EQUITY RESEARCH REPORT

August 18, 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, 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 and South Africa, and Asia.

COMPANY HIGHLIGHTS

* **AI-Related Products Driving Record Results**: Emerging from a 2024 that saw a modest revenue decline, ASB reported strong results in 2025 (28% revenue growth). Growth has accelerated sharply to date in 2026, with 76% revenue growth in 1H26 to nearly $3.0 billion, including 79% growth in 2Q26 to $1.7 billion. This growth has been driven by unprecedented demand for artificial intelligence (AI) servers and server blocks, which have surpassed smartphones to become ASBISc's largest product category (264.3% growth in 1H26, accounting for 38.2% of revenues, up from 18.4% in the same period in 2025). As a result, 1H26 net income of $81 million (compared with over $19.4 million in 1H25) exceeded the total for all of 2025 ($60 million).

* **Preferred Status Among Suppliers Providing Optionality**: We see ASBISc's preferred status among its suppliers in many markets supporting its growth. In 2Q26, ASBISc signed an agreement with Apple Inc. making ABSISc an authorized distributor of Apple products in 14 new African countries. ASBISc is now an authorized Apple partner in a total of 25 countries, including as a distributor and reseller. Although the AI boom has driven recent sales growth, smartphones remain a key driver. In 1H26, sales of smartphones increased 51%, and we see penetration into new markets, particularly in Africa, with favorable growth demographics, supporting robust continued growth.

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PRICE CHART

KEY STATISTICS

Key Stock Statistics	
Recent price (8/17/26), (PLN)	131.10
Fair Value Estimate (PLN)	172.00
52 week high/low (PLN)	136.00/26.04
Shares oustanding (M)	55.5
Market cap (M, PLN)	7276.1
Dividend ($)	0.55
Yield	1.5%

Sector Overview	
Sector	Information Technology
Sector % of S&P 500	36.6%

Financials ($M, as of 6/30/26)	
Cash & Mkt Securities	301.4
Debt	323.5
Working Capital	294.0
Current Ratio	1.3
L-T Debt/Equity (%)	6.2%
Payout ratio (TTM)	22.7%
Revenue, TTM	5142.5
Net Income, TTM	122.1
Net Margin, TTM	2.4%

Risk	
Beta	0.62
Inst. ownership	5%

Valuation	
P/E forward EPS	12.2
Price/Sales (TTM)	0.4
Price/Book (TTM)	5.3

Top Holders

Towarzystwo Funduszy Inwestycyjnych Allianz Polska S.A.

Dimensional Fund Advisors LP

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

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* **Expense Leverage and Strong Balance Sheet**: As of June 30, 2026, ASB had $301.4 million in cash and equivalents on its balance sheet, compared with $257.6 million at the end of 2025. In recent years, ABSISc has generated positive cash flow from operations by relying on 4Q, typically its best quarter. However, in 1H26, ASB generated $77.3 million in cash from operating activities, compared to an outflow of $58.8 million in 1HQ25. We see its strong balance sheet efficiency and cash flow generation supporting its preferred status among suppliers and improving borrowing rates from its lenders. We also view positively its expanding dividend ($0.55 per share for 2025, currently yielding about 1.5%, after the stock's 300% rise year-to-date). We expect ASB to expand its dividend meaningfully, as it continues to benefit from its recently accelerating revenue and profitability growth.
* **Retail Expansion**: Beyond its core distribution network, ASB is also expanding its retail presence, with 56 internally operated, branded premium and luxury retail store locations, including Apple (36 iSpace stores in seven countries), premium audio brand Bang & Olufsen (seven stores in five countries, including two in the U.S.), and Samsung Brand Store stores (13 in Poland.)
* **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.
* **Fair Value:** Year-to-date, ASBISc's stock has risen sharply, increasing by 301% year-to-date (367% over the past year). However, the shares remain at a discount to a peer group of global technology distributors, on a forward multiple basis. As such, we think the stock warrants a multiple more in line with its peers, given its strong momentum and execution. Thus, based on our forward P/E analysis, we arrive at a fair value estimate of 172 Polish zloty (PLN) per share, above the current price around 131 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 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 56 internally operated, branded premium and luxury retail store locations, including Apple (36 iSpace stores in seven countries), premium audio brand Bang & Olufsen (seven stores in five countries, including two in the U.S.), and Samsung Brand Store stores (13 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, 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 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

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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**	**131.10***	**136.00***	**26.04***	**7276***	**369**	**28**	**11**	**14.1**	**0.62**	**1.5**
AB S.A.	WSE: ABE	147.80*	152.40*	89.50*	2315*	57	2	NM	11.0	0.61	4.3
ARROW ELECTRONICS INC	NYSE: ARW	220.50	237.33	101.79	11225	78	11	50	20.2	1.20	NA
AVNET INC	NASDAQ: AVT	98.63	100.00	44.25	8095	89	25	46	24.6	1.12	1.5

** Stock Statistics in PLN*

in 2026, up around 10% over 2025. AI servers and server blocks generated approximately 65% of ASBISc's 1H26 revenue growth: more than $820 million of growth over the same period in 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%. 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%).

In 1H26, CIS countries accounted for 38% of revenues, up from 32% in 1H25, and Other Markets accounted for 13%, up from only 2.5%. In contrast, ASBISc has shifted its revenue mix from Central and Eastern Europe (19%, down from 28.5%) and the Middle East and Africa (12% of revenues, down from 22%) 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 1H26, Kazakhstan (14% of revenues), Ukraine (13%), and Taiwan (11%) were its three largest markets. The UAE (8%, fifth) saw lower sales due to 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 1H26, AI servers and server blocks surpassed smartphones to become the largest product category. AI product sales grew 264% to over $1.1 billion (38% of revenues, from 18% in the same period in 2025), outpacing smartphone sales of $931 million (growth of 51%, 31% of revenues).

For the long term, we believe the smartphone category will be supported by ASB's status as an authorized distributor of Apple products in 25 countries and as an operator of 36 iSpace stores in high-growth markets across seven countries. We see its recent authorization as a distributor of Apple products in 14 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.

ASBISc's strong 1H26 results have been supported by balance sheet efficiency and the strength of its relationships with suppliers. This has enabled ASBISc to increase sales volumes, while becoming less beholden to maintaining gross margins at a certain threshold. As of June 30, 2026, its average days inventory outstanding were 39.8 days on a trailing-12-months basis, 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 35.6 days on a trailing-12-month basis at June 30, 2026, 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 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 pulled back to 8.0% in 2024 and 7.2% in 2025. While certain quarters have shown strong margins, such as the 8.6% in 1Q26, due to AI product shortages, from which ASBISc benefited from its preferred status among suppliers, we see gross margins becoming less of a focal point for the company over the near term, as product demand is driving superior revenue growth and cash flows.

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 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. 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 robotic beverage kiosks in four countries 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 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, 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, 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. 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." In 2025, the shares rose 78%, compared with a 45% increase for the WIG20. Year-to-date in 2026, the shares have increased by 301%, compared with a 26% rise for the WIG20.

In August 2026, ASBISc reported financial results for 2Q26 and 1H26, which were both record periods for the company. Second-quarter revenues were $1.7 billion, representing 79% growth over the same period in 2025. In 2Q26, revenues from AI servers and server blocks rose by 285% (264% for the first half). Sales of smartphones rose by 36% in 2Q26 (51% for the first half). In 1H26, revenues increased 76% to $2.97 billion.

In 2Q26, the gross margin increased to roughly 7.1%, compared to 6.7% in 2Q25. For 1H26, the gross margin was 7.7%, compared with 6.8% for the same period in 2025, as ASBISc benefited from high demand and product shortages among AI products in 1Q26, which normalized somewhat in 2Q.

Net profit after tax for 2Q26 was $44.3 million, or $0.80 per share, compared with just $12.1 million, or $0.22 per share, in 2Q25. For 1H26, net profit after tax was $81 million, or $1.46 per share, compared with $19.4 million, or $0.35 per share, in 1H25. 1H26 net income exceeded the total for all of 2025 ($60 million).

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 36.

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 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 was 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 to 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, and we expect solid growth to continue into 2027, even as higher sales in the category anniversary.

We forecast revenue of $6.2 billion in 2026 and $7.8 billion in 2027, representing growth of 60% and 26%, respectively. To date in 2026, revenue has been boosted by continued growth in AI servers. 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 in 14 new African countries, expanding its partnership with Apple to a total of 25 countries. Overall, 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.

Although representing a lesser proportion of revenues due to the rapid expansion of AI-related products, we still see ASBISc enlarging its product portfolio of private-label brands, including robotic solutions. We also see it expanding its Breezy unit.

We project gross margins around 7.6% in 2026, 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.

While we see ASBISc's enhanced distribution footprint and ability to bundle its products at a higher rate supporting organic margin expansion, we note that it has recently decided to focus more on revenue growth and cash flow generation, with gross margin less of a focus.

We see SG&A expenses as a percentage of sales below 4% in 2026 and 2027, compared with 4.4% in 2025, as 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.

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 $161 million in 2026 and $212 million in 2027. This translates to EPS of $2.91 in 2026 and $3.84 in 2027, representing 168% and 32% growth, respectively.

FINANCIAL STRENGTH & DIVIDEND

Our financial strength rating for ASB is High. As of June 30, 2026, the company had $301.4 million in cash and equivalents on its balance sheet, well above the $257.6 at the end of 2025 and $155 million at the end of 2024.

As of December 31, 2025, ASB had positive working capital of $294 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 June 30, 2026, total debt was $323.5 million, with most of this total 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%, well below its recent peak above 60% at the end of 2020 but above the peer average around 38%. With liquidity supported by positive and rapidly expanding 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.

In 1H26, net cash generated by operating activities totaled $77.3 million, compared with net cash used of $58.8 million in 1H25. In recent years, ASBISc has relied on 4Q, its strongest quarter of the year, to achieve positive operating cash flows for the year.

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). The current annualized yield is about 1.5%, 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, as it continues to benefit from its recently accelerating revenue and profitability growth.

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 7.6%, 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 301%, year to date (up 367% over the past year), trading near the high end of their 52-week range of 26.04 PLN-136.00 PLN.

Its market capitalization is around 7.3 billion PLN (around $1.96 billion), which implies an enterprise value multiple above 0.3-times our 2026 revenue estimate of $6.2 billion. This is 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 around 10.5-times, compared with a peer average close to 12-times. Last, despite its significant appreciation year-to-date, ASB is trading at a forward P/E around 12-times our 2026 EPS estimate of $2.91, which remains below the peer group's average around 17-times.

We attribute much of this valuation gap to challenges ASBISc has faced 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 transient shifts in industry supply dynamics, which contributed to a year-over-year revenue decline as recently as 2024. We also think its local trading equity market and lesser broad awareness have contributed to this dynamic.

However, we note that the company has been very successful in adjusting its product and geographic mix to focus on high-demand products and is achieving record results in the company's long history. We think this performance remains significantly underappreciated compared to its peers. As such, we think its strong and still improving underlying fundamentals warrant a valuation much closer to the peer average.

Thus, we apply a multiple of 16-times (up from 13.5-times) to our 2026 EPS estimate of $2.91 (10.77 PLN, using a 90-day average PLN-to-USD exchange rate of 3.70:1). This yields a fair value estimate for ASB of 172 PLN per share, above the current price around 131 PLN.

Steve Silver,
Argus Research Analyst

INCOME STATEMENT

($MIL)	2021	2022	2023	2024	2025	Q1 2026	Q2 2026	Q3 2026E	Q4 2026E	2026E	Q1 2027E	Q2 2027E	Q3 2027E	Q4 2027E	2027E
Revenue	3078.0	2690.0	3061.2	3008.5	3863.0	1268.5	1696.7	1394.3	1840.6	6200.1	1649.1	2120.8	1742.8	2300.8	7813.5
Gross Profit	218.5	227.8	252.3	240.2	278.7					471.8					586.0
SG&A	104.8	116.8	139.8	145.9	167.7					239.7					292.3
R&D	NA	NA	NA	NA	NA					NA					NA
Operating Income	113.7	111.00	112.5	94.3	111.0					232.1					293.7
Interest Expense	-17.0	-22.2	-32.2	-31.2	-37.5					-37.8					-35.2
Pretax Income	94.3	91.1	65.0	65.0	76.1					200.0					265.3
Tax Rate (%)	18	17	18	17	21					20					20
Net Income	77.1	75.9	53.0	54.4	60.2					161.4					212.3
Diluted Shares	55.5	55.3	55.5	55.5	55.5					55.5					55.5
EPS	1.39	1.37	0.96	0.98	1.09	0.66	0.80	0.52	0.93	2.91	0.76	1.05	0.73	1.30	3.84
Dividend	0.30	0.45	0.50	0.50	0.55					0.55					0.55
Growth Rates (%)															
Revenue	30	NM	14	NM	28					60					26
Operating Income	101	NM	1	NM	18					109					27
Net Income	111	NM	NM	1	20					168					32
EPS	111	NM	NM	0	17					167					32
Valuation Analysis															
Price (PLN): High	28.2	25.96	32.50	30.16	33.12					NA					NA
Price (PLN):Low	6.10	8.60	20.78	16.35	17.54					NA					NA
PE: High	NA	NA	NA	NA	NA					NA					NA
PE: Low	NA	NA	NA	NA	NA					NA					NA
PS: High	NA	NA	NA	NA	NA					NA					NA
PS: Low	NA	NA	NA	NA	NA					NA					NA
Yield: High	NA	NA	NA	NA	NA					NA					NA
Yield: Low	NA	NA	NA	NA	NA					NA					NA
Financial & Risk Analysis ($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%					7.6%					7.5%
Operating Margin	3.7%	4.1%	3.7%	3.1%	2.9%					3.7%					3.8%
Net Margin	2.5%	2.8%	1.7%	1.8%	1.6%					2.6%					2.7%
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					6.1					8.3
Div Payout	36%	37%	52%	51%	51%					19%					14%

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