SM ENTERTAINMENT

EARNINGS RELEASE

4Q24

SM ENTERTAINMENT GROUP

DISCLAIMER

The information herein is intended solely to provide guidance for our investors. The financial information included in this presentation is preliminary, unaudited and subject to revision upon completion of the Company's closing and audit processes.

The Company undertakes no obligation to update or revise any forward-looking statements to reflect events or circumstances that arise after the date made or to reflect the occurrence of unanticipated events. Inevitably, some assumptions will not materialize, and unanticipated events and circumstances may affect the ultimate financial results.

The Company undertakes no obligation to provide promises or hold responsibilities with respect to forward-looking statements attributable to the Company. All investors should exercise their own independent and professional judgment in making any investment decisions.

The financial information is prepared in accordance with IFRS and includes both standalone and consolidated financial statements.

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1-1. Consolidated Business Results

- **Revenue increased by 9.0% YoY to KRW 273.8bn**
  - Growth driven by increased concert and MD/licensing revenue, expanded drama production, and enhanced artist activities in Japan
- **Operating Profit increased 275.6% YoY to KRW 33.9bn**
  - Driven by increased revenue from the headquarters and affiliates, changes in the sales mix, and the allocation of performance-based compensation
- **Net Profit YoY deficit significantly decreased**

(Unit: KRW bn)	4Q24	4Q23	YoY	3Q24	QoQ
Revenue	273.8	251.1	9.0%	242.2	13.0%
Gross Profit	86.2	79.5	8.5%	73.4	17.6%
SG&A	52.3	70.4	-25.7%	60.0	-12.8%
Operating Profit	33.9	9.0	275.6%	13.3	154.3%
OP Margin	12.4%	3.6%	8.8%p	5.5%	6.9%p
Income before Income Tax	-32.4	-51.7	-37.3%	16.5	-296.1%
Income Tax	-8.3	1.1	-846.8%	12.8	-164.8%
Net Income	-24.1	-52.8	RL	3.7	TR

1-2. SM ENTERTAINMENT Business Results (parent)

(Unit: KRW bn)	4Q24	4Q23	YoY	3Q24	QoQ
Revenue	181.8	163.7	11.0%	172.1	5.6%
Physical Album/ Digital Music	86.0	90.6	-5.1%	72.9	18.1%
Appearance (TV/advertising/event)	21.4	26.8	-19.9%	22.5	-4.8%
Concert	22.5	11.9	88.2%	38.2	-41.2%
MD/Licensing	51.2	33.7	51.9%	37.9	35.3%
Other	0.6	0.6	4.3%	0.7	-6.0%
Gross Profit	58.8	54.4	8.1%	57.7	1.9%
SG&A	23.0	34.9	-34.0%	30.7	-24.9%
Operating Profit	35.8	19.5	83.2%	27.1	32.3%
OP Margin	19.7%	11.9%	7.8%p	15.7%	4.0%p
Net Income	8.3	-8.3	TB	16.0	-47.8%

- **Revenue increased by 11.0% YoY to KRW 181.8bn**
  - **Album/Digital Music revenue declined due to a decrease in new album sales**
    : New album sales: 5.51 mn in 4Q23 → 3.78 mn in 4Q24
    (4Q24, NCT DREAM 1.56 mn, aespa 1.10 mn, WayV 0.4 mn, Irene 0.36 mn, etc.)
  - **Concert revenue increased due to expanded tour scale**
    : NCT WISH (12), NCT DREAM (9), TVXQ! (9), Chanyeol (14) YUTA (9), etc.)
  - **MD sales increased due to expanded concert-related MD sales and special event-driven MD (e.g., pop-up stores)**

- **Operating profit increased by 83.2% YoY to KRW 35.8bn**
  - **Growth in MD/licensing and concert-driven revenue, along with the allocation of performance-based compensation, contributed to the increase in operating profit**

- **Net profit turned to a profit YoY**

1-3. Major Subsidiaries

(Unit: KRW bn)	4Q24	4Q23	YoY	3Q24	QoQ
Revenue [1]	135.4	130.0	4.1%	121.8	11.2%
SM C&C [2]	33.4	42.6	-21.7%	24.8	34.8%
SMC	20.2	12.2	65.7%	22.0	-7.9%
KEYEAST	21.0	10.0	110.0%	13.3	57.2%
SM BM	19.4	15.3	26.3%	14.8	31.2%
SMLDG	15.4	14.7	4.9%	10.0	53.3%
DREAM MAKER	5.0	19.6	-74.4%	10.5	-52.0%
Others [3]	21.0	15.5	35.3%	26.4	-20.5%
Operating Profit [1]	-2.1	-8.2	RL	-10.2	RL
SM C&C [2]	2.1	4.9	-56.9%	-1.2	TB
SMC	-1.1	-5.0	RL	-0.6	WL
KEYEAST	-0.6	-0.3	WL	0.1	TR
SM BM	-0.6	-1.4	RL	-1.0	RL
SMLDG	0.7	-0.3	TB	1.2	-40.6%
DREAM MAKER	-1.3	0.2	TR	0.3	TR
Others [3]	-1.4	-6.3	RL	-9.1	RL
Net Income [1]	-48.7	-53.7	RL	-11.0	WL
SM C&C [2]	-16.4	-9.8	WL	-1.4	WL
SMC	-0.1	-4.0	RL	-0.8	RL
KEYEAST	-3.6	-5.3	RL	0.4	TR
SM BM	-0.6	-10.8	RL	-0.7	RL
SMLDG	1.6	1.6	-4.3%	1.4	15.1%
DREAM MAKER	-2.5	0.0	TR	0.2	TR
Others [3]	-27.1	-25.4	RL	-10.1	WL

- **Revenue increased by 4.1% YoY to KRW 135.4 bn**
  - **SM C&C, Decrease in advertising and management revenue**
  - **SMC, Revenue growth driven by increased artist activities in Japan**
  - **KEYEAST,** Increased revenue from expanded drama production (Ask the Stars, Ironing Family, etc.)
  - **SM BM, Revenue growth supported by concerts and project-based MD sales**
  - **DREAM MAKER, Revenue decrease due to the internalization of concert operations**
- **Operating loss reduced YoY**
  - **SMC, Reduced deficit owing to increased artist activities in Japan**
  - **Other subsidiaries, Deficit reduction driven by revenue growth**
- **Net loss reduced YoY**

[1] Simple aggregation of the performances of subsidiaries subject to consolidation

[2] Consolidation basis

[3] The amount represents the simple sum of consolidated subsidiaries, excluding six separately disclosed entities. Offset accounts have been netted out

2-1. Music LINE-UP Preview

Release Date	Artist	Album Type
1/8	RIIZE	Single - HUG
1/22	NCT WISH	Single - Miracle
2/14	SMTOWN	Full Album - '2025 SMTOWN : THE CULTURE, THE FUTURE'
2/24	Hearts2Hearts	Single
1Q25	SEULGI	Mini
	TEN	Mini
	naevis	Single

Release Date	Artist	Album Type
2Q25	DOYOUNG	Album
	MARK	Album
	RIIZE	Album
	KAI	Mini
	IRENE & SEULGI	Mini
	WayV	Mini
	TEN	Mini (JPN)
	aespa	Mini
	NCT WISH	Mini
	SUPER JUNIOR-L.S.S.	Single (JPN)
	SHINee	Single
	naevis	Single
	Hearts2Hearts	Single

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1) The above is the main line-up as of February 10th and may change later.

2-2. Concert LINE-UP Preview

Date	Country and Region	Artist	Title	No. of Concerts
1/4 ~ 2/23	Hong Kong, Macao, Seoul	WayV	2024-25 WayV CONCERT [ON THE Way]	4
1/11 ~ 1/12	Republic of Korea	SMTOWN	SMTOWN LIVE 2025 [THE CULTURE, THE FUTURE]	2
1/18 ~ 3/30	Republic of Korea, Indonesia, Thailand, US, Canada, Japan, Taiwan	NCT 127	NCT 127 4TH TOUR 'NEO CITY - THE MOMENTUM'	18
1/18 ~ 3/8	Republic of Korea, Thailand, Hong Kong, Singapore, Macao, Taiwan	YESUNG	2025 YESUNG CONCERT [It's Complicated]	7
1/25 ~ 1/26	Republic of Korea	SUHO	2025 SUHO CONCERT ‹SU:HOMME› ENCORE	2
1/25 ~ 3/15	Taiwan, Japan, Macao, Philippines	MINHO	2025 MINHO CONCERT ‹MEAN : of my first›	5
1/28 ~ 3/6	Japan	TVXQ!	TOHOSHINKI 20th Anniversary LIVE TOUR～ZONE～	10
1/28 ~ 3/16	US, Mexico, Canada, UK, France, Netherlands, Germany, Spain, Republic of Korea	aespa	2024-25 aespa LIVE TOUR - SYNK : PARALLEL LINE -	16
2/8	Republic of Korea	RIIZE	R.B.R DAY FOR NEW YEAR	2
2/15 ~ 2/16	Republic of Korea	CHANYEOL	2025 CHANYEOL LIVE TOUR : 都市風景 (City-scape) | Epilogue	2
3/7 ~ 3/29	Republic of Korea, Taiwan, Philippines	TAEYEON	TAEYEON CONCERT - The TENSE	5
3/21 ~ 3/23	Republic of Korea	NCT WISH	2024 NCT WISH ASIA TOUR LOG in SEOUL	3
2Q25	Macao, Philippines, Hong Kong, Singapore, Taiwan, Indonesia, Thailand	NCT WISH	2024 NCT WISH ASIA TOUR LOG in -	8
	Japan, Macao	NCT 127	NCT 127 4TH TOUR 'NEO CITY - THE MOMENTUM'	6
	Japan, Malaysia	YESUNG	2025 YESUNG CONCERT [It's Complicated]	4
	Indonesia, Macao, Singapore, Thailand, Hong Kong	TAEYEON	TAEYEON CONCERT - The TENSE	7
	US, Mexico, UK	SMTOWN	SMTOWN LIVE 2025 [THE CULTURE, THE FUTURE]	3

1) The above is the main line-up as of February 10th and may change later.

APPENDIX – Summary of Financial Statements Summary

Consolidated P/L

(Unit: KRW bn)	4Q23	1Q24	2Q24	3Q24	4Q24
Revenue	**251.1**	**220.1**	**253.9**	**242.2**	**273.8**
Cost of Revenues	171.6	148.9	176.1	168.9	187.5
Gross Profit	**79.5**	**71.1**	**77.7**	**73.4**	**86.2**
SG&A	70.4	55.6	53.0	60.0	52.3
Operating Profit	**9.0**	**15.5**	**24.7**	**13.3**	**33.9**
Other Non-operating Income	8.0	3.3	2.8	2.8	7.5
Other Non-operating Expenses	62.0	3.5	9.5	2.5	73.7
Financial Income	4.5	7.3	3.2	3.1	9.1
Financial Expenses	3.9	5.4	1.9	1.9	-0.7
Share of Profit(Loss) of Associates and JVs	-9.0	2.0	1.9	1.6	-9.7
Income before Income Tax	**-51.7**	**19.3**	**21.1**	**16.5**	**-32.4**
Income Tax	**1.1**	**6.8**	**12.7**	**12.8**	**-8.3**
Net Income	**-52.8**	**12.4**	**8.4**	**3.7**	**-24.1**

Consolidated B/S

(Unit: KRW bn)	2022	2023	2024
Tangible Assets	841.4	858.3	816.3
Intangible Assets	621.6	682.7	603.6
Total Assets	**1,463.0**	**1,541.0**	**1,420.0**
Current Liabilities	467.4	519.3	488.0
Non-current Liabilities	109.4	112.3	103.6
Total Liabilities	**576.9**	**631.6**	**591.6**
Controlling Interest Equity	696.7	722.5	661.2
Capital Stock	11.9	11.9	11.9
Minority Interest	189.4	186.9	167.1
Total Shareholder's Equity	**886.1**	**909.4**	**828.3**
Total Liabilities and Shareholder's Equity	**1,463.0**	**1,541.0**	**1,420.0**

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