

Amphenol 1Q16 Up +9.4% YOY

Amphenol Corporation reported 1Q16 sales of \$1,451.2 million, up +9.4% over 1Q15 and up +1.4% sequentially. Organically, sales in the quarter decreased -1% YOY.

Orders in 1Q16 were \$1,479 million, up +1.1% sequentially and up 10% from prior year. The book-to-bill was 1.02.

Net income was \$156.6 million (10.8% of sales) in 1Q16, down -12.9% year-over-year and down -21.7% sequentially.

Market sector performance can be seen in the following table.

Market	% of Total Sales in Quarter	1Q16 YOY	1Q16 Sequential
Automotive	19%	11%	6%
Military	10%	Down Slightly	Down Slightly
Commercial Aerospace	5%	Down Slightly	Down Slightly
Broadband	6%	2%	4%
IT/Data	19%	21%	Up Strongly
Industrial	18%	16%	9%
Mobile Networks	10%	19%	22%
Mobile Devices	13%	-6%	-30%
	100%	9.4%	1.4%

Outlook

Amphenol forecasts sales of \$1,495 to \$1,535 million in 2Q16, a year-over-year increase of +11% to +14%. The full-year 2016 forecast is \$6,080 million to \$6,200, an increase of +9% to +11% in US dollars over 2015.

Bishop & Associates' Comments

Year-over-year sales growth of +9.4% exceeded the industry sales growth by 12.6-points. Amphenol has outperformed industry sales growth for the past 18 consecutive quarters.

Acquisitions continue to enhance Amphenol’s growth and reach. The acquisition of FCI, which closed in January 2016, will give Amphenol an estimated +10% boost in sales in 2016. This was evident in the YOY increases in several market areas in 1Q16.

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 1Q16, sales were up +9.4% in US\$ and up +11% in local currencies.

Amphenol’s automotive business was up +11% YOY 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 +16% for the quarter which should have helped offset softness in military and commercial aerospace. First quarter growth in industrial, mobile networks and IT/Data were all, in part, attributed to the acquisition of FCI.

The following graph plots Amphenol’s sales performance versus the connector industry by quarter since 4Q13 (year-over-year percentage change).

Amphenol versus Industry

