

## Research Team

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Recommendation:	Subscribe
Current Price:	RM 0.35
Previous Target Price:	N/A
Target Price:	RM 0.46
Capital Upside/Downside:	31.5%
Dividend Yield (%):	3.3%
Total Upside/Downside:	34.8%

## Stock information

Board	ACE
Sector	Technology
Bursa / Bloomberg Code	0395/OGX MK
Syariah Compliant	Yes
Shares issued (m)	750.0
Market Cap (RM' m)	262.5
Free float (%)	30.0

Top 3 Shareholders	(%)
Tan Ting Fong	35.7
Tan Suan Loong	34.3

IPO Timetable	Date
Opening of IPO application	12/2/2026
Closing of IPO application	2/3/2026
Ballotting of IPO application	4/3/2026
Allotment of IPO shares	11/3/2026
Listing of IPO on Bursa Malaysia	12/3/2026

# OGX Group Berhad

## An Established IT Infrastructure Solutions Specialist

### Executive Summary

- **OGX Group is an IT infrastructure solutions specialist focusing on network, cybersecurity and enterprise data centre systems, serving system integrators and enterprises through a brand-centric distribution and solutions model.**
- **We project FY25-28F earnings to grow at 30% CAGR, underpinned by strong network and cybersecurity demand, coupled with the Group's expansion into East Malaysia and a solid foundation of recurring revenue from the Warranties and Support Services segment.**
- **Growth will be supported by (i) Malaysia digitalization trends, (ii) rising cybersecurity spending and (iii) Expansion of the higher-margin enterprise data centre solutions segment.**
- **We recommend SUBSCRIBE with a target price of RM0.46, premised on 12.0x FY27F EPS of 3.8 sen.**

### Key Investment Highlights

**Established IT Infrastructure Specialist.** OGX Group is a value-added distributor of IT infrastructure solutions, focusing on enterprise and system integrators (SI) customers with over 19-years of operating history, evolving from a traditional distributor to a specialist provider of network, cybersecurity and enterprise data centre solutions, supported by technical pre-sales, configuration and after-sales services. The Group's strategic moat is anchored by its status as an authorised distributor for 18 global IT Infrastructure brands (e.g., HPE-Aruba, Sangfor, Vertiv), a status granted based on stringent technical competence, execution capabilities and financial standing. This creates a durable gatekeeper position in the local ecosystem and raises switching costs for both vendors and SIs.

OGX's portfolio comprises of 18 brands spanning network, security and data centre which reduces dependence on any single principal and allows an optimised brand portfolio. As enterprises pursue multi cloud and zero trust architectures, vendor fragmentation at the solution layer actually increases, and customers value integrators who can harmonise multi-vendor environments. In that world, a neutral, brand centric distributor-solutions player like OGX becomes more, not less, essential as a "router" of technology between OEMs and SIs.

**Strategic Pivot into Managed IT Services and Security Operations Centre.** OGX Group intends to venture into managed IT services segments by establishing of an in-house Security Operations Centre (SOC). The SOC can deliver cybersecurity services including centralised security monitoring, real-time threat detection and incident response. This initiative positions the Group to capture high-quality recurring revenue via Security-as-a-Service while complementing existing cybersecurity business, enhancing customer stickiness and strategic reliance beyond one-off product sales. It is well-timed, given Malaysia's estimated a 43% shortfall of cybersecurity professionals by providing outsourced 24/7 centralized monitoring and real-time threat detection.

By combining distribution (hardware/software), solution design, support services and a future SOC, OGX is evolving into an integration "control plane" for mid-sized enterprises and public agencies that cannot manage complex multi-vendor stacks in house. This positions OGX beyond a traditional distributor, as the Group influences infrastructure architecture, support services and customization product offerings, shaping end-to-end technology roadmaps. We expect this initiative to strengthen earnings visibility and support margin expansion over time.

**Exposure to Data Centre Growth via Modular Data Centre Joint Venture.** OGX entered into a joint venture with DTCT China, granting it exclusive rights to market and distribute enterprise data centre infrastructure products in Malaysia and Vietnam latest by February 2028. This joint venture provides OGX with direct exposures to the accelerating data centre construction cycle, supported

by hyperscale investments, rising cloud adoption. According to MIDA, Malaysia's data centre market is expected to reach USD13.6bn by 2030 (22.4% CAGR from 2024-2030), and modular data centre are increasingly favoured due to faster deployment timelines and scalability. The JV also explicitly sets sales targets (e.g., RM10m cumulative in Malaysia over two years; USD0.5m plus 50% annual growth in Vietnam), creating structured growth milestones. This gives OGX an early mover advantage in modular data centre solutions in both markets and opens a pathway for OGX to participate in higher-value infrastructure projects with higher margins beyond conventional IT solutions.

**Strong Orderbook and Physical Scaling.** The Group has total secured orders of approximately RM72.3m with all expected to be fully billed in the FYE26, provides strong near-term revenue visibility and earnings pipeline. To support future growth and operational scale, OGX plans to acquire a new 35,000 sq ft office in Subang Jaya or Shah Alam, which will house a dedicated customer experience centre at nearly 2.3x its current warehouse capacity. Concurrently, OGX is expanding its footprint in East Malaysia to serve nationwide enterprise customers and support larger projects deployment.

**Valuation & Recommendation.** We recommend **SUBSCRIBE** on OGX Group Berhad's IPO, with a target price of **RM0.46**, representing a potential upside of 31.5% from the IPO price. It is based on a target P/E multiple of 12x applied to FY27F core earnings per share of 3.8sen, implying a c.15% discount to the selected peers' average forward P/E of 14.1x. The discount reflects its smaller market capitalization and relatively lower profit margin compared with the peers of similar size, while also incorporating a cautious stance amid near-term execution risks associated with scaling its East Malaysia expansion and enterprise data centre growth.

### Earnings Summary

FYE May (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Revenue	172.5	176.3	243.2	301.6	356.2
EBITDA	14.0	24.7	33.0	44.3	52.3
Pre-tax profit	11.4	22.0	30.6	41.0	48.4
Net profit	8.1	15.5	21.4	28.7	33.9
Core net profit	8.1	15.5	21.4	28.7	33.9
Core EPS (sen)	1.1	2.1	2.9	3.8	4.5
P/E (x)	32.6	17.0	12.3	9.1	7.8
P/B (x)	8.5	7.0	2.6	2.2	1.8
EV/EBITDA (x)	17.2	10.2	9.4	7.0	6.1
Dividend Yield (%)	1.8%	3.4%	2.4%	3.3%	3.9%
Net Gearing (%)	0.7	0.3	Net Cash	Net Cash	Net Cash

Source: Company, Apex Securities

## Company Background

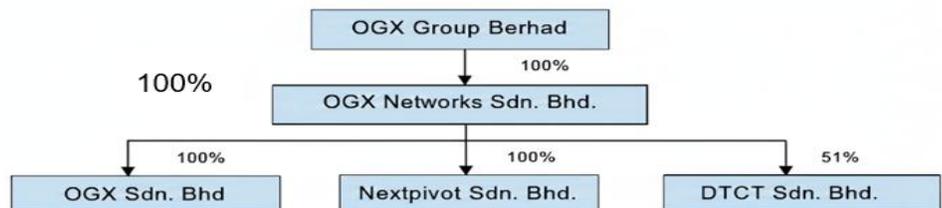
OGX Group Berhad's started with the incorporation of its key operating subsidiary, OGX Networks Sdn Bhd (formerly known as Originex Networks Sdn Bhd), in Dec 2007. From its early days operating out of a rented office in Shah Alam, the business focused on the distribution of network infrastructure hardware to system integrators, building foundational technical capabilities and customer relationships in Malaysia's IT infrastructure ecosystem. A pivotal early milestone came in 2008, when Originex became the controlling shareholder of OGX Networks and the Group secured its first authorised distributorship for 3Com (now HPE-Aruba), followed by its role in the Putrajaya Campus Network project, an exclusive government network infrastructure deployment that helped cement OGX's credentials as a trusted distribution and solutions partner.

Over time, the Group progressively evolved from a pure distributor into an IT infrastructure solutions specialist. In 2012, OGX secured its first authorised distributorship in the enterprise data centre segment under the Emerson brand (now Vertiv), marking its entry into power, cooling and modular data centre infrastructure. This was followed by its first cybersecurity distributorship with Websense (now Forcepoint) in 2015, broadening its portfolio from network to cybersecurity and enterprise data centre solutions. In July 2015, the entry of Tan Suan Loong as Managing Director marked a strategic inflection point, as the Group sharpened its brand-centric model, deepened its value-added services in solution design, deployment and technical support, and accelerated efforts to position itself as a comprehensive IT infrastructure solutions specialist. The Group subsequently relocated its headquarters in 2017 to its current Bukit Jelutong facilities in Shah Alam and expanded into an adjacent block in 2020, creating an integrated operational base for offices, warehousing and staging facilities.

To support its next phase of growth and listing on the ACE Market, OGX Group Berhad was incorporated on 23 April 2025 as an investment holding company and converted to a public company on 28 July 2025, consolidating OGX Networks and its related subsidiaries under a single corporate platform. In March 2025, the Group further strengthened its enterprise data centre capabilities through a joint venture with DTCT China via DTCT Sdn Bhd, securing exclusive rights to market and distribute DTCT-branded modular data centre infrastructure in Malaysia and Vietnam, and non-exclusive rights across Southeast Asia. Backed by an 19-year track record in IT infrastructure, long-standing relationships with system integrator customers, authorised distributor status across a broad portfolio of global brands, and a growing presence in high-value segments such as cybersecurity and modular data centres, the Group is well-positioned to leverage its IPO to acquire a newer facility, deepen its brand portfolio, expand into East Malaysia and establish an in-house security operations centre, thereby reinforcing its position as a leading IT infrastructure solutions specialist in Malaysia.

Based on the Independent Market Research (IMR) report, OGX Group held an estimated **1.25%** share of Malaysia's IT infrastructure solutions industry as of FY24.

**Figure 1: Corporate Structure**



Source: OGX Group Prospectus, Apex Securities

**Figure 2: Notable Completed Projects**

No.	Type of IT Infrastructure Solutions	End Users	COD	Contract Value, RM m
1	Cybersecurity solutions	Government ministry	Feb 23 - Jul 23	35.2
2	Cybersecurity solutions	Government ministry	Feb 23 - May 23	17.8
3	Cybersecurity solutions	Government ministry	Mar 24 - Oct 24	10.9
4	Network solutions	Public security	Jan 22 - Sep 23	7.4
5	Cybersecurity solutions	Private enterprise	Dec 23 - Jan 25	6.0

Source: OGX Group Prospectus, Apex Securities

**Figure 3: IPO Utilisation**

Details of Utilisation	Estimated time frame for utilisation	RM' m	(%)
Acquisition of new facility	Within 30 months	30.0	57.1%
Expansion of portfolio of IT infrastructure brands	Within 18 months	2.5	4.8%
Geographical business expansion	Within 24 months	2.0	3.8%
Repayment of bank borrowings	Within 3 months	4.5	8.6%
Working capital	Within 12 months	8.5	16.2%
Estimated listing expenses	Within 1 month	5.0	9.5%
<b>Total</b>		<b>52.5</b>	<b>100.0%</b>

Source: OGX Group Prospectus, Apex Securities

## Business Overview

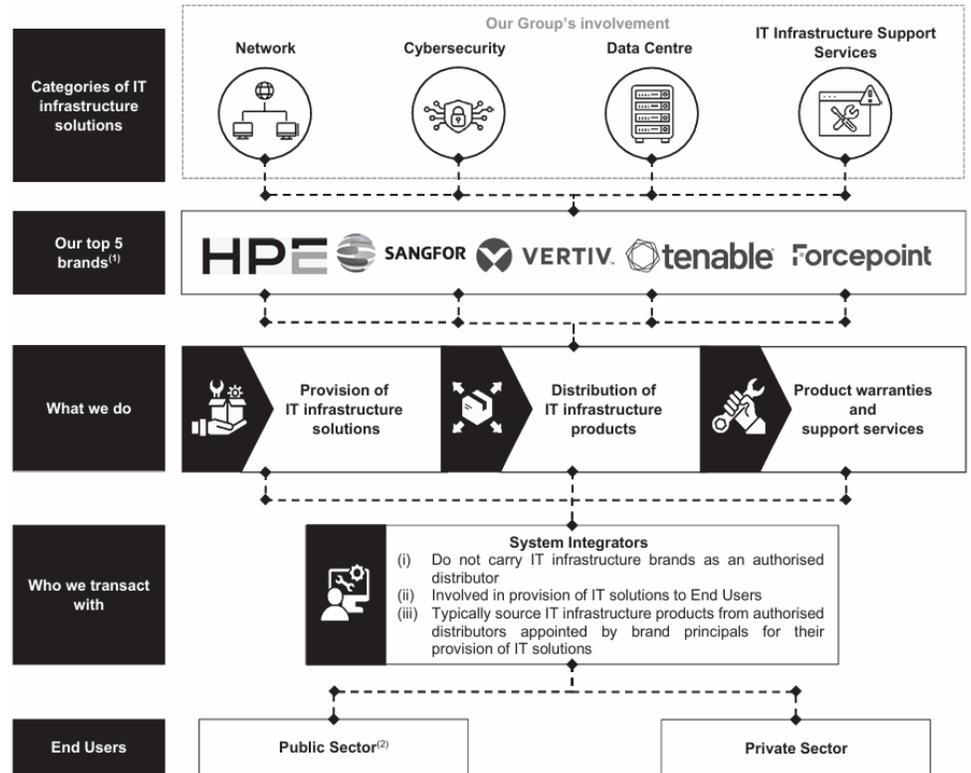
**Business Model.** The Group provides a comprehensive suite of services spanning: (i) **Provision of IT Infrastructure Solutions**, (ii) **Distribution of IT Infrastructure Products** and (iii) **Product Warranties and Support Services**.

**Figure 4: Business Overview**

	Principal activities	Target markets
Brand-centric model	<b>Provision of IT infrastructure solutions</b>  Our Group undertakes the provision of IT infrastructure solutions, which encompasses the design and implementation of IT infrastructure solutions.	System integrators who may not possess the required technical capabilities to independently undertake the design and implementation of the IT infrastructure solutions. As such, they may seek to collaborate with authorised distributors such as our Group to support and undertake the provision of IT infrastructure solutions to End Users.
	<b>Distribution of IT infrastructure products</b>  Our Group distributes IT infrastructure products, comprising hardware and software.	System integrators who have the technical capabilities to independently undertake the design and implementation functions required for the delivery of IT infrastructure solutions to End Users.
	<b>Product warranties and support services</b>  Our Group offers product warranties and support services as follows:- (i) product warranties are purchased from brand principals through our Group, in our capacity as an authorised distributor; and (ii) support services are provided through the following channels:- (a) support services made available by the brand principals alongside their IT infrastructure products which are marketed and distributed by our Group; or (b) our Group's in-house support services, which provides localised support through our in-house technical team.	Our Group offers product warranties and support services to:- (i) SI customers who procure IT infrastructure solutions and/or products from our Group, on behalf of End Users; or (ii) SI customers who did not procure IT infrastructure solutions or products from our Group but require product warranties and support services for the IT infrastructure brands that we carry.

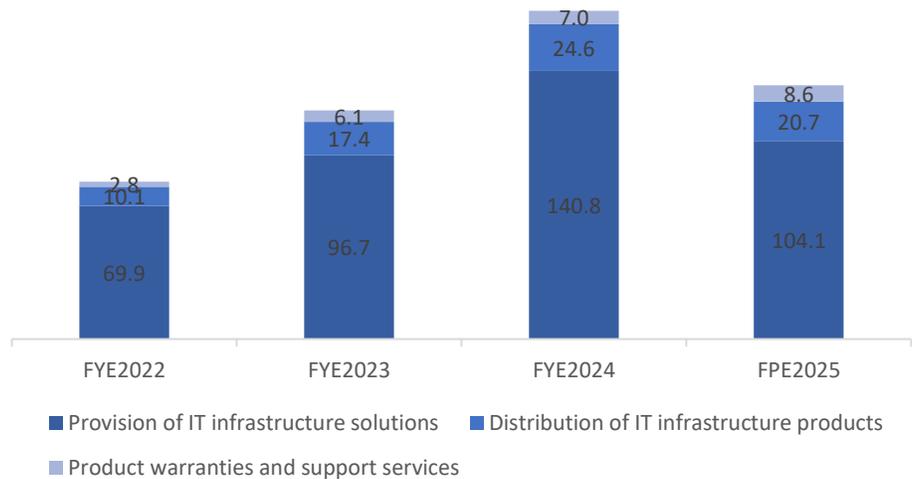
Source: OGX Group prospectus

Figure 5: Business Model



Source: OGX Group prospectus

Figure 6: Revenue Segmentation by Business Activities



Source: OGX Group prospectus, Apex Securities

## OGX Group's Revenue Streams

The revenue for the group can be split to three core segments: Provision of IT Infrastructure Solutions, Distribution of IT Infrastructure Products and Product Warranties and Support Services.

**Provision of IT Infrastructure solutions** serves as the primary revenue engine for OGX Group, accounting for **RM82.6m** or 78.1% of total revenue in FPE26 (31 October 2025). This segment primarily encompasses the extensive design, supply and implementation of IT Infrastructure rather than simple hardware trading. This segment spans across three core categories: network solutions (45.9% of FPE26 revenue), cybersecurity solutions (24.9%), and enterprise data centre solutions (7.3%).

**Distribution of IT Infrastructure products** is the second largest revenue stream accounting for **RM12.3m** or 11.6% of total revenue in FPE26. The Distribution Segment spans across three main product categories: network infrastructure products (4.5% of FPE26 revenue), cybersecurity infrastructure products (5.0%), and enterprise data centre infrastructure products (2.1%).

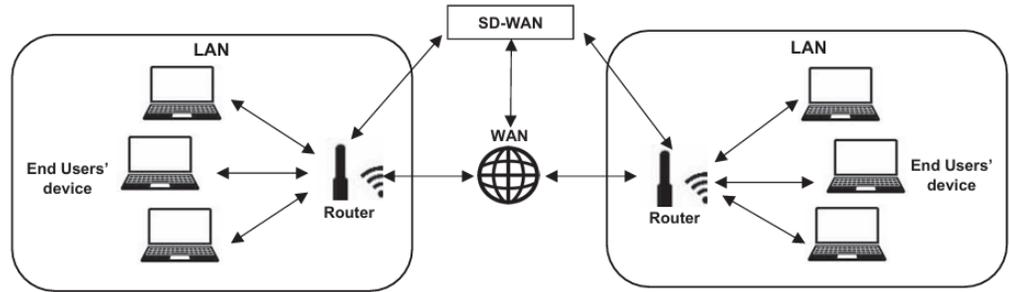
**Product Warranties and Support Services** represent the Group's third revenue stream, contributing **RM10.9m** or 10.3% of total revenue in FPE26. This segment comprises the sales of product warranties purchased from brand principals, as well as ongoing technical support services provided either by the respective brand principals or through the Group's in-house technical team support services. It is growing at a **54.0% CAGR** from FY2022-2025 driven primarily by higher demand for support services packages. This growth is evidenced by the increase in number of subscribing SI customers from **179 in FYE24 to 375 in FYE25** mainly for the renewal of packages. Gross profit margins also shown improvement from **9.5%** in FYE22 to **10.5%** in FYE25. Product warranties are typically sourced from brand principals, alongside with the IT infrastructure products distributed by the Group, with a small proportion of customers purchases warranties and support services on a standalone basis without purchasing the underlying hardware.

In support services, System Integrators (SI) may select either support services package offered by the brand principals or the Group's in house support services. Brand principals support packages provide guaranteed response times for software and hardware issue resolution with 8hours/5days or 24hrs/7days services package options to accommodate operational needs. Furthermore, it also includes routine maintenance to prevent system breakdown, performance assessment and diagnostics, firmware and software updates to ensure system reliability. In addition, SI opting for the Group's in-house support services package can gain access to comprehensive solutions troubleshooting and localised support assistance provided by in-house technical team with enhancing service responsiveness.

Both the **Provision** and **Distribution** segments are structured around three core technology domains, which are **network infrastructure, cybersecurity infrastructure, and enterprise data centre infrastructure**, with the former focusing on integrated solutions and implementation, and the latter on product supply.

**Network Infrastructure.** This solution facilitates wired and wireless connectivity for data transmission within and between organisations. OGX delivers: two primary network types: Local Area Networks (LAN) and Software-Defined Wide Area Networks (SD-WANs) enabling remote network connectivity across large geographical areas with built-in endpoint security and optimised traffic routing, network speed, bandwidth and threat protection. The Segment generated **RM48.6m** in Solution Sales and **RM4.8m** in Distribution Sales (FPE26) growing at a **21.4% CAGR** and **43.0% CAGR** respectively from FY2022-2025. Gross profit margins also saw expansion from **13.3%** (FYE22) to **20.2%** (FYE25), primarily driven by bulk purchase discounts secured on switches, access points, and network controllers based on order volume and value.

**Figure 7: Connectivity between LAN, WAN and SD-WAN**

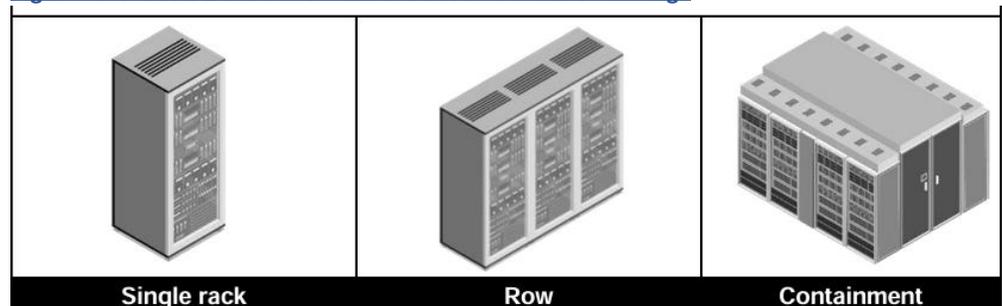


Source: OGX Group prospectus

**Cybersecurity Infrastructure.** The Solution protects organisational networks, data and digital assets through detection, prevention and defense mechanisms. OGX’s portfolio ranges across 5 categories: Network Security (Firewalls and DDoS protection safeguarding internal network from external threats); Identity Management (Ensure only authorised users have access to specific resources through Single Sign-on or Privileged Access Management); Threat Detection (continuously monitoring anomalies and response to any unusual activity); Vulnerability Assessment (eg: risk management and attack surface monitoring) and Cloud-based Security (eg: Secure web gateways and remote browser isolation). The Segment generated **RM26.3m** in revenue in Solution Sales and **RM5.3m** in distribution sales (FPE26) growing at an impressive **66.1% CAGR and 34.3% CAGR respectively** from FY2022-2025 attributed to increase of high value projects. Gross margin also saw a strong recovery from 8.7% in FYE24 to 22.1% in FYE25. The previous margin compression was attributable to several high-value projects involving deployment across thousands of installation touchpoints requiring outsourced installation services and hardware-intensive implementations that increased costs. FYE25's margin recovery reflects fewer installation touchpoints and increased in-house implementation capability.

**Enterprise Data Centre Infrastructure.** OGX Group specialises in enterprise data centre infrastructure installed at End Users’ premises for internal use, distinct from hyperscale data centres supporting cloud service providers. The group delivers two infrastructure types: Conventional Data Centres comprising dedicated rooms equipped with separate components for power supply, power distribution, cooling systems, and security system to house IT infrastructure; and Modular Data Centres featuring prefabricated enclosed cabinets integrating all necessary components including: uninterruptible power supply, cooling system, cable management and thermal management. Modular solutions are scalable, more energy-efficient and deployable across various locations from offices to warehouses, offered in single rack, row, or containment configurations customised to client needs, space availability, and budget. Storage and computing units (servers, switches, routers) are inserted separately and may be procured from OGX Group or other suppliers. The solution sales generated **RM7.8m** with distribution accounting **RM2.2m** in FPE26 growing at a **-10.2% CAGR and 26.2% CAGR respectively** (FY22-25) with consistent gross margins ranging **29.5%-35.9%**, driven by competitive hardware pricing through bulk purchase arrangements like network infrastructure procurement and shift towards higher-value and more complex projects.

**Figure 8: Modular Data Centre Infrastructure Product Offerings**

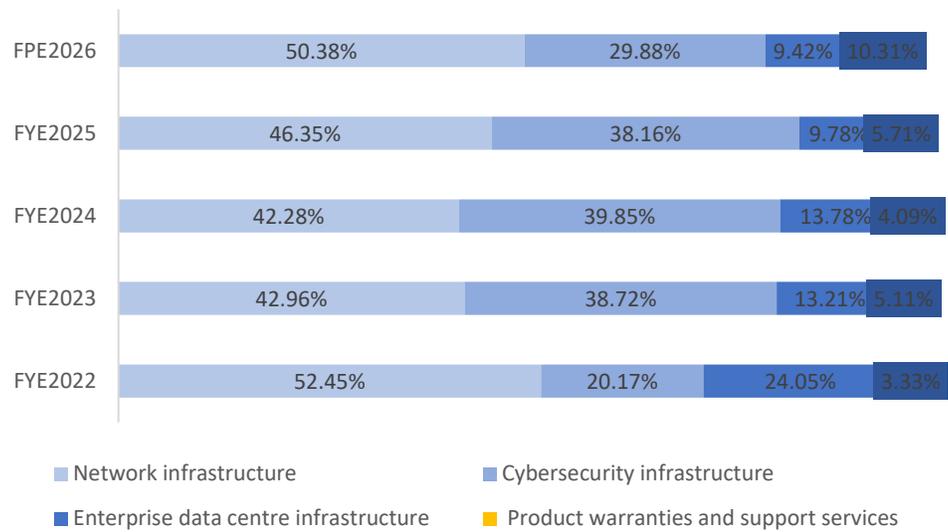


Source: OGX Group prospectus

**The Whole Picture.** OGX Group manages a detailed operational process from initial client consultation through final handover. The workflow begins with joint consultations between OGX Group, System Integrator (SI) customers, and End User to assess technical specifications, budget constraints and operational needs. Then, the Group designs customised IT infrastructure solutions for the End User. OGX Group procures required hardware and software from brand principals, conducts pre-implementation configuration and software updates at their Bukit Jelutong HQ, then deploys to end-user premises. Implementation timelines typically range from 1 to 6 months depending on project complexity and site readiness. Post-deployment, rigorous user acceptance testing ensures all systems function according to design specifications before formal handover which is accompanied by training sessions conducted by brand principals.

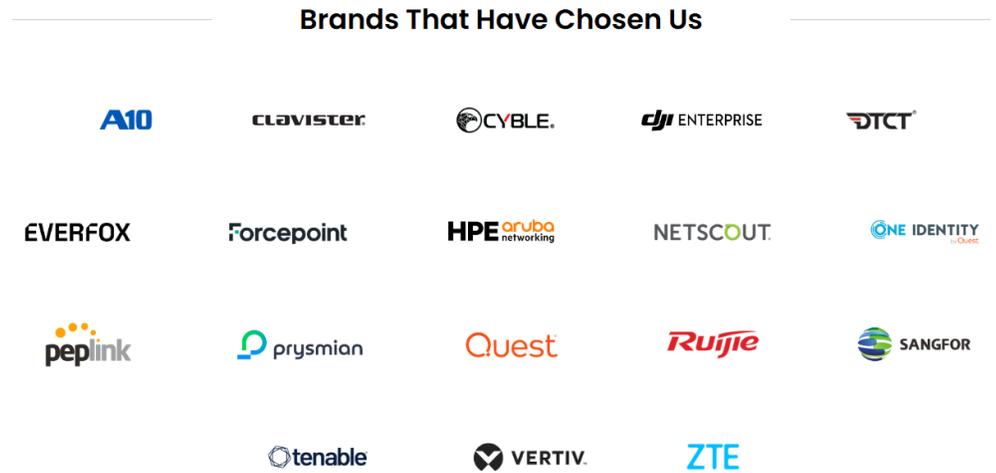
As at the LPD (13 January 2026), OGX derived all its revenue from Malaysia, particularly Peninsular Malaysia (accounted for 94.6% revenue in FPE26) and the remaining revenue come from East Malaysia.

**Figure 9: Revenue Contribution by Product Offerings**



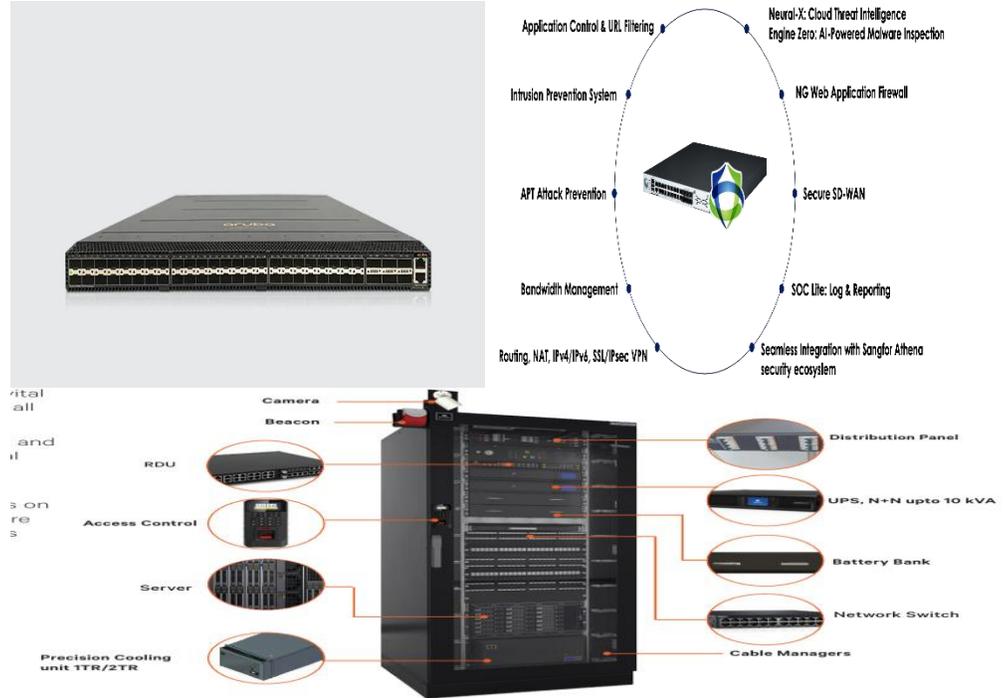
Source: OGX Group prospectus, Apex Securities

**Figure 10: Portfolio of Authorised IT Infrastructure Brands**



Source: OGX Group Berhad

**Figure 11: Examples of OGX's Product Offerings from HPE-Aruba, Sangfor and Vertiv**



Source: OGX Group Berhad

**Robust Outstanding Orderbook.** As at the LPD, the Group's total secured orders are approximately RM72.3 million, all of which are expected to be fully billed in the FYE26.

## Industry Overview

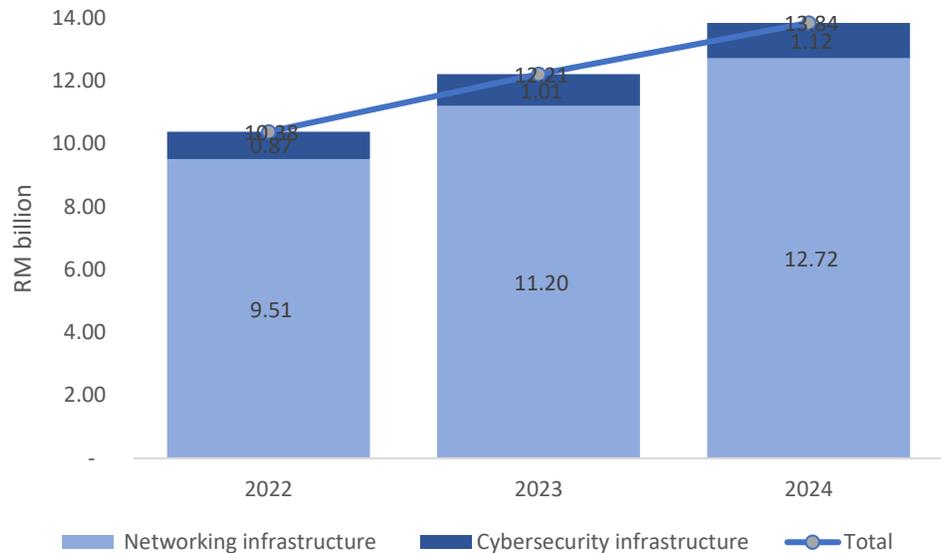
**IT Infrastructure Solutions.** Malaysia's IT infrastructure solutions industry is on a strong structural uptrend, underpinned by nationwide digitalisation, rapid data growth and sustained policy support. The combined market for networking and cybersecurity infrastructure in Malaysia expanded from **RM10.4bn** in 2022 to **RM13.8bn** in 2024, reflecting a robust **15.5% CAGR** over the period. Networking infrastructure accounts for the bulk of spending, rising from **RM9.5bn to RM12.7bn (15.7% CAGR)**, while cybersecurity infrastructure grew from **RM0.9bn to RM1.1bn (13.5% CAGR)**, highlighting parallel investment in connectivity and protection.

This growth is closely linked to the rising adoption of digital tools across Malaysian enterprises. Between 2021 and 2023, the share of establishments using computers rose from 93.8% to 96.6%, internet usage from 90.6% to 94.0%, and web presence from 63.3% to 72.7%. Over the same period, usage of core network architectures such as WAN, LAN and WLAN reached 88.9%, 76.9% and 71.1%, respectively, with intranet and extranet adoption expanding at CAGRs of 5.6% and 24.1%. The number of IoT connections climbed from **8.7m** in 2022 to **11.8m** in 2024 (16.6% CAGR), reflecting broader deployment of connected devices in manufacturing, utilities, logistics and smart city applications. As data volumes scale, enterprises are compelled to invest in higher-capacity networking, more resilient data centre infrastructure and stronger security controls.

Policy initiatives provide a powerful tailwind. The MyDIGITAL – Malaysia Digital Economy Blueprint targets RM70bn of digitalisation investments and envisions the digital economy contributing 22.6% of GDP by 2025, with local data centres expected to generate RM3.6bn in revenue by that year. Complementing this, the JENDELA plan and accelerated 5G rollout have driven 5G population coverage from **47.1% in 2022 to 82.0% in 2024**, enabling bandwidth-intensive workloads such as cloud, video, AI and IoT to launch and operate at scale. Budget 2025 measures – including accelerated capital allowances for IT equipment and e-invoicing, direct allocations to CyberSecurity Malaysia which is the national agency cybersecurity specialist, as well as funding to upgrade campus LAN and Wi-Fi infrastructure in public universities – further institutionalise and drive demand for modern networks, data centres and security solutions.

Regulatory controls are also structurally increasing cybersecurity and infrastructure spend. The Personal Data Protection Act 2010 (PDPA) necessitates organisations to implement “practical security measures” for personal data, while the Cybersecurity Act 2024 introduces mandatory requirements for entities classified as National Critical Information Infrastructure (NCII), including in government, banking, transport, healthcare, energy and telecoms. These frameworks, combined with the Malaysia Cyber Security Strategy 2020–24 and the establishment of NACSA, are driving sustained investment in secure network architectures, threat detection, resilience and compliance-driven upgrades across organisations.

**Figure 12: Revenues for Networking and Cybersecurity Infrastructure in Malaysia from 2022 to 2024**



Source: OGX Group prospectus, Apex Securities

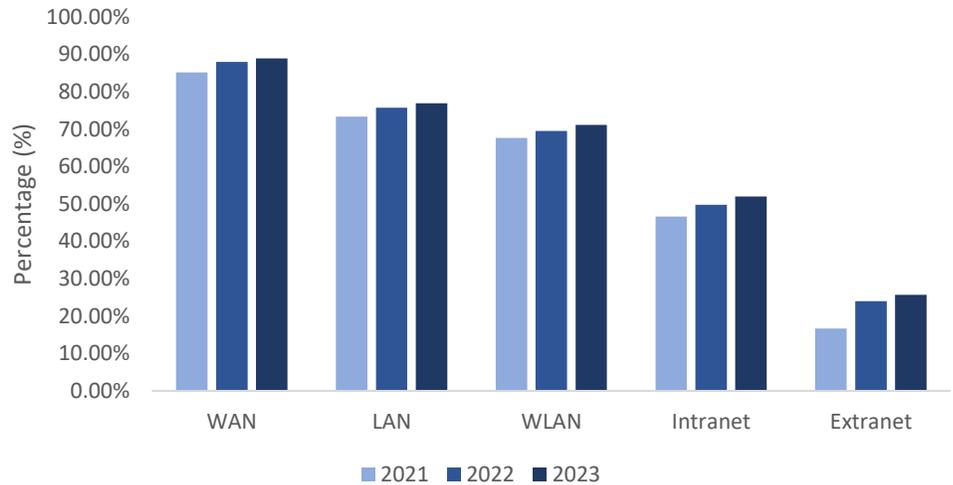
**Network Infrastructure.** Malaysia’s network infrastructure segment underpins the broader digital economy, enabling connectivity across campuses, branches, data centres and cloud platforms. As noted above, network infrastructure revenues rose from RM9.5bn in 2022 to RM12.7bn in 2024 (**15.7% CAGR**), outpacing many other ICT sub-sectors. Adoption metrics corroborate this expansion where rising intranet and extranet usage reflecting more complex, multi-site and partner-integrated architectures. This mirrors enterprises’ shift from simple on-premise networks toward hybrid environments incorporating SD-WAN, secure remote access, cloud on-ramps and software-defined infrastructure.

The acceleration of 5G and cloud-first strategies is reshaping traffic patterns and pushing performance requirements higher. MyDIGITAL emphasises “enabling digital infrastructure” as a strategic thrust, including high-speed broadband expansion and extensive cloud adoption in the public sector. As cloud regions, hyperscale data centres and edge nodes proliferate, enterprises must upgrade access, aggregation and core layers to support higher throughput, lower latency and more stringent availability targets. This is particularly acute in sectors such as banking and payments, e-commerce, media and public services, where digital channels are becoming evermore-critical.

For OGX Group, network infrastructure remains a foundational growth pillar. The Group carries a broad portfolio of leading brands, including HPE-Aruba, Peplink, A10, Draka, NetScout and Ruijie, with approximately 4,000 SKUs across switching, routing, wireless, structured cabling. This breadth enables OGX to design and support campus, branch, carrier and data centre networks tailored to diverse technical and budget profiles, while offering a single source for multi-vendor architectures. As adoption of 5G, SD-WAN and hybrid cloud accelerates, OGX is well-positioned to benefit from ongoing expansion cycles, particularly in large enterprises, government-linked

companies and service-provider environments that demand high-performance with vendor-certified infrastructure.

**Figure 13: Percentage of Malaysian Establishments Using WAN, LAN, WLAN, Intranet and Extranet, 2021–2023**



Source: OGX Group prospectus, Apex Securities

**Cybersecurity Infrastructure.** Cybersecurity has become a central investment theme as Malaysia’s digital footprint expands. Cybersecurity infrastructure revenues increased from **RM0.9bn in 2022 to RM1.1bn in 2024**, a **13.5% CAGR**, with further upside expected as regulatory and threat pressures mount. MyCERT data show that reported cybersecurity incidents fell from 7,292 cases in 2022 to 5,917 in 2023 before rebounding to 6,209 in 2024, with fraud-related incidents alone accounting for nearly 68% of 2024 cases. This pattern suggests not only persistent threat activity but also evolving attack vectors toward financially-motivated and identity-driven schemes.

Industry-wide market studies point to an even larger and faster-growing cybersecurity opportunity when services are included. MarkNtel Advisors estimates the Malaysia cybersecurity market at about **USD1.1bn in 2023**, forecast to reach roughly **USD2.2bn by 2030**, implying an **11.4% CAGR over 2024–2030**. This growth is driven by cloud adoption, stricter licensing under the Cyber Security Act 2024, and heavy investments in 5G, data centres and operational-technology (OT) modernisation. Government programmes – such as Malaysia Cyber Security Strategy 2020–24 and dedicated Budget 2025 allocations to CyberSecurity Malaysia for advanced testing, threat monitoring, forensics and SME outreach – are further institutionalising cybersecurity as a board-level and compliance-critical priority.

This environment is favourable for OGX’s cybersecurity franchise. The Group distributes and supports a suite of globally recognised security brands, including Tenable, Forcepoint, Sangfor, Clavister, Everfox, One Identity and Cyble, covering vulnerability management, secure web and email gateways, next-generation firewalls, identity and access management, data-loss prevention and threat intelligence. As NCII entities and regulated sectors move toward zero-trust architectures, continuous monitoring and centralised incident response, demand is rising not only for point products but also for integrated solutions and managed services.

OGX’s planned in-house Security Operations Centre (SOC) aims to address this gap by offering 24/7 threat monitoring, incident analysis and response as a managed service – particularly attractive to SMEs and mid-tier enterprises that lack in-house security teams. This shift expands OGX’s addressable market beyond hardware and licences into recurring service revenues, deepening its role as a long-term cybersecurity partner to SI customers and end-user organisations.

**Data centre infrastructure.** Malaysia’s data centre sector has emerged as a strategic pillar of the digital economy, catalysed by cloud adoption, regional capacity constraints in neighbouring markets and targeted policy support. The Malaysia Digital Economy Blueprint explicitly aims to “increase local data centres to provide high-end cloud computing services” and targets **RM3.6bn of data centre revenue** by 2025. According to Arizton Advisory & Intelligence, data centre investments in Malaysia were valued at approximately USD6.2bn in 2025 and are projected to reach about **USD11.4bn by 2031, expanding at a CAGR of 10.9%**, reflecting strong pipelines in Johor, Selangor and Cyberjaya.

Hyperscale cloud deployments and large colocation builds are reshaping the country’s digital infrastructure map. MIDA highlights that Malaysia is positioning itself as a regional data centre hub, with cloud majors such as AWS, Microsoft and Google committing multi-billion-ringgit investment programmes and MyDIGITAL anticipating RM70bn in overall digital investments by 2025. Johor and Cyberjaya have emerged as key clusters: Cyberjaya hosts more than 22 active data centres with nine additional facilities in the pipeline, while Johor has captured **close to 60% of announced capacity** in 2024–2025, supported by proximity to Singapore, competitive land and power costs, and expedited approvals via state-level task forces. At the same time, rising AI workloads and high-density computing are pushing demand for advanced power distribution, cooling and network fabrics inside data centres.

Although OGX’s core focus is on enterprise data centre infrastructure rather than hyperscale campus construction, the data centre boom has direct and indirect benefits for the Group. Enterprise and colocation operators require resilient network fabrics, load balancers, application delivery controllers, structured cabling, power distribution units and security layers – all categories represented in OGX’s brand portfolio. In addition, OGX’s joint venture via DTCT provides exclusive rights to market and distribute DTCT-branded modular enterprise data centre infrastructure in Malaysia and Vietnam, enabling the Group to address demand for prefabricated racks, containment systems and edge-ready micro-data centres. As enterprises modernise on-premise data centres to interconnect securely with public cloud regions, OGX is well-placed to supply both the physical and logical infrastructure required for high-availability, hybrid deployments.

**Vietnam and Regional IT Infrastructure Solutions.** Beyond Malaysia, Vietnam represents a compelling second growth engine for OGX’s enterprise data centre and broader IT infrastructure portfolio. Vietnam’s IT infrastructure solutions market – measured by networking and cybersecurity infrastructure revenues – expanded from **RM6.2bn in 2022 to RM9.1bn in 2024**, a rapid 21.03% CAGR. Networking infrastructure revenue grew from **RM5.6bn to RM8.3bn (21.5% CAGR)**, while cybersecurity infrastructure rose from **RM0.6bn to RM0.8bn (16.4% CAGR)**, underpinned by accelerating digitalisation in banking, e-commerce, manufacturing and public services that supported by government initiatives.

This domestic digitalisation push is supported by the Vietnam’s National Digital Transformation Programme to 2025 (orientation to 2030), which targets having **70% of financial transactions processed via digital channels, 70% of credit-institution records** stored digitally and **50% of the population holding online banking accounts by 2025**. In parallel, Vietnam’s data centre market is entering a high-growth phase: with estimated mid-teens annual growth in data centre investments and colocation revenues through 2030, supported by data-localisation requirements, high internet and smartphone penetration, and new foreign entrants following liberalisation of ownership rules for data centre assets. These trends imply sustained demand for enterprise data centre facilities, connectivity and cybersecurity, similar to but earlier in the cycle than Malaysia

OGX’s joint venture with DTCT China is designed to capture this regional opportunity. Under the JV, OGX’s subsidiary DTCT holds exclusive rights to market and distribute DTCT enterprise data centre products in Malaysia and Vietnam, alongside non-exclusive rights across the wider Southeast Asia region. The JV allows DTCT to appoint local distributors and resellers to scale coverage. Combined with OGX’s existing Malaysian sales network, this structure provides a platform to leverage the Group’s technical capabilities and brand relationships into fast-growing regional markets. As

Vietnam and neighbouring ASEAN economies deepen digitalisation and roll out their own data centre and cybersecurity frameworks, OGX stands to benefit from a widening addressable market for its network, security and data centre solutions beyond its domestic base.

Overall, the IT infrastructure solutions landscape in Malaysia and Vietnam is characterised by strong structural growth, deepening regulatory and policy support, and rising technological complexity across networks, data centres and cybersecurity. OGX Group's positioning as a brand-centric, solution-driven authorised distributor with expanding regional reach and a strategic move into managed services (SOC) provides a clear pathway to capitalise on these multi-year industry tailwinds.

**Figure 14: OGX Group Berhad Joint Venture with DTCT China**



Source: Malaysia Sin Chew Daily

## Financial Highlights

OGX's revenue delivered robust expansion over FY22-25, rising from RM82.8m to RM176.3m and translating into an impressive 28.7% three-year CAGR, underpinned by sustained demand for network and cybersecurity infrastructure across Peninsular Malaysia. This reflects the Group's ability to repeatedly win and execute complex IT infrastructure mandates for system integrators, particularly in higher-value network and cybersecurity rollouts that now collectively contribute about 80% of annual turnover in FPE26. Meanwhile, profit after tax from continuing operations surged from RM1.8m in FY22 to RM15.5m in FY25, lifting net profit margins from about 2.2% to 8.8%, driven by operating scale, richer solution mix and lower outsourcing costs.

**Earnings outlook.** We project OGX's earnings to expand by 38.6%, 34.0% and 17.9% over FY26F to FY28F respectively, propelled by sustained topline momentum in network and cybersecurity solutions alongside margin tailwinds from an elevated mix of higher-margin warranties and support services. Earnings acceleration in FY26F stems from robust **38.6% YoY** revenue growth, fuelled by East Malaysia penetration, enterprise data centre growth and deeper market share in Peninsular network deployments outpacing industry CAGR of 12%, while FY27-28F moderates on normalised scaling. At the same time, gross margins hold resilient around 21% through optimised COGS discipline and warranties attach-rate expansion to 8.5% for product warranties and services, providing earnings visibility while capturing upside from recurring non-solutions revenue projected to increase to 8% of OGX's total revenue mix.

**Balance Sheet.** Post-listing, OGX is expected to transition into a solid net cash position from FY26F onwards. This rapid deleveraging is driven by strong operating cash flows and disciplined capex, enabling the Group to gradually pare down short-term invoice financing while fully repaying non-current term loans, thereby reducing reliance on interest-bearing debt without constraining growth. Concurrently, its current ratio is projected to improve from 1.4x in FY25 to about 1.9x–2.4x over FY26F–FY30F, underpinned by rising cash and bank balances (RM74.0m in FY26F, RM75.3m in FY27F) and healthy working capital buffers in inventories and receivables. Management has also earmarked RM30.0m (57.1% of IPO proceeds) for acquisition and fit-out of a new facility and RM4.5m for bank borrowing repayment, reflecting a balanced approach between capacity

expansion and balance sheet de-risking. By funding growth largely through cash and a modest, efficiently structured borrowings base, OGX is well-positioned to sustain earnings expansion while preserving ample financial headroom to support larger, higher-complexity IT infrastructure mandates in the medium term.

**Dividends.** While OGX does not have a formal dividend policy, we have assumed a dividend payout ratio of 30%, based on dividends declared in prior years. This assumption strikes a balance between providing shareholders with participation in the Group's earnings and retaining sufficient internal funds to support current operations and future development initiatives.

## Sensitivity Analysis

**Segmental Profit Sensitivity Analysis.** As OGX Group's net profitability is closely tied to network infrastructure revenue growth (50.4% of revenue in FPE26) and gross margin performance, we have conducted a sensitivity analysis to evaluate the resilience of FY27F earnings under varying operating conditions. Our base case assumption of RM28.7m in net profit is predicated on two key assumptions: **a network infrastructure revenue growth of 28.1% and a stable gross margin of 21.0%.**

The analysis reveals that earnings are highly sensitive to margin movements. At the base case scenario, every 100-basis point change in gross profit margin shifts net profit by  $\pm$ RM3m, equivalent to  $\pm$ 10.5% swing in FY27F earnings. This highlights the importance of OGX's ability to secure favourable vendor pricing, maintain project mix discipline and expand higher-margin solution offerings.

Network Infrastructure revenue growth momentum also plays a critical role. Holding gross margin constant at 21.0%, a 250-basis point change in network infrastructure revenue growth results in an approximate  $\pm$ RM0.5–RM0.6m variation in net profit (around  $\pm$ 1.6-2% swing in net profit).

Overall, the sensitivity results underline OGX's operating leverage: while its multi-vendor distribution model supports revenue scalability, margin preservation and project mix optimisation remain the key determinants of earnings stability and upside potential.

**Figure 15: FY27 Net Profit Sensitivity Based on Different Network Infrastructure Revenue Growth and Gross Margins Assumptions**

Network Infrastructure Growth (%)	Gross Margin (%)				
	19.03%	20.03%	21.03%	22.03%	23.03%
23.11%	21.7	24.7	27.7	30.6	33.6
25.61%	22.2	25.2	28.2	31.2	34.2
28.11%	22.7	25.7	28.7	31.7	34.7
30.61%	23.2	26.2	29.2	32.3	35.3
33.11%	23.6	26.7	29.8	32.8	35.9

Source: Apex Securities

**Figure 16: FY27 Percentage Change in Net Profit Based on Different Network Infrastructure Revenue Growth and Gross Margins Assumption**

Network Infrastructure Growth (%)	Gross Margin (%)				
	19.03%	20.03%	21.03%	22.03%	23.03%
23.11%	-24.3%	-14.0%	-3.7%	6.7%	17.0%
25.61%	-22.7%	-12.3%	-1.8%	8.6%	19.0%
28.11%	-21.0%	-10.5%	0.0%	10.5%	21.0%
30.61%	-19.3%	-8.8%	1.8%	12.4%	23.0%
33.11%	-17.7%	-7.0%	3.7%	14.4%	25.0%

Source: Apex Securities

## Peers Comparison

OGX Group's closest listed peers on Bursa Malaysia include **VSTECs (NR)** and **SNS (NR)**, both of which operate as value-added ICT distributors serving enterprise and system integrator customers. Given the limited pure-play listed peers with an identical business model, we also include **INFOM (NR)** and **CLOUDPT (NR)** for benchmarking purposes, given their involvement in the design and implementation of IT infrastructure and cybersecurity solutions.

**Figure 17: Selected Peers Engaged in the Similar Business Model, listed on Bursa Malaysia**

Company	Market Group	FYE	Price (RM)	Market Cap (RM'm)	P/E (x)		Dividend Yield (%)	Revenue (RM'm)	Core Net Profit (RM'm)
					FY25	FY26F			
OGX Group Berhad	ACE	May	0.35	262.5	17.0	12.3	2.4%	176.3	15.5
VSTECs Berhad	MAIN	Dec	4.48	1597.4	16.2	14.9	1.5%	3597.4	102.4
SNS Network Technology Berhad	MAIN	Jan	0.47	787.6	15.4	12.5	1.9%	1018.5	30.3
Cloudpoint Technology Berhad	MAIN	Dec	0.49	257.8	12.0	9.0	4.1%	183.9	21.5
Infomina Berhad	ACE	May	1.19	715.5	33.3	20.2	1.1%	196.7	29.4
<b>Average ex-OGX Group Berhad</b>					<b>19.2</b>	<b>14.1</b>	<b>2.2%</b>	<b>1249.1</b>	<b>45.9</b>

Source: Bloomberg, Apex Securities

## Valuation & Recommendation

We recommend **Subscribe** on OGX Group Berhad's IPO, with a target price of **RM0.46**, representing a potential upside of 31.5% from the IPO price. Our valuation is based on a target P/E multiple of 12x applied to FY27F core earnings per share of 3.8 sen.

The assigned target multiple aligns closely with the average forward P/E of selected peers at 14.1x but incorporates a c.15% discount to the peer group average P/E. We adopt this cautious stance amid near-term execution risks in scaling East Malaysia expansion and enterprise data centre growth, yet we see substantial room for higher upside given OGX's robust net cash trajectory post-IPO, OGX's high gross margins for an authorised distributor and compelling exposure to high-growth cybersecurity/network segments amid Malaysia's digital infrastructure boom, which underpin sustained earnings momentum and re-rating potential.

## Investment Risk

**Dependence on Brand Principals.** The Group operates under a brand-centric business model and is heavily dependent on maintaining its status as an authorised distributor for global IT Infrastructure Brands. Any termination, non-renewal or adverse reversion of these distribution agreements including changes to prescribed sales targets, reductions in rebates or unfavourable pricing adjustments could materially affect the Group's profit margins and competitiveness. In addition, The Group has no control over the reputation for quality assurance of its brand principals. Any negative publicity or product defects could adversely impact the Group's market position.

**Absence of Long-term Contracts and Earnings Visibility.** The Group secures most of its sales through individual purchase orders, while product distribution primarily involves one-off transactions, which limit long-term revenue visibility. Fluctuations in order size and customer

spending may result in revenue and earnings volatility across reporting periods. As a result, the Group's financial performance is dependent on its ability to continuously secure new projects and generate repeat orders from SI customers.

**Foreign Exchange and Cost Pass-through Risk.** The Group faces exposure to foreign exchange risks as its procurement of IT infrastructure products from brand principals is mainly denominated in United States Dollars (USD). A weakening Ringgit Malaysia (RM) against USD would increase the Group's cost of sales and could adversely impact financial performance. While the Group generally adjusts its pricing to reflect currency movements, margin pressure may arise if higher costs cannot be fully passed through to customers under fixed-price contracts.

Financial Highlights

Income Statement

FYE May (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Revenue	172.5	176.3	243.2	301.6	356.2
Gross Profit	28.4	38.6	51.3	63.4	74.8
EBITDA	14.0	24.7	33.0	44.3	52.3
Depreciation & Amortisation	-0.8	-1.1	-1.2	-2.1	-3.0
EBIT	13.2	23.6	31.8	42.2	49.3
Net Finance Income/ (Cost)	-1.8	-1.6	-1.1	-1.2	-1.0
Associates & JV	0.0	0.0	0.0	0.0	0.0
Pre-tax Profit	11.4	22.0	30.6	41.0	48.4
Tax	-3.4	-6.6	-9.2	-12.3	-14.5
Profit After Tax	8.1	15.5	21.4	28.7	33.9
Minority Interest	0.0	0.0	0.0	0.0	0.0
Net Profit	8.1	15.5	21.4	28.7	33.9
Exceptionals	0.0	0.0	0.0	0.0	0.0
Core Net Profit	8.1	15.5	21.4	28.7	33.9

Key Ratios

FYE May (RM m)	FY24	FY25	FY26F	FY27F	FY28F
EPS (sen)	1.1	2.1	2.9	3.8	4.5
P/E (x)	32.6	17.0	12.3	9.1	7.8
P/B (x)	8.5	7.0	2.6	2.2	1.8
EV/EBITDA (x)	17.2	10.2	9.4	7.0	6.1
DPS (sen)	0.6	1.2	0.9	1.1	1.4
Dividend Yield (%)	1.8%	3.4%	2.4%	3.3%	3.9%
EBITDA margin (%)	8.1%	14.0%	13.5%	14.7%	14.7%
EBIT margin (%)	7.7%	13.4%	13.1%	14.0%	13.9%
PBT margin (%)	6.6%	12.5%	12.6%	13.6%	13.6%
PAT margin (%)	4.7%	8.8%	8.8%	9.5%	9.5%
NP margin (%)	4.7%	8.8%	8.8%	9.5%	9.5%
CNP margin (%)	4.7%	8.8%	8.8%	9.5%	9.5%
ROE (%)	26.2%	41.0%	21.5%	24.0%	23.4%
ROA (%)	7.5%	13.5%	11.4%	12.8%	13.0%
Gearing (%)	119.0%	86.3%	26.1%	22.7%	16.3%
Net gearing (%)	70.6%	29.4%	Net Cash	Net Cash	Net Cash

Valuations FY27F

Core EPS (RM)	0.038
P/E multiple (x)	12.0
Fair Value (RM)	0.46
ESG premium/discount	0.0%
Implied Fair Value (RM)	0.46

Source: Company, Apex Securities

Balance Sheet

FYE May (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Cash	14.9	21.5	74.0	75.3	78.5
Receivables	32.7	43.3	52.0	64.5	76.1
Inventories	22.5	17.9	31.5	39.2	46.3
Other current assets	22.3	17.2	15.6	20.3	23.6
Total Current Assets	92.4	99.8	173.2	199.2	224.4
Fixed Assets	14.4	14.2	14.0	25.0	35.2
Intangibles	0.1	0.1	0.1	0.1	0.1
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Total Non-Current Assets	14.6	14.4	14.1	25.1	35.2
Short-term debt	30.8	28.0	25.9	27.1	23.6
Payables	39.4	18.8	20.7	23.0	23.9
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Total Current Liabilities	70.3	71.8	87.5	104.2	114.4
Long-term debt	5.8	4.5	0.0	0.0	0.1
Other non-current liabilities	0.2	0.2	0.2	0.2	0.2
Total Non-Current Liabilities	6.0	4.7	0.2	0.3	0.3
Shareholder's equity	30.8	37.7	99.5	119.8	145.0
Minority interest	0.0	0.0	0.0	0.0	0.0
Total Equity	30.8	37.7	99.5	119.8	145.0

Cash Flow

FYE May (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Pre-tax profit	11.5	22.0	30.6	41.0	48.4
Depreciation & amortisation	0.8	1.1	1.2	2.1	3.0
Changes in working capital	0.0	-5.1	-5.1	-11.7	-10.3
Others	1.5	-1.7	-6.7	-7.8	-9.7
Operating cash flow	13.8	16.3	20.0	23.7	31.3
Net capex	-0.4	-0.3	-0.9	-13.1	-13.1
Others	1.3	0.3	0.0	0.0	0.0
Investing cash flow	0.9	0.0	-0.8	-13.1	-13.1
Dividends paid	-4.7	-4.5	-10.9	-8.6	-10.2
Others	0.7	-5.2	-8.2	-0.7	-5.0
Financing cash flow	-4.0	-9.7	-19.1	-9.3	-15.1
Net cash flow	10.7	6.6	0.1	1.3	3.1
Forex	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	52.5	0.0	0.0
Beginning cash	4.2	14.9	21.5	74.0	75.3
Ending cash	14.9	21.5	74.0	75.3	78.5

**ESG Matrix Framework:**

**Environment**

Parameters	Rating	Comments
Waste	★★★	Manages electronic waste through licensed and certified vendors to ensure proper disposal and recycling in compliance with local environmental regulations.
Emissions	★★★	Focuses on reducing greenhouse gas (GHS) emissions through the optimization of operational electricity consumption.
Paper	★★★	Encourages minimum paper operations through process digitalization, e-documentation and cloud-based document storage.
Energy	★★★	Adopts energy efficiency measures including server virtualization, LED lighting and intelligent energy monitoring systems.
Compliance	★★★	In compliance with local environmental regulations.

**Social**

Diversity	★★★	Promotes gender and generational diversity, with a 100% local workforce and Board featuring 40% women directors.
Human Rights	★★★	Maintains fair employment practices with a zero-tolerance approach to discrimination and a focus on empowering digital talent.
Occupational Safety and Health	★★★	Establishes a formal Safety and Health Committee that are responsible for workspace inspections, risk assessments and incident reporting.

**Governance**

Policies	★★★	Adopts anti-bribery, anti-corruption, whistleblowing, and code of business conduct policies to ensure high ethical standards.
Management	★★★	40% of its board members are women directors, 60% members are Independent Directors.
Committee	★★★	The board chairperson is not a member of the audit, nomination, or remuneration committees, ensuring objective leadership.

**Overall ESG Scoring:** ★★★

## Recommendation Framework:

**SUBSCRIBE:** Total returns\* are expected to exceed 10% within the next 12 months.

**NOT SUBSCRIBE:** Total returns\* are expected to be below -10% within the next 12 months.

\*Capital gain

## 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

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(a) nil.