

Smart moves, and a promising 2025

- Subsidiaries improving, expansion continues.
- EV leasing presents a growth opportunity for COM7 in 2025
- Maintain with a BUY and TP of THB29

Strong 2024 growth amid strategic reshaping

COM7 reported 4Q24 revenue of THB23.5b (+30%q-q, +17%y-y), driven by strong iPhone demand. GPM normalized to 14.6%, from 12.9% in 4Q23, contributing to a net profit of over THB1b (+45%q-q, +53%y-y). By year-end 2024, COM7 operated 1,312 stores, down from 1,348 in 2023, following the closure of 180 underperforming stores and the strategic phase-out of its appliance business (from Index Living Mall). Most of these closures were in asset-light locations, leading to a one-time loss of THB100m.

Subsidiary strength: From stabilization to growth

Among COM7's subsidiaries, only 3 businesses - Dr. Pharma, PetPaw, and Aion - remain unprofitable, with a combined loss of THB60m, though showing improvement. Double7 (True Shop) remains stable, while iCare Insurance has seen a jump in profitability, generating THB50m in net profit, as insurance fees started to be recognized. We are also positive on iCare Insurance's growth, particularly with its new collaboration with AppleCare+, tailored for the Thai market. UFUND has also delivered strong performance, leasing 80,000 devices in 2024 alone, compared to an average of 28,000 per year during 2021-2023, and generating over THB200m in profit. Collectively, subsidiary businesses contributed over THB600m to COM7's profitability.

COM7's push into EV leasing and renewable growth

COM7 continues to explore new growth avenues, including expansion into solar products and the cloud business through a partnership with AWS, targeting the growing Thai market. In 2025, we are particularly optimistic about COM7's new EV leasing business, especially within the taxi market. Currently, only 10% of Thailand's taxis are EVs, while nearly half of the NGV and LPG taxi fleet is set to expire between 2025-2026. Recognizing this opportunity, COM7 is introducing a cost-effective EV taxi rental model, designed to improve profitability for drivers while accelerating EV adoption. If COM7 successfully captures this replacement market, we believe 2025E could mark a turnaround for Aion and the newly launched "EV7" business.

New Apple releases set to boost consumer sentiment

In Mar-2025, Apple launched the new iPad and iPad Air, followed by the MacBook Air, which we believe could further strengthen positive sentiment toward Apple products. We also anticipate that the smartphone replacement cycle will remain a support driver in 2025E.

Maintain with a BUY and TP of THB29

We maintain our BUY recommendation for COM7 with a TP of THB29, based on a 2025E P/E of 19x which is slightly above -1SD of its 5-year average. COM7's core operations remain strong, reinforcing its market leadership.

ESG Rating : AA

CG Rating : ▲▲▲▲▲

BUY

Target Price 12M (THB)	29.00
VS. BB Consensus TP (%)	+0.5%
Share Price (THB)	21.20
Upside/Downside	+36.8%

Share Data

Market Cap (THB m)	50,879.96
Par (THB)	0.25
Free Float (%)	49.42
Issued shares (m shares)	2,400

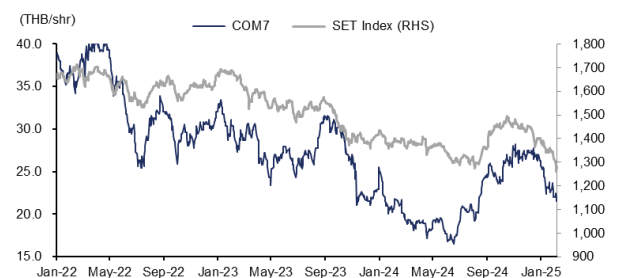
Financial forecast

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	79,233	83,997	88,257	92,335
Net profit	3,307	3,587	4,026	4,263
Core net profit	3,307	3,587	4,026	4,263
vs Consensus (%)	-	(1.0)	(0.1)	5.2
Net profit growth (%)	15.7	8.5	12.2	5.9
Core net profit growth (%)	15.7	8.5	12.2	5.9
EPS (THB)	1.38	1.49	1.68	1.78
Core EPS (THB)	1.38	1.49	1.68	1.78
Chg in core EPS (%)	-	0.00	0.00	0.00
DPS (THB)	0.86	0.93	1.05	1.11
P/E (x)	19.05	14.18	12.64	11.94
P/BV (x)	7.73	5.26	4.44	3.85
ROE (%)	42.41	40.25	38.10	34.56
Dividend yield (%)	3.28	4.40	4.94	5.23

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	(3.20)	(22.20)	(17.67)	(19.24)
Market	2.71	(5.04)	(1.19)	(4.94)
12M High/Low (THB)	28.25 / 16.40			



Major Shareholders (%) as of 3-Sep-2024

MR. SURA KHANITAWEEKUL	25.05
MR. PONGSAK THAMMATHATAREE	19.87
THAI NVDR	8.41

Company Profile

COM7 is a leading retailer in the IT industry, with a focus on desktop computers, laptops, smartphones, tablets, and associated accessories. Additionally, we provide repair and service centers for Apple products under the brand iCare.

Source: SETSMART, SET

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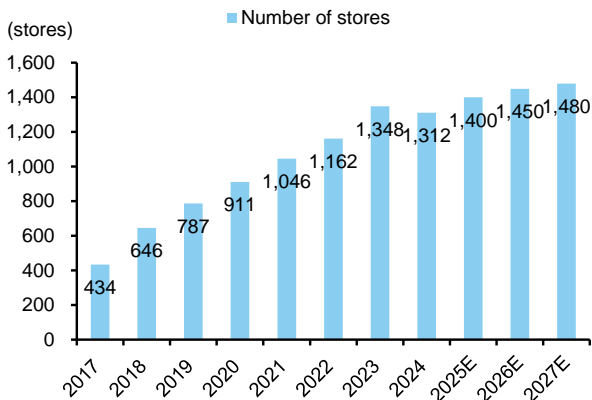
Peerayu Sirivorawong

Exhibit 1: Summary of 4Q24 operations

	4Q23	3Q24	-----4Q24-----			2023	2024	chg.
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	
Revenue	20,014	18,017	23,500	30	17	69,642	79,233	14
Operating costs	(19,114)	(17,094)	(22,156)	30	16	(65,955)	(74,975)	14
EBITDA	1,130	1,185	1,600	35	42	4,595	5,279	15
EBITDA margin (%)	5.6	6.6	6.8	na	na	6.6	6.7	1
EBIT	899	923	1,344	46	49	3,687	4,258	15
Interest expense	(70)	(88)	(73)	(17)	4	(232)	(306)	32
Exceptionals	9	15	15	4	76	67	43	(36)
Pretax profit	838	850	1,287	51	54	3,522	3,995	13
Tax	(145)	(142)	(255)	80	76	(588)	(674)	15
Tax rate (%)	17	17	20	na	na	17	17	na
Minority interests	(25)	0	(7)	na	na	(77)	(14)	-
Net profit	668	709	1,024	45	53	2,857	3,307	16
EPS (THB)	0.28	0.30	0.43	45	53	1.19	1.38	16

Sources: SET; Globlex Research

Exhibit 2: COM7 store counts



Sources: COM7; Globlex Research estimates

Exhibit 3: iCare Insurance revenue and profit



Sources: COM7

Exhibit 4: COM7's AWS customer and sales growth



Sources: COM7

Exhibit 5: COM7 solar business



Sources: COM7

Exhibit 6: EV leasing business

DRIVER ECONOMIC

6 Years Net profit for Driver

	Toyota Altis 1.8G OLD	Toyota Altis 1.8G NEW	AION ES NEW
Income (per day)	2,000 ฿	2,000 ฿	2,000 ฿
Expense			
Rental fee	650 ฿	800 ฿	777 ฿
Fuel / Electricity	650 ฿	650 ฿	300 ฿
Net Profits	700 ฿	550 ฿	923 ฿
Total for 6 years	1,360,800 ฿	1,069,200 ฿	1,794,312 ฿
After 6 years	No ownership	No ownership	Become owner
Resale value			+125,900 ฿
Total	1,360,800 ฿	1,069,200 ฿	1,921,212 ฿

8,000-12,000 Baht / Month

Sources: COM7

Exhibit 7: Aion EV product line up

2025-2027 Product Line Up

Sources: COM7

Exhibit 8: The new 2025 iPad

เปิดตัว iPad ซีพียู A16 ความจุเพิ่มขึ้น 2 เท่า เริ่ม 128GB ราคาเริ่มต้น **฿12,900**

iMoD Official

Sources: iMod

Exhibit 9: The new iPad Air

เปิดตัว iPad Air ซีพียู M3 กล้องหลัง 12MP Magic Keyboard ใหม่ เริ่ม **฿21,900**

iMoD Official

Sources: iMod

Exhibit 10: The new MacBook Air

เปิดตัว MacBook Air ซีพียู M4 สี Skyblue ใหม่ เริ่มต้น **฿34,900**

iMoD Official

Sources: iMod

Exhibit 11: The new Mac Studio

เปิดตัว Mac Studio ทรงพลังที่สุด เริ่มต้น **฿69,900**

iMoD Official

Sources: iMod

Balance sheet (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
Current assets					
Cash & ST investment	1,754	2,032	3,031	4,396	5,823
Account receivable	3,472	3,147	2,802	2,440	2,061
Inventories	9,922	12,254	12,973	13,564	14,191
Others	1,295	2,112	2,239	2,352	2,461
Non-current assets					
Net fixed assets	1,392	1,278	1,672	2,064	2,360
Others	5,141	5,815	5,815	5,815	5,815
Total Assets	22,976	26,637	28,533	30,632	32,711
Current liabilities					
Account payable	4,916	5,719	6,055	6,331	6,623
ST borrowing	8,980	10,124	10,124	10,124	10,124
Others	180	368	390	410	429
Long-term liabilities					
Long-term debts	401	1,009	1,009	1,009	1,009
Others	311	593	593	593	593
Total liabilities	14,789	17,813	18,171	18,467	18,778
Paid-up capital	600	600	600	600	600
Retained earnings	6,136	6,336	7,859	9,646	11,396
Others	1,311	1,815	1,815	1,815	1,815
Minority interest	141	73	87	104	121
Shareholders' equity	8,188	8,823	10,361	12,165	13,933

Key ratios					
Year ending Dec	2023	2024	2025E	2026E	2027E
Growth (%YoY)					
Sales	10.6	13.8	6.0	5.1	4.6
Operating profit	(2.0)	14.9	7.9	11.6	4.6
EBITDA	(2.0)	14.9	7.9	11.6	4.6
Net profit	(5.9)	15.7	8.5	12.2	5.9
Core net profit	(4.5)	15.7	8.5	12.2	5.9
EPS	(5.9)	15.7	8.5	12.2	5.9
Core EPS	(4.5)	15.7	8.5	12.2	5.9
Profitability (%)					
Gross margin	8.1	8.1	8.2	8.7	8.7
Operation margin	6.6	6.7	6.8	7.2	7.2
EBITDA margin	6.6	6.7	6.8	7.2	7.2
Net margin	4.1	4.2	4.3	4.6	4.6
ROE	40.8	42.4	40.2	38.1	34.6
ROA	13.6	13.3	13.0	13.6	13.5
Stability					
Interest bearing debt/equity (x)	1.1	1.3	1.1	0.9	0.8
Net debt/equity (x)	0.9	1.0	0.8	0.6	0.4
Interest coverage (x)	15.9	13.9	14.0	16.0	16.8
Interest & ST debt coverage (x)	0.4	0.4	0.4	0.5	0.5
Cash flow interest coverage (x)	(0.0)	0.1	0.2	0.2	0.2
Current ratio (x)	1.2	1.2	1.3	1.3	1.4
Quick ratio (x)	0.4	0.3	0.4	0.4	0.5
Net debt (THB m)	7,627	9,101	8,102	6,737	5,310
Activity					
Asset turnover (X)	2.8	2.9	2.7	2.8	5.6
Days receivables	18.2	14.5	12.2	10.1	8.1
Days inventory	56.6	61.4	61.4	61.4	61.4
Days payable	28.0	28.7	28.7	28.7	28.7
Cash cycle days	46.7	47.3	44.9	42.9	40.9

Profit & loss (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
Revenue					
Revenue	69,642	79,233	83,997	88,257	92,335
Cost of goods sold	(64,035)	(72,792)	(77,069)	(80,578)	(84,302)
Gross profit	5,607	6,441	6,928	7,678	8,033
Operating expenses	(1,012)	(1,162)	(1,232)	(1,324)	(1,385)
Operating profit	4,595	5,279	5,696	6,354	6,648
EBIT	3,687	4,258	4,665	5,313	5,596
Depreciation	(908)	(1,021)	(1,031)	(1,041)	(1,052)
EBITDA	4,595	5,279	5,696	6,354	6,648
Non-operating income					
Other incomes	0	0	0	0	0
Other non-op income	0	0	0	0	0
Non-operating expense	(232)	(306)	(332)	(332)	(332)
Interest expense	(232)	(306)	(332)	(332)	(332)
Other non-op expense	0	0	0	0	0
Equity income/(loss)	67	43	60	72	87
Pre-tax Profit	3,522	3,995	4,393	5,053	5,351
Extraordinary items					
Current taxation	(588)	(674)	(791)	(1,011)	(1,070)
Minorities	(77)	(14)	(15)	(17)	(18)
Net Profit	2,857	3,307	3,587	4,026	4,263
Core net profit	2,857	3,307	3,587	4,026	4,263
EPS (THB)	1.19	1.38	1.49	1.68	1.78
Core EPS (THB)	1.19	1.38	1.49	1.68	1.78

Cash flow (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
Operating cash flow					
Operating cash flow	(576)	1,019	2,753	2,860	2,990
Net profit	2,857	3,307	3,587	4,026	4,263
Depre.& amortization	908	1,021	1,031	1,041	1,052
Change in working capital	(3,073)	(1,833)	(144)	(47)	(45)
Others	(1,268)	(1,476)	(1,721)	(2,161)	(2,280)
Investment cash flow	2,607	1,401	295	728	932
Net CAPEX	(1,427)	(906)	(722)	(799)	(786)
Change in LT investment	(1,380)	177	3,063	3,604	3,939
Change in other assets	5,414	2,130	(2,046)	(2,077)	(2,221)
Free cash flow	2,031	2,420	3,048	3,587	3,922
Financing cash flow					
Financing cash flow	(1,637)	(2,132)	(2,049)	(2,222)	(2,495)
Change in share capital	0	0	0	0	0
Net change in debt	43	(68)	15	17	18
Dividend paid	(1,680)	(2,064)	(2,064)	(2,239)	(2,512)
Others					
Net cash flow	394	288	999	1,365	1,427

Per share (THB)					
EPS	1.19	1.38	1.49	1.68	1.78
Core EPS	1.19	1.38	1.49	1.68	1.78
CFPS	1.60	1.81	1.93	2.12	2.22
BVPS	3.35	3.65	4.28	5.03	5.75
Sales/share	29.02	33.01	35.00	36.77	38.47
EBITDA/share	1.91	2.20	2.37	2.65	2.77
DPS	0.70	0.86	0.93	1.05	1.11
Valuation					
P/E (x)	16.4	19.0	14.2	12.6	11.9
P/BV (x)	6.28	7.73	5.26	4.44	3.85
Dividend yield (%)	3.59	3.28	4.40	4.94	5.23
Dividend payout ratio (%)	58.80	62.41	62.41	62.41	62.41

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Analyst Certification

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RECOMMENDATION STRUCTURE

Stock Recommendations

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

- BUY:** Expected return of 10% or more over the next 12 months.
HOLD: Expected return between -10% and 10% over the next 12 months.
REDUCE: Expected return of -10% or worse over the next 12 months.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause 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.

Sector Recommendations

- Overweight:** The industry is expected to outperform the relevant primary market index over the next 12 months.
Neutral: The industry is expected to perform in line with the relevant primary market index over the next 12 months.
Underweight: The industry is expected to underperform the relevant primary market index over the next 12 months.

Country (Strategy) Recommendations

Overweight: 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: 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: 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.