


Sercomm Corporation

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Sercomm Announces 2nd Quarter Financial Results

Taipei, Taiwan, 11th August 2017 - Sercomm Corporation (TWSE: 5388), a leading manufacturer of telecom and broadband equipments, today announced financial results for the second quarter and first half of year 2017.

On consolidated basis, net sales for the second quarter of year 2017 were NT\$9.3 billion, which represents an 11.7% increase compared to NT\$8.33 billion for 1Q 2017. Operating profit for 2Q 2017 were NT\$360 million, which represents a 33.8% year-over-year increase compared to NT\$269 million for the first quarter of year 2017. Net income attributable to owners of parent for 2Q'17 were NT\$318 million, which also represents a 38.9% increase over NT\$229 million for 1Q'17. Based on 243 million weighted average shares, EPS were reported as NT\$1.31 for the 2nd quarter of year 2017.

Consolidated net sales for the first half of year 2017 were reported as NT\$17.63 billion, which represents a 2.5% decrease over NT\$18.08 billion for the first half of year 2017. Operating profit and net income attributable to owners of parent for 1H'17 were NT\$629 million and NT\$547 million, respectively. Based on 243 million weighted average shares, earnings per share (EPS) for the first half of year 2017 were reported as NT\$2.25.

Table 1: 2Q 2017 Statement of Comprehensive Income (Consolidated)

(In NT\$MN)	2Q 2017		1Q 2017		Change
	Amount	%	Amount	%	
Net Revenue	9,299	100.0%	8,328	100.0%	11.7%
Cost of Goods Sold	8,096	87.0%	7,239	86.9%	11.8%
Gross Profit	1,203	13.0%	1,089	13.1%	10.5%
Operating Expenses	843	9.1%	820	9.9%	2.8%
Operating Profit	360	3.9%	269	3.2%	33.8%
Non-operating Income & Expenses	8	0.1%	14	0.2%	-42.9%
Income before Tax	368	4.0%	283	3.4%	30.0%
Net Income Attributable to Owners of Parent	318	3.4%	229	2.7%	38.9%
EPS (NTD\$1)*	1.31		0.94		

* Based on weighted average shares: 242,920 thousand shares for 2Q 2017 and 242,920 thousand shares for 1Q 2017

Table 2: 1H 2017 Statement of Comprehensive Income (Consolidated)

(In NT\$MN)	1H 2017		1H 2016		Change
	Amount	%	Amount	%	
Net Revenue	17,627	100.0%	18,078	100.0%	-2.5%
Cost of Goods Sold	15,335	87.0%	15,559	86.1%	-1.4%
Gross Profit	2,292	13.0%	2,519	13.9%	-9.0%
Operating Expenses	1,663	9.4%	1,743	9.6%	-4.6%
Operating Profit	629	3.6%	776	4.3%	-18.9%
Non-operating Income & Expenses	22	0.1%	-5	0.0%	540.0%
Income before Tax	651	3.7%	771	4.3%	-15.6%
Net Income Attributable to Owners of Parent	547	3.1%	628	3.5%	-12.9%
EPS (NTD\$1)*	2.25		2.59		

* Based on weighted average shares: 242,920 thousand shares for 1H 2017 and 242,373 thousand shares for 1H 2016

Table 3: Consolidated Balance Sheet

(In NT\$MN)	June 30, 2017		June 30, 2016	
	Amount	%	Amount	%
Cash Equivalents	6,237	27.3%	6,471	29.1%
A/R	5,779	25.3%	6,117	27.5%
Inventory	5,758	25.2%	4,622	20.8%
Other Current Assets	825	3.6%	643	2.9%
Non-current Assets	4,265	18.6%	4,383	19.7%
Total Assets	22,864	100.0%	22,236	100.0%
Loan	2,116	9.3%	1,800	8.1%
A/P	9,420	41.2%	9,199	41.4%
Leasehold Payable	135	0.6%	152	0.7%
Other Payable & Liabilities	4,869	21.2%	4,517	20.3%
Total Liabilities	16,540	72.3%	15,668	70.5%
Total Equity	6,324	27.7%	6,568	29.5%

About Sercomm Corporation

Sercomm Corporation 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 of North America, Europe and the Asia Pacific region, and its customer base includes the world's top ODMs, telecommunication vendors and system integrators. Listed on Taiwan Stock Exchange (TWSE:5388), Sercomm posted sales revenue of NT\$36.7 BN in 2016 (approximately US\$1.14 BN). For more information, please visit www.sercomm.com

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