

TE Connectivity CY 2Q25 Sales Up +14.0% YOY Orders up +8.0%

TE Connectivity reported CY 2Q25 sales of \$4,534 million. This represented a year-over-year increase of +14.0%. Organically, sales were up +9.0%.

Orders in the quarter were \$4,472 million, up +8.0% year-over-year and 5% quarter-over-quarter, influenced by year-over-year growth in the transportation sector in Asia, offset by declining growth in Europe and America and ongoing momentum in artificial intelligence, energy applications, and aerospace, defense & marine in the industrial segment. Individually, the transportation segment recorded year-over-year growth of 5% and flat quarter-over-quarter growth, while the industrial segment recorded year-over-year and quarter-over-quarter growth of 12%. Quarterly book-to-bill was 0.99.

TE Connectivity's net income for the quarter ending June 27, 2025, was \$638 million. This represents an increase of 11.3% compared to the \$573 million net income reported for the same period in the previous year. TE's net income as a percentage of net sales was 14.1%, compared to 14.4% a year ago and their adjusted earnings per share (EPS) were \$2.27 versus \$1.91 in 2024, an increase of 18.8%, a quarterly record for the company.

The following is TE's performance by market sector for calendar 2Q25:

Market	Percent of Total Sales in Quarter	Calendar 2Q25 Sales	Calendar 2Q25 YOY	Calendar 2Q25 Organic YOY
Automotive	40%	\$1,805	3%	2%
Commercial Transportation	8%	\$377	4%	3%
Sensors	5%	\$236	-2%	-4%
Mil/Aero/Marine (AD&M)	8%	\$374	8%	6%
Medical	4%	\$181	-13%	-14%
Energy	8%	\$384	70%	20%
Digital Data Networks	13%	\$606	84%	82%
Automation & Connected Living	13%	\$571	10%	5%
	100%	\$4,534	14.0%	9.0%

\$ in Millions

Looking at the quarter's results from a segment standpoint, TE Connectivity CEO Terrence Curtin indicated that "a key driver of our success has been the strategic positioning of our portfolio and the investments that we've made to broaden our business to benefit from secular growth trends in both the Transportation and Industrial segments."

When discussing quarterly results, TE Connectivity CFO Heath Mitts indicated "The impact from tariffs in the third quarter was approximately 1.5% of sales with minimal earnings impact. Based upon what is currently enacted, we expect the impact from earnings in Q4 to be similar to Q3 levels. With our global footprint, we will continue our strategy of mitigating tariff impacts through both our sourcing changes by TE and our customers as well as implementing pricing actions."

Outlook

TE Connectivity expects their sales in the next quarter to be approximately \$4.55 billion, up 12% year-over-year on a reported basis and 6% on an organic basis. It was noted, "adjusted earnings per share is expected to be around \$2.27, a 16% increase on a year-over-year basis. Our fourth quarter [CY 3rd quarter] guidance implies strong performance in fiscal 2025 with high single-digit sales growth and double-digit adjusted earnings per share growth year-over-year."

Bishop & Associates' Comments

YOY, TE saw quarterly growth in all but two of eight businesses. Like the last two quarters, the greatest growth was in the Digital Data Networks business. Representing 13% of total sales, up from 12% in CY 1st quarter, the Digital Data Networks business saw YOY sales growth of +84%, followed by the Energy business which grew +70% and accounted for 8% of total business, up from 7% in CY 1st quarter. The Automation & Connected Living business, which accounted for 13% of total business, up from 12% in CY 1st quarter, saw sales grow 10%, while the AD&M business, which accounted for 8% of total sales, down from 9% in CY 1st quarter was up +9% YOY. Together, these four businesses accounted for approximately 42% of total sales, up from approximately 40% in CY1st quarter.

Like last quarter, exhibiting the greatest decline in sales YOY was the Medical business, followed by the Sensor business where sales declined -13% and -2% respectively. The remaining two businesses, Automotive and Commercial Transportation, which account for over 48% of total sales, both showed positive year-over-year growth, something not seen in these two businesses since CY 4th quarter 2023!

Organically, like in the last two quarters, Medical exhibited the greatest decline, followed by Sensors. It was noted that "Our Auto business grew 2% organically in the third quarter, with growth in Asia of 11% being offset by declines in Western regions of 5%. While Auto production on a global basis was down slightly in the third quarter, it is expected to be roughly flat this year. And we continue to generate growth over market and secure key wins around data connectivity and electrification that will drive future content growth."

The following graph plots TE's sales performance versus the connector industry by quarter from 1Q23 (year-over-year percentage change).

TE Connectivity vs. Industry

