


**Sercomm Corporation**

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**Sercomm Announces 1Q 2019 Financial Results**

Taipei, Taiwan, 10<sup>th</sup> May 2019- Sercomm Corporation (TWSE: 5388), a leading manufacturer of telecom and broadband equipment today announced financial results for the first quarter of year 2019.

On consolidated basis, net sales for the first quarter of year 2019 was NT\$6.48 billion, which represents a 18.6% decrease over NT\$7.96 billion for 1Q'18. Gross profit for the first quarter of 2019 was \$1.16 billion with 17.9% gross margin. Income before tax for 1Q'19 was NT\$271 million, which represents a 15% year-over-year increased compared to NT\$236 million for the same period last year. Net income attributable to owners of parent for 1Q'19 were NT\$211 million, which also represents a 13% increase over NT\$186 million for 1Q'18. Based on 245 million weighted average shares, earnings per share (EPS) were reported as NT\$0.86 for the 1st quarter of 2019.

**Table 1: 1Q 2019 Statement of Comprehensive Income**

(In NT\$MN)	2019		2018		Change
	1Q	%	1Q	%	
Net Revenue	6,480	100.0%	7,963	100.0%	-18.6%
Cost of Goods Sold	5,320	82.1%	6,931	87.0%	-23.2%
Gross Profit	1,160	17.9%	1,032	13.0%	12.4%
Operating Expenses	953	14.7%	822	10.3%	15.9%
Operating Profit	207	3.2%	210	2.7%	-1.4%
Non-operating Income & Expenses	64	1.0%	26	0.3%	146.2%
Income before Tax	271	4.2%	236	3.0%	14.8%
Net Income Attributable to Shareholders of the Parent	211	3.3%	186	2.3%	13.4%
EPS (NTD\$1)*	0.86		0.76		

\* Based on weighted average shares: 244,996 thousand shares for 1Q 2019 and 245,654 thousand shares for 1Q 2018

**Table 2: Consolidated Balance Sheet**

(In NT\$MN)	March 31, 2019		March 31, 2018	
	Amount	%	Amount	%
Cash Equivalents	5,782	25.5%	5,854	25.9%
A/R	5,163	22.8%	5,724	25.3%
Inventory	5,263	23.2%	5,890	26.1%
Other Current Assets	1,646	7.3%	671	3.0%
Non-current Assets	4,808	21.2%	4,447	19.7%
Total Assets	22,662	100.0%	22,586	100.0%
Loan	2,633	11.6%	1,960	8.7%
A/P	8,321	36.7%	9,370	41.5%
Leasehold Payable	401	1.8%	124	0.6%
Other Payable & Liabilities	3,772	16.7%	3,691	16.3%
Total Liabilities	15,127	66.8%	15,145	67.1%
Total Equity	7,535	33.2%	7,441	32.9%

**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](http://www.sercomm.com)

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