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AGX secures logistics agreement with VietJet Air

► Recommendation: Buy
 Target Price: 85 sen
 by Phillip Research Sdn Bhd
 (Nov 5)

~ AGX Logistics (Viet Nam) Co Ltd, a wholly owned subsidiary of AGX Group Bhd, has entered a 2-year Freight Forwarding and Customs Brokerage Services Agreement with Vietjet Aviation Joint Stock Company (Vietjet Air).

Under the agreement, AGX Logistics Vietnam will provide logistics support and Aircraft-on-Ground (AOG) services on a 24-hour, 7seven-day basis for VietJet Air's fleet. The contract, which commenced in November 2025 and runs until October 2026, marks AGX's first direct engagement with VietJet Air and reinforces its growing presence in Vietnam's aerospace logistics sector.

Service charges will be based on mutually agreed rates and fees, with payments to be settled within 45 days of invoice issuance.

Penetrating the Vietnamese aerospace market. The service

AGX GROUP BHD				
FYE DEC	2024	2025E	2026E	2027E
REVENUE (RM mil)	238.5	286.6	356.9	403
CORE NET PROFIT (RM mil)	15.6	24.5	30.6	33.9
CORE EPS (sen)	3.6	5.7	7.1	7.8
CORE PER (x)	12.6	8.0	6.4	5.8

agreement with VietJet Air marks a significant milestone for AGX, signalling its successful penetration into the Vietnamese aerospace logistics market.

This development follows the recent service agreement with Sun Phu Quoc Airways, underscoring AGX's growing foothold in Vietnam's aviation ecosystem. Sun Phu Quoc Airlines currently operates five aircraft and plans to expand its fleet to 35 within the next two years, offering a clear trajectory of rising logistics demand.

As both VietJet Air and Sun Phu Quoc Airlines ramp up their flight operations, Vietnam is expected to become AGX's third-largest revenue contributor, trailing only Malaysia and the Philippines. The

entry into Vietnam also strengthens AGX's regional network synergy, positioning the group to capture increasing cross-border maintenance, repair, and operations (MRO) and AOG logistics flows across South-East Asia.

Maintain 'Buy' with 85 sen target price (TP). While we remain positive on AGX's strong outlook, our earnings forecast has yet to factor in the potential upside from the Vietnam market. We maintain our forecasts for now and reiterate our 'Buy' rating and 85 sen TP, based on a target 12x PE multiple on 2026E EPS. Key risks to our call include lower-than-expected freight demand, decline in freight rates and loss of customers.