

REFINITIV

## DELTA REPORT

### 10-Q

TE CONNECTIVITY LTD.

10-Q - DECEMBER 27, 2024 COMPARED TO 10-Q - JUNE 28, 2024

The following comparison report has been automatically generated

**TOTAL DELTAS** 1318

CHANGES	254
DELETIONS	543
ADDITIONS	521

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 10-Q**

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
For the Quarterly Period Ended **June 28, December 27, 2024**

or

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

001-33260

(Commission File Number)



Graphic

**TE CONNECTIVITY LTD. PLC**

(Exact name of registrant as specified in its charter)

**Switzerland Ireland**

(Jurisdiction of Incorporation)

**98-0518048 98-1779916**

(I.R.S. Employer Identification No.)

**Mühlenstrasse 26, CH-8200 +353 Schaffhausen,**

**Switzerland**

**+41 91 (0)52633 66 61 378 040**

(Registrant's telephone number)

(Address of principal executive offices)

**Parkmore Business Park West, Parkmore, Ballybrit, Galway, H91VN2T, Ireland**

(Address and postal code of principal executive offices)

**Securities registered pursuant to Section 12(b) of the Act:**

<b>Title of each class</b>	<b>Trading symbol</b>	<b>Name of each exchange on which registered</b>
Common Ordinary Shares, Par Value <b>CHF 0.57 \$0.01</b>	TEL	New York Stock Exchange
0.00% Senior Notes due 2025*	TEL/25	New York Stock Exchange
0.00% Senior Notes due 2029*	TEL/29	New York Stock Exchange

\*Issued by Tyco Electronics Group S.A., an indirect wholly-owned subsidiary of TE Connectivity plc

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (\$232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The number of **common** ordinary shares outstanding as of **July 19, 2024** **January 17, 2025** was **303,918,662** **298,353,180**.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

TE CONNECTIVITY LTD. PLC

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(UNAUDITED)

	For the		For the		For the	
	Quarters Ended		Nine Months Ended		Quarters Ended	
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023	December 27, 2024	December 29, 2023
Net sales	\$ 3,979	\$ 3,998	\$ 11,777	\$ 11,999	\$ 3,836	\$ 3,831
Cost of sales	2,593	2,699	7,704	8,229	2,476	2,507
<b>Gross margin</b>	<b>1,386</b>	<b>1,299</b>	<b>4,073</b>	<b>3,770</b>	<b>1,360</b>	<b>1,324</b>
Selling, general, and administrative expenses	431	431	1,299	1,258	427	424
Research, development, and engineering expenses	189	176	546	534	188	173
Acquisition and integration costs	5	9	16	26	5	8
Restructuring and other charges, net	6	53	67	283	50	21
<b>Operating income</b>	<b>755</b>	<b>630</b>	<b>2,145</b>	<b>1,669</b>	<b>690</b>	<b>698</b>
Interest income	20	18	61	39	23	22
Interest expense	(18)	(20)	(55)	(61)	(6)	(18)
Other expense, net	(3)	(4)	(11)	(13)	(1)	(3)
<b>Income from continuing operations before income taxes</b>	<b>754</b>	<b>624</b>	<b>2,140</b>	<b>1,634</b>	<b>706</b>	<b>699</b>
Income tax (expense) benefit	(181)	(96)	778	(283)	(178)	1,105
<b>Income from continuing operations</b>	<b>573</b>	<b>528</b>	<b>2,918</b>	<b>1,351</b>	<b>528</b>	<b>1,804</b>
Income (loss) from discontinued operations, net of income taxes	—	—	(1)	7	—	—
Loss from discontinued operations, net of income taxes	—	—	—	—	—	(1)
<b>Net income</b>	<b>\$ 573</b>	<b>\$ 528</b>	<b>\$ 2,917</b>	<b>\$ 1,358</b>	<b>\$ 528</b>	<b>\$ 1,803</b>
<b>Basic earnings per share:</b>						
Income from continuing operations	\$ 1.87	\$ 1.68	\$ 9.47	\$ 4.28	\$ 1.77	\$ 5.80
Income (loss) from discontinued operations	—	—	—	0.02	—	—
Net income	1.87	1.68	9.47	4.30	1.77	5.80
<b>Diluted earnings per share:</b>						
Income from continuing operations	\$ 1.86	\$ 1.67	\$ 9.41	\$ 4.25	\$ 1.75	\$ 5.76
Income (loss) from discontinued operations	—	—	—	0.02	—	—
Net income	1.86	1.67	9.41	4.27	1.75	5.76

Weighted-average number of shares outstanding:							
Basic		306	315	308	316	299	311
Diluted		308	317	310	318	301	313

See Notes to Condensed Consolidated Financial Statements.

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**TE CONNECTIVITY LTD. PLC**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**(UNAUDITED)**

	For the Quarters Ended		For the Nine Months Ended		For the Quarters Ended	
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023	December 27, 2024	December 29, 2023

	(in millions)				(in millions)	
<b>Net income</b>	\$ 573 \$ 528 \$ 2,917 \$ 1,358				\$ 528	\$ 1,803
<b>Other comprehensive income (loss):</b>						
Currency translation	(45)	(25)	5	358	(166)	163
Adjustments to unrecognized pension and postretirement benefit costs, net of income taxes	—	1	(12)	4	(9)	(18)
Gains (losses) on cash flow hedges, net of income taxes	15	(42)	53	65	(56)	28
Other comprehensive income (loss)	(30)	(66)	46	427	(231)	173
<b>Comprehensive income</b>	<b>543</b>	<b>462</b>	<b>2,963</b>	<b>1,785</b>	<b>297</b>	<b>1,976</b>
Less: comprehensive (income) loss attributable to noncontrolling interests	1	(1)	(1)	(12)	9	(4)
<b>Comprehensive income attributable to TE Connectivity Ltd.</b>	<b>\$ 544</b>	<b>\$ 461</b>	<b>\$ 2,962</b>	<b>\$ 1,773</b>		
<b>Comprehensive income attributable to TE Connectivity plc</b>	<b>\$ 306</b>	<b>\$ 1,972</b>				

See Notes to Condensed Consolidated Financial Statements.

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**TE CONNECTIVITY LTD. PLC**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
**(UNAUDITED)**

	June 28, 2024	September 29, 2023
	(in millions, except share data)	
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 1,469	\$ 1,661
Accounts receivable, net of allowance for doubtful accounts of \$37 and \$30, respectively	2,889	2,967
Inventories	2,669	2,552
Prepaid expenses and other current assets	686	712
Total current assets	7,713	7,892
Property, plant, and equipment, net	3,758	3,754
Goodwill	5,664	5,463
Intangible assets, net	1,177	1,175
Deferred income taxes	3,768	2,600
Other assets	818	828
<b>Total assets</b>	<b>\$ 22,898</b>	<b>\$ 21,712</b>
<b>Liabilities, redeemable noncontrolling interests, and shareholders' equity</b>		
Current liabilities:		
Short-term debt	\$ 1,249	\$ 682
Accounts payable	1,662	1,563
Accrued and other current liabilities	2,206	2,218
Total current liabilities	5,117	4,463
Long-term debt	2,953	3,529
Long-term pension and postretirement liabilities	720	728
Deferred income taxes	186	185
Income taxes	386	365
Other liabilities	781	787
<b>Total liabilities</b>	<b>10,143</b>	<b>10,057</b>
Commitments and contingencies (Note 9)		
Redeemable noncontrolling interests	123	104
Shareholders' equity:		
Common shares, CHF 0.57 par value, 316,574,781 shares authorized and issued, and 322,470,281 shares authorized and issued, respectively	139	142
Accumulated earnings	14,253	12,947
Treasury shares, at cost, 12,129,385 and 10,487,742 shares, respectively	(1,647)	(1,380)
Accumulated other comprehensive loss	(113)	(158)
<b>Total shareholders' equity</b>	<b>12,632</b>	<b>11,551</b>
<b>Total liabilities, redeemable noncontrolling interests, and shareholders' equity</b>	<b>\$ 22,898</b>	<b>\$ 21,712</b>
	December 27, 2024	September 27, 2024
	(in millions, except share data)	
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 1,254	\$ 1,319

Accounts receivable, net of allowance for doubtful accounts of \$34 and \$32, respectively	2,912	3,055
Inventories	2,619	2,517
Prepaid expenses and other current assets	734	740
Total current assets	7,519	7,631
Property, plant, and equipment, net	3,759	3,903
Goodwill	5,835	5,801
Intangible assets, net	1,177	1,174
Deferred income taxes	3,270	3,497
Other assets	881	848
<b>Total assets</b>	<b>\$ 22,441</b>	<b>\$ 22,854</b>
<b>Liabilities, redeemable noncontrolling interests, and shareholders' equity</b>		
Current liabilities:		
Short-term debt	\$ 920	\$ 871
Accounts payable	1,859	1,728
Accrued and other current liabilities	1,694	2,147
Total current liabilities	4,473	4,746
Long-term debt	3,285	3,332
Long-term pension and postretirement liabilities	778	810
Deferred income taxes	203	199
Income taxes	396	411
Other liabilities	773	870
<b>Total liabilities</b>	<b>\$ 9,908</b>	<b>\$ 10,368</b>
Commitments and contingencies (Note 9)		
Redeemable noncontrolling interests	124	131
Shareholders' equity:		
Preferred shares, \$1.00 par value, 2 shares authorized, none outstanding as of December 27, 2024	—	—
Ordinary class A shares, €1.00 par value, 25,000 shares authorized, none outstanding as of December 27, 2024	—	—
Ordinary shares, \$0.01 par value, 1,500,000,000 shares authorized, 300,840,538 shares issued and common shares, CHF 0.57 par value, 316,574,781 shares authorized and issued, respectively	3	139
Accumulated earnings	12,933	14,533
Ordinary shares and common shares held in treasury, at cost, 2,074,979 and 16,656,681 shares, respectively	(310)	(2,322)
Accumulated other comprehensive income (loss)	(217)	5
<b>Total shareholders' equity</b>	<b>\$ 12,409</b>	<b>\$ 12,355</b>
<b>Total liabilities, redeemable noncontrolling interests, and shareholders' equity</b>	<b>\$ 22,441</b>	<b>\$ 22,854</b>

See Notes to Condensed Consolidated Financial Statements.

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**TE CONNECTIVITY LTD. PLC**  
**CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY**  
**(UNAUDITED)**

For the Quarter Ended June 28, 2024	For the Quarter Ended
Accumulated	Common/

Statement of Shareholders' Equity										Statement of Shareholders' Equity			
Common Shares		Treasury Shares		Contributed	Accumulated	Comprehensive	Shareholders'	Non-	Common/		Ordinary Shares		
Shares	Amount	Shares	Amount	Surplus	Earnings	Loss	controlling	Total	Ordinary Shares	Held in Treasury	Shares	Amount	Contributed
							Equity	Equity	Equity	Shares	Amount	Shares	Amount

	(in millions)															
Balance at																
March 29, 2024	316	\$	139	(10)	\$(1,295)	\$	—	\$	13,689	\$	(84)	\$	12,449	\$	5	\$12,454
Balance at September 27, 2024	316	\$	139	(17)	\$(2,322)	\$	—									
Change in place of incorporation	—															
Cancellation of treasury shares	—															
Net income	—	—	—	—	—	573	—	573	—	573	—	—	—	—	—	
Other comprehensive loss	—	—	—	—	—	—	(29)	(29)	—	(29)	—	—	—	—	—	
Share-based compensation expense	—	—	—	—	31	—	—	31	—	31	—	—	—	—	35	
Dividends	—	—	—	—	—	6	—	6	—	6	—					

Exercise of share options	—	—	1	19	—	—	—	19	—	19	1	—	—	34
Restricted share award vestings and other activity	—	—	—	38	(31)	(15)	—	(8)	—	(8)	1	—	—	(69)
Repurchase of common shares	—	—	(3)	(409)	—	—	—	(409)	—	(409)	—	—	—	—
Purchase of noncontrolling interests	—	—	—	—	—	—	—	—	—	(5)	(5)	—	—	—
<b>Balance at June 28, 2024</b>	<b>316</b>	<b>\$ 139</b>	<b>(12)</b>	<b>\$ (1,647)</b>	<b>\$ —</b>	<b>\$ 14,253</b>	<b>\$ (113)</b>	<b>\$ 12,632</b>	<b>\$ —</b>	<b>\$ 12,632</b>	<b>301</b>	<b>\$ 3</b>	<b>(2)</b>	<b>\$ (310)</b>
Repurchase of ordinary shares	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Balance at December 27, 2024</b>	<b>301</b>	<b>\$ 3</b>	<b>(2)</b>	<b>\$ (310)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>301</b>	<b>\$ 3</b>	<b>(2)</b>	<b>\$ (310)</b>

For the Nine Months Ended June 28, 2024														
	Accumulated													
	Common Shares		Treasury Shares		Contributed		Accumulated		Other		Total			
	Shares	Amount	Shares	Amount	Surplus	—	Earnings	—	Comprehensive Loss	Shareholders' Equity	Controlling Interests	Non-Controlling Interests		
(in millions)														
<b>Balance at September 29, 2023</b>														
2023	322	\$ 142	(10)	\$ (1,380)	\$ —	\$ —	\$ 12,947	\$ (158)	\$ 11,551	\$ —	\$ —	\$ 11,551		
Noncontrolling interests associated with acquisition	—	—	—	—	—	—	—	—	—	—	5	5		
Net income	—	—	—	—	—	—	2,917	—	2,917	—	—	2,917		
Other comprehensive income	—	—	—	—	—	—	—	45	45	—	—	45		
Share-based compensation expense	—	—	—	—	100	—	—	—	—	100	—	100		
Dividends	—	—	—	—	—	(789)	—	(789)	(789)	—	—	(789)		
Exercise of share options	—	—	1	52	—	—	—	—	—	52	—	52		
Restricted share award vestings and other activity	—	—	—	169	(100)	(78)	—	—	(9)	—	—	(9)		
Repurchase of common shares	—	—	(9)	(1,235)	—	—	—	—	(1,235)	—	—	(1,235)		
Cancellation of treasury shares	(6)	(3)	6	747	—	(744)	—	—	—	—	—	—		
Purchase of noncontrolling interests	—	—	—	—	—	—	—	—	—	(5)	(5)	(5)		
<b>Balance at June 28, 2024</b>	<b>316</b>	<b>\$ 139</b>	<b>(12)</b>	<b>\$ (1,647)</b>	<b>\$ —</b>	<b>\$ 14,253</b>	<b>\$ (113)</b>	<b>\$ 12,632</b>	<b>\$ —</b>	<b>\$ 12,632</b>	<b>301</b>	<b>\$ 3</b>	<b>(2)</b>	<b>\$ (310)</b>

TE CONNECTIVITY LTD.

CONDENSED CONSOLIDATED STATEMENTS OF EQUITY

(UNAUDITED) (Continued)

For the Quarter Ended June 30, 2023										For the			
Accumulated										Common Share			
Common Shares		Treasury Shares		Contributed	Accumulated	Comprehensive	Shareholders' controlling	Total	Non-	Common Shares		Held in Treasur	
Shares	Amount	Shares	Amount	Surplus	Earnings	Loss	Equity	Equity	Interests	Shares	Amount	Shares	Amount

(in millions)

(in millions)													
Balance at March													
31, 2023	322	\$ 142	(7)	\$ (933)	\$ —	\$ 11,824	\$ (13)	\$ 11,020	\$ —	\$ 11,020			
Balance at September													
29, 2023													
Net income	—	—	—	—	—	528	—	528	—	528	—	—	—
Other													
comprehensive													
loss	—	—	—	—	—	—	(67)	(67)	—	(67)	—	—	—
Other													
comprehensive													
income													

Share-based compensation expense	—	—	—	—	32	—	—	32	—	32	—	—	—	
Dividends	—	—	—	—	—	4	—	4	—	4	—	4	—	
Exercise of share options	—	—	—	13	—	—	—	13	—	13	—	—	1	
Restricted share award vestings and other activity	—	—	—	24	(32)	16	—	8	—	8	—	—	9	
Repurchase of common shares	—	—	(1)	(189)	—	—	—	(189)	—	(189)	—	—	(42)	
<b>Balance at June 30, 2023</b>	<b>322</b>	<b>\$ 142</b>	<b>(8)</b>	<b>\$ (1,085)</b>	<b>—</b>	<b>\$ 12,372</b>	<b>\$ (80)</b>	<b>\$ 11,349</b>	<b>\$ —</b>	<b>\$ 11,349</b>	<b>—</b>	<b>—</b>	<b>—</b>	
<b>Balance at December 29, 2023</b>											<b>322</b>	<b>\$ 142</b>	<b>(13)</b>	<b>\$ (1,69)</b>

For the Nine Months Ended June 30, 2023													
Accumulated													
Other Total Non-													
	Common Shares	Treasury Shares	Contributed	Accumulated	Comprehensive	Shareholders'	controlling	Total					
	Shares	Amount	Shares	Amount	Surplus	Earnings	Loss	Equity	Interests				Total
	(in millions)												
<b>Balance at September 30, 2022</b>	<b>331</b>	<b>\$ 146</b>	<b>(13)</b>	<b>\$ (1,681)</b>	<b>—</b>	<b>\$ 12,832</b>	<b>\$ (495)</b>	<b>\$ 10,802</b>	<b>\$ —</b>	<b>\$ 10,802</b>	<b>—</b>	<b>—</b>	<b>—</b>
Net income	—	—	—	—	—	1,358	—	1,358	—	1,358	—	—	1,358
Other comprehensive income	—	—	—	—	—	—	415	415	—	415	—	—	415
Share-based compensation expense	—	—	—	—	95	—	—	95	—	95	—	—	95
Dividends	—	—	—	—	—	(740)	—	(740)	—	(740)	—	—	(740)
Exercise of share options	—	—	—	33	—	—	—	33	—	33	—	—	33
Restricted share award vestings and other activity	—	—	1	89	(95)	13	—	7	—	7	—	—	7
Repurchase of common shares	—	—	(5)	(621)	—	—	—	(621)	—	(621)	—	—	(621)
Cancellation of treasury shares	(9)	(4)	9	1,095	—	(1,091)	—	—	—	—	—	—	—
<b>Balance at June 30, 2023</b>	<b>322</b>	<b>\$ 142</b>	<b>(8)</b>	<b>\$ (1,085)</b>	<b>—</b>	<b>\$ 12,372</b>	<b>\$ (80)</b>	<b>\$ 11,349</b>	<b>\$ —</b>	<b>\$ 11,349</b>	<b>—</b>	<b>—</b>	<b>—</b>

See Notes to Condensed Consolidated Financial Statements.

**TE CONNECTIVITY LTD. PLC**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(UNAUDITED)**

		For the		For the	
		Nine Months Ended		Quarters Ended	
		June 28, 2024	June 30, 2023	27, 2024	29, 2023

<b>Cash flows from operating activities:</b>					
(in millions)					
Net income	\$ 2,917	\$ 1,358	\$ 528	\$ 1,803	
(Income) loss from discontinued operations, net of income taxes	1	(7)	—	1	
Loss from discontinued operations, net of income taxes					
Income from continuing operations	2,918	1,351	528	1,804	
Adjustments to reconcile income from continuing operations to net cash provided by operating activities:					
Depreciation and amortization	594	594	186	194	
Deferred income taxes	(1,190)	(121)	98	(1,217)	
Non-cash lease cost	100	106	34	34	
Provision for losses on accounts receivable and inventories	70	82	41	42	
Share-based compensation expense	100	95	35	34	
Impairment of held for sale businesses	—	67	—	—	
Other	53	85	12	40	
Changes in assets and liabilities, net of the effects of acquisitions and divestitures:					
Accounts receivable, net	82	(202)	146	127	
Inventories	(127)	(323)	(118)	(282)	
Prepaid expenses and other current assets	12	(30)	68	(48)	
Accounts payable	99	68	150	128	
Accrued and other current liabilities	(324)	(14)	(295)	(239)	
Income taxes	28	51	30	12	
Other	20	185	(37)	90	
Net cash provided by operating activities	2,435	1,994	878	719	
<b>Cash flows from investing activities:</b>					
Capital expenditures	(467)	(538)	(205)	(151)	
Proceeds from sale of property, plant, and equipment	12	3	1	2	
Acquisition of businesses, net of cash acquired	(339)	(108)	(325)	(349)	
Proceeds from divestiture of businesses, net of cash retained by businesses sold	59	48	—	38	
Proceeds from divestiture of business, net of cash retained by business sold					
Other	(9)	22	(8)	(8)	
Net cash used in investing activities	(744)	(573)	(537)	(468)	
<b>Cash flows from financing activities:</b>					
Net decrease in commercial paper	(21)	(82)	—	—	
Proceeds from issuance of debt	—	499	—	—	
Net increase (decrease) in commercial paper			90	(69)	

Repayment of debt	(2)	(591)	—	(1)
Proceeds from exercise of share options	52	33	34	11
Repurchase of common shares	(1,301)	(674)		
Payment of common share dividends to shareholders	(564)	(541)		
Repurchase of ordinary/common shares			(303)	(476)
Payment of ordinary/common share dividends to shareholders			(189)	(183)
Other	(39)	(30)	(27)	(27)
Net cash used in financing activities	(1,875)	(1,386)	(395)	(745)
Effect of currency translation on cash	(8)	8	(11)	3
<b>Net increase (decrease) in cash, cash equivalents, and restricted cash</b>	<b>(192)</b>	<b>43</b>		
<b>Net decrease in cash, cash equivalents, and restricted cash</b>			<b>(65)</b>	<b>(491)</b>
<b>Cash, cash equivalents, and restricted cash at beginning of period</b>	<b>1,661</b>	<b>1,088</b>	<b>1,319</b>	<b>1,661</b>
<b>Cash, cash equivalents, and restricted cash at end of period</b>	<b>\$ 1,469</b>	<b>\$ 1,131</b>	<b>\$ 1,254</b>	<b>\$ 1,170</b>

See Notes to Condensed Consolidated Financial Statements.

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### TE CONNECTIVITY LTD. PLC

#### NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

##### 1. Basis of Presentation and Accounting Policies

The unaudited Condensed Consolidated Financial Statements of TE Connectivity Ltd. plc ("TE Connectivity" or the "Company," which may be referred to as "we," "us," or "our") have been prepared in United States ("U.S.") dollars, in accordance with accounting principles generally accepted in the U.S. ("GAAP") and the instructions to Form 10-Q under the Securities Exchange Act of 1934. In management's opinion, the unaudited Condensed Consolidated Financial Statements contain all normal recurring adjustments necessary for a fair presentation of interim results. The results of operations reported for interim periods are not necessarily indicative of the results of operations for the entire fiscal year or any subsequent interim period.

The year-end balance sheet data was derived from audited financial statements, but does not include all of the information and disclosures required by GAAP. These financial statements should be read in conjunction with our audited Consolidated Financial Statements contained in our Annual Report on Form 10-K for the fiscal year ended **September 29, 2023** **September 27, 2024**.

Unless otherwise indicated, references in the Condensed Consolidated Financial Statements to fiscal **2024** **2025** and fiscal **2023** **2024** are to our fiscal years ending **September 27, 2024** **September 26, 2025** and ended **September 29, 2023** **September 27, 2024**, respectively.

##### Change in Place of Incorporation

In March 2024, The merger between TE Connectivity Ltd., our board of directors approved a proposed change in our jurisdiction of incorporation from Switzerland to Ireland. In connection with the proposed change, we entered into a merger agreement with our former parent entity, and TE Connectivity plc, its wholly-owned subsidiary, was completed on September 30, 2024. TE Connectivity plc, a public limited company incorporated under Irish law. Under the merger agreement, we will be merged with and into TE Connectivity plc, which will be the surviving entity. The merger was approved by shareholders at the special general meeting in June 2024 and is subject to the result, our jurisdiction of incorporation changed from Switzerland to certain closing conditions. We expect to implement the change on or about September 30, 2024. Our shareholders will receive Ireland. Shareholders received one ordinary share of TE Connectivity plc for each common share of TE Connectivity Ltd. held immediately prior to the merger. Upon completion merger and change in place of the merger, incorporation. Effective for fiscal 2025, we will be organized under the laws of Ireland. We do not anticipate any material changes in our operations or financial results as a result of the merger and change in place of incorporation.

##### Recently Issued Accounting Pronouncements New Segment Structure

In March 2024, Effective for fiscal 2025, we reorganized our management and segments to align the U.S. Securities organization around our fiscal 2025 strategy. Our businesses in the former Communications Solutions segment have been moved into the Industrial Solutions segment. Also, the appliances and Exchange Commission ("SEC") issued its final climate disclosure rules, *The Enhancement of Climate-Related Disclosures for Investors*, which require all registrants to provide certain climate-related information in their registration statements and annual reports. The rules require disclosure of, among other things, material climate-related risks, activities to mitigate or adapt to such risks, governance and oversight of such risks, material climate targets and goals, and Scope 1 and/or Scope 2 greenhouse gas emissions, on a phased-in basis, when those emissions are material. connected living business. In addition, we realigned certain product lines and businesses from the final rules require certain disclosures in the notes Industrial Solutions and former Communications Solutions segments to the financial statements, including Transportation Solutions segment. The following represents the effects of severe weather events and other natural conditions. The rules are effective for us on a phased-in timeline starting in fiscal 2026; however, in April 2024, the SEC issued an order to voluntarily stay its final climate rules pending the completion of judicial review thereof by the U.S. Court of Appeals for the Eighth Circuit. We are currently assessing the impact of the rules on our Consolidated Financial Statements. new segment structure:

- *Transportation Solutions*—This segment contains our automotive, commercial transportation, and sensors businesses.
- *Industrial Solutions*—This segment contains our aerospace, defense, and marine; medical; energy; digital data networks (historically referred to as data and devices); and automation and connected living businesses.

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2023-09, *Income Taxes (Topic 740)—Improvement to Income Tax Disclosures*, to enhance the transparency and decision usefulness of income tax disclosures through improvements to disclosures related primarily to the rate reconciliation and income taxes paid information. The amendments are effective for us in fiscal 2026; however, early adoption is permitted. We are currently assessing the impact that adoption will have on our Consolidated Financial Statements.

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In November 2023, the FASB issued ASU No. 2023-07, *Segment Reporting (Topic 280)—Improvements to Reportable Segment Disclosures*, which updates reportable segment disclosure requirements primarily through enhanced disclosures about significant segment expenses. The amendments are effective for our fiscal 2025 Annual Report and subsequent interim periods; however, early adoption is permitted. The amendments should be applied retrospectively to all periods presented in the financial statements. We are currently assessing the impact that adoption will have on our Consolidated Financial Statements. **TE CONNECTIVITY PLC**

## Recently Adopted Accounting Pronouncement **NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**

In September 2022, the FASB issued ASU No. 2022-04, *Liabilities—Supplier Finance Programs (Subtopic 405-50)—Disclosure of Supplier Finance Program Obligations*, to enhance transparency and introduce new disclosures related to an entity's use of supplier finance programs in connection with the purchase of goods and services. The ASU requires us, as a buyer in a supplier finance program, to disclose the key terms of the program, the amount of obligations outstanding, the balance sheet presentation of such amounts, and a rollforward of the obligation activity during the annual period. We adopted this update in the first quarter of fiscal 2024. Adoption did not have a material impact on our Condensed Consolidated Financial Statements. See Note 9 for additional information regarding our supply chain finance program.

### 2. Restructuring and Other Charges, Net

Net restructuring and other charges consisted of the following:

	For the		For the	
	Quarters Ended		Nine Months Ended	
	June 28,	June 30,	June 28,	June 30,
	2024	2023	2024	2023
(in millions)				
Restructuring charges, net	\$ 16	\$ 42	\$ 57	\$ 208

(Gain) loss on divestitures and impairment of held for sale businesses, net	(21)	10	(10)	72
Costs related to change in place of incorporation	3	—	11	—
Other charges, net	8	1	9	3
Restructuring and other charges, net	<u>\$ 6</u>	<u>\$ 53</u>	<u>\$ 67</u>	<u>\$ 283</u>

#### **Restructuring Charges, Net (Continued)**

Net restructuring charges by segment were as follows:

	For the		For the	
	Quarters Ended		Nine Months Ended	
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023
(in millions)				
Transportation Solutions	\$ 9	\$ 27	\$ 26	\$ 119
Industrial Solutions	6	11	22	53
Communications Solutions	1	4	9	36
Restructuring charges, net	<u>\$ 16</u>	<u>\$ 42</u>	<u>\$ 57</u>	<u>\$ 208</u>

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## **2. Restructuring and Other Charges, Net**

Net restructuring and other charges consisted of the following:

	For the	
	Quarters Ended	
	December 27, 2024	December 29, 2023
(in millions)		
Restructuring charges, net	\$ 43	\$ 9
Loss on divestiture	—	11
Costs related to change in place of incorporation	10	—
Other charges (credits), net	(3)	1
Restructuring and other charges, net	<u>\$ 50</u>	<u>\$ 21</u>

#### **Restructuring Charges, Net**

Net restructuring charges by segment were as follows:

	For the	
	Quarters Ended	
	December 27, 2024	December 29, 2023

	2024	2023
	(in millions)	
Transportation Solutions	\$ 26	\$ 2
Industrial Solutions	17	7
Restructuring charges, net	<u><u>\$ 43</u></u>	<u><u>\$ 9</u></u>

Activity in our restructuring reserves was as follows:

Balance at						Balance at						Balance at						Balance at					
September 29,		Changes in		Cash		Non-Cash		Currency		June 28,		September 27,		Changes in		Cash		Non-Cash		Currency			
2023	2024	Charges	Estimate	Payments	Items	Translation	2024	2024	Translation	2024	2024	Charges	Estimate	Payments	Items	Translation	2024	2024	Translation	2024	2024	Translation	

	(in millions)						(in millions)					
Fiscal 2025												
Actions:												
Employee severance												
Property, plant, and equipment												
Total												
Fiscal 2024												
Actions:												
Employee severance	\$ —	\$ 24	\$ —	\$ (4)	\$ —	\$ —	\$ 72	2	—	(11)	—	(4)
Fiscal 2023												
Actions:												
Employee severance	187	9	(14)	(61)	—	2	123					

Facility and other exit costs	2	6	—	(8)	—	—	—	—	—	—	—	—
Property, plant, and equipment	—	6	—	—	(6)	—	—	—	—	—	2	—
Total	189	21	(14)	(69)	(6)	2	123	72	2	2	(11)	(2)
Pre-Fiscal 2023 Actions:												
Pre-Fiscal 2024 Actions:												
Employee severance	127	3	7	(56)	—	3	84	186	9	(2)	(26)	—
Facility and other exit costs	4	18	—	(12)	—	—	10	15	1	—	(5)	—
Property, plant, and equipment	—	(2)	—	—	2	—	—	—	1	—	—	(1)
Total	131	19	7	(68)	2	3	94	201	11	(2)	(31)	(1)
Total Activity	\$ 320	\$ 64	\$ (7)	\$ (141)	\$ (4)	\$ 5	\$ 237	\$ 273	\$ 43	\$ —	\$ (42)	\$ (6)
	<b>\$</b>											

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#### TE CONNECTIVITY PLC

#### NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(Continued)

##### **Fiscal 2025 Actions**

During fiscal 2025, we initiated a restructuring program associated with footprint consolidation and cost structure improvements in both of our segments. During the quarter ended December 27, 2024, we recorded restructuring charges of \$30 million in connection with this program. We expect to complete all restructuring actions commenced during the quarter ended December 27, 2024 by the end of fiscal 2032 and to incur additional charges of approximately \$10 million related primarily to facility exit costs in the Industrial Solutions segment.

##### **Fiscal 2024 Actions**

During fiscal 2024, we initiated a restructuring program to optimize our manufacturing footprint and improve the cost structure of the organization, primarily in organization. In connection with this program, during the Industrial Solutions quarters ended December 27, 2024 and Transportation Solutions segments. During the nine months ended June 28, 2024 December 29, 2023, we recorded net restructuring charges of \$24 million in connection with this program. \$4 million and \$5 million, respectively. We expect to complete all restructuring actions commenced during the nine months ended June 28, 2024 fiscal 2024 by the end of fiscal 2025 and anticipate that additional charges related to actions commenced during the nine months ended June 28, 2024 fiscal 2024 will be insignificant.

##### **Fiscal 2023 Pre-Fiscal 2024 Actions**

During fiscal 2023, we initiated a restructuring program associated with cost structure improvements across all segments. In connection with this program, during the nine months quarters ended June 28, 2024 December 27, 2024 and June 30, 2023 December 29, 2023, we recorded net restructuring charges of \$7 million \$9 million and \$200 million \$4 million, respectively, related to pre-fiscal 2024 actions. We expect to

complete all restructuring actions commenced during fiscal 2023 by the end of fiscal 2025 and to incur additional charges of approximately \$10 million related primarily to employee severance and facility exit costs.

The following table summarizes expected, incurred, and remaining charges for in connection with the fiscal 2023 program by segment as of June 28, 2024:

	Total	Cumulative	Remaining
	Expected	Charges	Expected
	Charges	Incurred	Charges
(in millions)			
Transportation Solutions	\$ 147	\$ 141	\$ 6
Industrial Solutions	82	79	3
Communications Solutions	35	34	1
Total	<u>\$ 264</u>	<u>\$ 254</u>	<u>\$ 10</u>

#### ***Pre-Fiscal 2023 Actions***

During the nine months ended June 28, 2024 and June 30, 2023, we recorded net restructuring charges of \$26 million and \$8 million, respectively, related to pre-fiscal 2023 actions. We expect that any additional charges related to restructuring actions commenced prior to fiscal 2023 will be insignificant. 2024.

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#### ***Total Restructuring Reserves***

Restructuring reserves included on the Condensed Consolidated Balance Sheets were as follows:

	June 28, 2024	September 29, 2023	December 27, 2024	September 27, 2024
Accrued and other current liabilities	\$ 197	\$ 240	\$ 219	\$ 233
Other liabilities	40	80	35	40
Restructuring reserves	<u>\$ 237</u>	<u>\$ 320</u>	<u>\$ 254</u>	<u>\$ 273</u>

#### ***Divestitures Divestiture***

During the nine months quarter ended June 28, 2024 December 29, 2023, we sold one business for net cash proceeds of \$59 million \$38 million. In connection with the divestiture, we recorded a pre-tax gain loss on sale of \$10 million \$11 million in the nine months quarter ended June 28, 2024 December 29, 2023. Additionally, during the nine months ended June 30, 2023, we recorded a pre-tax impairment charge of \$60 million when the business was reclassified to held for sale. The business sold was reported in our Transportation Solutions segment.

During the nine months ended June 30, 2023, we sold three businesses for net cash proceeds of \$48 million. In connection with the divestitures, we recorded pre-tax impairment charges and a net pre-tax loss on sales, which totaled to a net charge of \$12 million. The businesses sold were both reported in our Industrial Solutions segment.

#### Change in Place of Incorporation

During the **nine months** quarter ended **June 28, 2024** **December 27, 2024**, we incurred costs of **\$11 million** **\$10 million** related to our change in place of incorporation from Switzerland to Ireland. See Note 1 for additional information regarding the change.

#### 3. Acquisitions

During the quarter ended **December 29, 2023** **December 27, 2024**, we acquired approximately 98.7% of the outstanding shares of Schaffner Holding AG ("Schaffner"), two businesses for a leader in electromagnetic solutions based in Switzerland, for CHF 505.00 per share in combined cash for a purchase price of CHF 294 million (equivalent to \$339 million), \$325 million, net of cash acquired. As a result of the transaction, we recognized a noncontrolling interest with a fair value of \$5 million as of the acquisition date. The acquisition was acquired businesses have been reported as part of our Industrial Solutions segment from the date of acquisition. Our valuation of identifiable intangible assets, assets acquired, and liabilities assumed is

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#### TE CONNECTIVITY PLC

#### NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(Continued)

currently in process; therefore, the current allocation is subject to adjustment upon finalization of the valuations. The amount of these potential adjustments could be significant.

During the quarter ended **June 28, 2024** **December 29, 2023**, we completed a squeeze-out acquired approximately 98.7% of the remaining minority shareholders outstanding shares of Schaffner Holding AG, a leader in electromagnetic solutions based in Switzerland, for \$5 million and the Schaffner shares were delisted from the SIX Swiss Exchange.

We acquired one business CHF 505.00 per share in cash for a cash purchase price of \$108 million, CHF 302 million (equivalent to \$349 million), net of cash acquired. The acquired during the nine months ended June 30, 2023. The acquisition was business has been reported as part of our Industrial Solutions segment from the date of acquisition.

#### 4. Inventories

Inventories consisted of the following:

	June 28, 2024	September 29, 2023	December 27, 2024	September 27, 2024
Raw materials	\$ 351	\$ 367	\$ 357	\$ 328

Work in progress	1,170	1,185	1,127	1,063
Finished goods	1,148	1,000	1,135	1,126
Inventories	<u>\$ 2,669</u>	<u>\$ 2,552</u>	<u>\$ 2,619</u>	<u>\$ 2,517</u>

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**5. Goodwill**

The changes in the carrying amount of goodwill by segment were as follows: follows<sup>(1)</sup>:

Transportation	Industrial	Communications		Transportation	Industrial	
Solutions	Solutions	Solutions	Total	Solutions	Solutions	Total

(in millions)						
(in millions)						
September 29, 2023 <sup>(1)</sup>	\$ 1,478	\$ 3,263	\$ 722	\$ 5,463		
Acquisition	—	181	—	181		
Currency translation and other	5	11	4	20		
June 28, 2024 <sup>(1)</sup>	<u>\$ 1,483</u>	<u>\$ 3,455</u>	<u>\$ 726</u>	<u>\$ 5,664</u>		
September 27, 2024 <sup>(2)</sup>					\$ 1,584	\$ 4,217
Acquisitions					—	225
Currency translation					(52)	(139)
December 27, 2024 <sup>(2)</sup>					<u>\$ 1,532</u>	<u>\$ 4,303</u>
						<u>\$ 5,835</u>

(1) In connection with the reorganization of our segments, goodwill was reallocated to reporting units using a relative fair value approach. See Note 1 for additional information regarding our new segment structure.

(2) At June 28, 2024 December 27, 2024 and September 29, 2023 September 27, 2024, accumulated impairment losses for the Transportation Solutions Industrial Solutions, and Communications Industrial Solutions segments were \$3,091 million \$669 and \$1,158 million, and \$489 million, respectively.

During the nine months quarter ended June 28, 2024 December 27, 2024, we recognized goodwill in the Industrial Solutions segment in connection with an acquisition, recent acquisitions. See Note 3 for additional information regarding acquisitions.

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**TE CONNECTIVITY PLC**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**  
**(Continued)**

**6. Intangible Assets, Net**

Intangible assets consisted of the following:

June 28, 2024			September 29, 2023			December 27, 2024			September 27, 2024		
Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Carrying Amount	Accumulated Amortization	Carrying Amount	Accumulated Amortization	Carrying Amount	Accumulated Amortization	Carrying Amount	Accumulated Amortization	Carrying Amount	Accumulated Amortization	Carrying Amount	Accumulated Amortization

	(in millions)						(in millions)					
Customer relationships	\$1,840	\$ (891)	\$ 949	\$ 1,720	\$ (806)	\$ 914	\$1,885	\$ (927)	\$ 958	\$ 1,901	\$ (948)	\$ 953
Intellectual property	712	(500)	212	1,186	(938)	248	634	(430)	204	686	(481)	205
Other	23	(7)	16	19	(6)	13	23	(8)	15	23	(7)	16
Total	<u>\$2,575</u>	<u>\$ (1,398)</u>	<u>\$1,177</u>	<u>\$2,925</u>	<u>\$ (1,750)</u>	<u>\$1,175</u>	<u>\$2,542</u>	<u>\$ (1,365)</u>	<u>\$1,177</u>	<u>\$2,610</u>	<u>\$ (1,436)</u>	<u>\$1,174</u>

Intangible asset amortization expense was **\$41 million** **\$39 million** and **\$46 million** **\$42 million** for the quarters ended **June 28, 2024** **December 27, 2024** and **June 30, 2023**, respectively, and **\$126 million** and **\$141 million** for the nine months ended **June 28, 2024** and **June 30, 2023** **December 29, 2023**, respectively.

At **June 28, 2024** **December 27, 2024**, the aggregate amortization expense on intangible assets is expected to be as follows:

**(in millions)** **(in millions)**

Remainder of fiscal 2024	\$ 41	
Fiscal 2025	159	
Remainder of fiscal 2025	\$ 122	
Fiscal 2026	152	157
Fiscal 2027	133	139
Fiscal 2028	100	106
Fiscal 2029	93	99
Fiscal 2030		91
Thereafter	499	463
Total	\$ 1,177	\$ 1,177

## 7. Debt

As of **June 28, 2024** **December 27, 2024**, Tyco Electronics Group S.A. ("TEGSA"), our wholly-owned subsidiary, had **\$309 million** **\$345 million** of commercial paper outstanding at a weighted-average interest rate of **5.48%** **4.50%**. TEGSA had **\$330 million** **\$255 million** of commercial paper outstanding at a weighted-average interest rate of **5.50%** **4.95%** at **September 29, 2023** **September 27, 2024**.

During the nine months ended June 28, 2024, we reclassified €550 million of 0.00% euro-denominated Payment obligations under TEGSA's senior notes, due in February 2025 from long-term debt to short-term debt on the Condensed Consolidated Balance Sheet.

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TEGSA entered into a new commercial paper, and five-year unsecured senior revolving credit facility ("Credit Facility") in April 2024 with aggregate commitments of \$1.5 billion, which refinanced are fully and replaced in full unconditionally guaranteed on an unsecured basis by TEGSA's existing \$1.5 billion five-year unsecured senior revolving credit facility (the "Replaced Credit Facility"). The Credit Facility matures in April 2029 and permits, subject to conditions set forth therein, our contemplated merger and change in jurisdiction of incorporation. See Note 1 for additional information regarding the merger and change in our jurisdiction of incorporation. TEGSA had no borrowings under the Credit Facility at June 28, 2024 or the Replaced Credit Facility at September 29, 2023.

Borrowings under the Credit Facility bear interest at a rate per annum equal to, at the option of TEGSA, (1) with respect to revolving loans denominated in U.S. dollars, (a) the term secured overnight financing rate ("Term SOFR") (as defined in the Credit Facility) or (b) an alternate base rate equal to the highest of (i) Bank of America, N.A.'s base rate, (ii) the federal funds effective rate plus  $1/2$  of 1%, (iii) the Term SOFR for a one-month interest period plus 1% parent, TE Connectivity Switzerland Ltd., and (iv) 1%, and (2) with respect to revolving loans determined in an alternative currency, (a) an alternative currency daily rate or (b) an alternative currency term rate, as applicable, plus, in each case, an applicable margin based upon the senior, unsecured, long-term debt rating of TEGSA. TEGSA is required to pay an annual facility fee. Based on the applicable credit ratings of TEGSA, this fee ranges from 5.0 to 12.5 basis points of the lenders' commitments under the Credit Facility. its parent, TE Connectivity plc.

The fair value of our debt, based on indicative valuations, was approximately **\$4,079 million** **\$4,126 million** and **\$3,974 million** **\$4,190 million** at **June 28, 2024** **December 27, 2024** and **September 29, 2023** **September 27, 2024**, respectively.

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**TE CONNECTIVITY PLC**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**  
**(Continued)**

**8. Leases**

The components of lease cost were as follows:

	For the Quarters Ended		For the Nine Months Ended		For the Quarters Ended	
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023	December 27, 2024	December 29, 2023
	(in millions)					
Operating lease cost	\$ 33	\$ 36	\$ 100	\$ 106	\$ 34	\$ 34
Variable lease cost	13	15	38	40	15	12
<b>Total lease cost</b>	<b>\$ 46</b>	<b>\$ 51</b>	<b>\$ 138</b>	<b>\$ 146</b>	<b>\$ 49</b>	<b>\$ 46</b>

Cash flow information, including significant non-cash transactions, related to leases was as follows:

	For the Nine Months Ended		For the Quarters Ended	
	June 28, 2024	June 30, 2023	December 27, 2024	December 29, 2023
	(in millions)			
Cash paid for amounts included in the measurement of lease liabilities:				
Payments for operating leases <sup>(1)</sup>	\$ 105	\$ 94	\$ 35	\$ 34
Right-of-use assets, including modifications of existing leases, obtained in exchange for operating lease liabilities	144	82	30	70

(1) These payments are included in cash flows from operating activities, primarily in changes in accrued and other current liabilities.

## 9. Commitments and Contingencies

### Legal Proceedings

In the normal course of business, we are subject to various legal proceedings and claims, including patent infringement claims, product liability matters, employment disputes, disputes on agreements, other commercial disputes, environmental matters, antitrust claims, and tax matters, including non-income tax matters such as value added tax, sales and use tax, real estate tax, and transfer tax. Although it is not feasible to predict the outcome of these proceedings, based upon our experience, current information, and applicable law, we do not expect that the outcome of these proceedings, either individually or in the aggregate, will have a material effect on our results of operations, financial position, or cash flows.

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### Trade Compliance Matters

We have been investigating our past compliance with relevant U.S. trade controls and have made voluntary disclosures of apparent trade controls violations to the U.S. **Department of Commerce's Bureau of Industry and Security ("BIS") and the U.S. State Department's Directorate of Defense Trade Controls ("DDTC")**. We are cooperating with the **BIS and DDTC on these matters, and the resulting investigations are ongoing. We have also been contacted by the U.S. Department of Justice concerning aspects of these matters, in its ongoing investigation.** We are unable to predict the timing and final outcome of the **agencies' investigations**. An unfavorable outcome may include fines or penalties imposed in response to our disclosures, but we are not yet able to reasonably estimate the extent of any such fines or penalties. Although we have reserved for potential fines and penalties relating to these matters based on our current understanding of the facts, the **investigations** **investigation** into these matters **have** **has** yet to be completed and the final outcome of such **investigations** **investigation** and related fines and penalties may differ from amounts currently reserved.

### Environmental Matters

We are involved in various stages of investigation and cleanup related to environmental remediation matters at a number of sites. The ultimate cost of site cleanup is difficult to predict given the uncertainties regarding the extent of the

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## TE CONNECTIVITY PLC

### NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(Continued)

required cleanup, the interpretation of applicable laws and regulations, and alternative cleanup methods. As of **June 28, 2024** **December 27, 2024**, we concluded that we would incur investigation and remediation costs at these sites in the reasonably possible range of **\$17** **\$18** million to \$43 million, and we accrued \$21 million as the probable loss, which was the best estimate within this range. We believe that any potential payment of such estimated amounts will not have a material adverse effect on our results of operations, financial position, or cash flows.

### Guarantees

In disposing of assets or businesses, we often provide representations, warranties, and/or indemnities to cover various risks including unknown damage to assets, environmental risks involved in the sale of real estate, liability for investigation and remediation of environmental contamination at waste disposal sites and manufacturing facilities, and unidentified tax liabilities and legal fees related to periods prior to disposition. We do not expect that these uncertainties will have a material adverse effect on our results of operations, financial position, or cash flows.

At **June 28, 2024** December 27, 2024, we had outstanding letters of credit, letters of guarantee, and surety bonds of \$185 million, including letters of credit of \$22 million associated with our divestiture of the Subsea Communications business. In addition, as of **June 28, 2024** December 27, 2024, we had **\$24 million** \$23 million of performance guarantees associated with the divestiture. We contractually agreed to continue to honor letters of credit and performance guarantees related to the business' projects that existed as of the date of sale; however, based on historical experience, we do not anticipate having to perform on these guarantees.

#### Supply Chain Finance Program

We have an agreement with a financial institution that allows participating suppliers the ability to finance payment obligations. The financial institution has separate arrangements with the suppliers and provides them with the option to request early payment for invoices. We do not determine the terms or conditions of the arrangement between the financial institution and suppliers. Our obligation to suppliers, including amounts due and scheduled payment dates, are not impacted by the suppliers' decisions to finance amounts under the arrangement and we are not required to post collateral with the financial institution. The outstanding payment obligations under our supply chain finance program, which are included in accounts payable on our Condensed Consolidated Balance Sheets, were **\$106 million** \$126 million and **\$109 million** \$105 million at **June 28, 2024** December 27, 2024 and **September 29, 2023** September 27, 2024, respectively.

#### 10. Financial Instruments

##### Foreign Currency Exchange Rate Risk

As part of managing the exposure to changes in foreign currency exchange rates, we utilize cross-currency swap contracts and foreign currency forward contracts, a portion of which are designated as cash flow hedges. The objective of these contracts is to minimize impacts to cash flows and profitability due to changes in foreign currency exchange rates on intercompany and other cash transactions. We expect that significantly all of the balance in accumulated other comprehensive

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income (loss) associated with the cash flow hedge-designated instruments addressing foreign exchange risks will be reclassified into the Condensed Consolidated Statement of Operations within the next twelve months.

##### Hedge of Net Investment

We hedge our net investment in certain foreign operations using intercompany loans and external borrowings denominated in the same currencies. The aggregate notional value of these hedges was **\$1,556 million** \$2,324 million and **\$1,709** \$2,417 million at **June 28, 2024** December 27, 2024 and **September 29, 2023** September 27, 2024, respectively.

We also use a cross-currency swap program to hedge our net investment in certain foreign operations. The aggregate notional value of the contracts under this program was **\$4,316 million** \$6,138 million and **\$3,806 million** \$5,367 million at **June 28, 2024** December 27, 2024 and **September 29, 2023** September 27, 2024, respectively. Under the terms of these contracts, we receive interest in U.S. dollars at a weighted-average rate of **1.6%** 2.0% per annum and pay no interest. Upon the maturity of these contracts at various dates through fiscal 2028,

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#### TE CONNECTIVITY PLC

#### NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(Continued)

2029, we will pay the notional value of the contracts in the designated foreign currency and receive U.S. dollars from our counterparties. We are not required to provide collateral for these contracts.

These cross-currency swap contracts were recorded on the Condensed Consolidated Balance Sheets as follows:

	June 28, 2024	September 29, 2023	December 27, 2024	September 27, 2024
Prepaid expenses and other current assets	\$ 88	\$ 109	\$ 125	\$ 31
Other assets	47	79	87	11
Accrued and other current liabilities	5	4	3	51
Other liabilities	18	10	3	99

The impacts of our hedge of net investment programs were as follows:

	For the Quarters Ended		For the Nine Months Ended		For the Quarters Ended	
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023	December 27, 2024	December 29, 2023
Foreign currency exchange gains (losses) on intercompany loans and external borrowings <sup>(1)</sup>	\$ 29	\$ 8	\$ 7	\$ (208)	\$ 142	\$ (107)
Gains (losses) on cross-currency swap contracts designated as hedges of net investment <sup>(1)</sup>	48	46	10	(110)	342	(125)

(1) Recorded as currency translation, a component of accumulated other comprehensive income (loss), and offset by changes attributable to the translation of the net investment.

#### Commodity Hedges

As part of managing the exposure to certain commodity price fluctuations, we utilize commodity swap contracts. The objective of these contracts is to minimize impacts to cash flows and profitability due to changes in prices of commodities used in production. These contracts had an aggregate notional value of \$459 million \$481 million and \$488 million at both June 28, 2024 December 27, 2024 and September 29,

2023 September 27, 2024, respectively, and were designated as cash flow hedges. These commodity swap contracts were recorded on the Condensed Consolidated Balance Sheets as follows:

	June 28, 2024	September 29, 2023	December 27, 2024	September 27, 2024
Prepaid expenses and other current assets	\$ 32	\$ 3	\$ 17	\$ 52
Other assets	2	—	—	4
Accrued and other current liabilities	6	21	16	1
Other liabilities	3	5	3	—

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The impacts of our commodity swap contracts were as follows:

	For the		For the		For the	
	Quarters Ended		Nine Months Ended		Quarters Ended	
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023	December 27, 2024	December 29, 2023
(in millions)						
(in millions)						
Gains (losses) recorded in other comprehensive income (loss)	\$ 23	\$ (42)	\$ 62	\$ 36	\$ (46)	\$ 26
Gains (losses) reclassified from accumulated other comprehensive income (loss) into cost of sales	8	3	4	(35)	14	(4)

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**TE CONNECTIVITY PLC**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**  
**(Continued)**

We expect that significantly all of the balance in accumulated other comprehensive income (loss) associated with commodity hedges will be reclassified into the Condensed Consolidated Statement of Operations within the next twelve months.

**11. Retirement Plans**

The net periodic pension benefit cost for all non-U.S. and U.S. defined benefit pension plans was as follows:

	Non-U.S. Plans		U.S. Plans		(in millions)	
	For the		For the			
	Quarters Ended		Quarters Ended			
	June 28,	June 30,	June 28,	June 30,		
	2024	2023	2024	2023		
Operating expense:						
Service cost	\$ 6	\$ 7	\$ 2	\$ 3		
Other (income) expense:						
Interest cost	16	14	10	10		
Expected returns on plan assets	(12)	(12)	(10)	(10)		
Amortization of net actuarial loss	1	1	1	1		
Amortization of prior service credit	(1)	(1)	—	—		
Net periodic pension benefit cost	<u>\$ 10</u>	<u>\$ 9</u>	<u>\$ 3</u>	<u>\$ 4</u>		

	Non-U.S. Plans		U.S. Plans		Non-U.S. Plans		U.S. Plans	
	For the		For the		For the		For the	
	Nine Months Ended		Nine Months Ended		Quarters Ended		Quarters Ended	
	June 28,	June 30,	June 28,	June 30,	December 27,	December 29,	December 27,	December 29,
	2024	2023	2024	2023	2024	2023	2024	2023

Operating expense:	(in millions)				(in millions)			
	\$ 20	\$ 20	\$ 6	\$ 7	\$ 8	\$ 7	\$ 2	\$ 2
Service cost								

Other (income) expense:	46	42	29	29	16	15	8	10
Interest cost	(37)	(34)	(29)	(29)	(15)	(12)	(11)	(10)
Expected returns on plan assets	3	4	3	3	2	1	1	1
Amortization of net actuarial loss	(3)	(3)	—	—	(1)	(1)	—	—
Amortization of prior service credit	\$ 29	\$ 29	\$ 9	\$ 10	\$ 10	\$ 10	\$ —	\$ 3
Net periodic pension benefit cost	<u>\$ 29</u>	<u>\$ 29</u>	<u>\$ 9</u>	<u>\$ 10</u>	<u>\$ 10</u>	<u>\$ 10</u>	<u>\$ —</u>	<u>\$ 3</u>

During the **nine months** quarter ended **June 28, 2024** **December 27, 2024**, we contributed **\$33 million** **\$12 million** and **\$20 million** **\$5 million** to our non-U.S. and U.S. pension plans, respectively.

## 12. Income Taxes

We recorded income tax expense of **\$181 million** **\$178 million** and **\$96 million** an income tax benefit of **\$1,105 million** for the quarters ended **June 28, 2024** **December 27, 2024** and **June 30, 2023** **December 29, 2023**, respectively. The income tax expense for the quarter ended **June 30, 2023** **December 27, 2024** included a **\$19 million** net **\$13 million** of income tax **benefit** **expense** related to the **revaluation of deferred tax assets** as a **divestiture**.

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We recorded an income a decrease in the corporate tax benefit of \$778 million and expense of \$283 million for the **nine months** ended **June 28, 2024** and **June 30, 2023**, respectively. rate in a non-U.S. jurisdiction. The income tax benefit for the **nine months** quarter ended **June 28, 2024** **December 29, 2023** included an \$874 million net income tax benefit associated with a ten-year tax credit obtained by a Swiss subsidiary and a \$262 million income tax benefit related to the revaluation of deferred tax assets as a result of a corporate tax rate increase in Switzerland. In addition, the income tax benefit for the **nine months** quarter ended **June 28, 2024** **December 29, 2023** included a \$118 million income tax benefit associated with the tax impacts of a legal entity restructuring with related costs of \$4 million recorded in selling, general, and administrative expenses for other non-income taxes.

The Organisation for Economic Co-operation and Development ("OECD") and participating countries continue to work toward the enactment of a 15% global minimum corporate tax. More than 30 countries have thus far enacted global minimum tax legislation. Ireland has implemented elements of the OECD's global minimum tax rules effective for us beginning in fiscal 2025. The global minimum tax is a significant structural change to the international taxation framework. We anticipate further legislative activity and administrative guidance throughout fiscal 2025. The legislation did not have a material impact on our cash taxes and income tax expense in the quarter ended December 27, 2024. We continue to monitor evolving tax legislation in the jurisdictions in which we operate.

See Note 17 for information regarding the **nine months** ended **June 30, 2023** included impact of guidance issued by the OECD in January 2025 on the ten-year tax credit obtained by a \$19 million net income tax benefit related to a **divestiture** Swiss subsidiary in fiscal 2024.

Although it is difficult to predict the timing or results of our worldwide examinations, we estimate that, as of **June 28, 2024** **December 27, 2024**, approximately **\$30 million** **\$20 million** of unrecognized income tax benefits, excluding the impact relating to accrued interest and penalties, could be resolved within the next twelve months.

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TE CONNECTIVITY PLC

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**

**(Continued)**

We are not aware of any other matters that would result in significant changes to the amount of unrecognized income tax benefits reflected on the Condensed Consolidated Balance Sheet as of **June 28, 2024** **December 27, 2024**.

**13. Earnings Per Share**

The weighted-average number of shares outstanding used in the computations of basic and diluted earnings per share were as follows:

	For the		For the		For the	
	Quarters Ended		Nine Months Ended		Quarters Ended	
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023	December 27, 2024	December 29, 2023
(in millions)						
Basic	306	315	308	316	299	311
Dilutive impact of share-based compensation arrangements	2	2	2	2	2	2
Diluted	<u>308</u>	<u>317</u>	<u>310</u>	<u>318</u>	<u>301</u>	<u>313</u>

The following share options were not included in the computation of diluted earnings per share because the instruments' underlying exercise prices were greater than the average market prices of our **ordinary**/common shares and inclusion would be antidilutive:

	For the		For the		For the	
	Quarters Ended		Nine Months Ended		Quarters Ended	
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023	December 27, 2024	December 29, 2023
(in millions)						
Antidilutive share options	1	1	1	1	1	2

**14. Shareholders' Equity**

**Common Ordinary Shares**

In March 2024, Effective for fiscal 2025, we are organized under the laws of Ireland. The rights of holders of our shares are governed by Irish law and our Irish articles of association. The par value of our ordinary shares is stated in U.S. dollars.

As discussed in Note 1, pursuant to the terms of a merger agreement between TE Connectivity Ltd. and TE Connectivity plc, shareholders reapproved received one ordinary share in the share capital of TE Connectivity plc for each common share of TE Connectivity Ltd. held immediately prior to the merger and extended through March 13, 2025, change in place of incorporation.

Our articles of association authorize our board of directors' authorization directors to allot and issue additional new shares up to the maximum of 120% and/or reduce shares to a minimum of 80% of the existing our authorized but unissued share capital subject for a period of five years from September 30, 2024. This authorization will need to certain conditions specified in our articles be renewed by ordinary resolution upon its expiration and at periodic intervals thereafter. The authorized but unissued share capital may be increased or reduced by way of association an ordinary resolution of shareholders. The shares comprising the authorized share capital may be divided into shares of such par value as the resolution shall prescribe.

#### Common Ordinary Shares Held in Treasury

All treasury shares were cancelled at the beginning of fiscal 2025 in connection with our change in place of incorporation. See Note 1 for additional information regarding our change in place of incorporation.

#### Authorized Share Capital

In March 2024, connection with our shareholders approved merger and change in place of incorporation, we converted 25,000 ordinary shares to ordinary class A shares and issued certain preferred shares to facilitate the cancellation of approximately six million merger. The ordinary class A shares purchased under our share repurchase program during the period beginning October 1, 2022 and ending September 29, 2023. The capital reduction by cancellation of these shares, which was subject to a notice period, filing with the commercial register in Switzerland, and other requirements, became effective in March 2024. preferred

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#### TE CONNECTIVITY PLC

#### NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)

shares were re-acquired and cancelled following the merger. No preferred shares and no ordinary class A shares were outstanding at December 27, 2024.

Our authorized share capital consisted of 1,500,000,000 ordinary shares with a par value of \$0.01 per share, two preferred shares with a par value of \$1.00 per share, and 25,000 ordinary class A shares with a par value of €1.00 per share as of December 27, 2024. The authorized share capital includes 25,000 ordinary class A shares with a par value of €1.00 per share in order to satisfy statutory requirements for the incorporation of all Irish public limited companies.

#### Contributed Surplus

As a result of cumulative equity transactions, including dividend activity and treasury share cancellations, our contributed surplus balance was reduced to zero with residual activity recorded against accumulated earnings as reflected on the Condensed Consolidated Statement of Shareholders' Equity. To the extent that the contributed surplus balance continues to be zero, the impact of future transactions that normally would have been recorded as a reduction of contributed surplus will be recorded in accumulated earnings.

#### Dividends

We paid cash dividends to shareholders as follows:

For the Quarters Ended	For the Nine Months Ended	For the Quarters Ended
---------------------------	------------------------------	---------------------------

	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023	December 27, 2024	December 29, 2023
Dividends paid per common share	\$ 0.65	\$ 0.59	\$ 1.83	\$ 1.71		
Dividends paid per ordinary/common share					\$ 0.65	\$ 0.59

In March 2024, our shareholders approved a dividend payment to shareholders of \$2.60 per share, payable in four equal quarterly installments of \$0.65 per share beginning in the third quarter of fiscal 2024 and ending in the second quarter of fiscal 2025.

Upon shareholders' approval of a dividend payment, we record a liability with a corresponding charge to equity. At June 28, 2024 December 27, 2024 and September 29, 2023 September 27, 2024, the unpaid portion of the dividends recorded in accrued and other current liabilities on the Condensed Consolidated Balance Sheets totaled \$594 \$194 million and \$368 \$390 million, respectively.

We expect future dividends to be made from accumulated earnings as defined under accounting principles generally accepted in Ireland ("Irish GAAP").

#### Share Repurchase Program

During the nine months quarter ended June 28, 2024 December 27, 2024, our board of directors authorized an increase of \$1.5 billion \$2.5 billion in our share repurchase program. Common Ordinary/common shares repurchased under the share repurchase program were as follows:

	For the Nine Months Ended		For the Quarters Ended	
	June 28, 2024	June 30, 2023	December 27, 2024	December 29, 2023
Number of common shares repurchased	9	5		
Number of ordinary/common shares repurchased			2	3
Repurchase value	\$ 1,235	\$ 621	\$ 310	\$ 420

At June 28, 2024 December 27, 2024, we had \$1.0 billion \$2.4 billion of availability remaining under our share repurchase authorization.

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#### TE CONNECTIVITY PLC NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)

#### 15. Share Plans

Share-based compensation expense, which was included in selling, general, and administrative expenses on the Condensed Consolidated Statements of Operations, was as follows:

		For the Quarters Ended		For the Nine Months Ended		For the Quarters Ended	
		June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023	December 27, 2024	December 29, 2023
(in millions)							
(in millions)							
Share-based compensation expense		\$ 31	\$ 32	\$ 100	\$ 95	\$ 35	\$ 34

As of **June 28, 2024** **December 27, 2024**, there was **\$160 million** **\$213 million** of unrecognized compensation expense related to share-based awards, which is expected to be recognized over a weighted-average period of **1.7** **2.1** years.

During the quarter ended **December 29, 2023** **December 27, 2024**, we granted the following share-based awards as part of our annual incentive plan grant:

	Grant-Date		Grant-Date	
	Shares (in millions)	Fair Value	Shares (in millions)	Fair Value
Share options	0.9	\$ 39.77	0.7	\$ 46.45
Restricted share awards	0.4	131.77	0.4	153.25
Performance share awards	0.2	131.77	0.1	153.25

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In March 2024, our shareholders approved **December 27, 2024**, we had 18 million shares available for issuance under the TE Connectivity Ltd. plc 2024 Stock and Incentive Plan (the "2024 Plan"). The 2024 Plan replaces the TE Connectivity Ltd. 2007 Stock and Incentive Plan, amended and restated as of **December 12, 2023** (the "2007 Plan"), as the source of awards granted. No further awards will be granted under the 2007 Plan and all remaining shares available under the 2007 plan have been cancelled. As of June 28, 2024, we had 20 million shares available for issuance under the 2024 Plan. September 30, 2024.

#### Share-Based Compensation Assumptions

The assumptions we used in the Black-Scholes-Merton option pricing model for the options granted as part of our annual incentive plan grant were as follows:

Expected share price volatility	31 %	31 %
---------------------------------	------	------

Risk-free interest rate	4.6 %	4.5 %
Expected annual dividend per share	\$ 2.36	\$2.60
Expected life of options (in years)	5.3	5.3

## 16. Segment and Geographic Data

Net sales by Effective for fiscal 2025, we reorganized our management and segments to align the organization around our fiscal 2025 strategy. See Note 1 for additional information regarding our new segment<sup>(1)</sup> and industry end market<sup>(2)</sup> were as follows:

structure. The following segment information reflects the new segment reporting structure. Prior period segment results have been recast to conform to the new segment structure.

	For the		For the	
	Quarters Ended		Nine Months Ended	
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023
(in millions)				
Transportation Solutions:				
Automotive	\$ 1,727	\$ 1,747	\$ 5,252	\$ 5,191
Commercial transportation	363	403	1,103	1,156
Sensors	240	283	732	828
Total Transportation Solutions	<u>2,330</u>	<u>2,433</u>	<u>7,087</u>	<u>7,175</u>
Industrial Solutions:				
Industrial equipment	353	423	1,039	1,318
Aerospace, defense, and marine	345	293	977	855
Energy	226	230	665	652
Medical	209	195	620	567
Total Industrial Solutions	<u>1,133</u>	<u>1,141</u>	<u>3,301</u>	<u>3,392</u>
Communications Solutions:				
Data and devices	329	252	881	869
Appliances	187	172	508	563
Total Communications Solutions	<u>516</u>	<u>424</u>	<u>1,389</u>	<u>1,432</u>
Total	<u>\$ 3,979</u>	<u>\$ 3,998</u>	<u>\$ 11,777</u>	<u>\$ 11,999</u>

(1) Intersegment sales were not material.

(2) Industry end market information is presented consistently with our internal management reporting and may be revised periodically as management deems necessary.

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### TE CONNECTIVITY PLC

#### NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(Continued)

Net sales by segment<sup>(1)</sup> and industry end market<sup>(2)</sup> were as follows:

	For the	
	Quarters Ended	
(in millions)		

	December 27, 2024		December 29, 2023	
	2024	2023	(in millions)	
Transportation Solutions:				
Automotive	\$ 1,722	\$ 1,796		
Commercial transportation	312	356		
Sensors	209	241		
Total Transportation Solutions	<u>2,243</u>	<u>2,393</u>		
Industrial Solutions:				
Automation and connected living	479	464		
Aerospace, defense, and marine	334	290		
Digital data networks	413	279		
Energy	216	205		
Medical	151	200		
Total Industrial Solutions	<u>1,593</u>	<u>1,438</u>		
Total	<u><u>\$ 3,836</u></u>	<u><u>\$ 3,831</u></u>		

(1) Intersegment sales were not material.

(2) Industry end market information is presented consistently with our internal management reporting and may be revised periodically as management deems necessary.

Net sales by geographic region<sup>(1)</sup> and segment were as follows:

	For the		For the		For the	
	Quarters Ended		Nine Months Ended		Quarters Ended	
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023	December 27, 2024	December 29, 2023
(in millions)						
(in millions)						
Europe/Middle East/Africa ("EMEA"):						
Transportation Solutions	\$ 870	\$ 1,011	\$ 2,686	\$ 2,869	\$ 720	\$ 879
Industrial Solutions	528	529	1,545	1,500	<u>509</u>	<u>532</u>
Communications Solutions	68	70	198	234		
Total EMEA	<u>1,466</u>	<u>1,610</u>	<u>4,429</u>	<u>4,603</u>	<u>1,229</u>	<u>1,411</u>
Asia–Pacific:						
Transportation Solutions	898	813	2,796	2,598	1,097	1,015
Industrial Solutions	158	182	459	567	<u>506</u>	<u>364</u>
Communications Solutions	277	220	714	756		
Total Asia–Pacific	<u>1,333</u>	<u>1,215</u>	<u>3,969</u>	<u>3,921</u>	<u>1,603</u>	<u>1,379</u>
Americas:						
Transportation Solutions	562	609	1,605	1,708	426	499

Industrial Solutions	447	430	1,297	1,325	578	542
Communications Solutions	171	134	477	442		
Total Americas	1,180	1,173	3,379	3,475	1,004	1,041
Total	\$ 3,979	\$ 3,998	\$ 11,777	\$ 11,999	\$ 3,836	\$ 3,831

(1) Net sales to external customers are attributed to individual countries based on the legal entity that records the sale.

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**TE CONNECTIVITY PLC**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**

**(Continued)**

Operating income by segment was as follows:

	For the		For the		For the	
	Quarters Ended		Nine Months Ended		Quarters Ended	
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023	December 27, 2024	December 29, 2023
(in millions)						
(in millions)						
Transportation Solutions	\$ 498	\$ 425	\$ 1,443	\$ 1,040	\$ 446	\$ 487
Industrial Solutions	153	150	451	440	244	211
Communications Solutions	104	55	251	189		
Total	\$ 755	\$ 630	\$ 2,145	\$ 1,669	\$ 690	\$ 698

Segment assets and a reconciliation of segment assets to total assets were as follows:

	Segment Assets	
	December 27, September 27,	
	2024	2024
(in millions)		
Transportation Solutions	\$ 5,660	\$ 5,758
Industrial Solutions	3,630	3,717
Total segment assets <sup>(1)</sup>	9,290	9,475

Other current assets	1,988	2,059
Other non-current assets	11,163	11,320
<b>Total assets</b>	<b>\$ 22,441</b>	<b>\$ 22,854</b>

(1) Segment assets are composed of accounts receivable, inventories, and net property, plant, and equipment.

#### 17. Subsequent Event

In January 2025, the OECD released new guidance for the 15% global minimum corporate tax. We expect this guidance to impact the realizability of certain net deferred tax assets associated with a ten-year tax credit obtained by a Swiss subsidiary in fiscal 2024. We are reviewing the new guidance and related interpretations and, while our assessment is not complete, it is probable that we will need to reduce those net deferred tax assets by approximately \$600 million during the quarter ending March 28, 2025.

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#### **ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our Condensed Consolidated Financial Statements and the accompanying notes included elsewhere in this Quarterly Report on Form 10-Q. The following discussion may contain forward-looking statements that reflect our plans, estimates, and beliefs. Our actual results could differ materially from those discussed in these forward-looking statements as a result of many factors, including but not limited to those under the heading "Forward-Looking Information" and "Part II. Item 1A. Risk Factors."

Our Condensed Consolidated Financial Statements have been prepared in United States ("U.S.") dollars, in accordance with accounting principles generally accepted in the U.S. ("GAAP").

The following discussion includes organic net sales growth (decline) which is a non-GAAP financial measure. See "Non-GAAP Financial Measure" for additional information regarding this measure.

#### **Change in Place of Incorporation**

In March 2024, our board of directors approved a proposed change in our jurisdiction of incorporation from Switzerland to Ireland. In connection with the proposed change, we entered into a merger agreement with our wholly-owned subsidiary, TE Connectivity plc, a public limited company incorporated under Irish law. Under the merger agreement, we will be merged with and into TE Connectivity plc, which will be the surviving entity. The merger was approved by shareholders at a special general meeting in June 2024 and is subject to certain closing conditions. We expect to implement the change on or about September 30, 2024. Our shareholders will receive one ordinary share of TE Connectivity plc for each common share of TE Connectivity Ltd. held immediately prior to the merger. Upon completion of the merger, we will be organized under the laws of Ireland. We do not anticipate any material change in our operations or financial results as a result of the merger and change in place of incorporation.

#### **Overview**

TE Connectivity Ltd. plc ("TE Connectivity" or the "Company," which may be referred to as "we," "us," or "our") is a global industrial technology leader creating a safer, sustainable, productive, and connected future. Our broad range of connectivity and sensor solutions enable the distribution of power, signal, and data to advance next-generation transportation, renewable energy, automated factories, data centers, medical technology, and more.

#### **Change in Place of Incorporation**

During the first quarter of fiscal 2025, our jurisdiction of incorporation changed from Switzerland to Ireland. We do not anticipate any material changes in our operations or financial results as a result of the change in place of incorporation. See additional information in Note 1 to the Condensed Consolidated Financial Statements.

#### **New Segment Structure**

Effective for fiscal 2025, we reorganized our management and segments to align the organization around our fiscal 2025 strategy. We now operate through two reportable segments: Transportation Solutions and Industrial Solutions. Prior period segment results have been recast to conform to the new segment structure. See additional information in Note 1 to the Condensed Consolidated Financial Statements.

#### **Summary of Performance**

- Our net sales decreased 0.5% in the third first quarter of fiscal 2025 were consistent with sales levels in the first quarter of fiscal 2024 as compared to sales growth in the third quarter of fiscal 2023 with Industrial Solutions segment was offset by sales declines in the Transportation Solutions segment largely offset by sales increases in the Communications Solutions segment. In the first nine months of fiscal 2024, our net sales decreased 1.9% as compared to the first nine months of fiscal 2023 with declines across all three segments. On Also, on an organic basis, our net sales increased 1.7% and decreased 0.7% during were flat in the third first quarter and first nine months of fiscal 2024, respectively, 2025 as compared to the same periods period of fiscal 2023, 2024.
- Our net sales by segment were as follows:
  - Transportation Solutions*—Our net sales decreased 4.2% 6.3% in the third first quarter of fiscal 2024 2025 as a result of sales declines in all end markets. In the first nine months of fiscal 2024, our net sales decreased 1.2% with sales declines in the sensors and commercial transportation end markets, partially offset by increases in the automotive end market.
  - Industrial Solutions*—Our net sales decreased 0.7% and 2.7% increased 10.8% in the third first quarter and first nine months of fiscal 2024, respectively, 2025 primarily as a result of sales declines growth in the industrial equipment end

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market, partially offset by sales increases in digital data networks and the aerospace, defense, and marine and the medical end markets.

- Communications Solutions*—Our net sales increased 21.7% in the third quarter of fiscal 2024 as a results of sales increases across all end markets. In the first nine months of fiscal 2024, our net sales decreased 3.0% due to markets, partially offset by sales declines in the appliances end market, partially offset by sales increases in the data and devices medical end market.
- Net cash provided by operating activities was \$2,435 million \$878 million in the first nine months quarter of fiscal 2024, 2025.

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## Economic Conditions

Our business and operating results have been and will continue to be affected by worldwide economic conditions. The global economy has been impacted in recent years by supply chain disruptions and inflationary cost pressures as well as military conflict in certain parts of the world and the COVID-19 pandemic. We are monitoring the current environment and its potential effects on our customers and the end markets we serve. [Contents](#)

In recent years, we have experienced inflationary cost pressures including increased costs for transportation, energy, and raw materials. However, we have been able to mitigate increased costs and supply chain disruptions through productivity or price increases. Also, we have taken and continue to focus on actions to manage costs, including restructuring and other cost reduction initiatives such as reducing discretionary spending and travel. Additionally, we are managing our capital resources and monitoring capital availability to ensure that we have sufficient resources to fund our future capital needs. See further discussion in "Liquidity and Capital Resources."

We continue to monitor military conflict in certain parts of the world as well as escalating tensions in surrounding countries and associated sanctions. These did not have a significant impact on our business, financial condition, or results of operations during fiscal 2023 or the first nine months of fiscal 2024.

The COVID-19 pandemic had a global impact and resulted in business slowdowns or shutdowns, including systemic disruptions of global supply chains. The pandemic impacted certain aspects of our business, including certain of our operations in China in early fiscal 2023; however, we do not expect the pandemic to have a significant impact on our businesses globally in fiscal 2024.

## Outlook

In the fourth quarter of fiscal 2024, we expect our net sales to be approximately \$4.0 billion \$3.95 billion, down slightly from fourth as compared to \$3.97 billion in the second quarter of fiscal 2023 levels. Sales declines in the Transportation Solutions segment are expected to be largely offset by sales growth in the Communications Industrial Solutions segment. Additional information regarding expectations for our reportable segments is as follows:

- *Transportation Solutions*—We expect our net sales in the automotive end market to decrease in the fourth quarter of fiscal 2024 as compared to the fourth quarter of fiscal 2023, primarily as a result of a divestiture. For full year fiscal 2024, in the second quarter of fiscal 2025, we expect our sales in the automotive end market to benefit from slight growth in global vehicle production from fiscal 2023 levels. In the fourth quarter of fiscal 2024, we expect our net sales to decrease from the same period of fiscal 2023 in the commercial transportation end market as result of market declines.
- *Industrial Solutions*—In the fourth quarter of fiscal 2024, we expect our net sales to increase from the same period of fiscal 2023 in the aerospace, defense, and marine end market due to ongoing market improvement. Also, we expect our net sales to decline in the fourth quarter of fiscal 2024 from the same period of fiscal 2023 in the industrial equipment end market which continues to be negatively impacted by market weakness and inventory corrections in the supply chain.

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- *Communications Solutions*—In the fourth quarter of fiscal 2024, we expect our net sales to increase from the same period of fiscal 2023 in both the data and devices and the appliances end markets. We expect our sales in the data and devices end market to benefit from continuing momentum in artificial intelligence applications.

We expect diluted earnings loss per share from continuing operations to be approximately \$1.80 \$0.05 per share, in which includes an approximate \$1.87 per share impact associated with the fourth quarter of fiscal 2024 tax matter discussed below. This outlook reflects the negative impact of foreign currency exchange rates on net sales and earnings per share of approximately \$56 million \$112 million and \$0.03 \$0.01 per share, respectively, in the fourth quarter of fiscal 2024 as compared to the same period of fiscal 2023. Also, this outlook is based on foreign currency exchange rates and commodity prices that are consistent with current levels.

In January 2025, the Organisation for Economic Co-operation and Development released new guidance for the 15% global minimum corporate tax. We are reviewing the new guidance and related interpretations and, while our assessment is not complete, it is probable that we will need to reduce certain net deferred tax assets associated with a ten-year tax credit obtained by a Swiss subsidiary by approximately \$600 million during the second quarter of fiscal 2025. See Note 17 to the Condensed Consolidated Financial Statements for additional information regarding the new guidance.

#### Acquisition Acquisitions

During the first quarter of fiscal 2024, we acquired approximately 98.7% of the outstanding shares of Schaffner Holding AG ("Schaffner"), two businesses for a leader in electromagnetic solutions based in Switzerland, for CHF 505.00 per share in combined cash for a purchase price of CHF 294 million (equivalent to \$339 million), \$325 million, net of cash acquired. The acquisition was acquired businesses have been reported as part of our Industrial Solutions segment from the date of acquisition. During the third quarter of fiscal 2024, we completed a squeeze-out of the remaining minority shareholders for \$5 million and the Schaffner shares were delisted from the SIX Swiss Exchange. See Note 3 to the Condensed Consolidated Financial Statements for additional information regarding acquisitions.

#### Divestiture

During the first nine months of fiscal 2024, we sold one business for net cash proceeds of \$59 million. In connection with the divestiture, we recorded a pre-tax gain on sale of \$10 million in the first nine months of fiscal 2024. Additionally, during the first nine months of fiscal 2023, we recorded a pre-tax impairment charge of \$60 million when the business was reclassified to held for sale. The business sold was reported in our Transportation Solutions segment. See Note 2 to the Condensed Consolidated Financial Statements for additional information regarding divestitures.

### Results of Operations

#### Net Sales

The following table presents our net sales and the percentage of total net sales by segment:

For the Quarters Ended		For the Nine Months Ended		For the Quarters Ended	
June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023	December 27, 2024	December 29, 2023

(\$ in millions)

(\$ in millions)											
Transportation Solutions	\$2,330 59 %						\$ 2,433 61 %	\$ 7,087 60 %	\$ 7,175 60 %	\$ 2,243 58 %	\$ 2,393 62 %
Industrial Solutions	1,133	28		1,141	28		3,301	28	3,392	28	1,593 42
Communications Solutions	516	13		424	11		1,389	12	1,432	12	\$3,836 100 %
Total	\$3,979	100 %		\$3,998	100 %		\$11,777	100 %	\$11,999	100 %	\$3,831 100 %

The following table provides an analysis of the change in our net sales by segment:

Change in Net Sales for the Quarter Ended June 28, 2024 versus Net Sales for the Quarter Ended June 30, 2023	Change in Net Sales for the Nine Months Ended June 28, 2024 versus Net Sales for the Nine Months Ended June 30, 2023	Change in Net Sales for the Quarter Ended versus Net Sales for the Quarter Ended
Net Sales	Organic Net Sales	Acquisition
Growth (Decline)	Growth (Decline)	Translation(Divestiture)
Decline	Growth (Decline)	Translation (Divestitures)
Growth (Decline)	Growth (Decline)	Tr

Industrial																
Solutions	(8)	(0.7)	(23)	(2.1)	(21)	36	(91)	(2.7)	(142)	(4.2)	(16)	67	155	10.8	123	8.6
Communications																
Solutions	92	21.7	100	23.7	(8)	—	(43)	(3.0)	(29)	(2.0)	(14)	—	—	—	—	—
Total	\$ (19)	(0.5)%	\$ 69	1.7 %	\$ (80)	\$ (8)	\$ (222)	(1.9)%	\$ (90)	(0.7)%	\$ (86)	\$ (46)	\$ 5	0.1 %	\$ (3)	— %

Net sales decreased \$19 million, or 0.5%, were flat in the third first quarter of fiscal 2025 as compared to the first quarter of fiscal 2024 as compared to the third quarter net positive impact of fiscal 2023. The decrease in net sales resulted primarily 0.6% from acquisitions and a divestiture was largely offset by the negative impact of foreign currency translation of 2.0% due to the

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weakening of certain foreign currencies, partially offset by organic net sales growth of 1.7%. Pricing actions positively affected organic net sales by \$10 million in the third quarter of fiscal 2024.

In the first nine months of fiscal 2024, net sales decreased \$222 million, or 1.9%, as compared to the first nine months of fiscal 2023 due primarily to organic net sales declines of 0.7% and the negative impact of foreign currency translation of 0.7% 0.5% due to the weakening of certain foreign currencies. Pricing actions positively Price erosion adversely affected organic net sales by \$91 million \$12 million in the first nine months quarter of fiscal 2024, 2025.

See further discussion of net sales below under "Segment Results."

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**Net Sales by Geographic Region.** Our business operates in three geographic regions—Europe/Middle East/Africa ("EMEA"), Asia-Pacific, and the Americas—and our results of operations are influenced by changes in foreign currency exchange rates. Increases or decreases in the value of the U.S. dollar, compared to other currencies, will directly affect our reported results as we translate those currencies into U.S. dollars at the end of each fiscal period.

Approximately 60% of our net sales were invoiced in currencies other than the U.S. dollar in the first nine months quarter of fiscal 2024, 2025.

The following table presents our net sales and the percentage of total net sales by geographic region<sup>(1)</sup>:

For the Quarters Ended		For the Nine Months Ended		For the Quarters Ended	
June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023	December 27, 2024	December 29, 2023

(\$ in millions)												
(\$ in millions)												
EMEA	\$ 1,466	37 %	\$ 1,610	41 %	\$ 4,429	37 %	\$ 4,603	38 %	\$ 1,229	32 %	\$ 1,411	37 %
Asia-Pacific	1,333	33	1,215	30	3,969	34	3,921	33	1,603	42	1,379	36
Americas	1,180	30	1,173	29	3,379	29	3,475	29	1,004	26	1,041	27
Total	\$ 3,979	100 %	\$ 3,998	100 %	\$ 11,777	100 %	\$ 11,999	100 %	\$ 3,836	100 %	\$ 3,831	100 %

(1) Net sales to external customers are attributed to individual countries based on the legal entity that records the sale.

The following table provides an analysis of the change in our net sales by geographic region:

	Change in Net Sales for the Quarter Ended June 28, 2024						Change in Net Sales for the Nine Months Ended June 28, 2024					
	versus Net Sales for the Quarter Ended June 30, 2023						versus Net Sales for the Nine Months Ended June 30, 2023					
	Net Sales		Organic Net Sales		Acquisition		Net Sales		Organic Net Sales		Acquisitions	
	Growth (Decline)		Growth (Decline)		Translation	(Divestiture)	Growth (Decline)		Growth (Decline)		Translation	(Divestitures)
	(\$ in millions)											
EMEA	\$ (144)	(8.9)%	\$ (118)	(7.3)%	\$ (15)	\$ (11)	\$ (174)	(3.8)%	\$ (211)	(4.5)%	\$ 60	\$ (23)
Asia-Pacific	118	9.7	165	13.5	(52)	5	48	1.2	175	4.4	(130)	3
Americas	7	0.6	22	1.9	(13)	(2)	(96)	(2.8)	(54)	(1.6)	(16)	(26)
Total	\$ (19)	(0.5)%	\$ 69	1.7 %	\$ (80)	\$ (8)	\$ (222)	(1.9)%	\$ (90)	(0.7)%	\$ (86)	\$ (46)
Change in Net Sales for the Quarter Ended December 27, 2024												
versus Net Sales for the Quarter Ended December 29, 2023												
	Net Sales		Organic Net Sales		Acquisitions							
	Growth (Decline)		Growth (Decline)		Translation	(Divestiture)	(\$ in millions)					
EMEA	\$ (182)	(12.9)%	\$ (189)	(13.4)%	\$ (4)	\$ 11						
Asia-Pacific	224	16.2	216	15.7	(1)	9						
Americas	(37)	(3.6)	(30)	(2.9)	(13)	6						
Total	\$ 5	0.1 %	\$ (3)	— %	\$ (18)	\$ 26						

### Cost of Sales and Gross Margin

The following table presents cost of sales and gross margin information:

For the Quarters Ended			For the Nine Months Ended			For the Quarters Ended		
June 28, 2024	June 30, 2023	Change	June 28, 2024	June 30, 2023	Change	December 27, 2024	December 29, 2023	Change

	(\$ in millions)								
	(\$ in millions)								
Cost of sales	\$2,593	\$2,699	\$ (106)	\$7,704	\$8,229	\$ (525)	\$ 2,476	\$ 2,507	\$ (31)
As a percentage of net sales	65.2 %	67.5 %		65.4 %	68.6 %		64.5 %	65.4 %	
Gross margin	\$1,386	\$1,299	\$ 87	\$4,073	\$3,770	\$ 303	\$ 1,360	\$ 1,324	\$ 36
As a percentage of net sales	34.8 %	32.5 %		34.6 %	31.4 %		35.5 %	34.6 %	

Gross margin increased \$87 million in the first quarter of fiscal 2025 as compared to the first quarter of fiscal 2024 as compared to the third quarter of fiscal 2023 due primarily to improved manufacturing productivity and the favorable impact of product mix. In the first nine months of fiscal 2024, gross margin increased \$303 million as compared to the same period of fiscal 2023 primarily as a result of improved manufacturing productivity and the positive impact of pricing actions, higher volume partially offset by lower volume, price erosion.

We use a wide variety of raw materials in the manufacture of our products, and cost products. Cost of sales and gross margin are subject to variability in raw material prices. In recent years, prices, which continue to fluctuate for many of the raw material prices and availability have been affected by worldwide economic conditions, including supply chain disruptions and inflationary cost pressures, materials we use. The following table presents the average prices incurred related to copper, gold, silver, and palladium:

	For the		For the		For the	
	Quarters Ended		Nine Months Ended		Quarters Ended	
		June 28,	June 30,	June 28,	June 30,	December
	Measure	2024	2023	2024	2023	Measure
	Lb.	\$ 3.98	\$ 4.04	\$ 3.88	\$ 4.12	Lb.
Copper						
Gold	Troy oz.	2,048	1,876	1,986	1,853	Troy oz.
Silver	Troy oz.	25.71	22.83	24.06	23.45	Troy oz.
Palladium	Troy oz.	1,418	2,219	1,470	2,211	Troy oz.

We expect to purchase approximately 185 million pounds of copper, 100,000 95,000 troy ounces of gold, 2.1 million 2.0 million troy ounces of silver, and 10,000 9,000 troy ounces of palladium in fiscal 2024, 2025.

## Operating Expenses

The following table presents operating expense information:

	For the			For the		
	Quarters Ended		Nine Months Ended			
	June 28,	June 30,	June 28,	June 30,		
	2024	2023	Change	2024	2023	Change
(\$ in millions)						
Selling, general, and administrative expenses	\$ 431	\$ 431	\$ —	\$ 1,299	\$ 1,258	\$ 41
As a percentage of net sales	10.8 %	10.8 %		11.0 %	10.5 %	
Restructuring and other charges, net	\$ 6	\$ 53	\$ (47)	\$ 67	\$ 283	\$ (216)

**Selling, General, and Administrative Expenses.** Selling, general, and administrative expenses increased \$41 million in the first nine months of fiscal 2024 as compared to the first nine months of fiscal 2023 due primarily to the impact of inflation, partially offset by savings attributable to prior restructuring actions.

	For the		
	Quarters Ended		
	December 27,	December 29,	
	2024	2023	Change
(\$ in millions)			
Selling, general, and administrative expenses	\$ 427	\$ 424	\$ 3
As a percentage of net sales	11.1 %	11.1 %	
Restructuring and other charges, net	\$ 50	\$ 21	\$ 29

**Restructuring and Other Charges, Net.** We are committed to continuous productivity improvements, and we evaluate opportunities to simplify our global manufacturing footprint, migrate facilities to lower-cost regions, reduce fixed costs, and eliminate excess capacity. These initiatives are designed to help us maintain our competitiveness in the industry, improve our operating leverage, and position us for future growth.

During fiscal 2024, we initiated a restructuring program to optimize our manufacturing associated with footprint consolidation and improve the cost structure improvements in both of the organization, primarily in the Industrial Solutions and Transportation Solutions our segments. We incurred net restructuring charges of \$57 million \$43 million during the first nine months quarter of fiscal 2024, 2025. Annualized cost savings related to the fiscal 2024, 2025 actions commenced during the first nine months quarter of fiscal 2024, 2025 are expected to be approximately \$30 million \$35 million and are expected to be fully realized by the end of fiscal 2026. Cost savings will be reflected primarily in cost of sales and selling, general, and administrative expenses. For fiscal 2024, 2025, we expect total restructuring charges to be approximately \$100 million and total spending, cash spend, which will be funded with cash from operations, to be approximately \$200 million.

During the first nine months quarter of fiscal 2024, 2025, we incurred costs of \$11 million \$10 million related to our change in place of incorporation from Switzerland to Ireland. See Note 1 to the Condensed Consolidated Financial Statements for additional information regarding the change.

See Note 2 to the Condensed Consolidated Financial Statements for additional information regarding net restructuring and other charges.

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**Operating Income**

The following table presents operating income and operating margin information:

For the Quarters Ended			For the Nine Months Ended			For the Quarters Ended		
June 28, 2024	June 30, 2023	Change	June 28, 2024	June 30, 2023	Change	December 27, 2024	December 29, 2023	Change
(\$ in millions)								
(\$ in millions)								

Operating income	\$ 755	\$ 630	\$ 125	\$ 2,145	\$ 1,669	\$ 476	\$ 690	\$ 698	\$ (8)
Operating margin	19.0 %	15.8 %		18.2 %	13.9 %		18.0 %	18.2 %	

Operating income included the following:

	For the		For the		For the	
	Quarters Ended		Nine Months Ended		Quarters Ended	
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023	December 2024	December 2023
					27,	29,
					2024	2023

	(in millions)					
Acquisition and integration costs	\$ 5	\$ 9	\$ 16	\$ 26	\$ 5	\$ 8
Restructuring and other charges, net	6	53	67	283	50	21
Taxes (non-income tax) recorded in selling, general, and administrative expenses	—	—	4	—	—	4
Total	\$ 11	\$ 62	\$ 87	\$ 309	\$ 55	\$ 33

See discussion of operating income below under "Segment Results."

#### Non-Operating Items

The following table presents select non-operating information:

	For the		For the		
	Quarters Ended		Nine Months Ended		
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023	Change
			(\$ in millions)		
Interest income	\$ 20	\$ 18	\$ 2	\$ 61	\$ 39
Income tax expense (benefit)	181	96	85	(778)	283
Effective tax rate	24.0 %	15.4 %	(36.4)%	17.3 %	(1,061)

**Interest Income.** Interest income increased \$22 million in the first nine months of fiscal 2024 as compared to the same period of fiscal 2023 due to higher interest rates as well as an increase in our cash balances held and invested.

	For the Quarters Ended		
	December 27, 2024		December 29, 2023
	(\$ in millions)	Change	
Income tax expense (benefit)	\$ 178	\$ (1,105)	\$ 1,283
Effective tax rate	25.2 %	(158.1)%	

**Income Taxes.** See Note 12 and 17 to the Condensed Consolidated Financial Statements for discussion of income taxes.

The Organisation for Economic Co-operation and Development ("OECD") and participating countries continue to work toward the enactment of a 15% global minimum corporate tax. Member states have begun to enact the rules, with some countries accelerating the impact of these rules by proposing immediate statutory rate increases. Both Switzerland and Ireland have implemented elements of the OECD's global minimum tax rules, effective as of January 1, 2024. The OECD and participating countries continue to work on defining the underlying rules and administrative procedures. The global minimum tax is a significant structural change to the international taxation framework, which is expected to affect us beginning in fiscal 2025. We are currently monitoring global minimum tax developments and evaluating the impact, which could be material to our results of operations, cash taxes, and worldwide corporate effective tax rate.

### Segment Results

#### Transportation Solutions

**Net Sales.** The following table presents the Transportation Solutions segment's net sales and the percentage of total net sales by industry end market<sup>(1)</sup>:

For the Quarters Ended		For the Nine Months Ended		For the Quarters Ended	
June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023	December 27, 2024	December 29, 2023

( \$ in millions)

(\$ in millions)												
Automotive	\$1,727	74 %	\$1,747	71 %	\$5,252	74 %	\$5,191	72 %	\$1,722	77 %	\$1,796	75 %
Commercial transportation	363	16	403	17	1,103	16	1,156	16	312	14	356	15
Sensors	240	10	283	12	732	10	828	12	209	9	241	10
Total	\$2,330	100 %	\$2,433	100 %	\$7,087	100 %	\$7,175	100 %	\$2,243	100 %	\$2,393	100 %

(1) Industry end market information is presented consistently with our internal management reporting and may be revised periodically as management deems necessary.

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The following table provides an analysis of the change in the Transportation Solutions segment's net sales by industry end market:

Change in Net Sales for the Quarter Ended June 28, 2024 versus Net Sales for the Quarter Ended June 30, 2023				Change in Net Sales for the Nine Months Ended June 28, 2024 versus Net Sales for the Nine Months Ended June 30, 2023				Change in Net Sales for the Quarter Ended December 27, 2023 versus Net Sales for the Quarter Ended December 29, 2022			
Net Sales	Organic Net Sales	Net Sales	Organic Net Sales	Net Sales	Organic Net Sales	Net Sales	Organic Net Sales	Net Sales	Organic Net Sales	Net Sales	Organic Net Sales
Decline	Growth (Decline)	Translation	Divestiture	Growth (Decline)	Growth (Decline)	Translation	Divestiture	Decline	Decline	Translation	Dive

(\$ in millions)												
Automotive	\$1,727	74 %	\$1,747	71 %	\$5,252	74 %	\$5,191	72 %	\$1,722	77 %	\$1,796	75 %
Commercial transportation	363	16	403	17	1,103	16	1,156	16	312	14	356	15
Sensors	240	10	283	12	732	10	828	12	209	9	241	10
Total	\$2,330	100 %	\$2,433	100 %	\$7,087	100 %	\$7,175	100 %	\$2,243	100 %	\$2,393	100 %

(\$ in millions)													
Automotive	\$ (20)	(1.1)%	\$ 63	3.6 %	\$ (39)	\$ (44)	\$ 61	1.2 %	\$ 220	4.2 %	\$ (46)	\$ (113)	\$ (74)
Commercial													\$ (55)
transportation	(40)	(9.9)	(34)	(8.4)	(6)	—	(53)	(4.6)	(49)	(4.2)	(4)	—	(44) (12.4)
Sensors	(43)	(15.2)	(37)	(13.1)	(6)	—	(96)	(11.6)	(90)	(10.9)	(6)	—	(32) (13.3)
Total	<u>\$ (103)</u>	<u>(4.2)%</u>	<u>\$ (8)</u>	<u>(0.3)%</u>	<u>\$ (51)</u>	<u>\$ (44)</u>	<u>\$ (88)</u>	<u>(1.2)%</u>	<u>\$ 81</u>	<u>1.1 %</u>	<u>\$ (56)</u>	<u>\$ (113)</u>	<u>\$ (150)</u>
													<u>(6.3)%</u>
													<u>\$ (126)</u>
													<u>(5.2)%</u>
													<u>\$ (12)</u>
													<u>\$</u>

Net sales in the Transportation Solutions segment decreased **\$103 million** **\$150 million**, or **4.2% 6.3%**, in the **third** **first** quarter of fiscal 2025 from the first quarter of fiscal 2024 from the third quarter of fiscal 2023 due primarily to the negative impact **organic net sales declines** of foreign currency translation of 2.1% and the negative impact of 1.8% from a divestiture. **5.2%**. Our organic net sales by industry end market were as follows:

- **Automotive**—Our organic net sales increased 3.6% decreased 3.0% in the **third** **first** quarter of fiscal 2024 2025 as a result of **growth of 21.4%** in the **Asia-Pacific** region, partially offset by declines of **7.8% 17.2%** in the **EMEA** region and **5.2% 8.0%** in the **Americas** region, partially offset by **growth of 9.2%** in the **Asia-Pacific** region. In the **EMEA** and **Americas** regions, our organic net sales were impacted by **declines in vehicle production and a shift in platform mix consistent with consumer demand**. Our organic net sales growth in the **Asia-Pacific** region was attributable primarily due to **increased content per vehicle** production growth as well as **increased content per vehicle**. In the **EMEA** and **Americas** regions, our organic net sales declined primarily as a result of **declines in vehicle production**.
- **Commercial transportation**—Our organic net sales decreased **8.4% 11.6%** in the **third** **first** quarter of fiscal 2024 2025 due primarily to **market weakness** **declines** in the **EMEA** **region** and **Americas** **regions**.

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- **Sensors**—Our organic net sales decreased **13.1% 12.6%** in the **third** **first** quarter of fiscal 2024 2025 as a result of **market weakness** in **both** **industrial** **applications** and **our strategic exit** of certain lower margin and lower growth product lines.

In the first nine months of fiscal 2024, net sales in the Transportation Solutions segment decreased \$88 million, or 1.2%, as compared to the first nine months of fiscal 2023 due to the negative impact of 1.5% from a divestiture and the negative impact of foreign currency translation of 0.8%, partially offset by organic net sales growth of 1.1%. Our organic net sales by industry end market were as follows:

- **Automotive**—Our organic net sales increased 4.2% in the first nine months of fiscal 2024 with **growth of 15.4%** in the **Asia-Pacific** region, partially offset by **declines of 3.8%** in the **Americas** region and **3.4%** in the **EMEA** region. Our organic net sales growth in the **Asia-Pacific** region resulted from vehicle production growth as well as increased content per vehicle. In the **Americas** and **EMEA** regions, our organic net sales were impacted by **essentially flat vehicle production levels** compared to prior year and a **shift in platform mix** consistent with consumer demand.
- **Commercial transportation**—Our organic net sales decreased 4.2% in the first nine months of fiscal 2024 as a result of **declines** in the **EMEA** and **Americas** regions, partially offset by **growth** in the **Asia-Pacific** region.
- **Sensors**—Our organic net sales decreased 10.9% in the first nine months of fiscal 2024 due to **market weakness** in **industrial** **applications** and **our strategic exit** of certain lower margin and lower growth product lines.

**Operating Income.** The following table presents the Transportation Solutions segment's operating income and operating margin information:

For the Quarters Ended			For the Nine Months Ended			For the Quarters Ended		
June 28, 2024	June 30, 2023	Change	June 28, 2024	June 30, 2023	Change	December 2024	December 2023	Change

(\$ in millions)										
(\$ in millions)										
Operating income	\$ 498	\$ 425	\$ 73	\$ 1,443	\$ 1,040	\$ 403	\$ 446	\$ 487	\$ (41)	
Operating margin	21.4 %	17.5 %		20.4 %	14.5 %		19.9 %	20.4 %		

Operating income in the Transportation Solutions segment increased \$73 million and \$403 million decreased \$41 million in the third quarter and first nine months of fiscal 2024, respectively, 2025 as compared to the same periods period of fiscal 2023 2024. Excluding the items below, operating income increased decreased in the third first quarter and first nine months of fiscal 2024 2025 primarily as a result of lower volume and price erosion, partially offset by improved manufacturing productivity.

For the		For the		For the	
		Quarters Ended		Quarters Ended	
Quarters Ended		Ended		Quarters Ended	
June 28, 2024		June 30, 2023		June 28, 2024	
2024		2023		27, 2024	
2024		2023		29, 2023	

(in millions)					
(in millions)					
Acquisition and integration costs	\$ —	\$ —	\$ —	\$ 2	
Restructuring and other charges (credits), net	(8)	27	25	179	
Restructuring and other charges, net				\$ 32	\$ 14
Taxes (non-income tax) recorded in selling, general, and administrative expenses	—	—	3	—	3
Total	\$ (8)	\$ 27	\$ 28	\$ 181	\$ 32
					\$ 17

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**Industrial Solutions**

**Net Sales.** The following table presents the Industrial Solutions segment's net sales and the percentage of total net sales by industry end market<sup>(1)</sup>:

	For the				For the				For the			
	Quarters Ended		Nine Months Ended		Quarters Ended		Nine Months Ended		Quarters Ended		Nine Months Ended	
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023	December 27, 2024	December 29, 2023						
(\$ in millions)												
(\$ in millions)												
Industrial equipment	\$ 353	31 %	\$ 423	37 %	\$ 1,039	31 %	\$ 1,318	39 %				
Automated and connected living									\$ 479	30 %	\$ 464	33 %
Aerospace, defense, and marine	345	31	293	26	977	30	855	25	334	21	290	20
Digital data networks									413	26	279	19
Energy	226	20	230	20	665	20	652	19	216	14	205	14
Medical	209	18	195	17	620	19	567	17	151	9	200	14
<b>Total</b>	<b>\$ 1,133</b>	<b>100 %</b>	<b>\$ 1,141</b>	<b>100 %</b>	<b>\$ 3,301</b>	<b>100 %</b>	<b>\$ 3,392</b>	<b>100 %</b>	<b>\$ 1,593</b>	<b>100 %</b>	<b>\$ 1,438</b>	<b>100 %</b>

(1) Industry end market information is presented consistently with our internal management reporting and may be revised periodically as management deems necessary.

The following table provides an analysis of the change in the Industrial Solutions segment's net sales by industry end market:

Change in Net Sales for the Quarter Ended June 28, 2024 versus Net Sales for the Quarter Ended June 30, 2023				Change in Net Sales for the Nine Months Ended June 28, 2024 versus Net Sales for the Nine Months Ended June 30, 2023				Change in Net Sales for the Quarter Ended December 28, 2023 versus Net Sales for the Quarter Ended December 31, 2022			
Net Sales	Organic Net Sales	Net Sales	Organic Net Sales	Net Sales	Organic Net Sales	Net Sales	Organic Net Sales	Net Sales	Organic Net Sales	Net Sales	Organic Net Sales
Growth (Decline)	Growth (Decline)	Translation	Acquisition	Growth (Decline)	Growth (Decline)	Translation	(Divestiture)	Growth (Decline)	Growth (Decline)	Translation	
(\$ in millions)											
(in millions)											
Industrial equipment	\$ (70)	(16.5)%	\$ (98)	(23.6)%	\$ (8)	\$ 36	\$ (279)	(21.2)%	\$ (344)	(26.2)%	\$ 65
Automation and connected living										\$ 15	3.2 %
Aerospace, defense, and marine	52	17.7	53	18.7	(1)	—	122	14.3	137	16.2	3
Digital data networks										134	48.0
Energy	(4)	(1.7)	8	3.4	(12)	—	13	2.0	12	1.8	(19)
Medical	14	7.2	14	7.0	—	—	53	9.3	53	9.4	20
<b>Total</b>	<b>\$ (8)</b>	<b>(0.7)%</b>	<b>\$ (23)</b>	<b>(2.1)%</b>	<b>\$ (21)</b>	<b>\$ 36</b>	<b>\$ (91)</b>	<b>(2.7)%</b>	<b>\$ (142)</b>	<b>(4.2)%</b>	<b>\$ 67</b>
										<b>\$ 155</b>	<b>10.8 %</b>
										<b>\$ 123</b>	<b>8.6 %</b>
										<b>\$ (6)</b>	

In the Industrial Solutions segment, net sales decreased \$8 million increased \$155 million, or 0.7% 10.8%, in the third first quarter of fiscal 2025 as compared to the first quarter of fiscal 2024 as compared to the third quarter of fiscal 2023 due primarily to organic net sales declines growth of 2.1% 8.6% and the negative impact of foreign currency translation of 1.8%, partially offset by the positive impact of 3.2% 2.6% from an acquisition. acquisitions. Our organic net sales by industry end market were as follows:

- **Industrial equipment—Automation and connected living**—Our organic net sales decreased 23.6% 4.5% in the third first quarter of fiscal 2024 with declines across all regions and reduced demand resulting from inventory corrections 2025 due to continued weakness in factory automation applications, partially offset by strength in the supply chain. appliances market.
- **Aerospace, defense, and marine**—Our organic net sales increased 18.7% 15.4% in the third first quarter of fiscal 2024 2025 as a result of growth in all markets.
- **Digital data networks**—Our organic net sales increased 48.0% in the first quarter of fiscal 2025 primarily as a result of growth in artificial intelligence and cloud applications.
- **Energy**—Our organic net sales increased 3.4% 6.8% in the third first quarter of fiscal 2024 2025 as a result of growth across all regions and strength in the Americas and EMEA regions, partially offset by declines in the Asia-Pacific region. renewable energy applications.
- **Medical**—Our organic net sales increased 7.0% decreased 24.5% in the third first quarter of fiscal 2024 2025 due primarily to growth in interventional medical applications.

Net sales in the Industrial Solutions segment decreased \$91 million, or 2.7%, in the first nine months of fiscal 2024 as compared to the first nine months of fiscal 2023 due primarily to organic net sales declines of 4.2%, partially offset by the

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net positive impact of 2.0% from acquisitions and a divestiture. In the first nine months of fiscal 2024, pricing actions positively affected organic net sales by \$131 million. Our organic net sales by industry end market were as follows:

- **Industrial equipment**—Our organic net sales decreased 26.2% in the first nine months of fiscal 2024 as a result of declines across all regions and reduced demand resulting from inventory corrections in the supply chain.
- **Aerospace, defense, and marine**—Our organic net sales increased 16.2% in the first nine months of fiscal 2024 due to growth in all markets.
- **Energy**—Our organic net sales increased 1.8% in the first nine months of fiscal 2024 due to growth in the Americas region, partially offset by declines in the Asia-Pacific and EMEA regions.
- **Medical**—Our organic net sales increased 9.4% in the first nine months of fiscal 2024 primarily as a result of growth in interventional medical applications.

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**Operating Income.** The following table presents the Industrial Solutions segment's operating income and operating margin information:

For the Quarters Ended			For the Nine Months Ended			For the Quarters Ended		
June 28, 2024	June 30, 2023	Change	June 28, 2024	June 30, 2023	Change	December 27, 2024	December 29, 2023	Change

	(\$ in millions)									
	(\$ in millions)									
Operating income	\$ 153	\$ 150	\$ 3	\$ 451	\$ 440	\$ 11	\$ 244	\$ 211	\$ 33	
Operating margin	13.5 %	13.1 %		13.7 %	13.0 %		15.3 %	14.7 %		

Operating income in the Industrial Solutions segment increased \$3 million and \$11 million \$33 million in the third first quarter and first nine months of fiscal 2024, respectively, 2025 as compared to the same periods period of fiscal 2023. Excluding the items below, operating income decreased in the third quarter and first nine months of fiscal 2024 primarily as a result of lower volume and higher operating costs, partially offset by the positive impact of pricing actions.

	For the				For the			
	Quarters Ended		Nine Months Ended		Quarters Ended		Nine Months Ended	
	June 28,	June 30,	June 28,	June 30,	2024	2023	2024	2023
	2024	2023	2024	2023	(in millions)	(in millions)	(in millions)	(in millions)
Acquisition and integration costs	\$ 5	\$ 8	\$ 15	\$ 21				
Restructuring and other charges, net	13	22	32	68				
Taxes (non-income tax) recorded in selling, general, and administrative expenses	—	—	1	—				
<b>Total</b>	<b>\$ 18</b>	<b>\$ 30</b>	<b>\$ 48</b>	<b>\$ 89</b>				

#### Communications Solutions

**Net Sales.** The following table presents the Communications Solutions segment's net sales and the percentage of total net sales by industry end market<sup>(1)</sup>:

	For the				For the			
	Quarters Ended		Nine Months Ended		Quarters Ended		Nine Months Ended	
	June 28,	June 30,	June 28,	June 30,	2024	2023	2024	2023
	2024	2023	2024	2023	(in millions)	(in millions)	(in millions)	(in millions)
Data and devices	\$ 329	64 %	\$ 252	59 %	\$ 881	63 %	\$ 869	61 %
Appliances	187	36	172	41	508	37	563	39
<b>Total</b>	<b>\$ 516</b>	<b>100 %</b>	<b>\$ 424</b>	<b>100 %</b>	<b>\$ 1,389</b>	<b>100 %</b>	<b>\$ 1,432</b>	<b>100 %</b>

(1) Industry end market information is presented consistently with our internal management reporting and may be revised periodically as management deems necessary.

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The following table provides an analysis of the change in the Communications Solutions segment's net sales by industry end market:

Data and	Change in Net Sales for the Quarter Ended June 28, 2024						Change in Net Sales for the Nine Months Ended June 28, 2024					
	versus Net Sales for the Quarter Ended June 30, 2023			versus Net Sales for the Nine Months Ended June 30, 2023								
	Net Sales		Organic Net Sales		Net Sales		Organic Net Sales		Net Sales		Organic Net Sales	
(\$ in millions)												
devices	\$ 77	30.6 %	\$ 80	31.8 %	\$ (3)	\$ 12	1.4 %	\$ 17	2.0 %	\$ (5)		
Appliances	15	8.7	20	11.7	(5)	(55)	(9.8)	(46)	(8.2)	(9)		
Total	\$ 92	21.7 %	\$ 100	23.7 %	\$ (8)	\$ (43)	(3.0)%	\$ (29)	(2.0)%	\$ (14)		

Net sales in the Communications Solutions segment increased \$92 million, or 21.7%, in the third quarter of fiscal 2024 as compared to the third quarter of fiscal 2023 due primarily to organic net sales growth of 23.7%. Our organic net sales by industry end market were as follows:

- **Data and devices**—Our organic net sales increased 31.8% in the third quarter of fiscal 2024 primarily as a result of growth in cloud and artificial intelligence applications and market improvements.
- **Appliances**—Our organic net sales increased 11.7% in the third quarter of fiscal 2024 due primarily to growth in the Americas and Asia-Pacific regions.

In the first nine months of fiscal 2024, net sales in the Communications Solutions segment decreased \$43 million, or 3.0%, as compared to the first nine months of fiscal 2023 due primarily to organic net sales declines of 2.0%. In the first nine months of fiscal 2024, price erosion negatively affected organic net sales by \$41 million. Our organic net sales by industry end market were as follows:

- **Data and devices**—Our organic net sales increased 2.0% in the first nine months of fiscal 2024 due to growth in cloud and artificial intelligence applications, partially offset by market declines and reduced demand resulting from inventory corrections in the supply chain in the first half of the year.
- **Appliances**—Our organic net sales decreased 8.2% in the first nine months of fiscal 2024 as a result of market declines across all regions and reduced demand resulting from inventory corrections in the supply chain in the first half of the year.

**Operating Income.** The following table presents the Communications Solutions segment's operating income and operating margin information:

	For the					
	Quarters Ended		Nine Months Ended			
	June 28,	June 30,	June 28,	June 30,		
	2024	2023	Change	2024	2023	Change
			(\$ in millions)			
Operating income	\$ 104	\$ 55	\$ 49	\$ 251	\$ 189	\$ 62
Operating margin	20.2 %	13.0 %		18.1 %	13.2 %	

Operating income in the Communications Solutions segment increased \$49 million and \$62 million in the third quarter and first nine months of fiscal 2024, respectively, as compared to the same periods of fiscal 2023, 2024. Excluding

the items below, operating income increased in the **third** **first** quarter of fiscal **2024** **2025** primarily as a result of higher volume. **Excluding**

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the items below, operating income increased in the first nine months of fiscal 2024 due primarily to improved manufacturing productivity and the favorable impact of product mix, partially offset by price erosion.

For the Quarters Ended		For the Nine Months Ended		For the Quarters Ended	
				June 28, 2024	June 30, 2023
				27,	29,
				2024	2023

(in millions)							
Acquisition and integration costs	\$ —	\$ 1	\$ 1	\$ 3	\$ 5	\$ 8	
Restructuring and other charges, net	1	4	10	36	18	7	
Taxes (non-income tax) recorded in selling, general, and administrative expenses					—	1	
Total	\$ 1	\$ 5	\$ 11	\$ 39	\$ 23	\$ 16	

### Liquidity and Capital Resources

Our ability to fund our future capital needs will be affected by our ongoing ability to generate cash from operations and may be affected by our access to capital markets, money markets, or other sources of funding, as well as the capacity and terms of our financing arrangements. We believe that cash generated from operations and, to the extent necessary, these other sources of potential funding will be sufficient to meet our anticipated capital needs for the foreseeable future, including the **payments** **payment** of \$350 million of 3.45% senior notes due in August 2024 and €550 million of 0.00% euro-denominated senior notes due in February 2025. We may use excess cash to purchase a portion of our **common** **ordinary** shares pursuant to our authorized share repurchase program, to acquire **strategic** **businesses** or product lines, to pay dividends on our **common** **ordinary** shares, or to reduce our outstanding debt. **We may also use excess cash and other funding to make strategic acquisitions.** The cost or availability of future funding may be impacted by financial market conditions. We will continue to monitor financial markets and respond as necessary to changing conditions. We believe that we have sufficient financial resources and liquidity which will enable us to meet our ongoing working capital and other cash flow needs.

### Cash Flows from Operating Activities

In the first nine months quarter of fiscal 2024, net cash provided by operating activities increased \$441 million \$159 million to \$2,435 million \$878 million from \$1,994 million \$719 million in the first nine months quarter of fiscal 2023. The increase resulted primarily from higher pre-tax income and the impact of changes in working capital levels. The amount of income taxes paid, net of refunds, during the first nine months quarters of fiscal 2025 and 2024 and 2023 was \$384 \$49 million and \$354 million \$100 million, respectively.

#### Cash Flows from Investing Activities

Capital expenditures were \$467 million \$205 million and \$538 \$151 million in the first nine months quarters of fiscal 2024 2025 and 2023, 2024, respectively. We expect fiscal 2024 2025 capital spending levels to be approximately 4% to 5% of net sales. We believe our capital funding levels are adequate to support new programs, and we continue to invest in our manufacturing infrastructure to further enhance productivity and manufacturing capabilities.

During the first nine months quarter of fiscal 2024, we acquired one business two businesses for a combined cash purchase price of \$339 million \$325 million, net of cash acquired. We acquired one business for a cash purchase price of \$108 million \$349 million, net of cash acquired,

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during the first nine months quarter of fiscal 2023 2024. See Note 3 to the Condensed Consolidated Financial Statements for additional information regarding acquisitions.

During the first nine months quarter of fiscal 2024, we received net cash proceeds of \$59 million \$38 million related to the sale of one business. We received net cash proceeds of \$48 million related to the sale of three businesses during the first nine months of fiscal 2023. See Note 2 to the Condensed Consolidated Financial Statements for additional information.

#### Cash Flows from Financing Activities and Capitalization

Total debt at June 28, 2024 December 27, 2024 and September 29, 2023 September 27, 2024 was \$4,202 million \$4,205 million and \$4,211 million \$4,203 million, respectively. See Note 7 to the Condensed Consolidated Financial Statements for additional information regarding debt.

As of June 28, 2024 December 27, 2024, Tyco Electronics Group S.A. ("TEGSA"), our wholly-owned subsidiary, had \$309 million \$345 million of commercial paper outstanding at a weighted-average interest rate of 5.48% 4.50%. TEGSA had \$330 million \$255 million of commercial paper outstanding at a weighted-average interest rate of 5.50% 4.95% at September 29, 2023 September 27, 2024.

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TEGSA entered into has a new five-year unsecured senior revolving credit facility ("Credit Facility") in with a maturity date of April 2024 with 2029 and aggregate commitments of \$1.5 billion, which refinanced and replaced in full TEGSA's existing \$1.5 billion five-year unsecured senior revolving credit facility (the "Replaced Credit Facility"). The Credit Facility matures in April 2029 and permits, subject to conditions set forth therein, our contemplated merger and change in jurisdiction of incorporation. See Note 1 to the Condensed Consolidated Financial Statements for additional information regarding the merger and change in our jurisdiction of incorporation. TEGSA had no borrowings under the Credit Facility at June 28, 2024 December 27, 2024 or the Replaced Credit Facility at September 29, 2023 September 27, 2024.

The Credit Facility contains a financial ratio covenant providing that if, as of the last day of each fiscal quarter, our ratio of Consolidated Total Debt to Consolidated EBITDA (as defined in the Credit Facility) for the then most recently concluded period of four consecutive fiscal quarters exceeds 3.75 to 1.0, an Event of Default (as defined in the Credit

Facility) is triggered. The Credit Facility and our other debt agreements contain other customary covenants. None of our covenants are presently considered restrictive to our operations. As of **June 28, 2024** **December 27, 2024**, we were in compliance with all of our debt covenants and believe that we will continue to be in compliance with our existing covenants for the foreseeable future.

In addition to the Credit Facility, TEGSA is the borrower under our senior notes and commercial paper. **TEGSA's payment** **Payment** obligations under **its** **TEGSA's** senior notes, commercial paper, and Credit Facility are fully and unconditionally guaranteed on an unsecured basis by **TEGSA's parent, TE Connectivity Switzerland Ltd., and its parent, TE Connectivity Ltd. plc.**

Payments of **ordinary/common** share dividends to shareholders were **\$564 million** **\$189 million** and **\$541 million** **\$183 million** in the first **nine months** **quarters** of fiscal **2025** and **2024**, and **2023**, respectively.

**In March 2024, our shareholders approved a dividend payment to shareholders of \$2.60 per share, payable in four equal quarterly installments of \$0.65 per share beginning in the third quarter of fiscal 2024 and ending in the second quarter of fiscal 2025.**

During the first **nine months** **quarter** of fiscal **2024** **2025**, our board of directors authorized an increase of **\$1.5 billion** **\$2.5 billion** in our share repurchase program. We repurchased approximately **nine** **two** million of our **ordinary** shares for **\$310 million** and approximately **three** million of our **common** shares for **\$1,235 million** and approximately **five** million of our **common** shares for **\$621 million** **\$420 million** under the share repurchase program during the first **nine months** **quarters** of fiscal **2024** **2025** and **2023** **2024**, respectively. At **June 28, 2024** **December 27, 2024**, we had **\$1.0 billion** **\$2.4 billion** of availability remaining under our share repurchase authorization.

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**Summarized Guarantor Financial Information**

As discussed above, our senior notes, commercial paper, and Credit Facility are issued by TEGSA and are fully and unconditionally guaranteed on an unsecured basis by TEGSA's parent, TE Connectivity Switzerland Ltd., and its parent, TE Connectivity plc. In addition to being the issuer of our debt securities, TEGSA owns, directly or indirectly, all of our operating subsidiaries. The following tables present summarized financial information, excluding investments in and equity in earnings of our non-guarantor subsidiaries, for TE Connectivity plc, TE Connectivity Switzerland Ltd., and TEGSA on a combined basis.

	June 28, 2024	September 29, 2023	December	
			27, 2024	September 27, 2024
<b>Balance Sheet Data:</b>				
Total current assets	\$ 1,363	\$ 1,632	\$ 1,320	\$ 1,164
Total noncurrent assets <sup>(1)</sup>	2,379	2,857	2,678	2,377
Total current liabilities	1,972	1,303	1,272	1,362

Total noncurrent liabilities <sup>(2)</sup>	7,177	7,592	7,431	10,738
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(1) Includes \$2,336 million \$2,596 million and \$2,783 million \$2,368 million as of June 28, 2024 December 27, 2024 and September 29, 2023 September 27, 2024, respectively, of intercompany loans receivable from non-guarantor subsidiaries.

(2) Includes \$4,208 million \$4,144 million and \$4,056 million \$7,309 million as of June 28, 2024 December 27, 2024 and September 29, 2023 September 27, 2024, respectively, of intercompany loans payable to non-guarantor subsidiaries.

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	For the Nine Months Ended June 28, 2024	For the Fiscal Year Ended September 29, 2023	December 27, 2024	September 27, 2024
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Statement of Operations Data:	(in millions)		(in millions)	
	Loss from continuing operations	\$ (57)	\$ (606)	\$ 311
Net loss		(57)	(606)	311
Income (loss) from continuing operations			\$ (271)	
Net income (loss)			311	(271)

**Guarantees**

In certain instances, we have guaranteed the performance of third parties and provided financial guarantees for uncompleted work and financial commitments. The terms of these guarantees vary with end dates ranging from fiscal 2024 2025 through the completion of such transactions. The guarantees would be triggered in the event of nonperformance, and the potential exposure for nonperformance under the guarantees would not have a material effect on our results of operations, financial position, or cash flows.

In disposing of assets or businesses, we often provide representations, warranties, and/or indemnities to cover various risks including unknown damage to assets, environmental risks involved in the sale of real estate, liability for investigation and remediation of environmental contamination at waste disposal sites and manufacturing facilities, and unidentified tax liabilities and legal fees related to periods prior to disposition. We do not expect that these uncertainties will have a material adverse effect on our results of operations, financial position, or cash flows.

At June 28, 2024 December 27, 2024, we had outstanding letters of credit, letters of guarantee, and surety bonds of \$185 million, including letters of credit of \$22 million associated with our divestiture of the Subsea Communications business. In addition, as of June 28, 2024 December 27, 2024, we had \$24 million \$23 million of performance guarantees associated with the divestiture. We contractually agreed to continue to honor letters of credit and performance guarantees related to the business' projects that existed as of the date of sale; however, based on historical experience, we do not anticipate having to perform on these guarantees.

**Commitments and Contingencies**

**Legal Proceedings**

In the normal course of business, we are subject to various legal proceedings and claims, including patent infringement claims, product liability matters, employment disputes, disputes on agreements, other commercial disputes,

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environmental matters, antitrust claims, and tax matters, including non-income tax matters such as value added tax, sales and use tax, real estate tax, and transfer tax. Although it is not feasible to predict the outcome of these proceedings, based upon our experience, current information, and applicable law, we do not expect that the outcome of these proceedings, either individually or in the aggregate, will have a material effect on our results of operations, financial position, or cash flows.

**Trade Compliance Matters**

We have been investigating our past compliance with relevant U.S. trade controls and have made voluntary disclosures of apparent trade controls violations to the U.S. Department of Commerce's Bureau of Industry and Security ("BIS") and the U.S. State Department's Directorate of Defense Trade Controls ("DDTC"). We are cooperating with the BIS and DDTC on these matters, and the resulting investigations are ongoing. We have also been contacted by the U.S. Department of Justice concerning aspects of these matters. We are unable to predict the timing and final outcome of the agencies' investigation. An unfavorable outcome may include fines or penalties imposed in response to our disclosures, but we are not yet able to reasonably estimate the extent of any such fines or penalties. Although we have reserved for potential fines and penalties relating to these matters based on our current understanding of the facts, the investigations investigation into these matters have has yet to be completed and the final outcome of such investigations investigation and related fines and penalties may differ from amounts currently reserved.

**Critical Accounting Policies and Estimates**

The preparation of the Condensed Consolidated Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenue and expenses.

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Our accounting policies for revenue recognition, goodwill and other intangible assets, income taxes, and pension plans are based on, among other things, judgments and assumptions made by management. For additional information regarding these policies and the underlying accounting assumptions and estimates used in these policies, refer to "Part II. Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates" and the Consolidated Financial Statements and accompanying notes contained in our Annual Report on Form 10-K for the fiscal year ended September 29, 2023 September 27, 2024. There were no significant changes to this information during the first nine months quarter of fiscal 2024.

**Accounting Pronouncements**

See Note 1 to the Condensed Consolidated Financial Statements for additional information regarding recently issued and adopted accounting pronouncements. 2025.

**Non-GAAP Financial Measure**

**Organic Net Sales Growth (Decline)**

We present organic net sales growth (decline) as we believe it is appropriate for investors to consider this adjusted financial measure in addition to results in accordance with GAAP. 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.

Organic net sales growth (decline) provides useful information about our results and the trends of our business. Management uses this measure to monitor and evaluate performance. Also, management uses this measure together with GAAP financial measures in its decision-making processes related to the operations of our reportable segments and our overall company. It is also a significant component in our incentive compensation plans. We believe that investors benefit from having access to the same financial measures that management uses in evaluating operations. The tables presented in "Results of Operations" and "Segment Results" provide reconciliations of organic net sales growth (decline) to net sales growth (decline) calculated in accordance with GAAP.

Organic net sales growth (decline) is a non-GAAP financial measure and should not be considered a replacement for results in accordance with GAAP. This non-GAAP financial measure may not be comparable to similarly-titled measures reported by other companies. The primary limitation of this measure is that it excludes the financial impact of items that would otherwise either increase or decrease our reported results. This limitation is best addressed by using organic net sales growth (decline) in combination with net sales growth (decline) to better understand the amounts, character, and impact of any increase or decrease in reported amounts.

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**Forward-Looking Information**

Certain statements in this Quarterly Report on Form 10-Q are "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act. These statements are based on our management's beliefs and assumptions and on information currently available to our management. Forward-looking statements include, among others, the information concerning our possible or assumed future results of operations, business strategies, financing plans, competitive position, potential growth opportunities, potential operating performance improvements, acquisitions, divestitures, the effects of competition, and the effects of future legislation or regulations. Forward-looking statements include all statements that are not historical facts and can be identified by the use of forward-looking terminology such as the words "believe," "expect," "plan," "intend," "anticipate," "estimate," "predict," "potential," "continue," "may," and "should," or the negative of these terms or similar expressions.

Forward-looking statements involve risks, uncertainties, and assumptions. Actual results may differ materially from those expressed in these forward-looking statements. Investors should not place undue reliance on any forward-looking statements. We do not have any intention or obligation to update forward-looking statements after we file this report except as required by law.

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The following and other risks, which are described in greater detail in "Part I. Item 1A. Risk Factors," in our Annual Report on Form 10-K for the fiscal year ended September 29, 2023 September 27, 2024, and in this report, could cause our results to differ materially from those expressed in forward-looking statements:

- conditions in the global or regional economies and global capital markets, and cyclical industry conditions, including recession, inflation, tariffs, and higher interest rates;
- conditions affecting demand for products in the industries we serve, particularly the automotive industry;

- risk of future goodwill impairment;
- pricing pressure and competition, including competitive risks associated with the pace of technological change;
- market acceptance of our new product introductions and product innovations and product life cycles;
- raw material availability, quality, and cost;
- product liability, warranty, and product recall claims and our ability to defend such claims;
- fluctuations in foreign currency exchange rates and impacts of offsetting hedges;
- financial condition and consolidation of customers and vendors;
- reliance on third-party suppliers;
- risks associated with current and future acquisitions and divestitures;
- global risks of business interruptions due to natural disasters or other disasters which have impacted and could continue to negatively impact our results of operations as well as customer behaviors, business, and manufacturing operations as well as our facilities and the facilities of our suppliers, and other aspects of our business;
- global risks of political, economic, and military instability, including the continuing military conflict conflicts in certain parts of the world, and volatile and uncertain economic conditions and the evolving regulatory system in China;
- risks associated with cybersecurity incidents and other disruptions to our information technology infrastructure; infrastructure, including as a result of artificial intelligence;

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- risks related to compliance with current and future environmental and other laws and regulations, including those related to climate change;
- risks related to the increasing scrutiny and expectations regarding environmental, social, and governance matters;
- risks associated with compliance with applicable antitrust or competition laws or applicable trade regulations;
- our ability to protect our intellectual property rights;
- risks of litigation, regulatory actions, and compliance issues;
- our ability to operate within the limitations imposed by our debt instruments;

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- the possible effects on us of various non-U.S. and U.S. legislative proposals and other initiatives that, if adopted, could materially increase our worldwide corporate effective tax rate, increase global cash taxes, and negatively impact our U.S. government contracts business;
- requirements related to chemical usage, hazardous material content, recycling, and other circular economy initiatives;
- various risks associated with being a Swiss an Irish corporation;

- the impact of fluctuations in the market price of our shares; and
- the impact of certain provisions of our articles of association on unsolicited takeover proposals; and
- risks associated with the change in our jurisdiction of incorporation to Ireland proposals.

There may be other risks and uncertainties that we are unable to predict at this time or that we currently do not expect to have a material adverse effect on our business.

#### ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no significant changes in our exposures to market risk during the first **nine months quarter** of fiscal **2024 2025**. For further discussion of our exposures to market risk, refer to "Part II. Item 7A. Quantitative and Qualitative Disclosures About Market Risk" in our Annual Report on Form 10-K for the fiscal year ended **September 29, 2023** **September 27, 2024**.

#### ITEM 4. CONTROLS AND PROCEDURES

##### Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934), as of **June 28, 2024** **December 27, 2024**. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of **June 28, 2024** **December 27, 2024**.

##### Changes in Internal Control Over Financial Reporting

During the quarter ended **June 28, 2024** **December 27, 2024**, there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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## PART II. OTHER INFORMATION

#### ITEM 1. LEGAL PROCEEDINGS

There have been no material developments in our legal proceedings since we filed our Annual Report on Form 10-K for the fiscal year ended **September 29, 2023** **September 27, 2024**. Refer to "Part I. Item 3. Legal Proceedings" in our Annual Report on Form 10-K for the fiscal year ended **September 29, 2023** **September 27, 2024** for additional information regarding legal proceedings.

#### ITEM 1A. RISK FACTORS

There have been no material changes in our risk factors from those disclosed in "Part I. Item 1A. Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended **September 29, 2023** **September 27, 2024**. The risk factors described in our Annual Report on Form 10-K, in addition to other information in this report, could materially affect our business operations, financial condition, or liquidity. Additional risks and uncertainties not currently known to us or that we currently believe are immaterial may also impair our business operations, financial condition, and liquidity.

#### ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

##### Issuer Purchases of Equity Securities

The following table presents information about our purchases of our **common** **ordinary** shares during the quarter ended **June 28, 2024** **December 27, 2024**:

Total Number of Shares Purchased as Part of	Total Number of Shares Purchased <sup>(1)</sup>	Avera Pai Sh
Period		
March 30–April 26, September 28–October 25, 2024	917,228 657,447	\$ 14
April 27–May 31, October 26–November 29, 2024	1,071,981 757,106	14
June 1–June 28, November 30–December 27, 2024	824,897 660,426	14
<b>Total</b>	<b>2,814,106 2,074,979</b>	<b>14</b>

(1) These columns include the following transactions which occurred during During the quarter ended June 28, 2024:

- (i) the acquisition of 19,292 common shares from individuals in order to satisfy tax withholding requirements in connection with the vesting of restricted shares.
- (ii) December 27, 2024, all purchases were open market purchases totaling 2,794,814 common of ordinary shares, summarized on a trade-date basis.

(2) Our share repurchase program authorizes us to purchase a portion of our outstanding common ordinary shares from time to time through open market or private negotiations.

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**ITEM 5. OTHER INFORMATION**

**Rule 10b5-1 Trading Arrangements**

In the quarter ended June 28, 2024 December 27, 2024

- In the quarter ended December 27, 2024.
- In the quarter ended December 27, 2024.

The trading plans described above were

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**ITEM 6. EXHIBITS**

Exhibit 10

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‡ Management contract or compensatory plan

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\* Filed herewith  
\*\* Furnished herewith  
(1) The instance document does not appear in the EDGAR database  
(2) Formatted in Inline XBRL and contained in the EDGAR database

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Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has elected to furnish the information contained in this Form 10-K on an electronic medium.

Date: **July 29, 2024** January 24, 2025

Pursuant to Item 601(b)(22) of Regulation S-K

**Description of securities**

3.45% senior notes due 2024  
0.00% euro-denominated senior notes due 2024  
4.50% senior notes due 2026  
3.70% senior notes due 2026  
3.125% senior notes due 2027  
0.00% euro-denominated senior notes due 2027  
**4.625% senior notes due 2030**  
2.50% senior notes due 2032  
7.125% senior notes due 2037

I, Terrence R. Curtin, certify that:

1. I have reviewed this Quarterly Report
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact required to be stated or necessary to make the statements made in this report not misleading in light of the circumstances under which such statements were made
3. Based on my knowledge, the financial statements included in this report fairly present in all material respects the financial condition of the registrant as of the end of the period covered by this report and the results of its operations for the period covered by this report
4. The registrant's other certifying officer and I are responsible for establishing, maintaining and-complying with disclosure controls and procedures, designed to ensure the accuracy and completeness of the information contained in this report and any other report that we file with the SEC, for the registrant, with respect to the time periods covered by this report
- a) Designed such disclosure controls and procedures to ensure that material information required to be disclosed by the registrant in this report is accumulated and communicated to the registrant's certifying officers and principal executive officer or principal financial officer as appropriate to allow timely decisions regarding required disclosure
- b) Designed such internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles
- c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report, based on such evaluation
- d) Disclosed in this report any change in the registrant's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the registrant's ability to prepare and/or disclose financial data in accordance with generally accepted accounting principles
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of disclosure controls and procedures, to the registrant's audited financial statements contained in this report, our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report, that there were no significant deficiencies in the design or operation of such controls that could reasonably be expected to adversely affect the registrant's ability to file timely reports under the Securities Exchange Act of 1934, as amended
- a) All significant deficiencies and material weaknesses in internal control over financial reporting that are reasonably likely to adversely affect the registrant's ability to file timely reports under the Securities Exchange Act of 1934, as amended
- b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting

Date: **July 29, 2024** January 24, 2025

I, Heath A. Mitts, certify that:

1. I have reviewed this Quarterly Report
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading.
3. Based on my knowledge, the financial statements included in this Quarterly Report fairly present in all material respects the financial condition of the registrant as of the end of the period covered by this Quarterly Report.
4. The registrant's other certifying officer and I are in compliance with any disclosure requirements not contained in the rules and regulations of the Securities and Exchange Commission relating to other certifying officers of the registrant, and have performed the duties of our positions in accordance with our responsibilities thereunder.

  - a) Designed such disclosure controls and procedures to be effective in preventing or detecting material non-compliance with the requirements of the Securities and Exchange Commission's general rules and regulations; and
  - b) Designed such internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this Quarterly Report our conclusions about the effectiveness of such controls and procedures, based on our evaluation as of a date within 90 days of the end of the period covered by this Quarterly Report.
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's audited financial statements contained in this Quarterly Report, all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which could reasonably be expected to adversely affect the registrant's ability to record, process, summarize, and report financial data.
6. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's audited financial statements contained in this Quarterly Report, any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **July 29, 2024** **January 24, 2025**

The undersigned officers of TE Connex, Inc. certify that they have reviewed this Quarterly Report and, to their knowledge, it contains no untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading.

/s/ Terrence R. Curtin

Terrence R. Curtin

*Chief Executive Officer*

July 29, 2024 January 24, 2025

/s/ Heath A. Mitts

Heath A. Mitts

*Executive Vice President and Chief Financial*

July 29, 2024 January 24, 2025

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