



# MonotaRO

TSE Prime

3064

Industry: Retail, Internet

## Positive impression on May sales

### May sales grew 20.9%, above the company's target

Parent company sales in May were 16.401bn yen (+20.9% YoY), above the company's monthly target. The number of business days was 19, one day more than in May 2021. The sales growth rate per business day was +14.5% YoY (+23.4% for April). The negative impact of the Shanghai lockdown appears to be limited so far.

Sales to large corporations increased by around 39% YoY, 5% above the company's target.

Sales to SMEs (monotaro.com) increased by 16 to 17% YoY, in line with the company's target. Average purchase price was 9,600 to 9,700 yen (9,000 yen in May 2021), and average number of purchases was 2.4 times (2.3 times in May 2021).

The number of new customer acquisitions was 111.3 thousand accounts (-0.4% 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

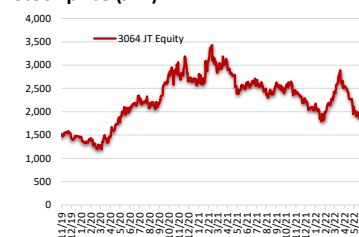
Rating  
**Hold**

Target price (JPY)	2,150
Stock price (JPY) (Jun 10)	2,026
Market cap (JPYbn)	1,015.7

### 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	58.9	61.9	48.4	40.1
PBR	x	27.9	17.4	15.1	12.6	10.6
Div. yield	%	0.3	0.6	0.6	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

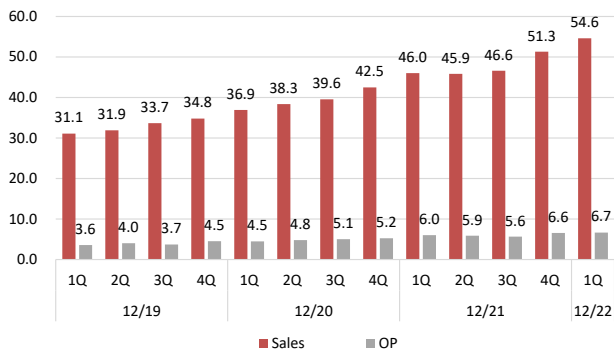
Source: Company data, Mita Securities

Note: Adjusted for stock split

### Company profile

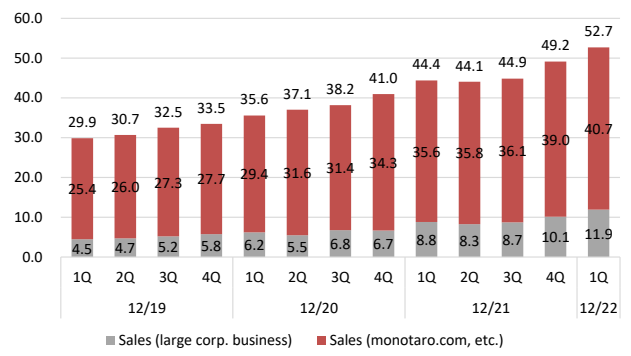
MonotaRO is an EC company that sells indirect materials (MRO products) used in factories, construction sites, and auto repair shops. The company has over 18 million products and 6.78 million registered accounts (as of the end of December 2021). The company is a consolidated subsidiary of W.W. Grainger.

Figure: Consolidated sales, OP (quarterly, JPYbn)



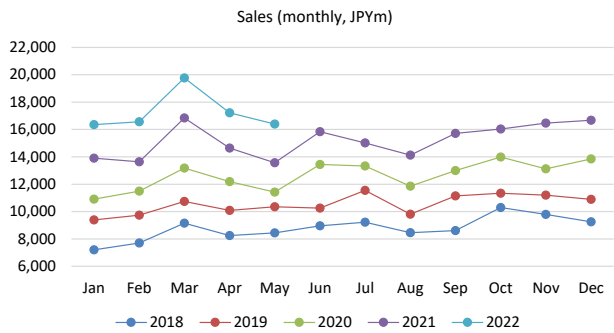
Source: Company data, Mita Securities Note: Consolidated basis

Figure: Parent sales (quarterly, JPYbn)



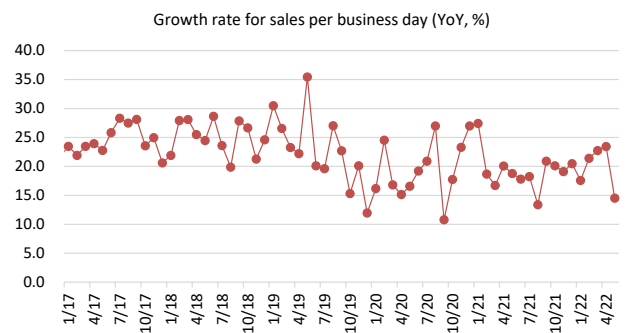
Source: Company data, Mita Securities Note: Parent basis

Figure: Parent monthly sales (JPYm)



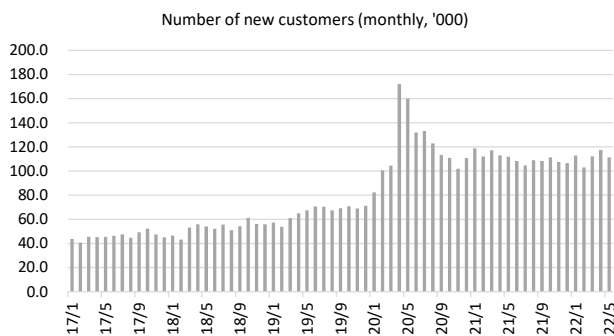
Source: Company data, Mita Securities Note: Parent basis

Figure: Parent sales growth (monthly)



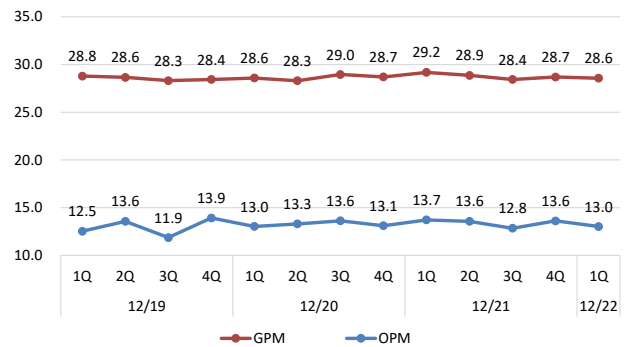
Source: Company data, Mita Securities Note: Parent basis, adjusted for business days

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-Jun	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 Change	3M Change	1YR Change
					Current E	Next E		Next E	Next E	Current E	Next E		Current E	Next E				
ASKUL CORP	2678	1,528	149.0	17.9	16.6	15.2	2.6	4.7	16.0	16.4	2.9	2.9	21.1	9.3	1.9	0.7	-7.4	-18.2
<b>MONOTARO CO LTD</b>	<b>3064</b>	<b>2,080</b>	<b>1,042.7</b>	<b>57.3</b>	<b>59.7</b>	<b>48.3</b>	<b>16.8</b>	<b>29.6</b>	<b>3.9</b>	<b>26.8</b>	<b>28.5</b>	<b>20.3</b>	<b>-1.3</b>	<b>23.6</b>	<b>0.7</b>	<b>3.0</b>	<b>-14.2</b>	<b>-20.8</b>
ZOZO INC	3092	2,664	830.2	23.2	21.4	19.4	14.5	12.4	4.0	56.8	47.0	10.4	8.4	10.3	2.3	-0.7	-16.1	-28.9
MERCARI INC	4385	2,239	359.5	NA	NA	966.8	9.9	26.3	1.7	-21.8	-7.3	26.0	-223.9	NA	0.0	1.4	-28.7	-57.6
Z HOLDINGS CORP	4689	440	3,341.6	43.2	34.7	25.8	1.2	9.6	2.0	3.4	4.5	6.2	24.3	34.6	1.3	0.8	-15.0	-11.9
RAKUTEN GROUP INC	4755	726	1,150.6	NA	NA	NA	1.6	NA	NA	-18.3	-2.2	13.2	NA	NA	0.6	-15.0	-21.1	-43.2
MISUMI GROUP INC	9962	3,020	859.0	22.9	20.7	19.2	3.1	9.6	1.8	14.4	13.9	2.4	10.5	7.8	1.2	6.1	-14.6	-14.0
Average				32.9	30.6	182.4	7.1	15.4	2.3	11.0	14.4	11.6	-26.8	17.1	1.2	-0.5	-16.7	-27.5
Median				23.2	21.4	22.6	3.1	11.0	1.9	14.4	13.9	10.4	9.5	10.3	1.2	0.8	-15.0	-20.8

Source: Bloomberg Finance LP data, Mita Securities

Note: Forecasts are based on Bloomberg consensus

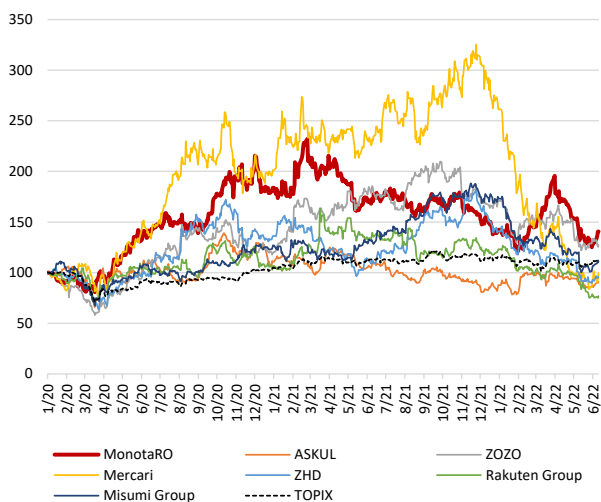
Figure: Comparison of valuations for overseas EC companies

Company	Ticker	Share price 9-Jun	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 Change	3M Change	1YR Change
					Current E	Next E		Next E	Next E	Current E	Next E		Current E	Next E				
AMAZON.COM INC	AMZN	116.15	1,181.8	66.2	58.8	31.4	8.8	13.2	2.0	7.2	16.1	5.9	-44.7	87.0	0.0	6.8	-16.6	-29.2
ALIBABA GROUP HOLDING-SP ADR	BABA	109.90	297.9	15.3	15.0	12.4	2.1	8.2	1.5	10.3	10.6	3.6	-6.8	20.6	0.0	29.5	8.9	-48.5
EBAY INC	EBAY	46.69	26.1	12.4	11.7	10.7	3.8	8.1	2.8	6.6	32.7	-11.2	-0.6	9.0	1.9	-5.2	-12.0	-29.2
JD.COM INC-ADR	JD	61.40	95.9	89.3	39.4	26.5	3.1	17.0	0.4	3.6	7.1	3.6	94.0	48.8	0.3	23.3	0.9	-13.3
VIPSHOP HOLDINGS LTD--ADR	VIPS	10.37	6.8	10.3	8.8	7.9	1.4	4.5	0.3	12.7	12.8	-23.0	-8.7	10.4	0.0	48.8	30.1	-53.4
Average				38.7	26.7	17.8	3.8	10.2	1.4	8.1	15.9	-4.2	6.6	35.2	0.4	20.6	2.3	-34.7
Median				15.3	15.0	12.4	3.1	8.2	1.5	7.2	12.8	3.6	-6.8	20.6	0.0	23.3	0.9	-29.2

Source: Bloomberg Finance LP data, Mita Securities

Note: Forecasts are based on Bloomberg consensus

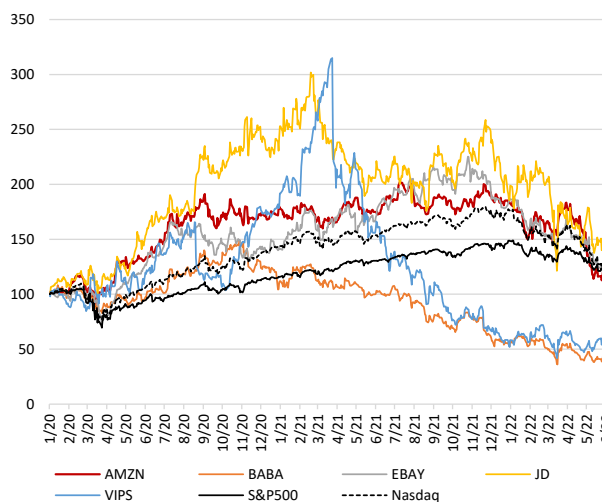
Figure: Stock price trends for Japanese EC companies



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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