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On **August 7, 2020**, Suzumo Machinery Co., Ltd. (Suzumo) announced earnings results for Q1 FY03/21.

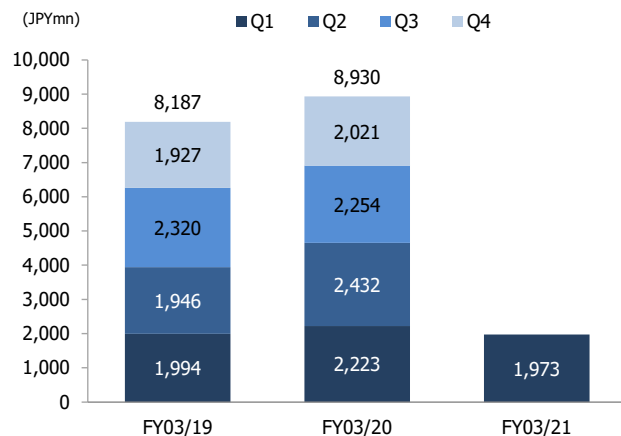
Cumulative (JPYmn)	FY03/19				FY03/20				FY03/21
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Sales	1,994	3,940	6,260	8,187	2,223	4,655	6,910	8,930	1,973
YoY	-17.1%	-15.5%	-10.6%	-10.2%	11.5%	18.2%	10.4%	9.1%	-11.3%
Gross profit	983	1,889	3,006	3,919	1,050	2,196	3,321	4,245	890
YoY	-16.1%	-16.5%	-12.3%	-10.0%	6.8%	16.2%	10.5%	8.3%	-15.3%
Gross profit margin	49.3%	48.0%	48.0%	47.9%	47.2%	47.2%	48.1%	47.5%	45.1%
SG&A expenses	828	1,664	2,430	3,226	873	1,772	2,608	3,479	842
YoY	5.5%	3.3%	2.9%	3.6%	5.4%	6.5%	7.3%	7.8%	-3.6%
SG&A-to-sales ratio	41.5%	42.2%	38.8%	39.4%	39.3%	38.1%	37.8%	39.0%	42.7%
Operating profit	155	225	576	693	177	424	713	766	48
YoY	-60.0%	-65.4%	-46.1%	-44.0%	14.5%	88.5%	23.8%	10.5%	-72.8%
Operating profit margin	7.8%	5.7%	9.2%	8.5%	8.0%	9.1%	10.3%	8.6%	2.4%
Recurring profit	153	227	581	696	178	425	644	702	48
YoY	-60.9%	-65.3%	-45.9%	-43.7%	15.9%	87.1%	10.8%	0.9%	-72.9%
Recurring profit margin	7.7%	5.8%	9.3%	8.5%	8.0%	9.1%	9.3%	7.9%	2.4%
Net income	105	155	377	469	-38	162	232	322	30
YoY	-57.0%	-64.4%	-47.8%	-43.8%	-	4.1%	-38.3%	-31.4%	-
Net margin	5.3%	3.9%	6.0%	5.7%	-	3.5%	3.4%	3.6%	1.5%

Quarterly (JPYmn)	FY03/19				FY03/20				FY03/21
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Sales	1,994	1,946	2,320	1,927	2,223	2,432	2,254	2,021	1,973
YoY	-17.1%	-13.7%	-0.8%	-8.8%	11.5%	25.0%	-2.8%	4.9%	-11.3%
Gross profit	983	907	1,116	914	1,050	1,146	1,125	924	890
YoY	-16.1%	-16.8%	-4.4%	-1.1%	6.8%	26.5%	0.8%	1.1%	-15.3%
Gross profit margin	49.3%	46.6%	48.1%	47.4%	47.2%	47.1%	49.9%	45.7%	45.1%
SG&A expenses	828	836	766	796	873	900	836	871	842
YoY	5.5%	1.1%	2.2%	5.6%	5.4%	7.6%	9.2%	9.3%	-3.6%
SG&A-to-sales ratio	41.5%	43.0%	33.0%	41.3%	39.3%	37.0%	37.1%	43.1%	42.7%
Operating profit	155	70	351	117	177	247	289	53	48
YoY	-60.0%	-73.3%	-16.1%	-31.0%	14.5%	251.4%	-17.7%	-54.9%	-72.8%
Operating profit margin	7.8%	3.6%	15.1%	6.1%	8.0%	10.2%	12.8%	2.6%	2.4%
Recurring profit	153	74	354	115	178	248	219	58	48
YoY	-60.9%	-71.7%	-15.7%	-29.5%	15.9%	234.8%	-38.2%	-49.2%	-72.9%
Recurring profit margin	7.7%	3.8%	15.2%	6.0%	8.0%	10.2%	9.7%	2.9%	2.4%
Net income	105	50	221	92	-38	199	71	89	30
YoY	-57.0%	-73.9%	-22.2%	-18.0%	-	298.7%	-68.0%	-3.0%	-
Net margin	5.3%	2.6%	9.5%	4.8%	-	8.2%	3.1%	4.4%	1.5%

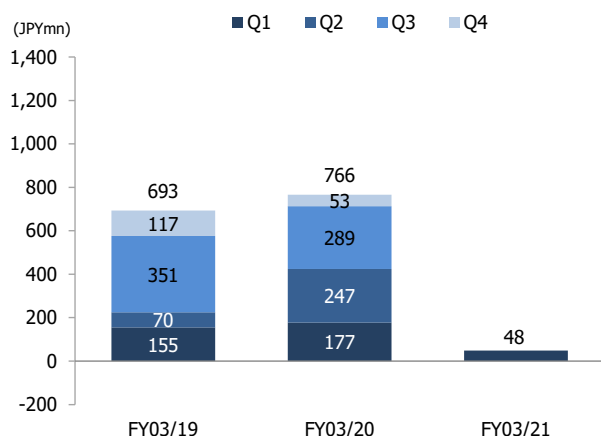
Source: Shared Research, based on company data

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

Q1 FY03/21 results (out August 7)

Q1 FY03/21 results overview (April–June 2021)

- ▷ Sales: JPY2.0bn (-11.3% YoY)
- ▷ Operating profit: JPY48mn (-72.8% YoY)
- ▷ Recurring profit: JPY48mn (-72.9% YoY)
- ▷ Net income* JPY30mn (versus net loss of JPY38mn in Q1 FY03/20)

* Net income attributable to owners of the parent

- ▷ The 11.3% YoY fall in sales to JPY2.0bn reflected a stagnation in global economic activity due to the spread of COVID-19 worldwide. By region, sales fell 4.4% YoY to JPY1.6bn in Japan and dropped 30.4% YoY to JPY409mn overseas. 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.
- ▷ In Japan, sales decreased slightly by 4.4% YoY. Despite the spread of COVID-19 leading to a reduction in the number of stores of the company's primary customers (restaurants and retailers) and revisions to their capital investment plans, the heightened awareness of hygiene among businesses and end consumers brought an expansion to sanitary material-related sales.
- ▷ Overseas sales fell 30.4% YoY, reflecting a weaker appetite for capital investment on the part of its main customers (restaurants and retailers) because of restrictions on going out in many countries brought on by the spread of COVID-19. Sales in Asia suffered in particular.
- ▷ On the earnings front, operating profit fell 72.8% YoY to JPY48mn as the impact of lower sales outweighed YoY reductions of 7.7% to CoGS and of 3.6% to SG&A expenses.

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