



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(주, 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(주, 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(주, 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 |
|------------|---------------|-----------------|
| 1/14 | NCT WISH | Mini (JPN) |
| 1/19 | EXO | Full Album |
| 2/18 | RIIZE | Single CD (JPN) |
| 2/10 | TVXQ! | Single (JPN) |
| 2/20 | Hearts2Hearts | Single |
| 2/23 | NCT JNJM | Mini |
| 2/25 | MINHO | Single (JPN) |
| 1Q 2026 | IRENE | Full Album |
| | HYO | Single |

| 발매일 | 아티스트 | 음반 분류 |
|------------|---------------|------------------|
| 2Q 2026 | YESUNG | Full Album (JPN) |
| | TAEYONG | Full Album |
| | aespa | Full Album |
| | NCT WISH | Full Album |
| | WayV | Mini |
| | RIIZE | Mini |
| | XngHan&Xoul | Mini |
| | Hearts2Hearts | Mini |
| | 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 <i>CITY</i> | 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 <i>CITY</i> | 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 <i>CITY</i> | 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 |
| 2Q26 | 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 |
| | Thailand, Indonesia, Republic of Korea | NCT WISH | NCT WISH 1 st CONCERT TOUR 'INTO THE WISH : Our WISH' in <i>CITY</i> | 5 |
| | Japan | aespa | 2025 aespa LIVE TOUR - SYNK : aeXIS LINE - | 4 |
| | Malaysia | TAEYONG | 2026 TAEYONG CONCERT <TY TRACK - REMASTERED> in <i>CITY</i> | 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.

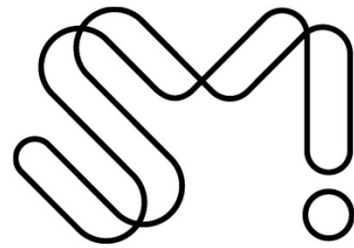
APPENDIX – Financial Statements Summary

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 |



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