

# COM7 COM7 TB

## THAILAND / COMMERCE

# BUY

UNCHANGED

TARGET PRICE	THB30.00
CLOSE	THB21.90
UP/DOWNSIDE	+37.0%
PRIOR TP	THB30.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+7.8%

## คาดการณ์ไรสุทธิ 4Q23 ไม่ดีเกิน

- คาดกำไรสุทธิ 4Q23 ที่ 900 ลบ. เพิ่มขึ้น 47% q-q ตามปัจจัยฤดูกาล แต่ลดลง 1% y-y จากการเลื่อนซื้อเพื่อรับมาตรการ Easy E-receipt
- แนวโน้ม 1Q24 คาดโต y-y จากยอดขายในช่วง 45 วันแรกยังเพิ่มขึ้น y-y
- คงคำแนะนำซื้อ ราคาเป้าหมาย 30 บาท/หุ้น

### คาดการณ์ไรสุทธิ 4Q23 ที่ 900 ลบ. ลดลง y-y จากการเลื่อนการซื้อรับ E-receipt

เราคาดการณ์ไรสุทธิ 4Q23 ที่ 900 ลบ. เพิ่มขึ้น 47% q-q ตามปัจจัยฤดูกาลหนุนจากการเปิดตัว iPhone15 แต่ลดลง -1% y-y จากยอดขายที่เติบโตเพียง 5% ผลจากการเลื่อนการซื้อในช่วง 4Q23 เพื่อรอรับมาตรการ Easy E-receipt ในช่วง 1Q23 ทั้งนี้เราคาด GPM ที่ 13.1% ลดลง 30 bps q-q จากสัดส่วนยอดขาย iPhone สูงขึ้น ซึ่งเป็นกลุ่มสินค้าที่มี Margin น้อย และคาดทรงตัว y-y ขณะที่คาด SG&A to sales 6.8% ลดลง 140 bps q-q จากสัดส่วนยอดขายเพิ่มขึ้นมากกว่า SG&A expense และคาดเพิ่มขึ้น 50 bps y-y ตามการขยายสาขาที่เพิ่มขึ้นและรับรู้ค่าใช้จ่ายของร้าน BeBePhone

### คาด 1Q24 ยังโต y-y จากอานิสงส์ E-receipt, Samsung S24

แนวโน้ม 1Q24 คาดจะเติบโต y-y จาก 1) ได้รับประโยชน์จาก E-receipt หนุนยอดขายที่เลื่อนจาก 4Q23 มาใน 1Q24 โดยยอดขายในช่วง 45 วันแรกของ 1Q24 ยังมีแนวโน้มเติบโต y-y 2) การเปิดตัว Flagship ของฝั่ง Android อย่าง Samsung S24 ที่เปิดตัวเร็วขึ้นราว 2 สัปดาห์ 3) ฤดูกาลเปลี่ยน PC/notebook หลักจากที่ซื้อไปในช่วงปี 2020-21

### Consumer electronics ผ่านจุดต่ำสุดในปี 2023

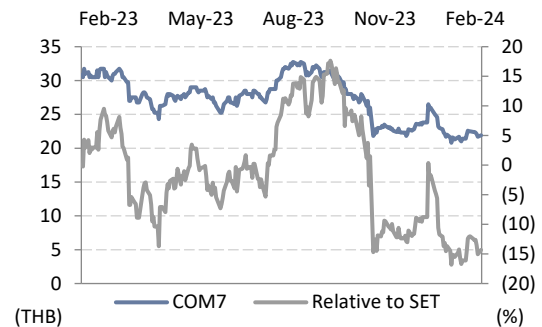
หากกำไรสุทธิ 4Q23 ตามคาด จะทำให้กำไรสุทธิปี 2023 มี downside ราว 1.2% แนวโน้มปี 2024 สำหรับตลาด Consumer electronics เชื่อว่าผ่านจุดต่ำสุดในปี 2023 ไปแล้ว จากข้อมูล IDC, Bloomberg คาดว่า จำนวนการส่งมอบทั่วโลก (Worldwide shipments) ของ PC/Notebook ในปี 2023 ลดลงราว 14% ก่อนที่จะทยอยฟื้นตัวในปี 2024-25E ที่ 4% และ 6% ตามลำดับ และ Smartphone ในปี 2023 ลดลง 4% และทยอยฟื้นตัวในปี 2024-25E ที่ 4% และ 3% ตามลำดับ

### คงคำแนะนำซื้อ ราคาเป้าหมาย 30 บาท

จากราคาหุ้นที่ปรับลงมาซื้อขายที่ 2024E P/E 15.0 เท่า (ใกล้เคียงเฉลี่ย 5ปี -0.3 SD) และราคาหุ้นลง YTD ปรับลงราว 8% เชื่อว่ารับรู้ผลกระทบที่อ่อนแอในช่วง 4Q23 ไปแล้ว โดยเรายังคงคำแนะนำซื้อ ราคาเป้าหมาย 30 บาท

## 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 (%)	-	1.7	0.3	(4.8)
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. (%)	-	-	-	-
EPS growth (%)	(41.9)	2.9	11.1	7.8
Core P/E (x)	17.2	16.7	15.0	13.9
Dividend yield (%)	2.3	4.6	4.8	5.4
EV/EBITDA (x)	12.0	11.9	10.8	9.9
Price/book (x)	7.3	6.6	5.9	5.3
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 (%)	(0.5)	(4.8)	(26.4)
Relative to country (%)	(0.8)	(2.8)	(12.4)
Mkt cap (USD m)	1,451		
3m avg. daily turnover (USD m)	10.8		
Free float (%)	46		
Major shareholder	Sura Khanittaweekul (25%)		
12m high/low (THB)	33.00/20.60		
Issued shares (m)	2,400.00		

Sources: Bloomberg consensus; FSSIA estimates



**Jitra Amornthum**

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

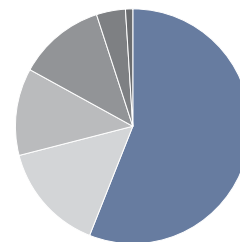
## Company profile

COM7 ประกอบธุรกิจจำหน่ายสินค้าไอที ประเภทคอมพิวเตอร์แล็ปท็อป คอมพิวเตอร์แบบตั้งโต๊ะ โทรศัพท์เคลื่อนที่ แท็บเล็ต และอุปกรณ์เสริมที่เกี่ยวข้อง ผ่านช่องทางการจำหน่ายหลัก รวมทั้งให้บริการศูนย์ซ่อมสินค้าแบรนด์ Apple.

[www.comseven.com](http://www.comseven.com)

## Principal activities (revenue, 2022)

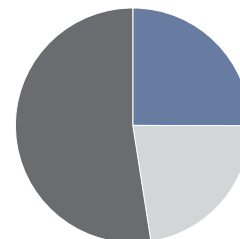
- Phone - 56.0 %
- Tablet - 15.0 %
- IT Product - 12.0 %
- Accessories - 12.0 %
- Others - 4.0 %
- Services - 1.0 %



Source: Com7

## Major shareholders

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



Source: Com7

## Catalysts

ปัจจัยบวกต่อราคาหุ้นได้แก่ 1.) การเปลี่ยนแปลงของพฤติกรรมผู้บริโภคในยุคดิจิทัลที่หันมาใช้สินค้าไอที เยอะขึ้นและเปลี่ยนบ่อยขึ้น 2.) การฟื้นตัวของการบริโภคและกำลังซื้อในประเทศ 3.) เป้าหมายที่จะเพิ่มส่วนแบ่งการตลาดเป็น 35%

## Risks to our call

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

## Event calendar

Date	Event
22 Feb 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.

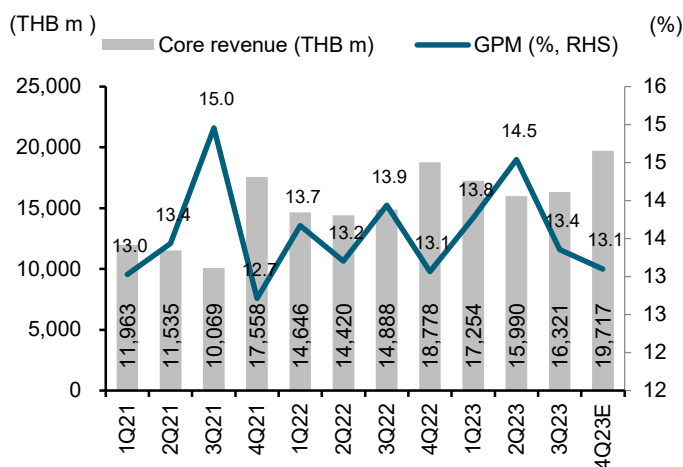
Source: FSSIA estimates

## Exhibit 1: COM7 - 4Q23 results preview

Year to Dec 31	4Q22	1Q23	2Q23	3Q23	4Q23E	Change	
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)
<b>Revenue</b>	<b>18,778</b>	<b>17,254</b>	<b>15,990</b>	<b>16,321</b>	<b>19,717</b>	<b>21</b>	<b>5</b>
COGS	(16,325)	(14,878)	(13,665)	(14,141)	(17,134)	21	5
<b>Gross profit</b>	<b>2,454</b>	<b>2,376</b>	<b>2,325</b>	<b>2,180</b>	<b>2,583</b>	<b>19</b>	<b>5</b>
Operating costs	(1,195)	(1,284)	(1,378)	(1,343)	(1,349)	0	13
<b>Operating profit</b>	<b>1,259</b>	<b>1,091</b>	<b>947</b>	<b>837</b>	<b>1,234</b>	<b>47</b>	<b>(2)</b>
Other income	45	9	46	8	10	21	(79)
Other gains (losses)	(2)	(28)	(75)	(42)	(30)	(28)	1,252
FX Gain (Loss)	(109)	(6)	0	0	0	n/a	(100)
Interest expense	(36)	(39)	(53)	(70)	(75)	8	110
<b>Profit before tax</b>	<b>1,157</b>	<b>1,028</b>	<b>864</b>	<b>734</b>	<b>1,139</b>	<b>55</b>	<b>(2)</b>
Tax	(248)	(184)	(149)	(109)	(228)	109	(8)
Associates	20	45	7	6	8	34	(61)
Minority interests	(19)	(15)	(18)	(19)	(19)	0	(1)
Non-recurring items	0	0	0	0	0	n/a	n/a
Reported net profit	910	874	704	611	900	47	(1)
<b>Recurring net profit</b>	<b>910</b>	<b>874</b>	<b>704</b>	<b>611</b>	<b>900</b>	<b>47</b>	<b>(1)</b>
EPS (THB)	0.38	0.37	0.30	0.26	0.38	47	(1)
<b>Recurring EPS (THB)</b>	<b>0.38</b>	<b>0.37</b>	<b>0.30</b>	<b>0.26</b>	<b>0.38</b>	<b>47</b>	<b>(1)</b>
<b>Key Ratios (%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>
Gross margin	13.1	13.8	14.5	13.4	13.1	(0.3)	0.0
Operating margin	6.7	6.2	5.7	4.9	6.3	1.3	(0.4)
Recurring net margin	4.8	5.1	4.4	3.7	4.6	0.8	(0.3)
SG&A / Sales	6.4	7.4	8.6	8.2	6.8	(1.4)	0.5

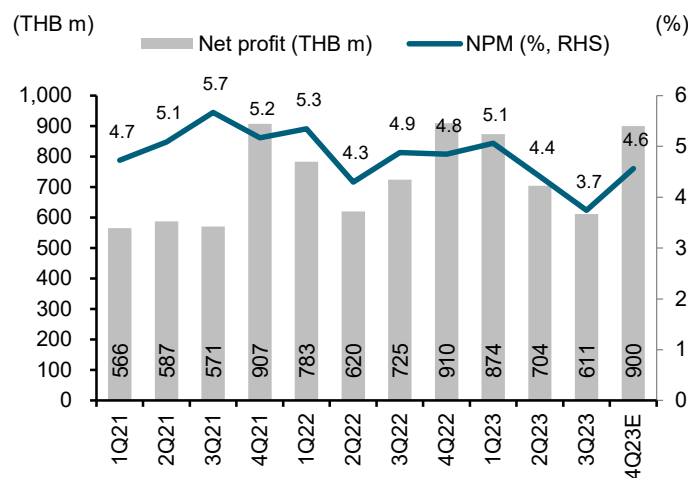
Sources: COM7; FSSIA estimates

## Exhibit 2: Core revenue and Gross margin



Sources: COM7; FSSIA estimates

## Exhibit 3: Net profit and Net margin



Sources: COM7; FSSIA estimates

## Exhibit 4: Worldwide shipments

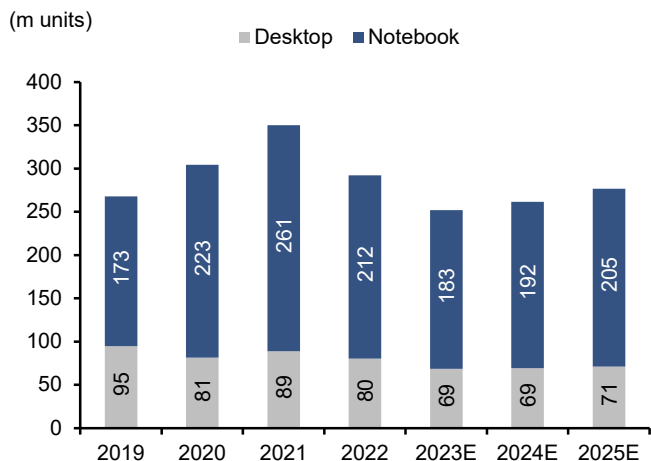
PC/Notebook Shipments (units m)	2022	2023E	2024E	2025E
Desktop	80	69	69	71
Notebook	212	183	192	205
<b>Total</b>	<b>292</b>	<b>252</b>	<b>261</b>	<b>277</b>
Y-Y growth	(17)	(14)	4	6

Smartphone Shipments (units m)	2022	2023E	2024E	2025E
3G	21	13	7	6
4G	548	445	357	289
5G	637	705	844	945
<b>Total</b>	<b>1,206</b>	<b>1,164</b>	<b>1,208</b>	<b>1,240</b>
Y-Y growth	(11)	(4)	4	3

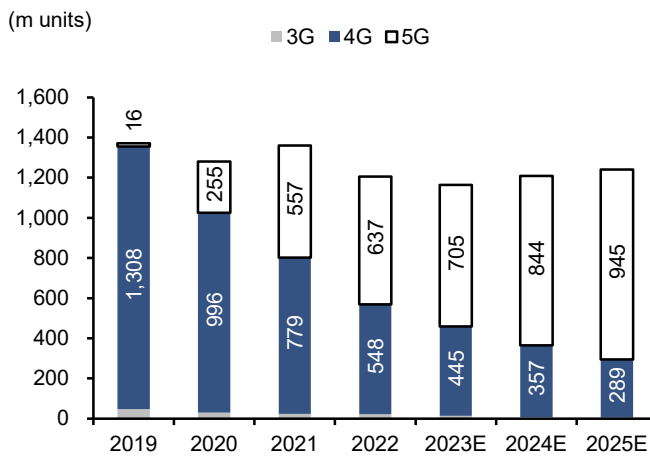
Sources: IDC; Bloomberg; FSSIA's compilation

**Exhibit 5: Demand for PCs should reach a bottom by 2023**



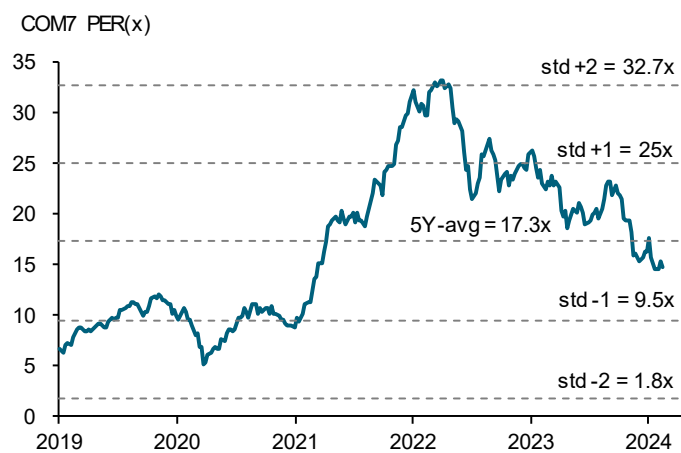
Sources: IDC; Bloomberg; FSSIA's compilation

**Exhibit 6: Demand for smartphone likely to bottom by 2023**



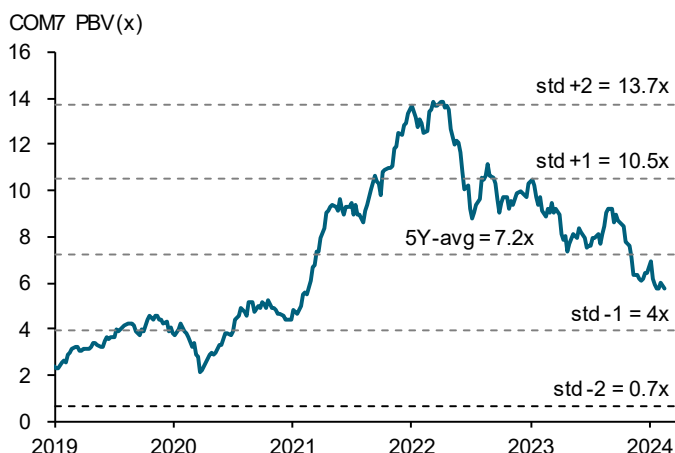
Sources: IDC; Bloomberg; FSSIA's compilation

**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 19 February 2024**

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)
<b>Consumer Staple</b>														
CP All	CPALL TB	BUY	55.00	77.00	40	13,725	28.6	24.6	16.4	17.5	5.0	4.5	20.2	18.0
CP Extra	CPAXT TB	BUY	32.75	36.00	10	9,626	39.5	32.6	3.0	3.6	1.2	1.2	12.1	11.9
Berli Jucker*	BJC TB	n/a	25.00	n/a	n/a	2,738	20.4	17.9	4.0	4.5	0.8	0.8	12.8	12.0
<b>Consumer Staple average</b>						<b>26,089</b>	<b>29.5</b>	<b>25.0</b>	<b>7.8</b>	<b>8.5</b>	<b>2.3</b>	<b>2.2</b>	<b>15.0</b>	<b>13.9</b>
<b>Consumer Discretionary</b>														
Com7	COM7 TB	BUY	21.90	30.00	37	1,451	16.7	15.0	41.6	41.7	6.6	5.9	11.9	10.8
Central Retail Corp*	CRC TB	n/a	34.00	48.00	41	5,696	25.0	21.5	12.6	13.4	3.0	2.7	13.3	11.8
<b>Home Improvement</b>														
Index Living Mall	ILM TB	BUY	21.10	26.70	27	296	15.4	13.8	12.0	12.7	1.8	1.7	7.5	6.7
Home Product Center	HMPRO TB	BUY	10.90	13.60	25	3,982	22.6	21.1	25.5	26.0	5.6	5.3	13.1	12.3
Siam Global House	GLOBAL TB	BUY	16.20	17.70	9	2,251	30.3	27.4	11.9	12.3	3.5	3.3	23.3	21.2
Dohome	DOHOME TB	BUY	11.00	12.30	12	944	66.6	35.0	4.3	7.7	2.8	2.6	25.6	19.0
<b>Home Improvement avg.</b>						<b>7,473</b>	<b>33.7</b>	<b>24.3</b>	<b>13.4</b>	<b>14.7</b>	<b>3.4</b>	<b>3.2</b>	<b>17.4</b>	<b>14.8</b>
<b>Consumer Discretionary avg.</b>						<b>14,620</b>	<b>29.4</b>	<b>22.3</b>	<b>18.0</b>	<b>19.0</b>	<b>3.9</b>	<b>3.6</b>	<b>15.8</b>	<b>13.6</b>
<b>Total average</b>						<b>40,709</b>	<b>29.5</b>	<b>23.2</b>	<b>14.6</b>	<b>15.5</b>	<b>3.4</b>	<b>3.1</b>	<b>15.5</b>	<b>13.7</b>

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)
<b>Gross profit</b>	<b>6,846</b>	<b>8,435</b>	<b>9,706</b>	<b>10,983</b>	<b>12,376</b>
Other operating income	24	248	107	120	136
Operating costs	(3,735)	(4,792)	(5,760)	(6,729)	(7,832)
<b>Operating EBITDA</b>	<b>3,922</b>	<b>4,687</b>	<b>4,676</b>	<b>5,181</b>	<b>5,670</b>
Depreciation	(787)	(796)	(623)	(807)	(990)
Goodwill amortisation	-	-	-	-	-
<b>Operating EBIT</b>	<b>3,135</b>	<b>3,890</b>	<b>4,053</b>	<b>4,374</b>	<b>4,680</b>
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
<b>Profit before tax</b>	<b>3,183</b>	<b>3,832</b>	<b>3,885</b>	<b>4,221</b>	<b>4,548</b>
Tax	(555)	(769)	(687)	(747)	(804)
<b>Profit after tax</b>	<b>2,628</b>	<b>3,064</b>	<b>3,197</b>	<b>3,475</b>	<b>3,745</b>
Minority interests	2	(26)	(71)	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>2,630</b>	<b>3,038</b>	<b>3,126</b>	<b>3,475</b>	<b>3,745</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>2,630</b>	<b>3,038</b>	<b>3,126</b>	<b>3,475</b>	<b>3,745</b>
<b>Per share (THB)</b>					
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
<b>Growth</b>					
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
<b>Operating performance</b>					
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					
<b>Revenue by Division (THB m)</b>					
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)
<b>Cash flow from operations</b>	<b>1,195</b>	<b>1,566</b>	<b>4,588</b>	<b>3,745</b>	<b>4,079</b>
Capex - maintenance	-	-	-	-	-
Capex - new investment	(833)	(792)	(924)	(847)	(904)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	(924)	(1,236)	(471)	(272)	(303)
<b>Cash flow from investing</b>	<b>(1,757)</b>	<b>(2,028)</b>	<b>(1,394)</b>	<b>(1,119)</b>	<b>(1,207)</b>
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)
<b>Cash flow from financing</b>	<b>1,290</b>	<b>(38)</b>	<b>(2,445)</b>	<b>(3,326)</b>	<b>(2,968)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>729</b>	<b>(500)</b>	<b>749</b>	<b>(699)</b>	<b>(97)</b>
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
<b>Per share (THB)</b>					
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
<b>Balance Sheet (THB m) Year Ending Dec</b>					
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)
<b>Tangible fixed assets (net)</b>	<b>1,801</b>	<b>1,823</b>	<b>2,008</b>	<b>2,014</b>	<b>1,890</b>
<b>Intangible fixed assets (net)</b>	<b>297</b>	<b>531</b>	<b>646</b>	<b>680</b>	<b>718</b>
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
<b>Current assets</b>	<b>11,886</b>	<b>13,362</b>	<b>14,510</b>	<b>15,379</b>	<b>17,078</b>
Other assets	1,207	1,930	2,263	2,553	2,876
<b>Total assets</b>	<b>15,966</b>	<b>19,162</b>	<b>20,944</b>	<b>22,142</b>	<b>24,078</b>
Common equity	5,285	7,154	7,860	8,818	9,765
Minorities etc.	16	97	97	97	97
<b>Total shareholders' equity</b>	<b>5,301</b>	<b>7,252</b>	<b>7,957</b>	<b>8,915</b>	<b>9,863</b>
Long term debt	-	-	-	-	-
Other long-term liabilities	1,203	1,307	1,502	1,578	1,631
<b>Long-term liabilities</b>	<b>1,203</b>	<b>1,307</b>	<b>1,502</b>	<b>1,578</b>	<b>1,631</b>
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
<b>Current liabilities</b>	<b>9,462</b>	<b>10,603</b>	<b>11,485</b>	<b>11,649</b>	<b>12,585</b>
<b>Total liabilities and shareholders' equity</b>	<b>15,966</b>	<b>19,162</b>	<b>20,944</b>	<b>22,142</b>	<b>24,078</b>
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					
<b>Per share (THB)</b>					
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
<b>Financial strength</b>					
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
<b>Valuation</b>					
<b>Recurring P/E (x) *</b>	<b>10.0</b>	<b>17.2</b>	<b>16.7</b>	<b>15.0</b>	<b>13.9</b>
<b>Recurring P/E @ target price (x) *</b>	<b>13.7</b>	<b>23.6</b>	<b>22.9</b>	<b>20.6</b>	<b>19.1</b>
Reported P/E (x)	10.0	17.2	16.7	15.0	13.9
Dividend yield (%)	4.6	2.3	4.6	4.8	5.4
Price/book (x)	5.0	7.3	6.6	5.9	5.3
Price/tangible book (x)	5.3	7.9	7.2	6.4	5.8
EV/EBITDA (x) **	7.2	12.0	11.9	10.8	9.9
EV/EBITDA @ target price (x) **	9.7	16.1	16.0	14.5	13.3
EV/invested capital (x)	3.3	4.5	4.4	4.0	3.7
* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income					

Sources: Com7; FSSIA estimate

# 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.
★★★★★	<b>&gt;59-79</b>	<b>A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.</b>
★★★	>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](https://www.settrade.com); FSSIA's compilation

### Exhibit 12: ESG score by Bloomberg

FY ending Dec 31	FY 2020	FY 2021	FY 2022
<b>ESG financial materiality scores - ESG score</b>	<b>3.14</b>	<b>4.17</b>	<b>4.40</b>
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
<b>ESG disclosure score</b>	<b>40.13</b>	<b>43.95</b>	<b>43.59</b>
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
<b>Environmental</b>			
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	—	—	—
<b>Social</b>			
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
<b>Governance</b>			
<b>Board size</b>	<b>7</b>	<b>7</b>	<b>7</b>
<b>No. of independent directors (ID)</b>	<b>3</b>	<b>3</b>	<b>3</b>
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
<b>No. of executives / company managers</b>	<b>8</b>	<b>8</b>	<b>8</b>
No. of female executives	3	3	3
Executive share ownership guidelines	No	No	No
<b>Size of audit committee</b>	<b>2</b>	<b>3</b>	<b>3</b>
No. of ID on audit committee	2	3	3
Audit committee meetings	4	4	4
Audit meeting attendance %	100	100	100
<b>Size of compensation committee</b>	<b>3</b>	<b>3</b>	<b>3</b>
No. of ID on compensation committee	1	1	1
No. of compensation committee meetings	2	2	2
Compensation meeting attendance %	100	100	100
<b>Size of nomination committee</b>	<b>3</b>	<b>3</b>	<b>3</b>
No. of nomination committee meetings	2	2	2
Nomination meeting attendance %	100	100	100
<b>Sustainability governance</b>			
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 <b>THSI inclusion</b> , 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. <b>SETTHSI Index</b> 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.																												
<b>CG Score</b> 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%).																												
<b>AGM level</b> 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&amp;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.																												
<b>Thai CAC</b> 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.																												
<b>Morningstar Sustainalytics</b>	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 &amp; 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" data-bbox="877 1137 1500 1205"> <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+																										
<b>ESG Book</b>	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.																												
<b>MSCI</b>	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" data-bbox="239 1400 1500 1601"> <tbody> <tr> <td><b>AAA</b></td> <td>8.571-10.000</td> <td><b>Leader:</b></td> <td>leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td><b>AA</b></td> <td>7.143-8.570</td> <td></td> <td></td> </tr> <tr> <td><b>A</b></td> <td>5.714-7.142</td> <td></td> <td></td> </tr> <tr> <td><b>BBB</b></td> <td>4.286-5.713</td> <td><b>Average:</b></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><b>BB</b></td> <td>2.857-4.285</td> <td></td> <td></td> </tr> <tr> <td><b>B</b></td> <td>1.429-2.856</td> <td></td> <td></td> </tr> <tr> <td><b>CCC</b></td> <td>0.000-1.428</td> <td><b>Laggard:</b></td> <td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> </tbody> </table>	<b>AAA</b>	8.571-10.000	<b>Leader:</b>	leading its industry in managing the most significant ESG risks and opportunities	<b>AA</b>	7.143-8.570			<b>A</b>	5.714-7.142			<b>BBB</b>	4.286-5.713	<b>Average:</b>	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	<b>BB</b>	2.857-4.285			<b>B</b>	1.429-2.856			<b>CCC</b>	0.000-1.428	<b>Laggard:</b>	lagging its industry based on its high exposure and failure to manage significant ESG risks	
<b>AAA</b>	8.571-10.000	<b>Leader:</b>	leading its industry in managing the most significant ESG risks and opportunities																											
<b>AA</b>	7.143-8.570																													
<b>A</b>	5.714-7.142																													
<b>BBB</b>	4.286-5.713	<b>Average:</b>	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers																											
<b>BB</b>	2.857-4.285																													
<b>B</b>	1.429-2.856																													
<b>CCC</b>	0.000-1.428	<b>Laggard:</b>	lagging its industry based on its high exposure and failure to manage significant ESG risks																											
<b>Moody's ESG solutions</b>	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.																													
<b>Refinitiv ESG rating</b>	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; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;75 to 100 = excellent.)</i>																													
<b>S&amp;P Global</b>	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.																													
<b>Bloomberg</b>	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

### ANALYST(S) CERTIFICATION

#### Jitra Amornthum FSS International Investment Advisory Securities Co., Ltd

The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

This report has been prepared by FSS International Investment Advisory Securities Company Limited (FSSIA). The information herein has been obtained from sources believed to be reliable and accurate; however FSSIA makes no representation as to the accuracy and completeness of such information. Information and opinions expressed herein are subject to change without notice. FSSIA has no intention to solicit investors to buy or sell any security in this report. In addition, FSSIA does not guarantee returns nor price of the securities described in the report nor accept any liability for any loss or damage of any kind arising out of the use of such information or opinions in this report. Investors should study this report carefully in making investment decisions. All rights are reserved.

This report may not be reproduced, distributed or published by any person in any manner for any purpose without permission of FSSIA. Investment in securities has risks. Investors are advised to consider carefully before making investment decisions.

Company	Ticker	Price	Rating	Valuation & Risks
Com7	COM7 TB	THB 21.90	BUY	Downside risks to our P/E-based TP include 1) lower consumption and domestic purchasing power, 2) store cannibalization, and 3) product shortages.
CP All	CPALL TB	THB 55.00	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 32.75	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.
Central Retail Corp	CRC TB	THB 34.00	BUY	Downside risks to our DCF-based TP include 1) a decline in domestic purchasing power, 2) lower-than-expected tourist arrivals, 3) an absence of the government's stimulus, and 4) a slower-than-expected economic recovery in Vietnam.
Index Living Mall	ILM TB	THB 21.10	BUY	Downside risks to our DCF-based TP include 1) a lower-than-expected SSSG; 2) a lower-than-expected GPM; and 3) a higher-than-expected SG&A.
Siam Global House	GLOBAL TB	THB 16.20	BUY	Key downside risks to our DCF-based TP are 1) lower farm income, 2) a delay in government disbursement, 3) decreased private brand exposure and its lower gross margin, 4) higher-than-expected expenses, and 5) a larger-than-expected impact of the El Nino.
Home Product Center	HMPRO TB	THB 10.90	BUY	Key downside risks to our DCF-based TP include: 1) lower-than-expected SSSG; 2) slower-than-expected recovery in domestic consumption and tourist arrivals, and 3) operating losses from overseas units.
Dohome PCL	DOHOME TB	THB 11.00	BUY	Downside risks to our DCF-based TP include 1) lower farm income, 2) a delay in government disbursement, 3) a decreased private brand exposure and its lower margins, 4) higher-than-expected expenses, and 5) a higher-than-expected impact of the 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 19-Feb-2024 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.