


Sercomm Corporation

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Sercomm Announces 1Q 2020 Financial Results

Taipei, Taiwan, 6th May 2020- Sercomm Corporation (TWSE: 5388), a leading manufacturer of telecom and broadband equipment today announced financial results for the first quarter of year 2020.

On consolidated basis, net sales for the first quarter of year 2020 was NT\$6.8 billion, which represents a 5% increase over NT\$6.48 billion for 1Q'19. Gross profit for the first quarter of 2020 was \$975 million with 14.3% gross margin. Income before tax and net income attributable to shareholders of the parent for 1Q'20 were NT\$104 million and NT\$87 million, respectively. Based on 249 million weighted average shares, earnings per share (EPS) were reported as NT\$0.35 for the 1st quarter of 2020.

Table 1: 1Q 2020 Statement of Comprehensive Income

(In NT\$MN)	2020		2019		Change
	1Q	%	1Q	%	
Net Revenue	6,802	100.0%	6,480	100.0%	5.0%
Cost of Goods Sold	5,827	85.7%	5,320	82.1%	9.5%
Gross Profit	975	14.3%	1,160	17.9%	-15.9%
Operating Expenses	867	12.7%	953	14.7%	-9.0%
Operating Profit	108	1.6%	207	3.2%	-47.8%
Non-operating Income & Expenses	-4	-0.1%	64	1.0%	-106.3%
Income before Tax	104	1.5%	271	4.2%	-61.6%
Net Income Attributable to Shareholders of the Parent	87	1.3%	211	3.3%	-58.8%
EPS (NTD\$1)*	0.35		0.86		

* Based on weighted average shares: 249,055 thousand shares for 1Q 2020 and 244,996 thousand shares for 1Q 2019

Table 2: Consolidated Balance Sheet

(In NT\$MN)	March 31, 2020		March 31, 2019	
	Amount	%	Amount	%
Cash Equivalents	7,198	29.3%	5,782	25.5%
A/R	4,878	19.9%	5,163	22.8%
Inventory	6,209	25.3%	5,263	23.2%
Other Current Assets	1,325	5.4%	1,646	7.3%
Non-current Assets	4,929	20.1%	4,808	21.2%
Total Assets	24,539	100.0%	22,662	100.0%
Loan	1,507	6.1%	2,633	11.6%
A/P	9,179	37.4%	8,321	36.7%
Leasehold Payable	371	1.5%	401	1.8%
Corporate Bonds Payable	2,300	9.4%	0	0.0%
Other Payable & Liabilities	3,632	14.8%	3,772	16.7%
Total Liabilities	16,989	69.2%	15,127	66.8%
Total Equity	7,550	30.8%	7,535	33.2%

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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