

## Amphenol 4Q17 Sales Up +17.7% YOY and +8% Organically 2017 Sales Were Up +11.5% to Just over \$7 Billion

Amphenol Corporation reported record sales in 4Q17 of \$1,840.8 million, up +17.7% over 3Q16 and up +5.6% sequentially. Organically, sales in the quarter increased +6% YOY. Currency translation increased sales by \$36 million for the quarter.

For the full-year, sales were up +11.5% to a record \$7,011 million and up 8% organically.

Orders in 4Q17 were \$2,000 million, up +20% from prior year. The book-to-bill was 1.03.

Net income was negative \$100.4 million due the implementation of the modified territorial tax regime (the new Tax Act) and the recognition of a tax related, one-time charge of \$400 million.

Market sector performance can be seen in the following table.

Market	% of Total Sales in Quarter	4Q17 YOY	4Q17 Sequential	Full-Year 2017
Automotive	18%	22%	6%	16%
Military	10%	11%	10%	13%
Commercial Aerospace	4%	11%	7%	3%
Broadband	5%	-8%	-14%	5%
IT/Data	18%	Down Slightly	Down Slightly	9%
Industrial	20%	29%	7%	22%
Mobile Networks	7%	-7%	Down Slightly	Down Low Single-Digits
Mobile Devices	18%	69%	18%	12%
	<b>100%</b>	<b>17.7%</b>	<b>5.6%</b>	<b>11.5%</b>

## Outlook

Amphenol forecasts sales of \$1,780 to \$1,820 million in 1Q18, a year-over-year increase of +24.1% to midpoint. The full-year 2018 forecast is \$7,440 million to \$7,600, an increase of +7.0% to midpoint.

## Bishop & Associates' Comments

Year-over-year sales growth of +17.7% versus industry sales growth of +14.3% for 4Q17. Acquisitions continue to enhance Amphenol's growth and reach. There were YOY double-digit increases in five of eight market areas in 4Q17 and four out of eight for the full-year.

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 \$36 million increase in sales.

Amphenol's automotive business was up +22% in the quarter. Automotive has been a strong growth area for Amphenol over the last several quarters. It represents 19% of their business for 2017. Industrial products, one of Amphenol's more profitable product lines, was up +29% for the quarter and represents 19% of their business in 2017. Mobile Devices had very strong growth at +69% YOY and +12% for the full-year. Mobile Devices represents 14% of their business in 2017. Military, an Amphenol mainstay market sector, grew 13% in 2017.

The following graph plots Amphenol's sales performance versus the connector industry by quarter since 3Q15 (year-over-year percentage change).

**Amphenol versus Industry**

