

TARGET PRICE	THB38.70
CLOSE	THB28.00
UP/DOWNSIDE	+38.2%
PRIOR TP	THB40.00
CHANGE IN TP	-3.2%
TP vs CONSENSUS	+2.0%

กระแสตอบรับที่ดีของ iPhone15

- ราคาตัวเรือสุทธิ 3Q23 ที่ 799 ลบ. (+14% q-q, +10% y-y) จากกระแสการตอบรับ iPhone 15 ที่ดี
- เข้าสู่ช่วง High season แนวโน้มกำไรสุทธิ 4Q23 โตต่อทั้ง q-q และ y-y
- ปรับใช้ราคาเป้าหมายปี 2024 ที่ 38.7 บาท คงคำแนะนำซื้อ

กระแสตอบรับ iPhone15 เป็น key driver ใน 3Q23

ราคาตัวเรือสุทธิจากการขายจากการและให้บริการใน 3Q23 ที่ 17.9 พันลบ. (+12% q-q, +20% y-y) ได้แรงหนุนจากการขยายสาขาและทยอยเปิดสาขาที่ปิดปรับปรุงไปกว่า 40 สาขา รวมถึงสมาร์ตโฟนในฝั่ง Android ที่เปิดตัวและวางจำหน่ายหลายรุ่น และการเปิดตัวและวางจำหน่าย iPhone 15 ที่มียอดขายสูงกว่าช่วงเปิดตัว iPhone 14

คาดการณ์กำไรสุทธิ 3Q23 เพิ่มขึ้นทั้ง q-q และ y-y จากยอดขายเพิ่มขึ้น และGPM ดีขึ้น

ราคาตัวเรือสุทธิ 3Q23 ที่ 799 ลบ. (+14% q-q, +10% y-y) จากยอดขายที่เพิ่มขึ้นและอัตรากำไรขั้นต้นที่ขยายตัวขึ้น 10 bps y-y จากสัดส่วนยอดขายสินค้าในกลุ่ม Accessories มากขึ้นและสัดส่วนสินค้า House brand สูงขึ้น ขณะที่ลดลง 50 bps q-q ตามสัดส่วนยอดขายสินค้าในกลุ่ม Apple มากขึ้น ซึ่งเป็นกลุ่มที่มีอัตรากำไรขั้นต้นต่ำ ขณะที่ราคา SG&A to sales ที่ 8.3% ลดลง 30 bps q-q จากค่าใช้จ่ายในการปรับปรุงสาขาที่ทยอยลดลง แต่เพิ่มขึ้น 20 bps y-y ตามจำนวนสาขาที่เพิ่มขึ้น

เข้าสู่ช่วงฤดูการขาย มองกำไรสุทธิ 4Q23 โตต่อได้ทั้ง q-q และ y-y

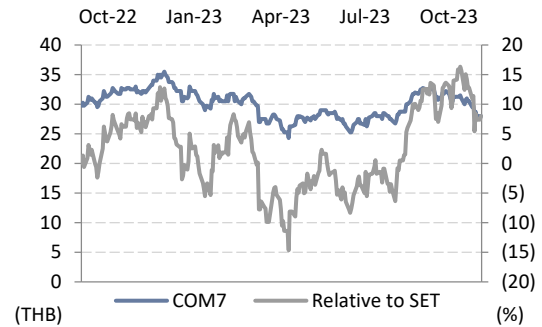
หาก 3Q23 กำไรสุทธิเป็นไปตามคาด กำไรสุทธิงวด 9M23 จะอยู่ที่ 2.4 พันลบ. (+12 y-y) คิดเป็น 69% ของประมาณการกำไรทั้งปีของเรา โดย 4Q23 จะเป็นช่วง high season ของบริษัท ซึ่ง iPhone15 จะเป็น key driver สำคัญ จากกระแสตอบรับที่ดีทำให้เราเชื่อว่ากำไรสุทธิ 4Q23 จะยังคงโตได้ทั้ง q-q และ y-y และเชื่อว่าไม่มีปัญหาขาดแคลนสินค้าเหมือนปีก่อนที่ Foxconn ปิดโรงงาน โดยราคาประมาณการกำไรปี 2023 ที่ 3.4 พันลบ. (+13% y-y) และปรับลดประมาณการกำไรปี 2024 ลงเล็กน้อยเป็น 4.0 พันลบ. (+17% y-y) โดยกำไรสุทธิเฉลี่ยปี 2023-25 เติบโตเฉลี่ย 15.5% CAGR

ปรับใช้ราคาเป้าหมายปี 2024 ที่ 38.7 บาท คงคำแนะนำซื้อ

เราปรับไปใช้ราคาเหมาะสมปี 2024 ที่ 38.7 บาท อิง P/E เดิมที่ 23 เท่า (5Y avg+1SD ของ Rolling one-year forward P/E) โดยราคาหุ้นปรับลงมา 17.6% YTD ซึ่งสะท้อนการชะลอตัวในตลาด PC ไปแล้วและเชื่อว่าปี 2024 จะทยอยกลับมาฟื้นตัวขึ้น รวมถึงกระแสตอบรับ iPhone15 ที่ดี และ upside ของธุรกิจรถยนต์ไฟฟ้า

KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	62,733	76,419	87,689	100,630
Net profit	3,038	3,430	4,010	4,678
EPS (THB)	1.27	1.44	1.68	1.96
vs Consensus (%)	-	0.3	(0.5)	0.5
EBITDA	4,687	5,031	5,918	6,917
Recurring net profit	3,038	3,430	4,010	4,678
Core EPS (THB)	1.27	1.44	1.68	1.96
Chg. In EPS est. (%)	0.0	0.0	(3.1)	3.0
EPS growth (%)	(41.9)	12.9	16.9	16.7
Core P/E (x)	22.0	19.5	16.7	14.3
Dividend yield (%)	1.8	3.6	4.1	4.8
EV/EBITDA (x)	15.1	14.0	11.9	10.2
Price/book (x)	9.3	8.2	7.1	6.1
Net debt/Equity (%)	53.1	41.9	38.5	33.9
ROE (%)	48.8	44.8	45.6	46.1



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(13.2)	0.0	(11.1)
Relative to country (%)	(5.0)	9.9	1.7
Mkt cap (USD m)	1,845		
3m avg. daily turnover (USD m)	10.4		
Free float (%)	46		
Major shareholder	Sura Khanittaweekul (25%)		
12m high/low (THB)	36.00/24.10		
Issued shares (m)	2,400.00		

Sources: Bloomberg consensus; FSSIA estimates



Jitra Amorntum

Fundamental Investment Analyst on Securities; License no. 014530
jitra.a@fssia.com, +66 2646 9966

Thada Jirachoenying

Research assistant
thada.j@fssia.com, +66 2646 9964

Investment thesis

เราชอบ COM7 จากความมุ่งมั่นในการพัฒนาธุรกิจและวางเป้าหมายให้มีส่วนแบ่งทางการตลาดในธุรกิจขายสินค้า IT ที่ 35% ภายในปี 2025 ซึ่งคิดเป็นการเติบโตของยอดขายเฉลี่ย 15-20% ต่อปี ซึ่งเราคิดว่าบริษัทมีโอกาสที่จะบรรลุเป้าหมายที่วางไว้จาก 1. การขยายช่องทางการขายของบริษัทอย่างต่อเนื่องทั้งรูปแบบร้านค้าที่เปิดตามห้างฯ (Shop in shop) และรูปแบบ Standalone รวมถึงการขยายช่องทางผ่าน Online platform 2. การปรับเปลี่ยนใช้เครื่องมือที่รองรับ 5G ซึ่งไทยเองมีสัดส่วนการใช้ 5G เพียง 11% 3. การพัฒนาเครื่องมือในการขายใหม่ๆ เช่นการให้สินเชื่อซื้อสินค้าในร้านผ่าน U-Fund, การขยายเวลารับประกันสินค้าเป็นต้น 4. การขยายธุรกิจไปในด้านอื่นๆ เช่นธุรกิจร้านขายยาผ่าน Dr.Pharma, ธุรกิจร้านขายอาหารสัตว์ Pet Paw

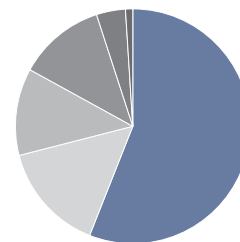
Company profile

COM7 ประกอบธุรกิจจำหน่ายสินค้าไอที ประเภทคอมพิวเตอร์แล็บท็อป คอมพิวเตอร์แบบตั้งโต๊ะ โทรศัพท์เคลื่อนที่ แท็บเล็ต และอุปกรณ์เสริมที่เกี่ยวข้อง ผ่านช่องทางการจำหน่ายหลัก รวมทั้งให้บริการศูนย์ซ่อมสินค้าแบรนด์ Apple.

www.comseven.com

Principal activities (revenue, 2022)

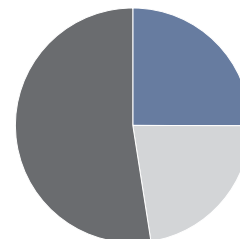
- Phone - 56.0 %
- Tablet - 15.0 %
- IT Product - 12.0 %
- Accessories - 12.0 %
- Others - 4.0 %
- Services - 1.0 %



Source: Com7

Major shareholders

- Sura Khanittaweekul - 25.1 %
- Pongsak Thammatharee - 22.5 %
- Others - 52.5 %



Source: Com7

Catalysts

ปัจจัยบวกต่อราคาหุ้นได้แก่ 1.) การเปลี่ยนแปลงของพฤติกรรมผู้บริโภคในยุคดิจิทัลที่หันมาใช้สินค้า IT เยอะขึ้นและเปลี่ยนบ่อยขึ้น 2.) การฟื้นตัวของการบริโภคและกำลังซื้อในประเทศ 3.) เป้าหมายที่จะเพิ่มส่วนแบ่งการตลาดเป็น 35%

Risks to our call

ความเสี่ยง 1.) การบริโภคและกำลังซื้อในประเทศลดลง 2.) Store cannibalisation 3.) การขาดแคลนสินค้า

Event calendar

Date	Event
13 Nov 2023	3Q23 results announcement

Key assumptions

COM7	2023E	2024E	2025E
Retail sales growth (%)	16.0	15.0	15.0
Total Stores (no.)	1,312	1,462	1,612
GPM (%)	13.4	13.6	13.8
SG%A to sales (%)	7.9	8.0	8.1

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in sales, we estimate 2023 net profit to rise by 0.8%, and vice versa, all else being equal.
- For every 0.5% increase in GPM, we estimate 2023 net profit to rise by 8.9%, and vice versa, all else being equal.
- For every 0.5% increase in SG&A expenses, we estimate 2023 net profit to fall by 7.0%, and vice versa, all else being equal.

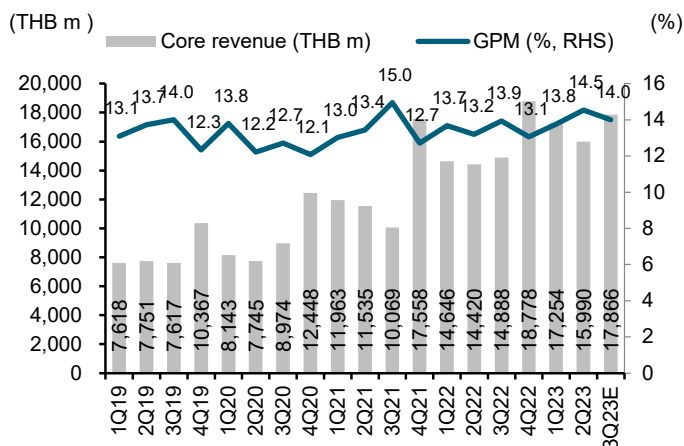
Source: FSSIA estimates

Exhibit 1: 3Q23 results preview

Year to Dec 31	3Q22	4Q22	1Q23	2Q23	3Q23E	Change		9M23E			2023E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(y-y%)	(%23E)	(THB m)	(y-y%)
Revenue	14,888	18,778	17,254	15,990	17,866	12	20	51,110	16	67	76,419	22
COGS	(12,813)	(16,325)	(14,878)	(13,665)	(15,365)	12	20	(43,908)	16	66	(66,156)	22
Gross profit	2,075	2,454	2,376	2,325	2,501	8	21	7,202	20	70	10,263	22
Operating costs	(1,202)	(1,195)	(1,284)	(1,378)	(1,483)	8	23	(4,146)	22	69	(6,010)	31
Operating profit	874	1,259	1,091	947	1,018	8	17	3,057	18	72	4,254	11
Other income	163	45	9	46	54	17	(67)	109	(46)	71	153	(38)
Other gains (losses)	(88)	(2)	(28)	(75)	0	(100)	(100)	(103)			0	(100)
FX Gain (Loss)	4	(109)	(6)	0	0	n/a	(100)	(6)	(452)	n/a	0	(100)
Interest expense	(25)	(36)	(39)	(53)	(59)	10	136	(152)	125	73	(206)	100
Profit before tax	928	1,157	1,028	864	1,013	17	9	2,905	10	69	4,200	11
Tax	(198)	(248)	(184)	(149)	(203)	36	2	(536)	3	64	(840)	9
Associates	3	20	45	7	7	(5)	126	60	138	85	70	56
Minority interests	(8)	(19)	(15)	(18)	(18)	(2)	122	(51)	645	n/a	0	(100)
Non recurring items	0	0	0	0	0	n/a	n/a	0	n/a	n/a	0	n/a
Reported net profit	725	910	874	704	799	14	10	2,377	12	69	3,430	13
Recurring net profit	725	910	874	704	799	14	10	2,377	12	69	3,430	13
EPS (THB)	0.30	0.38	0.37	0.30	0.34	14	10	1.00	(18)	69	1.44	13
Recurring EPS (THB)	0.30	0.38	0.37	0.30	0.34	14	10	1.00	(18)	69	1.44	13
Key Ratios (%)	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(ppt)	(%)	(ppt)	
Gross margin	13.9	13.1	13.8	14.5	14.0	(0.5)	0.1	14.1	0.5		13.4	(0.0)
Operating margin	6.4	6.7	6.2	5.7	5.7	(0.0)	(0.7)	6.0	0.1		5.6	(0.6)
Recurring net margin	4.9	4.8	5.1	4.4	4.5	0.1	(0.4)	4.7	(0.2)		4.5	(0.4)
SG&A / Sales	8.1	6.4	7.4	8.6	8.3	(0.3)	0.2	8.1	0.4		7.9	0.5

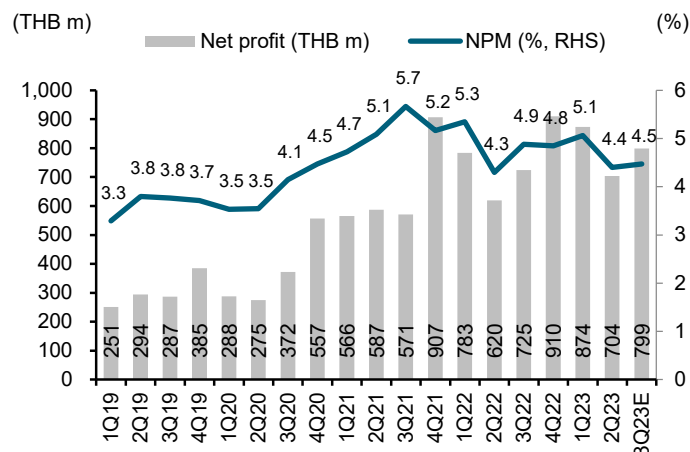
Sources: COM7; FSSIA estimates

Exhibit 2: Core revenue and Gross margin



Sources: COM7; FSSIA estimates

Exhibit 3: Net profit and Net margin



Sources: COM7; FSSIA estimates

ปรับไปใช้ราคาเป้าหมายปี 2024 ที่ 38.7 บาท

เราคงประมาณการกำไรสุทธิปี 2023 จากความไม่แน่นอนด้านกำลังซื้อ และเป้าหมายการเติบโตของบริษัทที่เคยให้ไว้ราว 15-20% ทำให้เราทำประมาณการปีหน้าอย่างระมัดระวัง โดยปรับกำไรสุทธิปี 2024 ลงเล็กน้อยเป็น 4.0 พันลป. (+17% y-y) จากการปรับลด sales target จาก 19% เป็น 15% และปรับเพิ่ม GPM ขึ้นตามกลยุทธ์ของบริษัทที่จะเน้นการขายสินค้าในกลุ่ม Accessories และสินค้ากลุ่ม house brand มากขึ้น

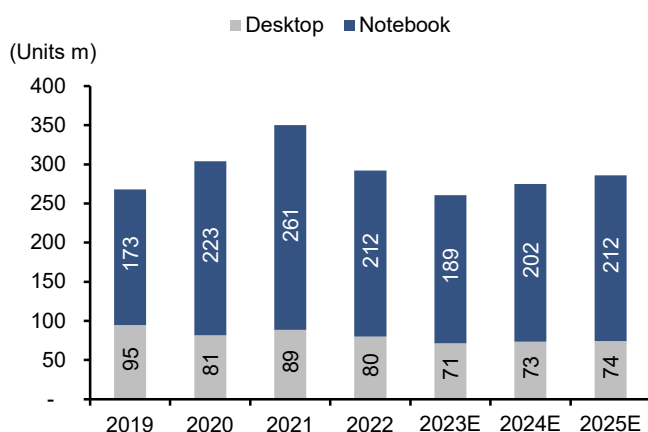
เราปรับไปใช้ราคาเป้าหมายปี 2024 ที่ 38.7 บาท ถึง P/E เดิมที่ 23 เท่า (5Y avg+1SD ของ Rolling one-year forward P/E)

Exhibit 4: Key assumption of COM7

	Current			Previous			Change		
	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E
Revenues (THB m)	76,419	87,689	100,630	76,419	91,186	100,226	(0.0)	(3.8)	0.4
Gross margin (%)	13.4	13.6	13.8	13.4	13.4	13.4	0.0	0.2	0.3
No. of new stores	150	150	150	150	150	150	0	0	0
SG&A to sales (%)	7.9	8.0	8.1	7.9	7.8	7.8	0.0	0.2	0.3
Net profit (THB m)	3,430	4,010	4,678	3,430	4,137	4,543	(0.0)	(3.1)	3.0
Core EPS (THB/share)	1.44	1.68	1.96	1.44	1.73	1.90	(0.0)	(3.1)	3.0

Source: FSSIA estimates

Exhibit 5: ตลาด PC ผ่านจุดต่ำสุดในปี 2023



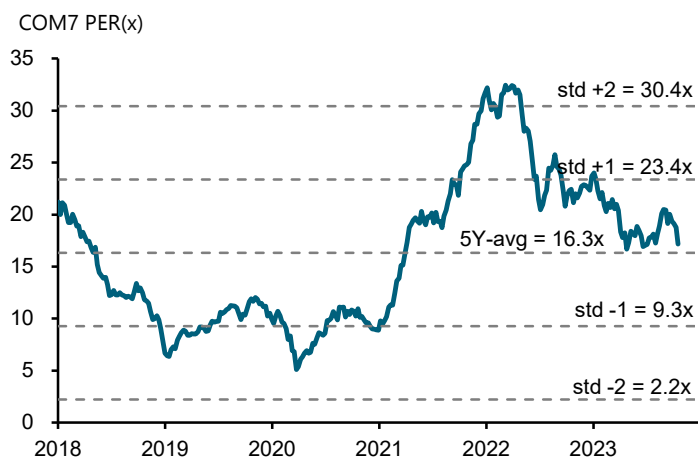
Sources: Bloomberg; FSSIA's compilation

Exhibit 6: ราคาเปิดตัว iPhone15 คงเดิม

Model	Size (inch)	128 GB (THB)	256 GB (THB)	512 GB (THB)	1TB (THB)
14	6.1"	32,900	36,900	45,900	
14 Plus	6.7"	37,900	41,900	50,900	
14 Pro	6.1"	41,900	45,900	54,900	63,900
14 Pro Max	6.7"	44,900	48,900	57,900	66,900
15	6.1"	32,900	36,900	45,900	
15 Plus	6.7"	37,900	41,900	50,900	
15 Pro	6.1"	41,900	45,900	54,900	63,900
15 Pro Max	6.7"	-	48,900	57,900	66,900

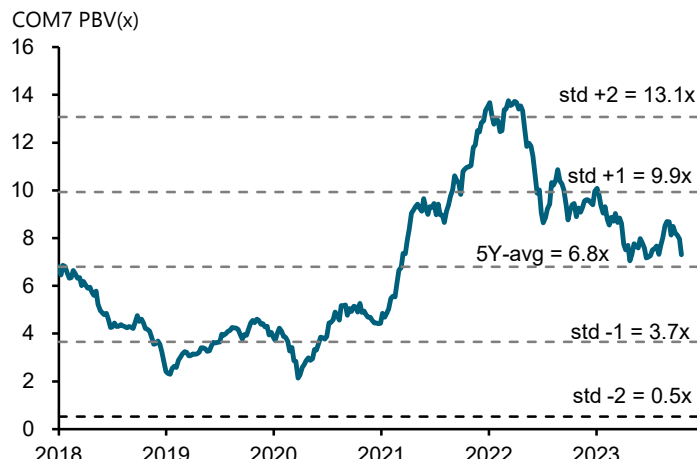
Source: FSSIA's compilation

Exhibit 7: Rolling one-year forward P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 8: Rolling one-year forward P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 9: Commerce peers as of 24 October 2023

Company	BBG	Rec	Share price			Market Cap (USD m)	PE		ROE		PBV		EV/EBITDA	
			Current (LCY)	Target (LCY)	Upside (%)		23E (x)	24E (x)	23E (%)	24E (%)	23E (x)	24E (x)	23E (x)	24E (x)
Consumer Staple														
CP All	CPALL TB	BUY	55.75	77.00	38	13,833	30.5	25.8	15.6	17.0	5.0	4.6	21.5	19.1
CP Aextra	CPAXT TB	BUY	28.75	38.00	32	8,402	34.1	27.3	3.1	3.8	1.0	1.0	10.8	10.0
Berli Jucker*	BJC TB	n/a	27.75	n/a	n/a	3,078	19.4	16.7	4.7	5.3	0.9	0.9	12.9	12.3
Consumer Staple average						25,313	28.0	23.3	7.8	8.7	2.3	2.2	15.1	13.8
Consumer Discretionary														
Com7	COM7 TB	BUY	28.00	38.70	38	1,845	19.5	16.7	44.8	45.6	8.2	7.1	14.0	11.9
Central Retail Corp*	CRC TB	n/a	38.00	n/a	n/a	6,342	27.6	22.4	12.9	14.3	3.4	3.0	11.3	10.3
Home Improvement														
Index Living Mall	ILM TB	BUY	23.40	26.70	14	326	17.0	15.3	12.0	12.7	2.0	1.9	8.1	7.3
Home Product Center	HMPRO TB	BUY	11.70	16.00	37	4,250	23.4	21.2	26.4	27.7	6.0	5.7	13.8	12.7
Siam Global House	GLOBAL TB	BUY	15.00	20.50	37	2,072	25.7	22.5	12.8	13.4	3.1	2.9	19.7	17.6
Dohome	DOHOME TB	BUY	11.00	13.00	18	939	57.1	30.5	4.9	8.5	2.7	2.5	25.1	18.5
Home Improvement avg.						7,588	30.8	22.4	14.0	15.6	3.5	3.3	16.7	14.0
Consumer Discretionary avg.						15,774	28.4	21.4	19.0	20.4	4.2	3.9	15.3	13.0
Total average						41,087	28.3	22.0	15.2	16.5	3.6	3.3	15.2	13.3

Sources: *Bloomberg; FSSIA estimates

Financial Statements

Com7

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Revenue	51,126	62,733	76,419	87,689	100,630
Cost of goods sold	(44,281)	(54,298)	(66,156)	(75,772)	(86,793)
Gross profit	6,846	8,435	10,263	11,917	13,837
Other operating income	24	248	153	175	201
Operating costs	(3,735)	(4,792)	(6,010)	(6,983)	(8,115)
Operating EBITDA	3,922	4,687	5,031	5,918	6,917
Depreciation	(787)	(796)	(624)	(809)	(994)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	3,135	3,890	4,406	5,109	5,923
Net financing costs	(48)	(103)	(206)	(193)	(187)
Associates	97	45	70	77	89
Recurring non-operating income	97	45	70	77	89
Non-recurring items	0	0	0	0	0
Profit before tax	3,183	3,832	4,270	4,993	5,825
Tax	(555)	(769)	(840)	(983)	(1,147)
Profit after tax	2,628	3,064	3,430	4,010	4,678
Minority interests	2	(26)	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	2,630	3,038	3,430	4,010	4,678
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	2,630	3,038	3,430	4,010	4,678
Per share (THB)					
Recurring EPS *	2.19	1.27	1.44	1.68	1.96
Reported EPS	2.19	1.27	1.44	1.68	1.96
DPS	1.00	0.50	1.02	1.16	1.35
Diluted shares (used to calculate per share data)	1,200	2,385	2,385	2,385	2,385
Growth					
Revenue (%)	37.0	22.7	21.8	14.7	14.8
Operating EBITDA (%)	63.4	19.5	7.3	17.6	16.9
Operating EBIT (%)	77.0	24.1	13.3	15.9	15.9
Recurring EPS (%)	76.5	(41.9)	12.9	16.9	16.7
Reported EPS (%)	76.5	(41.9)	12.9	16.9	16.7
Operating performance					
Gross margin inc. depreciation (%)	13.4	13.4	13.4	13.6	13.8
Gross margin exc. depreciation (%)	14.9	14.7	14.2	14.5	14.7
Operating EBITDA margin (%)	7.7	7.5	6.6	6.7	6.9
Operating EBIT margin (%)	6.1	6.2	5.8	5.8	5.9
Net margin (%)	5.1	4.8	4.5	4.6	4.6
Effective tax rate (%)	17.4	20.1	19.7	19.7	19.7
Dividend payout on recurring profit (%)	45.6	39.5	70.6	68.9	69.0
Interest cover (X)	67.5	38.2	21.7	26.9	32.2
Inventory days	41.4	46.2	43.4	43.1	43.1
Debtor days	12.7	18.7	18.2	17.5	17.5
Creditor days	31.8	34.2	30.7	31.9	31.9
Operating ROIC (%)	51.7	42.6	41.1	44.0	(11.4)
ROIC (%)	38.1	30.2	27.9	29.5	(7.7)
ROE (%)	57.6	48.8	44.8	45.6	46.1
ROA (%)	21.2	17.9	17.4	18.1	18.4
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Phone	28,631	35,130	42,795	49,106	56,353
Tablet	7,669	9,410	11,463	13,153	15,094
IT Product	6,135	7,528	9,170	7,015	8,050
Accessories	6,135	7,528	9,170	14,030	16,101

Sources: Com7; FSSIA estimates

Financial Statements

Com7

Cash Flow (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Recurring net profit	2,630	3,038	3,430	4,010	4,678
Depreciation	787	796	624	809	994
Associates & minorities	(97)	(45)	(70)	(77)	(89)
Other non-cash items	144	148	277	270	275
Change in working capital	(2,271)	(2,371)	160	(958)	(1,087)
Cash flow from operations	1,195	1,566	4,421	4,054	4,772
Capex - maintenance	-	-	-	-	-
Capex - new investment	(833)	(792)	(935)	(864)	(917)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	(924)	(1,236)	(554)	(391)	(379)
Cash flow from investing	(1,757)	(2,028)	(1,490)	(1,255)	(1,296)
Dividends paid	(1,199)	(1,619)	(2,421)	(2,761)	(3,228)
Equity finance	(3)	(103)	0	0	0
Debt finance	2,515	1,135	576	(553)	124
Other financing cash flows	(23)	548	(163)	(158)	(153)
Cash flow from financing	1,290	(38)	(2,009)	(3,473)	(3,257)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	729	(500)	923	(673)	218
Free cash flow to firm (FCFF)	(513.41)	(359.16)	3,137.90	2,992.82	3,661.99
Free cash flow to equity (FCFE)	1,930.91	1,221.11	3,343.99	2,088.03	3,445.89

Per share (THB)					
FCFF per share	(0.21)	(0.15)	1.31	1.25	1.53
FCFE per share	0.80	0.51	1.39	0.87	1.44
Recurring cash flow per share	2.89	1.65	1.79	2.10	2.46

Balance Sheet (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Tangible fixed assets (gross)	4,061	4,863	5,645	6,428	7,261
Less: Accumulated depreciation	(2,259)	(3,040)	(3,637)	(4,414)	(5,371)
Tangible fixed assets (net)	1,801	1,823	2,008	2,014	1,890
Intangible fixed assets (net)	297	531	656	705	753
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	774	1,517	1,517	1,517	1,517
Cash & equivalents	1,851	1,350	2,273	1,600	1,818
A/C receivable	2,707	3,716	3,912	4,489	5,151
Inventories	6,208	7,333	8,249	9,448	10,822
Other current assets	1,120	963	1,163	1,360	1,552
Current assets	11,886	13,362	15,597	16,897	19,344
Other assets	1,207	1,930	2,352	2,768	3,172
Total assets	15,966	19,162	22,131	23,902	26,676
Common equity	5,285	7,154	8,163	9,412	10,862
Minorities etc.	16	97	97	97	97
Total shareholders' equity	5,301	7,252	8,261	9,509	10,959
Long term debt	-	-	-	-	-
Other long-term liabilities	1,203	1,307	1,539	1,669	1,756
Long-term liabilities	1,203	1,307	1,539	1,669	1,756
A/C payable	5,106	4,909	6,101	6,988	8,005
Short term debt	3,801	5,204	5,731	5,261	5,535
Other current liabilities	556	490	498	474	421
Current liabilities	9,462	10,603	12,330	12,723	13,960
Total liabilities and shareholders' equity	15,966	19,162	22,131	23,902	26,676
Net working capital	4,374	6,612	6,725	7,836	9,101
Invested capital	8,454	12,413	13,259	14,840	16,433

* Includes convertibles and preferred stock which is being treated as debt

Per share (THB)					
Book value per share	4.40	3.00	3.42	3.95	4.55
Tangible book value per share	4.16	2.78	3.15	3.65	4.24

Financial strength					
Net debt/equity (%)	36.8	53.1	41.9	38.5	33.9
Net debt/total assets (%)	12.2	20.1	15.6	15.3	13.9
Current ratio (x)	1.3	1.3	1.3	1.3	1.4
CF interest cover (x)	58.7	20.5	21.7	16.3	24.4

Valuation	2021	2022	2023E	2024E	2025E
Recurring P/E (x) *	12.8	22.0	19.5	16.7	14.3
Recurring P/E @ target price (x) *	17.7	30.4	26.9	23.0	19.7
Reported P/E (x)	12.8	22.0	19.5	16.7	14.3
Dividend yield (%)	3.6	1.8	3.6	4.1	4.8
Price/book (x)	6.4	9.3	8.2	7.1	6.1
Price/tangible book (x)	6.7	10.1	8.9	7.7	6.6
EV/EBITDA (x) **	9.1	15.1	14.0	11.9	10.2
EV/EBITDA @ target price (x) **	12.3	20.5	19.1	16.2	13.9
EV/invested capital (x)	4.2	5.7	5.3	4.8	4.3

* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income

Sources: Com7; FSSIA estimates

COM7 PCL (COM7 TB)

FSSIA ESG rating



61.78 /100

Exhibit 10: FSSIA ESG score implication

Rating	Score	Implication
★★★★★	>79-100	Leading its industry peers in managing the most significant ESG risks which not only better cost efficiency but also lead to higher profitability.
★★★★★	>59-79	A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.
★★★★	>39-59	Relevant ESG materiality matrix has been constructively addressed, well-managed and incorporated into day-to-day operations, in which targets and achievements are evaluated annually.
★★★	>19-39	Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable.
★	1-19	The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or ESG suggested guidance from related organizations such as the SET and SEC.

Sources: FSSIA estimates

Exhibit 11: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings						Bloomberg	
		DJSI	SET THSI	THSI	CG score	AGM level	Thai CAC	Morningstar	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	69.20	5.34	4.40	4.40	4.76	4.65	3.84	Medium	51.76	BBB	20.87	58.72	63.91	3.72	28.17
Coverage	67.12	5.11	4.15	4.17	4.83	4.71	3.53	Medium	52.04	BB	16.97	56.85	62.09	3.40	31.94
COM7	61.78	--	Y	Y	5.00	5.00	Certified	Low	47.75	--	--	52.68	21.00	4.40	43.59
CPALL	78.53	Y	Y	Y	5.00	5.00	Certified	Medium	47.38	A	34.00	59.95	82.00	3.74	--
CPAXT	59.46	--	--	--	5.00	5.00	Certified	Low	52.81	--	--	74.64	63.00	3.77	--
BJC	71.33	Y	Y	Y	4.00	4.00	--	Medium	55.09	A	--	65.19	89.00	2.16	--
CRC	64.49	--	Y	Y	5.00	5.00	Certified	Medium	--	BBB	--	60.98	73.00	2.90	47.27

Sources: SETTRADE.com; FSSIA's compilation

Exhibit 12: ESG score by Bloomberg

FY ending Dec 31	FY 2020	FY 2021	FY 2022
ESG financial materiality scores - ESG score	3.14	4.17	4.40
BESG environmental pillar score	3.73	5.72	4.96
BESG social pillar score	1.68	2.66	3.91
BESG governance pillar score	4.25	4.36	4.34
ESG disclosure score	40.13	43.95	43.59
Environmental disclosure score	20.57	23.95	22.23
Social disclosure score	16.05	24.15	24.79
Governance disclosure score	83.59	83.59	83.59
Environmental			
Emissions reduction initiatives	Yes	Yes	Yes
Climate change policy	Yes	Yes	Yes
Climate change opportunities discussed	No	No	No
Risks of climate change discussed	Yes	Yes	Yes
GHG scope 1	--	--	--
GHG scope 2 location-based	--	--	--
GHG Scope 3	--	--	--
Carbon per unit of production	--	--	--
Biodiversity policy	No	No	No
Energy efficiency policy	Yes	Yes	Yes
Total energy consumption	1	2	--
Renewable energy use	--	--	--
Electricity used	1	2	2
Fuel used - natural gas	--	--	--

Sources: Bloomberg; FSSIA's compilation

Exhibit 13: ESG score by Bloomberg (cont.)

FY ending Dec 31	FY 2020	FY 2021	FY 2022
Fuel used - crude oil/diesel	No	No	No
Waste reduction policy	Yes	Yes	Yes
Hazardous waste	—	—	—
Total waste	—	—	—
Waste recycled	—	—	—
Waste sent to landfills	—	—	—
Environmental supply chain management	Yes	Yes	Yes
Water policy	Yes	Yes	Yes
Water consumption	—	—	—
Social			
Human rights policy	Yes	Yes	Yes
Policy against child labor	Yes	Yes	Yes
Quality assurance and recall policy	No	No	No
Consumer data protection policy	Yes	Yes	Yes
Equal opportunity policy	Yes	Yes	Yes
Gender pay gap breakout	No	No	No
Pct women in workforce	—	52	52
Pct disabled in workforce	—	1	1
Business ethics policy	Yes	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes
Health and safety policy	Yes	Yes	Yes
Lost time incident rate - employees	—	—	—
Total recordable incident rate - employees	—	—	—
Training policy	Yes	Yes	Yes
Fair remuneration policy	No	No	Yes
Number of employees – CSR	3,883	4,327	4,810
Employee turnover pct	43	—	—
Total hours spent by firm - employee training	—	25,962	28,860
Social supply chain management	Yes	Yes	Yes
Governance			
Board size	7	7	7
No. of independent directors (ID)	3	3	3
No. of women on board	1	1	1
No. of non-executive directors on board	3	3	3
Company conducts board evaluations	Yes	Yes	Yes
No. of board meetings for the year	9	7	12
Board meeting attendance pct	98	100	99
Board duration (years)	3	3	3
Director share ownership guidelines	No	No	No
Age of the youngest director	51	52	53
Age of the oldest director	66	67	68
No. of executives / company managers	8	8	8
No. of female executives	3	3	3
Executive share ownership guidelines	No	No	No
Size of audit committee	2	3	3
No. of ID on audit committee	2	3	3
Audit committee meetings	4	4	4
Audit meeting attendance %	100	100	100
Size of compensation committee	3	3	3
No. of ID on compensation committee	1	1	1
No. of compensation committee meetings	2	2	2
Compensation meeting attendance %	100	100	100
Size of nomination committee	3	3	3
No. of nomination committee meetings	2	2	2
Nomination meeting attendance %	100	100	100
Sustainability governance			
Verification type	No	No	No

Sources: Bloomberg; FSSIA's compilation

Disclaimer for ESG scoring

ESG score	Methodology	Rating																												
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																												
Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET)	THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for THSI inclusion , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. SETTHSI Index is extended from the THSI companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.																												
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																												
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																												
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																												
Morningstar Sustainalytics	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality & peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>NEGL</th> <th>Low</th> <th>Medium</th> <th>High</th> <th>Severe</th> </tr> </thead> <tbody> <tr> <td>0-10</td> <td>10-20</td> <td>20-30</td> <td>30-40</td> <td>40+</td> </tr> </tbody> </table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+																		
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0-10	10-20	20-30	30-40	40+																										
ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																												
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table border="1" style="margin-left: auto; margin-right: auto;"> <tbody> <tr> <td>AAA</td> <td>8.571-10.000</td> <td>Leader:</td> <td>leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td>AA</td> <td>7.143-8.570</td> <td></td> <td></td> </tr> <tr> <td>A</td> <td>5.714-7.142</td> <td></td> <td></td> </tr> <tr> <td>BBB</td> <td>4.286-5.713</td> <td>Average:</td> <td>a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td> </tr> <tr> <td>BB</td> <td>2.857-4.285</td> <td></td> <td></td> </tr> <tr> <td>B</td> <td>1.429-2.856</td> <td></td> <td></td> </tr> <tr> <td>CCC</td> <td>0.000-1.428</td> <td>Laggard:</td> <td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> </tbody> </table>	AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570			A	5.714-7.142			BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BB	2.857-4.285			B	1.429-2.856			CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks	
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Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																													
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)</i>																													
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																													
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																												
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																												

Source: FSSIA's compilation

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Company	Ticker	Price	Rating	Valuation & Risks
Com7	COM7 TB	THB 28.00	BUY	Downside risks to our P/E-based TP include 1) lower consumer spending; 2) store cannibalisation; and 3) product shortages.
CP All	CPALL TB	THB 55.75	BUY	The key downside risks to our DCF-derived TP include 1) lower-than-expected SSSG, 2) lower-than-expected gross margin, and 3) higher-than-expected SG&A to sales ratio.
CP Axtra	CPAXT TB	THB 28.75	BUY	The key downside risks to our DCF-based TP include: 1) lower-than-expected SSSG; 2) a lower-than-expected GPM improvement; and 3) operational losses from its overseas business.
Index Living Mall	ILM TB	THB 23.40	BUY	Downside risks to our DCF-based TP include 1) lower-than-expected SSSG; 2) a lower-than-expected GPM; and 3) higher-than-expected SG&A.
Home Product Center	HMPRO TB	THB 11.70	BUY	The key downside risks to our DCF-based TP include: 1) lower-than-expected SSSG; 2) the slow recovery of tourist numbers; and 3) operating losses from its overseas business.
Siam Global House	GLOBAL TB	THB 15.00	BUY	The key downside risks to our DCF-based TP are volatile farm incomes and farm prices which could negatively impact purchasing power, especially in the provinces and a larger-than-expected impact on farm income from the El Nino effect.
Dohome PCL	DOHOME TB	THB 11.00	BUY	Downside risks to our DCF-based TP include 1) lower-than-expected SSSG; 2) a lower-than-expected GPM; 3) higher-than-expected SG&A; and 4) a worse-than-expected effect from El Nino.

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited.

All share prices are as at market close on 24-Oct-2023 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / current price.

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Industry Recommendations

Overweight. The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

Neutral. The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

Underweight. The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

Country (Strategy) Recommendations

Overweight (O). Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral (N). Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight (U). Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.