

TE Connectivity First Quarter 2025 Earnings

January 22, 2025

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 plc's Annual Report on Form 10-K for the fiscal year ended Sept. 27, 2024 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

Record Adjusted Operating Margins; Q1 EPS Above Guidance Driven by Strong Operational Performance

- **Sales of \$3.84B, flat year-over-year**
 - Organic sales as expected. Reported sales unfavorably impacted by increased currency exchange headwinds in the quarter
- **Orders of \$4.0B, up Y/Y and sequentially, primarily driven by momentum in Artificial Intelligence programs**
- **Adjusted Operating Margins of 19.4%, up 30bps Y/Y**
- **Adjusted EPS above guidance at \$1.95, up 6% Y/Y on flat sales**
- **Record Q1 Free Cash Flow generation of \$674M, up 18% Y/Y**
 - ~\$500M returned to shareholders and \$325M used for bolt-on acquisitions in the Industrial segment
- **TE named to the Dow Jones Sustainability Index for the 13th consecutive year**

Q2 Guidance

- **Expect Sales of ~\$3.95B with Adjusted EPS of ~\$1.96, up 5% Y/Y**
 - FX unfavorably impacting sales by ~\$110M Y/Y; FX and tax headwinds impacting EPS by \$0.06 Y/Y
 - Expect sequential organic growth in both the Transportation & Industrial segments

Segment Orders Summary

(\$ in millions)

Reported	FY24 Q1	FY24 Q4	FY25 Q1	Q1 Growth	
				Y/Y	Q/Q
Transportation	2,268	2,224	2,151	(5)%	(3)%
Industrial	1,505	1,617	1,860	24%	15%
Total TE	3,773	3,841	4,011	6%	4%
Book to Bill	0.98	0.94	1.05		

- Transportation orders as expected, reflecting ongoing softness in commercial transportation and sensors end markets
- Industrial segment orders reflect a book to bill over 1.0 in all businesses; ongoing momentum in artificial intelligence, AD&M, and energy applications

Order patterns supporting growth outlook

Transportation Solutions

Automotive

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

Commercial Transportation

Organic decline driven by weakness in Europe & North America

Sensors

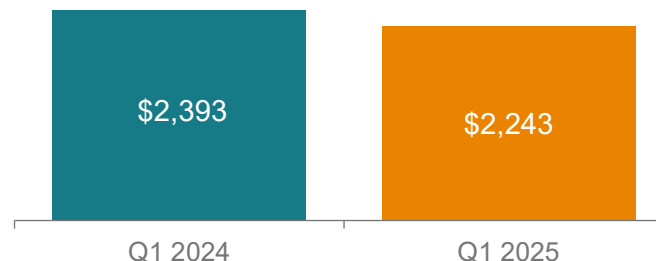
Sales reduction driven by weakness in broader industrial end markets in Europe and North America

\$ in Millions

Q1 SALES

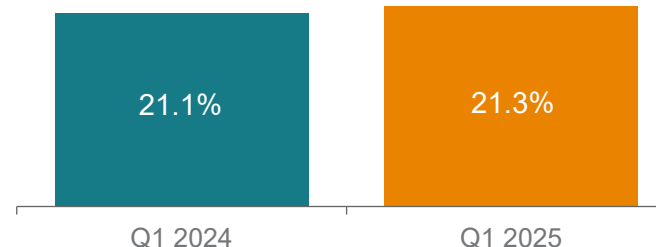
Reported
Down 6%

Organic
Down 5%



Q1 ADJUSTED OPERATING MARGIN

Continued strong operational execution in a dynamic market environment



Adjusted EBITDA Margin	Q1 2024	Q1 2025
	26.0%	26.3%

Q1 BUSINESS PERFORMANCE

Y/Y Growth Rates		Reported	Organic
Automotive	\$1,722	(4)%	(3)%
Commercial Transportation	312	(12)%	(12)%
Sensors	209	(13)%	(13)%
Transportation Solutions	\$2,243	(6)%	(5)%

Strong margin performance; expect sequential organic sales growth in Q2 despite lower auto production



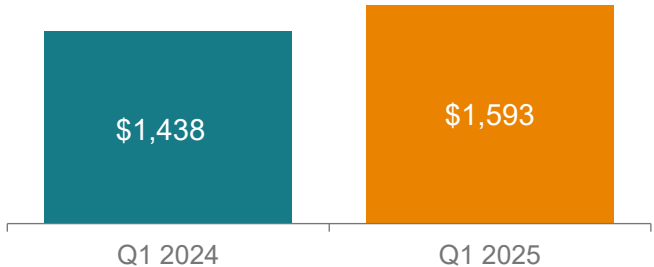
Industrial Solutions

\$ in Millions

Q1 SALES

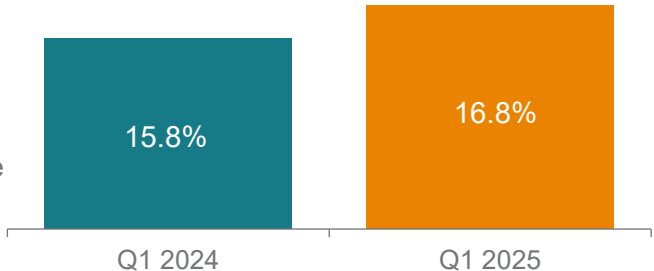
Reported
Up 11%

Organic
Up 9%



Q1 ADJUSTED OPERATING MARGIN

Margin expansion of 100bps driven by higher volume and strong operational performance



Metric	Q1 2024	Q1 2025
Adjusted EBITDA Margin	21.0%	21.4%

Q1 BUSINESS PERFORMANCE

Y/Y Growth Rates	Reported	Organic
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Digital Data Networks (DDN)	\$413	48%	48%
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Automation & Connected Living (ACL)	479	3%	(5)%
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Aerospace, Defense and Marine (AD&M)	334	15%	15%
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Energy	216	5%	7%
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Medical	151	(25)%	(25)%
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Industrial Solutions	\$1,593	11%	9%
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Expect sequential organic sales growth in Q2 in all businesses

- Digital Data Networks**
 Strong growth driven by momentum in AI applications across multiple customers
- Automation & Connected Living**
 Organic decline driven by continued market weakness in factory automation, partially offset by growth in appliance markets
- AD&M**
 Organic growth reflects ongoing market improvement in commercial aerospace and defense
- Energy**
 Organic growth in all regions with continued strong momentum across energy applications
- Medical**
 Declines resulting from inventory normalization by our customers

Q1 Financial Summary

(\$ in Millions, except per share amounts)	Q1 FY24	Q1 FY25
Net Sales	\$ 3,831	\$ 3,836
Operating Income	\$ 698	\$ 690
<i>Operating Margin</i>	18.2%	18.0%
Acquisition-Related Charges	8	5
Restructuring & Other Charges, Net	25	50
Adjusted Operating Income	\$ 731	\$ 745
<i>Adjusted Operating Margin</i>	19.1%	19.4%
Earnings Per Share*	\$ 5.76	\$ 1.75
Acquisition-Related Charges	0.02	0.01
Restructuring & Other Charges, Net	0.05	0.14
Tax Items	(3.99)	0.04
Adjusted EPS	\$ 1.84	\$ 1.95
Adjusted Effective Tax Rate	21.2%	23.0%

*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.



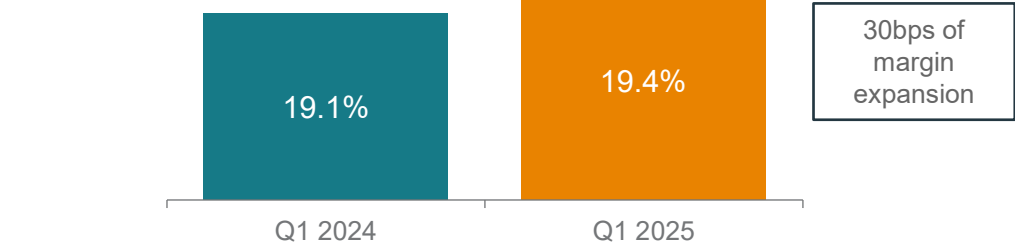
Q1 Financial Performance

SALES

\$ in Billions



ADJUSTED OPERATING MARGIN

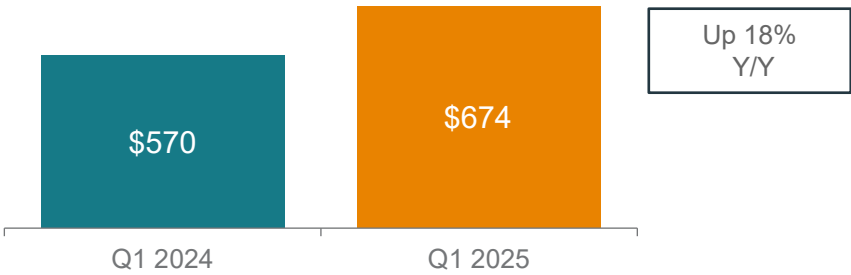


ADJUSTED EPS



FREE CASH FLOW

\$ in Millions



Margin Expansion and EPS Growth Driven by Strong Operational Performance
Record Q1 Free Cash Flow

Additional Information

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Y/Y Q1 2025



	Sales (in millions)	Adjusted EPS
Q1 2024 Results	\$3,831	\$1.84
Operational Performance	23	0.12
FX Impact	(18)	0.03
Tax Rate Impact	-	(0.04)
Q1 2025 Results	\$3,836	\$1.95



Y/Y Q2 2025



	Sales (in millions)	Adjusted EPS
Q2 2024 Results	\$3,967	\$1.86
Operational Performance	95	0.16
FX Impact	(112)	(0.01)
Tax Rate Impact	-	(0.05)
Q2 2025 Guidance	\$3,950	\$1.96



Liquidity, Cash and Debt

(\$ in Millions)	Q1 2024	Q1 2025
Beginning Cash Balance	\$1,661	\$1,319
Free Cash Flow	570	674
Dividends	(183)	(189)
Share repurchases	(476)	(303)
Net increase (decrease) in debt	(70)	90
Acquisition of businesses, net of cash acquired	(349)	(325)
Other	17	(12)
Ending Cash Balance	\$1,170	\$1,254
Total Debt	\$4,198	\$4,205

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 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.

Non-GAAP Financial Measures (cont.)

- **Adjusted Earnings Per Share** – represents diluted earnings (loss) 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.
- **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.

Segment Summary



		For the Quarters Ended			
		December 27, 2024		December 29, 2023	
		(\$ in millions)			
		Net Sales		Net Sales	
Transportation Solutions		\$ 2,243		\$ 2,393	
Industrial Solutions		1,593		1,438	
Total		<u>\$ 3,836</u>		<u>\$ 3,831</u>	
		Operating Income	Operating Margin	Operating Income	Operating Margin
Transportation Solutions		\$ 446	19.9 %	\$ 487	20.4 %
Industrial Solutions		244	15.3	211	14.7
Total		<u>\$ 690</u>	18.0 %	<u>\$ 698</u>	18.2 %
		Adjusted Operating Income ⁽¹⁾	Adjusted Operating Margin ⁽¹⁾	Adjusted Operating Income ⁽¹⁾	Adjusted Operating Margin ⁽¹⁾
Transportation Solutions		\$ 478	21.3 %	\$ 504	21.1 %
Industrial Solutions		267	16.8	227	15.8
Total		<u>\$ 745</u>	19.4 %	<u>\$ 731</u>	19.1 %

⁽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 27, 2024 versus Net Sales for the Quarter Ended December 29, 2023										
	Net Sales		Organic Net Sales			Acquisitions/ (Divestiture)				
	Growth (Decline)		Growth (Decline) ⁽¹⁾		Translation ⁽²⁾					
			(\$ in millions)							
Transportation Solutions ⁽³⁾ :										
Automotive	\$	(74)	(4.1) %	\$	(55)	(3.0) %	\$	(7)	\$	(12)
Commercial transportation		(44)	(12.4)		(41)	(11.6)		(3)		—
Sensors		(32)	(13.3)		(30)	(12.6)		(2)		—
Total Transportation Solutions		(150)	(6.3)		(126)	(5.2)		(12)		(12)
Industrial Solutions ⁽³⁾ :										
Automation and connected living		15	3.2		(21)	(4.5)		(2)		38
Aerospace, defense, and marine		44	15.2		45	15.4		(1)		—
Digital data networks		134	48.0		134	48.0		—		—
Energy		11	5.4		14	6.8		(3)		—
Medical		(49)	(24.5)		(49)	(24.5)		—		—
Total Industrial Solutions		155	10.8		123	8.6		(6)		38
Total	\$	5	0.1 %	\$	(3)	— %	\$	(18)	\$	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 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	\$ 446	\$ —	\$ 32	\$ —	\$ 478
Industrial Solutions	244	5	18	—	267
Total	<u>\$ 690</u>	<u>\$ 5</u>	<u>\$ 50</u>	<u>\$ —</u>	<u>\$ 745</u>
Operating margin	<u>18.0 %</u>				<u>19.4 %</u>
Income tax expense	<u>\$ (178)</u>	<u>\$ (1)</u>	<u>\$ (9)</u>	<u>\$ 13</u>	<u>\$ (175)</u>
Effective tax rate	<u>25.2 %</u>				<u>23.0 %</u>
Income from continuing operations	<u>\$ 528</u>	<u>\$ 4</u>	<u>\$ 41</u>	<u>\$ 13</u>	<u>\$ 586</u>
Diluted earnings per share from continuing operations	<u>\$ 1.75</u>	<u>\$ 0.01</u>	<u>\$ 0.14</u>	<u>\$ 0.04</u>	<u>\$ 1.95</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 expense related to the revaluation of deferred tax assets as a result of a decrease in the corporate tax rate in a non-U.S. jurisdiction.

⁽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	\$ 487	\$ —	\$ 14	\$ 3	\$ 504
Industrial Solutions	211	8	7	1	227
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 Non-GAAP Financial Measures to GAAP

Financial Measures for the Quarter Ended March 29, 2024

		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	\$ 477	\$ —	\$ 19	\$ 496
Industrial Solutions	215	3	21	239
Total	<u>\$ 692</u>	<u>\$ 3</u>	<u>\$ 40</u>	<u>\$ 735</u>
Operating margin	<u>17.4 %</u>			<u>18.5 %</u>
Income tax expense	<u>\$ (146)</u>	<u>\$ (1)</u>	<u>\$ (6)</u>	<u>\$ (153)</u>
Effective tax rate	<u>21.3 %</u>			<u>21.0 %</u>
Income from continuing operations	<u>\$ 541</u>	<u>\$ 2</u>	<u>\$ 34</u>	<u>\$ 577</u>
Diluted earnings per share from continuing operations	\$ 1.75	\$ 0.01	\$ 0.11	\$ 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⁾ 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	\$ 1,880	\$ —	\$ 67	\$ 3	\$ 1,950
Industrial Solutions	916	21	99	1	1,037
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 Adjusted EBITDA and Adjusted EBITDA Margin

	For the Quarters Ended	
	December 27, 2024	December 29, 2023
	(\$ in millions)	
Net income	\$ 528	\$ 1,803
Loss from discontinued operations	—	1
Income tax expense (benefit)	178	(1,105)
Other expense, net	1	3
Interest expense	6	18
Interest income	(23)	(22)
Operating income	690	698
Acquisition-related charges	5	8
Restructuring and other charges, net	50	21
Taxes (non-income tax) recorded in SG&A	—	4
Adjusted operating income ⁽¹⁾	745	731
Depreciation and amortization	186	194
Adjusted EBITDA ⁽¹⁾	<u>\$ 931</u>	<u>\$ 925</u>
Net sales	\$ 3,836	\$ 3,831
Net income as a percentage of net sales	13.8 %	47.1 %
Adjusted EBITDA margin ⁽¹⁾	24.3 %	24.1 %

	For the Quarters Ended					
	December 27, 2024			December 29, 2023		
	Transportation Solutions	Industrial Solutions	Total	Transportation Solutions	Industrial Solutions	Total
	(\$ in millions)					
Operating income	\$ 446	\$ 244	\$ 690	\$ 487	\$ 211	\$ 698
Acquisition-related charges	—	5	5	—	8	8
Restructuring and other charges, net	32	18	50	14	7	21
Taxes (non-income tax) recorded in SG&A	—	—	—	3	1	4
Adjusted operating income ⁽¹⁾	478	267	745	504	227	731
Depreciation and amortization	112	74	186	119	75	194
Adjusted EBITDA ⁽¹⁾	<u>\$ 590</u>	<u>\$ 341</u>	<u>\$ 931</u>	<u>\$ 623</u>	<u>\$ 302</u>	<u>\$ 925</u>
Net sales	\$ 2,243	\$ 1,593	\$ 3,836	\$ 2,393	\$ 1,438	\$ 3,831
Operating margin	19.9 %	15.3 %	18.0 %	20.4 %	14.7 %	18.2 %
Adjusted operating margin ⁽¹⁾	21.3 %	16.8 %	19.4 %	21.1 %	15.8 %	19.1 %
Adjusted EBITDA margin ⁽¹⁾	26.3 %	21.4 %	24.3 %	26.0 %	21.0 %	24.1 %

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

Reconciliation of Free Cash Flow

	For the Quarters Ended	
	December 27, 2024	December 29, 2023
	(in millions)	
Net cash provided by operating activities	\$ 878	\$ 719
Net cash used in investing activities	(537)	(468)
Net cash used in financing activities	(395)	(745)
Effect of currency translation on cash	(11)	3
Net decrease in cash, cash equivalents, and restricted cash	\$ (65)	\$ (491)
Net cash provided by operating activities	\$ 878	\$ 719
Capital expenditures, net	(204)	(149)
Free cash flow⁽¹⁾	\$ 674	\$ 570

⁽¹⁾ Free cash flow is a non-GAAP financial measure. 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 28, 2025 ⁽¹⁾	Outlook for Fiscal 2025 ⁽¹⁾
Diluted loss per share from continuing operations	\$ (0.05)	
Restructuring and other charges, net	0.13	
Acquisition-related charges	0.01	
Tax items	1.87	
Adjusted diluted earnings per share from continuing operations ⁽²⁾	<u>\$ 1.96</u>	
Net sales growth (decline)	(0.4) %	
Translation	2.8	
(Acquisitions) divestitures, net	(1.1)	
Organic net sales growth ⁽²⁾	<u>1.3 %</u>	
Effective tax rate	102.2 %	42.9 %
Effective tax rate adjustments ⁽³⁾	(79.2)	(19.2)
Adjusted effective tax rate ⁽²⁾	<u>23.0 %</u>	<u>23.7 %</u>

⁽¹⁾ Outlook is as of January 22, 2025.

⁽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.