



Sercomm Corporation

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Sercomm Announces 2nd Quarter Financial Results

Taipei, Taiwan, 12th August 2020 - Sercomm Corporation (TWSE: 5388), a leading manufacturer of telecom and broadband equipment today announced financial results for the second quarter of year 2020.

Consolidated net sales for the second quarter of year 2020 were NT\$9.25 billion, which represents a 38.1% year-over-year increase compared to NT\$6.7 billion for 2Q 2019. Operating profit for 2Q'20 was \$287 million, which represents a 28% year-over-year increase over NT\$224 million for the second quarter of year 2019. Net income attributable to owners of parent for 2Q'20 were NT\$241 million, which represents a 34% increase compared to NT\$180 million for the 2Q 2019. Based on 248 million weighted average shares, EPS were reported as NT\$0.97 for the 2nd quarter of year 2020.

On consolidated basis, net sales for the first half of year 2020 were reported as NT\$16.06 billion, which represents a 22% year-over-year increase over NT\$13.18 billion for the first half of year 2019. Operating profit and net income attributable to owners of parent for the 1H'20 were NT\$395 million and NT\$328 million, respectively. Based on 248 million weighted average shares, earnings per share (EPS) for the first half of year 2020 were reported as NT\$1.32.

Table 1: 2Q 2020 Statement of Comprehensive Income

(In NT\$MN)	2Q 2020		2Q 2019		Change
	Amount	%	Amount	%	
Net Revenue	9,254	100.0%	6,699	100.0%	38.1%
Cost of Goods Sold	7,881	85.2%	5,522	82.4%	42.7%
Gross Profit	1,373	14.8%	1,177	17.6%	16.7%
Operating Expenses	1,086	11.7%	953	14.2%	14.0%
Operating Profit	287	3.1%	224	3.4%	28.1%
Non-operating Income & Expenses	14	0.2%	-8	-0.1%	275.0%
Income before Tax	301	3.3%	216	3.3%	39.4%
Net Income Attributable to Owners of Parent	241	2.6%	180	2.7%	33.9%
EPS (NTD\$1)*	0.97		0.73		

* Based on weighted average shares: 247,532 thousand shares for 2Q 2020 and 245,196 thousand shares for 2Q 2019

Table 2: 1H 2020 Statement of Comprehensive Income

(In NT\$MN)	1H 2020		1H 2019		Change
	Amount	%	Amount	%	
Net Revenue	16,056	100.0%	13,179	100.0%	21.8%
Cost of Goods Sold	13,708	85.4%	10,842	82.3%	26.4%
Gross Profit	2,348	14.6%	2,337	17.7%	0.5%
Operating Expenses	1,953	12.2%	1,906	14.4%	2.5%
Operating Profit	395	2.4%	431	3.3%	-8.4%
Non-operating Income & Expenses	10	0.1%	56	0.4%	-82.1%
Income before Tax	405	2.5%	487	3.7%	-16.8%
Net Income Attributable to Owners of Parent	328	2.0%	391	3.0%	-16.1%
EPS (NTD\$1)*	1.32		1.60		

* Based on weighted average shares: 248,293 thousand shares for 1H 2020 and 245,096 thousand shares for 1H 2019

Table 3: Balance Sheet

(In NT\$MN)	June 30, 2020		Dec 31, 2019		June 30, 2019	
	Amount	%	Amount	%	Amount	%
Cash Equivalents	6,312	24.2%	7,275	27.8%	5,202	22.6%
A/R	6,512	25.0%	5,737	21.9%	5,617	24.4%
Inventory	6,469	24.9%	5,897	22.5%	5,766	25.0%
Other Current Assets	1,334	5.1%	2,515	9.6%	1,741	7.5%
Non-current Assets	5,417	20.8%	4,753	18.2%	4,737	20.5%
Total Assets	26,044	100.0%	26,177	100.0%	23,063	100.0%
Loan	1,860	7.1%	1,257	4.8%	2,729	11.8%
A/P	9,848	37.8%	10,676	40.8%	8,358	36.3%
Leasehold Payable	352	1.4%	397	1.5%	438	1.9%
Corporate Bond Payable	2,300	8.8%	2,300	8.8%	0	0.0%
Other Payable & Liabilities	4,813	18.5%	3,871	14.8%	4,549	19.7%
Total Liabilities	19,173	73.6%	18,501	70.7%	16,074	69.7%
Total Equity	6,871	26.4%	7,676	29.3%	6,989	30.3%

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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