

4Q24 Earnings Release

Studio Dragon
12th February 2025

**STUDIO
Dragon**

Disclaimer

This financial information in this document are consolidated earnings results based on K-IFRS.

This document is provided for the convenience of investors only, before the external audit on our 4Q 2024 and 2024 financial results is completed. The audit outcomes may cause some parts of this document to change.

In addition, this document contains “forward-looking statements” – that is, statements related to future, not past, events. In this context, “forward-looking statements” often address our expected future business and financial performance, and often contain words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “seeks” or “will”. Our actual results to be materially different from those expressed in this document due to uncertainties.

CONTENTS

/ 01. 2024 Highlights

- Projects
- Financial Performance

/ 02. 4Q24 Business Performance

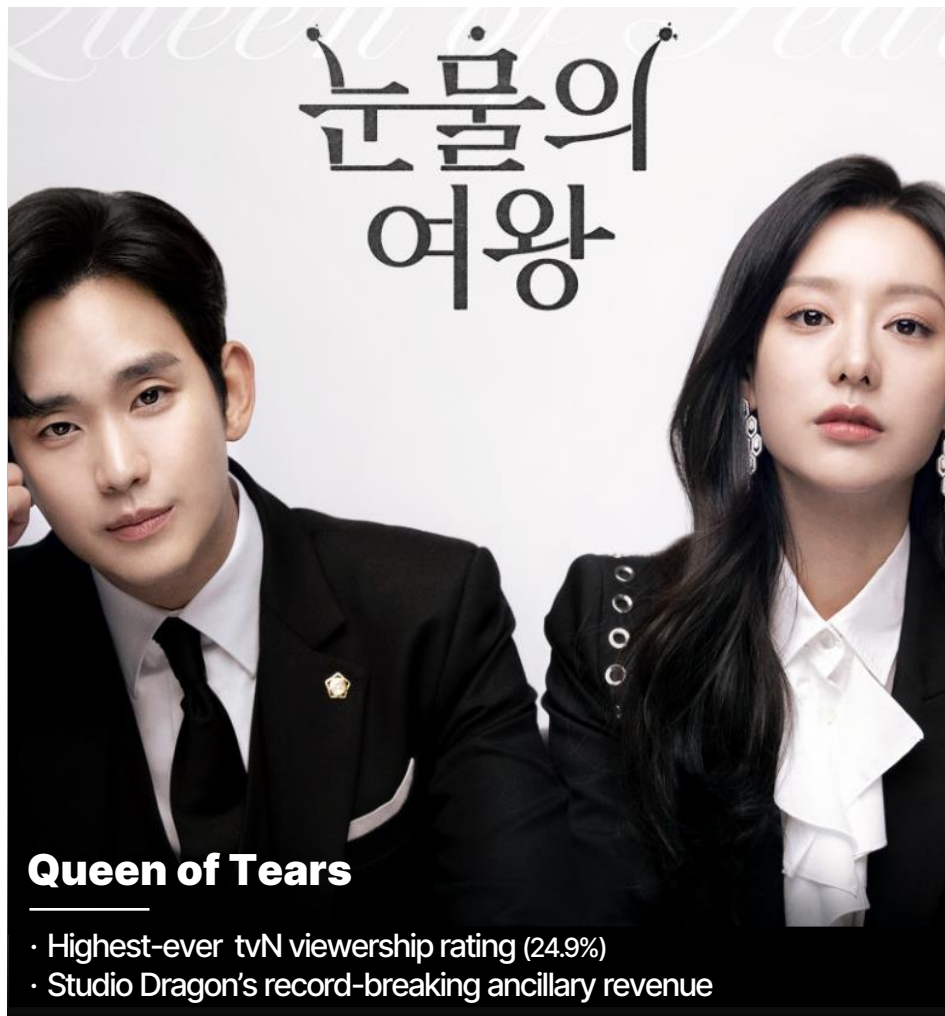
- Summary
- Revenue Breakdown
- Cost Breakdown

/ 03. Growth Strategies

/ 04. Appendix

/ 2024 HIGHLIGHTS – Projects

Glorious Achievements of 2024



/ 2024 HIGHLIGHTS – Financials

Breakthrough Amid Hardship in 2024



+4%p

Overseas Rev. Portion
From Distribution Rev.



+61%

Additional Revenue



+2%p

Net Profit Margin



+62%p

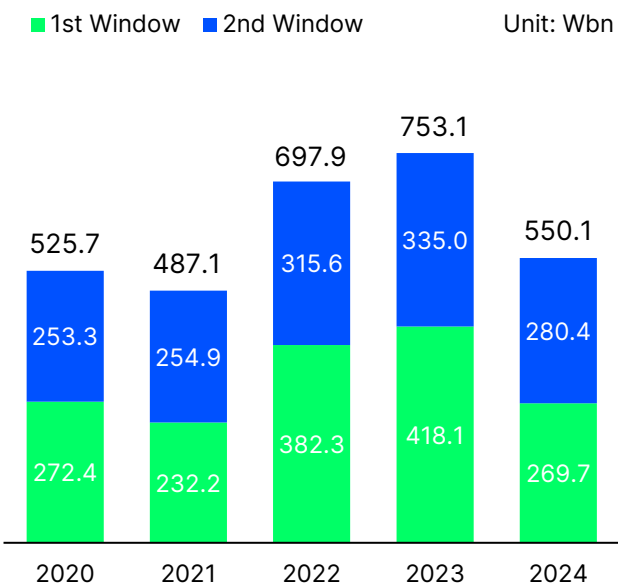
Cash Ratio
Improved Financial Solvency

/ SUMMARY

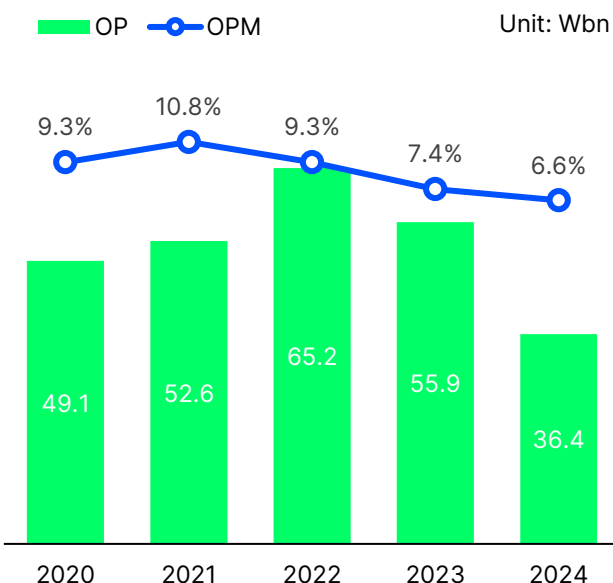
2024 Revenue W550.1bn (YoY -27.0%): Mitigated lineup reduction impact with higher pre-sale proportion (YoY +23.9%p) and strengthened IP business

2024 OP W36.4bn (YoY -34.9%): Focused on profit protection by enhancing cost efficiency through actual expense reconciliation

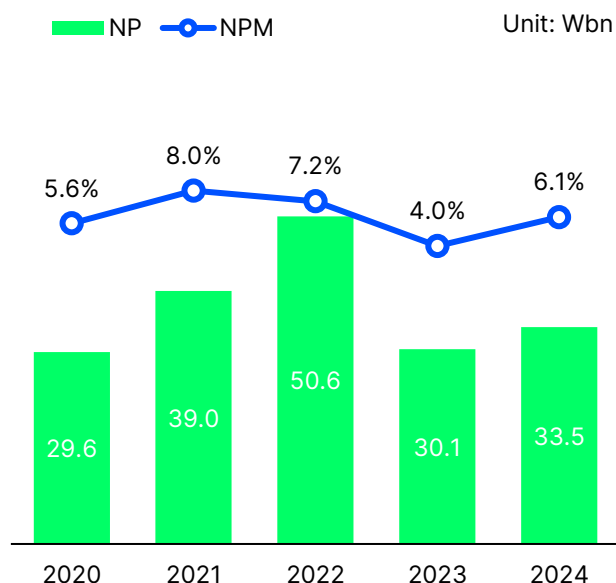
Revenue



Operating Profit



Net Profit



(*) 1st Window = Rev. from TV programming, OTT original Series, Sponsorship, etc. / 2nd Window = VOD, Licensing, other business excel. sponsorship, etc.

/ SUMMARY

4Q24 Revenue W130.6bn(YoY -19.0%): Limited revenue decline despite fewer lineup(71 eps → 46 eps) and last year's high base, driven by strong new IP performance

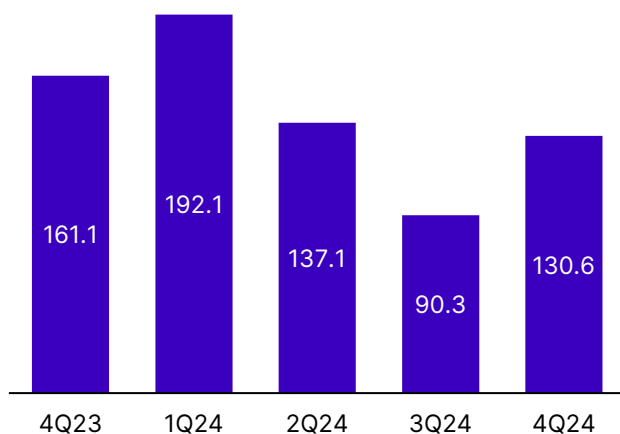
4Q24 OP W5.4bn(YoY TB): Achieved profit through improved sales efficiency of new IPs and production cost savings

1Q25: Aim to strengthen genre diversity, and to clarify 2025 growth strategy^(*) for a rebound

^(*) Lineup reconstruction, content quality enhancement, and exploration of new/global business opportunities

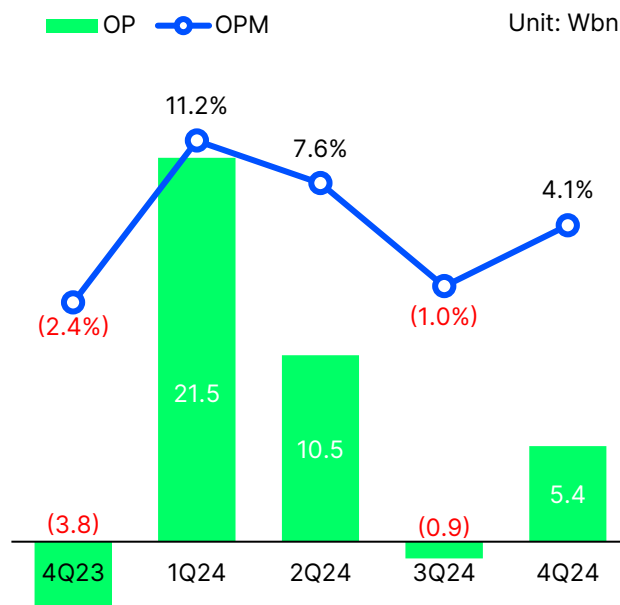
Revenue

Unit: Wbn



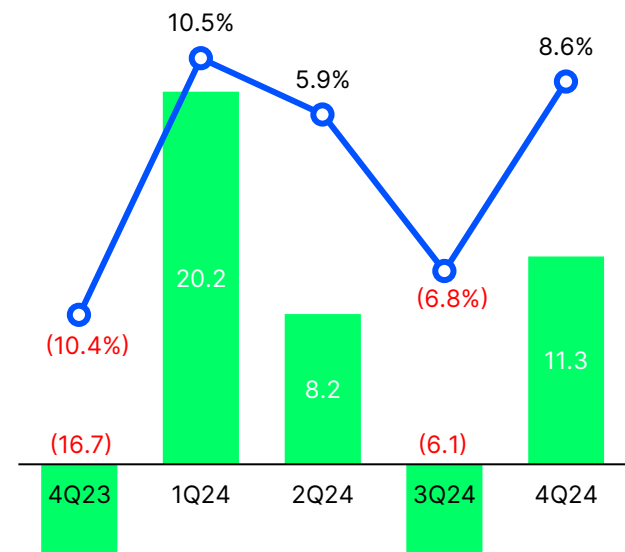
Operating Profit

Unit: Wbn



Net Profit

Unit: Wbn



/ REVENUE BREAKDOWN

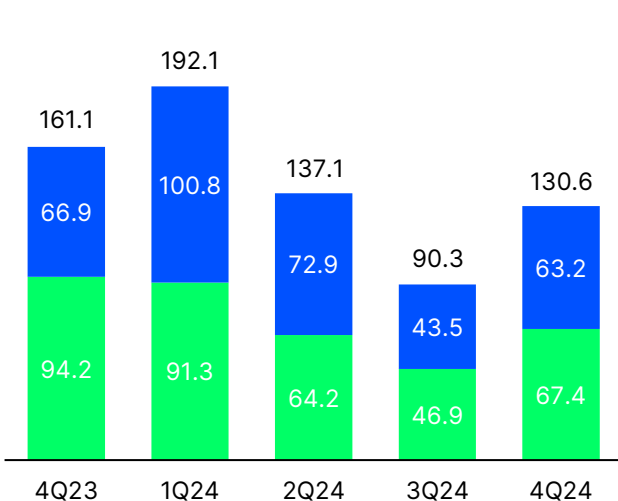
Windows, Increased proportion of 2nd Window revenue(YoY +6.9%p) due to strong OTT and regional pre-sales of new titles

Channels, Minimized the decline in programming and distribution despite a record-low episode count(TV: 26 eps)
by the performance of new titles and regional expansion

Regions, Drove domestic rev. growth(YoY +3.7%) by expanding domestic originals(TVING • ENA) and boosting ancillary sales(OST)

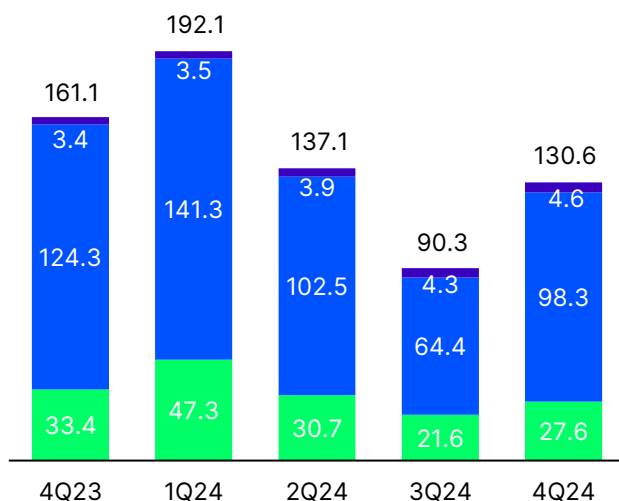
Windows^(*)

■ 1st Window ■ 2nd Window Unit: Wbn



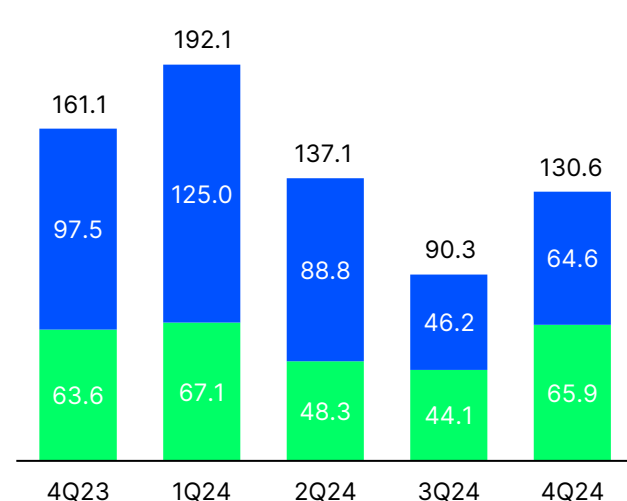
Channels

■ Programming ■ Distribution ■ Others Unit: Wbn



Regions

■ Domestic ■ Overseas Unit: Wbn



^(*) 1st Window = Rev. from TV programming, OTT original Series, Sponsorship, etc. / 2nd Window = VOD, Licensing, other business excel. sponsorship, etc.

/ COST BREAKDOWN

OPEX, Reduced COGS and amortization from fewer titles. Recovered COGS ratio(YoY -9.0%p) with production cost efficiency^(*)

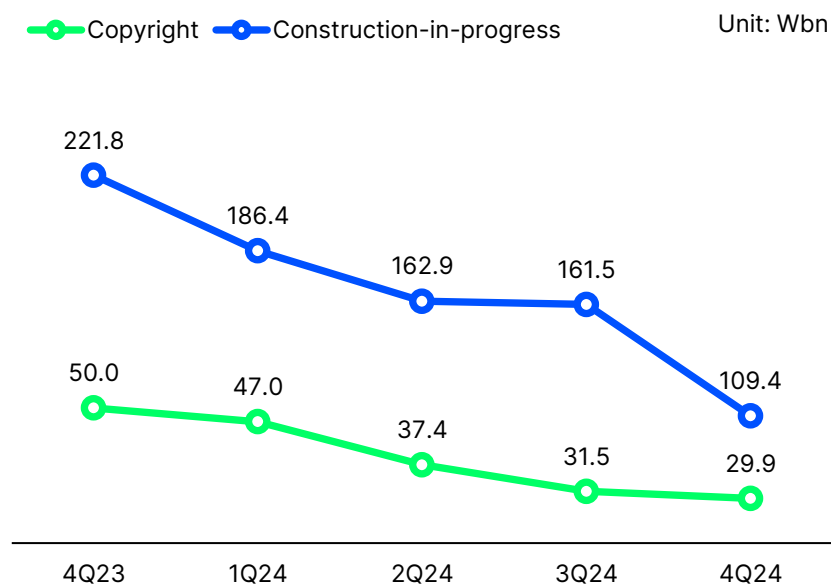
^(*) e.g., reimbursement based on actual expenses and enhanced database management

Intangible Asset, Decreased as some construction-in-progress assets were replaced by advance payments(W109.7bn, YoY +23.3%)

OPEX Breakdown (P/L)

	4Q23	1Q24	2Q24	3Q24	4Q24	2023	2024
Unit: Wbn							
Production COGS	89.3	91.3	59.6	45.4	67.1	398.3	263.5
Labor Costs	7.4	7.5	7.4	7.5	9.3	32.3	31.6
Depreciation	0.9	0.8	0.9	0.9	0.9	3.0	3.5
Amortization	49.1	50.2	38.6	26.1	28.2	183.1	143.1
Commissions	16.4	19.0	18.0	10.0	17.1	73.7	64.2
Others	1.8	1.7	2.1	1.4	2.6	6.9	7.8
OPEX	164.9	170.5	126.7	91.3	125.2	697.3	513.7

Intangible Asset (B/S)



/ KEY STRATEGIES

Rebuilding Fundamental in 2025

Lineup Reconstruction via Channel Diversification

- Total lineup: +25 titles
- tvN Wed-Thurs slot(resume): +3 titles
- Terrestrial shows: +2 titles
- Originals w/ new formats: +2 titles

Quantity

Enhancement of Hit-Ratio through Content Quality Improvement

- Fostering internal creators (e.g., directors)
- Acquiring external S/A-level creators
- Advancing production process (i.e. bidding, production database)

Quality

Expansion of Global Projects

- Developing 20+ IPs in the U.S. by collaborating with top K-creators (e.g., Park Ji-Eun)
- Developing 5+ IPs in Japan by localizing Studio Dragon's popular titles and expanding ancillary business

Global

Acceleration and Exploration of New Business Opportunities

- Discovering emerging Stars: and broadening IP-driven businesses
- Monetizing in-show contents (e.g., OST, MD)
- Exploring new frontiers (e.g., short-form, AI contents)

Momentum

Reinforcing Fundamental for Quantum Leap

/ FINANCIAL STATEMENT

(Unit: Wbn)	4Q23	3Q24	4Q24	QoQ (%)	YoY (%)
Total Assets	1,092.2	902.1	925.5	2.6	(15.3)
Current Assets	404.5	334.9	393.8	17.6	(2.7)
Cash and Cash Equivalents	158.4	134.8	178.2	32.2	12.5
Others	246.1	200.2	215.6	7.7	(12.4)
Non-Current Assets	687.7	567.1	531.7	(6.2)	(22.7)
Tangible Assets	12.4	12.2	11.7	(3.8)	(5.3)
Intangible Assets	358.9	277.9	204.9	(26.3)	(42.9)
Others	316.4	277.0	315.1	13.8	(0.4)
Total Liabilities	384.5	192.0	185.9	(3.2)	(51.7)
Current Liabilities	368.0	175.4	169.4	(3.4)	(54.0)
Non-Current Liabilities	16.5	16.6	16.4	(0.8)	(0.2)
Shareholders' Equity	707.8	710.1	739.6	4.2	4.5
Capital Stock	15.0	15.0	15.0	0.0	0.0
Paid-In Capital in Excess of Par Val	473.4	473.4	473.4	0.0	0.0
Retained Earnings	242.0	264.3	274.8	4.0	13.5
Other Components of Equity	(0.3)	(0.2)	(0.1)	CR	CR
Key Financial Ratios					
Current Ratio(%)	109.9	190.9	232.4	41.5%p	122.5%p
Net Debt(Net Cash)Ratio(%)	1.6	(18.8)	(23.9)	(5.1)%p	(25.5)%p
Cash Ratio(%)	43.0	76.8	105.1	28.3%p	62.1%p

Note (1) K-IFRS consolidated basis

(2) Current Ratio = Current Assets / Current Liabilities, Net Debt (Net Cash) to Equity = Net Debt (Net Cash) / Shareholders' Equity,

Cash Ratio = Cash and Cash Equivalents / Current Liabilities

(3) TR (Turned Red), TB (Turned Black), CR (Continued Red), n/a (not available)

/ INCOME STATEMENT

(Unit: Wbn)	4Q23	1Q24	2Q24	3Q24	4Q24	QoQ (%)	YoY (%)	2023	2024	YoY (%)
# of Episodes Aired	71	71	42	59	46	(22.0)	(35.2)	341	218	(36.1)
TV	40	54	34	38	26	(31.6)	(35.0)	227	152	(33.0)
OTT	31	17	8	21	20	(4.8)	(35.5)	114	66	(42.1)
Revenue	161.1	192.1	137.1	90.3	130.6	44.6	(19.0)	753.1	550.1	(27.0)
Programming	33.4	47.3	30.7	21.6	27.6	28.2	(17.2)	154.1	127.2	(17.4)
Distribution	124.3	141.3	102.5	64.4	98.3	52.6	(20.9)	588.9	406.5	(31.0)
Others	3.4	3.5	3.9	4.3	4.6	7.1	36.4	10.1	16.4	61.2
OPEX	164.9	170.5	126.7	91.3	125.2	37.2	(24.1)	697.3	513.7	(26.3)
COGS	156.8	163.4	119.0	84.4	115.3	36.6	(26.4)	665.3	482.1	(27.5)
SG&A	8.2	7.2	7.7	6.8	9.9	44.8	21.3	32.0	31.6	(1.3)
Operating Profit	(3.8)	21.5	10.5	(0.9)	5.4	TB	TB	55.9	36.4	(34.9)
Margin(%)	(2.4)	11.2	7.6	(1.0)	4.1	5.1%p	6.5%p	7.4	6.6	(0.8)%p
Non-Operating Profit	(22.0)	5.7	2.7	(3.1)	(13.4)	CR	CR	(18.7)	(8.2)	CR
Non-Operating Income	(0.3)	8.7	6.6	(0.6)	5.8	TB	TB	15.3	20.4	34.0
Non-Operating Expenses	21.7	3.0	3.9	2.5	19.2	656.7	(11.2)	33.9	28.6	(15.6)
Pre-tax Profit	(25.8)	27.2	13.2	(4.1)	(8.1)	CR	CR	37.2	28.2	(24.2)
Income Taxes	(9.1)	7.0	5.0	2.1	(19.4)	TR	CR	7.1	(5.3)	TR
Net Profit	(16.7)	20.2	8.2	(6.1)	11.3	TB	TB	30.1	33.5	11.3
Margin(%)	(10.4)	10.5	5.9	(6.8)	8.6	15.4%p	19.0%p	4.0	6.1	2.1%p

Note (1) K-IFRS consolidated basis

(2) TR (Turned Red), TB (Turned Black), CR (Continued Red), n/a (not available)

The Queen Who Crowns tvN TVING <ul style="list-style-type: none"> • Writer: Lee Young-Mi • Director: Kim Sang-Ho • Stars: Cha Joo-Young, Lee Hyun-Wook 	Typhoon Family (TBD) tvN <ul style="list-style-type: none"> • Writer: Jang Hyun • Director: Lee Na-Jung • Stars: Lee Joon-Ho, Kim Min-Ha 	Dear Hongrang NETFLIX Original <ul style="list-style-type: none"> • Writer: Kim Jin-Ah • Director: Kim Hong-Sun • Stars: Lee Jea-Wook, Jo Bo-Ah
My Dearest Nemesis tvN <ul style="list-style-type: none"> • Writer: Kim Soo-Yeon • Director: Lee Soo-Hyun • Stars: Moon Ga-Young, Choi Hyun-Wook 	Mean Love (TBD) tvN <ul style="list-style-type: none"> • Writer: Jung Yeo-Rang • Director: Kim Ga-Ram • Stars: Lee Jung-Jae, Lim Ji-Yeon 	The Price of Confession NETFLIX Original <ul style="list-style-type: none"> • Writer: Kwon Jong-Kwan • Director: Lee Jeong-Hyo • Stars: Jeon Do-Yeon, Kim Go-Eun
Unknown Seoul (TBD) tvN <ul style="list-style-type: none"> • Writer: Lee Kang • Director: Park Shin-Woo • Stars: Park Bo-Young, Park Jin-Young 	Study Group TVING Original <ul style="list-style-type: none"> • Writer: Um Sun-Ho, Oh Bo-Hyun • Director: Lee Jang-Hoon, Yoo Beom-Sang • Stars: Hwang Min-Hyun, Han Ji-Eun 	Genie, Make a Wish NETFLIX Original <ul style="list-style-type: none"> • Writer: Kim Eun-Sook • Stars: Kim Woo-Bin, Suzy
The Tyrant's Chef (TBD) tvN <ul style="list-style-type: none"> • Director: Jang Tae-Yoo • Stars: Im Yoon-Ha, Lee Chae-Min 	Dear X TVING Original <ul style="list-style-type: none"> • Writer: Choi Ja-Won • Director: Lee Eung-Bok, Park So-Hyun • Stars: Kim Yoo-Jung, Kim Yeong-Dae 	The Manipulated (TBD) Disney+ Original <ul style="list-style-type: none"> • Writer: Oh Sang-Ho • Director: Park Shin-Woo, Kim Chang-Joo • Stars: Ji Chang-Wook, Do Kyoung-Soo

+ Terrestrial and Global Shows 

(*) The presold platforms will be disclosed at a later date

Thank you

**STUDIO
Dragon**