SILITECH

Silitech Technology (3311.TW) investors conference：2018 Q3 turning into profit, cautious to expect Q4

Silitech Technology (3311.TW) today held its 2018 investors conference briefing its financial results. In the third quarter of the year, the company's consolidated revenue was NT$651 million, up 34% Q-o-Q and down 2% Y-o-Y. The third quarter gross margin was 14.7%, up 10% Q-o-Q and 0.6% Y-o-Y respectively. Net profit was NT$30 million with EPS of NT$0.17 and turning into profit.

Cumulated sales from January through September 2018 reached NT$1.65 billion, and the gross profit margin was 12%. Net loss totaled NT$54 million, NT$27 million lower than the first three quarters of 2017. EPS was NT$-0.3.

Silitech Technology's core technology lies in the integration of rubber, plastics and optics, and is applied to different industries and products divided into two categories: Mechanical Integration and Automotive Components. The Mechanical Integration contributed a 57% share of the first three quarters revenue, not only to maintain ongoing mobile phone buttons and gaming console products, but also to proactively deploy in cross-industry new areas such as toys, smart keys, smart locks, Netcom, and wisdom watch straps. The Automotive Components accounted for 43% share of total sales, from steady profitable automotive interior components, coupled with 3D glass car keys, glass car panels, and new technology development.

Looking back at the results of Silitech for the first three quarters of 2018, although the toy product assembly line did not reach an ideal state resulting in the decline in gross profit in the second quarter, the situation has been solved in the third quarter and the gross margin returned to normal level. In addition, ongoing mobile phones buttons, gaming console product, and automotive interior components maintained profitable, so the third quarter turned into profit. From the perspective of the external economic environment, due to negative factors such as the trade war between China and the US and the low visibility of the industry, third quarter results of this year will be the peak, and Silitech is cautious to expect the fourth quarter.

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