

# Q2 2022 EARNINGS RELEASE

STUDIO DRAGON

AUGUST 4, 2022

**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 Q2 2022 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.

# TABLE OF CONTENTS

## **/ 01. 2Q22 HIGHLIGHTS**

## **/ 02. 2Q22 OPERATING PERFORMANCE**

- PROGRAMMING
- DISTRIBUTION
- COST

## **/ 03. 2H22 & MID-LONG TERM GROWTH STRATEGY**

## **APPENDIX**

# 01. 2Q22 HIGHLIGHTS



〈OUR BLUES〉



〈THE KILLER'S  
SHOPPING LIST〉



〈SH\*\*TING STARS〉



〈LINK: EAT, LOVE,  
KILL〉



〈EVE〉



〈MONSTROUS〉



〈YUMI'S CELLS S2〉

## # OF TITLES

**13 TITLES**  
(YoY +7 titles)

## REVENUE

**₩157.5BN**  
(YoY + 48.5%)

## OVERSEAS DISTRIBUTION REV.

**YOY +22.1%**

## OPM

**17.1%**  
(YoY +4.1%p)

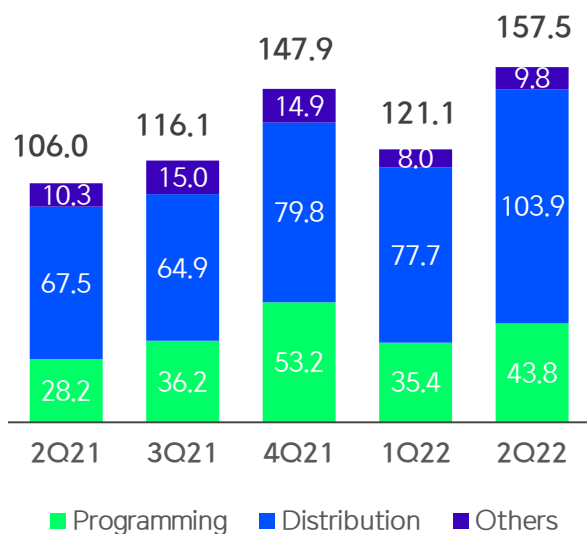
## 02. 2Q22 OPERATING PERFORMANCE

### SUMMARY

- ✓ **2Q22 Revenue W157.5bn** (+48.5% YoY): Lineup increase including big budget titles & decent overseas sales  
→ Strong topline growth
- OP W27.0bn** (+95.7% YoY): More bargaining power & new OTT platform expansion → All-time high OP
- ✓ **3Q22 Aim** to prove solid fundamentals by expanding domestic & overseas distribution channels and by accelerating lineup increase

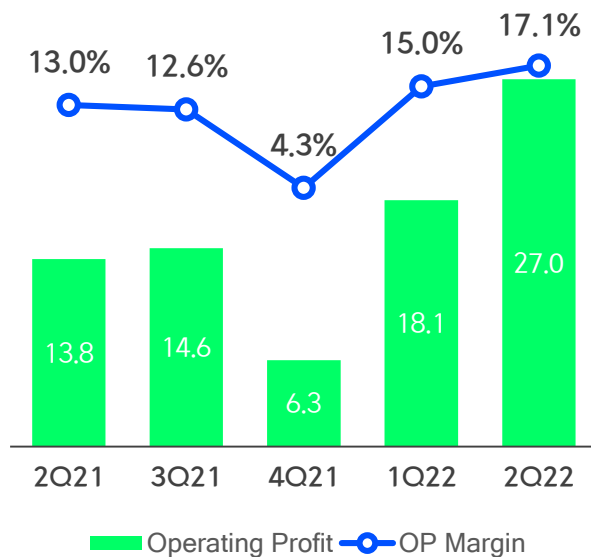
### REVENUE

Unit: Wbn



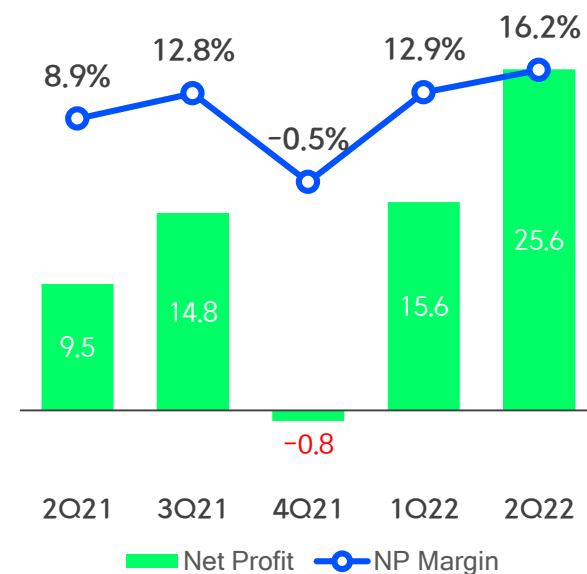
### OPERATING PROFIT

Unit: Wbn



### NET PROFIT

Unit: Wbn

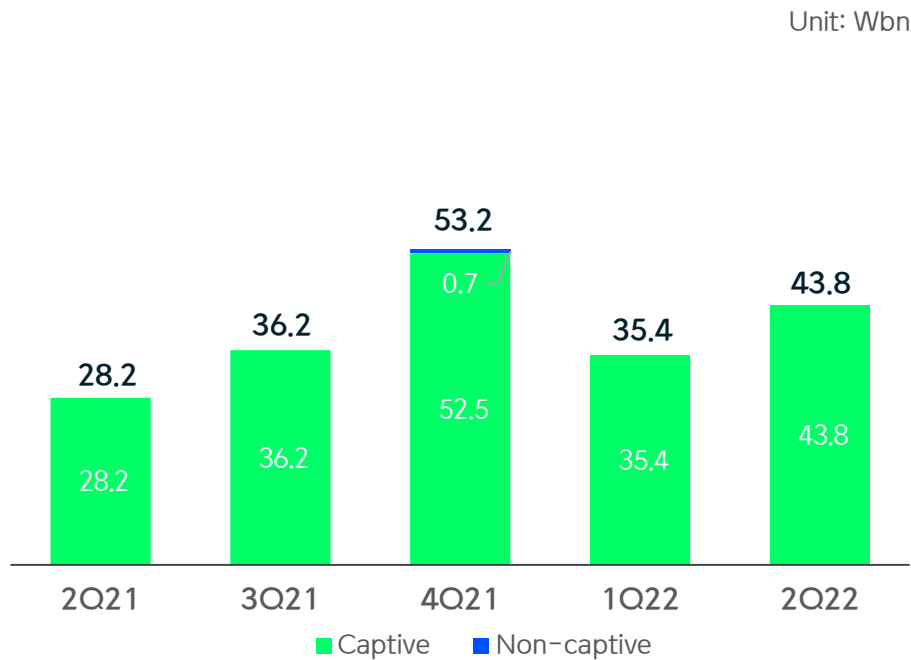


## 02. 2Q22 OPERATING PERFORMANCE

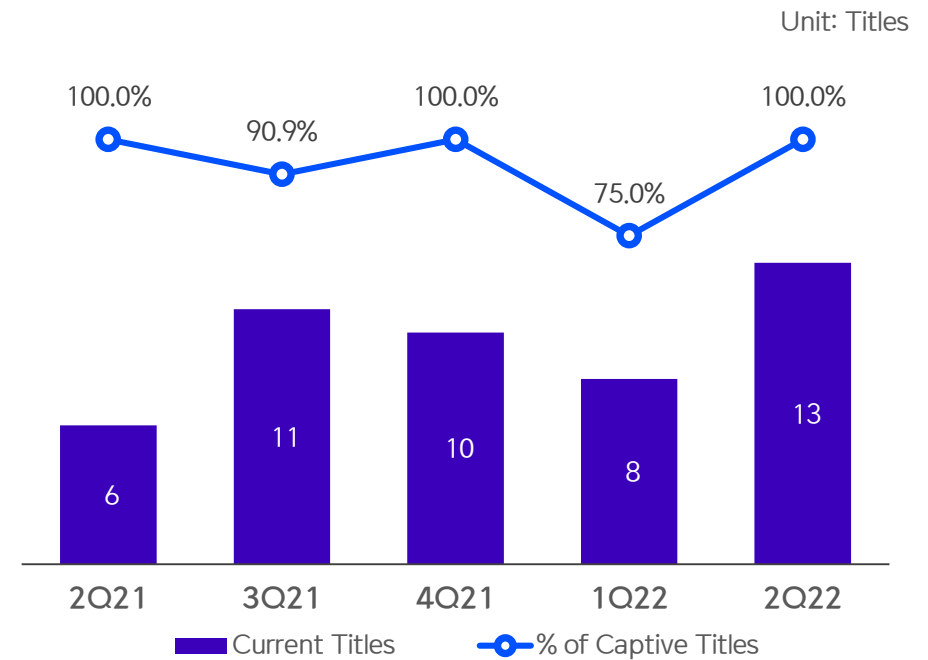
### PROGRAMMING

- ✓ 2Q22 Revenue W43.8bn (+55.4% YoY): Remarkable viewership performance of <Our Blues> & concerns on lineup decrease eased
- ✓ 3Q22 Continue to expand number of titles by releasing more multiseason series and diversifying genres

### PROGRAMMING REVENUE



### PRODUCTION TREND

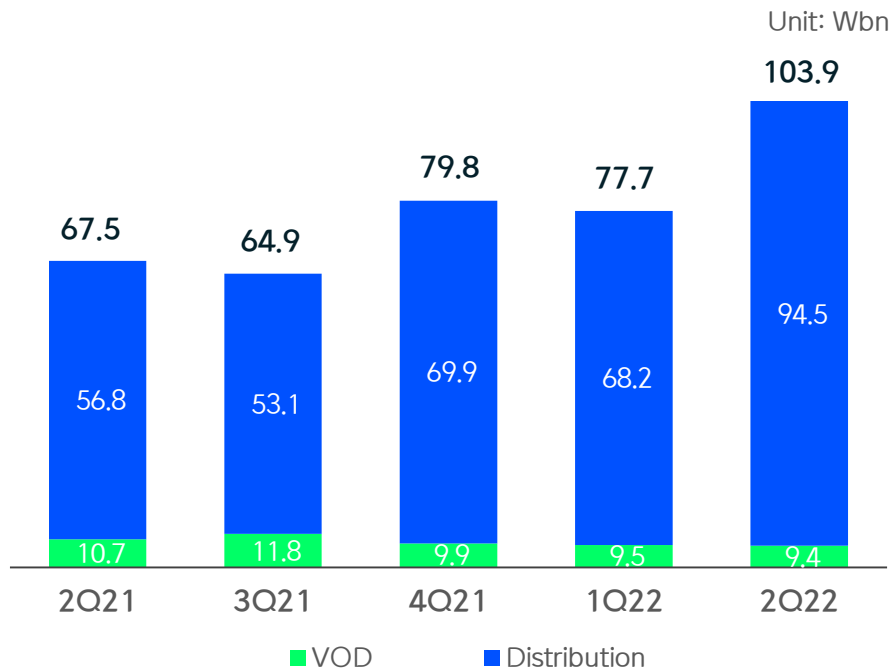


## 02. 2Q22 OPERATING PERFORMANCE

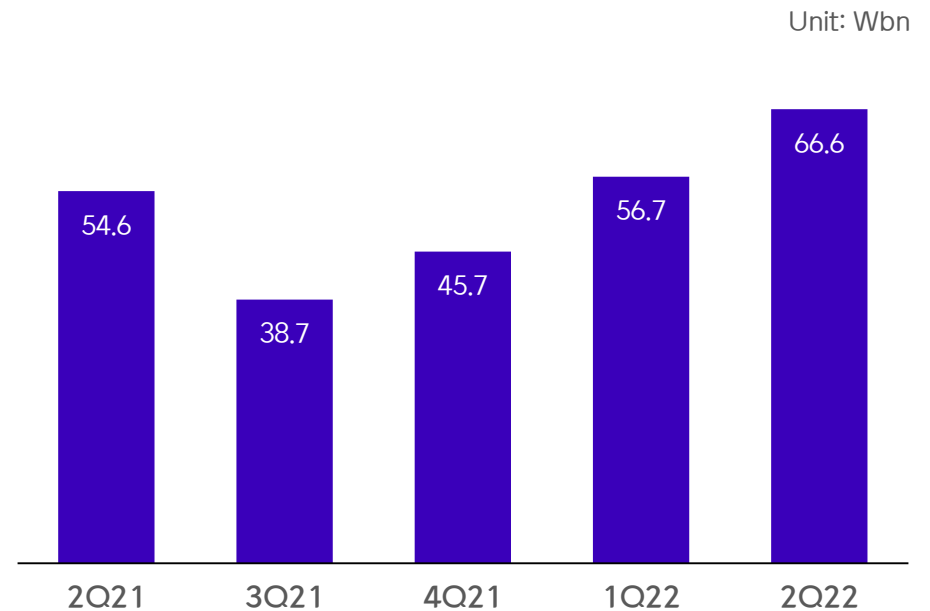
### DISTRIBUTION

- ✓ 2Q22 Revenue W103.9bn (+53.8% YoY): Augmented OTT lineups and diversified rev. streams of new & old titles → Record-breaking
- ✓ 3Q22 Expand original TV series and prebuys by exploring new channels incl. terrestrial TV channel, Coupang Play, etc.

### DISTRIBUTION REVENUE



### OVERSEAS DISTRIBUTION REVENUE



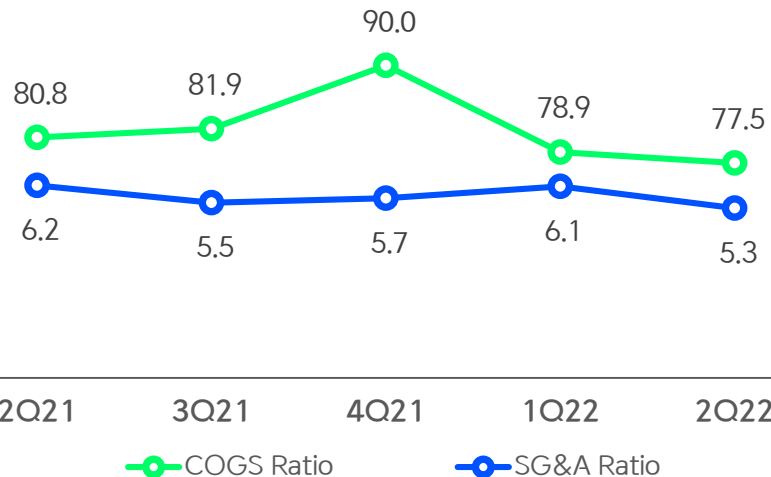
## 02. 2Q22 OPERATING PERFORMANCE

### COST

- ✓ **2Q22 OPEX W130.5bn (+41.5% YoY):** Despite production cost increase, enhanced leverage of each title with ASP increase  
→ Stabilized COGS ratio
- ✓ **3Q22 Scale up both number of lineups(Q) & production cost(P)** → Maintain cost efficiency

### COGS AND SG&A RATIO

Unit : %



### OPEX BREAKDOWN (1)

Unit: Wbn

	2Q21	3Q21	4Q21	1Q22	2Q22
Production COGS	43.7	46.8	84.2	45.0	72.2
Labor Costs	6.1	7.2	9.2	7.7	8.1
Depreciation	0.9	0.9	1.1	1.0	1.0
Amortization	23.8	26.0	21.3	25.1	29.8
Commissions	11.1	12.7	14.2	17.7	12.6
Others	6.7	7.9	11.6	6.5	6.9
<b>OPEX</b>	<b>92.2</b>	<b>101.5</b>	<b>141.6</b>	<b>103.0</b>	<b>130.5</b>

Note (1) COGS + SG&A Cost



### 03. 1H22 GROWTH STRATEGY

GLOBAL OTT EXPANSION;  
BIG-BUDGET OTT ORIGINALS & 1ST HOLLYWOOD DRAMA → ACCELERATE TOP-LINE GROWTH

# OF TITLES	ORIGINALS	PREBUYS	HOLLYWOOD
<b>23</b> <sub>TITLES</sub>	<b>9</b> <sub>TITLES</sub>	<b>7</b> <sub>TITLES</sub>	<b>1<sup>ST</sup></b>
17 titles, +35% <sup>(*)</sup>	5 titles, +80% <sup>(*)</sup>	5 titles, +40% <sup>(*)</sup>	

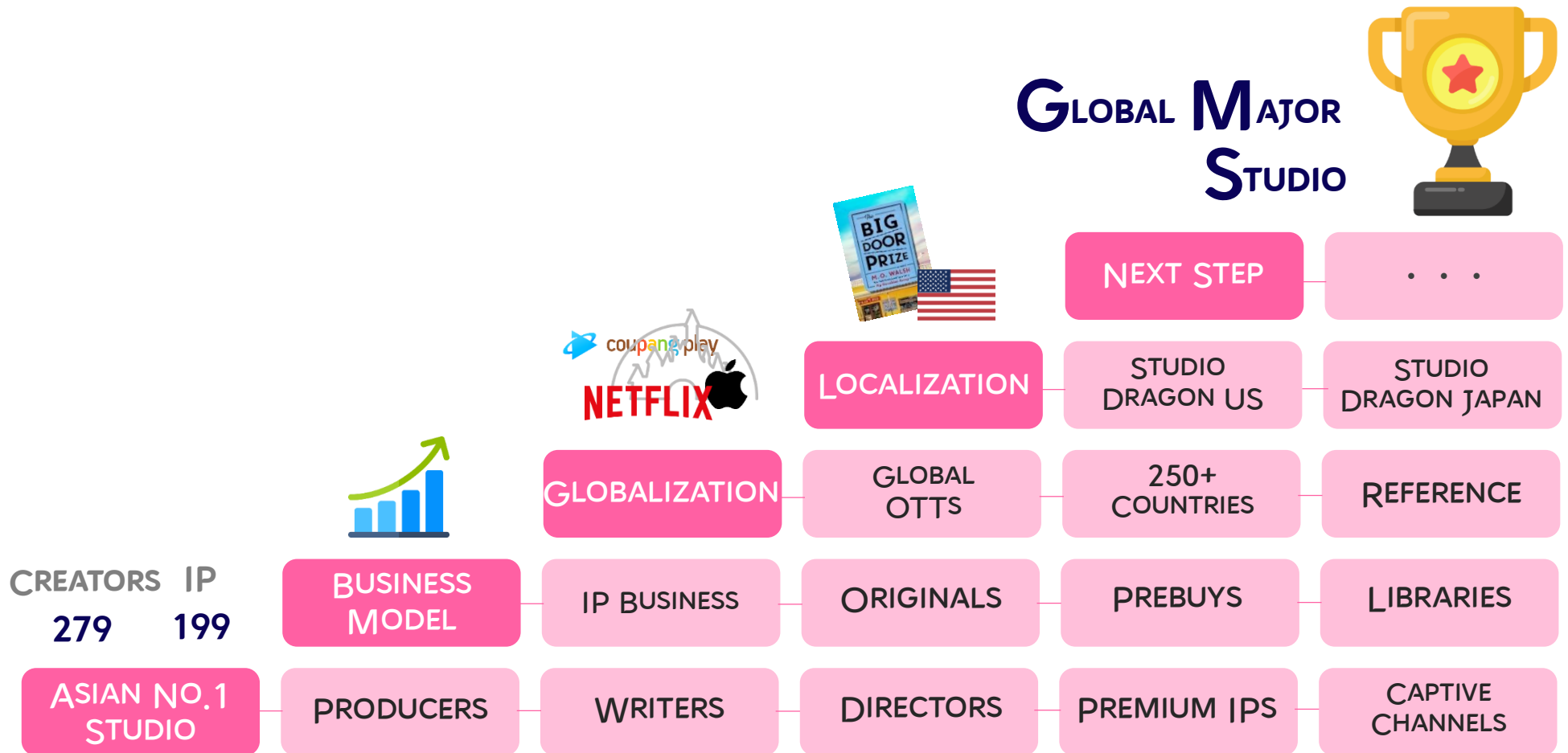
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(\*) As of 1H22, # of titles aired may be double counted

# 03. MID & LONG TERM GROWTH STRATEGY

## BEYOND ASIAN NO.1, TOWARD GLOBAL MAJOR



# APPENDIX

## **/ 01. FINANCIAL STATEMENTS SUMMARY**

- FINANCIAL POSITION
- INCOME STATEMENT

## **/ 02. Q3 2022 LINEUP**

# 01. APPENDIX – FINANCIAL POSITION

(Unit: Wbn)	2Q21	1Q22	2Q22	% QoQ	% YoY
<b>Total Assets</b>	<b>851.6</b>	<b>979.7</b>	<b>1,022.0</b>	<b>4.3</b>	<b>20.0</b>
Current Assets	228.3	274.6	296.3	7.9	29.8
Cash and Cash Equivalents	30.9	40.1	47.4	18.3	53.3
Others	197.4	234.5	248.8	6.1	26.1
Non-Current Assets	623.3	705.1	725.7	2.9	16.4
Tangible Assets	7.7	7.5	8.8	17.6	13.2
Intangible Assets	276.4	352.6	359.8	2.0	30.2
Others	339.2	345.1	357.1	3.5	5.3
<b>Total Liabilities</b>	<b>167.2</b>	<b>294.6</b>	<b>347.9</b>	<b>18.1</b>	<b>108.1</b>
Current Liabilities	152.6	269.2	315.9	17.4	107.1
Non-Current Liabilities	14.6	25.5	32.0	25.5	118.8
<b>Shareholders' Equity</b>	<b>684.5</b>	<b>685.1</b>	<b>674.1</b>	<b>(1.6)</b>	<b>(1.5)</b>
Capital Stock	15.0	15.0	15.0	0.0	0.0
Paid-In Capital in Excess of Par Val	470.0	470.4	470.4	0.0	0.1
Retained Earnings	147.9	177.4	202.9	14.4	37.2
Other Components of Equity	51.5	22.4	(14.3)	TR	TR
<b>Key Financial Ratios</b>					
Current Ratio (%)	149.6	102.0	93.8	(8.3)%p	(55.9)%p
Net Debt (Net Cash) to Equity (%)	(4.5)	8.7	7.8	(0.9)%p	12.3%p
Cash Ratio (%)	20.3	14.9	15.0	0.1%p	(5.3)%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)

# 01. APPENDIX – INCOME STATEMENT

(Unit: Wbn)	2Q21	3Q21	4Q21	1Q22	2Q22	% QoQ	% YoY	1H21	1H22	% YoY
<b>Sales Revenue</b>	<b>106.0</b>	<b>116.1</b>	<b>147.9</b>	<b>121.1</b>	<b>157.5</b>	<b>30.0</b>	<b>48.5</b>	<b>223.1</b>	<b>278.6</b>	<b>24.9</b>
Programming	28.2	36.2	53.2	35.4	43.8	23.7	55.4	71.9	79.2	10.1
Distribution	67.5	64.9	79.8	77.7	103.9	33.7	53.8	130.8	181.6	38.9
Others	10.3	15.0	14.9	8.0	9.8	22.8	(5.1)	20.4	17.7	(13.2)
OPEX	92.2	101.5	141.6	103.0	130.5	26.7	41.5	191.5	233.5	21.9
Cost of Goods Sold	85.7	95.1	133.1	95.6	122.1	27.8	42.5	179.1	217.7	21.5
SG&A	6.5	6.4	8.4	7.4	8.4	13.0	28.1	12.4	15.8	27.9
<b>Operating Profit</b>	<b>13.8</b>	<b>14.6</b>	<b>6.3</b>	<b>18.1</b>	<b>27.0</b>	<b>49.1</b>	<b>95.7</b>	<b>31.7</b>	<b>45.1</b>	<b>42.5</b>
Margin (%)	13.0	12.6	4.3	15.0	17.1	2.2%p	4.1%p	14.2	16.2	2.0%p
Non-operating Profit	0.3	3.9	(7.9)	2.0	3.0	53.1	1,085.2	3.4	5.0	45.7
Non-operating Income	2.0	4.6	2.8	3.6	8.5	136.8	334.2	7.2	12.1	69.0
Non-Operating Expenses	1.7	0.7	10.7	1.6	5.5	239.9	221.2	3.7	7.1	90.5
Pre-tax Profit	14.0	18.5	(1.6)	20.1	30.0	49.5	113.7	35.1	50.1	42.8
Income Taxes	4.6	3.6	(0.8)	4.5	4.5	(0.5)	(2.8)	10.1	8.9	(11.4)
<b>Net Profit</b>	<b>9.5</b>	<b>14.8</b>	<b>(0.8)</b>	<b>15.6</b>	<b>25.6</b>	<b>63.8</b>	<b>170.2</b>	<b>25.0</b>	<b>41.2</b>	<b>64.6</b>
Margin (%)	8.9	12.8	(0.5)	12.9	16.2	3.3%p	7.3%p	22.2	29.1	6.9%p

**Note** (1) K-IFRS consolidated basis

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

## 02. Q3 2022 LINEUP



**ALCHEMY OF SOULS PART 1.**  
20 episodes



**ADAMAS**  
16 episodes



**POONG, THE JOSEON PSYCHIATRIST S1**  
12 episodes



**STOCK STRUCK**  
12 episodes



**UNICORN**  
12 episodes



**BIG MOUTH**  
16 episodes

**TVN  
NETFLIX**

Written by  
**HONG JEONG-EUN,  
HONG MI-RAN**

〈Hotel Del Luna〉

Directed by  
**JANG YANG-HO  
PARK JUN-HWA**

〈What's Wrong with  
Secretary Kim?〉

Casting  
**LEE JAE-WOOK  
JUNG SO-MIN**

**TVN  
DISNEY+**

Written by  
**CHOI TAE-KANG**

Directed by  
**PARK SEUNG-WOO**  
〈Kairos〉

Casting  
**JI SUNG  
SEO JI-HYE**

**TVN**

Written by  
**CHOI MIN-HO**

Directed by  
**KANG HEE-JU  
PARK WON-GUK**  
〈Special Labor Inspector〉

Casting  
**KIM MIN-JAE  
KIM HYANG-GI**

**TVING**

Written by  
**YUN SU-MIN,  
KIM YEON-JI  
LEE YE-RIM**

〈Birthcare Center〉

Directed by  
**CHOI JI-YOUNG**  
〈What's Wrong with  
Secretary Kim?〉

Casting  
**HAN JI-EUN  
HONG JONG-HYUN**

**COUPANG  
PLAY**

Written by  
**YOO BYUNG-JAE**

Directed by  
**LEE BYUNG-HEON  
KIM HYE-YEONG**  
〈Be Melodramatic〉

Casting  
**SHIN HA-KYUN  
WON JIN-A**

**MBC  
DISNEY+**

Written by  
**KIM HA-RAM**

Directed by  
**OH CHOONG-HWAN**  
〈Hotel Del Luna〉

Casting  
**LEE JONG-SUK  
IM YOON-AH**

Premium Storyteller  
Group

# THANK YOU

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Dragon**

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