



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

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Subject: Test-Rite 2Q21 and 1H21 Earnings Results Announcement

Test-Rite reported revenue of NT\$10.2 billion in 2Q21, net profit after tax of NT\$194 million, and basic EPS of NT\$0.39. Revenue in 1H21 was NT\$21.8 billion up 9.6% YoY while net profit after tax came in at NT\$472million, with basic EPS of NT\$0.95, showing a significant increase of 25% YoY.

On a consolidated basis, our revenue in 2Q21 was NT\$10.2billion. Gross margin and operating margin in 2Q21 was 24.3% and 2.3% respectively. Due to the COVID-19 Level 3 alert, the number of store shoppers dropped, resulting in a decline in Taiwan retail business revenue in 2Q21. In 1H21, our revenue was NT\$ 21.8 billion, an increase of 9.6 % YoY; gross margin and operating margin reached 24.8 %, 2.5% respectively while EPS was NT\$0.95, a significant increase of 25% YoY. With the stable sales and profitability, Test-Rite had a brilliant performance despite the COVID-19 pandemic. Facing the turbulence in the post-pandemic era, Test-Rite will not only operate core business steadily, but also continue to optimize our supply chain and retail channels.

Our trading unit's revenue was NT\$12.7 billion in 1H21, an increase of 16.4% YoY due to strong customer demand in the U.S. and Europe. As American and European countries usher in the retail boom season, it will add impetus to our trading business; the COVID-19 pandemic has also led to strong demand for epidemic prevention products. With these two factors combined, the growth momentum of our shipments is expected to extend till 2H21. In response to the peak season, our trading business will make good use of our flexible supply chain and keep a close watch on developments in countries around the world in order to meet the strong needs of overseas customers in a timely manner.

Our Taiwan retail business reported revenue of NT\$8.12 billion in 1H21. Due to the COVID-19 Level 3 alert, people worked and stayed at home for a long time and spent less at physical stores, causing our retail business revenue to decline. Facing such a challenge, Test-Rite managed to extend the service network in communities to effectively provide customers with what they need at home. As the COVID-19 pandemic continues to rage, we have to get prepared for the long-term fight. Test-Rite will comply with prevention measures and government regulations and provide a safe shopping environment for oncoming events such as the anniversary sale and Double Eleven Festival in 2H21; in addition, rigid demand for replacement of furniture at the end of the year is expected to further drive our Taiwan retail business performance.

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Figure 1 – Test-Rite IFRS-based consolidated P&L for 2Q21

(NT\$m)	2Q21	2Q10	YoY%	2021H1	2010H1	YoY%
Consolidated sales	10,215	10,672	-4.3%	21,792	19,888	9.6%
COGS	(7,737)	(7,787)	-0.6%	(16,380)	(14,533)	12.7%
Gross profit	2,478	2,885	-14.1%	5,412	5,355	1.1%
Operating expense	(2,247)	(2,500)	-10.1%	(4,872)	(4,759)	2.4%
Operating profit	231	385	-40.0%	540	596	-9.5%
Non-operating income/loss	30	(35)	-185.9%	94	(84)	-212.2%
Pre-tax profit	261	350	-25.4%	634	512	23.8%
Net profit	205	257	-20.5%	490	384	27.6%
Other net profit	(54)	(75)	-28.0%	(48)	(88)	-45.5%
Total net profit	151	182	-17.3%	442	296	49.4%
Net profit attributable to TRIC shareholders	194	256	-24.0%	472	378	24.9%
NT dollar (after tax)						
Basic EPS	0.39	0.52	-25.0%	0.95	0.76	25%
Diluted EPS	0.39	0.52	-25.0%	0.95	0.76	25%
Gross margin	24.3%	27.0%	-2.8%	24.8%	26.9%	-2.1%
Operating margin	2.3%	3.6%	-1.3%	2.5%	3.0%	-0.5%
Pre-tax margin	2.6%	3.3%	-0.7%	2.9%	2.6%	0.3%
Net margin	1.9%	2.4%	-0.5%	2.2%	1.9%	0.3%