



Merry Electronics 2021 Second Quarter Earnings Result Conference

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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.

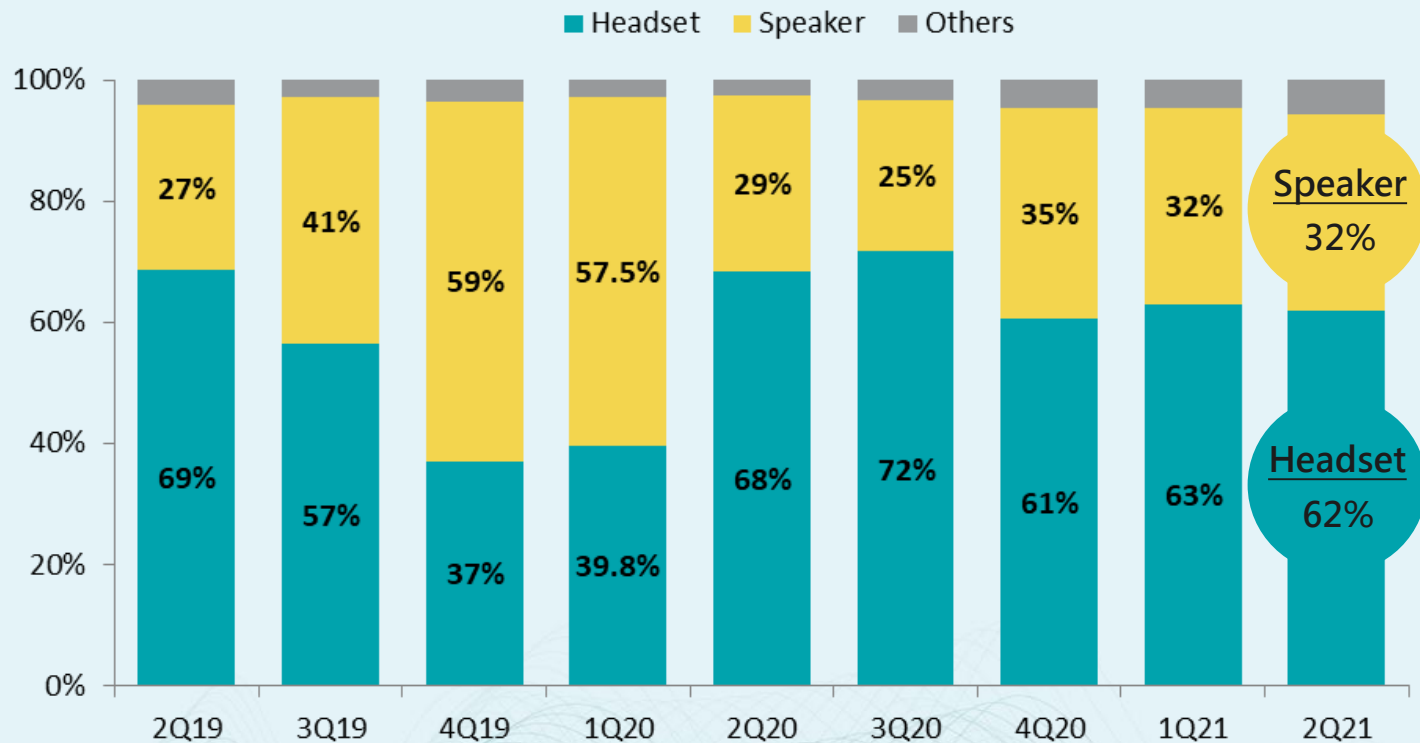
Statement of Comprehensive Income

(NT\$ Thousand)

Item	2020Q2	2021Q1	2021Q2	QoQ	YoY
Net Revenue	6,445,201	7,734,792	8,168,668	5.61%	26.74%
Gross Profit	15.53%	10.13%	9.59%	-0.54pp	-5.94pp
Operating Expenses	-721,120	-859,518	-834,385	-2.92%	15.71%
Operating Margin	4.34%	-0.99%	-0.62%	0.37pp	-4.96pp
Non-Operating Income	160,027	110,036	224,114	103.67%	40.05%
Net Income	298,847	53,483	149,041	178.67%	-50.13%
Net Profit Margin	4.64%	0.69%	1.82%	1.13pp	-2.82pp

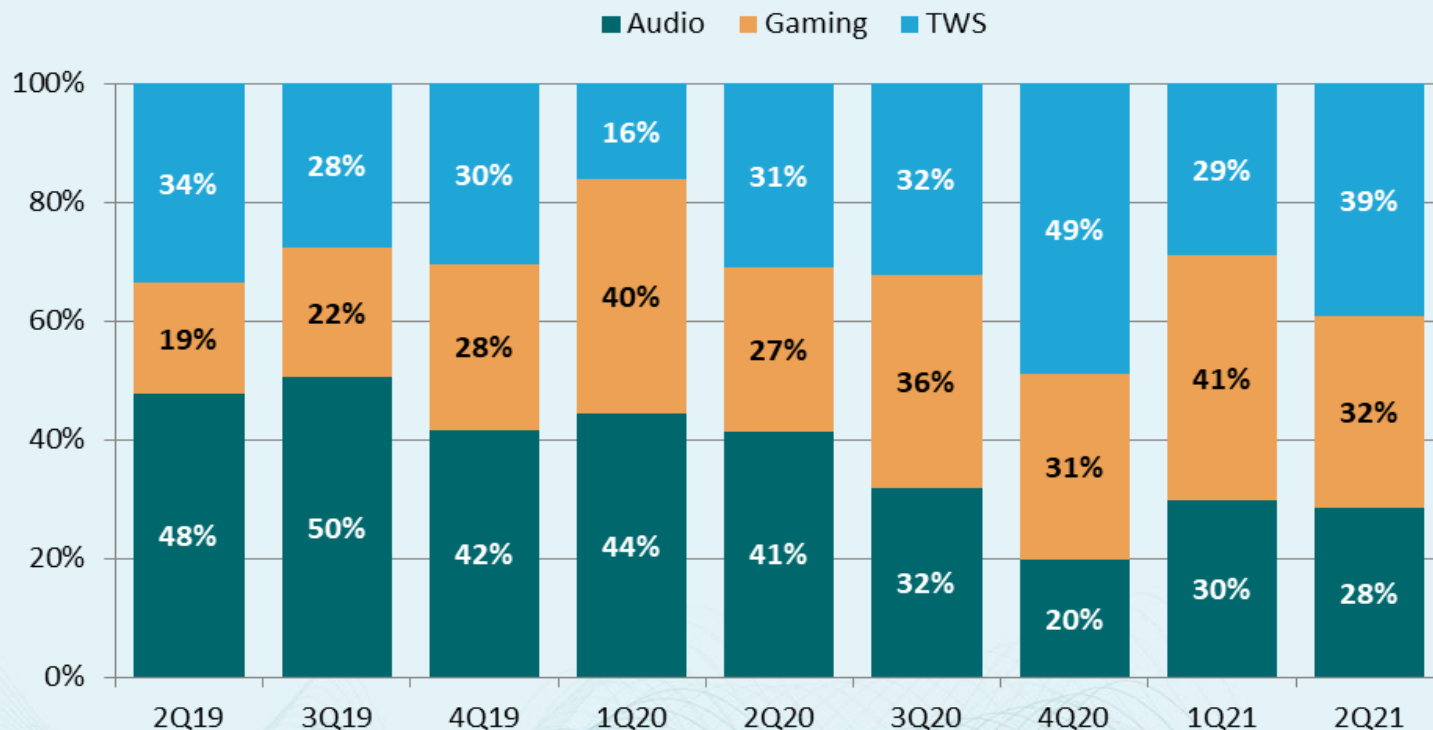
※ Diluted weighted average outstanding shares were 207,687K units in 2Q2021.

Product Mix by Quarterly



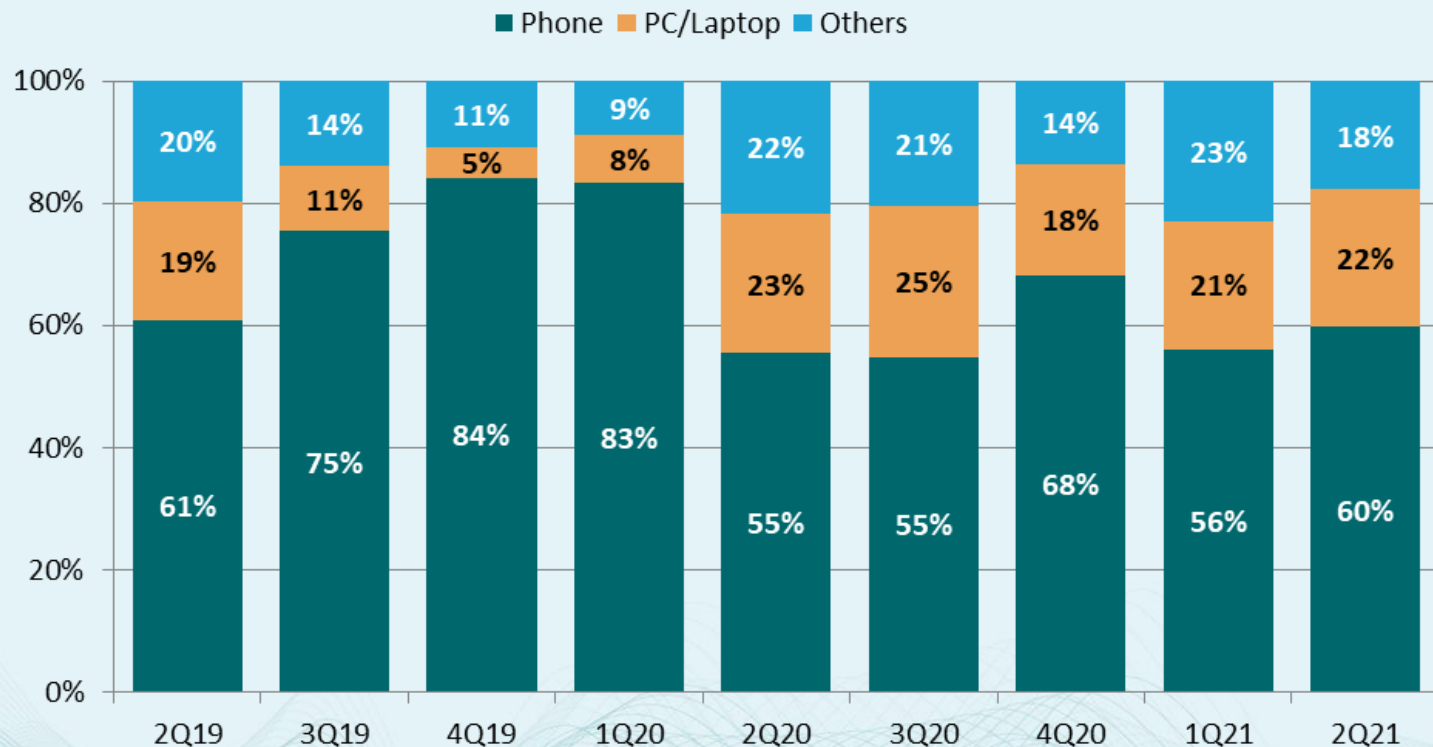
Headset Revenue Breakdown

(%)



Speaker Revenue Breakdown

(%)



Speaker
QoQ : 2.3%
YoY : 44%

Balance Sheet & Key Indices(CQ)

(NT\$ Thousand)	20200630		20210331		20210630	
	金額	%	金額	%	金額	%
Cash and Cash Equivalents	6,242,503	29%	5,321,982	17%	5,651,209	18%
Account Receivable	5,134,937	16%	7,663,641	24%	7,504,777	23%
Inventories	2,645,490	9%	4,408,468	14%	4,322,389	13%
Other Current Assets	993,808	7%	2,823,874	9%	2,403,072	8%
Investments	3,968,689	16%	4,548,565	14%	4,600,853	14%
Property, plant and equipment	2,407,905	9%	3,796,532	12%	3,987,448	12%
Other Non-current Assets	3,671,533	14%	3,624,068	11%	3,551,104	12%
Total Assets	25,064,865	100%	32,187,130	100%	32,020,852	100%
Current Liabilities	9,986,211	42%	18,604,551	58%	18,473,376	58%
Non-current Liabilities	3,937,205	16%	2,478,872	8%	2,446,144	7%
Total Liabilities	13,923,416	58%	21,083,423	66%	20,919,520	65%
Total Shareholders' Equity	11,141,449	42%	11,103,707	34%	11,101,332	35%

Key Indices

A/R Turnover (CQ)	73	89	84
Inventory Turnover Days (CQ)	44	57	53
Current Ratio (x)	1.5	1.1	1.1
ROE	2.78%	0.46%	1.34%

Cash Flow

(NT\$ Thousand)	2020Q2	2021Q1	2021Q2
Beginning Balance	7,137,339	3,046,963	5,321,982
Cash from operating activities	-577,838	2,102,778	-852,595
Capital Expenditures	-184,685	-356,167	-175,129
Short-term Loans	-376,358	554,520	1,734,760
Long-term Loans	-84,130	304,348	-21,870
Issuance of Common Stock for Cash	350,860	-	-
Investments and Others	-22,685	-330,460	-355,939
Ending Balance	6,242,503	5,321,982	5,651,209
Free Cash Flow	-762,523	1,746,611	-1,027,724

*. Free cash flow = Cash from operating activities - Capital expenditures

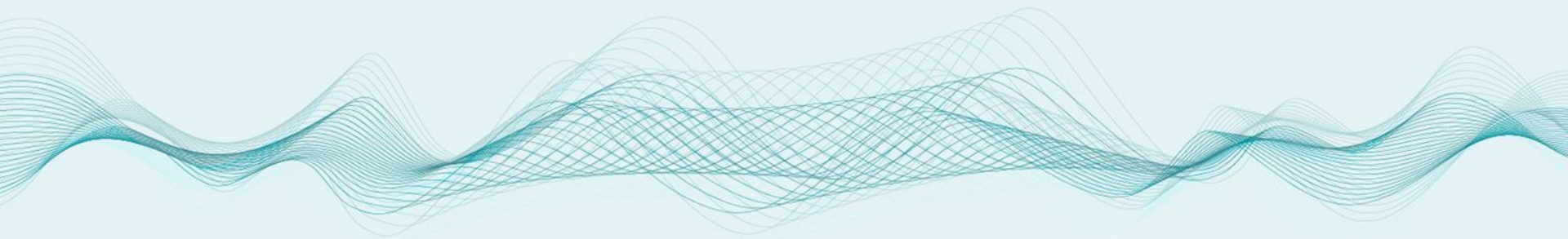
Recap of Recent Major Events

The ex-dividend date is Aug. 31

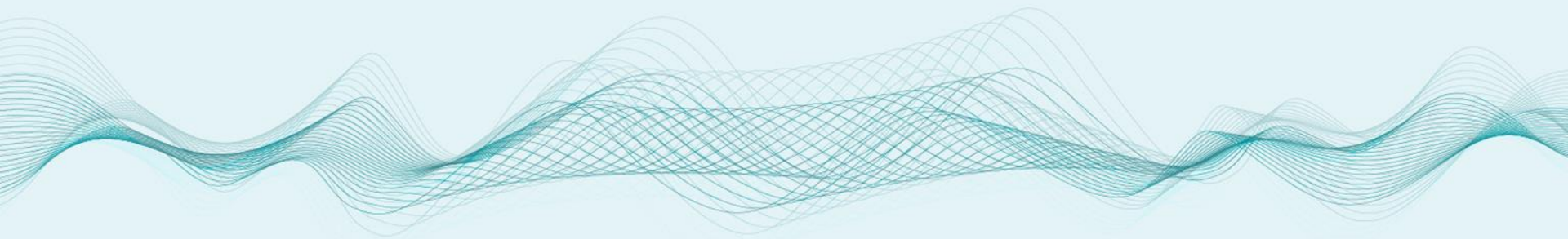
To issue the third domestic unsecured convertible bonds for total value NT\$3,000,000K which was effective on Jul.19.

To issue new shares through cash capital increase for total value NT\$60,000K which was effective on Jul.19.

3Q2021 Outlook



Q & A



Our
Vision

“Delivering Fidelity Sound to
Enrich Human’s Life”

- Mr. Leo Liao, the Founder and Chairman

Thank You

