

Amphenol 2Q24 Sales Up +11% Organically Up +11% Sequentially

For the second quarter of 2024, Amphenol Corporation's sales totaled \$3,609.7 million, marking an +18% increase in U.S. dollars, +19% in local currencies, and +11% organically, compared to the second quarter of 2023. Sequentially, sales were up +11% in U.S. dollars and in local currencies, and +8% organically.

The company's orders for the second quarter amounted to a record \$4,061 million, up +33% compared to the previous year, and up +21% sequentially. The book-to-bill ratio was a strong 1.12.

Net income in the second quarter of 2024 was \$528.7 million compared to \$465.3 million a year ago.

Performance by market sector can be seen in the following table.

Market	% of Total Sales in Quarter	2Q24 YOY	2Q24 Sequential	2Q24 YOY Organically
Automotive	21%	6%	4%	5%
Military	11%	14%	9%	10%
Commercial Aerospace	5%	60%	46%	9%
Broadband	3%	-17%	0%	-17%
IT/Data	24%	57%	29%	56%
Industrial	24%	7%	6%	-5%
Mobile Networks	4%	13%	22%	7%
Mobile Devices	8%	6%	9%	7%
	100%	18.0%	11.0%	11.0%

During the quarter Amphenol announced that “the company was in a very strong financial position and continued to be well positioned to fund future opportunities as they arise. In particular, they announced they were well positioned to fund the pending acquisition of the OWN and DAS businesses of CommScope for a purchase price of \$2.1 billion.” Funded through cash on hand and debt, they expect to close in this acquisition by the end of the first half of 2025.

It was mentioned that they were “especially encouraged that the businesses that we're acquiring really make up the former Andrew Corporation portfolio of products, a company with a rich history of innovation and technology in the wireless industry. These businesses are expected to generate revenues of approximately \$1.2 billion with EBITDA margins of approximately 25% in 2024”.

Outlook

Amphenol anticipates its third quarter sales in the range of \$3.7 billion to \$3.8 billion. This represents a sales growth of between +16% and +19% over the prior year quarter.

Bishop & Associates' Comments

Amphenol had positive second quarter 2024 sales in seven out of the eight markets, with broadband, which only accounted for 3% of total sales in the second quarter, the only market down, declining -17% in U.S. dollars and organically. Of the markets seeing growth, the commercial aerospace market, which accounted for 5% of total sales in the quarter, saw sales grow 60% year-over-year, driven primarily by “the addition of CIT during the quarter (organic growth was 9%), as well as continued progress in expanding their content on next-generation commercial aircraft”. Other markets seeing a strong increase in sales included IT/Data which accounted for 24% of total sales, and military which accounted for 11% of total sales. These markets grew 57% and 14% respectively year-over-year, and 56% and 10% organically, and 29% and 9% sequentially in the second quarter.

The following graph plots Amphenol’s sales performance versus the connector industry by quarter from 1Q22 (year-over-year percentage change).

Amphenol versus Industry

