

Amphenol 1Q19 Sales Up +4.9% YOY and +16% Organically

Amphenol Corporation reported record sales in 1Q19 of \$1,958.5 million, up +4.9% over 1Q18 and down 12.0% sequentially. Currency translation effectively decreased sales by \$47 million in the quarter. Organically, sales in the quarter increased +16% YOY.

Orders in 1Q19 were \$2,003 million, down -1% from prior year. The book-to-bill was 1.02.

Net income was \$268 million, up +0.7% YOY and down -20.9% sequentially.

Market sector performance can be seen in the following table.

Market	% of Total Sales in Quarter	1Q19 YOY	1Q19 Sequential	1Q19 Organically
Automotive	19%	-2%	2%	-4%
Military	11%	16%	4%	18%
Commercial Aerospace	5%	14%	6%	16%
Broadband	4%	Down Slightly	-7%	No Comment
IT/Data	20%	11%	-6%	No Comment
Industrial	21%	10%	5%	No Comment
Mobile Networks	8%	5%	Down Slightly	9%
Mobile Devices	12%	-10%	-50%	No Comment
	100%	4.9%	-12.0%	16.0%

Amphenol announced that the acquisition of Aorora Technology Company Ltd, based in Huizhou, China, who designs and manufactures fine pitch and input-output connectors for the automotive and IT datacom markets and is expected to generate annual sales of approximately \$20 million. Amphenol also acquired Charles Industries, Ltd, based in Schaumburg IL, who designs and manufactures fiber optic, power and other outdoor interconnect enclosures and related accessories used primarily in the mobile networks and IT datacom markets, with annual sales expected to be approximately \$120 million.

Outlook

Amphenol forecasts sales of \$1,980 to \$2,020 million in 2Q19, a year-over-year increase of +1% to midpoint. The full-year 2019 forecast is \$8,130 million to \$8,250, flat to midpoint.

Bishop & Associates' Comments

Amphenol had year-over-year sales growth of +4.9% versus industry sales decline of -2.0% for 1Q19. Amphenol's sales growth has outpaced the industry growth for the last seven quarters. Acquisitions continue to enhance Amphenol's growth and reach, and they completed two more acquisitions in the quarter.

Amphenol's sales performance was up +4.9% in US dollars. Currency translation effectively decreased sales by \$47 million in the quarter which equates to 2.4% of sales.

There were YOY double-digit increases in four of eight market areas in 1Q19. Amphenol's military business was up +16% in the quarter. It represented 10% of their business in 1Q19 and is a profitable product line. Industrial products, one of Amphenol's more profitable product lines, grew in double-digits. Commercial Aerospace grew +14 in the quarter. IT/Data, at 20% of the business, was up 11%.

The following graph plots Amphenol's sales performance versus the connector industry by quarter since 3Q16 (year-over-year percentage change).

Amphenol versus Industry

