



# CHLITINA HOLDING LIMITED Q4 2022 BUSINESS REPORT

## Disclaimer

The information contained in this document was verified by an independent third party. Chlitina is not responsible for the accuracy, fairness and completeness of any information contained in this document. The information or opinions contained in this document are provided on a specific date, and Chlitina reserves all rights to update them. Chlitina has no obligation to notify you of any updates after a specific date or any development of the information contained in this document. Chlitina will not accept any liability for any loss resulting from the use of this document or its contents or for other reasons related to this document.

This document does not constitute an offer or solicitation of an offer to purchase shares of Chlitina or any of its subsidiaries or related parties in any jurisdictions. It does not serve as a part of an offer or incentive, nor should it be interpreted as such. Any part thereof does not constitute the basis of any contract or commitment, and should not be relied upon in respect to any contract or commitment.

Your acceptance of this document constitutes your agreement that the information contained in this document is kept strictly confidential.

Securities researchers should have eligibility for securities research and follow any relevant securities laws and regulations and restrictions of the appropriate jurisdiction before publishing research results on Chlitina.

This document is provided for the securities researchers for use as their research reference only. This document or any part thereof cannot be photocopied, copied, forwarded, or in any manner, directly or indirectly transferred to any other person or for public announcement and for any other purpose.

1

**Company Profile & Business Outlook**

2

**Business Performance & Financial Overview**

3

**Q&A**

1

**Company Profile & Business Outlook**

2

**Business Performance & Financial Overview**

3

**Q&A**

## Corporate Snapshot

Stock Ticker	4137 TT (麗豐-KY)
Market Cap.	around NT\$ 17.5bn
Capital Stock	NT\$ 795m
2022 Sales	RMB 920m / NT\$ 4.07bn
2022 Net Profit	RMB 156m / NT\$ 690m
2022 ROE	14%
Main Shareholder	Wealthy Garden (35.29%)

## 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): around 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>XINMEILI MALL 新美力商城 and Tmall Flagship 天貓旗艦</b> (self-operated e-commerce platform), complementing physical stores.</li></ul>

# 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 Expansion & 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 6 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.



Growth  
Brand  
ESG

心模式·大未來

聚焦優勢 凝聚團隊 擁抱創新

# Group Structure



Beauty salon  
franchise  
network

Self-operated  
e-commerce  
platform

Self-operated  
medical beauty  
clinics

Nail and Eyelash  
salon franchise  
network

Training  
academy

Production  
facilities



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

- Established in Taiwan in 1989, the company currently operates 4 major divisions: **CHLITINA**, **UPLIDER**, **RnD**, and **XINMEILI**.
- Industry leader in the **Asia-Pacific region**, the company has significant advantages in terms of **product development**, **supply chain management**, **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.

## CHLITINA’s Four Main Business Channels

CHLITINA | 克麗緹娜

Beauty Salon Franchise

**4969** franchise stores



RnD Professional Manicure  
環緹專業美甲

Manicure & Eyelash Extension Salon Franchise

**600** franchise stores



+ UPLIDER 雅樸麗德

Self-operated regenerative medicine and anti-aging clinics

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



新美力  
Beauty Health Happiness

E-commerce platform

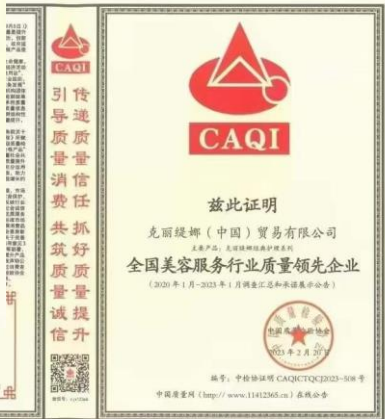
**800,000** members



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

“Quality First” is More Than a Slogan:  
CHLITINA (China), a multi-awarded company

Manufacturing Plant: Weishuo (Shanghai) Daily Product Co.



CHLITINA Store 2.0



新式·大未来  
聚焦优势 凝聚团队 拥抱创新

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

## Touring Training Sessions in Every Province of Mainland China



Beautiful Body

### 克丽缇娜

美体体验式成交训练营

呼和浩特站

CHLITINA 克丽缇娜

GERMES 哲美

14 March



## Germes Academy Regular Offline Classes



<b>刘红彤</b> 资深美容培训师 从事美容15年	<b>潘纬</b> 资深美容培训师 从事美容17年以上
<b>王云云</b> 资深美容培训师 从事美容10年	<b>李香莲</b> 资深美容培训师 从事美容10年



# Business Update: After the Reopening, "Cohesion, Growth..." on Everyone's Mind



1

Company Profile & Business Outlook

2

Business Performance & Financial Overview

3

Q&A

# 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

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



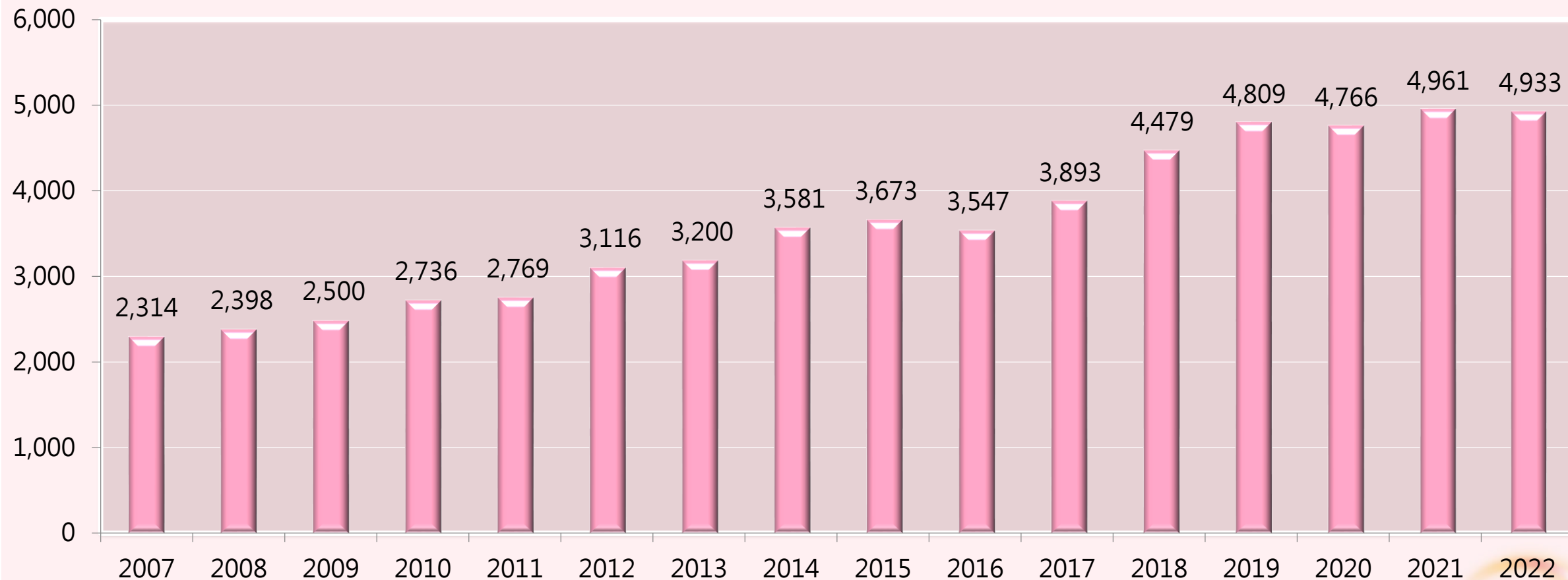
- Income from franchise fee and product sales
- Minimum purchase requirement
- Standard storefront requirement

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

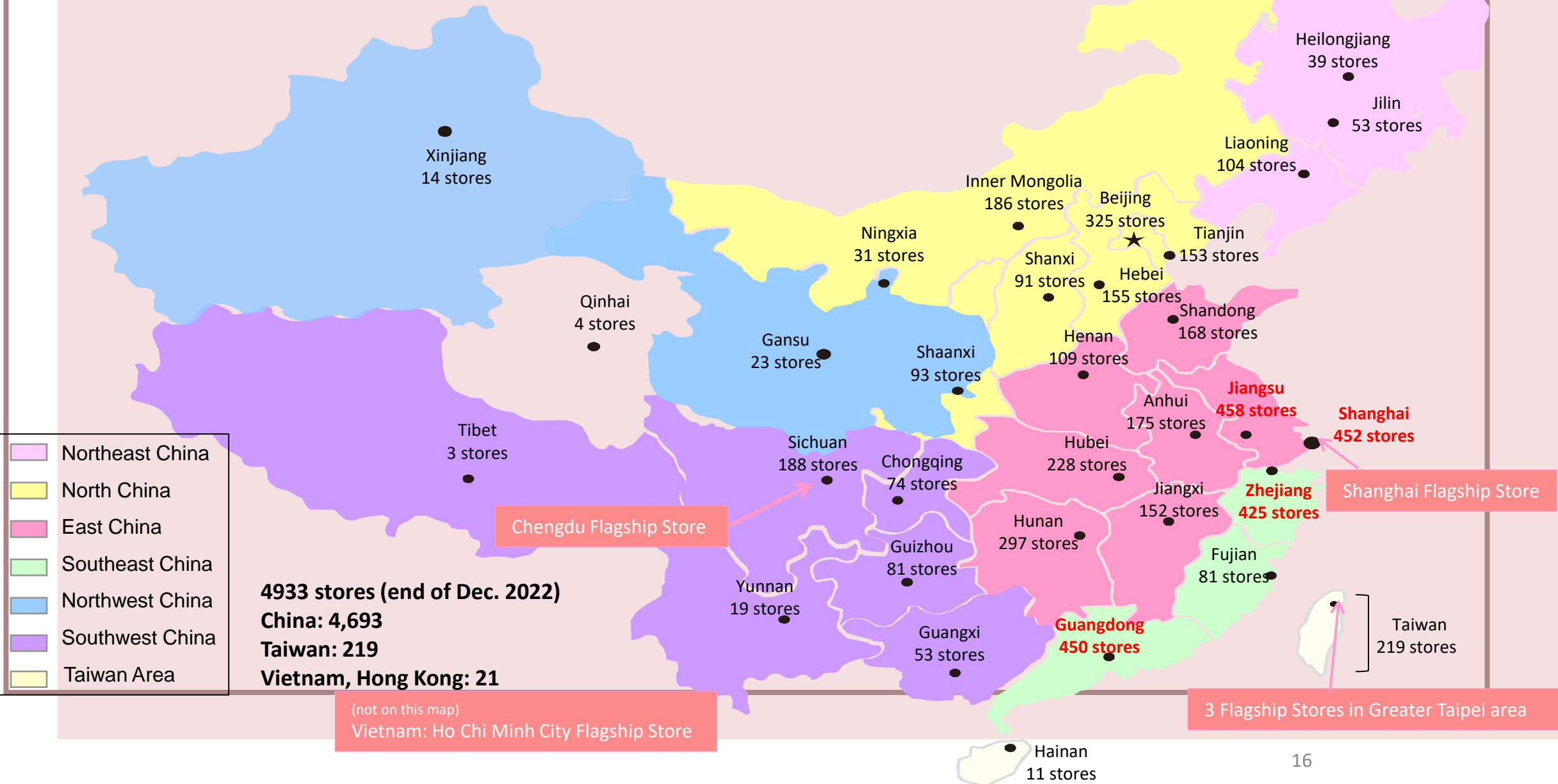
Reinforcing product-oriented strategy; in times of epidemic, product promotion continues to play a key role.

## Main Channel: Franchise Network Scale

### CHLITINA Franchise Salons – Store Count



# Main Channel: CHLITINA Stores Geographic Distribution





# 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 2022.12.31	6%	24%	24%	27%	19%	100%
Percentage of 2022 sales	6%	21%	23%	29%	21%	100%
2022 Average sales per store (unit: RMB1,000)	174	159	175	197	201	182

# Main Channel: Franchise Store Location Analysis

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

2. 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
% of stores as of 2022.12.31	46%	44%	5%	5%	100%
% of sales in 2022	46%	46%	5%	3%	100%
Average SSS in 2022 (unit: RMB1,000)	180	185	177	120	179

# Financial Overview <sup>(1/4)</sup>

## Profit Breakdown by Channel

Unit:  
RMB1000

Item	2020			2021			2022		
	Rev.	Exp.	GPM	Rev.	Exp.	GPM	Rev.	Exp.	GPM
Beauty Salon Franchise	<b>888 436</b>	121 658	86%	<b>1 133 391</b>	172 590	85%	<b>882 993</b>	144 608	84%
E-commerce	36 944	9 383	75%	26 905	10 283	62%	11 857	5 357	55%
Clinics	21 796	7 311	66%	54 236	23 041	58%	25 411	10 902	57%
Other	199	2 860	-1 337%	-	-	-	-	-	-
<b>Total</b>	<b>947 375</b>	<b>141 212</b>	<b>85.0%</b>	<b>1 214 532</b>	<b>205 914</b>	<b>83.0%</b>	<b>920 261</b>	<b>160 867</b>	<b>83.0%</b>

# Financial Overview (2/4)

## Condensed Income Statement

Unit: \$1000

Item	2020		2021		2022	
	RMB	NT\$	RMB	NT\$	RMB	NT\$
Operating revenue	947 375	4 055 996	1 214 532	5 271 313	920 261	4 069 210
Operating costs	-141 212	-604 571	-205 914	-893 709	-160 867	-711 322
Gross profit	806 163	3 451 425	1 008 618	4 377 604	759 394	3 357 888
Gross profit rate		85%		83%		83%
Selling exp.	-366 185	-1 567 748	-424 604	-1 842 866	-330 536	-1 461 564
Admin exp.	-178 313	-763 411	-175 852	-763 233	-162 003	-716 345
Operating profit	261 665	1 120 266	408 162	1 771 505	266 855	1 179 979
Total non-operating	63 928	273 695	64 952	281 904	-5 144	-22 745
Profit before tax	325 593	1 393 961	473 114	2 053 409	261 711	1 157 234
Income tax exp.	-101 447	-434 325	-160 857	-698 152	-105 722	-467 482
Profit for the period	224 146	959 636	312 257	1 355 257	155 989	689 752
EPS (NT\$)	2.82	12.09	3.93	17.05	1.96	8.68
Cash dividend (yearly)	NT\$8.5 per share (cash)		NT\$12 per share (cash)		To be issued: NT\$7 per share (cash)	

# Financial Overview (3/4)

## Condensed Balance Sheets

Unit: \$1000

Item	2020.12.31		2021.12.31		2022.12.31	
	NT\$	%	NT\$	%	NT\$	%
Cash and cash equivalents	5 347 749	60%	5 973 191	60%	5 644 321	66%
Net accounts receivable	5 662	0%	3 641	0%	2 103	0%
Inventories	467 385	5%	454 865	5%	486 317	6%
Investment (Equity method)	218 080	2%	215 619	2%	213 149	2%
Property, plant and equipment, net	1 376 374	15%	1 319 890	13%	1 229 695	14%
Right-of-use assets	575 659	6%	490 611	5%	410 275	5%
Others assets	972 877	11%	1 577 227	16%	610 122	7%
<b>Total Assets</b>	<b>8 963 786</b>	<b>100%</b>	<b>10 035 044</b>	<b>100%</b>	<b>8 595 982</b>	<b>100%</b>
Bank loans	2 192 959	24%	2 505 042	25%	2 180 408	25%
Accounts payable	71 654	1%	98 810	1%	81 045	1%
Other payables	793 091	9%	803 571	8%	449 444	5%
Lease liabilities	571 246	6%	502 616	5%	413 655	5%
Other liabilities	926 521	10%	1 131 977	11%	820 133	10%
<b>Total liabilities</b>	<b>4 555 471</b>	<b>51%</b>	<b>5 042 016</b>	<b>50%</b>	<b>3 944 685</b>	<b>46%</b>
Common capital	794 924	9%	794 924	8%	794 924	9%
Capital surplus & legal reserve	2 616 716	29%	2 633 704	26%	2 732 977	32%
Unappropriated retained earnings	1 469 479	16%	2 129 574	21%	1 766 508	21%
Other equities	-472 804	-5%	-565 174	-6%	-643 112	-7%
<b>Total equity</b>	<b>4 408 315</b>	<b>49%</b>	<b>4 993 028</b>	<b>50%</b>	<b>4 651 297</b>	<b>54%</b>

Receivables Turnover  
2021: 1133 (times/y)  
2022: 1416 (times/y)

Inventory Turnover  
2021: 1.81 (times/y)  
2022: 1.42 (times/y)

# Financial Overview (4/4)

## Cashflow Analysis

Unit: \$1,000

Item	2020		2021		2022	
	RMB	NT\$	RMB	NT\$	RMB	NT\$
Net cash provided by operations	355 404	1 521 646	414 198	1 797 702	62 767	277 546
Net cash provided (used in) investments	-180 711	-766 398	-133 270	-578 421	217 718	962 707
-Acquisition or disposal of real estate or equipment	-22 961	-98 783	-22 187	-96 297	-12 850	-56 820
-Other	-157 750	-668 095	-111 083	-482 124	230 568	1 019 527
Net cash used in financing activities	-194 513	-813 766	-102 196	-440 232	-363 159	-1 604 041
-Dividend distribution	-245 814	-1 033 401	-156 445	-675 685	-216 061	-953 908
-Other	51 301	219 635	54 249	235 453	-147 098	-650 133

Bank loan repayment



Q&A

# 核·聚·變

聚焦核心優勢 | 凝聚團隊力量 | 擁抱變革創新

CHLITINA  
克麗緹娜

RnD  
瑗緹-專業美甲美睫

UPLÍDER  
雅樸麗德

新美力  
MY BEAUTY FORCE