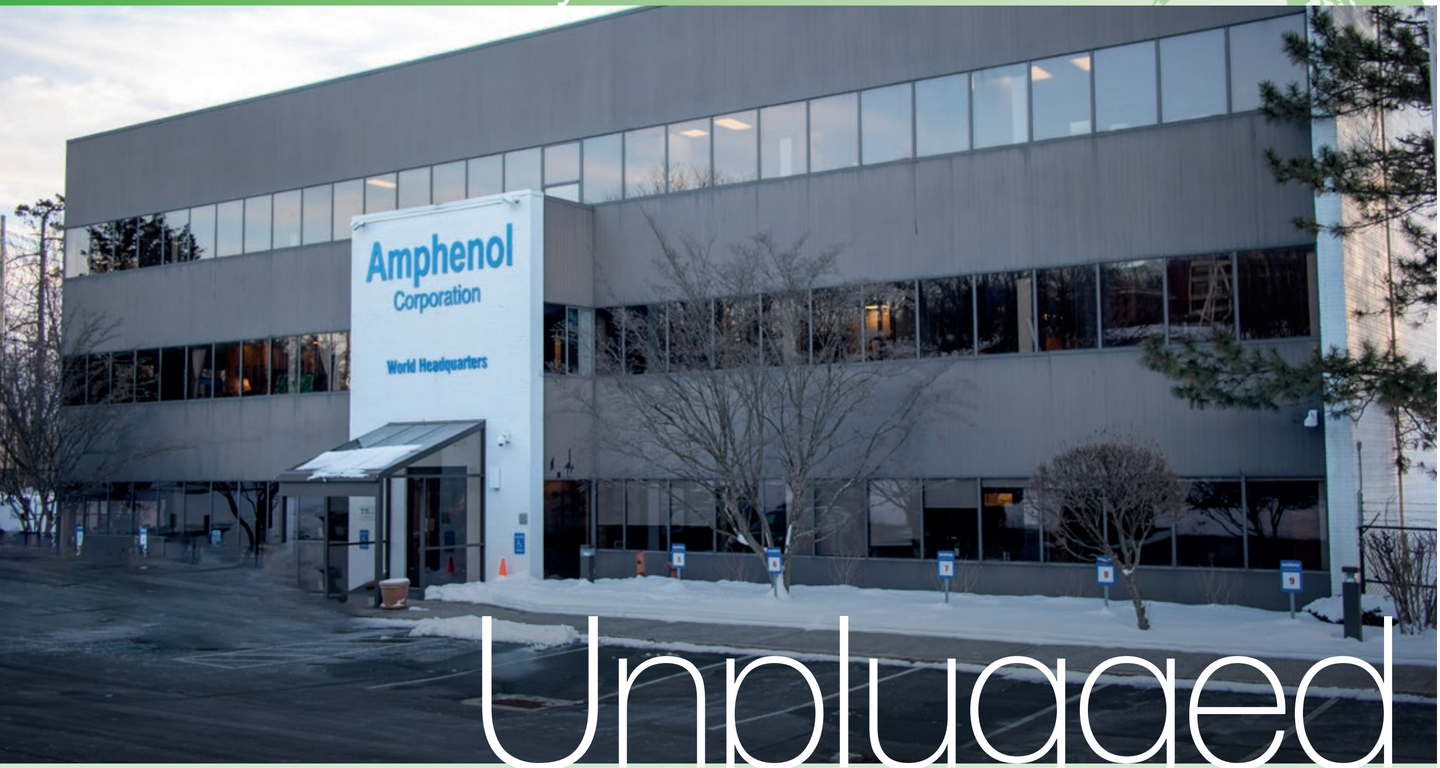


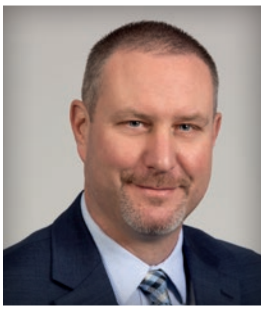
Unplugged

Amphenol Broadband Solutions and Cabelcon

By Melissa Cogavin, Managing Editor, SCTE

SCTE Corporate Member Amphenol Broadband Solutions is at the forefront of the broadband industry. Their recent strategic acquisition of Cabelcon represents a significant step towards consolidating Amphenol's position as a leading force in the broadband industry.

Based in Denmark, Cabelcon brings with it a rich legacy of innovation and expertise. With this acquisition, Amphenol Broadband Solutions is gaining access to an expanded portfolio of cutting-edge products and a broader spectrum of services, further reinforcing their commitment to delivering unparalleled broadband solutions. General Managers Darrell Galasso and Amy Andersen talk to Melissa Cogavin.



Darrell Galasso, General Manager, Amphenol Broadband Solutions

Amy Anderson, General Manager, Cabelcon – An Amphenol Company

Amphenol Broadband Solutions®

Cabelcon An Amphenol Company

Amphenol Broadband Solutions has progressed from being one of the largest suppliers of coaxial cable to a major source of broadband network equipment that spans copper, fibre and wireless topologies. To what do you attribute that growth?

DG: It goes back to our strategic approach as a company. If you look back to some of our larger customers in Europe, we were a cable provider and we would provide some ancillary products like a splitter, an amplifier, anything that fit into that coaxial network.

The world has changed a lot though.

There has certainly been an acceleration over the last three or four years; there is now a huge demand to move towards fibre and speed. We can ensure our customer gets a full solution within this broadband space. We've done it through strategic acquisitions and by marrying up some of our sister companies to serve these larger customers. Ultimately it's really about serving this expanding fibre network and ensuring that they get the full solution they need.

Tell me about your acquisitions strategy. Does that also include buying up the competition?

We buy companies we believe are solid, strong organisations that bring either an ancillary product or an adjacent market so that we can not only grow that business, but grow Amphenol as a whole through those businesses. Buying up the competition has been something we've done in the past, but it's usually not the only reason.

Cabelcon was a competitor in some respects to Amphenol, and it merges two vendors in one area together, eliminating the competition, but the purpose was to bring on a very strong engineering and product set to Amphenol.

Cabelcon has been in business 40 years and has had an interesting history, culminating with this acquisition by ABS. What market needs does the company help Amphenol fulfill for its customers?

AA: Cabelcon works in the coaxial area and we bring a European foothold. We have a good reputation, a strong brand, we build the best connectors in the world. We have strong engineering expertise and we also create solutions for other companies within the Amphenol family.

You're a global company now, but regionally everyone has their own way of working and their own history, their own culture. Working across big multinationals sometimes feels like you're speaking another language, and sometimes you really are speaking another language. How are you finding it?

DG: At Amphenol we don't hand you the company uniform when we acquire you. Our strategy is to acquire what we believe are leading companies; our goal isn't to make you look like us. Again, it's a real benefit, but at times it can be a challenge too.

Can you elaborate?

DG: One of the things we first tell new acquisitions when they ask us, "Well what's it going to be like tomorrow?" The answer is the same as it looked like today, because we're not here to say, "Here's your new blue shirt. Here: you are called Amphenol now. You can only use this type of computer." It's really status quo day one. The whole point is to basically leverage and build on that culture.

We are north of a $12 billion global company. So what we want to bring you is economies of scale. The general manager, which is Amy's role, is effectively the local President/CEO of that individual division. She has decision-making power and would continue to have that even after the acquisition. So yes, culturally there could be differences, but physically and operationally it stays the way it was.

Amy, what are your thoughts?

AA: I consider Cabelcon also a global company. We have been in different ownerships before and have been working globally for a number of years now. It's a strength that we have the regional expertise and knowledge and foothold, but in my mind we're a global company already.

In terms of network emerging trends, what broadband and network trends do you see emerging over the next few years?

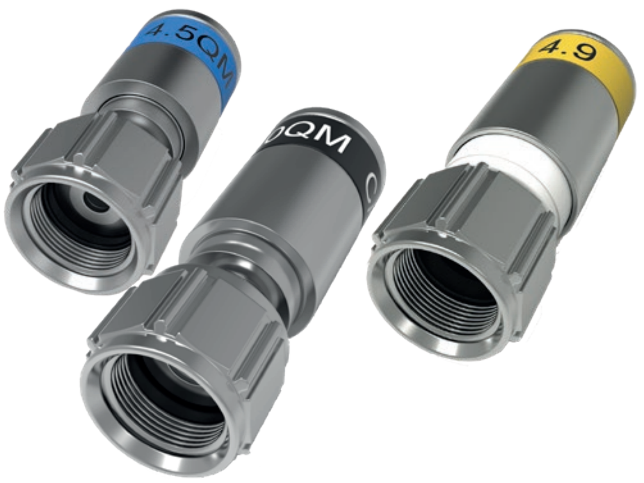
DG: Speed and latency; everything going on in the broadband world circles around those two things. When everybody went to work from home for that period of time, we needed that level of bandwidth all day long. So I think we're going to continue to drive towards that. If you think about autonomous vehicles for example, there's going to need to be continued and uninterrupted speed everywhere. All the solutions you see out there are to support increased speeds, increased bandwidth and low latency.

AA: There's been an ongoing discussion for years now, being in the coaxial area, that fibre is taking over more from the coaxial area.

What about 5G? A couple of years ago, it's all people were talking about. It was going to be an absolute game changer and life would never be the same again. Has it changed everything?

DG: There was a technological sell with 5G, which is a very strong value proposition to the customers, to the operators. It was probably a little muted as a rollout compared to the marketing for it, because it was a different type of build out. There are huge cell towers that are up on a pole, on a building, etc, that serve a much larger area right now.

5G concentrates on smaller function antennas, which have to be placed in more areas to be able to give this higher speed.



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So it's a change in how it's done. It's been a little bit slower of a rollout, but I still think it will be a big play over the next few years.

AA: You're right. So far I don't think it has been a major game changer. We're still able to follow up and support what's going on in the area.

DG: Over the next couple of years you'll see a much more strategic focus on where people want to go with this. Our antenna teams that are adjacent to us, part of the group, they were talking this week of the continued need for bandwidth, for coverage, and different options as we move to a 5G world. So I think they're still bullish on the long-term growth of 5G.

Given these trends, what will your company's strategic and technical focus be over the next three to five years? That's a long way off. Not very many companies look that far ahead, especially in this industry.

AA: In Europe this year we're seeing that things have been slowing down a lot. So our focus is to get back on track and see how we can return to the levels that we had been seeing over the last couple of years. Then also in Cabelcon's case we need to work within the Amphenol family to find out where we can support our colleagues with our products. We still see opportunities for developing new connectors.

DG: From a more global Amphenol perspective, we're going to continue to invest through technology and through acquisitions in the European market. We are developing a concept that we had in the US which we call the 'storefront'. We want to offer one front-facing image to a customer so we can bring them the whole suite of products across a larger Amphenol landscape.

Meaning investment in people presumably?

Indeed - bringing some of the technologies that maybe have only been in the US before. We're increasing in some of our footprint to be able to source and develop product locally rather than bringing it in from Asia or from North America. Our customers want to know that they don't have to wait for a ship to come in, they have a local source as well. One of the hallmarks of Amphenol is to provide localised support, not just from a customer standpoint but also from a manufacturing standpoint.

Really? Where's your main manufacturing done?

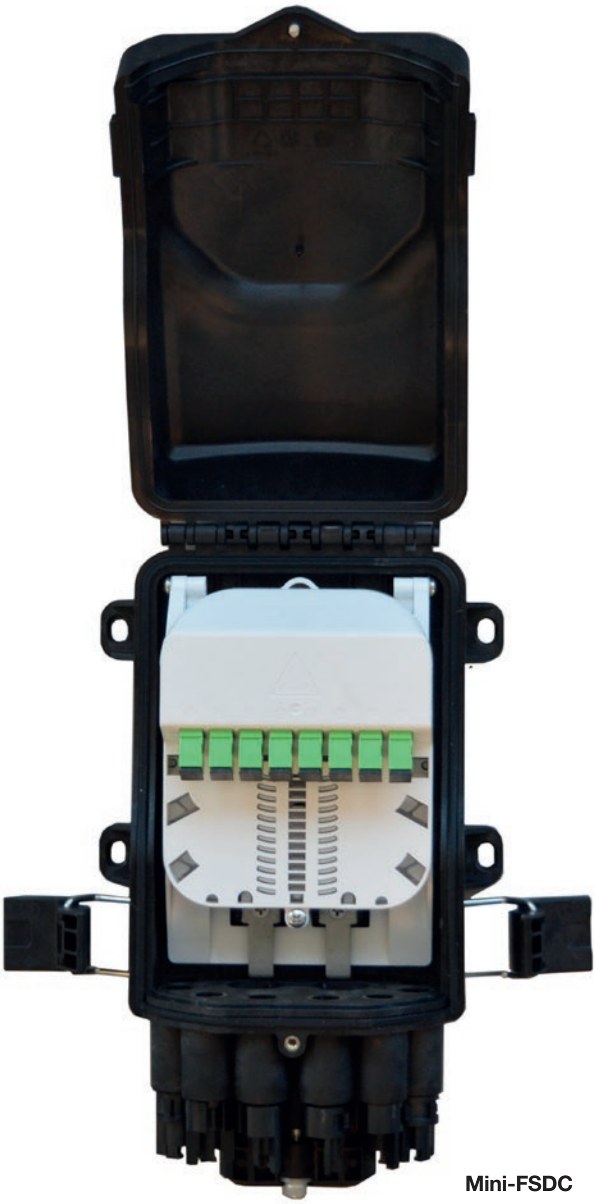
The world. I say it as a joke but that's really it. We don't have singular facilities. We make connectors in Europe and Asia and some in South America. We make cable across the world, in the US, in Europe, in Asia. It allows us to better service our customers.

Especially with all the supply chain issues. Has that made it easier for you?

Yeah, it definitely has. It's allowed us to tap into our resources to be able to balance that whole thing as supply chain was hitting the industry hard. For certain products it was easier to get the materials in different places; we were able to leverage that whole process efficiently.

Did you have any problems though? I've asked this question a lot, and the stock answer is always "Well, we are uniquely placed, we saw it coming, we were the exception to the rule." I've had a hard time getting anyone to admit that they had a problem with their supply chains, although it is a well-documented issue.

DG: Most companies had issues with their supply chain. Certain companies, like Amphenol, were less affected because we were able to leverage our global footprint to try to minimise the impacts. Being a strong, solid company with a long history, our customers had confidence that we were going to be there tomorrow and the day after and that they could rely on us.



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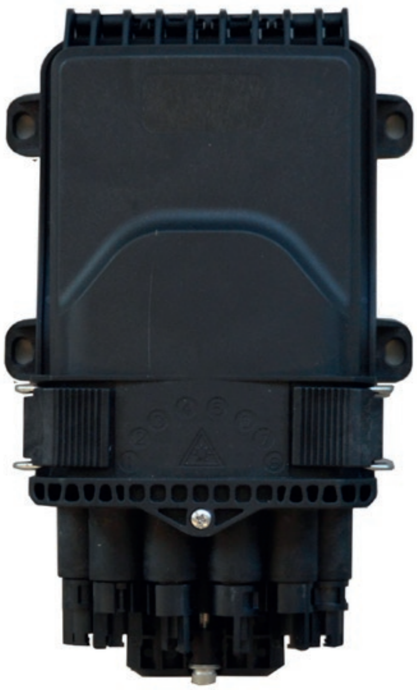

Can you expand on your collaboration between your various companies and how that model might look to a service provider?

DG: Amphenol is slightly different from other companies. We operate as about 130 distinct operating units and those operating units are like mini businesses. There is no centralised sales or manufacturing division – they are stand-alone units. The 'storefront' allows us to have one focused approach to the customer with a lead sales team that brings all the products in. So it allows us to collaborate every day, allows the sales team to work with multiple Amphenol units to help develop new products. It helps to bring engineering teams across multiple organisations to define and develop end-to-end solutions.

It sounds very relationship-driven.

AA: Exactly. We look to see where in Amphenol we have the strongest front-end relationship with the customer and that's the team we tend to leverage. They are empowered to not only sell the products for the business units that they represent, but across the full Amphenol portfolio.

Cabelcon brings a new and broader customer portfolio to Amphenol. Within this model we service our customers with other products from other companies of Amphenol or other product lines. It's really one of the things that is a strength for us.

What other benefits does this model offer?

Our storefront approach has resulted in strong relationships with customers, suppliers and other stakeholders. Over the past decade, Amphenol has increased its focus on making sustainable choices across its businesses. We carefully scrutinise the impact our operations have on the environment while also strengthening each piece of our supply chain.

Additionally, we focus on the development and diversity of our global team, which is just one of the ways we give back to the communities in which we operate. We believe that these and other initiatives enhance our corporate citizenship, creating long-term, sustainable value for our company and customers.

How is Amphenol positioning itself to support its customers, more specifically in Europe and its other markets across the world?

DG: One of the things we do well is show our customers our ability to have a local touch both commercially and operationally. There's Cabelcon in Denmark, we have Sachsenkabel in Germany. We have an optical

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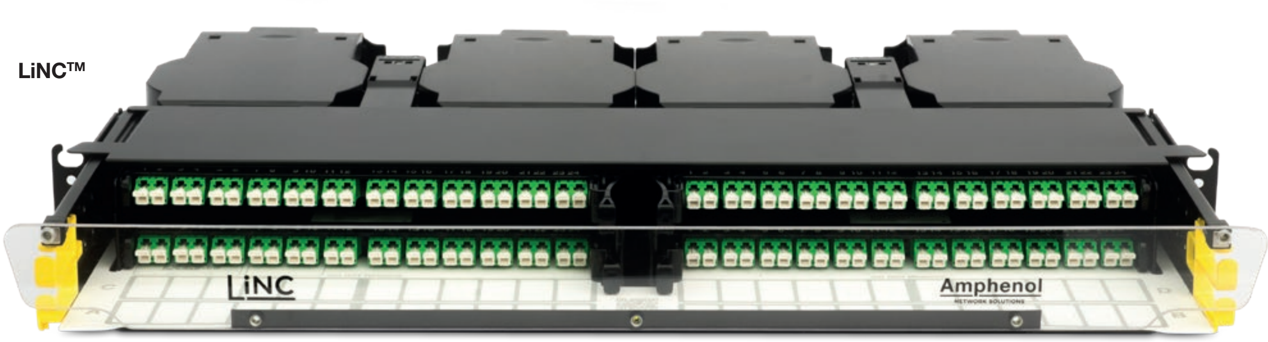

company in the UK. This allows us to bring the customers in to see our engineering labs, to be able to be part of R&D, to work with the teams locally developing the products, rather than just a sales interface with actual production half a world away.

AA: For us at Cablecon, having joined Amphenol rather recently, it's a great advantage to have this combination of the localisation but the ability to work globally by reaching out to our Amphenol sister companies. Looking back at the history we had, we have been in other ownerships, but I definitely do appreciate the Amphenol model; for me it gives us a far bigger opportunity of serving our customers.

For more information, see www.amphenolbroadband.com