

Alpha Networks Inc. Reports Third Quarter 2018 Results

Hsinchu, Taiwan, November 14, 2018 -- Alpha Networks Inc. (TWSE: 3380) today announced its consolidated financial results for the third quarter of 2018.

The consolidated revenue for 3Q18 was NT\$3,584 million, down 9.3% from last quarter. However, gross profit increased 24.6% to NT\$521 million from last quarter; gross margin improved to 14.5%, an increase of 3.9 points as a result of better product portfolio and disciplined cost management. Operating expenses were NT\$540 million, down 8.3% quarter-over-quarter. Operating loss was NT\$19 million, or -0.5% of net sales. Net income was NT\$22 million, or NT\$0.04 per share. 3Q18's revenue by product categories: LAN/MAN accounted for 63% of 3Q18 consolidated revenue, followed by Wireless Broadband at 29%, and Digital Multimedia at 8%.

The consolidated revenue for the nine months ending September of 2018 was NT\$11,522 million, down 21.6% year-over-year. Gross profit was NT\$1,439 million, and gross margin was 12.5%. The sequential decrease was impacted by higher costs of certain components. Operating expenses were NT\$1,692 million, down 4.2% from the prior year. Operating loss was NT\$253 million, or -2.2% of net sales. Net loss was NT\$202 million, or -NT\$0.40 per share. 1Q-3Q'18's revenue by product categories: LAN/MAN accounted for 64% of 1Q-3Q'18 consolidated revenue, followed by Wireless Broadband at 27%, and Digital Multimedia at 9%.

Alpha Networks Inc. 3Q18 Results and QoQ comparison: (Unit: NT\$ million)

	3Q18	%	2Q18	%	QoQ Change %
Net Sales	3,584	100.0	3,950	100.0	-9.3%
Gross Profit	521	14.5	418	10.6	24.6%
Operating Expenses	540	15.0	589	14.9	-8.3%
Operating Income (Loss)	(19)	(0.5)	(171)	(4.3)	88.9%
Income (Loss) before Tax	23	0.6	(151)	(3.8)	115.2%
Net Income (Loss)	22	0.6	(163)	(4.1)	113.5%
Earnings (Loss) Per Share (NT\$)	0.04		(0.31)		

Alpha Networks Inc. 1Q-3Q'18 Results and YoY comparison: (Unit: NT\$ million)

	1Q-3Q'18	%	1Q-3Q'17	%	YoY Change %
Net Sales	11,522	100.0	14,695	100.0	-21.6%
Gross Profit	1,439	12.5	2,338	15.9	-38.5%
Operating Expenses	1,692	14.7	1,766	12.0	-4.2%
Operating Income (Loss)	(253)	(2.2)	572	3.9	-144.2%
Income (Loss) before Tax	(167)	(1.5)	622	4.2	-126.8%
Net Income (Loss)	(202)	(1.8)	479	3.3	-142.2%
Earnings (Loss) Per Share (NT\$)	(0.40)		1.10		

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