



**Com2uS**

# 2017 4Q and annual Financial Results

2018. 02. 05

com2uS



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## 3. Strategy to raise additional Corporate Value



**[Sales]** 4Q Sales 136.3 B KRW (YoY 2.3% ↑, QoQ 8.4% ↑) / 2017 Sales 511.7 B KRW (YoY 0.3% ↓)

- Record quarterly revenue due to continued growth of 'Summoners War', 'MLB 9Innings 17'

**[Profit]** 4Q operating profit 48.6 B KRW (YoY 14.6% ↑, QoQ 1.9% ↓) / 2017 operating profit 197.2 B KRW (YoY 2.7% ↑)

4Q net income 31.4 B KRW (YoY 13.9% ↓, QoQ 21.2% ↓) / 2017 net income 145.4 B KRW (YoY 4.2% ↓)

- Record breaking OP in 2017 due to efficient global marketing operations

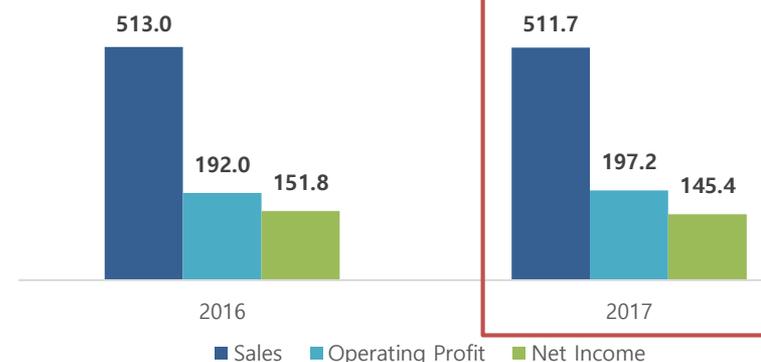
## Quarterly

[Unit: B KRW]



## Yearly

[Unit: B KRW]



Category	4Q'16	3Q'17	4Q'17	YoY	QoQ
Sales	133.2	125.7	136.3	2.3% ↑	8.4% ↑
Operating Profit	42.4	49.6	48.6	14.6% ↑	1.9% ↓
Net Income	36.4	39.8	31.4	13.9% ↓	21.2% ↓
OP Margin	31.9%	39.4%	35.7%	-	-
NI Margin	27.4%	31.7%	23.0%	-	-

Category	2016	2017	YoY
Sales	513.0	511.7	0.3% ↓
Operating Profit	192.0	197.2	2.7% ↑
Net Income	151.8	145.4	4.2% ↓
OP Margin	37.4%	38.5%	-
NI Margin	29.6%	28.4%	-



# 01-1 Global Sales

**[Global Sales] 4Q Overseas 115.7 B KRW (QoQ 5.0% ↑), 2017 Overseas 444.8 B KRW (YoY 0.7% ↑)**

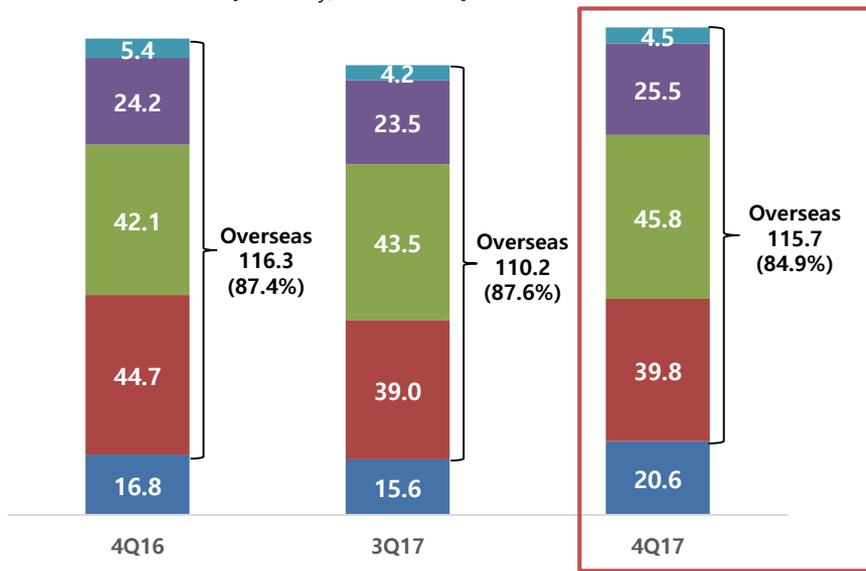
- Exceeding 100 B KRW in quarterly overseas sales due to strong performance in North America and Europe

**[Sales Breakdown] 2017 North America sales up 4.3%p and Europe sales up 2.1%p**

- North America and Europe sales exceed over 50% of the total sales for the first time in '17

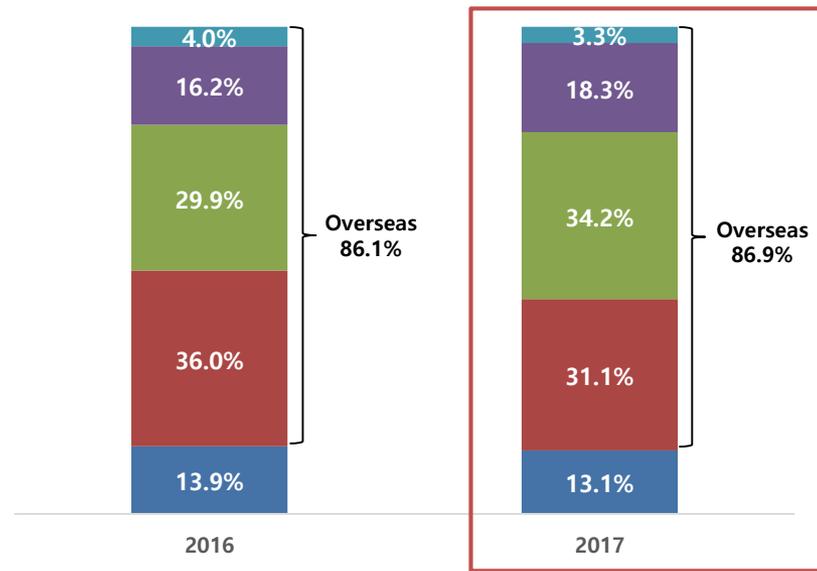
### Sales trend by region (Quarterly)

[Quarterly, Unit: B KRW]



### Sales breakdown by region (Yearly)

[YTD, Unit: %]

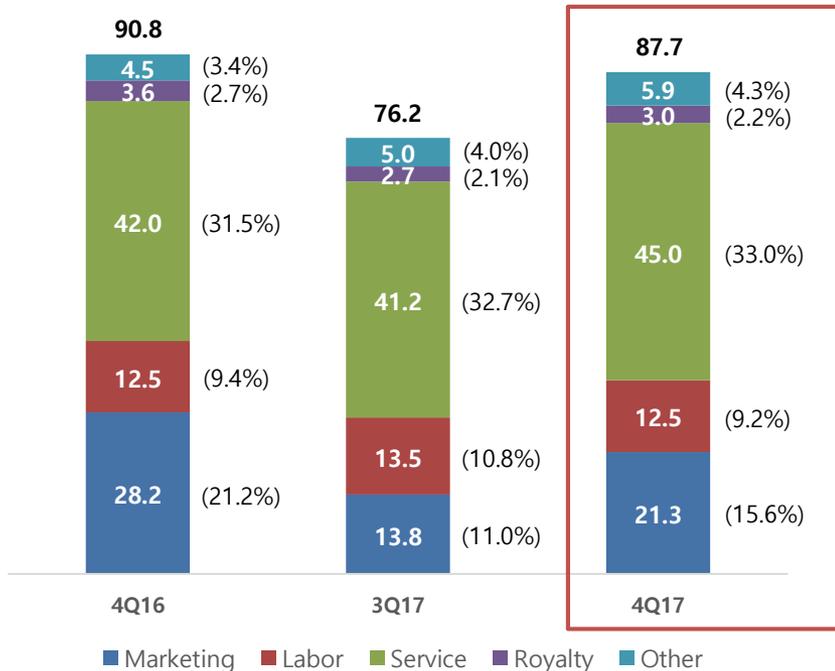




- Marketing: 4Q cost increased QoQ due to global marketing such as SWC, but 2017 cost decreased 25.7%YoY due to efficient execution
- Labor: 2017 cost increased due to investment in additional R&D-related hiring

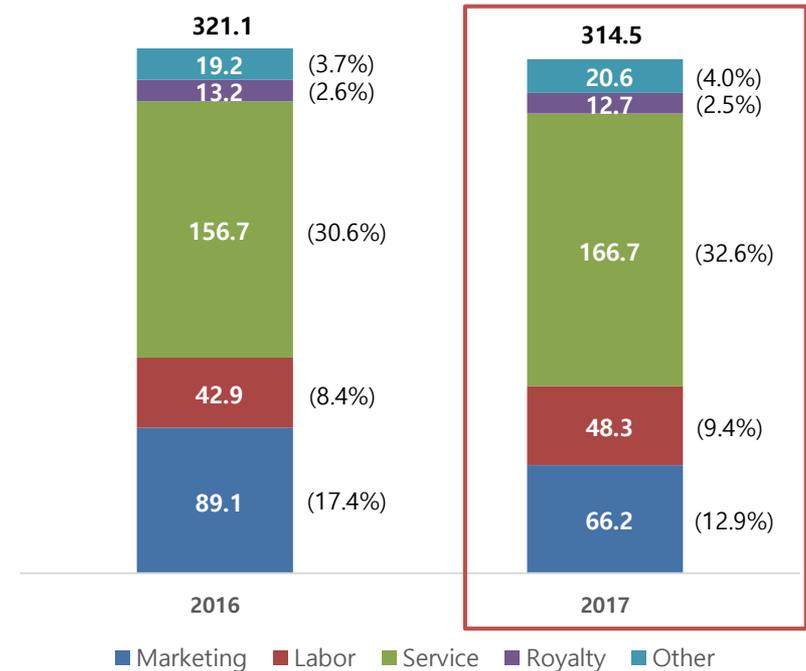
### Cost Breakdown (Quarterly)

[Unit: B KRW, ((% of total Sales))]



### Cost Breakdown (Yearly)

[Unit: B KRW, ((% of total Sales))]



# Business Strategy : 2018 Overview



Global IP Mobile Game Company

Corporate Value

Maintain growth through expansion of 'Summoners War' IP

- Strengthening of Life Cycle
- Virtuous Cycle & eSports

Apply & integrate Summoners War expertise to upcoming titles

- Skylanders Mobile (TM)
- Summoner's War MMORPG

Ramp up in-house development of new IP

- Chain Strike : S RPG
- Dance ville : Sandbox (New Genre)
- Heroes War 2
- Sports : Baseball & Casual golf

Next Level-up

1st Level-up

Market Cap. of Com2Us

2014

2015

2016

2017

2018



# 02-1 Business Strategy : Maintain growth through expansion of 'Summoners War' IP

Sustain the life cycle of Summoners War through key updates

## ■ Two Major Updates Scheduled in 2018

- 1H : Strengthening of guild community & raid  
User retention will be strengthened as more active communication and collaboration will be promoted
- 2H : New PvE content will be introduced  
(New strategies for utilizing existing characters)

## <'18 Major Updates>

**1H**  
Enhancements to Guild Raid & Guild Community

**2H**  
New PvE

### ■ '15 Major Update

1<sup>st</sup>, Guild Battle (2015 1Q)



2<sup>nd</sup>, Rift of Worlds (2015 4Q)



### ■ '16 Major Update

3<sup>rd</sup>, Homunculus (2016 3Q)

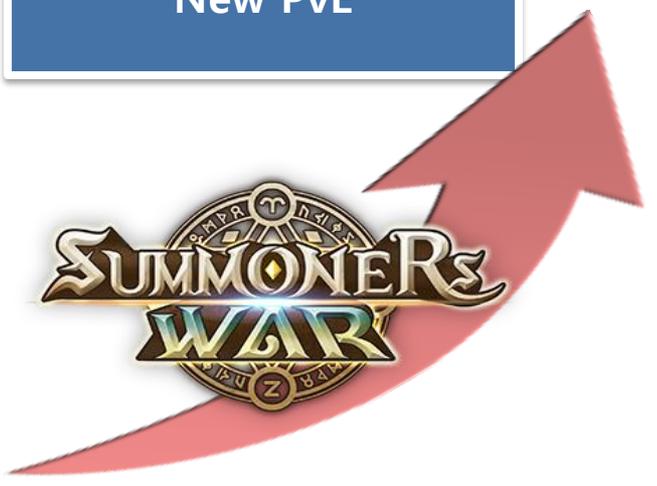


### ■ '17 Major Update

4<sup>th</sup>, World Arena (2017 1Q)



5<sup>th</sup>, Siege Battle (2017 4Q)





02-1

# Business Strategy : Maintain growth through expansion of 'Summoners War' IP

Establish sustainable growth cycle through the launch of the new Summoners War MMORPG and & global content partnerships

## ■ Sustainable Growth Cycle based on Summoners War ■ eSports : New Ways to Communicate with Global Fans

- Plan for building a virtuous cycle by continuously creating new games based on 'Summoners War' IP
- Robert Kirkman (Walking Dead) to lead the creation of Summoners War Universe
- '17 Summoners War Championship (SWC) : Twitch Top Rating
- '18 SWC : Ramp up partnerships & sponsorships, Aggressive push for viral content to expand audience reach





02-2

# Business Strategy : Apply & integrate Summoners War expertise to upcoming titles

Globally recognized IP + Genre expertise (Summoners War) = Skylanders Mobile(TM)

Strategic Battles :  
Combination of various skills and combat effects

**S-RPG GAME TAILORED FOR THE GLOBAL MARKET**

Unique & Useful Monsters :  
Unique traits & comparative advantages



Various Growth Paths :  
Same monsters with different power and skills

**Globally recognized & beloved franchise "Skylanders"**

Real-Time PvP :  
Proven gameplay mechanics from Summoners War integrated



02-2

# Business Strategy : Apply & integrate Summoners War expertise to upcoming titles

## Summoner War MMORPG

Genre | MMORPG



- Prequel story of Summoners War's world view produced by Robert Kirkman of Skybound Entertainment
- Party play based on real-time online system
- The fun of collecting and cultivating various monsters of 'Summoners War'
- Attractiveness of battle control that requires strategic use of pet and skill





# 02-3 Business Strategy : Ramp up in-house development of new IP

## Chain Strike

Genre | S-RPG

### Features

- Turn-based RPG with the motive of movement and attack of chess
- Dynamic battle that wins and defeats based on positioning and strategic skill use
- Over 200 characters, Story-based PvE Dungeon, Various Boss, Real-time PvP, etc.





# 02-3 Business Strategy : Ramp up in-house development of new IP

## Dance Ville

Genre | Sandbox Casual

### Features

- Sandbox Entertainment Platform that enables users to easily produce unique content on the theme of music and dance
- Utilize YouTube & others social media for user acquisition
- B2B marketing tool for entertainment industry (promoting new artists, songs & music videos)





# 02-3 Business Strategy : Ramp up in-house development of new IP

## Birdie Crush

Genre | Casual Golf

### Features

- An evolved casual golf game that anyone can easily enjoy
- Easy to play, cute characters, colorful directing, cartoon-like story
- Various growth paths and social collecting : character, equipment, caddy, costume
- Content to enjoy with friends : story/tour/challenge mode, match tournament





02-3

# Business Strategy : Ramp up in-house development of new IP

## Heroes War 2

Genre | RPG

### Features

- New concept of turn-based RPG
- Turn-based RPG maximized strategic side with subtle control
- Player joins a number of Mercenaries to compete and cooperate with others





02-3

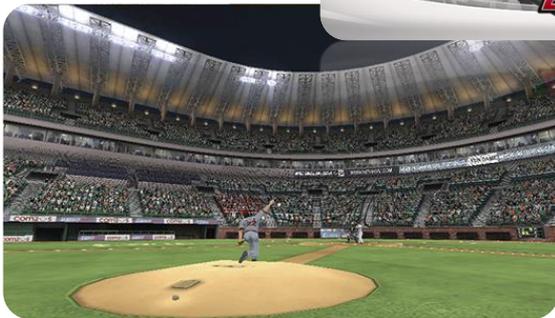
# Business Strategy : Ramp up in-house development of new IP

## Com2us Pro Baseball 2018 & MLB 9Innings 18

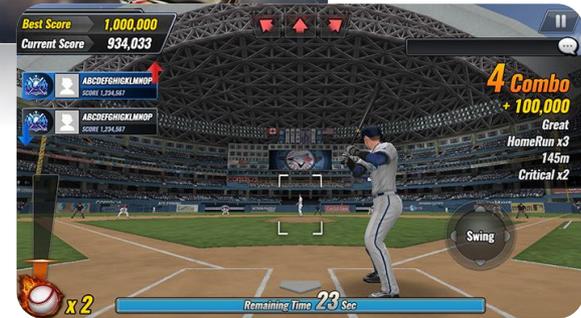
Genre | Sports



- 4.0.0 major update to reflect 2018 season in March 2018
- Increase fun and revenue through added various contents such as ranking play season 2, all-star card, team synergy and improved league mode



- 3.0.0 major update to reflect 2018 MLB opening season at the end of March 2018
- Add new contents such as club (guild) system, arcade mode and AR mode (tentative name) and new BM such as uniform shop and player pack





## Growth through active investments and Return to stakeholders based on results

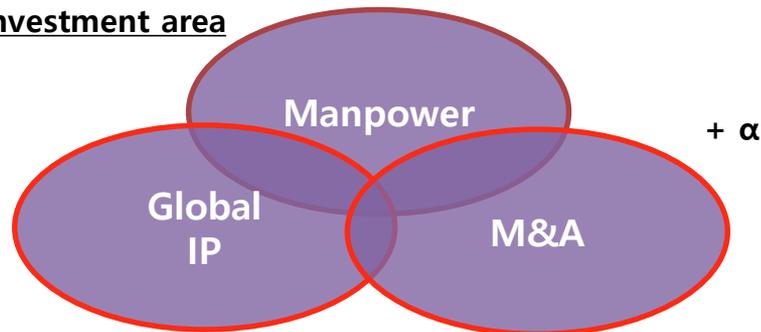
### ■ Looking for growth through active investments

- Looking for long-term growth through active investments in various areas such as manpower, global IPs and M&A
- '17 ROE at 20.8%, far higher than the game sector (12.8%), and the recent two-year figure is superior to the sector

### ■ Continuous shareholder return policy based on results

- Following the first dividend in '16, the announcement of dividend plan in '17 (Dividend per share 1,400 won)
- Continuously promoting shareholder return such as dividend based on annual results

#### Investment area



#### Our shareholder return details

[Unit: B KRW]

Category	2016	2017
Dividend per share (KRW)	1,400	1,400
Total dividend	17.4	17.5
Payout ratio	11.5%	12.0%

Note 1: Based on controlling shareholder

Note 2: Dividend for 2017 will be paid after the proposal and approval of the general meeting of shareholders

#### ROE between our company and game sector

구분	2016	2017
Our company	26.5%	20.8%
Game sector	10.0%	12.8%

Note 1: Based on controlling shareholder and average equity

Note 2: Game sector is based on 15 companies with consensus in 2017

Note 3: Our figure for 2017 is based on earnings, while game sector is based on consensus