

TRADING RADAR

MIDF Research
research@midf.com.my

Tasco Berhad

(5140 | TASC0 MK) Transportation & Logistics | Transportation & logistics services

Technical Target Price: RM1.32

Technical highlights:

- Share price forming saucer/rounding bottom formation
- Rebounding off RM0.76 low since early 2024 on firming volume
- Expect to retest and break neckline at RM1.04 before end-2024
- Technical target price of RM1.32 by mid-2025

Fundamental highlights:

- Brighter FY25 earnings outlook on shipment volume recovery
- Trading below mean PER valuation at 9.7x FY25F EPS
- Fundamental target price of RM1.20

Technical chart & commentary:

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TradingView
 Source: [TradingView](#), MIDFR

- The share price of Tasco was on a gradual descent in 2023 (which formed the left half of a technical saucer).
- Its share price inflected upward off a low of RM0.76 in December 2023 and has been ascending higher since the beginning of 2024 (thus forming the right half of the saucer).
- It is also technically important to observe that the share price recovery off its December 2023 low was accompanied by firming trade volume.
- Going forward, we expect the share price of Tasco to retest and subsequently break above the saucer neckline at RM1.04 before end-2024.
- Furthermore, after the neckline breakout, the Technical Target Price [= Neckline + (Neckline – Low)] of Tasco is calculated at RM1.32 by mid-2025.

FUNDAMENTAL HIGHLIGHTS

- Overall, we believe the outlook for Tasco is brighter in FY25, anticipating a recovery in shipment volume across all divisions as trade activities rebound.
- The International Air Transport Association (IATA) predicts a +4.5% growth in airfreight volume this year, potentially aiding the recovery of Tasco's air freight forwarding division.
- Furthermore, as customers gradually move into Tasco's two new warehouses, we anticipate improved performance in the contract logistics division.
- We maintain our **BUY** recommendation on Tasco due to its undemanding valuation, currently trading at 9.7x FY25F EPS or nearly -1SD of its 5-year historical mean.
- We pegged a **fundamental target price of RM1.20** or PER25 of 13.0x.

INVESTMENT STATISTICS

FYE Mar	2024A	2025F	2026F
Revenue	1,072.7	1,190.6	1,241.5
Operating profit	87.3	90.5	94.4
PBT	73.8	76.2	79.5
Core PATAMI	61.5	65.3	68.1
Core EPS (sen)	7.7	8.2	8.5
DPS (sen)	2.0	2.0	3.0
Dividend yield	2.2%	2.2%	3.4%

KEY STATISTICS

FBM KLCI	1,633.81
Issued shares (m)	800.00
Estimated free float (%)	30.48
Market Capitalisation (RM'm)	712.00
52-wk price range	RM0.76 - RM1.02
3-mth average daily volume (m)	0.88
3-mth average daily value (RM'm)	0.80
Top Shareholders (%)	
Real Fortune Portfolio Sdn Bhd	9.89
Nippon Yusen KK	9.59
Employees Provident Fund	1.80

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TECHNICAL STOCK RECOMMENDATIONS

TECHNICAL BUY	The share price return is expected to <i>rise</i> by >10% over the next 2 months.
ADD	The share price return is expected to <i>rise</i> by >5% over the next 1 month.
REDUCE	The share price return is expected to <i>fall</i> by >5% over the next 1 month.
TECHNICAL SELL	The share price return is expected to <i>fall</i> by >10% over the next 2 months.