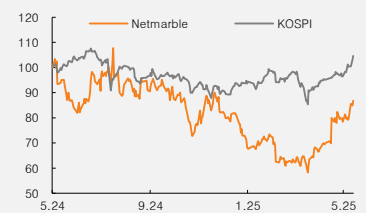


(Maintain)	Buy
Target price	▲ W75,000
Current price (6/5/25)	W55,900
Upside	34.2%

OP (25F, Wbn)	284
Consensus OP (25F, Wbn)	255
EPS growth (25F, %)	1,098.0
Market EPS growth (25F, %)	25.7
P/E (25F, x)	15.6
Market P/E (25F, x)	10.2
KOSPI	2,812.05

Market cap (Wbn)	4,805
Shares (mn)	86
Free float (%)	36.7
Foreign ownership (%)	24.5
Beta (12M)	1.01
52-week low (W)	37,500
52-week high (W)	69,400

(%)	1M	6M	12M
Absolute	23.8	1.3	-8.7
Relative	12.7	-12.1	-12.6



Mirae Asset Securities Co., Ltd.

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Netmarble

Most attractive gaming stock in 2H25

2Q25 earnings likely to beat consensus

For 2Q25, we expect Netmarble to deliver above-consensus results, with revenue of W694bn (-11% YoY; vs. consensus of W685bn) and operating profit of W83bn (-25% YoY; vs. consensus of W62bn). The strong performance will likely be driven by solid revenue from two new titles: *RF Online* and *Seven Knights Re:Birth*.

Since its release on Mar. 12, *RF Online* has consistently ranked among the top four or five highest-grossing games. For 2Q25 (the first full quarter of revenue recognition), we estimate revenue from the game at W63bn (daily average of W700mn).

Seven Knights Re:Birth (released on May 15) has exceeded expectations, holding the top spot on both major app stores for an extended period. Unlike *RF Online*, it is also generating meaningful PC revenue, which is encouraging. For 2Q25, we estimate revenue from the title at W59bn (daily average of W1.3bn). Meanwhile, *Solo Leveling* is likely to generate revenue of W47bn (holding steady QoQ) on first-anniversary effects.

Biggest beneficiary of potential in-app commission cuts

Globally, Apple and Google are facing growing scrutiny and legal pressure over excessive fees/commissions on in-app purchases, increasing the likelihood of reductions. Lower commission rates would immediately boost game companies' profitability by lifting contribution margins. Using 2024 as a baseline, we estimate that a mobile commission rate of 17% would lift the OP margins of major domestic game companies by 7%p on average. Netmarble, which generates 92% of its revenue from mobile games, would experience the sharpest improvement in profitability, with commission fees paid falling by approximately W300bn.

Maintain Buy and raise TP to W75,000

We raise our target price for Netmarble to W75,000 (from W65,000), as we lifted our 2025 estimates in light of the success of *Seven Knights Re:Birth* (target P/E unchanged at 21x). We also present the company as our top pick among gaming stocks for 2H25. The stock is trading at a 2025F P/E of 15.6x. In 2H25, momentum is likely to come from both earnings growth and new game releases.

Encouragingly, the success of new titles based on original IP is helping to reduce the burden of platform commission fees. The commission rate peaked at 41% in 1Q23 but has since declined to 35%. With labor and commission expense pressures easing, we expect the releases of *Mongil: Star Dive* and *The Seven Deadly Sins: Origin* in 2H25 to drive sharp margin growth.

(Dec.)	2023	2024	2025F	2026F	2027F
Revenue (Wbn)	2,502	2,664	2,656	2,742	2,778
OP (Wbn)	-68	216	284	316	335
OP margin (%)	-2.7	8.1	10.7	11.5	12.1
NP (Wbn)	-256	26	307	316	335
EPS (W)	-2,975	298	3,574	3,675	3,900
ROE (%)	-4.9	0.5	5.5	5.4	5.5
P/E (x)	-	173.3	15.6	15.2	14.3
P/B (x)	0.9	0.8	0.8	0.8	0.7
Dividend yield (%)	0.0	0.8	0.7	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	1Q25	2Q25F	3Q25F	4Q25F	2023	2024	2025F	2026F
Revenue	585	782	647	649	624	694	650	688	2,502	2,664	2,656	2,742
(YoY)	-2.9%	29.6%	2.7%	-2.5%	6.6%	-11.2%	0.4%	6.0%	-6.4%	6.5%	-0.3%	3.2%
<i>Marvel Contest of Champions</i>	47	70	52	84	56	63	54	89	269	253	262	273
<i>Solo Leveling</i>	-	156	84	39	50	47	33	38	-	280	169	135
<i>The Seven Deadly Sins: Grand Cross</i>	41	31	26	32	31	27	26	25	150	131	108	93
<i>Raven 2</i>	-	31	39	32	31	22	17	17	-	103	87	58
<i>RF Online Next</i>	-	-	-	-	19	63	38	28	-	-	148	100
<i>Second Country: Cross Worlds</i>	18	14	10	9	7	6	6	6	93	51	26	22
<i>Lineage 2: Revolution</i>	18	16	14	11	10	11	10	10	87	58	40	34
<i>Cash Frenzy</i>	53	47	45	45	50	48	48	47	206	190	194	185
<i>Jackpot World</i>	59	55	52	52	50	50	51	52	237	217	204	220
<i>Lotsa Slots</i>	53	47	45	52	50	50	49	49	206	197	198	194
<i>Second Country: Cross Worlds</i>	299	314	281	292	270	306	316	327	1,254	1,185	1,219	1,429
Operating expenses	582	671	582	614	574	611	586	601	2,571	2,448	2,372	2,426
Commissions	227	263	225	232	219	242	225	237	980	947	923	926
Labor	180	183	179	179	172	174	175	175	745	720	696	711
Marketing	102	144	105	121	114	124	116	118	487	470	473	511
Other	73	82	73	83	69	71	71	70	460	311	281	278
OP	4	111	66	35	50	83	63	87	-68	216	284	316
(YoY)	TTB	TTB	TTB	87.0%	1246.9%	-25.1%	-3.2%	148.1%	RR	TTB	31.6%	11.4%
OP margin	0.6%	14.2%	10.1%	5.4%	8.0%	12.0%	9.8%	12.7%	-2.7%	8.1%	10.7%	11.5%
NP	0	170	22	-166	76	81	66	85	-256	26	307	316
Net margin	-0.1%	21.7%	3.5%	-25.6%	12.1%	11.6%	10.2%	12.3%	-10.2%	1.0%	11.6%	11.5%

Source: Company data, Mirae Asset Securities Research

Table 2. Valuation table

	Value	Notes
2025F NP attributable to owners of the parent (Wbn)	307	
Target P/E (x)	21	Nexon's avg. P/E in 2021, when the firm was developing new titles amid a downward stabilization in revenue from existing titles
Fair value (Wbn)	6,451	
No. of shares ('000)	85,954	
TP (W)	75,000	
CP (W)	55,900	
Upside	34.2%	

Source: Mirae Asset Securities Research

Netmarble (251270 KS)

Income statement (summarized)

(Wbn)	2024	2025F	2026F	2027F
Revenue	2,664	2,656	2,742	2,778
Cost of revenue	0	0	0	0
GP	2,664	2,656	2,742	2,778
SG&A expenses	2,448	2,372	2,426	2,444
OP (adj.)	216	284	316	335
OP	216	284	316	335
Non-operating profit	-140	122	105	112
Net financial income	-89	-66	-46	-36
Net income from associates	109	183	145	142
Pretax profit	76	406	421	447
Income tax	73	95	105	112
Profit from continuing operations	3	312	316	335
Profit from discontinued operations	0	0	0	0
NP	3	312	316	335
Attributable to owners	26	307	316	335
Attributable to minority interests	-22	5	0	0
Total comprehensive income	352	312	316	335
Attributable to owners	371	329	334	354
Attributable to minority interests	-20	-17	-18	-19
EBITDA	370	411	443	462
FCF	270	554	395	410
EBITDA margin (%)	13.9	15.5	16.2	16.6
OP margin (%)	8.1	10.7	11.5	12.1
Net margin (%)	1.0	11.6	11.5	12.1

Cash flow statement (summarized)

(Wbn)	2024	2025F	2026F	2027F
Operating cash flow	288	617	450	470
NP	3	312	316	335
Non-cash income/expenses	382	253	243	239
Depreciation	53	0	0	0
Amortization	101	127	127	127
Other	228	126	116	112
Chg. in working capital	-35	178	7	8
Chg. in AR & other receivables	-9	-3	-3	-3
Chg. in inventory	0	0	0	0
Chg. in AP & other payables	-6	-8	0	0
Income tax	-29	-95	-105	-112
Cash flow from investing activities	37	-31	-71	-81
Chg. in PP&E	-17	-63	-55	-60
Chg. in intangible assets	21	33	-15	-20
Chg. in financial assets	-35	-1	-1	-1
Other	68	0	0	0
Cash flow from financing activities	-221	-409	-34	-34
Chg. in financial liabilities	-148	-375	0	0
Chg. in equity	5	0	0	0
Dividends	0	-34	-34	-34
Other	-78	0	0	0
Chg. in cash	148	260	321	331
Beginning balance	430	578	837	1,159
Ending balance	578	837	1,159	1,489

Source: Company data, Mirae Asset Securities Research estimates

Balance sheet (summarized)

(Wbn)	2024	2025F	2026F	2027F
Current assets	1,115	1,378	1,705	2,041
Cash & equivalents	578	837	1,159	1,489
AR & other receivables	294	295	299	302
Inventory	2	2	2	2
Other current assets	241	244	245	248
Non-current assets	7,062	6,882	6,849	6,826
Investments in associates	2,439	2,356	2,380	2,403
PP&E	340	403	458	518
Intangible assets	3,245	3,085	2,973	2,866
Total assets	8,177	8,261	8,554	8,867
Current liabilities	1,348	1,526	1,535	1,544
AP & other payables	130	123	124	125
Short-term financial liabilities	636	636	636	636
Other current liabilities	582	767	775	783
Non-current liabilities	1,355	983	986	989
Long-term financial liabilities	1,057	682	682	682
Other non-current liabilities	298	301	304	307
Total liabilities	2,703	2,509	2,521	2,533
Equity attributable to owners	5,416	5,689	5,971	6,272
Capital stock	9	9	9	9
Capital surplus	3,055	3,055	3,055	3,055
Retained earnings	1,145	1,419	1,700	2,001
Minority interests	58	62	62	62
Shareholders' equity	5,474	5,751	6,033	6,334

Key valuation metrics/ratios

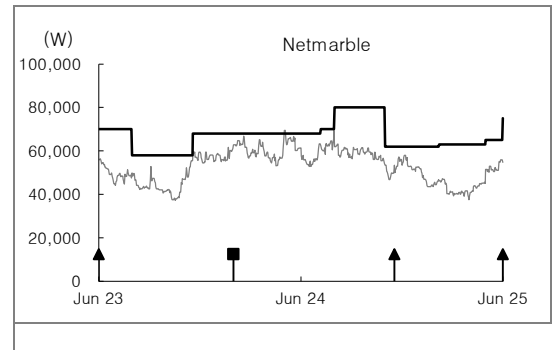
	2024	2025F	2026F	2027F
P/E (x)	173.3	15.6	15.2	14.3
P/CF (x)	11.5	8.5	8.6	8.4
P/B (x)	0.8	0.8	0.8	0.7
EV/EBITDA (x)	14.9	12.7	11.1	9.9
EPS (W)	298	3,574	3,675	3,900
CFPS (W)	4,482	6,567	6,497	6,681
BPS (W)	67,728	70,904	74,182	77,684
DPS (W)	417	417	417	417
Dividend payout ratio (%)	1,062.3	11.0	10.8	10.2
Dividend yield (%)	0.8	1.0	1.0	1.0
Revenue growth (%)	6.5	-0.3	3.2	1.3
EBITDA growth (%)	216.4	11.1	7.7	4.3
OP growth (%)	TTB	31.6	11.4	6.0
EPS growth (%)	TTB	1,098.0	2.8	6.1
AR turnover (x)	10.0	9.5	9.7	9.8
Inventory turnover (x)	1,100.6	1,247.2	1,275.0	1,279.1
AP turnover (x)	0.0	0.0	0.0	0.0
ROA (%)	0.0	3.8	3.8	3.8
ROE (%)	0.5	5.5	5.4	5.5
ROIC (%)	0.3	6.6	7.6	8.2
Debt-to-equity ratio (%)	49.4	43.6	41.8	40.0
Current ratio (%)	82.7	90.3	111.1	132.2
Net debt-to-equity ratio (%)	18.4	6.2	0.6	-4.6
Interest coverage ratio (x)	2.0	3.1	3.9	4.2

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (₩)
Netmarble (251270)	06/09/25	Buy	75,000
	05/09/25	Buy	65,000
	02/14/25	Buy	63,000
	11/25/24	Buy	62,000
	11/08/24	Trading Buy	62,000
	08/09/24	Trading Buy	80,000
	07/15/24	Trading Buy	70,000
	02/08/24	Trading Buy	68,000
	11/27/23	Buy	68,000
	08/09/23	Buy	58,000
	03/15/23	Buy	70,000



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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