

## 1Q26: Sweet Spot Compounds

- 1Q26 NP of THB116m beat our estimate by 20% on stronger GPM.
- Smartphone growth and inventory build validate the thesis.
- Industry data points to structurally higher ASPs through 2027.

### A Cleaner Beat Than We Modeled

ADVICE reported 1Q26 net profit of THB 116m (+83% y-y, +84% q-q), beating our THB 97m estimate by 20%. Revenue of THB 4.31b (+8% y-y, in line) means the entire variance sat at the gross margin line. GPM came in at 12.4% versus our 11.4% call — a +218bps y-y expansion against our modeled +110bps. MD&A explicitly attributes the print to the DIY group (SSD, RAM, HDD, CPU, memory cards) where costs stayed at prior levels while ASPs reset upward, layered with higher house-brand accessory mix. SG&A ran wider at 9.1% (iStore opex, ESG/Jump+ consulting), but the GPM beat absorbed it without strain.

### Inventory Thesis Doubled Down

Our [previous note](#) flagged the 2025 inventory of THB 2.1b (+30% y-y) as offensive strategic stockpiling rather than a working-capital problem. Management just extended the bet: 1Q26 inventory climbed to THB 2.48b (+18% q-q), with DIO stretched from 46 to 55 days. Management explicitly cites further price-increase products as the rationale. This is a working-capital advantage being deployed into a tightening market, and cushions GPM well into 2Q–3Q26 as ADVICE works through pre-spike-cost inventory while competitors are forced to procure at higher prices.

### Mobile Outpaces, Commercial Engages

Smartphone share of revenue jumped from 17% in 1Q25 to 23% in 1Q26, ahead of our "further step-up from 20%" framing. ADVICE opened 4 new iStore branches in 1Q26 to reach 21, on track to the 41-branch YE26 target. The commercial segment delivered +THB 45m y-y revenue growth at structurally higher GP margins, validating the strategic management hire we highlighted previously. Retail SSSG of +4% and online retail growth of +THB 149m confirm that the mix shift is supplementing — not cannibalizing — the legacy channel.

### Industry Tape Reads as ADVICE's Tailwind

IDC sees global PC unit shipments -11.3% in 2026 but market value +1.6% to USD 274b on ASPs alone. Gartner pegs PC prices up 17% y-y, with memory cost +130% by year-end. TrendForce sees PC DRAM contract prices +105–110% q-q in 1Q26. HP confirmed memory has risen to 35% of PC BOM versus 15–18% previously. Memory shortages persist through 2027 with normalization unlikely before 2028. ADVICE's demonstrated pass-through and pre-purchased inventory line up directly with this regime.

### Maintain with a BUY and raise TP to THB7.0

We raise our TP to THB 7.0 (from THB 6.5), still anchored to 12x but rolled onto upward-revised 2026E EPS reflecting a deeper GPM cushion from the extended inventory build and a multi-year ASP-up regime now confirmed by IDC, Gartner, and TrendForce.

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ESG Rating : -

CG Rating : ▲▲▲▲▲

## BUY

<b>Target Price 12M (THB)</b>	<b>7.00</b>
VS. BB Consensus TP (%)	+3.4%
Share Price (THB)	6.00
Upside/Downside	+16.7%

### Share Data

Market Cap (THB m)	3,658.00
Par (THB)	0.50
Free Float (%)	27.97
Issued shares (m shares)	620

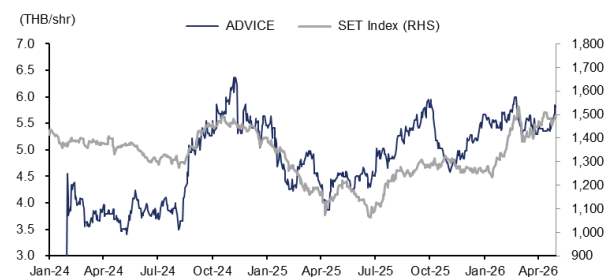
### Financial forecast

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	11.08	10.55	10.07
P/BV (x)	3.96	3.65	6.20	(4.33)
ROE (%)	27.63	42.16	(271.59)	(45.25)
Dividend yield (%)	39.74	48.74	7.58	8.04

Source: Financial Statement and Globlex securities

### Share Price Performance (%)

	1M	3M	6M	YTD
Stock	10.28	(0.84)	21.90	0.85
Market	9.52	(6.52)	3.44	(16.27)
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

**Exhibit 1: Summary of 1Q26/2026E operations**

	1Q25	4Q25	1Q26		2025	2026E	chg.
	(THB m)	(THB m)	(THB m)	(q-q%)	(THB m)	(THB m)	(y-y%)
<b>Revenue</b>	<b>3,993</b>	<b>4,296</b>	<b>4,313</b>	<b>0</b>	<b>16,590</b>	<b>19,546</b>	<b>18</b>
<b>Operating costs</b>	<b>(3,912)</b>	<b>(4,213)</b>	<b>(4,165)</b>	<b>(1)</b>	<b>(16,247)</b>	<b>(19,116)</b>	<b>18</b>
EBITDA	116	120	185	54	485	585	21
<b>EBITDA margin (%)</b>	<b>2.9</b>	<b>2.8</b>	<b>4.3</b>	<b>na</b>	<b>2.9</b>	<b>3.0</b>	<b>na</b>
EBIT	81	83	148	79	342	430	26
Interest expense	(2)	(3)	(3)	(1)	(9)	(11)	20
Exceptionals	0	0	0	na	1	1	na
Pretax profit	79	80	145	82	334	420	26
Tax	(15)	(17)	(29)	72	(67)	(84)	26
Tax rate (%)	20	21	20	na	20	20	na
Minority interests	0	0	0	na	0	0	-
<b>Net profit</b>	<b>63</b>	<b>63</b>	<b>116</b>	<b>84</b>	<b>267</b>	<b>336</b>	<b>26</b>
EPS (THB)	0.10	0.10	0.19	84	0.43	0.54	26

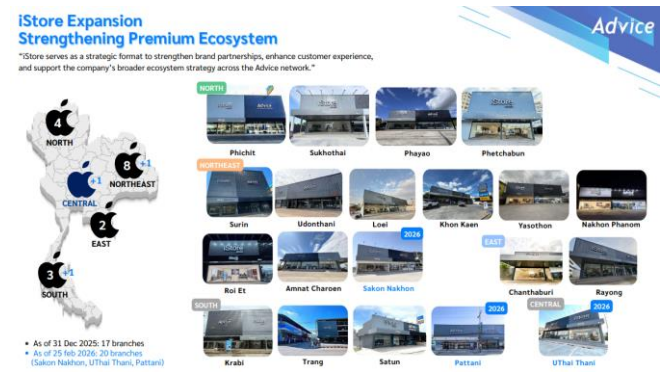
Sources: SET, Globlex Research

**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
<b>Current assets</b>						<b>Revenue</b>					
Cash & ST investment	191	218	(257)	(1,824)	(1,847)	Revenue	14,217	16,590	19,546	20,602	21,670
Account receivable	0	0	0	0	0	Cost of goods sold	(13,550)	(15,856)	(18,549)	(19,551)	(20,565)
Inventories	1,619	2,108	2,466	2,599	2,734	<b>Gross profit</b>	<b>667</b>	<b>734</b>	<b>997</b>	<b>1,051</b>	<b>1,105</b>
Others	365	497	497	497	497	Operating expenses	(372)	(392)	(567)	(597)	(628)
<b>Non-current assets</b>						<b>Operating profit</b>					
Net fixed assets	501	604	720	839	962	<b>EBIT</b>	<b>295</b>	<b>342</b>	<b>430</b>	<b>453</b>	<b>477</b>
Others	316	365	365	365	365	Depreciation	(132)	(143)	(155)	(168)	(182)
<b>Total Assets</b>	<b>2,991</b>	<b>3,791</b>	<b>3,791</b>	<b>2,476</b>	<b>2,711</b>	<b>EBITDA</b>	<b>427</b>	<b>485</b>	<b>585</b>	<b>621</b>	<b>659</b>
<b>Current liabilities</b>						<b>Non-operating income</b>					
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	<b>Non-operating expense</b>	<b>(12)</b>	<b>(9)</b>	<b>(11)</b>	<b>(13)</b>	<b>(16)</b>
<b>Long-term liabilities</b>						Interest expense					
Long-term debts	99	127	127	127	127	Other non-op expense	0	0	0	0	0
Others	88	117	117	117	117	<b>Equity income/(loss)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total liabilities</b>	<b>2,051</b>	<b>2,798</b>	<b>3,190</b>	<b>3,336</b>	<b>3,483</b>	<b>Pre-tax Profit</b>	<b>285</b>	<b>334</b>	<b>420</b>	<b>441</b>	<b>462</b>
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	<b>Net Profit</b>	<b>232</b>	<b>267</b>	<b>336</b>	<b>353</b>	<b>369</b>
<b>Shareholders' equity</b>	<b>940</b>	<b>993</b>	<b>600</b>	<b>(860)</b>	<b>(773)</b>	<b>Core net profit</b>	<b>232</b>	<b>267</b>	<b>336</b>	<b>353</b>	<b>369</b>
<b>Key ratios</b>						<b>Cash flow (THB m)</b>					
Year ending Dec	2024	2025	2026E	2027E	2028E	Year ending Dec	2024	2025	2026E	2027E	2028E
<b>Growth (%YoY)</b>						<b>Operating cash flow</b>					
Sales	5.1	16.7	17.8	5.4	5.2	Operating cash flow	49	302	352	351	372
Operating profit	23.7	16.1	25.7	5.4	5.2	Net profit	232	267	336	353	369
EBITDA	17.6	13.7	20.6	6.2	6.0	Depre. & amortization	132	143	155	168	182
Net profit	36.5	14.9	25.8	5.0	4.7	Change in working capital	(206)	30	34	13	13
Core net profit	36.5	14.9	25.8	5.0	4.7	Others	(110)	(138)	(173)	(182)	(192)
EPS	36.5	14.9	25.8	5.0	4.7	<b>Investment cash flow</b>	<b>(384)</b>	<b>453</b>	<b>(98)</b>	<b>(105)</b>	<b>(113)</b>
Core EPS	36.5	14.9	25.8	5.0	4.7	Net CAPEX	(179)	(246)	(246)	(246)	(246)
<b>Profitability (%)</b>						Change in LT investment					
Gross margin	4.7	4.4	5.1	5.1	5.1	Change in other assets	(300)	12	(106)	(105)	(126)
Operation margin	2.1	2.1	2.2	2.2	2.2	<b>Free cash flow</b>	<b>(335)</b>	<b>756</b>	<b>254</b>	<b>246</b>	<b>259</b>
EBITDA margin	3.0	2.9	3.0	3.0	3.0	<b>Financing cash flow</b>	<b>426</b>	<b>(729)</b>	<b>(729)</b>	<b>(1,813)</b>	<b>(282)</b>
Net margin	1.6	1.6	1.7	1.7	1.7	Change in share capital	534	0	0	0	0
ROE	37.2	27.6	42.2	(271.6)	(45.2)	Net change in debt	0	0	0	0	0
ROA	8.3	7.9	8.9	11.3	14.2	Dividend paid	(109)	(729)	(729)	(1,813)	(282)
<b>Stability</b>						Others					
Interest bearing debt/equity (x)	0.2	0.4	0.6	(0.4)	(0.5)	<b>Net cash flow</b>	<b>91</b>	<b>27</b>	<b>(475)</b>	<b>(1,567)</b>	<b>(23)</b>
Net debt/equity (x)	n.a.	0.2	1.1	(2.6)	(2.9)	<b>Per share (THB)</b>					
Interest coverage (x)	24.9	37.4	39.2	34.4	30.2	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	Core EPS	0.37	0.43	0.54	0.57	0.60
Cash flow interest coverage (x)	0.0	0.1	0.1	0.1	0.1	CFPS	0.59	0.66	0.79	0.84	0.89
Current ratio (x)	1.2	1.1	0.9	0.4	0.4	BVPS	1.52	1.60	0.97	(1.39)	(1.25)
Quick ratio (x)	0.1	0.1	(0.1)	(0.6)	(0.6)	Sales/share	22.93	26.76	31.53	33.23	34.95
Net debt (THB m)	(15)	158	632	2,199	2,223	EBITDA/share	0.69	0.78	0.94	1.00	1.06
<b>Activity</b>						DPS					
Asset turnover (X)	4.2	5.2	6.5	11.9	23.8	0.33	2.33	2.92	0.46	0.48	
Days receivables	0.0	0.0	0.0	0.0	0.0	<b>Valuation</b>					
Days inventory	43.6	48.5	48.5	48.5	48.5	P/E (x)	16.0	13.6	11.1	10.5	10.1
Days payable	47.4	52.1	52.1	52.1	52.1	P/BV (x)	8.58	3.96	3.65	6.20	-4.33
Cash cycle days	(3.8)	(3.6)	(3.6)	(3.6)	(3.6)	Dividend yield (%)	5.42	39.74	48.74	7.58	8.04
						Dividend payout ratio (%)	86.68	539.77	539.77	80.00	81.00

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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.