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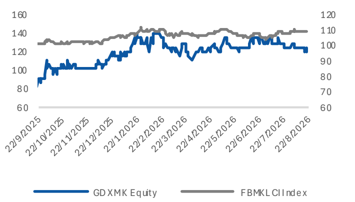
Recommendation:	↓	HOLD
Current Price:		RM 0.125
Previous Target Price:		RM 0.200
Target Price:	↓	RM 0.130
Capital Upside/Downside:		4.0%
Dividend Yield (%):		2.4%
Total Upside/Downside:		**6.4%**

Stock Information

Board	MAIN
Sector	Transportation & Logistics
Bursa / Bloomberg Code	0078 / GDXMK
Syariah Compliant	Yes
ESG Rating	★★★
Shares issued (m)	5,482.9
Market Cap (RM' m)	685.4
52-Week Price Range (RM)	0.15-0.085
Beta (x)	1.2
Free float (%)	22.2
3M Average Volume (m)	1.3
3M Average Value (RM' m)	0.2

Top 3 Shareholders	(%)
Gd Express Hldgs (M) S B	25.9
Yamato Holdings Co Ltd	19.8
Singapore Post Ltd	12.4

Share Price Performance



	1M	3M	12M
Absolute (%)	-7.4	-3.8	19.0
Relative (%)	-9.3	-5.2	9.5

Earnings Summary

FYE Dec	FY25	FY26F	FY27F
Revenue (RM'm)	416.0	468.2	546.5
PATAMI (RM'm)	-1.6	2.0	24.1
CNP (RM'm)	-1.6	2.0	24.1
EPS - core (sen)	0.0	0.0	0.4
P/E (x)	NM	350.5	28.5

Source: Company, Apex Securities

GDEX Bhd

Below Expectations

- **GDEX's 2QFY26 results came in below expectations, with CNP of RM0.3m (-35.4% QoQ) bringing 6MFY26 CNP to RM0.7m, accounting for only 7% of our FY26 full-year forecast, mainly due to continued underperformance at the Technology segment amid delayed project awards, coupled with a slower-than-expected turnaround at NETCO.**
- **Near-term earnings are expected to remain pressured by softer logistics demand and delayed digitalisation spending amid ongoing geopolitical uncertainty, although continued cost rationalisation at NETCO and the eventual scaling of the GD Xchange ecosystem should support longer-term growth.**
- **We downgrade to HOLD from BUY, with a lower TP of RM0.13 (from RM0.20 previously), based on an unchanged 30.0x multiple applied to a lower FY27F EPS of 0.4 sen (previously 0.7 sen).**

Below expectations, with earnings significantly lagging our forecasts. Excluding exceptional items, namely the net remeasurement of receivables allowance (-RM0.16m) and FX gain (-RM0.02m), GDEX reported a 2QFY26 CNP of RM0.3m (-35.4% QoQ, versus a core net loss of RM1.0m in 2QFY25). **This brought 6MFY26 CNP to just RM0.7m, representing a mere 7% of our FY26 full-year forecast and signalling a significant earnings shortfall**. The weak performance was mainly attributable to the continued underperformance of the Technology segment, amid delayed project awards and sub-optimal cost structures.

QoQ. Revenue fell 4.6% to RM100.5m, mainly due to lower demand for logistic services, with Logistics segment revenue declining on softer volumes in Malaysia. **CNP fell 35.4% to RM0.3m** as continued cost optimisation gains at the Logistics segment was outweighed by a wider loss at the Technology segment, dragged by delayed project awards and sub-optimal cost structures.

YoY. Revenue grew 2.3% to RM100.5m, driven by higher volumes in Malaysia which offset continued softness at its Vietnam-based NETCO associate, still in the midst of restructuring its customer base towards higher-yielding accounts. **GDEX swung to a CNP of RM0.3m from a core net loss of RM1.0m in 2QFY25**, as the Logistics segment turned around on higher revenue and tighter cost optimisation measures, more than offsetting a wider loss at the Technology segment amid delayed project awards and sub-optimal cost structures, as customers held back on digitalisation spending amid heightened geopolitical uncertainty.

YTD. 6MFY26 revenue was broadly flat at RM205.8m (+1.0% YoY), as higher volumes in Malaysia were largely offset by continued softness at NETCO. **6MFY26 CNP swung to RM0.7m from a core net loss of RM1.5m in 6MFY25**, supported by a turnaround at the Logistics segment on tighter cost optimisation measures, although this was partly weighed down by a wider loss at the Technology segment as customers held back on digitalisation spending amid heightened geopolitical uncertainty, alongside delays in project awards.

Outlook. Looking ahead, we expect the Group's near-term performance to remain weighed down by the ongoing US-Iran conflict, with demand in the Logistics segment likely to soften amid cautious consumer spending. Businesses may also defer investments in digital solutions amid heightened geopolitical uncertainty, coupled with delays in project awards, which could constrain earnings growth in the Technology segment. Meanwhile, the turnaround at its Vietnam-based NETCO associate is likely to take longer than previously expected as the unit continues restructuring its customer base towards higher-yielding accounts. Over the longer term, however, we remain positive on the Group's growth trajectory as it expands B2B sales in its Logistics division, with a particular focus on premium sectors that require specialised handling. In addition, its GD Xchange platform is well-positioned to support long-term revenue growth and margin expansion in 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 as well as change of analyst, we cut our FY26-28F CNP forecasts by 81%/33%/35% to RM2.0m/RM24.1m/RM28.6m**, as we impute a slower-than-expected turnaround at NETCO amid ongoing restructuring of its customer base, alongside a cut to our Technology segment estimates as customers hold back on digitalisation investments amid geopolitical uncertainty.

Valuation and Recommendation. We **downgrade the stock to HOLD** from BUY, with a lower TP of **RM0.13** (from RM0.20), based on an unchanged 30.0x multiple applied to a lower FY27F EPS of 0.4 sen (previously 0.7 sen).

Risks. Key risks include a slower-than-expected turnaround at NETCO, continued softness in Technology segment earnings amid delayed project awards, and margin pressure at the core Logistics segment from intensifying competition.

KDN PP13226/06/2024 (035469)

Results Comparison

FYE Dec (RM m)	2QFY26	2QFY25	yoy (%)	1QFY26	qoq (%)	6MFY26	6MFY25	yoy (%)
Revenue	100.5	98.2	*2.3*	105.3	*(4.6)*	205.8	203.7	*1.0*
Operating expenses	(103.5)	(99.7)	*3.8*	(107.5)	*(3.8)*	(211.0)	(205.4)	*2.8*
Other operating income	4.0	1.9	*105.5*	3.4	*16.6*	7.4	4.3	*71.7*
Core EBIT	**0.9**	0.5	*100.6*	1.2	*(22.8)*	2.2	2.6	*(17.9)*
Finance costs	(0.9)	(1.0)	*(13.0)*	(1.1)	*(17.1)*	(2.0)	(2.4)	*(16.7)*
Share of associates	0.2	0.1	*45.1*	0.1	*286.0*	0.2	0.1	*67.6*
PBT/(loss)	**0.2**	(0.4)	*nm*	0.2	*29.7*	0.4	0.4	*7.2*
Tax	(1.0)	(0.9)	*15.6*	(0.7)	*59.3*	(1.7)	(1.7)	*1.9*
PAT/(loss)	**(0.8)**	(1.3)	*(39.6)*	(0.5)	*70.2*	(1.3)	(1.3)	*0.3*
(-) Minority interest	(1.3)	0.2	*nm*	(0.5)	*158.7*	(1.7)	0.0	*nm*
PATAMI	**0.4**	(1.1)	*nm*	0.0	*3,990.9*	0.5	(1.3)	*nm*
(-) Exceptionals	0.2	(0.1)	*nm*	(0.4)	*nm*	(0.2)	0.2	*nm*
Core PATAMI	**0.3**	(1.0)	*nm*	0.4	*(35.4)*	0.7	(1.5)	*nm*
Core EPS (sen)	0.0	(0.0)	*nm*	0.0	*(35.4)*	0.0	(0.0)	*nm*
Core EBIT margin (%)	0.9	0.5		1.2		1.1	1.3	
PBT margin (%)	0.2	(0.5)		0.2		0.2	0.2	
Effective tax rate (%)	21.9	(49.4)		26.9		23.8	22.6	
Core net profit margin (%)	0.3	(1.0)		0.4		0.3	(0.7)	

Source: Company, Apex Securities

Segmental Breakdown

FYE Dec (RM m)	2QFY26	2QFY25	yoy (%)	1QFY26	qoq (%)	6MFY26	6MFY25	yoy (%)
Revenue								
Logistics	85.6	82.8	*3.4*	88.3	*(3.0)*	173.9	171.6	*1.3*
Technology	14.9	15.4	*(3.6)*	17.1	*(13.0)*	32.0	32.1	*(0.3)*
Total	**100.5**	**98.2**	***2.3***	**105.3**	***(4.6)***	**205.8**	**203.7**	***1.0***
PBT								
Logistics	1.7	(0.6)	*nm*	0.5	*217.3*	2.2	(1.1)	*nm*
Technology	(1.4)	0.2	*nm*	(0.4)	*310.5*	(1.8)	1.5	*nm*
Total	**0.2**	**(0.4)**	***nm***	**0.2**	***29.7***	**0.4**	**0.4**	***7.2***
PBT margin (%)								
Logistics	2.0%	-0.8%		0.6%		1.3%	-0.6%	
Technology	-9.7%	1.2%		-2.1%		-5.6%	4.6%	
Aggregate Total	**0.2%**	**-0.5%**		**0.2%**		**0.2%**	**0.2%**	

Source: Company, Apex Securities

Financial Highlights

Income Statement

FYE Dec (RM m)	FY25	FY26F	FY27F	FY28F
Revenue	**416.0**	**468.2**	**546.5**	**611.0**
EBITDA	**53.5**	**54.2**	**90.6**	**104.0**
Depreciation & Amortisation	-66.4	-64.1	-62.6	-61.2
EBIT	**5.7**	**12.7**	**52.6**	**69.9**
Net Finance Income/ (Cost)	-4.7	-4.2	-4.0	-3.7
Associates & JV	0.1	0.1	0.1	0.1
Pre-tax Profit	**1.0**	**8.5**	**48.6**	**66.2**
Tax	-3.2	-5.0	-14.9	-19.3
Profit After Tax	**-2.3**	**3.5**	**33.7**	**46.9**
Minority Interest (-)	0.7	-1.5	-9.6	-18.3
Net Profit	**-1.6**	**2.0**	**24.1**	**28.6**
Exceptionals (-)	0.0	0.0	0.0	0.0
Core Net Profit	**-1.6**	**2.0**	**24.1**	**28.6**

Key Ratios

FYE Dec	FY25	FY26F	FY27F	FY28F
EPS (sen)	0.0	0.0	0.4	0.5
P/E (x)	NM	350.5	28.5	24.0
P/B (x)	1.9	1.9	1.8	1.7
EV/EBITDA (x)	4.1	4.1	2.8	2.9
DPS (sen)	0.2	0.2	0.3	0.4
Dividend Yield (%)	1.5%	1.6%	2.4%	3.2%
EBITDA margin (%)	12.9%	11.6%	16.6%	17.0%
EBIT margin (%)	1.4%	2.7%	9.6%	11.4%
PBT margin (%)	0.2%	1.8%	8.9%	10.8%
PAT margin (%)	-0.5%	0.8%	6.2%	7.7%
NP margin (%)	-0.4%	0.4%	4.4%	4.7%
CNP margin (%)	-0.4%	0.4%	4.4%	4.7%
ROE (%)	-0.3%	0.3%	4.1%	4.6%
ROA (%)	-0.3%	0.3%	4.1%	4.6%
Gearing (%)	22.0%	21.0%	19.2%	16.6%
Net gearing (%)	Net Cash	Net Cash	Net Cash	Net Cash

Valuations	FY27F
Core EPS (RM)	0.004
P/E multiple (x)	30.0
Fair value (RM)	**0.13**
ESG premium/discount	0.0%
Implied Fair Value (RM)	**0.13**

Source: Company, Apex Securities

Balance Sheet

FYE Dec (RM m)	FY25	FY26F	FY27F	FY28F
Cash	220.8	213.1	231.8	260.9
Receivables	97.9	108.8	128.2	143.1
Inventories	2.6	3.1	3.5	3.8
Other current assets	10.8	10.8	10.8	10.8
Total Current Assets	**332.1**	**335.9**	**374.3**	**418.6**
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
Total Non-Current Assets	**245.5**	**229.6**	**213.3**	**198.0**
Total Assets	**577.6**	**565.5**	**587.6**	**616.5**
Short-term debt	22.2	25.0	29.2	29.5
Payables	67.7	68.9	78.1	89.9
Other current liabilities	3.2	3.2	3.2	3.2
Total Current Liabilities	**93.1**	**97.2**	**110.5**	**122.6**
Long-term debt	68.5	59.7	51.5	44.2
Other non-current liabilities	5.0	5.0	5.0	5.0
Total Non-Current Liabilities	**73.5**	**64.7**	**56.5**	**49.2**
Shareholder's equity	389.7	380.6	388.2	394.8
Minority interest	21.4	23.1	32.4	49.9
Total Equity	411.1	403.6	420.6	444.7
Total Equity + Liabilities	**577.6**	**565.5**	**587.6**	**616.5**

Cash Flow

FYE Dec (RM m)	FY25	FY26F	FY27F	FY28F
Profit After Tax	**-2.3**	**3.5**	**33.7**	**46.9**
Depreciation & amortisation	66.4	64.1	62.6	61.2
Changes in working capital	10.2	-10.2	-10.6	-3.4
Others	-17.8	-26.7	-27.9	-30.3
Operating cash flow	**56.6**	**30.7**	**57.8**	**74.4**
Capex	-9.1	-9.1	-5.5	-5.7
Others	26.3	-12.4	-12.9	-9.9
Investing cash flow	**17.3**	**-21.4**	**-18.4**	**-15.6**
Dividends paid	-11.2	-11.1	-16.5	-22.0
Others	-31.6	-5.9	-4.2	-7.8
Financing cash flow	**-42.8**	**-16.9**	**-20.7**	**-29.8**
Net cash flow	**31.1**	**-7.7**	**18.7**	**29.1**
Forex	-2.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0
Beginning cash	89.9	220.8	213.1	231.8
Ending cash	**119.1**	**213.1**	**231.8**	**260.9**

ESG Matrix Framework:

Environment

Parameters	Rating	Comments
Climate	★★	Total GHG Emissions (tCO2e) 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^3 in FY25, reflecting an increase from 81,092.95 m^3 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

As of **Monday, 24 Aug, 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.