



Electrical Engineering Industry

Earnings season 2026 Q2

INTRODUCING

A streamlined approach to the earnings scramble

Every earnings season, major electrical engineering earnings reports drop over a few short weeks. You've likely spent weekends buried in Enpro's report and Keysight Technologies' earnings transcripts while leadership asks "Is my competitive landscape overview ready yet?"

What you'll find in the pages ahead is a streamline approach to the earnings season scramble; 70% of the quarterly analysis work has been done for you — consolidated, validated, and reviewed by industry analysts — leaving you time for the strategic thinking about what this means for your business.



Synthesis

2026 Q2 Earnings Season - Electrical Engineering



AI infrastructure and data centers are emerging as a growth engine

Demand tied to AI infrastructure, data centers, and high-density computing was a recurring growth theme across several industrial and technology names this period:

- MKS Instruments pointed to rising AI-related investment in semiconductor and advanced-packaging applications.
- Belden saw increased data-center-linked demand for networking products.
- Watts Water Technologies noted early, smaller-scale data-center-related demand for its cooling and flow-control products



Guidance raises are broad-based despite lingering macro caution

Most companies in the set raised full-year guidance this period, even as several flagged tariffs or geopolitical uncertainty in the same breath:

- Confidence is currently outrunning macro risk, with targets set on visible demand (backlog, orders) rather than a clear-all on the broader environment
- Legrand, Rockwell Automation and Watts Water all increased full-year targets
- Nexans and Roper raised guidance too, but paired it with explicit caution on geopolitical conditions.



Order books and backlogs signal demand running ahead of available capacity

Capacity expansion, rather than demand generation, is becoming the binding constraint on near-term growth. Several companies described a supply-constrained environment where booked demand exceeds what current capacity can fulfill:

- Nexans management pointed to global grid demand "significantly outpacing available industry capacity".
- Belden posted record orders of \$836 million (up 19% YoY).
- Keysight's orders reached a record \$2.09 billion, up 56% YoY.



M&A and portfolio realignment remain active strategic levers

Active reshaping of business portfolios continues across the group as companies pursue higher-growth, higher-margin positioning:

- Legrand completed seven acquisitions in energy and digital transition sectors.
- Nexans combined the Republic Wire acquisition with the Autoelectric divestiture to complete its transformation into a pure electrification player.
- Belden closed the RUCKUS Networks acquisition to build a full-stack networking platform.

What's the sentiment?

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REVENUE GROWTH

Revenue growth across the group was broadly positive. The strongest performers were businesses with scale-driven exposure to data-center demand and semiconductor-linked momentum, while growth was more moderate where industrial or cyclical exposure tempered otherwise solid gains. The clearest cross-company pattern is that exposure to AI infrastructure, data-center buildout, and electrification investment separates the fastest growers from the rest.

PROFITABILITY

Profitability trends were favorable but less uniform than revenue growth: Rockwell Automation and AMETEK delivered margin expansion on higher volumes and favorable mix, while Legrand and Nexans saw modest margin compression from restructuring costs and unfavorable product mix, even as absolute profit kept growing. Roper's margins were similarly pressured by AI investment spending. The overall picture points to solid underlying profitability, but elevated reinvestment and mix effects are weighing on a subset of larger companies.

MARKET DYNAMICS

Market dynamics were mixed: strong AI, electrification, and semiconductor-driven demand was offset by persistent inflation, tariff, and geopolitical pressures cited by Nexans, Watts Water, and Enpro. Weaker residential construction and commercial vehicle demand added further softness, only partly cushioned by secular growth pockets. Overall, resilient demand is operating against a backdrop of real cost and macro uncertainty, not a uniformly favorable environment.

GROWTH OUTLOOK

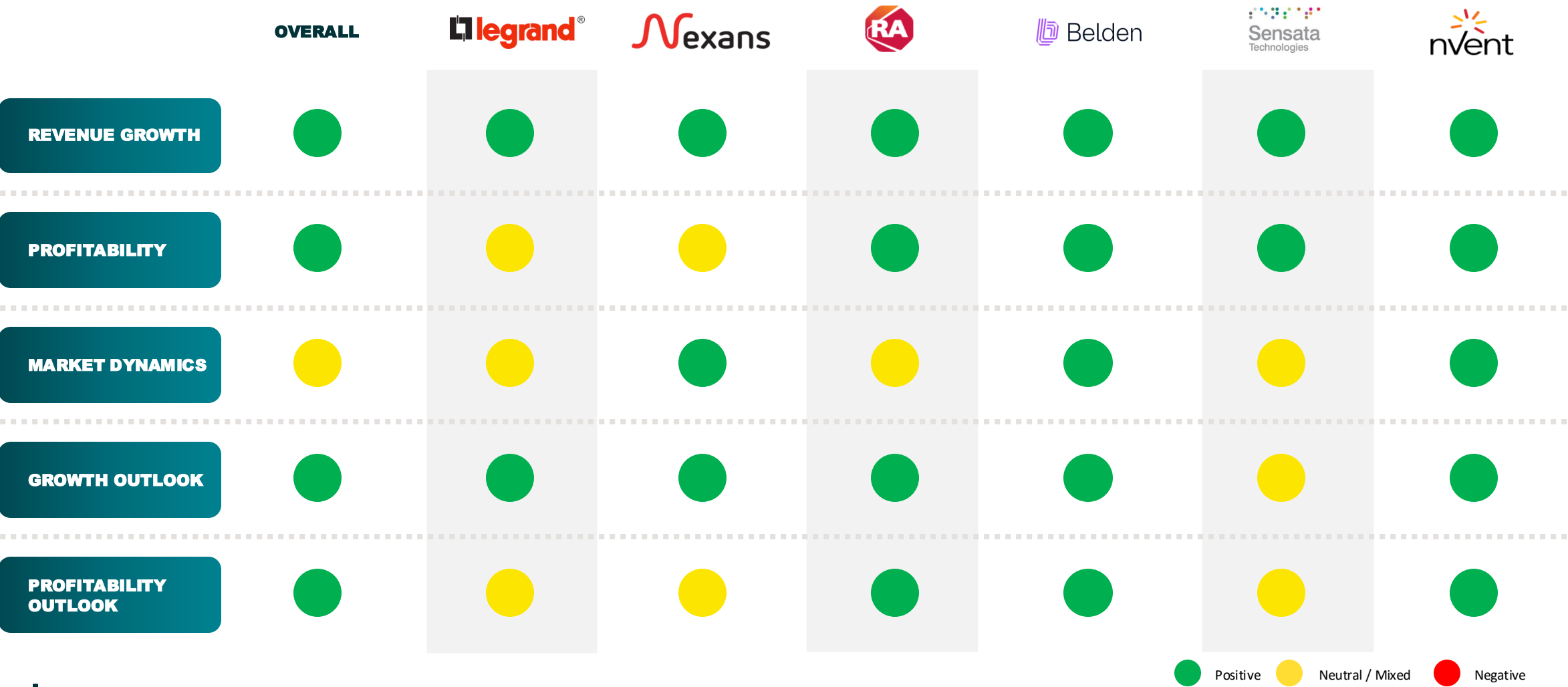
Growth outlook across the set was strongly positive, with nearly every company raising full-year revenue guidance and pointing to accelerating momentum into the back half of the year. A handful of companies, including Nexans, expressed confidence in continued growth while flagging some caution tied to geopolitical conditions. The consistency of upward revisions across companies of different sizes and end markets signals broad-based, industry-wide confidence in continued top-line momentum.

PROFITABILITY OUTLOOK

Profitability outlook was positive overall, though slightly less uniform than growth. Most companies raised earnings or margin guidance on continued volume leverage, productivity gains, and disciplined cost execution, reinforcing confidence that current profitability trends can be sustained into the second half. A smaller group held margin targets steady rather than raising them, reflecting some caution around cost pressure, acquisition-related dilution, and product mix effects.

What's the sentiment?

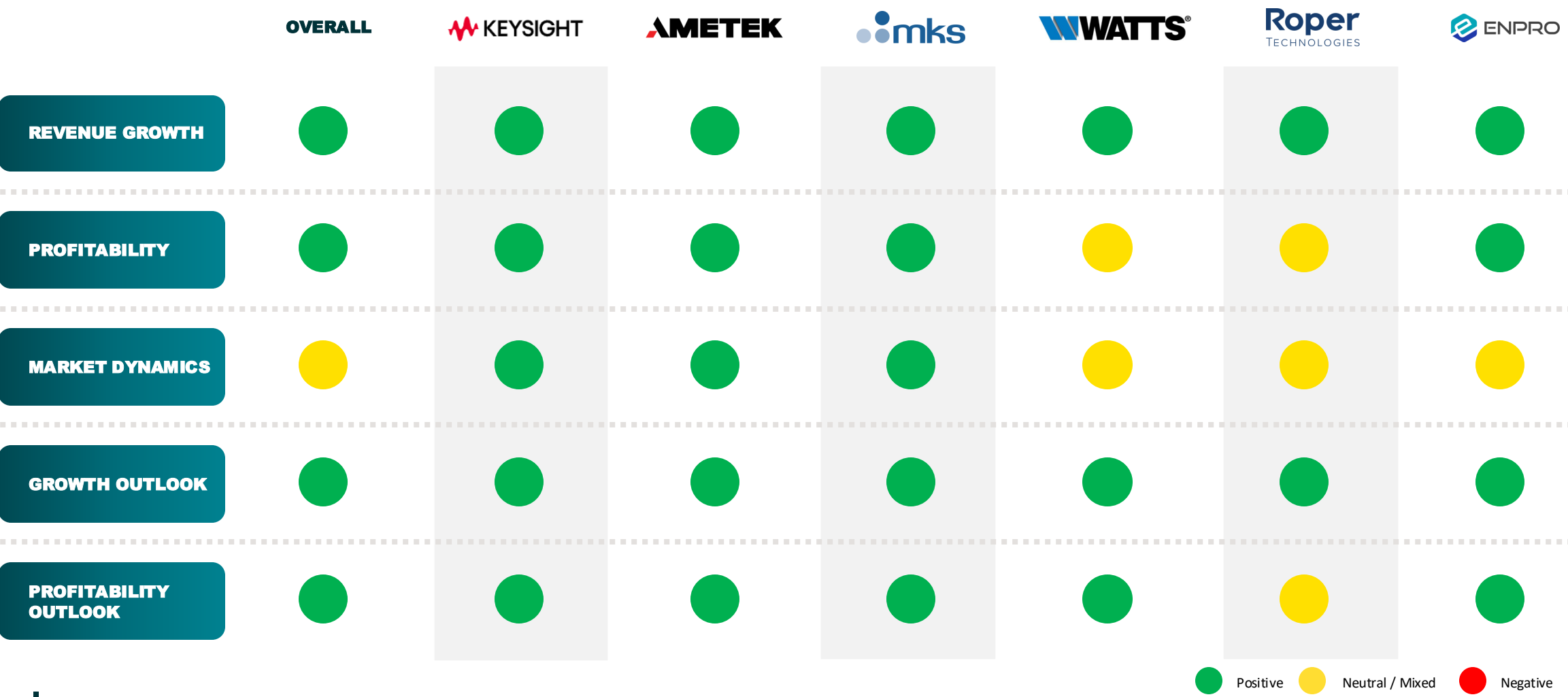
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Note: Sentiment scores are based on quarterly performance, except Nexans which reports represent H1 performance.

What's the sentiment?

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 Positive  Neutral / Mixed  Negative

Overview of results (1/3)

COMPANY	PERIOD	NET SALES (€M AND % DEV.)		OPER. PROFIT (%PT. DEV.)		GROWTH DRIVERS	INSIGHTS & OUTLOOK
 Legrand	2026 - Q2 3 months	€ 2,863M	(+14.7%)	19.0%	(-0.8%)	+10.4% LFL sales growth -1.7% FX effect -2.0% LFL Europe +22.7% LFL North and Central America	- Sales grew strongly in H1, led by North and Central America and data center demand, with acquisitions further contributing despite an unfavorable currency effect. - Margin softened slightly as restructuring and R&D/digital investment weighed on profitability, even as pricing and cost productivity supported profit growth. - Data center-related demand is contributing to the broader electrification growth story, with strong demand cited for grid modernization, and data centers, particularly in the U.S., South America, and the Mediterranean
 Nexans	2026 - H1 6 months	€ 3,249M ¹	(+5.0%)	7.6%	(+0.4%)	+1.5% organic growth +3.8% scope effect -0.3% FX effect	- Sales advanced on organic electrification growth, with power infrastructure and grid-modernization demand offsetting weaker metallurgy activity. - Profitability stayed resilient though margins dipped slightly on unfavorable mix in Connect activities and higher acquisition-related costs. - Completed the Republic Wire acquisition to expand its U.S. footprint, divested Autoelectric to complete its pure electrification pivot, and raised full-year guidance, with grid/ data center demand still outpacing supply.
 Rockwell Automation	2026 - Q3 3 months	€ 2,050M	(+7.9%)	22.3%	(+2.8%)	+10.0% organic growth +10.0% Intelligent Devices organic growth +18.0% Software & Control -2.0% Lifecycle Services	- Sales rose on strong organic growth, driven by robust demand in semiconductor, data center, and e-commerce end markets. - Profitability improved as higher volumes and favorable mix expanded margins, aided by disciplined cost management. - Management raised full-year guidance, cited strong new-product adoption in productivity and warehouse automation, and completed the Sensia joint-venture dissolution to sharpen segment focus.
 Belden	2026 - Q2 3 months	€ 665M	(+11.6%)	13.2%	(+1.5%)	+8.0% organic growth +19.3% Automation revenue +27.0% Automation orders +11.0% Smart Buildings orders	- Revenue reached a record high on broad-based demand across automation and data-center solutions, with record order intake. - Margins expanded on operational efficiencies and strong incremental profitability, aided by a one-time tariff-refund benefit. - The company closed the RUCKUS Networks acquisition, strengthening its full-stack networking and IT/OT convergence portfolio, and guided for continued momentum from AI infrastructure and hyperscale wins.

Overview of results (2/3)

COMPANY	PERIOD	NET SALES (€M AND % DEV.)		OPER. PROFIT (%PT. DEV.)		GROWTH DRIVERS	INSIGHTS & OUTLOOK
 Sensata Technologies	2026 - Q2 3 months	€ 878M	(+5.0%)	16.7%	(+2.1%)	+3.3% Automotive revenue +2.9% Industrials +11.5% Aerospace, Defense & Commercial Equipment	- Sales grew steadily across segments, led by aerospace, defense, and commercial-equipment strength, with automotive and industrials also contributing. - Profitability improved as organic growth and cost efficiencies lifted margins despite ongoing materials and logistics inflation. - Datacenter power demand is expected to quadruple from 2025-2035 so, opportunity expands through technological shifts driving growth in Industrial.
 nVent Electric	2026 - Q2 3 months	€ 1,304M	(+52.8%)	20.4%	(+4.2%)	+47.0% organic growth +62.0% Systems Protection organic growth +18.0% Electrical Connections	- The strong growth reflected exceptional infrastructure-vertical growth, particularly data centers, supported by strong new-product contribution and a healthy backlog. - Profitability improved substantially as pricing and productivity actions offset inflation. - Management raised full-year guidance, announced further liquid-cooling capacity expansion for AI data centers, and highlighted a portfolio shift toward higher-growth electrical connection and protection markets.
 Keysight Technologies	2026 - Q3 3 months	€ 1,636M	(+36.5%)	25.0%	(+7.7%)	+56.0% Commercial communications revenue +14.0% Aerospace, Defense, and Government +21.0% Electronic Industrial Solutions	- Revenue increased sharply, led by commercial communications and aerospace/defense strength amid robust AI-infrastructure and semiconductor demand. - Profitability expanded significantly on higher gross margins and disciplined cost control, aided by a head-of-schedule acquisition integration. - Management raised full-year guidance, citing strong backlog and continued momentum toward acquisition-related cost synergies and ongoing share repurchases.
 AMETEK	2026 - Q2 3 months	€ 1,812M	(+15.0%)	25.8%	(-0.1%)	+13.9% Electronic Instruments revenue +16.9% Electromechanical	- Sales reached a record level on balanced organic growth across secular growth markets including infrastructure, aerospace, medtech, and defense and acquisitions. - Even though the operating margin slipped modestly, AMETEK's adjusted operating income rose and EPS growth remained strong, so overall profitability improved. - Management raised full-year sales and earnings guidance, underscoring disciplined capital deployment under the AMETEK Growth Model.

Overview of results (3/3)

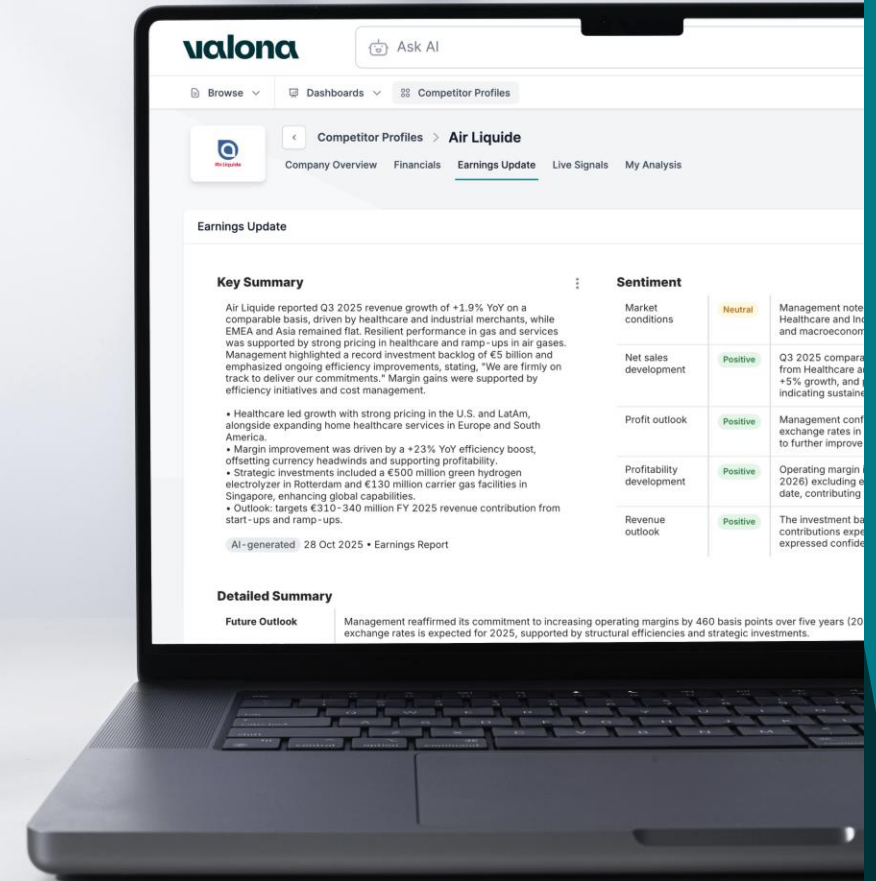
COMPANY	PERIOD	NET SALES (€M AND % DEV.)		OPER. PROFIT (%PT. DEV.)		GROWTH DRIVERS	INSIGHTS & OUTLOOK
 MKS Instruments	2026 - Q2 3 months	€ 1,106M	(+28.3%)	20.1%	(+6.2%)	+28.2% Semiconductor sales +43.2% Electronics & Packaging +13.8% Specialty Industrial	- Revenue exceeded expectations, driven by intensifying AI-related investment in semiconductor and advanced-packaging applications across all end markets. - Profitability strengthened as improved gross margins and cost discipline lifted operating performance above guidance. - Management highlighted a voluntary debt prepayment to strengthen the balance sheet and expressed confidence in sustained demand from the broader electronics ecosystem.
 Watts Water Technologies	2026 - Q2 3 months	€ 677M	(+18.6%)	20.2%	(-0.8%)	+12.0% organic growth +12.0% Americas organic growth +9.0% Europe +31.0% Asia Pacific, Middle East, and Africa	- Sales reached a record level on strong data-center demand and favorable pricing, though residential and non-institutional construction markets stayed soft. - Margins declined modestly as acquisition dilution and inflation outweighed pricing and productivity gains. - Management raised full-year guidance, continued integrating recent acquisitions, and expanded data-center capabilities amid a dynamic trade and geopolitical backdrop.
 Roper Technologies	2026 - Q2 3 months	€ 1,869M	(+8.5%)	27.7%	(-0.5%)	+5.0% Application Software organic growth +4.0% Network Software +7.0% Technology Enabled Products	- Revenue grew on solid organic performance and acquisition contribution, with application software and AI-enabled product adoption supporting momentum. - Margins softened slightly as AI investment and input-cost pressure offset steady core software profitability. - Management raised full-year guidance, continued substantial share repurchases, and pointed to improving freight-market conditions and expanding AI monetization opportunities ahead.
 Enpro	2026 - Q2 3 months	€ 300M	(+17.6%)	17.0%	(+1.2%)	+15.3% Sealing Technologies sales +21.8% Advanced Surface Technologies	- Sales grew robustly, led by strong semiconductor demand and domestic industrial strength, while European and commercial-vehicle markets remained soft. - Profitability improved as higher volumes and operating leverage lifted margins despite rising growth-related investment. - Management raised full-year guidance, continued semiconductor capacity expansion in the U.S. and Taiwan, and reiterated its long-term Enpro 3.0 growth strategy.

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