

# JYP Entertainment

2022 Investor Relations



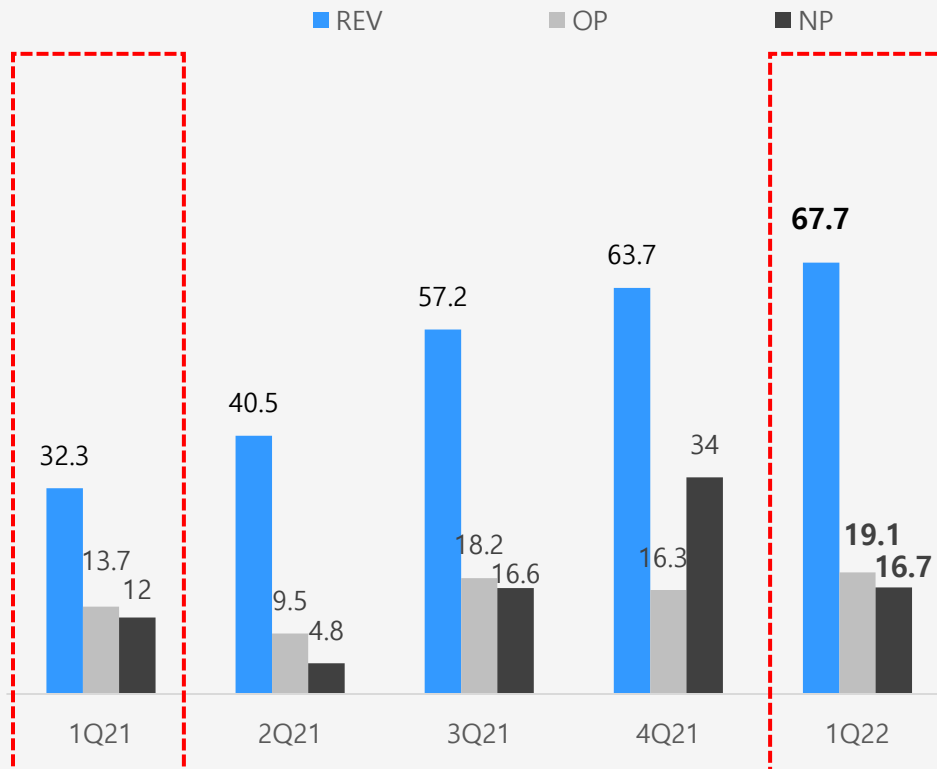


# #1Q22 FINANCE RESULT

“Record high earnings achieved with top-line growth driven by management resume and physical sales boost”

## OVERVIEW

(Unit: KRW Bn)



### ► Q1 2022

Unit: KRW Bn

- REV: 67.7 (yoy+109.8%)
- OP: 19.1 (yoy+39.1%)
- NP: 16.7 (yoy+39.2%)

### ► Revenue driven by physical sales & management recovery

- 1) Stray Kids & NMIXX physical albums sold in volume
  - Physical album sales **yoy+240%**
- 2) Offline segments incl. concerts/Appearance/MD revenue surged
  - Concert **yoy+939%** / MD **yoy+168%** / Appearance **yoy+703%**
- 3) Contents segment continues to rise despite COVID easing
  - YouTube & other licensing revenue **yoy+33%**, **qoq+14%**

### ► COGS rose due to increasing overseas logistics under COVID

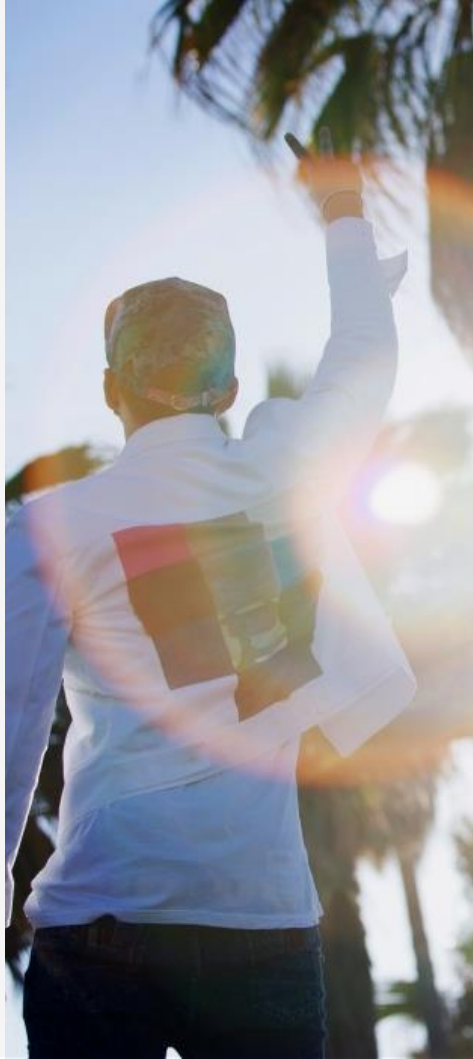
- 1) Contents production/logistics cost rose due to increasing overseas activities
  - Contents production cost **yoy+327%**, Other expense **yoy+261%** (**GPM 46.2%**)
- 2) SG&A increased due to employee incentive & one-offs (4.9)
  - Employee incentive 1.9 / One-offs 1.1 (**OPM 28.3%**)





#INVESTMENT H/L

## “Artists’ Growth / Management Resume / Line-up Expansion / Global Penetration / Strategic Alliance & Investment”



### Summary of Investment Highlight

- **Main Artists Growth / Concert Tour Resume / US Expansion**

- [JYP > <REPUBLIC RECORDS] Strategic partnership agreed / Main artists' management expansion to the western region (US)
- [TWICE] "TWICE 4<sup>th</sup> WORLD TOUR" (H1, 7time US ARENA/ 3time Japan DOME + Additional 2time US STADIUM concerts all sold out)
- [Stray Kids] "ODDINARY" topped on "Billboard 200" (1.7MN copies sold). YouTube Subs. 10MN (Highest Stats in US/LATIN/JAPAN)
- [ITZY] H2, 4 new albums to be released (Incl. Japan/US albums) / Hosting the 1<sup>st</sup> WORLD TOUR CONCERTS in H2
- [NiziU] Made 25KRWbn revenue contribution since debut in 2020 Dec. / H2, hosting "ARENA & DOME TOUR IN JAPAN"
- [NMIXX] 480K physical copies sold on the debut & 4 albums to be released in 2022

- **Line-up Expansion & Global Localization**

- [LOUD: GLOBAL] [NiziU BOY: JAPAN] [Project C: CHINA] [A-POP: USA] 4 more groups to make debut by 2023
- JYP to leverage production/training system, network & brand to accelerate horizontal global label expansion

- **Inorganic Growth Plan: Strategic Investment**


- Strategic investment executed on NAVER-Z (ZEPETO), DEAR U, 4BY4 (Average equity value went up roughly 10times)
- JYP360 to set up e-commerce mall to enhance merchandise sales and to facilitate IP related business

- **Digital Content Sales & Japan/US Management to Expand**

- Streaming & YouTube continue to increase - YouTube Subs. ytd+4MN (25MN Total)<sup>1</sup>

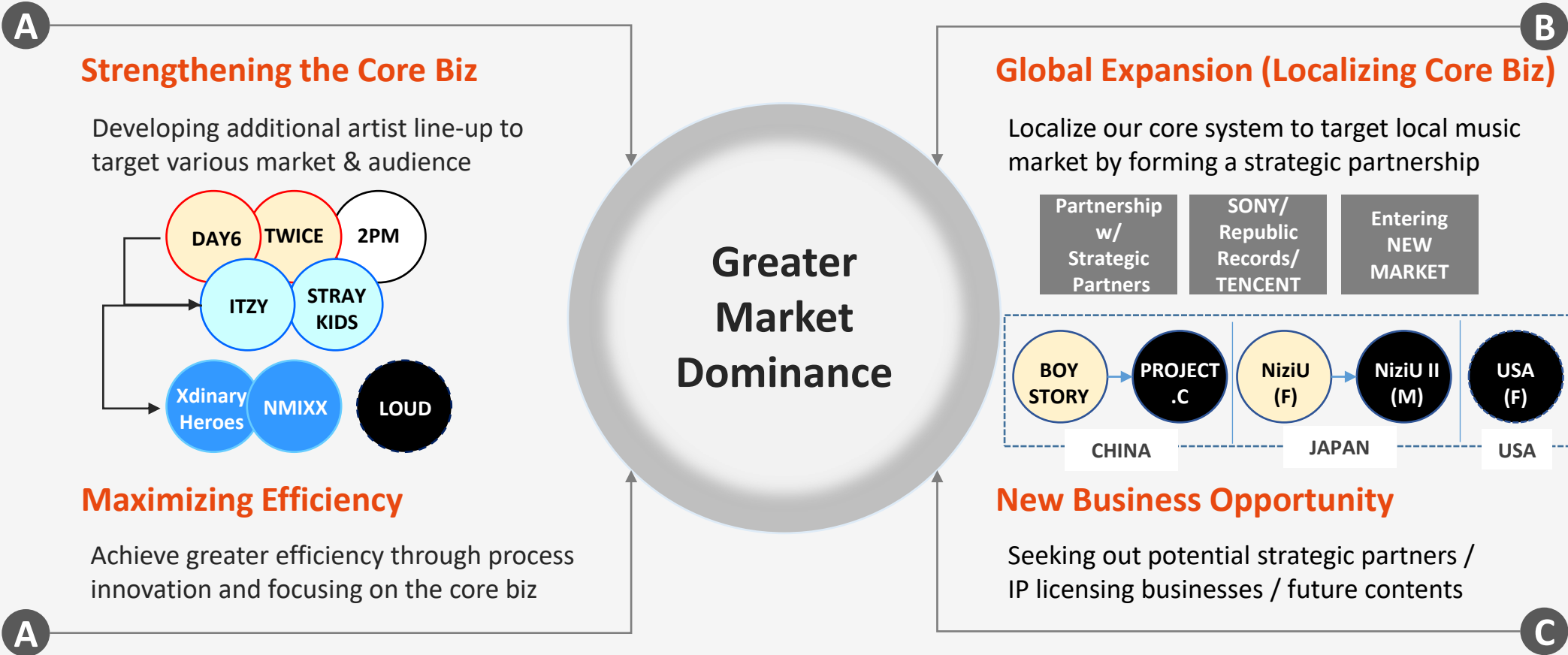
1) As of 2022 May





**#GROWTH STRATEGY**

“Focusing on three strategic direction: **A** Strengthening the Core Biz, **B** Global Expansion by Localization and **C** New Business Expansion”



**“While K-Pop penetrates the global mainstream,  
JYP has the biggest growth potential amid industry competition”**



## 01. Industry on the Rise

- K-Pop penetrates the mainstream (N.A market size: 18bn)
- YouTube role as a gateway to global market & became a monetization channel
- K-Pop becoming more recognized globally and its contents consumed worldwide

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## 02. Expanding Artist Portfolio

- Changing organization structure into multi label system (since 2016)
- 4 more artist groups to debut by 2023 and enhance global localization (US/JAPAN/CHINA)
- JYP to leverage its production/training system and its brand

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## 03. New Tech & Platform

- Metaverse and digital platform bring new business opportunity for K-Pop
- Block chain tech. & NFT to create more favorable environment



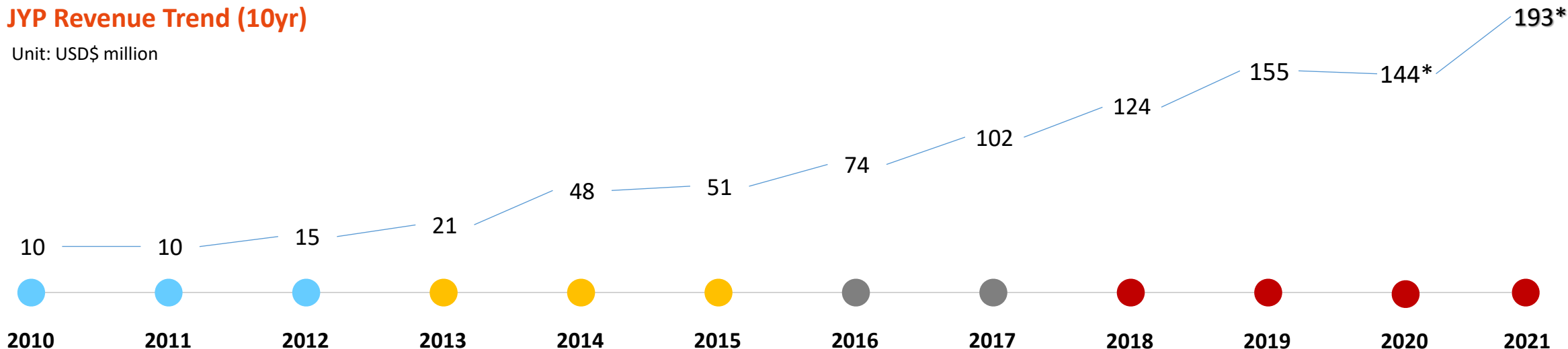


#APPENDIX

“JYP has proved sustainability and continued fast growth over the last decade under 4 key development phases”

## JYP Revenue Trend (10yr)

Unit: USD\$ million



### ● K-Pop Expansion into Asia

- 2PM Debut (2008)
- Established China Office (2008)
- Established Japan Office (2010)
- Established Thailand Office (2011)

### ● Merger & Artist Expansion

- Merged J.TUNE Ent. Through RTO (2013)
- [Voting Committee \(2014\)](#)
- GOT7 Debut (2014)
- TWICE Debut (2015)
- DAY6 Debut (2015)

### ● Change in Structure & Systemization

- [Changed Group Structure into 4 Labels \(2016\)](#)
- TWICE Debut in Japan (2017)
- Established HK Office (2017)

### ● K-Pop Riding on Digital era : Globalization

- Stray Kids Debut (2018)
- New JYP Center Open - JYP 2.0 (2018)
- [Boy Story Debut - Localization \(2018\)](#)
- ITZY Debut (2019)
- [JPN Nizi Project - Localization \(2020\)](#)
- [Established JYP360 \(2021\)](#)
- Xdinary Heroes Debut (2021)

\* COVID19 outbreak vs. achieved highest earnings record

## Main Artists



### 2PM

**Debut in 2008**

Attracted More than [2.2 Million Audience](#) through 'World Tour'.

Solid Fan-base in Japan



### TWICE

**Debut in 2015**

Current Top Female Group Artists in ASIA.

[YouTube Views over 15billion](#) with 7.8million subscribers &

[Albums Sold over 12million](#) since 2016.

Attracted 450,000 audience (est.) in 2019 incl. 5 times Dome Tour



### DAY6

**Debut in 2015**

Currently on 2<sup>nd</sup> World Tour in 25 Cities.

'Sing a Song Writer and Composer'



## Main Artists



### STRAY KIDS

**Debut in 2018 (Mar)**

With release of “ODDINARY” album in 2022, ranked No.1 on ‘Billboard 200’ main chart and currently on 18time world tour concerts around 10 global cities  
YouTube subscribers over 9.5million since debut in 2018



### ITZY

**Debut in 2019 (Feb)**

Reached 34million YouTube views within 48 hours of their first M/V release on YouTube, “DallaDalla” & with the latest album “LOCO”, ranked no.11 on ‘Billboard 200’ main chart  
YouTube subscribers over 7.2mn and reached over 3bn YouTube views since debut



### Xdinary Heroes

**Debut in 2021 (Dec)**

JYP Entertainment’s 2<sup>nd</sup> Boy Band debut following DAY6 success – all members specialized in musical instrument

## Hot Prospects



### NMIXX

#### Debut in 2022 (Feb)

Reached more than 30million YouTube views within 48 hours of their first M/V release and sold over 450K physical copies following their debut (marked as the highest debut album sales record among K-Pop female groups in history)

## Local Artists



### BOY STORY (JV)

**Debut in 2018 (Sep)**

Ranked No.1 in 'QQ Music Video Chart' and 'Weibo Asia Music Chart' upon the debut.

JYP's First Local Artist under JV with TENCENT



### NiziU

**Debut in 2020 (Dec)**

Ranked No.1 in ORICON Chart in Japan with pre-release digital songs and topped all 64 local chart incl. Line Music.

NiziU jointly produced between JYP Ent. & SONY Music Japan and made first debut in Dec 2020 (The first physical album sold 500K)



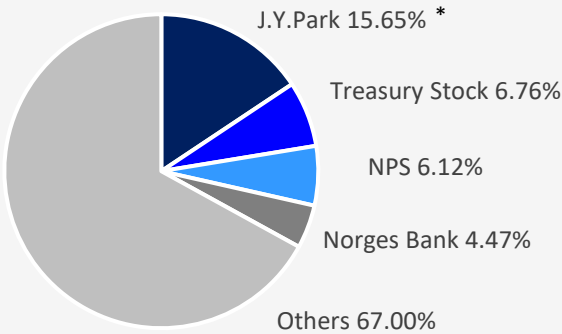
COMPANY OVERVIEW

- COMPANY: JYP ENTERTAINMENT Co. Ltd
  - Establishment: 25 APR. 1996
  - Equity: KRW 17.9 bn.
  - Market Cap.: KRW1.9tn (As of 13<sup>th</sup> May. 2022)
- CEO: WOOK JEONG
  - IPO: 30 AUG. 2001
  - No. of Employees: 289 (As of 31<sup>st</sup> Mar. 2022)
  - Business Field: Music Production & Recording,  
Artist Management (Agency),  
Contents Production

SHAREHOLDERS

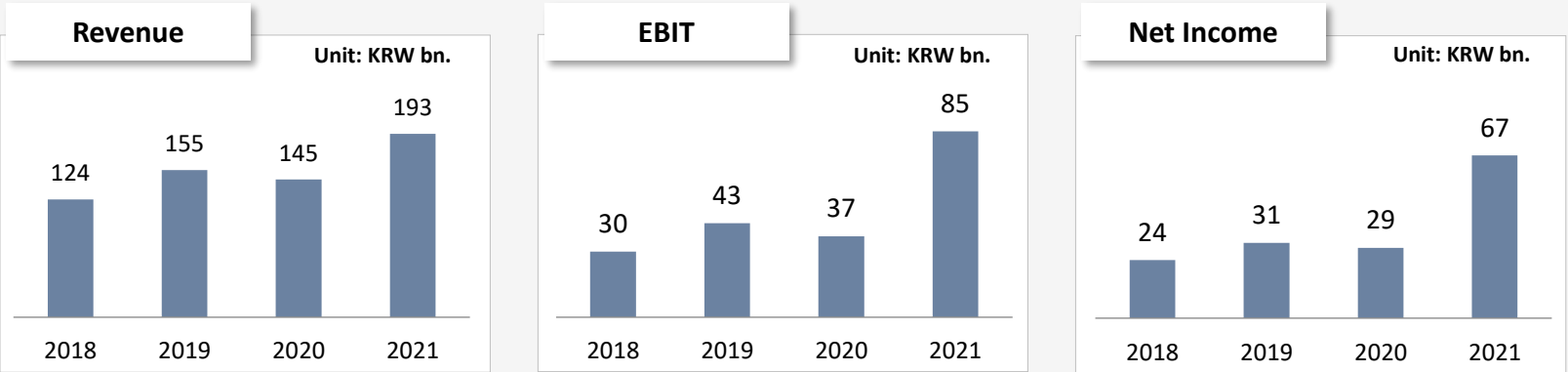
(As of 12th Nov. 2021)

- Jin Young Park (Founder): 15.22%
  - Treasury Stock: 6.76%
  - National Pension Service: 6.12%
  - NORGES BANK: 4.47%
- [Total Stock Issued: 35,497,492]



\*Incl. key management

KEY FINANCIALS

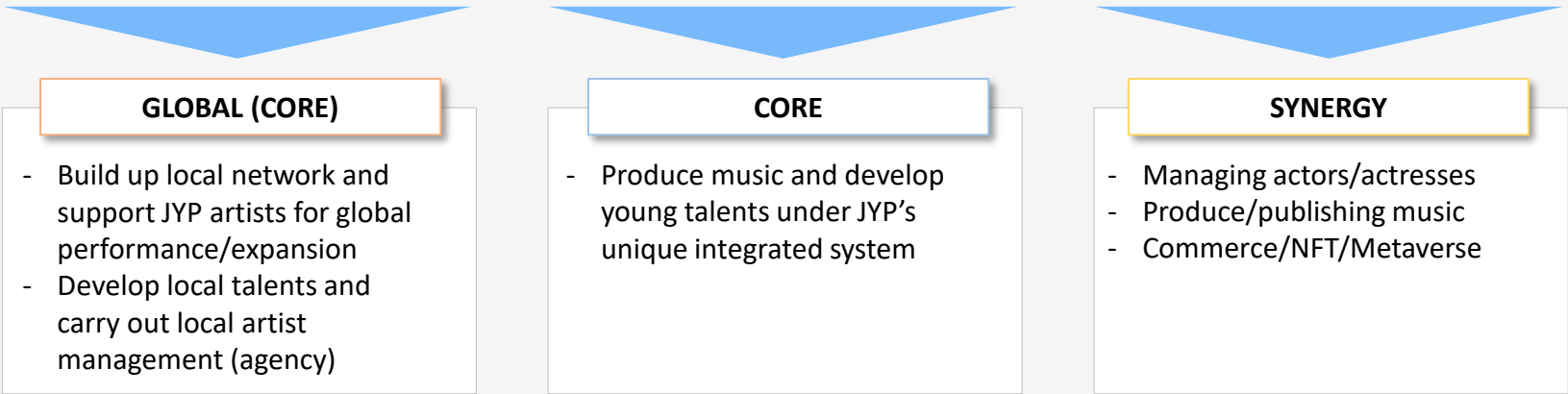


\* COVID19 breakout (2020, Feb)

Subsidiary & Affiliated Companies



Roles/Business Field



## Statement of Financial Position - Consolidated (B/S)

(Unit: KRW bn.)

	2022 (Q1)	2021	2020
Current Assets	175.4	159.1	126.9
Non-current Assets	161.2	158.2	97.2
<b>Total Assets</b>	<b>336.7</b>	<b>317.4</b>	<b>224.1</b>
Current Liabilities	69.8	58.3	33.3
Non-current Liabilities	9.2	8.4	4.6
<b>Total Liabilities</b>	<b>79.0</b>	<b>66.7</b>	<b>37.9</b>
Capital	17.9	17.9	17.9
Capital Surplus	76.9	76.9	76.9
Treasury Stock	-8.2	-11.0	-12.0
Retained Earnings	166.7	162.2	99.9
Equity attributable to the owners of the Parent Company	253.5	246.6	182.6
<b>Total Equity</b>	<b>257.7</b>	<b>250.6</b>	<b>186.2</b>

## Statement of Comprehensive Income - Consolidated (P/L)

(Unit: KRW bn.)

	2022 (Q1)	2021	2020
<b>Revenue</b>	<b>67.7</b>	<b>193.8</b>	<b>145.4</b>
Cost of Sales	36.4	89.7	68.5
Gross Profit	31.3	104.1	76.8
Selling and Administrative Expenses	12.1	46.2	32.7
<b>Operating Income (Loss)</b>	<b>19.1</b>	<b>57.9</b>	<b>44.1</b>
Other Non-operating Income	0.2	0.6	0.0
Other Non-operating Expenses	0.9	3.1	2.0
Financial Income	0.5	18.4	2.8
Financial Expenses	0.0	2.6	6.9
Share of Profit(Loss) of Associates and JVs	0.6	14.6	0.0
Profit Before Income Tax	19.5	85.9	37.9
Income Tax Expense	2.7	18.4	8.3
<b>Net Profit (Loss)</b>	<b>16.7</b>	<b>67.5</b>	<b>29.6</b>