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TE Connectivity CY 2Q26 Sales Up +14% YOY
Orders up +7% Sequentially

TE Connectivity reported CY 2Q26 sales of $5,160 million. This represented a year-over-year increase of +14%. Organically, sales were up +12%.

Orders in the quarter increased by over $1 billion to $5.693 million, up +27% year-over-year and +7% sequentially. The industrial segment orders trends reflected growth in all businesses of +36% year-over year and +9% sequentially. The Digital Data Networks business, within this segment, experienced +70% YTD growth, driven by AI momentum. The transportation segment orders trend also showed year-over-year and quarter-over-quarter growth in every business, with +19% year-over-year growth and +5% sequential growth. Together, the two segments had a 1.10 book-to-bill ratio, down from 1.12 in the previous quarter.

TE Connectivity's net income for the quarter ending June 26, 2026, was $748 million. This represents a 15.4% increase in net income over what was reported for the same period in the previous year. TE's GAAP diluted earnings per share (EPS) were $2.55 for the quarter and included restructuring acquisition, other charges of $0.23, and amortization expense of $0.15. This is an increase over the previous year, when EPS was $2.14.

The following is TE's performance by market sector for calendar 2Q26:

Market	Percent of Total Sales in Quarter	Calendar 2Q26 Sales	Calendar 2Q26 YOY	Calendar 2Q26 Organic YOY
Automotive	37%	$1,913	5%	3%
Commercial Transportation	8%	$434	20%	18%
Sensors	5%	$233	-1%	-3%
Mil/Aero/Marine (AD&M)	8%	$419	12%	12%
Medical	3%	$168	-7%	-7%
Energy	10%	$516	34%	33%
Digital Data Networks	16%	$813	34%	34%
Automation & Connected Living	13%	$664	16%	14%
	100%	**$5,160**	**14%**	**12%**

$ in Millions

During the quarter, TE announced they would buy power management and filtering solutions maker Astrodyne TDI for $1.4 billion from private equity firm Tinicum LP. According to Chief Financial Officer, Heath Mitts, Astrodyne TDI will generate more than $250 million in annual sales. They expect to close the transaction by the end of this calendar year, subject to customary closing conditions. The business will fall under the Industrial Segment. Mitts commented that, "our cash generation model, coupled with our strong balance sheet, supports our capital deployment strategy, and Astrodyne is a good example of a strategic bolt-on acquisition while we're still returning capital to our shareholders."

Outlook for 3Q2026

TE Connectivity expects CY3Q2026/FY4Q2026 to be approximately $5,250 million, with an adjusted EPS of $3.05. This is an increase of +11% versus the prior year. For the full fiscal year, TE expects their sales to grow approximately 15%, representing more than $2.5 billion of incremental revenue in 2026 while delivering margin expansion and earnings per share growth above 20%.

Bishop & Associates' Comments

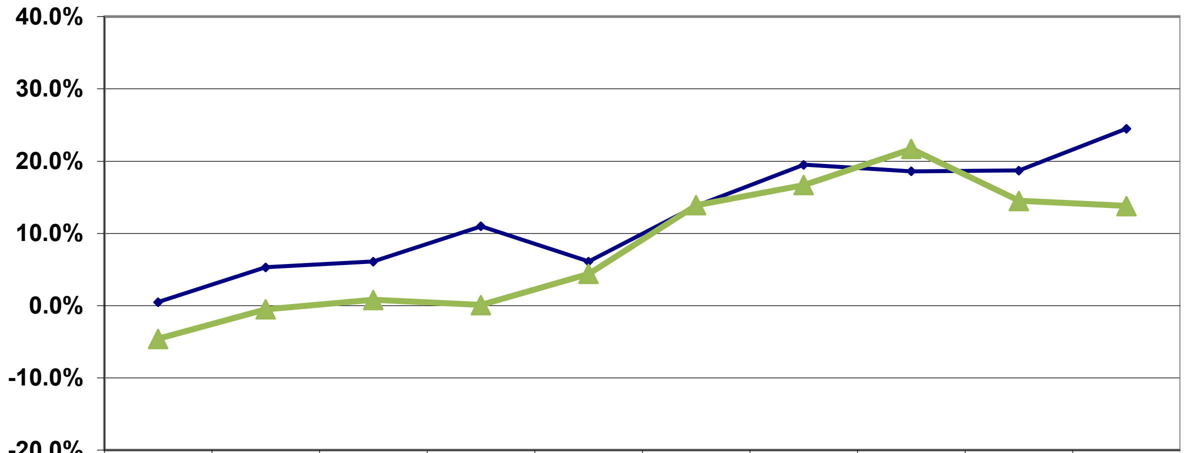
Year-over-year, TE saw quarterly growth in all but two business segments, the medical segment where sales declined -7% year-over-year and organically, even more than the -3% decline experienced last quarter, and sensors where sales declined -1% year-over-year and -3% organically. According to TE, both declines were expected. In all other businesses except automotive, year-over-year growth was in the double-digit range, with energy and digital data networks both increasing +34% over 2025. On the Industrial Solutions side, the strong growth in energy was driven by grid hardening and data center build-out, while digital data networks were driven by the continued momentum of AI. On the Transportation Solutions side, 20% year-over-year and +18% organic growth in the commercial transportation business was driven by strong content growth across all regions.

According to Curtin, the automotive business, the largest business segment of TE, continues "to deliver growth above the market due to content drivers, despite a decline in vehicle production. Data connectivity in the vehicle continues to be a significant driver, along with electrification of the powertrain, where we benefit largely in Asia, and software-defined vehicle architectures. We expect our full-year content outperformance to be in our four-to-six-point range for both this year as well as longer term."

Reviewing overall growth, in particular, how TE will finish fiscal year 2026 and their outlook for fiscal year 2027, Heath Mitts, CFO, indicated "we will exit this year with a strong backlog position in both segments. Certainly, this is influenced by AI program wins within the DDN business. The order momentum and backlog growth give us confidence that our strong performance will continue into next year. Adjusted operating margins were 21.9%, expanding 90 basis points year-over-year. Adjusted earnings per share were $2.94, up 22% year-over-year, driven by sales growth and margin expansion. The teams are doing a very good job of meeting customer demands while continuing to manage inflationary pressures through both price as well as cost actions".

The following graph plots TE's sales performance versus the connector industry by quarter from 1Q24 (year-over-year percentage change).

TE Connectivity vs. Industry



	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26
Industry	0.5%	5.3%	6.1%	11.0%	6.1%	13.8%	19.5%	18.6%	18.7%	24.5%
TE	-4.6%	-0.5%	0.8%	0.1%	4.4%	13.9%	16.7%	21.7%	14.5%	13.8%