

Performance Overview Q2/2022

The operating results of COM7 Public Company Limited (**the Company**) and its subsidiaries, according to the consolidated financial statement of Q2/2022 compared to the same period of the year 2021, details were as follows:

- Total Revenue equal to 14,445.4 MB., increased by 24.9%
- Gross Profit equal to 1,903.7 MB., increased by 22.8%
- Profit owners of the parent equal to 620.0 MB., increased by 5.6%

Statement of Comprehensive Income (Consolidated)

	Q2/2022		Q2/2021		YoY
	MB.	%	MB.	%	YoY%
Revenue from sales and services	14,420.2	99.8%	11,535.3	99.8%	25.0%
Cost of sales and services	12,516.5	86.6%	9,985.6	86.4%	25.3%
Gross profit	1,903.7	13.2%	1,549.7	13.4%	22.8%
Other income	23.0	0.2%	4.0	0.0%	475.0%
Share of the profit of investments in joint ventures	2.2	0.0%	23.1	0.2%	(90.5%)
Total revenue	14,445.4	100.0%	11,562.4	100.0%	24.9%
Selling expenses	919.9	6.4%	710.4	6.1%	29.5%
Administrative expenses	233.3	1.6%	165.1	1.4%	41.3%
Loss (Gain) from exchange - Net	(0.7)	0.0%	0.3	0.0%	(333.3%)
Profit before finance costs and income tax	776.4	5.4%	701.0	6.1%	10.8%
Finance costs	24.1	0.2%	12.1	0.1%	99.2%
Profit before income tax	752.3	5.2%	688.9	6.0%	9.2%
Income tax expenses	132.3	0.9%	103.5	0.9%	27.8%
Net profit	620.0	4.3%	585.4	5.1%	5.9%
Profit owners of the parent	620.0	4.3%	587.0	5.1%	5.6%

As of the end of Q2/2022, under the management of the Group, there were a total of 1,045 branches, comprising 418 BaNANA branches, 133 franchise branches, 126 True Shop by Com7 branches, 117 Studio7 branches, 76 KingKong Phone branches, 32 BKK branches, 30 iCare branches, and others 113 branches. It has been expanded from Q1/2022 to a total of 14 branches (as of the end of Q1/2022: 1,031 branches), details as follows:

Revenue structure categorized by business group

Business Group	Q2/2022		Q2/2021		YoY
	MB.	%	MB.	%	YoY%
Retail Business (B2C)	12,838	89.0%	10,654	92.4%	20.5%
Other distribution channels	1,582	11.0%	881	7.6%	79.6%
Sales and Services Revenue	14,420	100.0%	11,535	100.0%	25.0%

Revenue from sales and services totaled 14,420.2 million baht, an increase of 2,884.9 million baht (+25.0%), consisting of:

- **Revenue from the retail business** amounted to 12,838 million baht, an increase of 2,184 million baht (+20.5%) compared to the same period last year. The increase was partly due to the recovery of economic activities from the COVID-19 epidemic, the expansion of new branches, management, and reserve products to meet consumer demand. In addition, it provided support for credit services for installment payments and sales of supplementary products along with sales of primary products. All factors increased the number of products sold, such as iPhone, iPad, Smartphone, and Apple Watch.
- **Revenue from other distribution channels** amounted to 1,582 million baht, an increase of 701 million baht (+79.6%) compared to the same period last year. It was mainly from promotional activities through BaNANA and Studio7 websites.

Gross profit amounted to 1,903.7 million baht, an increase of 354.0 million baht (+22.8%) compared to the same period of last year as sales and service revenue growth increased. The gross profit margin for Q2/2022 was 13.2%, a decrease of 13.4% from the same period of the previous year due to higher competition in the IT retail business.

Share of the profit of investments in joint ventures amounted to 2.2 million baht, a decrease of 20.9 million baht (-90.5%) due to the decline in Next Capital Public Company Limited's performance compared to the same period of the previous year.

Selling and administrative expenses totaled 1,153.2 million baht, an increase of 277.7 million baht or (+31.7%) consisting of:

- **Selling expenses** amounted to 919.9 million baht, an increase of 209.5 million baht (+29.5%). It was mainly due to an increase in rental, service, and utility expenses from the new store expansion and the return to normal operation compared to the same period last year. In addition, there were also higher promotional and marketing expenses to drive revenue in Q2/2022 before the launch of new models in the second half of the year. As a result, the selling expenses ratio in Q2/2022 was 6.4%, an increase from 6.1% in the same period last year.
- **Administrative expenses** amounted to 233.3 million baht, an increase of 68.2 million baht (+41.3%) compared to the same period last year. It was due to the increase in salary and welfare expenses related to employees, service fees, and allowance for doubtful accounts from hire purchase loans for IT product groups. As a result, the ratio of administrative expenses to total revenues was 1.6%. Nevertheless, the Company could maintain the same ratio compared to Q2/2021 at 1.4%.

Finance costs amounted to 24.1 million baht, an increase of 12.0 million baht (+99.2%) compared to the same period last year. It was mainly from interest on short-term loans from financial institutions for short-term working capital to reserve products for sale to meet consumers' demand.

Profit owners of the parent amounted to 620.0 million baht; an increase of 33.0 million baht (+5.6%) compared to the same period last year, or accounted for 4.3% of total income. It was mainly from all of the mentioned above.

Statement of Financial Position (Consolidated)

	Q2/2022		2021	
	MB.	%	MB.	%
<i>Cash and cash equivalents</i>	1,010.5	5.8%	1,656.9	10.4%
<i>Financial asset measured at fair value (profit or loss)</i>	274.4	0.0%	193.7	1.2%
<i>Trade and other receivables</i>	2,920.0	1.6%	2,707.3	17.0%
<i>Trade receivables under financial contracts</i>	549.2	16.9%	462.5	2.9%
<i>Inventories</i>	6,618.7	3.2%	6,207.9	38.9%
<i>Other current assets</i>	240.5	38.4%	657.9	4.1%
Total current assets	11,613.3	1.4%	11,886.2	74.4%
<i>Trade and other receivables</i>	116.3	67.3%	237.2	1.5%
<i>Trade receivables under financial contracts</i>	78.2	0.7%	97.4	0.6%
<i>Investment and financial assets</i>	2,666.7	0.4%	953.7	6.0%
<i>Land, buildings, and equipment</i>	720.6	15.5%	614.9	3.9%
<i>Right-of-use assets</i>	936.8	4.2%	1,186.4	7.4%
<i>Other non-current assets</i>	1,123.1	5.4%	990.0	6.2%
Total non-current assets	5,641.7	6.5%	4,079.6	25.6%
Total assets	17,255.0	32.7%	15,965.8	100.0%
<i>Short-term loans from financial institutions</i>	5,565.5	100.0%	3,801.0	23.8%
<i>Trade and other payables</i>	3,643.9	32.2%	5,105.8	32.0%
<i>Lease Liability</i>	440.9	21.1%	524.6	3.3%
<i>Other current liabilities</i>	1,678.1	2.6%	319.6	2.0%
Total current liabilities	11,328.4	9.7%	9,751.0	61.1%
Total non-current liabilities	758.3	65.6%	914.0	5.7%
Total liabilities	12,086.7	4.4%	10,665.0	66.8%
Total shareholders' equity	5,168.3	70.0%	5,300.8	33.2%
Total liabilities and equity	17,255.0	30.0%	15,965.8	100.0%

Total assets as of June 30, 2022 totaled 17,255.0 million baht, an increase of 1,289.2 million baht (+8.1%) compared to the end of 2021. It was mainly due to the following reasons:

- **Investments and other financial assets** amounted to 2,666.7 million baht, an increase of 1,713.0 million baht (+179.6%). It was mainly from the purchase of capital increase shares of Next Capital Public Company Limited with a net amount of 711 million baht, which was recognized as part of the investment in joint ventures and investment in Sabuy Technology Public Company Limited, amounting to 1,360 million baht. In the second quarter, such investments had a loss on fair value measurement following other statements of comprehensive income, amounting to a net amount of 342 million baht.
- **Inventories** amounted to 6,618.7 million baht, an increase of 410.8 million baht (+6.6%) in order to reserve products to meet consumer demand and expand new branches.

- **Trade and other receivables** amounted to 3,036.3 million baht, an increase of 91.8 million baht (+3.1%) due to the rise in product sales.
- **Cash and cash equivalents** amounted to 1,010.5 million baht, a decrease of 646.4 million baht (-39.0%). It was mainly from use in operating activities and dividends payment.

Total liabilities as of June 30, 2022 amounted to 12,086.7 million baht, an increase of 1,421.7 million baht (+13.3%) compared to the end of 2021. It was mainly due to the following reasons:

- **Short-term loans from financial institutions** amounted to 5,565.5 million baht, an increase of 1,764.5 million baht (+46.4%). It was mainly from borrowing money to purchase products.
- **Trade and other payables** amounted to 3,643.9 million baht, a decrease of 1,461.9 million baht (-28.6%). It was due to the payment of trade accounts payable.

Liquidity Ratio

The Company's liquidity mainly came from the ability to turnover inventories, accounts receivable billing, and repayment to the trade payables. For Q2/2022 and 2021, details were as follows:

Liquidity Ratio	Unit	Q2/2022	2021
Day Sales Outstanding (DSO)	DAY	19	13
Days Sales of Inventory (DSI)	DAY	46	41
Days Payable Outstanding (DPO)	DAY	32	31
Cash Cycle	DAY	33	23

The Company had a cash cycle of 33 days from an increase in day sales outstanding and day sales of inventory. It was mainly from the expansion of hire purchase services for IT products in line with new business plans that would occur in the future, as well as reserve products for sale to meet the increasing demand of consumers.

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