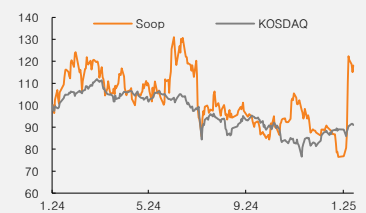


(Downgrade)	Trading Buy
Target price	▼ W140,000
Current price (2/12/25)	W123,500
Upside	13.4%

OP (24, Wbn)	114
Consensus OP (24F, Wbn)	115
EPS growth (24, %)	32.0
Market EPS growth (24F, %)	68.0
P/E (24, x)	10.6
Market P/E (24F, x)	10.9
KOSDAQ	745.18

Market cap (Wbn)	1,420
Shares (mn)	11
Free float (%)	66.4
Foreign ownership (%)	36.6
Beta (12M)	0.71
52-week low (W)	80,000
52-week high (W)	137,000

(%)	1M	6M	12M
Absolute	31.0	18.2	11.6
Relative	26.2	22.5	23.7



Mirae Asset Securities Co., Ltd.

HeeSeok Lim
heeseok.lim@miraeasset.com

Soop

Conservative approach warranted

4Q24 review: Revenue and OP both meet the consensus

For 4Q24, Soop reported revenue of W118bn (+17% YoY) and operating profit of W29bn (+8% YoY), in line with the consensus estimates (W119bn and W29bn, respectively).

Platform services revenue (W82bn; +20% YoY) was 3% below our estimate, with gift-related revenue (W80bn) falling 21% YoY (vs. +28% YoY in 3Q24). On the other hand, ad revenue (W34bn; +13% YoY) came in 4% above our estimate thanks to favorable seasonality, with content-based ad revenue surging 20% YoY to W23bn. Meanwhile, operating expenses were W89bn (+20% YoY), 3% above our estimate, due to increased costs related to year-end events and awards ceremonies.

Rising internal and external uncertainties

Soop's average monthly unique visitors (MUVs) fell by 1.2mn to 6mn in 4Q24 (-17% YoY), marking a faster rate of decline (vs. -9% YoY in 1Q24, -6% YoY in 2Q24, and -4% YoY in 3Q24). We believe the sharp fall was driven by intensifying competition with Chzzk. Based on KoreanClick data, Chzzk has also been leading Soop in weekly user trends since the beginning of 2025.

Meanwhile, Soop is undergoing a Financial Supervisory Service audit amid allegations that it may have intentionally overstated game content ad revenue by recognizing revenue on a gross basis. Management has denied the allegations while asserting that revenue from the segment is not significant enough to provide a motive for inflating the figures.

Downgrade to Trading Buy; lower TP by 7% to W140,000

We lower our target price for Soop by 7% to W140,000 (from W150,000), as we revised down our 2025 earnings estimates due to slowing gift-related revenue growth (target P/E of 14x unchanged). The stock is currently trading at a 2025F P/E of 12.3x. Given heightened internal and external uncertainties, we believe a conservative approach is warranted.

Soop's valuation multiples have historically been driven by traffic trends. Unless it can overtake or significantly narrow the gap with Chzzk in the domestic market, we believe the company will need to demonstrate strong traffic growth in overseas markets to generate additional momentum. Of note, the company expects a significant number of its streamers to start global simultaneous broadcasting by 1Q25.

(Dec.)	2022	2023	2024	2025F	2026F
Revenue (Wbn)	315	348	429	478	542
OP (Wbn)	82	90	114	138	162
OP margin (%)	26.0	25.9	26.6	28.9	29.9
NP (Wbn)	60	75	98	115	133
EPS (W)	5,197	6,489	8,565	10,000	11,596
ROE (%)	26.5	28.0	29.5	26.8	24.5
P/E (x)	13.7	13.2	10.6	12.3	10.6
P/B (x)	3.0	2.9	2.5	2.7	2.2
Dividend yield (%)	1.0	1.0	0.9	0.7	0.7

Notes: Under consolidated K-IFRS; NP is attributable to owners of the parent
Source: Company data, Mirae Asset Securities Research estimates

Table 1. Quarterly and annual earnings

(Wbn)

	1Q24	2Q24	3Q24	4Q24	1Q25F	2Q25F	3Q25F	4Q25F	2023	2024	2025F	2026F
Revenue	95	107	110	118	105	117	123	134	348	429	478	542
(YoY)	30.6%	22.9%	25.2%	17.2%	10.2%	10.0%	11.6%	13.5%	10.4%	23.4%	11.4%	13.4%
Platform services	79	83	83	82	86	91	92	94	259	327	363	413
Gift-related	76	80	80	80	83	88	90	92	249	316	353	403
Non-gift-related	2	2	2	2	2	2	2	2	8	9	9	10
Other services	0	0	0	0	0	0	0	0	2	1	1	1
Ads	15	23	26	34	18	25	29	38	83	98	110	123
Platform ads	2	3	4	4	3	3	4	4	15	13	14	16
Content ads	8	14	14	23	10	16	17	27	54	60	70	81
Other ads	5	5	8	7	5	5	8	7	14	25	25	27
Other	1	1	1	1	1	1	1	1	6	5	5	5
S&A expenses	66	73	86	89	75	83	86	96	257	315	340	380
Labor	22	23	23	24	26	26	26	27	77	92	105	119
Broadcast/other commissions	6	6	9	9	8	9	10	11	25	30	38	43
Ad commissions	7	12	12	20	9	12	14	18	36	51	54	58
Transaction fees	12	14	14	13	14	14	15	15	39	53	58	66
Network usage fees	4	4	5	5	5	5	5	5	14	19	20	21
Streamer subsidies	2	3	3	3	3	3	3	3	7	11	12	14
Content production	2	2	3	3	2	3	3	3	20	9	11	13
Depreciation/amortization	5	5	5	5	5	5	5	6	20	21	21	24
Rent	0	0	0	0	0	0	0	0	0	0	0	0
Event expenses	1	1	0	4	1	1	1	4	2	5	6	6
Other	4	4	12	3	3	3	4	4	18	24	14	16
OP	29	33	24	29	29	35	37	38	90	114	138	162
(YoY)	55.2%	40.9%	9.0%	8.4%	2.5%	4.0%	54.9%	31.3%	9.6%	26.6%	21.1%	17.1%
OP margin	30.1%	31.3%	21.7%	24.3%	28.0%	29.5%	30.1%	28.1%	26.0%	26.6%	29.0%	29.9%
NP attributable to owners of the parent	25	27	24	22	25	29	31	31	75	98	115	133
Net margin	25.9%	25.8%	21.7%	19.1%	23.5%	24.5%	24.9%	23.2%	21.4%	22.9%	24.0%	24.6%

Source: Company data, Mirae Asset Securities Research

Table 2. Annual earnings forecast revisions

(Wbn)

	Previous		Revised		Chg.		Consensus		Diff.		Notes
	2025F	2026F	2025F	2026F	2025F	2026F	2025F	2026F	2025F	2026F	
Revenue	491	551	478	542	-3%	-2%	480	537	0%	1%	- Revised down gift-related revenue estimates
OP	145	166	138	162	-5%	-2%	133	148	4%	10%	
NP	123	139	115	133	-7%	-4%	112	125	3%	7%	
OP margin	29.5%	30.1%	29.0%	29.9%	-	-	27.8%	27.5%	-	-	
Net margin	25.1%	25.3%	24.0%	24.6%	-	-	23.3%	23.3%	-	-	

Source: FnGuide, Mirae Asset Securities Research

Table 3. 4Q24 review

(Wbn)

	Actual	Mirae Asset	Diff.	Consensus	Diff.
Revenue	118	119	-1%	119	-1%
OP	29	32	-11%	29	-2%
NP attributable to owners of the parent	22	27	-18%	23	-3%

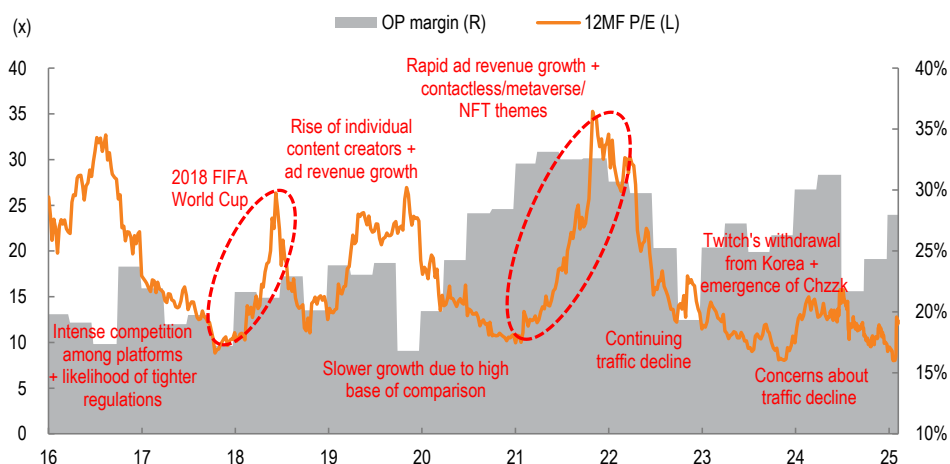
Source: Company data, FnGuide, Mirae Asset Securities Research

Table 4. Valuation

	Value	Notes
2025F NP attributable to owners of the parent (Wbn)	115	
Target P/E (x)	14	Avg. P/E in 2H22-1H23, a period marked by improved profitability despite stagnant traffic growth
Target market cap (Wbn)	1,609	
No. of shares ('000)	11,495	
TP (W)	140,000	
CP (W)	123,500	
Upside	13.4%	

Source: Mirae Asset Securities Research

Figure 1. 12-month forward P/E trend



Source: Mirae Asset Securities Research estimates

Soop (067160 KQ)

Income statement (summarized)

(Wbn)	2023	2024F	2025F	2026F
Revenue	348	429	478	542
Cost of revenue	0	0	0	0
GP	348	429	478	542
SG&A expenses	257	315	340	380
OP (adj.)	90	114	138	162
OP	90	114	138	162
Non-operating profit	6	14	10	10
Net financial income	6	8	11	13
Net income from associates	0	6	-1	-3
Pretax profit	96	128	148	172
Income tax	21	29	33	38
Profit from continuing operations	75	99	116	134
Profit from discontinued operations	0	0	0	0
NP	75	99	116	134
Attributable to owners	75	98	115	133
Attributable to minority interests	0	1	1	1
Total comprehensive income	73	99	116	134
Attributable to owners	73	99	116	134
Attributable to minority interests	0	0	0	0
EBITDA	110	129	153	177
FCF	111	133	108	122
EBITDA margin (%)	31.6	30.1	32.0	32.7
OP margin (%)	25.9	26.6	28.9	29.9
Net margin (%)	21.6	22.8	24.1	24.5

Balance sheet (summarized)

(Wbn)	2023	2024F	2025F	2026F
Current assets	481	619	724	853
Cash & equivalents	136	224	315	426
AR & other receivables	110	129	141	158
Inventory	1	1	1	1
Other current assets	234	265	267	268
Non-current assets	97	96	97	98
Investments in associates	0	0	0	0
PP&E	36	36	36	37
Intangible assets	18	15	15	15
Total assets	578	715	821	951
Current liabilities	274	328	327	331
AP & other payables	38	41	41	42
Short-term financial liabilities	10	13	9	9
Other current liabilities	226	274	277	280
Non-current liabilities	11	8	9	9
Long-term financial liabilities	6	3	3	3
Other non-current liabilities	5	5	6	6
Total liabilities	285	336	336	340
Equity attributable to owners	291	376	481	606
Capital stock	6	6	6	6
Capital surplus	66	66	66	66
Retained earnings	288	378	484	608
Minority interests	2	3	4	5
Shareholders' equity	293	379	485	611

Cash flow statement (summarized)

(Wbn)	2023	2024F	2025F	2026F
Operating cash flow	120	146	122	137
NP	75	99	116	134
Non-cash income/expenses	44	36	37	40
Depreciation	19	13	13	14
Amortization	1	1	1	1
Other	24	22	23	25
Chg. in working capital	12	33	-9	-12
Chg. in AR & other receivables	1	0	0	0
Chg. in inventory	0	0	0	0
Chg. in AP & other payables	0	0	0	0
Income tax	-17	-29	-33	-38
Cash flow from investing activities	-26	-17	-17	-18
Chg. in PP&E	-9	-13	-14	-15
Chg. in intangible assets	0	2	-1	-1
Chg. in financial assets	-16	-6	-2	-2
Other	-1	0	0	0
Cash flow from financing activities	-34	-14	-13	-9
Chg. in financial liabilities	9	0	-4	0
Chg. in equity	1	0	0	0
Dividends	-8	-9	-9	-9
Other	-36	-5	0	0
Chg. in cash	60	87	92	110
Beginning balance	77	136	224	315
Ending balance	136	224	315	426

Source: Company data, Mirae Asset Securities Research estimates

Key valuation metrics/ratios

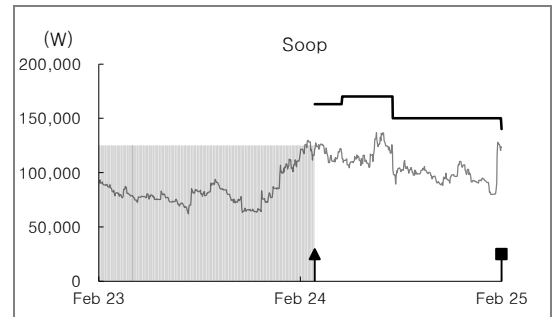
	2023	2024F	2025F	2026F
P/E (x)	13.2	10.6	12.3	10.6
P/CF (x)	8.3	7.7	9.3	8.2
P/B (x)	2.9	2.5	2.7	2.2
EV/EBITDA (x)	7.2	4.5	5.6	4.2
EPS (W)	6,489	8,565	10,000	11,596
CFPS (W)	10,336	11,730	13,260	15,144
BPS (W)	29,091	36,459	45,671	56,479
DPS (W)	850	850	850	850
Dividend payout ratio (%)	12.2	9.1	7.8	6.7
Dividend yield (%)	1.0	0.9	0.9	0.9
Revenue growth (%)	10.4	23.4	11.4	13.4
EBITDA growth (%)	11.1	16.7	18.8	15.7
OP growth (%)	9.6	26.6	21.1	17.1
EPS growth (%)	24.9	32.0	16.8	16.0
AR turnover (x)	15.7	17.7	19.4	21.6
Inventory turnover (x)	780.6	431.2	411.3	414.8
AP turnover (x)	0.0	0.0	0.0	0.0
ROA (%)	14.3	15.3	15.1	15.1
ROE (%)	28.0	29.5	26.8	24.5
ROIC (%)	-106.2	-94.0	-101.2	-133.1
Debt-to-equity ratio (%)	97.1	88.8	69.2	55.8
Current ratio (%)	175.4	188.6	221.3	257.7
Net debt-to-equity ratio (%)	-66.1	-123.0	-116.0	-110.6
Interest coverage ratio (x)	113.6	104.4	146.7	202.0

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
Soop (067160)	02/13/25	Trading Buy	140,000
	07/31/24	Buy	150,000
	04/30/24	Buy	170,000
	03/11/24	Buy	163,000



Stock ratings

Buy	Expected 12-month performance: +20% or greater
Trading Buy	Expected 12-month performance: +10% to +20%
Hold	Expected 12-month performance: -10% to +10%
Sell	Expected 12-month performance: -10% or worse

Sector ratings

Overweight	Expected to outperform the market over 12 months
Neutral	Expected to perform in line with the market over 12 months
Underweight	Expected to underperform the market over 12 months

Rating and TP history: Share price (—), TP (—), Not Rated (■), Buy (▲), Trading Buy (■), Hold (●), Sell (◆)

* Our investment rating is a guide to the expected return of the stock over the next 12 months.

* Outside of the official ratings of Mirae Asset Securities Co., Ltd., analysts may call trading opportunities should technical or short-term material developments arise.

* The TP was determined by the research analyst through valuation methods discussed in this report, in part based on estimates of future earnings.

* TP achievement may be impeded by risks related to the subject securities and companies, as well as general market and economic conditions.

Ratings distribution and investment banking services

	Buy	Trading Buy	Hold	Sell
Ratings distribution	84.62%	7.14%	8.24%	0%
Investment banking services	85.71%	0%	14.29%	0%

* Based on recommendations in the last 12-months (as of December 31, 2024)

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Mirae Asset Securities International Network

Mirae Asset Securities Co., Ltd. (Seoul)

One-Asia Equity Sales Team
Mirae Asset Center 1 Building
26 Eulji-ro 5-gil, Jung-gu, Seoul 04539
Korea

Tel: 82-2-3774-2124

Mirae Asset Securities (USA) Inc.

810 Seventh Avenue, 37th Floor
New York, NY 10019
USA

Tel: 1-212-407-1000

Mirae Asset Securities (Singapore) Pte. Ltd.

6 Battery Road, #11-01
Singapore 049909
Republic of Singapore

Tel: 65-6671-9845

Mirae Asset Investment Advisory (Beijing) Co., Ltd

2401B, 24th Floor, East Tower, Twin Towers
B12 Jianguomenwai Avenue, Chaoyang District
Beijing 100022
China

Tel: 86-10-6567-9699

Ho Chi Minh Representative Office

7F, Saigon Royal Building
91 Pasteur St.
District 1, Ben Nghe Ward, Ho Chi Minh City
Vietnam

Tel: 84-8-3910-7715

Mirae Asset Securities (HK) Ltd.

Units 8501, 8507-8508, 85/F
International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong

Tel: 852-2845-6332

Mirae Asset Wealth Management (Brazil) CCTVM

Rua Funchal, 418, 18th Floor, E-Tower Building
Vila Olimpia
Sao Paulo - SP
04551-060
Brazil

Tel: 55-11-2789-2100

Mirae Asset Securities (Vietnam) LLC

7F, Saigon Royal Building
91 Pasteur St.
District 1, Ben Nghe Ward, Ho Chi Minh City
Vietnam

Tel: 84-8-3911-0633 (ext.110)

Beijing Representative Office

2401A, 24th Floor, East Tower, Twin Towers
B12 Jianguomenwai Avenue, Chaoyang District
Beijing 100022
China

Tel: 86-10-6567-9699 (ext. 3300)

Mirae Asset Capital Markets (India) Pvt Ltd

1st Floor, Tower 4, Equinox Business Park,
LBS Marg, Off BKC, Kurla (West), Mumbai - 400 070
India

Tel: 91-22-62661300 / 48821300

Mirae Asset Securities (UK) Ltd.

41st Floor, Tower 42
25 Old Broad Street,
London EC2N 1HQ
United Kingdom

Tel: 44-20-7982-8000

PT. Mirae Asset Sekuritas Indonesia

District 8, Treasury Tower Building Lt. 50
Sudirman Central Business District
Jl. Jend. Sudirman, Kav. 52-54
Jakarta Selatan 12190
Indonesia

Tel: 62-21-5088-7000

Mirae Asset Securities Mongolia UTsk LLC

#406, Blue Sky Tower, Peace Avenue 17
1 Khoroo, Sukhbaatar District
Ulaanbaatar 14240
Mongolia

Tel: 976-7011-0806

Shanghai Representative Office

38T31, 38F, Shanghai World Financial Center
100 Century Avenue, Pudong New Area
Shanghai 200120
China

Tel: 86-21-5013-6392
