

COM7 COM7 TB
THAILAND / COMMERCE

BUY

UNCHANGED

TARGET PRICE	THB22.50
CLOSE	THB18.10
UP/DOWNSIDE	+24.3%
PRIOR TP	THB30.00
CHANGE IN TP	-25.0%
TP vs CONSENSUS	-7.6%

ตั้งเป้าโต 10% ระยะสั้นยังขาดปัจจัยหนุนใหม่

- เป้าหมายรายได้ปี 2024 ยังเติบโต 10% (เรคาด 9%) โดยมีแผนขยายสาขาเพิ่มอีก 150 สาขา
- ปรับลดประมาณการปี 2024-26E ลง 11-14% จากแนวโน้มการเติบโตที่ชะลอลง
- ปรับลดราคาเป้าหมายเป็น 22.50 บาท คงคำแนะนำ ซื้อ

ผู้บริหารตั้งเป้ายอดขายปี 2024 เติบโต 10% แผนเปิดสาขาอีก 150 สาขา

ผู้บริหารให้เป้าหมายการเติบโตของปี 2024 ที่ 10% ใกล้เคียงกับประมาณการของเรา โดยมีแผนขยายสาขาเพิ่ม 150 สาขาในปี โดยเป็นการเปิดในทุกร้านของ COM7 ทั้งร้าน BaNANA, Studio7, BeBePhone, Dr.PHARMA, PetPaw ฯลฯ ซึ่งโดยทั่วไปมีเป้าหมายระยะสั้นของสาขาใหม่ 2-3 ปี ขณะที่ร้าน Standalone ของร้าน BaNANA แม้จะมีระยะเวลาคืนทุนนานกว่าจากเงินลงทุนที่สูงกว่า และ Traffic ขึ้นช้ากว่าร้านใน shopping mall แต่การเติบโตในระยะกลางถึงยาวดีกว่าราว 3 เท่า บริษัทยังมั่นใจว่าร้าน standalone ยังมีศักยภาพในการเปิดได้

ปัญหาในปี 2023 เริ่มคลี่คลาย เชื่อว่าปี 2024 ดีขึ้น

ปี 2023 เป็นปีแรกที่กำไรสุทธิปรับตัวลดลง และเชื่อว่าในปี 2024 จะสามารถคลี่คลายปัญหาต่างๆ ได้จากทั้งกำลังซื้อที่เริ่มฟื้นตัว, GPM ที่ลดลงใน 4Q23 เป็นผลจากการทำโปรโมชั่น และคาดว่า GPM กลับมาขยายตัวได้ในปี 2024 หนุนจากการเน้นสินค้ากลุ่ม House brands และร้าน BeBePhone และไม่ทำโปรโมชั่นหนักเท่า 4Q23, การปิดปรับปรุงสาขาทำไปแล้วกว่า 80% ซึ่งในปีนี้จะคาดว่าจะไม่มีผลกระทบ, ค่าใช้จ่ายดอกเบี้ยที่ปรับขึ้น ซึ่งบริษัทพยายามคุม Inventory เพื่อลดการใช้เงินกู้ยืมลง

ปรับประมาณการปี 2024-26E ลง 11-14% จากแนวโน้มการเติบโตน้อยกว่าคาด

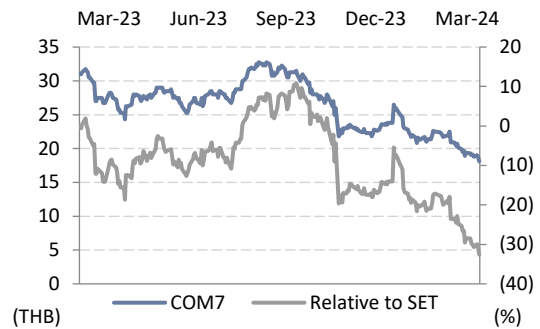
ปรับลดประมาณการกำไรสุทธิปี 2024-26E ลง 14%, 13% และ 11% ตามลำดับ จากแนวโน้มการเติบโตที่น้อยกว่าที่คาด ทั้งนี้กำไรสุทธิ 3 ปีเฉลี่ยยังคงเติบโตได้ 7% CAGR อย่างไรก็ตามเรายังไม่รวมธุรกิจรถไฟฟ้า AION (COM7 ถือ 40% ผ่านบริษัท Gold Integrate) โดยหากบริษัทขายได้ 5,000 คัน ราคาเฉลี่ยคันละ 950,000 บาท อัตรากำไรสุทธิ 3% (MGC ราว 1%) จะมี upside 2% ของประมาณการของเรา

ปรับลดราคาเป้าหมายลงเป็น 22.50 บาท คงคำแนะนำ ซื้อ

เราปรับลดราคาเป้าหมายลงเป็น 22.50 บาท โดยปรับลด Target P/E ลงจาก 20.6x เป็น 18.1x เท่ากับเฉลี่ย 5 ปี (เดิม +0.5SD) จากแนวโน้มการเติบโตที่ชะลอลง แต่ยังคงแนะนำซื้อ โดยเชื่อว่าผลกระทบดำเนินงานที่แย่สะท้อนไปในราคาแล้ว ซึ่ง YTD -24% ปัจจุบันเทรดบน 2024E P/E 14.5x

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	69,559	75,680	82,236	89,256
Net profit	2,857	2,988	3,246	3,501
EPS (THB)	1.19	1.25	1.35	1.46
vs Consensus (%)	-	(6.9)	(8.3)	(10.5)
EBITDA	4,563	4,955	5,528	6,115
Recurring net profit	2,857	2,988	3,246	3,501
Core EPS (THB)	1.19	1.25	1.35	1.46
Chg. In EPS est. (%)	nm	(14.5)	(13.9)	nm
EPS growth (%)	(5.9)	4.6	8.6	7.9
Core P/E (x)	15.2	14.5	13.4	12.4
Dividend yield (%)	5.0	3.9	3.9	4.4
EV/EBITDA (x)	11.0	9.9	8.8	7.8
Price/book (x)	5.4	4.6	4.0	3.5
Net debt/Equity (%)	81.6	56.0	43.6	33.2
ROE (%)	37.6	34.3	32.0	29.9



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(17.4)	(20.6)	(39.7)
Relative to country (%)	(16.9)	(19.0)	(31.7)
Mkt cap (USD m)	1,193		
3m avg. daily turnover (USD m)	9.2		
Free float (%)	46		
Major shareholder	Sura Khanittaweekul (25%)		
12m high/low (THB)	33.00/18.00		
Issued shares (m)	2,400.00		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

เราชอบ COM7 จากความมุ่งมั่นในการพัฒนาธุรกิจและวางเป้าหมายการเติบโตในปี 2024 ที่ 10% ซึ่งเราคิดว่าบริษัทมีโอกาที่จะบรรลุเป้าหมายที่วางไว้จาก 1. การขยายช่องทางการขายของบริษัทอย่างต่อเนื่องทั้งรูปแบบร้านค้าที่เปิดตามห้างฯ (Shop in shop) และรูปแบบ Standalone รวมถึงการขยายช่องทางผ่าน Online platform 2. การปรับไปใช้เครื่องมือที่รองรับ 5G ซึ่งไทยเองมีสัดส่วนการใช้ 5G เพียง 11% 3. การพัฒนาเครื่องมือในการขายใหม่ๆ เช่นการให้สินเชื่อซื้อสินค้าในร้านผ่าน U-Fund, การขยายเวลารับประกันสินค้า เป็นต้น 4. การขยายธุรกิจไปในด้านอื่นๆ เช่นธุรกิจร้านขายยาผ่าน Dr.Pharma, ธุรกิจร้านอาหารสัตว์ Pet Paw, ธุรกิจขาย Accessories ร้าน BeBePhone

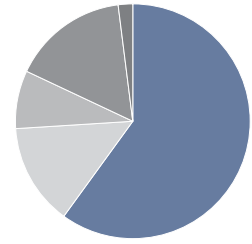
Company profile

COM7 ประกอบธุรกิจจำหน่ายสินค้าไอที ประเภทคอมพิวเตอร์แล็บท็อป คอมพิวเตอร์แบบตั้งโต๊ะ โทรศัพท์เคลื่อนที่ แท็บเล็ต และอุปกรณ์เสริมที่เกี่ยวข้อง ผ่านช่องทางการจำหน่ายหลัก รวมทั้งให้บริการศูนย์ซ่อมสินค้าแบรนด์ Apple.

www.comseven.com

Principal activities (revenue, 2023)

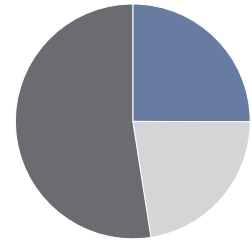
- Phone - 60.0 %
- Tablet - 14.0 %
- IT Product - 8.0 %
- Accessories - 16.0 %
- Others - 2.0 %



Source: Com7

Major shareholders

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



Source: Com7

Catalysts

ปัจจัยบวกต่อราคาหุ้นได้แก่ 1.) การเปลี่ยนแปลงของพฤติกรรมผู้บริโภคในยุคดิจิทัลที่คนหันมาใช้สินค้าไอที เยอะขึ้นและเปลี่ยนบ่อยขึ้น 2.) การฟื้นตัวของการบินและกำลังซื้อในประเทศ 3.) เป้าหมายที่จะเพิ่มส่วนแบ่งการตลาดเป็น 35%

Risks to our call

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

Event calendar

Date	Event
May 2024	1Q24 results announcement

Key assumptions

COM7	2023A	2024E	2025E	2026E
Sales growth (%)	10.9	8.8	8.7	8.5
Total Stores (no.)	1,356	1,456	1,556	1,656
GPM (%)	13.2	13.3	13.3	13.3
SG%A to sales (%)	7.9	8.0	8.1	8.2

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.

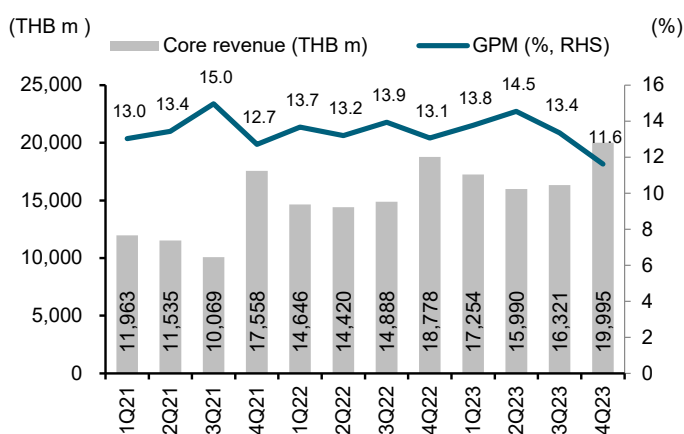
Source: FSSIA estimates

Exhibit 1: 4Q23 results summary and 2024 forecast

Year to Dec 31	4Q22	1Q23	2Q23	3Q23	4Q23	Change		2023	2024E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)
Revenue	18,778	17,254	15,990	16,321	19,995	23	6	69,559	75,680	9
COGS	(16,325)	(14,878)	(13,665)	(14,141)	(17,670)	25	8	(60,354)	(65,615)	9
Gross profit	2,454	2,376	2,325	2,180	2,325	7	(5)	9,205	10,065	9
Operating costs	(1,195)	(1,284)	(1,378)	(1,343)	(1,478)	10	24	(5,484)	(6,042)	10
Operating profit	1,259	1,091	947	837	846	1	(33)	3,721	4,023	8
Other income	45	9	46	8	19	141	(58)	82	89	9
Other gains (losses)	(2)	(34)	(75)	(42)	34	(182)	(1,628)	(43)	0	(100)
FX Gain (Loss)	(109)	0	0	0	0	n/a	(100)	0	0	n/a
Interest expense	(36)	(39)	(53)	(70)	(70)	1	96	(232)	(257)	11
Profit before tax	1,157	1,028	864	734	829	13	(28)	3,454	3,740	8
Tax	(248)	(184)	(149)	(109)	(145)	33	(41)	(588)	(748)	27
Associates	20	45	7	6	9	49	(56)	67	73	9
Minority interests	(19)	(15)	(18)	(19)	(25)	31	29	(77)	(77)	0
Non recurring items	0	0	0	0	0	n/a	n/a	0	0	n/a
Reported net profit	910	874	704	611	668	9	(27)	2,857	2,988	5
Recurring net profit	910	874	704	611	668	9	(27)	2,857	2,988	5
EPS (THB)	0.38	0.36	0.29	0.25	0.28	9	(27)	1.19	1.25	5
Recurring EPS (THB)	0.38	0.36	0.29	0.25	0.28	9	(27)	1.19	1.25	5
Key Ratios (%)	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(%)	(ppt)
Gross margin	13.1	13.8	14.5	13.4	11.6	(1.7)	(1.4)	13.2	13.3	0.1
Operating margin	6.7	6.2	5.7	4.9	4.5	(0.4)	(2.2)	5.3	5.3	(0.0)
Recurring net margin	4.8	5.1	4.4	3.7	3.3	(0.4)	(1.5)	4.1	3.9	(0.2)
SG&A / Sales	6.4	7.4	8.6	8.2	7.4	(0.8)	1.0	7.9	8.0	0.1

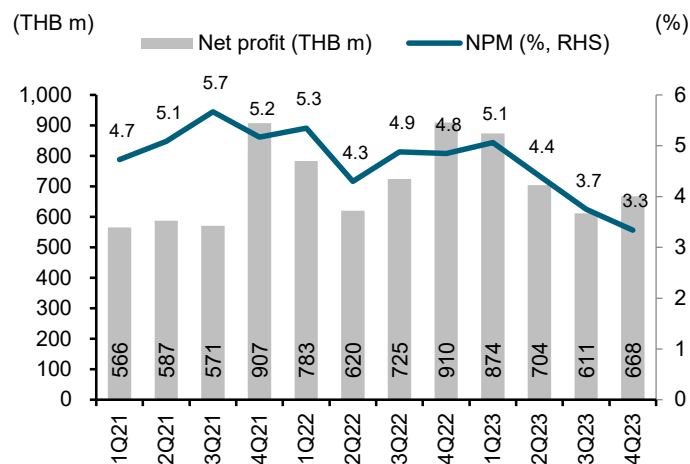
Sources: COM7, FSSIA estimates

Exhibit 2: GPM is affected by promotional activities



Sources: COM7, FSSIA estimates

Exhibit 3: Quarterly net profit



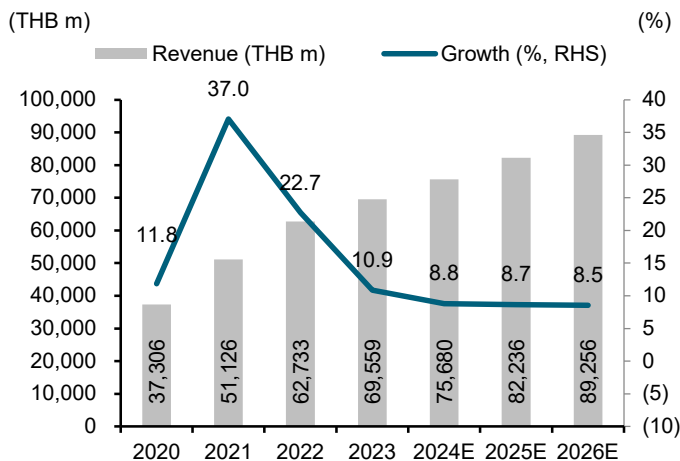
Sources: COM7, FSSIA estimates

Exhibit 4: Revised down due to slowing growth trend

	Actual	Current			Previous			Change		
	2023A	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
Revenues (THB m)	69,559	75,680	82,236	89,256	80,111	90,436	102,258	(5.5)	(9.1)	(12.7)
Sales growth (%)	10.9	8.8	8.7	8.5	12.7	12.9	13.1	(3.9)	(4.2)	(4.5)
Gross margin (%)	13.2	13.3	13.3	13.3	13.7	13.7	13.7	(0.4)	(0.4)	(0.4)
No. of new stores	194	100	100	100	100	100	100	0	0	0
SG&A to sales (%)	7.9	8.0	8.1	8.2	8.3	8.6	8.9	(0.3)	(0.5)	(0.7)
Net profit (THB m)	2,857	2,988	3,246	3,501	3,475	3,745	3,915	(14.0)	(13.3)	(10.6)

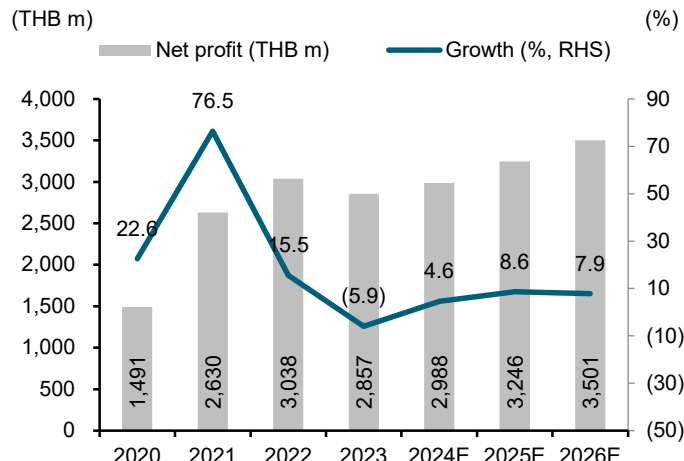
Sources: COM7, FSSIA estimates

Exhibit 5: Yearly revenue and growth rate



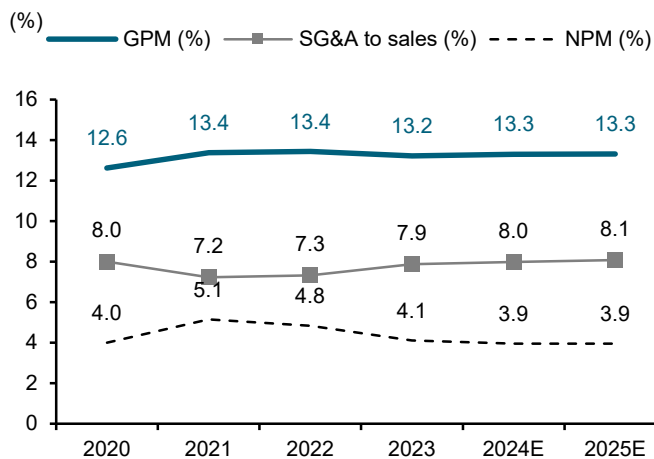
Sources: COM7, FSSIA estimates

Exhibit 6: 2023 net profit declined for the first time



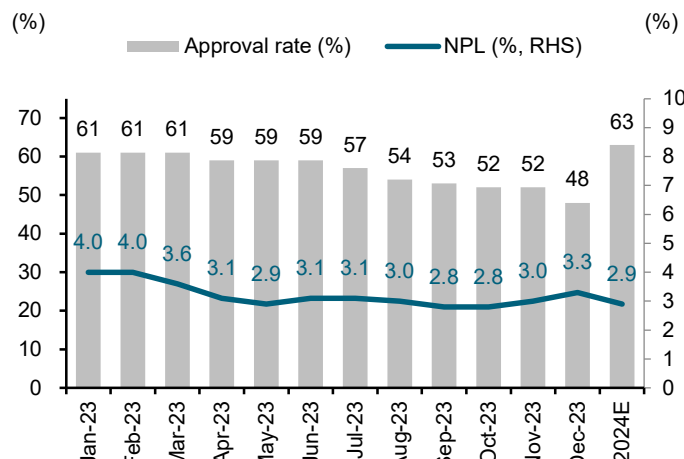
Sources: COM7, FSSIA estimates

Exhibit 7: Profitability



Sources: COM7, FSSIA estimates

Exhibit 8: 2024E UFund's NPL should decrease



Sources: COM7, FSSIA estimates

Exhibit 9: TH smartphone shipment

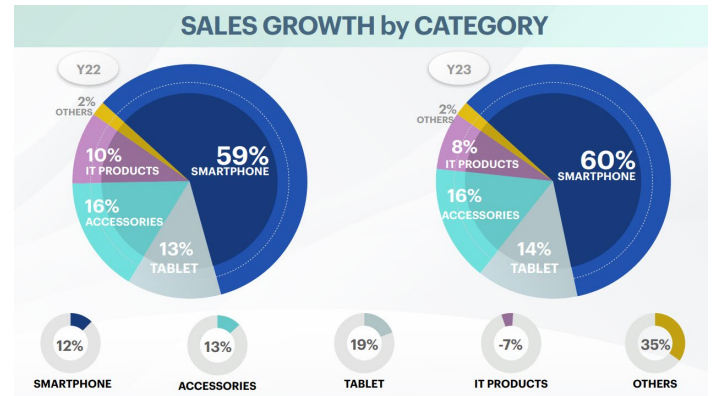
TH Smartphone Market (IDC)					
Thailand Smartphone Market, Top 5 Companies, Shipments in Millions, Market Share, Year-over-Year Growth, 2023					
Company	2023 Shipments	2023 Market Share	2022 Shipments	2022 Market Share	YoY Growth
1. Samsung	2.8	19.7%	4.0	24.0%	-28.2%
2. OPPO	2.8	19.6%	3.0	18.0%	-4.9%
3. Apple	2.5	17.6%	2.4	14.5%	6.4%
4. Xiaomi	2.1	14.2%	2.1	12.6%	-1.7%
5. vivo	1.5	10.2%	2.3	13.6%	-34.4%
Others	2.7	18.7%	2.9	17.4%	-6.2%
Total	14.4	100.0%	16.5	100.0%	-12.7%

Source: IDC Worldwide Quarterly Mobile Phone Tracker, 4Q2023

COM7 +12%

Source: COM7

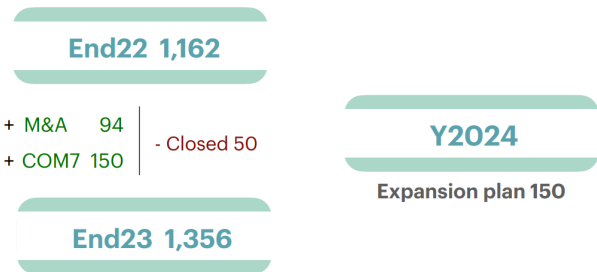
Exhibit 10: IT product still drop in 2023



Source: COM7

Exhibit 11: 2024 expansion plan by 150 stores

Expansion



Source: COM7

Exhibit 12: Key growth driver in 2024



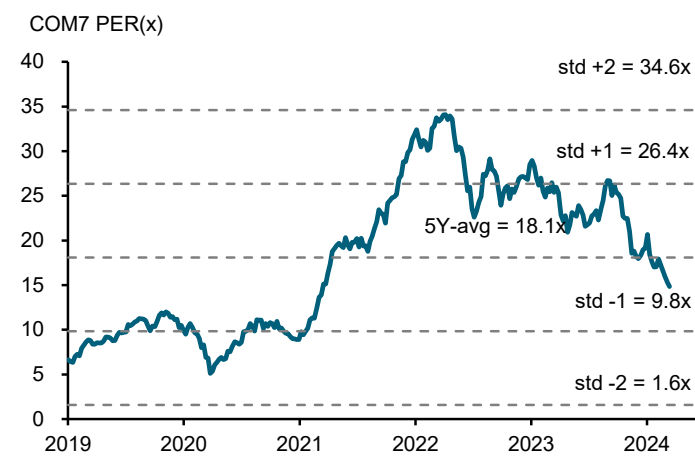
Source: COM7

Exhibit 13: Sensitivity for target price

PER (x)	EPS (THB/share)				
	1.15	1.20	1.25	1.30	1.35
17.1	19.6	20.4	21.3	22.1	23.0
17.6	20.2	21.0	21.9	22.8	23.7
18.1	20.7	21.6	22.5	23.4	24.3
18.6	21.3	22.2	23.2	24.1	25.0
19.1	21.9	22.8	23.8	24.7	25.7

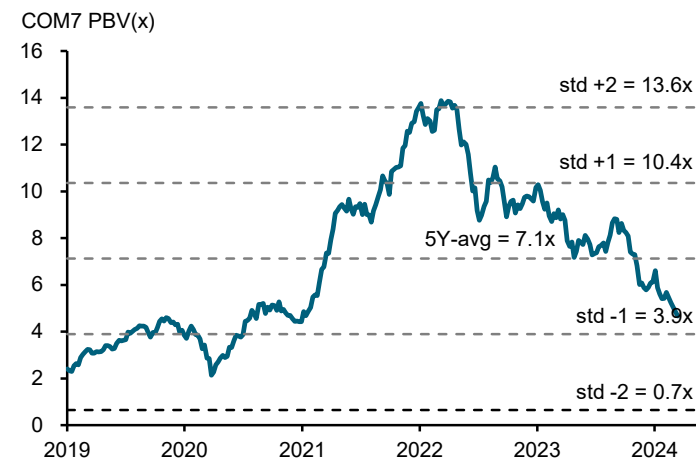
Source: FSSIA estimates

Exhibit 14: Rolling one-year forward P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 15: Rolling one-year forward P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 16: Commerce peers as of 20 March 2024

Company	BBG	Rec	Share price			Market Cap (USD m)	PE		ROE		PBV		EV/ EBITDA	
			Current (LCY)	Target (LCY)	Upside (%)		24E (x)	25E (x)	24E (%)	25E (%)	24E (x)	25E (x)	24E (x)	25E (x)
Consumer Staple														
CP All	CPALL TB	BUY	55.50	77.00	39	13,781	23.7	20.3	18.1	19.3	4.5	4.0	18.8	16.2
CP Axta	CPAXT TB	BUY	31.50	36.00	14	9,212	31.4	26.7	3.6	4.2	1.1	1.1	11.5	11.0
Berli Jucker*	BJC TB	n/a	25.25	n/a	n/a	2,780	17.9	16.9	4.6	4.9	0.8	0.8	12.1	11.5
Consumer Staple average						25,773	24.3	21.3	8.8	9.4	2.1	2.0	14.1	12.9
Consumer Discretionary														
Com7	COM7 TB	BUY	18.10	22.50	24	1,193	14.5	13.4	34.3	32.0	4.6	4.0	9.9	8.8
Central Retail Corp	CRC TB	BUY	37.25	44.00	18	6,210	24.9	22.3	12.9	13.3	3.1	2.8	10.4	9.7
Home Improvement														
Index Living Mall	ILM TB	BUY	21.50	26.70	24	300	14.1	13.0	12.7	13.1	1.7	1.7	6.8	6.2
Home Product Center	HMPRO TB	BUY	10.80	13.60	26	3,926	20.8	19.6	26.1	26.4	5.3	5.0	12.1	11.5
Siam Global House	GLOBAL TB	BUY	17.20	17.70	3	2,473	29.1	25.9	12.3	13.0	3.5	3.3	22.4	20.1
Dohome	DOHOME TB	BUY	11.20	12.30	10	1,000	35.5	27.6	7.7	9.3	2.7	2.5	18.0	15.7
Home Improvement avg.						7,699	24.9	21.5	14.7	15.4	3.3	3.1	14.8	13.4
Consumer Discretionary avg.						15,102	23.1	20.3	17.7	17.8	3.5	3.2	13.3	12.0
Total average						40,875	23.5	20.6	14.7	15.0	3.0	2.8	13.6	12.3

Sources: *Bloomberg; FSSIA estimates

Financial Statements

Com7

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	62,733	69,559	75,680	82,236	89,256
Cost of goods sold	(54,298)	(60,354)	(65,615)	(71,286)	(77,357)
Gross profit	8,435	9,205	10,065	10,950	11,899
Other operating income	248	82	89	97	106
Operating costs	(4,792)	(5,600)	(6,157)	(6,762)	(7,417)
Operating EBITDA	4,687	4,563	4,955	5,528	6,115
Depreciation	(796)	(876)	(957)	(1,242)	(1,528)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	3,890	3,687	3,997	4,285	4,587
Net financing costs	(103)	(232)	(257)	(237)	(235)
Associates	45	67	73	84	97
Recurring non-operating income	45	67	73	84	97
Non-recurring items	0	0	0	0	0
Profit before tax	3,832	3,522	3,814	4,133	4,449
Tax	(769)	(588)	(748)	(810)	(870)
Profit after tax	3,064	2,934	3,065	3,323	3,578
Minority interests	(26)	(77)	(77)	(77)	(77)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	3,038	2,857	2,988	3,246	3,501
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	3,038	2,857	2,988	3,246	3,501
Per share (THB)					
Recurring EPS *	1.27	1.19	1.25	1.35	1.46
Reported EPS	1.27	1.19	1.25	1.35	1.46
DPS	0.50	0.91	0.70	0.71	0.80
Diluted shares (used to calculate per share data)	2,400	2,400	2,400	2,400	2,400
Growth					
Revenue (%)	22.7	10.9	8.8	8.7	8.5
Operating EBITDA (%)	19.5	(2.6)	8.6	11.6	10.6
Operating EBIT (%)	24.1	(5.2)	8.4	7.2	7.0
Recurring EPS (%)	(42.3)	(5.9)	4.6	8.6	7.9
Reported EPS (%)	(42.3)	(5.9)	4.6	8.6	7.9
Operating performance					
Gross margin inc. depreciation (%)	13.4	13.2	13.3	13.3	13.3
Gross margin exc. depreciation (%)	14.7	14.5	14.6	14.8	15.0
Operating EBITDA margin (%)	7.5	6.6	6.5	6.7	6.9
Operating EBIT margin (%)	6.2	5.3	5.3	5.2	5.1
Net margin (%)	4.8	4.1	3.9	3.9	3.9
Effective tax rate (%)	20.1	16.7	19.6	19.6	19.6
Dividend payout on recurring profit (%)	39.5	76.3	56.2	52.3	54.5
Interest cover (X)	38.2	16.2	15.8	18.5	19.9
Inventory days	46.2	52.9	54.5	51.0	51.1
Debtor days	18.7	18.9	17.8	18.1	18.1
Creditor days	34.2	30.1	29.0	29.0	29.1
Operating ROIC (%)	42.6	29.5	27.6	(7.1)	(7.1)
ROIC (%)	30.2	21.4	20.6	(5.3)	(5.3)
ROE (%)	48.8	37.6	34.3	32.0	29.9
ROA (%)	17.9	14.8	14.2	13.5	13.4
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Phone	37,012	41,736	45,408	49,341	53,553
Tablet	8,155	9,738	9,838	10,691	11,603
IT Product	6,273	5,565	6,811	7,401	8,033
Accessories	10,037	11,130	12,109	13,158	14,281

Sources: Com7; FSSIA estimates

Financial Statements

Com7

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	3,038	2,857	2,988	3,246	3,501
Depreciation	796	876	957	1,242	1,528
Associates & minorities	(45)	(67)	(73)	(84)	(97)
Other non-cash items	148	300	330	321	332
Change in working capital	(2,371)	(2,963)	512	(784)	(840)
Cash flow from operations	1,566	1,003	4,715	3,941	4,425
Capex - maintenance	-	-	-	-	-
Capex - new investment	(792)	(1,592)	(1,579)	(1,472)	(1,477)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	(1,236)	(103)	(266)	(162)	(174)
Cash flow from investing	(2,028)	(1,695)	(1,845)	(1,634)	(1,651)
Dividends paid	(1,619)	(2,180)	(1,680)	(1,697)	(1,909)
Equity finance	(103)	43	0	0	0
Debt finance	1,135	3,243	(1,605)	253	(353)
Other financing cash flows	548	(10)	(221)	(220)	(217)
Cash flow from financing	(38)	1,097	(3,506)	(1,663)	(2,479)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(500)	404	(636)	643	295
Free cash flow to firm (FCFF)	(359.16)	(460.18)	3,127.35	2,543.37	3,009.15
Free cash flow to equity (FCFE)	1,221.11	2,540.16	1,044.00	2,340.18	2,203.65
Per share (THB)					
FCFF per share	(0.15)	(0.19)	1.30	1.06	1.25
FCFE per share	0.51	1.06	0.43	0.98	0.92
Recurring cash flow per share	1.64	1.65	1.75	1.97	2.19
Balance Sheet (THB m) Year Ending Dec					
Tangible fixed assets (gross)	4,863	6,340	8,565	9,977	11,390
Less: Accumulated depreciation	(3,040)	(3,932)	(5,562)	(6,772)	(8,263)
Tangible fixed assets (net)	1,823	2,408	3,002	3,206	3,126
Intangible fixed assets (net)	531	588	615	642	671
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	1,517	1,665	1,665	1,665	1,665
Cash & equivalents	1,350	1,754	1,118	1,761	2,056
A/C receivable	3,716	3,472	3,910	4,248	4,611
Inventories	7,333	9,922	9,380	10,190	11,058
Other current assets	963	1,295	1,411	1,525	1,647
Current assets	13,362	16,443	15,819	17,725	19,373
Other assets	1,930	1,873	2,052	2,226	2,413
Total assets	19,162	22,976	23,152	25,463	27,247
Common equity	7,154	8,047	9,355	10,904	12,497
Minorities etc.	97	141	141	141	141
Total shareholders' equity	7,252	8,188	9,496	11,045	12,638
Long term debt	-	-	-	-	-
Other long-term liabilities	1,307	829	1,091	1,182	1,221
Long-term liabilities	1,307	829	1,091	1,182	1,221
A/C payable	4,909	4,916	5,341	5,803	6,297
Short term debt	5,204	8,437	6,433	6,579	6,248
Other current liabilities	490	606	791	855	844
Current liabilities	10,603	13,959	12,565	13,236	13,389
Total liabilities and shareholders' equity	19,162	22,976	23,152	25,463	27,247
Net working capital	6,612	9,166	8,568	9,306	10,175
Invested capital	12,413	15,700	15,902	17,045	18,050
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	2.98	3.35	3.90	4.54	5.21
Tangible book value per share	2.76	3.11	3.64	4.28	4.93
Financial strength					
Net debt/equity (%)	53.1	81.6	56.0	43.6	33.2
Net debt/total assets (%)	20.1	29.1	23.0	18.9	15.4
Current ratio (x)	1.3	1.2	1.3	1.3	1.4
CF interest cover (x)	20.5	18.8	11.2	17.1	16.6
Valuation					
Recurring P/E (x) *	14.3	15.2	14.5	13.4	12.4
Recurring P/E @ target price (x) *	17.8	18.9	18.1	16.6	15.4
Reported P/E (x)	14.3	15.2	14.5	13.4	12.4
Dividend yield (%)	2.8	5.0	3.9	3.9	4.4
Price/book (x)	6.1	5.4	4.6	4.0	3.5
Price/tangible book (x)	6.6	5.8	5.0	4.2	3.7
EV/EBITDA (x) **	10.1	11.0	9.9	8.8	7.8
EV/EBITDA @ target price (x) **	12.4	13.3	12.0	10.7	9.5
EV/invested capital (x)	3.8	3.2	3.1	2.8	2.6
* 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 17: 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 18: 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 19: 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 20: 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 rowspan="3">Leader:</td> <td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td>AA</td> <td>7.143-8.570</td> </tr> <tr> <td>A</td> <td>5.714-7.142</td> </tr> <tr> <td>BBB</td> <td>4.286-5.713</td> <td rowspan="3">Average:</td> <td rowspan="3">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> </tr> <tr> <td>B</td> <td>1.429-2.856</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

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.

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Company	Ticker	Price	Rating	Valuation & Risks
Com7	COM7 TB	THB 18.10	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 55.50	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 31.50	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 37.25	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 21.50	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.
Home Product Center	HMPRO TB	THB 10.80	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.
Siam Global House	GLOBAL TB	THB 17.20	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.
Dohome PCL	DOHOME TB	THB 11.20	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 20-Mar-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.