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JOURDENESS GROUP LIMITED

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Company Overview

Background

Business Name : Jourdeness Group Limited

Chairman : Chen, Cheng-Hsiung

Capital : NTD \$584Million

Direct Distributor / Franchise Store : 106 / 600 (As of Dec.31. 2015)

Group Employees : Approx. 1,300

Business Content : Research and Development production, Beauty SPA, Cosmetics, Franchise

	Direct	Franchise
2015 Stores	106	600
2015 Operating Income(NTD)	1,187,213	546,898
Revenue Percentage	68%	32%



Company Overview

Global Logistics



Jourdeness International, Inc.

Established: 1996

Employees: 1,051

Main business: Taiwan market manufacturing and store operations

Address: North District Taichung Ching Road, some 816

Capital: 130 million Taiwan dollars



Jourdeness (Guangzhou) Cosmetics Co., Ltd.

Established: 2003

Employees: 197

Main business: China market product manufacturing and sales

Address: No. 186 Junda Road, Guangzhou Economic and Technological Development Zone

Capital: USD \$ 8,000,000



Jourdeness (Guangzhou) Beauty Enterprise Management Limited

Established: 2010

Employees: 59

Main business: China market plus Union authorization and management

Address: Yuexiu District, Guangzhou City, No. 197 Avenue North

Capital: USD \$ 1,000,000

Company Overview

Product/Service

Category	Cosmetic	Description
Beauty Products	Daily Care	Make-up Remover 、 Face Washer 、 Moisture 、 Toner
	Enhance Care	Eyecare 、 Bulk 、 Ampoules 、 Mask 、 Suncare
	Enhance Repair	High-Potency Repair 、 Pimple Repair 、 Stimulates Dead Skin Cell
	Body Care	Body Sculpture 、 Breast care 、 Hand/Foot care
	Essential Oil	Aromatherapy & Relaxation - Pure Essential oil 、 Blend Essential oil
Category	Massage	Description
SPA Beauty Service	Facial Care SPA	Peptide beauty SPA、 Magic V Facial Lifting SPA (by Ceramic Thermal)、 Angel yoga tightening treatment、 Sparkle Eye SPA、 Skin Rejuvenator & Regenerator Treatment
	Body Care SPA	Back Organic Deep Relaxation、 Body Organic Deep Relaxation、 Breast revitalizes treatment、 body Sculpture deep circulation SPA、 Oriental Deep Breathing Therapy Treatment、 Slimming Nymph
	Foot & Hand SPA	Hand Spa SPA、 Foot Relaxation SPA
	Special Treatment SPA	Deep Tissue Spa、 SPA instrument



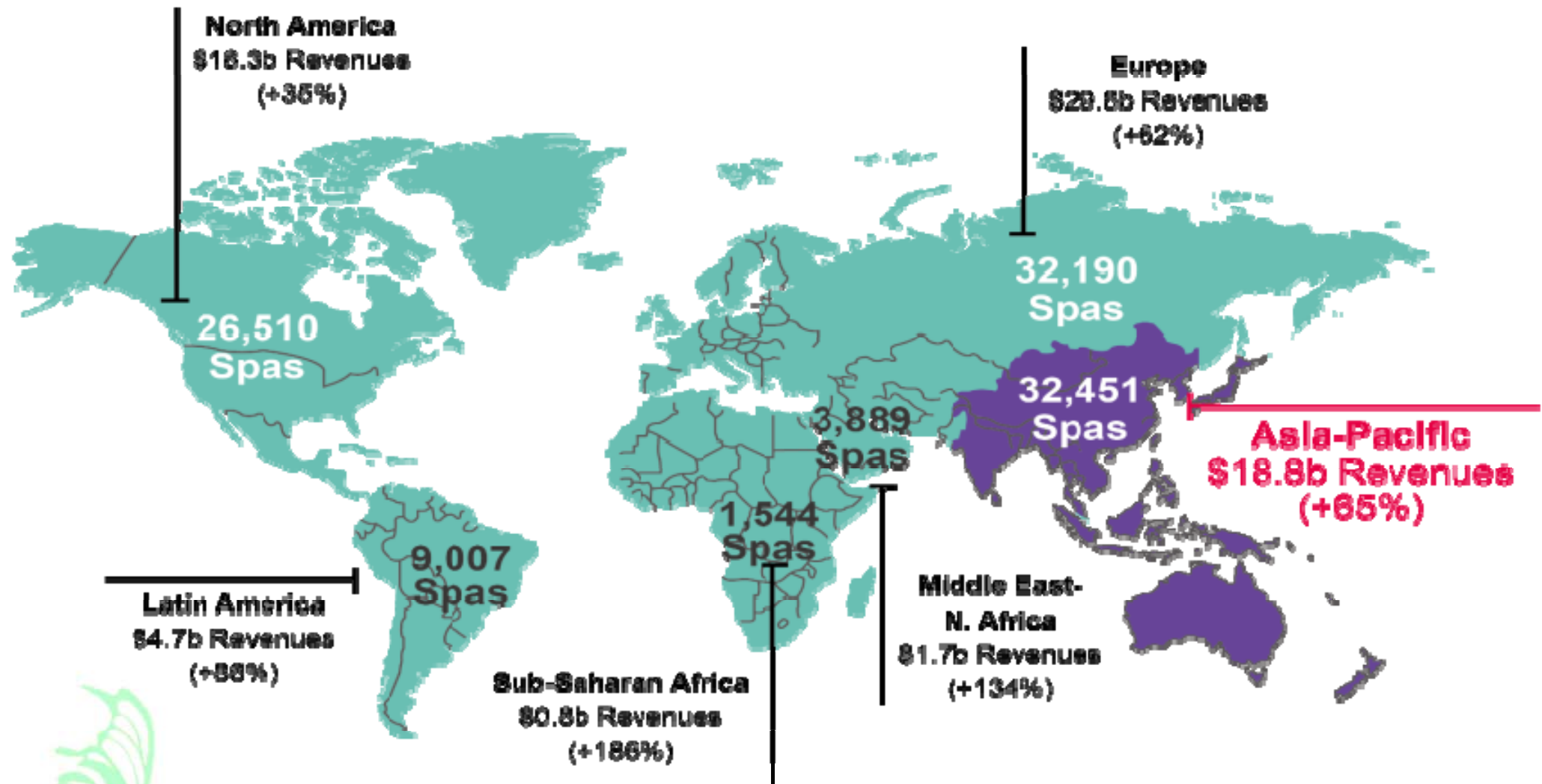
Industry Overview

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Spa Industry by Region, 2013

Number of spas, spa revenues, and revenue growth since 2007



Top Ten Spa Industry Markets in Asia-Pacific, 2013

	Number of Spas	Spa Revenues (US\$ Millions)	Spa Employment
Japan	6,958	\$5,950.0	113,397
China	9,452	\$4,695.5	225,341
South Korea	2,805	\$1,380.6	36,751
India	3,956	\$1,147.4	47,666
Thailand	2,088	\$929.1	66,816
Indonesia	1,668	\$832.8	51,343
Australia	968	\$817.8	10,292
Hong Kong	693	\$589.2	12,295
Taiwan	838	\$495.0	11,090
Singapore	682	\$485.2	7,649

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1. 2013 China has 9,452 SPA stores, market value of about USD \$ 4.7 Billions
 2. 2013 Taiwan has 838 SPA stores, market value of about USD \$ 500 Millions

2018 Global cosmetics market reach nearly US \$ 530 billion

- 2014~2018 will increase by CAGR 3.0%, till 2018年Global market will be closed to USD\$ 530 billions till 2018.
- The Largest increase in the top 3 Markets for next five years : China 、Brazil 、USA

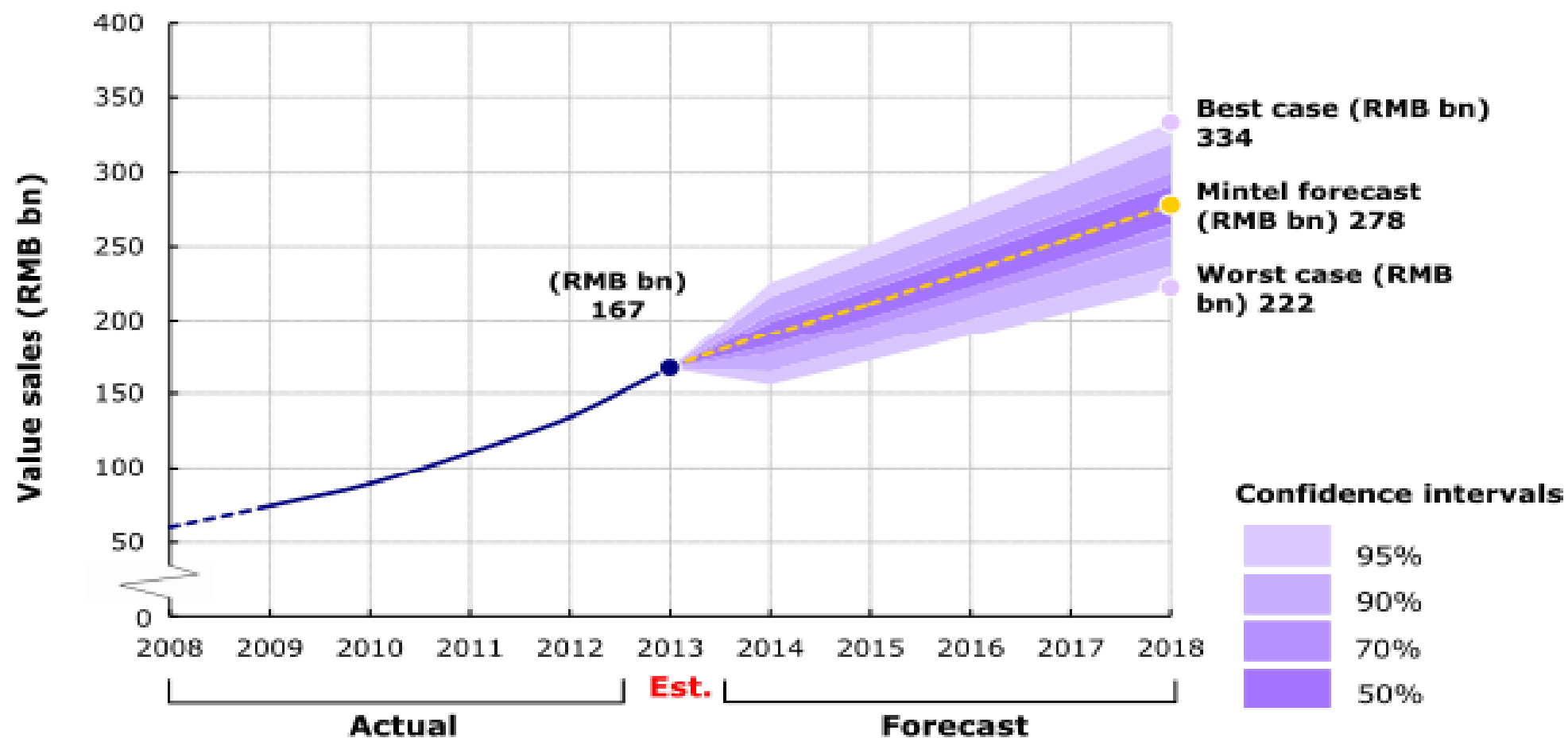
2014~2018 Global Cosmetic market prospect



資料來源：Euromonitor；DCB產資組ITIS計畫整理

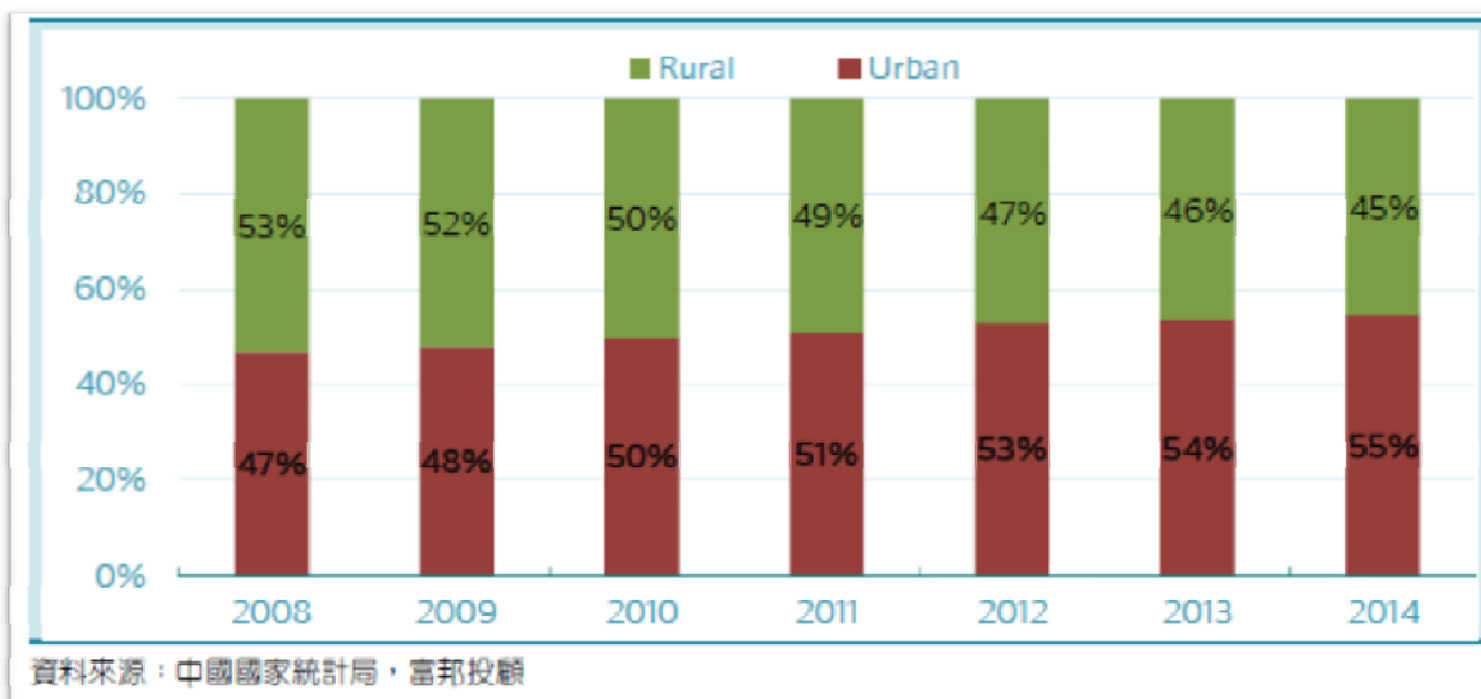
Market		2013~2018 (Million USD)
中國大陸	China	20,788
巴西	Brazil	16,066
美國	USA	6,240
印度	India	3,689
印尼	Indonesia	2,067
南韓	South Korea	2,055
沙烏地阿拉伯	Saudi-Arabia	1,853
墨西哥	Mexico	1,347

2013~2018 China cosmetics retail market forecast



Source : Mintel(2014)

China Average Income & Increase in Urbanization · Lead to Growth in Beauty Market demand



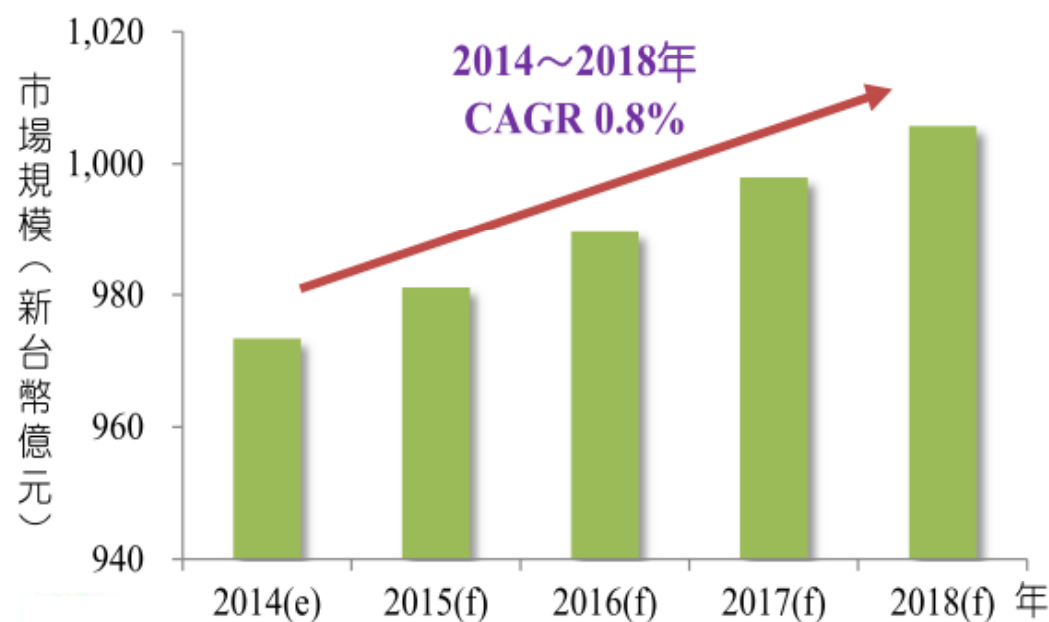
1. China Urban and countryside ratio had reached 55:45 in 2014 , rapid development in 2nd and 3rd city , Urbanization rate will increase every next year
2. Chinese urban resident' s average income can reach RMB 28,844 in 2014, growth 9% compare with 2013



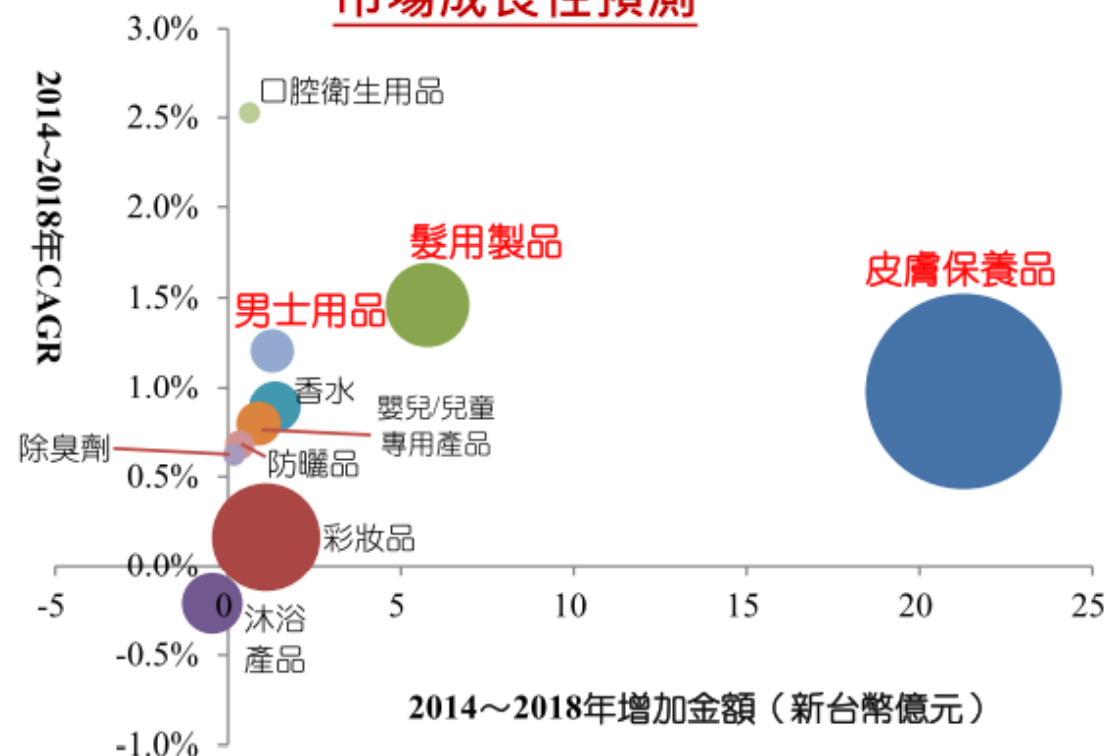
Taiwan's cosmetics market to break through NTD \$100 billion in 2018

- Taiwan cosmmarket reached over 100 billions in 2018 due to the younger consumer ability
- Hair products, men' s cosmetics and skin care products are the fastest growing within 100 billion Taiwan cosmetics market from 2014 to 2018

2014~2018 Taiwan Cosmetic market prospect



2014 ~ 2018年臺灣各類化妝品市場成長性預測





2015 Business Operation

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Business Operation

Revenue & Profit

Unit: NTD Thousand

	2012		2013		2014		2015	
Revenue								
Cosmetic Products	632,662	51%	797,700	52%	799,888	51%	992,761	57%
SPA Treatment	545,345	44%	689,328	45%	690,831	44%	673,651	39%
Other	68,146	5%	56,370	4%	73,875	5%	70,274	4%
Total	1,246,153	100%	1,543,398	100%	1,564,594	100%	1,736,676	100%
Profit								
Cosmetic Products	493,664	78%	644,499	81%	630,920	79%	740,646	75%
SPA Treatment	283,935	52%	421,810	61%	424,631	61%	399,511	59%
Other	43,472	64%	29,834	53%	45,262	61%	36,235	52%
Total	821,071	66%	1,096,143	71%	1,100,813	70%	1,176,392	68%

Business Operation

Operating Performance Ratios

Unit: NTD Thousand

	2012		2013		2014		2015	
Operating Income	1,246,153	100%	1,543,398	100%	1,564,594	100%	1,736,676	100%
Operating Gross Profit	821,071	66%	1,096,143	71%	1,100,813	70%	1,176,392	68%
Operating Profit	178,460	14%	400,390	26%	392,699	25%	426,005	25%
Pre-tax Profit	199,948	16%	407,969	26%	392,510	25%	458,323	27%
After-Tax Profit	159,730	13%	267,204	17%	272,317	17%	341,908	20%
EPS	3.10		5.18		5.28		6.45	



Business Operation

2015 Revenue Distribution

Unit: NTD Thousand

	Taiwan	China	Total	%
Products	514,981	477,780	992,761	57%
Service	650,768	22,883	673,651	39%
Other	52,832	14,867	70,264	4%
Total	1,218,581	515,530	1,736,676	100%
	70%	30%		

- Regional Revenue:
2015, Jourdeness annual revenues total is NTD \$1.736 billion, 70% of the total revenue from Taiwan region is 1.221 billion, 30% of the total revenue from China is 515 million
- Products Revenue:
2015 product sales to 57% of the total revenue of 993 million, treatments and services earns 674 million accounted to 39% of total revenue, others are royalties income and human resources support services accounted for about 4% of total revenue.



Core operation strategy





2016 Operation & Prospect

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2016 Trading Strategy

Branding

- Build brand awareness:
Media
Integrated
Marketing

Rejuvenation

- Exclusive development of younger treatments & Products
- Customer strategy: Attract 30 to 40-year-old woman to the store experience

Chain

- Multiple chain layout
- Replicate the successful experience, Retail pioneering territory

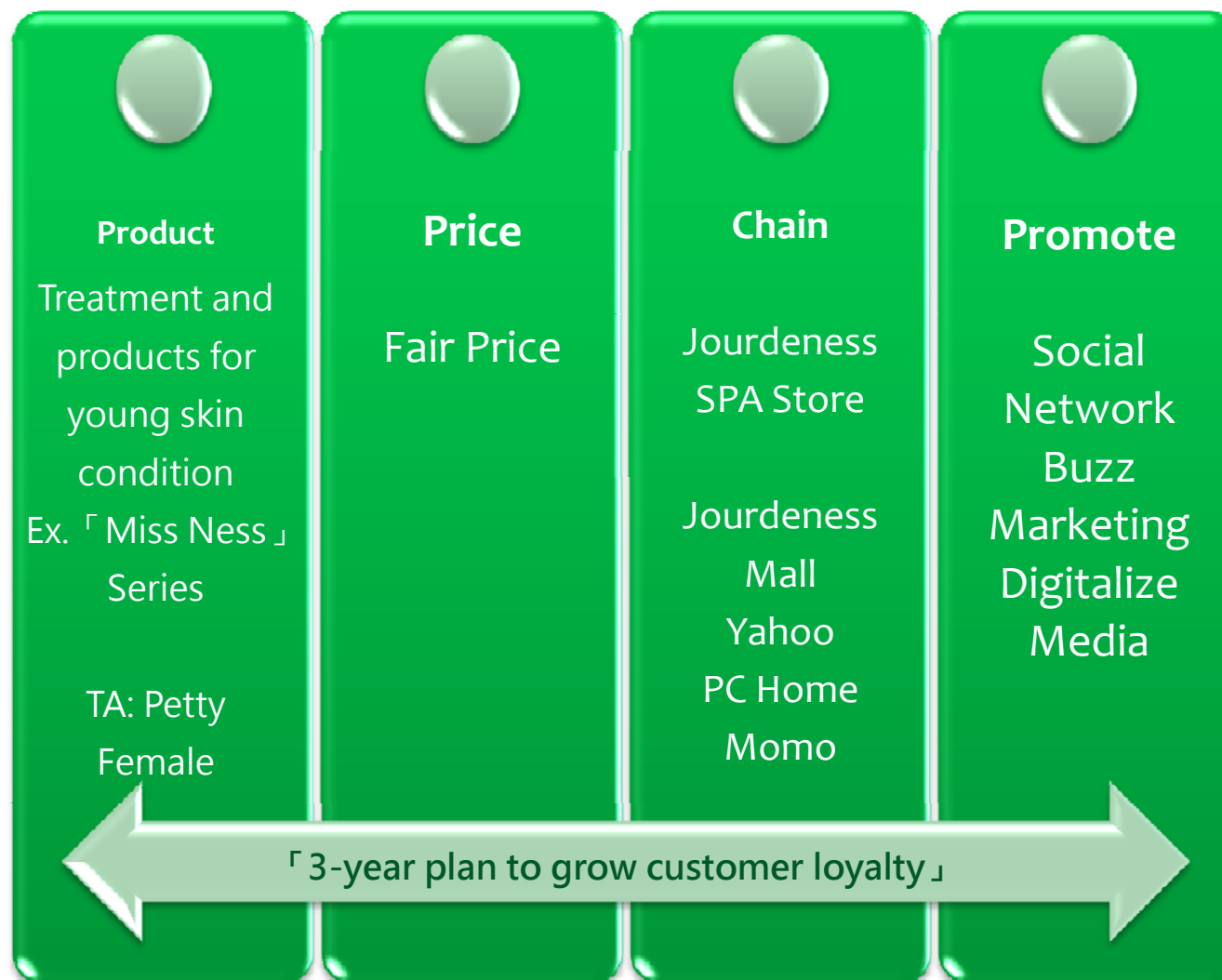
Members

- Member seminar services and increase the attachment with customers
- Treatments booked by App leads to return in membership

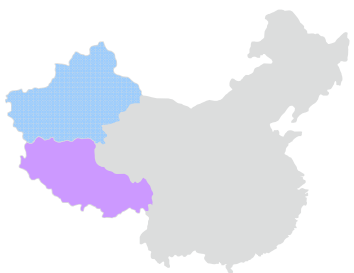


Brand Management- Rejuvenation

Over age 60	8.6%
Age 50-59	19.7%
Age 40-49	32.9%
Age 30-39	29.8%
Age 20-29	9.0%



Distribution Plan – China



Direct Store

- Direct Demo Store in 2nd and 3rd tier cities, can accurately deliver Jourdeness aesthetic beauty service

Growth Regional Agents

- Based in the China market in order to comprehensive, Solve the vast, management problems caused by regional differences

Franchise Expansion

- Plan small Scale franchise
- 2016 target of 40 to 50 new small and beautiful stores.



Distribution Plan – Taiwan



Websites · Stores · Worldwide Service

Physical Channel

- Establish Taichung flagship 2, serve high-end consumers.
- Regional Direct store: 5 to 10 expansion every year
- Beauty care products Store: plan to set up beauty care products stores of the three metropolitan areas, increasing the habitual buying for consumers. At the same time as a department store counter passage is provided before the store brand.



Virtual Channel

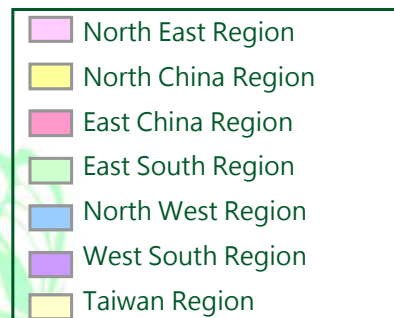
- Build up 9 E-supplier chain - Jourdeness Mall had formal operated from January 2016
- Focus on develop 4 parity product series for petty female
- Jourdeness Mall will target 100,000 membership



Distribution Plan - 2016 Global Franchise of 650 stores

2016 China

Franchise:
Increase 40 to 50
Direct Store:
Focusing on 2nd
and 3rd tier cities



2016 Taiwan

- Establish Taichung Flagship 2
- Regional Direct store: 5 to 10 expansion
- Beauty care products Store: set up in the 3 metropolitan areas

Taiwan Region
Franchise - 35
Direct Store - 103家

Include 3 Direct Store in Guangzhou

Member: Business Seminar

- VIP Exclusive Lecture: Increase membership interaction, enhance member satisfaction and loyalty



Branding - social media integrated marketing

BI Advertising - TVCF



Advertisement

Branding - social media integrated marketing

Product Launch Press Release-Light-Quick Ultimate Series



Branding - social media integrated marketing

Season Event – BFF TVCF



Event Website



FB

Poster





—  JOURNEESS —

Thank You

