

The Margin Sweet Spot: 1Q26E Preview

- 1Q26E earnings are driven by an IT inventory margin windfall.
- Surging Android and recovering Apple sales secure top-line growth.
- Expanding iStores and growing B2B momentum drive 2H26 upside.

A Calculated Windfall

We forecast 1Q26E net profit of THB97m (+54% q-q, +53% y-y) on revenue of THB4.3b (+8% y-y, flat q-q). The earnings step-up is driven by a margin expansion in the IT hardware segment: while IT product volumes have softened, the increase in average selling prices, fueled by global memory/chip, has outpaced the volume decline. This dynamic lifts GPM by ~110bps y-y to 11.4%. The smoking gun sits on the YE25 balance sheet: inventory of THB 2.1b (+30% y-y), which management flagged as strategic stockpiling to support early 2026 sales amidst rising price trends and potential product shortages. SG&A discipline holds at ~8.4% of sales, letting the GPM expansion drop to the bottom line.

Mobile: The New Growth Engine

The smartphone share of revenue doubled from 10% in FY24 to 20% in FY25, and we expect another step-up in 1Q26. Android is now the leading driver, supported by the Galaxy S26 launch and ADVICE's expanding 100-branch Android CE network. On the Apple side, the iPhone 17 Pro Max supply shortage that constrained late-2025 sales is normalizing in late April, with stock returning to shelves. This aligns with ADVICE's historical revenue cadence where each quarter steps up sequentially (Q1<Q2<Q3<Q4), supported by iStore ramp and seasonal mobile demand. Mobile is now ADVICE's most credible growth engine.

Execution on Track: iStores and Enterprise

ADVICE currently operates 22 iStore branches (+5 YTD), with 7 locations under construction. The company is pushing a realistic cadence of 1–2 approvals per month toward a target of 41 branches by 2026. Furthermore, the recent strategic management hire to spearhead the Commercial segment (B2B and B2G) is already showing tangible progress. As corporate and government IT procurement cycles unlock, this segment could serve as a revenue multiplier in 2H26.

Navigating the 2H Margin Reset

The abnormally high GPM is concentrated in 1H26, when ADVICE works through low-cost RAM and SSD inventory secured before the late-2025 price spike. From 2H26, GPM should compress modestly as procurement costs reset higher. We do not view this as a margin scare: industry data points to RAM/SSD prices staying elevated through 2027+ on continued AI-driven memory chip diversion to data centers, and ADVICE has demonstrated pricing pass-through ability.

Maintain with a BUY and TP of THB6.5

We maintain a BUY rating on ADVICE with a TP of THB 6.5, anchored to a 12x 2026E P/E. At the current level, ADVICE trades at 10x 2026E P/E for 26% earnings growth — a PEG of 0.4x that we view as compelling given visibility on 1H26 margin drivers and the maturity of the smartphone mix shift

ESG Rating : -

CG Rating : ▲▲▲▲▲

BUY

Target Price 12M (THB)	6.50
VS. BB Consensus TP (%)	-4.0%
Share Price (THB)	5.75
Upside/Downside	+13.0%

Share Data

Market Cap (THB m)	3,627.00
Par (THB)	0.50
Free Float (%)	27.97
Issued shares (m shares)	620

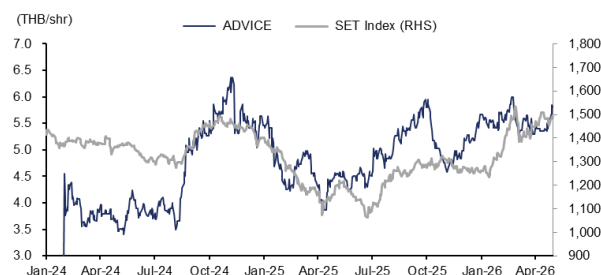
Financial forecast

YE Dec (THB m)	2025	2026E	2027E	2028E
Revenue	16,590	19,546	20,602	21,670
Net profit	267	336	353	369
Core net profit	267	336	353	369
vs Consensus (%)	-	10.1	5.6	(1.0)
Net profit growth (%)	14.9	25.8	5.0	4.7
Core net profit growth (%)	14.9	25.8	5.0	4.7
EPS (THB)	0.43	0.54	0.57	0.60
Core EPS (THB)	0.43	0.54	0.57	0.60
Chg in core EPS (%)	-	0.00	0.00	0.00
DPS (THB)	2.33	2.92	0.46	0.48
P/E (x)	13.58	10.61	10.28	9.65
P/BV (x)	3.96	3.65	5.94	(4.22)
ROE (%)	27.63	42.16	(271.59)	(45.25)
Dividend yield (%)	39.74	50.85	7.78	8.39

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	10.38	4.46	18.90	-
Market	7.46	(6.79)	4.87	(15.56)
12M High/Low (THB)	6.30 / 4.40			



Major Shareholders (%) as of 12 Mar 2026

THAI JOINT VENTURE GROUPS	25.81
MR. NATH NATNITHIKARAT	25.24
MR. AMORN THATHONG	8.12

Company Profile

Retail and wholesale of IT products such as assembled computers (D.I.Y), notebook, computer desktop, and peripheral devices, as well as smartphones and home appliances, through branches and online channels and provide comprehensive after-sales service.

Source: SETSMART, SET

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Exhibit 1: Summary of 1Q26E/2026E operations

	1Q25	4Q25	----- 1Q26E -----		2025	2026E	chg.	
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)		(THB m)
Revenue	3,993	4,296	4,304	0	8	16,590	19,546	18
Operating costs	(3,912)	(4,213)	(4,186)	(1)	7	(16,247)	(19,116)	18
EBITDA	116	120	155	29	34	485	585	21
EBITDA margin (%)	2.9	2.8	3.6	na	na	2.9	3.0	na
EBIT	81	83	118	43	46	342	430	26
Interest expense	(2)	(3)	(2)	(49)	0	(9)	(11)	20
Exceptionals	0	0	0	na	na	1	1	na
Pretax profit	79	80	116	46	47	334	420	26
Tax	(15)	(17)	(19)	15	24	(67)	(84)	26
Tax rate (%)	20	21	17	na	na	20	20	na
Minority interests	0	0	0	na	na	0	0	-
Net profit	63	63	97	54	53	267	336	26
EPS (THB)	0.10	0.10	0.16	54	53	0.43	0.54	26

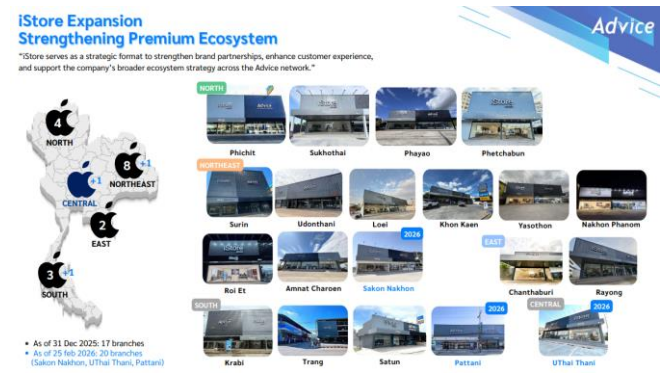
Sources: SET, Globlex Research

Exhibit 2: ADVICE's Network in Thailand



Sources: ADVICE

Exhibit 3: iStore expansion update



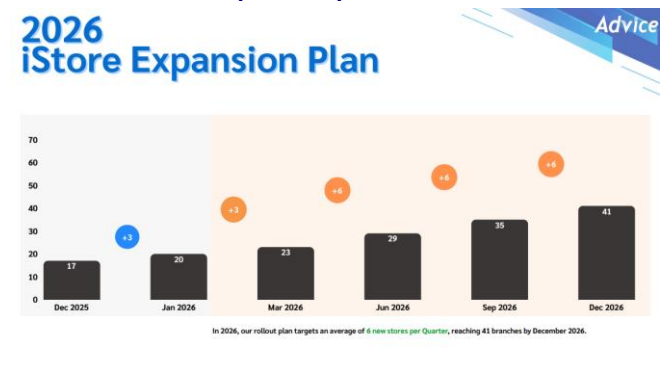
Sources: ADVICE

Exhibit 4: 2026 Revenue Target



Sources: ADVICE

Exhibit 5: iStore expansion plan



Sources: ADVICE

Balance sheet (THB m)						Profit & loss (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E	Year ending Dec	2024	2025	2026E	2027E	2028E
Current assets						Revenue					
Cash & ST investment	191	218	(257)	(1,824)	(1,847)		14,217	16,590	19,546	20,602	21,670
Account receivable	0	0	0	0	0		(13,550)	(15,856)	(18,549)	(19,551)	(20,565)
Inventories	1,619	2,108	2,466	2,599	2,734	Gross profit	667	734	997	1,051	1,105
Others	365	497	497	497	497	Operating expenses	(372)	(392)	(567)	(597)	(628)
Non-current assets						Operating profit	295	342	430	453	477
Net fixed assets	501	604	720	839	962	EBIT	295	342	430	453	477
Others	316	365	365	365	365	Depreciation	(132)	(143)	(155)	(168)	(182)
Total Assets	2,991	3,791	3,791	2,476	2,711	EBITDA	427	485	585	621	659
Current liabilities						Non-operating income					
Account payable	1,760	2,265	2,650	2,793	2,938	Other incomes	0	0	1	1	1
ST borrowing	77	249	249	249	249	Other non-op income	2	1	0	0	0
Others	27	40	47	50	53	Non-operating expense	(12)	(9)	(11)	(13)	(16)
Long-term liabilities						Interest expense	(12)	(9)	(11)	(13)	(16)
Long-term debts	99	127	127	127	127	Other non-op expense	0	0	0	0	0
Others	88	117	117	117	117	Equity income/(loss)	0	0	0	0	0
Total liabilities	2,051	2,798	3,190	3,336	3,483	Pre-tax Profit	285	334	420	441	462
Paid-up capital	310	310	310	310	310	Extraordinary items					
Retained earnings	193	246	(147)	(1,607)	(1,520)	Current taxation	(52)	(67)	(84)	(88)	(92)
Others	437	437	437	437	437	Minorities	0	0	0	0	0
Minority interest	0	0	0	0	0	Net Profit	232	267	336	353	369
Shareholders' equity	940	993	600	(860)	(773)	Core net profit	232	267	336	353	369
Key ratios						Cash flow (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E	Year ending Dec	2024	2025	2026E	2027E	2028E
Growth (%YoY)						Operating cash flow					
Sales	5.1	16.7	17.8	5.4	5.2	Net profit	49	302	352	351	372
Operating profit	23.7	16.1	25.7	5.4	5.2	Depre. & amortization	232	267	336	353	369
EBITDA	17.6	13.7	20.6	6.2	6.0	Change in working capital	132	143	155	168	182
Net profit	36.5	14.9	25.8	5.0	4.7	Others	(206)	30	34	13	13
Core net profit	36.5	14.9	25.8	5.0	4.7	Investment cash flow	(110)	(138)	(173)	(182)	(192)
EPS	36.5	14.9	25.8	5.0	4.7	Net CAPEX	(179)	(246)	(246)	(246)	(246)
Core EPS	36.5	14.9	25.8	5.0	4.7	Change in LT investment	95	688	254	246	259
Profitability (%)						Change in other assets	(300)	12	(106)	(105)	(126)
Gross margin	4.7	4.4	5.1	5.1	5.1	Free cash flow	(335)	756	254	246	259
Operation margin	2.1	2.1	2.2	2.2	2.2	Financing cash flow	426	(729)	(729)	(1,813)	(282)
EBITDA margin	3.0	2.9	3.0	3.0	3.0	Change in share capital	534	0	0	0	0
Net margin	1.6	1.6	1.7	1.7	1.7	Net change in debt	0	0	0	0	0
ROE	37.2	27.6	42.2	(271.6)	(45.2)	Dividend paid	(109)	(729)	(729)	(1,813)	(282)
ROA	8.3	7.9	8.9	11.3	14.2	Others					
Stability						Net cash flow	91	27	(475)	(1,567)	(23)
Interest bearing debt/equity (x)	0.2	0.4	0.6	(0.4)	(0.5)	Per share (THB)					
Net debt/equity (x)	n.a.	0.2	1.1	(2.6)	(2.9)	EPS	0.37	0.43	0.54	0.57	0.60
Interest coverage (x)	24.9	37.4	39.2	34.4	30.2	Core EPS	0.37	0.43	0.54	0.57	0.60
Interest & ST debt coverage (x)	3.3	1.3	1.7	1.7	1.8	CFPS	0.59	0.66	0.79	0.84	0.89
Cash flow interest coverage (x)	0.0	0.1	0.1	0.1	0.1	BVPS	1.52	1.60	0.97	(1.39)	(1.25)
Current ratio (x)	1.2	1.1	0.9	0.4	0.4	Sales/share	22.93	26.76	31.53	33.23	34.95
Quick ratio (x)	0.1	0.1	(0.1)	(0.6)	(0.6)	EBITDA/share	0.69	0.78	0.94	1.00	1.06
Net debt (THB m)	(15)	158	632	2,199	2,223	DPS	0.33	2.33	2.92	0.46	0.48
Activity						Valuation					
Asset turnover (X)	4.2	5.2	6.5	11.9	23.8	P/E (x)	16.0	13.6	10.6	10.3	9.7
Days receivables	0.0	0.0	0.0	0.0	0.0	P/BV (x)	8.58	3.96	3.65	5.94	-4.22
Days inventory	43.6	48.5	48.5	48.5	48.5	Dividend yield (%)	5.42	39.74	50.85	7.78	8.39
Days payable	47.4	52.1	52.1	52.1	52.1	Dividend payout ratio (%)	86.68	539.77	539.77	80.00	81.00
Cash cycle days	(3.8)	(3.6)	(3.6)	(3.6)	(3.6)						

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Analyst Certification

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RECOMMENDATION STRUCTURE

Stock Recommendations

Stock ratings are based on absolute upside or downside, which we define as $(\text{target price}^* - \text{current price}) / \text{current price}$.

- BUY:** Expected return of 10% or more over the next 12 months.
HOLD: Expected return between -10% and 10% over the next 12 months.
REDUCE: Expected return of -10% or worse over the next 12 months.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Sector Recommendations

- Overweight:** The industry is expected to outperform the relevant primary market index over the next 12 months.
Neutral: The industry is expected to perform in line with the relevant primary market index over the next 12 months.
Underweight: The industry is expected to underperform the relevant primary market index over the next 12 months.

Country (Strategy) Recommendations

Overweight: Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral: Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight: Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.