

Amphenol & TE Market Sectors 2Q16 Performance and Outlook

Amphenol Corporation and TE Connectivity announced their calendar 2Q16 results on July 20, 2016. The following table is a comparison of their Q2 sales performance and Q3 outlooks by market sector.

Market	TE 2Q16 YOY	TE 2Q16 Organic YOY	TE Next Qtr Guidance	Amphenol 2Q16 YOY	Amphenol 2Q16 Organic YOY	Amphenol Next Qtr Guidance
Appliances	1%	2%				
Automotive	2%	3%	Up Mid-Teens YOY*	10%	4%	Up Slightly
Broadband				13%	13%	Seasonal Moderation
Commercial Aerospace			Up High SD YOY*	-5%		Moderate Growth
Commercial Transportation	3%	3%				
Data & Devices	-28%	-17%				
Energy	-2%					
Industrial	14%	-7%	Up High SD YOY*	19%	2%	Flat QoQ, up YOY
IT/Data				38%	5%	Sale Up Sequentially
Military				Flat		Modest Growth
Mil/Aero/Marine	5%	4%				
Mobile Devices				Up Slightly		Up 10%
Mobile Networks				29%	15%	Slight Moderation
Oil & Gas	-31%	-31%				
Sensors	-2%	-2%				
Subsea Communications	10%	10%	Up Low SD			

Pink shading indicates decline in YOY sales. Next quarter guidance is sequential unless otherwise stated. *= Organic. SD = Single Digits.

- Both companies see good opportunity in automotive, industrial and commercial aerospace in Q3 and fiscal year.
- TE projects calendar Q3 YOY growth of +12% (up 3% organically excluding an extra week in the quarter) to midpoint. Amphenol projects calendar Q3 YOY growth of +7% to midpoint.
- TE projects fiscal 2016 YOY sales to be flat to 2015 (2% organic) to midpoint.
- Amphenol projects 2016 sales to be up 10-11% overall (organic growth will be less).

Bishop & Associates' Comments

Bishop measured growth of +1.5% in 2Q16 and a YTD June contraction of -1.4%. Connector industry sales are projected to grow +1.3% YOY in Q3 and 6.6% YOY in Q4. Full-year sales are expected to be up +1.5% to 2015.

Connector Industry Quarterly Sales & Forecast 2014, 2015 and 2016

	2014	2015	YOY	2016	YOY
Quarter	Actual	Actual	Change	Forecast	Change
1Q	\$13,406	\$13,060	-2.6%	\$12,640	-3.2%
2Q	\$14,046	\$13,135	-6.5%	\$13,330	1.5%
3Q	\$14,229	\$13,250	-6.9%	\$13,425	1.3%
4Q	\$13,721	\$12,605	-8.1%	\$13,440	6.6%
Total	\$55,402	\$52,050	-6.1%	\$52,835	1.5%

\$ Millions, Red = Forecast

The following chart shows the YOY change by quarter for the last 14 quarters and the projection for Q316 and Q416.

