



Sercomm Corporation

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Sercomm Announces 3rd Quarter Financial Results

Taipei, Taiwan, 8th November 2019 - Sercomm Corporation (TWSE: 5388), a leading manufacturer of telecom and broadband equipment today announced financial results for the third quarter of year 2019.

Consolidated net sales from January to September of year 2019 were reported as NT\$22.24 billion, which represents a 7% decrease over NT\$23.78 billion for the first three quarters of 2018. Operating profit for the first three quarters of 2019 were NT\$743 million, which represents a 32% year-over-year increase over NT\$564 million for the same period of last year. Net income attributable to owners of parent for first three quarters of 2019 were NT\$681 million, which also represents a 34% increase compared to NT\$507 million for the same period of last year. Based on 245 million weighted average shares, earnings per share (EPS) for the first three quarters of year 2019 were reported as NT\$2.78.

On consolidated basis, net sales for the third quarter of year 2019 were NT\$9.06 billion, which represents a 6.4% increase compared to NT\$8.52 billion for 3Q'18. Operating profit for 3Q'19 were NT\$312 million, which represents a 24% year-over-year increase over NT\$251 million for the third quarter of year 2018. Net income attributable to owners of parent for 3Q'19 were NT\$290 million, which also represents a 58% increase compared to NT\$184 million for the 3Q 2018. Based on 245 million weighted average shares, EPS were reported as NT\$1.18 for the 3rd quarter of year 2019.

Table 1: Cumulative Statement of Comprehensive Income

(In NT\$MN)	JAN.-SEP.'19		JAN.-SEP.'18		
	Amount	%	Amount	%	Change
Net Revenue	22,238	100.0%	23,782	100.0%	-6.5%
Cost of Goods Sold	18,571	83.5%	20,648	86.8%	-10.1%
Gross Profit	3,667	16.5%	3,134	13.2%	17.0%
Operating Expenses	2,924	13.1%	2,570	10.8%	13.8%
Operating Profit	743	3.4%	564	2.4%	31.7%
Non-operating Income & Expenses	99	0.4%	122	0.5%	-18.9%
Income before Tax	842	3.8%	686	2.9%	22.7%
Net Income Attributable to Owners of Parent	681	3.1%	507	2.1%	34.3%
EPS (NTD\$1)*	2.78		2.07		

* Based on weighted average shares: 245,180 thousand shares for Jan.-Sep. 2019 and 245,110 thousand shares for Jan.-Sep. 2018

Press Release

Table 2: 3Q 2019 Statement of Comprehensive Income

(In NT\$MN)	3Q 2019		3Q 2018		Change
	Amount	%	Amount	%	
Net Revenue	9,060	100.0%	8,519	100.0%	6.4%
Cost of Goods Sold	7,730	85.3%	7,367	86.5%	4.9%
Gross Profit	1,330	14.7%	1,152	13.5%	15.5%
Operating Expenses	1,018	11.2%	901	10.6%	13.0%
Operating Profit	312	3.5%	251	2.9%	24.3%
Non-operating Income & Expenses	43	0.4%	-25	-0.3%	272.0%
Income before Tax	355	3.9%	226	2.6%	57.1%
Net Income Attributable to Owners of Parent	290	3.2%	184	2.2%	57.6%
EPS (NTD\$1)*	1.18		0.75		

* Based on weighted average shares: 245,348 thousand shares for Q3 2019 and 245,110 thousand shares for Q3 2018

Table 3: Balance Sheet

(In NT\$MN)	September 30, 2019		September 30, 2018	
	Amount	%	Amount	%
Cash Equivalents	6,168	24.2%	5,210	22.5%
A/R	6,650	26.0%	5,883	25.4%
Inventory	6,344	24.9%	5,748	24.8%
Other Current Assets	1,679	6.6%	1,788	7.7%
Non-current Assets	4,680	18.3%	4,536	19.6%
Total Assets	25,521	100.0%	23,165	100.0%
Loan	1,253	4.9%	3,363	14.5%
A/P	10,412	40.8%	9,783	42.2%
Leasehold Payable	418	1.6%	117	0.5%
Corporate Bonds Payable	2,300	9.0%	0	0.0%
Other Payable & Liabilities	3,795	14.9%	3,239	14.0%
Total Liabilities	18,178	71.2%	16,502	71.2%
Total Equity	7,343	28.8%	6,663	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\$33.4 BN in 2018 (approximately US\$1.1 BN). For more information, please visit www.sercomm.com

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