



TE Connectivity Ltd (TEL) — Research Summary

Technology | Electronic Components | 2026-08-04

Price: \$216.82

Signal: BUY (7.52/10)

Market: bull_tech

TE Connectivity Ltd (TEL) — Equity Research Summary

Sector: Technology / Electronic Components | **Price:** \$216.82 | **Market Cap:** \$59.4B

1. Company Overview & Investment Thesis

TE Connectivity is a global leader in connectors and sensors — the physical components that link electronics across cars, factories, data centers, and communications networks. The company is increasingly a beneficiary of the artificial intelligence (AI) buildout, as AI data centers require millions of high-density, high-speed connectors. Record order levels and consistent earnings beats make TEL an attractive way to gain "picks-and-shovels" exposure to the AI infrastructure boom.

2. Fundamental Snapshot

Valuation: TEL trades at a trailing P/E of 20.1 and a more attractive forward P/E of 16.0, signaling that analysts expect meaningful earnings growth ahead. EV/EBITDA sits near 12.8x and price-to-free-cash-flow is reasonable given ~\$1.8B in quarterly free cash flow. Valuation is fair-to-slightly-full versus electronic-component peers like Amphenol, but justified by momentum.

Earnings Trend: TEL has beaten estimates for four straight quarters, including a strong +6.7% and +6.6% surprise in the two prior periods. Most recently (Q3 FY26), adjusted EPS of \$2.94 topped the \$2.85 estimate and rose 22% year-over-year. Guidance direction remains solid.

Growth & Margins: Q3 revenue reached \$5.2B, up ~10.5% year-over-year on a reported basis (12% organically). Profit margin is healthy at 15.6%, with gross margins around 35–37% and operating margins near 19–20%.

Balance Sheet: Solid. Total debt of \$5.6B against \$1.2B cash gives a modest net-debt position and a conservative debt-to-equity ratio of 0.43.

3. Technical Outlook

Within its 52-week range of \$190.27–\$251.59, TEL sits in the middle-to-lower portion at \$216.82. The stock has rebounded off recent lows near \$200 and gained ground over the past month, suggesting momentum is beginning to build again after a post-earnings dip.

- **Support:** ~\$200 (recent trading base), then \$190 (52-week low)
- **Resistance:** ~\$250 (52-week high); a breakout above would signal renewed strength

The stock remains roughly 14% below its highs, leaving room to run toward the \$247 analyst target.

4. News & Sentiment

Overall Sentiment: Slightly Bullish

Three key themes dominate recent coverage:

1. **Record AI-driven orders:** Q3 orders hit a record \$5.7B (up 27%), confirming that AI infrastructure demand is real and translating into a growing backlog.
2. **Strong-but-cautious market reaction:** Despite beating earnings and issuing solid guidance, the stock initially dipped as investors "fretted over AI" durability — a sign the market wants proof the momentum is sustainable, not just a spike.
3. **Strategic expansion:** The Astrodyne TDI acquisition and ongoing portfolio moves are boosting confidence in TEL's positioning, echoing peer Amphenol's acquisition-led growth strategy.

The narrative is a company delivering excellent results while the market debates how much of the AI upside is already priced in. Analyst consensus is constructive: 13 Buy, 6 Hold, 0 Sell, with a \$247 target implying ~13.8% upside.

5. Bottom Line

Aerondight Systems Signal: BUY (7.52/10)

Thesis: TE Connectivity offers a fairly-valued, financially strong way to invest in the AI infrastructure boom, backed by record orders and a four-quarter streak of earnings beats.

Key Upcoming Catalyst: The next quarterly earnings report (fiscal Q4 FY26) — investors will watch whether record order momentum converts into continued revenue and margin gains.

Risk Level: Medium — Fundamentals and demand trends are strong, but sentiment is sensitive to any sign that AI-related orders slow, which could pressure a stock that already carries elevated growth expectations.

This summary is for informational purposes only and is based on publicly available information. It does not constitute investment advice.