

TE CY 2Q24 Sales Down -0.5% YOY Up +2% from the Previous Quarter

TE Connectivity disclosed a sales figure of \$3,979 million for the quarter ending June 28, 2024. This represents a decrease of -0.5% compared to the same period last year. Organically, sales were up +2% on a sequential basis.

Orders in the quarter were \$4,132 million, up +4.0% year-over-year, and up 3% sequentially, driven by momentum in artificial intelligence programs, resulting in a book-to-bill ratio of 1.04.

Net income for the quarter was \$573 million, up 8.5% year-over-year. TE made no acquisitions during the quarter.

The following is TE's performance by market sector for calendar 2Q24:

Market	Percent of Total Sales in Quarter	Calendar 2Q24 Sales	Calendar 2Q24 YOY	Calendar 2Q24 Organic YOY
Automotive	43%	\$1,727	-1%	4%
Commercial Transportation	9%	\$363	-10%	-8%
Sensors	6%	\$240	-15%	-13%
Mil/Aero/Marine	9%	\$345	18%	19%
Industrial	9%	\$353	-17%	-24%
Medical	5%	\$209	7%	7%
Energy	6%	\$226	-2%	3%
Data & Devices	8%	\$329	31%	32%
Appliances	5%	\$187	9%	12%
	100%	\$3,979	-0.5%	2.0%

\$ in Millions

Note: Organic sales performance takes out the impact of actions such as acquisitions.

Outlook

TE Connectivity expects their sales in the next quarter to be approximately \$4,000 million, which is a decline of -0.9% year-over-year and an increase of approximately +0.7% organically.

Bishop & Associates' Comments

TE's sales decreased quarter-over-quarter -0.5% in the CY second quarter 2024. TE's booking increased 3% quarter-over-quarter, led by strong (+52%) growth in the Communications segment. Year-over-year, the Communications segment had order growth of +96%.

When TE discussed their position in the market, they noted that in "our largest market Automotive, we're seeing stability on a global basis. In our Industrial Solutions segment, we continue to see growth in three of our core businesses, and those businesses are focused on aerospace and defense, energy, as well as medical applications." It was also noted that "in our Communications segment, like we talked last quarter, we have returned to growth, and we are benefiting from acceleration in Artificial Intelligence applications." The Communications segment grew over 50% sequentially in the third (fiscal year) quarter.

Year-over-year, TE saw quarterly growth in four of their nine business segments. The greatest growth was in the Data & Devices business. Representing 8% of total sales, the Data & Devices business saw year-over-year sales growth of +31%, followed by Mil/Aero/Marine business which grew +18% and accounted for 9% of total business, and the appliance business, which accounted for 5% of total sales, where sales grew +9%. The only other business showing growth was the medical business, where sales grew +7%. The medical business accounted for 5% of total sales. Together these four businesses accounted for 27% of total sales.

Exhibiting the greatest decline year-over-year was the industrial business, where sales declined -17% year-over-year. The industrial business was followed by the sensors business where sales declined -15%, and commercial transportation where sales declined -10%. These three businesses accounted for 24% of total sales.

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

