

AMPHENOL CORPORATION
Consolidated Statements of Income
(dollars and shares in millions, except per share data)

	Year Ended December 31,		
	2019	2018	2017
Net sales	\$ 8,225.4	\$ 8,202.0	\$ 7,011.3
Cost of sales	5,609.4	5,547.1	4,701.4
Gross profit	2,616.0	2,654.9	2,309.9
Acquisition-related expenses	25.4	8.5	4.0
Selling, general and administrative expenses	971.4	959.5	878.3
Operating income	1,619.2	1,686.9	1,427.6
Interest expense	(117.6)	(101.7)	(92.3)
Loss on early extinguishment of debt	(14.3)	—	—
Other income, net	8.6	3.2	17.1
Income before income taxes	1,495.9	1,588.4	1,352.4
Provision for income taxes	(331.9)	(371.5)	(691.7)
Net income	1,164.0	1,216.9	660.7
Less: Net income attributable to noncontrolling interests	(9.0)	(11.9)	(10.2)
Net income attributable to Amphenol Corporation	<u>\$ 1,155.0</u>	<u>\$ 1,205.0</u>	<u>\$ 650.5</u>
Net income per common share — Basic	<u>\$ 3.88</u>	<u>\$ 4.00</u>	<u>\$ 2.13</u>
Weighted average common shares outstanding — Basic	297.5	301.2	305.7
Net income per common share — Diluted	<u>\$ 3.75</u>	<u>\$ 3.85</u>	<u>\$ 2.06</u>
Weighted average common shares outstanding — Diluted	307.9	312.6	316.5
Dividends declared per common share	<u>\$ 0.96</u>	<u>\$ 0.88</u>	<u>\$ 0.70</u>

See accompanying notes to consolidated financial statements.

AMPHENOL CORPORATION
Consolidated Balance Sheets
(dollars and shares in millions, except per share data)

	December 31,	
	2019	2018
Assets		
Current Assets:		
Cash and cash equivalents	\$ 891.2	\$ 1,279.3
Short-term investments	17.4	12.4
Total cash, cash equivalents and short-term investments	908.6	1,291.7
Accounts receivable, less allowance for doubtful accounts of \$33.6 and \$33.5, respectively	1,736.4	1,791.8
Inventories	1,310.1	1,233.8
Prepaid expenses and other current assets	256.1	254.3
Total current assets	4,211.2	4,571.6
Property, plant and equipment, net	999.0	875.8
Goodwill	4,867.1	4,103.2
Other intangible assets, net	442.0	397.9
Other long-term assets	296.2	96.4
	<u>\$ 10,815.5</u>	<u>\$ 10,044.9</u>
Liabilities & Equity		
Current Liabilities:		
Accounts payable	\$ 866.8	\$ 890.5
Accrued salaries, wages and employee benefits	171.8	157.2
Accrued income taxes	127.9	203.5
Accrued dividends	74.4	68.7
Other accrued expenses	488.5	367.1
Current portion of long-term debt	403.3	764.3
Total current liabilities	2,132.7	2,451.3
Long-term debt, less current portion	3,203.4	2,806.4
Accrued pension and postretirement benefit obligations	198.8	190.2
Deferred income taxes	260.4	255.6
Other long-term liabilities	424.0	277.2
Commitments and contingent liabilities (Note 14)		
Equity:		
Class A Common Stock, \$0.001 par value; 1,000.0 shares authorized; 298.7 shares issued and 297.9 shares outstanding as of December 31, 2019; 299.2 shares issued and 298.5 shares outstanding as of December 31, 2018	0.3	0.3
Additional paid-in capital	1,683.3	1,433.2
Retained earnings	3,348.4	3,028.7
Treasury stock, at cost; 0.8 and 0.7 shares as of December 31, 2019 and 2018, respectively	(70.8)	(55.0)
Accumulated other comprehensive loss	(430.9)	(390.2)
Total shareholders' equity attributable to Amphenol Corporation	4,530.3	4,017.0
Noncontrolling interests	65.9	47.2
Total equity	4,596.2	4,064.2
	<u>\$ 10,815.5</u>	<u>\$ 10,044.9</u>

See accompanying notes to consolidated financial statements.

AMPHENOL CORPORATION
Consolidated Statements of Cash Flow
(dollars in millions)

	Year Ended December 31,		
	2019	2018	2017
Cash from operating activities:			
Net income	\$ 1,164.0	\$ 1,216.9	\$ 660.7
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation and amortization	312.1	299.7	226.8
Stock-based compensation expense	63.0	55.6	49.7
Loss on early extinguishment of debt	14.3	—	—
Deferred income tax provision (benefit)	15.2	(12.0)	186.3
Net change in operating assets and liabilities, excluding effects of acquisitions:			
Accounts receivable, net	117.3	(237.9)	(146.5)
Inventories	(3.4)	(173.3)	(100.4)
Prepaid expenses and other current assets	(6.0)	(47.7)	(75.9)
Accounts payable	(60.2)	48.8	140.5
Accrued income taxes	(91.7)	(9.7)	11.2
Other accrued liabilities	(37.6)	57.4	13.0
Accrued pension and postretirement benefits	7.2	(76.6)	5.0
Other long-term assets and liabilities	8.1	(8.5)	173.8
Net cash provided by operating activities	1,502.3	1,112.7	1,144.2
Cash from investing activities:			
Capital expenditures	(295.0)	(310.6)	(226.6)
Proceeds from disposals of property, plant and equipment	7.4	5.0	4.1
Purchases of short-term investments	(65.4)	(44.5)	(40.2)
Sales and maturities of short-term investments	61.6	67.2	148.0
Acquisitions, net of cash acquired	(937.4)	(158.9)	(265.5)
Net cash used in investing activities	(1,228.8)	(441.8)	(380.2)
Cash from financing activities:			
Proceeds from issuance of senior notes	1,398.8	571.7	749.3
Repayments of long-term debt	(1,111.5)	(15.2)	(375.0)
(Repayments) borrowings under commercial paper programs, net	(229.0)	(544.6)	154.1
Payment of costs related to debt financing	(14.9)	(5.6)	(5.2)
Payment of premiums and fees related to early extinguishment of debt	(13.4)	—	—
Purchase of treasury stock	(601.7)	(935.2)	(618.0)
Proceeds from exercise of stock options	246.1	130.7	184.1
Distributions to and purchases of noncontrolling interests	(43.3)	(18.2)	(24.4)
Dividend payments	(279.5)	(253.7)	(205.0)
Net cash used in financing activities	(648.4)	(1,070.1)	(140.1)
Effect of exchange rate changes on cash and cash equivalents	(13.2)	(40.6)	60.6
Net change in cash and cash equivalents	(388.1)	(439.8)	684.5
Cash and cash equivalents balance, beginning of year	1,279.3	1,719.1	1,034.6
Cash and cash equivalents balance, end of year	\$ 891.2	\$ 1,279.3	\$ 1,719.1
Cash paid during the year for:			
Interest	\$ 116.6	\$ 94.2	\$ 84.3
Income taxes, net	408.3	393.2	325.2

See accompanying notes to consolidated financial statements.