

April 17, 2026

ASBISC ENTERPRISES PLC (WSE: ASB)

Founded in 1990, Cyprus-based ASBISc Enterprises PLC is a leading value-added distributor, developer, and provider of information technology (IT) and internet of things (IoT) products, solutions, and services to markets primarily in Europe and the Middle East and Africa (EMEA). It has local operations in the Commonwealth of Independent States (CIS, former countries of the Soviet Union), Central and Eastern Europe, the Baltic Republics, the Middle East, and North and South Africa.

COMPANY HIGHLIGHTS

- * **Diversified Geographic Footprint:** ASBISc operates in 34 countries and sells to customers in approximately 60 countries. In our view, this has helped ASBISc navigate disruptions that began in early 2022 with the onset of the Russia/Ukraine war, which led to it exiting Russia, its largest market at the time. ASBISc has decisively shifted to expand sales in unaffected and fast-growing regions in Eastern and Central Europe, the Middle East and Africa.
- * **Diverse Product Mix:** We see ASBISc driving revenue growth from a diverse product mix that has shifted to capitalize on global trends while supporting revenue growth. Smartphones have been a key driver in recent years, notably through the sale of Apple Inc. products. Throughout 2025, ASBISc significantly expanded sales of servers and server blocks, high-growth categories as companies rapidly expand artificial intelligence (AI) infrastructure and data centers. We expect ASBISc to continue to drive organic revenue growth by reselling premium brands like Apple and from its Breezy unit, which resells used electronic products.
- * **Accelerating Revenue Growth:** Following a 2024 that saw a modest revenue decline, ASBISc reported strong results in 2025 (28% revenue growth), which has continued into 2026. We expect revenue growth to be supported by new smartphone cycles, recent new distribution agreements with leading global suppliers and manufacturers and robust demand for AI server/server block categories.

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PRICE CHART



KEY STATISTICS

Key Stock Statistics

Recent price (4/16/26), (PLN)	55.00
Fair Value Estimate (PLN)	75.00
52 week high/low (PLN)	55.60/21.28
Shares outstanding (M)	55.5
Market cap (M, PLN)	3052.5
Dividend (\$)	0.55
Yield	3.6%

Sector Overview

Sector	Information Technology
Sector % of S&P 500	32.9%

Financials (\$M, as of 12/31/25)

Cash & Mkt Securities	257.6
Debt	176.5
Working Capital	257.5
Current Ratio	1.2
L-T Debt/Equity (%)	13.4%
Payout ratio (TTM)	46.1%
Revenue, TTM	3863.0
Net Income, TTM	60.2
Net Margin, TTM	1.6%

Risk

Beta	0.28
Inst. ownership	4%

Valuation

P/E forward EPS	9.9
Price/Sales (TTM)	0.2
Price/Book (TTM)	2.5

Top Holders

Fundacja Zbigniewa Juroszka Fundacja Rodzinna
Towarzystwo Funduszy Inwestycyjnych Allianz Polska S.A.
Dimensional Fund Advisors LP

Management

CEO	Mr. Siarhei Kostevitch
Deputy CEO	Mr. Constantinos Tziamalīs
CFO	Mr. Marios Christou
Company website	https://www.asbis.com

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Despite lower gross margins for the latter, we expect tightening supply dynamics and ASBISc's ability to bundle IT products and related services to support a recovery in gross margins over the long-term.

- * **Investing in Private-Label and Innovative Products:** In recent years, ASBISc has introduced higher-margin products and IT solutions, and it has been reshaping its product development pipeline to focus on innovative, private-label products, including home appliances, gaming products and accessories, and industrial robotic solutions. We see much of the investment phase for these initiatives being completed, which should foster scalable and revenue-generating growth opportunities.
- * **Healthy Balance Sheet:** As of December 31, 2025, ASBISc had \$256.7 million in cash and equivalents on its balance sheet, compared with \$155.0 million at the end of 2024, which we attribute to seasonality and working capital investments to support sales growth and new product launches. We see its balance sheet supporting favorable status among its suppliers, and view positively its expanding dividend (\$0.55 per share for 2025, currently yielding 3.6%).
- * **Fair Value:** Year to date in 2026, the shares have advanced 67% (more than doubling over the past 52-weeks). While ASBISc's valuation gap to a global technology distributor peer group has narrowed as a result, we think its accelerating revenue and profitability growth, attractive shareholder returns, and attractive growth prospects remain underappreciated by investors. Based on our forward P/E analysis, we arrive at a fair value estimate of 75 Polish zloty (PLN) per share, above the current price of 55 PLN.

COMPANY/INDUSTRY BACKGROUND

Founded in 1990, Cyprus-based ASBISc Enterprises specializes in the distribution of computer hardware and software, mobile solutions, and other IT products and digital equipment. In 2025, its portfolio included more than 110,000 products. ASBISc sold to 20,000 customers and sold products in approximately 60 countries during 2025, including those purchased from leading global technology manufacturers such as Apple, Intel Corp., Advanced Micro Devices Inc., Intel, Micron Technology Inc., Samsung Electronics Co., NVIDIA Corp., Microsoft Corp., Dell Technologies Inc., Logitech International SA, and Lenovo Group Ltd.

As of December 2025, ASBISc had 30 warehouses and subsidiaries in 34 countries. In recent years, it has opened new subsidiaries in new high-growth markets including Armenia, Azerbaijan, Georgia, Moldova, Morocco, and South Africa. We

see these new local operating entities improving the company's business-to-business (B2B) sales efforts. ASBISc is also an official distributor of Apple products in 11 countries of the former Soviet Union, excluding Russia and Belarus, and is sole distributor in several markets.

Beyond its core distribution network, ASBISc is also expanding its retail presence with more than 50 internally operated, branded locations, including Apple (32 iSpace stores in seven countries), premium audio brand Bang & Olufsen (eight stores in five countries, including the United States as of late 2025). In November 2025, ASBISc acquired 13 Samsung Brand Store outlets in Poland.

The company also generates revenue from the sale of private-label products, including Prestigio Solutions (innovative technological solutions for business and education), Canyon (power banks, networking products, and other peripheral devices), AENO (small appliances), and Lorgar (gaming accessories).

ASBISc's centralized distribution platform promotes greater efficiency, lower transportation costs, and higher margins. Its two main distribution centers in Prague and Dubai (Czech Republic and United Arab Emirates), with two additional regional hubs in Georgia and South Africa, receive products from vendors and then distribute these products in individual countries. In 2022, the company opened regional centers in Tbilisi, Georgia, and Johannesburg, South Africa. Total warehouse space, including local facilities, was approximately 71,000 square feet, as of April 2026.

In late 2025, ASBISc completed construction on a new distribution center in its key market of Kazakhstan and strengthened its presence in West Africa with the April 2026 launch of scalable, local facilities in Accra (Ghana) and Abidjan (Cote d'Ivoire). These warehouses are equipped with ASBISc's proprietary Warehouse Management System that optimizes operations, reduces errors and cuts costs. We think such infrastructure expansion is pivotal to helping ASBISc to mitigate disruptions while supporting its ability to serve high growth markets.

ASBISc is participating in a global IT market that we believe is experiencing robust growth. The company has cited independent analysis that forecasts approximately \$6.1 trillion in IT spending in 2026, up around 10% over 2025. In 2025, AI server and server blocks generated more than half of ASBISc's revenue growth (\$444 million of the \$855 million total) for 2025.

Regionally, in 2025, CIS countries accounted for approximately 36% of revenue, down from 42% in 2024. As recently as 2020, this figure stood at 58%. Its next largest operating region is Central and Eastern Europe, which accounted for approximately

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PEER COMPARISON

Company	Ticker	Recent Price (\$)	52-Week High (\$)	52-Week Low (\$)	Mkt. Cap (\$MIL)	1-yr Price Change (%)	1-yr Rev Growth (%)	1 yr EPS Growth (%)	P/E Ratio (TTM)	Beta	Yield (%)
ASBISC ENTERPRISES PLC	WSE: ASB	55.00*	55.60*	21.28*	3052*	134	28	11	14.1	0.28	3.6
AB S.A.	WSE: ABE	121.20*	142.40*	89.50*	1898*	26	2	NM	11.0	0.66	5.3
ARROW ELECTRONICS INC	NYSE: ARW	171.85	179.28	100.26	8779	71	11	50	15.7	1.00	NA
AVNET INC	NASDAQ: AVT	72.3	73.94	44.25	5919	60	NM	NM	26.3	0.92	2.0

* Stock Statistics in PLN

29% of revenues in 2025 and 2024. Its next three markets have been expanding their contribution to the revenue mix, led by Middle East and Africa (17.6% in 2025, from 16.3% in 2024), Western Europe (12.2% in 2025, from 10.6% in 2024) and Other Markets (5%, from 2%).

On a country basis for top markets, Kazakhstan accounted for 13.7% of 2025 revenue (from 16.4% in 2024 and from 23% in 2022/23) and Ukraine contributed 11.1% of revenue in 2025, from 12.7% in 2024. The United Arab Emirates has remained stable around 11% of revenues in recent years. Expanding countries include Slovakia (+1.1%), Germany (+0.5%) Czech Republic and Taiwan (+0.6% each). Prior to 2022, Russia was ASBISc's largest market, but that country's subsidiary was divested and closed in 2023.

We view positively ASBISc's participation in higher-growth categories and operating markets, as well as its ability to shift its product mix based on global trends. Smartphones have been its largest category, increasing from 29% in 2021 to nearly 42% of revenues in 2024. In 2025, smartphone sales increased 7% over 2024, but declined as a percentage of revenues to 35%, limited on an absolute basis by the impact of illicit product markets in Kazakhstan and the Ukraine war, as well as significant sales growth for the AI server category.

In 2025, ASBISc capitalized on robust demand for AI infrastructure and data center capabilities, more than doubling category revenue growth (which increased to 18.1% of total revenues in 2025, from 8.5% in 2024). Central processing units comprised 10.3% of revenues for 2025, roughly even with 2024, and laptops have accounted for between 7%-7.4% of revenues over the past two years.

For the long term, we believe the smartphone category will be supported by ASBISc's status as an authorized distributor of Apple products in 11 countries and as an operator of 32 iSpace stores in high-growth markets across seven countries. We are encouraged by what we viewed as a strong launch cycle for new Apple products in 2025, which we see accelerating smartphone revenue growth.

In January 2025, ASBISc reopened a showroom in Azerbaijan with Apple's Premium Partner status, marking the second location to secure this distinction, joining a location in Kazakhstan. In 4Q23, ASBISc signed a distribution agreement with Apple that authorized the company to become a distributor in South Africa.

In 2021, ASBISc launched its Breezy subsidiary to support electronics retailers and telecom operators that seek to implement a sustainable approach to electronics. The unit purchases used electronic devices that have retained value, in exchange for discounts on new purchases through its partner network. It then resells these products in secondary markets. Breezy has a physical presence in nine countries to date and has been expanding rapidly.

Breezy works with over 50 local and global partners, including nationally recognized electronics retailers and telecom operators such as Apple, Samsung, Vodafone Group PLC, and Kcell and retail chains Rozetka.ua, Sulpak, Mechta, and Technodom and across more than 6,000 retail locations. In the first quarter of 2025, Breezy launched operations in South Africa, marking its first market operating under a franchise format. We estimate that Breezy generated around \$100 million in 2025 revenues.

Breezy employs an omnichannel approach, utilizing e-commerce with brick-and-mortar Breezy Experience Centers. In December 2024, Breezy unveiled a cutting-edge facility in Raszyn, Poland, that uses AI and robotic solutions to efficiently grade and upgrade pre-owned smartphones. The Poland facility's production line can grade up to 1 million devices and refurbish up to 320,000 smartphones per year, doubling its 2023 refurbishing count of approximately 160,000 phones, while reducing carbon dioxide equivalent emissions. We note that Breezy is already being recognized for its sustainability, as it aims to ensure that electronic devices get extended life cycles, thus delaying their being discarded in landfills.

INVESTMENT THESIS

In our view, ASBISc is well positioned to benefit from the strong relationships it has developed with key IT vendors over 35 years and to continue to source high-demand products thanks to its robust distribution network that touches customers across multiple categories across the industry supply chain.

This established history is a key competitive advantage for ASBISc, as many technology leaders have recently undertaken cost-cutting measures by limiting their own distribution networks and adjusting pricing structures. Thus, we see ASBISc's preferred status among its supplier partners and its strong cash flow generation profile and robust cash conversion cycles as helping to mitigate some of these challenges.

We also see ASBISc maintaining operational flexibility to adjust to volatile conditions across its operating footprint. Amid recent challenges from new legislation and illicit product trading in leading market Kazakhstan and other Central Asia countries and geopolitical escalations in the Middle East, which contributed to a modest revenue decline in 2024, ASBISc further diversified its footprint by increasing sales in Central Europe, Africa, and other markets. This was also evident in its pivot away from Russia and Ukraine at the onset of that war in 2022.

Despite such continued macroeconomic challenges, we view positively the company's diversification strategy for long-term growth. We are encouraged by its return to revenue growth in early 2025, which accelerated across 2025 and has continued into 2026.

In 2022, gross margin peaked at an all-time high of 8.5%, up from 5.8% in 2020, as ASBISc benefited from a more favorable geographic sales mix, product shortages in the market, expansion of the smartphone category, an increase in online transactions, and an optimized supply chain. However, gross margins have pulled back over the past several years, amid normalizing industry supply and pricing dynamics, the impact of the Kazakhstan market and Ukraine war, and a less favorable product mix. The 2025 gross margin was 7.2%, compared with 8.0% in 2024. We note, however, that 4Q25 showed a strong recovery at 7.9%, in what tends to be the company's most profitable quarter.

We also think that ASBISc has made great strides investing in value-added-distributor capabilities. The company is focused on expanding its product portfolio to support customers that are upgrading their digitization and remote capabilities. We believe this will support gross margin expansion over time, despite the near-term reset due to increased sales of AI server and server

blocks, which carry a lower margin than those associated with smartphones. Over the long term, we see IT product and service bundling supporting margin expansion as well.

Longer term, ASBISc's focus on the development and commercialization of internally developed private label brands should support margin expansion and complementing its legacy Canyon and Prestigio Solutions brands.

In 2021, ASBISc launched a new brand called AENO in the small household appliances segment, contributing to a low-power-consuming "smart home" concept. Among its initial products are eco-friendly smart heaters, robotic vacuum cleaners, and, most recently, its flagship CRIS GastroLab smart body scales, which have expanded into new markets. We expect ASBISc will leverage existing distribution channels and vendor relationships to support these products commercially. At the end of 2025, AENO's global footprint included 33 countries (up from 27 at the end of 2024), with strong growth in Southeast and Central and Eastern Europe.

In 2021, ASBISc launched gaming brand Lorgar, featuring a new line of gaming accessories, including mice, keyboards, chairs, microphones, web cameras, headsets, and other peripherals, which are marketed as a comprehensive gaming product suite. In 2H24, Lorgar completed a brand refresh and doubled the number of product lines in the brand to capitalize on favorable long-term global gaming industry growth trends. The line now features over 30 new products across nine different categories and ASBISc plans to expand its offline presence to 200 retail locations and increase the size of the active product portfolio to above 100 SKUs, while entering new geographic markets.

In late 2022, ASBISc launched a robotic solution now called AROS Engineering. In our view, the robotics market is poised for expansion beyond its current portfolio of brands and represents a compelling opportunity for further sales and market expansion. AROS is targeting commercial applications, including robotic beverage kiosks and modular custom robotic palletizing products that support warehouse production lines, as well as AI-driven factory applications, as Breezy is using it to inspect pre-owned smartphones.

In 2025, AROS placed six machines in four countries, and is running them as businesses, in collaboration of Lavazza and Gloria Jeans. An additional two machines were sold to private customers. We view positively ASBISc's recent disclosure of increasing production, both in Poland and Cyprus, due to increased demand.

In another example of pivoting its strategy due to changing business dynamics, ASBISc took decisive action to focus its robotics business on scalable commercial applications, as compared with its initial plan to develop customized R&D solutions, which carried higher ongoing capital and personnel requirements. As these primary applications are largely completed in terms of development costs, we see the rollout of robotics-based products reducing SG&A costs as a percentage of revenues moving forward.

ASBISc has also made approximately 15 corporate venture investments in various high-growth markets, including medical devices, regenerative medicine, and clean energy. In December 2021, ASBISc invested 1 million euros to take a 20% stake in privately held EMBIO Diagnostics Ltd., which develops and commercializes medical devices for professional (B2B) and individual (B2C) settings. EMBIO recently entered commercialization for

its CE mark-issued, innovative, biosensor-based breakthrough device B.EL.D. for rapid diagnostics in the fields of food safety, air quality testing, and environmental research. In 2022, the company invested 800,000 euros for a 16% stake in Cyprus-based Promed Bioscience Ltd., which is developing advanced collagen biomaterials for research and clinical applications. The funds are expected to be used to expand production capacity, and ASBISc has cited a strong commercial backlog emerging for the products. ASBISc has also invested in large-scale robotic cleaning solutions through Autonomics.

ASBISc's receives consistent recognition as a socially responsible company, with its inclusion in the WIG-ESG index, which includes Warsaw Stock Exchange-listed (WSE-listed) companies cited as being socially responsible, specifically in regard to environmental, social, economic, and corporate governance issues. Since 2020, ASBISc has been selected among a small group of WSE-listed companies with the highest ratings and cited as a "Climate Aware Company" in the exchange's Companies Climate Awareness Survey, last published in 2024, where it advanced seven positions among the top 13 WSE-listed companies.

RECENT DEVELOPMENTS

ASBISc shares trade on the WSE under the ticker "ASB." In 2025, the shares increased by 78%, compared with a 45% increase for the WIG 20. Year-to-date in 2026, the shares have increased by 67%, compared with a 15% rise for the WIG-20.

In March 2026, ASBISc reported financial results for all of 2025, highlighted by 28% revenue growth to roughly \$3.9 billion. Gross profit rose by 16.1% (gross margin of 7.2%, down from 8.0% in 2024), as the server and server block category carry lower margins than categories including smartphones. Net profit was \$60.2 million (\$1.09 per share), compared to \$54.2 million (\$0.98 per share) in 2024.

In April 2026, ASBISc announced the launch of two new local distribution centers – in Accra (Ghana) and Abidjan (Cote d'Ivoire), two of West Africa's fastest-growing markets.

In December 2025, ASBISc opened Bang & Olufsen's first showroom in San Francisco, representing the brand's largest flagship store globally. This represented the eighth store overall in its fifth country. ASBISc plans to open and manage additional B&O stores in Los Angeles and Palo Alto, CA in 2026.

In March 2026, ASBISc announced that its board proposed a final dividend for 2025 profits of \$0.35 per share, which would bring the total to \$0.55, up from \$0.50 in recent years. The final dividend will be paid in May 2026. In November 2025, ASBISc paid the \$0.20 per share interim dividend.

In November 2025, ASBISc acquired the network of 13 Samsung Brand Store retail chain stores in Poland, strengthening its expanding retail business unit.

In the third quarter of 2025, Breezy launched a new partnership with Poland's large telecom provider, Orange Poland, which likely will expand Breezy's presence in that market. Under the agreement, Orange will offer a seamless online and in-store trade-in process, as well as new device discounts to its subscriber base, while providing its customers with unique recycling solutions for devices not eligible for trade-in or refurbishment.

In August 2025, ASBISc signed an investment agreement with American-Swiss tech start-up RobotiFAI, which is developing AI solutions for the full automation of business financial processes. ASBISc will invest up to 2 million euros over the two-year agreement, earning an equity stake of up to 20% of RobotiFAI's share capital.

In July 2025, ASBISc's Breezy subsidiary signed a cooperation agreement with Nedbank, one of Africa's largest financial services groups. Under the agreement, Breezy will provide trade-in solutions to the Nedbank-owned Avo Super Shop platform, which currently serves nearly 3 million customers.

In March 2025, ASBISc announced a strategic distribution agreement with iLera, a leader in the premium protection segment for Apple devices. Under this partnership, ASBISc will distribute a range of innovative iLera accessories across 31 countries.

EARNINGS & GROWTH ANALYSIS

In 2024, ASBISc's revenues declined by 1.7% to \$3.0 billion. Amid its shift in focus towards the fast-growing and high-demand market for AI servers and server blocks, the company reported 28% revenue growth in 2025. We expect this momentum to continue in 2026.

We forecast revenue of \$4.95 billion in 2026 and \$5.9 billion in 2027, representing growth of 28% and 19%, respectively. We expect 1Q26 revenue to be boosted by continued growth in AI servers but anticipate year-over-year sales growth to moderate as the year progresses, as increased sales in the category begin to anniversary.

In our view, ASBISc is successfully navigating challenges in Kazakhstan due to illicit markets for smartphones, which impacted 1H26 results. While we expect smartphones to remain the leading revenue sales category, we view positively ASBISc's ability to adjust its product mix to meet changes in global demand trends.

As mentioned earlier, we believe ASBISc will benefit from diversification of its geographic mix, with Slovakia, Germany, Czech Republic and Taiwan gaining in revenue share in 2025. We see South Africa emerging as a key market, as ASBISc has entered into distribution agreements with Apple and launched Breezy operations there as well in early 2025. We see Northern and Western Africa as a continued area of expansion for ASBISc.

Over the longer term, we expect the product portfolio to be supported by the rapidly expanding Breezy unit and expect contribution from the new, private-label brands, including robotic solutions.

We project gross margins around 7.4% in 2026 and 2027, up from 7.2% in 2024. Although we expect gross margin to trend back toward its 2022 high water mark of 8.5% over time, which would be closer to global industry peer averages, we see near-term margins being pressured by the less-favorable product mix, as well as operational volatility in certain markets including Kazakhstan and Ukraine. We expect constrained demand for certain products also providing margin-expansion opportunities. We see investments in new growth initiatives waning and nearing scalable revenue generation phases for long-term growth.

We see SG&A expenses as a percentage of sales around 4.5% of revenues in 2026 and 2027, modestly above 2024, as ASBISc

continues to invest in its global expansion, including Breezy, its Bang & Olufsen flagship stores and its recently acquired Samsung stores. We view positively ASBISc's decisive action in 2025 to better align its cost structure to cut redundancies and optimize for divisions that underperformed expectations.

We forecast EPS of \$1.55 in 2026 and \$2.00 in 2027. This would represent 42% and 29% growth, respectively.

FINANCIAL STRENGTH & DIVIDEND

Our financial strength rating for ASBISc is High. As of December 31, 2025, the company had \$257.6 million in cash and equivalents on its balance sheet, compared with \$155.0 million at the end of 2024.

As of December 31, 2025, total debt was \$176.5 million, comparable to \$176.8 million in 2024. This excludes amounts due to factoring creditors and lease liabilities. We note that more than 90% of its debt is short-term in nature, designed to help finance the expansion of inventory and product distribution.

In 2025, net cash provided by operations was \$154.8 million, compared with \$26.7 million in 2024. ASBISc typically generates its largest quarterly cash flow in its fourth quarter.

In 2025, net cash used by investing activities was \$22.2 million, compared with \$18.1 million in 2024 due to higher capital expenditures in 2025 (\$21.3 million in 2025, compared with \$17.7 million in 2024). Net cash used by financing activities was \$31.5 million in 2025, compared with \$11.5 million in 2024.

As of December 31, 2025, ASBISc had positive working capital of \$257.5 million and a current ratio of 1.2, which has been largely stable since 2015, though below a broad peer average of 1.5. At year-end 2025, the total debt/capitalization ratio was 52.4%, well below its recent peak above 60% at the end of 2020 but above the peer average around 38%. With liquidity supported by positive operating cash flow generation and access to borrowed capital, we believe that ASBISc is well capitalized.

We like ASBISc's balance sheet efficiency. In 2025, average cash conversion cycle was 40.5 days, down from 53.4 and 51 days at the end of 2024 and 2023. ASBISc has improved this metric since 2022, when it temporarily increased inventory, which reversed a prior trend of around 33-34 days. We see this trend underscoring the efficiency of its selling infrastructure and strong relationships with suppliers. Average days inventory outstanding was 54.1 in 2025, down from over 60 days at the end of 2024 and 2023. We view this metric as important, as tech products can quickly become obsolete as new products reach the market.

In recent years, ASBISc has distributed around 50% of net profits as dividends. In 2023 and 2024, it declared a total dividend of \$0.50 per share (\$0.20 interim/\$0.30 final). For 2025, it plans to pay \$0.55 per share (\$0.20 interim paid/\$0.35 final, pending). The annualized yield is 3.6%, despite the 67% year-to-date increase in the stock price (and more than doubling over the past 52 weeks).

In recent years, the company's weighted average cost of debt has been elevated due to variable borrowing costs in various operating markets. In 2023, this cost exceeded 11%. Subsequently, ASBISc has worked with its lenders and reduced its weighted average cost of debt to 8.5% at the end of 2025, down from 9.9% at the end of 2024.

MANAGEMENT

Siarhei Kostevitch is the founder, president, and CEO of ASBISc. Mr. Kostevitch received a master's degree in radio engineering design at the Radio Engineering University of Minsk in 1987. Between 1987 and 1992, he worked at the Research Centre at the Radio Engineering University. Mr. Kostevitch, through KS Holdings Ltd., holds approximately 37% of the company's shares and voting power.

The company's board has eight directors. The board has three independent directors, and two of these chair the company's audit and compensation committees.

RISKS

Risks for ASBISc include increased competition from both established companies and new entrants, including nonofficial "gray market" products that can impact ASBISc's pricing power. Other risks include the potential for economic and political developments that are currently impacting business conditions in major markets such as Kazakhstan and Ukraine, as well as the current conflicts in the Middle East. The company also must manage the potential for unfavorable changes to its product selections and quality, inventory, prices, customer services, and credit availability. Finally, ASBISc faces changes in foreign exchange rates and fluctuations in the weighted average cost of debt.

ASBISc's reporting currency is the U.S. dollar, which typically accounts for around 90% of its trade payables and half of its operating expenses (the other half being in euros/others). As such, a stronger U.S. dollar in recent years has pressured both revenues and gross profits. We see potential for customer concentration risk among its top suppliers, but view ASBISc positively in this regard as well, given its expanding network and diversification strategies.

VALUATION

ASBISc shares have appreciated by 67% year to date and have more than doubled over the past 52 weeks. We attribute this to accelerating revenue growth and enhanced profitability from the sale of high demand, AI server-related equipment.

While the shares are trading at the high end of their 52-week range, the company's market capitalization around 3.05 billion

PLN (approximately \$850 million) implies an enterprise value multiple near 0.2-times our 2026 revenue estimate of \$4.95 billion, below an average multiple of 0.4 for a group of global electronics distribution peers. The stock also trades at a trailing-12-month enterprise value/EBITDA of around 8-times, below the peer average of over 10-times. Last, ASBISc is trading at a forward P/E around 10-times our 2026 EPS estimate of \$1.55, well below the peer group's recent average above 17-times.

Although ASBISc's valuation gap to a global technology distributor peer group has narrowed to date in 2026, the shares historically have traded at a discount to the global peer average.

In recent years, ASBISc has faced challenges due to its exposure to regions affected by geopolitical conflict and has adjusted its mix to focus on high-demand products, which has led to variability in gross margin. This geopolitical exposure as well as transient shifts in industry supply dynamics contributed to a year-over-year revenue decline as recently as 2024. That said, we see ASBISc as having navigated such challenges very well, as evidenced by its geographic expansion, particularly to unaffected regions, and its successful pivots to higher demand product categories.

While we think that these dynamics warrant some discount to the peer average, we think the magnitude of the gap is disconnected from ASBISc's fundamentals and that the current valuation remains compelling and does not fairly reflect its strong underlying fundamentals, accelerating revenue and profitability growth and attractive shareholder returns, near-term uncertainties notwithstanding. We think these factors remain underappreciated by investors.

We think that recent initiatives (including reselling Apple products, in many regions as its sole distributor, expanding Breezy, increasing server-related products that can drive future bundling and service opportunities, and focusing on marketing innovative, private-label products) are likely to leverage ASBISc's global infrastructure network.

Thus, we apply a multiple of 13.5-times to our 2026 EPS estimate of \$1.55 (5.58 PLN, using a 90-day average PLN-to-USD exchange rate of 3.6:1). This yields a fair value estimate for ASB of 75 PLN per share, above the current price of 55 PLN.

Steve Silver,
Argus Research Analyst

INCOME STATEMENT

(\$ MIL)	2021	2022	2023	2024	2025	Q1 2026E	Q2 2026E	Q3 2026E	Q4 2026E	2026E	Q1 2027E	Q2 2027E	Q3 2027E	Q4 2027E	2027E
Revenue	3078.0	2690.0	3061.2	3008.5	3863.0	1179.7	1163.9	1112.6	1493.9	4950.1	1392.0	1352.4	1363.0	1792.6	5900.0
Gross Profit	218.5	227.8	252.3	240.2	278.7					364.4					434.5
SG&A	104.8	116.8	139.8	145.9	167.7					224.0					263.5
R&D	NA	NA	NA	NA	NA					NA					NA
Operating Income	113.7	111.00	112.5	94.3	111.0					140.4					171
Interest Expense	-17.0	-22.2	-32.2	-31.2	-37.5					-36.0					-35.0
Pretax Income	94.3	91.1	65.0	65.0	76.1					107.2					138.8
Tax Rate (%)	18	17	18	17	21					20					20
Net Income	77.1	75.9	53.0	54.4	60.2					85.8					111.0
Diluted Shares	55.5	55.3	55.5	55.5	55.5					55.5					55.5
EPS	1.39	1.37	0.96	0.98	1.09	0.29	0.32	0.28	0.66	1.55	0.38	0.37	0.40	0.85	2.00
Dividend	0.30	0.45	0.50	0.50	0.55					0.55					0.55
Growth Rates (%)															
Revenue	30	NM	14	NM	28					28					19
Operating Income	101	NM	1	NM	18					26					22
Net Income	111	NM	NM	1	20					42					29
EPS	111	NM	NM	0	17					42					29
Valuation Analysis															
Price (PLN): High	28.2	25.96	32.50	30.16	33.12					NA					NA
Price (PLN): Low	6.10	8.60	20.78	16.35	17.54					NA					NA
PE: High	NA	NA	NA	NA	NA					NA					NA
PE: Low	NA	NA	NA	NA	NA					NA					NA
PS: High	NA	NA	NA	NA	NA					NA					NA
PS: Low	NA	NA	NA	NA	NA					NA					NA
Yield: High	NA	NA	NA	NA	NA					NA					NA
Yield: Low	NA	NA	NA	NA	NA					NA					NA
Financial & Risk Analysis (\$ MIL)															
Cash	184.6	134.6	143.6	155.0	257.6					NA					NA
Working Capital	147.5	194.7	253.5	237.4	257.5					NA					NA
Current Ratio	1.2	1.2	1.3	1.3	1.2					NA					NA
L-T Debt/Equity (%)	2.7	3.8	5.2	8.8	13.4					NA					NA
Total Debt/Equity (%)	112	95.2	90.1	100.9	110.2					NA					NA
Ratio Analysis															
Gross Profit Margin	7.1%	8.5%	8.2%	8.0%	7.2%					7.4%					7.4%
Operating Margin	3.7%	4.1%	3.7%	3.1%	2.9%					2.8%					2.9%
Net Margin	2.5%	2.8%	1.7%	1.8%	1.6%					1.7%					1.9%
Return on Assets (%)	8.3	9.7	6.8	5.3	5.1					NA					NA
Return on Equity (%)	47.4	48.5	20.2	18.7	18.9					NA					NA
Op Inc/Int Exp	6.7	5.0	3.5	3.0	3.0					3.9					4.9
Div Payout	36%	37%	52%	51%	51%					36%					28%

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