

TE Connectivity CY 1Q26 Sales Up +14.5% YOY Orders up +4.4% Sequentially

TE Connectivity reported CY 1Q26 sales of \$4,744 million. This represented a year-over-year increase of +14.5%. Organically, sales were up +7.2%.

Orders in the quarter were \$5.324 million, up +25.0% year-over-year and +4.4% sequentially. The industrial segment order trends reflected momentum in all businesses, growing +40% year-over-year. The transportation segment orders trend showed year-over-year and quarter-over-quarter growth in every business, with +13% year-over-year growth. Together, the two segments had a 1.12 book-to-bill ratio, up from 1.10 in the previous quarter.

TE Connectivity's net income for the quarter ending March 27, 2026, was \$855 million. This represents a significant increase compared to the \$13 million net income reported for the same period in the previous year. TE's GAAP diluted earnings per share (EPS) from continuing operations was \$2.90. Adjusted EPS was a record \$2.73, an increase of 24% year-over-year, from \$2.21 in 2025.

The following is TE's performance by market sector for calendar 1Q26:

Market	Percent of Total Sales in Quarter	Calendar 1Q26 Sales	Calendar 1Q26 YOY	Calendar 1Q26 Organic YOY
Automotive	37%	\$1,762	2%	-4%
Commercial Transportation	9%	\$433	21%	17%
Sensors	5%	\$227	2%	-3%
Mil/Aero/Marine (AD&M)	9%	\$408	9%	5%
Medical	4%	\$176	-3%	-4%
Energy	9%	\$445	60%	11%
Digital Data Networks	15%	\$714	48%	46%
Automation & Connected Living	12%	\$579	13%	8%
	100%	\$4,744	15%	7%

\$ in Millions

During the quarter, TE announced they had completed the acquisition of RAM Photonics. RAM Photonics, a first mover in advanced near-chip fiber optic interconnect solutions, has developed patented technology that overcomes key optical connectivity constraints, enabling the high-volume manufacturing of precise, high-density optical interconnects for data center network applications, including GPU and processor scale up. According to Pranav Garg, Vice President of Strategy, Business Development and Incubation at TE Connectivity, "Our recent acquisition of RAM Photonics strengthens TE's optics portfolio by adding foundational high-density FAU capabilities, reinforcing our long-term investment and commitment to optical innovation."

During the quarter, the company also announced that they had "executed a strategic asset transaction with Phoenix Contact E-Mobility GmbH to acquire a major portion of its e-mobility business that manufactures charging inlets for electric vehicles. The transaction strengthens TE's ability to serve key global automotive customers and supports its long-term growth objectives." According to Jean-Michel Renaudie, President TE Automotive, "This agreement supports our focus on delivering advanced connectivity solutions that are essential to next-generation vehicle platforms," and "strengthens our ability to support our core customers with continuity and reinforces our position in Europe."

Outlook for 2Q2026

TE Connectivity expects their sales in the next quarter (CY 2Q26/FY 3Q26) to be approximately \$5,000 million, up 10% year-over-year, with year-over-year and sequential growth in both of their segments. Adjusted earnings per share are anticipated to be up 17% year-over-year to around \$2.83. It was also noted, "As we expand sales, we continue to invest and scale the business to deliver consistent margin performance and earnings growth. The performance of our teams, combined with our global manufacturing strategy, provides resiliency within a backdrop of an ongoing dynamic global environment, and this is reflected in the performance of both segments."

Bishop & Associates' Comments

Year-over-year, TE saw quarterly growth in all but one business segment, the medical segment where sales declined -3%, as expected, with sequential growth. From an organic year-over-year perspective, growth was witnessed in all but three business segments, medical, automotive, and sensors. The automotive segment, which accounted for the largest percentage of total business, 37% in the quarter, declined organically by -4%, pushing organic growth of the entire Transportation Solutions business into negative territory for the quarter. It was indicated that sales were as expected, with growth in Europe offset by market declines in North America and Asia. A similar sentiment was indicated for sensors, where organically, sales reflected growth in Asia, offset by weakness in North America and Europe.

Reviewing overall growth, it was not surprising to see the greatest growth was in the Energy business, where year-over-year sales grew +60%, followed by Digital Data Networks business, where sales grew +48%. Representing 15% of total sales, up from 12% last quarter, the Digital Data Networks business was driven by ongoing momentum in AI applications. Delving deeper into the Digital Data Networks business, TE Connectivity President, Terence Curtin commented "we had another outstanding quarter where our business grew nearly 50% year-over-year, and sales were as we expected. We continue to win new programs with customers and the orders that we have received are building backlog into 2027. We now expect our AI revenues in fiscal 2026 to be about \$150 million higher than our view 90 days ago, and this entire increase will be in the second half of the year and reflects the increased momentum that I talked about in orders. As we look out to the longer term, we are well positioned to continue to generate strong growth from AI applications."

The following graph plots TE's sales performance versus the connector industry by quarter from 4Q23 (year-over-year percentage change).

TE Connectivity vs. Industry

