

Amphenol 3Q16 Up +12.1% YOY and +2% Organically

Amphenol Corporation reported 3Q16 record sales of \$1,635.9 million, up +12.1% over 3Q15 and up +5.7% sequentially. Organically, sales in the quarter increased +2% YOY.

Orders in 3Q16 were a record \$1,698 million, up +18% from prior year. The book-to-bill was 1.04.

Net income was \$224.3 million (13.7% of sales) in 3Q16, up +8.2% year-over-year and up +8.6% sequentially.

Market sector performance can be seen in the following table.

Market	% of Total Sales in Quarter	3Q16 YOY	3Q16 Sequential	3Q16 Organically
Automotive	17%	11%	Up Slightly	9%
Military	9%	6%	7%	NA
Commercial Aerospace	5%	7%	Up Moderately	NA
Broadband	6%	10%	Down Slightly	8%
IT/Data	21%	55%	14%	19%
Industrial	17%	22%	Up Slightly	2%
Mobile Networks	9%	20%	Moderated Slightly	4%
Mobile Devices	16%	-22%	17%	NA
	100%	12.1%	5.7%	2.0%

Amphenol announced the acquisition of two companies in the quarter: All Systems Broadband, based in California, is a leading supplier of cable assemblies and value added fiber optic products for the broadband market with annual sales of approximately \$40 million. SGX Sensortech, based in Switzerland, designs and manufactures air quality sensors used in a variety of automotive and industrial applications, and generates annual sales of approximately \$15 million.

Outlook

Amphenol forecasts sales of \$1,585 to \$1,625 million in 4Q16, a year-over-year increase of +12% to midpoint. The full-year 2016 forecast is \$6,220 million to \$6,260, an increase of +12% to midpoint.

Bishop & Associates' Comments

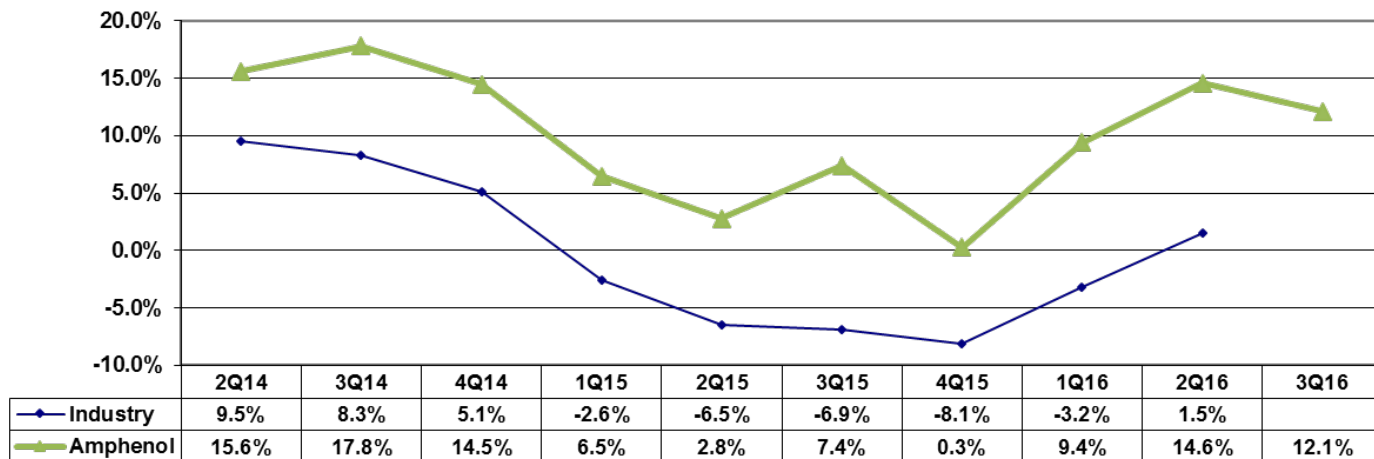
Year-over-year sales growth of +12.1% and organic sales growth of +2% will probably exceed the industry sales growth for 3Q16. In that event, Amphenol will have outperformed industry sales growth for the past 20 consecutive quarters. Acquisitions continue to enhance Amphenol's growth and reach with two more occurring this quarter. There were YOY increases in several market areas in 3Q16 and Amphenol primarily attributed this performance to the FCI acquisition.

Amphenol's performance is not being significantly impacted by FX, at this time. As reported by Amphenol for 3Q16, the effect of currency translation was only a \$12 million decrease in sales.

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 +22% for the quarter. Third quarter growth in industrial, mobile networks and IT/Data were all, in some part, attributed to the acquisition of FCI.

The following graph plots Amphenol's sales performance versus the connector industry by quarter since 1Q14 (year-over-year percentage change).

Amphenol versus Industry



Bishop will report industry sales results on the third quarter the week of November 7th.