


IPO: AGX Rises 6 Sen From Listing Price On Ace Market Debut

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A notable debut by AGX Group Bhd was made on the ACE Market today by opening at a price of RM0.41, representing a 17.14% premium over its issue price of RM0.35 per share, with an opening volume of 6.87 million shares.

AGX's listed shares carries the stock name of 'AGX' and stock code of '0299'.

The freight forwarding and aerospace logistics provider, upon reaching the 41 sen per share mark this morning (Feb 7), is now valued at about 13.10 times its price-earnings ratio based on a net profit of RM13.54 million and basic earnings per share of 3.13 sen for FY2022.

Its market capitalisation stands at RM177.48 million based on a share capital of 432.87 million.

AGX earlier said its IPO entails the public issue of 96.5 million new ordinary shares and an offer for sale of 30 million existing ordinary shares priced at 35 sen per share with the majority of the proceeds of RM16.44mil will be utilised for working capital and RM8.70mil will be utilised for expanding its business presence in Malaysia and South Korea via setting up new warehouses and offices in Penang and Johor Bahru as well as a new office in Busan, South Korea.

The remaining proceeds of RM4.14mil and RM4.50mil will be utilised for repayment of bank borrowings and listing expenses respectively. The offer for sale is expected to raise approximately RM10.50mil.

Based on its enlarged issued share capital of approximately 432.87 million shares and an IPO price of RM0.35 per share, AGX was expected to have a market capitalisation of approximately RM151.5mil upon its listing on Bursa Securities.

Dato' Rozalila Binti Abdul Rahman, AGX's Independent Non-Executive Director and Chairperson, said "We take great pride in AGX's journey as a Malaysian third-party logistics (3PL) service provider since 2004, expanding across Southeast Asia region with a focus on exceptional services, including aerospace logistics. The recent successful IPO, raising RM33.8 million, marks a strategic step for business expansion and working capital. Our competitive position against multinational giants is evident, and the oversubscribed IPO reflects strong investor confidence in our potential for sustained growth. AGX is excited about the future as we continue to thrive in the dynamic logistics industry."

The company has also adopted a dividend policy of with a payout ratio of up to 30.0% of its profits to attributable to owners of the company and its listed shares will be Shariah compliant.

Through its subsidiaries, the AGX Group is primarily a third-party logistics (3PL) service provider where its services comprise sea and air freight forwarding, aerospace logistics, warehousing and other 3PL, and road freight transportation services.

AGX has adopted a dividend policy of at least 30.0% of its annual profits attributable to shareholders. For the nine months ended Sept 30, 2023 (9MFY2023), the company reported a net profit of RM9.16 million on the back of revenue of RM138.16 million.

TA Securities Holdings Bhd, besides being the underwriter of AGB's IPO, was also the principal adviser, sponsor and placement agent for this exercise.