Results Note

Friday, 29 May, 2026

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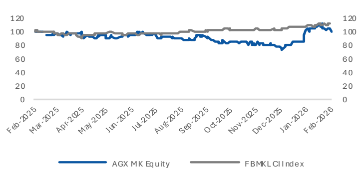
Recommendation:	BUY
Current Price:	RM 0.41
Previous Target Price:	RM 0.62
Target Price: ↑	RM 0.69
Capital Upside/Downside:	68.3%
Dividend Yield (%):	3.7%
Total Upside/Downside:	72.0%

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)	175.3
52-Week Price Range (RM)	0.39-0.625
Beta (x)	0.2
Free float (%)	28.4
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 (%)	-6.9	-25.7	-22.1
Relative (%)	-4.9	-24.3	-29.8

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)	9.5	8.1	7.3

AGX Group Bhd

Results In Line, Aerospace Logistics Remains Key Growth Driver

- **Excluding exceptional items, AGX reported 1QFY26 core net profit (CNP) of RM5.1m (-10.4% YoY; +65.4% QoQ). We deem the results to be in line with expectations, accounting for 23.6% of ours and 19.0% of consensus full-year estimates.**
- **We remain positive on AGX's near-term prospects, supported by healthy freight demand, ongoing regional expansion and improving trade flows across the Asia-Pacific region.**
- **Contributions from associate company are expected to improve, supported by the absence of one-off IPO-related expenses and continued growth in regional e-commerce activity.**
- **Maintain our BUY call with a higher TP of RM0.69 (from RM0.62), based on 12.2x PE multiple applied to rolled forward FY27F EPS of 5.6 sen, supported by a three-star ESG rating.**

Results Met Expectations. Excluding exceptional items totalling RM1.4m, comprising losses on disposal of a subsidiary, corporate exercise expenses and foreign exchange losses, AGX reported 1QFY26 core net profit (CNP) of RM5.1m (-10.4% YoY; +65.4% QoQ). We deem the results to be broadly in line with expectations, accounting for 23.6% of our full-year forecast and 19.0% of consensus estimates. Notably, 1Q is typically a seasonally softer quarter for the Group due to post year-end peak season normalisation and Lunar New Year-related disruptions, given AGX's meaningful exposure to intra-Asia trade flows.

YoY. Despite revenue increasing +34.4%, CNP declined -10.4%, primarily due to a significant contraction in associate contributions, which fell -70.6%. The weaker associate performance was attributable to slower e-commerce activity, alongside elevated base effects arising from front-loading activities for US-bound shipments in the corresponding quarter last year. Nevertheless, the earnings decline was partially mitigated by broad-based revenue growth across all operating segments, driven by higher shipment volumes, with the Aerospace Logistics segment recording the strongest growth of +62.2% to RM22.3m.

QoQ. CNP improved +65.4%, driven mainly by stronger profitability across the Group's operations, with PBT margin expanding by +380bps to 5.9%, despite revenue declining -3.5%. The margin expansion was supported by ongoing cost optimisation initiatives and improved pricing discipline. Meanwhile, the sequential decline in revenue across all segments was largely attributable to seasonal weakness in 1Q relative to 4Q, in line with the typical post-peak season slowdown and Lunar New Year disruptions.

Outlook. We remain positive on AGX's near-term prospects, supported by healthy freight demand, ongoing regional expansion and improving trade flows across the Asia-Pacific region. While elevated crude oil prices have increased freight costs, management indicated that the Group has been able to pass on most of the additional costs to customers through its cost-plus pricing model, supporting stronger absolute gross profit in the near term. Meanwhile, we expect the higher-margin Aerospace Logistics segment to remain a key earnings driver, supported by continued fleet expansion by regional airlines and strengthening aviation maintenance activity. Contributions from the Group's recently secured aerospace service agreements with Malaysia Airlines Berhad, VietJet Air and Sun PhuQuoc Airways are expected to begin materialising, supporting stronger performance in the coming quarters. In addition, contributions from associate company are expected to improve, supported by the absence of one-off IPO-related expenses and continued growth in regional cross-border e-commerce activity. Overall, we believe AGX remains well-positioned to benefit from ongoing supply-chain diversification, rising cross-border trade and the gradual recovery in regional aviation and manufacturing activities.

Earnings Revision. We keep our earnings forecasts unchanged.

Valuation. We maintain our **BUY** call with a higher TP of **RM0.69** (from RM0.62), based on 12.2x PE multiple applied to rolled forward FY27F EPS of 5.6 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)	1QFY26	1QFY25	yoy (%)	4QFY25	qoq (%)	3MFY26	3MFY25	yoy (%)
Revenue	83.1	61.8	*34.4*	86.1	*(3.5)*	83.1	61.8	*34.4*
EBITDA	7.4	5.5	*35.3*	4.3	*72.8*	7.4	5.5	*35.3*
Pre-tax profit	4.9	5.3	*(8.3)*	1.8	*171.7*	4.9	5.3	*(8.3)*
Net profit	3.7	4.5	*(18.2)*	1.8	*102.0*	3.7	4.5	*(18.2)*
Core net profit	5.1	5.7	*(10.4)*	3.1	*65.4*	5.1	5.7	*(10.4)*
Core EPS (sen)	1.2	1.3	*(10.4)*	0.7	*65.4*	1.2	1.3	*(10.4)*
EBITDA margin (%)	9.0	8.9	*5bps*	5.0	*396bps*	9.0	8.9	5bps
PBT margin (%)	5.9	8.6	*-275bps*	2.1	*380bps*	5.9	8.6	-275bps
Core net profit margin (%)	6.2	9.3	*-309bps*	3.6	*258bps*	6.2	9.3	-309bps

Source: Company, Apex Securities

Segmental Breakdown

FYE Dec (RM m)	1QFY26	1QFY25	yoy (%)	4QFY25	qoq (%)	3MFY26	3MFY25	yoy (%)
Revenue								
Sea freight forwarding	26.5	24.2	*9.3*	31.0	*(14.7)*	26.5	24.2	*9.3*
Air freight forwarding	21.8	13.8	*57.9*	25.6	*(14.9)*	21.8	13.8	*57.9*
Aerospace logistics	22.3	13.8	*62.2*	22.9	*(2.6)*	22.3	13.8	*62.2*
Warehousing	3.4	2.8	*19.7*	3.8	*(10.5)*	3.4	2.8	*19.7*
Road freight	9.2	7.3	*26.6*	2.9	*222.7*	9.2	7.3	*26.6*
Total	**83.1**	**61.8**	***34.4***	**86.1**	***(3.5)***	**83.1**	**61.8**	***34.4***
Share of Revenue								
Sea freight forwarding	31.8%	39.1%	*-731bps*	36.0%	*-418bps*	31.8%	39.1%	*-731bps*
Air freight forwarding	26.2%	22.3%	*390bps*	29.7%	*-352bps*	26.2%	22.3%	*390bps*
Aerospace logistics	26.8%	22.2%	*459bps*	26.6%	*25bps*	26.8%	22.2%	*459bps*
Warehousing	4.1%	4.6%	*-50bps*	4.4%	*-32bps*	4.1%	4.6%	*-50bps*
Road freight	11.1%	11.8%	*-68bps*	3.3%	*777bps*	11.1%	11.8%	*-68bps*
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)	18.1	12.3	9.5	8.1	7.3
P/B (x)	3.5	2.0	1.7	2.0	1.9
EV/EBITDA (x)	7.3	8.4	6.9	6.1	5.5
DPS (sen)	0.5	0.5	0.0	1.5	1.7
Dividend Yield (%)	1.1%	1.1%	0.0%	3.7%	4.1%
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	**FY27F**
Core EPS (sen)	5.6
P/E Multiple (x)	12.2
Fair Value (RM)	**0.69**
ESG premium/discount	0.0%
Implied Fair Value (RM)	**0.69**

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 of 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 **Friday, 29 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.