

Construction technician dispatching business, mainstream of the Company, saw a significant surge in sales and profit in FY2024/3 3Q The demand for the business is expected to be strong for the time being

3Q Flash



Earnings Summary

COPRO-HOLDINGS. Co., Ltd., (COPRO) announced its 3Q FY24/3 (9 months) results after the market closed on Wednesday, February 14, 2024. Key consolidated figures included net sales of ¥17,496 mn (+28.8% YoY), operating profit of ¥1,406 mn (+63.0% YoY), ordinary profit of ¥1,480 mn (+70.8% YoY), and profit attributable to owners of parent of ¥936 mn (+79.7% YoY). Sharp increases in sales and profits were achieved.

■ 3Q Trends by Business Segment

COPRO CONSTRUCTION. Co., Ltd. (formerly COPRO-ENGINEERED), which operates the Company's core business of construction technician dispatching, actively stepped up its recruitment activities in order to capture the growing demand along with the application of the overtime caps to the construction industry in April 2024. As a result, the number of recruits reached 1,539 for 3Q FY24/3 on a cumulative basis, an increase of 514 (+50.1% YoY). Then, the number of technicians increased by 803 (+31.2% YoY) to 3,373, a record-high, (2,570 at the end of the previous 3Q) at the end of 3Q. The proactive recruitment brought the significant growth in net sales. And it absorbed the increase in recruiting and personnel expenses, resulting in an operating profit increase of ¥404 mn YoY.

In the mechanical design and development engineer dispatching and contracting services and the system engineering services (SES), ATMOS and VALUE ARK CONSULTING merged as of October 1, 2023, and changed its name to **COPRO TECHNOLOGY. Co., Ltd.** The operating profit decreased by ¥16 mn YoY, due to the aggressive advance expenses of advertising aiming at increasing the number of recruits, particularly for “Bscareer Mechanical and Electrical”, project search site, and “Bscareer IT”, project introduction site.

In head office costs, though SG&A expenses rose by 8.9% YoY in 3Q, they were much lower than the increase ratio in sales comparatively, due to lower personnel and stock-based compensation costs supported by streamlining back-office operations. Then, the ratio of SG&A to sales was 19.9%, down drastically from 23.5% in the previous 3Q.

■ FY24/3 full-year forecasts

The Company, which made an upward revision at the time of the 1H results announcement, sticks to the same revision: The demand for human resources in the construction industry is expected to remain strong due to the application of the overtime caps to the construction industry to start in coming April, and the Company will continue to flexibly invest in recruitment and the like to secure as many engineers as possible, which is the key to business growth.

FY	Net Sales (¥mn)	YoY (%)	Oper. profit (¥mn)	YoY (%)	Ordin. Profit (¥mn)	YoY (%)	Net profit (¥mn)	YoY (%)	EPS* (yen)	DPS* (yen)
FY2019/3	10,819	20.7	1,344	50.3	1,336	51.1	938	54.4	113.8	21.0
FY2020/3	13,122	21.3	1,592	18.4	1,585	18.6	1,084	15.5	115.1	30.0
FY2021/3	14,836	13.1	1,437	-9.7	1,439	-9.2	1,009	-6.9	53.4	37.5
FY2022/3	15,589	5.1	1,621	12.8	1,619	12.5	962	-4.6	51.1	20.0
FY2023/3	18,791	20.5	1,321	-18.5	1,324	-18.2	864	-10.2	46.5	25.0
FY2024/3 CE	24,298	29.3	2,042	54.5	2,115	59.7	1,361	57.4	72.3	45.0
FY2023/3 3Q	13,584	18.7	862	-23.1	866	-22.6	521	-15.9	28.1	-
FY2024/3 3Q	17,496	28.8	1,406	63.0	1,480	70.8	936	79.7	49.9	-

Source: Compiled by SIR from TANSBIN financial statements.

Note : A two-for-one stock split of common stock was conducted on September 30, 2023.

*EPS and DPS are retroactively adjusted to reflect a 1-for-2 stock split.

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