TE Connectivity (TEL)

Updated January 27th, 2026 by Quinn Mohammed

Key Metrics

Current Price:	$227	**5 Year CAGR Estimate:**	8.6%	**Market Cap:**	$66 B
Fair Value Price:	$211	**5 Year Growth Estimate:**	9.0%	**Ex-Dividend Date[1]:**	02/20/2026
% Fair Value:	108%	**5 Year Valuation Multiple Estimate:**	-1.4%	**Dividend Payment Date[1]:**	03/13/2026
Dividend Yield:	1.3%	**5 Year Price Target**	$325	**Years Of Dividend Growth:**	17
Dividend Risk Score:	B	**Sector:**	Information Technology	**Rating:**	Hold

Overview & Current Events

TE Connectivity (TEL) is a company that manufactures and sells connectivity and sensor solutions worldwide. These sensors are used in transportation, renewable energy, automated factories, data centers, and medical technology. The company operates in two segments: Transportation Solutions and Industrial Solutions.

The Transportation Solutions segment provides sensor and connectivity components for the automotive and commercial transportation industry. The Industrial Solutions segment provides components for industrial sectors like aerospace, defense, oil & gas, medical, and energy markets. We expect the company will benefit over the intermediate term from its investments in electric vehicles, factory automation, and renewable energy.

On March 13th, 2025, the company announced it increased its dividend by 9%.

On January 21st, 2026, TE Connectivity reported first quarter 2026 results for the period ending December 26th, 2025. The company reported $2.72 in adjusted earnings-per-share for the quarter, 33% higher year-over-year, which beat analysts' estimates by $0.17. Adjusted operating margins rose 180 basis points year-over-year to 22.2%.

Revenue improved 22% to $4.67 billion, beating analysts' consensus estimates by $130 million. For the quarter, sales in the Transportation Solutions segment rose 10% year-over-year to $2.47 billion, while sales in the Industrial Solutions segments soared 38% year-over-year to $2.2 billion.

In the fourth quarter, TE repurchased $405 million of its common shares.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$4.08	$4.83	$5.61	$5.54	$4.26	$6.52	$7.33	$6.74	$7.56	$8.76	***$11.05***	***$17.00***
DPS	$1.40	$1.54	$1.68	$1.80	$1.88	$1.96	$2.12	$2.30	$2.48	$2.72	***$2.84***	***$3.98***
Shares	355	352	345	335	331	327	321	313	305	298	***292***	***275***

Over the past nine and five years, TE Connectivity has seen earnings-per-share grow at an average annualized rate of 8.9% and 15.5%, respectively. For the next quarter, management expects net sales of about $4.7 billion and adjusted earnings-per-share for the quarter of approximately $2.65. For the full fiscal year 2026, we expect $11.05 in earnings-per-share.

We forecast that the company can grow EPS by 9% annually over the intermediate term, which guides our 2031 estimate of $17.00. The company will rely on strong growth in its Industrial Solutions segment, most notably in its AI applications and Energy, which are experiencing impressive momentum.

The company has also actively repurchased its shares, and has decreased its share count by -2% annually over the last decade. Furthermore, it has recently approved a $2.5 billion increase in its share repurchase program, good for 3.8% of the company's stock at the current price.

---

[1] Estimate based on last year's date

TE Connectivity (TEL)

Updated January 27th, 2026 by Quinn Mohammed

Over the past nine and five years, TE Connectivity has increased its dividend by 7.7% annually. Over the next five years, we forecast that the company could increase dividends by 7% annually, which is below our EPS growth estimate but in line with its historic dividend growth rate. This guides our 2031 dividend estimate of $3.98 per share. TE Connectivity has grown dividend payments for 17 consecutive years, a solid track record.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Avg. P/E	14.9	15.3	17.0	15.3	20.3	19.9	17.4	19.1	19.3	19.8	***20.5***	***19.1***
Avg. Yld.	2.3%	2.1%	1.8%	2.1%	2.2%	1.5%	1.6%	1.8%	1.7%	1.6%	***1.3%***	***1.2%***

Over the trailing ten and five years, TE Connectivity has averaged a P/E ratio of 17.6 and 19.2, respectively. We believe that a P/E ratio of 19.1 is fair for the business over the intermediate term. TEL's 1.3% dividend yield is below its 10-year average, indicating that shares are trading above fair value.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	34%	32%	30%	32%	44%	30%	29%	34%	33%	31%	***26%***	***23%***

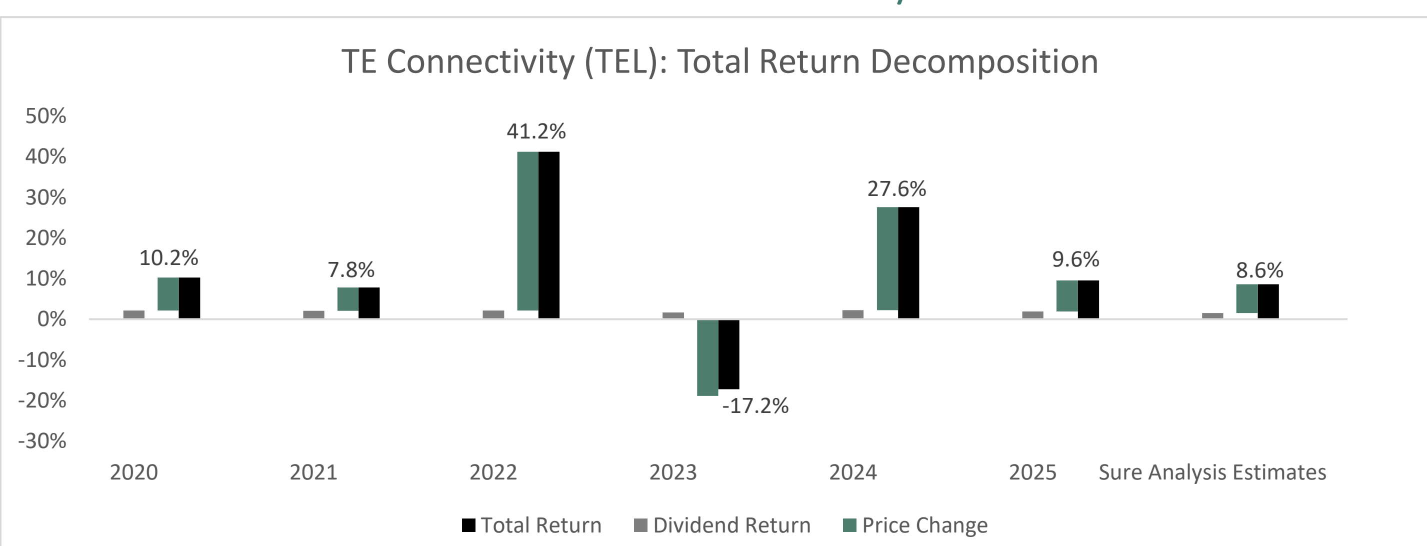
The business has averaged a low payout ratio of 33% over the past ten years, and we expect the dividend to continue to be safe. We believe TE Connectivity has a competitive advantage due to its expertise in the field of electronics, components, and networking for aerospace, medicine, defense, and other industries.

As of the most recent quarterly report, TE Connectivity held $1.3 billion in cash, $8.4 billion in current assets and $25.6 billion in total assets against $5.1 billion in current liabilities and $12.4 billion in total liabilities. Additionally, long-term debt stood at $4.9 billion.

Final Thoughts & Recommendation

TE Connectivity is a growing sensor and connectivity company that is benefiting from secular trends in electric vehicles, AI, and factory automation. TEL stock has surged by 51% in the trailing twelve months, significantly outpacing the performance of the S&P 500 Index. At today's price, we rate the stock as a hold with total return prospects of 8.6% annually, driven by a 9.0% annual EPS growth rate and a 1.3% dividend yield, partly offset by (1.4%) P/E multiple compression.

Total Return Breakdown by Year



Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

TE Connectivity (TEL)

Updated January 27th, 2026 by Quinn Mohammed

Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	11,352	12,185	13,988	13,448	12,172	14,923	16,281	16030	15840	17,260
Gross Profit	3,827	4,183	4,745	4,394	3,735	4,887	5,244	5055	5456	6,079
Gross Margin	33.7%	34.3%	33.9%	32.7%	30.7%	32.7%	32.2%	31.5%	34.4%	35.2%
SG&A Exp.	1,396	1,543	1,594	1,490	1,392	1,512	1,584	1670	1732	0.0
D&A Exp.	560	611	667	690	711	769	785	794	826	838.0
Operating Profit	1,828	2,029	2,471	2,260	1,730	2,698	2,942	2677	2983	3,384
Op. Margin	16.1%	16.7%	17.7%	16.8%	14.2%	18.1%	18.1%	16.7%	18.8%	19.6%
Net Profit	2,009	1,683	2,565	1,844	(241)	2,261	2,428	1910	3193	1,843
Net Margin	17.7%	13.8%	18.3%	13.7%	-2.0%	15.2%	14.9%	11.9%	20.2%	10.7%
Free Cash Flow	1,344	1,642	1,516	1,673	1,432	1,986	1,700	2400	2797	NA
Income Tax	(826)	180	(344)	(15)	783	123	306	364	-397	1,361

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	17,608	19,403	20,386	19,694	19,242	21,462	20,782	21710	22850	25,080
Cash & Equivalents	647	1,218	848	927	945	1,203	1,088	1661	1319	1,255
Acc. Receivable	2,046	2,138	2,361	2,320	2,377	2,928	2,865	2967	3055	3,403
Inventories	1,596	1,647	1,857	1,836	1,950	2,511	2,676	2552	2517	2,699
Goodwill & Int.	7,371	7,492	7,388	7,336	6,817	7,139	6,546	6638	6975	9,353
Total Liabilities	9,123	9,652	9,555	9,124	9,747	10,714	9,885	10060	10370	12,350
Accounts Payable	1,090	1,387	1,548	1,357	1,276	1,911	1,593	1563	1728	2,021
Long-Term Debt	4,070	4,344	4,000	3,965	4,146	4,092	4,206	4211	4203	NA
Total Equity	8,485	9,751	10,831	10,570	9,383	10,634	10,802	11550	12360	12,580
LTD/E Ratio	0.48	0.45	0.37	0.38	0.44	0.38	0.39	0.36	0.34	NA

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	10.5%	9.1%	12.9%	9.2%	-1.2%	11.1%	11.5%	9.0%	14.3%	NA
Return on Equity	22.2%	18.5%	24.9%	17.2%	-2.4%	22.6%	22.7%	17.1%	26.5%	NA
ROIC	15.4%	12.6%	17.7%	12.6%	-1.7%	15.9%	16.2%	12.3%	19.6%	NA
Shares Out.	355	352	345	335	331	327	325	317	309	299.0
Revenue/Share	30.76	34.04	39.63	39.55	36.66	44.81	50.10	50.58	51.28	57.73
FCF/Share	3.64	4.59	4.29	4.92	4.31	5.96	5.23	7.57	9.05	NA

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.