



TECO Electric & Machinery Co., Ltd.

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TECO Announces 1Q 2017 Results

Taipei, Taiwan, May 15 2017 - 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 2017.

Consolidated Basis

Unit: NT\$1,000

Item	Period	1Q 2017	vs. 1Q 2016 (+/-%)	vs. 4Q 2016 (+/-%)
Operating Revenue		11,916,183	2.0%	-11.3%
Gross Profit, net		2,991,296	-5.7%	-12.1%
Operating Profit		898,656	-13.0%	-18.3%
Income Tax Expense		208,872	-22.9%	-4.2%
Net Income ⁽¹⁾		535,809	-21.6%	-38.0%
EPS(NT\$)		0.27		

(1) Excluding non-controlling interests.

Please find the details in the following pages.

For the first quarter of 2016, net revenue totaled NT\$11,916 million and gross profit was NT\$2,991 million. Operating profit came in at NT\$899 million and net income was NT\$536 million. Earnings per share was reported as NT\$0.27.

Recurring operating revenue increased by 1.9% as opposed to 1Q'16. Gross profit and operating profit decreased by 5.7% and 13.0% respectively. Net income decreased by 21.6%. The decrease in non-operating income was mainly due to the decrease in "Gain on disposal of investments" and increase in "Net currency exchange loss."

Table 1

(In NT\$1,000, except EPS)	1Q ' 17 ⁽³⁾		1Q ' 16 ⁽³⁾		YoY %
	Amount	%	Amount	%	
Operating Revenue	11,916,183	100.0%	11,678,422	100.0%	2.0%
Recurring Operating Revenue	11,775,785	98.8%	11,555,122	98.9%	1.9%
Gain on Sales of Financial Assets	140,398	1.2%	123,300	1.1%	13.9%
Operating Costs	(8,923,535)	-74.9%	(8,507,576)	-72.8%	4.9%
Gross Profit, net ⁽¹⁾	2,991,296	25.1%	3,170,551	27.1%	-5.7%
Operating expenses	(2,092,640)	-17.6%	(2,137,185)	-18.3%	-2.1%
Operating Profit	898,656	7.5%	1,033,366	8.8%	-13.0%
Non-operating Income (Expense)	(54,747)	-0.5%	28,390	0.2%	-292.8%
Other Income	132,905	1.1%	181,749	1.6%	-26.9%
Other Gains and Losses	(138,442)	-1.2%	(3,251)	0.0%	4158.4%
Financial Costs	(63,606)	-0.5%	(97,501)	-0.8%	-34.8%
Share of Profit (Loss) of Associates and Joint Ventures					
Accounted for Using Equity Method	14,396	0.1%	(52,607)	-0.5%	-
Income before Tax	843,909	7.1%	1,061,756	9.1%	-20.5%
Income Tax Expense	(208,872)	-1.8%	(270,981)	-2.3%	-22.9%
Net Income ⁽²⁾	535,809	4.5%	683,036	5.8%	-21.6%
EPS	0.27		0.34		

Note:

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

(2) Excluding non-controlling interests.

(3) Comply with IFRS.

Recurring operating revenue for 1Q'17 decreased 12.2% over 4Q'16. Gross profit decreased by 12.1% while operating profit decreased by 18.3%. Net income decreased by 38.0%. The decrease in non-operating income was mainly due to the decrease in "Gain on disposal of investments" and increase in "Net currency exchange loss."

Table 2

(In NT\$1,000, except EPS)	1Q ' 17 ⁽³⁾		4Q ' 16 ⁽³⁾		YoY %
	Amount	%		%	
Operating Revenue	11,916,183	100.0%	13,427,629	100.0%	-11.3%
Recurring Operating Revenue	11,775,785	98.8%	13,418,042	99.9%	-12.2%
Gain on Sales of Financial Assets	140,398	1.2%	9,587	0.1%	1364.5%
Operating Costs	(8,923,535)	-74.9%	(10,023,310)	-74.6%	-11.0%
Gross Profit, net ⁽¹⁾	2,991,296	25.1%	3,404,233	25.4%	-12.1%
Operating expenses	(2,092,640)	-17.6%	(2,303,983)	-17.2%	-9.2%
Operating Profit	898,656	7.5%	1,100,250	8.2%	-18.3%
Non-operating Income (Expense)	(54,747)	-0.5%	154,282	1.1%	-135.5%
Other Income	132,905	1.1%	158,159	1.2%	-16.0%
Other Gains and Losses	(138,442)	-1.2%	144,829	1.1%	-195.6%
Financial Costs	(63,606)	-0.5%	(42,815)	-0.3%	48.6%
Share of Profit (Loss) of Associates and Joint Ventures					
Accounted for Using Equity Method	14,396	0.1%	(105,891)	-0.8%	-
Income before Tax	843,909	7.1%	1,254,532	9.3%	-32.7%
Income Tax Expense	(208,872)	-2.3%	(218,109)	-1.6%	-4.2%
Net Income ⁽²⁾	535,809	5.8%	864,695	6.4%	-38.0%
EPS	0.27		0.44		

Note:

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

(2) Excluding non-controlling interests.

(3) Comply with IFRS.

Table 3

(In NT\$1,000)	Mar 31, 2016	Dec 31, 2016	Mar 31, 2016
Cash & Cash Equivalents	14,658,514	13,989,826	13,818,921
Receivables	12,277,618	13,859,458	12,317,743
Inventories	11,261,754	11,177,041	11,672,242
Other Current Assets	5,698,783	6,269,985	5,322,467
Total Current Assets	43,896,669	45,296,310	43,131,373
Financial Assets			
Available for sale - Non Current	12,554,658	11,743,617	12,023,030
Long-Term Investments			
Under Equity Method	3,909,226	3,871,299	3,951,407
Other Non-Current Assets	30,853,398	31,462,730	31,585,377
Total Non-Current Assets	47,317,282	47,077,646	47,559,814
Total Assets	91,213,951	92,373,956	90,691,187
Current Liabilities	17,507,668	18,958,845	22,693,357
Bonds Payable	3,000,000	3,000,000	3,000,000
Long-Term Borrowings	9,414,143	9,428,570	4,560,146
Other Non-Current Liabilities	5,070,785	5,261,998	5,042,701
Total Non-Current Liabilities	17,484,928	17,690,568	12,602,847
Total Liabilities	34,992,596	36,649,413	35,296,204
Total Shareholders' Equity ⁽¹⁾	56,221,355	55,724,543	55,394,983

(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\$49.9 Billion for the 2016 fiscal year. More information is available at <http://www.teco.com.tw>

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