



AMETEK Announces Record Second Quarter Results and Raises 2021 Guidance

August 3, 2021

BERWYN, Pa., Aug. 3, 2021 /PRNewswire/ -- AMETEK, Inc. (NYSE: AME) today announced its financial results for the second quarter ended June 30, 2021.

AMETEK's second quarter 2021 sales were a record \$1.39 billion, a 37% increase over the second quarter of 2020, with organic sales growth of 25%. Operating income increased 39% to a record \$316.6 million and operating margins were 22.8%, up 40 basis points over the prior-year period.

On a GAAP basis, second quarter earnings per diluted share were \$1.00. Adjusted earnings were a record \$1.15 per diluted share, up 37% versus the prior year's adjusted results. Adjusted earnings adds back non-cash, after-tax, acquisition-related intangible amortization of \$0.15 per diluted share. A reconciliation of reported GAAP results to adjusted results is included in the financial tables accompanying this release and on the AMETEK website.

"AMETEK delivered outstanding results in the second quarter with record sales, operating income and adjusted earnings," commented David A. Zapico, AMETEK Chairman and Chief Executive Officer. "Sales growth and operating performance were exceptionally strong while earnings exceeded our expectations. Order growth remains robust and broad-based resulting in a record \$2.5 billion in backlog. Additionally, our businesses generated outstanding levels of cash flow with free cash flow conversion a strong 114% of net income."

Electronic Instruments Group (EIG)

Second quarter EIG sales were a record \$933.9 million, up 44% compared to last year's second quarter. EIG's operating income in the quarter was up 42% to \$226.6 million, and operating margins were 24.3%.

"EIG performed exceptionally well in the quarter with a record level of sales driven by strong organic growth and contributions from the recent acquisitions," noted Mr. Zapico. "EIG also delivered superb operating performance with operating income up more than 40% and strong core operating margin expansion."

Electromechanical Group (EMG)

EMG sales in the second quarter were \$452.4 million, an increase of 24% over the second quarter of 2020. Operating income for EMG increased 33% over the prior-year period to a record \$112.4 million, and operating margins were up 170 basis points to a record 24.9%.

"EMG had an exceptional quarter with strong sales growth and outstanding operating performance," commented Mr. Zapico. "Our team's tremendous efforts during the pandemic positioned us well to benefit from the recovery resulting in robust margin expansion."

2021 Outlook

"We are pleased with AMETEK's performance through the first half of the year. Sales and orders growth has been broad based as the global economy continues its recovery. Our businesses are executing extremely well, generating strong levels of cash flow which firmly position us to continue investing in growth opportunities including strategic acquisitions. This outstanding performance, along with our proven ability to manage well through various economic cycles, reflects the strength and sustainable nature of the AMETEK Growth Model," continued Mr. Zapico.

"Following our second quarter results, we are increasing our guidance for the year. For 2021, we now expect overall sales to be up approximately 20% with organic sales up approximately 10%. Adjusted earnings per diluted share are expected to be in the range of \$4.62 to \$4.68, up 17% to 18% over 2020 and an increase from our previous guidance range of \$4.48 to \$4.56 per diluted share," he added.

"We expect overall sales in the third quarter to be up in the mid-20% range compared to the third quarter of 2020. Adjusted earnings per diluted share are anticipated to be in the range of \$1.16 to \$1.18, up 15% to 17% over the same period in 2020," concluded Mr. Zapico.

Conference Call

AMETEK will webcast its second quarter 2021 investor conference call on Tuesday, August 3, 2021, beginning at 8:30 AM ET. The live audio webcast will be available and later archived in the Investors section of www.ametek.com.

About AMETEK

AMETEK is a leading global manufacturer of electronic instruments and electromechanical devices with annualized sales of approximately \$5.5 billion. The AMETEK Growth Model integrates the Four Growth Strategies - Operational Excellence, New Product Development, Global and Market Expansion, and Strategic Acquisitions - with a disciplined focus on cash generation and capital deployment. AMETEK's objective is double-digit percentage growth in earnings per share over the business cycle and a superior return on total capital. The common stock of AMETEK is a component of the S&P 500.

Forward-looking Information

Statements in this news release relating to future events, such as AMETEK's expected business and financial performance are "forward-looking statements." Forward-looking statements are subject to various factors and uncertainties that may cause actual results to differ significantly from expectations. These factors and uncertainties include risks related to COVID-19 and its potential impact on AMETEK's operations, supply chain, and demand across key end markets; AMETEK's ability to consummate and successfully integrate future acquisitions; risks with international sales and operations, including supply chain disruptions; AMETEK's ability to successfully develop new products, open new facilities or transfer product lines; the price and availability of raw materials; compliance with government regulations, including environmental regulations; changes in the competitive environment or the effects of competition in our markets; the ability to maintain adequate liquidity and financing sources; and general economic conditions affecting the industries we serve. A detailed discussion of these and other factors that may affect our future results is contained in AMETEK's filings with the U.S. Securities and Exchange Commission, including its most recent reports on Form 10-K, 10-Q and 8-K. AMETEK disclaims any intention or obligation to update or revise any forward-looking statements.

Contact:

AMETEK, Inc.
Kevin Coleman
Vice President, Investor Relations
1100 Cassatt Road
Berwyn, Pennsylvania 19312
kevin.coleman@ametek.com
Phone: 610.889.5247

AMETEK, Inc.
Consolidated Statement of Income
(In thousands, except per share amounts)
(Unaudited)

| | Three Months Ended | | Six Months Ended | |
|---|--------------------|--------------------|--------------------|--------------------|
| | June 30, | | June 30, | |
| | 2021 | 2020 | 2021 | 2020 |
| Net sales | \$1,386,346 | \$1,011,922 | \$2,602,088 | \$2,214,140 |
| Cost of sales | 912,712 | 669,195 | 1,702,104 | 1,493,842 |
| Selling, general and administrative | 157,023 | 115,737 | 290,028 | 261,268 |
| Total operating expenses | <u>1,069,735</u> | <u>784,932</u> | <u>1,992,132</u> | <u>1,755,110</u> |
| Operating income | 316,611 | 226,990 | 609,956 | 459,030 |
| Interest expense | (20,442) | (22,669) | (39,389) | (45,410) |
| Other (expense) income, net | <u>(4,414)</u> | <u>2,131</u> | <u>(6,356)</u> | <u>143,907</u> |
| Income before income taxes | 291,755 | 206,452 | 564,211 | 557,527 |
| Provision for income taxes | <u>60,076</u> | <u>40,235</u> | <u>113,299</u> | <u>110,694</u> |
| Net income | \$ 231,679 | \$ 166,217 | \$ 450,912 | \$ 446,833 |
| Diluted earnings per share | \$ 1.00 | \$ 0.72 | \$ 1.94 | \$ 1.94 |
| Basic earnings per share | <u>\$ 1.00</u> | <u>\$ 0.73</u> | <u>\$ 1.96</u> | <u>\$ 1.95</u> |
| Weighted average common shares outstanding: | | | | |
| Diluted shares | 232,841 | 230,381 | 232,569 | 230,626 |
| Basic shares | <u>230,828</u> | <u>229,225</u> | <u>230,632</u> | <u>229,094</u> |
| Dividends per share | <u>\$ 0.20</u> | <u>\$ 0.18</u> | <u>\$ 0.40</u> | <u>\$ 0.36</u> |

AMETEK, Inc.
Information by Business Segment
(In thousands)
(Unaudited)

| | Three Months Ended | | Six Months Ended | |
|-----------------------------------|--------------------|--------------------|--------------------|--------------------|
| | June 30, | | June 30, | |
| | 2021 | 2020 | 2021 | 2020 |
| Net sales: | | | | |
| Electronic Instruments | \$ 933,934 | \$ 647,882 | \$1,724,858 | \$1,422,107 |
| Electromechanical | 452,412 | 364,040 | 877,230 | 792,033 |
| Consolidated net sales | <u>\$1,386,346</u> | <u>\$1,011,922</u> | <u>\$2,602,088</u> | <u>\$2,214,140</u> |
| Operating income: | | | | |
| Segment operating income: | | | | |
| Electronic Instruments | \$ 226,637 | \$ 159,593 | \$ 433,534 | \$ 330,864 |
| Electromechanical | 112,434 | 84,287 | 217,467 | 160,851 |
| Total segment operating income | 339,071 | 243,880 | 651,001 | 491,715 |
| Corporate administrative expenses | <u>(22,460)</u> | <u>(16,890)</u> | <u>(41,045)</u> | <u>(32,685)</u> |
| Consolidated operating income | <u>\$ 316,611</u> | <u>\$ 226,990</u> | <u>\$ 609,956</u> | <u>\$ 459,030</u> |

AMETEK, Inc.
Condensed Consolidated Balance Sheet
(In thousands)

| | June 30, 2021 | December 31, 2020 |
|--|------------------|----------------------|
| | (Unaudited) | |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 390,644 | \$ 1,212,822 |
| Receivables, net | 754,045 | 597,472 |
| Inventories, net | 711,620 | 559,171 |
| Other current assets | 185,772 | 153,005 |
| Total current assets | 2,042,081 | 2,522,470 |
| Property, plant and equipment, net | 598,827 | 526,530 |
| Right of use asset, net | 178,698 | 167,233 |
| Goodwill | 5,139,807 | 4,224,906 |
| Other intangibles, investments and other assets | 3,795,851 | 2,916,344 |
| Total assets | \$11,755,264 | \$10,357,483 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Short-term borrowings and current portion of long-term debt, net | \$ 699,996 | \$ 132,284 |
| Accounts payable and accruals | 1,157,633 | 943,631 |
| Total current liabilities | 1,857,629 | 1,075,915 |
| Long-term debt, net | 2,262,100 | 2,281,441 |
| Deferred income taxes and other long-term liabilities | 1,292,236 | 1,050,781 |
| Stockholders' equity | 6,343,299 | 5,949,346 |
| Total liabilities and stockholders' equity | \$11,755,264 | \$10,357,483 |

AMETEK, Inc.
Reconciliations of GAAP to Non-GAAP Financial Measures
(In millions, except per share amounts)
(Unaudited)

FREE CASH FLOW

| | Three Months Ended June 30, 2021 | |
|---|--|------|
| Cash provided by operating activities | \$ 287.0 | |
| Deduct: Capital expenditures | (23.5) | |
| Free cash flow | \$ 263.5 | |
| Free Cash Flow Conversion (Free cash flow divided by net income) | | 114% |

ADJUSTED DILUTED EARNINGS PER SHARE

| | Diluted Earnings Per Share Three Months Ended | |
|---|--|------------------|
| | June 30, 2021 | June 30, 2020 |
| Diluted earnings per share (GAAP) | \$ 1.00 | \$ 0.72 |
| Pretax amortization of acquisition-related intangible assets | 0.20 | 0.16 |
| Income tax benefit on amortization of acquisition-related intangible assets | (0.05) | (0.04) |
| Adjusted Diluted earnings per share (Non-GAAP) | \$ 1.15 | \$ 0.84 |

| | Forecasted Diluted Earnings Per Share | | | |
|---|---------------------------------------|---------|--------------|---------|
| | Three Months Ended | | Year Ended | |
| | September 30, | | December 31, | |
| | Low | High | Low | High |
| | 2021 | 2021 | 2021 | 2021 |
| Diluted earnings per share (GAAP) | \$ 1.00 | \$ 1.02 | \$ 4.01 | \$ 4.07 |
| Pretax amortization of acquisition-related intangible assets | 0.21 | 0.21 | 0.80 | 0.80 |
| Income tax benefit on amortization of acquisition-related intangible assets | (0.05) | (0.05) | (0.19) | (0.19) |
| Adjusted Diluted earnings per share (Non-GAAP) | \$ 1.16 | \$ 1.18 | \$ 4.62 | \$ 4.68 |

Use of Non-GAAP Financial Information

The Company supplements its consolidated financial statements presented on a U.S. generally accepted accounting principles ("GAAP") basis with certain non-GAAP financial information to provide investors with greater insight, increased transparency and allow for a more comprehensive understanding of the information used by management in its financial and operational decision-making. Reconciliation of non-GAAP measures to their most directly comparable GAAP measures are included in the accompanying financial tables. These non-GAAP financial measures should be considered in addition to, and not as a replacement for, or superior to, the comparable GAAP measure, and may not be comparable to similarly titled measures reported by other companies.

The Company believes that these measures provide useful information to investors by reflecting additional ways of viewing AMETEK's operations that, when reconciled to the comparable GAAP measure, helps our investors to better understand the long-term profitability trends of our business, and facilitates easier comparisons of our profitability to prior and future periods and to our peers.

 View original content: <https://www.prnewswire.com/news-releases/ametech-announces-record-second-quarter-results-and-raises-2021-guidance-301346466.html>

SOURCE AMETEK, Inc.