

TE Connectivity Fourth Quarter 2024 Earnings

October 30, 2024

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. 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 business interruption 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 in certain parts of the world; 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. In addition, our change of incorporation from Switzerland to Ireland is subject to risks, such as the risk that the anticipated advantages might not materialize, as well as the risks that the price of our stock could decline and our position on stock exchanges and indices could change, and Irish corporate governance and regulatory schemes could prove different or more challenging than currently expected. 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. 29, 2023 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

Q4 Results Exceeded Guidance

- Sales of \$4.1B, up 1% reported and 2% on an organic basis Y/Y
- Adjusted Operating Margins of 18.6%, up 130bps Y/Y; record Adjusted EPS of \$1.95, up 10% Y/Y
- Free Cash Flow generation of ~\$830M in Q4 with ~\$950M returned to shareholders

FY24 Record Results for Operating Margin, EPS, and Free Cash Flow

- Sales of \$15.8B, with organic growth Y/Y in the Communications and Transportation segments
- Adjusted Operating Margins of 18.9% expanded 220bps Y/Y driven by strong operational performance
- Adjusted EPS of \$7.56, up 12% Y/Y
- Free Cash Flow of ~\$2.8B with 120% conversion; ~\$2.8B returned to shareholders & ~\$340M used for a bolt-on acquisition

Q1 FY25 Guidance

- Expect Sales of ~\$3.9B, up 2% Y/Y
- Expect Adjusted EPS of ~\$1.88, up 2% Y/Y, inclusive of a tax rate headwind of \$0.04
- Announced reorganization into two segments, Transportation Solutions & Industrial Solutions, beginning in FY25
- Reinforcing our long-term value creation model, TE Board has authorized a \$2.5B increase in our share repurchase program

Segment Orders Summary

(\$ in millions)

Reported	FY23 Q4	FY24 Q3	FY24 Q4	Q4 Growth	
				Y/Y	Q/Q
Transportation	2,418	2,194	2,206	(9)%	1%
Industrial	1,058	1,139	1,055	0%	(7)%
Communications	424	799	580	37%	(27)%
Total TE	3,900	4,132	3,841	(2)%	(7)%
Book to Bill	0.97	1.04	0.94		

- Transportation sequential order patterns reflecting stability in global auto production with ongoing weakness in Commercial Transportation
- Industrial sequential decline reflects ongoing softness in industrial equipment end markets
- Communications orders as expected and supporting doubling of sales in Artificial Intelligence programs in FY25

Orders reflecting seasonality, ongoing momentum in AI programs, and softness in industrial equipment end markets

Transportation Solutions

Automotive

Organic growth in Asia offset by softness in North America & Europe

Commercial Transportation

Organic decline driven by weakness in Europe

Sensors

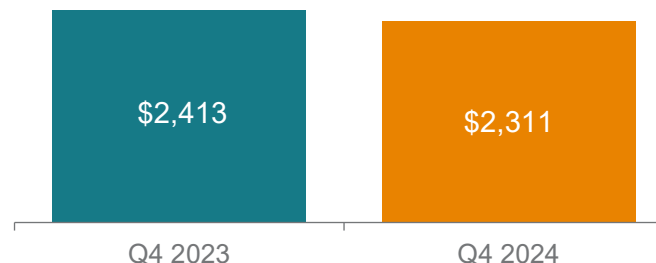
Sales reduction driven by weakness in industrial applications and product exits

\$ in Millions

Q4 SALES

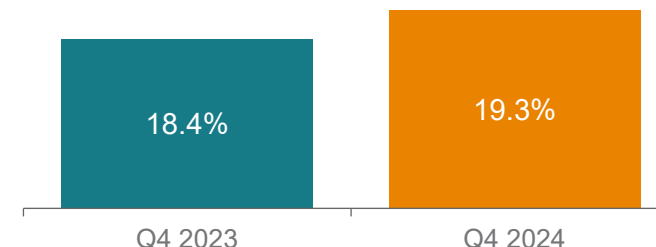
Reported
Down 4%

Organic
Down 2%



Q4 ADJUSTED OPERATING MARGIN

Strong execution in a dynamic market environment



Metric	Q4 2023	Q4 2024
Adjusted EBITDA Margin	23.5%	26.0%

Q4 BUSINESS PERFORMANCE

Y/Y Growth Rates

Reported **Organic**

		Reported	Organic
Automotive	\$1,704	(3)%	(1)%
Commercial Transportation	353	(4)%	(4)%
Sensors	254	(11)%	(11)%

Metric	Reported	Organic
Transportation Solutions	\$2,311 (4)%	(2)%

Expanded adjusted operating margins by 300bps to 20% in FY24 driven by strong operational performance



Industrial Solutions

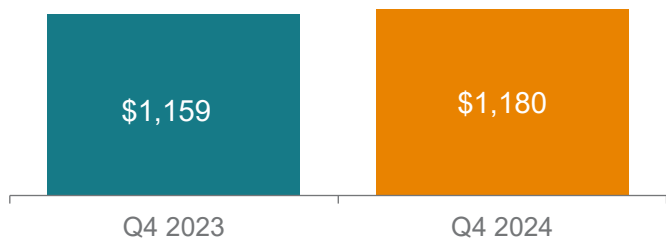
- **Industrial Equipment**
Decline driven by continued weakness in end markets
- **AD&M**
Organic growth reflects ongoing market improvement in Commercial Aerospace and Defense
- **Energy**
Organic growth driven by strength in the Americas and Europe; continue to see strong momentum in renewable applications
- **Medical**
FY24 organic growth of 7% with some inventory normalization in Q4

\$ in Millions

Q4 SALES

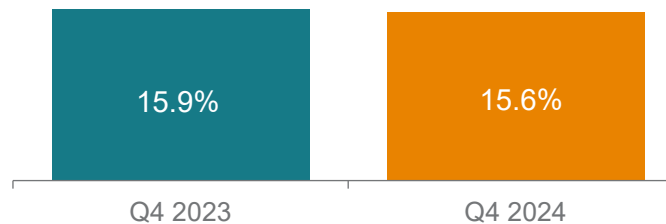
Reported
Up 2%

Organic
Down 1%



Q4 ADJUSTED OPERATING MARGIN

Margins as expected
at current volume
levels and business mix



Adjusted EBITDA Margin	20.5%	20.3%
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Q4 BUSINESS PERFORMANCE

Y/Y Growth Rates		Reported	Organic
Industrial Equipment	\$346	(11)%	(20)%
Aerospace, Defense and Marine	367	14%	14%
Energy	254	10%	14%
Medical	213	(2)%	(1)%
Industrial Solutions	\$1,180	2%	(1)%

Growth in AD&M, Energy, and Medical in FY24



Communications Solutions

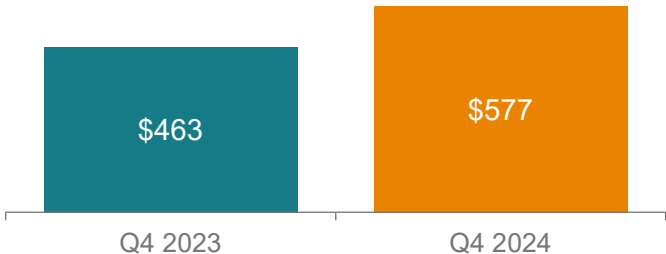
- Data & Devices**
 Strong Y/Y growth driven by momentum in AI applications
- Appliances**
 Organic growth driven by the Americas and Asia

\$ in Millions

Q4 SALES

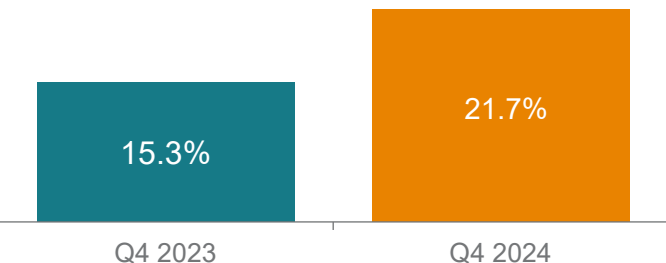
Reported
Up 25%

Organic
Up 26%



Q4 ADJUSTED OPERATING MARGIN

640 bps of margin expansion driven by higher volume and strong operational performance



Adjusted EBITDA Margin	Q4 2023	Q4 2024
	20.1%	25.6%

Q4 BUSINESS PERFORMANCE

Y/Y Growth Rates		Reported	Organic
Data & Devices	\$393	34%	35%
Appliances	184	8%	11%
Communications Solutions	\$577	25%	26%

Strong growth driven by accelerating momentum in Artificial Intelligence programs

Q4 Financial Summary

(\$ in Millions, except per share amounts)	Q4 FY23	Q4 FY24
Net Sales	\$ 4,035	\$ 4,068
Operating Income	\$ 635	\$ 651
<i>Operating Margin</i>	15.7%	16.0%
Acquisition-Related Charges	7	5
Restructuring & Other Charges, Net	57	99
Adjusted Operating Income	\$ 699	\$ 755
<i>Adjusted Operating Margin</i>	17.3%	18.6%
Earnings Per Share*	\$ 1.75	\$ 0.90
Acquisition-Related Charges	0.02	0.01
Restructuring & Other Charges, Net	0.17	0.25
Tax Items	(0.16)	0.78
Adjusted EPS	\$ 1.78	\$ 1.95
Adjusted Effective Tax Rate	19.2%	21.8%

*Represents Diluted Earnings Per Share from Continuing Operations

Adjusted Operating Income, Adjusted Operating Margin, Adjusted Earnings Per Share, and Adjusted Effective Tax Rate are non-GAAP financial measures; see Appendix for descriptions and reconciliations.



Fiscal 2024 Financial Performance

SALES

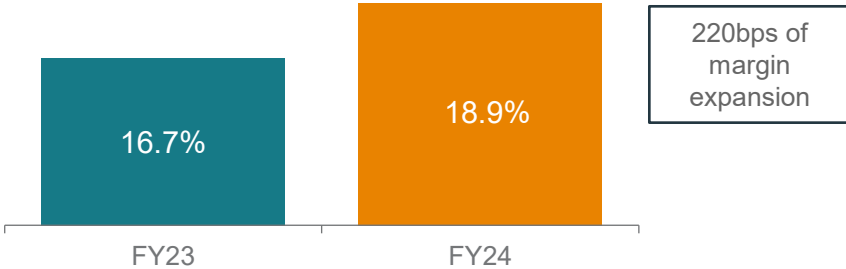
\$ in Billions



ADJUSTED EPS

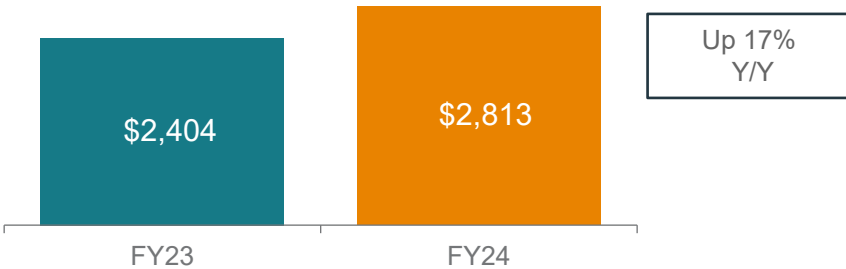


ADJUSTED OPERATING MARGIN



FREE CASH FLOW

\$ in Millions



FCF conversion	FY23	FY24
	112%	120%

Delivered Record Results for Margin, EPS, and Free Cash Flow for the Full Year

Additional Information

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Y/Y Q4 2024



	Sales (in millions)	Adjusted EPS
Q4 2023 Results	\$4,035	\$1.78
Operational Performance	50	0.24
FX Impact	(17)	-
Tax Rate Impact	-	(0.07)
Q4 2024 Results	\$4,068	\$1.95



Y/Y FY 2024



	Sales (in millions)	Adjusted EPS
2023 Results	\$16,034	\$6.74
Operational Performance	(86)	1.21
FX Impact	(103)	(0.13)
Tax Rate Impact	-	(0.26)
2024 Results	\$15,845	\$7.56



Y/Y Q1 2025



	Sales (in millions)	Adjusted EPS
Q1 2024 Results	\$3,831	\$1.84
Operational Performance	37	0.04
FX Impact	32	0.04
Tax Rate Impact	-	(0.04)
Q1 2025 Guidance	\$3,900	\$1.88



Balance Sheet and Cash Flow Summary

Free Cash Flow and Working Capital

(\$ in Millions)	FY23	FY24
Cash from Operating Activities	\$3,132	\$3,477
Capital expenditures, net	(728)	(664)
Free Cash Flow	\$2,404	\$2,813
A/R	\$2,967	\$3,055
Days Sales Outstanding*	67	68
Inventory	\$2,552	\$2,517
Days on Hand*	81	82
Accounts Payable	\$1,563	\$1,728
Days Outstanding*	52	58

Liquidity, Cash and Debt

(\$ in Millions)	FY23	FY24
Beginning Cash Balance	\$1,088	\$1,661
Free Cash Flow	2,404	2,813
Dividends	(725)	(760)
Share repurchases	(945)	(2,062)
Net decrease in debt	(132)	(79)
Acquisition of businesses, net of cash Acquired	(110)	(339)
Other	81	85
Ending Cash Balance	\$1,661	\$1,319
Total Debt	\$4,211	\$4,203



Appendix

EVERY CONNECTION COUNTS



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 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, 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, 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 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 Free Cash Flow as a percentage of 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 Years Ended			
	September 27, 2024		September 29, 2023		September 27, 2024		September 29, 2023	
	(\$ in millions)							
	Net Sales		Net Sales		Net Sales		Net Sales	
Transportation Solutions	\$ 2,311		\$ 2,413		\$ 9,398		\$ 9,588	
Industrial Solutions	1,180		1,159		4,481		4,551	
Communications Solutions	577		463		1,966		1,895	
Total	<u>\$ 4,068</u>		<u>\$ 4,035</u>		<u>\$ 15,845</u>		<u>\$ 16,034</u>	
	Operating Income	Operating Margin	Operating Income	Operating Margin	Operating Income	Operating Margin	Operating Income	Operating Margin
Transportation Solutions	\$ 404	17.5 %	\$ 411	17.0 %	\$ 1,847	19.7 %	\$ 1,451	15.1 %
Industrial Solutions	137	11.6	162	14.0	588	13.1	602	13.2
Communications Solutions	110	19.1	62	13.4	361	18.4	251	13.2
Total	<u>\$ 651</u>	<u>16.0 %</u>	<u>\$ 635</u>	<u>15.7 %</u>	<u>\$ 2,796</u>	<u>17.6 %</u>	<u>\$ 2,304</u>	<u>14.4 %</u>
	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	\$ 446	19.3 %	\$ 444	18.4 %	\$ 1,917	20.4 %	\$ 1,665	17.4 %
Industrial Solutions	184	15.6	184	15.9	683	15.2	713	15.7
Communications Solutions	125	21.7	71	15.3	387	19.7	299	15.8
Total	<u>\$ 755</u>	<u>18.6 %</u>	<u>\$ 699</u>	<u>17.3 %</u>	<u>\$ 2,987</u>	<u>18.9 %</u>	<u>\$ 2,677</u>	<u>16.7 %</u>

⁽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 September 27, 2024 versus Net Sales for the Quarter Ended September 29, 2023										
	Net Sales		Organic Net Sales			Acquisition/ (Divestiture)				
	Growth (Decline)		Growth (Decline) ⁽¹⁾			Translation ⁽²⁾				
	(\$ in millions)									
Transportation Solutions ⁽³⁾:										
Automotive	\$	(56)	(3.2) %	\$	(10)	(0.5) %	\$	—	\$	(46)
Commercial transportation		(16)	(4.3)		(13)	(3.8)		(3)		—
Sensors		(30)	(10.6)		(29)	(10.5)		(1)		—
Total		(102)	(4.2)		(52)	(2.2)		(4)		(46)
Industrial Solutions ⁽³⁾:										
Industrial equipment		(42)	(10.8)		(81)	(20.4)		3		36
Aerospace, defense, and marine		44	13.6		44	13.6		—		—
Energy		23	10.0		31	13.7		(8)		—
Medical		(4)	(1.8)		(2)	(1.1)		(2)		—
Total		21	1.8		(8)	(0.6)		(7)		36
Communications Solutions ⁽³⁾:										
Data and devices		100	34.1		101	34.5		(1)		—
Appliances		14	8.2		19	11.2		(5)		—
Total		114	24.6		120	26.0		(6)		—
Total	\$	33	0.8 %	\$	60	1.5 %	\$	(17)	\$	(10)

Change in Net Sales for the Year Ended September 27, 2024 versus Net Sales for the Year Ended September 29, 2023									
	Net Sales			Organic Net Sales			Acquisitions /		
	Growth (Decline)			Growth (Decline) ⁽¹⁾			Translation ⁽²⁾	(Divestitures)	
	(\$ in millions)								
Transportation Solutions ⁽³⁾:									
Automotive	\$	5	0.1 %	\$	210	3.0 %	\$	(46)	\$ (159)
Commercial transportation		(69)	(4.5)		(62)	(4.1)		(7)	—
Sensors		(126)	(11.3)		(119)	(10.8)		(7)	—
Total		<u>(190)</u>	(2.0)		<u>29</u>	0.3		<u>(60)</u>	<u>(159)</u>
Industrial Solutions ⁽³⁾:									
Industrial equipment		(321)	(18.8)		(425)	(24.9)		3	101
Aerospace, defense, and marine		166	14.1		181	15.4		3	(18)
Energy		36	4.1		43	4.9		(27)	20
Medical		49	6.3		51	6.5		(2)	—
Total		<u>(70)</u>	(1.5)		<u>(150)</u>	(3.3)		<u>(23)</u>	<u>103</u>
Communications Solutions ⁽³⁾:									
Data and devices		112	9.6		118	10.2		(6)	—
Appliances		(41)	(5.6)		(27)	(3.7)		(14)	—
Total		<u>71</u>	3.7		<u>91</u>	4.8		<u>(20)</u>	—
Total	\$	(189)	(1.2) %	\$	(30)	(0.2) %	\$	(103)	\$ (56)

⁽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 September 27, 2024

		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	\$ 404	\$ —	\$ 42	\$ —	\$ 446
Industrial Solutions	137	4	43	—	184
Communications Solutions	110	1	14	—	125
Total	\$ 651	\$ 5	\$ 99	\$ —	\$ 755
Operating margin	16.0 %				18.6 %
Income tax expense	\$ (381)	\$ (1)	\$ (22)	\$ 238	\$ (166)
Effective tax rate	58.0 %				21.8 %
Income from continuing operations	\$ 276	\$ 4	\$ 77	\$ 238	\$ 595
Diluted earnings per share from continuing operations	\$ 0.90	\$ 0.01	\$ 0.25	\$ 0.78	\$ 1.95

⁽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⁾ Represents income tax expense related to an increase in the valuation allowance for deferred tax assets of a Swiss subsidiary.

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

Reconciliation of Non-GAAP Financial Measures to GAAP

Financial Measures for the Quarter Ended September 29, 2023

		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	\$ 411	\$ 1	\$ 32	\$ —	\$ 444
Industrial Solutions	162	6	16	—	184
Communications Solutions	62	—	9	—	71
Total	<u>\$ 635</u>	<u>\$ 7</u>	<u>\$ 57</u>	<u>\$ —</u>	<u>\$ 699</u>
Operating margin	<u>15.7 %</u>				<u>17.3 %</u>
Income tax expense	<u>\$ (81)</u>	<u>\$ (1)</u>	<u>\$ (3)</u>	<u>\$ (49)</u>	<u>\$ (134)</u>
Effective tax rate	<u>12.8 %</u>				<u>19.2 %</u>
Income from continuing operations	<u>\$ 553</u>	<u>\$ 6</u>	<u>\$ 54</u>	<u>\$ (49)</u>	<u>\$ 564</u>
Diluted earnings per share from continuing operations	<u>\$ 1.75</u>	<u>\$ 0.02</u>	<u>\$ 0.17</u>	<u>\$ (0.16)</u>	<u>\$ 1.78</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⁾ Represents income tax benefits associated with a decrease in the valuation allowance for certain tax loss and credit carryforwards.

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

Reconciliation of Non-GAAP Financial Measures to GAAP

Financial Measures for the Year Ended September 27, 2024

		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	\$ 1,847	\$ —	\$ 67	\$ 3	\$ 1,917
Industrial Solutions	588	19	75	1	683
Communications Solutions	361	2	24	—	387
Total	<u>\$ 2,796</u>	<u>\$ 21</u>	<u>\$ 166</u>	<u>\$ 4</u>	<u>\$ 2,987</u>
Operating margin	<u>17.6 %</u>				<u>18.9 %</u>
Income tax (expense) benefit	<u>\$ 397</u>	<u>\$ (3)</u>	<u>\$ (29)</u>	<u>\$ (1,016)</u>	<u>\$ (651)</u>
Effective tax rate	<u>(14.2) %</u>				<u>21.8 %</u>
Income from continuing operations	<u>\$ 3,194</u>	<u>\$ 18</u>	<u>\$ 137</u>	<u>\$ (1,012)</u>	<u>\$ 2,337</u>
Diluted earnings per share from continuing operations	<u>\$ 10.34</u>	<u>\$ 0.06</u>	<u>\$ 0.44</u>	<u>\$ (3.28)</u>	<u>\$ 7.56</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 \$636 million net income tax benefit associated with a \$972 million ten-year tax credit obtained by a Swiss subsidiary reduced by a \$336 million valuation allowance related to the amount of the tax credit not expected to be realized. Also includes a \$262 million income tax benefit related to the revaluation of deferred tax assets as a result of a corporate tax rate increase in Switzerland and a \$118 million income tax benefit associated with the tax impacts of a legal entity restructuring with related costs of \$4 million recorded in selling, general, and administrative expenses for other non-income taxes.

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

Reconciliation of Non-GAAP Financial Measures to GAAP

Financial Measures for the Year Ended September 29, 2023

		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	\$ 1,451	\$ 3	\$ 211	\$ —	\$ 1,665
Industrial Solutions	602	27	84	—	713
Communications Solutions	251	3	45	—	299
Total	<u>\$ 2,304</u>	<u>\$ 33</u>	<u>\$ 340</u>	<u>\$ —</u>	<u>\$ 2,677</u>
Operating margin	<u>14.4 %</u>				<u>16.7 %</u>
Income tax expense	<u>\$ (364)</u>	<u>\$ (6)</u>	<u>\$ (85)</u>	<u>\$ (49)</u>	<u>\$ (504)</u>
Effective tax rate	<u>16.0 %</u>				<u>19.1 %</u>
Income from continuing operations	<u>\$ 1,904</u>	<u>\$ 27</u>	<u>\$ 255</u>	<u>\$ (49)</u>	<u>\$ 2,137</u>
Diluted earnings per share from continuing operations	\$ 6.01	\$ 0.09	\$ 0.80	\$ (0.15)	\$ 6.74

⁽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⁾ Represents income tax benefits associated with a decrease in the valuation allowance for certain tax loss and credit carryforwards.

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

Reconciliation of Non-GAAP Financial Measures to GAAP

Financial Measures for the Quarter Ended December 29, 2023

		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	\$ 478	\$ —	\$ 14	\$ 3	\$ 495
Industrial Solutions	141	7	6	1	155
Communications Solutions	79	1	1	—	81
Total	<u>\$ 698</u>	<u>\$ 8</u>	<u>\$ 21</u>	<u>\$ 4</u>	<u>\$ 731</u>
Operating margin	<u>18.2 %</u>				<u>19.1 %</u>
Income tax (expense) benefit	<u>\$ 1,105</u>	<u>\$ (1)</u>	<u>\$ (5)</u>	<u>\$ (1,254)</u>	<u>\$ (155)</u>
Effective tax rate	<u>(158.1) %</u>				<u>21.2 %</u>
Income from continuing operations	<u>\$ 1,804</u>	<u>\$ 7</u>	<u>\$ 16</u>	<u>\$ (1,250)</u>	<u>\$ 577</u>
Diluted earnings per share from continuing operations	<u>\$ 5.76</u>	<u>\$ 0.02</u>	<u>\$ 0.05</u>	<u>\$ (3.99)</u>	<u>\$ 1.84</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 an \$874 million net income tax benefit associated with a ten-year tax credit obtained by a Swiss subsidiary and a \$262 million income tax benefit related to the revaluation of deferred tax assets as a result of a corporate tax rate increase in Switzerland. Also includes a \$118 million income tax benefit associated with the tax impacts of a legal entity restructuring with related costs of \$4 million recorded in selling, general, and administrative expenses for other non-income taxes.

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

Reconciliation of Free Cash Flow

	For the Quarters Ended		For the Years Ended	
	September 27, 2024	September 29, 2023	September 27, 2024	September 29, 2023
	(in millions)			
Net cash provided by operating activities	\$ 1,042	\$ 1,138	\$ 3,477	\$ 3,132
Net cash used in investing activities	(206)	(195)	(950)	(768)
Net cash used in financing activities	(994)	(407)	(2,869)	(1,793)
Effect of currency translation on cash	8	(6)	—	2
Net increase (decrease) in cash, cash equivalents, and restricted cash	\$ (150)	\$ 530	\$ (342)	\$ 573
Net cash provided by operating activities	\$ 1,042	\$ 1,138	\$ 3,477	\$ 3,132
Capital expenditures, net	(209)	(193)	(664)	(728)
Free cash flow ⁽¹⁾	\$ 833	\$ 945	\$ 2,813	\$ 2,404

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

Free Cash Flow Conversion



	For the Years Ended	
	September 27,	September 29,
	2024	2023
	(\$ in millions)	
Free cash flow ⁽¹⁾	\$ 2,813	\$ 2,404
Adjusted income from continuing operations ⁽¹⁾	\$ 2,337	\$ 2,137
Free cash flow conversion ⁽¹⁾	120.4 %	112.5 %

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

Reconciliation of Adjusted EBITDA and Adjusted EBITDA Margin

	For the Quarters Ended	
	September 27, 2024	September 29, 2023
	(\$ in millions)	
Net income	\$ 276	\$ 552
Loss from discontinued operations	—	1
Income tax expense	381	81
Other expense, net	5	3
Interest expense	15	19
Interest income	(26)	(21)
Operating income	651	635
Acquisition-related charges	5	7
Restructuring and other charges, net	99	57
Adjusted operating income ⁽¹⁾	755	699
Depreciation and amortization	232	200
Adjusted EBITDA ⁽¹⁾	<u>\$ 987</u>	<u>\$ 899</u>
Net sales	\$ 4,068	\$ 4,035
Net income as a percentage of net sales	6.8 %	13.7 %
Adjusted EBITDA margin ⁽¹⁾	24.3 %	22.3 %

	For the Quarters Ended							
	September 27, 2024				September 29, 2023			
	Transportation Solutions	Industrial Solutions	Communications Solutions	Total	Transportation Solutions	Industrial Solutions	Communications Solutions	Total
	(\$ in millions)							
Operating income	\$ 404	\$ 137	\$ 110	\$ 651	\$ 411	\$ 162	\$ 62	\$ 635
Acquisition-related charges	—	4	1	5	1	6	—	7
Restructuring and other charges, net	42	43	14	99	32	16	9	57
Adjusted operating income ⁽¹⁾	446	184	125	755	444	184	71	699
Depreciation and amortization	154	55	23	232	124	54	22	200
Adjusted EBITDA ⁽¹⁾	<u>\$ 600</u>	<u>\$ 239</u>	<u>\$ 148</u>	<u>\$ 987</u>	<u>\$ 568</u>	<u>\$ 238</u>	<u>\$ 93</u>	<u>\$ 899</u>
Net sales	\$ 2,311	\$ 1,180	\$ 577	\$ 4,068	\$ 2,413	\$ 1,159	\$ 463	\$ 4,035
Operating margin	17.5 %	11.6 %	19.1 %	16.0 %	17.0 %	14.0 %	13.4 %	15.7 %
Adjusted operating margin ⁽¹⁾	19.3 %	15.6 %	21.7 %	18.6 %	18.4 %	15.9 %	15.3 %	17.3 %
Adjusted EBITDA margin ⁽¹⁾	26.0 %	20.3 %	25.6 %	24.3 %	23.5 %	20.5 %	20.1 %	22.3 %

⁽¹⁾ 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 December 27, 2024 ⁽¹⁾	Outlook for Fiscal 2025 ⁽¹⁾
Diluted earnings per share from continuing operations	\$ 1.64	
Restructuring and other charges, net	0.23	
Acquisition-related charges	0.01	
Adjusted diluted earnings per share from continuing operations ⁽²⁾	<u>\$ 1.88</u>	
Net sales growth	1.8 %	
Translation	(0.8)	
(Acquisitions) divestitures, net	(0.6)	
Organic net sales growth ⁽²⁾	<u>0.4 %</u>	
Effective tax rate	23.1 %	23.8 %
Effective tax rate adjustments ⁽³⁾	(0.1)	(0.3)
Adjusted effective tax rate ⁽²⁾	<u>23.0 %</u>	<u>23.5 %</u>

⁽¹⁾ Outlook is as of October 30, 2024.

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

⁽³⁾ 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.