



# 2014 Investors Presentation

打造  
与时俱进的  
自然美

To Be The Trend Setter

March 2015

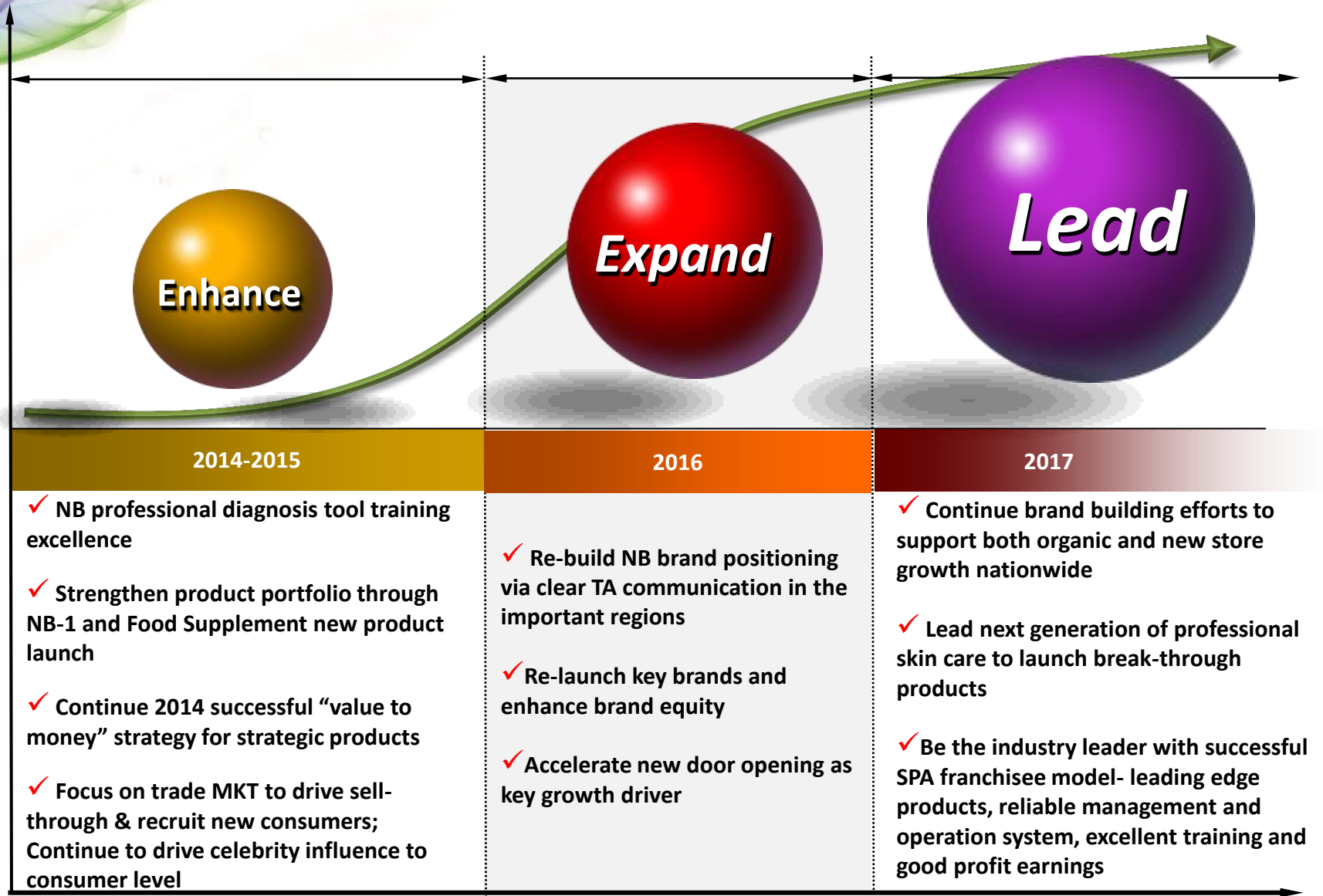
# Agenda

- ◆ **Business Plan**
- ◆ **Financial Review**

# Business Plan

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# NB Roadmap 2014-2017 自然美 natural beauty



# Sales Strategy - Franchisees 自然美 natural beauty

## Same Door Growth Driver I Project R II

- ⊙ Extend Project R from 116 doors to 146 doors ( Project R II will be in Northern Region)
- ⊙ Continue to police 4 Standard execution to elevate service quality especially with Project R I

## Same Door Growth Driver II By Door Management

- ⊙ Identify individual growth drivers (new consumers, price per ticket, spa frequency) for each door level and launch membership management via POS
- ⊙ Effectively allocate management and marketing resources by classes
- ⊙ Rationalize channels to close 309 doors (3.3% of sales)



## Rebuild Business Development System

- ⊙ Build up dedicated team in Eastern Region first to build up a system which can effectively open high quality doors
- ⊙ Standardize back-bar set up to enhance brand image
- ⊙ Leverage 3<sup>rd</sup> party training expertise to deliver Door-manager course

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# 前后场大统一

上海飞虹路店 ( 升级改型完成 : 2013年底 )

Back-bar setup Model – Sample door ( Fei-hong Door Remodel finished by end of 2013)



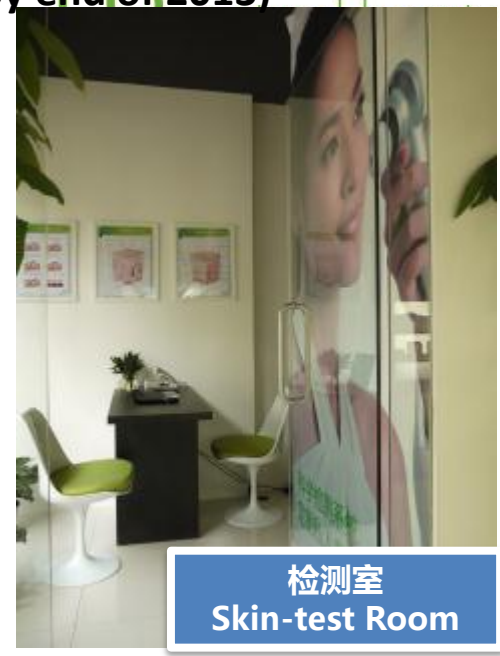
- 建筑面积 : 170m<sup>2</sup>
- 床位数 : 7
- 美容师 : 7
- Business area: 170m<sup>2</sup>
- Treatment beds: 7
- Beauticians: 7



门头  
Out-door Image



前场  
Front Courtyard



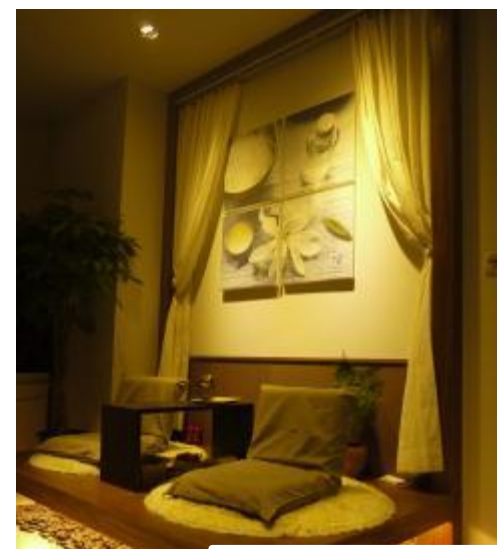
检测室  
Skin-test Room



休闲区  
Rest Area



走道  
Sidewalk



休闲区  
Rest Area

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# 前后场大统一 上海飞虹路店

Back-bar setup Model – Sample door ( Fei-hong Road)



# C2 out-Door Image



Shanghai-  
Baoer  
Store



Xian  
Liyun Store



Shanghai-  
Congyu  
Store



Nanjing  
Yiyong  
Store

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# C2 in-Door Image

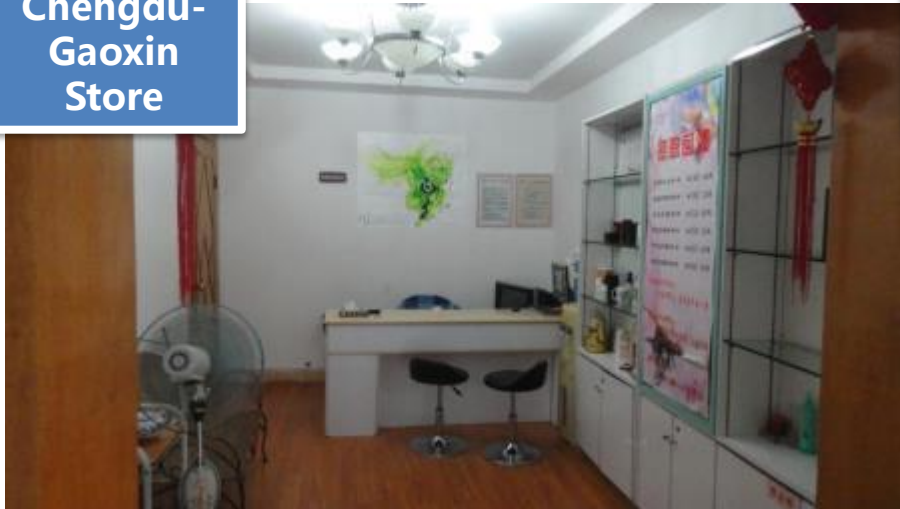
Xian-Hanfen Store



Shenzhen-Longcheng Store



Chengdu-Gaoxin Store



Shanghai-Yuying Store



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# Business Review

YR2014

Month	Store Participating	Revenue (RMB'K)
Mar	440	71,965
Jun	580	55,034
Sep	699	79,387

Quarterly Pre-order Meeting

Channel Diversion Control

New Product

Project Renaissance

Training

Trade Show & Salon

YR2015

- NB-1 Revital re-launch in Q4
- Two new products

- Establish one training center
- Training events: 78
- People trained: 3,142

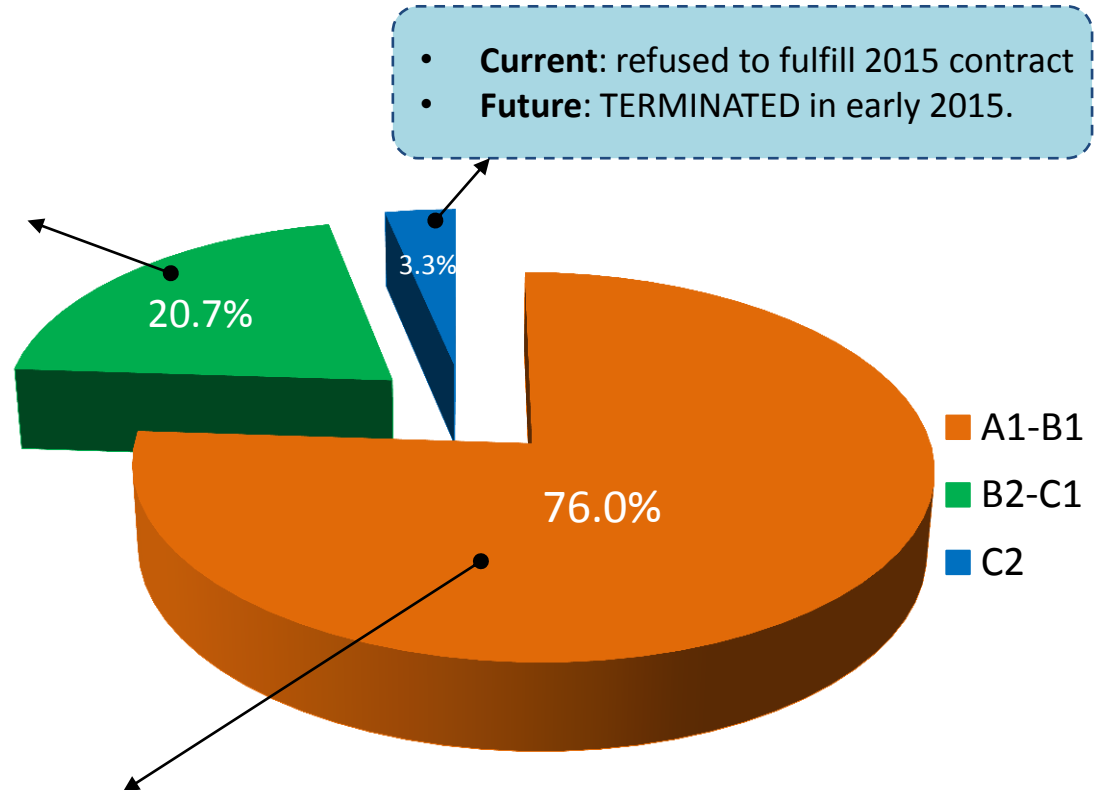
- 116 Stores
- 4 Standards: 88% qualified
- POS installed: 90%
- Year-on-year growth: 82%

- Trade Show: 183 events, RMB55M sell-thru revenue;
- Salon: 896 events, 7,564 customers participated, RMB57M sell-thru revenue boosted.

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# By Door Management

- **Current:** incapable of performing NB spa business professionally/mixing OM products
- **Future:** doors WITH willingness to continue business with NB will fulfill annual contract of year 2015.



- **Marketing Support:** help sell-thru/recruit new consumers
- **Training Support:** deliver quarterly training course
- **Management Tool:** implement POS to drive in-door performance improvement
- **On-site Coaching/Audit Support:** drive & calibrate in-door execution of POS, skin-test process and marketing campaign.

# Marketing Strategy



## Brand

- Enhance brand awareness and franchisees' confidence through celebrity Nicky Wu (吴奇隆)
- Hold event of "Seeking the most naturally beautiful start"

## Product

- Standardize skin diagnosis processes
- Strengthen product "Reason to Believe (RTB)"
- Enhance "value to money" products: NB-1 Revital successfully re-launched in Q4

## Sell-through Support

- Enhance sell-through through successful execution of trade marketing events
- Targeted & leveled trade marketing support

# 寻找自然美 最明星 全国半决赛



# 寻找最自然美 明星全国总决赛



# 2014 Financial Review

# Financial Highlight



HK\$M	2013	2014	Chg 2014/2013
Revenue	439.4	505.8	15.1%
- PRC	359.5	420.3	16.9%
- TW	74.7	80.6	7.9%
Gross profit	333.1	388.8	16.7%
Gross profit margin	75.8%	76.9%	1.1%
EBITDA	106.9	166.4	55.6%
EBITDA Margin	24.3%	32.9%	8.6%
Profit before Tax	83.1	116.3	40.0%
Profit for the period	58.5	71.5	22.3%
Basic EPS (HK cents)	2.9	3.6	22.3%



# Key Ratio

HK'M	2012	2013	2014	Chg 2014/13
<b>Cash</b>	<b>432.4</b>	<b>507.4</b>	<b>583.3</b>	<b>75.9</b>
<b>Net Working Capital</b>	<b>13.6</b>	<b>10.1</b>	<b>(35.8)</b>	<b>(45.9)</b>
Trading Receivable	23.3	83.7	50.8	(32.9)
Inventory	67.4	47.0	45.0	(2.0)
Other Receivable	44.1	41.6	29.3	(12.3)
Trading Payable	(18.0)	(21.3)	(18.6)	2.7
Other Payable	(103.2)	(141.0)	(142.3)	(1.3)
A/R days	18 days	70 days	37 days	-33 days
A/P days	63 days	73 days	58 days	-15 days
Inventory turnover days	238 days	162 days	141 days	-21 days