

Amphenol Sales UP +7.4% in 3RD Quarter

Amphenol Corporation reported 3Q15 sales of \$1,459.6 million, up +7.4% over 3Q14 and up +8.0% sequentially. Sales were up +11% year-over-year in local currencies and up +5% organically.

Orders in 3Q15 were \$1,440 million. Up +8.0% from prior year, and the book-to-bill was 0.99.

Net income was \$207.3 million (14.2% of sales) in 3Q15, up +12.6% year-over-year and up +15.8% sequentially.

Market sector performance can be seen in the following table.

Market	% of Total Sales in Quarter	3Q15 YOY	3Q15 Sequential
Automotive	18%	29%	Up Slightly
Military	9%	-3%	-2%
Commercial Aerospace	5%	-10%	-10%+
Broadband	6%	-6%	Up Slightly
IT/Data	15%	3%	2%
Industrial	16%	Down Slightly	-3%
Mobile Networks	8%	-24%	5%
Mobile Devices	23%	40%	51%
	100%	7.4%	8.0%

Outlook

Amphenol forecasts sales of \$1,330 to \$1,370 million in 4Q15, a year-over-year decrease of -6.7% to -3.9%. The full year 2015 forecast is \$5,488 million (midpoint), an increase of +2.7% in US dollars over 2014.

Bishop & Associates' Comments

Year-over-year sales growth of +7.4% exceeded the industry sales growth by over 14 points. Amphenol has outperformed industry sales growth for the past 16 consecutive quarters.

Acquisitions continue to enhance Amphenol’s growth and reach. The acquisition of FCI, which should close soon, will give Amphenol over a +10% boost in sales.

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 3Q15, sales were up +7.4% in US\$ and up +11% in local currencies.

Sales in the military sector, where Amphenol is the market leader, were down -3% in 3Q15. Amphenol’s commercial aviation was down -10% YOY in the quarter and industrial sales were down slightly. Despite the downturn of these profitable businesses, Amphenol still turned in operating margins of 20.2%.

The following graph plots Amphenol’s sales performance versus the connector industry by quarter since 2Q13 (year-over-year percentage change).

Amphenol versus Industry

