

17 April 2026

Ancom Nylex

Good 9M but Temporary Softness Ahead

By Khoo Teng Chuan / khootc@kenanga.com.my

ANCOMNY's 9MFY26 core net profit (CNP) rose 36% YoY, coming in at 70% of Kenanga, and 74% of consensus, full-year estimate. Overall, the results were within our expectation but weaker 4QFY26 margin is expected due to higher freight costs arising from the Middle East conflict and disruption in its MSMA distribution network in Brazil. Nonetheless, MSMA orders for soyabean planting usage should gather momentum along with new products. Downgrade FY26-27F core EPS (CEPS) by 8% to 7.7 sen, and 7% to 9.4 sen, respectively, but nudge up our TP from RM1.40 to RM1.50 as we roll over the base to FY27-28F. Maintain OUTPERFORM call.

9MFY26. Excluding losses from fair value adjustment (RM0.04m) and foreign exchange (RM6.0m) less disposal gain of RM0.07m, 9MFY26 CNP of RM62.3m was underpinned by better industrial chemical margins, while agri-chemical contribution slipped 6% on slightly (-2% YoY) softer revenue due to a stronger MYR which also affected margins. All in, 9MFY26 CNP recovered well (+36% YoY) from a poor FY25, which was expected by Kenanga Research.

3QFY26. Results also came in within our expectation. The quarter's CNP of RM21.8m (+9% QoQ, +18% YoY) was lifted by better industrial chemical margins while agri-chemical margins held QoQ but was softer YoY due to a stronger MYR. 3QFY26 net debt rose 8% QoQ from RM213m a quarter ago to RM230m but net gearing remained manageable at 37%. Nevertheless, a surprise dividend-in-specie of 1 treasury share for every 100 ordinary shares held was announced.

Outlook stays positive. In spite of softer-than-expected YTD performance, profits are still up YoY. We expect this uptrend to continue, underpinned by the following key earnings drivers:

- MSMA exports to grow despite teething issues in Brazil.** One of ANCOMNY's key MSMA distributors in Brazil stopped selling MSMA in Jan 2026. While ANCOMNY's main shareholder, Helm AG, has an established network to reach Brazil's soyabean famers, it is new to the sugarcane market, thus some (c.3%) disruptions to MSMA sales are likely over 4QFY26 and 1HFY27. Otherwise, MSMA growth prospects in Brazil stays bright following regulatory approval in Dec 2025 to allow MSMA use beyond sugarcane to include soyabean. As soyabean is planted over 50m Ha in Brazil compared to 9m Ha for sugarcane, MSMA sales is still expected to grow 15% in FY27 despite the setback.
- Timber preservatives.** Timber preservative exports are expected to stay firm, thanks to a 3-year contract till Jan 2027. Thereafter, orders should continue as the buyer has ceased in-house production and there are only a few suppliers worldwide. A new contract is also possible given the longstanding relationship between the buyer and ANCOMNY.
- Expanding active ingredients (AIs) portfolio.** Bromacil and Ester were launched three years ago, AI "T" last year and a new AI "S" due in FY27. Earnings from these AIs are still small but growing.
- Industrial chemicals streamlining.** Tight margin from the trading of industrial chemicals is likely to persist. A proposed 50:50 JV with Thai Oil PCL (TOP) to add scale, lower cost and strengthen distribution should improve moving forward but the exercise is expected to conclude only in 1HFY27.

OUTPERFORM ↔

Price: **RM0.875**
Target Price: **RM1.50** ↑

Share Price Performance



KLCI	1,689.71
YTD KLCI chg	0.6%
YTD stock price chg	-0.6%

Stock Information

Shariah Compliant	Yes
Bloomberg Ticker	ANCOMNY MK EQUITY
Market Cap (RM m)	911.8
Shares Outstanding	1,042.1
52-week range (H)	0.99
52-week range (L)	0.84
3-mth avg. daily vol.	1,211,886
Free Float	42%
Beta	0.7

Major Shareholders

Helm Ag	17.5%
Datuk Siew Ka Wei	13.7%
Dato Lee Cheun Wei	10.5%

Summary Earnings Table

FY May (RM m)	2025A	2026F	2027F
Turnover	1,874.6	1,865.4	2,017.4
EBIT	117.0	133.2	151.4
PBT	99.2	114.4	136.6
Net Profit	64.5	81.5	100.2
Core Net Profit	67.9	81.5	100.2
Consensus (NP)	0.0	84.6	99.3
Earnings Revision	-	-8%	-7%
Core EPS (sen)	6.2	7.7	9.4
CNP Growth (%)	-20	24	23
NDPS (sen)	5.0	3.6	3.6
BVPS (RM)	0.6	0.7	0.7
PER (x)	14.1	11.4	9.3
PBV (x)	1.6	1.3	1.2
Net Gearing (x)	0.2	0.0	(0.1)
Net Div. Yield (%)	5.7	4.1	4.1

17 April 2026

Reverse takeover (RTO) of Green Lagoon Technology (GLT). 34%-associate, Ancom Logistics Bhd (ALB, Non-Rated) originally had planned to issue 1.0b new shares valued at RM120m to take over GLT with ANCOMNY then subscribing 183m new, post-RTO GLT shares for RM22m cash to continue holding post-RTO GLT as a 21% associate. As completion timeline has been extended to FY27 or FY28, GLT issued 2.7m new shares in Oct 2025 to give ANCOMNY a 17% stake for RM22m cash. On completion of the RTO, ANCOMNY will end up holding a 22% associate stake in GLT

Forecasts. We are toning down FY26-27F core EPS (CEPS) by 8% to 7.7 sen, and by 7% to 9.4 sen, respectively, due to higher freight cost due to the Middle East conflict and slower-than-earlier expected MSMA exports to Brazil. However, ANCOMNY's prospects remains bright with stronger YoY earnings growth still expected for FY26 and into FY27 as well. Key drivers underpinning the growth are:

(a) maiden MSMA sales to Brazilian soyabean farmers should start in 2HFY26.

(b) growing new AI sales, with the launch of AI "T" in April 2025 (ie 1QFY26) to be followed by AI "S" in FY27.

(c) FY27 may see the conclusion of: (a) JV with TOP in the industrial chemical segment, and (b) some GLT contributions in late FY27 as the RTO should conclude then.

Valuations. TP for ANCOMNY is raised from RM1.40 to RM1.50 based on 15x our new calendarised FY27-28F CEPS instead of FY26-27F as FY26 is ending next month. Our 15x PER is maintained which is nearly half the forward PER (25-30x) of regional agriculture chemical peers. There is no change to TP arising from its 3-star ESG rating which is appraised by us (see page 4).

Investment case. We continue to like ANCOMNY for it being: (i) the largest active ingredients producer for herbicide in South-East Asia, (ii) a beneficiary of widening ban of the highly toxic Paraquat, and (iii) an alternative, neutral supplier amidst US-China trade tension. It is indirectly a proxy to global food production and food security as well. Maintain **OUTPERFORM**.

Risks to our call include: (i) downturn in crop production in key markets, (ii) regulatory risk, and (iii) foreign exchange translation risk.

Results Highlights

FYE May (RM m)	3Q26	2Q26	QoQ	3Q25	YoY	9MFY26	9MFY25	YoY
Revenue	446.2	428.8	4%	449.0	-1%	1,322.3	1,415.3	-7%
Gross Profit	81.4	74.5	9%	78.9	3%	236.5	230.2	3%
EBIT	33.7	30.9	9%	31.1	8%	96.1	30.9	212%
Interest	(4.6)	(4.7)	-1%	(4.1)	12%	(14.2)	(14.4)	-2%
Associates	0.9	0.4	130%	0.0	9733%	1.7	0.0	27567%
EI	(3.5)	(2.0)	79%	(0.5)	676%	(3.5)	0.7	-611%
Pre-tax Profit (PBT)	26.5	24.6	8%	26.5	0%	80.1	71.6	12%
Taxation	(7.4)	(6.6)	12%	(8.3)	-11%	(22.9)	(23.9)	-4%
Minority Interest	(0.8)	0.0	-9033%	(0.2)	339%	(0.8)	(1.3)	-36%
Net Profit	18.3	18.0	2%	18.0	1%	56.4	46.4	22%
Core Net Profit (CNP)	21.8	20.0	9%	18.5	18%	62.3	45.7	36%
EPS (sen)	1.7	1.7	3%	1.7	0%	5.3	4.4	19%
CEPS (sen)	2.0	1.8	16%	1.7	18%	5.9	4.3	37%
DPS (sen)	0.01*	-	N.A.	-	N.A.	1.01	4.0	-75%
GP margin	18%	17%		18%		18%	16%	
EBIT margin	8%	7%		7%		7%	2%	
PBT margin	6%	6%		6%		6%	5%	
CNP margin	5%	5%		4%		5%	3%	
Effective tax rate	-28%	-27%		-31%		-29%	-33%	

* Dividend-in-specie on the basis of 1 treasury for every 100 AncomNylex shares

Source: Company, Kenanga Research

17 April 2026

Segmental Breakdown								
FYE May (RM m)	3Q26	2Q26	QoQ	3Q25	YoY	9MFY26	9MFY25	YoY
Revenue								
Agriculture chemicals	131.8	134.0	-2%	137.7	-4%	403.0	409.3	-2%
Industrial chemicals	246.9	256.2	-4%	263.2	-6%	771.1	870.6	-11%
Logistics	11.4	11.5	0%	11.6	-1%	34.9	35.4	-1%
Polymer	16.1	14.9	8%	21.3	-24%	50.7	58.0	-13%
Investments & others	39.9	12.3	226%	15.3	161%	62.5	42.0	49%
Total	446.2	428.8	4%	449.0	-1%	1,322.3	1,415.3	-7%
Profit Before Tax								
Agriculture chemicals	21.7	21.1	3%	26.3	-18%	67.7	72.1	-6%
Industrial chemicals	9.8	8.1	21%	6.0	64%	28.0	19.1	46%
Logistics	1.9	2.3	-17%	2.8	-32%	7.4	9.6	-23%
Polymer	0.4	-0.3	-230%	1.8	-75%	1.5	2.9	-48%
Assoc, invest. & others	(2.7)	(1.8)	48%	(6.2)	-56%	(10.3)	(17.7)	-42%
Finance cost	(4.6)	(4.7)	-1%	(4.1)	12%	(14.2)	(14.4)	-2%
Total	26.5	24.6	8%	26.5	0%	80.1	71.6	12%
PBT margins								
Agriculture chemicals	16%	16%		19%		17%	18%	
Industrial chemicals	4%	3%		2%		4%	2%	
Logistics	17%	20%		24%		21%	27%	
Polymer	3%	-2%		8%		3%	5%	
Total	6%	6%		6%		6%	5%	

Source: Company, Kenanga Research

17 April 2026

Peer Table Comparison

Name	Rating	Last Price (RM)	Target Price (RM)	Upside	Market Cap (RM m)	Shariah Compliant	Current FYE	Core EPS (sen)		Core EPS Growth		PER (x) - Core Earnings		PBV (x)	ROE	Net Div. (sen)	Net Div Yld
								1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.
MANUFACTURING																	
ANCOM NYLEX BHD	OP	0.875	1.40	60.0%	911.8	Y	05/2026	7.7	9.4	20.0%	22.9%	11.4	9.3	1.3	11.9%	5.0	5.7%
BM GREENTECH BHD	UP	1.31	1.72	31.3%	901.0	Y	03/2026	11.3	12.2	11.5%	7.5%	11.6	10.8	2.5	22.5%	1.8	1.4%
BP PLASTICS HOLDINGS BHD	MP	0.710	0.670	-5.6%	199.9	Y	12/2026	8.4	8.8	85.2%	4.6%	8.4	8.1	0.7	8.5%	4.3	6.1%
HPP HOLDINGS BHD	MP	0.280	0.300	7.1%	108.8	Y	05/2026	2.0	2.3	146.9%	12.7%	13.8	12.2	0.9	6.3%	2.0	7.1%
KUMPULAN PERANGSANG SELANGOR	UP	0.545	0.480	-11.9%	292.9	Y	12/2026	4.4	4.8	143.9%	8.4%	12.3	11.3	0.3	2.2%	2.0	3.7%
SCIENTEX BHD	OP	3.53	3.84	8.8%	5,493.7	Y	07/2026	37.9	39.0	12.1%	3.1%	9.3	9.0	1.2	12.9%	12.5	3.5%
SLP RESOURCES BHD	MP	0.760	0.850	11.8%	240.9	Y	12/2026	4.9	5.5	52.0%	12.9%	15.5	13.8	1.4	8.9%	4.8	6.3%
TECHBOND GROUP BHD	OP	0.280	0.470	67.9%	212.4	Y	06/2026	4.1	4.5	37.5%	9.1%	6.8	6.2	0.8	12.0%	1.0	3.6%
THONG GUAN INDUSTRIES BHD	OP	1.39	1.41	1.4%	544.0	Y	12/2026	19.3	19.5	7.9%	0.9%	7.2	7.1	0.6	8.1%	6.0	4.3%
Sector Aggregate	OP	2.10	2.71	29.0%	2,378.6	Y	12/2026	12.4	15.0	15.3%	21.7%	17.0	14.0	4.2	30.6%	3.5	1.7%

Source: Bloomberg, Kenanga Research

17 April 2026

STOCK ESG RATINGS

	Criterion	Rating		
GENERAL	Earnings Sustainability & Quality	★	★	☆
	Community Investment	★	★	
	Workers Safety & Wellbeing	★	★	☆
	Corporate Governance	★	★	★
	Anti-Corruption Policy	★	★	★
	Emissions Management	★	★	
SPECIFIC	Product Quality & Safety	★	★	★
	Effluent/Waste Management	★	★	
	Digitalisation & Innovation	★	★	
	Material/Resource Management	★	★	★
	Supply Chain Management	★	★	★
Energy Efficiency	★	★	☆	
OVERALL		★	★	★

☆ denotes half-star
★ -10% discount to TP
★★ -5% discount to TP
★★★ TP unchanged
★★★★ +5% premium to TP
★★★★★ +10% premium to TP

Stock Ratings are defined as follows:

Stock Recommendations

OUTPERFORM : A particular stock's Expected Total Return is MORE than 10%
MARKET PERFORM : A particular stock's Expected Total Return is WITHIN the range of -5% to 10%
UNDERPERFORM : A particular stock's Expected Total Return is LESS than -5%

Sector Recommendations***

OVERWEIGHT : A particular sector's Expected Total Return is MORE than 10%
NEUTRAL : A particular sector's Expected Total Return is WITHIN the range of -5% to 10%
UNDERWEIGHT : A particular sector's Expected Total Return is LESS than -5%

***Sector recommendations are defined based on market capitalisation weighted average expected total return for stocks under our coverage.

This document has been prepared for general circulation based on information obtained from sources believed to be reliable but we do not make any representations as to its accuracy or completeness. Any recommendation contained in this document does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may read this document. This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement by addressees. Kenanga Investment Bank Berhad accepts no liability whatsoever for any direct or consequential loss arising from any use of this document or any solicitations of an offer to buy or sell any securities. Kenanga Investment Bank Berhad and its associates, their directors, and/or employees may have positions in, and may effect transactions in securities mentioned herein from time to time in the open market or otherwise, and may receive brokerage fees or act as principal or agent in dealings with respect to these companies. Kenanga Investment Bank Berhad being a full-service investment bank offers investment banking products and services and acts as issuer and liquidity provider with respect to a security that may also fall under its research coverage.

Published by:

KENANGA INVESTMENT BANK BERHAD (15678-H)

Level 17, Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia
Telephone: (603) 2172 0880 Website: www.kenanga.com.my E-mail: research@kenanga.com.my