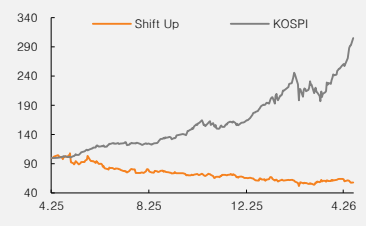


(Maintain)	Buy
Target price	W48,000
Current price (5/11/26)	W31,400
Upside	52.9%

OP (26F, Wbn)	113
Consensus OP (26F, Wbn)	114
EPS growth (26F, %)	-35.2
Market EPS growth (26F, %)	227.0
P/E (26F, x)	15.7
Market P/E (26F, x)	8.8
KOSPI	7,822.24

Market cap (Wbn)	1,842
Shares (mn)	59
Free float (%)	55.7
Foreign ownership (%)	37.0
Beta (12M)	0.16
52-week low (W)	28,200
52-week high (W)	58,500

(%)	1M	6M	12M
Absolute	-4.4	-20.5	-43.2
Relative	-28.4	-58.3	-81.3



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Shift Up

Conditions should improve from 2H26

1Q26 review: Revenue meets consensus, but OP misses

For 1Q26, Shift Up reported revenue of W47.3bn (+12% YoY; in line with the consensus of W45.8bn) and operating profit of W21.5bn (-18% YoY; 13% below the consensus of W24.8bn).

Revenue from *Goddess of Victory: Nikke* came in at W32.7bn (+1% YoY), 13% below our estimate. The title's New Year update had a limited impact, weighing on global performance. Revenue from *Stellar Blade* reached W12.9bn (+84% YoY), 7% below our estimate. Although promotions weighed on the title's revenue, unit sales stayed solid.

Operating expenses rose to W25.8bn (+61% YoY), 7% above our estimate. Labor expenses increased 20% QoQ to W16.2bn (+65% YoY), reflecting one-off incentives.

Likely rebound for *Goddess of Victory: Nikke* and greater visibility on new titles

Global revenue from *Goddess of Victory: Nikke*, which was relatively soft in 1Q26 due to a greater focus on user retention, is likely to return to growth in 2Q26. The recently launched 3.5-year anniversary update was well received, allowing the title to top the grossing charts on both major app stores in key markets, including Korea and Japan. Revenue since April is estimated to be up more than 30% YoY.

Further details on upcoming titles are likely to emerge in 2H26. The company has stated that it plans to self-publish the *Stellar Blade* sequel, aiming to surpass the revenue performance of the original game by handling live operations in-house at a high standard and pursuing a strategy focused on maximizing sales. More concrete information about the game is likely to be disclosed in 2H26.

Maintain Buy rating and TP of W48,000

We recommend taking a long-term view on Shift Up. Valuation is not particularly demanding (15.7x 2026F P/E), and the likely rebound in global revenue from *Goddess of Victory: Nikke* from 2Q26 is positive. That said, short-term momentum remains limited, as key IPs have largely completed their platform/geographical expansion, and initial launch effects have faded.

New title expectations should gradually build in 2H26. The company is likely to disclose additional details regarding the internally developed *Stellar Blade* sequel as well as the co-developed Project Spirits. In addition, we see a strong possibility of additional new title announcements within the year, as the recently acquired Unbound has multiple projects (including high-end titles) in its pipeline.

(Dec.)	2024	2025	2026F	2027F	2028F
Revenue (Wbn)	224	295	217	259	382
OP (Wbn)	153	181	113	143	244
OP margin (%)	68.3	61.4	52.1	55.2	63.9
NP (Wbn)	148	181	117	123	203
EPS (W)	2,717	3,084	1,998	2,094	3,467
ROE (%)	31.3	21.6	12.1	11.3	16.3
P/E (x)	23.3	11.5	15.7	15.0	9.1
P/B (x)	4.8	2.2	1.7	1.5	1.3
Dividend yield (%)	0.0	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

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Table 1. Quarterly and annual earnings

(Wbn)

	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26F	3Q26F	4Q26F	2024	2025	2026F	2027F
Revenue	42	112	75	64	47	59	54	57	224	295	217	259
YoY	13.0%	72.4%	30.1%	1.5%	12.0%	-47.7%	-28.4%	-12.0%	32.9%	31.4%	-26.4%	19.5%
<i>Goddess of Victory: Nikke</i>	32	45	44	43	33	44	40	43	152	165	160	152
Global (ex-China)	32	35	37	39	29	39	34	39	152	144	141	134
China	0	10	7	5	4	5	6	5	0	23	19	18
<i>Stellar Blade</i>	7	66	28	17	13	12	11	10	68	118	46	36
New titles	0	0	0	0	0	0	0	0	0	0	0	0
Other	3	2	3	4	2	3	3	3	4	12	10	14
Operating expenses	16	44	26	27	26	23	24	30	71	113	103	116
Labor	10	16	14	14	16	15	16	17	55	54	65	75
Variable	2	25	10	6	5	5	5	5	7	43	19	19
Fixed	4	2	2	8	5	3	3	9	9	16	19	21
OP	26	68	50	37	22	35	30	26	153	181	113	143
YoY	1.2%	51.6%	39.3%	-19.0%	-18.1%	-48.0%	-39.0%	-29.6%	37.5%	18.8%	-37.4%	26.4%
OP margin	62.2%	60.7%	65.6%	58.1%	45.5%	60.3%	55.9%	46.4%	68.1%	61.6%	52.3%	55.4%
NP attr. to owners of the parent	27	51	55	59	38	30	26	23	148	191	117	123
Net margin	63.6%	45.7%	72.4%	91.0%	79.9%	51.7%	48.4%	40.7%	66.0%	65.0%	54.1%	47.4%

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	229	269	217	259	-5%	-4%	205	250	6%	3%	Revised down revenue estimates for <i>Goddess of Victory: Nikke</i> in China
OP	130	161	113	143	-13%	-11%	114	144	0%	0%	
NP	118	142	117	123	0%	-13%	128	152	-9%	-19%	
OP margin (%)	57.0%	59.8%	52.3%	55.4%	-	-	55.3%	57.5%	-	-	
Net margin (%)	51.5%	52.6%	54.1%	47.4%	-	-	62.5%	60.7%	-	-	

Source: FnGuide, Mirae Asset Securities Research

Table 3. 1Q26 review

(Wbn)

	Actual	Mirae Asset	Diff.	Consensus	Diff.
Revenue	47	55	-14%	46	3%
OP	22	31	-30%	25	-13%
NP attributable to owners of the parent	38	28	35%	28	33%

Source: Company data, FnGuide, Mirae Asset Securities Research

Table 4. Valuation table

	Value	Notes
2026F NP attributable to owners of the parent (Wbn)	117	
Target P/E (x)	24	Nexon's avg. P/E in 2022, when the firm was diversifying platforms while seeing a rebound in existing titles
Target market cap (Wbn)	2,817	
No. of shares ('000)	58,654	
TP (W)	48,000	
CP (W)	31,400	
Upside	52.9%	

Source: Mirae Asset Securities Research

Shift Up (462870 KS)

Income statement (summarized)

(Wbn)	2025	2026F	2027F	2028F
Revenue	295	217	259	382
Cost of revenue	0	0	0	0
GP	295	217	259	382
SG&A expenses	113	103	116	138
OP (adj.)	181	113	143	244
OP	181	113	143	244
Non-operating profit	38	33	10	10
Net financial income	10	9	11	13
Net income from associates	0	21	-4	-6
Pretax profit	219	146	153	254
Income tax	38	28	31	51
Profit from continuing operations	181	117	123	203
Profit from discontinued operations	0	0	0	0
NP	181	117	123	203
Attributable to owners	181	117	123	203
Attributable to minority interests	0	0	0	0
Total comprehensive income	195	117	123	203
Attributable to owners	195	117	123	203
Attributable to minority interests	0	0	0	0
EBITDA	187	121	151	253
FCF	154	120	118	204
EBITDA margin (%)	63.4	55.8	58.3	66.2
OP margin (%)	61.4	52.1	55.2	63.9
Net margin (%)	61.4	53.9	47.5	53.1

Balance sheet (summarized)

(Wbn)	2025	2026F	2027F	2028F
Current assets	759	859	981	1,128
Cash & equivalents	110	227	343	472
AR & other receivables	178	153	159	172
Inventory	0	0	0	0
Other current assets	471	479	479	484
Non-current assets	312	304	306	383
Investments in associates	162	153	155	228
PP&E	4	5	6	7
Intangible assets	2	1	1	0
Total assets	1,071	1,164	1,287	1,511
Current liabilities	95	70	71	88
AP & other payables	31	31	32	47
Short-term financial liabilities	4	4	4	6
Other current liabilities	60	35	35	35
Non-current liabilities	65	68	68	71
Long-term financial liabilities	59	59	59	59
Other non-current liabilities	6	9	9	12
Total liabilities	160	138	139	160
Equity attributable to owners	911	1,025	1,148	1,351
Capital stock	12	12	12	12
Capital surplus	532	533	533	533
Retained earnings	400	517	640	844
Minority interests	0	0	0	0
Shareholders' equity	911	1,025	1,148	1,351

Cash flow statement (summarized)

(Wbn)	2025	2026F	2027F	2028F
Operating cash flow	157	127	126	213
NP	181	117	123	203
Non-cash income/expenses	6	26	27	45
Depreciation	4	6	7	8
Amortization	1	1	1	0
Other	1	19	19	37
Chg. in working capital	-13	3	-5	1
Chg. in AR & other receivables	-57	-1	-1	-1
Chg. in inventory	0	0	0	0
Chg. in AP & other payables	28	0	0	0
Income tax	-25	-28	-31	-51
Cash flow from investing activities	-283	-8	-8	-12
Chg. in PP&E	-3	-7	-8	-9
Chg. in intangible assets	0	-1	0	0
Chg. in financial assets	-5	0	0	-3
Other	-275	0	0	0
Cash flow from financing activities	-52	-3	0	2
Chg. in financial liabilities	52	0	0	2
Chg. in equity	5	1	0	0
Dividends	0	0	0	0
Other	-109	-4	0	0
Chg. in cash	-179	117	116	129
Beginning balance	289	110	227	343
Ending balance	110	227	343	472

Source: Company data, Mirae Asset Securities Research estimates

Key valuation metrics/ratios

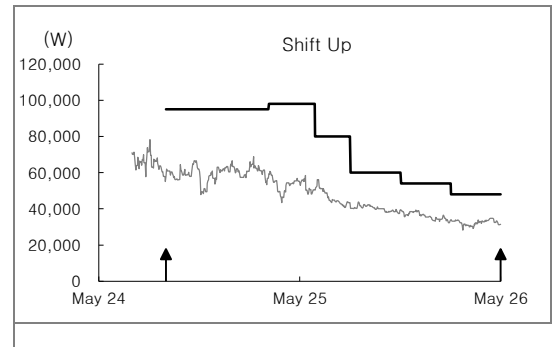
	2025	2026F	2027F	2028F
P/E (x)	11.5	15.7	15.0	9.1
P/CF (x)	11.1	12.9	12.3	7.4
P/B (x)	2.2	1.7	1.5	1.3
EV/EBITDA (x)	10.9	10.0	7.2	3.8
EPS (W)	3,084	1,998	2,094	3,467
CFPS (W)	3,185	2,440	2,548	4,242
BPS (W)	16,295	18,398	20,492	23,959
DPS (W)	0	0	0	0
Dividend payout ratio (%)	0.0	0.0	0.0	0.0
Dividend yield (%)	0.0	0.0	0.0	0.0
Revenue growth (%)	31.4	-26.4	19.5	47.6
EBITDA growth (%)	19.1	-35.6	25.4	67.1
OP growth (%)	18.8	-37.4	26.4	70.2
EPS growth (%)	13.5	-35.2	4.8	65.6
AR turnover (x)	2.5	1.7	2.0	2.9
Inventory turnover (x)	0.0	0.0	0.0	0.0
AP turnover (x)	0.0	0.0	0.0	0.0
ROA (%)	19.3	10.5	10.0	14.5
ROE (%)	21.6	12.1	11.3	16.3
ROIC (%)	105.4	54.5	65.2	109.4
Debt-to-equity ratio (%)	17.6	13.5	12.1	11.8
Current ratio (%)	795.3	1,221.0	1,380.2	1,275.5
Net debt-to-equity ratio (%)	-5.1	-62.0	-65.5	-65.0
Interest coverage ratio (x)	138.2	50.8	64.2	107.7

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (W)
Shift Up (462870)	02/11/26	Buy	48,000
	11/12/25	Buy	54,000
	08/12/25	Buy	60,000
	06/09/25	Buy	80,000
	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	80.84%	0%	18.56%	0.6%
Investment banking services	86.67%	0%	13.33%	0%

* Based on recommendations in the last 12-months (as of March 31, 2026)

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