

COMPANY UPDATE

2026. 5. 29

Tech Team

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▶ AT A GLANCE

HOLD

Target price **KRW51,000** **16.2%**

Current price **KRW43,900**

Market cap	KRW2.8t/USD1.9b
Shares (float)	64,247,855 (58.3%)
52-week high/low	KRW72,000/KRW29,500
Avg daily trading value (60-day)	KRW95.1b/ USD63.3m

▶ ONE-YEAR PERFORMANCE

	1M	6M	12M
Pearl Abyss (%)	-27.6	21.4	17.1
Vs Kosdaq (%pts)	-20.3	0.4	-22.7

▶ KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	HOLD	HOLD	
Target price	51,000	42,000	21.4%
2026E EPS	5,119	2,637	94.1%
2027E EPS	1,211	1,654	-26.8%

▶ SAMSUNG vs THE STREET

No of estimates	7
Target price	76,000
Recommendation	3.9

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



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Pearl Abyss (263750)

Earnings surprise thanks to Crimson Desert

- Pearl Abyss reported a 1Q operating profit of KRW212.1b, exceeding consensus by 48%, driven by: 1) stronger-than-expected performance of Crimson Desert; and 2) the reclassification of CCP Games as a discontinued operation following its sale.
- The company has guided for a full-year operating profit of approximately KRW500b, primarily fueled by the momentum of Crimson Desert. While a significant earnings increase is anticipated, we maintain our HOLD rating given the absence of a new major title until the upcoming DokeV's release.

WHAT'S THE STORY?

Delivers a 1Q earnings surprise led by success of Crimson Desert: Pearl Abyss reported 1Q sales of KRW328.5b (up 244% q-q), driven by the popularity of Crimson Desert. Crimson Desert sales came in at KRW266.5b, lower than physical shipment volumes due to revenue recognition rules for console sales (recognition of console revenue as net sales) and deferred recognition of offline game sales. Meanwhile, Black Desert sales declined 2.2% q-q. Operating profit surged to KRW212.1b, beating consensus by 48%, supported by Crimson Desert's strong performance and reduced losses from the divestment of CCP Games.

Provides aggressive 2026 guidance: Pearl Abyss forecasts full-year 2026 sales of KRW644.1–734.8b and operating profit of KRW487.6–572.6b, supported by steady content updates. Although Crimson Desert's daily active users have stabilized after an initial peak, its rapid sell-through of 5m copies within 26 days of launch suggests potential for 8–10m total sales by year-end.

(Continued on the next page)

SUMMARY 1Q RESULTS

(KRWb)	1Q26	Chg		Diff (%)	
		(% y-y)	(% q-q)	Samsung	Consensus
Sales	328.5	292.5	244.0	1.7	n/a
Operating profit	212.1	nm	nm	230.7	n/a
Pre-tax profit	211.8	nm	nm	231.6	n/a
Net profit	158.0	31,547.3	nm	191.0	n/a
Margins (%)					
Operating profit	64.6				
Pre-tax profit	64.5				
Net profit	48.1				

data, Fnguide, Samsung Securities estimates

VALUATION SUMMARY

	2025	2026E	2027E
Valuation (x)			
P/E	n/a	8.6	36.2
P/B	2.9	2.4	2.2
EV/EBITDA	226.9	4.7	19.9
Div yield (%)	0.0	0.0	0.0
EPS growth (% y-y)	nm	nm	-76.3
ROE (%)	-1.0	35.2	6.4
Per-share data (KRW)			
EPS	-382	5,119	1,211
BVPS	13,011	18,560	19,786
DPS	0	0	0

CCP Games divestment: Pearl Abyss sold its 100% stake in CCP Games to CCP's current management on May 6 for KRW177.1b, having acquired the company in 2018. Since acquisition, CCP Games failed to generate meaningful synergies or deliver significant new titles, recording annual net losses exceeding KRW20b. Although the sale price is below the original acquisition cost of KRW252.4b, the transaction is expected to improve consolidated financials, representing a positive development.

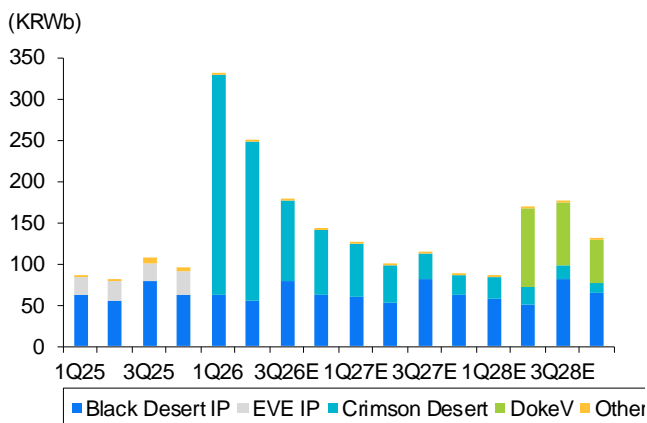
Bridging product pipeline gap to be key: We raise our 2026 unit sales forecast for Crimson Desert from 6m to 10m units and revise our operating profit estimate upward by 131% to KRW440b. Reflecting these improvements, we raise our target price from KRW42,000 to KRW51,000—based on a 15.6x weighted average P/E (3:1 weighting of 2026–2027 consensus EPS for domestic and overseas gaming peers). While Crimson Desert's success and the disposal of CCP Games are expected to drive significant earnings growth in 2026, we maintain our HOLD rating to reflect the potential sales deceleration of Crimson Desert and the absence of a new major title until the upcoming DokeV's release.

1Q26 review

(KRWb)	1Q26			Diff (%)		1Q25	4Q25	Chg	
	Result	Samsung	Consensus	Samsung	Consensus			(% y-y)	(% q-q)
Sales	328.5	323.0	311.9	1.7	5.3	83.7	95.5	292.5	244.0
Black Desert IP	61.6	71.9		(14.3)		63.0	63.0	(2.2)	(2.2)
EVE IP	0.0	24.9		(100.0)		20.5	27.3	(100.0)	(100.0)
Crimson Desert	266.5	221.0		20.6		0.0	0.0	nm	nm
Other	0.4	5.3		(92.5)		0.2	5.2	115.1	(92.3)
Operating expenses	116.4	258.9		(55.0)		88.9	103.9	30.9	12.0
Labor Costs	38.4	71.0		(45.9)		49.0	50.7	(21.7)	(24.3)
Commission paid	42.5	107.3		(60.4)		17.3	19.2	145.3	121.8
Marketing	23.4	58.6		(60.0)		7.3	13.6	220.9	72.2
Other	12.1	22.0		(44.9)		15.3	20.4	(20.8)	(40.7)
Operating profit	212.1	64.1	143.5	230.7	47.8	(5.2)	(8.4)	nm	nm
Pre-tax profit	211.8	63.9	112.2	231.6	88.8	(1.5)	(2.8)	nm	nm
Net profit	158.0	54.3	110.4	191.0	43.1	0.5	(15.2)	nm	nm
Net profit (controlling)	158.0	54.3	115.0	190.9	37.4	0.5	(15.2)	nm	nm
Margins (%)									
Operating profit	64.6	19.9	46.0			(6.3)	(8.8)		
Pre-tax profit	64.5	19.8	36.0			(1.7)	(3.0)		
Net profit	48.1	16.8	35.4			0.6	(15.9)		
Net profit (controlling)	48.1	16.8	36.9			0.6	(15.9)		

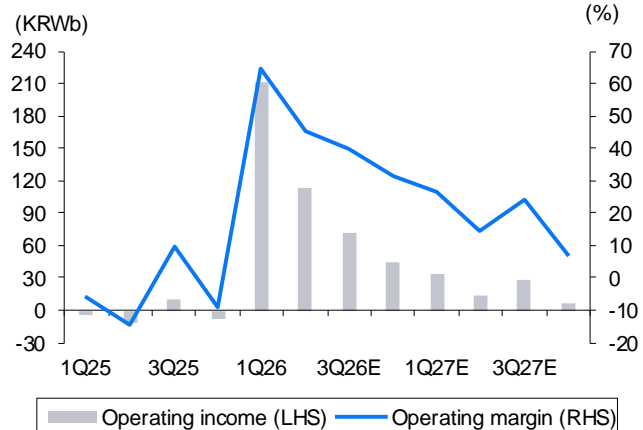
Source: Company data, FnGuide, Samsung Securities estimates

Quarterly sales



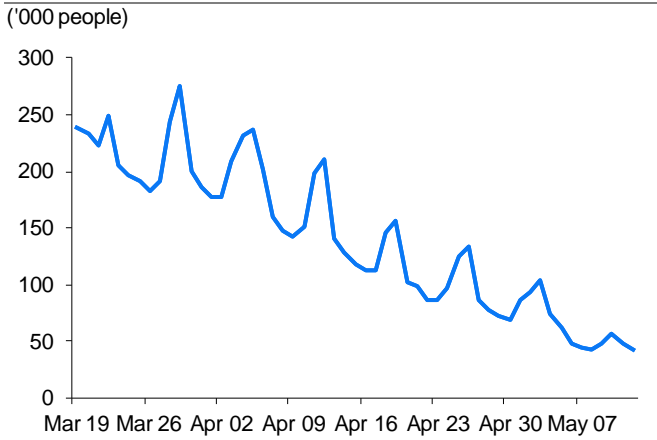
Source: Company data, Samsung Securities estimates

Quarterly operating income



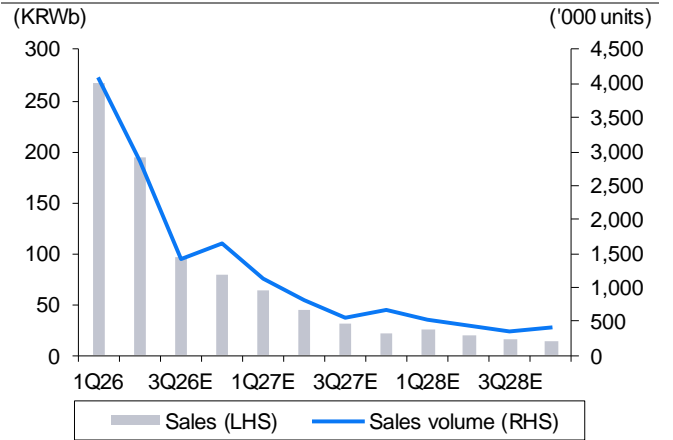
Source: Company data, Samsung Securities estimates

Crimson Desert: Concurrent users on Steam



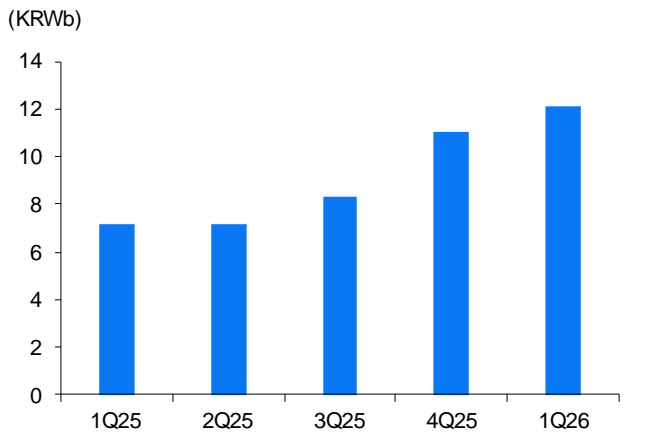
Source: SteamDB

Crimson Desert: Sales



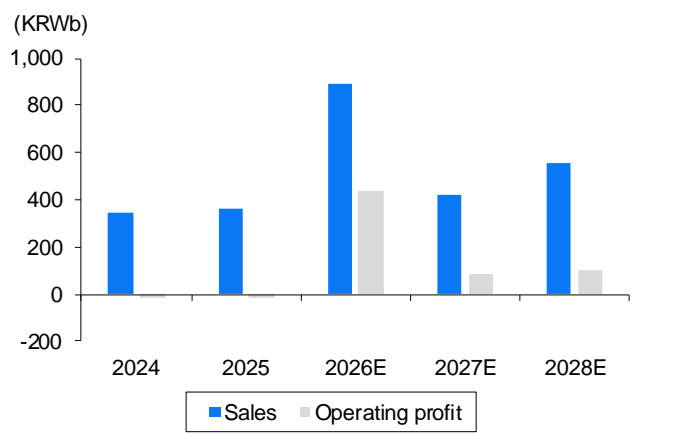
Source: Company data, Samsung Securities estimates

CCP Games: Net losses from discontinued operations



Source: Company data

Annual sales and operating income



Source: Company data, Samsung Securities estimates

Valuation

	(KRW)
2026E estimated EPS	3,257
Target P/E (x)*	15.6
Fair price (KRW)	50,843
Target price (KRW)	51,000
Current price (KRW)	52,800
Upside (%)	(3.4)

Note: 3:1 weighted average of 2026 and 2027 P/E

Source: Samsung Securities

Global peer P/E valuation

(x)	2026E	2027E	Weighted average*
Krafton	11.5	10.5	11.2
NCsoft	16.1	14.1	15.6
Netmarble	12.0	10.7	11.7
Nexon	16.6	16.1	16.5
EA	23.3	22.2	23.0
Average	15.9	14.7	15.6

Note: As of May 15 close; 3:1 weighted average of 2026 and 2027 P/E

Source: Bloomberg

Quarterly results and forecasts

(KRWb)	1Q25	2Q25	3Q25	4Q25	1Q26P	2Q26E	3Q26E	4Q26E	1Q27E	2Q27E	3Q27E	4Q27E
Sales	83.7	79.6	106.8	95.5	328.5	248.5	177.1	141.8	123.9	98.0	112.7	85.4
Black Desert IP	63.0	54.9	79.5	63.0	61.6	54.5	79.8	62.7	59.3	52.6	80.8	63.4
EVE IP	20.5	24.2	20.8	27.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Crimson Desert					266.5	193.6	96.8	78.6	64.2	44.9	31.5	21.6
Other	0.2	0.5	6.5	5.2	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5
Operating expenses	88.9	91.3	96.2	103.9	116.4	135.9	106.0	97.5	91.1	83.7	85.3	79.1
Labor Costs	49.0	47.2	46.8	50.7	38.4	34.8	33.2	33.6	34.0	34.5	34.9	35.4
Commission paid	17.3	18.1	20.9	19.2	42.5	71.5	46.3	37.2	32.0	24.7	26.1	19.5
Marketing	7.3	10.5	13.6	13.6	23.4	17.4	14.2	14.2	12.4	11.8	11.3	11.1
Other	15.3	15.6	14.9	20.4	12.1	12.2	12.4	12.5	12.7	12.8	13.0	13.1
Operating profit	(5.2)	(11.8)	10.6	(8.4)	212.1	112.6	71.1	44.3	32.8	14.2	27.5	6.3
Pre-tax profit	(1.5)	(27.8)	23.1	(2.8)	211.8	115.4	78.5	49.9	37.3	19.2	33.1	10.8
Net profit	0.5	(22.7)	29.0	(15.2)	158.0	86.5	58.9	37.5	27.9	14.4	24.9	8.1
Net profit (controlling)	0.5	(22.7)	29.0	(15.2)	158.0	86.5	58.9	37.5	27.9	14.4	24.9	8.1
Adjusted EPS (KRW)	20	-129	238	-512	2,307	1,356	880	576	446	232	389	144
Margins (%)												
Operating profit	(6.3)	(14.8)	9.9	(8.8)	64.6	45.3	40.1	31.2	26.5	14.5	24.4	7.4
Pre-tax profit	(1.7)	(35.0)	21.6	(3.0)	64.5	46.4	44.3	35.2	30.1	19.6	29.4	12.6
Net profit	0.6	(28.5)	27.1	(15.9)	48.1	34.8	33.3	26.4	22.6	14.7	22.1	9.5
Net profit (controlling)	0.6	(28.5)	27.1	(15.9)	48.1	34.8	33.3	26.4	22.6	14.7	22.1	9.5

Source: Pearl Abyss, Samsung Securities estimates

Revision to full-year forecasts

(KRWb)	2026E			2027E			2028E		
	Old	New	Diff (%)	Old	New	Diff (%)	Old	New	Diff (%)
Sales	920.8	895.8	(2.7)	708.8	420.0	(40.7)	901.3	555.6	(38.4)
Black Desert IP	289.4	258.6	(10.6)	311.9	256.1	(17.9)	329.9	252.7	(23.4)
EVE IP	103.4	0.0	n/a	107.8	0.0	n/a	112.7	0.0	n/a
Crimson Desert	506.2	635.5	25.6	265.4	162.1	(38.9)	188.9	76.4	(59.5)
DokeV	0.0	0.0	n/a	0.0	0.0	n/a	214.2	224.5	4.8
Plan 8	0.0	0.0	n/a	0.0	0.0	n/a	30.0	0.0	n/a
Other	21.9	1.6	(92.5)	23.7	1.8	(92.5)	25.6	1.9	(92.5)
Operating expenses	729.9	455.8	(37.6)	582.0	339.2	(41.7)	723.1	451.1	(37.6)
Labor costs	237.6	139.9	(41.1)	227.1	138.8	(38.9)	238.5	146.2	(38.7)
Commission paid	277.6	197.5	(28.9)	184.9	102.2	(44.7)	255.1	187.1	(26.7)
Marketing	125.1	69.1	(44.7)	75.8	46.5	(38.6)	130.5	63.8	(51.2)
Other	89.6	49.3	(45.0)	94.2	51.6	(45.2)	99.1	54.1	(45.4)
Operating profit	190.9	440.0	130.6	126.8	80.8	(36.2)	178.2	104.4	(41.4)
Pre-tax profit	196.7	455.6	131.6	131.8	100.4	(23.9)	187.0	126.9	(32.1)
Net profit	167.2	340.8	103.8	100.2	75.3	(24.9)	142.1	95.2	(33.0)
Net profit (controlling)	167.2	340.8	103.8	100.2	75.3	(24.9)	142.1	95.2	(33.0)
Adjusted EPS (KRW)	2,637	5,119	94.1	1,654	1,211	(26.8)	2,304	1,518	(34.1)
Margins (%)									
Operating profit	21.3	49.1		30.2	19.2		32.1	18.8	
Pre-tax profit	22.0	50.9		31.4	23.9		33.7	22.8	
Net profit	18.7	38.0		23.9	17.9		25.6	17.1	
Net profit (controlling)	18.7	38.0		23.9	17.9		25.6	17.1	

Source: Pearl Abyss, Samsung Securities estimates

Income statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Sales	342	366	896	420	556
Cost of goods sold	0	0	0	0	0
Gross profit	342	366	896	420	556
Gross margin (%)	100.0	100.0	100.0	100.0	100.0
SG&A expenses	355	380	456	339	451
Operating profit	-12	-15	440	81	104
Operating margin (%)	-3.6	-4.1	49.1	19.2	18.8
Non-operating gains (losses)	90	6	16	20	22
Financial profit	84	28	58	43	46
Financial costs	14	27	26	23	23
Equity-method gains (losses)	-4	-1	-1	-1	-1
Other	25	5	-15	1	1
Pre-tax profit	78	-9	456	100	127
Taxes	17	-1	119	25	32
Effective tax rate (%)	22.3	6.4	26.1	25.0	25.0
Profit from continuing operations	60	-8	353	75	95
Profit from discontinued operations	0	0	-12	0	0
Net profit	60	-8	341	75	95
Net margin (%)	17.6	-2.3	38.0	17.9	17.1
Net profit (controlling interests)	60	-8	341	75	95
Net profit (non-controlling interests)	0	0	0	0	0
EBITDA	13	9	464	104	128
EBITDA margin (%)	3.8	2.6	51.8	24.9	23.0
EPS (parent-based) (KRW)	939	-131	5,305	1,172	1,482
EPS (consolidated) (KRW)	939	-131	5,305	1,172	1,482
Adjusted EPS (KRW)*	-150	-382	5,119	1,211	1,518

Cash flow statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Cash flow from operations	-5	24	355	139	118
Net profit	60	-8	341	75	95
Non-cash profit and expenses	-26	16	115	17	20
Depreciation	16	15	14	14	14
Amortization	9	10	10	10	10
Other	-51	-8	92	-7	-3
Changes in A/L from operating activities	-34	12	-1	50	9
Cash flow from investments	56	-22	-36	-37	-38
Change in tangible assets	-3	-1	-14	-14	-14
Change in financial assets	44	3	-21	-23	-25
Other	16	-24	-1	1	1
Cash flow from financing	-152	-9	0	0	0
Change in debt	-145	-28	0	0	0
Change in equity	0	0	0	0	0
Dividends	0	0	0	0	0
Other	-7	18	0	0	0
Change in cash	-93	-9	314	98	74
Cash at beginning of year	236	143	134	448	546
Cash at end of year	143	134	448	546	620
Gross cash flow	34	7	456	92	116
Free cash flow	-8	21	341	125	104

Note: *Excluding one-off items

**Fully diluted, excluding one-off items

***From companies subject to equity-method valuation

Source: Company data, Samsung Securities estimates

Balance sheet

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Current assets	453	445	808	908	1,030
Cash & equivalents	143	134	448	546	620
Accounts receivable	45	37	61	37	56
Inventories	0	0	0	0	0
Other current assets	265	274	299	325	354
Fixed assets	690	704	709	714	719
Investment assets	213	226	230	234	239
Tangible assets	189	178	178	179	179
Intangible assets	248	257	257	258	258
Other long-term assets	40	43	43	43	43
Total assets	1,143	1,149	1,517	1,621	1,749
Current liabilities	133	136	149	164	181
Accounts payable	0	0	0	0	0
Short-term debt	0	0	0	0	0
Other current liabilities	133	136	149	164	181
Long-term liabilities	204	214	227	242	258
Bonds & long-term debt	81	56	56	56	56
Other long-term liabilities	122	158	171	186	202
Total liabilities	337	350	377	406	439
Owners of parent equity	806	799	1,140	1,215	1,310
Capital stock	7	7	7	7	7
Capital surplus	220	220	220	220	220
Retained earnings	559	550	891	966	1,061
Other	21	23	23	23	23
Non-controlling interests' equity	0	0	0	0	0
Total equity	806	799	1,140	1,215	1,310
Net debt	-270	-285	-620	-741	-841

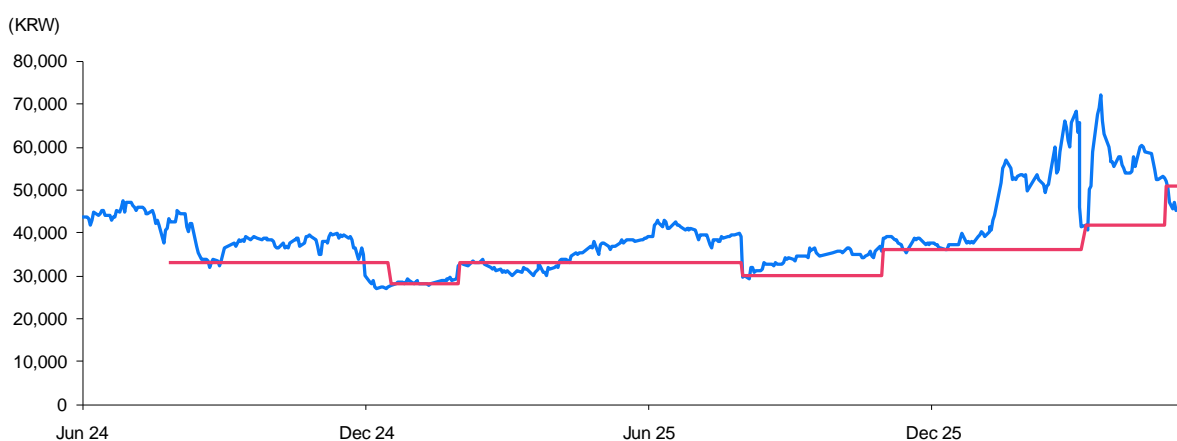
Financial ratios

Year-end Dec 31	2024	2025	2026E	2027E	2028E
Growth (%)					
Sales	2.7	6.8	145.1	-53.1	32.3
Operating profit	nm	nm	nm	-81.6	29.2
Net profit	296.8	nm	nm	-77.9	26.5
Adjusted EPS**	nm	nm	nm	-76.3	25.3
Per-share data (KRW)					
EPS (parent-based)	939	-131	5,305	1,172	1,482
EPS (consolidated)	939	-131	5,305	1,172	1,482
Adjusted EPS**	-150	-382	5,119	1,211	1,518
BVPS	13,122	13,011	18,560	19,786	21,336
DPS (common)	0	0	0	0	0
Valuations (x)					
P/E***	n/a	n/a	8.6	36.2	28.9
P/B***	2.1	2.9	2.4	2.2	2.1
EV/EBITDA	117.1	226.9	4.7	19.9	15.5
Ratios (%)					
ROE	7.9	-1.0	35.2	6.4	7.5
ROA	5.1	-0.7	25.6	4.8	5.6
ROIC	-2.6	-3.6	85.4	16.1	21.7
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	-33.4	-35.7	-54.4	-61.0	-64.1
Interest coverage (x)	-1.8	-3.9	177.6	32.6	42.2

Compliance notice

- As of 5/28 2026, the covering analyst(s) did not own any shares, or debt instruments convertible into shares, of any company covered in this report.
- As of 5/28 2026, Samsung Securities' holdings of shares and debt instruments convertible into shares of each company covered in this report would not, if such debt instruments were converted, exceed 1% of each company's outstanding shares.
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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	2026/3/23	5/13
Recommendation	HOLD	HOLD	HOLD	HOLD	HOLD	HOLD	HOLD	HOLD
Target price (KRW)	30000	33000	28000	33000	30000	36000	42000	51000
Gap* (average)	23.33	11.31	3.04	9.43	13.89	26.45	36.44	
(max or min)**	-10.00	-17.73	16.07	30.15	22.50	-1.25	71.43	

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

Samsung Securities uses the following investment ratings*

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 2026.03.31

BUY(85.2%)-HOLD(14.8%)-SELL(0%)

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