


Sercomm Corporation

8F, No. 3-1, YuanQu St. (Nankang Software Industry Park) Taipei 115, Taiwan

 Tel: 886-2-26553988 | Fax: 886-2-66158898 | <http://www.sercomm.com>
Sercomm Announces Full Year 2018 Financial Results

Taipei, Taiwan, 18th March 2019 - Sercomm Corporation (TWSE: 5388), a leading manufacturer of telecom and broadband equipment today announced financial results for the fourth quarter and full year 2018.

On consolidated basis, net sales for the fourth quarter of year 2018 were NT\$9.6 billion, which represents a 13% increase compared to NT\$8.52 billion for the third quarter of year 2018. Operating profit for 4Q'18 were NT\$336 million, which represents a 34% quarter-over-quarter increase over NT\$251 million for 3Q'18. Net income attributable to owners of parent for 4Q'18 were NT\$300 million, which also represents a 63% increase compared to NT\$184 million for 3Q'18. Based on 243 million weighted average shares, EPS were reported as NT\$1.25 for the 4th quarter of year 2018.

Consolidated net sales for 2018 were reported as NT\$33.39 billion, which represents a 14% decrease over NT\$38.6 billion for year 2017. Operating profit and net income attributable to owners of parent for 2018 were NT\$900 million and NT\$808 million, respectively. Based on 243 million weighted average shares, earnings per share (EPS) for year 2018 were reported as NT\$3.32.

Table 1: 4Q 2018 Statement of Comprehensive Income

(In NT\$MN)	4Q 2018		3Q 2018		Change
	Amount	%	Amount	%	
Net Revenue	9,603	100.0%	8,519	100.0%	12.7%
Cost of Goods Sold	8,259	86.0%	7,367	86.5%	12.1%
Gross Profit	1,344	14.0%	1,152	13.5%	16.7%
Operating Expenses	1,008	10.5%	901	10.6%	11.9%
Operating Profit	336	3.5%	251	2.9%	33.9%
Non-operating Income & Expenses	8	0.1%	-25	-0.3%	132.0%
Income before Tax	344	3.6%	226	2.6%	52.2%
Net Income Attributable to Owners of Parent	300	3.1%	184	2.2%	63.0%
EPS (NTD\$1)*	1.25		0.75		

* Based on weighted average shares: 243,273 thousand shares for 2018 and 243,616 thousand shares for 2017

Table 2: 2018 Statement of Comprehensive Income

(In NT\$MN)	2018		2017		Change
	Amount	%	Amount	%	
Net Revenue	33,385	100.0%	38,600	100.0%	-13.5%
Cost of Goods Sold	28,907	86.6%	33,572	87.0%	-13.9%
Gross Profit	4,478	13.4%	5,028	13.0%	-10.9%
Operating Expenses	3,578	10.7%	3,494	9.0%	2.4%
Operating Profit	900	2.7%	1,534	4.0%	-41.3%
Non-operating Income & Expenses	130	0.4%	49	0.1%	165.3%
Income before Tax	1,030	3.1%	1,583	4.1%	-34.9%
Net Income Attributable to Owners of Parent	808	2.4%	1,312	3.4%	-38.4%
EPS (NTD\$1)*	3.32		5.38		

* Based on weighted average shares: 243,273 thousand shares for 2018 and 243,616 thousand shares for 2017

Table 3: Balance Sheet

(In NT\$MN)	December 31, 2018		December 31, 2017	
	Amount	%	Amount	%
Cash Equivalents	5,358	22.9%	6,484	26.2%
A/R	6,541	28.0%	7,200	29.1%
Inventory	5,024	21.5%	6,062	24.4%
Other Current Assets	1,969	8.4%	711	2.9%
Non-current Assets	4,476	19.2%	4,310	17.4%
Total Assets	23,368	100.0%	24,767	100.0%
Loan	2,693	11.5%	1,876	7.6%
A/P	9,849	42.2%	11,467	46.3%
Leasehold Payable	113	0.5%	128	0.5%
Other Payable & Liabilities	3,703	15.8%	4,070	16.4%
Total Liabilities	16,358	70.0%	17,541	70.8%
Total Equity	7,010	30.0%	7,226	29.2%

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\$33.4 BN in 2018 (approximately US\$1.1 BN). For more information, please visit www.sercomm.com

#

Investor Relations Contact

Charlton Chen
Spokesperson
Phone : 886-2-2655-3988
Email : ir@sercomm.com

Grace Liao
Investor Relations Manager
Phone: 886-2-2655-3988 ext. 2103
Email : grace_liao@sercomm.com