COMPANY UPDATE

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Tech Team

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Pearl Abyss (263750)

Crimson Desert launch date decided

- Pearl Abyss turned to a KRW10.6b operating profit in 3Q amid a massive update for *Black Desert*.
- The firm has confirmed that it will launch Crimson Desert on Mar 19 as planned (without further delay). Considering the title's current pre-order ranking, we do not see the prospect of its sales volume exceeding 3m copies (on an annual basis) as solid (although full-fledged marketing activity in 1Q26 could move up the title's ranking).
- We raise our target price for the firm by 20% to KRW36,000 to reflect a longer lifespan of Black Desert, but we keep the stock at HOLD given the murky prospect of a new big title to follow *Crimson Desert*.

WHAT'S THE STORY?

3Q25 review: PC-version Black Desert sales grew 49% q-q in 3Q on the additions of a new class and new zones, and mobile-version Black Desert sales were up 6% q-q on updates. Rising Black Desert IP sales drove up Pearl Abyss' overall 3Q sales by 34% q-q. Despite higher marketing costs, the firm turned to a KRW10.6b operating profit in 3Q thanks to growing sales (vs the consensus of a KRW12.5b operating loss).

Crimson Desert not gathering as strong popularity as expected: At the conference call, Pearl Abyss said that there will be no more delays for Crimson Desert (set for launch on Mar 19, 2026, as planned), and that pre-orders for the title are as strong as those of other new AAA titles. Currently, the title ranks 12th in Korea and 25th in the US in PlayStation Store pre-order ranking; and 27th in the Steam wishlist. Since it will be four months before the title is rolled out, there are chances that the title could climb up sales charts when the firm begins full-fledged marketing in 2026. Still, the current pre-order ranking suggests that the title will unlikely meet the market expectation of 3m copies in annual sales.

(Continued on the next page)

AT A GLANCE

HOLD

Target price	KRW36,000	-7.5%
Current price	**KRW38,900**	
Market cap	KRW2.5t/USD1.7b	
Shares (float)	64,247,855 (58.2%)	
52-week high/low	KRW42,950/KRW27,150	
Avg daily trading value (60-day)	KRW9.4b/ USD6.4m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
Pearl Abyss (%)	9.9	10.7	5.0
Vs Kosdaq (%pts)	4.2	-11.4	-17.7

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	HOLD	HOLD	
Target price	36,000	30,000	20.0%
2025E EPS	205	-516	nm
2026E EPS	1,698	1,422	19.4%

SAMSUNG vs THE STREET

No of estimates	12
Target price	38,250
Recommendation	3.8

※ Rating: 4 < → BUY, 3 = HOLD, 2 > → SELL

SUMMARY 3Q RESULTS

(KRWb)	3Q25	Chg		Diff (%)	
		(% y-y)	(% q-q)	Samsung	Consensus
Sales	106.8	34.4	34.2	49.6	34.0
Operating profit	10.6	nm	nm	nm	nm
Pre-tax profit	23.1	nm	nm	nm	nm
Net profit	29.0	nm	nm	nm	nm
Margins (%)					
Operating profit	9.9				
Pre-tax profit	21.6				
Net profit	27.2				

Source: Company data, Fnguide, Samsung Securities estimates

VALUATION SUMMARY

	2024	2025E	2026E
Valuation (x)			
P/E	n/a	174.9	21.1
P/B	2.1	2.7	2.4
EV/EBITDA	117.1	90.1	13.5
Div yield (%)	0.0	0.0	0.0
EPS growth (% y-y)	nm	nm	727.5
ROE (%)	7.9	1.3	10.9
Per-share data (KRW)			
EPS	-150	205	1,698
BVPS	13,122	13,174	14,689
DPS	0	0	0

Prospect of next title to follow Crimson Desert still murky: The firm is developing DokeV, a next new title to follow Crimson Desert, but its launch is expected in 2H27. We expect the firm to turn to an operating profit in 2026 thanks to the Crimson Desert launch and Black Desert updates. However, given the nature of packaged games (most of sales tend to occur within the first few months of their release), we believe the firm needs to release a next title as quickly as possible to sustain its growth.

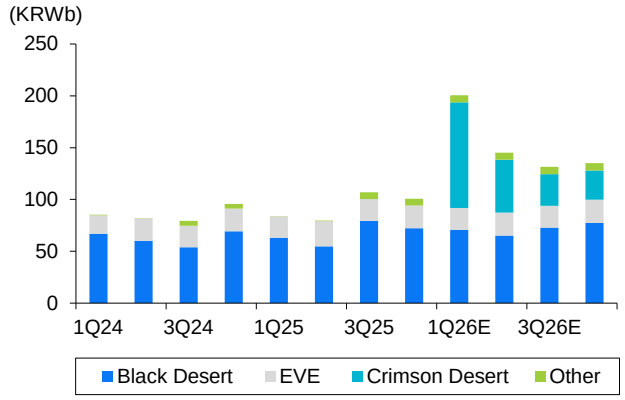
Trading strategy before release: We raise our target price for the firm by 20% from KRW30,000 to KRW36,000 (based on an SOTP method) to reflect a longer lifespan of PC-version Black Desert and the increasing visibility of the Crimson Desert launch. Still, we keep the stock at HOLD, given the disappointing pre-order performance of Crimson Desert and the murky prospect of a next big title. We advise investors to take a short-term trading approach before the new release.

3Q review

(KRWb)	3Q25			Diff (%)		3Q24	2Q25	Chg	
	Result	Samsung	Consensus	Samsung	Consensus			(% y-y)	(% q-q)
Sales	**106.8**	**71.4**	**79.7**	**49.6**	**34.0**	**79.5**	**79.6**	**34.4**	**34.3**
Black Desert PC	64.9	39.9		62.6		36.6	43.5	77.1	49.2
Black Desert Mobile	9.6	8.1		18.0		15.1	9.1	(36.5)	6.2
Black Desert Console	5.0	2.3		120.1		2.2	2.4	124.4	111.3
Eve IP	20.8	20.6		0.9		20.5	24.2	1.5	(14.0)
Other	6.5	0.5		1,283.2		5.0	0.5	31.6	1,310.8
Operating expenses	**96.2**	**87.7**		**9.7**		**88.7**	**91.3**	**8.5**	**5.3**
Labor costs	46.4	47.8		(3.0)		44.2	47.2	4.9	(1.7)
Commission paid	20.9	16.2		28.7		17.0	18.1	22.7	15.4
Marketing	13.6	7.9		72.5		8.9	10.5	52.7	29.5
Other	15.4	15.8		(2.6)		18.6	15.6	(17.3)	(1.4)
Operating profit	**10.6**	**(16.3)**	**(12.5)**	**nm**	**nm**	**(9.2)**	**(11.8)**	**nm**	**nm**
Pre-tax profit	23.1	(10.1)	(15.0)	nm	nm	(6.6)	(27.8)	nm	nm
Net profit	29.0	(7.7)	(3.7)	nm	nm	(7.8)	(22.7)	nm	nm
Net profit (controlling)	29.0	(7.7)	(8.1)	nm	nm	(7.8)	(22.7)	nm	nm
Margins (%)									
Operating profit	9.9	(22.8)	(15.7)			(11.6)	(14.8)		
Pre-tax profit	21.6	(14.2)	(18.9)			(8.4)	(35.0)		
Net profit	27.1	(10.8)	(4.7)			(9.8)	(28.5)		
Net profit (controlling)	27.1	(10.8)	(10.2)			(9.8)	(28.5)		

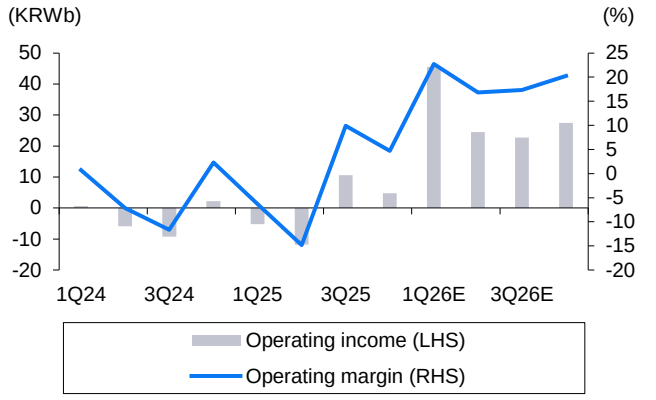
Source: Company data, FnGuide, Samsung Securities estimates

Quarterly sales



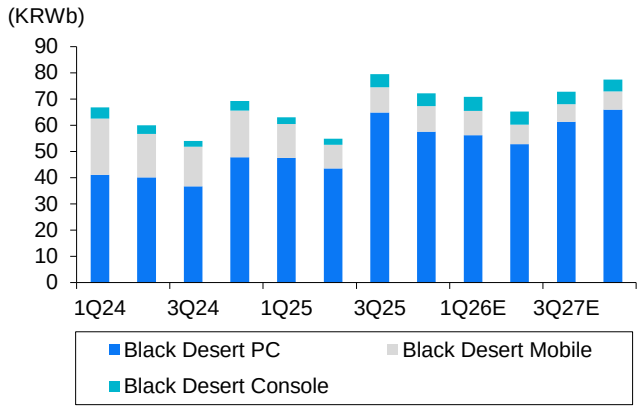
Source: Company data, Samsung Securities estimates

Quarterly operating income



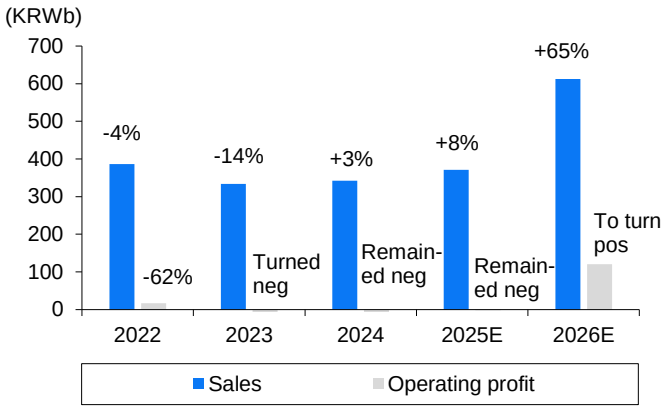
Source: Company data, Samsung Securities estimates

Black Desert: Sales, by platform



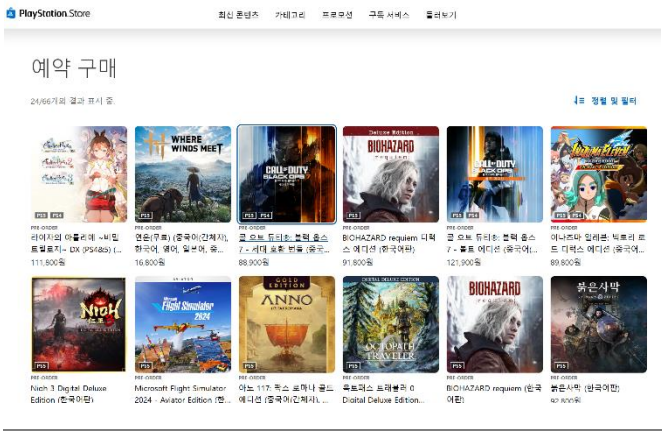
Source: Company data, Samsung Securities estimates

Annual sales and operating income



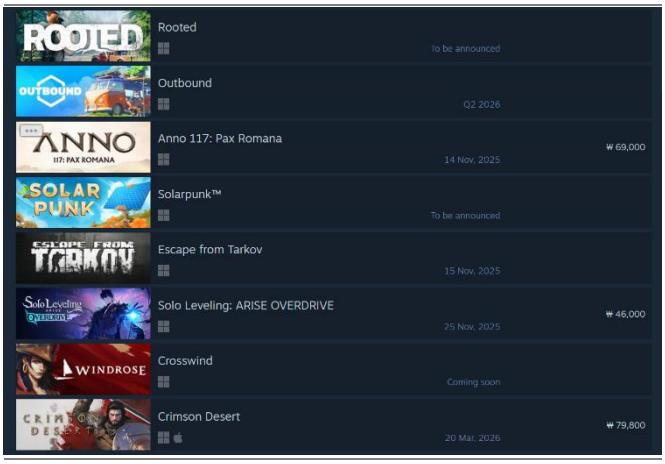
Source: Sensor Tower

Crimson Desert ranks 12th on Korean PlayStation Store (pre-order basis)



Source: Gametrics, Samsung Securities

Crimson Desert ranked 27th on Steam Wishlist chart



Source: SteamDB, Samsung Securities estimates

Sum-of-the-parts valuation

	(KRWb)
Enterprise value (A+B)	**2,285**
Asset value (A=a+b+c)	**648**
Net cash (a)	78
Financial investments (b)	400
Real estate (c)	170
Operating value (B=d*e)	**1,637**
2026E EBITDA (d)	144
Target EV/EBITDA (x) (e)*	11.4
Shares outstanding ('000)	64,248
Fair price (KRW)	35,571
Target price (KRW)	**36,000**
Current price (KRW)	38,680
Upside (%)	(6.9)

Note: *Average of 2026E EV/EBITDA multiples at which its peers are trading; As of Nov 11 close
Source: Samsung Securities estimates

Peer EV/EBITDA valuations

(x)	2025E	2026E
Krafton	6.4	5.9
NCsoft	26.6	9.4
Netmarble	11.2	10.1
Nexon	14.4	13.3
EA	21.2	18.1
Average	**16.0**	**11.4**

Note: As of Nov 11 close
Source: Bloomberg

Quarterly results and forecasts

(KRWb)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25E	1Q26E	2Q26E	3Q26E	4Q26E
Sales	**85.4**	**81.8**	**79.5**	**95.7**	**83.7**	**79.6**	**106.8**	**100.8**	**200.6**	**145.3**	**131.5**	**135.2**
Black Desert PC	41.1	40.1	36.6	47.8	47.6	43.5	64.9	57.5	56.2	52.8	61.3	65.9
Black Desert Mobile	21.5	16.6	15.1	17.8	12.9	9.1	9.6	9.8	9.3	7.5	6.7	7.0
Black Desert Console	4.2	3.3	2.2	3.6	2.5	2.4	5.0	4.9	5.3	4.9	4.7	4.5
Eve IP	18.0	21.6	20.5	22.0	20.5	24.2	20.8	21.9	21.0	22.2	21.1	22.5
Crimson Dessert									102.0	51.0	30.6	28.1
Other	0.6	0.2	5.0	4.5	0.2	0.5	6.5	6.6	6.8	6.9	7.1	7.2
Operating expenses	**84.9**	**87.6**	**88.7**	**93.4**	**88.9**	**91.3**	**96.2**	**96.1**	**155.1**	**120.8**	**108.7**	**107.8**
Labor costs	46.6	46.5	44.2	47.1	49.0	47.2	46.4	47.0	47.6	48.2	48.8	49.4
Commission paid	17.1	18.4	17.0	18.4	17.3	18.1	20.9	20.0	58.6	37.1	29.8	29.9
Marketing	5.6	7.3	8.9	11.8	7.3	10.5	13.6	13.5	33.2	19.5	14.0	12.1
Other	15.5	15.4	18.6	16.1	15.3	15.6	15.4	15.6	15.8	16.0	16.2	16.4
Operating profit	**0.6**	**(5.8)**	**(9.2)**	**2.2**	**(5.2)**	**(11.8)**	**10.6**	**4.7**	**45.5**	**24.5**	**22.7**	**27.4**
Pre-tax profit	17.2	10.1	(6.6)	57.0	(1.5)	(27.8)	23.1	4.7	42.0	20.4	21.8	25.3
Net profit	12.8	9.1	(7.8)	46.2	0.5	(22.7)	29.0	3.6	35.7	17.4	18.5	21.5
Net profit (controlling)	12.8	9.1	(7.8)	46.2	0.5	(22.7)	29.0	3.6	35.7	17.4	18.5	21.5
Adjusted EPS (KRW)	27	-70	-165	58	20	-129	238	76	626	349	329	394
Margins (%)												
Operating profit	0.7	(7.1)	(11.6)	2.3	(6.3)	(14.8)	9.9	4.7	22.7	16.8	17.3	20.3
Pre-tax profit	20.1	12.3	(8.4)	59.6	(1.7)	(35.0)	21.6	4.7	21.0	14.1	16.5	18.7
Net profit	15.0	11.2	(9.8)	48.3	0.6	(28.5)	27.1	3.6	17.8	12.0	14.1	15.9
Net profit (controlling)	15.0	11.2	(9.8)	48.3	0.6	(28.5)	27.1	3.6	17.8	12.0	14.1	15.9

Source: Company data, Samsung Securities estimates

Revisions to full-year forecasts

(KRWb)	2025E			2026E			2027E		
	Old	New	Diff (%)	Old	New	Diff (%)	Old	New	Diff (%)
Sales	**307.8**	**370.9**	**20.5**	**621.9**	**612.6**	**(1.5)**	**590.3**	**565.7**	**(4.2)**
Black Desert PC	171.3	213.5	24.6	146.5	236.2	61.2	129.3	265.3	105.2
Black Desert Mobile	38.4	41.4	7.7	32.0	30.5	(4.7)	28.6	26.0	(9.2)
Black Desert Console	9.4	14.8	57.5	8.8	19.5	120.4	8.2	18.1	120.8
Eve IP	87.1	87.4	0.4	86.1	86.7	0.8	87.7	88.2	0.6
Crimson Dessert	0.0	0.0	n/a	346.4	211.7	(38.9)	129.9	73.9	(43.1)
DokeV	0.0	0.0	n/a	0.0	0.0	n/a	204.4	64.0	(68.7)
Other	1.6	13.8	763.9	2.0	28.0	1,283.2	2.2	30.3	1,283.2
Operating expenses	**361.8**	**372.5**	**3.0**	**520.7**	**492.4**	**(5.4)**	**511.3**	**466.7**	**(8.7)**
Labor costs	192.5	189.5	(1.5)	200.0	193.9	(3.0)	210.0	203.7	(3.0)
Commission paid	68.4	76.3	11.6	191.6	155.3	(18.9)	183.0	129.2	(29.4)
Marketing	38.3	44.9	17.0	62.9	78.7	25.1	48.3	65.8	36.1
Other	62.7	61.8	(1.3)	66.2	64.4	(2.7)	69.9	68.0	(2.7)
Operating profit	**(54.0)**	**(1.7)**	**(96.9)**	**101.2**	**120.2**	**18.8**	**79.0**	**99.0**	**25.4**
Pre-tax profit	(61.4)	(1.5)	(97.6)	112.4	109.5	(2.6)	86.4	85.4	(1.2)
Net profit	(46.6)	10.4	nm	95.5	93.1	(2.6)	65.7	64.9	(1.2)
Net profit (controlling)	(46.6)	10.4	nm	95.5	93.1	(2.6)	65.7	64.9	(1.2)
Adjusted EPS (KRW)	(516.2)	205.3	nm	1,422	1,698	19.5	1,041	1,302	25.1
Margins (%)									
Operating profit	(14.6)	(0.5)		16.5	19.6		14.0	17.5	
Pre-tax profit	(16.6)	(0.4)		18.3	17.9		15.3	15.1	
Net profit	(12.6)	2.8		15.6	15.2		11.6	11.5	
Net profit (controlling)	(12.6)	2.8		15.6	15.2		11.6	11.5	

Source: Company data, Samsung Securities estimates

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Sales	**333**	**342**	**371**	**613**	**566**
Cost of goods sold	0	0	0	0	0
Gross profit	**333**	**342**	**371**	**613**	**566**
Gross margin (%)	100.0	100.0	100.0	100.0	100.0
SG&A expenses	350	355	373	492	467
Operating profit	**-16**	**-12**	**-2**	**120**	**99**
Operating margin (%)	-4.9	-3.6	-0.5	19.6	17.5
Non-operating gains (losses)	**38**	**90**	**0**	**-11**	**-14**
Financial profit	57	84	29	37	33
Financial costs	32	14	35	53	52
Equity-method gains (losses)	-6	-4	-1	-0	-1
Other	20	25	7	6	6
Pre-tax profit	**22**	**78**	**-1**	**109**	**85**
Taxes	7	17	-12	16	21
Effective tax rate (%)	31.3	22.3	811.6	15.0	24.0
Profit from continuing operations	15	60	10	93	65
Profit from discontinued operations	0	0	0	0	0
Net profit	**15**	**60**	**10**	**93**	**65**
Net margin (%)	4.6	17.6	2.8	15.2	11.5
Net profit (controlling interests)	15	60	10	93	65
Net profit (non-controlling interests)	0	0	0	0	0
EBITDA	10	13	23	144	123
EBITDA margin (%)	2.9	3.8	6.1	23.5	21.7
EPS (parent-based) (KRW)	237	939	161	1,449	1,011
EPS (consolidated) (KRW)	237	939	161	1,449	1,011
Adjusted EPS (KRW)*	-249	-150	205	1,698	1,302

Balance sheet

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Current assets	**583**	**453**	**445**	**557**	**642**
Cash & equivalents	236	143	146	220	259
Accounts receivable	39	45	36	49	69
Inventories	0	0	0	0	0
Other current assets	308	265	262	288	314
Fixed assets	**630**	**690**	**688**	**693**	**698**
Investment assets	168	213	229	233	237
Tangible assets	194	189	183	183	184
Intangible assets	227	248	226	226	226
Other long-term assets	41	40	51	51	51
Total assets	**1,213**	**1,143**	**1,134**	**1,250**	**1,340**
Current liabilities	**316**	**133**	**201**	**214**	**229**
Accounts payable	0	0	0	0	0
Short-term debt	0	0	0	0	0
Other current liabilities	316	133	201	214	229
Long-term liabilities	**172**	**204**	**123**	**133**	**144**
Bonds & long-term debt	70	81	11	11	11
Other long-term liabilities	102	122	112	122	133
Total liabilities	**488**	**337**	**324**	**348**	**373**
Owners of parent equity	**725**	**806**	**809**	**902**	**967**
Capital stock	7	7	7	7	7
Capital surplus	220	220	220	220	220
Retained earnings	498	559	569	662	727
Other	0	21	14	14	14
Non-controlling interests' equity	**0**	**0**	**0**	**0**	**0**
Total equity	**725**	**806**	**809**	**902**	**967**
Net debt	-261	-270	-268	-363	-424

Cash flow statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Cash flow from operations	**32**	**-5**	**44**	**143**	**109**
Net profit	15	60	10	93	65
Non-cash profit and expenses	18	-26	28	51	52
Depreciation	17	16	15	14	14
Amortization	9	9	10	9	9
Other	-8	-51	4	28	28
Changes in A/L from operating activities	8	-34	1	6	1
Cash flow from investments	**134**	**56**	**-30**	**-65**	**-66**
Change in tangible assets	-9	-3	-9	-15	-15
Change in financial assets	-80	44	7	-21	-23
Other	224	16	-28	-29	-28
Cash flow from financing	**-90**	**-152**	**-3**	**0**	**0**
Change in debt	-81	-145	-1	0	0
Change in equity	4	0	0	0	0
Dividends	0	0	0	0	0
Other	-12	-7	-1	0	0
Change in cash	76	-93	4	74	39
Cash at beginning of year	160	236	143	146	220
Cash at end of year	236	143	146	220	259
Gross cash flow	**33**	**34**	**39**	**144**	**117**
Free cash flow	**23**	**-8**	**35**	**128**	**95**

Financial ratios

Year-end Dec 31	2023	2024	2025E	2026E	2027E
Growth (%)					
Sales	-13.5	2.7	8.3	65.2	-7.6
Operating profit	nm	nm	nm	nm	-17.6
Net profit	nm	296.8	-82.8	797.0	-30.2
Adjusted EPS**	nm	nm	nm	727.5	-23.4
Per-share data (KRW)					
EPS (parent-based)	237	939	161	1,449	1,011
EPS (consolidated)	237	939	161	1,449	1,011
Adjusted EPS**	-249	-150	205	1,698	1,302
BVPS	11,804	13,122	13,174	14,689	15,747
DPS (common)	0	0	0	0	0
Valuations (x)					
P/E***	n/a	n/a	189.5	22.9	29.9
P/B***	3.3	2.1	3.0	2.6	2.5
EV/EBITDA	229.8	117.1	98.6	14.8	16.9
Ratios (%)					
ROE	2.1	7.9	1.3	10.9	6.9
ROA	1.2	5.1	0.9	7.8	5.0
ROIC	-3.2	-2.6	3.1	27.9	20.1
Payout ratio	0.0	0.0	0.0	0.0	0.0
Dividend yield (common)	0.0	0.0	0.0	0.0	0.0
Net debt to equity	-36.0	-33.4	-33.1	-40.2	-43.8
Interest coverage (x)	-1.3	-1.8	-0.4	26.5	21.8

Note: *Excluding one-off items
**Fully diluted, excluding one-off items
***From companies subject to equity-method valuation

Source: Company data, Samsung Securities estimates

Compliance notice

- As of 11/12 2025, the covering analyst(s) did not own any shares, or debt instruments convertible into shares, of any company covered in this report.
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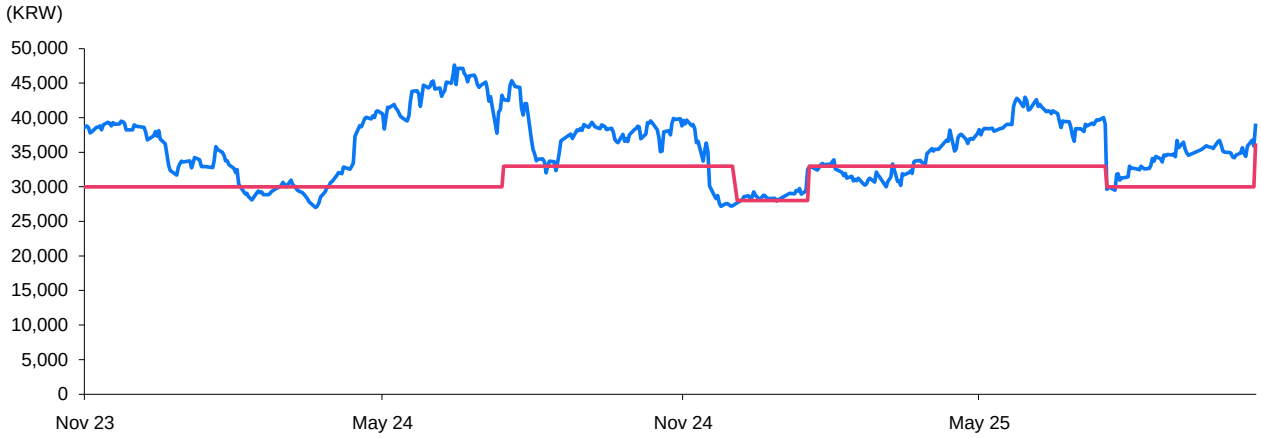
Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	2023/11/13	2024/8/9	12/30	2025/2/12	8/13	11/12
Recommendation	HOLD	HOLD	HOLD	HOLD	HOLD	HOLD
Target price (KRW)	30000	33000	28000	33000	30000	36000
Gap* (average)	23.33	11.31	3.04	9.43	13.89	
(max or min)**	-10.00	-17.73	16.07	30.15	22.50	

Note: * [(average, maximum, or minimum share price over duration of target price minus target price) / target price] x 100%
** Maximum/minimum share price if new target is higher/lower than market close on the business day prior to target price change

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Company

BUY	Expected to increase in value by 15% or more within 12 months and is highly attractive within sector
HOLD	Expected to increase/decrease in value by less than 15% within 12 months
SELL	Expected to decrease in value by 15% or more within 12 months

Industry

OVERWEIGHT	Expected to outperform market by 5% or more within 12 months
NEUTRAL	Expected to outperform/underperform market by less than 5% within 12 months
UNDERWEIGHT	Expected to underperform market by 5% or more within 12 months

* Note: Effective Jul 27, 2023, BUY, HOLD, and SELL criteria are based on expectations of share-price moves of 15% or more within 12 months

Percentage of ratings in 12 months prior to 2025.09.30

BUY(83.5%)·HOLD(16.5%)·SELL(0%)

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