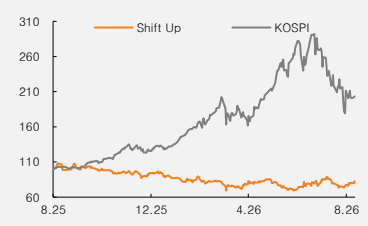


(Maintain)	Buy
Target price	▼ W45,000
Current price (8/11/26)	W33,650
Upside	33.7%

OP (26F, Wbn)	97
Consensus OP (26F, Wbn)	105
EPS growth (26F, %)	-26.3
Market EPS growth (26F, %)	278.0
P/E (26F, x)	14.8
Market P/E (26F, x)	6.2
KOSPI	6,345.53

Market cap (Wbn)	1,977
Shares (mn)	59
Free float (%)	55.5
Foreign ownership (%)	37.1
Beta (12M)	0.03
52-week low (W)	28,200
52-week high (W)	43,800

(%)	1M	6M	12M
Absolute	-4.3	-1.0	-22.6
Relative	12.8	-16.5	-60.9



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462870 KS • Games

Shift Up

Medium/long-term view is warranted

2Q26 review: Above-consensus revenue and in-line OP

For 2Q26, Shift Up reported revenue of W55.7bn (-50% YoY; 5% above the consensus) and operating profit of W28.1bn (-59% YoY; in line with the consensus). Total revenue from *Goddess of Victory: Nikke* came in at W43.3bn (-4% YoY). We estimate global (ex-China) revenue from the title increased more than 10% YoY, helped by the 3.5-year anniversary update in April. *Stellar Blade* revenue continued to normalize, falling 87% YoY and 32% QoQ to W8.8bn.

Operating expenses totaled W27.6bn (-37% YoY), around W4bn above our estimate, reflecting costs related to the consolidation of Unbound. Labor expenses declined to W15.6bn (-5% YoY, -4% QoQ) due to the absence of one-off incentive payments.

Ample growth potential for *Goddess of Victory: Nikke* and *Stellar Blade*

While other major global subculture titles saw marked declines after their third anniversaries, *Goddess of Victory: Nikke* continues to show room for growth globally (ex-China). Even in its fourth year, MAUs remain near first-year levels on continued new user inflows (according to Sensor Tower), while ARPU still has ample room to rise.

For *Stellar Blade*, promotions continue to weigh on revenue, but unit sales remain solid. The title is set to expand to the Nintendo Switch 2 in 2H26. The company is also expected to disclose further details on the sequel, *Stellar Blade: Blood Rain*, following the release of an in-game trailer in June. Shift Up plans to publish the sequel itself.

Maintain Buy but lower TP to W45,000

We lower our target price for Shift Up to W45,000 (from W48,000), as we: 1) revised down our earnings estimates to reflect lower *Stellar Blade* revenue and Unbound-related costs; and 2) shifted our valuation base year from 2026 to 2027. Our target P/E remains unchanged at 24x. The stock is trading at around 15x 2026F P/E and 18x 2027F P/E. With the company currently focused on preparing its upcoming titles, near-term catalysts are limited.

Momentum should gradually build as more concrete details on upcoming titles emerge. In 2H26, the company is expected to disclose further information on not only the *Stellar Blade* sequel but also a new AAA title (Project Spirits). The company is also recruiting additional development personnel and developing titles based on new IPs (beyond those already announced).

(Dec.)	2024	2025	2026F	2027F	2028F
Revenue (Wbn)	224	295	211	236	385
OP (Wbn)	153	181	97	104	219
OP margin (%)	68.3	61.4	46.0	44.1	56.9
NP (Wbn)	148	181	133	110	203
EPS (W)	2,717	3,084	2,272	1,878	3,468
ROE (%)	31.3	21.6	13.7	10.0	16.2
P/E (x)	23.3	11.5	14.8	17.9	9.7
P/B (x)	4.8	2.2	1.8	1.6	1.4
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	2Q26	3Q26F	4Q26F	2024	2025	2026F	2027F
Revenue	42	112	75	64	47	56	54	54	224	295	211	236
YoY	13.0%	72.4%	30.1%	1.5%	12.0%	-50.4%	-28.8%	-15.6%	32.9%	31.4%	-28.3%	11.6%
<i>Goddess of Victory: Nikke</i>	32	45	44	43	33	43	42	43	152	165	161	158
Global (ex-China)	32	35	37	39	29	39	36	38	152	144	142	141
China	0	10	7	5	4	5	6	5	0	23	19	17
<i>Stellar Blade</i>	7	66	28	17	13	9	9	8	68	118	38	27
New titles	0	0	0	0	0	0	0	0	0	0	0	0
Other	3	2	3	4	2	4	3	3	4	12	12	16
Operating expenses	16	44	26	27	26	28	27	33	71	113	114	131
Labor	10	16	14	14	16	16	16	17	55	54	64	73
Variable	2	25	10	6	5	6	6	6	7	43	22	23
Fixed	4	2	2	8	5	6	6	11	9	16	28	35
OP	26	68	50	37	22	28	26	21	153	181	97	104
YoY	1.2%	51.6%	39.3%	-19.0%	-18.1%	-58.8%	-46.9%	-43.7%	37.5%	18.8%	-46.5%	7.6%
OP margin	62.2%	60.7%	65.6%	58.1%	45.5%	50.5%	48.9%	38.7%	68.1%	61.6%	45.9%	44.3%
NP attr. to owners of the parent	27	51	55	59	38	42	29	25	148	191	133	110
Net margin	63.6%	45.7%	72.4%	91.0%	79.9%	74.9%	54.0%	45.7%	66.0%	65.0%	63.2%	46.7%

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	217	259	211	236	-3%	-9%	214	220	-1%	7%	Revised down <i>Stellar Blade</i> revenue estimates
OP	113	143	97	104	-15%	-27%	107	104	-9%	1%	
NP	117	123	133	110	14%	-10%	131	122	2%	-10%	
OP margin (%)	52.3%	55.4%	45.9%	44.3%	-	-	49.9%	47.2%	-	-	
Net margin (%)	54.1%	47.4%	63.2%	46.7%	-	-	61.1%	55.5%	-	-	

Source: FnGuide, Mirae Asset Securities Research

Table 3. 2Q26 review

(Wbn)

	Actual	Mirae Asset	Diff.	Consensus	Diff.
Revenue	56	59	-5%	53	5%
OP	28	35	-21%	28	0%
NP attributable to owners of the parent	42	30	37%	29	42%

Source: Company data, FnGuide, Mirae Asset Securities Research

Table 4. Valuation table

	Value	Notes
2027F NP attributable to owners of the parent (Wbn)	110	
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)	2,644	
No. of shares ('000)	58,742	
TP (W)	45,000	
CP (W)	33,650	
Upside	33.7%	

Source: Mirae Asset Securities Research

Shift Up (462870 KS)

Income statement (summarized)

(Wbn)	2025	2026F	2027F	2028F
Revenue	295	211	236	385
Cost of revenue	0	0	0	0
GP	295	211	236	385
SG&A expenses	113	114	131	165
OP (adj.)	181	97	104	219
OP	181	97	104	219
Non-operating profit	38	71	34	35
Net financial income	10	9	10	13
Net income from associates	0	59	20	20
Pretax profit	219	168	138	254
Income tax	38	34	28	51
Profit from continuing operations	181	133	110	203
Profit from discontinued operations	0	0	0	0
NP	181	133	110	203
Attributable to owners	181	133	110	203
Attributable to minority interests	0	0	0	0
Total comprehensive income	195	133	110	203
Attributable to owners	195	133	110	203
Attributable to minority interests	0	0	0	0
EBITDA	187	110	122	241
FCF	154	123	114	209
EBITDA margin (%)	63.4	52.1	51.7	62.6
OP margin (%)	61.4	46.0	44.1	56.9
Net margin (%)	61.4	63.0	46.6	52.7

Balance sheet (summarized)

(Wbn)	2025	2026F	2027F	2028F
Current assets	759	813	919	1,132
Cash & equivalents	110	181	283	475
AR & other receivables	178	153	156	172
Inventory	0	0	0	0
Other current assets	471	479	480	485
Non-current assets	312	357	361	370
Investments in associates	162	153	153	153
PP&E	4	10	10	11
Intangible assets	2	5	9	13
Total assets	1,071	1,169	1,280	1,503
Current liabilities	95	58	58	73
AP & other payables	31	19	19	31
Short-term financial liabilities	4	4	4	7
Other current liabilities	60	35	35	35
Non-current liabilities	65	69	69	73
Long-term financial liabilities	59	60	60	60
Other non-current liabilities	6	9	9	13
Total liabilities	160	126	127	146
Equity attributable to owners	911	1,043	1,153	1,357
Capital stock	12	12	12	12
Capital surplus	532	533	533	533
Retained earnings	400	534	644	847
Minority interests	0	0	0	0
Shareholders' equity	911	1,043	1,153	1,357

Cash flow statement (summarized)

(Wbn)	2025	2026F	2027F	2028F
Operating cash flow	157	138	124	220
NP	181	133	110	203
Non-cash income/expenses	6	38	34	59
Depreciation	4	9	10	11
Amortization	1	4	8	11
Other	1	25	16	37
Chg. in working capital	-13	-9	-3	-4
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	-34	-28	-51
Cash flow from investing activities	-283	-20	-22	-30
Chg. in PP&E	-3	-15	-10	-12
Chg. in intangible assets	0	-8	-12	-14
Chg. in financial assets	-5	0	0	-5
Other	-275	3	0	1
Cash flow from financing activities	-52	0	0	3
Chg. in financial liabilities	52	1	0	3
Chg. in equity	5	1	0	0
Dividends	0	0	0	0
Other	-109	-2	0	0
Chg. in cash	-179	71	102	192
Beginning balance	289	110	181	283
Ending balance	110	181	283	475

Source: Company data, Mirae Asset Securities Research estimates

Key valuation metrics/ratios

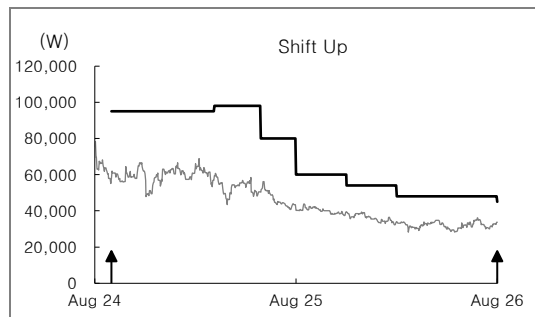
	2025	2026F	2027F	2028F
P/E (x)	11.5	14.8	17.9	9.7
P/CF (x)	11.1	11.5	13.7	7.5
P/B (x)	2.2	1.8	1.6	1.4
EV/EBITDA (x)	10.9	12.6	10.6	4.6
EPS (W)	3,084	2,272	1,878	3,468
CFPS (W)	3,185	2,923	2,458	4,470
BPS (W)	16,295	18,672	20,550	24,018
DPS (W)	0	0	0	0
Dividend payout ratio (%)	0.0	0.0	0.0	0.0
Dividend yield (%)	0.0	0.0	0.0	0.0
Revenue growth (%)	31.4	-28.3	11.6	63.3
EBITDA growth (%)	19.1	-41.0	10.3	97.7
OP growth (%)	18.8	-46.5	7.6	110.1
EPS growth (%)	13.5	-26.3	-17.3	84.7
AR turnover (x)	2.5	1.6	1.8	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	11.9	9.0	14.6
ROE (%)	21.6	13.7	10.0	16.2
ROIC (%)	105.4	44.0	42.7	86.0
Debt-to-equity ratio (%)	17.6	12.1	11.0	10.8
Current ratio (x)	795.3	1,413.4	1,582.1	1,548.7
Net debt-to-equity ratio (%)	-5.1	-56.4	-59.9	-64.9
Interest coverage ratio (x)	138.2	43.2	46.2	95.3

Appendix 1

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Two-year rating and TP history

Company	Date	Rating	TP (₩)
Shift Up (462870)	08/12/26	Buy	45,000
	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	83.02%	0%	16.35%	0.63%
Investment banking services	86.67%	0%	13.33%	0%

* Based on recommendations in the last 12-months (as of June 30, 2026)

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