



# Investor Overview

Driving Value in a World Increasingly Dependent on Sensors

NYSE: ST | May 2022

# About Sensata

Industrial technology firm with 100+ years of mission-critical design and innovation experience; a leading provider of sensor-rich solutions that create insights for customers

Key market player in automotive, appliance, aircraft, industrial, military, heavy vehicle, off-road, HVAC, data & telecom, RV, clean energy, marine and data insights markets



**\$3.82B**

2021 Revenue



**\$928M**

2021 adj. EBITDA



**21,000+**

Employees



**14**

Countries with  
Sensata sites

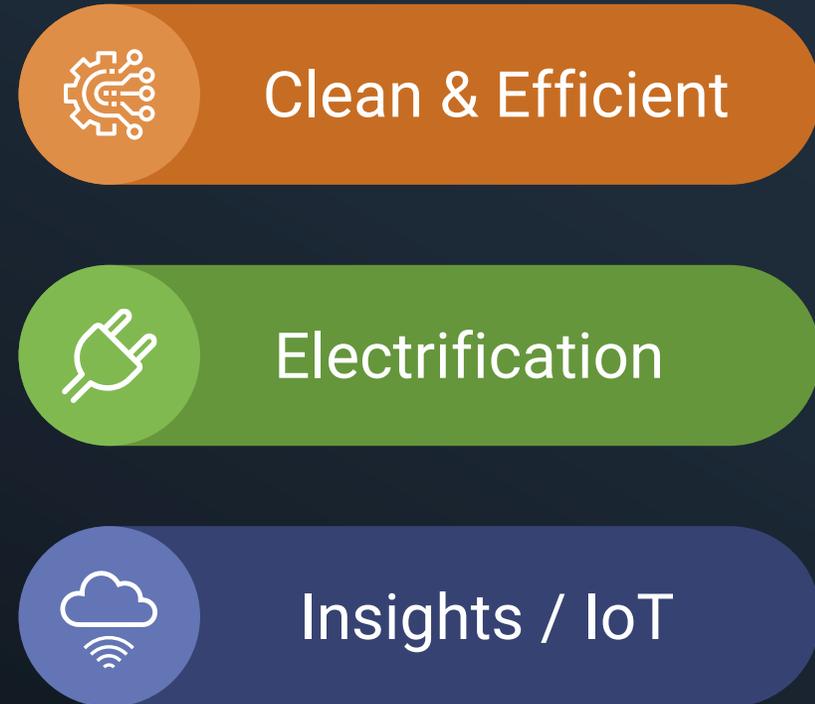
# Global Societal Imperatives Driving Markets

Regulatory requirements and economic forces drive sensor adoption

## Societal Imperatives



## SENSATA Macro Growth Trends



# Sensata solves mission-critical, hard-to-do Sensing and Electrical Protection challenges



Clean & Efficient

Driven by the need for cleaner, safer, and more energy-efficient systems

**\$25B addressable markets by 2030**

Regulations, economics, and consumer preferences driving growth



Building on key pressure, temperature, position sensing and electrical protection capabilities

- Sensata's solutions are custom designed to meet the stringent sensing design requirements of our customers

Sensata focuses on Clean & Efficient applications that are expected to outgrow markets

- These are driven by advancing regulations globally, such as:
  - China NS6b emission regulation in 2023
  - Euro 7 emissions regulation in 2025
  - US EPA fuel efficiency requirements by 2026

# Sensata is strategically positioned to benefit strongly from Electrification trends

Decades of electrical protection expertise supplemented by recent acquisitions

**\$15B Electrification addressable markets by 2030**  
+17% CAGR due to lowered battery costs, increased regulations and rapidly evolving infrastructure



**Components and electrification systems** designed to improve operational performance and extend range of BEVs

**Sensata Clean Energy Solutions** provides system level design in Electrification applications and full battery energy storage to specialty transportation, commercial, industrial and defense customers

**Projecting 50% annual growth of Electrification revenue to \$2.0 billion by 2026** Sensata is strategically positioned to leverage rapidly scaling industry growth organically and through acquisitions

## Recent Acquisitions & Joint Ventures



# Sensata Insights / IoT addresses customers' analytics needs helping them make better operational decisions

Leveraging the largest portfolio of sensors to improve performance of customers' key assets

**\$15B Insights / IoT addressable markets by 2030**  
+20% CAGR due to rapidly evolving infrastructure and operational efficiencies



## Building most complete sensor-driven data set

- Sensata delivers cloud-based data insights from a wide array of available sensors to increase fleet efficiency

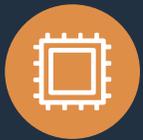
## Projecting 20% annual growth of Insights revenue

- Sensata is strategically positioned to leverage rapidly scaling industry growth organically and through acquisitions

## Recent Acquisitions



# Our Core Competencies enable us to focus on high-value segments of our markets



Advanced **engineering** skills in sensors, software, ASICs, wireless, sub-systems, etc.



Trusted brands with deep **customer intimacy** and technical understanding of complex applications



**Low cost** manufacturing model with significant operating leverage



Flexible & **adaptable** technology building blocks configured for customized solutions

## Major Industries Served

### Automotive Systems (ICE and BEVs)



50+ Devices per Automobile

### Commercial On-road & Off-road Vehicles



50+ Devices per Heavy Vehicle

### Industrial Applications



40+ Sensor & Control Devices per System

### Clean Energy Solutions



High value power control and energy storage systems

### Aerospace



Up to 1,500 Devices per Aircraft

# Automotive

- Sensata solves mission critical, hard-to-do sensing challenges for Automotive OEMs globally
- Roadmap for BEVs to have twice the content of internal combustion by 2026
- **\$2.0B in revenue in 2021 (52% of total ST revenue)**



## Applications:

- Engine Pressure Applications
- Transmission Speed & Position
- Exhaust Pressure & Temperature
- Tire Pressure
- A/C Pressure
- Brake Pressure
- Contactors
- Fuses
- E-motor Position
- E-motor Temperature and Pressure
- Current Sensing
- Thermal Management Pressure + Temp
- Electromechanical Brake Pressure and Force
- Tire pressure, temperature and wear

# Heavy Vehicle & Off-Road

- Sensata creates robust components and systems for the demanding requirements of heavy and off-road vehicles and their fleet managers
- Future electric trucks have the potential for 10x of Sensata's content as compared to diesel trucks
- Insights offer fleet managers data and analytics to make better decisions
- **\$830M in revenue in 2021, (22% of total ST revenue)**



## Applications:

- Engine Pressure and Temperature
- Exhaust Pressure and Temperature
- Tire Pressure and Monitoring
- Brake Pressure
- Thermal Pressure
- Transmission Pressure, Speed, Position
- Pneumatic and Hydraulic Pressure
- Position and Speed control
- Steer-by-Wire and other Electronic Operator Controls
- Contactors, Fuses, Pyrotactors, Current Sensing
- Battery Management Systems
- High Voltage Distribution Units
- Telematics gateway, Vehicle Area Network
- Video capture and event recreation
- Cloud-based analytics and visualization tools

# Industrial, HVAC, Appliance & Other

- Sensata leverages transportation sensor development for use by a wide range of Industrial customers in HVAC, Appliance, Data Center, Semiconductor manufacturing, Charging Infrastructure, Energy Storage sectors
- Positioning for growth with Electrification systems and battery energy storage in the Clean Energy revolution
- **\$840M in revenue in 2021 (22% of total ST revenue)**



## Applications:

- Bimetal low-voltage electrical protection
- Hydraulic Pressure
- Industrial Sensors
- Power conversion & control
- Semiconductor interconnections
- High voltage Contactors, Fuses, Pyrotactors
- Battery Management Systems
- Energy Storage including stationary and specialty transportation



# Aerospace

- Sensata serves commercial and defense aircraft manufacturers as well as the airline aftermarket
- Future product launches with electrified aircraft designers is underway
- **\$135M in revenue in 2021 (4% of total ST revenue)**
- Aerospace is poised for post-COVID recovery



## Applications:

- Highly precise and robust position sensors
- Low voltage electrical protection
- Fly-by-wire cockpit controls
- High voltage Contactors, Fuses and Pyrotactors specially designed for eVTOL applications



# Acquisitions expand Sensata's capabilities in our key growth areas

## Electrification

Contactor and Fuses provide key component building blocks for Electrified solutions



Nov 2018

Battery Management systems for heavy vehicles and energy storage



Feb 2021

Joint-venture to expand contactor capabilities to mid-voltage ranges



Apr 2021



Key gateway solution provider connecting fleets and other high-value assets with their owners



Video telematics solutions in high demand by fleet operators

Nov 2021

Energy storage solutions for stationary and specialty transportation



Nov 2021

Shunt-based current sensing, isolation monitoring & simulation software



Dec 2021



Computational cloud-based solutions for converting and visualizing data from connected assets

Feb 2022

## Insights / IoT

# Sensata's Financial Targets

## Annual Targets



### Sensata Market Outgrowth

- Revenue outgrowth above market of 400 – 600 bps annually
- New business wins drive future revenue outgrowth: Record \$640M of new business wins in 2021
- Target acquired revenue growth of 400 – 600 bps annually



### Sensata Earnings

- Targeting premier ~21% adjusted operating margins while investing in high growth areas both organically and through acquisitions
- Low capital intensity with Capital Expenditures ~4% of Revenue



### Sensata Cashflow

- Target free cash flow of 75-80% of adjusted net income
- Maintain net leverage in the 2.5x – 3.5x range (2.8x end 2021)
- Primary use of capital to support M&A activities
- Return cash to shareholders through dividends and share repurchases

# Sensata Published its First Sustainability Report in 2021

Sensata is committed to enhancing sustainability across our business against these enterprise-wide longer-term goals:

## Diversity, Equity & Inclusion

By 2026



REACH  
**30%**

female representation in manager and above roles (worldwide)



REACH  
**25%**

racial/ethnic diverse representation in manager and above roles (U.S.)

Annual goals for our leadership team focus on improving diversity, reducing turnover, and encouraging internal promotions.

## Protecting Our Environment

By 2050



ACHIEVE  
**CARBON  
NEUTRALITY**

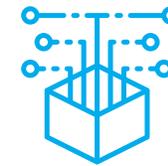
By 2026



REDUCE OUR GHG  
EMISSIONS INTENSITY BY  
**10%**  
vs 2021 baseline

## Responsible Sourcing

By 2026



ACHIEVE  
**75%**

response rate on our responsible sourcing campaigns



ACHIEVE  
**100%**

sourcing of Conflict Minerals and Cobalt from smelters conformant with Responsible Minerals Assurance Process (RMAP) or an equivalent standard

# Sensata 2021 US GAAP Income Statement

<i>\$ and shares outstanding in millions, except EPS</i>	2021	2020	B/(W)
Revenue	\$3,820.8	\$3,045.6	25.5 %
Gross Profit	\$1,278.4	\$926.5	38.0 %
<i>(% of revenue)</i>	33.5%	30.4%	
R&D	\$159.1	\$131.4	(21.0)%
<i>(% of revenue)</i>	4.2%	4.3%	
SG&A	\$337.0	\$294.7	(14.3)%
<i>(% of revenue)</i>	8.8%	9.7%	
Amortization of Intangibles	\$134.1	\$129.5	(3.5)%
<i>(% of revenue)</i>	3.5%	4.3%	
Restructuring and Other	\$14.9	\$33.1	54.8 %
<i>(% of revenue)</i>	0.4%	1.1%	
Operating Income	\$633.2	\$337.7	87.5 %
<i>(% of revenue)</i>	16.6%	11.1%	
Tax Rate	12.2%	0.8%	NM
Net Income	\$363.6	\$164.3	121.3 %
<i>(% of revenue)</i>	9.5%	5.4%	
Diluted EPS	\$2.28	\$1.04	119.2 %
Diluted Shares Outstanding	159.4	158.1	(1.2)

# Sensata 2021 Non-GAAP Income Statement

<i>\$ and shares outstanding in millions, except EPS</i>	2021	2020	B/(W)
Revenue	\$3,820.8	\$3,045.6	25.5 %
Adj. Gross Profit <i>(% of revenue)</i>	\$1,294.9 33.9%	\$969.4 31.8%	33.6 %
R&D <i>(% of revenue)</i>	\$159.1 4.2%	\$131.4 4.3%	(21.0)%
Adj. SG&A <i>(% of revenue)</i>	\$321.7 8.4%	\$269.2 8.8%	(19.5)%
Adj. Operating Income <i>(% of revenue)</i>	\$806.0 21.1%	\$562.1 18.5%	43.4 %
Adj Tax Rate <sup>1</sup>	9.4%	11.7%	230 bps
Adj. Net Income <i>(% of revenue)</i>	\$566.8 14.8%	\$349.2 11.5%	62.3 %
Adj. EPS	\$3.56	\$2.21	61.1 %
Diluted Shares Outstanding	159.4	158.1	(1.2)

<sup>1</sup> – Adjusted tax rate expressed as a % of adjusted profit before tax. Adjusted tax rate expressed as a % of adjusted EBIT was 7.4% and 8.3% in FY2021 and FY2020, respectively.



## Contact Info

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