

COM7 Pcl. (COM7 TB) - BUY, Price Bt26.00, TP Bt32.00**Results Comment**

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Strong 3Q24 as expected

- Earnings of Bt709m increased by 16% y-y but fell by 6% q-q due to the weak season impact. The earnings were strong as expected.
- Sales increased by 10% y-y. We consider this strong growth given the delayed shipment of the new iPhone 16. While the replacement cycle having kicked off, COM7 also gained market share via both same-store sales growth and store expansion.
- Sales declined by 2% q-q as consumers held back on purchasing the current iPhone model, opting to wait for the new release expected in 4Q24.
- Gross margin was 13.3% vs. 13.4% last year and 13.5% last quarter. Amid the recovered demand, COM7 no longer needed aggressive promotions.
- SG&A to sales also stabilized at 8.3%.
- We expect a stronger 4Q24F amid the shipment of the iPhone, which has seen strong demand, and COM7's continued market share gain.

Income Statement						Income Statement					
(consolidated)						9M as					
Yr-end Dec (Bt m)	3Q23	4Q23	1Q24	2Q24	3Q24	(Bt m)	q-q%	y-y%	% 2024F	2024F	2025F
Revenue	16,321	19,995	19,236	18,394	17,983	Revenue	(2)	10	71	78,641	88,692
Gross profit	2,180	2,325	2,451	2,485	2,397	Gross profit	(4)	10	71	10,384	11,693
SG&A	1,343	1,478	1,498	1,524	1,493	SG&A	(2)	11	71	6,328	6,733
Operating profit	837	846	953	961	905	Operating profit	(6)	8	69	4,056	4,960
EBITDA	1,081	1,077	1,202	1,215	1,167	EBITDA	(4)	8	73	4,910	5,927
Other income	8	19	82	42	34	Other income	(19)	328	113	140	140
Other expense	42	(34)	8	39	16	Other expense	(60)	(63)	(50)	(125)	(141)
Interest expense	70	70	71	75	88	Interest expense	17	26	82	286	246
Profit before tax	734	829	956	888	836	Profit before tax	(6)	14	66	4,035	4,995
Income tax	109	145	136	141	142	Income tax	1	30	63	664	822
Equity & invest. income	6	9	10	3	15	Equity & invest. income	462	152	138	20	20
Minority interests	(19)	(25)	(9)	2	0	Minority interests	(97)	na	na	(76)	(76)
Extraordinary items	0	0	0	0	0	Extraordinary items					
Net profit	611	668	822	752	709	Net profit	(6)	16	69	3,316	4,118
Normalized profit	611	668	822	752	709	Normalized profit	(6)	16	69	3,316	4,118
EPS (Bt)	0.25	0.28	0.34	0.31	0.30	EPS (Bt)	(6)	16	69	1.38	1.72
Normalized EPS (Bt)	0.25	0.28	0.34	0.31	0.30	Normalized EPS (Bt)	(6)	16	69	1.38	1.72

Balance Sheet						Financial Ratios					
(consolidated)						9M as					
Yr-end Dec (Bt m)	3Q23	4Q23	1Q24	2Q24	3Q24	(%)	3Q23	4Q23	1Q24	2Q24	3Q24
Cash & ST investment	990	2,229	1,787	1,697	1,222	Sales grow th	9.6	6.5	11.5	15.0	10.2
A/C receivable	3,451	3,472	3,713	3,656	3,372	Operating profit grow th	(10.4)	(27.4)	(12.7)	1.5	8.1
Inventory	9,215	9,922	9,056	9,387	10,507	EBITDA grow th	(4.2)	(21.2)	(7.6)	3.8	7.9
Other current assets	753	820	1,080	1,381	1,647	Norm profit grow th	(15.2)	(25.9)	(5.9)	6.8	15.9
Investment	1,657	1,665	1,674	1,959	1,982	Norm EPS grow th	(15.2)	(25.9)	(5.9)	6.8	15.9
Fixed assets	1,261	1,392	1,447	1,355	1,326	Gross margin	13.4	11.6	12.7	13.5	13.3
Other assets	3,505	3,477	3,146	3,369	3,591	Operating margin	5.1	4.2	5.0	5.2	5.0
Total assets	20,832	22,976	21,903	22,803	23,646	EBITDA margin	6.6	5.4	6.2	6.6	6.5
S-T debt	6,973	8,437	6,542	7,135	7,028	Norm net margin	3.7	3.3	4.3	4.1	3.9
A/C payable	4,858	4,916	5,232	6,155	6,730	D/E (x)	0.9	1.0	0.8	0.9	1.0
Other current liabilities	631	723	736	797	703	Net D/E (x)	0.8	0.8	0.6	0.7	0.8
L-T debt	0	0	0	0	383	Interest coverage (x)	15.5	15.3	17.0	16.2	13.3
Other liabilities	778	713	772	1,012	1,015	Interest rate	3.8	3.6	3.8	4.4	4.8
Minority interest	106	141	67	65	65	Effective tax rate	14.9	17.5	14.2	15.9	17.0
Shareholders' equity	7,486	8,047	8,554	7,639	7,722	ROA	11.9	12.2	14.6	13.5	12.2
Working capital	7,808	8,477	7,537	6,887	7,149	ROE	33.9	34.4	39.6	37.2	36.9
Total debt	6,973	8,437	6,542	7,135	7,412						
Net debt	5,983	6,208	4,756	5,438	6,190						

Sources: Company data, Thanachart estimates

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