

## **First Time Amphenol Exceeds \$3 Billion in a Quarter**

Amphenol Corporation reported record sales in 4Q21 of \$3,027.8 million, up +24.8% in US dollars compared to 4Q20, and up +7.4% sequentially. Organically, sales in the quarter were up +18%. This was the first time that Amphenol exceeded \$3 billion in a quarter. Sales for the year were a record \$10,876 million, up 26% from 2020 and up 18% organically.

Orders in 4Q21 were \$3,278 million, which were up +30% compared to the prior year, and up +9% sequentially. The book-to-bill ratio was 1.08.

Net income for 4Q21 was \$465.0 million, up +9.0% sequentially, and up +29.1% YOY.

Market sector performance can be seen in the following table.

<b>Market</b>	<b>% of Total Sales in Quarter</b>	<b>4Q21 YOY</b>	<b>4Q21 Sequential</b>	<b>Full-Year 2021</b>
<b>Automotive</b>	19%	18%	10%	47%
<b>Military</b>	10%	6%	Up Slightly	4%
<b>Commercial Aerospace</b>	2%	27%	15%	-10%
<b>Broadband</b>	3%	14%	10%	9%
<b>IT/Data</b>	22%	53%	10%	26%
<b>Industrial</b>	25%	42%	2%	46%
<b>Mobile Networks</b>	5%	36%	7%	12%
<b>Mobile Devices</b>	14%	-5%	14%	4%
	<b>100%</b>	<b>24.8%</b>	<b>7.4%</b>	<b>26.0%</b>

In the quarter, Amphenol completed the acquisition of Halo Technology Limited for approximately \$715 million. Halo is a leading provider of active and passive fiber optic interconnect components for the communications infrastructure markets with expected sales this year of approximately \$250 million. In the year 2021, Amphenol completed the acquisition of seven companies.

Amphenol announced on December 1, the closing of the sale of the MTS Test & Simulation business to Illinois Tool Works or ITW.

Amphenol also announced their intent to align its business units into three newly formed Divisions: Harsh Environment Solutions (HES), Communications Solutions (CS), and Interconnect and Sensor Systems (ISS). Beginning with the first quarter of 2022, the Company will report the financial results of these three new Divisions as separate reportable segments, replacing the Company's previous two reportable segments.

## Outlook

First quarter 2022, sales are expected to be in the range of \$2,690 million to \$2,750 million, representing a sales increase of +14.4% to prior year (at midpoint).

## Bishop & Associates' Comments

Amphenol had a YOY sales increase of +24.8% versus connector industry sales growth of +14.3% for 4Q21.

Amphenol had YOY double-digit sales growth in six of eight market sectors in 4Q21. The most significant YOY increases were in IT/Data up +53%, Industrial up +42% and Mobile Networks up +36%. The Industrial sales are generally quite profitable and likely made a significant contribution to the YOY increase in net income.

Amphenol continues to expand its revenues and market reach with acquisitions including seven in 2021: MTS Sensors, Halo Technology, Positronic, El-Cab, Unlimited Services, Cablecon, and Euromicron.

The following graph plots Amphenol's sales performance versus the connector industry by quarter since 3Q19 (year-over-year percentage change).

**Amphenol versus Industry**

