

TE Connectivity Third Quarter 2020 Earnings

July 29, 2020

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, and the impact on our operations resulting from the coronavirus disease 2019 ("COVID-19"). 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 COVID-19 negatively affecting our business operations; business, economic, competitive and regulatory risks, such as conditions affecting demand for products in the automotive and other industries we serve; competition and pricing pressure; fluctuations in foreign currency exchange rates and commodity prices; natural disasters and political, economic and military instability in countries in which we operate; developments in the credit markets; future goodwill impairment; compliance with current and future environmental and other laws and regulations; and the possible effects on us of changes in tax laws, tax treaties and other legislation, including the effects of Swiss tax reform. In addition, the extent to which COVID-19 will impact our business and our financial results will depend on future developments, which are highly uncertain and cannot be predicted. Such developments may include the geographic spread of the virus, the severity of the virus, the duration of the outbreak, the impact on our suppliers' and customers' supply chains, the actions that may be taken by various governmental authorities in response to the outbreak in jurisdictions in which we operate, and the possible impact on the global economy and local economies in which we operate. 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. 27, 2019 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.

Q3 Summary

Sales of \$2.5B, better than expectations; Adjusted EPS of \$0.59

- Sales down 20% sequentially on a reported basis versus expectations of down 25%
 - Transportation down 32% sequentially, better than anticipated across the segment
 - Industrial down 10% sequentially, as expected
 - Communications up 14% sequentially, as expected
- Adjusted Operating Margins of 9.4% and Adjusted EPS of \$0.59
- Q3 FCF of \$280M with ~\$240M returned to shareholders; YTD Free Cash Flow of ~\$830M
- Our balance sheet remains strong with ~\$2B of liquidity available
- Resiliency in manufacturing and operations is enabling us to meet our customer commitments

Expecting sequential sales and EPS growth in Q4

- Expect Q4 sales to be up ~10% sequentially from Q3
 - Growth driven by the Transportation segment with increases in auto production
- Continue to expect FCF to exceed \$1B in FY20
- Continue to execute on cost reduction and footprint consolidation plans
- Strong opportunities for growth and margin expansion as demand returns

Segment Orders Summary

\$ in Millions

<u>Reported</u>	FY20 Q2	FY20 Q3	Growth Q2 to Q3
Transportation	1,849	1,178	(36)%
Industrial	1,051	824	(22)%
Communications	467	384	(18)%
Total TE	3,367	2,386	
Book to Bill	1.05	0.94	

Sequential Order Trends

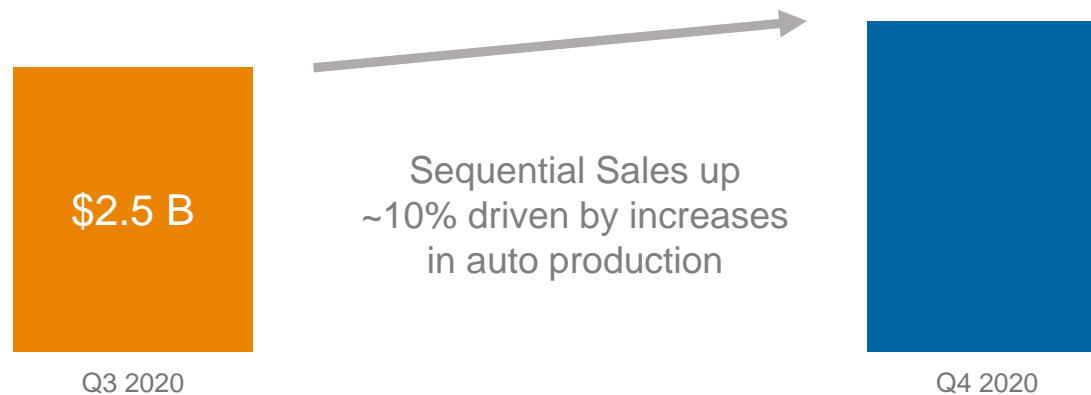
- Growth in China in the Transportation and Industrial segments
- Weakness in orders in North America and Europe across all segments
- Seeing improving monthly order trends since April
- Strong backlog position entering in Q4

July book to bill of 1.05

Strong backlog and improving order trends support sequential growth in Q4

Q3 to Q4 Sequential Sales Growth

\$ in Millions



- Auto production expected to increase ~40% from ~12M vehicles produced in Q3 to ~17M in Q4
- Sequential growth in other businesses; offset by residual impact of supply chain corrections
- Expect sequential growth in Transportation; modest growth in Industrial expected to be offset by modest declines in Communications
- ~35% fall through on sequential revenue growth to adjusted operating income



Transportation Solutions

\$ in Millions

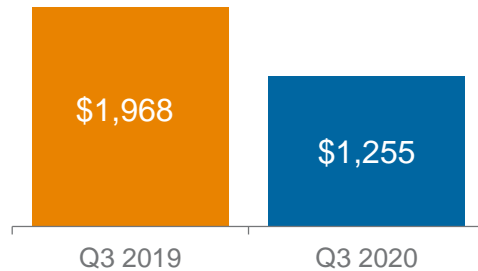
Q3 Sales

Reported

Down 36%

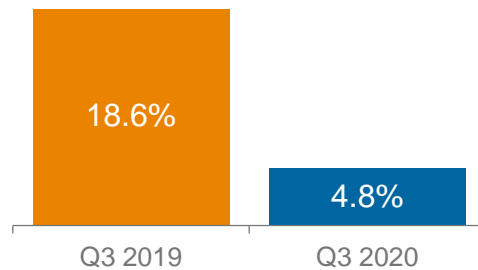
Organic

Down 37%



Q3 Adjusted Operating Margin

Adjusted Operating Margins declining on lower volumes



Adjusted EBITDA Margin 24.2% 13.8%

Q3 Business Performance

Y/Y Growth Rates

Reported

Organic

		Reported	Organic
Automotive	\$797	(44)%	(43)%
Commercial Transportation	233	(27)%	(24)%
Sensors	225	(3)%	(22)%
Transportation Solutions	\$1,255	(36)%	(37)%

- Automotive sales down Y/Y in Q3 at a similar rate as global auto production declines; 6% outperformance versus the market YTD, due to content growth
- Commercial Transportation organic declines in North America and Europe, partially offset by growth in China
- Sensors decline driven by weakness across all markets



Industrial Solutions

\$ in Millions

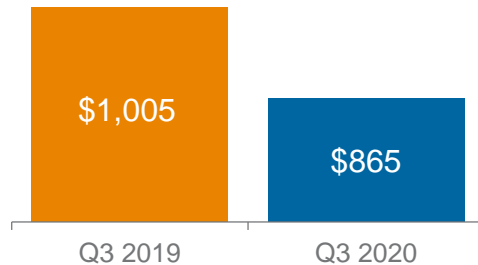
Q3 Sales

Reported

Down 14%

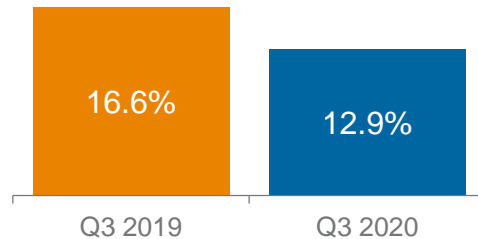
Organic

Down 13%



Q3 Adjusted Operating Margin

Adjusted Operating Margins decline on lower volumes



Adjusted EBITDA Margin 21.2% 18.5%

Q3 Business Performance

Y/Y Growth Rates

Reported

Organic

Segment	Revenue (\$ in Millions)	Reported Y/Y Growth (%)	Organic Y/Y Growth (%)
Aerospace, Defense and Marine	\$265	(23)%	(22)%
Industrial Equipment	265	(14)%	(13)%
Medical	161	(9)%	(9)%
Energy	174	(2)%	1%
Industrial Solutions	\$865	(14)%	(13)%

- AD&M decline driven by weakness in Commercial Aerospace market
- Industrial Equipment declines in North America and Europe partially offset by growth in China
- Medical decline driven by delayed elective procedures caused by COVID-19
- Energy growth in Europe and China, partially offset by weakness in North America
- On track with long term segment margin expansion plans



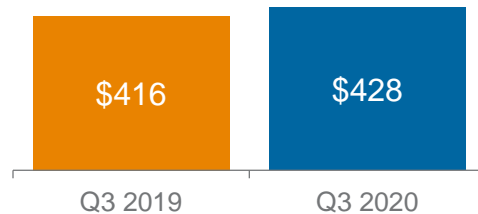
Communications Solutions

\$ in Millions

Q3 Sales

Reported
Up 3%

Organic
Up 4%

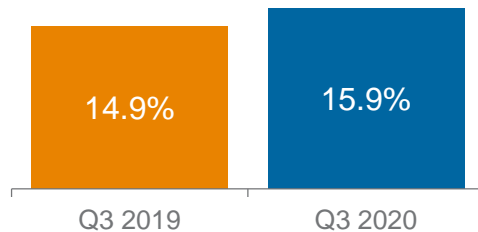


Q3 Business Performance

Y/Y Growth Rates		Reported	Organic
Data & Devices	\$276	13%	13%
Appliances	152	(11)%	(9)%
Communications Solutions	\$428	3%	4%

Q3 Adjusted Operating Margin

Adjusted Operating Margin expansion of 100 basis points due to strong operational performance



Adjusted EBITDA Margin 19.2% 19.4%

- Data & Devices growth driven by strength in cloud related demand
- Appliances decline driven by end market weakness in all regions
- Strong Adjusted Operating Margin performance in line with business model target

Q3 Financial Summary

(\$ in Millions, except per share amounts)

	Q3 FY19	Q3 FY20
Net Sales	\$ 3,389	\$ 2,548
Operating Income (Loss)	\$ 520	\$ 134
<i>Operating Margin</i>	15.3%	5.3%
Acquisition Related Charges	9	8
Restructuring & Other Charges, net	67	98
Adjusted Operating Income	\$ 596	\$ 240
<i>Adjusted Operating Margin</i>	17.6%	9.4%
Earnings (Loss) Per Share*	\$ 2.24	\$ (0.18)
Acquisition Related Charges	0.02	0.02
Restructuring & Other Charges, net	0.15	0.23
Tax Items	(0.91)	0.51**
Adjusted EPS	\$ 1.50	\$ 0.59

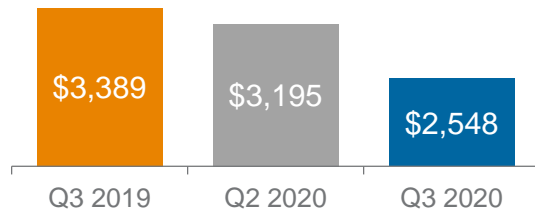
*Represents Diluted Earnings (Loss) Per Share from Continuing Operations.

** Income tax expense related to an increase to the valuation allowance for certain non-U.S. deferred tax assets.

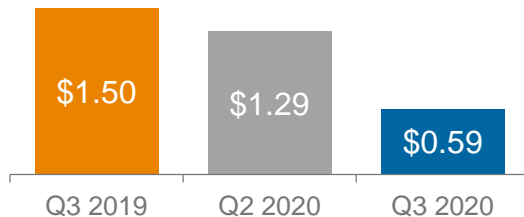
Adjusted Operating Income, Adjusted Operating Margin and Adjusted EPS are non-GAAP financial measures; see Appendix for descriptions and reconciliations.

Q3 Financial Performance

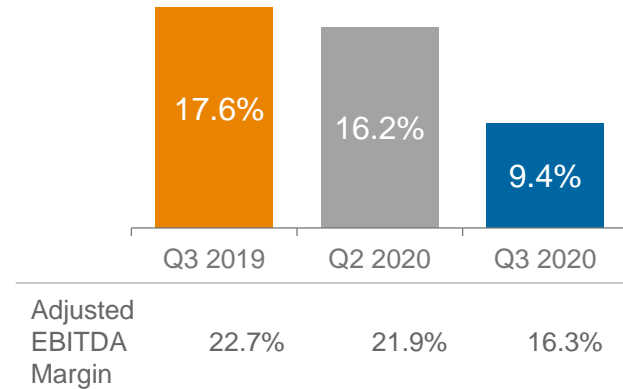
Sales



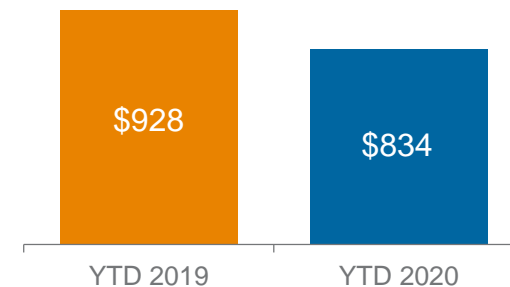
Adjusted EPS



Adjusted Operating Margin



Free Cash Flow



Continue to expect FCF in excess of \$1B in FY20

Expectations Going Forward

4Q20 Expectations

- Expect Q4 sales to grow ~10% from Q3 low point with sequential improvement driven by Auto
- ~35% fall through on sequential revenue growth to adjusted operating income
- Q4 Adjusted effective tax rate of ~19.5%

Market Assumptions

- Global auto production expected to increase to ~17M vehicles in Q4
- Our portfolio is well positioned to benefit from secular trends, including content growth
- Expect revenue growth and margin & EPS expansion as market demand gradually recovers

Actions We Are Taking

- Continue to execute on cost reduction and factory footprint consolidation plans
- Demonstrating resilience in global manufacturing enabling us to meet our customer commitments
- Maintaining balanced capital strategy, with thoughtful evaluation of share buyback plans

Strong portfolio position and early cost actions enabling TE to navigate a challenging demand environment

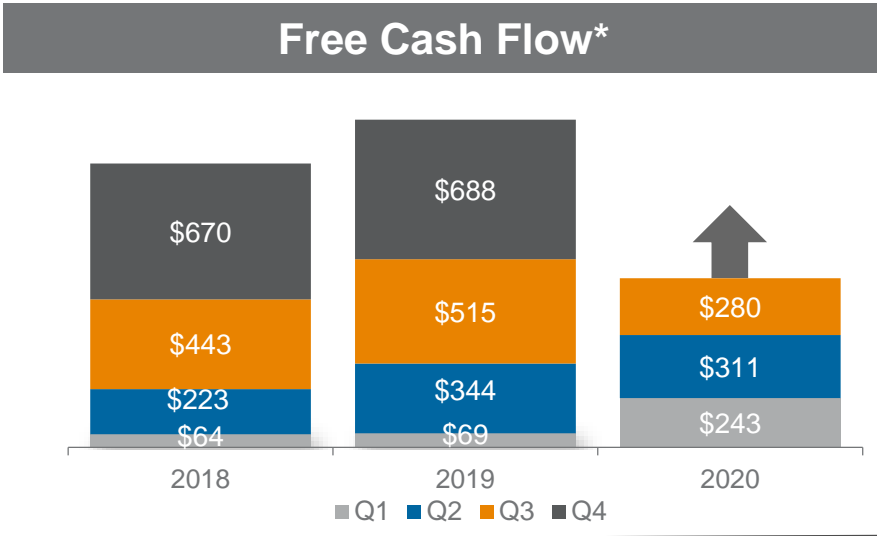
Additional Information

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Free Cash Flow & Liquidity

\$ in Millions

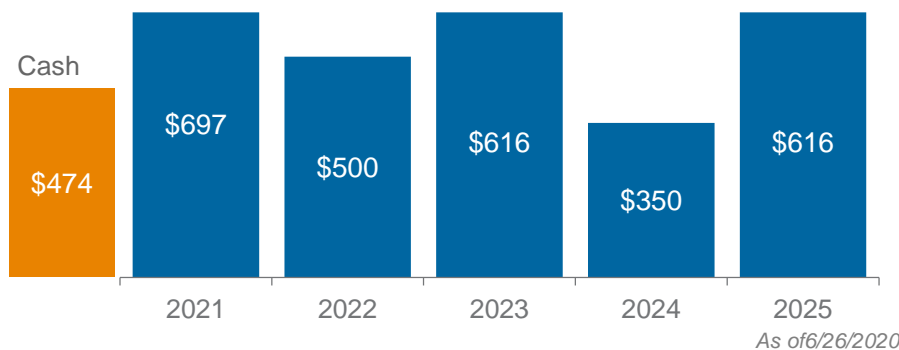


Priorities

- Remain committed to quarterly dividend
- Will continue to evaluate share repurchases
- Expecting capital expenditures of ~\$575M

FY20 FCF expected to be >\$1B

Cash & Debt Maturity Profile**



Liquidity

- ~\$2.0B liquidity available
 - ~\$500M in cash
 - \$1.5B undrawn revolver
- Debt/EBITDA currently at 1.6x***

Strong liquidity position

*Free Cash Flow is a non-GAAP financial measure; see Appendix for description and reconciliation

**Excludes debt maturing after fiscal year 2025

***Represents the Ratio of Consolidated Total Debt to Consolidated EBITDA as defined in our five-year unsecured senior credit agreement. Please refer to the Appendix for additional information

Y/Y Q3 2020

	Sales (in millions)	Adjusted EPS
Q3 2019 Results	\$3,389	\$1.50
Operational Performance	(806)	(0.93)
FX Impact	(35)	0.03
Tax Rate Impact	-	(0.01)
Q3 2020 Results	\$2,548	\$0.59

Q3 Balance Sheet & Cash Flow Summary

Free Cash Flow and Working Capital

(\$ in Millions)	Q3 2019	Q3 2020
Cash from Continuing Operations	\$692	\$380
Capital expenditures, net	(166)	(127)
Cash (collected) paid pursuant to collateral requirements related to cross-currency swap contracts	(11)	27
Free Cash Flow	\$515	\$280
A/R	\$2,463	\$2,146
Days Sales Outstanding*	65	76
Inventory	\$1,961	\$2,227
Days on Hand*	74	105
Accounts Payable	\$1,438	\$1,271
Days Outstanding*	57	62

Liquidity, Cash & Debt

(\$ in Millions)	Q3 2019	Q3 2020
Beginning Cash Balance	\$565	\$796
Free Cash Flow	515	280
Dividends	(155)	(159)
Share repurchases	(174)	(115)
Net increase (decrease) in debt	36	(352)
Acquisition of businesses, net of cash acquired	(291)	31
Other	50	(7)
Ending Cash Balance	\$546	\$474
Total Debt	\$4,036	\$4,086

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 (Loss) and Adjusted Operating Margin – represent operating income (loss) 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 (loss) 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 (Loss) is a significant component in our incentive compensation plans.
- Adjusted Other Income (Expense), Net – represents net other income (expense) (the most comparable GAAP financial measure) before special items including tax sharing income related to adjustments to prior period tax returns and other items, if any.
- 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 (Loss) from Continuing Operations – represents income (loss) from continuing operations (the most comparable GAAP financial measure) before special items including restructuring and other charges, acquisition-related charges, impairment of goodwill, 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.
- Adjusted Earnings (Loss) 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, 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 (loss) and net income (loss) 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, 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 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 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.
- 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.
- Ratio of Consolidated Total Debt to Consolidated EBITDA is a covenant used in our Amended and Restated Five-Year Senior Credit Agreement dated as of November 14, 2018 and filed as Exhibit 10.1 to our Current Report on Form 8-K filed with the SEC on November 14, 2018. Consolidated Total Debt and Consolidated EBITDA are adjusted financial measures as defined in the Credit Agreement.

Segment Summary

	For the Quarters Ended				For the Nine Months Ended			
	June 26, 2020		June 28, 2019		June 26, 2020		June 28, 2019	
	(\$ in millions)							
	Net Sales		Net Sales		Net Sales		Net Sales	
Transportation Solutions	\$	1,255	\$	1,968	\$	4,980	\$	5,925
Industrial Solutions		865		1,005		2,754		2,940
Communications Solutions		428		416		1,177		1,283
Total	\$	2,548	\$	3,389	\$	8,911	\$	10,148
	Operating	Operating	Operating	Operating	Operating	Operating	Operating	Operating
	Income	Margin	Income	Margin	Income	Margin	Income	Margin
Transportation Solutions	\$	(1)	\$	308	\$	(291)	\$	956
Industrial Solutions		(0.1) %		15.7 %		(5.8) %		16.1 %
Communications Solutions		70		156		327		393
		8.1 %		15.5 %		11.9 %		13.4 %
Communications Solutions		65		56		154		185
		15.2 %		13.5 %		13.1 %		14.4 %
Total	\$	134	\$	520	\$	190	\$	1,534
		5.3 %		15.3 %		2.1 %		15.1 %
	Adjusted	Adjusted	Adjusted	Adjusted	Adjusted	Adjusted	Adjusted	Adjusted
	Operating	Operating	Operating	Operating	Operating	Operating	Operating	Operating
	Income ⁽¹⁾	Margin ⁽¹⁾	Income ⁽¹⁾	Margin ⁽¹⁾	Income ⁽¹⁾	Margin ⁽¹⁾	Income ⁽¹⁾	Margin ⁽¹⁾
Transportation Solutions	\$	60	\$	367	\$	707	\$	1,067
Industrial Solutions		4.8 %		18.6 %		14.2 %		18.0 %
Communications Solutions		112		167		389		464
		12.9 %		16.6 %		14.1 %		15.8 %
Communications Solutions		68		62		165		211
		15.9 %		14.9 %		14.0 %		16.4 %
Total	\$	240	\$	596	\$	1,261	\$	1,742
		9.4 %		17.6 %		14.2 %		17.2 %

⁽¹⁾ Adjusted operating income and adjusted operating margin are non-GAAP financial measures. See description of non-GAAP financial measures.

Reconciliation of Net Sales Growth

Change in Net Sales for the Quarter Ended June 26, 2020 versus Net Sales for the Quarter Ended June 28, 2019										
	Net Sales		Organic Net Sales		Translation ⁽²⁾	Acquisitions				
	Growth (Decline)		Growth (Decline) ⁽¹⁾							
	(\$ in millions)									
Transportation Solutions ⁽³⁾:										
Automotive	\$	(621)	(43.8) %	\$	(609)	(42.8) %	\$	(12)	\$	-
Commercial transportation		(84)	(26.5)		(78)	(24.1)		(6)		-
Sensors		(8)	(3.4)		(51)	(22.1)		(1)		44
Total		(713)	(36.2)		(738)	(37.3)		(19)		44
Industrial Solutions ⁽³⁾:										
Aerospace, defense, oil, and gas		(77)	(22.5)		(74)	(21.9)		(3)		-
Industrial equipment		(44)	(14.2)		(40)	(12.7)		(4)		-
Medical		(15)	(8.5)		(15)	(8.5)		-		-
Energy		(4)	(2.2)		1	0.5		(5)		-
Total		(140)	(13.9)		(128)	(12.7)		(12)		-
Communications Solutions ⁽³⁾:										
Data and devices		31	12.7		31	12.7		-		-
Appliances		(19)	(11.1)		(15)	(8.9)		(4)		-
Total		12	2.9		16	3.8		(4)		-
Total	\$	(841)	(24.8) %	\$	(850)	(25.0) %	\$	(35)	\$	44

Change in Net Sales for the Nine Months Ended June 26, 2020 versus Net Sales for the Nine Months Ended June 28, 2019										
	Net Sales		Organic Net Sales		Translation ⁽²⁾	Acquisitions				
	Growth (Decline)		Growth (Decline) ⁽¹⁾							
	(\$ in millions)									
Transportation Solutions ⁽³⁾:										
Automotive	\$	(745)	(17.3) %	\$	(681)	(15.8) %	\$	(64)	\$	-
Commercial transportation		(153)	(16.3)		(159)	(16.9)		(21)		27
Sensors		(47)	(7.0)		(109)	(16.2)		(6)		68
Total		(945)	(15.9)		(949)	(16.0)		(91)		95
Industrial Solutions ⁽³⁾:										
Aerospace, defense, oil, and gas		(66)	(6.9)		(57)	(6.0)		(9)		-
Industrial equipment		(142)	(14.9)		(127)	(13.4)		(15)		-
Medical		6	1.2		7	1.3		(1)		-
Energy		16	3.1		30	5.8		(14)		-
Total		(186)	(6.3)		(147)	(5.0)		(39)		-
Communications Solutions ⁽³⁾:										
Data and devices		(40)	(5.3)		(40)	(5.3)		-		-
Appliances		(66)	(12.5)		(58)	(10.8)		(8)		-
Total		(106)	(8.3)		(98)	(7.6)		(8)		-
Total	\$	(1,237)	(12.2) %	\$	(1,194)	(11.7) %	\$	(138)	\$	95

⁽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 June 26, 2020

	U.S. GAAP	Adjustments			Adjusted (Non-GAAP) ⁽⁴⁾
		Acquisition- Related Charges ⁽¹⁾	Restructuring and Other Charges, Net ⁽¹⁾	Tax Items ⁽²⁾	
		(\$ in millions, except per share data)			
Operating income (loss):					
Transportation Solutions	\$ (1)	\$ 6	\$ 55	\$ -	\$ 60
Industrial Solutions	70	2	40	-	112
Communications Solutions	65	-	3	-	68
Total	<u>\$ 134</u>	<u>\$ 8</u>	<u>\$ 98</u>	<u>\$ -</u>	<u>\$ 240</u>
Operating margin	<u>5.3 %</u>				<u>9.4 %</u>
Other income, net	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4</u>
Income tax expense	<u>\$ (185)</u>	<u>\$ (1)</u>	<u>\$ (21)</u>	<u>\$ 170</u>	<u>\$ (37)</u>
Effective tax rate	<u>145.7 %</u>				<u>15.9 %</u>
Income (loss) from continuing operations	<u>\$ (58)</u>	<u>\$ 7</u>	<u>\$ 77</u>	<u>\$ 170</u>	<u>\$ 196</u>
Diluted earnings (loss) per share from continuing operations ⁽³⁾	<u>\$ (0.18)</u>	<u>\$ 0.02</u>	<u>\$ 0.23</u>	<u>\$ 0.51</u>	<u>\$ 0.59</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⁾ Income tax expense related to an increase to the valuation allowance for certain non-U.S. deferred tax assets.

⁽³⁾ U.S. GAAP diluted shares excludes one million of nonvested share awards and options outstanding as the inclusion of these securities would have been antidilutive because of our loss during the period. Such amounts are included in adjusted (non-GAAP) diluted shares.

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

Reconciliation of Non-GAAP Financial Measures to GAAP Financial Measures for the Quarter Ended June 28, 2019

	U.S. GAAP	Adjustments			Adjusted (Non-GAAP) ⁽³⁾
		Acquisition- Related Charges ⁽¹⁾	Restructuring and Other Charges, Net ⁽¹⁾	Tax Items ⁽²⁾	
(\$ in millions, except per share data)					
Operating income:					
Transportation Solutions	\$ 308	\$ 6	\$ 53	\$ -	\$ 367
Industrial Solutions	156	3	8	-	167
Communications Solutions	56	-	6	-	62
Total	<u>\$ 520</u>	<u>\$ 9</u>	<u>\$ 67</u>	<u>\$ -</u>	<u>\$ 596</u>
Operating margin	<u>15.3 %</u>				<u>17.6 %</u>
Other income, net	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2</u>
Income tax (expense) benefit	<u>\$ 245</u>	<u>\$ (1)</u>	<u>\$ (17)</u>	<u>\$ (307)</u>	<u>\$ (80)</u>
Effective tax rate	<u>(47.8) %</u>				<u>13.6 %</u>
Income from continuing operations	<u>\$ 758</u>	<u>\$ 8</u>	<u>\$ 50</u>	<u>\$ (307)</u>	<u>\$ 509</u>
Diluted earnings per share from continuing operations	<u>\$ 2.24</u>	<u>\$ 0.02</u>	<u>\$ 0.15</u>	<u>\$ (0.91)</u>	<u>\$ 1.50</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 \$214 million income tax benefit related to the tax impacts of certain measures of Swiss tax reform and a \$93 million income tax benefit related to the effective settlement of a tax audit 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 Nine Months Ended June 26, 2020

	U.S. GAAP	Adjustments				Adjusted (Non-GAAP) ⁽⁴⁾
		Acquisition- Related Charges ⁽¹⁾	Restructuring and Other Charges, Net ⁽¹⁾	Impairment of Goodwill ⁽¹⁾	Tax Items ⁽²⁾	
(\$ in millions, except per share data)						
Operating income (loss):						
Transportation Solutions	\$ (291)	\$ 21	\$ 77	\$ 900	\$ -	\$ 707
Industrial Solutions	327	6	56	-	-	389
Communications Solutions	154	-	11	-	-	165
Total	<u>\$ 190</u>	<u>\$ 27</u>	<u>\$ 144</u>	<u>\$ 900</u>	<u>\$ -</u>	<u>\$ 1,261</u>
Operating margin	<u>2.1 %</u>					<u>14.2 %</u>
Other income, net	<u>\$ 20</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8)</u>	<u>\$ 12</u>
Income tax expense	<u>\$ (674)</u>	<u>\$ (4)</u>	<u>\$ (25)</u>	<u>\$ (4)</u>	<u>\$ 494</u>	<u>\$ (213)</u>
Effective tax rate	<u>360.4 %</u>					<u>17.0 %</u>
Income (loss) from continuing operations	<u>\$ (487)</u>	<u>\$ 23</u>	<u>\$ 119</u>	<u>\$ 896</u>	<u>\$ 486</u>	<u>\$ 1,037</u>
Diluted earnings (loss) per share from continuing operations ⁽³⁾	<u>\$ (1.46)</u>	<u>\$ 0.07</u>	<u>\$ 0.36</u>	<u>\$ 2.68</u>	<u>\$ 1.46</u>	<u>\$ 3.10</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 \$355 million of income tax expense related to the tax impacts of certain measures of Swiss tax reform and \$170 million of income tax expense related to an increase to the valuation allowance for certain non-U.S. deferred tax assets, partially offset by a \$31 million income tax benefit related to pre-separation tax matters and the termination of the tax sharing agreement with Tyco International and Covidien.

⁽³⁾ U.S. GAAP diluted shares excludes one million of nonvested share awards and options outstanding as the inclusion of these securities would have been antidilutive because of our loss during the period. Such amounts are included in adjusted (non-GAAP) diluted shares.

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

Reconciliation of Non-GAAP Financial Measures to GAAP Financial Measures for the Nine Months Ended June 28, 2019

	<u>U.S. GAAP</u>	<u>Adjustments</u>			<u>Adjusted (Non-GAAP) ⁽³⁾</u>
		<u>Acquisition- Related Charges ⁽¹⁾</u>	<u>Restructuring and Other Charges, Net ⁽¹⁾</u>	<u>Tax Items ⁽²⁾</u>	
		(\$ in millions, except per share data)			
Operating income:					
Transportation Solutions	\$ 956	\$ 13	\$ 98	\$ -	\$ 1,067
Industrial Solutions	393	11	60	-	464
Communications Solutions	185	-	26	-	211
Total	<u>\$ 1,534</u>	<u>\$ 24</u>	<u>\$ 184</u>	<u>\$ -</u>	<u>\$ 1,742</u>
Operating margin	<u>15.1 %</u>				<u>17.2 %</u>
Other income, net	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2</u>
Income tax (expense) benefit	<u>\$ 76</u>	<u>\$ (4)</u>	<u>\$ (46)</u>	<u>\$ (292)</u>	<u>\$ (266)</u>
Effective tax rate	<u>(5.1) %</u>				<u>15.6 %</u>
Income from continuing operations	<u>\$ 1,570</u>	<u>\$ 20</u>	<u>\$ 138</u>	<u>\$ (292)</u>	<u>\$ 1,436</u>
Diluted earnings per share from continuing operations	<u>\$ 4.60</u>	<u>\$ 0.06</u>	<u>\$ 0.40</u>	<u>\$ (0.86)</u>	<u>\$ 4.21</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 \$214 million income tax benefit related to the tax impacts of certain measures of Swiss tax reform, a \$93 million income tax benefit related to the effective settlement of a tax audit in a non-U.S. jurisdiction, and \$15 million of income tax expense associated with the tax impacts of certain legal entity restructurings and intercompany transactions.

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

Reconciliation of Non-GAAP Financial Measures to GAAP Financial Measures for the Quarter Ended March 27, 2020

	U.S. GAAP	Adjustments				Adjusted (Non-GAAP) ⁽⁴⁾
		Acquisition- Related Charges ⁽¹⁾	Restructuring and Other Charges, Net ⁽¹⁾	Impairment of Goodwill ⁽¹⁾	Tax Items ⁽²⁾	
(\$ in millions, except per share data)						
Operating income (loss):						
Transportation Solutions	\$ (606)	\$ 10	\$ 18	\$ 900	\$ -	\$ 322
Industrial Solutions	142	2	1	-	-	145
Communications Solutions	49	-	3	-	-	52
Total	<u>\$ (415)</u>	<u>\$ 12</u>	<u>\$ 22</u>	<u>\$ 900</u>	<u>\$ -</u>	<u>\$ 519</u>
Operating margin	<u>(13.0) %</u>					<u>16.2 %</u>
Other income, net	<u>\$ 11</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8)</u>	<u>\$ 3</u>
Income tax expense	<u>\$ (42)</u>	<u>\$ (2)</u>	<u>\$ (4)</u>	<u>\$ (4)</u>	<u>\$ (31)</u>	<u>\$ (83)</u>
Effective tax rate	<u>(10.2) %</u>					<u>16.1 %</u>
Income (loss) from continuing operations	<u>\$ (452)</u>	<u>\$ 10</u>	<u>\$ 18</u>	<u>\$ 896</u>	<u>\$ (39)</u>	<u>\$ 433</u>
Diluted earnings (loss) per share from continuing operations ⁽³⁾	<u>\$ (1.35)</u>	<u>\$ 0.03</u>	<u>\$ 0.05</u>	<u>\$ 2.67</u>	<u>\$ (0.12)</u>	<u>\$ 1.29</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 income tax benefit related to pre-separation tax matters and the termination of the tax sharing agreement with Tyco International and Covidien, as well as the related impact to net other income.

⁽³⁾ U.S. GAAP diluted shares excludes one million of nonvested share awards and options outstanding as the inclusion of these securities would have been antidilutive because of our loss during the period. Such amounts are included in adjusted (non-GAAP) diluted shares.

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

Reconciliation of Non-GAAP Financial Measures to GAAP Financial Measures for the Quarter Ended September 27, 2019

	<u>Adjustments</u>				<u>Adjusted (Non-GAAP) ⁽³⁾</u>
	<u>U.S. GAAP</u>	<u>Acquisition- Related Charges and Other Items ⁽¹⁾⁽²⁾</u>	<u>Restructuring and Other Charges, Net ⁽¹⁾</u>	<u>Tax Items</u>	
	(\$ in millions, except per share data)				
Operating income:					
Transportation Solutions	\$ 270	\$ 18	\$ 46	\$ -	\$ 334
Industrial Solutions	150	4	3	-	157
Communications Solutions	24	1	22	-	47
Total	<u>\$ 444</u>	<u>\$ 23</u>	<u>\$ 71</u>	<u>\$ -</u>	<u>\$ 538</u>
Operating margin	<u>13.5 %</u>				<u>16.3 %</u>
Income tax expense	<u>\$ (61)</u>	<u>\$ (5)</u>	<u>\$ (15)</u>	<u>\$ 1</u>	<u>\$ (80)</u>
Effective tax rate	<u>14.0 %</u>				<u>15.1 %</u>
Income from continuing operations	<u>\$ 376</u>	<u>\$ 18</u>	<u>\$ 56</u>	<u>\$ 1</u>	<u>\$ 451</u>
Diluted earnings per share from continuing operations	<u>\$ 1.11</u>	<u>\$ 0.05</u>	<u>\$ 0.17</u>	<u>\$ -</u>	<u>\$ 1.33</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 acquisition-related charges of \$6 million and a write-off of spare parts of \$17 million.

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

Reconciliation of Non-GAAP Financial Measures to GAAP Financial Measures for the Year Ended September 27, 2019

	<u>Adjustments</u>				<u>Adjusted (Non-GAAP) ⁽⁴⁾</u>
	<u>U.S. GAAP</u>	<u>Acquisition- Related Charges and Other Items ⁽¹⁾⁽²⁾</u>	<u>Restructuring and Other Charges, Net ⁽¹⁾</u>	<u>Tax Items ⁽³⁾</u>	
	(\$ in millions, except per share data)				
Operating income:					
Transportation Solutions	\$ 1,226	\$ 31	\$ 144	\$ -	\$ 1,401
Industrial Solutions	543	15	63	-	621
Communications Solutions	209	1	48	-	258
Total	<u>\$ 1,978</u>	<u>\$ 47</u>	<u>\$ 255</u>	<u>\$ -</u>	<u>\$ 2,280</u>
Operating margin	<u>14.7%</u>				<u>17.0%</u>
Other income, net	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2</u>
Income tax (expense) benefit	<u>\$ 15</u>	<u>\$ (9)</u>	<u>\$ (61)</u>	<u>\$ (291)</u>	<u>\$ (346)</u>
Effective tax rate	<u>(0.8)%</u>				<u>15.5%</u>
Income from continuing operations	<u>\$ 1,946</u>	<u>\$ 38</u>	<u>\$ 194</u>	<u>\$ (291)</u>	<u>\$ 1,887</u>
Diluted earnings per share from continuing operations	<u>\$ 5.72</u>	<u>\$ 0.11</u>	<u>\$ 0.57</u>	<u>\$ (0.86)</u>	<u>\$ 5.55</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 acquisition-related charges of \$30 million and a write-off of spare parts of \$17 million.

⁽³⁾ Includes a \$216 million income tax benefit related to the tax impacts of certain measures of Swiss tax reform, a \$90 million income tax benefit related to the effective settlement of a tax audit in a non-U.S. jurisdiction, and \$15 million of income tax expense associated with the tax impacts of certain legal entity restructurings and intercompany transactions.

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

Reconciliation of Free Cash Flow

	For the Quarters Ended		For the Nine Months Ended	
	June 26, 2020	June 28, 2019	June 26, 2020	June 28, 2019
	(in millions)			
Net cash provided by operating activities:				
Net cash provided by continuing operating activities	\$ 380	\$ 692	\$ 1,272	\$ 1,575
Net cash used in discontinued operating activities	-	(1)	-	(31)
	380	691	1,272	1,544
Net cash used in investing activities	(81)	(454)	(748)	(539)
Net cash used in financing activities	(625)	(257)	(970)	(1,309)
Effect of currency translation on cash	4	1	(7)	2
Net decrease in cash, cash equivalents, and restricted cash	\$ (322)	\$ (19)	\$ (453)	\$ (302)
Net cash provided by continuing operating activities	\$ 380	\$ 692	\$ 1,272	\$ 1,575
Excluding:				
Cash (collected) paid pursuant to collateral requirements related to cross-currency swap contracts	27	(11)	(5)	(93)
Capital expenditures, net	(127)	(166)	(433)	(554)
Free cash flow⁽¹⁾	\$ 280	\$ 515	\$ 834	\$ 928

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

Reconciliation of Adjusted EBITDA and Adjusted EBITDA Margin

	For the Quarters Ended	
	June 26, 2020	June 28, 2019
	(\$ in millions)	
Net income (loss)	\$ (41)	\$ 757
(Income) loss from discontinued operations	(17)	1
Income tax expense (benefit)	185	(245)
Other income, net	(4)	(2)
Interest expense	13	13
Interest income	(2)	(4)
Operating income	134	520
Acquisition-related charges	8	9
Restructuring and other charges, net	98	67
Adjusted operating income ⁽¹⁾	240	596
Depreciation and amortization	176	174
Adjusted EBITDA ⁽¹⁾	<u>\$ 416</u>	<u>\$ 770</u>
Net sales	\$ 2,548	\$ 3,389
Net income as a percentage of net sales	(1.6) %	22.3 %
Adjusted EBITDA margin ⁽¹⁾	16.3 %	22.7 %

	For the Quarters Ended							
	June 26, 2020				June 28, 2019			
	Transportation Solutions	Industrial Solutions	Communications Solutions	Total	Transportation Solutions	Industrial Solutions	Communications Solutions	Total
	(\$ in millions)							
Operating income (loss)	\$ (1)	\$ 70	\$ 65	\$ 134	\$ 308	\$ 156	\$ 56	\$ 520
Acquisition-related charges	6	2	-	8	6	3	-	9
Restructuring and other charges, net	55	40	3	98	53	8	6	67
Adjusted operating income ⁽¹⁾	60	112	68	240	367	167	62	596
Depreciation and amortization	113	48	15	176	110	46	18	174
Adjusted EBITDA ⁽¹⁾	<u>\$ 173</u>	<u>\$ 160</u>	<u>\$ 83</u>	<u>\$ 416</u>	<u>\$ 477</u>	<u>\$ 213</u>	<u>\$ 80</u>	<u>\$ 770</u>
Net sales	\$ 1,255	\$ 865	\$ 428	\$ 2,548	\$ 1,968	\$ 1,005	\$ 416	\$ 3,389
Operating margin	(0.1) %	8.1 %	15.2 %	5.3 %	15.7 %	15.5 %	13.5 %	15.3 %
Adjusted operating margin ⁽¹⁾	4.8 %	12.9 %	15.9 %	9.4 %	18.6 %	16.6 %	14.9 %	17.6 %
Adjusted EBITDA margin ⁽¹⁾	13.8 %	18.5 %	19.4 %	16.3 %	24.2 %	21.2 %	19.2 %	22.7 %

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

Reconciliation of Adjusted EBITDA and Adjusted EBITDA Margin

	For the Quarters Ended	
	March 27, 2020	March 29, 2019
	(\$ in millions)	
Net income (loss)	\$ (456)	\$ 439
(Income) loss from discontinued operations	4	(10)
Income tax expense	42	91
Other income, net	(11)	(1)
Interest expense	11	15
Interest income	(5)	(4)
Operating income (loss)	(415)	530
Acquisition-related charges	12	9
Restructuring and other charges, net	22	42
Impairment of goodwill	900	-
Adjusted operating income ⁽¹⁾	519	581
Depreciation and amortization ⁽²⁾	180	171
Adjusted EBITDA ⁽¹⁾	\$ 699	\$ 752
Net sales	\$ 3,195	\$ 3,412
Net income as a percentage of net sales	(14.3) %	12.9 %
Adjusted EBITDA margin ⁽¹⁾	21.9 %	22.0 %

	For the Quarters Ended							
	March 27, 2020				March 29, 2019			
	Transportation Solutions	Industrial Solutions	Communications Solutions	Total	Transportation Solutions	Industrial Solutions	Communications Solutions	Total
	(\$ in millions)							
Operating income (loss)	\$ (606)	\$ 142	\$ 49	\$ (415)	\$ 316	\$ 137	\$ 77	\$ 530
Acquisition-related charges	10	2	-	12	4	5	-	9
Restructuring and other charges, net	18	1	3	22	24	17	1	42
Impairment of goodwill	900	-	-	900	-	-	-	-
Adjusted operating income ⁽¹⁾	322	145	52	519	344	159	78	581
Depreciation and amortization ⁽²⁾	117	46	17	180	109	42	20	171
Adjusted EBITDA ⁽¹⁾	\$ 439	\$ 191	\$ 69	\$ 699	\$ 453	\$ 201	\$ 98	\$ 752
Net sales	\$ 1,857	\$ 962	\$ 376	\$ 3,195	\$ 1,971	\$ 1,007	\$ 434	\$ 3,412
Operating margin	(32.6) %	14.8 %	13.0 %	(13.0) %	16.0 %	13.6 %	17.7 %	15.5 %
Adjusted operating margin ⁽¹⁾	17.3 %	15.1 %	13.8 %	16.2 %	17.5 %	15.8 %	18.0 %	17.0 %
Adjusted EBITDA margin ⁽¹⁾	23.6 %	19.9 %	18.4 %	21.9 %	23.0 %	20.0 %	22.6 %	22.0 %

⁽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 \$2 million for the quarter March 29, 2019, as these charges are included in the acquisition-related charges line.

Adjusted Return on Invested Capital (ROIC)

	As of or for the Quarters Ended							
	June 26, 2020	March 27, 2020	December 27, 2019	September 27, 2019	June 28, 2019	March 29, 2019	December 28, 2018	September 28, 2018
	(\$ in millions)							
Operating income (loss)	\$ 134	\$ (415)	\$ 471	\$ 444	\$ 520	\$ 530	\$ 484	\$ 570
Acquisition-related charges and other items	8	12	7	23	9	9	6	5
Restructuring and other charges, net	98	22	24	71	67	42	75	22
Impairment of goodwill	-	900	-	-	-	-	-	-
Adjusted operating income ⁽¹⁾	<u>\$ 240</u>	<u>\$ 519</u>	<u>\$ 502</u>	<u>\$ 538</u>	<u>\$ 596</u>	<u>\$ 581</u>	<u>\$ 565</u>	<u>\$ 597</u>
Amortization expense	\$ 46	\$ 46	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45
Adjustment ⁽²⁾	-	-	-	-	-	(2)	(1)	-
Adjusted amortization expense	<u>\$ 46</u>	<u>\$ 46</u>	<u>\$ 45</u>	<u>\$ 45</u>	<u>\$ 45</u>	<u>\$ 43</u>	<u>\$ 44</u>	<u>\$ 45</u>
Adjusted operating income plus adjusted amortization expense	<u>\$ 286</u>	<u>\$ 565</u>	<u>\$ 547</u>	<u>\$ 583</u>	<u>\$ 641</u>	<u>\$ 624</u>	<u>\$ 609</u>	<u>\$ 642</u>
Income (loss) from continuing operations before income taxes	\$ 127	\$ (410)	\$ 470	\$ 437	\$ 513	\$ 520	\$ 461	\$ 546
Acquisition-related charges and other items	8	12	7	23	9	9	6	5
Restructuring and other charges, net	98	22	24	71	67	42	75	22
Impairment of goodwill	-	900	-	-	-	-	-	-
Tax items	-	(8)	-	-	-	-	-	-
Adjusted income from continuing operations before income taxes	<u>\$ 233</u>	<u>\$ 516</u>	<u>\$ 501</u>	<u>\$ 531</u>	<u>\$ 589</u>	<u>\$ 571</u>	<u>\$ 542</u>	<u>\$ 573</u>
Income taxes paid, net of refunds	<u>\$ 51</u>	<u>\$ 101</u>	<u>\$ 43</u>	<u>\$ 61</u>	<u>\$ 100</u>	<u>\$ 102</u>	<u>\$ 75</u>	<u>\$ 76</u>
Adjusted cash tax rate	21.9 %	19.6 %	8.6 %	11.5 %	17.0 %	17.9 %	13.8 %	13.3 %
Adjusted net operating profit after taxes	<u>\$ 223</u>	<u>\$ 454</u>	<u>\$ 500</u>	<u>\$ 516</u>	<u>\$ 532</u>	<u>\$ 513</u>	<u>\$ 525</u>	<u>\$ 557</u>
Trailing four quarter adjusted net operating profit after taxes	<u>\$ 1,693</u>				<u>\$ 2,127</u>			
Total debt	\$ 4,086	\$ 4,355	\$ 3,973	\$ 3,965	\$ 4,036	\$ 3,982	\$ 3,967	\$ 4,000
Total TE Connectivity Ltd. shareholders' equity	9,036	9,066	10,557	10,570	10,622	9,994	10,236	10,831
Invested capital	<u>\$ 13,122</u>	<u>\$ 13,421</u>	<u>\$ 14,530</u>	<u>\$ 14,535</u>	<u>\$ 14,658</u>	<u>\$ 13,976</u>	<u>\$ 14,203</u>	<u>\$ 14,831</u>
Trailing four quarter average invested capital	<u>\$ 13,902</u>				<u>14,417</u>			
Adjusted ROIC ⁽¹⁾	<u>12.2 %</u>				<u>14.8 %</u>			

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

⁽²⁾ Adjustment for non-cash amortization associated with fair value adjustments related to acquired customer order backlog as these charges are included in the acquisition-related charges and other items line.

Reconciliation of Free Cash Flow

	For the Quarters Ended										
	June 26, 2020	March 27, 2020	December 27, 2019	September 27, 2019	June 28, 2019	March 29, 2019	December 28, 2018	September 28, 2018	June 29, 2018	March 30, 2018	December 29, 2017
	(in millions)										
Net cash provided by operating activities:											
Net cash provided by continuing operating activities	\$ 380	\$ 481	\$ 411	\$ 879	\$ 692	\$ 555	\$ 328	\$ 922	\$ 734	\$ 362	\$ 283
Net cash provided by (used in) discontinued operating activities	-	-	-	(1)	(1)	1	(31)	2	66	15	67
	380	481	411	878	691	556	297	924	800	377	350
Net cash provided by (used in) investing activities	(81)	(378)	(289)	(153)	(454)	(165)	80	(419)	(233)	(201)	(241)
Net cash used in financing activities	(625)	(31)	(314)	(334)	(257)	(333)	(719)	(420)	(338)	(330)	(634)
Effect of currency translation on cash	4	(18)	7	(10)	1	2	(1)	(7)	(18)	9	11
Net increase (decrease) in cash, cash equivalents, and restricted cash	\$ (322)	\$ 54	\$ (185)	\$ 381	\$ (19)	\$ 60	\$ (343)	\$ 78	\$ 211	\$ (145)	\$ (514)
Net cash provided by continuing operating activities	\$ 380	\$ 481	\$ 411	\$ 879	\$ 692	\$ 555	\$ 328	\$ 922	\$ 734	\$ 362	\$ 283
Excluding:											
Receipts related to pre-separation U.S. tax matters, net	-	-	-	-	-	-	-	-	-	(5)	-
Cash (collected) paid pursuant to collateral requirements related to cross-currency swap contracts	27	(38)	6	(39)	(11)	(32)	(50)	6	(69)	61	18
Capital expenditures, net	(127)	(132)	(174)	(152)	(166)	(179)	(209)	(258)	(222)	(195)	(237)
Free cash flow⁽¹⁾	\$ 280	\$ 311	\$ 243	\$ 688	\$ 515	\$ 344	\$ 69	\$ 670	\$ 443	\$ 223	\$ 64

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

Ratio of Consolidated Total Debt to Consolidated EBITDA (as defined in the Credit Facility)*

	As of and for the Twelve Months Ended June 26, 2020
	(\$ in millions)
Consolidated Total Debt (as defined in the Credit Facility) ⁽¹⁾:	
Short-term debt	\$ 690
Long-term debt	3,410
Consolidated Total Debt (as defined in the Credit Facility) ⁽¹⁾	\$ 4,100
Consolidated EBITDA (as defined in the Credit Facility) ⁽²⁾:	
Net loss	\$ (99)
Tax Sharing Agreement-related income	(8)
Consolidated net loss	(107)
Interest expense	49
Income tax expense	735
Depreciation and amortization	705
Share-based compensation expense	73
Income from discontinued operations, net of income taxes	(12)
Non-recurring charges:	
Acquisition-related charges	50
Restructuring and other charges, net	215
Impairment of goodwill	900
Pension and postretirement benefits expense in excess of minimum required contributions	3
Consolidated EBITDA (as defined in the Credit Facility) ⁽²⁾	\$ 2,611
Ratio of Consolidated Total Debt to Consolidated EBITDA (as defined in the Credit Facility)	1.6 x

*Our five-year unsecured senior revolving credit facility ("Credit Facility") contains a financial ratio covenant providing that if, as of the last day of each fiscal quarter, the ratio of Consolidated Total Debt at such time to Consolidated EBITDA for the then most recently concluded period of four consecutive fiscal quarters of TE Connectivity Ltd. exceeds 3.75 to 1.00, subject to certain limited exceptions in the event of qualifying acquisitions (as described in the Credit Facility), an Event of Default (as defined in the Credit Facility) is triggered.

⁽¹⁾ Represents Consolidated Total Debt as defined in our Credit Facility. Balances represent the face amount of debt and exclude net unamortized discounts, premiums, and debt issuance costs and the effects of fair value hedge-designated interest rate swap contracts.

⁽²⁾ Represents Consolidated EBITDA as defined in our Credit Facility and is calculated using the most recently concluded period of four consecutive fiscal quarters.

Reconciliation of Forward-Looking Non-GAAP Financial Measures to Forward-Looking GAAP Financial Measures

	Outlook for Quarter Ending September 25, 2020 ⁽¹⁾
Effective tax rate	<u>18.1 - 19.1 %</u>
Effective tax rate adjustments ⁽²⁾	<u>0.9</u>
Adjusted effective tax rate ⁽³⁾	<u><u>19.0 - 20.0 %</u></u>

⁽¹⁾ Outlook is as of July 29, 2020.

⁽²⁾ 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.

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