



netmarble

4Q 2023 & FY 2023 Earnings Results

Feb. 7th, 2024

DISCLAIMER

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

The “financial results for 4Q 2023 and FY 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.

FY 2023

EARNINGS

SUMMARY

[Revenue] KRW 2,501.4bn (YoY 6.4% ▼)

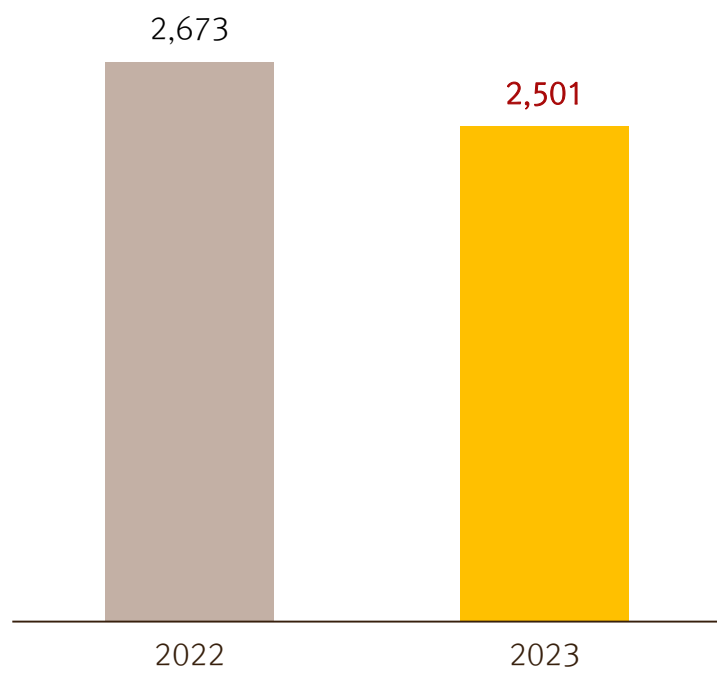
– In 2023, the revenue proportions of overseas and Korea accounted for 83% and 17% respectively

[EBITDA] KRW 115.8bn (YoY 6.4% ▼)

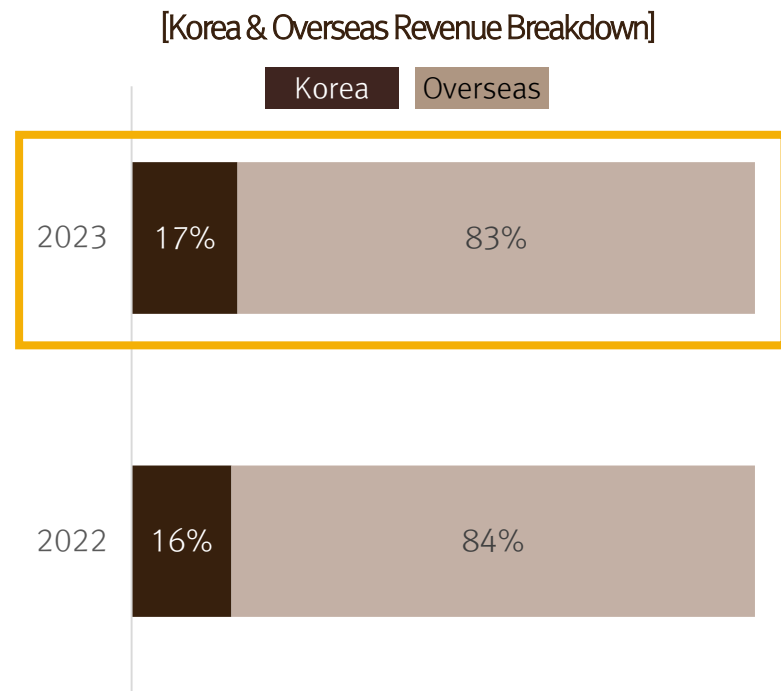
Revenue

(Unit: KRW bn)

YoY 6.4% ▼



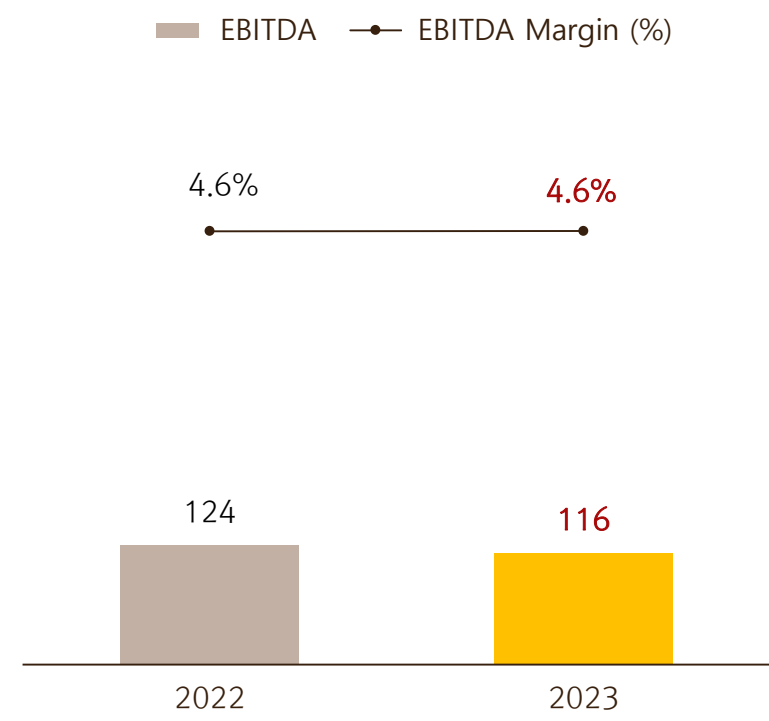
Revenue Breakdown



EBITDA

(Unit: KRW bn)

YoY 6.4% ▼



4Q23 EARNINGS

[Revenue] KRW 664.9bn (QoQ 5.4% ▲ / YoY 3.2% ▼)

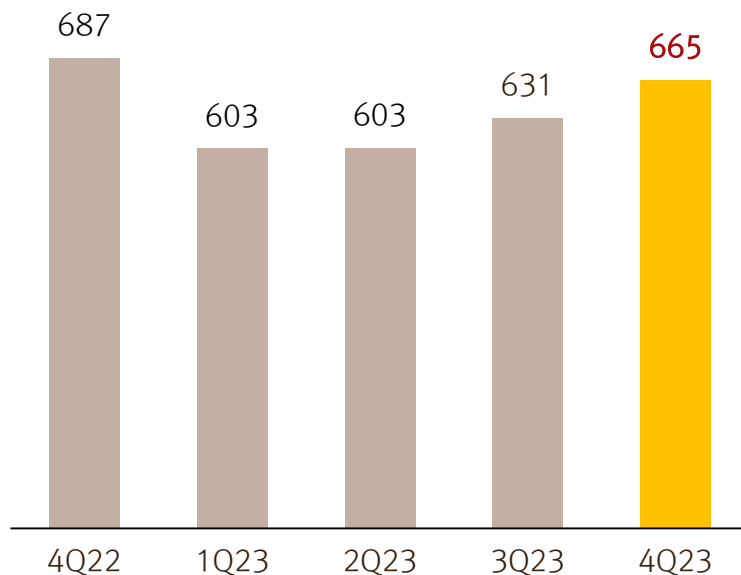
[EBITDA] KRW 60.4bn (QoQ 146.5% ▲ / YoY 69.2% ▲)

- Revenue and EBITDA increased due to the full quarter recognition of Seven Knights Idle Adventure and the update effect of MARVEL Contest of Champions
- EBITDA Margin 9.1% (D&A KRW 42.7bn)

Revenue

(Unit: KRW bn)

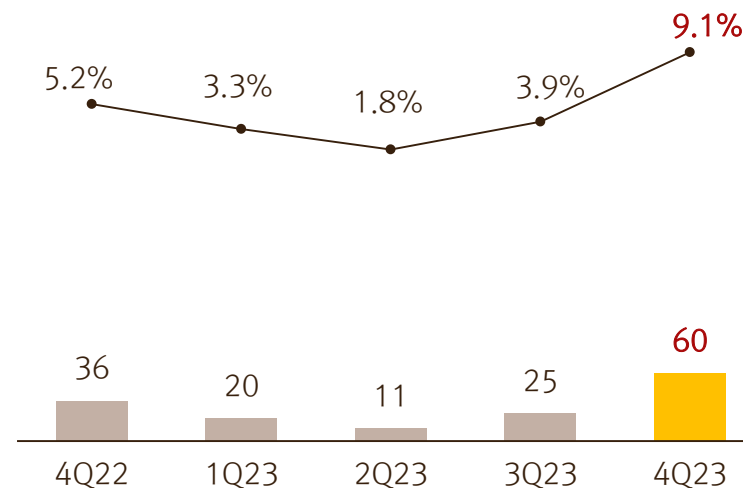
QoQ 5.4% ▲
YoY 3.2% ▼



EBITDA

(Unit: KRW bn)

QoQ 146.5% ▲
YoY 69.2% ▲



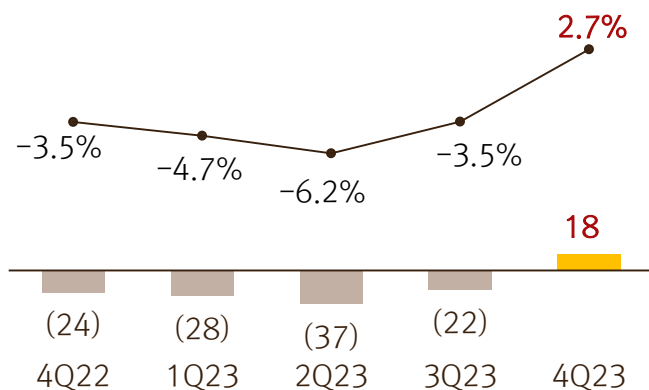
4Q23 EARNINGS

[Profit] Operating Profit KRW 17.7bn, Net Loss KRW -195.0bn,
Net Loss (Controlling) KRW -182.8bn

– Net loss escalated due to a temporary increase in corporate tax caused by liquidation of holdings

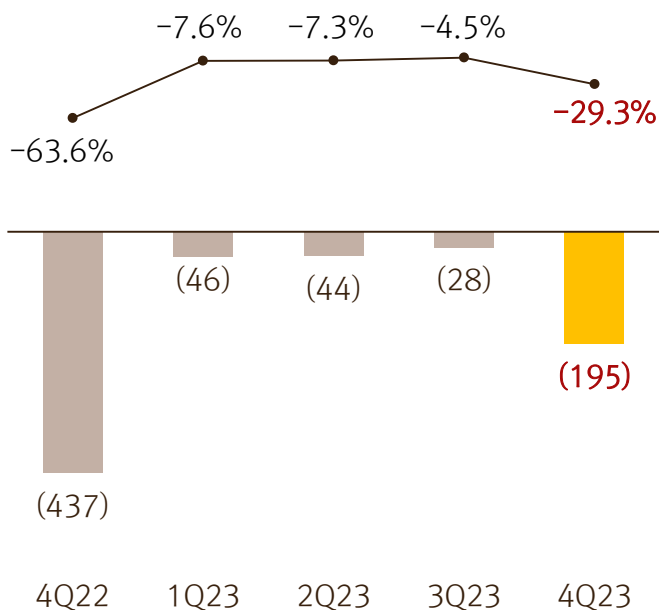
Operating Profit

(Unit: KRW bn)



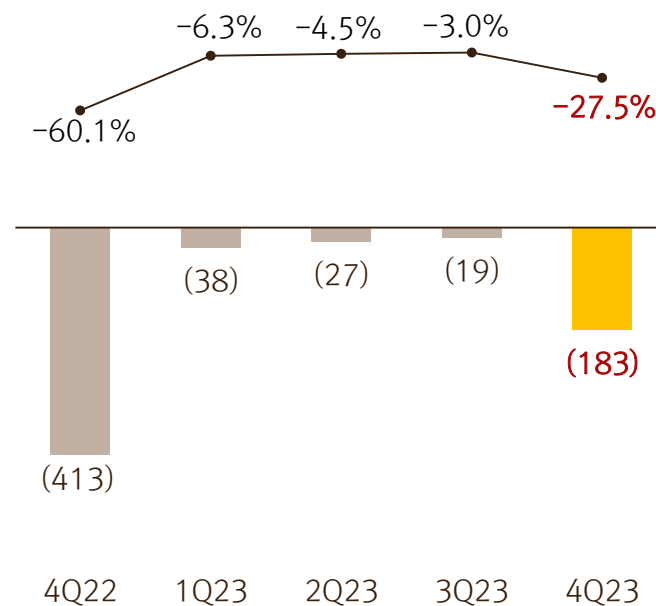
Net Profit

(Unit: KRW bn)



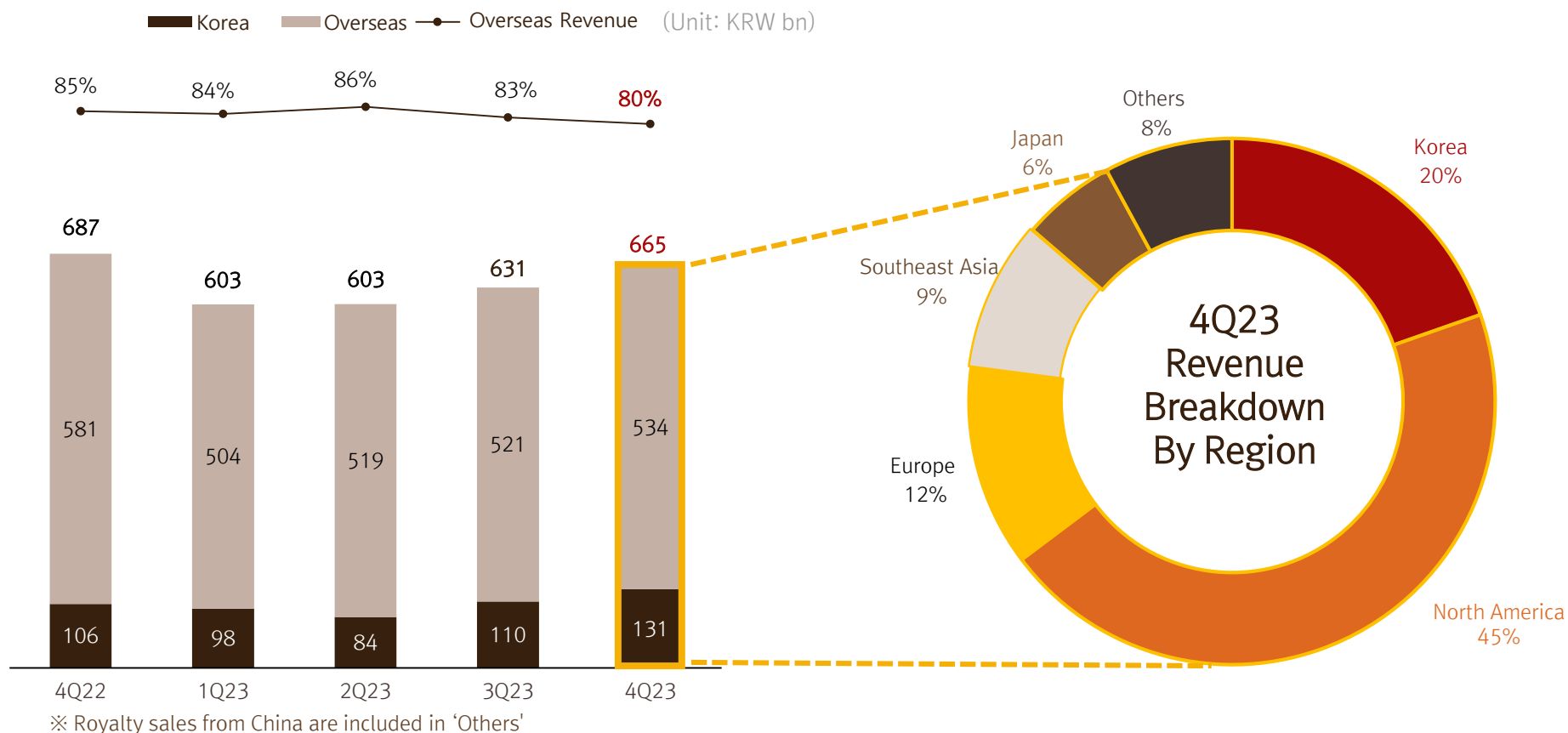
Net Profit (Controlling)

(Unit: KRW bn)



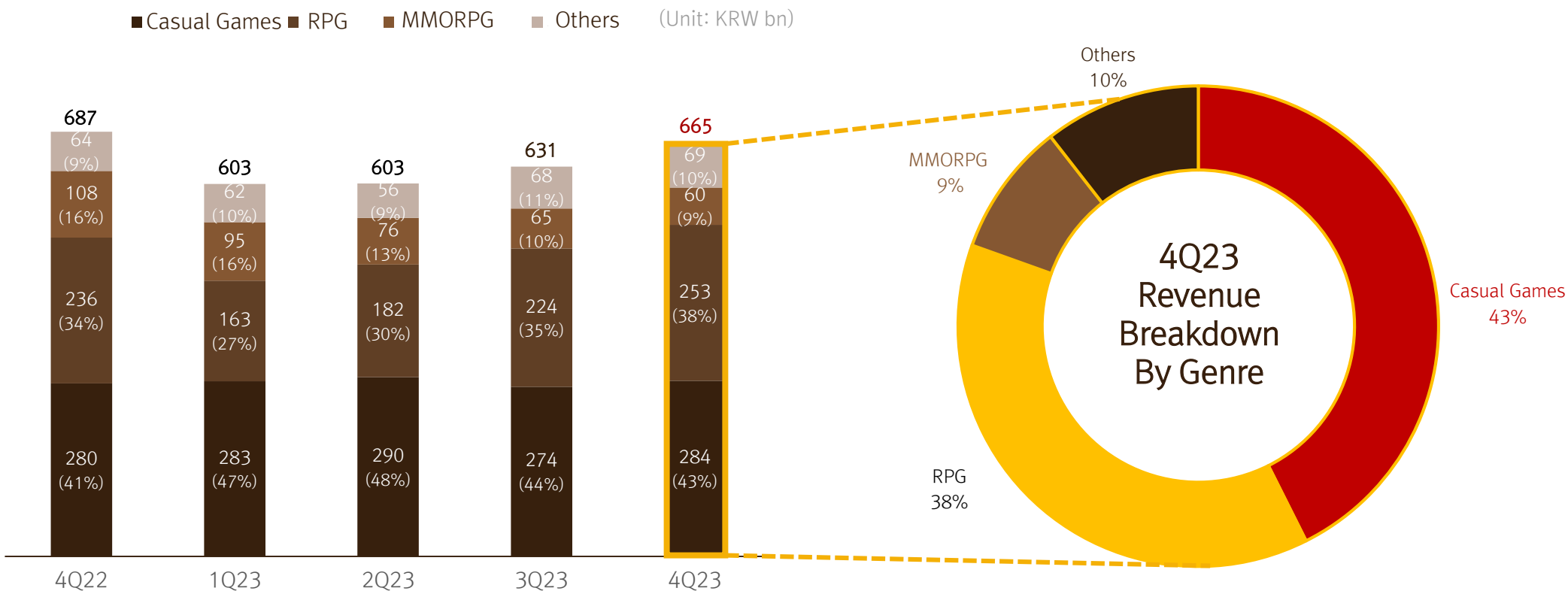
REVENUE BREAKDOWN BY REGION

- Overseas revenue for 4Q was KRW 534.0bn consisting 80% (QoQ -3%P) of the total revenue
- Regional diversification in revenue continued across N.A. 45%, Korea 20%, Europe 12%, SEA 9%, Japan 6% and others 8%
- Revenue proportion in Korea increased by +3%P QoQ as a result of the full quarter recognition of Seven Knights Idle Adventure



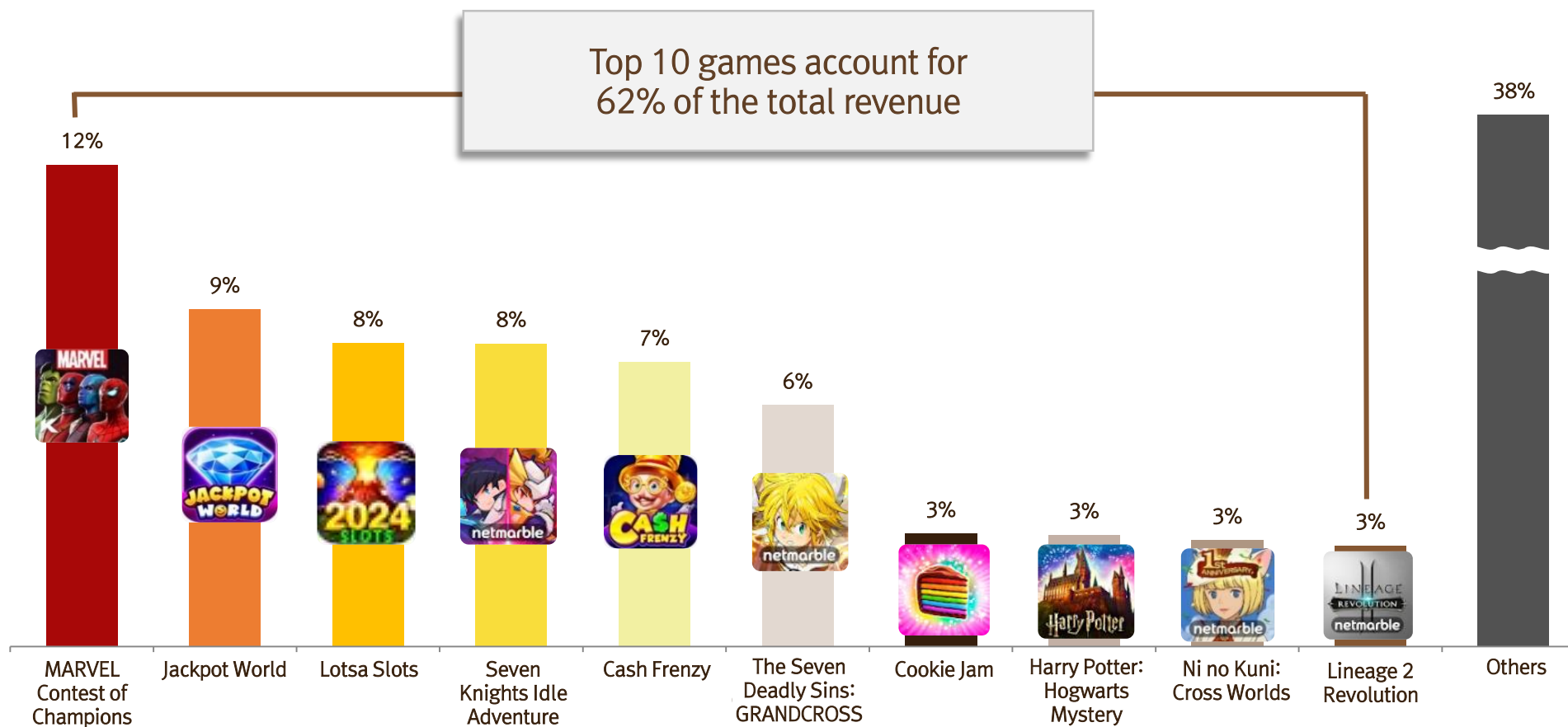
REVENUE BREAKDOWN BY GENRE

- Genre portfolio showed diversification across Casual games 43%, RPG 38%, MMORPG 9% and others 10%
- Revenue proportion of RPG increased by +3%P QoQ owing to the full recognition of Seven Knights Idle Adventure



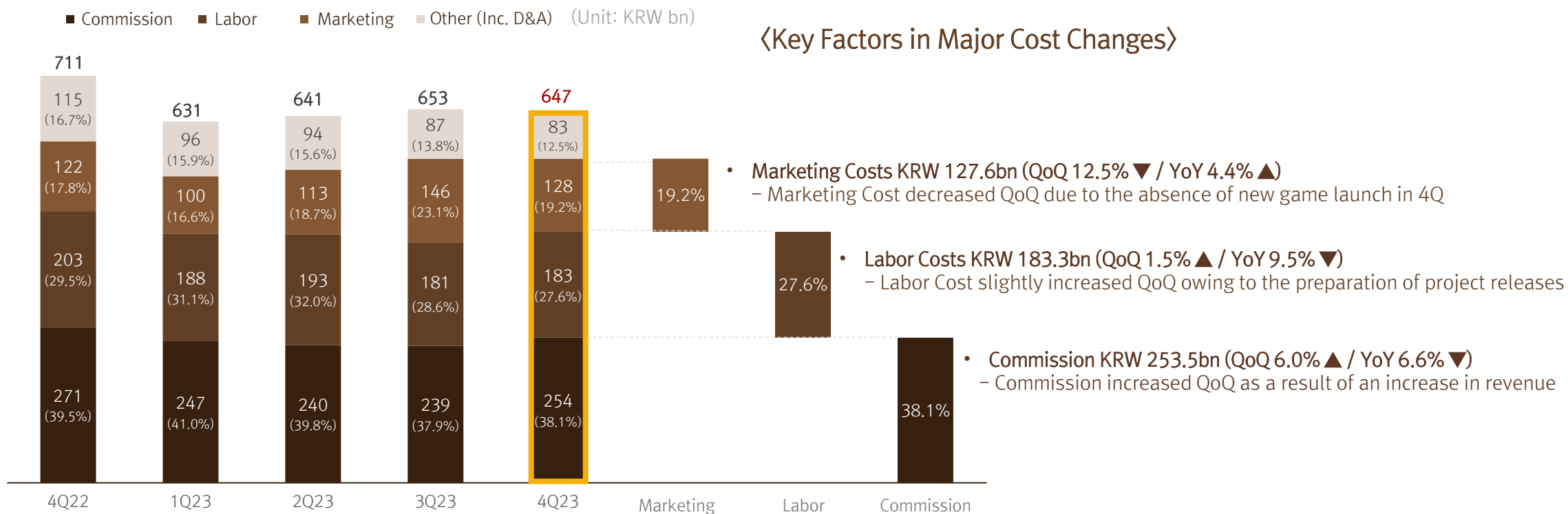
GAME PORTFOLIO

- Top revenue generators were evenly distributed: MARVEL Contest of Champions 12%, Jackpot World 9%, Lotsa Slots 8%, Seven Knights Idle Adventure 8%, Cash Frenzy 7%, The Seven Deadly Sins: GRAND CROSS 6%, etc.



MAJOR COST STRUCTURE

[Operating Cost] KRW 647.2bn (QoQ 0.8% ▼ / YoY 9.0% ▼)



※ 4Q23 Other Cost: D&A KRW 42.7bn, Other fees KRW 40.1bn

* Proportion to the revenue (%)

New Lineups

- In 1H24, 4 new games (Arthdal Chronicles: Three Factions, Solo Leveling:ARISE, Raven 2, etc.) will be released and 1 game (Ni no Kuni: Cross Worlds) will be launched in China

Mobile PC Console

1H24 New Releases

Arthdal Chronicles: Three Factions



Korea, Taiwan,
HongKong, Macao

MMORPG



Solo Leveling:ARISE



Global
Action RPG



Raven 2



Korea
MMORPG



King Arthur: Legends Rise



Global
Collection
Strategy RPG



Ni no Kuni: Cross Worlds



China
MMORPG



※ (Other than the games listed above) The new releases for 2024 will be introduced later on

Consolidated Income Statement

(Unit: KRW bn)	4Q22	1Q23	2Q23	3Q23	4Q23	FY2022	FY2023
Revenue	687	603	603	631	665	2,673	2,501
Commission	271	247	240	239	254	1,056	980
Labor Cost	203	188	193	181	183	782	745
Marketing Cost	122	100	113	146	128	524	487
Other Costs (exc. D&A)	55	48	46	41	40	187	174
EBITDA	36	20	11	25	60	124	116
Margin (%)	5.2%	3.3%	1.8%	3.9%	9.1%	4.6%	4.6%
D&A	60	48	48	46	43	232	185
Operating Income	(24)	(28)	(37)	(22)	18	(109)	(69)
Margin (%)	-3.5%	-4.7%	-6.2%	-3.5%	2.7%	-4.1%	-2.8%
Non-Operating Income&Cost	(403)	(25)	(28)	(11)	(39)	(833)	(103)
Pre-tax Profit	(427)	(54)	(65)	(33)	(21)	(942)	(173)
Tax	9	(8)	(21)	(5)	174	(55)	141
Net Profit	(437)	(46)	(44)	(28)	(195)	(886)	(313)
Net Profit (controlling)	(413)	(38)	(27)	(19)	(183)	(819)	(267)
Margin (%)	-60.1%	-6.3%	-4.5%	-3.0%	-27.5%	-30.6%	-10.7%

Consolidated Statement of Financial Position

(Unit: KRW bn)	4Q22	1Q23	2Q23	3Q23	4Q23	FY2022	FY2023
Current Assets	997	1,064	1,010	997	906	997	906
Cash and Cash Equivalents	503	529	542	511	430	503	430
Accounts Receivable	190	205	201	236	255	190	255
Other Current Financial Assets	164	190	124	115	99	164	99
Other Current Assets	140	141	143	135	122	140	122
Non-Current Assets	7,938	7,862	7,763	7,775	7,001	7,938	7,001
Investment Assets	3,541	3,403	3,288	3,206	2,994	3,541	2,994
Intangible Assets	3,596	3,650	3,639	3,687	3,216	3,596	3,216
Tangible Assets	423	421	422	426	420	423	420
Other Non-Current Assets	378	388	413	456	371	378	371
Total Assets	8,936	8,927	8,773	8,772	7,907	8,936	7,907
Current Liabilities	2,294	2,397	2,373	2,397	1,907	2,294	1,907
Accounts Payable	49	44	32	21	32	49	32
Short-term Debt	1,553	1,679	1,678	1,684	1,384	1,553	1,384
Other Current Financial Liabilities	376	374	361	392	198	376	198
Other Current Liabilities	316	302	302	300	294	316	294
Non-Current Liabilities	1,020	971	988	1,010	928	1,020	928
Other Non-Current Financial Liabilities	808	815	827	838	659	808	659
Other Non-Current Liabilities	212	156	161	172	269	212	269
Total Liabilities	3,314	3,368	3,362	3,407	2,835	3,314	2,835
Total Equity	5,622	5,558	5,411	5,365	5,072	5,622	5,072



Thank You