


Sercomm Corporation

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Sercomm Announces 3rd Quarter Financial Results

Taipei, Taiwan, 9th November 2016 - Sercomm Corporation (TWSE: 5388), a leading manufacturer of telecom and broadband equipments today announced financial results for the third quarter of year 2016.

On consolidated basis, net sales from January to September of year 2016 were reported as NT\$27.56 billion, which represents a 9% increase over NT\$25.32 billion for the first three quarters of 2015. Operating profit for the first three quarters of 2016 were NT\$1.3 billion, which represents a 10% year-over-year increase over NT\$1.18 billion for the same period last year. Net income attributable to owners of parent from January to September of year 2016 were NT\$1,047 million, which also represents a 12% increase compared to NT\$939 million for the same period last year. Based on 243 million weighted average shares, earnings per share (EPS) for the first three quarters of year 2016 were reported as NT\$4.32.

Consolidated net sales for the third quarter of year 2016 were NT\$9.49 billion, which represents a 2% increase compared to NT\$9.27 billion for 2Q'16. Operating profit for 3Q'16 were NT\$521 million, which represents a 22% quarter-over-quarter increase over NT\$428 million for the second quarter of year 2016. Net income attributable to owners of parent for 3Q'16 were NT\$419 million, which also represents a 21% increase compared to NT\$346 million for the 2Q 2016. Based on 243 million weighted average shares, EPS were reported as NT\$1.72 for the 3rd quarter of year 2016.

Table 1: Cumulative Statement of Comprehensive Income

(In NT\$MN)	JAN.-SEP.'16		JAN.-SEP.'15		Change
	Amount	%	Amount	%	
Net Revenue	27,563	100.0%	25,324	100.0%	8.8%
Cost of Goods Sold	23,594	85.6%	21,775	86.0%	8.4%
Gross Profit	3,969	14.4%	3,549	14.0%	11.8%
Operating Expenses	2,672	9.7%	2,369	9.4%	12.8%
Operating Profit	1,297	4.7%	1,180	4.6%	9.9%
Non-operating Income & Expenses	-3	0.0%	-38	-0.1%	92.1%
Income before Tax	1,294	4.7%	1,142	4.5%	13.3%
Net Income Attributable to Owners of Parent	1,047	3.8%	939	3.7%	11.5%
EPS (NTD\$1)*	4.32		4.01		

* Based on weighted average shares: 242,557 thousand shares for Q3 2016 and 233,901 thousand shares for Q3 2015

Table 2: 3Q 2016 Statement of Comprehensive Income

(In NT\$MN)	3Q 2016		2Q 2016		Change
	Amount	%	Amount	%	
Net Revenue	9,485	100.0%	9,268	100.0%	2.3%
Cost of Goods Sold	8,035	84.7%	7,986	86.2%	0.6%
Gross Profit	1,450	15.3%	1,282	13.8%	13.1%
Operating Expenses	929	9.8%	854	9.2%	8.8%
Operating Profit	521	5.5%	428	4.6%	21.7%
Non-operating Income & Expenses	2	0.0%	-8	-0.1%	125.0%
Income before Tax	523	5.5%	420	4.5%	24.5%
Net Income Attributable to Owners of Parent	419	4.4%	346	3.7%	21.1%
EPS (NTD\$1)*	1.72		1.43		

* Based on weighted average shares: 242,920 thousand shares for Q3 2016 and 242,373 thousand shares for Q2 2016

Table 3: Balance Sheet

(In NT\$MN)	September 30, 2016		September 30, 2015	
	Amount	%	Amount	%
Cash Equivalents	5,622	25.7%	5,929	25.0%
A/R	6,245	28.5%	6,920	29.2%
Inventory	4,870	22.3%	5,575	23.6%
Other Current Assets	839	3.8%	790	3.3%
Non-current Assets	4,316	19.7%	4,459	18.9%
Total Assets	21,892	100.0%	23,673	100.0%
Loan	2,193	10.0%	3,338	14.1%
A/P	9,164	41.9%	9,995	42.2%
Leasehold Payable	149	0.7%	163	0.7%
Corporate Bonds Payable	0	0.0%	68	0.3%
Other Payable & Liabilities	3,610	16.4%	3,410	14.4%
Total Liabilities	15,116	69.0%	16,974	71.7%
Total Equity	6,776	31.0%	6,699	28.3%

About Sercomm Corporation

Sercomm Corporation is a worldwide leading manufacturer of broadband and wireless networking equipments. Founded in 1992, Sercomm has been focusing 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 Asia Pacific, 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\$35 BN in 2015 (approximately US\$1.1 BN). For more information, please visit www.sercomm.com

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