

Amphenol 3Q17 Sales Up +12.5% YOY and +8% Organically

Amphenol Corporation reported record sales in 3Q17 of \$1,840.8 million, up +12.5% over 3Q16 and up +10.5% sequentially. Organically, sales in the quarter increased +8% YOY. Currency translation increased sales by \$13 million for the quarter.

Orders in 3Q17 were \$1,865 million, up +10% from prior year. The book-to-bill was 1.01.

Net income was \$277.5 million (15.1% of sales) in 3Q17, up +23.7% year-over-year and up 9.4% sequentially.

Market sector performance can be seen in the following table.

Market	% of Total Sales in Quarter	3Q17 YOY	3Q17 Sequential	3Q17 Organically
Automotive	18%	18%	6%	10%
Military	9%	12%	2%	11%
Commercial Aerospace	4%	3%	5%	NA
Broadband	5%	9%	-3%	NA
IT/Data	20%	2%	2%	NA
Industrial	20%	20%	8%	20%
Mobile Networks	8%	Moderated Slightly	Up Slightly	NA
Mobile Devices	16%	15%	68%	NA
	100%	12.5%	10.5%	8.0%

Outlook

Amphenol forecasts sales of \$1,760 to \$1,800 million in 4Q17, a year-over-year increase of +7.8% to midpoint. The full-year 2017 forecast is \$6,828 million to \$6,868, an increase of +8.9% to midpoint.

Bishop & Associates' Comments

Year-over-year sales growth of +12.5% versus industry sales growth of +8.4% for 3Q17. Acquisitions continue to enhance Amphenol's growth and reach. There were YOY double-digit increases in four of eight market areas in 3Q17. Three of these four market sectors had double-digit organic growth.

Amphenol's performance is not being significantly impacted by FX. As reported by Amphenol for the quarter, the effect of currency translation was only a \$13 million increase in sales.

Amphenol's automotive business was up +18% in the quarter. Automotive has been a strong growth area for Amphenol over the last several quarters. It represents 18% of their business. Industrial products, one of Amphenol's more profitable product lines, was up +20% for the quarter and represents 20% of their business. Mobile Devices had very strong growth at +15% YOY and +68% sequentially. Mobile Devices represents 16% of their business.

The following graph plots Amphenol's sales performance versus the connector industry by quarter since 2Q15 (year-over-year percentage change).

Amphenol versus Industry

