



## TECO Electric & Machinery Co., Ltd.

5F, 19-9, San Chong Road, Nan-Kang, Taipei 115, Taiwan

Tel: (8862) 2655-3333 | Fax: (8862) 2655-2259 | <http://www.teco.com.tw>

## TECO Announces 1Q 2019 Results

Taipei, Taiwan, May 14 2019 - TECO Electric and Machinery Co., Ltd., a leading manufacturer and service provider of motors, home appliances and information technology, today announced its financial results for 1Q 2019.

### Consolidated Basis

Unit: NT\$1,000

Item	Period	1Q 2019	vs. 1Q 2018 (+/-%)	vs. 4Q 2018 (+/-%)
Operating Revenue		11,707,047	-3.7%	-9.9%
Gross Profit, net		2,904,711	-3.5%	-6.5%
Operating Profit		926,078	2.1%	8.8%
Income Tax Expense		263,010	0.7%	39.1%
Net Income <sup>(1)</sup>		634,584	18.1%	-8.0%
EPS(NT\$)		0.32		

(1) Excluding non-controlling interests.

Please find the details in the following pages.

For the first quarter of 2019, net revenue totaled NT\$11,707 million and gross profit was NT\$2,905 million. Operating profit came in at NT\$926 million and net income was NT\$635 million. Earnings per share was reported as NT\$0.32.

Recurring operating revenue and gross profit decreased by 3.6% and 3.5% respectively as opposed to 1Q'18. Operating profit increased by 2.1% and net income increased by 18.1%. Increase in non-operating income is mainly due to higher currency exchange loss in 1Q'18.

**Table 1**

(In NT\$1,000, except EPS)	1Q' 19		1Q' 18		YoY %
	Amount	%	Amount	%	
Operating Revenue	11,707,047	100.0%	12,155,711	100.0%	-3.7%
Recurring Operating Revenue	11,619,103	99.2%	12,054,411	99.2%	-3.6%
Available for sale financial assets					
Operating Costs	87,944	0.8%	101,300	0.8%	-13.2%
Gross Profit, net <sup>(1)</sup>	(8,803,191)	-75.2%	(9,145,732)	-75.2%	-3.7%
Operating expenses	2,904,711	24.8%	3,010,078	24.8%	-3.5%
Operating Profit	(1,978,633)	-16.9%	(2,102,724)	-17.3%	-5.9%
Non-operating Income (Expense)	926,078	7.9%	907,354	7.5%	2.1%
Other Income	43,354	0.4%	(54,664)	-0.4%	-179.3%
Other Gains and Losses	180,897	1.5%	164,966	1.4%	9.7%
Financial Costs	(73,642)	-0.6%	(171,058)	-1.4%	-56.9%
Share of Profit (Loss) of Associates and Joint Ventures	(72,031)	-0.6%	(58,737)	-0.5%	22.6%
Accounted for Using Equity Method	8,130	0.1%	10,165	0.1%	-20.0%
Income before Tax	969,432	8.3%	852,690	7.0%	13.7%
Income Tax Expense	(263,010)	-2.2%	(261,124)	-2.1%	0.7%
Net Income <sup>(2)</sup>	634,584	5.4%	537,261	4.4%	18.1%
EPS	0.32		0.27		

Note:

(1) Unrealized / realized gain on inter-affiliate accounts included.

(2) Excluding non-controlling interests.

Recurring operating revenue for 1Q'19 decreased 11.1% over 4Q'18. Gross profit decreased by 6.5% while operating profit increased by 8.8%. Net income decreased by 8.0%.

**Table 2**

	1Q ' 19		4Q ' 18		YoY %
	Amount	%	Amount	%	
(In NT\$1,000, except EPS)					
Operating Revenue	11,707,047	100.0%	12,995,090	100.0%	-9.9%
Recurring Operating Revenue	11,619,103	99.2%	13,070,819	100.6%	-11.1%
Available for sale financial assets					
Operating Costs	87,944	0.8%	(75,729)	-0.6%	-216.1%
Gross Profit, net <sup>(1)</sup>	(8,803,191)	-75.2%	(9,888,920)	-76.1%	-11.0%
Operating expenses	2,904,711	24.8%	3,106,775	23.9%	-6.5%
Operating Profit	(1,978,633)	-16.9%	(2,255,697)	-17.4%	-12.3%
Non-operating Income (Expense)	926,078	7.9%	851,078	6.5%	8.8%
Other Income	43,354	0.4%	110,423	0.8%	-60.7%
Other Gains and Losses	180,897	1.5%	246,029	1.9%	-26.5%
Financial Costs	(73,642)	-0.6%	(74,480)	-0.6%	-1.1%
Share of Profit (Loss) of Associates and Joint Ventures	(72,031)	-0.6%	(58,162)	-0.4%	23.8%
Accounted for Using Equity Method	8,130	0.1%	(2,964)	0.0%	-374.3%
Income before Tax	969,432	8.3%	961,501	7.4%	0.8%
Income Tax Expense	(263,010)	-2.2%	(189,022)	-1.5%	39.1%
Net Income <sup>(2)</sup>	634,584	5.4%	689,399	5.3%	-8.0%
EPS	0.32		0.35		

**Note:**

(1) Unrealized / realized gain on inter-affiliate accounts included.

(2) Excluding non-controlling interests.

**Table 3**

(In NT\$1,000)	Mar 31, 2019	Dec 31, 2018	Mar 31, 2018
Cash & Cash Equivalents	17,519,287	17,535,566	18,166,969
Receivables	10,705,587	10,841,917	11,085,334
Inventories	11,492,629	11,429,685	11,813,647
Other Current Assets	4,403,611	3,953,203	4,353,853
Total Current Assets	44,121,114	43,760,371	45,419,803
Financial assets at fair value through profit or loss - Non-current financial assets at fair value through other comprehensive income	2,229,874	2,140,203	2,005,130
Investment accounted for under the equity method	13,517,552	11,354,525	11,184,948
Property, plant and equipment, net	3,896,048	4,207,360	4,052,341
Right-of-use Assets	17,162,909	17,363,543	17,832,909
Other Non-Current Assets	7,394,241	-	-
Total Non-Current Assets	10,551,311	13,155,284	12,881,553
Total Assets	54,751,935	48,220,915	47,956,881
Short-Term Borrowings	98,873,049	91,981,286	93,376,684
Payables	1,947,764	1,994,360	2,710,538
Other Non-Current Liabilities	11,304,481	12,538,210	12,337,087
Current Liabilities	4,472,846	3,608,810	3,879,376
Bonds Payable	17,725,091	18,141,380	18,927,001
Long-Term Borrowings	4,000,000	4,000,000	4,000,000
Other Non-Current Liabilities	7,286,112	6,746,354	6,511,375
Total Non-Current Liabilities	9,324,777	4,602,637	4,848,451
Total Liabilities	20,610,889	15,348,991	15,359,826
Total Shareholders' Equity <sup>(1)</sup>	38,335,980	33,490,371	34,286,827
	60,537,069	58,490,915	59,089,857

(1) Including non-controlling interests.

#### About TECO Electric & Machinery Co., Ltd.

TECO Electric & Machinery Co., Ltd. (TSE 1504) was founded in 1956 and has since been well known as one of world's leading motor-manufacturers. For 60 years and running, TECO has now engaged in various business sectors ranging from Industrial Products, Home Appliances, Mechanical and Electrical Construction, Key Components Manufacturing and Information Technology. Teco's consolidated revenue was NT\$50.1 Billion for the 2018 fiscal year. More information is available at <http://www.teco.com.tw>

#### Investor Relations Contact

Nina Liu  
Investor Relations Specialist  
Phone : 886-2-2655-3333 Ext. 3302  
Fax : 886-2-2655-2291  
Email : [ninaliu@teco.com.tw](mailto:ninaliu@teco.com.tw)

#### PR Contact

Lily Chiang  
Public Relations Manager  
Phone : 886-2-2655-3333 Ext. 3579  
Fax : 886-2-2655-2291  
Email : [lily.chiang@teco.com.tw](mailto:lily.chiang@teco.com.tw)