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AGX Group Berhad

Results In Line and Long-Term Fundamentals Intact

Results Note
HOLD (↔)
ahmadramzani@mersec.com.my
Monday, March 2, 2026
Price: RM 0.55
Target Price: RM 0.55 (↑)

AGX's 12MFY25 results were in line with expectations. Topline rose 42% YoY, driven by broad-based demand especially from air freight forwarding and aerospace freight charges underpinned by resilient intra-Asia trade exposure and supportive regional macro conditions. Moving forward we tweaked our FY26E earnings slightly by +7% but switched our valuation methodology from EV/EBITDA to PER. TP is now at RM0.55. Reiterate HOLD

12MFY25 results met expectations, with PATAMI coming in at 104% of ours full-year estimates. No dividend declared in this period cumulatively no dividend declared for FY25A. (Below expectation).

YoY, revenue rose 22%, underpinned by: (i) road freight transportation (+16% YoY) supported by higher volumes on Thailand–Myanmar routes, (ii) air freight forwarding (+64% YoY) mainly from Malaysia – receiving new orders from E&E customers from Penang - and Vietnam coupled with stable rates and (iii) Warehousing & 3PL (+11% YoY) from Malaysia and Vietnam coupled with higher utilization. Malaysia benefited from its expanded logistics hubs in Penang and Johor Bahru. Aeropace logistics rebounded to +12% YoY as revenue from restructuring plans from a major budget carrier comes on stream. By geography, Vietnam is the fastest growing market >100% to RM29m, while the Philippines remained the largest contributor at 40% (FY24: 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 +7ppts (12MFY24: 21% and 3%). GP margin came 2ppts lower at 24%, reflecting pricing pressures from moderating sea freight rates. PBT more than doubled (RM17m) on account strong contribution of its non-taxable associates' share of results (RM9m). Likewise, PATAMI surge +41% with margins at 6.1% aided by a lower ETR of 15% (vs 12MFY24: 31%).

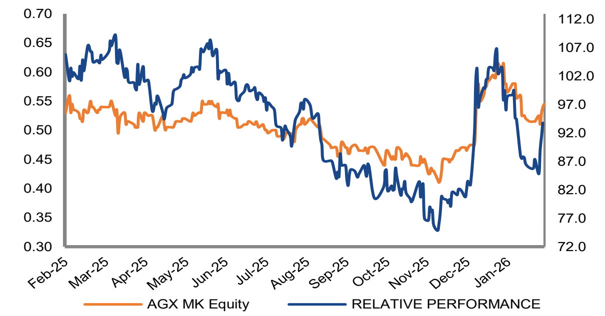
QoQ, 4QFY25 revenue rose 19% on strong demand for (i) Air Freight Forwarding at 13% driven by Malaysia and Vietnam, and (ii) Aerospace logistics (20%) due to reasons mentioned above. GP margin fell 5ppts to 18% on lower project shipment contracts and moderating sea freight rates. There was drop in contribution from its non-taxable associate (RM1.1 vs 3Q25: RM3m) saw PATAMI margins at 2.1% despite a tax credit of RM0.175m.

Forecasts. We raise FY26E earnings by 7% to RM18.3m on account of improved OPEX and assumption of 10% YoY growth in topline. We introduced our FY27E earnings of RM19.6m.

HOLD Maintained. We change our valuation methodology EV/EBITDA to PER to reflect normalizations of business. Applying a 13.0x FY26E PER (we derive a TP of RM0.55 (previously RM0.52). Dividend yields unexciting coupled with geopolitical risk we reiterate **HOLD**. Although the target PER 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%.

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, iv) Escalation of current geo-political tensions and v) Dependence on a major local carrier.

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)	1,716.61
YTD KLCI chg.	2.2%
YTD Stock Price chg.	16.0%

Price Performance	1M	3M	12M
Absolute (%)	-9.2%	21.1%	2.8%
Relative to KLCI (%)	-7.6%	14.1%	-6.2%

Stock Information	
Market Cap (RM m)	235.9
Issued Shares (m)	432.9
52-week High (RM)	0.63
52-week Low (RM)	0.41
Est. Free Float (%)	28%
Beta vs FBM KLCI	0.4
3-month Avg Vol.	233,313
Shariah Compliant	Yes
Bloomberg Ticker	AGX MK

Top 3 Shareholders	%
Mark Penu	19.1%
Neo Lip Pheng	18.9%
Gopal Jayasielan	11.5%

FY MAR (RM m)	FY25A	FY26E	FY27E
Revenue	**290.7**	**320.1**	**352.1**
EBITDA	**61.0**	**70.0**	**80.0**
EBIT	39.4	34.8	37.6
PBT	19.9	23.8	24.9
Net Profit	17.4	23.3	24.9
Core Net Profit	**14.8**	**18.4**	**19.7**
Earnings Revision	-	*7%*	-
Core EPS (sen)	0.034	0.042	0.045
Core EPS Growth (%)	0.00	5.50	6.9%
Net DPS (sen)	-	1.3	1.4
Net Div. Yield (%)	0.0%	2.3%	2.5%
BVPS (sen)	23.5	28.7	33.1
PER (x)	14.7	11.8	11.0
PBV (x)	2.3	1.9	1.6
ROE (%)	14.5%	14.8%	13.7%

Cautious and Vigilant Ahead. Although Trump's tariffs uncertainties and Middle East escalation are rearing its ugly head again, the Asia-Pacific region economy has shown better-than-expected resilience in 2025, with growth estimated at about 4.5 % for 2025, before moderating to around 4.1 % in 2026 by the IMF. 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. Management highlighted favourable aerospace industry tailwinds heading into FY26, including rising passenger traffic, fleet expansion by regional carriers, and higher aircraft utilisation, particularly coming Visit Malaysia Year 2026. These trends are expected to sustain demand for time-critical aerospace logistics services, which are less price-sensitive and support stronger margins. Importantly, we do not see any deterioration in AGX's operating fundamentals as downside risk remains contained given earnings visibility and regional exposure.

Nonetheless, AGX remains cautious and continues to focus strategically on: i) Strengthening revenue streams through customer and market diversification, ii) Optimizing operational efficiencies via advanced logistics technologies and process enhancements, and iii) Exploring partnerships to broaden service offerings and reinforcing market position.

Investment Merit. We remain cautiously optimistic on AGX premised on its operating primarily in the Asia-Pacific region. Inflationary pressures are easing coupled with growing 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 & post restructuring of a major budget carrier iii) Visit Malaysia Year 2026 and iv) positioning to capture cross-border e-commerce and logistic opportunities.

Results Highlights

Y/E : Dec (RM m)	4Q25	3Q25	QoQ Chg	4Q24	YoY Chg	12M25	12M24	YoY Chg
Revenue	**86.14**	**72.64**	***18.6%***	**66.75**	***29.0%***	**290.72**	**238.44**	*21.9%*
Gross Profit	**15.43**	**16.97**	***-9.1%***	**14.72**	***4.9%***	**70.01**	**61.00**	*14.8%*
OPEX	**(3.34)**	**(11.30)**	***-70.5%***	**(4.63)**	***-28.0%***	**(39.50)**	**(34.94)**	*13.1%*
Share of Profits	**1.10**	**2.86**	***-61.3%***	**7.20**	***-84.7%***	**9.07**	**11.08**	*-18.1%*
EBITDA	13.65	8.64	*58.0%*	17.18	*-20.6%*	39.46	38.42	*2.7%*
EBIT	2.39	5.79	*-58.7%*	7.54	*-68.2%*	19.98	16.45	*21.4%*
PBT/(LBT)	**1.80**	**5.05**	***-64.3%***	**7.03**	***-74.3%***	**17.37**	**14.29**	*21.5%*
Taxation	*0.18*	*(0.66)*	*-126.5%*	*(0.56)*	*-131.3%*	***(2.61)***	***(2.52)***	*3.6%*
Net Profit	*1.98*	*4.39*	*-54.9%*	*7.24*	*-72.7%*	*15.04*	*12.73*	*18.2%*
PATAMI	**1.84**	**4.19**	*-56.1%*	**7.25**	*-74.7%*	**17.70**	**12.56**	*40.9%*
Core EPS (sen)	0.42	0.97	*-56.1%*	**1.68**	*-74.7%*	**3.40**	**2.90**	*17.1%*
Net DPS (sen)	0.00	0.00	*N.a*	**0.90**		**0.00**	**0.90**	
Margins								
Gross Margin	17.9%	23.4%		22.0%		24.1%	25.6%	
Opex	-3.9%	-15.6%		-6.9%		-13.6%	-14.7%	
EBITDA Margin	15.8%	11.9%		25.7%		13.6%	16.1%	
EBIT Margin	2.8%	8.0%		11.3%		6.9%	6.9%	
PBT Margin	2.1%	7.0%		10.5%		6.0%	6.0%	
PATAMI Margin	2.1%	5.8%		10.9%		6.1%	5.3%	
ETR	9.7%	-13.1%		-8.0%		-15.0%	-17.6%	
Segmental (RMm)								
Sea Freight Forwarding	31.01	23.05	*34.6%*	22.41		101.13	92.05	*9.9%*
Air Freight Forwarding	25.60	22.73	*12.6%*	14.89		78.03	47.60	*63.9%*
Aerospace Logistics	22.91	19.14	*19.7%*	18.55		74.21	66.03	*12.4%*
Warehousing and 3PL Services	3.77	3.38	*11.3%*	3.48		13.37	12.09	*10.6%*
Road Freight Transportation	2.85	4.34	*-34.3%*	7.42		23.97	20.67	*16.0%*

Source: Company, Bursa Malaysia, Mercury Securities

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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