

Global Music

Global Music: The Long View - Super fan economics, why concerts are now BTS company’s center of gravity



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K-pop has moved from a unit-driven business to a moment economy where fans spend less on albums and more on live, time-bound experiences with their artists. As the perceived value of emotional return per hour rises, concerts have become the natural center of gravity for industry monetization. Hybe demonstrates this shift at scale, using each show as a platform to monetize fandom across tickets, merch, and digital content.

“Moment” economy: Concerts take the wheel in K-pop. K-pop fandom has shifted from buying albums to buying time with their artists, with spend increasingly flowing to live moments rather than physical units, built around monetizing real-time interaction between fans and artists. In this framework, concert revenue becomes the natural center of gravity for the industry’s profit pool as the model rotates from unit-based albums to platforms that can repeatedly monetize live, time-bound fan engagement at scale.

Fans paying for time: Why experiences beat physical goods. The perceived value of time is rising even as the real value of a dollar is squeezed, pushing consumers toward experiences that maximize their emotional return per hour. In K-pop, intense fandom, social signaling, and constant digital sharing mean a 2-3 hour show throws off months of residual value through clips, interactions with the artist, and ongoing community engagement, supporting ticket and bundle pricing that would look excessive for any standalone product.

Filling seats, owning screens: How Hybe monetizes every moment. Hybe has turned BTS fandom into hard crowd-pulling power, filling 50k-capacity venues and selling out 80+ shows, so that every night on tour seeds a high-margin online profit pool in streaming, buzz, and digital content. Its 300+ concerts over 50+ cities looks beyond a local label calendar. BTS’s latest comeback crystallises the model: a new album, a physical comeback stage, and instant dominance on global platforms show how a single IP can move the content value chain, shift bargaining power to the IP owner, and monetize fan consumption across Spotify, Netflix, and beyond.

Monetizing the hype: Hybe’s concert-plus-merch profit engine. Concert revenue is usually a low-margin business once you factor in staging costs and promoter revenue share, but large-fandom IPs flip that script. In Hybe’s case, each show is treated as a monetization node for a full stack of revenue streams: tickets, VIP and soundcheck packages, tour-exclusive merch, fan club memberships, and digital content layered on top. Hybe also benefits from structurally higher margins, retaining a greater share of tour economics as its global scale reduces reliance on local promoters.

Streaming to Stadiums: Unlocking superfan lifetime value. K-pop superfan monetization is becoming a powerful flywheel for both **Spotify** and **Live Nation**, converting high-ARPU digital engagement directly into live revenue. These fans already spend heavily, making them ideal for Spotify’s premium upsell, while tools like Reserved seamlessly channel them into concerts, where they drive above-average pricing and sell-through. Spotify monetizes the fan online, Live Nation monetizes them offline, and together they maximize lifetime value.

BERNSTEIN TICKER TABLE

Ticker	Rating	12 Jun 2026			TTM Rel. Perf.	Reported EPS			Reported P/E (x)			
		Cur	Closing Price	Price Target		Cur	2025A	2026E	2027E	2025A	2026E	2027E
352820.KS (Hybe)	O	KRW	228,000	400,000	(63.7)%	KRW (5,713.11)	10,055	10,175		(39.9)	22.7	22.4
LYV (Live Nation)	O	USD	172.51	200.00	(0.9)%	USD	(0.24)	0.24	2.84	(729.5)	710.6	60.8
SPOT (Spotify)	O	USD	482.00	625.00	(54.3)%	EUR	10.51	12.78	16.16	39.7	32.6	25.8
6758.JP (Sony)	M	JPY	3,292.00	3,500.00	(52.6)%	JPY	171.30	198.75	207.66	19.2	16.6	15.9
SONY (Sony)	M	USD	20.53	22.00	(43.2)%	USD	1.08	1.25	1.30	19.1	16.4	15.7
UMG.NA (Universal Music)	O	EUR	17.76	29.00	(52.5)%	EUR	1.03	1.09	1.17	17.3	16.4	15.1
ASIA			1,966.72									
SPX			7,431.46									
JPL			2,549.03									
EDME			1,570.59									

O - Outperform, M - Market-Perform, U - Underperform, NR - Not Rated, CS - Coverage Suspended

352820.KS, UMG.NA estimate is Adjusted EPS; 352820.KS, UMG.NA valuation is Adjusted P/E (x);

Source: Bloomberg, Bernstein estimates and analysis.

INVESTMENT IMPLICATIONS

We rate **Hybe (352820.KS) Outperform**.

We rate **SPOT & LYV Outperform**.

We rate **Sony Market-Perform** with PT = **¥3,500.00**.

We rate **UMG Outperform**.

VALUATION COMPS TABLE

EXHIBIT 1: Asia Internet: valuation summary

	Rating	Price target	Last price	Crcncy	Market cap (US\$m)	2026E	PE 2027E	2028E	2026E	EV/sales 2027E	2028E
China Internet coverage											
Tencent	O	780	463.60	HKD	538,857	13.5x	11.6x	10.0x	4.4x	3.8x	3.3x
PDD	M	110	81.56	USD	116,092	7.5x	6.7x	6.0x	0.6x	0.4x	0.1x
Meituan	M	85	77.90	HKD	61,384	174.5x	16.2x	9.4x	0.8x	0.7x	0.6x
NetEase	O	150	125.82	USD	80,289	13.8x	12.9x	12.2x	3.3x	3.0x	2.8x
Boss Zhipin	O	18	13.70	USD	6,625	11.1x	9.2x	8.2x	2.6x	1.8x	1.3x
JD	O	40	28.56	USD	39,008	9.2x	6.8x	5.1x	0.2x	0.2x	0.2x
Alibaba	O	180	112.82	USD	270,670	28.3x	16.6x	14.1x	1.8x	1.7x	1.6x
China Internet other											
Kuaishou			45.88	HKD	25,396	10.4x	9.2x	8.1x	1.0x	0.9x	0.9x
Bilibili			17.86	USD	7,591	17.3x	13.6x	10.5x	1.1x	1.0x	0.9x
TME			9.22	USD	15,319	9.5x	8.6x	7.8x	2.0x	1.8x	1.7x
Baidu			115.77	USD	39,391	15.6x	13.2x	10.6x	1.2x	1.1x	1.0x
VIPshop			13.92	USD	6,685	5.4x	5.2x	5.0x	0.2x	0.2x	0.2x
Tencent Music			9.22	USD	15,319	9.5x	8.6x	7.8x	2.0x	1.8x	1.7x
Trip.com			46.47	USD	29,262	11.3x	9.9x	8.8x	2.3x	2.0x	1.8x
KE Holdings			16.89	USD	19,547	19.3x	16.5x	16.5x	1.1x	1.1x	1.1x
Asian Internet											
Naver	O	330,000	242,500	KRW	25,076	17.5x	15.9x	14.1x	1.9x	1.6x	1.4x
Kakao	O	80,000	40,900	KRW	11,910	23.0x	20.3x	16.7x	1.3x	1.0x	0.7x
Hybe	O	400,000	228,000	KRW	6,478	22.7x	22.4x	18.3x	1.5x	1.7x	1.4x
Coupang	U	12	16.82	USD	30,193	-45.9x	72.3x	36.4x	0.7x	0.6x	0.6x
Sea Ltd.			82.94	USD	50,799	22.2x	16.2x	12.9x	1.5x	1.2x	1.0x
Grab			3.30	USD	13,532	32.0x	21.4x	15.9x	2.3x	1.9x	1.6x
US Internet											
Amazon			238.55	USD	2,566,108	23.1x	20.6x	16.8x	3.2x	2.8x	2.6x
Alphabet			359.68	USD	4,369,972	25.2x	23.6x	19.5x	10.3x	8.5x	7.2x
Meta			566.98	USD	1,439,235	16.0x	14.7x	12.2x	5.7x	4.8x	4.1x
Netflix			80.34	USD	338,296	22.6x	20.8x	17.5x	6.7x	6.0x	5.4x
Uber			68.85	USD	140,151	21.2x	15.4x	12.5x	2.5x	2.2x	1.9x
Spotify			482.00	USD	99,211	32.5x	26.4x	21.6x	4.0x	3.5x	3.1x
DoorDash			150.58	USD	65,611	32.3x	21.9x	17.0x	3.6x	3.0x	2.5x

Pricing date June 12, 2026. The valuation multiples of our China and Asian Internet coverage are based on Bernstein estimates; the other companies shown reflect Bloomberg consensus estimates.

Source: Corporate reports, Bloomberg, Bernstein estimates and analysis.

DETAILS

SUPER FAN ECONOMICS, WHY CONCERTS ARE NOW K-POP'S CENTER OF GRAVITY

K-pop's first generation emerged in the 1990s, led by SM Entertainment, with flagship IPs such as H.O.T. and S.E.S. defining the early idol model. Fan engagement was largely physical - album collecting, cable TV viewership, and intimate fan meetings and concerts. BoA marked the first true breakout at a regional level, paving the way for broader expansion. By the second generation, the industry had deepened its talent bench, building a pipeline of skilled producers and tiered regional IPs. That said, monetization remained heavily skewed toward physical album sales, which continued to anchor K-pop consumption through this period.

Over the past two decades, as K-pop evolved from 1st to 3rd to 4th generation, K-pop fandom has shifted from buying albums to buying time with their artists, with spend now flowing to live "moments" rather than physical units. As the value of time rises, fans are willing to pay up for experiences, making concert revenue the natural center of gravity for the industry's profit pool. We see this "moment economy" - monetizing real-time interaction between fandom and artists via concerts and live formats - as the core money-making engine of modern K-pop, with Hybe at the forefront of capturing that value. With BTS returning as a global IP, concert revenue is set to become Hybe's key earnings driver in 2026-2027, shifting investor focus from unit-based models to platforms that can repeatedly monetize live, time-bound fan engagement at scale.

Fans paying for time... why experiences beat physical goods

As asset prices inflate, the true bottleneck is no longer capital - it is "time". As time scarcity rises, its value compounds, while the relative value of physical goods declines. In this context, artist management is fundamentally about optimizing time: maximizing how artist hours are allocated and, more importantly, monetized.

At the same time, fandom willingness to pay for access, interaction, and shared moments is structurally increasing. This is already evident at Hybe, where even newly incubated IPs are commanding concert ticket prices comparable to global-tier acts. The implication is clear: the priority is no longer just maximizing artist output, but fully monetizing every touchpoint between artist and fandom. Concerts sit at the core, but the opportunity extends across all live and semi-live interactions.

This dynamic is reinforced by the rising "emotional return per hour." In K-pop, a 2-3 hour concert does not end when the show finishes - it compounds through social sharing, fan content, and ongoing community engagement, effectively stretching a single event into months of monetizable value. This supports premium pricing not just for tickets, but for bundled experiences.

Hybe's BTS tour is a live case study: more than 80 global shows, every ticket sold, with scarcity turning each night into a prized "slice" of the artists' time that fans are eager to pay for. That willingness to buy the experience, layered on top of the scarcity of artist time, is driving a step-up in concert monetization and spilling into the online arena, as seen in the Arirang comeback where BTS took positions 1-14 on Spotify's global daily chart and the Netflix live special quickly hit the global no.1 spot.

Filling seats, owning screens...how Hybe monetizes every moment

The global scaling of K-pop IP into franchise-level assets has laid the foundation for mainstream penetration. What began as a regional content export has evolved into a globally consumable live experience, with fandom expanding both geographically and in intensity. The data clearly points to a structural shift in monetization. Since 2015, industry revenue mix has steadily tilted toward concerts, with live events taking an increasing share of the profit pool through 2026E. This reweighting reflects a deeper behavioral change: fans are moving from product ownership to experience consumption, with concerts emerging as the core monetization layer.

K-pop is now a meaningful force on the global touring stage. Its share of the Top 100 global tours is approaching ~10%, underscoring both rising demand and increasing pricing power. This is no longer a niche category - K-pop is scaling within the global live entertainment ecosystem. Within this, Hybe is the clear market leader, commanding c.70% of K-pop concert revenue. Its scale advantage is translating into global positioning, effectively placing the company within a structurally expanding live market rather than a domestic idol industry. The post-2022 recovery marks a clear inflection. As global touring resumed, concert revenue has outpaced both album and digital growth, signaling that fandom expansion is increasingly monetized through live formats. This growth is not cyclical, but structural, driven by a larger and more engaged global fan base.

Importantly, the monetization opportunity is compounding. A more engaged "super fan" base is supporting higher spend per capita, opening incremental layers of IP monetization beyond ticket sales across merchandise, digital content, and ongoing





engagement loops.

Hybe has operationalized this at scale. The company consistently fills 50k-capacity venues and executes high-density tour schedules, with over 80 sold-out shows and 279 concerts across 53 cities in 2024 alone. This cadence resembles a global promoter model. Each offline event acts as a demand engine, seeding high-margin digital monetization through streaming, social amplification, and content recycling.

BTS represents the clearest expression of this model. Each comeback is orchestrated as a multi-platform global event: album release, live stage, and immediate chart dominance. The impact cascades across the value chain, reinforcing HYBE's bargaining power as an IP owner while driving simultaneous monetization across both offline and online channels.

The latest cycle illustrates the scalability. A full album sweep on global charts, paired with a Netflix live special and a global stadium tour, positions BTS as a repeatable touring franchise rather than a one-off act. With peak comeback revenue of ~KRW 1.5tn and a resilient long tail from catalog and streaming, BTS anchors HYBE's live earnings engine and underwrites its medium-term growth visibility.

EXHIBIT 2: Over the past two decades, as K-pop evolved from 1st to 3rd to 4th generation, K-pop fandom has shifted from buying albums to buying time with their artists, with spend now flowing to live “moments” rather than physical units.

	1990	2000	2010	2020
	1st Generation		2nd Generation	
	3rd Generation		4th Generation	
Key Themes	Cultivation backed by local fans 		Regional Expansion (in pan-Asia) 	
Major Players	SM		SM, YG, JYP	
Key Artists	H.O.T., S.E.S., Fin.K.L, GOD, Shinhwa, Baby Vox, BoA		BoA, Big Bang, TVXQ, Wonder Girls, Girl's Generation, 2PM	
Main Producers	Soo-Man Lee*		Young-Jin Yoo, Jin Young Park**, Hyun-Suk Yang	
Market size (Estimated)	~\$200M		~\$2Bn	
Target Market	Korea		Korea, China, Japan, SEA	
Catalyst	Internet & Niche Kpop communities		YouTube & Spotify	
			Broad K-drama (Netflix, Disney)	
			TikTok Reels, Shorts	
			China reopening?	
			Global Expansion (still sub-culture) 	
Major Players			SM, YG, JYP, Hybe (Big Hit)	
Key Artists			BTS, Black Pink, Seventeen, Stray Kids, Red Velvet, Twice	
Main Producers			Si-hyuk Bang***, Teddy Park, Kenzie, Jin Young Park	
Market size (Estimated)			~\$5Bn to 10Bn	
Target Market			Korea, China, Japan, SEA the US (niche), EU (niche)	
Catalyst			Broad K-drama (Netflix, Disney)	
			TikTok Reels, Shorts	
			China reopening?	
			Into the Mainstream (Globalization at scale) 	
Major Players			SM, YG, JYP, Hybe (Big Hit), The Black Label, Kakao	
Key Artists			BTS, Black Pink, Seventeen, Stray Kids, Aespa, IVE, ITZY, Le Sserafim, Baby Monster	
Main Producers			Si-hyuk Bang***, Teddy Park, Kenzie, Jin Young Park	
Market size (Estimated)			10Bn+	
Target Market			Korea, China, Japan, SEA the US, EU	
Catalyst			TikTok Reels, Shorts	
			China reopening?	

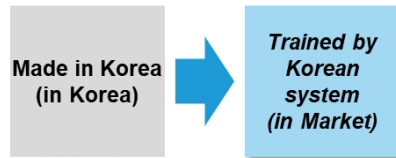
Note 1: Market size is based on our estimation. Note 2: *Founder of SM Entertainment, ** Founder of JYP, *** Founder of HYBE (previously, Mr. Bang was JYP producer).

Source: Bernstein estimates and analysis.



EXHIBIT 3: Hybe has a clear strategic positioning and execution capability to scale in Western markets.

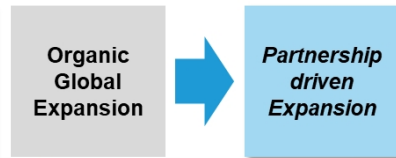
Producing – “Transplantation”



Santos Bravos (Hybe Latin America) KatsEye (Hybe US)

- The **K-pop training system and processes** will be implemented in local markets to incubate new artists, enhancing localization efforts vs. end-to-end process in Korea (e.g. Hybe’s Multi-home, Multi-genre strategy).

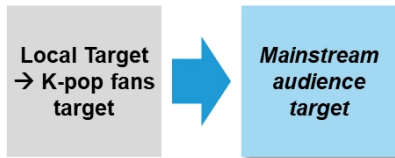
Business – “Cross-border Partnerships”



a decade-long strategic alliance between Hybe and Universal Music Group

- K-pop companies organically gaining their popularity and **bargaining power** as global entertainment players and music platforms invest in K-pop music. (e.g. UMG has exclusive global distribution rights for Hybe’s music)

Audience – “Into the Mainstream”



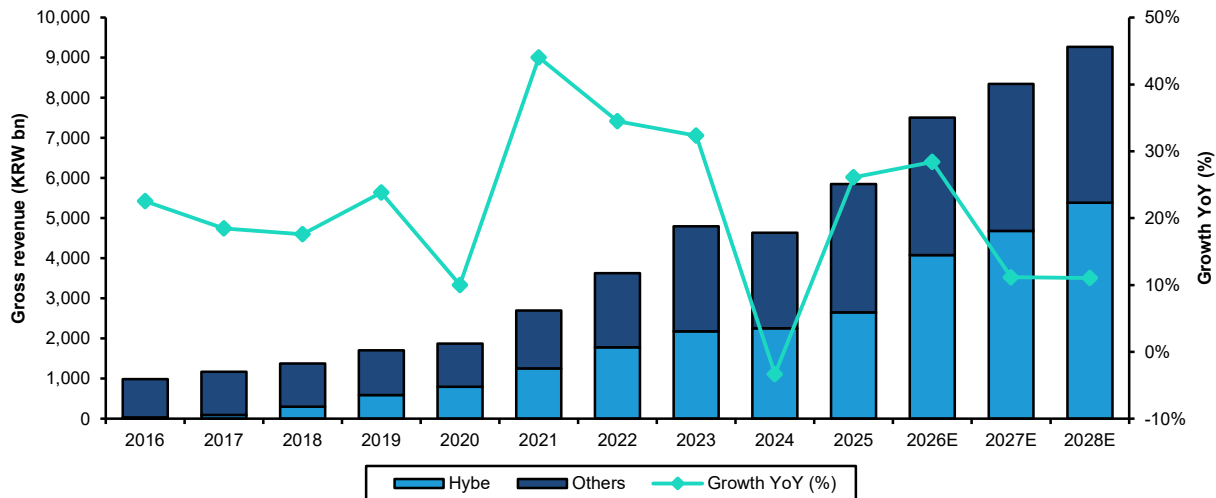
Inside the Spotify x BTS: SWIMSIDE Intimate Fan Event in New York

- In order to attract larger scale of global fandom, new contents will be more focusing on **western mainstream audiences** with collaborative works with the foreign producers and artists.

Source: Bernstein analysis.

EXHIBIT 4: K-pop is the most promising subsector within Korea’s internet industry, driven by the global expansion of K-pop artists’ large-scale international tours.

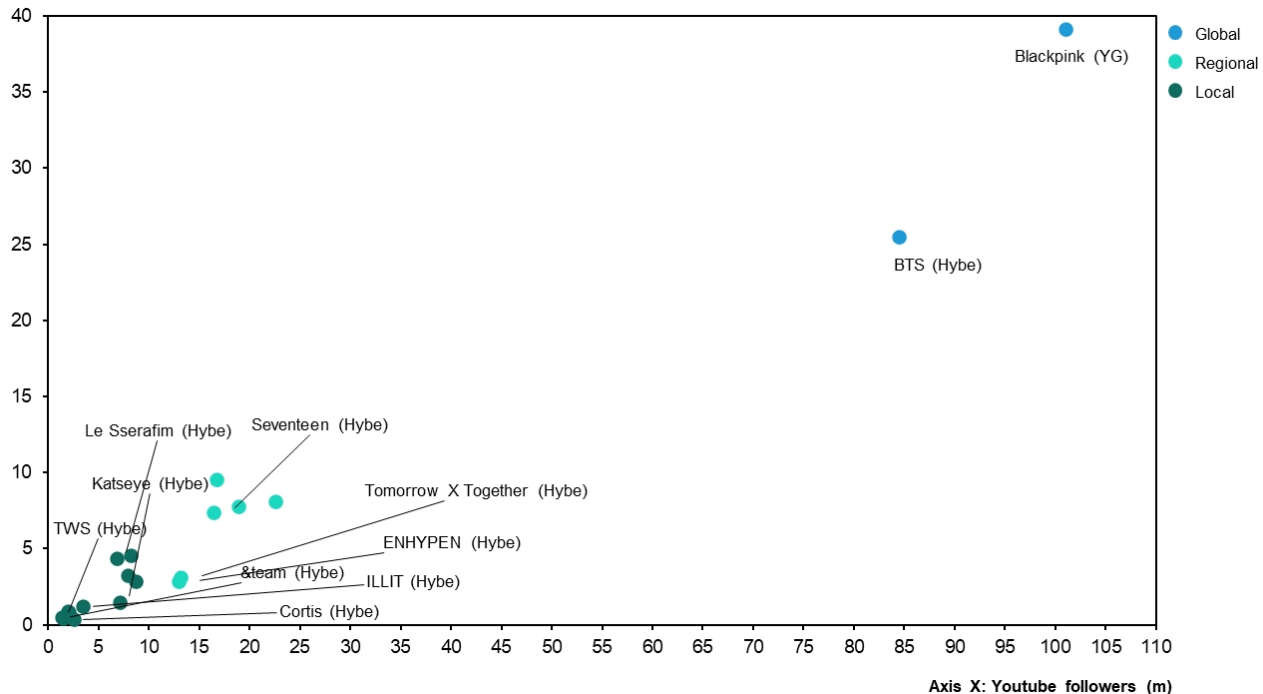
2018-2030: K-pop market (gross revenue) sizing



Source: Corporate reports, Bloomberg, Bernstein estimates and analysis.

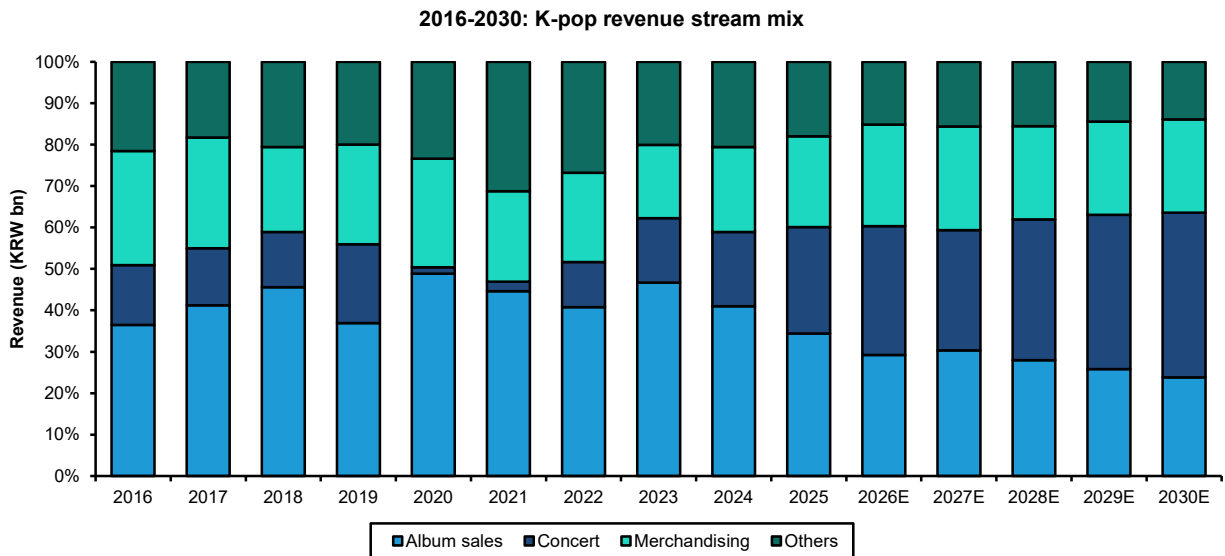
EXHIBIT 5: The rise of K-pop IPs into global franchises has laid the groundwork for the genre's penetration into mainstream global audiences.

Axis Y: Youtube Viewership (Billion times)



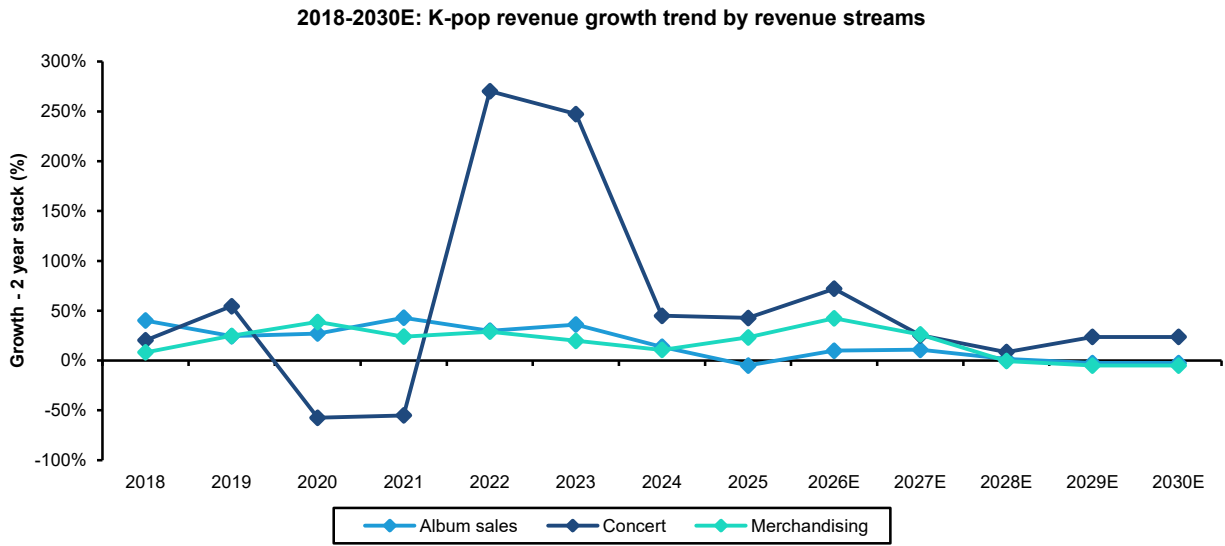
Source: Youtube, Bernstein analysis.

EXHIBIT 6: Time series of K-pop industry revenue by segment highlighting concerts as an increasing share of total revenue, which we view as evidence of a shift in consumer IP consumption behavior.



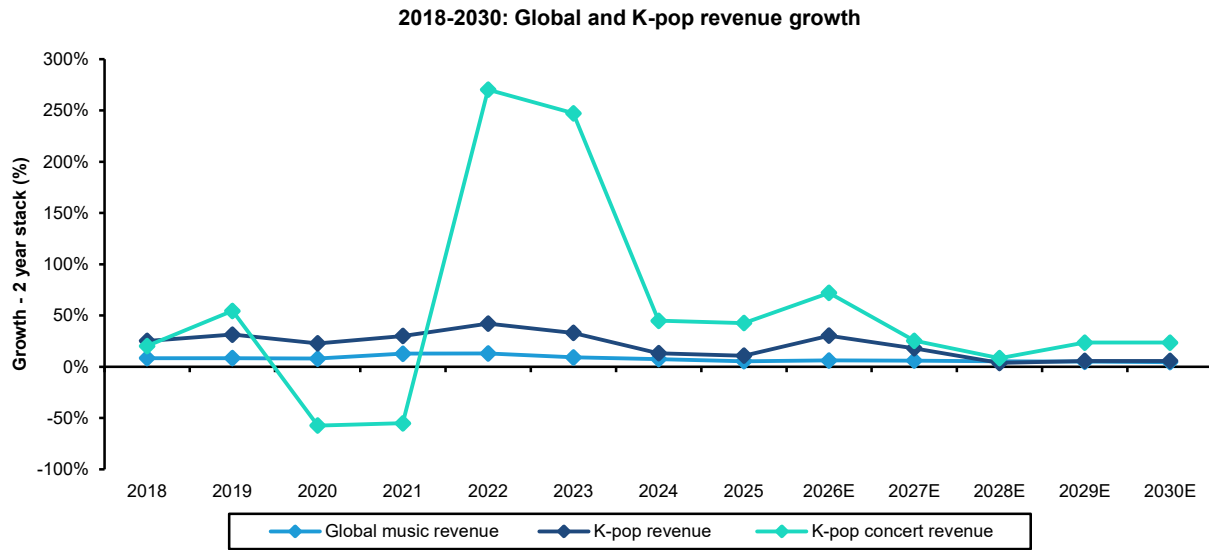
Source: Corporate reports, Bloomberg, Bernstein estimates and analysis.

EXHIBIT 7: Highlight the post-2022 inflection as global touring resumes, with concert revenue growth outpacing album and digital segments, reflecting a rapidly expanding K-pop fandom.



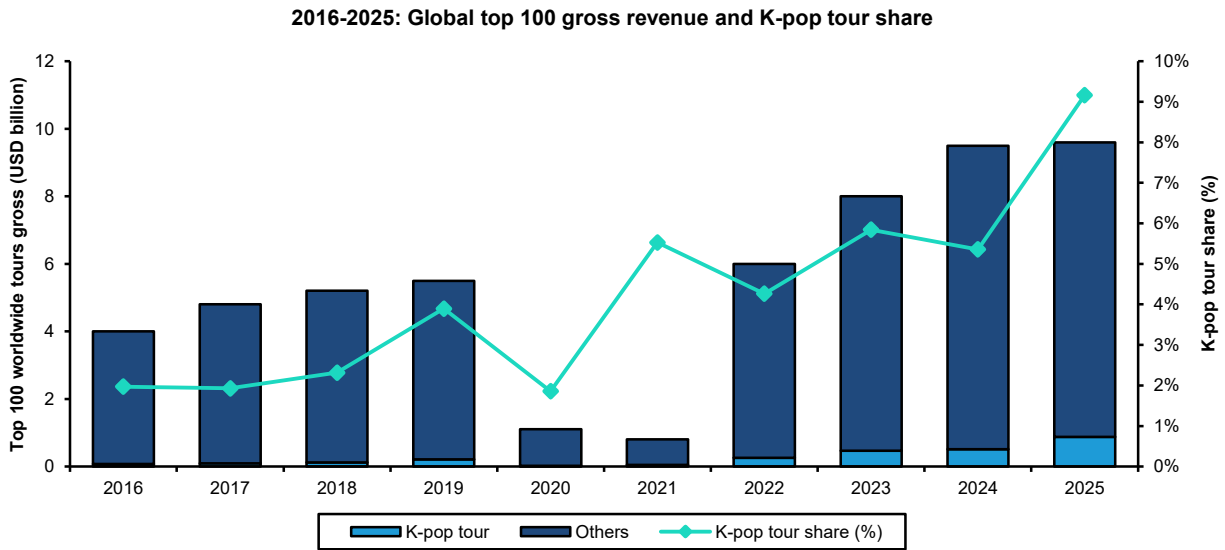
Source: Corporate reports, Bloomberg, Bernstein estimates and analysis.

EXHIBIT 8: K-pop concert revenue has shown strong compounding growth over time, and we see incremental opportunities for IP monetization through an increasingly engaged “super fan”.



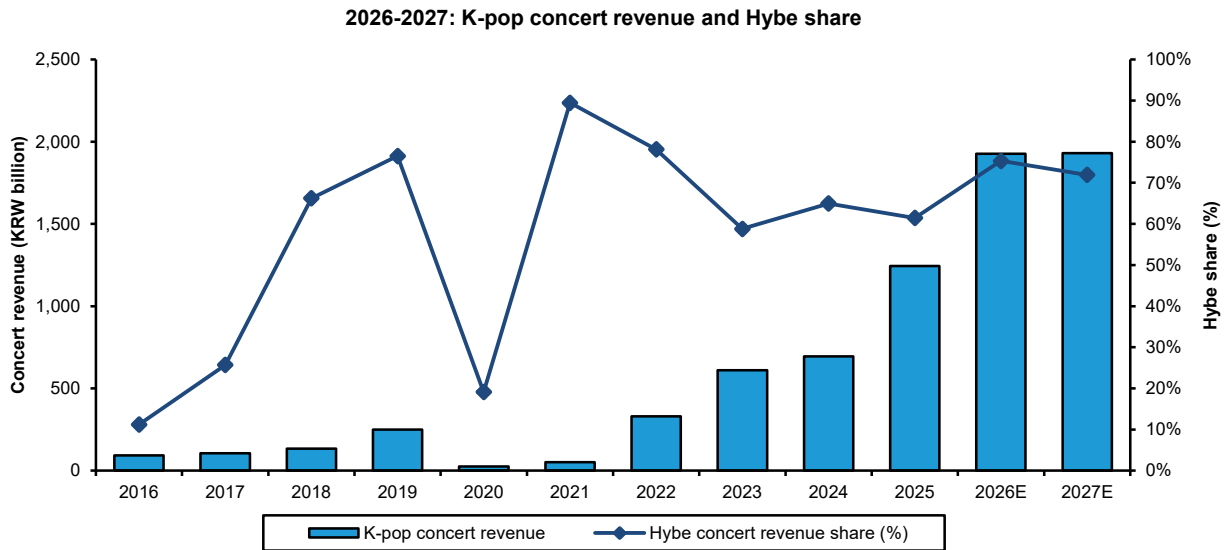
Source: IFPI, Corporate reports, Bernstein estimates and analysis.

EXHIBIT 9: K-pop is rapidly gaining share in the global Top 100 touring circuit, with its tour revenue footprint now approaching ~10% of global.



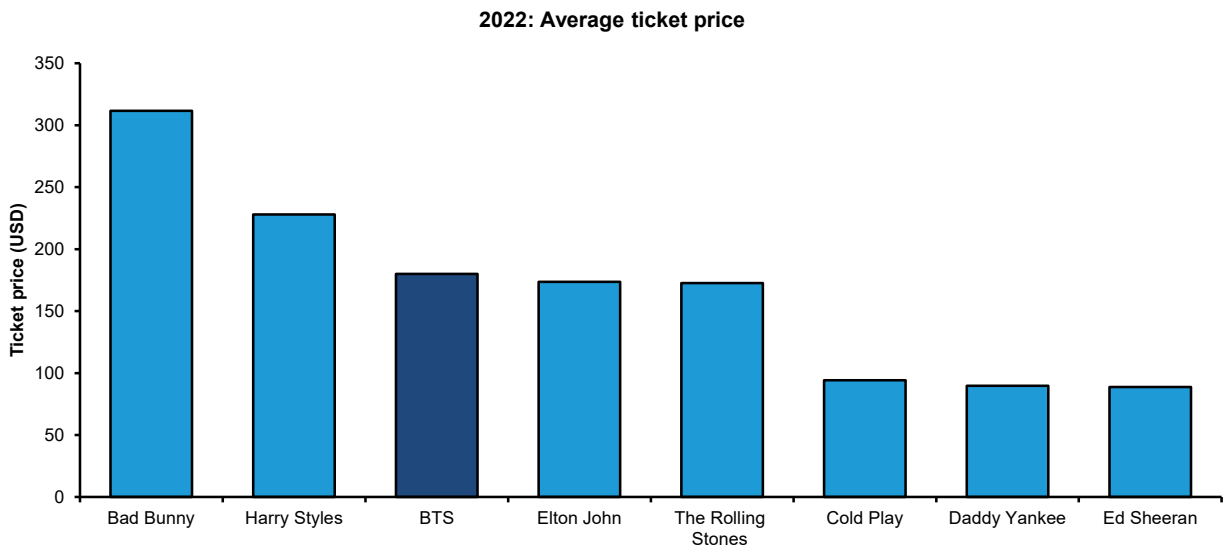
Source: Corporate reports, Wikipedia, Bernstein estimates and analysis.

EXHIBIT 10: Hybe commands c.70% of K-pop concert revenue, dwarfing peers in scale and positioning itself within a structurally expanding global live market.



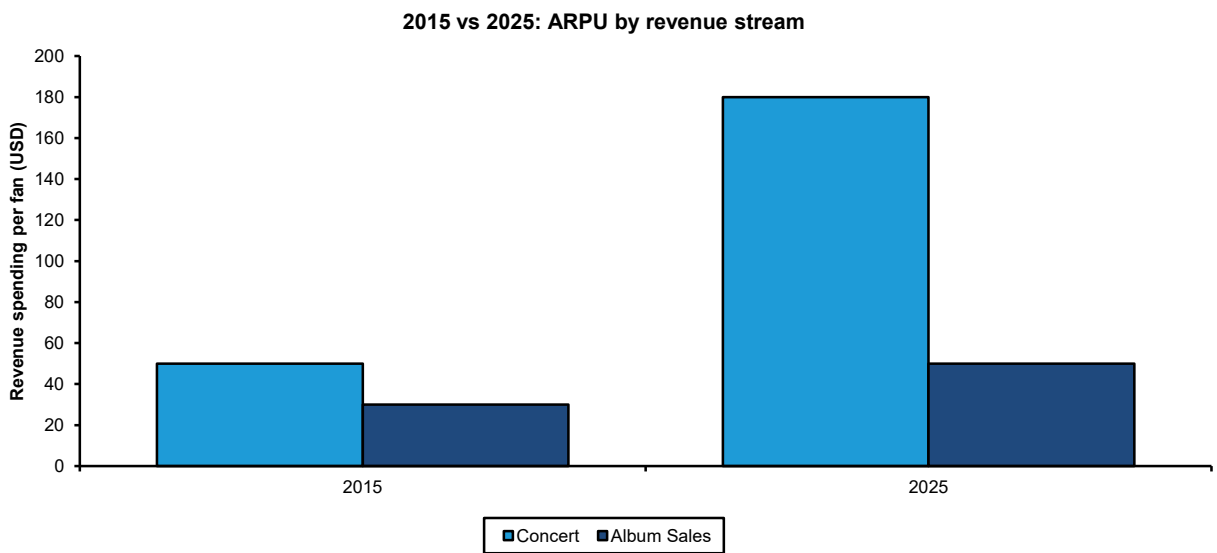
Source: Corporate reports, Bloomberg, Bernstein estimates and analysis.

EXHIBIT 11: **BTS sits at the top tier globally in concert ticket pricing.**



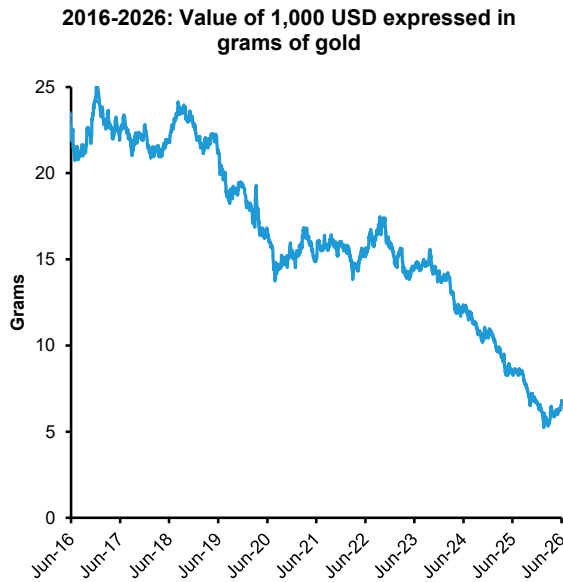
BTS's last concert was in 2022, just before their military service, ahead of their planned 2026 comeback.
 Source: Billboard Boxscore, Bernstein analysis.

EXHIBIT 12: **Spending is shifting from goods to experiences, with fandom ARPU from concerts rising meaningfully above physical albums.**



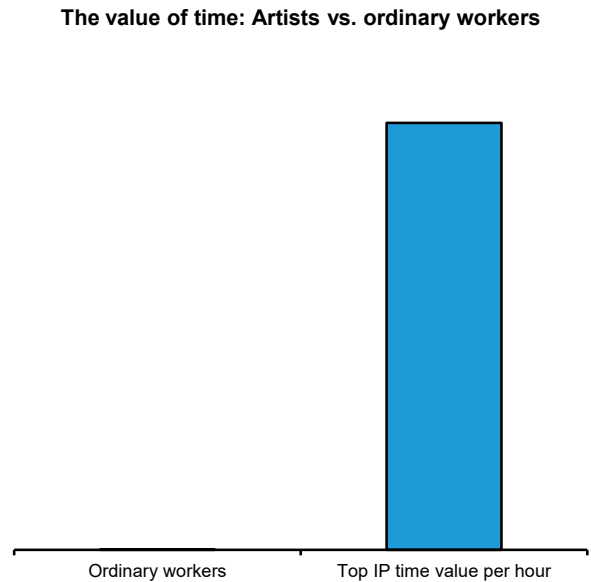
Source: Bernstein estimates and analysis.

EXHIBIT 13: In a debased currency world, premium IP commands real pricing power.



Originally published in our team note, "Long View: A Golden Age for First-Party Content IP."
Source: Bloomberg, Bernstein analysis.

EXHIBIT 14: Artist time is scarce and valuable - the key is fully monetizing every minute.



Source: Bernstein analysis.

Monetizing the hype: Hybe's concert-plus-merch profit engine

Concert revenue is usually a low-margin business once you factor in staging costs and promoter revenue share, but large-fandom IPs flip that script. In Hybe's case, each show is treated as a monetization node for a full stack of revenue streams: tickets, VIP and soundcheck packages, tour-exclusive merch, fan club memberships, and digital content layered on top. Crucially, tier-1 merch spend per head is now showing up not only at BTS dates but also across newer IP, proving that this bundling playbook is repeatable across the roster rather than a one-group anomaly.

As the mix shifts from low-margin physical albums toward higher-margin merch, content, fanclub, and streaming, Hybe's gross profit is set to grow much faster than reported revenue, even as concerts take a larger share of the top line. We see "concert plus" - ticket plus merch plus digital plus fanclub - as the right lens for Hybe's live business, with the show itself as the anchor and an increasingly rich profit pool coming from everything wrapped around that moment.

Hybe's concert business has reached a scale that clearly differentiates it from traditional K-pop labels, positioning the company closer to a global live promoter model. Its revenue profile is increasingly driven by large-scale touring rather than being anchored to recorded music.

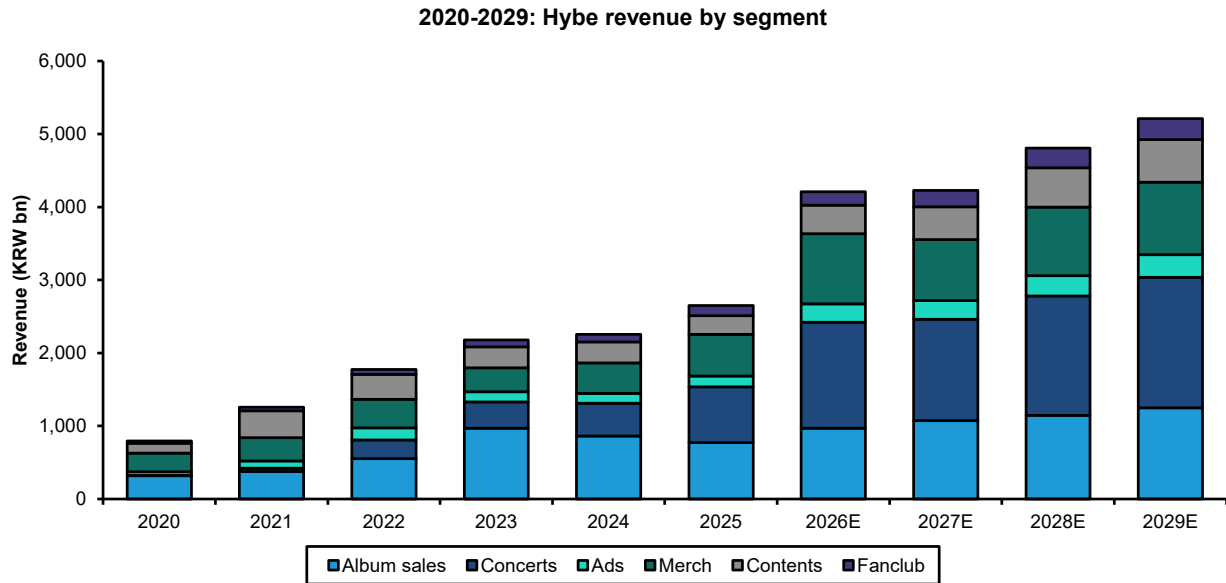
This shift is supported by a broad, diversified, and multi-tiered IP portfolio, which allows Hybe to continuously ramp its concert cadence across markets and artist tiers. The ability to deploy multiple acts at different stages of maturity enables a steady expansion in global touring activity. At the same time, Hybe's global tour unit economics stand out. With lower reliance on local promoters and a leaner take structure (c. 10% vs 20-30%+ for peers), the company retains a greater share of tour economics, translating into structurally higher operating margins.

Hybe vs global live leaders: reframing the valuation lens

We value Hybe at 400K on a DCF basis, implying one year forward PER of 43x (Q2 2027-Q1 2028), which sits meaningfully below Live Nation's multiple despite both being geared to structurally growing concert economics. Given Hybe's status as a top-four global concert revenue player, its uniquely diversified multi-label IP portfolio, and a BTS comeback that extends the live runway beyond 2026-2027, we believe the appropriate peer frame is global live and experience platforms rather than local K-pop labels.

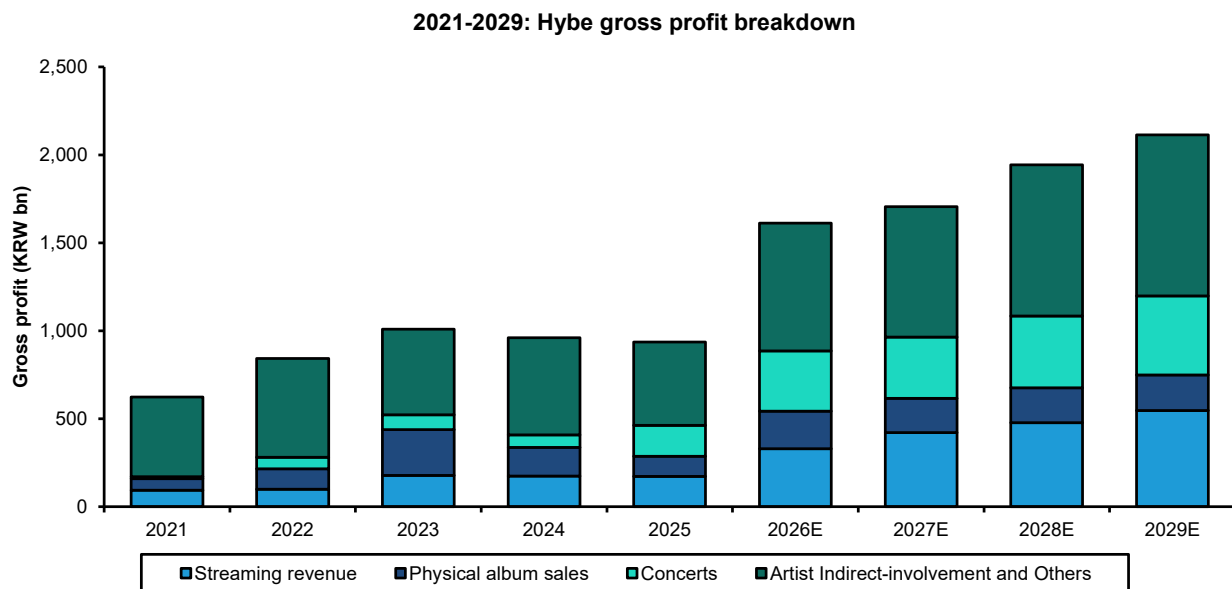
This shift in lens reflects a step-change in earnings quality: four cycles are increasingly discrete monetization windows where Hybe can flex capacity (dates, cities, venue sizes) and pricing (tiering, VIP, dynamic pricing), while bundling in tour merch, online concert tickets, and live video content. In our view, the market will increasingly reward platforms that can consistently convert fandom intensity into live willingness-to-pay rather than simply pushing incremental album volumes, supporting further re-rating potential for Hybe as a global offline concert promoter, with BTS tours and a deep IP bench underpinning concert-led upside and justifying comparison to global live leaders.

EXHIBIT 15: Concerts are emerging as the primary growth engine, as scaled IP portfolios enable K-pop companies to fill global venues.



Source: Corporate reports, Bernstein estimates and analysis.

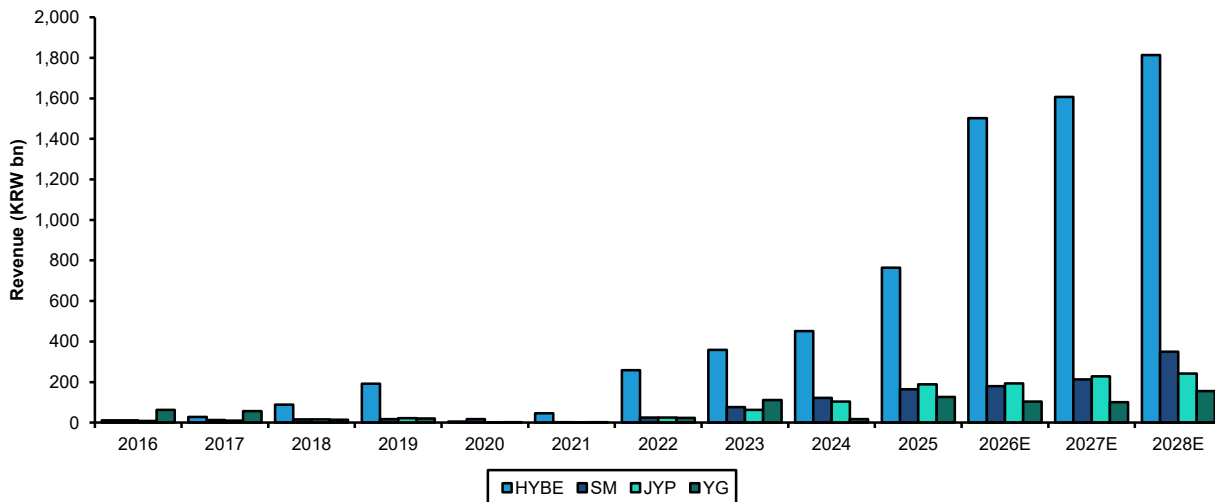
EXHIBIT 16: Concert margins may be thin, but bundled merch turns global tours into a meaningful profit pool.



Source: Corporate reports, Bernstein estimates and analysis.

EXHIBIT 17: Hybe's concert revenue scale sets it apart, aligning its model with global live promoters rather than traditional labels.

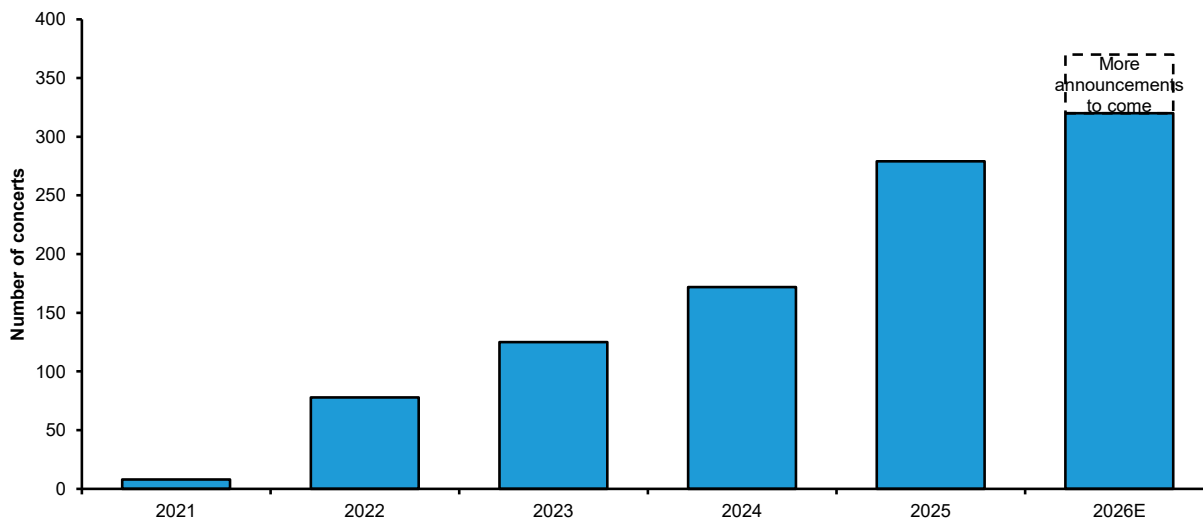
2016-2028E: K-pop concert revenue trend



Source: Corporate reports, Bloomberg, Bernstein estimates and analysis.

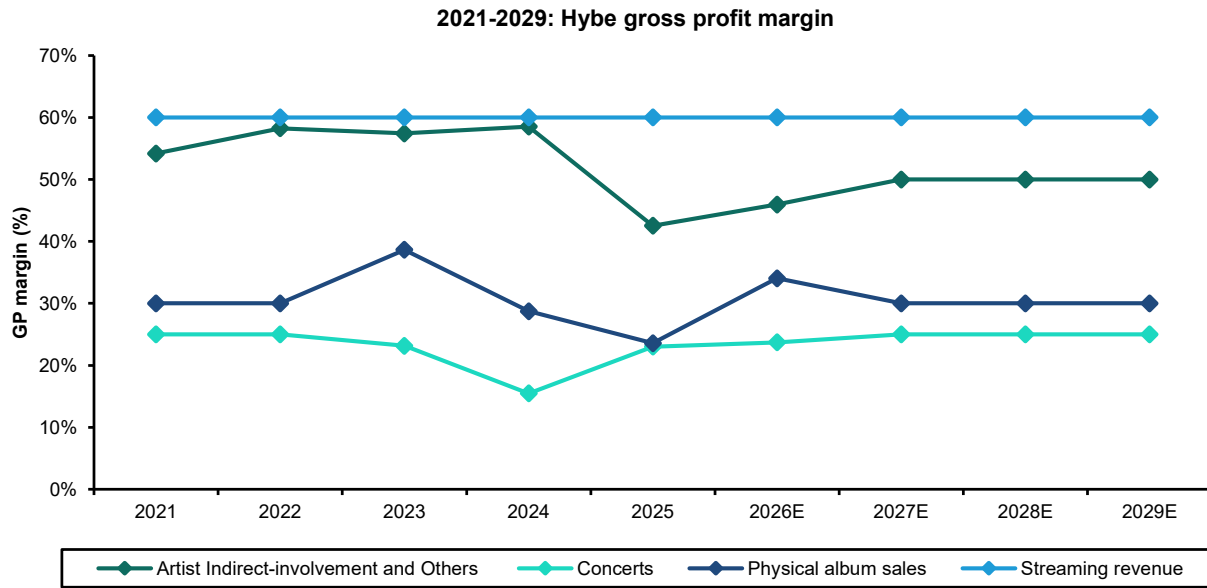
EXHIBIT 18: Hybe is ramping concert cadence on the back of a broad, multi-tiered IP portfolio.

2021-2026: Hybe's number of concerts



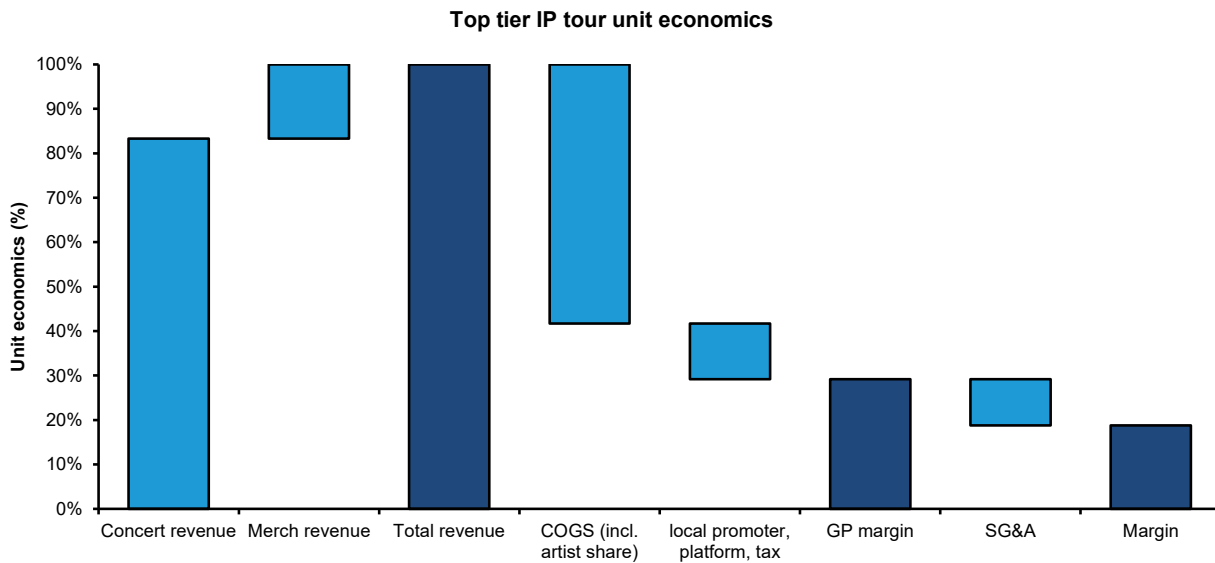
Source: Corporate reports, Bernstein estimates and analysis.

EXHIBIT 19: Concert GP margins are lower (c.25%), but pairing with high-margin merch (c.50%) lifts blended gross margins.



Source: Corporate reports, Bernstein estimates and analysis.

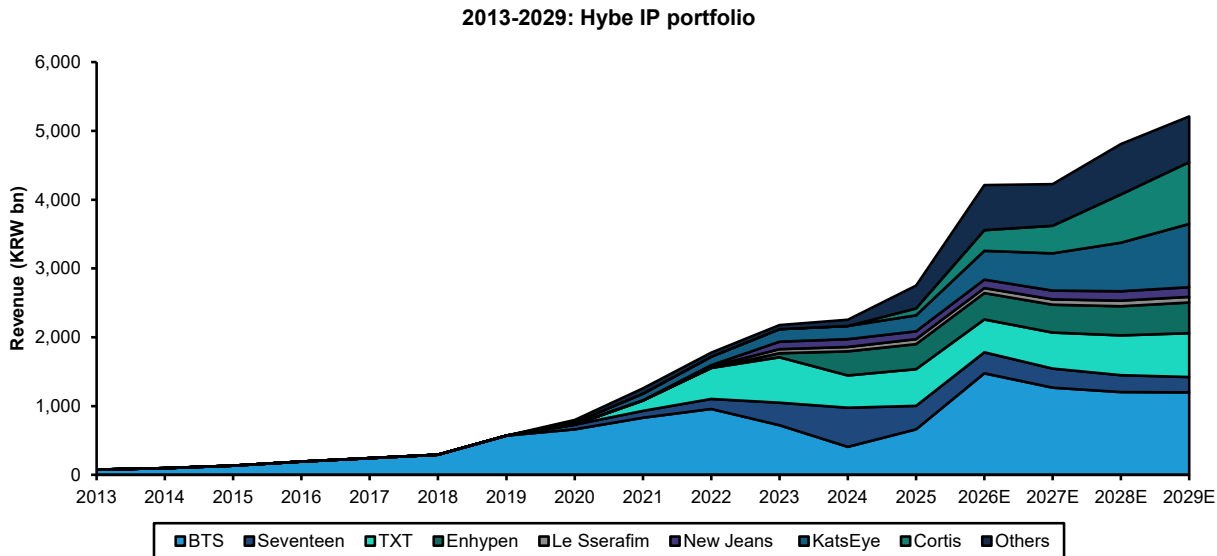
EXHIBIT 20: Hybe's global tour unit economics stand apart, with lower local promoter take rates (~10% vs. 20-30%+ for other labels), resulting in structurally higher margins.



This concert unit economics analysis is based on high-level assumptions and rough internal estimates, not on official disclosures or audited figures. The numbers presented (including ticket revenue, costs, margins, attendance, pricing, and profit contribution) are illustrative in nature and are intended solely to help understand the business model conceptually. Actual performance for any specific tour or show may differ materially from these estimates due to changes in pricing, venue mix, production scale, tax and fee structures, deal terms with promoters and partners, FX, and other operational or contractual factors. This analysis should not be relied upon as a precise forecast or as a representation of the company's actual or future financial results, and it should not be used as the sole basis for any investment, commercial, or strategic decision.

Source: Bernstein estimates and analysis.

EXHIBIT 21: **We like Hybe, as consistent mid-sized successes have built a diversified IP portfolio.**



Source: Corporate reports, Bernstein estimates and analysis.

AI can scale, time cannot: the human edge in K-pop

At its core, K-pop remains anchored by the human artist. No matter how advanced technology becomes, the emotional connection between fan and artist is still built on authenticity, presence, and perceived scarcity. That human anchor is what ultimately drives fandom intensity and willingness to pay.

The real bottleneck in the system is not content production, but the artist’s time and attention. This scarcity is precisely what creates value. Every hour an artist spends - whether on music, touring, content, or fan interaction - is a finite resource that must be carefully allocated.



For labels and agencies, this reframes the optimization problem. The question is no longer “How do we produce more content?” but “How do we maximize the value of limited artist time across multiple monetization channels?” In this setup, AI and virtual elements act as operating leverage - amplifying reach, extending engagement, and filling gaps - but not replacing the core human IP.

This is why attempts to fully substitute artists with robots or virtual idols have struggled. Without a true human anchor, the emotional depth, scarcity, and sustained fandom economics are difficult to replicate, limiting their ability to scale into meaningful long-term franchises.

EXHIBIT 22: **Human scarcity wins - AI scales reach, but artist time drives K-pop value.**

Nature of business comparison in Entertainment space
 "You can do multiple games, but fandom is only for 1 artist"

Music is one surface in a broader engagement product
 "Who is your bias?"

	Game & Content Industry	Pop Industry (especially K-pop)
		
Purpose Of Use	Break time activities	Engaging
Type of Emotion	Joy	Love
Engaged Big IP	Multiple (The more the better)	Only 1 (Top pick)



Source: Instagram, Bernstein analysis.

US ENTERTAINMENT VIEW

The boom in K-pop is a shared tailwind for Live Nation and Spotify: the same Western, high-ARPU fanbase that Spotify monetizes on the stream is the one Live Nation seats at the show, and as of this year the two are wired together through a single partnership.

K-pop fans are among the prime customers for the superfan upgrades Spotify is now pushing. At its May 2026 Investor Day, Spotify made charging its most engaged listeners more a central part of the growth story, building toward a higher-priced superfan tier plank by plank, with lossless audio and track-mixing tools already live and exclusive concert access the newest addition. That willingness to pay is not theoretical, and HYBE's Weverse is the proof of it: the K-pop superfan platform reached 13.4 million monthly users in early 2026, up 20% quarter on quarter and newly profitable, with roughly 90% of its traffic outside Korea and committed fans spending into the hundreds of dollars a month on memberships, merchandise and content. Tencent Music's Super VIP tier, more than 20 million subscribers paying around five times the standard price, shows the model scales rather than cannibalizes. Because K-pop fandoms already spend like this, they are exactly the cohort Spotify's superfan add-ons are built to convert. And that consumption is increasingly Western: the US is now Spotify's single largest K-pop market ([Exhibit 23](#)), so each step up in the genre's popularity lands disproportionately among the high-ARPU listeners Spotify monetizes best.

EXHIBIT 23: In 2025 the US became Spotify's number one K-pop market for the first time confirming that the genre's streaming center of gravity has shifted to the high-ARPU West

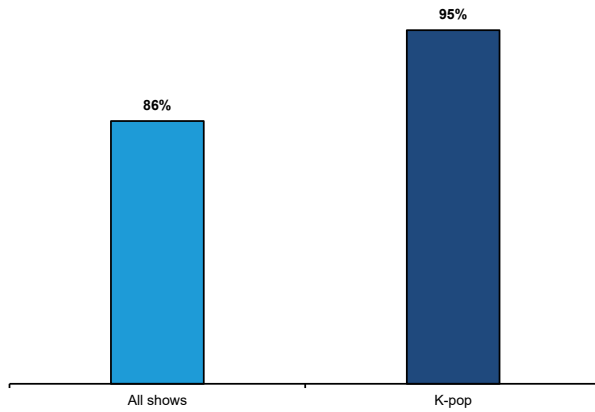
Rank	Market	Region	Rank	Market	Region
1	United States	North America	6	Mexico	Latin America
2	Indonesia	Asia (SE Asia)	7	Thailand	Asia (SE Asia)
3	Japan	Asia	8	Taiwan	Asia
4	Philippines	Asia (SE Asia)	9	India	Asia (South Asia)
5	Brazil	Latin America	10	South Korea	Asia

Source: All K-pop, USA Inquirer

That spending does not stay only on the platform, and this is where the streaming story turns into a touring story. The clearest signal came at the same Investor Day, where Spotify launched "Reserved," which identifies an artist's superfans from their streaming activity and sets aside concert tickets for them, with Live Nation signed as the exclusive launch partner and more than \$1.5 billion in artist ticket sales already driven by Spotify's live tools. That demand is also unusually intense, because K-pop concertgoers behave more like superfans rather than casual buyers: on a like-for-like arena and stadium basis they fill 96% of capacity against 86% for all shows and pay about 27% more per ticket, \$132 against \$104 ([Exhibit 24-Exhibit 25](#)). These are higher-intent fans, which is precisely why the streaming-to-ticket pipe is worth building, and because their demand is concentrated in the West it favors the promoter best exposed there. Live Nation handles close to half of all Western K-pop touring gross. The fan Spotify surfaces on the stream is, increasingly by design, the fan Live Nation seats at the show.

EXHIBIT 24: On a like-for-like arena and stadium basis K-pop concertgoers behave like superfans, filling 96% of capacity versus 86% for all shows...

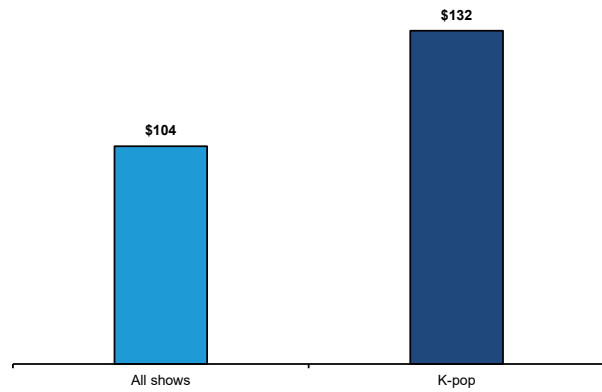
Avg. Capacity sold at like-for-like venues (2025)



Source: Pollstar, Bernstein analysis

EXHIBIT 25: ...and paying about 27% more per ticket (\$132 versus \$104)

Avg. USD Ticket Price at like-for-like venues (2025)

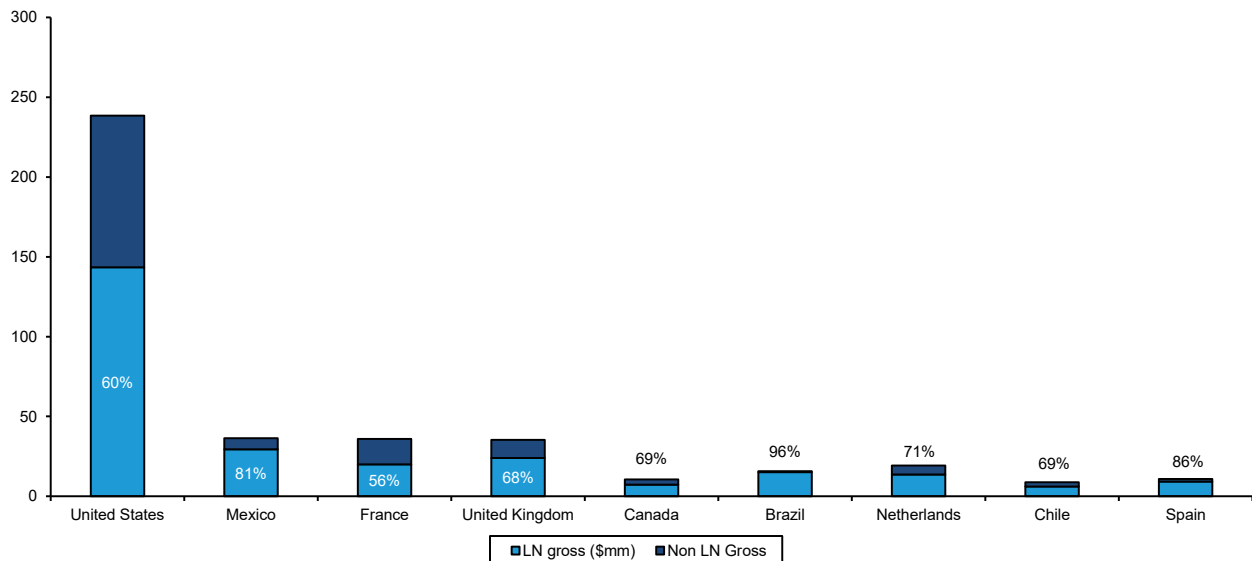


Source: Pollstar, Bernstein analysis

Western K-pop touring is, to a striking degree, a Live Nation business, and it is the segment we expect to grow from here. The United States is the single largest K-pop touring market in the world and Live Nation promoted about 60% of it in 2025 and roughly 81% of Mexico through OCEA ([Exhibit 26](#)). The obvious objection, that labels will self-promote and cut the promoter out as HYBE has begun to, is bounded: promoter relationships track the agency, JYP's touring is roughly 95% Live Nation, and self-promotion is contained to HYBE alone. With Western K-pop streaming still climbing and a heavy 2026 touring calendar already announced, led by BTS's return to stadiums, we see both names benefiting from the continuing popularity of K-pop: Spotify on the streams and the superfan add-ons, and Live Nation on the gate and the Reserved pipeline that now feeds it.

EXHIBIT 26: The US is the single largest K-pop touring market in the world and Live Nation promoted about 60% of it in 2025, with Live Nation also dominant across the other Western markets (Mexico ~81%, Netherlands ~71%, UK ~68%) while self-promotion stays contained to HYBE

K-pop touring gross by country in 2025



Source: Pollstar, Bernstein analysis

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VALUATION METHODOLOGY**Hybe Co Ltd**

We have valued Hybe at a price target of KRW 400,000 based on a DCF valuation method, implying one year forward PER of 4.3x (Q2 2027-Q1 2028). (DCF assumptions: WACC=10.1%, Terminal growth rate: 3%; Risk-Free Rate of Return (Rf) = 3.4%, Market Risk Premium (Rm - Rf) = 15.3%, Beta = 0.5).

Live Nation Entertainment, Inc.

We reach our price target of \$200/sh via a two-stage discounted free cash flow model which includes detailed quarterly financial forecasts over three years, annual forecasts of key line items over the following five years, and a terminal perpetuity. We assume a weighted average cost of capital of 9.0% and a terminal free cash flow growth rate of 3.0%.

Spotify Technology SA

We reach our price target of \$625/sh via a two-stage discounted free cash flow model which includes detailed quarterly financial forecasts over three years, annual forecasts of key line items over the following five years, and a terminal perpetuity. We assume a weighted average cost of capital of 11% and a terminal free cash flow growth rate of 3.0%.

Sony Group Corp

We have a ¥3,500 price target for Sony, based on a 17x P/E multiple of Q5-8 EPS, estimated at ¥208. We value the Sony ADR by converting the JPY price to USD based on an exchange rate of 159.21.

Universal Music Group

Our €29 PT is based on a DCF valuation (wacc 7.8%, LT growth 3.3%), including the value of minorities stakes in Spotify and Tencent Music.

RISKS**Hybe Co Ltd**

Downside risk: Lower-than-expected revenue from the BTS return; margin contraction due to higher take rates on key IPs; greater-than-expected investments in overseas subsidiaries

Live Nation Entertainment, Inc.

Key risks to the downside include escalating regulatory scrutiny, GTV deceleration, international expansion challenges, and venue construction costs above expectations.

Spotify Technology SA

Key risks to the downside include subscriber churn on price increases, delays to superfan tier launch, slowing video adoption by creators, geopolitical risks, and currency fluctuations.

Sony Group Corp

Upside risks to our Sony target price: (1) A smaller-than-expected memory price hike; (2) A smaller-than-expected share loss to Samsung in Apple CIS orders; (3) Stronger-than-expected game software sales. Downside risks: (1) Fewer mobile/auto CIS sales or larger share loss in CIS market; (2) Slowdown of music streaming market growth or less profit sharing from streaming; (3) Management risk and competition in anime streaming or insufficient successful anime works in the future.

Universal Music Group

Downside risks: Music streaming platforms holding prices flat for an extended period, volatility of hard to predict Physical sales, potential cyclicity of ad revenues (12% of group total)

RATINGS DEFINITIONS, BENCHMARKS AND DISTRIBUTION**EQUITY RATINGS DEFINITIONS****Bernstein brand**

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Not Covered (NC) denotes companies that are not under coverage.

Bernstein brand stock ratings are based on a 12-month time horizon.

Autonomous brand – common stocks

The Autonomous brand rates common stocks as indicated below. As our benchmarks we use the Bloomberg Europe 500 Banks And Financial Services Index (BEBANKS) and Bloomberg Europe Dev Mkt Financials Large and Mid Cap Price Ret Index EUR (EDMFI) index for developed European banks and Payments, the Bloomberg Europe 500 Insurance Index (BEINSUR) for European insurers, the S&P 500 and S&P Financials for US banks and Payments coverage, S5LIFE for US Insurance, the S&P Insurance Select Industry (SPSIINS) for US Non-Life Insurers coverage, and the Bloomberg Emerging Markets Financials Large, Mid and Small Cap Price Return Index (EMLSF) for emerging market banks and insurers and Payments. Ratings are stated relative to the sector (not the market).

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- Underperform (UP): The total return of the preferred instrument is expected to underperform preferred securities of other issuers operating in similar sectors or rating categories over the next six months.

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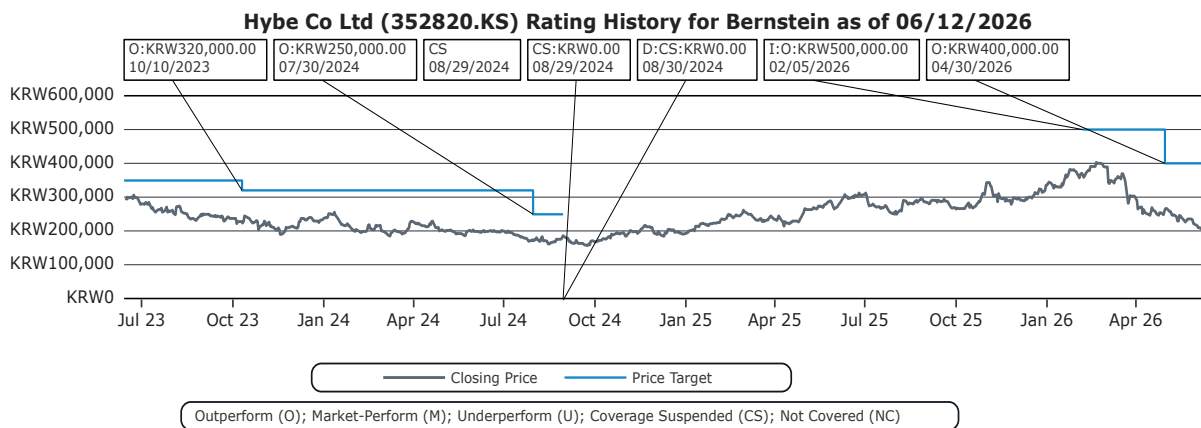
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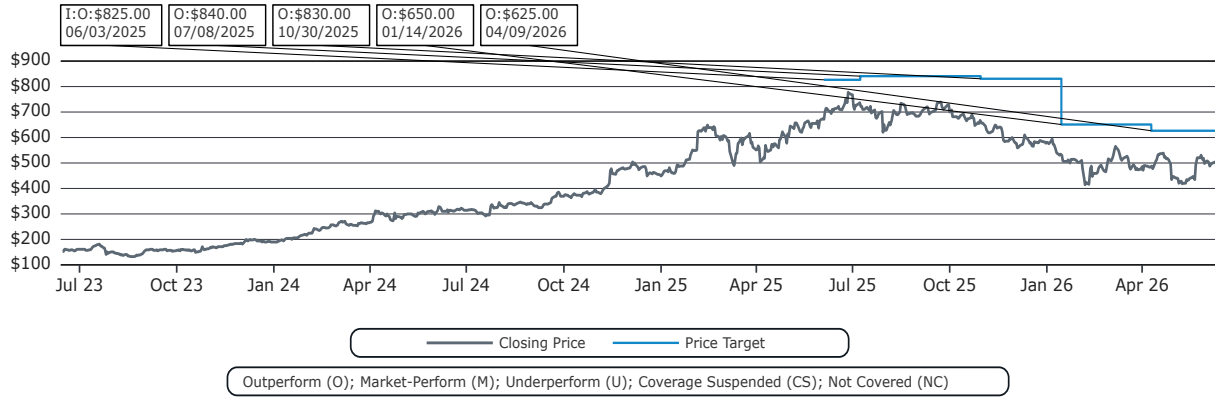
Equity Rating	Market Abuse Regulation (MAR) and FINRA Rating Category	Global Rating Distribution	Investment Banking Relationships*
Outperform	BUY	51.1%	16.5%
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Underperform	SELL	12.6%	14.9%

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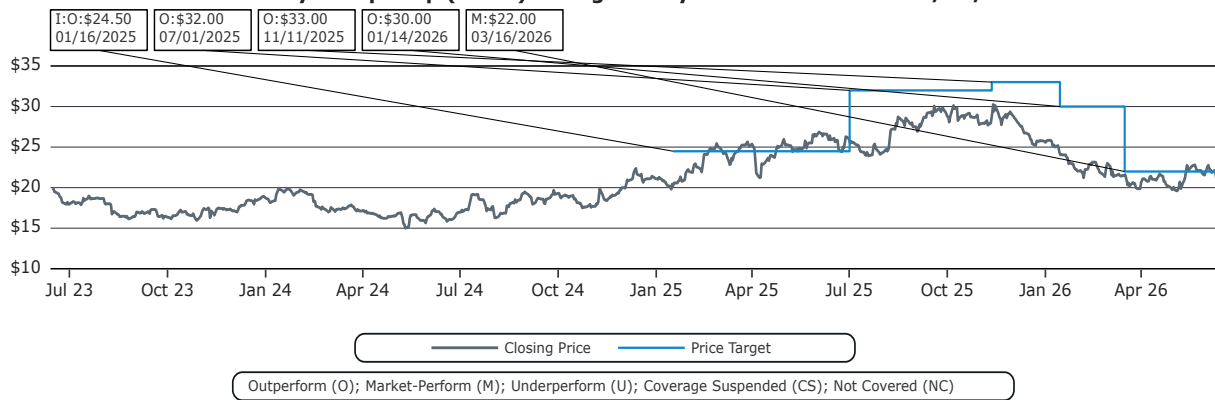
Spotify Technology SA (SPOT) Rating History for Bernstein as of 06/12/2026

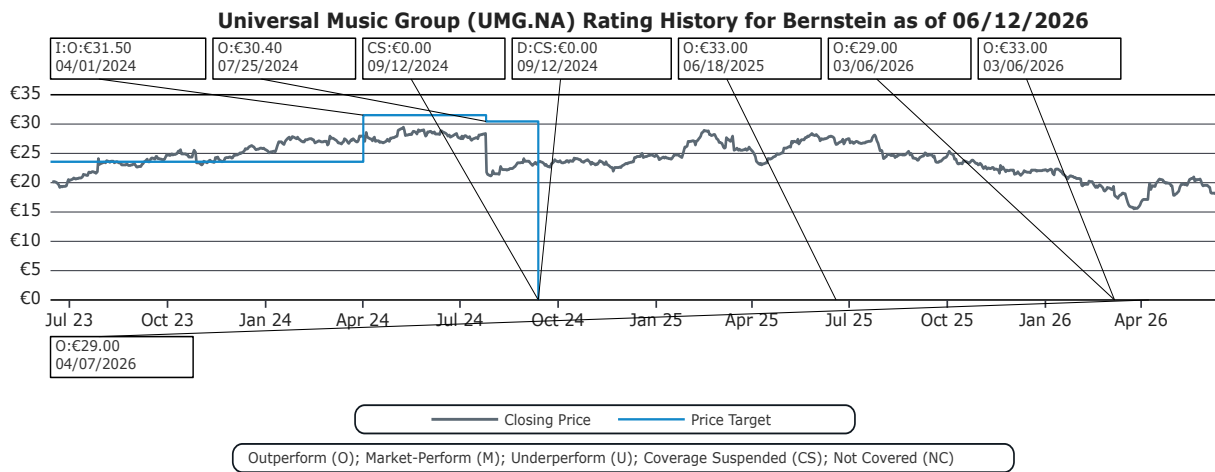


Sony Group Corp (6758.JP) Rating History for Bernstein as of 06/12/2026



Sony Group Corp (SONY) Rating History for Bernstein as of 06/12/2026





All price target and closing price data in the chart(s) above are denominated in the currency noted in the Ticker Table of this report.

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SG and/or its affiliates beneficially own 1% or more of a class of common equity securities of the following company: Spotify Technology SA.

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