

# IR Letter

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Jeisys

(KQ : 287410)

96 Gamasan-ro Geumcheon-gu  
Seoul, Korea

## Disclaimer

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· Jeisys Medical announce second quarter 2023 results on August 11, 2023.

· Quarterly sales of KRW 35.2bn (YoY 14.3%), it's operating profit at KRW 9.6bn (YoY 7.7%)

Seoul, August 11, 2023 \_ Jeisys Medical inc. reported financial results for the second quarter on August 11, 2023.

Although concerned about the impact of exchange rate fluctuations from major countries in 2Q,

Jeisys Medical inc. recorded the highest ever quarterly sales and operating profit

by high demand for POTENZA and in number of aesthetic procedures in the global market

Jeisys Medical inc. launched Density, which is non-invasive RF device,

with various marketing activities in the domestic market. Also, we aim that the global market launch

including the U.S market through receiving FDA approvals in the second half of 2023

We will commit to achieve higher growth in the global market through complete preparations for

entry to the new market and strengthen ability of business and competition of marketing for existing and new devices

## 2Q 2023 Summary

1. **Sales** : Jeisys Medical inc. posted KRW 35.2bn in consolidated sales, a rise 14% from the previous year

as high demand for RF, HIFU devices in the global market and increased ASP per countries.

2. **Gross Margin**: It posted KRW 24.6bn, a 19% rise from the previous year and its gross margin ratio was 70%.

The COGS ratio improved 3%p through efforts by increases in ASP of devices and stabilized the price of raw materials.

3. **Operating Profit** : It posted KRW 9.6bn, a 8% rise from the previous year and the operating profit ratio was 27%

Although sales growth and the COGS ratio has improved, SG&A expenses increased as exercising of stock options and obtaining approvals

4. **Net Profit** : With losses on foreign currency translation was KRW 1.1bn by weakened Japanese currency

and incurred corporate tax of KRW 1.8bn, its net profit posted KRW 6.1bn, recorded -15% reverse growth from the previous year and its net profit ratio recorded 18%

## I. Sales

It posted KRW 35.2bn in consolidated sales, a 14% rise from the previous year.

Although ODM of POTENZA for the second quarter according to the annual purchase order plan decreased, continued growth trend in the Japan market. The sales of HIFU devices showed continuous growth centered in domestic and emerging countries and growth acceleration of consumables sales as increasing in number of aesthetic procedures

### ① Sales by product portfolio

Although ODM of POTENZA decreased, continued growth trend in the Japan market.

The sales of HIFU devices showed continuous growth centered in the domestic and emerging countries and growth acceleration of consumables sales as increasing in number of aesthetic procedures

Sales by product portfolio in 2Q were RF 29%, HIFU 10%, IPL 4%, LASER 8%, Consumables 41% and others 9%.

- RF (YoY 7%) : According to the annual purchase order plan, quantities of the order decreased for the second quarter

Continuous sales growth for POTENZA in the Japan market

- HIFU (YoY 18%) : Continuous sales growth in the domestic market after launching of Linear Z

Continuous sales growth in other countries, among Southeast Asia by increasing sales for Ultracel Q+

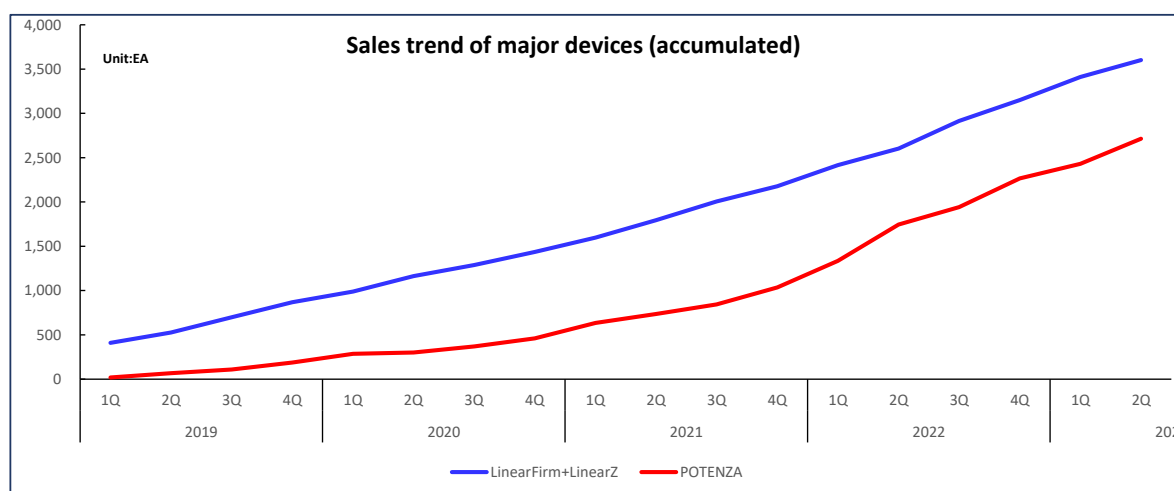
- IPL (YoY -38%) : The sales in the domestic and overseas market decreased.

- Laser (YoY 9%) : The sales in the domestic and overseas market slightly increased

- Consumables (YoY 9%) : The number of sales increase as increasing in number of aesthetic procedures

- Others (YoY 398%) : Strong sales of skin booster in the Japan market by its subsidiary (SACCI BIO)

created the synergy with pumping tip from POTENZA



## ② Sales by Region

Sales by region notably growth in the domestic market this quarter.

The domestic and overseas market extended sales growth centered on RF, HIFU devices and consumables

The proportion of sales by region was 16% domestic and 84% overseas.

- Domestic (YoY 44.4%) : Linear Z from HIFU devices showed continuous sales as expanding business activities

in key target location such as Gangnam and others

The sales of RF device showed growth by launching new device (DENSITY)

and expanding demand for POTENZA

Growth acceleration of consumables sales as increasing in number of aesthetic procedures

- Overseas (YoY 9.9%)

### Japan

The sales of UltracelQ+ decreased, as conversion of main HIFU device sales from UltracelQ to Ultracel[Z]

As continuously expanded installation of RF devices in aesthetic clinic

Although cartridge sales increased by increasing in number of aesthetic procedures,

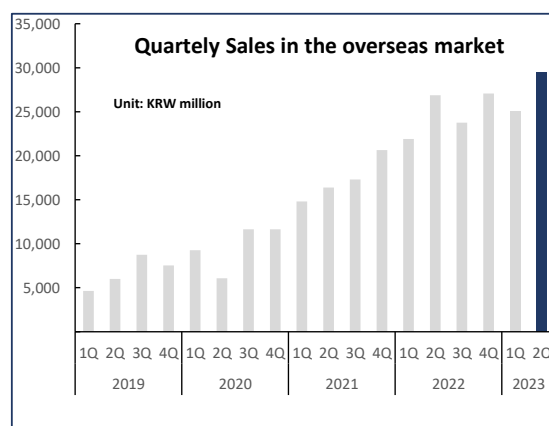
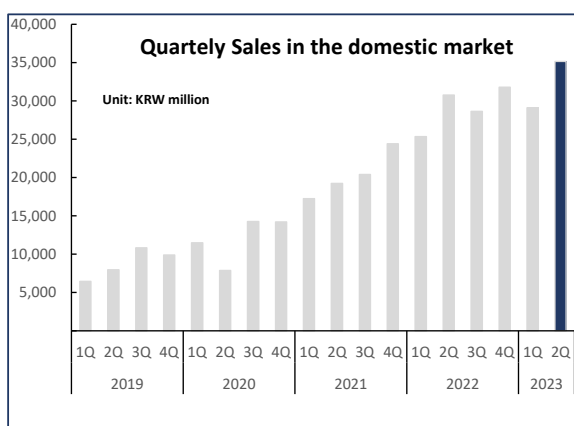
the sales volume of cartridge slightly decreased compared to last year

Growth acceleration of tip sales as increasing in number of aesthetic procedures (YoY 295%)

### ODM

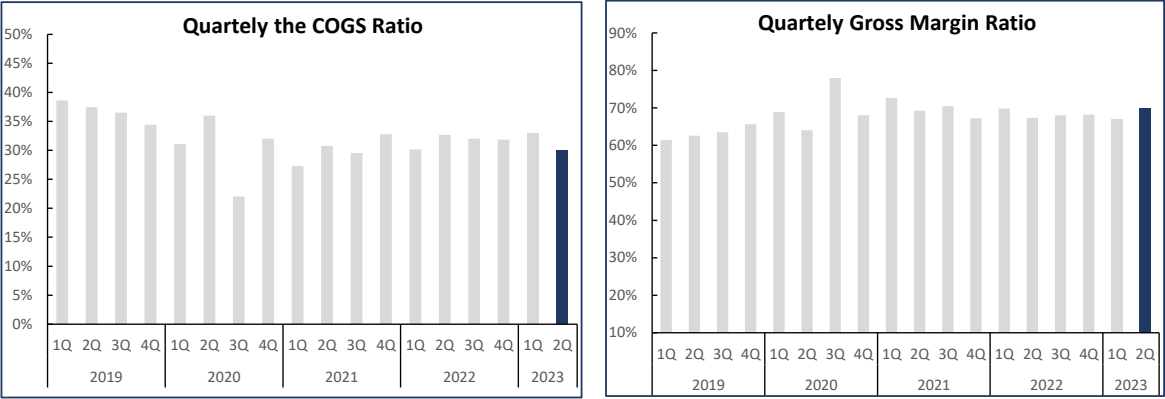
According to the annual purchase order plan, quantities of the order decreased for the second quarter

The order quantities of tip decreased by owing to hold inventories



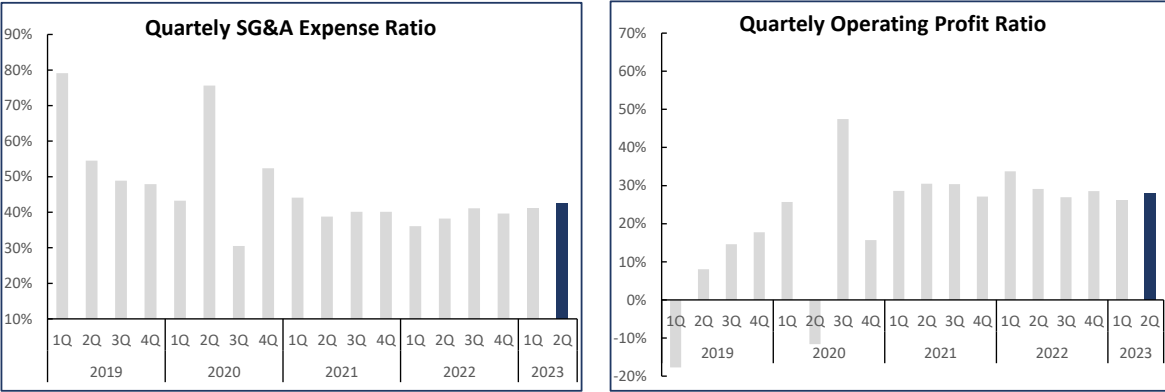
II. Gross Margin

It posted KRW 24.6bn, a 19% rise from the previous year and its gross margin ratio was 70%.  
The COGS ratio improved 3%p through efforts by increases in ASP of devices and price of raw materials stability,



III. Operating Profit

Although sales grew and its COGS ratio improved, the SG&A expenses increased  
by exercising of stock options(4 major social insurance), obtaining approvals and legal expenses.  
its ratio rose 4%p from the previous year, it posted KRW 9,6bn, a 7.7% rise from the previous year and  
its operating profit ratio was 27%.



**IV. Net Profit**

With losses on foreign currency translation was KRW 1.1bn by weakened Japanese currency and incurred corporate tax of KRW 1.8bn. Its net profit posted KRW 6.2bn, recorded -16% reverse growth from the previous year and its net profit ratio recorded 18%.

## ► Consolidated Statements of Income (K-IFRS)

Consolidated based on K-IFRS (Unit : KRW won)	2Q 2023	2Q 2022	1Q 2023	YoY	QoQ
Sales	35,161,219,612	30,770,176,375	29,104,842,943	14.3%	20.8%
Cost of Good Sold	10,515,580,482	10,055,586,077	9,556,753,156	4.6%	10.0%
Gorss Margin	24,645,639,130	20,714,590,298	19,548,089,787	19.0%	26.1%
SG&A Expense	14,997,717,163	11,752,941,821	11,934,469,892	27.6%	25.7%
Operating Profit	9,647,921,967	8,961,648,477	7,613,619,895	7.7%	26.7%
Profit before tax	8,017,905,193	9,365,684,504	8,433,913,503	-14.4%	-4.9%
Net Profit	6,249,323,533	7,360,407,094	6,680,999,977	-15.1%	-6.5%