


Sercomm Corporation

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Sercomm Announces 3rd Quarter Financial Results

Taipei, Taiwan, 13th November 2020 - Sercomm Corporation (TWSE: 5388), a leading manufacturer of telecom and broadband equipment today announced financial results for the third quarter of year 2020.

On consolidated basis, net sales for the third quarter of year 2020 were NT\$9.46 billion, which represents a 4% year-over-year increase compared to NT\$9.06 billion for 3Q'19. Operating profit for 3Q'20 were NT\$360 million, which represents a 15% increase over NT\$312 million for the third quarter of year 2019. Net income attributable to owners of parent for 3Q'20 were NT\$278 million, which also represents a 4% decrease compared to NT\$290 million for the 3Q 2019. Based on 247 million weighted average shares, earnings per share (EPS) were reported as NT\$1.13 for the 3rd quarter of year 2020.

Consolidated net sales from January to September of year 2020 were reported as NT\$25.52 billion, which represents a 15% increase over NT\$22.24 billion for the first three quarters of 2019. Operating profit for the first three quarters of 2020 were NT\$755 million, which represents a 2% year-over-year increase over NT\$743 million for the same period of last year. Net income attributable to owners of parent for first three quarters of 2020 were NT\$606 million, which also represents a 11% decrease compared to NT\$681 million for the same period of last year. Based on 248 million weighted average shares, EPS for the first three quarters of year 2020 were reported as NT\$2.44.

Table 1: 3Q 2020 Statement of Comprehensive Income

(In NT\$MN)	3Q 2020		3Q 2019		Change
	Amount	%	Amount	%	
Net Revenue	9,462	100.0%	9,060	100.0%	4.4%
Cost of Goods Sold	7,954	84.1%	7,730	85.3%	2.9%
Gross Profit	1,508	15.9%	1,330	14.7%	13.4%
Operating Expenses	1,148	12.1%	1,018	11.2%	12.8%
Operating Profit	360	3.8%	312	3.5%	15.4%
Non-operating Income & Expenses	-9	-0.1%	43	0.4%	-120.9%
Income before Tax	351	3.7%	355	3.9%	-1.1%
Net Income Attributable to Owners of Parent	278	2.9%	290	3.2%	-4.1%
EPS (NTD\$1)*	1.13		1.18		

* Based on weighted average shares: 247,057 thousand shares for Q3 2020 and 245,348 thousand shares for Q3 2019

Table 2: Cumulative Statement of Comprehensive Income

(In NT\$MN)	Jan.-Sep. 2020		Jan.-Sep. 2019		Change
	Amount	%	Amount	%	
Net Revenue	25,518	100.0%	22,238	100.0%	14.7%
Cost of Goods Sold	21,662	84.9%	18,571	83.5%	16.6%
Gross Profit	3,856	15.1%	3,667	16.5%	5.2%
Operating Expenses	3,101	12.1%	2,924	13.1%	6.1%
Operating Profit	755	3.0%	743	3.4%	1.6%
Non-operating Income & Expenses	1	0.0%	99	0.4%	-99.0%
Income before Tax	756	3.0%	842	3.8%	-10.2%
Net Income Attributable to Owners of Parent	606	2.4%	681	3.1%	-11.0%
EPS (NTD\$1)*	2.44		2.78		

* Based on weighted average shares: 247,881 thousand shares for Jan.-Sep. 2020 and 245,180 thousand shares for Jan.-Sep. 2019

Table 3: Balance Sheet

(In NT\$MN)	Sep 30, 2020		Dec 31, 2019		Sep 30, 2019	
	Amount	%	Amount	%	Amount	%
Cash Equivalents	6,475	23.2%	7,275	27.8%	6,168	24.2%
A/R	6,699	24.0%	5,737	21.9%	6,650	26.0%
Inventory	6,939	24.9%	5,897	22.5%	6,344	24.9%
Other Current Assets	1,874	6.7%	2,515	9.6%	1,679	6.6%
Non-current Assets	5,898	21.2%	4,753	18.2%	4,680	18.3%
Total Assets	27,885	100.0%	26,177	100.0%	25,521	100.0%
Loan	1,468	5.3%	1,257	4.8%	1,253	4.9%
A/P	10,691	38.3%	10,676	40.8%	10,412	40.8%
Leasehold Payable	696	2.5%	397	1.5%	418	1.6%
Corporate Bond Payable	3,700	13.3%	2,300	8.8%	2,300	9.0%
Other Payable & Liabilities	3,974	14.2%	3,871	14.8%	3,795	14.9%
Total Liabilities	20,529	73.6%	18,501	70.7%	18,178	71.2%
Total Equity	7,356	26.4%	7,676	29.3%	7,343	28.8%

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\$31.8 BN in 2019 (approximately US\$1.1 BN). For more information, please visit www.sercomm.com.

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