

Mergers & Acquisitions in the Connector Industry

Since 1985 Bishop & Associates has recorded 589 mergers and acquisitions. Between 1985 and 1999 there were 126 acquisitions. The pace of closed deals has accelerated significantly. Since 2000, there were 463 transitions.

The three largest connector companies have been very active in acquiring competitors. Between 1999 and 2017, Amphenol acquired 49 companies. This doesn't include three acquisitions in 2018. Molex acquired 27 and TE Connectivity 25.

Special note, Amphenol could probably give pointers to Warren Buffet. While acquiring 52 companies, Amphenol has achieved "industry best" financial performance. The company's net income and return on equity is consistently in the double-digits and are the highest in the industry.

The following table identifies the impact acquisitions have had on the connector industry.

Big Three Performance 1999 to 2017

Company	1999	Market Share	2017	Market Share	18-Year CAGR
TE Connectivity	\$5,841	19.0%	\$9,396	15.6%	2.7%
Amphenol	\$779	2.5%	\$6,607	11.0%	12.6%
Molex	\$2,438	7.9%	\$5,222	8.7%	4.3%
Total Top 3	\$9,058	29.4%	\$21,225	35.3%	4.8%
All Others	\$21,706	70.6%	\$38,891	64.7%	3.3%
Total World	\$30,764	100.0%	\$60,116	100.0%	3.8%

\$ Millions

Important highlights:

- The big three combined had 29.4% of the connector market in 1999. Big three market share increased to 35.3% by 2017.
- The big three achieved an 18-year CAGR of 4.8% from 1999 to 2017. The balance of the connector industry achieved a 3.3% CAGR.
- Amphenol's aggressive acquisition program (49 deals between 1999 and 2017), contributed to an 18-year CAGR of 12.6%. Their market share increased from 2.5% in 1997 to 11.0% in 2017.

There is no doubt that acquisitions have had a significant impact on the connector industry. For example, many important connector companies have been absorbed into larger entities and have disappeared. Among these are Augat, FCI, Robinson Nugent, Cardell, and M/A-Com. Others still exist but have sold off their connector businesses. Some of these are Teradyne, Litton Industries, Thomas & Betts, TRW, and Labinal.

For more information on mergers and acquisitions among the connector, cable and cable assembly markets see Bishop & Associates newest research report, [**History of M & A in the Connector Industry \(Shrinking Footprints: Connector Industry Consolidation 1954-2018\)**](#).