

IR BOOK_(finance)

THE INVESTOR RELATIONS OF CLASSYS 2024

08 AUG 2024

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Financial Results



Cluederm

shurink® / SKEDERM

1.2Q24 Earnings

2.2024 Guidance

1. 2Q24 Earnings - Profit & Loss

((Unit: KRW Billion))

	2Q24	2Q23	YoY	1Q24	QoQ
Revenue	58.7	45.9	+28.0%	50.4	+16.6%
COGS	11.2	9.6	+17.2%	10.2	+10.3%
(%)	19.1%	20.9%	-1.8%p	20.2%	-1.1%p
Gross Profit	47.5	36.3	+30.8%	40.2	+18.2%
(%)	80.9%	79.1%	+1.8%p	79.8%	+1.1%p
SG&A	16.3	13.2	+23.9%	13.7	+19.2%
(%)	27.8%	28.7%	-0.9%p	27.2%	+0.6%p
Operating Profit	31.2	23.1	+34.8%	26.5	+17.7%
(%)	53.1%	50.4%	+2.7%p	52.6%	+0.5%p
Investment Income	0.3	-	-	-	-
Financial Income	4.9	2.0	+139.5%	6.5	-25.2%
Financial Expenses	0.5	0.5	+9.6%	0.6	-3.6%
Other Income	0.01	0.02	-33.3%	0.0004	+2400.0%
Other Expenses	1.2	0.1	+2333.3%	0.3	+258.7%
NI Before Income Tax	34.5	24.6	+40.2%	32.1	+7.6%
Income Tax Expenses	8.0	6.1	+30.8%	6.0	+32.7%
Net Income	26.6	18.6	+43.2%	26.1	+1.9%
(%)	45.3%	40.4%	+4.8%p	51.8%	-6.5%p
EBITDA	32.4	24.2	+34.0%	27.7	+17.1%
(%)	55.1%	52.7%	+2.5%p	54.9%	+0.2%p

	1H24	1H23	YoY
Revenue	109.1	84.9	+28.6%
COGS	21.4	18.3	+16.7%
(%)	19.6%	21.6%	-2.0%p
Gross Profit	87.7	66.5	+31.8%
(%)	80.4%	78.4%	+2.0%p
SG&A	30.0	23.5	+27.8%
(%)	27.5%	27.7%	-0.2%p
Operating Profit	57.7	43.0	+34.1%
(%)	52.9%	50.7%	+2.2%p
Investment Income	0.3	-	-
Financial Income	11.3	6.4	+76.6%
Financial Expenses	1.1	1.6	-33.2%
Other Income	0.01	0.02	-35.0%
Other Expenses	1.6	0.1	+2459.7%
NI Before Income Tax	66.6	47.8	+39.5%
Income Tax Expenses	14.0	10.4	+33.7%
Net Income	52.7	37.3	+41.1%
(%)	48.3%	44.0%	+9.7%p
EBITDA	60.1	45.1	+33.3%
(%)	55.0%	53.1%	+3.7%p

- **Revenue: KRW 58.7 bn** (YoY +28.0%, QoQ +16.6%)
 - Record high quarterly revenue
 - Devices, consumables, and homecare sales all grew YoY

- **GPM 80.9%** (YoY +1.8%p, QoQ +1.1%p)
 - Significant rise in high-profit device sales and cost reductions through Lean Process, Positive exchange rate effects
 - Ultraformer devices sales accounted for 35% of the total for Q2, up by 26% QoQ
 - Volnewmer sales increased in Q2 from the previous quarter

- **OPM 53.1%**(YoY +2.7%p, QoQ +0.5%p)
 - Record high quarterly operating profit
 - One-off increase in commissions paid, but advertisement expenses deferred to 2nd half of this year

- **NI: KRW 26.6 bn**(YoY +43.2%, QoQ +1.9%)
 - Equity method income related to Ilooda
 - Favorable changes in financial income/expenses due to FX fluctuations

- **EBITDA Margin: 55.1%** (YoY +2.5%p, QoQ +0.2%p)

1. 2Q24 Earnings - Sales by Brand

((Unit: KRW Billion))

	2Q24	2Q23	YoY	1Q24	QoQ
CLASSYS (Medical Devices)	29.9	22.0	+36.1%	20.8	+43.5%
Export	23.3	16.3	+42.9%	14.3	+62.9%
Domestic	6.6	5.7	+16.7%	6.5	+0.8%
CLUEDERM (Aesthetics Devices)	1.0	1.5	-35.1%	1.4	-29.5%
Export	0.9	1.4	-33.5%	1.3	-30.2%
Domestic	0.1	0.1	-52.8%	0.1	-15.7%
Consumables (Classys & Cluederm)	26.1	21.8	+19.8%	26.4	-1.2%
Export	15.5	13.5	+14.6%	17.3	-10.5%
Domestic	10.6	8.3	+28.2%	9.1	+16.5%
ShurinkRX/SKEDERM (Homecare Products)	1.5	0.2	+527.1%	1.4	+8.0%
Export	0.6	0.0	+1731.3%	0.7	-16.2%
Domestic	0.9	0.2	+341.8%	0.7	+32.0%
Rentals	0.3	0.4	-32.8%	0.3	-9.6%
Total	58.7	45.9	+28.0%	50.3	+16.7%
Export	40.3	31.3	+29.0%	33.6	+19.8%
Domestic	18.4	14.6	+25.9%	16.7	+10.4%

	1H24	1H23	YoY
	50.7	40.3	+25.9%
	37.6	28.8	+30.7%
	13.1	11.5	+13.7%
	2.4	2.7	-10.9%
	2.3	2.4	-7.1%
	0.1	0.3	-48.6%
	52.5	40.5	+29.7%
	32.8	24.0	+36.7%
	19.7	16.5	+19.6%
	2.9	0.5	+461.4%
	1.3	0.1	+1242.7%
	1.6	0.4	+283.9%
	0.6	0.9	-37.1%
	109.1	84.9	+28.5%
	73.9	55.3	+33.7%
	35.1	29.6	+18.8%

❑ **CLASSYS: KRW 29.9 bn / 50.9% of Revenue**

- Export: Strong sales of new products, Ultraformer MPT and Volnewmer
- Domestic: Steady sales growth of Shurink Universe and Volnewmer

❑ **CLUEDERM: KRW 1.0 bn / 1.7% of Revenue**

❑ **Consumables: KRW 26.1 bn / 44.4% of Revenue**

- Export: Increased demand primarily for new products Ultraformer MPT and Volnewmer
- Domestic: Expanded procedures with Shurink Universe and increased sales of Volnewmer consumables, achieving nine consecutive quarters of growth and setting a record for quarterly consumable sales

❑ **Shurink rx/SKEDERM: KRW 1.5 bn / 2.6% of Revenue**

- Exports: Sales growth in lifting patches destined for China
- Domestic: Continued stable sales of Volium devices

❑ **Rentals: KRW 0.3 bn / 0.5% of Revenue**

1. 2Q24 Earnings - SG&A

((Unit: KRW Billion))

	2Q24	2Q23	YoY	1Q24	QoQ	1H24	1H23	YoY
Salaries	2.9	2.4	+17.6%	2.7	+4.2%	5.6	4.6	+21.1%
(% of sales)	4.9%	5.3%		5.5%		5.1%	5.5%	
R&D	2.8	2.3	+23.7%	2.8	+0.9%	5.6	4.4	+27.9%
(% of sales)	4.8%	5.0%		5.6%		5.2%	5.2%	
Advertisement	2.5	3.7	-32.1%	2.2	+13.0%	4.7	5.0	-5.5%
(% of sales)	4.3%	8.1%		4.4%		4.3%	5.9%	
Commissions	3.2	1.0	+203.4%	1.7	+86.7%	4.9	2.8	+72.9%
(% of sales)	5.4%	2.3%		3.4%		4.5%	3.3%	
Sales Commission	1.2	0.7	+56.0%	0.8	+45.9%	2.0	1.3	+48.3%
(% of sales)	2.0%	1.6%		1.6%		1.8%	1.6%	
Depreciation/Amortization	0.7	0.5	+25.4%	0.6	+2.3%	1.2	0.9	+27.7%
(% of sales)	1.0%	1.0%		1.1%		1.1%	1.1%	
Employee Benefits	0.5	0.3	+78.8%	0.3	+95.7%	0.8	0.5	+53.1%
(% of sales)	0.9%	0.7%		0.6%		0.8%	0.6%	
Warranty Expenses	0.3	0.3	+4.1%	0.1	+151.5%	0.5	0.4	+21.1%
(% of sales)	0.6%	0.7%		0.3%		0.4%	0.5%	
Others	2.2	1.8	+24.4%	2.4	-4.8%	4.8	3.5	+37.3%
(% of sales)	4.0%	4.1%		4.8%		4.4%	4.1%	
Total	16.3	13.2	+23.9%	13.7	+19.2%	30.0	23.5	+27.8%
(% of sales)	27.8%	28.7%		27.2%		27.5%	27.7%	

- ❑ **Salaries: KRW 2.9 bn / 4.9% of Revenue**
(YoY +17.6%, QoQ +4.2%)
- ❑ Employees: 399 persons as of Q2-end, 391 persons as of Q1-end
- ❑ **R&D: KRW 2.8 bn / 4.8% of Revenue**
(YoY +23.7%, QoQ +0.9%)
 - Approval costs in the US and China are being assetized
- ❑ **Advertisement: KRW 2.5 bn / 4.3% of Revenue**
(YoY -32.1%, QoQ +13.0%)
 - Participated in overseas exhibitions in various countries and hosted new product launch symposia
 - Advertisement expenses deferred to 2H because the domestic advertisement model for Volnewmer was selected in June
- ❑ **Commissions paid: KRW 3.2 bn / 5.4% of Revenue**
(YoY +203.4%, QoQ +86.7%)
 - Increase in one-time costs compared to Q1 2023 (consulting for US market entry, advisory fees for the merger with Ilooda)

1. 2Q24 Earnings - BS

((Unit: KRW Billion))

	2021	2022	2023	2Q24
Assets				
Current Assets	73.1	147.8	185.7	187.1
Cash & Cash Equivalents*	47.9	111.6	136.9	133.6
Inventories	16.5	23.4	19.4	17.9
AR and Other Receivables	2.1	8.0	17.7	31.8
Non-Current Assets	143.2	183.6	189.7	231.4
P.P.E.	80.7	104.2	139.0	143.4
Invested Properties	58.4	74.7	41.1	36.2
Investments in Affiliates	-	-	-	39.1
Total Assets	216.3	331.4	375.4	418.5
Liabilities				
Current Liabilities	16.8	36.2	29.2	93.1
Non-Current Liabilities	35.8	65.6	62.7	0.5
Total Liabilities	52.6	101.8	91.9	93.6
Equity				
Capital Stock	6.5	6.5	6.5	6.5
Retained Earnings	133.1	204.2	271.0	290.9
Total Equity	163.7	229.6	283.5	324.9
Total Liabilities + Equity	216.3	331.4	375.4	418.5

Current Assets: KRW 187.1 bn

- Cash & Cash Equivalents – KRW 12.8 bn in dividends paid and KRW 32.5 bn in payment for the remaining balance for the Ilooda investment in Q2
- Inventories – Maintained at appropriate levels through S&OP and Process
- Accounts Receivable – Grew thanks to increased sales in Brazil and Thailand
 - AR in Brazil slated for securitization on July 23

Non-Current Assets: KRW 231.4 bn

- PPE – for self-use
- investment property – for rental use
- Investments in Affiliates : equity investment in Ilooda
 - Merger agreement signed with Ilooda on June 25, and merger effective as of October 1

Current Liabilities: KRW 93.1 bn

- Short-Term Borrowings: KRW 63.2 bn (reclassified according to remaining maturity)
- Income Tax Liabilities: KRW 12.5 bn

Non-Current Liabilities: KRW 0.5 bn

Total Equity: KRW 324.9 bn

Note: Cash & Cash Equivalents is the sum of cash and cash equivalents, short-term financial instruments, and financial assets at fair value through profit or loss (FVPL)

2. 2024 Guidance



- Increasing Global Market Presence of Ultraformer MPT**

 - *Maintain #1 M/S, installed base position of HIFU line*
 - *Target for HIFU line installed base: 5,700 units domestically, 12,500 units overseas*
- Successful Global Launching of Volnewmer**

 - *Leading RF market in Top 10 countries*
 - *Promoting sales in Hong Kong, Japan, Thailand, Brazil, CIS, Indonesia*
 - *Obtaining sales license and holding launch symposiums in Brazil, Taiwan, CIS, and Australia*
- Further expanding domestic market dominance**

 - *Creating HIFU procedure trends and boosting Consumable Sales*
 - *Targeting sales of Volnewmer 700 devices cumulatively and KRW 10 bn consumables*
- Accelerating New Product R&D**

 - *Next-Generation HIFU, RF lines*
 - *New Products (other EBDs and beauty care platforms)*
- Expediting Approvals in Major Markets**

 - *Targeting FDA and NMPA approval in 2025 and 2026*
 - *Accelerating approval processes in European markets*
- Establishing World-class Smart Infrastructure**

 - *Establishing global standard production infrastructure*
 - *Enhancing advanced development-production-management system for refined product quality*



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