

## Molex Sales Up +2.8% YOY in Calendar 2Q13

Molex reported calendar 2Q13 sales of \$882.9 million, up +2.8% year-over-year (YOY) and up sequentially +3.5% to calendar 1Q13. For their fiscal year ending in June, sales were \$3,620 million, up +3.8% year-over-year.

Orders in the quarter were \$880 million, down -2.3% YOY and down sequentially -3.2%. The book-to-bill ratio is 1.00.

Net income was \$57.1 million (6.5% of sales), down -20.7% year-over-year and up +27.5% sequentially.

Medical/Military, Automotive and Mobile Devices had double-digit year-over-year growth in the second calendar quarter. Consumer declined double-digits year-over-year. Sequential, change was positive in all markets except Mobile Devices.

| Market           | % of Total Sales<br>in Quarter | Calendar 2Q13<br>Sales | Calendar 2Q13<br>YOY | Calendar 2Q13<br>Sequential |
|------------------|--------------------------------|------------------------|----------------------|-----------------------------|
| Automotive       | 21%                            | \$185                  | 22%                  | 6%                          |
| Infotech         | 18%                            | \$159                  | -3%                  | 11%                         |
| Telecom          | 13%                            | \$115                  | -8%                  | 9%                          |
| Mobile Devices   | 15%                            | \$132                  | 16%                  | -18%                        |
| Consumer         | 14%                            | \$124                  | -17%                 | 9%                          |
| Industrial       | 14%                            | \$124                  | 1%                   | 10%                         |
| Medical/Military | 5%                             | \$44                   | 36%                  | 3%                          |
|                  | <b>100%</b>                    | <b>\$883</b>           | <b>2.8%</b>          | <b>3.5%</b>                 |

Molex announced it had signed definitive agreements to acquire FCT Electronics Group based in Munich, Germany. The company manufactures mixed lay-out custom I/O connectors and cable assemblies. They serve diverse end markets including industrial and medical.

## Outlook

Molex forecasts sales of \$890 to \$930 million in calendar 3Q13, a year-over-year change of -2.9% to +1.4%.

## Bishop & Associates' Comments

Molex's sales have outperformed the industry in the last four quarters.

With the impending acquisition of FCT Electronics, Molex is continuing to expand its capabilities in medical, industrial and military products. Molex acquired Affinity Medical Technologies in October 2012 and Temp-Flex Cable in December 2011.

The following graph plots Molex's sales performance versus the connector industry by quarter since 2Q11 (year-over-year percentage change).

**Molex vs. Industry**

