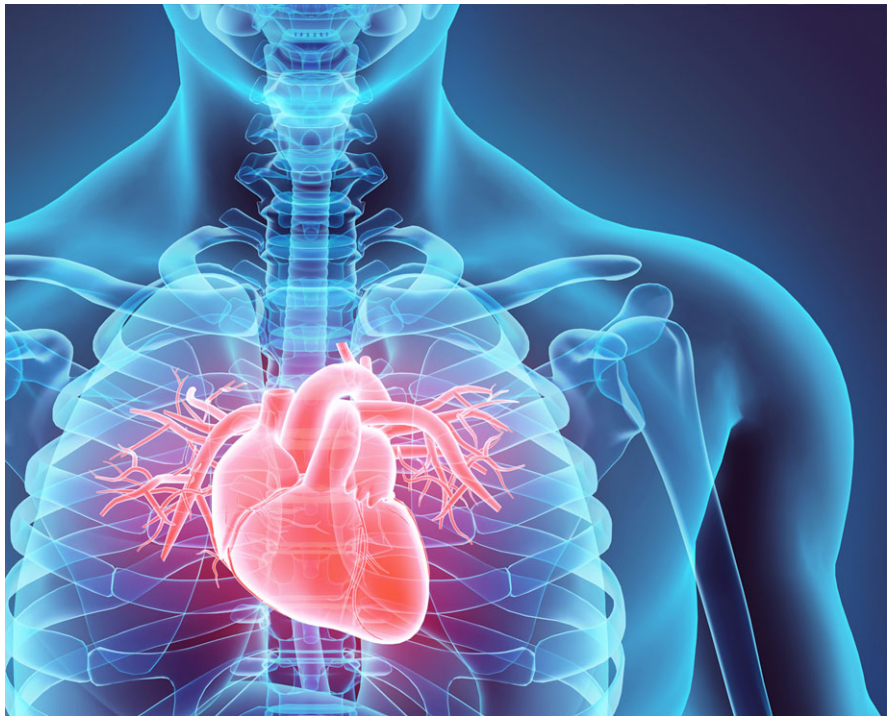
TE Connectivity

Bernstein Strategic Decisions Conference

Terrence Curtin, CEO

EVERY CONNECTION COUNTS







Forward-Looking Statements and Non-GAAP Financial Measures

Forward-Looking Statements

This presentation contains certain "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. These statements are based on management's current expectations and are subject to risks, uncertainty and changes in circumstances, which may cause actual results, performance, financial condition or achievements to differ materially from anticipated results, performance, financial condition or achievements. All statements contained herein that are not clearly historical in nature are forward-looking and the words "anticipate," "believe," "expect," "estimate," "plan," and similar expressions are generally intended to identify forward-looking statements. We have no intention and are under no obligation to update or alter (and expressly disclaim any such intention or obligation to do so) our forward-looking statements whether as a result of new information, future events or otherwise, except to the extent required by law. The forward-looking statements in this presentation include statements addressing our future financial condition and operating results, and the impact on our operations resulting from the coronavirus disease 2019 (“COVID-19”). Examples of factors that could cause actual results to differ materially from those described in the forward-looking statements include, among others, the extent, severity and duration of COVID-19 negatively affecting our business operations; business, economic, competitive and regulatory risks, such as conditions affecting demand for products in the automotive and other industries we serve; competition and pricing pressure; fluctuations in foreign currency exchange rates and commodity prices; natural disasters and political, economic and military instability in countries in which we operate; developments in the credit markets; future goodwill impairment; compliance with current and future environmental and other laws and regulations; and the possible effects on us of changes in tax laws, tax treaties and other legislation, including the effects of Swiss tax reform. In addition, the extent to which COVID-19 will impact our business and our financial results will depend on future developments, which are highly uncertain and cannot be predicted. Such developments may include the geographic spread of the virus, the severity of the virus, the duration of the outbreak, the impact on our suppliers’ and customers’ supply chains, the actions that may be taken by various governmental authorities in response to the outbreak in jurisdictions in which we operate, and the possible impact on the global economy and local economies in which we operate. More detailed information about these and other factors is set forth in TE Connectivity Ltd.'s Annual Report on Form 10-K for the fiscal year ended Sept. 25, 2020 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.

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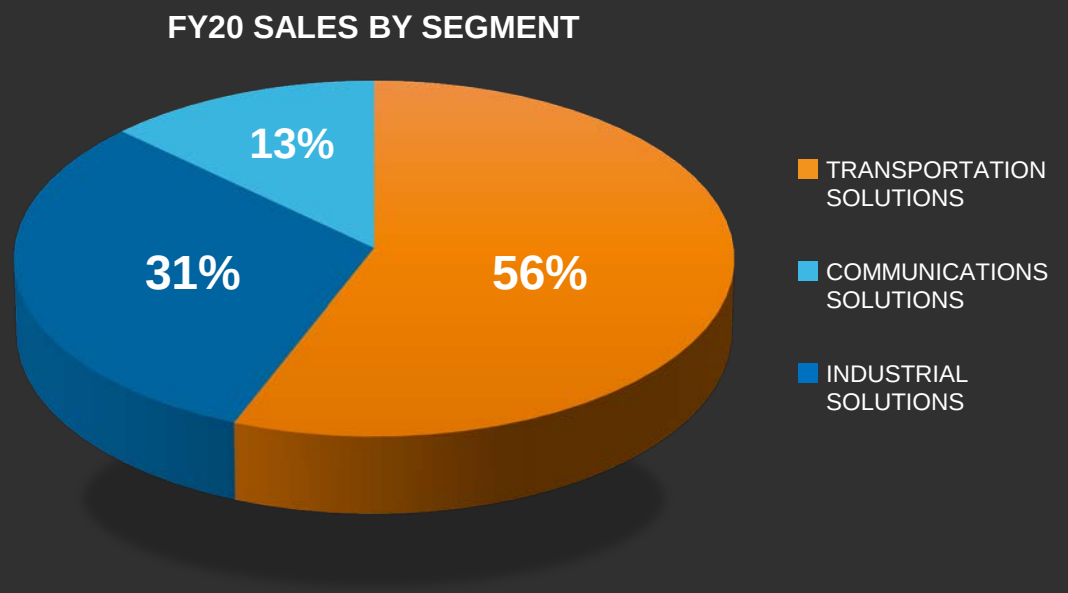
Industrial technology company creating a safer, sustainable, productive and *CONNECTED FUTURE*





WORLD LEADER in connectivity and sensor solutions with the broadest range of technologies

Highly engineered products co-created with our customers

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Portfolio Positioned to Deliver Above-Market Growth

SECULAR / SUSTAINABLE GROWTH TRENDS



TRANSPORTATION SOLUTIONS

Auto	EV adoption, connected car evolution, safety, lower emissions
Commercial Transportation	Stricter emissions standards, electrification of the powertrain
Sensors	Auto sensor designs propelling future growth



INDUSTRIAL SOLUTIONS

Industrial Equipment	Digital factory with increased automation; smart buildings
Medical	Growth in interventional medical procedures
Aerospace, Defense & Marine	Higher content in next generation, efficient CommAir platforms
Energy	Growth from wind & solar, infrastructure hardening



COMMUNICATIONS SOLUTIONS

Data & Devices	High speed cloud build out, enabling energy efficient data centers
Appliances	Health, safety & efficiency in appliances + connected home

EXPECT 4-6% ANNUAL ORGANIC GROWTH

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Organic Net Sales Growth is a non-GAAP financial measure. See Appendix for description.

We Enable Sustainable Applications for Industry Leaders

LEADER IN ELECTRIC VEHICLE TECHNOLOGY

E

- End-to-end EV solutions
- Enabling 10-minute charging
- Global footprint & portfolio

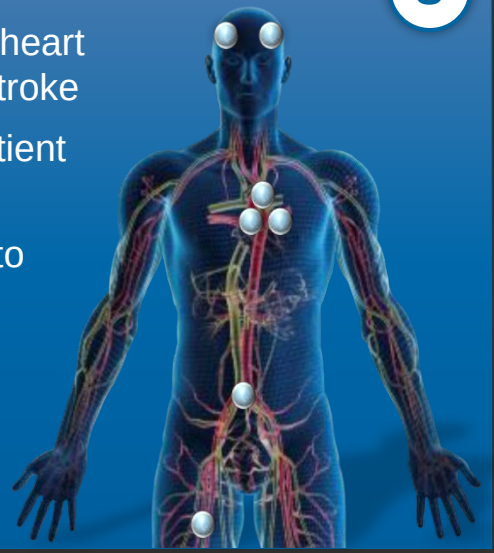


BMW, NIO, Volkswagen, Toyota, GM, Volvo, Porsche, Ford, Audi, Daimler, Tesla

SAVING LIVES WITH MEDICAL PROCEDURES

S

- Addressing heart disease & stroke
- Superior patient outcomes
- Lower cost to providers



Johnson & Johnson, GORE, Abbott, stryker, Medtronic, Edwards, PHILIPS, Boston Scientific, OLYMPUS, SIEMENS medical

ENABLING ENERGY SAVINGS IN DATA CENTERS

E

- High speed solutions
- Cooler data centers
- Global engineering excellence



aws, Microsoft, cisco, ARISTA, DELL, Alibaba.com

GENERATING GROWTH FROM SUSTAINABLE APPLICATIONS

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ESG at TE – One Connected World

Environmental

- **27%** absolute and **35%** normalized reduction in GHG emissions since FY2010
- **29%** reduction in water usage since FY2010
- Targeting additional 35% GHG emissions reduction by 2030

Social

- Women occupy **24%** of leadership positions at TE and **29%** of middle management positions
- More than **one third** of our leadership team is diverse
- Targeting engagement & inclusion indices in top 15% of global manufacturing companies

Governance

- **99+** percent of active employees certified their compliance to our Guide to Ethical Conduct in FY2020
- Our Board of Directors is diverse, with members representing different genders, ethnicities, and backgrounds

Member of **Dow Jones Sustainability Indices** Powered by the S&P Global CSA

9th consecutive year

Top 100 Global Innovator 2021 Clarivate

10th consecutive year

2021 World's Most Ethical Companies® WWW.ETHISPHERE.COM 7-TIME HONOREE

7th consecutive year

Human Rights Campaign Foundation BEST PLACES TO WORK 2021 for LGBTQ Equality 100% CORPORATE EQUALITY INDEX

5th consecutive year

THE BEST EMPLOYERS FOR DIVERSITY Forbes 2021 POWERED BY STATISTA

1st year

REPORTING FRAMEWORKS

CDP DISCLOSURE INSIGHT ACTION · SASB · TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES · GRI

TE Corporate Responsibility Report:
www.te.com/responsibility

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Metrics relate to the 2020 Corporate Responsibility Report

WHEN TECHNOLOGY CONNECTS, SO DOES HUMANITY.

EVERY CONNECTION COUNTS

TE connectivity

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 Operating Income (Loss) and Adjusted Operating Margin – represent operating income (loss) and operating margin, respectively, (the most comparable GAAP financial measures) before special items including restructuring and other charges, acquisition-related charges, impairment of goodwill, and other income or charges, if any. We utilize these adjusted measures in combination with operating income (loss) and operating margin to assess segment level operating performance and to provide insight to management in evaluating segment operating plan execution and market conditions. Adjusted Operating Income (Loss) is a significant component in our incentive compensation plans.

- Adjusted Other Income (Expense), Net – represents net other income (expense) (the most comparable GAAP financial measure) before special items including tax sharing income related to adjustments to prior period tax returns and other items, if any.

- Adjusted Income Tax (Expense) Benefit and Adjusted Effective Tax Rate – represent income tax (expense) benefit and effective tax rate, respectively, (the most comparable GAAP financial measures) after adjusting for the tax effect of special items including restructuring and other charges, acquisition-related charges, impairment of goodwill, other income or charges, and certain significant tax items, if any.

- Adjusted Income (Loss) from Continuing Operations – represents income (loss) from continuing operations (the most comparable GAAP financial measure) before special items including restructuring and other charges, acquisition-related charges, impairment of goodwill, tax sharing income related to adjustments to prior period tax returns and other tax items, other income or charges, and certain significant tax items, if any, and, if applicable, the related tax effects.

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Non-GAAP Financial Measures (cont.)

- Adjusted Earnings (Loss) Per Share – represents diluted earnings (loss) per share from continuing operations (the most comparable GAAP financial measure) before special items including restructuring and other charges, acquisition-related charges, impairment of goodwill, tax sharing income related to adjustments to prior period tax returns and other tax items, other income or charges, and certain significant tax items, if any, and, if applicable, the related tax effects. This measure is a significant component in our incentive compensation plans.
- Adjusted EBITDA and Adjusted EBITDA Margin - represent net income (loss) and net income (loss) as a percentage of net sales, respectively, (the most comparable GAAP financial measures) before interest expense, interest income, income taxes, depreciation, and amortization, as adjusted for net other income, income from discontinued operations, and special items including restructuring and other charges, acquisition-related charges, impairment of goodwill, and other income or charges, if any.
- Free Cash Flow (FCF) – is a useful measure of our ability to generate cash. The difference between net cash provided by continuing operating activities (the most comparable GAAP financial measure) and Free Cash Flow consists mainly of significant cash outflows and inflows that we believe are useful to identify. We believe Free Cash Flow provides useful information to investors as it provides insight into the primary cash flow metric used by management to monitor and evaluate cash flows generated from our operations. Free Cash Flow is defined as net cash provided by continuing operating activities excluding voluntary pension contributions and the cash impact of special items, if any, minus net capital expenditures. Voluntary pension contributions are excluded from the GAAP financial measure because this activity is driven by economic financing decisions rather than operating activity. Certain special items, including net payments related to pre-separation tax matters and cash paid (collected) pursuant to collateral requirements related to cross-currency swap contracts, are also excluded by management in evaluating Free Cash Flow. Net capital expenditures consist of capital expenditures less proceeds from the sale of property, plant, and equipment. These items are subtracted because they represent long-term commitments. In the calculation of Free Cash Flow, we subtract certain cash items that are ultimately within management's and the Board of Directors' discretion to direct and may imply that there is less or more cash available for our programs than the most comparable GAAP financial measure indicates. It should not be inferred that the entire Free Cash Flow amount is available for future discretionary expenditures, as our definition of Free Cash Flow does not consider certain non-discretionary expenditures, such as debt payments. In addition, we may have other discretionary expenditures, such as discretionary dividends, share repurchases, and business acquisitions, that are not considered in the calculation of Free Cash Flow.
- Free Cash Flow Conversion – represents the ratio of Free Cash Flow to Adjusted Income (Loss) from Continuing Operations. We use Free Cash Flow Conversion as an indicator of our ability to convert earnings to cash.

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Reconciliation of Free Cash Flow

	For the Six Months Ended March 26, 2021 (in millions)
Net cash provided by operating activities	$ 1,220
Net cash used in investing activities	(323)
Net cash used in financing activities	(101)
Effect of currency translation on cash	7
Net increase in cash, cash equivalents, and restricted cash	$ 803
Net cash provided by continuing operating activities	$ 1,220
Excluding:	
Cash paid pursuant to collateral requirements related to cross-currency swap contracts	12
Capital expenditures, net	(226)
Free cash flow [(1)]	$ 1,006

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

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