

Serial System Reports Net Profit of US\$2.7M in 1Q2021, Reversing Loss of US\$6.5M In Pandemic-Impacted 1Q2020; Higher Revenue For Electronic Components and Consumer Product Divisions

US\$'000	1Q2021	1Q2020	Change (%)
Sales	223,332	154,692	44
Gross Profit	17,295	9,159	89
Gross Profit Margin (%)	7.7	5.9	1.8 ppt*
Net Profit After Tax (Attributable to shareholders)	2,699	(6,460)	NM^
Earnings / (Loss) Per Share - fully diluted (US cents)	0.30	(0.72)	NM^

* ppt - Percentage Points

^ NM- Not meaningful

Singapore, 7 June 2021 – Serial System Ltd (“**Serial System**” or the “**Group**”) recorded net profit after tax (“NPAT”) of US\$2.7 million in the three months ended 31 March 2021 (“**1Q2021**”), reversing sharply from a loss of US\$6.5 million a year ago. The stronger performance was lifted by strategies to widen its supplier and customer base and improve efficiencies following the outbreak of COVID-19.

While the outbreak of the pandemic in 1Q2020 had impacted demand for electronic components, manufacturing activity in Asia, especially China, resumed subsequently. The main electronic components which SGX Mainboard-listed Serial System distributes are well diversified across various industries and include semiconductors for data centres, 5G connectivity, Internet of Things and automobiles, including electric vehicles.

Apart from these growth strategies Serial System has also been improving internal efficiencies, such as lowering its cost structure in areas such as manpower and related costs, and administration expenses to respond to the new operating environment.

Revenue in 1Q2021 rose to US\$223.3 million, 44% higher than a year ago, propelled largely by demand for semiconductors across Asia as Serial System added more customers and newer suppliers contributed to growth. The consumer products division in Malaysia also experienced stronger sales of computer peripherals amid stay-at-home restrictions due to the pandemic. However, the Managed Print Services business in Thailand was affected by COVID-19-related business disruption.

In line with revenue, gross profit margin has also improved to 7.7% in 1Q2021 from 5.9% a year earlier as the overall business and economic environment improved.

Serial System has continued to benefit from strategies, outlined in December 2020, to diversify its supplier base and product portfolio, expand the consumer product distribution business, enhance its print service businesses and streamline operations by adopting new processes and technology.

Given the recovery of economic conditions and ongoing growth initiatives, the Group intends to build on the momentum of recovery in the coming quarters, barring unforeseen circumstances.

Dr Derek Goh, Serial System's Executive Chairman and CEO, said: "We have had an encouraging start to 2021 after a challenging 2020. Amid the continued global chip shortage, more companies seek a reliable distributor with a strong base of suppliers and track record. We will also continue to grow our consumer products division in Southeast Asia while intensifying our efforts to improve internal efficiencies."

End

Issued on behalf of the Group by WeR1 Consultants Pte Ltd.

Media & Investor Contact Information

WeR1 Consultants Pte Ltd
1 Raffles Place
#02-01, One Raffles Place Mall
Suite 332
Singapore 048616
Tel: (65) 6721 7161
Isaac Tang, serialsystem@wer1.net

About Serial System Ltd

Established in 1988 and listed on the SGX Main Board since July 2000, Serial System has developed a synergistic global network that is built on strong partnerships with its suppliers and customers. Today, Serial System has one of the largest distribution networks in Asia, with 24 offices and 13 warehouses throughout Asia Pacific. It also has a wide customer base of more than 5,000, spanning a diverse range of industries such as consumer electronics, household appliances, industrial, telecommunications, electronic manufacturing services, automotive and medical.



Serial System Ltd
8 Ubi View #05-01 Serial System Building
Singapore 408554
Tel: (65) 6510 2408 | Fax: (65) 6510 2407

Its major suppliers for electronic components distribution include ON Semiconductor, OSRAM Opto Semiconductors, TE Connectivity, GigaDevice, Allegro MicroSystems and VARTA. Its major suppliers for consumer products distribution include AMD, Hewlett-Packard, Intel, Gigabyte, Viewsonic and Samsung.

Serial System's ability to align itself with the goals of its customers and suppliers makes it highly responsive to their needs. In meeting their engineering and supply chain needs, Serial System has become their integral component to success.

For more information please visit www.serialsystem.com