

Amphenol Full-Year Sales Grow +4.2% Over Prior Year FY Sales Up +7.7% in Local Currencies

Amphenol Corporation reported 4Q15 sales of \$1,430.5 million, up +0.3% over 4Q14 and down -2.0% sequentially. Sales for 2015 were \$5,569 million, up +4.2% for the full-year with a currency translation effect of -\$190 million.

Orders in 4Q15 were a record \$1,463 million. Up +2% from prior year, and the book-to-bill was 1.02.

Net income was \$200.1 million (14.0% of sales) in 4Q15, up +3.4% year-over-year and down -3.5% sequentially.

Market sector performance can be seen in the following table.

Market	% of Total Sales in Quarter	4Q15 YOY	4Q15 Sequential	Full-Year 2015
Automotive	18%	5%	Up Slightly	23%
Military	10%	Flat	4%	Down Slightly
Commercial Aerospace	6%	4%	12%	-7%
Broadband	6%	Down Slightly	Down Slightly	5%
IT/Data	15%	Down Slightly	Down Slightly	2%
Industrial	17%	7%	6%	5%
Mobile Networks	8%	-7%	Flat	-18%
Mobile Devices	20%	Flat	-14%	13%
	100%	0.3%	-2.0%	4.2%

Outlook

Amphenol forecasts sales of \$1,380 to \$1,420 million in 1Q16, a year-over-year increase of +4% to +7%. The full-year 2016 forecast is \$6,040 million to \$6,200, an increase of +5% to +8% in US dollars over 2015.

Bishop & Associates' Comments

Year-over-year sales growth of +0.3% exceeded the industry sales growth by over 8 points. Amphenol has outperformed industry sales growth for the past 17 consecutive quarters.

Acquisitions continue to enhance Amphenol's growth and reach. The acquisition of FCI, which closed in January 2016, will give Amphenol over a +10% boost in sales in 2016.

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 4Q15, sales were up +0.3% in US\$ and up +3% in local currencies.

Amphenol's automotive business was up +5% YOY in the quarter and up 23% for the year. 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 +7% for the quarter and +7% for the full year which should have helped offset softness in military and commercial aerospace.

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

Amphenol versus Industry

