

A woman with dark hair pulled back, smiling and applying a cosmetic product to her cheek with a brush. The background is a soft, light blue with a vertical light beam and some circular bokeh effects.

**美丽田园**

美与健康 BEAUTY AND HEALTH

## Beauty Farm 2024 Annual Results

A decorative circular graphic with a lens-like effect, containing a blurred image of a person's face.

Stock Code: 2373.HK



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The background features a light blue gradient. On the right side, there is a faint, thin-lined silhouette of a human head in profile, facing left. Overlaid on this and the rest of the page are several thin, flowing, wavy lines in a slightly darker shade of blue, creating a sense of movement and fluidity. The overall aesthetic is clean and modern.

# **Strategy and Business Model Update**



# Landmark Acquisition Drives Business Model Upgrade 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

## Landmark merger and acquisition



RMB **350** million

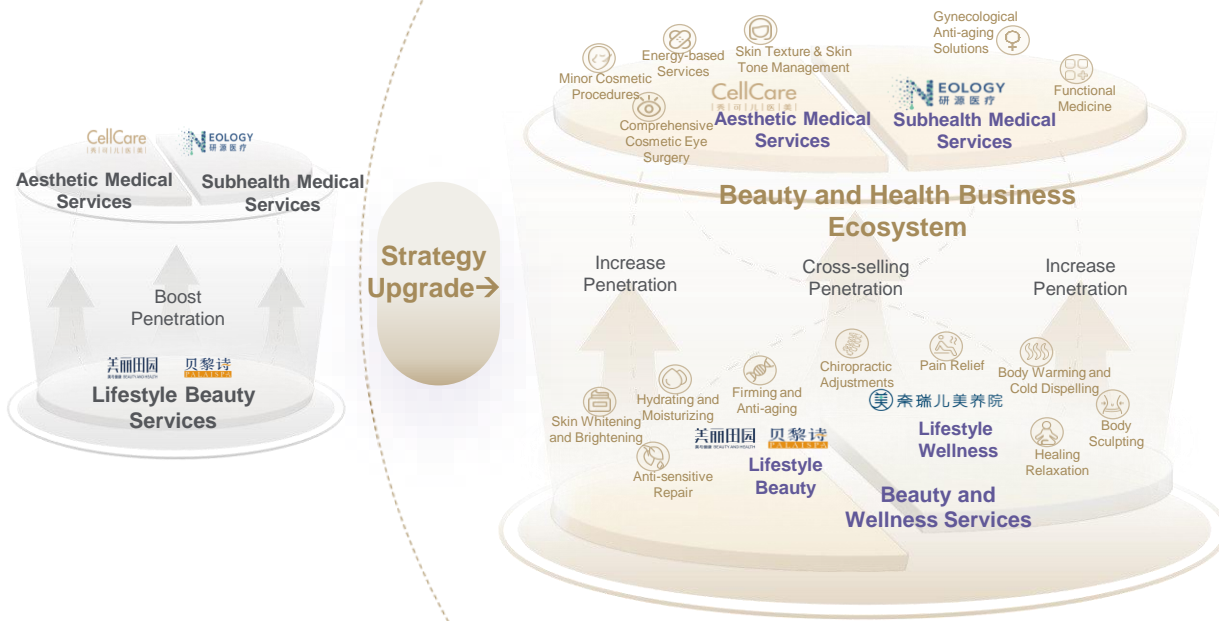
Acquiring 70% stake of **Naturade**  
73 Direct Stores, 69 Franchised Stores & 3 Brand-operated Stores



**Powerful Alliance of No.1 and No.2 players in terms of Market Share**

Market share expansion  
Regional advantages in the Greater Bay Area

## Business Model Upgrade: “Dual-Beauty” → “Dual Beauty + Dual Wellness”



### Note

1. Penetration denotes the proportion of beauty and wellness service members who have purchased or consumed our aesthetic medical services or subhealth medical services during the reporting period.

# **2024 Business Review**

The background features a minimalist design. On the right side, there is a faint, light blue outline of a human head in profile, facing left. Overlaid on this and the rest of the page are several thin, flowing, wavy lines in a similar light blue color, creating a sense of movement and fluidity. The overall color palette is very light, consisting of off-white and pale blue tones.



## 2024 Annual Report Highlights

**#1** Ranking Nationwide - Beauty and Wellness Service Brand  
Store count surpassed **554**, with **154** net added stores

CellCare  
| 秀 | 可 | 儿 | 医 | 美 |

Aesthetic Medical Services

**25** Direct Stores & **3** Brand-operated Stores <sup>(1)</sup>

美丽田园

贝黎诗  
PALAISPA

美奈瑞儿美养院

Beauty and Wellness Services

**239** Direct Stores & **276** Franchised Stores <sup>(1)</sup>

NEOLOGY  
研源医疗

Subhealth Medical Services

**11** Direct Stores <sup>(1)</sup>

## 2024 Annual Report Highlights



**1.52million**

YoY +20%  
Client Visits at Direct Stores <sup>(2)</sup>



**137,027**

YoY +46%  
Active Members at Direct Stores <sup>(2) (3)</sup>



**RMB2,572million**

YoY +20%  
Revenue <sup>(2)</sup>



**RMB252 million**

YoY +10%  
Net profit <sup>(2)</sup>

### Notes

1. As of December 31, 2024

2. For the twelve months ended December 31, 2024

3. Defined as the Group's active members at direct stores, excluding franchised store members



## 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



**130,961** +45% YOY

Active Members at  
Direct Stores <sup>(2)</sup>

### Business Bedrock



**30+** Years of  
Brand Legacy



Vast Customer  
Base



**78%**  
Retention  
Rate <sup>(2)</sup>



Robust Cash  
Flow

### Boosted Penetration

**24.9%** of our beauty and wellness members purchased or received aesthetic medical or subhealth medical services <sup>(1)</sup>

Penetration was **28.7%** among  
Former Beauty Farm Group<sup>(4)</sup> Members

**+3.7pcts**  
YOY

High  
Frequency

High Annual  
Spending

High Growth  
Potential

### Aesthetic Medical Services



**33,630** +37% YOY

Active Members <sup>(3)</sup>

### Subhealth Medical Services



**7,552** +80% YOY

Active Members <sup>(3)</sup>

#### 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 December 31, 2024. Including Beauty Farm, Palaispa and Naturade.

3. For the six months ended December 31, 2024

4. Refers to the Beauty Farm Group prior to the Naturade acquisition.



# Five Brands Fully Addressing Beauty and Health Needs



## Brand History



Launched in 1993  
Flagship Beauty Services Brand



Strategic Acquisition in 2024  
AI-powered  
Beauty and Healthcare 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 <sup>(1)</sup>

159 direct stores  
157 franchised stores

68 direct stores  
69 franchised stores

12 direct stores  
50 franchised stores

25 direct stores  
3 brand-operated stores

11 direct stores



## Brand Positioning



Beauty and Wellness Services

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



Aesthetic Medical  
Services



Subhealth  
Medical Services



## Active Members

130,961 (Direct Stores) + 61,722 (Franchised Stores)

33,630

7,552



## Revenue Contribution <sup>(2)</sup>

~56.1%



~36.1%



~7.8%



## Regulatory Requirement

Medical Institution Practicing License not required



Medical Institution P  
racting License  
required



Medical Institution P  
racting License  
required

### Notes

1. As of December 31, 2024

2. For the twelve months ended December 31, 2024





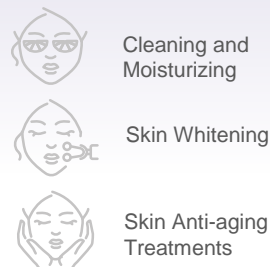
# Beauty and Wellness - Solid Business Growth Facilitating Ongoing Market Expansion

## Coverage of Prime Locations in High-Traffic Shopping Centers

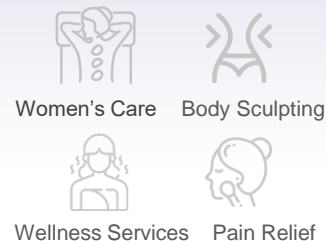


## Service Offerings

### Beauty Services



### Body Care and Wellness Services



## Customer/Store Profile



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



**93%** of our direct stores are located in tier-1 and new tier-1 cities



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

## Revenue Growth Outperforming the Market

RMB millions

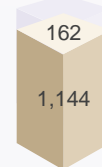
1,079



2023

Premium Beauty Brands

1,305



2024

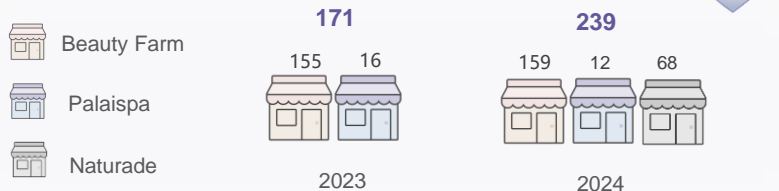
Premium AI-Powered Beauty and Wellness Brand

**+21%  
YOY**



# Beauty and Wellness – Driving Revenue Growth with Same-Store Operating Efficiency Enhancement and Traffic Growth

## Direct Stores



## High-Quality and Highly Loyal Active Members

### Premium Beauty Brands<sup>(1)</sup>

Average Annual Spending per Active Member<sup>(3)</sup>

**10,912<sub>RMB</sub>**

Annual Spending Frequency per Active Member<sup>(3)</sup>

**8.9**

### Premium AI-Powered Beauty and Healthcare Brand<sup>(2)</sup>

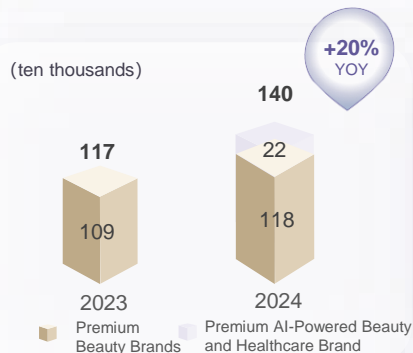
Average Annual Spending per Active Member<sup>(4)</sup>

**4,863<sub>RMB</sub>**

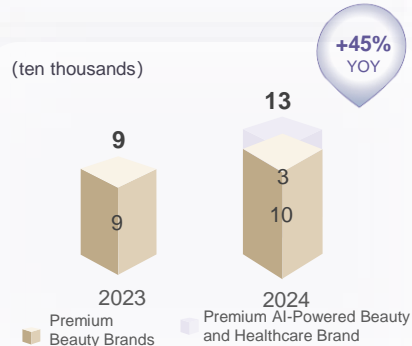
Annual Spending Frequency per Active Member<sup>(4)</sup>

**5.5**

## Customer Visits at Direct Stores



## Active Members at Direct Stores



## Franchised Business



### Notes

1. Beauty Farm and Palaispa active members are defined as clients whose prepayment accumulated to a specific amount in a designated period and also made at least one purchase during the reporting period.

2. Naturade active members are defined as clients who have ever spent RMB1500 or more in a single transaction at Naturade stores.

3. For the twelve months ended December 31, 2024

4. From July to December of 2024



## R&D Innovation Tailored to Women's Beauty and Health Needs

### Body Wellness Lineup R&D

LPG® BF+: Over RMB100 million in sales<sup>(1)</sup>  
Pain relief + Body sculpting



### Naturade - AI-driven Beauty and Wellness Treatments

Acupuncture without damaging the skin, non-combustible moxibustion, pain-free gua sha, and highly effective massage



### AI-Powered, Medical-Grade Skin Diagnostic Devices Deployed

Enhances expertise and augments value-added services in front-end consumer scenarios  
Empowers tailored skin care recommendations + "Dual-Beauty" data sharing



Note:

1. Sales collected by R12 after the product's launch.



# Digitalization Empowers Private Domain Operation and Public Domain Engagement

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The proportion of new members acquired from private domains increased to 34%, driving the growth in total new members by 27% YoY; active members acquisition costs per unit decreased by 9% YoY.

## Achieved breakthrough in customer acquisition from private domains

WeCom Customer Segmentation for High-Precision Tiered Marketing

Loyal Members, New Connections - Referral Rewards that Delight

Lifestyle Beauty Mini-Program: Driving Traffic from Dual Beauty, Influencer Marketing



## Expanded public domain channels

Strengthened Strategic Partnership with Meituan Dianping



Won beauty and body wellness industry awards for two consecutive years

In 2023, 2024, awarded

"Annual Impact Brand"

"Annual Best-Selling Brand"

Order Volume **+38%**yoy

In-store Order Verifications **+46%**yoy



# Aesthetic Medical Services – The Surging Second Growth Curve

## Expanding Store Network



**25** direct stores & **3** brand-operated stores

Cover 24 tier-1 and new tier-1 cities

【Cities covered by direct stores】

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

【Cities covered by franchised stores】

Hangzhou | Dongguan | Zhuhai

## Revenue remained stable

(RMB millions)



## Service Offerings



Minor Cosmetic Procedures



Skin Texture & Skin Tone Management



High Frequency Energy-based Anti-aging Procedures



Double Eyelid And Fat Management Surgery

## Service Offerings

Note

1. Refers to the Beauty Farm Group prior to the Naturade acquisition.



# Aesthetic Medical Services – Fueling Revenue Growth with Increased Client Visits

## Penetration Rate

### Aesthetic Medical Services

Penetration Rate  
Full Group

**22.4%**

Aesthetic Medical Services

Aesthetic Medical Services  
Penetration Rate among Former  
Beauty Farm Group<sup>(1)</sup> Members

**25.8%**  
+2.1% YOY

## Key Operating Metrics

Client Visits  
(Times)

71,814



2023

90,612



2024

**+26%**  
YOY

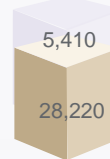
Active Members

24,474



2023

33,630



2024

**+37%**  
YOY

Beauty Farm Aesthetic Medical Services<sup>(1)</sup>

Average Spending per Active Member  
in FY2024

**30,047** RMB

Naturade Aesthetic Medical Services<sup>(2)</sup>

Average Spending per Active Member  
in 2H2024

**13,418** RMB

#### Notes

1. For the twelve months ended December 31, 2024. Refers to the Beauty Farm Group prior to the Naturade acquisition, with aesthetic medical services including CellCare only.

2. From July to December, 2024





# Leading the High-end Aesthetic Medical Service Industry with Excellence; Earning Widespread Acclaim with Emotionally Engaging Services

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Adhering to the three principles of professionalism, "licensed hospitals, qualified doctors, and certified medications," we are committed to providing our members with high-quality medical services and personalized solutions.

## Beauty Farm Medical Expert Team



**90+** physicians and **110+** nurses  
cover **20+** cities



## R&D Patents & Honors and Certifications

Guided by the core philosophy of "Minor Tweaks, Major Transformations" in product development

Secured **58** utility model patents



Applied for **8** invention patents





# Subhealth Medical Services - The Exponential Third Growth Curve

## Expanding Store Network



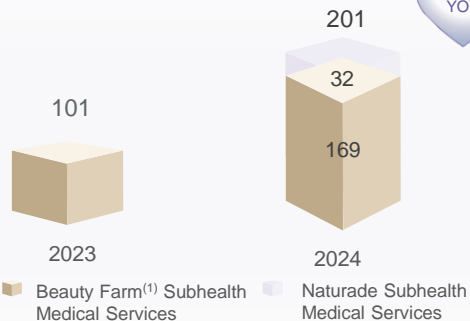
**11** Direct Stores

Covering 10 tier-1 and new tier-1 cities

Shanghai | Beijing | Wuhan | Chongqing | Shenzhen | Guangzhou |  
Chengdu | Xi'an | Changchun | Nanjing

## Revenue increased substantially

(RMB millions)



Note

1. Refers to the Beauty Farm Group prior to the Naturade acquisition

## Service Offerings







# Subhealth Medical Services - Diverse Offerings to Address Members' High-End Medical Needs

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## Penetration Rate

### Subhealth Medical Services

Penetration Rate  
Full Group

**6.1%**

Subhealth Medical Services

Subhealth Medical Services  
Penetration Rate among  
Former Beauty Farm<sup>(1)</sup>

**7.2%**

+2.9% YOY

## Key Operating Metrics

Client Visits  
(Times)

16,662

2023

27,079

2,912

24,167

2024

**+63%**  
YOY

Active Members

4,191

2023

7,552

1,176

6,376

2024

**+80%**  
YOY

Beauty Farm Subhealth Medical Services<sup>(1)</sup>  
Average Spending per Active Member  
in FY2024

**20,957** RMB

Naturade Subhealth Medical Services<sup>(2)</sup>  
Average Spending per Active Member  
in 2H2024

**26,019** RMB

### Notes

1. For the twelve months ended December 31, 2024. Refers to the Beauty Farm Group prior to the Naturade acquisition.

2. From July to December, 2024



# Two Main Focuses: Functional Medicine and Women's Special Care Center

## "Energy Drops" Product Series

Personalized Infusion Therapy



## Women's Special Care Center Offerings

Women's Special Care Center Revenue

Increased over **300%** YoY

Blueprint for Full Upgrade in Ovarian Anti-Aging in 2025

Providing a More Comprehensive Treatment System for Indications



### 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.



## M&A - Complete Acquisition of AI-powered Beauty and Healthcare Brand Naturade Improves Efficiency

Naturade advocates Eastern beauty and healthcare concepts combined with cutting-edge intelligent technology to offer women one-stop beauty, wellness, and pain management services.

Increasing store density in Greater Bay Area is creating benefits of scale



Rooted in traditional Chinese medicine, Naturade advocates Eastern beauty and healthcare concepts



Transforming to tech-driven healthcare: traditional Chinese medicine theory + tech-driven healthcare equipment

- Acupuncture without damaging the skin
- Non-combustible moxibustion
- Highly effective massage
- Pain-free gua sha

Service Offerings

### Beauty



Skin management



Body Care

### Wellness



Body Relaxation



Women's Care



Pain Management



Healthcare

Growth Strategy & Effectiveness Post-acquisition

Revenue



RMB 287 million

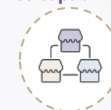
Net Profit



RMB 21 million

Cost Reduced & Efficiency Improved

Reuse of Group's middle-office capabilities



Supply chain integration enhances efficiency

Digitalization Empower



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

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## 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

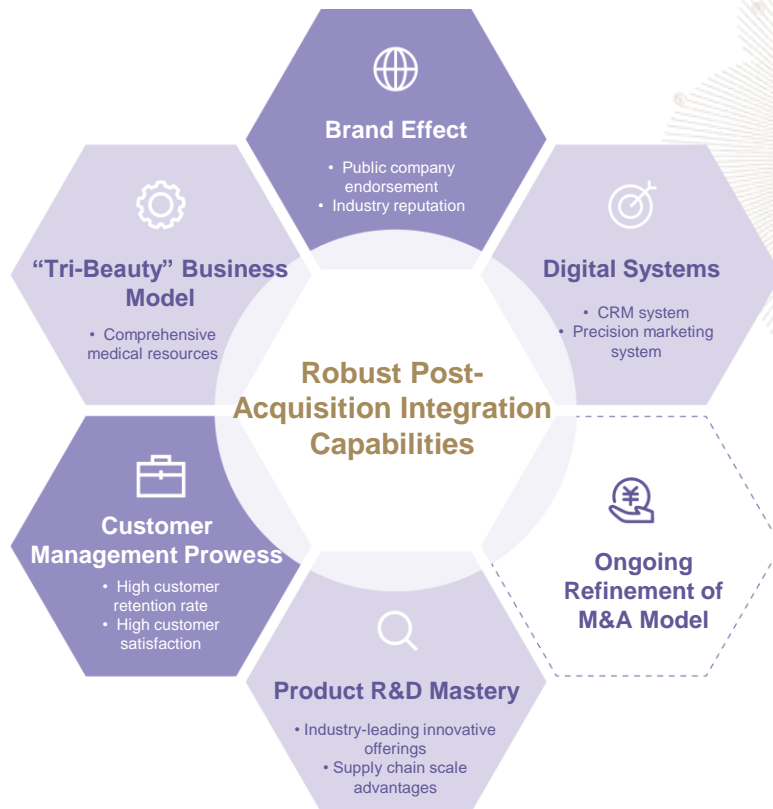
Naturade - Expansion into traditional Chinese medicine wellness market

### Acquiring member base

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

### M&A/Collaboration in upstream supply chain

Overseas skincare brands





## Enhance Market Capitalization and Shareholder Returns

Focusing on both scaling and improving profitability, we are strategically aligning the management team's interests with the Company's development trajectory, aiming to boost the management team's motivation and sense of purpose while progressing toward inclusion in the Hong Kong Stock Connect.

### Dividend

distribute no less than **50%** of net profit attributable to parent company's shareholders as dividends over the next three years

### Optimize Shareholder Structure

bring in long-term strategic shareholders and boost market trading activity

### Management Equity Incentive Program

closely aligns the interests of the management team with the Company's performance

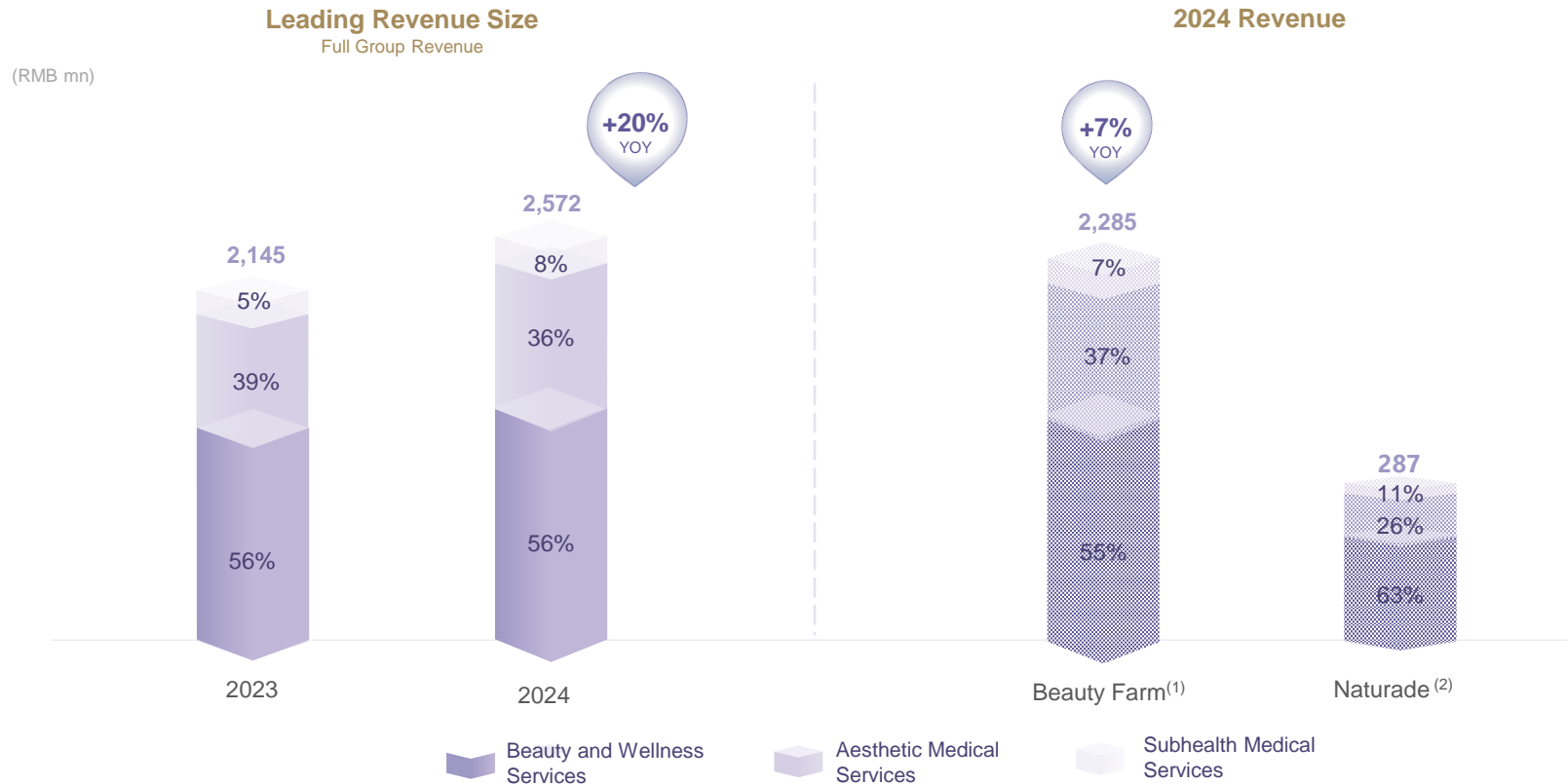


The background features a minimalist design. On the right side, there is a thin, light blue line forming the profile of a human face, facing left. The rest of the background is composed of soft, flowing, wavy lines in shades of light blue and white, creating a sense of movement and depth. The overall aesthetic is clean and modern.

# **Financials**



# Outstanding Revenue Growth



#### Notes

1. For the twelve months ended December 31, 2024. Refers to the Beauty Farm Group prior to the Naturade acquisition.

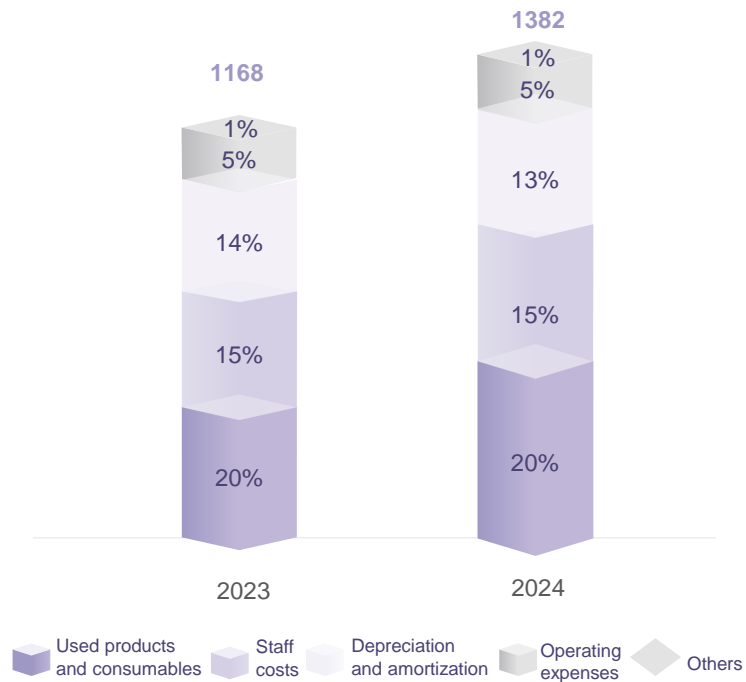
2. From July to December, 2024



# Optimized Cost Structure and Improved Gross Profit Margin

## Operating Cost Structure

(RMB mn, costs as a % of revenue)



## Full Group's Gross Profit & Gross Profit Margin

(RMB mn, gross profit margin %)



### Note

1. Refers to the Beauty Farm Group prior to the Naturade acquisition





# Improved Gross Profit and Healthy Gross Profit Margin

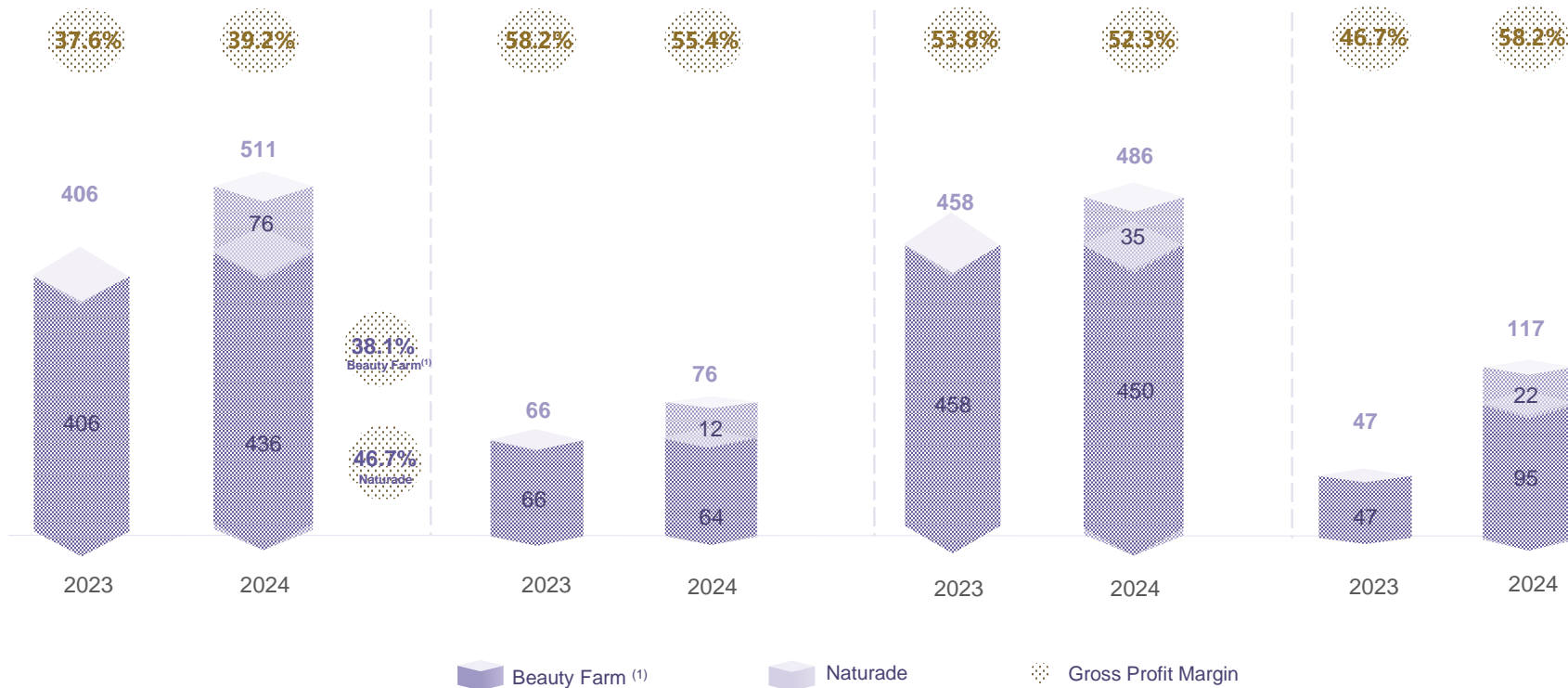
## Beauty and Wellness Services - Direct Stores

(RMB mn, gross profit margin %)

## Beauty and Wellness Services - Franchised Stores

## Aesthetic Medical Services

## Subhealth Medical Services

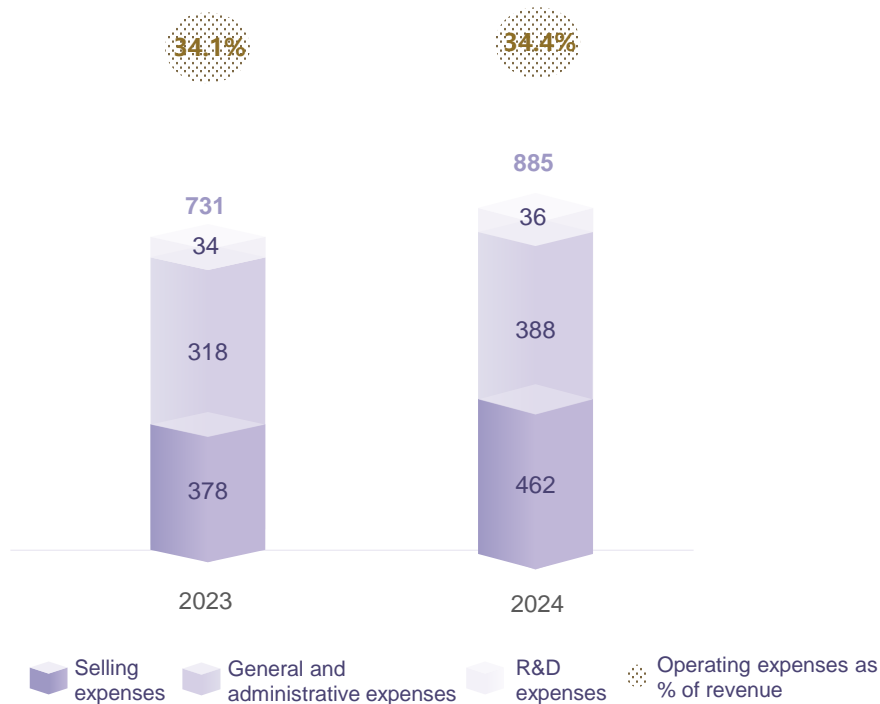


**Note**

1. Refers to the Beauty Farm Group prior to the Naturade acquisition

## Operating Expense Structure <sup>(1)</sup>

(RMB mn, operating expenses as % of revenue)



## Steady Profitability - Net Profit

(RMB mn)



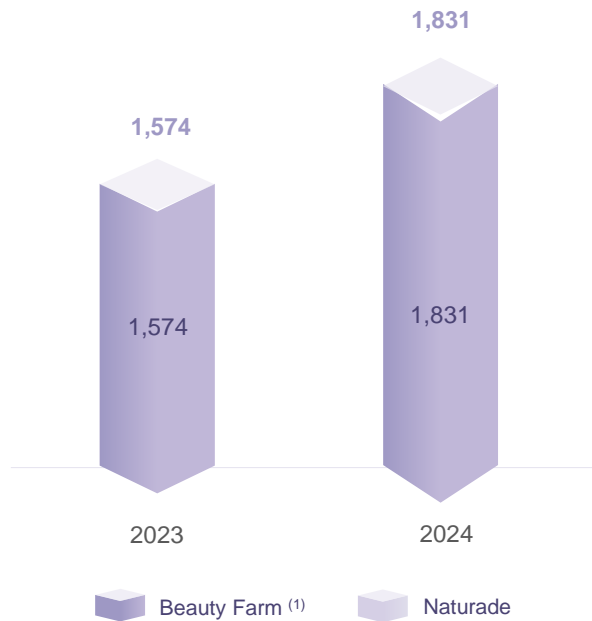
### Notes

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

2. Refers to the Beauty Farm Group prior to the Naturade acquisition

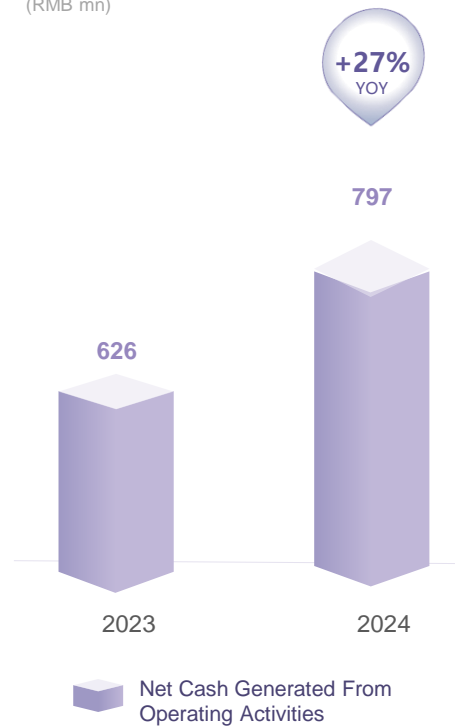
## Robust Cash Reserves

(RMB mn)



## Stable Operating Cash Flow

(RMB mn)



### Note

1. Refers to the Beauty Farm Group prior to the Naturade acquisition

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## Q&A

