

# IR Letter

2023. 02. 06.

## Disclaimer

▶ it is suggested to use this material only as a reference, as it contains information and data that are subject to changes without prior notice due to uncertainties, changes in the organizational structure, redefinition of accounting policies, etc., and may cause the actual results to differ from those stated or implied in this material.  
▶ Audit of these results is still in progress. Figures in this disclosure are subject to change during the auditing process

· Consolidated sales of KRW 31.8bn (YoY 30%), operating profit at KRW 9.1bn (YoY 37%) for 4Q 2022

· Consolidated sales of KRW 116.5bn (YoY 43%), operating profit at KRW 34.3bn (YoY 45%/OPM 29%) in 2022

Jeisys Medical inc. reported earning results through changes of 30% in profits/losses on Feb 6, 2023

The global medical aesthetics market showed continuous growth, boosted by seasonal peak season and structural expansion of market.

Jeisys Medical achieved growth by high demand centered on RF and HIFU devices in the global market.

Especially, the Japan and the US market showed notable growth.

We will commit to achieve continuous growth in the global market through the launch of competitive devices and entry to the new market, including the Chinese market in 2023.

## 4Q 2022 Summary

1. **Sales** : The consolidated sales reported KRW 31.8bn (YoY 30%), which sales growth in RF device based on steady demand in the global market. HIFU device also continued to grow in sales after launching new device.

2. **Gross Margin** : The COGS ratio improved by sales growth sharply and increases in ASP from devices it recorded KRW 21.7bn (YoY 32%) and its ratio was 68%

3. **Operating Profit** : An increase in advertising expenses in the last 3Q stabilized and expenses executed conservatively. Operating profit reported KRW 9.1bn (YoY 37%) and its operating profit ratio was 30%

4. **Net Profit** : Net Profit recorded KRW 6.1bn (YoY -23%) and its net profit ratio was 19% that related to non-operating loss of KRW 1.6bn from foreign currency exchange loss and others.

## I. Sales

The sales of HIFU devices achieved notable growth centered in domestic, Japan and emerging countries.

Also, it continued to high demand for RF devcies in domestic, Japan and ODM.

As a result, it recorded KRW 31.8bn in sales and rose by 30% in the same period of the previous year.

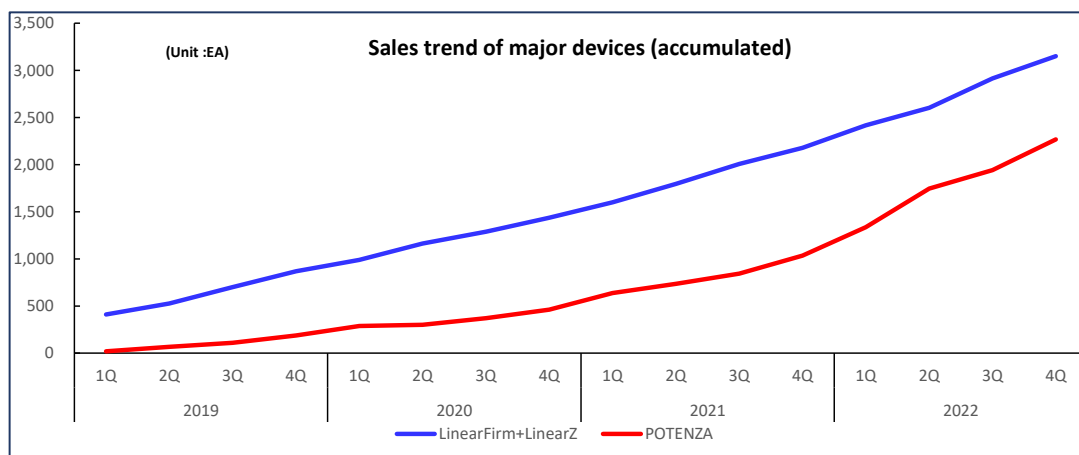
With an increase of 43% compared to the same period of the previous year, KRW 116.5bn was recorded in 2022.

### ① Sales by product portfolio

Although devices showed notable growth centered on RF and HIFU, Consumables showed rather weak growth.

Sales by product portfolio in 4Q were RF 29%, HIFU 15%, IPL 4%, LASER 8%, Consumables 36% and others 9%.

- RF (YoY 54%) : As expanding demand for RF device, supplies in POTENZA ODM and sales in domestic, Japan increased.
- HIFU (YoY 76%) :
  - It achieved steady sales growth in domestic and japan after launching of Linear Z
  - The sales of UltracelQ+ increased in other countries, especially Southeast Asia.
- IPL (YoY -43%) : Overseas sales decreased.
- Laser (YoY 3%) : Overseas sales of TRI-BEAM increased.
- Consumables (YoY 12%):
  - The sales of cartridge decreased temporarily by consumables promotion after launching Linear Z.
  - Smaller orders of tip owing to hold inventories from Cynosure
  - Although the sales volume decreased, it grew 12% year on year based on sales led by sales growth of non-invasive tip with higher ASP



## ② Sales by Region

Sales by region showed strong sales growth centered in overseas market this quarter.

Domestic and Overseas extended sales growth centered on HIFU and RF

The proportion of sales by region was 15% domestic and 85% overseas.

### - Domestic (YoY 27%)

- The sales of HIFU increased by 83% year on year through expanded business activities in key target location such as Gangnam and others
- Although the sales volume decreased slightly after normalized price of POTENZA, the sales of RF increased as increasing in ASP.
- Although the sales of cartridge decreased by promotion after launching Linear Z, the growth of tip sales increased as increasing in number of aesthetic procedures.

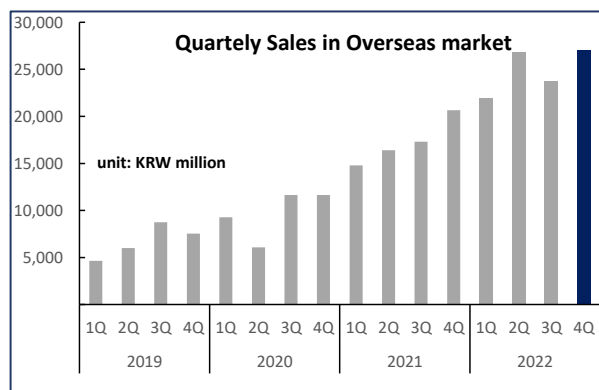
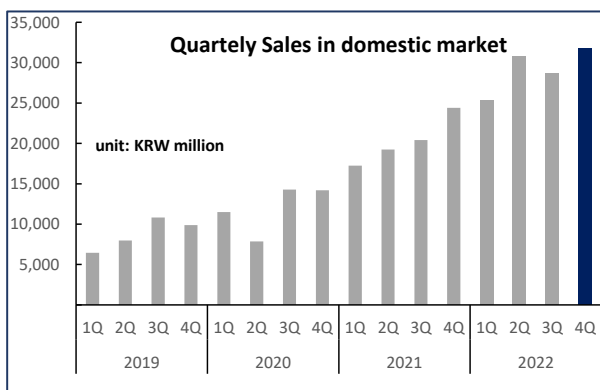
### - Overseas (YoY 31%)

#### Japan

- The sales of HIFU increased (YoY 83%) as increases of sales in Ultracel Q+, Ultracel[Zi]
- As an expansion of entering aesthetic clinic, the sales of RF devices increased (YoY 123%)
- The sales of cartridge decreased slightly by promotion after launching of Ultracel[Zi]
- As increasing in number of aesthetic procedures, the sales of tip increased (YoY 232%)

#### ODM

- Supplied with Potenza ODM increased by 85% year on year, boosted by high demand in the US market for 4Q 2022
- The order of consumables decreased by owing to hold inventories through bulk pre-order from Cynosure in the first half of 2022

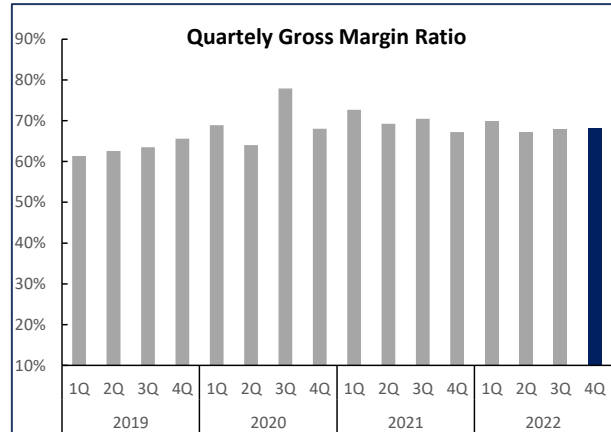
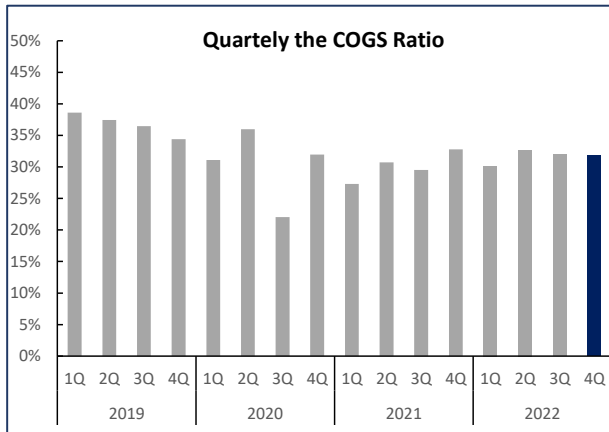


## II. Gross Margin

Gross Margin recorded KRW 21.7bn (YoY 32%) and its gross margin ratio was 68%.

The COGS ratio improved by 1%p year on year based on sales growth sharply

increases in ASP from devices and termination of discount promotion.

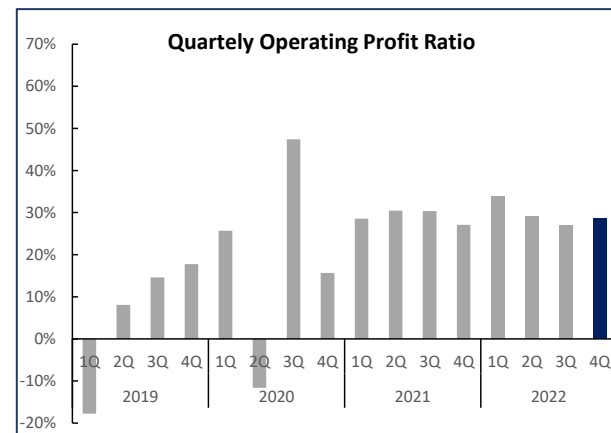
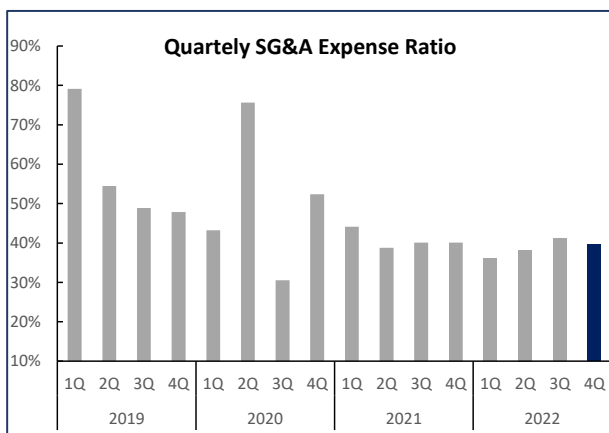


## III. Operating Profit

An increase in advertising expenses in the last 3Q stabilized and expenses executed conservatively.

Thus, the SG&A ratio improved by 1%p year on year

Operating profit reported KRW 9.1bn(YoY 37%) and its operating profit ratio was 29%.



**IV. Net Profit**

Net Profit recorded KRW 6.1bn (YoY -23%) and its net profit ratio was 19% that related to non-operating loss of KRW 1.6bn from foreign currency exchange loss and others, incurred corporate tax of KRW 1.1bn. The reason why corporate tax seemed to be relatively increased was corporate tax credit that carried losses forward expired. Therefore, corporate tax normally reflected from 2022.

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

Consolidated based on K-IFRS (Unit : KRW million)	4Q 2022	4Q 2021	3Q 2022	YoY	QoQ
Sales	31,803,087,693	24,394,945,313	28,642,012,351	30.4%	11.0%
Cost of Good Sold	10,120,950,720	7,997,763,892	9,159,820,294	26.5%	10.5%
Gorss Margin	21,682,136,973	16,397,181,421	19,482,192,057	32.2%	11.3%
SG&A Expense	12,595,604,965	9,784,443,630	11,765,761,223	28.7%	7.1%
Operating Profit	9,086,532,008	6,612,737,791	7,716,430,834	37.4%	17.8%
Profit before tax	7,288,092,786	6,612,955,230	9,111,454,775	10.2%	-20.0%
Net Profit	6,148,529,827	8,026,423,939	7,181,646,345	-23.4%	-14.4%