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Big Hit Entertainment
4Q FY 2020
Business Results

2021.02.23



Disclaimer

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This document is provided for the convenience of investors; an external audit on our financial results are yet to be completed. Therefore, certain part or parts of this document are subject to change following an audit by an independent auditor.

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2020 Key Business Highlights

Listed on KOSPI

October 15

Solidified multi-label structure
by acquiring PLEDIS Entertainment
and KOZ Entertainment

- Invited both top creators and top artists

Overall revenue grew
through balanced growth across business categories
despite considerable decrease in concert revenue

weverse

“Weverse” grew in numbers and quality,
further buoyed by online concerts

Recreated success by overcoming
K-POP genre limitations
and writing new history

- BTS: first Korean artist to repeatedly top the Billboard Hot 100 chart
- SEVENTEEN: million-seller albums
- TXT: continuing strong growth since debut in 2019
- ENHYPEN: top-selling artist among groups debuting in 2020,
won numerous new artist awards

2021 Business Forecasts

Our 3 key engines for business expansion

Label	Artist development, music content production
Solution	Performances, media, licensing, games, educational content and other services
Platform	Develop Weverse and expand the ecosystem

Strategies for organic / inorganic growth

Organic Growth	<ul style="list-style-type: none"> • Maintain the growth momentum of BTS • Promote the growth of SEVENTEEN in the global market • Diversify portfolio by strengthening existing artists, ensuring successful take-off of new idols • Expand into the U.S. market and deploy Big Hit's winning formula through joint venture with top U.S. music company UMG
Inorganic Growth	<ul style="list-style-type: none"> • Investment by NAVER into Big Hit subsidiary Weverse Company, partnership created with V LIVE • Business engagement with YG Entertainment through Big Hit investment in YG Plus • Diverse opportunities for new partnerships in progress

Earnings Summary – 2020 Q4

2020 Q4 Revenue 312.3 billion KRW : YoY +117%, QoQ +64%

2020 Q4 Operating Profit 52.5 billion KRW : YoY +122%, QoQ +31%

(in million KRW)

		4Q 2019	3Q 2020	4Q 2020	Change	
					YoY	QoQ
Total Revenue		144,001	190,000	312,288	117%	64%
Artist	Albums	11,026	46,843	140,816	1,177%	201%
Direct-involvement Revenue	Concerts	32,787	3,090	–	–100%	–100%
	Fees for Advertisement and Appearance	6,613	14,028	13,764	108%	–2%
Artist	Merchandise & Licensing	59,806	100,246	67,275	12%	–33%
Indirect-involvement Revenue	Content	26,506	16,213	80,894	205%	399%
	Fan club and others	7,263	9,580	9,539	31%	0%
Operating Expenses		120,383	149,849	259,779	116%	73%
Operating Profit		23,618	40,151	52,509	122%	31%
Margin(%)		16%	21%	17%	1%p	–4%p
Net Profit		18,837	27,209	25,776	37%	–5%

Earnings Summary – 2020 Annual

2020 Revenue 796.3 billion KRW : YoY +36%, 3 year CAGR +63%

2020 Operating Profit 142.4 billion KRW : YoY +44%, 3 year CAGR +34%

(in million KRW)

		2018	2019	2020	Change	
					YoY	3 year CAGR
Total Revenue		301,371	587,224	796,283	36%	63%
Artist Direct- involvement Revenue	Albums	105,399	108,327	320,597	196%	74%
	Concerts	87,743	191,087	3,422	-98%	-80%
	Fees for Advertisement and Appearance	14,312	20,070	46,797	133%	81%
Artist Indirect- involvement Revenue	Merchandise & Licensing	51,414	169,871	259,054	53%	124%
	Content	33,485	78,044	133,467	71%	100%
	Fan club and others	9,018	19,825	32,946	66%	91%
Operating Expenses		221,440	488,482	653,869	34%	72%
Operating Profit		79,931	98,742	142,414	44%	34%
Margin(%)		27%	17%	18%	1%p	-9%p
Net Profit		-70,466	72,424	86,154	19%	흑전

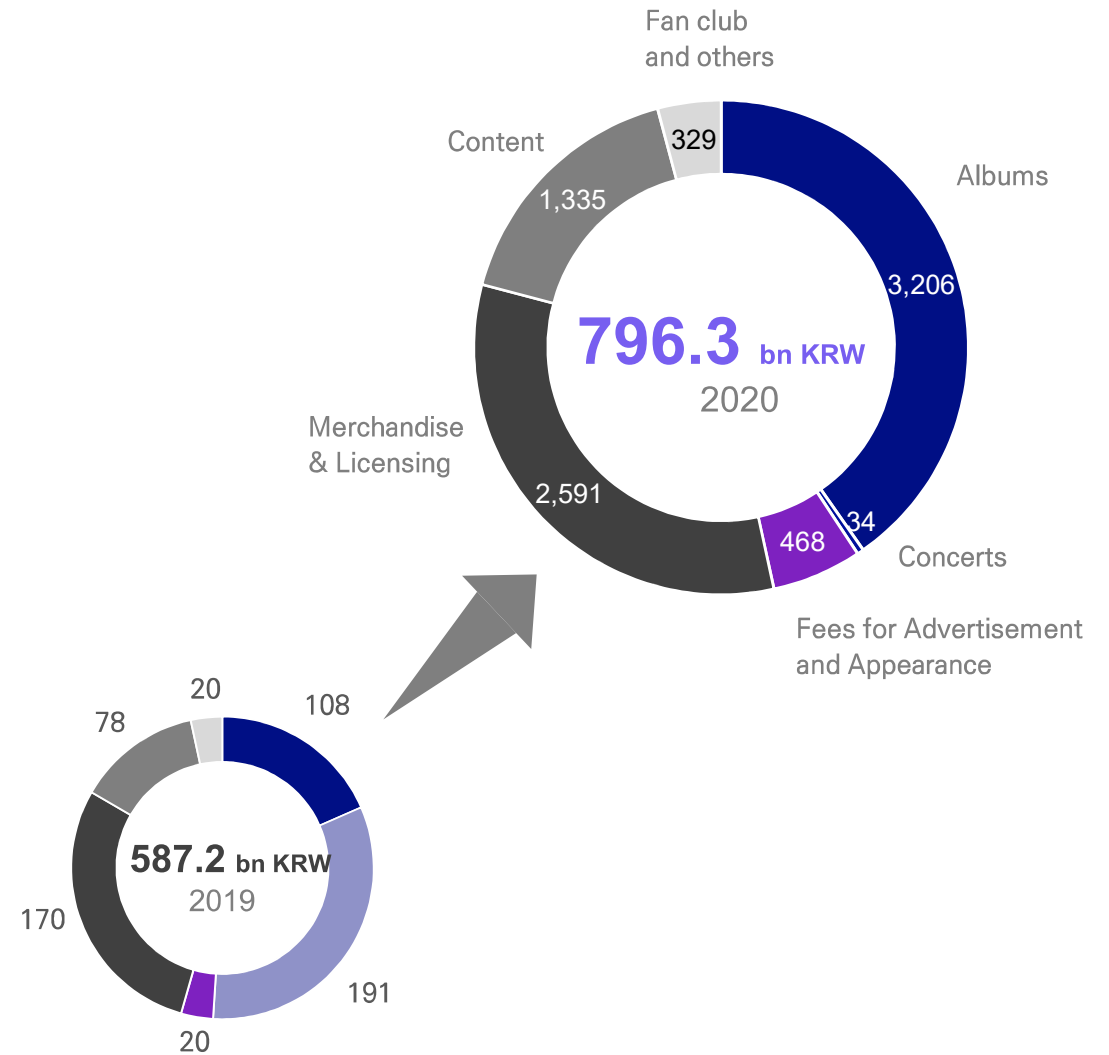
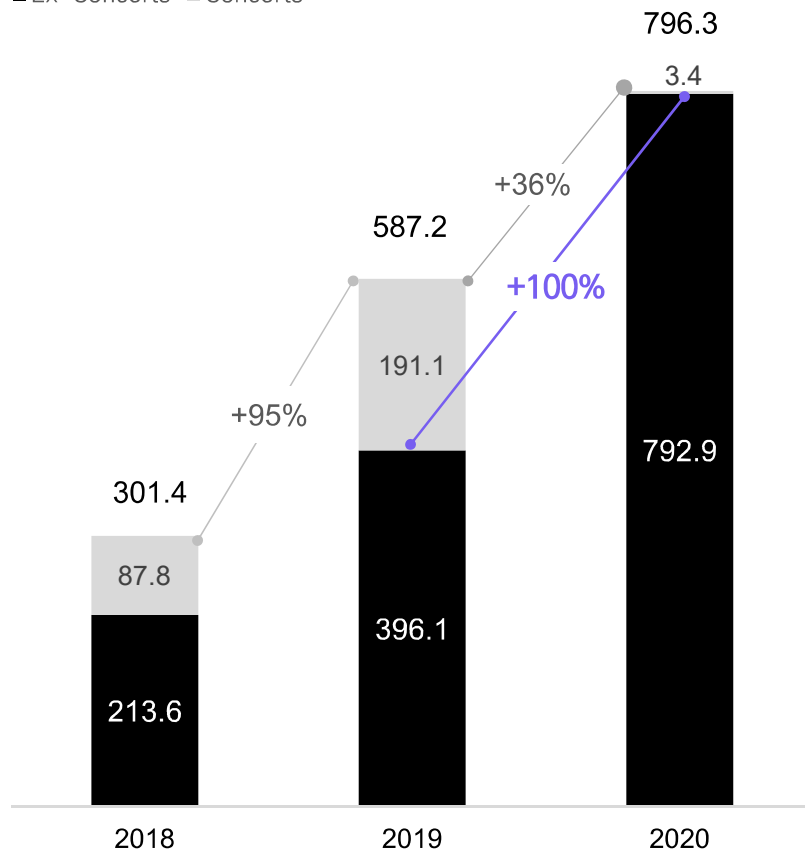
Revenue Breakdown by Business

(in billion KRW)

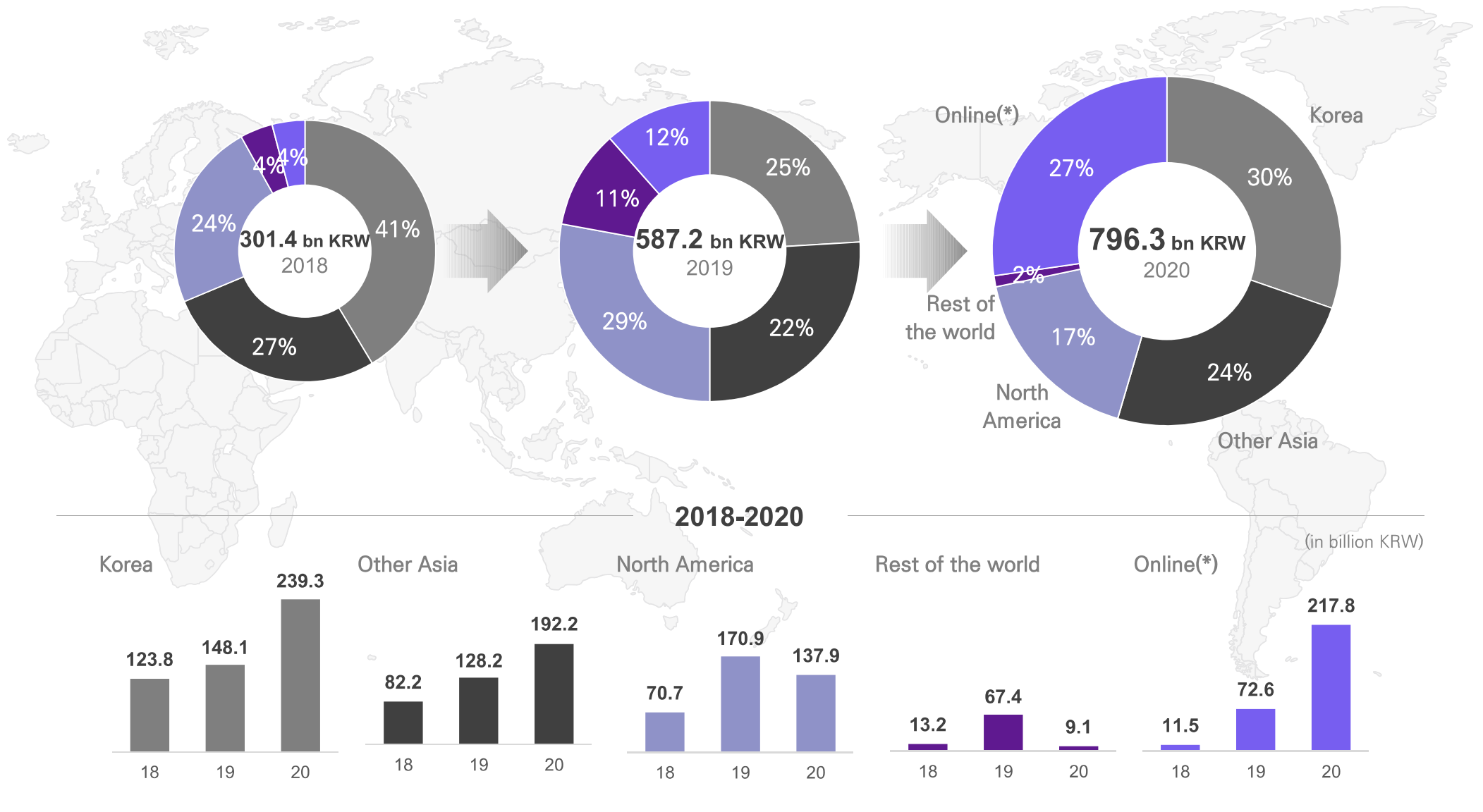
Revenue Growth Trend

(in billion KRW)

■ Ex-Concerts ■ Concerts



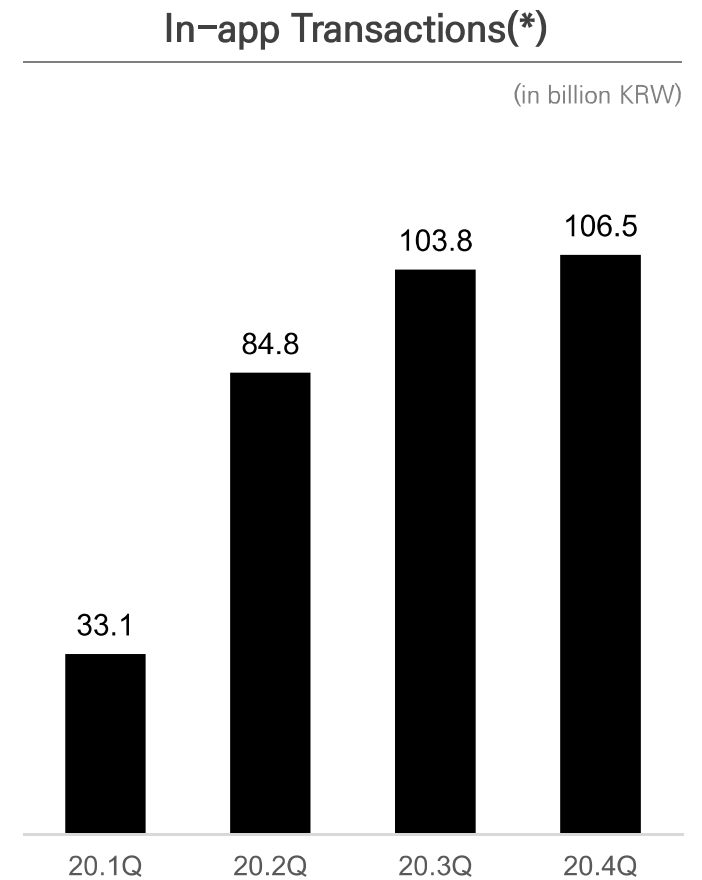
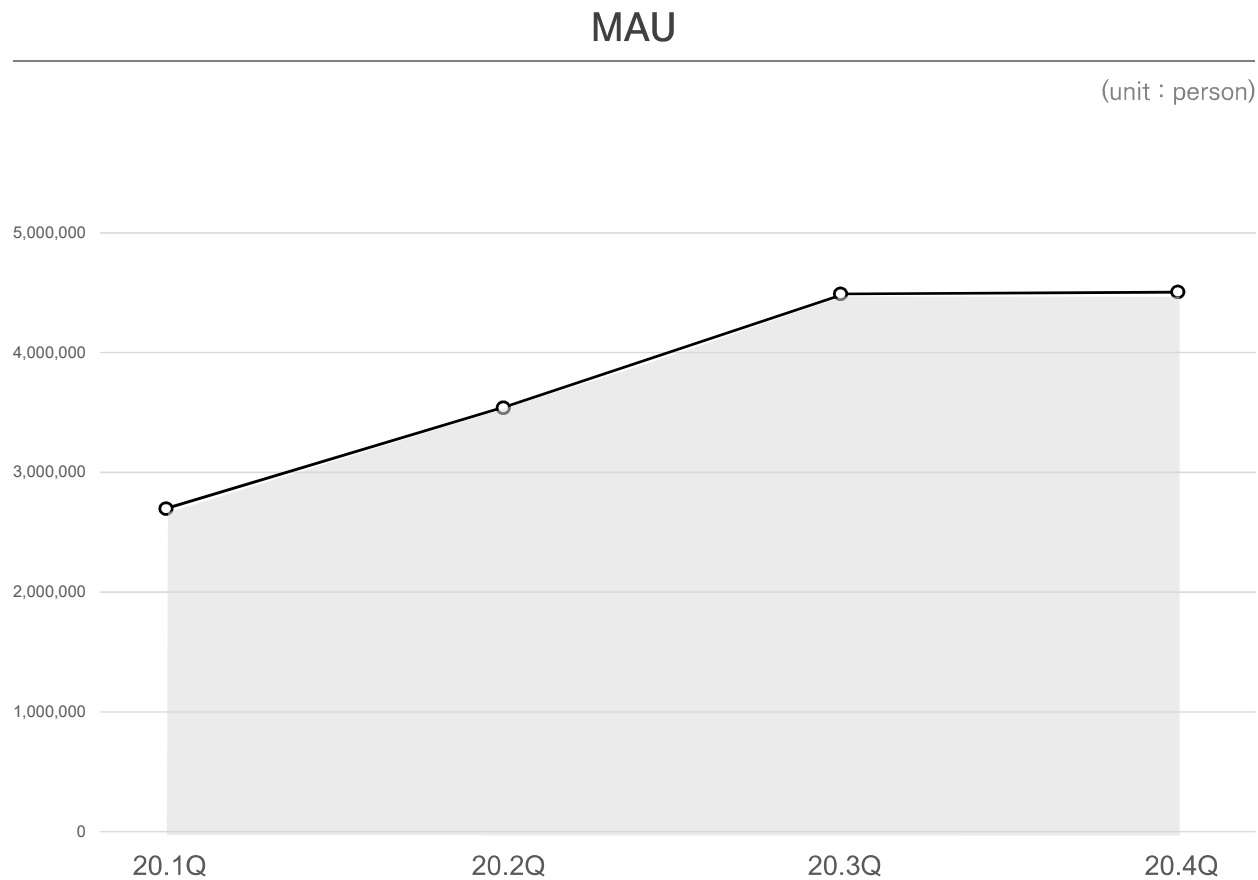
Revenue Breakdown by Geographic Location



(*) Consists of revenues generated from "Weverse" platform and cannot be classified by geography

Key Performance Indicators on Weverse

Monthly Active Users (MAU) and in-app transactions continue their rightward trend



(*) Figures represent transaction for products and content on Weverse, and may differ from income statement revenue

Financial Statement Summary

Consolidated Income Statement

(in million KRW)

	2018	2019	2020
Total Revenue	301,371	587,224	796,283
Operating Expenses	221,440	488,482	653,869
Operating Profit	79,931	98,742	142,414
Margin(%)	27%	17%	18%
Other Non-Operating Income	2,305	7,645	7,036
Other Non-Operating Expenses	130,685	7,895	23,177
Profit before Income Tax	-48,449	98,492	126,273
Income Tax	22,017	26,068	40,119
Net Profit	-70,466	72,424	86,154
Controlling Interests	-70,466	73,823	84,673
Non-Controlling Interests	-	-1,399	1,481

Consolidated Statement of Financial Position

(in million KRW)

	2018.12	2019.12	2020.12
Current Assets	171,708	294,652	1,384,633
Non-Current Assets	33,821	68,338	534,147
Total Assets	205,529	362,990	1,918,780
Current Liabilities	105,462	174,561	291,941
Non-Current Liabilities	12,808	14,906	428,966
Total Liabilities	118,270	189,467	720,907
Share Capital	773	835	17,812
Share Premium	198,575	211,101	1,147,515
Accumulated other comprehensive income	3,454	3,968	-14,553
Retained Earnings (Accumulated Deficit)	-115,543	-41,720	42,953
Non-Controlling Interests	-	-661	4,146
Total Equity	87,259	173,523	1,197,873



Big Hit Entertainment

