



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

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Subject: 3Q19 Earnings Results Announcement

Test Rite reported revenue of NT\$9.78 billion in 3Q19, gross profit of NT\$2.47 billion, operating profit of NT\$168 million, and net income of NT\$166 million. Basic EPS of NT\$0.33 was up by 3.1% compared to the same period a year ago. In the year to date, revenue came in at NT\$29 billion, while gross profit registered NT\$7.86 billion, as operating profit posted NT\$632 million, and net profit was -NT\$37 million. Both gross and operating profit in the year to date were up from the comparable period last year, reflecting steady growth and healthy profitability in our core business.

As for the consolidated results for 3Q19, overall gross margin of 25.2% reduced slightly by 0.5 percentage points from a year ago. Meanwhile, the improvement in overall operating profit by 2.3% YoY was attributable to operational efficiencies and effective cost controls. The pick-up in gross and operating profit in the year to date, up by 0.5% and 8.4% YoY, respectively, was a reflection of solid operating momentum in both our trading and Taiwan retail businesses.

The continued strong performance of the U.S. economy, the “Double Eleven Singles Day” shopping event, and the peak season for furniture replacement at the end of the year are all expected to support growth in our core global trading and Taiwan retail businesses.



Figure 1 – Test-Rite IFRS-based consolidated P&L for 3Q19

(NT\$m)	3Q19	3Q18	YoY%	2019 YTD	2018 YTD	YoY%
Consolidated sales	9,781	9,837	-0.6%	28,994	30,106	-3.7%
COGS	(7,315)	(7,304)	0.1%	(21,135)	(22,288)	-5.2%
Gross profit	2,466	2,533	-2.7%	7,859	7,818	0.5%
Operating expense	(2,298)	(2,369)	-3.0%	(7,227)	(7,235)	-0.1%
Operating profit	168	164	2.3%	632	583	8.4%
Non-operating income/loss	(46)	22	NA	(677)	23	NA
Pre-tax profit	122	186	-34.2%	(45)	606	-107.5%
Net profit	166	165	0.8%	(37)	609	-104.8%
Other net profit	(93)	(71)	31.0%	(106)	(47)	125.5%
Total net profit	73	94	-23.1%	(143)	562	-121.4%
Net profit attributable to TRIC shareholders	166	165	0.8%	(37)	609	-106.2%
NT Dollar (After Tax)						
Basic EPS	0.33	0.32	3.1%	(0.07)	1.19	-106.2%
Diluted EPS	0.33	0.32	3.1%	(0.07)	1.19	-106.2%
Gross margin	25.2%	25.8%	-0.5%	27.1%	26.0%	1.1%
Operating margin	1.7%	1.7%	0.0%	2.2%	1.9%	0.2%
Pre-tax margin	1.3%	1.9%	-0.6%	-0.2%	2.0%	-2.2%
Net margin	1.7%	1.7%	0.0%	-0.1%	2.0%	-2.2%

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