



Sensata
Technologies

AUGUST 2014

INVESTOR PRESENTATION

SENSATA TECHNOLOGIES ACQUIRES THE SCHRADER GROUP

The World Depends on Sensors and Controls

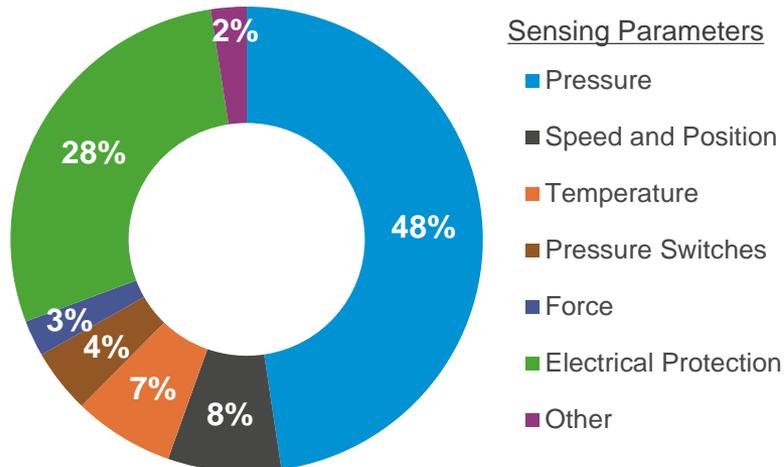
Forward-looking statements

This presentation contains certain forward-looking statements that involve risks or uncertainties. For example, statements regarding financial guidance and product development goals are forward-looking. The Company's future results may differ materially from the projections described in today's discussion. Factors that might cause these differences include, but are not limited to, the failure to receive, on a timely basis or otherwise, the required approvals from government and regulatory authorities in connection with the transaction, the terms of those approvals, the risk that a condition to closing contemplated by the share purchase agreement may not be satisfied or waived, the inability to realize expected synergies or cost savings or difficulties related to the integration of the Schrader business, the ability to retain and hire key personnel and maintain relationships with customers, suppliers or other business partners of the Schrader business, the risk factors described in the Company's Form 10-K, Form 10-Q and Form 8-K filings. Copies of all the Company's filings are available from the Investor Relations section of our website, www.Sensata.com, and from the SEC.

Sensata is a global leader in Sensing

- **Leading independent supplier** of mission–critical sensors, **#1 Position in pressure sensing**
- **Leading market position** within \$8B of served markets
- **Faster-than-market organic revenue growth** enabled by favorable regulatory environment
- **Differentiated design capabilities**, scale and low-cost operations deliver superior financial returns
- Strong cash generation fuels disciplined and high-return acquisitions

\$2.1B
in Sales LTM
June 30, 2014



OUR VALUE–ADDED SOLUTIONS...

- ✓ *Impact millions of people every day*
- ✓ *Help satisfy the world's growing need for safety, energy efficiency and a clean environment*

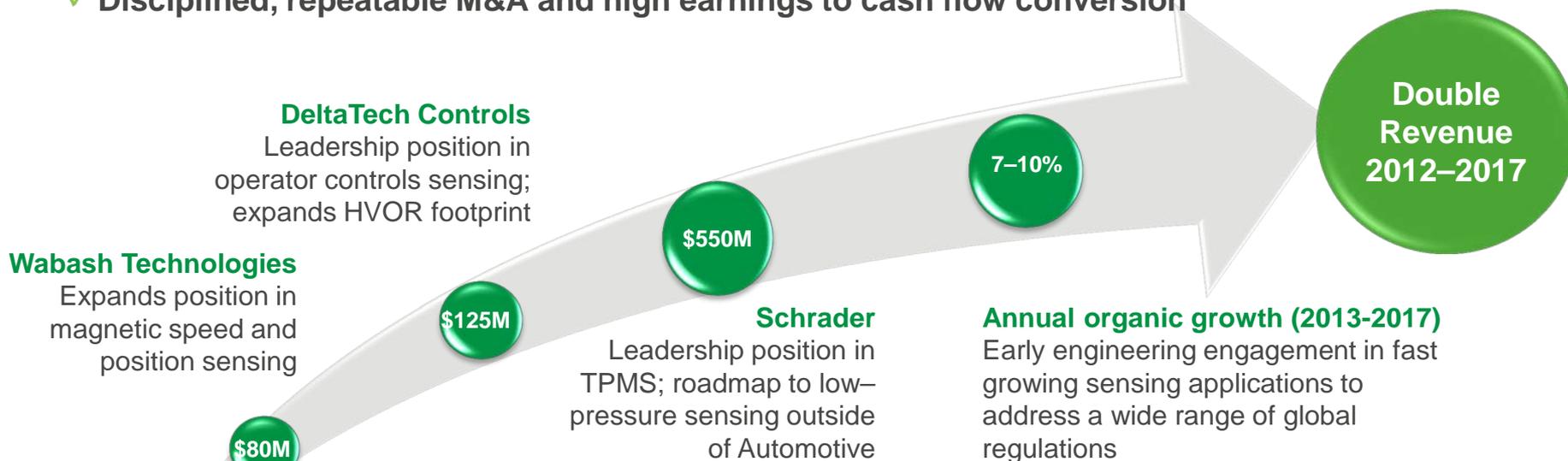
Schrader extends Sensata's leadership in Sensing

- **Leading market position** in tire pressure monitoring sensors (TPMS)
- **Faster-than-market growth** fundamentals of TPMS
 - Europe roll-out underway
 - China adoption will provide significant growth
 - Sticky, regulation-driven revenue growth
- **Differentiated design capabilities** in low pressure MEMS, ASICs and wireless
- 2014 revenue: ~\$550M
- Employees: ~2,500



Sensata's value creation strategy

- ✓ Strong organic growth and differentiated margins through leadership in Sensing
- ✓ Disciplined, repeatable M&A and high earnings to cash flow conversion



CAPITAL DEPLOYED IN 2014

WABASH	\$60M
DELTATECH	\$190M
SCHRADER	\$1,000M

Potential long-term impact

>\$1.00 EPS Accretion
Returns significantly above WACC

Transaction rationale

LEADERSHIP

BUILDS ON OUR LEADERSHIP IN PRESSURE SENSING

- ✓ Strengthens our capability to further penetrate \$80 billion Total Sensor Market
- ✓ Expands low pressure sensing capabilities: increases our Addressable Market by \$2 billion

GROWTH

ADDS FAST GROWING TPMS CATEGORY

- ✓ Schrader is the global leader in fast-growing, highly-regulated TPMS
Established European regulations deliver solid near-term growth
Regulatory process underway in China: rollout expected in next 4 to 5 years
- ✓ TPMS potential in trucks, buses and off-road equipment

SUPPLY CHAIN

ADDS CAPABILITIES & COMPLEMENTS OUR SUPPLY CHAIN

- ✓ Increases our MEMS capability and low pressure scale 7x
- ✓ In-house ASIC design creates potential for cost reduction and faster response to opportunities
- ✓ Adds wireless capabilities that can be leveraged in other markets
- ✓ Allows access to potentially attractive aftermarket channel

VALUE

CREATES SIGNIFICANT VALUE

- ✓ Purchase multiple <10x 2015 stand alone EBITDA
- ✓ Significant cost and revenue synergy opportunities
- ✓ \$0.18 to \$0.21 accretive in 2015
- ✓ \$0.50 to \$0.55 accretion post integration and debt repayment (*additional \$0.18 to \$0.22 accretion once China ramps TPMS*)
- ✓ Combined business cash flow will pay down debt and return us to target net leverage ratio of 2–3x within 18 months

Growth: Opportunities driven by regulation

Regulation drives rapid TPMS growth; significant opportunities in China



SENSATA'S STRONG POSITION IN CHINA, including infrastructure and relationships with all major OEMs, will help greatly accelerate TPMS growth there

Additional opportunities enabled by Schrader

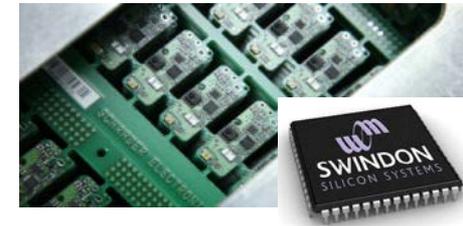
✓ INCREASES OUR MEMS CAPABILITIES AND SCALE

Enables **faster response** to low pressure opportunities and **reduced costs** due to scale advantages



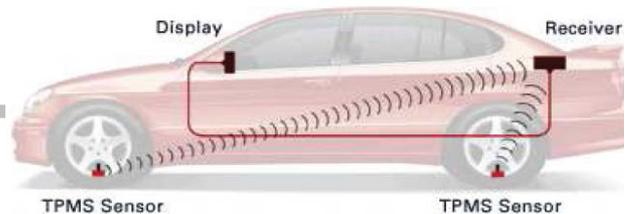
✓ EXPANDS ASIC DESIGN CAPABILITIES

Greater scale enables greater **cost efficiencies** and faster response to opportunities



✓ WIRELESS DESIGN CAPABILITIES

Wireless capabilities enable **new market opportunities**, increasingly important in a world of interconnected sensors inside and outside of Automotive



✓ POTENTIAL AFTERMARKET CHANNEL

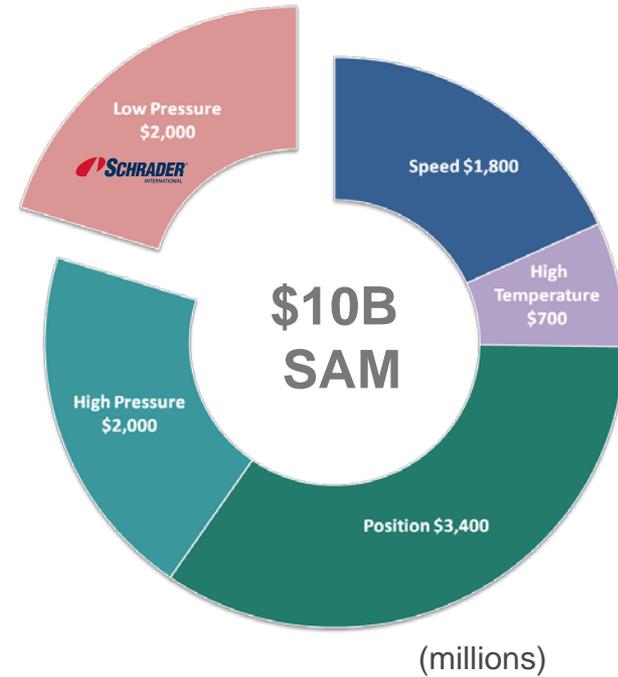
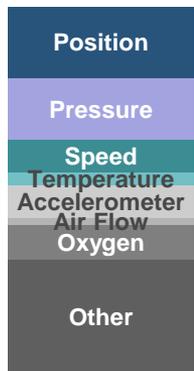
Schrader has successfully built an **aftermarket channel**, a potential upside opportunity for Sensata

Schrader expands our Sensor market opportunity

Global Sensor TAM: ~\$80B



2015 Auto Sensor TAM ~\$20B



SOURCE: Strategy Analytics 2015 estimates (July 2014)

COMBINED AUTOMOTIVE SENSOR POSITION further enables growth into industrial and other sensing applications

Acquisition of Schrader creates significant value

- ✓ Purchase multiple <10x 2015 stand-alone EBITDA
- ✓ Significant cost and revenue synergy opportunities
- ✓ \$0.18 to \$0.21 accretive in 2015
- ✓ \$0.50 to \$0.55 accretion post integration and debt repayment (*and additional \$0.18 to \$0.22 once China ramps TPMS*)
- ✓ Combined business cash flow will pay down debt and return us to target leverage ratio of 2–3x within 18 months

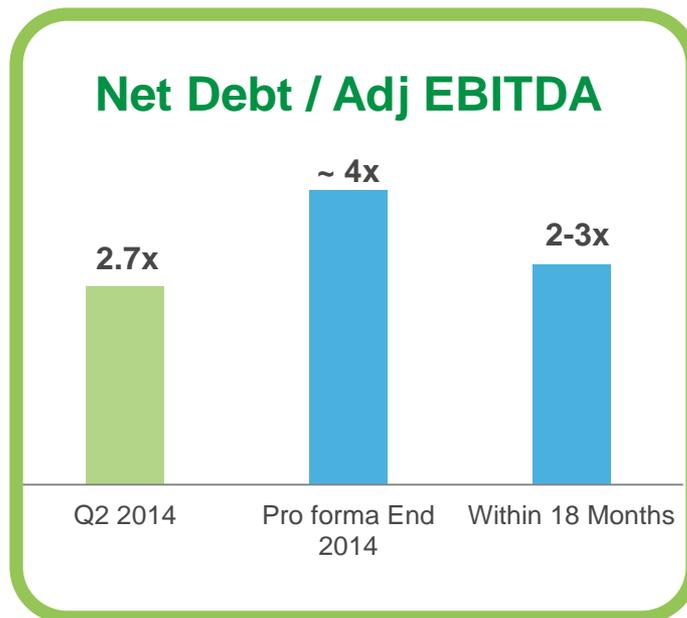


BACKUP

Financing structure

Sensata intends to finance the Schrader acquisition primarily through issuance of debt

- Debt markets are extremely attractive
 - \$1,000M of committed financing
 - Anticipate financing through combination of bonds and term loan
- Strong free cash flow enables rapid debt repayment and de-levering
- Financial impacts:
 - \$0.13 to \$0.16 dilutive to ANI in Q4 2014 due to anticipated integration and transaction costs
 - \$0.18 to \$0.21 accretive in 2015; \$0.50 to \$0.55 after integration and debt pay down; the China opportunity represents an additional \$0.18 to \$0.22 accretion



Non-GAAP measures

This presentation includes references to Adjusted net income and Adjusted EBITDA amounts. Adjusted net income is a non-GAAP financial measure. The Company defines Adjusted net income as follows: Net income before costs associated with debt refinancing and other financing activities, unrealized (gain)/loss on other hedges and (gain)/loss on currency remeasurement on debt, depreciation and amortization expense related to the step-up in fair value of fixed and intangible assets and inventory, deferred income tax and other tax expense, amortization of deferred financing costs, restructuring and special charges, and other costs. Adjusted EBITDA is also a non-GAAP financial measure. The Company defines Adjusted EBITDA as follows: Net income before interest expense (net of interest income), provision for/(benefit from) income taxes, depreciation and amortization expense, costs associated with debt refinancing and other financing activities, unrealized (gain)/loss on other hedges and (gain)/loss on currency remeasurement on debt, restructuring and special charges, and other costs. The Company believes Adjusted net income and Adjusted EBITDA provide investors with helpful information with respect to the performance of the Company's operations, and management uses Adjusted net income and Adjusted EBITDA to evaluate its ongoing operations and for internal planning and forecasting purposes. Adjusted net income and Adjusted EBITDA are not measures of liquidity. Please refer to the Company's financial press releases, Form 8-K filings, and financial reports for a further description of our non-GAAP financial measures, including reconciliations of these measures to Net income. Copies of all the Company's filings are available from the Investor Relations section of our website, Sensata.com, and from the SEC.