

Amphenol & TE Market Sectors 2Q17 Results and 3Q17 Outlook

Amphenol Corporation and TE Connectivity announced their calendar 2Q17 results recently. The following table is a comparison of their Q2 sales performance and 3Q17 outlooks by market sector.

Market	TE CY 2Q17 YOY	TE CY 2Q17 Organic YOY	TE Next Qtr Guidance	Amphenol 2Q17 YOY	Amphenol 2Q17 Organic YOY	Amphenol Next Qtr Guidance
Appliances	12%	14%	Up MSD YOY*			
Automotive	4%	6%	Up MSD YOY*	13%	13%	Increase
Broadband				10%	down slightly	Remain at Current Level
Commercial Aerospace				Down Slightly		Increase
Commercial Transportation	21%	23%	Up MSD YOY*			
Data & Devices	4%	6%	Up MSD YOY*			
Energy	0%	7%				
Industrial	15%	10%	Up MSD YOY*	19%	14%	Seasonal Moderation
IT/Data				15%	3%	Moderate Slightly
Military				17%	18%	Decrease slightly
Mil/Aero/Marine	7%	5%				
Mobile Devices				-20%		40% Increase
Mobile Networks				-3%		Improve Modestly
Sensors	10%	7%	Up MSD YOY*			
Subsea Communications	22%	22%	Up MSD YOY*			

Pink shading indicates decline in YOY sales. Next quarter guidance is sequential unless otherwise stated. *= Organic. **= 14-week quarter. SD = Single Digits. MSD = Mid-Single-Digits, LSD = Low-Single-Digits, DD = Double-Digits

Bishop & Associates' Comments

The table below shows the calendar second quarter actual, the third quarter forecast and the 2017 forecast for Amphenol, TE and the industry.

Sales Results & Forecast Industry Vs. Amphenol & TE

Company	2Q17 Actual	YOY Change	3Q17 Forecast	YOY Change	2017 Forecast	YOY Change
Amphenol	\$1,667	7.6%	\$1,720	5.1%	\$6,660	6.0%
TE	\$3,367	7.9%	\$3,250	5.0%	\$12,900	8.0%
Industry	\$14,730	10.5%	\$14,650	1.5%	\$58,016	7.1%

\$ Millions, Company forecasts to midpoint, TE Fiscal 2017 Forecast

The industry achieved growth of +10.5% in the second quarter. Amphenol and TE both had very good quarters achieving sales growth of +7.6% and +7.9%, respectively.

Amphenol and TE are forecasting growth in the third quarter of mid to high single-digits. This is higher than our industry forecast of +1.5%. Our lower forecasts for sales growth in 3Q17 is a function of tougher year over year sales comparisons and not a forecast of lessening demand for interconnects.

The full-year 2017 industry forecast is for sales growth of +7.1%. Amphenol forecasts growth of +6.0% while TE expects full-year growth of +8.0%.

Sales Results & 3Q17 Forecast Industry Vs. Amphenol & TE

