

Agility Global PLC

Current Price

AED 1.41

Target Price

AED 2.10

Upside/Downside (%)

+48.9%

Rating

BUY

4Q25 Net Profit higher than our estimate

- Group revenue rose 19.1% YOY to USD 1,421 Mn in 4Q25, supported by healthy growth in Aviation Services, Fuel Logistics and Industrial Real Estate segment.
- Menzies revenue increased 27.8% YOY to USD 877 Mn, Tristar 10.5% YOY to USD 378 Mn, ALP 22.2% YOY to USD 17 Mn in 4Q25. However, Other revenue remained stable at USD 150 Mn in 4Q25, compared to 4Q24.
- Gross profit increased 27.5% YOY to USD 910 Mn in 4Q25, supported by 422 bps YOY margin expansion to 64.0% in 4Q25.
- Other operating expenses increased 32.8% YOY to USD 763 Mn in 4Q25.
- Operating profit rose from USD 111 Mn in 4Q24 to USD 241 Mn in 4Q25, supported by higher revenue. Operating profit margin expanded from 9.3% in 4Q24 to 16.9% in 4Q25.
- EBITDA also grew from USD 193 Mn in 4Q24 to USD 333 Mn in 4Q25, with 23.4% margin in 4Q25 compared to 16.2% in 4Q24.
- Aviation Services EBITDA increased 1.7% YOY to USD 97 Mn in 4Q25 with margin at 11.0%, while Fuel Logistics EBITDA grew 6.4% YOY to USD 72 Mn in 4Q25 with margin at 19.1%, and Industrial Real Estate EBITDA rose sharply from USD 39 Mn in 4Q24 to USD 208 Mn in 4Q25, primarily driven by one-off revaluation gains on investment properties.
- Interest expenses increased 32.9% YOY to USD 65 Mn in 4Q25, impacted by increased borrowings.
- Net profit to equity holders increased from USD 30 Mn in 4Q24 to USD 143 Mn in 4Q25, supported by higher revenues and finance income, partially offset by rise in direct and operating expenses along with finance and tax expenses. The Net profit for 4Q25 includes one-off revaluation gain on Investment properties of USD 196 Mn.
- Balance sheet expanded with total assets increasing to USD 13.4 Bn as of 4Q25.
- Dividend profile remained strong, with dividend declared at 2.8 fils per share (USD 75 Mn) for the period of 2H25.

Earnings Call Summary

- Investment portfolio grew 10.8% YOY to USD 5.8 Bn in 2025, mainly driven by DSV stock appreciation, while net debt stood at USD 3.8 Bn (including lease liabilities) and total debt increased to USD 5.6 Bn in 2025 from USD 4.2 Bn in 2024, mainly due to G2 acquisition, FX impact and shareholder-related activities.
- Menzies completed G2 acquisition in 2025, with integration underway, while operations at Kuwait International Airport concluded effective February 2026, however, customer diversification remained strong with no single customer contributing more than 3% of revenue, and the business is expected to generate USD 3.4–3.5 Bn revenue in 2026 with temporarily lower margins.
- The Company continues to explore monetization of Tristar, however no transaction will be executed unless the valuation meets internal expectations, reflecting a no-pressure sale approach, while participation in DSV buybacks could generate USD 300–400 Mn annually while maintaining 8.2% stake.
- ALP delivered 226k sqm of warehousing space in 2025, with reported EBIT higher mainly due to revaluation gains on investment properties, while revenue exit run-rate reached USD 86 Mn by the end of 2025; the platform continues to expand through land acquisition and strategic JVs including Roshn, including a SAR 2.5 Bn logistics park development in Jeddah with developed asset valuation estimated at USD 1.1–1.2 Bn and expected revenue growth of 40–45% YOY in 2026, supported by additional 80,000 sqm development.
- Agility hedged EUR 1.7 Bn exposure at 1.20–1.21 USD/EUR, with 12 Mn DSV shares hedged and 7.3 Mn shares unhedged, resulting in a net realizable DSV value of USD 4.6 Bn versus USD 4.9 Bn gross.

- Menzies operational KPIs showed mixed performance in 2025, with ground handling activity increasing by 5.2% YOY, while cargo volumes declined by 2.7% YOY and fuel volumes declined by 5.7% YOY; however freight forwarding volumes increased marginally by 1.6% YOY.
- Net cash flow from operating activities declined 35.7% YOY to USD 403 Mn in 2025, impacted by investment in working capital, while capex and investments increased to USD 490 Mn, primarily driven by G2 acquisition, which accounted for 39% of total investments, and ALP expansion, which contributed 17%.
- Tristar fleet operates entirely outside the Middle East (Americas and Asia), reducing geopolitical risk exposure to assets.
- The Company guided consolidated revenue growth of 11–13% for 2026, EBITDA margin of 13%–13.5%, and effective tax rate of 30%, reflecting business mix changes and continued expansion. Management also expects capex of USD 600–800 Mn for 2026.
- Menzies Aviation expects 13–15% YOY revenue growth with an EBITDA margin of 12.5%–13% in 2026. Tristar expects 6–7% YOY revenue growth with an EBITDA margin of c. 16% in 2026. Logistics Parks segment expects 40–45% YOY revenue growth with an EBITDA margin of 73–75% in 2026.
- The Company highlighted limited geopolitical impact due to diversification, with Menzies seeing minor impact, Tristar benefiting from higher shipping rates, ALP operating at full capacity, and DSV offsetting volume decline with higher rates.
- Management expects geopolitical disruption impact to normalize within a few months, with no material long-term impact expected on operations or guidance.
- Kuwait license loss impact is reflected in lower margins, however overall growth in 2026 is still expected due to diversification and G2 contribution.
- Equity hedge (collar) maturities are in 2027–2028, with no immediate restructuring required unless market conditions become favourable.
- AI is expected to positively impact DSV by improving cost efficiency and margins, supporting at least 10% EBIT margin with potential upside beyond that level.

Agility Global - P&L

| USD Mn | 4Q24 | 3Q25 | 4Q25 | 4Q25F | Var. | YOY Ch | QOQ Ch |
|-------------------------------|------------|------------|------------|------------|--------------|--------------|--------------|
| Total Revenue | 1,193 | 1,309 | 1,421 | 1,379 | 3.0% | 19.1% | 8.6% |
| Direct expenses | -480 | -472 | -511 | -513 | -0.3% | 6.6% | 8.4% |
| Gross Profit | 713 | 837 | 910 | 866 | 5.0% | 27.5% | 8.7% |
| Operating expenses | -575 | -656 | -763 | -696 | 9.7% | 32.8% | 16.3% |
| EBITDA | 193 | 215 | 333 | 176 | 89.1% | 72.0% | 54.9% |
| D&A | -82 | -88 | -92 | -85 | 7.7% | 11.7% | 4.5% |
| Operating Profit | 111 | 127 | 241 | 90 | NM | NM | 90.0% |
| Interest Income | -1 | 15 | 15 | 16 | -7.3% | NM | -1.3% |
| Interest Expenses | -49 | -62 | -65 | -63 | 4.0% | 32.9% | 5.3% |
| Tax | -17 | -12 | -29 | -7 | NM | 69.9% | NM |
| NCI | -14 | -17 | -18 | -3 | NM | 31.9% | 11.1% |
| Profit to shareholders | 30 | 52 | 143 | 34 | NM | NM | NM |

FABS estimate & Co Data

Management Guidance:

| | FY2025 Guidance | FY2025 Actuals | FY2026 Guidance | |
|---|---|--|---|-------------------|
| Agility Global consolidated | Revenue Growth | +11% - 13% | +13% | 11% - 13% |
| | EBITDA margin (%) | 14% - 15% | 14% (Excluding IP gain) | 13% - 13.5% |
| | Gross Capex and investment | \$300 M - 350 M | \$490 M (Including \$192 M of G2 acquisition) | \$600 M - \$800 M |
| | Effective Tax Rate | ~30% (Includes Pillar 2 tax) | ~26% | ~30% |
|  | Revenue Growth | \$3 bn - \$3.1 B +15% - 18% (Revised) | +16% | 13% - 15% |
| | EBITDA margin (%) | 13.5% - 14% (Revised) | 13.4% | 12.5% - 13% |
|  | Revenue Growth | +25% - 30% | +14% | 6% - 7% |
| | EBITDA margin (%) | 17.5% - 18.5% | 18.3% | 16% |
|  | Revenue Growth | +15% | +13% | 40% - 45% |
| | EBITDA margin (%) (excl. valuation gains) | 70% | 73% (Excluding IP gain) | 73% - 75% |

