ARGUS®

EQUITY RESEARCH REPORT

December 12, 2025

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 the company to navigate disruptions that began in early 2022 with the onset of the Russia/Ukraine war, which led to ASBISc exiting the Russia market. ASBISc has decisively shifted to expand sales in unaffected and fast-growing regions in Eastern and Central Europe, the Middle East, Africa, and other locations.

* **Diverse Product Mix**: We see ASBISc driving revenue growth from a diverse product mix that has shifted to capitalize on global trends while supporting revenue growth. Smartphones have been a key driver in recent years, notably through the sale of Apple Inc. products. Throughout 2025, ASBISc has significantly expanded sales of servers and server blocks, high-growth categories as companies rapidly expand artificial intelligence (AI) infrastructure and data centers. We expect ASBISc to continue to drive organic revenue growth by reselling premium brands like Apple and from its Breezy unit, which resells used electronic products.

* **Accelerating Revenue Growth:** Following a 2024 that saw a modest revenue decline, ASBISc has reported strong results to date in 2025, with 26% revenue growth through the first nine months of the year. We expect revenue growth to be supported by new smartphone cycles and recent new distribution agreements with leading global suppliers and manufacturers. Although gross margins have

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PRICE CHART

KEY STATISTICS

Key Stock Statistics	
Recent price (12/11/25), (PLN)	29.68
Fair Value Estimate (PLN)	48.00
52 week high/low (PLN)	30.70/16.35
Shares oustanding (M)	55.5
Market cap (M, PLN)	1647.2
Dividend ($)	0.50
Yield	6.1%

Sector Overview	
Sector	Information Technology
Sector % of S&P 500	34.6%

Financials ($M, as of 9/30/25)	
Cash & Mkt Securities	112.2
Debt	326.8
Working Capital	254.1
Current Ratio	1.3
Total Debt/Equity (%)	103.1%
Payout ratio (TTM)	49.6%
Revenue, TTM	3542.1
Net Income, TTM	55.9
Net Margin, TTM	1.6%

Risk	
Beta	0.14
Inst. ownership	4%

Valuation	
P/E forward EPS	7.2
Price/Sales (TTM)	0.1
Price/Book (TTM)	1.5

Top Holders

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

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

declined year over year, largely due to increased sales in the server/server block categories, we expect ASBISc to drive a recovery in gross margins over the long-term from bundling IT products and related services.

* **Investing in Private-Label and Innovative Products:** In recent years, ASBISc has introduced new, higher-margin products and IT solutions, and the company has been reshaping its product development pipeline to focus on innovative, private-label products, including home appliances, gaming products and accessories, and industrial robotic solutions. We see much of the investment phase for these initiatives being completed, which should foster scalable and revenue-generating growth opportunities.
* **Healthy Balance Sheet**: As of September 30, 2025, ASBISc had $112.2 million in cash and equivalents on its balance sheet, compared with $155 million at the end of 2024, which we attribute to seasonality and working capital investments to support sales growth and new product launches. Despite its use of cash by operations through the first nine months of 2025, we note that 4Q is typically its best quarter. We view ASBISc as well positioned to achieve positive cash flow from operations for the full year and maintain a dividend program that has returned a record $0.50 per share to investors from profits in each of the past two years and that currently yields about 6.1%.
* **Fair Value:** ASBISc's valuation gap to global technology distributor peers had narrowed somewhat over the past few years but again widened across 2024 and to date in 2025. Still, we think its strong fundamentals, shareholder returns, and attractive growth prospects remain underappreciated by investors. Based on our forward P/E analysis, we arrive at a fair value estimate of 48 Polish zloty (PLN) per share, well above the current share price near 30 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. ASBISc currently sells products to customers 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, ASBISc had 30 warehouses and subsidiaries in 34 countries. In recent years, it has opened new subsidiaries in new high-growth markets including Armenia, Azerbaijan, Georgia, Moldova, Morocco, and South Africa. We see these new local operating entities improving the company's business-to-business (B2B) sales efforts. ASBISc is also an official distributor of Apple products in 11 countries of the former Soviet Union, excluding Russia and Belarus. ASBISc's product portfolio consists of over 110,000 products.

By the end of 2024, the company's footprint included distribution among 16,000 resellers, IoT solutions to more than 19,000 enterprises, and consumer distribution across 7,400 points of sale. It is also expanding its retail presence with more than 40 internally operated, branded locations, including Apple (33 iSpace stores in seven countries) and premium audio brand Bang & Olufsen (seven stores in four countries). Soon, three additional Bang & Olufsen stores will be opened in the United States. In November 2025, ASBISc acquired 13 Samsung Brand Store outlets in Poland.

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

ASBISc's centralized distribution platform promotes greater efficiency, lower transportation costs, and higher margins. Its two main distribution centers in Prague and Dubai receive products from vendors and then distribute these products in individual countries. In 2022, the company opened regional centers in Tbilisi, Georgia, and Johannesburg, South Africa.

In late 2025, the company completed the construction of a new distribution center in Kazakhstan, which expanded warehouse capacity by approximately 20% to 70,000 square meters. We think the expansion of this infrastructure is pivotal to helping ASBISc's distribution mix to mitigate disruptions.

Regionally, in 2024, CIS countries accounted for approximately 42% of revenue, down from 51% in 2023 and 58% in 2020, as ASBISc has diversified its geographic sales footprint. For the first nine months of 2025, CIS countries accounted for 34% of revenues. Its next largest operating regions have been expanding their contribution to the revenue mix: Central and Eastern Europe rose to 29% in 2024 from 26% in 2023 (28.7% in 9M25), Middle East and Africa expanded to 16% in 2024 from 14% in 2023 (19.6% in 9M25), and Western Europe increased to 11% in 2024 from 8% in 2023 (13.5% in 9M25).

In recent years, ASBISc's top markets have been Kazakhstan (16% in 2024, down from 23% in 2022/23), Ukraine (12% in 2024, 12-13% in 2022/23), the United Arab Emirates (UAE, 11%

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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	Beta	Yield (%)
ASBISC ENTERPRISES PLC	**WSE: ASB**	**29.68***	**30.70***	**16.35***	**1647***	**68**	**NM**	**2**	**8.5**	**0.14**	**6.1**
AB S.A.	WSE: ABE	100.60*	113.00*	87.00*	1588*	7	NM	16	8.9	0.43	3.1
ARROW ELECTRONICS INC	NYSE: ARW	115.20	134.74	86.50	5934	-6	NM	NM	15.8	1.04	NA
AVNET INC	NASDAQ: AVT	50.49	57.24	39.22	4106	-7	NM	NM	18.4	0.96	2.8

** Stock Statistics in PLN*

in 2024, up from 10% and 9% in 2023 and 2022, respectively), and Slovakia (9% in all periods). Through the first nine months of 2025, Kazakhstan has remained its top market, followed by the UAE, Ukraine, Slovakia, Germany, and Poland. Prior to 2022, Russia was ASBISc's largest market, but that country's subsidiary was divested and closed in 2023.

We view positively ASBISc's participation in higher-growth categories and operating market geographies, as well as its ability to shift its product mix based on global trends. Smartphones have been its largest category, increasing from 29% in 2021 to nearly 42% of revenues in 2024. In 9M25, this has moderated to around 35.3% of revenues (2% growth), partly attributable to the impact of illicit product markets in Kazahkstan and the ongoing Ukraine war. We note that the Kazakhstan market showed signs of improvement in 3Q25.

Amid these challenges, we view positively ASBISc's strong growth in sales of servers and server blocks (228% growth year over year, through 9M25) to capitalize on the growing demand as companies focus on their AI infrastructure and data center capabilities. This category represented 18.9% of 9M25 revenues, more than double the 7.25% in the same period in 2024. Central processing units comprised 10.2% of revenues for the first nine months of 2025 and 2024, and laptops accounted for around 7.4% of revenues.

For the long term, we see the smartphone category being supported by ASBISc's status as an authorized distributor of Apple products in 11 countries and as an operator of 33 iSpace stores in high-growth markets. We are encouraged by what we view as a strong launch cycle for new Apple products in 2025, which we see accelerating smartphone revenue growth.

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

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

Breezy works with over 50 local and global partners, including nationally recognized electronics retailers and telecom operators such as Apple, Samsung, Vodafone Group PLC, and Kcell and retail chains Rozetka.ua, Sulpak, Mechta, and Technodom and across more than 4,500 retail locations. In the first quarter of 2025, Breezy launched operations in South Africa, marking its first market operating under a franchise format. ASBISc has estimated that Breezy could generate $100 million in 2025 revenues, which we would view positively given its still early commercial scale.

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.

In Q3 2025, Breezy launched a new partnership with Poland's large telecom provider, Orange Poland, which we see expanding Breezy's presence in that market. Under the agreement, Orange will offer a seamless online and in-store trade-in process, as well as new device discounts to its subscriber base, while providing its customers with unique recycling solutions for devices not eligible for trade-in or refurbishment.

In 1H25, Breezy integrated Apple's automatic diagnostic tool for MacBooks into its trade-in system and successfully rolled out Apple's iPhone diagnostic tool in 2024, making it the first company in Europe to do so. Since October 2025, Breezy's device trade-in program has been available at MyShops locations throughout Azerbaijan, operating in over 100 retail locations nationwide.

INVESTMENT THESIS

In our view, ASBISc is well positioned for long-term growth, supported by its expanding geographic footprint and entry into high-growth countries. We expect ASBISc 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. In our view, this established history is important, as many technology leaders have recently undertaken cost-cutting measures by limiting their own distribution networks and adjusting pricing structures, and we see ASBISc's preferred status helping to mitigate some of these challenges.

Amid recent challenges from new legislation and illicit product trading in leading market Kazakhstan and other Central Asia countries and geopolitical escalations in the Middle East, which contributed to a modest revenue decline in 2024, ASBISc has further diversified its footprint by increasing sales in Central Europe, Africa, and other markets. Despite continued macroeconomic challenges, we view positively ASBISc's diversification strategy for long-term growth and are encouraged by its return to revenue growth in early 2025 and robust acceleration throughout the year.

In 2022, gross margin peaked at an all-time high of 8.5%, up from 5.8% in 2020 and 7.1% in 2021 due to factors including a more favorable geographic sales mix, product shortages in the market, expansion of the smartphone category, an increase in online transactions, and an optimized supply chain. However, gross margins have pulled back over the past several years, amid normalizing industry supply and pricing dynamics, the impact of the Kazakhstan market and Ukraine war, and a less favorable product mix. The 9M25 gross margin was 6.90%, compared with 7.96% in the prior-year period. ASBISc expects the former to represent a nadir.

We think that ASBISc has made great strides investing in value-added-distributor capabilities. The company is focused on expanding its product portfolio to support customers that are upgrading their digitization and remote capabilities. In our view, ASBISc is well positioned to expand gross margins over the long term, despite the near-term reset and the lower gross margins from sales of the faster growing server and server block categories, as compared to the margins associated with smartphones. Over the long term, we see IT product and service bundling supporting margin expansion.

Longer term, we see the company's focus on the development and commercialization of new internally developed private label brands complementing its legacy Prestigio Solutions and Canyon brands and driving enhanced margins.

In 2021, ASBISc launched a new brand called AENO in the small household appliances segment, contributing to a low-power-consuming "smart home" concept. Among its initial products are eco-friendly smart heaters, robotic vacuum cleaners, and, most recently, its flagship CR1S GastroLab smart body scales, which have expanded into new markets. We see these products as positioned for solid commercial uptake, given the company's strong existing distribution channels and vendor relationships. At the end of 2024, AENO's global footprint included 27 countries and prominent retailers. In 1H25, AENO expanded into the beauty category, with a line of hair stylers and dryers, and also added a new line of home toasters.

In 2021, the company 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 gaming industry growth trends globally. The line now features over 30 new products across nine different categories. ASBISc cited 2Q25 as Lorgar's best 2Q in its history.

ASBISc continues to expand its legacy brands as well, including Canyon and Prestigio Solutions. To date in 2025, both brands have seen new partnerships to enter new markets as well as the launch of new products.

In late 2022, ASBISc launched a robotic solution now called AROS Engineering. In our view, the robotics market is poised for expansion beyond its current portfolio of brands and represents a compelling opportunity for further sales and market expansion over the coming years. 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.

We view positively ASBISc's decisive action to shift toward optimizing its robotics strategy by focusing on scalable commercial applications with potential to contribute to its profitability and sustainable growth. While its initial focus included more customized R&D solutions, which carried higher ongoing capital and personnel requirements, we think the commercial focus is prudent and note that these primary applications are largely completed in terms of development costs. Thus, we see the rollout of robotics-based products reducing SG&A costs as a percentage of revenues moving forward.

ASBISc has also made approximately 15 corporate venture investments in various high-growth markets, including medical devices, regenerative medicine, and clean energy. In December 2021, ASBISc invested 1 million euros to take a 20% stake in privately held EMBIO Diagnostics Ltd., which develops and commercializes medical devices for professional (B2B) and individual (B2C) settings. EMBIO recently entered commercialization for its CE mark–issued, innovative, biosensor-based breakthrough device B.EL.D. for rapid diagnostics in the fields of food safety, air quality testing, and environmental research. In 2022, the company invested 800,000 euros for a 16% stake in Cyprus-based Promed Bioscience Ltd., which is developing advanced collagen biomaterials for research and clinical applications. The funds are expected to be used to expand production capacity, and ASBISc has cited a strong commercial backlog emerging for the products.

We also view positively ASBISc's 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." Year-to-date in 2025, the shares have increased by 61%, compared with a 40% increase for the WIG 20.

In November 2025, ASBISc reported financial results for the third quarter of 2025, highlighted by revenue growth of 29% to $929.5 million. In the first nine months of 2025, revenues increased 26%. For 3Q25, gross margin was 7.0%, down from 7.6% in the prior year period. Net profit was $11.7 million ($0.21 per share), compared to $9.5 million ($0.17 per share) in 3Q24.

In November 2025, ASBISc's board authorized payment of an interim dividend from 2025 expected profits of $0.20 per share that was paid on November 27, 2025.

In November 2025, ASBISc acquired the network of 13 Samsung Brand Store retail chain stores in Poland.

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

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

In June 2025, ASBISc opened a new flagship Bang & Olufsen store in Milan, Italy, the first in Southern Europe and seventh store overall. It expects additional stores in Western Europe as well as in the U.S.

In May 2025, ASBISc declared a final dividend payment from 2024 profits of $0.30 per share that was paid in May 2025.

The total dividend for 2024 of $0.50 per share equals the highest dividend in the company's history.

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

In December 2024, ASBIS Robotic Solutions opened a 24/7 ROBO CAFÉ in the United Arab Emirates' Dubai Festival City, IKEA's outdoor seasonal restaurant. The solution offers end users barista-quality coffee, with greater efficiency, scalability, and return on investment than manually staffed solutions.

In late 2024, ASBISc's Breezy subsidiary launched a unique, robotic production line in Poland using AI to classify and modernize used smartphones, which will allow for the classification of up to 1 million devices and the modernization of 320,000 smartphones per year.

EARNINGS & GROWTH ANALYSIS

In 2024, ASBISc's revenues declined by 1.7% to $3.0 billion. Driven by its shift in focus towards the fast-growing market for servers and server blocks, amid higher demand for AI-optimized servers, data centers, and clouds, the company has reported robust growth to date in 2025. We forecast revenue of $3.75 billion in 2025 and $4.17 billion in 2026, representing growth of 25% and 11%, respectively.

In our view, ASBISc is successfully navigating challenges in Kazakhstan due to illicit markets for smartphones, which has abated somewhat in 3Q. While we expect smartphones to remain the leading revenue sales category, we view positively ASBISc's ability to adjust its product mix to meet changes in global demand trends.

We see ASBISc benefiting from diversification of its geographic mix, as strong growth in the UAE, Slovakia, Germany, and Poland have complemented Kazakhstan among its top markets. We also see South Africa emerging as a key market, as ASBISc has entered into distribution agreements with Apple and launched Breezy operations there as well in early 2025. We see Africa as a continued area of expansion for ASBISc.

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

Although we expect gross margin expansion over time back toward its 2022 high water mark of 8.5%, which would be closer to global industry peer averages, we see near-term margins being pressured by a less favorable product mix, given that sales of server-related products carry lower margins compared with smartphones. We also see operational challenges in Kazakhstan and Ukraine representing overhangs. Although we see investments in new growth initiatives waning and nearing scalable revenue generation phases, we expect gross margin pressures to last longer than previously forecast.

Thus, we project gross margins around 7.0% in 2025 and 7.1% in 2026. We see SG&A expenses as a percentage of sales declining from 4.8% in 2024 to around 4.5% of revenues in 2025 and 4.4% in 2026. We view positively ASBISc's decisive action to better align its cost structure to cut redundancies and optimize for divisions that underperformed expectations. While we expect ASBISc to focus on managing its cost structure in order to protect investor returns, we see it continuing to invest in initiatives including Breezy, Bang & Olufsen flagship stores, and additional geographical expansion.

We forecast EPS of $0.91 in 2025 and $1.16 in 2026. This would represent a 7% EPS decline in 2025 but 27% growth in 2026.

FINANCIAL STRENGTH & DIVIDEND

Our financial strength rating for ASBISc is High. As of September 30, 2025, the company had $112.2 million in cash and equivalents on its balance sheet, compared with $155 million at the end of 2024, which is impacted by seasonality and increased investment in working capital to support accelerating revenue growth and new product launches, including new server contract prepayments. In the first nine months of 2025, cash used by operations was $54.1 million, compared with $9.9 million used in the same period in 2024. ASBISc typically turns cash flow positive for the full year in the fourth quarter, and it reiterated this expectation in November 2025.

In 2024, net cash generated from operations totaled $26.7 million, down from net cash generated of $45.4 million in 2023. Net cash used by investing activities was $18.1 million in 2024, compared with net cash used of $11.7 million in 2023. Net cash used by financing activities was $11.5 million in 2024, compared with net cash used of $17.7 million in 2023.

As of September 30, 2025, ASBISc had positive working capital of $251.4 million and a current ratio of 1.3, which has been largely stable since 2015. However, we note that it is below a broad peer average of 1.6. At year-end 2024, the total debt/capitalization ratio was 50.2%, well below its recent peak above 60% at the end of 2020 but above the peer average around 36%.

We view the company's liquidity position as strong and underappreciated by investors, as more than 90% of its debt relates to short-term borrowing to help finance the expansion of inventory and product distribution. With liquidity supported by positive operating cash flow generation and access to borrowed capital, we believe that ASBISc is well capitalized for the foreseeable future.

Prior to 2022, ASBISc's cash conversion metrics were positive compared with its peer group, underscoring the efficiency of its selling infrastructure and strong relationships with suppliers. In 2022, however, ASBISc increased its inventory, which raised the average cash conversion cycle to 55.8 days, compared with 33-34 days over the prior three years. In 2024, this figure was 53.4 days, which is in line with its global peer group. Average days sales outstanding were 45.2 days in 2024, up from 40.2 days for 2023 but well below the peer average of 69 days.

Average days of sales outstanding were 61.5 in 2024, up from 60.3 days in 2023, which is below the peer average of 74 days. We view this metric as important given that tech products can quickly become obsolete as new products reach the market. Last, average days payable outstanding were 53.3 days, up from 49.6 in 2023. While up, this figure remains well below the peer average of 69 days.

ASBISc is focused on shareholder returns, which we view as a significant positive. Over the past few years, the company 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). In November 2025, it announced a similar interim dividend that was paid in November 2025. The annualized dividend currently yields about 6.1%.

In recent years, the company's weighted average cost of debt has been elevated due to variable borrowing costs in various operating markets. In 2023, this cost exceeded 11%. Subsequently, ASBISc has worked with its lenders and reduced its weighted average cost of debt to 8.1% for the first nine months of 2025, down from 9.9% in 2024.

MANAGEMENT

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

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

RISKS

Risks for ASBISc include increased competition from both established companies and new entrants, including nonofficial "gray market" products that can impact ASBISc's pricing power; the potential for economic and political developments that are currently impacting business conditions in major markets such as Kazakhstan and Ukraine and, thus, possibly limiting the ability to expand to new countries; the potential for unfavorable changes to its product selections and quality, inventory, prices, customer services, and credit availability; and changes in foreign exchange rates and fluctuations in the weighted average cost of debt.

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

VALUATION

In our view, ASBISc's current valuation remains compelling and does not fairly reflect its strong underlying fundamentals, attractive shareholder returns, and growth prospects, near-term uncertainties notwithstanding. We think these factors remain underappreciated by investors.

Although the shares are trading at the upper end of their 52-week range, the company's recent market capitalization around $460 million (1.65 billion PLN) implies an enterprise value multiple below 0.2-times our 2025 revenue estimate of $3.75 billion. That is below an average multiple of 0.4 for a group of global electronics distribution peers.

ASBISc's valuation gap to global technology distributor peers had narrowed somewhat over the past few years but again widened across 2024 and to date in 2025. The stock also trades at a trailing-12-month enterprise value/EBITDA around 6.5-times, below the peer average of over 10-times. Last, ASBISc is trading at a P/E around 9-times our 2025 EPS estimate of $0.91 (7.2-times our 2026 estimate), well below the peer group's recent average above 17-times.

We think that recent initiatives (including reselling Apple products, expanding Breezy, increasing server-related products that can drive future bundling and service opportunities, and focusing on marketing innovative, private-label products) are likely to leverage ASBISc's robust infrastructure network across Europe and should enhance the company's reputation among investors over time.

Further, we view the company's overall liquidity position as strong, as most of its debt relates to short-term borrowing to help finance inventory purchases and product distribution. We believe that as its inventory is sold through and reduced, and as ASBISc weathers higher borrowing costs over the near term, its results will benefit from its strong revenue growth and supply-chain efficiency, thus improving cash flow. Last, we see the solid dividend, recently yielding about 6.1% after an approximate 60% year-to-date stock appreciation, as underappreciated.

We think that ASBISc warrants a discount to the peer average, given the ongoing difficult geopolitical climate across its European footprint, including its large presence in the Ukraine market, challenges in navigating industry supply dynamics, and reliance on establishing a presence for its newer products. That said, we think the shares should trade closer to the peer average given the improved revenue growth profile and long-term efficiencies from its expanded distribution network.

Shifting our estimates to 2026, we apply a 12-times multiple to our 2026 EPS estimate of $1.16 (4.23 PLN, using a 90-day average PLN-to-USD exchange rate of 3.65:1), discounted back one period at 5%. This yields a fair value estimate for ASB of 48 PLN per share, well above current levels.

Steve Silver,
Argus Research Analyst)

INCOME STATEMENT

Growth Analysis ($MIL)	2021	2022	2023	2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025E	2025E	Q1 2026E	Q2 2026E	Q3 2026E	Q4 2026E	2026E
Revenue	3078.0	2690.0	3061.2	3008.5	736.4	949.3	929.5	1134.8	3750.0	839.5	1053.8	1025.7	1251.1	4170.0
Gross Profit	218.5	227.8	252.3	240.2					261.0					294.19
SG&A	104.8	116.8	139.8	145.9					166.0					183.6
R&D	NA	NA	NA	NA					NA					NA
Operating Income	113.7	111.00	112.5	94.3					95.0					110.59
Interest Expense	-17.0	-22.2	-32.2	-31.2					-35.3					-35.0
Pretax Income	94.3	91.1	65.0	65.0					62.3					78.4
Tax Rate (%)	18	17	18	17					19					18
Net Income	77.1	75.9	53.0	54.4					50.4					64.3
Diluted Shares	55.5	55.3	55.5	55.5					55.5					55.5
EPS	1.39	1.37	0.96	0.98	0.13	0.22	0.21	0.35	0.91	0.18	0.28	0.27	0.43	1.16
Dividend	0.30	0.45	0.50	0.50					0.50					0.50
Growth Rates (%)														
Revenue	30	NM	14	NM					25					11
Operating Income	101	NM	1	NM					NM					16
Net Income	111	NM	NM	1					NM					28
EPS	111	NM	NM	0					NM					27
Valuation Analysis														
Price (PLN): High	28.2	25.96	32.50	30.16					NA					NA
Price (PLN):Low	6.10	8.60	20.78	16.35					NA					NA
PE: High	NA	NA	NA	NA					NA					NA
PE: Low	NA	NA	NA	NA					NA					NA
PS: High	NA	NA	NA	NA					NA					NA
PS: Low	NA	NA	NA	NA					NA					NA
Yield: High	NA	NA	NA	NA					NA					NA
Yield: Low	NA	NA	NA	NA					NA					NA
Financial & Risk Analysis ($MIL)														
Cash	184.6	134.6	143.6	155.0					NA					NA
Working Capital	147.5	194.7	253.5	237.4					NA					NA
Current Ratio	1.2	1.2	1.3	1.3					NA					NA
LTDebt/Equity (%)	2.7	3.8	5.2	8.8					NA					NA
Total Debt/Equity (%)	112	95.2	90.1	95.0					NA					NA
Ratio Analysis														
Gross Profit Margin	7.1%	8.5%	8.2%	8.0%					7.0%					7.1%
Operating Margin	3.7%	4.1%	3.7%	3.1%					2.5%					2.7%
Net Margin	2.5%	2.8%	1.7%	1.8%					1.3%					1.5%
Return on Assets (%)	8.3	9.7	6.8	5.3					NA					NA
Return on Equity (%)	47.4	48.5	20.2	18.7					NA					NA
Op Inc/Int Exp	6.7	5.0	3.5	3.0					2.7					3.2
Div Payout	36%	37%	52%	51%					55%					43%

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