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On **May 10, 2018**, Snow Peak, Inc. announced earnings results for Q1 FY12/18.

Cumulative (JPYmn)	FY12/17				FY12/18				FY12/18	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	% of FY	FY Est.
Sales	2,236	5,053	7,613	9,910	2,308				20.1%	11,500
YoY	10.6%	4.1%	5.9%	7.5%	3.2%					24.7%
Gross profit	1,103	2,535	3,820	4,931	1,205					
YoY	14.7%	7.3%	6.6%	6.1%	9.2%					
GPM	49.3%	50.2%	50.2%	49.8%	52.2%					
SG&A expenses	1,129	2,387	3,736	5,073	1,255					
YoY	34.5%	33.0%	35.0%	33.7%	11.2%					
SG&A ratio	50.5%	47.2%	49.1%	51.2%	54.4%					
Operating profit	-26	148	84	-142	-51				-	200
YoY	-	-74.0%	-89.7%	-	-					-
OPM	-	2.9%	1.1%	-	-					-
Recurring profit	-14	163	116	-39	-91				-	180
YoY	-	-66.7%	-84.2%	-	-					-
RPM	-	3.2%	1.5%	-	-					-
Net income	-33	27	-31	-251	-96				-	68
YoY	-	-89.8%	-	-	-					-
Net margin	-	0.5%	-	-	-					-

  

Quarterly (JPYmn)	FY12/17				FY12/18			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	2,236	2,817	2,560	2,297	2,308			
YoY	10.6%	-0.5%	9.6%	13.0%	3.2%			
Gross profit	1,103	1,432	1,285	1,111	1,205			
YoY	14.7%	2.2%	5.3%	4.3%	9.2%			
GPM	49.3%	50.8%	50.2%	48.4%	52.2%			
SG&A expenses	1,129	1,258	1,349	1,336	1,255			
YoY	34.5%	31.6%	38.7%	30.1%	11.2%			
SG&A ratio	50.5%	44.7%	52.7%	58.2%	54.4%			
Operating profit	-26	174	-64	-225	-51			
YoY	-	-61.0%	-	-	-			
OPM	-	6.2%	-	-	-			
Recurring profit	-14	177	-47	-155	-91			
YoY	-	-53.4%	-	-	-			
RPM	-	6.3%	-	-	-			
Net income	-33	61	-59	-220	-96			
YoY	-	-72.2%	-	-	-			
Net margin	-	2.2%	-	-	-			

Source: Shared Research based on company data

Note: Amounts in the table may differ from company data due to differences in rounding methods.

Because Snow Peak primarily sells car camping goods, sales tend to increase from spring through fall and decline in Q1 and Q4.

#### Number of stores

	FY12/17				FY12/18			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Directly managed stores	25	29	29	30				
Japan	19	22	22	22				
US	2	2	2	2				
Taiwan	2	2	2	2				
South Korea	2	3	3	4				
In-store	66	67	69	71				
Japan	60	60	62	64				
Taiwan	6	7	7	7				
Shop-in-shop	142	152	156	159				
Japan	130	140	144	145				
South Korea	12	12	12	14				

Source: Shared Research based on company data

## Sales by segment

Cumulative (JPYmm)	FY12/17				FY12/18			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Total sales</b>	2,236	5,053	7,613	9,910	2,308			
YoY	10.6%	4.1%	5.9%	7.5%	3.2%			
Outdoor	1,956	4,478	6,626	8,503				
YoY	6.7%	1.2%	1.5%	3.6%				
% of total sales	87.5%	88.6%	87.0%	85.8%				
Apparel	210	435	690	983				
YoY	33.8%	46.0%	39.4%	32.3%				
% of total sales	9.4%	8.6%	9.1%	9.9%				
Urban outdoor	41	63	90	113				
YoY	127.8%	53.7%	40.6%	3.7%				
% of total sales	1.8%	1.2%	1.2%	1.1%				
Other (EAT, CF)	26	75	206	310				
YoY	100.0%	56.3%	92.5%	96.2%				
% of total sales	1.2%	1.5%	2.7%	3.1%				

  

Quarterly (JPYmm)	FY12/17				FY12/18			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Total sales</b>	2,236	2,817	2,560	2,297	2,308			
YoY	10.6%	-0.5%	9.6%	13.0%	3.2%			
Outdoor	1,956	2,522	2,148	1,877				
YoY	6.7%	-2.8%	2.3%	11.5%				
% of total sales	87.5%	89.5%	83.9%	81.7%				
Apparel	210	225	255	293				
YoY	33.8%	59.6%	29.4%	18.1%				
% of total sales	9.4%	8.0%	10.0%	12.8%				
Urban outdoor	41	22	27	23				
YoY	127.8%	-4.3%	17.4%	-48.9%				
% of total sales	1.8%	0.8%	1.1%	1.0%				
Other (EAT, CF)	26	49	131	104				
YoY	100.0%	40.0%	122.0%	103.9%				
% of total sales	1.2%	1.7%	5.1%	4.5%				

Source: Shared Research based on company data

Note: Amounts in the table may differ from company data due to differences in rounding methods.

## Sales by region

Cumulative (JPYmm)	FY12/17				FY12/18			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Sales</b>	2,236	5,053	7,613	9,910	2,308			
YoY	10.6%	4.1%	5.9%	7.5%	3.2%			
Japan	1,750	3,931	6,043	7,757				
YoY	14.9%	2.4%	4.7%	4.9%				
% of sales	78.3%	77.8%	79.4%	78.3%				
US	147	308	471	618				
YoY	-2.6%	-5.2%	-1.5%	1.3%				
% of sales	6.6%	6.1%	6.2%	6.2%				
Taiwan	215	450	575	734				
YoY	-6.5%	15.7%	11.0%	3.1%				
% of sales	9.6%	8.9%	7.6%	7.4%				
South Korea	123	310	471	622				
YoY	10.8%	12.3%	18.6%	23.2%				
% of sales	5.5%	6.1%	6.2%	6.3%				

  

Quarterly (JPYmm)	FY12/17				FY12/18			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Sales</b>	2,236	2,817	2,560	2,297	2,308			
YoY	10.6%	-0.5%	9.6%	13.0%	3.2%			
Japan	1,750	2,181	2,112	1,714				
YoY	14.9%	-5.7%	9.3%	5.6%				
% of sales	78.3%	77.4%	82.5%	74.6%				
US	147	161	163	147				
YoY	-2.6%	-7.5%	6.5%	11.4%				
% of sales	6.6%	5.7%	6.4%	6.4%				
Taiwan	215	235	125	159				
YoY	-6.5%	47.8%	-3.1%	-18.0%				
% of sales	9.6%	8.3%	4.9%	6.9%				
South Korea	123	187	161	151				
YoY	10.8%	13.3%	33.1%	39.8%				
% of sales	5.5%	6.6%	6.3%	6.6%				

Source: Shared Research based on company data

Note: Amounts in the table may differ from company data due to differences in rounding methods.

For Q1 FY12/18, the company reported sales of JPY2.3bn (+3.2% YoY), operating loss of JPY51mn (operating loss of JPY26mn in Q1 FY12/17), recurring loss of JPY91mn (recurring loss of JPY14mn in Q1 FY12/17), and net loss attributable to parent company shareholders of JPY96mn (net loss attributable to parent company shareholders of JPY33mn in Q1 FY12/17).

As set out below, sales increased as a result of expanded sales of apparel products within Japan.

#### Domestic business

- ▷ Comparable store sales at directly managed stores (stores for which a year has passed since the next fiscal year of opening) rose 12.4% YoY. Sales of apparel products expanded
- ▷ In-store sales decreased 15.1% YoY, and other wholesale sales decreased 17.8%. Sales decreased YoY due to the timing of full scale shipping of the Entry Pack TT, a key new product for the period, and release of products commemorating the 60th anniversary of the company, both of which are slated for Q2
- ▷ E-commerce sales rose 18.8% YoY. The company redesigned its online store in FY12/17

#### Overseas business

- ▷ Sales in Taiwan decreased 21.8% YoY. As with the domestic business, wholesale sales declined due to the timing of the release of new products, which is scheduled for Q2
- ▷ Sales in South Korea rose 4.8% YoY. This increase in sales is due to the influence of the opening in February, 2018 of a directly managed store in Shinsegae Siheung Premium Outlet, which has an average of 450,000 visitors per month
- ▷ Sales in the US rose 18.3% YoY. Improvements to operations continued, with the expanded shipments predominantly in wholesale

#### New businesses

- ▷ Snow Peak Chiho Saisei (Regional Revitalization) Consulting contracted on projects with local governments, and recorded sales of JPY176mn
- ▷ The Urban Outdoor, Outdoor Office, and Glamping businesses continued with the development of original products and new stores, and implemented multiple projects in collaboration with other companies

Gross profit increased as the company expanded the proportion of total sales from directly managed stores, and controlled inventory valuation losses through its efforts to optimize inventory management (primarily of apparel products).

Operating and recurring losses and net loss attributable to parent company shareholders were recorded due to the increase in costs relating to strategic investments implemented in FY12/17 (Snow Peak Operation Core HQ2, the new SAP core system, the opening of directly managed stores), and costs such as land rent for Snow Peak Tokyo HQ3, which opened in Tokyo in FY12/18 as a base from which to disseminate Snow Peak's worldview globally.

This note is the most recent addition to the [full report](#).

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