

# Alexander Marine Co., Ltd.

## 東哥企業股份有限公司

股票代碼：8478



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- Financial Results
- Impressive Operating Performance
- Business Features and Strengths
- Growth Strategies
- Takeaways



# Statement of Comprehensive Income



(NT\$ 000)	2023	2022	YoY
Sales	6,325,111	5,555,452	13.9%
Gross Profit	3,048,196	2,524,117	20.8%
Operating Profit	2,191,914	1,861,633	17.7%
Profit before Tax	2,214,599	1,842,357	20.2%
Net Income	2,081,427	1,753,278	18.7%
Basic EPS(NT\$)	23.66	19.93	
<i>Gross Margin</i>	<i>48.2%</i>	<i>45.4%</i>	
<i>Operating Margin</i>	<i>34.7%</i>	<i>33.5%</i>	
<i>Pretax Margin</i>	<i>35.0%</i>	<i>33.2%</i>	
<i>Net Profit Margin</i>	<i>32.9%</i>	<i>31.6%</i>	

# Balance Sheet Highlights



(NT\$ 000)	2023.12.31	2022.12.31	2021.12.31
Cash & Financial Assets <sup>(1)</sup>	2,417,853	2,335,724	758,765
Notes & Accounts Receivable	1,697,388	683,618	607,046
Inventory	4,136,491	3,386,004	2,829,801
Fixed Assets <sup>(2)</sup>	1,899,135	1,575,466	1,710,548
<b>Total Assets</b>	<b>10,959,429</b>	<b>9,049,411</b>	<b>6,857,327</b>
Total Borrowings <sup>(3)</sup>	3,516,725	2,649,547	2,925,505
Contract liabilities	271,016	730,772	44,751
<b>Total Liabilities</b>	<b>5,107,441</b>	<b>4,368,550</b>	<b>3,829,946</b>
Common Share	888,863	888,863	888,863
<b>Total Shareholders' Equity</b>	<b>5,851,988</b>	<b>4,680,861</b>	<b>3,027,381</b>
<i>Current Ratio</i>	<i>306%</i>	<i>341%</i>	<i>179%</i>
<i>Liability-to-Asset Ratio</i>	<i>47%</i>	<i>48%</i>	<i>56%</i>
<i>Total Debt-to-Asset Ratio</i>	<i>32%</i>	<i>29%</i>	<i>43%</i>

Note: (1) Cash and Financial Assets = Cash and cash equivalents + Financial assets at amortized cost + Current financial assets measured at amortized cost

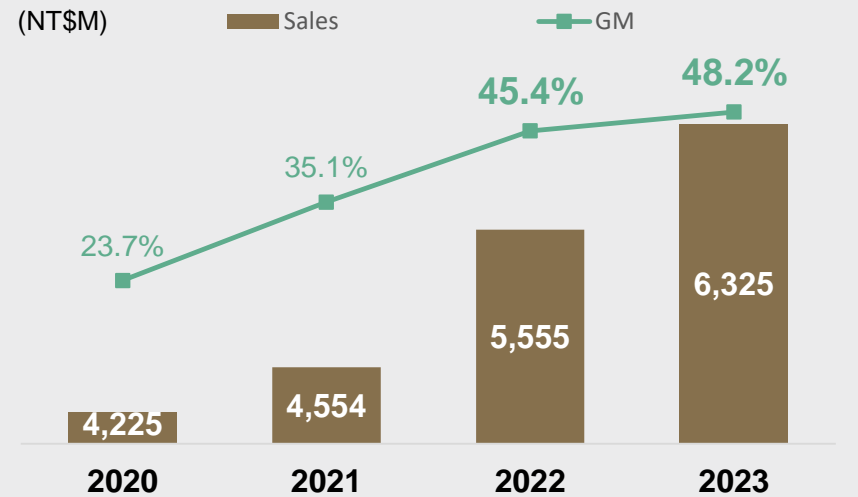
(2) Fixed Assets = Property, plant and equipment + Right-of-use assets + Prepayments for Land

(3) Total Borrowings= Short-term borrowings+ Short-term bills payable + Current portion of long-term bank borrowings + Long-term bank borrowings

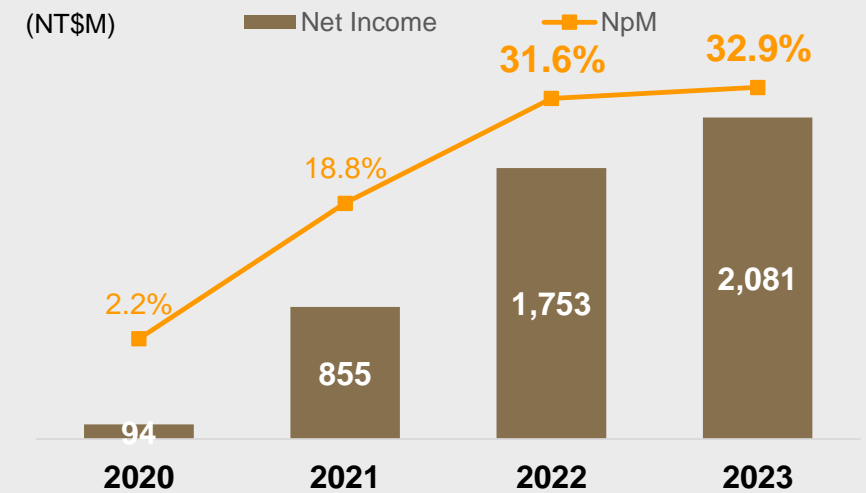
# Significantly Improved Profitability



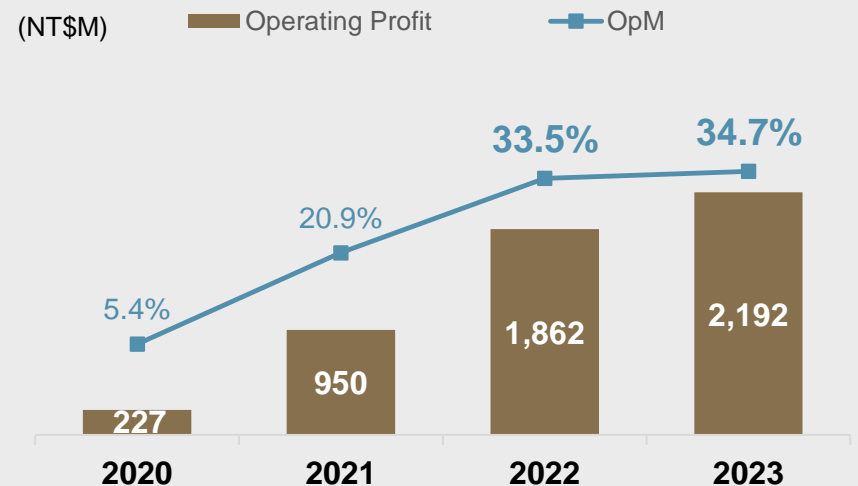
## Sales & Gross Margin



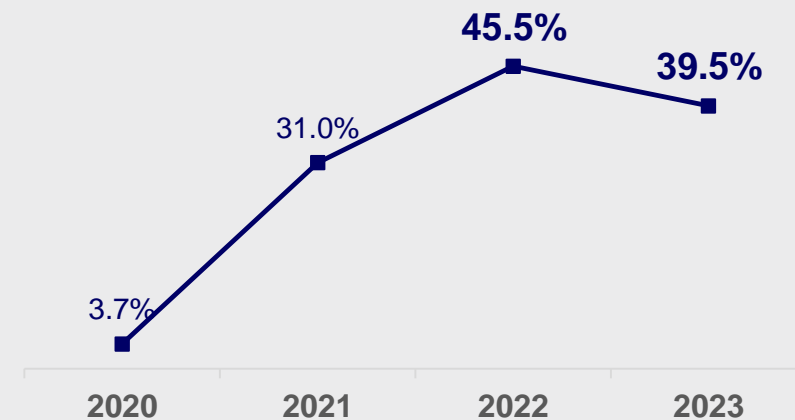
## Net Income & Net Profit Margin



## Operating Profit & Operating Margin



## ROE



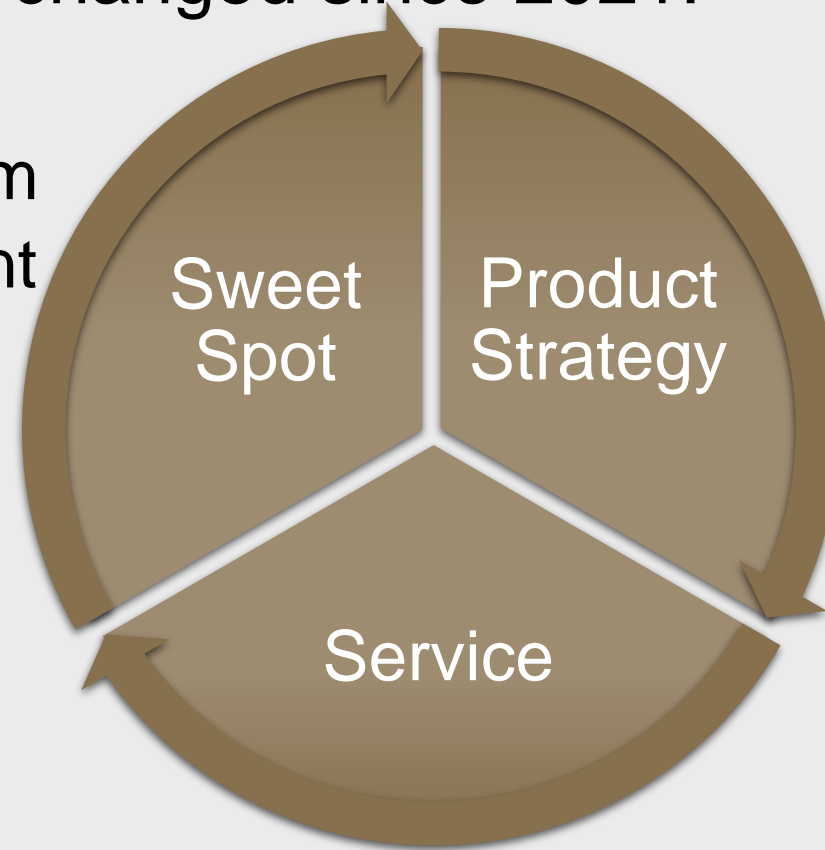
# Impressive Operating Performance



Significant strategies changed since 2021:

Market positioning: 24-45m

- Fastest growing segment
- High entry barrier
- Minimal US competitors



- Elite of the Elite
- Larger yachts
- High-end elements and innovative design
- Mass production with customized modules

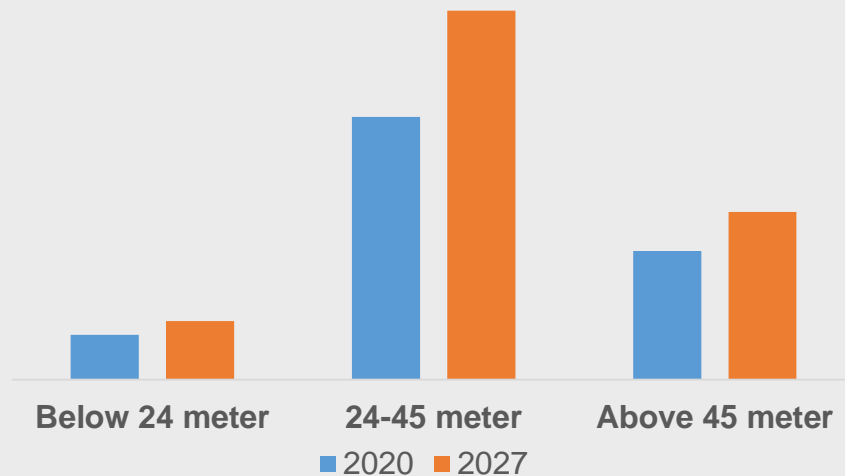
- Aim at UHNWIs
- Client - the invaluable asset
- The best dedicated service

# Rising Demand for Luxury Leisure



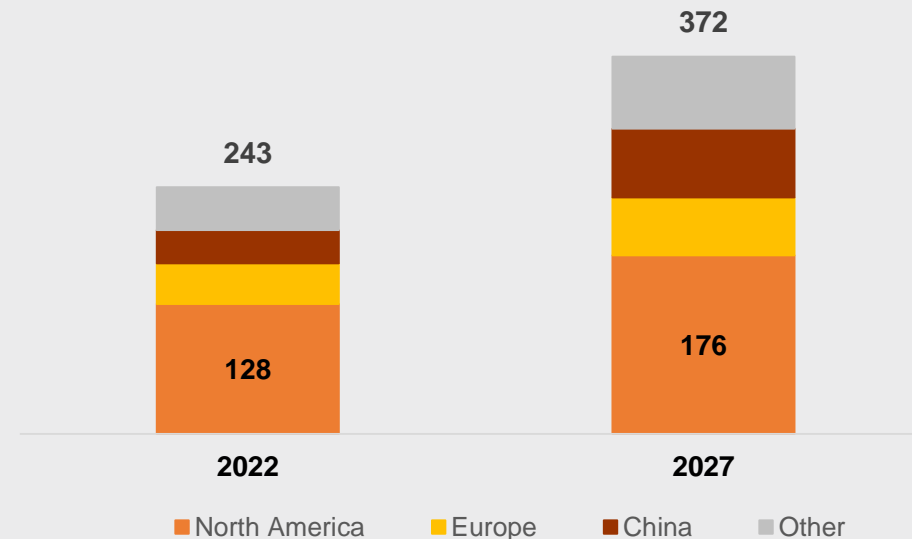
- The global luxury yacht market is anticipated to grow strongly at over 6.7% CAGR from 2023 to 2032, with growing popularity for 24-45 meter yachts.
- The number of UHNWIs at the top of the wealth pyramid will continue to grow. More than half of UHNWIs reside in North America.

Global Yacht Market Size, By Length



Source: Global Market Insights

Increasing UHNWIs



Source: Credit Suisse Global Wealth Report 2023

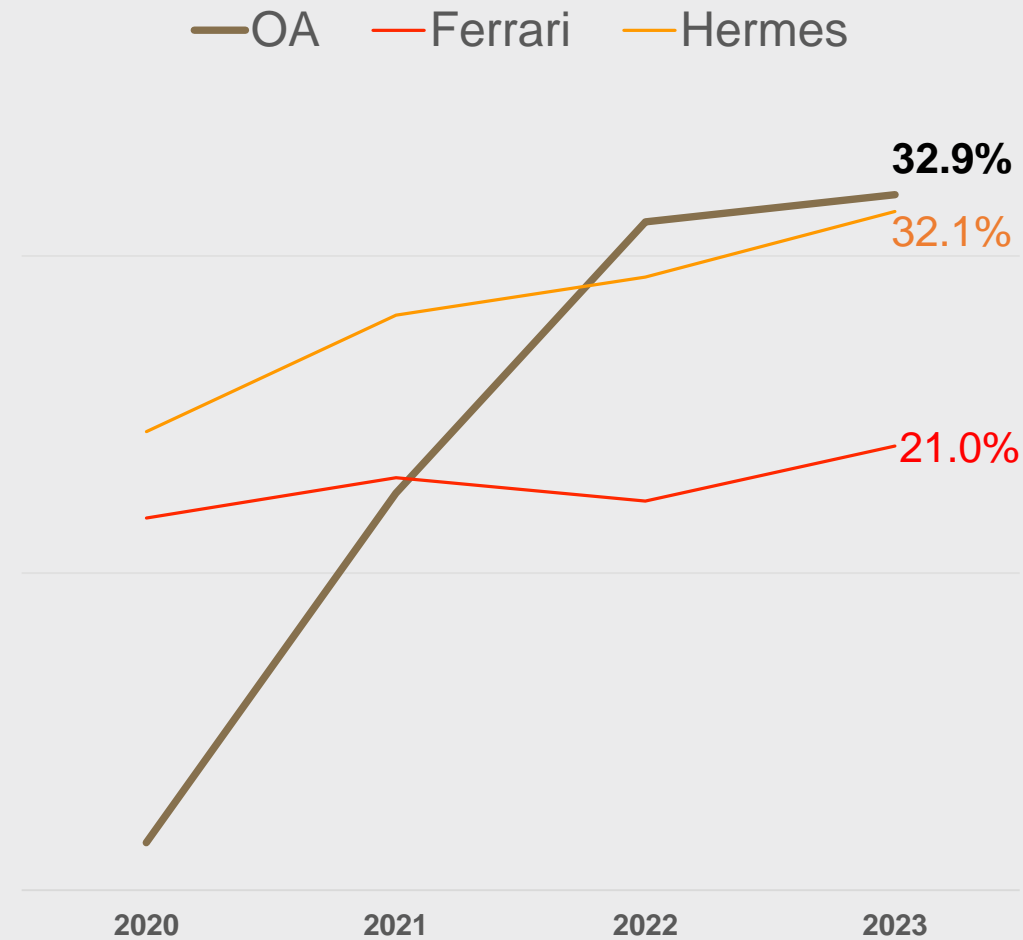
Note: UHNWIs refer to ultra high net worth Individuals, with wealth above US\$50 million.



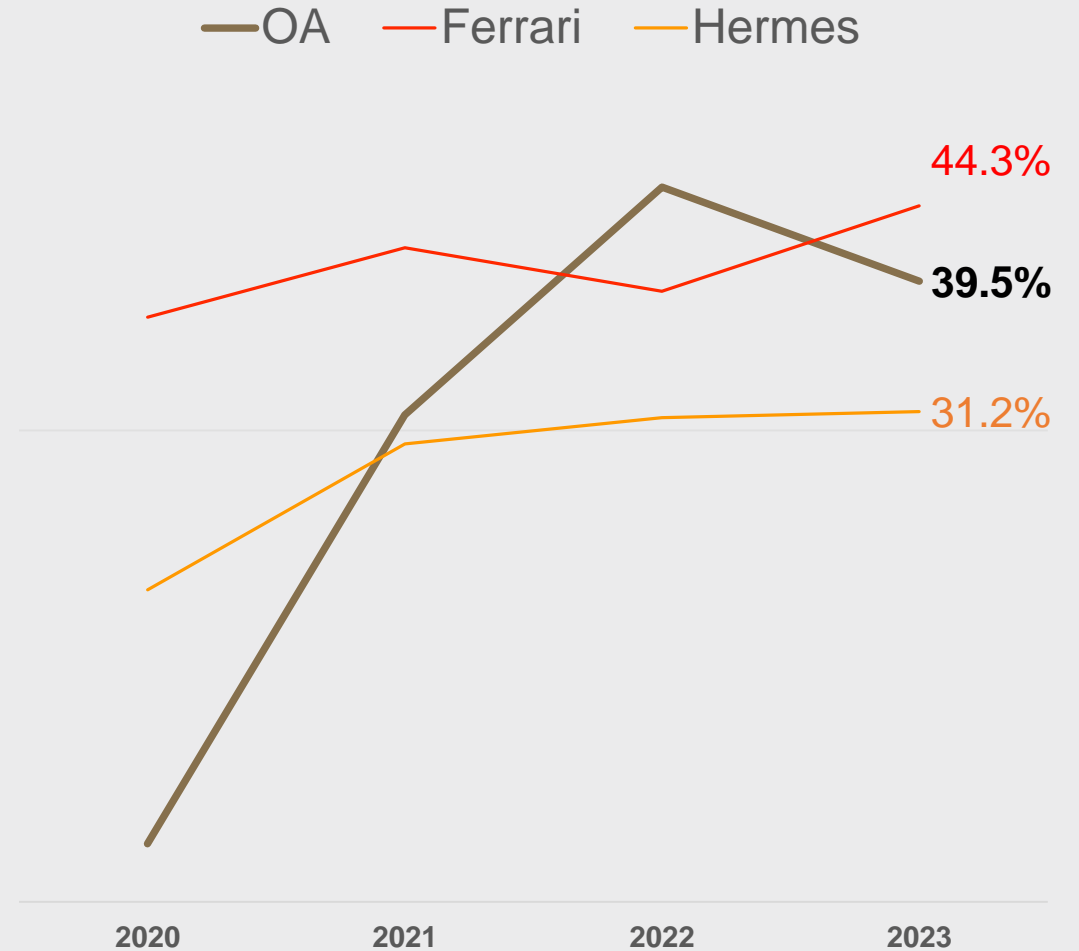
# World-class Boutiques' Profit Performance



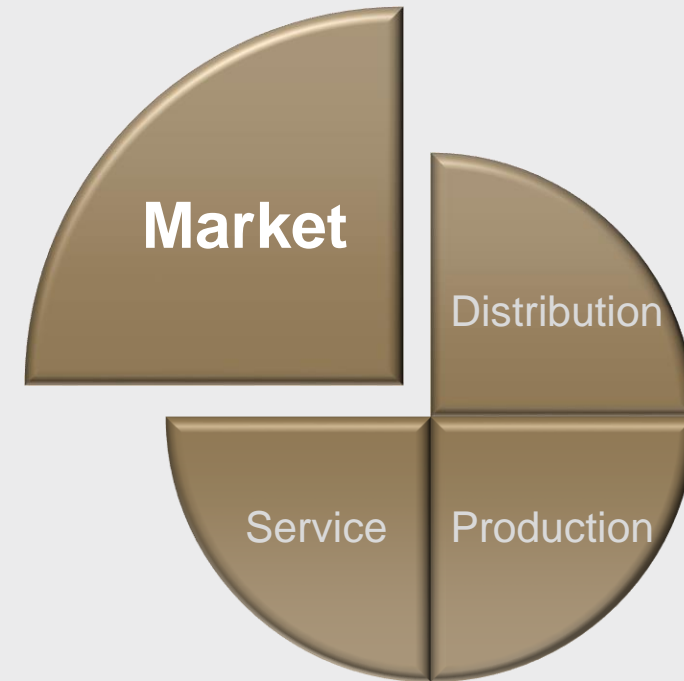
## Net Profit Margin



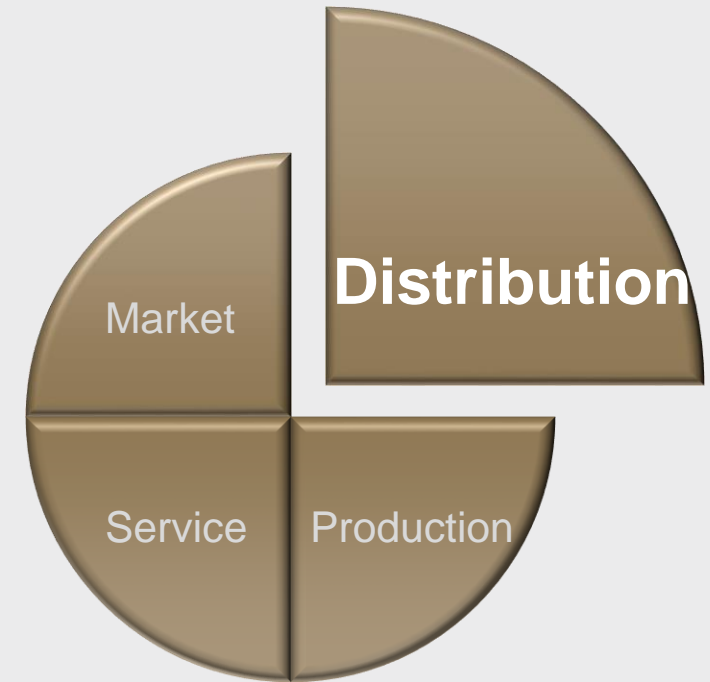
## ROE



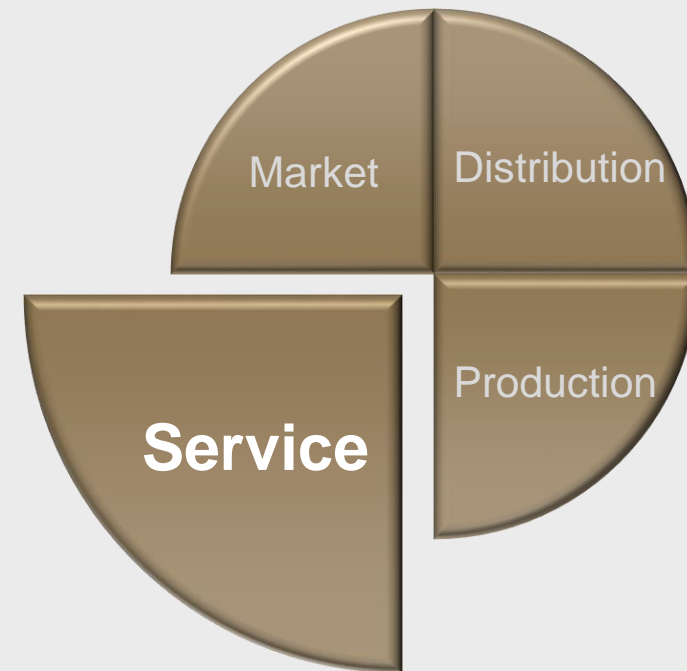
- Devoted to US luxury yachts market in for years
- Deep knowledge of US customer preference
- None US-based competitors
- Large Historical pool of existing customers moving up
- Network effect



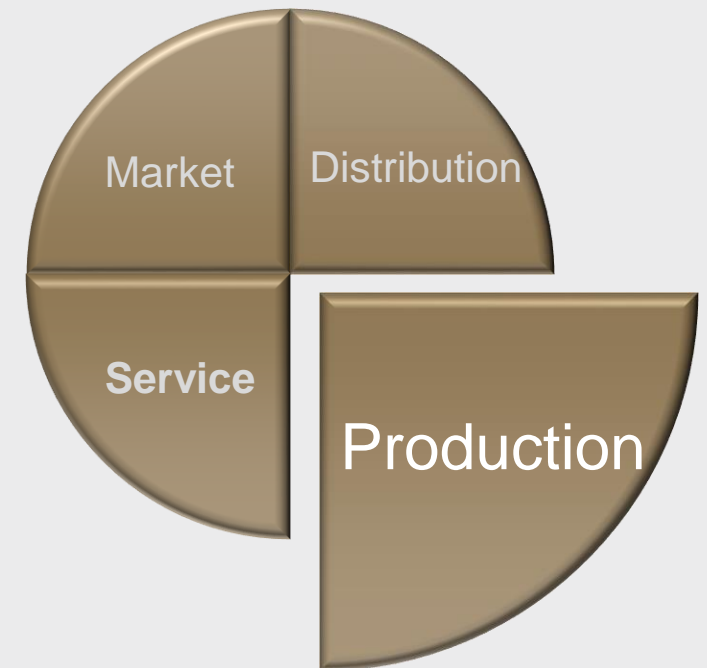
- Largest dealer - MarineMax (on the East Coast of the US)
- Owned distribution channels (on the West Coast of the US)
- Sizable potential customer database
- Unique inventory business model
- Timely and privileged market information



- OA's professional service teams and infrastructures
- Deeper customer stickiness with personalized service
- Attention to customer privacy, and early resolution of any issues
- Privileged insight into customer/market movement



- Mass production with customized modules
- 45 years skillful experiences
- Strong relationship with suppliers
- Global design teams



## Organic growth

- ASP increase
  - Product mix optimization
  - Larger yachts
- Current order book to 2026
- Third factory production move-in from the end of 2025, +50% capacity the most



## Horizontal Expansion: Strategic alliance

With historical customer list and goodwill, collaborate with European manufacturer

- Larger yachts
- Not constrained by internal capacity
- EPS without huge capital expenditures
- Smooth entry into EU for existing OA yachts
- Skills upgrading
- By 2028 estimate over 20% of revenue



## Vertical Expansion I : via M&A-Service

Global Addressable Market: US\$14 Billion

Strategic Rationale:

- Priority service for OA owners : strengthen customer relationships
- Organic growth too slow to fulfill client needs
- More M&A opportunities from family-owned companies
- Highly fragmented segment : top 5 players has less than 5% market share
- Branding establishment to provide consistent service across regions





## Vertical Expansion II: via M&A-Marina

Global Addressable Market: US\$24 Billion

Industry Average Gross Margin 60%

Strategic Rationale:

- Priority service for OA owners: strengthen customer relationships
- More M&A opportunities from REITS or family-owned companies with reasonable pricing
- Highly fragmented segment: top 5 players has less than 10% market share
- Branding establishment to provide consistent marina service across regions



## Strategic initiative: Server our clients in broader spectrum

- Business Features and Strengths
  - Market
  - Distribution
  - Service
  - Production
- Growth Strategies
  - Organic growth
  - Horizontal Expansion
    - \* Strategic alliance
  - Vertical Expansion
    - \* Service
    - \* Marina

*We will continue to grow, and continue to seek higher profitability.*



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