



9 November 2018

Subject: Report on Operating results for the quarter ended September 30th, 2018 and changes in the operating result of more than 20% from the same period of the previous year

To: Director and Manager of the Stock Exchange of Thailand

Overall

Summary results of COM7 Public Company Limited (Company) and its subsidiaries in Q3/2018 compared with the operating results for the Q3/2017, the details are as follows

- Revenue from sales and services was 6,657.1 MB., increased by 20.7%
- Gross profit was 928.3 MB., increased by 23.6%
- Selling expenses was 518.8 MB., increased by 11.4%
- Administrative expenses was 116.8 MB., increased by 12.9%
- Profit (loss) owners of the parent was 235.5 MB., increased by 56.4%

Statement of Comprehensive Income (Consolidated)

	Q3/2018		Q3/2017		Compared
	MB.	%	MB.	%	YoY%
Revenue from sales and services	6,657.1	100.0%	5,514.0	100.0%	20.7%
Cost of sales and services	5,728.8	86.1%	4,763.0	86.4%	20.3%
Gross profit	928.3	13.9%	751.0	13.6%	23.6%
Net gain from exchange rate	2.3	0.1%	1.2	0.0%	91.7%
Other income	7.9	0.1%	6.0	0.1%	31.7%
Share of profit of a joint venture	1.3	0.0%	8.1	0.2%	(84.0%)
Total revenue	6,668.6	100.2%	5,529.3	100.3%	20.6%
Selling expenses	518.8	7.8%	465.9	8.4%	11.4%
Administrative expenses	116.8	1.7%	103.5	1.9%	12.9%
EBIT	304.2	4.6%	196.9	3.6%	54.5%
Finance costs	9.9	0.2%	11.4	0.2%	(13.2%)

COM7 PUBLIC COMPANY LIMITED

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NPBT	294.3	4.4%	185.5	3.4%	58.7%
Income tax expense	58.8	0.9%	34.4	0.7%	70.9%
Net profit	235.5	3.5%	151.1	2.7%	55.9%
Profit (owners of the parent)	235.5	3.5%	150.6	2.7%	56.4%

Revenue from sales and services

Sales and service income for Q3'2018 was 6,657.1 MB. , increased of 1,143.1MB. , or 20.7% from the same period of the previous year. The mainly reason is come from Mobile and Service segment. The detail of sale by segment is below

Revenue structure by segment (Consolidated)

Segment information	Q3'2018		Q3'2017		Compare
	MB.	%	MB.	%	YoY%
Mobile	3,915	59%	3,099	56%	26%
IT	1,389	21%	1,417	26%	(2%)
Accessories	1,078	16%	812	15%	33%
Service	275	4%	186	3%	48%
Revenue from sales and services	6,657	100%	5,514	100%	21%

The key factor are as follow: -

1. Mobile : Smartphone such as Samsung, Oppo, Vivo have new flagship products launched in this quarter, therefore the company still has new product to support sale performance. Moreover Iphone and Ipad model with apple pencil have accelerated sale growth.
2. IT : Sales' notebook and product gamer are still growth. However it's slightly decreasing from the postponed launch of Macbook to Q4'2018
3. Accessories: Apple watch new series which launched last quarter has continuous sale growth. Including the company has policy on sale bundle with sim card and accessories with mobile. Overall accessories segment is still increasing.
4. Service : Increasing from Sim, iCare and the subsidiary company that manage TRUE shop are expansion and still growing in Q3'18.
5. Channel : The Company has organized various sales channel and opened new store location in this year. In quarter3, the company has already open 26 new stores (12 Bananas stores, 2 Samsung, 3 Studio7, 5 BKK,3 OPPO



stores, and 1 online store) Moreover, the company has organized and improved product mixed which greater to Same Store Sale Growth (SSSG) continuously.

6. Marketing: The Company focus on customers' demand by promote to customer for preorder to get special promotion, co-operate partner with Bank for more promotion to increase the new customer.

Cost of sales and services

Cost of sales and services for Q3'2018 was 5,728.8 MB. , increased of 965.8 MB. , or 20.3% from the same period of the previous year, according to sales revenue.

Gross profit

Gross profit for Q3'2018 was 928.3 MB. , increased of 177.3 MB. , or 23.6% from the same period of the previous year, according to growth in sales revenue. GP was 13.9% per revenue that higher than previous quarter and last year the main reason is the revenue portion of service and accessories segments are increasing.

Selling expenses

Selling expenses for Q3'2018 was 518.8 MB. , increased of 52.9 MB. , or 11.4% from the same period of the previous year, according to growth in sales revenue.

Administrative expenses

Administrative expenses for Q3'2018 was 116.8 MB. , increased of 13.3 MB. , or 12.9% from the same period of the previous year, according to growth in sales revenue.

Finance cost

Finance cost for Q3'2018 was 9.9 MB. , decreased of 1.5 MB. , or 13.2% from the same period of the previous year, according to growth in sales revenue. The decreasing of short-term loans is the main reason. Meanwhile, the interest rate could be better from management negotiation.

Net profit (owners of the parent)

Net profit (owners of the parent) for Q3'2018 was 235.5 MB. or 3.5% per Revenue from sales and services , increased of 84.9 MB. , or 56.4% from the same period of the previous year.



Statement of financial position (Consolidated)

	Q3'2018		Y2017	
	MB.	%	MB.	%
Cash and cash equivalents	565.1	9.3%	697.4	9.7%
Trade and other receivables, net	748.2	12.3%	693.1	9.7%
Inventories, net	3,216.5	53.0%	4,089.7	57.0%
Other current assets	48.4	0.8%	166.0	2.3%
Total current assets	4,578.2	75.4%	5,646.2	78.7%
Total Non-current assets	1,493.3	24.6%	1,531.3	21.3%
Total assets	6,071.5	100.0%	7,177.5	100.0%
Short-term loans from financial institutions	1,520.3	25.0%	1,439.8	20.1%
Trade and other payables	1,858.4	30.6%	3,067.6	42.7%
Other current liabilities	101.2	1.7%	319.6	4.5%
Total current liabilities	3,479.9	57.3%	4,827.0	67.3%
Total non-current liabilities	82.5	1.4%	52.5	0.7%
Total liabilities	3,562.4	58.7%	4,879.5	68.0%
Total equity	2,509.1	41.3%	2,298.0	32.0%
Total liabilities and equity	6,071.5	100.0%	7,177.5	100.0%

Total assets

As at 30 September 2018, the company has 6,071.5 MB., decreased 1,106.0 MB. or 15.4% from the end of last year, The key factor are as follows.

Cash and cash equivalents

As at 30 September 2018, the company has 565.1 MB., decreased 132.3 MB. or 19.0% from the end of last year, due to we keep maintain the appropriate level of cash balance.



Inventories, net

As at 30 September 2018, the company has 3,216.5 MB., decreased 873.2 MB. or 21.4% from the end of last year.
The company can maintain the level of inventory to be appropriate to sale according to the plan.

Total liabilities

As at 30 September 2018, the company has 3,562.4 MB., decreased 1,317.1 MB. or 27.0% from the end of last year,
The key factor are as follows.

Short-term loans from financial institutions

As at 30 September 2018, the company has 1,520.3 MB., increased 80.5 MB. or 5.6% from the end of last year, to
use for working capital.

Trade and other payables

As at 30 September 2018, the company has 1,858.4 MB., decreased 1,209.2 MB. or 39.4% from the end of last year,
according to inventory balance.

Statement of Cash Flow (Consolidated)

Cash flow from the operations

For Q3'2018, the company had received 449.4 MB. in cash flow for the operation. The important financial ratio is
as follows ;

Liquidity Ratio

The liquidity of the company comprised of the trade receivable turnover, inventory turnover and trade payable
turnover. The results for Q3'2018 and Q3'2017 are shown as follow;

Liquidity Ratio	Unit	Q3'2018	2017
Day Sales Outstanding (DSO)	day	10	10
Days Sales of Inventory (DSI)	day	58	59
Days Payable Outstanding (DPO)	day	39	45
Cash Cycle	day	29	24



DSO: In Q3'2018, is equal from last year end 17.

DSI : In Q3'2018, decreased from the company plan stock for next quarter.

DPO : In Q3'2018, decreased from the company get benefit from trade allowance discount.

Cash flow from investment

For Q3'2018, the company had used 26.2 MB to expand the stores.

Cash flow from financing activities

For Q3'2018, the company had used 555.4 MB. to repay short-term borrowings from the financial institutions.

Conclusion

For Revenue and Profit (owners of the parent) in Q3'2018 increase 21% and 56% accordingly, This is a continuous growth. The mainly is the company has maintain the product into appropriate level for sale. The key factor is product selection and marketing plan to meet demand of customer and sort out the strategic partners to join and growth together. Furthermore the strategies to find the other channels such as B2B which operates sale in corporate channel, online channel, franchise model will expand the IT market and new customers. Whereas the company defines the qualified franchisee within good stores location through the layout. For services the company still has grown and planned to expand its branches especially on Icare including the good performance of the subsidiary companies. With these business plans, the company ensures to grow continuously.

Please be informed accordingly

Sincerely yours,

(Wassana Pongsangluk)

Chief Financial Officer