



TECO Electric & Machinery Co., Ltd.

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TECO Announces 1Q 2018 Results

Taipei, Taiwan, May 15 2018 - 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 2018.

Consolidated Basis

Unit: NT\$1,000

Item	Period	1Q 2018	vs. 1Q 2017 (+/-%)	vs. 4Q 2017 (+/-%)
Operating Revenue		12,155,711	2.0%	-8.4%
Gross Profit, net		3,010,078	0.6%	0.2%
Operating Profit		907,354	1.0%	8.4%
Income Tax Expense		261,124	25.0%	47.8%
Net Income ⁽¹⁾		537,261	0.3%	-12.8%
EPS(NT\$)		0.27		

(1) Excluding non-controlling interests.

Please find the details in the following pages.

For the first quarter of 2017, net revenue totaled NT\$12,155 million and gross profit was NT\$3,010 million. Operating profit came in at NT\$907 million and net income was NT\$537 million. Earnings per share was reported as NT\$0.27.

Recurring operating revenue increased by 2.4% as opposed to 1Q'17. Gross profit and operating profit increased by 0.6% and 1.0% respectively. Net income increased by 0.3%.

Table 1

	1Q ' 18		1Q ' 17		YoY %
	Amount	%	Amount	%	
(In NT\$1,000, except EPS)					
Operating Revenue	12,155,711	100.0%	11,916,183	100.0%	2.0%
Recurring Operating Revenue	12,054,411	99.2%	11,775,785	98.8%	2.4%
Available for sale financial assets	101,300	0.8%	140,398	1.2%	-27.8%
Operating Costs	(9,145,732)	-75.2%	(8,923,535)	-74.9%	2.5%
Gross Profit, net ⁽¹⁾	3,010,078	24.8%	2,991,296	25.1%	0.6%
Operating expenses	(2,102,724)	-17.3%	(2,092,640)	-17.6%	0.5%
Operating Profit	907,354	7.5%	898,656	7.5%	1.0%
Non-operating Income (Expense)	(54,664)	-0.4%	(54,747)	-0.5%	-0.2%
Other Income	164,966	1.4%	132,905	1.1%	24.1%
Other Gains and Losses	(171,058)	-1.4%	(138,442)	-1.2%	23.6%
Financial Costs	(58,737)	-0.5%	(63,606)	-0.5%	-7.7%
Share of Profit (Loss) of Associates and Joint Ventures					
Accounted for Using Equity Method	10,165	0.1%	14,396	0.1%	-29.4%
Income before Tax	852,690	7.0%	843,909	7.1%	1.0%
Income Tax Expense	(261,124)	-2.1%	(208,872)	-1.8%	25.0%
Net Income ⁽²⁾	537,261	4.4%	535,809	4.5%	0.3%
EPS	0.27		0.27		

Note:

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

(2) Excluding non-controlling interests.

Recurring operating revenue for 1Q'17 decreased 9.5% over 4Q'16. Gross profit increased by 0.2% while operating profit increased by 8.4%. Net income decreased by 12.8%. The decrease in non-operating income was mainly due to the decrease in "Other non-operating income."

Table 2

(In NT\$1,000, except EPS)	1Q ' 18		4Q ' 17		YoY %
	Amount	%	Amount	%	
Operating Revenue	12,155,711	100.0%	13,275,213	100.0%	-8.4%
Recurring Operating Revenue	12,054,411	99.2%	13,317,867	100.3%	-9.5%
Available for sale financial assets	101,300	0.8%	(42,654)	-0.3%	-
Operating Costs	(9,145,732)	-75.2%	(10,270,250)	-77.4%	-10.9%
Gross Profit, net ⁽¹⁾	3,010,078	24.8%	3,004,596	22.6%	0.2%
Operating expenses	(2,102,724)	-17.3%	(2,167,850)	-16.3%	-3.0%
Operating Profit	907,354	7.5%	836,746	6.3%	8.4%
Non-operating Income (Expense)	(54,664)	-0.4%	87,408	0.7%	-162.5%
Other Income	164,966	1.4%	247,843	1.9%	-33.4%
Other Gains and Losses	(171,058)	-1.4%	(206,288)	-1.6%	-17.1%
Financial Costs	(58,737)	-0.5%	(58,591)	-0.4%	0.2%
Share of Profit (Loss) of Associates and Joint Ventures					
Accounted for Using Equity Method	10,165	0.1%	104,444	0.8%	-90.3%
Income before Tax	852,690	7.0%	924,154	7.0%	-7.7%
Income Tax Expense	(261,124)	-2.1%	(176,717)	-1.3%	47.8%
Net Income ⁽²⁾	537,261	4.4%	615,942	4.6%	-12.8%
EPS	0.27		0.31		

Note:

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

(2) Excluding non-controlling interests.

Table 3

(In NT\$1,000)	Mar 31, 2018	Dec 31, 2017	Mar 31, 2017
Cash & Cash Equivalents	18,166,969	14,129,330	14,658,514
Receivables	11,085,334	12,479,097	12,277,618
Inventories	11,813,647	11,336,492	11,261,754
Other Current Assets	4,353,853	6,317,849	5,698,783
Total Current Assets	45,419,803	44,262,768	43,896,669
Financial Assets			
Net gain on financial assets at fair value through profit or loss -Non Current	2,005,130	-	-
Net gain on financial assets at fair value through other comprehensive income -Non Current	11,184,948	-	-
Available for sale - Non Current	-	12,925,119	12,554,658
Long-Term Investments			
Under Equity Method	4,052,341	4,022,455	3,909,226
Other Non-Current Assets	30,714,462	30,806,615	30,853,398
Total Non-Current Assets	47,956,881	47,754,189	47,317,282
Total Assets	93,376,684	92,016,957	91,213,951
Current Liabilities	18,927,001	18,742,356	17,507,668
Bonds Payable	4,000,000	4,000,000	3,000,000
Long-Term Borrowings	6,511,375	6,466,239	9,414,143
Other Non-Current Liabilities	4,848,451	4,934,225	5,070,785
Total Non-Current Liabilities	15,359,826	15,400,464	17,484,928
Total Liabilities	34,286,827	34,142,820	34,992,596
Total Shareholders' Equity ⁽¹⁾	59,089,857	57,874,137	56,221,355

(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\$50.9 Billion for the 2017fiscal year. More information is available at <http://www.teco.com.tw>

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