



YesAsia Holdings Limited

(Incorporated in Hong Kong with limited liability)

(Stock code : 2209.HK)

Announces 2023 Final Results

Achieved Record-High Revenue of US\$201.3 million with 56.6% YoY Growth
Beauty Products Sales increased by 133.2%
Financial Turnaround with Net Profit of approx. US\$7.6 million
Proposed Final Dividend of HK5.0 cents per share

2023 Financial Highlights

US\$ '000	For the 12 months ended 31 December		
	2023	2022	Change
Revenue	201,339	128,592	+56.6%
• Fashion and Lifestyle Products	35,213	51,967	-32.2%
• Beauty Products	162,230	69,568	+133.2%
• Entertainment Products	2,718	5,308	-48.8%
Gross profit	62,698	42,726	+46.7%
Profit/(loss) for the year	7,572	(6,782)	-ve to +ve
Proposed final dividend (HK cent)	5.0	Nil	N/A
Number of e-commerce platform customers	1,445,000	1,020,000	+41.7%
Average order size (US\$)	80.5	77.0	+4.5%
Acquisition cost per new customer (US\$)	10.3	12.2	-15.6%

(28 March 2024 – Hong Kong) **YesAsia Holdings Limited** (“YesAsia”, and together with its subsidiaries, the “Group”) (stock code: 2209) is pleased to announce its audited consolidated results for the year ended 31 December 2023 (the “Year”).

In 2023, the Group recorded record-high revenue of US\$201.3 million (2022: US\$128.6 million), representing a year-on-year (“YoY”) increase of 56.6%. Driven by expanded collaboration with K-beauty brands, revenue from beauty products increased by 133.2% YoY to US\$162.2 million (2022: US\$69.6 million). Gross profit increased by 46.7% YoY from US\$42.7 million in 2022 to US\$62.7 million in 2023. As a result of rapid revenue growth and stringent budget control, the Group achieved a remarkable turnaround to a net profit of US\$7.6 million (2022: US\$6.8 million loss). To express its gratitude for the unwavering support of its esteemed shareholders, the Group proposed a final dividend of HK5.0 cents (2022: Nil), representing a payout ratio of 33.8%.

2023 Operational Highlights

Business-to-Consumer (B2C) platforms (YesStyle Platforms)

Revenue contributed by YesStyle Platforms was approximately (“approx.”) US\$158.7 million (2022: US\$109.9 million), representing a YoY increase of approx. 44.3%, which was driven by a YoY increase of approx. 52.3% in the number of sales orders received. The YesStyle sales order number in the European Union, Canada, and the United Kingdom increased YoY by 136.8%, 117.5%, and 77.2%, respectively.

A new front page and a beauty products-focused promotion strategy were introduced on YesStyle Platforms in January 2023. Since then, YesStyle has become one of the top Asian beauty shopping platforms in North America and Europe. YesStyle Platforms successfully ranked as the 10th and 6th most-visited beauty websites in the US by SimilarWeb and Semrush, respectively.

Business-to-Business (B2B) platform (AsianBeautyWholesale)

AsianBeautyWholesale (“ABW”) continued to grow quickly during the Year as K-Beauty’s popularity grew worldwide. With YoY growth during the Year in the number of customers, number of orders, and average order size of approx. 90.1%, 143.4% and 38.6%, respectively, revenue from ABW rose to approx. US\$38.8 million (2022: US\$11.6 million), representing a YoY increase of approx. 234.4%.

Products

In 2023, the Group continued to strengthen its competitive edge in the K-Beauty product market. The Group partnered with 78 new K-Beauty brands with business potential to enrich its brand variety, while removing 60 underperforming brands. As at 31 December 2023, YesStyle is partners with 448 K-Beauty brands (2022: 430).

The Group strived to foster closer relationships with K-Beauty partners. LG H&H Co., Ltd., a major South Korean consumer goods company under LG Corporation, granted the Group authorisation to distribute additional 14 LG brands during the Year. In addition, the Group further strengthened its partnerships with two popular K-Beauty companies, Amorepacific Corporation and CJ Olive Young Corporation by adding one more brand from Amorepacific Corporation, espoir, and 5 more brands under CJ Olive Young Corporation, namely IDEAL FOR MEN, fillimilli, colorgram, ROUND A’ROUND, and BIOHEAL BOH to its e-commerce platforms.

YesStyle Influencer Program

The YesStyle Influencer Program showed strong growth during the Year. In 2023, revenue generated from influencers’ referrals amounted to approx. US\$40.4 million (2022: US\$21.9 million), representing an increase of 84.6% as compared to the Prior Year, demonstrating the continuous success of the YesStyle Influencer Program. Such contribution represented approx. 25.5% of revenue generated from YesStyle (2022: 19.9%).

The number of influencers grew from approx. 279,000 at the end of 2022 to approx. 333,000 as at 31 December 2023, representing an increase of approx. 54,000 influencers. The Group continued to partner with influencers to create interesting videos and posts on various platforms, including Instagram, TikTok and YouTube, etc., which increased YesStyle’s exposure and referral revenue. In particular, the total number of YesStyle TikTok Influencers continued to grow rapidly, from approx. 44,000 at the end of 2022 to approx. 72,000 at the end of 2023.

Customer Relationship Management System

The CRM System continued to strengthen the Group's targeted marketing and promotions during ad-hoc campaigns and the peak season. In 2023, the Group enhanced its "welcome journey" by analysing customers' entry points and product preferences. Revenue facilitated by the CRM System amounted to approx. US\$26.0 million (2022: US\$14.9 million), representing a growth of 74.7% YoY.

The number of YesStyle loyalty program members increased to approx. 11,617,000 as at 31 December 2023 (2022: 8,272,000), representing an approx. 40.4% YoY increase.

Cost Saving Measures

As a result of stringent control on expenditures, the increase in total selling expenses and administrative expenses was much less than the high revenue growth in 2023. Selling expenses, excluding payment gateway charges, amounted to approx. US\$18.7 million for the Year (2022: US\$15.7 million), representing a YoY increase of 19.3%. Payment gateway charges for the Year increased YoY by approx. 54.6%, which was in line with revenue growth.

In addition, administrative expenses decreased to approx. US\$29.6 million during the Year (2022: US\$30.7 million), representing a YoY decrease of approx. 3.6%. This was the result of the decrease in depreciation of right-of-use assets, depreciation of property, plant and equipment, rates and management fees under administrative expenses due to the establishment of our Smart Robotics Warehouse.

With the continuous fine-tuning of the Autonomous Mobile Robots ("AMR") system, the efficiency of the Group's fulfillment was enhanced to cope with sales order growth, bringing further cost-saving benefits to operations. In 2023, the percentage of outsourced warehouse labour charges and warehouse wages in aggregate to revenue was approx. 3.5% (2022: 5.2%). The AMR system successfully achieved an annual savings of approx. US\$3.4 million or 32.5% if no AMRs were used.

Outlook

Mr. Lau Kwok Chu, Founder and Chief Executive Officer of YesAsia, commented, "We are pleased to share with you the fruitful results of 2023. Thanks to the dedication and hard work of our team members, we have achieved substantial business growth and delivered a remarkable financial performance. As one of the pioneering enterprises entering the e-commerce sector decades ago, we truly understand that the courage to change is the key to sustainable development. In recent years, we have observed the rising popularity of Korean beauty and cosmetics products in European and US markets. As a result, we have actively enhanced our cooperation with K-Beauty brands, successfully capitalizing on such opportunities and achieving remarkable business growth."

"Looking ahead, we will continue to strengthen our position in the Korean beauty products market in Europe and the United States. We will strive to cooperate with more emerging brands from South Korea and will introduce a greater variety of high-quality products to our e-commerce platforms. Meanwhile, we will actively work on improving our operational performance to increase profits. In addition to the AMR warehouse, we are also planning to launch multiple warehousing facilities in overseas markets to enhance efficiency and achieve greater business synergies."

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About YesAsia Holdings Limited

Established in 1997, YesAsia is an online retailer headquartered in Hong Kong that engages in the procurement and sale of Asian fashion, beauty, lifestyle and entertainment products to customers around the world. Its mission is to become the go-to e-commerce gateway that bridges Asian products with customers worldwide. The Group operates three major e-commerce platforms: YesAsia, an e-commerce retail platform for entertainment products; YesStyle, an e-commerce B2C platform serving the increasing popularity of Asian beauty, fashion and lifestyle products, in particular Korean beauty products; and AsianBeautyWholesale, a B2B platform for Asian beauty products.

This press release is issued by DLK Advisory Limited on behalf of **YesAsia Holdings Limited**
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