



Skylark Holdings

TSE 1st Section 3197 Industry: Food service, retail

June sales

Monthly data for June: slightly negative

Skylark HD (3197, the company) disclosed monthly data for June (on a preliminary basis). Same-store sales were 92.4% YoY (same month last year = 100%). The day-of-week effect is neutral. The breakdown is as follows: number of customers 90.5%; average spend per customer 102.1%. Sales were 64.7% of June 2019 figure. The number of stores with shorter hours has decreased from May, but the sales trend appears to be weak, in our view. The impression is slightly negative.

In June, the company opened 1 new store. The number of stores at the end of the month was 3,104 (-8 MoM).

Please refer to the report dated July 1, 2021 for the rationale of the rating and target price.

MITA SECURITIES Co., Ltd.
Junichi Shimizu
Chief Analyst, Head of Research

jshimizu@mitasec.com

Update

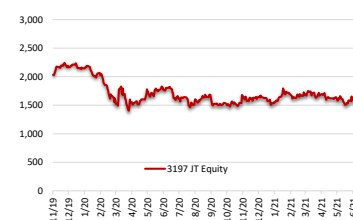
Rating
Hold

Target price (JPY)	1,550
Stock price (JPY) (Jul 2)	1,537
Market cap (JPYbn)	349.7

Key changes

Rating	No
Target price	No
Earnings forecast	No

Stock price (JPY)



Source: Bloomberg Finance LP

Earnings

IFRS		12/19	12/20	12/21E	12/22E	12/23E
Sales	JPYbn	375.4	288.4	282.0	332.4	362.1
OP	JPYbn	20.6	-23.0	5.3	7.5	20.7
Pre-tax Profit	JPYbn	16.7	-26.4	1.5	4.6	17.9
NP	JPYbn	9.5	-17.2	0.5	2.7	12.0
EPS	JPY	48.0	-87.2	2.2	11.8	52.6
BPS	JPY	672	576	699	711	759
DPS	JPY	19.0	0.0	0.0	4.0	16.0
PER	x	44.4	-18.3	700.5	130.7	29.5
PBR	x	3.2	2.8	2.2	2.2	2.0
Div. yield	%	0.9	0.0	0.0	0.3	1.0
ROA	%	2.4	-3.8	0.1	0.6	2.5
ROE	%	7.2	-14.0	0.4	1.7	7.2

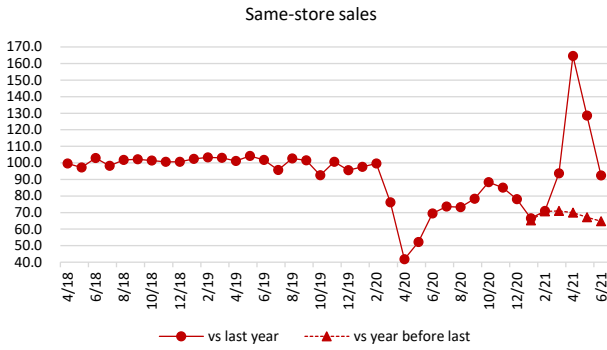
Source: Company data, Mita Securities

Company profile

Skylark HD is Japan's largest operator of family restaurants, including "Gusto," and "Bamiyan." The company had 3,115 stores at the end of March 2021. FY12/20 sales were 288.4bn yen.

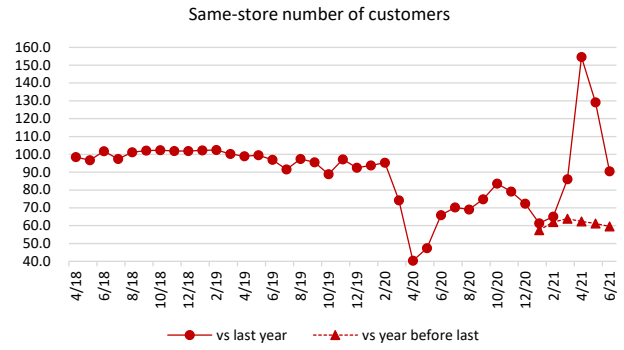
Monthly data

Figure: Same-store sales



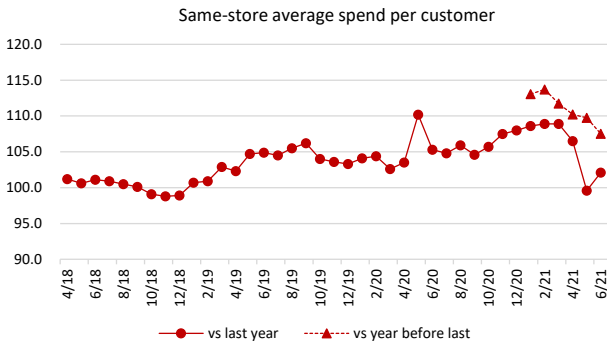
Source: Company data, Mita Securities Note: Same month last year or year before last = 100

Figure: Same-store number of customers



Source: Company data, Mita Securities Note: Same month last year or year before last = 100

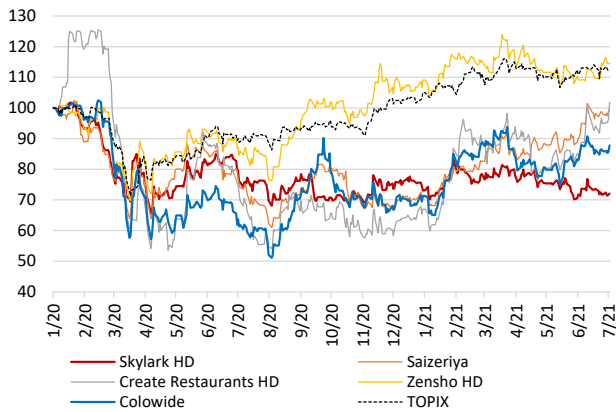
Figure: Same-store average spend per customer



Source: Company data, Mita Securities Note: Same month last year or year before last = 100

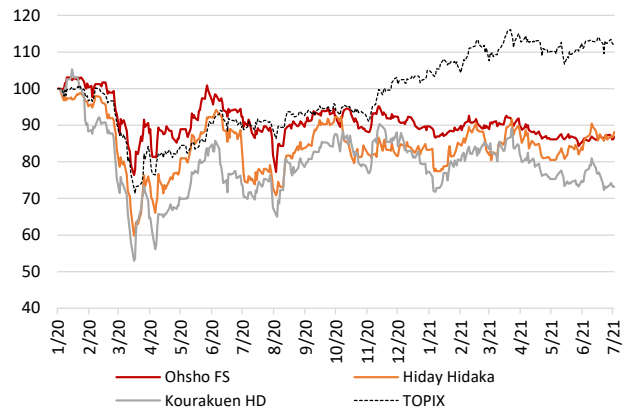
Stock price trends for food service companies

Figure: Stock price trends (family restaurants, general type)



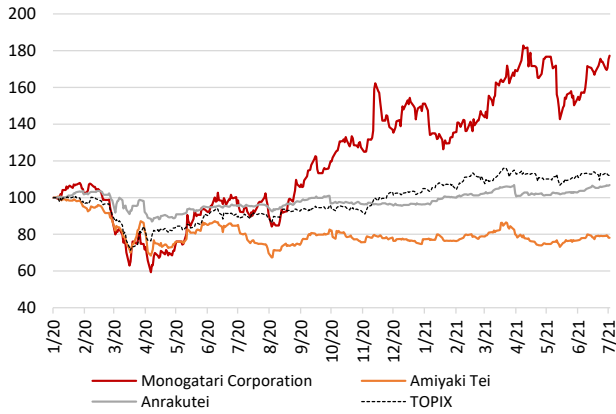
Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

Figure: Stock price trends (Chinese restaurants)



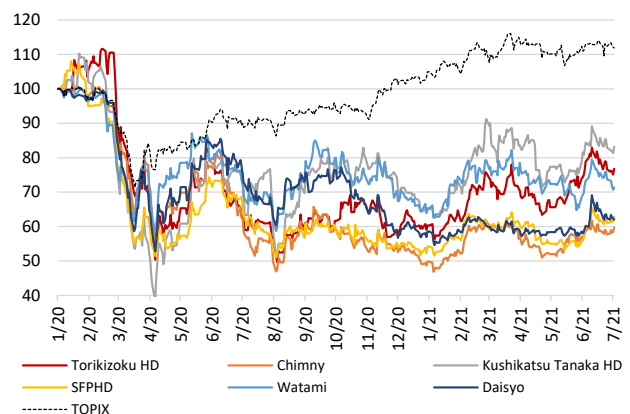
Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

Figure: Stock price trends (Japanese BBQ)



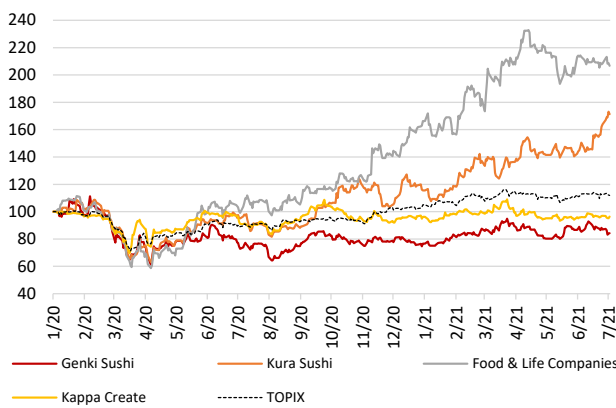
Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

Figure: Stock price trends (Japanese style pubs)



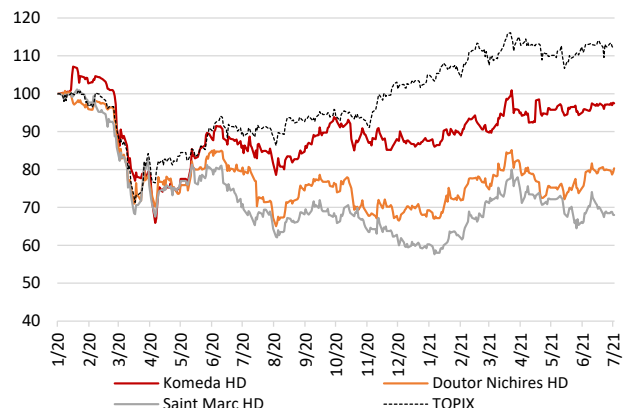
Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

Figure: Stock price trends (sushi restaurants)



Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

Figure: Stock price trends (coffee shops)



Source: Bloomberg Finance LP data, Mita Securities Note: Indexed to 100 at the end of 2019

APPENDIX

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