



MonotaRO

TSE Prime

3064

Industry: Retail, Internet

Positive impression on April sales

April sales grew 17.6%, above the company's target

Parent company sales in April were 17,214bn yen (+17.6% YoY), above the company's monthly target. The number of business days was 20, one day less than in April 2021. The sales growth rate per business day was +23.4% YoY (+22.7% for March).

Sales to large corporations increased by around +36% YoY, slightly below the company's target.

Sales to SMEs (monotaro.com) increased by around +13% YoY, above the company's target. Average purchase price was 9,600 yen (9,060 yen in April 2021), and average number of purchases was 2.5 times (2.4 times in April 2021).

The number of new customer acquisitions was 117.4 thousand accounts (+3.9% YoY), above the company's target.

Please refer to the report dated February 17, 2022 for the rationale of the rating and target price.

MITA SECURITIES Co., Ltd.

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Update

Rating

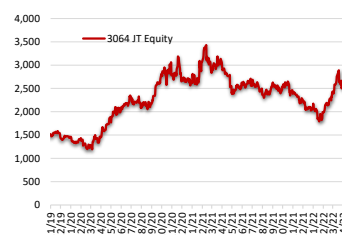
Hold

Target price (JPY)	2,150
Stock price (JPY) (May 10)	2,019
Market cap (JPYbn)	1,012.2

Key changes

Rating	No
Target price	No
Earnings forecast	No

Stock price (JPY)



Source: Bloomberg Finance LP

Earnings

		12/20	12/21	12/22E	12/23E	12/24E
Sales	JPYbn	157.3	189.7	226.2	267.8	313.4
OP	JPYbn	19.6	24.1	23.7	30.1	36.2
RP	JPYbn	19.7	24.3	23.8	30.1	36.3
NP	JPYbn	13.8	17.6	16.7	21.4	25.7
EPS	JPY	27.7	35.3	33.6	43.0	51.8
BPS	JPY	94.1	119.3	137.6	164.6	196.4
DPS	JPY	9.0	11.5	13.5	16.0	20.0
PER	x	94.7	55.1	57.9	45.3	37.6
PBR	x	27.9	16.3	14.1	11.8	9.9
Div. yield	%	0.3	0.6	0.7	0.8	1.0
ROA	%	19.5	19.8	15.9	17.2	17.6
ROE	%	32.9	33.1	26.2	28.4	28.7

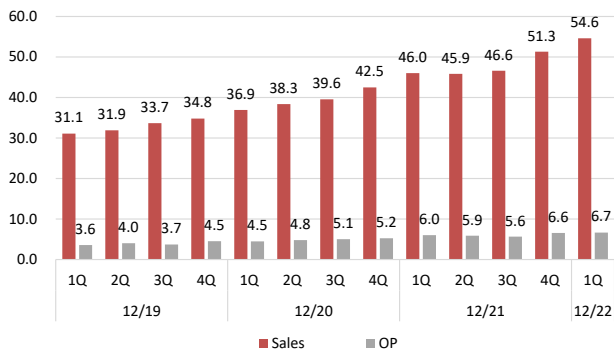
Source: Company data, Mita Securities

Note: Adjusted for stock split

Company profile

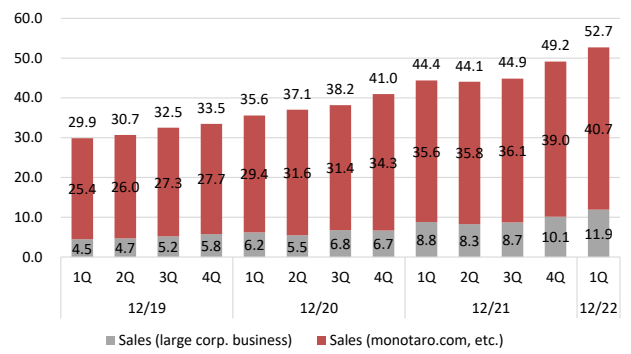
MonotaRO is an EC company that sells indirect materials (MRO products) used in factories, construction sites, and auto repair shops. The company has over 18 million products and 6.78 million registered accounts (as of the end of December 2021). The company is a consolidated subsidiary of W.W. Grainger.

Figure: Consolidated sales, OP (quarterly, JPYbn)



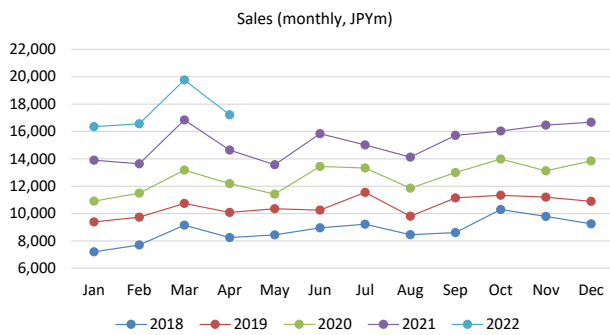
Source: Company data, Mita Securities Note: Consolidated basis

Figure: Parent sales (quarterly, JPYbn)



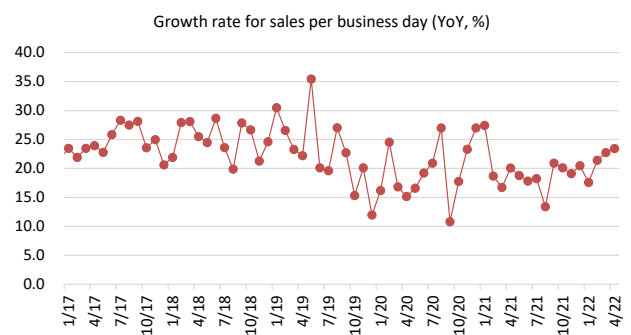
Source: Company data, Mita Securities Note: Parent basis

Figure: Parent monthly sales (JPYm)



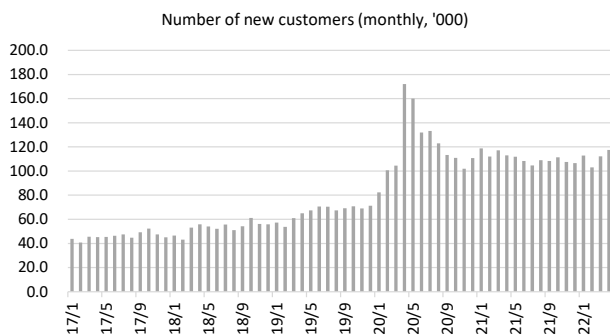
Source: Company data, Mita Securities Note: Parent basis

Figure: Parent sales growth (monthly)



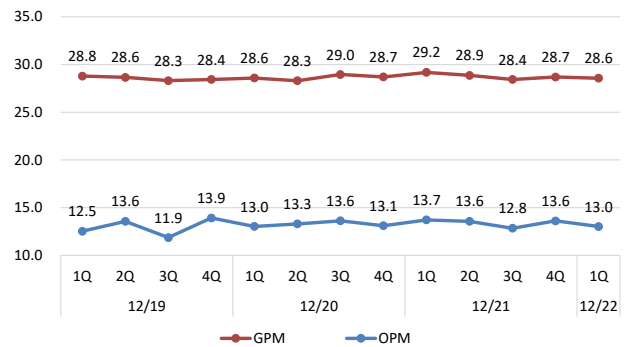
Source: Company data, Mita Securities Note: Parent basis, adjusted for business days

Figure: Parent number of new customers (monthly)



Source: Company data, Mita Securities Note: Parent basis

Figure: Parent GPM, OPM (quarterly)



Source: Company data, Mita Securities

Figure: Comparison of valuations for Japanese EC companies

Company	Ticker	Share price 9-May	Mkt cap JPYbn	PER LTM	PER	PER	PBR Last	EV/EBITDA	EV/Sales	ROE	ROE	Sales growth Current E	EPS growth	EPS growth	Div Yield Current E	1M	3M	1YR
					Current E	Next E		Next E	Next E	Current E	Next E		Current E	Next E		Change	Change	Change
ASKUL CORP	2678	1,493	153.7	17.6	16.4	15.0	2.6	4.9	0.3	16.0	16.4	2.9	20.3	9.2	2.0	-7.7	-11.8	-22.6
MONOTARO CO LTD	3064	1,947	999.1	54.9	56.0	45.7	16.1	28.3	3.8	26.6	29.0	19.1	0.7	22.7	0.7	-22.0	0.3	-21.8
ZOZO INC	3092	2,626	812.1	22.7	20.7	18.6	14.2	11.9	3.9	52.3	42.9	11.0	9.7	11.2	2.4	-20.2	-18.8	-27.5
MERCARI INC	4385	2,132	343.3	NA	NA	662.4	9.5	25.1	1.6	-21.4	-9.5	34.4	-194.3	NA	0.0	-29.5	-45.1	-57.9
Z HOLDINGS CORP	4689	444	3,264.8	42.2	31.2	24.4	1.2	8.7	2.0	3.8	4.8	6.9	34.9	28.0	1.4	-17.3	-27.7	-9.5
RAKUTEN GROUP INC	4755	863	1,328.7	NA	NA	NA	1.7	NA	NA	-17.4	0.2	2.4	NA	NA	0.5	-11.9	-16.6	-37.1
MISUMI GROUP INC	9962	2,848	791.3	21.0	18.7	17.6	2.8	8.9	1.7	15.3	14.3	3.4	12.7	6.3	1.3	-19.4	-22.2	-19.8
Average				31.7	28.6	130.6	6.9	14.6	2.2	10.8	14.0	11.4	-19.3	15.5	1.2	-18.3	-20.3	-27.9
Median				22.7	20.7	21.5	2.8	10.4	1.8	15.3	14.3	6.9	11.2	11.2	1.3	-19.4	-18.8	-22.6

Source: Bloomberg Finance LP data, Mita Securities

Note: Forecasts are based on Bloomberg consensus

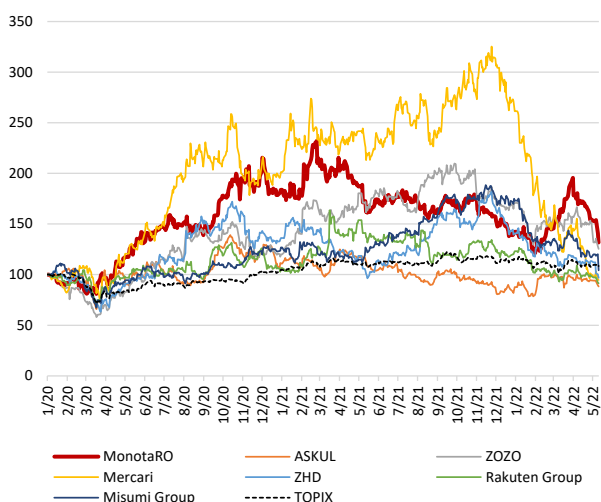
Figure: Comparison of valuations for overseas EC companies

Company	Ticker	Share price 9-May	Mkt cap USDbn	PER LTM	PER	PER	PBR Last	EV/EBITDA	EV/Sales	ROE	ROE	Sales growth Current E	EPS growth	EPS growth	Div Yield Current E	1M	3M	1YR
					Current E	Next E		Next E	Next E	Current E	Next E		Current E	Next E		Current E	Next E	Change
AMAZON.COM INC	AMZN	2,175.78	1,106.9	62.0	50.7	28.7	8.3	12.2	1.9	10.9	16.9	5.9	-40.0	77.0	0.0	-29.6	-31.6	-31.8
ALIBABA GROUP HOLDING-SP ADR	BABA	84.84	230.0	12.5	13.2	11.5	1.6	6.6	1.1	9.8	10.1	7.0	-33.3	14.5	0.0	-18.1	-31.6	-61.4
EBAY INC	EBAY	49.26	27.6	13.1	12.1	11.1	4.0	8.3	2.9	17.0	30.0	-10.4	1.5	8.5	1.7	-10.5	-16.2	-19.8
JD.COM INC-ADR	JD	51.04	79.7	66.5	31.7	20.4	2.6	11.7	0.3	4.8	7.9	16.5	101.9	55.2	0.0	-9.7	-33.2	-28.5
VIPSHOP HOLDINGS LTD -ADR	VIPS	6.97	4.6	6.4	5.6	5.1	1.0	1.8	0.1	14.0	13.2	-9.2	-2.8	9.2	0.0	-14.0	-29.8	-73.0
Average				32.1	22.6	15.4	3.5	8.1	1.3	11.3	15.6	2.0	5.5	32.9	0.3	-16.4	-28.5	-42.9
Median				13.1	13.2	11.5	2.6	8.3	1.1	10.9	13.2	5.9	-2.8	14.5	0.0	-14.0	-31.6	-31.8

Source: Bloomberg Finance LP data, Mita Securities

Note: Forecasts are based on Bloomberg consensus

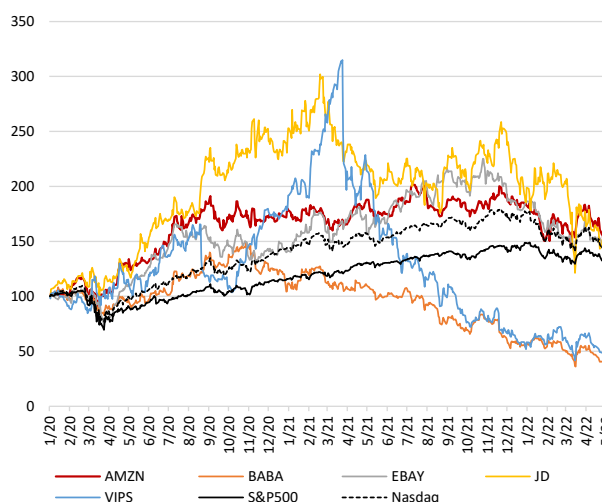
Figure: Stock price trends for Japanese EC companies



Source: Bloomberg Finance LP data, Mita Securities

Note: Indexed 100 at the end of 2019

Figure: Stock price trends for overseas EC companies



Source: Bloomberg Finance LP data, Mita Securities

Note: Indexed 100 at the end of 2019

APPENDIX

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