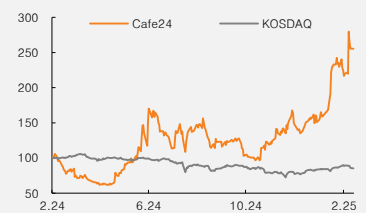


(Maintain)	Buy
Target price	▲ W78,000
Current price (3/4/25)	W62,500
Upside	24.8%

OP (24, Wbn)	32
Consensus OP (24F, Wbn)	25
EPS growth (24, %)	148.7
Market EPS growth (24F, %)	68.2
P/E (24, x)	31.8
Market P/E (24F, x)	10.8
KOSDAQ	737.90

Market cap (Wbn)	1,516
Shares (mn)	24
Free float (%)	76.4
Foreign ownership (%)	27.3
Beta (12M)	0.76
52-week low (W)	15,080
52-week high (W)	68,500

(%)	1M	6M	12M
Absolute	15.3	106.3	192.1
Relative	12.5	104.6	245.5



Mirae Asset Securities Co., Ltd.

HeeSeok Lim

heeseok.lim@miraeasset.com

Cafe24

Charting a path for future growth

Domestic live commerce market to grow rapidly

By 2030, we project Korea's live commerce market to expand to W32tr (from W3.6tr in 2024), with its share of the total e-commerce market reaching 6.4%. This represents a 2025-30 CAGR of 46%, which is far higher than the domestic e-commerce market's expected CAGR over the same period (+10%).

Going forward, we expect to see deepening shifts in consumer behavior; instead of the traditional approach of painstakingly reading reviews before buying, shoppers are likely to: 1) make quick purchasing decisions based on tailored AI recommendations; and 2) seek products recommended by specialized influencers (rather than rely on generic consumer reviews). Against this backdrop, we see the average time to purchase decreasing further.

Well-positioned to benefit from the rise of YouTube Shopping

We expect YouTube Shopping to overtake NAVER as the dominant player in the domestic live commerce market, with its share surging to 31% by 2028 and 40% by 2030. Growth in YouTube Shopping's domestic GMV should accelerate from 2025, reaching W13tr by 2030. We project that YouTube Shopping's penetration in Korea's overall e-commerce market will reach 2.6% by 2030.

Cafe24 is likely to maintain a near-monopolistic position within the YouTube Shopping ecosystem thanks to its specialized solutions/functions. By 2030, we forecast Cafe24's YouTube Shopping-related GMV to reach W9.7tr, contributing W78bn to overall operating profit. The anticipated introduction of in-app purchases on YouTube Shopping will likely drive explosive GMV growth for YouTube Shopping stores (which currently have an estimated market penetration of 2%).

Lift TP to W78,000; maintain Buy

We lift our target price for Cafe24 to W78,000 (from W40,000), as we raised our 2025 GMV estimate to reflect accelerating GMV growth and revised up our 2025F target EV/GMV from 0.06x to 0.12x (the stock's average multiple in 2019, when expectations for the platform business's push into new markets increased). We continue to recommend the stock as our top pick among small/mid-cap internet stocks.

The company is achieving rapid earnings improvement on enhanced cost efficiency and accelerating top-line growth. Accordingly, we revised up our 2025 revenue and operating profit forecasts by 4% and 51%, respectively.

(Dec.)	2022	2023	2024	2025F	2026F
Revenue (Wbn)	266	278	302	342	388
OP (Wbn)	-21	-3	32	56	89
OP margin (%)	-7.9	-1.1	10.6	16.4	22.9
NP (Wbn)	-37	10	26	45	71
EPS (W)	-1,664	429	1,066	1,839	2,928
ROE (%)	-19.6	6.1	13.5	19.1	24.3
P/E (x)	-	65.3	31.8	34.0	21.3
P/B (x)	1.5	3.7	3.8	5.8	4.6
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0

Notes: Under consolidated K-IFRS; NP is attributable to owners of the parent

Source: Company data, Mirae Asset Securities Research estimates

Table 1. Valuation table

	Value	Notes
2025F GMV (Wbn)	15,403	
Target EV/GMV (x)	0.123	Avg. multiple in 2019, when the company's growth outpaced that of the broader e-commerce market (→ M/S gains)
Target market cap (Wbn)	1,893	
No. of shares ('000)	24,253	
TP (W)	78,000	
CP (W)	62,500	
Upside	24.8%	

Source: Mirae Asset Securities Research

Table 2. Quarterly and annual earnings

	1Q24	2Q24	3Q24	4Q24	1Q25F	2Q25F	3Q25F	4Q25F	2024	2025F	2026F	2027F	2028F
Revenue	65	74	75	87	75	85	86	97	302	342	388	452	535
(YoY)	2.7%	4.9%	19.3%	19.2%	14.3%	13.9%	13.3%	11.8%	11.6%	13.2%	13.2%	16.5%	18.4%
EC platform	57	66	67	79	66	76	77	89	269	308	352	415	497
Payment solutions	23	27	26	30	28	33	32	37	105	130	167	223	297
EC solutions	7	8	8	9	8	8	8	10	32	34	36	38	40
Business solutions	3	3	3	3	3	3	3	3	13	13	13	13	14
Supply chain services	16	19	19	24	18	20	20	24	77	82	85	86	86
Marketing solutions	8	10	11	13	10	12	12	14	42	47	51	55	60
Infra	8	8	9	9	9	9	9	9	34	35	36	37	38
Operating expenses	62	67	68	74	68	71	71	76	271	287	299	325	350
Labor	24	24	24	25	25	25	25	26	97	101	105	109	114
Fees	14	16	18	18	18	18	19	19	67	74	80	96	120
D&A	7	7	7	7	6	6	6	7	28	26	27	31	28
Communication	5	5	5	5	5	5	5	5	19	19	19	20	20
Other	12	15	15	19	14	17	16	20	61	66	68	68	69
OP	3	8	8	13	7	13	15	21	32	56	89	127	184
(YoY)	TTB	178.6%	TTB	132.2%	98.2%	72.8%	87.2%	62.4%	-	74.7%	59.3%	43.1%	45.0%
OP margin	5.0%	10.5%	10.3%	14.9%	8.7%	15.9%	17.1%	21.7%	10.6%	16.3%	22.9%	28.1%	34.4%
NP attr. to owners of the parent	1	7	6	11	5	11	12	17	26	45	71	102	147
Net margin	2.1%	9.7%	7.8%	12.9%	7.0%	12.7%	13.7%	17.3%	8.5%	13.0%	18.3%	22.5%	27.6%

Source: Company data, Mirae Asset Securities Research

Table 3. Annual earnings forecast revisions

	Previous		Revised		Chg.		Consensus		Diff.		Notes
	2025F	2026F	2025F	2026F	2025F	2026F	2025F	2026F	2025F	2026F	
Revenue	331	368	343	388	4%	5%	333	367	3%	6%	Raised payment/marketing solutions revenue estimates
OP	37	54	56	89	51%	65%	41	50	36%	77%	
NP	30	43	45	71	48%	65%	33	40	36%	77%	
OP margin	11.2%	14.6%	16.3%	22.9%	-	-	12.3%	13.7%	-	-	
Net margin	9.1%	11.7%	13.0%	18.3%	-	-	9.9%	10.9%	-	-	

Source: FnGuide, Mirae Asset Securities Research

Cafe24 (042000 KQ)

Income statement (summarized)

(Wbn)	2023	2024F	2025F	2026F
Revenue	278	302	342	388
Cost of revenue	0	0	0	0
GP	278	302	342	388
SG&A expenses	281	271	287	299
OP (adj.)	-3	32	56	89
OP	-3	32	56	89
Non-operating profit	-15	2	0	0
Net financial income	-3	-1	1	3
Net income from associates	0	3	-1	-3
Pretax profit	-18	34	56	89
Income tax	-1	8	11	18
Profit from continuing operations	-17	26	45	71
Profit from discontinued operations	19	-3	0	0
NP	2	23	45	71
Attributable to owners	10	26	45	71
Attributable to minority interests	-8	-2	0	0
Total comprehensive income	13	23	45	71
Attributable to owners	21	37	70	112
Attributable to minority interests	-8	-13	-26	-41
EBITDA	32	55	72	101
FCF	28	33	56	76
EBITDA margin (%)	11.5	18.2	21.1	26.0
OP margin (%)	-1.1	10.6	16.4	22.9
Net margin (%)	3.6	8.6	13.2	18.3

Balance sheet (summarized)

(Wbn)	2023	2024F	2025F	2026F
Current assets	119	188	248	329
Cash & equivalents	31	96	152	228
AR & other receivables	41	43	47	52
Inventory	1	1	1	1
Other current assets	46	48	48	48
Non-current assets	203	153	139	130
Investments in associates	0	0	0	0
PP&E	60	40	28	21
Intangible assets	29	26	24	22
Total assets	322	341	387	459
Current liabilities	121	111	111	112
AP & other payables	34	29	29	29
Short-term financial liabilities	41	41	42	42
Other current liabilities	46	41	40	41
Non-current liabilities	26	16	16	16
Long-term financial liabilities	19	8	8	8
Other non-current liabilities	7	8	8	8
Total liabilities	147	126	127	128
Equity attributable to owners	170	212	256	327
Capital stock	11	12	12	12
Capital surplus	235	235	235	235
Retained earnings	-22	4	49	120
Minority interests	5	3	3	3
Shareholders' equity	175	215	259	330

Cash flow statement (summarized)

(Wbn)	2023	2024F	2025F	2026F
Operating cash flow	36	33	58	79
NP	2	23	45	71
Non-cash income/expenses	28	32	26	27
Depreciation	30	20	14	10
Amortization	5	3	2	2
Other	-7	9	10	15
Chg. in working capital	8	-13	-3	-4
Chg. in AR & other receivables	-8	-5	-3	-3
Chg. in inventory	1	0	0	0
Chg. in AP & other payables	3	0	0	0
Income tax	-1	-7	-11	-18
Cash flow from investing activities	3	0	-2	-3
Chg. in PP&E	-8	0	-2	-3
Chg. in intangible assets	-1	0	0	0
Chg. in financial assets	-18	0	0	0
Other	30	0	0	0
Cash flow from financing activities	-41	2	0	0
Chg. in financial liabilities	-33	-10	0	0
Chg. in equity	0	1	0	0
Dividends	0	0	0	0
Other	-8	11	0	0
Chg. in cash	-4	66	56	76
Beginning balance	35	31	96	152
Ending balance	31	96	152	228

Source: Company data, Mirae Asset Securities Research estimates

Key valuation metrics/ratios

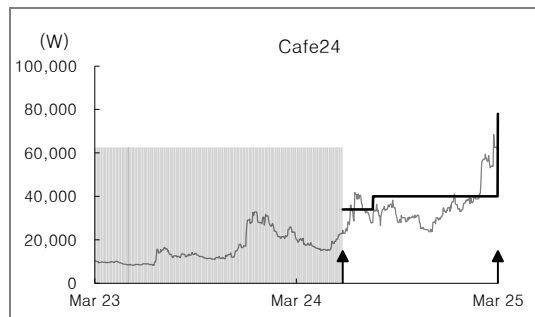
	2023	2024F	2025F	2026F
P/E (x)	65.3	31.8	34.0	21.3
P/CF (x)	20.9	14.9	21.4	15.5
P/B (x)	3.7	3.8	5.8	4.6
EV/EBITDA (x)	19.6	13.3	19.1	12.9
EPS (W)	429	1,066	1,839	2,928
CFPS (W)	1,337	2,276	2,923	4,027
BPS (W)	7,659	8,852	10,690	13,619
DPS (W)	0	0	0	0
Dividend payout ratio (%)	0.0	0.0	0.0	0.0
Dividend yield (%)	0.0	0.0	0.0	0.0
Revenue growth (%)	4.5	8.8	13.2	13.2
EBITDA growth (%)	151.8	74.0	30.1	39.6
OP growth (%)	RR	TTB	74.5	59.3
EPS growth (%)	TTB	148.7	72.4	59.3
AR turnover (x)	9.4	9.6	9.7	10.2
Inventory turnover (x)	253.0	393.0	440.5	493.8
AP turnover (x)	0.0	0.0	0.0	0.0
ROA (%)	0.6	7.1	12.3	16.8
ROE (%)	6.1	13.5	19.1	24.3
ROIC (%)	-3.0	36.5	79.1	147.4
Debt-to-equity ratio (%)	84.3	58.8	49.1	38.8
Current ratio (%)	98.2	169.7	222.2	292.5
Net debt-to-equity ratio (%)	-6.5	-40.8	-55.2	-66.5
Interest coverage ratio (x)	-0.6	8.4	16.1	25.6

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
Cafe24 (042000)	03/06/25	Buy	78,000
	07/23/24	Buy	40,000
	05/29/24	Buy	34,000



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
