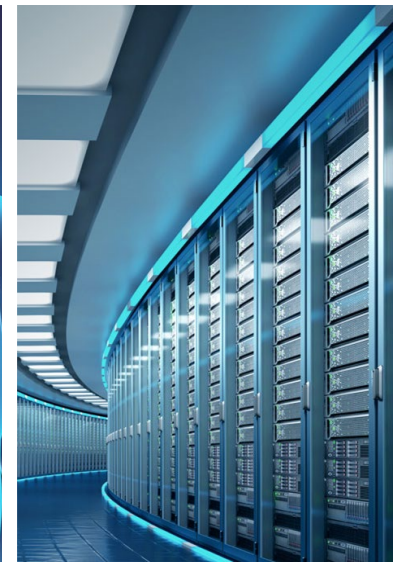


TE Connectivity Fourth Quarter 2022 Earnings

November 2, 2022

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, including continuing military conflict between Russia and Ukraine resulting from Russia's invasion of Ukraine or escalating tensions in surrounding countries; 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. 24, 2021 as well as in our Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other reports filed by us with the U.S. Securities and Exchange Commission.

Non-GAAP Financial Measures

Where we have used non-GAAP financial measures, reconciliations to the most comparable GAAP measure are provided, along with a disclosure on the usefulness of the non-GAAP financial measure, in this presentation.

Earnings Highlights

Q4 Sales & Adjusted EPS above expectations; double digit organic growth in each segment

- Sales of \$4.4B, up 14% Y/Y on a reported 14-week basis
- Orders of \$4.3B; book to bill of 0.98
- Adjusted Operating Margins of 17.4%, with Adjusted EPS of \$1.88, up 11% Y/Y
- Generated record Free Cash Flow of \$745M, benefiting from focused inventory reduction; ~\$515M returned to shareholders
- On a 13-week basis, Sales of \$4.05B, up 12% organically Y/Y, and adjusted EPS of \$1.75

FY22 results demonstrate the strategic positioning of our portfolio

- Sales of \$16.3B, up 9% on a reported basis Y/Y despite FX headwinds of ~\$760M
 - 12% organic growth Y/Y; Industrial & Communications up double digits, with high single digit growth in Transportation
 - Market outperformance driven by secular trends including EV, factory automation, renewables & cloud
- Adjusted Operating Margins of 18.2%, with Y/Y expansion in Industrial & Communications
- Adjusted EPS of \$7.33, up 13% Y/Y, despite currency exchange and inflation headwinds
- Free Cash Flow ~\$1.8B; ~\$2.1B returned to shareholders

Q1 Guidance reflects higher impact from currency exchange rates

- Expect Sales of ~\$3.75B, up 9% organically & down slightly on a reported basis Y/Y despite ~\$400M of FX headwinds
- Expect Adjusted EPS of ~\$1.50
 - Includes headwinds of ~\$0.25 Y/Y from currency exchange rates & tax
 - Sequential impacts to adjusted EPS from FX, lower volume and inventory reduction

Segment Orders Summary

(\$ in millions)

<u>Reported</u>	FY21	FY22	FY22	Q4 Y/Y Growth	
	Q4	Q3	Q4*	13 week Reported	13 week Organic
Transportation	2,349	2,303	2,510	(1)%	8%
Industrial	1,140	1,320	1,258	4%	4%
Communications	647	575	504	(27)%	(28)%
Total TE	4,136	4,197	4,272	(4)%	1%
Book to Bill	1.08	1.02	0.98		

- Strong backlog of \$6B, up ~11% Y/Y
- Transportation and Industrial book to bill above 1.0, reflecting ongoing strong demand patterns
- Communications orders reflect moderation in end markets

Orders and Backlog Reflecting Resiliency in Transportation & Industrial and Moderation in Communications



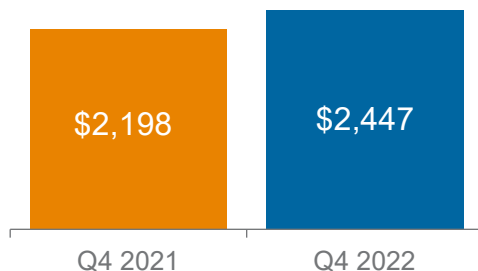
Transportation Solutions

\$ in Millions

Q4 Sales

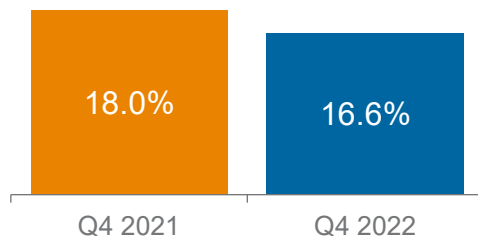
Reported
Up 11%

Organic
Up 22%



Q4 Adjusted Operating Margin

Margins reflecting the timing of pricing actions to offset inflation as well as the impacts from inventory reduction



Metric	Q4 2021	Q4 2022
Adjusted EBITDA Margin	23.2%	21.4%

Q4 Business Performance

Y/Y Growth Rates

		Reported	14 Week Organic	13 week Organic
Automotive	\$1,725	14%	25%	16%
Commercial Transportation	423	14%	22%	13%
Sensors	299	(2)%	5%	(3)%
Transportation Solutions	\$2,447	11%	22%	13%

- Automotive organic growth across all regions. Continue to increase content per vehicle through our global leadership position in electric vehicles
- Commercial Transportation growth driven by North America and Europe. Significant market outperformance in each region for the full year
- Sensors organic decline with focused growth offset by portfolio optimization activities

Note: Comments based on 13 week organic results

Q4 FY22 results are 14 weeks unless otherwise indicated

Organic Net Sales Growth (Decline), Organic Net Sales Growth (Decline) Excluding the Impact of the Additional Week, Adjusted Operating Margin and Adjusted EBITDA Margin are non-GAAP financial measures: see Appendix for descriptions and reconciliations

Industrial Solutions

\$ in Millions

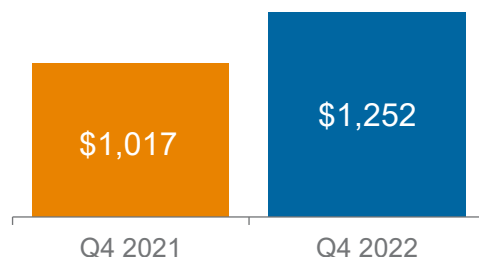
Q4 Sales

Reported

Up 23%

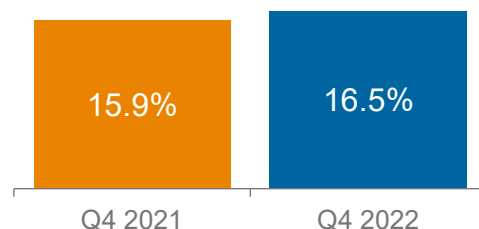
Organic

Up 25%



Q4 Adjusted Operating Margin

Margin performance driven by higher volume and strong operational performance



Adjusted EBITDA Margin 20.6% 20.2%

Q4 Business Performance

Y/Y Growth Rates

		Reported	14 Week Organic	13 Week Organic
Industrial Equipment	\$521	35%	30%	20%
Aerospace, Defense and Marine	313	21%	29%	20%
Energy	225	16%	25%	16%
Medical	193	8%	10%	3%
Industrial Solutions	\$1,252	23%	25%	16%

- Industrial Equipment double-digit growth in all regions, with continued benefits from factory automation applications
- AD&M growth driven primarily by ongoing market improvement in Commercial Aerospace
- Energy growth with increase in renewable applications
- Medical growth with increase in interventional procedures

Note: Comments based on 13 week organic results

Q4 FY22 results are 14 weeks unless otherwise indicated

Organic Net Sales Growth (Decline), Organic Net Sales Growth (Decline) Excluding the Impact of the Additional Week, Adjusted Operating Margin and Adjusted EBITDA Margin are non-GAAP financial measures: see Appendix for descriptions and reconciliations

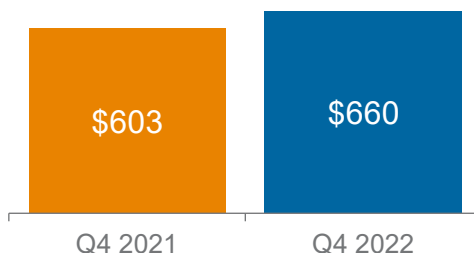
Communications Solutions

\$ in Millions

Q4 Sales

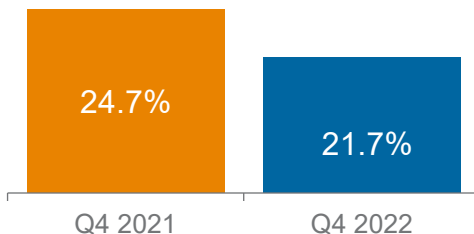
Reported
Up 10%

Organic
Up 10%



Q4 Adjusted Operating Margin

Margins impacted by
lower sales in
Appliances



Adjusted EBITDA Margin 27.5% 25.6%

Q4 Business Performance

Y/Y Growth Rates

		Reported	14 Week Organic	13 week Organic
Data & Devices	\$425	19%	17%	9%
Appliances	235	(5)%	0%	(6)%
Communications Solutions	\$660	10%	10%	3%

- Data & Devices outperformance driven by content growth and share gains in high-speed data and AI applications enabling improved data center energy efficiency
- Appliances organic decline reflects moderation in end market

Note: Comments based on 13 week organic results

Q4 Financial Summary

(\$ in Millions, except per share amounts)

Q4 FY21

Q4 FY22

Net Sales	\$ 3,818	\$ 4,359
Operating Income	\$ 660	\$ 660
<i>Operating Margin</i>	<i>17.3%</i>	<i>15.1%</i>
Acquisition-Related Charges	8	15
Restructuring & Other Charges, Net	38	82
Adjusted Operating Income	\$ 706	\$ 757
<i>Adjusted Operating Margin</i>	<i>18.5%</i>	<i>17.4%</i>
Earnings Per Share*	\$ 2.40	\$ 2.21
Acquisition-Related Charges	0.02	0.04
Restructuring & Other Charges, Net	0.12	0.21
Other Items	0.07	-
Tax Items	(0.92)	(0.57)
Adjusted EPS	\$ 1.69	\$ 1.88

* Represents Diluted Earnings Per Share from Continuing Operations.

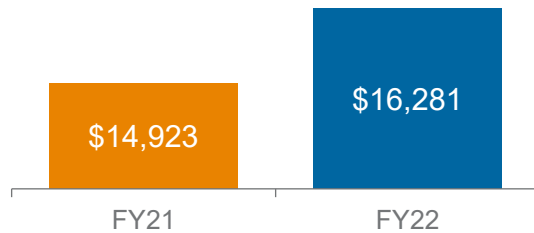
Adjusted Operating Income, Adjusted Operating Margin and Adjusted EPS are non-GAAP financial measures; see Appendix for descriptions and reconciliations.

Note: Q4 FY22 includes an additional week

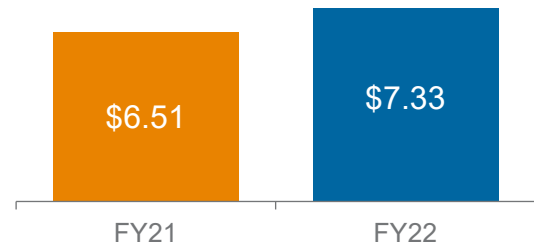
Financial Performance

Sales

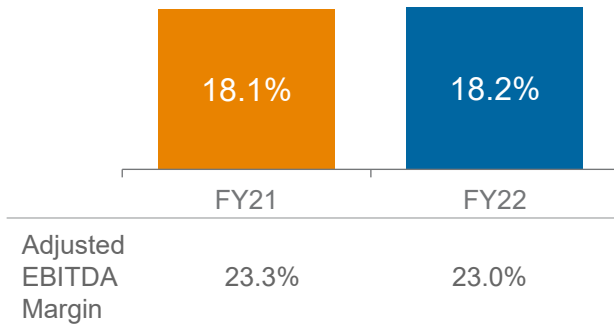
\$ in Millions



Adjusted EPS

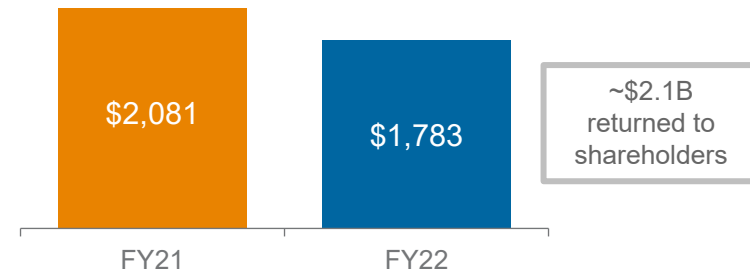


Adjusted Operating Margin



Free Cash Flow

\$ in Millions



**Results Reflect Strong Performance in a Challenging Environment
Demonstrating the Strategic Positioning of Our Portfolio**

Adjusted Operating Margin, Adjusted EPS, Adjusted EBITDA Margin and Free Cash Flow are non-GAAP financial measures: see Appendix for descriptions and reconciliations.

Note: FY22 includes an additional week

Additional Information

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Y/Y Q4 2022

	Sales (in millions)	Adjusted EPS
Q4 2021 Results	\$3,818	\$1.69
Operational Performance	889	0.26
FX Impact	(348)	(0.08)
Tax Rate Impact	-	0.01
Q4 2022 Results (14 weeks)	\$4,359	\$1.88
Extra week	(306)	(0.13)
Q4 2022 Results (13 weeks)	\$4,053	\$1.75

Y/Y FY 2022

	Sales (in millions)	Adjusted EPS
2021 Results	\$14,923	\$6.51
Operational Performance	2,121	0.95
FX Impact	(763)	(0.14)
Tax Rate Impact	-	0.01
2022 Results (53 weeks)	\$16,281	\$7.33
Extra week	(306)	(0.13)
2022 Results (52 weeks)	\$15,975	\$7.20

Y/Y Q1 2023

	Sales (in millions)	Adjusted EPS
Q1 2022 Results	\$3,818	\$1.76
Operational Performance	332	(0.01)
FX Impact	(400)	(0.19)
Tax Rate Impact	-	(0.06)
Q1 2023 Guidance	\$3,750	\$1.50

Balance Sheet & Cash Flow Summary

Free Cash Flow and Working Capital

(\$ in Millions)	FY21	FY22
Cash from Continuing Operating Activities	\$2,676	\$2,468
Capital expenditures	(690)	(768)
Proceeds from sales of property, plant and equipment	86	106
Cash (collected) paid pursuant to collateral requirements related to cross-currency swap contracts	9	(23)
Free Cash Flow	\$2,081	\$1,783
A/R	\$2,928	\$2,865
Days Sales Outstanding*	69	64
Inventory	\$2,511	\$2,676
Days on Hand*	86	84
Accounts Payable	\$1,911	\$1,593
Days Outstanding*	67	51

Liquidity, Cash and Debt

(\$ in Millions)	FY21	FY22
Beginning Cash Balance	\$945	\$1,203
Free Cash Flow	2,081	1,783
Dividends	(647)	(685)
Share repurchases	(831)	(1,412)
Net increase (decrease) in debt	(47)	400
Acquisition of businesses, net of cash acquired	(423)	(220)
Other	125	19
Ending Cash Balance	\$1,203	\$1,088
Total Debt	\$4,092	\$4,206

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

* Calculated on a quarterly basis and adjusted to exclude the impact of acquisitions

Note: FY22 includes an additional week

Appendix

EVERY CONNECTION COUNTS



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 Gross Margin and Adjusted Gross Margin Percentage – represent gross margin and gross margin percentage, respectively, (the most comparable GAAP financial measures) before special items including restructuring and other charges, and acquisition-related charges, if any.
- Adjusted Operating Income and Adjusted Operating Margin – represent operating income and operating margin, respectively, (the most comparable GAAP financial measures) before special items including restructuring and other charges, acquisition-related charges, impairment of goodwill, and other income or charges, if any. We utilize these adjusted measures in combination with operating income and operating margin to assess segment level operating performance and to provide insight to management in evaluating segment operating plan execution and market conditions. Adjusted Operating Income is a significant component in our incentive compensation plans.
- Adjusted Other Income (Expense), Net – represents net other income (expense) (the most comparable GAAP financial measure) before special items 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 from Continuing Operations – represents income from continuing operations (the most comparable GAAP financial measure) before special items including restructuring and other charges, acquisition-related charges, impairment of goodwill, 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.

Non-GAAP Financial Measures (cont.)

- Adjusted Earnings Per Share – represents diluted earnings per share from continuing operations (the most comparable GAAP financial measure) before special items including restructuring and other charges, acquisition-related charges, impairment of goodwill, 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.
- Adjusted EBITDA and Adjusted EBITDA Margin - represent net income and net income as a percentage of net sales, respectively, (the most comparable GAAP financial measures) before interest expense, interest income, income taxes, depreciation, and amortization, as adjusted for net other income (expense), income (loss) from discontinued operations, and special items including restructuring and other charges, acquisition-related charges, impairment of goodwill, and other income or charges, if any.
- Net Sales Excluding the Impact of the Additional Week, Net Sales Growth (Decline) Excluding the Impact of the Additional Week, Organic Net Sales Growth (Decline) Excluding the Impact of the Additional Week, Adjusted Gross Margin Excluding the Impact of the Additional Week, Adjusted Gross Margin Percentage Excluding the Impact of the Additional Week, Adjusted Operating Income Excluding the Impact of the Additional Week, Adjusted Operating Margin Excluding the Impact of the Additional Week, Adjusted Earnings Per Share Excluding the Impact of the Additional Week, Adjusted EBITDA Excluding the Impact of the Additional Week, and Adjusted EBITDA Margin Excluding the Impact of the Additional Week – represent certain GAAP and non-GAAP financial measures excluding the impact of the additional week in the fourth quarter of the fiscal year for fiscal years which are 53 weeks in length.
- Free Cash Flow (FCF) – is a useful measure of our ability to generate cash. The difference between net cash provided by operating activities (the most comparable GAAP financial measure) and Free Cash Flow consists mainly of significant cash outflows and inflows that we believe are useful to identify. We believe Free Cash Flow provides useful information to investors as it provides insight into the primary cash flow metric used by management to monitor and evaluate cash flows generated from our operations. Free Cash Flow is defined as net cash provided by operating activities excluding voluntary pension contributions and the cash impact of special items, if any, minus net capital expenditures. Voluntary pension contributions are excluded from the GAAP financial measure because this activity is driven by economic financing decisions rather than operating activity. Certain special items, including 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.
- Free Cash Flow Conversion – represents the ratio of Free Cash Flow to Adjusted Income from Continuing Operations. We use Free Cash Flow Conversion as an indicator of our ability to convert earnings to cash.

Segment Summary

	For the Quarters Ended				For the Years Ended			
	September 30, 2022		September 24, 2021		September 30, 2022		September 24, 2021	
	(\$ in millions)							
	Net Sales		Net Sales		Net Sales		Net Sales	
Transportation Solutions	\$ 2,447		\$ 2,198		\$ 9,219		\$ 8,974	
Industrial Solutions	1,252		1,017		4,520		3,844	
Communications Solutions	660		603		2,542		2,105	
Total	\$ 4,359		\$ 3,818		\$ 16,281		\$ 14,923	
	Operating Income	Operating Margin	Operating Income	Operating Margin	Operating Income	Operating Margin	Operating Income	Operating Margin
Transportation Solutions	\$ 347	14.2 %	\$ 387	17.6 %	\$ 1,534	16.6 %	\$ 1,526	17.0 %
Industrial Solutions	180	14.4	134	13.2	620	13.7	469	12.2
Communications Solutions	133	20.2	139	23.1	602	23.7	439	20.9
Total	\$ 660	15.1 %	\$ 660	17.3 %	\$ 2,756	16.9 %	\$ 2,434	16.3 %
	Adjusted Operating Income ⁽¹⁾	Adjusted Operating Margin ⁽¹⁾	Adjusted Operating Income ⁽¹⁾	Adjusted Operating Margin ⁽¹⁾	Adjusted Operating Income ⁽¹⁾	Adjusted Operating Margin ⁽¹⁾	Adjusted Operating Income ⁽¹⁾	Adjusted Operating Margin ⁽¹⁾
Transportation Solutions	\$ 407	16.6 %	\$ 395	18.0 %	\$ 1,618	17.6 %	\$ 1,679	18.7 %
Industrial Solutions	207	16.5	162	15.9	718	15.9	557	14.5
Communications Solutions	143	21.7	149	24.7	630	24.8	465	22.1
Total	\$ 757	17.4 %	\$ 706	18.5 %	\$ 2,966	18.2 %	\$ 2,701	18.1 %

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

Reconciliation of Net Sales Growth

Change in Net Sales for the Quarter Ended September 30, 2022 versus Net Sales for the Quarter Ended September 24, 2021								
	Net Sales			Organic Net Sales				
	Growth (Decline)			Growth ⁽¹⁾			Translation ⁽²⁾	Acquisitions
	(\$ in millions)							
Transportation Solutions ⁽³⁾ :								
Automotive	\$	205	13.5 %	\$	378	25.2 %	\$ (173)	\$ —
Commercial transportation		51	13.7		83	22.4	(32)	—
Sensors		(7)	(2.3)		15	5.2	(22)	—
Total		249	11.3		476	21.8	(227)	—
Industrial Solutions ⁽³⁾ :								
Industrial equipment		135	35.0		117	30.0	(45)	63
Aerospace, defense, and marine		55	21.3		75	28.8	(20)	—
Energy		31	16.0		50	25.2	(19)	—
Medical		14	7.8		16	9.5	(2)	—
Total		235	23.1		258	25.1	(86)	63
Communications Solutions ⁽³⁾ :								
Data and devices		68	19.0		60	16.9	(14)	22
Appliances		(11)	(4.5)		—	—	(11)	—
Total		57	9.5		60	10.2	(25)	22
Total	\$	541	14.2 %	\$	794	20.9 %	\$ (338)	\$ 85

Change in Net Sales for the Year Ended September 30, 2022 versus Net Sales for the Year Ended September 24, 2021								
	Net Sales			Organic Net Sales				Acquisitions/ (Divestitures)
	Growth (Decline)			Growth ⁽¹⁾			Translation ⁽²⁾	
	(\$ in millions)							
Transportation Solutions ⁽³⁾:								
Automotive	\$	148	2.3 %	\$	515	8.1 %	\$ (367)	\$ —
Commercial transportation		115	7.8		178	12.1	(63)	—
Sensors		(18)	(1.6)		34	3.0	(52)	—
Total		245	2.7		727	8.1	(482)	—
Industrial Solutions ⁽³⁾:								
Industrial equipment		537	38.4		400	28.5	(100)	237
Aerospace, defense, and marine		52	5.0		91	8.7	(38)	(1)
Energy		66	8.9		119	16.0	(42)	(11)
Medical		21	3.1		28	4.2	(7)	—
Total		676	17.6		638	16.6	(187)	225
Communications Solutions ⁽³⁾:								
Data and devices		378	31.6		355	29.6	(30)	53
Appliances		59	6.5		83	9.2	(24)	—
Total		437	20.8		438	20.8	(54)	53
Total	\$	1,358	9.1 %	\$	1,803	12.1 %	\$ (723)	\$ 278

⁽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 September 30, 2022

		Adjustments			
	U.S. GAAP	Acquisition-Related Charges ⁽¹⁾	Restructuring and Other Charges, Net ⁽¹⁾	Tax Items ⁽²⁾	Adjusted (Non-GAAP) ⁽³⁾
	(\$ in millions, except per share data)				
Operating income:					
Transportation Solutions	\$ 347	\$ 4	\$ 56	\$ —	\$ 407
Industrial Solutions	180	8	19	—	207
Communications Solutions	133	3	7	—	143
Total	<u>\$ 660</u>	<u>\$ 15</u>	<u>\$ 82</u>	<u>\$ —</u>	<u>\$ 757</u>
Operating margin	<u>15.1 %</u>				<u>17.4 %</u>
Other income, net	<u>\$ 4</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 4</u>
Income tax (expense) benefit	<u>\$ 56</u>	<u>\$ (3)</u>	<u>\$ (16)</u>	<u>\$ (182)</u>	<u>\$ (145)</u>
Effective tax rate	<u>(8.6) %</u>				<u>19.4 %</u>
Income from continuing operations	<u>\$ 708</u>	<u>\$ 12</u>	<u>\$ 66</u>	<u>\$ (182)</u>	<u>\$ 604</u>
Diluted earnings per share from continuing operations	<u>\$ 2.21</u>	<u>\$ 0.04</u>	<u>\$ 0.21</u>	<u>\$ (0.57)</u>	<u>\$ 1.88</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 \$67 million income tax benefit related to the tax impacts of certain intercompany transactions. Our annual effective tax rate for fiscal 2022 includes a total income tax benefit of \$124 million related to these transactions, with portions recognized in each quarter of the fiscal year. Also includes a \$64 million income tax benefit related primarily to a lapse of a statute of limitation and a \$51 million income tax benefit related to the release of a valuation allowance associated primarily with improved current and expected future operating profit and taxable income.

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

Reconciliation of Non-GAAP Financial Measures to GAAP

Financial Measures for the Quarter Ended September 24, 2021

	U.S. GAAP	Adjustments				Adjusted (Non-GAAP) ⁽⁴⁾
		Acquisition- Related Charges ⁽¹⁾	Restructuring and Other Charges, Net ⁽¹⁾	Other Items ⁽¹⁾⁽²⁾	Tax Items ⁽³⁾	
		(\$ in millions, except per share data)				
Operating income:						
Transportation Solutions	\$ 387	\$ 3	\$ 5	\$ —	\$ —	\$ 395
Industrial Solutions	134	4	24	—	—	162
Communications Solutions	139	1	9	—	—	149
Total	<u>\$ 660</u>	<u>\$ 8</u>	<u>\$ 38</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 706</u>
Operating margin	<u>17.3 %</u>					<u>18.5 %</u>
Other income (expense), net	<u>\$ (22)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 28</u>	<u>\$ —</u>	<u>\$ 6</u>
Income tax (expense) benefit	<u>\$ 167</u>	<u>\$ (1)</u>	<u>\$ 3</u>	<u>\$ (6)</u>	<u>\$ (304)</u>	<u>\$ (141)</u>
Effective tax rate	<u>(26.6) %</u>					<u>20.1 %</u>
Income from continuing operations	<u>\$ 794</u>	<u>\$ 7</u>	<u>\$ 41</u>	<u>\$ 22</u>	<u>\$ (304)</u>	<u>\$ 560</u>
Diluted earnings per share from continuing operations	<u>\$ 2.40</u>	<u>\$ 0.02</u>	<u>\$ 0.12</u>	<u>\$ 0.07</u>	<u>\$ (0.92)</u>	<u>\$ 1.69</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⁾ Charge related to the transfer of certain U.S. pension plan liabilities to an insurance company through the purchase of a group annuity contract.

⁽³⁾ Represents a \$327 million income tax benefit for the net reduction in valuation allowances associated primarily with certain tax planning actions as well as improved current and expected future operating profit and taxable income, and \$23 million of income tax expense associated with the tax impacts of an intercompany transaction.

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

Reconciliation of Non-GAAP Financial Measures to GAAP Financial Measures for the Year Ended September 30, 2022

		Adjustments			
	U.S. GAAP	Acquisition-Related Charges ⁽¹⁾	Restructuring and Other Charges, Net ⁽¹⁾⁽²⁾	Tax Items ⁽³⁾	Adjusted (Non-GAAP) ⁽⁴⁾
	(\$ in millions, except per share data)				
Operating income:					
Transportation Solutions	\$ 1,534	\$ 16	\$ 68	\$ —	\$ 1,618
Industrial Solutions	620	32	66	—	718
Communications Solutions	602	5	23	—	630
Total	<u>\$ 2,756</u>	<u>\$ 53</u>	<u>\$ 157</u>	<u>\$ —</u>	<u>\$ 2,966</u>
Operating margin	<u>16.9 %</u>				<u>18.2 %</u>
Other income, net	<u>\$ 28</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (11)</u>	<u>\$ 17</u>
Income tax expense	<u>\$ (306)</u>	<u>\$ (11)</u>	<u>\$ (34)</u>	<u>\$ (200)</u>	<u>\$ (551)</u>
Effective tax rate	<u>11.2 %</u>				<u>18.8 %</u>
Income from continuing operations	<u>\$ 2,427</u>	<u>\$ 42</u>	<u>\$ 123</u>	<u>\$ (211)</u>	<u>\$ 2,381</u>
Diluted earnings per share from continuing operations	<u>\$ 7.47</u>	<u>\$ 0.13</u>	<u>\$ 0.38</u>	<u>\$ (0.65)</u>	<u>\$ 7.33</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 \$141 million recorded in net restructuring and other charges and \$16 million recorded in cost of sales.

⁽³⁾ Includes a \$124 million income tax benefit related to the tax impacts of certain intercompany transactions, a \$64 million income tax benefit related primarily to a lapse of a statute of limitation, and a \$51 million income tax benefit related to the release of a valuation allowance associated primarily with improved current and expected future operating profit and taxable income. Also includes \$27 million of income tax expense related to the write-down of certain deferred tax assets to the lower corporate tax rate enacted in the canton of Schaffhausen and \$12 million of income tax expense related to an income tax audit of an acquired entity, as well as the related impact of \$11 million to other income pursuant to the terms of the purchase agreement.

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

Reconciliation of Non-GAAP Financial Measures to GAAP Financial Measures for the Year Ended September 24, 2021

		Adjustments				
	U.S. GAAP	Acquisition- Related Charges ⁽¹⁾	Restructuring and Other Charges, Net ⁽¹⁾	Other Items ⁽¹⁾⁽²⁾	Tax Items ⁽³⁾	Adjusted (Non-GAAP) ⁽⁴⁾
			(\$ in millions, except per share data)			
Operating income:						
Transportation Solutions	\$ 1,526	\$ 18	\$ 135	\$ —	\$ —	\$ 1,679
Industrial Solutions	469	15	73	—	—	557
Communications Solutions	439	1	25	—	—	465
Total	<u>\$ 2,434</u>	<u>\$ 34</u>	<u>\$ 233</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 2,701</u>
Operating margin	<u>16.3 %</u>					<u>18.1 %</u>
Other income (expense), net	<u>\$ (17)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 28</u>	<u>\$ —</u>	<u>\$ 11</u>
Income tax expense	<u>\$ (123)</u>	<u>\$ (7)</u>	<u>\$ (35)</u>	<u>\$ (6)</u>	<u>\$ (333)</u>	<u>\$ (504)</u>
Effective tax rate	<u>5.2 %</u>					<u>18.9 %</u>
Income from continuing operations	<u>\$ 2,255</u>	<u>\$ 27</u>	<u>\$ 198</u>	<u>\$ 22</u>	<u>\$ (333)</u>	<u>\$ 2,169</u>
Diluted earnings per share from continuing operations	<u>\$ 6.77</u>	<u>\$ 0.08</u>	<u>\$ 0.59</u>	<u>\$ 0.07</u>	<u>\$ (1.00)</u>	<u>\$ 6.51</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⁾ Charge related to the transfer of certain U.S. pension plan liabilities to an insurance company through the purchase of a group annuity contract.

⁽³⁾ Represents a \$327 million income tax benefit for the net reduction in valuation allowances associated primarily with certain tax planning actions as well as improved current and expected future operating profit and taxable income, \$29 million of income tax benefits related to an Internal Revenue Service approved change in the tax method of depreciating or amortizing certain assets, and \$23 million of income tax expense associated with the tax impacts of an intercompany transaction.

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

Reconciliation of Non-GAAP Financial Measures to GAAP

Financial Measures for the Quarter Ended December 24, 2021

		Adjustments			
	U.S. GAAP	Acquisition- Related Charges ⁽¹⁾	Restructuring and Other Charges, Net ⁽¹⁾⁽²⁾	Tax Items ⁽³⁾	Adjusted (Non-GAAP) ⁽⁴⁾
	(\$ in millions, except per share data)				
Operating income:					
Transportation Solutions	\$ 395	\$ 3	\$ (6)	\$ —	\$ 392
Industrial Solutions	123	12	22	—	157
Communications Solutions	154	1	8	—	163
Total	<u>\$ 672</u>	<u>\$ 16</u>	<u>\$ 24</u>	<u>\$ —</u>	<u>\$ 712</u>
Operating margin	<u>17.6 %</u>				<u>18.6 %</u>
Other income, net	<u>\$ 15</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (11)</u>	<u>\$ 4</u>
Income tax expense	<u>\$ (110)</u>	<u>\$ (3)</u>	<u>\$ (7)</u>	<u>\$ (5)</u>	<u>\$ (125)</u>
Effective tax rate	<u>16.2 %</u>				<u>17.7 %</u>
Income from continuing operations	<u>\$ 567</u>	<u>\$ 13</u>	<u>\$ 17</u>	<u>\$ (16)</u>	<u>\$ 581</u>
Diluted earnings per share from continuing operations	\$ 1.72	\$ 0.04	\$ 0.05	\$ (0.05)	\$ 1.76

⁽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 \$12 million recorded in net restructuring and other charges and \$12 million recorded in cost of sales.

⁽³⁾ Includes a \$17 million income tax benefit related to the tax impacts of an intercompany transaction. Our annual effective tax rate for fiscal 2022 includes a total income tax benefit of \$124 million related to such transactions. Also includes \$12 million of income tax expense related to an income tax audit of an acquired entity, as well as the related impact of \$11 million to other income pursuant to the indemnification terms of the purchase agreement.

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

Reconciliation of Free Cash Flow

	For the Quarters Ended		For the Years Ended	
	September 30, 2022	September 24, 2021	September 30, 2022	September 24, 2021
	(in millions)			
Net cash provided by operating activities	\$ 944	\$ 774	\$ 2,468	\$ 2,676
Net cash used in investing activities	(310)	(540)	(878)	(1,037)
Net cash used in financing activities	(354)	(443)	(1,684)	(1,386)
Effect of currency translation on cash	(12)	(4)	(21)	5
Net increase (decrease) in cash, cash equivalents, and restricted cash	\$ 268	\$ (213)	\$ (115)	\$ 258
Net cash provided by operating activities	\$ 944	\$ 774	\$ 2,468	\$ 2,676
Excluding:				
Cash (collected) paid pursuant to collateral requirements related to cross-currency swap contracts	5	(3)	(23)	9
Capital expenditures, net	(204)	(235)	(662)	(604)
Free cash flow⁽¹⁾	\$ 745	\$ 536	\$ 1,783	\$ 2,081

⁽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		For the Years Ended	
	September 30, 2022	September 24 2021	September 30, 2022	September 24 2021
	(\$ in millions)			
Net income	\$ 708	\$ 794	\$ 2,428	\$ 2,261
Income from discontinued operations	—	—	(1)	(6)
Income tax expense (benefit)	(56)	(167)	306	123
Other (income) benefit, net	(4)	22	(28)	17
Interest expense	18	14	66	56
Interest income	(6)	(3)	(15)	(17)
Operating income	660	660	2,756	2,434
Acquisition-related charges	15	8	53	34
Restructuring and other charges, net	82	38	157	233
Adjusted operating income ⁽¹⁾	757	706	2,966	2,701
Depreciation and amortization	188	179	785	769
Adjusted EBITDA ⁽¹⁾	\$ 945	\$ 885	\$ 3,751	\$ 3,470
Impact of additional week in fiscal 2022 ⁽²⁾	(54)		(54)	
Adjusted EBITDA excluding the impact of the additional week in fiscal 2022 ⁽¹⁾	\$ 891		\$ 3,697	
Net sales	\$ 4,359	\$ 3,818	\$ 16,281	\$ 14,923
Impact of additional week in fiscal 2022 ⁽²⁾	(306)		(306)	
Net sales excluding the impact of the additional week in fiscal 2022 ⁽¹⁾	\$ 4,053		\$ 15,975	
Net income as a percentage of net sales	16.2 %	20.8 %	14.9 %	15.2 %
Adjusted EBITDA margin ⁽¹⁾	21.7 %	23.2 %	23.0 %	23.3 %
Adjusted EBITDA margin excluding the impact of the additional week in fiscal 2022 ⁽¹⁾	22.0 %		23.1 %	

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

⁽²⁾ Impact of an additional week in the fourth quarter of fiscal 2022. The impact of the additional week was estimated using average sales and adjusted EBITDA for the fourth quarter of the fiscal year.

Reconciliation of Adjusted EBITDA and Adjusted EBITDA Margin by Segment - QTD

	For the Quarters Ended							
	September 30, 2022				September 24, 2021			
	Transportation Solutions	Industrial Solutions	Communications Solutions	Total	Transportation Solutions	Industrial Solutions	Communications Solutions	Total
	(\$ in millions)							
Operating income	\$ 347	\$ 180	\$ 133	\$ 660	\$ 387	\$ 134	\$ 139	\$ 660
Acquisition-related charges	4	8	3	15	3	4	1	8
Restructuring and other charges, net	56	19	7	82	5	24	9	38
Adjusted operating income ⁽¹⁾	407	207	143	757	395	162	149	706
Depreciation and amortization	116	46	26	188	115	47	17	179
Adjusted EBITDA ⁽¹⁾	\$ 523	\$ 253	\$ 169	\$ 945	\$ 510	\$ 209	\$ 166	\$ 885
Impact of additional week in fiscal 2022 ⁽²⁾	(28)	(15)	(11)	(54)				
Adjusted EBITDA excluding the impact of the additional week in fiscal 2022 ⁽¹⁾	\$ 495	\$ 238	\$ 158	\$ 891				
Net sales	\$ 2,447	\$ 1,252	\$ 660	\$ 4,359	\$ 2,198	\$ 1,017	\$ 603	\$ 3,818
Impact of additional week in fiscal 2022 ⁽²⁾	(180)	(84)	(42)	(306)				
Net sales excluding the impact of the additional week in fiscal 2022 ⁽¹⁾	\$ 2,267	\$ 1,168	\$ 618	\$ 4,053				
Operating margin	14.2 %	14.4 %	20.2 %	15.1 %	17.6 %	13.2 %	23.1 %	17.3 %
Adjusted operating margin ⁽¹⁾	16.6 %	16.5 %	21.7 %	17.4 %	18.0 %	15.9 %	24.7 %	18.5 %
Adjusted EBITDA margin ⁽¹⁾	21.4 %	20.2 %	25.6 %	21.7 %	23.2 %	20.6 %	27.5 %	23.2 %
Adjusted EBITDA margin excluding the impact of the additional week in fiscal 2022 ⁽¹⁾	21.8 %	20.4 %	25.6 %	22.0 %				

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

⁽²⁾ Impact of an additional week in the fourth quarter of fiscal 2022. The impact of the additional week was estimated using average sales and adjusted EBITDA for the fourth quarter of the fiscal year.

Reconciliation of Adjusted EBITDA and Adjusted EBITDA Margin by Segment - YTD

	For the Years Ended							
	September 30, 2022				September 24, 2021			
	Transportation Solutions	Industrial Solutions	Communications Solutions	Total	Transportation Solutions	Industrial Solutions	Communications Solutions	Total
	(\$ in millions)							
Operating income	\$ 1,534	\$ 620	\$ 602	\$ 2,756	\$ 1,526	\$ 469	\$ 439	\$ 2,434
Acquisition-related charges	16	32	5	53	18	15	1	34
Restructuring and other charges, net	68	66	23	157	135	73	25	233
Adjusted operating income ⁽¹⁾	1,618	718	630	2,966	1,679	557	465	2,701
Depreciation and amortization	505	194	86	785	512	189	68	769
Adjusted EBITDA ⁽¹⁾	\$ 2,123	\$ 912	\$ 716	\$ 3,751	\$ 2,191	\$ 746	\$ 533	\$ 3,470
Impact of additional week in fiscal 2022 ⁽²⁾	(28)	(15)	(11)	(54)				
Adjusted EBITDA excluding the impact of the additional week in fiscal 2022 ⁽¹⁾	\$ 2,095	\$ 897	\$ 705	\$ 3,697				
Net sales	\$ 9,219	\$ 4,520	\$ 2,542	\$ 16,281	\$ 8,974	\$ 3,844	\$ 2,105	\$ 14,923
Impact of additional week in fiscal 2022 ⁽²⁾	(180)	(84)	(42)	(306)				
Net sales excluding the impact of the additional week in fiscal 2022 ⁽¹⁾	\$ 9,039	\$ 4,436	\$ 2,500	\$ 15,975				
Operating margin	16.6 %	13.7 %	23.7 %	16.9 %	17.0 %	12.2 %	20.9 %	16.3 %
Adjusted operating margin ⁽¹⁾	17.6 %	15.9 %	24.8 %	18.2 %	18.7 %	14.5 %	22.1 %	18.1 %
Adjusted EBITDA margin ⁽¹⁾	23.0 %	20.2 %	28.2 %	23.0 %	24.4 %	19.4 %	25.3 %	23.3 %
Adjusted EBITDA margin excluding the impact of the additional week in fiscal 2022 ⁽¹⁾	23.2 %	20.2 %	28.2 %	23.1 %				

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

⁽²⁾ Impact of an additional week in the fourth quarter of fiscal 2022. The impact of the additional week was estimated using average sales and adjusted EBITDA for the fourth quarter of the fiscal year.

Impact of Additional Week on Net Sales - QTD

	For the Quarter Ended September 30, 2022			For the Quarter Ended September 24, 2021	Change in Net Sales for the Quarter Ended September 30, 2022 versus Net Sales for the Quarter Ended September 24, 2021			Change in Organic Net Sales for the Quarter Ended September 30, 2022 versus Organic Net Sales for the Quarter Ended September 24, 2021 ⁽²⁾		
	14 Weeks U.S. GAAP	Adjustment Impact of 14th Week	13 Weeks (Non-GAAP) ⁽¹⁾⁽²⁾		14 Weeks U.S. GAAP	Adjustment Impact of 14th Week	13 Weeks (Non-GAAP) ⁽¹⁾⁽²⁾	14 Weeks (Non-GAAP) ⁽²⁾	Adjustment Impact of 14th Week	13 Weeks (Non-GAAP) ⁽¹⁾⁽²⁾
(\$ in millions)										
Net Sales:										
Transportation Solutions										
Automotive	\$ 1,725	\$ (126)	\$ 1,599	\$ 1,520	13.5%	(8.3)%	5.2%	25.2%	(9.1)%	16.1%
Commercial transportation	423	(32)	391	372	13.7	(8.6)	5.1	22.4	(9.3)	13.1
Sensors	299	(22)	277	306	(2.3)	(7.2)	(9.5)	5.2	(7.8)	(2.6)
Total	2,447	(180)	2,267	2,198	11.3	(8.2)	3.1	21.8	(8.9)	12.9
Industrial Solutions										
Industrial equipment	521	(35)	486	386	35.0	(9.1)	25.9	30.0	(10.0)	20.0
Aerospace, defense, and marine	313	(20)	293	258	21.3	(7.7)	13.6	28.8	(8.5)	20.3
Energy	225	(17)	208	194	16.0	(8.8)	7.2	25.2	(9.2)	16.0
Medical	193	(12)	181	179	7.8	(6.7)	1.1	9.5	(6.8)	2.7
Total	1,252	(84)	1,168	1,017	23.1	(8.3)	14.8	25.1	(8.9)	16.2
Communications Solutions										
Data and devices	425	(28)	397	357	19.0	(7.8)	11.2	16.9	(8.1)	8.8
Appliances	235	(14)	221	246	(4.5)	(5.7)	(10.2)	—	(5.6)	(5.6)
Total	660	(42)	618	603	9.5	(7.0)	2.5	10.2	(7.3)	2.9
Total	\$ 4,359	\$ (306)	\$ 4,053	\$ 3,818	14.2%	(8.0)%	6.2%	20.9%	(8.7)%	12.2%

⁽¹⁾ Excludes the impact of an additional week in the fourth quarter of fiscal 2022. The impact of the additional week was estimated using average sales for the fourth quarter of the fiscal year.

⁽²⁾ See description of non-GAAP financial measures.

Impact of Additional Week on Net Sales - YTD

	Fiscal 2022					Change in Net Sales for Fiscal 2022 versus Net Sales for Fiscal 2021			Change in Organic Net Sales for Fiscal 2022 versus Organic Net Sales for Fiscal 2021 ⁽²⁾		
	53 Weeks U.S. GAAP	Adjustment Impact of 53rd Week	52 Weeks (Non-GAAP) ⁽¹⁾⁽²⁾	Fiscal 2021		53 Weeks U.S. GAAP	Adjustment Impact of 53rd Week	52 Weeks (Non-GAAP) ⁽¹⁾⁽²⁾	53 Weeks (Non-GAAP) ⁽²⁾	Adjustment Impact of 53rd Week	52 Weeks (Non-GAAP) ⁽¹⁾⁽²⁾

⁽¹⁾ Excludes the impact of an additional week in the fourth quarter of fiscal 2022. The impact of the additional week was estimated using average sales for the fourth quarter of the fiscal year.

⁽²⁾ See description of non-GAAP financial measures.

Impact of Additional Week – QTD

	Adjustments					Adjustment	13 Weeks
	U.S. GAAP	Acquisition- Related Charges ⁽¹⁾	Restructuring and Other		14 Weeks Adjusted (Non-GAAP) ⁽³⁾	Impact of 14th Week	Adjusted (Non-GAAP) ⁽³⁾⁽⁴⁾
			Charges, Net ⁽¹⁾	Tax Items ⁽²⁾			
	(\$ in millions, except per share data)						
Gross margin	\$ 1,349	\$ (1)	\$ —	\$ —	\$ 1,348	\$ (96)	\$ 1,252
Gross margin percentage	30.9%				30.9%		30.9%
Operating income:							
Transportation Solutions	\$ 347	\$ 4	\$ 56	\$ —	\$ 407	\$ (28)	\$ 379
Industrial Solutions	180	8	19	—	207	(15)	192
Communications Solutions	133	3	7	—	143	(11)	132
Total	<u>\$ 660</u>	<u>\$ 15</u>	<u>\$ 82</u>	<u>\$ —</u>	<u>\$ 757</u>	<u>\$ (54)</u>	<u>\$ 703</u>
Operating margin:							
Transportation Solutions	14.2%				16.6%		16.7%
Industrial Solutions	14.4%				16.5%		16.4%
Communications Solutions	20.2%				21.7%		21.4%
Total	15.1%				17.4%		17.3%
Diluted earnings per share from continuing operations	\$ 2.21	\$ 0.04	\$ 0.21	\$ (0.57)	\$ 1.88	\$ (0.13)	\$ 1.75

⁽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 \$67 million income tax benefit related to the tax impacts of certain intercompany transactions. Our annual effective tax rate for fiscal 2022 includes a total income tax benefit of \$124 million related to these transactions, with portions recognized in each quarter of the fiscal year. Also includes a \$64 million income tax benefit related primarily to a lapse of a statute of limitation and a \$51 million income tax benefit related to the release of a valuation allowance associated primarily with improved current and expected future operating profit and taxable income.

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

⁽⁴⁾ Excludes the impact of an additional week in the fourth quarter of fiscal 2022. The impact of the additional week was estimated using average adjusted gross margin, adjusted operating income, and adjusted earnings per share for the fourth quarter of the fiscal year.

Impact of Additional Week – YTD

	U.S. GAAP	Adjustments			53 Weeks Adjusted (Non-GAAP) ⁽⁴⁾	Adjustment	52 Weeks Adjusted (Non-GAAP) ⁽⁴⁾⁽⁵⁾
		Acquisition- Related Charges ⁽¹⁾	Restructuring and Other Charges, Net ⁽¹⁾⁽²⁾	Tax Items ⁽³⁾		Impact of 53rd Week	
(\$ in millions, except per share data)							
Gross margin	\$ 5,244	\$ 8	\$ 16	\$ —	\$ 5,268	\$ (96)	\$ 5,172
Gross margin percentage	32.2%				32.4%		32.4%
Operating income:							
Transportation Solutions	\$ 1,534	\$ 16	\$ 68	\$ —	\$ 1,618	\$ (28)	\$ 1,590
Industrial Solutions	620	32	66	—	718	(15)	703
Communications Solutions	602	5	23	—	630	(11)	619
Total	<u>\$ 2,756</u>	<u>\$ 53</u>	<u>\$ 157</u>	<u>\$ —</u>	<u>\$ 2,966</u>	<u>\$ (54)</u>	<u>\$ 2,912</u>
Operating margin:							
Transportation Solutions	16.6%				17.6%		17.6%
Industrial Solutions	13.7%				15.9%		15.8%
Communications Solutions	23.7%				24.8%		24.8%
Total	16.9%				18.2%		18.2%
Diluted earnings per share from continuing operations							
	\$ 7.47	\$ 0.13	\$ 0.38	\$ (0.65)	\$ 7.33	\$ (0.13)	\$ 7.20

⁽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 \$141 million recorded in net restructuring and other charges and \$16 million recorded in cost of sales.

⁽³⁾ Includes a \$124 million income tax benefit related to the tax impacts of certain intercompany transactions, a \$64 million income tax benefit related primarily to a lapse of a statute of limitation, and a \$51 million income tax benefit related to the release of a valuation allowance associated primarily with improved current and expected future operating profit and taxable income. Also includes \$27 million of income tax expense related to the write-down of certain deferred tax assets to the lower corporate tax rate enacted in the canton of Schaffhausen and \$12 million of income tax expense related to an income tax audit of an acquired entity, as well as the related impact of \$11 million to other income pursuant to the terms of the purchase agreement.

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

⁽⁵⁾ Excludes the impact of an additional week in the fourth quarter of fiscal 2022. The impact of the additional week was estimated using average adjusted gross margin, adjusted operating income, and adjusted earnings per share for the fourth quarter of the fiscal year.

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

	Outlook for Quarter Ending December 30, 2022 ⁽¹⁾	Outlook for Fiscal 2023 ⁽¹⁾
Diluted earnings per share from continuing operations	\$ 1.31	
Restructuring and other charges, net	0.17	
Acquisition-related charges	0.02	
Adjusted diluted earnings per share from continuing operations ⁽²⁾	<u>\$ 1.50</u>	
Net sales growth (decline)	(1.8) %	
Translation	10.5	
(Acquisitions) divestitures, net	0.1	
Organic net sales growth ⁽²⁾	<u>8.8 %</u>	
Effective tax rate	20.7 %	20.9 %
Effective tax rate adjustments ⁽³⁾	0.3	0.1
Adjusted effective tax rate ⁽²⁾	<u>21.0 %</u>	<u>21.0 %</u>

⁽¹⁾ Outlook is as of November 2, 2022.

⁽²⁾ See description of non-GAAP financial measures.

⁽³⁾ Includes adjustments for special tax items and the tax effect of acquisition-related charges and net restructuring and other charges, calculated based on the jurisdictions in which the expense (income) is incurred and the tax laws in effect for each such jurisdiction.