Chewy Inc (CHWY)

The Largest E-Commerce Petcare Retailer In The US



Tradingview

Technical Outlook

Price rebounded off the MA200, pending a golden cross between EMA20 and EMA60, indicating a bullish continuation pattern**.** Price is expected to test its 52-week high resistance around USD47.66-48.66 zone, while support is located at USD38.20-39.20. A break below MA200 will invalid the setup.

Trading Catalysts

- **Strong customer service reputation.** CHWY has a wide product selection of over 110k products from over 3.5k brands, and also 17 fulfilment centres, enabling rapid delivery to 80% of the US population overnight and nearly 100% within two days. Meanwhile, pet parents are emotionally attached to buying trusted brands for their pets, which indirectly strengthen CHWY's positioning.

- **Expansion into Canada.** Given CHWY's limited international presence, its decision for international expansion, starting with Canada, will open new market opportunities and potential long-term growth for the group.

- **Anticipation of margin expansion.** Despite its relatively low NP margin of 3.3% due to costs arising from marketing and promotional activities, we anticipate the expansion into pet health services and pet insurance are expected to uplift CHWY's margins moving forward.

Peer Comparison

	Ticker	Price (USD)	Market Cap (USD'bn)	P/E (x)	Forward P/E (x)	ROE (%)	NP Margin (%)	RSI	ST Trend
Chewy Inc	**CHWY**	**40.8**	**16.9**	**44.9**	**31.2**	**76.2**	**3.3**	**Positive bias**	**Up**
Amazon Inc	AMZN	228.7	2439.2	34.8	26.4	24.8	9.3	Positive bias	Up
PetMed Express Inc	PETS	3.1	0.1	22.0	21.4	0.4	-2.7	Oversold	Down
BARK Inc	BARK	0.9	0.1	33.4	28.9	-26.9	-6.8	Oversold	Down
Avg ex-Chewy Inc			**813.1**	**30.1**	**25.5**	**-0.6**	**-0.1**		

Source: Bloomberg, M+ Research

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Chewy Inc

Company profile

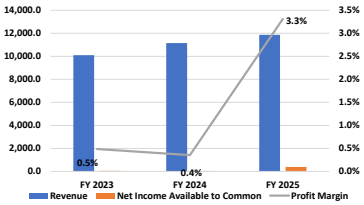
Chewy Inc., together with its subsidiaries, engages in the e-commerce business in the United States. It offers pet food and treats, pet supplies and pet medications, and other pet-health products, as well as pet services. The company serves its customer through its retail websites and mobile applications, including Autoship subscription program. Chewy, Inc. was founded in 2010 and is based in Plantation, Florida.

Technical Data

Price	40.75
R1	47.66
R2	48.66
S1	39.20
S2	38.20

M+ Research, Bloomberg

Financial Snapshot



M+ Research, Bloomberg

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