



CHLITINA  
克麗緹娜

# CHLITINA HOLDING LIMITED Q1 2024 BUSINESS REPORT

雙核聚變

構築雙渠多美 / 發揚核心優勢 / 凝聚團隊力量 / 擁抱變革新機

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Company Profile & Business Outlook



Business Performance Presentation & Financial Overview



Q&A



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Corporate Snapshot

Stock Ticker	4137 TT (麗豐-KY)
Market Cap.	around NT\$ 15bn
Capital Stock	NT\$ 825m
2024Q1 Sales	RMB 229m／NT\$ 998m
2024Q1 Net Profit	RMB 17m／NT\$ 72m
2023 ROE	21%
Main Shareholder	Wealthy Garden (34.01%)

## Business Scope

<b>Main Business Activities</b>	R&D, manufacturing and sale of skincare and beauty products; In addition to our beauty salon franchise network, we have entered e-commerce and the medical beauty sector; We are also actively developing various anti-aging and regeneration research projects.
<b>Market Positioning</b>	Mid-to-high end skincare products; Beauty salon franchise industry leader; In recent years, we have also been involved in aesthetic surgery and in anti-aging research.
<b>Market Focus</b>	Mainland China (about 95% of sales).
<b>Main Business Channels</b>	Franchise beauty salons ; Self-owned aesthetic surgery clinics; Self-owned e-commerce platform; Strategic investments.
<b>Brands and Business Scale</b>	<ul style="list-style-type: none"> <li>-<b>CHLITINA 克麗緹娜</b> (beauty salon franchise): 5,000 stores around the world.</li> <li>-<b>RnD瓊緹</b> (manicure and eyelash extensions salon franchise): over 600 stores.</li> <li>-<b>UPLIDER 雅樸麗德, HEDENG禾登, JINGHE 晶禾</b> (self-operated aesthetic surgery and anti-aging clinics): 5 medical clinics.</li> <li>-<b>CHLITINA HOME SPA</b> new omni-channel retail brand.</li> </ul>



## Chlitina Holding Structure



# Company History: 30 Years of Brand Value and Product Power

## Establishing the Brand

1989

Dr. Wu-Kang Chen successfully introduced the use of **amino acids** in skin care formulation and created the **CHLITINA 克麗緹娜** brand.



## Setting Up a Supply Chain

2001-2003

- **Manufacturing** and training facilities built in Songjiang near Shanghai.
- CHLITINA awarded **China Famous Brand** label.



## Focusing on Branding, Portfolio, and Network Upgrade

2017-2019

- **2017 UPLIDER** medical beauty and anti-aging clinic channel created.
- **2018** Entire group converted to digital management.
- **2019** Light Up charity upgraded to a Foundation.
- **2020 Youthkeeper Serum**, developed from own patent, awarded Beauty Star by ELLE Magazine.



1989

1997

2003

2007-2015

2017-2019

2020-2022

2023



## Rapid Expansion

From 1997 on

Chairwoman Joanna Chen brought the **CHLITINA products and franchise model** into China, ushering in a period of strong growth for the company.



## Stable Growth & Capitalization

2007 -2015

- 2007: Brand present in all regions of China with a network of 2,000 franchise stores.
- 2012: Network comprises 3,000 stores worldwide.
- 2013: Company listed on the **Taiwan Stock Exchange**.
- 2014: Xinmeili e-commerce platform created.

Since 2015, CHLITINA has appeared 8 times among the **Taiwan Top 25 Global Brands** - the only beauty company selected; Also awarded Asia Best Brand, Most Influential Beauty Franchise Organization, **China Top 100 Franchise**, among other awards.



## Undaunted by the Epidemic, Pursuing Concentric Diversification

2020-2022

- 2020: Diversification, strategic investments in the biomedical field.
- 2021: In times of epidemic, in spite of the downward trend, sales grew by 40%.
- Return to the group's strong foundation: **product power**.
- Chairwoman Joanna Chen awarded **Best Female CEO** by Harvard Business Review.

Brand Value

Network Expansion

ESG

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構築雙渠多美 發揚核心優勢 凝聚團隊力量 擁抱變革新機



## Business Update: “Brand, Products, Training” Core Business Strengths

- Established in Taiwan in 1989, the company currently owns and operates 4 major divisions: **CHLITINA**, **UPLIDER**, **RnD**, and **CHLITINA HOME SPA**.
- Industry leader in the Asia-Pacific region, the company has significant advantages in terms of **product research and development**, **supply chain management**, **branding**, **online-to-offline integration**, and so on.
- Since its creation, the company has maintained a **rapid growth trend**. In recent years, CHLITINA has stepped into the fields of **regenerative medicine and anti-aging**, an expansion strategy well served by its strong execution capabilities and franchise network management know-how.

### Four Main Business Channels

**CHLITINA** | 克麗緹娜

Beauty Salon Franchise

around **5000** franchise stores



**RnD** Professional Manicure  
環繞專業美甲

Manicure & Eyelash  
Extension Salon Franchise

**600** franchise stores



**+** **UPLIDER** 雅樸麗德

Self-operated regenerative  
medicine and anti-aging centers

**3** aesthetic surgery clinics **2** anti-aging centers



**CHLITINA**  
HOME SPA

Online-Offline layout

Exploring a new **omni-channel retail** territory



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## Main Channel : CHLITINA Beauty Salon Franchise

- **Training sessions:** intensive or not
- **Beauty products:** for customers to bring back home or for beauticians to use inside salon
- **Joined marketing:** assisting stores with online sales

- **Sale of skin care products** (GP around 50%)
- **Sale of services** (GP around 90%)



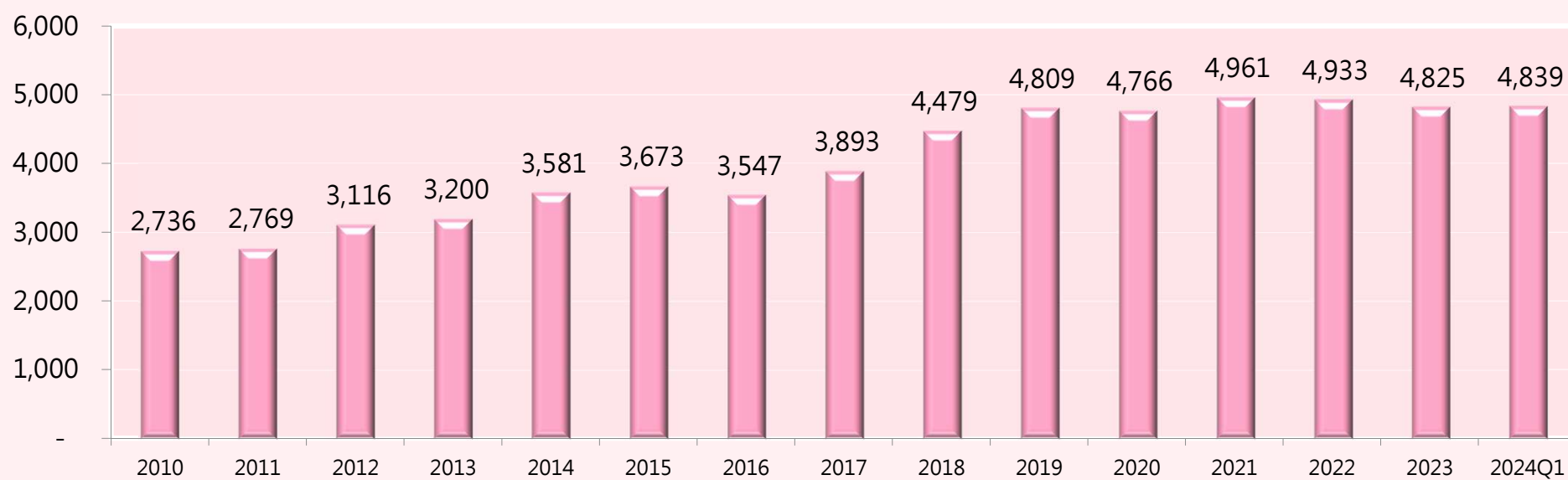
- One-time franchise fee and product sales
- Minimum purchase requirement
- Standard storefront requirement

- Investment needed: RMB700,000 to RMB1m
- Rent, salaries, and other expenses borne by franchisees
- It takes franchisees about 2-3 years to break even

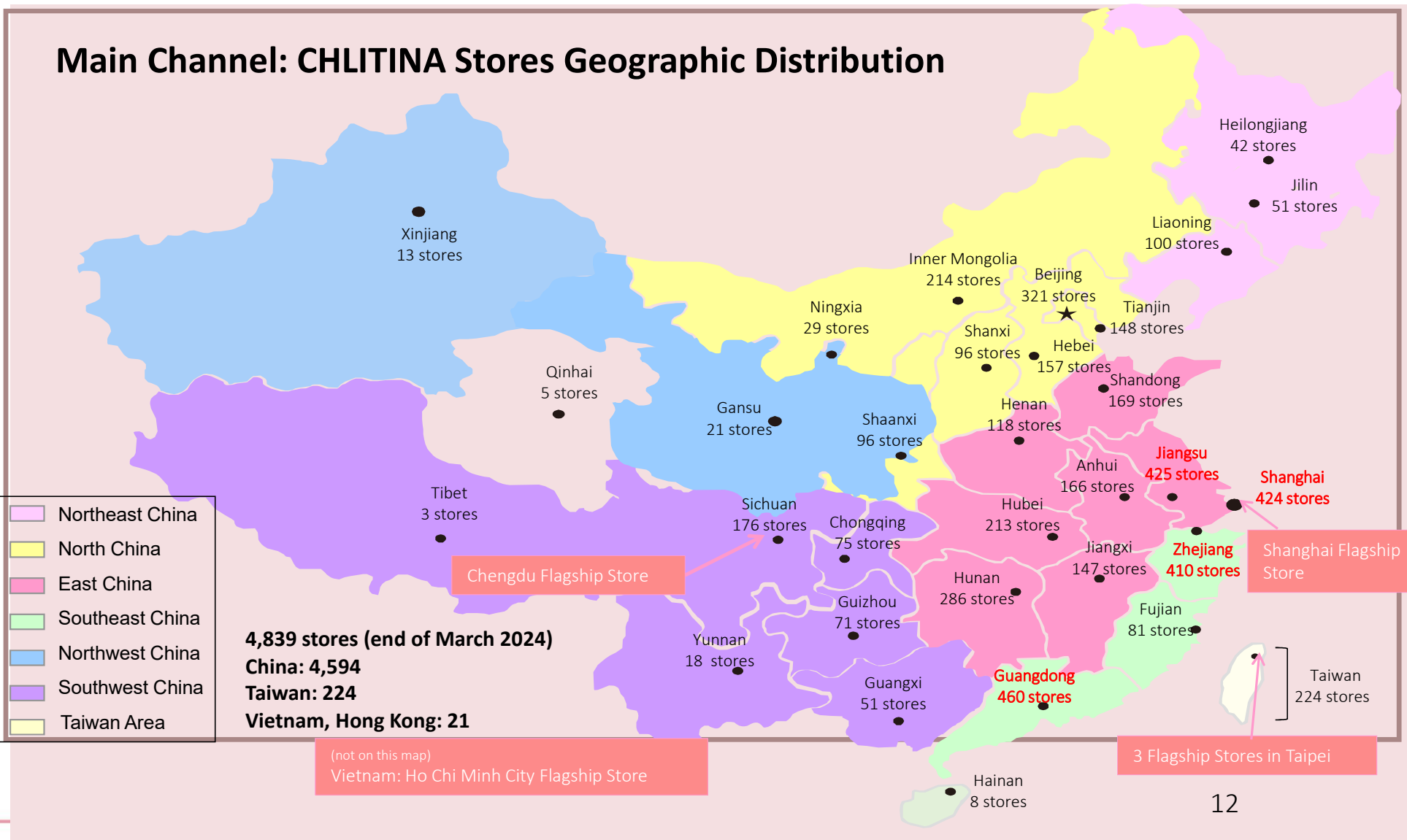
**Reinforcing product-oriented strategy; Increasing quality both at C- and B-ends through product sales and marketing, and turning product sales into a long-term driving force for growth**

## Main Channel: CHLITINA Franchise Network Scale

CHLITINA Franchise Salons – Store Count



## Main Channel: CHLITINA Stores Geographic Distribution



## Business Update: ESG Goals – Planning and Implementation

- ☑ Human Resources Development Data
- ☑ Talent Management Plan (Company Side)
- ☑ Employee Development Plan (Staff Side)
- ☑ Product Service Quality
- ☑ Customer Care / Customer Welfare
- ☑ Social Care and Public Welfare
- ☑ Industry Development Promotion
- ☑ Diversity and Inclusion



- ☑ Green Gas Inventory and Confirmation
- ☑ Carbon Emission Improvement Plan
- ☑ Energy and Water Management Data
- ☑ Waste Management and Improvement Plan
- ☑ Carbon- and Energy-Saving Management Plan
- ☑ Climate Change Response
- ☑ Green Packaging
- ☑ Product Carbon Footprint

- ☑ Corporate Governance
- ☑ Protecting Shareholders Rights and Interests
- ☑ Risks and Compliance
- ☑ Business Ethics
- ☑ Information Transparency
- ☑ Intellectual Property Management
- ☑ Information Security
- ☑ Responsible Procurement

- ☑ Implemented
- ☑ In Progress
- ☑ Being Planned



Company Profile & Business Outlook



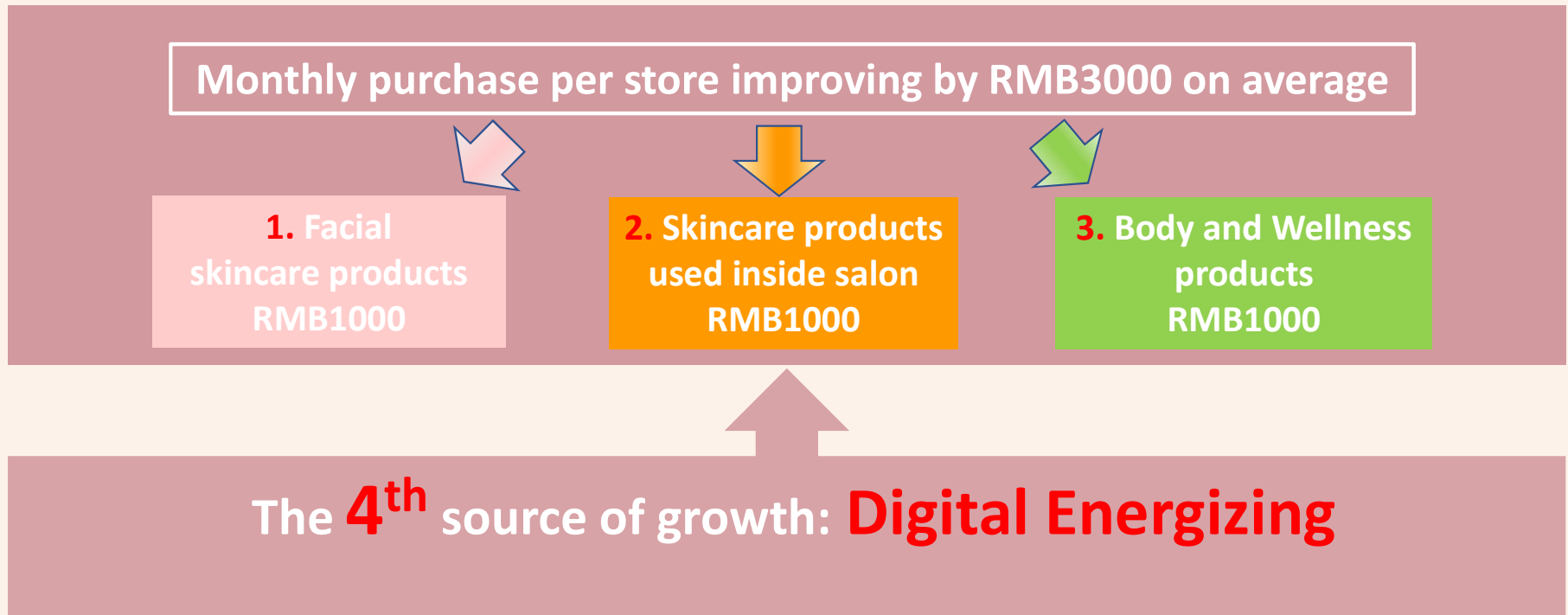
Business Performance Presentation & Financial Overview



Q&A

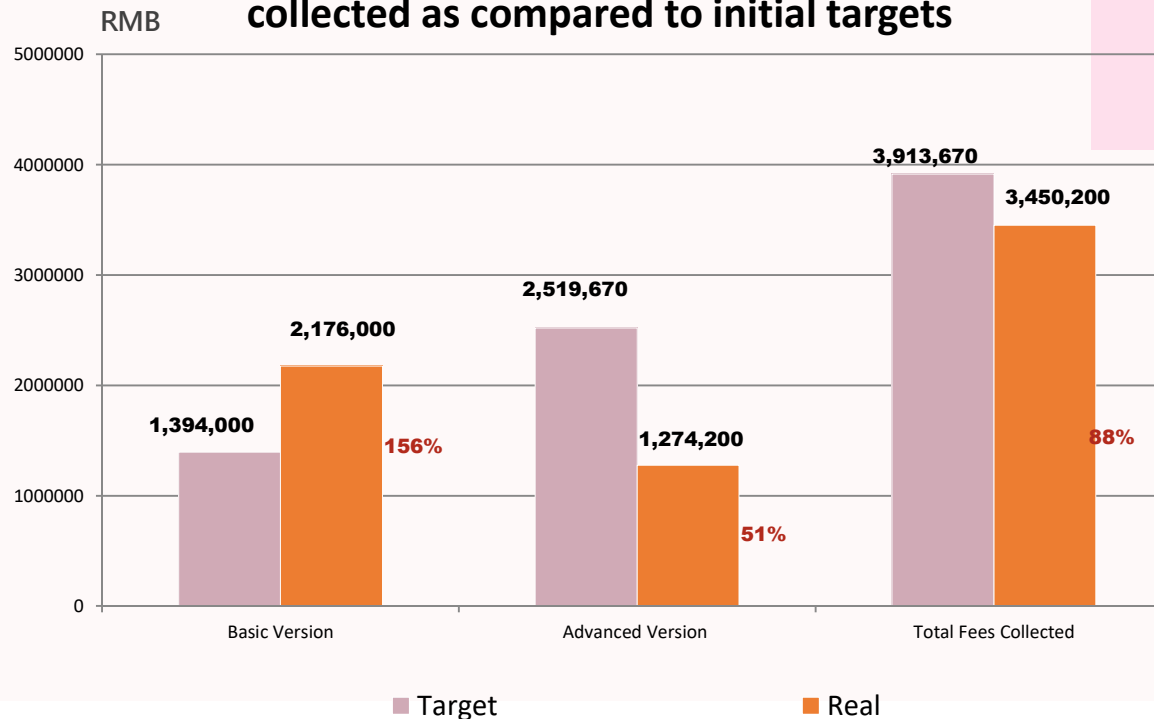


## Main Channel: **CHLITINA** Business Development Targets



## Main Channel: From Digitalization to Omni-Channel Retail Development

January-April digital store registration fees already collected as compared to initial targets



Total number of franchise stores (mainland China) as of the end of April: **4,591** stores

**1,197** stores - or **26%** - have already paid fee

**2,041** stores - or **45%** - already are on Meituan

**2,469** stores - or **54%** - already are on Douyin

# Main Channel: Four Specialized Training Seminars Opening Simultaneously



## Four Season Skincare

Audience: Store Managers, Beauticians

Main topic: How to sell home care products with ease

2 days, RMB 5,800



## Facial Skin Protection

Audience: Store Managers, Beauticians

Main topics: Professionalizing facial skincare, Systematizing orders.

1-2 days, RMB 5,800



## Body Beauty & Health

Audience: Store Managers, Beauticians

Main topics: Body and healthcare products sales techniques.

2 days, RMB 5,800



## Digital Management

Audience: Store Managers

Main topic: The secrets to improving customer foot traffic.

1 day, RMB 5,800

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Main Channel: **CHLITINA Products** & **Channels** Dual Core Development

## Brand Structure

CHLITINA  
克麗緹娜

Premium Franchise  
Beauty Salon Brand



CHLITINA  
HOME SPA

New Omni-Channel  
Retail Brand



## CHLITINA HOME SPA

Two product lines under the Trotula brand:  
“Le spa Jolie Rose” & “Beauté d’Arômes”



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## “2024 CHLITINA Journey of Glory”: 3,700 Participants!



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Company Profile & Business Outlook



Business Performance Presentation & Financial Overview



Q&A

Financial Overview <sup>(¼)</sup>

Profit Breakdown by Channel

Unit:  
RMB1000

Item	2022			2023			2024Q1		
	Rev.	Exp.	GPM	Rev.	Exp.	GPM	Rev.	Exp.	GPM
Beauty Salon Franchise	882,993	144,608	84%	968,116	147,251	85%	214,162	32,606	85%
E-commerce	11,857	5,357	55%	23,172	8,435	64%	5,426	1,436	74%
Clinics	25,411	10,902	57%	40,914	14,599	64%	9,080	3,299	64%
Total	920,261	160,867	83.0%	1,032,202	170,285	84.0%	228,668	37,341	84.0%

# Main Channel: Franchise Store Age Analysis

CHLITINA Franchise Stores: Age vs. Sales

CHLITINA franchise stores (mainland China only)	<1 year	1-3 years	3-5 years	5-10 years	>10 years	Total
Percentage of stores as of 2024.3.31	5%	20%	19%	34%	22%	100%
Percentage of 2024Q1 sales	5%	20%	18%	33%	24%	100%
2024Q1 Average SSS (unit: RMB1,000)	42	45	41	44	48	44

Reinforcing guidance and support given to stores.

# Main Channel: Franchise Store Location Analysis

In developed and well-off areas, priority is given to stabilizing stores, increasing SSS and attracting new investments.

In developing areas, efforts are focused on improving store management and visibility.

Developed Areas

Shanghai, Beijing, Guangdong, Jiangsu...

Priority:  
Recruiting new franchisees, raising SSS

Well-Off Areas

Fujian, Jiangxi, Henan, Shandong...

Priority:  
Raising market share

Developing Areas

Heilongjiang, Guizhou, Jilin...

Priority:  
Brand marketing & recruitment of new franchisees (secondary)

Geographic Distribution	Developed Areas	Well-off Areas	Developing Areas	Taiwan, Hong Kong, Vietnam	Total
Percentage of stores as of 2024.3.31	45%	45%	5%	5%	100%
Percentage of sales 2024Q1	43%	46%	6%	5%	100%
2024Q1 Average SSS (unit: RMB1,000)	42	46	54	43	44

Consumer spending is slowly recovering.

# Financial Overview (2/4)

## Condensed Income Statement

Unit: \$1000

Item	2022		2023		2024Q1	
	RMB	NT\$	RMB	NT\$	RMB	NT\$
Operating revenue	920,261	4,069,210	1,032,202	4,534,771	228,668	998,340
Operating costs	-160,867	-711,322	-170,285	-748,113	-37,341	-163,027
Gross profit	759,394	3,357,888	861,917	3,786,658	191,327	835,313
Gross profit rate	83%		84%		84%	
Selling exp.	-330,536	-1,461,564	-417,531	-1,834,334	-98,394	-429,576
Admin exp.	-162,003	-716,345	-171,724	-754,435	-44,625	-194,825
Operating profit	266,855	1,179,979	272,662	1,197,889	48,308	210,912
Total non-operating	-5,144	-22,745	56,342	247,528	-14,634	63,890
Profit before tax	261,711	1,157,234	329,004	1,445,417	33,674	147,022
Income tax exp.	-105,698	-467,376	-93,748	-411,863	-17,123	-74,757
Profit for the period	156,013	689,858	235,256	1,033,554	16,551	72,265
EPS (NT\$)	1.96	8.68	2.97	13.03	0.21	0.91
Cash dividend (yearly)	NT\$7 per share (cash)		NT\$10.5 per share (cash)		NA	

## Financial Overview (3/4)

### Condensed Balance Sheets

Unit: \$1000

Item	2022 (after adjustment)		2023		2024Q1	
	NT\$	%	NT\$	%	NT\$	%
Cash and cash equivalents	5,644,321	65%	5,789,769	65%	5,973,435	65%
Net accounts receivable	2,103	0%	4,153	0%	7,178	0%
Inventories	486,317	6%	388,179	4%	434,677	5%
Investment (Equity method)	213,149	2%	267,084	3%	259,887	3%
Property, plant and equipment, net	1,229,695	14%	1,139,762	13%	1,100,942	14%
Right-of-use assets	410,275	5%	350,249	4%	384,907	4%
Others assets	691,379	8%	965,814	11%	769,185	8%
<b>Total Assets</b>	<b>8,677,239</b>	<b>100%</b>	<b>8,905,010</b>	<b>100%</b>	<b>9,130,211</b>	<b>100%</b>
Bank loans	2,180,408	25%	1,980,472	22%	2,040,688	22%
Accounts payable	81,045	1%	86,95	1%	90,724	1%
Other payables	449,444	5%	423,966	5%	323,265	4%
Lease liabilities	413,655	5%	357,401	4%	398,166	4%
Other liabilities	899,19	10%	907,432	10%	906,69	10%
<b>Total liabilities</b>	<b>4,023,742</b>	<b>46%</b>	<b>3,756,221</b>	<b>42%</b>	<b>3,759,533</b>	<b>41%</b>
Common capital	794,924	9%	794,924	9%	794,924	9%
Capital surplus & legal reserve	2,732,977	31%	2,729,281	31%	2,729,281	30%
Unappropriated retained earnings	1,768,678	20%	2,265,122	25%	2,337,387	26%
Other equities	-643,082	-7%	-640,538	-7%	-490,914	-5%
<b>Total equity</b>	<b>4,653,497</b>	<b>54%</b>	<b>5,148,789</b>	<b>58%</b>	<b>5,370,678</b>	<b>59%</b>



Financial Overview (4/4)

Cashflow Analysis

Unit: 1000

Item	2022		2023		2024Q1	
	RMB	NT\$	RMB	NT\$	RMB	NT\$
Net cash provided by operations	62,767	277,546	279,967	1,230,096	5,031	21,969
Net cash provided by (used in) investments	217,718	962,707	-311,532	-1,369,496	17,784	78,871
Acquisition or disposal of real estate or equipment	-12,850	-56,820	-56,570	-248,740	-3,846	-15,563
Other items	230,568	1,019,527	-254,962	-1,120,756	21,630	94,434
Net cash used in financing activities	-363,159	-1,604,041	-173,421	-750,679	-9,065	-39,578
Dividend distribution	-216,061	-953,908	-129,135	-556,446	--	--
Other items	-147,098	-650,133	-44,286	-194,233	-9,065	-39,578

## The Light Up Foundation: Offering Training in Beijing to Teachers from Jiang County, Shanxi



Thank You!  
Q&A