

SM ENTERTAINMENT EARNINGS RELEASE 4Q25

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 16.6% YoY to KRW 319.0bn**
 - Growth in concerts and MD/licensing, along with improved performance at major subsidiaries
- **Operating Profit increased 62.2% YoY to KRW 54.6bn**
 - Parent-level revenue growth, profitability of key subsidiaries turnaround, and DearU consolidation
- **A turnaround to net profit of KRW 27.4bn**
 - Earnings improvement across the group and tax-related effects

(Unit: KRW bn)	4Q25	4Q24	YoY	3Q25	QoQ
Revenue	319.0	273.6	16.6%	321.6	-0.8%
Gross Profit	115.6	85.0	36.0%	119.0	-2.8%
SG&A	61.0	51.3	18.8%	70.8	-13.8%
Operating Profit	54.6	33.7	62.2%	48.2	13.3%
OP Margin	17.1%	12.3%	4.8%p	15.0%	2.1%p
Income before Income Tax	8.5	-30.8	TB	56.9	-85.1%
Income Tax	-18.9	-7.1	-165.6%	12.2	-254.2%
Net Income	27.4	-23.7	TB	44.7	-38.7%

1-2. SM ENTERTAINMENT Business Results (Parent)

(Unit: KRW bn)	4Q25	4Q24	YoY	3Q25	QoQ
Revenue	202.2	180.4	12.1%	224.5	-10.0%
Physical Album/ Digital Music	64.8	84.0	-22.8%	96.7	-32.9%
Appearance (TV/advertising/event)	24.1	21.4	12.3%	24.1	0.1%
Concert	34.5	22.5	53.6%	52.5	-34.3%
MD/licensing	78.1	51.8	50.6%	50.3	55.2%
Other	0.7	0.6	9.8%	1.1	-33.5%
Gross Profit	62.9	57.9	8.7%	74.6	-15.6%
SG&A	23.4	22.0	6.3%	34.4	-31.9%
Operating Profit	39.5	35.9	10.2%	40.2	-1.7%
OP Margin	19.6%	19.9%	-0.3%p	17.9%	1.7%p
Net Income	29.3	14.2	106.5%	32.3	-9.2%

- Revenue increased by 12.1% YoY to KRW 202.2bn
 - New album decreased, while digital music sales increased
 - New album sales 3.67mn in 4Q24 → 2.72mn in 4Q25 (4Q25 NCT DREAM 6th mini 'Beat it up' 1.02mn, RIIZE 2nd single 'Fame' 0.71mn, Hearts2Hearts 1st mini 'FOCUS' 0.45mn, etc.)
 - Concert revenue growth by expansion of concert scale
 - SUPER JUNIOR, 20th 'SUPER SHOW 10' tour (11 shows)
 - NCT DREAM, 'THE DREAM SHOW 4' tour (8 shows)
 - aespa, 'SYNK : aeXIS LINE' tour (13 shows)
 - NCT WISH, 'INTO THE WISH : Our WISH' tour (16 shows)
 - MD/licensing revenue growth driven by planned MD and strong fan-light sales
 - Official fan-lights for aespa and SUPER JUNIOR sales increase
 - Strong sales of concert and planned MD for NCT WISH
 - Licensing revenue growth from collaborations, including aespa X PUBG
- Operating profit increased by 10.2% YoY to KRW 39.5bn
 - Concert, MD/licensing revenue growth
- Net Income increased by 106.5% YoY to KRW 29.3bn

1-3. Major Subsidiaries

(Unit: KRW bn)	4Q25	4Q24	YoY	3Q25	QoQ
Revenue ¹⁾	169.1	136.6	23.8%	146.8	15.2%
SM C&C ²⁾	36.3	33.4	8.7%	25.4	43.0%
SM ENT JAPAN(〒, SMC) ³⁾	25.7	20.2	27.1%	24.4	5.4%
DEARU ⁴⁾	23.8	-	N/A	22.3	6.7%
SM BM	17.0	19.4	-12.3%	18.9	-10.1%
SM LDG	10.8	15.4	-30.1%	18.5	-41.8%
DREAM MAKER	16.5	5.0	228.8%	8.5	95.0%
KEYEAST	4.6	21.0	-78.0%	3.6	27.4%
Others ⁵⁾	34.4	22.2	54.8%	25.3	36.1%
Operating Profit ¹⁾	12.9	-2.5	TB	13.5	-4.8%
SM C&C ²⁾	3.1	2.1	46.5%	-0.2	TB
SM ENT JAPAN(〒, SMC) ³⁾	1.2	-1.1	TB	2.6	-52.7%
DEARU ⁴⁾	9.8	-	N/A	8.7	11.9%
SM BM	0.2	-0.6	TB	0.7	-69.2%
SM LDG	-0.5	0.4	TR	2.3	TR
DREAM MAKER	1.8	-1.3	TB	-0.1	TB
KEYEAST	-0.6	-0.5	RL	-1.0	RL
Others ⁵⁾	-2.1	-1.5	RL	0.5	TR
Net Income ¹⁾	-0.7	-57.0	RL	15.3	TR
SM C&C ²⁾	0.5	-15.8	TB	0.3	68.5%
SM ENT JAPAN(〒, SMC) ³⁾	0.6	-0.1	TB	2.7	-78.2%
DEARU ⁴⁾	10.3	-	N/A	9.6	7.2%
SM BM	-0.7	-0.7	RL	0.6	TR
SM LDG	-0.2	1.2	TR	2.3	TR
DREAM MAKER	-3.9	-2.5	RL	0.1	TR
KEYEAST	0.4	-8.9	TB	-1.1	TB
Others ⁵⁾	-7.7	-30.1	RL	0.8	TR

▪ Revenue increased by 23.8% YoY 169.1bn

- SM C&C, increase in advertising and subsidiary revenue
- SM ENT JAPAN, increased artist concert activities in Japan
- DEARU, subscription price increases and favorable FX effects
- SM BM, decline in pop-up event revenue
- SM LDG, decrease in album printing revenue
- DREAM MAKER, expansion in the number and scale of concerts
- KEYEAST, fewer drama releases

▪ YoY turnaround to operating profit

- SM C&C, increased advertising and subsidiary revenue
- SM ENT JAPAN, increased artist concert activities in Japan
- DEARU, profit improved driven by revenue growth and cost reductions
- SM BM, profit improved driven by lower costs
- SM LDG, negative impact from decline in album printing revenue
- DREAM MAKER, turnaround driven by growth in concert revenue
- KEYEAST, operating loss due to lower revenue

▪ Continued net loss YoY

¹⁾ Simple aggregation of the performances of subsidiaries subject to consolidation

²⁾ Consolidation basis

³⁾ As of June 1, 2025, 'Stream Media Corporation (SMC)' changed its name to 'SM ENTERTAINMENT JAPAN'

⁴⁾ Consolidated since 2Q 2025

⁵⁾ 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	Artist	Album Type	발매일	아티스트	음반 분류
1/14	NCT WISH	Mini (JPN)		YESUNG	Full Album (JPN)
1/19	EXO	Full Album		TAEYONG	Full Album
2/18	RIIZE	Single CD (JPN)		aespa	Full Album
2/10	TVXQ!	Single (JPN)		NCT WISH	Full Album
2/20	Hearts2Hearts	Single	2Q 2026	WayV	Mini
2/23	NCT JNM	Mini		RIIZE	Mini
2/25	MINHO	Single (JPN)		XngHan&Xoul	Mini
1Q 2026	IRENE	Full Album		Hearts2Hearts	Mini
	HYO	Single		RYEOWOOK	Single

※ The above is the main line-up as of February 11th and may change later.

2-2. Concert LINE-UP Preview

Date	Country and Region	Artist	Title	No. of Concerts
1/2~3/21	Singapore, Macao, Malaysia, Taiwan, Vietnam, Japan	SUPER JUNIOR	SUPER JUNIOR 20th Anniversary Tour 'SUPER SHOW 10'	12
1/3~3/28	Japan, Hong Kong, Malaysia, Taiwan, Macao, Philippines	NCT WISH	NCT WISH 1 st CONCERT TOUR 'INTO THE WISH : Our WISH' in C/TY	12
1/8~3/29	Japan, Republic of Korea	NCT DREAM	2025 NCT DREAM TOUR <THE DREAM SHOW 4 : FUTURE THE DREAM> FINALE	11
1/10~3/8	Indonesia, Philippines, Singapore, Macao, Japan, Republic of Korea	RIIZE	2025 RIIZE CONCERT TOUR [RIIZING LOUD] in C/TY	11
1/21	Japan	YUTA	YUTA LIVE TOUR 2025	1
1/24~3/29	Republic of Korea, Indonesia, Japan, Macao, Thailand	TAEYONG	2026 TAEYONG CONCERT <TY TRACK - REMASTERED> in C/TY	8
1/31~2/14	Japan, Thailand	SMTOWN	SMTOWN LIVE 2025-26 [THE CULTURE, THE FUTURE]	3
2/7~3/8	Hong Kong, Macao	Aespa	2025 aespa LIVE TOUR - SYNK : aeXIS LINE -	4
2/21	Republic of Korea	NCT WISH	NCT WISH 2ND ANNIVERSARY FANMEETING <Help! All Six Princes Are Trying to Propose to Me>	2
2/21~3/28	Republic of Korea, Indonesia	Hearts2Hearts	2026 Hearts2Hearts FANMEETING <HEARTS 2 HOUSE>	3
3/19~3/22	U.S.A	Hearts2Hearts	2026 Hearts2Hearts Premiere Showcase <HEARTS 2 HOUSE>	2
	Republic of Korea	SUPER JUNIOR	SUPER JUNIOR 20th Anniversary Tour 'SUPER SHOW 10' SJ-CORE in SEOUL	3
	Republic of Korea, Vietnam, Japan, Thailand, Indonesia, Hong Kong, Malaysia	EXO	EXO PLANET #6 - EXhOrizon	16
2Q26	Thailand, Indonesia, Republic of Korea	NCT WISH	NCT WISH 1 st CONCERT TOUR 'INTO THE WISH : Our WISH' in C/TY	5
	Japan	aespa	2025 aespa LIVE TOUR - SYNK : aeXIS LINE -	4
	Malaysia	TAEYONG	2026 TAEYONG CONCERT <TY TRACK - REMASTERED> in C/TY	1
	Japan	TVXQ!	東方神起 20th Anniversary LIVE IN NISSAN STADIUM ~RED OCEAN~	2

※ The above is the main line-up as of February 11th and may change later.

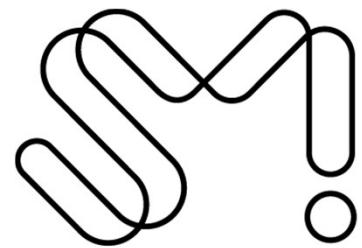
APPENDIX – Financial Statements Summary

Consolidated P/L

(Unit: KRW bn)	4Q24	1Q25	2Q25	3Q25	4Q25
Revenue	273.6	231.4	302.9	321.6	319.0
COGS	188.6	148.0	188.4	202.6	203.4
Gross Profit	85.0	83.4	114.5	119.0	115.6
SG&A	51.3	50.8	66.9	70.8	61.0
Operating Profit	33.7	32.6	47.6	48.2	54.6
Other Non-operating Income	7.3	3.9	1.6	3.0	10.6
Other Non-operating Expenses	73.7	2.8	7.5	1.1	45.6
Financial Income	9.2	3.5	4.2	5.0	8.7
Financial Expenses	-0.6	1.5	7.8	-	4.7
Share of Profit(Loss) of Associates and JVs	-8.0	226.2	1.2	1.8	-15.2
Income before Income Tax	-30.8	261.9	39.3	56.9	8.5
Income Tax	-7.1	9.1	8.4	12.2	-18.9
Net Income	-23.7	252.7	30.9	44.7	27.4

Consolidated B/S

(Unit: KRW bn)	2023	2024	2025
Tangible Assets	858.3	814.0	983.4
Intangible Assets	682.7	605.1	1,021.9
Total Assets	1,541.0	1,419.1	2,005.3
Current Liabilities	519.3	484.6	497.5
Non-current Liabilities	112.3	105.5	152.7
Total Liabilities	631.6	590.0	650.2
Controlling Interest Equity	722.5	664.8	999.7
Capital Stock	11.9	11.9	11.9
Minority Interest	186.9	164.3	355.4
Total Shareholder's Equity	909.4	829.1	1,355.1
Total Liabilities and Shareholder's Equity	1,541.0	1,419.1	2,005.3



**SM
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