

Amphenol Sales Significantly Outperform the Industry 3Q20 YOY Sales Climb +10.6%

Amphenol Corporation reported sales in 3Q20 of \$2,323.4 million, up +10.6% in US dollars compared to 3Q19, and up +16.9% sequentially. Organically, sales in the quarter were up +9%.

Orders in 3Q20 were \$2,275 million, which were up +9% compared to the prior year. The book-to-bill ratio was 0.98.

Net income was \$346.6 million, down -10.6% YOY, up +34.5% sequentially and up +22.8% YOY.

Market sector performance can be seen in the following table.

Market	% of Total Sales in Quarter	3Q20 YOY	3Q20 Sequential	3Q20 Organically
Automotive	17%	4%	78%	1%
Military	12%	6%	30%	No Comment
Commercial Aerospace	2%	-40%	4%	No Comment
Broadband	4%	5%	13%	NA
IT/Data	21%	24%	-10%	21%
Industrial	22%	21%	11%	18%
Mobile Networks	6%	-19%	-9%	21%
Mobile Devices	16%	25%	37%	No Comment
	100%	10.6%	16.9%	9.0%

Outlook

Fourth quarter sales are expected to be in the range of \$2,160 million to \$2,200 million, representing a sales increase of +1.3% to prior year midpoint.

Sales for the full year are expected to be in the range of \$8,333 to \$8,373, representing a sales increase of +1.6% to midpoint.

Bishop & Associates' Comments

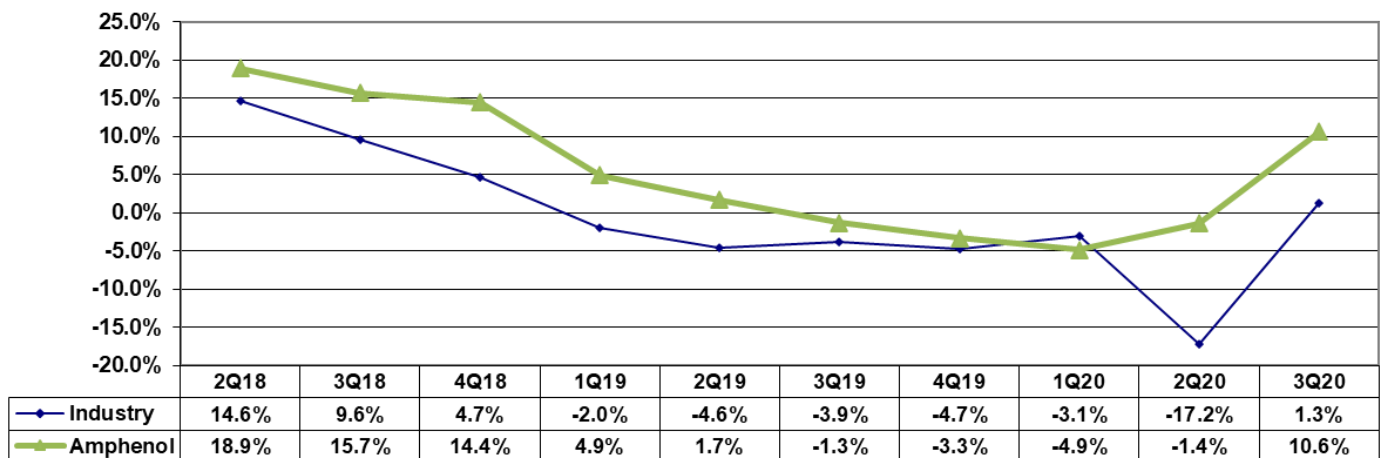
Amphenol had a year-over-year sales increase of +10.6% versus an industry sales decline of -1.6% for 3Q20.

Amphenol had YOY double-digit sales increases in three of eight market sectors in 3Q20. The most significant YOY increases were in IT/Data, up +24%, Mobile Devices, up +25% and Industrial, up +21%. The Industrial sales are generally quite profitable and likely made a good contribution to the YOY increase in net income.

Two of the market sectors had double-digit sales declines. The most significant sales decline was in Commercial Aerospace which was down -40% YOY. Amphenol expects this segment will not fully recover for several years. Mobile Networks were down -19%.

The following graph plots Amphenol's sales performance versus the connector industry by quarter since 2Q18 (year-over-year percentage change).

Amphenol versus Industry



Amphenol significantly outperformed the overall industry in 3Q20. As we predicted last quarter, 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.