# Merry Electronics

# 2017 Third Quarter Earnings Conference

MERRY Sounds Excellent

*Presented by : Allen Huang*
*Date : 2017.10.26*

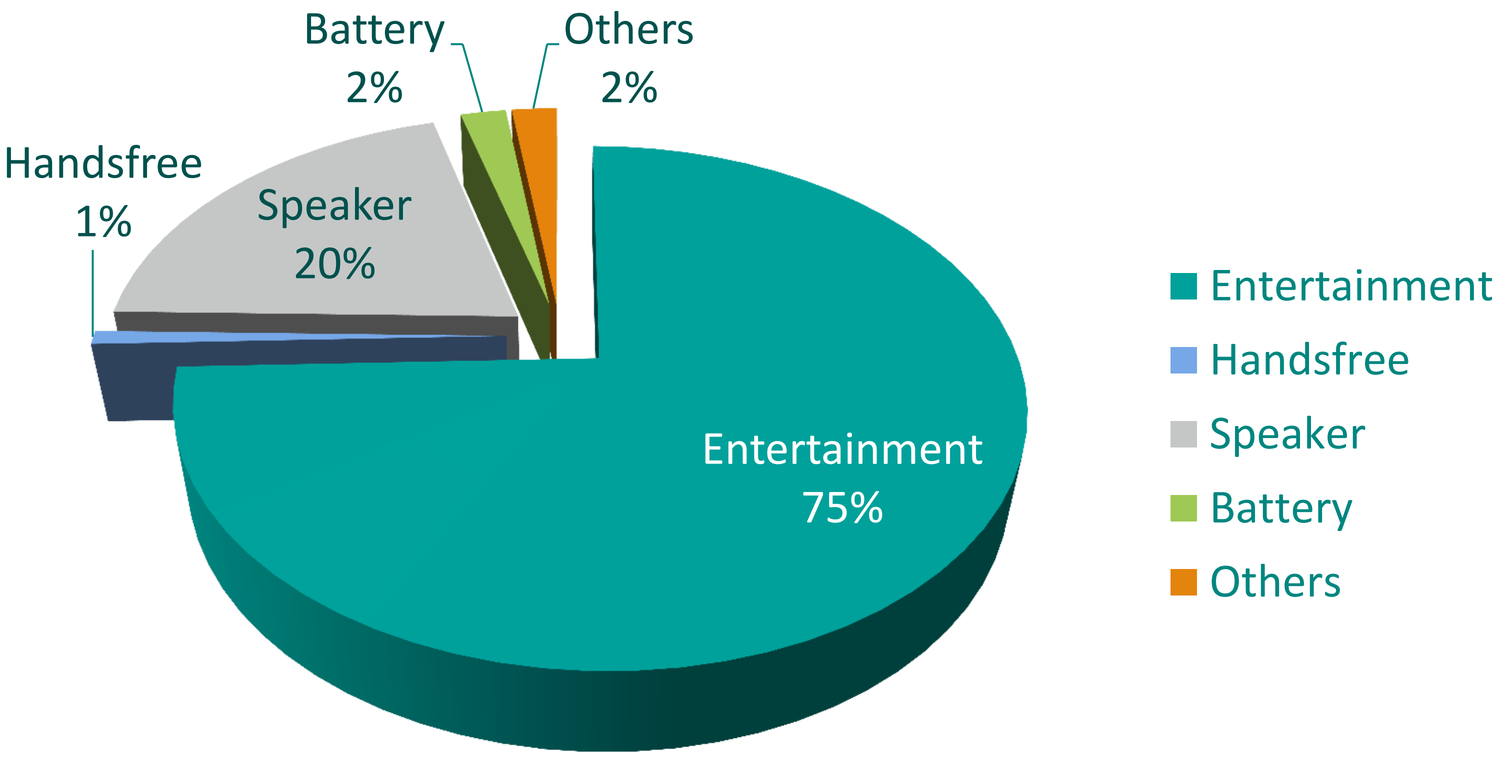
# 2017 Third Quarter Financial settlement (audited)

# Consolidated Statements of Comprehensive Income (audited)

(NT$ Thousand)

| | 3Q2017 | 2Q2017 | 3Q2016 | QoQ | YoY |
|---|---|---|---|---|---|
| Net Revenue | 6,484,836 | 5,368,400 | 4,932,787 | +20.80% | +31.46% |
| **Gross Profit** | **16.84%** | **19.00%** | **22.89%** | **-2.16ppt** | **-6.05ppt** |
| operating expenses | (496,241) | (425,829) | ( 500,578 ) | +16.54% | -0.87% |
| **Operating Margin** | **9.19%** | **11.07%** | **12.74%** | **-1.88ppt** | **-3.55ppt** |
| non-operating earnings | 140,829 | 73,145 | 512,097 | 92.53% | -72.50% |
| Net Income | 615,223 | 540,317 | 916,479 | 13.86% | -37.87% |
| **Net Profit Margin** | **9.49%** | **10.06%** | **18.58%** | **0.57ppt** | **-9.09ppt** |
| EPS | 3.25 | 2.89 | 5.01 | +12.46% | -35.13% |

# Proportion of the products revenue



# Proportion of the products revenue

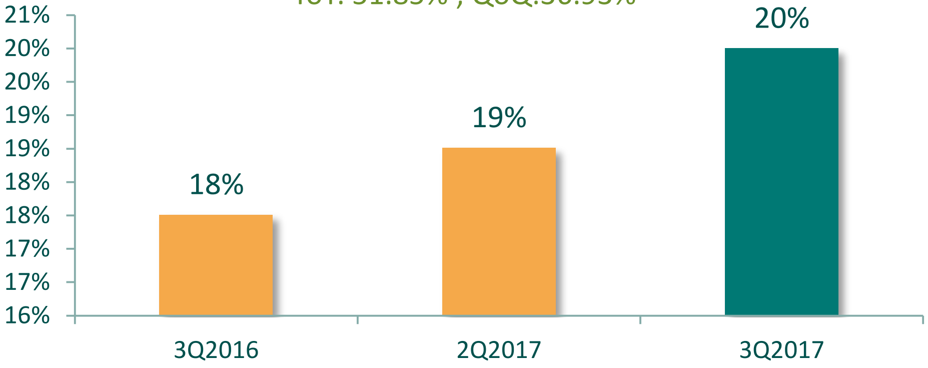
(%)

## Entertainment

YoY: 27.61% ; QoQ:19.40%

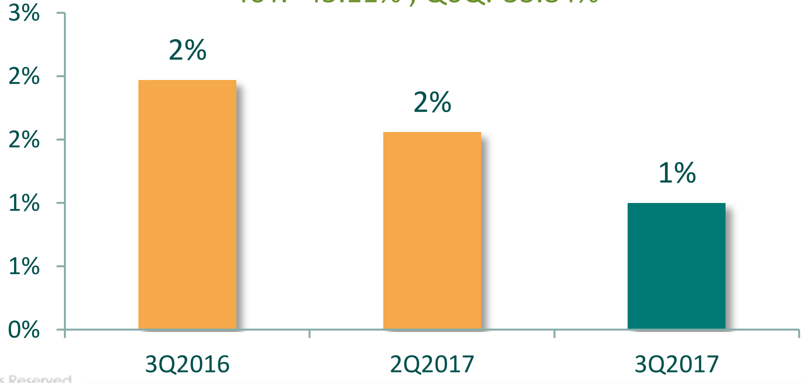

## Speaker

YoY: 51.85% ; QoQ:36.93%



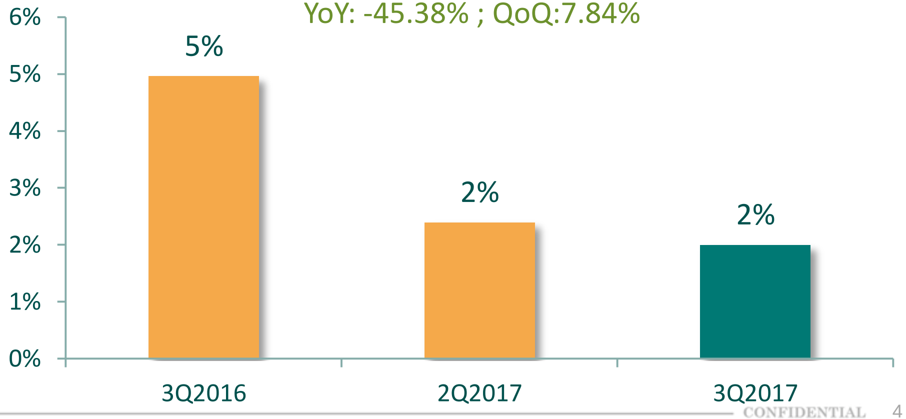

## Handsfree

YoY: -45.11% ; QoQ:-33.84%




## Battery

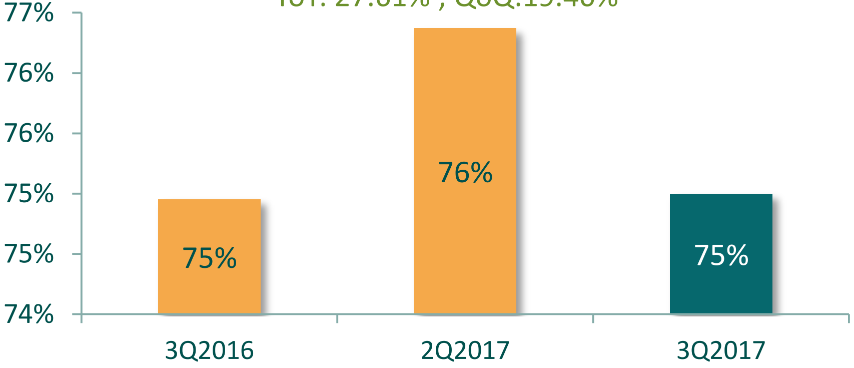
YoY: -45.38% ; QoQ:7.84%



# Proportion of the products revenue (%)

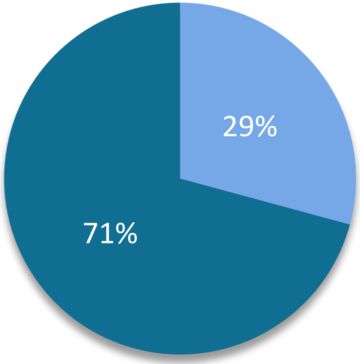
## Entertainment

YoY: 27.61% ; QoQ:19.40%

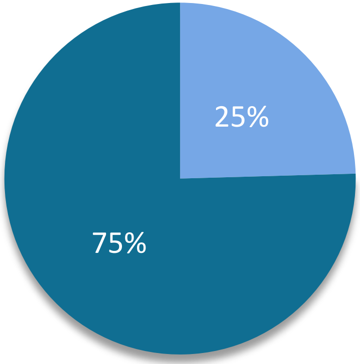



Wired/Entertainment
Wireless/Entertainment

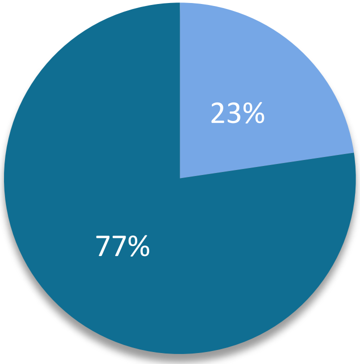
### 3Q2016




### 2Q2017




### 3Q2017

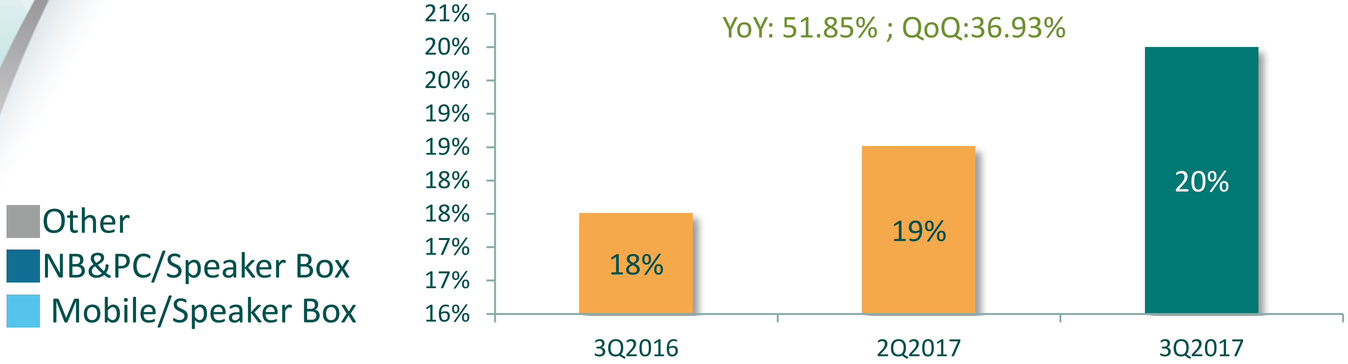


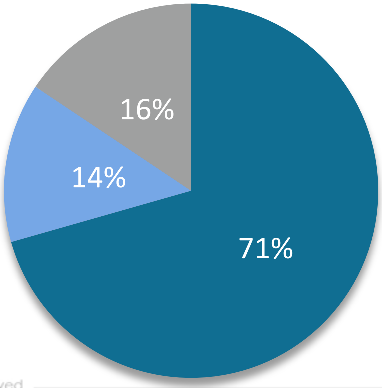
# Proportion of the products revenue

(%)

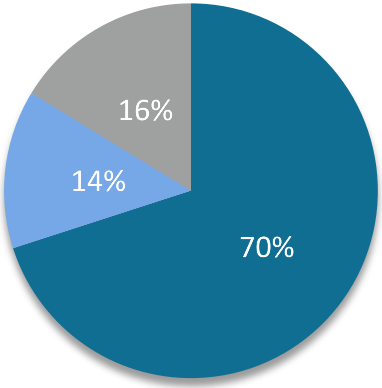
## Speaker



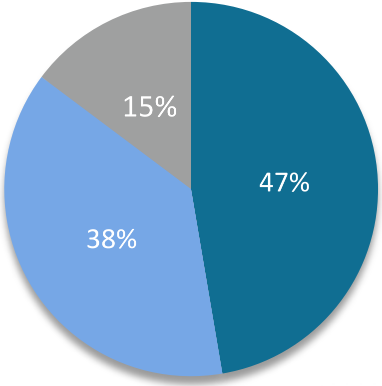

### 3Q2016



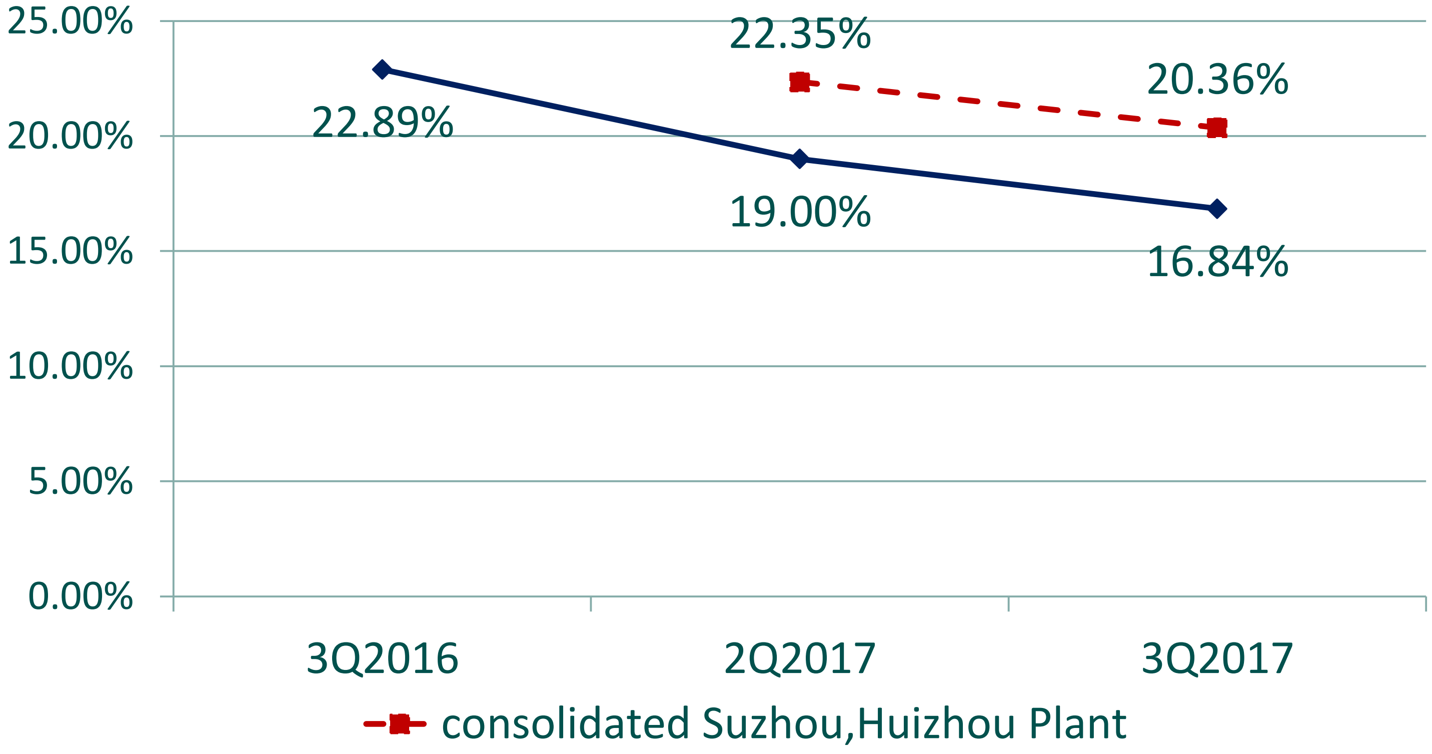

### 2Q2017



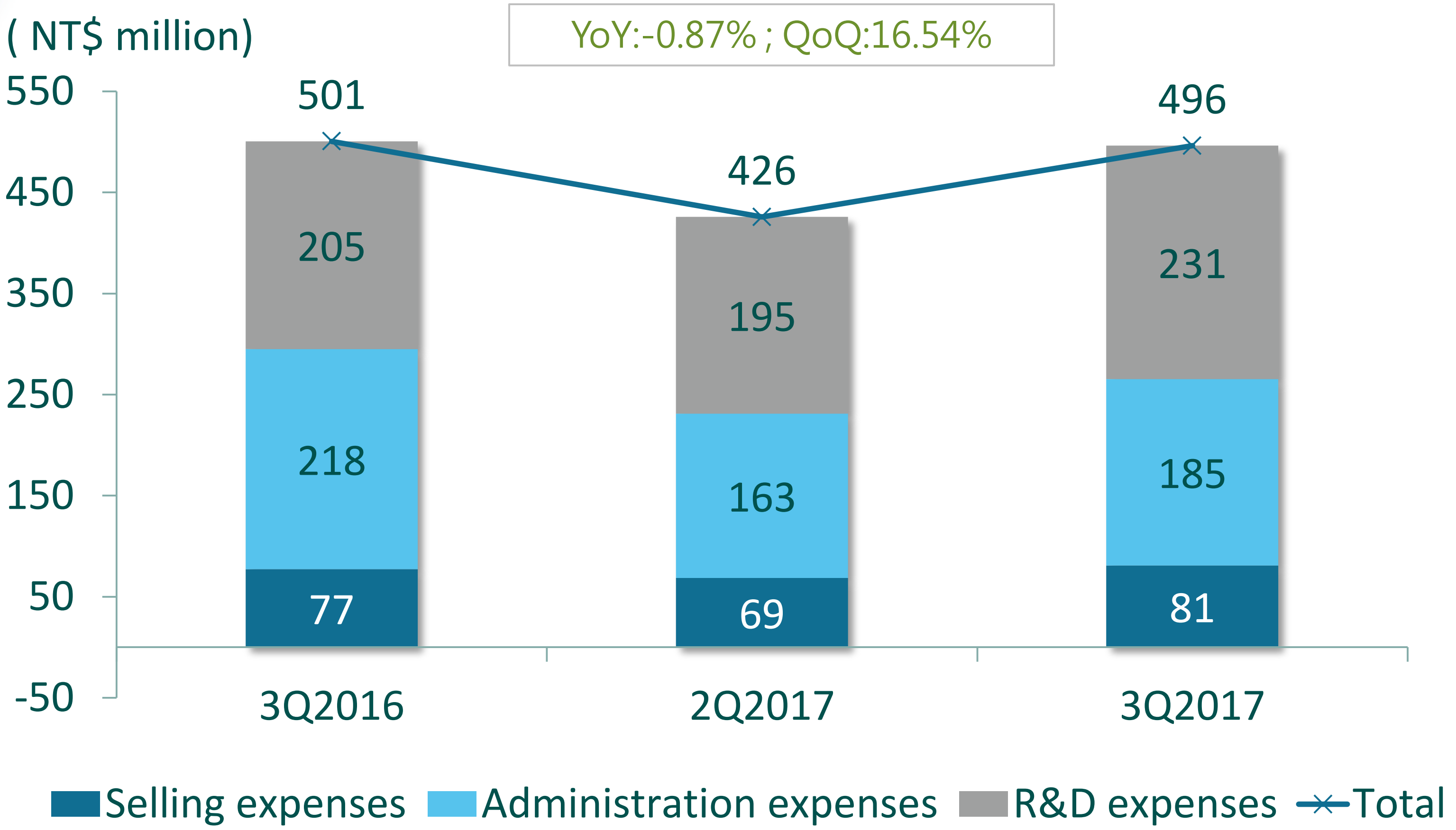

### 3Q2017



# Consolidated Gross Margin



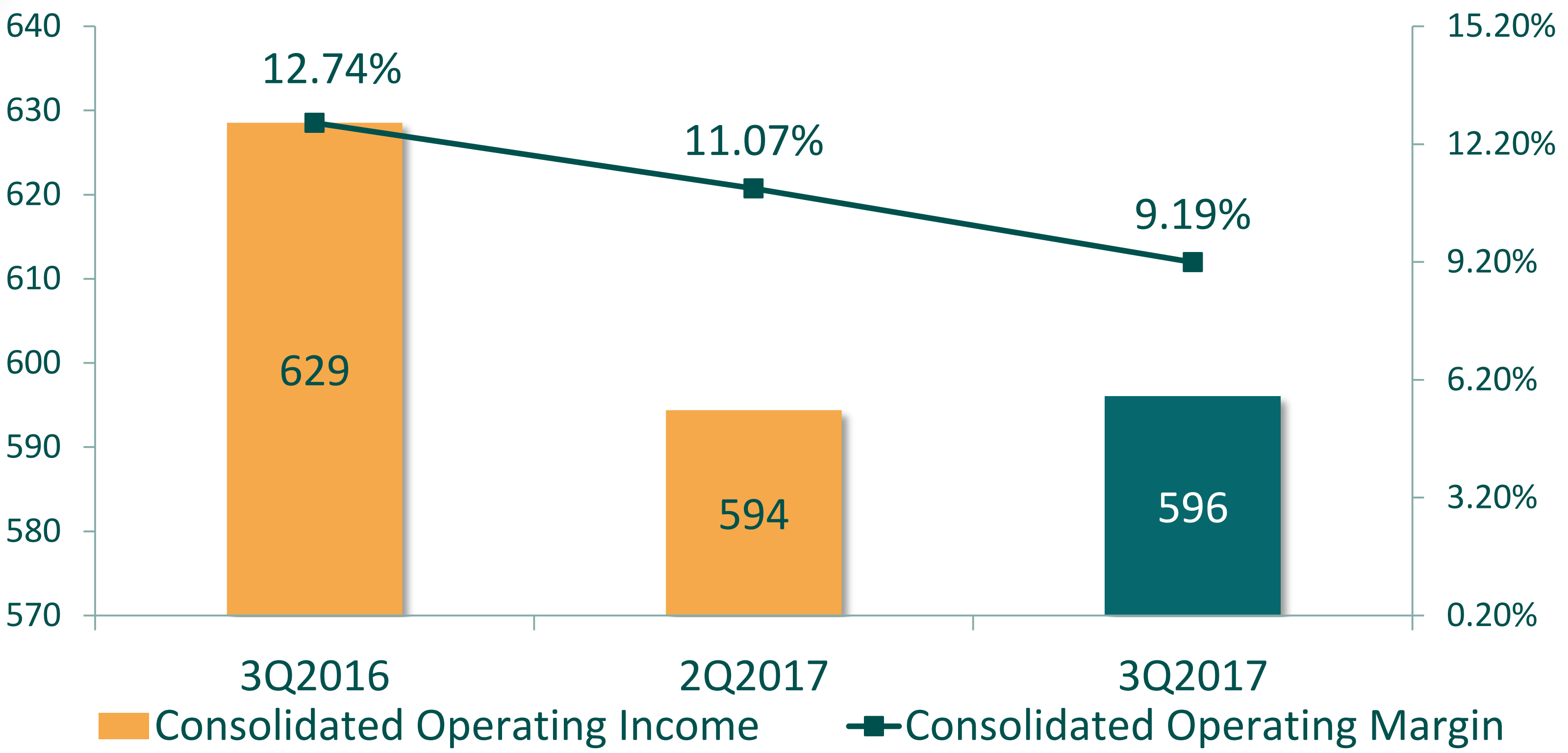
# Consolidated Operating Expenses



# Consolidated Operating Income & Margin

( NT$ million)

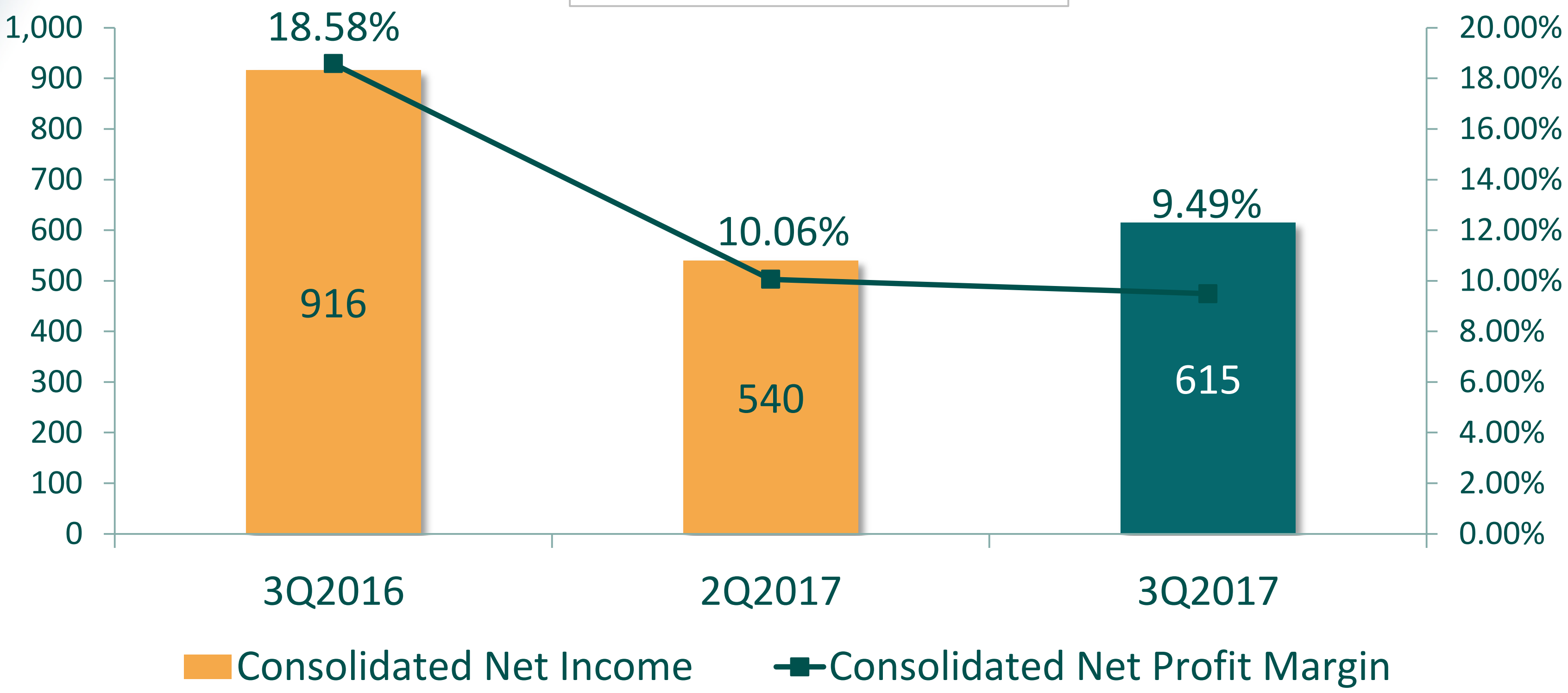
YoY:-5.18% ; QoQ:0.27%



# Consolidated Net Income & Margin

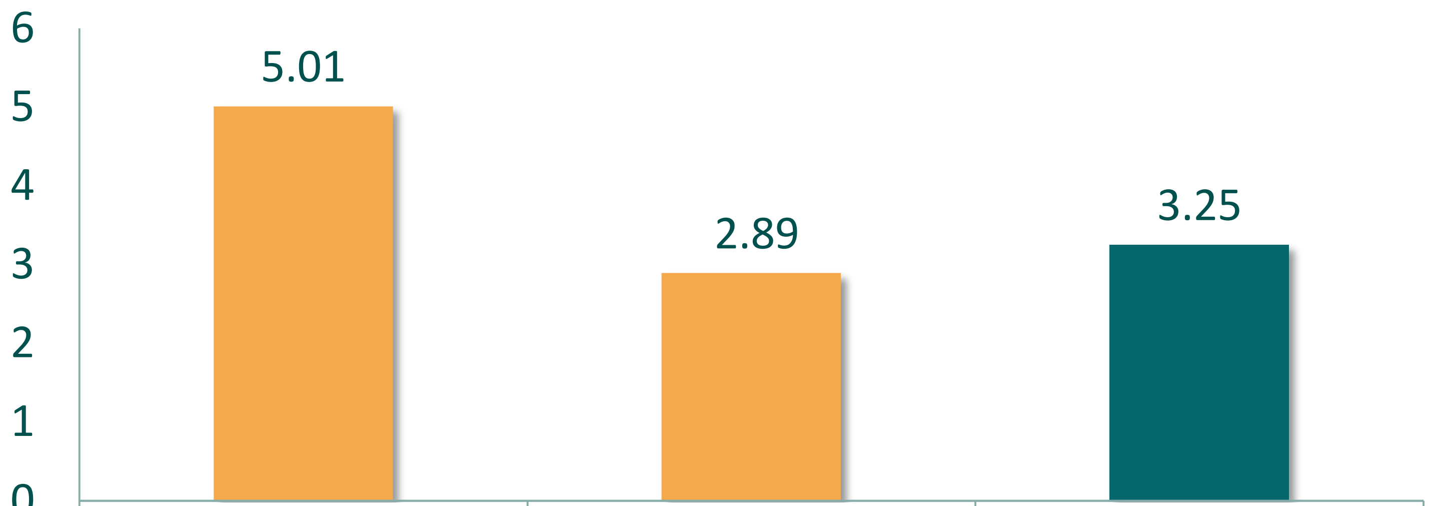
( NT$ million)

YoY:-32.87% ; QoQ:13.86%



# Consolidated Earnings Per Share

( NT$ dollar)




| | 3Q2016 | 2Q2017 | 3Q2017 |
|---|---|---|---|
| EPS | 5.01 | 2.89 | 3.25 |

# Key Information

- At 11 September 2017, the board resolutions of Merry Electronics Co., Ltd. adopted the following important matters:
  - In order to satisfy clients' demands for raising the production capacity of acoustic products, our company will invest in the mainland China area. Furthermore, our company had entered into a joint venture agreement with Dongguan Luxshare Precision Industry Co. Ltd., to form Dongguan Luxshare & Merry Electronics Co., Ltd. as agreed.
  - The amount of registered capital of Dongguan Luxshare & Merry Electronics Co., Ltd. is RMB 200 million dollars, and the registered address is Tiesong Management District, Qingxi Town, Dongguan City, Guangdong Province, China. Our company will contribute capital, RMB 98 million dollars or equivalent US dollars , to acquire 49% share capital in Dongguan Luxshare & Merry Electronics Co., Ltd. Dongguan Luxshare & Merry Electronics Co., Ltd. is planned to have 3 directors and 1 supervisor, and our company will designate 1 director and 1 supervisor.

(next page)

# Key Information

- At 11 September 2017, the board resolutions of Merry Electronics Co., Ltd. adopted the following important matters:
  - The expected benefits of investing: To consider the fast order growth of acoustic products, the production capacity of our plants in Shenzhen and plants in Huizhou is almost full. The plants of Dongguan Luxshare & Merry Electronics Co., Ltd., which are located in the approximately 120,000 square meters plant area of Dongguan Luxshare Precision Industry Co. Ltd., will have been constructed in season 1 of 2018 to go into production. It is planned to double our plants' production capacity of acoustic products.

# Thank You

http://www.merry.com.tw

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