



IR BOOK

THE INVESTOR RELATIONS OF CLASSYS 2023

Medical Aesthetics Devices Manufacture
KOSDAQ 214150

Aug. 11. 2023

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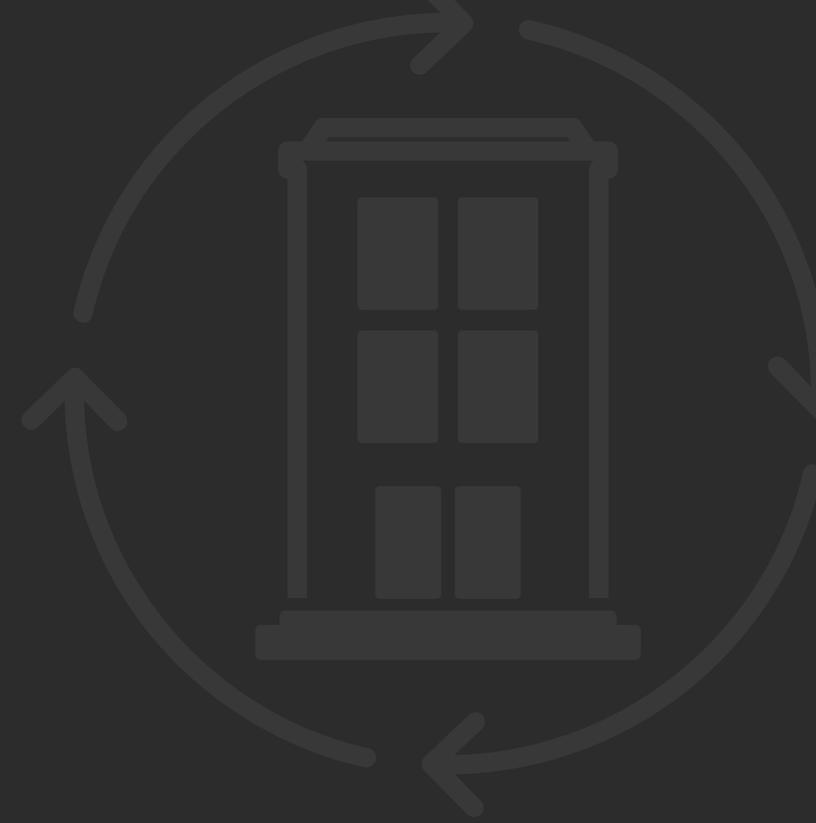
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I 2Q23 Financial Results

1. 2Q23 Earnings
2. Quarterly Performance Trends

Profit & Loss- 2Q23

[Unit: KRW Billion]

	2Q23	1Q23	QoQ	2Q22	YoY
Sales	45.9	39.0	+18%	32.7	+40%
COGS	9.6	8.8	+9%	8.3	+16%
Gross profit	36.3	30.2	+20%	24.4	+49%
(%)	(79.1%)	(77.5%)	(+1.6%p)	(74.7%)	(+4.5%p)
SG&A	13.2	10.3	+28%	9.1	+44%
Operating profit	23.1	19.9	+16%	15.3	+52%
(%)	(50.4%)	(51.0%)	(-0.6%p)	(46.7%)	(+3.7%p)
Net profit before tax	24.7	23.1	+7%	17.5	+41%
Net current profit	18.6	18.8	-1%	13.8	+34%
(%)	(40.4%)	(48.2%)	(-7.7%p)	(42.2%)	(-1.8%p)

	1H23	1H22	YoY
Sales	84.9	68.1	+25%
COGS	18.3	17.1	+7%
Gross profit	66.5	51.0	+31%
(%)	(78.4%)	(74.9%)	(+3.5%p)
SG&A	23.5	19.0	+24%
Operating profit	43.0	32.0	+35%
(%)	(50.7%)	(47.0%)	(+3.7%p)
Net profit before tax	47.8	34.2	+40%
Net current profit	37.3	26.6	+40%
(%)	(44.0%)	(39.1%)	(+4.9%p)

“Highest Quarterly sales and OP in 2Q23”

- **Sales KRW 45.9 bn (+40% YoY, +18% QoQ)**
: Continued increase in consumables sales in domestic and devices/consumables sales growth overseas, achieve the highest quarterly sales
- **Gross profit KRW 36.3 bn, GPM 79% (+49% YoY, +20% QoQ)**
: Increased share of consumables in domestic and overseas led to YoY +4.5%p rise in gross profit margin (consumables share 2Q22 37% → 2Q23 47%)
- **Operating profit KRW 23.1 bn, OPM 50% (+52% YoY, +16% QoQ)**
: Despite increase in advertising, R&D expenses, sales growth improved profitability
- **Net current profit KRW 18.6 bn, NPM 40% (+34% YoY, -1% QoQ)**
: Interest gain/loss increased KRW 1.4 bn YoY, FX translation gain/loss decreased KRW 2.0 bn won YoY

Note 1) On a consolidated basis

Sales by brand- 2Q23

[Unit: KRW Billion]

	2Q23	1Q23	QoQ	2Q22	YoY	1H23	1H22	QoQ
CLASSYS (medical Devices)	22.0	18.4	+20%	17.1	+28%	40.3	37.6	+7%
Export	16.3	12.5	+31%	9.4	+73%	28.8	18.1	+59%
Domestic	5.7	5.9	-4%	7.8	-28%	11.5	19.6	-41%
CLUEDERM (Aesthetics Devices)	1.5	1.2	+31%	2.3	-33%	2.7	4.3	-37%
Export	1.4	1.0	+35%	2.1	-33%	2.4	4.0	-39%
Domestic	0.1	0.1	-1%	0.2	-38%	0.3	0.3	-16%
Consumables	21.8	18.7	+17%	12.0	+81%	40.5	23.8	+70%
Export	13.5	10.5	+29%	7.5	+80%	24.0	15.8	+52%
Domestic	8.3	8.2	+1%	4.4	+88%	16.5	7.9	+109%
SKEDERM (Homecare products)	0.2	0.3	-13%	0.7	-66%	0.5	1.3	-60%
Export	0.03	0.1	-50%	0.5	-93%	0.1	0.8	-88%
Domestic	0.2	0.2	-2%	0.2	-13%	0.4	0.4	-6%
Others (Rent)	0.4	0.5	-20%	0.6	-35%	0.9	1.1	-20%
Total	45.9	39.0	+18%	32.7	+40%	84.9	68.1	+25%
Export	31.3	24.0	+30%	19.5	+61%	55.3	38.7	+43%
Domestic	14.6	14.9	-2%	13.2	+11%	29.6	29.4	+1%

- **CLASSYS KRW 22 bn / 48% of sales**
 - : **Export**
 - continued stable sales of Ultraformer 3(Shurink) & booming sales of Ultraformer MPT(Shurink Universe)
 - High growth primarily in Brazil, Thailand, CIS
 - : **Domestic**
 - Stable sales of Ultraformer MPT and Volnewmer on track
- **Consumables KRW 21.8 bn / 47% of sales**
 - : **Export**
 - Growth of consumables sales continued on the heels of increased cumulative sales of Ultraformer 3 & Ultraformer MPT
 - : **Domestic**
 - Continued increase in cartridge order by sustained demands for Shurink Universe procedures
- **CLUEDERM KRW 1.5 bn / 3% of sales**
- **SKEDERM KRW 0.2 bn / 1% of sales**
- **Others KRW 0.4 bn / 1% of sales**

Note1) On a consolidated basis

SG&A- 2Q23

[Unit: KRW Billion]

	2Q23	1Q23	QoQ	2Q22	YoY
Salaries	2.4	2.2	+11%	2.5	-4%
(% of sales)	5.3%	5.6%		7.8%	
Advertising	3.7	1.3	+181%	2.0	+85%
(% of sales)	8.1%	3.4%		6.1%	
R&D	2.3	2.1	+8%	1.0	+124%
(% of sales)	5.0%	5.4%		3.1%	
Commissions	1.0	1.8	-41%	1.0	+3%
(% of sales)	2.3%	4.5%		3.1%	
Sales commission	0.7	0.6	+29%	1.0	-26%
(% of sales)	1.6%	1.5%		3.1%	
Fringe benefits	0.3	0.2	+31%	0.3	+14%
(% of sales)	0.7%	0.6%		0.8%	
Depreciation	0.5	0.4	+7%	0.4	+25%
(% of sales)	1.0%	1.1%		1.1%	
Warranty expenses	0.3	0.1	+396%	0.2	+37%
(% of sales)	0.7%	0.2%		0.7%	
Misc.	1.9	1.6	+16%	0.7	+170%
(% of sales)	4.1%	4.1%		2.1%	
Total	13.2	10.3	+28%	9.1	+44%
(% of sales)	28.7%	26.5%		28.0%	

	1H23	1H22	QoQ
	4.6	5.1	-9%
	5.5%	7.5%	
	5.0	3.6	+39%
	5.9%	5.3%	
	4.4	2.1	+108%
	5.2%	3.1%	
	2.8	2.0	+44%
	3.3%	2.9%	
	1.3	2.7	-51%
	1.6%	4.0%	
	0.5	0.7	-25%
	0.6%	1.1%	
	0.9	0.7	+21%
	1.1%	1.1%	
	0.4	0.4	-12%
	0.5%	0.6%	
	3.5	1.6	+112%
	4.1%	2.4%	
	23.5	19.0	24%
	27.7%	27.9%	

- **Salaries KRW 2.4 bn / 5.3% of sales**
(-4% YoY, +11% QoQ)
- **Advertising KRW 3.7 bn / 8.1% of sales**
(+85% YoY, +181% QoQ)
 - TVCF from end of March to end of May '23 (Shurink universe & Volnewmer)
 - Proactive B2B marketing activities including User Meetings and global exhibitions (large-scale user meetings in Brazil in April & in Thailand in June)
- **R&D KRW 2.3 bn / 5.0% of sales**
(+124% YoY, +8% QoQ)
 - YoY increase due to - YoY increase due to proactive global clinical and approval, R&D to expand indications and the next version of HIFU/RF device
- **Commissions KRW 1.0 Bn / 2.3% of sales**
(+3% YoY, -41% QoQ)
- **Sales commission KRW 0.7 bn / 1.6% of sales**
(-26% YoY, +29% QoQ)
 - depends on the domestic sales of Volnewmer & Shurink Universe devices

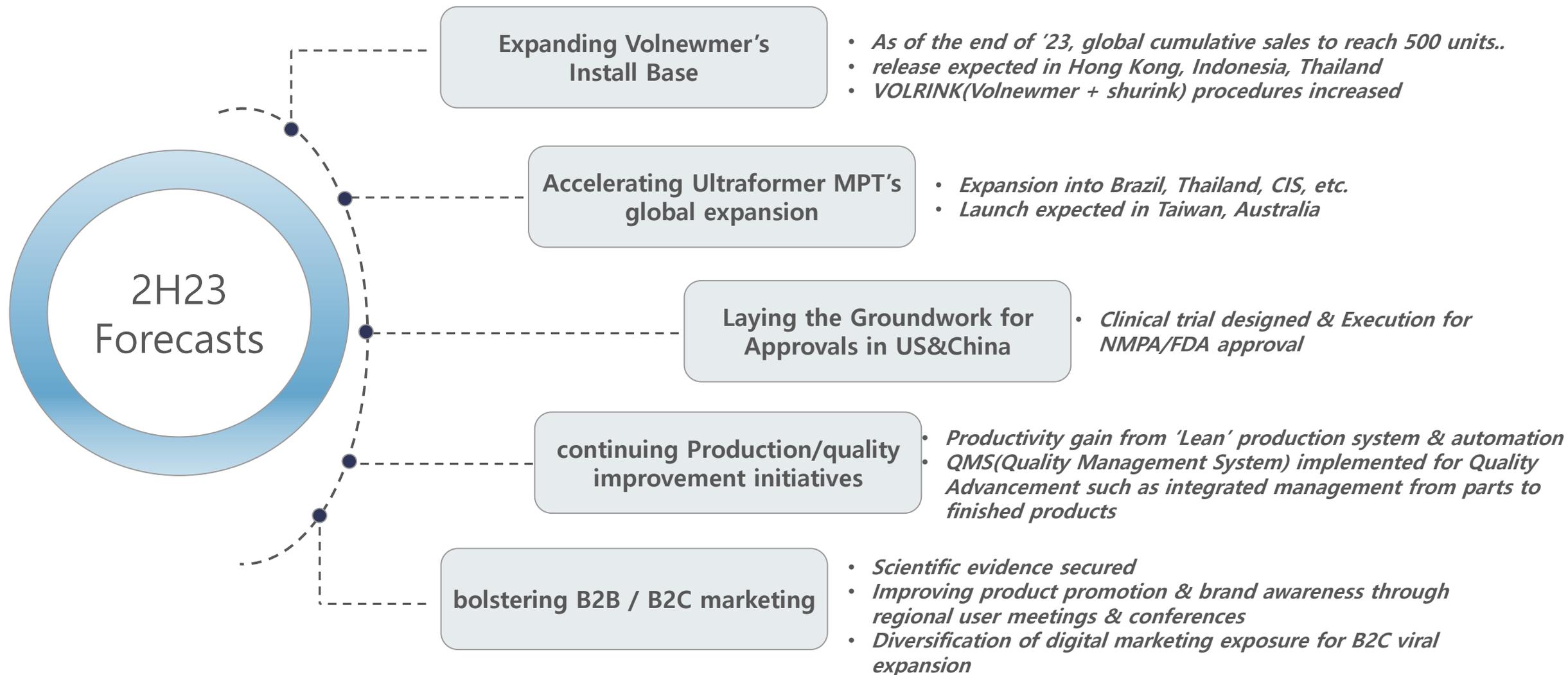
Financial Status- 2Q23

[Unit: KRW Billion]

		2020	2021	2022	2Q23
Assets					
	Current assets	83.0	73.1	147.8	171.3
	Cash & cash equivalents	67.6	47.9	111.6	130.8
	Inventories	9.9	16.5	23.4	22.4
	Accounts receivables	3.5	2.1	8.0	13.7
	Non-current assets	54.5	143.2	183.6	188.2
	P,P.E	50.1	80.7	104.2	121.9
	Invested properties	1.8	58.4	74.7	57.6
Assets total		137.5	216.3	331.4	359.5
Liabilities					
	Current liabilities	13.4	16.8	36.2	34.8
	Non-current liabilities	0.3	35.8	65.6	64.7
Liabilities total		13.7	52.6	101.8	99.6
Equity					
	Retained earnings	93.2	133.1	204.2	234.1
Equity total		123.8	163.7	229.6	260.0
Liabilities + Equity		137.5	216.3	331.4	359.5

- **Current assets KRW 171.3 bn**
 - Cash & cash equivalents KRW 130.8 bn: increased on the heels of buoyant sales
 - Inventory KRW 22.4 bn: adequate inventory criteria defined & managed
 - Trade receivables KRW 13.7 bn: trade receivables increased by rise in sales
- **Non-current assets KRW 188.2 bn**
 - Tangible assets KRW 121.9 bn: HQ, Munjeong Plant 1, Misa Plant 2
 - Invested properties KRW 57.6 bn: some floors rented on HQ
- **Current liabilities KRW 34.8 bn**
 - current income tax liabilities KRW 17.5 bn, accrued expense KRW 4.0 bn, advance payment KRW 3.8 bn
- **Non-current liabilities KRW 64.7 bn**
 - Borrowings KRW 63.8 bn
- **Equity KRW 260 bn**
 - Retained earnings KRW 234.1 bn

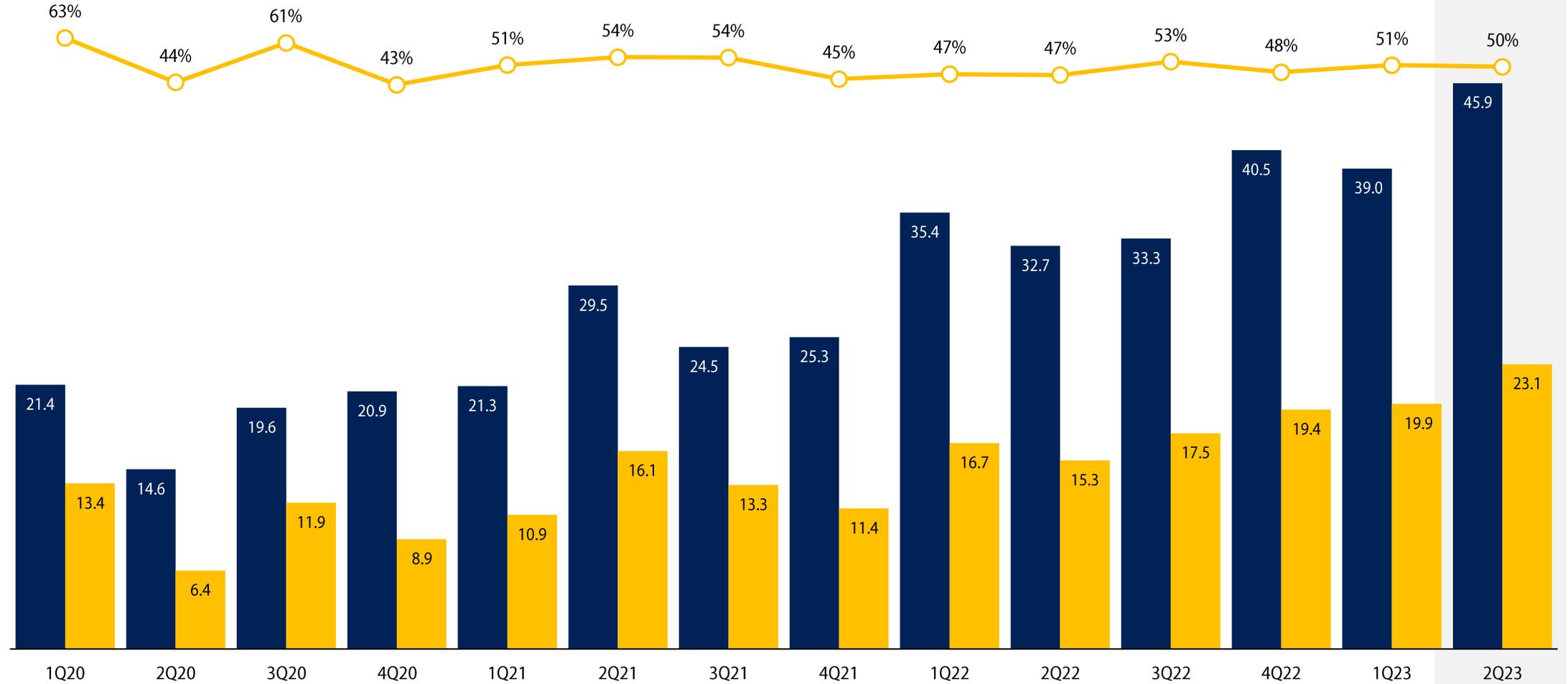
2H23 Key Forecasts



PL Trend (by q'tr)

[Unit: KRW Billion]

■ Sales ■ OP ○ OPM

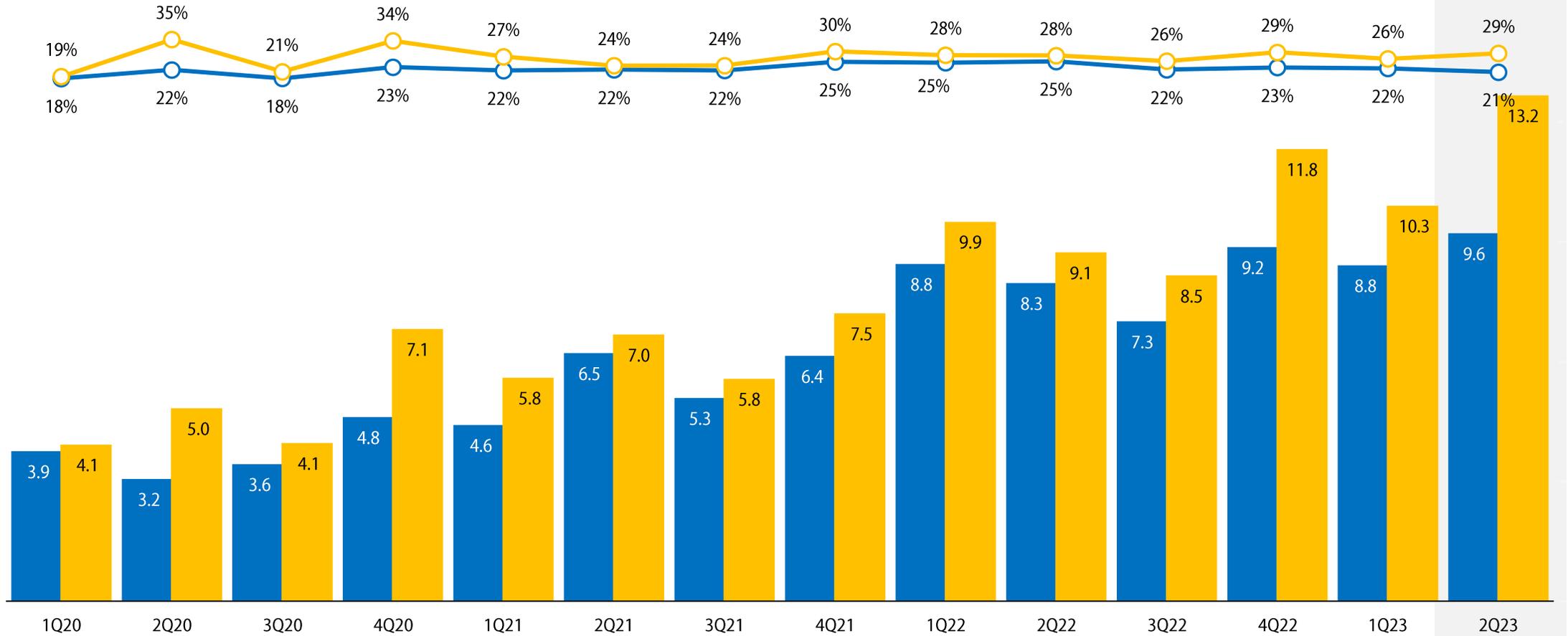


Note 1) On a consolidated basis

Cost Trends (by q'tr)

[Unit: KRW Billion]

■ COGS ■ SG&A ○ COGS % ○ SG&A %



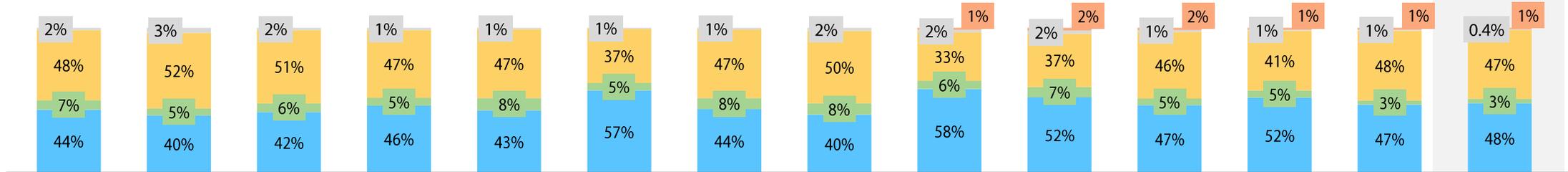
Note 1) On a consolidated basis

Sales Trends by Brand (by q'tr)

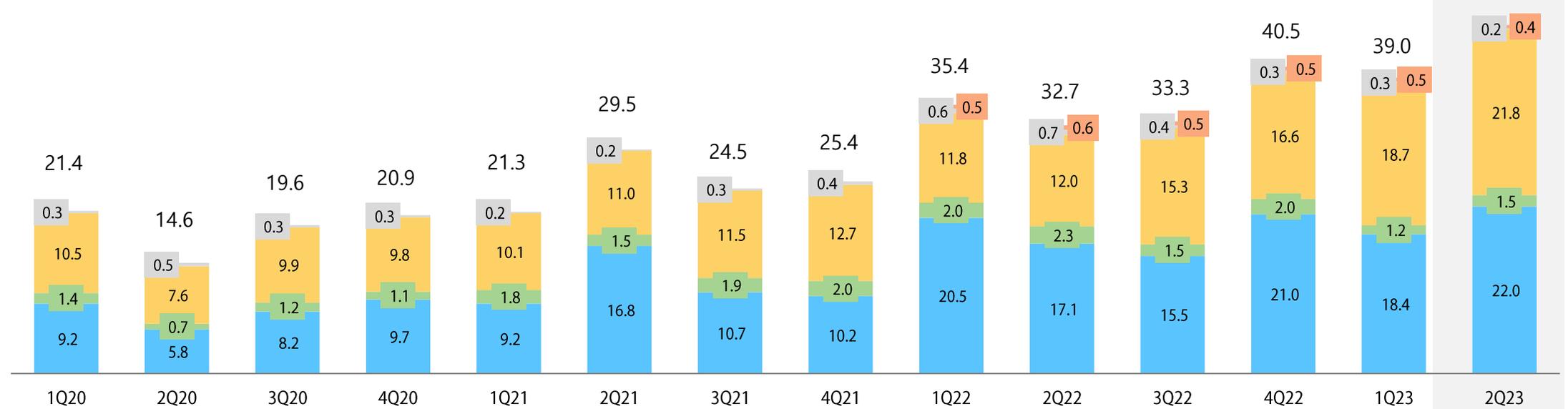
[Unit: KRW Billion]

CLASSYS CLUEDERM Consumables SKEDERM Others

▪ % of sales



▪ Q'trly sales by brand



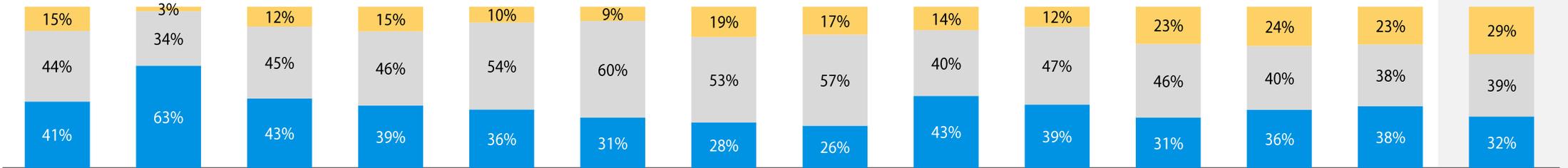
Note 1) On a consolidated basis

Regional Sales Trends (by q'tr)

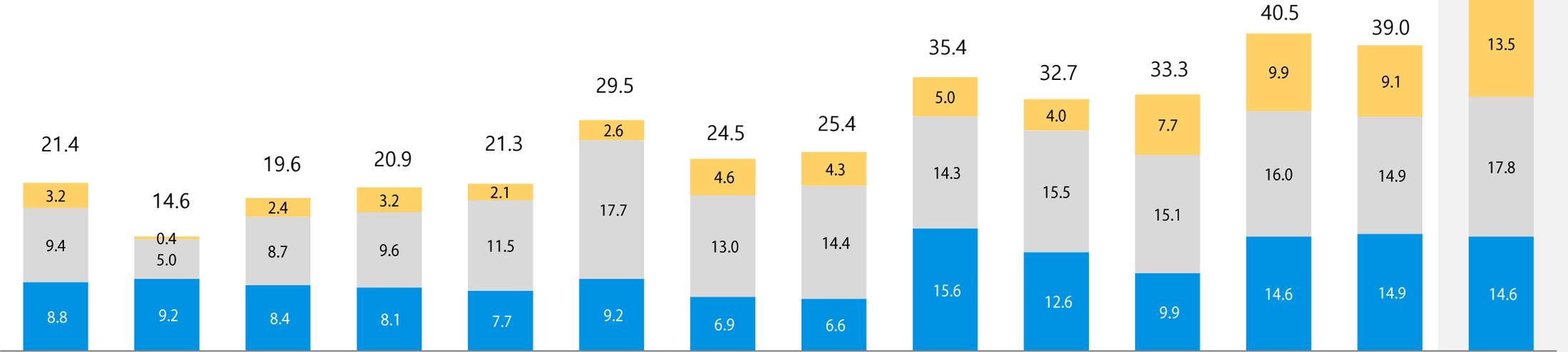
[Unit: KRW Billion]

■ Domestic ■ Export (except Brazil) ■ Brazil

▪ % of sales



▪ Q'trly sales by region



W/\$	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23
W/\$	1,195	1,220	1,188	1,116	1,115	1,121	1,157	1,183	1,205	1,260	1,338	1,359	1,276	1,315

Note 1) On a consolidated basis
 Note 2) W/\$ is the average over the period

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5. Regional Portfolio

1. Key Figures

Sales growth

5Y CAGR **32%**
(1H23, KRW 84.9bn, YoY +25%)



Export Portion

68% (As of 1H23)
Export to 60 countries /
Secured approvals in 27 countries



Consumables sales growth

5Y CAGR **43%**
(1H23, KRW 40.5bn, YoY +70%
consumables portion 48%)



Ultraformer cumul. sales/
annual procedures (est.)

Over 13K unit.
3.3M cases
(Global)



EBITDA growth

5Y CAGR **46%**
(1H23, EBITDA KRW 45.1bn, YoY +33%
EBITDA Margin **53%**)



Financial market valuation

Market cap around KRW 2 tril
KOSDAQ Global Segment included
ESG Rating B+ (By KCGS)

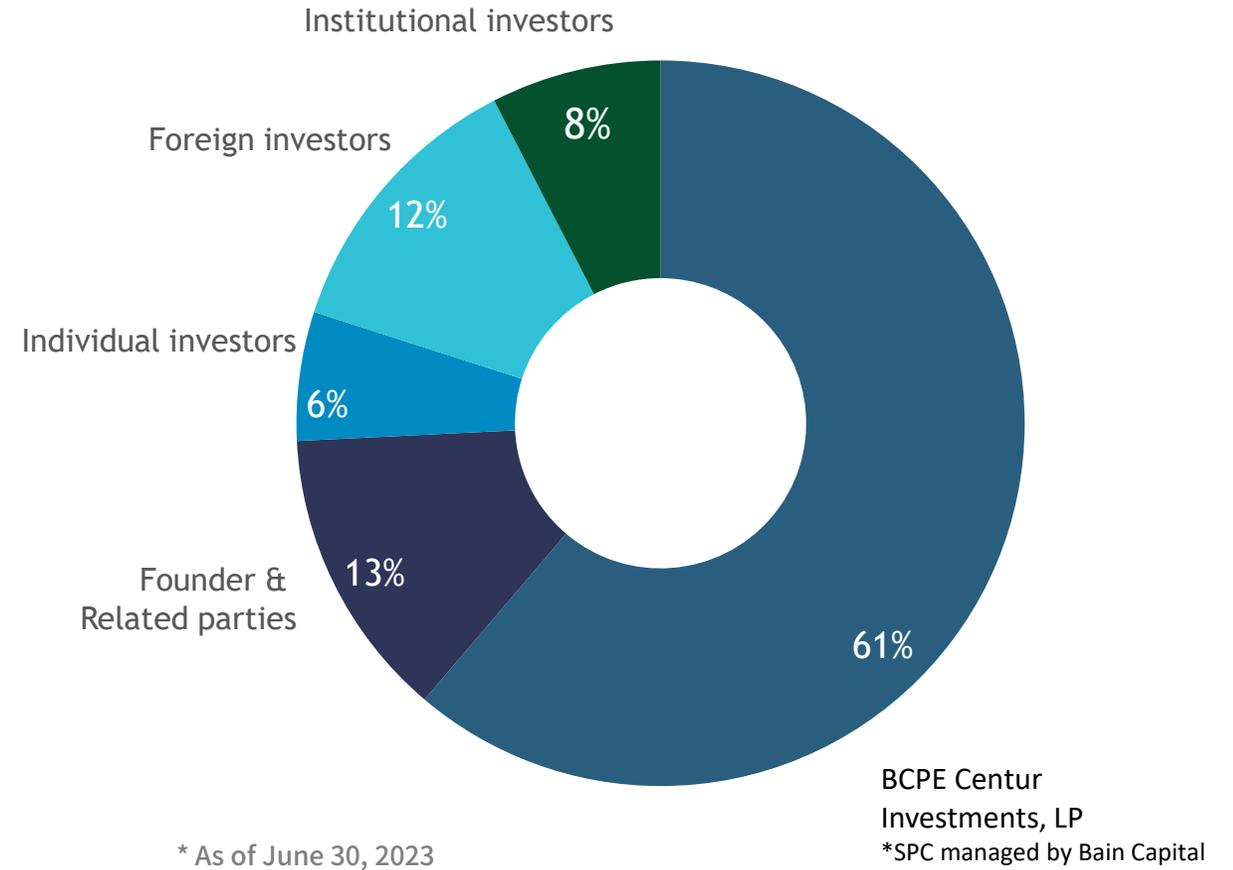


2. Overview

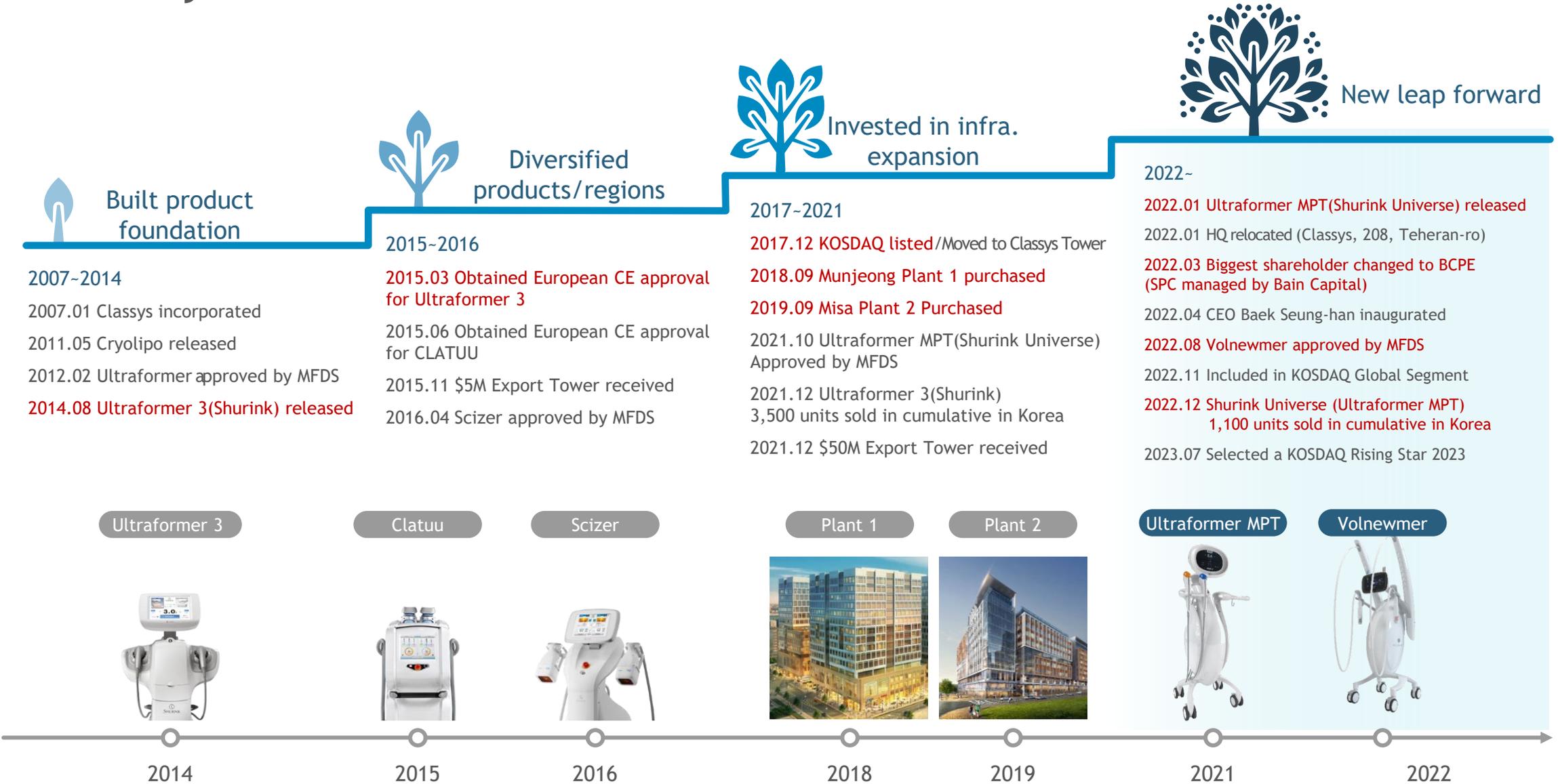
○ Company Overview

Company name	CLASSYS Inc.
CEO	Baek Seung-han
Date incorporated	Jan. 10, 2007
Date listed	Dec. 28, 2017
Equity capital	6,477M won (as of the end of Jun. 2023)
Headcount	355 persons (as of the end of Jun. 2023)
Business line	Manufacture of medical aesthetics devices & distribution of cosmetics
Brands	 CLASSYS Cluederm SKEDERM
HO address	CLASSYS, 208, Teheran-ro, Gangnam-gu, Seoul, Korea
Website/Tel.	http://www.classys.co.kr / 1544-3481

○ Shareholding Structure



3. History



* MFDS : Ministry of Food and Drug Safety.

4. Product Portfolio



CLASSYS Device 52.3%

Cluederm (Aesthetic)

CLASSYS Consumables 33.1%

SKEDERM (Cosmetic)

CLUEDERM Device 5.6%

CLUEDERM Consumables 6.1%

Cosmetics/rent 2.9%



Ultraformer 3 (Shurink)

Eye brow lifting, improve elasticity in face, abdomen, thigh and remove wrinkles

Ultraformer 3 Cartridges



Scizer

Reduce abdominal circumference HIFU

Scizer Cartridges



Clatuu Alpha

Cooling control technology for reduce subcutaneous layer

Alpha handpiece



Ultraformer MPT (Shurink Universe)

Gen. 2 Shurink - MP & Normal modes - Ultra Booster cartridge added

Shurink Universe Cartridges



Volnewmer

6.78Mhz monopolar RF causing tissue coagulation

Volnewmer tips



Ulfit

Eye brow lifting, improve elasticity in face, abdomen, thigh HIFU



Refit

alleviate pain RF



Aquapure

aspirating blood, body fluid and pimple + causing absorption of medicine



Cool4D

alleviate pain, reduce edema and subcutaneous layer



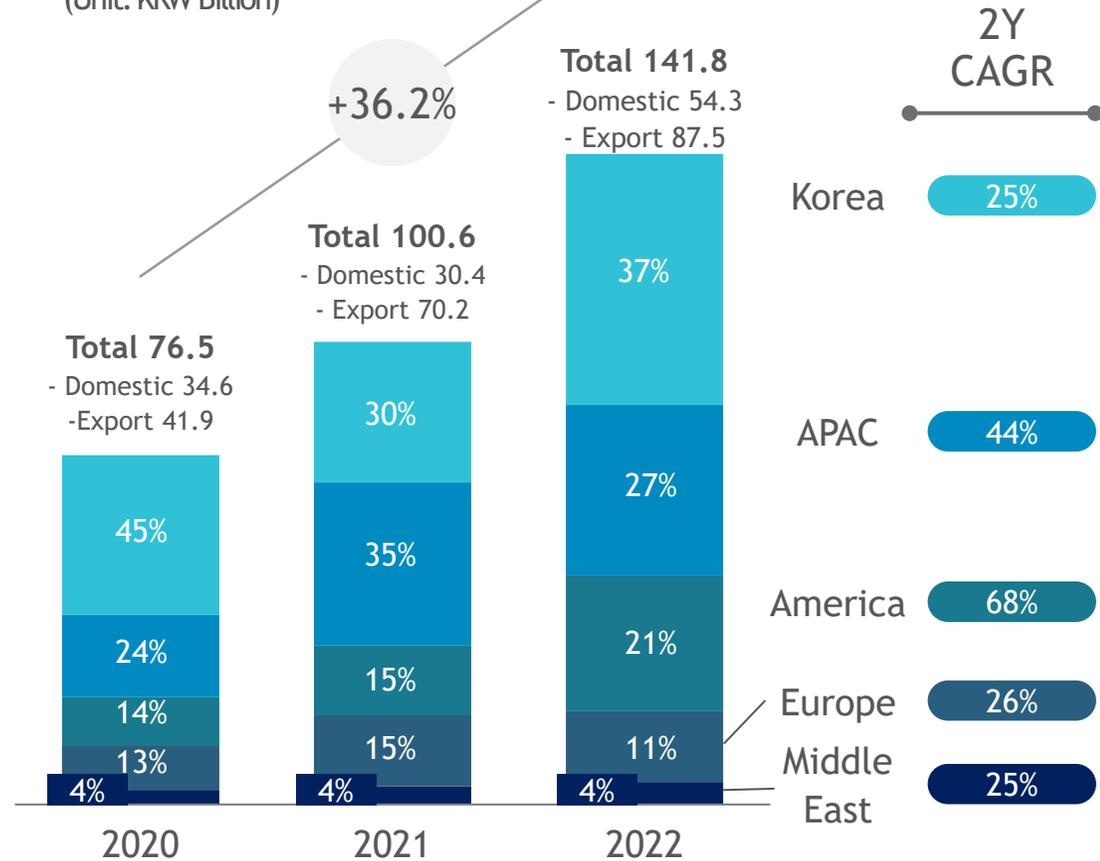
Consumables

1. HIFU(High Intensity Focused Ultrasound): Eye brow lifting, facial/abdominal/thigh lifting, abdominal circumference reduction;
2. RF(Radio Frequency): Induces tightening of dermis & production of collagen;

5. Regional Portfolio

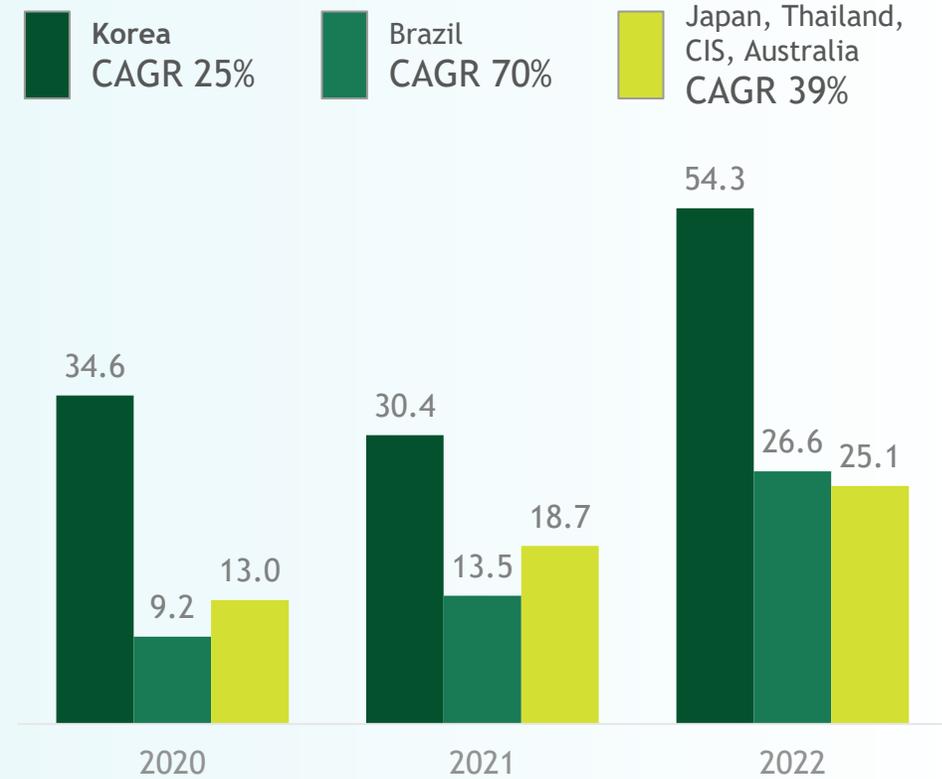
Sales trends by continent

(Unit: KRW Billion)



Sales trends by region

(Unit: KRW Billion)



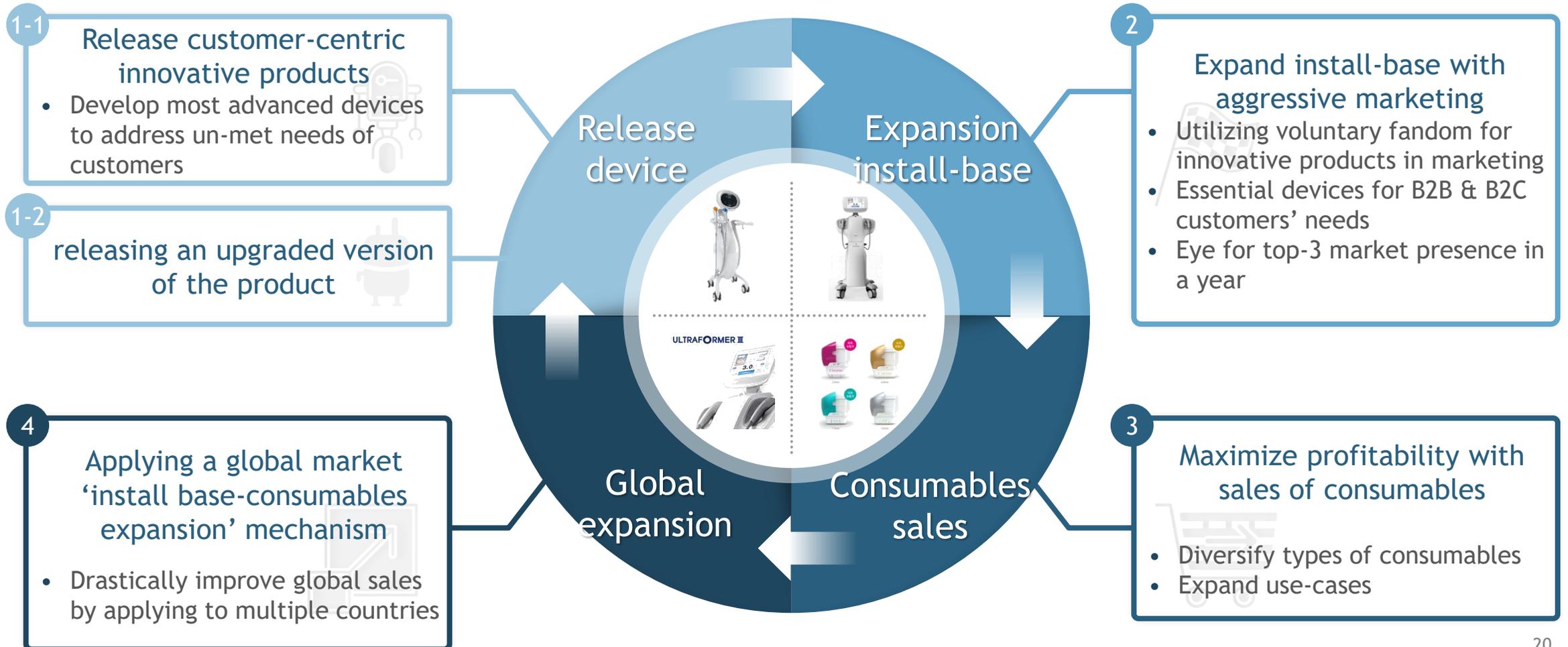
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III Business Highlights

1. Success formula to Classys' medical aesthetics devices
2. Unrivaled presence in domestic HIFU market
3. Strong global presence

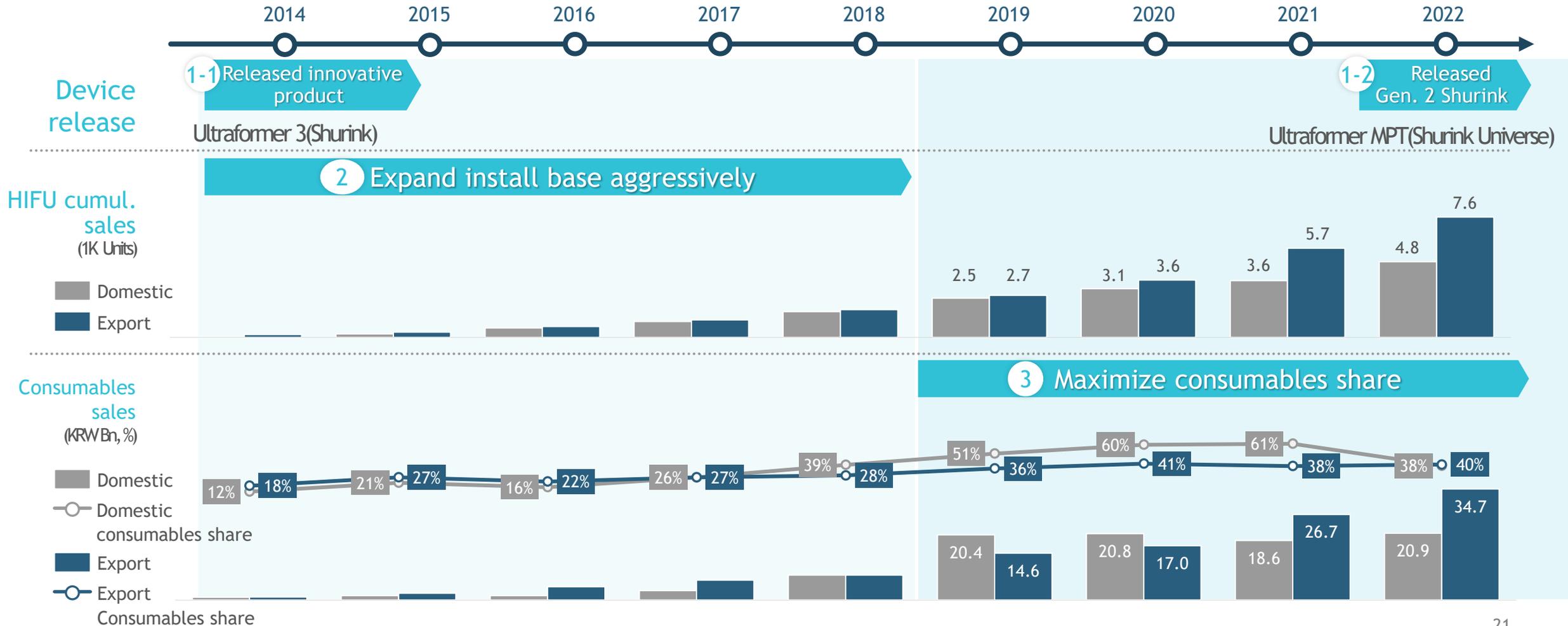
1. Success formula to Classys' medical aesthetics devices

Establishing a virtuous Cycle of 'release innovative products → expand device/consumables sales → expand global market presence'



1. Success formula to Classys' medical aesthetics devices

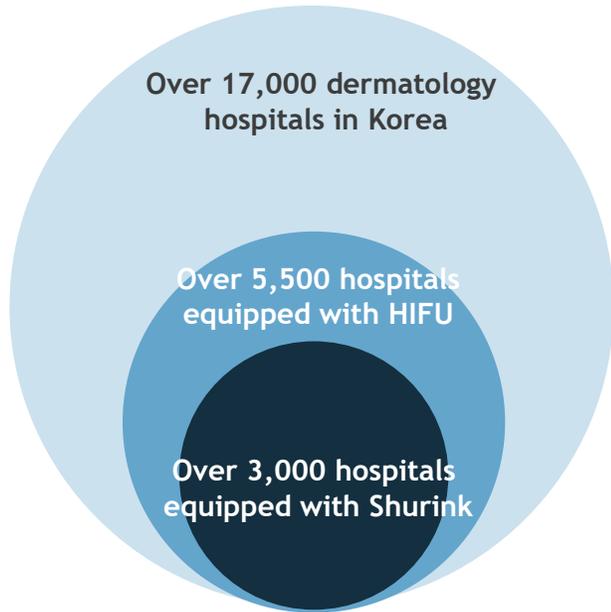
Accelerate growth, expanding into global market after popularizing Ultraforemer 3(Shurink) in Korea



2. Unrivaled presence in domestic HIFU market

Over 4,800 pieces of Shurink-series devices sold in cumulative terms, retaining unrivaled No.1 M/S in domestic HIFU market¹⁾

55% M/S in domestic HIFU market



Shurink breaks 3,700 units in cumulative sales (released in 2014)
 Shurink Universe breaks 1,300 units in cumulative sales (released in 2022)

B2B customers +3,000 Shurink-equipped hospitals in Korea

- Over 90% of 600 large-network hospitals using Shurink
- Voluntary marketing content** created for promoting procedures (doctors' YouTube, blog, etc.)
- Most preferred device** by other specialty clinics entering medical aesthetics sector
- Essential resources** for opening dermatology/plastic surgery clinics and aesthetics-specialized clinics



B2C customers 1.1M Shurink procedure cases per year (est.)
 *3.3M a year when including global cases

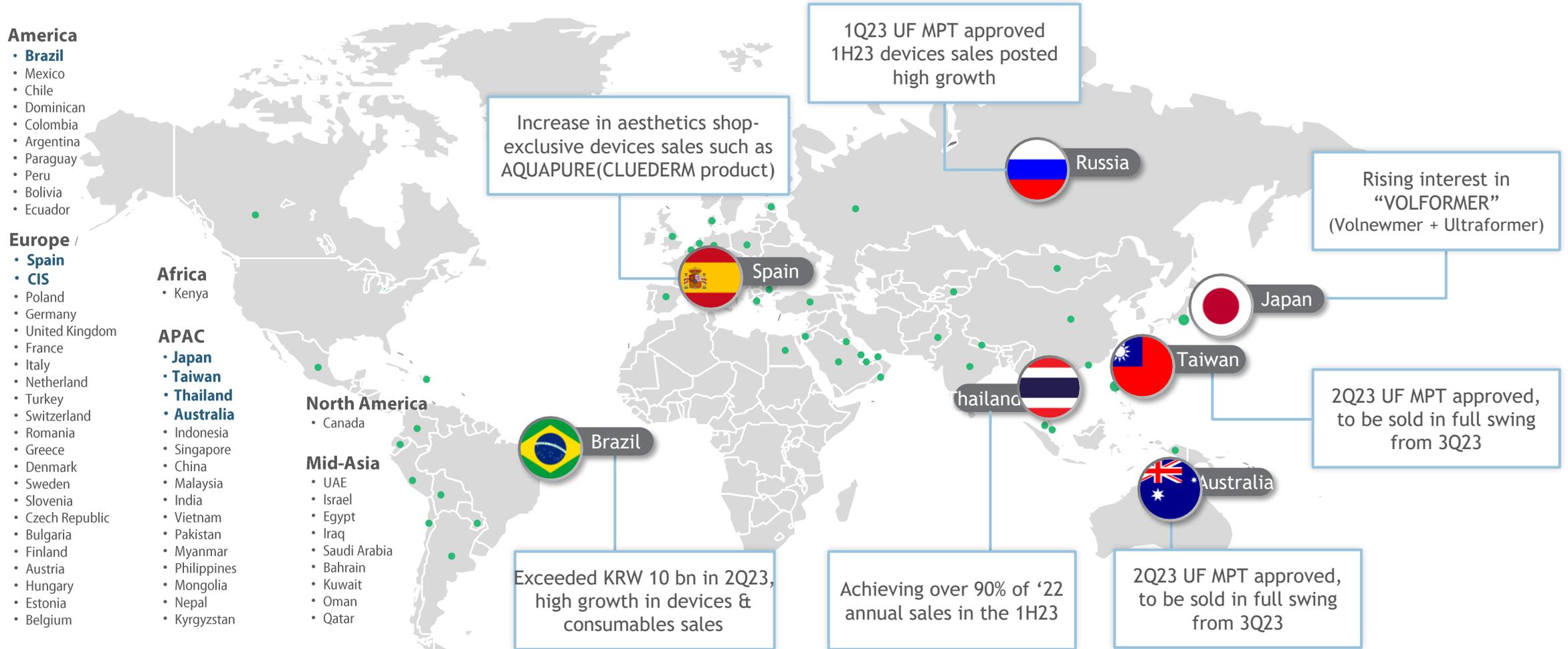
- Enormous amount of **voluntary procedure reviews** by patients
- Digital buzz No. 1** among medical aesthetics device brands (SNS, blog, beauty app, etc.)
- #Shurink 123K Vs. #foreign brand A 79K, #local brand B 12K, #local brand C 6K



#슈링크 게시물 12.3만
 # #슈링크리프팅 게시물 2.9만

3. Strong global presence

Marketed in 60 countries, Ultraformer 3(Shurink) expands global HIFU market presence



IV Growth Strategy

1

Market growth

Rapidly growing global market

2

Global expansion

Expanding presence in global markets with high growth potential

3

Product expansion

accelerating entry into RF market by offering differentiated products

4

Innovative technology

Developing diverse innovative products meeting customer needs

5

Quality/production competence

Enhancing operation to maximize global sales

6

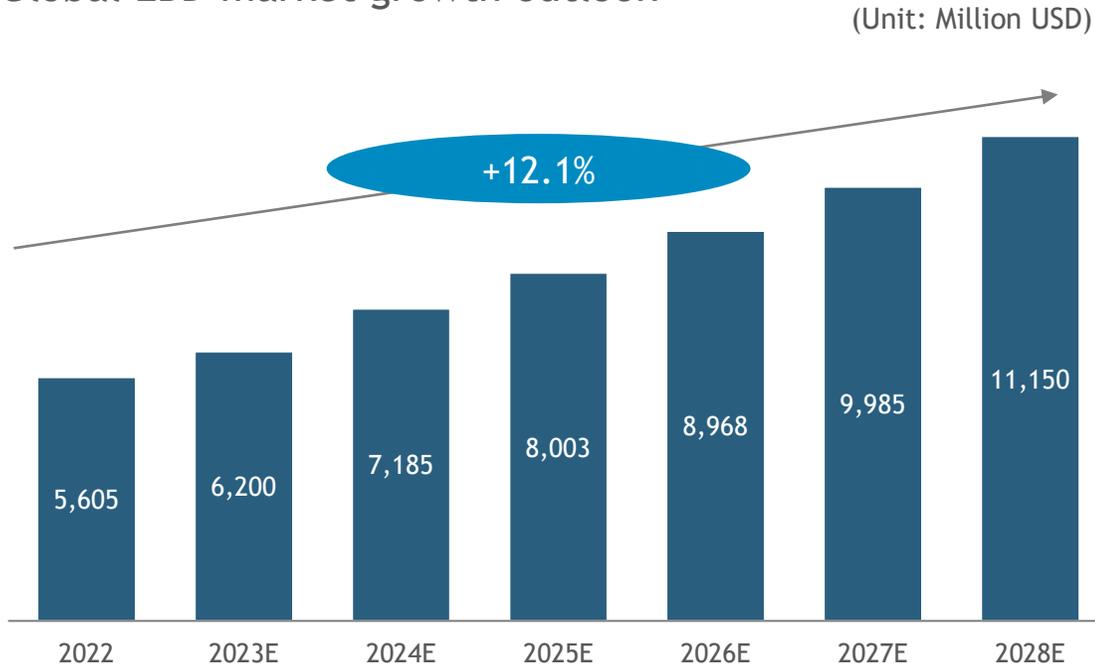
Excellent business model

Improving product mix & cost-efficiency to bolster up profitability

1. Rapidly growing global market

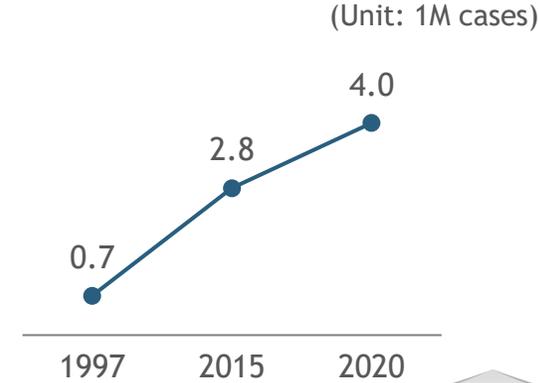
With aesthetics procedures popularized & habituated, medical aesthetics market is expected to grow rapidly primarily in EBD(Energy Based Device) sector

Global EBD market growth outlook

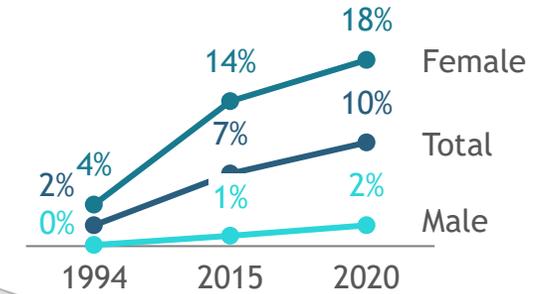


1) EBD(Energy Based Device): a device regenerating skin condition & elasticity with non-intrusive energy stimulation without surgical procedures

Annual non-intrusive aesthetics procedures in USA



Penetration of plastic surgery/procedure in Korea



Habituated

- Aesthetics procedure used for everyday life such as employment, wedding, etc.
- Non-intrusive procedures (ex.: EBD procedures) preferred for leaving no trace and requiring little recovery time

Popularized

- Many consumers opt for such procedures again thanks to significant benefits realized
- No longer a luxury for the well-to-do, but a popularized self-grooming option
- More affordable and accessible aesthetics procedure preferred over plastic surgery

2. Expanding presence in global markets with high growth potential

New products, Ultraformer MPT/Volnewmer, launched & expansion into larger markets including Europe/USA/China

○ Global entry roadmap



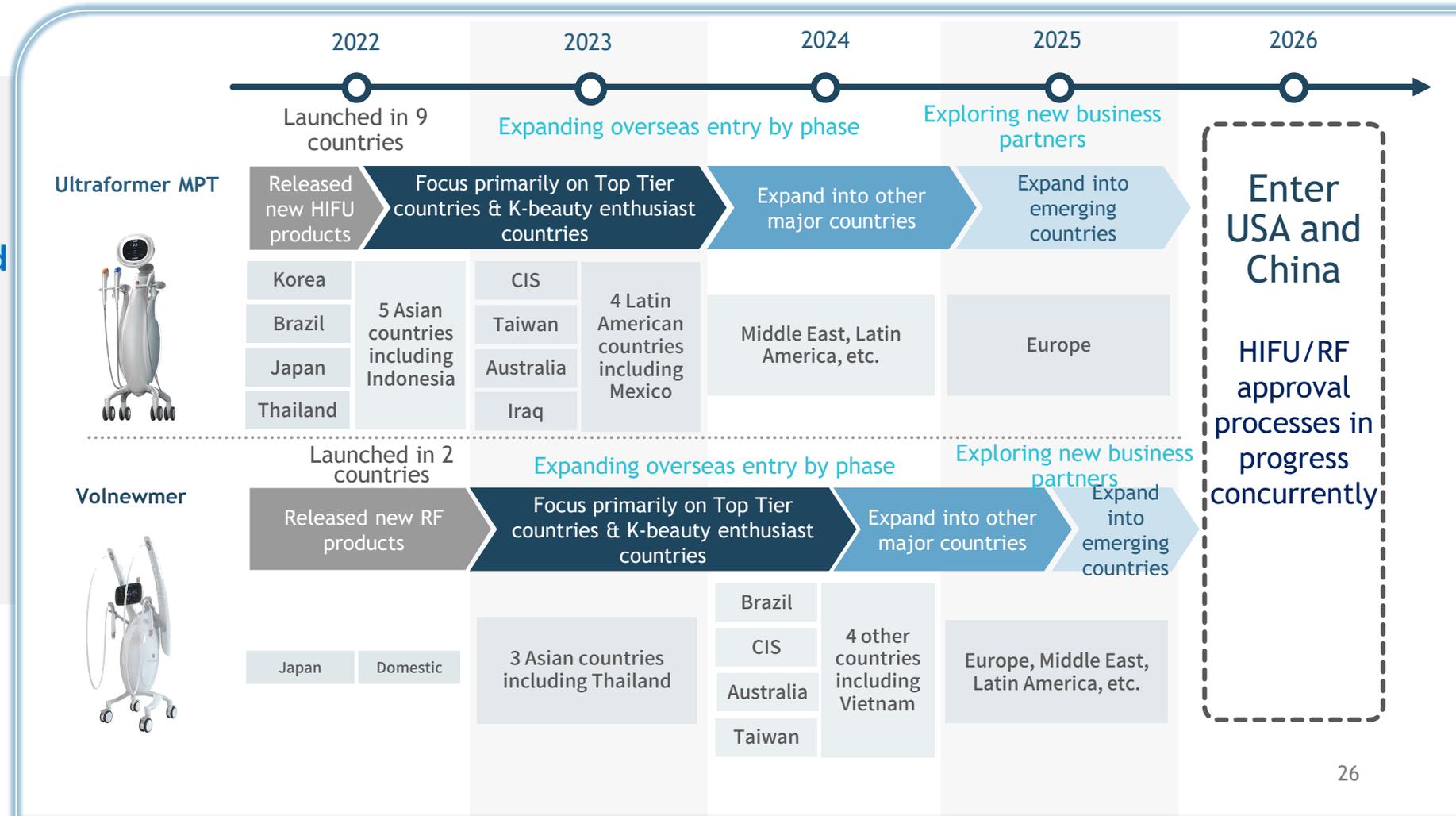
10,000 units sold around the world

Ultraformer 3 (Shurink)

Export to 60 countries
(Secured approvals in 27 countries)

TOP 8 best-selling countries

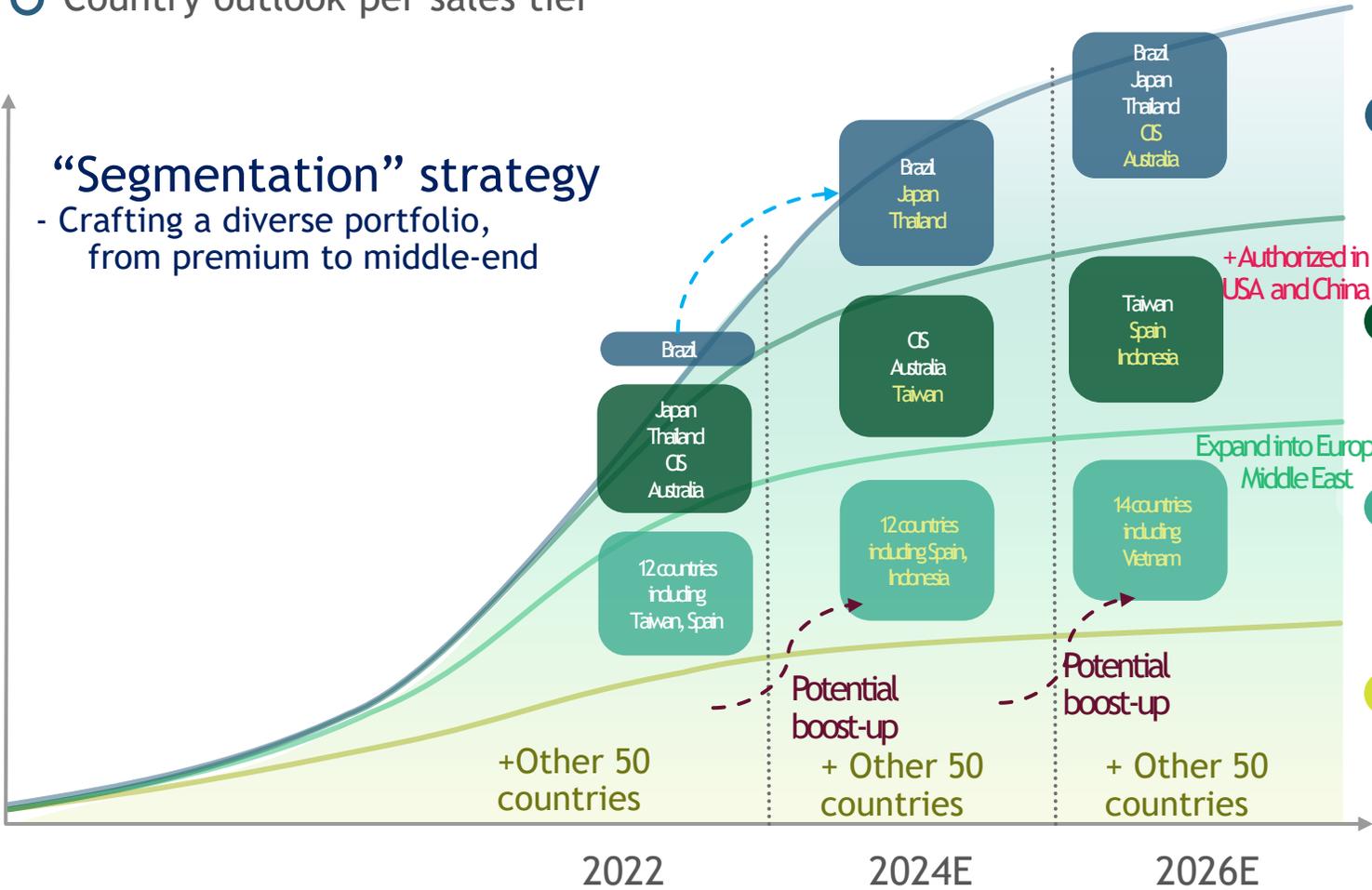
- Brazil
- Japan
- Thailand
- CIS
- Australia
- Taiwan
- Spain
- Indonesia



2. Expanding presence in global markets with high growth potential

Increasing shares of well-performing countries by tier-up strategy tied to country types

Country outlook per sales tier



Tier-up tasks

- Tier 1**
Annual sales >KRW 10 bn
- Tier 2**
Annual sales >KRW 5~10 bn
- Tier 3**
Annual sales >KRW 1~5 bn
- Tier 4**
Annual sales < KRW 1 Bn

- Maximize sales with localized B2B marketing
- Ultraformer MPT premium positioning strategy

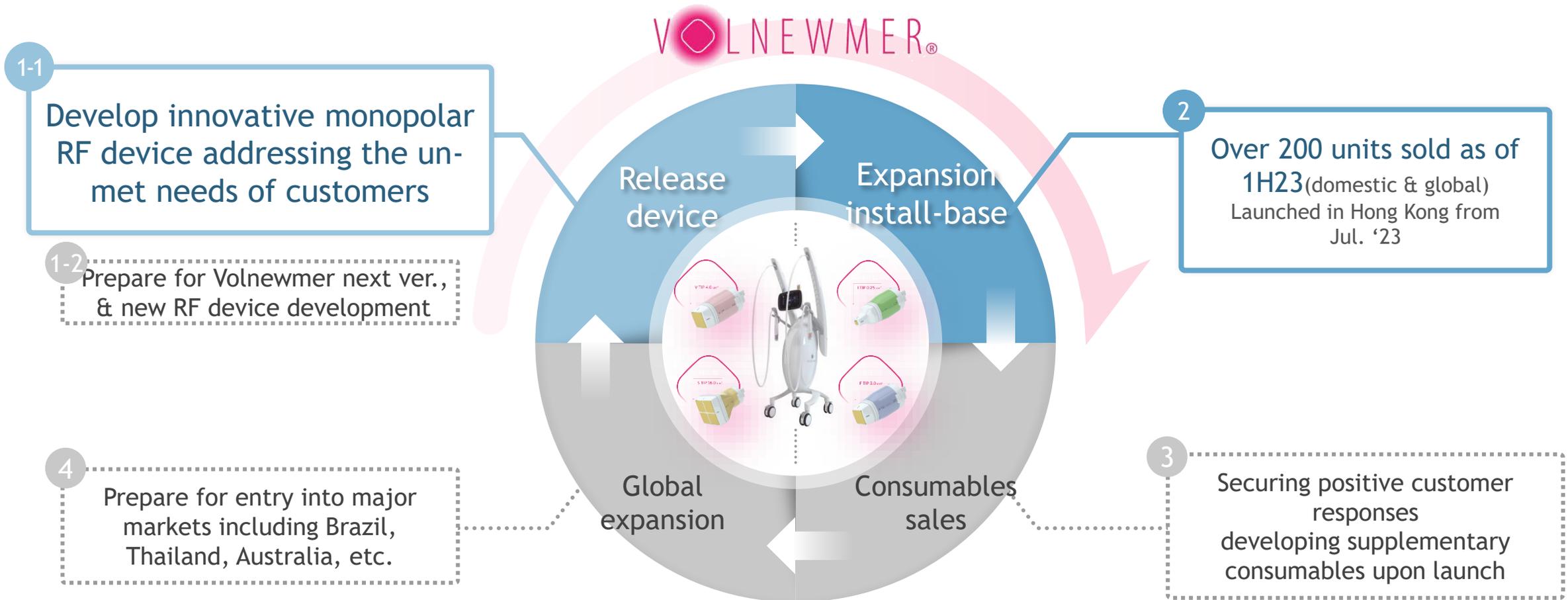
- Launch Volnewmer in strategic priority regions covering K-culture enthusiast countries
- Tier 1 benchmarking strategy

- Launch Ultraformer MPT additionally & expand into Europe/Middle East
- Premium Seg. Strategy, local conferences, etc.

- Boost-up in high potential countries

3. accelerating entry into RF market by offering differentiated products

Virtuous cycle of innovative new RF device Volnewmer in the making



3. accelerating entry into RF market by offering differentiated products

Aggressive B2B & B2C marketing to build up Volnewmer install base

- B2C marketing maximizing brand exposure, using powerful multiple celebrities

Utilize powerful celebrity models



Volnewmer model Actresses
Lim Ji-yeon & Cha Joo-young

Shurink model Actress Koh Min-see



Shurink model Actress
Koh Min-see

Enhance 360° channel exposure



- B2B marketing Diversify face-to-face contacts per region at domestic/global

Classys Ambassador



Domestic/global Classys Ambassadors (key doctors)
~30 persons

Classys Academy



Country-specific Classys Academy
+10 countries ~20 times

User Meeting



User meetings & conferences per Global region
~10 times

Domestic/global conference/seminar

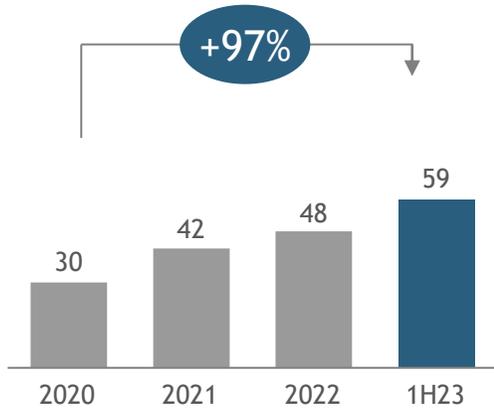


Medical conferences & key doctor lectures
~20 times

4. Developing diverse innovative products meeting customer needs

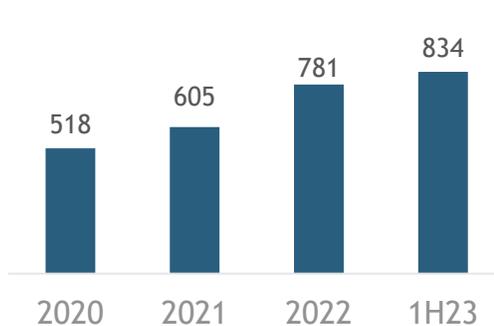
Define technology development roadmap per key domain based on differentiated R&D organization & competence

R&D Experts (unit : persons)

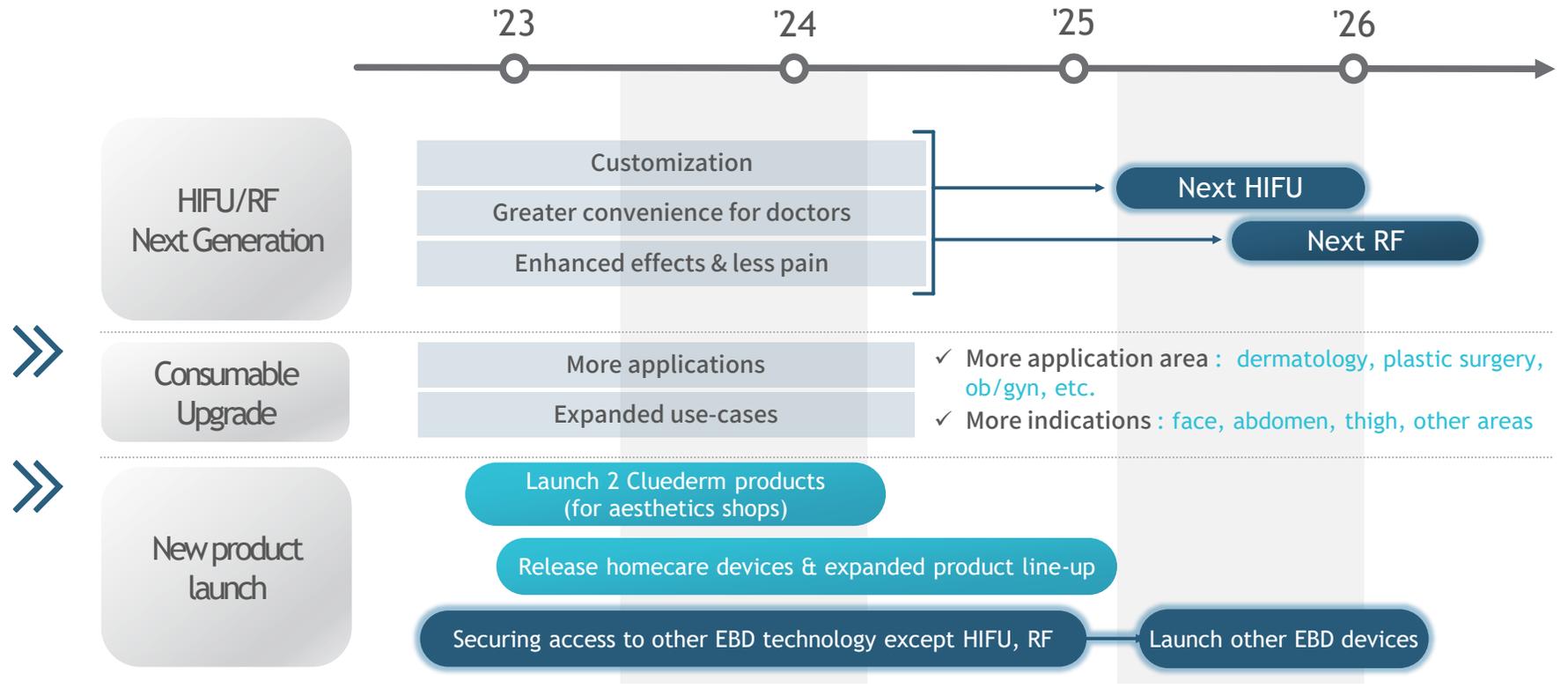


* 35% R&D Division of managerial employees (As end of June, '23)

IPs registered



Detailed technology roadmap encompassing the entire spectrum of EBD technology



5. Enhancing operation to maximize global sales

Innovate manufacturing processes/sites to secure world's top-tier production/quality competence

Key Initiatives for greater production & quality competitiveness

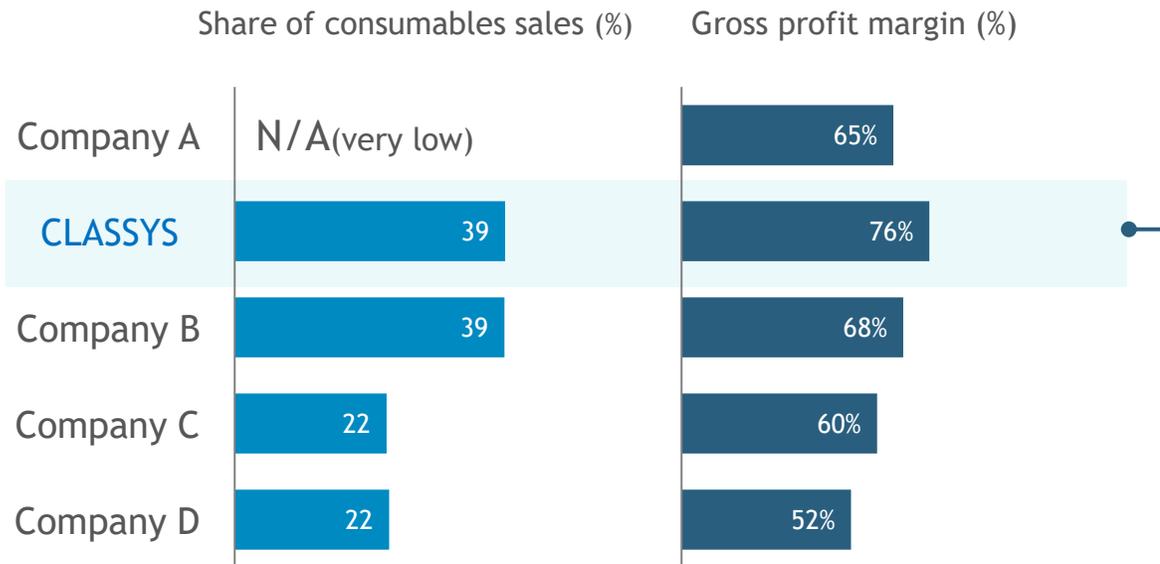


1) S&OP : Sales and Operations Planning
 2) SIOP : Sales Inventory Operation Planning
 3) P-FMEA : Process-Failure Mode Effect Analysis

6. Improving product mix & cost-efficiency to bolster up profitability

Profit margin and sales leverage expected to be maximized due to sales growth

- Excellent profit structure in medical aesthetics device industry (top-5 sales companies, '2022 consolidated basis)



- ✓ Owns portfolio where consumables account for significant share
- ✓ Low cost ratio maintained by manufacturing excellence at global level

- Maximize profitability with higher sales & lower fixed costs (Unit: %, KRW Billion)



CLASSYS Expansion Plan

“A global aesthetics business leader”
 delivering customer oriented and innovative products and solutions

