November 20, 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 products, solutions, and services to markets primarily in Europe, the Middle East, and Africa. 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, North, South Africa, Asia and the United States.

COMPANY HIGHLIGHTS

* **AI-Related Products Driving Record Results**: Through the first nine months of 2026, ASB nearly doubled revenues to $5.15 billion, generating more than $1 billion in revenue in September 2026 alone. This growth has been driven by unprecedented demand for artificial intelligence (AI) servers and server blocks, which has become ASBISc's largest product category. As a result, 9M26 net income of $132.2 million increased from just $31.1 million in the same period in 2025.

* **Preferred Status Among Suppliers Providing Optionality**: We see ASBISc's preferred status among its suppliers in many markets supporting this growth. ASBISc is now an authorized Apple partner in a total of 25 countries, including as a distributor and reseller. In 2Q26, ASBISc signed an agreement with Apple Inc. making ASBISc an authorized distributor of Apple products in 14 new African countries. For AI, ASBISc holds Elite status in the Nvidia Partner Network, distributing and deploying Nvidia Corp. graphics processing units (GPUs), AI servers, and accelerated computing platforms.

* **Strong Balance Sheet**: As of September 30, 2026, ASB had $272.7 million in cash and equivalents on its balance sheet, compared with $257.6 million at the end of 2025, despite higher trade receivables and inventory. In recent years, ASBISc has generated positive cash flow from operations by relying on 4Q, typically its

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PRICE CHART



KEY STATISTICS

Key Stock Statistics

Recent price (11/19/26), (PLN	167.10
Fair Value Estimate (PLN)	266.00
52 week high/low (PLN)	198.60/27.80
Shares oustanding (M)	55.5
Market cap (M, PLN)	9274.1
Dividend ($)	0.70
Yield	1.7%

Sector Overview

Sector	Information Technology
Sector % of S&P 500	37.5%

Financials ($M, as of 9/30/26)

Cash & Mkt Securities	272.7
Debt	316.2
Working Capital	346.5
Current Ratio	1.2
L-T Debt/Equity (%)	10.2%
Payout ratio (TTM)	24.0%
Revenue, TTM	6400.0
Net Income, TTM	161.9
Net Margin, TTM	2.5%

Risk

Beta	0.66
Inst. ownership	8%

Valuation

P/E forward EPS	8.7
Price/Sales (TTM)	0.3
Price/Book (TTM)	5.0

Top Holders

Norges Bank Investment Management
Towarzystwo Funduszy Inwestycyjnych Allianz Polska S.A.
Blackrock, Inc.

Management

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

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best quarter. However, in 9M26, ASB generated $30.9 million in cash from operating activities, compared to an outflow of $54.1 million in 9M25.We see its strong balance sheet efficiency and cash flow generation enabling prepayments and supporting its preferred status among suppliers and improving borrowing rates from its lenders. We also view positively its expanding dividend ($0.35 per share interim dividend for 2026, up from $0.20 in 2025).

* **Retail Expansion**: Beyond its core distribution network, ASB is also expanding its retail presence, with 58 internally operated, branded premium and luxury retail store locations, including Apple (37 iSpace stores in seven countries), premium audio brand Bang & Olufsen (eight stores in five countries, inclusive of three in the U.S.), and Samsung (13 Samsung Brand Store stores in Poland.)

* **Fair Value:** Year-to-date, ASBISc's stock has risen sharply, increasing by 408% year-to-date (510% over the past year). However, the shares remain discounted to a peer group of global technology distributors. We think the stock warrants a multiple in line with its peers, given its strong momentum and execution. Based on a 15-times multiple to our 2027 EPS estimate of $4.60, we arrive at a fair value estimate of 266 Polish zloty (PLN) per share, compared with a current price around 167 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. It distributes products purchased from leading global technology manufacturers such as Apple, Nvidia, Intel Corp., Micron Technology Inc., SK Hynix Inc., Samsung Electronics Co. Ltd., Advanced Micro Devices Inc., Microsoft Corp., Dell Technologies Inc., Logitech International SA, and Lenovo Group Ltd.

The company has a network of more than 40 warehouses and subsidiaries in 34 countries, supplying products to customers in approximately 60 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 authorized partner of Apple products, including as a distributor and reseller, in 25 countries and is sole distributor in several markets.

Beyond its core distribution network, ASB is also expanding its retail presence with 58 internally operated, branded premium and luxury retail store locations, including 37 Apple iSpace stores in seven countries, premium audio brand Bang & Olufsen (eight stores in five countries, inclusive of three in the U.S.) and Samsung (13 Samsung Brand stores in Poland.). It also operates seven Robo Cafe locations.

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, Czech Republic, and Dubai, United Arab Emirates (UAE), and two additional regional hubs in Georgia and South Africa receive products from vendors and then distribute these products in individual countries. As of September 2026, total warehouse space, including local facilities, was approximately 72,000 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 servers and server blocks generated approximately 54% of ASBISc's 9M26 revenue growth: more than $1 billion of growth over the same period in 2025. Robust growth, which ASB estimates to be around 30% annually, is expected to continue over the next few years, despite potential for product shortages.

In 2025, CIS countries accounted for around 36% of revenue, down from 42% in 2024. As recently as 2020, this figure stood at 58%. ASB's 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%).

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PEER COMPARISON

Company	Ticker	Recent Price ($)	52-Week High ($)	52-Week Low ($)	Mkt. Cap ($MIL)	1-yr Price Change (%)	TTM Rev Growth (%)	TTM EPS Growth (%)	P/E Ratio (TTM)	Beta	Yield (%)
ASBISC ENTERPRISES PLC	**WSE: ASB**	**167.10***	**198.60***	**27.80***	**9274***	**510**	**81**	**292**	**13.7**	**0.66**	**1.7**
AB S.A.	WSE: ABE	128.00*	162.00*	93.60*	2005*	33	14	34	8.7	0.56	4.9
ARROW ELECTRONICS INC	NYSE: ARW	182.95	249.43	101.79	9249	75	32	118	9.3	1.21	NA
AVNET INC	NASDAQ: AVT	78.30	108.63	44.25	6439	74	44	149	11.7	1.12	1.8

** Stock Statistics in PLN*

In 9M26, CIS countries accounted for 35% of revenues (34% in 9M25), while Western Europe expanded to 24% (13% in the same period in 2025), driven by large customer orders to the Netherlands supporting projects across the region. Countries in its Other regions expanded to 13% from 4%. In contrast, ASBISc has shifted its revenue mix from Central and Eastern Europe (17%, down from 29%) and the Middle East and Africa (11% of revenues, down from 20%) 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 accounted for around 11% of revenues, consistent with the past few years. Prior to 2022, Russia was ASB's largest market, but that country's subsidiary was divested and closed in 2023.

In 9M26, Netherlands (18% of revenues), Ukraine (13%), Kazakhstan (12%), and Taiwan (11%) were its four largest markets. The UAE (7%, fifth) saw 10% sales growth but was pressured by the onset of geopolitical conflicts in the region.

We also see ASB maintaining operational flexibility to adjust to volatile conditions across its operating footprint. Recently, ASBISc successfully navigated challenges in its key Kazakhstan market from new legislation that has reduced illicit product trading. It has also shifted its regional mix to mitigate geopolitical escalations in the Middle East and pivoted from Russia, its then largest market, in 2022 at the onset of its war with Ukraine. ASBISc temporarily shifted sales from Ukraine but has since resumed full operations there.

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 impacts 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, up 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 9M26, AI servers and server blocks became the largest product category. AI product sales grew 369% to over $2.3 billion (45% of revenues, up from 19% in the same period in 2025), outpacing smartphone sales of $1.5 billion (60% growth, 29% of revenues, down from 35%).

In 3Q26, ASB cited strong results from projects involving Nvidia hardware, participating in the sale and deployment of 8,200 GPUs in 143 projects. The company holds Elite status in the Nvidia Partner Network, distributing and deploying Nvidia GPUs, AI servers, and accelerated computing platforms.

For the long term, we expect continued robust growth from the smartphone category, supported by ASB's relationship with Apple and its strong pricing power in the marketplace. We see its recent authorization as a distributor of Apple products in 14 new African countries positively for long-term growth prospects, given these markets' demographics are improving in terms of a growing middle class, rapidly developing digital infrastructure, and increasing demand for high-tech products and solutions.

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 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.

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 in 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, including Nvidia, Apple, Meta Platforms Inc., Amazon.com Inc., and others and its strong cash flow generation profile and robust cash conversion cycles as helping to mitigate some of these challenges.

Although we see product supply shortages in certain categories due to heightened demand, we think ASBISc's strong connections will help to ensure its strongest possible share, as vendors allocate their supply and manage their own supply chains.

ASBISc's strong 2026 results to date have been supported by balance sheet efficiency and the strength of its relationships with suppliers. Its solid cash flows have enabled it to make prepayments to vendors to ensure supply and have allowed the company to increase sales volumes, while becoming less beholden to maintaining gross margins at a certain threshold. The company has taken on higher inventory for short durations in order to secure product supply, and we view the company as having robust inventory management infrastructure.

ASB's average days inventory outstanding were 26.9 days for 3Q26, down from 54.1 in 2025. This metric was 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.

ASB's average cash conversion cycle was 23.1 days in 3Q26, down from 40.5 days at the end of 2025 and more than 50 days at the end of 2024 and 2023.

In 2022, the gross margin peaked at a then-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 become more volatile and less of a focal point, as the company has focused on driving revenue growth and cash flows and supporting customer relationships, at the potential expense of near-term margins.

Although certain quarters have shown strong margins, such as the 8.6% in 1Q26, from which ASBISc benefited from its preferred status among suppliers amid AI product shortages, as mentioned earlier, the gross margin for 9M26 was 7.1% (6.16% in 3Q26), as compared with 6.9% in 9M25 (7.03% in 3Q25). We expect such decisions to drive enhanced product bundling opportunities over time.

We also think 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 servers 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 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 CR1S 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 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 further expand its product and geographic footprint over the coming years.

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.

Since 2025, AROS has placed seven robotic beverage kiosks (Robo Cafe) and is running them as businesses, in collaboration with Luigi Lavazza SpA and Gloria Jean's Coffees. An additional two beverage 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.

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, ASB 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. Since 2020, ASBISc has been selected among a small group of Warsaw Stock Exchange–listed (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. 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.

RECENT DEVELOPMENTS

ASBISc shares trade on the WSE under the ticker "ASB." Year-to-date in 2026, the shares have increased by 408%, compared with a 32% rise for the WIG20.

In November 2026, ASBISc reported financial results for 3Q26 and 9M26, which were both record periods. Third-quarter revenues were $2.2 billion, representing 135% growth over the same period in 2025. It achieved $1 billion in monthly revenues in September 2025. Nine-month revenues grew to $5.15 billion, representing 97% growth over the same period in 2025.

In 3Q26, revenues from AI servers and server blocks jumped to roughly $1.2 billion from just $184 million (545% growth) in the prior-year period. Over the first nine months of 2026, the category accounted for 45% of total revenues, up from 19% in the prior-year period. Sales of smartphones rose by 78% in 3Q26 (60% in the first nine months), accounting for 29% of revenues, supported by an expanding global sales cycle for iPhone 17 models.

In 3Q26, the gross margin was 6.16%, down from 7.03% in 3Q25, as ASB fulfilled all opportunities, including larger, lower-margin contracts, to support long-term relationships with its vendors and customers. For the first nine months of 2026, the gross margin was 7.07%, compared with 6.9% over the same period in 2025. Net profit after tax for 3Q26 was $51.6 million, or $0.93 per share, compared with $11.6 million, or $0.21 per share, in 3Q25. For 9M26, net profit after tax was $132.2 million, or $2.39 per share, compared with $31.1 million, or $0.57 per share, in 9M25.

In November 2026, ASBISc declared an interim dividend of $0.35 per share, compared with $0.20 in the same period in 2025.

In September 2026, ASBISc participated in the first Apple New Product Introductions launch event in Western and Northern Africa, reaching more than 10 million combined people in Ghana and the Ivory Coast. In April 2026, ASB announced the launch of two new local distribution centers in these regions.

In October 2026, ASBISc opened two new iSpace monobrand stores offering Apple products in Kazakhstan and in Azerbaijan, bringing its total iSpace network to 37 stores in seven CIS countries. Earlier in 2026, the company opened four new stores — in Azerbaijan, Kazakhstan, Moldova, and Georgia.

EARNINGS & GROWTH ANALYSIS

We forecast revenue of $7.4 billion in 2026 and $9.0 billion in 2027, representing growth of 92% and 22%, respectively. To date in 2026, revenue has been boosted by continued growth in AI servers, though we see potential for some volatility moving forward due to supply shortages. However, we expect smartphones to remain among ASB's leading revenue sales categories, as we expect near-term results to benefit from ASBISc's status as a distributor of Apple products across Africa, reaching a total of 25 countries.

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.

We project gross margins around 7.0% in 2026 and 2027, as ASBISc looks to fulfill many projects to support long-term relationships across its distribution network, which it expects will drive an enhanced distribution footprint and ability to bundle its products at a higher rate, supporting organic margin expansion.

Despite any gross margin contraction, we see significant scalability for ASBISc, as its 3Q26 SG&A costs as a percentage of revenues declined to below 3%, from a normalized range of 4%-5%, while revenues more than doubled. We see the company leveraging its sales and corporate infrastructure as it rapidly increases top-line growth. We do see the company investing in its global expansion, including Breezy, its Bang & Olufsen stores, and its recently acquired Samsung stores.

For 2026 and 2027, we expect SG&A expenses to decline to 3.4% and 3%, respectively, compared with 4.4% in 2025.

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 net profit after tax of $190 million in 2026 and $255 million in 2027, compared with $60 million in 2025. This translates to EPS of $3.42 in 2026 and $4.60 in 2027, representing 214% and 35% growth, respectively, from $1.09 in 2025.

FINANCIAL STRENGTH & DIVIDEND

Our financial strength rating for ASB is High. As of September 30, 2026, the company had $272.7 million in cash and equivalents on its balance sheet, above the $257.6 million at the end of 2025 and $155 million at the end of 2024. We note that cash has increased despite a significant increase of trade receivables ($845 million, compared with $529 million at the end of 2025) and inventory ($659 million, compared with $545 million), as ASBISc has accelerated its sales growth.

At the end of 3Q26, ASB had positive working capital of $346.5 million and a current ratio of 1.2, which has been largely stable since 2015. As of September 30, 2026, total debt was $316.2 million, with most of this total (85%) in short-term borrowings to support the expansion of inventory and product distribution.

At the end of 2025, the total debt/capitalization ratio was 52.4%, below its recent peak above 60% at the end of 2020 but above the peer average around 38%. As of September 30, 2026, this metric was approximately 45%. With liquidity supported by positive and rapidly expanding operating cash flow generation and access to borrowed capital, we believe 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. Despite this trend, 9M26 cash flow from operations totaled $30.9 million, compared with a cash outflow of $54.1 million in the same period in 2025.

In 2025, net cash used by investing activities was $22.2 million, compared with $18.1 million in 2024, due to higher capital expenditures ($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.

ASB has targeted 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). In November 2026, ASBISc announced an interim dividend of $0.35 per share, up from $0.20, which we view positively. Assuming a constant final dividend, the $0.70 total dividend would represent an annualized yield of about 1.7%, which has narrowed from a high above 7% due to the stock's appreciation year-to-date. We expect ASB to expand its dividend meaningfully over time.

We have a positive view of ASB's significantly improving weighted average cost of debt. As recently as 2023, its cost of debt

was elevated to more than 11%. However, over the past few years, it has successfully worked with its lenders to reduce its weighted average cost of debt to around 8%, down from 8.5% at the end of 2025 and 9.9% at the end of 2024. 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 nine directors, consisting of five internal and four external directors. All of the external directors are classified as independent, and these directors 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 increased by 408% year-to-date (up 510% over the past year), trading well above the midpoint of their 52-week range of 27.12 PLN-198.60 PLN. That said, the shares have declined by approximately 15% from their highs, which we attribute to volatility around the sustainability of AI sector growth, for which we think demand remains strong.

Its market capitalization is around 9.3 billion PLN (above $2.2 billion), which implies an enterprise value multiple below 0.3-times our 2027 revenue estimate of $9.0 billion. This is below an average multiple around 0.4-times for a group of global electronics distribution peers.

The stock also trades at a trailing-12-month EV/EBITDA around 9.0-times, compared with a peer average close to 10-times. Last, despite its significant appreciation year-to-date, ASB is trading at a forward P/E below 9-times our 2027 EPS estimate of $4.60, which remains below the peer group's average around 14-times to 15-times. We note that the peer averages have been compressing over the course of the year.

While ASBISc has faced some transient challenges over the past few years related to its exposure to regions affected by geopolitical conflict, its expansion into emerging markets with more limited defined markets, and industry supply dynamic shifts, we think it has successfully adjusted operations to optimize its product and geographic mix, as evidenced by its recent reporting of record results in the company's long history.

Even factoring in its local trading equity market and lesser awareness compared with some of its peers, we think its performance and strong underlying fundamentals warrant a valuation in line with its peers.

Thus, we apply a multiple of 15-times to our 2027 EPS estimate of $4.60 (17.71 PLN, using a 90-day average PLN-to-USD exchange rate of 3.85:1). This yields a fair value estimate for ASB of 266 PLN per share, compared with a current price around 167 PLN.

Steve Silver,
Argus Research Analyst

INCOME STATEMENT

($MIL)	2021	2022	2023	2024	2025	Q1 2026	Q2 2026	Q3 2026	Q4 2026E	2026E	Q1 2027E	Q2 2027E	Q3 2027E	Q4 2027E	2027E
Revenue	3078.0	2690.0	3061.2	3008.5	3863.0	1268.5	1696.7	2186.7	2248.5	7400.4	1598.3	2072.3	2564.0	2765.7	9000.3
Gross Profit	218.5	227.8	252.3	240.2	278.7					517.0					629.2
SG&A	104.8	116.8	139.8	145.9	167.7					244.5					269.1
R&D	NA	NA	NA	NA	NA					NA					NA
Operating Income	113.7	111.00	112.5	94.3	111.0					272.4					360.1
Interest Expense	-17.0	-22.2	-32.2	-31.2	-37.5					-43.6					-52.0
Pretax Income	94.3	91.1	65.0	65.0	76.1					236.3					318.5
Tax Rate (%)	18	17	18	17	21					20					20
Net Income	77.1	75.9	53.0	54.4	60.2					190.0					254.8
Diluted Shares	55.5	55.3	55.5	55.5	55.5					55.5					55.5
EPS	1.39	1.37	0.96	0.98	1.09	0.66	0.80	0.93	1.03	3.42	0.87	1.03	1.25	1.45	4.60
Dividend	0.30	0.45	0.50	0.50	0.55					0.70					0.70
Growth Rates (%)															
Revenue	30	NM	14	NM	28					92					22
Operating Income	101	NM	1	NM	18					145					32
Net Income	111	NM	NM	1	20					216					34
EPS	111	NM	NM	0	17					214					35
Valuation Analysis															
Price (PLN): High	28.2	25.96	32.50	30.16	33.12					NA					NA
Price (PLN):Low	6.10	8.60	20.78	16.35	17.54					NA					NA
PE: High	NA	NA	NA	NA	NA					NA					NA
PE: Low	NA	NA	NA	NA	NA					NA					NA
PS: High	NA	NA	NA	NA	NA					NA					NA
PS: Low	NA	NA	NA	NA	NA					NA					NA
Yield: High	NA	NA	NA	NA	NA					NA					NA
Yield: Low	NA	NA	NA	NA	NA					NA					NA
Financial & Risk Analysis ($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%					7.0%					7.0%
Operating Margin	3.7%	4.1%	3.7%	3.1%	2.9%					3.7%					4.0%
Net Margin	2.5%	2.8%	1.7%	1.8%	1.6%					2.6%					2.8%
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					6.2					6.9
Div Payout	36%	37%	52%	51%	51%					20%					15%

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