



HERAN Co.,LTD

2020 Invenstor Conference

Briefer: Danny Lei

新世代  好幫手

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用心 · 創新 · 安心      健康 · 節能 · 智慧

## Disclaimer

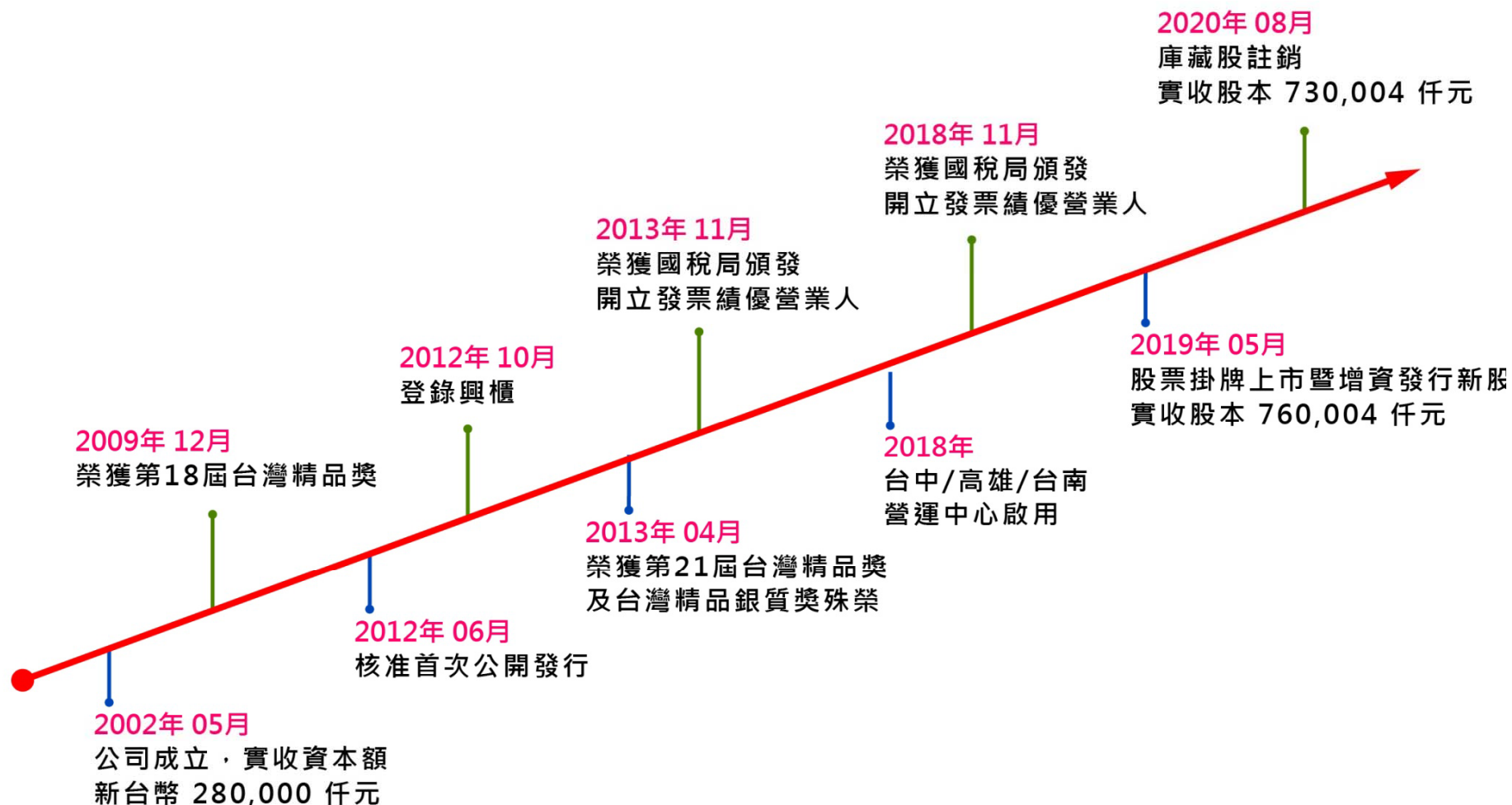
- ◆ The information disclosed is based on current expectations of the future and is subject to uncertainty and known or unknown risks. Therefore, it may be different from the actual situation.
- ◆ We are not obliged to update the statement of future prospects in response to the generation of new information or future events, except as required by law.

## Basic information

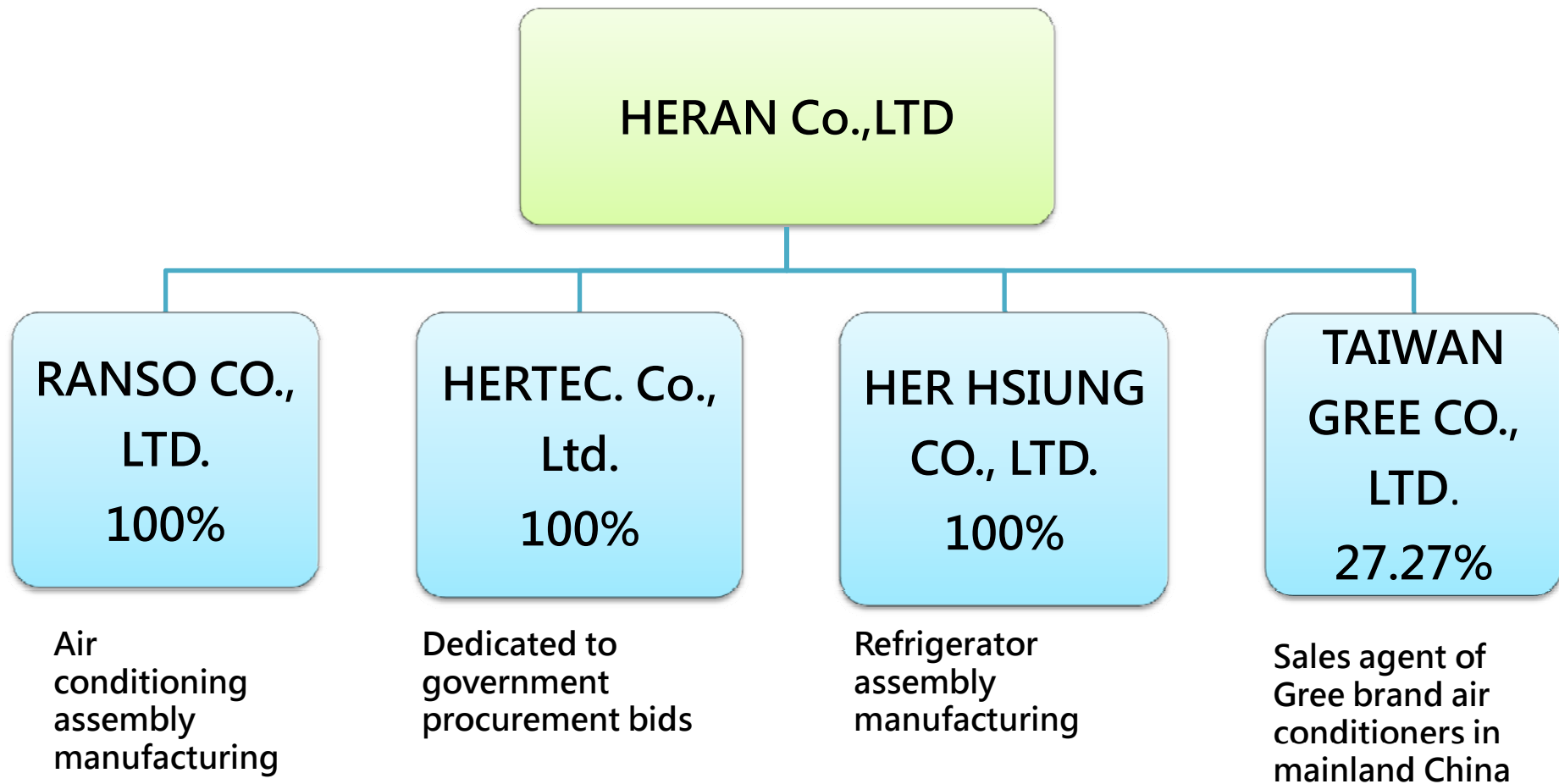
Chairman	• Steven Tsai
General manager	• Chin-Hong Lin
Date of incorporation	• May 6, 2002
The paid-in capital	• NT\$730,004,250
Main business	• LED monitor 、 Manufacturing and sales of air conditioners ; Sales of home appliances
Headquarters address	• No.88,Keji 3 <sup>rd</sup> Rd., Hwa-Ya Technology Park, Guishan Dist., Taoyuan City,Taiwan(R.O.C)



# Company History



# Investment structure





# Branch office



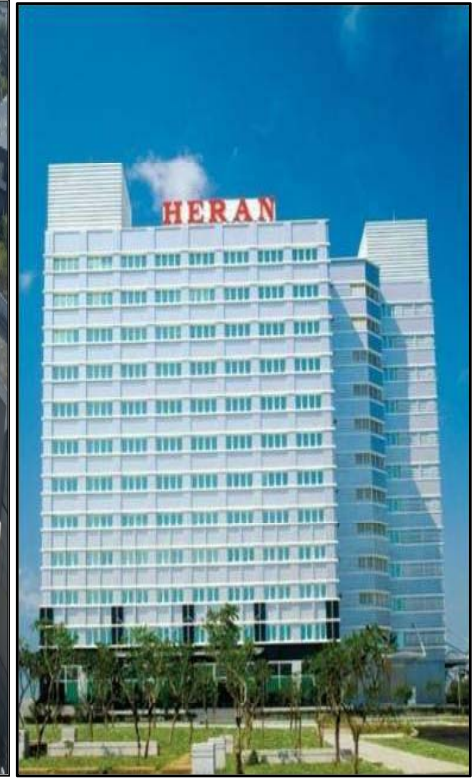
**Kaohsiung office**



**Tainan office**



**Taichung office**





**Taoyuan Headquarter**

# Service stations



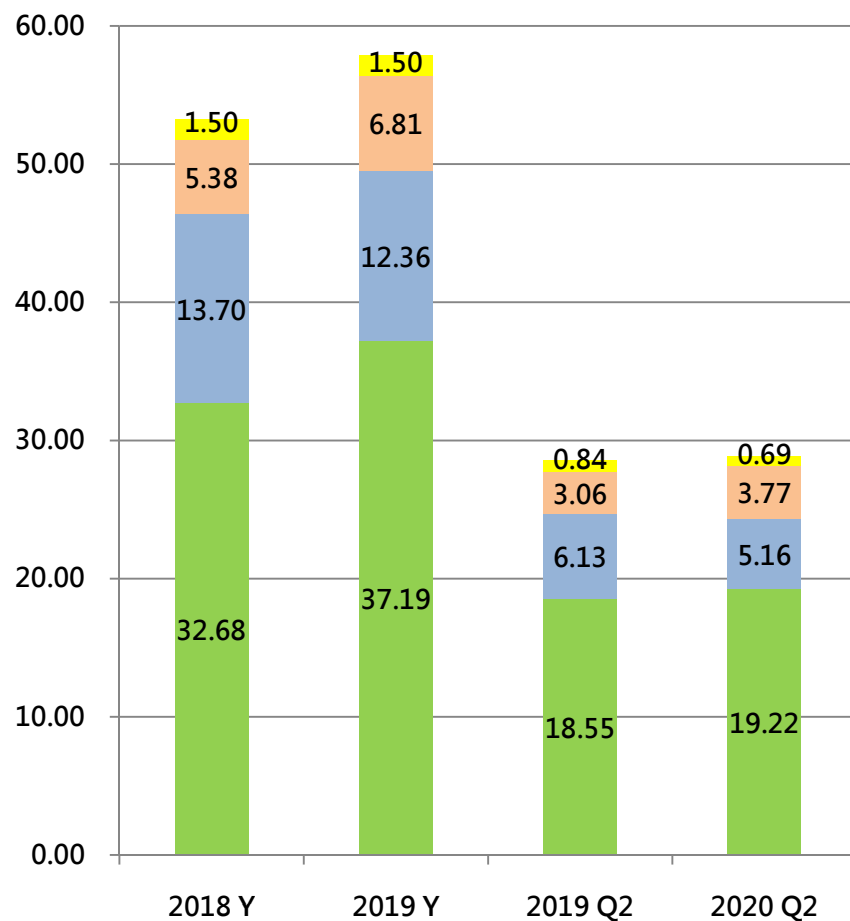
# Sales Channel

Category	2020年 Q2 Revenue ratio	Major Clients
Distributor	56.09%	1900+ Individual Distributors
Wholesale 3C	25.13%	
TV / Online Shopping	14.92%	
Others	3.86%	Retail and Bidding Projects

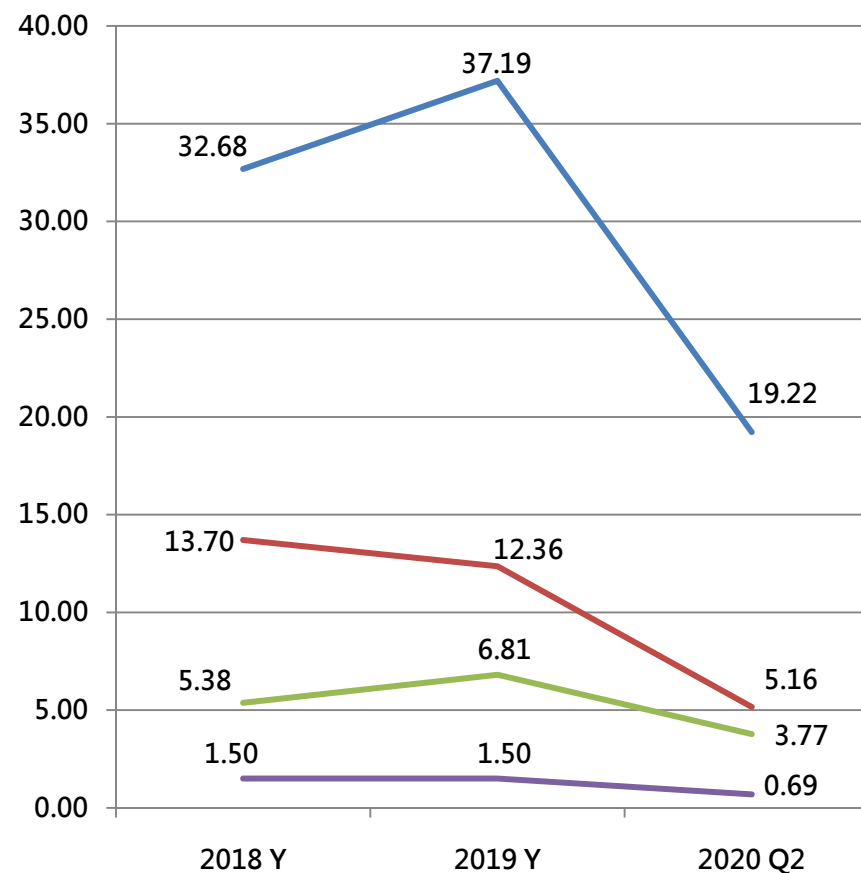


## Revenue comparison by product

Unit: NT\$ 100M



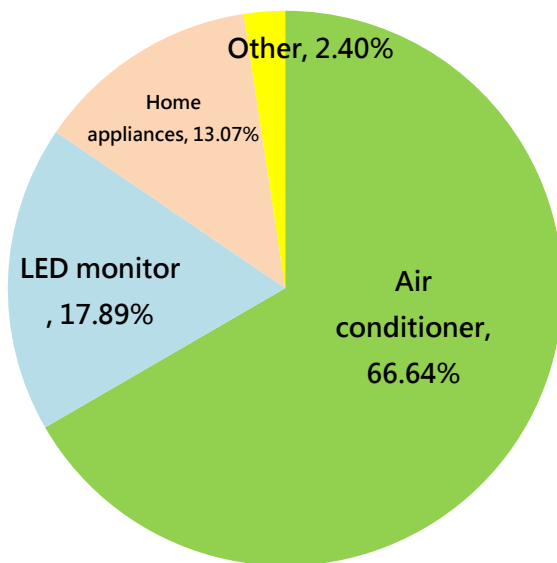
■ Air conditioner ■ LED monitor ■ Home appliances ■ Other



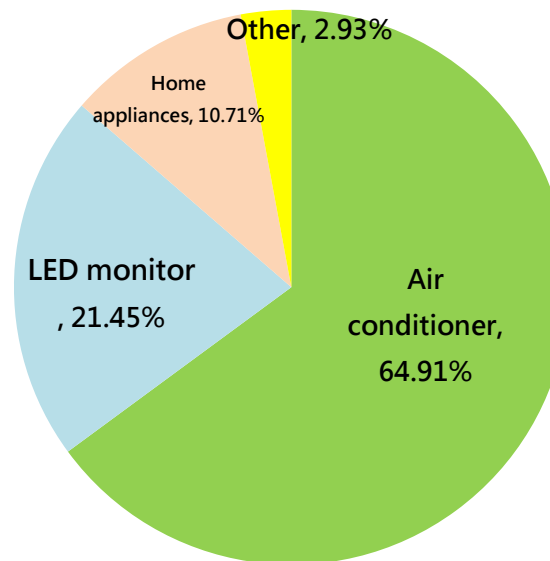
— Air conditioner — LED monitor  
— Home appliances — Other

## Revenue proportion by product

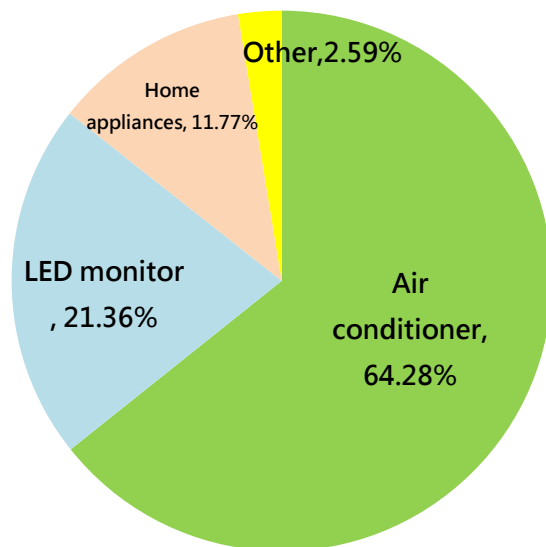
Q2 2020



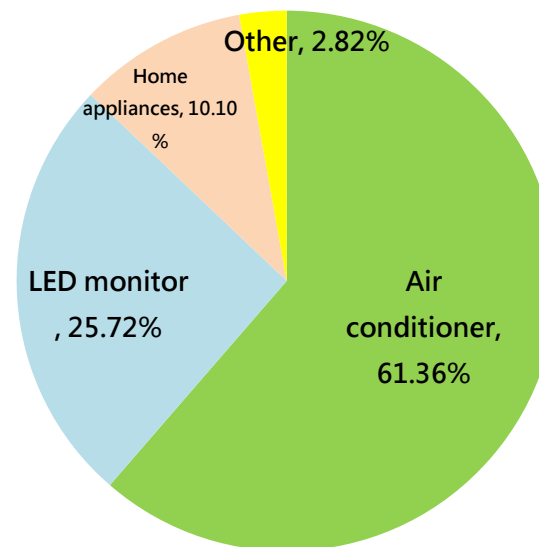
Q2 2019



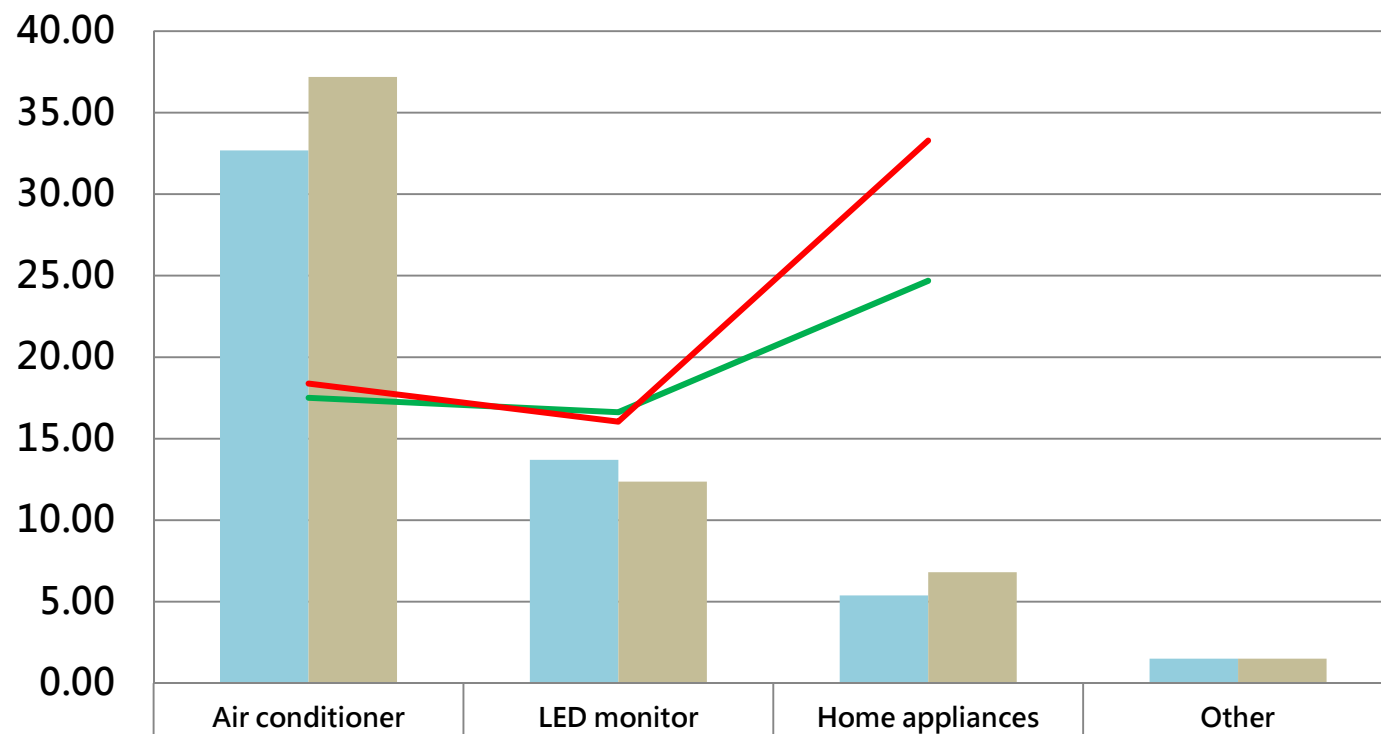
2019Y



2018Y

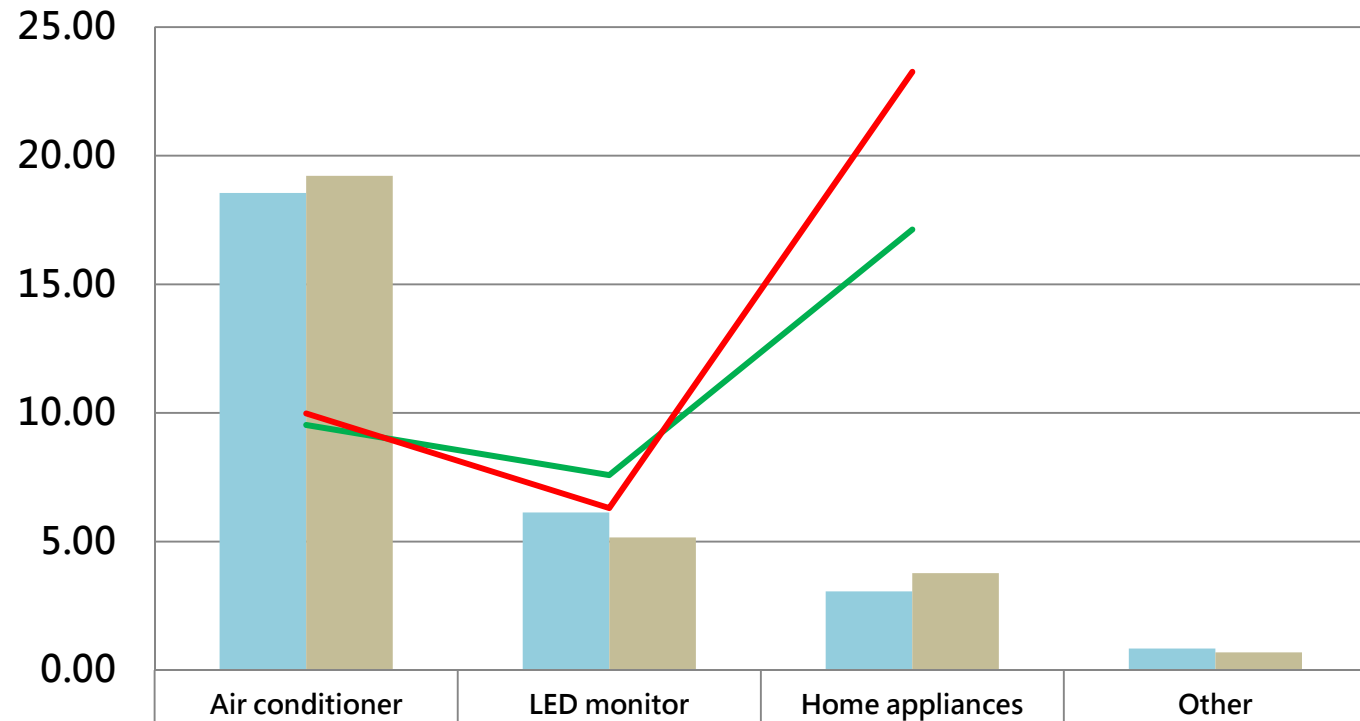


# Product comparison



2018Y Revenue (NT\$ 100M)	32.68	13.70	5.38	1.50
2019Y Revenue (NT\$ 100M)	37.19	12.36	6.81	1.50
2018Y Sales Volume (CU : 10K)	17.50	16.62	24.68	
2019Y Sales Volume (CU : 10K)	18.38	16.04	33.28	

# Product comparison



2019.Q2 Revenue (NT\$ 100M)	18.55	6.13	3.06	0.84
2020.Q2 Revenue (NT\$ 100M)	19.22	5.16	3.77	0.69
2019.Q2 Sales Volume (CU : 10K)	9.53	7.58	17.13	
2020.Q2 Sales Volume (CU : 10K)	9.98	6.30	23.26	

# Income Statement

Unit: NTD Thousands

Project / year	Q2,2019	Q2,2020	2018Y	2019Y
Operating revenue	2,858,498	2,883,968	5,326,108	5,786,439
Gross Profit	1,030,554	1,102,315	1,959,814	2,093,394
Gross margin	36%	38%	37%	36%
Operating Income	509,090	518,279	968,931	946,242
Operating Income profit margin	18%	18%	18%	16%
Profit before income tax	514,440	544,507	1,024,308	972,062
Net profit	407,086	440,525	809,969	774,334
Profit ratio	14%	15%	15%	13%
Earnings per share	5.96	5.89	12.13	10.73



# Balance Sheet

Unit: NTD Thousands

Project / year	Q2,2019	Q2,2020	2018Y	2019Y
Current Assets	4,654,517	4,100,251	3,150,763	3,759,458
Noncurrent Assets	1,796,647	1,793,586	1,712,059	1,761,313
Total Assets	6,451,164	5,893,837	4,862,822	5,520,771
Current Liabilities	2,653,626	2,212,371	1,582,490	1,677,493
Noncurrent Liabilities	78,249	41,189	193,473	59,431
Total Liabilities	2,731,875	2,253,560	1,775,963	1,736,924
Liabilities ratio	42%	38%	36.52%	31.46%
Capital Stock	760,004	760,004	667,994	760,004
Capital Surplus	859,075	858,995	41,737	858,995
Legal reserve	378,025	455,598	297,028	418,734
Unappropriated earnings	1,722,185	1,845,774	2,080,100	1,746,114
Treasury Stock	-	(280,094)	-	-
Total equity	3,719,289	3,640,277	3,086,859	3,783,847
Earnings per share	48.94	47.90	46.21	49.79

## Nearly 3 years stock dividend status

Unit: NTD

Project / year	2017Y	2018Y	2019Y
EPS	11.73	12.13	10.73
Allotment of dividends			
Stock dividend	-	-	-
Cash dividend	7	9	8
Total dividends	7	9	8
Dividend allotment rate	60%	74%	75%

# The Future Development Plan

## Product Innovation

- Make consumers satisfied by continuously investing in product innovation and R&D.

## Smart IoT Appliances

- R&D focus on the development of online remote control.
- Smart TV built-in Environmental Control Center (ECC) can control home appliances through the cloud

## Improve Efficiency

- Improve the quality and efficiency of after-sales service.
- Speed up the delivery of goods

## Deeply Plough Taiwan Market

- Continue to increase investment in brand image.
- Access to key competitive advantage through superior and differentiated products

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