

# INSIGHTS FROM FINANCE ANALYTICS



These insights can help AtliQ Hardwares make well-informed financial decisions for the coming years. The company must strike a balance between growth and cost-efficiency to sustain profitability, while also considering strategies to improve gross margins in specific markets.

## FISCAL YEAR 2019:

- 1) **Net Sales Growth:** AtliQ Hardwares saw a remarkable surge in net sales from 2019 to 2020, achieving a growth rate of 204.5%. This highlights a strong expansion in the company's sales during this period.
- 2) **Cost of Goods Sold (COGS):** The increase in COGS mirrored the rise in net sales, suggesting that the company effectively managed its expenses in response to the higher sales volume.
- 3) **Gross Margin:** The gross margin improved from 2019 to 2020, indicating that the company successfully maintained profitability while scaling its operations.
- 4) **Gross Margin Percentage (GM%):** While the GM% slightly decreased from 41.4% to 37.3%, it still remained robust, reflecting effective cost control measures.

## FISCAL YEAR 2020:

- 1) **Sustained Growth:** Net sales kept rising in 2020, hitting \$196.7 million, marking a substantial rise from 2019.
- 2) **Cost Control:** The company effectively managed its COGS as operations expanded, ensuring a healthy margin.

- 3) **Gross Margin Improvement:** The gross margin also saw an uptick, showcasing the company's ability to sustain profitability.
- 4) **Stable GM%:** Even with the growth in sales, the GM% stayed steady at 37.3%, reflecting strong cost management practices.

## **FISCAL YEAR 2021:**

- 1) **Significant Growth:** In 2021, net sales saw a dramatic rise, reaching \$598.9 million, reflecting an outstanding 204.5% growth compared to 2020.
- 2) **Challenges on the Horizon:** Despite this impressive growth, the GM% experienced a slight decline from 37.3% to 36.4%, indicating that the company may need to focus on cost optimization to ensure sustained profitability amid rapid expansion.

## **MARKET ANALYSIS (FY 2021):**

- 1) **Regional Performance Insights:** The P&L statement for FY 2021 offers a detailed analysis of net sales, COGS, gross margin, and GM% across different markets, providing valuable insights into regional performance.
- 2) **Profitability by Region:** The variation in gross margin percentages across markets points to areas where the company may need to refine its cost control or pricing strategies.
- 3) **Best Performing Markets:** South Korea and the USA emerge as the most profitable regions, demonstrating the highest gross margins.