# COM7 (COM7 TB)

## 2Q26 Results Preview: Expect Strong Earnings Growth

## Highlights

- We expect 2Q26 earnings increase 22% yoy, driven by solid performance from both the IT retail and other businesses. Apple's price hike could trigger demand as consumers accelerate purchases, which is positive for COM7.
- Maintain BUY with a higher target price of Bt32.50 (from Bt30.00).
- Revise 2026-27 earnings forecasts up by 17% and 20% respectively and change valuation methodology from PE multiple to SOTP.

**2Q26 Earnings Forecast**

| Year to 31 Dec (Btm) | 2Q25 | 1Q26 | 2Q26F | Yoy (%) | Qoq (%) |
|---|---|---|---|---|---|
| Sales & Services | 20,713 | 23,513 | 23,350 | 12.7 | (0.7) |
| Gross profit | 2,862 | 3,323 | 3,356 | 17.3 | 1.0 |
| SG&A | 1,639 | 1,851 | 1,881 | 14.8 | 1.6 |
| EBIT | 1,223 | 1,472 | 1,475 | 20.6 | 0.2 |
| Equity income | 25 | 57 | 57 | 133.5 | 0.0 |
| Net profit | 1,003 | 1,226 | 1,226 | 22.2 | (0.0) |
| Percent | 2Q25 | 1Q26 | 2Q26F | Yoy (ppts) | Qoq (ppts) |
| Gross margin | 13.8 | 14.1 | 14.4 | 0.6 | 0.2 |
| SG&A to sales | 7.9 | 7.9 | 8.1 | 0.1 | 0.2 |
| Net profit margin | 4.8 | 5.2 | 5.3 | 0.4 | 0.0 |

*Source: CP ALL, UOB Kay Hian*

## Analysis

- **Strong earnings growth.** We expect COM7 to report 2Q26 earnings of Bt1.23b (+22% yoy, flat qoq), driven by solid performance from both the IT retail and other businesses. Revenue is projected at Bt23.3b (+13% yoy, flat qoq), while gross margin is expected to expand 60bp yoy to 14.4% on a better product mix and a higher contribution from other businesses. SG&A-to-sales is expected to increase slightly to 8.1% (+10bp yoy).
- **Retail business remains resilient.** We expect the retail business' earnings to increase yoy in 2Q26, driven by: a) 9% yoy sales growth, supported by higher product prices and resilient demand, b) gross margin increasing yoy from a higher sales mix of Android devices, which carry higher margins than Apple products, together with low-cost inventory, and c) a stable SG&A-to-sales ratio, as the impact of higher diesel prices remains limited.
- **Other businesses continue to outperform.** We expect U-Fund to deliver stronger earnings on continued loan book expansion to Bt6b-7b (1Q26: Bt5.1b). Gold Integrate should also report stronger EV sales as Motor Show deliveries ramp up, keeping the company on track to achieving its 2026 sales target of 4,400 units.

**Key Financials**

| Year to 31 Dec (Btm) | 2024 | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|---|
| Net turnover | 79,043.0 | 87,254.6 | 98,296.0 | 103,854.4 | 108,371.5 |
| EBITDA | 5,187.5 | 6,252.0 | 7,644.1 | 8,508.7 | 9,205.0 |
| Operating profit | 4,166.7 | 5,098.6 | 6,155.2 | 6,566.7 | 6,864.0 |
| Net profit (rep./act.) | 3,324.1 | 4,064.0 | 4,846.3 | 5,153.9 | 5,370.2 |
| Net profit (adj.) | 3,324.1 | 4,064.0 | 4,846.3 | 5,153.9 | 5,370.2 |
| EPS | 1.4 | 1.7 | 2.0 | 2.2 | 2.2 |
| PE (x) | 21.1 | 17.3 | 14.4 | 13.6 | 13.0 |
| P/B (x) | 8.0 | 6.5 | 5.4 | 4.6 | 4.1 |
| EV/EBITDA (x) | 15.3 | 12.7 | 9.9 | 8.8 | 8.0 |
| Dividend yield (%) | 2.9 | 3.8 | 4.5 | 4.8 | 4.6 |
| Net margin (%) | 4.2 | 4.7 | 4.9 | 5.0 | 5.0 |
| Net debt/(cash) to equity(%) | 103.8 | 82.4 | 40.6 | 29.4 | 17.0 |
| Interest cover (x) | 16.9 | 22.5 | 25.0 | 25.3 | 24.9 |
| Consensus net profit | n.a | n.a | 4,419.9 | 4,802.7 | 5,146.9 |
| UOBKH/Consensus (x) | n.a | n.a | 1.1 | 1.1 | 1.0 |

*Source: COM7, Bloomberg, UOB Kay Hian*

| **BUY** (Maintained) | |
|---|---|
| Share Price | Bt29.25 |
| Target Price | Bt32.50 |
| Upside | 11.11% |
| Previous TP | Bt30.00 |

**Analyst(s)**
**Tanapon Cholkadidamrongkul**
Tanapon.c@uobkh.co.th
662 090 3359

**Stock Data**

| | |
|---|---|
| GICS sector | Consumer Discretionary |
| Bloomberg ticker: | COM7 TB |
| Shares issued (m): | 2,357.7 |
| Market cap (Btm): | 54,698.6 |
| Market cap (US$m): | 1,670.5 |
| 3-mth avg daily t'over (US$m): | 12.7 |

**Price Performance (%)**

52-week high/low: Bt28.0/Bt17.1

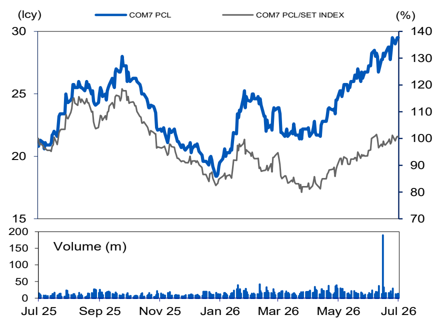
| 1mth | 3mth | 6mth | 1yr | YTD |
|---|---|---|---|---|
| 6.9 | (2.1) | (2.9) | 14.3 | 18.4 |

| **Major Shareholders** | **%** |
|---|---|
| Mr. Sura Kanitaweekul | 25.18 |
| MR. Pongsak Thammathachare | 19.95 |
| Thai NVDR | 9.20 |

**Balance Sheet Metrics**

| | |
|---|---|
| FY26 NAV/Share (Bt) | 5.4 |
| FY26 Net Debt/Share (Bt) | 2.2 |

**Price Chart**




*Source: Bloomberg*

**Company Description**

COM7 is leading retailers in IT products such as laptops, desktop computers, mobile phones, tablets, related accessories and product repair services. COM7 is the largest IT chain store in term of branches. COM7 distributes IT products via its own branches.

## Essential

- **Apple product price increase is positive to retailers.** Apple has increased prices for MacBooks (+21%), iPads (+23%), and iMacs/Mac Studio (+24%), while leaving prices of the iPhone 17 Series, Apple Watch, and AirPods unchanged. We view this as positive for COM7 for three reasons.
  - Unchanged iPhone prices could trigger near-term demand as consumers accelerate purchases amid earlier expectations of a price hike.
  - Higher selling prices should offset softer unit volumes, as seen in recent Android price hikes, where sales remained resilient.
  - Higher selling prices should lift gross profit per unit, as management indicated that its pricing follows a cost-plus percentage margin model.

## Valuation/Recommendation

- **Maintain BUY with a higher target price of Bt32.50 (from Bt30.00).** We switch our valuation methodology from PE to SOTP, valuing: a) the IT retail business at Bt27.50, based on 20x 2026F PE, slightly above -1SD of discretionary retail peers), and b) other businesses, including UFund, Gold Integrate, EV7, and NCAP, at Bt5.00.

## Earnings Revision/Risk

- **Revise up earnings.** We raise our 2026-27 earnings forecasts by 16.5% and 20.1%, respectively, to reflect better-than-expected 1H26 earnings.

### 2Q26 Earnings Forecast

| Year to 31 Dec (Btm) | 2026F | | | 2027F | | |
|---|---|---|---|---|---|---|
| | New | Previous | Change | New | Previous | Change |
| Revenue | 98,296 | 92,200 | 6.6% | 103,854 | 90,117 | 15.2% |
| Gross profit | 13,707 | 12,539 | 9.3% | 14,448 | 12,302 | 17.4% |
| Net profit | 4,846 | 4,159 | 16.5% | 5,154 | 4,293 | 20.1% |

Source: UOB Kay Hian

## Share Price Catalyst

- **Catalysts:** a) PLANB becoming a major shareholder in COM7, b) product price increases, and c) price seasonality.

### COM7 Historically Price Outperforms in July–August

| Mom | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Avg | (5.7) | 3.7 | 1.8 | (0.4) | (1.0) | (6.6) | 5.5 | 14.6 | (4.8) | 2.2 | (3.8) | 1.0 |
| 2026 | 11.7 | (10.1) | (9.5) | 4.6 | 14.0 | 6.7 | 5.4 | | | | | |
| 2025 | (16.2) | (0.5) | (12.3) | 7.3 | (3.4) | (7.0) | 17.8 | 17.0 | 1.0 | (2.9) | (12.4) | (10.5) |
| 2024 | (10.9) | (2.4) | (7.7) | (4.2) | (3.3) | 5.1 | 9.7 | 20.1 | (2.5) | 17.2 | (5.4) | (0.9) |
| 2023 | (8.1) | (2.4) | 0.0 | (17.2) | 14.9 | (8.6) | 5.7 | 15.2 | (3.1) | (14.4) | (14.4) | 3.9 |
| 2022 | (4.0) | 5.1 | 4.2 | (2.9) | (9.6) | (20.5) | 1.7 | 13.1 | (15.9) | 4.3 | 5.0 | 7.1 |
| 2021 | 10.9 | 18.5 | 24.9 | 15.2 | (3.7) | (1.8) | (7.2) | 7.7 | (3.6) | 6.7 | 8.0 | 5.5 |

Source: Bloomberg

## Environment, Social, Governance (ESG) Updates

CG Report: 5, SET ESG Rating: AA

### Environmental

- COM7 aims to achieve net zero emissions by 2050. Improves energy efficiency across retail stores and service centers.

### Social

- COM7 focuses on personnel development to train both ethical and talented employees. It has pledged to improve staff's skills through lifelong learning.

### Governance

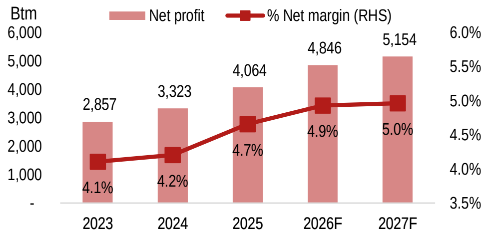
- Maintains strong corporate governance standards, reflected by its 5-star CG Rating and SET ESG Rating of AA. Effective risk management, and independent board oversight to support sustainable long-term growth.

### Expected Phone launches In 3Q26

| | |
|---|---|
| Apple | iPhone 18 Pro, iPhone 18 Pro Max, Foldable iPhone |
| Samsung | Samsung Galaxy Z/ Fold8 / Filp |
| OPPO | OPPO Find X10 Series, |
| Xiaomi | Xiaomi 18 Series |
| Huawei | Huawei Mate 80 Series |

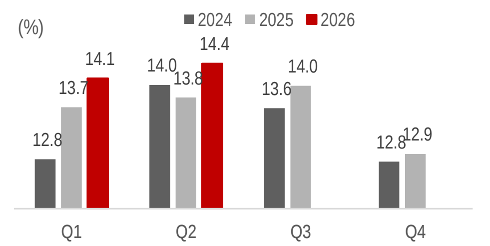
Source: UOB Kay Hian

### Net profit



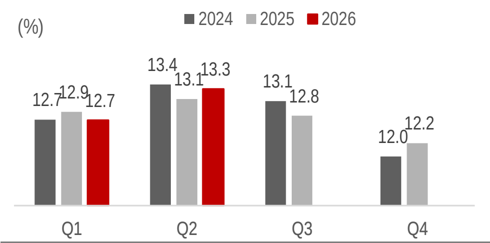

Source: COM7, UOB Kay Hian

### Gross margin – Consolidated



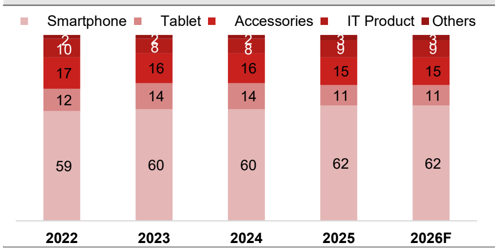

Source: COM7, UOB Kay Hian

### Gross margin – Separated Financial Statement




Source: COM7, UOB Kay Hian

### Product sales mix (%)




Source: COM7, UOB Kay Hian

## Profit & Loss

| Year to 31 Dec (Btm) | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|
| Net turnover | 87,255 | 98,296 | 103,854 | 108,371 |
| EBITDA | 6,252 | 7,644 | 8,509 | 9,205 |
| Deprec. & amort. | 1,153 | 1,489 | 1,942 | 2,341 |
| EBIT | 5,099 | 6,155 | 6,567 | 6,864 |
| Total other non-operating income | 235 | 307 | 366 | 416 |
| Associate contributions | 125 | 143 | 165 | 190 |
| Net interest income/(expense) | (277) | (305) | (336) | (369) |
| Pre-tax profit | 4,921 | 5,922 | 6,308 | 6,581 |
| Tax | (837) | (1,041) | (1,115) | (1,168) |
| Minorities | (20) | (34) | (39) | (43) |
| Net profit | 4,064 | 4,846 | 5,154 | 5,370 |
| Net profit (adj.) | 4,064 | 4,846 | 5,154 | 5,370 |

## Balance Sheet

| Year to 31 Dec (Btm) | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|
| Fixed assets | 4,204 | 1,246 | 1,451 | 1,365 |
| Other LT assets | 5,328 | 4,478 | 4,721 | 4,867 |
| Cash/ST investment | 3,078 | 7,222 | 8,610 | 10,675 |
| Other current assets | 18,959 | 20,488 | 21,758 | 22,566 |
| Total assets | 31,569 | 33,435 | 36,539 | 39,472 |
| ST debt | 10,808 | 11,301 | 11,818 | 12,362 |
| Other current liabilities | 7,817 | 7,197 | 7,661 | 8,002 |
| LT debt | 1,208 | 1,208 | 1,208 | 1,208 |
| Other LT liabilities | 766 | 572 | 651 | 635 |
| Shareholders' equity | 10,854 | 13,007 | 15,012 | 17,034 |
| Minority interest | 116 | 150 | 188 | 231 |
| Total liabilities & equity | 31,569 | 33,435 | 36,539 | 39,472 |

## Cash Flow

| Year to 31 Dec (Btm) | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|
| Operating | 6,070 | 4,220 | 6,329 | 7,286 |
| Pre-tax profit | 4,920 | 5,921 | 6,308 | 6,581 |
| Tax | (837) | (1,041) | (1,115) | (1,168) |
| Deprec. & amort. | 1,153 | 1,489 | 1,942 | 2,341 |
| Working capital changes | 1,853 | (3,714) | (652) | (530) |
| Non-cash items | (1,550) | 1,565 | (154) | 62 |
| Other operating cashflows | 531 | 0 | 0 | 0 |
| Investing | (2,001) | 2,124 | (2,310) | (2,417) |
| Capex (growth) | (2,314) | 1,468 | (2,147) | (2,254) |
| Investments | (218) | 98 | (66) | (76) |
| Others | 531 | 558 | (98) | (87) |
| Financing | (3,024) | (2,200) | (2,631) | (2,805) |
| Dividend payments | (2,064) | (2,640) | (3,148) | (3,348) |
| Issue of shares | (302) | (53) | 0 | 0 |
| Proceeds from borrowings | 883 | 493 | 517 | 543 |
| Others/interest paid | (1,541) | 0 | 0 | 0 |
| Net cash inflow (outflow) | 1,046 | 4,145 | 1,387 | 2,065 |
| Beginning cash & cash equivalent | 2,032 | 3,078 | 7,222 | 8,610 |
| Ending cash & cash equivalent | 3,078 | 7,222 | 8,610 | 10,675 |

## Key Metrics

| Year to 31 Dec (%) | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|
| Profitability | | | | |
| EBITDA margin | 7.2 | 7.8 | 8.2 | 8.5 |
| Pre-tax margin | 5.6 | 6.0 | 6.1 | 6.1 |
| Net margin | 4.7 | 4.9 | 5.0 | 5.0 |
| Growth | | | | |
| Net profit | 22.3 | 19.2 | 6.4 | 4.2 |
| Net profit (adj.) | 22.3 | 19.2 | 6.4 | 4.2 |
| Leverage | | | | |
| Debt to total capital | 109.5 | 95.1 | 85.7 | 78.6 |
| Debt to equity | 110.7 | 96.2 | 86.8 | 79.7 |
| Net debt/(cash) to equity | 82.4 | 40.6 | 29.4 | 17.0 |
| Interest cover | 22.5 | 25.0 | 25.3 | 24.9 |

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