

## Amphenol 1Q17 Up +7.5% YOY and +5% Organically

Amphenol Corporation reported 1Q17 sales of \$1,560.1 million, up +7.5% over 1Q16 and down -5.5% sequentially. Organically, sales in the quarter increased +5% YOY. Currency translation reduced sales by \$18 million for the quarter.

Orders in 4Q16 were \$1,599 million, up +8% from prior year. The book-to-bill was 1.02.

Net income was \$224.9 million (14.4% of sales) in 1Q17, up +43.6% year-over-year and down -4.5% sequentially.

Market sector performance can be seen in the following table.

Market	% of Total Sales in Quarter	1Q17 YOY	1Q17 Sequential	1Q17 Organically
Automotive	19%	10%	Slight Increase	11%
Military	10%	14%	-5%	15%
Commercial Aerospace	5%	Down Slightly	Flat	No Comment
Broadband	6%	11%	Flat	No Comment
IT/Data	22%	25%	-5%	21%
Industrial	19%	9%	Down Slightly	4%
Mobile Networks	9%	Down Slightly	-7%	No Comment
Mobile Devices	10%	-18%	-20%	No Comment
	<b>100%</b>	<b>7.5%</b>	<b>-5.5%</b>	<b>5.0%</b>

### Outlook

Amphenol forecasts sales of \$1,580 to \$1,620 million in 2Q17, a year-over-year increase of +3.4% to midpoint. The full-year 2017 forecast is \$6,405 million to \$6,525, an increase of +2.9% to midpoint.

**Bishop & Associates' Comments**

Year-over-year sales growth of +7.5% is less than the industry sales growth of +10.8% for 1Q17. Amphenol had outperformed industry sales growth for 21 consecutive quarters before 1Q17. Acquisitions continue to enhance Amphenol's growth and reach. There were YOY increases in five of eight market areas in 1Q17.

Amphenol's performance is not being significantly impacted by FX. As reported by Amphenol for the quarter, the effect of currency translation was only a \$18 million decrease in sales.

Amphenol's automotive business was up +10% in the quarter. Automotive has been a strong growth area for Amphenol over the last several quarters. Industrial products, one of Amphenol's more profitable product lines, was up +9% for the quarter. IT/Data had very strong growth at +25% and military was up +14%.

The following graph plots Amphenol's sales performance versus the connector industry by quarter since 4Q14 (year-over-year percentage change).

**Amphenol versus Industry**

