

Cloud Integrator with Expertise in Leveraging Microsoft Azure to Construct Mission-Critical Systems

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[5129 FIXER Sector : Information & Communication]

Fiscal Year		Net sales	YoY	Operating profit	YoY	Ordinary profit	YoY	Profit	YoY	EPS	BPS	DPS
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)	(yen)	(yen)	(yen)
Aug. 2021		3,606	21.8	317	-6.1	314	-4.1	196	37.4	109.4	37.3	0.0
Aug. 2022		11,360	215.0	2,394	7.5x	2,391	7.6x	1,495	7.6x	109.4	235.0	0.0
Aug. 2023	CE	12,132	6.8	1,863	-22.2	1,861	-22.2	1,178	-21.2	81.2	-	0.0
Aug. 2023	E	11,494	1.2	1,981	-17.3	1,959	-18.1	1,240	-17.1	84.4	379.0	0.0
Aug. 2024	E	9,628	-16.2	1,347	-32.0	1,347	-31.2	852	-31.3	58.0	437.0	0.0
Aug. 2025	E	10,636	10.5	1,784	32.4	1,785	32.5	1,130	32.6	76.9	513.8	0.0

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

1. Corporate Overview

FIXER is a cloud integrator with strength in leveraging Microsoft Azure to build mission-critical systems. The company's business is divided into the following categories: project-based services, which develop new cloud-focused systems and migrate existing systems to the cloud, resale, which purchases and sells cloud services and other licenses, managed services, which conduct maintenance, operation and similar services and SaaS, which provides automated call centers and other services.

The company's four key clients, including the Ministry of Health, Labour and Welfare in relation to its Health Center Real-time Information-sharing System on COVID-19 (HER-SYS), collectively accounted for 91.7% of net sales in fiscal year August 2022.

2. Financial Analysis

Net sales grew 58.0% per annum from fiscal year ended August 2017 to fiscal year ended August 2022, driven by an increase in the number of clients and larger projects. Ordinary profit outpaced net sales growing at the annual growth rate of 99.7% in the same period, mainly due to a higher profit margin resulting from the expanded application of automation technology.

In terms of profitability, growth potential and financial stability, FIXER is more appealing than other similar companies.

3. Non-Financial Analysis

The source of the company's intellectual capital is its cutting-edge technological capability and its development system featuring young engineers.

4. Corporate Strategy Analysis

The company's growth strategy is to generalize its services to broaden its customer base, to apply automation for expanding its profit margin, to grow the organization and to enhance the quality of its human resources.

5. Analyst Evaluation

For fiscal year ending August 2023, given the results of the first half and changes of environment in the latter half of fiscal year, we forecast a 1.2% increase in net sales and a 17.3% decrease in operating profit.

We expect year-on-year declines of 16.2% and 32.0% in net sales and operating profit, respectively, in fiscal year ending August 2024, based on the premise that HER-SYS-related sales will decline. For fiscal year ending August 2025, we project a 10.5% increase in net sales and a 32.4% increase in operating profit, as we see the decrease in HER-SYS-related projects being offset by the expansion of other projects.

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