



# **J.P. Morgan Healthcare Conference**

**Speaker: Eva Huang**

January, 2025

# Disclaimer

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January, 2025

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- 4 Capital Allocation Plan**

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# Hugel Snapshot

## Market Leadership & Global Expansion

No.1



Korean Market  
Leadership of  
Toxin & HA Filler

24 Years



Safety and quality  
track record

One and only



Asian company to obtain toxin  
approvals in Top 3 Markets,  
US, China and Europe

Top 5



Global toxin player  
in 67 countries

## Solid Financials

31.1%



EBITDA Growth %  
(2023-3Q LTM 2024)

47.4%



EBITDA Margin%  
(3Q LTM 2024)

KRW451bn



Cash Balance and No Debt  
as of 3Q 2024

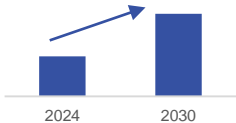
77.2%



Cash Conversion Rate  
3Q LTM 2024

## Significant Potential Upside

US\$10.8bn ⇒ 22.4bn



Total Aesthetic Toxin and Filler  
Market Size (2024~2030E)

5.6%



Global Penetration Rate  
(2023)

67 ⇒ 80 Countries



Global toxin expansion  
by 2028

# Hugel's Medical Aesthetics Product Portfolio

## Botulinum Toxin (55% revenue contribution in 3Q LTM 2024)

### Botulax, Letybo

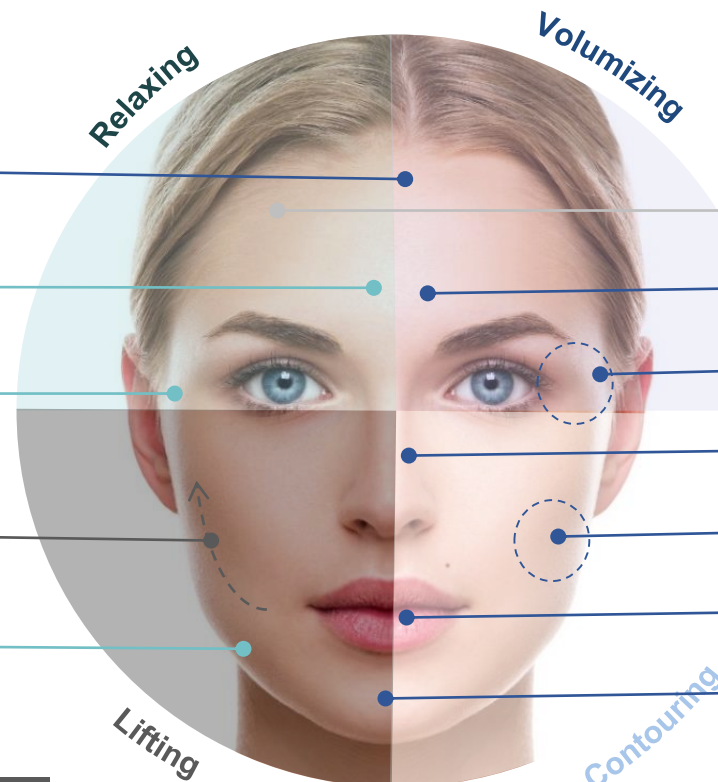
- Offered in 50U/100U/150U/200U/300U to cater to different volume needs by application area



## Absorbable Thread (2% revenue contribution in 3Q LTM 2024)

### Blue Rose Forte, Blue Rose Clair

- Medical absorbable thread used for lifting and tightening facial skin



## Filler & Skin Booster (34% revenue contribution in 3Q LTM 2024)

### The Chaeum, Dermalax, Persnica, BYRYZN

- Comprehensive line-ups covering various consumer needs from volumizing to skin boosting



## Cosmeceutical (9% revenue contribution in 3Q LTM 2024)

### Wellage, BYRYZN BR

- Highly functional cosmetics using pure and concentrated ingredients with key focus on hydrating, firming, and whitening lines

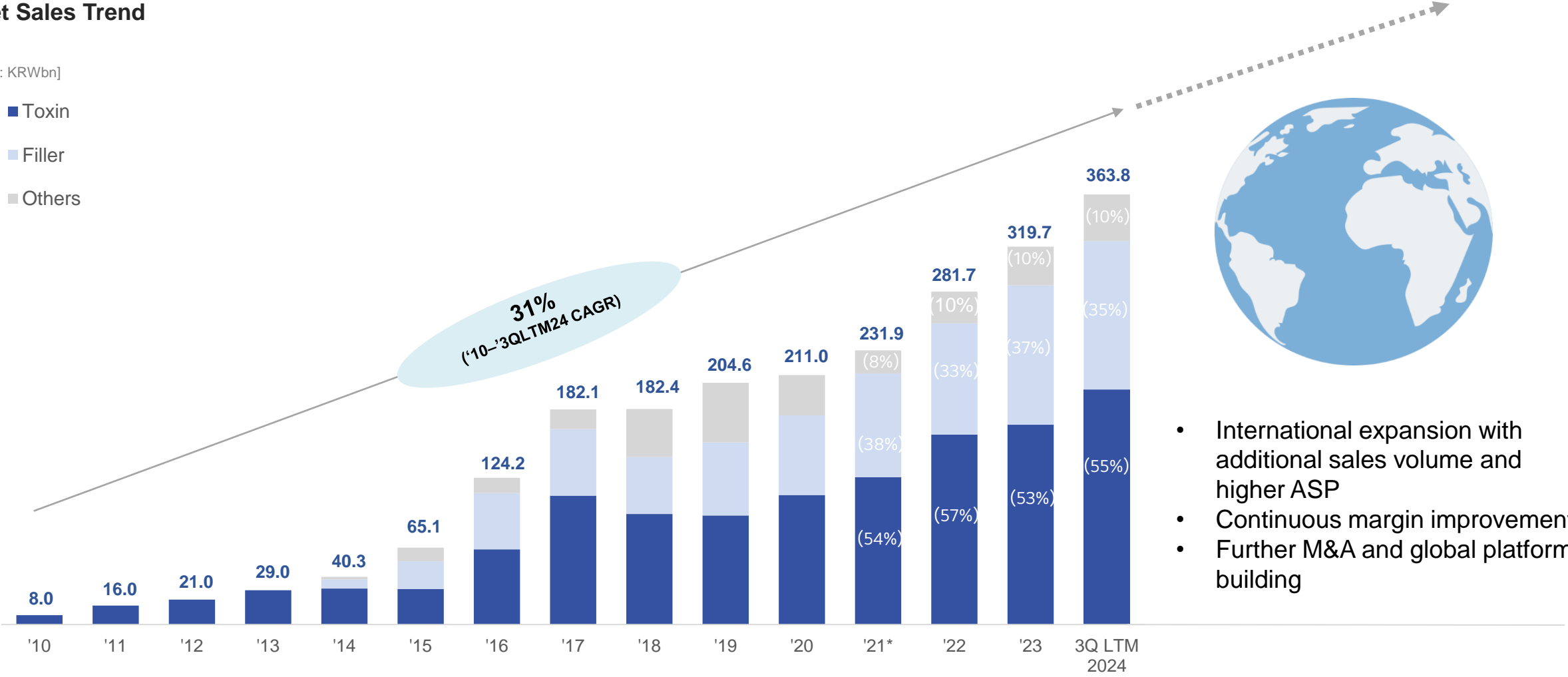
# Hugel's Growth History with Product and Global Expansion



## Net Sales Trend

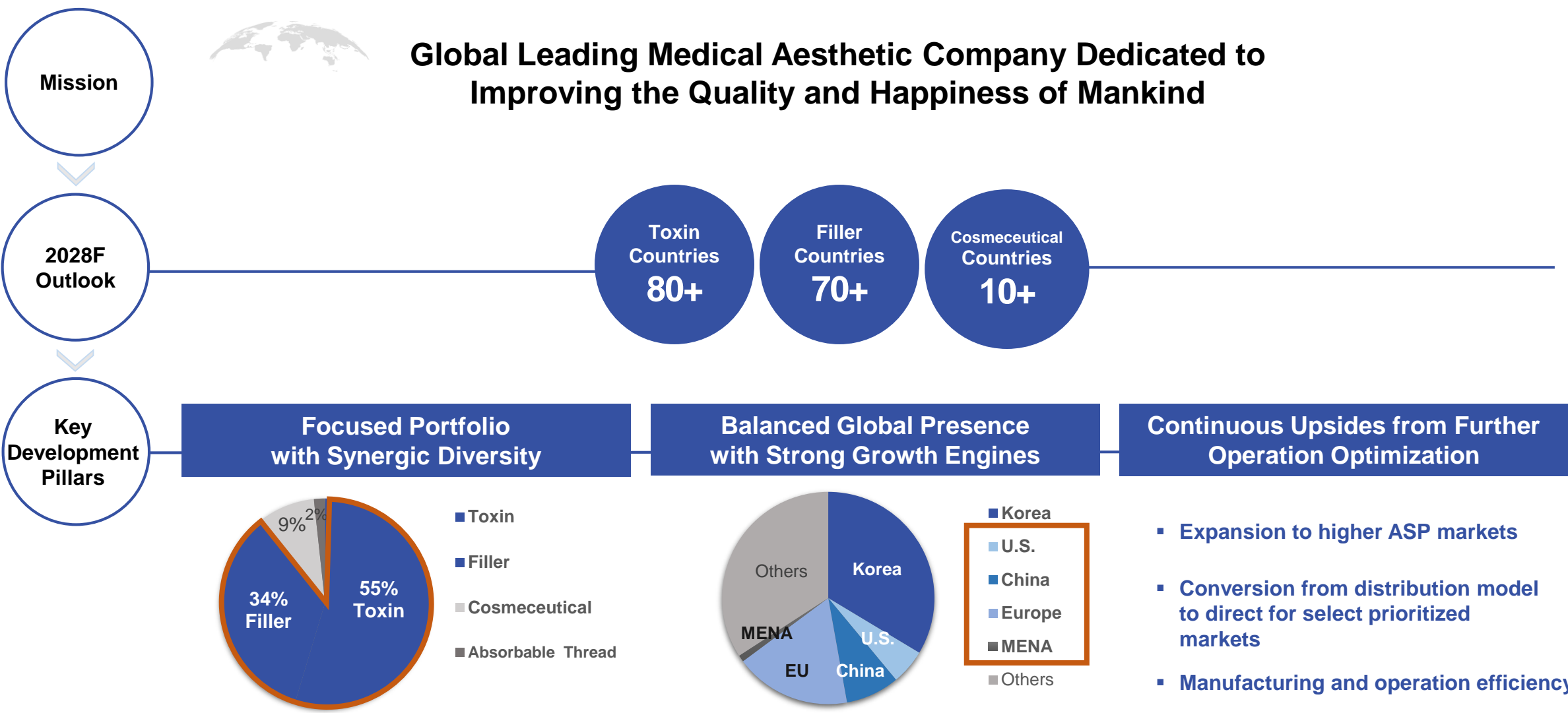
[Unit: KRWbn]

- Toxin
- Filler
- Others



- International expansion with additional sales volume and higher ASP
- Continuous margin improvement
- Further M&A and global platform building

# Hugel Vision



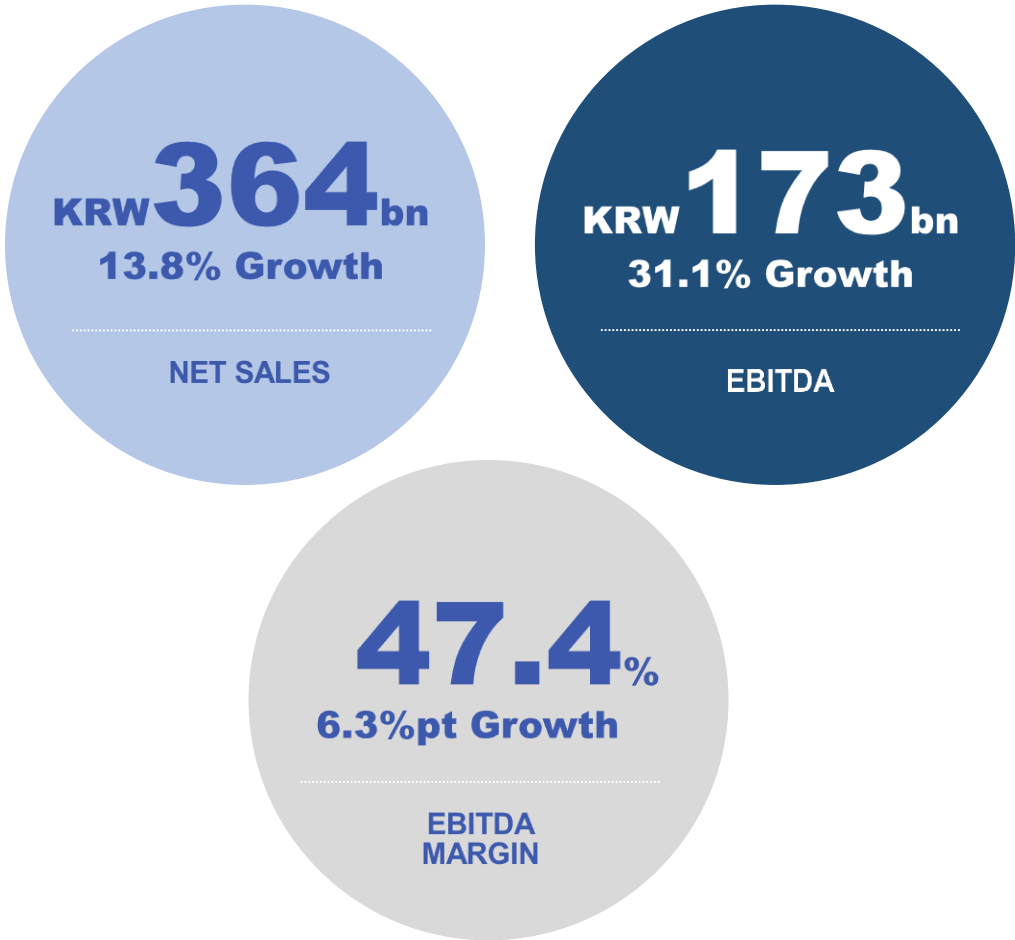
Toxin and filler account for ~90% of total revenue  
 ⇒ Continued to be anchor products in the portfolio

# 2023~2024: Key Updates

## 2024 Key Financial Performance\*

## Key Updates

\*based on 3Q LTM 2024



- 1 Strengthened Management Capabilities
- 2 ITC concluded “There is NO violation of Section 337” in final determination
- 3 U.S. FDA approval of botulinum toxin, Letybo 50/100 units received
- 4 Toxin Approvals in Malaysia; Strengthened strategic partnership to enter MENA
- 5 On Track to Deliver 30%+ YoY EBITDA Growth for 2024
- 6 Hugel’s new high end cosmetics brand, ‘BYRYZN BR’ launched

## Chairman Cha – Top-notch Management with Global Vision and Track Record

- In April 2023, Suk Cha joined Hugel as Executive Chairman. Mr. Cha brings over 35 years of expertise in the consumer and healthcare industries
- Under Chairman Cha's leadership, Hugel achieved various milestones such as a Clean win of ITC litigation for Hugel, US FDA approval, revision of key market strategies, consistent financial growth, strong margin improvement etc.



Suk Cha

*Executive Chairman  
Chairman of the Board*



LG H&H



### About Suk Cha

- Over 35 years of expertise in the consumer and healthcare industries
- Extensive experience leading business transformation and integration across multiple industries
- Successfully directed multiple M&A transactions including LG Household & Health Care's acquisitions of CNP Cosmetics, Physiogel and The Coca-Cola Beverage Company
- Mr. Cha received his MBA degree from Cornell University's SC Johnson College of Business

### Professional Experience

- Mr. Cha served as the Chairman & CEO of LG Household & Health Care for 18 years and also assumed the role of Chairman of LG Group Companies. He is publicly recognized as the key figure in achieving a record delivery of 17 consecutive years of growth at LG H&H and leading its global market expansion into China, North America, and Japan
- Prior to that, Mr. Cha served as the President & CEO of Haitai Confectionary & Foods
- From 1984 to 2001, Mr. Cha had 17 years with various responsibilities within P&G, including the President of P&G Korea

# Highly Experienced Management Team

Experienced leaders within healthcare and medical aesthetic industry



**SUK CHA,**  
*Executive Chairman*

- Executive Chairman, Hugel ('23~current)
- Chairman, CEO, LG Household & Health Co., Ltd; Vice Chairman of LG Group Companies ('05~'22)
- President, CEO, Haitai Confectionary & Foods Co. Ltd ('01~'04)
- 17+ years of various responsibilities within Procter & Gamble Korea, including the President, CEO('84~'01)
- Cornell University MBA



**HYOUNG-JIN MOON**  
*Representative Executive Officer*

- REO, Hugel ('23~current), with Hugel since 2021
- Hospital Director, SH Plastic Surgery ('20~'21)
- Hospital director, Beup clinic ('16~'20)
- An internationally-renowned medical aesthetics expert previously serving the role of trainer for Allergen, Merz, Ipsen and Galderma
- Yonsei University Medical School, Master of Science in Medicine



**EVA HUANG**  
*Chief Financial Officer*

- CFO, Hugel ('23~current)
- Managing Director at CBC Group ('19~'23)
- 17+ years of Investment Banking and Private Equity and Corporate Finance
- Harvard Business School, Executive Education
- Peking University, Bachelor of Art (Financial Management)



**CHULMIN PARK**  
*Chief Human Resource Officer*

- CHO, Hugel ('18~current)
- HR Lead, MUFG Seoul branch ('17~'18)
- Head of HR, Bayer Material Science Korea Ltd. ('14~'16)
- Cornell University, MILR



**SANGBEOM LEE**  
*Chief Production Officer*

- CPO, Hugel ('23~current)
- 39 years of production management at LG H&H, including 12 years as Chief Production Officer
- Hongik University, Chemical Engineering

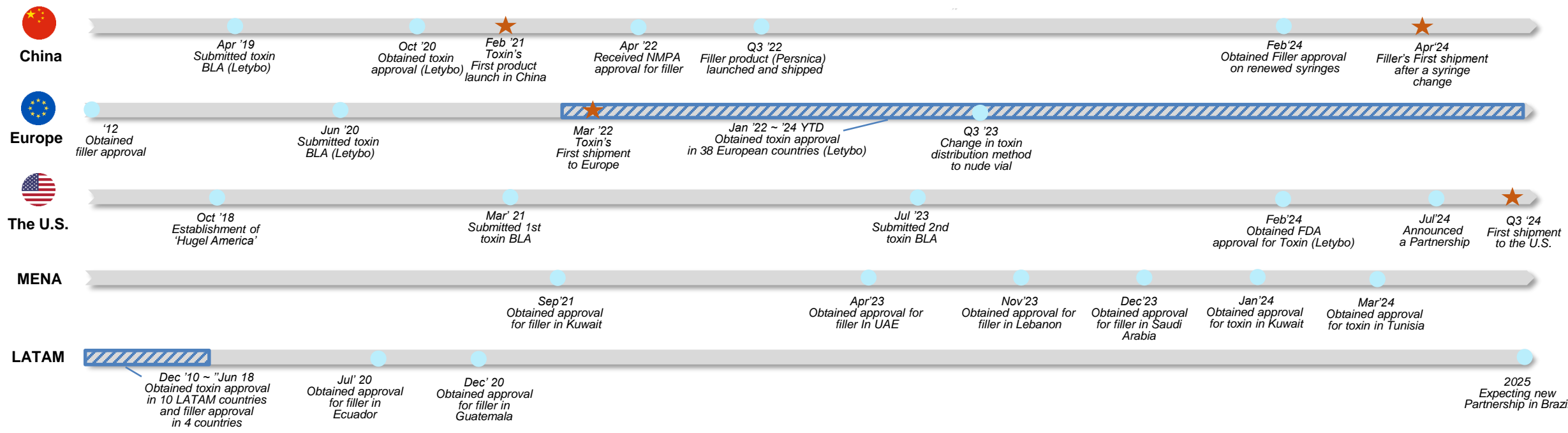


**HYOJIN JEON**  
*Head of Strategy*

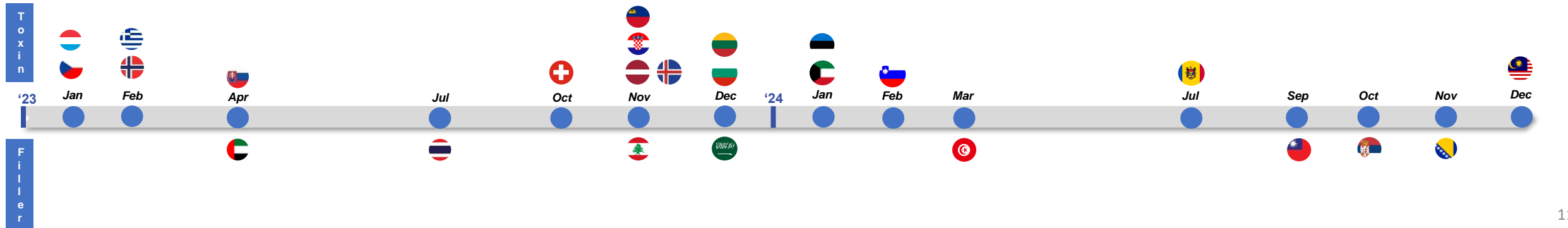
- Head of Strategy, Hugel ('21~current)
- Director, Samsung Card ('13~'21)
- Project Leader, The Boston Consulting Group ('07~'13)
- MIT Sloan School of Management, MBA

# Key Markets Approval Highlight

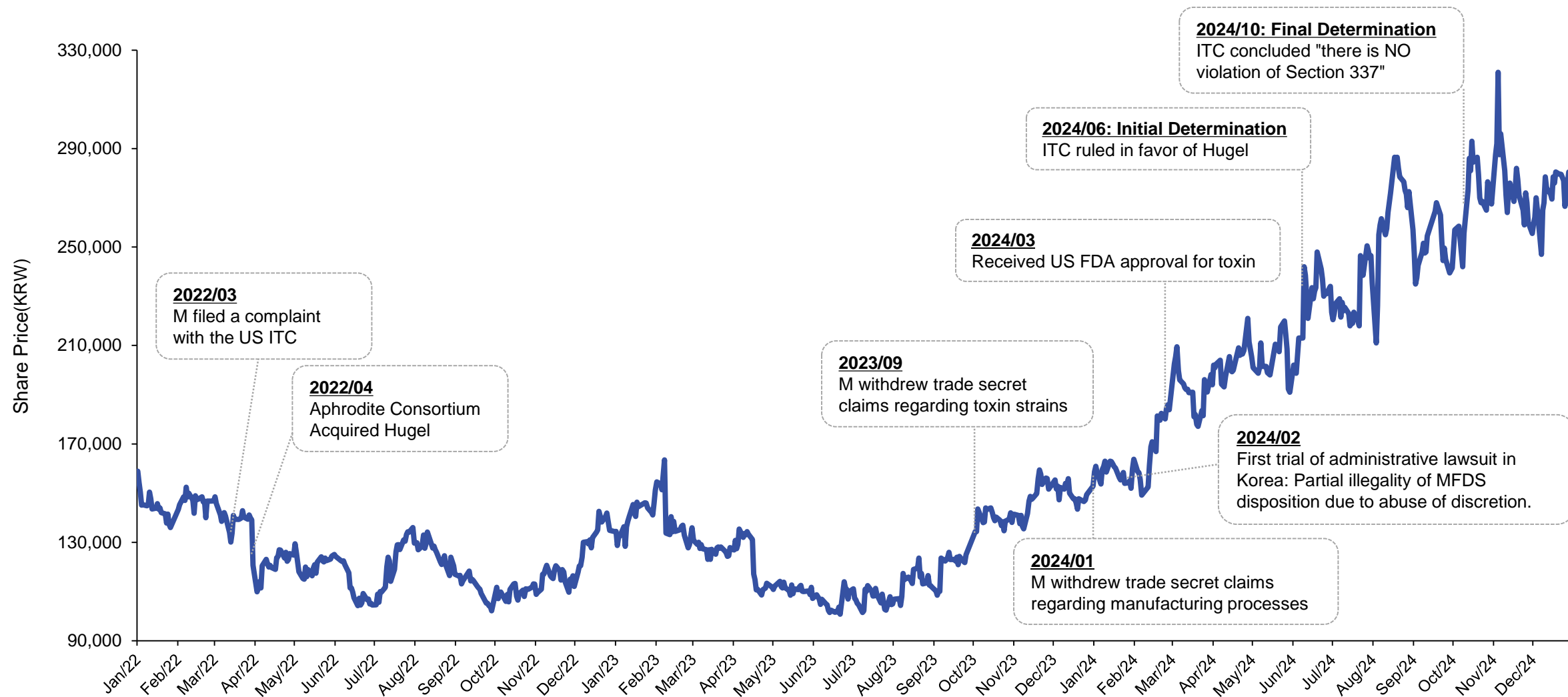
## Key Markets Approval Timeline



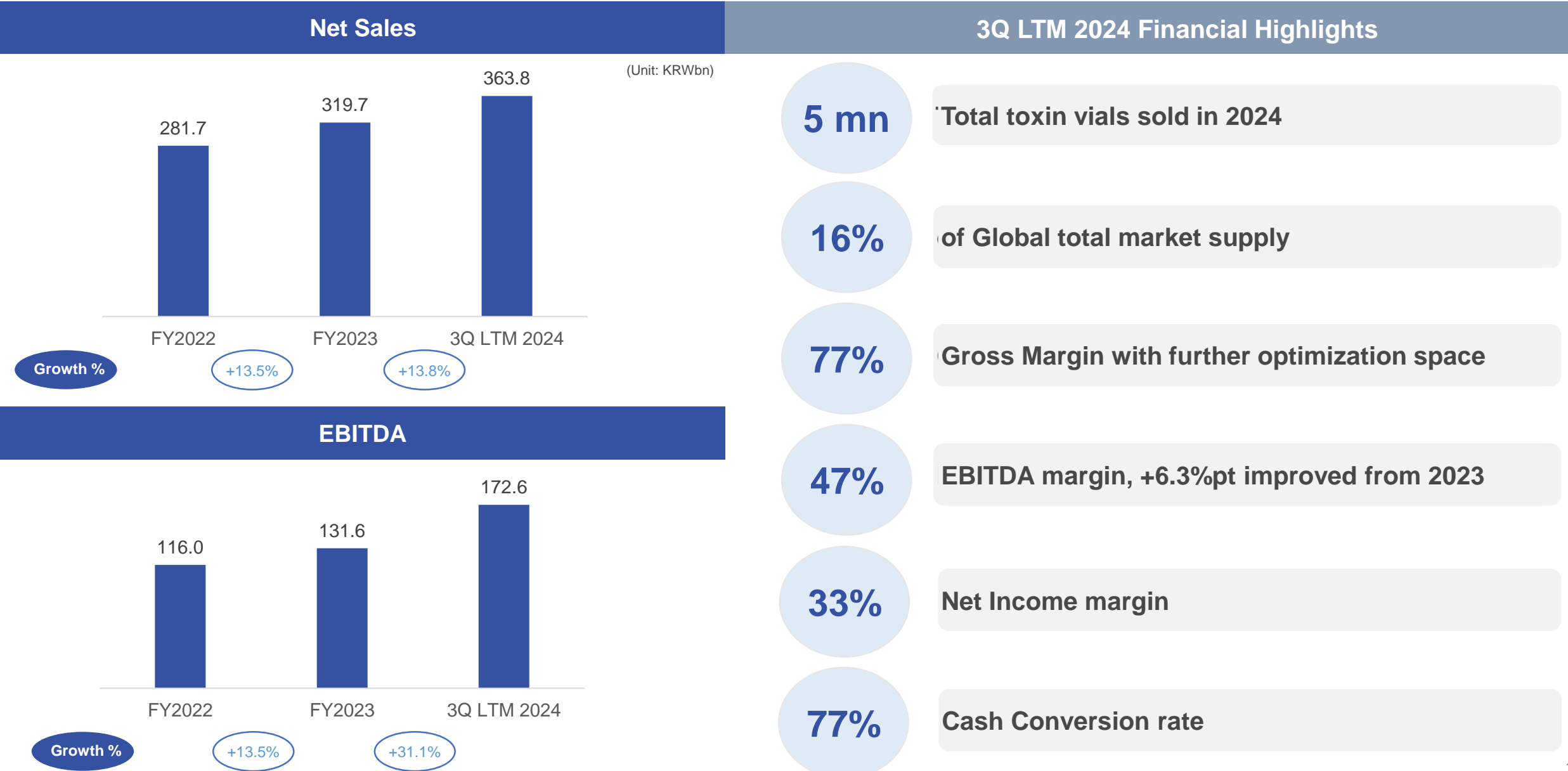
Total 25 new countries approvals obtained in the past two years ('23~'24)



# Share Price Rallied Strongly with ITC Final Determination and US FDA Approval



# Delivered Solid Financials with Consistent Growth



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# Hugel Highlights/ Advantages

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1

**Differentiated Price-to-Value Proposition with Long-standing Safety Track Record**

2

**Committed to Medical Affairs with Strong Physician Engagement**

3

**Proprietary Manufacturing Capabilities**

4

**Solid In-house R&D Capabilities and Pipeline**

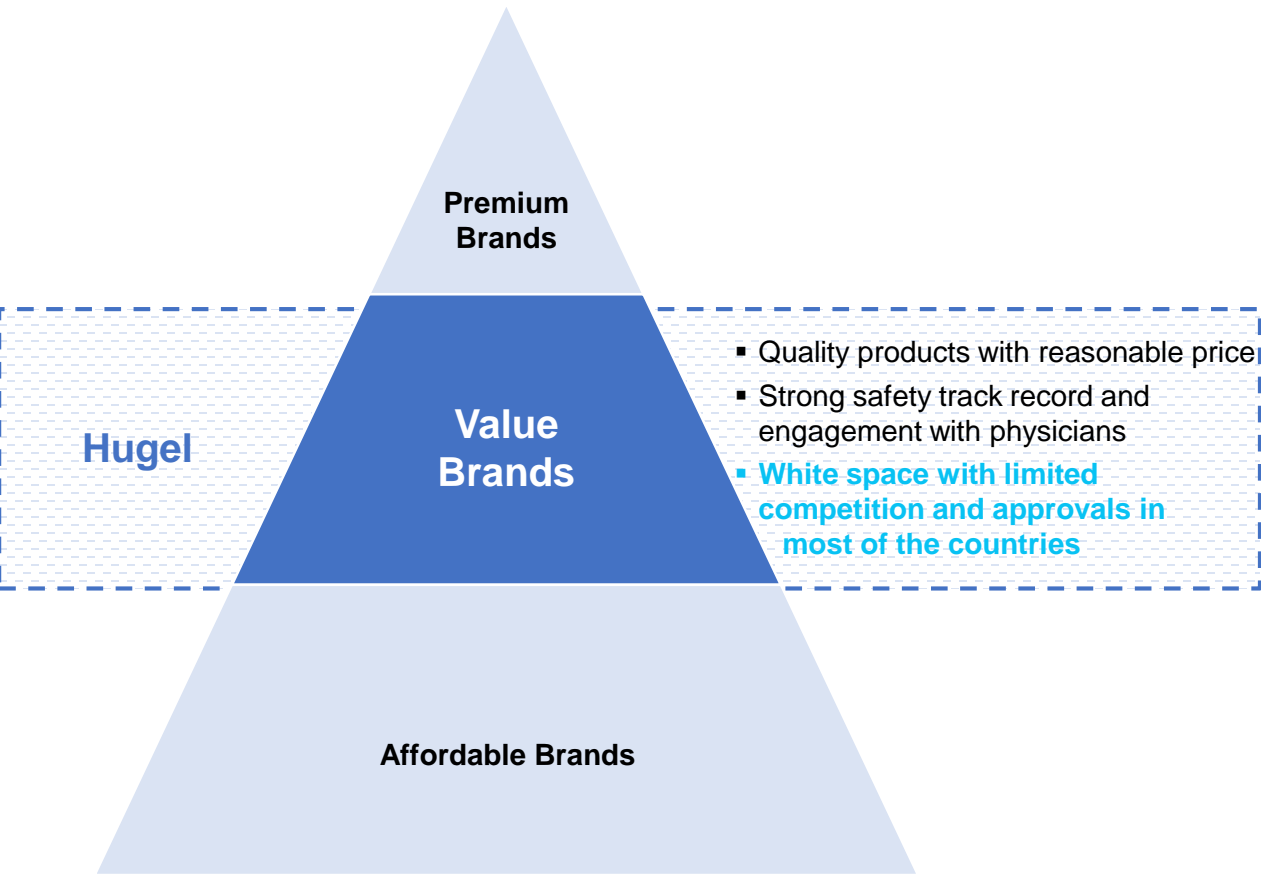
5

**Strong Financial with Steady Growth and Solid Margin Profile**

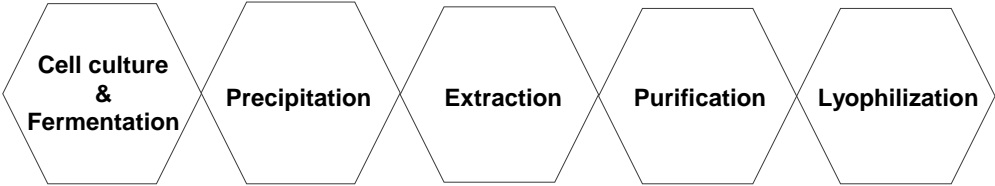
# 1. Differentiated Price-to-Value Proposition with Long-standing Safety Track Record

Price-to-Value Proposition

State-of-the-art Technology with safety track record



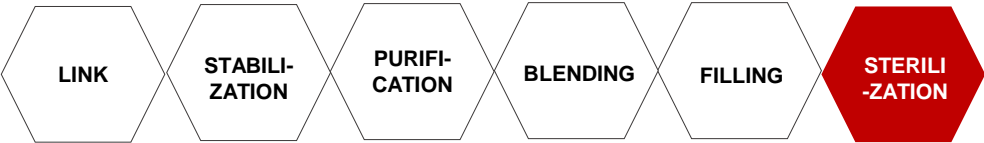
Botulinum Toxin



Stringent Internal Regulations for Consistent & Stable Potency

- Sophisticated testing method & process to **stabilize potency**
- The **highest purity** level (**99.5%**) → Fast commercialization for various types of toxin
- Optimal lyophilization (freeze-drying) → **Comparable efficacy** to the leading global brand

Hyaluronic Acid Filler



	Sterilization	Cooling Method
Other brands	110~120°C	Natural Cooling
The Chaeum	Ultra-high temperature	Rapid Cooling

## 2. In-depth Expertise in Delivering Cutting-edge Aesthetic Contents

### Differentiated Training & Academic Support



#### Conference & Symposium

- **H.E.L.F** | Hugel Expert Leader's Forum since 2013
- **H.O.P.E** | Hugel Outstanding Professional Education



#### Medical Aesthetics contents and workshops

- Provide seminars, workshops and cadaver sessions on the latest medical aesthetics trend



### B2C Customer and Global Engagement



#### Brand Marketing

- Increase brand awareness by celebrity marketing across traditional and new channels



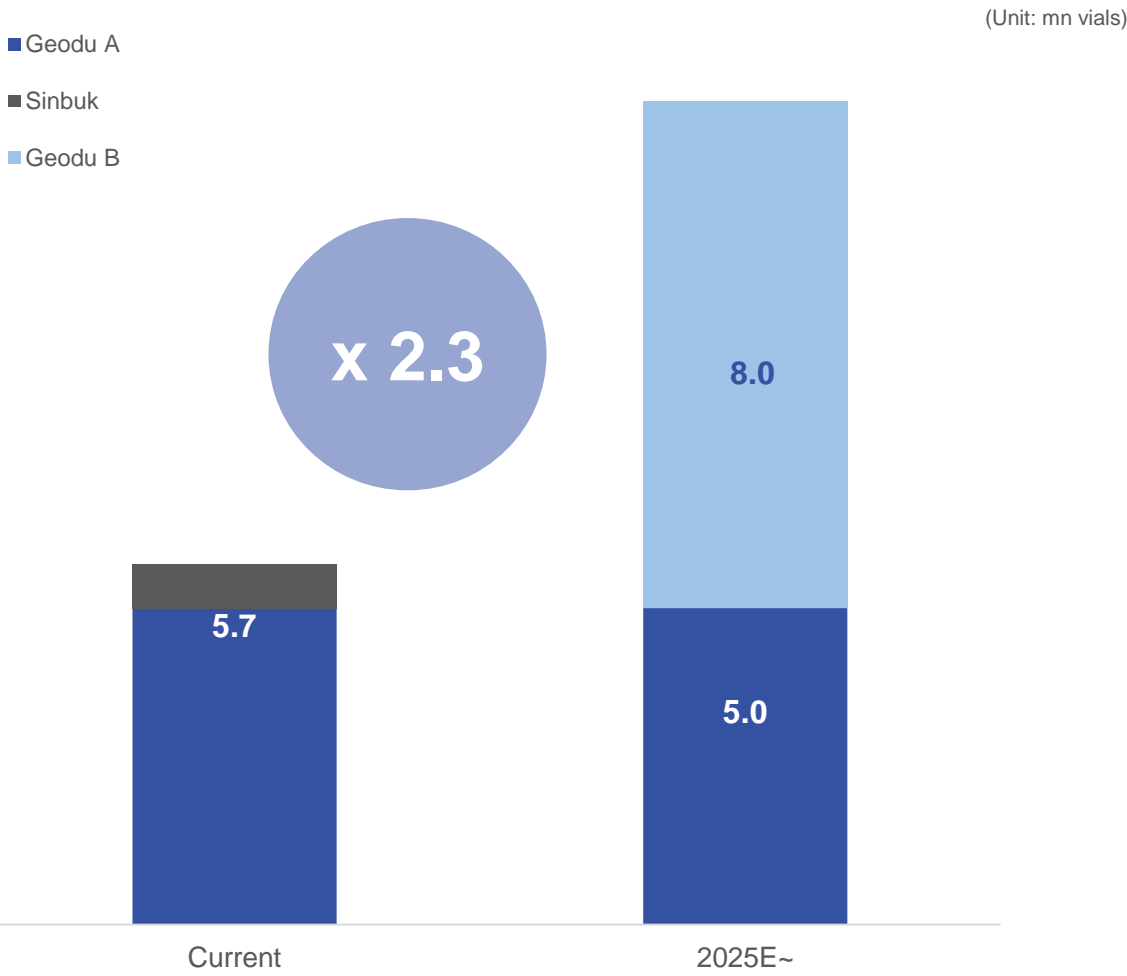
#### Bringing Innovative K-Aesthetics to Global KOLs



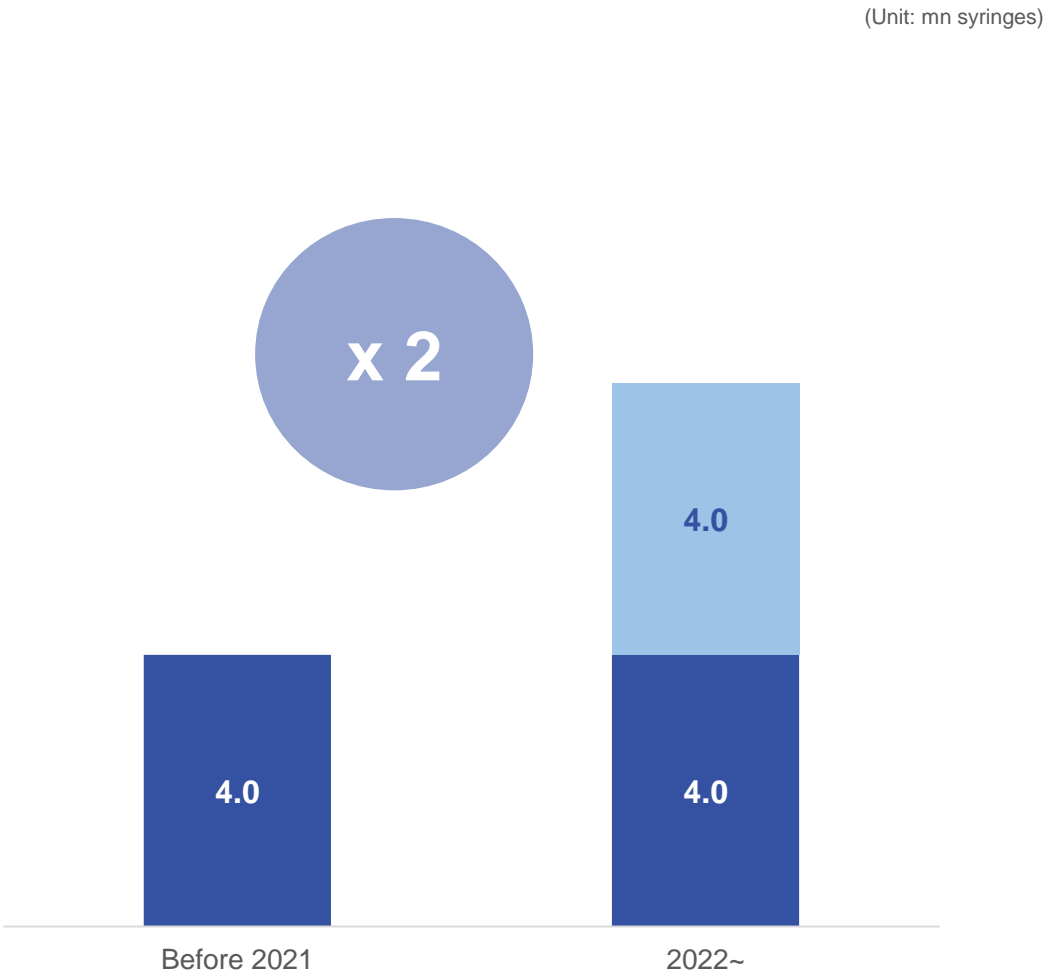
- ✓ 39 H.E.L.F. from 2013 to 2024
- ✓ Total of 74 Medical Workshops conducts from 2021 to 2024

### 3. Proprietary Manufacturing Capabilities

Botulinum Toxin Production



Hyaluronic Acid Filler Production



# 4. Solid In-house R&D Capabilities and Pipeline

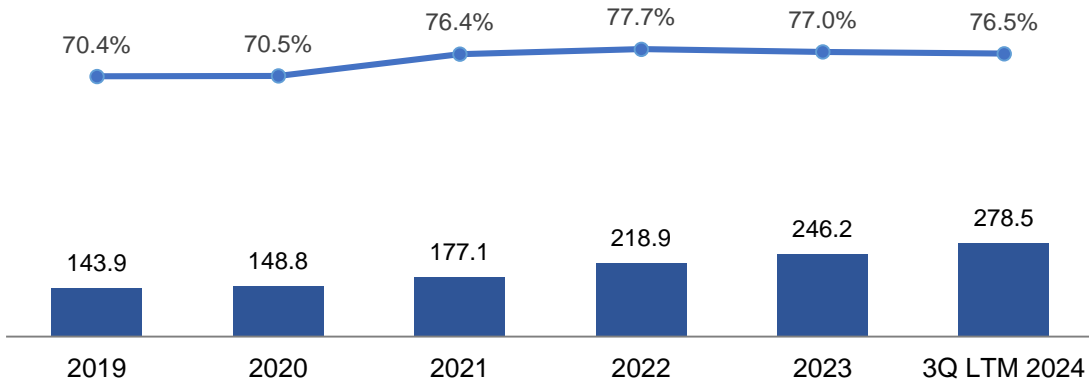
Product		Indications	Preclinical	Phase I	Phase II	Phase III	Approval
Botulinum Toxin	Type A	Blepharospasm					
		Glabellar lines					
		Foot deformity in pediatric cerebral palsy					
		Post-stroke upper limb spasticity					
		Crow's feet					
		Benign masseteric hypertrophy					
		Cervical dystonia					
		Overactive bladder					
	Lidocaine-containing Liquid Toxin	Glabellar lines, Hyperhidrosis					
	Pure Toxin	Glabellar lines					
	Type E	Glabellar lines					
Hyaluronic Acid Filler		Temporary improvement of facial wrinkles					
		Penile enhancement					
		Revolax DEEP in Thailand					
		Revolax FINE in Thailand					
		Revolax DEEP in China					
		Revolax SUB-Q in China					
		BYRYZN in China					
		Submental fat reduction					
Others	Lipolysis Injectable*						

\*Phase II clinical trial in progress in the U.S.

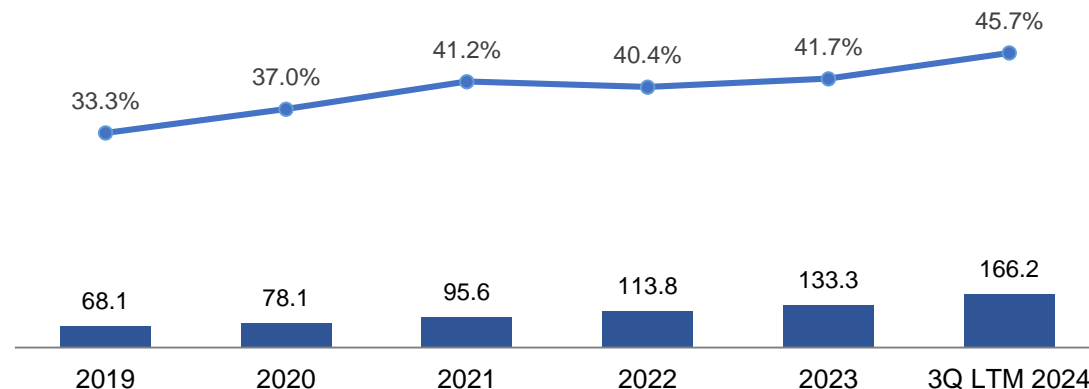
## 5. Strong Financial Profile with Steady Growth and Solid Margin

[Unit: KRWbn]

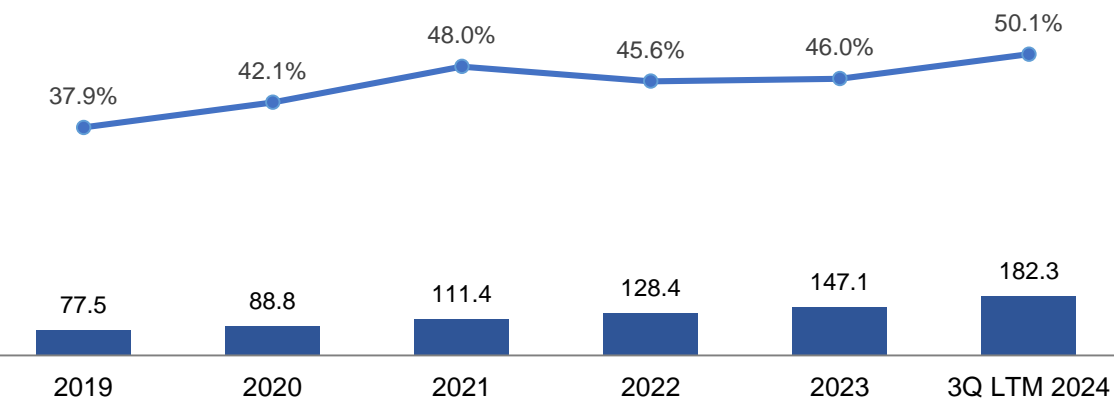
### Gross Profit & Margin



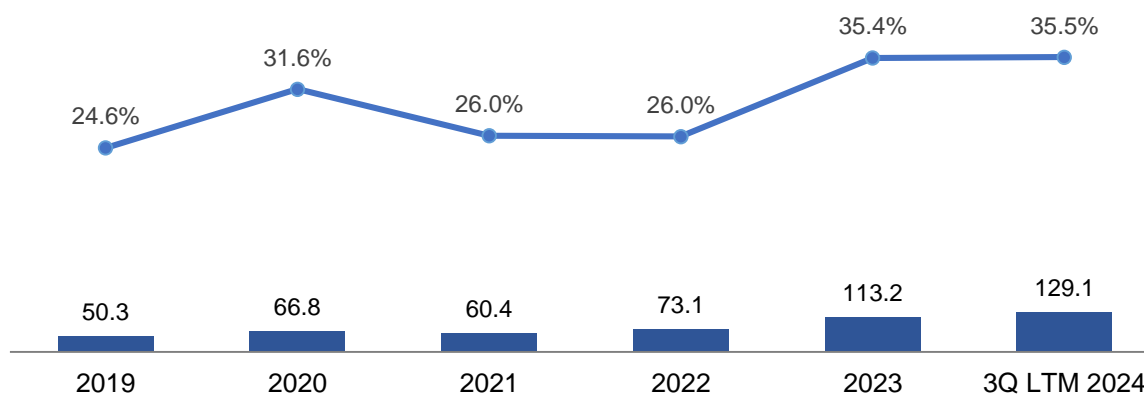
### Operating Profit\* & Margin



### EBITDA\* & Margin



### Net Income\* & Margin



\* For 2022~23 OP, EBITDA and net income, the data included normalized number, excluding one-time service fees, such as ITC expense

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# Strategy for Future Growth

## Organic Business Strategy



### Maintain Market Leadership in Korea

- Solidify market leadership in Korea for both toxin and filler with differentiated product strategy
- Further penetration among existing customers
- Continue to lead the physician training and education programs, medical aesthetic conferences



### Deliver International Growth

- Build market leadership in key international markets
- Further penetration in emerging markets such as South East Asia, MENA and LATAM



### Further Margin Enhancement

- More revenue stream from higher ASP markets
- New toxin manufacturing facility becoming operational within 1H 2025, further improving efficiency and achieving further optimized COGS
- Tightened SG&A control for calculated expansion

## Upside Business Opportunities



### New Product/ Indication Initiatives

- Continued business expansion in the Cosmeceuticals segment in key international markets
- Differentiate toxin and filler with new indications and formulations
- Proactive business development of new product category



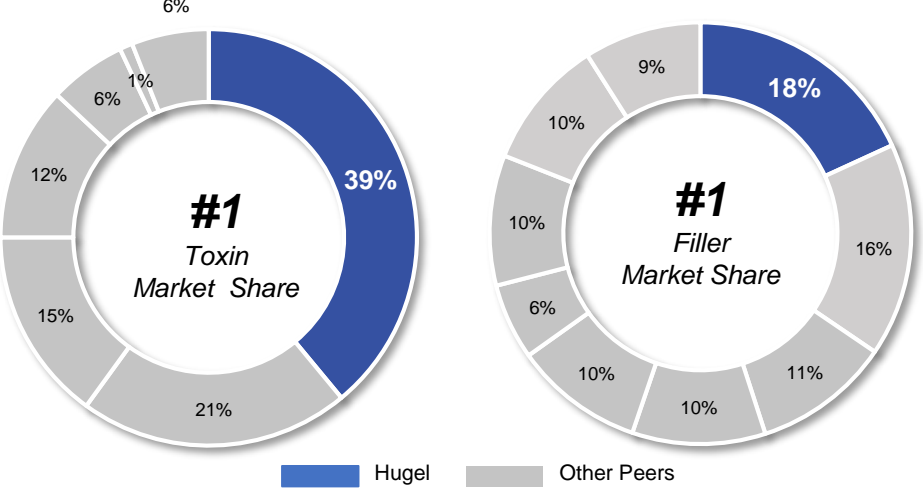
### M&A Pipeline

- Stay focused on the core category of injectable segment providing a clear synergy with existing platform
- Prioritize targets with high entry barrier, proprietary ingredient or production knowhow

# 1. Continue to Maintain Leadership Positioning in Korea

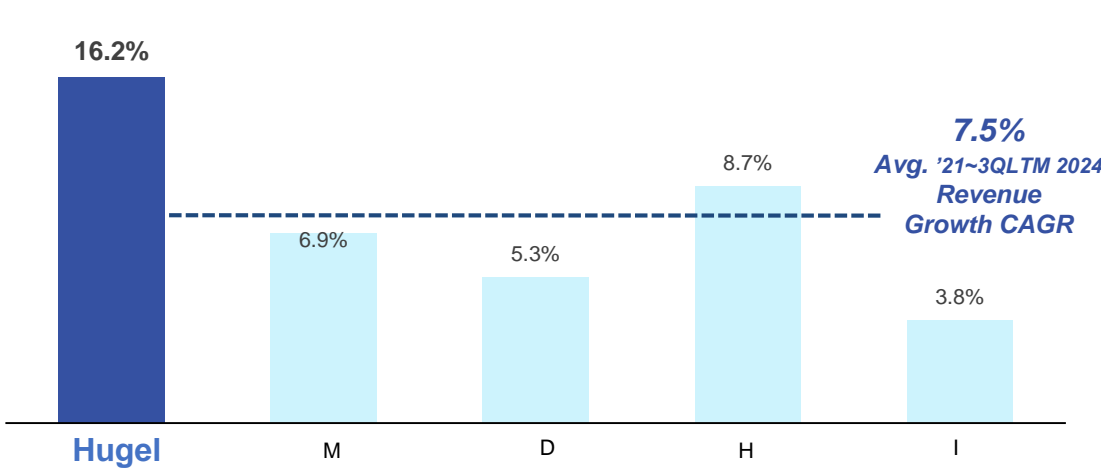
## Domestic Market Achievement

Market Share (2023)



## Industry-leading Margins and Growth Surpassing Peers

Revenue Growth (2021-3Q LTM 2024 CAGR)



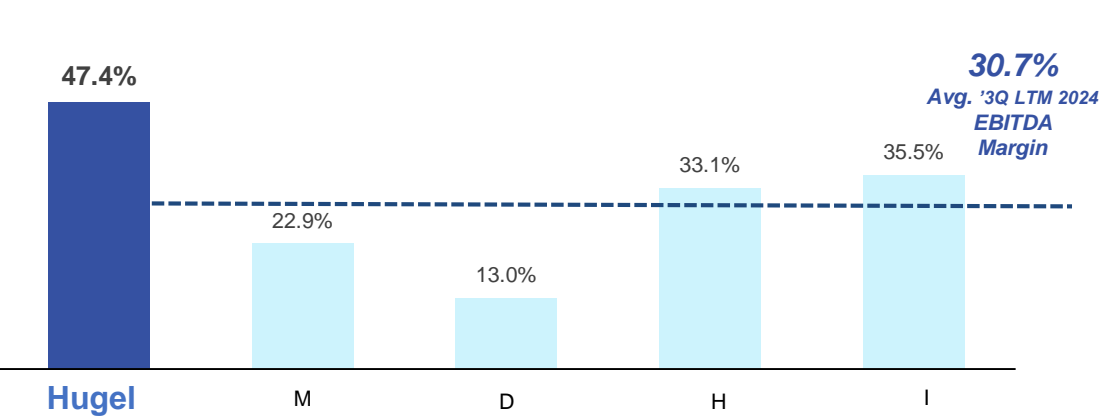
Hugel's Market Cap

(Unit: KRWbn)

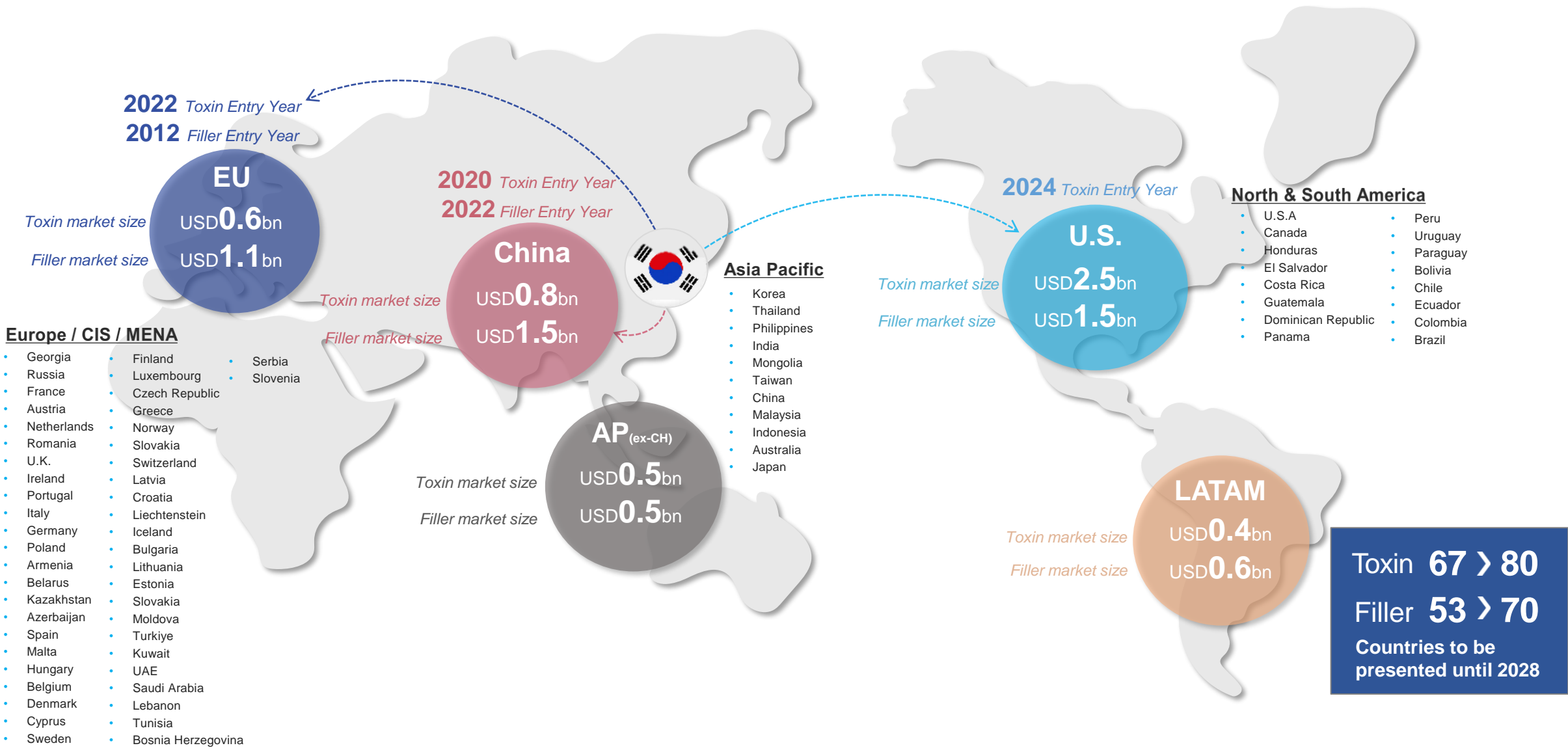
+84% Growth



EBITDA Margin (3Q LTM 2024)



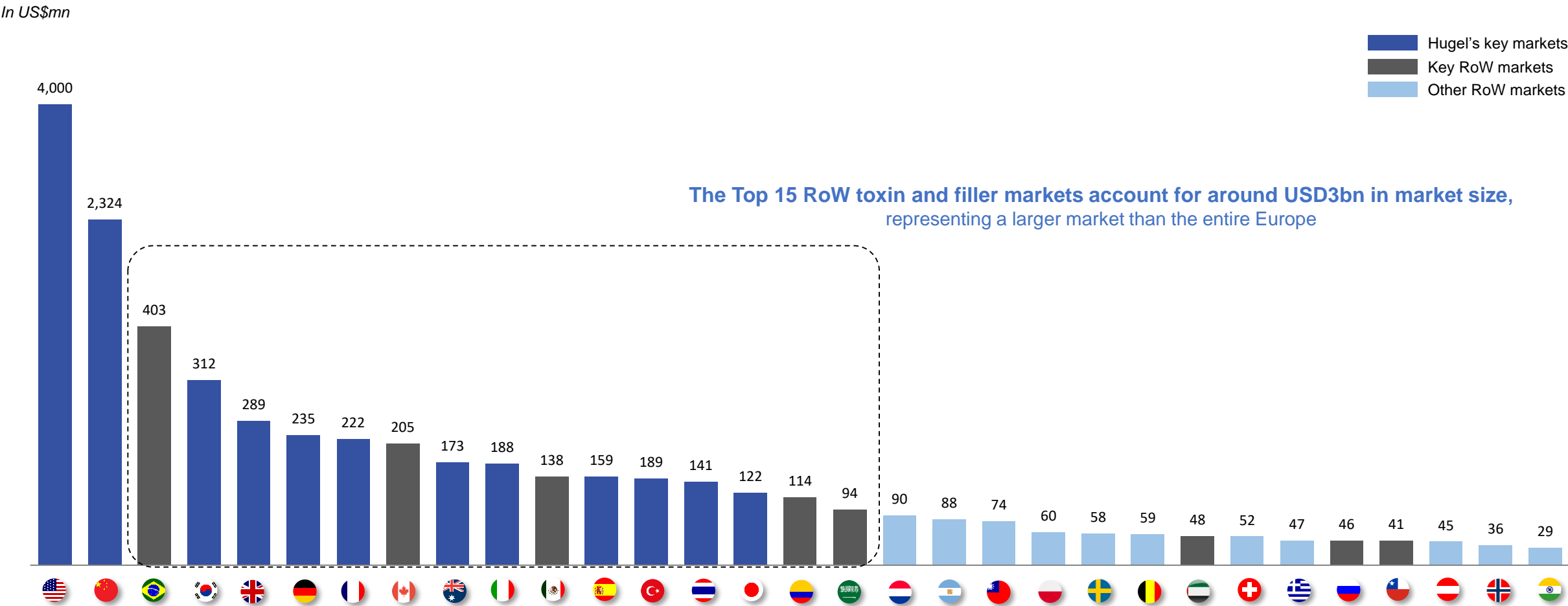
## 2. Well Poised to Capture Key International Expansion Opportunities



## 2. Besides Long-tail ROW markets




### Toxin and Filler Market Size in 2024 of Hugel's Key Markets

Continuous growth in key countries, as well as, RoW markets representing attractive opportunity for Hugel to expand internationally



*Hugel's current capabilities enable it to compete in a large global addressable market, with detailed strategies to establish itself as a global, widely-recognized brand even in RoW markets*

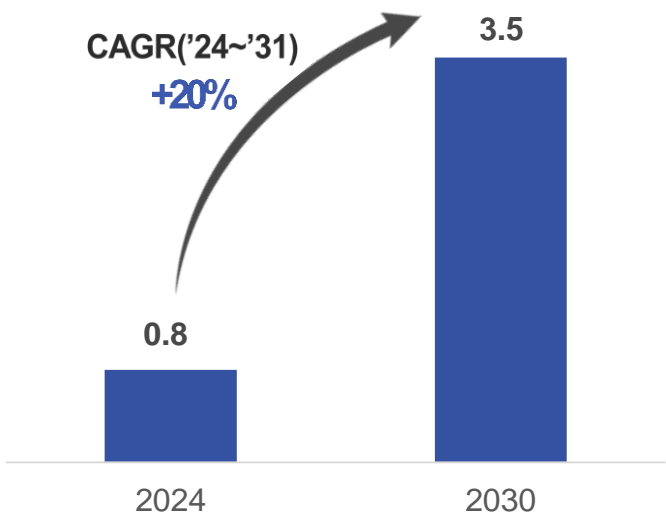
## 2. Prioritized International Markets Overview

	Market Size(2024) Aesthetic only	Approval Timeline	Strategy
<b>China</b> 	<ul style="list-style-type: none"> <li>Toxin: USD800~900mn</li> <li>Filler: USD1.5bn</li> </ul>	<ul style="list-style-type: none"> <li>Toxin: Approved in October 2020</li> <li>Filler: Approved in April 2022</li> </ul>	<ul style="list-style-type: none"> <li>Partnered with Sihuan</li> <li>Achieved 10% toxin M/S within 1 year of launch and Target 20-25% M/S by 2027</li> </ul>
<b>EU</b> 	<ul style="list-style-type: none"> <li>Toxin: USD600mn</li> <li>Filler: USD1.1bn</li> </ul>	<ul style="list-style-type: none"> <li>Toxin: Approved in February 2022</li> <li>Filler: Obtained CE in 2012</li> </ul>	<ul style="list-style-type: none"> <li>Toxin Partnered with Croma Pharma</li> <li>Target 20~25% toxin M/S by 2027</li> </ul>
<b>US</b> 	<ul style="list-style-type: none"> <li>Toxin: USD2~2.5bn</li> <li>Filler: USD1.5bn</li> </ul>	<ul style="list-style-type: none"> <li>Toxin approval obtained in February 2024</li> </ul>	<ul style="list-style-type: none"> <li>Target 10% toxin M/S within 3 years of launch</li> <li>Partner's solid sales network and Hugel's accumulated expertise in academic marketing</li> </ul>
<b>MENA</b>	<ul style="list-style-type: none"> <li>Toxin: USD140mn</li> <li>Filler: USD280mn</li> </ul>	<ul style="list-style-type: none"> <li>Toxin: Approval in Kuwait in 2024/ Approval expected in UAE and Saudi Arabia in Q1 2025</li> <li>Filler: Approved in UAE, Saudi Arabia, Kuwait, Lebanon, and Tunisia</li> </ul>	<ul style="list-style-type: none"> <li>Partnered with Medica Group</li> <li>Target 30% toxin M/S within 3 years of launch</li> </ul>
<b>LATAM</b>	<ul style="list-style-type: none"> <li>Toxin: USD400mn</li> <li>Filler: USD600mn</li> </ul>	<ul style="list-style-type: none"> <li>Toxin: Approved in Brazil, Chile, Colombia, Peru, etc. /Mexico expected in 1H 2026</li> <li>Filler: Approved in 5 countries/ Brazil and Mexico's approval under review</li> </ul>	<ul style="list-style-type: none"> <li>Top 3 player in local markets</li> </ul>

## 2. Key International Market Strategy

### 1) China

#### China Aesthetic Botulinum Toxin Market Size



#### Hugel's Differentiation Points



#### Differentiated Product Positioning

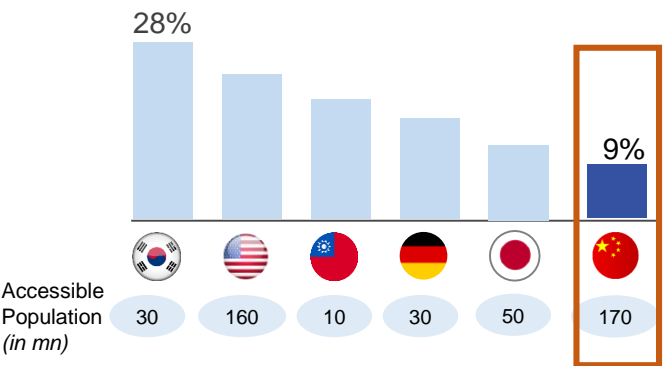
1

Only Korean Toxin Brand leveraging K-beauty influence in China

⇒ Leveraging on its differentiated positioning to gain market share

#### Medical Aesthetics Penetration of Accessible Population

⇒ Current low penetration in China implies tremendous future market opportunities



#### Key Strategies

1

Continue to strengthen **No.1 market share in 50IU** leveraging China government's campaign, '1 patient 1 vial'

2

**Tailored KOL engagement** and partnership with the large chain institutions by active medial affairs and educational programs

3

**Further penetration opportunities** to lower tier cities

# 2. Key International Market Strategy

## 2) Europe

**Oligopoly market led by the three leading global companies**

**Limited entry of new players due to sale support requirements**  
(i.e. relationship building with clinics and physicians)

**Incumbents focuses on different target sales channel**  
(i.e. hospitals in major cities, local hospitals, urban and rural clinics)

**Toxin**

- Germany: Top 2 market share in 2023
- Poland: Top 3 market share in 2023

**Filler**

- Top 5 in major EU markets, UK, France, Germany, Italy, Spain, Poland with the high awareness of Hugel's filler

(Unit: KRWbn)

Year	Toxin (KRWbn)	Filler (KRWbn)	Total (KRWbn)
2021	0	21.7	21.7
2022	7.8	31.5	39.3
2023	8.6	36.5	45.1

### Future Growth Strategy

**Strengthen Position in U.K., France, Italy**

**Stronger physician training and engagement**

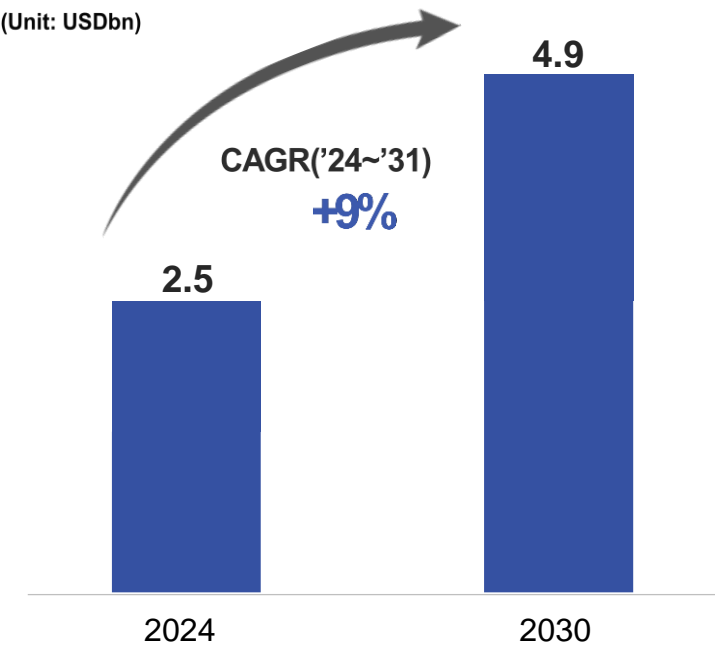
*Become a well-known, affordable brand.  
More potential to expand market share other Europe markets as UK, France, Italy and Spain*

## 2. Key International Market Strategy

### 3) The U.S.

#### The U.S. Market Opportunity

The U.S. Aesthetic Botulinum Toxin Market Size



#### Hugel's Differentiation Points

- 1 Targeted distribution channels
- 2 Providing value-added Services to physicians
- 3 Unique price-to-value proposition

#### Future Growth Strategy

  
Clear Positioning of  
Market Entry



  
Targeted & Focused  
Channel Strategy



  
Comprehensive  
Physician engagement



*Capture the Incremental Market  
Growth and achieve **10% M/S**  
within 3 years of the launch*

## 2. Key International Market Strategy

### 4) LATAM

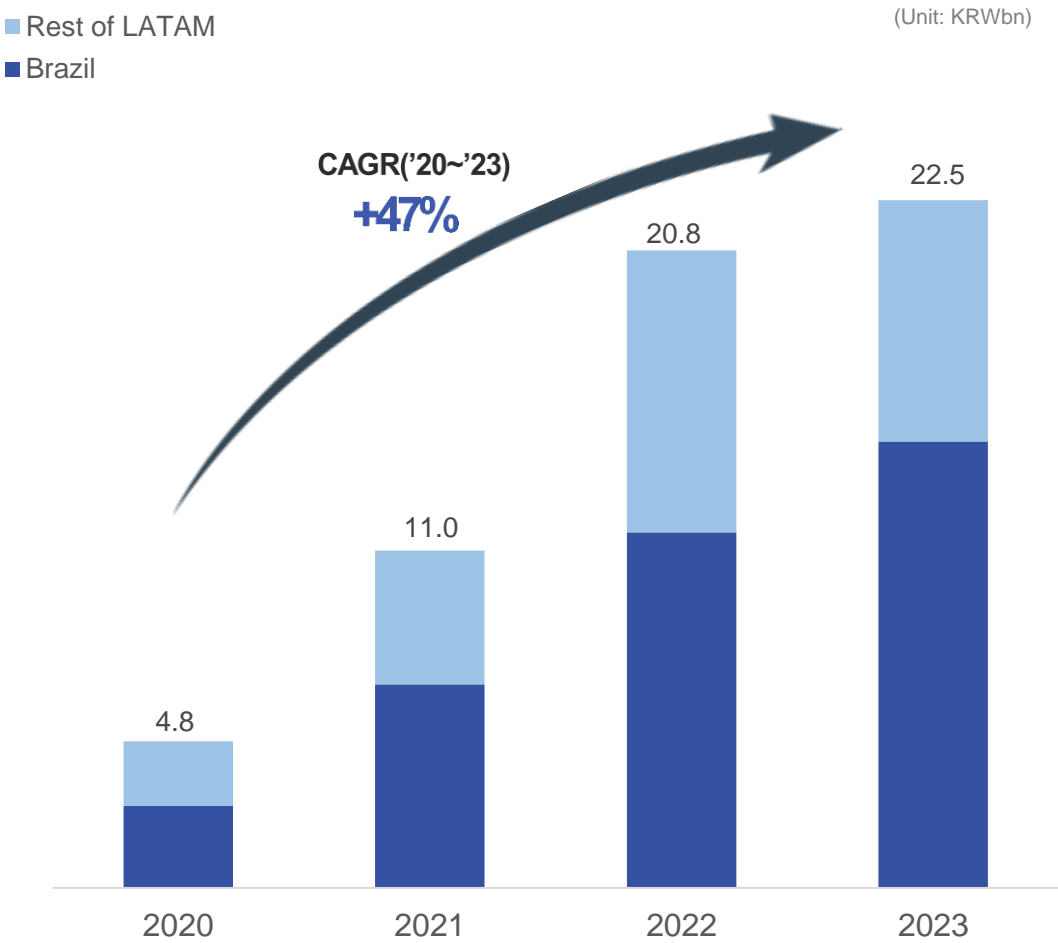
#### Market Characteristics

- 1 LATAM Aesthetics Toxin market estimated to be USD 480-500mn in 2024, growing at high-single digits per annum
- 2 **Growing Demand** for minimally invasive procedures, particularly botulinum toxin
- 3 **Increasing Consumer Base:** Diverse demographics by societal acceptance, improved accessibility and shifting perceptions about beauty and self-care
- 4 **Changing lifestyles:** The changing lifestyles of a high middle-income patient pool is driving growth

#### Key Achievements

- Increased market engagement and marketing collaboration with distributor
- Establish a comparable premium position through value-add services such as regular hands-on training programs, Korea visits(GLAM) for clinic tour
- Brazil: ~20% toxin market share in 2023. Optimize sales with new distributor expected in 2025

#### Sales Trend in LATAM (2020~23)



# 2. Key International Market Strategy

## 5) MENA

### Market Characteristics\*

#### UAE

- The increasing number of aesthetic procedures
  - Advanced healthcare infrastructure
  - The growing number of medical tourism
  - The diverse and affluent population
- ⇒ Becoming a regional healthcare innovation hub and a medical tourism destination

#### Saudi Arabia

- Rapidly increasing aging population
  - Increasing obese population
  - Increasing awareness regarding aesthetic procedures
  - Rising adoption of minimally invasive device
  - More influence of social media
- ⇒ Experiencing growth driven by the increasing demand for non-surgical and minimally invasive aesthetic procedures - shorter recovery times and reduced risks

### Strengthened partnership with Medica Group

Medica Group - headquartered in Dubai, is a leading aesthetic and medical distribution partner with a 20+ year history



Robust Distribution Networks



Solid Know-how and strong execution capabilities



Collaboration w/ Partner

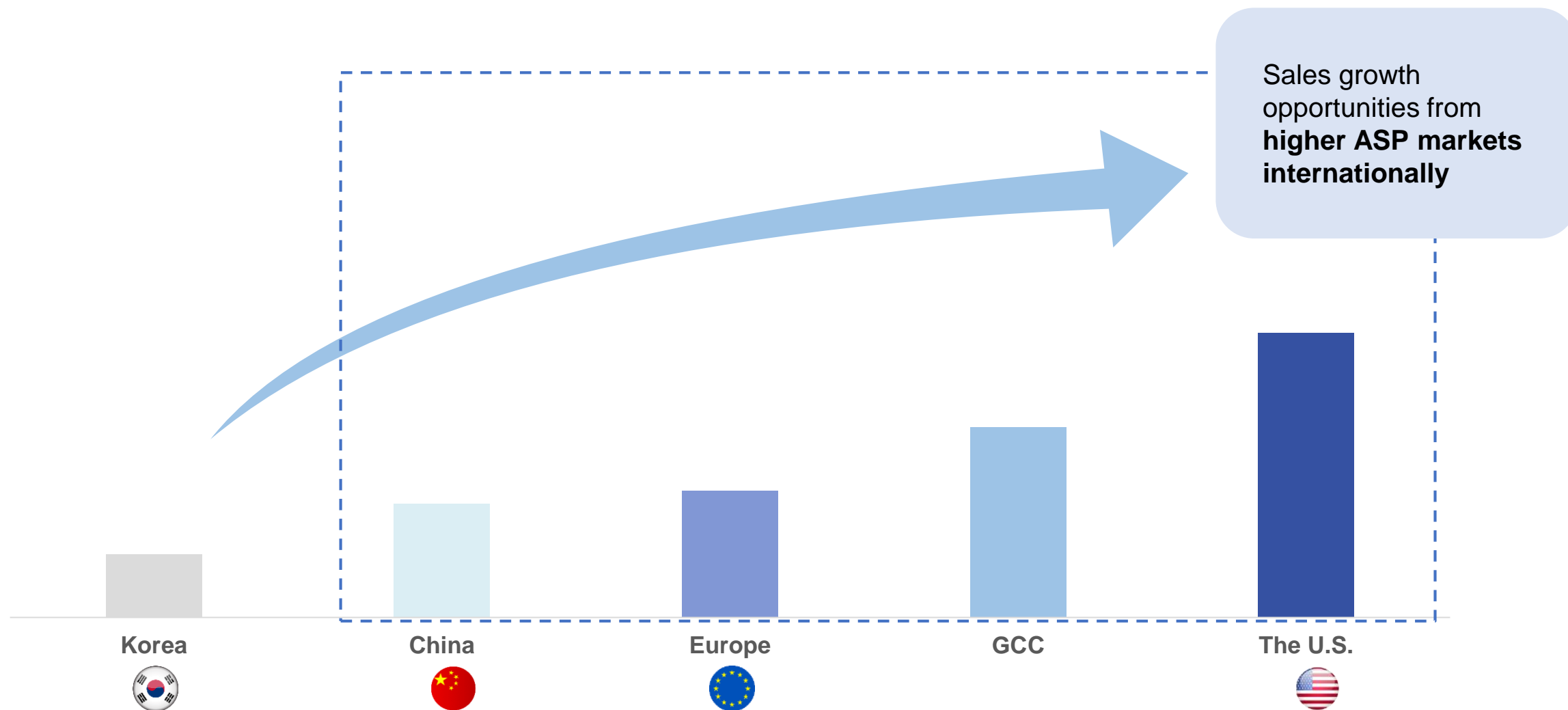


At least achieve **30% of the market share** within 3 years of the launch

\*Source: <https://www.mordorintelligence.com/industry-reports/uae-aesthetic-devices-market>  
<https://www.mordorintelligence.com/industry-reports/saudi-arabia-aesthetic-devices-market>

### 3. Continuous Margin Improvement from Higher ASP Markets

Comparative Price Comparison between Korea and Key International Markets (Indicative Only)



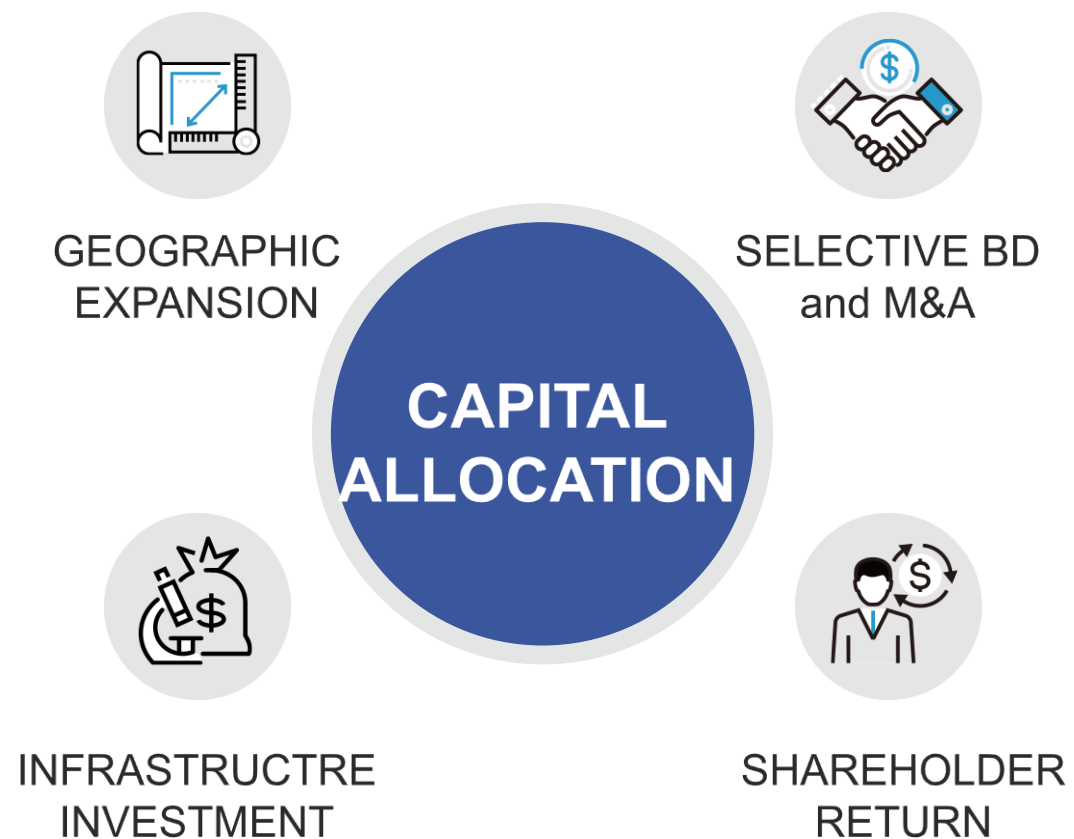
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# Capital Allocation Plan

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# Recap: Strategy for Future Growth

## Organic Business Strategy



### Maintain Market Leadership in Korea

- Solidify market leadership in Korea for both toxin and filler with differentiated product strategy
- Further penetration among existing customers
- Continue to lead the physician training and education programs, medical aesthetic conferences



### Deliver International Growth

- Build market leadership in key international markets
- Further penetration in emerging markets such as South East Asia, MENA and LATAM



### Further Margin Enhancement

- More revenue stream from higher ASP markets
- New toxin manufacturing facility becoming operational within 1H 2025, further improving efficiency and achieving further optimized COGS
- Tightened SG&A control for calculated expansion

## Upside Business Opportunities



### New Product/ Indication Initiatives

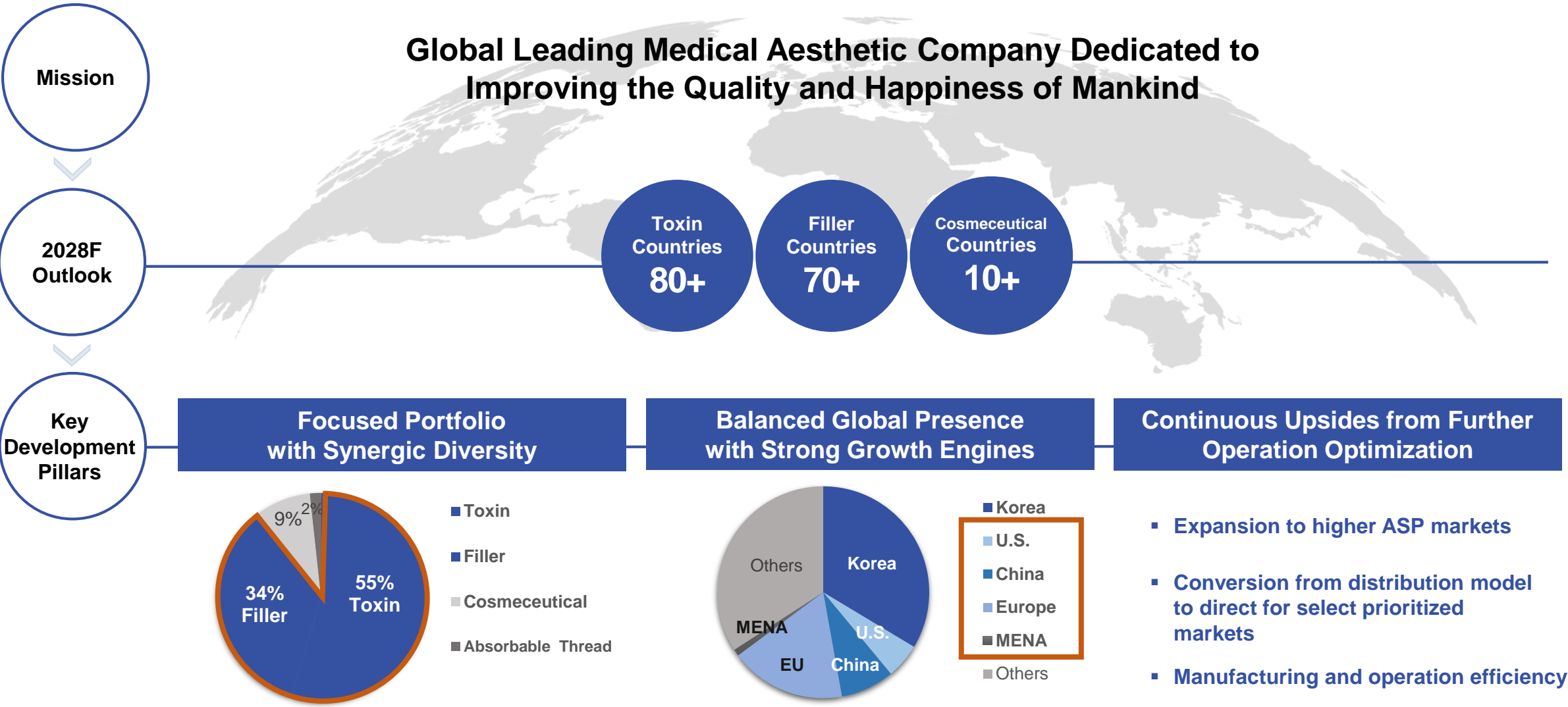
- Continued business expansion in the Cosmeceuticals segment in key international markets
- Differentiate toxin and filler with new indications and formulations
- Proactive business development of new product category



### M&A Pipeline

- Stay focused on the core category of injectable segment providing a clear synergy with existing platform
- Prioritize targets with high entry barrier, proprietary ingredient or production knowhow

# Recap: Hugel Vision



Toxin and filler account for ~90% of total revenue  
⇒ Continued to be anchor products in the portfolio

Thank you