COMPANY UPDATE

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Tech Team

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▶ AT A GLANCE

BUY

Target price	KRW280,000	48.3%
Current price	**KRW 188,800**	
Market cap	KRW 8.1t/USD5.0b	
Shares (float)	43,106,836 (57.7%)	
52-week high/low	KRW404,500/KRW170,300	
Avg daily trading value (60-day)	KRW68.0b/ USD47.0m	

▶ ONE-YEAR PERFORMANCE

	1M	6M	12M
HYBE (%)	-12.8	-54.9	-33.1
Vs Kospi (%pts)	29.3	-58.4	-61.8

▶ KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	280,000	330,000	-15.2%
2026E EPS	3,488	4,087	-14.7%
2027E EPS	8,208	9,194	-10.7%

▶ SAMSUNG vs THE STREET

No of estimates	20
Target price	356,000
Recommendation	4.0

※ Rating: 4 < → BUY, 3 = HOLD, 2 > → SELL

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HYBE (352820)

Despite solid performance, trading at discount

- HYBE beat consensus in 2Q with record-breaking results.
- Rookie artists such as Cortis and Katseye demonstrated notable global fanbase expansion.
- Amid increased short-term stock price volatility, we conservatively lower our 2026-2027 profitability forecasts, reducing our target price by 15%. However, as the growth story is intact, we maintain our BUY rating.

WHAT'S THE STORY?

2Q results beat consensus: HYBE beat consensus in 2Q, with consolidated sales of KRW1.45t (up 105.5% y-y) and an operating profit of KRW170.9b (up 159.4% y-y)—marking the highest quarterly figures in the company's history. The launch of BTS's world tour, combined with comebacks from multiple major artists, drove strong y-y growth across all business segments—excluding the content segment, which had lacked meaningful new releases. Key artists such as Cortis and TXT achieved million-plus album sales, with total album sales reaching 11.14m units. Music streaming sales also remained robust across domestic and international charts. Concerts and merchandise/ licensing saw strong growth fueled by BTS's world tour, online concert streaming, live-viewing events, and tour merchandise sales. Weverse continued its steady growth in key engagement metrics, including monthly active users (MAU) and average revenue per paying user (ARPPU), supported by expanded artist activities.

Top-tier leads, rookies carry the momentum: While top-tier artists continue to drive earnings, the company's proven artist development capabilities are also accelerating the growth of younger acts.

(Continued on the next page)

SUMMARY 2Q26 RESULTS

(KRWb)	2Q26	Chg		Diff (%)	
		(% y-y)	(% q-q)	Samsung	Consensus
Sales	1,450.0	105.5	107.6	12.4	18.7
Operating profit	170.9	159.3	nm	12.4	10.2
Pre-tax profit	164.7	426.1	nm	5.5	0.5
Net profit	109.8	610.3	nm	-5.6	-15.4
Margins (%)					
Operating profit	11.8				
Pre-tax profit	11.4				
Net profit	7.6				

Source: Company data, Fnguide, Samsung Securities estimates

VALUATION SUMMARY

	2025	2026E	2027E
Valuation (x)			
P/E	n/a	54.1	23.0
P/B	4.3	2.5	2.3
EV/EBITDA	69.9	22.1	13.9
Div yield (%)	0.2	0.5	0.8
EPS growth (% y-y)	nm	nm	135.3
ROE (%)	-7.3	4.6	10.4
Per-share data (KRW)			
EPS	-5,673	3,488	8,208
BVPS	76,643	76,031	83,343
DPS	500	1,000	1,600

Samsung Securities

Cortis, with their second album, achieved triple million-seller status and rapidly expanded their fanbase, while launching a world tour less than a year after debut—demonstrating exceptional growth velocity. Other rising acts, including Le Sserafim, BoyNextDoor, TWS, and ILLIT, are expanding the scope and geographic reach of their world tours to build global fandoms. Katseye is showing clear growth on Western charts and is preparing for its second world tour, expanding in scope and regions, alongside the release of its new album. While top-tier artists continue to drive momentum, the growth of next-generation artists is also progressing as planned—indicating that the medium- to long-term growth strategy is executing smoothly.

Growth story intact: Amid increased market volatility and concerns over profit peak, the company's stock has experienced heightened fluctuations. However, it continues to strengthen its growth foundation through a multi-label system that cultivates diverse artist lineups across regions, while diversifying revenue streams across music album/streaming, concerts, merchandise/licensing, and platforms. Weverse has entered a clear path to profitability as its monetization strategy gains traction, and the rapid growth of new artists continues. In 2H, ABD, a new label, is set to debut its seven-member girl group, TUIDE. Growth drivers are no longer confined to establish artists but are naturally extending to the next generation, and revenue sources are becoming increasingly diversified. That said, given the rising contribution of top-tier artists, we conservatively lower our forecasts for 2026 and 2027 net profit attributable to controlling shareholders by 15% and 11%, respectively. In turn, we revise down our valuation of labels (from KRW13.3t to KRW11.3t), while excluding the valuation of its equity stake in Supertone which has entered liquidation proceedings. Consequently, we cut our SOTP-based target price by 15% to KRW280,000. Despite near-term stock price volatility, the company's medium- to long-term growth strategy remains firmly on course, and the growth story continues to hold validity. We maintain our BUY rating.

Table 1. Results and forecasts

(KRWb)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26E	4Q26E	2024	2025	2026E	2027E
Sales	**360.9**	**640.5**	**527.8**	**726.4**	**500.6**	**705.6**	**727.2**	**716.4**	**698.3**	**1,450.0**	**1,279.2**	**1,090.1**	**2,255.6**	**2,649.9**	**4,517.6**	**3,962.9**
Recorded music	145.1	249.6	214.5	251.8	136.5	228.6	189.8	218.0	271.5	326.8	186.6	264.0	861.0	773.0	1,048.9	892.1
Concerts	44.0	144.0	74.0	188.9	155.2	188.7	245.0	175.1	88.7	647.7	645.6	398.3	450.9	763.9	1,780.3	1,480.7
Ads/appearance fees	27.8	30.3	34.5	41.9	30.8	30.6	42.6	43.1	43.4	65.4	52.8	53.9	134.5	147.2	215.5	189.6
Merchandising/licensing	60.7	109.1	99.1	151.2	106.4	152.9	168.3	142.9	137.4	310.6	288.2	223.4	420.2	570.6	959.6	867.0
Content	61.3	83.8	79.8	62.5	41.2	70.2	46.8	100.6	105.9	41.6	53.4	99.5	287.3	258.8	300.4	319.0
Fanclub and other	21.9	23.7	26.0	30.2	30.5	34.6	34.6	36.7	51.3	57.9	52.6	51.0	101.8	136.4	212.8	214.6
Operating profit	**14.4**	**50.9**	**54.2**	**64.6**	**21.6**	**65.9**	**-42.2**	**4.6**	**-196.6**	**170.9**	**128.3**	**123.8**	**184.0**	**49.9**	**226.5**	**428.0**
Operating margin (%)	4.0	7.9	10.3	8.9	4.3	9.3	-5.8	0.6	-28.1	11.8	10.0	11.4	8.2	1.9	5.0	10.8
Non-operating profit (losses)	6.6	-17.2	-60.7	-93.3	58.6	-34.7	12.3	-270.9	64.0	-6.3	15.9	-15.8	-164.6	-226.7	57.9	32.6
Pre-tax profit	21.0	33.7	-6.6	-28.7	80.2	31.1	-29.9	-266.3	-132.6	164.7	144.2	108.0	19.4	-177.4	284.3	460.6
Net profit (controlling)	**17.2**	**14.6**	**6.4**	**-28.8**	**60.2**	**18.1**	**-50.3**	**-267.8**	**-158.5**	**102.3**	**108.6**	**97.8**	**9.4**	**-237.3**	**150.3**	**353.8**
Chg (% y-y)																
Sales	**-12.1**	**3.1**	**-1.9**	**19.4**	**38.7**	**10.2**	**37.8**	**-1.4**	**39.5**	**105.5**	**75.9**	**52.2**	**3.6**	**17.5**	**70.5**	**-12.3**
Recorded music	-21.3	1.5	-18.8	-8.8	-5.9	-8.4	-11.5	-13.4	98.9	43.0	-1.7	21.1	-11.3	-10.2	35.7	-15.0
Concerts	74.5	-8.6	-14.8	111.0	252.3	31.0	231.1	-7.3	-42.8	243.3	163.5	127.4	25.6	69.4	133.0	-16.8
Ads/appearance fees	11.4	-8.2	9.8	-20.2	10.9	0.9	23.4	3.0	40.7	113.6	24.0	25.0	-5.2	9.4	46.4	-12.0
Merchandising/licensing	-11.9	-2.5	15.7	156.0	75.2	40.2	69.8	-5.5	29.2	103.1	71.2	56.3	29.1	35.8	68.2	-9.7
Content	-29.8	64.9	63.6	-39.4	-32.7	-16.2	-41.3	61.0	157.0	-40.7	14.0	-1.1	-0.9	-9.9	16.1	6.2
Fanclub and other	9.8	8.6	23.4	6.5	39.0	46.2	33.3	21.5	68.5	67.1	52.0	39.0	11.6	34.0	56.0	0.8
Operating profit	**-72.6**	**-37.4**	**-25.4**	**-27.6**	**50.3**	**29.4**	**nm**	**-92.9**	**nm**	**159.4**	**nm**	**2,605.3**	**-37.7**	**-72.9**	**353.9**	**89.0**
Operating margin (%pts y-y)	-8.8	-5.2	-3.2	-5.8	0.3	1.4	-16.1	-8.3	-32.5	2.5	15.8	10.7	-5.4	-6.3	3.1	5.8
Non-operating profit (losses)	nm	nm	nm	nm	791.6	nm	nm	nm	9.2	nm	29.9	nm	nm	nm	nm	-43.7
Pre-tax profit	-59.2	-76.9	nm	nm	282.8	-7.6	nm	nm	nm	426.0	nm	nm	-92.2	nm	nm	62.0
Net profit (controlling)	**-29.1**	**-87.6**	**-93.8**	**nm**	**249.2**	**23.8**	**nm**	**nm**	**nm**	466.6	nm	nm	-95.0	nm	nm	135.5

Note: Adjusted operating profit, excluding stock-based compensation expenses (KRW255b) in 1Q26, stands at KRW58.5b
Source: Company data, Samsung Securities estimates

Table 2. Album sales: 2Q26 vs 2Q25

2Q26				2Q25			
Rank	Artists	Key album		Rank	Artists	Key album	Sales (units)
1	Cortis	Total	3,008,902	1	Seventeen	Total	2,967,308
		GreenGreen	2,031,256			5th Album `Happy Burstday`	2,535,883
2	TXT	Total	1,988,767	2	Enhypen	Total	2,443,516
		7th Year: Stick with you	1,704,498			Desire: Unleash	2,099,514
3	TWS	Total	1,336,911	3	BoyNextDoor	Total	1,412,943
		5th EP “No Tragedy”	1,250,047			No Genre	1,139,812
4	&TEAM	Total	1,278,394	4	JIN	Total	837,750
		We on Fire	1,278,394			Echo	752,128
5	BOYNEXTDOOR	Total	1,266,645	5	TWS	Total	634,183
		HOME	954,734			3rd EP “Try with Us”	566,451
Total album sales			**11,142,512**				**9,372,234**
Weverse album sales			**1,150,120**				**774,553**

Note: Based on Circle Chart Top 100 / Source: Company data, Circle Chart, Samsung Securities

Table 3. 2026 albums

Group	Release date	Category	Sales (units)
BTS	Apr 3	Deluxe LP	227,534
ILLIT	Apr 6	Japanese digital single	
Katseye	Apr 9	US digital single	
TXT	Apr 13	8th EP	1,988,767
Cortis	Apr 20	2nd EP	
&TEAM	Apr 21	Japanese 3rd EP	1,278,394
Le Sserafim	Apr 24	Lead single	
TWS	Apr 27	5th EP	1,318,584
ILLIT	Apr 30	4th EP	
Cortis	May 4	2nd EP	2,885,985
BoyNextDoor	May 11	Single	
Le Sserafim	May 22	2nd album	677,474
BoyNextDoor	Jun 8	1st album	1,266,645
TWS	Jun 11	Digital single	
BTS	Jun 12	Digital single	
BTS	Jun 12	13th anniversary limited-edition vinyl	50,000
Le Sserafim, ILLIT, Katseye	Jun 12	Digital single	
Hoshi (Seventeen)	Jun 15	Digital single	
Evan	Jun 22	Digital single	
V8 (Seventeen)	Jun 29	1st EP	309,984
Yeonjun (TXT)	Jul 10	2nd EP	738,000*
Aoen	Jul 22	Japanese 3rd single	
Kateseye	Jul 23	Digital single	
Illit	Jul 29	Japanese 2nd single	
Dino (Seventeen)	Aug 3	1st EP	
TWS	Aug 4	Japanese 2nd single	
Katseye	Aug 14	3rd EP	
Enhypen	Aug 21	8th EP	
TXT	Aug 19	Japanese 5th single	
&TEAM	Sep 8	2nd EP	
TUIDE	TBD	TBD	
Junghan x Joshua (Seventenen)	Oct	TBD	
Saint Satine	2H26	TBD	

Note: Album sales volumes are as of Jun 30, 2026;
*Yeonjun based on first-week sales
Source: Local media, company data, Circle Chart, Samsung Securities

Table 4. 2026 concerts

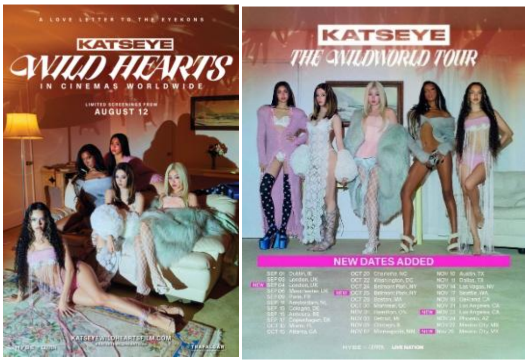
Artists	Region	Concert	Dates	City	Shows
Seventeen	Korea	New_[Encore]	Apr 4-5	Incheon	2
TWS	Japan	(Fan meeting) <42:Club>	Apr 8-9	Yokohama (4/9 twice)	3
BTS	Global	Arirang	Apr 9-Jun 27	3 Asian cities, 5 North American cities, Madrid	24
Aoen	Japan	Live Tour 2026	Apr 23-Jun 19	24 Japan cities	24
DK X Seungkwan (Seventeen)	Asia	Serenade On Stage	Apr 17-Jun 6	Seoul, Chiba, Daegu, Macao	8
Enhypen	Korea	Blood Saga	May 1-3	Seoul	3
&TEAM	Asia	Blaze The Way	May 13-Jun 28	5 Japan cities, Taipei	11
TXT	Japan	(Fan-con) 2026 TXT Moa Con	May 23-Jun 24	Nagoya, Chiba, Hukuoka, Kobe	8
Illit	Japan	Press Start	Jun 13-30	Aichi, Osaka, Fukuoka	6
Seventeen	Korea	(Fan meeting) Seventeen in	Jun 20-21	Seoul	2
TWS	Korea	24/7: For:You	Jun 27	Seoul	2
BTS	Global	Arirang	Jul 1-Sep 4	4 Europe cities, 7 North American cities	24
Enhypen	North America	Blood Saga	Jul 4-Aug 1	3 South American, 5 North American cities	10
&TEAM	Asia	Blaze The Way	Jul 4-Aug 22	Seoul, Hong Kong, Bangkok, Singapore	7
V8	Asia	2026 Vernon The 8 [V8] LIVE	Jul 11-Jul 19	Seoul, Hong Kong	4
Le Sserafim	Global	Pureflow	Jul 11-Sep 30	Korea, Japan, US	19
BoyNextDoor	Global	Knock On Vol.2	Jul 12-Sep 26	Korea, Japan	16
Illit	Asia	Press Start	Jul 18-Aug 22	Hyogo, Tokyo, Hong Kong	6
Cortis	Global	Put Your Phone Down	Jul 18- Sep 6	Korea, Japan, US, Canada	14
DK X Seungkwan (Seventeen)	Taiwan	Serenade On Stage	Jul 25	Kaohsiung	1
Dino (Seventeen)	Korea	[吉BOARD SHOW]	Aug 21-Aug 23	Seoul	3
TWS	Asia	24/7: For:You	Aug 28-Sep 26	3 Japan cities, Macao, Bangkok	11
Katseye	Global	The Wildworld Tour	Sep 1-Swp 17	7 Europe cities	9
Le Sserafim	Global	Pureflow	Oct 2-Dec 6	US, Europe, Taiwan, Singapore	15
BTS	Global	Arirang	Oct 2-Dec 27	5 South American cities, 5 Asian cities	28
TWS	Asia	24/7: For:You	Oct 10-Oct 24	Singapore, Japan	2
BoyNextDoor	Global	Knock On Vol.2	Oct 10-Dec 24	Japan, US, Mexico, Jakarta	14
Katseye	Global	The Wildworld Tour	Oct 13-Dec 26	16 US cities, Canada, Mexico	22
Enhypen	Asia	Blood Saga	Oct 16-Dec 27	2 Japan cities, Macao	7
Illit	Asia	PRESS START ENCORE	Oct 17-Dec 27	Incheon, Tokyo	6
BoyNextDoor	Global	Knock On Vol.2	Jan 9-Jan 30, 2027	Taipei, Hong Kong, Singapore, Bangkok	4
Enhypen	Global	Blood Saga	Jan 23-Mar14, 2027	4 Asian cities, 4 Europe cities	11
BTS	Global	Arirang	Feb 12-Mar14, 2027	2 Australian cities, 2 Asian cities	11

Source: Company data, Circle Chart, Samsung Securities

Chart 1. 'TUIDE', a 7-member rookie girl group under label ABD

Source: Company data, Samsung Securities

Chart 2. Upcoming KATSEYE documentary film and the 2nd world tour



Note: Documentary 'KATSEYE: Wild Hearts' will be released on Aug 12
Source: Company data, Netflix, Samsung Securities

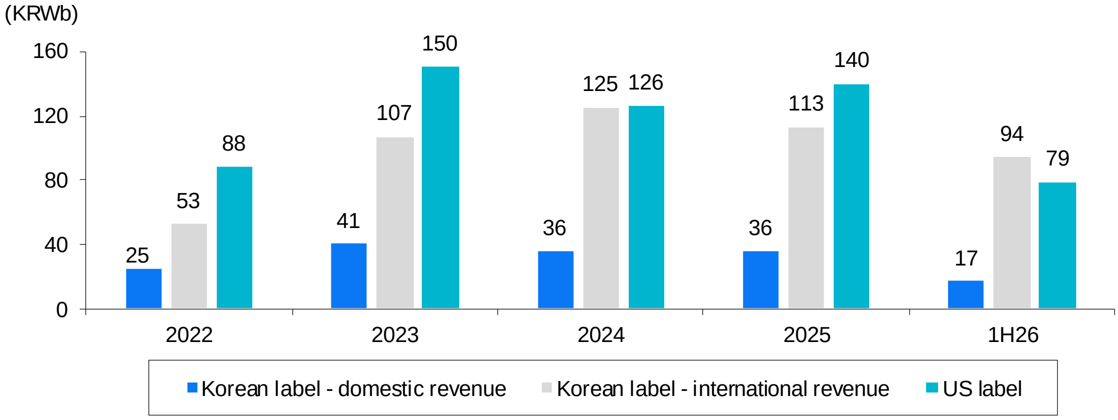
Note: Docu
Source: Co

Table 5. BTS world tour *Arirang* schedule (88+)

Date	Region	Stadium	Shows	Seats per venue	Total seats
Apr 9, 11-12	Goyang	Goyang Stadium	3	43,000	129,000
Apr 17-18	Tokyo	Tokyo Dome	2	50,000	100,000
Apr 25-26, 28	Tempa	Raymond James Stadium	3	75,000	225,000
May 2-3	El Paso	Sun Bowl Stadium	2	51,500	103,000
May 7, 9-10	Mexico City	Estadio GNP Seguros	3	65,000	195,000
May 16-17, 19	San Francisco	Stanford Stadium	3	50,424	151,272
May 23-24, 27-28	Las Vegas	Allegiant stadium	4	65,000	260,000
Jun 12-13	Busan	Asiad Main Stadium	2	53,769	107,538
Jun 26-27	Madrid	Riyadh Air Metropolitano	2	70,463	140,920
2Q26			**24**	**58,822**	**1,411,730**
Jul 1-2	Brussels	Stade Roi Baudouin	2	50,903	101,806
Jul 6-7	London	Tottenham Hotspur Stadium	2	62,850	125,700
Jul 11-12	Bayern	Allianz Arena	2	75,024	150,048
Jul 17-18	Paris	Stade de France	2	80,000	160,000
Aug 1-2	New Jersey	MetLife Stadium	2	82,500	165,000
Aug 5-6	Foxborough	Gillette Stadium	2	65,878	131,756
Aug 10-11	Baltimore	M&T Bank Stadium	2	71,088	142,176
Aug 15-16	Allington	AT&T Stadium	2	80,000	160,000
Aug 22-23	Toronto	Rogers Stadium	2	50,000	100,000
Aug 27-28	Chicago	Soldier Field	2	61,500	123,000
Sep 1-2, 5-6	LA	Sofi Stadium	4	70,000	280,000
3Q26			**24**	**68,312**	**1,639,486**
Oct 2-3	Bogota	Nemesio Camacho El Campin Stadium	2	39,000	78,000
Oct 9-10	Lima	Estadio Nacional del Peru	3	32,000	96,000
Oct 16-17	Santiago	Estadio Nacional Julio Marinez Pradanos	3	43,086	146,235
Oct 23-24	Buenos Aires	Estadio Monumental	3	53,000	159,000
Oct 28, 30-31	Sao Paulo	Estadio do Morumbi	3	72,039	216,117
Nov 19, 21-22	Kaohsiung	Kaohsiung National Stadium	3	55,000	165,000
Dec 3, 5-6	Bangkok	Rajamangala National Stadium	3	49,722	149,166
Dec 12-13	Kuala Lumpur	TM National Stadium	2	85,500	171,000
Dec 17, 19-20, 22	Singapore	Singapore National Stadium	4	55,000	220,000
Dec 26-27, 29	Jakarta	Gelora Bung Kamo Main Stadium	2	77,000	231,000
4Q26			**29**	**56,259**	**1,631,518**
2026			**77**	**60,856**	**4,625,046**
Feb 10, 12-13	Melbourne	Marvel Stadium	3	53,359	160,077
Feb 20-21	Sydney	Accor Stadium	2	83,500	167,000
Mar 4, 6-7	Hongkong	Kai Tak Stadium	3	50,000	150,000
Mar 13-14, 16	Bulacan	Philippine Stadium	3	25,000	75,000
	+ Japan				
	+ West Asia				
	+ More				
1Q27			**11**	**50,189**	**552,077**
Total concerts			**88**	**59,486**	**5,234,811**

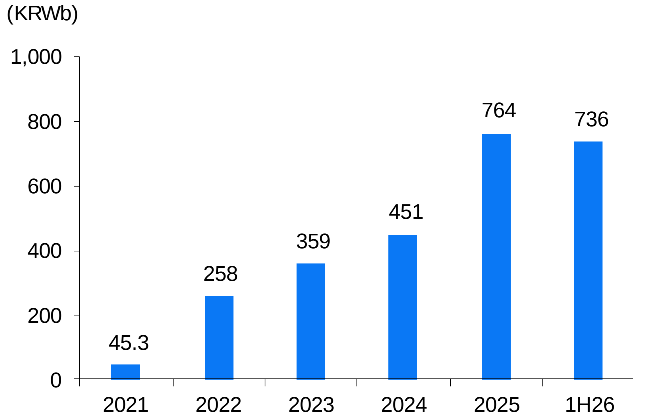
Note: World tour schedule was announced Jan 14;
Reflected US 3 additional shows (Jan 23-24, Tampa, San Francisco, Las Vegas);
34 Cities, 88 shows across regions (North America 28, Europe 10, South America 17, Asia 21, Korea 5, Oceania 5, Japan 2);
5 Latin America cities venue and ticket schedules announced (Mar 27);
Additional cities in Japan and Middle East under consideration for 2027
Source: Company data, Samsung Securities

Chart 3. Music streaming sales by HYBE music label



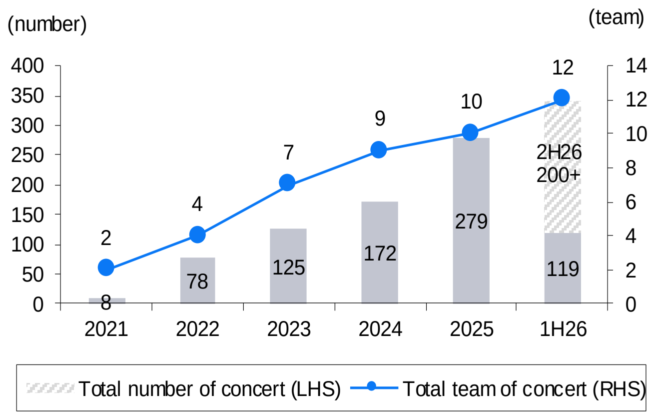
Source: Company data, Samsung Securities

Chart 4. Concert sales



Source: Company data, Samsung Securities

Chart 5. Concert status



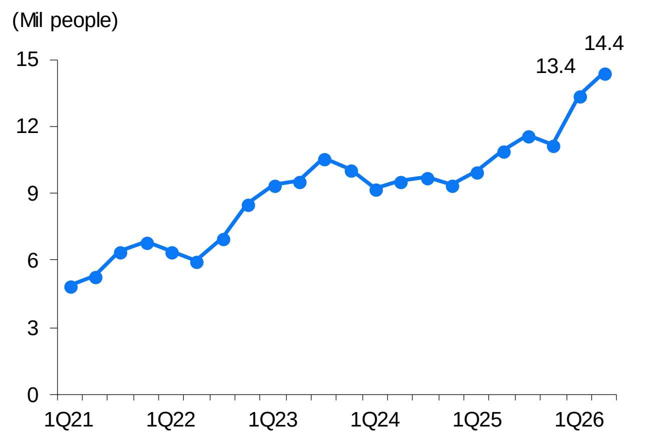
Source: Company data, Samsung Securities

Table 6. HYBE artists that have signed up to Weverse DM

Artist	Label	Month joined Weverse DM
&Team	HYBE Japan	Mar 2024
Illit	Belift Lab	Sep 2024
Katseye	HYBE UMG	Aug 2024
TXT	Bighit Music	Sep 2024
Le Sserafim	Source Music	Jan 2025
Hwang Minhyun	Pledis	Dec 2025
Aoen	YX Labels	Dec 2025
Enhypen	Belift Lab	May 2026

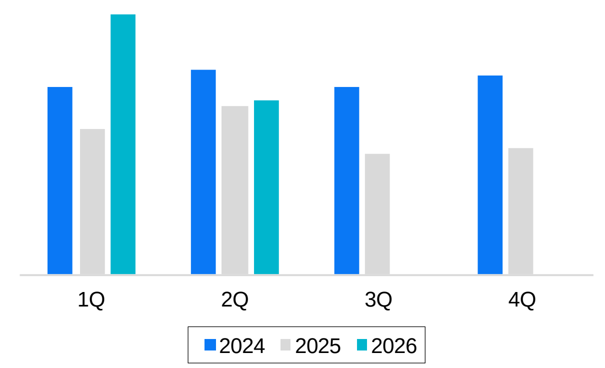
Source: Company data, Samsung Securities

Chart 6. Weverse: MAU



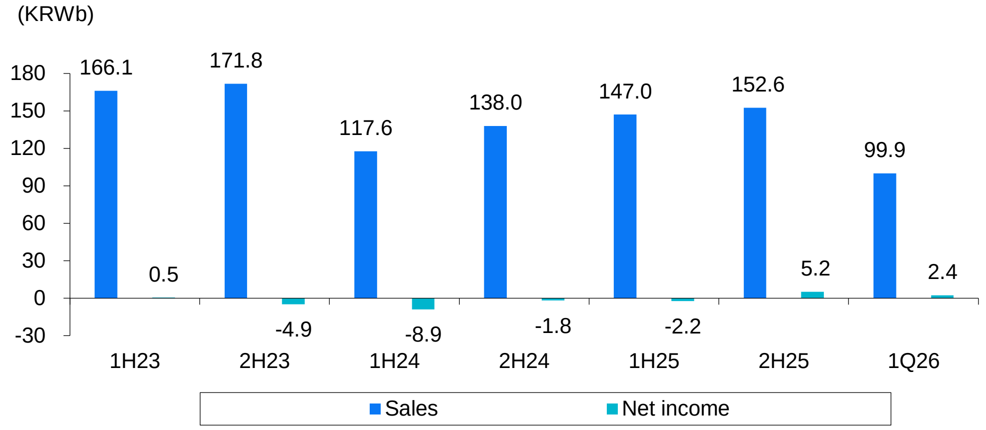
Source: Company data, Samsung Securities

Chart 7. Weverse: ARPPU



Source: Company data, Samsung Securities

Chart 8. Chart 5. Weverse: Sales and net income



Note: 2025 revenue of KRW299.7b (+17.3%), operating profit of KRW2b (vs loss of KRW14.1b in 2024), net profit of KRW3b (vs loss of KRW10.7b in 2024)

Source: Company data, Samsung Securities

Table 7. HYBE: Multiple labels

Label	Stake	Sales (KRWb)	Net income (KRWb)	Artists
Bighit Music	100%	437.5	32.7	BTS, TXT, Cortis
Pledis Entertainment	85%	288.5	54.8	Seventeen, TWS, Bumzu, Hwang Min-hyun
Source Music	80%	77,9	10.7	Le Sserafim
KOZ Entertainment	75%	66.1	11.7	Zico, BoyNextDoor
Ador	80%	29.6	6.2	NewJeans
Belift Lab	100%	154.7	38.3	Enhypen, Illit
ABD				New girl group (2H26E debut)
HYBE America*	100%	312.9	-323.1	*US HQ
- HYBE UMG	51%			Katseye, New 4-member girl group (2026)
- Big Machine Label Group				It includes Big Machine Records, Valory Music, BMLG Records
- QC Music				Lil Baby, Lil Yachty
- HYBE America x AU				(Established in Apr 2025) collaboration with Allan Chikin Chow
- NFO				(Established in Dec 2025). Tyla
HYBE Japan*	100%	747.9	56.9	*Japan HQ
- YX Labels	100%	27.9	-2.9	&Team
- Jconic	100%			(Established in Jan 2026) Aoen
HYBE Latin America	100%	2.1	-65.2	* (Established in Dec 2023) Santos Bravos
- Zarpazo Entertainment	100%			(Acquired by HYBE in Nov 2023)
- Docemil Music	100%			(Established in Feb 2025), Meme Del Real
-S1ento Records	100%			Musza, Destino, Low Clika
HYBE China	100%	0.2	0.1	(Established in Apr 2025)
HYBE India	100%	0.2	-0.3	(Established in Sep 2025)

Note: HYBE America established joint venture ‘NFO LLC’ on Dec 2025 and acquired a majority stake to secure management rights. Signed South African artist Tyla;
In Jan 2026, Jconic was established under HYBE Japan, and Aoen was transferred from YX Labels to Jconic;
In 1Q26, HYBE America’s subsidiary label Big Machine Label group was renamed to Blue Highway Records
Source: Company data, Dart, Samsung Securities

Table 8. HYBE: Sum-of-the-parts valuation

(KRWb)	12-mth fwd	Multiple (x)	Value	Note
Labels	**377.5**	**30**	**11,325.1**	**Including Ithaca Holdings, QC Music**
Weverse			**459.4**	**55.42% stake**
Equity investments			368.2	Based on book value in 4Q25
Dunamu			303.1	2.47% stake
Aqua Tree			30.0	14.29% stake
Naver Z			19.4	4.05% stake
Blast			6.2	9.94% stake
Lambda256			3.5	2.83% stake
Flint			3.1	3.05 stake
Hashed			2.3	1.25% stake
Macovill			0.7	7.1% stake
EV			**12,152.8**	
Outstanding shares (‘000)			43,073	
Fair value per share (KRW)			282,145	
Target price (KRW)			**280,000**	
Current price (Jul 1)			188,800	
Upside (%)			48.3	

Note: Supertone is excluded from the investment equity value as it is undergoing liquidation procedures (Public disclosure on 2026.7.23).
Source: Company data, Dart, Samsung Securities

Table 9. Revisions to 2026 and 2027 forecasts

(KRWb)	2026E			2027E		
	Old	New	Chg (%)	Old	New	Chg (%)
Sales	4,303.8	4,517.6	5.0	4,019.2	3,962.9	-1.4
Operating profit	239.0	226.5	-5.2	476.2	428.0	-10.1
Operating margin (%, %pts)	5.6	5.0	-0.5	11.8	10.8	-1.0
Pre-tax profit	291.4	284.3	-2.4	504.0	460.6	-8.6
Net profit (controlling)	176.0	150.3	-14.7	396.3	353.8	-10.7

Note: Reflecting share-based compensation expenses (KRW225b) in 1Q26, 2026 earnings estimates were significantly revised downward; a non-cash, accounting-recognized expense

Source: Company data, Samsung Securities estimates

Income statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Sales	**2,256**	**2,650**	**4,518**	**3,963**	**4,133**
Cost of goods sold	1,296	1,714	2,981	2,586	2,642
Gross profit	**960**	**936**	**1,537**	**1,377**	**1,491**
Gross margin (%)	42.6	35.3	34.0	34.8	36.1
SG&A expenses	776	887	1,310	949	1,014
Operating profit	**184**	**49**	**226**	**428**	**477**
Operating margin (%)	8.2	1.9	5.0	10.8	11.5
Non-operating gains (losses)	**-165**	**-227**	**58**	**33**	**19**
Financial profit	119	231	218	177	163
Financial costs	141	161	161	145	144
Equity-method gains (losses)	-18	-12	0	0	0
Other	-124	-285	0	0	0
Pre-tax profit	**19**	**-177**	**284**	**461**	**496**
Taxes	23	77	123	95	101
Effective tax rate (%)	117.7	-43.4	43.2	20.6	20.4
Profit from continuing operations	-3	-254	161	366	395
Profit from discontinued operations	0	0	0	0	0
Net profit	**-3**	**-254**	**161**	**366**	**395**
Net margin (%)	-0.2	-9.6	3.6	9.2	9.6
Net profit (controlling interests)	9	-237	150	354	382
Net profit (non-controlling interests)	-13	-17	11	12	12
EBITDA	330	196	350	542	588
EBITDA margin (%)	14.6	7.4	7.7	13.7	14.2
EPS (parent-based) (KRW)	225	-5,673	3,488	8,208	8,872
EPS (consolidated) (KRW)	-82	-6,082	3,746	8,486	9,158
Adjusted EPS (KRW)*	225	-5,673	3,488	8,208	8,872

Balance sheet

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Current assets	**1,788**	**2,364**	**2,586**	**2,810**	**3,047**
Cash & equivalents	412	535	564	625	689
Accounts receivable	262	284	293	320	330
Inventories	163	184	218	231	241
Other current assets	950	1,361	1,512	1,634	1,787
Fixed assets	**3,691**	**3,121**	**3,130**	**3,131**	**3,168**
Investment assets	763	520	587	605	627
Tangible assets	97	87	83	77	79
Intangible assets	2,244	1,987	1,919	1,893	1,867
Other long-term assets	587	527	542	555	596
Total assets	**5,479**	**5,485**	**5,716**	**5,941**	**6,215**
Current liabilities	**831**	**734**	**927**	**833**	**809**
Accounts payable	33	56	81	77	77
Short-term debt	0	0	0	0	0
Other current liabilities	798	678	846	755	732
Long-term liabilities	**1,134**	**1,200**	**1,247**	**1,243**	**1,214**
Bonds & long-term debt	742	859	859	859	859
Other long-term liabilities	392	340	387	384	355
Total liabilities	**1,965**	**1,934**	**2,174**	**2,076**	**2,024**
Owners of parent equity	**3,215**	**3,257**	**3,237**	**3,548**	**3,862**
Capital stock	21	21	21	21	21
Capital surplus	1,636	1,888	1,888	1,888	1,888
Retained earnings	1,401	1,155	1,283	1,595	1,909
Other	157	193	44	44	44
Non-controlling interests' equity	**299**	**294**	**306**	**318**	**330**
Total equity	**3,514**	**3,551**	**3,542**	**3,865**	**4,192**
Net debt	-125	-659	-713	-903	-1,159

Cash flow statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Cash flow from operations	**152**	**107**	**315**	**314**	**447**
Net profit	-3	-254	161	366	395
Non-cash profit and expenses	372	429	197	165	169
Depreciation	62	59	55	53	58
Amortization	85	88	68	61	54
Other	226	282	74	51	57
Changes in A/L from operating activities	-148	-34	72	-133	-32
Cash flow from investments	**-10**	**-169**	**-214**	**-202**	**-272**
Change in tangible assets	-32	-31	-51	-48	-59
Change in financial assets	245	-376	-149	-105	-144
Other	-224	238	-14	-49	-68
Cash flow from financing	**-118**	**187**	**62**	**-54**	**-120**
Change in debt	-72	-5	83	-12	-52
Change in equity	66	253	0	0	0
Dividends	-29	-8	-21	-43	-68
Other	-83	-52	0	0	-0
Change in cash	54	123	29	61	64
Cash at beginning of year	358	412	535	564	625
Cash at end of year	412	535	564	625	689
Gross cash flow	**369**	**174**	**359**	**531**	**563**
Free cash flow	**119**	**76**	**264**	**266**	**388**

Note: *Excluding one-off items
**Fully diluted, excluding one-off items
***From companies subject to equity-method valuation
Source: Company data, Samsung Securities estimates

Financial ratios

Year-end Dec 31	2024	2025	2026E	2027E	2028E
Growth (%)					
Sales	3.6	17.5	70.5	-12.3	4.3
Operating profit	-37.7	-73.2	359.2	89.0	11.4
Net profit	nm	nm	nm	126.7	7.9
Adjusted EPS**	-95.0	nm	nm	135.3	8.1
Per-share data (KRW)					
EPS (parent-based)	225	-5,673	3,488	8,208	8,872
EPS (consolidated)	-82	-6,082	3,746	8,486	9,158
Adjusted EPS**	225	-5,673	3,488	8,208	8,872
BVPS	77,427	76,643	76,031	83,343	90,727
DPS (common)	200	500	1,000	1,600	1,800
Valuations (x)					
P/E***	858.8	n/a	48.8	20.7	19.2
P/B***	2.5	4.3	2.2	2.0	1.9
EV/EBITDA	24.9	69.9	19.8	12.5	11.1
Ratios (%)					
ROE	0.3	-7.3	4.6	10.4	10.3
ROA	-0.1	-4.6	2.9	6.3	6.5
ROIC	-1.4	3.0	5.8	15.3	16.5
Payout ratio	88.5	-9.1	28.3	19.3	20.0
Dividend yield (common)	0.1	0.2	0.6	0.9	1.1
Net debt to equity	-3.6	-18.6	-20.1	-23.4	-27.7
Interest coverage (x)	3.7	1.0	4.4	8.1	9.3

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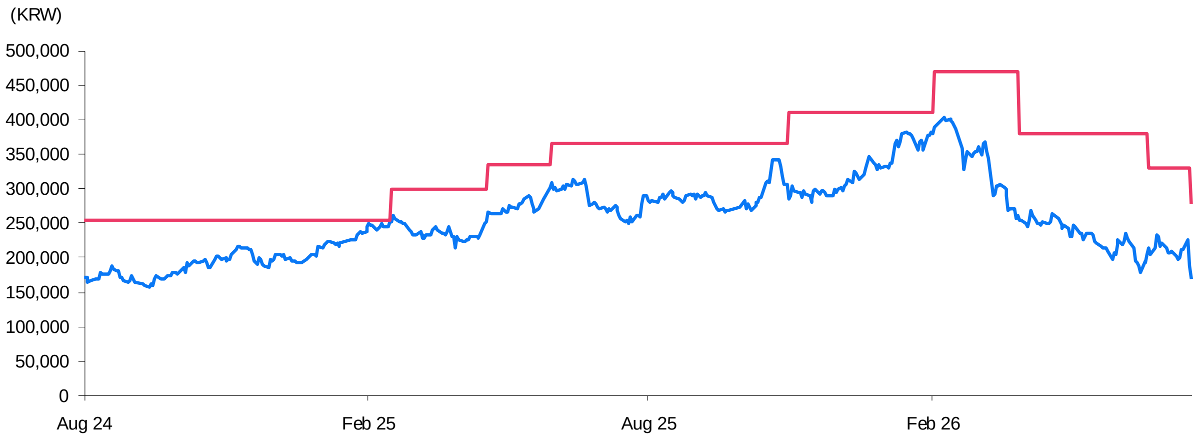
Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	2024/5/2	8/8	2025/2/26	4/30	6/10	11/11	2026/2/13	4/9	7/2	7/29
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	270000	255000	300000	335000	365000	410000	470000	380000	330000	280000
Gap* (average)	-28.66	-22.34	-21.23	-17.66	-21.45	-20.16	-28.50	-39.42	-35.98	
(max or min)**	-24.26	-1.57	-12.50	-9.85	-6.16	-6.59	-13.94	-29.47	-29.70	

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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