

Amphenol Sales Grow +2.8% Over Prior Year Sales Up 6.7% in Local Currencies

Amphenol Corporation reported 2Q15 sales of \$1,351.5 million, up +2.8% over 2Q14 and up +1.8% sequentially. Sales were up +6.7% year-over-year in local currencies.

Orders in 2Q15 were \$1,362 million. Up +4.0% from prior year, and the book-to-bill was 1.01.

Net income was \$179.0 million (13.2% of sales) in 2Q15, up +1.5% year-over-year and down -0.4% sequentially.

Market sector performance can be seen in the following table.

Market	% of Total Sales in Quarter	2Q15 YOY	2Q15 Sequential
Automotive	19%	33%	No Comment
Military	11%	2%	2%
Commercial Aerospace	6%	-7%	3%
Broadband	6%	-7%	Flat
IT/Data	17%	3%	Down Slightly
Industrial	17%	4%	2%*
Mobile Networks	8%	-27%	-7%
Mobile Devices	16%	5%	7%
	100%	2.8%	1.8%

* Local Currencies

In the quarter, Amphenol signed a definitive agreement to acquire FCI for \$1.275 billion. FCI sales in 2015 are approximately \$600 million.

In the quarter, Amphenol completed the acquisitions of the ProCom and DoCharm. Procom is a \$20 million, Denmark-based manufacturer of harsh environment antennas for the industrial market. DoCharm is a \$50 million Chinese manufacturer of interconnects for automotive lighting applications.

Outlook

Amphenol forecasts sales of \$1,435 to \$1,475 million in 3Q15, a year-over-year increase of +6% to +9%. The full year 2015 forecast is \$5,540 to \$5,620 million, an increase of +4% to +5% in US dollars, +7% to +9% in local currencies and +3% to +4% organically.

Bishop & Associates' Comments

Year-over-year sales growth of +2.8% exceeded the industry sales growth by over 9 points. Amphenol has outperformed industry sales growth for the past 15 consecutive quarters.

Acquisitions continue to enhance Amphenol's growth and reach. The acquisition of FCI will give Amphenol over a +10% boost in sales

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 2Q15, sales were up +2.8% in US\$ and up +6.7% in local currencies.

Sales in the military sector, where Amphenol is the market leader, were up +2% in 2Q15. Amphenol's commercial aviation was down -7% YOY in the quarter, but industrial sales were up +4% which helped make up some of the income 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

