



**Sercomm Corporation**

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**Sercomm Announces 1Q 2018 Financial Results**

Taipei, Taiwan, 11<sup>th</sup> May 2018- Sercomm Corporation (TWSE: 5388), a leading manufacturer of telecom and broadband equipment today announced financial results for the first quarter of year 2018.

On consolidated basis, net sales for the first quarter of year 2018 was NT\$7.96 billion, which represents a 4.4% decrease over NT\$8.33 billion for 1Q'17. Gross profit for the first quarter of 2018 was \$1.03 billion with 13% gross margin. Income before tax and net income attributable to shareholders of the parent for 1Q'18 was NT\$236 million and NT\$186 million, respectively. Based on 246 million weighted average shares, earnings per share (EPS) were reported as NT\$0.76 for the 1st quarter of 2018.

**Table 1: 1Q 2018 Statement of Comprehensive Income**

(In NT\$MN)	2018		2017		Change
	1Q	%	1Q	%	
Net Revenue	7,963	100.0%	8,328	100.0%	-4.4%
Cost of Goods Sold	6,931	87.0%	7,239	86.9%	-4.3%
Gross Profit	1,032	13.0%	1,089	13.1%	-5.2%
Operating Expenses	822	10.3%	820	9.9%	0.2%
Operating Profit	210	2.7%	269	3.2%	-21.9%
Non-operating Income & Expenses	26	0.3%	14	0.2%	85.7%
Income before Tax	236	3.0%	283	3.4%	-16.6%
Net Income Attributable to Shareholders of the Parent	186	2.3%	229	2.7%	-18.8%
EPS (NTD\$1)*	0.76		0.94		

\* Based on weighted average shares: 245,654 thousand shares for 1Q 2018 and 242,920 thousand shares for 1Q 2017

**Table 2: Consolidated Balance Sheet**

(In NT\$MN)	March 31, 2018		March 31, 2017	
	Amount	%	Amount	%
Cash Equivalents	5,854	25.9%	5,372	24.0%
A/R	5,724	25.3%	5,910	26.4%
Inventory	5,890	26.1%	5,912	26.4%
Other Current Assets	671	3.0%	870	4.0%
Non-current Assets	4,447	19.7%	4,303	19.2%
Total Assets	22,586	100.0%	22,367	100.0%
Loan	1,960	8.7%	2,011	9.0%
A/P	9,370	41.5%	9,166	41.0%
Leasehold Payable	124	0.6%	142	0.6%
Other Payable & Liabilities	3,691	16.3%	3,796	17.0%
Total Liabilities	15,145	67.1%	15,115	67.6%
Total Equity	7,441	32.9%	7,252	32.4%

**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\$38.6 BN in 2017 (approximately US\$1.3 BN). For more information, please visit [www.sercomm.com](http://www.sercomm.com)

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