

## TE Connectivity Quarterly Sales Down -1.2% YOY Fiscal Year 2020 Sales Were Down -9.4%

TE Connectivity reported sales of \$3,261 million for the quarter ending September 2020, down -1.2% year-over-year and up +28% sequentially. FX impact increased sales by \$39 million in the quarter. Fiscal year sales were \$12,172 million, down -9.4% from prior year.

Orders in the quarter were \$3,348 million, up 4% YOY and up 40% sequentially, resulting in a book-to-bill ratio of 1.03.

Net income for the quarter was a \$230 million from continuing operations, up 81% sequentially and down -38.8% YOY. For the fiscal year, the net income was -\$241 million.

The following is TE's performance by market sector for calendar 3Q20:

Market	Percent of Total Sales in Quarter	Calendar 3Q20 Sales	Calendar 3Q20 YOY	Calendar 3Q20 Organic YOY
Automotive	41%	\$1,336	-3%	-4%
Commercial Transportation	8%	\$266	-6%	-6%
Sensors	8%	\$263	10%	-17%
Mil/Aero/Marine	9%	\$309	-11%	-13%
Industrial	9%	\$290	-1%	-2%
Medical	5%	\$171	-9%	-9%
Energy	6%	\$189	1%	0%
Data & Devices	8%	\$260	8%	7%
Appliances	5%	\$177	12%	11%
	<b>100%</b>	<b>\$3,261</b>	<b>-1.2%</b>	<b>N/A</b>

Note: Organic sales performance takes out the impact of actions such as the acquisitions and added weeks in the quarter.

**Outlook**

TE Connectivity expects their sales in the next quarter, ending in December, to be approximately \$3,200 million, up +1% from prior year. No guidance was given for the 2021 fiscal year.

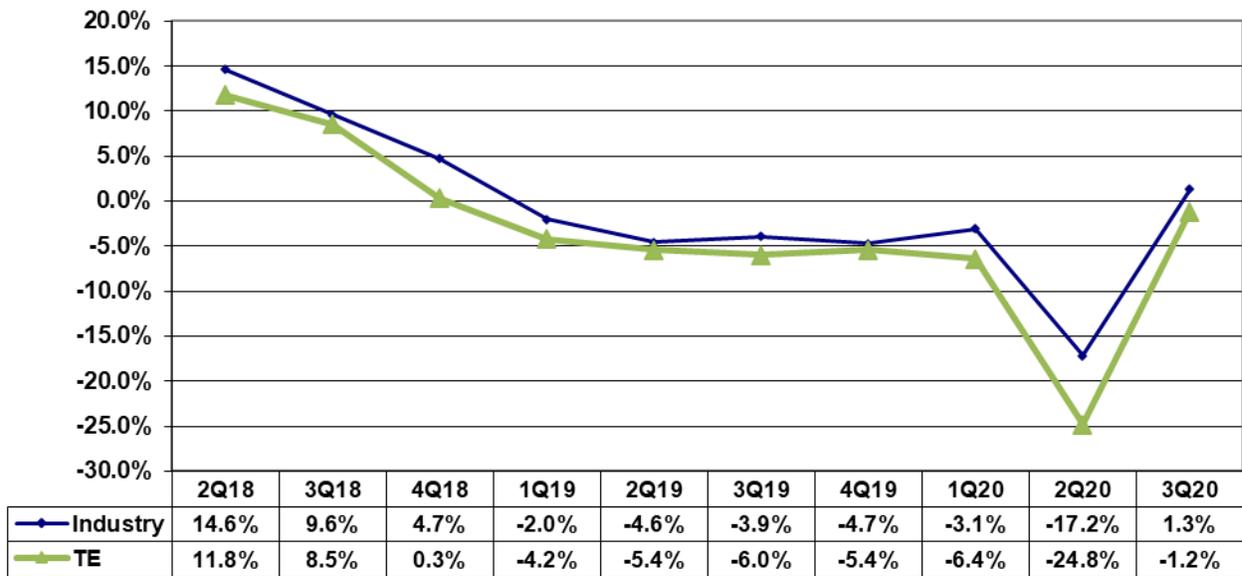
**Bishop & Associates' Comments**

TE's year-over-year sales decline was -1.2% for CY 3Q20 versus an industry decline of -1.6%. Sales declined in five out of TE's nine market segments. FX impact increased the company's sales performance in the quarter by \$39 million.

TE had a double-digit decline in one of its market sectors. Mil/Aero/Marine, which represented 9% of their sales in the quarter, was down -11%. One market sector, Sensors, had a +10% increase YOY. Automotive sales growth recovered significantly from the prior quarter YOY decline.

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

**TE Connectivity vs. Industry**



In an interview with Barron's, Terrance Curtin, TE's CEO, was quoted "That recovery has been faster than we expected. But clearly there are markets that are still not back to pre-Covid levels." Curtin said that the biggest part of the TE recovery came from the rapid recovery in global automotive demand.