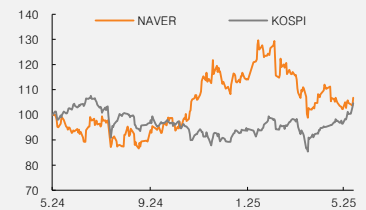


(Maintain)	Buy
Target price	W310,000
Current price (6/5/25)	W191,200
Upside	62.1%

OP (25F, Wbn)	2,282
Consensus OP (25F, Wbn)	2,275
EPS growth (25F, %)	-10.1
Market EPS growth (25F, %)	25.7
P/E (25F, x)	17.8
Market P/E (25F, x)	10.2
KOSPI	2,812.05

Market cap (Wbn)	30,293
Shares (mn)	158
Free float (%)	85.0
Foreign ownership (%)	48.5
Beta (12M)	0.32
52-week low (W)	155,000
52-week high (W)	232,000

(%)	1M	6M	12M
Absolute	-3.1	-6.3	8.0
Relative	-11.8	-18.6	3.3



Mirae Asset Securities Co., Ltd.

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NAVER

Brighter outlook for 2H25

Traffic growth to drive solid ad revenue

In 2H25, we forecast NAVER's search platform unit to deliver above-industry growth of 8% YoY. Notably, time spent on the home feed is increasing, allowing for more effective targeting and leading to higher ad prices. As a result, search platform revenue per minute spent is growing at an accelerating pace.

It is particularly encouraging that monthly time spent on the NAVER platform, which had been declining for several years, is showing signs of a rebound. In April, the time spent on the platform is estimated to have risen 9% YoY. This suggests that prior concerns about a fall in traffic triggered by the launch of a separate commerce app were unfounded.

Brighter outlook for 2H25

In 2H25, the domestic e-commerce market's GMV growth is projected to recover to +11% YoY (from +4% YoY in 1H25), largely driven by a low base of comparison. Last year, the troubles at Tmon/WeMakePrice (which surfaced in July) dragged down GMV growth from +11% YoY in 1H24 to +4% YoY in 2H24. Also, government policies aimed at boosting domestic consumption could further support e-commerce growth in 2H25.

Backed by the strong growth of its commerce app, NAVER's domestic e-commerce GMV is likely to reach W27tr (+12% YoY) in 2H25, with its market share recovering to 19%. We also forecast commerce ad revenue to expand 20% YoY in 2H25. Additionally, with commission hikes for Smart Store sellers starting to be reflected in earnings in June, we expect commissions/sales revenue to expand 28% in 2H25.

Maintain Buy and TP of W310,000

We maintain our target price of W310,000 on NAVER and retain the stock as our top pick among large-cap internet names. The stock is trading at a 2025F P/E of 18x. We believe concerns over a potential decline in search queries due to the rise of generative AI have been overly priced into the stock. Indeed, query volume has remained stable over the past two years, and more than 80% of user time on the platform is spent on vertical services.

The robust growth of the NAVER Plus Store app is worth highlighting; if the 2Q25 earnings announcement dispels concerns around traffic/query volume, the new app's growth should cause the stock to re-rate higher. We estimate the app exceeded 6mn MAUs in May and is on track to surpass 10mn MAUs in 2H25.

(Dec.)	2023	2024	2025F	2026F	2027F
Revenue (Wbn)	9,671	10,738	11,855	13,244	14,056
OP (Wbn)	1,489	1,979	2,282	2,757	3,018
OP margin (%)	15.4	18.4	19.2	20.8	21.5
NP (Wbn)	1,012	1,923	1,697	2,017	2,296
EPS (W)	6,180	11,913	10,714	12,731	14,493
ROE (%)	4.4	7.9	6.5	7.2	7.7
P/E (x)	36.2	16.7	17.8	15.0	13.2
P/B (x)	1.5	1.2	1.1	1.0	1.0
Dividend yield (%)	0.5	0.6	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	2,526	2,610	2,716	2,886	2,787	2,882	3,019	3,167	9,671	10,738	11,855	13,244
(YoY)	10.8%	8.4%	11.1%	13.7%	10.3%	10.4%	11.2%	9.7%	17.6%	11.0%	10.4%	11.7%
Search platform	905	978	998	1,065	1,013	1,077	1,083	1,120	3,589	3,946	4,293	4,611
Search	696	731	753	768	754	794	815	833	2,725	2,950	3,195	3,478
Display	202	235	230	252	217	253	246	272	846	919	987	1,071
Other	7	12	15	44	42	31	22	15	18	78	110	63
Commerce	703	719	725	775	788	825	891	981	2,547	2,923	3,485	4,161
Commerce ads	265	280	279	308	308	323	334	367	1,107	1,132	1,332	1,550
Commissions/sales	391	391	400	414	424	445	494	544	1,269	1,596	1,908	2,298
Memberships	48	47	46	54	55	57	63	69	171	195	245	313
Fintech	354	368	385	401	393	409	429	442	1,355	1,508	1,673	1,896
Content	446	420	463	467	459	434	479	485	1,733	1,796	1,857	1,944
Webtoons	395	383	424	428	423	400	445	451	1,503	1,629	1,720	1,814
Snow	36	22	21	26	23	22	22	22	169	105	89	84
Other	16	15	18	14	13	12	12	12	60	62	49	46
Enterprise	117	125	145	178	134	136	137	140	447	564	548	632
NCP/Works (B2B)	111	118	123	127	120	121	123	126	415	479	490	570
Clova/Labs	6	6	22	51	15	15	14	14	32	84	58	62
Operating expenses	2,087	2,138	2,190	2,344	2,281	2,349	2,388	2,554	8,182	8,758	9,573	10,487
Development/operations	636	683	657	689	688	729	708	749	2,573	2,664	2,875	3,086
Partners	913	917	938	1,022	974	979	1,002	1,092	3,534	3,790	4,048	4,332
Infrastructure	170	172	178	185	189	198	209	222	596	705	818	951
Marketing	367	367	417	448	430	444	468	491	1,480	1,599	1,833	2,119
OP	439	473	525	542	505	532	632	613	1,489	1,979	2,282	2,757
(YoY)	32.9%	26.8%	38.2%	33.7%	15.0%	12.6%	20.2%	13.0%	14.1%	32.9%	15.3%	20.8%
OP margin	17.4%	18.1%	19.3%	18.8%	18.1%	18.5%	20.9%	19.3%	15.4%	18.4%	19.2%	20.8%
NP attr. to owners of the parent	511	338	520	554	425	380	452	440	1,012	1,923	1,697	2,017
Net margin	20.2%	13.0%	19.2%	19.2%	15.2%	13.2%	15.0%	13.9%	10.5%	17.9%	14.3%	15.2%

Source: Company data, Mirae Asset Securities Research

NAVER (035420 KS)

Income statement (summarized)

(Wbn)	2024	2025F	2026F	2027F
Revenue	10,738	11,855	13,244	14,056
Cost of revenue	0	0	0	0
GP	10,738	11,855	13,244	14,056
SG&A expenses	8,758	9,573	10,487	11,038
OP (adj.)	1,979	2,282	2,757	3,018
OP	1,979	2,282	2,757	3,018
Non-operating profit	343	75	20	101
Net financial income	69	120	160	201
Net income from associates	145	-66	-160	-121
Pretax profit	2,322	2,357	2,777	3,119
Income tax	390	654	750	811
Profit from continuing operations	1,932	1,703	2,027	2,308
Profit from discontinued operations	0	0	0	0
NP	1,932	1,703	2,027	2,308
Attributable to owners	1,923	1,697	2,017	2,296
Attributable to minority interests	9	5	10	12
Total comprehensive income	2,631	1,703	2,027	2,308
Attributable to owners	2,561	1,658	1,974	2,247
Attributable to minority interests	70	45	54	61
EBITDA	2,653	2,916	3,329	3,591
FCF	2,036	1,893	2,208	2,459
EBITDA margin (%)	24.7	24.6	25.1	25.5
OP margin (%)	18.4	19.2	20.8	21.5
Net margin (%)	17.9	14.3	15.2	16.3

Balance sheet (summarized)

(Wbn)	2024	2025F	2026F	2027F
Current assets	9,375	10,263	12,224	13,301
Cash & equivalents	4,196	5,112	6,982	7,966
AR & other receivables	1,565	1,534	1,534	1,534
Inventory	22	22	22	22
Other current assets	3,592	3,595	3,686	3,779
Non-current assets	28,793	29,557	29,533	30,655
Investments in associates	17,406	18,141	18,141	19,252
PP&E	2,910	2,920	2,894	2,897
Intangible assets	3,657	3,673	3,672	3,676
Total assets	38,168	39,820	41,757	43,956
Current liabilities	6,092	7,728	7,793	7,858
AP & other payables	1,003	975	995	1,015
Short-term financial liabilities	544	2,729	2,733	2,738
Other current liabilities	4,545	4,024	4,065	4,105
Non-current liabilities	5,075	3,556	3,587	3,618
Long-term financial liabilities	3,258	1,660	1,660	1,660
Other non-current liabilities	1,817	1,896	1,927	1,958
Total liabilities	11,167	11,285	11,380	11,476
Equity attributable to owners	25,460	26,989	28,821	30,913
Capital stock	16	16	16	16
Capital surplus	1,423	1,423	1,423	1,423
Retained earnings	25,965	27,494	29,326	31,418
Minority interests	1,541	1,546	1,556	1,568
Shareholders' equity	27,001	28,535	30,377	32,481

Cash flow statement (summarized)

(Wbn)	2024	2025F	2026F	2027F
Operating cash flow	2,590	2,472	2,688	2,969
NP	1,932	1,703	2,027	2,308
Non-cash income/expenses	1,003	1,113	1,107	1,128
Depreciation	609	568	506	507
Amortization	65	66	66	66
Other	329	479	535	555
Chg. in working capital	152	135	88	88
Chg. in AR & other receivables	-3	10	0	0
Chg. in inventory	-13	0	0	0
Chg. in AP & other payables	-251	0	0	0
Income tax	-608	-654	-750	-811
Cash flow from investing activities	-1,340	-664	-636	-674
Chg. in PP&E	-522	-579	-480	-510
Chg. in intangible assets	-24	-82	-65	-70
Chg. in financial assets	-2,224	-3	-91	-94
Other	1,430	0	0	0
Cash flow from financing activities	-770	-157	-181	-200
Chg. in financial liabilities	-377	11	4	4
Chg. in equity	180	0	0	0
Dividends	-119	-168	-185	-204
Other	-454	0	0	0
Chg. in cash	619	916	1,871	984
Beginning balance	3,576	4,196	5,112	6,982
Ending balance	4,196	5,112	6,982	7,966

Source: Company data, Mirae Asset Securities Research estimates

Key valuation metrics/ratios

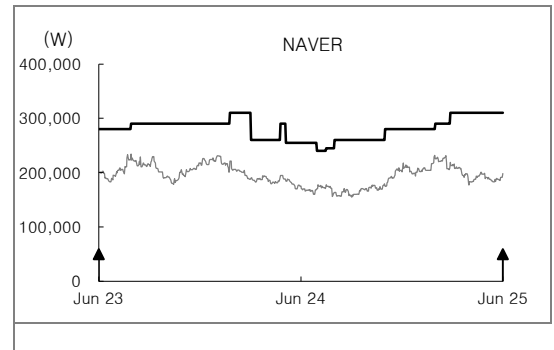
	2024	2025F	2026F	2027F
P/E (x)	16.7	17.8	15.0	13.2
P/CF (x)	10.9	10.8	9.7	8.8
P/B (x)	1.2	1.1	1.0	1.0
EV/EBITDA (x)	11.2	9.5	7.8	6.9
EPS (W)	11,913	10,714	12,731	14,493
CFPS (W)	18,180	17,771	19,784	21,683
BPS (W)	166,221	175,872	187,432	200,637
DPS (W)	1,130	1,243	1,367	1,367
Dividend payout ratio (%)	8.7	10.9	10.1	8.8
Dividend yield (%)	0.6	0.6	0.7	0.7
Revenue growth (%)	11.0	10.4	11.7	6.1
EBITDA growth (%)	28.1	9.9	14.2	7.8
OP growth (%)	32.9	15.3	20.8	9.4
EPS growth (%)	92.8	-10.1	18.8	13.8
AR turnover (x)	22.2	25.0	28.3	30.0
Inventory turnover (x)	587.5	542.5	600.1	630.5
AP turnover (x)	0.0	0.0	0.0	0.0
ROA (%)	5.2	4.4	5.0	5.4
ROE (%)	7.9	6.5	7.2	7.7
ROIC (%)	39.7	40.7	49.4	55.7
Debt-to-equity ratio (%)	41.4	39.5	37.5	35.3
Current ratio (%)	153.9	132.8	156.9	169.3
Net debt-to-equity ratio (%)	-12.3	-14.2	-19.8	-21.8
Interest coverage ratio (x)	18.9	23.0	27.7	30.3

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
NAVER (035420)	03/06/25	Buy	310,000
	02/07/25	Buy	290,000
	11/08/24	Buy	280,000
	08/09/24	Buy	260,000
	07/25/24	Buy	245,000
	07/08/24	Buy	240,000
	05/13/24	Buy	255,000
	05/03/24	Buy	290,000
	03/11/24	Buy	260,000
	02/02/24	Buy	310,000
	08/07/23	Buy	290,000
	02/06/23	Buy	280,000



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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