

Alpha Networks Inc. Reports Second Quarter 2019 Results

Hsinchu, Taiwan, August 14, 2019 -- Alpha Networks Inc. (TWSE: 3380) today announced its consolidated financial results for the second quarter of 2019.

The consolidated revenue for 2Q19 was NT\$3,949 million, up 22.8% from last quarter. Gross profit increased 37.9% to NT\$728 million quarter-over-quarter; gross margin improved to 18.4%, an increase of 2.0 points as a result of better product portfolio. Operating expenses were NT\$646 million. Operating income was NT\$82 million, or 2.1% of net sales. Net income was NT\$84 million, or NT\$0.16 per share. 2Q19's revenue by product categories: LAN/MAN accounted for 66% of 2Q19 consolidated revenue, followed by Wireless Broadband at 23%, Digital Multimedia at 10%, and Others 1%.

The consolidated revenue for the first half of 2019 was NT\$7,165 million, down 9.7% on a year-over-year basis. However, gross profit increased 36.8% to NT\$1,256 million from the prior year; gross margin improved to 17.5%, an increase of 5.9 points as a result of better product portfolio. Operating expenses were NT\$1,188 million. Operating income was NT\$68 million, or 0.9% of net sales. Net income was NT\$85 million, or NT\$0.16 per share. 1H19's revenue by product categories: LAN/MAN accounted for 65% of 1H19 consolidated revenue, followed by Wireless Broadband at 23%, Digital Multimedia at 11%, and Others 1%.

Alpha Networks Inc. 2Q19 Results and QoQ comparison: (Unit: NT\$ million)

| | 2Q19 | % | 1Q19 | % | QoQ Change % |
|----------------------------------|--------------|--------------|-------|-------|--------------|
| Net Sales | 3,949 | 100.0 | 3,216 | 100.0 | 22.8% |
| Gross Profit | 728 | 18.4 | 528 | 16.4 | 37.9% |
| Operating Expenses | 646 | 16.3 | 542 | 16.9 | 19.2% |
| Operating Income (Loss) | 82 | 2.1 | (14) | (0.4) | 685.7% |
| Income (Loss) before Tax | 127 | 3.2 | 9 | 0.3 | 1311.1% |
| Net Income (Loss) | 84 | 2.1 | 1 | 0.0 | 8300.0% |
| Earnings (Loss) Per Share (NT\$) | 0.16 | | 0.00 | | |

Alpha Networks Inc. 1H19 Results and YoY comparison: (Unit: NT\$ million)

| | 1H19 | % | 1H18 | % | YoY Change % |
|----------------------------------|--------------|--------------|--------|-------|--------------|
| Net Sales | 7,165 | 100.0 | 7,938 | 100.0 | -9.7% |
| Gross Profit | 1,256 | 17.5 | 918 | 11.6 | 36.8% |
| Operating Expenses | 1,188 | 16.6 | 1,153 | 14.5 | 3.0% |
| Operating Income (Loss) | 68 | 0.9 | (235) | (3.0) | 128.9% |
| Income (Loss) before Tax | 137 | 1.9 | (191) | (2.4) | 171.7% |
| Net Income (Loss) | 85 | 1.2 | (223) | (2.8) | 138.1% |
| Earnings (Loss) Per Share (NT\$) | 0.16 | | (0.45) | | |

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