



Issued by: Test-Rite International Co., Ltd. (Ticker: 2908 TT/2908 TW)

Date: November 10, 2020

Subject: Test-Rite 3Q20 Earnings Results Announcement

Test-Rite reported revenue of NT\$10.9 billion in 3Q20 +11.5% YoY, net profit after tax of NT\$256 million, and basic EPS of NT\$0.52, showing a significant increase of 57.6%. Revenue in Q1-O3 of 2020 was NT\$30.8 billion +6.2% YoY while net profit after tax came in at NT\$633 million, with basic EPS of NT\$1.28.

On a consolidated basis, our revenue trading unit's revenue in 3Q20 and Q1-O3 of 2020 was NT\$10.9 billion and NT\$30.8 billion, up 11.5% and 6.2% YoY, respectively. Operating margin and net margin in 3Q20 and Q1-O3 of 2020 was 3.3% and 3.1% and 2.3% and 2.1%, respectively. Our operating performance was stronger than the comparison in 3Q19 and Q1-O3 of 2019. With the benefits of customers' strong demand in the U.S. and Europe, changes in people's lifestyle and focus on how to elevate the quality of life in the wake of COVID-19, and the promotion of Triple Stimulus Vouchers, our revenue increased significantly and drove the operating profit and net profit after tax to grow.

Our trading unit's revenue was NT\$6.42 billion in 3Q20, an increase of 21.7% YoY, and NT\$17.3 billion in the year to date, an increase of 14.7% YoY, because European and American retailers actively stocked up in response to advanced consumer spending at Thanksgiving and Christmas festivities. Trading business revenue has been growing for two consecutive quarters, which indicated that the shipment momentum would continue to perform strongly. Even though the COVID-19 pandemic continued to rage in Europe and the United States, our customers' power of pull in delivery hasn't been affected and remained strong with assurance. As the second wave of COVID-19 continues to rage abroad, the global economy remains uncertain. Test-Rite will continuously pay close attention to the development of the epidemic in each country.

Our Taiwan retail business reported revenue of NT\$4.02 billion in 3Q20, an increase of 4.4% YoY, and NT\$12.2 billion in the year to date, an increase of 2.2% YoY. With the impact of COVID-19, many people couldn't travel abroad and has stayed at home for a long time. They changed their lifestyles and focused on how to elevate their quality of life; the promotion of Triple Stimulus Vouchers also boosted the numbers of visitors and actual sales. Since the second quarter, retail revenue has been growing for two consecutive quarters, which showed that Taiwan retail sales continued to perform strongly. Moreover, Taiwan retail channels will host the November 11/"Double Eleven" Shopping Festival and cater to the peak season for replacements at the end of the year. These will likely further support the overall momentum in sales performance.



Figure 1 – Test-Rite IFRS-based consolidated P&L for 3Q20

(NT\$m)	3Q20	3Q19	YoY%	2020Q1-Q3	2019Q1-Q3	YoY%
Consolidated sales	10,906	9,781	11.5%	30,794	28,994	6.2%
COGS	(8,180)	(7,315)	11.8%	(22,713)	(21,135)	7.5%
Gross profit	2,726	2,466	10.6%	8,081	7,859	2.8%
Operating expense	(2,362)	(2,298)	2.8%	(7,121)	(7,227)	-1.5%
Operating profit	364	168	116.7%	960	632	51.9%
Non-operating income/loss	(14)	(46)	-70.3%	(98)	(677)	-85.6%
Pre-tax profit	351	122	186.4%	863	(45)	2001.1%
Net profit	260	172	51.2%	644	(29)	2320.7%
Other net profit	15	(94)	-116.0%	(73)	(106)	31.1%
Total net profit	275	78	252.6%	571	(135)	523.0%
Net profit attributable to TRIC shareholders	256	166	53.7%	633	(37)	1789.3%
NT Dollar (After Tax)						
Basic EPS	0.52	0.33	57.6%	1.28	(0.07)	1928.6%
Diluted EPS	0.52	0.33	57.6%	1.28	(0.07)	1928.6%
Gross margin	25.0%	25.2%	-0.2%	26.2%	27.1%	-0.9%
Operating margin	3.3%	1.7%	1.6%	3.1%	2.2%	0.9%
Pre-tax margin	3.2%	1.3%	2.0%	2.8%	-0.2%	3.0%
Net margin	2.3%	1.7%	0.6%	2.1%	-0.1%	2.2%

Linda Lin
CFO & Spokesperson
TEL: 886-2-8791-5888

Eric Chang (Please contact for further information)
Deputy Spokesperson
Tel: 886-2-8791-5888 ext. 5041
Email: Eric-JH.Chang@testritigroup.com

Judy Chen
Investor Relations Principal Specialist
TEL: 886-2-8791-5888 ext. 5936
E-mail: investor@testritigroup.com