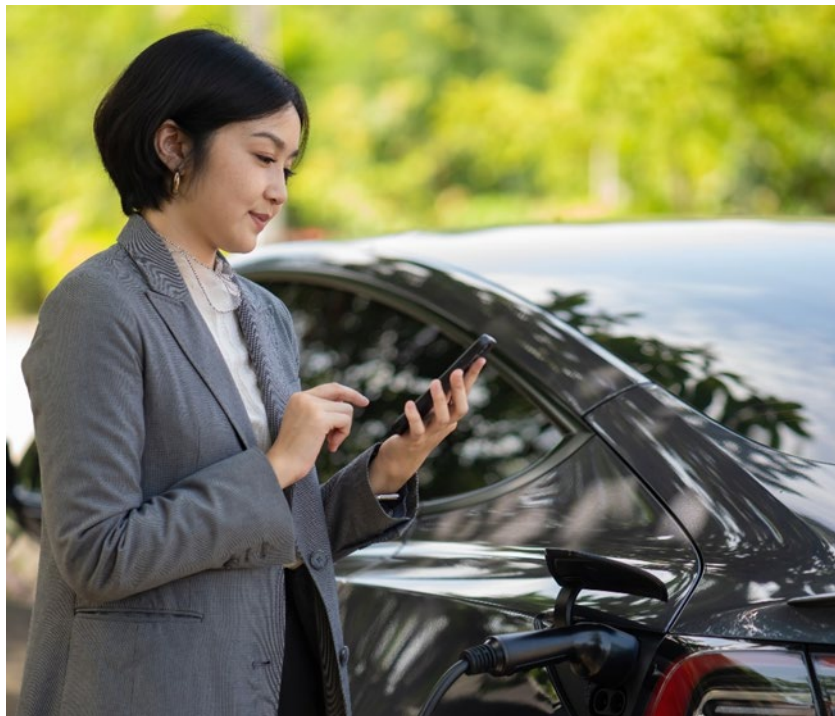


TE Connectivity First Quarter 2024 Earnings

January 24, 2024

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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. 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 interruptions, such as the coronavirus disease 2019 ("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 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, 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. 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

20% Adjusted EPS growth in Q1 on flat Sales Y/Y; Adjusted Operating Margins of 19%

- **Sales of \$3.83B, ~flat reported, down 1% organically Y/Y**
 - Transportation up 5% organically Y/Y, driven by Automotive
 - Industrial down 5% organically Y/Y, with growth in AD&M, Energy, and Medical offset by ongoing weakness in Industrial Equipment markets
 - Communications down 17% organically Y/Y, with continued weakness in end markets
- **Orders of \$3.8B, up 4% Y/Y, with growth in all segments**
- **Adjusted Operating Margins of 19.1%, up 290bps Y/Y, driven by strong operational performance**
- **Adjusted EPS of \$1.84, up 20% Y/Y and above guidance**
- **Record Q1 Free Cash Flow of \$570M; ~\$600M returned to shareholders and ~\$350M used for bolt-on Schaffner acquisition**
- **TE named to the Dow Jones Sustainability Index for the 12th consecutive year**

Q2 Guidance

- **Expect Q2 Sales of ~\$3.95B**
 - Expect Sales to be up 3% reported sequentially with growth in the Industrial segment partially offset by slight decline in the Transportation segment
- **Expect Adjusted EPS of ~\$1.82, up 10% Y/Y**

Segment Orders Summary

(\$ in millions)

Reported	FY23 Q1	FY23 Q4	FY24 Q1	Q1 Growth	
				Y/Y	Q/Q
Transportation	2,154	2,418	2,247	4%	(7)%
Industrial	1,085	1,058	1,122	3%	6%
Communications	395	424	404	3%	(4)%
Total TE	3,633	3,900	3,773	4%	(3)%
Book to Bill	0.95	0.97	0.98		

- Transportation orders reflecting ongoing stable global production and continued strong backlog position
- Industrial order patterns supporting continued growth in AD&M, Medical and Energy
- Communications orders reflect ongoing pockets of inventory destocking
- Backlog remains near record levels

Y/Y orders growth in all segments



Transportation Solutions

Automotive

Organic growth in Asia & Europe. Strong performance continues to be driven by our leading global position in EV along with electrification trends

Commercial Transportation

Organic growth in Asia, partially offset by declines in North America

Sensors

Organic decline driven by product exits and weakness in industrial applications, partially offset by growth in automotive applications

\$ in Millions

Q1 SALES

Reported
Up 5%

Organic
Up 5%

\$2,259

Q1 2023

\$2,373

Q1 2024

Q1 ADJUSTED OPERATING MARGIN

Margin expansion driven by strong operational performance

15.8%

Q1 2023

20.9%

Q1 2024

Adjusted EBITDA Margin

20.8%

25.8%

Q1 BUSINESS PERFORMANCE

Y/Y Growth Rates

Reported **Organic**

		Reported	Organic
Automotive	\$1,776	8%	8%
Commercial Transportation	356	2%	1%
Sensors	241	(8)%	(9)%
Transportation Solutions	\$2,373	5%	5%

Expect ~20% target margins going forward with slight Y/Y increase in auto production

Industrial Solutions

- Industrial Equipment**
Decline driven by ongoing destocking in our customers' supply chain
- AD&M**
Organic growth driven by Commercial Aerospace
- Energy**
Organic growth driven by continued momentum in renewable applications partially offset by slower European utility demand
- Medical**
Organic growth driven by increases in interventional procedures

\$ in Millions

Q1 SALES

Reported
Down 3%

Organic
Down 5%

\$1,060

\$1,025

Q1 2023

Q1 2024

Q1 ADJUSTED OPERATING MARGIN

Margins reflect volume decline in Industrial Equipment business

16.5%

15.1%

Q1 2023

Q1 2024

Adjusted EBITDA Margin

20.8%

20.4%

Q1 BUSINESS PERFORMANCE

Y/Y Growth Rates

Reported **Organic**

Industrial Equipment	\$330	(24)%	(26)%
Aerospace, Defense and Marine	290	10%	13%
Energy	205	9%	1%
Medical	200	16%	16%

Industrial Solutions	\$1,025	(3)%	(5)%
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Expect continued sequential growth in AD&M, Energy, and Medical

Communications Solutions

- Data & Devices**
Decline driven by ongoing destocking across our customers' supply chains; continue to see strong momentum in AI applications
- Appliances**
Impacted by market weakness in all regions

\$ in Millions

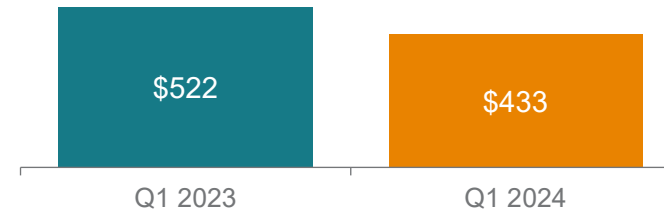
Q1 SALES

Reported

Down 17%

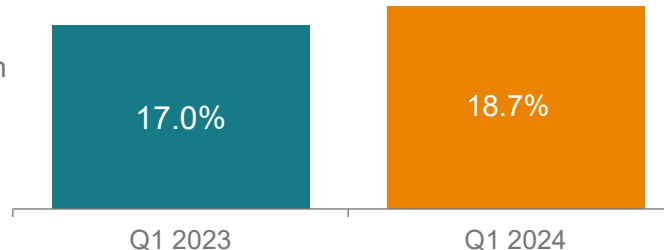
Organic

Down 17%



Q1 ADJUSTED OPERATING MARGIN

Margin expansion driven by strong operational performance



	Q1 2023	Q1 2024
Adjusted EBITDA Margin	23.0%	23.8%

Q1 BUSINESS PERFORMANCE

Y/Y Growth Rates

Reported **Organic**

Data & Devices	\$279	(15)%	(15)%
Appliances	154	(20)%	(20)%

Communications Solutions	\$433	(17)%	(17)%
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AI programs will drive second half revenue ramp; expect to maintain high teens segment margins

Q1 Financial Summary

(\$ in Millions, except per share amounts)	Q1 FY23	Q1 FY24
Net Sales	\$ 3,841	\$ 3,831
Operating Income	\$ 502	\$ 698
<i>Operating Margin</i>	13.1%	18.2%
Acquisition-Related Charges	9	8
Restructuring & Other Charges, Net	111	25
Adjusted Operating Income	\$ 622	\$ 731
<i>Adjusted Operating Margin</i>	16.2%	19.1%
Earnings Per Share*	\$ 1.25	\$ 5.76
Acquisition-Related Charges	0.02	0.02
Restructuring & Other Charges, Net	0.26	0.05
Tax Items	-	(3.99)
Adjusted EPS	\$ 1.53	\$ 1.84

*Represents Diluted Earnings Per Share from Continuing Operations

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



Q1 Financial Performance

SALES

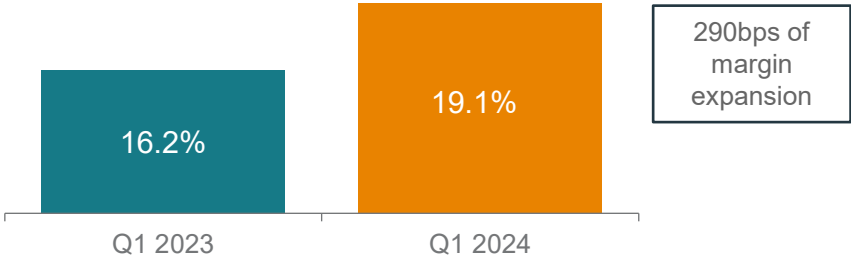
\$ in Billions



ADJUSTED EPS

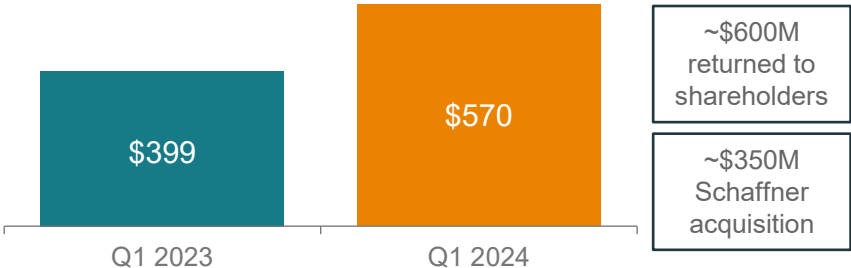


ADJUSTED OPERATING MARGIN



FREE CASH FLOW

\$ in Millions



Strong Margin expansion and Free Cash Flow performance

Additional Information

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Y/Y Q1 2024



	Sales (in millions)	Adjusted EPS
Q1 2023 Results	\$3,841	\$1.53
Operational Performance	(54)	0.34
FX Impact	44	0.01
Tax Rate Impact	-	(0.04)
Q1 2024 Results	\$3,831	\$1.84



Y/Y Q2 2024



	Sales (in millions)	Adjusted EPS
Q2 2023 Results	\$4,160	\$1.65
Operational Performance	(197)	0.25
FX Impact	(13)	(0.05)
Tax Rate Impact	-	(0.03)
Q2 2024 Guidance	\$3,950	\$1.82



Q1 Balance Sheet and Cash Flow Summary

Free Cash Flow and Working Capital

(\$ in Millions)	Q1 2023	Q1 2024
Cash from Operating Activities	\$581	\$719
Capital expenditures, net	(182)	(149)
Free Cash Flow	\$399	\$570
A/R	\$2,910	\$2,828
Days Sales Outstanding*	68	67
Inventory	\$2,927	\$2,783
Days on Hand*	96	96
Accounts Payable	\$1,751	\$1,690
Days Outstanding*	59	61

Liquidity, Cash and Debt

(\$ in Millions)	Q1 2023	Q1 2024
Beginning Cash Balance	\$1,088	\$1,661
Free Cash Flow	399	570
Dividends	(178)	(183)
Share repurchases	(287)	(476)
Net decrease in debt	(143)	(70)
Acquisition of businesses, net of cash acquired	(109)	(349)
Other	23	17
Ending Cash Balance	\$793	\$1,170
Total Debt	\$4,218	\$4,198



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.
- **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 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 29, 2023		December 30, 2022	
		(\$ in millions)			
		Net Sales		Net Sales	
Transportation Solutions		\$	2,373	\$	2,259
Industrial Solutions			1,025		1,060
Communications Solutions			433		522
Total		\$	3,831	\$	3,841
		Operating Income	Operating Margin	Operating Income	Operating Margin
Transportation Solutions		\$ 478	20.1 %	\$ 282	12.5 %
Industrial Solutions		141	13.8	156	14.7
Communications Solutions		79	18.2	64	12.3
Total		\$ 698	18.2 %	\$ 502	13.1 %
		Adjusted Operating Income ⁽¹⁾	Adjusted Operating Margin ⁽¹⁾	Adjusted Operating Income ⁽¹⁾	Adjusted Operating Margin ⁽¹⁾
Transportation Solutions		\$ 495	20.9 %	\$ 358	15.8 %
Industrial Solutions		155	15.1	175	16.5
Communications Solutions		81	18.7	89	17.0
Total		\$ 731	19.1 %	\$ 622	16.2 %

⁽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 December 29, 2023 versus Net Sales for the Quarter Ended December 30, 2022							
	Net Sales		Organic Net Sales			Acquisition/ (Divestitures)	
	Growth (Decline)		Growth (Decline) ⁽¹⁾		Translation ⁽²⁾		
	(\$ in millions)						
Transportation Solutions ⁽³⁾:							
Automotive	\$	127	7.7 %	\$	135	8.1 %	\$ 17 \$ (25)
Commercial transportation		8	2.3		2	0.7	6 —
Sensors		(21)	(8.0)		(24)	(9.2)	3 —
Total		114	5.0		113	5.0	26 (25)
Industrial Solutions ⁽³⁾:							
Industrial equipment		(104)	(24.0)		(115)	(26.3)	11 —
Aerospace, defense, and marine		26	9.8		33	12.5	4 (11)
Energy		16	8.5		3	1.4	3 10
Medical		27	15.6		27	15.6	— —
Total		(35)	(3.3)		(52)	(4.9)	18 (1)
Communications Solutions ⁽³⁾:							
Data and devices		(50)	(15.2)		(50)	(15.2)	— —
Appliances		(39)	(20.2)		(39)	(20.2)	— —
Total		(89)	(17.0)		(89)	(17.0)	— —
Total	\$	(10)	(0.3) %	\$	(28)	(0.7) %	\$ 44 \$ (26)

⁽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 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>
Other expense, net	<u>\$ (3)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (3)</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 Non-GAAP Financial Measures to GAAP

Financial Measures for the Quarter Ended December 30, 2022

		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	\$ 282	\$ 2	\$ 74	\$ 358
Industrial Solutions	156	6	13	175
Communications Solutions	64	1	24	89
Total	<u>\$ 502</u>	<u>\$ 9</u>	<u>\$ 111</u>	<u>\$ 622</u>
Operating margin	<u>13.1 %</u>			<u>16.2 %</u>
Other expense, net	<u>\$ (5)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (5)</u>
Income tax expense	<u>\$ (87)</u>	<u>\$ (2)</u>	<u>\$ (29)</u>	<u>\$ (118)</u>
Effective tax rate	<u>17.9 %</u>			<u>19.5 %</u>
Income from continuing operations	<u>\$ 398</u>	<u>\$ 7</u>	<u>\$ 82</u>	<u>\$ 487</u>
Diluted earnings per share from continuing operations	\$ 1.25	\$ 0.02	\$ 0.26	\$ 1.53

⁽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 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	\$ 537	\$ 8	\$ 119	\$ 664
Operating margin	12.9 %			16.0 %
Other expense, net	\$ (4)	\$ —	\$ —	\$ (4)
Income tax expense	\$ (100)	\$ (1)	\$ (26)	\$ (127)
Effective tax rate	19.0 %			19.5 %
Income from continuing operations	\$ 425	\$ 7	\$ 93	\$ 525
Diluted earnings per share from continuing operations	\$ 1.34	\$ 0.02	\$ 0.29	\$ 1.65

⁽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 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>
Other expense, net	<u>\$ (16)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (16)</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	<u>\$ 6.01</u>	<u>\$ 0.09</u>	<u>\$ 0.80</u>	<u>\$ (0.15)</u>	<u>\$ 6.74</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 carry forwards.

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

Reconciliation of Free Cash Flow

	For the Quarters Ended	
	December 29, 2023	December 30, 2022
	(in millions)	
Net cash provided by operating activities	\$ 719	\$ 581
Net cash used in investing activities	(468)	(265)
Net cash used in financing activities	(745)	(621)
Effect of currency translation on cash	3	10
Net decrease in cash, cash equivalents, and restricted cash	\$ (491)	\$ (295)
Net cash provided by operating activities	\$ 719	\$ 581
Capital expenditures, net	(149)	(182)
Free cash flow⁽¹⁾	\$ 570	\$ 399

⁽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	
	December 29, 2023	December 30, 2022
	(\$ in millions)	
Net income	\$ 1,803	\$ 397
Loss from discontinued operations	1	1
Income tax expense (benefit)	(1,105)	87
Other expense, net	3	5
Interest expense	18	21
Interest income	(22)	(9)
Operating income	698	502
Acquisition-related charges	8	9
Restructuring and other charges, net	21	111
Taxes (non-income tax) recorded in SG&A	4	—
Adjusted operating income ⁽¹⁾	731	622
Depreciation and amortization	194	187
Adjusted EBITDA ⁽¹⁾	<u>\$ 925</u>	<u>\$ 809</u>
Net sales	\$ 3,831	\$ 3,841
Net income as a percentage of net sales	47.1% %	10.3 %
Adjusted EBITDA margin ⁽¹⁾	24.1 %	21.1 %

	For the Quarters Ended							
	December 29, 2023				December 30, 2022			
	Transportation Solutions	Industrial Solutions	Communications Solutions	Total	Transportation Solutions	Industrial Solutions	Communications Solutions	Total
	(\$ in millions)							
Operating income	\$ 478	\$ 141	\$ 79	\$ 698	\$ 282	\$ 156	\$ 64	\$ 502
Acquisition-related charges	—	7	1	8	2	6	1	9
Restructuring and other charges, net	14	6	1	21	74	13	24	111
Taxes (non-income tax) recorded in SG&A	3	1	—	4	—	—	—	—
Adjusted operating income ⁽¹⁾	495	155	81	731	358	175	89	622
Depreciation and amortization	118	54	22	194	111	45	31	187
Adjusted EBITDA ⁽¹⁾	<u>\$ 613</u>	<u>\$ 209</u>	<u>\$ 103</u>	<u>\$ 925</u>	<u>\$ 469</u>	<u>\$ 220</u>	<u>\$ 120</u>	<u>\$ 809</u>
Net sales	\$ 2,373	\$ 1,025	\$ 433	\$ 3,831	\$ 2,259	\$ 1,060	\$ 522	\$ 3,841
Operating margin	20.1 %	13.8 %	18.2 %	18.2 %	12.5 %	14.7 %	12.3 %	13.1 %
Adjusted operating margin ⁽¹⁾	20.9 %	15.1 %	18.7 %	19.1 %	15.8 %	16.5 %	17.0 %	16.2 %
Adjusted EBITDA margin ⁽¹⁾	25.8 %	20.4 %	23.8 %	24.1 %	20.8 %	20.8 %	23.0 %	21.1 %

⁽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 March 29, 2024 ⁽¹⁾	Outlook for Fiscal 2024 ⁽¹⁾
Diluted earnings per share from continuing operations	\$ 1.75	
Restructuring and other charges, net	0.05	
Acquisition-related charges	0.02	
Adjusted diluted earnings per share from continuing operations ⁽²⁾	<u>\$ 1.82</u>	
Net sales growth (decline)	(5.0) %	
Translation	0.3	
(Acquisitions) divestitures, net	0.5	
Organic net sales growth (decline) ⁽²⁾	<u>(4.2) %</u>	
Operating margin	17.5 %	
Restructuring and other charges, net	0.5	
Acquisition-related charges	0.2	
Adjusted operating margin ⁽²⁾	<u>18.2 %</u>	
Effective tax rate	21.1 %	(23.3) %
Effective tax rate adjustments ⁽³⁾	(0.1)	44.7
Adjusted effective tax rate ⁽²⁾	<u>21.0 %</u>	<u>21.4 %</u>

⁽¹⁾ Outlook is as of January 24, 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.