



Sercomm Corporation

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Sercomm Announces 3rd Quarter Financial Results

Taipei, Taiwan, 9th November 2023 - Sercomm Corporation (TWSE: 5388), a leading manufacturer of telecom and broadband equipment today announced financial results for the third quarter of year 2023.

Consolidated net sales for the third quarter of year 2023 were NT\$15.63 billion, which represents a 14.5% year-over-year decrease compared to NT\$18.28 billion for 3Q 2022. Operating profit for 3Q'23 was \$858 million, which represents a 25 % year-over-year increase over NT\$688 million for the third quarter of year 2022. Net income attributable to owners of parent for 3Q'23 was NT\$656 million, which represents a 24 % increase compared to NT\$528 million for the 3Q 2022. Based on 2 million weighted average shares, EPS were reported as NT\$2.53 for the third quarter of year 2023.

On consolidated basis, net sales for the first three quarters of year 2023 were reported as NT\$46.95 billion, which represents a 2 % year-over-year increase over NT\$46.17 billion for the first three quarters of year 2022. Operating profit for the first quarters were NT\$2,225 million, which represents a 37 % year-over-year increase over NT\$1,628 million for the first three quarters of year 2022. Net income attributable to owners of parent for the first three quarters of 2023 were NT\$1,688 million, which represents a 29 % increase compared to NT\$1,306 million for the same period of last year. Based on 258 million weighted average shares, earnings per share (EPS) for the first three quarters of year 2023 were reported as NT\$6.55.

Table 1: 3Q 2023 Statement of Comprehensive Income

(In NT\$MN)	3Q 2023		3Q 2022		Change
	Amount	%	Amount	%	
Net Revenue	15,625	100.0%	18,277	100.0%	-14.5%
Cost of Goods Sold	12,846	82.2%	15,854	86.7%	-19.0%
Gross Profit	2,779	17.8%	2,423	13.3%	14.7%
Operating Expenses	1,921	12.3%	1,735	9.5%	10.8%
Operating Profit	858	5.5%	688	3.8%	24.7%
Non-operating Expenses	50	0.3%	50	0.3%	-0.1%
Income before Tax	808	5.2%	638	3.5%	26.6%
Net Income Attributable to Owners of Parent	656	4.2%	528	2.9%	24.3%
EPS (NTD\$1)*	2.53		2.09		

* Based on weighted average shares: 259,500 thousand shares for 3Q 2023 and 252,390 thousand shares for 3Q 2022

Table 2: Jan.-Sep. 2023 Statement of Comprehensive Income

(In NT\$MN)	Jan.-Sep. 2023		Jan.-Sep. 2022		Change
	Amount	%	Amount	%	
Net Revenue	46,951	100.0%	46,167	100.0%	1.7%
Cost of Goods Sold	39,736	84.6%	40,096	86.9%	-0.9%
Gross Profit	7,215	15.4%	6,071	13.1%	18.9%
Operating Expenses	4,990	10.6%	4,443	9.6%	12.3%
Operating Profit	2,225	4.7%	1,628	3.5%	36.7%
Non-operating Expenses	132	0.3%	61	0.1%	115.1%
Income before Tax	2,093	4.5%	1,567	3.4%	33.6%
Net Income Attributable to Owners of Parent	1,688	3.6%	1,306	2.8%	29.2%
EPS (NTD\$1)*	6.55		5.18		

* Based on weighted average shares: 257,822 thousand shares for Jan.-Sep. 2023 and 252,390 thousand shares for Jan.- Sep. 2022

Table 3: Balance Sheet

(In NT\$MN)	Sep. 30, 2023		Dec 31, 2022		Sep 30, 2022	
	Amount	%	Amount	%	Amount	%
Cash Equivalents	7,587	17.0%	8,023	18.1%	7,577	16.8%
A/R	11,893	26.7%	10,718	24.2%	10,254	22.7%
Inventory	16,556	37.2%	16,844	38.0%	18,172	40.3%
Other Current Assets	1,217	2.7%	1,793	4.1%	2,284	5.1%
Non-current Assets	7,296	16.4%	6,898	15.6%	6,822	15.1%
Total Assets	44,549	100.0%	44,276	100.0%	45,109	100.0%
Short-term Borrowings	2,076	4.7%	1,640	3.7%	2,956	6.6%
A/P	17,203	38.6%	18,777	42.4%	18,536	41.1%
Other Current Liabilities	9,030	20.3%	6,254	14.1%	5,942	13.2%
Total Current Liabilities	28,309	63.6%	26,671	60.2%	27,434	60.8%
Non-current Liabilities	4,777	10.7%	7,803	17.7%	8,041	17.8%
Total Liabilities	33,086	74.3%	34,474	77.9%	35,475	78.6%
Total Equity	11,463	25.7%	9,802	22.1%	9,634	21.4%

About Sercomm Corporation

Sercomm Corporation (TWSE: 5388) is a worldwide leading manufacturer of telecom and broadband equipment. Founded in 1992, Sercomm has focused on developing embedded solutions to make networking simple and affordable. Headquartered in Taipei, Taiwan, Sercomm's global operation network covers markets in North America, Europe, and the Asia Pacific region. Its customer base includes the world's top ODMs, telecommunication vendors, and system integrators. Sercomm posted sales revenue of NT\$64.6 BN in 2022 (approximately US\$2 BN). For more information, please visit <https://www.sercomm.com>.

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