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TE Connectivity CY 3Q26 Sales Up +12% YOY
Orders up +6% Sequentially

TE Connectivity reported CY 3Q26 sales of $5,312 million. This represented a year-over-year increase of +12%. Organically, sales were up +13%.

Orders in the quarter increased +29% or nearly $1.6 billion year-over-year to $6,055 billion, up +6% sequentially. The industrial segment orders trends reflected double-digit growth in all businesses, with booking up +47% year-over-year and +13% sequentially. The digital data networks business, within this segment, once again experienced growth of approximately +70% YTD, driven by continued AI momentum. The transportation segment orders trend showed year-over-year growth of +13%, while quarter-over-quarter growth declined -1%. Content outperformance continued in the automotive and industrial and commercial transportation (ICT) segments, with end markets improving in commercial transportation. Together, the two segments had a 1.14 book-to-bill ratio, up from 1.10 in the previous quarter.

The following is TE's performance by market sector for calendar 3Q26:

Market	Percent of Total Sales in Quarter	Calendar 3Q26 Sales	Calendar 3Q26 YOY	Calendar 3Q26 Organic YOY
Automotive	36%	$1,933	7%	6%
Commercial Transportation	8%	$428	18%	18%
Sensors	4%	$239	-2%	-2%
Mil/Aero/Marine (AD&M)	9%	$462	15%	16%
Medical	3%	$180	1%	1%
Energy	10%	$520	12%	12%
Digital Data Networks	18%	$949	34%	34%
Automation & Connected Living	11%	$688	18%	18%
Reconciling Item*	0%	-$87	-	-
	100%	**$5,312**	**12%**	**13%**

$ in Millions

* Reconciling item relating to net input of IEEPA tariff refunds in fiscal 2026

TE Connectivity's net income for the quarter ending September 25, 2026, was $900 million. This represents a 35.7% 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 $3.14 for the quarter and included acquisition charges of $0.03, restructuring and other charges of $0.05, amortization expense of $0.16, and tax benefit of -$0.20. This is an increase over the previous year, when EPS was $2.59.

Outlook for CY4Q2026

TE Connectivity expects CY4Q2026/FY1Q2027 to be approximately $5,350 million, an increase of +15% year-over-year on both a reported and an organic basis. Growth again will be broad-based. Expected adjusted earnings per share are anticipated to be $3.30. Full fiscal year 2027 growth is expected to be in the double-digits, and similar to the 12% organic sales growth expected in 2026.

Bishop & Associates' Comments

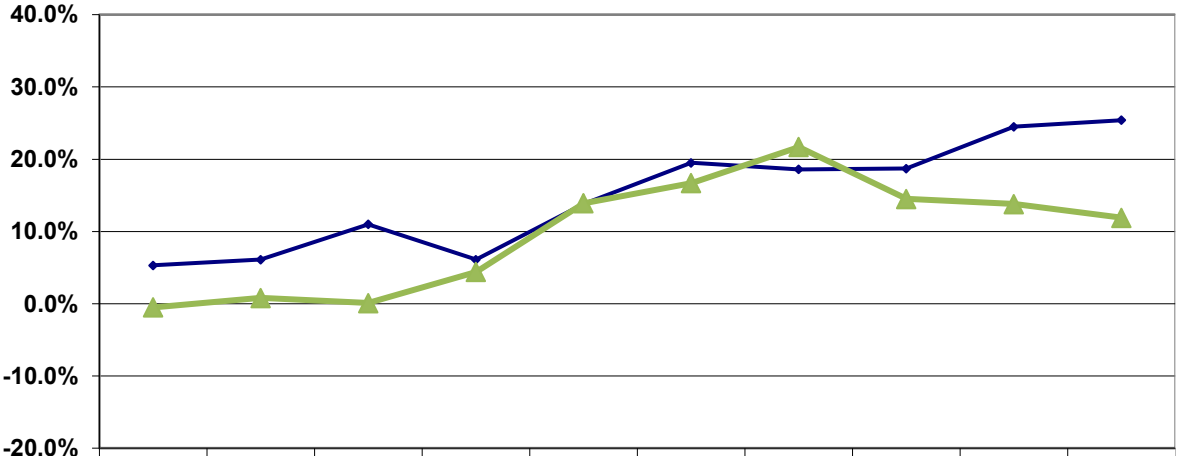
Year-over-year, TE saw quarterly growth in all but one business segments, the sensor segment where sales declined -2% year-over-year and organically, even more than the -1% decline year-over-year experienced last quarter, but less than the previous quarters -3% organic decline. According to TE, performance was as expected. In all other businesses except automotive and medical, year-over-year growth was in the double-digit range, with digital data networks increasing +34% over 2025, automation & connected living growing and commercial transportation +18%, aerospace defense and marine +15%, and energy +12%. On the Industrial Solutions side, strong growth in energy was driven by continued grid hardening and data center build-out, while digital data networks were driven by the continued momentum in AI applications. On the Transportation Solutions side, 18% year-over-year and organic growth in the commercial transportation business was driven by strong content growth across all regions, particularly North America, in conjunction with markets improvement and continued electrification of trucks in Asia.

Curtin warned that in the automotive business, "global vehicle production is expected to be down slightly in fiscal 2027, which may impact absolute growth in the automotive segment". The largest business segment, automotive, accounted for +36% of total business in CY3Q2026. It was also noted that "European electric vehicle demand is increasing, contribution to a content growth rate that outperformed the general automotive production market in the fiscal year, fourth quarter."

Reviewing overall growth, in particular, how TE finished fiscal year 2026, it was noted full-year sales were $19.9 billion a "record performance representing +12% organic growth and +15% reported growth". Adjusted earnings per share amounted to $11.52. Strong orders across both the industrial and transportation segments "resulted in a record backlog of $8 billion entering the new fiscal year". Free cash flow amounted to "$3.4 billion for fiscal 2026, achieving 100% conversion of adjusted net income". It is anticipated that for fiscal 2027, restructuring and other charges will fall below $100 million, after recording $110 million in fiscal 2026. It needs to be noted that in CY3Q2026, TE incurred an $87 million reduction in reported sales due to IEEPA tariff refunds, with a further $50 million anticipated impact in the first quarter of CY4Q2026/FY1Q2027.

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



	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26
Industry	5.3%	6.1%	11.0%	6.1%	13.8%	19.5%	18.6%	18.7%	24.5%	25.4%
TE	-0.5%	0.8%	0.1%	4.4%	13.9%	16.7%	21.7%	14.5%	13.8%	11.9%