SM ENTERTAINMENT

EARNINGS RELEASE

2Q26

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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SM ENTERTAINMENT GROUP

1-1. Consolidated Business Results

- **Revenue increased by 15.4% YoY to KRW 349.6bn**
  - Driven by growth in concert & MD/Licensing businesses, along with improved performance across subsidiaries
- **Operating Profit increased by 11.0% YoY to KRW 52.9bn**
  - Supported by revenue growth at both parent-level & subsidiaries, coupled with cost efficiencies
- **Net Income decreased by 5.6% YoY to KRW 29.2bn**
  - Due to higher non-operating expenses & higher income tax expenses

(Unit: KRW bn)	2Q26	2Q25	YoY	1Q26	QoQ
Revenue	**349.6**	**302.9**	**15.4%**	**279.1**	**25.3%**
Gross Profit	115.8	114.5	1.1%	100.4	15.3%
SG&A	62.9	66.9	-6.0%	61.8	1.8%
Operating Profit	**52.9**	**47.6**	**11.0%**	**38.6**	**36.9%**
OP Margin	15.1%	15.7%	-0.6%p	13.8%	1.3%p
Income before Income Tax	42.0	39.3	6.9%	57.4	-26.8%
Income Tax	12.8	8.4	52.8%	20.7	-38.0%
Net Income	**29.2**	**30.9**	**-5.6%**	**36.7**	**-20.6%**

1-2. SM ENTERTAINMENT Business Results (Parent)

(Unit: KRW bn)	2Q26	2Q25	YoY	1Q26	QoQ
Revenue	240.6	220.3	9.2%	189.3	27.1%
Physical Album/ Digital Music	90.9	99.0	-8.2%	57.5	58.0%
Appearance (TV/Advertising/Event)	29.7	23.2	27.9%	20.4	45.8%
Concert	41.6	33.6	23.6%	60.8	-31.7%
MD/Licensing	77.9	63.9	22.0%	47.4	64.6%
Other	0.6	0.6	-7.6%	3.3	-83.0%
Gross Profit	74.9	75.6	-1.0%	60.0	24.8%
SG&A	31.0	29.7	4.6%	21.2	46.6%
Operating Profit	43.8	46.0	-4.6%	38.8	12.9%
OP Margin	18.2%	20.9%	-2.6%p	20.5%	-2.3%p
Net Income	24.1	29.5	-18.1%	38.9	-37.9%

- **Revenue increased 9.2% YoY to KRW 240.6bn**
  - **- Physical album/Digital music revenue declined due to lower new album sales volume**
    - · New album sales volume: 2Q25 6.03m → 2Q26 5.67m (2Q26 NCT WISH 'Ode to Love' 1.92m, RIIZE 'II' 1.40m, aespa 'LEMONADE' 1.06m, H2H 'Lemon Tang' 0.62m copies)
  - **- Appearance revenue increased on the back of stronger advertising & event activities**
  - **- Concert revenue grew, supported by expanded tours by legacy IPs**
    - · TVXQ!, 20th Anniversary LIVE IN NISSAN Tour (2 shows)
    - · SUPER JUNIOR, 20th 'SUPER SHOW 10' Tour (3 shows)
    - · EXO, 'PLANET #6 – ExhOrizon' Tour (19 shows)
    - · aespa 'SYNK : aeXIS LINE' Tour (5 shows)
    - · NCT WISH, 'INTO THE WISH : Our WISH' Tour (5 shows) etc.
  - **- MD/Licensing revenue increased, driven by growth in concert MD sales & album-related pop-up events**
    - · NCT 10th ANNIVERSARY [NCT 2026] POP UP : NEO GROUND
    - · aespa WEEK – MAKE IT LEMONADE Pop-up
    - · RIIZE POP-UP [ARCHIIVE^2]
    - · NCT WISH 'WISH BAKERY' & 'Ode to Love' Pop-up
- **Operating Profit decreased 4.6% YoY to KRW 43.8bn**
- **Net Income decreased 18.1% YoY to KRW 24.1bn**

SM ENTERTAINMENT GROUP

1-3. Major Subsidiaries

(Unit: KRW bn)	2Q26	2Q25	YoY	1Q26	QoQ
Revenue [1]	177.7	141.5	25.5%	136.8	29.8%
SM C&C [2]	27.2	21.1	29.0%	21.5	26.8%
SM ENT JAPAN(former SMC)	28.8	26.0	10.9%	30.5	-5.7%
DEARU [2]	23.4	20.2	15.7%	23.4	-0.2%
SM BM [2]	11.2	19.5	-42.5%	14.1	-20.3%
SM LDG [2]	14.3	16.9	-15.0%	9.7	48.0%
DREAM MAKER	41.6	14.9	178.5%	7.3	466.4%
KEYEAST	10.7	3.0	263.3%	8.5	25.6%
Others [3]	20.4	20.0	2.1%	21.7	-5.8%
Operating Profit [1]	13.0	8.1	61.2%	2.4	435.3%
SM C&C [2]	-1.6	-1.3	RL	-2.2	RL
SM ENT JAPAN(former SMC)	1.5	2.9	-49.2%	2.4	-37.9%
DEARU [2]	9.4	7.4	26.4%	9.7	-3.0%
SM BM [2]	-0.2	0.8	TR	0.1	TR
SM LDG [2]	2.2	2.2	-1.7%	0.6	273.8%
DREAM MAKER	4.5	0.4	1,161.2%	1.7	157.9%
KEYEAST	-1.0	-1.3	RL	-1.0	RL
Others [3]	-1.7	-3.2	RL	-8.9	RL
Net Income [1]	3.3	7.0	-52.3%	7.0	-52.2%
SM C&C [2]	-4.4	-1.0	RL	-1.2	RL
SM ENT JAPAN(former SMC)	1.5	2.9	-47.5%	2.7	-43.6%
DEARU [2]	4.5	5.3	-15.1%	11.8	-61.6%
SM BM [2]	-0.2	0.9	TR	0.1	TR
SM LDG [2]	2.4	2.7	-11.0%	0.7	230.2%
DREAM MAKER	2.8	0.5	502.3%	1.6	76.8%
KEYEAST	-1.7	-1.4	RL	-0.5	RL
Others [3]	-1.6	-2.9	RL	-8.2	RL

- **Revenue increased 25.5% YoY to KRW 177.7bn**
  - SM C&C, increase in advertising and management revenue
  - SM ENT JAPAN, increase in artist concerts in Japan
  - DEARU, revenue growth driven by subscription fee increase
  - SM BM, internalization of MD planning capabilities
  - SM LDG, decrease in album printing revenue
  - DREAM MAKER, increase in domestic concert productions
  - KEYEAST, revenue growth from new TV series production
- **Operating Profit increased 61.2% YoY to KRW 13.0bn**
  - SM C&C, decrease in profitability due to weaker margins in advertising business
  - SM ENT JAPAN, increase in artist fan meetings and small-scale concerts
  - DEARU, improvement in profitability following the transition to web-based payments
  - SM BM, swung to loss due to revenue decline
  - SM LDG, improvement in profitability from enhanced cost efficiency and lower cost ratio
  - DREAM MAKER, significant profit growth driven by expanded collaboration with the parent company
- **Net Income decreased 52.3% YoY to KRW 3.3bn**

[1] Simple aggregate of financial results of consolidated subsidiaries
[2] Consolidated basis
[3] 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
7/10	JAEHYUN	Single
7/13	SUPER JUNIOR-83z	Mini
7/15	NCT WISH	Single CD(JPN)
7/20	U-KNOW	Single CD
7/24	aespa	Mini(JPN)
8/3	Red Velvet	Mini
8/5	RYEOWOOK	Single CD(JPN)
8/10	WayV	Mini
8/12	Hearts2Hearts	Single CD(JPN)
8/26	RIIZE	Single CD(JPN)
3Q26	NCT 127	Full Album
	MINHO	Mini
	CHANYEOL	Mini(JPN)
	IRENE & SEULGI	Mini(JPN)
	Girls' Generation-HRS	Single
	XngHan&Xoul	Single CD(JPN)

Release	Artist	Album Type
4Q26	YESUNG	Full Album
	TAEYEON	Full Album
	JAEHYUN	Full Album
	NCT DREAM	Full Album
	MAX CHANGMIN	Mini
	EXO Unit	Mini
	XIAOJUN	Mini
	NCT WISH	Mini
	Hearts2Hearts	Single
	RIIZE	TBA

※ All information is current as of August 5th, 2026, and is subject to change.

2-2. Concert LINE-UP Preview

Date	Country & Region	Artist	Title	No. of Concerts
7/4~8/9	Jakarta, Macau, Kaohsiung, Bangkok	NCT JNJM	2026 NCT JNJM FANMEETING TOUR [DUALITY] in *CITY*	8
7/4~7/5	Taipei	NCT JAEHYUN	JAEHYUN FAN-CON TOUR 'Mono' in TAIPEI	2
7/5~7/25	Hangzhou, Beijing, Chengdu, Guangzhou, Shanghai	RENJUN & CHENLE	2026 RENJUN&CHENLE FANMEETING [ROOMMATE] in *CITY*	5
7/10~9/20	Seoul, Bangkok, Macau, Taipei, Hong Kong	RYEOWOOK	'2026 RYEOWOOK'S AGIT CONCERT : DIVE TO BLUE' in *CITY*	9
7/4~7/26	Manila, Tokyo, Kaohsiung, Singapore	EXO	EXO PLANET #6 – EXhOrizon in *CITY*	8
7/17~9/26	Seoul, Macau, Singapore, Bangkok, Taipei, Jakarta, Ho Chi Minh City, Hong Kong	U-KNOW	U-KNOW PROJECT 26 : SCENE#1 in *CITY*	10
7/18~7/20	Tokyo	aespa	MY-J presents aespa JAPAN FANMEETING 2026 "MY CLASSMaeTE"	3
7/24~9/19	Seoul, Tokyo, Bangkok, Hong Kong, Kuala Lumpur, Macau	SUPER JUNIOR-83z	2026 SUPER JUNIOR-83z FANCON TOUR [1983] in *CITY*	9
7/31~8/2	Seoul	Red Velvet	2026 Red Velvet FAN-CON <A Day in Red & Velvet〉	3
7/10~7/24	Fukuoka, Tokyo, Kobe	RIIZE	RIIZE JAPAN FANMEETING 2026 RPG - RIIZE PLAYING GAME -	6
8/7~9/29	Seoul, Taipei, São Paulo, Santiago, Lima, Mexico City Hamilton, New York, Washington D.C., Atlanta, Miami, Dallas	aespa	2026-27 aespa LIVE TOUR – SYNK : COMPLæXITY	13
8/22~8/23	Incheon	NCT DREAM	NCT DREAM 10TH ANNIVERSARY PARTY <THE SWEET DREAM HOTEL>	2
9/5~9/19	Taipei, Hong Kong	NCT WISH	NCT WISH 2ND ANNIVERSARY FAN MEETING <Help! All Six Princes Are Trying to Propose to Me> in *CITY*	4
9/12~9/13	Seoul	WayV	2026 WayV CONCERT TOUR [BORN THIS Way] IN SEOUL	2
9/12~9/13	Incheon	RIIZE	RIIZE 3RD ANNIVERSARY FANMEETING - Ch. RIIZE : ON AIR	2
9/18~9/20	Seoul	NCT127	NCT 127 5TH TOUR 'NEO CITY : SEOUL – THE REDLINE'	3
4Q26	Jakarta, Hong Kong, Singapore, Saitama, Bangkok, Manila	NCT127	NCT 127 5TH TOUR 'NEO CITY : *CITY* – THE REDLINE'	9
	Los Angeles, Oakland, Seattle, Vancouver	aespa	2026-27 aespa LIVE TOUR – SYNK : COMPLæXITY in *CITY*	4
	Kaohsiung, Singapore, Taipei	SUPER JUNIOR-83z	2026 SUPER JUNIOR-83z FANCON TOUR [1983] in *CITY*	3
	Seoul, Kuala Lumpur, Macau, Kaohsiung, Singapore, Hong Kong	YESUNG	2026 YESUNG 10th Anniversary Tour – About the Things We Called Ordinary in *CITY*	7

※ All information is current as of August 5th, 2026, and is subject to change.

APPENDIX – Financial Statements Summary

Consolidated P/L

(Unit: KRW bn)	2Q25	3Q25	4Q25	1Q26	2Q26
Revenue	**302.9**	**321.6**	**319.0**	**279.1**	**349.6**
COGS	188.4	202.6	203.4	178.7	233.9
Gross Profit	**114.5**	**119.0**	**115.6**	**100.4**	**115.8**
SG&A	66.9	70.8	61.0	61.8	62.9
Operating Profit	**47.6**	**48.2**	**54.6**	**38.6**	**52.9**
Other Non-operating Income	1.6	3.0	10.7	6.1	4.6
Other Non-operating Expenses	7.5	1.1	44.5	3.7	12.3
Financial Income	4.2	5.0	9.4	11.9	7.3
Financial Expenses	7.8	-	5.3	3.2	9.6
Share of Profit(Loss) of Associates & JVs	1.2	1.8	-15.2	7.7	-0.9
Income Before Income Tax	**39.3**	**56.9**	**9.7**	**57.4**	**42.0**
Income Tax	8.4	12.2	-21.4	20.7	12.8
Net Income	**30.9**	**44.7**	**31.1**	**36.7**	**29.2**

Consolidated B/S

(Unit: KRW bn)	2024	2025	2Q26
Current Assets	814.0	980.5	995.2
Non-current Assets	605.1	1,027.2	1,013.9
Total Assets	**1,419.1**	**2,007.7**	**2,009.1**
Current Liabilities	484.6	497.2	470.8
Non-current Liabilities	105.5	151.7	152.5
Total Liabilities	**590.0**	**649.0**	**623.4**
Controlling Interest Equity	664.8	1,002.6	1,031.9
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**	**1,385.7**
Total Liabilities and Shareholder's Equity	**1,419.1**	**2,007.7**	**2,009.1**

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