

Alpha Networks Inc. Reports Third Quarter 2019 Results

Hsinchu, Taiwan, November 5, 2019 -- Alpha Networks Inc. (TWSE: 3380) today announced its consolidated financial results for the third quarter of 2019.

The consolidated revenue for 3Q19 was NT\$3,982 million, up 0.8% from last quarter. Gross profit was NT\$656 million, and gross margin was 16.5%. The sequential decrease was mainly attributed to product mix. Operating expenses were NT\$591 million, down 8.5% quarter-over-quarter. Operating income was NT\$65 million, or 1.6% of net sales. Net income was NT\$88 million, or NT\$0.16 per share. 3Q19's revenue by product categories: LAN/MAN accounted for 66% of 3Q19 consolidated revenue, followed by Wireless Broadband at 23%, Digital Multimedia at 10%, and Others 1%.

The consolidated revenue for the nine months ending September of 2019 was NT\$11,147 million, down 3.3% on a year-over-year basis. However, gross profit increased 32.9% to NT\$1,912 million from the prior year; gross margin improved to 17.1%, an increase of 4.6 points as a result of better product portfolio. Operating expenses were NT\$1,779 million. Operating income was NT\$133 million, or 1.2% of net sales. Net income was NT\$173 million, or NT\$0.32 per share. 1Q-3Q'19's revenue by product categories: LAN/MAN accounted for 66% of 1Q-3Q'19 consolidated revenue, followed by Wireless Broadband at 23%, and Digital Multimedia at 11%.

Alpha Networks Inc. 3Q19 Results and QoQ comparison: (Unit: NT\$ million)

	3Q19	%	2Q19	%	QoQ Change %
Net Sales	3,982	100.0	3,949	100.0	0.8%
Gross Profit	656	16.5	728	18.4	-9.9%
Operating Expenses	591	14.8	646	16.3	-8.5%
Operating Income (Loss)	65	1.6	82	2.1	-20.7%
Income (Loss) before Tax	114	2.9	127	3.2	-10.2%
Net Income (Loss)	88	2.2	84	2.1	4.8%
Earnings (Loss) Per Share (NT\$)	0.16		0.16		

Alpha Networks Inc. 1Q-3Q'19 Results and YoY comparison: (Unit: NT\$ million)

	1Q-3Q'19	%	1Q-3Q'18	%	YoY Change %
Net Sales	11,147	100.0	11,522	100.0	-3.3%
Gross Profit	1,912	17.1	1,439	12.5	32.9%
Operating Expenses	1,779	16.0	1,692	14.7	5.1%
Operating Income (Loss)	133	1.2	(253)	(2.2)	152.6%
Income (Loss) before Tax	250	2.2	(167)	(1.5)	249.7%
Net Income (Loss)	173	1.6	(202)	(1.8)	185.6%
Earnings (Loss) Per Share (NT\$)	0.32		(0.40)		

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