

Third Quarter 2024 Investor Presentation

 Yatsen Holding Limited

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Third Quarter 2024 Review

Third Quarter 2024 Snapshot

Total Net Revenues

RMB 677.0M

-5.7% YoY

Gross Margin

75.9%

+4.5 percentage points YoY

GAAP Net Loss Margin

17.9%

Narrowed by 9.7 percentage points YoY

Non-GAAP Net Loss Margin

11.3%

Narrowed by 6.8 percentage points YoY

Cash, Restricted Cash and Short-term Investments

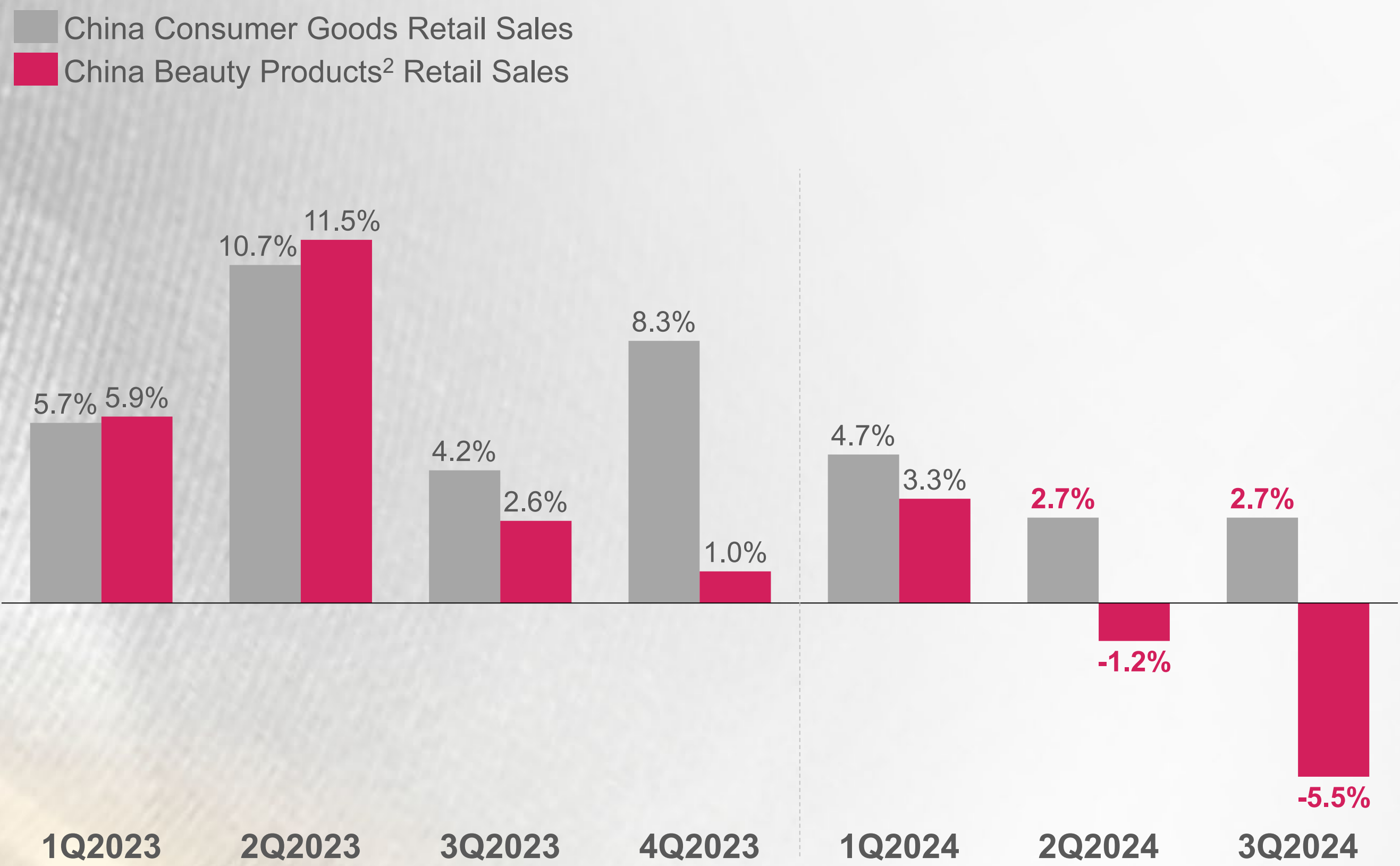
RMB 1.31B

PERFECT DIARY



Market Overview

Year-over-Year Changes¹



Total retail sales of consumer goods **increased** by 2.7% year over year for the third quarter of 2024...

...while total beauty retail sales **decreased** by 5.5% year over year for the third quarter of 2024.

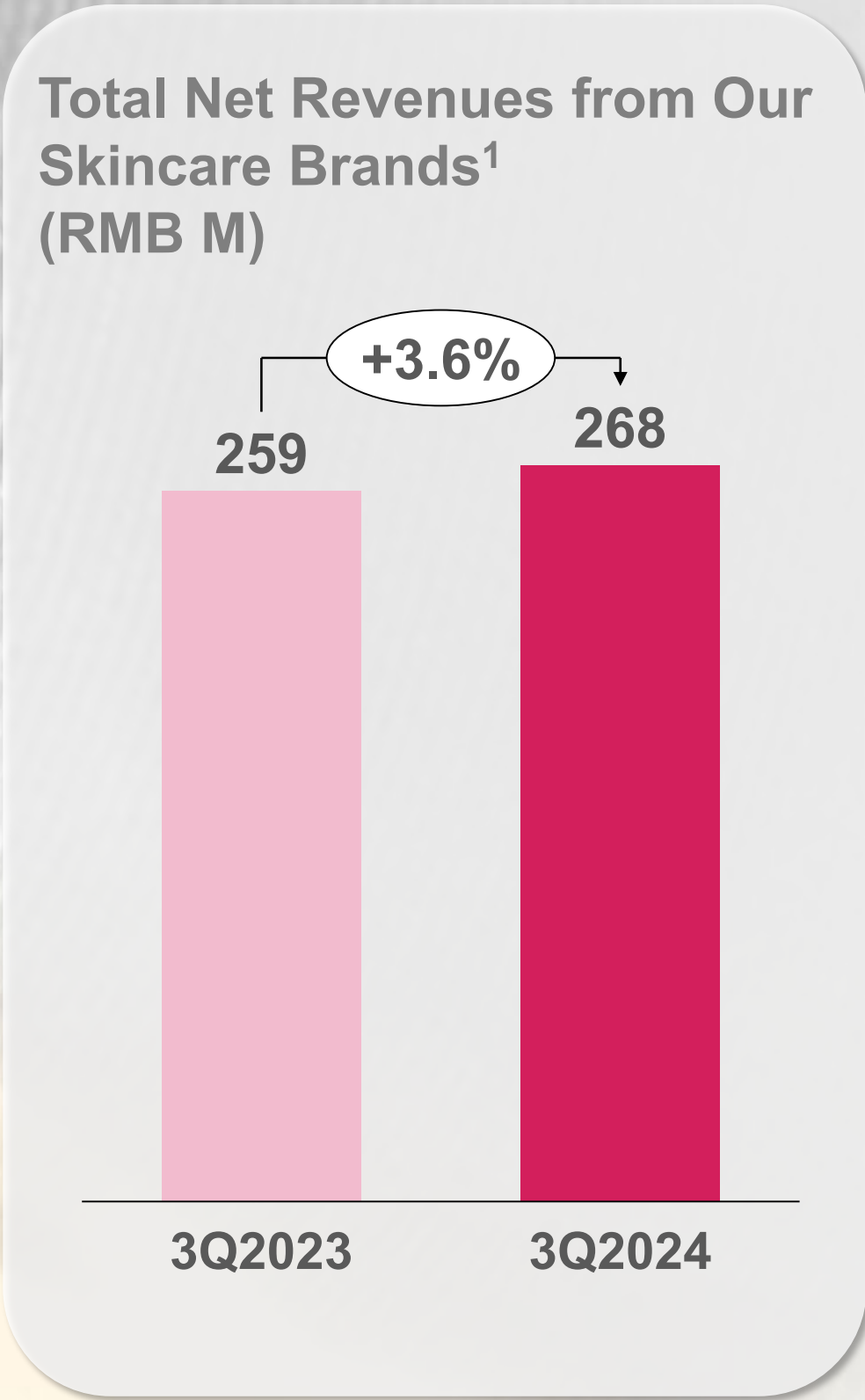
Notes:

¹ Based on the adjusted data published by China National Bureau of Statistics (“CNBS”).

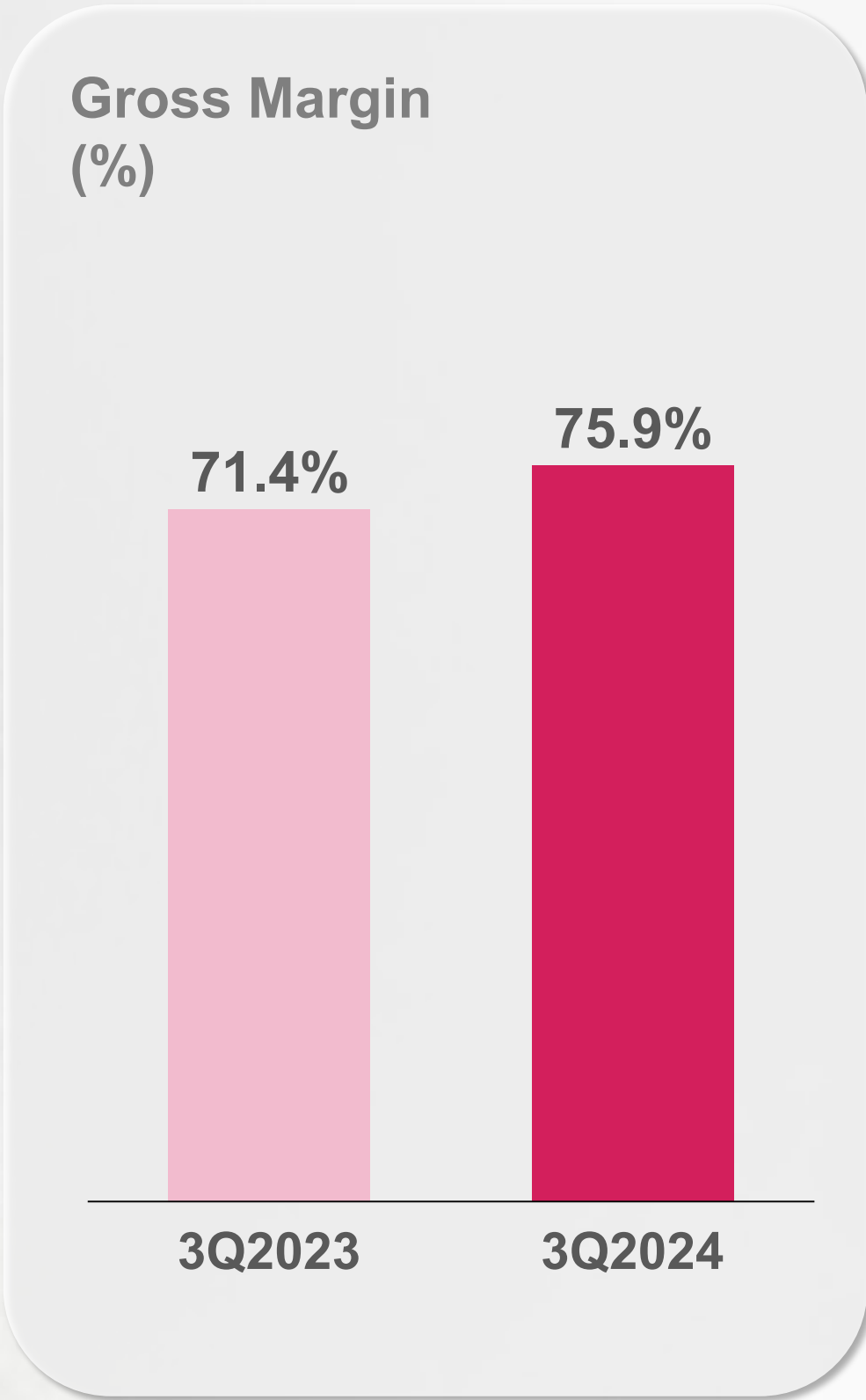
² Beauty products include color cosmetics and skincare products.

Key Financials at a Glance

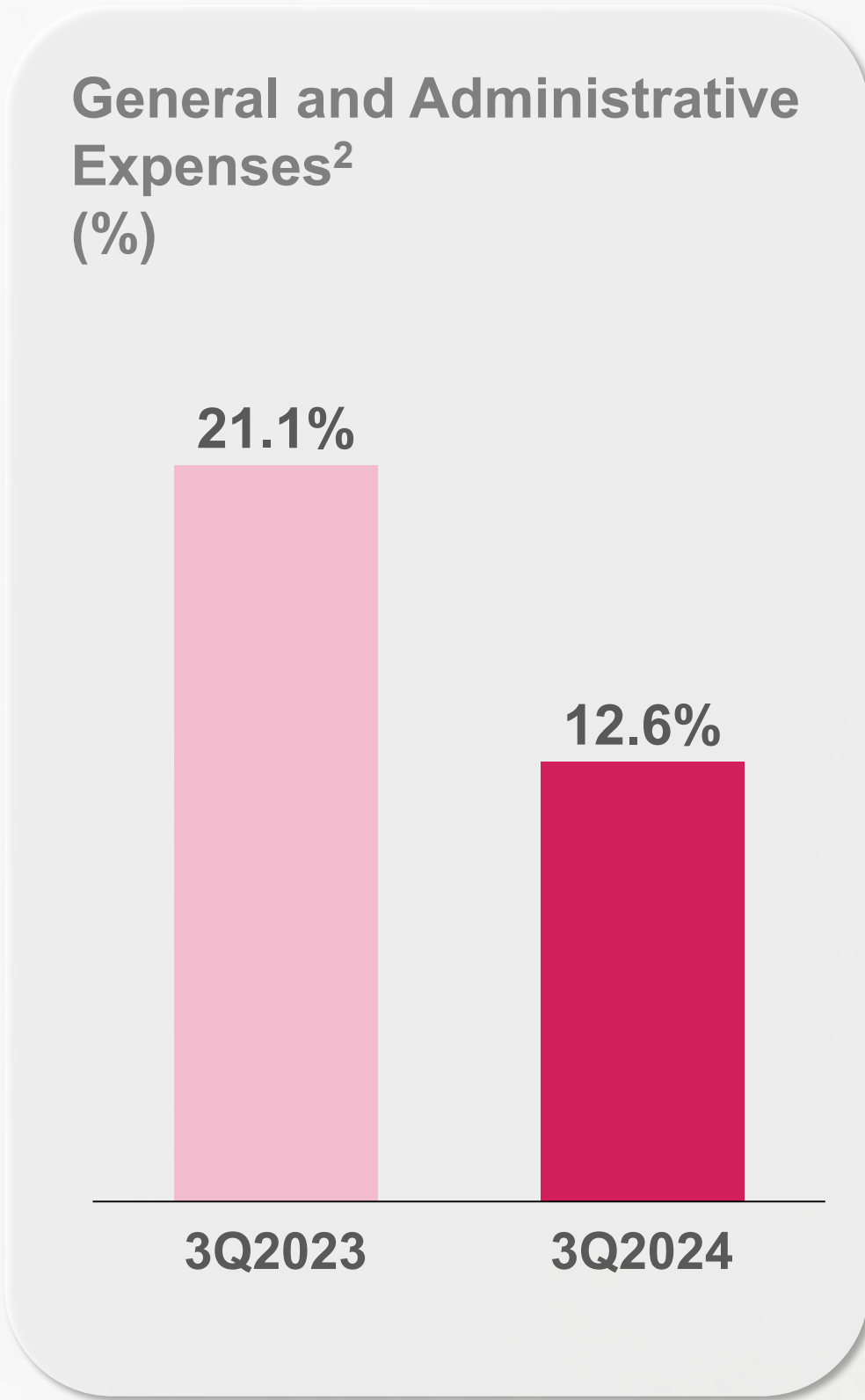
Growing Revenues from Our Skincare Brands¹



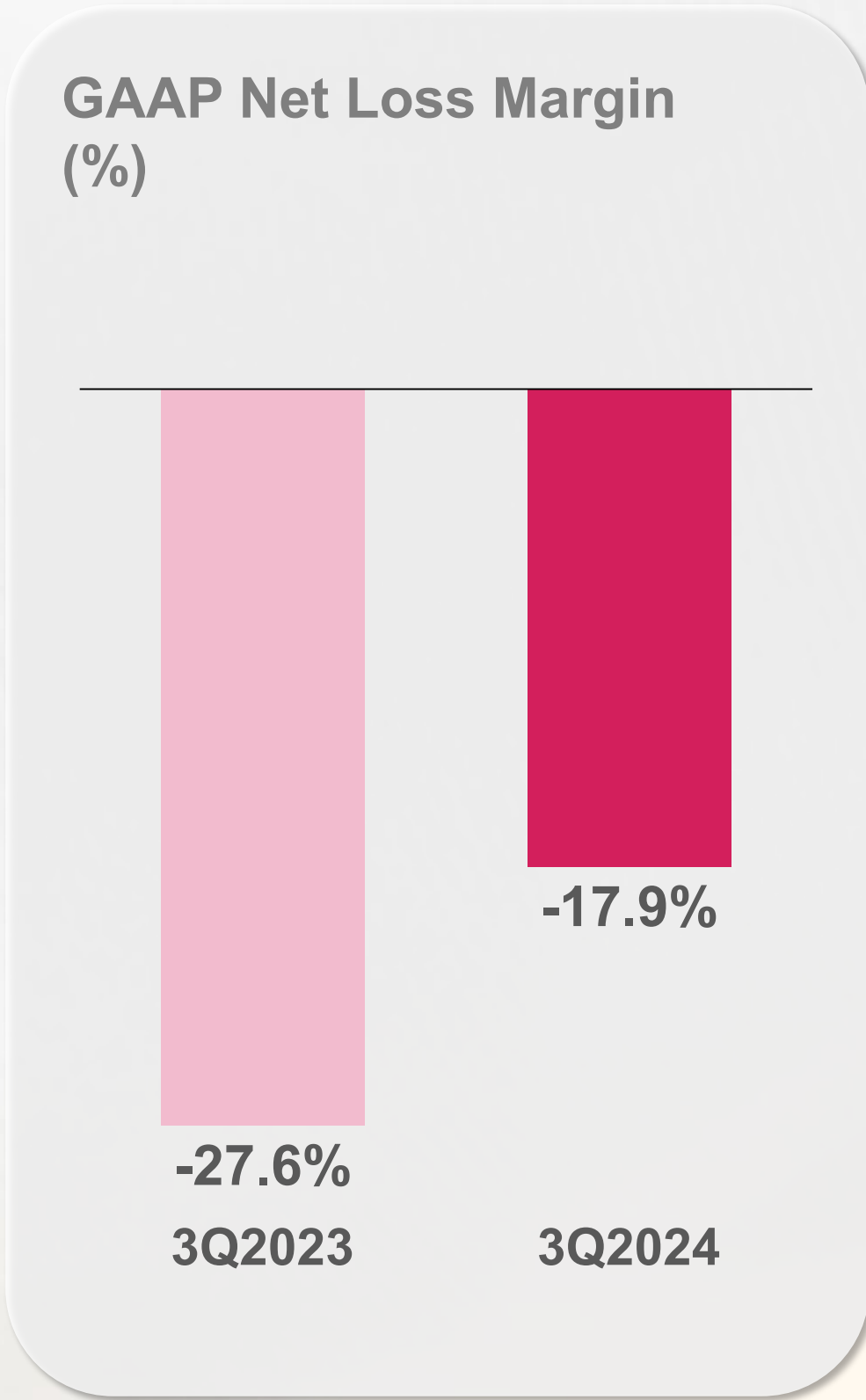
Improved Gross Margin



Lower G&A Expenses %²



Narrowed Net Loss Margin



Notes:
¹ Include net revenues from *Galénic*, *DR.WU* (its mainland China business), *Eve Lom* and other skincare brands of the Company.
² As a percentage of total net revenues

Steady Clinical and Premium Skincare Brands Performance

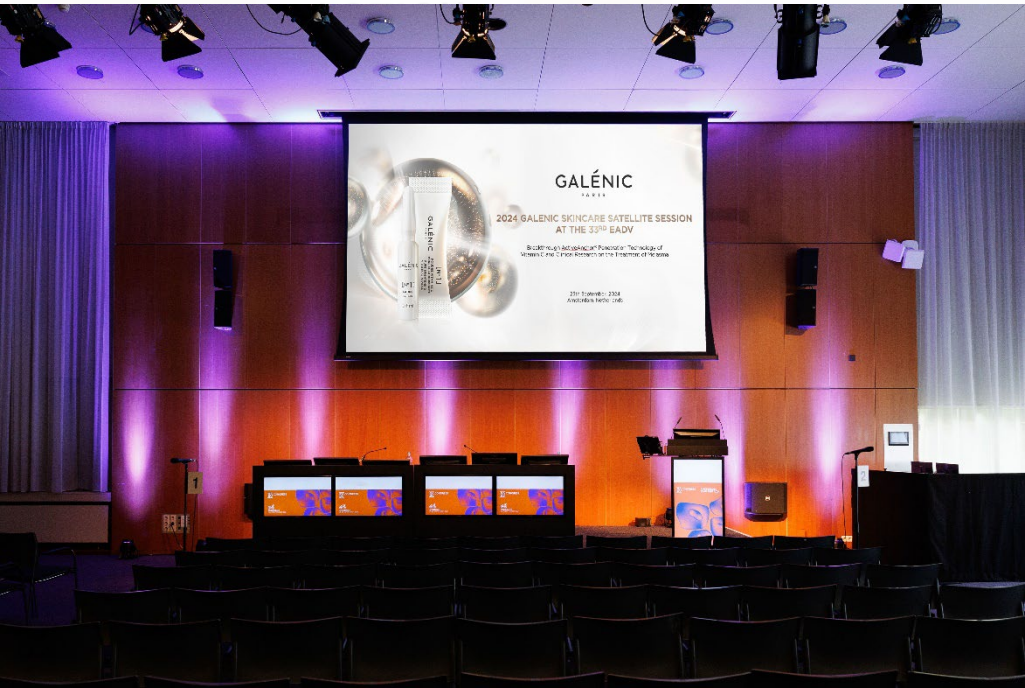


Mainland China Business



+10.5% YoY for 3Q2024 in combined net revenues for *Galénic*, *DR.WU¹*, and *Eve Lom*

Galénic participated in the 33rd European Academy of Dermatology and Venereology Congress in September.



Presenting groundbreaking clinical research on the brand's No.1 Vitamin C Serum

DR.WU attended the 34th IFSCC Conference in Iguazu Falls, Brazil.



Showcasing the brand's latest R&D results

Eve Lom hosted a Global Summit on Emotional Skincare at the University of Oxford.

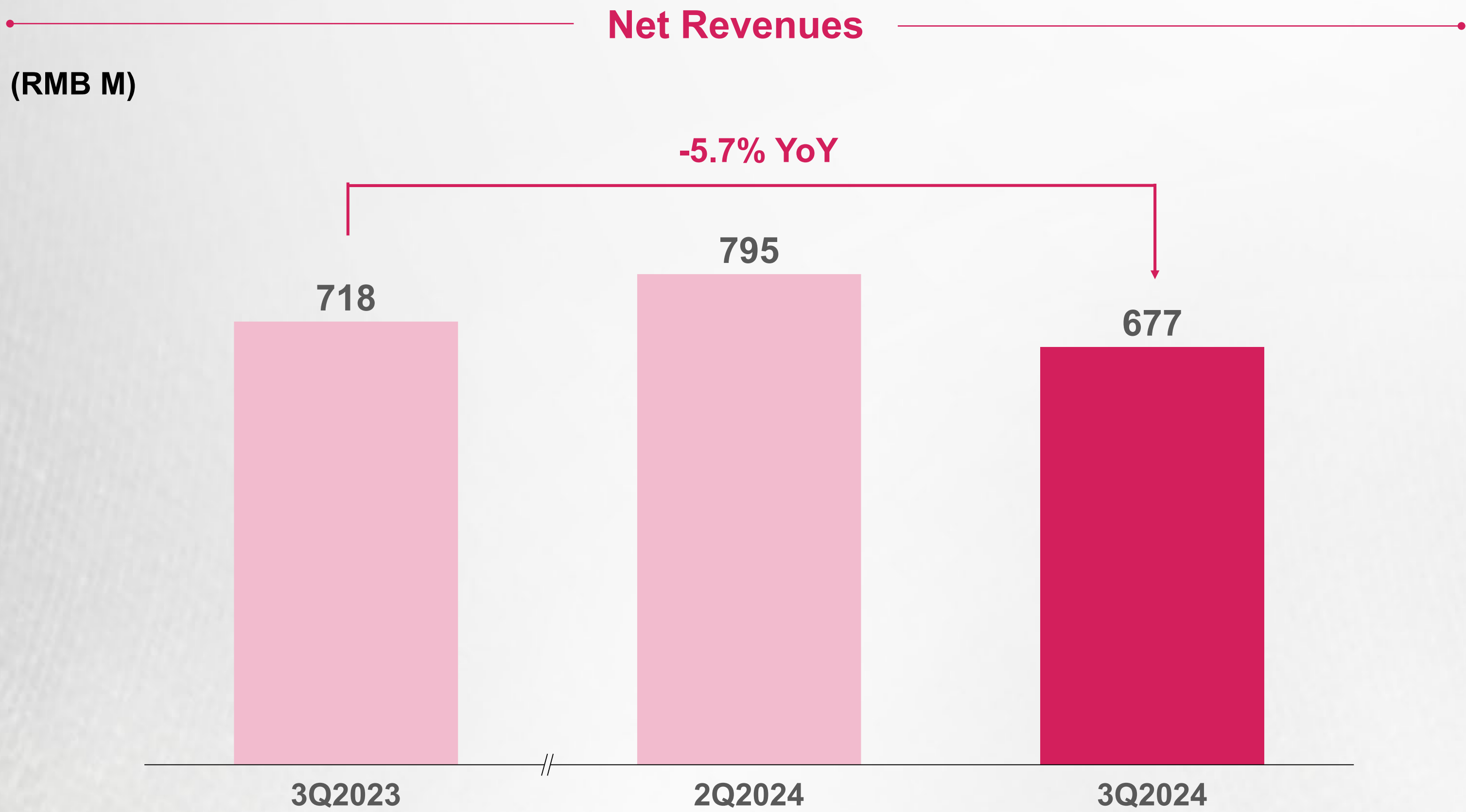


Highlighting the stress-relieving benefits of the brand's Daily Rejuvenating Cream

Note:
¹ DR.WU's mainland China business



Financial Review

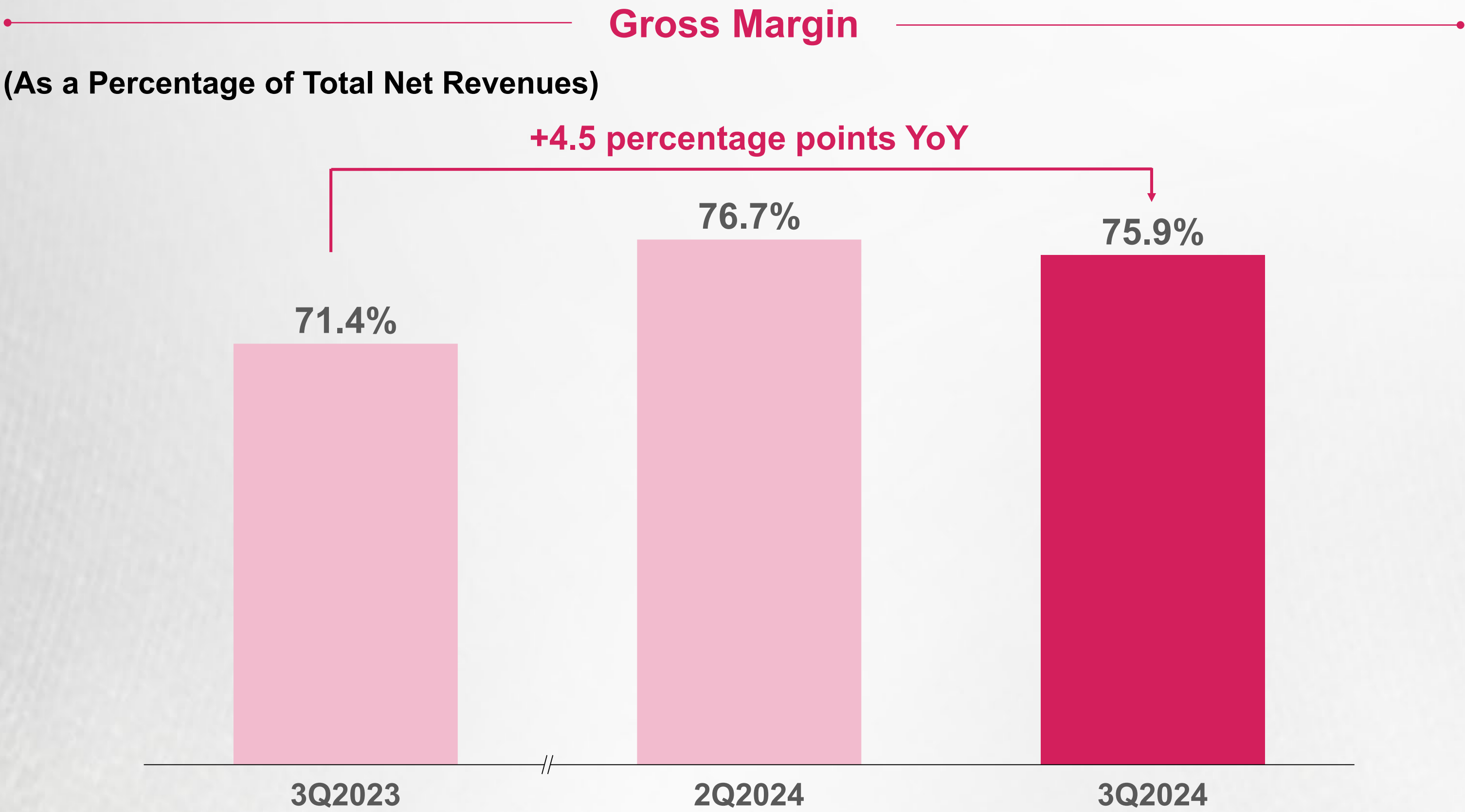


Total net revenues for the third quarter of 2024 decreased by 5.7% year over year, primarily due to a 10.0% year-over-year decrease in net revenues from Color Cosmetics Brands,¹ partially offset by a 3.6% year-over-year increase in net revenues from Skincare Bands.²

Notes:

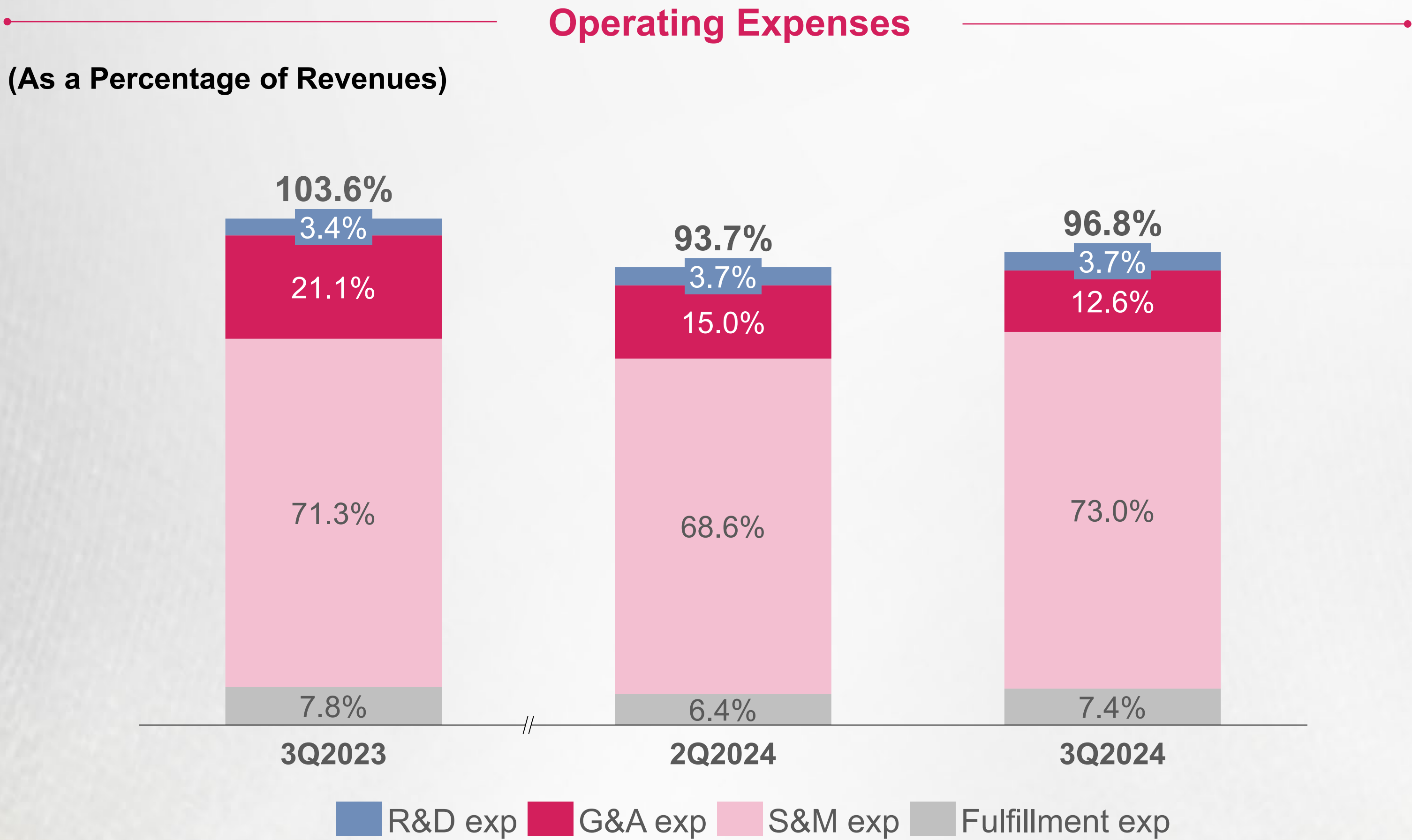
¹ Include net revenues from *Perfect Diary*, *Little Ondine*, *Pink Bear* and other color cosmetic brands of the Company.
² Include net revenues from *Galénic*, *DR.WU* (its mainland China business), *Eve Lom* and other skincare brands of the Company.

Gross Margin



Gross margin for the third quarter of 2024 increased year over year to 75.9%, primarily driven by an increase in sales of higher-gross-margin products.

Operating Expenses



- Higher S&M expenses as a percentage of total net revenues as compared with the prior year period primarily due to increased investments in the Douyin platform, in line with the growing revenue contribution from Douyin, partially offset by lower marketing expenses as a result of the Company's more strategic marketing spending.
- Lower G&A expenses as a percentage of total net revenues as compared with the prior year period primarily due to lower payroll expenses resulting from a reduction in general and administrative headcount and lower share-based compensation expenses.

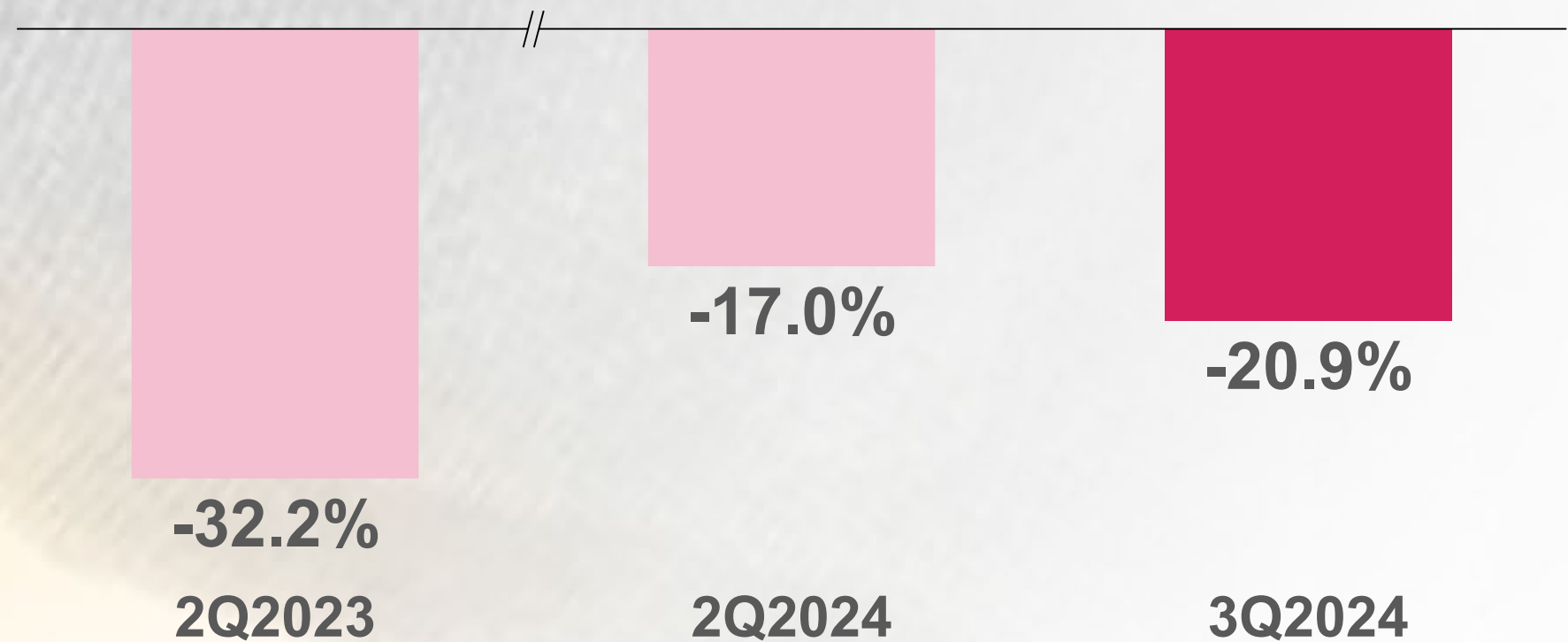
Loss from Operations and Net Loss

Loss from Operations

(RMB M)

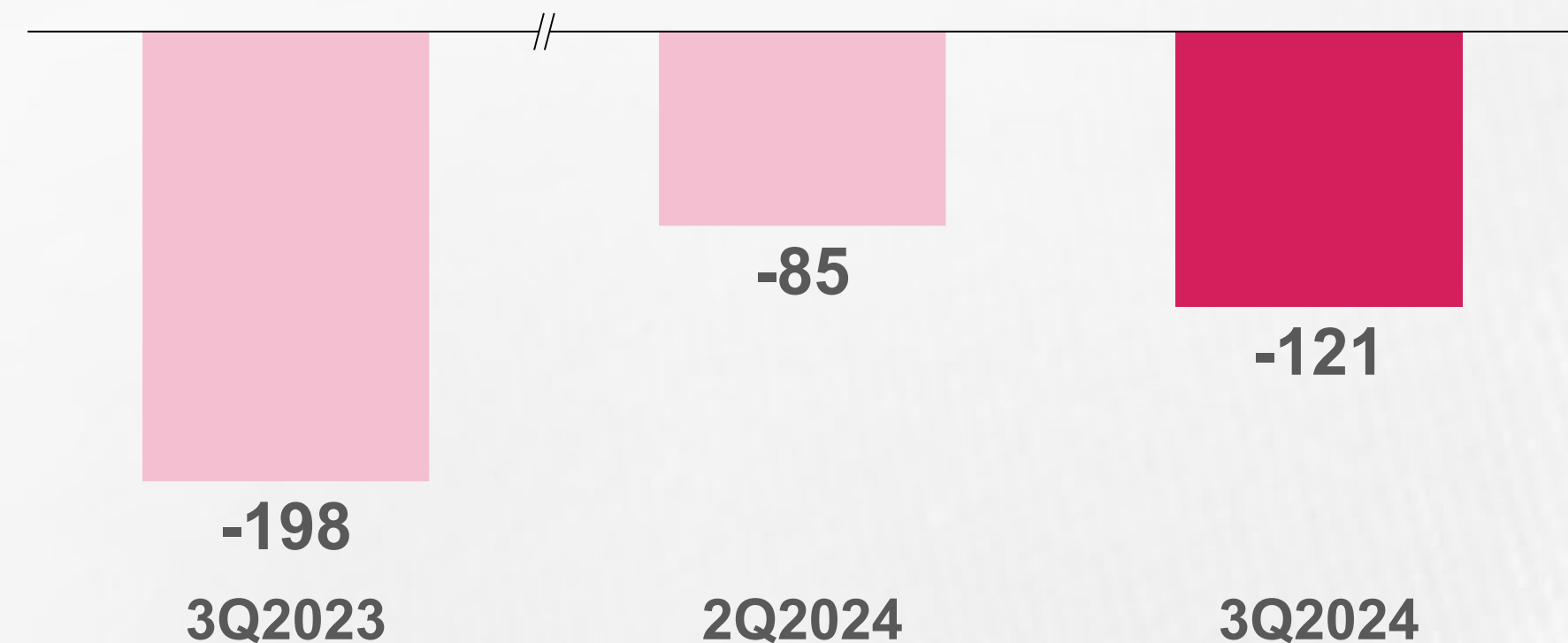


(As a Percentage of Revenues)

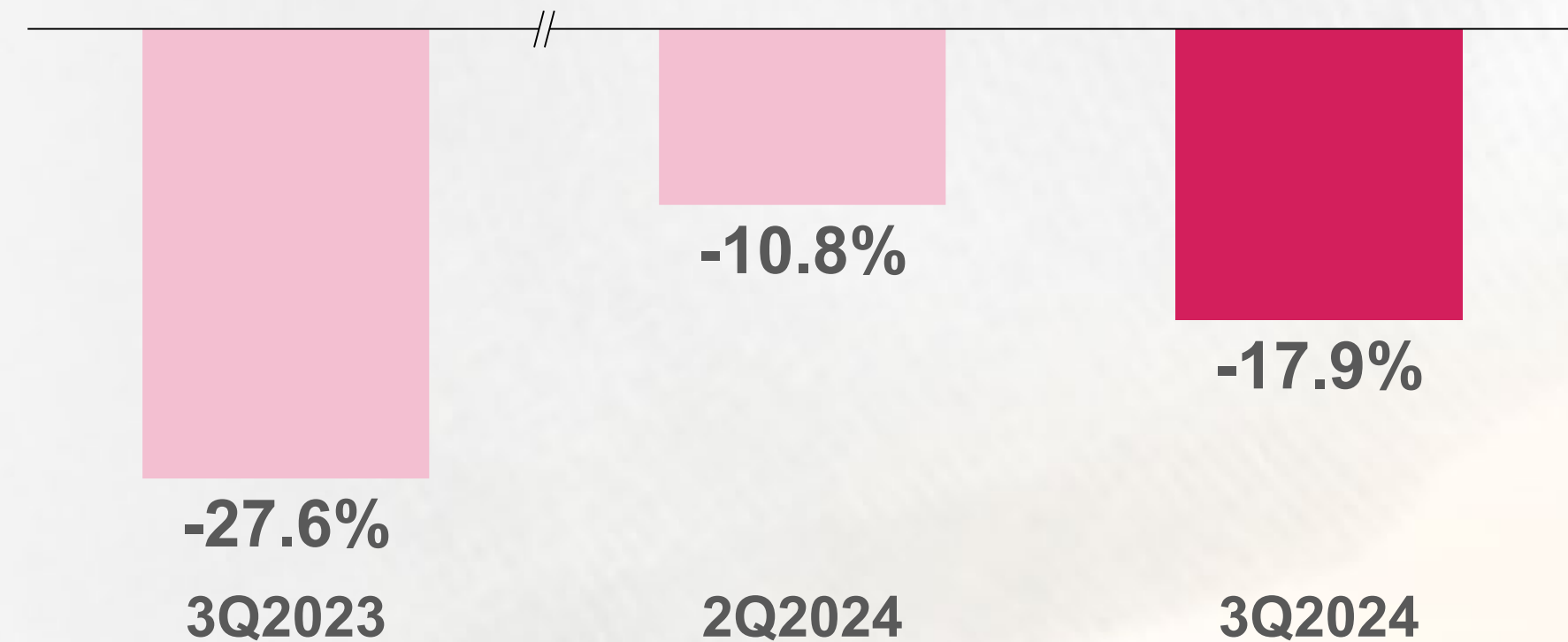


Net Loss

(RMB M)



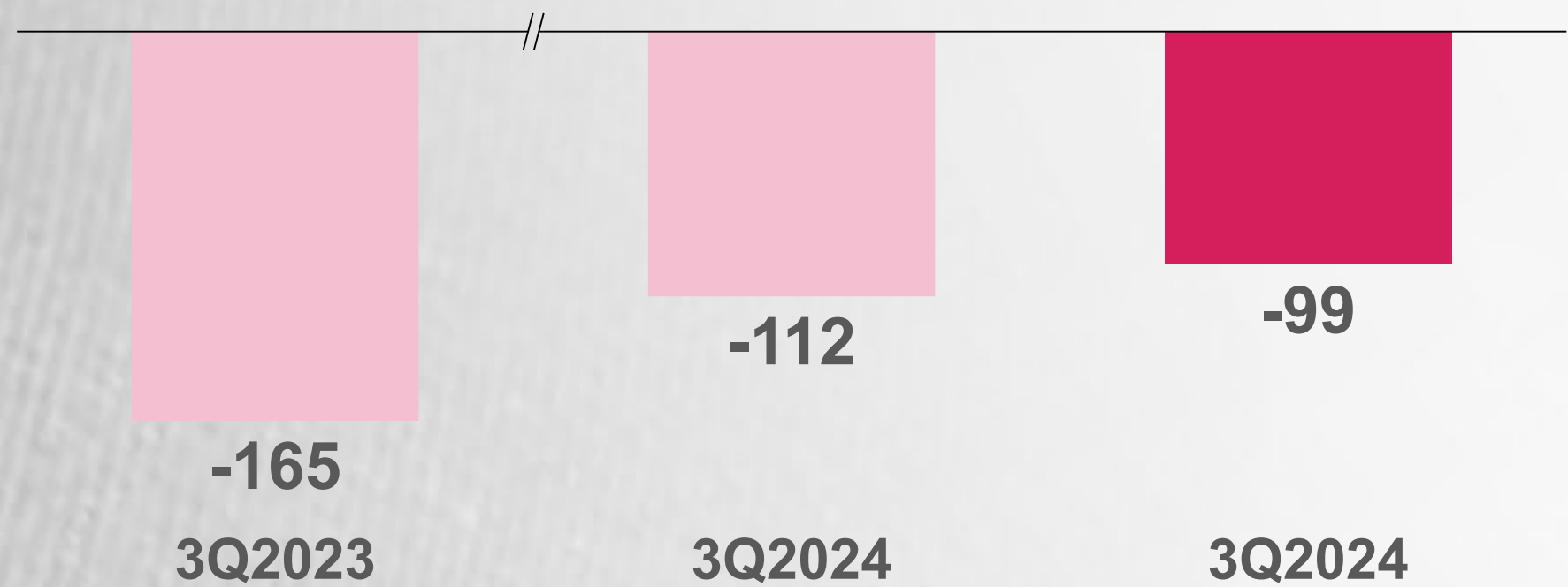
(As a Percentage of Revenues)



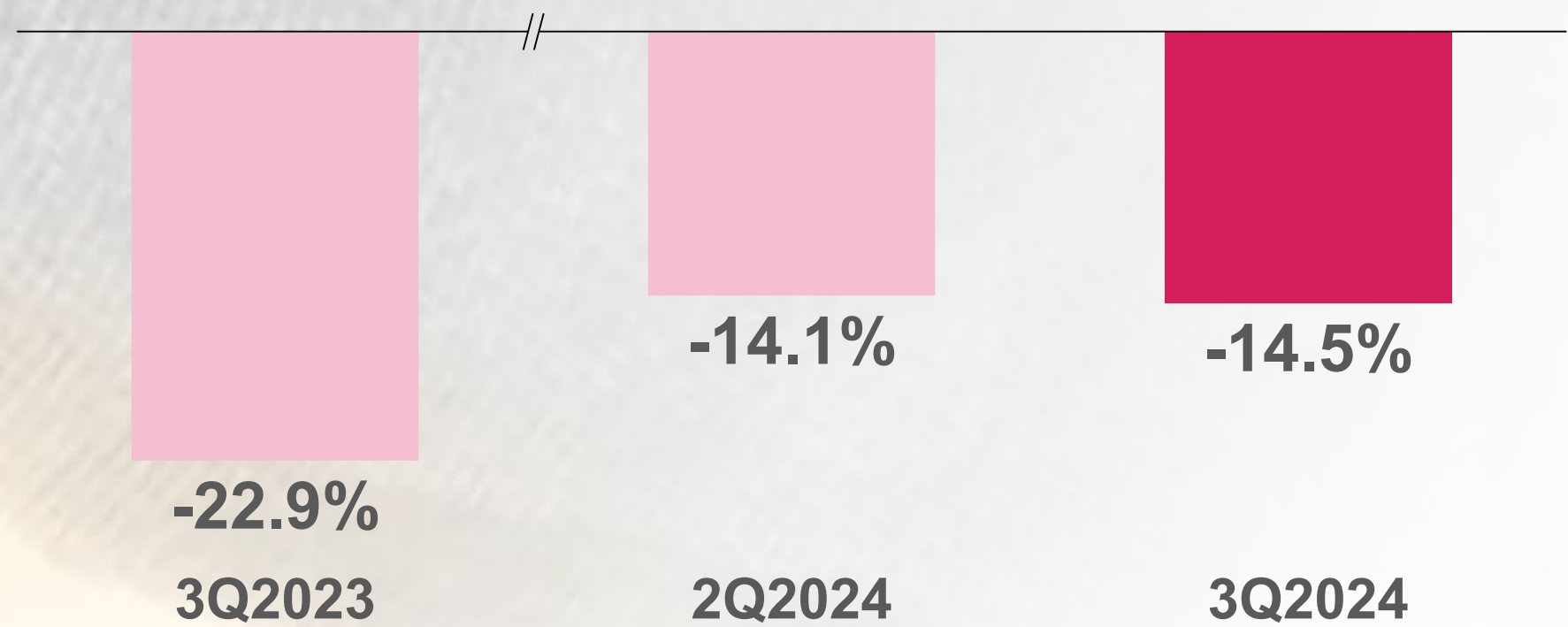
Non-GAAP Loss from Operations¹ and Non-GAAP Net Loss²

Non-GAAP Loss from Operations

(RMB M)

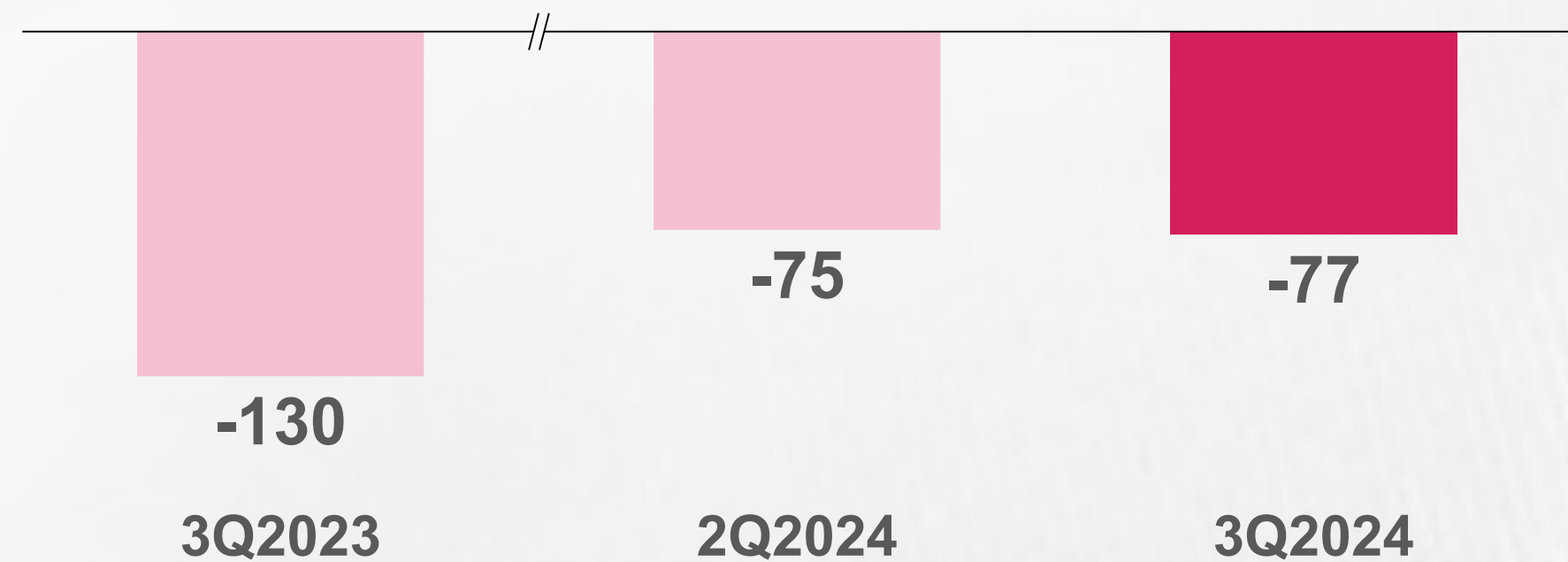


(As a Percentage of Revenues)

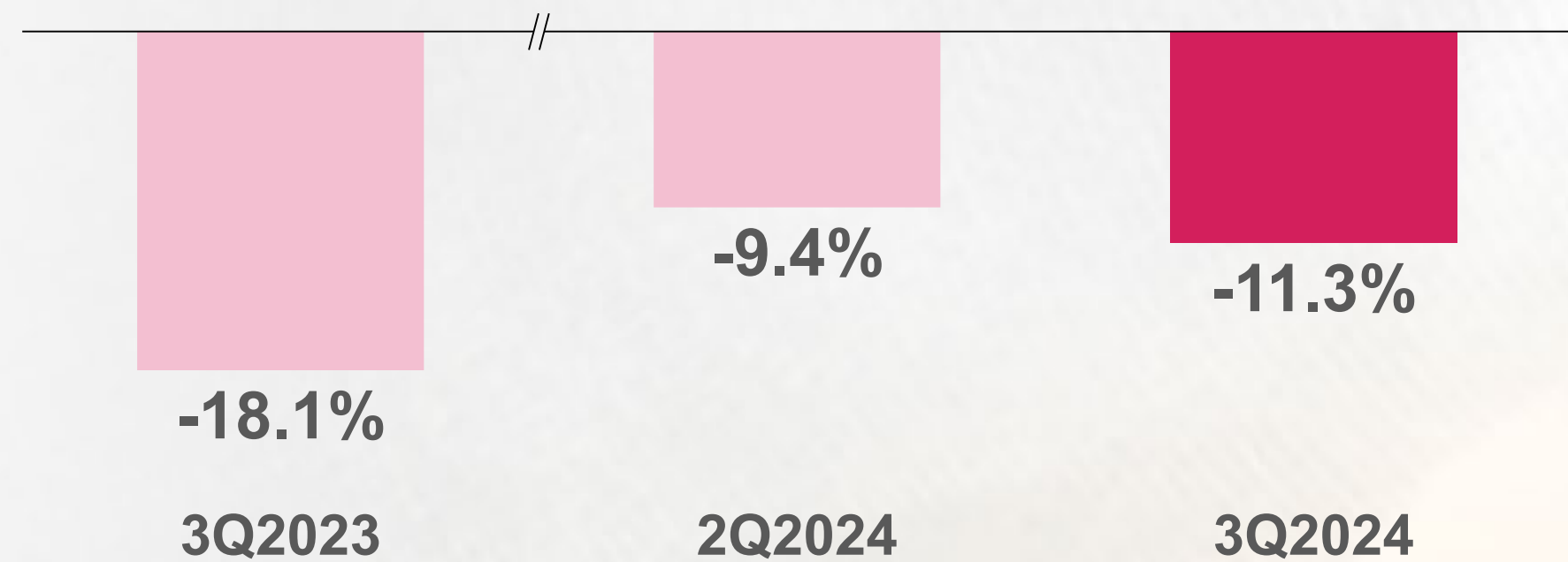


Non-GAAP Net Loss

(RMB M)



(As a Percentage of Revenues)



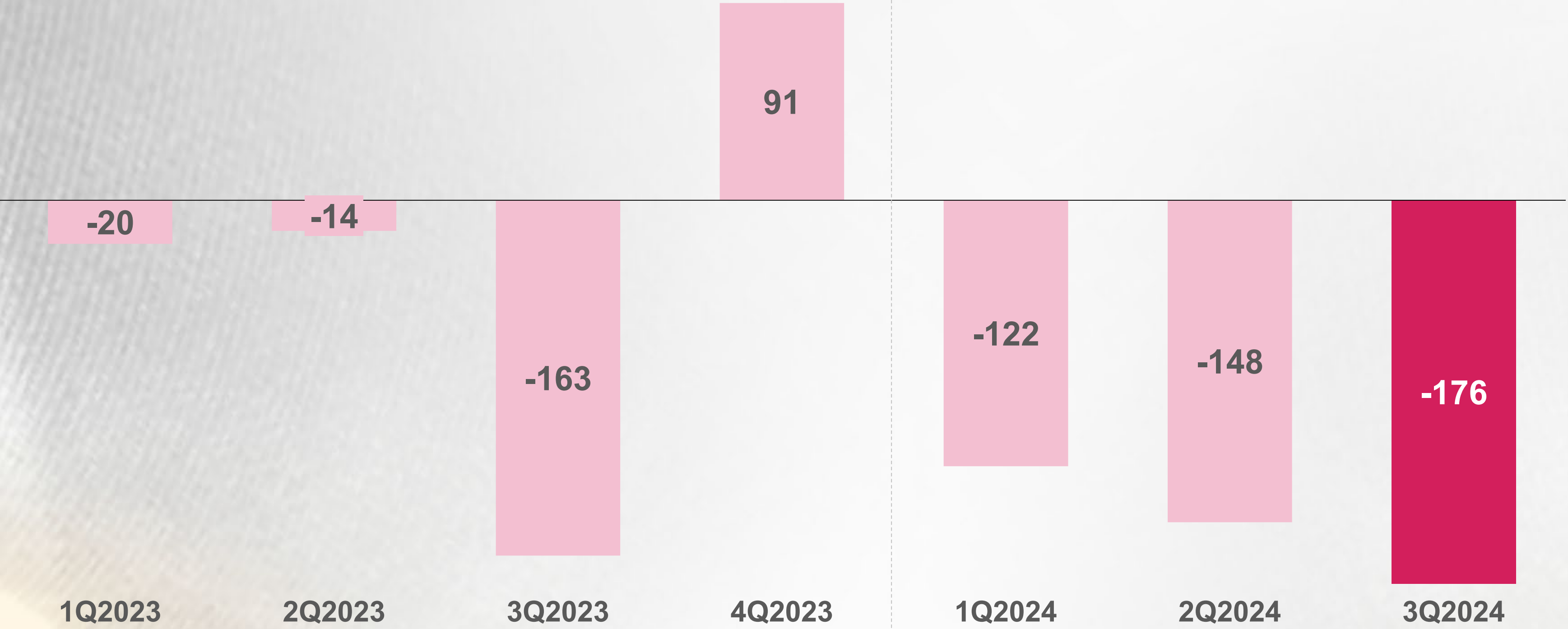
Notes:

¹ Non-GAAP loss from operations is a non-GAAP financial measure. Effective from the fourth quarter of 2023, non-GAAP loss from operations is defined as loss from operations excluding (i) share-based compensation expenses, (ii) amortization of intangible assets resulting from assets and business acquisitions and (iii) impairment of goodwill. Non-GAAP loss from operations for the prior year period presented in this document is also calculated in the same manner.

² Non-GAAP net loss is a non-GAAP financial measure. Effective from the fourth quarter of 2023, non-GAAP net loss is defined as net loss excluding (i) share-based compensation expenses, (ii) amortization of intangible assets resulting from assets and business acquisitions, (iii) revaluation of investments on the share of equity method investments, (iv) impairment of goodwill and (v) tax effects on non-GAAP adjustments. Non-GAAP net loss for the prior year period presented in this document is also calculated in the same manner.

Operating Cashflow

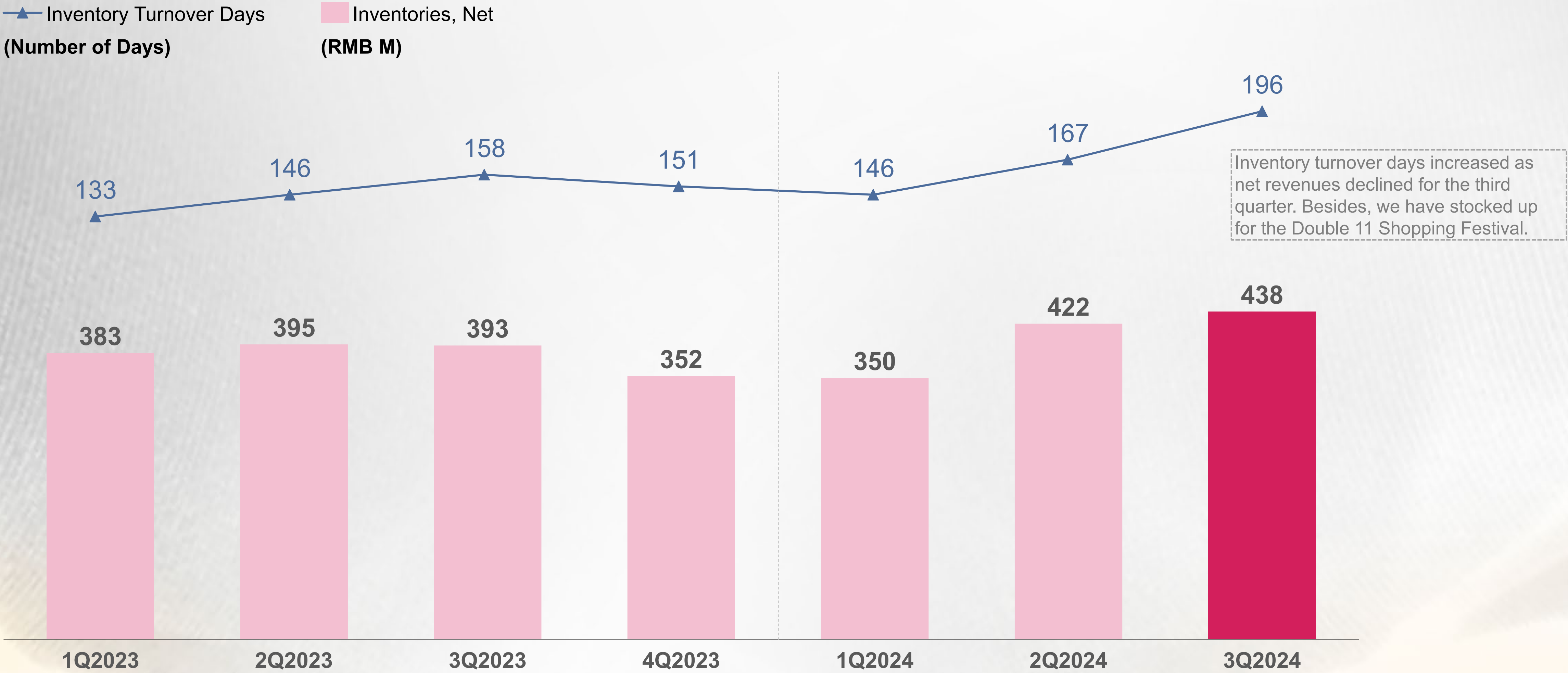
(RMB M)



Cash, Restricted Cash and
Short-term Investments¹
RMB 1.31B

Note:
¹ As of September 30, 2024

Inventory and Inventory Turnover Days¹



Note:
¹ Inventory turnover days for a given quarter are calculated by dividing the average inventory balance at the beginning and the end of the quarter by the cost of goods sold for the past four quarters, then multiplying by 365 days.

Thank You