

Providing various services related to corporate digital transformation promotion

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[9211 f-code Sector : Service]

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)
Dec. 2021	660	24.3	160	5.1x	149	4.8x	152	3.8x	39.3	120.0	0.0
Dec. 2022	1,071	62.3	230	43.9	225	51.2	194	27.5	46.9	176.0	0.0
Dec. 2023 CE	1,650	54.1	300	30.4	250	11.1	173	-10.7	33.0	-	0.0
Dec. 2023 E	1,670	55.9	306	33.0	256	13.8	176	-9.3	33.6	533.8	0.0
Dec. 2024 E	2,130	27.5	398	30.1	384	50.0	261	48.3	49.8	583.6	0.0
Dec. 2025 E	2,665	25.1	506	27.1	492	28.1	334	28.0	63.7	647.3	0.0

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

1. Corporate Overview

Based on its management philosophy of “enriching the world with marketing technology,” f-code provides services to support the digital transformation for companies.

With its focus on the importance of customer experience, f-code develops and provides marketing tools. Its current main product, CODE Marketing Cloud, is a web-based customer service tool.

2. Financial Analysis

Revenue has continued to rise as the number of clients has grown, with net sales having increased at an average annual growth rate of 23.8% from fiscal year ended December 2016 to fiscal year ended December 2022. Due to an increase in product development expenses, the company recorded operating losses in fiscal year ended December 2018 and fiscal year ended December 2019, but turned profitable in fiscal year ended December 2020. Operating profit increased 5.1 times in fiscal year ended December 2021 and 43.9% year on year in fiscal year ended December 2022.

Compared with the financial indicators of other companies, the three profit lines of f-code are at relatively high and the operating profit margin of f-code exceeds that of the other three companies.

3. Non-Financial Analysis

The source of the company’s intellectual capital is thought to be the data and expertise in the customer experience domain accumulated since its founding as well as its relationship capital with client companies in wide-ranging industries.

4. Corporate Strategy Analysis

The company has indicated that it intends to focus on providing services to companies in the B-to-B field and cultivating regional and medium-sized enterprises with the aim of achieving sustainable business growth by broadening its customer base.

5. Analyst Evaluation

Our view is that the company can increase the number of customers by reinforcing its sales structure, expanding functions and effectively conducting promotional activities.

We expect that the company will surpass its performance forecast slightly in fiscal year ending December 2023, and expect net sales and profit to continue to grow in fiscal year ending December 2024 and beyond.

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