



TWSE 2439

Merry Electronics 2020 First Quarter Earnings Result Conference

MERRY Sounds Excellent

*Presented by: Allen Huang
Date: May 4, 2020*

Safe Harbor Notice

Except for historical information contained herein, the matters set forth in this presentation are forward looking statements subject to significant risks and uncertainties that could cause actual results to differ materially, including the impact of competitive products and pricing strategies, whether the design is accepted by our customers timely, the prompt introduction of new technologies, the capability for mass production of new products, the risk of excess capacity, the availability of production capacity, the financial stability in terminal markets or other risks, and so on.

Consolidated Statements of Comprehensive Income

(audited)

(NT\$ Thousand)

Item	1Q2019	Q42019	Q12020	QoQ	YoY
Net Revenue	7,631,451	8,601,242	5,176,663	-39.81%	-32.17%
Gross Profit	13.29%	11.43%	10.75%	-0.68pp	-2.54pp
Operating Expenses	-652,011	-703,864	-601,312	-14.57%	-7.78%
Operating Margin	4.74%	3.25%	-0.87%	-4.12pp	-5.61pp
Non-Operating Income	166,624	258,930	87,308	-66.28%	-48.00%
Net Income	405,373	466,849	40,564	-91.31%	-89.99%
Net Profit Margin	5.45%	5.43%	0.78%	-4.65pp	-4.67pp
EPS(NT\$)	2.07	2.27	0.23	-2.04 元	-1.84元

*. Diluted weighted average outstanding shares were 206,589K units in 1Q2020.

Balance Sheets & Key Indices(CQ)

(NT\$ Thousand)	20190331 金額	%	20191231 金額	%	20200331 金額	%
Cash and Cash Equivalents	4,805,254	20%	6,589,863	26%	7,137,339	29%
Account Receivable	5,691,987	23%	5,461,766	21%	3,957,331	16%
Inventories	2,845,860	12%	2,117,532	8%	2,160,257	9%
Other Current Assets	1,416,244	6%	924,316	4%	1,619,124	7%
Investments	3,609,377	15%	3,951,152	15%	3,953,955	16%
Property, plant and equipment	2,040,616	8%	2,285,093	9%	2,260,918	9%
Other Non-current Assets	4,073,104	17%	4,465,848	17%	3,423,102	14%
Total Assets	24,482,442	100%	25,795,570	100%	24,512,026	100%
Current Liabilities	8,487,734	35%	8,963,745	35%	10,207,870	42%
Non-current Liabilities	3,985,629	16%	3,833,433	15%	3,963,877	16%
Total Liabilities	12,473,363	51%	12,797,178	50%	14,171,747	58%
Total Shareholders' Equity	12,009,079	49%	12,998,392	50%	10,340,279	42%

Key Indices

A/R Turnover (CQ)	84.9	79.2	82.8
Inventory Turnover Days (CQ)	40.7	26.1	42.1
Current Ratio (x)	1.7	1.7	1.5

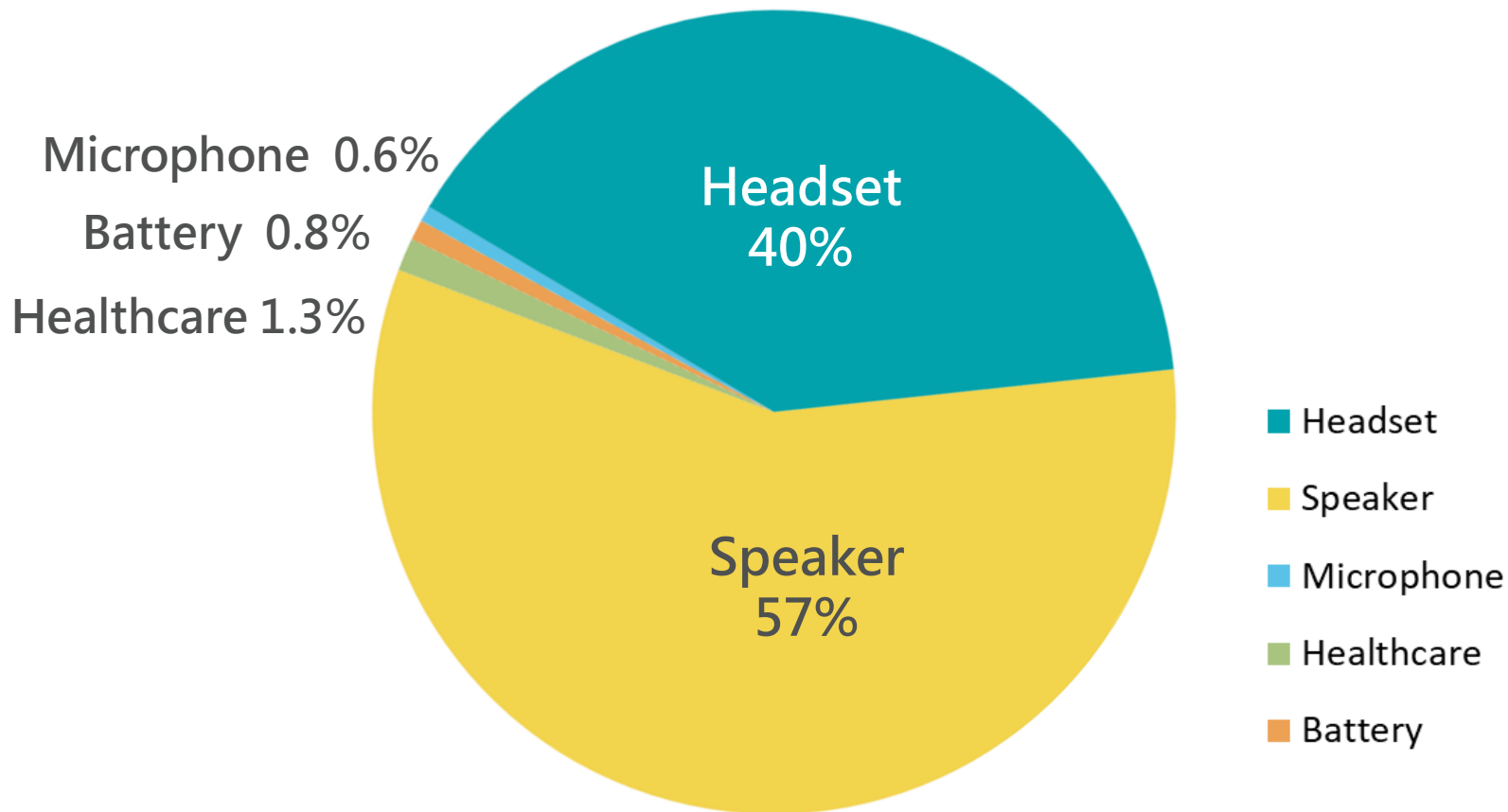
Cash Flow

(NT\$ Thousand)	1Q2019	4Q2019	1Q2020
Beginning Balance	8,512,129	5,312,446	6,589,863
Cash from operating activities	108,119	3,456,573	1,961
Capital Expenditures	-100,619	-320,814	-208,632
Short-term Loans	-4,247,406	-2,038,735	586,497
Long-term Loans	0	0	130,640
Issuance of Common Stock for Cash	448,000	0	0
Investments and Others	85,031	180,393	37,010
Ending Balance	4,805,254	6,589,863	7,137,339

Free Cash Flow	7,500	3,135,759	-206,671
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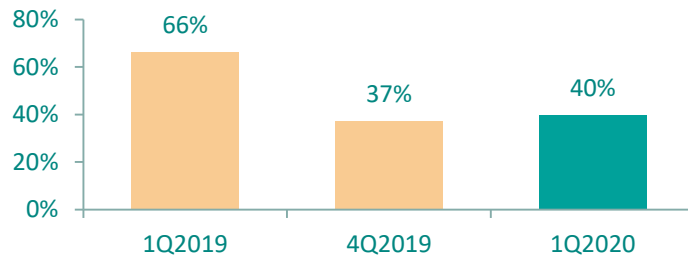
*. *Free cash flow = Cash from operating activities - Capital expenditures*

1Q2020 Proportion of the Product Revenue



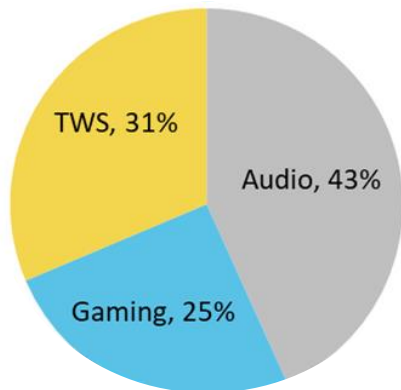
1Q Proportion of the Products Revenue (%)

Headset

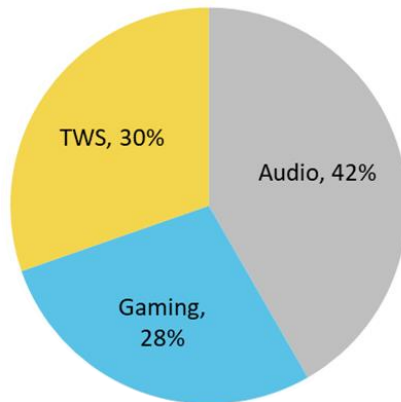


QoQ: -37%
YoY: -61%

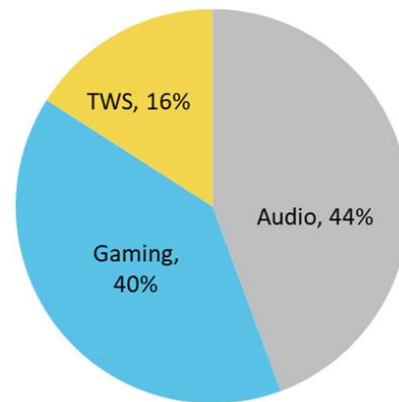
1Q2019



4Q2019

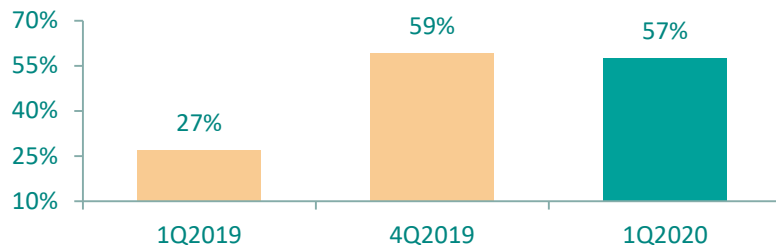


1Q2020



1Q Proportion of the Products Revenue (%)

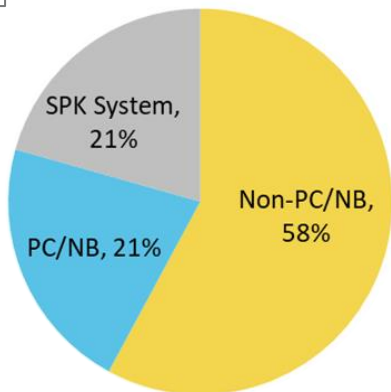
Speaker



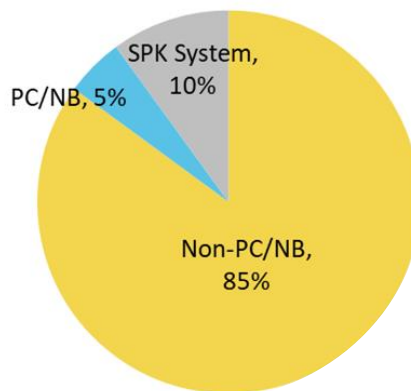
QoQ: -43%
YoY: 40%

■ Non-PC/NB
■ PC/NB
■ SPK System

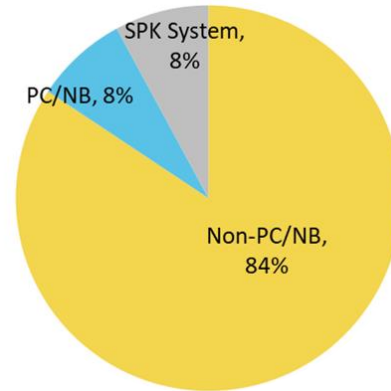
1Q2019



4Q2019



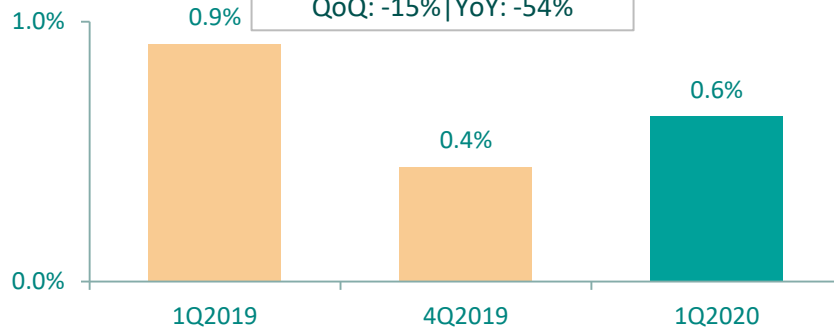
1Q2020



1Q Proportion of the Products Revenue (%)

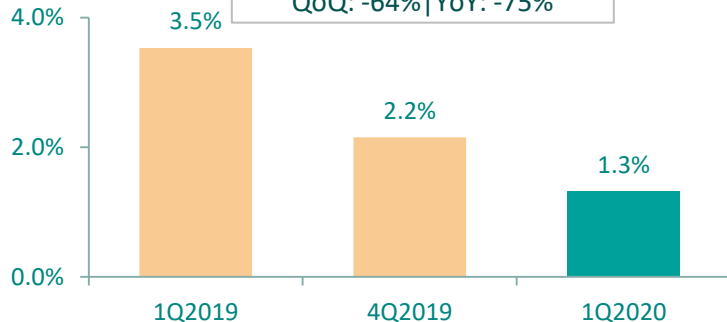
Microphone

QoQ: -15% | YoY: -54%



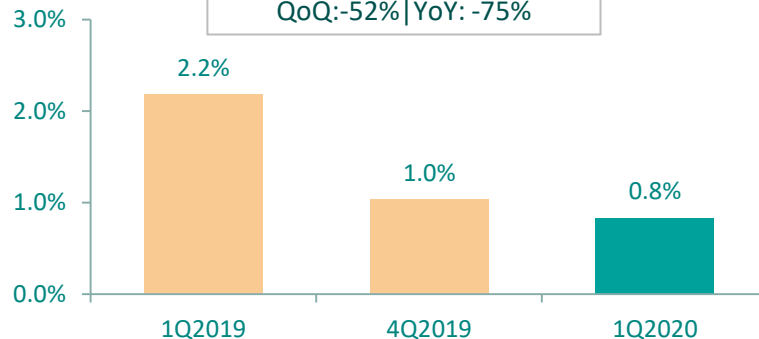
Healthcare

QoQ: -64% | YoY: -75%



Battery

QoQ: -52% | YoY: -75%



2020 2Q Outlook

Q & A

Thank You

Delivering Fidelity Sound to Enrich Human's Life

