

CHLITINA
克麗緹娜

CHLITINA HOLDING LIMITED Q2 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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1

Company Profile & Business Outlook

2

Business Performance Presentation & Financial Overview

3

Q&A



1

Company Profile & Business Outlook



2

Business Performance Presentation & Financial Overview



3

Q&A

Corporate Snapshot

Stock Ticker	4137 TT (麗豐-KY)
Market Cap.	around NT\$ 15bn
Capital Stock	NT\$ 825m
2024H1 Sales	RMB 457m／NT\$ 2.016bn
2024H1 Net Profit	RMB 65m／NT\$ 288m
2023 ROE	21%
Main Shareholder	Wealthy Garden (34.01%)

Business Scope

Main Business Activities	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.
Market Positioning	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.
Market Focus	Mainland China (about 95% of sales).
Main Business Channels	Franchise beauty salons ; Self-owned aesthetic surgery clinics; Self-owned e-commerce platform; Strategic investments.
Brands and Business Scale	<ul style="list-style-type: none">-CHLITINA 克麗緹娜 (beauty salon franchise): 5,000 stores around the world.-RnD 瓊緹 (manicure and eyelash extensions salon franchise): over 600 stores.-UPLIDER 雅樸麗德, HEDENG 禾登, JINGHE 晶禾 (self-operated aesthetic surgery and anti-aging clinics): 5 medical clinics.-CHLITINA HOME SPA new omni-channel retail brand.

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



Fast 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

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

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
麗緹專業美甲

Manicure & Eyelash
Extension Salon Franchise

600 franchise stores



+ UPLÍDER 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



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%)

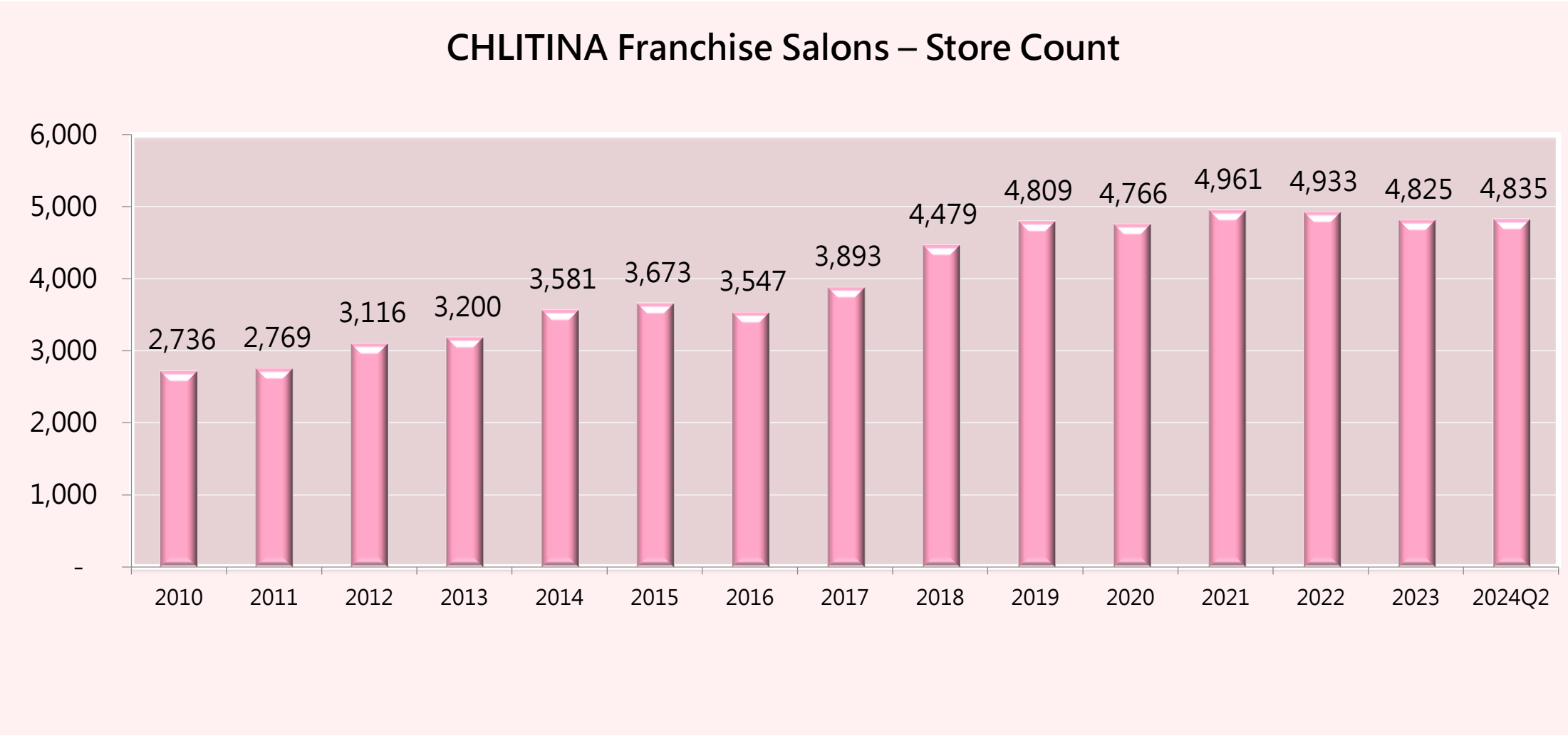


- One-time franchise fee and product sales
- Minimum purchase requirement
- Standard storefront requirement

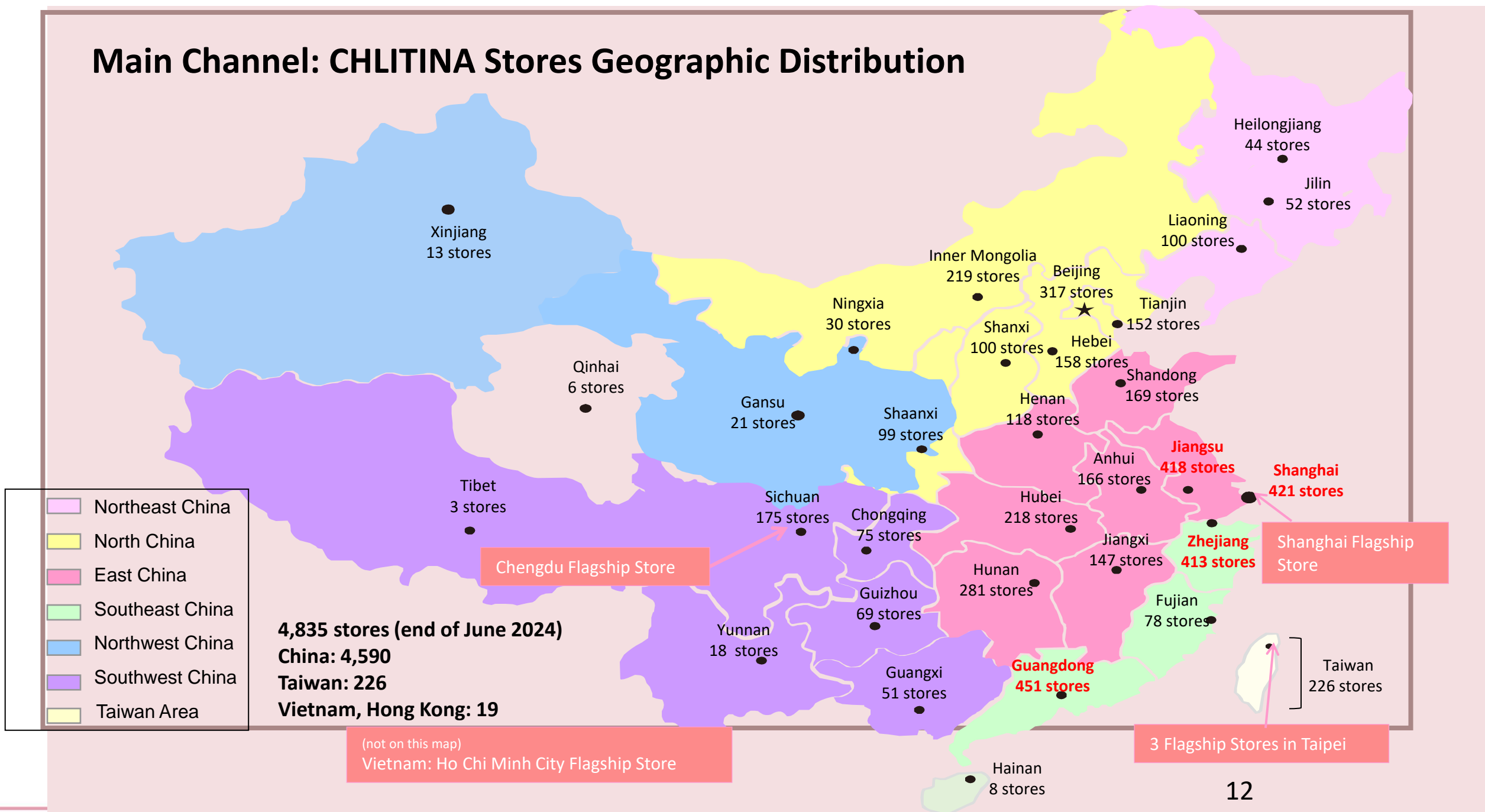
- Investment needed: RMB700,000 to RMB1m
- Rent, salaries, and other expenses borne by franchisees
- It takes franchisees about 2-3 years to break even

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



Main Channel: CHLITINA Stores Geographic Distribution



Business Update: ESG Goals – Planning and Implementation

2023 Sustainability Report
uploaded on CHLITINA
Investor Relations website
at the end of August



Contents of CHLITINA's 2023 Sustainability Report:

• 關於本報告書	03
• 關於麗豐集團	05
• 經營者的話	17

1 永續承諾	18
1.1 從世界趨勢 識別永續目標	18
1.2 利害關係人鑑別與溝通	22
1.3 重大主題及策略目標	24
1.4 風險與衝擊及因應對策	28

2 Environmental 綠色管理	30
2.1 環境保護	31
2.1.1 溫室氣體管理	31
2.1.2 能源統計	34
2.1.3 廢棄物統計	38
2.1.4 環境項目改善及管理	39
2.2 產品	40
2.2.1 綠色包裝	41
2.2.2 產品碳足跡	42
2.3 氣候變化	43
2.3.1 氣候相關財務揭露 (TCFD)	45
2.3.2 原料料影響	50
2.4 生物多樣性管理	51

3 Social 職工對話與社會參與	52
3.1 人權政策宣言	52
3.2 職場和諧與進步	53
3.2.1 人才管理	54
3.2.2 職員工發展	62
3.2.3 職場安全	67
3.3 公益及關懷	71
3.3.1 社會公益	72
3.3.2 員工與消費者之關懷	80
3.4 促進行銷發展	82
3.4.1 研發投入及執行	82
3.4.2 近三年的新品開發	87
3.4.3 品牌行銷及發展	90
3.4.4 加盟商培訓計畫	95

4 Governance 誠信治理	98
4.1 公司治理	98
4.1.1 健全管理及應循項目	98
4.1.2 落實數字化/ 數位化管理策略	106
4.1.3 風險管理及因應	108
4.1.4 知識產權	111
4.1.5 資訊安全	116
4.1.6 負責任採購	119
4.2 利害關係人權益保障	121
4.2.1 商業道德	121
4.2.2 稅務政策	126
4.2.3 信息透明	128

5 總結及附錄	131
5.1 GRI 內容索引表 (依循 GRI 準則)	131
5.2 TCFD 指標索引	135
5.3 SASB 指標索引	137
5.4 聯合國全球盟約對照表	138

1

Company Profile & Business Outlook

2

Business Performance Presentation & Financial Overview

3

Q&A

Main Channel: Business Environment Overview

2024年6月份社会消费品零售总额主要数据

According to data released by China's National Bureau of Statistics in June:

- Total retail sales of cosmetics amounted to 40.5 billion Chinese yuan in June 2024, a year-on-year decrease of 14.6%.
- From January to June 2024, total retail sales of cosmetics amounted to 216.8 billion Chinese yuan, a year-on-year increase of 1%.

指 标	6月		1—6月	
	绝对量 (亿元)	同比增长 (%)	绝对量 (亿元)	同比增长 (%)
社会消费品零售总额	40732	2.0	235969	3.7
其中：除汽车以外的消费品零售额	36364	3.0	213007	4.1
其中：限额以上单位消费品零售额	16994	-0.6	91057	3.1
其中：实物商品网上零售额	-	-	59596	8.8
按经营地分				
城镇	35141	1.7	204559	3.6
乡村	5591	3.8	31410	4.5
按消费类型分				
餐饮收入	4609	5.4	26243	7.9
其中：限额以上单位餐饮收入	1286	4.0	7192	5.6
商品零售额	36123	1.5	209726	3.2
其中：限额以上单位商品零售额	15708	-1.0	83865	2.9
其中：粮油、食品类	1833	10.8	10353	9.6
饮料类	298	1.7	1564	5.6
烟酒类	503	5.2	3055	10.0
服装、鞋帽、针纺织品类	1237	-1.9	7098	1.3
化妆品类	405	-14.6	2168	1.0
金银珠宝类	262	-3.7	1725	0.2
日用品类	717	0.3	3923	2.3

Main Channel: Business Environment Overview

2024年7月份社会消费品零售总额主要数据

According to data released by China’s National Bureau of Statistics in July:


-In July 2024, total retail sales of cosmetics amounted to 24.5 billion Chinese yuan, a year-on-year decrease of 6.1%.

-From January to July 2024, total retail sales of cosmetics reached 241 billion Chinese yuan, a year-on-year increase of 0.3%

指 标	7月		1—7月	
	绝对量 (亿元)	同比增长 (%)	绝对量 (亿元)	同比增长 (%)
社会消费品零售总额	37757	2.7	273726	3.5
其中：除汽车以外的消费品零售额	33959	3.6	246990	4.0
其中：限额以上单位消费品零售额	14283	-0.1	105321	2.7
其中：实物商品网上零售额	-	-	70093	8.7
按经营地分				
城镇	32691	2.4	237250	3.4
乡村	5066	4.6	36476	4.5
按消费类型分				
餐饮收入	4403	3.0	30647	7.1
其中：限额以上单位餐饮收入	1217	-0.7	8418	4.6
商品零售额	33354	2.7	243079	3.1
其中：限额以上单位商品零售额	13066	0.0	96903	2.5
其中：粮油、食品类	1619	9.9	11991	9.6
饮料类	268	6.1	1834	5.6
烟酒类	410	-0.1	3469	8.7
服装、鞋帽、针纺织品类	936	-5.2	8033	0.5
化妆品类	245	-6.1	2410	0.3
金银珠宝类	200	-10.4	1929	-1.0
日用品类	594	2.1	4515	2.3

Main Channel: **CHLITINA** Business Development Targets

Monthly purchase per store improving by RMB3000 on average



1. Facial
skincare products
RMB1000



2. Skincare products
used inside salon
RMB1000



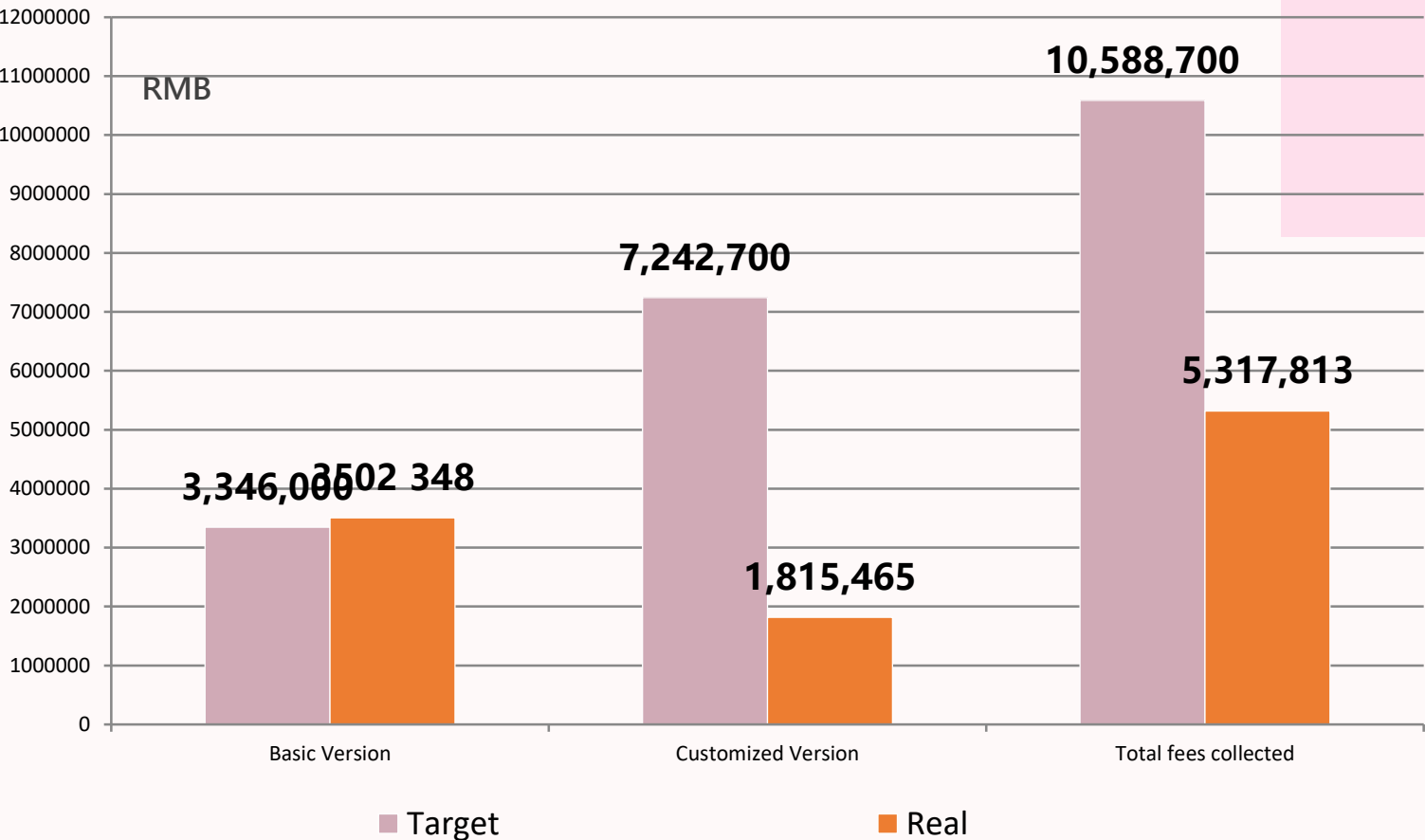
3. Body and Wellness
products
RMB1000



The **4th** source of growth: **Digital Empowerment**

Main Channel: From Digital Empowerment to Omni-Channel Sales Development

January-July digital fee contribution to turnover



Total number of franchise stores (mainland China) as of the end of July: **4,565** stores

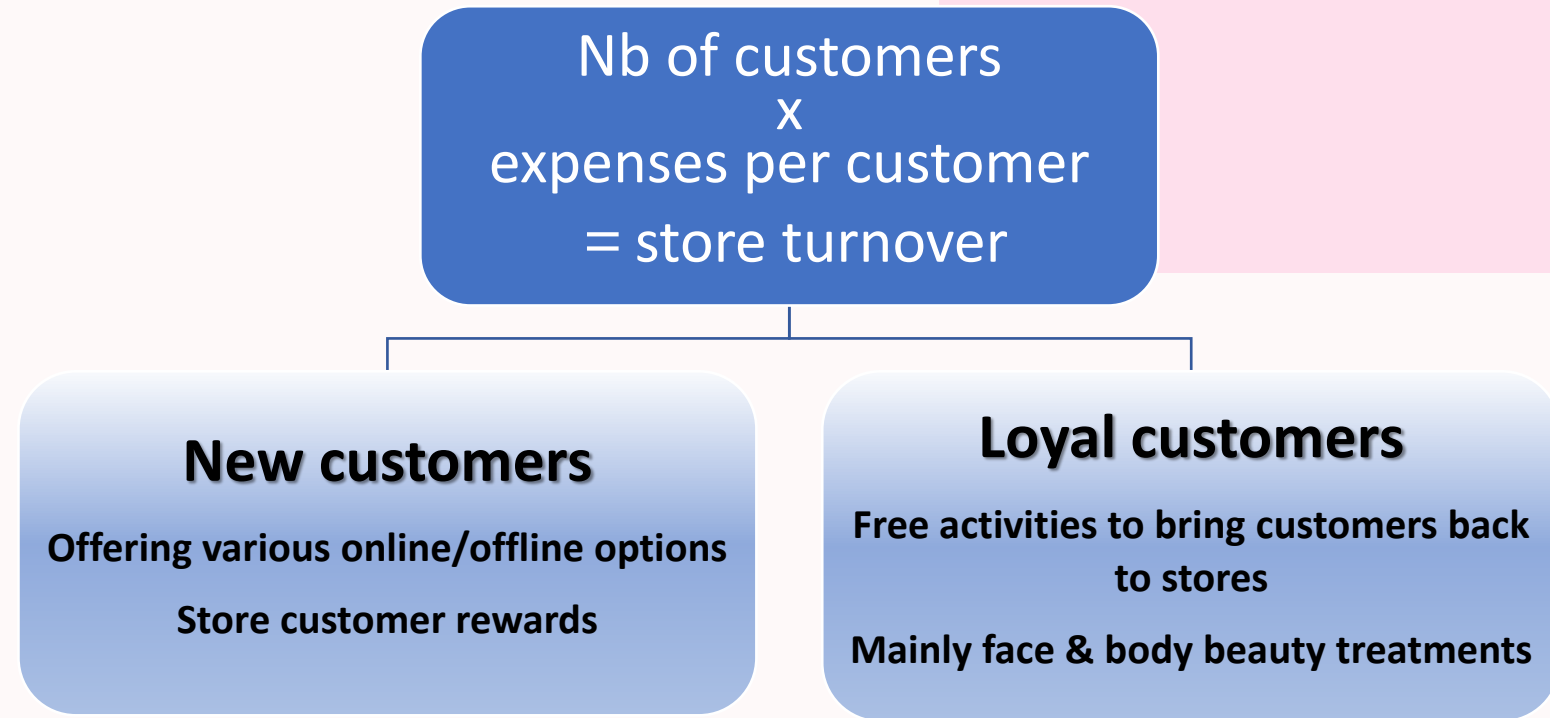
1,958 stores – or **43%** - have already paid fee

2,665 stores - or **58%** - already are on Meituan (1,225 more stores than last year)

2,914 stores - or **64%** - already are on Douyin (699 more stores than last year)

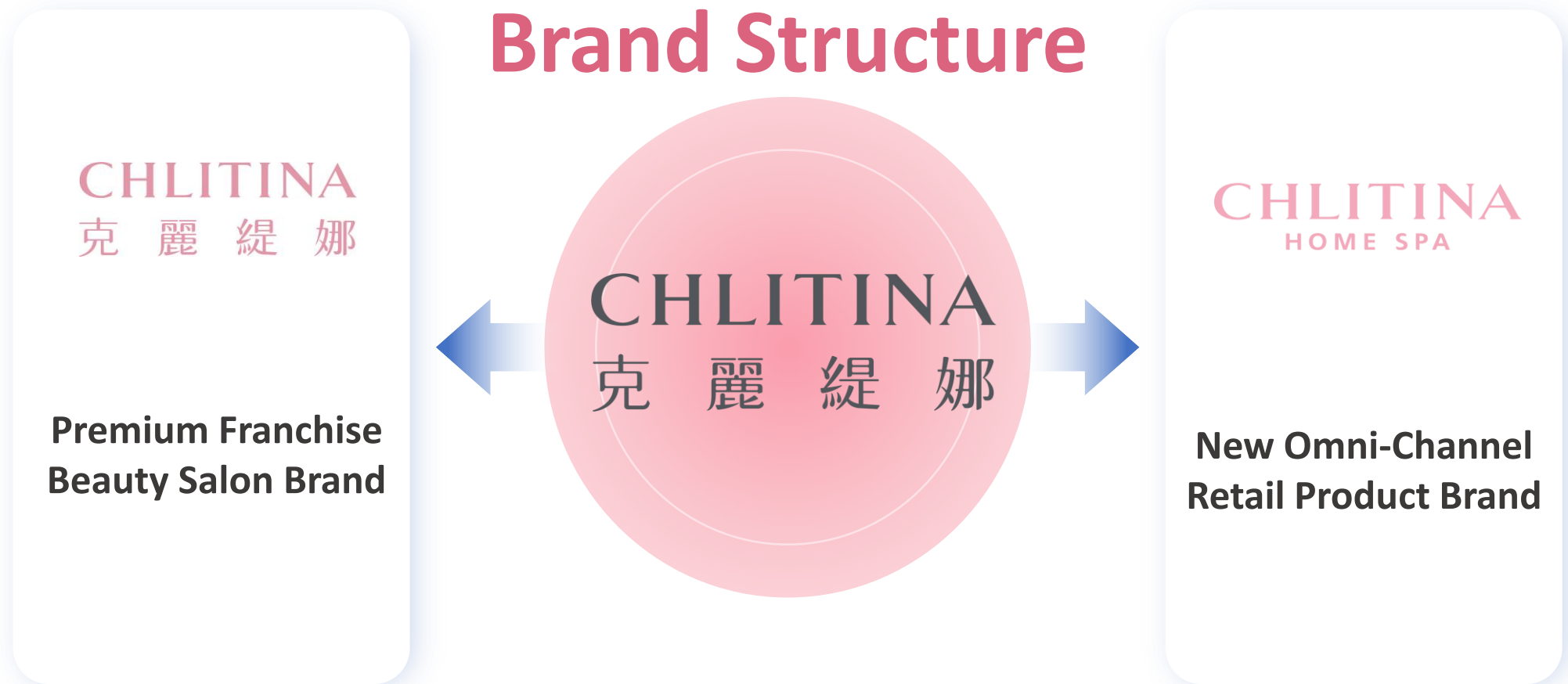
Main Channel: Going All Out to Tackle the Summer Season

How to improve average store performance and customer engagement rate



In June-July, the total number of **online redemptions** on social media platforms was **41,059**. During the same period, skin testing activities were held at all stores nationwide, with a total of **442 events**.

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



CHLITINA & Blue Friend Rendezvous

Youthkeeper Serum 2.0 Market Launch



Carbon footprint verified through third-party: the 2.0 version is approximately 28% less carbon-intensive than the original Youthkeeper Serum.

RnD SPA MAKEUP Dazzling Launch: Exploring a New Realm of Beauty

An innovative “light & shadow” hydrogel porcelain film technology making makeup look as natural as skin



1

Company Profile & Business Outlook

2

Business Performance Presentation & Financial Overview

3

Q&A

Financial Overview ^(1/4)

Profit Breakdown by Channel

Unit:
RMB1000

Item	2022			2023			2024H1		
	Rev.	Exp.	GPM	Rev.	Exp.	GPM	Rev.	Exp.	GPM
Beauty Salon Franchise	882,993	144,608	84%	968,116	147,251	85%	424,653	69,078	84%
E-commerce	11,857	5,357	55%	23,172	8,435	64%	11,918	3,778	68%
Clinics	25,411	10,902	57%	40,914	14,599	64%	20,362	7,101	65%
Total	920,261	160,867	83.0%	1,032,202	170,285	84.0%	456,933	79,957	83.0%

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 2024.6.30	4%	17%	19%	36%	24%	100%
Percentage of 2024 H1 sales	4%	17%	18%	35%	26%	100%
2024 H1 Average SSS (unit: RMB1,000)	85	85	84	86	97	88

Recruitments/New store openings: slowing down

Gradually improving

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.



Geographic Distribution	Developed Areas	Well-off Areas	Developing Areas	Taiwan, Hong Kong, Vietnam	Total
Percentage of stores as of 2024.6.30	45%	45%	5%	5%	100%
Percentage of sales 2024 H1	44%	45%	6%	5%	100%
2024 H1 Average SSS (unit: RMB1,000)	86	89	104	83	88

Gradually improving

Financial Overview (2/4)

Condensed Income Statement

Unit: \$1000

Item	2022		2023		2024H1	
	RMB	NT\$	RMB	NT\$	RMB	NT\$
Operating revenue	920,261	4,069,210	1,032,202	4,534,771	456,933	2,016,444
Operating costs	-160,867	-711,322	-170,285	-748,113	-79,957	-352,850
Gross profit	759,394	3,357,888	861,917	3,786,658	376,976	1,663,594
Gross profit rate	83%		84%		83%	
Selling exp.	-330,536	-1,461,564	-417,531	-1,834,334	-190,827	-842,120
Admin exp.	-162,003	-716,345	-171,724	-754,435	-88,882	-392,236
Operating profit	266,855	1,179,979	272,662	1,197,889	97,267	429,238
Total non-operating	-5,144	-22,745	56,342	247,528	6,728	29,690
Profit before tax	261,711	1,157,234	329,004	1,445,417	103,995	458,928
Income tax exp.	-105,698	-467,376	-93,748	-411,863	-38,644	-170,536
Profit for the period	156,013	689,858	235,256	1,033,554	65,351	288,392
EPS (NT\$)	1.96	8.68	2.97	13.03	0.81	3.59
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		2024H1	
	NT\$	%	NT\$	%	NT\$	%
Cash and cash equivalents	5,644,321	65%	5,789,769	65%	5,992,798	63%
Net accounts receivable	2,103	0%	4,153	0%	6,344	0%
Inventories	486,317	6%	388,179	4%	457,839	5%
Investment (Equity method)	213,149	2%	267,084	3%	250,258	3%
Property, plant and equipment, net	1,229,695	14%	1,139,762	13%	1,686,477	17%
Right-of-use assets	410,275	5%	350,249	4%	357,276	4%
Others assets	691,379	8%	965,814	11%	727,242	8%
Total Assets	8,677,239	100%	8,905,010	100%	9,478,234	100%
Bank loans	2,180,408	25%	1,980,472	22%	1,768,199	19%
Accounts payable	81,045	1%	86,95	1%	112,341	1%
Other payables	449,444	5%	423,966	5%	1,086,061	11%
Lease liabilities	413,655	5%	357,401	4%	371,967	4%
Other liabilities	899,19	10%	907,432	10%	888,356	10%
Total liabilities	4,023,742	46%	3,756,221	42%	4,226,924	45%
Common capital	794,924	9%	794,924	9%	824,924	9%
Capital surplus & legal reserve	2,732,977	31%	2,729,281	31%	3,266,718	34%
Unappropriated retained earnings	1,768,678	20%	2,265,122	25%	1,624,241	17%
Other equities	(-643,082)	-7%	(-640,538)	-7%	(-464,573)	-5%
Total equity	4,653,497	54%	5,148,789	58%	5,251,310	55%

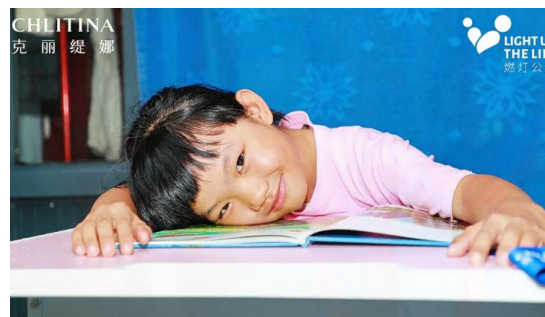
Financial Overview (4/4)

Cashflow Analysis

Unit: 1000

Item	2022		2023		2024H1	
	RMB	NT\$	RMB	NT\$	RMB	NT\$
Net cash provided by operations	62,767	277,546	279,967	1,230,096	41,195	181,816
Net cash provided by (used in) investments	217,718	962,707	-311,532	-1,369,496	92,320	408,691
Acquisition or disposal of real estate or equipment	-12,850	-56,820	-56,570	-248,740	-97,972	-431,067
Other items	230,568	1,019,527	-254,962	-1,120,756	190,292	839,758
Net cash used in financing activities	-363,159	-1,604,041	-173,421	-750,679	16,491	74,460
Dividend distribution	-216,061	-953,908	-129,135	-556,446	0	0
Other items	-147,098	-650,133	-44,286	-194,233	16,491	74,460

The Light Up Foundation: 26th Teacher Training Session & Sending Teachers to Jiang County, Shanxi Province



Thank You!

Q&A