

May 28, 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 ASB navigate disruptions, such as its exit from its then largest market of Russia in 2022 upon the onset of the Russia/Ukraine war and, more recently, a shift away from the Middle East in early 2026, as new geopolitical tensions arose in that region.
- * **Diverse Product Mix:** We see ASB driving revenue growth from a diverse product mix that has shifted to capitalize on global trends. Smartphones have been a key growth driver, notably through the sale of Apple Inc. products. Since 2025, ASB has significantly expanded sales of servers and server blocks, a high-growth category, as companies rapidly expand artificial intelligence (AI) infrastructure and data centers. As of 1Q26, server-related products became its largest sales category. We expect ASB to drive 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, ASB reported strong results in 2025 (28% revenue growth), which has continued into 2026, with 72% revenue growth in 1Q26, driven by robust demand for AI servers/server blocks and product shortages in these markets. We see ASB's preferred status among its suppliers in many markets supporting these trends.

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KEY STATISTICS

Key Stock Statistics	
Recent price (5/27/26), (PLN)	66.65
Fair Value Estimate (PLN)	94.00
52 week high/low (PLN)	71.90/21.28
Shares outstanding (M)	55.5
Market cap (M, PLN)	3699.1
Dividend (\$)	0.55
Yield	3.0%

Sector Overview

Sector	Information Technology
Sector % of S&P 500	35.0%

Financials (\$M, as of 3/31/26)

Cash & Mkt Securities	189.4
Debt	253.5
Working Capital	273.2
Current Ratio	1.3
L-T Debt/Equity (%)	12.8%
Payout ratio (TTM)	31.1%
Revenue, TTM	4395.2
Net Income, TTM	89.3
Net Margin, TTM	2.0%

Risk

Beta	0.63
Inst. ownership	5%

Valuation

P/E forward EPS	9.4
Price/Sales (TTM)	0.2
Price/Book (TTM)	3.0

Top Holders

Towarzystwo Funduszy Inwestycyjnych Allianz Polska S.A.
Dimensional Fund Advisors LP

Management

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

PRICE CHART



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- * **Investing in Private-Label and Innovative Products:** In recent years, ASB has introduced higher-margin and internally developed 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 March 31, 2026, ASB had \$189.4 million in cash and equivalents on its balance sheet, compared with \$257.6 million at the end of 2025, which we attribute largely to seasonality. We see its strong balance sheet and cash flows supporting favorable status among its suppliers and improving borrowing rates from its lenders. We also view positively its expanding dividend (\$0.55 per share for 2025, currently yielding about 3.0%, even after the stock's more than doubling year-to-date).
- * **Fair Value:** ASB's valuation gap to a global technology distributor peer group has narrowed modestly, but we think its strong underlying fundamentals, accelerating revenue and profitability growth, and attractive shareholder returns remain underappreciated by investors. Based on our forward P/E analysis, we arrive at a fair value estimate of 94 Polish zloty (PLN) per share, above the current price above 66 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. ASB sold to 20,000 customers and sold products in approximately 60 countries, including those purchased from leading global technology manufacturers such as Apple, Intel Corp., Advanced Micro Devices Inc., Micron Technology Inc., Samsung Electronics Co., Nvidia Corp., Microsoft Corp., Dell Technologies Inc., Logitech International SA, and Lenovo Group Ltd.

As of December 2025, ASB had 30 warehouses and subsidiaries in 34 countries. 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 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, ASB is also expanding its retail presence with more than 50 internally operated, branded locations, including Apple (37 iSpace stores in seven countries as

of May 2026) and premium audio brand Bang & Olufsen (eight stores in five countries, including the United States as of late 2025). In November 2025, ASB 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).

ASB's centralized distribution platform promotes greater efficiency, lower transportation costs, and higher margins. Its two main distribution centers in Prague and Dubayy, United Arab Emirates (UAE), with two additional regional hubs in Georgia and South Africa, receive products from vendors and then distribute these products in individual countries. As of April 2026, total warehouse space, including local facilities, was approximately 71,000 square feet.

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

ASB 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. AI server and server blocks generated more than half of ASB's revenue growth (\$444 million of the \$855 million total) for 2025.

In 2025, CIS countries accounted for around 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 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, up from 16.3% in 2024), Western Europe (12.2% in 2025, up from 10.6% in 2024) and Other Markets (5%, up from 2%).

In 1Q26, CIS countries accounted for 39% of revenues, up from 30% in 1Q25, and Other Markets accounted for 14%, up from only 1.7%, as ASB has shifted its revenue mix from the

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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	66.65*	71.90*	21.28*	3699*	180	28	11	14.1	0.63	3.0
AB S.A.	WSE: ABE	135.40*	142.40*	89.50*	2121*	35	2	NM	11.0	0.58	4.7
ARROW ELECTRONICS INC	NYSE: ARW	217.50	224.83	101.79	11121	81	11	50	19.9	1.16	NA
AVNET INC	NASDAQ: AVT	87.06	90.20	44.25	7141	75	NM	NM	31.7	1.11	1.6

* Stock Statistics in PLN

Middle East and Africa (11.5% of revenues, down from 25.5%), and Central and Eastern Europe (22.6%, down from 30%), to focus on high-growth markets and those less impacted by geopolitical issues.

Among key countries, Kazakhstan accounted for 13.7% of 2025 revenue (down from 16.4% in 2024 and from 23% in 2022/23), and Ukraine contributed 11.1% of revenue in 2025, down from 12.7% in 2024. The UAE has remained stable at around 11% of revenues in recent years. Prior to 2022, Russia was ASB's largest market, but that country's subsidiary was divested and closed in 2023.

In 1Q26, Ukraine, Kazakhstan, and Taiwan were its three largest markets. The UAE (sixth) saw lower sales due to the onset of geopolitical conflicts. Notable year-over-year growth rates in 1Q26 were seen in Taiwan (1,992% growth), the Netherlands (385%), Ukraine (168%), and Azerbaijan (120%).

We view positively ASB's participation in higher-growth categories and markets, as well as its ability to shift its product mix based on global trends. Smartphones had been its largest category, increasing from 29% of revenues in 2021 to nearly 42% 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, ASB 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 accounted for 7%-7.4% of revenues over the past two years.

In 1Q26, AI servers and server blocks surpassed smartphones to become the largest product category. AI product sales grew 233% to \$408 million (32.15% of revenues), outpacing smartphone sales of \$405 million (growth of 77.9%, 31.9% of revenues), which benefited from strong demand for new iPhones across all markets.

For the long term, we believe the smartphone category will be supported by ASB's status as an authorized distributor of Apple products in 11 countries and as an operator of 37 iSpace stores in high-growth markets across seven countries. In 2025, ASB 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, ASB signed a distribution agreement with Apple that authorized the company to become a distributor in South Africa.

In 2021, ASB 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 1Q25, 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, ASB 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 ASB, as many technology leaders have recently undertaken cost-cutting measures by limiting their own distribution networks and adjusting pricing structures. Thus, we see ASB'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 ASB 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 Asian countries and geopolitical escalations in the Middle East, ASB has effectively diversified its footprint across higher-growth and less-affected regions. This was most evident in its pivot away from Russia, then its largest market, as well as 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.

In 2022, gross margin peaked at an all-time high of 8.5%, up from 5.8% in 2020, as ASB 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 impacts 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, gross margins showed a strong recovery at 7.9% and 8.6% in 4Q25 and 1Q26, respectively.

We also think that ASB 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 that associated with smartphones. Over the long term, we see IT products and service bundling supporting margin expansion as well.

In recent years, ASB has introduced higher-margin and internally developed private label brands to focus on innovative, private-label products. We see much of the investment phase for these initiatives being completed, which should foster scalable and revenue-generating growth opportunities. We think this supports ASBISc's goal to drive margin expansion and complement its legacy Canyon and Prestigio Solutions brands.

In 2021, ASB 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 ASB 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, ASB 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 ASB 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, ASB 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 with Luigi Lavazza SpA and Gloria Jean's Coffees. An additional two machines were sold to private customers. We view positively ASB'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, ASB 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.

ASB has also made approximately 15 corporate venture investments in various high-growth markets, including medical devices, regenerative medicine, and clean energy. In December 2021, ASB 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 ASB has cited a strong commercial backlog emerging for the products. ASB has also invested in large-scale robotic cleaning solutions through Autonomics Tech Ltd.

ASB 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 WIG20. Year-to-date in 2026, the shares have increased by 103%, compared with a 15% rise for the WIG20.

In May 2026, ASB reported 1Q26 results, highlighted by 72% revenue growth to \$1.268 billion and a gross margin of 8.6%, compared with 7.0% in 1Q25. EPS were \$0.66, up from \$0.13 in the year-earlier period.

The 1Q26 margin represented the best quarter in the company's history, noting that it typically reports its strongest quarter in 4Q26. The results were driven by high demand for products related to AI infrastructure and margin benefits due to market shortages and higher prices. In this regard, we view ASB's partner and channel relationships positively to ensure product availability.

In May 2026, ASB preannounced 72% revenue growth for April 2026 to approximately \$444 million, from just \$255 million in the year-earlier period.

In May 2026, ASB expanded its premium Apple product iSpace showroom network by four new stores — in Azerbaijan, Kazakhstan, Moldova, and Georgia — raising its total to 37.

In May 2026, ASB signed a distribution agreement with U.K.-based Canonical Ltd., the publisher of Ubuntu and a leading provider of open-source enterprise Linux operating systems for servers and cloud computing, with over 40% market share in cloud servers. The agreement covers 22 global markets, largely across Eastern Europe.

In April 2026, ASB 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, ASB 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. ASB plans to open and manage additional B&O stores in Los Angeles and Palo Alto, California, in 2026.

In March 2026, ASB 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, ASB paid the \$0.20 per share interim dividend.

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

In 3Q25, Breezy launched a new partnership with 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.

EARNINGS & GROWTH ANALYSIS

In 2025, ASB reported 28% revenue growth, reversing a modest decline seen in 2024, benefiting from a shift in focus toward the fast-growing and high-demand market for AI servers and server blocks. This momentum has accelerated into 2026.

We forecast revenue of \$5.1 billion in 2026 and \$6.0 billion in 2027, representing growth of 32% and 18%, respectively. In 1Q26, revenue was boosted by continued growth in AI servers. Despite our outlook for continued strong demand for these products, we anticipate year-over-year sales growth to begin to moderate as the year progresses, as the higher sales in the category begin to anniversary.

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

As mentioned earlier, we believe ASB will benefit from diversification of its geographic mix. We see South Africa emerging as a key market, as ASB 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 the company.

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 7.7%, up from 7.2% in 2025, and a more normalized 7.5% in 2027. Gross margins, in our view, have been volatile given product shortages across various categories, which drove a higher-than-expected 8.6% gross margin in 1Q26. Over the previous few quarters, gross margins had been pressured by the lower margins typically associated with the AI server category, compared with smartphones, for example.

Over time, we expect full-year gross margin to trend back toward its 2022 annual high-water mark of 8.5%, due to the company's enhanced distribution footprint and ability to bundle its products at a higher rate.

We see SG&A expenses as a percentage of sales around 4.5% of revenues in 2026 and 2027, modestly above 2024, as ASB continues to invest in its global expansion, including Breezy, its Bang & Olufsen flagship stores, and its recently acquired Samsung stores. We view positively ASB's decisive action in 2025 to better align its cost structure to cut redundancies and optimize for divisions that underperformed expectations. Overall, we see investments in new growth initiatives waning and nearing scalable revenue generation phases for long-term growth.

We forecast EPS of \$1.91 in 2026 and \$2.20 in 2027. This would represent 75% and 15% growth, respectively.

FINANCIAL STRENGTH & DIVIDEND

Our financial strength rating for ASB is High. As of March 31, 2026, the company had \$189.4 million in cash and equivalents on its balance sheet, down from \$257.6 at the end of 2025, as ASB tends to use cash in 1Q due to seasonality. We note that the cash balance at the end of 2025 was well ahead of the \$155.0 million at the end of 2024.

As of December 31, 2025, ASB had positive working capital of \$273.2 million and a current ratio of 1.3, which has been largely stable since 2015, though below a broad peer average of 1.5. As of March 31, 2026, total debt was \$253.5 million, with more than 80% of this total short-term in nature, designed to help finance the expansion of inventory and product distribution.

At the end of 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 ASB is well capitalized.

In 2025, net cash provided by operations was \$154.8 million, compared with \$26.7 million in 2024. ASB 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 for financing activities was \$31.5 million in 2025, compared with \$11.5 million in 2024.

We like ASB's balance sheet efficiency. In 2025, the average cash conversion cycle was 40.5 days, down from 53.4 days and 51 days at the end of 2024 and 2023, respectively. ASB 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 were 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, ASB 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, its total dividend was \$0.55 per share (\$0.20 interim/\$0.35 final). The annualized

yield is about 3.0%, despite the stock's more than doubling year-to-date and close to tripling over the past 52 weeks.

We have a positive view of ASB's improving weighted average cost of debt. As recently as 2023, its cost of debt was elevated to more than 11%, due to variable borrowing costs in various operating markets. However, over the past few years, the company has successfully worked with its lenders to reduce its weighted average cost of debt to 8.5% at the end of 2025, from 9.9% at the end of 2024. In 1Q26, this was reduced further to 8.3%. We see its strong balance sheet and cash flows supporting favorable status among its suppliers and improving borrowing rates from its lenders.

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. From 1987 to 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 ASB include increased competition from both established companies and new entrants, including nonofficial "gray market" products that can impact ASB'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 product pricing and availability, which can impact its gross margins, as well as its ability to manage inventory, customer services, and credit availability. Finally, ASB faces changes in foreign exchange rates and fluctuations in the weighted average cost of debt.

ASB'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 ASB positively in this regard as well, given its expanding network and diversification strategies.

VALUATION

ASB shares have more than doubled year-to-date, which we attribute to accelerating revenue growth and enhanced profitability from the sale of high-demand, AI server-related equipment.

ASB shares are trading near the high end of their 52-week range, even after a recent 8% pullback. Its market capitalization is around 3.7 billion PLN (around \$1 billion) implies an enterprise value multiple above 0.2-times our 2026 revenue estimate of \$5.1 billion, still below an average multiple of 0.4-times for a group of global electronics distribution peers. The stock also trades at a trailing-12-month EV/EBITDA below 8-times, compared with a peer average of over 10-times. Last, ASB is trading at a forward P/E below 10-times our 2026 EPS estimate of \$1.91, well below the peer group's recent average around 17-times.

Thus, despite strong company execution and stock performance, the shares continue to trade at a significant discount to ASB's peers, with a modest narrowing of the valuation gap to the group average.

We attribute much of this valuation gap to challenges ASB has faced due to its exposure to regions affected by geopolitical conflict and transient shifts in industry supply dynamics, which have contributed to a year-over-year revenue decline as recently as 2024. However, we note that the company has been successful in adjusting its product and geographic mix to focus on high-demand products, which has led to variability in gross margin. That said, we see ASB 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.

Thus, while we think these dynamics warrant some discount to the peer average, we think the magnitude of the gap is disconnected from ASB's fundamentals and the current valuation remains compelling. We think its strong underlying fundamentals, accelerating revenue and profitability growth, and attractive shareholder returns 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 ASB's global infrastructure network.

Thus, we apply a multiple of 13.5-times to our 2026 EPS estimate of \$1.91 (6.97 PLN, using a 90-day average PLN-to-USD exchange rate of 3.65:1). This yields a fair value estimate for ASB of 94 PLN per share, above the current price above 66 PLN.

Steve Silver,
Argus Research Analyst

INCOME STATEMENT

(\$ML)	2021	2022	2023	2024	2025	Q1 2026	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	1268.5	1310.1	1078.2	1447.4	5104.2	1471.5	1532.2	1266.9	1729.7	6000.3
Gross Profit	218.5	227.8	252.3	240.2	278.7					395.0					451.7
SG&A	104.8	116.8	139.8	145.9	167.7					228.5					267.4
R&D	NA	NA	NA	NA	NA					NA					NA
Operating Income	113.7	111.00	112.5	94.3	111.0					166.4					184.3
Interest Expense	-17.0	-22.2	-32.2	-31.2	-37.5					-37.3					-35.0
Pretax Income	94.3	91.1	65.0	65.0	76.1					132.5					152.6
Tax Rate (%)	18	17	18	17	21					20					20
Net Income	77.1	75.9	53.0	54.4	60.2					105.9					122.1
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	0.66	0.39	0.25	0.61	1.91	0.55	0.47	0.36	0.82	2.20
Dividend	0.30	0.45	0.50	0.50	0.55					0.55					0.55
Growth Rates (%)															
Revenue	30	NM	14	NM	28					32					18
Operating Income	101	NM	1	NM	18					50					11
Net Income	111	NM	NM	1	20					76					15
EPS	111	NM	NM	0	17					75					15
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 (\$ML)															
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%					7.7%					7.5%
Operating Margin	3.7%	4.1%	3.7%	3.1%	2.9%					3.3%					3.1%
Net Margin	2.5%	2.8%	1.7%	1.8%	1.6%					2.1%					2.0%
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					4.5					5.3
Div Payout	36%	37%	52%	51%	51%					29%					25%

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