

Q4 2024 Earnings Release

2025. 2. 12 NCSOFT IR



Disclaimer

The financial results for Q4 2024 have been prepared on an unaudited basis and may be subject to change during an independent auditing process.

Please note that NCSOFT will not be responsible for individual investment decisions based on this material.

※ Key Consolidated Subsidiaries (Based on K-IFRS):

NCSOFT Corporation(HQ, KOR), NC West Holdings(100%, USA),
NC America(100%, USA), NC Europe(100%, GBR), NC Japan(100%, JPN),
NC Taiwan(100%, TWN), NCSOFT Service(100%, KOR), NC Dinos(100%, KOR),
NC ITS(100%, KOR), This Game Studio(40%, CAN), NC Vietnam Visual Studio(100%, VNM),
NCSOFT Asia Holdings(100%, SG), NC IDS (100%, KOR), NC QA (100%, KOR)

Contents

I. Consolidated Earnings

1. Financial Highlights

2. Sales Breakdown

3. Cost Breakdown

II. Appendix

4. Consolidated Financial Statements

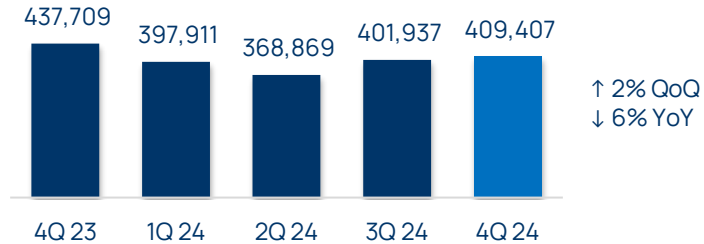
1. Financial Highlights (Quarterly)

- Sales posted KRW 409.4 billion, up 2% QoQ and down 6% YoY
- Operating loss totaled KRW 129.5 billion due to increased key operating expenses

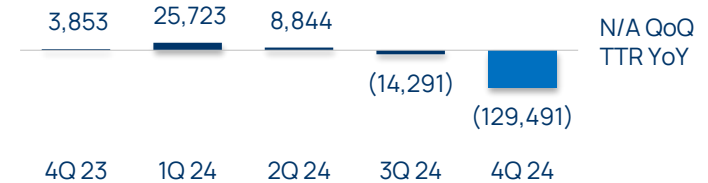
Quarterly Performance

(Unit : KRW MN)

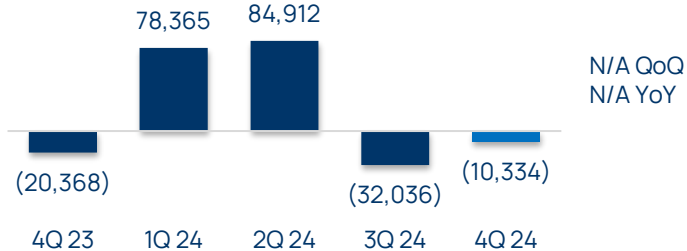
Sales



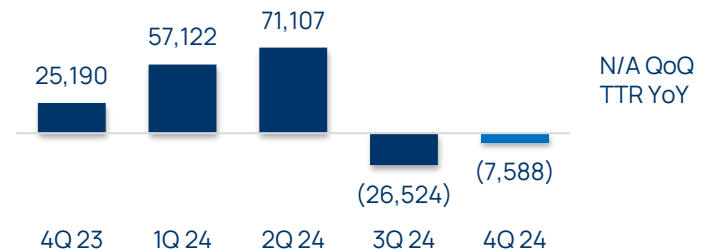
Operating Profit



Pre-tax Income

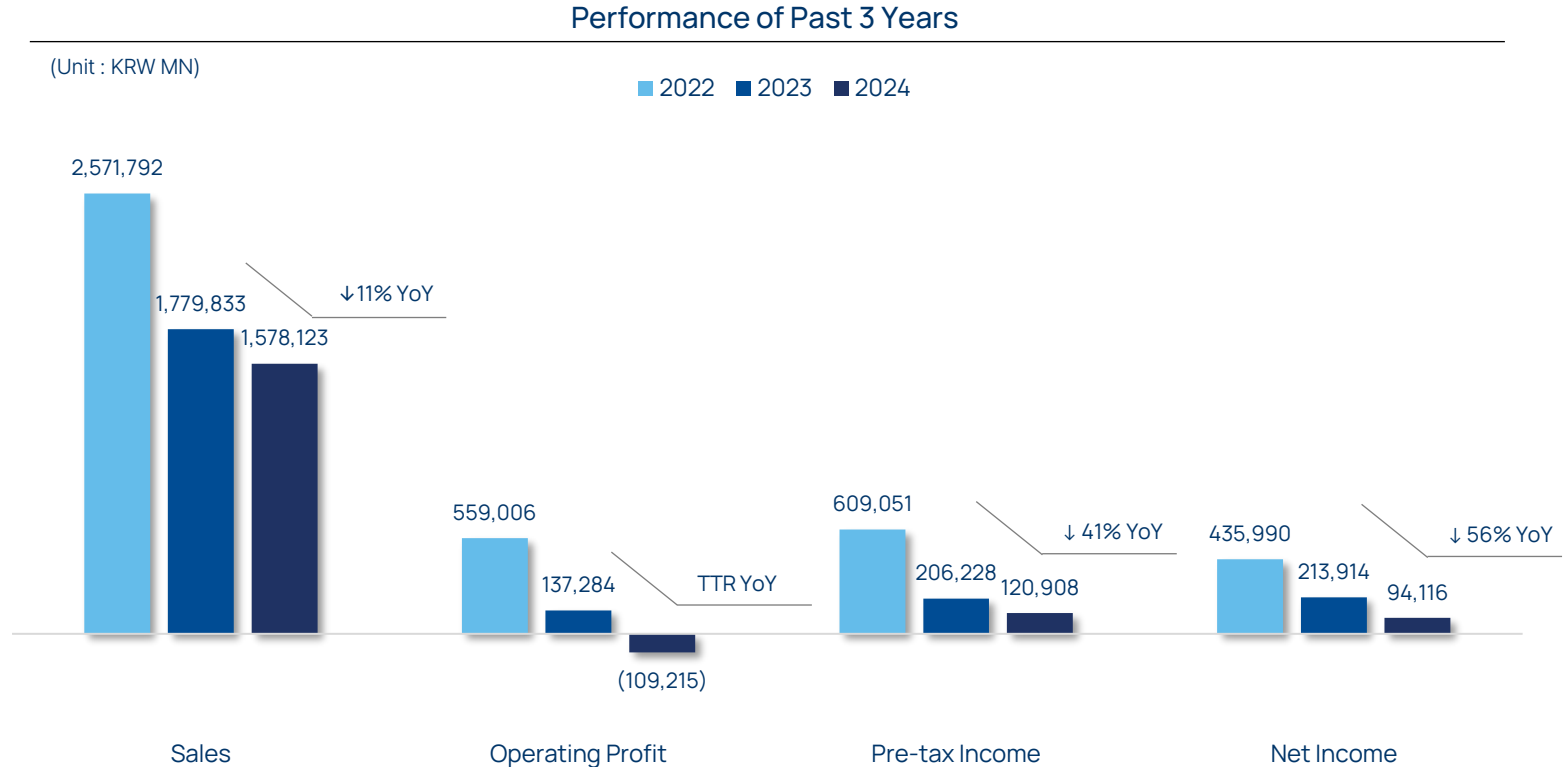


Net Income



1. Financial Highlights (Yearly)

- Full-year 2024 sales recorded KRW 1,578.1 billion (YoY -11%) and operating loss was KRW 109.2 billion (TTR YoY)

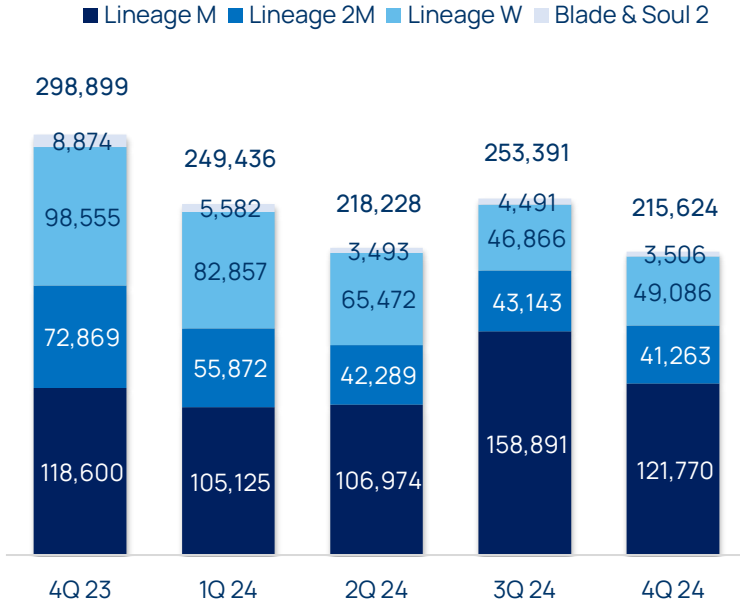


2. Quarterly Sales Breakdown (By Game)

- Q4 mobile game sales declined by 15% QoQ to KRW 215.6 billion, representing 53% of total sales
- Q4 Online PC game sales increased 16% QoQ and 6% YoY to KRW 93.4 billion, accounting for 23% of total sales

Mobile Games

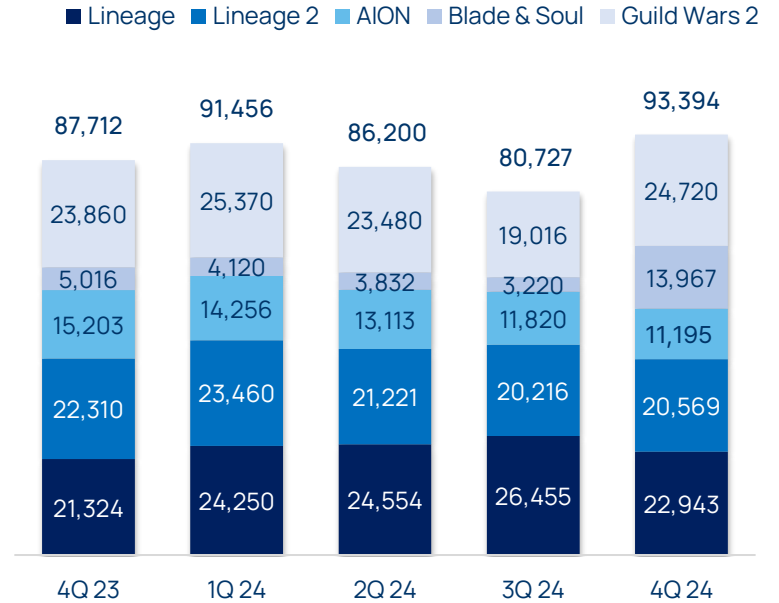
(Unit : KRW MN)



* Not including other mobile games

PC Online Games

(Unit : KRW MN)



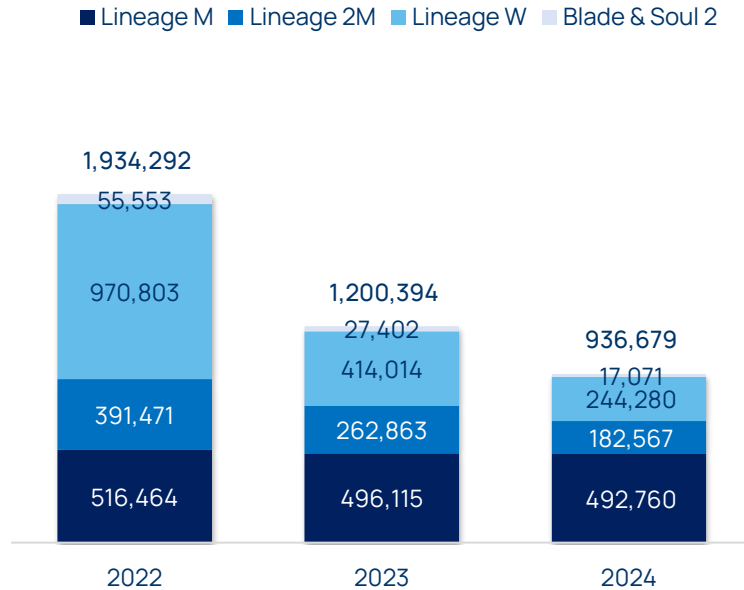
* Not including other PC online games

2. Annual Sales Breakdown (By Game)

- Full-year 2024 mobile game sales declined 22% YoY to KRW 936.7 billion, accounting for 59% of total sales
- Online PC game sales declined 2% YoY to KRW 351.8 billion, representing 22% of total sales

Mobile Games

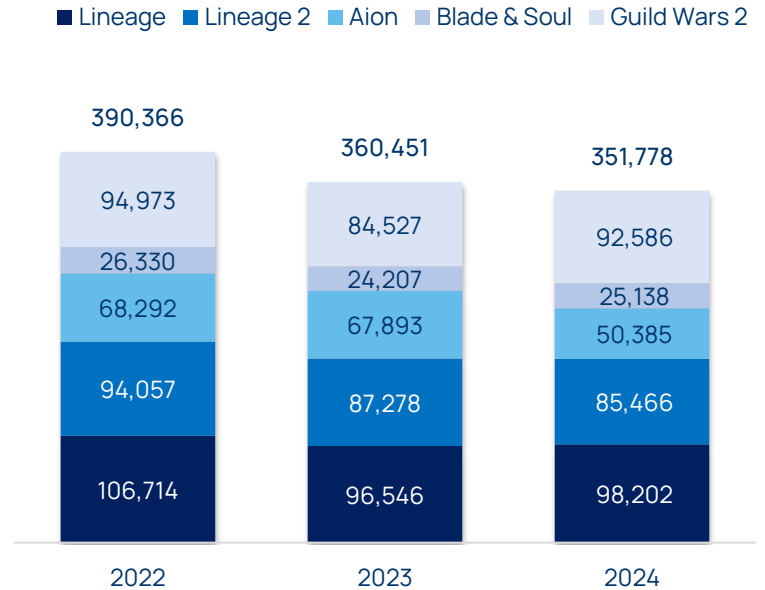
(Unit : KRW MN)



* Not including other mobile games

PC Online Games

(Unit : KRW MN)



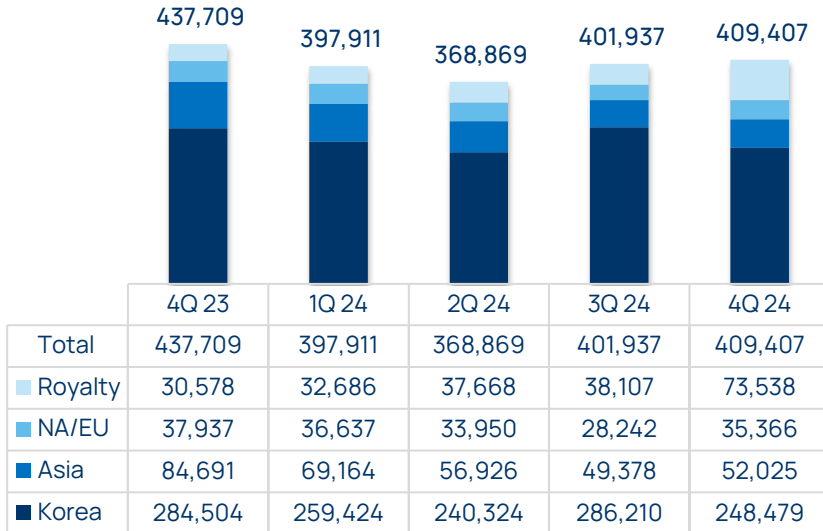
* Not including other mobile games

2. Sales Breakdown (By Region)

- Korea sales declined by 13% QoQ to KRW 248.5 billion
- NA/EU sales grew 25% QoQ to KRW 35.4 billion, driven by the successful launch of the GW2 expansion pack
- Royalty sales rose by 93% QoQ and 140% YoY to KRW 73.5 billion as TL's global success was fully captured in 4Q

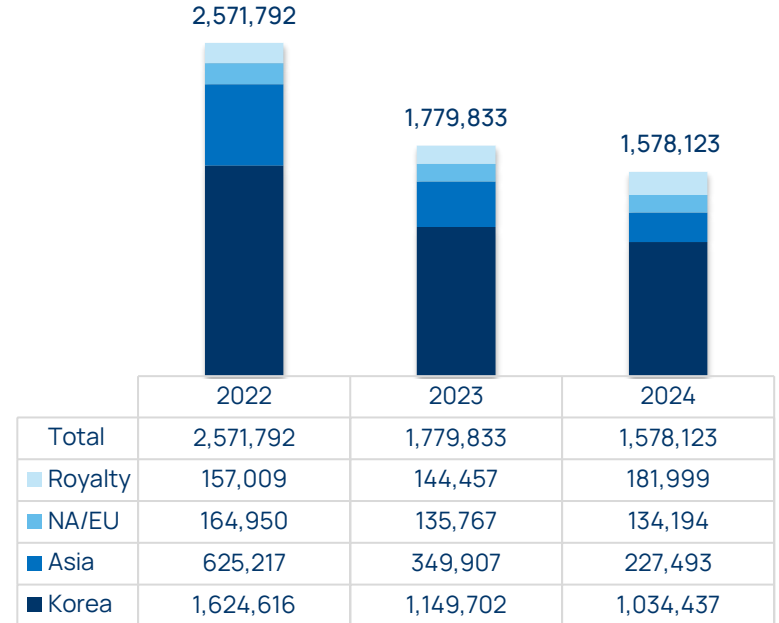
Quarterly

(Unit : KRW MN)



Yearly

(Unit : KRW MN)

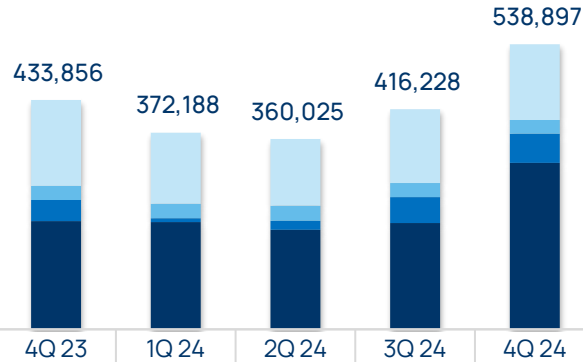


3. Cost breakdown

- Full-year 2024 operating expenses totaled KRW 1,687.3 billion, up 3% YoY, while Q4 saw a 29% QoQ increase to KRW 538.9 billion
- Labor costs increased 10% YoY to KRW 906.4 billion primarily on severance package payments following organizational efficiency initiatives. Marketing expenses rose by 51% YoY to KRW 128.2 billion, attributed to new title releases

Quarterly

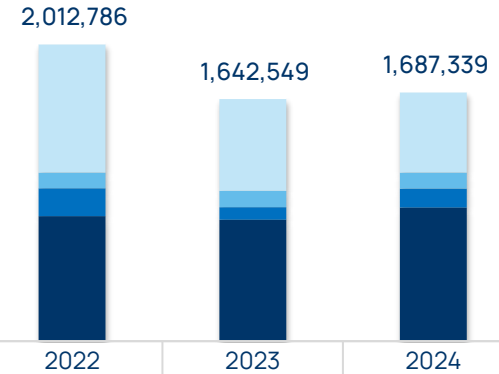
(Unit : KRW MN)



	4Q 23	1Q 24	2Q 24	3Q 24	4Q 24
Total Cost	433,856	372,188	360,025	416,228	538,897
Variables & Others	162,546	134,740	126,795	139,949	143,236
D&A	26,803	27,767	27,879	26,504	25,931
Marketing	40,304	6,901	17,378	48,656	55,248
Labor	204,203	202,780	187,973	201,120	314,483

Yearly

(Unit : KRW MN)



	2022	2023	2024
Total	2,012,786	1,642,549	1,687,339
Variables & Others	870,691	622,787	544,720
D&A	106,010	111,866	108,080
Marketing	188,639	85,044	128,182
Labor	847,446	822,852	906,356

4. Consolidated Financial Statements

Statement of Financial Position

(Unit : KRW MN)

	FY 2023	FY 2024
Assets		
I. Current Assets	2,336,839	1,788,537
Cash and cash equivalents	365,200	1,260,473
Short-term financial instruments	1,167,467	178,293
Account receivables	132,703	130,279
Other receivables	39,637	36,941
Short-term investment assets	585,401	39,816
Non-current assets held for sale	-	87,425
Others	46,431	55,309
II. Non-current Assets	2,056,962	2,165,404
Long-term Loans	7,347	8,050
Other receivables	21,281	22,131
Long-term investment assets	640,388	813,452
Investment stock in associated companies	24,887	50,198
Investment property	88,900	-
Tangible assets	1,000,513	997,620
Intangible assets	96,109	103,873
Others	177,537	170,079
Total Assets	4,393,800	3,953,941

	FY 2023	FY 2024
Liabilities		
I. Current Liabilities	614,287	322,188
Borrowings	239,954	-
Account payables	78,084	70,549
Lease liabilities	39,958	45,845
Current tax liabilities	1,537	721
Other current liabilities	254,754	193,718
Liabilities held for sale	-	11,354
II. Non-current Liabilities	526,484	568,165
Debentures and borrowings	169,691	169,805
Defined benefit obligations	5,819	1,263
Long-term employe benefits	23,075	21,033
Lease liabilities	192,673	163,806
Others	135,227	212,256
Total Liabilities	1,140,772	890,353
Shareholders Equity		
Capital stock	10,977	10,977
Other paid-in capital	(189,424)	(365,222)
Other components of equity	(44,503)	(61,168)
Retained Earnings	3,472,647	3,473,871
Non-controlling interest	3,332	5,130
Total Stockholders Equity	3,253,029	3,063,589
Total Liabilities and Stockholders Equity	4,393,800	3,953,941

4. Consolidated Financial Statements

Income Statement

(Unit : KRW MN)

	4Q 23	1Q 24	2Q 24	3Q 24	4Q 24	FY 2023	FY 2024
Sales	437,709	397,911	368,869	401,937	409,407	1,779,833	1,578,123
Operating Expenses	433,856	372,188	360,025	416,228	538,897	1,642,549	1,687,339
Operating Income	3,853	25,723	8,844	(14,291)	(129,491)	137,284	(109,215)
Non-operating Income	(24,221)	52,642	76,069	(17,744)	119,156	68,945	230,123
Pre-tax Income	(20,368)	78,365	84,912	(32,036)	(10,334)	206,228	120,908
Income Tax	(45,558)	21,244	13,806	(5,512)	(2,746)	(7,686)	26,792
Net Income	25,190	57,122	71,107	(26,524)	(7,588)	213,914	94,116
Equity Attribution to the Owners of the Parent Company	24,953	57,176	70,994	(26,500)	(7,455)	212,139	94,215
Non-controlling interest	237	(55)	112	(23)	(134)	1,775	(100)

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