

## Amphenol 3Q19 Sales Down -1.3% YOY

Amphenol Corporation reported sales in 3Q19 of \$2,100.6 million, down -1.3% in US dollars over 3Q18, and up +4.2% sequentially. Currency translation effectively decreased sales by \$24 million in the quarter which equates to 1.1% of sales. Sales in the quarter decreased -6% YOY organically.

Orders in 3Q19 were \$2,091 million, down -1% to prior year. The book-to-bill was 1.00.

Net income was \$282.3 million, down -10.9% YOY, and down -2.1% sequentially.

Market sector performance can be seen in the following table.

Market	% of Total Sales in Quarter	3Q19 YOY	3Q19 Sequential	3Q19 Organically
Automotive	18%	4%	Down Slightly	-2%
Military	12%	26%	9%	26%
Commercial Aerospace	5%	15%	Up Slightly	16%
Broadband	4%	-5%	11%	NA
IT/Data	18%	-9%	Down Slightly	-13%
Industrial	20%	4%	2%	-6%
Mobile Networks	8%	Down Slightly	-10%	-12%
Mobile Devices	15%	-21%	32%	NA
	<b>100%</b>	<b>-1.3%</b>	<b>4.2%</b>	<b>-6.0%</b>

In 3Q19, Amphenol acquired two companies with combined annual sales of approximately \$60 million for a collective purchase price of \$87 million. The Company acquired Cablescon which is a UK-based manufacturer of high technology cable assemblies for the military aerospace market and XGiga, a Shenzhen, China-based manufacturer of active fiber optic interconnect products for the global communications markets. Through 3Q19, Amphenol has acquired nine businesses with annualized revenues of approximately \$530 million.

**Outlook**

Amphenol forecasts sales of \$1,960 to \$2,000 million in 4Q19, a year-over-year decrease of -11.0% to midpoint. The full-year 2019 forecast is \$8,035 million to \$8,075, down -1.9% to midpoint.

**Bishop & Associates' Comments**

Amphenol had a year-over-year sales decline of -1.3% versus an industry sales decline of -3.9% for 3Q19. Amphenol's sales growth has outpaced the industry's growth for the last nine quarters. Acquisitions continue to enhance Amphenol's growth and reach, with two acquisitions completed in the quarter.

Amphenol had YOY double-digit increases in two of eight market sectors in 3Q19. Amphenol's military business was up +26% in the quarter. It represented 12% of their business in 3Q19 and is a profitable product line. Commercial Aerospace grew +15% in the quarter.

The following graph plots Amphenol's sales performance versus the connector industry by quarter since 2Q17 (year-over-year percentage change).

**Amphenol versus Industry**

