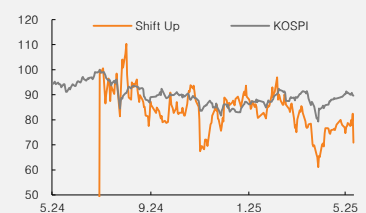


(Maintain)	<b>Buy</b>
Target price	<b>W98,000</b>
Current price (5/23/25)	W50,300
Upside	94.8%

OP (25F, Wbn)	281
Consensus OP (25F, Wbn)	214
EPS growth (25F, %)	50.4
Market EPS growth (25F, %)	25.5
P/E (25F, x)	12.3
Market P/E (25F, x)	9.4
KOSPI	2,592.09

Market cap (Wbn)	2,942
Shares (mn)	59
Free float (%)	56.8
Foreign ownership (%)	37.7
Beta (12M)	0.86
52-week low (W)	43,350
52-week high (W)	78,300

(%)	1M	6M	12M
Absolute	-5.3	1.8	0.0
Relative	-7.7	-1.7	0.0



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# Shift Up

## Strong initial performance on Chinese platforms and PC

### *Goddess of Victory: Nikke* (China): Strong performance on local platforms and PC

Since its May 22 launch in China, *Goddess of Victory: Nikke* has been generating average daily revenue in the mid/high-W2bn range (estimate), supported by stronger-than-anticipated user traffic. While the game has slid to the mid-teens in iOS revenue rankings (after breaking into the top 10 at launch), this is largely due to a greater share of revenue from other platforms and an unexpectedly strong showing on PC.

In China, we estimate the title's iOS revenue share at less than 35%, which is low relative to other games. As of May 25, the number of iOS downloads is believed to be around 500,000—lower than the figures for local platforms TapTap (770,000 downloads; 690,000 pre-registrations) and Bilibili (510,000 downloads; 810,000 pre-registrations). Additionally, the PC version is making a large revenue contribution (estimated at over 20%) from the outset, which was not seen with the global release; on WeGame, China's largest PC game platform, *Goddess of Victory: Nikke* is currently ranked no. 3.

### Positive initial feedback suggests potential for long-term success

Despite some user dissatisfaction (mainly due to differences in launch rewards across platforms and frustration over the luck-based character acquisition system), the overall response to the game has been positive, with players praising the genre's novelty, the distinctive character designs, and the engaging storyline. It currently holds an average score of 8.8 on Bilibili (among the highest ratings for major games), 6.8 on TapTap (up from 6.5 initially), and a 73% recommendation rate on WeGame (placing it among the top tier). On WeChat's trend index, the game reached a fresh high of 18mn on May 24.

Meanwhile, earlier concerns about content spoilers and censorship have proven unfounded. The Chinese version is meaningfully different from the global version in terms of character abilities and skins, effectively eliminating spoiler concerns. In addition, the censorship that has been applied appears to be within reasonable limits.

### Retain Buy and TP of W98,000

We continue to assume that *Goddess of Victory: Nikke* will generate average daily revenue of W1bn in China in 2025. We believe the recent drop in the stock (down to a 2025F P/E of 12x) reflects excessive concerns about the title's performance in China; in our view, it is time to factor in its strong performance on local Chinese platforms and PC. Notably, PC-based revenue is not subject to the 30% app store commission, allowing the developer to recognize a higher share of gross revenue.

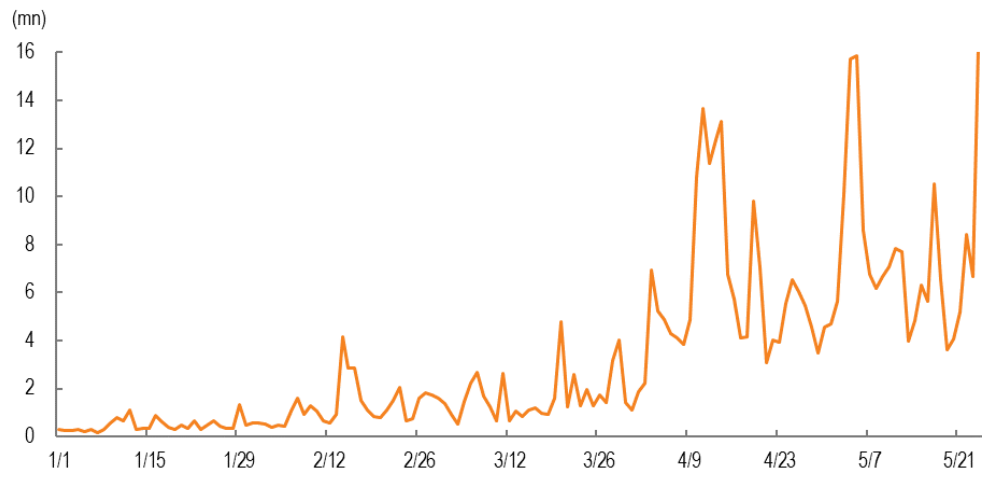
Of note, "pickup character" recruitment events (the game's core monetization feature) have not yet been rolled out in the Chinese version. As such, we see potential for a boost in player spending and accompanying share momentum once such events begin. Notably, the global version has seen a sharp rise in revenue during pickup events (even exceeding levels seen during the initial launch phase).

(Dec.)	2023	2024	2025F	2026F	2027F
Revenue (Wbn)	169	224	363	322	425
OP (Wbn)	111	153	281	224	313
OP margin (%)	65.7	68.3	77.4	69.6	73.6
NP (Wbn)	107	148	239	180	250
EPS (W)	2,132	2,717	4,085	3,075	4,276
ROE (%)	86.4	31.3	27.0	16.4	19.1
P/E (x)	-	23.3	12.3	16.4	11.8
P/B (x)	-	4.8	2.9	2.5	2.1
Dividend yield (%)	-	0.0	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

**Figure 1. Goddess of Victory: Nikke:WeChat index trend**



Source: WeChat, Mirae Asset Securities Research

## Shift Up (462870 KS)

## Income statement (summarized)

(Wbn)	2024	2025F	2026F	2027F
<b>Revenue</b>	<b>224</b>	<b>363</b>	<b>322</b>	<b>425</b>
<b>Cost of revenue</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>GP</b>	<b>224</b>	<b>363</b>	<b>322</b>	<b>425</b>
<b>SG&amp;A expenses</b>	<b>71</b>	<b>82</b>	<b>98</b>	<b>113</b>
<b>OP (adj.)</b>	<b>153</b>	<b>281</b>	<b>224</b>	<b>313</b>
<b>OP</b>	<b>153</b>	<b>281</b>	<b>224</b>	<b>313</b>
<b>Non-operating profit</b>	<b>26</b>	<b>16</b>	<b>1</b>	<b>0</b>
Net financial income	7	17	22	26
Net income from associates	0	-2	-22	-28
Pretax profit	179	297	225	313
Income tax	31	58	45	63
Profit from continuing operations	148	239	180	250
Profit from discontinued operations	0	0	0	0
<b>NP</b>	<b>148</b>	<b>239</b>	<b>180</b>	<b>250</b>
Attributable to owners	148	239	180	250
Attributable to minority interests	0	0	0	0
<b>Total comprehensive income</b>	<b>148</b>	<b>239</b>	<b>180</b>	<b>250</b>
Attributable to owners	148	239	180	250
Attributable to minority interests	0	0	0	0
EBITDA	157	284	227	315
FCF	111	275	181	248
EBITDA margin (%)	70.1	78.2	70.5	74.1
OP margin (%)	68.3	77.4	69.6	73.6
Net margin (%)	66.1	65.8	55.9	58.8

## Balance sheet (summarized)

(Wbn)	2024	2025F	2026F	2027F
<b>Current assets</b>	<b>768</b>	<b>1,016</b>	<b>1,197</b>	<b>1,448</b>
Cash & equivalents	289	383	563	811
AR & other receivables	113	87	87	90
Inventory	0	0	0	0
Other current assets	366	546	547	547
<b>Non-current assets</b>	<b>36</b>	<b>35</b>	<b>35</b>	<b>34</b>
Investments in associates	0	0	0	0
PP&E	3	2	2	2
Intangible assets	3	3	3	2
<b>Total assets</b>	<b>804</b>	<b>1,051</b>	<b>1,231</b>	<b>1,482</b>
<b>Current liabilities</b>	<b>29</b>	<b>38</b>	<b>38</b>	<b>39</b>
AP & other payables	3	3	3	3
Short-term financial liabilities	3	3	3	3
Other current liabilities	23	32	32	33
<b>Non-current liabilities</b>	<b>11</b>	<b>10</b>	<b>10</b>	<b>10</b>
Long-term financial liabilities	8	8	8	8
Other non-current liabilities	3	2	2	2
<b>Total liabilities</b>	<b>39</b>	<b>48</b>	<b>48</b>	<b>49</b>
<b>Equity attributable to owners</b>	<b>764</b>	<b>1,003</b>	<b>1,183</b>	<b>1,433</b>
Capital stock	12	12	12	12
Capital surplus	527	527	527	527
Retained earnings	219	458	638	888
<b>Minority interests</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Shareholders' equity</b>	<b>764</b>	<b>1,003</b>	<b>1,183</b>	<b>1,433</b>

## Cash flow statement (summarized)

(Wbn)	2024	2025F	2026F	2027F
<b>Operating cash flow</b>	<b>114</b>	<b>277</b>	<b>183</b>	<b>250</b>
NP	148	239	180	250
Non-cash income/expenses	16	43	25	37
Depreciation	3	2	2	2
Amortization	1	1	1	1
Other	12	40	22	34
Chg. in working capital	-44	35	0	-3
Chg. in AR & other receivables	-40	24	-1	-1
Chg. in inventory	0	0	0	0
Chg. in AP & other payables	1	0	0	0
Income tax	-14	-58	-45	-63
<b>Cash flow from investing activities</b>	<b>-368</b>	<b>-3</b>	<b>-3</b>	<b>-2</b>
Chg. in PP&E	-3	-2	-2	-2
Chg. in intangible assets	-3	-1	-1	0
Chg. in financial assets	0	0	0	0
Other	-362	0	0	0
<b>Cash flow from financing activities</b>	<b>427</b>	<b>-1</b>	<b>0</b>	<b>0</b>
Chg. in financial liabilities	-1	-1	0	0
Chg. in equity	433	0	0	0
Dividends	0	0	0	0
Other	-5	0	0	0
<b>Chg. in cash</b>	<b>173</b>	<b>94</b>	<b>180</b>	<b>248</b>
Beginning balance	116	289	383	563
Ending balance	289	383	563	811

Source: Company data, Mirae Asset Securities Research estimates

## Key valuation metrics/ratios

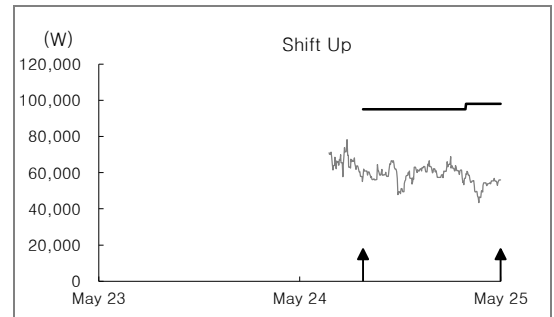
	2024	2025F	2026F	2027F
P/E (x)	23.3	12.3	16.4	11.8
P/CF (x)	21.0	10.4	14.4	10.2
P/B (x)	4.8	2.9	2.5	2.1
EV/EBITDA (x)	21.8	7.1	8.1	5.1
EPS (W)	2,717	4,085	3,075	4,276
CFPS (W)	3,014	4,825	3,503	4,917
BPS (W)	13,104	17,154	20,228	24,504
DPS (W)	0	0	0	0
Dividend payout ratio (%)	0.0	0.0	0.0	0.0
Dividend yield (%)	0.0	0.0	0.0	0.0
Revenue growth (%)	32.9	61.8	-11.3	32.2
EBITDA growth (%)	38.2	80.8	-20.0	38.9
OP growth (%)	37.5	83.9	-20.2	39.6
EPS growth (%)	27.4	50.4	-24.7	39.1
AR turnover (x)	2.8	4.0	4.1	5.3
Inventory turnover (x)	0.0	0.0	0.0	0.0
AP turnover (x)	0.0	0.0	0.0	0.0
ROA (%)	29.4	25.8	15.8	18.4
ROE (%)	31.3	27.0	16.4	19.1
ROIC (%)	144.3	239.9	235.4	325.3
Debt-to-equity ratio (%)	5.2	4.8	4.1	3.4
Current ratio (%)	2,687.2	2,690.9	3,137.2	3,758.5
Net debt-to-equity ratio (%)	-36.4	-90.8	-92.2	-93.4
Interest coverage ratio (x)	130.5	265.1	219.2	305.1

# Appendix 1

## Important disclosures and disclaimers

### Two-year rating and TP history

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



### Stock ratings

Buy	Expected 12-month return: +20% or greater
Hold	Expected 12-month return: Greater than -10% and less than +10%
Sell	Expected 12-month return: -10% or less

### 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

As of May 12, 2025, the Trading Buy rating category has been removed from our investment rating system.

Stocks expected to deliver a 12-month return between +10% and less than +20% may be rated either Buy or Hold at the discretion of the research analyst.

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	83.98%	6.63%	8.84%	0.55%
Investment banking services	88.24%	0%	11.76%	0%

\* Based on recommendations in the last 12-months (as of March 31, 2025)

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