

CHLITINA
克麗緹娜

CHLITINA HOLDING LIMITED Q3 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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Q&A



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Company Profile & Business Outlook



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Q&A

Corporate Snapshot

Stock Ticker	4137 TT (麗豐-KY)
Market Cap.	around NT\$ 15bn
Capital Stock	NT\$ 825m
2024Q1-Q3 Sales	RMB 684m／NT\$ 3.039bn
2024Q1-Q3 Net Profit	RMB 93m／NT\$414
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.

Corporate Group 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

new **omni-channel**
retail layout



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%)



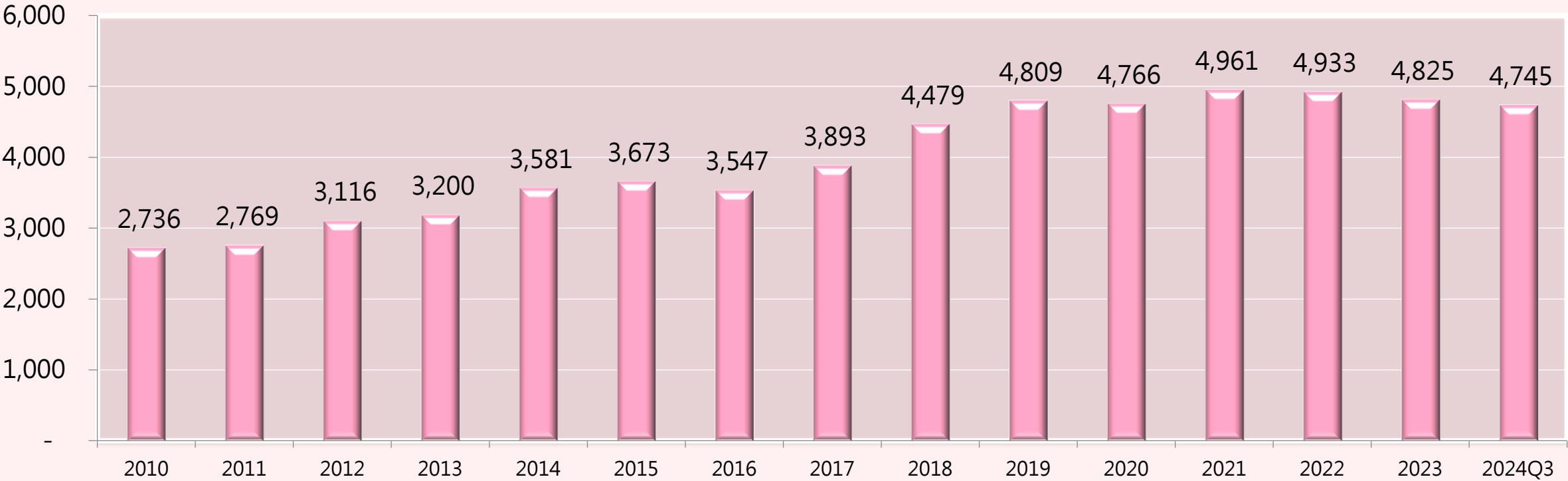
- One-time franchise fee and product sales
- Minimum purchase requirement
- Standard storefront requirement

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

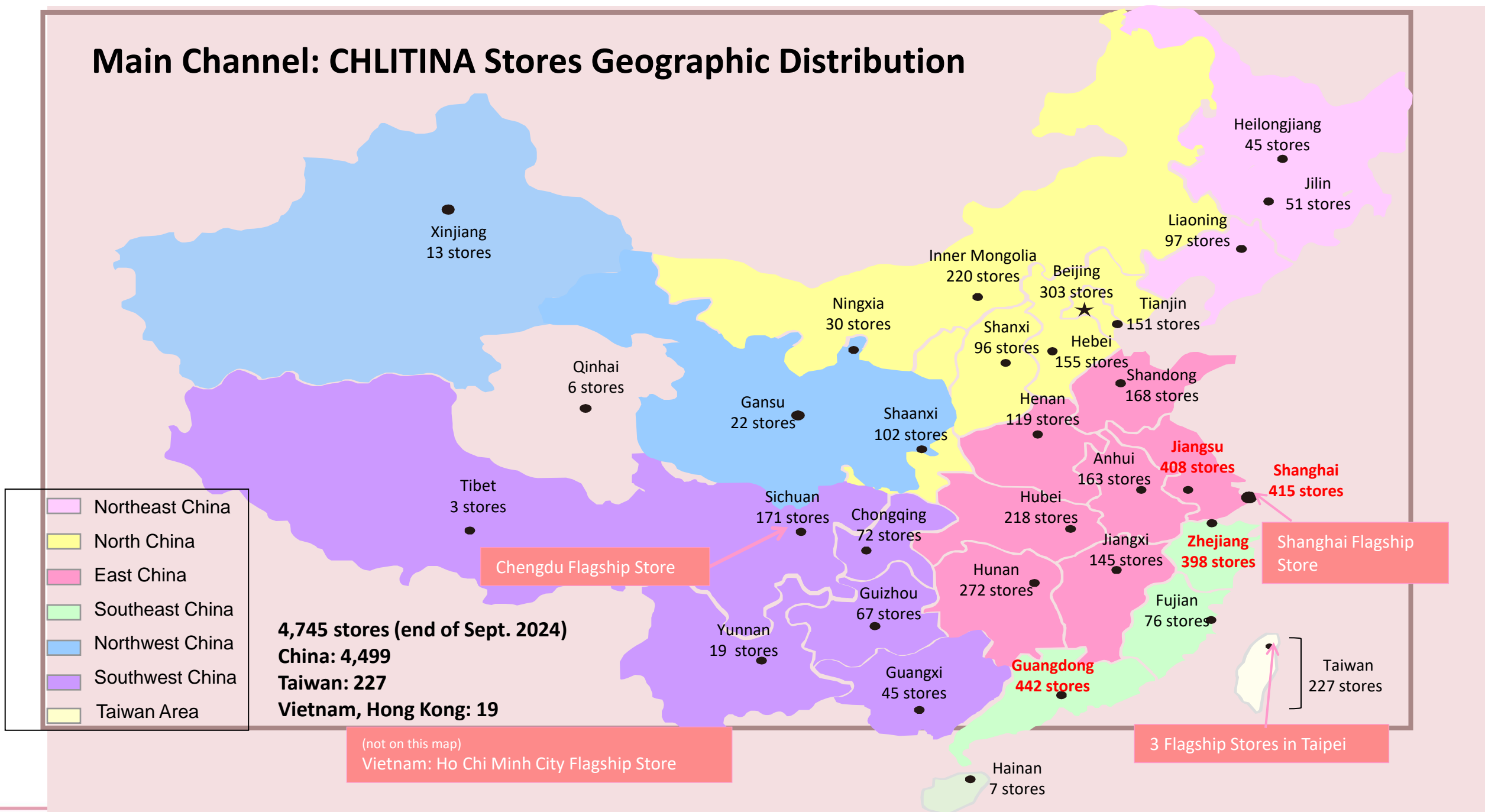
Reinforcing product-oriented strategy; Increasing quality both at C- and B-ends through product sales and marketing, and turning product sales into a long-term driving force for growth

Main Channel: CHLITINA Franchise Network Scale

CHLITINA Franchise Salons – Store Count



Main Channel: CHLITINA Stores Geographic Distribution



Business Update: ESG Goals – Planning and Implementation

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



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Main Channel: Business Environment

According to data released by China's National Bureau of Statistics for September:

- Total retail sales of cosmetics amounted to RMB 32.9 billion in September 2024 (-4.5% YoY).
- From January to September 2024, total retail sales of cosmetics amounted to RMB 306.9 billion (-1% YoY).

2024年9月份社会消费品零售总额主要数据

指 标	9月		1-9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	41112	3.2	353564	3.3
其中：除汽车以外的消费品零售额	36573	3.6	318203	3.8
其中：限额以上单位消费品零售额	16901	2.6	137677	2.3
其中：实物商品网上零售额	-	-	90721	7.9
按经营地分				
城镇	35044	3.1	305869	3.2
乡村	6068	3.9	47695	4.4
按消费类型分				
餐饮收入	4417	3.1	39415	6.2
其中：限额以上单位餐饮收入	1279	0.7	11038	3.6
商品零售额	36695	3.3	314149	3.0
其中：限额以上单位商品零售额	15622	2.8	126639	2.2
其中：粮油、食品类	2037	11.1	15771	9.9
饮料类	301	-0.7	2413	4.5
烟酒类	588	-0.7	4526	6.8
服装、鞋帽、针纺织品类	1169	-0.4	10225	0.2
化妆品类	329	-4.5	3069	-1.0
金银珠宝类	264	-7.8	2454	-3.1
日用品类	669	3.0	5848	2.2
体育、娱乐用品类	109	6.2	991	9.7
家用电器和音像器材类	841	20.5	6839	4.4
中西药品类	615	5.4	5235	4.7
文化办公用品类	441	10.0	2967	-2.9
家具类	142	0.4	1143	1.1
通讯器材类	663	12.3	5459	11.9
石油及制品类	2074	-4.4	18201	2.3
汽车类	4539	0.4	35361	-2.1
建筑及装潢材料类	143	-6.6	1186	-2.6

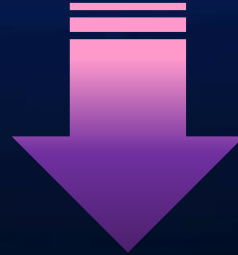
注：
1.此表数据均为未扣除价格因素的名义增速。
2.此表中部分数据因四舍五入，存在总计与分项合计不等的情况。

Main Channel: Ushering in **CHLITINA**'s Digital Era

B2B Business Model, Risk Management, Supply Chain Completion, Brand Building



Through various **digital systems**, extend the actual management reach to franchise stores, thereby achieving **standardized operations** inside franchise stores, which is beneficial for expansion and replication.



By utilizing the data accumulated within the system, integrate information on customers, products, sales, and services to build a **data bank**.



Using the principle of user-paid services, achieve **expansion within the industry**, provide more cost-effective paid services to franchise stores, and generate company revenue.

Main Channel: Stages and Achievements of the Digital Era

Stage 1

- System/program development & integration and optimization
- Establish usable resources for online channels
- Enable online operations for stores, enhancing user experience and usage efficiency

Stage 2

- Complete the integration of internet resources, systematically accumulating, analyzing, and utilizing data
- Ensure system coverage and depth of use, achieving the extension of management reach to all stores

Stage 3

- Brand new operation and management model for CHLITINA franchise channel
- Increase system service revenue
- Directly reach C-end customers, expand sales base

Supply Chain: **Weishuo Daily Product**



Training Center: **Germes Institute**



Weishuo welcomed a study visit by representatives of the China Chain Store and Franchise Association (CCFA).

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Financial Overview ^(1/4)

Profit Breakdown by Channel

Unit:
RMB1000

Item	2022			2023			2024Q3		
	Rev.	Exp.	GPM	Rev.	Exp.	GPM	Rev.	Exp.	GPM
Beauty Salon Franchise	882,993	144,608	84%	968,116	147,251	85%	638,102	99,333	84%
E-commerce	11,857	5,357	55%	23,172	8,435	64%	17,027	5,652	67%
Clinics	25,411	10,902	57%	40,914	14,599	64%	28,672	10,934	62%
Total	920,261	160,867	83.0%	1,032,202	170,285	84.0%	683,801	115,919	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 2024.9.30	4%	15%	20%	37%	24%	100%
Percentage of 2024 Q1-Q3 sales	3%	14%	19%	37%	27%	100%
2024 Q1-Q3 Average SSS (unit: RMB1,000)	127	130	126	135	149	136

Actively recruiting new franchisees

Continuing to reinforce counseling

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 2024.9.30	45%	45%	5%	5%	100%
Percentage of sales 2024 Q1-Q3	44%	46%	6%	4%	100%
2024 Q1-Q3 Average SSS (unit: RMB1,000)	134	136	152	112	134

Reinforcing counseling

Financial Overview (2/4)

Unit: \$1000

Item	2022		2023		2024Q1-Q3	
	RMB	NT\$	RMB	NT\$	RMB	NT\$
Operating revenue	920,261	4,069,210	1,032,202	4,534,771	683,801	3,039,292
Operating costs	-160,867	-711,322	-170,285	-748,113	-115,919	-515,225
Gross profit	759,394	3,357,888	861,917	3,786,658	567,882	2,524,067
Gross profit rate	83%		84%		83%	
Selling exp.	-330,536	-1,461,564	-417,531	-1,834,334	-298,406	-1,326,325
Admin exp.	-162,003	-716,345	-171,724	-754,435	-132,567	-589,221
Operating profit	266,855	1,179,979	272,662	1,197,889	136,909	608,521
Total non-operating	-5,144	-22,745	56,342	247,528	9,586	42,606
Profit before tax	261,711	1,157,234	329,004	1,445,417	146,495	651,127
Income tax exp.	-105,698	-467,376	-93,748	-411,863	-53,300	-236,903
Profit for the period	156,013	689,858	235,256	1,033,554	93,195	414,224
EPS (NT\$)	1.96	8.68	2.97	13.03	1.15	5.11
Cash dividend (yearly)	NT\$7 per share (cash)		NT\$10.5 per share (cash)		NA	

Financial Overview (3/4)

	NT\$	%	NT\$	%	NT\$	%
Cash and cash equivalents	5,644,321	65%	5,789,769	65%	5,270,010	60%
Net accounts receivable	2,103	0%	4,153	0%	5,522	0%
Inventories	486,317	6%	388,179	4%	491,125	6%
Investment (Equity method)	213,149	2%	267,084	3%	271,181	3%
Property, plant and equipment, net	1,229,695	14%	1,139,762	13%	1,680,114	19%
Right-of-use assets	410,275	5%	350,249	4%	352,939	4%
Others assets	691,379	8%	965,814	11%	713,341	8%
Total Assets	8,677,239	100%	8,905,010	100%	8,784,232	100%
Bank loans	2,180,408	25%	1,980,472	22%	690,278	7%
Company debt payable	0	0%	0	0%	1,029,254	12%
Accounts payable	81,045	1%	86,95	1%	1,029,254	1%
Other payables	449,444	5%	423,966	5%	81,763	3%
Lease liabilities	413,655	5%	357,401	4%	244,853	4%
Other liabilities	899,19	10%	907,432	10%	850,781	10%
Total liabilities	4,023,742	46%	3,756,221	42%	3,268,321	37%
Common capital	794,924	9%	794,924	9%	824,924	9%
Capital surplus & legal reserve	2,732,977	31%	2,729,281	31%	3,331,048	38%
Unappropriated retained earnings	1,768,678	20%	2,265,122	25%	1,750,072	20%
Other equities	-643,082	-7%	-640,538	-7%	-390,133	-4%
Total equity	4,653,497	54%	5,148,789	58%	5,515,911	63%

Financial Overview (4/4)

Cashflow Analysis

Unit: 1000

Item	2022		2023		2024Q1-Q3	
	RMB	NT\$	RMB	NT\$	RMB	NT\$
Net cash provided by operations	62,767	277,546	279,967	1,230,096	62,289	276,848
Net cash provided by (used in) investments	217,718	962,707	-311,532	-1,369,496	-231,910	-1,027,735
Acquisition or disposal of real estate or equipment	-12,850	-56,820	-56,570	-248,740	-102,217	-450,214
Other items	230,568	1,019,527	-254,962	-1,120,756	-129,693	-577,521
Net cash used in financing activities	-363,159	-1,604,041	-173,421	-750,679	-174,263	-755,625
Dividend distribution	-216,061	-953,908	-129,135	-556,446	-188,116	-834,670
Other items	-147,098	-650,133	-44,286	-194,233	13,853	79,045

Develop your distinctive appeal and confidence!



Thank You!
Q&A