

Apple Shield in a High-Cost Environment

- Low IT exposure (10%) insulate COM7 from soaring memory costs
- Necessity-based PC upgrades offset broader shipment declines.
- Shares likely remain range-bound until the "iPhone Fold" narrative.

Why Memory Cost Surges Won't Derail COM7 Growth

We project the impact of the "Memory Supercycle" on COM7 to be negligible, despite DRAM and SSD costs surging 3x–4x. While these soaring costs have led IDC to forecast a 2026 shipment decline of 5% for PCs and 3% for mobile phones. COM7's exposure to the price-sensitive IT/Component segment is limited to just 10% of total sales. The majority of revenue is derived from Apple products, which command superior pricing power and are far less vulnerable to the component cost volatility disrupting the mass market.

Premium Price Stability vs. Budget Segment Contraction

We view the iPhone 17 cycle as a stabilizer for COM7 despite the memory price surge. While the memory supercycle forces budget smartphone manufacturers to raise prices on unchanged hardware specs—likely dampening mass-market demand—Apple is expected to maintain the selling price. By being heavily weighted toward Apple products, COM7 avoids the severe volume contraction facing the price-sensitive low-end segment, resulting in a muted negative impact compared to peers with higher exposure to IT and entry mobile.

Necessity Over Price

Despite confirmed price hikes from major OEMs—Dell (+10–30%) and Asus (~15%)—aligning with IDC's negative shipment forecast, we view the downside risk to COM7's IT revenue as limited. The current PC replacement cycle is driven by functional necessity rather than discretionary upgrading, rendering corporate and essential demand relatively price-inelastic; a 10–20% retail increase is unlikely to delay mandatory hardware refreshes. Furthermore, any residual volume softness in the IT portfolio is effectively hedged by the robust growth of COM7's subsidiary businesses, which we expect to offset the segment's minor contribution drop.

Profit-Taking Triggers a Catalyst Vacuum

COM7's share price has corrected 30% from its peak despite positive iPhone 17 sales, a move we attribute to profit-taking iPhone launch. We anticipate a low-catalyst environment for the majority of 2026, as the stock follows the smartphone product cycle and currently lacks a fresh narrative. With no immediate drivers, we expect the share price to trade sideways in the current range. The next significant re-rating event—the launch of a Foldable iPhone—is likely to be in late 2026 or 2027, leaving the stock without a major catalyst in the near term.

Maintain with a BUY with revised TP of THB23.00

We maintain our BUY rating but revised our TP to THB23.00 from THB29.00, pegged to a 2026E P/E of 14x. Absent any major catalysts until the "iPhone Fold" cycle materializes, we view the stock as a value accumulation play rather than a high-growth momentum trade.

ESG Rating : AA

CG Rating : 

BUY

Target Price 12M (THB)

23.00

VS. BB Consensus TP (%)

-24.5%

Share Price (THB)

18.60

Upside/Downside

+23.7%

Share Data

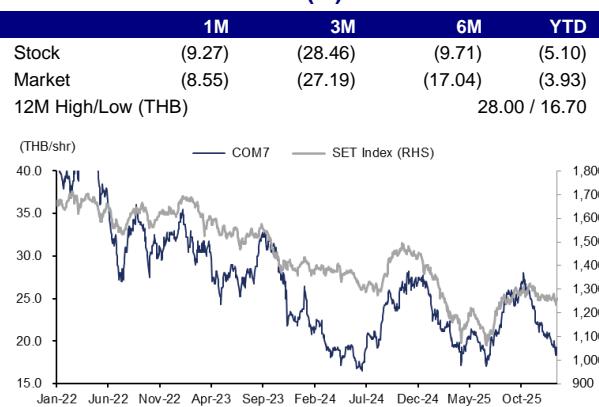
Market Cap (THB m)	44,411.20
Par (THB)	0.25
Free Float (%)	49.42
Issued shares (m shares)	2,400

Financial forecast

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	79,233	83,997	88,257	92,335
Net profit	3,307	3,691	4,005	4,336
Core net profit	3,307	3,691	4,005	4,336
vs Consensus (%)	-	1.9	(0.6)	7.0
Net profit growth (%)	15.7	11.6	8.5	8.3
Core net profit growth (%)	15.7	11.6	8.5	8.3
EPS (THB)	1.38	1.54	1.67	1.81
Core EPS (THB)	1.38	1.54	1.67	1.81
Chg in core EPS (%)	-	0.00	0.00	0.00
DPS (THB)	0.86	0.96	1.04	1.13
P/E (x)	19.05	12.09	11.15	10.29
P/BV (x)	7.73	4.57	3.89	3.35
ROE (%)	42.41	41.18	37.68	34.98
Dividend yield (%)	3.28	5.16	5.60	6.06

Source: Financial Statement and Globlex securities

Share Price Performance (%)



Major Shareholders (%) as of 11 Jun 2025

MR. SURA KHANITTAWEEKUL	25.05
MR. PONGSAK THAMMATHATAREE	19.81
THAI NVDR	8.60

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

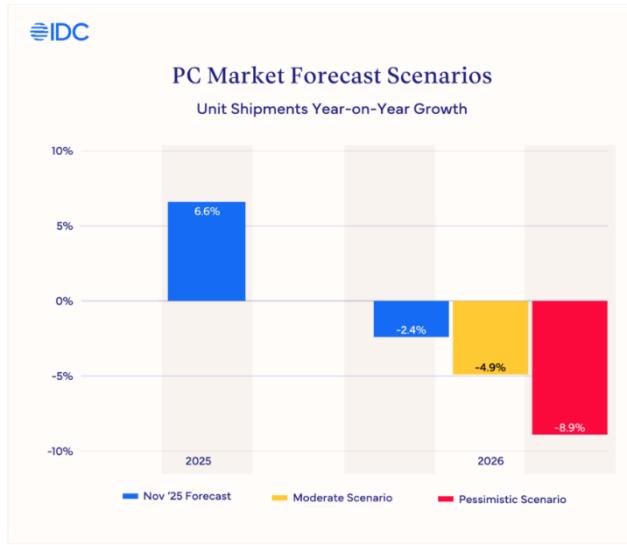
Analyst

Siriluck Pinthusoonthorn
Siriluck@globlex.co.th,
+662 672 5806

Assistant Analyst

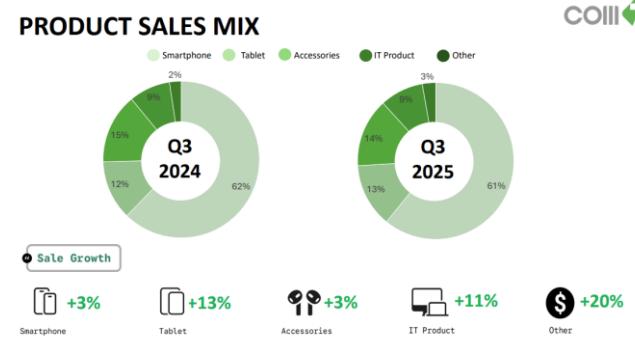
Peerayu Sirivorawong

Exhibit 1: PC Market Forecast



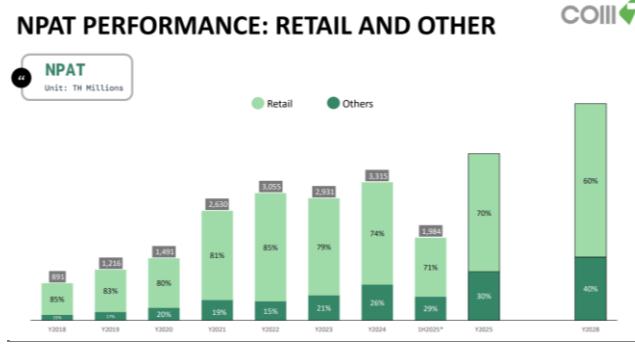
Sources: IDC

Exhibit 3: Product sales mix in 3Q25



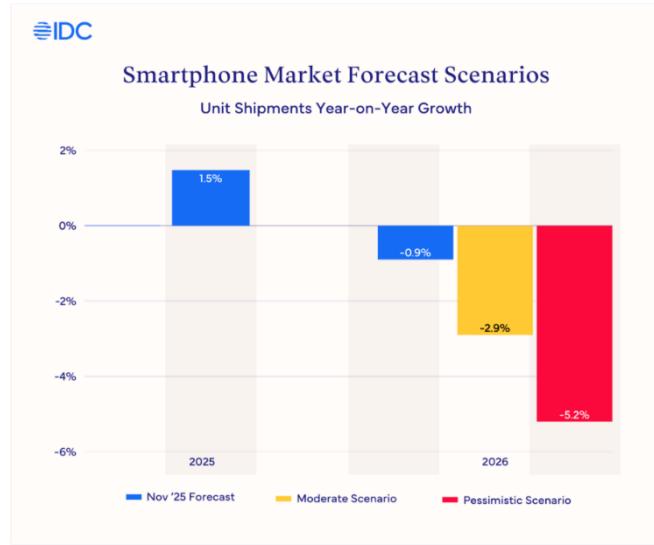
Sources: COM7

Exhibit 5: Profit breakdown



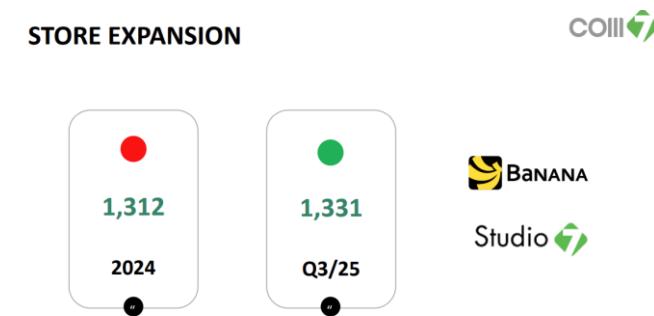
Sources: COM7

Exhibit 2: Smartphone Market Forecast



Sources: IDC

Exhibit 4: Number of stores



Sources: COM7

Exhibit 6: COM7 subsidiary businesses



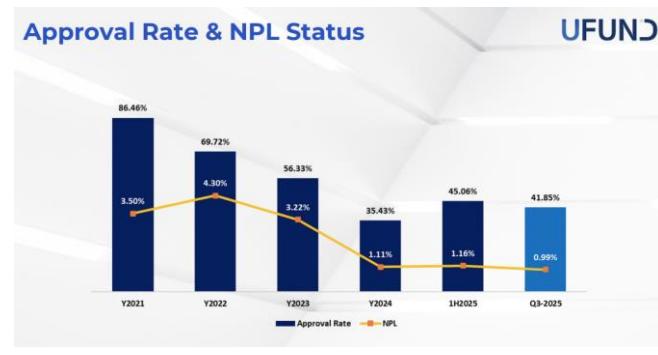
Sources: COM7

Exhibit 7: UFUND Roadmap



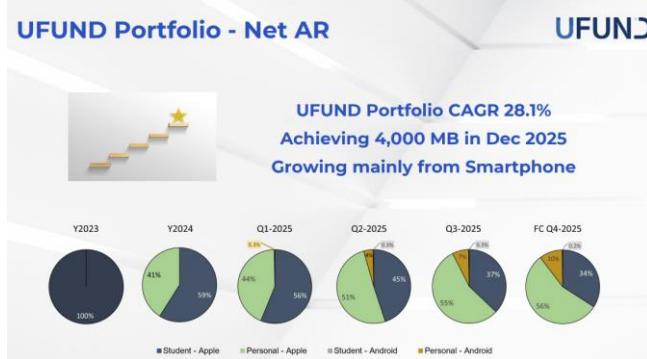
Sources: COM7

Exhibit 8: UFUND Performance



Sources: COM7

Exhibit 9: UFUND Portfolio



Sources: COM7

Exhibit 10: iCare Insurance 3Q25/9M25 Performance



Sources: COM7

Balance sheet (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
Current assets					
Cash & ST investment	1,754	2,032	3,147	4,412	5,937
Account receivable	3,472	3,147	2,802	2,440	2,061
Inventories	9,922	12,254	12,952	13,569	14,175
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	28,627	30,652	32,809
Current liabilities					
Account payable	4,916	5,719	6,045	6,333	6,616
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	18,161	18,469	18,771
Paid-up capital	600	600	600	600	600
Retained earnings	6,136	6,336	7,963	9,664	11,501
Others	1,311	1,815	1,815	1,815	1,815
Minority interest	141	73	88	104	122
Shareholders' equity	8,188	8,823	10,466	12,183	14,038

Profit & loss (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
Revenue	69,642	79,233	83,997	88,257	92,335
Cost of goods sold	(64,035)	(72,792)	(76,941)	(80,605)	(84,209)
Gross profit	5,607	6,441	7,056	7,652	8,125
Operating expenses	(1,012)	(1,162)	(1,232)	(1,324)	(1,385)
Operating profit	4,595	5,279	5,824	6,328	6,740
EBIT	3,687	4,258	4,793	5,287	5,689
Depreciation	(908)	(1,021)	(1,031)	(1,041)	(1,052)
EBITDA	4,595	5,279	5,824	6,328	6,740
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	4,520	5,026	5,443
Extraordinary items					
Current taxation	(588)	(674)	(814)	(1,005)	(1,089)
Minorities	(77)	(14)	(15)	(17)	(18)
Net Profit	2,857	3,307	3,691	4,005	4,336
Core net profit	2,857	3,307	3,691	4,005	4,336
EPS (THB)	1.19	1.38	1.54	1.67	1.81
Core EPS (THB)	1.19	1.38	1.54	1.67	1.81

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	10.3	8.7	6.5
EBITDA	(2.0)	14.9	10.3	8.7	6.5
Net profit	(5.9)	15.7	11.6	8.5	8.3
Core net profit	(4.5)	15.7	11.6	8.5	8.3
EPS	(5.9)	15.7	11.6	8.5	8.3
Core EPS	(4.5)	15.7	11.6	8.5	8.3
Profitability (%)					
Gross margin	8.1	8.1	8.4	8.7	8.8
Operation margin	6.6	6.7	6.9	7.2	7.3
EBITDA margin	6.6	6.7	6.9	7.2	7.3
Net margin	4.1	4.2	4.4	4.5	4.7
ROE	40.8	42.4	41.2	37.7	35.0
ROA	13.6	13.3	13.4	13.5	13.7
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	14.4	15.9	17.1
Interest & ST debt coverage (x)	0.4	0.4	0.5	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	1.4	1.4
Quick ratio (x)	0.4	0.3	0.4	0.4	0.5
Net debt (THB m)	7,627	9,101	7,986	6,721	5,197
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

Cash flow (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
Operating cash flow	(576)	1,019	2,823	2,835	3,037
Net profit	2,857	3,307	3,691	4,005	4,336
Depre.& amortization	908	1,021	1,031	1,041	1,052
Change in working capital	(3,073)	(1,833)	(133)	(61)	(35)
Others	(1,268)	(1,476)	(1,767)	(2,150)	(2,317)
Investment cash flow	2,607	1,401	341	661	979
Net CAPEX	(1,427)	(906)	(722)	(799)	(786)
Change in LT investment	(1,380)	177	3,179	3,569	4,024
Change in other assets	5,414	2,130	(2,116)	(2,109)	(2,258)
Free cash flow	2,031	2,420	3,164	3,496	4,016
Financing cash flow	(1,637)	(2,132)	(2,049)	(2,287)	(2,481)
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)	(2,304)	(2,499)
Others					
Net cash flow	394	288	1,115	1,209	1,535
Per share (THB)					
EPS	1.19	1.38	1.54	1.67	1.81
Core EPS	1.19	1.38	1.54	1.67	1.81
CFPS	1.60	1.81	1.97	2.11	2.25
BVPS	3.35	3.65	4.32	5.03	5.80
Sales/share	29.02	33.01	35.00	36.77	38.47
EBITDA/share	1.91	2.20	2.43	2.64	2.81
DPS	0.70	0.86	0.96	1.04	1.13
Valuation					
P/E (x)	16.4	19.0	12.1	11.1	10.3
P/BV (x)	6.28	7.73	4.57	3.89	3.35
Dividend yield (%)	3.59	3.28	5.16	5.60	6.06
Dividend payout ratio (%)	58.80	62.41	62.41	62.41	62.41

GENERAL DISCLAIMER

Analyst Certification

Siriluck Pinthusoonthorn, Register No. 119539, Globlex Securities Public Company Limited

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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.