

Amphenol & TE Market Sectors 1Q18 Results and 2Q18 Outlook

Amphenol Corporation and TE Connectivity announced their calendar 1Q18 results recently. The following table is a comparison of their Q1 sales performance and calendar 2Q18 outlooks by market sector.

Market	TE CY 1Q18 YOY	TE CY 1Q18 Organic YOY	TE Next Qtr Guidance	Amphenol 1Q18 YOY	Amphenol 1Q18 Organic YOY	Amphenol Next Qtr Guidance
Appliances	20%	14%	Up Over Market			
Automotive	20%	7%	Up Mid Teens	10%	10%	Moderate Growth
Broadband				-6%		Increase Significantly
Commercial Aerospace			Up HSD	14%	9%	Increase Modestly
Commercial Transportatio	34%	24%	Strong Momentum			
Data & Devices	11%	7%	Up Over Market			
Energy	7%	-1%				
Industrial	19%	9%	Up High SD	27%	14%	Increase from Q1
IT/Data				Up Slightly		Increase from Q1
Military				20%	18%	Remain at Q1 levels
Mil/Aero/Marine	11%	5%	Up High SD			
Mobile Devices				68%		Reduced from Q1
Mobile Networks				2%	-13%	MSD growth from Q1
Sensors	16%	8%	Strong Momentum			
Subsea Communications	-17%	-17%	Down MSD			

Pink shading indicates decline in YOY sales. Next quarter guidance is sequential unless otherwise stated. *= Organic. SD = Single Digits.

MSD = Mid-Single-Digits, LSD = Low-Single-Digits, DD = Double-Digits

Bishop & Associates' Comments

The table below shows the calendar first quarter actual, the second quarter forecast and the 2018 forecast for Amphenol, TE and the industry.

Sales Results & Forecast Industry Vs. Amphenol & TE

Company	1Q18 Actual	YOY Change	2Q18 Forecast	YOY Change	2018 Forecast	YOY Change
Amphenol	\$1,867	19.7%	\$1,875	12.5%	\$7,690	12.5%
TE	\$3,745	16.1%	\$3,675	9.1%	\$14,600	11.0%
Industry	\$16,212	15.8%	\$15,870	7.7%	\$64,198	6.8%

\$ Millions, Company forecasts to midpoint, TE Fiscal 2018 Forecast ending in September

The industry achieved growth of +15.8% in the first quarter. Amphenol and TE both had very good quarters achieving sales growth of +19.7% and +16.1%, respectively.

Amphenol and TE are forecasting growth in the second quarter in low-double-digits to high-single-digits. These are higher than our industry forecast of +7.7% but include currency translation.

The full-year 2018 industry forecast is for sales growth of +6.8%. Amphenol and TE's forecasts are higher. Amphenol forecasts growth of +12.5% while TE expects full fiscal year growth of +11.0%. Again, both company's projections include FX impact. Industry projections are going down each quarter based on harder comparisons from the prior year.

Sales Results & 2Q18 Forecast Industry Vs. Amphenol & TE

