COMPANY UPDATE

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Tech Team

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Com2us (078340)

Turns around on restructuring and new titles

- We believe Com2us' 4Q sales rose 7% q-q on major update to *Summoners War* and strong performance from its baseball game. Backed by reduced operating expenses, the firm likely turned y-y to an operating profit of KRW10.8b.
- It should enjoy earnings improvement in 2026 on personnel streamlining and the release of global IP-based new titles.
- With the market cap below its financial asset value (ie, limited downside risk), we maintain our STOP-based target price of KRW42,000 and upgrade the stock from HOLD to BUY rating.

WHAT'S THE STORY?

Shares undervalued relative to asset value: We maintain our target price of KRW42,000 (based on a sum-of-the-parts valuation) but upgrade the stock to BUY rating to reflect: 1) the attractive valuation—the current market cap is around KRW400b, below the firm's financial asset value of KRW776b (based on book value); and 2) the impact from restructuring. Now that the restructuring has enhanced cost structure, operating value could increase if the upcoming new titles based on global IPs make splashes.

(Continued on the next page)

AT A GLANCE

BUY

Target price	KRW42,000	34.2%
Current price	**KRW31,300**	
Market cap	KRW398.69b/USD269.73m	
Shares (float)	12,091,313 (60.0%)	
52-week high/low	KRW50,300/KRW29,050	
Avg daily trading value (60-day)	KRW1.5b/ USD1.0m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
Com2us (%)	6.8	-23.8	-30.3
Vs Kosdaq (%pts)	0.1	-36.0	-48.0

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	HOLD	
Target price	42,000	42,000	0.0%
2025E EPS	-1,900	-1,342	41.6%
2026E EPS	335	-207	-261.8%

SAMSUNG vs THE STREET

No of estimates	5
Target price	38,000
Recommendation	3.4

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

SUMMARY FINANCIAL DATA

	2024	2025E	2026E	2027E
Revenue (KRWb)	694	686	659	673
Operating profit (KRWb)	6	-6	16	19
Net profit (adj) (KRWb)	-152	-22	-16	-10
EPS (adj) (KRW)	226	-1,900	335	560
EPS (adj) growth (% y-y)	-89.9	nm	nm	67.0
EBITDA margin (%)	4.4	2.0	5.2	5.7
ROE (%)	-10.4	-0.6	-1.4	-0.8
P/E (adj) (x)	205.7	n/a	93.3	55.9
P/B (x)	0.6	0.3	0.4	0.4
EV/EBITDA (x)	27.3	47.1	19.7	17.2
Dividend yield (%)	2.8	4.5	4.2	4.2

Source: Company data, Samsung Securities estimates

4Q25 preview: We believe parent-based sales at Com2us rose 6.6% q-q in 4Q on major update to *Summoners War* and strong performance from its baseball game. Sales of *Summoners War* likely rebounded 6% q-q thanks to the Tomorrow overhaul update in November. Baseball game sales likely jumped 30% q-q, reaching an all-time high on various events (eg, national team exhibition games). Sales at the firm's subsidiaries likely remained flat q-q. Com2us likely made an operating profit of KRW10.8b (topping consensus by 38.8%) thanks to: 1) a low base from having recognized KRW5b in retirement bonus and KRW10b in marketing expenses related to *Starlight* in 3Q25; 2) additional layoffs; and 3) reduced marketing expenses.

Restructuring to reduce fixed cost burden: Following a headcount reduction of around 50 employees in 3Q25, Com2us should continue restructuring efforts at the parent and subsidiaries. The company aims to improve efficiency by adopting AI and ending low-margin projects, which could lead to additional layoffs. With the fixed costs now lower, any success from new game releases could significantly boost the bottom line.

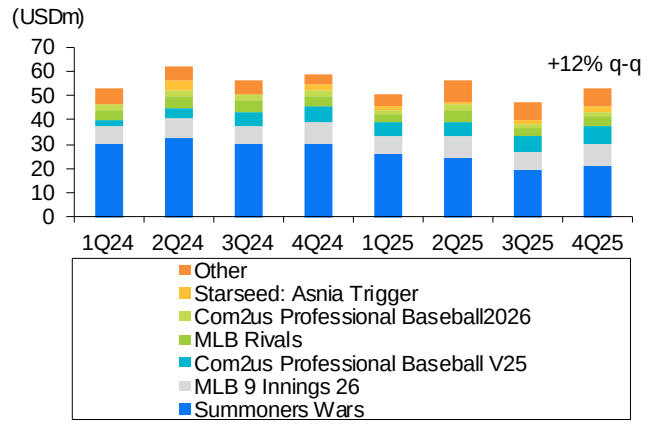
To release new titles based on IP: Most of the firm's new games scheduled to hit the market this year are being developed based on global IPs. The company plans to launch *Tougen Anki: Crimson Inferno* (a turn-based RPG) in 1H26 and *Destiny Child: Idle RPG* (based on the Destiny Child IP) in 2H26. It should also release several titles based on popular webtoon and anime IPs including *Gachiakuta* and *Omniscient Reader's Viewpoint*. Notably, the *Tougen Anki* IP has gained significant global recognition, with its anime adaptation ranking among the top five non-English TV series on Netflix last July. Given this strong popularity, *Tougen Anki: Crimson Inferno* stands to make splashes worldwide. While the games based on the *Summoners War* IP were unsuccessful in the past, the new lineup based on global Ips are likely to deliver stronger results.

4Q25 preview

(KRWb)	4Q25			Diff (%)		4Q24	3Q25	Chg	
	New	Old	Consensus	Old	Consensus			(% y-y)	(% q-q)
Sales	**171.9**	**189.0**	**180.1**	**(9.1)**	**(4.6)**	**190.3**	**161.2**	**(9.7)**	**6.6**
Parent	134.7	152.4		(11.6)		141.8	121.0	(5.0)	11.4
Summoners War	60.9	65.7		(7.4)		71.1	57.4	(14.4)	6.0
Baseball games	65.6	69.9		(6.3)		55.6	50.6	18.0	29.5
Other	8.3	16.7		(50.6)		10.3	12.9	(19.9)	(35.9)
Subsidiaries	37.2	36.6		1.5		47.4	39.1	(21.5)	(5.0)
Operating expenses	**161.1**	**180.6**		**(10.8)**		**188.2**	**180.8**	**(14.4)**	**(10.9)**
Salaries and employee benefits	44.5	35.8		24.2		45.6	50.8	(2.5)	(12.5)
R&D expenses	24.2	11.2		116.2		27.2	25.6	(11.1)	(5.6)
Commission paid	72.1	101.1		(28.7)		88.1	69.2	(18.2)	4.1
Marketing expenses	12.4	17.8		(30.4)		15.6	27.0	(20.6)	(54.1)
Other	8.0	14.8		(45.9)		9.3	8.2	(13.8)	(2.6)
Operating profit	**10.8**	**8.4**	**7.8**	**27.8**	**38.8**	**2.2**	**(19.6)**	**399.9**	**nm**
Pre-tax profit	(13.4)	7.2	(14.9)	(284.8)	(10.0)	(161.1)	(15.4)	(91.7)	(13.0)
Net profit	(12.7)	5.4	(19.2)	(334.1)	(33.9)	(157.5)	(14.1)	(91.9)	(10.2)
Net profit (controlling)	(10.2)	6.5	(3.2)	(256.1)	217.5	(126.0)	(11.3)	(91.9)	(10.3)
Margins (%)									
Operating profit	6.3	4.5	4.3			1.1	(12.2)		
Pre-tax profit	(7.8)	3.8	(8.2)			(84.6)	(9.5)		
Net profit	(7.4)	2.9	(10.7)			(82.7)	(8.8)		
Net profit (controlling)	(5.9)	3.4	(1.8)			(66.2)	(7.0)		

Source: Company data, FnGuide, Samsung Securities estimates

Sales estimates, by Sensor Tower

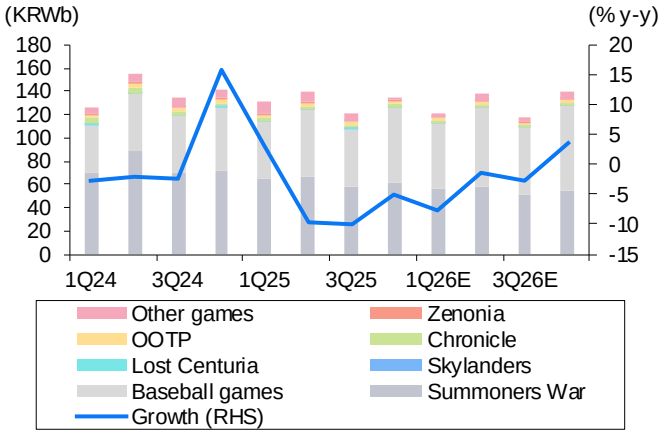


Source: Sensor Tower, Samsung Securities

Summoners Wars: 'Tomorrow' update in December

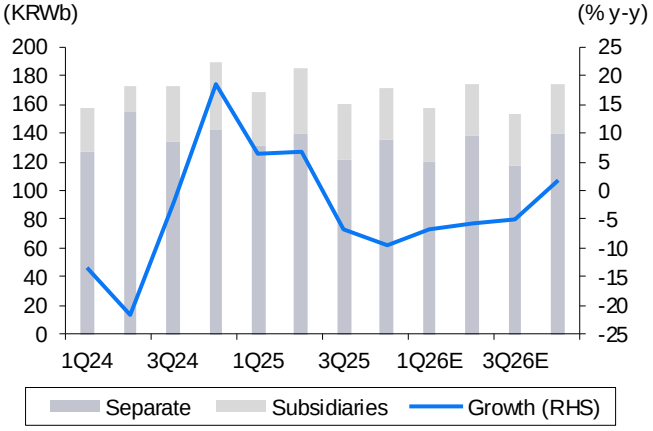
Source: Company data, Samsung Securities

Com2us (parent basis): Sales, by game



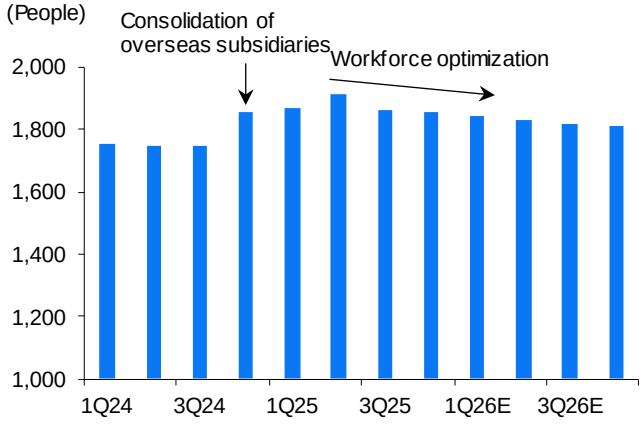
Source: Company data, Samsung Securities estimates

Com2us: Quarterly sales (consolidated)



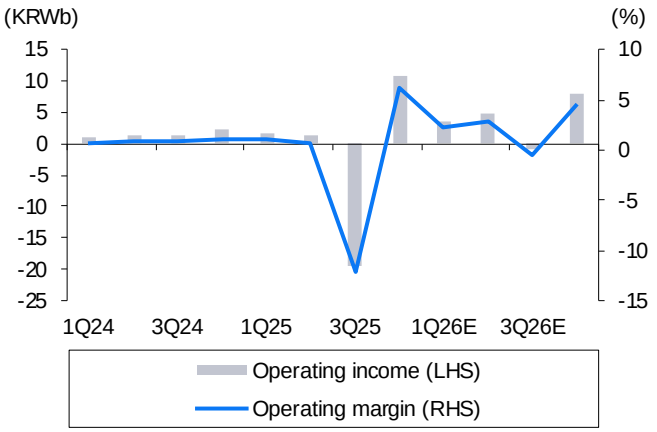
Source: Company data, Samsung Securities estimates

Com2us: Workforce (consolidated)



Source: Company data, Samsung Securities estimates

Com2us: Quarterly operating income

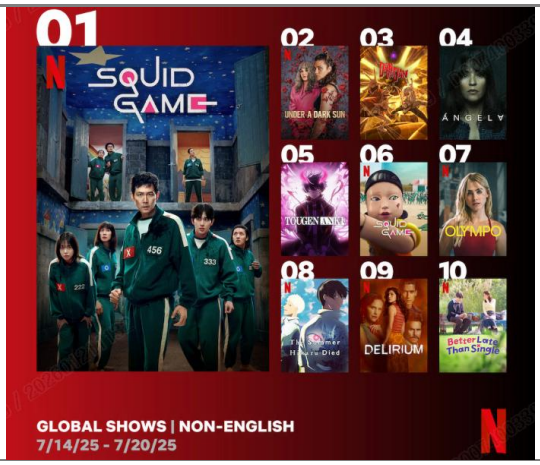


Source: Company data, Samsung Securities estimates

Tougen Anki: Crimson Inferno

Source: Company data

Tougen Anki animation: Ranked #5 in July 2025

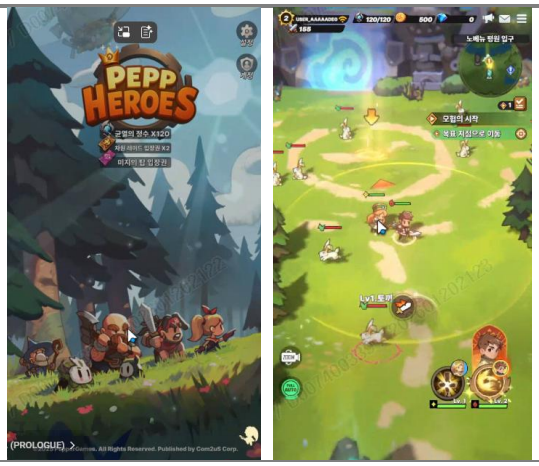


Source: Netflix

Gachiakuta: The Game

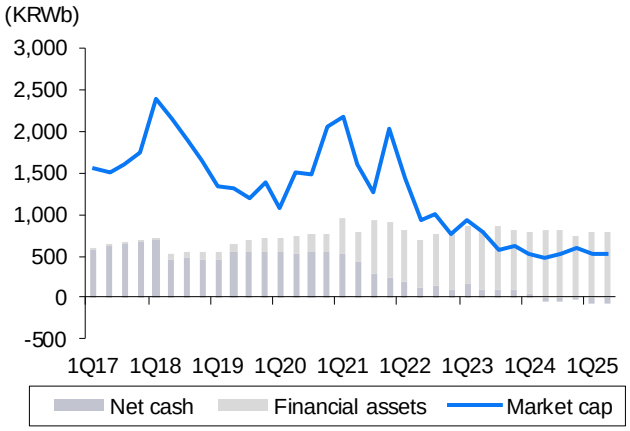
Source: Company data

Pepp Heroes: Relic Quest



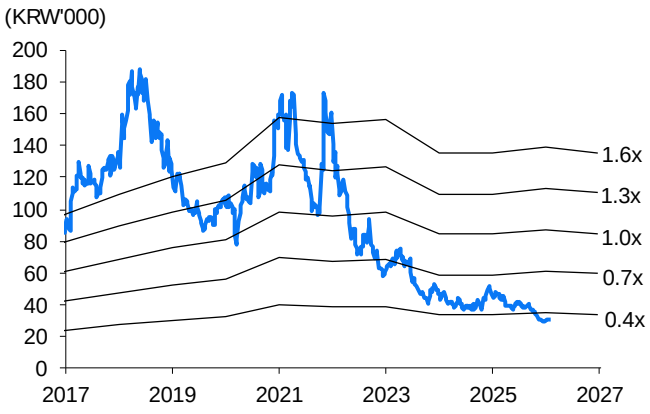
Source: Company data

Com2us: Major assets and market capitalization



Source: Quantiwise, Samsung Securities

Com2us: P/B band



Source: Quantiwise, Samsung Securities

Upcoming titles

Launch	Title	Genre	Platform	Developer	In-house/publishing
2026	Tougen Anki IP-based game	Dark fantasy turn-based RPG	Mobile/PC	Com2us	In-house
	Pepp Heroes: Relic Quest	Vertical casual MORPG	Mobile/PC	Pepper Games	Publishing
	Project ES	MMORPG	Mobile/PC	A Button	Publishing
	Destiny Child IP-based game	Idle RPG	Mobile	Com2us (Tikitaka)	In-house
	Project MAIDEN	Nurturing simulation	Mobile/PC	VA Games	Publishing
2027	Gachiakuta: The Game	Survival action RPG	Console/PC	Com2us	In-house
	Omniscient Reader's Viewpoint IP-based game	RPG	Mobile/PC	Offbeat	Publishing

Source: Company data, Samsung Securities

Valuation

	(KRWb)
Enterprise value	**544**
Asset value	**451**
Net cash	-92
Financial assets	543
Book value of financial assets	**776**
Discount rate (%)	**30%**
Operating value	93
2026E EBITDA	35
Target EV/EBITDA* (x)	2.7
Shares ('000)	12,866
Fair value per share (KRW)	42,283
Target price (KRW)	**42,000**
Current price (KRW)	31,300
Upside (%)	34.2

Note: *30% discount to average 2026 EV/EBITDA multiples at which peers are trading;
Based on Jan 20 closing price
Source: Samsung Securities estimates

Peer EV/EBITDA valuations

(x)	2025E	2026E
Krafton	6.3	5.8
DoubleU Games	3.6	3.2
Webzen	6.7	3.7
NHN	2.2	2.0
Neowiz	3.9	4.6
Average	**4.5**	**3.8**

Note: Based on Jan 20 closing prices
Source: Bloomberg, Samsung Securities

Quarterly results and forecasts

(KRWb)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25E	1Q26E	2Q26E	3Q26E	4Q26E
Sales	**157.8**	**173.0**	**172.8**	**190.3**	**168.0**	**184.8**	**161.2**	**171.9**	**156.9**	**174.3**	**152.8**	**174.8**
Parent	126.7	154.5	134.2	141.8	130.6	139.5	121.0	134.7	120.4	137.5	117.9	139.4
Summoners War	70.4	88.0	70.4	71.1	64.7	66.0	57.4	60.9	56.0	58.8	51.7	54.3
Baseball games	40.4	50.1	48.2	55.6	49.3	58.1	50.6	65.6	56.7	66.8	56.7	73.4
Other	15.9	16.5	15.6	10.3	16.5	15.5	12.9	8.3	7.7	11.9	9.4	11.7
Subsidiaries	31.1	18.5	38.6	47.4	37.5	45.3	39.1	37.2	36.4	36.8	35.0	35.3
Operating expenses	**156.6**	**171.6**	**171.4**	**188.2**	**166.3**	**183.4**	**180.8**	**161.1**	**153.2**	**169.4**	**153.6**	**166.9**
Salaries and employee benefits	48.0	44.4	43.7	45.6	47.9	47.9	50.8	44.5	44.7	44.1	43.6	43.2
R&D expenses	9.2	7.4	19.7	27.2	19.0	22.4	25.6	24.2	21.9	22.1	21.0	21.2
Commission paid	75.9	80.5	85.1	88.1	70.8	73.8	69.2	72.1	62.5	69.8	61.5	70.3
Marketing expenses	14.6	30.7	14.1	15.6	18.2	31.3	27.0	12.4	16.0	25.1	19.0	23.6
Other	9.0	8.6	8.7	9.3	10.5	8.0	8.2	8.0	8.2	8.3	8.5	8.6
Operating profit	**1.2**	**1.4**	**1.4**	**2.2**	**1.7**	**1.4**	**(19.6)**	**10.8**	**3.6**	**4.9**	**(0.7)**	**7.8**
Pre-tax profit	6.9	0.4	(5.7)	(161.1)	5.8	5.5	(15.4)	(13.4)	0.1	1.2	(3.4)	(15.4)
Net profit	4.0	0.5	1.0	(157.5)	2.0	2.4	(14.1)	(12.7)	0.1	0.7	(1.9)	(14.6)
Net profit (controlling)	11.3	3.7	3.2	(126.0)	7.4	8.7	(11.3)	(10.2)	0.1	0.8	(2.3)	(11.7)
Adjusted EPS (KRW)	(906)	1,461	2,120	(160)	(109)	(1,020)	(1,230)	460	55	144	(182)	318
Margins (%)												
Operating profit	0.7	0.8	0.8	3.4	1.0	0.7	(12.2)	6.3	2.3	2.8	(0.5)	4.5
Pre-tax profit	4.4	0.2	(3.3)	(6.9)	3.4	3.0	(9.5)	(7.8)	0.1	0.7	(2.2)	(8.8)
Net profit	2.6	0.3	0.6	(6.5)	1.2	1.3	(8.8)	(7.4)	0.0	0.4	(1.3)	(8.4)
Net profit (controlling)	7.2	2.1	1.9	(5.2)	4.4	4.7	(7.0)	(5.9)	0.1	0.5	(1.5)	(6.7)

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	**721.1**	**685.9**	**(4.9)**	**718.8**	**658.8**	**(8.4)**	**745.2**	**673.1**	**(9.7)**
Parent	543.0	525.7	(3.2)	537.5	515.2	(4.1)	562.3	528.3	(6.0)
Summoners War	255.2	249.0	(2.4)	221.5	220.9	(0.3)	212.8	207.3	(2.6)
Baseball games	222.4	223.6	0.6	248.3	253.7	2.2	276.9	282.7	2.1
Other	65.4	53.1	(18.7)	67.6	40.7	(39.8)	72.6	38.3	(47.3)
Subsidiaries	178.2	159.1	(10.7)	181.4	143.6	(20.8)	182.9	144.8	(20.8)
Operating expenses	**715.8**	**691.7**	**(3.4)**	**712.4**	**643.1**	**(9.7)**	**739.1**	**653.8**	**(11.5)**
Salaries and employee benefits	146.3	191.0	30.5	151.6	175.6	15.8	156.9	171.2	9.1
R&D expenses	42.6	91.2	114.2	43.0	86.1	100.4	44.5	86.9	95.2
Commission paid	390.5	285.9	(26.8)	407.2	264.2	(35.1)	421.1	272.3	(35.3)
Marketing expenses	89.9	88.9	(1.1)	66.4	83.6	25.9	68.9	87.2	26.6
Other	46.6	34.7	(25.4)	44.2	33.6	(24.1)	47.7	36.2	(24.2)
Operating profit	**5.3**	**(5.8)**	**nm**	**6.4**	**15.6**	**143.7**	**6.1**	**19.3**	**216.9**
Pre-tax profit	(22.8)	(17.4)	(23.5)	(14.8)	(17.5)	17.7	(8.9)	(9.7)	8.7
Net profit	(30.4)	(22.4)	(26.2)	(19.7)	(15.8)	(19.8)	(13.3)	(10.2)	(23.1)
Net profit (controlling)	(10.8)	(5.4)	(50.6)	(12.5)	(13.1)	4.4	(7.9)	(7.6)	(3.5)
Adjusted EPS (KRW)	(1,342)	(1,900)	41.5	(207)	335	nm	(271)	560	nm
Margins (%)									
Operating profit	0.7	(0.8)		0.9	2.4		0.8	2.9	
Pre-tax profit	(3.2)	(2.5)		(2.1)	(2.7)		(1.2)	(1.4)	
Net profit	(4.2)	(3.3)		(2.7)	(2.4)		(1.8)	(1.5)	
Net profit (controlling)	(1.5)	(0.8)		(1.7)	(2.0)		(1.1)	(1.1)	

Source: Company data, Samsung Securities estimates

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Sales	**740**	**694**	**686**	**659**	**673**
Cost of goods sold	0	0	0	0	0
Gross profit	**740**	**694**	**686**	**659**	**673**
Gross margin (%)	100.0	100.0	100.0	100.0	100.0
SG&A expenses	773	688	692	643	654
Operating profit	**-33**	**6**	**-6**	**16**	**19**
Operating margin (%)	-4.5	0.9	-0.8	2.4	2.9
Non-operating gains (losses)	**104**	**-166**	**-12**	**-33**	**-29**
Financial profit	153	109	71	47	48
Financial costs	43	91	35	38	38
Equity-method gains (losses)	-5	-13	-11	-8	-8
Other	-1	-171	-36	-34	-32
Pre-tax profit	**71**	**-160**	**-17**	**-17**	**-10**
Taxes	23	-8	5	-2	1
Effective tax rate (%)	32.3	4.7	-28.4	9.6	-5.7
Profit from continuing operations	20	-152	-22	-16	-10
Profit from discontinued operations	22	0	0	0	0
Net profit	**42**	**-152**	**-22**	**-16**	**-10**
Net margin (%)	5.7	-21.9	-3.3	-2.4	-1.5
Net profit (controlling interests)	40	-108	-5	-13	-8
Net profit (non-controlling interests)	2	-44	-17	-3	-3
EBITDA	-6	30	14	35	38
EBITDA margin (%)	-0.8	4.4	2.0	5.2	5.7
EPS (parent-based) (KRW)	3,093	-8,462	-421	-1,081	-627
EPS (consolidated) (KRW)	3,275	-11,931	-1,758	-1,303	-846
Adjusted EPS (KRW)*	2,239	226	-1,900	335	560

Balance sheet

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Current assets	**449**	**454**	**403**	**405**	**431**
Cash & equivalents	143	153	81	91	120
Accounts receivable	76	93	86	87	90
Inventories	9	16	10	10	10
Other current assets	221	192	226	216	211
Fixed assets	**1,267**	**1,192**	**1,227**	**1,202**	**1,161**
Investment assets	877	937	968	949	914
Tangible assets	59	65	75	76	76
Intangible assets	266	125	122	116	110
Other long-term assets	65	65	62	62	62
Total assets	**1,716**	**1,646**	**1,630**	**1,607**	**1,592**
Current liabilities	**346**	**442**	**516**	**520**	**526**
Accounts payable	0	0	0	0	0
Short-term debt	15	172	207	207	207
Other current liabilities	331	270	309	313	319
Long-term liabilities	**133**	**154**	**68**	**71**	**75**
Bonds & long-term debt	71	88	1	1	1
Other long-term liabilities	62	66	67	71	74
Total liabilities	**479**	**596**	**583**	**591**	**601**
Owners of parent equity	**1,115**	**964**	**966**	**938**	**917**
Capital stock	6	6	6	6	6
Capital surplus	208	208	208	208	208
Retained earnings	967	849	835	807	785
Other	-67	-99	-83	-83	-83
Non-controlling interests' equity	**122**	**85**	**80**	**77**	**75**
Total equity	**1,237**	**1,050**	**1,046**	**1,016**	**991**
Net debt	1	149	206	206	184

Cash flow statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Cash flow from operations	**-9**	**16**	**-54**	**-4**	**-0**
Net profit	42	-152	-22	-16	-10
Non-cash profit and expenses	-36	189	5	6	6
Depreciation	14	13	13	13	13
Amortization	12	11	6	6	6
Other	-63	165	-15	-13	-13
Changes in A/L from operating activities	-4	-13	-25	6	6
Cash flow from investments	**89**	**-40**	**-29**	**-6**	**-7**
Change in tangible assets	11	-10	-24	-13	-13
Change in financial assets	69	60	8	3	0
Other	9	-91	-13	5	6
Cash flow from financing	**-109**	**29**	**5**	**-8**	**-8**
Change in debt	-81	90	-7	7	6
Change in equity	0	0	-0	0	0
Dividends	-30	-15	-15	-15	-14
Other	3	-46	27	0	0
Change in cash	-30	10	-72	10	29
Cash at beginning of year	173	143	153	81	91
Cash at end of year	143	153	81	91	120
Gross cash flow	**6**	**37**	**-18**	**-10**	**-4**
Free cash flow	**-31**	**4**	**-78**	**-17**	**-13**

Financial ratios

Year-end Dec 31	2023	2024	2025E	2026E	2027E
Growth (%)					
Sales	9.2	-6.2	-1.2	-4.0	2.2
Operating profit	nm	nm	nm	nm	23.7
Net profit	nm	nm	nm	nm	nm
Adjusted EPS**	-44.2	-89.9	nm	nm	67.0
Per-share data (KRW)					
EPS (parent-based)	3,093	-8,462	-421	-1,081	-627
EPS (consolidated)	3,275	-11,931	-1,758	-1,303	-846
Adjusted EPS**	2,239	226	-1,900	335	560
BVPS	97,651	84,443	84,435	86,900	84,897
DPS (common)	2,600	1,300	1,300	1,300	1,300
Valuations (x)					
P/E***	22.0	205.7	n/a	93.3	55.9
P/B***	0.5	0.6	0.3	0.4	0.4
EV/EBITDA	n/a	27.3	47.1	19.7	17.2
Ratios (%)					
ROE	3.5	-10.4	-0.6	-1.4	-0.8
ROA	2.3	-9.0	-1.4	-1.0	-0.6
ROIC	-3.3	1.8	-2.7	4.9	7.4
Payout ratio	74.7	-13.8	-277.5	-107.3	-185.1
Dividend yield (common)	5.3	2.8	4.5	4.2	4.2
Net debt to equity	0.1	14.2	19.7	20.3	18.5
Interest coverage (x)	-2.3	0.4	-0.3	0.8	1.0

Note: *Excluding one-off items
**Fully diluted, excluding one-off items
***From companies subject to equity-method valuation
Source: Company data, Samsung Securities estimates

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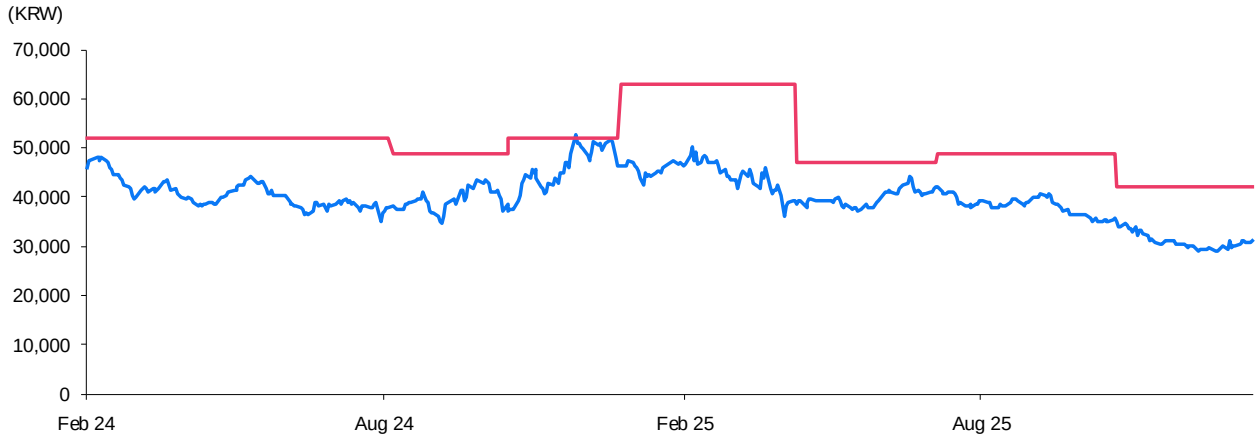
Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	2024/1/16	8/12	10/22	12/30	2025/4/16	7/11	10/29	2026/1/21
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	HOLD	BUY
Target price (KRW)	52000	49000	52000	63000	47000	49000	42000	42000
Gap* (average)	-21.04	-19.66	-11.80	-29.25	-15.12	-21.73	-26.06	
(max or min)**	-7.31	-11.43	1.15	-20.16	-5.96	-15.92	-17.14	

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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Industry

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* 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

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BUY(85.8%)·HOLD(14.2%)·SELL(0%)

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