COMPANY UPDATE

2026. 7. 23

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Classys (214150)

Stronger growth catalysts needed

- Classys is likely to post 2Q results that miss consensus due to sluggish domestic equipment and consumables sales, along with a delayed ramp-up in Brazil. Nevertheless, overall sales and operating profit likely continued to grow q-q and y-y.
- We maintain our BUY rating but cut our target price to KRW70,000. Catalysts for an earnings recovery in 2H remain intact: 1) normalization of Brazilian operations; 2) expected Chinese approval for the Volnewmer device by December; and 3) greater synergies as the post-merger integration of Brazilian distributor MedSystems stabilizes.

AT A GLANCE

BUY

Target price	KRW70,000	61.3%
Current price	**KRW43,400**	
Market cap	KRW2.8t/USD1.9b	
Shares (float)	65,235,659 (40.3%)	
52-week high/low	KRW75,600/KRW42,000	
Avg daily trading value (60-day)	KRW13.6b/ USD9.2m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
Classys (%)	-6.2	-26.7	-25.3
Vs Kosdaq (%pts)	21.0	-5.3	-19.1

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	70,000	76,000	-7.9%
2026E EPS	2,433	2,622	-7.2%
2027E EPS	2,970	3,205	-7.3%

SAMSUNG vs THE STREET

No of estimates	15
Target price	76,867
Recommendation	4.0

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

WHAT'S THE STORY?

2Q preview: We now expect Classys to report 2Q sales of KRW105.7b (up 21.3% q-q and 26.9% y-y) and operating profit of KRW47.9b (up 28.8% q-q and 11.4% y-y), both missing consensus. Benefiting from favorable forex rates, overseas equipment and consumables sales likely grew, driven by Quadessy (launched in March) and Volnewmer exports to the US, as well as Shurink exports to Thailand and Russia. However, domestic equipment sales growth likely faced a high base from strong Reepot sales last year, while consumables continued to miss out on the medical-tourism boom. We estimate equipment exports at KRW42.7b (up 20.3% q-q and 30.0% y-y) and consumables exports at KRW28b (up 7.5% q-q and 38.9% y-y). We estimate domestic equipment sales at KRW7b (up 6.3% q-q but down 44.4% y-y) and domestic consumables sales at KRW14.9b (up 0.2% q-q but down 1.3% y-y). MedSystems was fully consolidated in 2Q, but its operations were likely disrupted by the June World Cup and festival season and should begin to normalize in 3Q. Classys's operating margin likely reached 45.3% in 2Q.

(Continued on the next page)

SUMMARY FINANCIAL DATA

(KRWb)	2025	2026E	2027E	2028E
Revenue	337	424	522	620
Operating profit	171	189	237	291
Net profit (adj)	132	158	194	239
EPS (adj) (KRW)	2,014	2,433	2,970	3,666
EPS (adj) growth (% y-y)	32.8	20.8	22.1	23.4
EBITDA margin (%)	55.0	48.2	48.0	48.9
ROE (%)	26.2	26.5	27.2	27.7
P/E (adj) (x)	27.1	17.8	14.6	11.8
P/B (x)	6.4	4.4	3.6	3.0
EV/EBITDA (x)	18.6	13.4	10.7	8.4
Dividend yield (%)	1.8	2.3	2.3	2.3

Source: Company data, Samsung Securities estimates

Samsung Securities

Maintaining BUY but cutting target price: We cut our 2026 and 2027 operating profit forecasts by 7.2% and 7.3%, respectively, and lower our target price to KRW70,000. In our view, however, the market is currently overly pessimistic, especially considering the following catalysts: 1) Volnewmer is expected to receive Chinese regulatory approval by Dec 2026, while a potential pre-approval partnership could provide near-term upside; 2) stabilizing operations and recovering monthly sales at Brazilian distributor MedSystems following post-merger integration should support earnings improvement in 2H; and 3) the product-launch gap between the current Volnewmer and its next-generation model (expected in 2027), and between the current Shurink and its next-generation model (expected in 2028), should be partly bridged by broader use of existing platforms (*eg*, a new procedure combining cartridge and ampoule treatments). Notably, Jun-oh Yoon, who previously played a key role in Harman's integration into Samsung Electronics, became CEO on Jul 15. Under his leadership, we expect Classys to: 1) accelerate product development, including the launch of two additional home beauty devices by year-end; and 2) capture greater synergies from the integration of Brazilian distributor MedSystems. We expect these initiatives to support a rerating.

2Q preview

(KRWb)	2Q26E	1Q26	2Q25	Consensus	Diff (%)		
					(% q-q)	(% y-y)	Consensus
Sales	105.7	87.2	83.3	115.6	21.3	26.9	(8.5)
Operating profit	47.9	37.2	43.0	54.0	28.8	11.4	(11.2)
Pre-tax profit	49.8	44.8	31.9	55.5	11.1	56.2	(10.1)
Net profit	39.4	33.6	26.5	40.3	17.1	48.7	(2.3)
Margins (%)							
Operating profit	45.3	42.7	51.6	46.7			
Pre-tax profit	47.1	51.4	38.3	48.0			
Net profit	37.2	38.6	31.8	34.9			

Source: FnGuide, Samsung Securities estimates

Classys: Valuation

(KRWb)	Calculation	Value
Forward EBITDA	(A = B x D + C x (1 - D))	230
2026E EBITDA	(B)	204
2027E EBITDA	(C)	251
2026 weighting	(D)	45%
Target EV/EBITDA multiple* (x)	(E)	20
Enterprise value	(F = A x E)	4,481
Net debt	(G)	-101
Equity value	(H = F - G)	4,582
Shares outstanding ('000)	(I)	65,154
Fair value per share (KRW)	(H/I)	70,326
Target price (KRW)		70,000

Note: *20% discount to peak seen over 2022-2024
Source: Bloomberg, Samsung Securities estimates

Classys: Results and forecasts

(KRWb)	2025	2026E	2027E	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26E	3Q26E	4Q26E
Sales	**336.8**	**423.6**	**522.0**	**50.4**	**58.7**	**59.4**	**74.4**	**77.1**	**83.3**	**83.0**	**93.4**	**87.2**	**105.7**	**110.8**	**120.0**
Platforms	**174.0**	**195.3**	**231.8**	**22.2**	**30.9**	**33.1**	**38.1**	**35.1**	**45.5**	**42.9**	**50.5**	**42.1**	**49.7**	**50.9**	**52.6**
Exports	128.0	165.8	190.8	15.6	24.2	26.5	28.6	25.9	32.9	31.3	37.9	35.5	42.7	43.3	44.3
Domestics	45.9	29.5	41.0	6.6	6.6	6.6	9.5	9.2	12.6	11.6	12.5	6.6	7.0	7.6	8.2
Consumables	**154.6**	**176.6**	**205.0**	**26.5**	**26.1**	**25.6**	**34.7**	**41.0**	**35.2**	**37.3**	**41.1**	**40.9**	**42.8**	**45.0**	**47.8**
Exports	95.5	115.8	142.9	17.3	15.5	13.6	20.6	26.1	20.1	21.5	27.7	26.0	28.0	29.9	32.0
Domestics	59.2	60.9	62.1	9.1	10.6	12.1	14.2	14.9	15.1	15.8	13.4	14.9	14.9	15.2	15.9
ShurinkRX/Skederm	**7.3**	**10.7**	**14.4**	**1.4**	**1.5**	**0.4**	**1.4**	**0.8**	**2.4**	**2.5**	**1.6**	**2.0**	**2.9**	**2.6**	**3.2**
Exports	1.2	1.4	1.7	0.7	0.6	0.2	0.3	0.6	0.4	0.1	0.1	0.0	0.3	0.2	0.9
Domestics	6.1	9.3	12.7	0.7	0.9	0.3	1.1	0.3	2.0	2.4	1.5	2.0	2.6	2.4	2.3
Others	**0.9**	**0.9**	**0.8**	**0.3**	**0.3**	**0.2**	**0.2**	**0.2**	**0.2**	**0.2**	**0.2**	**0.3**	**0.2**	**0.2**	**0.2**
MedSystems		**40.0**	**70.0**									**1.8**	**10.0**	**12.0**	**16.2**
Gross profit	**261.1**	**314.2**	**393.2**	**40.2**	**47.5**	**46.6**	**56.8**	**61.3**	**64.0**	**63.7**	**72.0**	**65.0**	**78.5**	**82.4**	**88.2**
Operating profit	**170.6**	**189.2**	**237.3**	**26.5**	**31.2**	**29.0**	**35.8**	**38.8**	**43.0**	**37.6**	**51.2**	**37.2**	**47.9**	**49.5**	**54.6**
Pre-tax profit	**168.6**	**203.4**	**248.4**	**32.1**	**34.5**	**22.4**	**38.9**	**39.6**	**31.9**	**42.8**	**54.3**	**44.8**	**49.8**	**51.6**	**57.1**
Net profit (controlling)	**131.9**	**158.8**	**193.8**	**26.1**	**26.6**	**16.5**	**28.7**	**29.8**	**26.5**	**33.0**	**42.6**	**33.6**	**39.4**	**40.8**	**45.1**
Growth (%y-y)															
Sales	**38.7**	**25.8**	**23.2**	**29.2**	**27.9**	**23.0**	**58.3**	**53.1**	**41.9**	**39.7**	**25.6**	**13.0**	**26.9**	**33.5**	**28.4**
Platforms	**40.0**	**12.3**	**18.7**	**13.9**	**31.4**	**24.0**	**50.4**	**57.9**	**47.4**	**29.7**	**32.6**	**20.1**	**9.3**	**18.5**	**4.2**
Exports	34.9	29.5	15.1	15.6	36.9	42.4	57.8	66.0	35.5	18.3	32.9	37.0	30.0	38.0	16.8
Domestics	56.6	-35.8	39.0	10.1	14.4	-18.3	31.8	38.7	91.2	75.4	31.8	-28.0	-44.4	-34.1	-34.2
Consumables	36.9	14.2	16.0	41.6	19.7	25.0	72.8	54.8	35.1	45.5	18.4	-0.2	21.7	20.7	16.3
Exports	42.6	21.3	23.4	65.2	14.6	11.3	77.2	50.3	30.0	58.6	34.9	-0.3	38.9	38.6	15.3
Domestics	28.7	2.9	2.0	11.4	28.0	45.3	66.8	63.3	42.4	30.8	-5.5	-0.0	-1.3	-3.7	18.5
ShurinkRX/Skederm	54.8	47.1	34.2	365.0	527.1	-38.1	6.5	-40.9	57.9	477.6	15.8	145.0	23.1	5.3	97.7
Exports	-31.7	21.5	19.3	599.0	1731.3	-61.0	-73.1	-19.6	-30.2	-25.0	-70.3	-100.0	-17.5	82.9	984.1
Domestics	104.0	52.0	36.4	248.0	341.8	-7.7	271.7	-62.4	114.0	760.6	36.5	670.6	31.6	1.5	51.1
Others	-8.4	-5.0	-5.0	-41.6	-32.8	-41.0	-26.7	-19.2	-20.5	3.4	7.8	9.7	2.6	-10.1	-21.2
MedSystems			75.0												
Gross profit	**36.6**	**20.3**	**25.2**	**33.1**	**30.8**	**25.9**	**53.9**	**52.5**	**34.7**	**36.7**	**26.8**	**6.1**	**22.7**	**29.2**	**22.5**
Operating profit	**39.3**	**10.9**	**25.4**	**33.3**	**34.7**	**17.4**	**63.3**	**46.3**	**37.9**	**29.9**	**43.0**	**-4.1**	**11.4**	**31.6**	**6.7**
Pre-tax profit	**31.8**	**20.6**	**22.2**	**38.7**	**40.1**	**-19.3**	**112.6**	**23.2**	**-7.6**	**91.3**	**39.7**	**13.4**	**56.2**	**20.5**	**5.0**
Net profit (controlling)	**34.8**	**20.4**	**22.0**	**39.0**	**43.2**	**-22.2**	**82.9**	**14.3**	**-0.4**	**100.2**	**48.5**	**12.7**	**48.7**	**23.5**	**5.7**
Margins (%)															
Gross profit	**77.5**	**74.2**	**75.3**	**79.8**	**81.0**	**78.4**	**76.4**	**79.5**	**76.9**	**76.8**	**77.1**	**74.6**	**74.3**	**74.3**	**73.5**
Operating profit	**50.7**	**44.7**	**45.5**	**52.6**	**53.1**	**48.7**	**48.1**	**50.3**	**51.6**	**45.3**	**54.8**	**42.7**	**45.3**	**44.7**	**45.5**
Pre-tax profit	**50.1**	**48.0**	**47.6**	**63.7**	**58.9**	**37.7**	**52.3**	**51.3**	**38.3**	**51.6**	**58.2**	**51.4**	**47.1**	**46.6**	**47.6**
Net profit (controlling)	**39.2**	**37.5**	**37.1**	**51.8**	**45.3**	**27.8**	**38.6**	**38.7**	**31.8**	**39.8**	**45.6**	**38.6**	**37.2**	**36.8**	**37.6**

Note: Company data, Samsung Securities estimates

Income statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Sales	**243**	**337**	**424**	**522**	**620**
Cost of goods sold	52	76	109	129	150
Gross profit	**191**	**261**	**314**	**393**	**470**
Gross margin (%)	78.7	77.5	74.2	75.3	75.8
SG&A expenses	69	90	125	156	179
Operating profit	**122**	**171**	**189**	**237**	**291**
Operating margin (%)	50.4	50.7	44.7	45.5	46.9
Non-operating gains (losses)	**5**	**-2**	**14**	**11**	**16**
Financial profit	24	10	17	11	16
Financial costs	6	11	2	0	0
Equity-method gains (losses)	-1	0	0	0	0
Other	-12	-1	-0	-0	0
Pre-tax profit	**128**	**169**	**203**	**248**	**307**
Taxes	30	37	45	55	67
Effective tax rate (%)	23.8	21.7	22.1	22.0	22.0
Profit from continuing operations	98	132	158	194	239
Profit from discontinued operations	0	0	0	0	0
Net profit	**98**	**132**	**158**	**194**	**239**
Net margin (%)	40.2	39.2	37.4	37.1	38.6
Net profit (controlling interests)	98	132	159	194	239
Net profit (non-controlling interests)	-0	0	-0	0	0
EBITDA	130	185	204	251	303
EBITDA margin (%)	53.4	55.0	48.2	48.0	48.9
EPS (parent-based) (KRW)	1,517	2,014	2,433	2,970	3,666
EPS (consolidated) (KRW)	1,512	2,015	2,426	2,970	3,666
Adjusted EPS (KRW)*	1,517	2,014	2,433	2,970	3,666

Balance sheet

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Current assets	**234**	**296**	**493**	**628**	**809**
Cash & equivalents	23	38	135	173	276
Accounts receivable	37	48	149	190	223
Inventories	30	30	81	103	121
Other current assets	145	180	127	162	189
Fixed assets	**374**	**409**	**426**	**413**	**401**
Investment assets	9	39	18	18	18
Tangible assets	193	200	203	196	191
Intangible assets	141	140	140	133	127
Other long-term assets	31	30	65	65	65
Total assets	**608**	**705**	**920**	**1,041**	**1,209**
Current liabilities	**129**	**80**	**242**	**230**	**220**
Accounts payable	4	5	3	4	5
Short-term debt	4	1	6	6	6
Other current liabilities	121	75	233	220	209
Long-term liabilities	**27**	**73**	**23**	**28**	**33**
Bonds & long-term debt	12	63	1	1	1
Other long-term liabilities	15	10	22	27	31
Total liabilities	**156**	**153**	**265**	**258**	**252**
Owners of parent equity	**454**	**553**	**647**	**776**	**950**
Capital stock	7	7	7	7	7
Capital surplus	106	10	10	10	10
Retained earnings	336	548	627	756	930
Other	5	-11	3	3	3
Non-controlling interests' equity	**-1**	**-1**	**7**	**7**	**7**
Total equity	**453**	**552**	**655**	**783**	**957**
Net debt	-66	-120	-101	-168	-295

Cash flow statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Cash flow from operations	**103**	**164**	**72**	**132**	**191**
Net profit	98	132	158	194	239
Non-cash profit and expenses	38	54	48	57	64
Depreciation	5	7	7	6	6
Amortization	2	8	8	7	6
Other	31	39	33	43	52
Changes in A/L from operating activities	-15	5	-95	-75	-60
Cash flow from investments	**-82**	**-109**	**37**	**-29**	**-24**
Change in tangible assets	-4	-10	-1	0	0
Change in financial assets	-43	-63	90	-29	-24
Other	-35	-36	-52	0	0
Cash flow from financing	**-17**	**-40**	**-76**	**-65**	**-65**
Change in debt	27	-5	55	0	0
Change in equity	82	-96	-0	0	0
Dividends	-13	-17	-65	-65	-65
Other	-113	79	-67	0	0
Change in cash	4	15	98	38	103
Cash at beginning of year	18	23	38	135	173
Cash at end of year	23	38	135	173	276
Gross cash flow	**135**	**186**	**206**	**251**	**303**
Free cash flow	**99**	**151**	**71**	**132**	**191**

Note: *Excluding one-off items;
**Fully diluted, excluding one-off items;
***From companies subject to equity-method valuation
Source: Company data, Samsung Securities estimates

Financial ratios

Year-end Dec 31	2024	2025	2026E	2027E	2028E
Growth (%)					
Sales	34.9	38.6	25.8	23.2	18.8
Operating profit	36.6	39.3	10.9	25.4	22.7
Net profit	31.4	35.3	20.0	22.3	23.4
Adjusted EPS**	32.4	32.8	20.8	22.1	23.4
Per-share data (KRW)					
EPS (parent-based)	1,517	2,014	2,433	2,970	3,666
EPS (consolidated)	1,512	2,015	2,426	2,970	3,666
Adjusted EPS**	1,517	2,014	2,433	2,970	3,666
BVPS	6,931	8,487	9,931	11,905	14,575
DPS (common)	257	1,000	1,000	1,000	1,000
Valuations (x)					
P/E***	31.4	27.1	17.8	14.6	11.8
P/B***	6.9	6.4	4.4	3.6	3.0
EV/EBITDA	23.6	18.6	13.4	10.7	8.4
Ratios (%)					
ROE	26.5	26.2	26.5	27.2	27.7
ROA	19.8	20.1	19.5	19.8	21.3
ROIC	35.2	36.1	33.3	34.0	37.6
Payout ratio	17.2	49.4	41.0	33.6	27.2
Dividend yield (common)	0.5	1.8	2.3	2.3	2.3
Net debt to equity	-14.6	-21.8	-15.5	-21.5	-30.8
Interest coverage (x)	60.0	70.5	121.9	n/a	n/a

Compliance notice

- As of 7/22 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 7/22 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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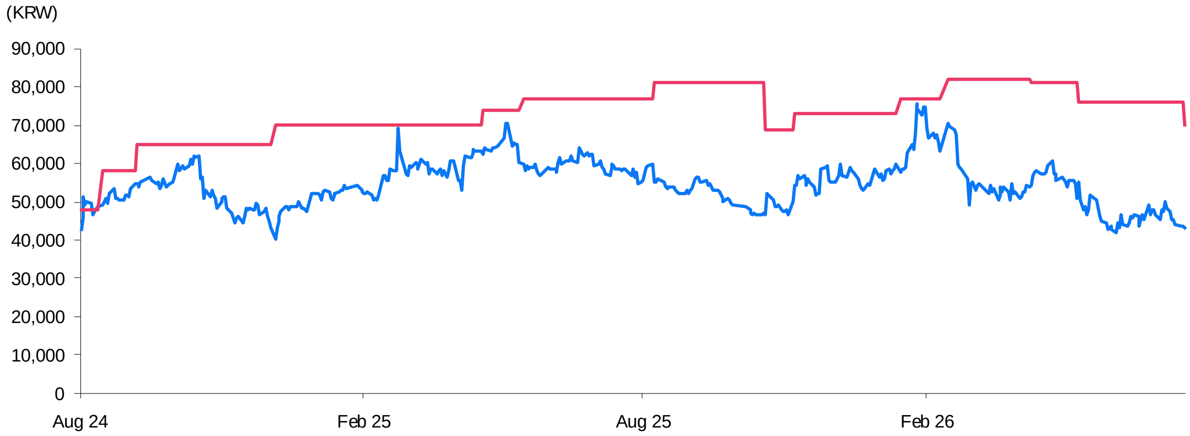
Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	2024/5/9	8/19	9/10	12/9	2025/4/23	5/13	5/19	8/12	10/23	11/11	2026/1/19	2/19
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	48000	58000	65000	70000	74000	74000	77000	81000	69000	73000	77000	82000
Gap* (average)	3.21	-10.98	-19.69	-21.14	-11.30	-14.14	-23.03	-35.70	-29.01	-22.91	-12.87	-33.08
(max or min)**	-11.15	-5.86	-4.77	-1.29	-4.46	-12.03	-16.49	-30.12	-24.06	-18.08	-1.82	-15.24

Date	4/14	5/14	7/22
Recommendation	BUY	BUY	BUY
Target price (KRW)	81000	76000	70000
Gap* (average)	-30.16	-39.19	
(max or min)**	-25.19	-32.11	

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 2026.06.30

BUY(85.5%)·HOLD(14.5%)·SELL(0%)

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General

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