



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

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Subject: Test-Rite 3Q22 Earnings Results Announcement

**Test-Rite reported revenue of NT\$9.1 billion in 3Q22, net profit attributable to TRIC shareholders of NT\$144 million, and basic EPS of NT\$0.29. Revenue in 2022 Q1-Q3 was NT\$29.1 billion while net profit after tax came in at NT\$489 million, with basic EPS of NT\$0.99.**

On a consolidated basis, our revenue in 3Q22 and 2022 Q1-Q3 was NT\$9.1 billion and NT\$29.1 billion, respectively. Due to the adjustment of shipping schedules and a high base period of shipments, our gross margin was 26.2% and 23.9% respectively; operating margin was 0.8% and 0.7% respectively; pre-tax margin was 2.5% and 2.1% respectively; EPS was NT\$0.29 and NT\$0.99. The turbulence in the post-pandemic era has disrupted the layout of global companies and brought the little impact to Test-Rite's operation. Facing the challenge of external environment, Test-Rite continued to adjust our portfolios, strengthen our financial structure, and use our own trading and retail network to respond to customers' requirement in time and mitigate the impact of external factors on the operations.

Our trading unit's revenue was NT\$ 4.38 billion and NT\$14.8 billion in 3Q22 and 2022 Q1-Q3 respectively, a decline from that in 3Q22 and 2022 Q1-Q3 due to the adjustment of shipping schedules and a high base period of shipments. Stock will be expected to reduce to a reasonable level with the peak sales season of Thanksgiving and Christmas. The external business environment and the recovery of global economy remained uncertain because of the COVID-19 pandemic and the Russia-Ukraine war. Test-Rite will continue to keep a close watch on the international situation and take countermeasures in a timely manner.

Our retail business revenue was NT\$3.94 billion and NT\$ 12.41 billion in 3Q22 and 2022 Q1-Q3 respectively. Due to changes in the global financial environment, rate hikes, and tight monetary policies, consumers lowered their willingness to spend. The slow real-estate market has lowered the consumers' demands for household goods, leading to a decline in 2022Q3 revenue. Face the trend of outdoor activities after lifting of COVID-19 restriction, Test-Rite will observe the follow-up the development of epidemic and continue to center its services on the value chain. Our retail channels will not only provide the hard and soft decoration products that cater to customer's lifestyles, but also offer one-stop services to meet various customer needs

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Figure 1 – Test-Rite IFRS-based consolidated P&L for 3Q22

(NT\$m)	3Q22	3Q21	YoY%	2022Q1-Q3	2022Q1-Q3	YoY%
Consolidated sales	9,097	10,732	-15.2%	29,072	32,524	-10.6%
COGS	(6,712)	(8,439)	-20.5%	(22,131)	(25,307)	12.5%
Gross profit	2,385	2,293	4.0%	6,942	7,217	-3.8%
Operating expense	(2,313)	(2,164)	6.9%	(6,743)	(6,549)	3.0%
Operating profit	72	129	-44.1%	199	668	-70.2%
Non-operating income/loss	155	39	300.0%	399	133	199.7%
Pre-tax profit	228	168	35.7%	598	802	-25.4%
Net profit	152	186	-18.2%	510	676	-24.5%
Other net profit	100	(30)	433.3%	231	(78)	-396.2%
Total net profit	252	156	61.8%	741	598	23.9%
<b>Net profit attributable to TRIC shareholders</b>	144	176	-18.6%	489	648	-24.5%
NT Dollar (After Tax)						
Basic EPS	0.29	0.36	-19.4%	1.31	1.28	2.3%
Diluted EPS	0.29	0.36	-19.4%	1.31	1.28	2.3%
Gross margin	26.2%	21.4%	4.8%	23.9%	22.2%	1.7%
Operating margin	0.8%	1.2%	-0.4%	0.7%	2.1%	-1.4%
Pre-tax margin	2.5%	1.6%	0.9%	2.1%	2.5%	-0.4%
Net margin	1.6%	1.6%	0.0%	1.7%	2.0%	-0.3%