

Performance Overview Q1/2022

The operating results of COM7 Public Company Limited (**the Company**) and its subsidiaries, according to the consolidated financial statement of Q1/2022 compared to the same period of the year 2021, details are as follows:

- Total Revenue equal to 14,682.3 MB., increased by 22.5%
- Gross Profit equal to 2,002.0 MB., increased by 28.5%
- Profit owners of the parent equal to 783.2 MB., increased by 38.5%

Statement of Comprehensive Income (Consolidated)

	Q1/2022		Q1/2021		YoY
	MB.	%	MB.	%	YoY%
Revenue from sales and services	14,645.7	99.8%	11,963.3	99.8%	22.4%
Cost of sales and services	12,643.7	86.1%	10,405.1	86.8%	21.5%
Gross profit	2,002.0	13.6%	1,558.2	13.0%	28.5%
Other income	16.8	0.1%	2.6	0.0%	546.2%
Share of the profit of investments in joint ventures	19.8	0.1%	23.1	0.2%	(14.3%)
Total revenue	14,682.3	100.0%	11,989.0	100.0%	22.5%
Selling expenses	841.2	5.7%	682.9	5.7%	23.2%
Administrative expenses	204.1	1.4%	202.3	1.7%	0.9%
Loss (Gain) from exchange - Net	2.8	0.0%	(3.9)	0.0%	(171.8%)
Profit before finance costs and income tax	990.5	6.7%	702.6	5.9%	41.0%
Finance costs	18.1	0.1%	9.2	0.1%	96.7%
Profit before income tax	972.4	6.6%	693.4	5.8%	40.2%
Income tax expenses	190.3	1.3%	128.2	1.1%	48.4%
Net profit	782.1	5.3%	565.2	4.7%	38.4%
Profit owners of the parent	783.2	5.3%	565.6	4.7%	38.5%

Revenue from sales and services

As of the end of Q1/2022, under the management of the Group, there were a total of 1,031 branches, comprising 398 BaNANA branches, 116 Studio7 branches, 80 KingKong Phone branches, 124 True Shop by Com7 branches, 134 franchise branches, 35 BKK branches, 30 iCare branches, and others 114 branches. It has been expanded from the end of 2021 to a total of 31 branches (as of the end of 2021: 1,000 branches). The Company has classified distribution channels into two types as follows:

Revenue structure categorized by business group

Business Group	Q1/2022		Q1/2021		YoY
	MB.	%	MB.	%	YoY%
Retail Business (B2C)	13,356	91.2%	11,213	93.7%	19.1%
Other distribution channels	1,289	8.8%	750	6.3%	71.9%
Sales and Services Revenue	14,645	100.0%	11,963	100.0%	22.4%

1. Retail Business (B2C)

Retail business revenues for Q1/2022 were 13,356 million baht, increasing 19.1% compared to the same period last year due to the situation of shortage of products in the market in Q1/21, coupled with the condition of the epidemic of COVID-19 that began to unravel in the first quarter of 2022. As a result, consumer demand for IT products has increased. It also included implementing product management strategies, both distribution and stock of products to be sufficient for distribution in all channels, especially new product launches. Therefore, it drove the Company's revenue to grow in all product groups, especially from the iPhone, iPad, smartphones, and laptops. In addition, the Company has been continuing to focus on expanding new branches by finding potential locations to generate higher revenue per branch. As a result, revenue can grow continuously.

2. Other distribution channels

Revenue from other distribution channels in Q1/2022 was 1,289 million baht, growing 71.9%. It was mainly from income through online channels, which received good customer feedback and became more known. It also included expanding the customer base by increasing the variety of products sold, such as small appliances and televisions. In addition, there was also income from leasing loans for IT products and being a wholesale distributor of mobile and IOT products to more than 3,000 partners across the country, resulting in increased sales. Furthermore, the Company has been looking for suitable investments in other businesses to expand more distribution channels.

Gross Profit

Gross profit for Q1/2022 was 2,002.0 MB, increasing from the same quarter of 2021 by 443.8 MB or 28.5%. The gross profit margin for Q1/2022 was 13.6% compared to the same quarter of 2021 was 13.0% from the sales proportion in each product similar to the original.

Selling and Administrative Expenses

Selling expenses in Q1/2022 were 841.2 MB, increasing from the same quarter of 2021 by 158.3 MB or 23.2%. It grew in line with higher sales. The proportion compared to total revenue was 5.7%, which was the same as the same period of 2021. Although the Company has expanded more branches, it still maintains the revenue per branch and manages expenses well.

Administrative expenses for Q1/2022 were 204.1 MB, increasing from the same quarter of 2021 by 1.8 MB or 0.9%. It was due to the Company controlling costs and adjusting the work process to be efficient.

Finance Costs

Financial costs for Q1/2022 were 18.1 MB, an increase of 8.9 MB from the same quarter of 2021 or 96.7% due to the Company's cash management in order to be sufficient for purchasing products for resale.

Net Profit (owners of the parent)

Net profit of the parent company for Q1/2022 was 783.2 MB or 5.3% to total revenue, increasing from the same quarter of 2021 by 217.6 MB or 38.5% from all the points mentioned above.

Statement of Financial Position (Consolidated)

	Q1/2022		2021	
	MB.	%	MB.	%
Cash and cash equivalents	770.4	4.5%	1,656.9	10.4%
Financial asset measured at fair value (profit or loss)	232.7	1.4%	193.7	1.2%
Trade and other receivables	2,707.7	16.0%	2,707.3	17.0%
Trade receivables under financial contracts	497.8	2.9%	462.5	2.9%
Inventories	7,519.1	44.3%	6,207.9	38.9%
Other current assets	1,073.9	6.3%	657.9	4.1%
Total current assets	12,801.6	75.4%	11,886.2	74.4%
Trade and other receivables	275.2	1.6%	237.2	1.5%
Trade receivables under financial contracts	136.1	0.8%	97.4	0.6%
Investment and financial assets	796.5	4.7%	773.7	4.8%
Land, buildings, and equipment	684.7	4.0%	614.9	3.9%
right-of-use assets	1,086.1	6.4%	1,186.4	7.4%
Other non-current assets	1,192.7	7.0%	1,170.0	7.3%
Total non-current assets	4,171.3	24.6%	4,079.6	25.6%
Total assets	16,972.9	100.0%	15,965.8	100.0%
Short-term loans from financial institutions	5,165.8	30.4%	3,801.0	23.8%
Trade and other payables	3,886.9	22.9%	5,105.8	32.0%
Lease Liability	493.5	2.9%	524.6	3.3%
Other current liabilities	471.2	2.8%	319.6	2.0%
Total current liabilities	10,017.4	59.0%	9,751.0	61.1%
Total non-current liabilities	869.7	5.1%	914.0	5.7%
Total liabilities	10,887.1	64.1%	10,665.0	66.8%
Total shareholders' equity	6,085.8	35.9%	5,300.8	33.2%
Total liabilities and equity	16,972.9	100.0%	15,965.8	100.0%

Total Asset

As of March 31, 2022, the Company had total assets of 16,972.9 MB, an increase of 1,007.1 MB or 6.3% compared to the end of 2021. It was mainly due to the rise in inventories.

Other essential aspects are as follows:

Cash and Cash Equivalents

As of March 31, 2022, the Company had cash & cash equivalents of 770.4 MB, decrease of 886.5 MB or 53.5% compared to the end of 2021. It was according to the Company's cash allocation to suit and support its growing business.

Inventories

As of March 31, 2022, the Company had inventories of 7,519.1 MB, an increase of 1,311.2 MB or 21.1% compared to the end of 2021 due to the Company managing the number of products to be sufficient for sales and increasing branch expansion.

Trade and other receivables

As of March 31, 2022, the Company had trade and other

receivables of 2,982.9 million baht, an increase of 38.4 million baht or 1.3% compared to the end of 2021 due to the Company's business expansion in the leasing loans for IT products

Total liabilities

As of March 31, 2022, the Company had total liabilities of 10,887.1 MB, an increase of 222.1 MB or 2.1% compared to the end of 2021. It was mainly due to short-term loans. Other essential aspects are as follows:

Short-Term Loans from Financial Institutions

As of March 31, 2022, the Company had short-term loans from financial institutions of 5,165.8 MB, an increase of 1,364.8 MB or 35.9% compared to the end of the year 2021. It was due to the purchase of goods sufficient for trade.

Trade and Other Payables

As of March 31, 2022, the Company had trade and other payables of 3,886.9 MB, a decrease of 1,218.9 MB or 23.9% compared to the end of 2021 due to adjustments to product orders to suit sales.

Liquidity Ratio

The Company's liquidity mainly came from the ability to turnover inventories, accounts receivable billing, and repayment to the trade payables. For Q1/2022 and 2021, details were as follows:

Liquidity Ratio	Unit	Q1/2022	2021
Day Sales Outstanding (DSO)	DAY	18	13
Days Sales of Inventory (DSI)	DAY	49	41
Days Payable Outstanding (DPO)	DAY	32	31
Cash Cycle	DAY	35	23

DSO: *In Q1/2022, the Company's average debt collection period was increased from the business expansion in the hire purchase segment.*

DSI: *In Q1/2022, the Company's average sales period was increased from stocking up enough products for sale.*

DPO: *In Q1/2022, the Company's average repayment period was increased due to higher sales, but credit terms with trading partners remained unchanged.*

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