Tasco Berhad

(5140 | TASCO MK) Main | Transportation & Logistics

SHARIAH Compliant | ESG 3 Stars | FTSE4Good

Corporate Update

Maintain **BUY**

Unchanged Target Price **RM0.68**

International Operations Cushioned Local Slowdown

Maintain BUY. Tasco Berhad's 1QFY26 results met expectations, with margin recovery starting to take shape. We have kept our earnings projections unchanged. We anticipate further improvement in the contract logistics segment this financial year, driven by recent additions to its customer base. Notably, the Group is largely shielded from tariff-related risks, with U.S.-bound volumes accounting for less than 5% of total revenue. Our target price remains at **RM0.68**, pegged at -0.5SD below its 5-year historical mean.

Within expectations. Tasco reported a core PATAMI of RM10.2m for 1QFY26 (FYE March), meeting our expectations at 21% of our full-year forecast, though coming in slightly below consensus estimates at 19%. No dividend was declared for the quarter.

Domestic operations led the year-on-year drop in revenue. Revenue fell -10.9%yoy mainly due to weaker domestic operations, especially in the contract logistics division (-20.0%yoy) following JinkoSolar's production halt and in the cold supply chain division (-21.7%yoy) affected by changes in consumers' preference on select fast food chain customers. On the international front, weaker air freight volumes were offset by stronger ocean freight performance. Although air freight revenue declined by -23.5%yoy, PBT margin improved by 4.7ppts due to the termination of a loss-making FMCG shipment lane and improved profitability from aerospace customers. Altogether, core PATAMI saw a softer decline of -8.2%yoy.

Quarter-on-quarter, stronger international operations made up for domestic softness. Compared to 4QFY25, revenue was flat. International operations' revenue rose +7.9%qoq, driven by higher air and ocean freight shipments. This helped offset a -5.8%qoq decline in domestic revenue. The weaker domestic performance was mainly due to lower volumes in the cold supply chain segment from convenience retail and poultry customers, as well as fewer trucking activities. Core PATAMI jumped +72.6%qoq, driven by a 1.9ppts margin boost largely from investment tax allowance claims on qualifying capital expenditure.

Earnings estimates. Earnings estimates were maintained as the results aligned with expectations.

RETURN STATISTICS	
Price @ 29th July 2025 (RM)	0.48
Expected share price return (%)	+41.7
Expected dividend yield (%)	+3.9
Expected total return (%)	+45.6

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	-2.0	-1.7
3months	-1.0	-3.5
12 months	-44.9	-41.2

INVESTMENT STATISTICS			
FYE Mar	2026E	2027F	2028F
Revenue	1,093.4	1,115.2	1,144.0
Operating Profit	76.5	78.1	74.4
PBT	60.4	61.3	74.4
Core PATAMI	49.6	50.3	61.0
Core EPS	6.2	6.3	7.6
DPS	1.9	1.9	2.3
Dividend Yield	3.9%	3.9%	4.8%

KEY STATISTICS	
FBM KLCI	1,523.82
Issued shares (m)	800.00
Estimated free float (%)	28.44
Market Capitalisation (RM'm)	388.00
52-wk price range	RM0.45 - RM0.9
3-mth average daily volume (m)	0.07
3-mth average daily value (RM'm)	0.04
Top Shareholders (%)	
Real Fortune Portfolio Sdn Bhd	9.89
Nippon Yusen KK	9.59
EPF	3.10

Analyst
Amalia Zarir
amalia.zarir@midf.com.my
03-2173 8357

TASCO: 1QFY26 RESULTS SUMMARY

FYE Mar (RM'm)	Quarterly					Cumulatively		
Income Statement	**1QFY26**	**4QFY25**	**1QFY25**	**QoQ**	**YoY**	**3MFY26**	**3MFY25**	**YoY**
Revenue	222.6	222.6	249.9	0.0%	-10.9%	222.6	249.9	-10.9%
Operating profit	15.5	7.4	12.8	111.0%	21.4%	15.5	12.8	21.4%
Finance costs	-4.0	-3.7	-4.1	-6.9%	3.3%	-4.0	-4.1	3.3%
Associates & JV	0.3	0.5	-0.1	-41.6%	419.0%	0.3	-0.1	419.0%
PBT	11.8	4.1	8.6	188.6%	37.6%	11.8	8.6	37.6%
Tax expense	-2.1	-6.5	-0.8	68.3%	-152.7%	-2.1	-0.8	-152.7%
PAT	9.8	-2.4	7.8	502.7%	25.5%	9.8	7.8	25.5%
PATAMI	9.2	-3.2	7.0	388.2%	31.3%	9.2	7.0	31.3%
Core PATAMI	10.2	5.9	11.1	72.6%	-8.2%	10.2	11.1	-8.2%
				ppts	**ppts**			**ppts**
OP margin	7.0%	3.3%	5.1%	3.7	1.9	7.0%	5.1%	1.9
PBT margin	5.3%	1.8%	3.4%	3.5	1.9	5.3%	3.4%	1.9
Core PATAMI margin	4.6%	2.7%	4.5%	1.9	0.1	4.6%	4.5%	0.1
Effective tax rates	-17.5%	-159.1%	-9.5%	141.6	-8.0	-17.5%	-9.5%	-8.0

SEGMENTAL BREAKDOWN

	Quarterly					Cumulatively		
Revenue	**1QFY26**	**4QFY25**	**1QFY25**	**QoQ**	**YoY**	**3MFY26**	**3MFY25**	**YoY**
International Business								
Air freight forwarding	48.8	47.8	63.7	2.1%	-23.5%	48.8	63.7	-23.5%
Ocean freight forwarding	37.5	32.8	27.1	14.5%	38.5%	37.5	27.1	38.5%
Supply chain solutions	12.6	12.1	10.0	4.4%	26.8%	12.6	10.0	26.8%
	99.9	92.6	100.8	7.9%	-0.8%	99.9	100.8	-0.8%
Domestic Business								
Contract logistics	69.6	67.7	87.0	2.8%	-20.0%	69.6	87.0	-20.0%
Cold supply chain	32.2	33.5	41.1	-3.9%	-21.7%	32.2	41.1	-21.7%
Trucking	20.7	28.8	21.1	-28.1%	-1.8%	20.7	21.1	-1.8%
	122.5	129.9	149.1	-5.8%	-17.9%	122.5	149.1	-17.9%
PBT	**1QFY26**	**4QFY25**	**1QFY25**	**QoQ**	**YoY**	**3MFY26**	**3MFY25**	**YoY**
International Business								
Air freight forwarding	3.5	2.3	1.6	53.6%	124.4%	3.5	1.6	124.4%
Ocean freight forwarding	2.2	0.4	0.7	431.6%	231.1%	2.2	0.7	231.1%
Supply chain solutions	2.1	2.1	0.6	-2.1%	243.9%	2.1	0.6	243.9%
	7.8	4.8	2.8	60.8%	175.0%	7.8	2.8	175.0%
Domestic Business								
Contract logistics	4.6	-3.5	6.1	233.1%	-25.2%	4.6	6.1	-25.2%
Cold supply chain	2.2	3.2	3.5	-30.1%	-36.4%	2.2	3.5	-36.4%
Trucking	-0.01	2.1	1.9	-100.3%	-100.3%	-0.01	1.9	-100.3%
	6.8	1.9	11.6	264.0%	-41.0%	6.8	11.6	-41.0%
PBT Margins	**1QFY26**	**4QFY25**	**1QFY25**	**QoQ**	**YoY**	**3MFY26**	**3MFY25**	**YoY**
International Business				**ppts**	**ppts**			**ppts**
Air freight forwarding	7.2%	4.8%	2.4%	2.4	4.7	7.2%	2.4%	4.7
Ocean freight forwarding	5.8%	1.2%	2.4%	4.5	3.4	5.8%	2.4%	3.4
Supply chain solutions	16.6%	17.7%	6.1%	-1.1	10.5	16.6%	6.1%	10.5
Domestic Business				**ppts**	**ppts**			**ppts**
Contract logistics	6.6%	-5.1%	7.1%	11.7	-0.47	6.6%	7.1%	-0.5
Cold supply chain	7.0%	9.6%	8.6%	-2.6	-1.6	7.0%	8.6%	-1.6
Trucking	-0.03%	7.4%	9.1%	-7.4	-9.1	-0.03%	9.1%	-9.1

Source: Tasco, MIDFR

FINANCIAL SUMMARY

Profit or Loss (RM'm)	2024A	2025A	2026E	2027F	2028F
Revenue	1,072.7	1,011.7	1,093.4	1,115.2	1,144.0
Operating Profit	87.3	57.9	76.5	78.1	74.4
PBT	73.8	42.6	60.4	61.3	74.4
Taxation	-9.1	-13.0	-10.9	-11.0	-13.4
PATAMI	61.7	26.2	49.6	50.3	61.0
Core PATAMI	63.9	37.4	49.6	50.3	61.0
EPS (sen)	8.0	1.3	6.2	6.3	7.6
PER (x)	6.0	37.6	7.7	7.6	6.3
DPS (sen)	2.0	1.3	1.9	1.9	2.3
Dividend yield (%)	4.2	2.6	3.9	3.9	4.8

Balance Sheet (RM'm)	2024A	2025A	2026E	2027F	2028F
PPE	758.4	760.7	702.8	710.8	717.0
Non-current assets	**873.1**	**887.0**	**819.0**	**826.8**	**827.7**
Receivables	313.2	347.8	374.4	381.9	391.8
Cash & cash equivalents	167.1	159.7	176.1	221.2	0.0
Current assets	**800.0**	**1,011.4**	**1,118.2**	**1,201.2**	**1,314.5**
Long-term debt	246.5	208.8	221.0	231.0	241.0
Non-current liabilities	**283.7**	**254.6**	**266.8**	**276.8**	**286.8**
Payables	457.0	755.1	768.3	783.7	808.6
Short-term debt	76.5	82.5	31.5	31.5	31.5
Current liabilities	**690.4**	**935.7**	**897.9**	**913.3**	**938.2**
Share capital	100.8	100.8	100.8	100.8	100.8
Retained earnings	527.3	534.7	599.1	664.5	743.7
Equity	**699.0**	**708.1**	**772.6**	**838.0**	**917.2**

Cash Flow (RM'm)	2024A	2025A	2026E	2027F	2028F
PBT	73.8	42.6	60.4	61.3	74.4
Depreciation	53.4	49.8	60.2	67.0	73.9
Changes in WC	-36.5	102.3	-13.4	7.9	15.1
Operating cash flow	**80.1**	**207.6**	**96.3**	**125.2**	**149.9**
Capital expenditure	-208.3	-90.8	-75.0	-75.0	-75.0
Investing cash flow	**-202.2**	**-84.8**	**-75.0**	**-75.0**	**-75.0**
Debt raised/(repaid)	110.5	-80.7	10.0	10.0	10.0
Dividends paid	-28.0	-18.8	-14.9	-15.1	-18.3
Financing cash flow	**47.4**	**-130.2**	**-4.9**	**-5.1**	**-8.3**
Net cash flow	**-74.7**	**-7.4**	**16.4**	**45.1**	**66.6**
Beginning cash flow	**241.1**	**167.1**	**159.7**	**176.1**	**221.2**
Ending cash flow	**167.1**	**159.7**	**176.1**	**221.2**	**287.8**

Profitability Ratios (%)	2024A	2025A	2026E	2027F	2028F
OP margin	8.1%	5.7%	7.0%	7.0%	6.5%
PBT margin	6.9%	4.2%	5.5%	5.5%	6.5%
PATAMI margin	5.8%	2.6%	4.5%	4.5%	5.3%
Core PATAMI margin	6.0%	3.7%	4.5%	4.5%	5.3%
ROA	3.8%	2.0%	2.6%	2.5%	2.8%
ROE	9.1%	5.3%	6.4%	6.0%	6.6%

Growth (%)	2024A	2025A	2026E	2027F	2028F
Revenue growth	-33.2%	-5.7%	8.1%	2.0%	2.6%
PBT growth	-38.7%	-42.3%	41.8%	1.5%	21.2%
PATAMI growth	-32.0%	-57.6%	89.2%	1.5%	21.2%
Core PATAMI growth	-29.1%	-41.5%	32.6%	1.5%	21.2%

Source: Tasco, MIDFR

MBSB RESEARCH (formerly known as MIDF RESEARCH) is part of MBSB Investment Bank Berhad (formerly known as MIDF Amanah Investment Bank Berhad) 197501002077 (24878-X).

(Bank Pelaburan) (A Participating Organisation of Bursa Malaysia Securities Berhad)

DISCLOSURES AND DISCLAIMER

This report has been prepared by MBSB Investment Bank Berhad (formerly known as MIDF AMANAH INVESTMENT BANK BERHAD) 197501002077 (24878-X).

It is for distribution only under such circumstances as may be permitted by applicable law. Readers should be fully aware that this report is for information purposes only. The opinions contained in this report are based on information obtained or derived from sources that we believe are reliable. MBSB INVESTMENT BANK BERHAD (formerly known as MIDF AMANAH INVESTMENT BANK BERHAD) makes no representation or warranty, expressed or implied, as to the accuracy, completeness or reliability of the information contained therein and it should not be relied upon as such. This report is not, and should not be construed as, an offer to buy or sell any securities or other financial instruments. The analysis contained herein is based on numerous assumptions. Different assumptions could result in materially different results. All opinions and estimates are subject to change without notice. The research analysts will initiate, update and cease coverage solely at the discretion of MBSB INVESTMENT BANK BERHAD (formerly known as MIDF AMANAH INVESTMENT BANK BERHAD). The directors, employees and representatives of MBSB INVESTMENT BANK BERHAD (formerly known as MIDF AMANAH INVESTMENT BANK BERHAD) may have an interest in any of the securities mentioned and may benefit from the information herein. Members of the MBSB Group and their affiliates may provide services to any company and affiliates of such companies whose securities are mentioned herein This document may not be reproduced, distributed or published in any form or for any purpose.

MBSB INVESTMENT BANK (formerly known as MIDF 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