



A Data-driven case study into HYBE.

THE HYBE HISTORY.



2005
Bighit
formed

2017
BTS Global
recognition

2019
Bighit
acquired
other labels

2021
HYBE
AMERICA
begins

2013
BTS debut

2018
BTS Album
sales top
billboard

2020
Bighit
Rebrands
as HYBE

2023
Moving
into
Gaming,
NFTs and
many more

HYBE's Talent-Driven Strategy: The Key to Soaring Stock Prices

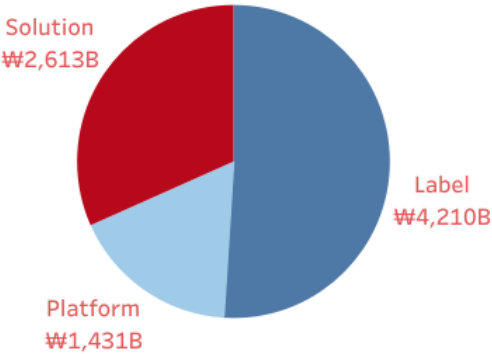


Humble Beginnings (2005) Founded as Big Hit Entertainment, HYBE aimed to reshape the music industry with a fan-centric approach.

BTS Breakthrough (2013) BTS's debut and authentic connection with fans propelled HYBE to global recognition.

Expansion (2019) HYBE diversified into labels, solutions, and platforms, becoming a comprehensive entertainment lifestyle company.

Historical Breakdown of Revenue by Business Segments



Top Shareholders by Ownership Percentage

Si-Hyuk Bang	31.60
Netmarble Corporation	9.44
National Pension Service	6.36
Dunamu Inc.	5.53
The Vanguard Group, Inc.	1.90
Capital Research and Management Company	1.79
BlackRock, Inc.	1.61
Norges Bank Investment Management	0.88
Samuel Scott	0.87
Samsung Asset Management Company, Ltd.	0.49
Mirae Asset Global Investments Co., Ltd.	0.49

Global Institutional Backing: Key international investors like Vanguard, BlackRock, and Capital Research fuel HYBE's growth and stability.

Diversified Business Segments: HYBE's expansion into Solutions and Platform segments, including Weverse, has driven significant revenue growth in the last five years.

Maximizing Artist Ecosystems: HYBE has leveraged its artists, particularly BTS, to create multiple revenue streams through concerts, merchandise, and digital fan engagement.

Stock Price Surge: Since its IPO in 2020, HYBE's strategic expansion and diversified revenue model have contributed to its strong stock performance.

Analysing HYBE's Success After it's IPO



Average Daily Return
0.02%

Sharpe Ratio
0.60%

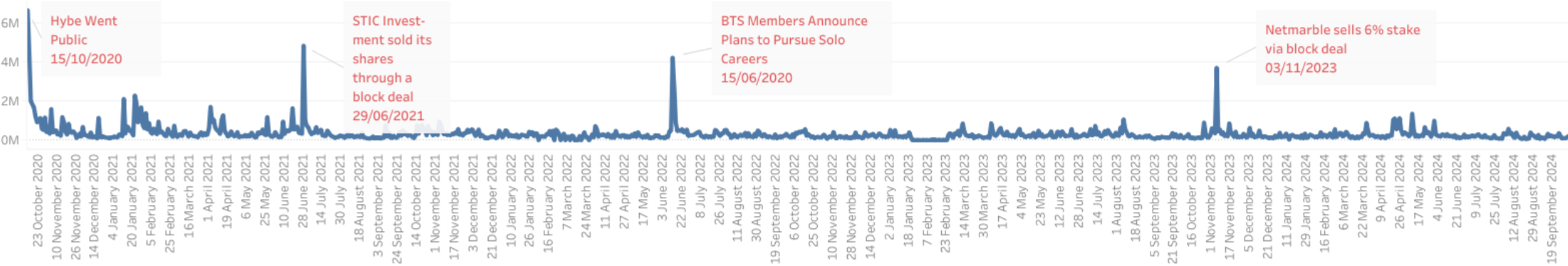
Standard Deviation (Volatility)
3.20%

An **average return of 0.02%** is markedly low, reflecting minimal daily price movement for HYBE’s stock over the analysed period. This suggests a **modest growth rate** with limited gains on average.

The **Sharpe Ratio indicates** that risk-adjusted returns fall short of optimal levels, implying that investors are bearing a higher level of risk than current returns might warrant. This signals a **cautious approach from investors** or indicates that they are hoping for stronger future returns based on HYBE’s strategic moves such as new artist acquisitions or activities related to BTS.

3.20% volatility indicates that HYBE’s stock price moves around **3.20% away** from its average price on a typical day. This suggests that the stock experiences moderate daily fluctuations, but nothing too extreme.

HYBE Volume Analysis: Key Events and Shareholder Actions



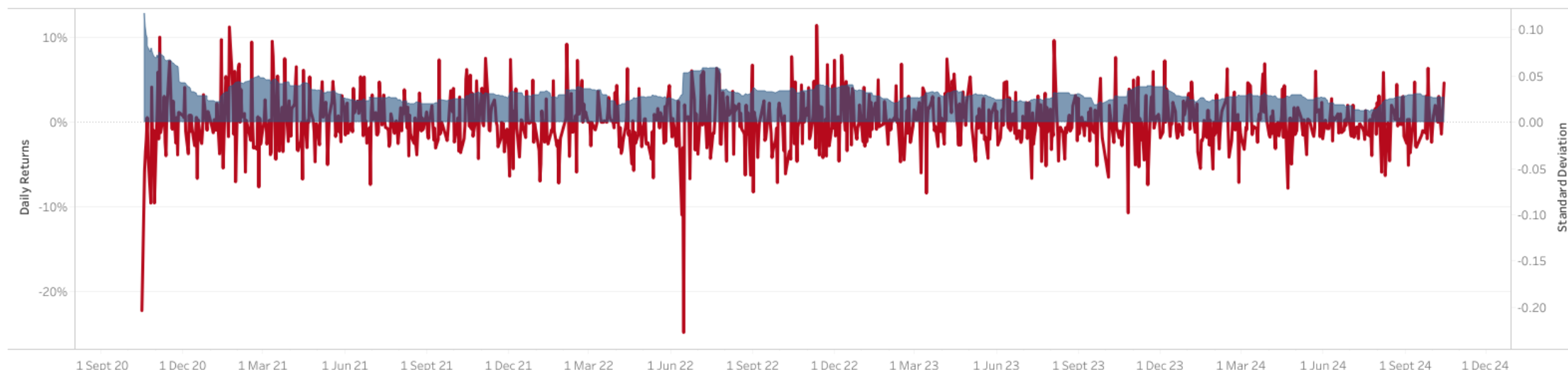
IPO Spike: The highest trading volume was observed during **HYBE’s IPO**, as anticipated. This surge reflects substantial investor interest and heightened market activity at the time of the stock’s initial listing.

Shareholder Activities: Notable volume spikes align with institutional actions, such as **block sales by STIC Investment and Netmarble**. These instances indicate that major investors exert a significant influence on HYBE’s trading activity.

BTS Announcements: News regarding BTS’s plans to pursue solo careers may have caused a shift in trading activity. As **BTS is a major revenue contributor** for HYBE, such announcements can trigger investor reactions, influencing trading volume.

HYBE's Volatility & Returns

Daily Returns vs. 30-Day Volatility



HYBE's stock performance is heavily influenced by its reliance on human talent, particularly its **lineup of influential artists like BTS**.

Sharp increases in **Daily Returns** and **Standard Deviation** often reflect:

1. **Increased uncertainty** in the market.
2. **Strong reactions to key events**, such as BTS announcements or major shareholder actions

For investors:

1. Volatility may present **profit opportunities**, but it also entails **increased risk**.
2. **Spikes in volatility** usually indicate significant news, and understanding the causes of these spikes can support **informed decision-making**.

HYBE STOCK PRICE PERFORMANCE IN RELATION TO BTS ' ACTIVITIES



An initial analysis of stock price movements revealed a noticeable correlation between BTS activities and fluctuations in the company's stock value. This observation sparked a deeper inquiry, leading to the identification of 7 pivotal event that seemed to influence market behaviour. These events, highlighted below, underscore the potential impact of public sentiment around BTS on stock performance. To gain a clearer understanding of this dynamic, sentiment analysis was incorporated into the study, providing a more nuanced interpretation of how news and media influence investor confidence and stock volatility.

11/17/2021
American Music Awards and SoFi Stadium 33.3 million concert ticket sales.

6/22/2021
BTS Butter release (10 weeks no.1 on Billboard)

10/15/2020
HYBE STOCKS INTRODUCED IN THE MARKET

6/22/2023
Solo members doing well- concert tours.

6/15/2022
BTS indefinite hiatus announced.

10/13/2022
BTS 2 year military enlistment announcement

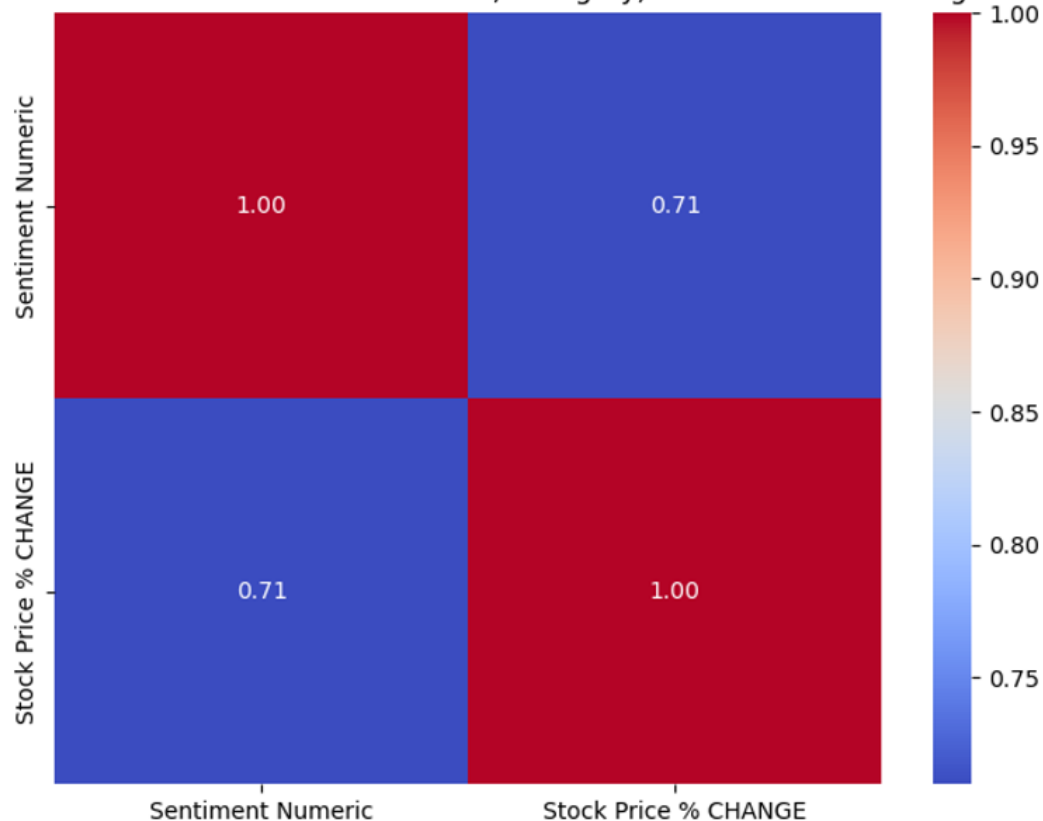
4/29/2024
HYBE and Subsidiary label court Feud.



The sentiment analysis between BTS news and HYBE stocks.



Correlation Matrix of Sentiment Scores, Category, and Stock Price Change



This indicates a **strong positive correlation** between Sentiment Numeric and Stock Price % CHANGE. Specifically:

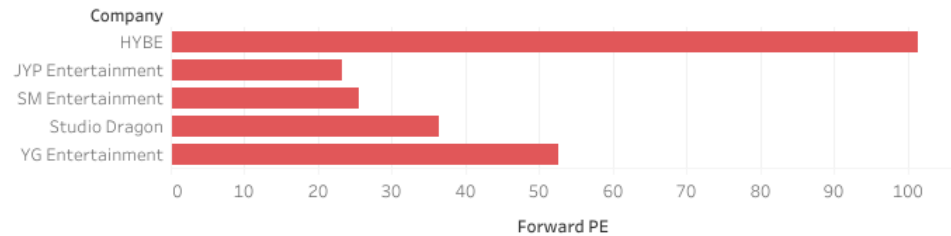
- 1.) As the sentiment improves (from negative to positive), the stock price tends to increase.
- 2.) Conversely, if the sentiment is negative, it tends to be associated with a decrease in stock price.

The influence of celebrity involvement on company volatility.

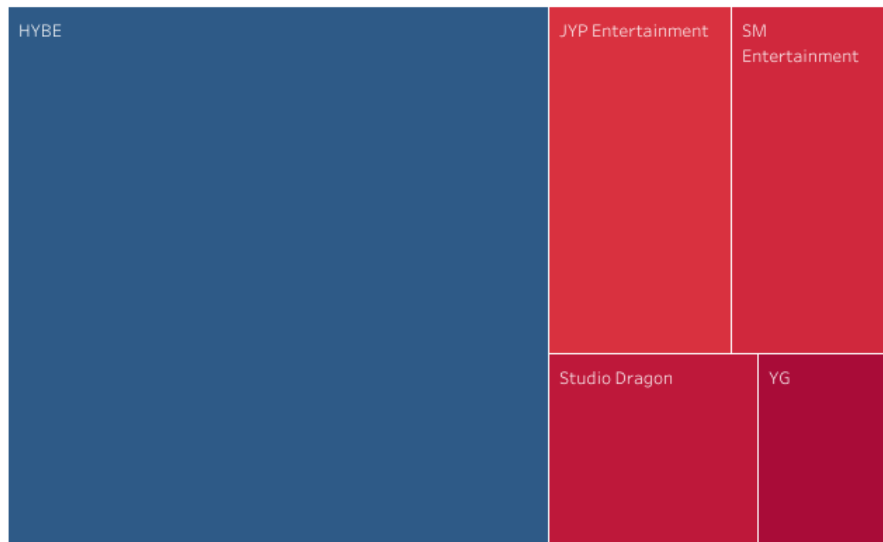
Companies associated with celebrities benefit from heightened media coverage. Increased visibility means news about these companies is often driven by celebrity activities rather than by shareholders seeking information. HYBE a company deeply intertwined with BTS and other artists exemplifies this phenomenon. To mitigate these risks HYBE is transitioning towards diversifying revenue streams through product manufacturing.

COMPETITOR ANALYSIS

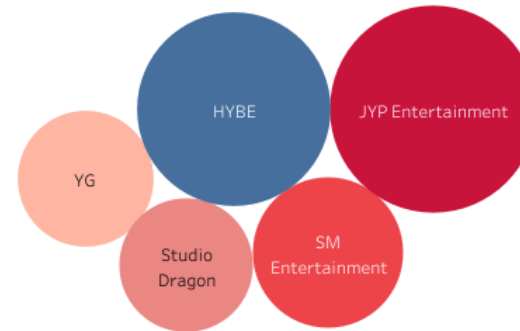
The expensive nature of the entertainment stocks (2024)



Market Capitalization Rate



Investors' willingness to pay.



The dashboard sheds light on how **HYBE** stocks compare with its competitors, four other entertainment and management labels in South Korea for the past four decades. Since the nature of their core activity is the same, the stocks are expected to move in the same direction. The companies mentioned are **YG**, **JYP**, **SM** Entertainment, and Studio Dragon. What we infer from this are as follows;

- 1.) **HYBE** stocks are relatively **more expensive** than the other companies'.
- 2.) Although **HYBE** is a very **new company**, it holds **majority** of the **market share**.
- 3.) While the other two graphs point out the superiority of the **HYBE** stock what the last graph tells us is that investors are more confident with the **less volatile nature of JYP shares and sales**.

This further reiterates the efforts made by **HYBE** to make its stock less volatile (by giving more mileage to its products division).

HYBE at a Glance: Key Takeaways and Insights



Integrated, Artist-Centric
Ecosystem

Diversified and Direct Revenue
Streams

Global Expansion and Acquisitions

- HYBE's stock remains **highly sensitive** to the activities surrounding its core talent, BTS, and key shareholder movements, resulting in pronounced volatility.
- Aware of the **inherent volatility** within the entertainment market, HYBE has **proactively diversified** its revenue streams through platform solutions and labels **creating a stabilising buffer**. This approach eases reliance on artist activity and strengthens HYBE's resilience in a fast-evolving market.
- By reducing its dependence on the Korean market and **acquiring global entities** like Ithaca Holdings, HYBE has **expanded its international reach** and mitigated regional risks.
- HYBE's **ventures into technology, gaming, and NFTs** allow fans to engage with artists through digital experiences, **enhancing revenue streams** and positioning HYBE at the forefront of innovation in entertainment.