Swift Haulage Berhad

(5303 | SWIFT MK) Main | Transportation & Logistics

ESG 3 Stars

SHARIAH Compliant

Corporate Update

Maintain **BUY**

Unchanged Target Price **RM0.43**

Briefing Note
Stronger Year in Sight

Maintain BUY. This year's performance is expected to be stronger, supported by improving haulage margins, steady warehousing gains from added capacity and higher utilisation, and a stronger freight forwarding segment driven by project cargo. While land transport may contribute less due to a shift toward lower-margin short-haul trips, this is likely to be offset by improvements across the other segments. Our target price remains unchanged at **RM0.43** based on 11x FY26F EPS (-0.5SD to the 5-year historical sector mean).

Haulage margins set to improve in 2HFY25. Container haulage volume fell by -2.9%yoy, in line with the -3.7%yoy drop at major Peninsular ports in 1QFY25, with sharper weakness in the East from unplanned shutdown of a key customer's bulk chemical operations. However, higher rates largely sustained revenue. Looking ahead, with the new axle load regulations taking effect on 1 July 2025, haulage operators like Swift will be limited to carrying one 20-foot container per trip instead of two. Swift sees this as a margin opportunity, with lighter loads lowering operating costs and a likely industry-wide capacity gap allowing for higher rates per container. Meanwhile, the tariff impact should be minimal, as direct U.S. shipments made up <5% of its 1QFY25 volume (mostly coming from this segment).

Land transport upside from the new GVL warehouse. Land transport trips rose by double digits as compared to 1QFY24 on a shift to smaller trucks via warehousing cross-sell, but short-haul jobs offer lower rates and thinner margins due to its labour- and trip-intensive nature. Swift sees growth potential in this segment once the new 2.8m sq ft warehouse under associate Global Vision Logistics (GVL) becomes operational in FY26, as its 300 loading bays could require up to 600 trucks daily.

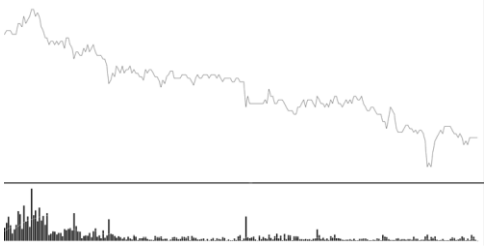
Strong take-up in warehouse capacity. Warehousing saw stronger contributions from added capacity and higher tenancy. Utilisation is expected to stay strong in FY25, with no new capacity planned. The quarter-on-quarter decline in warehousing and depot contributions was driven by softer car storage from reduced CBU imports in anticipation of softer demand, and fewer empty containers stored as front-loading (particularly involving China-US routes) disrupted the usual return cycle.

Forwarding segment rides on project cargo. The freight forwarding segment has gained from project cargo, with volumes set to improve this year following the acquisition of a 60% stake in Aman Logistik Sdn. Bhd. in FY24, which gave Swift in-house capability for handling heavy shipments including to East Malaysia.

Earnings estimates. No changes were made to our earnings estimates.

RETURN STATISTICS	
Price @ 16th May 2025 (RM)	0.38
Expected share price return (%)	+13.2
Expected dividend yield (%)	+3.5
Expected total return (%)	+16.7

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	3.3%	3.5%	3.7%

KEY STATISTICS

FBM KLCI	1,571.75
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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OPERATIONAL STATISTICS

Segment	Quarterly					Cumulatively		
Container Haulage	**1QFY25**	**4QFY24**	**1QFY24**	**QoQ**	**YoY**	**3MFY25**	**3MFY24**	**YoY**
Volume (TEU)	135,003	137,849	139,080	-2.1%	-2.9%	135,003	139,080	-2.9%
Avg. revenue per TEU	RM512	RM527	RM500	-2.8%	2.4%	RM512	RM500	2.4%
Land Transportation								
Number of trips	70,098	62,122	60,919	12.8%	15.1%	70,098	60,919	15.1%
Avg. revenue per trip	RM908	RM948	RM1,101	-4.2%	-17.5%	RM908	RM1,101	-17.5%
Freight Forwarding								
Number of jobs	28,025	26,868	25,290	4.3%	10.8%	28,025	25,290	10.8%
Avg. revenue per job	RM771	RM719	RM605	7.2%	27.4%	RM771	RM605	27.4%
Warehousing								
Capacity (sq ft)	1,678,462	1,543,265	1,308,771	8.8%	28.2%	1,678,462	1,308,771	28.2%
Utilisation rate	91%	84%	76%	7.0 ppts	15.0 ppts	91%	76%	15.0 ppts
Container Depot								
Capacity (TEU)	31,500	31,500	31,500	0.0%	0.0%	31,500	31,500	0.0%
Utilisation rate	72%	74%	79%	-2.0 ppts	-7.0 ppts	72%	79%	-7.0 ppts

RECAP OF THE 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)	10.1	12.6	10.5	9.8	9.3
DPS (sen)	1.6	1.6	1.3	1.3	1.4
Dividend yield (%)	4.2	4.2	3.3	3.5	3.7

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**

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**	**1,465.1**	**1,455.6**
Trade debtors	220.1	260.0	245.5	255.1	263.0
Cash	159.2	47.5	8.5	34.8	63.6
Current assets	**407.7**	**328.7**	**288.4**	**325.0**	**362.3**
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	158.7	163.0
Current liabilities	**419.5**	**327.0**	**430.6**	**435.8**	**440.2**
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**

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%

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