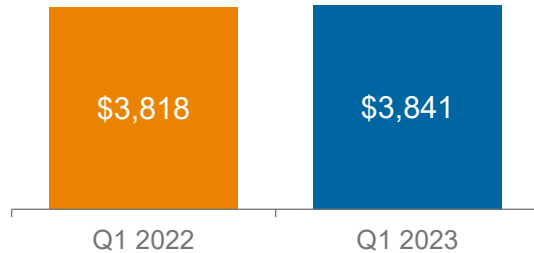
\* Represents Diluted Earnings Per Share from Continuing Operations.

Adjusted Operating Income, Adjusted Operating Margin and Adjusted EPS are non-GAAP financial measures; see Appendix for descriptions and reconciliations.

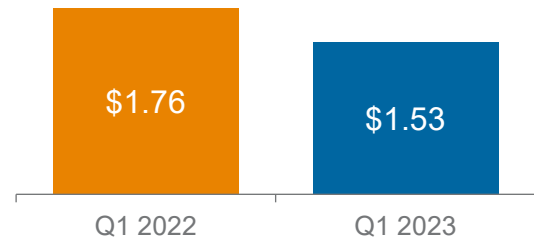
# Q1 Financial Performance

## Sales

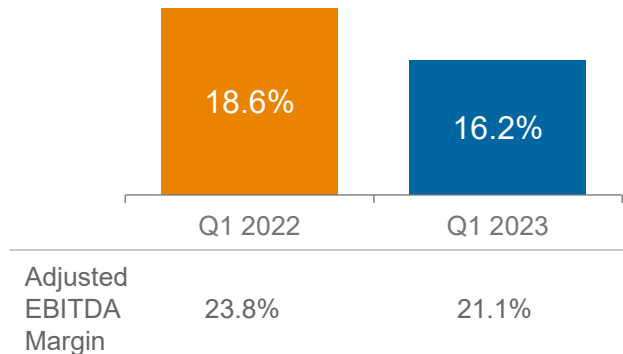
\$ in Millions



## Adjusted EPS



## Adjusted Operating Margin



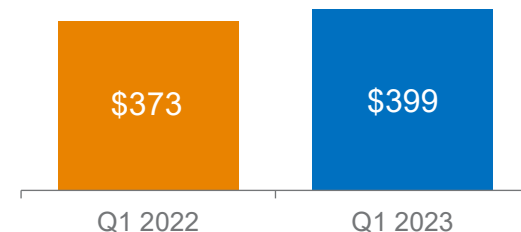
Adjusted  
EBITDA  
Margin

23.8%

21.1%

## Free Cash Flow

\$ in Millions



Y/Y Sales & EPS Performance Impacted Primarily by Currency Exchange Rates  
Y/Y Margins Also Impacted by End Market Weakness in Communications

# Additional Information

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# Y/Y Q1 2023

	Sales (in millions)	Adjusted EPS
<b>Q1 2022 Results</b>	<b>\$3,818</b>	<b>\$1.76</b>
Operational Performance	322	0.02
FX Impact	(299)	(0.21)
Tax Rate Impact	-	(0.04)
<b>Q1 2023 Results</b>	<b>\$3,841</b>	<b>\$1.53</b>

# Y/Y Q2 2023

	Sales (in millions)	Adjusted EPS
<b>Q2 2022 Results</b>	<b>\$4,007</b>	<b>\$1.81</b>
Operational Performance	58	(0.08)
FX Impact	(165)	(0.11)
Tax Rate Impact	-	(0.05)
<b>Q2 2023 Guidance</b>	<b>\$3,900</b>	<b>\$1.57</b>

# Q1 Balance Sheet & Cash Flow Summary

## Free Cash Flow and Working Capital

(\$ in Millions)	Q1 2022	Q1 2023
<b>Cash from Operating Activities</b>	\$532	\$581
Capital expenditures, net	(118)	(182)
Cash collected pursuant to collateral requirements related to cross-currency swap contracts	(41)	-
<b>Free Cash Flow</b>	<b>\$373</b>	<b>\$399</b>
<b>A/R</b>	\$2,844	\$2,910
Days Sales Outstanding*	67	68
<b>Inventory</b>	\$2,845	\$2,927
Days on Hand*	98	96
<b>Accounts Payable</b>	\$1,964	\$1,751
Days Outstanding*	69	59

## Liquidity, Cash & Debt

(\$ in Millions)	Q1 2022	Q1 2023
<b>Beginning Cash Balance</b>	\$1,203	\$1,088
<b>Free Cash Flow</b>	373	399
Dividends	(163)	(178)
Share repurchases	(304)	(287)
Net decrease in debt	(76)	(143)
Acquisition of businesses, net of cash acquired	(100)	(109)
Other	49	23
<b>Ending Cash Balance</b>	<b>\$982</b>	<b>\$793</b>
<b>Total Debt</b>	<b>\$4,003</b>	<b>\$4,218</b>

# Appendix

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# Non-GAAP Financial Measures

We present non-GAAP performance and liquidity measures as we believe it is appropriate for investors to consider adjusted financial measures in addition to results in accordance with accounting principles generally accepted in the U.S. ("GAAP"). These non-GAAP financial measures provide supplemental information and should not be considered replacements for results in accordance with GAAP. Management uses non-GAAP financial measures internally for planning and forecasting purposes and in its decision-making processes related to the operations of our company. We believe these measures provide meaningful information to us and investors because they enhance the understanding of our operating performance, ability to generate cash, and the trends of our business. Additionally, we believe that investors benefit from having access to the same financial measures that management uses in evaluating our operations. The primary limitation of these measures is that they exclude the financial impact of items that would otherwise either increase or decrease our reported results. This limitation is best addressed by using these non-GAAP financial measures in combination with the most directly comparable GAAP financial measures in order to better understand the amounts, character, and impact of any increase or decrease in reported amounts. These non-GAAP financial measures may not be comparable to similarly-titled measures reported by other companies.

The following provides additional information regarding our non-GAAP financial measures:

- **Organic Net Sales Growth (Decline)** – represents net sales growth (decline) (the most comparable GAAP financial measure) excluding the impact of foreign currency exchange rates, and acquisitions and divestitures that occurred in the preceding twelve months, if any. Organic Net Sales Growth (Decline) is a useful measure of our performance because it excludes items that are not completely under management's control, such as the impact of changes in foreign currency exchange rates, and items that do not reflect the underlying growth of the company, such as acquisition and divestiture activity. This measure is a significant component in our incentive compensation plans.
- **Adjusted Operating Income and Adjusted Operating Margin** – represent operating income and operating margin, respectively, (the most comparable GAAP financial measures) before special items including restructuring and other charges, acquisition-related charges, impairment of goodwill, and other income or charges, if any. We utilize these adjusted measures in combination with operating income and operating margin to assess segment level operating performance and to provide insight to management in evaluating segment operating plan execution and market conditions. Adjusted Operating Income is a significant component in our incentive compensation plans.
- **Adjusted Other Income (Expense), Net** – represents net other income (expense) (the most comparable GAAP financial measure) before special items including tax sharing income related to adjustments to prior period tax returns and other items, if any.
- **Adjusted Income Tax (Expense) Benefit and Adjusted Effective Tax Rate** – represent income tax (expense) benefit and effective tax rate, respectively, (the most comparable GAAP financial measures) after adjusting for the tax effect of special items including restructuring and other charges, acquisition-related charges, impairment of goodwill, other income or charges, and certain significant tax items, if any.
- **Adjusted Income from Continuing Operations** – represents income from continuing operations (the most comparable GAAP financial measure) before special items including restructuring and other charges, acquisition-related charges, impairment of goodwill, tax sharing income related to adjustments to prior period tax returns and other tax items, other income or charges, and certain significant tax items, if any, and, if applicable, the related tax effects.
- **Adjusted Earnings Per Share** – represents diluted earnings per share from continuing operations (the most comparable GAAP financial measure) before special items including restructuring and other charges, acquisition-related charges, impairment of goodwill, tax sharing income related to adjustments to prior period tax returns and other tax items, other income or charges, and certain significant tax items, if any, and, if applicable, the related tax effects. This measure is a significant component in our incentive compensation plans.

## Non-GAAP Financial Measures (cont.)

- Adjusted EBITDA and Adjusted EBITDA Margin - represent net income and net income as a percentage of net sales, respectively, (the most comparable GAAP financial measures) before interest expense, interest income, income taxes, depreciation, and amortization, as adjusted for net other income (expense), income (loss) from discontinued operations, and special items including restructuring and other charges, acquisition-related charges, impairment of goodwill, and other income or charges, if any.
- Free Cash Flow (FCF) – is a useful measure of our ability to generate cash. The difference between net cash provided by operating activities (the most comparable GAAP financial measure) and Free Cash Flow consists mainly of significant cash outflows and inflows that we believe are useful to identify. We believe Free Cash Flow provides useful information to investors as it provides insight into the primary cash flow metric used by management to monitor and evaluate cash flows generated from our operations. Free Cash Flow is defined as net cash provided by operating activities excluding voluntary pension contributions and the cash impact of special items, if any, minus net capital expenditures. Voluntary pension contributions are excluded from the GAAP financial measure because this activity is driven by economic financing decisions rather than operating activity. Certain special items, including net payments related to pre-separation tax matters and cash paid (collected) pursuant to collateral requirements related to cross-currency swap contracts, are also excluded by management in evaluating Free Cash Flow. Net capital expenditures consist of capital expenditures less proceeds from the sale of property, plant, and equipment. These items are subtracted because they represent long-term commitments. In the calculation of Free Cash Flow, we subtract certain cash items that are ultimately within management's and the Board of Directors' discretion to direct and may imply that there is less or more cash available for our programs than the most comparable GAAP financial measure indicates. It should not be inferred that the entire Free Cash Flow amount is available for future discretionary expenditures, as our definition of Free Cash Flow does not consider certain non-discretionary expenditures, such as debt payments. In addition, we may have other discretionary expenditures, such as discretionary dividends, share repurchases, and business acquisitions, that are not considered in the calculation of Free Cash Flow.
- Free Cash Flow Conversion – represents the ratio of Free Cash Flow to Adjusted Income from Continuing Operations. We use Free Cash Flow Conversion as an indicator of our ability to convert earnings to cash.

# Segment Summary

		For the Quarters Ended			
		December 30, 2022		December 24, 2021	
		(\$ in millions)			
	Net Sales			Net Sales	
Transportation Solutions	\$ 2,259			\$ 2,158	
Industrial Solutions	1,060			1,052	
Communications Solutions	522			608	
<b>Total</b>	<b>\$ 3,841</b>			<b>\$ 3,818</b>	

	Operating Income	Operating Margin		Operating Income	Operating Margin
Transportation Solutions	\$ 282	12.5 %	\$	395	18.3 %
Industrial Solutions	156	14.7		120	11.4
Communications Solutions	64	12.3		157	25.8
<b>Total</b>	<b>\$ 502</b>	<b>13.1 %</b>	<b>\$</b>	<b>672</b>	<b>17.6 %</b>

	Adjusted Operating Income <sup>(1)</sup>	Adjusted Operating Margin <sup>(1)</sup>		Adjusted Operating Income <sup>(1)</sup>	Adjusted Operating Margin <sup>(1)</sup>
Transportation Solutions	\$ 358	15.8 %	\$	392	18.2 %
Industrial Solutions	175	16.5		154	14.6
Communications Solutions	89	17.0		166	27.3
<b>Total</b>	<b>\$ 622</b>	<b>16.2 %</b>	<b>\$</b>	<b>712</b>	<b>18.6 %</b>

<sup>(1)</sup> Adjusted operating income and adjusted operating margin are non-GAAP financial measures. See description of non-GAAP financial measures.

# Reconciliation of Net Sales Growth

Change in Net Sales for the Quarter Ended December 30, 2022 versus Net Sales for the Quarter Ended December 24, 2021							
	Net Sales		Organic Net Sales				
	Growth (Decline)		Growth (Decline) <sup>(1)</sup>		Translation <sup>(2)</sup>	Acquisitions	
			(\$ in millions)				
<b>Transportation Solutions <sup>(3)</sup>:</b>							
Automotive	\$	129	8.5 %	\$	294	19.6 %	\$ (165) \$ —
Commercial transportation		(17)	(4.7)		9	2.6	(26) —
Sensors		(11)	(4.0)		7	2.6	(18) —
Total		<u>101</u>	4.7		<u>310</u>	14.4	<u>(209)</u> —
<b>Industrial Solutions <sup>(3)</sup>:</b>							
Industrial equipment		(21)	(4.6)		15	3.4	(36) —
Aerospace, defense, and marine		22	9.1		34	14.3	(12) —
Energy		1	0.5		15	8.0	(14) —
Medical		<u>6</u>	<u>3.6</u>		<u>8</u>	<u>4.8</u>	<u>(2)</u> —
Total		<u>8</u>	0.8		<u>72</u>	6.8	<u>(64)</u> —
<b>Communications Solutions <sup>(3)</sup>:</b>							
Data and devices		(27)	(7.6)		(22)	(6.3)	(14) 9
Appliances		<u>(59)</u>	<u>(23.4)</u>		<u>(47)</u>	<u>(18.3)</u>	<u>(12)</u> —
Total		<u>(86)</u>	<u>(14.1)</u>		<u>(69)</u>	<u>(11.4)</u>	<u>(26)</u> 9
<b>Total</b>	\$	<u>23</u>	0.6 %	\$	<u>313</u>	8.2 %	\$ <u>(299)</u> \$ 9

<sup>(1)</sup> Organic net sales growth (decline) is a non-GAAP financial measure. See description of non-GAAP financial measures.

<sup>(2)</sup> Represents the change in net sales resulting from changes in foreign currency exchange rates.

<sup>(3)</sup> Industry end market information is presented consistently with our internal management reporting and may be periodically revised as management deems necessary.

# Reconciliation of Non-GAAP Financial Measures to GAAP

## Financial Measures for the Quarter Ended December 30, 2022

		Adjustments		
	U.S. GAAP	Acquisition- Related Charges <sup>(1)</sup>	Restructuring and Other Charges, Net <sup>(1)</sup>	Adjusted (Non-GAAP) <sup>(2)</sup>
	(\$ in millions, except per share data)			
<b>Operating income:</b>				
Transportation Solutions	\$ 282	\$ 2	\$ 74	\$ 358
Industrial Solutions	156	6	13	175
Communications Solutions	64	1	24	89
<b>Total</b>	<u>\$ 502</u>	<u>\$ 9</u>	<u>\$ 111</u>	<u>\$ 622</u>
<b>Operating margin</b>	<u>13.1 %</u>			<u>16.2 %</u>
<b>Other expense, net</b>	<u>\$ (5)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (5)</u>
<b>Income tax expense</b>	<u>\$ (87)</u>	<u>\$ (2)</u>	<u>\$ (29)</u>	<u>\$ (118)</u>
<b>Effective tax rate</b>	<u>17.9 %</u>			<u>19.5 %</u>
<b>Income from continuing operations</b>	<u>\$ 398</u>	<u>\$ 7</u>	<u>\$ 82</u>	<u>\$ 487</u>
<b>Diluted earnings per share from continuing operations</b>	<u>\$ 1.25</u>	<u>\$ 0.02</u>	<u>\$ 0.26</u>	<u>\$ 1.53</u>

<sup>(1)</sup> The tax effect of each non-GAAP adjustment is calculated based on the jurisdictions in which the expense (income) is incurred and the tax laws in effect for each such jurisdiction.

<sup>(2)</sup> See description of non-GAAP financial measures.

# Reconciliation of Non-GAAP Financial Measures to GAAP

## Financial Measures for the Quarter Ended December 24, 2021

		Adjustments			
		Acquisition- Related Charges <sup>(1)</sup>	Restructuring and Other Charges (Credits), Net <sup>(1)(2)</sup>	Tax Items <sup>(3)</sup>	Adjusted (Non-GAAP) <sup>(4)</sup>
	U.S. GAAP				
(\$ in millions, except per share data)					
Operating income:					
Transportation Solutions	\$ 395	\$ 3	\$ (6)	\$ —	\$ 392
Industrial Solutions	120	12	22	—	154
Communications Solutions	157	1	8	—	166
Total	<u>\$ 672</u>	<u>\$ 16</u>	<u>\$ 24</u>	<u>\$ —</u>	<u>\$ 712</u>
Operating margin	<u>17.6 %</u>				<u>18.6 %</u>
Other income, net	<u>\$ 15</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (11)</u>	<u>\$ 4</u>
Income tax expense	<u>\$ (110)</u>	<u>\$ (3)</u>	<u>\$ (7)</u>	<u>\$ (5)</u>	<u>\$ (125)</u>
Effective tax rate	<u>16.2 %</u>				<u>17.7 %</u>
Income from continuing operations	<u>\$ 567</u>	<u>\$ 13</u>	<u>\$ 17</u>	<u>\$ (16)</u>	<u>\$ 581</u>
Diluted earnings per share from continuing operations	<u>\$ 1.72</u>	<u>\$ 0.04</u>	<u>\$ 0.05</u>	<u>\$ (0.05)</u>	<u>\$ 1.76</u>

<sup>(1)</sup> The tax effect of each non-GAAP adjustment is calculated based on the jurisdictions in which the expense (income) is incurred and the tax laws in effect for each such jurisdiction.

<sup>(2)</sup> Includes \$12 million recorded in net restructuring and other charges and \$12 million recorded in cost of sales.

<sup>(3)</sup> Includes a \$17 million income tax benefit related to the tax impacts of an intercompany transaction and \$12 million of income tax expense related to an income tax audit of an acquired entity, as well as the related impact of \$11 million to other income pursuant to the indemnification terms of the purchase agreement.

<sup>(4)</sup> See description of non-GAAP financial measures.

# Reconciliation of Non-GAAP Financial Measures to GAAP Financial Measures for the Quarter Ended March 25, 2022

		Adjustments			
	U.S. GAAP	Acquisition- Related Charges <sup>(1)</sup>	Restructuring and Other Charges, Net <sup>(1)</sup>	Tax Items <sup>(2)</sup>	Adjusted (Non-GAAP) <sup>(3)</sup>
	(\$ in millions, except per share data)				
Operating income:					
Transportation Solutions	\$ 409	\$ 4	\$ 9	\$ —	\$ 422
Industrial Solutions	145	6	10	—	161
Communications Solutions	151	—	2	—	153
Total	<u>\$ 705</u>	<u>\$ 10</u>	<u>\$ 21</u>	<u>\$ —</u>	<u>\$ 736</u>
Operating margin	<u>17.6 %</u>				<u>18.4 %</u>
Other income, net	<u>\$ 5</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 5</u>
Income tax expense	<u>\$ (136)</u>	<u>\$ (2)</u>	<u>\$ (5)</u>	<u>\$ 8</u>	<u>\$ (135)</u>
Effective tax rate	<u>19.5 %</u>				<u>18.6 %</u>
Income from continuing operations	<u>\$ 560</u>	<u>\$ 8</u>	<u>\$ 16</u>	<u>\$ 8</u>	<u>\$ 592</u>
Diluted earnings per share from continuing operations	<u>\$ 1.71</u>	<u>\$ 0.02</u>	<u>\$ 0.05</u>	<u>\$ 0.02</u>	<u>\$ 1.81</u>

<sup>(1)</sup> The tax effect of each non-GAAP adjustment is calculated based on the jurisdictions in which the expense (income) is incurred and the tax laws in effect for each such jurisdiction.

<sup>(2)</sup> Includes \$27 million of income tax expense related to the write-down of certain deferred tax assets to the lower corporate tax rate enacted in the canton of Schaffhausen on December 27, 2021 and a \$19 million income tax benefit related to the tax impacts of an intercompany transaction.

<sup>(3)</sup> See description of non-GAAP financial measures.

# Reconciliation of Non-GAAP Financial Measures to GAAP Financial Measures for the Year Ended September 30, 2022

		Adjustments			
	U.S. GAAP	Acquisition-Related Charges <sup>(1)</sup>	Restructuring and Other Charges, Net <sup>(1)(2)</sup>	Tax Items <sup>(3)</sup>	Adjusted (Non-GAAP) <sup>(4)</sup>
	(\$ in millions, except per share data)				
Operating income:					
Transportation Solutions	\$ 1,534	\$ 16	\$ 68	\$ —	\$ 1,618
Industrial Solutions	607	32	66	—	705
Communications Solutions	615	5	23	—	643
Total	<u>\$ 2,756</u>	<u>\$ 53</u>	<u>\$ 157</u>	<u>\$ —</u>	<u>\$ 2,966</u>
Operating margin	<u>16.9 %</u>				<u>18.2 %</u>
Other income, net	<u>\$ 28</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (11)</u>	<u>\$ 17</u>
Income tax expense	<u>\$ (306)</u>	<u>\$ (11)</u>	<u>\$ (34)</u>	<u>\$ (200)</u>	<u>\$ (551)</u>
Effective tax rate	<u>11.2 %</u>				<u>18.8 %</u>
Income from continuing operations	<u>\$ 2,427</u>	<u>\$ 42</u>	<u>\$ 123</u>	<u>\$ (211)</u>	<u>\$ 2,381</u>
Diluted earnings per share from continuing operations	<u>\$ 7.47</u>	<u>\$ 0.13</u>	<u>\$ 0.38</u>	<u>\$ (0.65)</u>	<u>\$ 7.33</u>

<sup>(1)</sup> The tax effect of each non-GAAP adjustment is calculated based on the jurisdictions in which the expense (income) is incurred and the tax laws in effect for each such jurisdiction.

<sup>(2)</sup> Includes \$141 million recorded in net restructuring and other charges and \$16 million recorded in cost of sales.

<sup>(3)</sup> Includes a \$124 million income tax benefit related to the tax impacts of certain intercompany transactions, a \$64 million income tax benefit related primarily to a lapse of a statute of limitation, and a \$51 million income tax benefit related to the release of a valuation allowance associated primarily with improved current and expected future operating profit and taxable income. Also includes \$27 million of income tax expense related to the write-down of certain deferred tax assets to the lower corporate tax rate enacted in the canton of Schaffhausen and \$12 million of income tax expense related to an income tax audit of an acquired entity, as well as the related impact of \$11 million to other income pursuant to the terms of the purchase agreement.

<sup>(4)</sup> See description of non-GAAP financial measures.

# Reconciliation of Free Cash Flow

	For the Quarters Ended	
	December 30, 2022	December 24, 2021
	(in millions)	
Net cash provided by operating activities	\$ 581	\$ 532
Net cash used in investing activities	(265)	(199)
Net cash used in financing activities	(621)	(552)
Effect of currency translation on cash	10	(2)
<b>Net increase (decrease) in cash, cash equivalents, and restricted cash</b>	<b>\$ (295)</b>	<b>\$ (221)</b>
Net cash provided by operating activities	\$ 581	\$ 532
Excluding:		
Cash collected pursuant to collateral requirements related to cross-currency swap contracts	—	(41)
Capital expenditures, net	(182)	(118)
<b>Free cash flow<sup>(1)</sup></b>	<b>\$ 399</b>	<b>\$ 373</b>

<sup>(1)</sup> Free cash flow is a non-GAAP financial measure. See description of non-GAAP financial measures.

# Reconciliation of Adjusted EBITDA and Adjusted EBITDA Margin

	For the Quarters Ended	
	December 30, 2022	December 24, 2021
	(\$ in millions)	
<b>Net income</b>	\$ 397	\$ 566
Loss from discontinued operations	1	1
Income tax expense	87	110
Other (income) expense, net	5	(15)
Interest expense	21	12
Interest income	(9)	(2)
<b>Operating income</b>	502	672
Acquisition-related charges	9	16
Restructuring and other charges, net	111	24
<b>Adjusted operating income <sup>(1)</sup></b>	622	712
Depreciation and amortization	187	198
<b>Adjusted EBITDA <sup>(1)</sup></b>	<u>\$ 809</u>	<u>\$ 910</u>
<b>Net sales</b>	\$ 3,841	\$ 3,818
Net income as a percentage of net sales	10.3 %	14.8 %
<b>Adjusted EBITDA margin <sup>(1)</sup></b>	21.1 %	23.8 %

	For the Quarters Ended							
	December 30, 2022				December 24, 2021			
	Transportation Solutions	Industrial Solutions	Communications Solutions	Total	Transportation Solutions	Industrial Solutions	Communications Solutions	Total
	(\$ in millions)							
<b>Operating income</b>	\$ 282	\$ 156	\$ 64	\$ 502	\$ 395	\$ 120	\$ 157	\$ 672
Acquisition-related charges	2	6	1	9	3	12	1	16
Restructuring and other charges (credits), net	74	13	24	111	(6)	22	8	24
<b>Adjusted operating income <sup>(1)</sup></b>	358	175	89	622	392	154	166	712
Depreciation and amortization	111	45	31	187	127	52	19	198
<b>Adjusted EBITDA <sup>(1)</sup></b>	<u>\$ 469</u>	<u>\$ 220</u>	<u>\$ 120</u>	<u>\$ 809</u>	<u>\$ 519</u>	<u>\$ 206</u>	<u>\$ 185</u>	<u>\$ 910</u>
<b>Net sales</b>	\$ 2,259	\$ 1,060	\$ 522	\$ 3,841	\$ 2,158	\$ 1,052	\$ 608	\$ 3,818
Operating margin	12.5 %	14.7 %	12.3 %	13.1 %	18.3 %	11.4 %	25.8 %	17.6 %
Adjusted operating margin <sup>(1)</sup>	15.8 %	16.5 %	17.0 %	16.2 %	18.2 %	14.6 %	27.3 %	18.6 %
<b>Adjusted EBITDA margin <sup>(1)</sup></b>	20.8 %	20.8 %	23.0 %	21.1 %	24.1 %	19.6 %	30.4 %	23.8 %

<sup>(1)</sup> See description of non-GAAP financial measures.

# Reconciliation of Forward-Looking Non-GAAP Financial Measures to Forward-Looking GAAP Financial Measures

	Outlook for Quarter Ending March 31, 2023 <sup>(1)</sup>	Outlook for Fiscal 2023 <sup>(1)</sup>
<b>Diluted earnings per share from continuing operations</b>	\$ 1.44	
Restructuring and other charges, net	0.11	
Acquisition-related charges	0.02	
<b>Adjusted diluted earnings per share from continuing operations <sup>(2)</sup></b>	<u>\$ 1.57</u>	
<b>Net sales growth</b>	(2.7) %	
Translation	4.2	
(Acquisitions) divestitures, net	0.1	
<b>Organic net sales growth <sup>(2)</sup></b>	<u>1.6 %</u>	
<b>Effective tax rate</b>	20.6 %	20.6 %
Effective tax rate adjustments <sup>(3)</sup>	0.4	0.4
<b>Adjusted effective tax rate <sup>(2)</sup></b>	<u>21.0 %</u>	<u>21.0 %</u>

<sup>(1)</sup> Outlook is as of January 25, 2023.

<sup>(2)</sup> See description of non-GAAP financial measures.

<sup>(3)</sup> Includes adjustments for special tax items and the tax effect of acquisition-related charges and net restructuring and other charges, calculated based on the jurisdictions in which the expense (income) is incurred and the tax laws in effect for each such jurisdiction.