Advice IT Infinite Pcl. (ADVICE TB) - BUY, Price Bt7.35, TP Bt6.40

Results Comment

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2Q26: Strong beat from pricing windfall

- ADVICE reported Bt137m normalized earnings in 2Q26, +83% y-y and +18% q-q despite the lower-season impact. Earnings beat our expectations, driven by higher selling prices of IT-related products amid the supply shortage.
- Total sales increased by 10.6% y-y on 4.6% same-store sales growth (SSSG) and rapid expansion of Apple stores in upcountry areas of Thailand, where competition from larger players is limited. We believe the rising SSSG was driven by increasing penetration of Apple products in upcountry areas, where ADVANCE focuses its expansion.
- Gross margin expanded to 12.5% from 10.4% last year. We believe this was mainly due to inventory gains, as vendors raised prices of IT products amid the memory chip supply shortage, while ADVCE still benefited from lower-cost existing inventory.
- SG&A to sales rose to 8.7% from 8.1% last year, mainly due to rapid store expansion and system development to enhance customer service. However, the higher expenses were more than offset by the gross margin improvement.

Income Statement					(consolidated)
Yr-end Dec (Bt m)	2Q25	3Q25	4Q25	1Q26	2Q26
Revenue	4,010	4,288	4,293	4,310	4,536
Gross profit	**416**	**437**	**450**	**536**	**565**
SG&A	323	354	369	391	393
Operating profit	93	82	80	145	172
EBITDA	**128**	**118**	**118**	**185**	**211**
Other income	2	2	3	3	3
Other expense	0	0	0	0	0
Interest expense	2	2	3	3	3
Profit before tax	**93**	**82**	**80**	**145**	**172**
Income tax	18	16	17	29	34
Equity & invest. income	0	0	0	0	0
Minority interests	0	0	0	0	0
Extraordinary items	0	0	0	0	0
Net profit	**75**	**66**	**63**	**116**	**137**
Normalized profit	**75**	**66**	**63**	**116**	**137**
EPS (Bt)	0.12	0.11	0.10	0.19	0.22
Normalized EPS (Bt)	0.12	0.11	0.10	0.19	0.22

Income Statement			6M as		
(Bt m)	q-q%	y-y%	% 2026F	2026F	2027F
Revenue	5	13	50	17,708	18,887
Gross profit	**5**	**36**	**68**	**1,609**	**1,701**
SG&A	1	22	65	1,213	1,269
Operating profit	18	85	80	396	433
EBITDA	**14**	**66**	**70**	**564**	**657**
Other income	16	38	93	6	7
Other expense					
Interest expense	1	104	44	15	9
Profit before tax	**19**	**84**	**82**	**387**	**430**
Income tax	20	89	81	78	86
Equity & invest. income					
Minority interests					
Extraordinary items					
Net profit	**18**	**83**	**82**	**310**	**344**
Normalized profit	**18**	**83**	**82**	**310**	**344**
EPS (Bt)	18	83	82	0.50	0.56
Normalized EPS (Bt)	18	83	82	0.50	0.56

Balance Sheet					(consolidated)
Yr-end Dec (Bt m)	2Q25	3Q25	4Q25	1Q26	2Q26
Cash & ST investment	314	136	218	218	132
A/C receivable	375	446	497	610	582
Inventory	1,877	1,957	2,108	2,480	2,967
Other current assets	0	0	0	0	0
Investment	23	23	23	23	22
Fixed assets	519	558	604	640	668
Other assets	282	309	342	332	333
Total assets	**3,390**	**3,429**	**3,791**	**4,302**	**4,705**
S-T debt	0	0	190	125	290
A/C payable	2,147	2,199	2,265	2,700	2,915
Other current liabilities	99	90	100	121	120
L-T debt	0	0	0	0	0
Other liabilities	174	207	244	247	248
Minority interest	0	0	0	0	0
Shareholders' equity	**970**	**934**	**993**	**1,109**	**1,131**
Working capital	104	204	339	390	634
Total debt	0	0	190	125	290
Net debt	**(314)**	**(136)**	**(29)**	**(92)**	**158**

Financial Ratios					
(%)	2Q25	3Q25	4Q25	1Q26	2Q26
Sales growth	17.9	14.5	22.8	8.0	13.1
Operating profit growth	20.9	6.7	23.8	87.5	85.2
EBITDA growth	17.4	6.4	17.9	63.9	65.6
Norm profit growth	22.6	5.4	19.9	82.9	82.5
Norm EPS growth	22.6	5.4	19.9	82.9	82.5
Gross margin	10.4	10.2	10.5	12.4	12.5
Operating margin	2.3	1.9	1.9	3.4	3.8
EBITDA margin	3.2	2.8	2.7	4.3	4.7
Norm net margin	1.9	1.5	1.5	2.7	3.0
D/E (x)	-	-	0.2	0.1	0.3
Net D/E (x)	(0.3)	(0.1)	(0.0)	(0.1)	0.1
Interest coverage (x)	77.9	47.6	35.3	56.1	63.2
Interest rate	na	na	14.0	8.4	6.4
Effective tax rate	19.5	20.0	21.0	19.8	20.1
ROA	9.2	7.7	7.0	11.5	12.2
ROE	30.5	27.6	26.1	44.1	49.0

Sources: Company data, ttb wealth estimates

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