

Amphenol Sales Up +17.8% Year-Over-Year in 3Q14

Amphenol Corporation reported 3Q14 sales of \$1,358.7 million (a record for the company), up +17.8% over 3Q13 and up +3.4% sequentially. Organic sales were up +11% year-over-year (excludes acquisitions and foreign exchange).

Orders in 3Q14 were \$1,342 million. Up 17% from prior year, and the book-to-bill was 0.99.

Net income was \$184.2 million (13.6% of sales) in 3Q14, up +14.5% year-over-year and up +4.4% sequentially.

Market sector performance can be seen in the following table.

| Market | % of Total Sales in Quarter | 3Q14 YOY | 4Q14 Sequential |
|----------------------|--------------------------------|---------------|--------------------|
| Automotive | 15% | 44% | 3% |
| Military | 10% | 7% | 3% |
| Commercial Aerospace | 6% | 16% | -6% |
| Broadband | 7% | Down Slightly | Flat |
| IT/Data | 16% | -6% | Up Slightly |
| Industrial | 17% | 44% | 3% |
| Mobile Networks | 12% | 38% | Up Slightly |
| Mobile Devices | 17% | 13% | 14% |
| | 100% | 17.8% | 3.4% |

Outlook

Amphenol forecasts sales of \$1,341 to \$1,381 million in 4Q14, a year-over-year increase of +7.6% to +10.9%. The full year 2014 forecast is \$5,260 to \$5,300 million, an increase of +14.0% to +14.8%.

Bishop & Associates' Comments

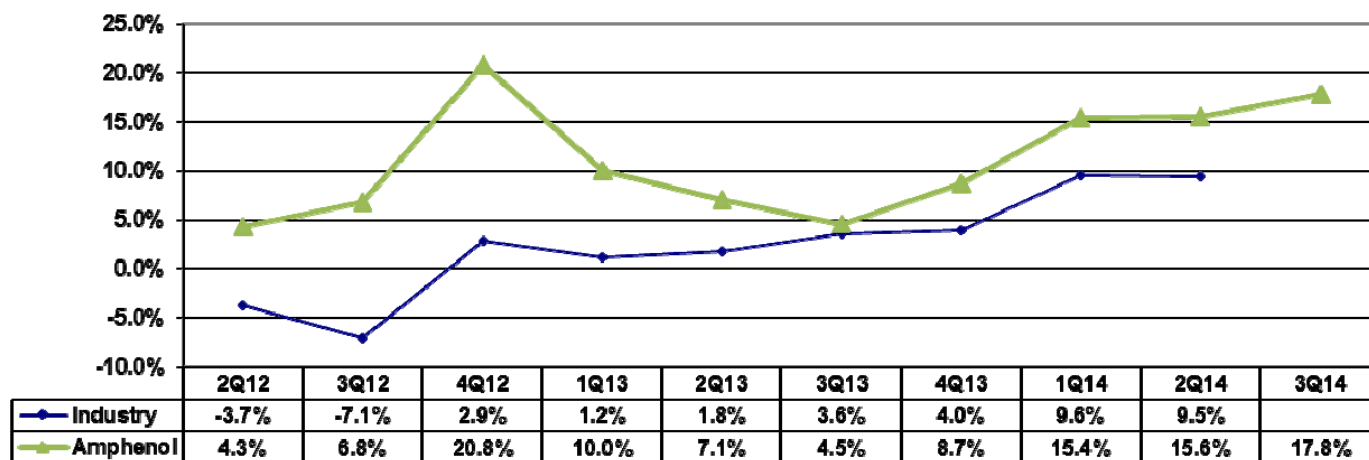
Amphenol continues to perform above the connector industry in profitability and sales growth. Net income of 13.6% of sales for the quarter is excellent, as is year-over-year sales growth of +17.8%, which will exceed the industry sales growth by a substantial margin. Note – we will release industry numbers next week. Amphenol will have outperformed industry sales growth for the past 12 consecutive quarters.

Acquisitions continue to enhance Amphenol's growth and are branching the company into new industries. Approximately 6.8 points of the third quarter YOY sales growth (of +17.8%) was attributed to acquisitions, so roughly 38%.

Sales in the military sector, where Amphenol is the market leader, showed some strength in 3Q14. Amphenol's commercial aviation and industrial sales are strong and made up for some of the past short-fall in military sales.

The following graph plots Amphenol's sales performance versus the connector industry by quarter since 2Q12 (year-over-year percentage change).

Amphenol versus Industry



Note – Bishop will release industry sales data the week of November 3.