ITE CONNECTIVITY 2017 INVESTOR MEETING!



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. 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 and data and 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 legislation. 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, 2017 as well as in our Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other reports filed by us wi

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 measure, in this presentation.



ITHE OPPORTUNITY HAS NEVER BEEN GREATER!

We've built a portfolio with competitive advantage.
The key elements to driving exciting shareholder value are in place.

TERRENCE CURTIN, CEO



INVESTOR DAY AGENDA & KEY PRESENTER MESSAGES

Global leadership position **TRANSPORTATION** Content drives growth above vehicle production Steve Merkt Auto sensors design wins propel future growth Levers to drive operating margins to high teens INDUSTRIAL Content growth in Factory Automation & CommAir **Kevin Rock** Leading position in fast-growing Medical market **D&D** transformation complete COMMUNICATIONS Growth driven by high speed connectivity **Shad Kroeger** Operational excellence results in mid-teens margins M&A How TE thinks about M&A Jeanne Quirk Strong business model to drive value creation CFO

OpEx discipline; targeting double-digit EPS growth

Balanced capital strategy; ROIC focus

Heath Mitts

SOLID FOUNDATION ESTABLISHED OVER THE PAST DECADE

PORTFOLIO SHAPING

50% TO 80%

revenue generated by harsh applications

ADJUSTED EBITDA MARGIN EXPANSION

то 22%

driven by gross margin expansion

TOTAL SHAREHOLDER RETURN

360%

versus 175% for the S&P 500



THE COMPANY YOU KNOW, WITH A STRONGER FUTURE



Focused on Harsh applications



Serving large, attractive markets



Providing value to customers



Solid business model





Strong differentiation: Global presence, broad portfolio, engineered solutions

Levers to expand margins, increased focus on ROIC, consistent capital return, strong Free Cash Flow



OUR PURPOSE: TO CREATE A FUTURE THAT IS

SAFER

SUSTAINABLE

PRODUCTIVE

CONNECTED



Interventional Medical Applications



Electric Vehicles



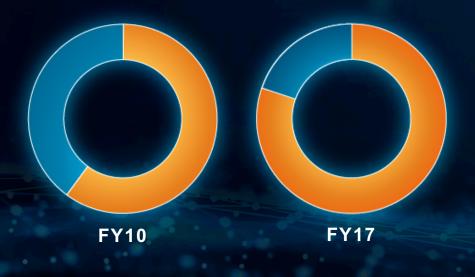
Smart Factories



Data Centers

WE HAVE THE ESSENTIAL TECHNOLOGY IN ENVIRONMENTS WHERE FAILURE IS NOT AN OPTION

WE BUILT A PORTFOLIO WITH CLEAR COMPETITIVE ADVANTAGES



Portfolio focused on highly engineered custom products

Capability to influence our customers' roadmaps with integrated solutions

Technology to address harsh environment applications

Broad portfolio and expertise forges system-level engagements

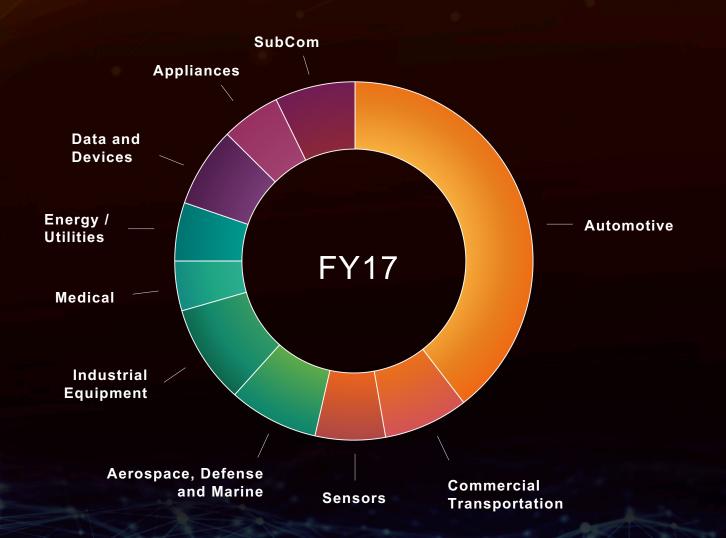
Businesses focused on Growth

Businesses focused on Cash

Global reach with local presence

Manufacturing scale with leading technology

WHERE WE ARE WINNING



END MARKET TRENDS

EV adoption globally, driven by OEM & Government initiatives

Safer, more autonomous vehicles

Heavy truck content driven by regulatory requirements

Smart, digital factories

Lighter, more efficient aircraft

Minimally invasive procedures driving cost and patient benefits

Connected home

Data everywhere

Sensors proliferation

We're benefitting from content growth trends across our businesses

WHY CUSTOMERS CHOOSE US

ENGINEERING INTIMACY

SUPPLY CHAIN

ENGINEERING CENTERS OF

EXCELLENCE

PATENTS

ENGINEERS

GLOBAL PRESENCE



LOCAL SUPPORT FOR OUR GLOBAL CUSTOMERS

MANUFACTURING SCALE



Leverage core competitive advantages to gain scale



Global manufacturing close to our customers

UNMATCHED REPUTATION FOR QUALITY AND RELIABILITY



WORLDWIDE



MARGIN



DELIVERY PERFORMANCE



QUALITY



THE LEVERS OF OUR BUSINESS MODEL

TOP LINE

ORGANIC REVENUE **GROWTH**

+4-6%



M&A

Adding >100 basis points of growth annually

MARGIN EXPANSION

LOWER OPERATING **EXPENSES**

> Reduce SG&A by 100 basis points



IMPROVED OPERATING MARGINS

Expand 30-80 basis points annually



BOTTOM LINE

EPS GROWTH

Pulling the levers for double-digit gains



BALANCED CAPITAL STRATEGY

Strategic M&A, Share Buybacks, Dividend increases, ROIC in mid-teens, strong FCF





SECULAR TRENDS IN OUR MARKETS

		SAFER	SUSTAINABLE	PRODUCTIVE	CONNECTED
Transportation Solutions	Content consistently exceeds production	•		•	•
	Electric Vehicle adoption		•		
	Connected Car evolution	•	• *************************************	•	•
	Auto Sensor designs propelling future growth	•	•	•	•
Industrial Solutions	Interventional Medical growth opportunities Digital Factory / IIOT driving content growth	•	•	•	
	Next generation commercial aerospace platforms				
Communications	High speed / cloud usage		•		•
	Safety and efficiency in Appliances + Connected Home	•		• 11/4	•
	Data proliferation → reduced SubCom cyclicality				•

THE LEVERS OF OUR BUSINESS MODEL

TOP LINE

ORGANIC REVENUE **GROWTH**

+4-6%



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IWE'RE AN INDUSTRIAL TECHNOLOGY LEADER CONNECTING THE WORLD

We've built a portfolio with competitive advantage.
The key elements to driving exciting shareholder value are in place.
Our opportunity has never been greater.





TRANSPORTATION SOLUTIONS

\$7.0 billion
In sales in FY17

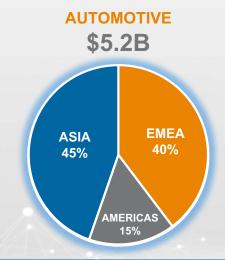
\$130 billion
Market

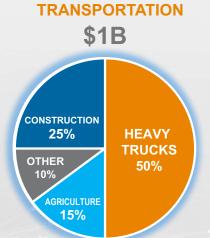


Mid – High SINGLE DIGIT LONG TERM ORGANIC GROWTH RATE

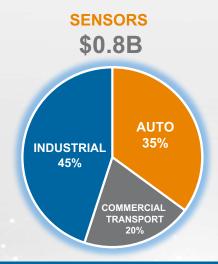
~20%

ADJUSTED OPERATING MARGIN





COMMERCIAL



KEY TRENDS

CONNECTED DRIVING | CON

CONTENT GROWTH | ELECTRIC VEHICLES

SENSORS EVERYWHERE

72.5M

CONNECTED cars sold by 2023

95%

of trucks with cleaner engine by 2025 (EU6)

UP TO 50%

of new cars sold with electrified powertrain by 2030

>\$250

Available sensor content in average vehicle



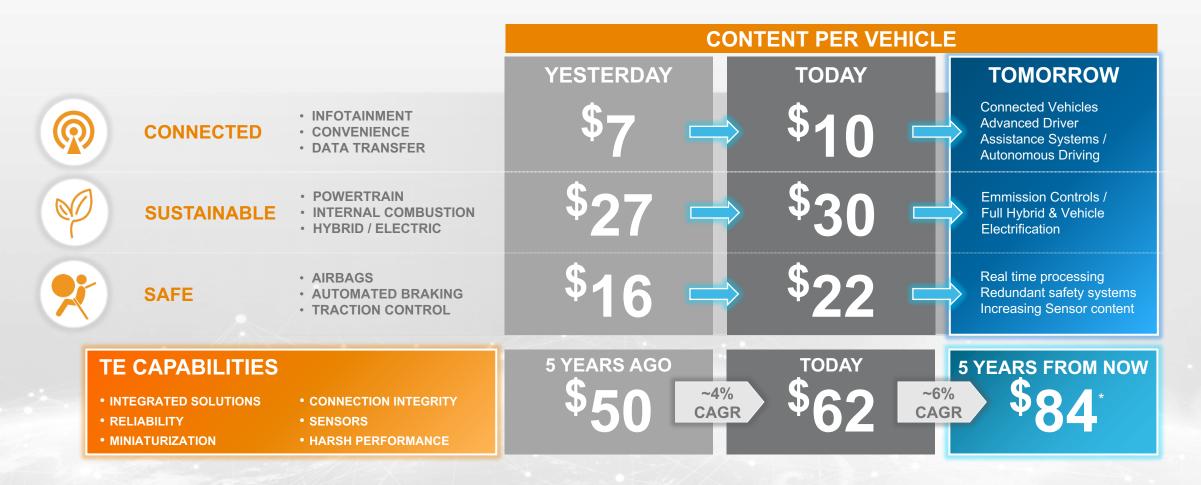
OUR GLOBAL LEADERSHIP POSITION IN AUTOMOTIVE



AUTOMOTIVE GROWTH DRIVEN BY ASIA AND EUROPE



KEY DRIVERS OF ELECTRONIC CONTENT GROWTH

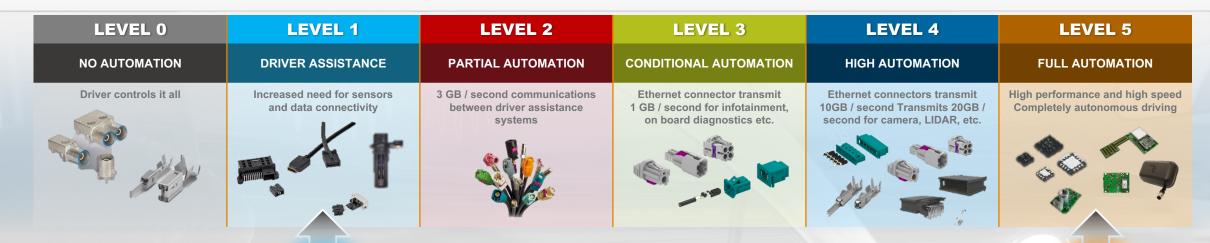


~6% TE content CAGR over the next 5 years





TE ENABLES NEXT LEVEL DRIVING AUTOMATION



CONSUMER ADOPTION IS HERE

INCREASED SPEED
RELIABILITY STEP UP
INTEGRATION REQUIRED
ADVANCED TECHNOLOGICAL CHALLENGES

TE CAPABILITY IS HERE

TE IS UNIQUELY POSITIONED TO SERVE ALL LEVELS OF AUTOMATION





TRENDS SUPPORTING ELECTRIC VEHICLE PRODUCTION GROWTH

GOVERNMENT FACTORS

- Consumer incentives
- Environmental concerns / emissions
- Phasing out diesel engines
- Quotas and combustion engine bans

CONSUMER FACTORS

- OEM shifting roadmap to Hybrid / EV
- Increasing range
- Declining battery prices
- Greater charging infrastructure





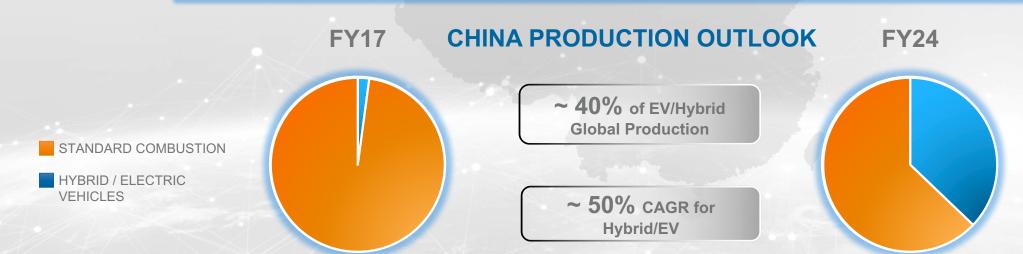
CHINA WILL BE A MAJOR DRIVER FOR EV

STRONG PUSH FROM GOVERNMENT

- Consumer purchase incentives
- Local mandates to offer EVs
- Easy to acquire license plates
- Government wants to establish Chinese OEMs as global leader

MARKET SIZE AND POPULATION

- Small share can represent high volumes
- Many cities with strong demand
- Emerging middle class





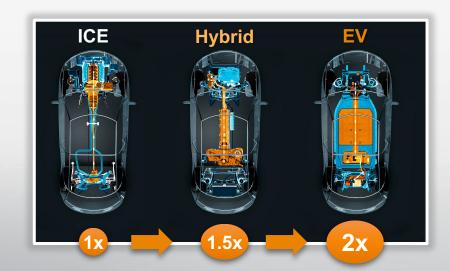


THE POWERTRAIN REVOLUTION



IN-VEHICLE TECHNOLOGIES | BATTERY TECHNOLOGIES

CHARGING SOLUTIONS | INFRASTRUCTURE SOLUTIONS



New cars sold with electrified powertrains in 2030





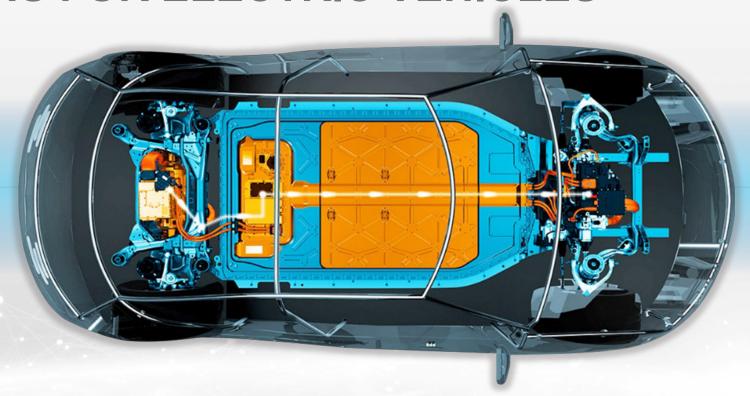
TE IS WINNING GLOBALLY WITH EV OEMS







UNIQUELY POSITIONED TO DELIVER END TO END SOLUTIONS FOR ELECTRIC VEHICLES



CHARGING CABLES & INLETS

TEMPERATURE SENSORS
CONNECTORS
CABLES
CURRENT SENSORS



BATTERY PERFORMANCE

BATTERY DISCONNECT UNIT HIGH VOLTAGE CONNECTORS RELAYS & CONTACTORS RESISTORS



E-MOTORS

MULTI-COIL RESOLVER
RESOLVER ROTARY POSITION SENSOR
TEMPERATURE SENSOR
CABLE ASSEMBLY
CONNECTORS





TE INTEGRATED SOLUTIONS FOR EV BATTERIES



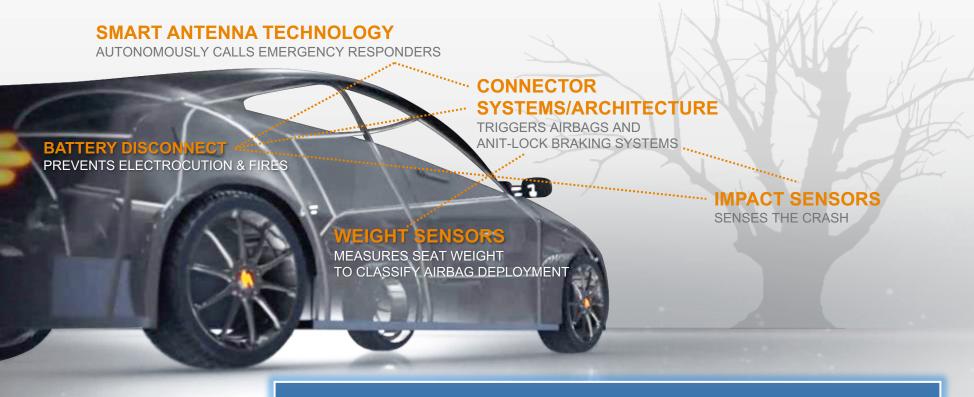
\$20 TRADITIONAL Connector Only Content

\$200 INTEGRATED Content





TE ENABLES VEHICLE SAFETY



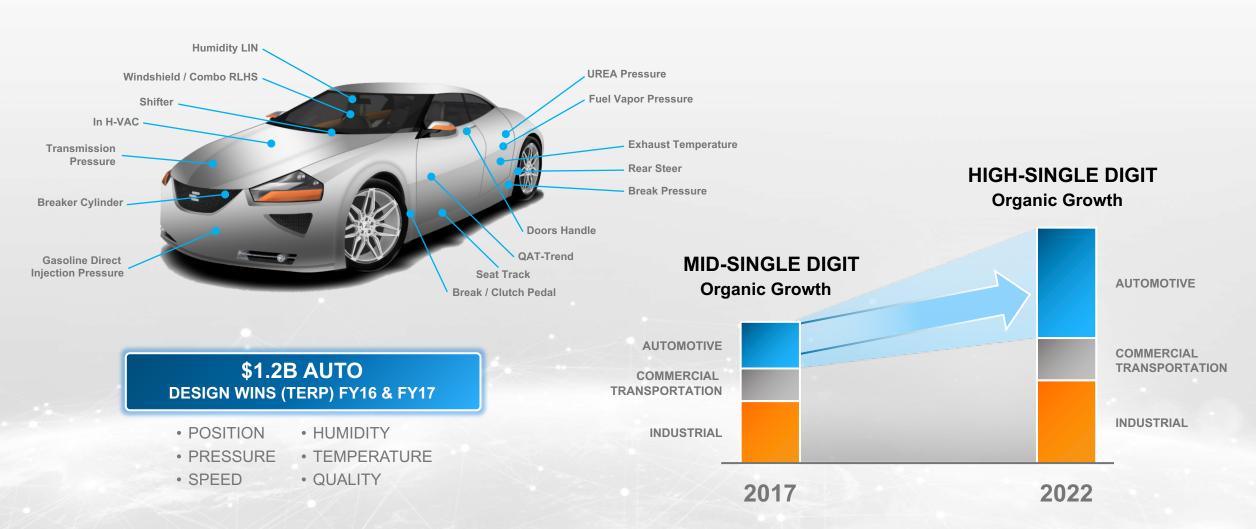
94%

of vehicle accidents are caused by human error

- Connectors designed to support the transition to ADAS
- Transference of data from outside the vehicle into safety applications (braking, airbags, lane detection, etc)
- Need for real time computing, supporting high data volumes and signal integrity



SENSORS: PORTFOLIO POSITIONED FOR GROWTH



AUTO DESIGN WINS PROPELLING STRONG GROWTH



TRANSPORTATION SOLUTIONS

- Market leader with global position and engineering expertise
- Consistently demonstrating above market growth
- Content growth driven by sustainable, connected and safe trends
- In a leadership position to capitalize on electric vehicle adoption
- Emissions standards driving electronification in Commercial Transportation
- Rich pipeline of design wins to drive growth in Sensors
- Adjusted Operating Margin of 20% with continuous investment for growth

ICONTENT GROWTH DRIVES CONSISTENT MARKET OUTPERFORMANCE





INDUSTRIAL SOLUTIONS

Mid Single Digit

High Teens

LONG-TERM ORGANIC GROWTH RATE

TARGET ADJUSTED OPERATING MARGIN



KEY TRENDS

AGING DEMOGRAPHICS | INTERVENTIONAL MEDICAL DIGITAL CONNECTED FACTORIES SAFE AND RELIABLE URBANIZATION | **ENERGY EFFICIENCY**

growth in global **AIR TRAVELERS** **15%**

TAVR

market growth (Aortic Valve Replacement) **16**%

FACTORY connected device market CAGR

12%

ROBOT market CAGR



DRIVING OPERATING MARGINS TO THE HIGH TEENS





FACTORY AUTOMATION GROWTH

MARKET TRENDS

More Automated Factories

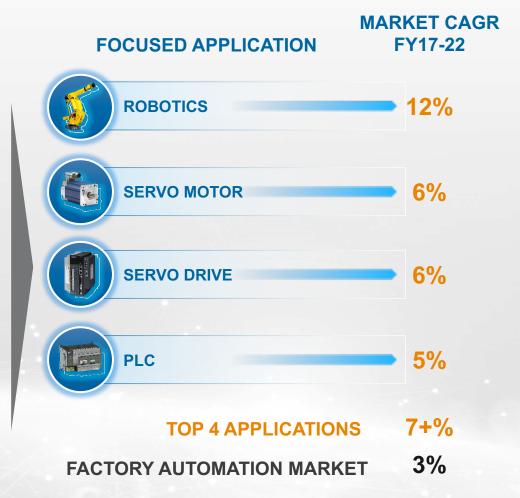
- CAPEX investment rate > GDP
- China and developing market automation
- On-shoring in Americas

Digitization in Factories

- Falling cost of computing & bandwidth
- Digital convergence & open standards
- Miniaturization

CUSTOMER DEMANDS

- Automation drives productivity
- Machine retrofit
- Robotics & Sensors
- Customization
- Efficiency and safety
- Quality

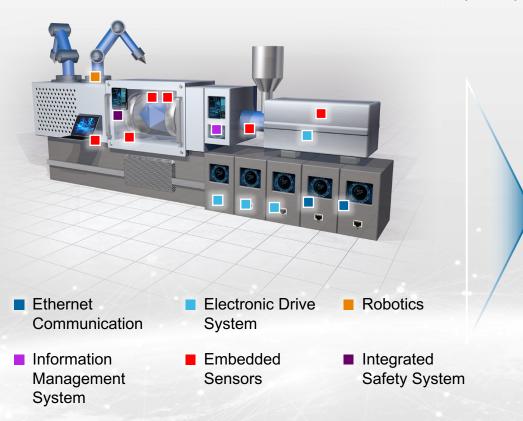


FOCUSING ON HIGH GROWTH APPLICATIONS TO OUTGROW THE MARKET



CONTENT GROWTH IN EXISTING FACTORIES

MORE ELECTRONIC CONTENT IN MACHINES (example)



~25%+ Increase in

CONTENT INCREASE DRIVEN BY:

- Hydraulic → Electronic
- Connectivity and remote access
- Robotics
- Safety enhancements
- Retrofit / upgrades

SHIFT TO ELECTRONIC SYSTEMS DRIVES 3% CAGR IN CONTENT ABOVE MARKET

Available

Content



TE WIN WITH MAJOR ROBOT MANUFACTURER



CONTENT INCREASE DRIVEN BY:

- Safety enhancements
- Increased capability / motion
- Sensors and data capture
- Connectivity and remote access
- TAM expansion with acquisitions

YESTERDAY

\$20

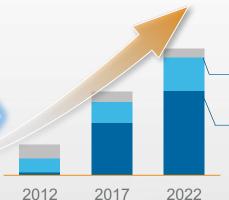
8x
Increase in Content
Per Robot

*170



MEDICAL OVERVIEW

Portfolio mix shifting towards the more attractive **Interventional and Surgical** segments



PATIENT CABLES

PHILIPS

SIEMENS medical

mindray



SURGICAL

Medtronic Smith&nephew Johnson

*s*tryker*

INTERVENTIONAL **7% Market CAGR**

Medtronic Scientific Abbott St. Jude Medical









TRENDS DRIVING INTERVENTIONAL GROWTH

- ✓ Aging population
- Reducing hospital stay
- Shorter patient recovery
- Cost effective treatments





OUR MEDICAL STRATEGY



✓ Partner of choice to customers in designing & building medical devices that save lives

✓ Build on our leadership position in Interventional and Surgical applications



- ✓ Organic growth in the high single digits, higher than medical market average
- ✓ Expand portfolio with M&A opportunities
- ✓ Grow profitability with scale and strategic footprint



Diagnostic & imaging procedures

Stroke Treatment

Minimally invasive surgeries

Heart Valve repair/replacement

Heart arrhythmia treatment

Vascular repair (Stent/Angioplasty)

Wound closure

Aneurism treatment

Endoscopic procedures

DESIGN AND BUILD INTERVENTIONAL DELIVERY SYSTEMS & SURGICAL DEVICES



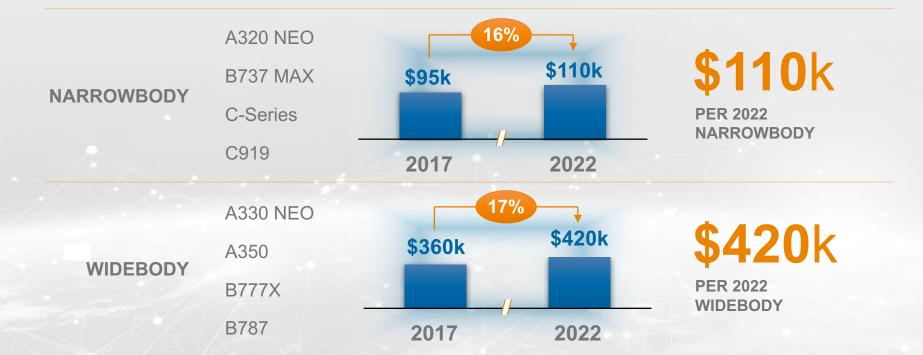
CONTENT DRIVES COMMERCIAL AEROSPACE GROWTH





>15%

INCREASE IN AVERAGE CONTENT / AIRCRAFT BY 2022





INDUSTRIAL SOLUTIONS

- Content growth trends across businesses
- Key player in the smart factory evolution
- Leading position in high growth medical markets
- Strong growth in content as aircrafts advance
- Positioned for growth and margin expansion

IADJUSTED OPERATING MARGIN EXPANSION OPPORTUNITY TO HIGH TEENS

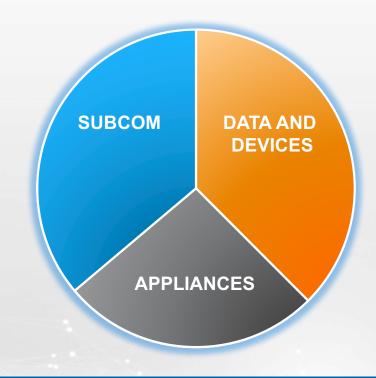




COMMUNICATIONS SOLUTIONS SEGMENT

\$2.6 billion \$12 billion Market

LONG-TERM ORGANIC GROWTH RATE Low Single Digit **Mid Teens** ADJUSTED OPERATING MARGIN



KEY TRENDS

HIGH-SPEED SOLUTIONS IOT AND CONNECTED LIFE **GROWTH IN ASIA EMERGING APPLICATIONS**

27%

datacenter traffic growth reaching 15ZB in 2020

25B

Connected devices by 2020

100+

Cable systems to circle the earth 15x **150**M

5G global subscribers by 2021



COMMUNICATIONS SOLUTIONS TRANSFORMATION

REPOSITION PORTFOLIO

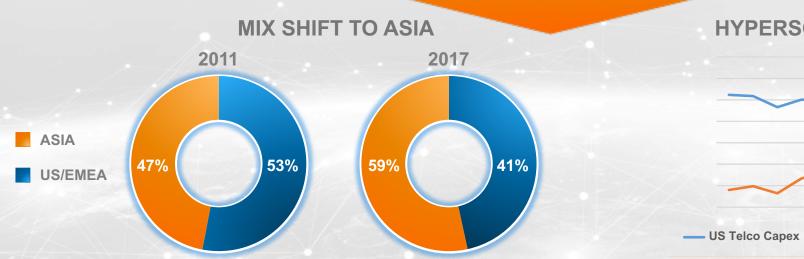
RATIONALIZE FOOTPRINT

WIN IN ASIA-PACIFIC

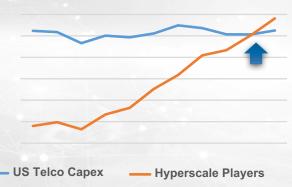
WIN WITH HYPERSCALE

GROW CONTENT

REPOSITIONED TO GROWTH MARKETS

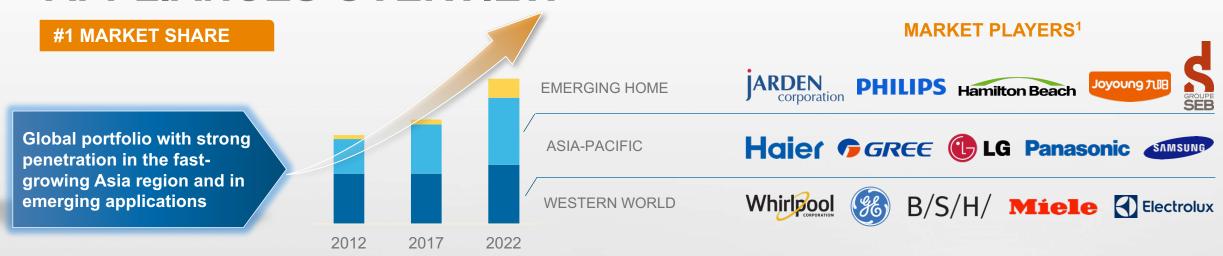








APPLIANCES OVERVIEW



CONTENT GROWTH DRIVEN BY:

Value-add assemblies Integrated solutions New features



TRENDS DRIVING APPLIANCES GROWTH

- ✓ Safety
- Efficiency
- Miniaturization





¹ This is not an exhaustive list of industry participants and is meant to merely reflect representative players in each market segment. No endorsement or sponsorship is intended or should be inferred.

DATA AND DEVICES OVERVIEW

TOP 3 MARKET SHARE

MARKET PLAYERS¹

Portfolio shifting to growing high-speed applications with complex technological challenges



HYPERSCALE











HIGH-SPEED TELECOM, **ENTERPRISE**

CONSUMER











~\$40k content / chassis at leading cloud provider



TRENDS DRIVING DATA AND **DEVICES GROWTH**

- Data explosion
- High-speed
- Infrastructure shifts e.g. 5G



TRUSTED PARTNER TO LEADING CUSTOMERS SOLVING COMPLEX PROBLEMS



SUBCOM MARKET DRIVEN BY HYPERSCALES

TOP 2 MARKET SHARE

NEW CABLE SYSTEMS* TAM



- REDUCED CYCLICALITY
 - With revenues ranging from \$600M to \$1B
- Need for SPEED and BANDWIDTH
- Require **OPTIONALITY** on technology
- Demand for FASTER deployment





COMMUNICATIONS SOLUTIONS

- Winning in the markets we serve
- Well positioned in Asia
- Strong relationships with customers and partners
- Extensive portfolio and technology leadership
- Transformation and operational excellence key contributors to margin expansion
- Reduced cyclicality in the SubCom market

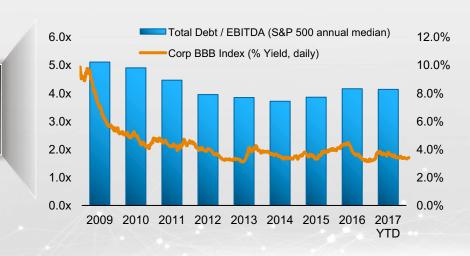
POSITIONED IN MARKETS FOR GROWTH

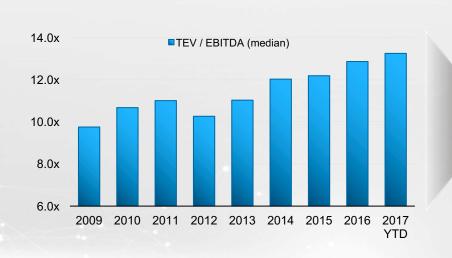




M&A MARKET ENVIRONMENT

INTEREST RATES AND LEVERAGE





GLOBAL M&A MULTIPLES

UTILIZE A ROBUST PROCESS INTERNALLY TO CREATE VALUE IN A COMPETITIVE ENVIRONMENT



STRONG DEAL ECO-SYSTEM PROVIDES FOR ROBUST PIPELINE

BUSINESS UNIT RELATIONSHIPS PRIVATE EQUITY INVESTMENT BANKS & VC RELATIONSHIPS (LARGE & SMALL) **PIPELINE** comprised of significant number of targets **INDUSTRY CUSTOMER CONSORTIUMS INFLUENCE**



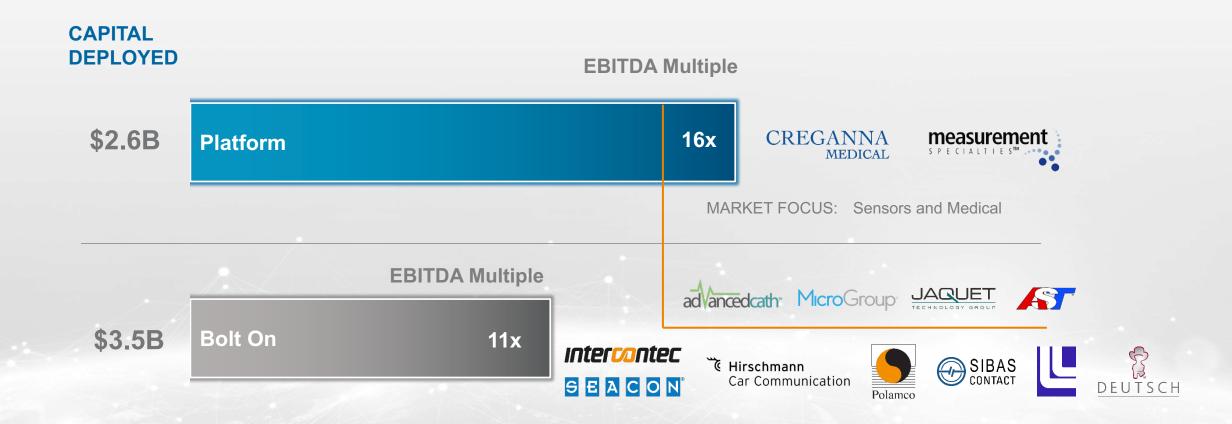
M&A DISCIPLINE IN A CHALLENGING MARKET



RESULTS IN STRATEGIC FOCUS ON TRANSPORTATION AND INDUSTRIAL



PLATFORMS CREATE OPPORTUNITY FOR BOLT ONS





ESTABLISHED PROCESS FOR A PLATFORM

CASE STUDY OF TE INTERVENTIONAL MEDICAL



IDEA GENERATION

2012

 Customer engagement based on TE core capabilities & OEM relationship



STRATEGY DEVELOPMENT

2013-2014

- Deep dive into attractive interventional market
- Fragmented market with M&A opportunities



TEST STRATEGY

2015

- TE acquires
- Tests value creation theory
- Strong customer response



IMPLEMENT STRATEGY

2016

• TE acquires

CREGANNA

CREGANNA MEDICAL

 Create value through combination



GROW PLATFORM

2017+

- TE interventional growing at ~7%
- Strong customer appreciation
- TE acquires

Micro Group



MERGERS AND ACQUISITIONS

- TE's diversified end markets and platform acquisitions provide a large hunting ground in a competitive M&A environment
- We will look for opportunities:
 - In attractive markets
 - Close to TE's DNA
 - Where we can add value
 - To provide strong return to shareholders
- Expect to deploy ~1/3 of Free Cash Flow for inorganic growth

IM&A REPRESENTS AN ADDITIONAL LEVER FOR GROWTH





WHAT GETS THE CFO EXCITED

GROWTH ACROSS PORTFOLIO

Organic growth accelerating To Mid Single Digits

ROIC

Focus on balance between growth and returns

MARGIN EXPANSION

Growth and cost opportunity

CAPITAL DEPLOYMENT

Strong cash generation provides flexibility



GROWTH: ALL SEGMENTS CONTRIBUTING

TRANSPORTATION



Very strong position in a market with content growth drivers

LONG-TERM ORGANIC GROWTH RATE

FOCUS

MID - HIGH SINGLE DIGITS

Top Line Growth

INDUSTRIAL



Strong position in a recovering market with GDP-plus growth potential & margin improvement

MID SINGLE DIGITS

Growth and margin expansion

COMMUNICATIONS



Strong in Appliances and high speed connectivity solutions

LOWSINGLE DIGITS

Consistency
Cash Flow Generation

TE PORTFOLIO POSITIONED FOR 4 – 6% ORGANIC GROWTH



MARGIN EXPANSION: EFFICIENT EXPENSE MODEL



BUSINESS MODEL TARGETED AT REDUCING OPEX TO 16% OF REVENUE



MARGIN AND EPS EXPANSION





WHAT WE'VE DONE

- Focused the portfolio on growth
- Exited low margin products
- Driven TEOA across manufacturing
- Balanced capital allocation

GOING FORWARD: Adjusted Operating Margin Expansion 30-80 bps

- Mid single digit organic growth
- Transportation Margins 20% +/- while investing for growth above market
- Industrial expanding to **high teens** through revenue growth, footprint consolidation and expense reduction
- Communications maintains mid teens depending upon product mix

EXPECT DOUBLE DIGIT ADJUSTED EPS GROWTH



ROIC: TARGETING MID TEENS ADJUSTED ROIC

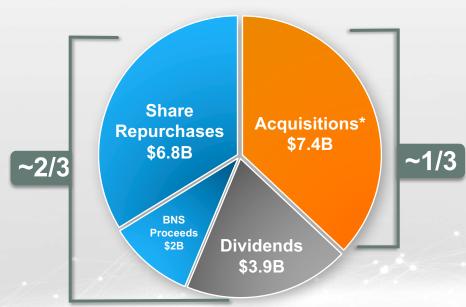
Adjusted ROIC is a non-GAAP financial measure; See Appendix for description and reconciliation.



CAPITAL STRATEGY: BALANCED DEPLOYMENT

MAJOR CAPITAL DEPLOYMENT**

FY08 through FY17





· Denotes dividends paid during the fiscal year.

EXPECT TO RETURN ~2/3 OF FREE CASH FLOW TO SHAREHOLDERS OVER TIME

EXPECT TO UTILIZE ~1/3 OF FREE CASH FLOW AS AN ADDITIONAL LEVER FOR REVENUE GROWTH



TE BUSINESS MODEL

Content enables growth > market 4-6% ORGANIC REVENUE **Growth from Sensors and Medical platforms GROWTH* + M&A M&A** in Transportation and Industrial **OPERATING EXPENSE** ~16% OF SALES SG&A leverage; Maintaining R&D at 5% of sales **ADJUSTED OPERATING** 30 – 80 bps expansion **Driven by operational excellence and Industrial Solutions** MARGIN **DOUBLE DIGIT ADJUSTED EPS** Consistent growth, operational levers and capital deployment **GROWTH FREE CASH FLOW** ~ NET INCOME Flexibility with strong FCF **ADJUSTED ROIC** MID TEENS **Balancing deployment of capital**



ITE IS AN INDUSTRIAL TECHNOLOGY LEADER CONNECTING THE WORLD

We've built a portfolio with competitive advantage.

The key elements to driving exciting shareholder value are in place.

Our opportunity has never been greater.



INVESTOR DAY TAKE AWAYS

Global leadership position **TRANSPORTATION** Content drives growth above market Auto sensors design wins propel future growth Levers to drive operating margins to high teens INDUSTRIAL Content growth in Factory Automation & CommAir Leading position in fast-growing Medical market D&D transformation complete COMMUNICATIONS Growth driven by high speed connectivity Margin expansion through operational excellence Disciplined M&A, with ROIC focus M&A Current portfolio provides opportunities for bolt-ons Expect to deploy 1/3 of FCF for acquisitions Strong business model to drive value creation **FINANCIALS** OpEx discipline; targeting double-digit EPS growth Balanced capital strategy; ROIC focus

THE LEVERS OF OUR BUSINESS MODEL

TOP LINE

ORGANIC REVENUE GROWTH

+4-6%



M&A

Adding >100 basis points of growth annually



LOWER OPERATING EXPENSES

Reduce SG&A by 100 basis points



IMPROVED OPERATING MARGINS

Expand 30-80 basis points annually



BOTTOM LINE

EPS GROWTH

Pulling the levers for double-digit gains



BALANCED CAPITAL STRATEGY

Strategic M&A, Share Buybacks, Dividend increases, ROIC in mid-teens, strong FCF





ITHE OPPORTUNITY HAS NEVER BEEN GREATERI

The key elements to driving exciting shareholder value are in place.



IAPPENDIX



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 represents net sales growth (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 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, and other income or charges, if any. We utilize these measures 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, Net represents net other income (the most comparable GAAP financial measure) before special items including tax sharing income related to adjustments to prior period tax returns and other items, if any.
- Adjusted Income Tax Expense represents income tax expense (the most comparable GAAP financial measure) after adjusting for the tax effect of special items including restructuring and other charges, acquisition related charges, 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, tax sharing income related to adjustments to prior period tax returns and other tax items, other income or charges, and certain significant tax items, if 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, tax sharing income related to adjustments to prior period tax returns and other tax items, other income or charges, and certain significant tax items, if any, and, if applicable, the related tax effects. This measure is a significant component in our incentive compensation plans.



Non-GAAP Financial Measures (cont.)

- Adjusted EBITDA and Adjusted EBITDA Margin represent net income and net income as a percentage of net sales, respectively, (the most comparable GAAP financial measures) before interest expense, interest income, income taxes, depreciation, and amortization, as adjusted for net other income, income from discontinued operations, and special items including restructuring and other charges, acquisition related charges, 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 continuing 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 continuing operating activities excluding voluntary pension contributions and the cash impact of special items, if any, minus net capital expenditures. Voluntary pension contributions are excluded from the GAAP financial measure because this activity is driven by economic financing decisions rather than operating activity. Certain special items, including net payments related to pre-separation tax matters and cash paid (collected) pursuant to collateral requirements related to cross currency swaps, 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.

Adjusted Return on Invested Capital (ROIC) – represents adjusted net operating profit after tax divided by average invested capital. We use Adjusted Return on Invested Capital as an indicator of our capital efficiency. Adjusted Return on Invested Capital is not a measure defined by GAAP. It is calculated by us, in part, using non-GAAP financial measures. We are providing our calculation of Adjusted Return on Invested Capital as this measure may not be defined and calculated by other companies in the same manner.



Reconciliation of Non-GAAP Financial Measures to GAAP Financial Measures for the Year Ended September 29, 2017

Adjustments									
		Acqu	isition	Restructuring					
		Related and Other			Other		Tax	Ad	ljusted
U.S. GAAP		Cha	Charges (1) Charges, Net (1)		Items (2)		(Non-	GAAP) (3)	
			(\$ in millions, except per share data)						
\$	1,299	\$	3	\$	67	\$	-	\$	1,369
	364		8		73		-		445
	384				8				392
\$	2,047	\$	11	\$	148	\$		\$	2,206
	15.6%								16.8%
\$	(9)	\$		\$		\$	7	\$	(2)
\$	(255)	\$	(3)	\$	(40)	\$	(66)	\$	(364)
\$	1,673	\$	8	\$	108	\$	(59)	\$	1,730
\$	4.67	\$	0.02	\$	0.30	\$	(0.16)	\$	4.83
	\$	\$ 1,299 364 384 \$ 2,047 15.6% \$ (9) \$ (255) \$ 1,673	\$ 1,299 \$ 364 384 \$ 2,047 \$ \$ 15.6% \$ (9) \$ \$ \$ \$ 1,673 \$	U.S. GAAP Charges (1) (\$ in mill 1)	Acquisition Restrated Charges (1) Ch	Acquisition Restructuring and Other Charges (1) (\$ in millions, except per sh	Acquisition Restructuring and Other Charges (1) Charges, Net (1) Ito	Name	Acquisition Restructuring and Other Tax Add (Non-thing part of this part

⁽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 income tax benefits associated with the tax impacts of certain intercompany transactions and the corresponding reduction in the valuation allowance for U.S. tax loss carry forwards. Also includes income tax benefits associated with pre-separation tax matters and the related impact to other expense pursuant to the tax sharing agreement with Tyco International and Covidien.

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

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

			Acquisition Related		Restructuring and Other		Tax		Ad	ljusted
	U.S. GAAP		Cha	Charges (1)(2) Charges, Net (2)		Ite	ms (3)	(Non-GAAP) (4		
				(\$ 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	\$	1,749	\$	94	\$	149	\$		\$	1,992
Operating Margin		14.3%								16.3%
Other Income (Expense), Net	\$	(55)	\$	<u> </u>	\$		\$	84	\$	29
L To E	¢.	(227)	¢.	(22)	¢	(20)	d.	(20)	¢.	(424)
Income Tax Expense	<u> </u>	(337)	\$	(22)	\$	(29)	\$	(36)	\$	(424)
Income from Continuing Operations	\$	1,238	\$	72	\$	120	\$	48	\$	1,478
	Ψ	1,230	Ψ		Ψ	120	Ψ		Ψ	1,170
Diluted Earnings per Share from										
Continuing Operations	\$	3.01	\$	0.18	\$	0.29	\$	0.12	\$	3.60
•	-	2.01		3,10		5.27				3.00

⁽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⁾ 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.

⁽³⁾ 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.

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

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

		Adjustments								
			Acqı	uisition	Restr	ucturing				
			Related		and	Other	Tax		Adjusted	
	U.S. GAAP		Charges (1)		Charges, Net (1)		Items (2)		(Non-	GAAP) (3)
	(\$ in m			(\$ in mill	ions, ex	cept per sh				
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)	\$	<u>-</u>	\$	<u>-</u>	\$	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⁾ 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 \$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 carry forwards, 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.

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

Reconciliation of Adjusted Return on Invested Capital (ROIC)

	As of or for the Years Ended											
	Sept	ember 29,	September	30,	Sept	ember 25,	Septembe	r 26,	Septe	mber 27,	Septe	mber 28,
	2017		2016		2015		2014	2014		2013	2012	
						(\$ in m	illions)					
Operating income	\$	2,047			\$	1,749			\$	1,385		
Acquisition related charges		11				94				14		
Restructuring and other charges, net		148				149				222		
Adjusted Operating Income ⁽¹⁾		2,206				1,992				1,621		
Adjusted amortization expense (2)		164				137		_		80		
Adjusted operating income plus adjusted amortization expense	\$	2,370			\$	2,129			\$	1,701		
Income from continuing operations before income taxes	\$	1,928			\$	1,575			\$	1,080		
Acquisition related charges		11				94				14		
Restructuring and other charges, net		148				149				222		
Taxitems		7				84				213		
Adjusted income from continuing operations before income taxes	\$	2,094			\$	1,902			\$	1,529		
Income taxes paid, net of refunds	\$	323			\$	350			\$	299		
(Payments) refunds for tax deficiencies related to pre-separation tax matters		23				(47)				(67)		
Payments related to income taxes on the sale of the Broadband Network												
Solutions business												
Adjusted income taxes paid, net of refunds	\$	346			\$	303			\$	232		
Adjusted cash tax rate		16.5%				15.9%				15.2%		
Adjusted net operating profit after taxes	\$	1,978			\$	1,790			\$	1,443		
Total debt	\$	4,344	\$ 4.	,070	\$	3,884	\$	3,838	\$	2,909	\$	3,604
Total shareholders' equity		9,751		,485		9,585		9,007	·	8,380		7,971
Invested Capital	\$	14,095		,555	\$	13,469		12,845	\$	11,289	\$	11,575
Average Invested Capital	\$	13,325			\$	13,157			\$	11,432		
Adjusted ROIC ⁽¹⁾		14.8%				13.6%				12.6%		

 $^{^{(1)}}$ See description of non-GAAP financial measures.



⁽²⁾ Excludes non-cash amortization associated with fair value adjustments related to acquired customer order backlog of \$5 million and \$16 million for the years ended September 29, 2017 and September 25, 2015, respectively, as these charges are included in the acquisition related charges line.

Reconciliation of Adjusted EBITDA and Adjusted EBITDA Margin

		Year Ended mber 29,		
	_	2017		
	(\$ in millions			
Net Income	\$	1,683		
Income from discontinued operations		(10)		
Income tax expense		255		
Other expense, net		9		
Interest expense		130		
Interest income		(20)		
Operating Income		2,047		
Acquisition related charges		11		
Restructuring and other charges, net		148		
Adjusted Operating Income (1)		2,206		
Depreciation and amortization (2)		630		
Adjusted EBITDA (1)	\$	2,836		
Net Sales	\$	13,113		
Net income as a percentage of net sales		12.8%		
Adjusted EBITDA margin (1)		21.6%		



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

⁽²⁾ Excludes non-cash amortization associated with fair value adjustments related to acquired customer order backlog of \$5 million for the year ended September 29, 2017 as these charges are included in the acquisition related charges line.