



美丽田园
美与健康 BEAUTY AND HEALTH

Beauty Farm 2024 Interim Results

Stock Code: 2373.HK

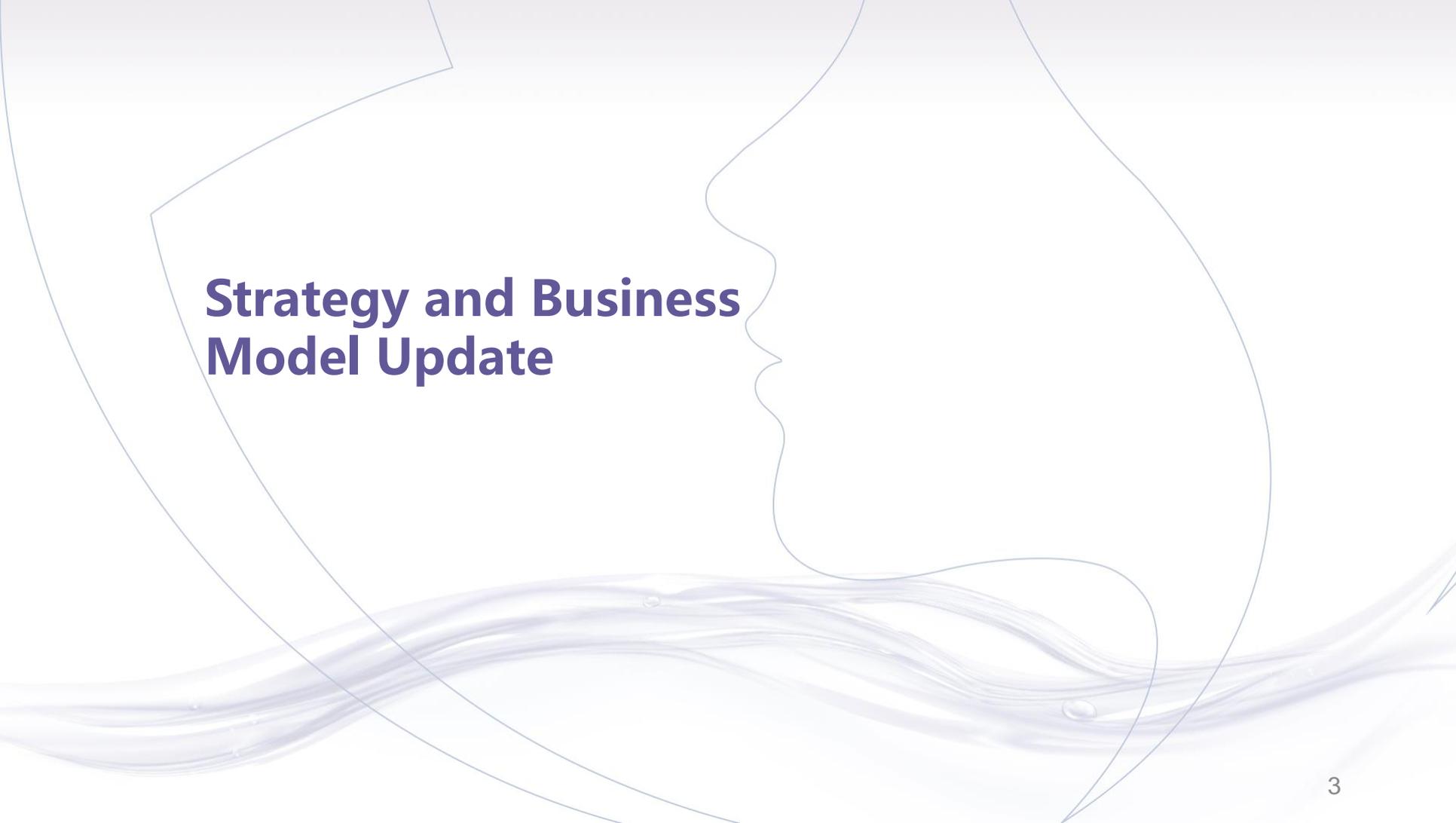


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Strategy and Business Model Update



Powerful Alliance: Comprehensive Acquisition of Naturade solidifies Beauty Farm's market-leading position

The Naturade brand was fully integrated into our diversified brand portfolio through acquisition of all its 150 direct and franchised stores

Brand Positioning & Store Images

Grounded in traditional Chinese medicine, featuring the Eastern beauty and wellness philosophy of adapting to timing, trends and individual needs*



Number of Stores

Covers prime locations in high-traffic shopping centers and communities in the Greater Bay Area



75

Direct Stores



75

Franchised Stores

High-quality and Large-scale Active Membership

Number of Active Members⁽¹⁾

33,859

Annual Average Spending per Active Member⁽¹⁾

6,972 RMB

Annual Spending Frequency per Active Member⁽¹⁾

5.4

Business Range & Brands and Patents

Beauty and Wellness Services



Top Brand in AI-powered Beauty and Healthcare

Aesthetic Medical Services



Subhealth Medical Services



DAMO Robot

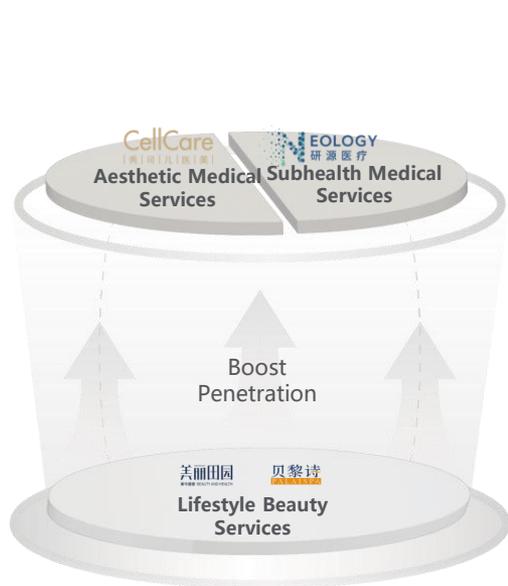


Note:
1. For the six months ended June 30, 2024

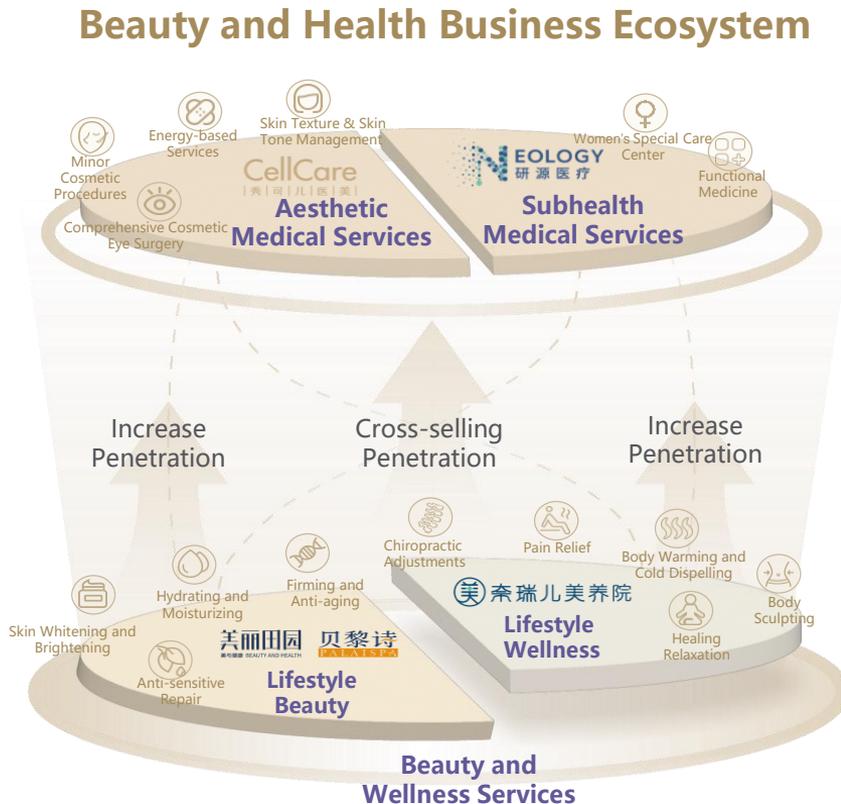


Upgrading Business Model from “Dual-Beauty” to “Dual Beauty + Dual Wellness”

Acquire premium clientele leveraging our extensive network of beauty and wellness stores, uncover and fulfill deep-seated customer needs for beauty and health with upgraded full-lifecycle services



Strategy Upgrade
→



Note

1. Penetration denotes the proportion of beauty and wellness service members who become active members of aesthetic medical services or subhealth medical services during the reporting period.



Group-Level Strategic Focus on M&A for External Growth: Boosting Success Rate with Extensive Experience and Post-Acquisition Integration Prowess

Extensive experience in acquisition and integration

10+ years of M&A experience, 30+ successful cases

Building diversified brand portfolio •

PALAISPA - Boosted medical resources, revenue doubled in four years
Naturade - Expansion into traditional Chinese medicine wellness market

Acquiring member base •

Top 10 cities by revenue: Chongqing, Chengdu, Wuhan, Xi'an
Acquiring franchisees + top local brands

Securing Rare Licenses •

Beijing Hexin Medical Beauty Clinic
Fulfilling "tri-beauty" framework in Beijing





1H24 Business Review



2024 Interim Report Highlights

#1 Ranking Nationwide - Beauty and Wellness Service Brand
#4 Ranking Nationwide - Non-surgical Aesthetic Medical Service Brand
Including Naturade, store count surpassed **559**

CellCare
|秀|可|儿|医|美|

Aesthetic Medical Services
24 Direct Stores ⁽¹⁾



Beauty and Wellness Services
169 Direct Stores & **207** Franchised Stores ⁽¹⁾

NEOLOGY
研源医疗

Subhealth Medical Services
9 Direct Stores ⁽¹⁾

2024 Interim Report Highlights ⁽⁵⁾



684,659

YoY +12%
Client Visits at Direct Stores ⁽²⁾



81,531

YoY +10%
Active Members
at Direct Stores ^{(2) (3)}



12,608

Average Spending per Active
Member ⁽²⁾



79.0%

Annual Retention Rate for Active
Members at Direct Stores ^{(2) (4)}

Notes

1. As of June 30, 2024
2. For the six months ended June 30, 2024
3. Active Members are members who have used our services at least once during the relevant period. Includes direct stores, excludes franchised stores.
4. The proportion of active members in the 12 months as of June 30, 2023, who remain active members for the next 12 months.
5. Does not include Naturade.



Further Increased Penetration Rate of Value-add Services

Acquire premium clientele leveraging our extensive network of beauty and wellness stores, uncover and fulfill deep-seated customer needs for beauty and health with upgraded full-lifecycle services

Beauty and Wellness Services



78,868 +10% YOY

Active Members at Direct Stores ⁽²⁾

Business Bedrock



30+ Years of Brand Legacy



Vast Customer Base



79% Retention Rate ⁽²⁾



Robust Cash Flow

Boost Penetration

24.3% of our beauty and wellness members purchased or received aesthetic medical or subhealth medical services ⁽¹⁾



Aesthetic Medical Services



19,086 +12% YOY

Active Members ⁽²⁾

High Frequency

High Annual Spending

High Growth Potential

Subhealth Medical Services



3,627 +34% YOY

Active Members ⁽²⁾

Notes
1. Penetration denotes the proportion of beauty and wellness service members who become active members of aesthetic medical services or subhealth medical services during the reporting period.
2. For the six months ended June 30, 2024



Four Brands Fully Addressing Beauty and Health Needs



Brand History

Launched in 1993
Flagship Beauty Services Brand

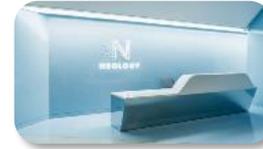
Strategic Investment in 2016
Beauty Services Brand

Launched in 2011
Aesthetic Medical Services Brand

Launched in 2018
Subhealth Medical Services Brand



Store Images



of Stores⁽¹⁾

155 direct stores

14 direct stores

24 direct stores

9 direct stores

207 franchised stores



Brand Positioning



Beauty and Wellness Services



Aesthetic Medical Services



Subhealth
Medical Services

Direct stores are located in prime locations and core business districts, targeting mid-to-high-end customers with high spending power



Active Members

78,868 (Direct Stores) + 31,402 (Franchised Stores)

19,086

3,627



Revenue Contribution⁽²⁾

~54.7%



~38.8%



~6.5%



Regulatory Requirement

Medical Institution Practicing License not required



Medical Institution
Practicing License
required



Medical Institution
Practicing License
required

Note:

1. As of June 30, 2024

2. For the six months ended June 30, 2024



Beauty and Wellness - Solid Business Growth Facilitating Ongoing Market Expansion

Coverage of Prime Locations in High-Traffic Shopping Centers



19 cities

Mainly cover tier-1 and new tier-1 cities



Mid-to-high-end client demographics



High-end Malls



High-end Residential Properties



CBD

Customer Profile



Key customer demographic: **ages 31 to 50**



83% of our clientele are female city dwellers



Mostly **white-collar professionals, corporate executives, entrepreneurs, and stay-at-home moms**

Service Offerings

Beauty Services



Cleaning and Moisturizing



Skin Whitening



Skin Anti-aging Treatments

Body Care and Wellness Services



Body Care



Body Sculpting



Wellness Services



Pain Relief

Revenue Growth Outperforming the Market

RMB millions

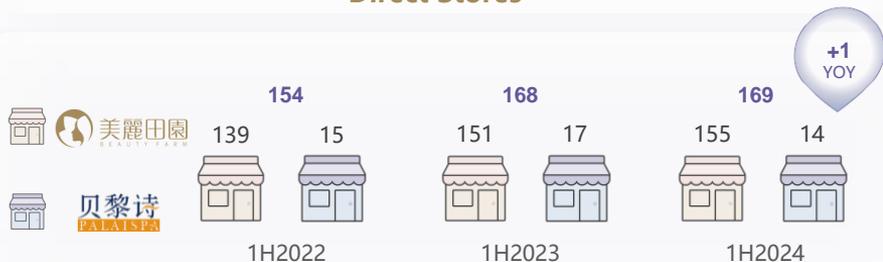


Direct Stores Franchised and other Stores

Note:
1. Beauty Farm and Palaispa only; Naturade not included.



Direct Stores



High-Quality and Highly Loyal Active Members

Average Spending per Active Member ⁽¹⁾

6,771 RMB

+RMB 78 YOY

Active Member Retention Rate ⁽¹⁾

79.0%

Spending Frequency per Active Member ⁽¹⁾

6.0

Customer Visits at Direct Stores Active Members at Direct Stores



Franchised Business



Note:
1. For the six months ended June 30, 2024



Aesthetic Medical Services – The Surging Second Growth Curve

Expanding Store Network



24 stores

Cover 24 tier-1 and new tier-1 cities

Shanghai | Beijing | Wuhan | Chongqing | Shenzhen | Chengdu | Xi'an | Taiyuan |
Changchun | Hangzhou | Nanjing | Wuxi | Zhengzhou | Haikou | Changsha | Nanning |
Qingdao | Ningbo | Xiamen | Jinan | Hefei | Guangzhou | Tianjin | Nanchang

Revenue remained stable

(RMB millions)



Service Offerings



Minor Cosmetic Procedures



High Frequency Energy-based Anti-aging Procedures



Double Eyelid And Fat Management Surgery



Skin Texture & Skin Tone Management

Service Offerings



Aesthetic Medical Services – Fueling Revenue Growth with Increased Customer Visits

Penetration Rate

Beauty and Wellness Services

Penetration Rate

22.4%

+0.2% YOY

Aesthetic Medical Services

Key Operating Metrics

Customer Visits

(Times)



1H2022



1H2023



1H2024

+11%
YOY

Active Members

12,476



1H2022

17,032



1H2023

19,086



1H2024

+12%
YOY

Average Spending per
Active Member

22,993 RMB

Note:
1. For the six months ended June 30, 2024



Expanding Store Network



9 stores

Covering 9 tier-1 and new tier-1 cities



Revenue increased substantially

(RMB millions)



31

1H2022



49

1H2023



74

1H2024

+50%
YOY

Service Offerings



Women's Special Care Center



Functional Medicine

Service Offerings



Regenerative Medicine



Penetration Rate

Beauty and Wellness Services

Penetration Rate

5.0%

+1.8% YOY

Subhealth Medical Services

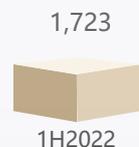
Key Operating Metrics

Customer Visits
(Times)



+30%
YOY

Active Members



+34%
YOY

Average Spending per
Active Member

15,180 RMB

YOY +2,836RMB

Note:
1. For the six months ended June 30, 2024



Women's Special Care Center: A New Segment with 200%+ YoY Revenue Growth

An expert medical brand under Neology specializing in one-stop female health and gynecological anti-aging solutions

Market size expansion fueled by policy support and evolving female consumer mindset

Market Size

RMB 50 Billion

Rising awareness of women's health
Growing need for gynecological health and wellness

Policy Support

Outline of Women's Development in China (2021-2030)

Step up research on key impact factors and intervention strategies etc.

Evolving Mindset

Proactive prevention

Precision care

Routine care

Customer spending demonstrates high conversion rate and wide market reach

200%+
YOY
Revenue

70%
Repurchase rate

84%
Conversion rate for first-time visits

Offerings

Fertility Assessment/Testing



Cleansing/ Anti-Inflammatory



Ovarian and Uterine Wellness



Firming and Anti-Aging



Hydration and Anti-Aging



Hormone Balancing



Anti-Aging Regenerative Medicine



Technical Solutions

Gynecological theory
Specialized gynecologists
Clinical experience
Advanced technology

Differentiated Services

Public hospitals: prioritize patient disease needs over preventative health care demands.

Differentiated Services

Aesthetic medical institutions: typically focus on dermatology or plastic surgery, prioritizing aesthetic improvements.

Note:

1. For the six months ended June 30, 2024
2. Percentage of customers purchasing women's special care offerings more than twice in the first six months of 2024
3. Percentage of first-time anti-aging customers with initial spending greater than zero



Optimizing Marketing Efficiency through Digital Marketing Solutions

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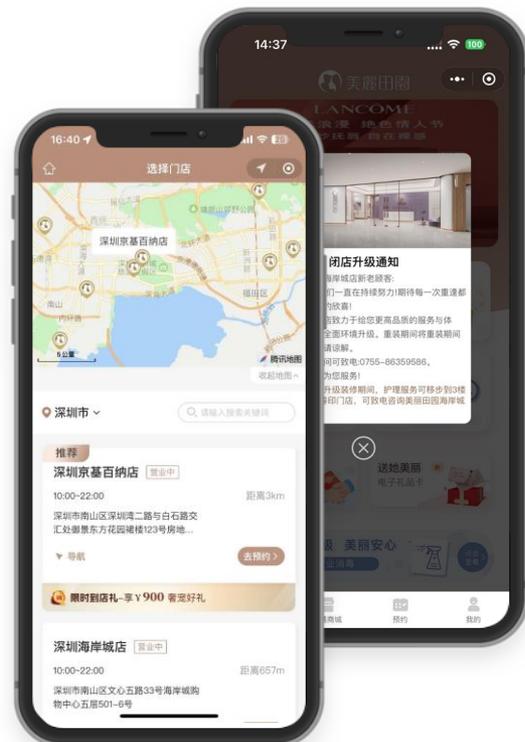
New members from the private domain more than doubled year-over-year, contributing to one-third of all new members

Precision marketing for segmented customers via WeChat corporate account

Newly upgraded section for skin and body care

Searchable brand tags

WeChat Mini Program 2.0 enables appointment scheduling by customers and localized store-related notifications





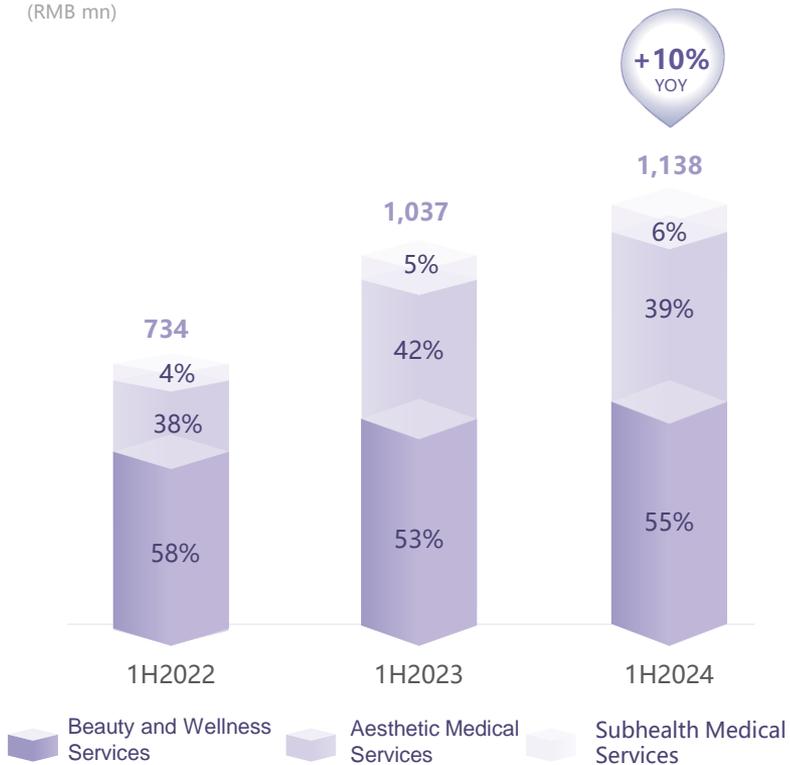
Financials



Outstanding Revenue Growth and Optimized Cost Structure

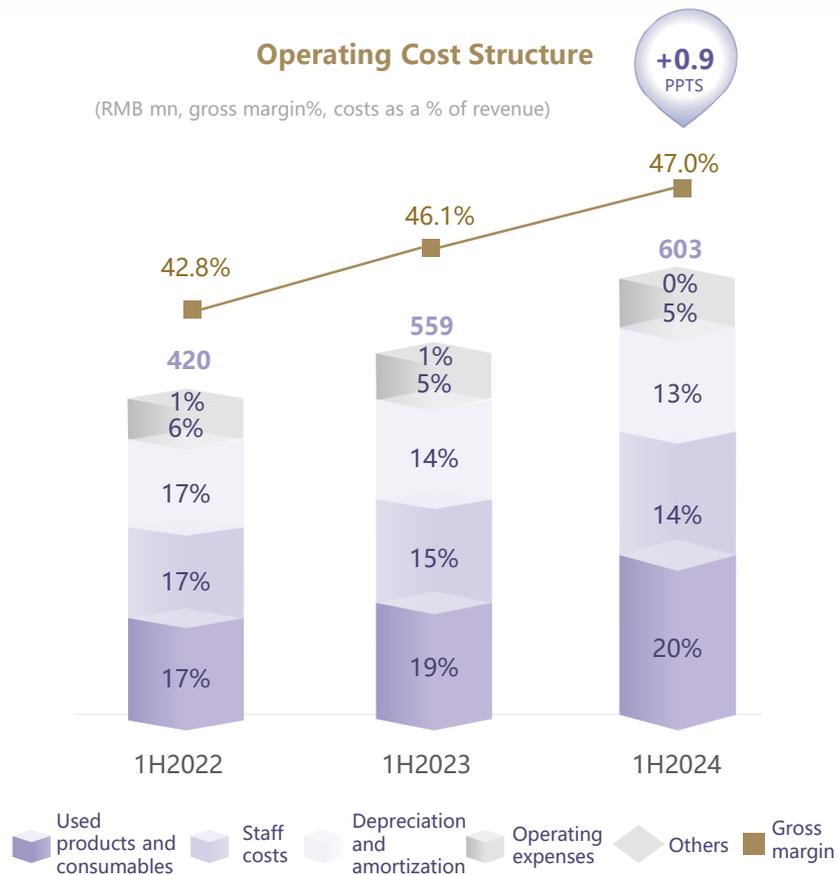
Leading Revenue Size

(RMB mn)



Operating Cost Structure

(RMB mn, gross margin%, costs as a % of revenue)





Improved Gross Profit and Healthy Gross Profit Margin

Beauty and Wellness Services - Direct Stores

(RMB mn, gross profit margin %)



Aesthetic Medical Services

(RMB mn, gross profit margin %)



Beauty and Wellness Services - Franchised Stores

(RMB mn, gross profit margin %)



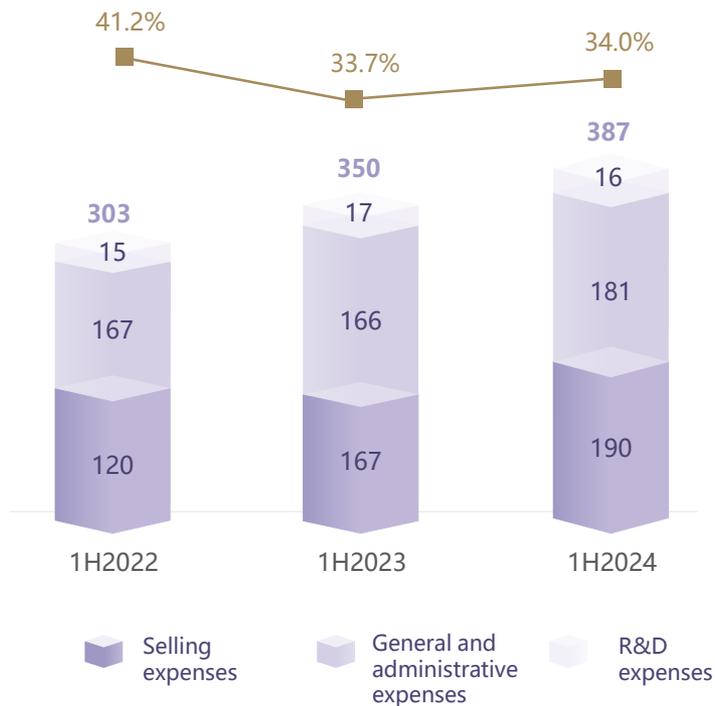
Subhealth Medical Services

(RMB mn, gross profit margin %)



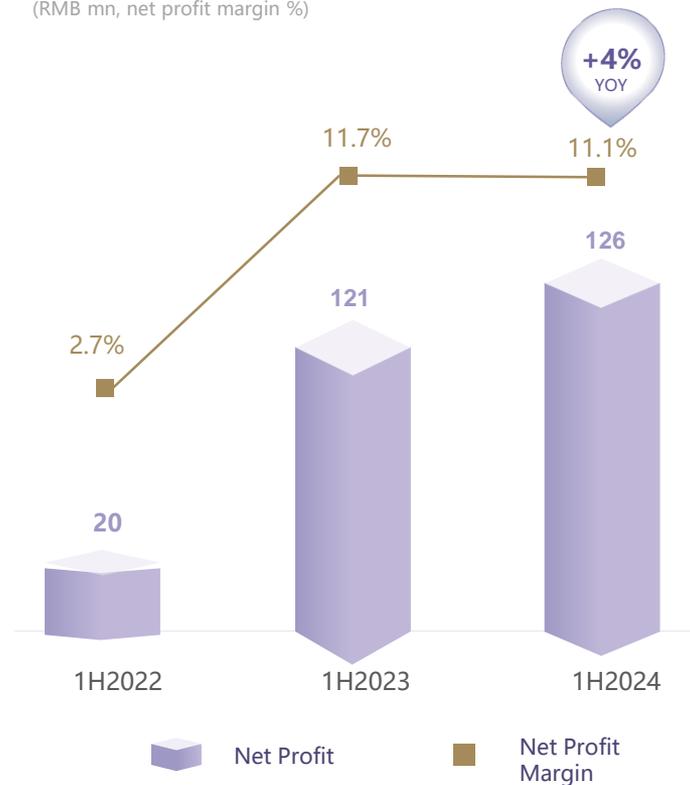
Operating Expenses Structure ⁽¹⁾

(RMB mn, operating expenses as % of revenue)



Steady Profitability - Net Profit

(RMB mn, net profit margin %)



Note:

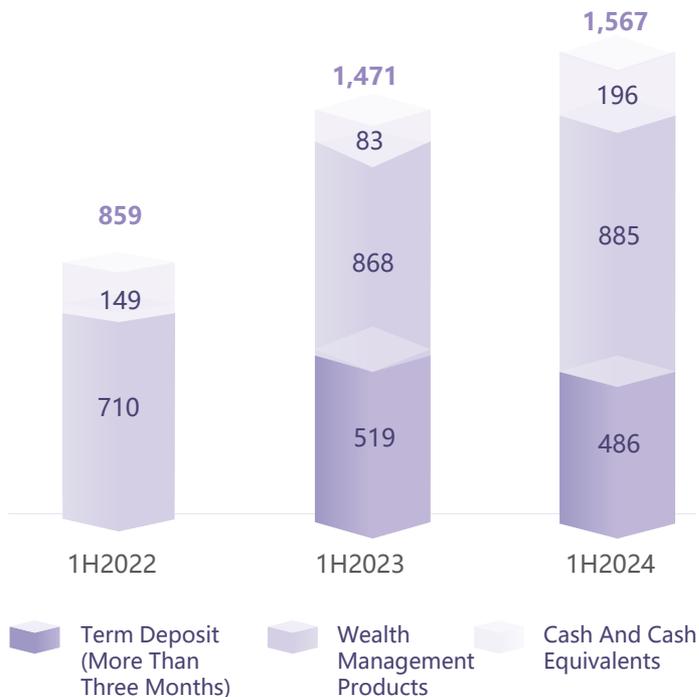
1. Operating expenses include selling expenses, research and development expenses, and general and administrative expenses



Robust Cash Reserves and Stable Operating Cash Flow

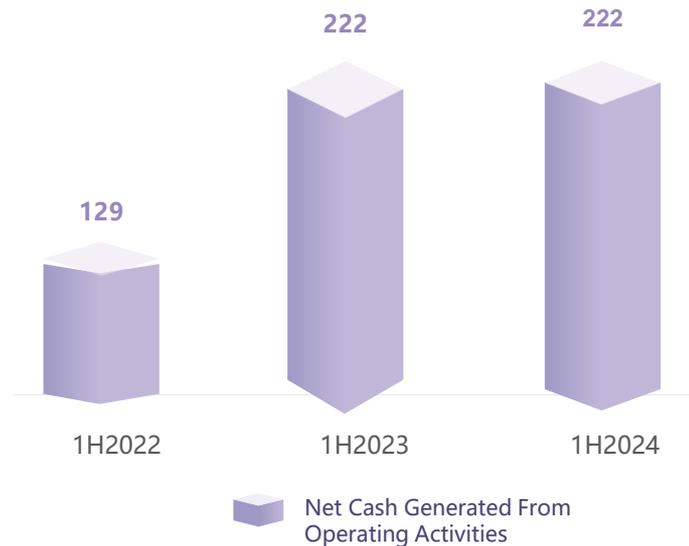
Robust Cash Reserves

(RMB mn)



Stable Operating Cash Flow

(RMB mn)





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Q&A