



netmarble

2Q 2023 Earnings Results

Aug. 8th, 2023

DISCLAIMER

The financial information included in this document are consolidated earnings results based on K-IFRS.

The “financial results for 2Q 2023 for Netmarble (the “Company”) contained in this document have been provided for investors’ convenience only and have not been audited by an independent auditor. Therefore, certain part(s) of this document are subject to change upon the audit outcome.

This document contains “forward-looking statements” – that is, statements related to future, not past, events. In this context, “forward-looking statements” often address our expected future business and financial performance, and often contain words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” or “will.” “Forward-looking statements” by their nature address matters that are, to different degrees, uncertain. For us, particular uncertainties which could adversely or positively affect our future results include the behavior of financial markets, the Company’s strategic actions, unanticipated dramatic developments in our major business conditions, and numerous other matters at the national and international levels which could affect our financial results.

These uncertainties may cause our actual results to be materially different from those expressed in this document.

2Q23 Earnings

[Revenue] KRW 603.3bn (QoQ 0.1% ▲ / YoY 8.7% ▼)

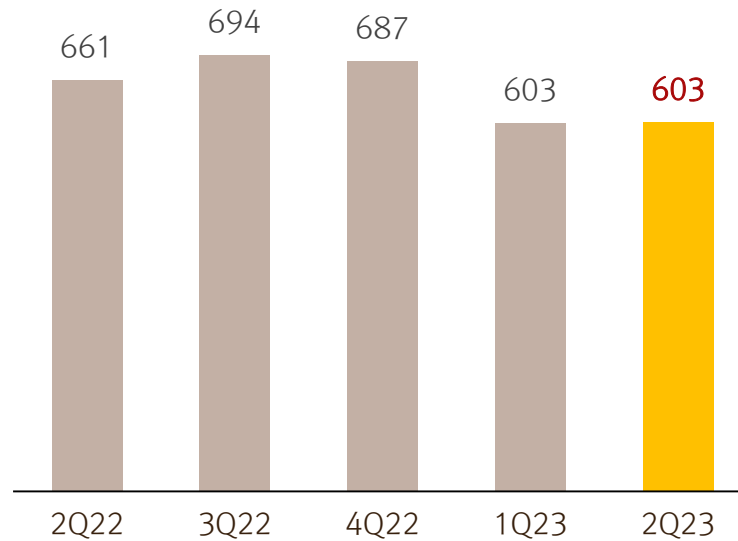
[EBITDA] KRW 10.8bn (QoQ 46.3% ▼ / YoY 49.8% ▼)

- Revenue increased due to the update of MARVEL Contest of Champions, while EBITDA declined as a result of the increase in marketing expenses related to new titles, etc.
- EBITDA Margin 1.8% (D&A KRW 48.0bn)

Revenue

(Unit: KRW bn)

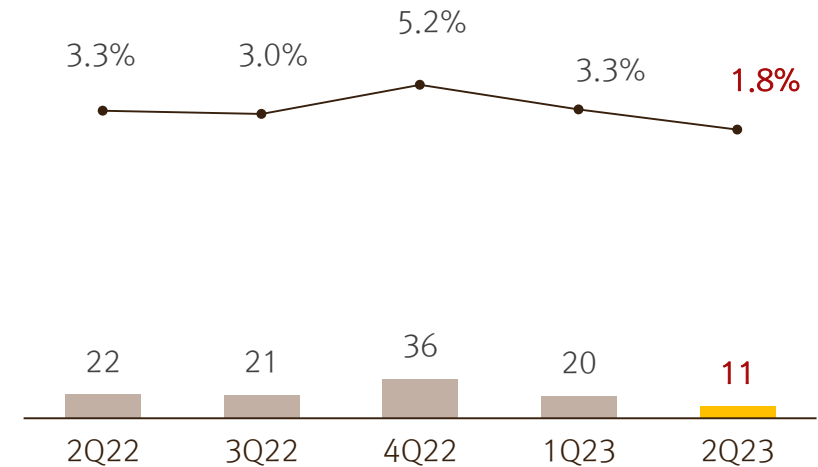
QoQ 0.1% ▲
YoY 8.7% ▼



EBITDA

(Unit: KRW bn)

QoQ 46.3% ▼
YoY 49.8% ▼



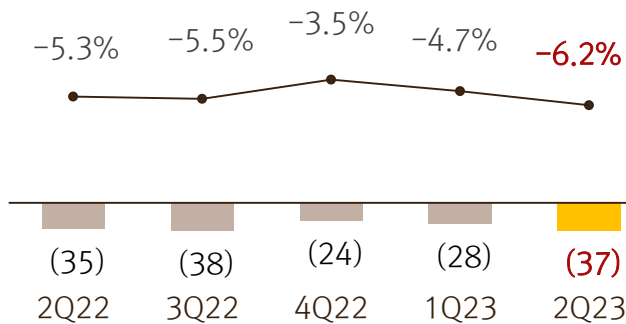
2Q23 Earnings

[Profit] Operating Loss KRW -37.2bn, Net Loss KRW -44.1bn,
Net Loss (Controlling) KRW -27.1bn

- Non-operating income and cost decreased by KRW 2.1 bn QoQ due to the non-occurrence of dividend income recognized in Q1

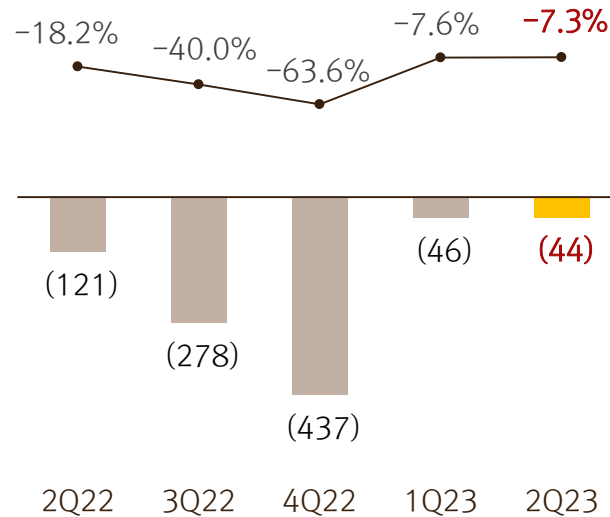
Operating Profit

(Unit: KRW bn)



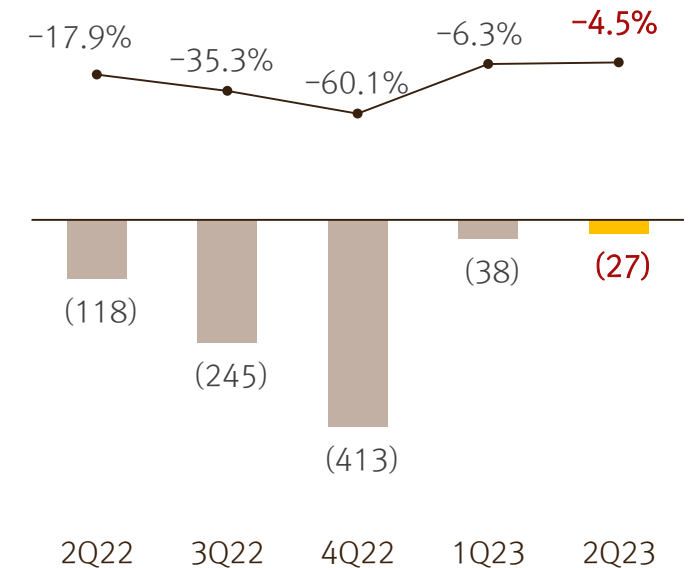
Net Profit

(Unit: KRW bn)



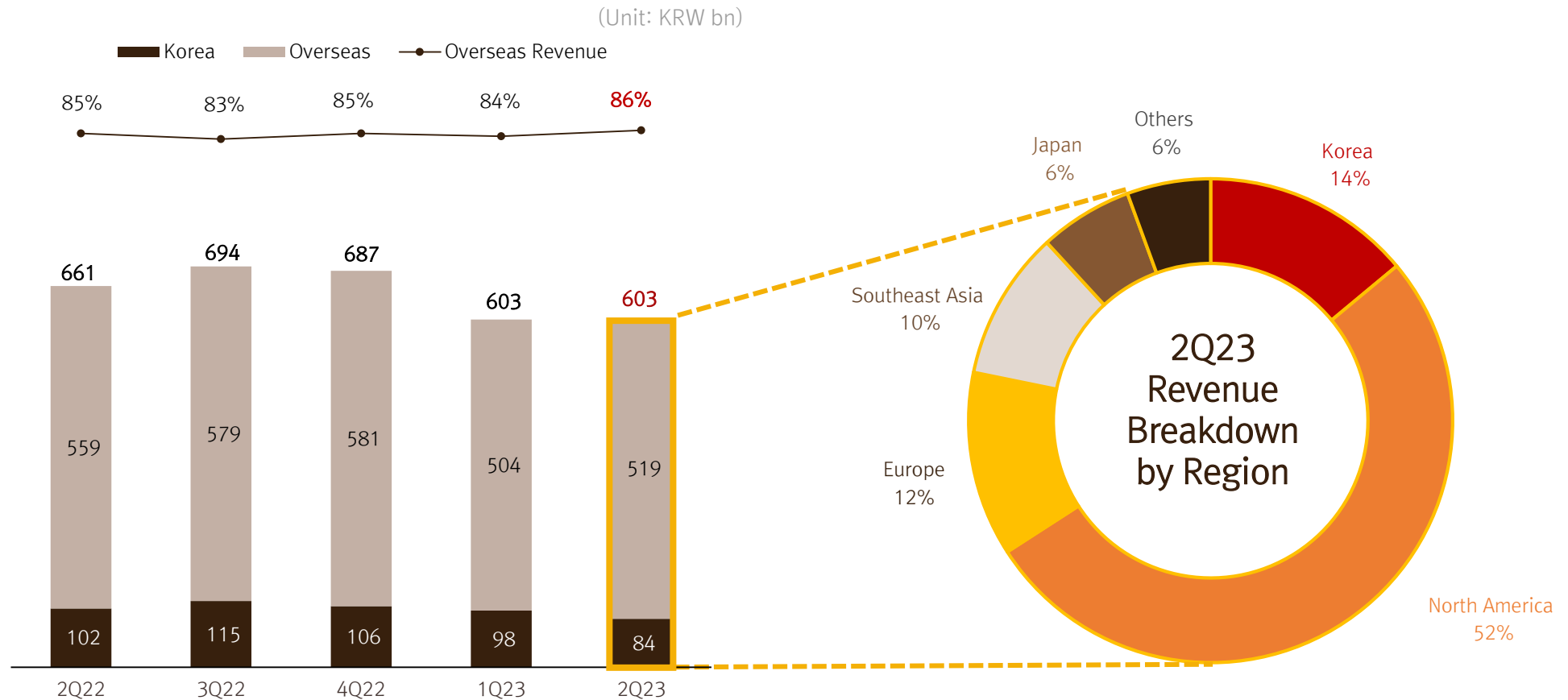
Net Profit (Controlling)

(Unit: KRW bn)



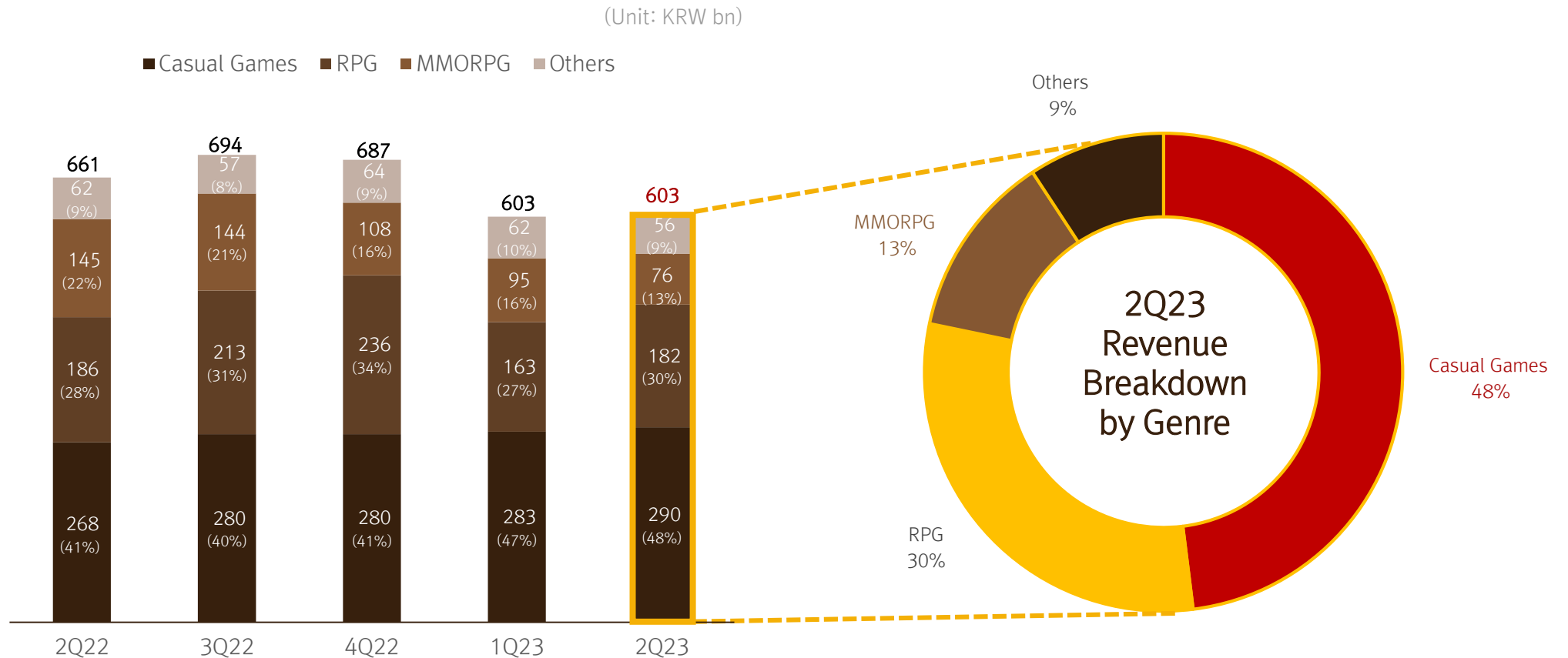
Revenue Breakdown by Region

- Overseas revenue for 2Q was KRW 519.1bn consisting 86% (QoQ +2%P) of the total revenue
- Regional diversification in revenue continued across N.A. 52%, Korea 14%, Europe 12%, SEA 10%, Japan 6% and others 6%
- Revenue proportion in North America increased by +4%P QoQ due to the effects of MARVEL Contest of Champions update, etc.



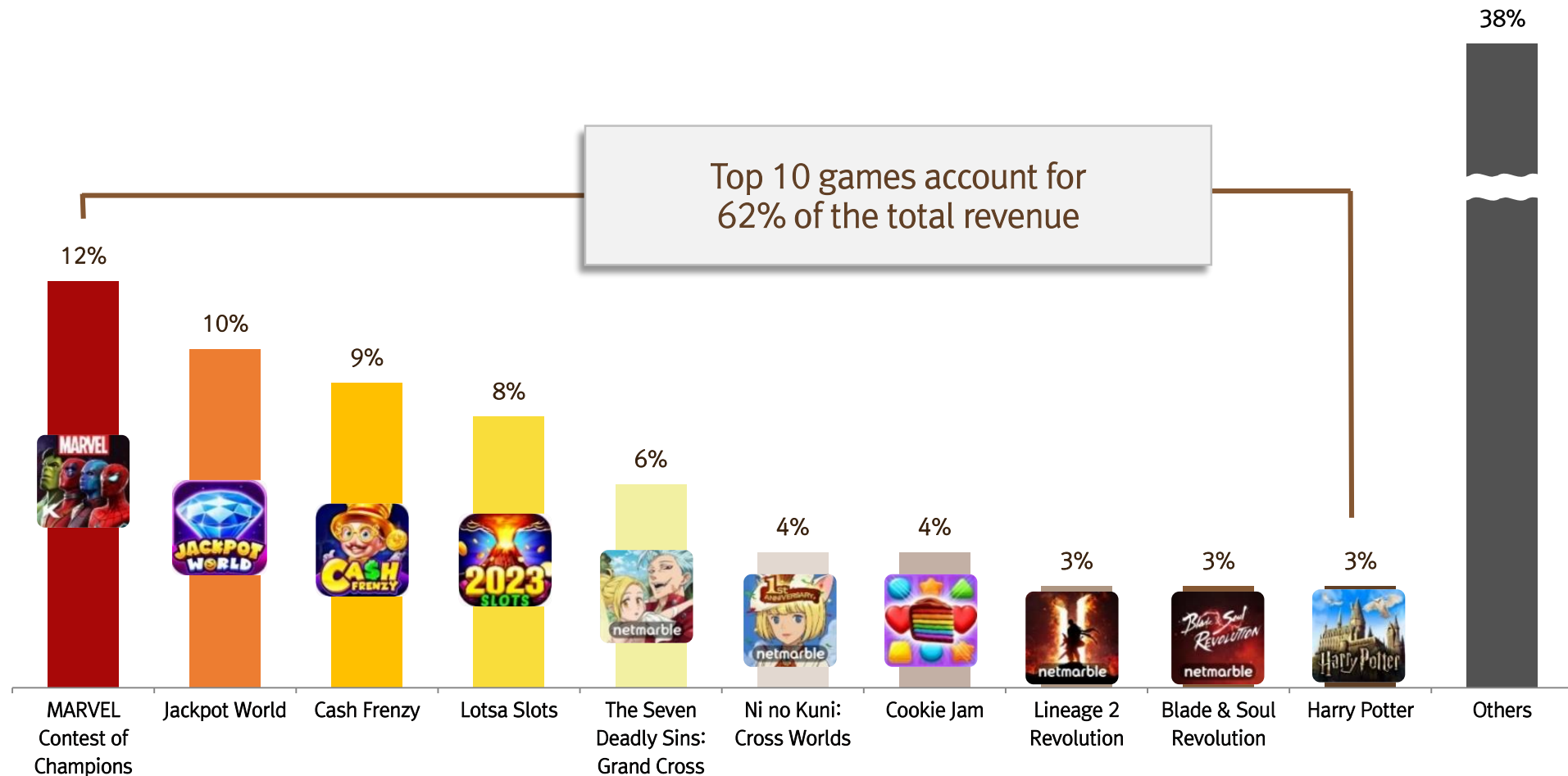
Revenue Breakdown by Genre

- Genre portfolio showed diversification across Casual games 48%, RPG 30%, MMORPG 13% and others 9%
- Revenue proportion of RPG increased by +3%P QoQ due to the effects of MARVEL Contest of Champions update, etc.



Game Portfolio

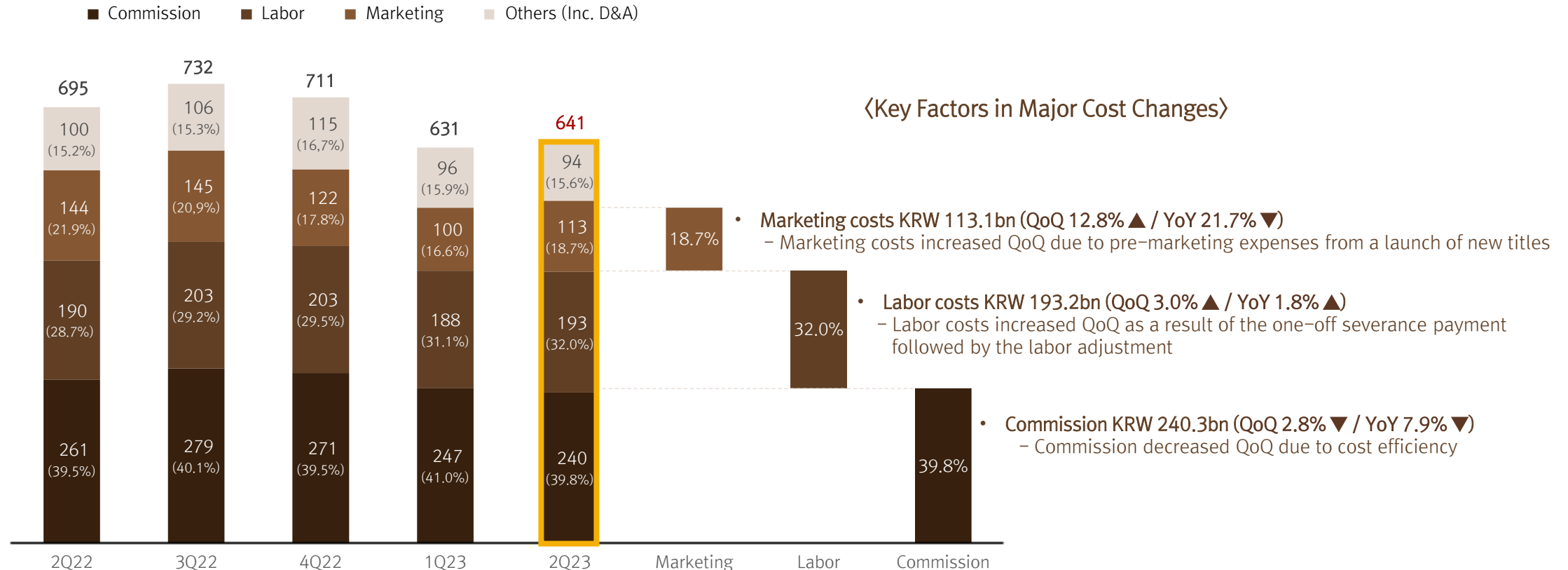
- Top revenue generators were evenly distributed: MARVEL Contest of Champions 12%, Jackpot World 10%, Cash Frenzy 9%, Lotsa Slots 8%, The Seven Deadly Sins: Grand Cross 6%, etc.



Major Cost Structure

- [Operating Cost] KRW 640.5bn (QoQ 1.5% ▲ / YoY 7.9% ▼)

(Unit: KRW bn)



※ 2Q23 Other costs: D&A KRW 48.0bn, other fees KRW 45.9bn

* Proportion to the revenue (%)

2H23 New Lineups

- In the 2H of 2023, **7 new games** (including Arthdal Chronicles, Solo Leveling: ARISE, etc.) will be released **globally** and **3 games** (including The Seven Deadly Sins, Ni no Kuni: Cross Worlds, etc.) will be launched in **China**.

Global

Mobile PC Console



GRAND CROSS: AGE OF TITANS
MMORTS  





Seven Knights Idle
Adventure
Incremental RPG 



King Arthur: Legends Rise
Collection Strategy RPG  



Arthdal Chronicles (TBD)
MMORPG  





Solo Leveling: ARISE
Action RPG  



Paragon: The Overprime
TPS MOBA  



Meta World: My City
Casual  
(Korea)

China



A3: Still Alive



The Seven Deadly Sins



Ni no Kuni: Cross Worlds

※ G-STAR 2023 Participation fixed (Nov. 16th ~ Nov. 19th)

※ G-STAR 2023 entries to be released later on



Appendix) Consolidated Income Statement

(KRW bn)	2Q22	3Q22	4Q22	1Q23	2Q23
Revenue	661	694	687	603	603
Commission	261	279	271	247	240
Labor Cost	190	203	203	188	193
Marketing Cost	144	145	122	100	113
Other Costs (exc. D&A)	44	47	55	48	46
EBITDA	22	21	36	20	11
<i>Margin (%)</i>	<i>3.3%</i>	<i>3.0%</i>	<i>5.2%</i>	<i>3.3%</i>	<i>1.8%</i>
D&A	56	59	60	48	48
Operating Income	(35)	(38)	(24)	(28)	(37)
<i>Margin (%)</i>	<i>-5.3%</i>	<i>-5.5%</i>	<i>-3.5%</i>	<i>-4.7%</i>	<i>-6.2%</i>
<i>Non-Operating Income&Cost</i>	<i>(132)</i>	<i>(251)</i>	<i>(403)</i>	<i>(25)</i>	<i>(28)</i>
Pre-tax Profit	(167)	(289)	(427)	(54)	(65)
Tax	(47)	(11)	9	(8)	(21)
Net Profit	(121)	(278)	(437)	(46)	(44)
Net Profit (controlling)	(118)	(245)	(413)	(38)	(27)
<i>Margin (%)</i>	<i>-17.9%</i>	<i>-35.3%</i>	<i>-60.1%</i>	<i>-6.3%</i>	<i>-4.5%</i>

Appendix) Consolidated Statement of Financial Position

(KRW bn)	2Q22	3Q22	4Q22	1Q23	2Q23
Current Assets	1,492	1,254	997	1,064	1,010
Cash and Cash Equivalents	706	729	503	529	542
Accounts Receivable	229	183	190	205	201
Other Current Financial Assets	400	198	164	190	124
Other Current Assets	157	144	140	141	143
Non-Current Assets	8,609	9,095	7,938	7,862	7,763
Investment Assets	3,383	3,436	3,541	3,403	3,288
Intangible Assets	4,444	4,853	3,596	3,650	3,639
Tangible Assets	388	394	423	421	422
Other Non-Current Assets	394	412	378	388	413
Total Assets	10,101	10,349	8,936	8,927	8,773
Current Liabilities	2,824	3,048	2,294	2,397	2,373
Accounts Payable	67	79	49	44	32
Short-term Debt	1,859	2,029	1,553	1,679	1,678
Other Current Financial Liabilities	627	642	376	374	361
Other Current Liabilities	271	298	316	302	302
Non-Current Liabilities	1,515	1,331	1,020	971	988
Other Non-Current Financial Liabilities	1,247	1,067	808	815	827
Other Non-Current Liabilities	267	264	212	156	161
Total Liabilities	4,339	4,379	3,314	3,368	3,362
Total Equity	5,762	5,970	5,622	5,558	5,411



Thank You