



# Skylark Holdings

TSE Prime 3197 Industry: Food service, retail

## Improving gradually, but still below target

### May SSS: 122.0% vs. 2021; 81.7% vs. 2019 (pre-pandemic)

Skylark Holdings (3197, the company) disclosed monthly data for May (on a preliminary basis). Same-store sales have been improving gradually on the back of the recovery of foot traffic, but still below the company's target. As the company has stores throughout Japan, there appears to be a mix of areas where the recovery has been progressing and areas where the recovery has been sluggish. Since May 26, the company has been running aggressive promotions. We will watch closely to see if sales will recover in June.

Same-store sales were 122.0% vs. May 2021 (110.6% for April), 156.9% vs. May 2020 (182.0% for April), and 81.7% vs. May 2019 (77.4% for April). The number of holidays (weekends and holidays) was one day less than in May 2021 and May 2020, and two more than in May 2019. Compared to May 2021, the guest count was 114.9% (107.5% for April), and the average check was 106.2% (102.9% for April).

In May, the company opened one new store (Shabuyo in Malaysia). The number of stores at the end of May was 3,090 (-3 MoM).

Please refer to the report dated February 24, 2022 for the rationale of the rating and target price.

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## Update

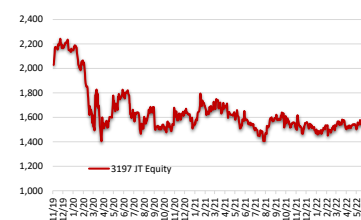
Rating  
**Hold**

Target price (JPY)	1,600
Stock price (JPY) (Jun 2)	1,568
Market cap (JPYbn)	356.7

### Key changes

Rating	No
Target price	No
Earnings forecast	No

### Stock price (JPY)



Source: Bloomberg Finance LP

### Earnings

IFRS		12/20	12/21	12/22E	12/23E	12/24E
Sales	JPYbn	288.4	264.6	311.9	343.1	359.2
OP	JPYbn	-23.0	18.2	8.8	10.0	17.6
Pre-tax Profit	JPYbn	-26.4	14.3	6.2	7.4	15.1
NP	JPYbn	-17.2	8.7	3.8	4.6	10.0
EPS	JPY	-87.2	38.4	16.7	20.4	44.2
BPS	JPY	576	730	735	749	784
DPS	JPY	0.0	12.0	6.0	10.0	20.0
PER	x	NA	40.8	93.8	77.0	35.5
PBR	x	2.8	2.1	2.1	2.1	2.0
Div. yield	%	0.0	0.8	0.4	0.6	1.3
ROA	%	-3.8	1.9	0.8	1.0	2.1
ROE	%	-14.0	6.2	2.3	2.7	5.8

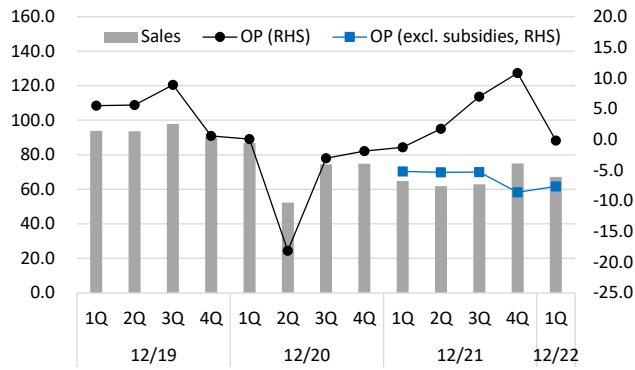
Source: Company data, Mita Securities

### Company profile

Skylark HD is Japan's largest operator of family restaurants, including "Gusto," and "Bamiyan." The company had 3,098 stores at the end of December 2021. FY12/21 sales were 264.6bn yen.

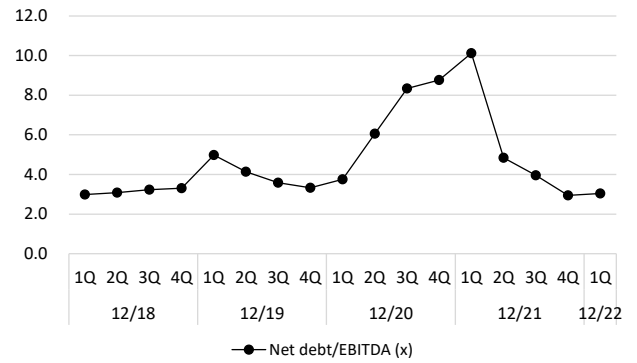
Quarterly data for Skylark Holdings

Figure: Quarterly earnings (JPYbn)



Source: Company data, Mita Securities

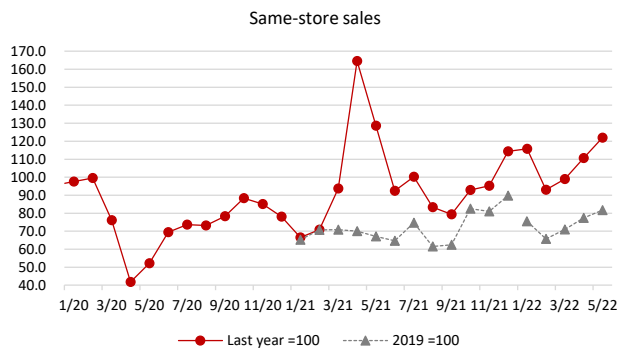
Figure: Net debt/EBITDA (x, quarterly basis)



Source: Company data, Mita Securities

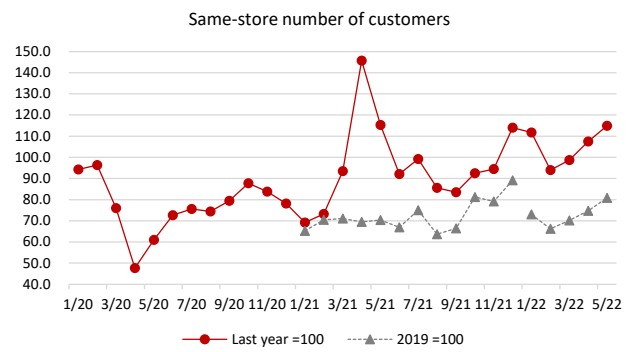
Monthly data for Skylark Holdings

Figure: Same-store sales



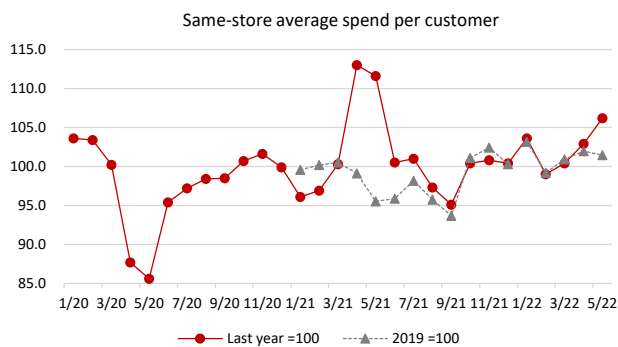
Source: Company data, Mita Securities

Figure: Same-store guest count



Source: Company data, Mita Securities

Figure: Same-store average check

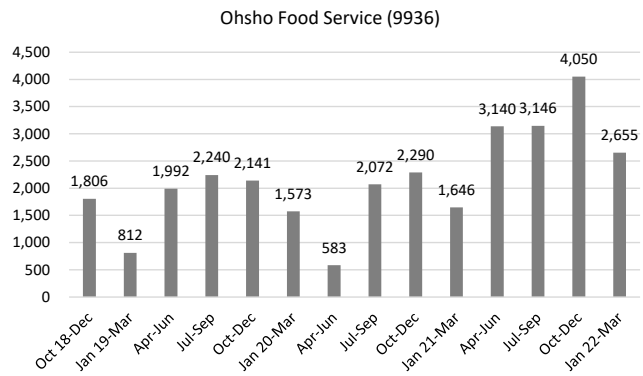
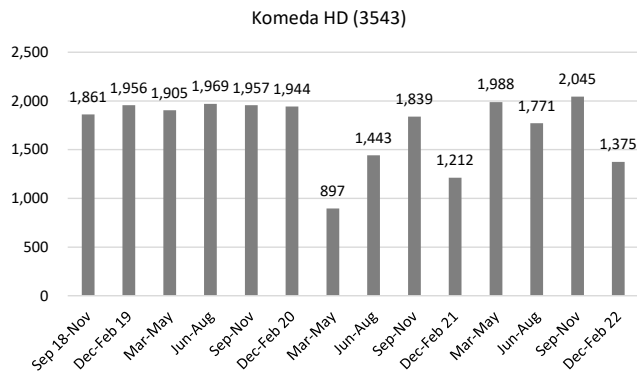
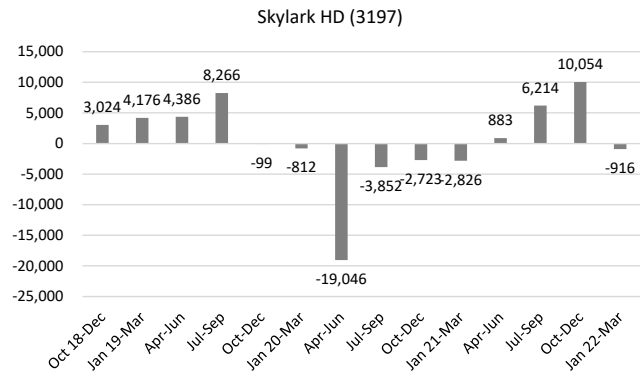
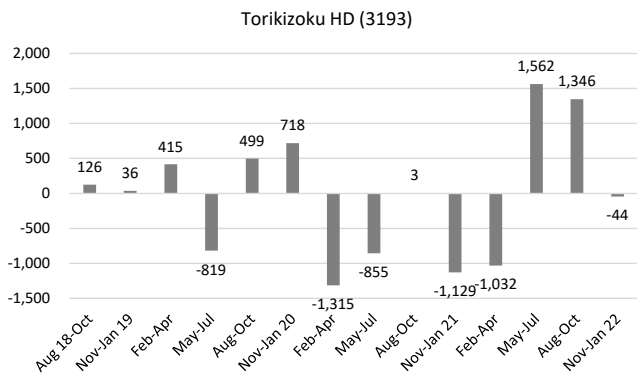
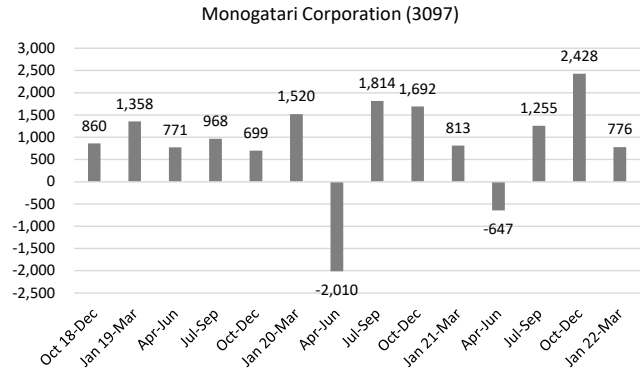
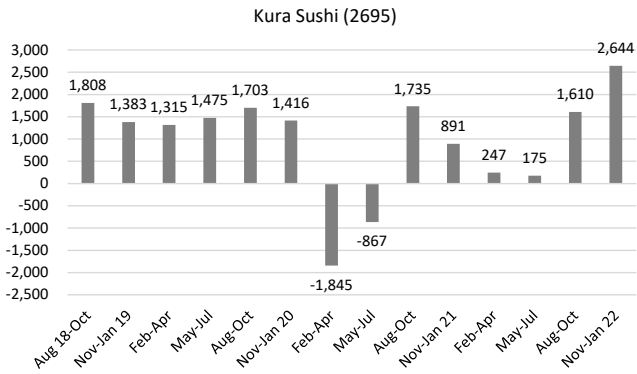


Source: Company data, Mita Securities



Pre-tax profits for food service companies covered by Mita Securities

Figure: Quarterly pre-tax profit for food service companies (JPYm)

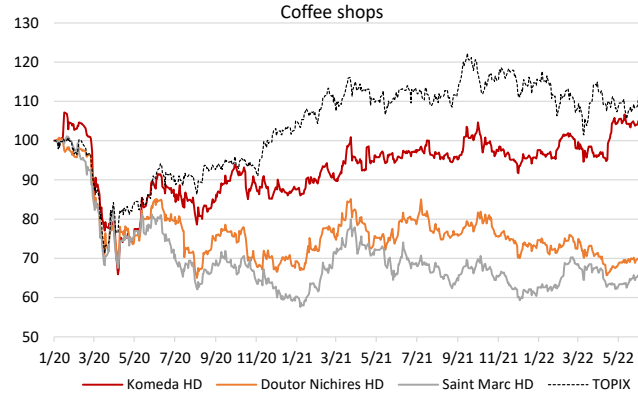
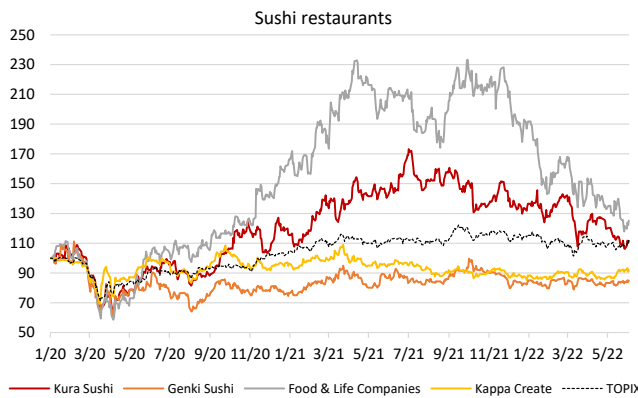
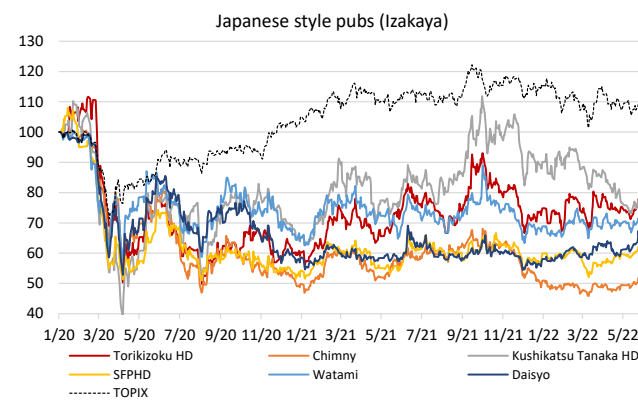
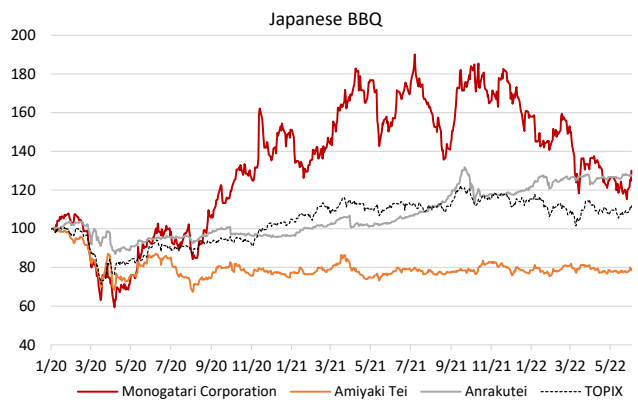
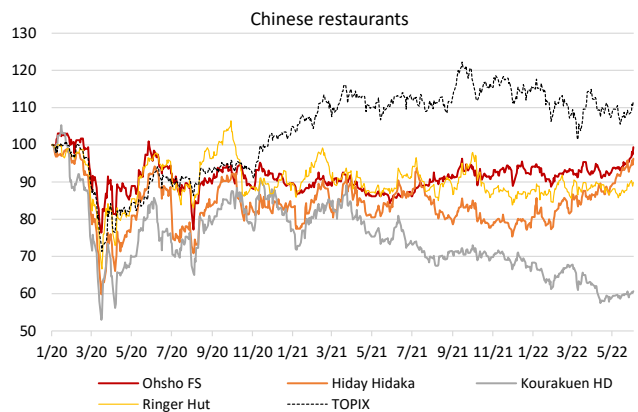
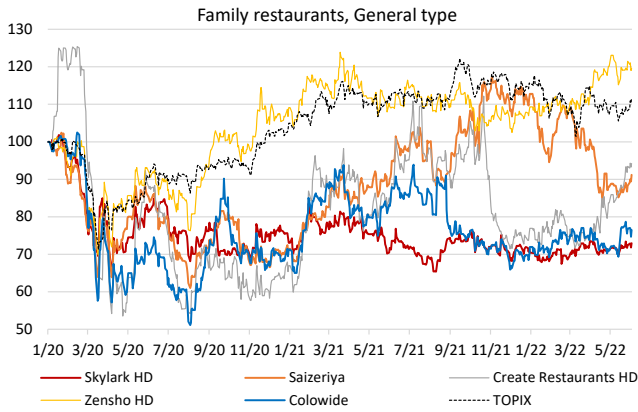


Source: Companies' data, Mita Securities



Stock price trends for food service companies

Figure: Stock price trends for food service companies



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

## APPENDIX

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