

Amphenol & TE Market Sectors 3Q18 Results and 4Q18 Outlook

Amphenol Corporation and TE Connectivity announced their calendar 3Q18 results recently. The following table is a comparison of their Q3 sales performance and calendar 4Q18 outlooks by market sector.

| Market | TE CY 3Q18 YOY | TE CY 3Q18 Organic YOY | TE Next Qtr Guidance | Amphenol 3Q18 YOY | Amphenol 3Q18 Organic YOY | Amphenol Next Qtr Guidance |
|--------------------------|----------------------|------------------------------|----------------------------|-------------------------|---------------------------------|----------------------------------|
| Appliances | 4% | 5% | Up MSD | | | |
| Automotive | 8% | 6% | Up LSD | 10% | 8% | Increase Modestly |
| Broadband | | | | -3% | NA | Slight Decrease |
| Commercial Aerospace | | | | 9% | 10% | Modest Increase |
| Commercial Transportatio | 14% | 15% | Up LSD | | | |
| Data & Devices | 15% | 17% | Up LSD | | | |
| Energy | 6% | 8% | Up MSD | | | |
| Industrial | 5% | 4% | Up MSD | 12% | 10% | Moderation from Q3 |
| IT/Data | | | | 18% | 16% | Moderation from Q3 |
| Military | | | | 22% | 23% | Remain Robust |
| Mil/Aero/Marine | 9% | 9% | Up MSD | | | |
| Mobile Devices | | | | 30% | NA | Modest Increase |
| Mobile Networks | | | | 12% | 15% | Modest Reduction From Q3 |
| Sensors | 8% | 10% | Up LSD | | | |

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

Sales Results & Forecast Industry Vs. Amphenol & TE

| Company | 3Q18 Actual | YOY Change | 4Q18 Forecast | YOY Change | 2018 Forecast | YOY Change |
|----------|----------------|---------------|------------------|---------------|------------------|---------------|
| Amphenol | \$2,129 | 15.7% | \$2,083 | 7.2% | \$8,060 | 15.0% |
| TE | \$3,509 | 8.5% | \$3,380 | 1.0% | \$13,988 | 14.8% |
| Industry | \$17,150 | 9.6% | \$16,703 | 6.2% | \$66,940 | 11.4% |

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

The industry achieved growth of +9.6% in the third quarter. Amphenol and TE both had very good quarters achieving sales growth of +15.7% and +8.5%, respectively.

Amphenol and TE are both forecasting growth in the fourth quarter. Amphenol is forecasting higher than our industry forecast of +6.2% and TE is forecasting 1.0% growth.

The full-year 2018 industry forecast is for sales growth of +11.4%. TE's fiscal year ended with +14.8% growth. Amphenol's forecast growth is for slightly higher 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 & 4Q18 Forecast Industry Vs. TE & Amphenol

