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On **February 13, 2020**, Suzumo Machinery Co., Ltd. (Suzumo) announced earnings results for Q3 FY03/20.

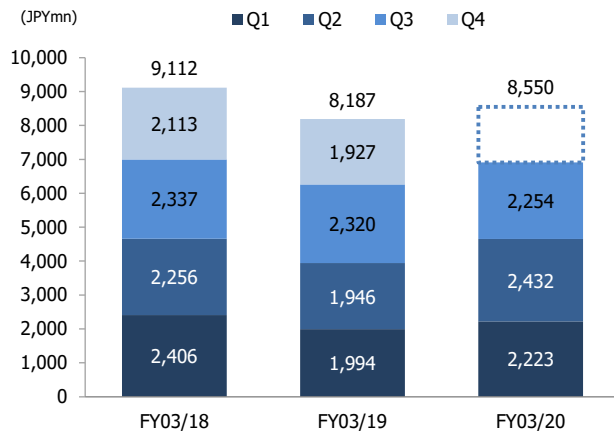
Cumulative (JPYmn)	FY03/19				FY03/20			FY03/20	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	% of FY	FY Est.
Sales	1,994	3,940	6,260	8,187	2,223	4,655	6,910	80.8%	8,550
YoY	-17.1%	-15.5%	-10.6%	-10.2%	11.5%	18.2%	10.4%		4.4%
Gross profit	983	1,889	3,006	3,919	1,050	2,196	3,321		
YoY	-16.1%	-16.5%	-12.3%	-10.0%	6.8%	16.2%	10.5%		
Gross profit margin	49.3%	48.0%	48.0%	47.9%	47.2%	47.2%	48.1%		
SG&A expenses	828	1,664	2,430	3,226	873	1,772	2,608		
YoY	5.5%	3.3%	2.9%	3.6%	5.4%	6.5%	7.3%		
SG&A-to-sales ratio	41.5%	42.2%	38.8%	39.4%	39.3%	38.1%	37.8%		
Operating profit	155	225	576	693	177	424	713	118.8%	600
YoY	-60.0%	-65.4%	-46.1%	-44.0%	14.5%	88.5%	23.8%		-13.4%
Operating profit margin	7.8%	5.7%	9.2%	8.5%	8.0%	9.1%	10.3%		7.0%
Recurring profit	153	227	581	696	178	425	644	107.3%	600
YoY	-60.9%	-65.3%	-45.9%	-43.7%	15.9%	87.1%	10.8%		-13.8%
Recurring profit margin	7.7%	5.8%	9.3%	8.5%	8.0%	9.1%	9.3%		7.0%
Net income	105	155	377	469	-38	162	232	116.2%	200
YoY	-57.0%	-64.4%	-47.8%	-43.8%	-	4.1%	-38.3%		-57.3%
Net margin	5.3%	3.9%	6.0%	5.7%	-	3.5%	3.4%		2.3%

Quarterly (JPYmn)	FY03/19				FY03/20		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Sales	1,994	1,946	2,320	1,927	2,223	2,432	2,254
YoY	-17.1%	-13.7%	-0.8%	-8.8%	11.5%	25.0%	-2.8%
Gross profit	983	907	1,116	914	1,050	1,146	1,125
YoY	-16.1%	-16.8%	-4.4%	-1.1%	6.8%	26.5%	0.8%
Gross profit margin	49.3%	46.6%	48.1%	47.4%	47.2%	47.1%	49.9%
SG&A expenses	828	836	766	796	873	900	836
YoY	5.5%	1.1%	2.2%	5.6%	5.4%	7.6%	9.2%
SG&A-to-sales ratio	41.5%	43.0%	33.0%	41.3%	39.3%	37.0%	37.1%
Operating profit	155	70	351	117	177	247	289
YoY	-60.0%	-73.3%	-16.1%	-31.0%	14.5%	251.4%	-17.7%
Operating profit margin	7.8%	3.6%	15.1%	6.1%	8.0%	10.2%	12.8%
Recurring profit	153	74	354	115	178	248	219
YoY	-60.9%	-71.7%	-15.7%	-29.5%	15.9%	234.8%	-38.2%
Recurring profit margin	7.7%	3.8%	15.2%	6.0%	8.0%	10.2%	9.7%
Net income	105	50	221	92	-38	199	71
YoY	-57.0%	-73.9%	-22.2%	-18.0%	-	298.7%	-68.0%
Net margin	5.3%	2.6%	9.5%	4.8%	-	8.2%	3.1%

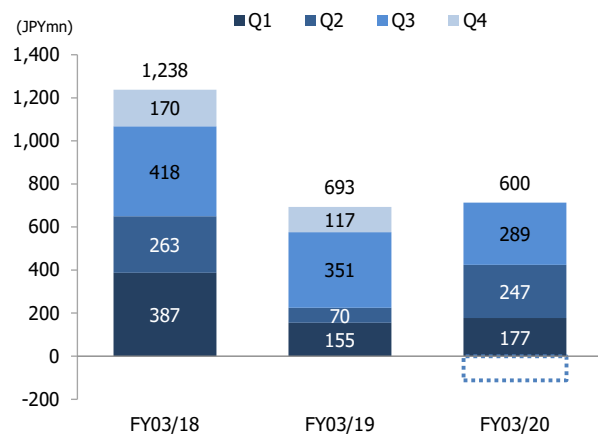
Source: Shared Research, based on company data

Note: Figures above may differ from those shown in company materials due to differences in rounding.

Sales breakdown by quarter



Operating profit breakdown by quarter



Source: Shared Research, based on company data

Q3 FY03/20 results (out February 13)

Q3 results overview (April–December 2019)

- ▷ Sales: JPY6.9bn (+10.4% YoY)
- ▷ Operating profit: JPY713mn (+23.8% YoY)
- ▷ Recurring profit: JPY644mn (+10.8% YoY)
- ▷ Net income* JPY232mn (-38.3% YoY)

* Net income attributable to owners of the parent

- ▷ The company has not made any changes to its full-year forecasts as of end-Q3 FY03/20.

- ▶ The rise in Q3 sales reflected gains in both domestic and overseas sales with domestic sales leading the way, rising 13.4% YoY to JPY5.2bn while overseas sales rose 2.2% YoY to JPY1.7bn. Starting in FY03/20, the company changed its segmentation scheme and now has only one reportable segment, so it no longer discloses information by segment.
- ▶ Domestic sales grew as there was little impact of pullback from the surge in demand ahead of the consumption tax hike in October 2019 and sales to existing customers remained strong.
- ▶ Overseas sales only grew slightly overall. Sales were strong in North America and Europe but declined YoY in Asia due to volatile conditions in the region.
- ▶ On the earnings front, operating profit grew YoY as sales growth offset an increase in CoGS and SG&A expenses. The OPM also improved 1.1 pp YoY. However, recurring profit growth slowed as the company booked a loss of JPY68mn on investments in equity-method subsidiary Bluefin Trading LLC. Net income fell YoY partly due to the booking of JPY150mn in special merit bonuses for retiring directors.

This note is the most recent addition to the [full report](#).

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