



Niks Professional Ltd.

(Company Registration Number: 199804609D)
(Incorporated in the Republic of Singapore on 22 September 1998)

For Immediate Release

Niks Professional Reports First FY Results as SGX-Listed Company

- **FY2023 revenue growth in Singapore offset by temporary weakness in China**
- **Achieved adjusted FY2023 net profit of S\$2.47 million amid challenging macro environment**
- **Proposes 1.0 cent final dividend for FY2023. 77% of net profit attributable to shareholders. Dividend yield of 5.4% based on last traded share price**

SINGAPORE, 27 February 2024 – Niks Professional Ltd. (“Niks Professional” or the “Company”, and together with its subsidiaries, collectively the “Group”) is pleased to announce its financial results for the 6 months and 12 months ended 31 December 2023 (“2H2023” and “FY2023” respectively).

Financial Highlights

S\$'000	2H 2023	2H 2022	Y-o-Y % change	FY2023	FY2022	Y-o-Y % change
Revenue	5,538	5,495	0.8%	10,854	11,095	(2.2%)
Profit Attributable to Shareholders (“Net Profit”)	591	1,194	(50.5%)	1,686	2,763	(39.0%)
Adjusted Net Profit ¹	1,149	1,580	(27.3%)	2,474	3,149	(21.4%)
Segmental Revenue						
Clinics	3,424	3,323	3.0%	6,808	6,684	1.9%
Retail	1,166	1,099	6.1%	2,216	2,082	6.4%
Headquarters ²	948	1,073	(11.6%)	1,830	2,329	(21.4%)

¹ Adjusted Net Profit excludes non-recurring IPO-related expenses and income.

² Majority of sales are derived from distribution of skincare and beauty products in China.



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The Group's revenue declined by 2.2% Y-o-Y to S\$10.85 million in FY2023 compared to S\$11.10 million in FY2022, largely due to weaker sales generated from its China operations. Revenue in the Headquarters segment saw a 21.4% Y-o-Y fall to S\$1.83 million in FY2023, driven largely by a 25.6% Y-o-Y decline in China sales to S\$1.58 million. This was mainly due to lower consumer confidence and hence, demand for the Group's products, as the ongoing economic uncertainty crimped consumer spending on non-essential items in China. On a positive note, the Group's clinic and retail operations in Singapore generated Y-o-Y revenue growth of 1.9% and 6.4% respectively in FY2023 compared to FY2022. The Company intends to build on its footprint in Singapore to drive growth prospects (Please refer to 'Business Outlook' section below).

Payroll expenses increased by 7.7% Y-o-Y to S\$4.77 million in FY2023 compared to S\$4.43 million in FY2022, mainly due to additional doctor and management staff hires to support the Group's expansion plans.

Other expenses, which included one-off IPO-related expenses, increased by 91.7% Y-o-Y to S\$2.10 million in FY2023 compared to S\$1.10 million in FY2022. Excluding IPO-related expenses, other expenses increased by 42.6% Y-o-Y to S\$1.01 million in FY2023 compared to S\$0.71 million in FY2022, due partly to the Group's resumption of trade fair and exhibition activities in Singapore and China during FY2023 to raise brand and product awareness.

As a result, the Group reported a 39.0% decline in FY2023 profit attributable to shareholders ("**Net Profit**") to S\$1.69 million, compared to S\$2.76 million in FY2022. Excluding one-off IPO-related expenses and income, FY2023 adjusted net profit would have been S\$2.47 million, as compared to S\$3.15 million for FY2022, a decline of 21.4%.

Niks Professional's Chairman and Chief Executive Officer, Mr Cheng Shoong Tat, commented: "Like most businesses operating there, we were disappointed that China did not pick up last year following the dismantling of Covid-19 controls. Instead, consumer spending was unexpectedly cautious. However, we are beginning to see some green shoots this year and we are cautiously optimistic that 2024 will be a better year. This is why we are ramping up our efforts in China, including establishing a significant presence in its e-commerce marketplaces."



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Subject to the approval of shareholders at the forthcoming annual general meeting to be held in April 2024, the Group has proposed a final dividend of 1.0 cent, which amounts to 77.1% of FY2023 net profit attributable to shareholders. Based on the Group's last traded share price of 18.5 cents at the close of market on 27 February 2024, the dividend yield would be 5.4%.

Business Outlook

In its IPO offer document, the Group stated its intention to use the IPO net proceeds of S\$3.3 million for the following purposes:

- S\$0.8 million will be utilised for organic expansion of its business through the opening of new clinics and outlets, recruitment of healthcare and management professionals, purchase of new equipment, as well as the expansion of medical skincare products distribution business in China;
- S\$2.2 million will be utilised for growth of its business through acquisitions, joint ventures and/or strategic alliances; and
- S\$0.3 million will be utilised for general working capital purposes.

The Group is pleased to announce that it has hired a new doctor to start work in March 2024, bringing the medical team to a total of six. Having worked as regional medical director of a major international manufacturer of aesthetic injectables, he has vast clinical experience in injectables of various brands and applications. He has also been the anchor doctor of a popular heartland clinic with a long history in treating acne patients. The Group is in the midst of opening a fourth clinic in the north of Singapore, targeted to be operational by mid-2024. This will provide convenient access to its patients in the north, in addition to current clinics in the eastern, western and central parts of Singapore. It will also benefit patients who travel from Malaysia to visit the Group's clinics.

The Group also looks forward to adding imaging, hair treatment and body contouring machines to its clinics and salons this year to generate incremental revenues. Enhancements in information technology, including a mobile phone app to facilitate transactions (including in-app consultation and medicine refill) between patients and customers and its clinics and retail outlets, will also bring greater convenience and potentially higher spending.



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In China, the Group has appointed an agent for the Hunan Province, bringing the total number of agents to 12, 11 provincial and one city and covering a total of 14 provinces and one city. The Group has also appointed a veteran in China's medical skincare market to the newly created position of Deputy General Manager (Sales and Marketing) in its China subsidiary. He will be recruiting agents for provinces where the Group is not currently represented, as well as actively hand-holding and monitoring existing agents to boost sales. The Group is also investing to build up its presence in China's e-commerce marketplaces with a view to driving higher sales and generating better margins.

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About Niks Professional

Incorporated on 22 September 1998, Niks Professional Ltd. and its subsidiaries (collectively, the "Group") is a trusted and established family-practice dermatology and aesthetic medical services provider that also offers a comprehensive range of medical skincare products and salon services to complement medical solutions. The Group has operations in Singapore and China.

In Singapore, the Group operates clinics and shop salon outlets retailing Niks skincare products and offering facial services. The Group also operates an online store on their website, and supplies Niks skincare products to third-party medical clinics and beauty salons.

In China, the Group distributes Niks skincare products to regional agents, which in turn supply the products to hospitals, clinics, pharmacies, retail shops, doctors and consumers in different provinces and municipalities. The Group also sells directly to doctors and doctor groups, as well as to consumers.

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This press release has been prepared by the Company and its contents have been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**"),

This press release has not been examined or approved by the MAS or the SGX-ST and the SGX-ST assumes no responsibility for the contents of this press release, including the correctness of any of the statements or opinions made or reports contained in this press release.

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