

### Performance Overview Q1/2023

The operating results of COM7 Public Company Limited (**the Company**) and its subsidiaries, according to the consolidated financial statement of Q1/2023 compared to the same period of the year 2022, details were as follows:

- Total Revenue equal to 17,254.2 MB., increased by 17.8%
- Gross Profit equal to 2,375.8 MB., increased by 18.7%
- Profit owners of the parent equal to 873.7 MB., increased by 11.6%

### Statement of Comprehensive Income (Consolidated)

List (Unit : Million Baht)	Q1/2023		Q1/2022		YoY	
	MB.	%	MB.	%	MB.	%
Revenue from sales and services	17,254.2	99.7%	14,645.7	99.8%	2,608.5	17.8%
Cost of sales and services	14,878.4	86.0%	12,643.7	86.2%	2,234.7	17.7%
<b>Gross profit</b>	<b>2,375.8</b>	<b>13.7%</b>	<b>2,002.0</b>	<b>13.6%</b>	<b>373.8</b>	<b>18.7%</b>
Other income	9.4	0.0%	16.8	0.1%	(7.4)	(44.0%)
Share of profit from investments in associates	45.5	0.3%	19.9	0.1%	25.6	128.6%
<b>Total revenue</b>	<b>17,309.1</b>	<b>100.0%</b>	<b>14,682.4</b>	<b>100.0%</b>	<b>2,626.7</b>	<b>17.9%</b>
Selling expenses	1,049.7	6.0%	839.9	5.7%	209.8	25.0%
Administrative expenses	234.7	1.4%	202.9	1.4%	31.8	15.7%
(Reversal) of Loss from impairment of financial asset	27.5	0.2%	9.9	0.0%	17.6	177.8%
Other losses (gains)	6.4	0.0%	(4.6)	0.0%	11.0	(239.1%)
<b>Profit before finance costs and income tax</b>	<b>1,112.4</b>	<b>6.4%</b>	<b>990.6</b>	<b>6.7%</b>	<b>121.8</b>	<b>12.3%</b>
Finance costs	39.3	0.2%	18.2	0.1%	21.1	115.9%
<b>Profit before income tax</b>	<b>1,073.1</b>	<b>6.2%</b>	<b>972.4</b>	<b>6.6%</b>	<b>100.7</b>	<b>10.4%</b>
Income tax	184.4	1.1%	190.3	1.3%	(5.9)	(3.1%)
<b>Profit for the period</b>	<b>888.7</b>	<b>5.1%</b>	<b>782.1</b>	<b>5.3%</b>	<b>106.6</b>	<b>13.6%</b>
<b>Profit owners of the parent</b>	<b>873.7</b>	<b>5.0%</b>	<b>783.2</b>	<b>5.3%</b>	<b>90.5</b>	<b>11.6%</b>

**Branch Expansion in Q1/2023** : The Company had 1,284 branches, expanding 124 branches compared to the end of 2022 ( end of the year 2022 : 1,160 branches ) consisting of BaNANA, Bb, B-Play, BKK, BeBePhone, E-quip, Franchise, iCare, KingKong Phone, Studio7, True Shop by Com7, U-Store, and Brand shop

**Revenue from sales and services** totaled 17,254.2 million baht, an increase of 2,608.5 million baht (+17.8%). It was due to domestic economic activity returning to normal and was driven by the recovery of the tourism sector after the relaxation of international travel measures. As a result, the number of foreign tourists increased, especially in the country's tourism region. In addition, there were supporting factors, such as the government's implementation of the "Shop Dee Mee Kuen 2023" measure to boost domestic private sector demand. There were also other structural factors. For example, slowing inflation contributed to increased consumption. Confidence in the domestic economy began to improve. The expansion of urban communities boosted the demand for spending. Besides, the development of public investment was a significant cause of private income recovery in line with the country's overall economic outlook.

However, the stability of the domestic economy is still under pressure from many factors, for example, domestic financial market volatility due to tighter monetary policy regarding interest rate hikes, the risk of a protracted war between Russia and Ukraine, and the uncertainty of inflation.

List (Unit : Million Baht)	Q1/2023		Q1/2022		YoY	
	MB.	%	MB.	%	MB.	%
Retail Business	16,804	97.4%	14,268	97.4%	2,536	17.8%
Other	450	2.6%	378	2.6%	72	19.0%
<b>Revenue from sales and services</b>	<b>17,254</b>	<b>100.0%</b>	<b>14,646</b>	<b>100.0%</b>	<b>2,608</b>	<b>17.8%</b>

**Revenue from the retail business** was 16,804 million baht, an increase of 2,536 million baht (+17.8%) over the same period last year. It came from the Same Store Sales Growth of 10%. Also, the Company continuously invested in expanding branches to cover all areas to increase the customer base and distribution channels inside and outside the department store (Standalone). In addition, the Company operated a new model business in the name of "BeBePhone" to increase market share and distribution channels for accessories in the House Brand products. Furthermore, the Company launched an e-commerce platform Studio7Thailand in the middle of last year to increase online sales channels in conjunction with sales through Chat &Shop e-commerce. Besides, promotional activities were organized in collaboration with partners via digital channels, including Commart Thailand 2023 and Thailand Mobile Expo 2023. As a result, it helped to drive more revenue from the retail business. The product categories that remain key revenue drivers and continue to experience significant growth are Smartphone Accessories and Tablets, except for IT Products that have contracted due to the cancellation of work from home arrangements.

**Gross profit** was 2,375.8 million baht, an increase of 373.8 million baht (+18.7%) following sales and service income growth. The ratio of gross profit to total revenue was 13.7%, an increase from the same period last year. Part of it came from House Brand products in the Accessories group with a relatively high profit margin.

**Share of profit from investments in associates** amounted to 45.5 million baht, an increase of 25.6 million baht (+128.6%) due to the grow in the periodic performance of Next Capital Public Company Limited compared to the year 2022.

**Selling and administrative expenses** totaled 1,284.4 million baht, an increase of 241.6 million baht (+23.2%) consisting of:

- **Selling expenses** amounted to 1,049.7 million baht, an increase of 209.8 million baht (+25.0%) or 6.0% of total revenue, higher than the same period last year of 5.7%. It was mainly from:
  1. The investment in acquiring 118 branches of BeBePhone, which were not able to fully open during the first two months of the readiness preparation period, has resulted in a fixed expense of 30 million baht this quarter, including employee salaries, rent, service fees, and utility costs. After the store is fully operational, the proportion of selling expenses will improve.
  2. The rise in electricity tariffs has increased utility costs, leading to an additional expenditure of 10 million baht in this quarter.
  3. Marketing and promotional expenses to support revenue from hire purchases and online business channels, particularly marketplace service fees, have increased since the middle of last year.

In this regard, the increased expenses are still within the company's control and can be managed. The company can continue to adjust and improve policies to maintain a similar sales expense ratio to the previous year.

- **Administrative expenses** amounted to 234.7 million baht, an increase of 31.8 million baht (+15.7%) or 1.4% of total revenue, equal to last year's period.

**(Reversal) of Loss from impairment of financial asset** amounted to 27.5 million baht, an increase of 17.6 million baht (+177.8%). It was due to the higher provision for doubtful accounts of the Ufund business in line with the growth of hire purchase receivables.

**Other losses (gains)** amounted to 6.4 million baht, an increase of 11.0 million baht (-239.1%) from fluctuations in foreign exchange rates.

**Profit before finance costs and income tax** amounted to 1,112.4 million baht, an increase of 121.8 million baht (+12.3%) or 6.4% of total revenue.

**Finance costs** were 39.3 million baht, an increase of 21.2 million baht (+115.9%), mainly due to short-term loans from financial institutions for inventory in line with business growth, including an increase in the average loan interest rate of the Company according to the interest rate increase of the Bank of Thailand.

**Profit owners of the parent** amounted to 873.7 million baht, an increase of 90.5 million baht (+11.6%) from all items mentioned above.

## Statement of Financial Position

The Consolidated Statement of Financial Position as of 31 March 2023 compared to the One as of 31 December 2022

List (Unit : Million Baht)	Financial Information		Increase (Decrease)	
	Q1/2023	Q1/2022	MB.	%
Cash and cash equivalents	938.1	1,335.3	(397.2)	(29.7%)
Short-term investments	15.0	15.0	0.0	0.0%
Trade and other receivables	4,308.6	3,715.6	593.0	16.0%
Current portion of finance lease receivables	414.4	492.4	(78.0)	(15.8%)
Financial assets measured at fair value	339.0	285.3	53.7	18.8%
Derivatives - Warrants	42.7	56.1	(13.4)	(23.9%)
Short-term loans to related parties	6.3	6.3	0.0	0.0%
Inventories	9,045.2	7,333.0	1,712.2	23.3%
Other current assets	194.0	123.0	71.0	57.7%
<b>Total current assets</b>	<b>15,303.3</b>	<b>13,362.0</b>	<b>1,941.3</b>	<b>14.5%</b>
Restricted deposits with financial institutions	30.4	30.4	0.0	0.0%
Trade and other receivables	0.0	31.7	(31.7)	(100.0%)
Finance lease receivables	182.2	129.0	53.2	41.2%
Financial assets measured at fair value	716.0	826.6	(110.6)	(13.4%)
Investments in associates	1,563.8	1,517.1	46.7	3.1%
Property and equipment	917.3	873.5	43.8	5.0%
Right-of-use assets	1,024.8	949.2	75.6	8.0%
Intangible assets	151.2	147.9	3.3	2.2%
Goodwill	382.8	382.8	0.0	0.0%
Deferred tax assets	239.2	274.9	(35.7)	(13.0%)
Other non-current assets	644.0	637.4	6.6	1.0%
<b>Total non-current assets</b>	<b>5,851.7</b>	<b>5,800.5</b>	<b>51.2</b>	<b>0.9%</b>
<b>Total assets</b>	<b>21,155.0</b>	<b>19,162.5</b>	<b>1,992.5</b>	<b>10.4%</b>
Bank overdrafts and short-term loans from financial institutions	6,436.8	5,203.9	1,232.9	23.7%
Trade and other payables	4,457.7	4,909.4	(451.7)	(9.2%)
Current portion of lease liabilities	511.1	472.7	38.4	8.1%
Current Income tax payable	691.5	566.1	125.4	22.2%
Other current liabilities	16.6	17.3	(0.7)	(4.0%)
<b>Total current liabilities</b>	<b>12,113.7</b>	<b>11,169.4</b>	<b>944.3</b>	<b>8.5%</b>
<b>Total non-current liabilities</b>	<b>805.1</b>	<b>741.2</b>	<b>63.9</b>	<b>8.6%</b>
<b>Total Liabilities</b>	<b>12,918.8</b>	<b>11,910.6</b>	<b>1,008.2</b>	<b>8.5%</b>
Equity	8,236.2	7,251.9	984.3	13.6%
<b>Total Equity</b>	<b>8,236.2</b>	<b>7,251.9</b>	<b>984.3</b>	<b>13.6%</b>
<b>Total Liabilities and Equity</b>	<b>21,155.0</b>	<b>19,162.5</b>	<b>1,992.5</b>	<b>10.4%</b>

### **Total assets**

As of March 31, 2023, the Company and its subsidiaries had total assets of 21,155.0 million baht, an increase from December 31, 2022, of 1,992.5 million baht (+10.4%). It was mainly from inventories and trade, and other receivables.

### **Total Liabilities**

As of March 31, 2023, the Company and its subsidiaries had total liabilities of 12,918.8 million baht, an increase from December 31, 2022, of 1,008.2 million baht (+8.5%). It was mainly from bank overdrafts and short-term loans from financial institutions.

### **Owner's equity**

As of March 31, 2023, the Company and its subsidiaries had total equity of 8,236.2 million baht, an increase from December 31, 2022, of 984.3 million baht (+13.6%) from operating profit for the period.

## **Liquidity Ratio**

The Company's liquidity mainly came from the ability to turnover inventories, accounts receivable billing, and repayment to the trade payables.

<b>Liquidity Ratio</b>	<b>Q1/2023</b>	<b>2022</b>
Day Sales Outstanding	22.0	20.0
Days Sales of Inventory	50.0	46.0
Days Payable Outstanding	29.0	34.0
<b>Cash Cycle</b>	<b>43.0</b>	<b>32.0</b>

The Company had a cash cycle of 43 days, an increase from reserved goods for distribution to meet the increasing consumer demand from the recovering economy and government measures. As a result, the duration of the sale of goods increased, and a decrease in the average repayment period from related trade debt payments of the retail business group.

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