

Company Description and Background

Amphenol is one of the world’s largest designers, manufacturers and marketers of electrical, electronic and fiber optic connectors and interconnect systems, antennas, sensors and sensor-based products and coaxial and high-speed specialty cable. The Company’s strategy is to provide our customers with comprehensive design capabilities, a broad selection of products and a high level of service on a worldwide basis while maintaining continuing programs of productivity improvement and cost control. The Company operates through two reporting segments: (i) Interconnect Products and Assemblies and (ii) Cable Products and Solutions. The Interconnect Products and Assemblies segment primarily designs, manufactures and markets a broad range of connector and connector systems, value-add products and other products, including antennas and sensors, used in a broad range of applications in a diverse set of end markets. Interconnect products include connectors, which when attached to an electrical, electronic or fiber optic cable, a printed circuit board or other device, facilitate transmission of power or signals. Value-add systems generally consist of a system of cable, flexible circuits or printed circuit boards and connectors for linking electronic equipment. The Cable Products and Solutions segment primarily designs, manufactures and markets cable, value-add products and components for use primarily in the broadband communications and information technology markets as well as certain applications in other markets. Sales into the automotive market represented approximately 19% of the Company’s net sales in 2019 with sales into the following primary end applications: Antennas, Engine Management/Control, Exhaust Monitoring and Cleaning, Hybrid and EV, Infotainment, Lighting, Power Mgmt., Safety/Security, Sensing, and Telematics. Sales into the broadband communications market represented approximately 4% of the Company’s net sales in 2019. Sales into the commercial aerospace market represented approximately 5% of the Company’s net sales in 2019. Sales into the industrial market represented approximately 20% of the Company’s net sales in 2019 with sales into the following primary end applications: Ag Equipment, Alternative Energy, Batteries, Factory Automation, Instrumentation, IoT, LED, Medical Equipment, Oil & Gas, Rail Transit, Smart Manufacturing and Transportation. Sales into the IT and datacom market represented approximately 19% of the Company’s net sales in 2019 with sales into the following primary end applications: Cloud Computing, Gaming, Internet Appliances, Network Equipment, Servers, Storage Systems, Transmission, and Web Service. Sales into the military market represented approximately 12% of the Company’s net sales in 2019. Sales into the mobile devices market represented approximately 13% of the Company’s net sales in 2019.

Amphenol (APH)

Technology - Hardware

Electronic Components

Key Markets: Automotive (19%), Broadband Communications (4%), Commercial Aerospace (5%), Industrial (20%), IT and Data Communications (19%), Military (12%), Mobile Devices/Networks (21%)

Thematic Tailwinds: Clean/Efficient Energy, Connected/Mobile, High Speed (5G), Harsh Environment, Increased Complexity

“Enabling the Electronics Revolution”

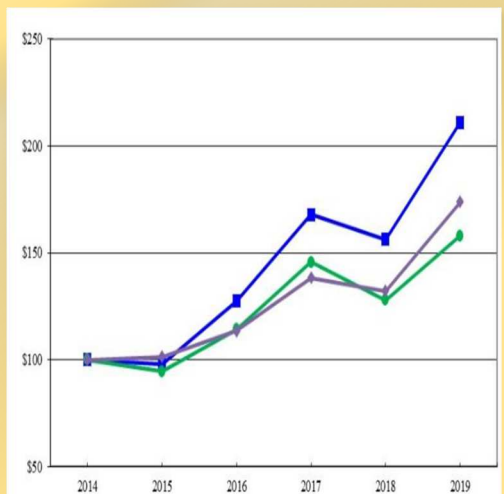
3 Year Average ROIC: 13.5%

EBITDA Margins 3 Year Average: 23.6%

Levered FCF Margin (3 Years): 12.3%

Debt/EBITDA (3 Year Average): 1.85X

CAPEX % of Sales: 3.6%



Extending the reach of the interconnect system



Core pillars of technology innovation



Amphenol

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Industry Analysis and Market Opportunity

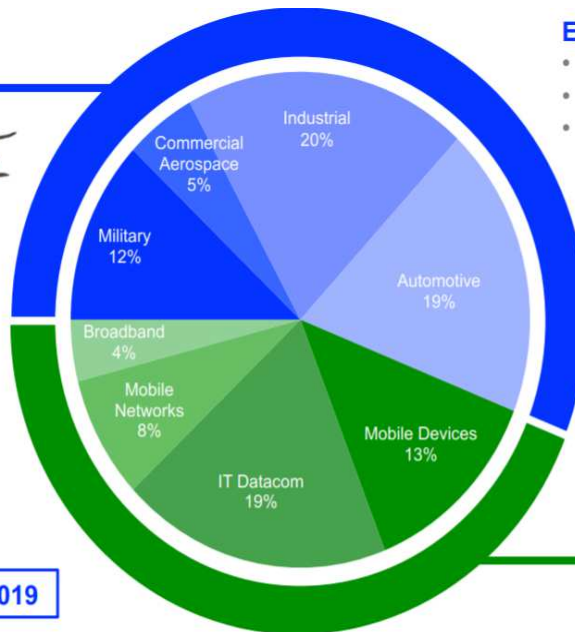
The Company estimates, based on reports of industry analysts, that worldwide sales of interconnect and sensor-related products were approximately \$175 billion in 2019.

Longer-cycle markets



Our high-technology solutions **enable electronics in every industry**

No market >20% of sales in 2019



End-market diversification provides:

- Less volatility
- Broad technology visibility
- Proliferation of our know-how

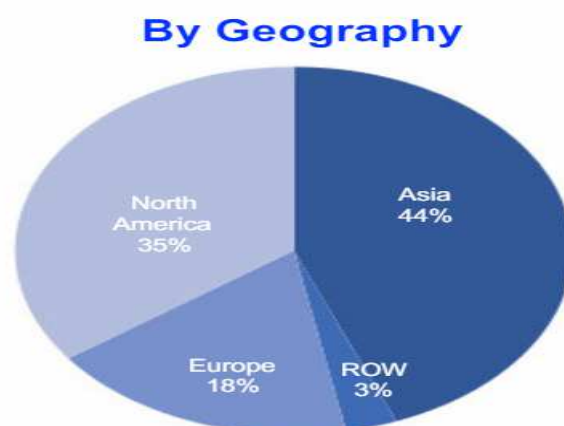


Shorter-cycle markets

Customers, Manufacturing and Sales Practices

The Company's products are sold to thousands of original equipment manufacturers ("OEMs") in numerous countries throughout the world. The Company's products are also sold to electronic manufacturing services ("EMS") companies, to original design manufacturers ("ODMs") and to service providers, including telecommunications network service providers and web service providers. No single customer accounted for 10% or more of the Company's net sales for the years ended December 31, 2019. The Company sells its products through its own global sales force, independent representatives and a global network of electronics distributors. The Company's sales to distributors represented approximately 15% of the Company's net sales in 2019.

Geographic Distribution:



The Company is a global manufacturer employing advanced manufacturing processes including molding, stamping, plating, turning, CNC machining, extruding, die casting and assembly operations and proprietary process technology for specialty and coaxial cable production and sensor fabrication. Outsourcing of certain manufacturing processes is used when cost-effective.

The Company purchases a wide variety of raw materials for the manufacture of its products, including (i) precious metals such as gold, silver and palladium, (ii) aluminum, steel, copper, titanium and metal alloy products and (iii) plastic materials. The Company also purchases a wide variety of mechanical and electronic components for the manufacturing of its products.

Competitors & Risk Factors

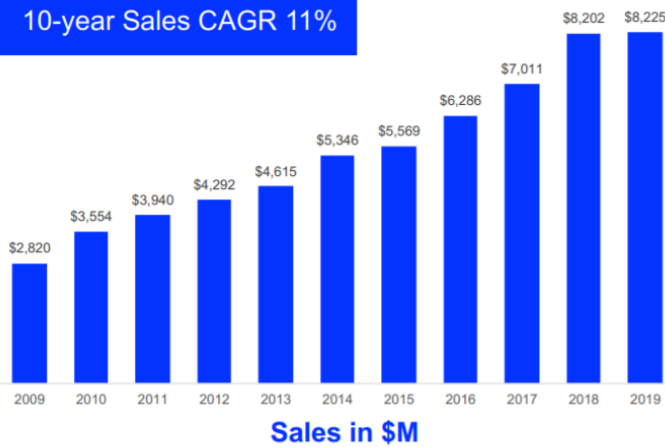
The Company encounters competition in substantially all areas of its business. The Company competes primarily on the basis of technology innovation, product quality and performance, price, customer service and delivery time. Primary competitors within the Interconnect Products and Assemblies segment include Carlisle, Commscope, Delphi, Esterline, Foxconn, Hirose, Huber & Suhner, ICT Luxshare, JAE, Jonhon, JST, Molex, Radiall, Rosenberger, Sensata, TE Connectivity, Yazaki and 3M, among others. Primary competitors within the Cable Products and Solutions segment include Belden and Commscope, among others.

We can see below APH carries a premium valuation to peers but also offers the strongest combination of margins, ROIC and FCF.

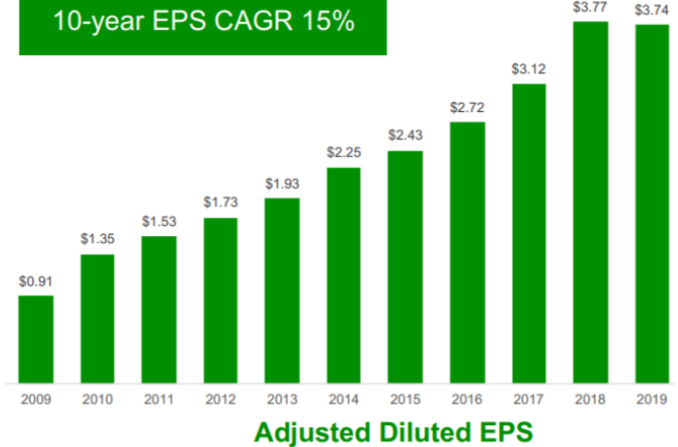
Tickers	Company Name	Mkt Cap	EV to EBITDA	EBITDA CAGR	P/E	Revenue CAGR	EBITDA Margins	ROIC (3 Year)	EV to FCF	FCF Margin	Debt to EBITDA
601138:CH	Foxconn Industrial Internet Co Ltd	40,876		-5%	15.41x	3%	5.66%		(2,393.7x)	0.83%	1.1x
APH	Amphenol Corporation	32,213	19.2x	-4%	32.65x	2%	23.79%	14.43	26.3x	14.68%	1.8x
TEL	TE Connectivity Ltd	30,502	13.7x	-10%	23.47x	-3%	22.09%	8.65	22.6x	12.44%	1.3x
CSL	CARLISLE COMPANIES INC	6,873	10.7x	19%	22.75x	0%	17.87%	4.97	13.2x	12.76%	1.8x
ST	Sensata Technologies Holding PLC	6,317	11.5x	-15%	22.74x	-3%	26.09%	11.26	21.9x	13.28%	3.6x
6806:JP	Hirose Electric Co Ltd	4,460	8.4x	2%	31.59x	2%	29.71%	5.51	30.8x	8.13%	0.1x
COMM	CommScope Holding Company, Inc.	2,168	10.3x	-49%	8.78x	24%	15.55%	8.27	13.3x	5.90%	5.3x
HUBN:SW	Huber+Suhner AG	1,608		-5%	29.67x	1%	13.46%	4.42	13.7x	11.20%	0.0x
BDC	Belden Inc.	1,547	9.0x	-21%	13.62x	-4%	16.46%	12.37	19.7x	7.83%	4.1x
DLPH	Delphi Technologies PLC	1,433	7.8x	-45%	(291.23x)	-7%	12.66%	36.95	(75.0x)	(1.81%)	2.7x

Key Metrics and Seasonality

10-year Sales CAGR 11%



10-year EPS CAGR 15%



- Industry-leading growth and operating margin for over a decade
- High-quality of earnings
- Strong cash flow generation in all business cycles
- Flexible and balanced capital deployment strategy

Valuation: EV to EBITDA

KPI: Book to Bill Ratio

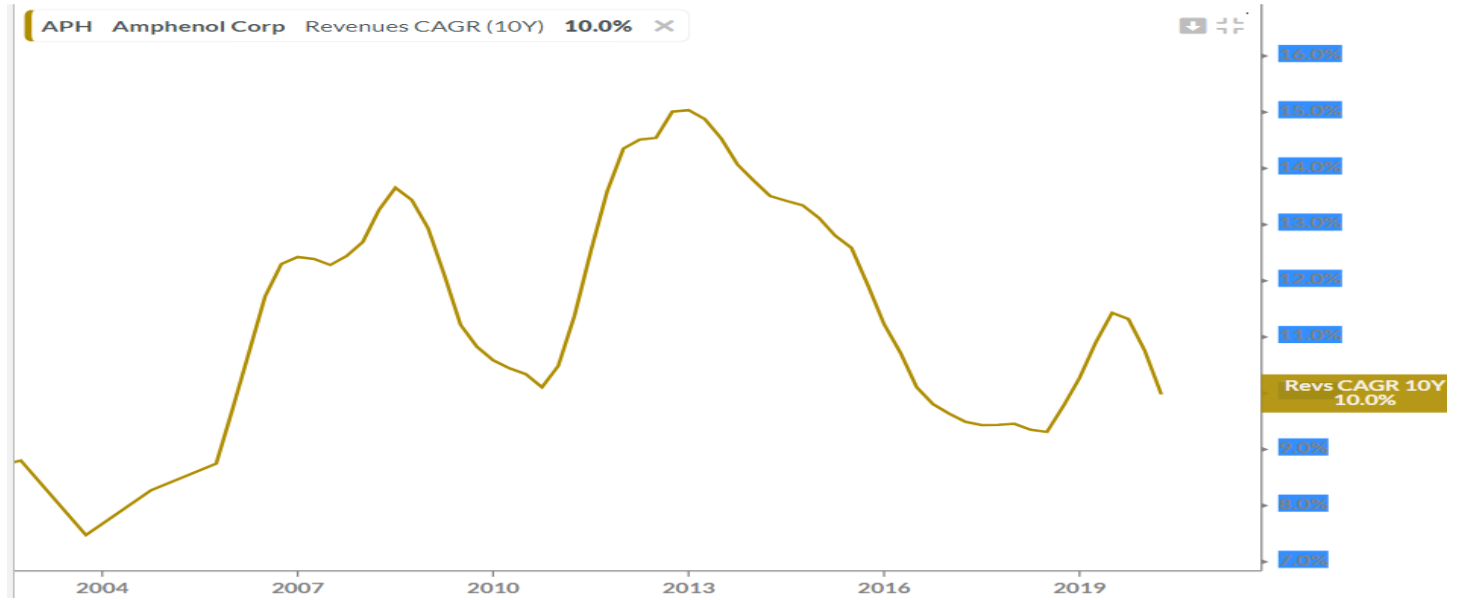
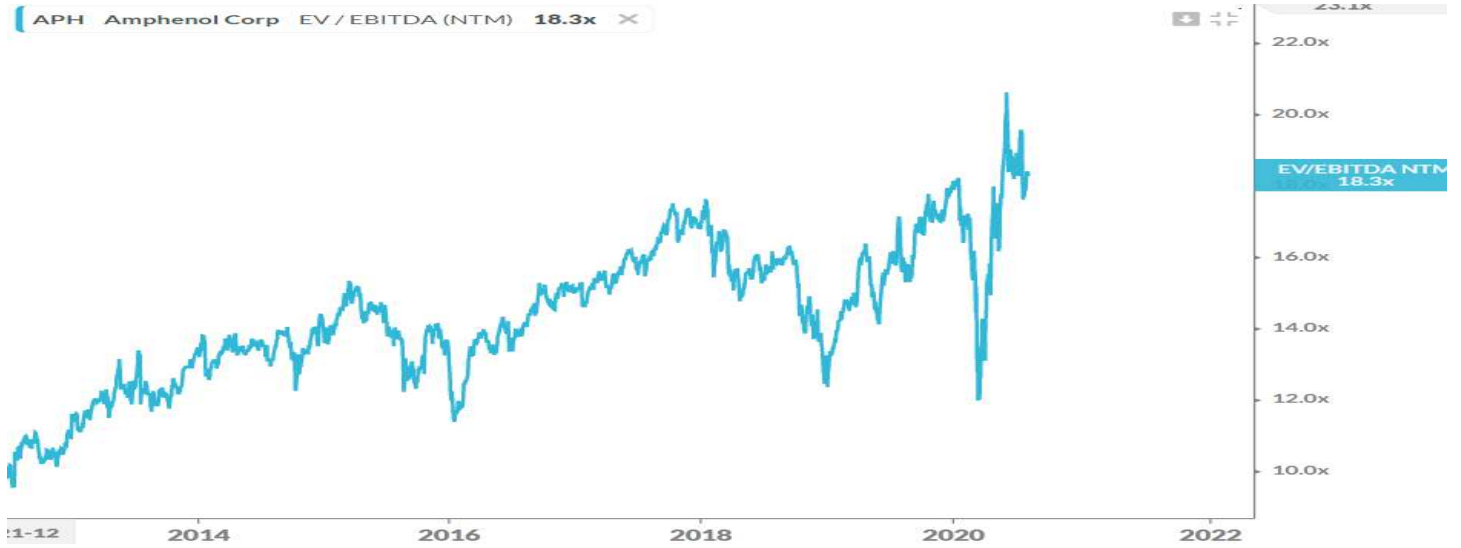
Backlog - The Company estimates that its backlog of unfilled firm orders as of December 31, 2019 was approximately \$1.978 billion compared with backlog of approximately \$1.720 billion as of December 31, 2018. Orders typically fluctuate from quarter to quarter based on customer demand and general business conditions. Unfilled orders may generally be cancelled prior to shipment of goods. It is expected that all or a substantial portion of the backlog will be filled within the next 12 months. Significant elements of the Company's business, such as sales to the communications-related markets (including wireless communications, information technology and data communications and broadband communications) and sales to distributors, generally have short lead times. Therefore, backlog may not be indicative of future demand.

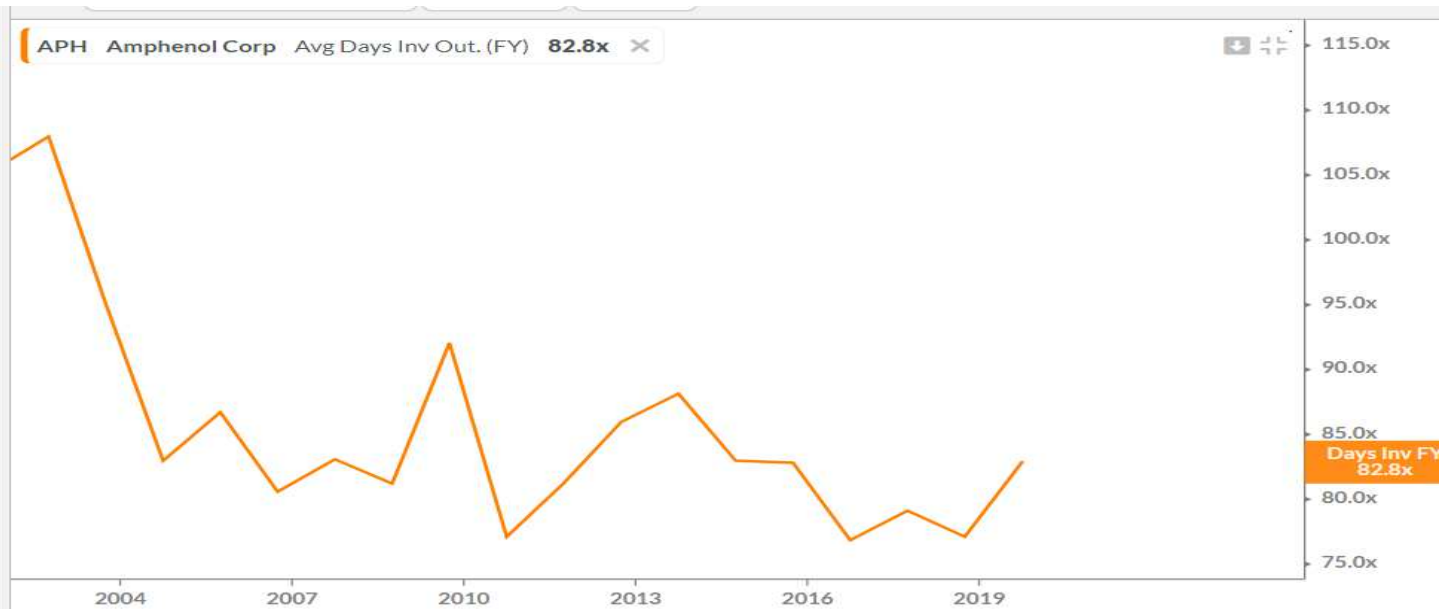
Working Capital Metrics: Inventory, Accounts Receive, Accounts Payable (DSO, DPO, DSI) are referenced by management quarterly.

Seasonality – Strong Q4, Weak Q1

	Jan	Feb	Mar	Q1	Apr	May	June	Q2	July	Aug	Sept	Q3	Oct	Nov	Dec	Q4	Y
2020	-8.09%	-7.83%	-20.51%	-32.66%	21.10%	9.40%	-0.78%	31.46%	10.39%	2.08*		12.68*					-0.25*
2019	8.52%	6.88%	0.50%	16.56%	5.42%	-12.62%	10.28%	1.59%	-2.73%	-6.19%	10.24%	0.58%	3.97%	3.66%	4.07%	12.16%	33.58%
2018	5.66%	-1.49%	-5.76%	-1.90%	-2.81%	3.85%	0.25%	1.18%	7.30%	1.14%	-0.59%	7.88%	-4.81%	-1.74%	-7.87%	-13.83%	-7.72%
2017	0.43%	2.55%	2.83%	5.91%	1.60%	3.17%	-1.05%	3.72%	3.79%	5.64%	4.57%	14.66%	2.79%	4.13%	-3.08%	3.73%	30.65%
2016	-5.09%	7.06%	8.95%	10.70%	-3.44%	5.18%	-2.37%	-0.85%	3.82%	4.69%	4.19%	13.24%	1.56%	3.53%	-1.55%	3.51%	28.66%
2015	-0.19%	5.12%	4.37%	9.51%	-6.04%	3.03%	1.61%	-1.63%	-2.69%	-7.18%	-2.67%	-12.09%	6.40%	1.53%	-5.12%	2.49%	-2.94%
2014	-2.58%	1.31%	4.12%	2.77%	4.04%	0.47%	0.56%	5.12%	-0.18%	7.11%	-3.06%	3.65%	1.30%	6.03%	0.34%	7.77%	20.68%
2013	4.44%	4.87%	5.35%	15.38%	1.17%	3.15%	0.05%	4.41%	0.80%	-3.55%	2.12%	-0.72%	3.76%	5.87%	4.92%	15.25%	37.84%
2012	19.92%	2.81%	6.81%	31.68%	-2.73%	-8.51%	3.25%	-8.11%	7.21%	3.38%	-3.27%	7.21%	2.12%	2.98%	4.49%	9.88%	42.54%
2011	4.85%	3.87%	-5.38%	3.05%	2.79%	-3.31%	-0.13%	-0.74%	-9.45%	-3.91%	-13.22%	-24.49%	16.48%	-4.55%	0.13%	11.33%	-14.00%
2010	-13.73%	4.54%	1.30%	-8.64%	9.53%	-8.24%	-7.36%	-6.90%	14.05%	-9.11%	20.28%	24.69%	2.35%	-0.20%	5.50%	7.76%	14.29%

Ratios and Valuation (Current vs. Historical)





Management Commentary

On Mobile market positioning... "While 2020 has thus far seen substantial impacts on the mobile devices market from the pandemic, our long-term position in this market remains very robust. Amphenol's leading array of antennas, interconnect products and mechanisms continues to enable a broad range of next-generation mobile devices. And while there's no doubt that this market will always remain one of our most volatile, our outstanding and agile team is poised as always to capture any opportunities for incremental sales that may arise in 2020 and beyond."

On strength in IT datacom markets... "We remain encouraged by the company's strong technology position in the global IT datacom market. And especially given this increased demand for bandwidth, our customers around the world are driving their equipment to ever higher levels of performance in order to manage these dramatic increases in demand. In turn, our team remains singularly focused on enabling this continuing revolution in IT datacom through their ongoing development of a wide range of next-generation products."

On medical strength in Industrial segment... "But I would call the demand that we saw for COVID-related medical equipment, in particular things like ventilator, respiratory therapy devices, patient monitoring for new hospital construction, things like that, there was very, very significant demand. There's no doubt about it. Is that a pull-in? I mean it didn't exist before, this demand. So it was all new demand. The world never built as many ventilators as the world is now building. And I don't know that pull-in would be necessarily the right term for that, but there was definitely a rush to build."

On opportunities in hydrogen and fuel cell... "So you talk about something like hydrogen or fuel cells, you talk about alternative energy sources of whatever for cars. I think long term, there will be new drivetrains. I think there will be new technologies. And I think regardless of what it is, the great thing about these revolutionary new technologies is that they always require a new type of interconnect. They require a more ruggedized, they require a higher technology solutions. And so they create opportunities for our company. They create opportunities for our whole industry. And I think that's a really good thing."