

Boasting high competitiveness in its main revenue source of human resources services business for dental care professionals

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【5127 GUPPY's Sector : Information & Communication】

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)
Aug. 2021		1,396	49.1	304	188.4	304	190.1	229	197.9	76.6	179.9	0.0
Aug. 2022		1,850	32.5	470	54.5	484	59.1	342	48.9	114.1	277.6	0.0
Aug. 2023	CE	2,355	27.3	603	28.3	601	24.0	420	23.0	121.2	-	0.0
Aug. 2023	E	2,374	28.3	609	29.5	607	25.3	422	23.3	116.4	564.8	0.0
Aug. 2024	E	2,992	26.0	742	21.8	743	22.4	518	22.7	142.8	707.6	0.0
Aug. 2025	E	3,641	21.7	896	20.8	897	20.7	627	21.0	172.9	880.5	0.0

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

1. Corporate Overview

GUPPY's is engaged in the human resources services business of operating a job listings site specializing in the medical care, nursing care and welfare fields, as well as the healthcare business of providing a smartphone-based health management app. The company's job listings site for mid-career dental care professionals has been well-received by the industry for its use of pageview-based pricing structure with around 30% of dental clinics using the service.

The composition of net sales for fiscal year ended August 2022 was 89.2% by the human resources services business (70.9% for mid-career hires, 18.3% for new graduate hires) and 10.8% from the healthcare business.

2. Financial Analysis

Net sales increased by 27.0% per annum from fiscal year ended August 2017 to fiscal year ended August 2022 due to rapid growth in advertising revenue from its pageview-based pricing structure for mid-career dental care professional hires. Ordinary profit margin increased from 6.7% in fiscal year ended August 2018 to 26.2% in fiscal year ended August 2022 due to increased revenue.

GUPPY's is more attractive than other similar companies in terms of financial security, profitability and growth potential.

3. Non-Financial Analysis

GUPPY's source of intellectual capital lies in its ability to respond to the needs of dental clinics and its long-term connections with dental care professionals seeking employment.

4. Corporate Strategy Analysis

GUPPY's growth strategy is to expand the added value of its human resources services for dental care professionals, enter the industry's peripheral business and grow the number of customers for its healthcare business.

5. Analyst Evaluation

Given the company's results for the first two quarters of fiscal year ending August 2023 and its measures, we forecast a year-on-year revenue increase of 28.3% and an operating income increase of 29.5% in the fiscal year.

We forecast a year-on-year revenue increase of 26.0% and an operating income increase of 21.8% in fiscal year ending August 2024 and a year-on-year revenue increase of 21.7% and an operating profit increase of 20.8% in fiscal year ending August 2025, expecting an increase in net sales from its pageview-based human resources services business.

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