TCL

TCL Electronics (01070.HK) Delivers Strong Growth in 2026 Interim Results
Adjusted Profit Attributable to Owners of the Parent Surges by 54.3% YoY to HK$1.64 Billion
Acquisition of TCL Air Conditioning Business to Advance All-Category Smart Device Layout

Results and Operational Highlights

- Leveraging the strategy of "Globalisation" and "Premiumisation", TCL sustained strong growth momentum in operational performance. In the first half of 2026, revenue increased by 16.4% year-on-year ("YoY") to HK$63.76 billion, adjusted profit attributable to owners of the parent increased by 54.3% YoY to HK$1.64 billion.
- **TV business**: In the first half of 2026, overall revenue from the TV business increased by 24.3% to HK$35.25 billion YoY and TCL TV ranked 2nd globally by shipment[1], of which global shipment of Mini LED TV increased by 77.1%, with shipment remaining No. 1 globally[2]. International markets are still the core growth driver of the Company. Gross profit in international markets increased by 70.6% YoY to HK$4.82 billion.
- **Internet business**: In the first half of 2026, revenue from the internet business increased by 16.1% to HK$1.69 billion YoY, while gross profit amounted to HK$1.03 billion, increased by 30.4% YoY. Among these, the high-margin international internet business recorded a YoY growth of 74.6% in revenue, accounting for over 50% of total revenue and driving the overall gross profit margin up to 61.1%, with profitability continuing to improve.
- **Innovative business**: In the first half of 2026, innovative business maintained steady development with revenue grew YoY by 2.5% to HK$20.37 billion.
- **Strategic acquisition**: TCL Electronics announced the proposed acquisition of TCL Industries Holdings' air-conditioning-related business. The acquisition aims to advance its "all-category smart device" layout strategy and further expand the Company's revenue and profitability.

(28 August 2026, Hong Kong) - **TCL Electronics Holdings Limited** ("**TCL Electronics**" or the **"Company"**, **01070.HK**) today announced its unaudited interim results for the six months ended 30 June 2026. Benefitting from the effective implementation of its strategies of deepening global channel penetration and upgrading its mid-to-high-end product portfolio, the Company recorded a 16.4% increase YoY in revenue to HK$63.76 billion. The increase in shipment from Mini LED and large-sized products drove a notable improvement in overall ASP, while gross profit recorded YoY increase of 30.3% to HK$10.90 billion.

Meanwhile, the Company continued to deepen refined operations across the entire value chain and optimise resource allocation efficiency, achieving effective cost and expense control,

[1] Source: Omdia, global brand TV shipment data for 2026 H1.
[2] Source: Omdia, global brand Mini LED TV shipment data for 2026 H1.

with overall expense[3] ratio at 11.7% during the reporting period. Bolstered by improved operating efficiency driven by AI and digital tools as well as economies of scale, the Company's profitability continued to improve, with profit after tax recording a YoY growth of 54.4% to HK$1.62 billion and adjusted profit attributable to owners of the parent recording a YoY growth of 54.3% to HK$1.64 billion during the period. In the first half of 2026, the Company's annualised return on equity increased by 4.2 p.p. YoY to 16.5%, maintaining a sound financial position. TCL ranked 12th in Gartner's 2026 Asia-Pacific Supply Chain Top 15, fully demonstrating the comprehensive strength and international competitiveness of the Group's supply chain system.

In terms of strategic development, on 31 March 2026, the Company entered into a transaction framework agreement with Sony in relation to the home entertainment sector through establishing a joint venture. Both parties will integrate their respective strengths in technologies, branding and supply chains to jointly build a new global home entertainment ecosystem, providing strategic support for expansion into the mid-to-high-end market.

In terms of the capital market, the Company is included for the first time in major indices including the "Hang Seng Composite Large-Cap & Mid-Cap Index" and the "Hang Seng SCHK Electronics Theme Index". Meanwhile, the Company received investment-grade ratings from three international credit rating agencies, Moody's, S&P Global Ratings and Fitch Ratings for the first time, demonstrating the international capital market recognition of the Company's operating performance, profitability and risk management capabilities.

Premiumisation and Larger-Screen Upgrades Drive Strong Performance of Display Business in International Markets

In the first half of 2026, the Company's TV business outperformed the industry, supported by its strong product competitiveness and global channel advantages. During the reporting period, revenue from the Company's TV business amounted to HK$35.25 billion, representing a YoY increase of 24.3%; gross profit reached HK$6.79 billion, up 50.5% YoY; and gross profit margin increased by 3.4 p.p. YoY to 19.3%. In the first half of 2026, TCL TV's global shipment market share reached 14.9%, up 0.7 p.p. YoY, maintaining its No.2 position globally. Its global sales revenue market share reached 13.4%, ranking among the top three globally[4]. Global shipment of Mini LED TVs, upgraded with SQD technology as their core, reached 2.43 million units, representing a YoY increase of 77.1%. Global shipment market share maintained No.1[5]. This further expanded the Company's premium product portfolio and validated the effectiveness of the Company's mid-to-high-end transformation and its global operating capabilities.

[3] Overall expenses comprise selling and distribution expenses and administrative expenses.
[4] Source: Omdia, global brand TV shipment data for 2026 H1.
[5] Source: Omdia, global brand Mini LED TV shipment data for 2026 H1.

In terms of international markets, supported by the continued implementation of the mid-to-high-end strategy and targeted brand marketing, TCL TV's revenue reached HK$25.44 billion, representing a YoY increase of 29.6% and accounting for as much as 72.2% of TCL TV's total revenue. Gross profit increased by 70.6% YoY to HK$4.82 billion. The gross profit margin increased by 4.5 p.p. to 18.9%. In Europe, the penetration rate in key sales channels increased to 75%, driving revenue in the European market up by 17.2% YoY. In North America, revenue and ASP increased by 26.3% and over 18% YoY, respectively, driven by an improved product mix and a focus on mid- to high-end products. Driven by the on-going deepening of localised operations, revenue from emerging markets increased by 37.3% YoY, significantly outperforming the overall markets.

In PRC market, the Company outperformed the industry with its product competitiveness. Revenue increased by 12.5% YoY to HK$9.81 billion, while gross profit rose by 17.0% YoY to HK$1.98 billion in the first half of 2026. The shipment market share of Mini LED TV remained No. 1[6] in the industry, demonstrating strong operating resilience.

The Company's small- and-medium-sized display business has been deeply engaged in the channels of leading network operators in Europe and the United States ("U.S."). In the first half of 2026, revenue increased by 27.4% YoY to HK$5.81 billion, while gross profit increased by 31.6% YoY to HK$0.83 billion. The smart commercial display business leveraged the TV business's globally leading resource advantages. In the first half of 2026, revenue increased by 23.2% YoY to HK$0.62 billion, while gross profit increased by 32.0% YoY to HK$0.07 billion.

Internet Business Sustains Strong Growth Momentum, Cumulative Users of TCL Channel Platform Reached Record High

In the first half of 2026, revenue from the Company's internet business amounted to HK$1.69 billion, representing a YoY increase of 16.1%, while gross profit amounted to HK$1.03 billion, increasing YoY by 30.4%. Among these, the high-margin international internet business recorded YoY growth of 74.6% in revenue, accounted for over 50% of total revenue and drove the overall gross profit margin up to 61.1%, profitability continues to improve.

Leveraging the scale advantages of its TV end-products and asset-light operating model, the Company's internet business deepened its cooperation with global internet giants including Google, Roku and Netflix. TCL Channel platform continued to enrich its content ecosystem, adding more than 110 local channels in the U.S., Brazil and France, viewing time for live-streaming content increased by 131% YoY. Its video-on-demand business launched more than 4,400 content items, with viewing time increasing by 106% YoY. At the end of June 2026, cumulative users of the platform exceeded 53.59 million, while total average daily usage time in Europe, North America and Latin America increased by 95% YoY. The increase in both user scale and engagement further strengthens the foundation for business monetisation.

[6] Source: Omdia, global brand Mini LED TV shipment data for the first half of 2026.

Steady Growth in Photovoltaic Business, with TCL AiMe AI Companion Robot Pioneering a New Blue Ocean in Consumer Electronics Market

In terms of innovative business, the photovoltaic business maintained its “relatively asset-light” positioning, optimised its business structure, focused on profitability, and expanded into core markets with strong power absorption capacity, high electricity prices and stable returns. The international markets continued to focus on core European countries, leveraging the synergies between SunPower’s brand influence and TCL’s global channel resources to accelerate the product deployment and business expansion of its “integrated energy solutions for photovoltaics, energy storage and heating”. During the first half of 2026, revenue steadily increased by 2.3% YoY to HK$11.39 billion.

Capitalising on market opportunities arising from the convergence of AI and IoT, the Company launched TCL AiMe in August 2026. Designed to provide emotional companionship in home scenarios, TCL AiMe is the world’s first companion robot, featuring a modular design, human-like facial-expression interaction and whole-home voice collaboration. TCL AiMe is officially launched in August 2026 and is expected to open up a new blue ocean in the consumer electronics sector.

Acquisition of TCL Air Conditioning Business to Advance All-Category Smart Device Layout

On 15 July 2026, the Company announced its proposed acquisition of the business of TCL air conditioner for a total consideration of HK$5.61 billion. Subject to the fulfilment of the conditions precedent, the transaction is expected to be completed in the fourth quarter of 2026 and subsequently consolidated into the Company’s financial statements. The global HVAC market offers substantial growth potential, driven by multiple factors including the increasing prevalence of extreme weather, rising penetration rates in emerging markets and demand for energy-efficiency upgrades. Upon completion of the transaction, the acquisition is expected to effectively strengthen the Company’s earnings base. The Company will leverage its mature global sales network and localised operating capabilities to unlock synergies across globalisation, branding and supply chains for a valuation re-rating, and continue to enhance returns for shareholders.

Looking ahead, the Company will continue to consolidate its global business foundation, implement a clear premiumisation development path, strengthening the profit contribution from ecosystem businesses and cultivate diversified growth drivers. Leveraging its core strengths in global strategic layout, technological innovation, the all-category smart device ecosystem and the home entertainment platform jointly established with Sony, the Company will continue to unlock its operating potential, capitalise on industry development opportunities and achieve long-term, steady, sustainable and high-quality growth.

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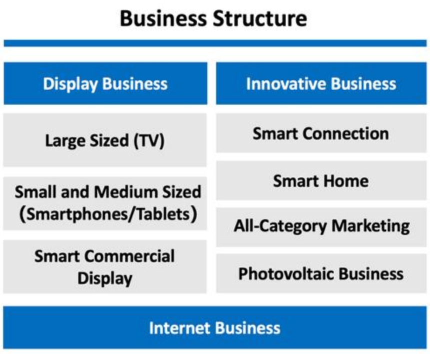
About TCL Electronics

TCL Electronics Holdings Limited (01070.HK, incorporated in the Cayman Islands with limited liability) has been listed on the Main Board of The Stock Exchange of Hong Kong Limited since November 1999. Its business scope covers display business, innovative business, and internet business. Guided by the business philosophy of "Strategy Guidance, Innovation Driven, Advanced Manufacturing and Global Operation", TCL Electronics actively embraces transformation and innovation and focuses on breaking into the mid-to-high-end global market, and strives for an all-category layout for the "Smart IoT Ecosystem". Dedicated to providing users with all-scenario smart healthy living experiences, TCL Electronics aims to become a leading global intelligent terminal enterprise. TCL Electronics is included in the list of eligible shares for the Shenzhen-Hong Kong Stock Connect. It is a constituent stock of the Hang Seng Stock Connect Hong Kong Index, the Hang Seng Composite LargeCap & MidCap Index, and the "Hang Seng SCHK Electronics Theme Index". Since 2018, the Company has been awarded an ESG rating of A by Hang Seng Indexes Company for several consecutive years.



For more information, please visit TCL Electronics' investor relations website at http://electronics.tcl.com, or scan the QR code below to access the official WeChat account of TCL Electronics Investor Relations.

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