



UBS Global Technology Conference

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EVERY CONNECTION COUNTS



Forward-Looking Statements and Non-GAAP 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 our expected use of proceeds received from the sale of the Broadband Network Solutions business. Examples of factors that could cause actual results to differ materially from those described in the forward-looking statements include, among others, business, economic, competitive and regulatory risks, such as conditions affecting demand for products, particularly in the automotive industry and the consumer devices industries; 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; developments in the credit markets; future goodwill impairment; compliance with current and future environmental and other laws and regulations; the possible effects on us of changes in tax laws, tax treaties and other legislation; the risk that the operations of Measurement Specialties will not be successfully integrated into ours; the risk that sales opportunities, cost savings and other anticipated synergies from the Measurement Specialties acquisition may not be fully realized or may take longer to realize than expected; and the risk that we do not realize the anticipated benefits from the sale of the Broadband Network Solutions business. 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. 25, 2015 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 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 measure, in this presentation.

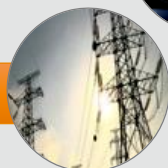
TE is the World Leader in Connectivity & Sensor Solutions

Automotive



Commercial Transportation

Energy



Aerospace & Defense



Subsea Communications



Medical



Oil & Gas



Data & Devices



Industrial Equipment

Appliances



\$170 BILLION Connectivity and Sensor Market

\$12+ BILLION TE Annual Revenue

Our highly engineered solutions are key enablers of the connected world

Safe, Green, & Connected Mega Trends Driving Strong Secular Growth

12 ^{Today} **BILLION**
total connected devices

➔

25 ^{by 2020} **BILLION**
total connected devices

Source: Gartner Group



Automotive – Electronification driving **4-6% TE content growth/year**

Sensors – Automotive content opportunity doubles from an average of **\$200 to \$400 per vehicle** with sensors; Adds **\$80B** to total market

Aerospace – New aircraft platforms increasing TE content per design by **more than 2X** in new models vs. prior generations

Industrial Equipment – Smart factories, **2.5X increase in robotics**, and manufacturing automation, driving more TE connectors & sensors

Appliances – Adoption of more smart appliances results in **content growth of 3X**

Strategy Focused on Expanding Leadership in Harsh Connectivity & Sensing



Strategic Acquisitions

- Deutsch – leader in industrial transportation, aerospace, defense
- Seacon – leader in oil & gas
- Measurement Specialties & AST – leading sensor portfolios
- AdvancedCath – high growth interventional medical market

Track Record of Divesting Non-Core Assets

- Over \$4B* in divestitures since 2007, including Broadband Networks and pending Circuit Protection divestiture

Fiscal 2015 Sales

**TRANSPORTATION
SOLUTIONS**

\$6.3B



**INDUSTRIAL
SOLUTIONS**

\$3.2B



**COMMUNICATIONS
SOLUTIONS**

\$2.7B



Multiple Growth Drivers Across our Harsh Portfolio



- Connectivity scale opens sensor opportunities
- Unmatched product range
- Major presence in every region
- Integrated functionality
- Strategic M&A

HARSH
REVENUE
UP TO:

80%



LEADER IN HARSH ENVIRONMENTS

High pressure

Vibration

High-voltage

Moisture

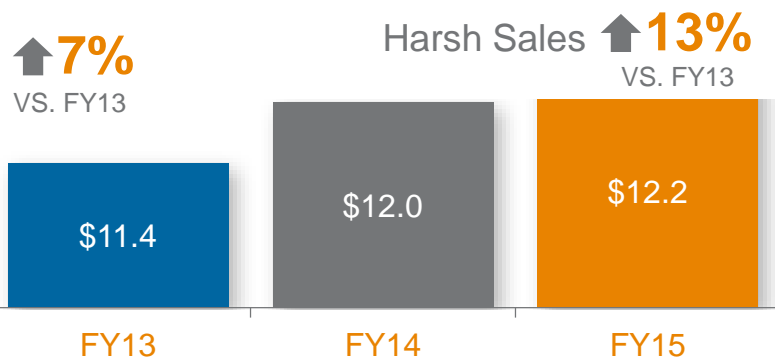
High/Low
Temperature

Demands excellence
in engineering
& manufacturing

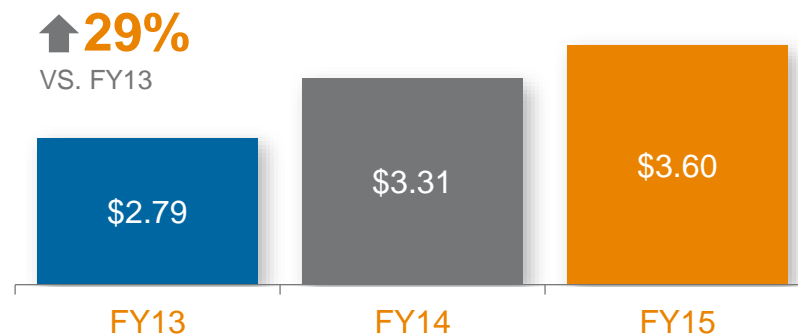
Track Record of Consistent, Strong Operating Performance

\$ in billions except per share amounts

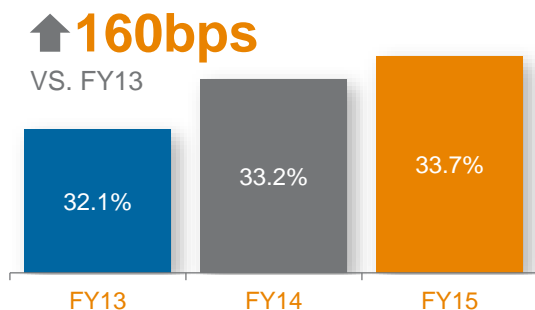
Net Sales



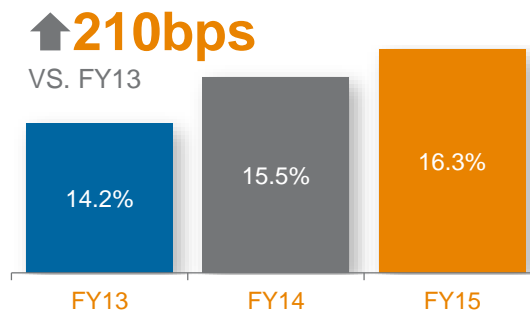
Adjusted Earnings Per Share



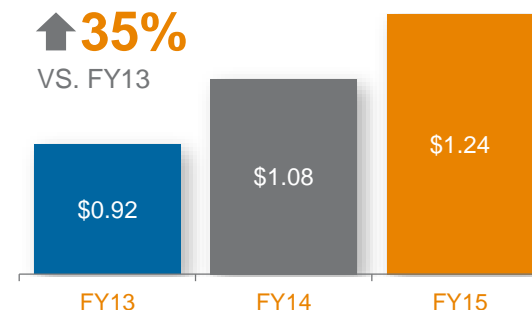
Adjusted Gross Margin Percentage



Adjusted Operating Margin



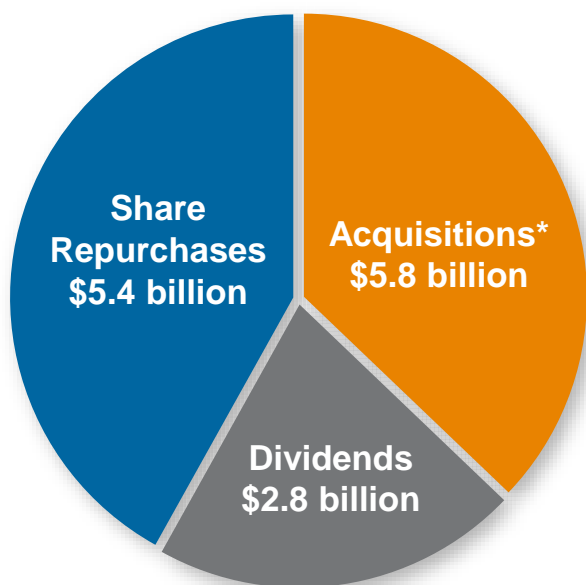
Dividends Paid Per Share



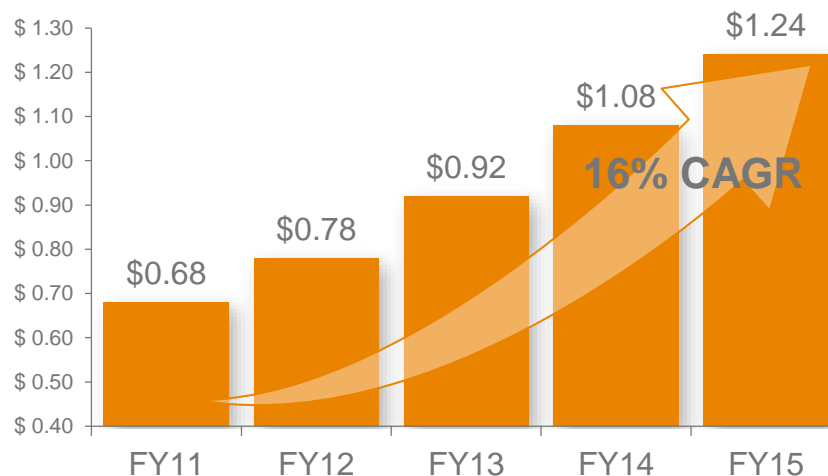
Consistent Dividend Growth and Balanced Use of Capital

Major Capital Deployment**

FY08 through FY15



Dividends Per Share***



Expect to return ~2/3 of free cash flow to shareholders over time

Expect to make strategic acquisitions to strengthen our position in growing markets

* Includes \$1.3 billion used to acquire ADC Telecommunications in fiscal 2011, which was part of our BNS business.

** Select uses of cash. Represents capital returned to shareholders and acquisition activity.

*** Denotes dividends paid during the fiscal year

Driving Long Term Shareholder Value

Deliver 5 – 7% Long-Term Organic Revenue Growth

- World leader in connectivity and sensor solutions
- 80% of revenue from harsh environment applications
- Benefit from megatrends of safe, green, and connected
- Secular trend of electronic content growth across businesses
- Focused acquisition strategy on harsh and sensors

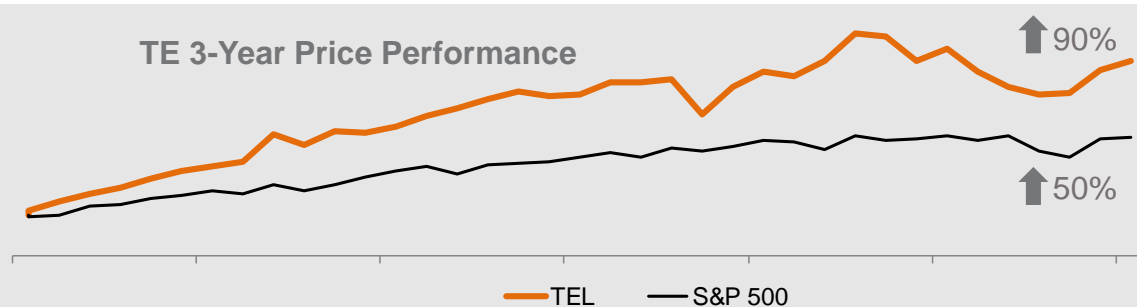
Drive Double-Digit Earnings Growth

- 50 bps of operating margin expansion on 5-7% organic growth
- TE Operating Advantage (TEOA) driving productivity

Generate Strong Cash Flow

- FCF of \$1.1B in fiscal 2015
- Free cash flow \approx Net Income
- Return \sim 2/3 of Capital to Shareholders over time

Track Record of Increasing Shareholder Value



Appendix

Non-GAAP Measures

“Organic Sales Growth,” “Adjusted Gross Margin,” “Adjusted Gross Margin Percentage,” “Adjusted Operating Income,” “Adjusted Operating Margin,” “Adjusted Other Income, Net,” “Adjusted Income Tax Expense,” “Adjusted Effective Tax Rate,” “Adjusted Income from Continuing Operations,” “Adjusted Earnings Per Share,” and “Free Cash Flow” are non-GAAP measures and should not be considered replacements for results in accordance with accounting principles generally accepted in the U.S. (“GAAP”). These non-GAAP measures may not be comparable to similarly-titled measures reported by other companies. 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 measures in combination with the most directly comparable GAAP measures in order to better understand the amounts, character and impact of any increase or decrease in reported amounts. The following provides additional information regarding these non-GAAP measures:

Organic Sales Growth – is a useful measure of our underlying results and trends in the business. It is also a significant component in our incentive compensation plans. The difference between reported net sales growth (the most comparable GAAP measure) and Organic Sales Growth consists of the impact from foreign currency exchange rates and acquisitions and divestitures, if any. Organic Sales Growth is a useful measure of our performance because it excludes items that: i) are not completely under management’s control, such as the impact of changes in foreign currency exchange rates; or ii) do not reflect the underlying growth of the company, such as acquisition and divestiture activity.

Adjusted Gross Margin and Adjusted Gross Margin Percentage – represent gross margin and gross margin percentage (the most comparable GAAP measures) before special items including acquisition related charges, if any. We present Adjusted Gross Margin and Adjusted Gross Margin Percentage before special items to give investors a perspective on the underlying business results. These measures should be considered in conjunction with gross margin calculated using our GAAP results in order to understand the amounts, character and impact of adjustments to gross margin.

Adjusted Operating Income – represents operating income (the most comparable GAAP measure) before special items including charges or income related to restructuring and other charges, acquisition related charges, impairment charges, and other income or charges, if any. We utilize Adjusted Operating Income to assess segment level core operating performance and to provide insight to management in evaluating segment operating plan execution and underlying market conditions. It also is a significant component in our incentive compensation plans. Adjusted Operating Income is a useful measure for investors because it provides insight into our underlying operating results, trends, and the comparability of these results between periods.

Adjusted Operating Margin – represents operating margin (the most comparable GAAP measure) before special items including charges or income related to restructuring and other charges, acquisition related charges, impairment charges, and other income or charges, if any. We present Adjusted Operating Margin before special items to give investors a perspective on the underlying business results. This measure should be considered in conjunction with operating margin calculated using our GAAP results in order to understand the amounts, character and impact of adjustments to operating margin.

Adjusted Other Income, Net – represents other income, net (the most comparable GAAP measure) before special items including tax sharing income related to certain proposed adjustments to prior period tax returns and other tax items, if any. We present Adjusted Other Income, Net as we believe that it is appropriate for investors to consider results excluding these items in addition to results in accordance with GAAP.

Non-GAAP Measures (cont.)

Adjusted Income Tax Expense – represents income tax expense (the most comparable GAAP measure) after adjusting for the tax effect of special items including charges related to restructuring and other charges, acquisition related charges, impairment charges, other income or charges, and certain significant special tax items, if any. We present Adjusted Income Tax Expense to provide investors further information regarding the tax effects of adjustments used in determining the non-GAAP financial measure Adjusted Income from Continuing Operations (as defined below).

Adjusted Effective Tax Rate – represents effective income tax rate (the most comparable GAAP measure) after adjusting for the tax effect of special items including charges related to restructuring and other charges, acquisition related charges, impairment charges, other income or charges, and certain significant special tax items, if any. We present Adjusted Effective Tax Rate to provide investors further information regarding the tax rate effects of adjustments used in determining the non-GAAP financial measure Adjusted Income from Continuing Operations (as defined below).

Adjusted Income from Continuing Operations – represents income from continuing operations attributable to TE Connectivity Ltd. (the most comparable GAAP measure) before special items including charges or income related to restructuring and other charges, acquisition related charges, impairment charges, tax sharing income related to certain proposed adjustments to prior period tax returns and other tax items, certain significant special tax items, other income or charges, if any, and, if applicable, the related tax effects. We present Adjusted Income from Continuing Operations as we believe that it is appropriate for investors to consider results excluding these items in addition to results in accordance with GAAP. Adjusted Income from Continuing Operations provides additional information regarding our underlying operating results, trends and the comparability of these results between periods.

Adjusted Earnings Per Share – represents diluted earnings per share from continuing operations attributable to TE Connectivity Ltd. (the most comparable GAAP measure) before special items, including charges or income related to restructuring and other charges, acquisition related charges, impairment charges, tax sharing income related to certain proposed adjustments to prior period tax returns and other tax items, certain significant special tax items, other income or charges, if any, and, if applicable, the related tax effects. We present Adjusted Earnings Per Share because we believe that it is appropriate for investors to consider results excluding these items in addition to results in accordance with GAAP. We believe such a measure provides a picture of our results that is more comparable among periods since it excludes the impact of special items, which may recur, but tend to be irregular as to timing, thereby making comparisons between periods more difficult. It also is a significant component in our incentive compensation plans.

Free Cash Flow (FCF) – is a useful measure of our ability to generate cash. The difference between net cash provided by continuing operating activities (the most comparable GAAP 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 continuing operating activities excluding voluntary pension contributions and the cash impact of special items, if any, minus net capital expenditures. 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. Voluntary pension contributions are excluded from the GAAP 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, also are considered by management in evaluating Free Cash Flow.

Free Cash Flow subtracts 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 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.

Reconciliation of Gross Margin and Gross Margin Percentage

	For the Years Ended		
	September 25, 2015	September 26, 2014	September 27, 2012
		(\$ in millions)	
Net Sales	\$ 12,233	\$ 11,973	\$ 11,390
Cost of Sales	8,146	8,001	7,739
Gross Margin	<u>4,087</u>	<u>3,972</u>	<u>3,651</u>
Gross Margin Percentage	<u>33.4%</u>	<u>33.2%</u>	<u>32.1%</u>
Acquisition Related Charges	36	4	-
Adjusted Gross Margin ⁽¹⁾	<u>\$ 4,123</u>	<u>\$ 3,976</u>	<u>\$ 3,651</u>
Adjusted Gross Margin Percentage ⁽¹⁾	<u>33.7%</u>	<u>33.2%</u>	<u>32.1%</u>

⁽¹⁾ See description of non-GAAP measures contained in this Appendix.

Reconciliation of Non-GAAP Financial Measures for the Year Ended September 27, 2013

		Adjustments			
		Acquisition Related Charges	Restructuring and Other Charges, Net	Tax Items ⁽¹⁾	Adjusted (Non-GAAP) ⁽²⁾
	U.S. GAAP				
(\$ in millions, except per share data)					
Operating Income:					
Transportation Solutions	\$ 934	\$ 7	\$ 39	\$ -	\$ 980
Industrial Solutions	344	7	63	-	414
Communications Solutions	107	-	120	-	227
Total	\$ 1,385	\$ 14	\$ 222	\$ -	\$ 1,621
Operating Margin	12.2%				14.2%
Other Income (Expense), Net	\$ (183)	\$ -	\$ -	\$ 213	\$ 30
Income Tax (Expense) Benefit	\$ 75	\$ (5)	\$ (62)	\$ (354)	\$ (346)
Income from Continuing Operations Attributable to TE Connectivity Ltd.	\$ 1,154	\$ 9	\$ 160	\$ (141)	\$ 1,182
Diluted Earnings per Share from Continuing Operations Attributable to TE Connectivity Ltd.	\$ 2.73	\$ 0.02	\$ 0.38	\$ (0.33)	\$ 2.79

⁽¹⁾ Includes \$331 million of income tax benefits associated with the settlement of an audit of prior year income tax returns as well as the related impact of \$231 million to other expense pursuant to the tax sharing agreement with Tyco International and Covidien. Also includes income tax expense related to adjustments to prior year income tax returns, income tax benefits recognized in connection with a reduction in the valuation allowance associated with certain tax loss carryforwards, and income tax benefits recognized in connection with the lapse of statutes of limitations for examinations of prior year income tax returns. In addition, the other income adjustment includes amounts related to reimbursements by Tyco International and Covidien in connection with pre-separation tax matters.

⁽²⁾ See description of non-GAAP measures contained in this Appendix.

Reconciliation of Non-GAAP Financial Measures for the Year Ended September 26, 2014

		Adjustments			
		Acquisition	Restructuring		
		Related	and Other	Tax	Adjusted
	U.S. GAAP	Charges ⁽¹⁾	Charges, Net	Items ⁽²⁾	(Non-GAAP) ⁽³⁾
		(\$ in millions, except per share data)			
Operating Income:					
Transportation Solutions	\$ 1,245	\$ 4	\$ 4	\$ -	\$ 1,253
Industrial Solutions	431	31	7	-	469
Communications Solutions	129	-	8	-	137
Total	\$ 1,805	\$ 35	\$ 19	\$ -	\$ 1,859
Operating Margin	15.1%				15.5%
Other Income, Net	\$ 63	\$ -	\$ -	\$ (39)	\$ 24
Income Tax Expense	\$ (146)	\$ (7)	\$ (4)	\$ (239)	\$ (396)
Income from Continuing Operations Attributable to TE Connectivity Ltd.	\$ 1,614	\$ 28	\$ 15	\$ (278)	\$ 1,379
Diluted Earnings per Share from Continuing Operations Attributable to TE Connectivity Ltd.	\$ 3.87	\$ 0.07	\$ 0.04	\$ (0.67)	\$ 3.31

⁽¹⁾ Includes \$31 million of acquisition and integration costs and \$4 million of non-cash amortization associated with fair value adjustments primarily related to acquired inventories and customer order backlog recorded in cost of sales.

⁽²⁾ Includes income tax benefits of \$282 million recognized in connection with a reduction in the valuation allowance associated with certain tax loss carry forwards and income tax expense related to adjustments to prior year income tax returns. In addition, other income includes amounts related to reimbursements by Tyco International and Covidien in connection with pre-separation tax matters, including \$18 million related to our share of a settlement agreement entered into by Tyco International with a former subsidiary.

⁽³⁾ See description of non-GAAP measures contained in this Appendix.

Reconciliation of Non-GAAP Financial Measures for the Year Ended September 25, 2015

		Adjustments			
		Acquisition	Restructuring		
		Related	and Other	Tax	Adjusted
	U.S. GAAP	Charges ⁽¹⁾	Charges, Net	Items ⁽²⁾	(Non-GAAP) ⁽³⁾
		(\$ in millions, except per share data)			
Operating Income:					
Transportation Solutions	\$ 1,193	\$ 61	\$ 39	\$ -	\$ 1,293
Industrial Solutions	352	33	44	-	429
Communications Solutions	204	-	66	-	270
Total	<u>\$ 1,749</u>	<u>\$ 94</u>	<u>\$ 149</u>	<u>\$ -</u>	<u>\$ 1,992</u>
Operating Margin	<u>14.3%</u>				<u>16.3%</u>
Other Income (Expense), Net	<u>\$ (55)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 84</u>	<u>\$ 29</u>
Income Tax Expense	<u>\$ (337)</u>	<u>\$ (22)</u>	<u>\$ (29)</u>	<u>\$ (36)</u>	<u>\$ (424)</u>
Effective Tax Rate	<u>21.4%</u>				<u>22.3%</u>
Income from Continuing Operations					
Attributable to TE Connectivity Ltd.	<u>\$ 1,238</u>	<u>\$ 72</u>	<u>\$ 120</u>	<u>\$ 48</u>	<u>\$ 1,478</u>
Diluted Earnings per Share from					
Continuing Operations Attributable					
to TE Connectivity Ltd.	\$ 3.01	\$ 0.18	\$ 0.29	\$ 0.12	\$ 3.60

⁽¹⁾ Includes \$55 million of acquisition and integration costs, \$36 million of non-cash amortization associated with fair value adjustments related to acquired inventories and customer order backlog recorded in cost of sales, and \$3 million of restructuring costs.

⁽²⁾ Includes \$264 million of income tax benefits associated with the settlement of audits of prior year income tax returns as well as the related impact of \$84 million to other expense pursuant to the tax sharing agreement with Tyco International and Covidien. Also includes \$216 million of income tax charges associated with the tax impacts of certain intercompany legal entity restructurings made in connection with our integration of Measurement Specialties, Inc. and \$29 million of income tax charges for the tax impacts of certain intercompany dividends related to the restructuring and sale of the Broadband Network Solutions business.

⁽³⁾ See description of non-GAAP measures contained in this Appendix.

Reconciliation of Free Cash Flow

	<u>For the Year Ended</u> <u>September 25,</u> <u>2015</u>
Net cash provided by continuing operating activities	\$ 1,619
Capital expenditures, net	(583)
Payments (receipts) related to pre-separation U.S. tax matters, net	40
Free cash flow⁽¹⁾	<u><u>\$ 1,076</u></u>

⁽¹⁾ See description of non-GAAP measures contained in this Appendix.

EVERY CONNECTION COUNTS

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