Tasco Berhad

(5140 | TASCO MK) Main | Transportation & Logistics

4 Stars

SHARIAH Compliant

Corporate Update

Maintain **BUY**

Revised Target Price **RM0.72** (from RM0.92)

4QFY25 Results Review
Bottom Line Fell Short

Maintain BUY. While revenue met expectations, 4QFY25 core PATAMI fell short of the forecast due to a higher-than-expected effective tax rate. Forward earnings estimates are maintained for now. However, our target price was revised to **RM0.72** (from RM0.92), based on a lower PER of 11x (from 14x), which reflects a -0.5SD discount to its 5-year mean to account for expectations of slower economic growth amid export-related uncertainties. Our **BUY** call is maintained, as the stock is currently trading near -1.0SD of its 5-year mean PER of 13.5x.

Below expectations. Tasco posted a core PATAMI of RM5.9m for 4QFY25, bringing its FY25 cumulative to RM39.5m – equivalent to 91% of our full-year forecast. The results came in below expectations due to higher-than-expected effective tax rate, driven by the reversal of deferred tax assets related to unutilised Investment Tax Allowance (ITA). The Group also declared a single-tier dividend of 1.25 sen for FY25, representing a payout ratio of 25%.

The domestic segment dragged the year-on-year revenue decline. Revenue declined by -17.1%yoy in 4QFY25. Within the international segment, revenue contracted -9.8%yoy, dragged solely by the air freight forwarding division (-24.2%yoy). Meanwhile, the domestic segment recorded a sharper revenue decline of -21.6%yoy, weighed down by the contract logistics (-29.7%yoy) and cold supply chain (-20.4%yoy) divisions. The former was impacted by the production halt of a major solar panel customer, which affected multiple operations, while the latter saw weaker performance due to the loss of a convenience retail customer and reduced demand from fast food clients affected by the Gaza-Israel boycott. Excluding a one-off RM8.4m warehouse write-off at Northport, core PATAMI declined more sharply by -69.6%yoy, mainly due to a higher effective tax rate.

Quarter-on-quarter dip attributed to seasonality. Compared to 3QFY25, revenue declined by -8.6%qoq, mainly driven by the international segment. Revenue from the air and ocean freight forwarding divisions fell by -25.2%qoq and -15.1%qoq, respectively, due to seasonal factors. As for the domestic segment, revenue was relatively flat at -0.2%qoq, as growth in the trucking segment (+12.9%qoq) largely offset weakness in the cold supply chain division (-8.7%qoq). Core PATAMI declined by -34.9%qoq, mainly due to the same factor noted earlier.

Earnings estimates. We maintain our forward earnings estimates for now, pending updates from management at next week's scheduled briefing.

RETURN STATISTICS	
Price @ 30th April 2025 (RM)	0.52
Expected share price return (%)	+38.4
Expected dividend yield (%)	+3.8
Expected total return (%)	+42.2

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	-17.5	-18.2
3months	-17.5	-25.3
12 months	-37.7	-35.7

INVESTMENT STATISTICS

FYE March	2025A	2026F	2027F
Revenue	1,011.7	1,111.1	1,150.4
Operating Profit	57.9	77.8	80.5
PBT	42.6	61.7	63.8
Core PATAMI	39.5	52.4	51.0
Core EPS	4.9	6.6	6.4
DPS	1.3	2.0	1.9
Dividend Yield	2.4%	3.8%	3.7%

KEY STATISTICS	
FBM KLCI	1,540.22
Issued shares (m)	800.00
Estimated free float (%)	28.44
Market Capitalisation (RM'm)	416.00
52-wk price range	RM0.45 - RM1.02
3-mth average daily volume (m)	0.12
3-mth average daily value (RM'm)	0.07
Top Shareholders (%)	
Real Fortune Portfolio Sdn Bhd	9.89
Nippon Yusen KK	9.59
Employees Provident Fund Board	3.10

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TASCO: 4QFY25 RESULTS SUMMARY

FYE Mar (RM'm)	Quarterly					Cumulatively		
Income Statement	**4QFY25**	**3QFY25**	**4QFY24**	**QoQ**	**YoY**	**FY25**	**FY24**	**YoY**
Revenue	222.6	243.5	268.5	-8.6%	-17.1%	1,011.7	1,072.7	-5.7%
Operating profit	7.4	22.4	18.8	-67.1%	-60.9%	57.9	87.3	-33.7%
Finance costs	-3.7	-4.0	-3.7	7.0%	0.4%	-15.8	-14.0	-12.9%
Associates & JV	0.5	0.2	0.3	186.9%	52.5%	0.6	0.5	9.9%
PBT	4.1	18.5	15.4	-77.9%	-73.4%	42.6	73.8	-42.3%
Tax expense	-6.5	-3.2	2.9	-104.8%	-326.4%	-13.0	-9.1	-43.6%
PAT	-2.4	15.3	18.3	-115.8%	-113.3%	29.6	64.8	-54.3%
PATAMI	-3.2	14.2	17.9	-122.4%	-117.9%	26.2	61.7	-57.6%
Core PATAMI	5.9	9.1	19.5	-34.9%	-69.6%	39.5	61.7	-35.9%
				ppts	**ppts**			**ppts**
OP margin	3.3%	9.2%	7.0%	-5.9	-3.7	5.7%	8.1%	-2.4
PBT margin	1.8%	7.6%	5.7%	-5.8	-3.9	4.2%	6.9%	-2.7
Core PATAMI margin	2.7%	3.7%	7.2%	-1.1	-4.6	3.9%	5.8%	-1.8
Effective tax rates	-159.1%	-17.2%	18.7%	-141.9	-177.8	-30.5%	-12.3%	-18.2

SEGMENTAL BREAKDOWN

	Quarterly					Cumulatively		
Revenue	**4QFY25**	**3QFY25**	**4QFY24**	**QoQ**	**YoY**	**FY25**	**FY24**	**YoY**
International Business								
Air freight forwarding	47.8	63.8	63.0	-25.2%	-24.2%	257.6	245.7	4.8%
Ocean freight forwarding	32.8	38.6	31.6	-15.1%	3.8%	144.4	109.7	31.6%
Supply chain solutions	12.1	10.8	8.2	11.9%	47.6%	43.7	30.3	44.2%
	92.6	113.3	102.8	-18.2%	-9.8%	445.6	385.7	15.5%
Domestic Business								
Contract logistics	67.7	68.0	96.3	-0.5%	-29.7%	312.6	413.5	-24.4%
Cold supply chain	33.5	36.7	42.0	-8.7%	-20.4%	151.3	168.3	-10.1%
Trucking	28.8	25.5	27.4	12.9%	5.0%	102.2	105.3	-2.9%
	129.9	130.2	165.7	-0.2%	-21.6%	566.0	687.1	-17.6%
PBT	**4QFY25**	**3QFY25**	**4QFY24**	**QoQ**	**YoY**	**FY25**	**FY24**	**YoY**
International Business								
Air freight forwarding	2.3	1.8	3.4	23.3%	-33.4%	8.9	9.0	-1.4%
Ocean freight forwarding	0.4	1.4	0.4	-70.3%	3.3%	4.0	1.2	235.6%
Supply chain solutions	2.1	1.9	1.4	14.1%	55.8%	5.7	5.9	-3.6%
	4.8	5.1	5.2	-5.3%	-6.9%	18.6	16.1	15.2%
Domestic Business								
Contract logistics	-3.5	6.1	5.7	-156.4%	-161.0%	16.8	33.2	-49.4%
Cold supply chain	3.2	3.5	2.7	-8.8%	19.1%	13.9	14.1	-1.9%
Trucking	2.1	1.4	2.8	55.9%	-24.1%	6.9	9.0	-23.4%
	1.9	11.0	11.2	-82.9%	-83.2%	37.5	56.3	-33.3%
PBT Margins	**4QFY25**	**3QFY25**	**4QFY24**	**QoQ**	**YoY**	**FY25**	**FY24**	**YoY**
International Business								
Air freight forwarding	4.8%	2.9%	5.4%	1.9	-0.7	3.5%	3.7%	-0.2
Ocean freight forwarding	1.2%	3.6%	1.3%	-2.3	0.0	2.8%	1.1%	1.7
Supply chain solutions	17.7%	17.4%	16.8%	0.3	0.9	13.1%	19.5%	-6.5
Domestic Business								
Contract logistics	-5.1%	9.0%	5.9%	-14.1	-10.98	5.4%	8.0%	-2.7
Cold supply chain	9.6%	9.6%	6.4%	0.0	3.2	9.2%	8.4%	0.8
Trucking	7.4%	5.3%	10.2%	2.0	-2.8	6.7%	8.5%	-1.8

Source: Tasco, MIDFR

FINANCIAL SUMMARY

Profit or Loss (RM'm)	2023A	2024A	2025A	2026F	2027F
Revenue	1,606.8	1,072.7	1,011.7	1,111.1	1,150.4
Operating Profit	133.1	87.3	57.9	77.8	80.5
PBT	120.5	73.8	42.6	61.7	63.8
Taxation	-28.3	-9.1	-13.0	-9.3	-12.8
PATAMI	90.8	61.7	26.2	52.4	51.0
Core PATAMI	90.2	61.5	39.5	52.4	51.0
EPS (sen)	11.3	7.7	4.9	6.6	6.4
PER (x)	4.6	6.8	10.5	7.9	8.2
DPS (sen)	5.0	2.0	1.3	2.0	1.9
Dividend yield (%)	9.6	3.8	2.4	3.8	3.7

Balance Sheet (RM'm)	2023A	2024A	2025A	2026F	2027F
PPE	586.1	758.4	760.7	702.8	710.8
Non-current assets	**700.8**	**873.1**	**887.0**	**802.2**	**792.2**
Receivables	289.4	313.2	347.8	200.1	207.2
Cash & cash equivalents	241.1	167.1	159.7	240.5	300.9
Current assets	**834.4**	**800.0**	**1,011.4**	**790.7**	**889.1**
Long-term debt	186.0	246.5	208.8	221.0	231.0
Non-current liabilities	**217.9**	**283.7**	**254.6**	**258.2**	**268.2**
Payables	478.7	457.0	755.1	312.3	323.4
Short-term debt	75.5	76.5	82.5	31.5	31.5
Current liabilities	**653.5**	**690.4**	**935.7**	**467.7**	**479.8**
Share capital	100.8	100.8	100.8	100.8	100.8
Retained earnings	493.5	527.3	534.7	695.3	761.6
Equity	**663.9**	**699.0**	**708.1**	**867.0**	**933.3**

Cash Flow (RM'm)	2023A	2024A	2025A	2026F	2027F
PBT	120.6	73.8	42.6	61.7	63.8
Depreciation	46.9	53.4	49.8	71.4	79.6
Changes in WC	98.0	-36.5	102.3	6.7	4.0
Operating cash flow	**247.0**	**80.1**	**207.6**	**130.6**	**135.7**
Capital expenditure	-96.0	-208.3	-90.8	-70.0	-70.0
Investing cash flow	**-91.8**	**-202.2**	**-84.8**	**-70.0**	**-70.0**
Debt raised/(repaid)	43.8	60.5	-80.7	10.0	10.0
Dividends paid	-12.0	-28.0	-18.8	-15.7	-15.3
Financing cash flow	**-1.5**	**47.4**	**-130.2**	**-5.7**	**-5.3**
Net cash flow	**153.6**	**-74.7**	**-7.4**	**54.8**	**60.3**
Beginning cash flow	**87.5**	**241.1**	**167.1**	**185.7**	**240.5**
Ending cash flow	**241.1**	**167.1**	**159.7**	**240.5**	**300.9**

Profitability Ratios (%)	2023A	2024A	2025A	2026F	2027F
OP margin	8.3%	8.1%	5.7%	7.0%	7.0%
PBT margin	7.5%	6.9%	4.2%	5.6%	5.5%
PATAMI margin	5.7%	5.8%	2.6%	4.7%	4.4%
Core PATAMI margin	5.6%	5.7%	3.9%	4.7%	4.4%
ROA	5.9%	3.7%	2.1%	3.3%	3.0%
ROE	13.6%	8.8%	5.6%	6.0%	5.5%

Growth (%)	2023A	2024A	2025A	2026F	2027F
Revenue growth	8.5%	-33.2%	-5.7%	9.8%	3.5%
PBT growth	36.8%	-38.7%	-42.3%	44.7%	3.4%
PATAMI growth	39.2%	-32.0%	-57.5%	100.2%	-2.7%
Core PATAMI growth	11.6%	-31.8%	-35.7%	32.6%	-2.7%

Source: Tasco, MIDFR

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197501002077 (24878-X).

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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