



AGX Group Berhad

Earnings Double Amid Strength in Air, Road and Aerospace Logistics

AGX's 9MFY25 results were in line with expectations. PATAMI more than doubled YoY, driven by broad-based demand, supported by stable air and aerospace freight charges. AGX remains vigilant and cautious, maintaining strategic focus on i) Diversifying its customer base and expanding into emerging markets to mitigate regional slowdown risks, and ii) Exploring strategic partnerships to broaden service offerings and reinforce its market position. No change in our estimates thus TP unchanged at RM0.53. Undemanding valuations, raised our call to BUY (from Hold).

9MFY22 results met expectations, with PATAMI coming in at 76% of ours full-year estimates. No dividend declared in this period as historically AGX declares dividends only in the final financial quarter.

YoY, revenue rose 19% for 9MFY25, underpinned by: (i) road freight transportation (+59% YoY) supported by higher volumes on Thailand–Myanmar routes, (ii) air freight forwarding (+60% YoY) mainly from Malaysia – receiving new orders from E&E customers from Penang - and Vietnam coupled with stable rates and (iii) Warehousing and 3PL (+11% YoY) from Malaysia and Vietnam coupled with higher utilization. Malaysia benefited from its expanded logistics hubs in Penang and Johor Bahru. Aerospace logistics rebounded to 8% YoY (lower than expectation) as revenue delayed on account of slow execution of restructuring plans from a major budget carrier. By geography, Vietnam is the fastest growing market >100% to RM17m, while the Philippines remained the largest contributor at 39% (9MFY24: 44%). The drop was mainly due to both Malaysia and Vietnam having a bigger share of the pie. Contributions from Malaysia and Vietnam improved by +5ppts and +6ppts (9MFY24: 21% and 2%). Gross margin remained intact at YoY at 27% (within estimates), reflecting pricing pressures from moderating sea freight rates. PBT more than doubled (RM16m) on account strong contribution of its non-taxable associates' share of results (RM8m). Likewise, PATAMI doubled with margins at 6.3% aided by a lower ETR of 17% (vs 9MFY24: 27%).

QoQ, 3QFY25 revenue rose 3.6% (2QFY25: +13%) on strong demand for (i) Air Freight Forwarding (+43% QoQ vs 2Q25: +15%) driven by Malaysia and Vietnam, and (ii) Aerospace logistics (+4% vs 2QFY25: +34%) due to reasons mentioned above. GP margin fell 4ppts to 23% on lower project shipment contracts and moderating sea freight rates. Strong contribution from its non-taxable associate (RM3 vs 2Q25: RM2) saw PATAMI at 4.5% QoQ with margins similar from the previous quarter at c.6%.

Forecasts and Valuations. No revision in earnings as results are in line, TP of **RM0.53 maintained based on 5.5x FY26E EV/EBITDA** (based on peers' best forward multiples – to better reflect AGX's asset-light business model). At RM0.53, implies a PER of 13x on FY26E earnings. Although this implies a 30% premium on the sectors forward PE multiple of 10x, we feel this premium is justified given its i) asset light business model, ii) diversified revenue stream and iii) superior PATAMI margins of +6% vs its peers' margin of c.4%. At current price, **valuations are undemanding given the sharp retracement of its price upgrade to BUY (from Hold).**

Results Note

BUY (↑)

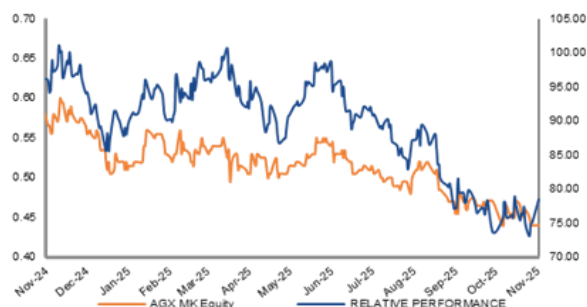
ahmadramzani@mersec.com.my

Tuesday, November 25, 2025

Price: RM 0.44

Target Price: RM 0.53 (↔)

Share Price Performance



Business Overview

Integrated third-party logistics service provider with presence in seven Southeast Asian countries, China and South Korea with diversified offerings across air, sea, road, warehousing, and aerospace logistics. Listed on the ACE Market.

Return Information

KLCI (pts)	1,618.78
YTD KLCI chg.	-1.4%
YTD Stock Price chg.	-21.4%

Price Performance	1M	3M	12M
Absolute (%)	0.0%	-13.7%	-22.3%
Relative to KLCI (%)	-0.3%	-14.7%	-23.6%

Stock Information

Market Cap (RM m)	190.5
Issued Shares (m)	432.9
52-week High (RM)	0.61
52-week Low (RM)	0.42
Est. Free Float (%)	29%
Beta vs FBM KLCI	0.5
3-month Avg Vol.	147,752
Shariah Compliant	Yes
Bloomberg Ticker	AGX MK

Top 3 Shareholders

Shareholders	%
Mark Penu	18.7%
Neo Lip Pheng	18.6%
Gopal Jayasielan	11.5%

FY MAR (RM m)	FY25A	FY26E	FY27E
Revenue	238.4	263.3	289.5
EBITDA	22.8	34.5	31.3
EBIT	13.1	23.0	22.9
PBT	15.3	21.8	22.1
Net Profit	12.7	17.2	17.4
Core Net Profit	12.5	17.0	17.2
Core EPS (sen)	0.03	0.04	0.04
Core EPS Growth (%)	3.90	5.09	5.16
Net DPS (sen)	0.9	1.2	1.2
Net Div. Yield (%)	1.9%	2.4%	2.5%
BVPS (sen)	20.7	25.3	29.2
PER (x)	16.7	12.6	12.4
PBV (x)	2.3	1.9	1.7
ROE (%)	14.2%	15.7%	13.8%



Cautious and Vigilant Ahead. With Trump's tariff risks easing, the IMF's October 2025 World Economic Outlook Update, global GDP growth is expected to moderate to 3.2% (2025) and 3.1% in 2026. Advanced economies are expected to grow at around +1.5 %, whereas emerging-markets and developing economies will grow just above 4 %. Inflation globally is gradually easing. In the Asia-Pacific region, the economy has shown better-than-expected resilience in 2025, with growth estimated at about 4.5 % for the year, before moderating to around 4.1 % in 2026. The resilience has been supported by export front-loading ahead of tariff escalations, increased technology-and-investment activity, and intra-regional trade flows. Trade diversification and inter-regional trade flows should sustain AGX's growth trajectory. Nonetheless, AGX remains cautious and continues to focus strategically on: i) Strengthening revenue streams through customer and market diversification, ii) Optimising operational efficiencies via advanced logistics technologies and process enhancements, and iii) Exploring partnerships to broaden service offerings and reinforce market position.

Investment case. We remain cautiously optimistic the Asia-Pacific region. Inflationary pressures are easing coupled with the easing of Trump's tantrums giving a more certainty in the economic outlook ahead. We are also constructive on AGX's long-term outlook, supported by: (i) a scalable asset-light model offering financial agility, (ii) niche strength in aerospace logistics & MRO demand post-COVID and the incoming Visit Malaysia Year 2026 and (iii) positioning to capture cross-border e-commerce and logistics opportunities.

Key risks include; i) Changes in local and international regulations, ii) Decline in demand for sea and freight services, iii) Fluctuations in sea and air freight rates and iv) Dependence on a major local carrier.

Results Highlights								
Y/E : Dec (RM m)	3Q25	2Q25	QoQ Chg. %	3Q24	YoY Chg. %	9M25	9M24	YoY Chg. %
Key financial highlights								
Revenue	72.64	70.11	3.6%	66.47	9.3%	204.58	171.69	19.2%
Gross Profit	16.97	18.96	-10.5%	15.39	10.3%	54.58	46.28	17.9%
OPEX	(11.30)	(12.63)	-10.5%	(7.72)	46.4%	(36.16)	(30.30)	19.3%
EBITDA	8.64	8.70	-0.7%	10.20	-15.3%	25.82	21.24	21.6%
EBIT	5.79	5.88	-1.5%	3.68	57.3%	17.58	8.92	97.1%
PBT/(LBT)	5.05	5.18	-2.5%	3.06	65.2%	15.57	7.27	114.2%
Taxation	(0.66)	(1.17)	-43.5%	(0.76)	-12.5%	(2.79)	(1.96)	42.1%
Net Profit	4.39	4.15	5.9%	2.39	83.7%	13.07	5.49	138.2%
PATAMI	4.19	4.01	4.5%	2.30	82.0%	12.86	5.31	142.4%
Core EPS (sen)	0.97	0.93	4.5%	0.53	82.0%	2.97	1.23	142.4%
Net DPS (sen)	0.00	0.00		0.00		0.00	0.00	
Margins								
Gross Margin	23.4%	27.0%		23.2%		26.7%	27.0%	
Opex	-15.6%	-18.0%		-11.6%		-17.7%	-17.7%	
EBITDA Margin	11.9%	12.4%		15.3%		12.6%	12.4%	
EBIT Margin	8.0%	8.4%		5.5%		8.6%	5.2%	
PBT Margin	7.0%	7.4%		4.6%		7.6%	4.2%	
PATAMI Margin	5.8%	5.7%		3.5%		6.3%	3.1%	
ETR	-13.1%	-22.6%		-24.7%		-17.9%	-27.0%	
Segmental (RMm)								
Sea Freight Forwarding	23.05	22.88	0.7%	30.61		70.12	69.64	0.7%
Air Freight Forwarding	22.73	15.92	42.7%	13.90		52.44	32.71	60.3%
Aerospace Logistics	19.14	18.40	4.0%	14.79		51.30	47.48	8.0%
Warehousing and 3PL Services	3.38	3.41	-0.6%	3.09		9.60	8.61	11.5%
Road Freight Transportation	4.34	9.51	-54.3%	4.08		21.12	13.25	59.4%

Source: Company, Bursa Malaysia, Mercury Securities



Disclaimer & Disclosure of Conflict of Interest

This report has been prepared by Mercury Securities pursuant to the Research Incentive Program under Bursa Research Incentive Scheme Plus ("Bursa RISE+") administered by Bursa Malaysia Berhad. This report has been produced independent of any influence from Bursa Malaysia Berhad or the subject company. Bursa Malaysia Berhad and its group of companies disclaims any and all liability, howsoever arising, out of or in relation to the administration of Bursa Research Incentive Program and/or this report.

The information contained in this report is based on data obtained from data and sources believed to be reliable at the time of issue of this report. However, the data and/or sources have not been independently verified and as such, no representation, express or implied, are made as to the accuracy, adequacy, completeness or reliability of the information or opinions in this report.

This report may contain forward-looking statements which are often but not always identified by the use of words such as "believe", "estimate", "intend" and "expect" and statements that an event or result "may", "will" or "might" occur or be achieved and other similar expressions. Such forward-looking statements are based on assumptions made and information currently available to Mercury Securities Sdn Bhd. ("Mercury Securities") and are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievement to be materially different from any future results, performance or achievement, expressed or implied by such forward-looking statements. Caution should be taken with respect to such statements and recipients of this report should not place undue reliance on any such forward-looking statements. Mercury Securities expressly disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or circumstances after the date of this publication or to reflect the occurrence of unanticipated events.

Accordingly, neither Mercury Securities nor any of its holding company, related companies, directors, employees, agents and/or associates nor person connected to it accept any liability whatsoever for any direct, indirect, or consequential losses (including loss of profits) or damages that may arise from the use or reliance on the information or opinions in this publication. Any information, opinions or recommendations contained herein are subject to change at any time without prior notice. Mercury Securities has no obligation to update its opinion or the information in this report.

This report does not have regard to the specific investment objectives, financial situation and particular needs of any specific person. Accordingly, investors are advised to make their own independent evaluation of the information contained in this report and seek advice from, amongst others, tax, accounting, financial planner, legal or other business professionals regarding the appropriateness of investing in any securities or the investment strategies discussed or recommended in this report. Nothing in this report constitutes investment, legal, accounting or tax advice or a representation that any investment or strategy is suitable or appropriate to your individual circumstances or otherwise represents a personal recommendation to you. This report is not intended, and should not under no circumstances be considered as an offer to sell or a solicitation of any offer or a solicitation or expression of views to influence any one to buy or sell the securities referred to herein or any related financial instruments.

Mercury Securities and its holding company, related companies, directors, employees, agents, associates and/or person connected with it may, from time to time, hold any positions in the securities and/or capital market products (including but not limited to shares, warrants and/or derivatives), trade or otherwise effect transactions for its own account or the account of its customers or be materially interested in any securities mentioned herein or any securities related thereto, and may further act as market maker or have assumed underwriting commitment or deal with such securities and provide advisory, investment, share margin facility or other services for or do business with any companies or entities mentioned in this report. In reviewing the report, investors should be aware that any or all of the foregoing among other things, may give rise to real or potential conflict of interests and should exercise their own judgement before making any investment decisions.

This research report is being supplied to you on a strictly confidential basis solely for your information and is made strictly on the basis that it will remain confidential. All materials presented in this report, unless specifically indicated otherwise, are under copyright to Mercury Securities. This research report and its contents may not be reproduced, stored in a retrieval system, redistributed, transmitted, or passed on, directly or indirectly, to any person or published in whole or in part, or altered in any way, for any purpose.

This report may provide the addresses of, or contain hyperlinks to websites. Mercury Securities takes no responsibility for the content contained therein. Such addresses or hyperlinks (including addresses or hyperlinks to Mercury Securities own website material) are provided solely for your convenience. The information and the content of the linked site do not in any way form part of this report. Accessing such website or following such link through the report or Mercury Securities' website shall be at your own risk.

This report is not directed to or intended for distribution or publication outside Malaysia. If you are outside Malaysia, you should have regard to the laws of the jurisdiction in which you are located.

The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.



Recommendation Rating

Mercury Securities maintains a list of stock coverage. Stock can be added or dropped subject to needs with or without notice. Hence, the recommendation rating only applicable to stocks under the list. Stocks out of the coverage list will not carry recommendation rating as the analyst may not follow the stocks adequately.

Mercury Securities has the following recommendation rating:

BUY	Stock's total return is expected to be +10% or better over the next 12 months (including dividend yield)
HOLD	Stock's total return is expected to be within +10% or -10% over the next 12 months (including dividend yield)
SELL	Stock's total return is expected to be -10% or worse over the next 12 months (including dividend yield)

Published & Printed By:

MERCURY SECURITIES SDN BHD
Registration No. 198401000672 (113193-W)
L-7-2, No 2, Jalan Solaris, Solaris Mont' Kiara, 50480 Kuala Lumpur
Telephone: (603) - 6203 7227
Website: www.mercurysecurities.com.my
Email: mercurykl@mersec.com.my