

Specialized trading desk company that manages clients' digital advertising

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[9244 Digitallift Sector : Services]

| Fiscal Year | Net sales (mn yen) | YoY (%) | Operating profit (mn yen) | YoY (%) | Ordinary profit (mn yen) | YoY (%) | Profit (mn yen) | YoY (%) | EPS (yen) | BPS (yen) | DPS (yen) |
|--------------|-----------------------|------------|---------------------------------|------------|--------------------------------|------------|--------------------|------------|--------------|--------------|--------------|
| Sep. 2020 | 2,065 | 0.2 | 110 | 4.3 | 113 | 6.1 | 73 | 3.1 | 53.7 | 178.3 | 0.0 |
| Sep. 2021 | 2,336 | 13.1 | 199 | 79.6 | 195 | 72.6 | 127 | 74.4 | 93.6 | 359.3 | 0.0 |
| Sep. 2022 CE | 2,800 | 19.9 | 225 | 13.5 | 228 | 17.1 | 155 | 21.6 | 101.3 | - | 0.0 |
| Sep. 2022 E | 2,725 | 16.6 | 212 | 6.6 | 226 | 15.9 | 154 | 20.6 | 99.5 | 500.8 | 0.0 |
| Sep. 2023 E | 3,140 | 15.2 | 231 | 9.0 | 232 | 2.7 | 159 | 3.2 | 102.7 | 603.5 | 0.0 |
| Sep. 2024 E | 3,572 | 13.8 | 275 | 19.0 | 277 | 19.4 | 190 | 19.5 | 122.7 | 726.3 | 0.0 |

Note: CE(company expectations),E(Stock Research Center expectations)
Source: Stock Research Center

1. Corporate Overview

Digitallift is a company which specializes in the trading desk business that supports advertisers by handling every aspect of digital ad delivery and managing ads for them to maximize advertising effectiveness.

For medium- to large-sized companies, the company offers the agile advertising operation service, which provides advertising operation that flexibly adjusts plans and responds to changes in consumer behavior for clients; the CdMO service, which provides consulting for large companies that supports the client's chief marketing officer in the digital domain; and the LIFT + service, which is an automatic, package-type advertising operation service for small businesses.

2. Financial Analysis

From fiscal year ended September 2017 to fiscal year ended September 2021, net sales saw annual growth at an average of 26.4% and operating profit of 39.9% owing to the expansion of the three services and an increase in the sales ratio of the combination of CdMO and agile advertising operations, which boasts a high profit margin.

In terms of profitability and financial stability, the company is attractive when compared with companies in the same space.

3. Non-Financial Analysis

The source of Digitallift's intellectual capital lies in a companion-type attitude which emphasizes support.

4. Corporate Strategy Analysis

The company's growth strategy includes expanding agile advertising operations and CdMO services by augmenting staff, accelerating the growth of LIFT+ by cultivating sales partners and promoting cross-sales through ancillary services.

5. Analyst Evaluation

We anticipate a 16.6% rise in net sales and 6.6% increase in operating profit for fiscal year ended September 2022 driven by an increase in human resources expenses and recruiting and training expenses associated with aggressive hiring, despite an expected increase in net sales of the three services.

We expect net sales to increase by 15.2% year on year and operating profit by 9.0% in fiscal year ending September 2023, and by 13.8% and 19.0% in fiscal year ending September 2024. This assumes higher net sales due to the effect of increased personnel and the expansion of ancillary services and a higher gross profit margin owing to an improved service mix.

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