

Operational Performance Overview for the year 2023

In 2023, Com7 Public Company Limited (“the Company”) achieved a net profit of 2,934.2 million baht, representing 4.2% of total revenue. This reflects a decrease of 129.6 million baht or 4.2% compared to the previous year. Including the share of profit from investments in joint ventures and subsidiary companies, the Company's profit owner of the parent was 2,857.2 million baht or 4.1% of total revenue. This represents a decline of 180.5 million baht or 5.9% compared to 2022. This decrease is attributed to lower-than-expected revenue growth due to prolonged consumer spending slowdown throughout the year, particularly during the fourth quarter, which was anticipated to be the high season for the Company. This decline was further exacerbated by increased expenses.

At the end of 2023, the Company operated a total of 1,356 branches, an increase of 194 branches compared to the previous year. This expansion included 79 new branches expanded by the Company and the acquisition of BebePhone business assets, adding 115 branches to the Company's operations. (end of the year 2022: 1,162 branches)

Statement of Comprehensive Income (Consolidated)

List (Unit : Million Baht)	Y2023		Y2022		YoY	
	Amount	%	Amount	%	Amount	%
Revenue from sales and services	69,559.5	99.9%	62,732.6	99.6%	6,826.9	10.9%
Cost of sales and services	60,354.4	86.7%	54,297.8	86.2%	6,056.6	11.2%
Gross profit	9,205.1	13.2%	8,434.8	13.4%	770.3	9.1%
Other income	82.2	0.1%	247.9	0.4%	(165.7)	(66.8%)
Total revenues	69,641.7	100.0%	62,980.5	100.0%	6,661.2	10.6%
Selling expenses	4,471.6	6.4%	3,735.7	5.9%	735.9	19.7%
Administrative expenses	1,012.1	1.5%	859.3	1.4%	152.8	17.8%
Loss from impairment of financial assets	73.7	0.1%	107.6	0.2%	(33.9)	(31.5%)
Other losses	43.1	0.1%	89.7	0.1%	(46.6)	(52.0%)
Profit before finance costs, share of profit or loss from an associate, and income tax	3,686.8	5.3%	3,890.4	6.2%	(203.6)	(5.2%)
Finance costs	232.5	0.3%	103.0	0.2%	129.5	125.7%
Profit before share of profit or loss from an associate, and income tax	3,454.3	5.0%	3,787.4	6.0%	(333.1)	(8.8%)
Share of profit from investments in associates	67.4	0.1%	45.1	0.1%	22.3	49.4%
Profit before income tax	3,521.7	5.1%	3,832.5	6.1%	(310.8)	(8.1%)
Income tax	587.5	0.9%	768.7	1.2%	(181.2)	(23.6%)
Profit for the year	2,934.2	4.2%	3,063.8	4.9%	(129.6)	(4.2%)
Profit owners of the parent	2,857.2	4.1%	3,037.7	4.8%	(180.5)	(5.9%)

Financial Summary

Revenue

Revenue from sales and services amounted to 69,559.5 million baht, increasing by 10.9% (YoY), a growth rate lower than expected. The overall growth of same-store sales increased by 7.0% (excluding stores closed for renovation for less than a full year), influenced by various factors:

Positive Factors	Negative Factors
1. The introduction of new products with intriguing technology, both from iOS and Android, boosted interest in the smartphone product group. 2. Same-store sales growth maintained a positive direction. 3. Stores undergoing renovation closures, both by the company itself and due to malls, resumed full operations in the fourth quarter of 2023. 4. Studio7 were revamped into the APP format or Apple Premium Partner. In addition to selling Apple products, these stores now offer iCare services, repair centers, and post-sales services to become One Stop Service centers, diversifying revenue from services channels.	1. Economic slowdown led consumers to prioritize essential purchases. 2. The announcement of Easy E-Receipt policy was relatively swift compared to previous years, resulting in consumer postponement of purchases in anticipation of this policy. 3. Technological advancements in IT devices have extended product lifespans, reducing the rate of device turnover.

Revenue structure categorized by business groups

List (Unit : Million Baht)	Y2023		Y2022		YoY	
	Amount	%	Amount	%	Amount	%
Retail Business	67,684.3	97.3%	61,088.7	97.4%	6,595.6	10.8%
Service Business	1,875.2	2.7%	1,643.9	2.6%	231.3	14.1%
Revenue from sales and services	69,559.5	100.0%	62,732.6	100.0%	6,826.9	10.9%

Gross Profit

The gross profit totaled 9,205.1 million baht or 13.2% of total revenue, slightly lower than the previous year's rate of 13.4% of total revenue. The main reason for this decrease was the product mix, particularly the increase in Apple product sales, which have lower margins compared to other brand products. Additionally, there was an increase in sales promotion activities during the fourth quarter to stimulating sales, retaining existing customers, and attracting new customers.

Other Income

Other Income amounted to 82.2 million baht, reflecting a decrease of 165.7 million baht compared to the previous year, due to the receipt of SABUY-W2 warrants worth 158.3 million baht in 2022.

Expenses

SG&A expenses totaled 5,483.7 million baht, accounting for 7.9% of total revenue, compared to the previous year's 4,595.0 million baht or 7.3% of total revenue. This includes:

- **Selling expenses** were 4,471.6 million baht, representing 6.4% of revenue, an increase from the previous year by 735.9 million baht or 19.7% (YoY). The increase is mainly attributed to two factors:
 - 1) Expansion of branches from 1,162 in 2022 to 1,356 in 2023, with over half being BebePhone stores. Despite the higher expenses associated with BebePhone stores compared to their revenue, their performance has shown improvement in the fourth quarter of 2023. The Company has adjusted its management plans and is confident in the profit potential of BebePhone stores in the upcoming quarters.
 - 2) Increased utility expenses, primarily due to higher FT costs and the addition of standalone branches (65 standalone branches at the end of 2023). For 2024, the Company has reviewed and enhanced the format of standalone branches that will be constructed to reduce associated expenses.
- **Administration expenses** amounted to 1,012.1 million baht, accounting for 1.5% of revenue, a rate similar to the previous year's 1.4%.

Loss from impairment of financial assets amounted to 73.7 million baht, decreasing from the previous year's 33.9 million baht or a decrease of 31.5% (YoY). This decrease was mainly due to the reserve for the freeze of iCare Insurance PCL. amounting to 63.5 million baht in the previous year. However, when considering only the provision for doubtful debts of the account receivable, the expenses amount to 29.6 million baht. These expenses primarily stem from the provision and write-off of Ufund business.

Financial costs amounted to 232.5 million baht, increasing by 129.5 million baht from the previous year's 103.0 million baht. This increase was primarily due to two main reasons: 1) Increased interest expenses on borrowings due to adjustments in interest rates, and 2) Short-term loans were utilized as working capital for purchasing goods and expanding branches. The aforementioned borrowings increased towards the end of the year in preparation for the Easy E-Receipt policy, which took effect on January 1, 2024.

Profit owner of the parent

Profit owner of the parent amounted to 2,857.2 million baht, representing 4.1% of the total revenue, a 5.9% decrease from the previous year. This decline aligns with the reduction in gross profit and the increase in the aforementioned expenses.

Statement of Financial Position

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

List (Unit : Million Baht)	Financial Information		Increase (Decrease)	
	Y2023	Y2022	Amount	%
Assets	22,976.2	18,456.0	4,520.2	24.5%
Liabilities	14,788.6	11,204.1	3,584.5	32.0%
Equity	8,187.6	7,251.9	935.7	12.9%

List (Unit : Million Baht)	Financial Information		Increase (Decrease)	
	Y2023	Y2022	Amount	%
Cash and cash equivalents	1,729.2	1,335.3	393.9	29.5%
Short-term investments	24.9	15.0	9.9	66.0%
Trade and other receivables	3,471.5	3,009.1	462.4	15.4%
Current portion of finance lease receivables	427.9	492.4	(64.5)	(13.1%)
Financial assets measured at fair value	475.0	285.3	189.7	66.5%
Derivatives - Warrants	0.0	56.1	(56.1)	(100.0%)
Short-term loans to related parties	106.3	6.3	100.0	1,587.3%
Inventories	9,922.0	7,333.0	2,589.0	35.3%
Other current assets	285.8	123.0	162.8	132.4%
Total current assets	16,442.6	12,655.5	3,787.1	29.9%
Restricted deposits with financial institutions	50.4	30.4	20.0	65.8%
Trade and other receivables	0.0	31.7	(31.7)	(100.0%)
Finance lease receivables	120.4	129.0	(8.6)	(6.7%)
Financial assets measured at fair value	636.9	826.6	(189.7)	(22.9%)
Long-term investments in debt instruments	79.5	0.0	79.5	N/A
Investments in associates	1,664.5	1,517.1	147.4	9.7%
Property, plant and equipment	1,392.4	873.5	518.9	59.4%
Right-of-use assets	1,015.6	949.2	66.4	7.0%
Intangible assets	278.9	147.9	131.0	88.6%
Goodwill	309.0	382.8	(73.8)	(19.3%)
Deferred tax assets	232.2	274.9	(42.7)	(15.5%)
Other non-current assets	753.8	637.4	116.4	18.3%
Total non-current assets	6,533.6	5,800.5	733.1	12.6%
Total assets	22,976.2	18,456.0	4,520.2	24.5%

List (Unit : Million Baht)	Financial Information		Increase (Decrease)	
	Y2023	Y2022	Amount	%
Bank overdrafts and short-term loans from financial institutions	8,436.9	5,203.9	3,233.0	62.1%
Trade and other payables	4,916.5	4,203.0	713.5	17.0%
Current portion of lease liabilities	542.9	472.7	70.2	14.9%
Current income tax payable	116.5	566.0	(449.5)	(79.4%)
Other current liabilities	63.1	17.3	45.8	264.7%
Total current liabilities	14,075.9	10,462.9	3,613.0	34.5%
non-current liabilities	712.7	741.2	(28.5)	(3.8%)
Total non-current liabilities	712.7	741.2	(28.5)	(3.8%)
Total Liabilities	14,788.6	11,204.1	3,584.5	32.0%
Equity	8,187.6	7,251.9	935.7	12.9%
Total Equity	8,187.6	7,251.9	935.7	12.9%
Total Liabilities and Equity	22,976.2	18,456.0	4,520.2	24.5%

Financial position (compare to the ending of FY22)

As of December 2023, the total assets increased by 24.5% from the end of year 2022, reaching 22,976.2 million baht. Total current assets amounted to 16,442.6 million baht, increasing by 29.9%. This growth was primarily driven by the increase in net inventory, resulting from stockpiling to accommodate customer demand for the Easy E-Receipt rights from January 1 to February 15, 2024. Non-current assets increased by 12.6% from the end of 2022, reaching 6,533.6 million baht. The main reason for this was the 59.4% increase in property and equipment, amounting to 1,392.4 million baht, due to the addition of new branches.

Total liabilities amounted to 14,788.6 million baht, increasing by 32.0%. The primary reason for this was the 62.1% increase in short-term loans from financial institutions, totaling 8,436.9 million baht. These loans were utilized to pay for goods and expand branches.

Cash flow

In 2023, cash flow from operating activities (after income tax) amounted to 909.9 million baht. The cash flow used for investments was (1,352.4) million baht, primarily allocated for branch expansion (861.3) million baht. The cash flow from financing activities amounted to 854.6 million baht.

In summary, the Company's cash flow as of December 31, 2566, was 1,715.1 million baht.

Liquidity Ratio

The Company's cash cycle increased to 43 days, up by 11 days compared to the previous year's 32 days. The main factor was the increase in Day Sales of Inventory due to iPhone shortage last year, while there was no such issue in 2023. Additionally, the Company increased inventory reserves to accommodate customers from Easy E-Receipt policy, which will start on January 1, 2024.

Liquidity Ratio	Y2023	Y2022
Days Sales Outstanding	18	18
Days Sales of Inventory	53	46
Days Payable Outstanding	28	32
Cash Cycle	43	32

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