

11 NOV 2024

3Q24 IR BOOK

iFamilySC Co., Ltd.

i F A M I L Y
| | | | | | |



Disclaimer

This material was prepared by iFamilySC Co., Ltd. to provide information to investors.

The information contained in this material, including past operating performance and future forecast information and the parts implying such, has been faithfully conducted based on the management's reasonable grounds or assumptions, but contains uncertainty that may change depending on business conditions and market changes.

The company and its officials are not responsible for any losses resulting from the use of this material.

Highlights Overview Strategy Financial Results

3Q24 Management Performance

Unit 100 million won	3Q24	3Q23	YoY	2Q24	QoQ
Sales	501	372	+35%	490	+2%
Cost of sales (%)	318 (63%)	233 (63%)	+36%	313 (64%)	+1%
Gross profit (%)	183 (37%)	139 (37%)	+32%	177 (36%)	+1%
SG&A (%)	92 (18%)	73 (20%)	+27%	107 (22%)	-14%
Operating profit (%)	91 (18%)	67 (18%)	+37% (-)	70 (14%)	+31% (+4%p)
Net income before corporate tax	93	68	+37%	73	+27%
Corporate tax expense	17	15	+11%	6	+2%
Net profit (%)	76 (14%)	53 (14%)	+25% (+1%p)	66 (14%)	+15% (+2%p)

SUMMARY

Sales KRW 50.1 billion (yoy +35%, qoq +2%)

- Growth of new category products (lip gloss, lipstick, cheek) compared to the same period last year
- Growth in new countries such as Southeast Asia, the US, and Europe, and recovery in China

Monthly sales composition

- The impact of the second quarter, which was somewhat weak in the order of July < August < September, continued until July (9 billion won in sales from the largest variety store in Japan was recognized at once), but in August and September, inventory depletion and new orders at retailers continued, and it seems that the risk of store openings is connected to the effect of store openings

Operating profit KRW 9.1 billion (yoy +37%, qoq +31%)

- There were no one-time costs, and the margin structure improved as the volume of highly profitable overseas exports surpassed the growth rate of domestic offline stores
- Marketing costs were reduced despite the continuous launch of new products, and the leverage effect was achieved by increasing the number of followers on the company's channels and other platforms (Instagram, YouTube, TikTok, KakaoTalk gift, Olive Young, etc.)

Highlights Overview Strategy Financial Results

Sales breakdown by country

- Domestic yoy +12% (+KRW 1.5 billion) overseas yoy +47% (+KRW 11.3 billion) growth
- Japan yoy 26% (+KRW 2.8 billion) qoq +29% (+KRW 3.1 billion) rapid recovery
- Southeast Asia weight 17%, Greater China weight 13%, 8%p and 2%p increase respectively compared to the same period last year, improving sales country mix

Unit 100 million won	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	비중	YoY	QoQ
Cosmetics	319	354	364	406	564	478	491	98%	+35%	+3%
Korea	116	114	128	140	155	136	137	27%	+12%	+1%
Japan	122	140	110	128	203	107	138	28%	+26%	+29%
China, Hong Kong, Taiwan	22	34	42	33	64	58	64	13%	+53%	+11%
Southeast Asia	20	19	32	33	61	56	84	17%	+162%	+49%
America	(Uncounted)			10	13	25	18	4%	-	-30%
Europe	(Uncounted)			7	13	20	28	6%	-	+44%
Other countries	34	43	53	44	20	36	18	3%	-	-64%
Duty Free Shop	6	4	4	5	4	6	4	1%	-	-38%
Other than cosmetics	10	13	8	14	10	12	10	2%	+14%	-22%
Total	328	367	372	420	574	490	501	100%	+35%	+2%

- Southeast Asia includes Vietnam, Thailand, the Philippines, Malaysia, Indonesia, Singapore, etc.
- The Americas include the United States, Canada, South America, etc.
- Europe includes the United Kingdom, Turkey, Czech Republic, etc.

Highlights **Overview** Strategy Financial Results

Cost usage

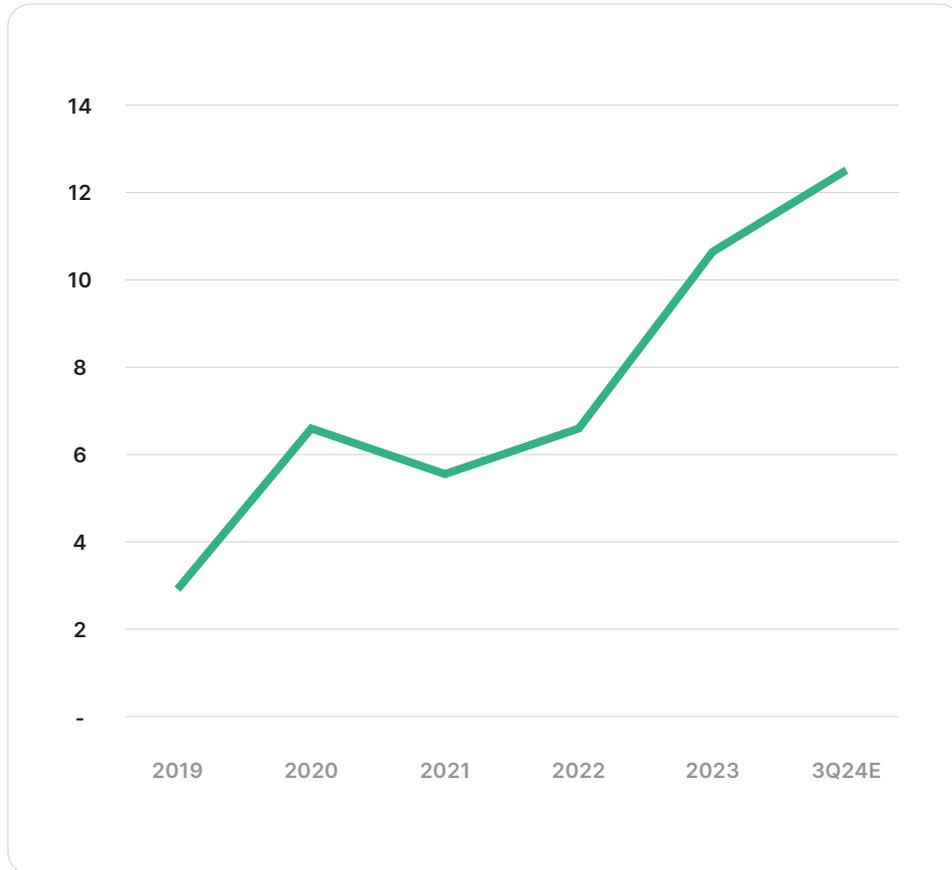
- While the cost of sales is high due to the use of OEM with good quality for the price,
- the leverage effect is occurring as sales grow while maintaining a low sales management ratio compared to other companies in the same industry.

Unit : 100 million won	3Q24	3Q23	YoY	2Q24	QoQ
Cost of sales (%)	318 (63%)	233 (63%)	+36%	313 (64%)	+1%
SG&A (%)	92 (18%)	73 (20%)	+27%	108 (22%)	-14%
Employee Salary	20	13	+58%	17	+17%
Payment Fee	17	12	+45%	25	-32%
Advertising Expenses	21	20	+8%	21	-2%

Highlights Overview Strategy Financial Results

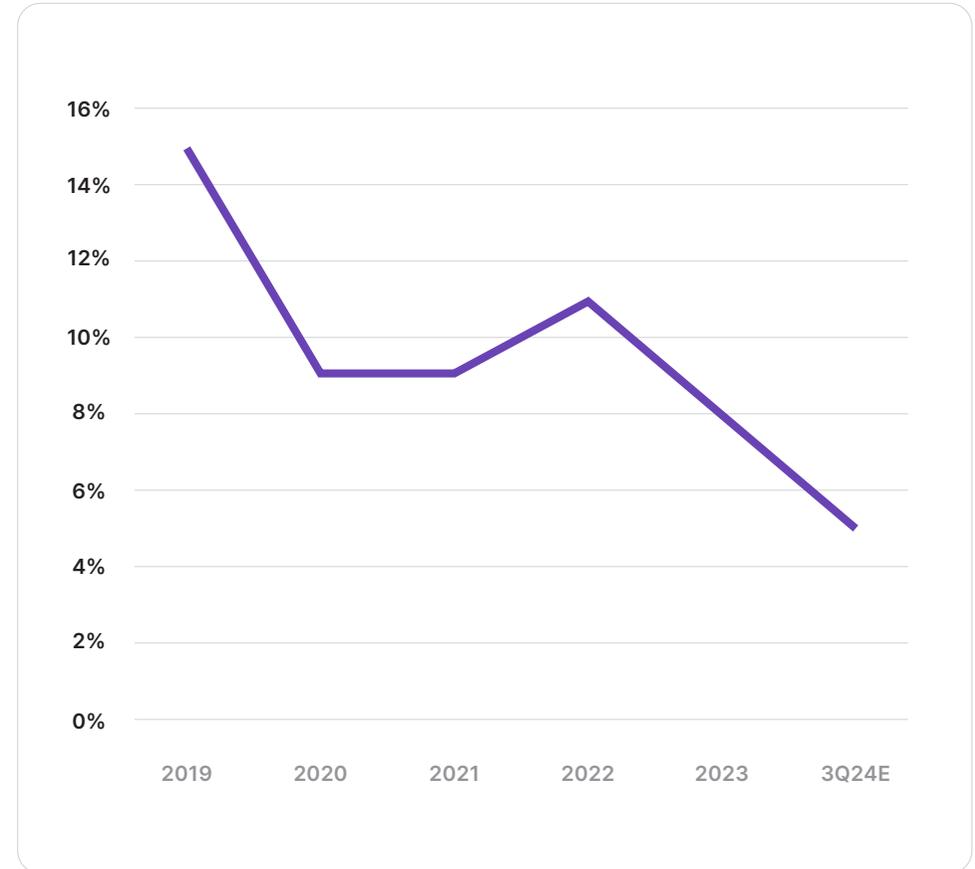
**Annual sales per employee :
300 million → 1.2 billion**

Unit : 100 million won



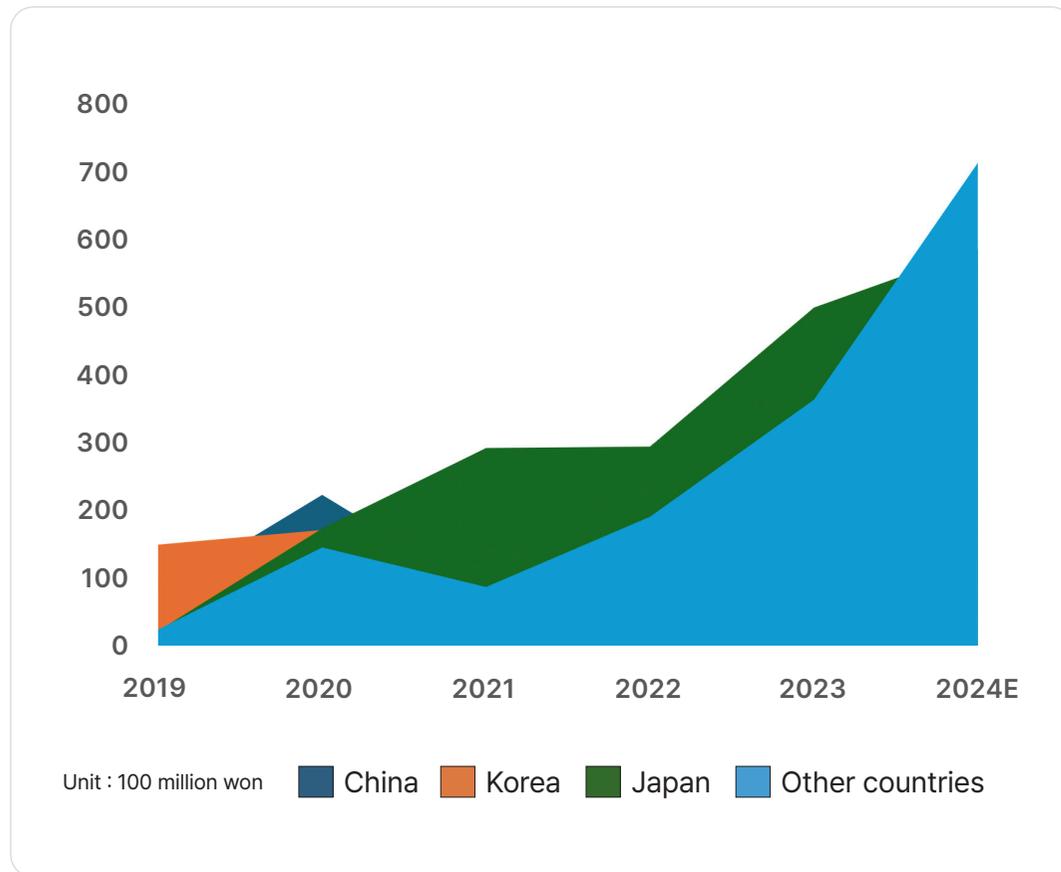
- The number of employees is the number of employees at the beginning of the year in the financial statements of the business report for that year.
- The number of employees in 2024 is based on June 30, 2024.
- The sales in 2024 were simply applied as the 3Q cumulative sales * 4/3.

**Marketing cost ratio :
15% → 7%**



- The marketing expenses are calculated based on accounts corresponding to payment commissions, advertising expenses, and sales promotion expenses on the financial statements. 2024E was calculated based only on accumulated sales and accumulated marketing expenses up to the third quarter.

Sales growth trends in the three major countries (Korea, Japan, China) and other countries



SUMMARY

Exports in 2020 surpass domestic sales

- Out of the total sales of 72.2 billion won in the cosmetics division, exports increased to 17.3 billion won in Korea, 17.6 billion won in Japan, and 22.6 billion won in China

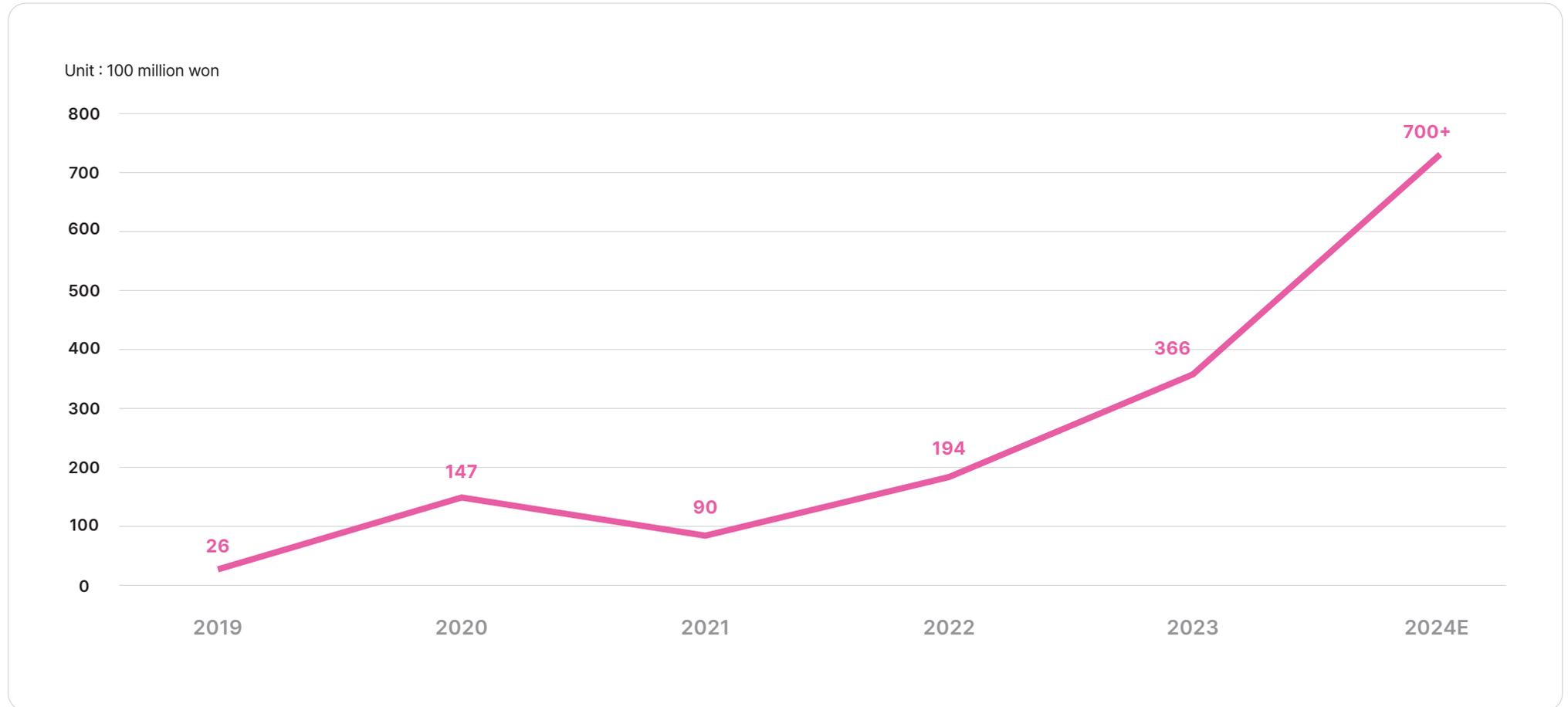
Change in the top export country in 2021

- Japan Sales increased 67% from 17.6 billion won in 2020 to 29.4 billion won in 2021 (sales ratio rapidly increased from 24% in 2020 to 44% in 2021)

Other countries are expected to change to the top sales source in 2024E

- Sales from other countries are likely to end at 30%
- About 70 countries are taking a little bit of the pie without the emergence of a second new sales source that stands out like Japan.
- As of Q3, the ratio of other countries is 35%, and the composition is Vietnam 8%,

Growth trend of sales in other countries (excluding Korea, China, and Japan)



- 2024E is an estimated figure calculated by simply multiplying 3Q sales by 2 for the first half of 2024.

Highlights Overview Strategy Financial Results

Sales trends by item

- ■ (Blue) Steady sellers are not lost through generational changes, but are consistently positioned as representative products.
- ■ (Red) New products are solidly revised through consumer communication and become hits, growing in size.
- ■ (Yellow) Have been launched but have not yet established, but have room for additional growth through future renewals.

Unit : 100 million won	1Q22	2Q22	3Q22	4Q22	1Q23	1Q23	1Q23	4Q23	1Q24	2Q24	3Q24
Juicy Lasting Tint	42	38	38	34	54	58	52	75	97	96	91
Eyeshadow	57	58	51	36	58	57	60	58	81	62	55
Melting Balm	0	0	0	7	30	49	32	66	85	58	67
Color Gloss	0	0	0	0	0	0	0	8	52	50	54
Blurred Tint	12	15	12	14	18	21	23	28	30	37	42
Brow	7	10	10	8	15	16	32	22	38	36	25
Nuz	0	0	0	0	0	0	5	3	6	28	11
Dewyful Tint	12	15	21	20	29	27	35	27	38	28	30
Base	9	9	10	13	31	23	29	22	21	25	17
Cheek	8	7	6	9	11	10	12	13	25	24	20
Mascara	13	10	13	8	13	11	12	10	14	11	9
Lipstick	7	7	10	11	15	16	15	17	19	11	18
Shading	1	1	1	4	4	3	3	2	7	10	12
Water Tint	6	6	6	4	5	4	5	10	16	10	11
Water Gloss	5	6	6	5	10	13	12	12	4	9	11
Andbyromand	0	0	0	0	21	46	13	19	20	9	14
Lip Liner	0	0	0	0	0	3	4	4	8	9	6
Velvet Tint	27	19	17	17	19	13	12	15	14	9	9
Sun	2	2	3	1	2	3	2	2	3	3	3
Nail	14	13	11	4	4	3	4	1	1	2	2
Eye Liner	0	0	4	2	9	7	4	3	3	1	1
Water Tint	0	0	0	0	0	0	0	0	0	0	15
Tinted Stick	0	0	0	0	0	0	0	0	0	0	5
Other	4	2	2	7	2	3	5	2	2	4	5
Total	226	218	219	203	351	385	369	419	580	532	535

• The underlying data is based on business unit sales figures, not accounting sales figures.

Highlights Overview Strategy **Financial Results**

Consolidated Income Statement

Unit : 100 million won	3Q23	4Q23	1Q24	2Q24	3Q24
Sales	372	420	574	490	501
Cost of sales	233	264	369	313	318
Gross profit	139	155	205	177	183
SG&A	73	79	87	107	92
Operating profit	67	76	118	69	91
Non-operating income	3	4	4	5	4
Interest income	3	4	4	4	2
Non-operating expenses	2	2	2	1	1
Interest expenses	1	1	1	1	1
Net income before deductions	68	78	120	72	93
Corporation tax expense	15	8	3	6	17
Current net income	53	70	97	66	73

Consolidated financial statements

Unit : 100 million won	2021	2022	2023
Current assets	493	482	658
Non-current assets	372	242	241
Total Assets	530	723	898
Current liabilities	108	121	107
Non-current liabilities	7	100	102
Total Debt	114	221	201
Capital	21	43	43
Total capital	415	502	690

Thank you

i F A M I L Y
| | | | | | |