SECTOR UPDATE

2026. 7. 23

Tech Team

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AT A GLANCE

HYBE (352820 KS, 198,400)		
Target price	KRW330,000	66.3%
BUY		
JYP Entertainment (035900 KQ, 44,350)		
Target price	KRW77,000	73.6%
BUY		
SM Entertainment (041510 KQ, 67,100)		
Target price	KRW114,000	69.9%
BUY		
YG Entertainment (122870 KQ, 38,350)		
Target price	KRW61,000	59.1%
BUY		

Entertainment (OVERWEIGHT)

Comeback season

- Domestic album sales rose 25% y-y in 1H, underscoring strong industry momentum.
- All four major entertainment agencies plan to debut new acts in 2H, with initial fan engagement and sales key gauges of long-term pipeline strength.
- HYBE remains our top pick, followed by YG Entertainment.

WHAT'S THE STORY?

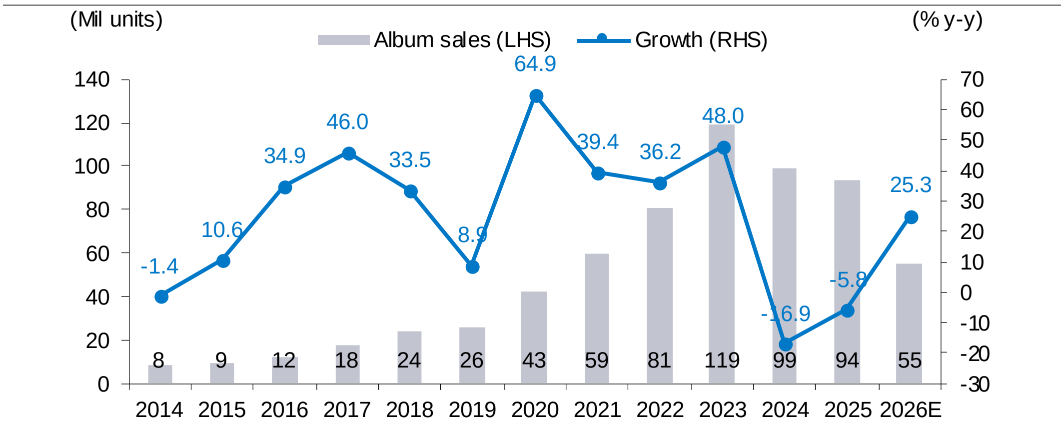
Strong 1H results driven by mega-IPs and recent debutants: Despite entertainment companies' underwhelming share-price performances in 1H, industry indicators remained strong. Album sales reached 54.92m units (up 25.3% y-y), led by BTS (5.18m), Cortis (3.64m), Ateez (2.69m), Enhypen (2.59m), Blackpink (2.04m), Tomorrow X Together (1.99m), and NCT Wish (1.91m). Both established mega-IPs and newer artists contributed meaningfully to growth. Albums by major acts such as BTS, Blackpink, and EXO achieved platinum status following lengthy hiatuses, reinvigorating the market. Meanwhile, newer performers—including 2026 debutants Alpha Drive One and And2ble, 2024 debutant NCT Wish, and 2025 breakout act Cortis—posted strong sales. With these younger stars typically releasing one or two albums annually, their early success points to continued market growth in 2H. Bigbang's August comeback, marking its 20th anniversary and coinciding with the XX: Cosmos global tour, should provide a further boost to album sales.

Artist pipeline expanding in 2H—key catalyst to monitor: 2H should bring a sharp increase in debuts across the major agencies. HYBE plans to launch a girl group under its new label ABD, as well as global girl group Saint Satine through its partnership with UMG. SM Entertainment plans to debut a new boy group comprising members selected from SMTR25. The prospective group has already begun building visibility through SMTown concerts and original content. JYP Entertainment is preparing to debut girl group Ourbirthday, while YG Entertainment has confirmed plans to launch a new boy group in autumn. Although new acts typically make only a minimal contribution to earnings initially, they represent the next generation of core IP. Their early performance—particularly fanbase formation and initial album sales—will be key indicators of long-term growth potential and agency pipeline health.

(Continued on the next page

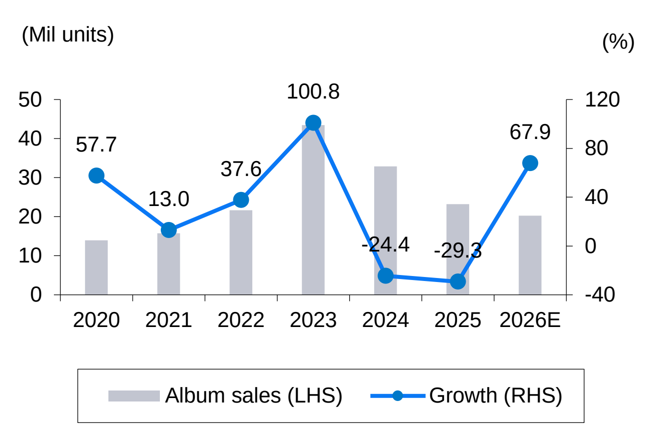
Top picks: HYBE remains our top pick. Its balanced artist portfolio supports multiple growth engines: newer acts are scaling rapidly, while top-tier artists are expanding their revenue base beyond music into platforms and concerts. This diversification should strengthen operating performance and earnings generation across many businesses. YG Entertainment is our second pick. We expect earnings and share-price momentum to strengthen in tandem, supported by sustained momentum from Treasure and Babymonster, Bigbang's return in 2H, and the upcoming debut of a new boy group.

Chart 1. Korea: Album sales



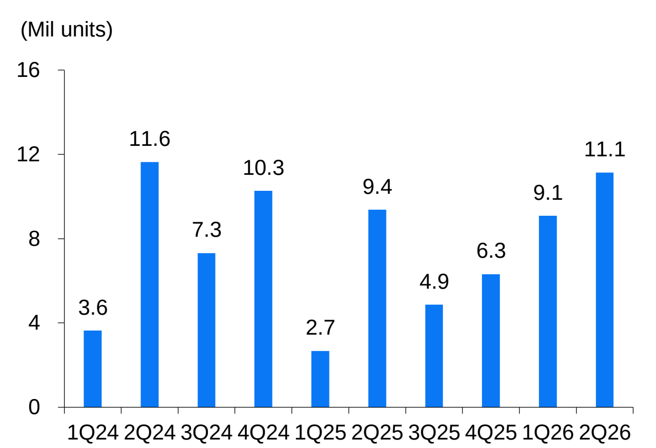
Note: Based on Circle Chart Top 400;
2026E reflects cumulative sales through June and y-y growth vs 1H25
Source: Circle Chart, Samsung Securities

Chart 2. HYBE: Album sales and growth



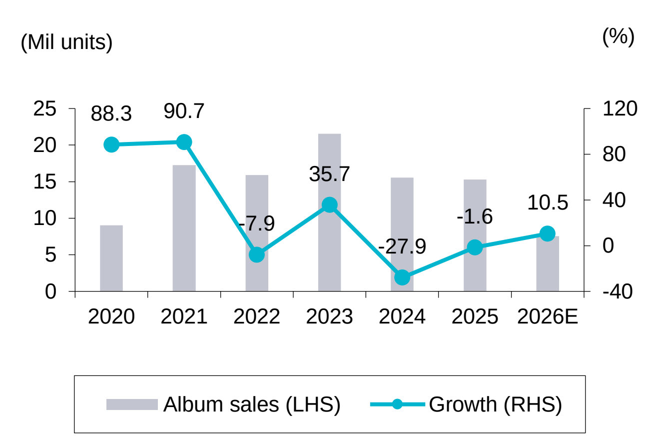
Note: 2026E reflects cumulative sales through June and y-y growth vs 1H25
Source: Circle Chart, Samsung Securities

Chart 3. HYBE: Quarterly album sales



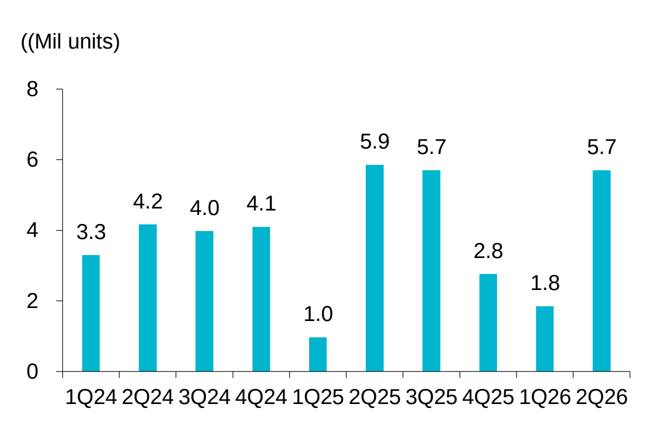
Source: Circle Chart, Samsung Securities

Chart 4. SM Entertainment: Album sales and growth



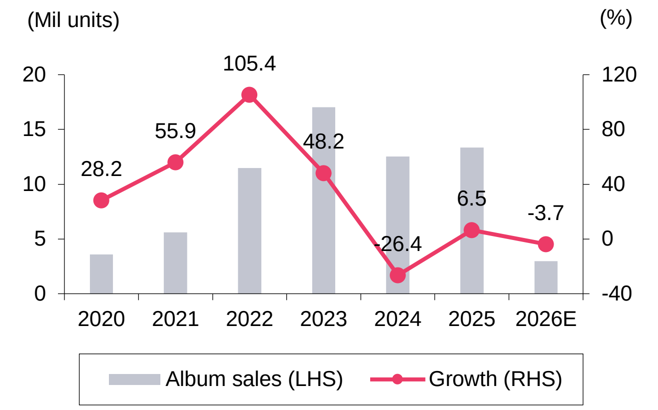
Note: 2026E reflects cumulative sales through June and y-y growth vs 1H25
Source: Circle Chart, Samsung Securities

Chart 5. SM Entertainment: Quarterly album sales



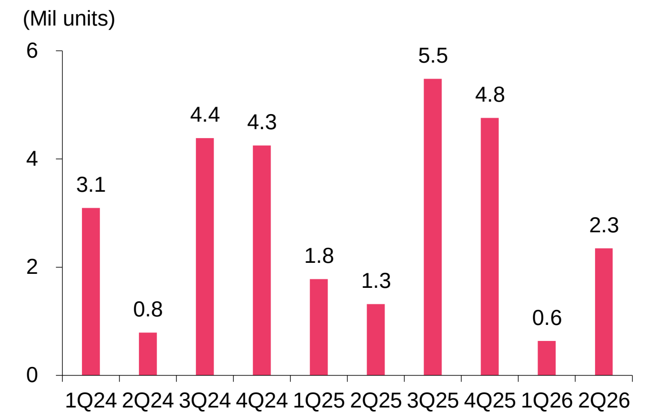
Source: Circle Chart, Samsung Securities

Chart 6. JYP: Album sales and growth



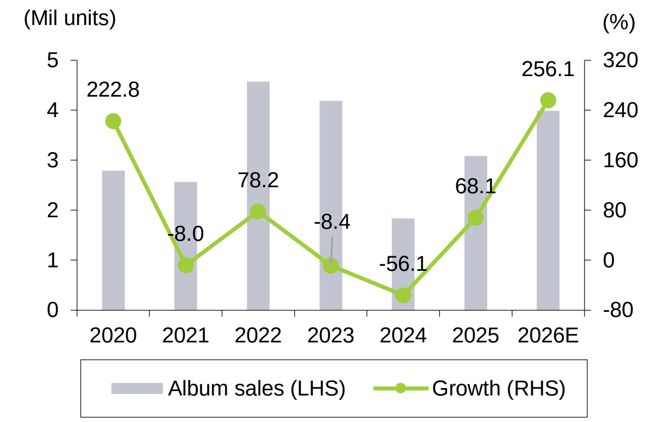
Note: 2026E reflects cumulative sales through June and y-y growth vs 1H25
Source: Circle Chart, Samsung Securities

Chart 7. JYP: Quarterly album sales



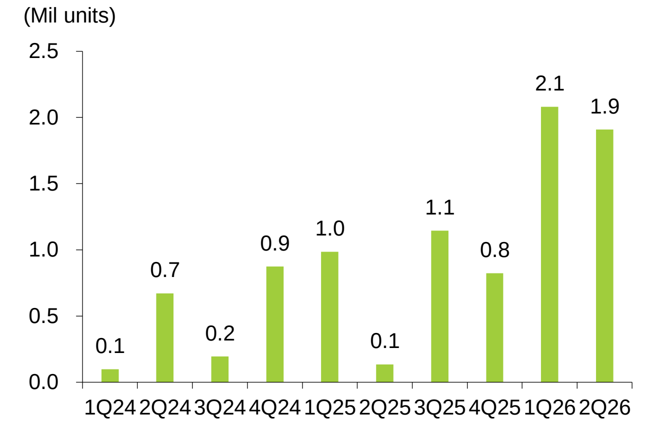
Source: Circle Chart, Samsung Securities

Chart 8. YG Entertainment: Album sales and growth



Note: 2026E reflects cumulative sales through June and y-y growth vs 1H25
Source: Circle Chart, Samsung Securities

Chart 9. YG Entertainment: Quarterly album sales



Source: Circle Chart, Samsung Securities

Table 1. **Top agencies: Album sales in 1H26**

	HYBE	Units	SM Entertainment	Units	YG Entertainment	Units	JYP Entertainment	Units
1	BTS	5,180,776	NCT Wish	1,913,051	Blackpink	2,043,906	StrayKids	798,448
2	Cortis	3,642,457	Riize	1,412,846	Treasure	1,056,066	KickFlip	469,753
3	Enhypen	2,592,063	Aespa	1,068,710	Babymonster	874,398	NEXZ	443,870
4	TXT	1,991,907	EXO	1,006,773	Kang Seung Yoon	8,006	NMIXX	376,977
5	TWS	1,413,210	Hearts2Hearts	620,304	Rosé	6,561	ITZY	356,429
6	Boynextdoor	1,299,356	NCT JNJM	520,428			Xdinary Heroes	181,435
7	&TEAM	1,278,394	NCT Taeyong	362,662			Day6 Wonpil	168,106
Total		**20,227,346**		**7,547,954**		**3,988,937**		**2,981,141**

Note: Rosé (Blackpink) is under Double Black Label for solo activities, but sales include prior releases under YG Entertainment
Source: Circle Chart, Samsung Securities

Table 2. **Other agencies: Album sales in 1H26**

KQ Ent	Units	WakeOne (CJ ENM)	Units	Starship Ent	Units	Vlast	Units
Ateez	2,687,961	Alpha Drive One	1,458,302	IVE	1,052,927	Plave	1,438,200
Xikers	360,448	ZeroBaseOne	611,852	Cravity	302,394		
Min Ki (Ateez)	9,998	izna	113,142	KiiiKiii	110,927		
Total	**3,058,407**		**2,194,411**		**1,569,384**		**1,438,200**
FNC Ent	**Units**	**Modhaus**	**Units**	**YH Ent**	**Units**	**Onecead**	**Units**
P1 Harmony	502,136	Triple S	554,128	And2ble	747,687	Modyssey	302,600
FlareU	187,795	Identity	423,688	Yena	58,769		
Ampers&one	151,433						
Total	**1,070,238**		**977,816**		**806,456**		**302,600**

Source: Circle Chart, Samsung Securities

Table 3. Agencies: Upcoming debuts (from 2026)

Agency	Artist	Debut date
Hybe	Korean girl group	3Q26E
	Saint Satine	2H26E
	US boy group	
	US group	
JYP Entertainment	Ourbirthday	3Q26
	L2K Project	2027E
	SMTR25	4Q26E
	Taiwanese boy group	2027E
	Japanese boy group	2027E-2028E
	Chinese boy group	
YG Entertainment	Korean boy group	3Q26E
	Korean girl group	2027E
	Japanese/Taiwanese group	
Starship	AEN	Aug 5, 2026
CJ ENM	ALD1	Jan 12, 2026
	Modyssey	Apr 13, 2026
	H//PE Princess	May 27, 2026
	Keyveatz	Jun 30, 2026
	KO1KEYZ	Oct 7, 2026
More Vision	LNGshot	Jan 13, 2026
iNKODE	KEYVITUP	Apr 8, 2026
	Vay Onn	Jul 6, 2026

Note: Onecead (Modyssey's agency) is a JV between CJ ENM and NCC Entertainment (a partnership between JYP China and Tencent Music Entertainment)

Source: Company data, Samsung Securities

Chart 10. HYBE: Upcoming girl group to debut under ABD

Note: ABD is HYBE's new label
Source: Company data, Samsung Securities

Chart 11. HYBE: Upcoming 2H26 debut of Saint Satine

Source: Company data, Samsung Securities

Chart 12. JYP Ent: Upcoming 2H26 debut of Ourbirthday

Note: As of Jul 16, visuals of three members have been revealed
Source: Company data, Samsung Securities

Chart 13. SM Ent: Upcoming 2H26 debut of SMTR25

Source: Company data, Samsung Securities

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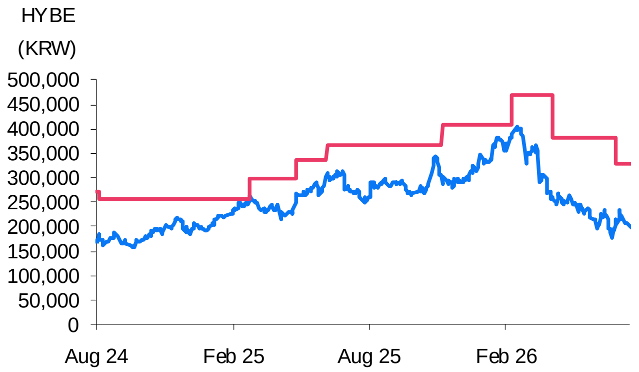

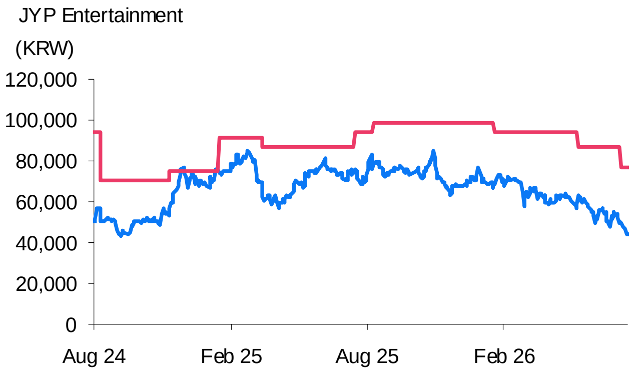

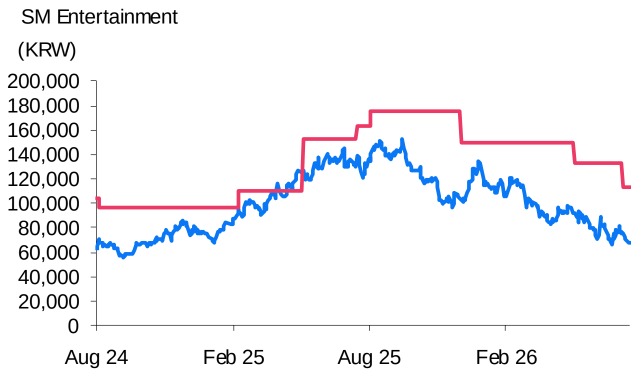

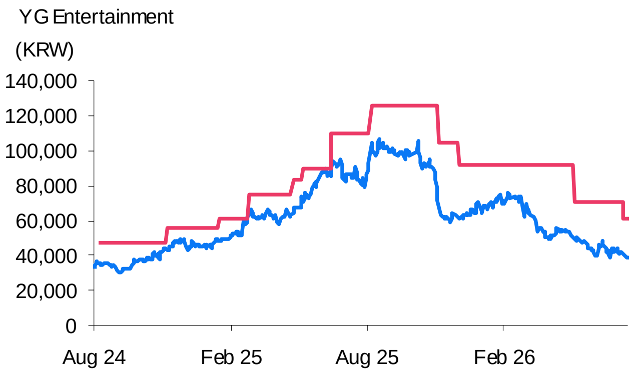

Rating changes over past two years (adjusted share prices)

HYBE

Date	2024/5/2	8/8	2025/2/26	4/30	6/10	11/11	2026/2/13	4/9	7/2
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	270000	255000	300000	335000	365000	410000	470000	380000	330000
Gap* (average)	-28.66	-22.34	-21.23	-17.66	-21.45	-20.16	-28.50	-39.42	
(max or min)**	-24.26	-1.57	-12.50	-9.85	-6.16	-6.59	-13.94	-29.47	

JYP Entertainment

Date	2024/5/13	8/14	11/14	2025/1/20	3/18	7/21	8/14	2026/1/23	5/15	7/13
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	94000	71000	75000	92000	87000	94000	99000	94000	87000	77000
Gap* (average)	-39.49	-29.35	-5.93	-14.83	-19.99	-21.19	-26.40	-30.89	-36.90	
(max or min)**	-35.53	-20.14	2.80	-7.50	-6.44	-11.60	-14.14	-21.49	-28.62	

SM Entertainment

Date	2024/2/8	8/8	2025/2/11	5/8	7/21	8/7	12/8	2026/5/7	7/13
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	104000	96000	110000	152000	163000	176000	150000	133000	114000
Gap* (average)	-23.90	-24.84	-5.09	-13.15	-19.92	-28.62	-29.81	-39.81	
(max or min)**	-7.88	-3.85	15.91	-4.93	-15.21	-13.07	-10.00	-29.70	

YG Entertainment

Date	2024/1/17	8/12	11/11	2025/1/20	2/28	4/28	5/12	6/19	8/11	11/10	12/8	2026/5/11
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	56000	47000	56000	61000	75000	83000	90000	110000	126000	105000	92000	71000
Gap* (average)	-25.77	-22.33	-16.95	-12.45	-16.69	-17.33	-9.40	-20.56	-23.06	-40.76	-31.51	-37.34
(max or min)**	-15.89	-5.96	-11.96	1.31	-10.93	-10.36	0.33	-13.45	-14.76	-38.19	-16.85	-28.59

Date	7/15
Recommendation	BUY
Target price (KRW)	61000
Gap* (average)	
(max or min)**	

Note: * [(average, maximum, or minimum share price over duration of target price minus target price) / target price] x 100%
** Maximum/minimum share price if new target is higher/lower than market close on the business day prior to target price change

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* Note: Effective Jul 27, 2023, BUY, HOLD, and SELL criteria are based on expectations of share-price moves of 15% or more within 12 months

Percentage of ratings in 12 months prior to 2026.06.30

BUY(85.5%)·HOLD(14.5%)·SELL(0%)

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