喬山健康科技(股)公司

Johnson Health Tech

Content

1

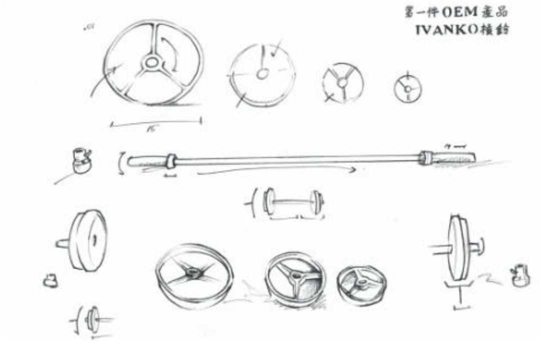
Johnson Group

集團沿革

1975-1979

Early Years

JHT was established in 1975 in Taichung, Taiwan.Cooperated with IVANKO to produce weightlifting equipment, and became the largest



1980-1995

Fitness Manufacturing

Grew OEM & ODM fitness business with leading industry partners like Ross, Universal, Tunturi, Schwinn, True, Omron and Mizuno.

1996-2024

Brand / Market Development

Developed core competencies in international manufacturing, R&D, global branding, channel development and management

2020

FUJIIRYōKI

Acquisition of Japan's leading massage chair brand company Fujiiryoki

2024

BowFlex

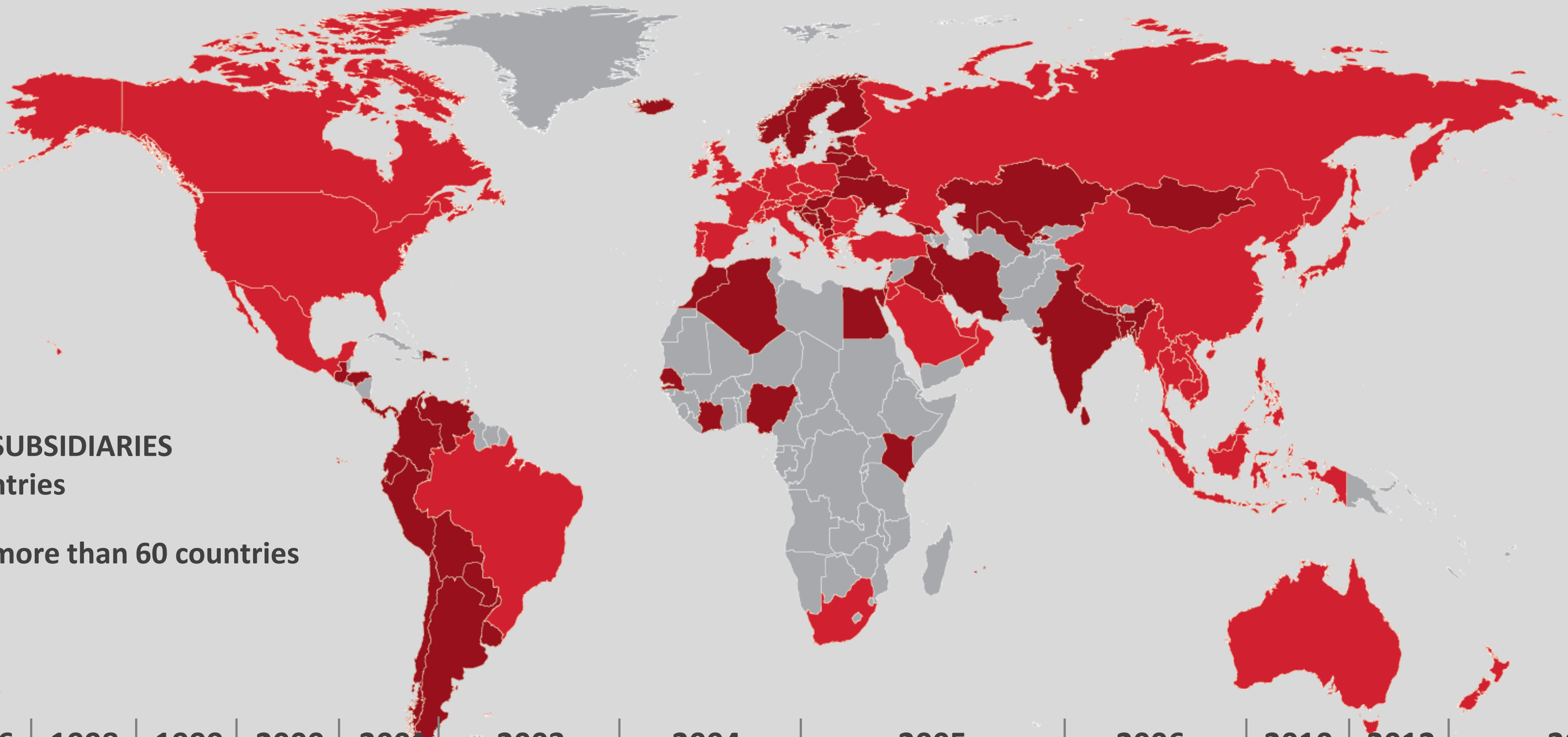
Merged into the third-largest global Home Use brand BowFlex

SCHWINN FITNESS

JRNY

JOHNSON

40 SBUs Around the World



WHOLLY OWNED SUBSIDIARIES
40 SBUs in 34 countries

DISTRIBUTORS in more than 60 countries

1975	1996	1998	1999	2000	2001	2003	2004	2005	2006	2010	2012	2013

2014	2015	2016	2018	2020	2021	2022

Retail Stores around the world

Total 347 Stores

America (106)

USA - 105
Brazil - 1

Europe (7)

Italy - 2
Greece- 2
Germany – 3

Asia (234)

Taiwan -	78	Malaysia -	11
China -	78	Vietnam -	3
Thailand -	60	Pilippines -	4

Global Manufacturing

JHTNAM,
Wisc., USA

JIS – II,
Shanghai,
China

JIS – I,
Shanghai,
China

JHT,
Taichung,
Taiwan

Osaka,
Japan

JVN,
Bac Ninh,
Vietnam

2

Brand and Channel

JOHNSON

Fitness Brands

Commercial

MATRIX

Vertical Market

VISION FITNESS

Sporting Goods and Mass Market

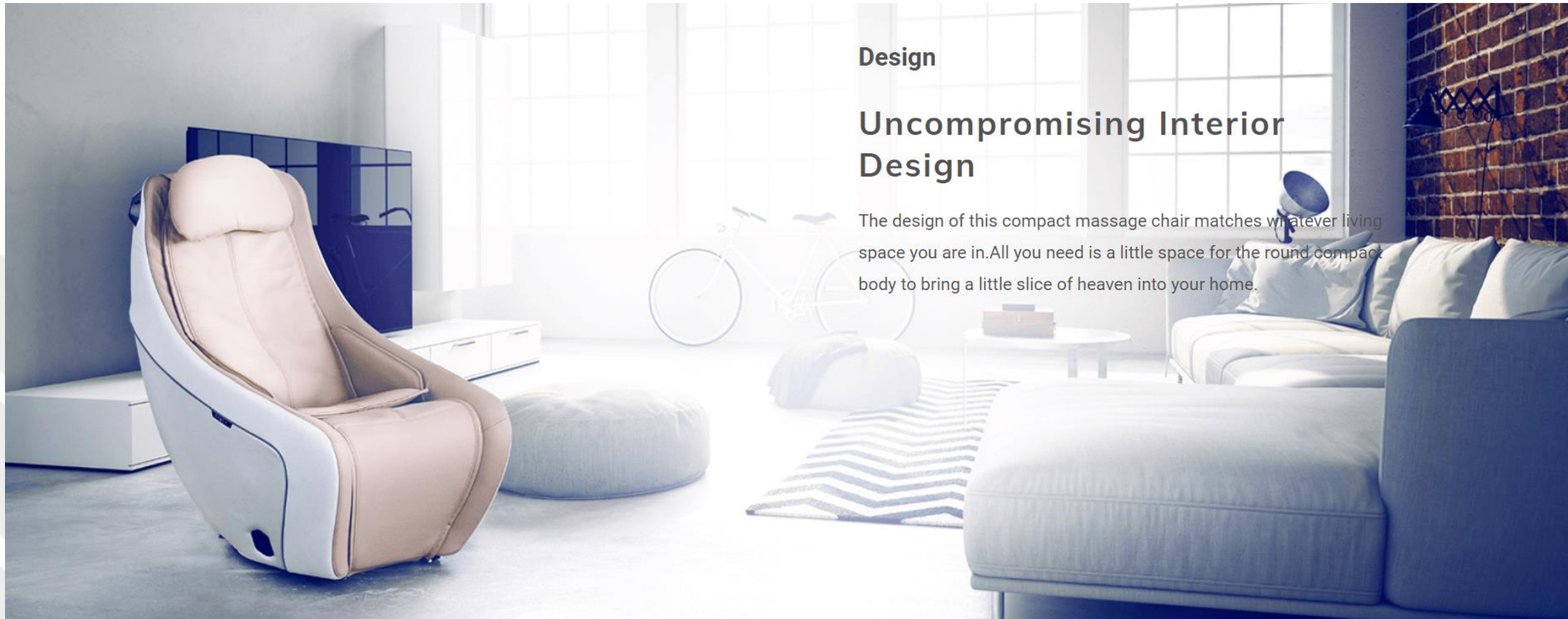
HORIZON FITNESS

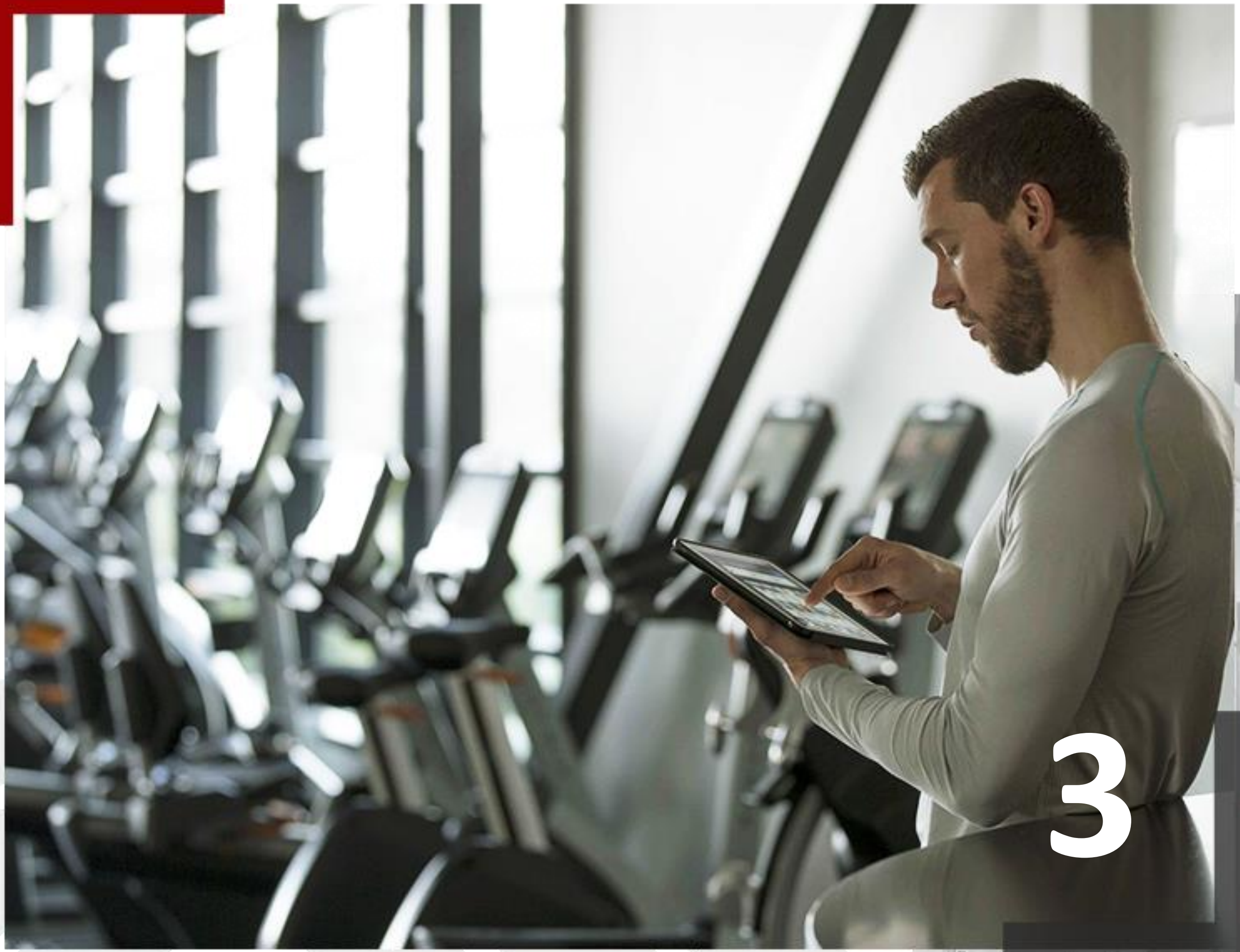
JOHNSON

Massage Chair Brand

FUJIIRYOKI

SYNCA

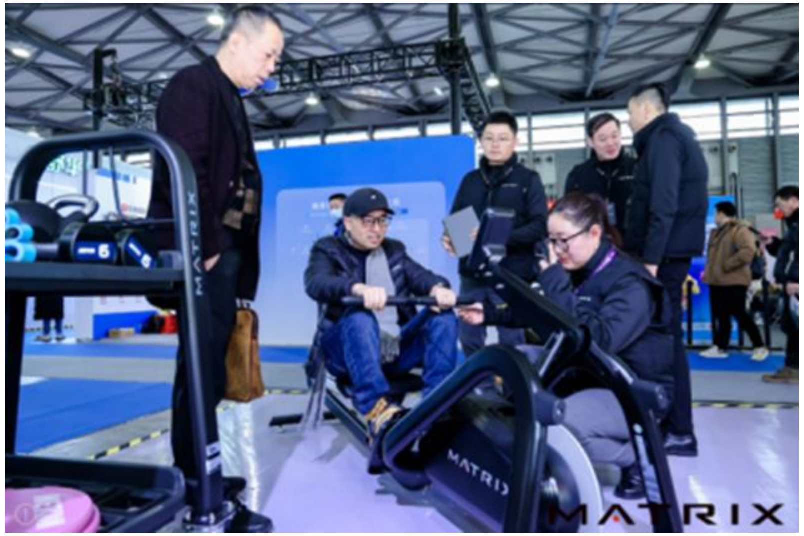




3

MARKET OVERVIEW

IWF SHANGHAI 2.29-3.02



TaiSPO 03.06-03.09 Taipei, Taiwan

JOHNSON

IHRSA 03.06-03.08 LA, USA _Matrix

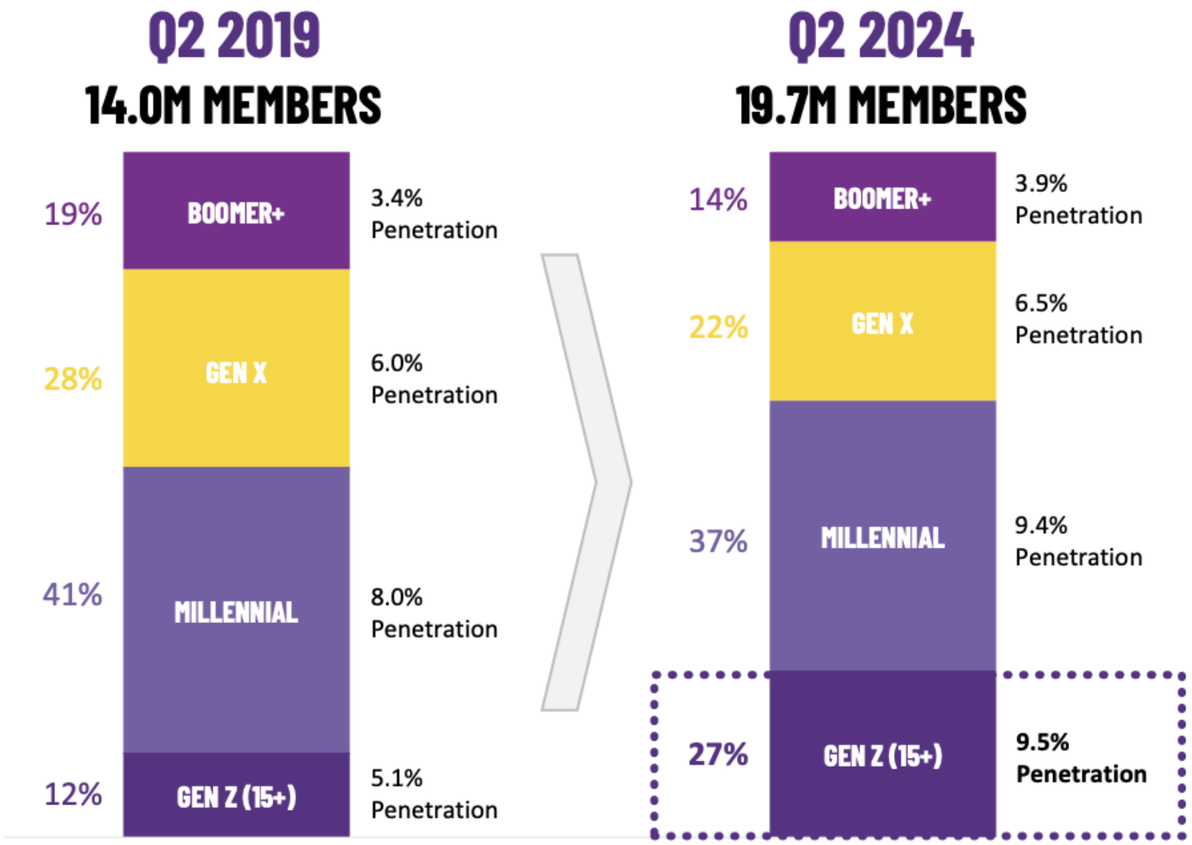
IHRSA 03.06-03.08 LA, USA _Vision

FIBO 04.11- 04.14 Cologne, Germany

MATRIX
THE PARTY

Differentiated Fitness Concept with Broad Demographic Appeal

Proven success of increasing penetration of millennials; maturing Generation Z is great opportunity to grow our member base



GENERATIONAL MIX

BASIC-FIT

LARGE WHITE SPACE POTENTIAL

3,000-3,500 CLUBS POTENTIAL BY INCREASING THE FITNESS PENETRATION AND MARKET SHARE GAINS

04/2024		GOAL	HOW
Netherlands	240 clubs	350 clubs	Clusters
Belgium / Luxembourg	234 clubs	350 clubs	Regional clubs
France	814 clubs	1,200 clubs	Big cities / Paris / idf / regional clubs
Spain	199 clubs	450-700 clubs	Focus on urban areas
Germany	19 clubs	650-900 clubs	Larger cities first

Total :1,506 clubs 3,000 – 3,500 clubs

BASIC-FIT

EXPLORING FRANCHISE OPPORTUNITIES
MAXIMISING FUTURE GROWTH & RETURNS

IN A FRANCHISE MODEL, WE CAN LEVERAGE

- Our own technology and automation capabilities
- Our site selection and construction competencies
- Our expertise and scale-benefits to build at low-cost
- Our expertise to operate at low-cost

POSSIBLE OUTCOMES

- Start franchise on our own
- Buying an established franchise operator
- Cooperation with an experienced franchise operator

POTENTIAL BENEFITS

- Faster growth opportunities
- Operate in more countries
- Revenue fee income
- Marketing contribution
- Services income
- Increasing purchasing power

Next step: develop a clear view before the end of 2024

BASIC-FIT

HIGHLIGHTS OF THE PERIOD

- **Record of 270 clubs added in the last 12 months, an acceleration in the pace of expansion. We remain confident about the guidance of opening 240 to 260 clubs in 2024**

  Solid growth of 21% in the club network vs. 2Q23, with the addition of 60 units in 2Q24, totaling 1,529 clubs in 15 countries across Latin America.

- **Member base in clubs of 4.6 million in 2Q24, 17% growth vs. 2Q23 and +2% vs. 1Q24**

  The addition of 484 thousand members in clubs in the first six months of 2024, reflects the expansion of the club network and the successful efforts to attract and retain members.

- **Robust growth of 30% in net revenue vs. 2Q23, reaching R$1.4 billion in 2Q24 (+8% vs. 1Q24)**

  Strong performance reflects the combination of a 19% expansion in the average member base in own clubs and an 11% increase in the average ticket in the period.

- **Solid cash gross margin of 50.0% in 2Q24, combining record club network expansion with high profitability**

  The sixth straight quarter of stable cash gross margin of mature clubs[2] at 52%, and the maturation of units opened in recent years is consistent with historical performance.

- **Record Adjusted EBITDA[3] of R$437 million in 2Q24, +29% vs. 2Q23 and +11% vs. 1Q24, with strong operating cash flow of R$473 million, representing a conversion of 108%**

  Adjusted EBITDA margin of 32.2% in 2Q24, +0.8p.p. vs. 1Q24. Record Adjusted EBITDA[3] in the last 12 months of R$1.5 billion, with high conversion to operating cash flow of 99%.

- **Recurring net income[4] of R$143 million in 2Q24, +24% vs. 1Q24**

  Recurring net margin of 10.5% in 2Q24, up 1.4p.p. vs. 1Q24.

MARKET SOLID GROWTH POTENTIAL

Updated external study for Brazil reinforces growth opportunity

smart fit

CASE STUDY: *WHITE SPACE* BRAZIL

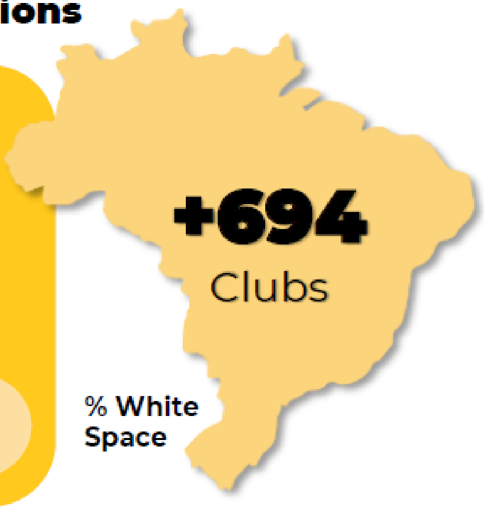
Cities with Smart Fit operations

Micro areas with Smart Fit	Micro areas without Smart Fit
+129 Clubs	**+458** Clubs
19%	**66%**

Cities without Smart Fit operations

+107 Clubs

15%



% White Space

LATIN AMERICA

HIGH GROWTH POTENTIAL

Countries with Smart Fit operations

CONTEXT/GOAL

Study with external consultancy to estimate white space in Brazil, contributing to the execution of the expansion

METHODOLOGY

Regression model, combining external and internal variables

Outlook

4

JOHNSON

Quarterly Profit & Loss

(NT$ mn)	2024Q2		2024Q1		2023Q1		2023Q2		2023Q3		2023Q4	
	amt	%	amt	%	amt	%	amt	%	amt	%	amt	%
Net Sale	103.1	100	80.3	100	70.35	100	86.36	100	96.76	100	127.2	100
Cost of Goods Sold	50.7	49.2	40.1	49.9	37.65	53.5	45.45	52.6	49.55	51.2	63.78	50.1
Gross Margin	52.4	50.8	40.2	50.1	32.7	46.5	40.92	47.4	47.21	48.8	63.44	49.9
Selling Expenses	25.6	24.9	18.5	23.1	15.88	22.6	18.04	20.9	21.69	22.4	28.13	22.1
Admin Expenses	20.0	19.4	22.1	27.5	19.91	28.3	19.18	22.2	18.16	18.8	19.04	15
R&D Expenses	2.5	2.5	2.9	3.61	2.41	3.43	2.65	3.07	2.35	2.43	3.21	2.52
Expected credit loss	0.1	0.1	0.0	0.01	0.39	0.56	0.16	0.18	0.4	0.41	0.43	0.33
Operating Expenses	48.3	46.9	43.5	54.2	38.6	54.9	40.03	46.3	42.6	44	50.81	39.9
Operating Income	4.1	4.0	-3.3	-4.13	-5.9	-8.4	0.89	1.03	4.61	4.76	12.63	9.93
Net non-operating Income	0.6	0.6	2.8	3.51	-1.3	-1.8	3.95	4.57	1	1.04	-2.57	-2
Profit(Loss) before Tax	4.7	4.6	-0.5	-0.62	-7.2	-10	4.84	5.6	5.61	5.8	10.06	7.91
Income Tax	1.8	1.7	0.9	1.1	-0.7	-1	1.5	1.74	1.92	1.98	3.52	2.77
Net income after tax	2.9	2.8	-1.38	-1.72	-6.5	-9.2	3.33	3.86	3.7	3.82	6.54	5.14
EPS (NT$)	0.96		-0.46		-2.14		1.1		1.22		2.16	

Expand the commercial market with new products/new channels

JOHNSON

ONXY SERIES

VISION SERIES

OUTLOOK

Revenue Growth Stabilized

- Commercial new products injecting Full-Channel development
- Implementation of multi-brand strategy for Home use products, enhancing brand influence

Gross Profit and Operating Profit Increase

- Optimization of product manufacturing base allocation, increased capacity utilization rate of each manufacturing plant, reduced production costs
- Expansion of procurement scale, enhanced negotiation capability increase in the proportion of high-gross margin models


Q&A