



August 9, 2022

NEXON Co., Ltd.

<https://company.nexon.co.jp/en/>

(Stock Code: 3659, TSE Prime Market)

## Nexon Releases Earnings for Second Quarter 2022

*Record-Breaking Q2 Revenue Driven Primarily by China Dungeon&Fighter, MapleStory, FIFA ONLINE 4, and Dungeon&Fighter Mobile in Korea*

*Operating Income Up 47% YoY*

*Board of Directors Approves Three-Year Share Repurchase Policy to Buy-Back up to ¥100 Billion*

**TOKYO – August 9, 2022** – NEXON Co., Ltd. (Nexon) (3659.TO), a global leader in Virtual Worlds, today announced financial results for its second quarter ended on June 30, 2022.

“Nexon’s record-breaking revenue in the second quarter was driven by a combination of great games and best-in-class live operations,” said Owen Mahoney, President and CEO of Nexon. “The improved performance of *MapleStory* in Korea, and *Dungeon&Fighter* franchise in both China and Korea reaffirms our thesis that Virtual Worlds grow at a steady, if non-linear rate and that slow intervals very often foreshadow dynamic new growth.

“Nexon is uniquely resilient. We built this company to resist disruption from events like inflation, foreign exchange and supply chain issues. Steady revenue from core franchises, allows us the time and creative freedom to get it right on new titles in development.”

### Recent Highlights Include:

- In Q2, Nexon achieved record-breaking revenue. Group revenues were within the range of our outlook – ¥84.1 billion, up 50% year-over-year on an as-reported basis and up 40% year-over-year on a constant currency basis<sup>1</sup>.
- Operating income was up 47% year-over-year to ¥22.7 billion and within our outlook.
- Net income<sup>2</sup> was ¥24.7 billion up 176% year-over-year – exceeding our outlook. Results were driven by a FX gain of ¥27.7 billion, primarily on U.S. dollar-denominated cash.
- Quarterly performance was driven by growth in major franchises including *Dungeon&Fighter* in China, *MapleStory* and *FIFA ONLINE 4*<sup>3</sup> and *Dungeon&Fighter Mobile* in Korea.
- In Korea, *MapleStory* revenue grew by 38% year over year. MAUs, paying users and ARPPU all increased year-over-year driven by the well-received 19th Anniversary update in April and Summer update in June.
- Combined mobile and PC revenues on *FIFA ONLINE 4*<sup>3</sup> significantly exceeded our outlook driven by successful events and sales promotions. MAUs, paying users and ARPPU all



increased year-over-year. As a result, its revenues more than doubled and topped the record set last quarter.

- Also in Korea, *Dungeon&Fighter Mobile* continued its strength as user engagement remained high, driven by the rich content and carefully-managed live operations. *Dungeon&Fighter* on PC grew by 34% year-over-year.
- In China, Q2 revenue increased by 43% year-over-year on an as-reported basis and 25% year-over-year on a constant currency basis<sup>1</sup>. *Dungeon&Fighter's* revenue increased year-over-year driven by well-received Labor Day package sales.
- In North America and Europe, the revenues increased by 30% year-over-year driven by *MapleStory M* and contributions from new games.
- Revenues from the Rest of World<sup>4</sup> increased by 77% year-over-year driven by the growth in *MapleStory* franchises and contributions from new games.
- In Japan, revenue decreased by 1% year-over-year. While there was a contribution from *Counter.Side*, this was offset by revenue decreases from *TRAHA* and *V4*.
- On June 15, 2022, Nexon completed the three-year ¥100 billion share repurchase announced on November 10, 2020.
- On August 9 Nexon's Board of Directors approved a new ¥100 billion share repurchase policy. Shares will be repurchased by August 2025, guided by factors including investment opportunities, financial and market conditions.

### **Third Quarter 2022 Outlook:**

- Expect revenues in the range of ¥96.0 to ¥104.0 billion, up 27% to 37% year-over-year on an as reported basis, up 13% to 22% year-over-year on a constant currency basis<sup>1</sup>
- Expect operating income of ¥30.1 to ¥36.6 billion
- Expect net income<sup>2</sup> of ¥21.6 to ¥26.4 billion
- Forex sensitivity<sup>5</sup>: Every one Japanese yen move against the U.S. dollar would have the following impact on our financials for Q3 2022
  - Revenues: ¥0.72 billion
  - Operating Income: ¥0.26 billion

### **Conference Call (Japanese & English)**

Nexon management will host a conference call for investors, analysts and the media to discuss the company's financial results and outlook. The conference call will be held at 5:00 p.m. JST /4:00 a.m. EDT, and will be simultaneously conducted in Japanese and English. It will consist of brief remarks made by the management team followed by a Q&A session. Q&A session will be conducted with consecutive translations.

Time: August 9, 2022 at 5:00 p.m. JST / 4:00 a.m. EDT (planned)

### **Pre-registration Required**

Please register in advance from the link below. Participant PIN and Security Code will be provided upon registration. Please click [here](#) to reach the registration page. (Please note that the link is accessible on Google Chrome, Mozilla Firefox, Microsoft Edge (Chromium) only.)



### Telephone Number

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\*Participant PIN and Security Code will be required to join the call

### Audio Archive and Transcript

An audio archive and a transcript will be available on Nexon's Investor Relations website at <https://ir.nexon.co.jp/en/> after the earnings conference call. This press release is prepared to offer reference information about Nexon to investors and is intended to generally provide investors and analysts with financial and operational information about Nexon, but not to solicit or recommend any sale or purchase of stock or other securities of Nexon.

### About NEXON Co., Ltd. <https://company.nexon.co.jp/en/>

Founded in 1994, NEXON Co., Ltd. (Nexon) (3659.TO) is a company engaged in the production, development and operation of online games and Virtual Worlds. First listed on the Tokyo Stock Exchange in December 2011, Nexon was placed on JPX400 in 2015 and added to the Nikkei Stock Index 300 in 2017. In 2020, Nexon was added to the Nikkei 225. Nexon currently has more than 45 live games on multiple platforms including mobile and available in more than 190 countries. Major game franchises include *MapleStory*, *KartRider* and *Dungeon&Fighter*. In 2021, Nexon completed the acquisition of Embark Studios AB, a company based in Stockholm, Sweden, developing multiple projects for global release.

### Contact Information

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<sup>1</sup> Constant currency is a non-GAAP measure used to show performance unaffected by fluctuations in foreign currency exchange rates. Constant-currency basis amounts are calculated using the average foreign currency exchange rates for the comparable period in the prior year and applied to the current period.

<sup>2</sup> Net income refers to net income attributable to owners of the parent.

<sup>3</sup> Official titles are *EA SPORTS™ FIFA ONLINE 4* (PC) and *EA SPORTS™ FIFA ONLINE 4 M* (mobile).

<sup>4</sup> "Rest of World" includes other Asian countries as well as Central and South American countries.

<sup>5</sup> In most situations, the exchange rates of both the South Korean Won and the Chinese Yuan are linked to the U.S. dollar. For simplicity, forex sensitivity is calculated based on the assumption that Korean Won and Chinese Yuan move similarly against Japanese yen when there is an exchange rate movement in US. dollar and Japanese yen.