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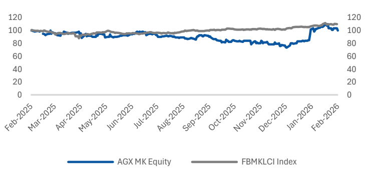
Recommendation:	BUY
Current Price:	RM 0.55
Previous Target Price:	RM 0.74
Target Price:	RM 0.62
Capital Upside/Downside:	12.7%
Dividend Yield (%):	2.8%
Total Upside/Downside:	15.5%

Stock information

Board	ACE
Sector	Transportation & Logistics
Bursa / Bloomberg Code	0299/AGX MK
Syariah Compliant	Yes
ESG Rating	★★★
Shares issued (m)	432.9
Market Cap (RM' m)	235.9
52-Week Price Range (RM)	0.405-0.625
Beta (x)	0.4
Free float (%)	28.3
3M Average Volume (m)	0.2
3M Average Value (RM' m)	0.1

Top 3 Shareholders	(%)
Mark Penu	19.1
Neo Lip Pheng	18.9
Periasamy Ponnudorai	11.5

Share Price Performance



	1M	3M	12M
Absolute (%)	-3.5	28.2	2.8
Relative (%)	-1.3	22.9	-4.9

Earnings summary

FYE Dec (RM m)	FY25	FY26F	FY27F
Revenue (RM'm)	290.7	317.1	360.2
PATAMI (RM'm)	14.8	21.8	24.2
CNP (RM'm)	18.8	21.8	24.2
EPS - core (sen)	4.3	5.0	5.6
P/E (x)	12.6	10.8	9.7

AGX Group Bhd

Below Expectations

- **AGX delivered 4QFY25 CNP of RM3.1m (-53.8% YoY, -31.1% QoQ), bringing its FY25 results to RM18.7m (+29.7% YoY). After including exceptional items, this represents 89.1% of our forecast and 96.4% of consensus estimates. We deem the results missing our expectation.**
- **We revise our earnings forecasts by lowering the contributions from All-Link. As a result, our CNP estimates are reduced by -17.0%/-18.2% for FY26F/FY27F.**
- **We maintain our BUY call with a lower TP of RM0.62 (from RM0.74) supported by a three-star ESG rating.**

Results below expectations. Excluding exceptional items, namely a net foreign exchange loss of -RM1.5m and a net reversal of impairment losses of +RM0.2m, AGX reported 4QFY25 Core Net Profit (CNP) of RM3.1m (-53.8% YoY, -31.1% QoQ). On a full-year basis, FY25 CNP came in at RM18.7m (+29.7% YoY), after adjusting for earlier non-recurring expenses. This accounted for 89.1% of our forecast and 96.4% of consensus estimates. The earnings shortfall was primarily driven by lower-than-expected contributions from its 30% associate, All-Link, alongside margin compression arising from an unfavourable shift in revenue mix.

YoY. Despite revenue surging +29.0% YoY, CNP registered a sharp decline of -53.8% YoY, underpinned by a significant contraction in associate contributions, which fell -86.1% YoY. The decline was attributable to a slowdown in e-commerce activities during the quarter amid heightened trade uncertainties. In addition, earnings were weighted down by an unfavourable shift in revenue mix, as contributions from its lower-margin segments, particularly Sea Freight Forwarding and Air Freight Forwarding segments, increased to 65.7% in 4QFY25 from 55.8% in 4QFY24. This mix shift resulted in a 410bps contraction in gross profit margin, further pressuring profitability.

YTD. FY25 CNP surged +29.7%, supported by higher revenue contributions across all business segments, led by Air Freight Forwarding, which recorded the strongest growth at +64.0% YTD. As the segment expanded its revenue share by +689bps, which offsets a 381bps decline in the contribution from lower-margin Sea Freight Forwarding, the Group's CNP margin improved modestly by 38bps.

QoQ. CNP fell -31.1% QoQ, primarily driven by a -61.3% decrease in share of associate results. This underperformance was slightly mitigated by the +18.6% in QoQ revenue, with the largest increase coming from its Sea Freight Forwarding segment with a +34.6% improvement, driven primarily by robust air freight demand from the Group's Vietnam and Penang operations.

Outlook. While we remain confident in the Group's ability to deliver gradual operational improvement over the coming quarters, we are mindful of heightened global trade uncertainties, driven by increasing geopolitical tensions and renewed concerns following the latest US tariff announcement. That said, we expect contributions from the higher-margin Aerospace Logistics segment to provide a key earnings buffer, underpinned by the Group's recent landmark contract with Malaysia Airlines Berhad (MAG), and supported by the ongoing regional aviation Maintenance, Repair and Overhaul (MRO) upcycle. In addition, AirAsia X Bhd's strategic pivot toward smaller aircrafts, following the cancellation of its initial order for 15 larger Airbus A330neo aircrafts, is expected to be supportive of sustained activity within the Aerospace Logistics segment. Conversely, we remain cautious on contributions from All-Link, as its earnings profile remain highly sensitive to fluctuations in cross-border e-commerce flows from North Asia into Southeast Asia, which could remain volatile amid an uncertain global trade backdrop.

Earnings Revision. We revise our earnings forecasts by lowering the contributions from All-Link. As a result, our CNP estimates are reduced by -17.0%/-18.2% for FY26F/FY27F.

Valuation. We maintain our **BUY** call with a lower TP of **RM0.62** (from RM0.74), based on unchanged PE of 12.2x FY26F EPS of 5.0 sen, supported by a three-star ESG rating.

Risk. Exposure to volatile trade flows, fuel price swings and fluid freight rates.

Results Comparison

FYE Dec (RM m)	4QFY25	4QFY24	yoy (%)	3QFY25	qoq (%)	12MFY25	12MFY24	yoy (%)
Revenue	86.1	66.8	*29.0*	72.6	*18.6*	290.7	238.5	*21.9*
EBITDA	4.3	3.6	*19.3*	5.8	*(25.5)*	22.1	15.2	*45.5*
Pre-tax profit	1.8	7.9	*(77.1)*	5.0	*(64.3)*	17.4	15.1	*14.7*
Net profit	1.8	7.2	*(74.6)*	4.2	*(56.1)*	14.7	12.7	*15.6*
Core net profit	3.1	6.7	*(53.8)*	4.5	*(31.1)*	18.7	14.4	*29.7*
Core EPS (sen)	0.7	1.6	*(53.8)*	1.0	*(31.1)*	4.3	3.3	*29.7*
EBITDA margin (%)	5.0	5.4		8.0		7.6	6.4	
PBT margin (%)	2.1	11.8		7.0		6.0	6.4	
Core net profit margin (%)	3.6	10.1		6.2		6.4	6.0	

Source: Company, Apex Securities

Segmental Breakdown

FYE Dec (RM m)	4QFY25	4QFY24	yoy (%)	3QFY25	qoq (%)	12MFY25	12MFY24	yoy (%)
Revenue								
Sea freight forwarding	31.0	22.4	*38.4*	23.0	*34.6*	101.1	92.0	*9.9*
Air freight forwarding	25.6	14.9	*72.0*	22.7	*12.6*	78.0	47.6	*64.0*
Aerospace logistics	22.9	18.6	*23.5*	19.1	*19.7*	74.2	66.0	*12.4*
Warehousing	3.8	3.5	*6.6*	3.4	*11.3*	13.4	12.1	*10.1*
Road freight	2.9	7.4	*(61.5)*	4.3	*(34.3)*	24.0	20.7	*16.0*
Total	**86.1**	**66.8**	***29.0***	**72.6**	***18.6***	**290.7**	**238.5**	***21.9***
Share of Revenue								
Sea freight forwarding	36.0%	33.6%	***245bps***	31.7%	***428bps***	34.8%	38.6%	***-381bps***
Air freight forwarding	29.7%	22.3%	***743bps***	31.3%	***-157bps***	26.8%	20.0%	***689bps***
Aerospace logistics	26.6%	27.8%	***-118bps***	26.4%	***24bps***	25.5%	27.7%	***-216bps***
Warehousing	4.4%	5.3%	***-92bps***	4.7%	***-29bps***	4.6%	5.1%	***-49bps***
Road freight	3.3%	11.1%	***-779bps***	6.0%	***-267bps***	8.2%	8.7%	***-42bps***
Total	100.0%	100.0%		100.0%		100.0%	100.0%	

Source: Company, Apex Securities

Financial Highlights

Income Statement

FYE Dec (RM m)	FY23	FY24	FY25	FY26F	FY27F
Revenue	**186.8**	**238.4**	**290.7**	**317.1**	**360.2**
Gross Profit	**57.4**	**61.0**	**70.0**	**92.2**	**105.0**
EBITDA	**24.4**	**19.7**	**29.6**	**30.3**	**34.8**
Depreciation & Amortisation	6.6	9.6	11.3	11.1	12.6
EBIT	**17.8**	**10.0**	**18.4**	**19.2**	**22.2**
Net Finance Income/ (Cost)	-1.4	-2.2	-2.6	-2.3	-3.3
Associates & JV	1.5	11.8	9.1	14.0	15.4
Other Income/(Cost)	-3.6	-4.6	-5.5	-5.6	-6.1
Pre-tax Profit	**14.2**	**15.1**	**17.4**	**25.4**	**28.2**
Tax	-4.5	-2.5	-2.6	-3.8	-4.2
Profit After Tax	**9.8**	**12.6**	**14.8**	**21.6**	**24.0**
Minority Interest	0.0	0.2	0.1	0.2	0.2
Net Profit	**9.8**	**12.7**	**14.8**	**21.8**	**24.2**
Exceptionals	0.0	1.7	4.0	0.0	0.0
Core Net Profit	**9.8**	**14.4**	**18.8**	**21.8**	**24.2**

Key Ratios

FYE Dec (RM m)	FY23	FY24	FY25	FY26F	FY27F
EPS (sen)	2.3	3.3	4.3	5.0	5.6
P/E (x)	24.1	16.4	12.6	10.8	9.7
P/B (x)	4.6	2.6	2.3	2.6	2.6
EV/EBITDA (x)	9.7	11.4	8.8	8.0	7.1
DPS (sen)	0.5	0.5	0.0	1.5	1.7
Dividend Yield (%)	0.8%	0.8%	0.0%	2.8%	3.1%
EBITDA margin (%)	13.1%	8.2%	10.2%	9.6%	9.7%
EBIT margin (%)	9.5%	4.2%	6.3%	6.1%	6.2%
PBT margin (%)	7.6%	6.3%	6.0%	8.0%	7.8%
PAT margin (%)	5.2%	5.3%	5.1%	6.8%	6.7%
NP margin (%)	5.2%	5.3%	5.1%	6.9%	6.7%
CNP margin (%)	5.2%	6.0%	6.5%	6.9%	6.7%
ROE (%)	19.1%	16.1%	18.5%	24.2%	26.5%
ROA (%)	9.9%	9.5%	10.7%	12.6%	13.3%
Gearing (%)	27.2%	10.0%	40.9%	24.2%	29.2%
Net gearing (%)	2.8%	Net Cash	24.8%	7.5%	12.8%

Valuations	FY26F
Core EPS (sen)	5.0
P/E Multiple (x)	12.2
Fair Value (RM)	**0.62**
ESG premium/discount	0.0%
Implied Fair Value (RM)	**0.62**

Source: Company, Apex Securities

Balance Sheet

FYE Dec (RM m)	FY23	FY24	FY25	FY26F	FY27F
Cash	12.6	20.8	16.3	15.0	15.0
Receivables	65.6	74.7	90.6	99.9	108.1
Inventories	0.0	0.0	0.0	0.0	0.0
Other current assets	2.0	8.3	13.2	1.1	1.6
Total Current Assets	**80.2**	**103.9**	**120.1**	**116.0**	**124.7**
Fixed Assets	13.1	32.5	31.8	32.8	32.9
Intangibles	1.2	1.1	0.9	0.8	0.7
Other non-current assets	4.6	14.3	23.5	23.6	23.7
Total Non-Current Assets	**18.9**	**47.9**	**56.2**	**57.2**	**57.3**
Short-term debt	13.8	8.3	24.6	24.2	23.8
Payables	21.1	23.5	29.9	29.1	30.4
Other current liabilities	1.9	1.2	0.8	0.8	0.8
Total Current Liabilities	**36.8**	**33.0**	**55.3**	**54.1**	**55.1**
Long-term debt	0.2	0.6	16.9	-2.5	2.8
Other non-current liabilities	10.6	28.4	2.4	31.5	32.7
Total Non-Current Liabilities	**10.8**	**29.1**	**19.3**	**29.0**	**35.5**
Shareholder's equity	51.3	89.5	101.4	89.5	90.5
Minority interest	0.1	0.2	0.2	0.6	0.9
Total Equity	**51.4**	**89.7**	**101.6**	**90.1**	**91.4**

Cash Flow

FYE Dec (RM m)	FY23	FY24	FY25	FY26F	FY27F
Pre-tax profit	**14.2**	**15.1**	**17.4**	**25.4**	**28.2**
Depreciation & amortisation	6.6	9.6	11.3	11.1	12.6
Changes in working capital	-15.2	-8.2	-17.4	-6.7	-6.2
Others	-2.1	-12.2	-3.8	-14.3	-14.4
Operating cash flow	**3.5**	**4.3**	**7.5**	**15.5**	**20.2**
Net capex	-1.5	-4.8	-3.3	-11.1	-12.6
Others	3.0	2.4	2.2	1.0	1.0
Investing cash flow	**1.5**	**-2.4**	**-1.1**	**-10.1**	**-11.6**
Dividends paid	-6.6	-3.9	0.0	-6.5	-7.3
Others	-4.1	20.8	-1.9	6.8	5.2
Financing cash flow	**-10.7**	**16.9**	**-1.9**	**0.3**	**-2.1**
Net cash flow	**-5.7**	**18.8**	**4.5**	**5.7**	**6.5**
Forex	1.0	-3.9	-6.8	-5.7	-6.5
Others	2.8	-6.6	-2.3	0.0	0.0
Beginning cash	30.4	12.6	20.8	15.0	15.0
Ending cash	**28.6**	**20.8**	**16.3**	**15.0**	**15.0**

ESG Matrix Framework:

Environment

Parameters	Rating	Comments
Energy	★★★	Transitioned to LED lighting across all office areas and key warehouse locations to reduce electricity consumption.
Compliance	★★★	The Group complies with all local and international environmental regulations.
Fuel	★★★	The Group tracks and monitor diesel fuel consumption of all transportation vehicles.

Social

Diversity	★★	Female representation at 42% in the workforce and 25% at the board level.
Human Rights	★★★	Enforces strict policies against human trafficking, forced labor, and child labor.
Occupational Safety and Health	★★★	Employees participate in safety and health training to foster safe working environment.
Labour Practices	★★★	Adheres to all relevant labour laws.

Governance

Management	★★★	Undergoes training on anti-corruption and bribery every year.
Stakeholders	★★	Maintains constructive communication with all key stakeholders through consistent engagements.
Governance	★★★	Board of Directors oversees and governs the Group's sustainability agenda and strategy.

Overall ESG Scoring: ★★★

Recommendation Framework:
BUY: Total returns* are expected to exceed 10% within the next 12 months.
HOLD: Total returns* are expected to be within +10% to – 10% within the next 12 months.
SELL: Total returns* are expected to be below -10% within the next 12 months.
TRADING BUY: Total returns* are expected to exceed 10% within the next 3 months.
TRADING SELL: Total returns* are expected to be below -10% within the next 3 months.
*Capital gain + dividend yield

Sector Recommendations:
OVERWEIGHT: The industry defined by the analyst is expected to exceed 10% within the next 12 months.
NEUTRAL: The industry defined by the analyst is expected to be within +10% to – 10% within the next 12 months.
UNDERWEIGHT: The industry defined by the analyst, is expected to be below -10% within the next 12 months.

ESG Rating Framework:
★★★★★ : Appraised with 3% premium to fundamental fair value
★★★★ : Appraised with 1% premium to fundamental fair value
★★★ : Appraised with 0% premium/discount to fundamental fair value
★★ : Appraised with -1% discount to fundamental fair value
★ : Appraised with -5% discount to fundamental fair value

As of **Monday, 02 Mar, 2026**, the analyst(s), whose name(s) appears on the front page, who prepared this report, has interest in the following securities covered in this report:
(a) nil.