



SM ENTERTAINMENT
EARNINGS RELEASE
1Q26

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 20.6% to KRW 279.1bn**
 - Driven by Concert/MD & Licensing growth, subsidiary earnings improvement, and DEARU consolidation
- **Operating Profit increased by 18.5% to KRW 38.6bn**
 - Led by parent-level top-line growth and DEARU consolidation impact
- **Net Profit decreased by 85.5% to KRW 36.7bn**
 - Reflecting high base effect from the prior-year additional acquisition of DEARU shares, as well as corporate tax impact

(Unit: KRW bn)	1Q26	1Q25	YoY	4Q25	QoQ
Revenue	279.1	231.4	20.6%	319.0	-12.5%
Gross Profit	100.4	83.4	20.4%	115.6	-13.2%
SG&A	61.8	50.8	21.6%	61.0	1.3%
Operating Profit	38.6	32.6	18.5%	54.6	-29.3%
OP Margin	13.8%	14.1%	-0.3%p	17.1%	-3.3%p
Income before Income Tax	57.4	261.9	-78.1%	9.7	494.2%
Income Tax	20.7	9.1	126.4%	-21.4	196.5%
Net Income	36.7	252.7	-85.5%	31.1	18.1%

1-2. SM ENTERTAINMENT Business Results (Parent)

(Unit: KRW bn)	1Q26	1Q25	YoY	4Q25	QoQ
Revenue	189.3	165.5	14.4%	202.2	-6.4%
Physical Album/ Digital Music	57.5	67.8	-15.2%	64.8	-11.3%
Appearance (TV/advertising/event)	20.4	18.8	8.3%	24.1	-15.4%
Concert	60.8	39.0	56.0%	34.5	76.2%
MD/licensing	47.4	39.4	20.3%	78.1	-39.3%
Other	3.3	0.5	513.5%	0.7	367.6%
Gross Profit	60.0	64.9	-7.5%	62.9	-4.7%
SG&A	21.2	23.6	-10.2%	23.4	-9.6%
Operating Profit	38.8	41.3	-5.9%	39.5	-1.7%
OP Margin	20.5%	24.9%	-4.4%p	19.6%	1.0%p
Net Income	38.9	32.2	20.9%	30.7	26.4%

- **Revenue increased 14.4% YoY to KRW 189.3bn**

- Despite a high base due to one-off digital revenue in the prior year, album sales increased

- New album sales : 0.92mn in 1Q25 → 1.79mn in 1Q26 (1Q26 EXO 'REVERXE' 1.01mn, NCT JNJM 'BOTH SIDES' 0.52mn, IRENE 'Biggest Fan' 0.22mn, etc.)

- **Concert revenue increased on a larger tour scale**

- SUPER JUNIOR, 20th 'SUPER SHOW 10' tour (12 shows)
- NCT DREAM, '2025~2026 NCT DREAM TOUR THE DREAM SHOW 4 : DREAM THE FUTURE' tour (11 shows)
- aespa, 'SYNK : aeXIS LINE' tour (4 shows)
- RIIZE, 'RIIZING LOUD' tour (11 shows)
- NCT WISH, 'INTO THE WISH : Our WISH' tour (12 shows) etc.

- **MD/Licensing revenue increased on stronger event MDs and fan-light sales**

- Strong pop-up MD sales (e.g. EXO 'REVERXE THE WORLD', NCT WISH 'WISH BAKERY')
- aespa fan-light renewal & new Hearts2Hearts fan-light launch

- **Operating Profit decreased 5.9% YoY to KRW 38.8bn**

- Operating profit grew, excluding the high base from one-off revenue in the prior year

- **Net Income increased 20.9% YoY to KRW 38.9bn**

1-3. Major Subsidiaries

(Unit: KRW bn)	1Q26	1Q25	YoY	4Q25	QoQ
Revenue ¹⁾	136.8	104.5	30.8%	169.1	-19.1%
SM C&C ²⁾	21.5	17.7	21.3%	36.3	-40.8%
SM ENT JAPAN(former SMC)	30.5	20.8	46.5%	25.7	18.8%
DEARU ^{2), 3)}	23.4	n/a	n/a	23.8	-1.7%
SM BM ²⁾	14.1	10.4	35.3%	17.0	-17.2%
SM LDG ²⁾	9.7	7.2	34.5%	10.8	-9.9%
DREAM MAKER	7.3	23.0	-68.1%	16.5	-55.5%
KEYEAST	8.5	4.5	89.8%	4.6	84.6%
Others ⁴⁾	21.7	20.9	3.9%	34.4	-37.0%
Operating Profit ¹⁾	2.4	-8.2	TB	12.9	-81.1%
SM C&C ²⁾	-2.2	-2.9	RL	3.1	TR
SM ENT JAPAN(former SMC)	2.4	-1.3	TB	1.2	91.7%
DEARU ^{2), 3)}	9.7	n/a	n/a	9.8	-0.6%
SM BM ²⁾	0.1	-0.7	TB	0.2	-46.1%
SM LDG ²⁾	0.6	0.6	3.2%	-0.5	TB
DREAM MAKER	1.7	1.3	30.6%	1.8	-3.1%
KEYEAST	-1.0	-1.1	RL	-0.6	RL
Others ⁴⁾	-8.9	-4.1	RL	-2.1	RL
Net Income ¹⁾	7.0	-3.3	TB	-0.7	TB
SM C&C ²⁾	-1.2	-1.8	RL	0.5	TR
SM ENT JAPAN(former SMC)	2.7	-1.4	TB	0.6	360.0%
DEARU ^{2), 3)}	11.8	n/a	n/a	10.3	14.0%
SM BM ²⁾	0.1	-0.4	TB	-0.7	TB
SM LDG ²⁾	0.7	0.7	6.7%	-0.2	TB
DREAM MAKER	1.6	1.4	11.1%	-3.9	TB
KEYEAST	-0.5	-0.5	RL	0.4	TR
Others ⁴⁾	-8.2	-1.3	RL	-7.7	RL

▪ Revenue increased 30.8% YoY to KRW 136.8bn

- SM C&C, increase in advertising and management revenue
- SM ENT JAPAN, increase in artist activities in Japan
- DEARU, consolidation from 2Q25
- SM BM, increase in pop-up event revenue
- SM LDG, increase in album printing revenue
- DREAM MAKER, decrease in large-scale concerts
- KEYEAST, revenue growth from new TV series production

▪ Operating Profit turned profitable YoY

- SM C&C, narrowed loss driven by revenue growth in advertising and management revenue
- SM ENT JAPAN improved due to increased artist concert activities in Japan
- DEARU, consolidation from 2Q25
- SM BM improved following top-line expansion
- SM LDG, limited profit growth due to higher costs
- DREAM MAKER, favorable impact from cost reduction

▪ Net Income turned profitable YoY

¹⁾ Simple aggregate of financial results of consolidated subsidiaries

²⁾ Consolidated basis

³⁾ Included in consolidation starting 2Q25

⁴⁾ Aggregate figures for consolidated subsidiaries, excluding 7 separately disclosed entities; intercompany balance and transactions eliminated

2-1. Music LINE-UP Preview

Release	Artist	Album Type
4/17	TAEYONG	Single
4/20	NCT WISH	Full Album
4/27	XngHan&Xoul	Mini
5/18	TAEYONG	Full Album
5/27	YESUNG	Full Album (JPN)
5/29	aespa	Full Album
2Q26	SHINee	Mini
	RIIZE	Mini
	Hearts2Hearts	Mini
	RYEOWOOK	Single CD

Release	Artist	Album Type
3Q26	TAEYEON	Full Album
	NCT 127	Full Album
	SUPER JUNIOR-83z	Mini
	YESUNG	Full Album
	MINHO	Mini
	CHANYEOL	Mini (JPN)
	Red Velvet	Mini
	IRENE & SEULGI	Mini (JPN)
	WayV	Mini
	aespa	Mini (JPN)
	U-KNOW	Single CD
	RYEOWOOK	Single CD (JPN)
	RIIZE	Single CD (JPN)
	NCT WISH	Single CD (JPN)
	Hearts2Hearts	Single CD (JPN)

※ All information is current as of May 6, 2026, and is subject to change.

2-2. Concert LINE-UP Preview

Date	Country & Region	Artist	Title	No. of Concerts
4/3~4/5	South Korea	SUPER JUNIOR	SUPER JUNIOR 20th Anniversary TOUR 'SUPER SHOW 10' SJ-CORE in SEOUL	3
4/4~4/19	South Korea, Thailand, Indonesia	NCT WISH	NCT WISH 1st CONCERT TOUR 'INTO THE WISH : Our WISH' in CITY	5
4/4~4/26	Indonesia, Japan	aespa	2025-26 aespa LIVE TOUR - SYNK : aeXIS LINE - in CITY	5
4/10~6/20	South Korea, Vietnam, Japan, Taiwan, Thailand, Macau, Indonesia, Hongkong, Malaysia	EXO	EXO PLANET #6 - EXhOrizon in CITY	19
4/11	Malaysia	TAEYONG	2026 TAEYONG CONCERT <TY TRACK - REMASTERED> in KUALA LUMPUR	1
4/25~4/26	Japan	TVXQ!	東方神起 20th Anniversary LIVE IN NISSAN STADIUM ~RED OCEAN~	2
4/26	South Korea	XngHan&Xoul	2026 XngHan&Xoul Fanmeeting [Let's Glow]	2
5/1~5/30	South Korea, Macau, Japan, Thailand	SMTR25	REPLY HIGH SCHOOL FAN MEETING TOUR - GRADUATION TRIP in CITY	8
5/5~5/30	Japan	YESUNG	SUPER JUNIOR-YESUNG LIVE TOUR ~咲き誇る時を待つのは~	5
5/23~7/18	South Korea, Thailand, Macau, Singapore, Bangkok	IRENE	2026 IRENE ASIA TOUR [I-WILL]	7
5/29~6/7	South Korea, Japan	SHINee	- The Trilogy I - 2026 SHINee WORLD VIII : [THE INVERT]	5
5/30	South Korea	RIIZE	RIIZE 1000 DAYS FAN PARTY [RIIZE OFFIICE]	2
6/6~7/5	South Korea, Macau, Jakarta, Bangkok, Taiwan	JAEHYUN	JAEHYUN FAN-CON TOUR <Mono> in CITY	8
6/13~8/8	South Korea, Japan, Indonesia, Macau, Taiwan, Bangkok	NCT JNJM	2026 NCT JNJM FANMEETING TOUR [DUALITY] # CITY	10
3Q26	Philippines, Japan, Taiwan, Singapore	EXO	EXO PLANET #6 - EXhOrizon in CITY	7
	Japan	RIIZE	RIIZE JAPAN FANMEETING 2026 RPG - RIIZE PLAYING GAME -	5
	South Korea, Bangkok, Macau, Taiwan	RYEOWOOK	RYEOWOOK'S AGIT CONCERT : DIVE TO BLUE in CITY	5
	South Korea	U-KNOW	U-KNOW PROJECT 26 : SCENE#1 in CITY	3
	Japan	aespa	MY-J presents aespa JAPAN FANMEETING 2026 "MY CLASSMaeTE"	3
	South Korea, Japan, Thailand, Hongkong, Malaysia, Macau	SUPER JUNIOR-83z	2026 SUPER JUNIOR-83z FANCON TOUR [1983]	8
	South Korea, Taiwan, Brazil, Chile, Peru, Mexico City, USA, Canada	aespa	2026-27 aespa LIVE TOUR - SYNK : COMPLaeXITY - in CITY	13

※ All information is current as of May 6, 2026, and is subject to change.

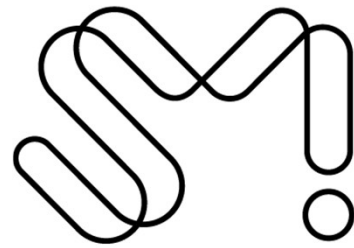
APPENDIX – Financial Statements Summary

Consolidated P/L

(Unit: KRW bn)	1Q25	2Q25	3Q25	4Q25	1Q26
Revenue	231.4	302.9	321.6	319.0	279.1
COGS	148.0	188.4	202.6	203.4	178.7
Gross Profit	83.4	114.5	119.0	115.6	100.4
SG&A	50.8	66.9	70.8	61.0	61.8
Operating Profit	32.6	47.6	48.2	54.6	38.6
Other Non-operating Income	3.9	1.6	3.0	10.7	6.1
Other Non-operating Expenses	2.8	7.5	1.1	44.5	3.7
Financial Income	3.5	4.2	5.0	9.4	11.9
Financial Expenses	1.5	7.8	-	5.3	3.2
Share of Profit(Loss) of Associates & JVs	226.2	1.2	1.8	-15.2	7.7
Income Before Income Tax	261.9	39.3	56.9	9.7	57.4
Income Tax	9.1	8.4	12.2	-21.4	20.7
Net Income	252.7	30.9	44.7	31.1	36.7

Consolidated B/S

(Unit: KRW bn)	2024	2025	1Q26
Tangible Assets	814.0	980.5	983.6
Intangible Assets	605.1	1,027.2	1,029.8
Total Assets	1,419.1	2,007.7	2,013.4
Current Liabilities	484.6	497.2	514.4
Non-current Liabilities	105.5	151.7	145.1
Total Liabilities	590.0	649.0	659.5
Controlling Interest Equity	664.8	1,002.6	1,000.5
Capital Stock	11.9	11.9	11.9
Minority Interest	164.3	356.1	353.4
Total Shareholder's Equity	829.1	1,358.7	1,353.9
Total Liabilities and Shareholder's Equity	1,419.1	2,007.7	2,013.4



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