

Alpha Networks Inc. Reports Third Quarter 2017 Results

Hsinchu, Taiwan, November 6, 2017 -- Alpha Networks Inc. (TWSE: 3380) today announced its consolidated financial results for the third quarter of 2017.

The consolidated revenue for 3Q17 was NT\$4,838 million, down 5.0% from last quarter. Gross profit increased 0.9% to NT\$764 million from last quarter, and gross margin was 15.8%, up 0.9 points. Operating expenses were NT\$587 million, up 0.5% quarter-over-quarter. Operating income was NT\$177 million, or 3.7% of net sales. Net income was NT\$160 million, or NT\$0.37 per share. 3Q17's revenue by product categories: LAN/MAN accounted for 60% of 3Q17 consolidated revenue, followed by Wireless Broadband at 31%, and Digital Multimedia at 9%.

The consolidated revenue for the nine months ending September of 2017 was NT\$14,695 million, down 12.0% year-over-year. However, gross margin was 15.9%, an increase of 1.2 points as a result of better product portfolio and disciplined cost management. Operating expenses were NT\$1,765 million, down 9.1% from the prior year. Operating margin was up 10.2% YoY to NT\$572 million, or 3.9% of net sales. Income before tax was NT\$622 million, down 0.2% YoY. However, if gain on disposal of investment in 2Q16, NT\$114 million was not included, income before tax of 1Q-3Q'17 was up 22.2% or an increase of NT\$113 million year-over-year. Net income was NT\$479 million, or NT\$1.10 per share. 1Q-3Q'17's revenue by product categories: LAN/MAN accounted for 61% of 1Q-3Q'17 consolidated revenue, followed by Wireless Broadband at 27%, and Digital Multimedia at 12%.

Alpha Networks Inc. 3Q17 Results and QoQ comparison: (Unit: NT\$ million)

	3Q17	%	2Q17	%	QoQ Change %
Net Sales	4,838	100.0	5,092	100.0	-5.0%
Gross Profit	764	15.8	757	14.9	0.9%
Operating Expenses	587	12.1	584	11.5	0.5%
Operating Income	177	3.7	173	3.4	2.3%
Income before Tax	207	4.3	201	3.9	3.0%
Net Income	160	3.3	147	2.9	8.8%
Earnings Per Share (NT\$)	0.37		0.34		

Alpha Networks Inc. 1Q-3Q'17 Results and YoY comparison: (Unit: NT\$ million)

	1Q-3Q'17	%	1Q-3Q'16	%	YoY Change %
Net Sales	14,695	100.0	16,695	100.0	-12.0%
Gross Profit	2,338	15.9	2,461	14.7	-5.0%
Operating Expenses	1,765	12.0	1,942	11.6	-9.1%
Operating Income	572	3.9	519	3.1	10.2%
Income before Tax	622	4.2	623	3.7	-0.2%
Net Income	479	3.3	486	2.9	-1.4%
Earnings Per Share (NT\$)	1.10		1.12		

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