

TE Connectivity Third Quarter 2023 Earnings

July 26, 2023

EVERY CONNECTION COUNTS



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

Q3 Sales in line with Expectations & Adjusted EPS Exceeding Guidance

- Sales of \$4.0B, with Y/Y organic growth in the Transportation and Industrial Segments
 - Transportation up 7% organically Y/Y, with growth in all businesses
 - Industrial up 2% organically Y/Y, with growth in AD&M, Medical, and Energy
 - Communications down 37% organically Y/Y, due to expected market weakness
- Orders of ~\$4.0B, flat sequentially, indicating stability
- Adjusted Operating Margins of 17.3%, Adjusted EPS of \$1.77
 - Expanded margins 130bps sequentially driven by the Transportation & Industrial segments
- Strong Free Cash Flow generation of ~\$1.5B YTD, up ~40% Y/Y; ~\$1.2B returned to shareholders
- Connecting Our World report issued, with commitments to the Science Based Targets Initiative

Q4 Guidance

- Expect Q4 Sales of ~\$4.0B and Adjusted EPS ~\$1.75
 - Sales & EPS expected to be similar to Q3 levels, with Y/Y Sales growth in the Transportation & Industrial Segments

Segment Orders Summary

(\$ in millions)

<u>Reported</u>	FY22	FY23	FY23	Q3 Growth	
	Q3	Q2	Q3	Y/Y	Q/Q
Transportation	2,303	2,412	2,374	3%	(2)%
Industrial	1,312	1,193	1,183	(10)%	(1)%
Communications	582	388	407	(30)%	5%
Total TE	4,197	3,993	3,964	(6)%	(1)%
Book to Bill	1.02	0.96	0.99		

- Transportation book to bill of 0.98, reflecting ongoing stable demand
- Industrial book to bill of 1.04, reflecting ongoing strength in AD&M, Energy and Medical end markets
- Communications book to bill of 0.96, with continued consumption of inventory across our customers' supply chain, offset by new orders for AI applications

Order Patterns Reflecting Overall Stability in All Segments



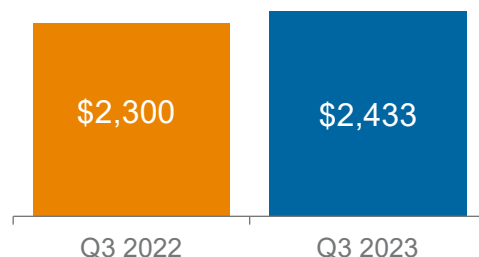
Transportation Solutions

\$ in Millions

Q3 Sales

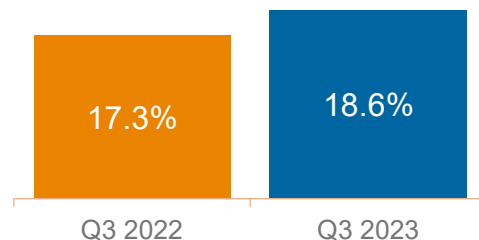
Reported
Up 6%

Organic
Up 7%



Q3 Adjusted Operating Margin

Margins reflecting strong operational performance along with benefit of price increases



Adjusted EBITDA Margin	23.2%	23.5%
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Q3 Business Performance

Y/Y Growth Rates

Reported

Organic

Automotive	\$1,747	7%	9%
Commercial Transportation	403	1%	2%
Sensors	283	4%	4%
Transportation Solutions	\$2,433	6%	7%

- Automotive organic growth across all regions. Strong performance continues to be driven by our leading position in electric vehicles along with electrification trends
- Commercial Transportation organic growth in Asia and Europe, partially offset by declines in North America
- Sensors organic growth driven by automotive applications

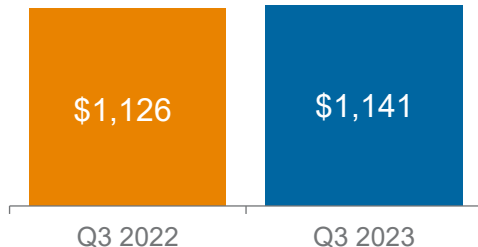
Industrial Solutions

\$ in Millions

Q3 Sales

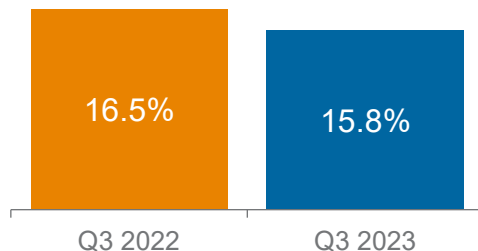
Reported
Up 1%

Organic
Up 2%



Q3 Adjusted Operating Margin

Margins reflect expected volume decline in Industrial Equipment business



	Q3 2022	Q3 2023
Adjusted EBITDA Margin	20.7%	20.7%

Q3 Business Performance

Y/Y Growth Rates

Reported **Organic**

Industrial Equipment	\$423	(10)%	(10)%
Aerospace, Defense and Marine	293	8%	13%
Energy	230	11%	8%
Medical	195	10%	11%
Industrial Solutions	\$1,141	1%	2%

- Industrial Equipment decline driven by inventory digestion in the distribution channel
- AD&M organic growth reflects ongoing market improvement in Commercial Aerospace
- Energy organic growth across all regions, with continued momentum in renewable applications
- Medical organic growth with increases in interventional procedures

Communications Solutions

\$ in Millions

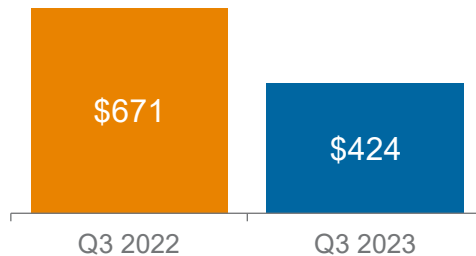
Q3 Sales

Reported

Down 37%

Organic

Down 37%



Q3 Business Performance

Y/Y Growth Rates

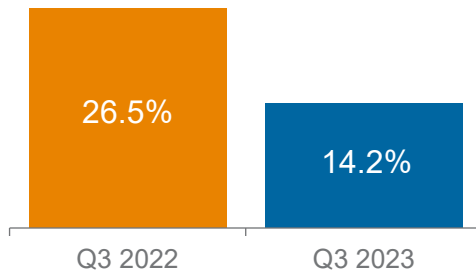
Reported

Organic

Data & Devices	\$252	(41)%	(41)%
Appliances	172	(30)%	(29)%
Communications Solutions	\$424	(37)%	(37)%

Q3 Adjusted Operating Margin

Margin impacted by lower volume



Adjusted EBITDA Margin	29.7%	19.8%
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- Data & Devices decline driven by ongoing consumption of inventory across our customers' supply chain
- Appliances impacted by market weakness in all regions

Q3 Financial Summary

(\$ in Millions, except per share amounts)

	Q3 FY22	Q3 FY23
Net Sales	\$ 4,097	\$ 3,998
Operating Income	\$ 719	\$ 630
<i>Operating Margin</i>	<i>17.5%</i>	<i>15.8%</i>
Acquisition-Related Charges	12	9
Restructuring & Other Charges, Net*	30	53
Adjusted Operating Income	\$ 761	\$ 692
<i>Adjusted Operating Margin</i>	<i>18.6%</i>	<i>17.3%</i>
Earnings Per Share**	\$ 1.83	\$ 1.67
Acquisition-Related Charges	0.03	0.02
Restructuring & Other Charges, Net	0.07	0.08
Tax Items	(0.06)	-
Adjusted EPS	\$ 1.86	\$ 1.77

* Net restructuring charges represent \$42M of the \$53M in Q3 FY23

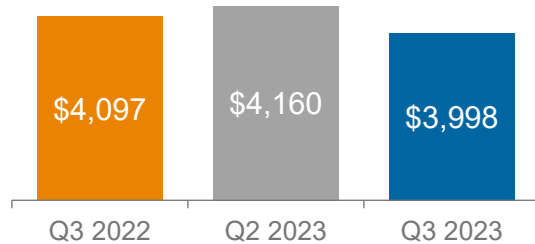
** Represents Diluted Earnings Per Share from Continuing Operations

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

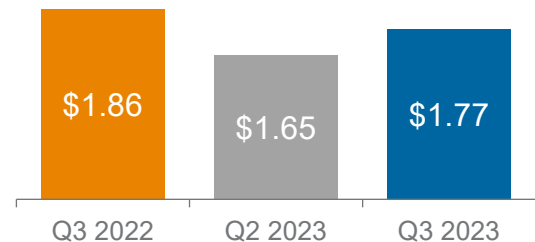
Q3 Financial Performance

Sales

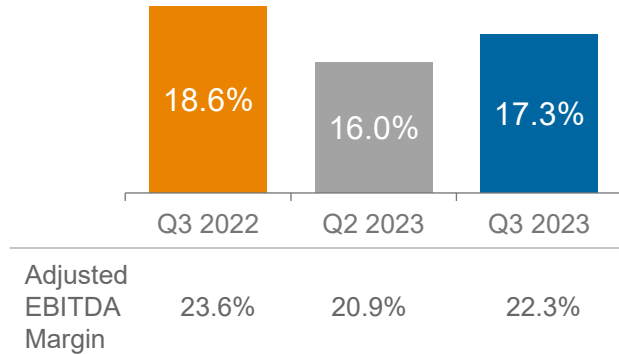
\$ in Millions



Adjusted EPS



Adjusted Operating Margin

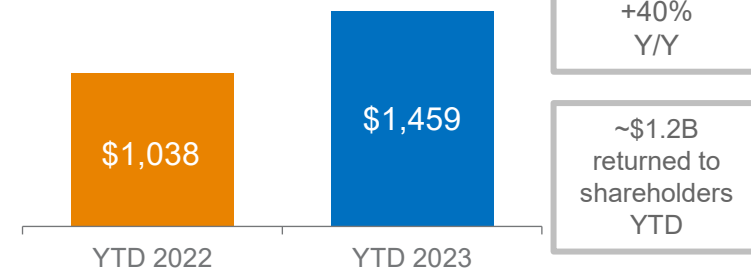


Adjusted EBITDA Margin

Period	Adjusted EBITDA Margin
Q3 2022	23.6%
Q2 2023	20.9%
Q3 2023	22.3%

Free Cash Flow

\$ in Millions



+40%
Y/Y

~\$1.2B
returned to
shareholders
YTD

Sequential Growth in Margins & EPS Driven by Strong Operational Performance

Additional Information

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Y/Y Q3 2023

	Sales (in millions)	Adjusted EPS
Q3 2022 Results	\$4,097	\$1.86
Operational Performance	(57)	(0.06)
FX Impact	(42)	(0.05)
Tax Rate Impact	-	0.02
Q3 2023 Results	\$3,998	\$1.77

Y/Y Q4 2023

	Sales (in millions)	Adjusted EPS
Q4 2022 Results (13 weeks)*	\$4,053	\$1.75
Operational Performance	(121)	0.01
FX Impact	68	(0.02)
Tax Rate Impact	-	0.01
Q4 2023 Guidance	\$4,000	\$1.75

* Note: Q4 FY22 13 week does not include the impact of the additional week which contributed sales of \$306M and Adjusted EPS of \$0.13

Q3 Balance Sheet & Cash Flow Summary

Free Cash Flow and Working Capital

(\$ in Millions)	Q3 2022	Q3 2023
Cash from Operating Activities	\$579	\$779
Capital expenditures, net	(170)	(165)
Cash paid pursuant to collateral requirements related to cross-currency swap contracts	14	-
Free Cash Flow	\$423	\$614
A/R	\$3,132	\$2,998
Days Sales Outstanding*	69	68
Inventory	\$3,028	\$2,801
Days on Hand*	96	90
Accounts Payable	\$1,917	\$1,616
Days Outstanding*	62	55

Liquidity, Cash & Debt

(\$ in Millions)	Q3 2022	Q3 2023
Beginning Cash Balance	\$749	\$905
Free Cash Flow	423	614
Dividends	(180)	(186)
Share repurchases	(378)	(208)
Net increase in debt	237	3
Acquisition of business, net of cash acquired	(14)	-
Other	(17)	3
Ending Cash Balance	\$820	\$1,131
Total Debt	\$4,202	\$4,206

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.
- Net Sales Excluding the Impact of the Additional Week, Net Sales Growth (Decline) Excluding the Impact of the Additional Week, Organic Net Sales Growth (Decline) Excluding the Impact of the Additional Week, and Adjusted Earnings Per Share Excluding the Impact of the Additional Week – represent certain GAAP and non-GAAP financial measures excluding the impact of the additional week in the fourth quarter of the fiscal year for fiscal years which are 53 weeks in length.
- 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				For the Nine Months Ended			
	June 30, 2023		June 24, 2022		June 30, 2023		June 24, 2022	
	(\$ in millions)							
	Net Sales		Net Sales		Net Sales		Net Sales	
Transportation Solutions	\$ 2,433		\$ 2,300		\$ 7,175		\$ 6,772	
Industrial Solutions	1,141		1,126		3,392		3,246	
Communications Solutions	424		671		1,432		1,904	
Total	<u>\$ 3,998</u>		<u>\$ 4,097</u>		<u>\$ 11,999</u>		<u>\$ 11,922</u>	
	Operating Income	Operating Margin	Operating Income	Operating Margin	Operating Income	Operating Margin	Operating Income	Operating Margin
Transportation Solutions	\$ 425	17.5 %	\$ 383	16.7 %	\$ 1,040	14.5 %	\$ 1,187	17.5 %
Industrial Solutions	150	13.1	165	14.7	440	13.0	430	13.2
Communications Solutions	55	13.0	171	25.5	189	13.2	479	25.2
Total	<u>\$ 630</u>	15.8 %	<u>\$ 719</u>	17.5 %	<u>\$ 1,669</u>	13.9 %	<u>\$ 2,096</u>	17.6 %
	Adjusted Operating Income ⁽¹⁾	Adjusted Operating Margin ⁽¹⁾	Adjusted Operating Income ⁽¹⁾	Adjusted Operating Margin ⁽¹⁾	Adjusted Operating Income ⁽¹⁾	Adjusted Operating Margin ⁽¹⁾	Adjusted Operating Income ⁽¹⁾	Adjusted Operating Margin ⁽¹⁾
Transportation Solutions	\$ 452	18.6 %	\$ 397	17.3 %	\$ 1,221	17.0 %	\$ 1,211	17.9 %
Industrial Solutions	180	15.8	186	16.5	529	15.6	501	15.4
Communications Solutions	60	14.2	178	26.5	228	15.9	497	26.1
Total	<u>\$ 692</u>	17.3 %	<u>\$ 761</u>	18.6 %	<u>\$ 1,978</u>	16.5 %	<u>\$ 2,209</u>	18.5 %

⁽¹⁾ 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 June 30, 2023 versus Net Sales for the Quarter Ended June 24, 2022									
	Net Sales			Organic Net Sales				Acquisitions/ (Divestiture)	
	Growth (Decline)			Growth (Decline) ⁽¹⁾			Translation ⁽²⁾		
	(\$ in millions)								
Transportation Solutions ⁽³⁾ :									
Automotive	\$	118	7.2 %	\$	143	8.8 %	\$	(25)	\$ —
Commercial transportation		3	0.8		9	2.1		(6)	—
Sensors		12	4.4		11	4.1		1	—
Total		133	5.8		163	7.1		(30)	—
Industrial Solutions ⁽³⁾ :									
Industrial equipment		(48)	(10.2)		(46)	(9.8)		(2)	—
Aerospace, defense, and marine		22	8.1		35	13.2		1	(14)
Energy		23	11.1		16	8.0		(3)	10
Medical		18	10.2		19	10.8		(1)	—
Total		15	1.3		24	2.2		(5)	(4)
Communications Solutions ⁽³⁾ :									
Data and devices		(173)	(40.7)		(174)	(41.2)		(4)	5
Appliances		(74)	(30.1)		(71)	(28.9)		(3)	—
Total		(247)	(36.8)		(245)	(36.7)		(7)	5
Total	\$	(99)	(2.4) %	\$	(58)	(1.4) %	\$	(42)	\$ 1

Change in Net Sales for the Nine Months Ended June 30, 2023 versus Net Sales for the Nine Months Ended June 24, 2022									
	Net Sales			Organic Net Sales				Acquisitions/ (Divestiture)	
	Growth (Decline)			Growth (Decline) ⁽¹⁾			Translation ⁽²⁾		
	(\$ in millions)								
Transportation Solutions ⁽³⁾ :									
Automotive	\$	389	8.1 %	\$	651	13.5 %	\$	(262)	\$ —
Commercial transportation		(3)	(0.3)		42	3.6		(45)	—
Sensors		17	2.1		41	5.1		(24)	—
Total		403	6.0		734	10.8		(331)	—
Industrial Solutions ⁽³⁾ :									
Industrial equipment		(73)	(5.2)		(17)	(1.2)		(56)	—
Aerospace, defense, and marine		81	10.5		118	15.2		(17)	(20)
Energy		73	12.6		82	14.2		(24)	15
Medical		65	12.9		68	13.6		(3)	—
Total		146	4.5		251	7.7		(100)	(5)
Communications Solutions ⁽³⁾ :									
Data and devices		(304)	(25.9)		(294)	(25.1)		(28)	18
Appliances		(168)	(23.0)		(145)	(19.8)		(23)	—
Total		(472)	(24.8)		(439)	(23.1)		(51)	18
Total	\$	77	0.6 %	\$	546	4.6 %	\$	(482)	\$ 13

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

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

⁽³⁾ 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 June 30, 2023

		Adjustments		
	U.S. GAAP	Acquisition- Related Charges ⁽¹⁾	Restructuring and Other Charges, Net ⁽¹⁾	Adjusted (Non-GAAP) ⁽²⁾
	(\$ in millions, except per share data)			
Operating income:				
Transportation Solutions	\$ 425	\$ —	\$ 27	\$ 452
Industrial Solutions	150	8	22	180
Communications Solutions	55	1	4	60
Total	<u>\$ 630</u>	<u>\$ 9</u>	<u>\$ 53</u>	<u>\$ 692</u>
Operating margin	<u>15.8 %</u>			<u>17.3 %</u>
Other expense, net	<u>\$ (4)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (4)</u>
Income tax expense	<u>\$ (96)</u>	<u>\$ (2)</u>	<u>\$ (27)</u>	<u>\$ (125)</u>
Effective tax rate	<u>15.4 %</u>			<u>18.2 %</u>
Income from continuing operations	<u>\$ 528</u>	<u>\$ 7</u>	<u>\$ 26</u>	<u>\$ 561</u>
Diluted earnings per share from continuing operations	<u>\$ 1.67</u>	<u>\$ 0.02</u>	<u>\$ 0.08</u>	<u>\$ 1.77</u>

⁽¹⁾ 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.

⁽²⁾ See description of non-GAAP financial measures.

Reconciliation of Non-GAAP Financial Measures to GAAP Financial Measures for the Quarter Ended June 24, 2022

		Adjustments			
	U.S. GAAP	Acquisition-Related Charges ⁽¹⁾	Restructuring and Other Charges, Net ⁽¹⁾⁽²⁾	Tax Items ⁽³⁾	Adjusted (Non-GAAP) ⁽⁴⁾
	(\$ in millions, except per share data)				
Operating income:					
Transportation Solutions	\$ 383	\$ 5	\$ 9	\$ —	\$ 397
Industrial Solutions	165	6	15	—	186
Communications Solutions	171	1	6	—	178
Total	\$ 719	\$ 12	\$ 30	\$ —	\$ 761
Operating margin	17.5 %				18.6 %
Other income, net	\$ 4	\$ —	\$ —	\$ —	\$ 4
Income tax expense	\$ (116)	\$ (3)	\$ (6)	\$ (21)	\$ (146)
Effective tax rate	16.4 %				19.5 %
Income from continuing operations	\$ 592	\$ 9	\$ 24	\$ (21)	\$ 604
Diluted earnings per share from continuing operations	\$ 1.83	\$ 0.03	\$ 0.07	\$ (0.06)	\$ 1.86

⁽¹⁾ 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.

⁽²⁾ Includes \$26 million recorded in net restructuring and other charges and \$4 million recorded in cost of sales.

⁽³⁾ Includes a \$21 million income tax benefit related to the tax impacts of an intercompany transaction.

⁽⁴⁾ See description of non-GAAP financial measures.

Reconciliation of Non-GAAP Financial Measures to GAAP

Financial Measures for the Nine Months Ended June 30, 2023

		Adjustments		
	U.S. GAAP	Acquisition- Related Charges ⁽¹⁾	Restructuring and Other Charges, Net ⁽¹⁾	Adjusted (Non-GAAP) ⁽²⁾
	(\$ in millions, except per share data)			
Operating income:				
Transportation Solutions	\$ 1,040	\$ 2	\$ 179	\$ 1,221
Industrial Solutions	440	21	68	529
Communications Solutions	189	3	36	228
Total	<u>\$ 1,669</u>	<u>\$ 26</u>	<u>\$ 283</u>	<u>\$ 1,978</u>
Operating margin	<u>13.9 %</u>			<u>16.5 %</u>
Other expense, net	<u>\$ (13)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (13)</u>
Income tax expense	<u>\$ (283)</u>	<u>\$ (5)</u>	<u>\$ (82)</u>	<u>\$ (370)</u>
Effective tax rate	<u>17.3 %</u>			<u>19.0 %</u>
Income from continuing operations	<u>\$ 1,351</u>	<u>\$ 21</u>	<u>\$ 201</u>	<u>\$ 1,573</u>
Diluted earnings per share from continuing operations	\$ 4.25	\$ 0.07	\$ 0.63	\$ 4.95

⁽¹⁾ 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.

⁽²⁾ See description of non-GAAP financial measures.

Reconciliation of Non-GAAP Financial Measures to GAAP

Financial Measures for the Nine Months Ended June 24, 2022

		Adjustments			
	U.S. GAAP	Acquisition-Related Charges ⁽¹⁾	Restructuring and Other Charges, Net ⁽¹⁾⁽²⁾	Tax Items ⁽³⁾	Adjusted (Non-GAAP) ⁽⁴⁾
	(\$ in millions, except per share data)				
Operating income:					
Transportation Solutions	\$ 1,187	\$ 12	\$ 12	\$ —	\$ 1,211
Industrial Solutions	430	24	47	—	501
Communications Solutions	479	2	16	—	497
Total	<u>\$ 2,096</u>	<u>\$ 38</u>	<u>\$ 75</u>	<u>\$ —</u>	<u>\$ 2,209</u>
Operating margin	<u>17.6 %</u>				<u>18.5 %</u>
Other income, net	<u>\$ 24</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (11)</u>	<u>\$ 13</u>
Income tax expense	<u>\$ (362)</u>	<u>\$ (8)</u>	<u>\$ (18)</u>	<u>\$ (18)</u>	<u>\$ (406)</u>
Effective tax rate	<u>17.4 %</u>				<u>18.6 %</u>
Income from continuing operations	<u>\$ 1,719</u>	<u>\$ 30</u>	<u>\$ 57</u>	<u>\$ (29)</u>	<u>\$ 1,777</u>
Diluted earnings per share from continuing operations	<u>\$ 5.26</u>	<u>\$ 0.09</u>	<u>\$ 0.17</u>	<u>\$ (0.09)</u>	<u>\$ 5.43</u>

⁽¹⁾ 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.

⁽²⁾ Includes \$59 million recorded in net restructuring and other charges and \$16 million recorded in cost of sales.

⁽³⁾ Includes a \$57 million income tax benefit related to the tax impacts of an intercompany transaction, \$27 million of income tax expense related to the write-down of certain deferred tax assets to the lower 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 indemnification terms of the purchase agreement.

⁽⁴⁾ See description of non-GAAP financial measures.

Reconciliation of Non-GAAP Financial Measures to GAAP

Financial Measures for the Quarter Ended September 30, 2022

		Adjustments			
	U.S. GAAP	Acquisition- Related Charges ⁽¹⁾	Restructuring and Other Charges, Net ⁽¹⁾	Tax Items ⁽²⁾	Adjusted (Non-GAAP) ⁽³⁾
	(\$ in millions, except per share data)				
Operating income:					
Transportation Solutions	\$ 347	\$ 4	\$ 56	\$ —	\$ 407
Industrial Solutions	177	8	19	—	204
Communications Solutions	136	3	7	—	146
Total	<u>\$ 660</u>	<u>\$ 15</u>	<u>\$ 82</u>	<u>\$ —</u>	<u>\$ 757</u>
Operating margin	<u>15.1 %</u>				<u>17.4 %</u>
Other income, net	<u>\$ 4</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 4</u>
Income tax (expense) benefit	<u>\$ 56</u>	<u>\$ (3)</u>	<u>\$ (16)</u>	<u>\$ (182)</u>	<u>\$ (145)</u>
Effective tax rate	<u>(8.6) %</u>				<u>19.4 %</u>
Income from continuing operations	<u>\$ 708</u>	<u>\$ 12</u>	<u>\$ 66</u>	<u>\$ (182)</u>	<u>\$ 604</u>
Diluted earnings per share from continuing operations	<u>\$ 2.21</u>	<u>\$ 0.04</u>	<u>\$ 0.21</u>	<u>\$ (0.57)</u>	<u>\$ 1.88</u>

⁽¹⁾ 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.

⁽²⁾ Includes a \$67 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.

⁽³⁾ See description of non-GAAP financial measures.

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

	U.S. GAAP	Adjustments			Adjusted (Non-GAAP) ⁽⁴⁾
		Acquisition- Related Charges ⁽¹⁾	Restructuring and Other Charges, Net ⁽¹⁾⁽²⁾	Tax Items ⁽³⁾	
		(\$ 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>

⁽¹⁾ 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.

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

⁽³⁾ 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.

⁽⁴⁾ See description of non-GAAP financial measures.

Reconciliation of Non-GAAP Financial Measures to GAAP Financial Measures for the Quarter Ended March 31, 2023

		Adjustments		
	U.S. GAAP	Acquisition- Related Charges ⁽¹⁾	Restructuring and Other Charges, Net ⁽¹⁾	Adjusted (Non-GAAP) ⁽²⁾
	(\$ in millions, except per share data)			
Operating income:				
Transportation Solutions	\$ 333	\$ —	\$ 78	\$ 411
Industrial Solutions	134	7	33	174
Communications Solutions	70	1	8	79
Total	<u>\$ 537</u>	<u>\$ 8</u>	<u>\$ 119</u>	<u>\$ 664</u>
Operating margin	<u>12.9 %</u>			<u>16.0 %</u>
Other expense, net	<u>\$ (4)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (4)</u>
Income tax expense	<u>\$ (100)</u>	<u>\$ (1)</u>	<u>\$ (26)</u>	<u>\$ (127)</u>
Effective tax rate	<u>19.0 %</u>			<u>19.5 %</u>
Income from continuing operations	<u>\$ 425</u>	<u>\$ 7</u>	<u>\$ 93</u>	<u>\$ 525</u>
Diluted earnings per share from continuing operations	<u>\$ 1.34</u>	<u>\$ 0.02</u>	<u>\$ 0.29</u>	<u>\$ 1.65</u>

⁽¹⁾ 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.

⁽²⁾ See description of non-GAAP financial measures.

Reconciliation of Free Cash Flow

	For the Quarters Ended		For the Nine Months Ended	
	June 30, 2023	June 24, 2022	June 30, 2023	June 24, 2022
	(in millions)			
Net cash provided by operating activities	\$ 779	\$ 579	\$ 1,994	\$ 1,524
Net cash used in investing activities	(169)	(185)	(573)	(568)
Net cash used in financing activities	(380)	(318)	(1,386)	(1,330)
Effect of currency translation on cash	(4)	(5)	8	(9)
Net increase (decrease) in cash, cash equivalents, and restricted cash	<u>\$ 226</u>	<u>\$ 71</u>	<u>\$ 43</u>	<u>\$ (383)</u>
Net cash provided by operating activities	\$ 779	\$ 579	\$ 1,994	\$ 1,524
Excluding:				
Cash (collected) paid pursuant to collateral requirements related to cross-currency swap contracts	—	14	—	(28)
Capital expenditures, net	(165)	(170)	(535)	(458)
Free cash flow⁽¹⁾	<u>\$ 614</u>	<u>\$ 423</u>	<u>\$ 1,459</u>	<u>\$ 1,038</u>

⁽¹⁾ 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		
	June 30, 2023	March 31, 2023	June 24, 2022
		(\$ in millions)	
Net income	\$ 528	\$ 433	\$ 594
Income from discontinued operations	—	(8)	(2)
Income tax expense	96	100	116
Other (income) expense, net	4	4	(4)
Interest expense	20	20	18
Interest income	(18)	(12)	(3)
Operating income	\$ 630	\$ 537	\$ 719
Acquisition-related charges	9	8	12
Restructuring and other charges, net	53	119	30
Adjusted operating income ⁽¹⁾	692	664	761
Depreciation and amortization	200	207	205
Adjusted EBITDA ⁽¹⁾	<u>\$ 892</u>	<u>\$ 871</u>	<u>\$ 966</u>
Net sales	\$ 3,998	\$ 4,160	\$ 4,097
Net income as a percentage of net sales	13.2 %	10.4 %	14.5 %
Adjusted EBITDA margin ⁽¹⁾	22.3 %	20.9 %	23.6 %

	For the Quarters Ended							
	June 30, 2023				June 24, 2022			
	Transportation Solutions	Industrial Solutions	Communications Solutions	Total	Transportation Solutions	Industrial Solutions	Communications Solutions	Total
				(\$ in millions)				
Operating income	\$ 425	\$ 150	\$ 55	\$ 630	\$ 383	\$ 165	\$ 171	\$ 719
Acquisition-related charges	—	8	1	9	5	6	1	12
Restructuring and other charges, net	27	22	4	53	9	15	6	30
Adjusted operating income ⁽¹⁾	452	180	60	692	397	186	178	761
Depreciation and amortization	120	56	24	200	137	47	21	205
Adjusted EBITDA ⁽¹⁾	<u>\$ 572</u>	<u>\$ 236</u>	<u>\$ 84</u>	<u>\$ 892</u>	<u>\$ 534</u>	<u>\$ 233</u>	<u>\$ 199</u>	<u>\$ 966</u>
Net sales	\$ 2,433	\$ 1,141	\$ 424	\$ 3,998	\$ 2,300	\$ 1,126	\$ 671	\$ 4,097
Operating margin	17.5 %	13.1 %	13.0 %	15.8 %	16.7 %	14.7 %	25.5 %	17.5 %
Adjusted operating margin ⁽¹⁾	18.6 %	15.8 %	14.2 %	17.3 %	17.3 %	16.5 %	26.5 %	18.6 %
Adjusted EBITDA margin ⁽¹⁾	23.5 %	20.7 %	19.8 %	22.3 %	23.2 %	20.7 %	29.7 %	23.6 %

⁽¹⁾ See description of non-GAAP financial measures.

Impact of Additional Week on Net Sales - QTD

	For the Quarter Ended September 30, 2022		
	14 Weeks	Adjustment	13 Weeks
	U.S. GAAP	Impact of 14th Week	(Non-GAAP) ⁽¹⁾⁽²⁾
	(in millions)		
Net Sales	\$ 4,359	\$ (306)	\$ 4,053

⁽¹⁾ Excludes the impact of an additional week in the fourth quarter of fiscal 2022. The impact of the additional week was estimated using average sales for the fourth quarter of the fiscal year.

⁽²⁾ See description of non-GAAP financial measures.

Impact of Additional Week on EPS - QTD

	U.S. GAAP	Adjustments			14 Weeks Adjusted (Non-GAAP) ⁽³⁾	Adjustment	13 Weeks Adjusted (Non-GAAP) ⁽³⁾⁽⁴⁾
		Acquisition- Related Charges ⁽¹⁾	Restructuring and Other Charges, Net ⁽¹⁾	Tax Items ⁽²⁾		Impact of 14th Week	
Diluted earnings per share from continuing operations	<u>\$ 2.21</u>	<u>\$ 0.04</u>	<u>\$ 0.21</u>	<u>\$ (0.57)</u>	<u>\$ 1.88</u>	<u>\$ (0.13)</u>	<u>\$ 1.75</u>

⁽¹⁾ 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.

⁽²⁾ Includes a \$67 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.

⁽³⁾ See description of non-GAAP financial measures.

⁽⁴⁾ Excludes the impact of an additional week in the fourth quarter of fiscal 2022. The impact of the additional week was estimated using average adjusted earnings per share for the fourth quarter of the fiscal year.

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

	Outlook for Quarter Ending September 29, 2023 ⁽¹⁾	Outlook for Fiscal 2023 ⁽¹⁾
Diluted earnings per share from continuing operations	\$ 1.63	
Restructuring and other charges, net	0.10	
Acquisition-related charges	0.02	
Adjusted diluted earnings per share from continuing operations ⁽²⁾	<u>\$ 1.75</u>	
Net sales growth (decline)	(8.2) %	
Impact of additional week in fiscal 2022 ⁽³⁾	<u>6.9</u>	
Net sales growth (decline) excluding the impact of the additional week in fiscal 2022 ⁽²⁾	(1.3)	
Translation	(1.7)	
(Acquisitions) divestitures, net	<u>0.2</u>	
Organic net sales growth (decline) excluding the impact of the additional week in fiscal 2022 ⁽²⁾	<u>(2.8) %</u>	
Effective tax rate	18.7 %	17.7 %
Effective tax rate adjustments ⁽⁴⁾	<u>0.3</u>	<u>1.4</u>
Adjusted effective tax rate ⁽²⁾	<u>19.0 %</u>	<u>19.1 %</u>

⁽¹⁾ Outlook is as of July 26, 2023.

⁽²⁾ See description of non-GAAP financial measures.

⁽³⁾ The impact of an additional week in the fourth quarter of fiscal 2022. The impact of the additional week was estimated using average sales for the fourth quarter of the fiscal year.

⁽⁴⁾ 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.