

Amphenol Sales Grow +6.5% Over Prior Year Sales Up 11% in Local Currencies

Amphenol Corporation reported 1Q15 sales of \$1,327.1 million, up +6.5% over 1Q14 and down -7.0% sequentially. Organic sales were up +5% year-over-year (excludes acquisitions and foreign exchange) and sales in local currencies was up +11% over prior year.

Orders in 1Q15 were \$1,340 million. Up +2.3% from prior year, and the book-to-bill was 1.01.

Net income was \$179.8 million (13.6% of sales) in 1Q15, up +13.5% year-over-year and down -7.1% sequentially.

Market sector performance can be seen in the following table.

Market	% of Total Sales in Quarter	1Q15 YOY	1Q15 Sequential
Automotive	18%	31%	Flat
Military	11%	Flat	↓ mid-single-digit
Commercial Aerospace	6%	-6%	-7%
Broadband	6%	Down Slightly	Flat
IT/Data	17%	6%	Flat
Industrial	18%	10%	**
Mobile Networks	9%	-9%	-5%
Mobile Devices	15%	5%	-28%
	100%	6.5%	-7.0%

** Not Reported

In the quarter, Amphenol completed the acquisition of Invotec, a \$35 million manufacturer of highly engineered, harsh environment, printed circuit boards, flex circuits and related assemblies for the aerospace, defense and industrial markets.

Outlook

Amphenol forecasts sales of \$1,315 to \$1,355 million in 2Q15, a year-over-year increase of 0% to +3%. The full year 2015 forecast is \$5,500 to \$5,620 million, an increase of +3% to +5%.

Bishop & Associates' Comments

Amphenol continues to perform above the connector industry in profitability and sales growth. Net income of 13.6% of sales for the quarter is excellent. Year-over-year sales growth of +6.5% exceeded the industry sales growth by 9 points. Amphenol has outperformed industry sales growth for the past 14 consecutive quarters.

Acquisitions continue to enhance Amphenol's growth and are branching the company into new industries.

With approximately two-third of their sales outside of North America, Amphenol's performance is being impacted by the strong dollar. As reported by Amphenol for 1Q15, sales were up +7% in US\$ and up +11% in local currencies.

Sales in the military sector, where Amphenol is the market leader, were flat in 1Q15. Amphenol's commercial aviation was also flat in the quarter, but industrial and automotive sales were strong which helped make up some of the shortfall.

The following graph plots Amphenol's sales performance versus the connector industry by quarter since 3Q12 (year-over-year percentage change).

Amphenol versus Industry

