

COM7 COM7 TB
THAILAND / COMMERCE

BUY

UNCHANGED

TARGET PRICE	THB30.00
CLOSE	THB22.30
UP/DOWNSIDE	+34.5%
PRIOR TP	THB38.70
CHANGE IN TP	-22.5%
TP vs CONSENSUS	-6.7%

ราคาสะท้อนปัจจัยลบ แนวโน้มยังเติบโต

- ผู้บริหารปรับลด Target sales จาก 20% เป็น 15%
- เราปรับลดประมาณการกำไรปี 2023-25 ลง 9-18% แนวโน้ม 4Q23 ยังเชื่อว่าจะโตได้ทั้ง q-q, y-y โดยยอดขาย iPhone 15 ในช่วง 4QTD ยังเติบโตได้ 5%
- เราปรับลดราคาเป้าหมายปี 2024 เป็น 30 บาท ยังคงแนะนำซื้อ

กำไรสุทธิ 3Q23 น่าผิดหวัง ลดลงทั้ง q-q และ y-y

COM7 รายงานกำไรสุทธิ 3Q23 ที่ 611 ลบ. (-13% q-q, -16% y-y) จากยอดขายที่เติบโตเพียง 10% y-y น้อยกว่าที่บริษัทวางเป้าหมายไว้ที่ 20% y-y จาก 3 สาเหตุ 1) ระยะเวลาในการขาย iPhone 15 น้อยกว่าช่วง iPhone 14 ราว 1 สัปดาห์ 2) Renovation 40 สาขาใน 2Q23 ซึ่งเริ่มทยอยกลับมาเปิดในช่วง 3Q23 ทำให้บางสาขารับรู้รายได้ไม่เต็มไตรมาส 3) ADEPT ซึ่งเป็นธุรกิจค้าส่งยกเลิกการขายสินค้า Realme

แนวโน้ม 4Q23 ยังเชื่อว่าฟื้นตัวได้เล็กน้อย y-y

แนวโน้ม 4Q23 คาดว่าจะฟื้นตัวได้ทั้ง q-q, y-y หนุนจากยอดขาย iPhone 15 ที่ยังสามารถเติบโตได้ราว 5% 4QTD ขณะที่ช่วงครึ่งไตรมาสที่ 4 ปี 2022 เกิดปัญหา iPhone 14 shortage รวมถึงการตั้ง Provision ของ U-Fund คาดว่าจะทยอยลดลงจากการคุม NPL และ Approval rate ได้ดีขึ้น ขณะที่ค่าใช้จ่ายยังอยู่ในระดับสูงจากการหันมาขยายสาขารูปแบบ Stand alone มากขึ้น โดยใน Oppday 3Q23 ผู้บริหารให้ข้อมูลเกี่ยวกับสาขา Stand alone ว่ามีค่าใช้จ่าย 3 ส่วนที่สูงกว่าการเปิดใน Mall ได้แก่ ค่าเสื่อมราคาจากค่าก่อสร้างที่สูงกว่า 2) ค่าสาธารณูปโภค และ 3) ค่าใช้จ่ายพนักงาน

ปรับลดประมาณการกำไรปี 2023-25 ลง 9-18% จากยอดขายที่โตช้ากว่าที่คาด

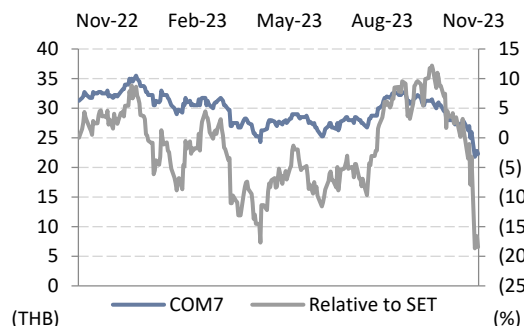
ผู้บริหารปรับลด target sales ปี 2023 ลงเหลือ 15% (9M23 Sales growth 13%) จาก AION (รถยนต์ไฟฟ้า) ที่ปรับราคาลง ทำให้ยอดขายไม่ได้ตามที่ตั้งไว้ รวมถึง Deal ที่คาดว่าจะช่วยหนุนยอดขายที่จะเข้ามาในช่วงเดือน 9 ถูกเลื่อนออกไป ทำให้เราปรับลดประมาณการกำไรสุทธิปี 2023-25 ลง 9-18% ตามลำดับ จากยอดขายที่เติบโตน้อยกว่าที่คาด และค่าใช้จ่ายที่คาดว่าจะปรับสูงขึ้นจากการเปิดสาขา Stand alone มากขึ้น

ปรับราคาเป้าหมายลงเหลือ 30 บาท ยังคงแนะนำซื้อ

เราปรับลดราคาเป้าหมายปี 2024 ลงเป็น 30 บาท อิง Forward P/E ที่ 20.6 เท่า (5Y avg+0.5SD ของ Rolling one-year forward P/E) สะท้อนภาพการเติบโตที่ช้ากว่าที่คาด ขณะที่ราคาหุ้นปรับตัวลง 17% MTD เชื่อว่าสะท้อนภาพผลประกอบการที่ผิดหวังใน 3Q23 ไปแล้ว ขณะที่ในปี 2024 คาดว่ากำไรยังเติบโตได้ 11% โดยเริ่มเห็นมาตรการกระตุ้นกำลังซื้อจากภาครัฐ และถึงรอบการเปลี่ยนสินค้า IT จากช่วง Covid ที่ผ่านมา

KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	62,733	71,074	80,111	90,436
Net profit	3,038	3,126	3,475	3,745
EPS (THB)	1.27	1.31	1.46	1.57
vs Consensus (%)	-	(3.2)	(7.0)	(13.8)
EBITDA	4,687	4,676	5,181	5,670
Recurring net profit	3,038	3,126	3,475	3,745
Core EPS (THB)	1.27	1.31	1.46	1.57
Chg. In EPS est. (%)	-	(8.9)	(13.3)	(20.0)
EPS growth (%)	(41.9)	2.9	11.1	7.8
Core P/E (x)	17.5	17.0	15.3	14.2
Dividend yield (%)	2.3	4.6	4.7	5.3
EV/EBITDA (x)	12.2	12.1	10.9	10.0
Price/book (x)	7.4	6.8	6.0	5.4
Net debt/Equity (%)	53.1	40.6	38.2	37.2
ROE (%)	48.8	41.6	41.7	40.3



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(24.4)	(22.4)	(29.8)
Relative to country (%)	(23.8)	(16.7)	(19.6)
Mkt cap (USD m)	1,499		
3m avg. daily turnover (USD m)	13.2		
Free float (%)	46		
Major shareholder	Sura Khanittaweekul (25%)		
12m high/low (THB)	36.00/21.40		
Issued shares (m)	2,400.00		

Sources: Bloomberg consensus; FSSIA estimates



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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. การปรับไปใช้เครื่องมือที่รองรับ 5G ซึ่งไทยเองมีสัดส่วนการใช้ 5G เพียง 11% 3. การพัฒนาเครื่องมือในการขายใหม่ๆ เช่นการให้สินเชื่อซื้อสินค้าในร้านผ่าน U-Fund, การขยายเวลารับประกันสินค้าเป็นต้น 4. การขยายธุรกิจไปในด้านอื่นๆ เช่นธุรกิจร้านขายยาผ่าน Dr.Pharma, ธุรกิจร้านขายอาหารสัตว์ Pet Paw

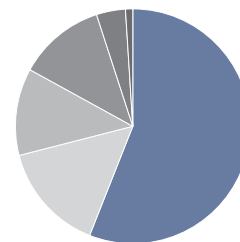
Company profile

COM7 ประกอบธุรกิจจำหน่ายสินค้าไอที ประเภทคอมพิวเตอร์แล็ปท็อป คอมพิวเตอร์แบบตั้งโต๊ะ โทรศัพท์เคลื่อนที่ แท็บเล็ต และอุปกรณ์เสริมที่เกี่ยวข้อง ผ่านช่องทางการจำหน่ายหลัก รวมทั้งให้บริการศูนย์ซ่อมสินค้าแบรนด์ Apple.

www.comseven.com

Principal activities (revenue, 2022)

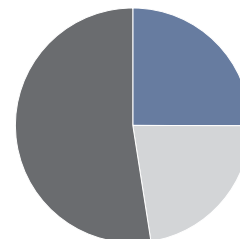
- Phone - 56.0 %
- Tablet - 15.0 %
- IT Product - 12.0 %
- Accessories - 12.0 %
- Others - 4.0 %
- Services - 1.0 %



Source: Com7

Major shareholders

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



Source: Com7

Catalysts

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

Risks to our call

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

Event calendar

Date	Event
March 2024	4Q23 results announcement

Key assumptions

COM7	2023E	2024E	2025E
Sales growth (%)	13.3	12.7	12.9
Total Stores (no.)	1,320	1,420	1,520
GPM (%)	13.7	13.7	13.7
SG&A to sales (%)	7.9	8.3	8.6

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in sales, we estimate 2024 net profit to rise by 0.9%, and vice versa, all else being equal.
- For every 0.5% increase in GPM, we estimate 2024 net profit to rise by 9.5%, and vice versa, all else being equal.
- For every 0.5% increase in SG&A expenses, we estimate 2024 net profit to fall by 9.5%, and vice versa, all else being equal.

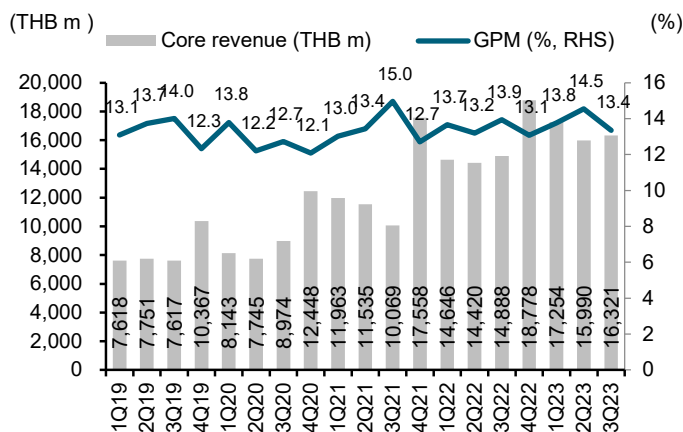
Source: FSSIA estimates

Exhibit 1: 3Q23 earnings results and 4Q23 earnings preview

Year to Dec 31	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23E	Change		9M23			2023E	Change
	(THB m)	(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	16,321	21,509	32	15	49,565	13	70	71,074	13
COGS	(12,813)	(16,325)	(14,878)	(13,665)	(14,141)	(18,684)	32	14	(42,684)	12	70	(61,368)	13
Gross profit	2,075	2,454	2,376	2,325	2,180	2,825	30	15	6,880	15	71	9,706	15
Operating costs	(1,202)	(1,195)	(1,284)	(1,378)	(1,343)	(1,574)	17	32	(4,005)	18	72	(5,579)	21
Operating profit	874	1,259	1,091	947	837	1,251	50	(1)	2,875	11	70	4,127	7
Other income	163	45	9	46	8	44	449	(4)	63	(69)	59	107	(57)
Other gains (losses)	(88)	(2)	(28)	(75)	(42)	(30)	(28)	1,252	(144)	n/a	83	(174)	94
FX Gain (Loss)	4	(109)	(6)	0	0	0	n/a	(100)	(6)	(452)	100	(6)	(94)
Interest expense	(25)	(36)	(39)	(53)	(70)	(72)	3	101	(162)	141	69	(234)	127
Profit before tax	928	1,157	1,028	864	734	1,193	63	3	2,625	(0)	69	3,818	1
Tax	(198)	(248)	(184)	(149)	(109)	(245)	124	(1)	(443)	(15)	64	(687)	(11)
Associates	3	20	45	7	6	8	34	(61)	59	133	88	66	47
Minority interests	(8)	(19)	(15)	(18)	(19)	(19)	0	(1)	(52)	659	73	(71)	173
Non-recurring items	0	0	0	0	0	0	n/a	n/a	0	n/a	n/a	n/a	n/a
Reported net profit	725	910	874	704	611	937	53	3	2,189	3	70	3,126	3
Recurring net profit	725	910	874	704	611	937	53	3	2,189	3	70	3,126	3
EPS (THB)	0.30	0.38	0.37	0.30	0.26	0.39	53	3	0.92	(25)	70	1.31	3
Recurring EPS (THB)	0.30	0.38	0.37	0.30	0.26	0.39	53	3	0.92	(25)	70	1.31	3
Key Ratios (%)	(%)	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(ppt)	(%)	(ppt)	(ppt)
Gross margin	13.9	13.1	13.8	14.5	13.4	13.1	(1.2)	(0.6)	13.9	0.3		13.7	0.2
Operating margin	6.4	6.7	6.2	5.7	4.9	5.8	(0.8)	(1.5)	5.8	(0.1)		5.8	(0.3)
Recurring net margin	4.9	4.8	5.1	4.4	3.7	4.4	(0.7)	(1.1)	4.4	(0.4)		4.4	(0.4)
SG&A / Sales	8.1	6.4	7.4	8.6	8.2	7.3	(0.4)	0.2	8.1	0.3		7.9	0.5

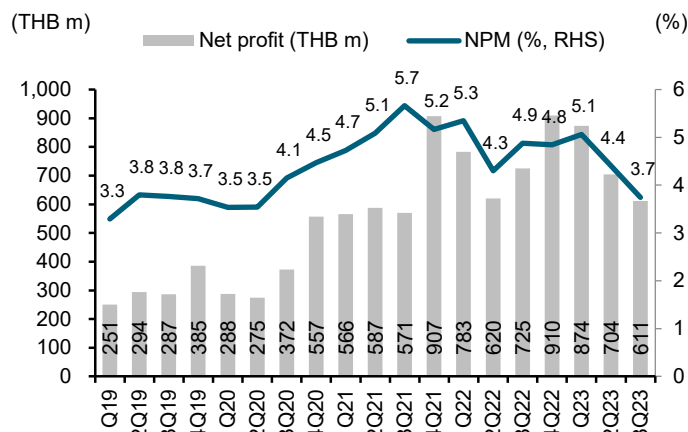
Sources: COM7; FSSIA estimates

Exhibit 2: Core revenue and Gross margin



Source: COM7

Exhibit 3: Net profit and Net margin



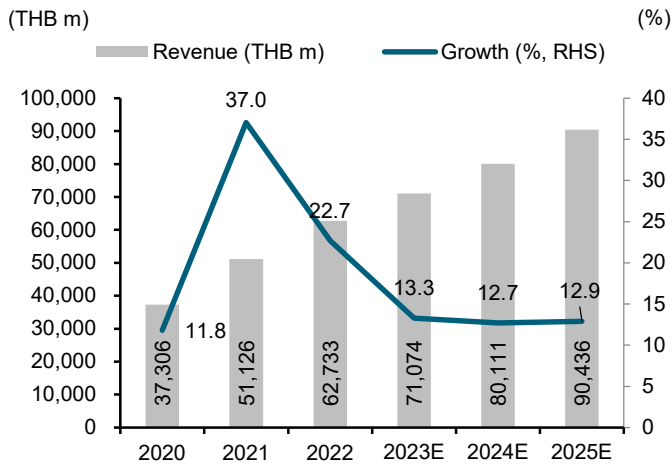
Source: COM7

Exhibit 4: Key assumption for COM7

	Current			Previous			Change		
	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E
Revenues (THB m)	71,074	80,111	90,436	76,419	91,186	100,226	(7.0)	(12.1)	(9.8)
Gross margin (%)	13.7	13.7	13.7	13.4	13.4	13.4	0.2	0.3	0.3
SG&A to sales (%)	7.9	8.3	8.6	7.9	7.8	7.8	0.0	0.4	0.8
Net profit (THB m)	3,126	3,475	3,745	3,430	4,137	4,543	(8.9)	(16.0)	(17.6)
Core EPS (THB/share)	1.31	1.46	1.57	1.44	1.73	1.90	(8.9)	(16.0)	(17.6)

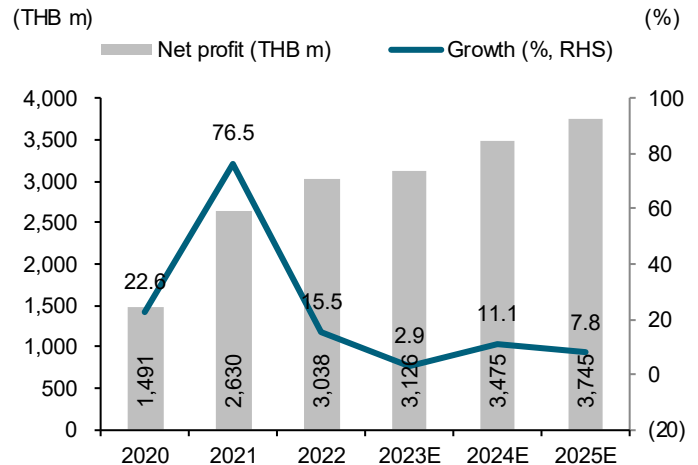
Source: FSSIA estimates

Exhibit 5: Yearly revenue



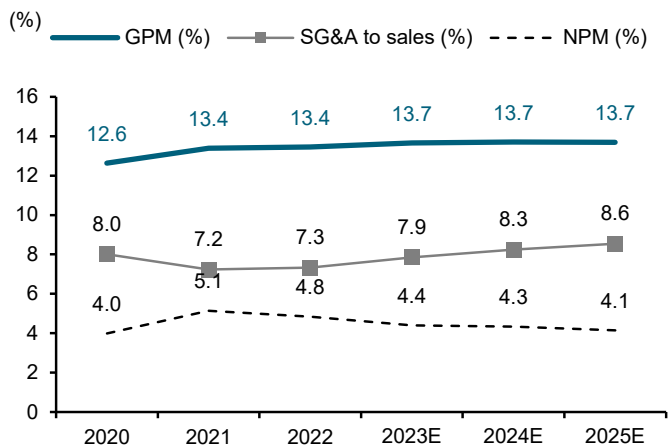
Sources: COM7; FSSIA estimates

Exhibit 6: Yearly net profit



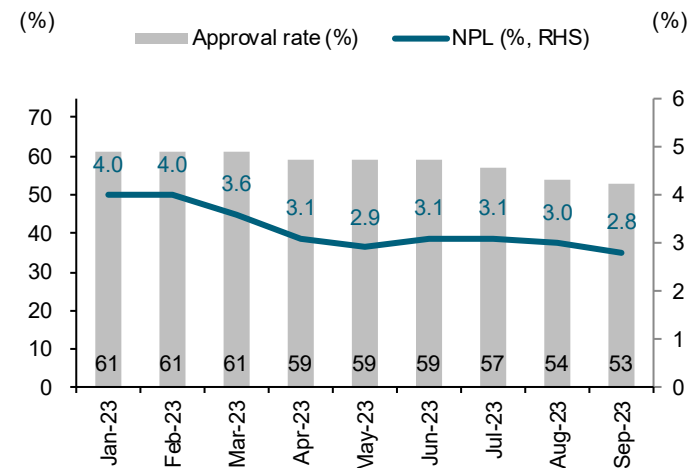
Sources: COM7; FSSIA estimates

Exhibit 7: Profitability



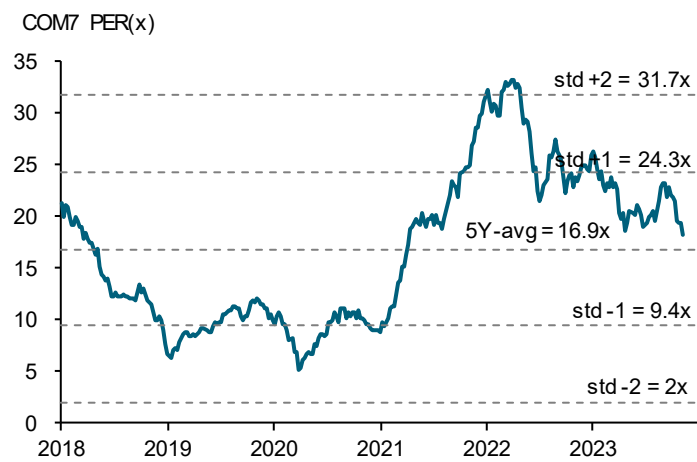
Sources: COM7; FSSIA estimates

Exhibit 8: U-Fund



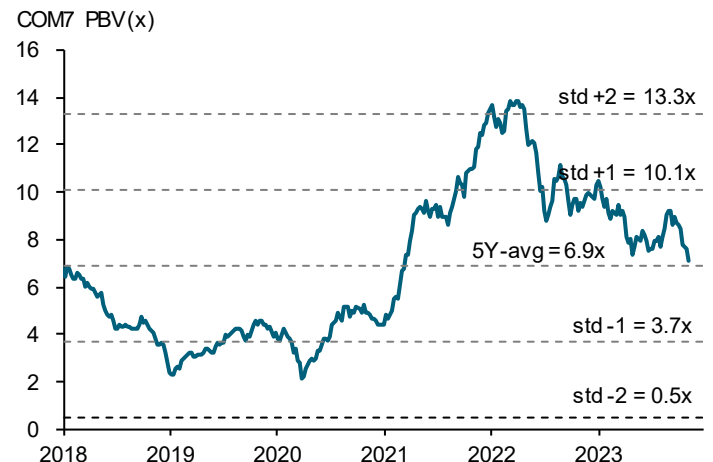
Sources: COM7; FSSIA estimates

Exhibit 9: Rolling one-year forward P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 10: Rolling one-year forward P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 11: Commerce peers as of 16 November 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	57.25	77.00	34	14,496	31.4	26.5	15.6	17.0	5.2	4.7	21.8	19.4
CP Axtra	CPAXT TB	BUY	28.75	38.00	32	8,574	34.1	27.3	3.1	3.8	1.0	1.0	10.8	10.0
Berli Jucker*	BJC TB	n/a	28.00	n/a	n/a	3,187	21.8	18.8	4.3	4.8	0.9	0.9	13.3	12.6
Consumer Staple average						26,258	29.1	24.2	7.7	8.5	2.4	2.2	15.3	14.0
Consumer Discretionary														
Com7	COM7 TB	BUY	22.30	30.00	35	1,499	17.0	15.3	41.6	41.7	6.8	6.0	12.1	10.9
Central Retail Corp*	CRC TB	n/a	39.00	n/a	n/a	6,681	28.9	23.8	12.4	13.9	3.5	3.2	11.7	10.7
Home Improvement														
Index Living Mall	ILM TB	BUY	23.50	26.70	14	335	17.1	15.4	12.0	12.7	2.0	1.9	8.1	7.3
Home Product Center	HMPRO TB	BUY	12.30	16.00	30	4,560	24.6	22.3	26.4	27.7	6.3	6.0	14.5	13.3
Siam Global House	GLOBAL TB	BUY	17.10	18.00	5	2,411	31.1	28.3	12.1	12.2	3.6	3.3	23.1	21.1
Dohome	DOHOME TB	BUY	12.00	13.00	8	1,045	62.3	33.3	4.9	8.5	3.0	2.7	26.6	19.5
Home Improvement avg.						8,350	33.8	24.8	13.8	15.3	3.7	3.5	18.1	15.3
Consumer Discretionary avg.						16,530	30.2	23.1	18.2	19.4	4.2	3.9	16.0	13.8
Total average						42,788	29.8	23.4	14.7	15.8	3.6	3.3	15.8	13.9

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	71,074	80,111	90,436
Cost of goods sold	(44,281)	(54,298)	(61,368)	(69,127)	(78,060)
Gross profit	6,846	8,435	9,706	10,983	12,376
Other operating income	24	248	107	120	136
Operating costs	(3,735)	(4,792)	(5,760)	(6,729)	(7,832)
Operating EBITDA	3,922	4,687	4,676	5,181	5,670
Depreciation	(787)	(796)	(623)	(807)	(990)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	3,135	3,890	4,053	4,374	4,680
Net financing costs	(48)	(103)	(234)	(226)	(215)
Associates	97	45	66	73	84
Recurring non-operating income	97	45	66	73	84
Non-recurring items	0	0	0	0	0
Profit before tax	3,183	3,832	3,885	4,221	4,548
Tax	(555)	(769)	(687)	(747)	(804)
Profit after tax	2,628	3,064	3,197	3,475	3,745
Minority interests	2	(26)	(71)	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	2,630	3,038	3,126	3,475	3,745
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	2,630	3,038	3,126	3,475	3,745
Per share (THB)					
Recurring EPS *	2.19	1.27	1.31	1.46	1.57
Reported EPS	2.19	1.27	1.31	1.46	1.57
DPS	1.00	0.50	1.02	1.06	1.17
Diluted shares (used to calculate per share data)	1,200	2,385	2,385	2,385	2,385
Growth					
Revenue (%)	37.0	22.7	13.3	12.7	12.9
Operating EBITDA (%)	63.4	19.5	(0.2)	10.8	9.4
Operating EBIT (%)	77.0	24.1	4.2	7.9	7.0
Recurring EPS (%)	76.5	(41.9)	2.9	11.1	7.8
Reported EPS (%)	76.5	(41.9)	2.9	11.1	7.8
Operating performance					
Gross margin inc. depreciation (%)	13.4	13.4	13.7	13.7	13.7
Gross margin exc. depreciation (%)	14.9	14.7	14.5	14.7	14.8
Operating EBITDA margin (%)	7.7	7.5	6.6	6.5	6.3
Operating EBIT margin (%)	6.1	6.2	5.7	5.5	5.2
Net margin (%)	5.1	4.8	4.4	4.3	4.1
Effective tax rate (%)	17.4	20.1	17.7	17.7	17.7
Dividend payout on recurring profit (%)	45.6	39.5	77.4	72.4	74.7
Interest cover (X)	67.5	38.2	17.6	19.7	22.1
Inventory days	41.4	46.2	45.0	43.5	43.5
Debtor days	12.7	18.7	18.9	17.6	17.6
Creditor days	31.8	34.2	31.8	32.1	32.1
Operating ROIC (%)	51.7	42.6	38.8	40.2	(9.7)
ROIC (%)	38.1	30.2	26.3	26.8	(6.6)
ROE (%)	57.6	48.8	41.6	41.7	40.3
ROA (%)	21.2	17.9	16.9	17.0	16.0
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Phone	28,631	35,130	41,223	44,862	51,549
Tablet	7,669	9,410	9,950	10,414	11,757
IT Product	6,135	7,528	6,255	7,210	8,139
Accessories	6,135	7,528	11,514	14,420	16,279

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	3,126	3,475	3,745
Depreciation	787	796	623	807	990
Associates & minorities	(97)	(45)	(66)	(73)	(84)
Other non-cash items	144	148	301	299	300
Change in working capital	(2,271)	(2,371)	604	(762)	(872)
Cash flow from operations	1,195	1,566	4,588	3,745	4,079
Capex - maintenance	-	-	-	-	-
Capex - new investment	(833)	(792)	(924)	(847)	(904)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	(924)	(1,236)	(471)	(272)	(303)
Cash flow from investing	(1,757)	(2,028)	(1,394)	(1,119)	(1,207)
Dividends paid	(1,199)	(1,619)	(2,421)	(2,517)	(2,797)
Equity finance	(3)	(103)	0	0	0
Debt finance	2,515	1,135	175	(607)	18
Other financing cash flows	(23)	548	(198)	(202)	(189)
Cash flow from financing	1,290	(38)	(2,445)	(3,326)	(2,968)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	729	(500)	749	(699)	(97)
Free cash flow to firm (FCFF)	(513.41)	(359.16)	3,427.46	2,852.36	3,086.72
Free cash flow to equity (FCFE)	1,930.91	1,221.11	3,169.83	1,817.63	2,700.37
Per share (THB)					
FCFF per share	(0.21)	(0.15)	1.43	1.19	1.29
FCFE per share	0.80	0.51	1.32	0.76	1.13
Recurring cash flow per share	2.89	1.65	1.67	1.89	2.08
Balance Sheet (THB m) Year Ending Dec					
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	646	680	718
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	774	1,517	1,517	1,517	1,517
Cash & equivalents	1,851	1,350	2,099	1,400	1,303
A/C receivable	2,707	3,716	3,638	4,101	4,630
Inventories	6,208	7,333	7,652	8,620	9,733
Other current assets	1,120	963	1,121	1,258	1,411
Current assets	11,886	13,362	14,510	15,379	17,078
Other assets	1,207	1,930	2,263	2,553	2,876
Total assets	15,966	19,162	20,944	22,142	24,078
Common equity	5,285	7,154	7,860	8,818	9,765
Minorities etc.	16	97	97	97	97
Total shareholders' equity	5,301	7,252	7,957	8,915	9,863
Long term debt	-	-	-	-	-
Other long-term liabilities	1,203	1,307	1,502	1,578	1,631
Long-term liabilities	1,203	1,307	1,502	1,578	1,631
A/C payable	5,106	4,909	5,660	6,375	7,199
Short term debt	3,801	5,204	5,331	4,807	4,974
Other current liabilities	556	490	495	468	412
Current liabilities	9,462	10,603	11,485	11,649	12,585
Total liabilities and shareholders' equity	15,966	19,162	20,944	22,142	24,078
Net working capital	4,374	6,612	6,256	7,136	8,164
Invested capital	8,454	12,413	12,690	13,900	15,164
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	4.40	3.00	3.30	3.70	4.09
Tangible book value per share	4.16	2.78	3.02	3.41	3.79
Financial strength					
Net debt/equity (%)	36.8	53.1	40.6	38.2	37.2
Net debt/total assets (%)	12.2	20.1	15.4	15.4	15.2
Current ratio (x)	1.3	1.3	1.3	1.3	1.4
CF interest cover (x)	58.7	20.5	18.5	12.8	17.7
Valuation					
Recurring P/E (x) *	10.2	17.5	17.0	15.3	14.2
Recurring P/E @ target price (x) *	13.7	23.6	22.9	20.6	19.1
Reported P/E (x)	10.2	17.5	17.0	15.3	14.2
Dividend yield (%)	4.5	2.3	4.6	4.7	5.3
Price/book (x)	5.1	7.4	6.8	6.0	5.4
Price/tangible book (x)	5.4	8.0	7.4	6.5	5.9
EV/EBITDA (x) **	7.3	12.2	12.1	10.9	10.0
EV/EBITDA @ target price (x) **	9.7	16.1	16.0	14.5	13.3
EV/invested capital (x)	3.4	4.6	4.5	4.1	3.8
* 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 12: 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 13: 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](https://www.settrade.com); FSSIA's compilation

Exhibit 14: 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 15: 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+																	
NEGL	Low	Medium	High	Severe																									
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.																											

Rating regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) "CG Score"; 2) "AGM Level"; 3) "Thai CAC"; and 4) THSI. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: FSSIA's compilation

GENERAL DISCLAIMER

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History of change in investment rating and/or target price

Com7 (COM7 TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
26-Jan-2023	BUY	40.00	25-Oct-2023	BUY	38.70	-	-	-

Jitra Amornthum started covering this stock from 26-Jan-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Com7	COM7 TB	THB 22.30	BUY	Downside risks to our P/E-based TP include 1) lower consumption and domestic purchasing power, 2) store cannibalization, and 3) product shortages.

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 16-Nov-2023 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as $(\text{target price}^* - \text{current price}) / \text{current price}$.

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.