

Amphenol & TE Market Sectors 2Q18 Results and 3Q18 Outlook

Amphenol Corporation and TE Connectivity announced their calendar 2Q18 results recently. The following table is a comparison of their Q2 sales performance and calendar 3Q18 outlooks by market sector.

Market	TE CY 2Q18 YOY	TE CY 2Q18 Organic YOY	TE Next Qtr Guidance	Amphenol 2Q18 YOY	Amphenol 2Q18 Organic YOY	Amphenol Next Qtr Guidance
Appliances	12%	9%	Above Market			
Automotive	19%	10%	Up High SD	22%	10%	Remain Current Level
Broadband				-5%		Modest Increase
Commercial Aerospace			Up High SD	17%	14%	Low DD for Year
Commercial Transportatio	28%	22%	Up High SD			
Data & Devices	13%	11%	Above Market			
Energy	5%	2%	Up Low SD			
Industrial	11%	6%	Up Low SD	27%	17%	Moderation from Q2
IT/Data				13%	9%	Remain Robust
Military				23%	21%	Remain Robust
Mil/Aero/Marine	9%	6%	Up Low SD			
Mobile Devices				16%	11%	Up Mid to High Teens
Mobile Networks				16%	11%	Down from Current Level
Sensors	13%	8%	Strong Momentum			
Subsea Communications	-32%	-32%	Down			

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 second quarter actual, the third quarter forecast and the 2018 forecast for Amphenol, TE and the industry.

Sales Results & Forecast Industry Vs. Amphenol & TE

Company	2Q18 Actual	YOY Change	3Q18 Forecast	YOY Change	2018 Forecast	YOY Change
Amphenol	\$1,981	18.9%	\$2,000	20.0%	\$7,690	9.7%
TE	\$3,764	11.8%	\$3,640	5.3%	\$14,640	11.6%
Industry	\$16,875	14.6%	\$16,790	7.3%	\$66,580	10.8%

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

The industry achieved growth of +14.6% in the second quarter. Amphenol and TE both had very good quarters achieving sales growth of +18.9% and +11.8%, respectively.

Amphenol and TE are both forecasting growth in the third quarter. Amphenol is forecasting higher than our industry forecast of +7.3% and TE is forecasting slightly lower growth.

The full-year 2018 industry forecast is for sales growth of +10.8%. TE's forecasts is for slightly higher growth. Amphenol's forecast growth is for slightly slower growth. Both company's projections include FX impact. Industry projections are going down each quarter based on harder comparisons to the prior year.

Sales Results & 3Q18 Forecast Industry Vs. TE & Amphenol

