

## Amphenol Sales Significantly Outperform the Industry 2Q20 YOY Industry Sales Down -17.2%

Amphenol Corporation reported sales in 2Q20 of \$1,987.5 million, down -1.4% in US dollars compared to 2Q19, and up +6.7% sequentially. Organically, sales in the quarter were down -3% organically.

Orders in 1Q20 were \$1,971 million, which were down -2% compared to prior year. The book-to-bill ratio was 0.99.

Net income was \$257.7 million, down -10.6% YOY, and up +6.4% sequentially.

Market sector performance can be seen in the following table.

Market	% of Total Sales in Quarter	2Q20 YOY	2Q20 Sequential	2Q20 Organically
Automotive	11%	-42%	-35%	-41%
Military	10%	-12%	-20%	No Comment
Commercial Aerospace	3%	-41%	-41%	No Comment
Broadband	5%	3%	12%	5%
IT/Data	27%	37%	43%	32%
Industrial	23%	12%	17%	8%
Mobile Networks	7%	-20%	9%	-23%
Mobile Devices	14%	20%	47%	No Comment
	<b>100%</b>	<b>-1.4%</b>	<b>6.7%</b>	<b>-3.0%</b>

Amphenol acquired Onanon, Inc. in the quarter. Onanon, with annual sales of approximately \$20 million, designs and manufactures a wide array of connectors and cable assemblies for customers in the industrial market, with a primary focus on medical applications.

## Outlook

Third quarter sales are expected to be in the range of \$1,960 million to \$2,000 million, representing a sales decline of 5% to 7% to prior year.

No outlook was given for the full-year due to the uncertainties of the COVID-19 epidemic.

## Bishop & Associates' Comments

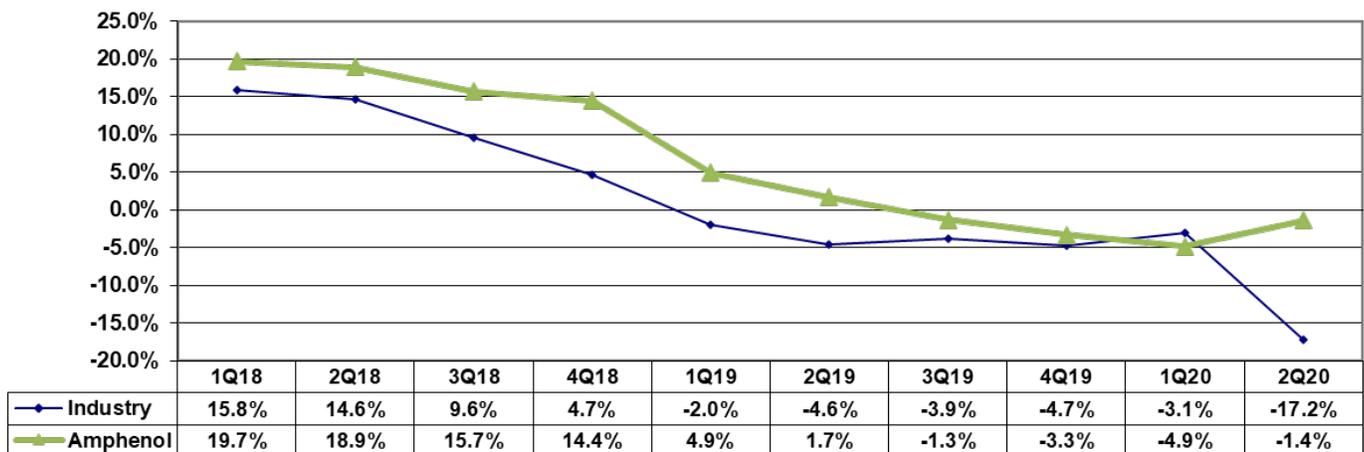
Amphenol had a year-over-year sales decline of -1.4% versus an industry sales decline of -17.2% for 2Q20.

Amphenol had YOY double-digit sales increases in three of eight market sectors in 2Q20. The most significant YOY increases were in IT/Data, up +37%, Mobile Devices, up +20% and Industrial, up +12%. Amphenol attributed the higher sales in IT/Data and Broadband to increased data traffic driven by video for online schooling and work.

Four of the market sectors had double-digit sales declines. The most significant sales decline was in Automotive which was down -42% YOY. Amphenol expects a substantial improvement in Automotive in 3Q20, but not back up to 2019 levels.

The following graph plots Amphenol's sales performance versus the connector industry by quarter since 1Q18 (year-over-year percentage change).

**Amphenol versus Industry**



Amphenol significantly outperformed the overall industry in 2Q20. As we predicted last month, this is likely the result of Amphenol's large presence in China. China was the first country to shut down economic activity, and the first to reopen.