

## INSIGHT FROM FINANCE ANALYTICS

These insights can assist AtliQ Hardwares in making informed financial decisions for the upcoming years. It's essential for the company to balance its growth with cost-effective measures to maintain profitability and potentially explore strategies to enhance the gross margin in certain markets.

### FISCAL YEAR 2019:

1. Net Sales Growth: AtliQ Hardwares experienced a substantial increase in net sales from 2019 to 2020, with a growth rate of 204.5%. This indicates a significant expansion of the company's sales during this period.
2. Cost of Goods Sold (COGS): COGS also increased in line with net sales, demonstrating that the company was able to manage its costs effectively in response to higher sales.
3. Gross Margin: The gross margin increased from 2019 to 2020, reflecting that the company was able to maintain profitability while scaling up its operations.
4. Gross Margin Percentage (GM%): Although there was a slight decrease in GM% (from 41.4% to 37.3%), it remained relatively healthy, indicating efficient cost management.

### FISCAL YEAR 2020:

1. Continued Growth: Net sales continued to grow in 2020, reaching \$196.7 million, which is a significant increase compared to 2019.
2. Cost Management: The company effectively controlled COGS as it scaled up its operations, maintaining a reasonable margin.
3. Gross Margin: Gross margin also increased, reflecting the company's ability to maintain profitability.
4. GM% Stability: Despite the increase in sales, the GM% remained relatively stable at 37.3%, indicating efficient cost control measures.

### FISCAL YEAR 2021:

1. Remarkable Growth: 2021 witnessed a substantial increase in net sales, reaching \$598.9 million, indicating an impressive 204.5% growth compared to 2020.
2. Challenges Ahead: However, the GM% slightly decreased from 37.3% to 36.4%, which suggests that the company may need to focus on optimizing costs to maintain profitability in the face of rapid growth.

### MARKET ANALYSIS (FY 2021):

1. **Market-Specific Insights:** The P&L statement for FY 2021 provides a breakdown of net sales, COGS, gross margin, and GM% for different markets, offering valuable insights into the performance of various regions.
2. **Profitability Across Markets:** The gross margin percentages for different markets vary, highlighting areas where the company may need to focus on cost management or pricing strategies.
3. **Top Performing Markets:** South Korea and the USA appear to be the most profitable markets in terms of gross margin.