

COM7 (COM7 TB)

Earnings Expected To Surge In 3Q26

Highlights

- We expect COM7 to report a 49% yoy increase in its 3Q26 net profit, driven by growth in both retail and other businesses.
- 4Q26 earnings are expected to grow yoy, supported by higher iPhone ASPs and continued growth in UFund and iCare.
- Maintain BUY with a higher target price of Bt35.20 (from 32.50), reflecting an 8% upward revision to our earnings forecasts.

Key Financials

Year to 31 Dec (Btm)	3Q25	2Q26	3Q26F	yoy(%)	qoq(%)	2025	2026F	yoy(%)
Sales and services	19,203	24,111	25,176	31.1	4.4	87,255	102,417	17.4
Gross profit	2,690	3,442	3,708	37.9	7.7	11,816	14,256	20.7
SG&A	1,657	1,895	2,126	28.4	12.2	6,717	7,839	16.7
EBIT	1,033	1,547	1,582	53.1	2.3	5,099	6,418	25.9
Interest expense	75	75	79	5.5	5.4	277	300	8.0
Net profit	872	1,303	1,295	48.5	(0.6)	4,064	5,160	27.0
Percent	3Q25	2Q26	3Q26F	(ppts)	(ppts)	2025	2026F	(ppts)
Gross margin	14.0	14.3	14.7	0.7	0.5	13.5	13.9	0.4
SG&A to sales	8.6	7.9	8.4	(0.2)	0.6	7.7	7.7	0.0
Net profit margin	4.5	5.4	5.1	0.6	(0.3)	4.7	5.0	0.4

Analysis

- **Earnings to surge in 3Q26.** We expect COM7 to report 3Q26 net profit of Bt1.29b, up 49% yoy and flat qoq, driven by growth in both its retail and other businesses. The strong earnings are expected to be supported by: a) a 31% yoy increase in sales, driven by panic buying of the iPhone 17 ahead of the price increase, with higher ASPs more than offsetting lower shipment volume, alongside strong growth in other businesses, particularly UFund and iCare; b) a 70bps yoy expansion in gross margin, driven by higher contribution from other businesses; c) a lower SG&A-to-sales ratio, supported by improving SSSG; and d) a slight increase in interest expenses following higher borrowings to fund the expansion of other businesses.
- **4Q26 earnings to grow at a normalised pace.** We expect 4Q26 earnings to grow yoy, supported by higher iPhone ASPs, which should more than offset lower shipment volume, and continued growth in UFund and iCare. UFund earnings should benefit from loan portfolio expansion with controllable asset quality, while iCare should gain from a larger insurance portfolio. However, earnings momentum may be slower than that of 3Q26 due to front-loaded demand for entry-level iPhones and supply shortages in the entry-level smartphone segment, partly related to the delayed launch of the iPhone 18.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	79,043.0	87,254.6	102,416.7	112,440.0	119,403.2
EBITDA	5,187.5	6,252.0	7,906.8	9,098.4	10,129.4
Operating profit	4,166.7	5,098.6	6,417.9	7,156.4	7,788.5
Net profit (rep./act.)	3,324.1	4,064.0	5,160.0	5,585.7	6,004.5
Net profit (adj.)	3,324.1	4,064.0	5,160.0	5,585.7	6,004.5
EPS	1.4	1.7	2.2	2.3	2.5
PE (x)	23.1	18.9	14.8	13.7	12.7
P/B (x)	8.8	7.1	5.7	4.9	4.3
EV/EBITDA (x)	16.6	13.7	10.4	9.0	8.0
Dividend yield (%)	2.7	3.4	4.4	4.8	4.7
Net margin (%)	4.2	4.7	5.0	5.0	5.0
Net debt/(cash) to equity(%)	103.8	82.4	42.2	33.6	20.8
Interest cover (x)	16.9	22.5	26.4	27.6	27.9
Consensus net profit	n.a	n.a	4,833.4	5,308.3	5,712.9
UOBKH/Consensus (x)	n.a	n.a	1.1	1.0	1.0

Source: COM7, Bloomberg, UOB Kay Hian

Analyst(s)

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BUY (Maintained)

Share Price	Bt32.00
Target Price	Bt35.20
Upside	10.00%
Previous TP	Bt32.50

Stock Data

Sector	Consumer Discretionary
Bloomberg ticker	COM7 TB
Shares issued (m)	2,357.7
Market cap (Btm)	70,731.0
Market cap (US\$m)	2,153.4
3-mth avg daily t'over (US\$m)	14.1

Price Performance (%)

52-week high/low				Bt30.8/Bt18.4
1mth	3mth	6mth	1yr	YTD
(0.8)	21.0	22.0	16.5	53.1

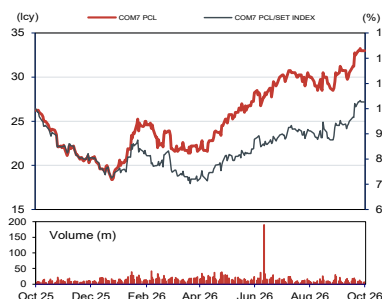
Major Shareholders (%)

Mr. Sura Kanitaweekul	25.18
MR. Pongsak Thammathachare	15.91
Plan B Media	11.01

Balance Sheet Metrics

FY26 NAV/Share (Bt)	5.6
FY26 Net Debt/Share (Bt)	2.4

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

- **Issuance and offering of newly-issued ordinary shares of iCare.** COM7 announced on 28 Sep 26 that iCare, its subsidiary, will issue 1,126.3m new ordinary shares to PLANB via a private placement, representing 46.28% of iCare's total issued and paid-up shares after the capital increase. As a result, COM7's stake in iCare will be diluted from 86.17% to 46.28%. The transaction size is Bt860m, based on a negotiated price between COM7 and PLANB, implying 2.8x P/B and a 2026F PE of 5x. We view the valuation as cheap, making the transaction more positive for PLANB shareholders than for COM7 shareholders. The transaction requires approval at an EGM scheduled for 6 Nov 26. We see the deal as a slight negative for COM7. We estimate earnings dilution in 2027, equivalent to 3% of our COM7 earnings estimate. We await clearer evidence of medium- to long-term synergies between COM7 and PLANB.

Valuation/Recommendation

- **Maintain BUY with a higher target price of Bt35.20 (from Bt32.50).** Our valuation methodology based on SOTP, valuing: a) the COM7 core business at Bt22.10, based on 20x 2027F PE, slightly above -1SD of discretionary retail peers, b) Ufund at Bt5.90, based on 10x 2027F PE, and c) other businesses at Bt7.20.

Earnings Revision/Risk

- **Revise up earnings.** We revise up our 2026-27 earnings forecasts by 7% and 8% respectively to reflect the strong Ufund and iCare earnings performance. As a result, 1H26 earnings now account for 74% of our 2026 earnings forecast.

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

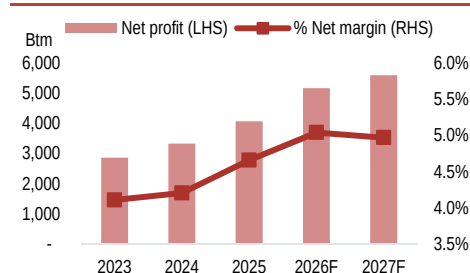
- Maintains strong corporate governance standards, reflected by its 5-star CG Rating and SET ESG Rating of AA. Effective risk management, and independent board oversight to support sustainable long-term growth.

COM7 Historically Price Performance.

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	9.9	(2.5)	(0.0)	10.9		
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

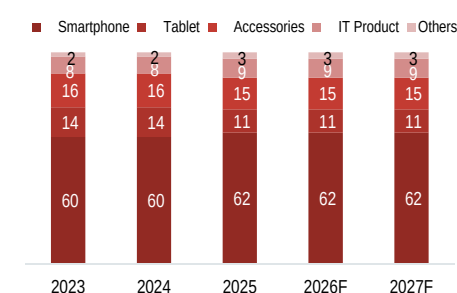
Source: Bloomberg, UOB Kay Hian

Net Profit



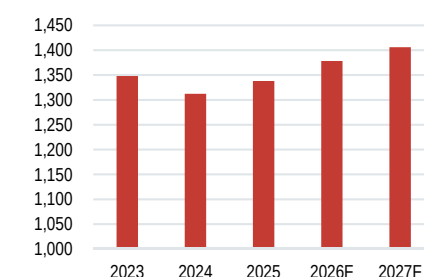
Source: COM7, UOB Kay Hian

Product Mix In Retail Business (%)



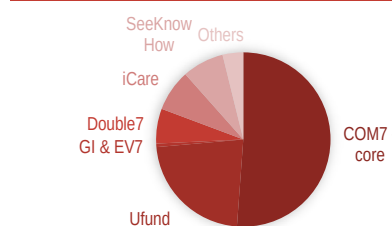
Source: COM7, UOB Kay Hian

Retail Stores



Source: COM7, UOB Kay Hian

Estimated Net Profit Contribution



Source: UOB Kay Hian

SOTP Valuation

Subsidiaries	Bt/share	Methodology
COM7 - core	22.10	2027F PE 20x
Ufund	5.90	2027F PE 10x
Gold Integrate & EV7	0.50	2027F PS 0.2x
iCare	0.40	2027F PE 5.0x
Double7	3.20	2027F PE 20.0x
SeeKnowHow	1.80	2027F PE 10.0x
NCAP&CHAYO	1.30	Consensus TP
Total	35.20	

Source: UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	87,255	102,417	112,440	119,403
EBITDA	6,252	7,907	9,098	10,129
Deprec. & amort.	1,153	1,489	1,942	2,341
EBIT	5,099	6,418	7,156	7,788
Total other non-operating income	235	298	278	253
Associate contributions	125	299	344	396
Net interest income/(expense)	(277)	(300)	(330)	(363)
Pre-tax profit	4,921	6,216	6,769	7,295
Tax	(837)	(991)	(1,093)	(1,185)
Minorities	(20)	(65)	(91)	(106)
Net profit	4,064	5,160	5,586	6,004
Net profit (adj.)	4,064	5,160	5,586	6,004

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	6,070	4,008	6,204	7,666
Pre-tax profit	4,920	6,216	6,769	7,295
Tax	(837)	(991)	(1,093)	(1,185)
Deprec. & amort.	1,153	1,489	1,942	2,341
Working capital changes	1,853	(4,197)	(1,176)	(817)
Non-cash items	(1,550)	1,491	(238)	32
Other operating cashflows	531	0	0	0
Investing	(2,001)	1,996	(2,455)	(2,540)
Capex (growth)	(2,314)	1,468	(2,147)	(2,254)
Investments	(218)	35	(138)	(158)
Others	531	492	(170)	(128)
Financing	(3,024)	(2,200)	(2,835)	(3,086)
Dividend payments	(2,064)	(2,640)	(3,352)	(3,629)
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	3,803	915	2,041
Beginning cash & cash equivalent	2,032	3,078	6,881	7,796
Ending cash & cash equivalent	3,078	6,881	7,796	9,837

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	4,631	5,047	5,328
Cash/ST investment	3,078	6,881	7,796	9,837
Other current assets	18,959	21,346	23,556	24,863
Total assets	31,569	34,105	37,851	41,393
ST debt	10,808	11,301	11,818	12,362
Other current liabilities	7,817	7,498	8,294	8,817
LT debt	1,208	1,208	1,208	1,208
Other LT liabilities	766	596	705	699
Shareholders' equity	10,854	13,321	15,554	17,930
Minority interest	116	181	271	377
Total liabilities & equity	31,569	34,105	37,851	41,393

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	7.2	7.7	8.1	8.5
Pre-tax margin	5.6	6.1	6.0	6.1
Net margin	4.7	5.0	5.0	5.0
Growth				
Net profit	22.3	27.0	8.2	7.5
Net profit (adj.)	22.3	27.0	8.2	7.5
Leverage				
Debt to total capital	109.5	92.6	82.3	74.1
Debt to equity	110.7	93.9	83.8	75.7
Net debt/(cash) to equity	82.4	42.2	33.6	20.8
Interest cover	22.5	26.4	27.6	27.9

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