

BUY (Unchanged)
Company Update

TP: Bt 34.00
Upside: 27.1%

(Unchanged)
6 OCTOBER 2025

Small Cap Research

COM7 Pcl. (COM7 TB)

Dual track drivers

COM7's earnings are being driven by both existing and new businesses, which are now growing strongly. We also expect robust 24% y-y growth in 3Q25F. Trading at 14x 2026F PE vs. 23/14% EPS growth over 2025-26F, we reaffirm our BUY call on COM7.



PATTADOL BUNNAK
662-779-9119
pattadol.bun@thanachartsec.co.th

Bucking the trend; BUY

We reaffirm our BUY call on COM7 as its earnings continue to buck the weak economic trend. *First*, following 25% y-y earnings growth in 1H25, we project another 24% y-y growth to Bt880m in 3Q25F. The 15% q-q drop is likely due to the normal low 3Q season as buyers await new iPhone models. *Second*, new businesses have become a meaningful driver with estimated 100% y-y profit growth in 3Q25F, when we estimate them to account for 17% of total earnings. *Third*, we project COM7's core IT retail earnings to grow 7% y-y in 3Q25F, driven by an industry turnaround and market share gains. *Lastly*, COM7's valuation looks attractive to us at 14x 2026F PE against 23/14/15% EPS growth in 2025-27F, 40% ROE in 2026F, and 4% dividend yields in 2025-26F.

New businesses growing fast

After a combined Bt2.1bn investment in new businesses over 2019-1H25, they contributed 11% of COM7's total profit in 2024. The contribution rose to 12% in 1H25 and 17% in 3Q25F. IT financing is the biggest profit contributor among the new businesses, and we estimate its profit to reach Bt90m in 3Q25F, when its financing portfolio likely grew by 40% y-y and 20% q-q. COM7 only finances phones that can be remotely locked (iPhones and some Androids) if payments are missed. Loans stood at Bt3bn with NPLs of 1.9% in 2Q25. iPhone-bundled insurance is also scaling well. COM7 plans to scale back its small, loss-making drugstore and pet food businesses.

EV taxi rental starting strong

COM7 started its EV taxi rental business in 2Q25. The fleet began with 300 cars in 2Q25, rising to 1,000 in 3Q25F. It focuses on existing taxi drivers, and there haven't been missed payments so far, as it can lock battery charging if three days overdue. COM7 plans to expand to 3,000 cars by year-end with bank funding. It has no plans to cut its dividend payout ratio from 50-60%. We estimate the fleet will reach 4,500 cars by 2027F, with net D/E still falling to 0.6x in 2027F from 0.8x in 2Q25.

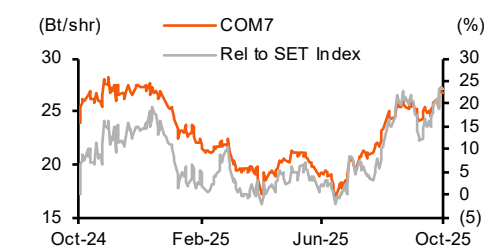
Core IT retail still growing

COM7's core IT and mobile phone chain store business is still growing well. It is the largest IT chain operator in Thailand with 1,320 branches vs. rivals' 200-300 each. We expect profit from this business to grow 7% y-y in 3Q25F, from the IT industry's estimated new replacement cycle growth of 2% y-y and continued market share gains via scale, more SKUs, and faster expansion. We expect stronger growth in 4Q25F due to the iPhone 17, bookings for which rose over 10% y-y since the launch in mid-September. COM7 plans to open 88 new stores (+7%) this year, and we estimate 88-120 new stores annually over 2025-27F.

COMPANY VALUATION

Y/E Dec (Bt m)	2024A	2025F	2026F	2027F
Sales	79,074	87,974	98,675	110,241
Net profit	3,307	4,075	4,640	5,336
Consensus NP	—	3,791	4,172	4,404
Diff frm cons (%)	—	7.5	11.2	21.1
Norm profit	3,307	4,075	4,640	5,336
Prev. Norm profit	—	4,075	4,640	5,336
Chg frm prev (%)	—	0.0	0.0	0.0
Norm EPS (Bt)	1.4	1.7	1.9	2.2
Norm EPS grw (%)	15.7	23.2	13.9	15.0
Norm PE (x)	19.4	15.8	13.8	12.0
EV/EBITDA (x)	14.1	11.9	10.3	8.9
P/BV (x)	7.3	6.1	5.2	4.4
Div yield (%)	3.2	4.0	4.5	5.2
ROE (%)	39.4	42.3	40.4	39.4
Net D/E (%)	95.2	74.7	72.5	61.0

PRICE PERFORMANCE



COMPANY INFORMATION

Price as of 6-Oct-25 (Bt)	26.75
Market Cap (US\$ m)	1,977.4
Listed Shares (m shares)	2,400.0
Free Float (%)	48.6
Avg Daily Turnover (US\$ m)	7.2
12M Price H/L (Bt)	28.25/17.10
Sector	Commerce
Major Shareholder	Khun Sura Kanittavikul 25.05%

Sources: Bloomberg, Company data, Thanachart estimates

Dual drivers

We reaffirm our BUY call on COM7 with a TP of Bt34

We reaffirm our BUY rating on Com7 Pcl (COM7) with a DCF-based 12-month TP, using a 2026F base year, of Bt34/share as it is bucking the weak economic trend with strong earnings growth.

Ex 1: 12-month DCF-based TP Calculation Using A Base Year Of 2026F

(Bt m)	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2023F	2034F	2035F	2036F	Terminal Value
EBITDA excl. depreciation from right of use	6,642	7,662	8,297	8,951	9,661	10,420	11,033	11,673	12,110	12,458	12,648	—
Free cash flow	2,102	3,833	4,951	5,511	5,951	6,536	7,085	7,572	8,052	8,365	8,611	128,257
PV of free cash flow	2,096	3,236	3,839	3,926	3,894	3,930	3,913	3,842	3,753	3,582	3,387	50,448
Risk-free rate (%)	2.5											
Market risk premium (%)	8.0											
Beta	1.0											
WACC (%)	8.8											
Terminal growth (%)	2.0											
Enterprise value - add investments	89,847											
Net debt (2025F)	7,912											
Minority interest	73											
Equity value	81,862											
# of shares	2,400											
Target price/share (Bt)	34											

Sources: Company data, Thanachart estimates

Note: EBITDA excludes the new TFRS16 accounting standard's financial lease impact

Ex 2: Our Assumptions

	2019	2020	2021	2022	2023	2024	2025F	2026F	2027F
# of stores	787	911	1,000	1,160	1,356	1,312	1,400	1,520	1,635
Sales growth from incremental stores (%)	8	5	7	9	5	4	5	5	5
Same-store sales growth (%)	12	7	30	14	6	10	6	7	7
Total sales growth (%)	20.0	12.0	37.0	23.0	11.0	13.7	11.3	12.2	11.7
Gross margin (%)	13.2	12.6	13.4	13.4	13.2	13.2	13.7	13.8	13.8
SG&A to sales (%)	8.8	8.0	7.2	7.3	7.9	8.0	7.9	7.8	7.7
EBIT margin (%)	4.5	4.6	6.2	6.1	5.3	5.2	5.9	6.0	6.1
Net margin (%)	3.6	3.9	5.2	4.8	4.1	4.1	4.5	4.6	4.7

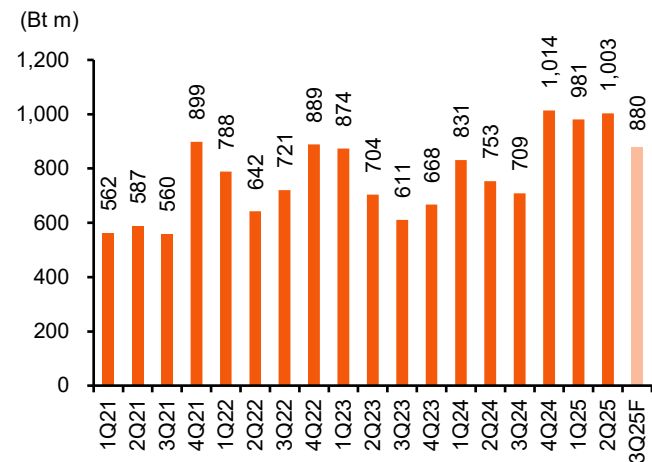
Sources: Company data, Thanachart estimates

First, after 25% y-y growth in 1H25, earnings likely grew 24% y-y to Bt880m in 3Q25F. We expect a 15% q-q decline due to the impact of the low season in 3Q, during which consumers awaited the new iPhone model. COM7 expects a stronger earnings growth trend in 4Q25F after seeing new iPhone bookings grow 10% y-y since the launch in mid-September.

We expect drivers to come from both new businesses and existing key chain stores. We estimate new business profits rose 100% y-y in 3Q25F to account for 17% of total profits. We expect profits of the key chain store business to grow by 7% y-y.

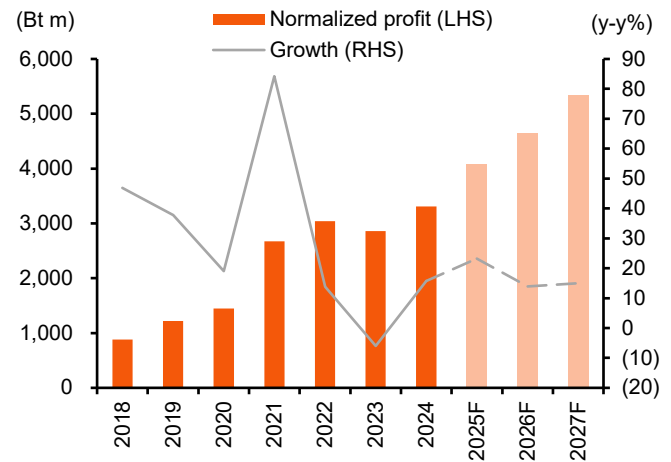
Over the full year, we estimate profit growth of 23/14/15% in 2025-27F.

Ex 3: Good Quarterly Earnings Momentum



Source: Company data

Ex 4: Also A Good Long-Term Outlook



Sources: Company data, Thanachart estimates

Update on new businesses

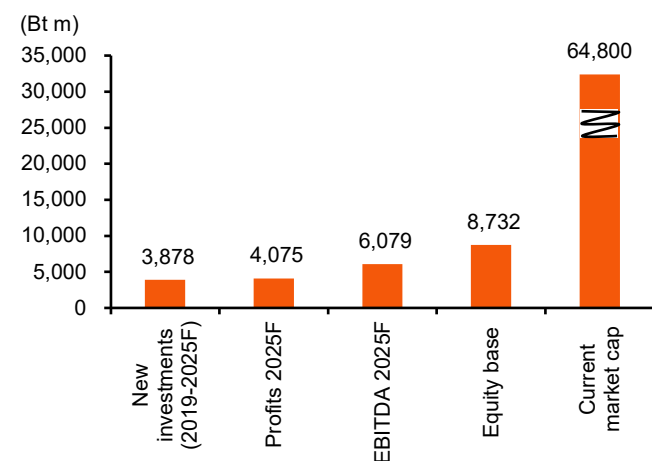
Second, COM7 has explored new businesses over the past five years. The company's core operations have maintained a steady performance, supported by a proven business model that has enabled smooth expansion. This success has allowed COM7 to continue capturing market share while maintaining financial flexibility to pursue additional growth opportunities.

That said, capital markets in the current risk-off environment tend to favor companies that concentrate on their proven core business rather than venture into new areas. This preference has created some pressure on COM7's share price. In this report, we provide an update on COM7's new business ventures, which we believe will be beneficial to shareholders.

Contribution rising to about 17% of profits in 3Q25F

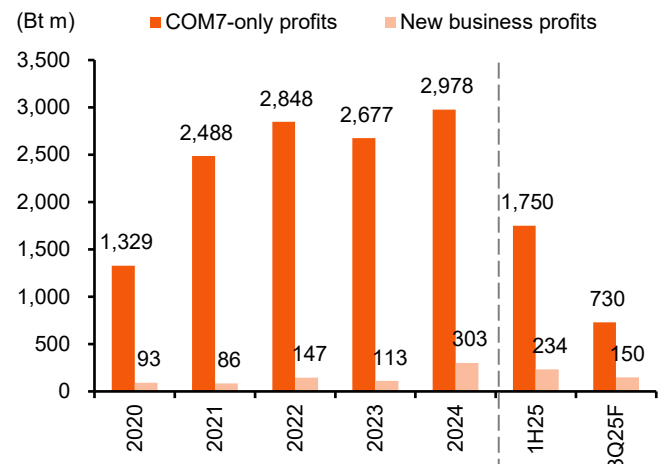
The company's track record shows that past investments have generated solid returns with relatively modest capital outlays. Between 2019-24, COM7 invested a combined Bt1.5bn across six new businesses, which contributed Bt300m in profit in 2024, a 20% return. Notably, no net losses have been recorded since new business operations began in 2020. We believe these ventures accounted for around 11% of COM7's profits in 2024 and 12% in 1H25. We estimate a profit contribution of 17% in 3Q25F.

Ex 5: Investment Amounts



Sources: Company data, Thanachart estimates

Ex 6: New Investments Contribute Profits

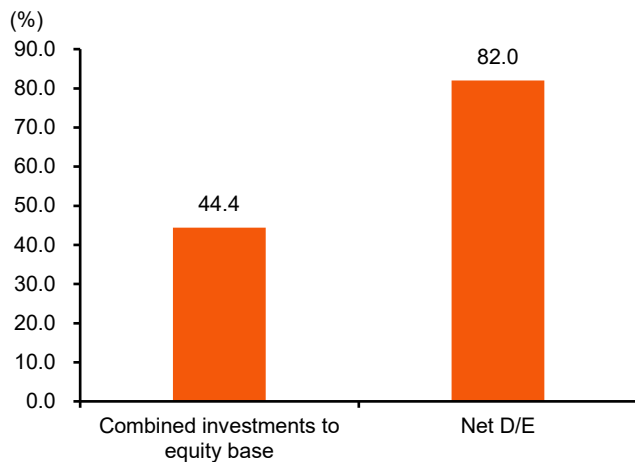


Sources: Company data, Thanachart estimates

**New businesses
complement the core
operations**

These new investments have not negatively impacted the core IT chain store business. Ventures, including IT financing and IT insurance, actually complement the core operations. The investments have not significantly strained COM7's balance sheet or cash flow. Net gearing stood at 0.95x in 2024, and we estimate it at 0.6x in 2027F. With a substantial EBITDA base (Bt5bn in 2024), COM7 has maintained dividend payments at about 50-60% despite pursuing these new business investments.

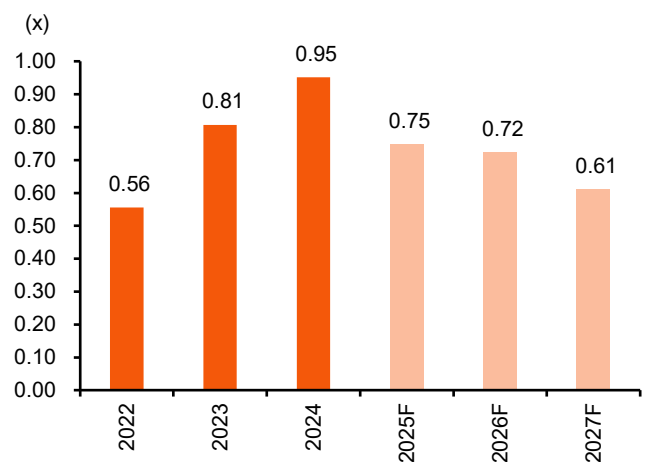
Ex 7: Balance Sheet Still Strong (1H25)



Sources: Company data, Thanachart estimates

Note: Combined investments from 2019-1H25. Equity base and net D/E as of 1H25

Ex 8: Net D/E Ratio

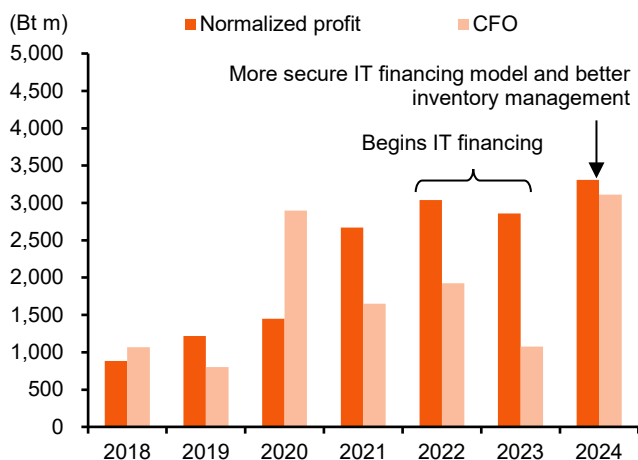


Sources: Company data, Thanachart estimates

**No disruption to balance
sheet**

COM7 has stated it will not reduce its dividend payout ratio of 50-60% and that it plans to finance new businesses via bank loans or bonds. We estimate its net D/E ratio at 0.6x in 2027F vs. 1.0x in 2024. We have incorporated COM7's plans to invest Bt2.5bn in its new EV taxi rental business this year, which has also proven to be successful with limited risk. We discuss this below.

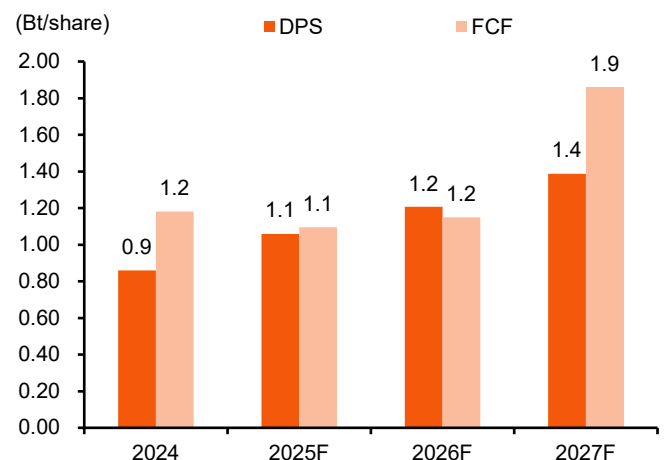
Ex 9: Net Earnings Vs. CFO



Sources: Company data, Thanachart estimates

Note: CFO is cash flow from operating activities

Ex 10: FCF/Share Vs. DPS



Sources: Company data, Thanachart estimates

COM7 has seven new businesses. In this report, we focus on three key ones. Please read our thorough discussion of the remaining businesses in “COM7: Cheap, growth, and yield,” dated 21 March 2025.

IT financing

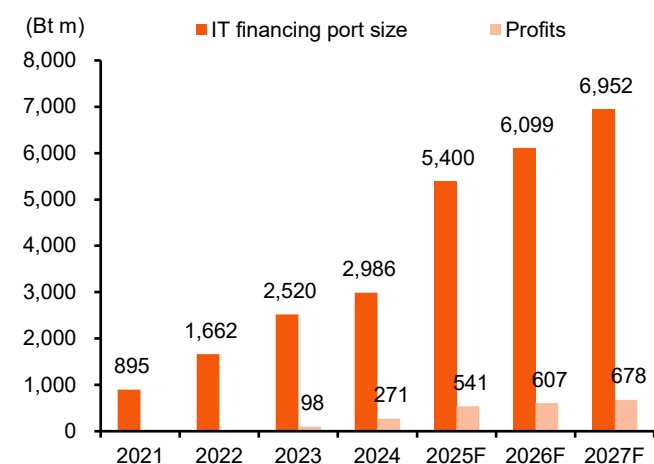
IT financing growing with better credit quality

COM7 launched its IT financing business in 2021, which has since become, by far, the most significant contributor to its investment portfolio. This business complements and leverages its core IT chain store business. COM7’s loan book stood at Bt3.0bn as of 1H25 and it generated approximately Bt130m in profit in 1H25, representing a 45% y-y increase. Bt3.0bn is about 3% of its annual sales.

The business’s asset quality has improved since its inception. Its portfolio size increased to Bt3.0bn in 1H25 from Bt895m in the start-up year of 2021. Its NPL ratio fell to 1.9% in 1H25 from 6% in 2022. Credit cost declined from about 5% in earlier years to 2.4% in 1H25, and its coverage ratio was more than 67% in 1H25. Special mention loans (one to three months past due) have trended down to 7% in 1H25 from 11% in 2022. We believe the key reason for the low delinquency rate is that the company has systems in place to remotely deactivate and lock smartphone usage if customers fail to meet payment conditions. COM7 has also been prudent with the lending approval rate at about 45% in 1H25, below the 60% in earlier years.

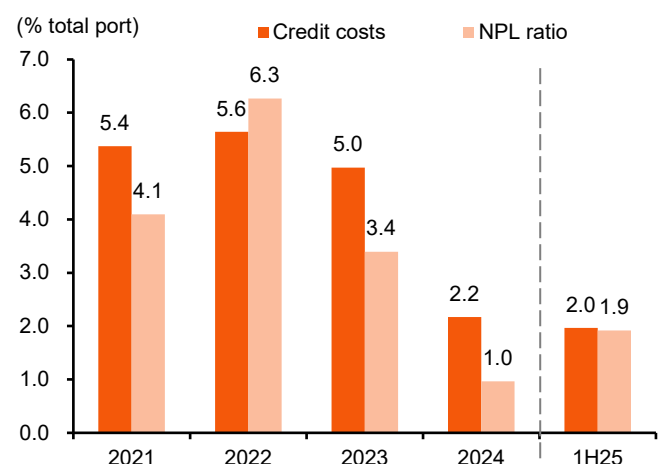
While some IT operators and non-bank companies are entering the IT financing business, COM7 sees a very limited competitive threat. Customers typically prefer the hands-on experience of trying products physically before buying. COM7’s network of more than 1,000 stores makes it far more accessible than competitors with 100-300 stores. It also offers greater convenience than non-bank operators, where customers must travel between stores to test products and then visit separate branches to arrange financing.

Ex 11: Growing Portfolio Size And Profits



Sources: Company data, Thanachart estimates

Ex 12: Lower NPLs And Credit Costs



Sources: Company data, Thanachart estimates

In 3Q25F, the IT financing portfolio size and profits likely grew by about 40% y-y and 20% q-q. COM7 has expanded from iPhones to some Android-based phones, such as select Samsung and Oppo models. Note that COM7 only finances phone models where brand owners allow it to remotely lock the screen if customers miss one monthly payment. We estimate COM7's IT financing portfolio size to grow by 50/12/12% in 2025-27F.

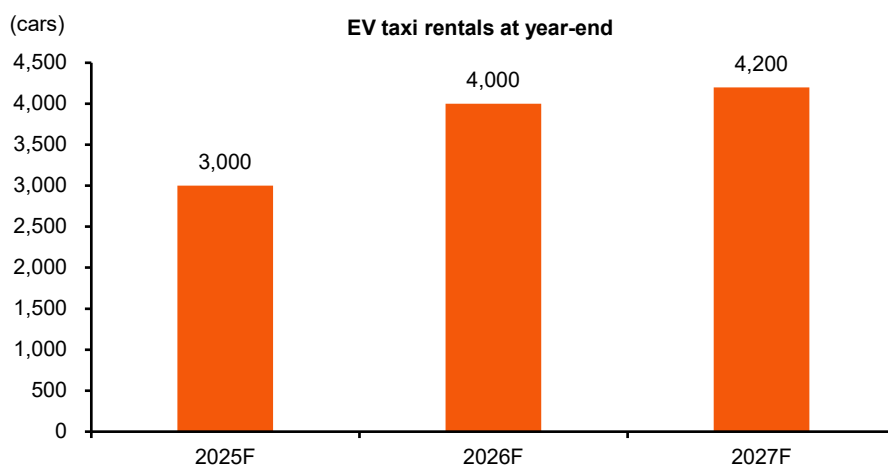
EV taxi rental business

EV taxi expansion

COM7 entered the EV taxi rental business in 2Q25 with 300 cars, expanding to approximately 1,000 cars in 3Q25, with plans to reach about 3,000 cars by year-end. The business concept emerged from the company's existing EV joint venture with AION. COM7 is convinced of the long-term EV mega-trend and sees significant opportunities in Bangkok's 80,000-taxi market, which will likely eventually transition to electric vehicles.

Under the investment budget of about Bt2.5bn, COM7 has confirmed it will not reduce its dividend payout of 50-60% and finance the venture via bank loans or bond issuances. We project its net D/E ratio at 0.6x in 2027F vs. 1x in 2024.

Ex 13: EV Fleet Assumptions



Sources: Company data, Thanachart estimates

The planned Bt2.4bn investment covers a fleet of 3,000 EV taxis (AION-made, priced at around Bt800,000 per unit), early-stage software systems, chargers, and other necessary infrastructure.

Taxi rental is not a risky business by nature

Despite the more significant investment compared to other new businesses, COM7 does not view it as a high-risk investment. So far, there have been no missed payments. We believe the taxi rental business is not too risky by nature. The taxi rental business model has proven viable in Thailand, having existed for several decades with long-standing operators. COM7 also remotely controls the locking system if drivers miss payments. Additionally, GPS tracking monitors vehicle locations.

The rental rate is initially set at approximately Bt660-700 per day. If a driver continues renting for six years, ownership of the car is transferred to the driver at the end of the sixth year. This rental scheme mirrors that of traditional taxi rental businesses. Expenses include depreciation (a six-year schedule with a 15% salvage value), interest, and insurance. According to COM7, synergies are expected from its existing AION EV business, resulting in lower EV purchase and maintenance costs. COM7 also plans to leverage its accident and insurance licenses from its IT insurance business to secure lower insurance rates than market levels.

EV taxi drivers end up being better off, according to COM7

Regarding driver and passenger economics, based on the assumption of the EV salvage value in the seventh year of usage when drivers are entitled the car ownership with a 15% salvage value, COM7's analysis shows that drivers are financially better off under its EV model (Exhibit 14). Based on our on-the-ground assessment, AION EVs offer a noticeably superior experience for both passengers and drivers. These vehicles come in passenger-grade cars with better suspension and interiors, unlike existing non-EV taxis, where taxi specifications are often downgraded with low-quality vinyl seats and inferior suspension.

Ex 14: COM7's EV Taxis Vs. Traditional Taxis

	Traditional ICE+gas taxi	COM7s EV taxi (AION)
Average income (14 hours/day, 350 km)	2,000	
(Daily taxi rental fee)	(650)	(777)
(Fuel + Gas vs. Electricity Cost)	(525)	(294)
Daily net income before expenses	825	929
Total net income over 6 years	1,603,800	1,805,976
Own the Taxi (7th year onward)	Yes/No	No
Estimated Car value	80,000	120,000

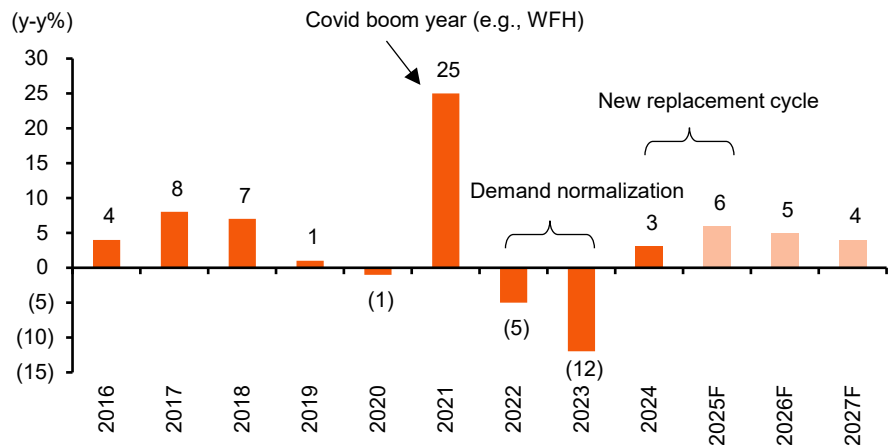
Sources: Company data, Thanachart estimates

IT insurance business

In 2022, COM7 acquired an IT insurance company, which has become a profitable add-on revenue stream to its core IT chain store operations. The business contributed Bt100m in profit in 2024. Customers have the option to purchase IT insurance when buying products, and COM7 utilizes its in-house maintenance team to provide these services. As part of the IT insurance acquisition, COM7 also obtained accident and life insurance licenses, which it is now leveraging for its new EV taxi business discussed earlier in this report.

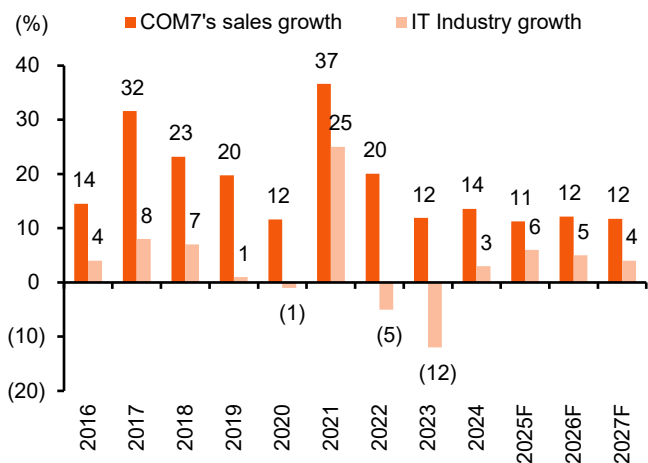
Strong core business

COM7's core IT and mobile phone chain store business continues to grow well. It is the largest IT chain operator in Thailand, with 1,320 branches, compared to competitors' 200-300 each. We expect profit from this business to grow 7% y-y in 3Q25F, driven by the IT industry's new replacement cycle growth of 2% y-y and continued market share gains.

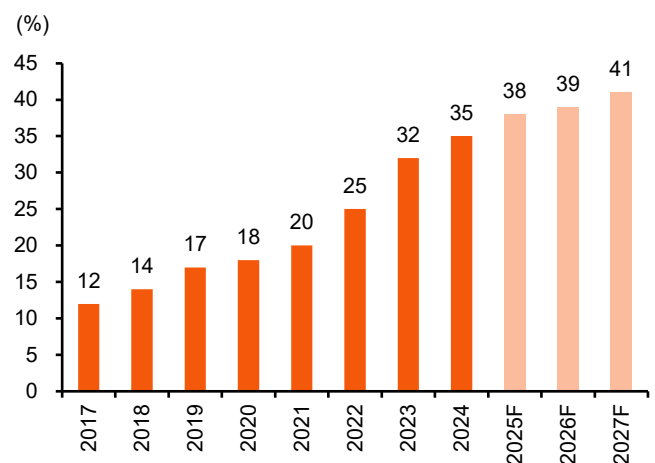
Ex 15: IT Industry's Downturn Over

Sources: Company data, Thanachart estimates

COM7's market share gains stem primarily from its differentiated store format, which consistently attracts higher foot traffic than competitors. The company's retail model centers on offering significantly broader product variety compared to peers. This wider SKU range has created a virtuous cycle, where each expansion in product selection drives a further capture of market share.

Ex 16: COM7's Sales Growth Vs. IT Industry's

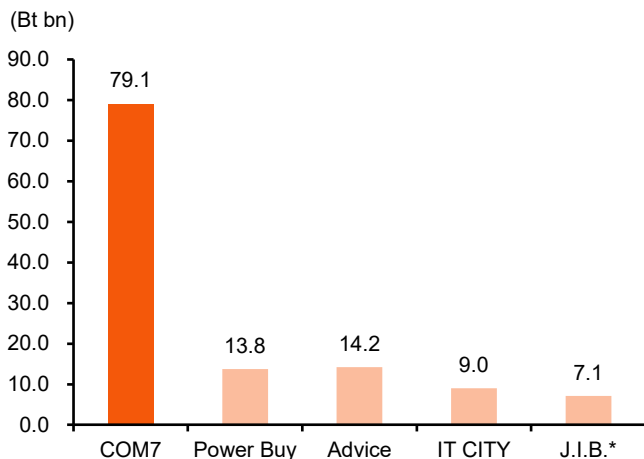
Sources: Company data, Thanachart estimates

Ex 17: Market Share Gains

Sources: Company data, Thanachart estimates

Despite already being the largest operator, COM7, with its 1,312 stores, plans to open about 70-120 stores p.a. in 2026-27F, vs. peers' total of 200-300 stores. The stores' good performance also allows COM7 to secure better store locations in shopping malls. We have incorporated this assumption into our model.

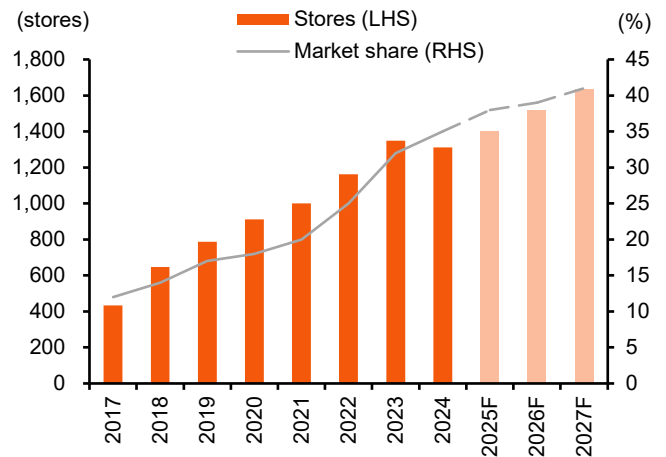
Ex 18: COM7's Larger Revenue Base In 2024



Sources: Company data, BOL

Note: *Data as of 2023

Ex 19: Increased No. Of Stores Raises Market Share



Sources: Company data, Thanachart estimates









COM7 operates both mall-based stores and standalone outlets. The company sees greater expansion opportunities in standalone formats, particularly in Bangkok and nearby provinces. For mall stores, COM7 still finds room for further openings despite its existing presence in most key shopping centers nationwide. Its multi-format strategy allows multiple stores to operate within the same mall, each serving different customer segments.

Ex 20: COM7's Standalone Format



Source: Company data

Ex 21: COM7’s Mall Format

Banana	  
Studio7	 
Kingkong	
Franchise	
Xiaomi	

Source: Company data

Ex 22: COM7’s Store Focused Customer

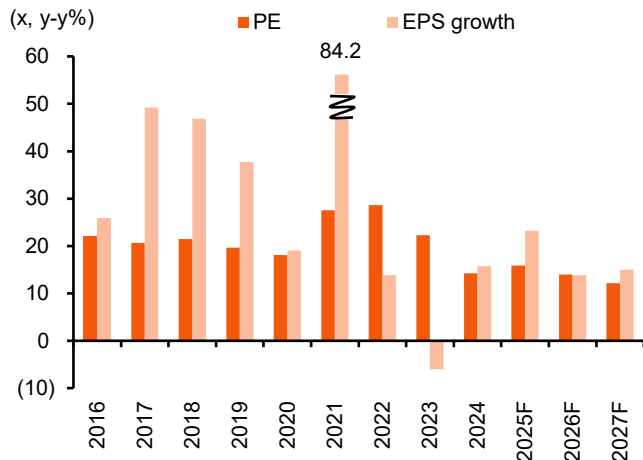
Store brand	Focus clients
<ul style="list-style-type: none">▪ Studio7 *▪ Banana IT and Mobile*▪ King Kong▪ Brand shops▪ Franchise	<ul style="list-style-type: none">▪ High-end▪ Mid to high end▪ Low-end▪ Low to high end▪ Low to mid end

Source: Company data
Note: * Flagship stores

We estimate COM7’s key chain store business profits to grow 7-11% p.a. in 2025-27F.

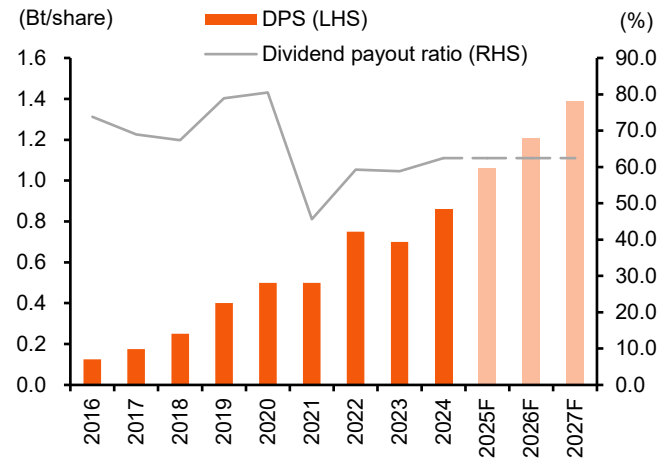
Lastly, we see COM7's valuation as attractive, trading at 14x PE vs. 23/14/15% EPS growth in 2025-27F, 40% ROE in 2026F and 4% dividend yield in 2025-26F.

Ex 23: PE Vs. EPS Growth



Sources: Company data, Thanachart estimates

Ex 24: Dividend Yield Vs. DPS



Sources: Company data, Thanachart estimates

Valuation Comparison

Ex 25: Valuation Comparison With Regional Peers

Name	BBG code	Country	EPS growth		PE		P/BV		EV/EBITDA		Div yield	
			25F (%)	26F (%)	25F (x)	26F (x)	25F (x)	26F (x)	25F (x)	26F (x)	25F (%)	26F (%)
Marks & Spencer Group	MKS LN	UK	(23.0)	42.4	15.9	11.2	2.3	2.0	7.1	5.8	1.2	1.7
J Sainsbury	SBRY LN	UK	(0.4)	14.5	14.9	13.0	1.1	1.1	5.1	4.9	5.9	4.6
Tesco	TSCO LN	UK	2.1	12.0	16.2	14.4	2.7	2.5	8.2	7.9	3.2	3.5
Carrefour SA	CA FP	France	(6.0)	17.4	8.5	7.3	0.8	0.8	6.0	5.7	7.7	8.3
Aeon	8267 JP	Japan	63.8	39.8	99.3	71.1	4.2	4.0	11.7	10.9	0.7	0.7
Lotte Shopping	023530 KS	S. Korea	na	44.6	11.9	8.2	0.1	0.1	9.4	8.9	5.6	5.8
Shinsegae	004170 KS	S. Korea	75.2	29.5	8.8	6.8	0.4	0.4	8.4	8.0	2.6	2.7
Amore Pacific Group	002790 KS	S. Korea	(12.8)	8.4	10.9	10.1	0.5	0.4	6.4	6.1	2.0	2.2
Wal-Mart Stores	WMT US	USA	4.2	12.7	39.0	34.7	8.4	7.6	19.4	17.6	0.9	1.0
Home Depot Inc	HD US	USA	(1.8)	9.2	26.4	24.2	30.7	24.9	17.5	16.5	2.3	2.4
Advice IT Infinite *	ADVICE TB	Thailand	14.1	14.0	13.5	11.8	3.4	3.1	6.9	5.7	4.8	5.5
Berli Jucker *	BJC TB	Thailand	(0.8)	3.7	17.2	16.6	0.6	0.6	9.5	9.4	3.9	4.2
COM7 *	COM7 TB	Thailand	23.2	13.9	15.8	13.8	6.1	5.2	11.9	10.3	4.0	4.5
CP All*	CPALL TB	Thailand	12.8	15.9	15.2	13.1	3.0	2.7	7.5	6.7	3.3	3.8
CP Aextra *	CPAXT TB	Thailand	9.3	19.4	20.7	17.3	0.8	0.8	9.1	8.2	3.4	4.0
Central Pattana *	CPN TB	Thailand	(5.7)	15.7	15.6	13.4	2.2	2.1	10.6	9.6	3.9	4.4
Central Retail Corp. *	CRC TB	Thailand	(10.7)	(4.9)	16.0	16.8	1.7	1.6	5.7	6.0	8.7	2.4
Dohome Pcl *	DOHOME TB	Thailand	(2.7)	(13.8)	21.4	24.9	1.0	1.0	13.3	14.0	1.2	1.0
Home Product*	HMPRO TB	Thailand	(7.1)	3.9	15.7	15.1	3.5	3.4	8.8	8.4	5.1	5.3
Average			7.4	15.7	21.2	18.1	3.9	3.4	9.6	9.0	3.7	3.6

Source: Bloomberg

Note: *Thanachart estimates, using Thanachart normalized EPS

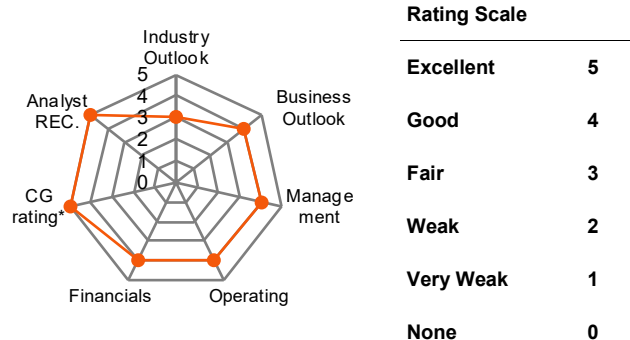
Based on 6 October 2025 closing prices

COMPANY DESCRIPTION

Com7 Pcl (COM7) runs a chain of retail outlets that imports, retails, and distributes computers and IT-related products in Thailand. The company offers products such as smartphones, tablets, notebooks, and computers. COM7 also offers computer components, such as CPUs, hard drives, and networks, and accessories.

Source: Thanachart

COMPANY RATING



Source: Thanachart; * CG Rating

THANACHART'S SWOT ANALYSIS

S — Strength

- Strong distribution channels nationwide
- More products and brands
- Diversification into higher-margin businesses
- Leverage effect from better utilization of assets
- Apple's largest distributor in Thailand

O — Opportunity

- 4G to 5G migration
- Improving economy
- Increasing speed and bandwidth usage
- New development technology

W — Weakness

- Low-margin retail business
- Risk from obsolete inventory

T — Threat

- Fierce competition in handsets and IT-related products
- Fast-moving technological advances
- Rising competition from new entrants

CONSENSUS COMPARISON

	Consensus	Thanachart	Diff
Target price (Bt)	29.20	34.00	16%
Net profit 25F (Bt m)	3,791	4,075	7%
Net profit 26F (Bt m)	4,172	4,640	11%
Consensus REC	BUY: 8	HOLD: 3	SELL: 0

HOW ARE WE DIFFERENT FROM THE STREET?

- Our DCF-based TP is higher than the Bloomberg consensus number, which we attribute to our having a more aggressive view of the IT industry's outlook and COM7's market share gains over the longer term.

RISKS TO OUR INVESTMENT CASE

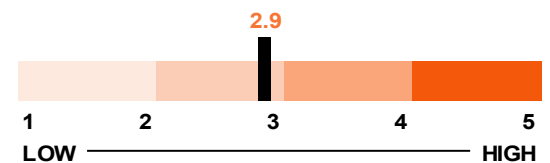
- More competition in the existing retail business would be the key downside risk to our call.
- A worse-than-expected economy and lower IT-related demand would represent secondary downside risks.

Sources: Bloomberg consensus, Thanachart estimates

Source: Thanachart

COM7 is the largest retail IT chain store operator in Thailand. It had 1,312 IT stores nationwide. Our ESG score for COM7 is moderate at 2.9. While we assign weak scores for its ESG roadmap, the nature of COM7's businesses results in low greenhouse gas emissions. Also, over the past few years, the company has invested in businesses related to the green trend, including EV dealerships and solar power solutions.

Thanachart ESG Rating



	SET ESG Index	SET ESG (BBB-AAA)	DJSI Index	MSCI (CCC-AAA)	ESG Book (0-100)	Refinitiv (0-100)	S&P Global (0-100)	Moody's (0-100)	CG Rating (0-5)
COM7	YES	AA	-	-	51.29	56.07	32.00	-	5.0

Sources: SETTRADE, SET ESG Index, SET ESG Rating, The Dow Jones Industrial Average (DJSI), MSCI ESG Research LLC, ESG Book, Refinitiv ESG Information, S&P Global Market Intelligence, Moody's ESG Solutions, Thai IOD (CG rating)

Note: Please see third party on "terms of use" in the following back page.

Factors

Our Comments

ENVIRONMENT

- Environmental Policies & Guidelines
- Energy Management
- Carbon Management
- Water Management
- Waste Management

- We assign a 2.8 E score for COM7. Given its business nature as an IT retail store operator, COM7 releases low greenhouse gas (GSG) emissions. It has set a long-term net-zero target of 2050 and established specific reduction goals (20% GHG reduction by 2027, 2% annual electricity reduction), but it lacks a detailed implementation roadmap to achieve these targets.
- COM7 began reporting GHG emissions in 2024 (1,943 tonnes of CO₂e), but there is still a lack of comparison across periods to assess progress.
- The company's renewable energy initiative generated 145,746kWh in 2024 (9.8% of total consumption), reducing CO₂e emissions by 102 tonnes. This is a recent initiative and is still behind international retail benchmarks of 20-25%.
- On the negative side, recent data shows increasing resource usage trends with energy consumption increasing by 2.6% and water usage jumping 19.3%, implying challenges in policy implementation.

SOCIAL

- Human Rights
- Staff Management
- Health & Safety
- Product Safety & Quality
- Social Responsibility

- We assign a 3.3 S score for COM7. COM7's social score shows mixed results, in our view.
- The 36% voluntary turnover, while transparent in disclosure, indicates retention challenges in store-level operations despite strong head office practices, e.g., good training and development programs (8 hours/person with a Bt2.5m investment) and comprehensive welfare benefits, including a provident fund, health insurance, and financial assistance.
- COM7 demonstrates good workforce gender diversity with 54% female employees.
- Community engagement programs, such as "My Computer Room" and "Bright Smiles from COM7," demonstrate a systematic approach to social impact. Although funding accounts for only 0.0005% of revenue, its impact on small, provincial schools remains pronounced.

GOVERNANCE &
SUSTAINABILITY

- Board
- Ethics & Transparency
- Business Sustainability
- Risk Management
- Innovation

- We assign a moderate 2.7 G score to COM7.
- Of the total directors, 43% (below the ideal ratio of 2/3) are independent. But it is good that the chairman is an independent director. Board skills appear to be limited, with a lack of diversity in expertise, particularly in COM7's new focus areas, such as financing, insurance, and technology transformation. Female board representation of 14% is below the recommended 30% target.
- COM7 has a remuneration committee and a dedicated governance and sustainability committee. Its risk management committee also incorporates climate risk assessment.
- As for business sustainability and diversification, COM7 has expanded into complementary business areas, including IT financing, insurance, and EV sectors, which leverage synergies with existing distribution networks while diversifying revenue streams.

Source: Thanachart

INCOME STATEMENT

*Strong sales growth
despite the weak industry*

FY ending Dec (Bt m)	2023A	2024A	2025F	2026F	2027F
Sales	69,559	79,074	87,974	98,675	110,241
Cost of sales	60,354	68,598	75,904	85,086	95,059
Gross profit	9,205	10,476	12,070	13,589	15,182
% gross margin	13.2%	13.2%	13.7%	13.8%	13.8%
Selling & administration expenses	5,484	6,327	6,919	7,697	8,445
Operating profit	3,721	4,148	5,151	5,892	6,737
% operating margin	5.3%	5.2%	5.9%	6.0%	6.1%
Depreciation & amortization	908	1,013	927	1,240	1,510
EBITDA	4,629	5,161	6,079	7,132	8,247
% EBITDA margin	6.7%	6.5%	6.9%	7.2%	7.5%
Non-operating income	82	159	425	993	1,163
Non-operating expenses	(117)	(50)	(362)	(844)	(988)
Interest expense	(232)	(306)	(418)	(564)	(599)
Pre-tax profit	3,454	3,952	4,797	5,476	6,312
Income tax	588	674	818	934	1,076
After-tax profit	2,867	3,278	3,979	4,542	5,236
% net margin	4.1%	4.1%	4.5%	4.6%	4.7%
Shares in affiliates' Earnings	67	43	96	98	100
Minority interests	(77)	(14)	0	0	0
Extraordinary items	0	0	0	0	0
NET PROFIT	2,857	3,307	4,075	4,640	5,336
Normalized profit	2,857	3,307	4,075	4,640	5,336
EPS (Bt)	1.2	1.4	1.7	1.9	2.2
Normalized EPS (Bt)	1.2	1.4	1.7	1.9	2.2

*Earnings turnaround has
begun*

BALANCE SHEET

FY ending Dec (Bt m)	2023A	2024A	2025F	2026F	2027F
ASSETS:					
Current assets:	16,443	19,544	24,155	29,836	29,892
Cash & cash equivalent	2,229	2,185	6,615	10,215	8,015
Account receivables	3,472	3,147	3,501	3,926	4,387
Inventories	9,922	12,254	13,558	15,199	16,980
Others	820	1,959	481	496	511
Investments & loans	1,665	2,006	2,587	3,038	3,541
Net fixed assets	1,392	1,278	2,279	3,462	3,352
Other assets	3,477	3,809	4,130	4,424	4,656
Total assets	22,976	26,637	33,150	40,760	41,442
LIABILITIES:					
Current liabilities:	14,076	16,211	20,578	25,742	24,341
Account payables	4,916	5,719	6,328	7,210	8,055
Bank overdraft & ST loans	8,437	9,577	13,142	17,446	15,387
Current LT debt	0	0	0	0	0
Others current liabilities	723	915	1,108	1,086	898
Total LT debt	401	1,009	1,385	1,838	1,621
Others LT liabilities	311	593	592	664	742
Total liabilities	14,789	17,813	22,555	28,244	26,704
Minority interest	141	73	73	73	73
Preferreds shares	0	0	0	0	0
Paid-up capital	600	600	600	600	600
Share premium	899	899	899	899	899
Warrants	0	0	0	0	0
Surplus	836	856	856	856	856
Retained earnings	5,712	6,396	8,167	10,088	12,311
Shareholders' equity	8,047	8,751	10,522	12,443	14,666
Liabilities & equity	22,976	26,637	33,150	40,760	41,442

Sources: Company data, Thanachart estimates

CASH FLOW STATEMENT

FY ending Dec (Bt m)	2023A	2024A	2025F	2026F	2027F
Earnings before tax	3,454	3,952	4,797	5,476	6,312
Tax paid	(1,037)	(568)	(843)	(882)	(1,063)
Depreciation & amortization	908	1,013	927	1,240	1,510
Chg In working capital	(2,338)	(1,204)	(1,050)	(1,184)	(1,397)
Chg In other CA & CL / minorities	91	(80)	300	9	(116)
Cash flow from operations	1,079	3,112	4,132	4,660	5,247
Capex	(815)	(279)	(1,500)	(1,900)	(780)
Right of use	(662)	(379)	(379)	(379)	(379)
ST loans & investments	(35)	(958)	1,492	0	0
LT loans & investments	(147)	(342)	(580)	(451)	(504)
Adj for asset revaluation	0	0	0	0	0
Chg In other assets & liabilities	(33)	(345)	(371)	(368)	(396)
Cash flow from investments	(1,693)	(2,301)	(1,339)	(3,097)	(2,058)
Debt financing	3,173	1,748	3,941	4,757	(2,276)
Capital increase	0	0	0	0	0
Dividends paid	(1,788)	(1,669)	(2,304)	(2,720)	(3,113)
Warrants & other surplus	(176)	(934)	0	0	0
Cash flow from financing	1,208	(855)	1,637	2,037	(5,389)
Free cash flow	264	2,833	2,632	2,760	4,467

VALUATION

FY ending Dec	2023A	2024A	2025F	2026F	2027F
Normalized PE (x)	22.5	19.4	15.8	13.8	12.0
Normalized PE - at target price (x)	28.6	24.7	20.0	17.6	15.3
PE (x)	22.5	19.4	15.8	13.8	12.0
PE - at target price (x)	28.6	24.7	20.0	17.6	15.3
EV/EBITDA (x)	15.3	14.1	11.9	10.3	8.9
EV/EBITDA - at target price (x)	19.1	17.4	14.7	12.7	11.0
P/BV (x)	8.0	7.3	6.1	5.2	4.4
P/BV - at target price (x)	10.1	9.3	7.8	6.6	5.6
P/CFO (x)	59.5	20.6	15.5	13.8	12.2
Price/sales (x)	0.9	0.8	0.7	0.7	0.6
Dividend yield (%)	2.6	3.2	4.0	4.5	5.2
FCF Yield (%)	0.4	4.4	4.1	4.3	7.0
(Bt)					
Normalized EPS	1.2	1.4	1.7	1.9	2.2
EPS	1.2	1.4	1.7	1.9	2.2
DPS	0.7	0.9	1.1	1.2	1.4
BV/share	3.4	3.6	4.4	5.2	6.1
CFO/share	0.4	1.3	1.7	1.9	2.2
FCF/share	0.1	1.2	1.1	1.2	1.9

Sources: Company data, Thanachart estimates

*Inexpensive PE in our view,
against its growth and
profitability prospects*

FINANCIAL RATIOS

FY ending Dec	2023A	2024A	2025F	2026F	2027F
Growth Rate					
Sales (%)	10.9	13.7	11.3	12.2	11.7
Net profit (%)	(5.9)	15.7	23.2	13.9	15.0
EPS (%)	(5.9)	15.7	23.2	13.9	15.0
Normalized profit (%)	(6.0)	15.7	23.2	13.9	15.0
Normalized EPS (%)	(6.0)	15.7	23.2	13.9	15.0
Dividend payout ratio (%)	58.8	62.4	62.4	62.4	62.4
Operating performance					
Gross margin (%)	13.2	13.2	13.7	13.8	13.8
Operating margin (%)	5.3	5.2	5.9	6.0	6.1
EBITDA margin (%)	6.7	6.5	6.9	7.2	7.5
Net margin (%)	4.1	4.1	4.5	4.6	4.7
D/E (incl. minor) (x)	1.1	1.2	1.4	1.5	1.2
Net D/E (incl. minor) (x)	0.8	1.0	0.7	0.7	0.6
Interest coverage - EBIT (x)	16.0	13.5	12.3	10.4	11.2
Interest coverage - EBITDA (x)	19.9	16.9	14.5	12.6	13.8
ROA - using norm profit (%)	13.8	13.3	13.6	12.6	13.0
ROE - using norm profit (%)	37.6	39.4	42.3	40.4	39.4
DuPont					
ROE - using after tax profit (%)	37.7	39.0	41.3	39.6	38.6
- asset turnover (x)	3.4	3.2	2.9	2.7	2.7
- operating margin (%)	5.3	5.4	5.9	6.1	6.3
- leverage (x)	2.7	3.0	3.1	3.2	3.0
- interest burden (%)	93.7	92.8	92.0	90.7	91.3
- tax burden (%)	83.0	82.9	82.9	82.9	82.9
WACC (%)	8.8	8.8	8.8	8.8	8.8
ROIC (%)	27.6	23.5	24.9	26.5	26.0
NOPAT (Bt m)	3,088	3,441	4,273	4,887	5,588
invested capital (Bt m)	14,656	17,152	18,435	21,512	23,659

Sources: Company data, Thanachart estimates

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Score range	Description
CCC - B	LAGGARD: A company lagging its industry based on its high exposure and failure to manage significant ESG risks
BB - BBB - A	AVERAGE : A company with a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers
AA - AAA	LEADER: A company leading its industry in managing the most significant ESG risks and opportunities

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S&P Global Market Intelligence

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ESG risk combines the concepts of management and exposure to arrive at an absolute assessment of ESG risk. We identify five categories of ESG risk severity that could impact a company's enterprise value

Moody's ESG Solutions

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As a result, SET has created the SETTHSI for the purpose of indicating the price of these sustainable companies that pass the market capital size and liquidity criteria.

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BB - BBB - A	AVERAGE : A company with a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers
AA - AAA	LEADER: A company leading its industry in managing the most significant ESG risks and opportunities

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90-100	▲▲▲▲▲	Excellent
80-89	▲▲▲▲	Very Good
70-79	▲▲▲	Good
60-69	▲▲	Satisfactory
50-59	▲	Pass
Below		N/A

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Thanachart Securities Pcl.

Research Team

18 Floor, MBK Tower

444 Phayathai Road, Pathumwan Road, Bangkok 10330

Tel: 662 - 779-9119

Email: thanachart.res@thanachartsec.co.th

Pimpaka Nichgaroon, CFA

Head of Research, Strategy
pimpaka.nic@thanachartsec.co.th

Nuttapop Prasitsuksant

Telecom, Utilities
nuttapop.pra@thanachartsec.co.th

Rata Limsuthiwanpoom

Auto, Industrial Estate, Media, Prop. Fund
rata.lim@thanachartsec.co.th

Siriporn Arunothai

Small Cap, Healthcare, Hotel
siriporn.aru@thanachartsec.co.th

Sittichet Rungrassameephat

Analyst, Retail Market Strategy
sittichet.run@thanachartsec.co.th

Adisak Phupiphathirungul, CFA

Retail Market Strategy
adisak.phu@thanachartsec.co.th

Pattadol Bunnak

Electronics, Food & Beverage, Shipping
pattadol.bun@thanachartsec.co.th

Rawisara Suwanumphai

Bank, Finance
rawisara.suw@thanachartsec.co.th

Yupapan Polpornprasert

Energy, Petrochemical
yupapan.pol@thanachartsec.co.th

Thaloengsak Kucharoenpaisan

Analyst, Retail Market Strategy
thaloengsak.kuc@thanachartsec.co.th

Pattarawan Wangmingmat

Senior Technical Analyst
pattarawan.wan@thanachartsec.co.th

Phannarai Tiypittayarut

Property, Retail
phannarai.von@thanachartsec.co.th

Saksid Phadthanarak

Construction, Transportation
saksid.pha@thanachartsec.co.th

Witchanan Tambamroong

Technical Analyst
witchanan.tam@thanachartsec.co.th

Nariporn Klangpremchitt, CISA

Analyst, Retail Market Strategy
nariporn.kla@thanachartsec.co.th