

Coaster International Co., Ltd.
Investor Conference

Stock Code : 2936

主講人: 財務長 潘敏行
博士

Presenter : CFO Dr.
Alexander Pan

2020年四月

April 2020

COASTER IS AN INDUSTRY-LEADING IMPORTER AND DISTRIBUTOR OF FINE FURNITURE

- ◆ INCORPORATED IN AUGUST, 2013
- 客思達-KY成立於2013年8月
- ◆ PAID-IN-CAPITAL : NT\$ 765,556,960
- 實收資本額新台幣765,556,960元
- ◆ CHAIRPERSON : LISA KAO
- 董事長 高黎莎女士
- ◆ PRESIDENT : MICHAEL P YEH
- 總經理 葉伯璘先生
- ◆ NUMBER OF EMPLOYEES : 791 (AS OF APRIL, 2019)
- 集團從業員工人數791人



Competitive Advantages-Balanced Business Channels



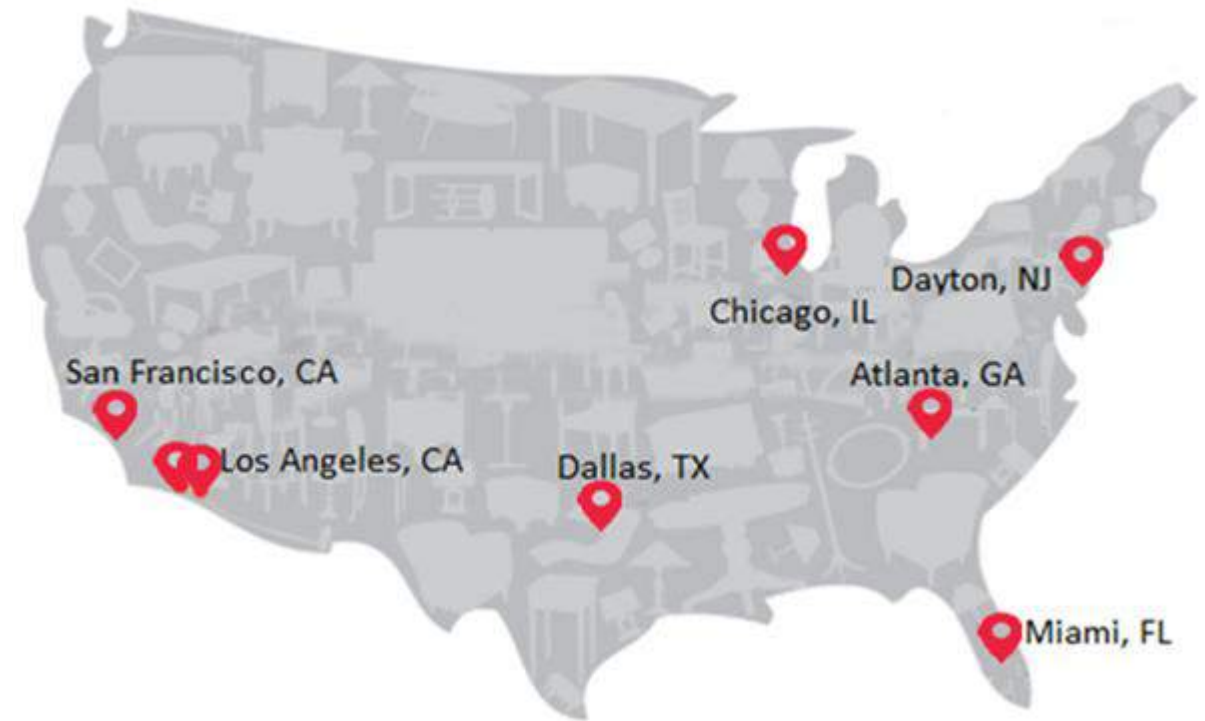
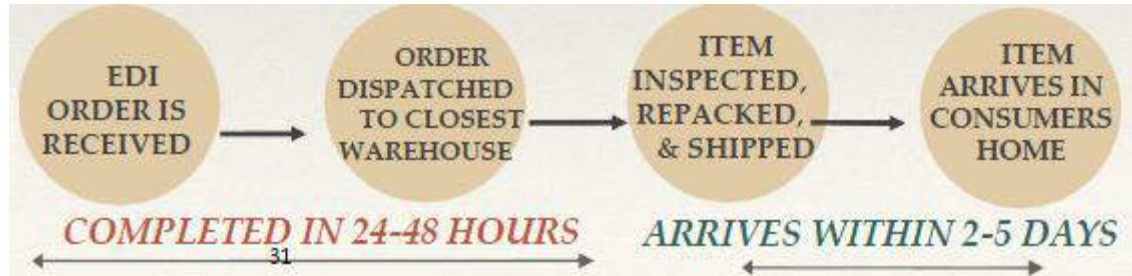
通路類型 Channels	營運模式 Business Model	Coaster優勢 Coaster's Advantages
中小型實體家具商 Bricks and Motar—Small and Medium (全美八千家中小型實體客戶) (About 8000 small and medium furniture stores)	- 過去由Coaster提供種類齊備的商品存貨, 供中小型實體家具商至鄰近倉庫選購後銷售, 然而中小型家具商獲利空間被電商擠壓, 且無法自行發展電子商務 - Coaster provides sufficient and plenty of furniture stocks for bricks and motar furniture stores, however since the rising of Ecommerce, the retail business of these small and medium furniture stores gained less and less profit and hard to survive, also it is hard for them to develop their own ecommerce business. - 2019年, Coaster進行網頁改版, 並進一步將觸角延升至消費者的行銷層面, 搭配中小型實體家具商的實體服務, 逐步建置線上至線下供貨的新零售流程 - In 2019, Coaster has updated its official website and extended its marketing activities to reach end users. Connected with the service of these bricks and motar furniture stores, Coaster gradually develop a new O2O (Online to offline) business.	Coaster以自身平台協助中小型實體家具商, 同時引導中小型實體家具商加入Online to Offline新零售供應鏈, 滿足現行電子商務無法提供的實體服務。 Coaster built an Ecommerce platform and invite small and medium furniture stores to join the supply chain of Coaster's Online to Offline business, collaboratively provide more completed physical service to consumers that other current Ecommerce platforms not achieved. 2019年, Coaster發表旗下Coaster Everyday、Coaster Essence、及Coaster Elevations全系列商品, 搭配實體服務, 強化Coaster消費者識別度。 In 2019, Coaster launched Coaster Everyday, Coaster Essence and Coaster Elevations collections, added with physical services, to reinforce Coaster brand identification.
電子商務通路 Ecommerce (Such as : Amazon, Wayfair, Walmart.com, Lowe's)	- Coaster全美設置8處倉庫及分行供貨與各大型電商, EDI平台有效率處理大量電商訂單, 快速出貨。 - Coaster's 8 warehouses and branches in U.S. are well positioned to ship furniture goods for large ecommerce companies, Coaster's EDI system could efficiently process a huge number of daily e-orders and achieve the goal of rapid shipping.	Coaster已發展出純熟的電商營運模式, 隨消費者對電子商務需求成長, 要求也越來越高, 更多實體連鎖賣場 (如沃爾瑪超市, Lowe's)也陸續加入電商陣營, Coaster在交貨速度及品質都能符合電商供貨需求, 故能夠持續維持電商通路版圖。 Nowadays consumers shop more and more on internet, many big retail stores have had their own ecommerce platform to join e-business(such as Walmart.com and Lowe's). Coaster is capable to provide furniture goods to Ecommerce of these big chain stores, for Coaster provides a variety of good quality home furniture and shipping on time service, that's why Coaster could maintain its market in Ecommerce channel.
Top 100大型實體連鎖店 Top 100 furniture chain stores (Such as : Jerome's, The Bricks)	- 大型實體連鎖店能吸引眾多消費者, 其高曝光率是投入高額行銷成本的成果, 故此類型通路建立合作關係通常有保證貨源無虞之要求, 同時供貨方必須提出質量優良的產品及服務, 打入此類型通路。 - Top 100 furniture chain stores attracts consumers by hugely investing in marketing and advertising activities to raise its exposure. To cooperate with Top 100 furniture stores, a supplier needs to keep an adequate supply with quality furniture and service.	Coaster擁有分散且眾多供應商, 採購來源無虞, 並得以貨櫃直出的銷售模式, 擺脫既有倉儲空間的限制, 來銷售予大型實體連鎖店。 Coaster's furniture source dispersion makes it capable to provide an adequate supply to Top 100 furniture stores. Also, Coaster could adopt "Direct Shipment" to ship furniture from oversea to the warehouses of Top 100 furniture store in U.S., to relief the limited storage spaces of Coaster's warehouses.

Competitive Advantages-Excellent Distribution Locations and Automated Re-packing Service



Coaster established **8 warehouses** in U.S. to offer supply chain warehousing and distribution to more than 8,000 furniture dealers and customers. Its unique B2B2C business model has built up a solid foundation in E-Commerce business, and with the automated re-packing system Coaster reduced the risk of product damages during transportation and increase the speed of warehouse shipment.

Coaster於美國設有**8個**指標性營業倉儲物流據點，為滿足超過8,000個家具零售商各自不同的供貨需求，獨特的B2B2C營運模式替電子商務打下良好基礎，倉儲中心引進自動包裝流程，可加速包裝效率並避免商品運送途中受碰撞造成損壞。



Competitive Advantages-Centralized Procurement



Most of Coaster suppliers are located in Asia: including China, Taiwan, Malaysia, and Vietnam. To ensure the stability of supply chain and quality of products, Coaster established overseas procurement offices and U.S. distribution warehouses.

With respect to the regulations on product safety, as noted that U.S. imposes more stringent standards on furniture products to safeguard consumer safety, protect the environment and endangered species, Coaster has established a comprehensive database to document the compliance of our products.

Coaster發揮集團統一集中採購優勢，在亞洲之主要生產地包括中國大陸、馬來西亞、越南及台灣設有營運據點，負責開發當地供應商與新產品以及採購及品管驗收等業務，與供應商保持良好的合作關係。此外，由於美國對於進口家具安全法規愈趨嚴景且環境保護意識抬頭，Coaster已建立相應的管理措施來因應。



Financial Information-Operation Figures in Recent 3 Years



年度 Year	2019	YoY	2018	YoY	2017
營業收入 Operating revenue	11,737,383	-2.30%	12,013,456	0.84%	11,913,042
營業成本 Operating cost	8,374,047	-3.69%	8,694,921	4.12%	8,350,567
營業毛利 Gross Profit	3,363,336	1.35%	3,318,535	-6.85%	3,562,475
毛利率 Gross Margin	28.65%		27.62%		29.90%
營業費用 Operating Expenses	3,360,756	1.20%	3,321,003	1.53%	3,271,020
營業利益(損失) Gain (loss) from operations	2,580	-	(2,468)	-100.85%	291,455
營業外收入(支出) Non-operating income (expenses)	(122,188)	159.03%	(47,171)	-25.79%	(63,563)
所得稅利益(費用) Income tax benefit(expenses)	47,382	71.12%	27,689	-	(199,361)
稅後淨利(淨損) Loss for the year	(72,226)	-229.05%	(21,950)	-176.93%	28,531
EPS	(0.95)		(0.29)		0.37

Unit : NTD thousand ; %

Financial Information-Operation Revenue in Recent 4 Years



- 2019年營業收入117億台幣，較2018年減少2.3%。以功能貨幣(美元)來看，2019年營業收入為減少4.78%。

The operating revenue of year 2019 amounts to NT\$ 11.7 billion, down 2.3% year-over-year. Presented in functional currency (USD), the operating revenue of year 2019 decreased by 4.78% year-over-year.

- 2020年三月下旬受COVID-19 影響，3月單月營業收入較去年同期下滑33.52%，以功能貨幣(美元)來看則較去年同期下滑31.90%。

In late March of 2020, affected by COVID-19 outbreak, the operating revenue of March decreased by 33.52% compared to the same period of last year., presented in functional currency (USD), the operating revenue of March decreased by 31.90% compared to the same period of last year.

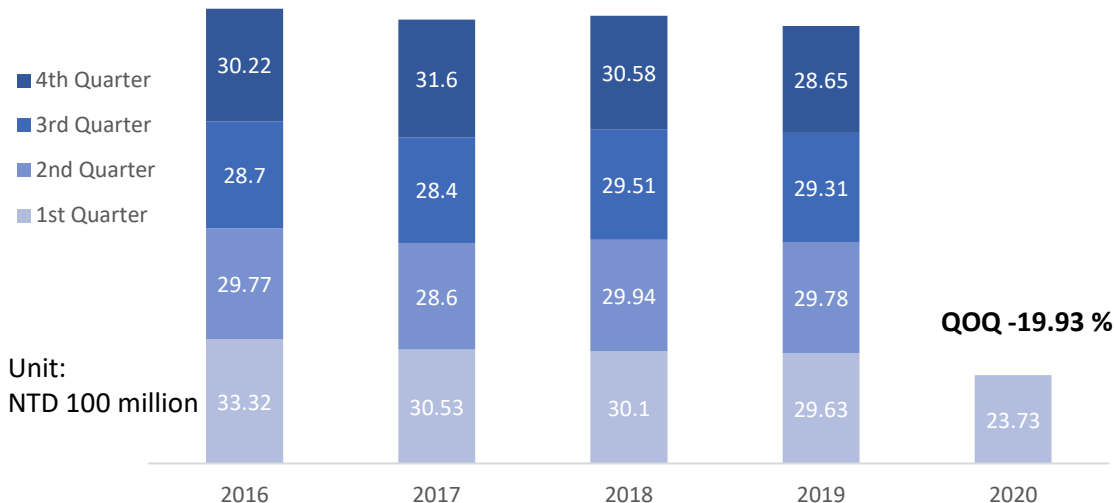
- 2020年第一季營業收入較去年同期下滑19.93%。以功能貨幣(美元)來看，2020年第一季營業收入減少18.00%。

The operating revenue of 1Q 2020 decreased by 19.93% compared to the same period of last year., presented in functional currency (USD), the operating revenue of 1Q of 2020 decreased by 18.00% compared to the same period of last year.

OPERATING REVENUE (NTD)

YOY -2.36% YOY +0.84 % **YOY -2.30 %**

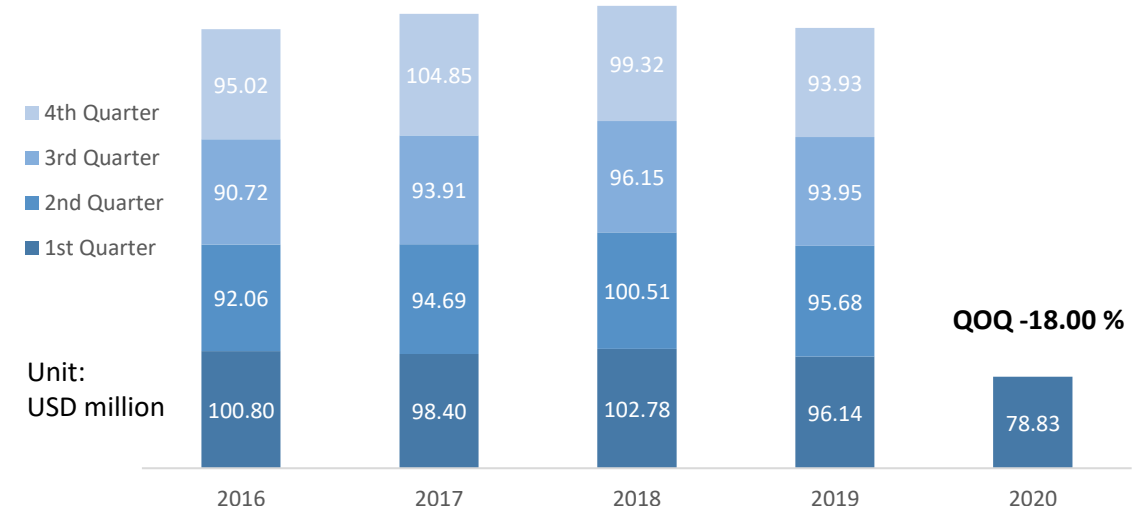
12.201 billion 11.913 billion 12.013 billion 11.737 billion



OPERATING REVENUE (USD)

YOY +3.50 % YOY +1.76 % **YOY -4.78 %**

378.60 million 391.85 million 398.76 million 379.70 million



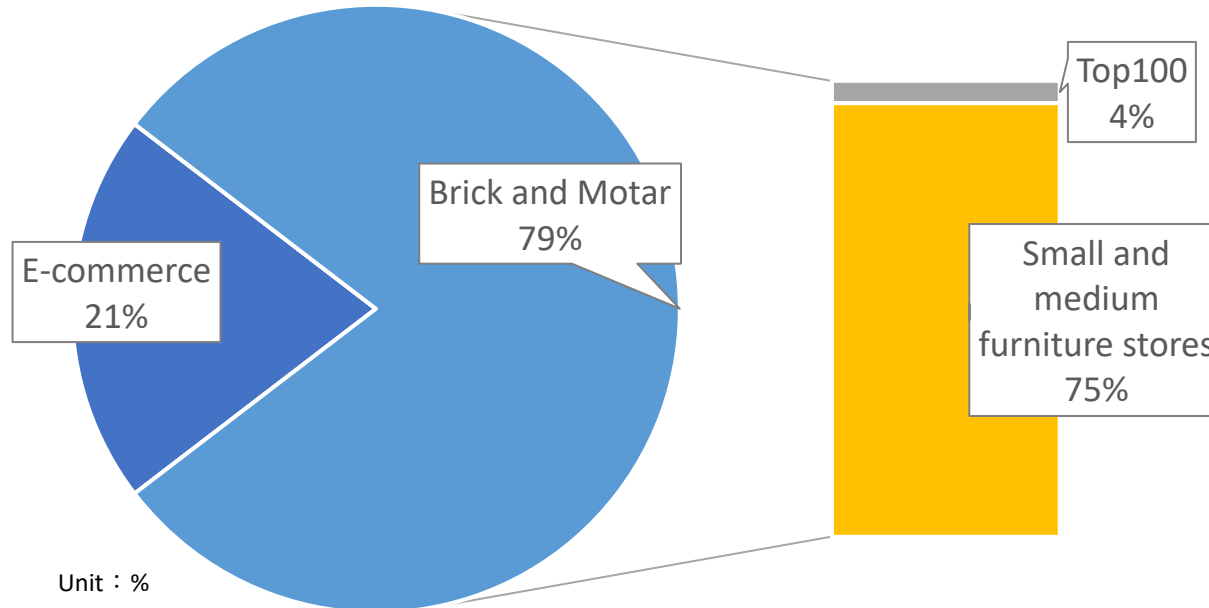
Financial Information-Business Channels and Growth Ratios



- 從通路銷售比重來看，2019年與2018年無明顯變化，電子商務通路(E-commerce) 銷售占比維持21%，實體通路(Brick and Motar)銷售額占比79%，並以中小型客戶為主，銷售比重為75%，大型客戶之銷售比重4%。
- From the perspective of sales percentage in different channel, there's no obvious changes from 2018 to 2019: the sales percentage of E-commerce maintain at 21%, while the sales percentage of Brick and Motar is 79%, mainly from small and medium stores at a percentage of 75%, the sales of percentage of top 100 chain stores is 4%.
- 以銷售額來看，實體通路之大型客戶(top100)銷售額年減14.3%，電子商務通路(E-commerce)與中小型客戶之銷售額減幅相同，均較前一年度減少4.5%。
- From the perspective of sales amount in different channel, the sales amount from "top 100 chain stores" decreased by 14.3% year-to-year, the sales amount of "E-commerce" and "small and medium stores" declined at the same pace, decrease by 4.5% year-to-year.

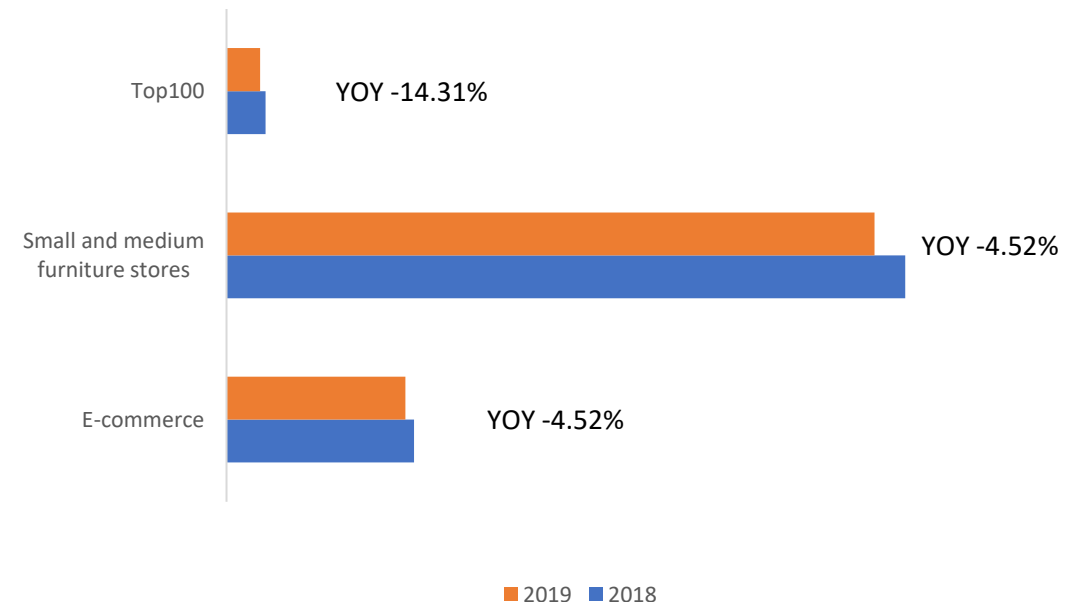
2019

Sales percentage by channel



2019 vs. 2018

Sales growth rate by channel

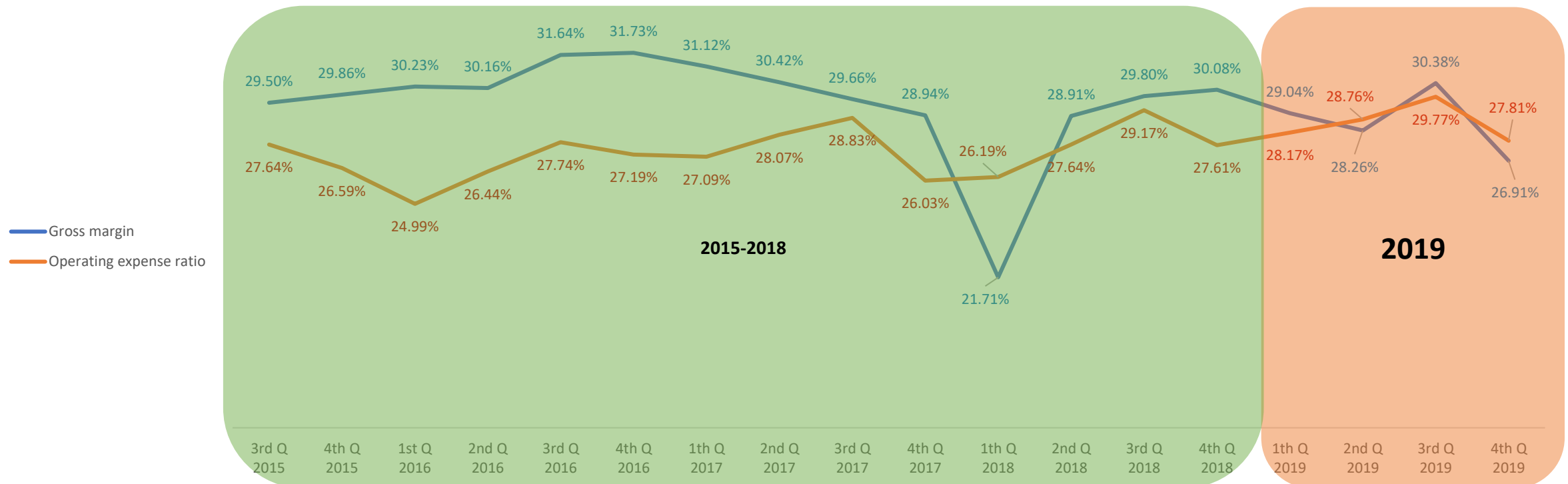


Financial Information-Gross Profit Ratio and Operating Expense Ratio



- 2019年因第4季因舊品降價出售以加速去化庫存，致2019Q4單季毛利率下滑至26.91%，全年毛利率維持28.65%。
- For digesting old/aged inventory, the company sold at a reduced price at 4th quarter of 2019, led to a lower gross margin of 26.91%. The gross margin of year 2019 maintain 28.65%.
- 2019年全年營業費用率28.63%，主因推銷費用增加所致。
- The operating expense ratio of year 2019 up to 28.63% mainly caused by the increase of selling expenses.

Quarterly Gross margin and Operating expense ratio

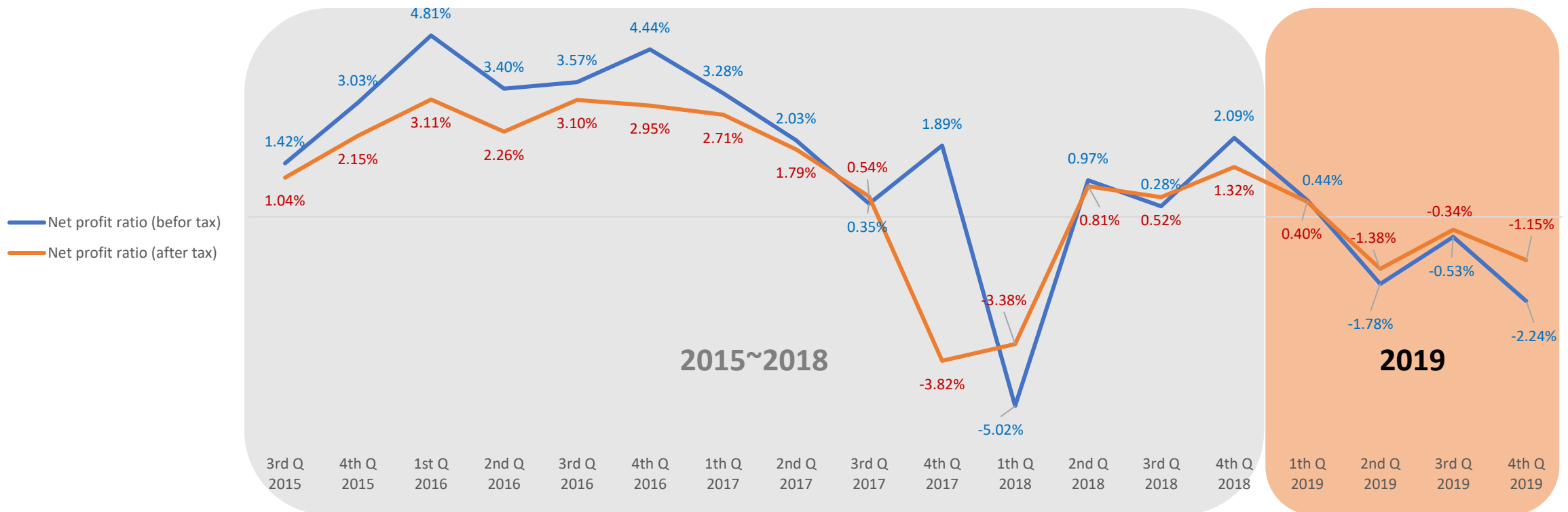


Financial Information-Net Profit Ratio



- 2019年全年稅前淨利率-1.02%，2019年第1季至第4季稅前淨利率分別為0.44%、-1.78%、-0.53%及-2.24%。
- The 2019 net profit ratio (before tax) is -1.02%, the net profit ratio (before tax) from 1st quarter to 4th quarter of year 2019 are 0.44%, -1.78%, -0.53% and -2.24%.
- 2019年全年稅後淨利率-0.62%，2019年第1季至第4季稅後淨利率分別為0.40%、-1.38%、-0.34%及-1.15%。
- The 2019 net profit ratio (after tax) is -0.62%, the net profit ratio (after tax) from 1st quarter to 4th quarter of year 2019 are 0.40%, -1.38%, -0.34% and -1.15%.
- 2019年淨利率偏低，主要受到中美貿易摩擦之影響，致營收下滑，加上公司持續投入資源推動自有品牌及行銷活動所致。
- The net profit ratio of 2019 were lower for the operating revenue declined mainly affected by the trade friction between U.S. and China, added the company kept investing in branding and marketing activities.

Quarterly Net profit ratio

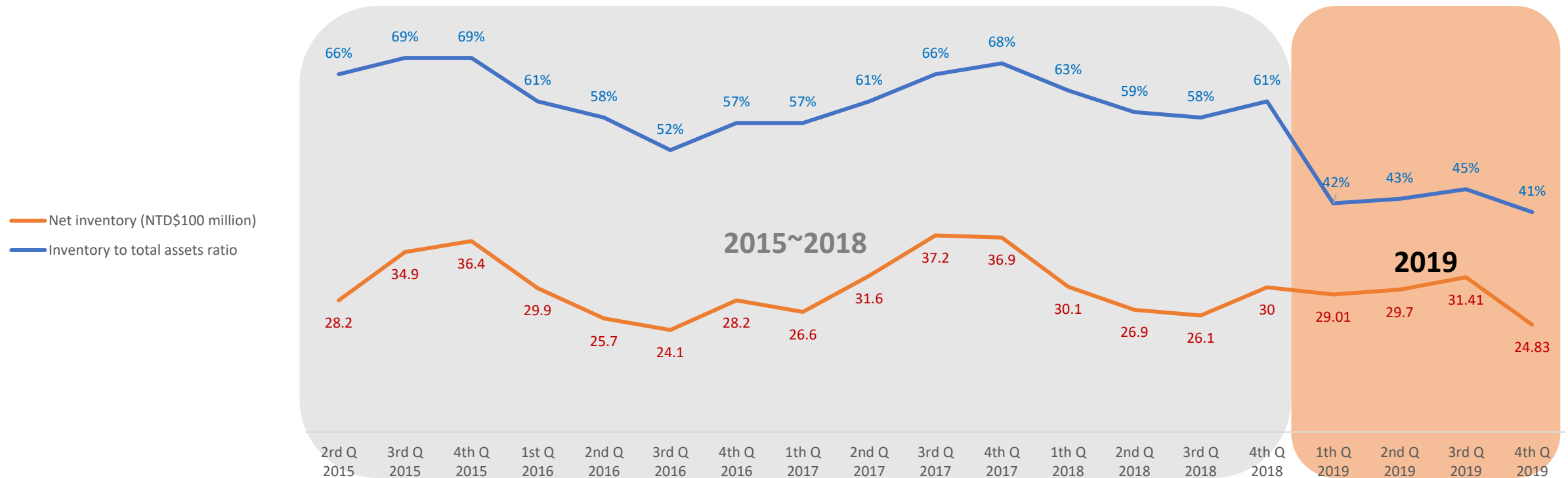


Financial Information-Net Inventory



- 產業有季節性因素，傳統上第3季至第4季為家具存貨備量之高峰。
- Traditionally, the inventory stocks for furniture company were higher at the 3rd quarter and 4th quarter.
- 2019年第1季至第4季底之存貨淨額分別為新台幣29.01億元、29.70億元、31.41億元及24.83億元，第4季因積極去化舊品庫存，致2019年底存貨淨額明顯減少。
- The net inventory from 1st quarter to 4th quarter of year 2019 are NT\$ 2.901billion, 2.97 billion, 3.141billion and 2.483 billion. The inventory obviously decreased in 4th quarter for the company digest old/aged inventory.
- 2019年採IFRS16認列新台幣17.08億元之使用權資產，資產總額增加至61.23億元，致2019年各季度存貨佔總資產比例明顯下修，第1季至第4季分別為42%、43%、45%及41%。
- In 2019, for the adoption of IFRS 16, the company obtain right-of-use assets of NT\$ 1.708 billion, led to an increase of total assets to NT\$ 6.123 billion. The inventory to total assets ratio for each quarter of 2019 are obviously down to 42%, 43%, 45% and 41%.

Net inventory value



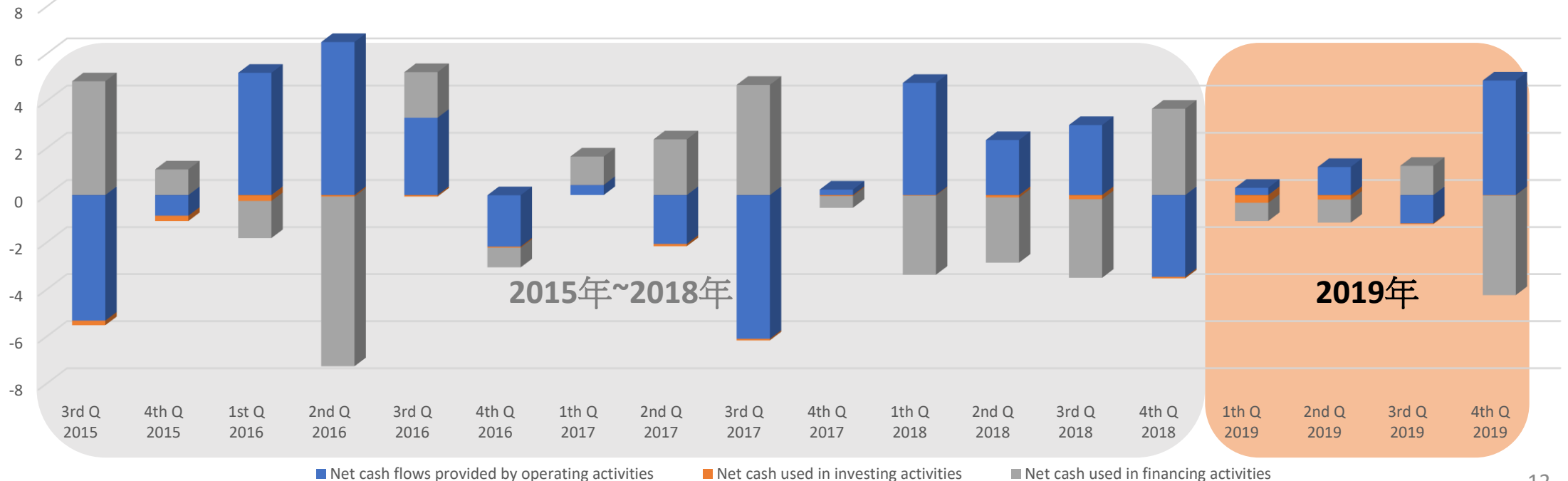
Financial Information-Cash Flow in Five Years



- 營業活動淨現金流量方面，2015年第3季、2017年第3季有超過新台幣4億元之營業活動淨現金流出，主要為購置商品存貨。2015年至2019年各年度營業活動淨現金流量分別為新台幣 -2.5億元、12.76億元、-7.51億元、6.58億元及、5.16億元，除2015年及2017年以外，其餘年度之營業活動均為淨現金流入，2015年至2019年五個年度合計營業活動淨現金流入新台幣14.47億元。
- Cash flows from operating activities : the net cash outflows provided by operating activities of the 3rd quarter 2015 and the 3rd quarter 2017 were above NT\$ 400 million, mainly for inventory procurement. The net cash flows provided by operating activities from year 2015 to 2019 were NT\$ -0.25 billion, NT\$ 1.276 billion, NT\$ -0.751 billion, NT\$ 0.658 billion and NT\$ 0.516 billion. Except year 2015 and 2017, the net cash flows provided by operating activities were cash inflows. The total net cash flows provided by operating activities from 2015 to 2019 amounts to a cash inflow of NT\$ 1.447 billion.
- 投資活動淨現金流量變化不明顯，2019年第1季因取得不動產、廠房及設備25,354千元致投資活動現金淨流出約新台幣31,957千元，2019全年投資活動淨現金流出54,090千元。
- Cash flows from investing activities : The fluctuation of net cash used in financing activities is not obvious. The net cash used in financing activities of 2019 is a cash out flows of NT\$ 54,090 thousand.
- 自2015年下半年至今，各季籌資活動淨現金流量之變化，主要受到短期借款增減之影響。2019年度籌資活動淨現金流出4.76億元，主要來自採IFRS16租賃負債本金償還數減少新台幣5.26億元所致。
- The fluctuation of cash flows from financing activities were mainly affected by short-term borrowing level. The net cash used in financing activities of year 2019 is NT\$ 0.476 billion, mainly for the effect of the adoption of IFRS 16 led to the decrease of lease payment of NT\$ 0.526 billion.

Units: NTD\$ 100 million

Cash Flow Analysis



Opportunities and Challenges- Collaboration with Brick and Mortar Retailers

- Base on Omnichannel Furniture Benchmarking Report released by BLUEPORT COMMERCE in 2018:
- Key findings: Smaller retailers struggle to keep up with larger players
Retailers over \$500M in sales lead the way in valuable omnichannel features. Retailers from \$250M to \$500M achieve good design, but are often unable to keep up with leading retailers on features. Retailers less than \$250M in sales lag larger retailers in both design and features offered.

根據行銷顧問公司BLUEPORT COMMERCE以家具零售業者為對象進行的研究，營業額越小的業者，其網頁完成度之得分越低。這表示，規模越小的家具零售業者，越是難以搭上電子商務的商機。

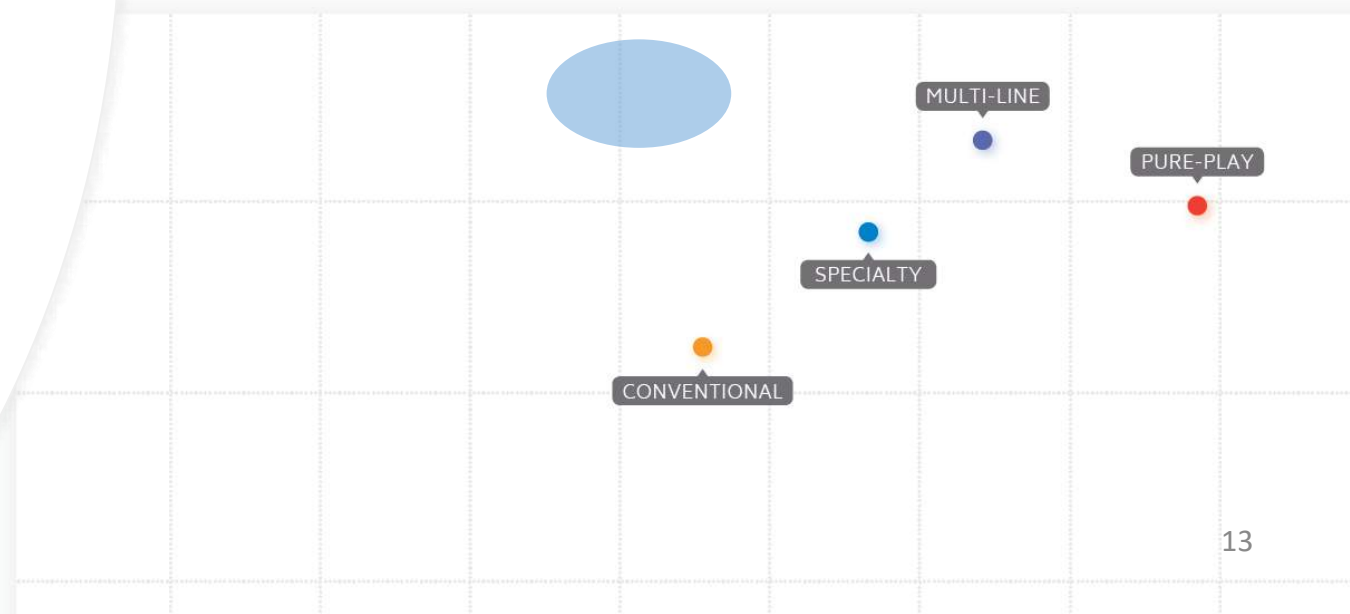
- Key findings : As a whole, Conventional furniture retailers lag other players
Among the retailers benchmarked, Pure-plays lead the way in design, while Multi-line players put their scale to use in releasing more and more valuable omnichannel features.

若依零售業者之類型進行評分，傳統家具零售業者(CONVENTIONAL)不論在網頁完成度或是設計之得分均低於其他類型之家具業者。

Scores by Size of Retailer



Scores by Type of Retailer



Opportunities and Challenges- Collaboration with Brick and Mortar Retailers

- COASTER以自身強大的供貨能力及後勤服務，輔導中小型業者(Brick and Mortar)加入COASTER 家具銷售行列，即使無力架設網頁與負擔電商經營成本的中小型業者，也能透過COASTER參與電子商務。
- Coaster's supply chain and service team are powerful, that small and medium furniture stores not able to establish their own website could easily go into E-commerce business by joining Coaster Connect.
- COASTER 推出之手機應用程式及新版網頁，引導更多中小型業者加入，同時將消費者導流至在地中小實體業者。
- Coaster's new website and mobile app could guide people to physical furniture stores, this will induce more small and medium furniture stores to join Coaster Connect.



How To Be A Traditional Retailer

As a leading national distributor of furniture, Coaster offers a vast selection of quality products, pays attention to detail, delivers superior customer support, and is a proven source for providing your customers with the furniture of their dreams. Coaster has been in business for nearly 40 years allowing us to perfect our merchandising and customer service.

Coaster Trade

Whether you've got a quirky little shop on Main Street or a string of large retail locations, Coaster is there to help grow your business. We deliver exceptional benefits to all of our dealers. The Coaster Trade program offers unparalleled service and support that builds a lasting partnership. As a leading national distributor, we maintain over 5000 SKUs to satisfy every home furnishing and decor requirement.



Impressive Inventory

We Offer A Selection Of
Over 5,000 SKUs.



National Presence

7 Branches And 2
Distribution Centers
Across The U.S.



Quick Shipping

Locations Provide Fast
Access For Pickup.



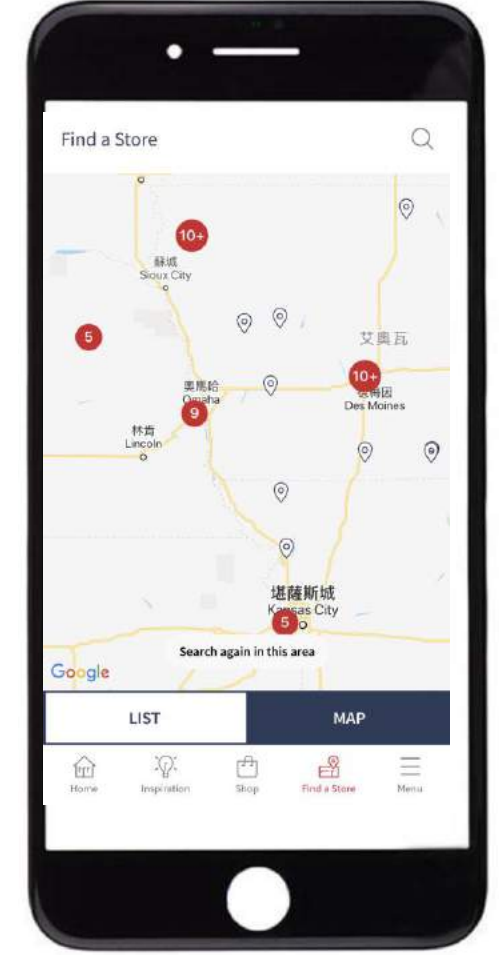
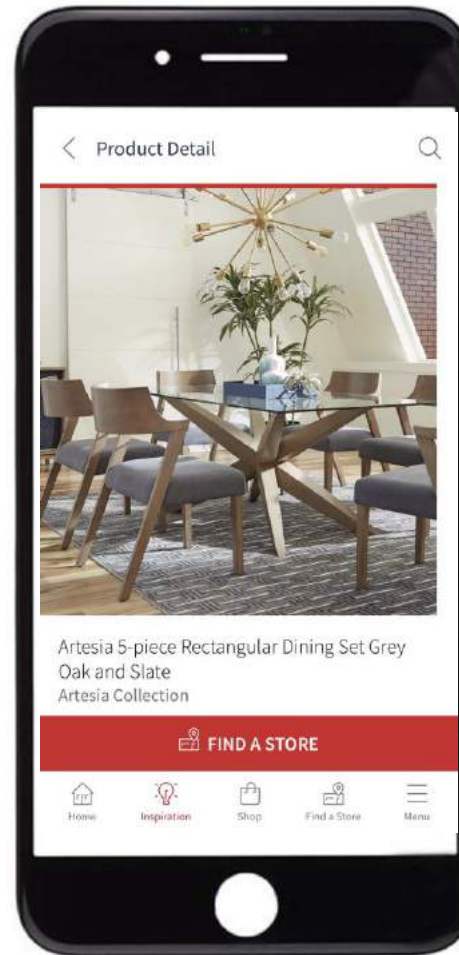
Customer Service

We Set The Standard For
Dealer Support.

Opportunities and Challenges-Bridging our Consumers to our Dealers

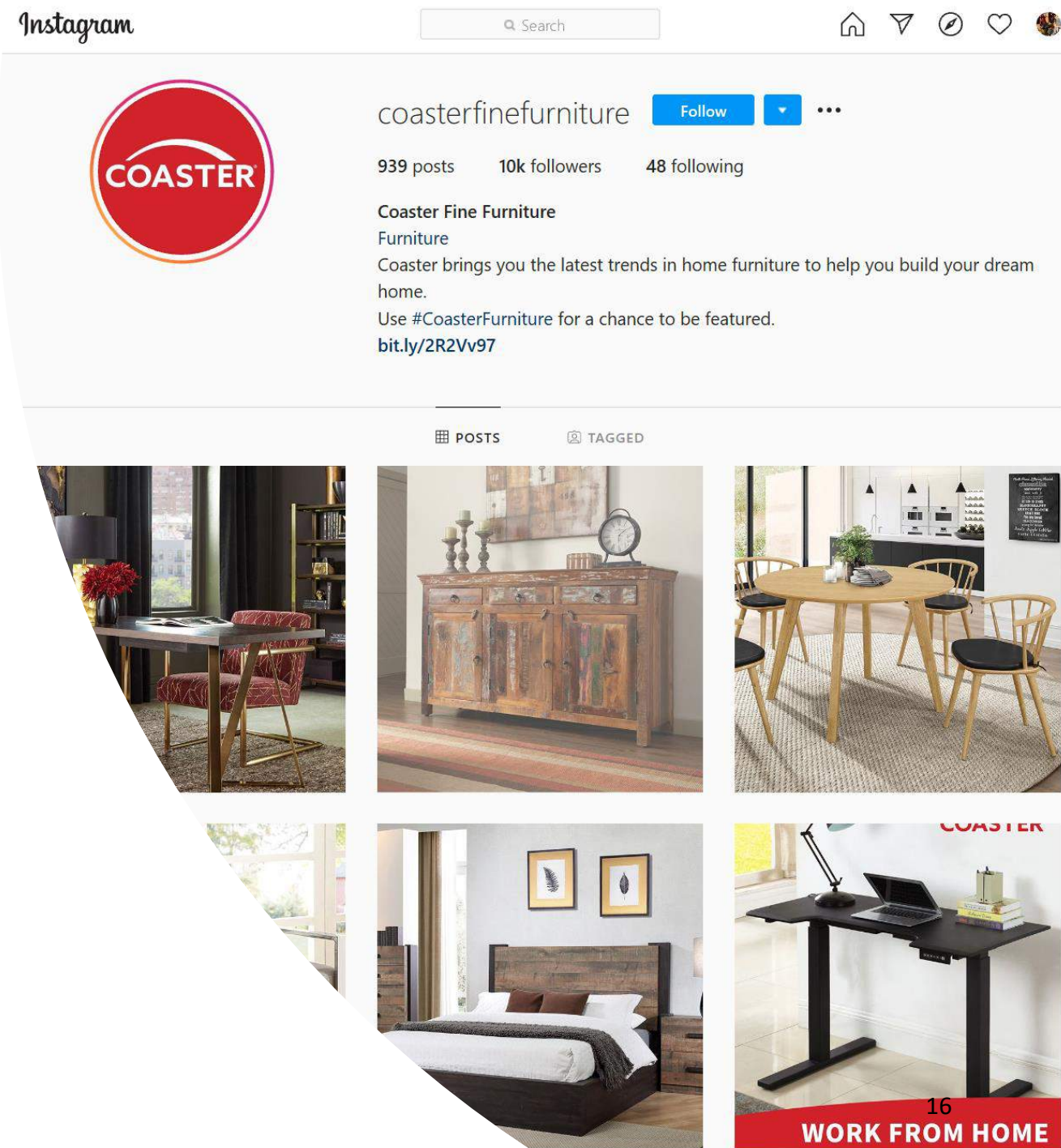


- Coaster推出的手機應用程式，供消費者下載瀏覽商品資訊，從Coaster所經營的社群INSTAGRAM取得居家布置的靈感。
- Coaster's mobile app is made for consumers to browse and find detail of furniture products, consumers could also grab ideas of interior décor from Coaster's Instagram.
- 消費者還可以依照所在位置，尋找附近銷售Coaster家具的實體商家。
- People could also find furniture stores on the map of their mobile and shop for COASTER furniture.



Opportunities and Challenges-Bridging our Consumers to our Dealers

- COASTER以消費者為出發點，推出不同價格帶的自有品牌。
- To satisfy consumers, Coaster launched COASTER brands in different style at different retail price points.
- COASTER經營的INSTAGRAM社群，讓所有人都能在COASTER找到喜愛的家具。
- The interior décor ideas on Coaster's INSTAGRAM community will help everyone to find his/her own favorite piece of furniture.



Opportunities and Challenges-New Technology Application and Data Management



- 客思達集團每年銷售之數千種產品品項來自全球上百家供應商。如何準確掌握消費端需求與來自供應端充足適量的存貨，向來是供應鏈管理的一大挑戰。為了因應家具商品生產及運送周期綿長的供應鏈，客思達集團多年以來已自行開發出獨特之採購管理系統，使客思達將得以在劇烈變化的貿易環境中快速調整因應。
- Coaster provide thousands of furniture items sources from more than a hundred of manufactures. It is a continuous challenge for Coaster to forecast the demand and maintain adequate stocks. To deal with the long supply chain of furniture, Coaster developed its own unique procurement systems, and able to respond to the rapidly changing global trading environment.
- 客思達之電子商務供貨服務，運用EDI電子資料交換平台處理大量訂單，節省大量時間及人力成本。在資訊快速數位化的趨勢下，如何妥善處理並維持龐大的數據庫以取得更有效率的經營能力，是企業體質躍升的一大關鍵，也是客思達努力的方向。
- To save time and labor cost, Coaster uses EDI system to manage a huge number of e-orders. Coaster also works hard to improve the efficiency of managing the database and to establish a more powerful business structure.
- 為了提供消費者更豐富的商品選擇以及更好的消費體驗，客思達在商品設計層面向來亦不遺餘力。近三年來，除了陸續推出聯名品牌商品，2019年推展自有品牌CoasterEveryday、CoasterEssence、CoasterElevations及CoasterSleep，並開始經營社群、輔導中小型實體業者加入Coaster供貨行列，2020年推出手機應用平台，進一步連結消費者與實體業者，完成串聯線上到線下(online to offline, O2O)之營業模式。
- To provide more diverse options and better shopping experiences to consumers, Coaster spares no efforts on improving product design. In recent 3 years, Coaster launched two co-branded furniture collections, and launched Coaster brands in 2019: CoasterEveryday, CoasterEssence, CoasterElevations and CoasterSleep. Coaster has also created online communities such as Instagram and Facebook and release Coaster's mobile app in 2020., on the other hand, Coaster induce small and medium furniture stores to join Coaster's supply chain, by connecting end users to physical furniture stores, Coaster is going into a new O2O (online to offline) business model.

Passionate To Live, Dine, Rest and Work Well

Our delight is to be innovative and excellent in all that we do. There are design inspirations in our furniture brands to enhance your lifestyle and match your budget.

