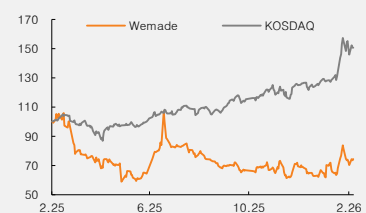


(Maintain)	Buy
Target price	₩38,000
Current price (2/11/26)	₩29,800
Upside	27.5%

OP (25, Wbn)	11
Consensus OP (25F, Wbn)	14
EPS growth (25, %)	TTR
Market EPS growth (25F, %)	36.0
P/E (25, x)	-
Market P/E (25F, x)	18.4
KOSDAQ	1,114.87

Market cap (Wbn)	1,012
Shares (mn)	34
Free float (%)	60.1
Foreign ownership (%)	7.0
Beta (12M)	1.38
52-week low (W)	23,650
52-week high (W)	43,000

(%)	1M	6M	12M
Absolute	5.7	-3.4	-29.4
Relative	-10.2	-29.7	-52.5



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Wemade

Momentum to build from 2H26

4Q25 review: Revenue beats consensus, but OP misses

For 4Q25, Wemade reported revenue of ₩191.7bn (+16% YoY; 8% above the consensus) and operating profit of ₩24.3bn (+42% YoY; 12% below the consensus). Game revenue was ₩133.7bn (+21% YoY), 11% above our estimate, aided by the global launch of *Legend of Ymir* (Oct. 28). Blockchain revenue came in at ₩6.4bn, exceeding our estimate by ₩5bn, driven by NFT fees from *Legend of Ymir*.

Operating expenses reached ₩167.5bn (+13% YoY), 14% above our estimate. Labor expenses rose to ₩60bn (+25% YoY) due to bonus expenses at subsidiaries, while commission expenses (including minimum guarantee payments related to a new sports title) totaled ₩63.3bn (+2% YoY).

Major releases scheduled for 2H26

Wemade released *Mir M* in China on Jan. 13. Although the title briefly ranked third on the iPhone Top Games & Apps list following launch, its current revenue performance is falling short of initial expectations. Meanwhile, the global version of *Legend of Ymir* (launched in 4Q25) is maintaining solid traffic, and the company plans to expand the title to the Steam platform in 1Q26 to broaden the user base.

The highly anticipated titles *Mir 5* and *Night Crows 2* are scheduled for release within 2026. While previous titles (including *Mir 4*, *Night Crows*, and *Legend of Ymir*) were first launched domestically and later released globally as blockchain games, Wemade announced that it would adopt a “one-build” strategy (simultaneous launch in Korea and globally) for *Mir 5* and *Night Crows 2*. In 2027, the company is preparing to launch *TAL: The Arcane Lands*, a new console title based on a Joseon-era fantasy setting.

Maintain Buy and TP of ₩38,000

We expect new title momentum to build from 2H26 (rather than 1H26). With *Mir M* failing to achieve meaningful traction in China, 1H26 earnings momentum is likely to remain muted. And while the “one-build” release strategy for *Mir 5* and *Night Crows 2* is positive, uncertainty remains over potential launch delays. The stock is currently trading at 17x 2026F P/E.

A key positive from the 4Q25 earnings release was the rebound in blockchain revenue. We believe the firm is demonstrating the sustainability of its tokenomics model directly utilizing Wemix. It is also making progress in stablecoins; it unveiled the testnet for StableNet (dedicated won-pegged stablecoin mainnet) in January and plans to actively participate in the government-led buildout of a won-based stablecoin ecosystem.

(Dec.)	2023	2024	2025	2026F	2027F
Revenue (Wbn)	605	712	614	714	772
OP (Wbn)	-110	7	11	73	102
OP margin (%)	-18.2	1.0	1.8	10.2	13.2
NP (Wbn)	-200	188	-20	59	81
EPS (W)	-5,931	5,552	-594	1,728	2,400
ROE (%)	-63.9	55.6	-4.8	13.1	15.8
P/E (x)	-	6.3	-	17.2	12.4
P/B (x)	7.8	2.7	2.0	2.1	1.8
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

Table 1. Quarterly and annual earnings

(Wbn)

	1Q25	2Q25	3Q25	4Q25	1Q26F	2Q26F	3Q26F	4Q26F	2024	2025	2026F	2027F
Revenue	142	117	164	192	128	113	236	238	712	614	714	772
(YoY)	-12.1%	-31.8%	-23.7%	16.3%	-9.4%	-3.7%	44.0%	24.0%	17.6%	-13.7%	16.3%	8.1%
Games	139	115	108	134	122	109	182	184	557	496	597	655
Licensing	1	1	55	51	1	1	51	51	138	107	104	104
Blockchain	1	1	1	6	4	2	2	2	11	9	10	9
Other	1	1	0	1	1	1	1	1	6	3	4	4
Operating expenses	153	145	137	167	157	144	169	171	705	603	641	670
Labor	55	61	57	60	61	62	62	62	229	233	247	253
Fees/commissions	54	44	42	63	47	43	65	65	327	203	219	236
Marketing	18	14	13	18	23	14	17	18	58	64	72	75
D&A	12	11	11	11	11	11	11	11	21	46	46	46
Other	15	14	14	15	14	14	14	15	71	58	58	59
OP	-11	-29	26	24	-28	-32	66	67	7	11	73	102
(YoY)	RR	RR	-49.2%	42.3%	RR	RR	152.3%	176.0%	TTB	51.2%	586.9%	38.9%
OP margin	-8.0%	-24.4%	16.1%	12.6%	-22.1%	-28.0%	28.2%	28.2%	1.0%	1.7%	10.3%	13.2%
NP attributable to owners of the parent	-22	-28	62	-31	-23	-25	53	54	188	-20	59	81
Net margin	-15.8%	-24.3%	37.9%	-16.4%	-17.7%	-22.4%	22.5%	22.5%	26.5%	-3.3%	8.2%	10.6%

Source: Company data, Mirae Asset Securities Research

Table 2. Annual earnings forecast revisions

(Wbn)

	Previous		Revised		Chg.		Consensus		Diff.		Notes
	2026F	2027F	2026F	2027F	2026F	2027F	2026F	2027F	2026F	2027F	
Revenue	707	787	714	772	1%	-2%	701	788	2%	-2%	Reflected revenue trends of <i>Legend of Ymir</i> (global) and other titles
OP	73	103	73	102	0%	-1%	71	106	4%	-4%	
NP	59	82	59	81	0%	-1%	67	88	-13%	-7%	
OP margin	10.4%	13.1%	10.3%	13.2%	-	-	10.1%	13.4%	-	-	
Net margin	8.3%	10.5%	8.2%	10.6%	-	-	9.6%	11.2%	-	-	

Source: FnGuide, Mirae Asset Securities Research

Table 3. 4Q25 review

(Wbn)

	Actual	Mirae Asset	Diff.	Consensus	Diff.
Revenue	192	174	10%	178	8%
OP	24	26	-8%	28	-12%
NP attributable to owners of the parent	-31	21	-	24	-

Source: Mirae Asset Securities Research

Table 4. Valuation table

	Value	Notes
2026F NP attributable to owners of the parent (Wbn)	59	
Target P/E (x)	22	Avg. multiple of Nexon in 2H22-1H23, when the company was seeking to reenter the Chinese market
Target market cap (Wbn)	1,291	
No. of shares ('000)	33,948	
TP (W)	38,000	
CP (W)	29,800	
Upside	27.5%	

Source: Mirae Asset Securities Research

Wemade (112040 KQ)

Income statement (summarized)

(Wbn)	2024	2025F	2026F	2027F
Revenue	712	614	714	772
Cost of revenue	0	0	0	0
GP	712	614	714	772
SG&A expenses	705	603	641	670
OP (adj.)	7	11	73	102
OP	7	11	73	102
Non-operating profit	149	-12	0	0
Net financial income	-7	-6	-5	-3
Net income from associates	24	-5	5	3
Pretax profit	156	-1	73	102
Income tax	-26	27	15	20
Profit from continuing operations	182	-28	59	81
Profit from discontinued operations	0	0	0	0
NP	182	-28	59	81
Attributable to owners	188	-20	59	81
Attributable to minority interests	-7	-8	0	0
Total comprehensive income	134	-28	59	81
Attributable to owners	141	-29	62	86
Attributable to minority interests	-7	1	-3	-4
EBITDA	28	30	92	120
FCF	-82	-59	76	97
EBITDA margin (%)	3.9	4.9	12.9	15.5
OP margin (%)	1.0	1.8	10.2	13.2
Net margin (%)	26.4	-3.3	8.3	10.5

Cash flow statement (summarized)

(Wbn)	2024	2025F	2026F	2027F
Operating cash flow	-80	-56	83	106
NP	182	-28	59	81
Non-cash income/expenses	-99	53	38	42
Depreciation	12	10	10	10
Amortization	9	9	9	9
Other	-120	34	19	23
Chg. in working capital	-75	-47	6	6
Chg. in AR & other receivables	-58	82	0	0
Chg. in inventory	0	0	0	0
Chg. in AP & other payables	0	0	0	0
Income tax	-90	-27	-15	-20
Cash flow from investing activities	55	-21	-13	-18
Chg. in PP&E	-2	-3	-7	-9
Chg. in intangible assets	2	-2	-4	-7
Chg. in financial assets	-38	-16	-2	-2
Other	93	0	0	0
Cash flow from financing activities	-25	2	1	1
Chg. in financial liabilities	-25	2	1	1
Chg. in equity	-7	0	0	0
Dividends	0	0	0	0
Other	7	0	0	0
Chg. in cash	-44	30	69	87
Beginning balance	315	271	301	370
Ending balance	271	301	370	456

Source: Company data, Mirae Asset Securities Research estimates

Balance sheet (summarized)

(Wbn)	2024	2025F	2026F	2027F
Current assets	551	515	590	683
Cash & equivalents	271	301	370	456
AR & other receivables	128	42	43	44
Inventory	0	0	0	0
Other current assets	152	172	177	183
Non-current assets	1,325	1,228	1,222	1,222
Investments in associates	53	55	56	58
PP&E	115	107	105	104
Intangible assets	502	495	490	489
Total assets	1,876	1,743	1,813	1,905
Current liabilities	981	745	750	756
AP & other payables	85	88	89	90
Short-term financial liabilities	230	232	232	233
Other current liabilities	666	425	429	433
Non-current liabilities	63	186	191	197
Long-term financial liabilities	10	10	10	10
Other non-current liabilities	53	176	181	187
Total liabilities	1,044	931	942	953
Equity attributable to owners	429	417	476	558
Capital stock	17	17	17	17
Capital surplus	165	165	165	165
Retained earnings	203	183	241	323
Minority interests	403	395	395	395
Shareholders' equity	832	812	871	953

Key valuation metrics/ratios

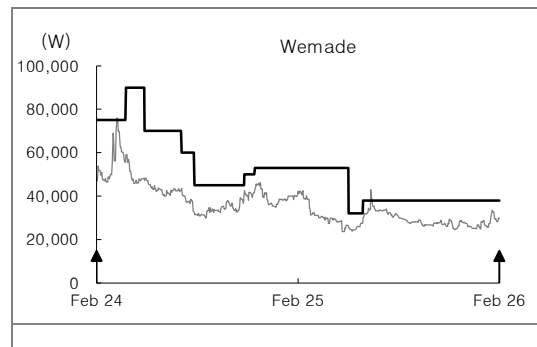
	2024	2025F	2026F	2027F
P/E (x)	6.3	-	17.2	12.4
P/CF (x)	14.4	34.4	10.5	8.2
P/B (x)	2.7	2.0	2.1	1.8
EV/EBITDA (x)	54.0	37.4	13.2	9.4
EPS (W)	5,552	-594	1,728	2,400
CFPS (W)	2,441	725	2,848	3,628
BPS (W)	12,920	12,577	14,305	16,704
DPS (W)	0	0	0	0
Dividend payout ratio (%)	0.0	0.0	0.0	0.0
Dividend yield (%)	0.0	0.0	0.0	0.0
Revenue growth (%)	17.6	-13.7	16.3	8.1
EBITDA growth (%)	TTB	7.3	206.9	30.8
OP growth (%)	TTB	51.2	586.9	38.9
EPS growth (%)	TTB	TTR	TTB	38.9
AR turnover (x)	8.3	8.1	20.3	21.7
Inventory turnover (x)	0.0	0.0	0.0	0.0
AP turnover (x)	0.0	0.0	0.0	0.0
ROA (%)	11.0	-1.5	3.3	4.4
ROE (%)	55.6	-4.8	13.1	15.8
ROIC (%)	-18.3	191.0	16.1	22.5
Debt-to-equity ratio (%)	125.5	114.6	108.1	100.0
Current ratio (%)	56.1	69.2	78.7	90.4
Net debt-to-equity ratio (%)	-10.7	-15.1	-22.1	-29.5
Interest coverage ratio (x)	0.5	0.7	5.1	7.0

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
Wemade (112040)	06/09/25	Buy	38,000
	05/14/25	Buy	32,000
	11/25/24	Buy	53,000
	11/06/24	Buy	50,000
	08/07/24	Buy	45,000
	07/15/24	Buy	60,000
	05/09/24	Buy	70,000
	04/05/24	Buy	90,000
	01/24/24	Buy	75,000



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	79.76%	1.19%	19.05%	0%
Investment banking services	83.33%	0%	16.67%	0%

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

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