

## Amphenol 4Q16 Up +15.4% YOY and +4% Organically

Amphenol Corporation reported 4Q16 record sales of \$1,651.1 million, up +15.4% over 4Q15 and up +0.9% sequentially. Organically, sales in the quarter increased +4% YOY. Sales for 2016 were \$6,286 million, up +12.9% over 2015 and up +2% organically. Currency translation reduced sales by \$60 million for the full-year.

Orders in 4Q16 were \$1,669 million, up +14% from prior year. The book-to-bill was 1.01.

Net income was \$235.4 million (14.3% of sales) in 4Q16, up +17.6% year-over-year and up +4.9% sequentially. For 2016, net income was \$822.8 million, up 7.4% over prior year.

Market sector performance can be seen in the following table.

Market	% of Total Sales in Quarter	4Q16 YOY	4Q16 Sequential	Full-Year 2016
Automotive	18%	14%	3%	12%
Military	10%	14%	12%	4%
Commercial Aerospace	4%	-5%	Flat	Down Slightly
Broadband	6%	15%	2%	10%
IT/Data	22%	66%	3%	45%
Industrial	18%	22%	6%	20%
Mobile Networks	9%	29%	6%	24%
Mobile Devices	13%	-27%	-19%	-15%
	<b>100%</b>	<b>15.4%</b>	<b>0.9%</b>	<b>12.9%</b>

Amphenol announced the acquisition of one company in the quarter: Phitek Systems Limited, a New Zealand base provider of high technology interconnects solutions that are used in inflight entertainment and passenger connectivity for the commercial air market with annual sales of approximately \$20 million.

## Outlook

Amphenol forecasts sales of \$1,495 to \$1,535 million in 1Q17, a year-over-year increase of +4% to midpoint. The full-year 2017 forecast is \$6,340 million to \$6,500, an increase of +2% to midpoint.

## Bishop & Associates' Comments

Year-over-year sales growth of +15.4% exceeds the industry sales growth of +8.6% for 4Q16. Amphenol has outperformed industry sales growth for the past 21 consecutive quarters. 2016 sales growth of +12.9% YOY exceeds the industry performance of +3.9% for the year. Acquisitions continue to enhance Amphenol's growth and reach with one occurring this quarter. There were YOY increases in several market areas in 4Q16 and Amphenol primarily attributed this performance to the FCI acquisition.

Amphenol's performance is not being significantly impacted by FX. As reported by Amphenol for the full-year 2016, the effect of currency translation was only a \$60 million decrease in sales.

Amphenol's automotive business was up +12% for 2016. 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 +20% for the full-year. Growth was strong across all market sectors, except commercial aerospace and mobile devices.

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

**Amphenol versus Industry**

