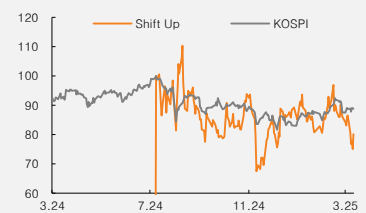


(Maintain)	Buy
Target price	▲ W98,000
Current price (3/14/25)	W56,900
Upside	72.2%

OP (24, Wbn)	149
Consensus OP (24F, Wbn)	148
EPS growth (24, %)	22.8
Market EPS growth (24F, %)	68.1
P/E (24, x)	24.2
Market P/E (24F, x)	10.9
KOSPI	2,566.36

Market cap (Wbn)	3,319
Shares (mn)	58
Free float (%)	57.3
Foreign ownership (%)	3.3
Beta (12M)	0.46
52-week low (W)	47,900
52-week high (W)	78,300

(%)	1M	6M	12M
Absolute	-12.1	-6.7	0.0
Relative	-11.2	-6.4	0.0



Mirae Asset Securities Co., Ltd.

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Shift Up

Attractive valuation; time to buy

Evangelion collaboration comes to an end

The second collaboration between *Goddess of Victory: Nikke* and *Evangelion* ran from Feb. 20 to Mar. 13. Despite a lukewarm player response, Sensor Tower estimates that daily average revenue during the second crossover event was 19% higher than during the first *Evangelion* collaboration, likely due to the combined impact of a new *Goddess of Victory: Nikke* story update ("For Rest") and the reissue of *Evangelion* characters.

Despite last year's failed collaborations with *Re:Zero* and *Evangelion*, we are upbeat on upcoming IP crossovers in 2025. We believe the 2024 collaborations were unsuccessful because: 1) their storylines/themes did not align well with the *Goddess of Victory: Nikke* universe; and 2) the IP owners imposed strict restrictions on modifications. In contrast, the upcoming crossover between Shift Up's own *Stellar Blade* IP and *Goddess of Victory: Nikke* is likely to succeed due to better thematic alignment and greater flexibility.

Traffic continues to hit new highs

Despite disappointing IP collaborations, *Goddess of Victory: Nikke* maintained solid momentum last year based on its engaging main storyline; notably, global monthly active users (MAUs) surpassed the levels seen in 2023 (the game's first full year after launch). The positive traffic trend has continued into 2025, with domestic MAUs rising more than 40% YoY in the first two months of the year (based on KoreanClick data).

The fact that traffic remains above first-year levels suggests that a well-executed update could drive a meaningful revenue rebound. Accordingly, expectations are high for upcoming collaborations with *Stellar Blade* (1H25) and yet-to-be-announced title (2H25). We expect the game to record a 3% YoY increase in revenue in 2025.

Maintain Buy and raise TP to W98,000

We raise our target price for Shift Up to W98,000 (from W95,000), as we revised up our 2025 earnings estimates to reflect solid revenue from *Goddess of Victory: Nikke* (2025F target P/E unchanged at 24x). While the disclosure of a stake sale (0.3%) by an executive recently led to a sharp fall in shares, we see a low likelihood of stake sales by the largest shareholders (CEO and Tencent). We continue to recommend the stock as our top pick in the gaming sector in light of its attractive valuation (2025F P/E of 14x).

In the short term, new release momentum will peak with the anticipated launch of *Goddess of Victory: Nikke* in China in April-May. Tencent has begun ramping up its marketing efforts, and the number of pre-registrations exceeded 100,000 as of last weekend. The pre-registration target of 8mn appears highly achievable.

(Dec.)	2022	2023	2024	2025F	2026F
Revenue (Wbn)	65	169	220	383	318
OP (Wbn)	22	111	149	295	223
OP margin (%)	33.8	65.7	67.7	77.0	70.1
NP (Wbn)	20	107	143	238	179
EPS (W)	421	2,132	2,618	4,083	3,066
ROE (%)	36.7	86.4	30.3	27.1	16.4
P/E (x)	-	-	24.2	13.9	18.6
P/B (x)	-	-	4.9	3.3	2.8
Dividend yield (%)	-	-	0.0	0.0	0.0

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

Source: Company data, Mirae Asset Securities Research estimates

Table 1. Quarterly/annual earnings and forecasts

(Wbn)

	1Q24	2Q24	3Q24	4Q24	1Q25F	2Q25F	3Q25F	4Q25F	2023	2024	2025F	2026F	2027F
Revenue	37	65	58	59	45	155	91	91	169	220	383	318	412
YoY	-17%	64%	52%	29%	19%	138%	57%	54%	155%	30%	74%	-17%	29%
<i>Goddess of Victory: Nikke</i>	36	38	34	44	35	71	57	70	164	153	233	264	257
Global (ex-China)	36	38	34	44	35	40	36	46	164	153	157	160	162
China	0	0	0	0	0	31	21	24	0	0	76	103	95
<i>Stellar Blade</i>	0	26	23	14	8	83	33	20	0	63	144	49	17
Other	1	1	1	1	1	1	1	1	4	4	5	6	7
Operating expenses	11	20	22	17	18	28	20	22	58	71	88	96	110
Labor	9	17	19	10	13	19	14	15	49	55	62	71	82
Variable costs	1	1	1	4	2	6	3	3	5	7	14	12	15
Fixed costs	2	2	3	3	3	3	3	3	4	9	12	12	13
OP	26	45	36	42	27	127	71	70	111	149	295	223	302
YoY	-13%	38%	120%	30%	3%	183%	100%	66%	508%	34%	99%	-24%	36%
OP margin	69%	69%	61%	71%	60%	82%	78%	76%	66%	68%	77%	70%	73%
NP attr. to owners of the parent	25	40	23	54	22	103	57	56	107	143	238	179	242
Net margin	66%	62%	40%	91%	49%	66%	63%	62%	63%	65%	62%	56%	59%

Source: 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	377	316	383	318	2%	1%	308	291	24%	10%	Raised global (ex-China) revenue estimates for <i>Goddess of Victory: Nikke</i>
OP	289	220	295	223	2%	1%	227	200	30%	11%	
NP	231	176	238	179	3%	2%	203	184	17%	-3%	
OP margin	76.6%	69.7%	77.1%	69.9%	-	-	73.7%	68.9%	-	-	
Net margin	61.3%	55.7%	62.3%	56.2%	-	-	66.0%	63.3%	-	-	

Source: FnGuide, Mirae Asset Securities Research

Table 3. 1Q25 earnings forecast revisions

(Wbn)

	Revised	Previous	Chg.	Consensus	Diff.
Revenue	44.7	41.7	7%	43.0	4%
OP	26.8	25.1	7%	26.7	0%
NP attributable to owners of the parent	22.0	20.0	10%	24.9	-12%

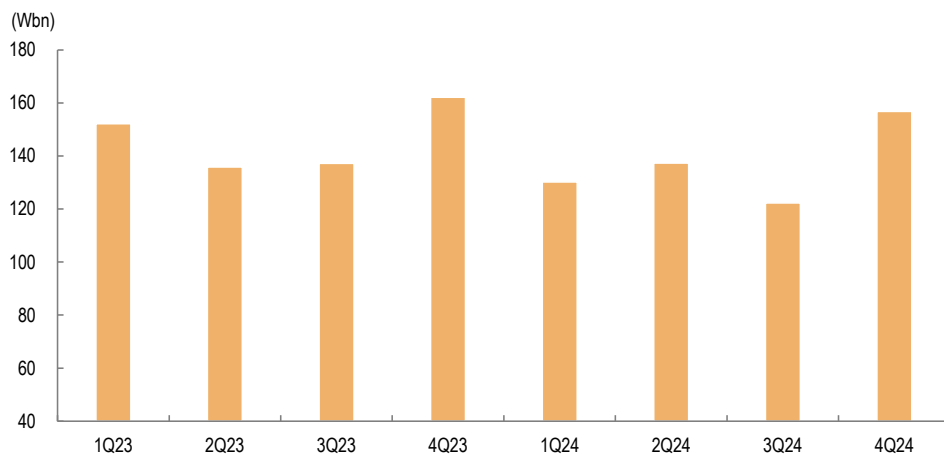
Source: FnGuide, Mirae Asset Securities Research

Table 4. Valuation table

	Value	Notes
2025F NP attributable to owners of the parent (Wbn)	238	
Target P/E (x)	24	Nexon's avg. P/E in 2022, when the firm was diversifying platforms while seeing a rebound in existing titles
Target market cap (Wbn)	5,717	
No. of shares ('000)	58,335	
TP (W)	98,000	
CP (W)	56,900	
Upside	72.2%	

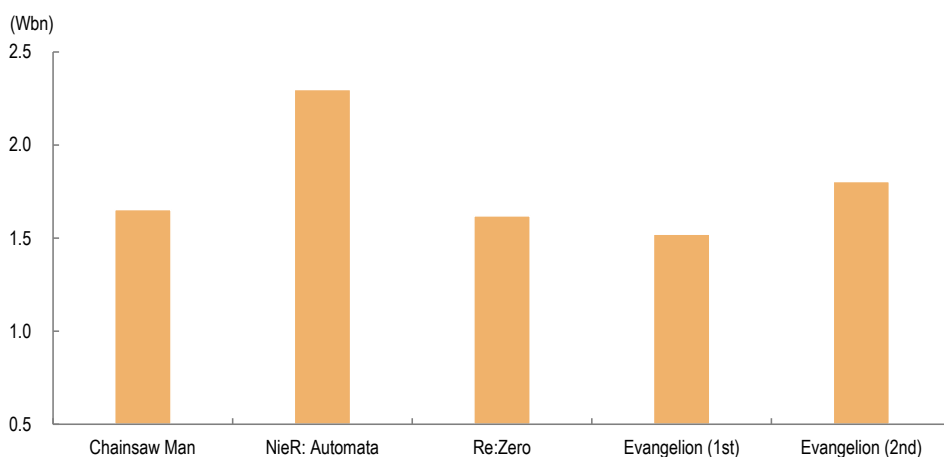
Source: Mirae Asset Securities Research

Figure 1. Goddess of Victory: Nikke. Global quarterly revenue (based on gross revenue)



Source: Mirae Asset Securities Research

Figure 2. Avg. daily revenue from Goddess of Victory: Nikke's major collaborations



Source: Sensor Tower, Mirae Asset Securities Research

Shift Up (462870 KS)

Income statement (summarized)

(Wbn)	2023	2024F	2025F	2026F
Revenue	169	220	383	318
Cost of revenue	0	0	0	0
GP	169	220	383	318
SG&A expenses	58	71	88	96
OP (adj.)	111	149	295	223
OP	111	149	295	223
Non-operating profit	3	24	3	1
Net financial income	0	2	7	10
Net income from associates	0	21	-4	-9
Pretax profit	114	173	298	224
Income tax	8	30	60	45
Profit from continuing operations	107	143	238	179
Profit from discontinued operations	0	0	0	0
NP	107	143	238	179
Attributable to owners	107	143	238	179
Attributable to minority interests	0	0	0	0
Total comprehensive income	107	143	238	179
Attributable to owners	107	143	238	179
Attributable to minority interests	0	0	0	0
EBITDA	114	151	297	225
FCF	100	-183	235	175
EBITDA margin (%)	67.5	68.6	77.5	70.8
OP margin (%)	65.7	67.7	77.0	70.1
Net margin (%)	63.3	65.0	62.1	56.3

Balance sheet (summarized)

(Wbn)	2023	2024F	2025F	2026F
Current assets	177	765	1,003	1,181
Cash & equivalents	116	289	523	698
AR & other receivables	60	61	61	62
Inventory	0	0	0	0
Other current assets	1	415	419	421
Non-current assets	27	36	36	37
Investments in associates	0	0	0	0
PP&E	1	3	3	4
Intangible assets	1	3	3	3
Total assets	204	801	1,039	1,218
Current liabilities	11	29	30	30
AP & other payables	1	2	2	2
Short-term financial liabilities	3	5	5	5
Other current liabilities	7	22	23	23
Non-current liabilities	12	11	11	11
Long-term financial liabilities	10	9	9	9
Other non-current liabilities	2	2	2	2
Total liabilities	23	40	41	41
Equity attributable to owners	181	760	999	1,178
Capital stock	10	12	12	12
Capital surplus	96	529	529	529
Retained earnings	71	214	452	631
Minority interests	0	0	0	0
Shareholders' equity	181	760	999	1,178

Cash flow statement (summarized)

(Wbn)	2023	2024F	2025F	2026F
Operating cash flow	100	-180	237	177
NP	107	143	238	179
Non-cash income/expenses	14	29	55	37
Depreciation	2	1	1	1
Amortization	0	1	1	1
Other	12	27	53	35
Chg. in working capital	-10	-324	-4	-4
Chg. in AR & other receivables	-9	-1	-1	-1
Chg. in inventory	0	0	0	0
Chg. in AP & other payables	1	0	0	0
Income tax	-11	-30	-60	-45
Cash flow from investing activities	4	-11	-3	-3
Chg. in PP&E	0	-3	-2	-2
Chg. in intangible assets	-1	-3	-1	-1
Chg. in financial assets	3	0	0	0
Other	2	-5	0	0
Cash flow from financing activities	0	438	0	0
Chg. in financial liabilities	13	1	0	0
Chg. in equity	33	436	0	0
Dividends	0	0	0	0
Other	-46	1	0	0
Chg. in cash	104	173	234	174
Beginning balance	12	116	289	523
Ending balance	116	289	523	698

Source: Company data, Mirae Asset Securities Research estimates

Key valuation metrics/ratios

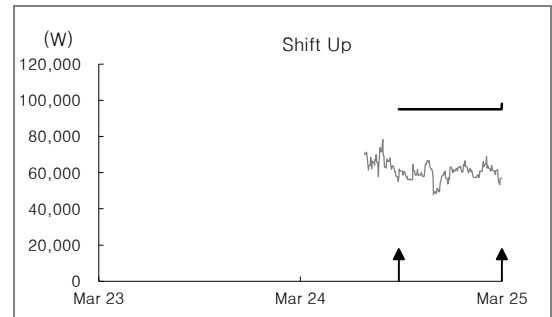
	2023	2024F	2025F	2026F
P/E (x)	-	24.2	13.9	18.6
P/CF (x)	-	20.1	11.3	15.4
P/B (x)	-	4.9	3.3	2.8
EV/EBITDA (x)	-	22.2	9.2	11.4
EPS (W)	2,132	2,618	4,083	3,066
CFPS (W)	2,416	3,159	5,027	3,696
BPS (W)	3,568	13,036	17,120	20,186
DPS (W)	0	0	0	0
Dividend payout ratio (%)	0.0	0.0	0.0	0.0
Dividend yield (%)	0.0	0.0	0.0	0.0
Revenue growth (%)	158.1	30.4	74.0	-16.8
EBITDA growth (%)	386.2	32.4	97.3	-24.2
OP growth (%)	400.7	33.8	98.5	-24.5
EPS growth (%)	406.7	22.8	56.0	-24.9
AR turnover (x)	3.0	3.7	6.3	5.2
Inventory turnover (x)	0.0	0.0	0.0	0.0
AP turnover (x)	0.0	0.0	0.0	0.0
ROA (%)	76.8	28.4	25.9	15.8
ROE (%)	86.4	30.3	27.1	16.4
ROIC (%)	183.0	56.8	57.6	43.0
Debt-to-equity ratio (%)	12.6	5.3	4.1	3.5
Current ratio (%)	1,582.3	2,602.5	3,379.2	3,941.3
Net debt-to-equity ratio (%)	-57.6	-46.0	-58.5	-64.4
Interest coverage ratio (x)	126.6	80.4	151.7	114.1

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
Shift Up (462870)	03/17/25	Buy	98,000
	09/11/24	Buy	95,000



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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