

HYBE



1Q FY2021
Business Result

2021.05.04

Disclaimer

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We believe in music

음악으로 세상에 울림을 전하고

산업을 혁신하여 삶의 변화를 만들어갑니다.



HYBE

Earnings Summary - 2021 Q1

2021 Q1 Revenue 178.3 billion KRW: YoY +29%, QoQ -43%

2021 Q1 Operating Profit 21.7 billion KRW: YoY +9%, QoQ -61%

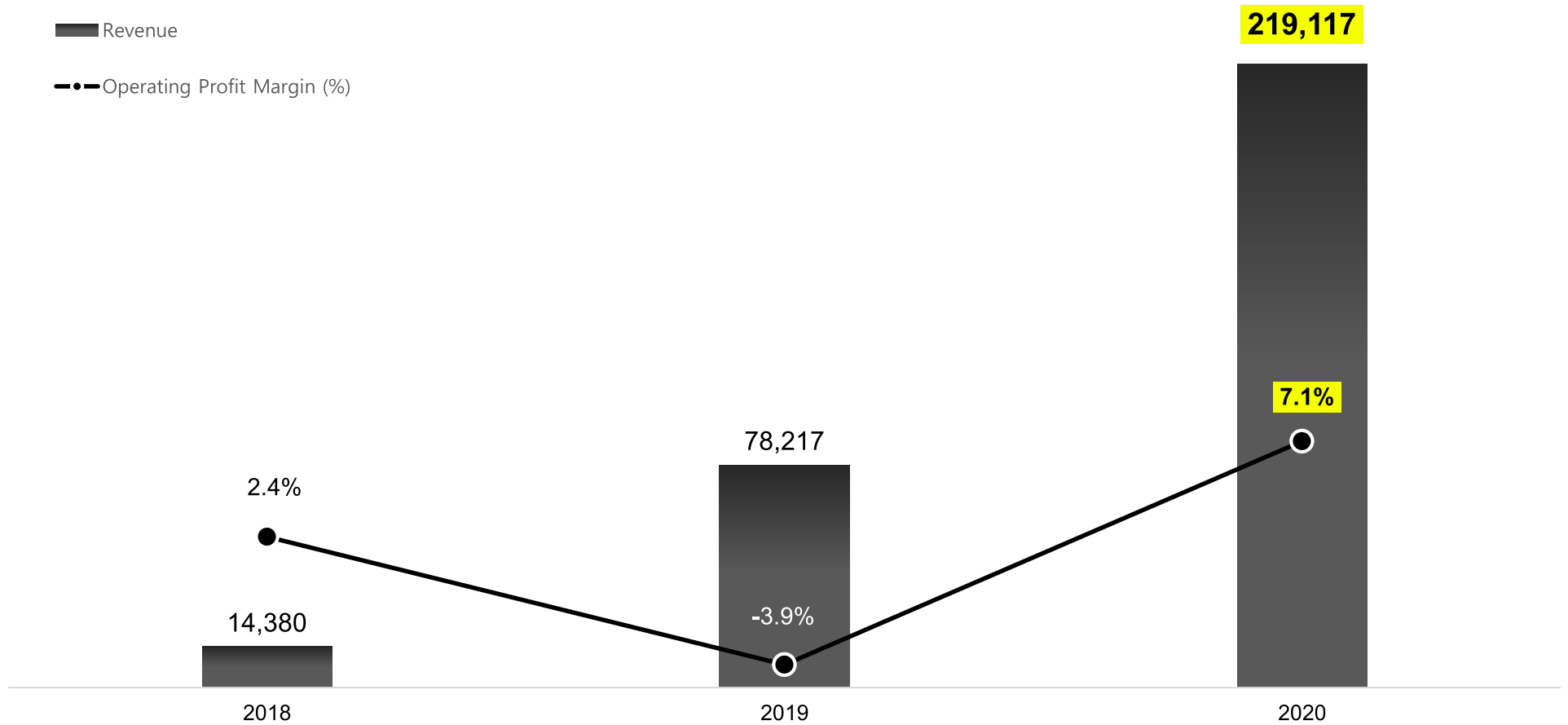
(in million KRW)

	2020 Q1	2020 Q4	2021 Q1	Change	
				YoY	QoQ
Total Revenue	138,553	312,287	178,327	29%	-43%
Artist Direct-involvement	88,957	154,602	67,541	-24%	-56%
Albums	80,848	140,838	54,472	-33%	-61%
Concerts	100	-	-	-100%	n/a
Ads and appearances	8,009	13,764	13,069	63%	-5%
Artist Indirect-involvement	49,596	157,685	110,785	123%	-30%
Merchandising and licensing	34,308	67,253	64,686	89%	-4%
Contents	8,086	80,894	37,165	360%	-54%
Fan club, etc.	7,201	9,539	8,934	24%	-6%
Operating Expenses	118,670	256,677	156,623	32%	-39%
Operating Profit	19,883	55,610	21,704	9%	-61%
Margin (%)	14.4%	17.8%	12.2%	-2.2%p	-5.6%p
Net Profit	14,206	26,683	15,820	11%	-41%

WEVERSE Performance

Revenue increase and surplus in 2020

(in million KRW)

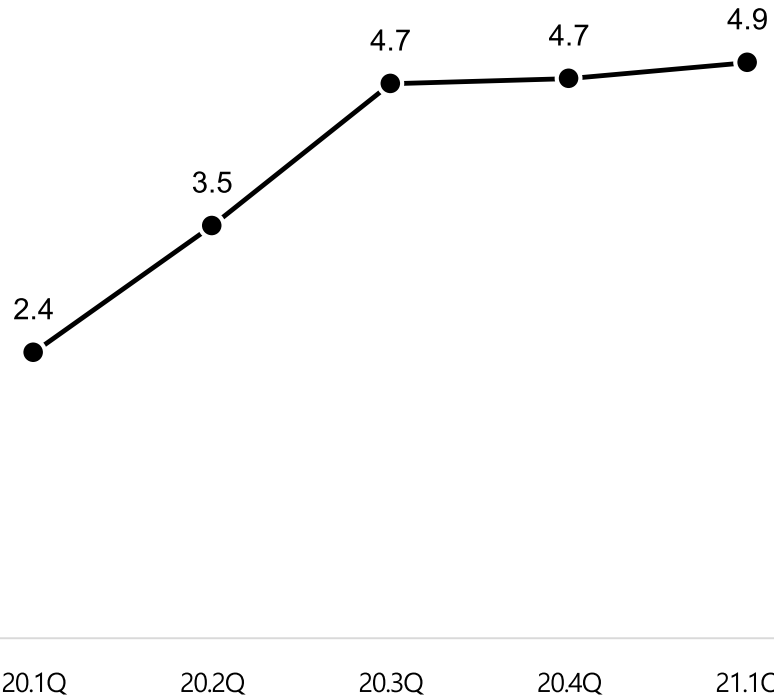


WEVERSE KPI

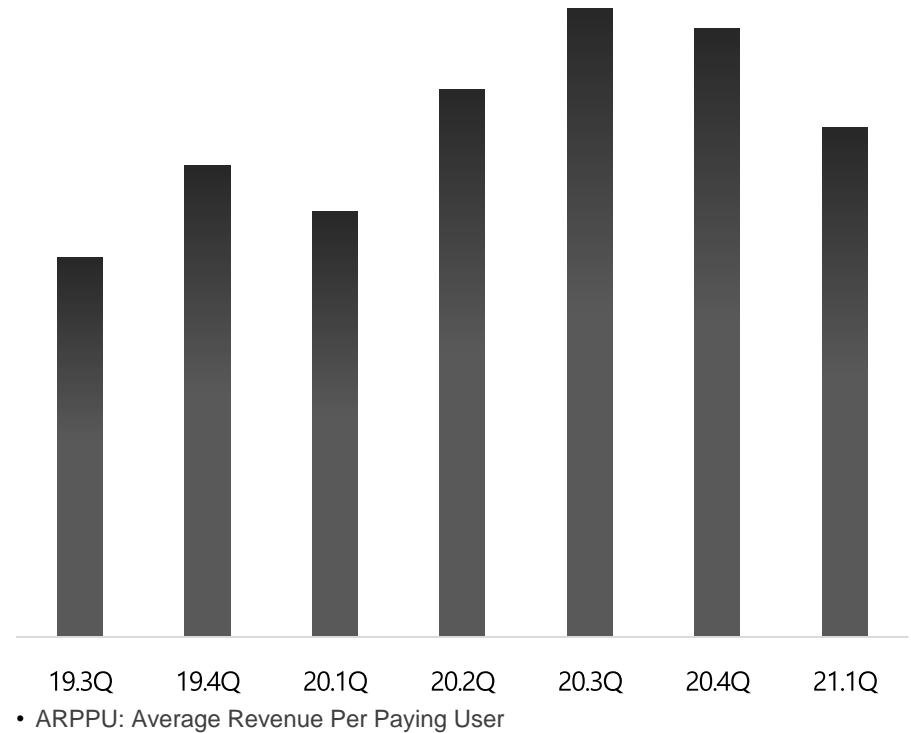
Strong user base and payment generation

MAU

(In millions)

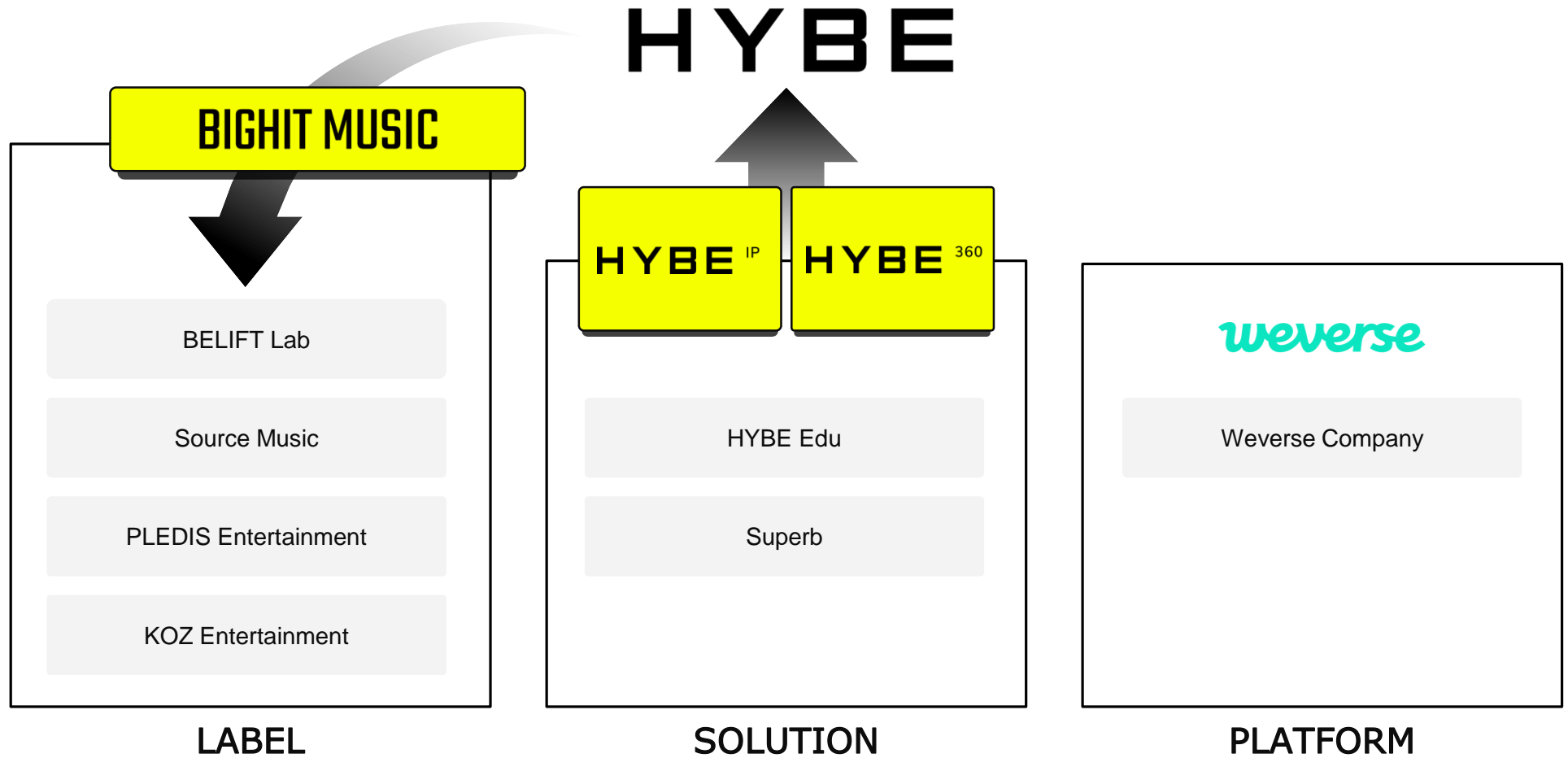


ARPPU Trend



HYBE Structural Reorganization

Realignment into Label, Solution, Platform



Ithaca Holdings LLC

Global Expansion

Deal Overview

100% stake in Ithaca Holdings was acquired at \$1.1B through Big Hit America, a wholly-owned subsidiary of HYBE. CEO Scott “Scooter” Braun, key management and artists will acquire newly-issued shares of HYBE.

Deal Goals

- Expansion of HYBE artist IP
- Portfolio diversification and additional business capabilities
- Acceleration of global market expansion
- Synergy to drive HYBE’s growth into a global No.1 entertainment lifestyle platform company

Ithaca Holdings LLC



Talent Management

- Key business unit that includes the management agency for artists including Justin Bieber and Ariana Grande



Record Label & Music Publishing

- Top country music independent label

Silent Content Ventures

Premium Content

- TV shows, documentaries, movies and other content production company leveraging artists



Venture & Consumer

- Consumer brands based on artist IP

Ithaca Holdings Artists



Justin Bieber
 14 Grammy Awards nominations, 2 wins
 16 Guinness world records
 22 American Music Awards nominations, 18 wins



Ariana Grande
 12 Grammy Award nominations, 2 wins
 22 Guinness world records
 14 American Music Award nominations, 3 wins

ITHACA Artist U.S. album sales

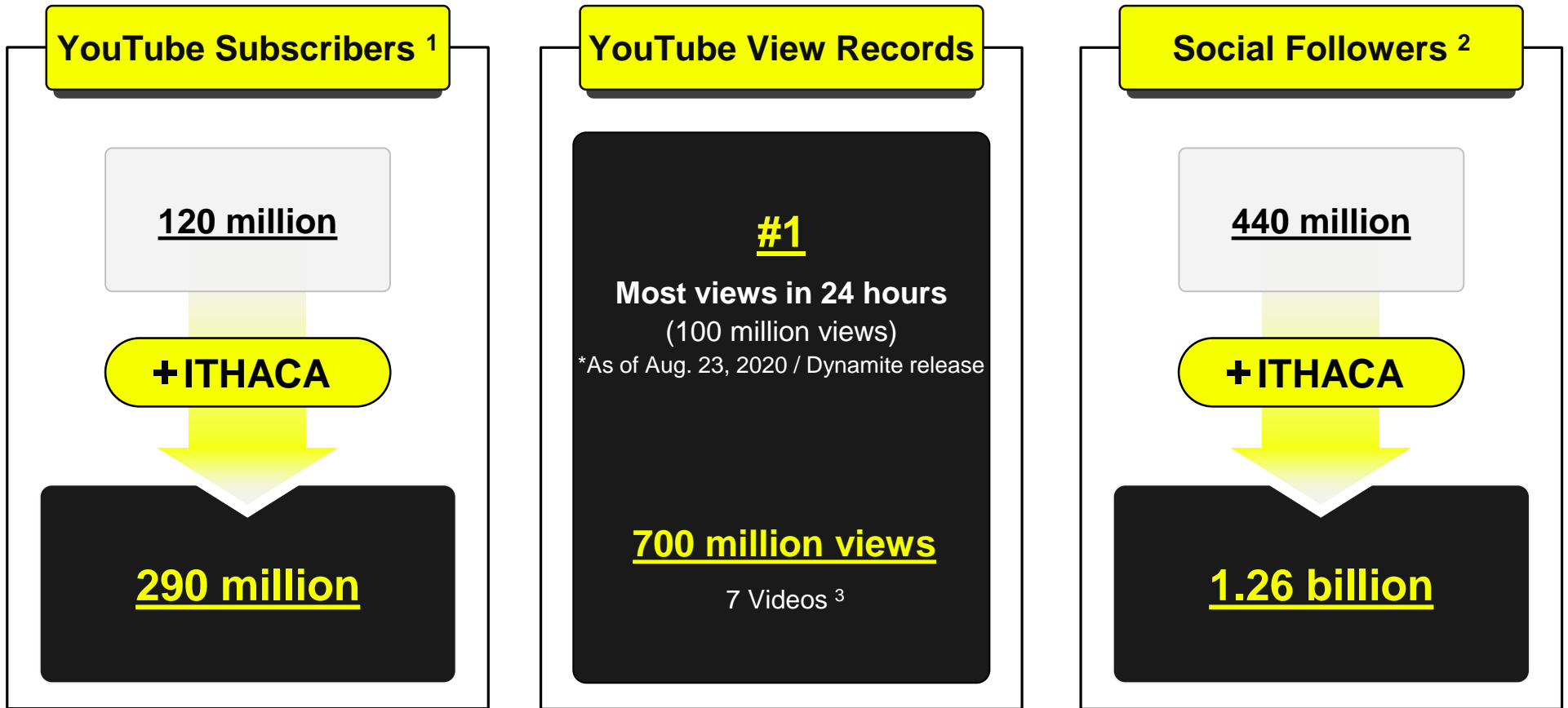
SBP

BMLG

Artist	2020 albums with T/SEA	Artist	2020 albums with T/SEA
Ariana Grande	2,152,800	Thomas Rhett	920,494
Justin Bieber	1,848,803	Florida Georgia Line	899,157
Dan + Shay	706,073	Tim McGraw	713,941
Demi Lovato	562,932	Brett Young	530,385
YG	473,937	Brantley Gilbert	400,915
J Balvin	406,146	Riley Green	326,477
Idina Menzel	280,964	Justin Moore	287,325
Total	6,431,655	Total	4,078,694

Source: MRC Data *Ref.: BTS 2,976,852

Fandom Expansion



Source: Company documents, press reports

Footnotes

- : ¹ YouTube channels (4/6/21): HYBE Labels 53.2m, Bangtan TV 47.1m, SEVENTEEN 6.4m, TXT 6.3m, ENHYPEN 2.3m, GFRIEND 2.1m, NU'EST 1.5m, In The Soop 1.2m, PLEDIS 1.1m, etc
- : ² Social channels (4/6/21): Cumulative HYBE Group channels on YouTube, Instagram, Twitter, Tik Tok, V LIVE, Facebook, Weibo
- : ³ 700 million-view videos : BTS Official MVs (“DNA”, “Boy with Luv (feat. Hasely)”, “Fake LOVE”, “Dynamite”, “MIC Drop”, “IDOL”, “Blood, Sweat and Tears”)

Financial Statement Summary

Consolidated Income Statement

(in million KRW)

Category	2020.1Q	2020.2Q	2020.3Q	2020.4Q	2021.1Q
Total revenue	138,553	155,443	190,000	312,287	178,327
Cost of sales	82,035	78,841	87,997	172,665	82,726
Gross margin	56,518	76,602	102,003	139,623	95,601
SG&A	36,635	46,730	61,852	84,013	73,897
Labor Cost	13,946	18,278	20,458	40,724	28,649
Logistics Cost	7,820	9,409	12,220	19,601	13,304
Depreciation and Amortization Cost	2,888	2,091	5,243	916	3,885
Rent/upkeep	2,630	6,130	8,145	8,694	8,392
Outsourcing/Fees	8,530	9,145	12,949	13,097	17,997
Other SG&A expenses	821	1,677	2,837	2,813	1,670
Operating profit	19,883	29,872	40,151	55,610	21,704
<i>Margin (%)</i>	<i>14.4%</i>	<i>19.2%</i>	<i>21.1%</i>	<i>17.8%</i>	<i>12.2%</i>
Non-operating income	2,474	1,831	572	2,158	6,623
Non-operating expenses	1,579	5,540	3,099	16,087	4,256
Profit before income tax	20,778	26,163	37,624	41,681	24,071
Income tax	6,572	7,199	10,416	14,999	8,251
Net profit	14,206	18,964	27,209	26,683	15,820
Controlling interests	14,022	17,895	25,254	28,550	15,752
Non-controlling interests	184	1,069	1,955	1,867	68

Consolidated Statement of Financial Position

(in million KRW)

Category	2019.12	2020.12	2021.1Q
Current assets	294,652	1,389,257	1,280,679
Non-current assets	68,338	535,186	621,968
Total assets	362,990	1,924,443	1,902,647
Current liabilities	174,561	296,242	255,777
Non-current liabilities	14,906	429,261	432,473
Total liabilities	189,467	725,503	688,250
Share capital	835	17,812	17,812
Share premium	211,101	1,147,515	1,147,515
Accumulated other comprehensive income	3,968	- 13,993	-14,909
Retained earnings (accumulated deficit)	- 41,720	44,001	59,753
Non-controlling interests	- 661	3,605	4,225
Total equity	173,523	1,198,939	1,214,397

