

TE Connectivity Ltd.  
Form 10-Q  
April 26, 2019  
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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 March 29, 2019

or

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

001 33260

(Commission File Number)

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TE CONNECTIVITY LTD.

(Exact name of registrant as specified in its charter)

Switzerland 98 0518048  
(Jurisdiction of Incorporation) (I.R.S. Employer Identification No.)

Rheinstrasse 20

CH 8200 Schaffhausen, Switzerland

(Address of principal executive offices)

+41 (0)52 633 66 61

(Registrant's telephone number)

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

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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 Smaller reporting company Emerging growth company  
filer

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 shares outstanding as of April 22, 2019 was 336,866,119.

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## PART I. FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

## TE CONNECTIVITY LTD.

## CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(UNAUDITED)

	For the Quarters Ended		For the Six Months Ended	
	March 29, 2019	March 30, 2018	March 29, 2019	March 30, 2018
	(in millions, except per share data)			
Net sales	\$ 3,412	\$ 3,562	\$ 6,759	\$ 6,898
Cost of sales	2,294	2,350	4,527	4,522
Gross margin	1,118	1,212	2,232	2,376
Selling, general, and administrative expenses	373	409	762	786
Research, development, and engineering expenses	166	173	327	338
Acquisition and integration costs	7	3	12	5
Restructuring and other charges, net	42	6	117	40
Operating income	530	621	1,014	1,207
Interest income	4	4	9	8
Interest expense	(15)	(28)	(42)	(54)
Other income, net	1	1	—	3
Income from continuing operations before income taxes	520	598	981	1,164
Income tax expense	(91)	(108)	(169)	(707)
Income from continuing operations	429	490	812	457
Income (loss) from discontinued operations, net of income taxes	10	—	(97)	(7)
Net income	\$ 439	\$ 490	\$ 715	\$ 450
Basic earnings per share:				
Income from continuing operations	\$ 1.27	\$ 1.40	\$ 2.39	\$ 1.30
Income (loss) from discontinued operations	0.03	—	(0.29)	(0.02)
Net income	1.30	1.40	2.10	1.28
Diluted earnings per share:				
Income from continuing operations	\$ 1.26	\$ 1.38	\$ 2.37	\$ 1.29
Income (loss) from discontinued operations	0.03	—	(0.28)	(0.02)
Net income	1.29	1.38	2.09	1.27
Weighted-average number of shares outstanding:				
Basic	338	351	340	351
Diluted	340	354	342	355

See Notes to Condensed Consolidated Financial Statements.

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TE CONNECTIVITY LTD.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(UNAUDITED)

	For the Quarters Ended March 29, March 30, 2019 2018		For the Six Months Ended March <del>20</del> March 30, 2019 2018	
Net income	\$ 439	\$ 490		