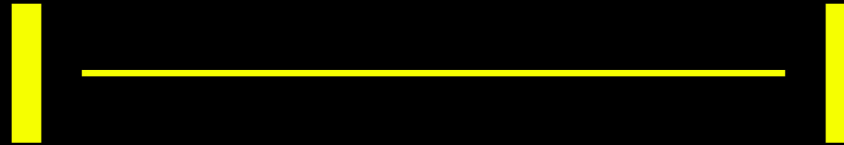


HYBE



Q4 FY2021
Business Result

2022.02.22

Disclaimer

Financial information contained in this document represent potential consolidated and separate financial statements based on K-IFRS accounting standards.

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We believe in music

음악으로 세상에 울림을 전하고

산업을 혁신하여 삶의 변화를 만들어갑니다.



HYBE

Earnings Summary—Year 2021

Annual Revenue 1,257.7 billion KRW : YoY +58.0%, 3-Year CAGR +46.4%
 Annual Operating Profit 190.3 billion KRW : YoY +30.8%, 3-Year CAGR +38.8%

(millions of KRW)

	2019	2020	2021	Change	
				YoY	CAGR
Total Revenue	587,224	796,283	1,257,740	<i>58.0%</i>	<i>46.4%</i>
Artist Direct-involvement	319,484	372,019	524,486	<i>41.0%</i>	<i>28.1%</i>
Albums	108,327	320,619	378,465	<i>18.0%</i>	<i>86.9%</i>
Concerts	191,087	4,603	45,284	<i>883.8%</i>	<i>-51.3%</i>
Ads, appearances and management	20,070	46,798	100,737	<i>115.3%</i>	<i>124.0%</i>
Artist Indirect-involvement	267,740	424,264	733,254	<i>72.8%</i>	<i>65.5%</i>
Merchandising and licensing	169,871	259,032	317,245	<i>22.5%</i>	<i>36.7%</i>
Contents	78,044	132,286	370,380	<i>180.0%</i>	<i>117.8%</i>
Fan club, etc	19,825	32,946	45,629	<i>38.5%</i>	<i>51.7%</i>
Operating Expense	488,482	650,768	1,067,472	<i>64.0%</i>	<i>47.8%</i>
Operating Profit	98,742	145,515	190,268	<i>30.8%</i>	<i>38.8%</i>
OP Margin (%)	<i>16.8%</i>	<i>18.3%</i>	<i>15.1%</i>	<i>-3.20%</i>	
Adjusted EBITDA*	102,982	160,735	265,596	<i>65.2%</i>	<i>60.6%</i>
Adjusted EBITDA rate(%)	<i>17.5%</i>	<i>20.2%</i>	<i>21.1%</i>	<i>0.90%</i>	
Net Profit	72,424	87,061	141,027	<i>62.0%</i>	<i>39.5%</i>

* Adjusted EBITDA : EBITDA+Gain/loss from equity method, depreciation on right of use assets is not added in EBITDA

Earnings Summary – Q4 2021

2021 Q4 Revenue 459.8 billion KRW : YoY +48.0%, QoQ +34.8%

2021 Q4 Operating Profit 73.9 billion KRW : YoY +36.8%, QoQ +12.5%

(millions of KRW)

	2020 Q4	2021 Q3	2021 Q4	Change	
				YoY	QoQ
Total Revenue	310,661	341,038	459,760	48.0%	34.8%
Artist Direct-involvement	152,976	163,436	165,683	8.3%	1.4%
Albums	139,212	129,668	87,251	-37.3%	-32.7%
Concerts	-	-	45,284		
Ads, appearances and management	13,764	33,768	33,148	140.8%	-1.8%
Artist Indirect-involvement	157,685	177,601	294,077	86.5%	65.6%
Merchandising and licensing	67,253	76,740	125,629	86.8%	63.7%
Contents	80,894	87,256	154,671	91.2%	77.3%
Fan club, etc	9,539	13,605	13,777	44.4%	1.3%
Operating Expense	256,678	275,401	385,909	50.3%	40.1%
Operating Profit	53,984	65,637	73,851	36.8%	12.5%
OP Margin (%)	17.4%	19.2%	16.1%	-1.3%p	-3.2%p
Adjusted EBITDA*	60,172	86,469	105,724	75.7%	22.3%
Adjusted EBITDA rate(%)	19.4%	25.4%	23.0%	3.6%p	-2.4%p
Net Profit	26,104	49,709	53,815	106.2%	8.3%

* Adjusted EBITDA : EBITDA+Gain/loss from equity method, depreciation on right of use assets is not added in EBITDA

Artist Highlight

billboard
HOT 100

#1 on Billboard HOT100 for 22 weeks out of 52 weeks
BTS + Justin Bieber + Ariana Grande



BTS

- #1 on billboard hot100 for 10 straight weeks and 12 weeks in total (Butter, Permission to Dance, My Universe)
- 4 Billboard Music Awards
- 3 American Music Awards
- 2 consecutive Grammy Award Nomination



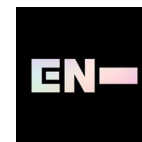
Tomorrow X Together

- 2nd full album, EP in Japan on Billboard 200 for 14 weeks
- Ranked in billboard200 year-end chart
- #5 on Billboard 200
- #1 on Oricon weekly album chart for 5 consecutive albums



SEVENTEEN

- 9th mini album 'Attacca' 2 million sales
- 5 straight million selling album (from 'An Ode')
- Ranked in Billboard200 for 2 straight weeks
- #1 on Billboard top album sales chart











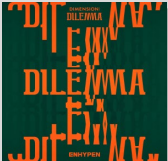
ENHYPEN

- Became million-seller with 1st full album for a year since debut
- #11 on Billboard200
- #1 on Oricon weekly album chart for 2 weeks

Artist Highlight

United States

SEVENTEEN, Tomorrow X Together, ENHYPEN ranked in Billboard200

HYBE Artists' peak position in Billboard200			
2018	 #1 (BTS)	 #1 (BTS)	
2019	 #1 (BTS)		
2020	 #1 (BTS)	 #1 (BTS)	 26위 (TXT)
2021	 #13 (SEVENTEEN)	 #5 (TXT)	 #11 (ENHYPEN)

Japan

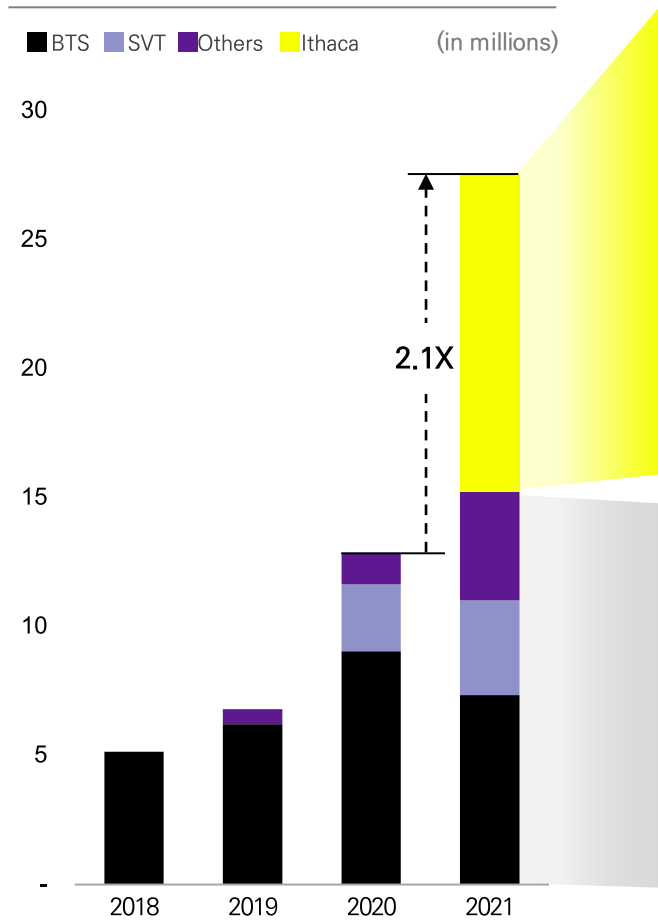
26% out of total album sales & 73% out of K-Pop artists' album sales among Oricon Top100 album chart

Oricon 2021 Top 100 Albums			
Rank	Artist	Title	Est. Sales (unit in thousands)
1	BTS	BTS, THE BEST	993
5	SEVENTEEN	Attacca	345
9	SEVENTEEN	Your Choice	265
11	BTS	BE	254
13	BTS	Butter	223
17	ENHYPEN	DIMENSION : DILEMMA	187
18	TXT	Chaotic Wonderland	187
19	TXT	The Chaos Chapter: Fight or Escape	186
22	NCT 127	Loveholic	158
26	NCT 127	Sticker	140
27	ENHYPEN	BORDER : CARNIVAL	137
29	NCT Dream	Hot Sauce	126
36	TXT	STILL DREAMING	111
43	Twice	Perfect World	85
46	SHINee	SUPERSTAR	78
49	Twice	Taste of Love	75

Business Highlight – Label

Inorganic growth through Ithaca holdings acquisition and organic growth of Korean artists

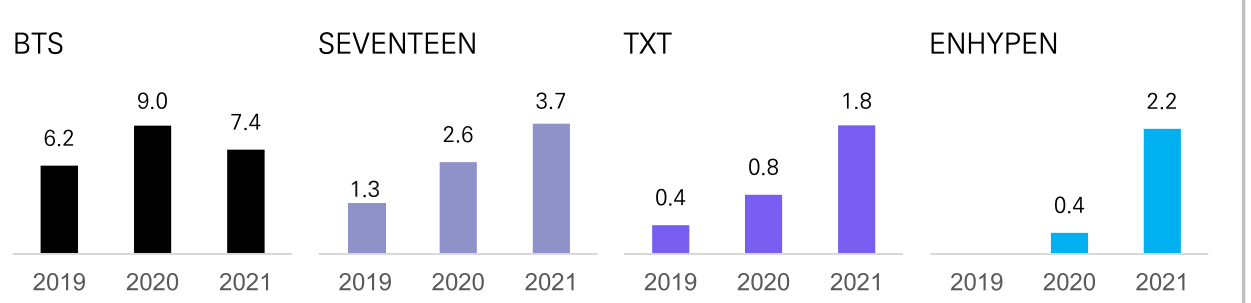
Album sales



U.S. Album sales of ITHACA artists

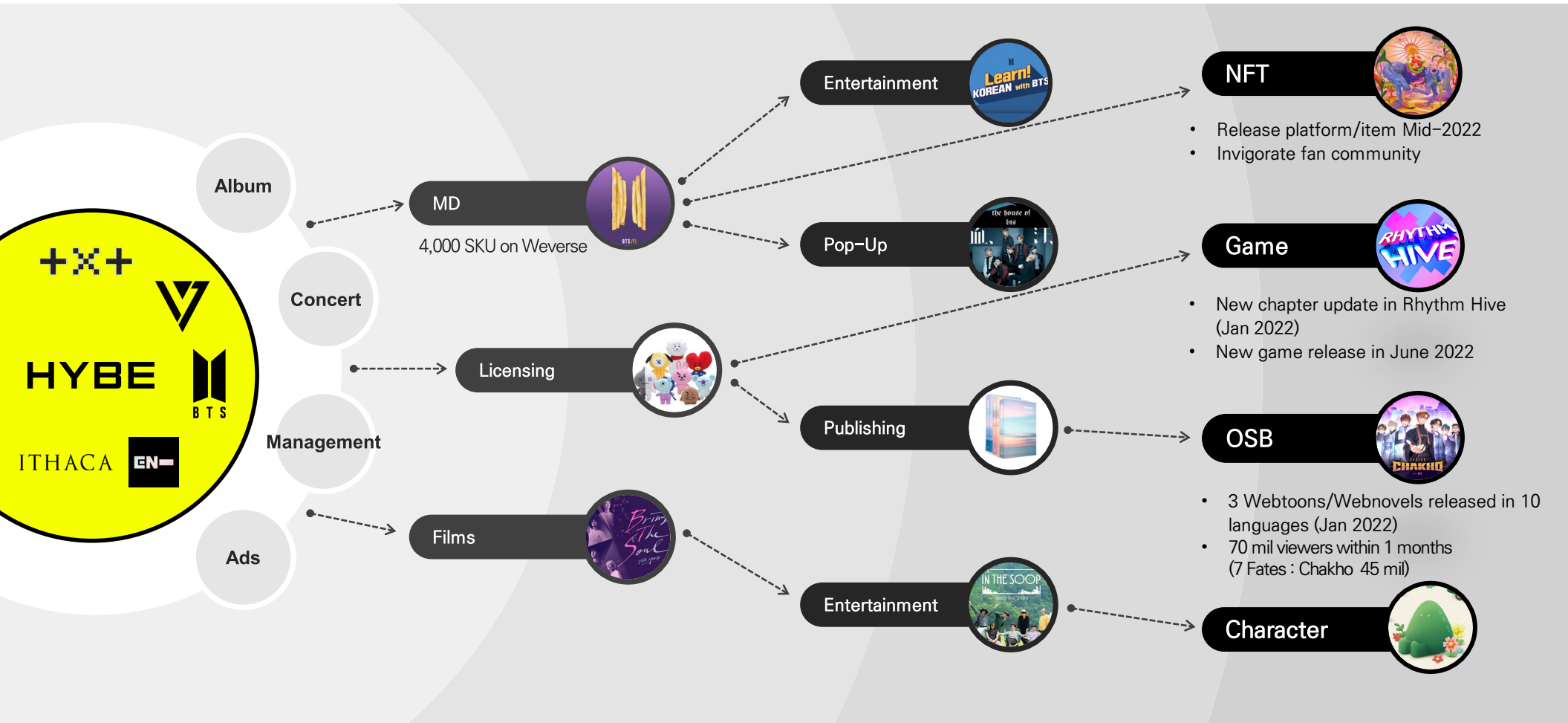
SBP		BMLG	
Artist	2021 albums with T/SEA	Artist	2021 albums with T/SEA
Ariana Grande	2,401,224	Thomas Rhett	972,689
Justin Bieber	2,347,234	Florida Georgia Line	875,155
Dan + Shay	857,288	Tim McGraw	665,932
Demi Lovato	624,134	Brett Young	463,539
Black Eyed Peas	352,041	Rascal Flatts	412,530
YG	324,977	Lady A	405,853
J Balvin	320,348	Brantley Gilbert	363,379
David Guetta	304,610	Riley Green	328,000
Total	7,531,856	Justin Moore	297,758
		Total	4,784,835

Album sales of Korean artists



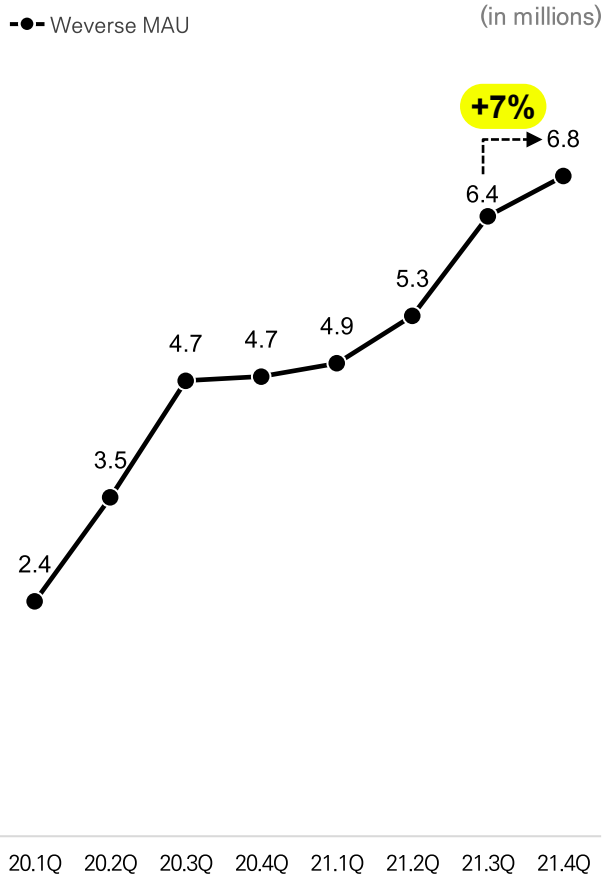
- Used gaon chart data for Korean artists and MRC data for Ithaca artists
- TEA : 10 downloads = 1 album sales / SEA : 1,500 streams = 1 album sales

Business Highlight – Solution

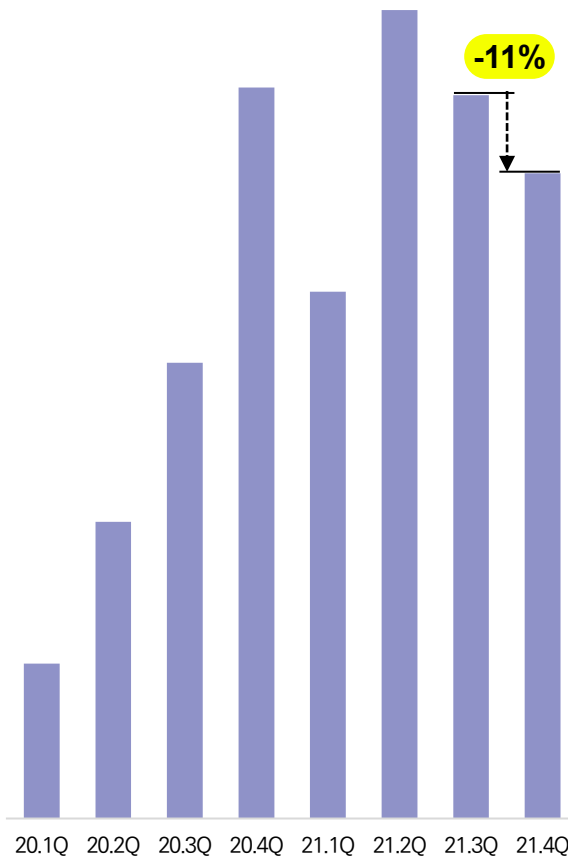


Business Highlight – Platform

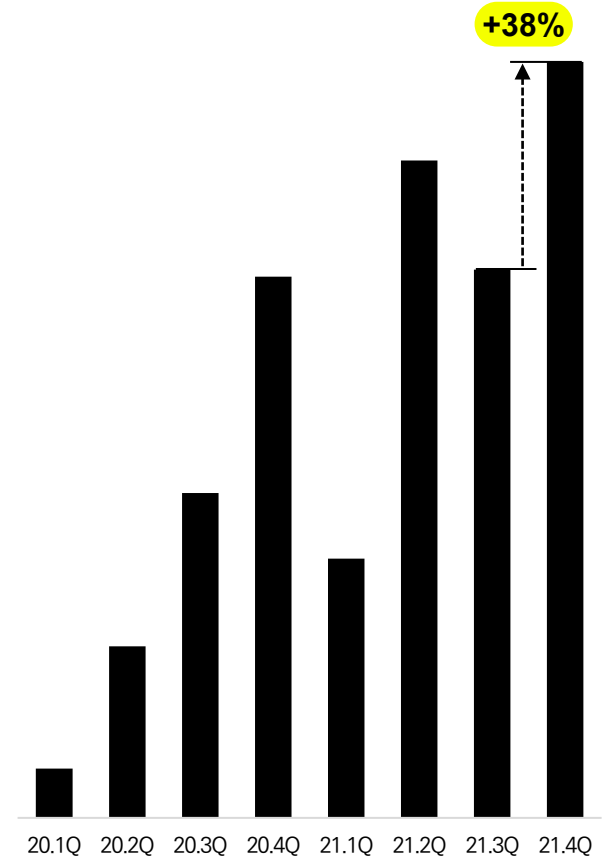
MAU



ARPPU Trend



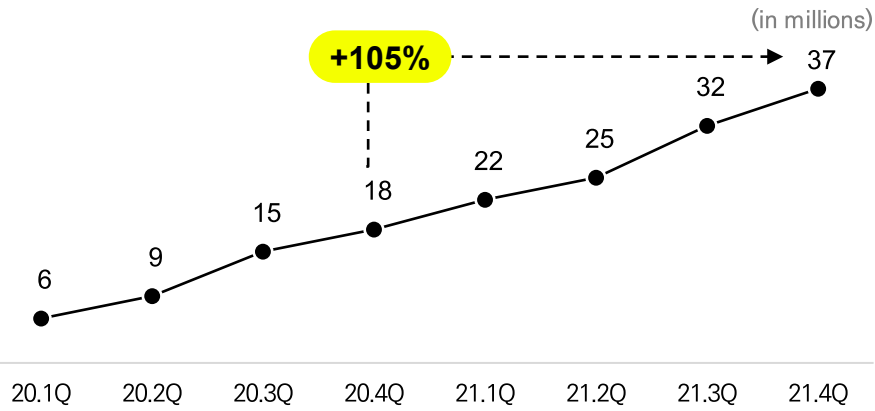
Payment Amount Trend



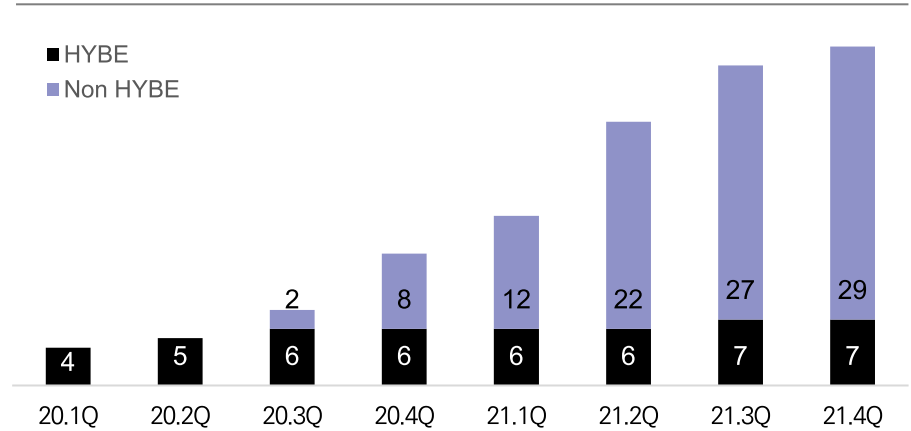
• ARPPU(Average Revenue Per Paying User)

Business Highlight – Platform

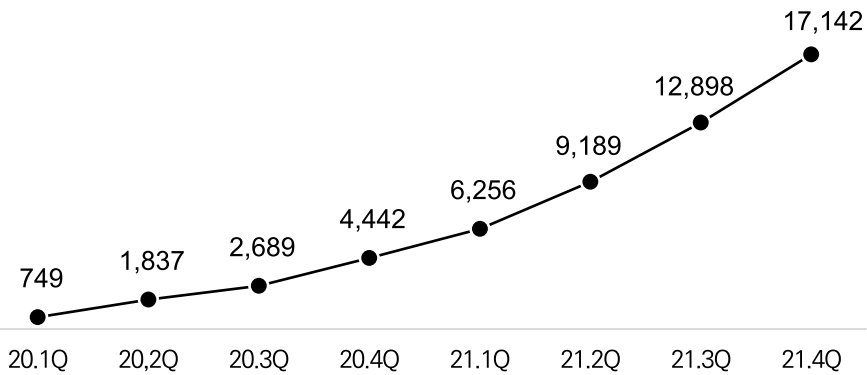
Artists' total followers



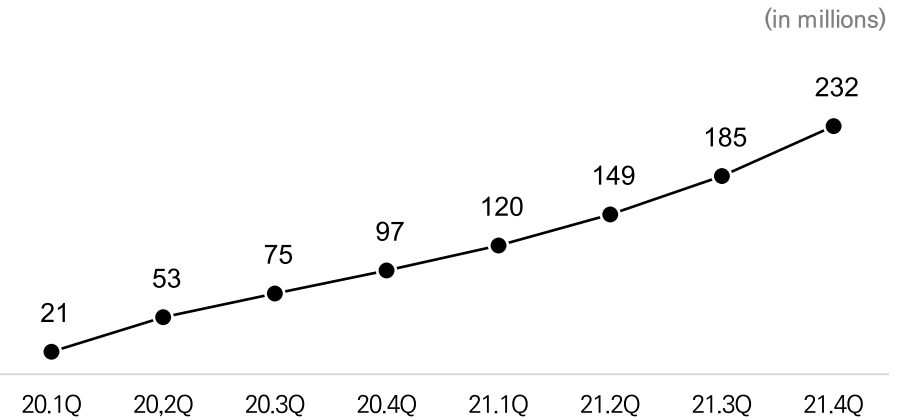
HYBE/Non-HYBE artists



Artist postings (cumulative)



Fan postings (cumulative)



Financial Statements Summary

Consolidated Income Statement

(in million KRW)

Category	2020.4Q	2021.1Q	2021.2Q	2021.3Q	2021.4Q
Total Revenue	310,661	178,334	278,610	341,038	459,760
Cost of sales	172,665	82,563	145,274	161,094	246,259
Gross margin	137,997	95,771	133,336	179,943	213,500
SG&A	84,013	73,001	105,326	114,306	139,649
Labor cost	40,724	28,649	40,331	47,923	60,557
Logistics cost	19,601	13,304	15,235	18,923	24,754
Depreciation and Amortization cost	-916	3,885	10,055	14,001	12,822
Rent/upkeep	8,694	8,421	8,036	8,127	9,299
Outsourcing/Fees	13,097	17,071	26,836	18,789	21,907
Other SG&A expenses	2,813	1,670	4,832	6,543	10,301
Operating Profit	53,984	22,770	28,010	65,637	73,851
Margin (%)	17.8%	12.8%	10.1%	19.2%	16.1%
Non-operating income	1,968	7,003	3,431	11,401	41,178
Non-operating expenses	15,897	4,769	4,889	7,507	25,352
Profit before income tax	40,055	25,005	26,552	69,531	89,678
Income tax	13,951	7,761	6,293	19,822	35,863
Net profit	26,104	17,244	20,259	49,709	53,815
Controlling interests	28,128	17,105	20,504	47,901	51,431
Non-controlling interests	-2,024	139	-245	1,808	2,384
Adjusted EBITDA	60,172	29,730	43,672	86,469	105,724

Consolidated Balance Sheet

(in million KRW)

Category	2019.12	2020.12	2021.12
Current assets	294,652	1,389,257	2,004,375
Non-current assets	68,338	535,186	2,717,786
Total assets	362,990	1,924,443	4,722,162
Current liabilities	174,561	296,242	569,016
Non-current liabilities	14,906	429,261	1,269,417
Total liabilities	189,467	725,503	1,838,433
Share capital	835	17,812	20,677
Share premium	211,101	1,147,515	2,469,875
Accumulated other comprehensive income	3,968	- 13,993	137,530
Retained earnings (accumulated deficit)	- 41,720	44,001	180,943
Non-controlling interests	- 661	3,605	74,704
Total equity	173,523	1,198,939	2,883,728

