

Alpha Networks Inc. Reports Second Quarter 2018 Results

Hsinchu, Taiwan, August 6, 2018 -- Alpha Networks Inc. (TWSE: 3380) today announced its consolidated financial results for the second quarter of 2018.

The consolidated revenue for 2Q18 was NT\$3,950 million, down 1.0% from last quarter. Gross profit was NT\$418 million, and gross margin was 10.6%. The sequential decrease was impacted by higher costs of certain components. Operating expenses were NT\$589 million. Operating loss was NT\$171 million, or -4.3% of net sales. Net loss was NT\$163 million, or -NT\$0.31 per share. 2Q18's revenue by product categories: LAN/MAN accounted for 68% of 2Q18 consolidated revenue, followed by Wireless Broadband at 23%, and Digital Multimedia at 9%.

The consolidated revenue for the first half of 2018 was NT\$7,938 million, down 19.5% year-over-year. Gross profit was NT\$918 million, and gross margin was 11.6%. The sequential decrease was impacted by higher costs of certain components. Operating expenses were NT\$1,153 million, down 2.2% from the prior year. Operating loss was NT\$235 million, or -3.0% of net sales. Net loss was NT\$223 million, or -NT\$0.45 per share. 1H18's revenue by product categories: LAN/MAN accounted for 64% of 1H18 consolidated revenue, followed by Wireless Broadband at 26%, Digital Multimedia at 9%, and Others 1%.

Alpha Networks will continue to focus on "mobile communications" as the core strategy going forward and be dedicated to strengthen competitiveness and profitability.

Alpha Networks Inc. 2Q18 Results and QoQ comparison: (Unit: NT\$ million)

	2Q18	%	1Q18	%	QoQ Change %
Net Sales	3,950	100.0	3,989	100.0	-1.0%
Gross Profit	418	10.6	501	12.6	-16.6%
Operating Expenses	589	14.9	565	14.2	4.2%
Operating Income (Loss)	(171)	(4.3)	(64)	(1.6)	-167.2%
Income (Loss) before Tax	(151)	(3.8)	(39)	(1.0)	-287.2%
Net Income (Loss)	(163)	(4.1)	(60)	(1.5)	-171.7%
Earnings (Loss) Per Share (NT\$)	(0.31)		(0.13)		

Alpha Networks Inc. 1H18 Results and YoY comparison: (Unit: NT\$ million)

	1H18	%	1H17	%	YoY Change %
Net Sales	7,938	100.0	9,857	100.0	-19.5%
Gross Profit	918	11.6	1,574	16.0	-41.7%
Operating Expenses	1,153	14.5	1,179	12.0	-2.2%
Operating Income (Loss)	(235)	(3.0)	395	4.0	-159.5%
Income (Loss) before Tax	(191)	(2.4)	415	4.2	-146.0%
Net Income (Loss)	(223)	(2.8)	318	3.2	-170.1%
Earnings (Loss) Per Share (NT\$)	(0.45)		0.73		

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