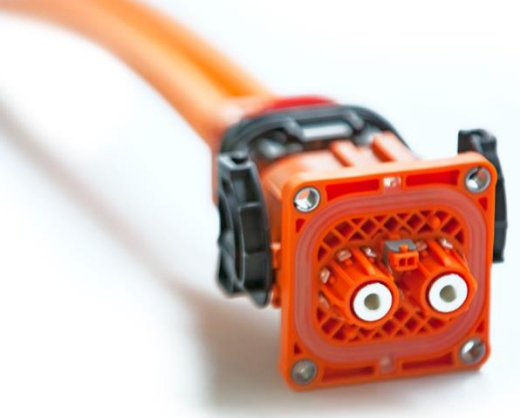




Q3 2019 Earnings

July 24, 2019



EVERY CONNECTION COUNTS



Forward-Looking Statements and Non-GAAP Financial Measures

Forward-Looking Statements

This presentation contains certain “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. These statements are based on management’s current expectations and are subject to risks, uncertainty and changes in circumstances, which may cause actual results, performance, financial condition or achievements to differ materially from anticipated results, performance, financial condition or achievements. All statements contained herein that are not clearly historical in nature are forward-looking and the words “anticipate,” “believe,” “expect,” “estimate,” “plan,” and similar expressions are generally intended to identify forward-looking statements. We have no intention and are under no obligation to update or alter (and expressly disclaim any such intention or obligation to do so) our forward-looking statements whether as a result of new information, future events or otherwise, except to the extent required by law. The forward-looking statements in this presentation include statements addressing our future financial condition and operating results. Examples of factors that could cause actual results to differ materially from those described in the forward-looking statements include, among others, business, economic, competitive and regulatory risks, such as conditions affecting demand for products, particularly in the automotive and data and devices industries; competition and pricing pressure; fluctuations in foreign currency exchange rates and commodity prices; natural disasters and political, economic and military instability in countries in which we operate; developments in the credit markets; future goodwill impairment; compliance with current and future environmental and other 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. 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. 28, 2018 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 Highlights

Adjusted EPS above guidance driven by strong Industrial Segment performance and cost actions

- Sales of \$3.4B, down 5% on a reported basis and down 3% organically Y/Y
 - Transportation down 4% organically driven by global auto production declines of 10%
 - Industrial grew 2% organically, in line with guidance, driven by continued strength in AD&M and Medical
 - Communications down 11% organically, driven by inventory destocking in the distribution channel
 - Sales included an approximate headwind of \$125M from currency exchange rates
- Delivered Adjusted EPS growth of 6% Y/Y to \$1.50, driven by multiple levers in our business model
 - Adjusted operating margins of 17.6%, up 20bps Y/Y and 60bps sequentially
- Free Cash Flow of \$515M with \$307M returned to shareholders. YTD Free Cash Flow up 27% vs prior year
- Completed two bolt on acquisitions and announced intent to acquire First Sensor

Decreasing full year guidance due to market weakness; accelerating cost levers

- Sales outlook of \$13.4B, a reduction of \$250M from prior view
- Reducing Adjusted EPS mid-point by \$0.10 from prior view to \$5.50
- Increasing restructuring charges to \$375M, representing a \$125M increase from prior view

Segment Orders Summary

(\$ in millions)

<u>Reported</u>	FY18	FY19	FY19	Q3 Y/Y Growth	
	Q3	Q2	Q3	Reported	Organic
Transportation	2,188	1,949	1,897	(13)%	(10)%
Industrial	1,102	1,067	1,042	(5)%	(5)%
Communications	476	441	382	(20)%	(17)%
Total TE	3,766	3,457	3,321	(12)%	(10)%
Book to Bill	1.05	1.01	0.98		

- Transportation orders reflecting further weakness in auto production primarily in China
- Industrial order declines driven by Industrial Equipment, partially offset by growth in AD&M and Energy
- Communications order declines driven by broad based weakness across all regions
- Distribution channel, representing ~20% of total sales, undergoing inventory destocking across multiple businesses

Orders decline reflecting end market weakness and inventory destocking

Transportation Solutions

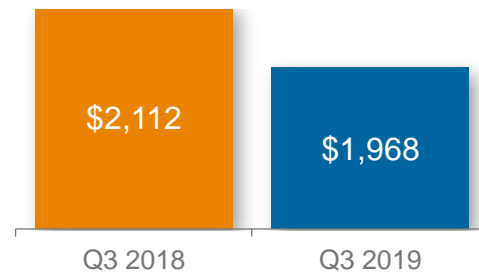


\$ in Millions

Q3 Sales

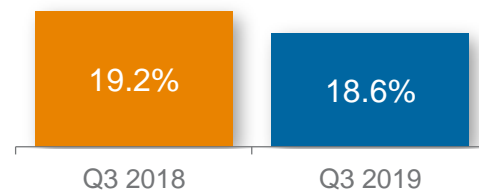
Reported
Down 7%

Organic
Down 4%



Q3 Adjusted Operating Margin

Adjusted Operating Margin up 110bps sequentially driven by cost actions



Quarter	Adjusted EBITDA Margin (%)
Q3 2018	24.2%
Q3 2019	24.2%

Q3 Business Performance

Y/Y Growth Rates		Reported	Organic
Automotive	\$1,418	(8)%	(4)%
Commercial Transportation	317	(5)%	(5)%
Sensors	233	(1)%	1%
Transportation Solutions	\$1,968	(7)%	(4)%

- Automotive sales decline of 4% organically versus global auto production declines of 10%; market outperformance driven by content growth
- Commercial Transportation organic declines of 5% reflecting broad market weakness
- Sensors organic growth driven by industrial applications

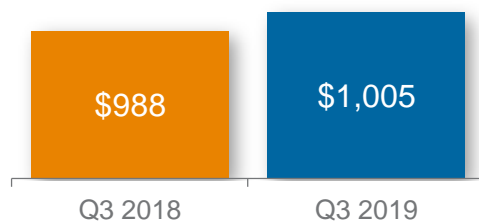
Industrial Solutions

\$ in Millions

Q3 Sales

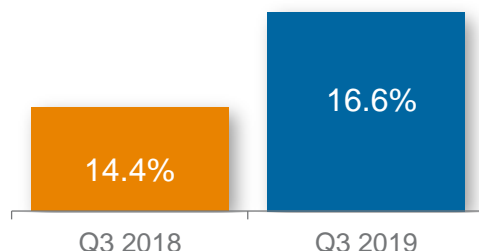
Reported
Up 2%

Organic
Up 2%



Q3 Adjusted Operating Margin

Adjusted Operating Margin expansion of 220 basis points Y/Y driven by operational execution



Adjusted EBITDA Margin 18.7% 21.2%

Q3 Business Performance

Y/Y Growth Rates		Reported	Organic
Aerospace, Defense and Marine	\$342	16%	17%
Industrial Equipment	485	(4)%	(6)%
Energy	178	(5)%	0%
Industrial Solutions	\$1,005	2%	2%

- AD&M strong growth ahead of market driven by new program ramps in Commercial Aerospace & Defense
- Industrial Equipment declines driven by inventory destocking, partially offset by strength in medical applications
- Energy organic growth in North America, offset by declines in Europe

Communications Solutions



\$ in Millions

Q3 Sales

Reported

Down 13%

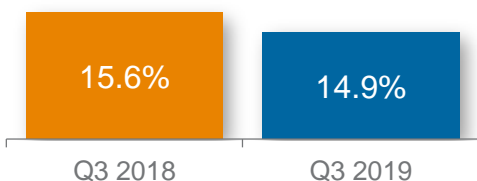


Organic

Down 11%

Q3 Adjusted Operating Margin

Adjusted Operating Margin decline 70 basis points Y/Y driven by market weakness



Adjusted EBITDA Margin

19.1%

19.2%

Q3 Business Performance

Y/Y Growth Rates

Reported

Organic

		Reported	Organic
Data & Devices	\$245	(12)%	(9)%
Appliances	171	(16)%	(13)%
Communications Solutions	\$416	(13)%	(11)%

- Data & Devices decline driven by inventory destocking, partially offset by growth in data center applications
- Appliances impacted by inventory destocking and demand driven weakness across all regions

Q3 Financial Summary

(\$ in Millions, except per share amounts)	Q3 FY18	Q3 FY19
Net Sales	\$ 3,581	\$ 3,389
Operating Income	\$ 554	\$ 520
<i>Operating Margin</i>	15.5%	15.3%
Acquisition Related Charges	5	9
Restructuring & Other Charges, net	64	67
Adjusted Operating Income	\$ 623	\$ 596
<i>Adjusted Operating Margin</i>	17.4%	17.6%
Earnings Per Share*	\$ 1.29	\$ 2.24
Acquisition Related Charges	0.01	0.02
Restructuring & Other Charges, net	0.13	0.15
Tax Items**	-	(0.91)
Adjusted EPS	\$ 1.42	\$ 1.50

*Represents Diluted Earnings Per Share from Continuing Operations

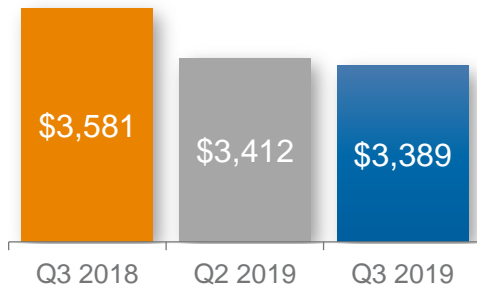
** Includes a \$214 million income tax benefit related to the tax impacts of certain measures of Swiss tax reform and a \$93 million income tax benefit related to the effective settlement of a tax audit in a non-U.S. jurisdiction.

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

Q3 Financial Performance

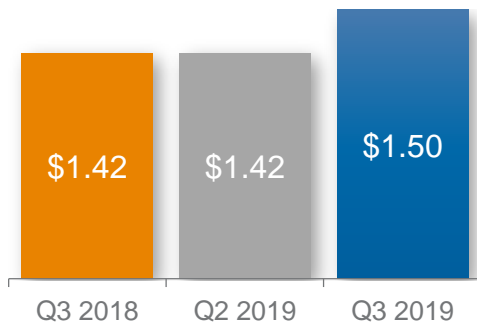
\$ in Millions

Sales

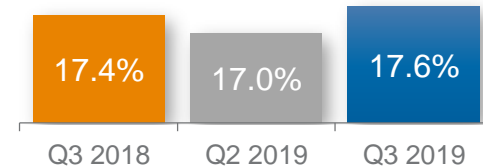


- Q3 FY19 FX headwind of \$123M Y/Y

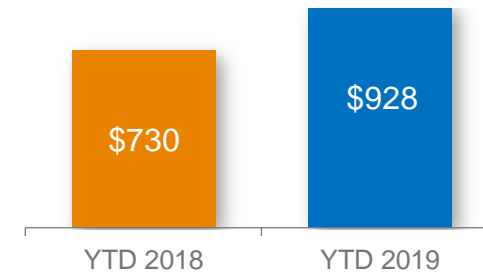
Adjusted EPS



Adjusted Operating Margin



Free Cash Flow







Q4 Outlook

	Guidance*	Highlights
Transportation Solutions	<p>Down Mid Single Digits Down Mid Single Digits Organic</p>	<ul style="list-style-type: none"> Automotive revenues impacted by production declines in China and Europe
Industrial Solutions	<p>Down Low Single Digits Down Low Single Digits Organic</p>	<ul style="list-style-type: none"> Decline in Industrial Equipment driven by inventory destocking, partially offset by growth in AD&M and medical applications
Communications Solutions	<p>Down High Teens Down High Teens Organic</p>	<ul style="list-style-type: none"> Communications Solutions decline driven by inventory destocking in the distribution channel
TE Connectivity	<p>Sales \$3.2B to \$3.3B Adjusted EPS \$1.27 to \$1.33</p>	<ul style="list-style-type: none"> Sales down \$250M Y/Y reflecting 7% reported and organic declines Adjusted EPS declining \$0.05 Y/Y driven by sales decline FX headwind impacting sales by ~\$50M and Adjusted EPS by \$0.03 Y/Y

EPS guidance reflects execution of multiple levers

FY19 Outlook

	Guidance*	Highlights
 <p>Transportation Solutions</p>	<p>Down Mid Single Digits Down Low Single Digits Organic</p>	<ul style="list-style-type: none"> • Content growth enabling market outperformance versus auto production for the full year • Industrial Solutions growth driven by AD&M and medical applications • Communications decline driven by Asia market weakness and inventory destocking in the distribution channel
 <p>Industrial Solutions</p>	<p>Up Low Single Digits Up Low Single Digits Organic</p>	
 <p>Communications Solutions</p>	<p>Down High Single Digits Down High Single Digits Organic</p>	
 <p>TE Connectivity</p>	<p>Sales of \$13.35B to \$13.45B Adjusted EPS of \$5.47 to \$5.53</p>	<ul style="list-style-type: none"> • Sales down 4% reported and 2% organic Y/Y • Adjusted EPS up low-single digits excluding FX headwind • FX headwind impacting sales by ~\$400M and Adjusted EPS by \$0.16 Y/Y

Utilizing business model levers to preserve EPS resiliency

Additional Information

Y/Y Q3 2019

	Sales (in millions)	Adjusted EPS
Q3 2018 Results	\$3,581	\$1.42
Operational Performance	(69)	0.07
FX Impact	(123)	(0.04)
Tax Rate Impact	-	0.05
Q3 2019 Results	\$3,389	\$1.50

Y/Y Q4 2019

	Sales (in millions)	Adjusted EPS
Q4 2018 Results	\$3,509	\$1.35
Operational Performance	(209)	(0.02)
FX Impact	(50)	(0.03)
Tax Rate Impact	-	-
Q4 2019 Guidance	\$3,250	\$1.30

Guidance Range:
Sales of \$3.2B - \$3.3B
Adjusted EPS of \$1.27 – \$1.33

Y/Y FY 2019

	Sales (in millions)	Adjusted EPS
2018 Results	\$13,988	\$5.61
Operational Performance	(188)	(0.02)
FX Impact	(400)	(0.16)
Tax Rate Impact	-	0.07
2019 Guidance	\$13,400	\$5.50

Guidance Range
Sales of \$13.35B - \$13.45B
Adjusted EPS of \$5.47 - \$5.53

Q3 Balance Sheet & Cash Flow Summary

Free Cash Flow and Working Capital

(\$ in Millions)	Q3 2018	Q3 2019
Cash from Continuing Operations	\$734	\$692
Capital expenditures, net	(222)	(166)
Cash collected pursuant to collateral requirements related to cross-currency swaps	(69)	(11)
Free Cash Flow	\$443	\$515
A/R	\$2,499	\$2,463
Days Sales Outstanding*	63	65
Inventory	\$1,828	\$1,961
Days on Hand*	69	74
Accounts Payable	\$1,531	\$1,438
Days Outstanding*	58	57

Liquidity, Cash & Debt

(\$ in Millions)	Q3 2018	Q3 2019
Beginning Cash Balance	\$559	\$565
Free Cash Flow	443	515
Dividends	(154)	(155)
Share repurchases	(230)	(174)
Net increase in debt	46	36
Acquisition of business, net of cash acquired	-	(291)
Other	106	50
Ending Cash Balance	\$770	\$546
Total Debt	\$4,008	\$4,036

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



Appendix

Non-GAAP Financial Measures

We present non-GAAP performance and liquidity measures as we believe it is appropriate for investors to consider adjusted financial measures in addition to results in accordance with accounting principles generally accepted in the U.S. ("GAAP"). These non-GAAP financial measures provide supplemental information and should not be considered replacements for results in accordance with GAAP. Management uses non-GAAP financial measures internally for planning and forecasting purposes and in its decision-making processes related to the operations of our company. We believe these measures provide meaningful information to us and investors because they enhance the understanding of our operating performance, ability to generate cash, and the trends of our business. Additionally, we believe that investors benefit from having access to the same financial measures that management uses in evaluating our operations. The primary limitation of these measures is that they exclude the financial impact of items that would otherwise either increase or decrease our reported results. This limitation is best addressed by using these non-GAAP financial measures in combination with the most directly comparable GAAP financial measures in order to better understand the amounts, character, and impact of any increase or decrease in reported amounts. These non-GAAP financial measures may not be comparable to similarly-titled measures reported by other companies.

The following provides additional information regarding our non-GAAP financial measures:

- Organic Net Sales Growth – represents net sales growth (the most comparable GAAP financial measure) excluding the impact of foreign currency exchange rates, and acquisitions and divestitures that occurred in the preceding twelve months, if any. Organic Net Sales Growth is a useful measure of our performance because it excludes items that are not completely under management's control, such as the impact of changes in foreign currency exchange rates, and items that do not reflect the underlying growth of the company, such as acquisition and divestiture activity. This measure is a significant component in our incentive compensation plans.
- Adjusted Operating Income and Adjusted Operating Margin – represent operating income and operating margin, respectively, (the most comparable GAAP financial measures) before special items including restructuring and other charges, acquisition related charges, and other income or charges, if any. We utilize these 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 and Adjusted Effective Tax Rate – represent income tax expense 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, other income or charges, and certain significant tax items, if any.
- Adjusted Income from Continuing Operations – represents income from continuing operations (the most comparable GAAP financial measure) before special items including restructuring and other charges, acquisition related charges, tax sharing income related to adjustments to prior period tax returns and other tax items, other income or charges, and certain significant tax items, if any, and, if applicable, the related tax effects.
- Adjusted Earnings Per Share – represents diluted earnings per share from continuing operations (the most comparable GAAP financial measure) before special items including restructuring and other charges, acquisition related charges, tax sharing income related to adjustments to prior period tax returns and other tax items, other income or charges, and certain significant tax items, if any, and, if applicable, the related tax effects. This measure is a significant component in our incentive compensation plans.

Non-GAAP Financial Measures (cont.)

- Adjusted EBITDA and Adjusted EBITDA Margin - represent net income and net income as a percentage of net sales, respectively, (the most comparable GAAP financial measures) before interest expense, interest income, income taxes, depreciation, and amortization, as adjusted for net other income, income from discontinued operations, and special items including restructuring and other charges, acquisition related charges, and other income or charges, if any.
- Free Cash Flow (FCF) – is a useful measure of our ability to generate cash. The difference between net cash provided by continuing operating activities (the most comparable GAAP financial measure) and Free Cash Flow consists mainly of significant cash outflows and inflows that we believe are useful to identify. We believe Free Cash Flow provides useful information to investors as it provides insight into the primary cash flow metric used by management to monitor and evaluate cash flows generated from our operations.

Free Cash Flow is defined as net cash provided by continuing operating activities excluding voluntary pension contributions and the cash impact of special items, if any, minus net capital expenditures. Voluntary pension contributions are excluded from the GAAP financial measure because this activity is driven by economic financing decisions rather than operating activity. Certain special items, including net payments related to pre-separation tax matters and cash paid (collected) pursuant to collateral requirements related to cross-currency 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.

Segment Summary

	For the Quarters Ended				For the Nine Months Ended				
	June 28, 2019		June 29, 2018		June 28, 2019		June 29, 2018		
	(\$ in millions)								
	Net Sales		Net Sales		Net Sales		Net Sales		
Transportation Solutions	\$	1,968	\$	2,112	\$	5,925	\$	6,278	
Industrial Solutions		1,005		988		2,940		2,842	
Communications Solutions		416		481		1,283		1,359	
Total	\$	3,389	\$	3,581	\$	10,148	\$	10,479	
	Operating	Operating	Operating	Operating	Operating	Operating	Operating	Operating	
	Income	Margin	Income	Margin	Income	Margin	Income	Margin	
Transportation Solutions	\$	308	15.7%	\$	393	18.6%	\$	1,237	19.7%
Industrial Solutions		156	15.5		92	9.3		319	11.2
Communications Solutions		56	13.5		69	14.3		205	15.1
Total	\$	520	15.3%	\$	554	15.5%	\$	1,761	16.8%
	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	\$	367	18.6%	\$	406	19.2%	\$	1,259	20.1%
Industrial Solutions		167	16.6		142	14.4		403	14.2
Communications Solutions		62	14.9		75	15.6		220	16.2
Total	\$	596	17.6%	\$	623	17.4%	\$	1,882	18.0%

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

Segment Summary – Q2 19

	For the Quarter Ended March 29, 2019	
	(\$ in millions)	
	Net Sales	
Transportation Solutions	\$ 1,971	
Industrial Solutions	1,007	
Communications Solutions	434	
Total	\$ 3,412	
	Operating Income	Operating Margin
Transportation Solutions	\$ 316	16.0%
Industrial Solutions	137	13.6
Communications Solutions	77	17.7
Total	\$ 530	15.5%
	Adjusted Operating Income ⁽¹⁾	Adjusted Operating Margin ⁽¹⁾
Transportation Solutions	\$ 344	17.5%
Industrial Solutions	159	15.8
Communications Solutions	78	18.0
Total	\$ 581	17.0%

⁽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 – Q3 19 vs. Q3 18

Change in Net Sales for the Quarter Ended June 28, 2019 versus Net Sales for the Quarter Ended June 29, 2018

	<u>Net</u>		<u>Organic Net</u>		<u>Translation</u> ⁽²⁾	<u>Acquisitions</u>
	<u>Sales Growth</u>		<u>Sales Growth</u> ⁽¹⁾			
	(\$ in millions)					
Transportation Solutions ⁽³⁾ :						
Automotive	\$	(123) (8.0)%	\$	(59) (3.9)%	\$	(64) \$ -
Commercial transportation		(18) (5.4)		(16) (5.1)		(12) 10
Sensors		(3) (1.3)		2 0.7		(8) 3
Total		<u>(144) (6.8)</u>		<u>(73) (3.5)</u>		<u>(84) 13</u>
Industrial Solutions ⁽³⁾ :						
Industrial equipment		(21) (4.2)		(27) (5.5)		(14) 20
Aerospace, defense, oil, and gas		47 15.9		51 16.9		(4) -
Energy		(9) (4.8)		(1) (0.4)		(8) -
Total		<u>17 1.7</u>		<u>23 2.3</u>		<u>(26) 20</u>
Communications Solutions ⁽³⁾ :						
Data and devices		(33) (11.9)		(26) (9.4)		(7) -
Appliances		(32) (15.8)		(26) (12.8)		(6) -
Total		<u>(65) (13.5)</u>		<u>(52) (10.8)</u>		<u>(13) -</u>
Total	\$	<u>(192) (5.4)%</u>	\$	<u>(102) (2.8)%</u>	\$	<u>(123) \$ 33</u>

⁽¹⁾ Organic net sales growth 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 28, 2019

	Adjustments				Adjusted (Non-GAAP) ⁽³⁾
	U.S. GAAP	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 Quarter Ended June 29, 2018

	<u>U.S. GAAP</u>	<u>Adjustments</u>		<u>Adjusted (Non-GAAP) ⁽²⁾</u>
		<u>Acquisition Related Charges ⁽¹⁾</u>	<u>Restructuring and Other Charges, Net ⁽¹⁾</u>	
(\$ in millions, except per share data)				
Operating income:				
Transportation Solutions	\$ 393	\$ 2	\$ 11	\$ 406
Industrial Solutions	92	3	47	142
Communications Solutions	69	-	6	75
Total	<u>\$ 554</u>	<u>\$ 5</u>	<u>\$ 64</u>	<u>\$ 623</u>
Operating margin	<u>15.5%</u>			<u>17.4%</u>
Other expense, net	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1)</u>
Income tax expense	<u>\$ (77)</u>	<u>\$ (2)</u>	<u>\$ (20)</u>	<u>\$ (99)</u>
Effective tax rate	<u>14.5%</u>			<u>16.5%</u>
Income from continuing operations	<u>\$ 453</u>	<u>\$ 3</u>	<u>\$ 44</u>	<u>\$ 500</u>
Diluted earnings per share from continuing operations	<u>\$ 1.29</u>	<u>\$ 0.01</u>	<u>\$ 0.13</u>	<u>\$ 1.42</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⁾ 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.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	\$ 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 Nine Months Ended June 29, 2018

	<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	\$ 1,237	\$ 9	\$ 13	\$ -	\$ 1,259
Industrial Solutions	319	8	76	-	403
Communications Solutions	205	-	15	-	220
Total	<u>\$ 1,761</u>	<u>\$ 17</u>	<u>\$ 104</u>	<u>\$ -</u>	<u>\$ 1,882</u>
Operating margin	<u>16.8%</u>				<u>18.0%</u>
Other income, net	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ 1</u>
Income tax expense	<u>\$ (784)</u>	<u>\$ (4)</u>	<u>\$ (27)</u>	<u>\$ 506</u>	<u>\$ (309)</u>
Effective tax rate	<u>46.3%</u>				<u>17.0%</u>
Income from continuing operations	<u>\$ 910</u>	<u>\$ 13</u>	<u>\$ 77</u>	<u>\$ 505</u>	<u>\$ 1,505</u>
Diluted earnings per share from continuing operations	<u>\$ 2.57</u>	<u>\$ 0.04</u>	<u>\$ 0.22</u>	<u>\$ 1.43</u>	<u>\$ 4.25</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 \$567 million of income tax expense related to the tax impacts of the Tax Cuts and Jobs Act and a \$61 million income tax benefit related to certain legal entity restructurings.

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

Reconciliation of Non-GAAP Financial Measures to GAAP Financial Measures for the Quarter Ended March 29, 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	\$ 316	\$ 4	\$ 24	\$ -	\$ 344
Industrial Solutions	137	5	17	-	159
Communications Solutions	77	-	1	-	78
Total	<u>\$ 530</u>	<u>\$ 9</u>	<u>\$ 42</u>	<u>\$ -</u>	<u>\$ 581</u>
Operating margin	<u>15.5%</u>				<u>17.0%</u>
Other income, net	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>
Income tax expense	<u>\$ (91)</u>	<u>\$ (2)</u>	<u>\$ (10)</u>	<u>\$ 15</u>	<u>\$ (88)</u>
Effective tax rate	<u>17.5%</u>				<u>15.4%</u>
Income from continuing operations	<u>\$ 429</u>	<u>\$ 7</u>	<u>\$ 32</u>	<u>\$ 15</u>	<u>\$ 483</u>
Diluted earnings per share from continuing operations	<u>\$ 1.26</u>	<u>\$ 0.02</u>	<u>\$ 0.09</u>	<u>\$ 0.04</u>	<u>\$ 1.42</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 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 September 28, 2018

	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	\$ 341	\$ 3	\$ 20	\$ -	\$ 364
Industrial Solutions	146	2	4	-	152
Communications Solutions	83	-	(2)	-	81
Total	<u>\$ 570</u>	<u>\$ 5</u>	<u>\$ 22</u>	<u>\$ -</u>	<u>\$ 597</u>
Operating margin	<u>16.2%</u>				<u>17.0%</u>
Other expense, net	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1)</u>
Income tax (expense) benefit	<u>\$ 1,128</u>	<u>\$ (1)</u>	<u>\$ (4)</u>	<u>\$ (1,222)</u>	<u>\$ (99)</u>
Effective tax rate	<u>(206.6)%</u>				<u>17.3%</u>
Income from continuing operations	<u>\$ 1,674</u>	<u>\$ 4</u>	<u>\$ 18</u>	<u>\$ (1,222)</u>	<u>\$ 474</u>
Diluted earnings per share from continuing operations	<u>\$ 4.78</u>	<u>\$ 0.01</u>	<u>\$ 0.05</u>	<u>\$ (3.49)</u>	<u>\$ 1.35</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 \$1,222 million net income tax benefit associated with the tax impacts of certain intercompany transactions including an increase to the valuation allowance.

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

Reconciliation of Non-GAAP Financial Measures to GAAP Financial Measures for the Year Ended September 28, 2018

	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	\$ 1,578	\$ 12	\$ 33	\$ -	\$ 1,623
Industrial Solutions	465	10	80	-	555
Communications Solutions	288	-	13	-	301
Total	<u>\$ 2,331</u>	<u>\$ 22</u>	<u>\$ 126</u>	<u>\$ -</u>	<u>\$ 2,479</u>
Operating margin	<u>16.7%</u>				<u>17.7%</u>
Other income, net	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ -</u>
Income tax (expense) benefit	<u>\$ 344</u>	<u>\$ (5)</u>	<u>\$ (31)</u>	<u>\$ (716)</u>	<u>\$ (408)</u>
Effective tax rate	<u>(15.4)%</u>				<u>17.1%</u>
Income from continuing operations	<u>\$ 2,584</u>	<u>\$ 17</u>	<u>\$ 95</u>	<u>\$ (717)</u>	<u>\$ 1,979</u>
Diluted earnings per share from continuing operations	<u>\$ 7.32</u>	<u>\$ 0.05</u>	<u>\$ 0.27</u>	<u>\$ (2.03)</u>	<u>\$ 5.61</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 \$1,283 million net income tax benefit associated with the tax impacts of certain intercompany transactions and legal entity restructurings including an increase to the valuation allowance. Also includes \$567 million of income tax expense related to the tax impacts of the Tax Cuts and Jobs Act.

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

Reconciliation of Free Cash Flow

	For the Quarters Ended		For the Nine Months Ended	
	June 28, 2019	June 29, 2018	June 28, 2019	June 29, 2018
	(in millions)			
Net cash provided by operating activities:				
Net cash provided by continuing operating activities	\$ 692	\$ 734	\$ 1,575	\$ 1,379
Net cash provided by (used in) discontinued operating activities	(1)	66	(31)	148
	691	800	1,544	1,527
Net cash used in investing activities	(454)	(233)	(539)	(675)
Net cash used in financing activities	(257)	(338)	(1,309)	(1,302)
Effect of currency translation on cash	1	(18)	2	2
Net increase (decrease) in cash, cash equivalents, and restricted cash	\$ (19)	\$ 211	\$ (302)	\$ (448)
Net cash provided by continuing operating activities	\$ 692	\$ 734	\$ 1,575	\$ 1,379
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	(11)	(69)	(93)	10
Capital expenditures, net	(166)	(222)	(554)	(654)
Free cash flow⁽¹⁾	\$ 515	\$ 443	\$ 928	\$ 730

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

Reconciliation of Adjusted EBITDA Margin

	For the Quarters Ended	
	June 28, 2019	June 29, 2018
	(\$ in millions)	
Net income	\$ 757	\$ 454
(Income) loss from discontinued operations, net of income taxes	1	(1)
Income tax expense (benefit)	(245)	77
Other (income) expense, net	(2)	1
Interest expense	13	26
Interest income	(4)	(3)
Operating income	520	554
Acquisition related charges	9	5
Restructuring and other charges, net	67	64
Adjusted operating income ⁽¹⁾	596	623
Depreciation and amortization ⁽²⁾	174	166
Adjusted EBITDA ⁽¹⁾	\$ 770	\$ 789
Net sales	\$ 3,389	\$ 3,581
Net income as a percentage of net sales	22.3%	12.7%
Adjusted EBITDA margin ⁽¹⁾	22.7%	22.0%

	For the Quarters Ended							
	June 28, 2019				June 29, 2018			
	Transportation Solutions	Industrial Solutions	Communications Solutions	Total	Transportation Solutions	Industrial Solutions	Communications Solutions	Total
	(\$ in millions)							
Operating income	\$ 308	\$ 156	\$ 56	\$ 520	\$ 393	\$ 92	\$ 69	\$ 554
Acquisition related charges	6	3	-	9	2	3	-	5
Restructuring and other charges, net	53	8	6	67	11	47	6	64
Adjusted operating income ⁽¹⁾	367	167	62	596	406	142	75	623
Depreciation and amortization ⁽²⁾	110	46	18	174	106	43	17	166
Adjusted EBITDA ⁽¹⁾	\$ 477	\$ 213	\$ 80	\$ 770	\$ 512	\$ 185	\$ 92	\$ 789
Net sales	\$ 1,968	\$ 1,005	\$ 416	\$ 3,389	\$ 2,112	\$ 988	\$ 481	\$ 3,581
Operating margin	15.7%	15.5%	13.5%	15.3%	18.6%	9.3%	14.3%	15.5%
Adjusted operating margin ⁽¹⁾	18.6%	16.6%	14.9%	17.6%	19.2%	14.4%	15.6%	17.4%
Adjusted EBITDA margin ⁽¹⁾	24.2%	21.2%	19.2%	22.7%	24.2%	18.7%	19.1%	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 \$1 million for the quarter ended June 29, 2018 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 28, 2019	March 29, 2019	December 28, 2018	September 28, 2018	June 29, 2018	March 30, 2018	December 29, 2017	September 29, 2017
	(\$ in millions)							
Operating income	\$ 520	\$ 530	\$ 484	\$ 570	\$ 554	\$ 621	\$ 586	\$ 491
Acquisition related charges	9	9	6	5	5	5	7	1
Restructuring and other charges, net	67	42	75	22	64	6	34	22
Adjusted operating income ⁽¹⁾	\$ 596	\$ 581	\$ 565	\$ 597	\$ 623	\$ 632	\$ 627	\$ 514
Amortization expense	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 43
Adjustment ⁽²⁾	-	(2)	(1)	-	(1)	(2)	(1)	-
Adjusted amortization expense	\$ 45	\$ 43	\$ 44	\$ 45	\$ 44	\$ 43	\$ 44	\$ 43
Adjusted operating income plus adjusted amortization expense	\$ 641	\$ 624	\$ 609	\$ 642	\$ 667	\$ 675	\$ 671	\$ 557
Income from continuing operations before income taxes	\$ 513	\$ 520	\$ 461	\$ 546	\$ 530	\$ 598	\$ 566	\$ 451
Acquisition related charges	9	9	6	5	5	5	7	1
Restructuring and other charges, net	67	42	75	22	64	6	34	22
Tax items	-	-	-	-	-	-	(1)	-
Adjusted income from continuing operations before income taxes	\$ 589	\$ 571	\$ 542	\$ 573	\$ 599	\$ 609	\$ 606	\$ 474
Income taxes paid, net of refunds	\$ 100	\$ 102	\$ 75	\$ 76	\$ 109	\$ 126	\$ 82	\$ 67
Adjusted cash tax rate	17.0%	17.9%	13.8%	13.3%	18.2%	20.7%	13.5%	14.1%
Adjusted net operating profit after taxes	\$ 532	\$ 513	\$ 525	\$ 557	\$ 546	\$ 535	\$ 580	\$ 478
Trailing four quarter adjusted net operating profit after taxes	\$ 2,127				\$ 2,139			
Total debt	\$ 4,036	\$ 3,982	\$ 3,967	\$ 4,000	\$ 4,008	\$ 4,010	\$ 4,005	\$ 4,344
Total shareholders' equity	10,622	9,994	10,236	10,831	9,492	9,480	9,631	9,751
Invested capital	\$ 14,658	\$ 13,976	\$ 14,203	\$ 14,831	\$ 13,500	\$ 13,490	\$ 13,636	\$ 14,095
Trailing four quarter average invested capital	\$ 14,417				\$ 13,680			
Adjusted ROIC ⁽¹⁾	14.8%				15.6%			

⁽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 line.

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

	Outlook for Quarter Ending September 27, 2019 ⁽¹⁾	Outlook for Fiscal 2019 ⁽¹⁾
Diluted earnings per share from continuing operations (GAAP)	\$0.81 - \$0.87	\$5.42 - \$5.48
Restructuring and other charges, net	0.43	0.83
Acquisition related charges	0.03	0.08
Tax items	-	(0.86)
Adjusted diluted earnings per share from continuing operations (non-GAAP) ⁽²⁾	\$1.27 - \$1.33	\$5.47 - \$5.53
Net sales growth (GAAP)	(8)% - (6)%	(5)% - (4)%
Translation	1	3
(Acquisitions) divestitures, net	(1)	(1)
Organic net sales growth (non-GAAP) ⁽²⁾	(8)% - (6)%	(3)% - (2)%
Effective tax rate (GAAP)		(1.4)%
Effective tax rate adjustments ⁽³⁾		17.9
Adjusted effective tax rate (non-GAAP) ⁽²⁾		16.5%

⁽¹⁾ Outlook is as of July 24, 2019.

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

⁽³⁾ Includes adjustments for special tax items and the tax effect of acquisition related charges and 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.