COMPANY UPDATE

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Innovation Team

Donghee Jeong
Analyst
donghee1009.jeong@samsung.com

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Classys (214150)

Balancing core business growth with momentum

- Classys should report in-line 4Q results thanks to: 1) stable domestic sales growth; and 2) increased shipments of consumables to Brazil.
- We maintain our BUY rating for the stock and raise our 12-month target price to KRW 77,000, reflecting the consolidation of the Brazilian distributor MedSystems (the merger is set for completion in 1Q26) and disciplined SG&A management. Classys boasts multiple non-organic growth and regulatory approval catalysts.

WHAT'S THE STORY?

4Q25 preview: Classys should report in-line 4Q results showing sales of KRW96.8b (up 30.1% y-y and up 16.7% q-q) and an operating profit of KRW48b (up 34.2% y-y and up 27.7% q-q). Equipment exports likely reached KRW36.5b (up 27.8% y-y and up 16.5% q-q), driven by strong demand in the US and Asia (*eg*, Thailand, Taiwan, and Japan), while exports of consumables (including exports to Brazilian distributor MedSystems, with which it is merging) likely came in at KRW23.4b (up 13.6% y-y and up 8.4% q-q), including over KRW10b in shipments in December alone. In Korea, equipment sales likely reached KRW13.8b (up 45.2% y-y and up 18.9% q-q), supported by stable sales of Shrink and Volnewmer, along with new Quadessy sales, while consumables sales likely came to KRW19.5b (up 37.4% y-y and up 23.6% q-q), reflecting increased medical tourism and growing procedure volumes. While MedSystems-related merger costs were likely booked in 4Q (as they were in 3Q), stable SG&A numbers (thanks to small bad debt reversals) likely resulted in an operating margin of 49.6% (up 4.3%p q-q).

(Continued on the next page)

SUMMARY FINANCIAL DATA

	2024	2025E	2026E	2027E
Revenue (KRWb)	243	340	496	620
Operating profit (KRWb)	122	167	236	292
Net profit (adj) (KRWb)	98	128	194	243
EPS (adj) (KRW)	1,517	1,952	2,959	3,693
EPS (adj) growth (% y-y)	32.4	28.7	51.6	24.8
EBITDA margin (%)	53.4	53.7	50.4	49.1
ROE (%)	26.5	25.3	30.0	28.5
P/E (adj) (x)	31.4	27.9	20.0	16.0
P/B (x)	6.9	6.4	5.2	4.0
EV/EBITDA (x)	23.5	18.9	14.3	11.1
Dividend yield (%)	0.5	0.5	0.4	0.4

Source: Company data, Samsung Securities estimates

AT A GLANCE

BUY

Target price	KRW77,000	30.1%
Current price	KRW59,200	
Market cap	KRW3.9t/USD2.7b	
Shares (float)	65,505,659 (31.7%)	
52-week high/low	KRW70,700/KRW46,500	
Avg daily trading value (60-day)	KRW13.9b/ USD9.4m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
Classys (%)	5.5	1.9	11.9
Vs Kosdaq (%pts)	1.0	-14.6	-15.5

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	77,000	73,000	5.5%
2025E EPS	1,952	1,988	-1.8%
2026E EPS	2,959	2,880	2.7%

SAMSUNG vs THE STREET

No of estimates	13
Target price	75,615
Recommendation	4.0

※ Rating: 4 < → BUY, 3 = HOLD, 2 > → SELL

Maintaining BUY; raising target price to KRW77,000: We raise our 12-month target price for the stock slightly to KRW77,000, as we apply 20x to our 12-month forward EBITDA estimate to reflect the expected completion of the MedSystems acquisition in January and Classys' disciplined approach towards SG&A costs. Regarding the acquisition, the company projects an additional KRW70b in consolidated sales in 2026, which we conservatively estimate will contribute KRW5.6b in additional operating profit. Gradual sales growth is expected at the Brazilian distributor over 1Q-4Q, though estimates may be revised up depending on the pace at which its operations normalize. Classys' earnings growth should accelerate in 2026, driven by the normalization of South American sales post-MedSystems acquisition. Also positive is that since 2H25, the company has been expanding into new European markets (*eg*, Spain and Turkey) with Shrink and Volnewmer, and Volnewmer shipments to the US are progressing well. Likely regulatory milestones include Volnewmer's approval in China in 2H26, Shrink's approval in China in 1H27, and Shrink's approval in the US in 2H27.

4Q preview

(KRWb)	4Q25E	3Q25	4Q24	Consensus	Diff (%)		
					(% q-q)	(% y-y)	Consensus
Sales	96.8	83.0	74.4	97.8	16.7	30.1	(1.0)
Operating profit	48.0	37.6	35.8	48.5	27.7	34.2	(1.1)
Pre-tax profit	49.0	42.8	38.9	50.3	14.3	25.9	(2.5)
Net profit	38.7	33.1	28.4	41.3	16.9	36.3	(6.3)
Margins (%)							
Operating profit	49.6	45.3	48.1	49.7			
Pre-tax profit	50.6	51.6	52.3	51.4			
Net profit	40.0	39.9	38.1	42.3			

Source: FnGuide, Samsung Securities estimates

Classys: Valuation

(KRWb)	Calculation	Estimated value	Note
2025 EBITDA	(A)	235	
EV/EBTIDA multiple (x)	(B)	20	2022-2024 peak, with 20% discount
Operating value	(C=AxB)	4,696	
Net debt	(D)	-305	
Fair value	(C-D)	5,001	
Outstanding shares ('000)		65,154	
Fair value per share (KRW)		76,757	
Target price (KRW)		77,000	

Note: *due to trading volatility and governance issues
Source: Bloomberg, Samsung Securities estimates

Classys: Results and forecasts (consolidated; merged with Ilooda in 4Q24)

(KRWb)	2024	2025E	2026E	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25E	1Q26E	2Q26E	3Q26E	4Q26E
Sales	**242.9**	**340.2**	**496.5**	**50.4**	**58.7**	**59.4**	**74.4**	**77.1**	**83.3**	**83.0**	**96.8**	**101.5**	**123.2**	**124.1**	**147.7**
Platforms	**124.2**	**173.8**	**207.5**	**22.2**	**30.9**	**33.1**	**38.1**	**35.1**	**45.5**	**42.9**	**50.3**	**45.8**	**49.9**	**54.8**	**57.1**
Exports	94.9	126.6	148.8	15.6	24.2	26.5	28.6	25.9	32.9	31.3	36.5	32.6	35.5	39.7	41.0
Domestics	29.3	47.2	58.7	6.6	6.6	6.6	9.5	9.2	12.6	11.6	13.8	13.1	14.4	15.1	16.1
Consumables	**112.9**	**156.4**	**213.7**	**26.5**	**26.1**	**25.6**	**34.7**	**41.0**	**35.2**	**37.3**	**42.8**	**46.8**	**51.6**	**53.7**	**61.6**
Exports	67.0	91.1	126.6	17.3	15.5	13.6	20.6	26.1	20.1	21.5	23.4	27.2	31.0	31.8	36.5
Domestics	46.0	65.3	87.2	9.1	10.6	12.1	14.2	14.9	15.1	15.8	19.5	19.6	20.6	21.9	25.1
ShurinkRX/Skederm	**4.7**	**9.1**	**18.3**	**1.4**	**1.5**	**0.4**	**1.4**	**0.8**	**2.4**	**2.5**	**3.4**	**3.1**	**4.6**	**4.2**	**6.4**
Exports	1.7	1.9	2.2	0.7	0.6	0.2	0.3	0.6	0.4	0.1	0.8	0.5	0.4	0.3	0.9
Domestics	3.0	7.2	16.2	0.7	0.9	0.3	1.1	0.3	2.0	2.4	2.6	2.5	4.2	3.9	5.5
Others	**1.0**	**1.0**	**0.9**	**0.3**	**0.3**	**0.2**	**0.2**	**0.2**	**0.2**	**0.2**	**0.3**	**0.3**	**0.2**	**0.2**	**0.2**
MedSystems	**-**	**-**	**56.0**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**5.6**	**16.8**	**11.2**	**22.4**
Gross profit	**191.1**	**263.1**	**357.5**	**40.2**	**47.5**	**46.6**	**56.8**	**61.3**	**64.0**	**63.7**	**74.0**	**76.4**	**87.2**	**90.6**	**103.2**
Operating profit	**122.4**	**167.4**	**236.3**	**26.5**	**31.2**	**29.0**	**35.8**	**38.8**	**43.0**	**37.6**	**48.0**	**50.6**	**59.6**	**61.9**	**64.2**
Pre-tax profit	**127.9**	**163.3**	**246.1**	**32.1**	**34.5**	**22.4**	**38.9**	**39.6**	**31.9**	**42.8**	**49.0**	**52.5**	**61.9**	**64.5**	**67.2**
Net profit (controlling)	**97.9**	**127.9**	**193.8**	**26.1**	**26.6**	**16.5**	**28.7**	**29.8**	**26.5**	**33.0**	**38.6**	**41.3**	**48.8**	**50.8**	**52.9**
Growth (%y-y)															
Sales	***34.8***	***40.1***	***45.9***	***29.2***	***27.9***	***23.0***	***58.3***	***53.1***	***41.9***	***39.7***	***30.1***	***31.6***	***47.9***	***49.5***	***52.5***
Platforms	***30.8***	***39.9***	***19.4***	***13.9***	***31.4***	***24.0***	***50.4***	***57.9***	***47.4***	***29.7***	***32.1***	***30.5***	***9.7***	***27.6***	***13.4***
Exports	*39.7*	*33.4*	*17.5*	*15.6*	*36.9*	*42.4*	*57.8*	*66.0*	*35.5*	*18.3*	*27.8*	*26.0*	*8.1*	*26.7*	*12.2*
Domestics	*8.3*	*60.9*	*24.4*	*10.1*	*14.4*	*-18.3*	*31.8*	*38.7*	*91.2*	*75.4*	*45.2*	*43.2*	*14.0*	*29.9*	*16.6*
Consumables	*39.3*	*38.5*	*36.7*	*41.6*	*19.7*	*25.0*	*72.8*	*54.8*	*35.1*	*45.5*	*23.3*	*14.1*	*46.6*	*44.0*	*43.8*
Exports	*40.1*	*36.1*	*38.9*	*65.2*	*14.6*	*11.3*	*77.2*	*50.3*	*30.0*	*58.6*	*13.6*	*4.4*	*54.0*	*47.8*	*56.4*
Domestics	*38.2*	*42.0*	*33.6*	*11.4*	*28.0*	*45.3*	*66.8*	*63.3*	*42.4*	*30.8*	*37.4*	*31.3*	*36.8*	*38.8*	*28.6*
ShurinkRX/Skederm	*85.7*	*93.1*	*100.9*	*365.0*	*527.1*	*-38.1*	*6.5*	*-40.9*	*57.9*	*477.6*	*146.3*	*271.3*	*95.5*	*67.2*	*88.3*
Exports	*11.6*	*12.8*	*11.5*	*599.0*	*1731.3*	*-61.0*	*-73.1*	*-19.6*	*-30.2*	*-25.0*	*212.5*	*-2.4*	*0.9*	*153.0*	*6.2*
Domestics	*198.3*	*138.8*	*124.9*	*248.0*	*341.8*	*-7.7*	*271.7*	*-62.4*	*114.0*	*760.6*	*130.3*	*858.4*	*115.1*	*63.0*	*115.1*
Others	*-36.5*	*-5.0*	*-5.0*	*-41.6*	*-32.8*	*-41.0*	*-26.7*	*-19.2*	*-20.5*	*3.4*	*23.4*	*9.4*	*5.2*	*-7.9*	*-22.8*
MedSystems	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross profit	***36.1***	***37.6***	***35.9***	***33.1***	***30.8***	***25.9***	***53.9***	***52.5***	***34.7***	***36.7***	***30.3***	***24.6***	***36.2***	***42.3***	***39.4***
Operating profit	***36.6***	***36.7***	***41.1***	***33.3***	***34.7***	***17.4***	***63.3***	***46.3***	***37.9***	***29.9***	***34.2***	***30.4***	***38.6***	***64.5***	***33.8***
Pre-tax profit	***36.3***	***27.6***	***50.7***	***38.7***	***40.1***	***-19.3***	***112.6***	***23.2***	***-7.6***	***91.3***	***25.9***	***32.7***	***94.1***	***50.5***	***37.2***
Net profit (controlling)	***31.9***	***30.7***	***51.6***	***39.0***	***43.2***	***-22.2***	***82.9***	***14.3***	***-0.4***	***100.2***	***34.4***	***38.7***	***84.3***	***53.9***	***37.2***
Margins (%)															
Gross profit	**78.7**	**77.3**	**72.0**	**79.8**	**81.0**	**78.4**	**76.4**	**79.5**	**76.9**	**76.8**	**76.4**	**75.3**	**70.8**	**73.0**	**69.9**
Operating profit	**50.4**	**49.2**	**47.6**	**52.6**	**53.1**	**48.7**	**48.1**	**50.3**	**51.6**	**45.3**	**49.6**	**49.9**	**48.4**	**49.9**	**43.5**
Pre-tax profit	**52.7**	**48.0**	**49.6**	**63.7**	**58.9**	**37.7**	**52.3**	**51.3**	**38.3**	**51.6**	**50.6**	**51.7**	**50.3**	**52.0**	**45.5**
Net profit (controlling)	**40.3**	**37.6**	**39.0**	**51.8**	**45.3**	**27.8**	**38.6**	**38.7**	**31.8**	**39.8**	**39.8**	**40.8**	**39.6**	**40.9**	**35.8**

Note: Classys, Samsung Securities estimates

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Sales	**180**	**243**	**340**	**496**	**620**
Cost of goods sold	40	52	77	139	179
Gross profit	**140**	**191**	**263**	**357**	**440**
Gross margin (%)	78.0	78.7	77.3	72.0	71.0
SG&A expenses	51	69	96	121	148
Operating profit	**90**	**122**	**167**	**236**	**292**
Operating margin (%)	49.8	50.4	49.2	47.6	47.1
Non-operating gains (losses)	**4**	**5**	**-4**	**10**	**15**
Financial profit	9	24	7	10	15
Financial costs	4	5	10	0	0
Equity-method gains (losses)	0	-1	0	0	0
Other	-1	-13	-1	-0	0
Pre-tax profit	**94**	**128**	**163**	**246**	**307**
Taxes	20	30	35	52	65
Effective tax rate (%)	20.9	23.8	21.6	21.0	21.0
Profit from continuing operations	74	98	128	194	243
Profit from discontinued operations	0	0	0	0	0
Net profit	**74**	**98**	**128**	**194**	**243**
Net margin (%)	41.2	40.2	37.6	39.2	39.2
Net profit (controlling interests)	74	98	128	194	242
Net profit (non-controlling interests)	0	-0	0	1	1
EBITDA	94	130	183	250	304
EBITDA margin (%)	52.1	53.4	53.7	50.4	49.1
EPS (parent-based) (KRW)	1,146	1,517	1,952	2,959	3,693
EPS (consolidated) (KRW)	1,146	1,512	1,954	2,968	3,705
Adjusted EPS (KRW)*	1,146	1,517	1,952	2,959	3,693

Balance sheet

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Current assets	**186**	**234**	**323**	**575**	**814**
Cash & equivalents	18	23	46	152	282
Accounts receivable	17	37	67	103	130
Inventories	19	30	36	56	70
Other current assets	131	145	173	264	332
Fixed assets	**190**	**374**	**378**	**365**	**352**
Investment assets	4	10	9	9	9
Tangible assets	139	193	201	195	189
Intangible assets	3	141	138	131	124
Other long-term assets	44	30	30	30	30
Total assets	**375**	**608**	**701**	**939**	**1,166**
Current liabilities	**29**	**129**	**52**	**72**	**70**
Accounts payable	0	4	6	8	11
Short-term debt	0	4	1	1	1
Other current liabilities	29	121	46	63	59
Long-term liabilities	**63**	**27**	**92**	**132**	**136**
Bonds & long-term debt	62	12	83	83	83
Other long-term liabilities	1	15	9	49	52
Total liabilities	**92**	**156**	**144**	**205**	**206**
Owners of parent equity	**284**	**454**	**558**	**735**	**961**
Capital stock	6	7	7	7	7
Capital surplus	24	106	106	106	106
Retained earnings	271	336	447	624	849
Other	-18	5	-2	-2	-2
Non-controlling interests' equity	**0**	**-1**	**-1**	**-1**	**0**
Total equity	**284**	**453**	**557**	**735**	**961**
Net debt	-44	-67	-117	-305	-497

Cash flow statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Cash flow from operations	**65**	**103**	**107**	**205**	**209**
Net profit	74	98	128	194	243
Non-cash profit and expenses	24	38	59	56	61
Depreciation	4	5	7	6	6
Amortization	0	2	8	7	7
Other	19	31	44	42	49
Changes in A/L from operating activities	-9	-15	-44	-3	-46
Cash flow from investments	**-48**	**-82**	**-52**	**-102**	**-63**
Change in tangible assets	-4	-4	-12	0	0
Change in financial assets	-24	-45	-22	-84	-63
Other	-20	-33	-19	-18	0
Cash flow from financing	**-26**	**-17**	**-30**	**-16**	**-16**
Change in debt	-2	27	-4	1	1
Change in equity	0	82	-0	0	0
Dividends	-7	-13	-17	-17	-17
Other	-16	-113	-10	0	0
Change in cash	-8	4	23	106	130
Cash at beginning of year	26	18	23	46	152
Cash at end of year	18	23	46	152	282
Gross cash flow	**98**	**135**	**188**	**250**	**304**
Free cash flow	**60**	**99**	**95**	**205**	**209**

Financial ratios

Year-end Dec 31	2023	2024	2025E	2026E	2027E
Growth (%)					
Sales	27.0	34.9	40.0	45.9	24.8
Operating profit	30.1	36.6	36.7	41.1	23.5
Net profit	-1.5	31.4	31.2	51.9	24.8
Adjusted EPS**	-1.5	32.4	28.7	51.6	24.8
Per-share data (KRW)					
EPS (parent-based)	1,146	1,517	1,952	2,959	3,693
EPS (consolidated)	1,146	1,512	1,954	2,968	3,705
Adjusted EPS**	1,146	1,517	1,952	2,959	3,693
BVPS	4,430	6,931	8,568	11,287	14,743
DPS (common)	200	257	257	257	257
Valuations (x)					
P/E***	32.9	31.4	27.9	20.0	16.0
P/B***	8.5	6.9	6.4	5.2	4.0
EV/EBITDA	25.6	23.5	18.9	14.3	11.1
Ratios (%)					
ROE	28.9	26.5	25.3	30.0	28.5
ROA	21.0	19.8	19.5	23.7	23.0
ROIC	51.5	35.3	33.8	43.6	49.8
Payout ratio	17.2	17.2	13.1	8.6	6.9
Dividend yield (common)	0.5	0.5	0.5	0.4	0.4
Net debt to equity	-15.5	-14.9	-20.9	-41.6	-51.8
Interest coverage (x)	45.8	60.0	72.5	n/a	n/a

Note: *Excluding one-off items
**Fully diluted, excluding one-off items
***From companies subject to equity-method valuation

Source: Company data, Samsung Securities estimates

Compliance notice

- As of 1/22 2026, the covering analyst(s) did not own any shares, or debt instruments convertible into shares, of any company covered in this report.
- As of 1/22 2026, Samsung Securities' holdings of shares and debt instruments convertible into shares of each company covered in this report would not, if such debt instruments were converted, exceed 1% of each company's outstanding shares.
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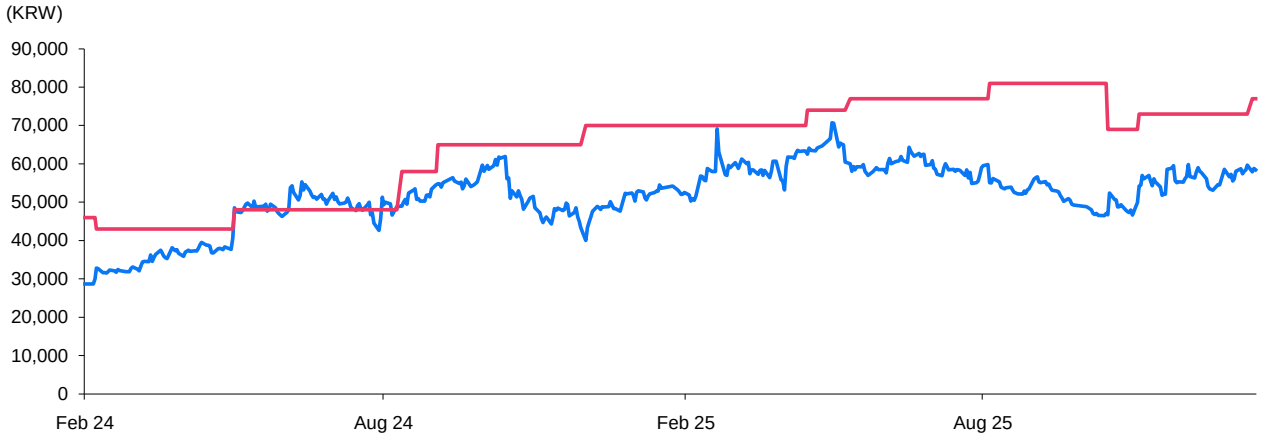
Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	2023/9/25	2024/2/15	5/9	8/19	9/10	12/9	2025/4/23	5/13	5/19	8/12	10/23	11/11
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	46000	43000	48000	58000	65000	70000	74000	74000	77000	81000	69000	73000
Gap* (average)	-23.32	-17.44	3.21	-10.98	-19.69	-21.14	-11.30	-14.14	-23.03	-35.70	-29.01	-22.91
(max or min)**	-9.35	-5.47	-11.15	-5.86	-4.77	-1.29	-4.46	-12.03	-16.49	-30.12	-24.06	-18.08

Date	2026/1/19
Recommendation	BUY
Target price (KRW)	77000
Gap* (average)	
(max or min)**	

Note: * [(average, maximum, or minimum share price over duration of target price minus target price) / target price] x 100%
** Maximum/minimum share price if new target is higher/lower than market close on the business day prior to target price change

Samsung Securities uses the following investment ratings*

Company

BUY	Expected to increase in value by 15% or more within 12 months and is highly attractive within sector
HOLD	Expected to increase/decrease in value by less than 15% within 12 months
SELL	Expected to decrease in value by 15% or more within 12 months

Industry

OVERWEIGHT	Expected to outperform market by 5% or more within 12 months
NEUTRAL	Expected to outperform/underperform market by less than 5% within 12 months
UNDERWEIGHT	Expected to underperform market by 5% or more within 12 months

* Note: Effective Jul 27, 2023, BUY, HOLD, and SELL criteria are based on expectations of share-price moves of 15% or more within 12 months

Percentage of ratings in 12 months prior to 2025.12.31

BUY (85.8%)·HOLD (14.2%)·SELL (0%)

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General

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Samsung Securities

SAMSUNG SECURITIES

Samsung Electronics Bldg., 11, 74-gil,
Seochodae-ro, Seocho-gu, Seoul, Korea 06620
Tel: 02 2020 8000 / www.samsungpop.com

Family Center: 1588 2323

Voice Of Customer: 080 911 0900

For more information,
please call our sales representatives:

LONDON

Samsung Securities Europe Limited
1st Floor, 30 Gresham Street, London EC2V 7PG UK
Tel. 44-207-776-4311
Fax. 44-203-837-9219

NEW YORK

Samsung Securities America Limited
1330 Avenue of the Americas. 10th Floor. New York,
NY 10019
Tel: 1-212-972-2454
Fax: 1-212-972-2704

HONG KONG

Samsung Securities (Asia) Limited
Suite 4511, Two International Finance Center,
8 Finance Street, Central, Hong Kong
Tel: 852-3411-3608
Fax: 852-2114-0290

BEIJING

Samsung Securities Beijing Representative Office
Rm. 910, The Exchange Building No 118 JianGuo Lu, Chao
Yang District, Beijing, China
Tel: 86-10-6522-1855 (extension 7891)
Fax: 86-10-6522-1855 (extension 7889)

TOKYO

Samsung Securities Tokyo Representative Office
#106-8532 19F, Roppongi T-Cube 3-1-1,
Roppongi Minato-ku Tokyo, Japan
Tel: 81-3-6333-2952
Fax: 81-3-6333-2953

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