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Recommendation:	BUY
Current Price:	RM 0.13
Previous Target Price:	RM 0.20
Target Price:	↔ RM 0.20
Capital Upside/Downside:	50.9%
Dividend Yield (%):	2.3%
<b>Total Upside/Downside</b>	<b>53.2%</b>

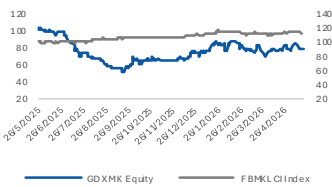
### Stock Information

Board	MAIN
Sector	Transportation & Logistics
Bursa / Bloomberg Code	0078 / GDXXMK
Syariah Compliant	Yes
ESGRating	★★★
Shares issued (m)	5,491.5
Market Cap (RM' m)	713.9
52-Week Price Range (RM)	0.17-0.085
Beta (x)	1.3
Free float (%)	23.5
3M Average Volume (m)	1.1
3M Average Value (RM' m)	0.1

### Top 3 Shareholders (%)

Gd Express Hldgs (M) S B	25.2
Yamato Holdings Co Ltd	19.8
Singapore Post Ltd	12.4

### Share Price Performance



	1M	3M	12M
Absolute (%)	0.0	0.0	-21.2
Relative (%)	0.4	2.1	-29.4

### Earnings Summary

FYE Dec	FY25	FY26F	FY27F
Revenue (RM' m)	416.0	496.5	591.0
PATAMI (RM' m)	-1.6	10.4	36.2
CNP (RM' m)	-1.6	10.4	36.2
EPS - core (sen)	0.0	0.2	0.7
P/E(x)	NM	69.4	19.9

Source: Company, Apex Securities

# GDEX Bhd

## Below Expectations

- GDEX's 1QFY26 results came in below expectations, with CNP of RM0.4m (-87.3% QoQ) representing only 2% of our full-year forecast, mainly due to slower-than-expected volume recovery at NETCO and delays in project awards within its technology segment.
- Near-term earnings are expected to remain pressured by softer logistics demand and higher freight costs amid the ongoing US-Iran conflict, although continued cost rationalisation at NETCO and stronger expected earnings contributions from the GD Xchange segment should support longer-term growth.
- Maintain BUY recommendation with an unchanged TP of RM0.20, based on assigned 30.0x P/E multiple to its FY27F EPS of 0.7 sen, along with a three-star ESG rating.

**Results below expectations.** Excluding the net remeasurement of receivables allowance of RM0.4m and FX loss of RM0.01m, GDEX reported a 1QFY26 CNP of RM0.4m (-87.3% QoQ), accounting for only 2% of our full-year forecast. The weak performance was mainly due to slower-than-expected volume recovery at NETCO coupled with delays in project awards within its technology segment.

**YoY.** GDEX swung to a CNP of RM0.4m from a core net loss of RM0.5m, supported by an improvement in its logistics segment, which turned around from an LBT of RM0.4m to a PBT of RM0.5m. Nevertheless, group PBT declined 78.6% YoY, dragged by weaker earnings from its technology segment, which swung from a PBT of RM1.2m to an LBT of RM0.4m due to costs incurred ahead of project awards despite a 2.7% increase in revenue. Despite the lower group PBT, the higher CNP was attributable to higher share of minority interest losses from NETCO and the technology segment.

**QoQ.** CNP fell 87.3% due to weaker PBT contributions from both its logistics and technology segments. The logistics segment continued to be affected by losses at NETCO amid slower-than-expected volume recovery. Meanwhile, earnings from the technology segment weakened due to delays in project awards, coupled with a 9% decline in revenue.

**Outlook.** Looking ahead, we expect the Group's near-term performance to remain weighed by the ongoing US-Iran conflict, with demand within the logistics segment expected to soften as consumers remain highly price-sensitive despite continued e-commerce activity, resulting in lower purchases of non-promotional and higher-ticket items. Meanwhile, the Group has begun imposing additional surcharges for international as well as Sabah and Sarawak deliveries to partially offset higher air freight costs, which have risen by as much as 30% following fuel surcharges passed on by airlines, although these additional costs cannot be fully passed on to customers. While margins are expected to come under pressure, fuel costs for ground deliveries continue to be subsidised under the government's fleet card programme, helping to mitigate the impact of higher diesel prices. Over the longer term, we remain positive on the Group's growth trajectory, driven by the ongoing restructuring of its NETCO operations which could bring further cost savings. In addition, its GD Xchange platform remains well-positioned to support long-term revenue growth and margin expansion within the technology segment through cross-selling and bundled solutions, while continued adoption of AI, cloud and digitalisation initiatives is expected to drive further partnership opportunities.

**Earnings Revision.** Following the earnings miss, we cut our FY26-28F CNP forecasts by 46%/2%/6% to reflect softer logistics demand amid the ongoing US-Iran conflict and rising operating costs.

**Valuation and Recommendation.** We maintain our BUY recommendation with an unchanged TP of RM0.20, based on 30.0x FY27F EPS of 0.7 sen and supported by a three-star ESG rating. Despite near-term headwinds, we remain positive on the Group's long-term outlook, driven by (i) continued cost rationalisation at NETCO and (ii) stronger expected earnings contributions from the GD Xchange segment.

**Risks.** Intensifying competition and margin pressure in the core express delivery segment, execution risks in IT diversification and scaling the GD Xchange ecosystem, and continued underperformance of its NETCO associate in Vietnam.

# Results Note

Monday, 25 May, 2026

## Results Comparison

FYE Dec (RM m)	1QFY26	1QFY25	yoy (%)	4QFY25	qoq (%)	3MFY26	3MFY25	yoy (%)	Comments
Revenue	105.3	105.5	(0.1)	111.3	(5.4)	105.3	105.5	(0.1)	
Operating expenses	(107.5)	(105.6)	1.8	(109.4)	(1.7)	(107.5)	(105.6)	1.8	
Other operating income	3.4	2.4	44.1	1.6	110.9	3.4	2.4	44.1	
<b>Core EBIT</b>	<b>1.2</b>	<b>2.2</b>	<b>(43.6)</b>	<b>3.6</b>	<b>(65.6)</b>	<b>1.2</b>	<b>2.2</b>	<b>(43.6)</b>	
Finance costs	(1.1)	(1.4)	(19.5)	(1.1)	2.4	(1.1)	(1.4)	(19.5)	
Share of associates	0.1	0.0	316.7	0.0	455.6	0.1	0.0	316.7	
<b>PBT/(loss)</b>	<b>0.2</b>	<b>0.8</b>	<b>(78.6)</b>	<b>2.5</b>	<b>(93.0)</b>	<b>0.2</b>	<b>0.8</b>	<b>(78.6)</b>	
Tax	(0.7)	(0.8)	(14.3)	0.6	nm	(0.7)	(0.8)	(14.3)	
<b>PAT/(loss)</b>	<b>(0.5)</b>	<b>0.1</b>	<b>nm</b>	<b>3.1</b>	<b>nm</b>	<b>(0.5)</b>	<b>0.1</b>	<b>nm</b>	
(-) Minority interest	(0.5)	(0.2)	119.4	(0.1)	418.1	(0.5)	(0.2)	119.4	
<b>PATAMI</b>	<b>0.0</b>	<b>(0.2)</b>	<b>nm</b>	<b>3.2</b>	<b>(99.7)</b>	<b>0.0</b>	<b>(0.2)</b>	<b>nm</b>	
(-) Exceptionals	(0.4)	0.3	nm	-	nm	(0.4)	0.3	nm	
<b>Core PATAMI</b>	<b>0.4</b>	<b>(0.5)</b>	<b>nm</b>	<b>3.2</b>	<b>(87.3)</b>	<b>0.4</b>	<b>(0.5)</b>	<b>nm</b>	
Core EPS (sen)	0.0	(0.0)	nm	0.1	(87.3)	0.0	(0.0)	nm	
Core EBIT margin (%)	1.2	2.1		3.2		1.2	2.1		
PBT margin (%)	0.2	0.8		2.2		0.2	0.8		
Effective tax rate (%)	26.9	107.6		-384.0		26.9	107.6		
Core net profit margin (%)	0.4	(0.5)		2.9		0.4	(0.5)		

Source: Company, Apex Securities

## Segmental Breakdown

FYE Dec (RM m)	1QFY26	1QFY25	yoy (%)	4QFY25	qoq (%)	3MFY26	3MFY25	yoy (%)	Comments
<b>Revenue</b>									
Logistics	88.3	88.8	(0.6)	92.2	(4.3)	88.3	88.8	(0.6)	
Technology	17.1	16.6	2.7	18.8	(9.0)	17.1	16.6	2.7	
<b>Total</b>	<b>105.3</b>	<b>105.5</b>	<b>(0.1)</b>	<b>111.0</b>	<b>(5.1)</b>	<b>105.3</b>	<b>105.5</b>	<b>(0.1)</b>	
<b>PBT</b>									
Logistics	0.5	(0.4)	nm	2.5	(79.2)	0.5	(0.4)	nm	
Technology	(0.4)	1.2	nm	0.8	nm	(0.4)	1.2	nm	
<b>Total</b>	<b>0.2</b>	<b>0.8</b>	<b>(78.6)</b>	<b>3.4</b>	<b>(94.8)</b>	<b>0.2</b>	<b>0.8</b>	<b>(78.6)</b>	
<b>PBT margin (%)</b>									
Logistics	0.6%	-0.5%		2.7%		0.6%	-0.5%		
Technology	-2.7%	7.5%		4.4%		-2.7%	7.5%		
<b>Aggregate Total</b>	<b>0.2%</b>	<b>0.8%</b>		<b>3.0%</b>		<b>0.2%</b>	<b>0.8%</b>		

Source: Company, Apex Securities

# Results Note

Monday, 25 May, 2026

## Financial Highlights

### Income Statement

FYE Dec (RM m)	FY25	FY26F	FY27F	FY28F
<b>Revenue</b>	<b>416.0</b>	<b>496.5</b>	<b>591.0</b>	<b>678.1</b>
<b>EBITDA</b>	<b>53.5</b>	<b>75.2</b>	<b>119.5</b>	<b>140.3</b>
Depreciation & Amortisation	-66.4	-64.1	-62.6	-61.2
<b>EBIT</b>	<b>5.7</b>	<b>33.8</b>	<b>81.5</b>	<b>106.1</b>
Net Finance Income/ (Cost)	-4.7	-4.2	-4.0	-3.7
Associates & JV	0.1	0.1	0.1	0.1
<b>Pre-tax Profit</b>	<b>1.0</b>	<b>29.6</b>	<b>77.5</b>	<b>102.4</b>
Tax	-3.2	-10.2	-22.0	-28.2
<b>Profit After Tax</b>	<b>-2.3</b>	<b>19.4</b>	<b>55.5</b>	<b>74.2</b>
Minority Interest (-)	0.7	-9.0	-19.3	-30.4
<b>Net Profit</b>	<b>-1.6</b>	<b>10.4</b>	<b>36.2</b>	<b>43.9</b>
Exceptionals (-)	0.0	0.0	0.0	0.0
<b>Core Net Profit</b>	<b>-1.6</b>	<b>10.4</b>	<b>36.2</b>	<b>43.9</b>

### Key Ratios

FYE Dec	FY25	FY26F	FY27F	FY28F
EPS (sen)	0.0	0.2	0.7	0.8
P/E (x)	NM	69.4	19.9	16.4
P/B (x)	1.9	1.9	1.7	1.5
EV/EBITDA (x)	4.1	3.2	2.5	2.8
DPS (sen)	0.2	0.2	0.3	0.4
Dividend Yield (%)	1.5%	1.5%	2.3%	3.1%
EBITDA margin (%)	12.9%	15.2%	20.2%	20.7%
EBIT margin (%)	1.4%	6.8%	13.8%	15.7%
PBT margin (%)	0.2%	6.0%	13.1%	15.1%
PAT margin (%)	-0.5%	3.9%	9.4%	10.9%
NP margin (%)	-0.4%	2.1%	6.1%	6.5%
CNP margin (%)	-0.4%	2.1%	6.1%	6.5%
ROE (%)	-0.3%	1.8%	5.8%	6.4%
ROA (%)	-0.3%	1.8%	5.8%	6.4%
Gearing (%)	22.0%	20.2%	17.6%	14.5%
Net gearing (%)	Net Cash	Net Cash	Net Cash	Net Cash

Valuations	FY27F
Core EPS (RM)	0.007
P/E multiple (x)	30.0
<b>Fair value (RM)</b>	<b>0.20</b>
ESG premium/discount	0.0%
<b>Implied Fair Value (RM)</b>	<b>0.20</b>

Source: Company, Apex Securities

### Balance Sheet

FYE Dec (RM m)	FY25	FY26F	FY27F	FY28F
Cash	220.8	223.3	261.3	315.2
Receivables	97.9	115.4	138.6	158.7
Inventories	2.6	3.2	3.6	4.1
Other current assets	10.8	10.8	10.8	10.8
<b>Total Current Assets</b>	<b>332.1</b>	<b>352.8</b>	<b>414.3</b>	<b>488.9</b>
Fixed Assets	209.3	193.4	177.1	161.7
Intangibles	32.7	32.7	32.7	32.7
Other non-current assets	3.5	3.5	3.5	3.5
<b>Total Non-Current Assets</b>	<b>245.5</b>	<b>229.6</b>	<b>213.3</b>	<b>198.0</b>
<b>Total Assets</b>	<b>577.6</b>	<b>582.4</b>	<b>627.6</b>	<b>686.8</b>
Short-term debt	22.2	25.0	29.2	29.5
Payables	67.7	70.3	81.0	95.9
Other current liabilities	3.2	3.2	3.2	3.2
<b>Total Current Liabilities</b>	<b>93.1</b>	<b>98.5</b>	<b>113.5</b>	<b>128.5</b>
Long-term debt	68.5	59.7	51.5	44.2
Other non-current liabilities	5.0	5.0	5.0	5.0
<b>Total Non-Current Liabilities</b>	<b>73.5</b>	<b>64.7</b>	<b>56.5</b>	<b>49.2</b>
Shareholder's equity	389.7	389.0	408.6	430.3
Minority interest	21.4	30.2	49.1	78.8
<b>Total Equity</b>	<b>411.1</b>	<b>419.2</b>	<b>457.7</b>	<b>509.1</b>
<b>Total Equity + Liabilities</b>	<b>577.6</b>	<b>582.4</b>	<b>627.6</b>	<b>686.8</b>

### Cash Flow

FYE Dec (RM m)	FY25	FY26F	FY27F	FY28F
<b>Profit After Tax</b>	<b>-2.3</b>	<b>19.4</b>	<b>55.5</b>	<b>74.2</b>
Depreciation & amortisation	66.4	64.1	62.6	61.2
Changes in working capital	10.2	-15.6	-12.9	-5.7
Others	-17.8	-26.7	-28.0	-30.7
<b>Operating cash flow</b>	<b>56.6</b>	<b>41.2</b>	<b>77.2</b>	<b>99.0</b>
Capex	-9.1	-9.1	-5.5	-5.7
Others	26.3	-12.4	-12.7	-9.5
<b>Investing cash flow</b>	<b>17.3</b>	<b>-21.4</b>	<b>-18.2</b>	<b>-15.2</b>
Dividends paid	-11.2	-11.1	-16.6	-22.2
Others	-31.6	-6.1	-4.4	-7.7
<b>Financing cash flow</b>	<b>-42.8</b>	<b>-17.2</b>	<b>-21.0</b>	<b>-29.9</b>
<b>Net cash flow</b>	<b>31.1</b>	<b>2.6</b>	<b>37.9</b>	<b>53.9</b>
Forex	-2.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0
Beginning cash	89.9	220.8	223.3	261.3
<b>Ending cash</b>	<b>119.1</b>	<b>223.3</b>	<b>261.3</b>	<b>315.2</b>

## ESG Matrix Framework:

### Environment

Parameters	Rating	Comments
Climate	★★	Total GHG Emissions (tCO <sub>2</sub> e) increased from 23,797.04 in FY24 to 25,524.38 in FY25.
Waste & Effluent	★★★	In FY25, the Group reduced its general waste to 837.60 metric tonnes, as compared to 1,249.20 metric tonnes in FY24.
Energy	★★	In FY25, the Group's total fuel consumption amounted to 7,841,385.64 litres, reflecting an increase of 12% compared to FY24, where fuel consumption stood at 6,947,721.32 litres.
Water	★★	The Group recorded total water consumption of 107,157.20m <sup>3</sup> in FY25, reflecting an increase from 81,092.95 m <sup>3</sup> in FY24.
Compliance	★★★	In compliance with local environmental regulations.

### Social

Diversity	★★	Male-dominated workforce, 81% male and 19% female composition.
Human Rights	★★★	0 human rights violations and incidence of non-compliance with regards to labour matters recorded in FY25.
Occupational Safety and Health	★★	11 workplace accident cases took place in FY25. Lost Time Injury Rate improved to 1.18 from 1.51 in FY24.
Labour Practices	★★★	Fully compliant with the Employment Act 1955, ensuring adherence to all government regulations and the national minimum wage policy.

### Governance

CSR Strategy	★★★	In FY25, RM88,362.55 was channelled to multiple community engagement programmes and benefitted 1,385 individuals.
Management	★★★	3/12 female board composition, 5/12 independent directors.
Stakeholders	★★★	Major announcements and financial reports were announced in timely manner.

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

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As of **Monday, 25 May, 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.