

Merry Electronics Introduction and Q3 Operating Performance

MERRY Sounds Excellent

*Presented by : Allen Huang
Date: Nov. 5, 2019*

World-leading Electroacoustic Expert



Vision



Delivering Fidelity Sound to
Enrich Human's Life



Mission



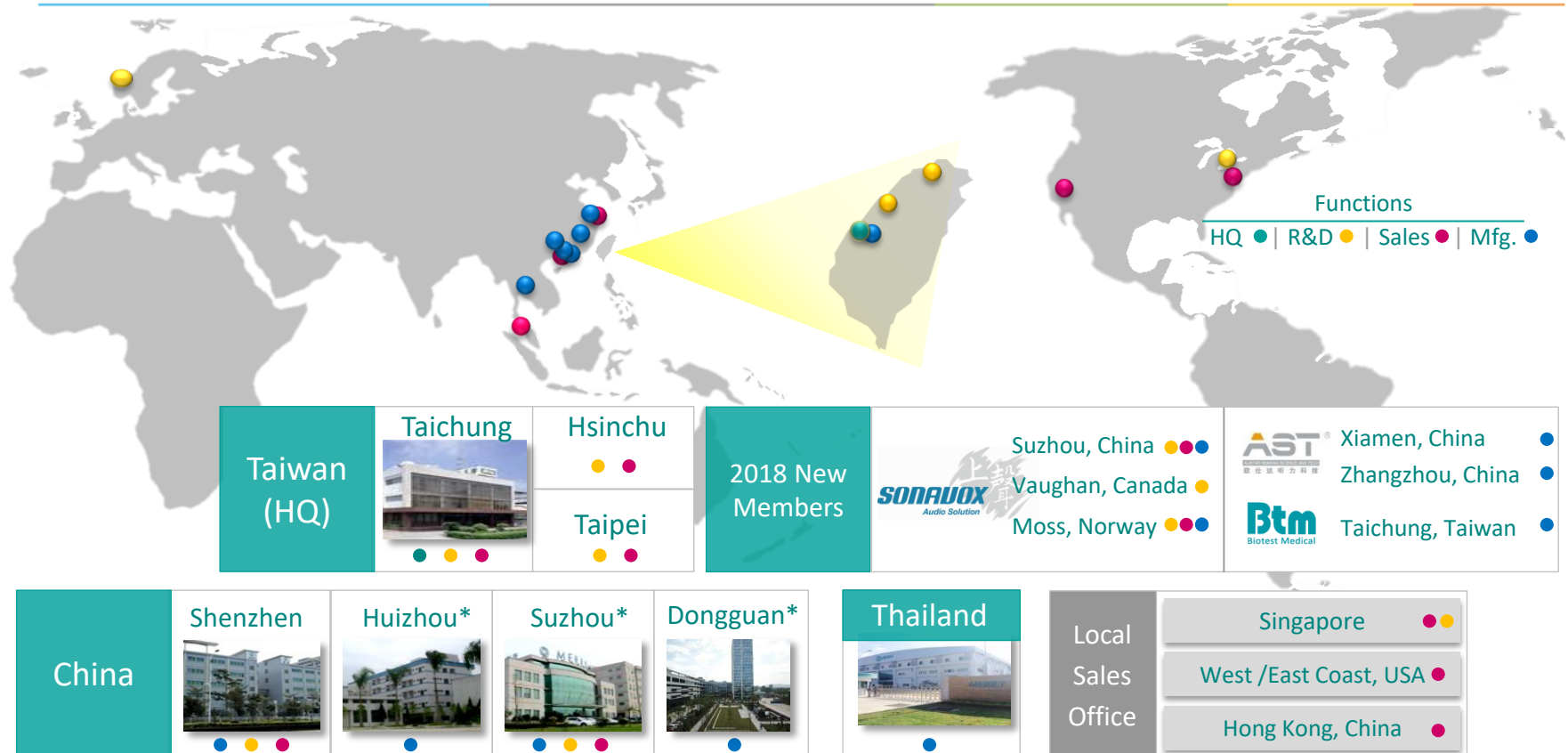
To be a World-class
Electro-Acoustic Solution Provider

Overview

- *Established in 1975*
- *Founders : Mr. Leo Liao / Mr. Jack Wei*
- *Service and Offering :*
Wired & Wireless Headset , Speaker, Microphone, Battery, and Healthcare Related Product
- *No. of Employee : 12,700(as of Dec. 2018)*
- *Global Footprint : 17 presences*
- *Market Cap. : US\$ 1,002 Million(as of Oct. 2019)*
- *Year 2018 Revenue : US\$ 1,156 Million*



Global Presence



*Strategic Corporation with Luxshare Group

Strategic Partner



100%

- Shenzhen
- Thailand
- Taiwan (Btm)
- Suzhou (Sonavox)
- Norway (Sonavox)
- Xiamen (AST)
- Zhangzhou (AST)



49%

51%

- Suzhou
- Huizhou
- Dongguan

Key Milestones

1975-2000

- 1975 MERRY Founded
- 1989 Commenced Overseas Investment
- 2000 Publicly listed (TWSE)



2006-2010

- Awarded by Forbes (2005 & 2007)
- Huizhou factory



2018-

- Dongguan factory
- Awarded by Forbes
- Acquired Sonavox (Note*)
- Acquired AST Hearing
- Acquired Biotest Medical^(FDA)



2000-2005

- Suzhou factory
- Battery Product Line
- Applied RF technology



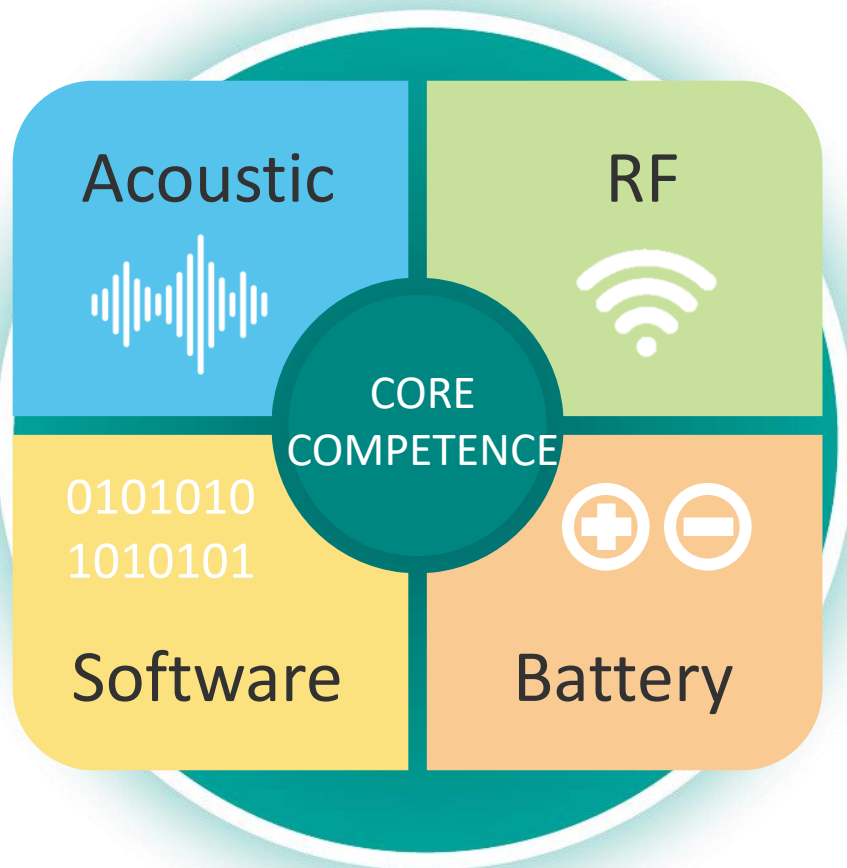
2011-2017

- Won the iF/G-Mark Design Award
- Thailand factory
- Strategic cooperation with Luxshare Group



Note*: Acquired 3 companies from Sonavox Group: Sonavox Canada Inc. / SEAS Fabrikker AS / Suzhou United States Sound Electronics Co.

Leading Technology



Collaboration
with
Universities

Good
Reputation



Research
New
Technology



Develop
New Product



Product Lines

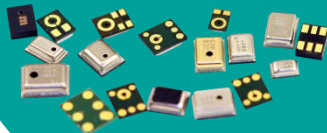
Headset



Speaker



Microphone



Healthcare



Battery



ESG



***E**nvironment*

- Green Product Management
- Awarded the Certification of “Hong Kong-Guangdong Cleaner Production Partners”



***S**ocial*

- Gender Equality Employment
- Awarded the prize of “Happy Workplace”
- Concentrate on talent cultivation



***G**overnance*

- Top 21%-35% of TWSE Corporate Governance Evaluation (868 listed companies)
- Information Disclosure regularly

Consolidated Statements of Comprehensive Income

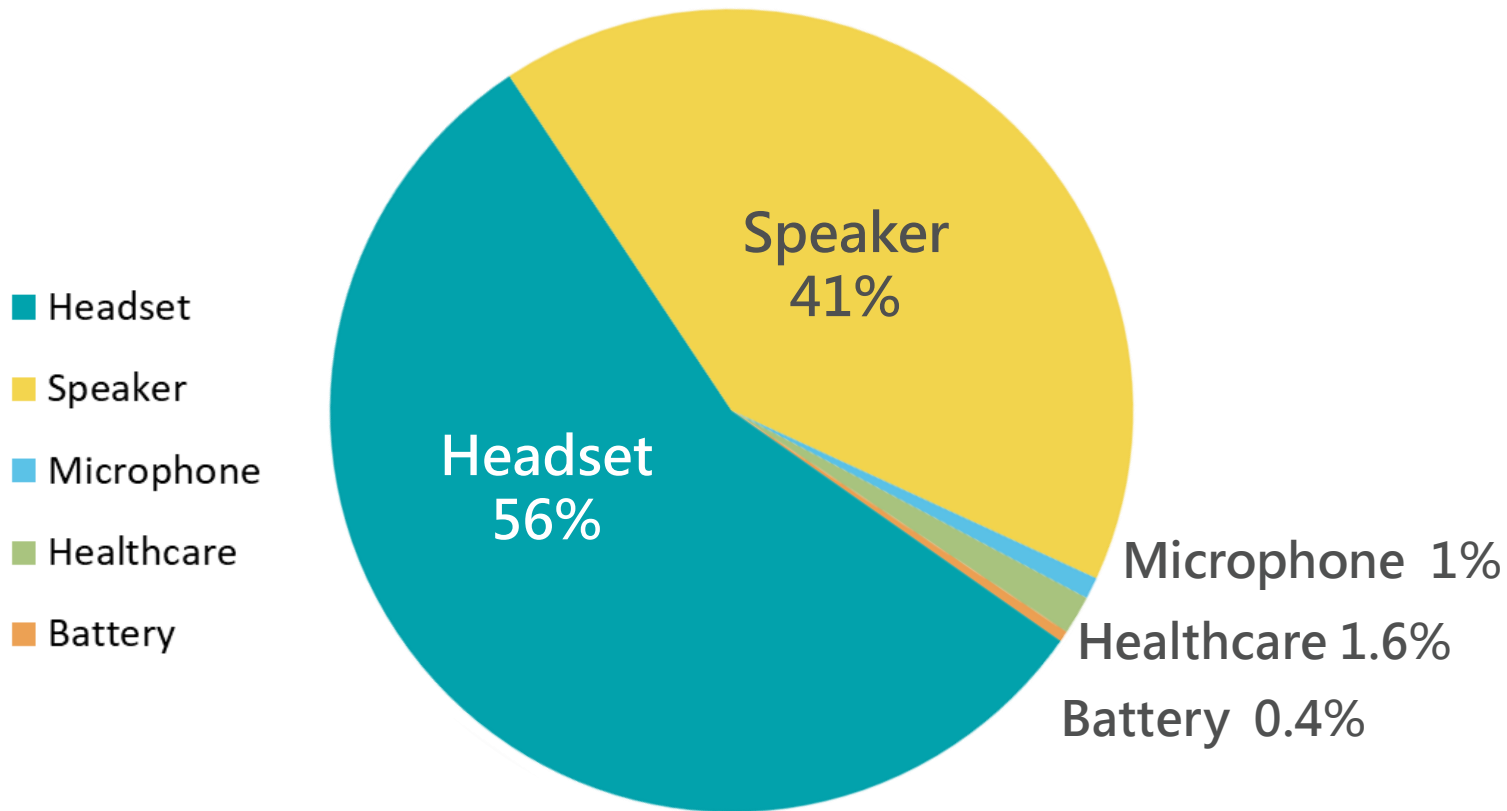
(audited)

(NT\$ Thousand)

Item	3Q2018	2Q2019	3Q2019	QoQ	YoY
Net Revenue	11,037,065	10,064,072	10,101,028	0.37%	-8.48%
Gross Profit	15.71%	16.12%	14.06%	-2.06pp	-1.65pp
operating expenses	-713,223	-748,632	-700,060	-6.49%	-1.85%
Operating Margin	9.25%	8.68%	7.13%	-1.55pp	-2.12pp
non-operating earnings	58,411	151,618	433,673	186.03%	642.45%
Net Income	817,877	776,277	890,067	14.66%	8.83%
Net Profit Margin	7.41%	7.71%	8.81%	1.10pp	1.40pp
EPS(NT\$)	4.16	3.8	4.34	0.54 元	0.18 元

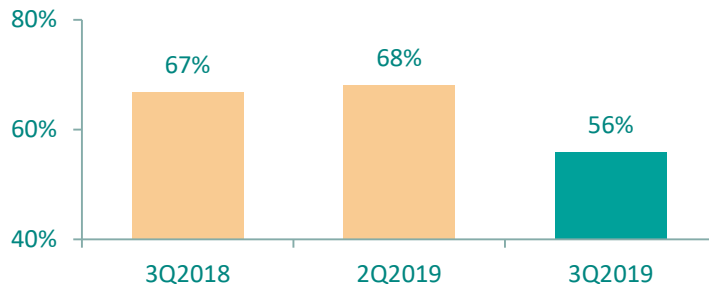
*. Diluted weighted average outstanding shares were 204,864K units in 3Q2019.

3Q2019 Proportion of the Product Revenue

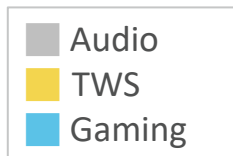


3Q Proportion of the Products Revenue (%)

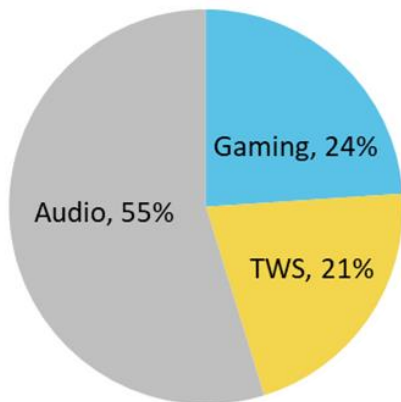
Headset



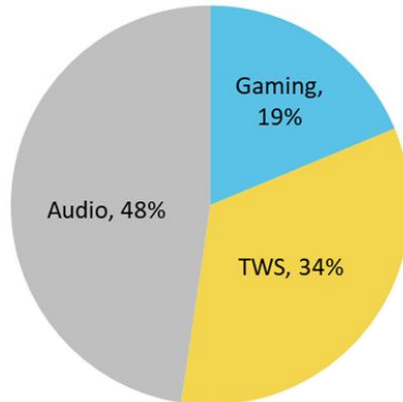
QoQ: -18%
YoY: -23%



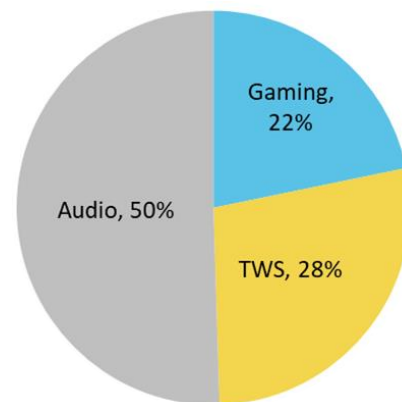
3Q2018



2Q2019

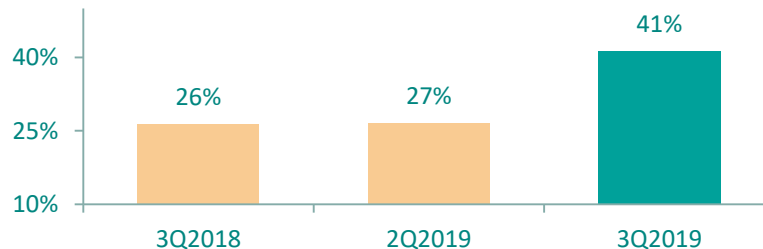


3Q2019

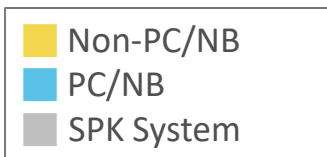


3Q Proportion of the Products Revenue (%)

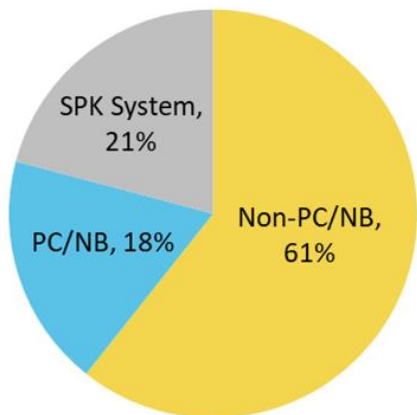
Speaker



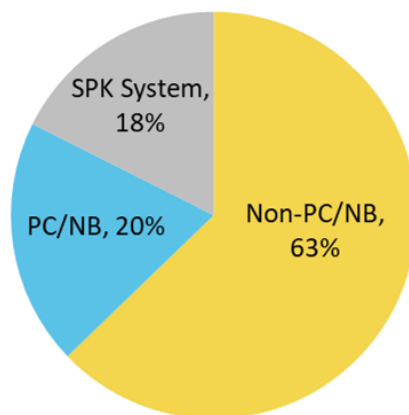
QoQ: 55%
YoY: 44%



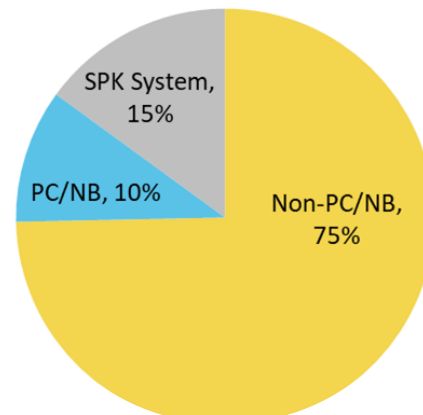
3Q2018



2Q2019



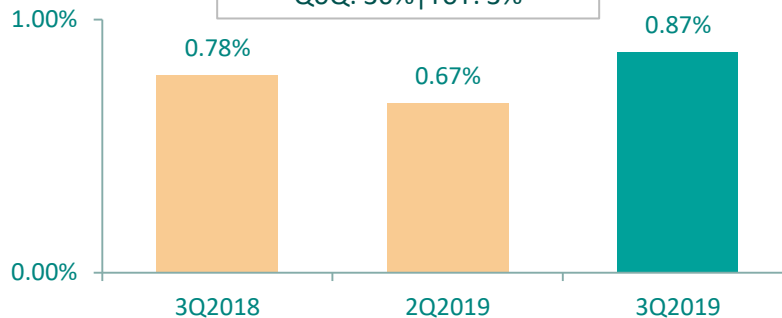
3Q2019



3Q Proportion of the Products Revenue (%)

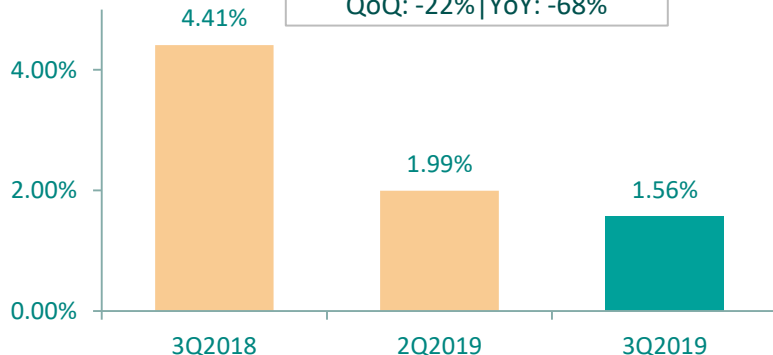
Microphone

QoQ: 30% | YoY: 3%



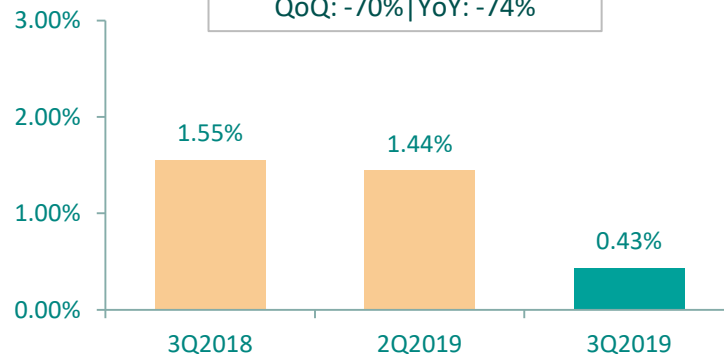
Healthcare

QoQ: -22% | YoY: -68%



Battery

QoQ: -70% | YoY: -74%



Thank You

Delivering Fidelity Sound to Enrich Human's Life

