AMETEK Announces First Quarter Results

May 3, 2022

BERWYN, Pa., May 3, 2022 /PRNewswire/ -- AMETEK, Inc. (NYSE: AME) today announced its financial results for the first quarter ended March 31, 2022.

AMETEK's first quarter 2022 sales were $1.46 billion, a 20% increase compared to the first quarter of 2021. Operating income increased 20% to $353.2 million and operating margins were 24.2% in the quarter with strong core margin expansion.

On a GAAP basis, first quarter earnings per diluted share were $1.17. Adjusted earnings in the quarter were $1.33 per diluted share, up 24% from the first quarter of 2021. Adjusted earnings adds back non-cash, after-tax, acquisition-related intangible amortization of $0.16 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 had a strong start to the year. Our businesses navigated a difficult operating environment, delivering results exceeding our expectations," said David A. Zapico, AMETEK Chairman and Chief Executive Officer. "Our focus on providing customers with differentiated technology solutions drove double digit organic sales growth while AMETEK's operational flexibility allowed us to generate excellent margin expansion and earnings growth. Additionally, end demand remains strong with orders up 22% in the quarter resulting in a record $3.0 billion backlog."

Electronic Instruments Group (EIG)
EIG sales in the first quarter were $987.8 million, up 25% from the first quarter of 2021. EIG's operating income in the quarter increased 18% to $244.8 million and operating income margins were 24.8%.

"EIG delivered fantastic results in the quarter," noted Mr. Zapico. "Strong organic sales growth and contributions from recent acquisitions drove an impressive 25% increase in sales while AMETEK's operational excellence initiatives drove excellent core margin expansion."

Electromechanical Group (EMG)
First quarter EMG sales were $470.8 million, up 11% from the same quarter in 2021. EMG's first quarter operating income was a record $128.2 million, up 22% versus the prior year, while operating income margins were a record 27.2%.

"EMG's first quarter results were outstanding with broad based sales growth and exceptional operating performance resulting in robust margin expansion," added Mr. Zapico.

2022 Outlook
"AMETEK's performance in the first quarter reflects the strength of the AMETEK Growth Model. We remain well positioned to manage successfully in an uncertain environment including supply chain constraints, increased inflation, and the impacts of COVID-19 lockdowns in China. Despite these headwinds we continue to deliver strong and sustainable performance for all stakeholders," continued Mr. Zapico.

"For 2022, we expect overall sales to be up high-single digits compared to 2021. Adjusted diluted earnings per share are now expected to be in the range of $5.34 to $5.44, an increase of 10% to 12% over the comparable basis for 2021. This is an increase from our previous guidance range of $5.30 to $5.42 per diluted share," he added.

"We expect overall sales in the second quarter to be up low to mid-single digits versus the prior year. Adjusted earnings per diluted share are anticipated to be in the range of $1.27 to $1.30, up 10% to 13% compared to the second quarter of 2021," concluded Mr. Zapico.

Conference Call
AMETEK will webcast its first quarter 2022 investor conference call on Tuesday, May 3, 2022, 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 2021 sales of $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.

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

	Three Months Ended March 31,	
	2022	**2021**
Net sales	**$ 1,458,525**	$ 1,215,742
Cost of sales	**948,833**	789,392
Selling, general and administrative	**156,452**	133,005
Total operating expenses	**1,105,285**	922,397
Operating income	**353,240**	293,345
Interest expense	**(19,570)**	(18,947)
Other income (expense), net	**2,552**	(1,942)
Income before income taxes	**336,222**	272,456
Provision for income taxes	**63,775**	53,223
Net income	**$ 272,447**	$ 219,233
Diluted earnings per share	**$ 1.17**	$ 0.94
Basic earnings per share	**$ 1.18**	$ 0.95
Weighted average common shares outstanding:		
Diluted shares	**233,065**	232,296
Basic shares	**231,481**	230,435
Dividends per share	**$ 0.22**	$ 0.20

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

	Three Months Ended March 31,	
	2022	**2021**
Net sales:		
Electronic Instruments	**$ 987,759**	$ 790,924
Electromechanical	**470,766**	424,818
Consolidated net sales	**$ 1,458,525**	$ 1,215,742
Operating income:		
Segment operating income:		
Electronic Instruments	**$ 244,774**	$ 206,897
Electromechanical	**128,209**	105,033
Total segment operating income	**372,983**	311,930
Corporate administrative expenses	**(19,743)**	(18,585)
Consolidated operating income	**$ 353,240**	$ 293,345

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

	March 31, 2022	December 31, 2021

	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	**$ 340,304**	$ 346,772
Receivables, net	**854,457**	829,213
Inventories, net	**866,472**	769,175
Other current assets	**211,582**	183,605
Total current assets	**2,272,815**	2,128,765
Property, plant and equipment, net	**611,010**	617,138
Right of use asset, net	**169,279**	169,924
Goodwill	**5,218,920**	5,238,726
Other intangibles, investments and other assets	**3,700,005**	3,743,634
Total assets	**$ 11,972,029**	$ 11,898,187
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term borrowings and current portion of long-term debt, net	**$ 331,426**	$ 315,093
Accounts payable and accruals	**1,259,309**	1,248,221
Total current liabilities	**1,590,735**	1,563,314
Long-term debt, net	**2,204,592**	2,229,148
Deferred income taxes and other long-term liabilities	**1,245,014**	1,233,841
Stockholders' equity	**6,931,688**	6,871,884
Total liabilities and stockholders' equity	**$ 11,972,029**	$ 11,898,187

AMETEK, Inc.
Reconciliations of GAAP to Non-GAAP Financial Measures
(Unaudited)

	Diluted Earnings Per Share	
	Three Months Ended March 31,	
	2022	2021
Diluted earnings per share (GAAP)	**$ 1.17**	$ 0.94
Pretax amortization of acquisition-related intangible assets	**0.21**	0.17
Income tax benefit on amortization of acquisition-related intangible assets	**(0.05)**	(0.04)
Adjusted Diluted earnings per share (Non-GAAP)	**$ 1.33**	$ 1.07

	Forecasted Diluted Earnings Per Share			
	Three Months Ended June 30, 2022		Year Ended December 31, 2022	
	Low	**High**	**Low**	**High**
Diluted earnings per share (GAAP)	**$ 1.11**	**$ 1.14**	**$ 4.70**	**4.80**
Pretax amortization of acquisition-related intangible assets	**0.21**	**0.21**	**0.85**	**0.85**
Income tax benefit on amortization of acquisition-related intangible assets	**(0.05)**	**(0.05)**	**(0.21)**	**(0.21)**
Adjusted Diluted earnings per share (Non-GAAP)	**$ 1.27**	**$ 1.30**	**$ 5.34**	**5.44**

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.

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