


Sercomm Corporation

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Sercomm Announces 2nd Quarter Financial Results

Taipei, Taiwan, 12th August 2016 - 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 2016.

On consolidated basis, net sales for the first half of year 2016 were reported as NT\$18.08 billion, which represents a 21% increase over NT\$14.91 billion for the first half of year 2015. Operating profit for 1H'16 were NT\$776 million, which represents a 40% increase over NT\$556 million for the same period last year. Net income attributable to owners of parent for 1H'16 were NT\$628 million, which also represents a 26% increase compared to NT\$497 million for 1H'15. Based on 242 million weighted average shares, earnings per share (EPS) for the first half of year 2016 were reported as NT\$2.59.

Consolidated net sales for the second quarter of year 2016 were NT\$9.27 billion, which represents an 8% increase compared to NT\$8.56 billion for 2Q 2015. Operating profit for 2Q 2016 were NT\$428 million, which represents a 16% year-over-year increased compared to NT\$369 million for the same period last year. Net income attributable to owners of parent for 2Q'16 were NT\$346 million, which also represents a 5% increase over NT\$329 million for 2Q'15. Based on 242 million weighted average shares, EPS were reported as NT\$1.43 for the 2nd quarter of year 2016.

Table 1: 1H 2016 Statement of Comprehensive Income (Consolidated)

(In NT\$MN)	1H 2016		1H 2015		Change
	Amount	%	Amount	%	
Net Revenue	18,078	100.0%	14,909	100.0%	21.3%
Cost of Goods Sold	15,559	86.1%	12,913	86.6%	20.5%
Gross Profit	2,519	13.9%	1,996	13.4%	26.2%
Operating Expenses	1,743	9.6%	1,440	9.7%	21.0%
Operating Profit	776	4.3%	556	3.7%	39.6%
Non-operating Income & Expenses	-5	0.0%	49	0.4%	-110.2%
Income before Tax	771	4.3%	605	4.1%	27.4%
Net Income Attributable to Owners of Parent	628	3.5%	497	3.3%	26.4%
EPS (NTD\$1)*	2.59		2.16		

* Based on weighted average shares: 242,373 thousand shares for 2Q 2016 and 230,299 thousand shares for 2Q 2015

Table 2: 2Q 2016 Statement of Comprehensive Income (Consolidated)

(In NT\$MN)	2Q 2016		2Q 2015		Change
	Amount	%	Amount	%	
Net Revenue	9,268	100.0%	8,562	100.0%	8.2%
Cost of Goods Sold	7,986	86.2%	7,430	86.8%	7.5%
Gross Profit	1,282	13.8%	1,132	13.2%	13.3%
Operating Expenses	854	9.2%	763	8.9%	11.9%
Operating Profit	428	4.6%	369	4.3%	16.0%
Non-operating Income & Expenses	-8	-0.1%	35	0.4%	-122.9%
Income before Tax	420	4.5%	404	4.7%	4.0%
Net Income Attributable to Owners of Parent	346	3.7%	329	3.8%	5.2%
EPS (NTD\$1)*	1.43		1.43		

* Based on weighted average shares: 242,373 thousand shares for 2Q 2016 and 230,299 thousand shares for 2Q 2015

Table 3: Consolidated Balance Sheet

(In NT\$MN)	June 30, 2016		March 31, 2016	
	Amount	%	Amount	%
Cash Equivalents	6,471	29.1%	6,829	31.1%
A/R	6,117	27.5%	4,928	22.4%
Inventory	4,622	20.8%	5,032	22.9%
Other Current Assets	643	2.9%	737	3.4%
Non-current Assets	4,383	19.7%	4,428	20.2%
Total Assets	22,236	100.0%	21,954	100.0%
Loan	1,800	8.1%	2,355	10.7%
A/P	9,199	41.4%	8,811	40.1%
Leasehold Payable	152	0.7%	152	0.7%
Corporate Bonds Payable	0	0.0%	0	0.0%
Other Payable & Liabilities	4,517	20.3%	3,504	16.0%
Total Liabilities	15,668	70.5%	14,822	67.5%
Total Equity	6,568	29.5%	7,132	32.5%

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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