

**RELATIVE VALUATION OF COM7 PUBLIC COMPANY
LIMITED**

The image features a large, faint watermark of the Mahidol University logo in the background. The logo is circular, with a blue outer ring containing Thai text. Inside the ring is a yellow emblem depicting a traditional Thai architectural structure, possibly a stupa or a similar religious monument, set against a light blue background.

CHINAPON TRAKULYUTHACHAI

**A THEMATIC PAPER SUBMITTED IN PARTIAL
FULFILLMENT OF THE REQUIREMENTS FOR
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Thematic paper
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LIMITED**

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RELATIVE VALUATION OF COM7 PUBLIC COMPANY LIMITED

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M.M. (CORPORATE FINANCE)

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ABSTRACT

COM7 Public Company Limited (COM7) specializes in retailing IT products, established in 1996 within the Pantip Plaza shopping complex. With a vision for the growing IT market, the founders officially founded the company in 2004 to distribute IT products nationwide, emphasizing retail sales through Pantip Plaza complex stores. Adapting to the advantages of the retail sector, COM7 expanded its presence with branches in shopping centers and department stores.

Despite challenges from the global Covid-19 pandemic, COM7 exhibited robust revenue growth over the past five years, fueled by the work-from-home trend. Year-on-year revenue grew steadily, with a notable 27% increase from 2020 to 2021. While the net profit percentage dropped slightly in 2021, the overall trend reflects positive growth. The company maintains a stable cost structure, effectively managing expenses and increasing net profit percentage each year. The current market cap for COM7 is Baht 54,719.96 million. According to the Relative Valuation method, the estimated target price by the end of 2023 is THB 16.50 per share, indicating a 33.20% downside from the latest close price on November 10, 2023, at THB 24.70 per share. Consequently, the recommendation for COM7 is “HOLD,” and a reevaluation with DCF is suggested for thorough internal analysis.

KEY WORDS: DCF/ Valuation/ Trailing/ Forwarding/ Multiples

33 pages

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CHAPTER I

INTRODUCTION TO COM7

First we will provide an overview recap of COM7 in general (1.1), from its beginning to the current board of directors and the top10 shareholders, its Vision Statement and the company's Mission Statement, and its five-year plan. Then we will introduce its business models (1.2) and how they segment their business. Then we will highlight some of the performances (1.3) worth mentioning.

1.1 Overview

COM7 Public Company Limited (COM7) primarily engages in the retail trade of IT (Information Technology) products, such as desktop computers, laptops, mobile phones, tablets, and various modern lifestyle gadgets (Com7 Public Company Limited. (2022). *56-1 One Report*). In 1996, the company began its business as an IT retail store within the Pantip Plaza shopping complex. The founders of the company recognized the growth potential in the IT product business, especially as Thailand, at that time, had less than 10% of its population using computer equipment (Com7 Public Company Limited. (2023). *Investor Relations*). Consequently, the founders joined forces and established the company on February 27, 2004, with the goal of distributing IT products to retailers nationwide. This became the company's main business at that time, along with selling retail products through its own stores within the Pantip Plaza complex.

Later, the company's management saw the potential for growth and greater advantages in the retail business compared to wholesale. Therefore, the company adjusted its business strategy to focus more on retail sales. This involved expanding the number of retail stores by opening branches in shopping centers and various department stores (Com7 Public Company Limited. (2023). *56-1 One Report*).

Board of Directors

| Name | Position |
|-------------------------------|---|
| Mr. SIRIPONG SOMBUTSIRI | CHAIRMAN, INDEPENDENT DIRECTOR, CHAIRMAN OF THE AUDIT COMMITTEE |
| Mr. SURA KHANITTAWEEKUL | CHIEF EXECUTIVE OFFICER, DIRECTOR |
| Miss AREE PREECHANUKUL | DIRECTOR |
| Mr. KRITCHAWAT VORAVANICH | DIRECTOR |
| Mr. KONGSAK BANNASATHITGUL | DIRECTOR |
| Mr. KASHPOL CHULAJATA | INDEPENDENT DIRECTOR, AUDIT COMMITTEE |
| Mr. SOMBOON AUEATCHASAI | INDEPENDENT DIRECTOR, AUDIT COMMITTEE |

Table 1.1 Board of Directors

Top 10 Shareholders

| Rank | Shareholders | # Shares (Shares) | % Shares |
|------|---|-------------------|----------|
| 1 | MR. SURA KHANITTAWEEKUL | 601,310,400 | 25.05 |
| 2 | MR. PONGSAK THAMMATHATAREE | 539,516,200 | 22.48 |
| 3 | Thai NVDR Company Limited | 129,137,065 | 5.38 |
| 4 | MR. BUNCHA PHANTUMKOMOL | 86,600,000 | 3.61 |
| 5 | MISS AREE PREECHANUKUL | 71,200,000 | 2.97 |
| 6 | THE BANK OF NEW YORK MELLON | 62,028,802 | 2.58 |
| 7 | MR. AMNUEY PICHITPONGCHAI | 37,952,700 | 1.58 |
| 8 | MISS ORAWAN VICHANGAVEE | 31,115,800 | 1.30 |
| 9 | SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED | 27,479,560 | 1.14 |

| | | | | |
|----|--------------------|------------|------------|------|
| 10 | MR. WORRAWANICH | KRITCHAWAT | 25,680,000 | 1.07 |
|----|--------------------|------------|------------|------|

Table 1.2 Top10 Shareholders

1.1.1 Vision Statement

“The Company is committed to being a leader in the retail business by creating an ECOSYSTEM system to support our customers’ needs to be much more complete with excellent service by management from an efficient team.”

(Com7 Public Company Limited. (2022). *56-1 One Report*)

1.1.2 Mission Statement

- “Improve the quality, efficiency, and service strategies of each business to be able to compete effectively. Develop the management and service system by modern technology to meet the customers’ needs and make the customers the most satisfied.”

- “Give importance to the development of employees and personnel’s quality and efficiency to have potential and responsibility for work and customers.”

- “Focus on expanding service channels that reach customers in all areas of the country by collaborating with business partners in enhancing all-around performance and create success together.”

- “Seek new business opportunities for the future and create appropriate added value.”

(Com7 Public Company Limited. (2022). *56-1 One Report*)

1.1.3 Future five-year plan

Over the next five years, COM7 aims to uphold its position as a leader in the retail sector for IT products, smartphones, and digital devices. Furthermore, there is a strategy in place to broaden the store's offerings to encompass new product categories (Com7 Public Company Limited. (2022). *56-1 One Report*).

The company intends to expand its storefront by incorporating emerging megatrends like the health and wellness sector, pet food business, and more. This

expansion will diversify the business channels, including enhancing online distribution channels, thereby establishing an omni-channel approach. This strategy aims to provide customers from all regions with a variety of purchasing options in a swift and convenient manner.

Furthermore, the company places a significant emphasis on the development of its in-house brand products, beginning with the accessories category. This strategic move is geared towards consistently generating substantial profits and establishing a distinct presence in the market. Additionally, in response to evolving customer preferences, the company has introduced standalone branches to cater to individuals who prefer not to visit shopping malls. Notably, these standalone branches boast spacious layouts that accommodate a wide range of products and offer convenient parking facilities. As of the end of 2022, the company successfully expanded its network to include a total of 47 standalone branches, contributing to its sustained and robust growth.

Regarding franchising, the plan is to keep expanding, particularly in areas beyond the reach of shopping malls, while also boosting online market presence. The Omni Channel approach ensures customers can access products and services from multiple channels. In-store employees facilitate sales of products not physically stocked by leveraging online websites. These websites are designed to enhance customer experiences and cater to their specific needs.

1.2 COM7 Business Models

There are six main business models within COM7. The company has retail business branches covering 75 out of the 77 provinces under various store names, including BaNANA, Studio7, BaNANA Mobile, BaNANA Equip, BaNANA Outlet, Banana Stand Alone, BKK, KingKong Phone, Bb, B-Play, Bb-Move, and Brand Shop. In addition, the company has entered into agreements to sell IT products in more than 45 branches of the Big C chain and has leased space to sell electrical appliances in over 30 branches of Index livingmall under the name BaNANA. This expansion aims to diversify the customer base, types of products sold, and increase sales floor space (Com7 Public Company Limited. (2022). *56-1 One Report*).

The company engages in sales to corporate customers, Commercial and B2B (Business to Business) businesses, including educational institutions, universities, and various schools. This involves direct sales to general corporate entities across various industries, including universities and schools. This is driven by the rapid growth of efficient and complex IT products. Both the business and education sectors require the procurement and upgrade of equipment, particularly in terms of digital technology, to meet the demands of digital technology growth.

The company also engages in service business as an after-sales service, which includes Apple product repair and services in Thailand under the name "iCare" and service stores for TRUE Shop under the name "TRUE by COM7."

Online shopping has become a significant part of consumer purchasing behavior, and the company recognized the importance of online product distribution to complement its core retail business. To meet the increasing consumer demand, the company established an online sales channel under the name www.bnn.in.th or Banana Online to distribute more than 7,000 items from over 100 world-renowned brands, including IT equipment, smartphones, tablets, laptops, gadgets, computer components, smartwatches, and various modern lifestyle accessories. Additionally, the company offers online sales channels for Apple products through the website, <https://www.studio7thailand.com/th>, and an online channel for Apple products at student prices via <https://education.studio7thailand.com/>. Currently, the company operates over 1,000 general branches nationwide.

COM7 also engages in the Insurance business. The company sees potential in the insurance business due to its extensive network and niche market access, which can positively impact it. There are opportunities to design insurance products tailored to specific customer needs. The company's modern technology systems and representation of leading brand repair centers contribute to cost-effective service delivery, expanding opportunities within the business sector of the group of companies.

The company is a distributor, wholesale business, for mobile phone and gadget. The company operates a full-service IT and smartphone retail business, including online and B2B sales channels, and is exploring opportunities in wholesale smartphone channels. In 2021, it partnered with new smartphone brands like Realme, becoming the official distributor in Thailand for both smartphones and IoT products.

The company's wholesale business has seen quarterly growth, with over 2,000 dealer partners in each area and expanding Realme's coverage to 5,000 located in Thailand by 2022.

In 2023, the company plans to expand further by adding new smartphone brands like Infinix and Tecno, along with accessory products. The company's vision is to lead in the retail business by creating an ecosystem that provides complete customer support and efficient management. Their mission includes enhancing business quality, efficiency, and service strategies, developing a modern technology-based service system, nurturing employee growth, expanding service channels nationwide, and seeking new business opportunities to add value.

1.3 COM7 Performance

COM7's Revenue performance has been growing steadily for the past five years (SetSmart.com (2023). COM7). Despite the Covid-19 pandemic that has affected the global economy, COM7 has been able to grow its revenue year-on-year for the past five years. During the pandemic, in 2020 and 2021, a new working trend benefited COM7 in terms of sales and revenue. It was the beginning of the work-from-home trend. People needed computers, laptops, and other accessories to do online meetings and linkage to the company's mainframe to do work from home. As we can see from Figure 1.1, revenue grew steadily year-on-year. Net Profit Percentage was also positive with constant growth, dropping only last year from 5.1% to 4.9%.

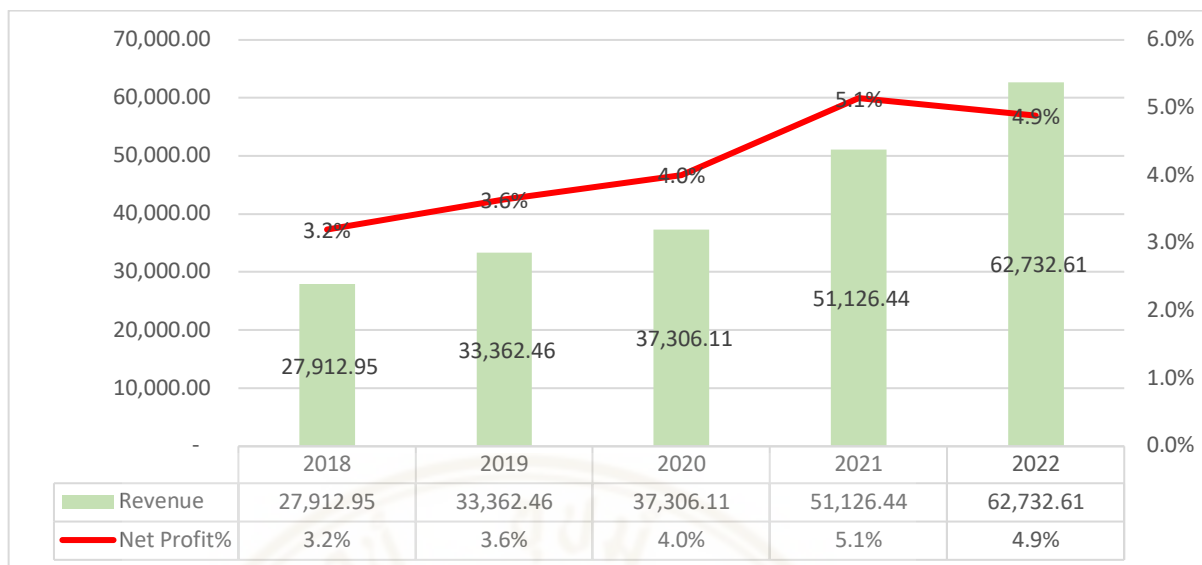


Figure 1.1 Comparison of Revenue and Net Profit Percentage

The revenue growth from the year 2018 to 2019 was 16%, as shown in Figure 1.2. The Covid-19 pandemic began late in 2019 but has had a full impact in 2020. During the pandemic, some industries faced negative growth or even negative revenue. COM7 came out of the first wave of the pandemic year with positive revenue and a growth of 11% from 2019 to year 2020. The year 2020 was the full impact of the pandemic with government lockdown and businesses were forced to limit the number of employees per square meter of workspace, forcing some companies to introduce a work-from-home policy. This had benefited COM7 as the main player of the IT market. We see a high spurt of revenue growth from 2020 to 2021 at 27% growth in revenue with increase in net profit from 4.0% to 5.1% in year 2021.

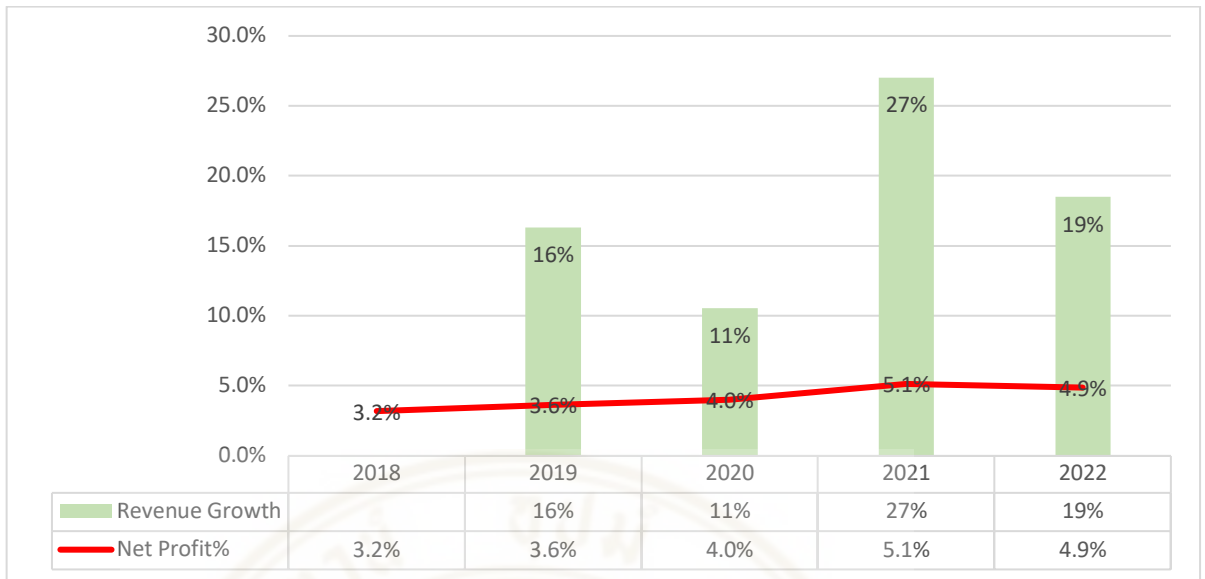


Figure 1.2 Comparison between Revenue Growth and Net Profit Percentage

COM7 has a stable cost structure as shown in Figure 1.3 that the Costs and the Selling and Administrative Expenses are in similar proportion year-on-year. As the figure shows, Total Expenses continue to decrease from 96% in 2018 down to 94% in 2022, while the Revenue continued to increase, causing the Net Profit Percentage to increase every year. This is a good sign that the company is managing their expenses very well while gaining bigger market share. COM7 current market cap is Baht 54,719.96 million. (SetSmart.com. (2023). COM7)

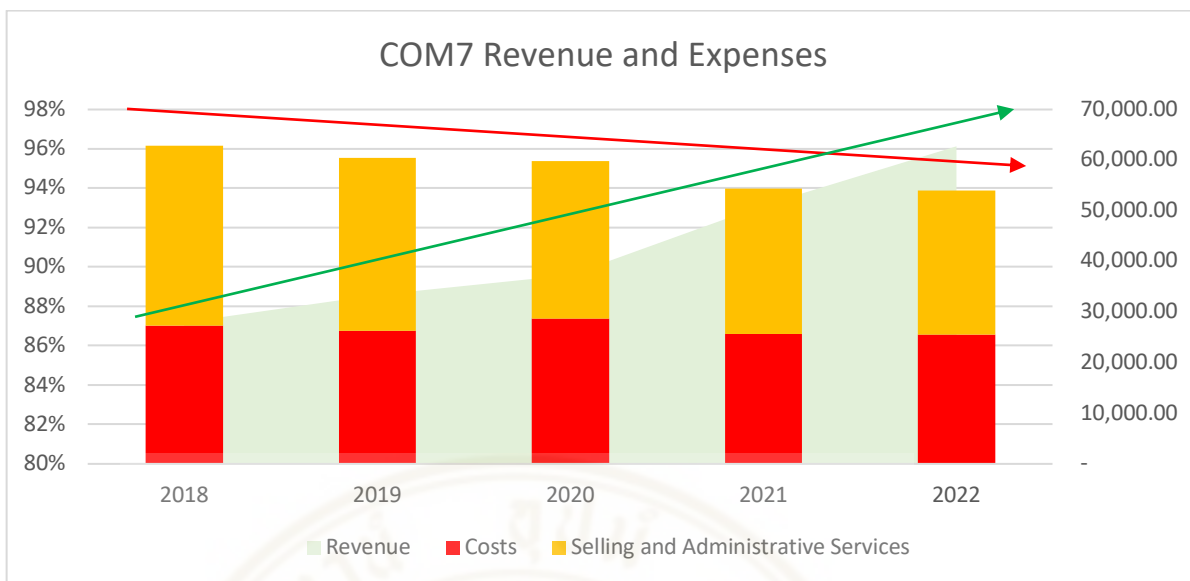


Figure 1.3 Total Cost and Expense Structure



CHAPTER II

COMPETITION AND ECONOMIC IMPACT

In this chapter, we will introduce direct competitors (2.1) to COM7 within Thailand. We will compare side by side the business models and the products and services (2.2) of COM7 and its competitors. Then we will explore the economic impact that affects COM7 directly, Gross Domestic Product (2.3), Inflation (2.4), and Number of Mobile Users (2.5).

2.1 Competitors

2.1.1 Jaymart Group Holdings (JMART)

J Mart Co., Ltd. was established in 1988 as a distributor of electrical appliances with an initial capital of THB 2,000,000 (Jay Mart Public Company Limited. (2023). *Investor Relations*. Jaymart). Over the years, it expanded its business, venturing into mobile phone sales in 1992. The company went public on the Stock Exchange of Thailand in 2009, raising significant capital. Today, J Mart operates as a holding company with investments in various businesses, notably in mobile phone sales, subsidiaries, and financial ventures.

J Mart's focus extends to integrating technology into its operations and preparing for future technological changes in the financial and retail industries. The company's "The Power of Synergy" strategy emphasizes collaboration within the business group to maximize shareholder value. J Mart's expansion has also involved private placements and investments in various businesses related to retail, financial services, and technology. The company's ongoing commitment is to create ecosystems and foster future growth, ensuring the sustainable development of the business group by pursuing both organic and inorganic growth strategies (Jay Mart Public Company Limited. (2022). *56-1 One Report*. Jaymart). JAMART current market cap is Baht 26,091.49 million. (SetSmart.com. (2023). JMART)

2.1.2 Synnex (Thailand) Public Company Limited (SYNEX)

SYNEX is primarily engaged in the distribution of computer hardware, peripherals, software, information technology systems, and communication devices (Synnex (Thailand) Public Company Limited. (2023). *Investor Relations Main*. Synnex). The company serves a diverse customer base of over 6,000 clients, including retail, wholesale, modern trade, hypermarkets, and stationary stores, within Thailand and the Indochina region. As a member of the Synnex Group, recognized as one of the largest distributors of computer and communication devices globally, Synnex (Thailand) benefits from its extensive network that spans the USA, Australia, China, Hong Kong, New Zealand, and India.

Despite being a subsidiary of King's Eye Investment Ltd, which belongs to the Synnex Group, Synnex (Thailand) operates with an independent Thai management team. This autonomy enables the company to swiftly adapt to the competitive Thai market. The Thai management team brings a wealth of experience in the computer and peripheral distribution industry. As part of the Synnex Group, Synnex (Thailand) enjoys the privilege of being an official distributor for renowned global brands. This allows the company to offer a wide range of products that cater to the demands of Thai customers, all while conducting contracts independently from the Synnex Group. Additionally, the sharing of knowledge, such as efficient inventory management and technological advancements, further contributes to the company's success (Synnex (Thailand) Public Company Limited. (2022). *Annual Report*. Synnex). SYNEX current market cap is Baht 8,643.08 million. (SetSmart.com. (2023). SYNEX)

2.1.3 SPVI Public Company Limited (SPVI)

SPVI specializes in the reselling of Apple products, covering a wide range of items such as Apple computers (iMac, Macbook Pro, Macbook Air), iOS devices (iPod, iPad, iPhone), and a variety of accessories (SPVI Public Company Limited. (2023). *About SPVi*. Spvi). Additionally, the company offers products from other brands compatible with Apple devices, including software, network equipment, printers, and graphic products. SPVI also distributes various accessories related to iOS devices, like speakers, headphones, protective cases, and screen protectors. The company caters to

both individual consumers through diverse retail channels like iStudio by SPVi, iBeat by SPVi, U•Store by SPVi, and Mobi, as well as organizations, educational institutions, and state enterprises, providing comprehensive solutions for their needs.

In addition to product distribution, SPVI operates an Apple-certified service center known as "iCenter." At these iCenter branches, customers can access after-sales services and consulting, all performed by Apple Authorized Technicians, ensuring high-quality support for Apple products (SPVI Public Company Limited. (2022). *56-1 One Report*. Spvi). SPVI current market cap is Baht 1,480 million. (SetSmart.com. (2023). SPVI)

2.1.4 Copperwired Public Company Limited (CPW)

CPW and its subsidiary company, Koan Company Limited (KOAN), together operate as a retailer and distributor of exclusive and innovative digital lifestyle products (Copperwired Public Company Limited. (2023). *Annual Report*. Copperwired). These products include audio equipment, health and fitness devices, smart electrical appliances for both homes and offices, smartphones and tablets, smartwatches, and various related accessories. The group's primary business model revolves around retail outlets, aiming to provide their customers with exceptional experiences, focusing on offering high-quality products and excellent service to enhance their everyday lifestyles.

The company's missions include selecting products based on the concept of "Design Lifestyle Technology" to set CPW apart, improving staff quality to boost capacity and efficiency for increased profitability, managing costs to maximize benefits for stakeholders, and maintaining a strong customer-centric approach to ensure customer satisfaction in terms of product quality, retail services, and social responsibility. Additionally, they actively seek new business opportunities to strengthen their organization and achieve sustainable growth (Copperwired Public Company Limited. (2022). *56-1 One Report year 2022*. Copperwired). CPW's current market cap is Baht 1,404 million. (SetSmart.com. (2023). CPW

2.1.5 IT City Public Company Limited (IT)

The company's mission is to establish itself as a major player in the large-scale retail superstore sector, offering a wide range of products, from computers, tablets, smartphones, IT accessories, to home appliances and gaming equipment (IT City Public Company Limited. (2023). *Investor Relations*. Itcity). This initiative, known as "The IT Superstore," aims to position the company as a leader in the field. The IT Superstore stands as one of the key players in the retail market, specifically in the large-scale IT category. As of December 31, 2022, the company has a total of 371 branches, allowing it to achieve economies of scale and benefit from the economic advantages of size. The company's extensive reach in the market allows it to secure better pricing and discounts from both suppliers and direct manufacturers. This positions the company as a powerful contender in the IT retail sector.

Furthermore, the company's capacity to increase sales outside its core products and services by offering diverse options under the concept of "One-Stop Shopping," also contributes to its competitiveness. This approach involves not only offering a wide range of products and services but also includes marketing activities that further enhance the customer experience. The company has been actively exploring expansion opportunities, investments, and various projects to ensure continued growth and a strong market presence, considering the ever-evolving market dynamics and consumer preferences (IT City Public Company Limited. (2022). *Financial Statement Yearly 2022*. Itcity). IT current market cap is Baht 1,209.12 million. (SetSmart.com. (2023). IT)

2.2 Competitors' Business Comparison

Companies with similar business models are used as a benchmark. Selected companies are those with similar business model as COM7 (Com7 Public Company Limited. (2022). 56-1 One Report) As mentioned above, COM7 has six business models, but since Apple Reseller is one of their core revenues, it is better to treat it as a separate benchmark. Apple products are the leaders in this industry. All the competitors are Apple Resellers with their own retail spaces and outlets. Apple products can generate very high revenue for the stores. Most of the Apple stores will also sell other

related accessories and high-end gadgets, these accessories can create high margin to the stores. What comes with the Apple stores are usually the service and repair services. These services build a connection with customers and can give the stores better credits to the customers. Synex (Thailand) Public Company Limited is the only company that doesn't have a retail business model (Synnex (Thailand) Public Company Limited. (2022). *Annual Report*. Synnex). They are focused more on B2B and Distributor business. Only COM7 and Synex are engaging in the B2B business with similar clientele. COM7 does B2B transactions with educational institutions and corporations, while Synex focuses on corporate accounts. Synex and SPVI are not in the E-commerce business, while others are already selling their products online. Out of these six companies, only COM7 is in the Insurance business. With their defined customer base, they are able to tailor insurance to serve their customer needs. These are the business models that all of the six companies have in common and should fit as benchmark companies for the analysis.

| Brand | Retail Business | B2B | Service Business | E-Commerce | Insurance | Distributor | Apple Reseller |
|--------------|------------------------|------------|-------------------------|-------------------|------------------|--------------------|-----------------------|
| COM7 | / | / | / | / | / | / | / |
| JMART | / | | | / | | / | / |
| SYNEX | | / | / | | | / | / |
| SPVI | / | | / | | | | / |
| CPW | / | | / | / | | | / |
| IT | / | | / | / | | | / |

Table 2.1 Business model comparison

In terms of product offerings, the benchmark companies have very similar product lines. Table 2.2 shows the most common products are Apple products, followed by IT Gadgets, and Mobile Phones. These products currently dominate the IT market due to their rapid evolution and continuous innovation in usage. Some of these companies offer computerized workstation and gaming system, including desktop computers, laptops, and computer tablets. Gaming has evolved into the latest e-sport phenomenon, representing serious competitions that offer substantial financial rewards

and fame. Gaming computers have emerged as the cornerstone of both Desktop Computers, and Laptop categories, boasting high-performance specifications that come with increased price and profit margins.

| Brand | Desktop Computers | Laptops | Mobile Phones | Tablets | Gadgets | Accessories | Apple products |
|--------------|--------------------------|----------------|----------------------|----------------|----------------|--------------------|-----------------------|
| COM7 | / | / | / | / | / | / | / |
| JMART | | | / | | / | / | / |
| SYNEX | / | / | / | / | / | | / |
| SPVI | | | | | / | | / |
| CPW | | | / | / | / | / | / |
| IT | / | / | / | / | / | / | / |

Table 2.2 Product line comparison

Figure 2.1 below shows revenue and profit for the year 2022 of COM7 and the benchmark companies. We can see that COM7 has the highest revenue of 63 billion Baht and a profit margin of 4.86%. Followed by SYNEX with revenue of 39.1 billion Baht and a margin of 2.06%. JMART stood out with a revenue of 14.7 billion Baht and the highest margin among the group at 17.74%. IT generated 8.7 billion Baht in revenue with a marginal profit margin of 0.22%, while CPW recorded 7.3 billion Baht in revenue with a margin of 1.23%. SPVI reported 5.6 billion Baht in revenue and a 2.25% profit margin. Regarding Revenue, COM7 comes first, followed by SYNEX, JMART, IT, CPW, and SPVI.

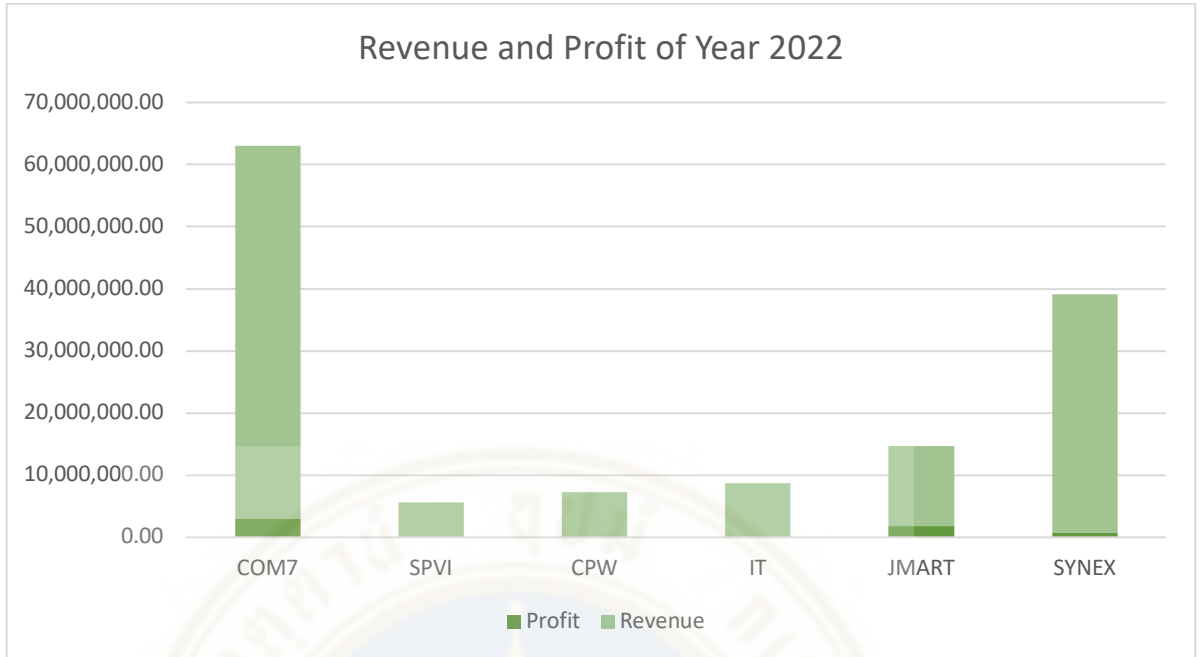


Figure 2.1 Revenue and Profit Comparison among benchmark companies

2.3 Gross Domestic Product: GDP

Thailand is a developing country with a GDP per capita of 248,635.3 Baht per person per annum (National Economic and Social Development Council [NESDC], 2023). This number increased from 231,986.1 Baht per person per annum in 2021 (NESDC, 2023). The trend of Thailand's GDP is shown in Figure 2.2.

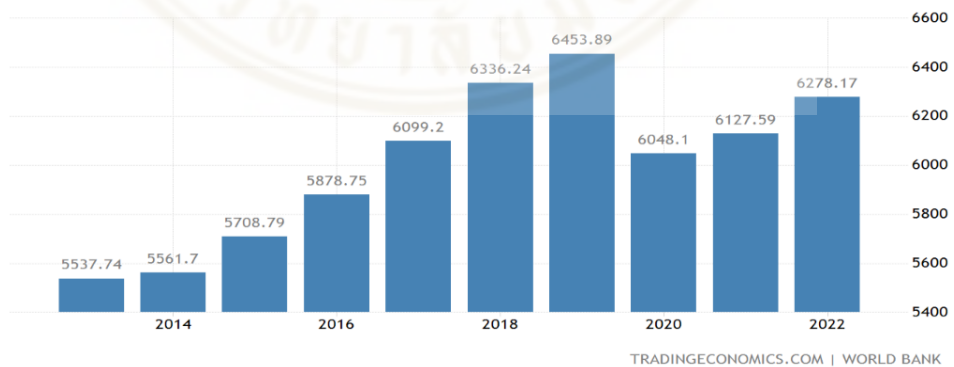


Figure 2.2 Thailand's GDP per Capita in USD

There are three main industries that contribute to Thailand's GDP: agriculture, manufacturing, and services (Bajpai, 2022). The proportion of each main industry is shown in Figure 2.3. Tourism industry is one of Thailand's leading economic

sectors and before Covid hit in 2019, international tourism accounted for 11.5% of the GDP (Biswas, 2023). The trend of tourism arrivals in Thailand (as shown in Figure 2.4) indicates an upward trend in 2022 after Thailand closed the country during the pandemic period. It is noticeable that the tourism numbers in Figure 2.4 follow a similar pattern to Thailand's GDP in Figure 2.2, emphasizing the significant role of tourism in Thailand's GDP.

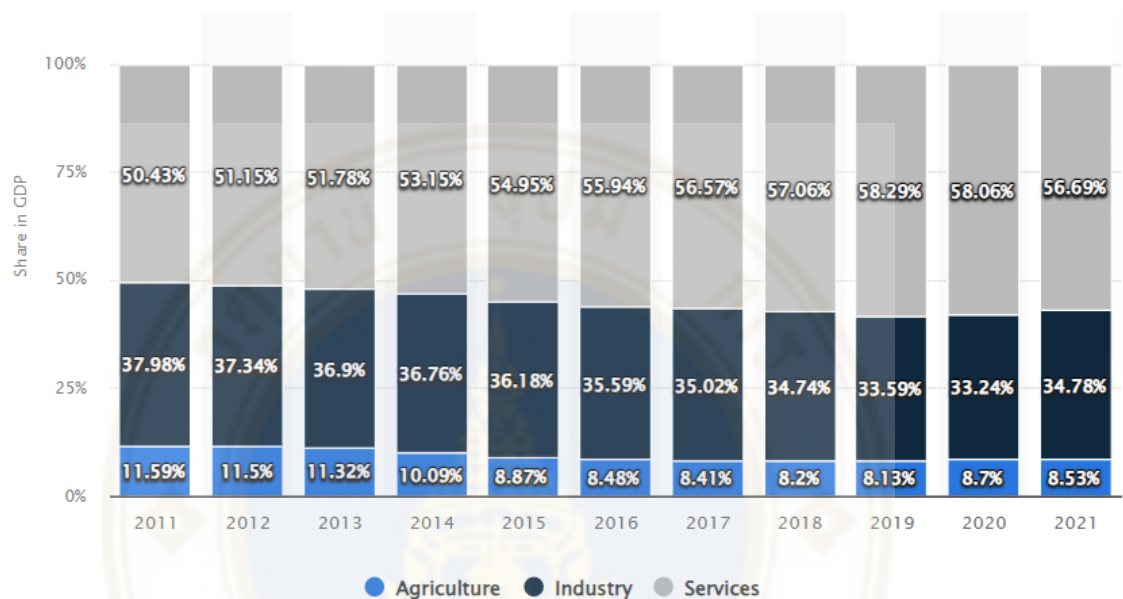


Figure 2.3 Thailand: Share of economic sectors in the gross domestic product (GDP) from 2011 to 2021

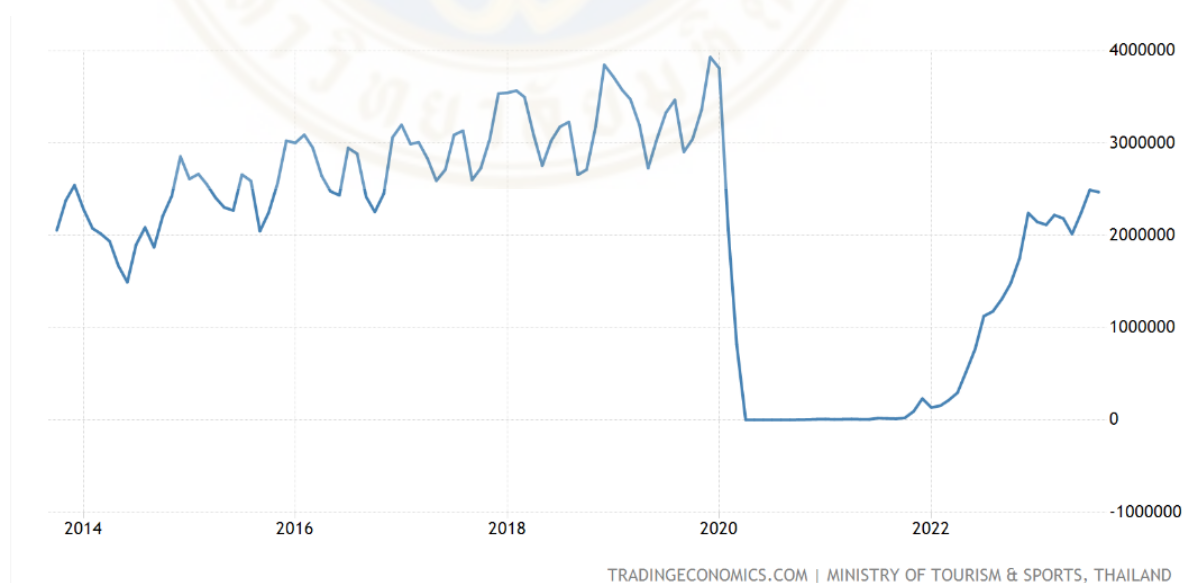


Figure 2.4 Tourist Arrivals in Thailand

In 2022, Thailand's digital economy GDP grew by 1.90% compared to 2021, contributing to 12.19% of the GDP (Nationthailand, 2023). This increase in Thailand's GDP reflects the country's recovery from the Covid-19 pandemic.

The pandemic changed the way Thai people work, shifting from offline to online. Alongside this transition, a new business model of digitalization is emerging in many industries worldwide, driving growth in the digital market and leading to more online activities using mobile phones and computer notebooks. The government also has set goals for the digital economy to contribute to 30% of the GDP by 2027 (Nationthailand, 2023). Therefore, for many reasons, companies in this field will benefit from increased sales. Additionally, these companies will not only benefit from government digital economy policies but also from other policies, such as an increase in salary, which creates more purchasing power in the market.

2.4 Inflation

Taking a look at the 10 years of historical data for Thailand's inflation rate in Figure 2.5. From 2013, we observe fluctuations, especially after the Covid pandemic. It rose from 1.23% in 2021 to 6.08% in 2022, and the predictions indicate it will decrease again to around 1.5% in the current year (2023).

Inflation can have a significant impact on economic growth. High inflation rate tends to slow down many industries due to the rising costs of production, driven by increases in interest expenses, material prices and wages. Moreover, high inflation rates will decrease consumer purchasing power because consumer product prices also rise. This reduction in real income may make consumers more cautious about their spending, especially when faced with uncertainty about the future.

Mobile phones, notebooks, and gadgets are particularly sensitive to price fluctuations. While these items have become integral parts of everyone's life, consumers may delay or avoid replacing their current devices when dealing with high inflation and an uncertain future.

Thailand: Inflation rate from 2008 to 2028

(compared to the previous year)

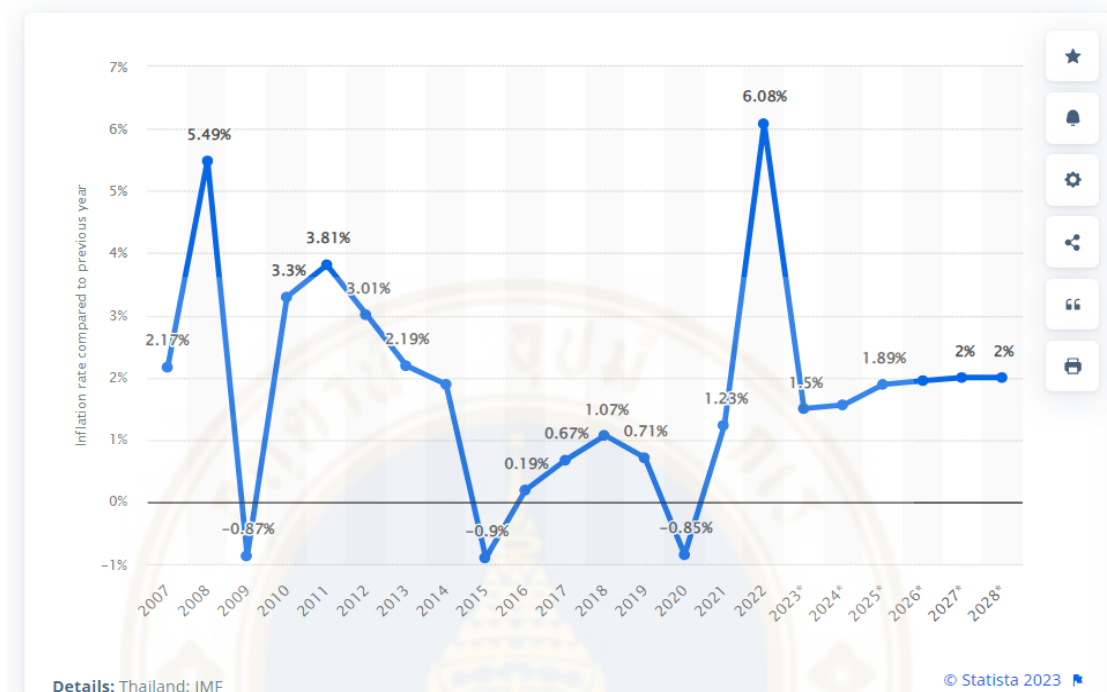


Figure 2.5 Thailand inflation vs interest rates

2.5 Number of Mobile Users

The population of Thailand is approximately 70 million people (Wikipedia contributors, 2023). When we compare this total population with the number of mobile subscribers shown in Figure 2.6, we see that mobile subscribers total around 101 million people, which is more than Thailand's population of approximately 70 million. This suggests that some people may use more than one phone number and, in turn, implies that some of them may have more than one mobile phone.

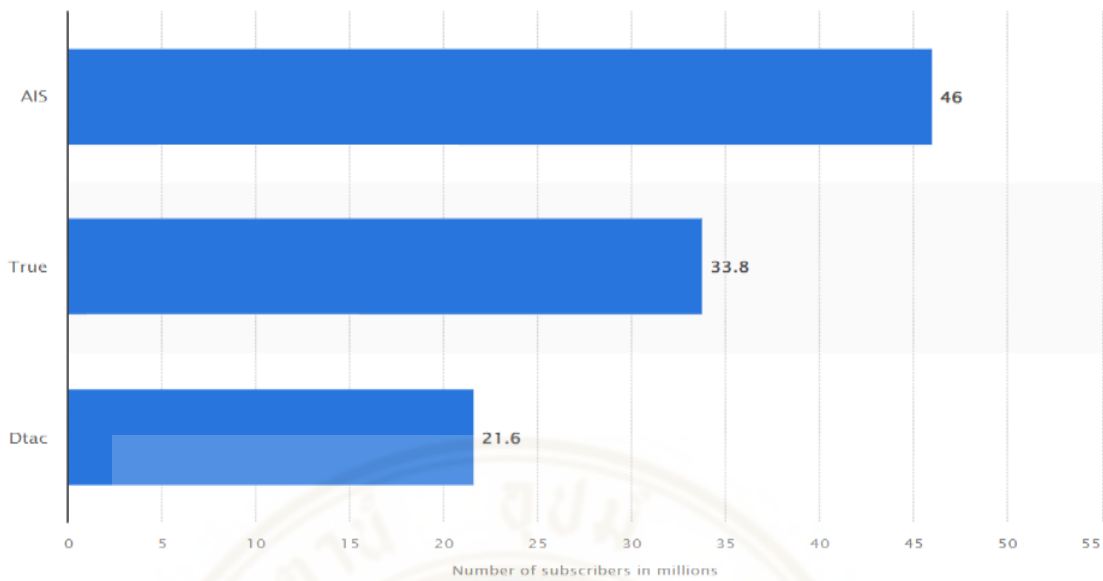


Figure 2.6 Number of mobile subscribers in Thailand in 2022, by provider

The mobile subscriber numbers in Figure 2.7 show a consistent growth trend each year. This is supported by the rise of the Internet of Things in Thailand, where everything is connected to the Internet, making life more convenient. The market for mobile devices and gadgets still has significant potential for future growth.

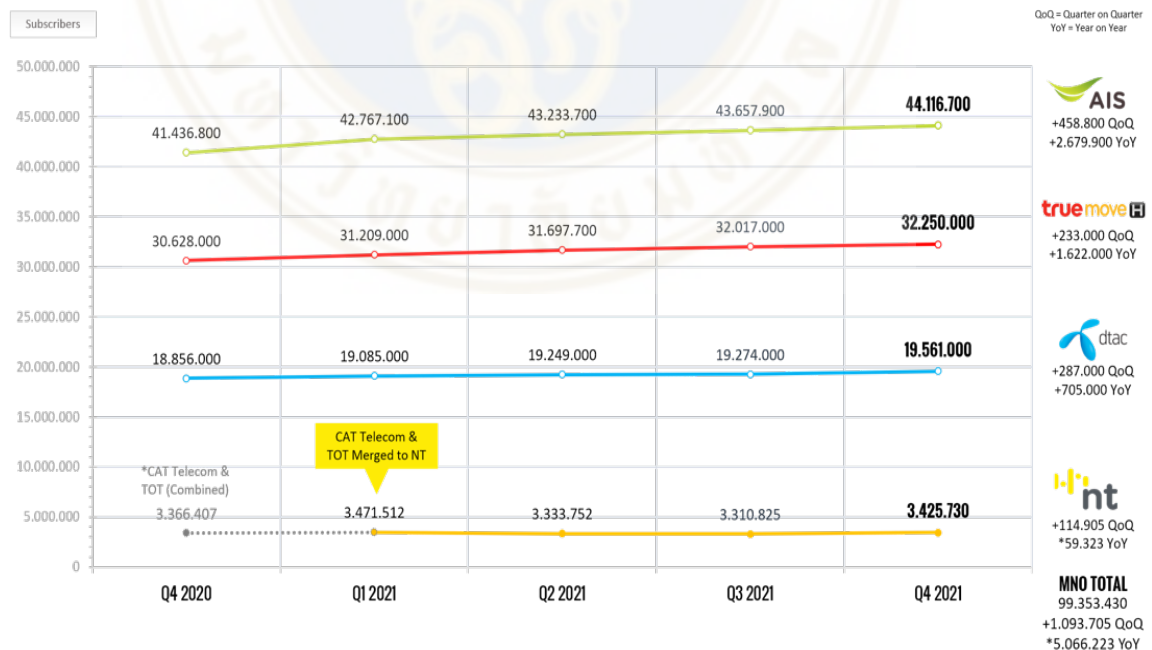


Figure 2.7 AIS, TrueMove, DTAC and NT • Mobile Mobile Subscribers/Connections • Q4 2020 – Q4 2021

CHAPTER III

RELATIVE VALUATION

This chapter explores the Relative Valuation measuring the worth of an underlying asset of COM7. Determining the Multiple Band (3.1); Price to Earnings (P/E Ratio), Price to Book Value (P/BV Ratio), and Enterprise Value to Earnings Before Interest, Tax, Depreciation, and Amortization (EV/EBITDA Ratio). These ratios used both Trailing and Forward to find the appropriate value. This chapter will also explore the intrinsic value by using the stock of benchmark Peers Multiples (3.2). Then we will do a sensitivity analysis of increasing and decreasing the COM7 key financial metrics in comparison with peers high, median, and low (3.3).

3.1 Multiple Band

Valuation multiples are ratios that relate a company's stock price to a specific financial metric, such as earnings, revenue, or book value. These multiples are useful for comparing the relative value of different companies or assessing a company's valuation against historical benchmarks or industry averages. The multiple bands are used to better understand the market's perception of a company's value and to identify potential investment opportunities or risks.

3.1.1 Trailing P/E and Forward P/E Band

Trailing P/E, or Price-to-Earnings ratio, is a financial metric used to evaluate the valuation of a company's stock. The trailing P/E ratio is calculated by dividing the current market price per share by the earnings per share (EPS) over the past 12 months.

The formula for Trailing P/E Ratio is:

$$\text{Trailing P/E Ratio} = \frac{\text{Market Price per Share}}{\text{Earnings per Share over the Past 12 Months}}$$

The trailing P/E ratio reflects the market's expectations for a company's future earnings growth. A high P/E ratio may suggest that investors have high

expectations for future earnings growth, while a low P/E ratio may indicate lower expectations or undervaluation.

The current P/E ratio as of 10 November 2023 is 18.58 times. Figure 3.1 shows the Average P/E ratio was at 25.41 times and -1SD band is 19.76. In relation to itself, the firm is undervalued. However, it's essential to consider other factors and compare the P/E ratio with those of other companies in the same industry for a more comprehensive analysis.



Figure 3.1 Trailing P/E Band

The forward P/E ratio, or forward price-to-earnings ratio, is a valuation metric used to assess the relative value of a stock by comparing its current market price to its estimated future earnings. Unlike the trailing P/E ratio, which is based on historical earnings over the past 12 months, the forward P/E ratio incorporates future earnings projections.

The formula for the forward P/E ratio is:

$$\text{Forward P/E} = \frac{\text{Current Stock Price}}{\text{Estimate Earnings per Share (EPS) in the next 12 months}}$$

Investors and analysts use the forward P/E ratio as a tool to gauge whether a stock is undervalued or overvalued based on expected future earnings. A lower forward P/E ratio might suggest that the stock is relatively inexpensive, while a higher

ratio may indicate that the stock is more expensive in relation to its expected earnings. The 1 forward P/E ratio as of 10 November 2023 is 17.13 times. Figure 3.2 shows the average Forward P/E ratio was at 25.773 times and -1SD band is 19.016. In relation to itself, the firm is undervalued.



Figure 3.2 Forward P/E Band

It's important to note that forward P/E ratios are based on estimates and projections, and these estimates can be subject to change. Additionally, different analysts may have different estimates, so it's crucial to consider the broader context and use this ratio in conjunction with other financial metrics and analyses when evaluating a stock. Our current valuation of the expected P/E was from Bloomberg.

3.1.2 Trailing P/BV and Forward P/BV Band

Trailing P/BV refers to the trailing Price-to-Book Value ratio, another financial metric used to assess the valuation of a company's stock. The Price-to-Book Value ratio compares a company's market price per share to its book value per share.

The formula for the Trailing P/BV Ratio is:

$$\text{Trailing P/BV Ratio} = \frac{\text{Market Price per Share}}{\text{Book Value per Share}}$$

A low P/BV ratio may indicate that a stock is undervalued compared to its book value, suggesting that investors may see potential for the company's assets to generate future profits. However, it's important to note that a low P/BV ratio may also signal potential risks or problems within the company. Conversely, a high P/BV ratio

may suggest that the market values the company's assets highly, possibly indicating high growth expectations.

The current P/BV as of 10 November 2023 was 8.52 times. Figure 3.3 shows the Average P/BV ratio was at 10.82 times and -1SD band was 7.69 times. In relation to itself, the firm is undervalued. As with any financial ratio, it's crucial to consider P/BV in the context of other financial metrics and industry benchmarks for a more comprehensive evaluation.

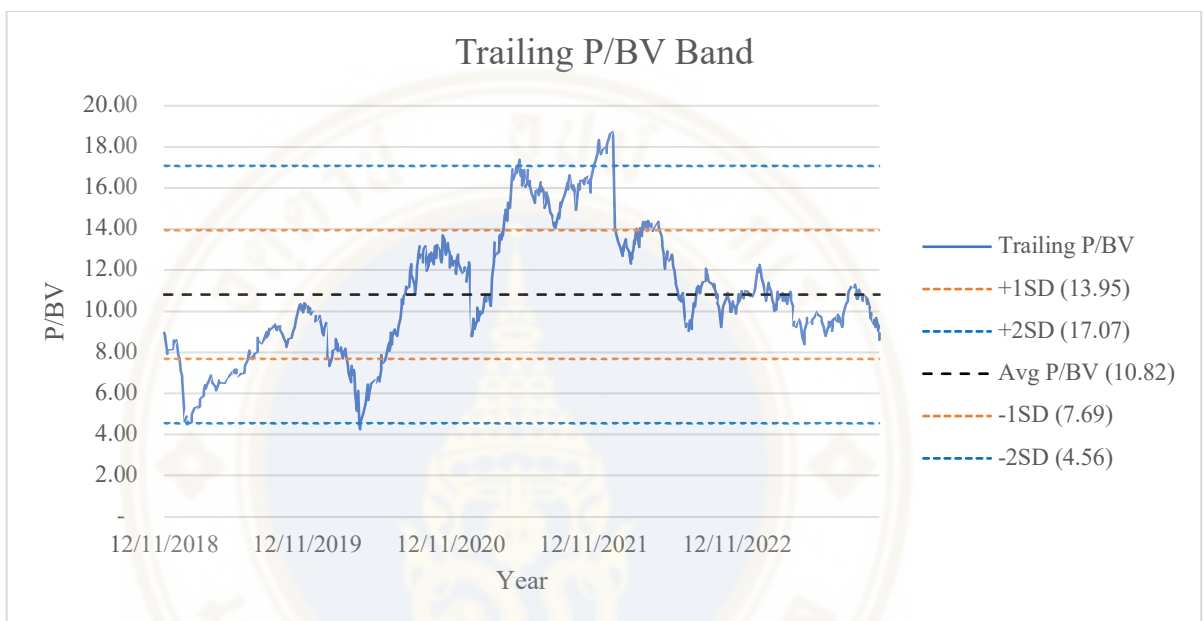


Figure 3.3 Trailing P/BV Band

The forward P/BV ratio, or forward price-to-book value ratio, is a financial metric used to assess the valuation of a company by comparing its current market price to its estimated future book value per share. Similar to the forward P/E ratio, the forward P/BV ratio incorporates future projections rather than relying solely on historical data.

The formula for the forward P/BV ratio is:

$$\text{Forward P/BV} = \frac{\text{The Current Stock Price}}{\text{Estimated Book Value per Share in the next 12 months}}$$

The forward P/BV ratio helps investors and analysts assess whether a stock is trading at a premium or discount relative to its book value. A lower forward P/BV ratio might suggest that the stock is relatively inexpensive compared to its book value, while a higher ratio may indicate that the stock is more expensive. The forward P/BV

ratio as of 10 November 2023 is 6.65 times. Figure 3.4 shows the average Forward P/BV ratio was at 12.842 times and -1SD band was 7.374 times. In relation to itself, the firm stock is inexpensive valued.



Figure 3.4 Forward P/BV Band

It's important to note that forward P/BV ratios are based on estimates and projections, and these estimates can be subject to change. Additionally, different analysts may have different estimates, so it's crucial to consider the broader context and use this ratio in conjunction with other financial metrics and analyses when evaluating a stock.

3.1.3 Trailing EV/EBITDA and Forward EV/EBITDA

The trailing EV/EBITDA ratio is a financial metric used to assess the valuation of a company by comparing its enterprise value (EV) to its trailing twelve months' earnings before interest, taxes, depreciation, and amortization (EBITDA). It is a measure of how expensive or inexpensive a company is relative to its recent operating performance.

The formula for Trailing EV/EBITDA the ratio is:

$$\text{Trailing EV/EBITDA} = \frac{\text{Trailing 12 months Enterprise Value}}{\text{Trailing 12 months EBITDA}}$$

The trailing EV/EBITDA ratio is commonly used by investors and analysts to evaluate a company's valuation, especially in industries where EBITDA is a relevant measure of operating performance. A lower ratio might indicate that a company is

relatively less expensive, while a higher ratio may suggest that the company is more expensive in relation to its recent earnings.

As with any financial metric, it's important to consider the trailing EV/EBITDA ratio in the context of the specific industry, the company's growth prospects, and other relevant factors. Different industries may have different typical ranges for this ratio, so comparisons are often made within the same industry or sector. The Trailing EV/EBITDA ratio as of 10 November 2023 is 13.44 times. Figure 3.5 shows the average Trailing EV/EBITDA ratio was at 20.99 times and -1SD band was 16.00 times. In relation to itself, the firm is less expensive in relation to its recent earnings.



Figure 3.5 Trailing EV/EBITDA Band

The Forward EV/EBITDA ratio is a financial metric used to evaluate the valuation of a company by comparing its enterprise value (EV) to its estimated future earnings before interest, taxes, depreciation, and amortization (EBITDA). Similar to the forward P/E ratio, the forward EV/EBITDA ratio incorporates future projections rather than relying solely on historical data.

The formula for the forward EV/EBITDA ratio is:

$$\text{Forward EV/EBITDA} = \frac{\text{Estimated Enterprise Value in the next 12 months}}{\text{Estimated EBITDA in the next 12 months}}$$

The forward EV/EBITDA ratio is a popular valuation metric, especially in the context of mergers and acquisitions (M&A) and for companies with significant debt. A lower forward EV/EBITDA ratio might suggest that the company is relatively less expensive, while a higher ratio may indicate that the company is more expensive in relation to its expected EBITDA.

As with any forward-looking ratio, it's important to be aware that these estimates are subject to change, and different analysts may have different projections. Therefore, investors should consider using this ratio in conjunction with other financial metrics and analysis when evaluating a company's valuation. The Forward EV/EBITDA ratio as of 10 November 2023 is 12.63 times. Figure 3.6 shows the average Forward EV/EBITDA ratio was at 18.556 times and -1SD band was 14.13 times. In relation to itself, COM7 is less expensive in relation to its recent earnings.



Figure 3.6 Forward EV/EBITDA Band

3.2 Peers Multiples

By using peers multiples, we can find the Median of the Trailing P/E and Forward P/E from the benchmark companies as shown in Table 3.1 below. Assessing whether the target's stock price is relatively valued in the market we use peers' group median multiples as a benchmark price. Out of the five benchmark companies the Median Trailing P/E was 13.30 times while the Forward P/E 2023 was at 15.91 times, and 13.46 times for 2024. COM7's Trailing P/E was at 18.58 times and the Forward P/E 2023 and 2024 were at 17.13 and 14.68 times, respectively, higher than those of

peers' median. COM7 values is the most expensive and relatively higher than those of peers.

Integrate benchmark corporation

| Identifier | Company Name | Market Capital | Closing Price | Trailing P/E | Forward P/E | |
|--------------|---|----------------|---------------|--------------|-------------|-------|
| | | | 11/10/2023 | | 2023 | 2024 |
| COM7 | Com7 Public Company Limited | 58,909.46 | 24.70 | 18.58 | 17.13 | 14.68 |
| JMART | Jaymart Group Holdings | 24,648.06 | 17.00 | | 51.52 | 14.66 |
| SYNEX | Synex (Thailand) Public Company Limited | 8,304.14 | 9.80 | 13.30 | 16.70 | 13.48 |
| SPVI | S P V I Public Company Limited | 1,592.00 | 3.98 | 12.55 | 11.06 | 10.47 |
| CPW | Copperwired Public Company Limited | 1,452.00 | 2.42 | 17.55 | 15.13 | 13.44 |
| IT | IT City Public Company Limited | 1,245.76 | 3.40 | | | |
| Peer Average | | | | 14.47 | 23.60 | 13.01 |
| Peer Median | | | | 13.30 | 15.13 | 13.46 |

Table 3.1 Peers Multiples, Trailing P/E and Forward P/E

Peers multiples in Table 3.2 below shows the Trailing P/BV and Forward P/BV. COM7 Trailing P/BV was at 8.52 times and Forward P/BV 2023 and 2024 were at 6.65 and 5.34 times respectively. Peers' Median for Trailing P/BV was at 1.92 times, Forward P/BV 2023 was at 1.96 times, and 1.86 times for year 2024. COM7's P/BV were much higher than peers companies which may suggest that the market values the company's assets highly, possibly indicating high growth expectations, while others are close to 1 indicating value as expected.

Integrate benchmark corporation

| Identifier | Company Name | Market Capital | Closing Price | Trailing P/BV | Forward P/BV | |
|--------------|---|----------------|---------------|---------------|--------------|------|
| | | | 11/10/2023 | | 2023 | 2024 |
| COM7 | Com7 Public Company Limited | 58,909.46 | 24.70 | 8.52 | 6.65 | 5.34 |
| JMART | Jaymart Group Holdings | 24,648.06 | 17.00 | 1.38 | | |
| SYNEX | Synex (Thailand) Public Company Limited | 8,304.14 | 9.80 | 2.15 | 1.96 | 1.86 |
| SPVI | S P V I Public Company Limited | 1,592.00 | 3.98 | 2.84 | 2.55 | 2.29 |
| CPW | Copperwired Public Company Limited | 1,452.00 | 2.42 | 1.92 | 1.86 | 1.69 |
| IT | IT City Public Company Limited | 1,245.76 | 3.40 | 1.10 | | |
| Peer Average | | | | 1.88 | 2.12 | 1.95 |
| Peer Median | | | | 1.92 | 1.96 | 1.86 |

Table 3.2 Peers Multiples, Trailing P/BV and Forward P/BV

Peers Median of Trailing EV/EBITDA in Table 3.3 can give us a better understanding of the industry average, the range for comparison. What is considered high in one industry could be low for another industry. Peers median Trailing EV/EBITDA was at 6.25 times, with Forward EV/EBITDA 2023 was at 13.44 times, and year 2024 was at 8.97 times. COM7 Trailing EV/EBIT is much higher at 13.44 times and Forward EV/EBITDA 2023 was at 12.63 times, and for 2024 at 11.11 times. However the highest Trailing EV/EBITDA was 17.68 times from SYNEX, while the

highest Forward EV/EBITDA 2023 was at 20.95 times from JMART. COM7 is close to the average of the industry.

Integrate benchmark corporation

| Identifier | Company Name | Market Capital | Closing Price | Trailing EV/EBITDA | Forward EV/EBITDA 2023 | Forward EV/EBITDA 2024 |
|--------------|---|----------------|---------------|--------------------|---------------------------|---------------------------|
| | | | 11/10/2023 | | | |
| COM7 | Corn7 Public Company Limited | 58,909.46 | 24.70 | 13.44 | 12.63 | 11.11 |
| JMART | Jaymart Group Holdings | 24,648.06 | 17.00 | 17.20 | 20.95 | 12.31 |
| SYNEX | Synex (Thailand) Public Company Limited | 8,304.14 | 9.80 | 17.68 | 20.84 | 17.82 |
| SPVI | S P V I Public Company Limited | 1,592.00 | 3.98 | 6.25 | 6.03 | 5.63 |
| CPW | Copperwired Public Company Limited | 1,452.00 | 2.42 | 4.32 | 4.10 | 3.99 |
| IT | IT City Public Company Limited | 1,245.76 | 3.40 | 5.45 | | |
| Peer Average | | | | 10.18 | 12.98 | 9.94 |
| Peer Median | | | | 6.25 | 13.44 | 8.97 |

Table 3.3 Peers Multiples, Trailing EV/EBITDA and Forward EV/EBITDA

From the integrated benchmark corporation multiples of P/E, P/BV, and EV/EBITDA both Trailing and Forward, we can do a Relative Valuation of the price using the peers' median multiples. COM7's last twelve months (LTM) EPS was 1.33, and the Estimated EPS for 2023 and 2024 were 1.45 and 1.68 consecutively. Table 3.4 shows COM7 key financial metrics from Bloomberg which suggests Book Value LTM at 6.9 million Baht, while expected end of year 2023 at 8.9 million Baht and 11 million Baht in year 2024. EBITDA for COM7 LTM was 5,129.51 million Baht with the expected year 2023 of 5,282.40 million Baht and 6,007.90 million Baht for the year 2024.

| | Current/LTM 06/30/2023 | FY 2023 Est 12/31/2023 | FY 2024 Est 12/31/2024 |
|---------------|---------------------------|---------------------------|---------------------------|
| EPS | 1.33 | 1.45 | 1.68 |
| Book value | 6,955.69 | 8,913.60 | 11,095.20 |
| EBITDA | 5,129.51 | 5,282.40 | 6,007.90 |
| No. of shares | 2,400.00 | 2,400.00 | 2,400.00 |

Table 8: COM7 key financial metrics

With these numbers, we can find the average price of COM7 by combining the LTM and expected value with peers median to find both Trailing and Forward for P/E, P/BV and EV/EBITDA. The average of these numbers will set us the expected price for COM7. As shown in Tables 3.1, 3.2 and 3.3 above, COM7 trading price was close at 24.70 Baht per share on November 10, 2023. After computing the Relative Valuation from peers median, the target price for COM7 is 16.50 Baht in 2023 and 16.76

Baht in 2024. Comparing with the current price, the market value COM7 is much higher than expected.

| Relative valuation | Current/LTM | FY 2023 Est | FY 2024 Est |
|--------------------------|--------------|--------------|--------------|
| | 06/30/2023 | 12/31/2023 | 12/31/2024 |
| Trailing P/E | 17.68 | 19.30 | 22.35 |
| Trailing P/BV | 5.56 | 7.13 | 8.88 |
| Trailing EV/EBITDA | 13.35 | 13.75 | 15.64 |
| Forward P/E | 20.10 | 21.95 | 22.62 |
| Forward P/BV | 5.69 | 7.29 | 8.61 |
| Forward EV/EBITDA | 28.72 | 29.58 | 22.46 |
| Average | 15.18 | 16.50 | 16.76 |
| COM7 (11/10/2023) | 24.70 | | |

Table 3.4 Estimated average price from Peers Multiples

3.3 Sensitivity analysis

Another approach to estimating the price is to do a sensitivity analysis of COM7 key financial metrics to see the range of possible prices. In this approach we will use highest, median, and lowest P/E, P/BV, and EV/EBITDA multiples from peers both for Trailing and Forward 2023.

| Integrate benchmark corporation | | | | P/E | | P/BV | | EV/EBITDA | |
|---------------------------------|---|----------------|-----------------------------|----------|-----------------|----------|-----------------|-----------|-----------------|
| Identifier | Company Name | Market Capital | Closing Price 11/10/2023 | Trailing | Forward 2023 | Trailing | Forward 2023 | Trailing | Forward 2023 |
| COM7 | Com7 Public Company Limited | 58,909.46 | 24.70 | 18.58 | 17.13 | 8.52 | 6.65 | 13.44 | 12.63 |
| JMART | Jaymart Group Holdings | 24,648.06 | 17.00 | | 51.52 | 1.38 | | 17.20 | 20.95 |
| SYNEX | Synex (Thailand) Public Company Limited | 8,304.14 | 9.80 | 13.30 | 16.70 | 2.15 | 1.96 | 17.68 | 20.84 |
| SPVI | S P V I Public Company Limited | 1,592.00 | 3.98 | 12.55 | 11.06 | 2.84 | 2.55 | 6.25 | 6.03 |
| CPW | Copperwired Public Company Limited | 1,452.00 | 2.42 | 17.55 | 15.13 | 1.92 | 1.86 | 4.32 | 4.10 |
| IT | IT City Public Company Limited | 1,245.76 | 3.40 | | | 1.10 | | 5.45 | |
| | Peer High | | | 17.55 | 51.52 | 2.84 | 2.55 | 17.68 | 20.95 |
| | Peer Average | | | 14.47 | 23.60 | 1.88 | 2.12 | 10.18 | 12.98 |
| | Peer Median | | | 13.30 | 15.91 | 1.92 | 1.96 | 6.25 | 13.44 |
| | Peer Low | | | 12.55 | 11.06 | 1.10 | 1.86 | 4.32 | 4.10 |

Table 3.5 Peers Multiples with High, Median, and Low figures

To do sensitivity analysis Key financial metrics, EPS, Book Value, and EBITDA were used ranging from -30%, +20% -10%, -5%, +5%, +10%, +20%, and +30%.

| | -30% | -20% | -10% | -5% | FY 2023 Est 12/31/2023 | +5% | +10% | +20% | +30% |
|---------------|----------|----------|----------|----------|---------------------------|----------|----------|-----------|-----------|
| EPS | 1.02 | 1.16 | 1.31 | 1.38 | 1.45 | 1.52 | 1.60 | 1.74 | 1.89 |
| Book value | 6,239.52 | 7,130.88 | 8,022.24 | 8,467.92 | 8,913.60 | 9,359.28 | 9,804.96 | 10,696.32 | 11,587.68 |
| EBITDA | 3,697.68 | 4,225.92 | 4,754.16 | 5,018.28 | 5,282.40 | 5,546.52 | 5,810.64 | 6,338.88 | 6,867.12 |
| No. of shares | 2,400.00 | 2,400.00 | 2,400.00 | 2,400.00 | 2,400.00 | 2,400.00 | 2,400.00 | 2,400.00 | 2,400.00 |

Table 3.6 Key financial metrics preparation for sensitivity analysis

By using the matrices between -30% to +30% we can find High, Median, and Low Peers Multiples for Trailing and Forward P/E, P/BV, and EV/EBITDA.

| Relative valuation Peer Median | -30% | -20% | -10% | -5% | FY 2023 Est 12/31/2023 | +5% | +10% | +20% | +30% |
|--------------------------------|--------------|--------------|--------------|--------------|---------------------------|--------------|--------------|--------------|--------------|
| Trailing P/E | 13.51 | 15.44 | 17.37 | 18.34 | 19.30 | 20.27 | 21.23 | 23.16 | 25.09 |
| Trailing P/BV | 4.99 | 5.71 | 6.42 | 6.77 | 7.13 | 7.49 | 7.84 | 8.56 | 9.27 |
| Trailing EV/EBITDA | 9.62 | 11.00 | 12.37 | 13.06 | 13.75 | 14.44 | 15.12 | 16.50 | 17.87 |
| Forward P/E | 15.36 | 17.56 | 19.75 | 20.85 | 21.95 | 23.04 | 24.14 | 26.34 | 28.53 |
| Forward P/BV | 5.10 | 5.83 | 6.56 | 6.92 | 7.29 | 7.65 | 8.02 | 8.74 | 9.47 |
| Forward EV/EBITDA | 20.70 | 23.66 | 26.62 | 28.10 | 29.58 | 31.06 | 32.53 | 35.49 | 38.45 |
| Average | 11.55 | 13.20 | 14.85 | 15.67 | 16.50 | 17.32 | 18.15 | 19.80 | 21.45 |

| Relative valuation Peer High | -30% | -20% | -10% | -5% | FY 2023 Est 12/31/2023 | +5% | +10% | +20% | +30% |
|------------------------------|--------------|--------------|--------------|--------------|---------------------------|--------------|--------------|--------------|--------------|
| Trailing P/E | 17.83 | 20.38 | 22.92 | 24.20 | 25.47 | 26.74 | 28.02 | 30.56 | 33.11 |
| Trailing P/BV | 7.37 | 8.43 | 9.48 | 10.01 | 10.53 | 11.06 | 11.59 | 12.64 | 13.70 |
| Trailing EV/EBITDA | 27.24 | 31.13 | 35.03 | 36.97 | 38.92 | 40.86 | 42.81 | 46.70 | 50.59 |
| Forward P/E | 16.96 | 19.38 | 21.80 | 23.01 | 24.22 | 25.44 | 26.65 | 29.07 | 31.49 |
| Forward P/BV | 6.63 | 7.58 | 8.53 | 9.00 | 9.48 | 9.95 | 10.42 | 11.37 | 12.32 |
| Forward EV/EBITDA | 37.55 | 37.55 | 37.55 | 37.55 | 37.55 | 37.55 | 37.55 | 37.55 | 37.55 |
| Average | 18.93 | 20.74 | 22.55 | 23.46 | 24.36 | 25.27 | 26.17 | 27.98 | 29.79 |

| Relative valuation Peer Low | -30% | -20% | -10% | -5% | FY 2023 Est 12/31/2023 | +5% | +10% | +20% | +30% |
|-----------------------------|-------------|-------------|-------------|-------------|---------------------------|--------------|--------------|--------------|--------------|
| Trailing P/E | 12.75 | 14.57 | 16.40 | 17.31 | 18.22 | 19.13 | 20.04 | 21.86 | 23.68 |
| Trailing P/BV | 2.86 | 3.27 | 3.68 | 3.89 | 4.09 | 4.30 | 4.50 | 4.91 | 5.32 |
| Trailing EV/EBITDA | 6.65 | 7.61 | 8.56 | 9.03 | 9.51 | 9.98 | 10.46 | 11.41 | 12.36 |
| Forward P/E | 11.23 | 12.83 | 14.44 | 15.24 | 16.04 | 16.84 | 17.65 | 19.25 | 20.85 |
| Forward P/BV | 4.84 | 5.53 | 6.22 | 6.57 | 6.91 | 7.26 | 7.61 | 8.30 | 8.99 |
| Forward EV/EBITDA | 7.34 | 7.34 | 7.34 | 7.34 | 7.34 | 7.34 | 7.34 | 7.34 | 7.34 |
| Average | 7.61 | 8.53 | 9.44 | 9.90 | 10.35 | 10.81 | 11.27 | 12.18 | 13.09 |

Table 3.7 Median, High, and Low of Peers Multiples from sensitivity analysis

In the sensitivity analysis, we observe that the highest price from Peer High stands at 29.79 Baht per share, the average price from Peer Median is 16.50 Baht per share, and the lowest price from Peer Low is 7.61 Baht per share. This represents a range of prices derived from utilizing the sensitivity analysis of various financial metrics within the -30% to +30% range. As of November 10, 2023, COM7's current price falls within the range from Median to High based on the analysis.

| | -30% | -20% | -10% | -5% | FY 2023 Est 12/31/2023 | +5% | +10% | +20% | +30% |
|--------------------------|--------------|-------|-------|-------|---------------------------|-------|-------|-------|-------|
| Peer High | 18.93 | 20.74 | 22.55 | 23.46 | 24.36 | 25.27 | 26.17 | 27.98 | 29.79 |
| Peer Median | 11.55 | 13.20 | 14.85 | 15.67 | 16.50 | 17.32 | 18.15 | 19.80 | 21.45 |
| Peer Low | 7.61 | 8.53 | 9.44 | 9.90 | 10.35 | 10.81 | 11.27 | 12.18 | 13.09 |
| Highest | 29.79 | | | | | | | | |
| Median | 16.50 | | | | | | | | |
| Lowest | 7.61 | | | | | | | | |
| COM7 (11/10/2023) | 24.70 | | | | | | | | |

Table 3.8 Average figures taken from the Median, High, and Low sensitivity analysis



CHAPTER IV: RECOMMENDATION

To conclude investment recommendation, the comprehensive financial analysis of COM7 Public Company Limited (COM7) reveals multiple factors influencing its market valuation. The examination of the Trailing Band suggests a relative affordability of the company in comparison to the average trailing. Conversely, the evaluation of Peers' multiples indicates a perceived overvaluation of the current stock price when compared against industry peers. Meanwhile, the Sensitivity analysis places COM7's current price within the bracket ranging from median to high. It's important to mention that comparing COM7 to its peers might not be the best approach because COM7 is the biggest player in the market, making more money than all the other benchmark companies combined. Consequently, the recommendation to "HOLD" is advised, considering the already elevated stock price. Moreover, a prudent strategy would involve conducting a Discounted Cash Flow (DCF) analysis for a more thorough and nuanced understanding of COM7's financial performance, offering deeper insights into the intrinsic value of the company.

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