

# IR BOOK<sub>(finance)</sub>

THE INVESTOR RELATIONS OF CLASSYS 2024

07 Nov 2024

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# Financial Results

CLASSYS

Cluederm

shurink<sup>®</sup> / SKEDERM

1. Classsys 3Q24
2. Classsys 2024 Guidance Review
3. Ilooda Performance Results
4. Ilooda Growth Strategy

# 1. Classys 3Q24 – Profit & Loss

(KRW bn)

	3Q24	3Q23	YoY	2Q24	QoQ
<b>Revenue</b>	<b>59.4</b>	<b>48.2</b>	<b>+23.1%</b>	<b>58.7</b>	<b>+1.1%</b>
COGS	(12.8)	(11.2)	+14.1%	(11.2)	+14.1%
(%)	21.6%	23.3%	-1.7%p	19.1%	+2.5%p
<b>Gross Profit</b>	<b>46.6</b>	<b>37.0</b>	<b>+25.9%</b>	<b>47.5</b>	<b>-1.9%</b>
(%)	78.4%	76.7%	+1.7%p	80.9%	-2.5%p
SG&A	(17.6)	(12.3)	+42.9%	(16.3)	+8.1%
(%)	29.7%	25.6%	+4.1%p	27.8%	+1.9%p
<b>Operating Profit</b>	<b>29.0</b>	<b>24.7</b>	<b>+17.4%</b>	<b>31.2</b>	<b>-7.2%</b>
(%)	48.7%	51.1%	-2.4%p	53.1%	-4.4%p
Financial Income	(3.1)	4.1	-174.9%	4.9	-163.0%
Financial Expenses	(2.7)	(0.6)	+374.2%	(0.5)	+399.0%
Other Income	0.0	0.0	-90.8%	0.0	-86.2%
Other Expenses	0.0	(0.4)	-100.5%	(1.2)	-100.2%
<b>NI Before Income Tax</b>	<b>22.4</b>	<b>27.8</b>	<b>-19.3%</b>	<b>34.5</b>	<b>-35.2%</b>
Tax Expenses	(5.9)	(6.6)	-10.1%	(8.0)	-25.8%
<b>Net Income</b>	<b>16.5</b>	<b>21.2</b>	<b>-22.2%</b>	<b>26.6</b>	<b>-38.0%</b>
(%)	27.8%	43.9%	-16.2%p	45.3%	-17.5%p
EBITDA	<b>30.2</b>	<b>25.8</b>	<b>+17.0%</b>	<b>32.4</b>	<b>-6.8%</b>
(%)	50.8%	53.4%	-2.7%p	55.1%	-4.3%p

	YTD 3Q24	YTD 3Q23	YoY
<b>Revenue</b>	<b>168.5</b>	<b>133.1</b>	<b>+26.6%</b>
COGS	(34.2)	(29.6)	+15.7%
(%)	20.3%	22.2%	-1.9%p
<b>Gross Profit</b>	<b>134.3</b>	<b>103.5</b>	<b>+29.7%</b>
(%)	79.7%	77.8%	+1.9%p
SG&A	(47.7)	(35.8)	+33.0%
(%)	28.3%	26.9%	+1.4%p
<b>Operating Profit</b>	<b>86.6</b>	<b>67.7</b>	<b>+28.0%</b>
(%)	51.4%	50.9%	+0.6%p
Financial Income	8.3	10.5	-21.2%
Financial Expenses	(4.5)	(2.2)	+106.9%
Other Income	0.0	0.0	-62.0%
Other Expenses	(0.8)	(0.5)	+62.3%
<b>NI Before Income Tax</b>	<b>89.0</b>	<b>75.5</b>	<b>+17.8%</b>
Tax Expenses	(19.9)	(17.0)	+16.8%
<b>Net Income</b>	<b>69.2</b>	<b>58.5</b>	<b>+18.2%</b>
(%)	41.0%	44.0%	-6.7%p
EBITDA	<b>90.2</b>	<b>70.8</b>	<b>+27.3%</b>
(%)	53.5%	53.2%	+0.6%p

- ❑ **Revenue: KRW 59.4 bn** (YoY +23.1%, QoQ +1.1%)
  - Record-high quarterly revenue for 3 consecutive quarters
  - Increased domestic sales of consumables and overseas sales of Platform installations
  - Rapid Market Penetration of the New Product Volnewmer
- ❑ **GPM: 78.4%** (YoY +1.7%p, QoQ -2.5%p)
  - Platform sales as % to sales: 3Q24 54%, 3Q23 54%, 2Q24 51%,
  - KRW/USD rates: 3Q24 at 1,359, 3Q23 at 1,311, 2Q24 at 1,371
  - Continuous improvement in unit costs per product
- ❑ **OPM: 48.7%** (YoY -2.4%p, QoQ -4.4%p)
  - Increased costs related to advertisement and merger
  - Decrease in one-off commissions and homecare-related commissions
- ❑ **NI: KRW 16.5 bn** (YoY -22.2%, QoQ -38.0%)
  - Total Financial gains/losses KRW -5.8bn: due to exchange rate fluctuations etc:
  - KRW/USD rates: March 2024 at 1,347, June 2024 at 1,389, September 2024 1,319
- ❑ **EBITDA Margin: 50.8%** (YoY -2.7%p, QoQ -4.3%p)

(Note 1) If negative, shown in parentheses

# 1. Classsys 3Q24 – Sales by Brand

(KRW bn)

	3Q24	3Q23	YoY	2Q24	QoQ
<b>CLASSYS</b> (Medical Platforms)	<b>31.9</b>	<b>25.8</b>	<b>+23.6%</b>	<b>29.9</b>	<b>+6.9%</b>
Export	25.4	17.8	+42.7%	23.3	+8.8%
Domestic	6.5	8.0	-18.7%	6.5	-0.1%
<b>CLUEDERM</b> (Aesthetics Platforms)	<b>1.2</b>	<b>0.9</b>	<b>+35.6%</b>	<b>1.0</b>	<b>+20.2%</b>
Export	1.1	0.8	+36.8%	0.9	+19.5%
Domestic	0.1	0.1	+20.3%	0.1	+30.5%
<b>Consumables</b> (CLASSYS & CLUEDERM)	<b>25.6</b>	<b>20.5</b>	<b>+25.1%</b>	<b>26.1</b>	<b>-1.6%</b>
Export	13.6	12.2	+11.7%	15.5	-12.3%
Domestic	12.1	8.3	+44.6%	10.6	+13.9%
<b>Shurinkrx/SKEDERM</b> (Homecare Products)	<b>0.4</b>	<b>0.6</b>	<b>-32.2%</b>	<b>1.5</b>	<b>-71.2%</b>
Export	0.2	0.3	-43.9%	0.6	-73.4%
Domestic	0.3	0.4	-23.3%	0.9	-69.9%
<b>Rentals</b>	<b>0.2</b>	<b>0.4</b>	<b>-41.3%</b>	<b>0.3</b>	<b>-10.6%</b>
<b>Total</b>	<b>59.4</b>	<b>48.2</b>	<b>+23.1%</b>	<b>58.7</b>	<b>+1.2%</b>
Export	40.2	31.0	+29.6%	40.3	-0.2%
Domestic	19.2	17.2	+11.5%	18.4	+4.4%

	YTD 3Q24	YTD 3Q23	YoY
<b>CLASSYS</b>	<b>82.6</b>	<b>66.1</b>	<b>+24.9%</b>
Export	62.9	46.5	+35.2%
Domestic	19.6	19.6	+0.2%
<b>CLUEDERM</b>	<b>3.6</b>	<b>3.6</b>	<b>+0.5%</b>
Export	3.4	3.3	+3.9%
Domestic	0.2	0.3	-34.6%
<b>Consumables</b>	<b>78.2</b>	<b>61.0</b>	<b>+28.3%</b>
Export	46.4	36.1	+28.4%
Domestic	31.8	24.8	+28.1%
<b>Shurink rx/SKEDRM</b>	<b>3.3</b>	<b>1.2</b>	<b>+188.4%</b>
Export	1.4	0.4	+285.6%
Domestic	1.9	0.8	+142.0%
<b>Rentals</b>	<b>0.8</b>	<b>1.3</b>	<b>-38.4%</b>
<b>Total</b>	<b>168.5</b>	<b>133.1</b>	<b>+26.6%</b>
Export	114.2	86.3	+32.3%
Domestic	54.3	46.8	+16.1%

- **CLASSYS: KRW 31.9 bn / 53.7% of Revenue**
  - Exports: Strong performance in Volnewmer sales and continuous growth of Ultraformer MPT (Shurink Universe)
    - Increased Platform sales in Brazil
  - Domestic: Steady sales performance for both Shurink Universe and Volnewmer
  
- **CLUEDERM: KRW 1.2 bn / 2.0% of Revenue**
  
- **Consumables: KRW 25.6 bn / 43.1% of Revenue**
  - Exports:
    - Steady increase in HIFU procedures among top 10 countries
    - Consistent growth in demand for Volnewmer
    - Seasonality in Thailand (achieved 70% of this year's projected annual sales in the year's first half)
  - Domestic: Increase in Shurink Universe and Volnewmer procedures following the launch of B2C marketing
  
- **Shurink rx/SKEDRM: KRW 0.4 bn / 0.7% of Revenue**
  - Off-peak season and Channel Trend
  
- **Rentals: KRW 0.2 bn / 0.4% of Revenue**

# 1. Classys 3Q24 – SG&A

(KRW bn)

	3Q24	3Q23	YoY	2Q24	QoQ	YTD 3Q24	YTD 3Q23	YoY
<b>Salaries</b>	3.2	2.5	+25.9%	2.9	+11.3%	8.8	7.2	+22.8%
(% of revenue)	5.4%	5.3%		4.9%		5.2%	5.4%	
<b>R&amp;D</b>	3.1	2.2	+39.0%	2.8	+8.9%	8.7	6.6	+31.6%
(% of revenue)	5.2%	4.6%		4.8%		5.2%	5.0%	
<b>Advertisement</b>	4.7	1.5	+223.1%	2.5	+88.3%	9.5	6.5	+46.1%
(% of revenue)	8.0%	3.0%		4.3%		5.6%	4.9%	
<b>Commissions</b>	2.2	2.0	+9.6%	3.2	-31.4%	7.0	4.8	+46.7%
(% of revenue)	3.7%	4.1%		5.4%		4.2%	3.6%	
<b>Sales Commission</b>	0.8	1.0	-17.0%	1.2	-27.9%	2.8	2.3	+20.0%
(% of revenue)	1.4%	2.1%		2.0%		1.7%	1.8%	
<b>Depreciation/ Amortization</b>	0.7	0.6	+18.5%	0.7	+3.6%	1.8	1.4	+23.6%
(% of revenue)	1.0%	1.1%		1.0%		1.0%	1.1%	
<b>Employee Benefits</b>	0.4	0.3	+25.5%	0.5	-19.8%	1.3	0.9	+42.3%
(% of revenue)	0.7%	0.7%		0.9%		0.7%	0.7%	
<b>Warranty Expenses</b>	0.4	0.3	+24.9%	0.3	+10.8%	0.8	0.7	+22.8%
(% of revenue)	0.6%	0.6%		0.6%		0.5%	0.5%	
<b>Others</b>	2.1	1.9	+11.7%	2.2	-4.7%	7.0	5.4	+28.3%
(% of revenue)	3.8%	4.1%		4.0%		4.1%	4.1%	
<b>Total</b>	<b>17.6</b>	<b>12.3</b>	<b>+42.9%</b>	<b>16.3</b>	<b>+8.1%</b>	<b>47.7</b>	<b>35.8</b>	<b>+33.0%</b>
(% of revenue)	29.7%	25.6%		27.8%		28.3%	26.9%	

- ❑ **Salaries: KRW 3.2 bn / 5.4% of Revenue**  
(YoY +25.9%, QoQ +11.3%)

  - Employees: 420 as of Q3-end, up from 399 as of Q2-end
- ❑ **R&D: KRW 3.1 bn / 5.2% of Revenue**  
(YoY +39.0%, QoQ +8.9%)

  - Increased costs for new product development and clinical trials
- ❑ **Advertisement: KRW 4.7 bn / 8.0% of Revenue**  
(YoY +223.1%, QoQ +88.3%)

  - Launched advertising for Volnewmer and Shurink Universe in July
  - Extended partnership for Shurink Universe with Ko, Min-si
  - New brand ambassador Kim Soo-hyun & advertisement expansion from Korea to Thailand
- ❑ **Commissions paid: KRW 2.2 bn / 3.7% of Revenue**  
(YoY +9.6%, QoQ -31.4%)

  - Includes about KRW 500 million in advisory fees related to the Ilooda merger in Q3 2024
- ❑ **Sales Commissions: KRW 0.8 bn / 1.4% of Revenue**  
(YoY -17.0%, QoQ -27.9%)

  - Decline due to reduced domestic sales by the Homecare Products

# 1. Classys 3Q24 – Financial Position

(KRW bn)

	2021	2022	2023	1Q24	2Q24	3Q24
<b>Assets</b>						
Current Assets	73.1	147.8	185.7	212.6	187.1	202.2
Cash & Cash Equivalents	47.9	111.6	136.9	157.3	133.6	108.2
Inventories	16.5	23.4	19.4	19.4	17.9	16.7
Accounts Receivable	2.1	8.0	17.7	24.0	31.8	32.8
Non-Current Assets	143.2	183.6	189.7	190.3	231.4	231.5
P.P.E.	80.7	104.2	139.0	143.5	143.4	150.2
Invested Properties	58.4	74.7	41.1	36.3	36.2	29.5
Investments in Associates	-	-	-	-	39.1	38.3
<b>Total Assets</b>	<b>216.3</b>	<b>331.4</b>	<b>375.4</b>	<b>402.9</b>	<b>418.5</b>	<b>433.7</b>
<b>Liabilities</b>						
Current Liabilities	16.8	36.2	29.2	105.0	93.1	91.2
Non-Current Liabilities	35.8	65.6	62.7	0.6	0.5	0.5
<b>Total Liabilities</b>	<b>52.6</b>	<b>101.8</b>	<b>91.9</b>	<b>105.6</b>	<b>93.6</b>	<b>91.7</b>
<b>Equity</b>						
Capital Stock	133.1	204.2	0.1	6.5	6.5	6.5
Retained Earnings	133.1	204.2	271.0	264.3	290.9	307.3
<b>Total Equity</b>	<b>163.7</b>	<b>229.6</b>	<b>283.5</b>	<b>297.2</b>	<b>324.9</b>	<b>342.0</b>
<b>Total Liabilities + Equity</b>	<b>216.3</b>	<b>331.4</b>	<b>375.4</b>	<b>402.9</b>	<b>418.5</b>	<b>433.7</b>

❑ **Current Ratio: 222 %, Debt Ratio: 27%**

❑ **Current Assets: KRW 202.2 bn**

- Cash & Cash Equivalents – KRW 39.0 bn in used for Ilooda stock purchase claims
- Inventories – Optimized through S&OP and Lean Process
- Accounts Receivable – 65% of AR is from key clients due to sales growth, coupled with deferred factoring

❑ **Non-Current Assets: KRW 231.5 bn**

- P.P.E. – For internal use
- Invested Property – For rentals
- Investments in Associates : equity investment in Ilooda

❑ **Current Liabilities: KRW 91.2 bn**

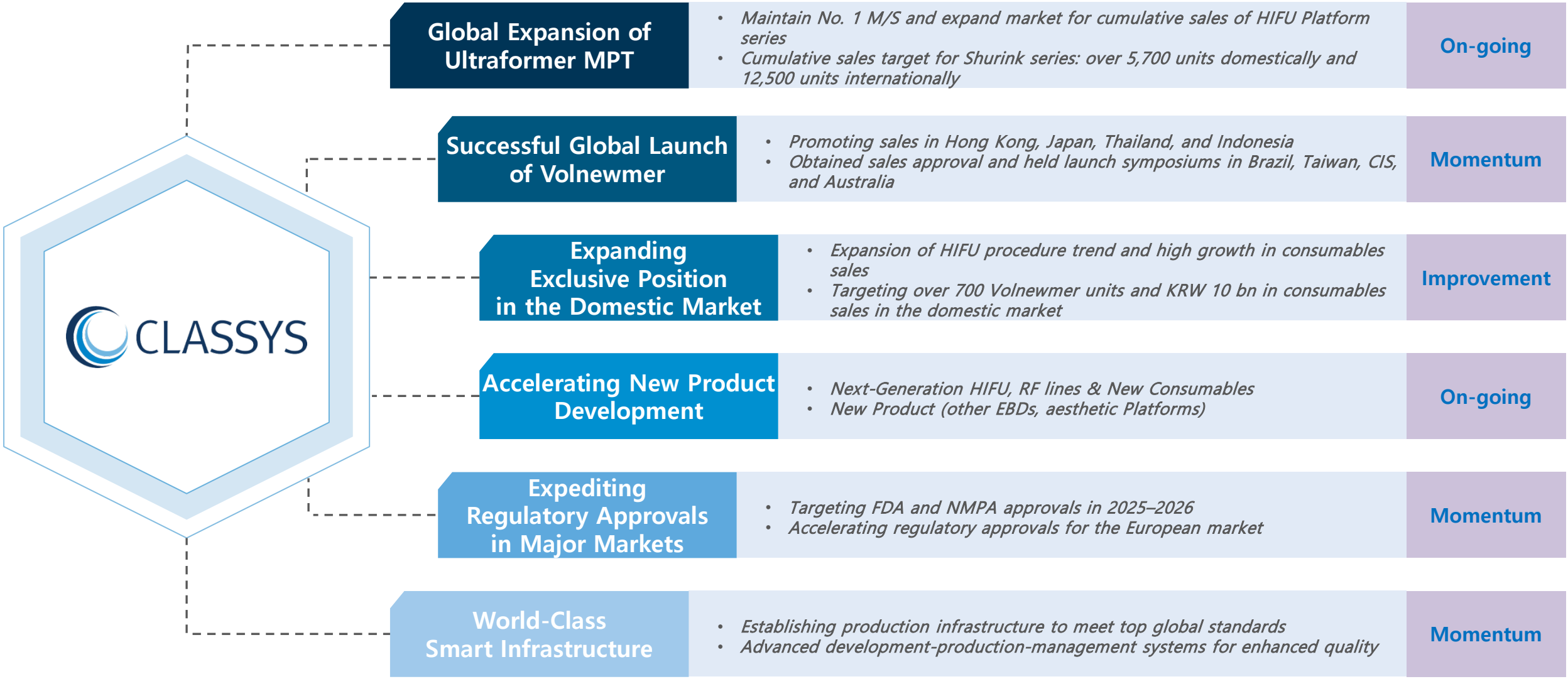
- Short-Term Borrowings: KRW 62.6 bn (due for head office building-related loans)

❑ **Non-Current Liabilities: KRW 0.5 bn**

❑ **Equity: KRW 342.0 bn**

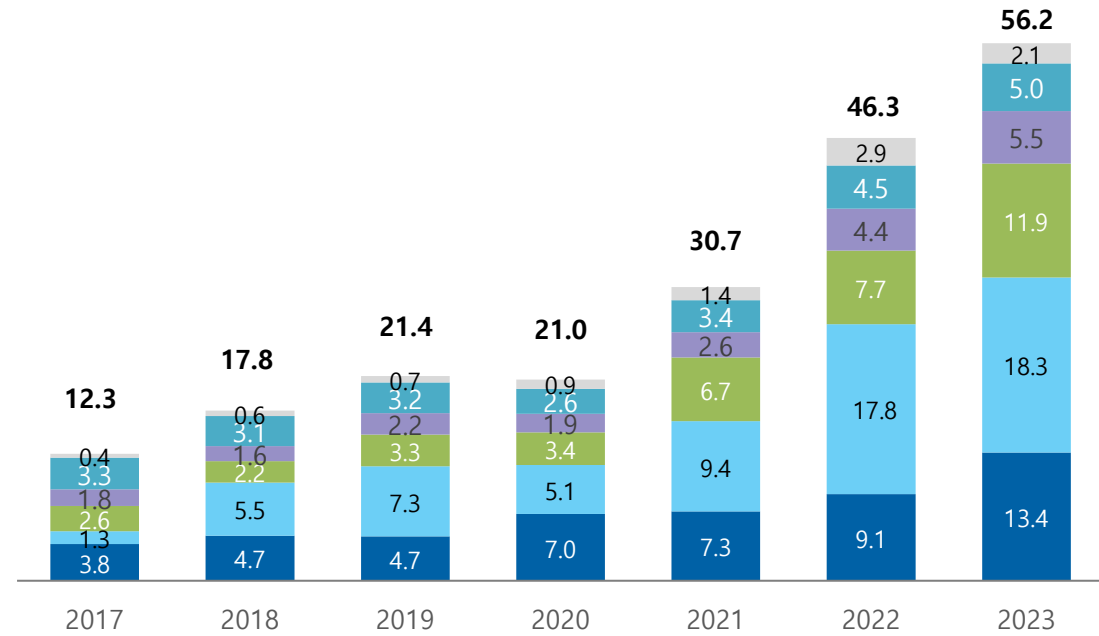
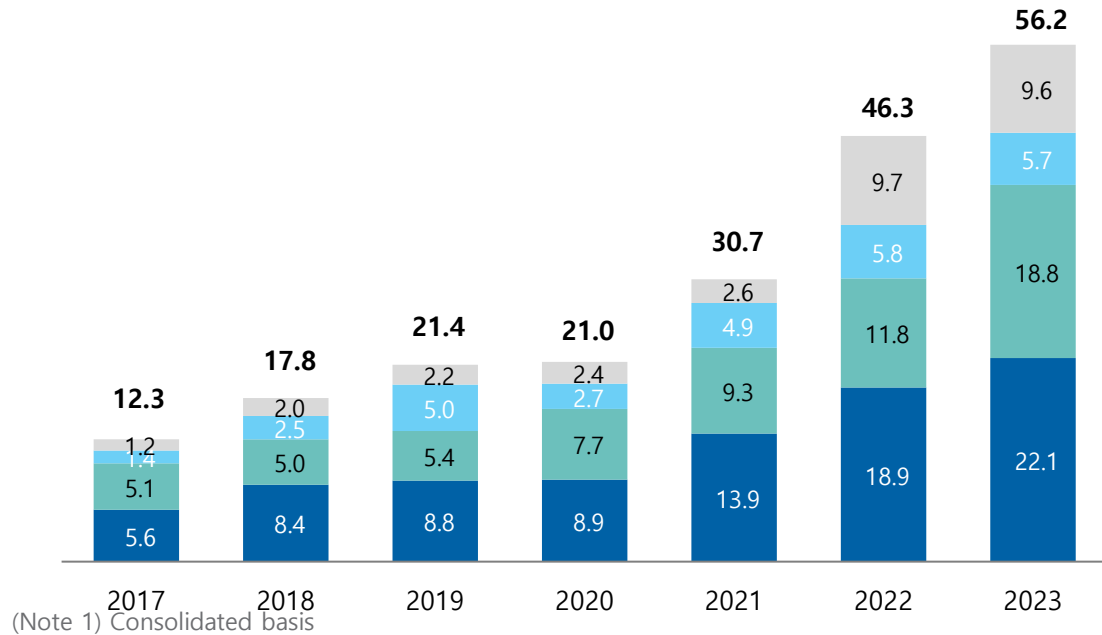
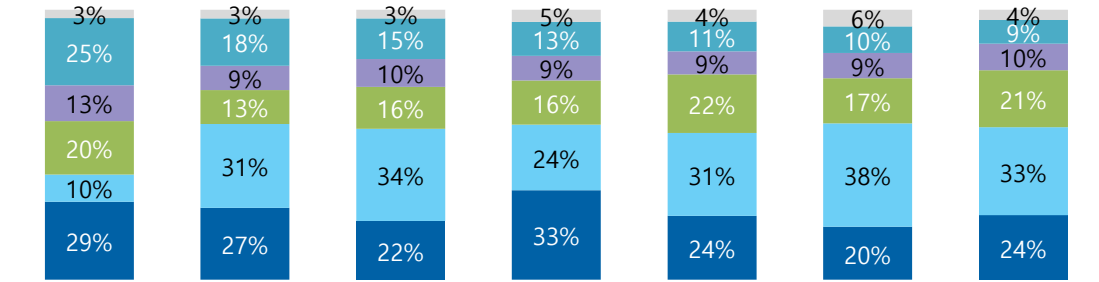
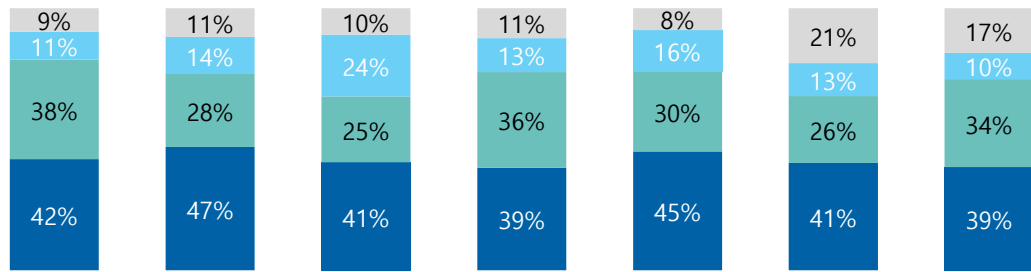
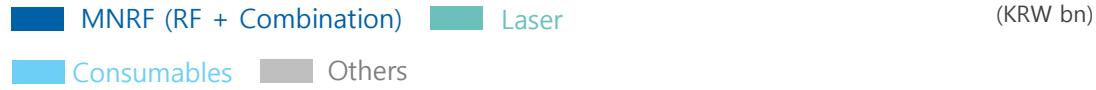
Note: Cash & Cash Equivalents is the sum of cash and cash equivalents, short-term financial instruments, and financial assets at fair value through profit or loss (FVPL).

## 2. Classsys 2024 Guidance Review

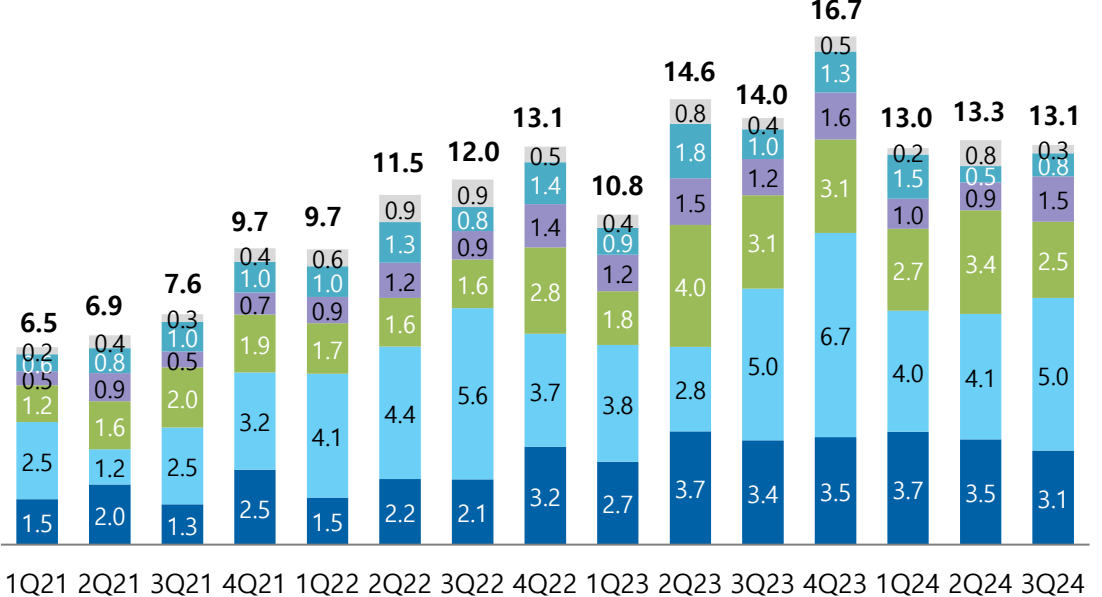
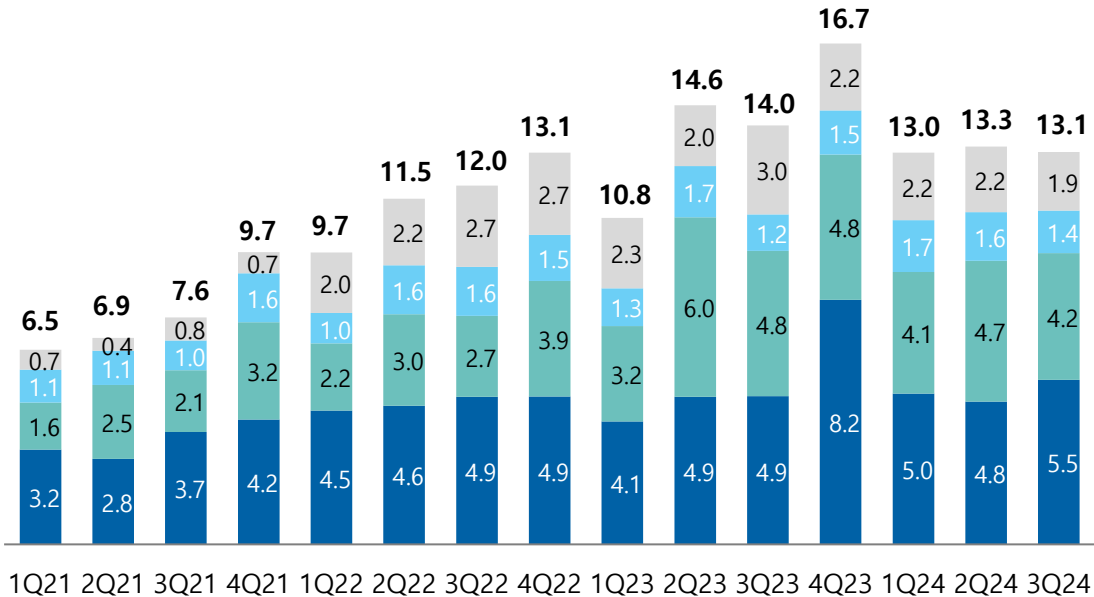
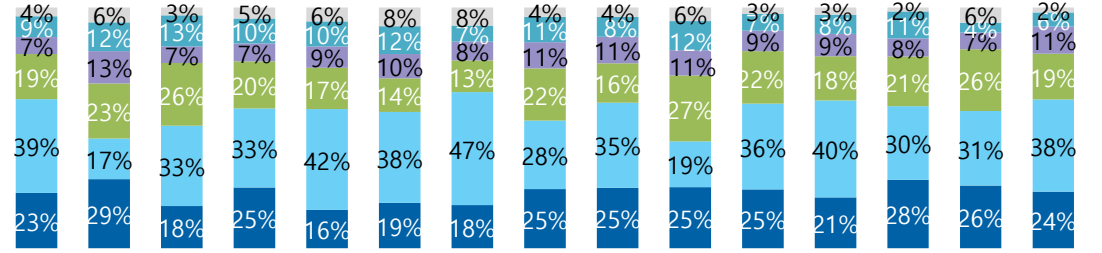
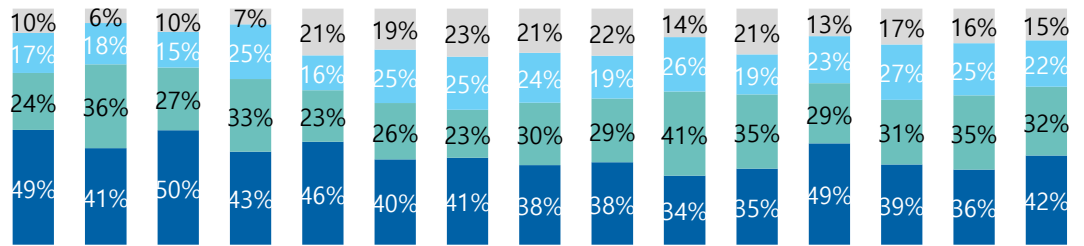
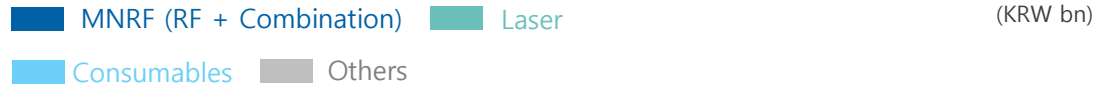




# 3. Ilooda Performance Results (Yearly)

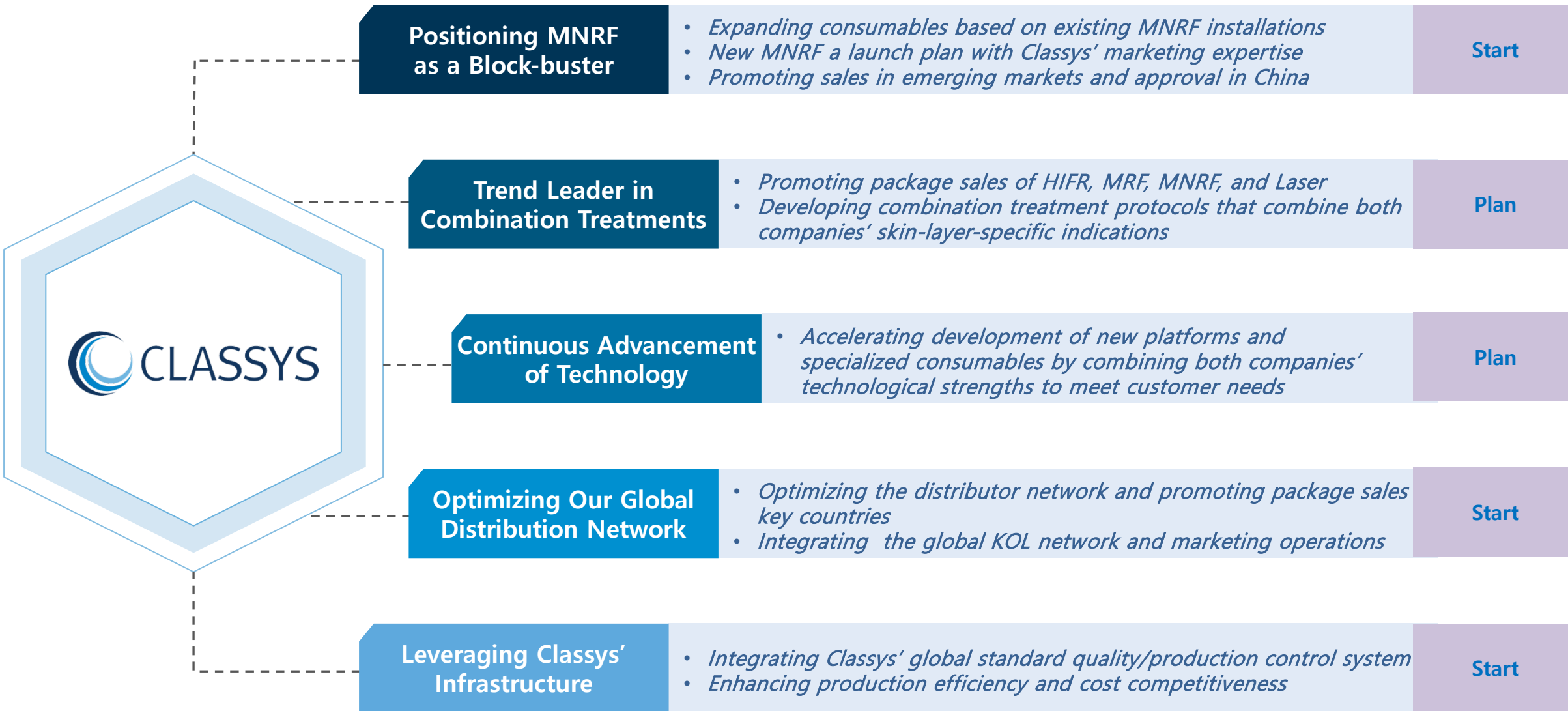


# 3. Ilooda Performance Results (Quarterly)



(Note 1) Consolidated basis

## 4. Ilooda Growth Strategy





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