

# JYP Entertainment

2023 Investor Relations

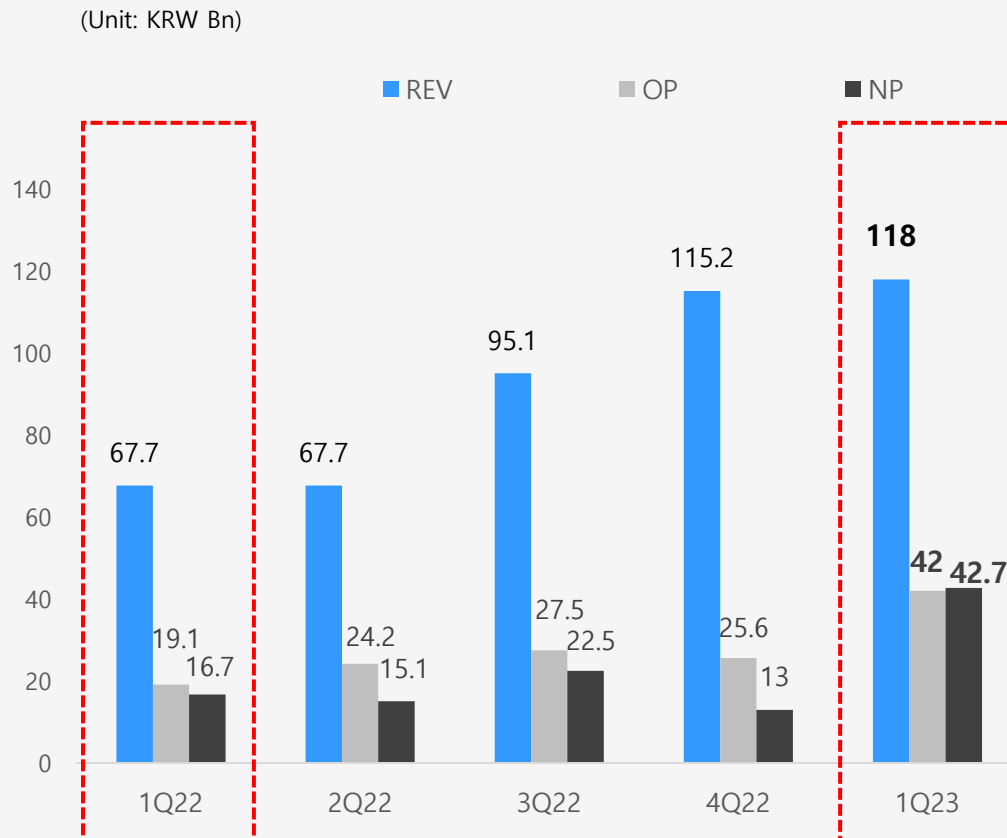




# #1Q23 FINANCE RESULT

“Growth driven by increasing global fan base among major artists /  
High margin achieved through surging volume in physical sales, merchandise & IP licensing revenue”

## OVERVIEW



### ▶ 2023 Q1

Unit: KRW Bn

- REV: 118.0 (yoy+74.1%)
- OP: 42.0 (yoy+119.3%)
- NP: 42.7 (yoy+155.1%)

### ▶ Increasing physical sales in N.A & MD/IP licensing REV surge

- 1) TWICE & NMIXX drove physical sales / global streaming revenue expands
  - Physical sales rose **yoy+66%** (Republic Records revenue contribution: 12.2bn)
  - Global streaming revenue **yoy+36%** (vs. Streaming, **yoy+22%**)
- 2) Surge in concert, merchandise, others incl. IP licensing revenue
  - Concert revenue **yoy+106%**
  - Quarterly highest in merchandise **yoy+274%** (JPY360, 15.2)& others **yoy+75%**
  - Quarterly highest revenue in IP licensing (incl. DEARU) **yoy+104%**
- 3) Revenue increased across all region (Japan **yoy+110%** / Others **yoy+198%**)

### ▶ Margin expanded through increasing content volume

- 1) GPM 51% (**yoy+4.8%pt**) / OPM 35.6% (**yoy+7.3%pt**)
- 2) Production cost (**yoy+27%**) / Artist fee (**yoy+85%**)
- 3) JYP360 margin improved : GPM 26.5% (**yoy+6.3%pt**) / OPM 15.9% (**yoy+6.8%pt**)

# Q1 Result – P/L Summary

2023 JYP Investor Relations

(Unit: KRW Bn)

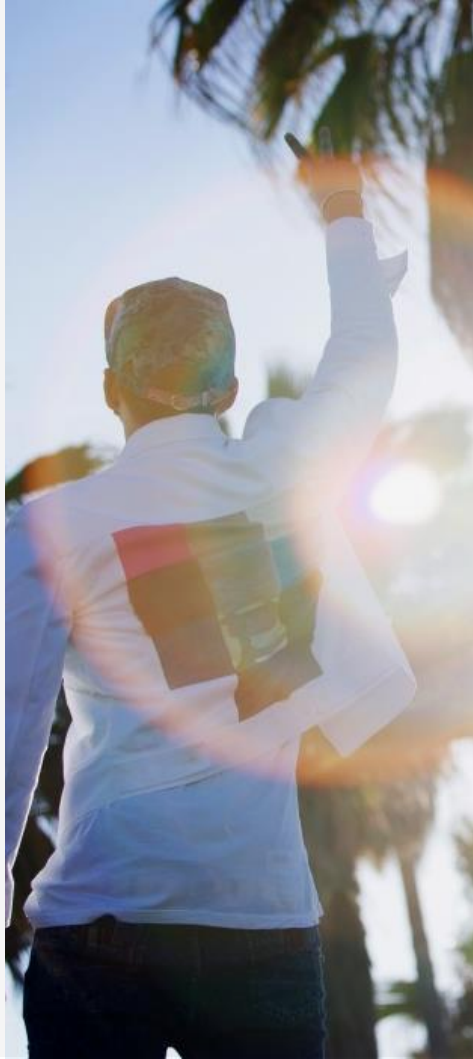
	2023 Q1 (a)	2022 Q1 (b)	Growth (yoy)	Gap (a-b)	Note
<b>Revenue</b>	118.0	67.7	74.1%	50.2	<b>Surge in content revenue &amp; quarterly highest REV in N.A / Japan</b> - [Physical] TWICE / NMIXX drove sales, 40.7 (Republic Records contributed 12.0) - [Concert] SKZ / ITZY World Tour 6.7 (yoy+106%) - [Merchandise] Quarterly highest REV 27.5 (JYP360 contribution, 15.2) - [Others] Quarterly high 24.4 (IP licensing Incl. DEARU 19.5, yoy+104%) - [Other Region] Achieved quarterly high 39.7 (yoy+198%) - [Japan] Merchandise (15.0)drove quarterly high REV 25.4 (yoy+110%) - [JYP360] Achieved quarterly highest REV 15.2
<b>COGS</b>	57.8	36.4	58.7%	21.4	<b>GPM 51% (yoy+4.8%pt)</b> 1) Profit leverage based on surging content revenue - Content production cost +4.0bn (yoy+27%) - Artist fee yoy+85%
<b>Gross Profit</b>	60.2	31.3	92.1%	28.8	
<b>L SG&amp;A</b>	18.1	12.1	49.2%	5.9	<b>Limited increase in SG&amp;A except incentive (yoy+49%)</b> - Incentive yoy+127%
<b>Operating Profit</b>	42.0	19.1	119.3%	22.8	<b>OPM 35.6% (yoy+7.3%pt)</b> - JYP360 margin improved (OPM 16%, OP contribution 2.4bn)
<b>L Financial Income</b>	5.3	0.5	895.6%	4.7	4BY4, Q1 valuation rose (3.0)
<b>L Profit(Loss) of investment on Associates and JVs</b>	6.1	0.6	863.9%	5.5	Sinsung China JV : Gain on disposal of investment in associates 4.8bn
<b>Net Profit</b>	42.7	16.7	155.1%	25.9	Corporate tax 9.9





#INVESTMENT H/L

## “Contents & concert demand continue to expand amid K-POP global penetration / Artists’ line-up expansion through localization / JYP360 & JYP Partners to boost synergy”



### Summary of Investment Highlight

- **Main Artist’s Growth Accelerates & Overseas Concert Demand continues to Expand**

- [JYP < Republic Records] Strengthening the Strategic Partnership with Republic Records for N.A consolidation
- [Stray Kids] After ranked No.1 twice on Billboard in 2022, preparing for major comebacks in H2 Incl. a new album (5Star) in June
- [TWICE] Continuing their growth with the latest physical sales record at 1.8mn/ Currently hosting 31time World Stadium Tour/ Preparing for multiple comebacks in H2 Incl. Unit & Solo project
- [ITZY] Finished their first time World ARENA Tour in Q1 and preparing for a new album in Q2
- [NMIXX] Continuing fast growth with the latest physical sales record and currently hosting 14time global showcase in US & ASIA
- [NiziU] Sold out their 19time Japan ARENA & DOME Tour in 2022 & Preparing for a sizable comeback in H2 (Q1, contributed 9.0bn)

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

- In 2023 H2 [LOUD: K-POP] [Project. C: China] [A2K Project: USA]/ By 2024 Q1 [NiziU BOY: Japan] to make global debut in order

- **Inorganic Growth Plan: Strategic Investment & MD Commerce to boost Growth**

- By 2024 H2, [JYP PARTNERS] scheduled to launch to expand strategic VC investment
- JYP360 established in June 2022 to enhance MD sales and to facilitate IP related businesses

- **Digital Sales & High-margin Overseas Business to Expand**

- YouTube subscribers increased yoy+2.6MN (JYP Official Subs. 26.9MN)<sup>1</sup>
- High-margin overseas (US/Japan)management revenue to expand further

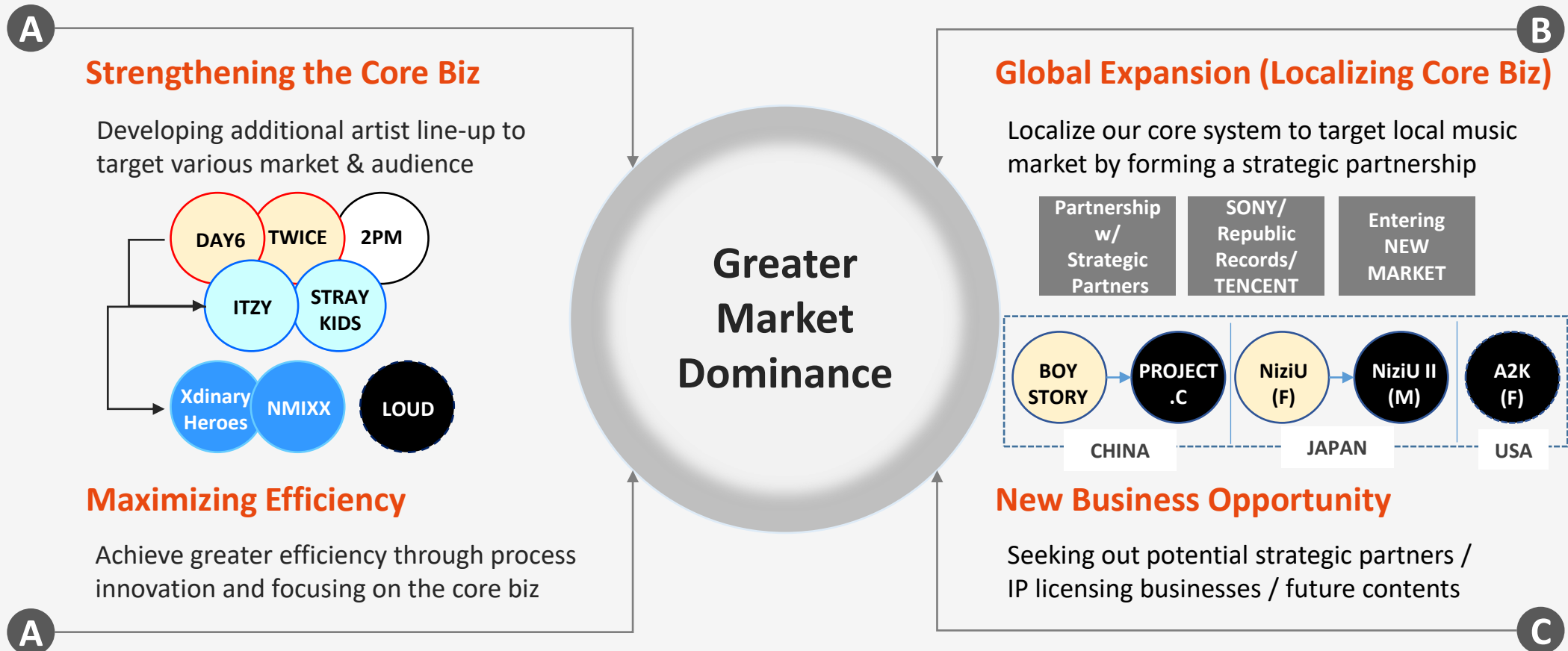
1) As of 2023 May





#APPENDIX

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

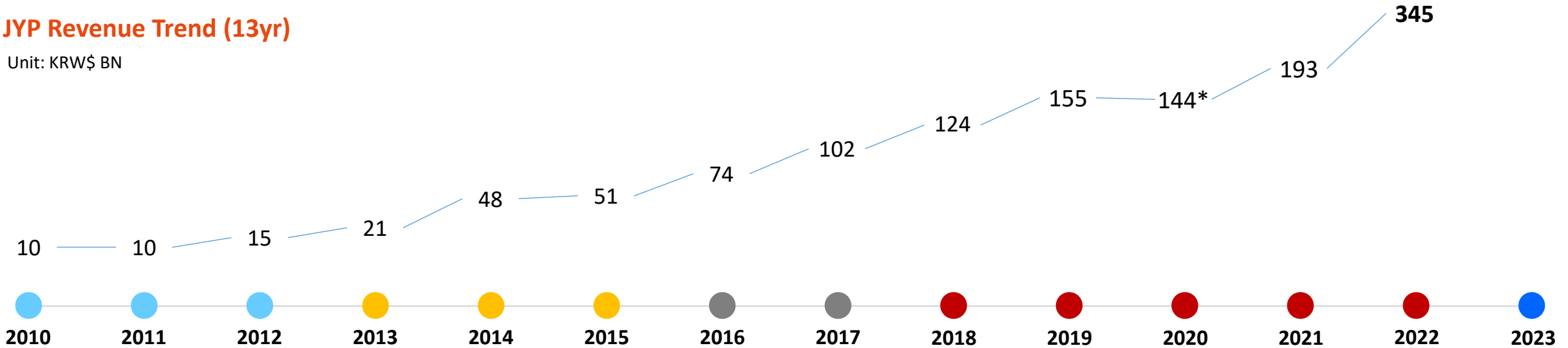




“JYP continues its fast & sustainable growth by optimizing the production system/process & organic multi-label structure”

## JYP Revenue Trend (13yr)

Unit: KRW\$ BN



### ● 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 through RTO (2013)
- [Voting Committee \(2014\)](#)
- GOT7 Debut (2014)
- TWICE Debut (2015)
- DAY6 Debut (2015)

### ● Setting Up Multi-label System

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

### ● Global Expansion – Digital era.

- 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)
- [NMIXX Debut \(2022\)](#)

### ● Glocalization

- LOUD Project (2023)
- Project C - China (2023)
- A2K Project - US (2023)
- NiziU2 - Japan (2024E)
- Setting up CVC (2024E)

\* COVID19 outbreak : achieved highest earnings

## 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

Top Female Group Artists.

[YouTube Views over 17billion](#) with 15.6million subscribers &

[Albums Sold over 14million](#) since 2016.

With release of “Set Me Free”, [ranked No.2 on <Billboard 200>](#) in

2023 and sold out their latest 29time World Tour in 2023 Incl. 6

Stadium Concerts in US



### DAY6

Debut in 2015

Hosted World Tour in 26 global cities in 2020.

‘Sing a Song Writer and Composer’

## Main Artists



### STRAY KIDS

**Debut in 2018 (Mar)**

Ranked No.1 on <Billboard 200> 2<sup>nd</sup> time in a row in 2022 and sold out 19time Stadium World Tour in 17 countries in H1 2023

Latest release “MAXIDENT” sold 3.0mil. copies worldwide  
YouTube subscribers over 12.5million 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” & the latest album release “CHECKMATE” ranked no.8 on <Billboard 200> in 2022

YouTube subscribers over 8.2MN and reached over 4bn YouTube views since debut in 2019



### 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 500K physical album copies upon their first debut (marked as the highest debut album sales record among K-Pop female groups in history)

Sold over 1mil. physical copies since their debut in 2022 Feb.

## 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)  
Sold out their first major tour in Japan including 15time ARENA & 4time DOME TOUR in 2H 2022

# Artist Line-up Expansion (by year)

Artists	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E
2PM	CR			CR						
DAY6	Debut							CR		
TWICE	Debut							CR		
Stray Kids				Debut						
ITZY					Debut					
NiziU (Japan)						Debut				
Xdinary Heroes							Debut			
NMIXX								Debut		
LOUD Project									Debut (H2)	
Project C (China)									Debut (H2)	
A2K (USA)									Debut (H2)	
Nizi Project 2 (Japan)										Debut (H1)

CR: Contract Renewed

Orange font: Global localization project



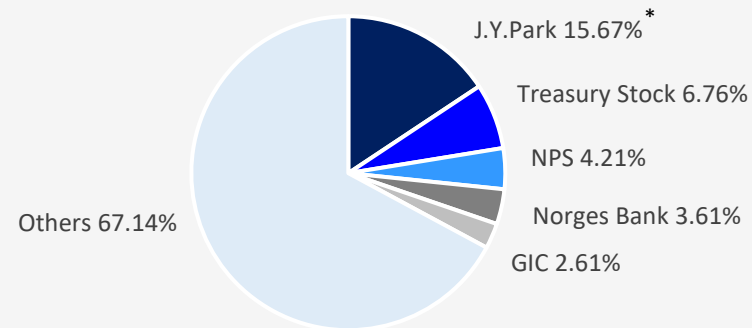
## COMPANY OVERVIEW

- COMPANY: JYP ENTERTAINMENT Co. Ltd
- Establishment: 25 APR. 1996
- Equity: KRW 17.9 bn.
- Market Cap.: KRW3.3tn (As of 12<sup>th</sup> May. 2023)
- CEO: WOOK JEONG
- IPO: 30 AUG. 2001
- No. of Employees: 325 (As of 12<sup>th</sup> May. 2023)
- Business Field: Music Production & Recording, Artist Management (Agency), Contents Production

## SHAREHOLDERS

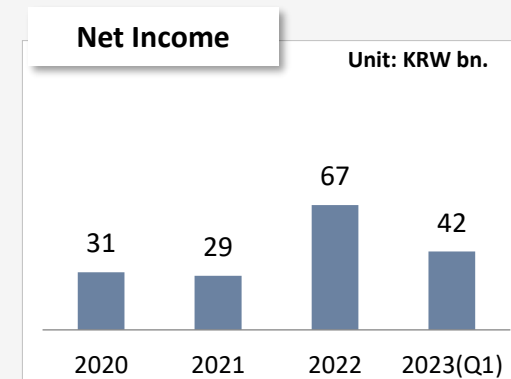
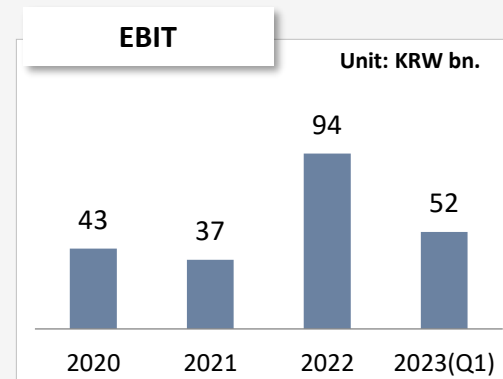
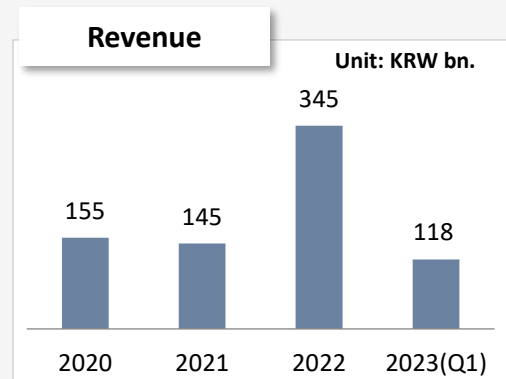
(As of 23rd Mar. 2023)

- Jin Young Park (Founder): 15.67%
  - Treasury Stock: 6.76%
  - National Pension Service: 4.21%
  - NORGES BANK: 3.61%
  - GIC : 2.61%
- [Total Stock Issued: 35,497,492]



\*Incl. key management

## KEY FINANCIALS

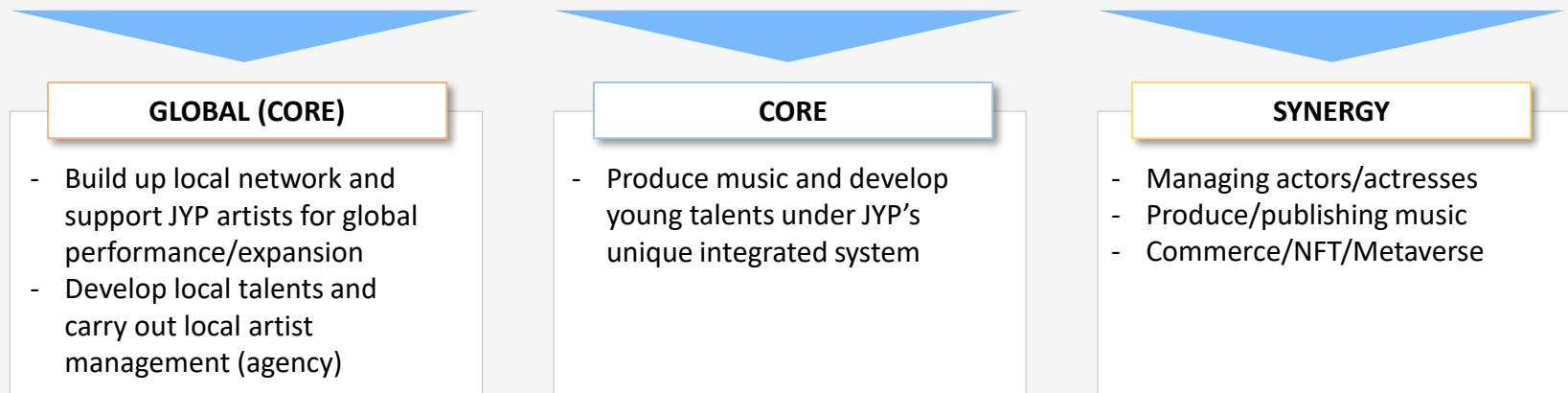


\* COVID19 breakout (2020, Feb)

## Subsidiary & Affiliated Companies



## Roles/Business Field



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

(Unit: KRW bn.)

	2023 (Q1)	2022	2021
Current Assets	269.0	237.1	159.1
Non-current Assets	187.9	174.0	158.2
<b>Total Assets</b>	<b>456.9</b>	<b>411.1</b>	<b>317.4</b>
Current Liabilities	113.7	101.3	58.3
Non-current Liabilities	6.1	5.2	8.4
<b>Total Liabilities</b>	<b>119.9</b>	<b>106.6</b>	<b>66.7</b>
Capital	17.9	17.9	17.9
Capital Surplus	76.9	76.9	76.9
Treasury Stock	-9.5	-9.5	-11.0
Retained Earnings	246.8	217.5	162.2
Equity attributable to the owners of the Parent Company	331.7	300.5	246.6
<b>Total Equity</b>	<b>337.0</b>	<b>304.5</b>	<b>250.6</b>

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

(Unit: KRW bn.)

	2023 (Q1)	2022	2021
<b>Revenue</b>	<b>118.0</b>	<b>345.8</b>	<b>193.8</b>
Cost of Sales	57.8	189.3	89.7
Gross Profit	60.2	156.5	104.1
Selling and Administrative Expenses	18.1	59.9	46.2
<b>Operating Income (Loss)</b>	<b>42.0</b>	<b>96.6</b>	<b>57.9</b>
Other Non-operating Income	0.0	0.3	0.6
Other Non-operating Expenses	0.5	2.1	3.1
Financial Income	5.3	5.8	18.4
Financial Expenses	0.4	7.3	2.6
Share of Profit(Loss) of Associates and JVs	6.1	0.6	14.6
Profit Before Income Tax	52.6	94.1	85.9
Income Tax Expense	9.9	26.6	18.4
<b>Net Profit (Loss)</b>	<b>42.7</b>	<b>67.5</b>	<b>67.5</b>