



CHLITINA HOLDING LIMITED Q3 2023 BUSINESS REPORT

CHLITINA | 克麗緹娜

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Company Profile & Business Outlook



Business Performance Presentation & Financial Overview



Q&A



Company Profile & Business Outlook



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Q&A

Corporate Snapshot

Stock Ticker	4137 TT (麗豐-KY)
Market Cap.	around NT\$ 16.8bn
Capital Stock	NT\$ 795m
Q1-Q3 2023 Sales	RMB 753m / NT\$ 3.306bn
Q1-Q3 2023 Net Profit	RMB 167m / NT\$ 733m
2022 ROE	14%
Main Shareholder	Wealthy Garden (35.29%)

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.-XINMEILI MALL新美力商城 and Tmall Flagship 天貓旗艦 (self-operated e-commerce platform), complementing physical stores.

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

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.



Brand Value, Network Expansion, ESG

心模式·大未來

聚焦優勢 凝聯團隊 擁抱創新

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 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 HOLDING’S Four Main Business Channels

CHLITINA | 克麗緹娜

Beauty Salon Franchise

around **5000** franchise stores



RnD Professional Manicure
環緹专业美甲

Manicure & Eyelash Extension Salon Franchise

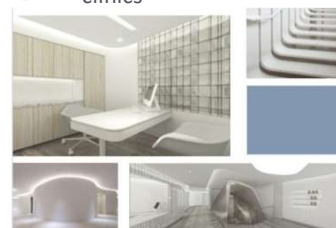
600 franchise stores



+ UPLIDER 雅樸麗德

Self-operated regenerative medicine and anti-aging centers

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



新美力
Beauty Health Happiness
E-commerce platform

Around **1m** members



心模式 · 大未來
聚焦優勢 凝聽團隊 擁抱創新

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%)



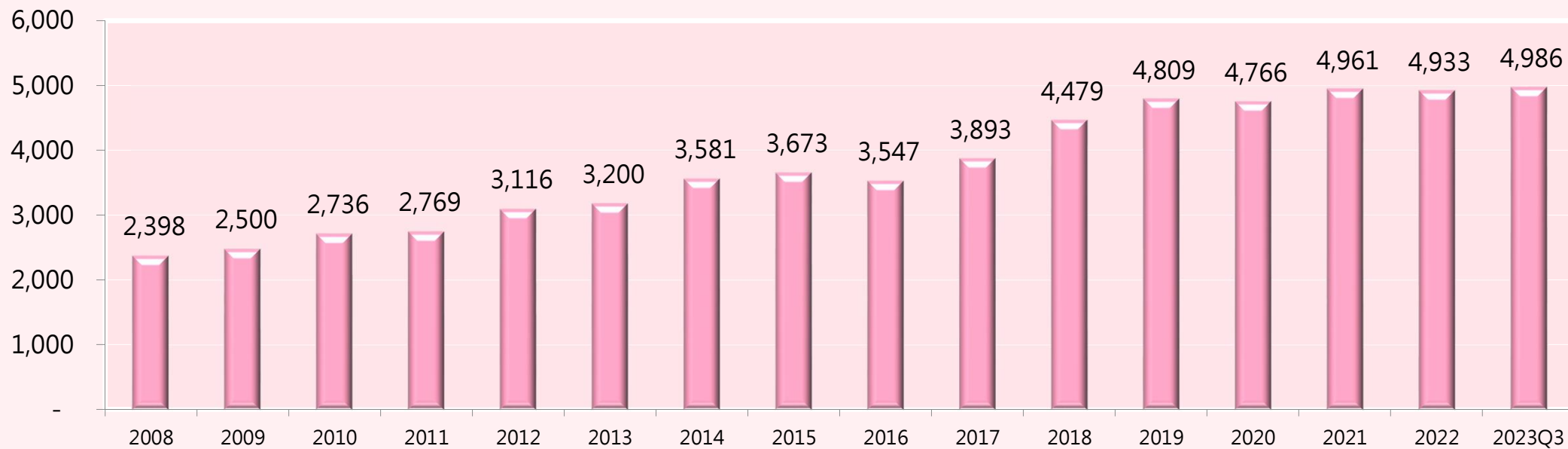
- Income from franchise fee and product sales
- Minimum purchase requirement
- Standard storefront requirement

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

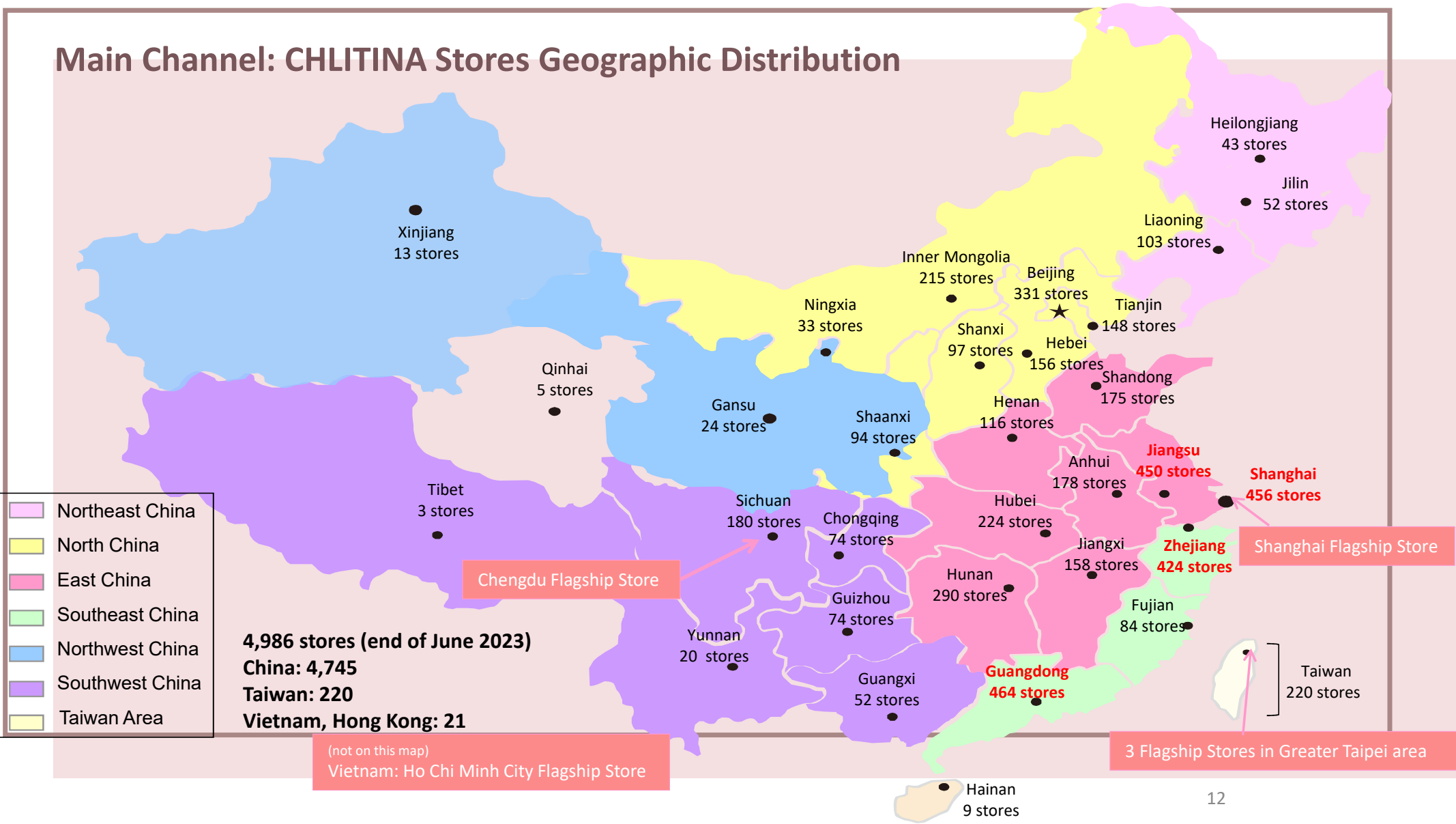
Reinforcing product-oriented strategy; Increasing quality both at C- and B-ends through product sales and marketing, and turning products into a long-term driving force for growth

Main Channel: Franchise Network Scale

CHLITINA Franchise Salons – Store Count



Main Channel: CHLITINA Stores Geographic Distribution



Business Update: ESG Implementation and Execution



- 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 Sourcing

- Implemented
- In Progress
- Being Planned



Company Profile & Business Outlook



Business Performance Presentation & Financial Overview

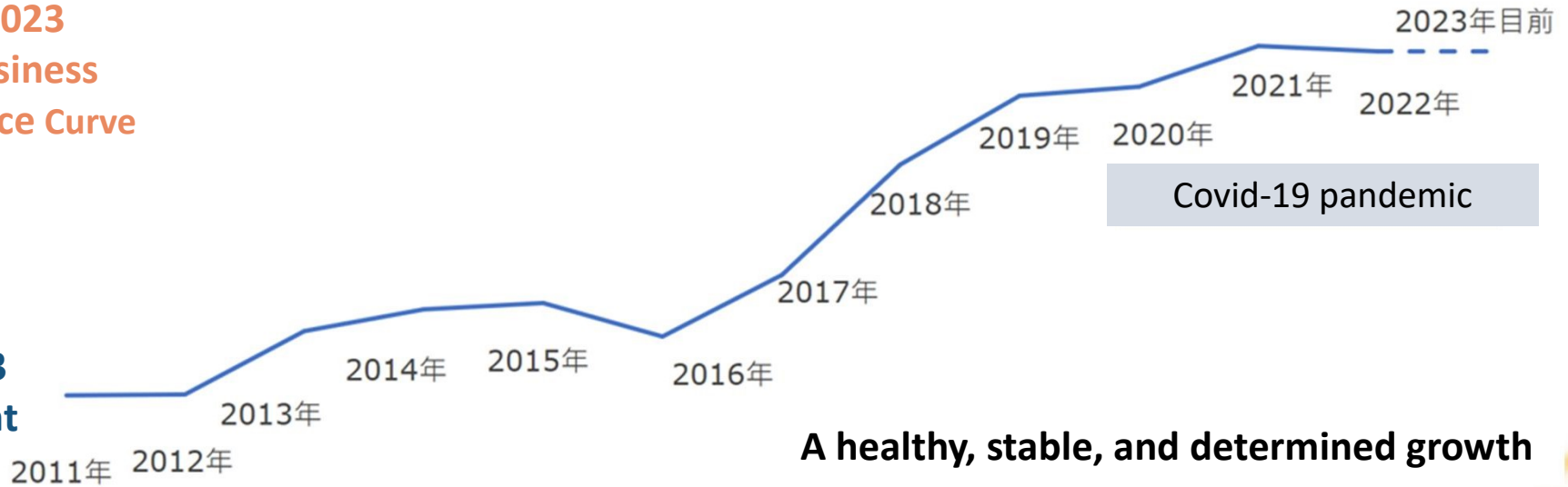


Q&A

Core Business: Still Growing



2011-2023
Main Business
Performance Curve



2011-2023
Store Count

A healthy, stable, and determined growth

Business Update: Targeting Empty Territories and Unsaturated Cities

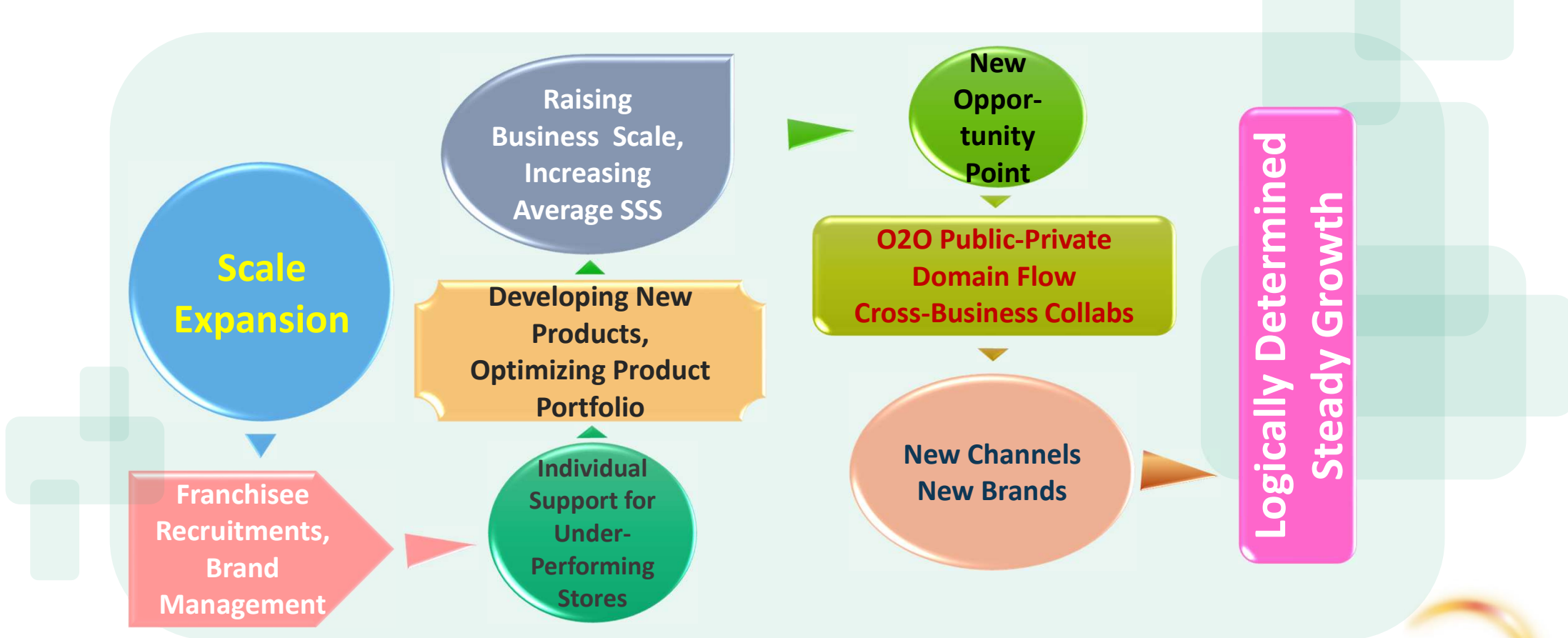


Empty Territories = Continued Breakthroughs
Market Empty Space = Business Opportunity

- There are still over 1,000 county-level cities with no CHLITINA store
- Already developed territories also have great potential: they are far from saturated
- Mid- and long-term goals for global network: **8,000-10,000 stores**

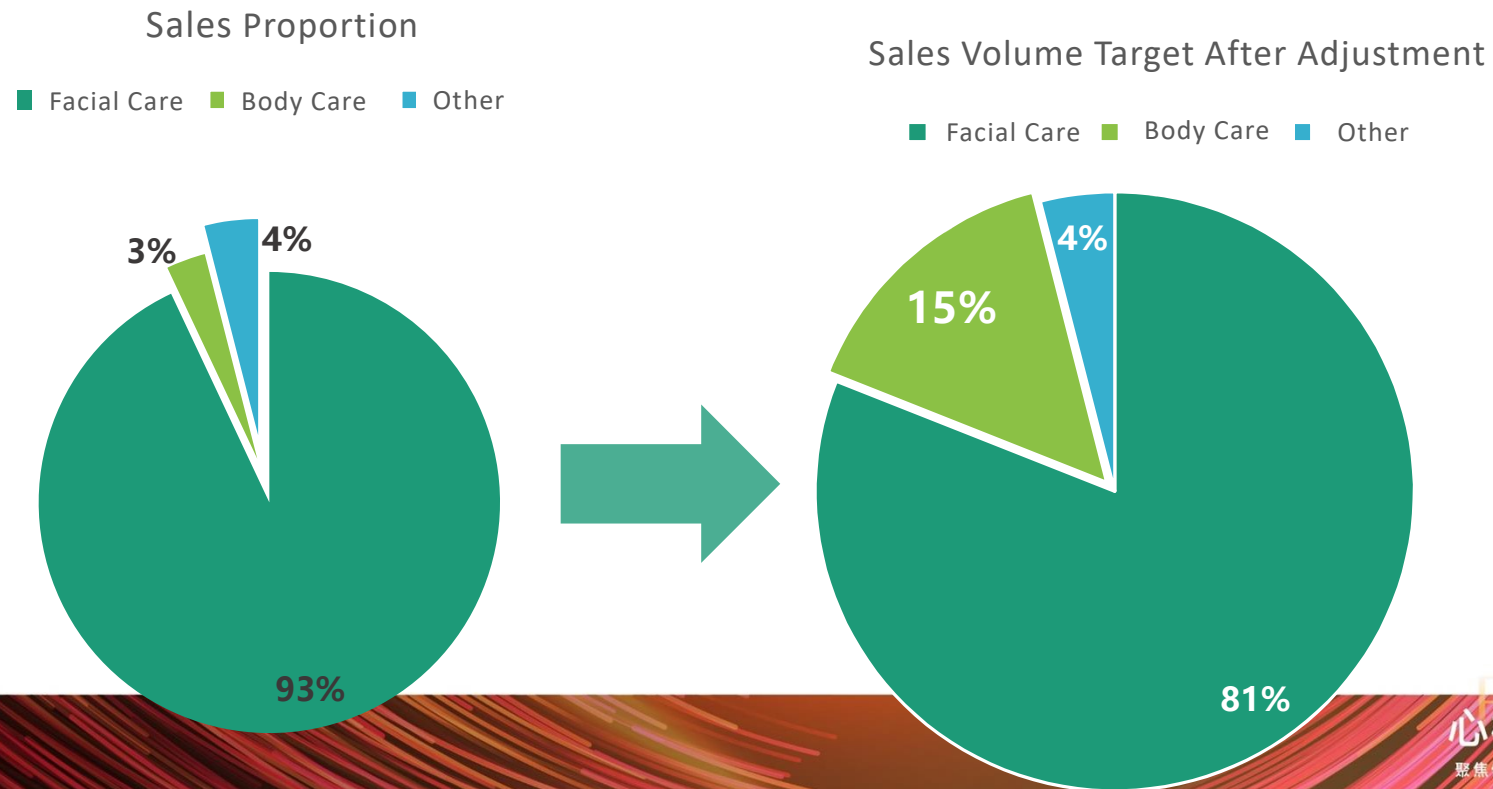


Business Update: **CHLITINA's** growth equation



Business Update: Optimizing Product Mix, Increasing Sales of Body Care Items

- Currently, facial products represent the vast majority of sales, with **body items** accounting for only **3%** of total.
- If sales of body items were to increase to 15% of all sales, that proportion could become a growth target for all stores.



Business Update: New Growth Opportunities: Making Good Use of O2O

Attracting customers online through adverts etc.



Social Media Marketing



Cross-Business Alliances



Business Update: New Channels, New Brands

CHLITINA All-Channel New Retail Product Brand

CHLITINA
HOME SPA

Market Launch: Q2 2024

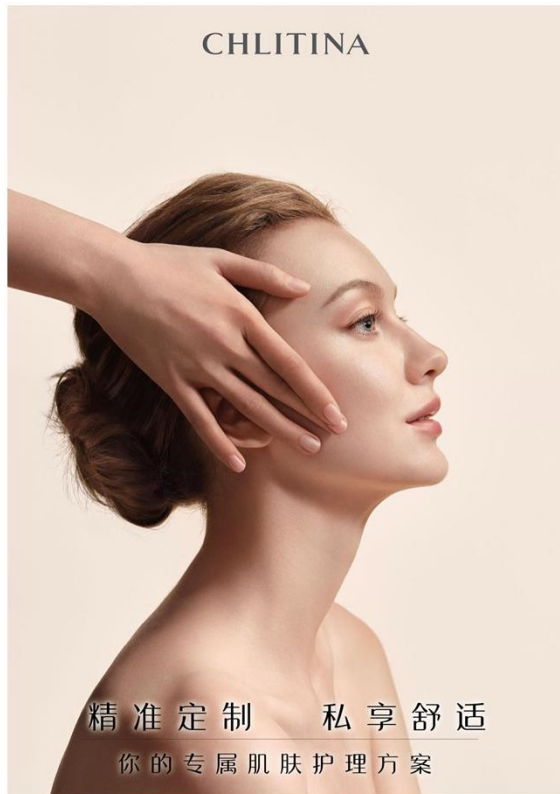
Business Update: How to Launch CHLITINA? HOME SPA

China's beauty and cosmetics market size:

- ◆ Total scale exceeds 1 trillion Chinese yuan
 - ◆ Annual growth rate around 10%
 - ◆ There are more than 100,000 cosmetics shops
 - ◆ There are more than 43,000 beauty salons
- The total operating revenue of CHLITINA Beauty Salons accounts for a 0.75% share of the beauty market
- CHLITINA Beauty Salons account for approximately 11% of the total number of beauty salons in China

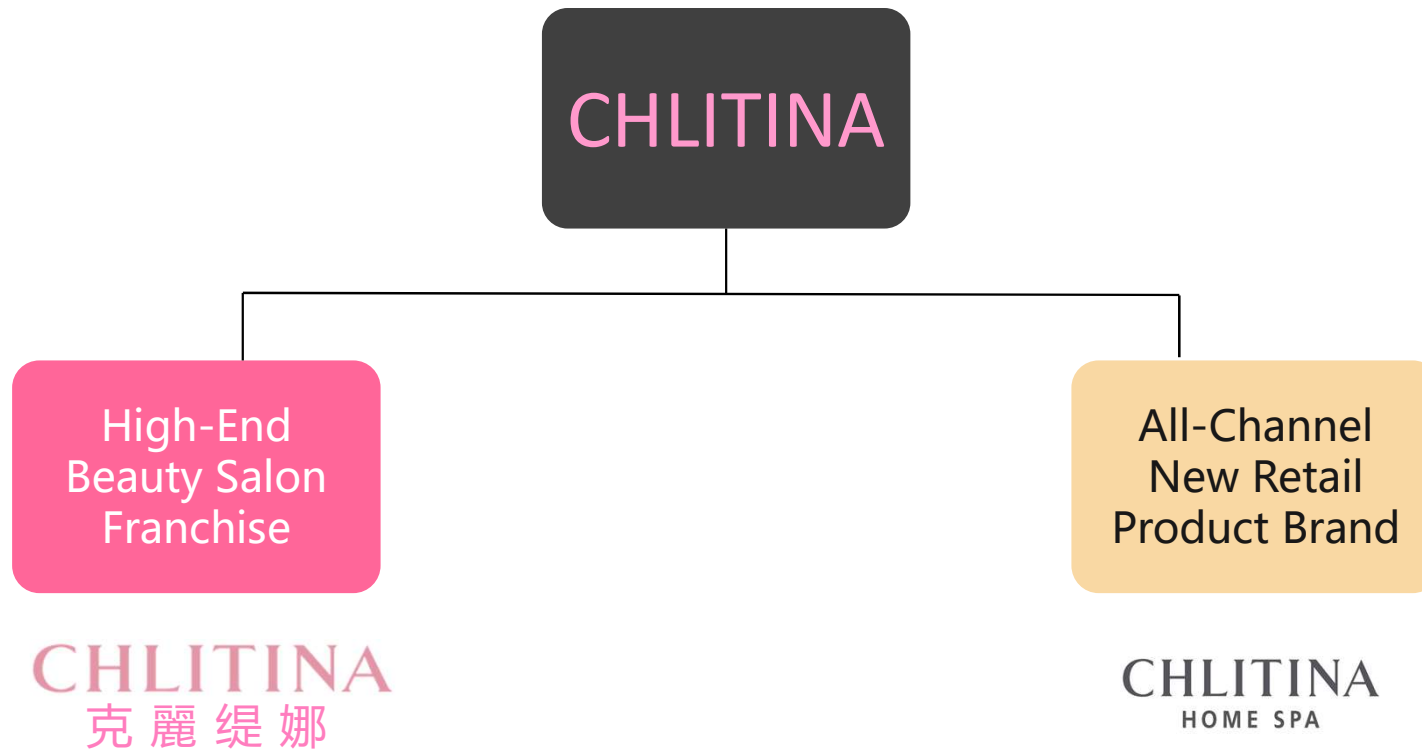
Business Update: What is CHLITINA ?

HOME SPA

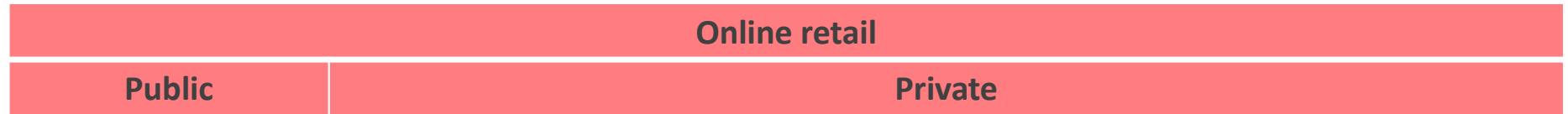


Routine professional
care
+
Elegant life, salon-
grade skin care at
home
=
Complete
maintenance plan

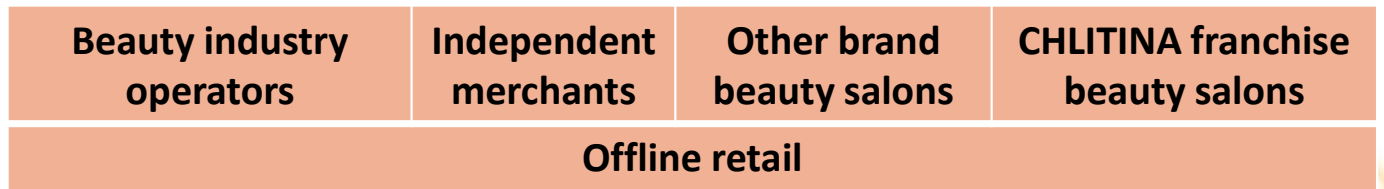
Business Update: Two Brands Completing Each Other



Business Update: All-Channel New Retail Model to Reach End-Customers One by One



HOME SPA retail platform
 Recruitment of beauty industry operators
 to share the HOME SPA philosophy



Douyin and Tmall Official Accounts

Business Update: Following the Growth Logic, Returning to Growth Trend

Steady Growth Trend

Increasing Business
Scale

Improving
Average SSS

New
Store
Perfor
mance

O2O
In-Flow

New
Channels

New
Products



Company Profile & Business Outlook



Business Performance Presentation & **Financial Overview**



Q&A

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 2023.9.30	7%	23%	18%	32%	20%	100%
Percentage of Q1-Q3 2023 sales	8%	20%	17%	33%	22%	100%
Q1-Q3 2023 Average SSS (unit: RMB1,000)	163	127	137	147	156	143

Reinforcing personalized coaching to improve individual store performance

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 2023.9.30	45%	45%	5%	5%	100%
Percentage of sales in Q1-Q3 2023	44%	47%	5%	4%	100%
Q1-Q3 2023 Average SSS (unit: RMB1,000)	137	148	158	107	142

Impact of the Covid-19 epidemic peak at the beginning of 2023

Financial Overview ^(¼)

Profit Breakdown by Channel

Unit:
RMB1000

Item	2021			2022			Q1-Q3 2023		
	Rev.	Exp.	GPM	Rev.	Exp.	GPM	Rev.	Exp.	GPM
Beauty Salon Franchise	1 133 391	172 590	85%	882 993	144 608	84%	706 069	111 644	84%
E-commerce	26 905	10 283	62%	11 857	5 357	55%	15 096	5 793	62%
Clinics	54 236	23 041	58%	25 411	10 902	57%	31 642	10 601	66%
Total	1 214 532	205 914	83.0%	920 261	160 867	83.0%	752 807	128 038	83.0%

Financial Overview (2/4)

Condensed Income Statement

Unit: \$1000

Item	2021		2022		Q1-Q3 2023	
	RMB	NT\$	RMB	NT\$	RMB	NT\$
Operating revenue	1 214 532	5 271 313	920 261	4 069 210	752 807	3 305 577
Operating costs	-205 914	-893 709	-160 867	-711 322	-128 038	-562 215
Gross profit	1 008 618	4 377 604	759 394	3 357 888	624 769	2 743 362
Gross profit rate	83%		83%		83%	
Selling exp.	-424 604	-1 842 866	-330 536	-1 461 564	-281 317	-1 235 263
Admin exp.	-175 852	-763 233	-162 003	-716 345	-118 623	-520 873
Operating profit	408 162	1 771 505	266 855	1 179 979	224 829	987 226
Total non-operating	64 952	281 904	-5 144	-22 745	17 263	75 802
Profit before tax	473 114	2 053 409	261 711	1 157 234	242 092	1 063 028
Income tax exp.	-160 857	-698 152	-105 722	-467 482	-75 090	-329 720
Profit for the period	312 257	1 355 257	155 989	689 752	167 002	733 308
EPS (NT\$)	3.93	17.05	1.96	8.68	2.11	9.25
Cash dividend (yearly)	NT\$8.5 per share (cash)		NT\$7 per share (cash)		N/A	

Financial Overview (3/4)

Condensed Balance Sheets

Unit: \$1000

Item	2020.12.31		2022.12.31		2023.9.30	
	NT\$	%	NT\$	%	NT\$	%
Cash and cash equivalents	5 973 191	60%	5 644 321	66%	5 591 311	57%
Net accounts receivable	3 641	0%	2 103	0%	6 207	0%
Inventories	454 865	5%	486 317	6%	404 674	4%
Investment (Equity method)	215 619	2%	213 149	2%	272 587	3%
Property, plant and equipment, net	1 319 890	13%	1 229 695	14%	1 178 633	12%
Right-of-use assets	490 611	5%	410 275	5%	388 034	4%
Others assets	1 577 227	16%	610 122	7%	1 985 461	20%
Total Assets	10 035 044	100%	8 595 982	100%	9 826 907	100%
Bank loans	2 505 042	25%	2 180 408	25%	2 788 916	28%
Accounts payable	98 810	1%	81 045	1%	84 812	1%
Other payables	803 571	8%	449 444	5%	456 662	5%
Lease liabilities	502 616	5%	413 655	5%	384 719	4%
Other liabilities	1 131 977	11%	820 133	10%	1 039 144	10%
Total liabilities	5 042 016	50%	3 944 685	46%	4 754 253	48%
Common capital	794 924	8%	794 924	9%	794 924	8%
Capital surplus & legal reserve	2 633 704	26%	2 732 977	32%	2 729 281	28%
Unappropriated retained earnings	2 129 574	21%	1 766 508	21%	1 964 779	20%
Other equities	-565 174	-6%	-643 112	-7%	-416 330	-4%
Total equity	4 993 028	50%	4 651 297	54%	5 072 654	52%

Financial Overview (4/4)

Cashflow Analysis

Unit: 1000

Item	2021		2022		Q1-Q3 2023	
	RMB	NT\$	RMB	NT\$	R:B	NT\$
Net cash provided by operations	414,198	1,797,702	62,767	277,546	246,784	1,083,751
Net cash provided by (used in) investments	-133,270	-578,421	217,718	962,707	-286,988	-1,267,526
Acquisition or disposal of real estate or equipment	-22,187	-96,297	-12,850	-56,820	-13,223	-58,063
Other items	-111,083	-482,124	230,568	1,019,527	-273,765	-1,209,463
Net cash used in financing activities	-102,196	-440,232	-363,159	-1,604,041	-17,839	-67,372
Dividend distribution	-156,445	-675,685	-216,061	-953,908	-129,135	-556,446
Other items	54,249	235,453	-147,098	-650,133	111,296	489,074

× 克麗緹娜您的肌肤护理专家 > ...



3:48

5G

< 克麗緹娜

全部 貼文 用戶 連續短片 社團 粉絲專

#克麗緹娜 #CHLITINA #亞洲最大美容 SPA 沙龍
品牌 #美力接班人 #美力學苑 beautylogy

[https://www.facebook.com/tvbsfb/videos/
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10月13日 ·

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不再是一個人！

#創業 #上班族 #克麗緹娜 #沙龍



Thank You!

Q&A

心模式 · 大未來

聚焦優勢 凝聽團隊 擁抱創新

FOCUS 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
環緹·專業美甲美睫

UP LÍDER
雅樸麗德

新美力
MY BEAUTY FORCE