Swift Haulage Berhad

(5303 | SWIFT MK) Main | Transportation & Logistics

ESG 3 Stars

SHARIAH Compliant

Corporate Update

Maintain **BUY**

Revised Target Price **RM0.43** (from RM0.40)

1QFY25 Results Review
Stable Results Delivered

Maintain BUY. Swift Haulage Berhad's (Swift) 1QFY25 earnings came in within expectations. We remain positive on the warehousing segment, which should contribute meaningfully to full-year revenue following the addition of 387,000 sq ft in capacity in FY24, with average utilisation already at an optimal level. However, we note some softness in the container haulage segment, where market share has eased to 7.7% in FY24 (from ~9.0% at IPO). While no changes were made to earnings estimates, our new target price is slightly higher at **RM0.43** (from RM0.40), after rolling forward our valuation to FY26F based on a discounted 11x PER (-0.5SD of the 5-year sector mean). We maintain our **BUY** call with expected returns still exceeding +10%.

Within expectations. Swift's core PATAMI came in at RM7.3m, which was in line with expectations at 23% of both our and the consensus full-year estimates. No dividend was declared for the quarter.

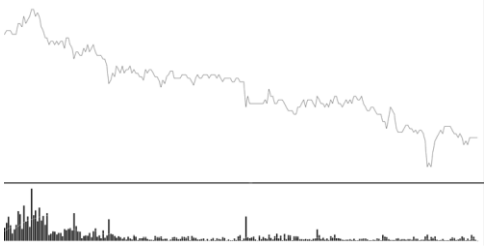
Softer haulage and land transport operations. Revenue in 1QFY25 rose (+3.5%yoy), primarily driven by the added warehousing capacity and its improved utilisation, as well as a higher number of higher-yielding freight jobs. This helped offset the weaker performance in the land transport segment, where revenue declined by -5.1%yoy and EBIT fell by -37.1%yoy following a higher mix of shorter-haul trips. Container haulage revenue was broadly flat (-0.7%yoy), with EBIT down by -25.7%yoy, likely reflecting lower volumes. Following that, core PATAMI declined to RM7.3m (-3.9%yoy). Note that the one-offs in 1QFY24 mainly comprised a RM12.9m gain from asset disposal.

Sequential earnings lifted by lower tax. As compared to 4QFY24, revenue edged up slightly by +0.3%qoq. This was largely weighed down by a weaker contribution from the container haulage segment, likely due to seasonality, as well as lower revenue from the warehousing and container depot segment. Land transport revenue improved by +7.8%qoq, likely supported by festive season demand. Core PATAMI rose by +47.4%qoq, supported by a lower effective tax rate.

Earnings estimates. The results were within our anticipated range; hence no adjustments were made to our earnings.

RETURN STATISTICS	
Price @ 15th May 2025 (RM)	0.39
Expected share price return (%)	+10.3
Expected dividend yield (%)	+3.4
Expected total return (%)	+13.7

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	-1.3	-7.3
3 months	-2.5	-11.9
12 months	-29.1	-28.2

INVESTMENT STATISTICS

FYE Dec	2025E	2026F	2027F
Revenue	749.2	778.5	802.6
EBIT	78.7	81.7	84.3
PBT	41.9	44.9	47.5
Core PATAMI	31.8	34.1	36.1
Core EPS (sen)	3.6	3.9	4.1
DPS (sen)	1.3	1.3	1.4
Dividend yield	3.2	3.4	3.6

KEY STATISTICS

FBM KLCI	1,573.02
Issued shares (m)	893.33
Estimated free float (%)	36.87
Market Capitalisation (RM'm)	342.00
52-wk price range	RM0.34 - RM0.59
3-mth average daily volume (m)	0.42
3-mth average daily value (RM'm)	0.17
Top Shareholders (%)	
Persada Bina Sdn Bhd	24.10
JWD Asia Hold PL	20.53
Loo Hooi Keat	5.20

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SWIFT HAULAGE: 1QFY25 RESULTS SUMMARY

FYE Dec (RM'm)	Quarterly					Cumulatively		
Income Statement	**1QFY25**	**4QFY24**	**1QFY24**	**QoQ**	**YoY**	**1QFY25**	**1QFY24**	**YoY**
Revenue	185.7	185.2	179.4	0.3%	3.5%	185.7	179.4	3.5%
Operating profit	19.7	17.3	32.8	13.7%	-39.9%	19.7	32.8	-39.9%
Finance costs	-9.3	-9.4	-8.6	1.0%	-9.0%	-9.3	-8.6	-9.0%
Associates & JV	0.1	0.3	0.004	-66.4%	2225.0%	0.1	0.004	2225.0%
PBT	10.6	8.1	10.7	30.0%	-1.2%	10.6	10.7	-1.2%
Tax expense	-2.7	-2.3	-2.8	-15.2%	4.3%	-2.7	-2.8	4.3%
PATAMI	7.2	5.0	21.1	43.8%	-65.9%	7.2	21.1	-65.9%
Core PATAMI	7.3	5.0	7.6	47.4%	-3.9%	7.3	7.6	-3.9%
				ppts	**ppts**			**ppts**
OP margin	10.6%	9.4%	18.3%	1.3	-7.7	10.6%	18.3%	-7.7
PBT margin	5.7%	4.4%	6.0%	1.3	-0.3	5.7%	6.0%	-0.3
Core PATAMI margin	3.9%	2.7%	4.2%	1.3	-0.3	3.9%	4.2%	-0.3
Effective tax rates	-25.6%	-28.9%	-26.4%	3.3	0.8	-25.6%	-26.4%	0.8

SEGMENTAL BREAKDOWN

	Quarterly					Cumulatively		
Revenue	**1QFY25**	**4QFY24**	**1QFY24**	**QoQ**	**YoY**	**3MFY25**	**3MFY24**	**YoY**
Container haulage	69.1	72.6	69.6	-4.9%	-0.7%	69.1	69.6	-0.7%
Land transportation	63.6	59.1	67.1	7.8%	-5.1%	63.6	67.1	-5.1%
Warehousing & depot	31.3	33.8	27.2	-7.4%	15.0%	31.3	27.2	15.0%
Freight forwarding	21.6	19.6	15.3	10.5%	41.1%	21.6	15.3	41.1%
EBIT	**1QFY25**	**4QFY24**	**1QFY24**	**QoQ**	**YoY**	**3MFY25**	**3MFY24**	**YoY**
Container haulage	4.8	7.6	6.5	-36.9%	-25.7%	4.8	6.5	-25.7%
Land transportation	3.7	3.2	5.9	15.9%	-37.1%	3.7	5.9	-37.1%
Warehousing & depot	5.3	7.7	5.0	-30.4%	6.7%	5.3	5.0	6.7%
Freight forwarding	9.8	9.0	6.4	9.3%	53.2%	9.8	6.4	53.2%
EBIT Margin	**1QFY25**	**4QFY24**	**1QFY24**	**QoQ**	**YoY**	**3MFY25**	**3MFY24**	**YoY**
Container haulage	7.0%	10.5%	9.3%	-3.5	-2.3	7.0%	9.3%	-2.3 ppts
Land transportation	5.8%	5.4%	8.8%	0.4	-3.0	5.8%	8.8%	-3.0 ppts
Warehousing & depot	17.0%	22.7%	18.4%	-5.6	-1.3	17.0%	18.4%	-1.3 ppts
Freight forwarding	45.6%	46.1%	42.0%	-0.5	3.6	45.6%	42.0%	3.6 ppts

Source: Swift Haulage, MIDFR

FINANCIAL SUMMARY

Profit or Loss (RM'm)	2023A	2024A	2025E	2026F	2027F
Revenue	671.5	720.5	749.2	778.5	802.6
EBIT	100.0	88.2	78.7	81.7	84.3
PBT	65.9	51.6	41.9	44.9	47.5
Taxation	-2.8	-9.3	-10.0	-10.8	-11.4
PATAMI	61.7	40.3	31.8	34.1	36.1
Core PATAMI	33.3	26.6	31.8	34.1	36.1
Core EPS (sen)	3.8	3.0	3.6	3.9	4.1
PER (x)	10.3	12.9	10.8	10.1	9.5
DPS (sen)	1.6	1.6	1.3	1.3	1.4
Dividend yield (%)	4.1	4.1	3.2	3.4	3.6

Balance Sheet (RM'm)	2023A	2024A	2025E	2026F	2027F
PPE	658.5	752.1	680.1	689.7	698.8
ROU assets	356.0	336.3	337.0	328.2	320.0
Non-current assets	**1,312.7**	**1,386.4**	**1,474.3**	**1,430.2**	**1,420.6**
Trade debtors	220.1	260.0	245.5	255.1	263.0
Cash	159.2	47.5	8.5	52.2	81.1
Current assets	**407.7**	**328.7**	**288.4**	**339.6**	**377.0**
Long-term debt	503.8	563.2	503.8	503.8	503.8
Non-current liabilities	**594.4**	**653.1**	**593.7**	**593.7**	**593.7**
Short-term debt	263.0	213.1	263.0	263.0	263.0
Trade creditors	138.5	99.7	153.4	138.5	142.8
Current liabilities	**419.5**	**327.0**	**430.6**	**415.6**	**419.9**
Share capital	384.9	386.6	386.6	386.6	386.6
Retained earnings	322.0	345.8	349.0	371.2	394.7
Equity	**706.5**	**735.0**	**738.3**	**760.5**	**783.9**

Cash Flow (RM'm)	2023A	2024A	2025E	2026F	2027F
PBT	65.9	51.6	41.9	44.9	47.5
D&A	69.4	71.3	68.9	69.1	69.2
Changes in WC	5.7	-27.5	-55.1	22.5	4.2
Operating cash flow	**133.6**	**111.1**	**45.6**	**125.7**	**110.5**
Capital expenditure	-88.0	-136.6	-70.0	-70.0	-70.0
Investing cash flow	**-21.7**	**-168.2**	**-70.0**	**-70.0**	**-69.0**
Debt raised/(repaid)	94.0	15.6	0.0	0.0	0.0
Dividends paid	**-15.9**	**-14.1**	**-11.1**	**-12.0**	**-12.6**
Financing cash flow	**2.8**	**-47.8**	**-11.1**	**-12.0**	**-12.6**
Net cash flow	**114.7**	**-104.9**	**-35.5**	**43.7**	**28.9**
Beginning cash flow	**34.6**	**149.5**	**44.0**	**8.5**	**52.2**
Ending cash flow	**149.5**	**44.0**	**8.5**	**52.2**	**81.1**

Profitability Ratios (%)	2023A	2024A	2025E	2026F	2027F
EBIT margin	14.9%	12.2%	10.5%	10.5%	10.5%
PBT margin	9.8%	7.2%	5.6%	5.8%	5.9%
PATAMI margin	9.2%	5.6%	4.2%	4.4%	4.5%
Core PATAMI margin	5.0%	3.7%	4.2%	4.4%	4.5%
ROA	1.9%	1.6%	1.8%	1.9%	2.0%
ROE	4.7%	3.6%	4.3%	4.5%	4.6%

Growth (%)	2023A	2024A	2025E	2026F	2027F
Revenue growth	4.3%	7.3%	4.0%	3.9%	3.1%
PBT growth	5.8%	-21.7%	-18.8%	7.3%	5.6%
PATAMI growth	27.3%	-34.8%	-21.0%	7.3%	5.6%
Core PATAMI growth	-32.1%	-20.1%	19.7%	7.3%	5.6%

Key Metrics	2023A	2024A	2025E	2026F	2027F
Containers (m TEUs)	0.59	0.61	0.62	0.64	0.66
Transportation trips (m)	0.22	0.23	0.23	0.24	0.25
Freight forwarding jobs	87,402	90,024	92,725	95,507	98,372
Warehousing (m sq ft)	1.27	1.66	1.86	1.86	1.86

Source: Swift Haulage, MIDFR

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MIDF AMANAH INVESTMENT BANK: GUIDE TO RECOMMENDATIONS

STOCK RECOMMENDATIONS

BUY	Total return is expected to be >10% over the next 12 months.
TRADING BUY	The stock price is expected to rise by >10% within 3 months after a Trading Buy rating has been assigned due to positive news flow.
NEUTRAL	Total return is expected to be between -10% and +10% over the next 12 months.
SELL	Total return is expected to be <-10% over the next 12 months.
TRADING SELL	The stock price is expected to fall by >10% within 3 months after a Trading Sell rating has been assigned due to negative news flow.

SECTOR RECOMMENDATIONS

POSITIVE	The sector is expected to outperform the overall market over the next 12 months.
NEUTRAL	The sector is to perform in line with the overall market over the next 12 months.
NEGATIVE	The sector is expected to underperform the overall market over the next 12 months.

ESG RECOMMENDATIONS* - source Bursa Malaysia and FTSE Russell

☆☆☆☆	Top 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆☆☆	Top 26-50% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆☆	Top 51%- 75% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆	Bottom 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell

* ESG Ratings of PLCs in FBM EMAS that have been assessed by FTSE Russell in accordance with FTSE Russell ESG Ratings Methodology