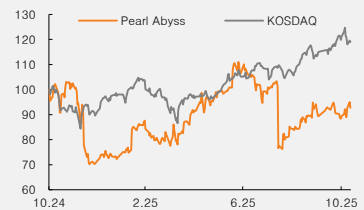


(Maintain)	Hold
Target price	₩36,000
Current price (11/11/25)	₩35,900
Upside	0.3%

OP (25F, Wbn)	-5
Consensus OP (25F, Wbn)	-44
EPS growth (25F, %)	-84.1
Market EPS growth (25F, %)	31.0
P/E (25F, x)	240.7
Market P/E (25F, x)	14.5
KOSDAQ	884.27

Market cap (Wbn)	2,306
Shares (mn)	64
Free float (%)	58.2
Foreign ownership (%)	6.8
Beta (12M)	0.17
52-week low (W)	27,150
52-week high (W)	42,950

(%)	1M	6M	12M
Absolute	1.4	-6.0	-6.1
Relative	-1.4	-23.2	-22.6



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Pearl Abyss

Red Desert delay concerns dismissed

3Q25 review: Above-consensus results

For 3Q25, Pearl Abyss reported revenue of ₩106.8bn (+34% YoY) and operating profit of ₩10.6bn (turning to profit YoY), beating the consensus estimates of ₩79.7bn in revenue and -₩12.5bn in operating loss. The earnings surprise was driven by a rebound in Black Desert PC sales following new class and regional updates. Black Desert revenue came in at ₩79.5bn (+47% YoY, +45% QoQ), exceeding expectations by 47%.

EVE Online revenue stood at ₩20.8bn (+1% YoY), missing expectations by 10% and falling 14% QoQ, as the boost from the previous quarter's expansion pack launch faded. Operating expenses totaled ₩96.2bn (+8% YoY), 5% above expectations, with marketing expenses up 53% YoY to ₩13.6bn due to participation in major offline events such as global game shows.

Red Desert release schedule reaffirmed

Pearl Abyss reaffirmed its commitment to launching Red Desert in March 2026. During Sony's State of Play event, the company announced a March 20, 2026 release date and began taking pre-orders. Over the past few months, Pearl Abyss has been actively promoting the title through major global gaming events—including Gamescom and ChinaJoy in August, followed by Tokyo Game Show in September.

In its latest earnings call, the company confirmed that Red Desert's development is progressing smoothly and that it plans to meet the announced release timeline, emphasizing its determination to deliver on player expectations now that pre-orders have begun. The title is currently in the final polishing and optimization stage, with full-scale marketing activities set to begin in January, two months ahead of launch, in collaboration with global partners.

Maintain Hold and TP of ₩36,000

We maintain our Hold rating and target price of ₩36,000 on Pearl Abyss, based on a 2026F target P/E of 12x. The stock is currently trading at 12.3x 2026F P/E. The rebound in Black Desert PC revenue and the company's firm dismissal of any potential delay in Red Desert's launch are both encouraging. However, sustaining meaningful revenue growth for Black Desert appears challenging.

We recommend a conservative approach at this stage. Although the Red Desert launch is now only four months away, we have yet to see strong overseas anticipation—such as a sharp rise in Steam wishlist counts. Market expectations for Red Desert sales in 2026 are already high at 4–5mn copies (our estimate: 4mn). Investors should also consider the possibility of momentum fading after the game's release.

(Dec.)	2023	2024	2025F	2026F	2027F
Revenue (Wbn)	333	342	364	708	572
OP (Wbn)	-16	-12	-5	226	111
OP margin (%)	-4.8	-3.5	-1.4	31.9	19.4
NP (Wbn)	15	60	10	188	90
EPS (W)	237	939	149	2,927	1,405
ROE (%)	2.1	7.9	1.2	20.7	8.6
P/E (x)	163.7	29.5	240.7	12.3	25.6
P/B (x)	3.3	2.1	2.7	2.2	2.0
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

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Pearl Abyss (263750 KQ)

Income statement (summarized)

(Wbn)	2024	2025F	2026F	2027F
Revenue	342	364	708	572
Cost of revenue	0	0	0	0
GP	342	364	708	572
SG&A expenses	355	369	481	461
OP (adj.)	-12	-5	226	111
OP	-12	-5	226	111
Non-operating profit	90	2	9	9
Net financial income	10	10	15	20
Net income from associates	-4	-8	-6	-11
Pretax profit	78	-3	235	120
Income tax	17	-12	47	30
Profit from continuing operations	60	10	188	90
Profit from discontinued operations	0	0	0	0
NP	60	10	188	90
Attributable to owners	60	10	188	90
Attributable to minority interests	0	0	0	0
Total comprehensive income	78	10	188	90
Attributable to owners	78	10	188	90
Attributable to minority interests	0	0	0	0
EBITDA	13	18	248	132
FCF	-8	51	189	108
EBITDA margin (%)	3.8	4.9	35.0	23.1
OP margin (%)	-3.5	-1.4	31.9	19.4
Net margin (%)	17.5	2.7	26.6	15.7

Balance sheet (summarized)

(Wbn)	2024	2025F	2026F	2027F
Current assets	453	447	647	744
Cash & equivalents	143	135	318	418
AR & other receivables	60	39	53	48
Inventory	0	0	0	0
Other current assets	250	273	276	278
Non-current assets	690	689	679	675
Investments in associates	41	41	42	42
PP&E	189	183	178	174
Intangible assets	248	226	221	220
Total assets	1,143	1,135	1,326	1,419
Current liabilities	133	134	136	137
AP & other payables	17	17	17	17
Short-term financial liabilities	5	5	5	5
Other current liabilities	111	112	114	115
Non-current liabilities	204	185	186	188
Long-term financial liabilities	97	72	72	72
Other non-current liabilities	107	113	114	116
Total liabilities	337	320	322	325
Equity attributable to owners	806	816	1,004	1,094
Capital stock	7	7	7	7
Capital surplus	220	220	220	220
Retained earnings	559	568	756	846
Minority interests	0	0	0	0
Shareholders' equity	806	816	1,004	1,094

Cash flow statement (summarized)

(Wbn)	2024	2025F	2026F	2027F
Operating cash flow	-5	59	198	118
NP	60	10	188	90
Non-cash income/expenses	-26	0	54	31
Depreciation	16	14	14	13
Amortization	9	9	8	7
Other	-51	-23	32	11
Chg. in working capital	-34	26	-11	7
Chg. in AR & other receivables	-3	20	0	0
Chg. in inventory	0	0	0	0
Chg. in AP & other payables	0	0	0	0
Income tax	-14	12	-47	-30
Cash flow from investing activities	56	-20	-14	-18
Chg. in PP&E	-3	-8	-9	-10
Chg. in intangible assets	-1	13	-3	-6
Chg. in financial assets	44	-14	-2	-2
Other	16	-11	0	0
Cash flow from financing activities	-152	-25	0	0
Chg. in financial liabilities	-145	-25	0	0
Chg. in equity	0	0	0	0
Dividends	0	0	0	0
Other	-7	0	0	0
Chg. in cash	-93	-8	183	99
Beginning balance	236	143	135	318
Ending balance	143	135	318	418

Source: Company data, Mirae Asset Securities Research estimates

Key valuation metrics/ratios

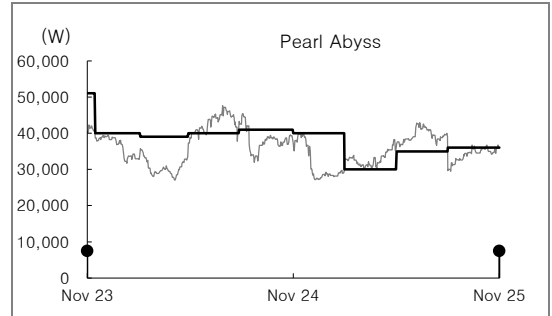
	2024	2025F	2026F	2027F
P/E (x)	29.5	240.7	12.3	25.6
P/CF (x)	52.3	245.6	9.5	19.1
P/B (x)	2.1	2.7	2.2	2.0
EV/EBITDA (x)	117.1	112.8	7.3	13.0
EPS (W)	939	149	2,927	1,405
CFPS (W)	530	146	3,767	1,884
BPS (W)	13,086	13,235	16,162	17,567
DPS (W)	0	0	0	0
Dividend payout ratio (%)	0.0	0.0	0.0	0.0
Dividend yield (%)	0.0	0.0	0.0	0.0
Revenue growth (%)	2.7	6.4	94.3	-19.2
EBITDA growth (%)	33.0	37.3	1,299.4	-46.7
OP growth (%)	RR	RR	TTB	-50.8
EPS growth (%)	296.8	-84.1	1,862.2	-52.0
AR turnover (x)	8.1	10.4	28.2	22.6
Inventory turnover (x)	5,660.4	2,995.3	5,763.3	4,611.6
AP turnover (x)	0.0	0.0	0.0	0.0
ROA (%)	5.1	0.8	15.3	6.6
ROE (%)	7.9	1.2	20.7	8.6
ROIC (%)	-2.6	3.0	51.4	24.0
Debt-to-equity ratio (%)	41.8	39.2	32.1	29.7
Current ratio (%)	340.4	332.4	476.4	542.6
Net debt-to-equity ratio (%)	-33.4	-37.8	-49.3	-54.5
Interest coverage ratio (x)	-1.8	-1.4	74.2	36.5

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
Pearl Abyss (263750)	08/13/25	Hold	36,000
	05/14/25	Hold	35,000
	02/11/25	Hold	30,000
	11/12/24	Hold	40,000
	08/08/24	Hold	41,000
	05/10/24	Hold	40,000
	02/15/24	Hold	39,000
	11/27/23	Hold	40,000
	08/10/23	Hold	51,000



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	78.61%	1.73%	19.08%	0.58%
Investment banking services	84.62%	0%	15.38%	0%

* Based on recommendations in the last 12-months (as of September 30, 2025)

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