

Amphenol - Integrating CommScope CCS

Internal ID: S&F-STR-055

Topic: Mergers & Acquisitions, Corporate Strategy, Customer Strategy

Industry: Electronic Components

Source: Strategy & Finance

Publication date: 5 October 2026

License: Not specified

Decision date and information cutoff: 10 September 2026; company information available through 9 September 2026 EOD Eastern Time

Decision scope: Operating architecture for CommScope Connectivity and Cable Solutions (CCS) during the first year after acquisition

Case convention: This is an author-created management decision exercise. The assignment and alternatives are hypothetical; company disclosures are historical. No private deliberations or actual unresolved internal decision are represented.

The assignment

Amphenol completed its acquisition of CommScope's Connectivity and Cable Solutions business on 9 January 2026. Eight months later, the acquisition had materially expanded Communications Solutions, the segment that sells products into communications networks and IT datacom markets. The public record described anticipated efficiencies and cost savings but did not disclose a detailed CCS integration blueprint, a customer-overlap map, product-level economics, retention targets or synergy milestones. [S1], Note "Acquisition of CommScope"; [S2], Item 2.01 and Exhibit 99.1.

Assume you are advising Amphenol's senior leadership team on the operating architecture for CCS through the first year after closing. This is a classroom assignment, not a reconstruction of management's actual deliberations. Recommend one of three approaches:

1. **Deeper integration:** place CCS more fully into shared Communications Solutions product, engineering, sales and operating systems.
2. **Distinct operating unit:** preserve CCS leadership and customer-facing routines, with limited coordination at the segment level.
3. **Selective, staged coordination:** preserve local accountability where capabilities are distinct, while coordinating specific activities where evidence shows interdependence; set review gates for any broader integration.

Explain which decisions and resources belong in each layer, what evidence supports your choice, how you would involve CCS leaders, and which indicators would trigger a change in course. Address the strongest argument against your recommendation. Use only information available by the cutoff. Do not assume that reported growth proves realized acquisition synergies.

A larger Communications Solutions

Amphenol describes itself as a designer, manufacturer and marketer of electrical, electronic and fiber-optic connectors, interconnect systems, sensors and related products. Its business spans communications networks, IT datacom, automotive, industrial, aerospace, defense, mobile devices and other markets. It reports three segments: Communications Solutions; Harsh Environment Solutions; and Interconnect and Sensor Systems. [S1], Item 1, “Business.”

For years, Amphenol described a structure in which each segment manager reported directly to the chief executive. The company said this model supported an entrepreneurial culture and accountability. That is management’s stated rationale for its design; it does not establish that the same design is optimal for a newly acquired operation or for every activity. [S1], Item 1, “Reportable Business Segments.”

CCS brought a substantial portfolio of fiber-optic connectivity, cable and related products serving communications and data-center markets, among others. Amphenol’s existing portfolio also served IT datacom and communications-network customers. The overlap makes coordination plausible. Public disclosures do not show which customers or product roadmaps overlap, whether commercial teams already share accounts, or whether CCS manufacturing and engineering depend on Amphenol systems. Those facts matter to the design choice, but are not supplied here.

The acquisition was large relative to the scale of the company. Amphenol’s closing announcement described approximately \$10.5 billion in cash consideration, subject to customary post-close adjustments. Its second-quarter filing reported \$10.684 billion of cash used for 2026 acquisitions, primarily CommScope, net of cash acquired. Those figures use different descriptions and should not be treated as a contradiction. The filing’s preliminary allocation for CCS included \$6.958 billion of goodwill and \$3.289 billion of other intangible assets. The goodwill discussion included an assembled workforce and anticipated cost savings and efficiencies; the filing did not quantify or report realization of those expected benefits. [S1], Note “Acquisition of CommScope,” and cash-flow discussion; [S2], Item 2.01 and Exhibit 99.1.

From closing through 30 June, CCS contributed \$2.101 billion of sales and \$190.2 million of net income as presented in the filing. The net-income figure excludes acquisition interest and external transaction costs and includes \$179.0 million of noncash acquired-backlog amortization and inventory step-up costs. It covers less than six months, is not a full-year run rate, and was based on preliminary purchase accounting. [S1], Note “Acquisition of CommScope.”

Growth: acquisition scale and broader demand

Amphenol reported second-quarter 2026 sales of \$8.758 billion, up 55% from \$5.650 billion a year earlier. The company’s reconciliation attributed 30 percentage points to organic growth, 24 points to acquisitions and one point to currency, with reported growth rounded. First-half sales were \$16.378 billion, up 57%, with 32% organic growth and 24% acquisition impact. “Organic growth” is a company-defined non-GAAP measure that excludes acquisition and currency effects. [S1], Item 2, “Results of Operations” and organic-growth reconciliation.

Communications Solutions generated approximately 62% of second-quarter sales and grew 85% in U.S. dollars, including 42% organic growth. Management cited IT datacom, especially AI-related applications, along with industrial, mobile-device and automotive demand and acquisitions. The filing does not quantify the share of organic growth attributable to AI, individual products, or cross-selling between Amphenol and CCS. [S1], Item 2, segment results and discussion.

Growth was not confined to Communications Solutions. Harsh Environment Solutions, roughly 21% of sales, grew 22% organically. Interconnect and Sensor Systems, roughly 17%, grew 13% organically. These company-reported figures complicate a simple explanation that acquisition scale or one end market alone drove the firm's results. They still do not resolve how durable the demand environment will be or how CCS should be organized. [S1], Item 2, segment results and discussion.

Exhibit 1. Second-quarter 2026 operating snapshot

USD millions except growth and ratios; percentages are company-reported or calculated from company-reported sales. Quarter ended 30 June 2026.

Measure	Q2 2026	Comparison / note
Consolidated net sales	\$8,758.1	\$5,650.3 in Q2 2025; +55% reported
Organic sales growth	30%	Company-defined; excludes acquisitions and currency
Acquisition impact	24 percentage points	Company-reported growth reconciliation
Communications Solutions sales	\$5,461.8	About 62% of consolidated sales; +85% reported, +42% organic
Harsh Environment Solutions sales	\$1,812.0	About 21% of consolidated sales; +22% organic
Interconnect and Sensor Systems sales	\$1,484.3	About 17% of consolidated sales; +13% organic
Operating income / margin	\$2,584.6 / 29.5%	25.1% margin in Q2 2025
Orders / book-to-bill	\$10.7bn / 1.23:1	Management-reported Q2 values

Source: [S1], segment table and Item 2 discussion; [S2], second-quarter results. Segment sales sum to consolidated sales. Growth categories may not sum precisely because of rounding. Orders and book-to-bill do not guarantee shipment, pricing or margin.

Margin, cash and execution

Consolidated operating margin was 29.5%, up from 25.1% a year earlier. The quarter included an \$80 million net benefit associated with recovery of IEEPA tariffs and \$23.5 million of noncash acquired-backlog amortization. Management attributed improved Communications Solutions margin partly to operating leverage and tariff recovery; it also said recent acquisitions had above-company-average operating-expense ratios and below-company-average margins. The filing does not isolate CCS's stand-alone operating margin or quantify recurring integration savings. [S1], Item 2, "Results of Operations"; [S2], results highlights.

Amphenol generated \$2.679 billion of operating cash flow and spent \$647 million on capital expenditures in the first half of 2026. Company-defined free cash flow was \$2.037 billion. Acquisitions used \$10.684 billion net of acquired cash; the company also reported \$4.927 billion of borrowings before repayments, dividends and share repurchases. Capital expenditures were higher than the \$486 million spent in the first half of 2025. These figures show the scale of investment and financing surrounding the acquisition, but do not identify product-level capacity needs or the returns on CCS integration choices. [S1], Item 2, cash-flow and capital-expenditure

discussion.

Amphenol's Q2 release forecast Q3 sales of \$9.3-\$9.4 billion, assuming current market conditions and constant exchange rates. That forecast was available at the information date; it is not an observed outcome. [S2], outlook paragraph.

Competitors are also building for data connectivity

Amphenol's annual filing names TE Connectivity, Molex, Corning and Belden among competitors and says it competes on technology, product quality and performance, price, service and delivery. The list does not establish relative market share. [S3], Item 1, "Competition."

In its fiscal third quarter ended 26 June 2026, TE Connectivity reported 12.2% company-wide organic sales growth and identified digital data networks among growth areas in Industrial Solutions. Its quarter ended one week before Amphenol's, and its portfolio and organic-growth definitions differ. Molex announced a long-term optical-cable supply agreement with Prysmian on 20 July, describing plans to scale U.S. capacity to support data-center and AI-related demand. The announcement documents a strategic move, not achieved volumes or a direct measure of capability relative to Amphenol. [S4], Item 2; [S5].

These disclosures show that Amphenol's opportunity sits in a competitive and investment-intensive environment. They do not answer whether broader internal integration would improve CCS's response or slow its customer and product routines.

Decision memo

Submit a two-page recommendation that:

- selects deeper integration, a distinct operating unit, or selective/staged coordination;
- identifies what to centralize, coordinate through interfaces, and leave with CCS leaders;
- explains how the approach addresses both potential portfolio benefits and execution risks;
- specifies how CCS managers and employees should participate in the design;
- proposes a small set of leading indicators, review gates and evidence needed before expanding or reversing integration.

You may use the financial and demand evidence in Exhibit 1, but no numerical synergy target, retention rate, customer overlap, product-level return or cost saving is provided. State clearly any assumptions you introduce. Keep the recommendation conditional where company evidence is incomplete.

Discussion questions

1. Which CCS-Amphenol activities appear likely to benefit from common decisions? What must be learned before concluding that these activities are truly interdependent?
2. Which operating choices or capabilities should remain with CCS leaders, at least initially? What risks would this create for coordination?
3. Which of the three operating architectures best fits the evidence? What is the strongest case for the alternative you did not choose?
4. What indicators and decision rights would help leadership learn whether coordination is creating value without assuming that reported growth is a synergy measure?
5. How should competitor investment and demand uncertainty affect the pace and scope of integration?

Sources and conventions

All company results and strategy evidence below were available by 9 September 2026 EOD Eastern Time. The Q2 2026 filing covers the quarter and six months ended 30 June. The Q3 sales outlook is a forecast, not a result. Academic literature informs the separate instructor note; students can answer from the case packet.

S1. Amphenol, [Q2 2026 Form 10-Q](#), quarter ended 30 June 2026, filed 31 July 2026, accession 0001104659-26-089194. See Notes “Acquisition of CommScope,” segment disclosures; Item 2, “Results of Operations,” organic-growth reconciliation, cash flows and capital expenditure.

S2. Amphenol, [Q2 2026 results release, Exhibit 99.1](#), dated and filed 29 July 2026, Form 8-K accession 0001104659-26-087904; includes results highlights and Q3 guidance. The acquisition close details are in [Amphenol’s 12 January 2026 Form 8-K](#), accession 0001104659-26-002737.

S3. Amphenol, [FY2025 Form 10-K](#), year ended 31 December 2025, filed 11 February 2026, accession 0001104659-26-013549. See Item 1, “Business,” segments and competition.

S4. TE Connectivity, [Q3 FY2026 Form 10-Q](#), quarter ended 26 June 2026, filed 23 July 2026, accession 0001104659-26-086509. See Item 2, results and Industrial Solutions.

S5. Molex, [“Molex Announces Long-Term Supply Agreement with Prysmian...”](#), 20 July 2026.

Historical results are distinguished from management interpretations and forecasts. Integration options and the assignment are classroom constructs. No later outcome or claim about actual internal plans is included.