

1Q23 Earnings Release

Studio Dragon
4th May, 2023

**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 Q1 2023 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.

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- Financial Performance

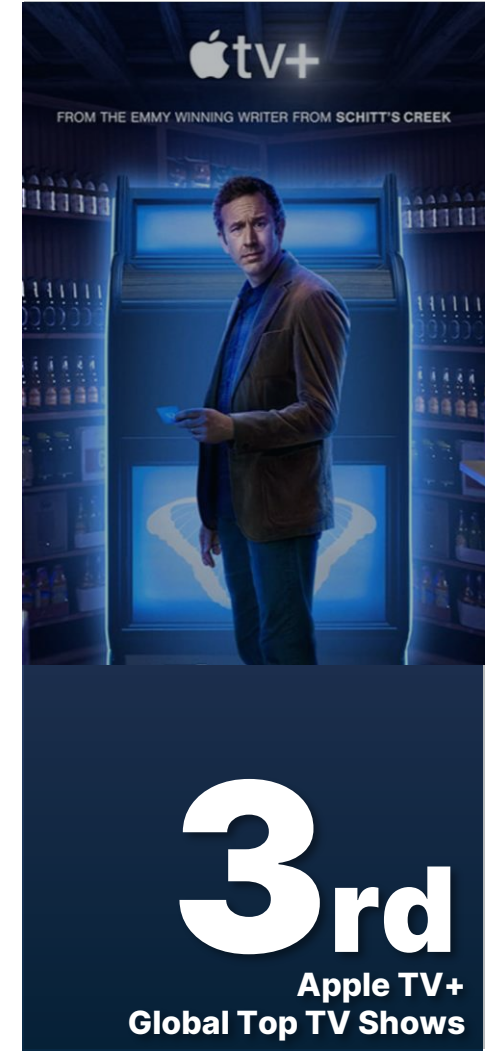
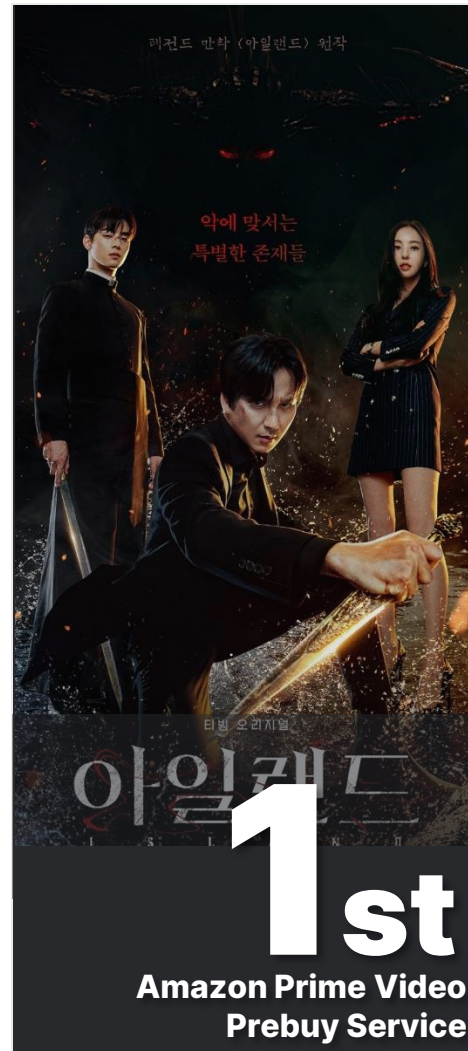
/ 02. 1Q23 Business Performance

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/ 1Q23 HIGHLIGHTS – Projects



/ 1Q23 HIGHLIGHTS - Financial

1Q23, New Era of Studio Dragon

+9 eps

Prebuy
Lineups

+18 eps

OTT
Original Series

13%

Proportion of
SD series
on Netflix

+49%

ASP of
New Titles

+86%

Revenue from
Overseas

/ SUMMARY

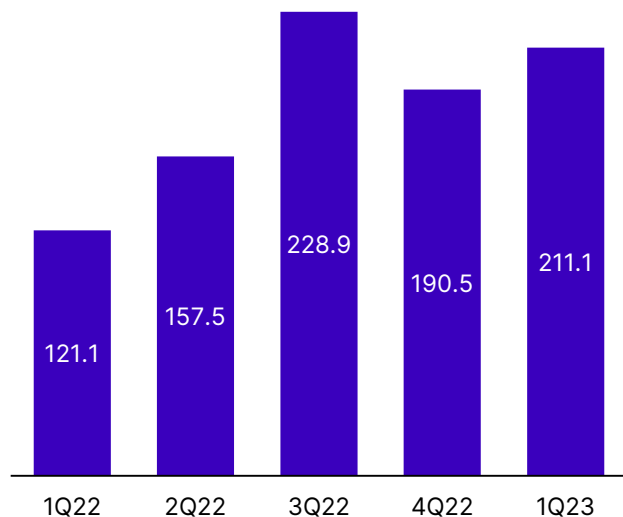
1Q23 Revenue W211.1bn (YoY +74.4%): Realized SD's strategies to diversify platforms & to fortify bargaining power
→ Achieved content expansion both in quality and quantity

1Q23 OP W21.6bn (YoY +19.3%): Improved distribution efficiency via global OTTs & regional channels
→ Enhanced the quality of profit

2Q23: Target to create strong IP performance by developing marketing strategies → Stronger foundation for growth

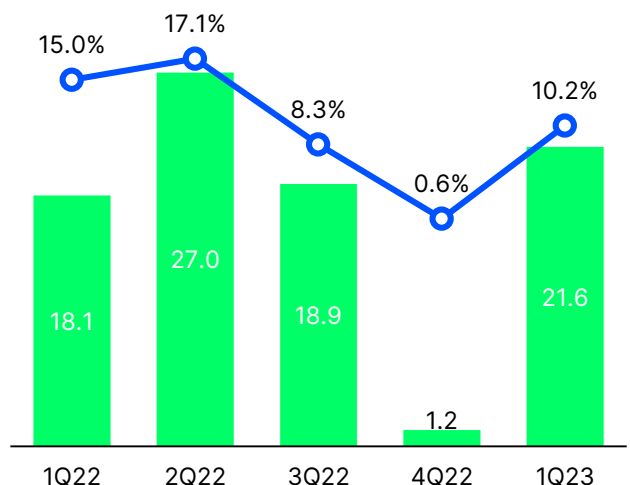
Revenue

Unit: Wbn



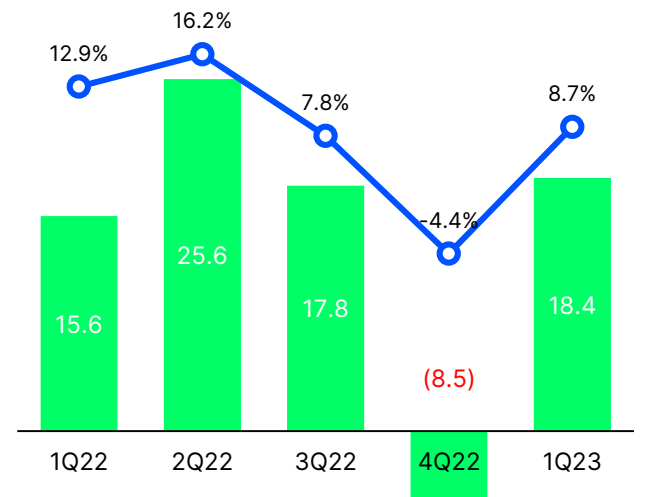
Operating Profit

Unit: Wbn



Net Profit

Unit: Wbn



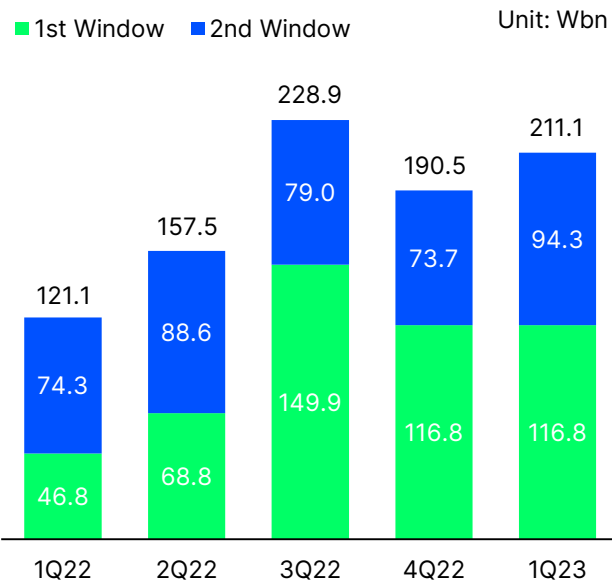
/ REVENUE BREAKDOWN

Windows, Strong 1st Window growth with increased OTT original series incl. <Island>, <Duty after School>, <The Glory>, etc.

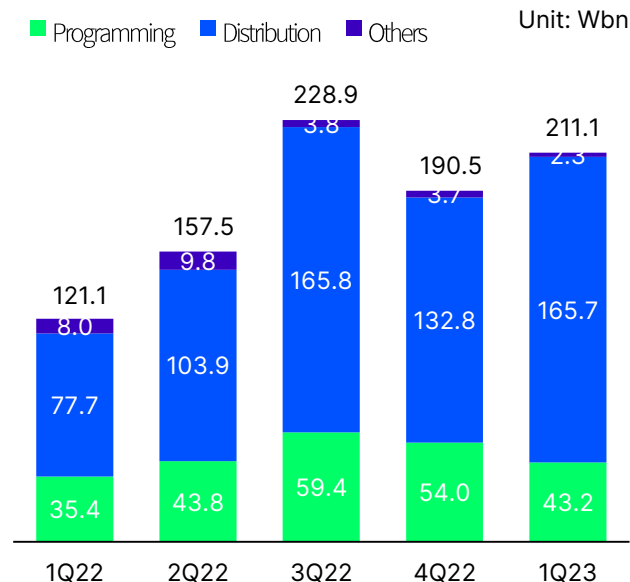
Channels, Increased recoup rate of global platforms & number of prebuy episodes(YoY+9 eps)
→ Strong growth of distribution revenue

Regions, Maintained solid proportion of overseas revenue despite domestic OTT original series i.e. TVing, Coupang Play, etc.

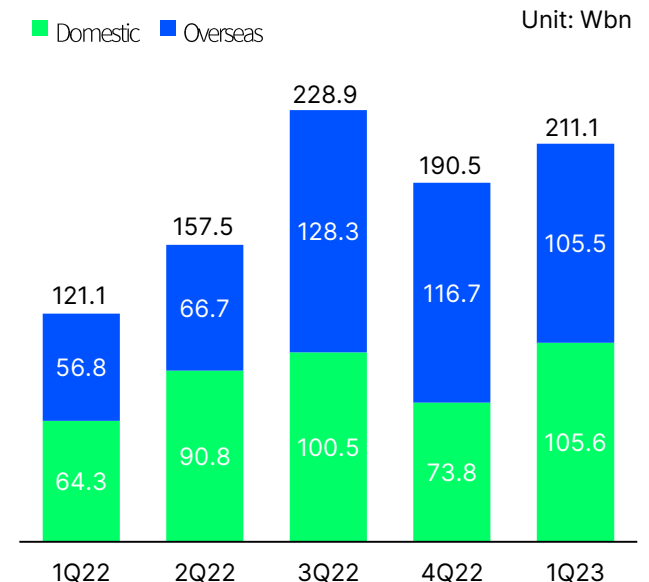
Windows^(*)



Channels



Regions



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

/ COST BREAKDOWN

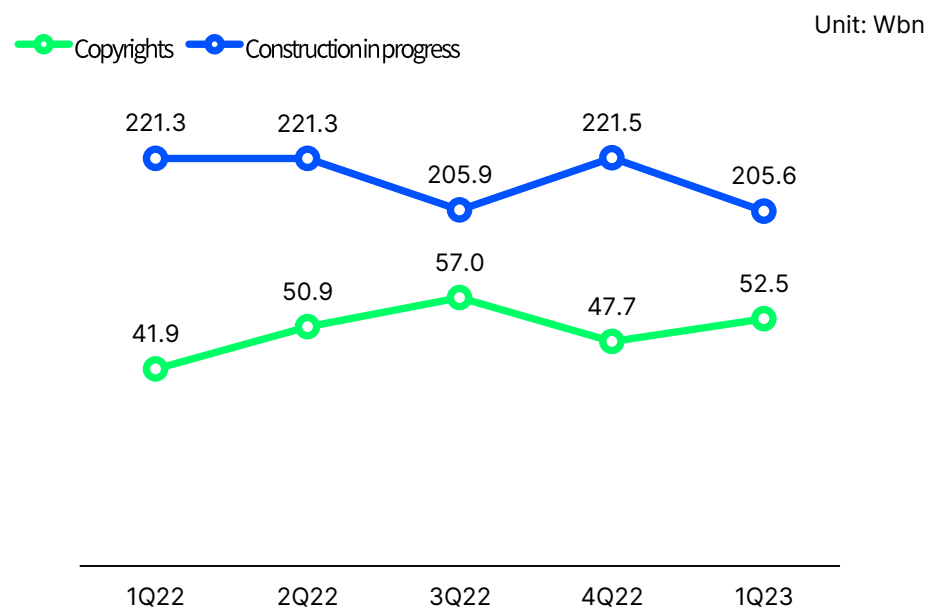
OPEX, Production COGS increased attributable to expansion of OTT original series & overall scale of TV lineups

Intangible Asset, Construction in progress remained constant on the back of stable pipeline
Copyright showed slight increase as the number of new titles increased in Q1

OPEX Breakdown

	1Q22	2Q22	3Q22	4Q22	1Q23
Unit: Wbn					
Production COGS	45.0	72.2	140.5	103.9	108.1
Labor Costs	7.7	8.1	8.6	12.4	9.3
Depreciation	1.0	1.0	0.7	0.7	0.7
Amortization	25.1	29.8	43.5	51.5	46.5
Commissions	17.7	12.6	15.0	19.1	23.1
Others	6.5	6.9	1.7	1.8	1.8
OPEX	103.0	130.5	209.9	189.3	189.5

Intangible Asset

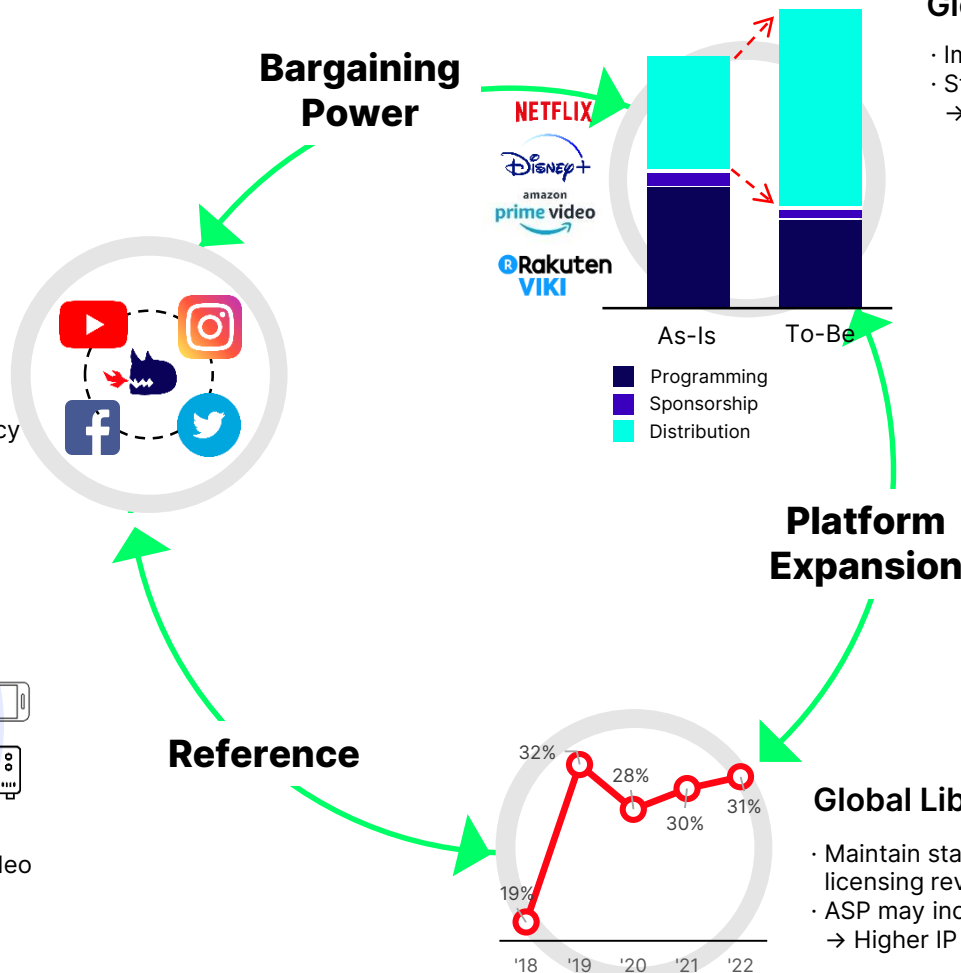


/ 2023 KEY STRATEGIES

Strategic synergy with platforms

Global Marketing

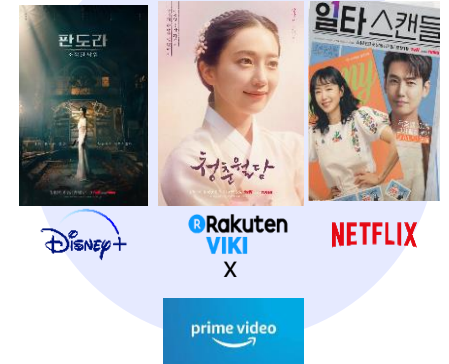
- Promote prebuy titles in global markets with platforms
- IP Hit-Ratio goes up with strategies specialized by each region
→ Maximize content distribution efficiency



Global Licensing

- Improved recoup rate of Netflix, Disney+
- Start prebuy service via new platforms
→ Enhance the proportion of distribution revenue & profitability of each project

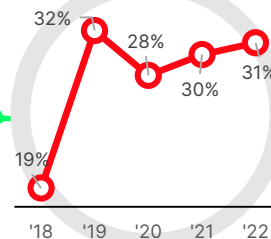
<Pandora: Beneath the paradise> <Our Blooming Youth> <Crash Course in Romance>



<Tale of the Nine Tailed 1938>



- Prebuy service to Amazon Prime Video
- Promotion targeting SEA region



/ FINANCIAL STATEMENT

(Unit: Wbn)	1Q22	4Q22	1Q23	% QoQ	% YoY
Total Assets	979.7	1,090.7	1,132.8	3.9	15.6
Current Assets	274.6	400.1	401.9	0.5	46.4
Cash and Cash Equivalents	40.1	123.7	93.1	(24.7)	132.1
Others	234.5	276.4	308.9	11.7	31.7
Non-Current Assets	705.1	690.5	730.8	5.8	3.6
Tangible Assets	7.5	10.9	10.6	(2.7)	42.8
Intangible Assets	352.6	377.8	364.0	(3.7)	3.2
Others	345.1	301.8	356.2	18.0	3.2
Total Liabilities	294.6	429.9	441.9	2.8	50.0
Current Liabilities	269.2	416.3	426.2	2.4	58.3
Non-Current Liabilities	25.5	13.7	15.7	15.2	(38.2)
Shareholders' Equity	685.1	660.7	690.9	4.6	0.8
Capital Stock	15.0	15.0	15.0	0.0	0.1
Paid-In Capital in Excess of Par Val	470.4	473.4	473.4	0.0	0.6
Retained Earnings	177.4	212.6	231.0	8.7	30.2
Other Components of Equity	22.4	(40.2)	(28.5)	CR	TR
Key Financial Ratios					
Current Ratio(%)	102.0	96.1	94.3	(1.8)	(7.7)
Net Debt(Net Cash)Ratio(%)	8.7	7.0	11.1	4.1	2.4
Cash Ratio(%)	14.9	29.7	21.8	(7.9)	6.9

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)	1Q22	2Q22	3Q22	4Q22	1Q23	% QoQ	% YoY	2021	2022	% YoY
# of Episodes Aired	74	107	160	101	112	10.9	51.4	352	442	25.6
TV	53	87	99	76	73	(3.9)	37.7	269	315	17.1
OTT	21	20	61	25	39	56.0	85.7	83	127	53.0
Revenue	121.1	157.5	228.9	190.5	211.1	10.8	74.4	487.1	697.9	43.3
Programming	35.4	43.8	59.4	54.0	43.2	(20.0)	21.9	161.3	192.5	19.4
Distribution	77.7	103.9	165.8	132.8	165.7	24.7	113.1	275.5	480.2	74.3
Others	8.0	9.8	3.8	3.7	2.3	(37.2)	(71.0)	50.3	25.2	(49.9)
OPEX	103.0	130.5	209.9	189.3	189.5	0.1	84.0	434.5	632.7	45.6
COGS	95.6	122.1	201.5	178.8	180.3	0.9	88.7	407.3	597.9	46.8
SG&A	7.4	8.4	8.4	10.5	9.2	(12.3)	24.3	27.2	34.8	27.9
Operating Profit	18.1	27.0	18.9	1.2	21.6	1,732.1	19.3	52.6	65.2	24.0
Margin(%)	15.0	17.1	8.3	0.6	10.2	9.6	(4.7)	10.8	9.3	(1.4)%p
Non-Operating Profit	2.0	3.0	6.5	(18.1)	0.5	TB	(75.6)	(0.6)	(6.6)	CR
Non-Operating Income	3.6	8.5	15.3	(5.7)	6.5	TB	81.9	14.5	21.7	49.1
Non-Operating Expenses	1.6	5.5	8.8	12.4	6.0	(51.2)	276.2	15.1	28.3	87.1
Pre-tax Profit	20.1	30.0	25.5	(17.0)	22.1	TB	10.0	52.0	58.6	12.7
Income Taxes	4.5	4.5	7.6	(8.5)	3.7	TB	(17.2)	13.0	8.1	(37.8)
Net Profit	15.6	25.6	17.8	(8.5)	18.4	TB	17.8	39.0	50.6	29.5
Margin(%)	12.9	16.2	7.8	(4.4)	8.7	13.2	(4.2)	8.0	7.2	(0.8)%p

Note (1) K-IFRS consolidated basis

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



Tale of the Nine Tailed 1938

tvN, Amazon Prime Video
12 episodes
May.6th ~ Jun.11th

Duty after School

TVing original series
10 episodes
2nd part released on
Apr. 21st



See You in My 19th Life

tvN, Netflix
12 episodes
Jun.17th ~ Jul.23rd



Stealer: The Treasure Keeper

tvN
12 episodes
Apr.12th ~ May. 18th



Family: The Unbreakable Bond

tvN, Disney+
12 episodes
Apr.17th ~ May.23rd



Delightfully Deceitful

tvN
16 episodes
May. 29th ~ Jul.18th

Thank you

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