

kakaogames

4Q 2024 Earnings Release

11 February 2025

Disclaimer

Financial information for 4Q and full-year 2024 are estimates based on K-IFRS standards, and all financial and business results except for the stand-alone statement are consolidated-basis results which include subsidiary performance.

The current fiscal year of P/L has been classified as discontinued operations due to a sale of equity stake in Sena Technology and partial business withdrawal of Kakao VX. For ease of comparison P/L from previous fiscal year has been reflected based on the same standard used to classify P/L from discontinued operations for the current fiscal year.

Please note that the information was prepared to cater to investors and has not yet been audited by an outside auditor, and hence is subject to change upon the auditor's audit.

Kakao Games therefore does not make any representation or accept liability as to the accuracy or completeness of the information herein and is not responsible for providing future updates on the information contained in this document.

Contents

01 Summary

02 Revenue Breakdown

03 OPEX Breakdown

04 Operating & Net Profit

Appendix.

- New line-ups
- Financial Summary

Summary

- Despite strong performance of major live titles in FY24, revenue fell due to the absence of new titles and continued decline from non-game businesses
- 4Q decline in revenue from accounting deferral of new title sales and natural decline of legacy titles etc.

Billion Won	4Q23	3Q24	4Q24	YoY	QoQ	FY24	YoY
Revenue	203.5	193.9	160.1	-21.4%	-17.4%	738.8	-13.7%
Mobile	156.8	126.6	109.2	-30.4%	-13.8%	531.6	-20.2%
PC	13.1	34.2	20.6	57.3%	-39.6%	86.7	71.3%
Others	33.6	33.1	30.3	-9.9%	-8.5%	120.4	-13.0%
OPEX	188.4	188.2	166.3	-11.7%	-11.6%	732.3	-5.9%
Operating Profit	15.1	5.7	-6.3	Turn to Deficit	Turn to Deficit	6.5	-91.6%
OPM	7.4%	2.9%	-3.9%	-11.3%p	-6.9%p	0.9%	-8.2%p
Net Income	-339.0	-7.3	-102.3	Deficit Continued	Deficit Continued	-121.0	Deficit Continued
Controlling Interest	-237.4	-4.0	-82.2	Deficit Continued	Deficit Continued	-94.7	Deficit Continued

Revenue Breakdown

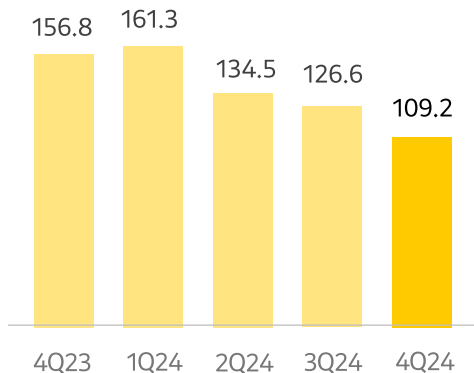
4Q Revenue reported 160.1 bn Won YoY 21.4% ▼ / QoQ 17.4% ▼

- Mobile Game : Decrease in revenue due to absence of new titles and natural decline of legacy titles etc.
- PC Game : Removal of one-off effect seen last quarter and absence of major updates in 'PUBG'
- Others : Removal of the impact from the launch of new screen golf equipment and seasonal slowdown

Mobile

(YoY 30.4% ▼ / QoQ 13.8% ▼)

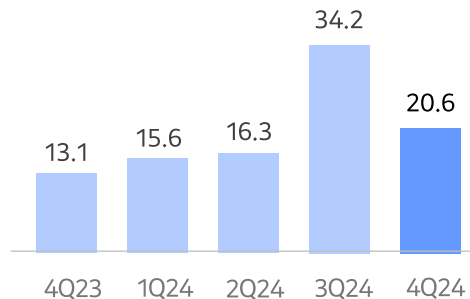
(Billion Won)



PC

(YoY 57.3% ▲ / QoQ 39.6% ▼)

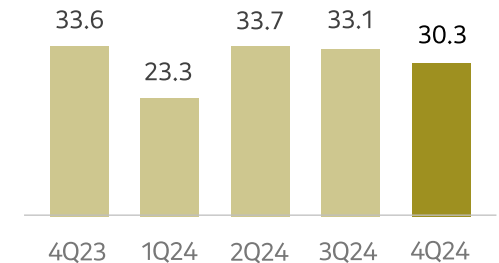
(Billion Won)



Others

(YoY 9.9% ▼ / QoQ 8.5% ▼)

(Billion Won)



OPEX Breakdown

4Q Operating Expense reported 166.3 bn Won YoY 11.7% ▼ / QoQ 11.6% ▼

- Labor Cost : Workforce optimization from non-profitable business
- Commissions : Developer RS & Market fees which are linked to changes in revenue
- Marketing Cost : Efficient cost management of major live titles
- Others (Amortization included) : Kakao VX's temporary promotional expense

Billion Won	4Q23	3Q24	4Q24	YoY	QoQ	FY24	YoY
OPEX	188.4	188.2	166.3	-11.7%	-11.6%	732.3	-5.9%
Labor Costs	45.2	45.3	44.2	-2.1%	-2.3%	180.0	2.7%
Commissions	88.0	88.6	72.0	-18.2%	-18.7%	350.0	-4.2%
Marketing Costs	8.5	15.2	11.0	30.2%	-27.7%	46.0	-21.0%
Tangible/Intangible Amortization	20.3	13.7	13.5	-33.5%	-1.3%	55.4	-29.7%
Others	26.5	25.4	25.5	-3.5%	-0.6%	100.9	0.3%
Operating Profit	15.1	5.7	-6.3	Turn to Deficit	Turn to Deficit	6.5	-91.6%
Income Tax	-59.9	9.7	-12.9	-	-	4.0	-

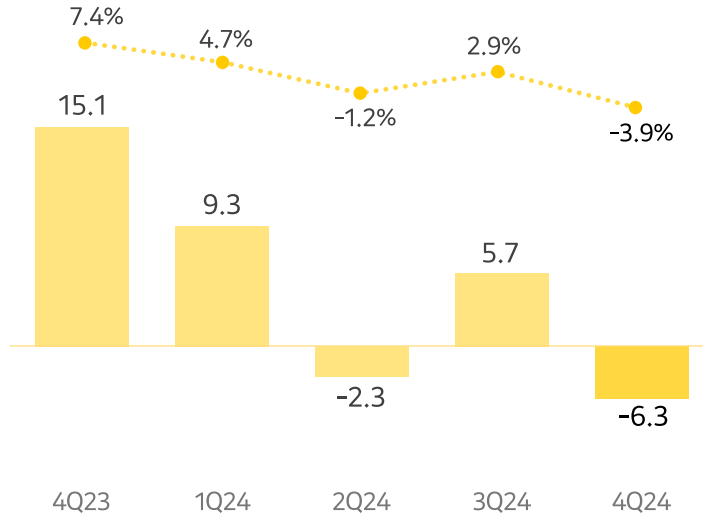
Profit

4Q Operating Profit -6.3 bn Won / Net Income -102.3 bn Won

- Recognition of one-off loss on investment assets following the year-end impairment review

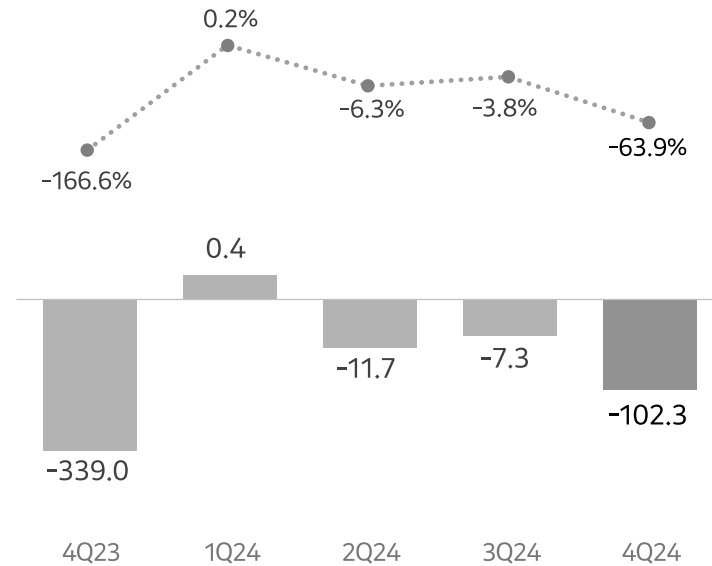
Operating Profit (Margin)

(Billion Won)



Net Income (Margin)

(Billion Won)



Appendix.

New line-ups

Schedule	Title	Genre	Platform	Region
2Q25	Baseball Simulation game(tentative name) *	Global IP-Based Baseball Simulation	NFT	Global
	Section 13 *	Action Roguelite Shooter	PC/Console	Global
3Q25	Goddess Order	Action RPG	Mobile	Global
	Project C *	Subculture Growth Simulation	Mobile+PC	Korea, Japan
	SM GAME STATION(tentative name) *	SM Idol IP-Based Casual	Mobile	Global
4Q25	God Save Birmingham *	Zombie Survival	PC	Global
	Project Q*	MMORPG	Mobile+PC	Korea
	Chrono Odyssey	Online Action RPG	PC/Console	Global
1H26	ArcheAge Chronicle *	Online Action RPG	PC/Console	Global
26FY	Project S *	Looter Shooter	PC/Console	Global
	The Swordmaster's Youngest Son IP *	Action RPG	PC/Console	Global

Financial Statement Summary

Consolidated Balance Sheet

Million Won	4Q23	1Q24	2Q24	3Q24	4Q24
Current Asset	1,020,760	1,061,624	1,002,319	849,825	824,256
Cash & Cash Equivalent	786,676	805,351	756,795	630,285	688,535
Financial Asset (Fair Value)	20,102	40,779	37,378	105,777	30,277
Others	213,983	215,494	208,146	113,764	105,433
Non-Current Asset	2,450,257	2,506,670	2,541,234	2,522,417	2,369,273
Available-for-Sale	257,518	301,812	331,712	406,372	319,267
Investment in Associates	203,086	211,379	215,181	221,653	180,677
Intangibles	1,639,189	1,631,333	1,624,957	1,559,658	1,532,695
Others	350,464	362,146	369,385	334,734	336,634
Total Asset	3,471,016	3,568,294	3,543,554	3,372,243	3,193,529
Current Liabilities	710,111	744,869	1,229,064	1,129,194	1,117,383
Non-Current Liabilities	1,135,377	1,162,581	650,223	607,362	591,892
Total Liabilities	1,845,489	1,907,449	1,879,286	1,736,556	1,709,275
Paid-in Capital	8,252	8,263	8,266	8,267	8,287
Capital Surplus	1,099,372	1,102,020	1,102,122	1,101,861	1,099,757
Other Capital Components	13,409	44,098	56,934	100,169	41,206
Retained Earnings	277,393	278,344	268,868	271,271	202,329
Non-Controlling	227,102	228,120	228,077	154,120	132,675
Total Equity	1,625,528	1,660,845	1,664,268	1,635,687	1,484,254

Consolidated Income Statement

Million Won	4Q23	1Q24	2Q24	3Q24	4Q24
Revenue	203,535	200,211	184,581	193,899	160,071
OPEX	188,429	190,890	186,865	188,184	166,339
Operating Profit	15,105	9,321	-2,284	5,715	-6,268
Other Gains	28,647	3,607	554	1,100	3,810
Other Losses	440,281	1,593	898	3,991	39,487
Financial Income	15,633	7,433	6,618	8,434	20,702
Financial Expense	11,689	15,233	17,724	14,103	69,212
Equity Method	-5,663	750	-1,066	-666	-15,872
EBT	-398,246	4,285	-14,799	-3,510	-106,326
Income Tax	-59,915	6,473	714	9,721	-12,913
Net Income	-339,034	377	-11,679	-7,311	-102,340
Controlling	-236,948	951	-9,476	-4,002	-82,160
Non-Controlling	-101,383	-574	-2,204	-3,309	-20,180

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