

Charging ahead: Entry into Taxi EV

- Targets 10% revenue growth in 2025E
- EV leasing presents a growth opportunity for COM7
- Maintain with a BUY and TP of THB29

Expanding presence, strengthening subsidiaries:

We maintain a neutral view on the analyst meeting, as COM7 targets 10% revenue growth in 2025E, with QTD revenue showing slight improvement. The company remains committed to store expansion, planning to open 120-150 stores, with a focus on Studio7. While PetPaw, Dr. Pharma, and Aion are expected to improve, they are still operating at a loss. However, Double7, iCare, and UFUND, delivered strong profits in 2024, with momentum expected to continue. Subsidiaries now contribute 10% of COM7's net profit (Exhibit 3 & 4).

Leveraging scale and strategy in a maturing market

We remain confident in COM7's core business strength, supported by its extensive store network. As the leading smartphone retailer, COM7 benefits from supply allocation from Apple, which distributes stock based on market share, ensuring COM7 maintains a high inventory of iPhones despite the overall maturity of the smartphone market. Another key driver of growth is the company's performance-based incentive structure, which adjusts according to business performance, aligning employee motivation with revenue expansion. However, we acknowledge the challenges of sustaining growth in a maturing market, where device replacement cycles are gradually lengthening, posing a potential headwind to long-term demand.

EV7: A new growth catalyst for COM7?

The announcement of COM7's EV7 taxi leasing business has caught our attention due to its large TAM. Currently, Bangkok has 80,000 LPG-NGV taxis, with 30,000 set to expire in 2025 and another 30,000 in 2026, creating a strong replacement demand and a potential growth catalyst. If successful, it could contribute significantly to profitability. However, the business is still in its trial phase, with COM7 initially deploying 200 Aion EVs to test market demand. We estimate the IRR for the EV leasing business to be around 10-12%, making it a promising yet developing opportunity for long-term growth.

Smartphone upgrades and subsidiary growth to drive 2025

We expect the smartphone replacement cycle to continue in 2025E, driven by consumers upgrading devices from the COVID-era purchases. We also anticipate growth for COM7's subsidiaries, particularly UFUND and iCare Insurance. UFUND is expanding its leasing portfolio to include Android smartphones, while iCare Insurance is introducing new tailored products for the Thai market.

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(20.00
Upside/Downside	+45.0%

Share Data

Market Cap)THB m(47,999.97
Par) THB(0.25
Free Float (%)	49.42
Issued shares (m shares)	2,400

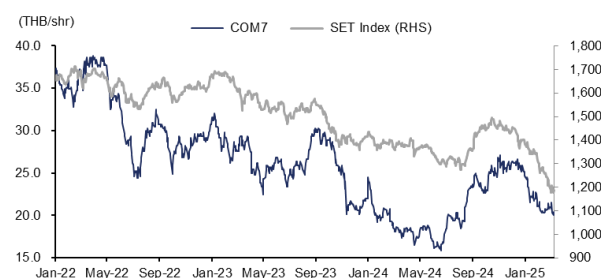
Financial forecast

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	13.38	11.92	11.26
P/BV (x)	7.73	4.96	4.19	3.63
ROE (%)	42.41	40.25	38.10	34.56
Dividend yield (%)	3.28	4.66	5.23	5.54

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	(5.66)	(26.61)	(22.33)	(23.81)
Market	1.80	(9.77)	(5.80)	(9.39)
12M High/Low (THB)	28.25 / 16.40			



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

MR. SURA KHANITTAWEKUL	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

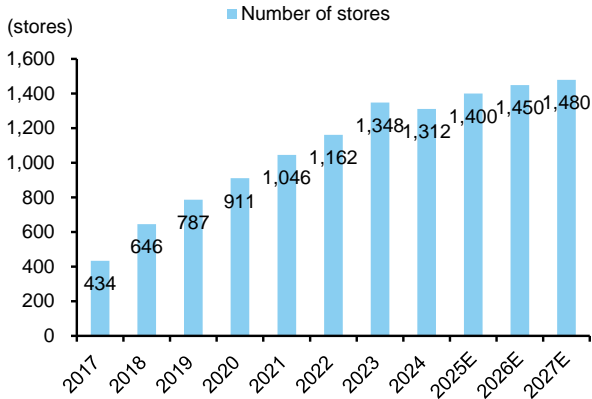
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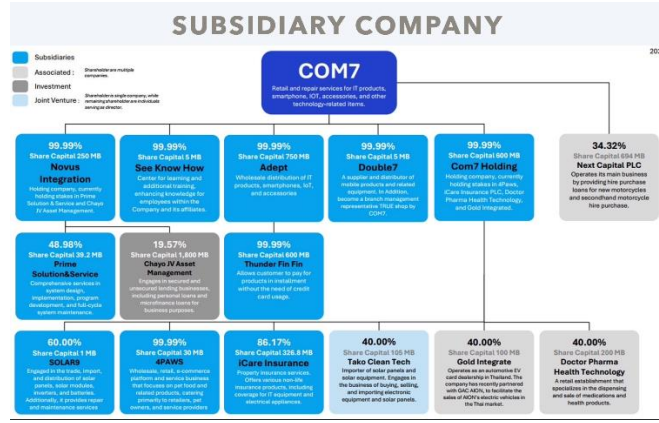
Peerayu Sirivorawong

Exhibit 1: COM7 store counts



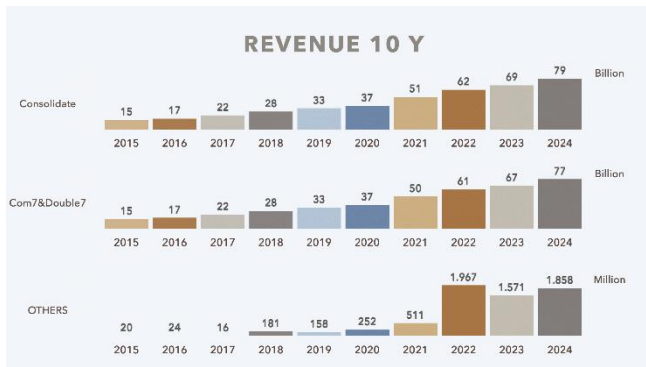
Sources: COM7; Globlex Research estimates

Exhibit 2: COM7's subsidiary company



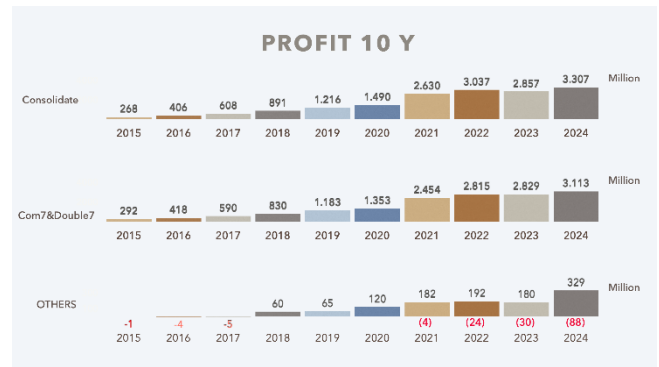
Sources: COM7

Exhibit 3: 10 years revenue breakdown



Sources: COM7

Exhibit 4: 10 years profit breakdown



Sources: COM7

Exhibit 5: Dividend over 10 years



Sources: COM7

Exhibit 6: EV leasing business

DRIVER ECONOMIC

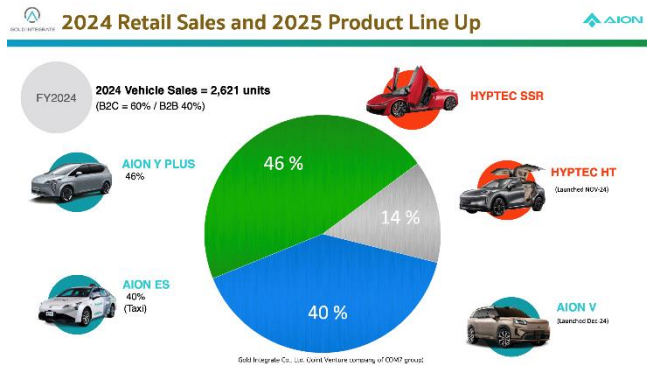
6 Years Net profit for Driver

	Toyota Atrix 1.6G OLD	Toyota Atrix 1.6G NEW	AION ES NEW
Income (per day)	2,000 B	2,000 B	2,000 B
Expense			
Rental fee	650 B	800 B	777 B
Fuel / Electricity	650 B	650 B	300 B
Net Profits	700 B	550 B	923 B
Total for 6 years	1,360,800 B	1,060,200 B	1,704,312 B
Afford 6 years	No ownership	No ownership	Become owner
Resale value			+126,900 B
Total	1,360,800 B	1,060,200 B	1,831,212 B

8,000-12,000 Baht / Month

Sources: COM7

Exhibit 7: AION's 2024 sales breakdown



Sources: COM7

Exhibit 8: Aion EV product line up



Sources: COM7

Exhibit 9: The new 2025 iPad

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

iMoD Official

Sources: iMod

Exhibit 10: The new iPad Air

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

iMoD Official

Sources: iMod

Exhibit 11: The new MacBook Air

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

iMoD Official

Sources: iMod

Exhibit 12: 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					
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					
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					
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	13.4	11.9	11.3
P/BV (x)	6.28	7.73	4.96	4.19	3.63
Dividend yield (%)	3.59	3.28	4.66	5.23	5.54
Dividend payout ratio (%)	58.80	62.41	62.41	62.41	62.41

GENERAL DISCLAIMER

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.