Swift Haulage Berhad

(5303 | SWIFT MK) Main | Transportation & Logistics

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Corporate Update

2QFY25 Results Review
Margins Came Under Strain

Downgrade to NEUTRAL. Swift Haulage Berhad's (Swift) 2QFY25 core PATAMI missed expectations, with forecasts maintained pending the results briefing. For 2HFY25, container haulage margins may see some support from an expected industry-wide capacity gap following new axle load rules, though volumes could remain soft, while the warehousing segment is projected to gain from added capacity and improved utilisation. Our target price is unchanged at **RM0.43** (11x FY26F EPS or -0.5SD from the 5-year historical sector's mean). We downgrade the stock to **NEUTRAL** as the positives of the stock have been priced in following a +10% share price increase since our last report.

Below expectations. Swift's core PATAMI stood at RM12.8m in 1HFY25, falling short of expectations at 41% of both our and consensus full-year forecasts as margins came under pressure. The Group declared a first interim single-tier dividend of 0.8 sen for the reported period, representing a 55% dividend payout ratio.

Container haulage was the lone laggard. Revenue rose a solid +9.2%yoy with gains across most segments. Container haulage was the exception, recording a -1.6%yoy drop in revenue and a -17.4%yoy fall in EBIT, likely due to softer gateway cargo volumes compounded by heightened competition. Land transportation delivered a strong +14.4%yoy revenue increase, but EBIT declined -24.6%yoy as trips shifted toward shorter hauls. Meanwhile, the freight forwarding segment recorded a strong +50.9%yoy increase in revenue, boosted by project cargo activity. Altogether, core PATAMI was largely unchanged, slipping marginally by -0.1%yoy, weighed by higher operating, finance, and tax expenses.

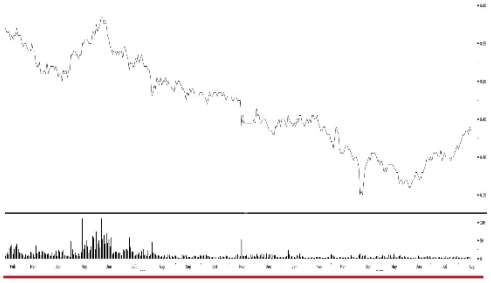
Shorter-haul trips drove margin weakness. Sequentially, revenue inched up by +1.7%qoq, with container haulage remaining the weakest performer, posting a -3.8%qoq drop in revenue and a -6.0%qoq decline in EBIT. Land transportation delivered the strongest revenue growth at +12.5%qoq, though the -36.8%qoq decline in EBIT appears to be driven by the higher mix of lower-margin shorter-haul trips noted earlier. Overall, core PATAMI dropped -25.2%qoq, with margin narrowing by -1.0 ppt.

Earnings estimates. Our projections remain unchanged pending the upcoming results briefing.

Downgrade to **NEUTRAL**
(from BUY)
Unchanged Target Price **RM0.43**

RETURN STATISTICS	
Price @ 14th August 2025 (RM)	0.43
Expected share price return (%)	0.0%
Expected dividend yield (%)	+2.9%
Expected total return (%)	+2.9%

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	8.7	5.9
3 months	8.7	11.9
12 months	-13.9	-12.0

INVESTMENT STATISTICS

FYE Dec	2025E	2026F	2027F
Revenue	750.5	780.2	804.3
Operating profit	78.8	81.9	84.5
PBT	41.5	44.7	47.2
Core PATAMI	31.6	33.9	35.9
Core EPS (sen)	3.6	3.9	4.1
DPS (sen)	1.2	1.3	1.4
Dividend yield	2.9%	3.1%	3.3%

KEY STATISTICS

FBM KLCI	1,581.05
Issued shares (m)	893.33
Estimated free float (%)	37.57
Market Capitalisation (RM'm)	378.26
52-wk price range	RM0.34 - RM0.50
3-mth average daily volume (m)	0.31
3-mth average daily value (RM'm)	0.12
Top Shareholders (%)	
Persada Bina Sdn Bhd	24.30
JWD Asia Holding Pte Ltd	20.70
Loo Hooi Keat	5.26

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SWIFT HAULAGE: 2QFY25 RESULTS SUMMARY

FYE Dec (RM'm)	Quarterly					Cumulatively		
Income Statement	**2QFY25**	**1QFY25**	**2QFY24**	**QoQ**	**YoY**	**1HFY25**	**1HFY24**	**YoY**
Revenue	188.7	185.7	172.9	1.7%	9.2%	374.4	352.2	6.3%
Operating profit	19.8	19.7	20.2	0.4%	-2.0%	39.5	53.0	-25.4%
Finance costs	-9.4	-9.3	-9.0	-0.8%	-4.7%	-18.8	-17.6	-6.8%
Associates and JV	-0.01	0.1	-0.1	-107.5%	92.6%	0.1	-0.1	195.6%
PBT	10.4	10.5	11.1	-1.0%	-6.6%	20.8	35.3	-41.0%
Tax expense	-2.7	-2.7	-2.1	0.4%	-25.6%	-5.4	-5.0	-8.6%
PAT	7.7	7.8	9.0	-1.2%	-14.3%	15.4	30.4	-49.1%
PATAMI	6.7	7.2	8.3	-6.5%	-19.0%	14.0	29.5	-52.6%
Core PATAMI	5.5	7.3	5.5	-25.2%	-0.1%	12.8	13.0	-1.2%
				ppts	**ppts**			**ppts**
OP margin (%)	10.5%	10.6%	11.7%	-0.1	-1.2	10.5%	15.0%	-4.5
PBT margin (%)	5.5%	5.6%	6.4%	-0.1	-0.9	5.6%	10.0%	-4.5
Core PATAMI margin (%)	2.9%	4.0%	3.2%	-1.0	-0.3	3.4%	3.7%	-0.3
Effective tax rate (%)	-26.0%	-25.8%	-19.3%	-0.2	-6.7	-25.9%	-14.1%	-11.8

SEGMENTAL BREAKDOWN

	Quarterly					Cumulatively		
Revenue	**2QFY25**	**1QFY25**	**2QFY24**	**QoQ**	**YoY**	**1HFY25**	**1HFY24**	**YoY**
Container haulage	66.5	69.1	67.6	-3.8%	-1.6%	135.6	137.2	-1.2%
Land transportation	71.6	63.6	62.6	12.5%	14.4%	135.3	129.7	4.3%
Warehousing & depot	31.8	31.3	28.0	1.7%	13.7%	63.1	55.2	14.3%
Freight forwarding	22.1	21.6	14.7	2.5%	50.9%	43.7	30.0	45.9%
EBIT	**2QFY25**	**1QFY25**	**2QFY24**	**QoQ**	**YoY**	**1HFY25**	**1HFY24**	**YoY**
Container haulage	4.5	4.8	5.5	-6.0%	-17.4%	9.3	12.0	-21.9%
Land transportation	2.3	3.7	3.1	-36.8%	-24.6%	6.1	9.0	-32.8%
Warehousing & depot	5.2	5.3	5.2	-1.9%	1.1%	10.6	10.2	3.9%
Freight forwarding	10.1	9.8	6.1	2.3%	65.6%	19.9	12.5	59.2%
EBIT Margin	**2QFY25**	**1QFY25**	**2QFY24**	**QoQ**	**YoY**	**1HFY25**	**1HFY24**	**YoY**
Container haulage	6.8%	7.0%	8.1%	-0.2	-1.3	6.9%	8.7%	-1.8 ppts
Land transportation	3.3%	5.8%	5.0%	-2.6	-1.7	4.5%	7.0%	-2.5 ppts
Warehousing & depot	16.4%	17.0%	18.5%	-0.6	-2.0	16.7%	18.4%	-1.7 ppts
Freight forwarding	45.5%	45.6%	41.5%	-0.1	4.0	45.5%	41.7%	3.8 ppts

Source: Swift Haulage, MBSBR

FINANCIAL SUMMARY

Profit or Loss (RM'm)	2023A	2024A	2025E	2026F	2027F
Revenue	671.5	720.5	750.5	780.2	804.3
Operating profit	100.0	88.2	78.8	81.9	84.5
PBT	65.9	51.6	41.5	44.7	47.2
Taxation	-2.8	-9.3	-10.0	-10.7	-11.3
PATAMI	61.7	40.3	31.6	33.9	35.9
Core PATAMI	33.3	26.6	31.6	33.9	35.9
Core EPS (sen)	3.8	3.0	3.6	3.9	4.1
PER	11.3x	14.2x	12.0x	11.1x	10.5x
DPS (sen)	1.6	1.6	1.2	1.3	1.4
Dividend yield	3.7%	3.7%	2.9%	3.1%	3.3%

Cash Flow (RM'm)	2023A	2024A	2025E	2026F	2027F
PBT	65.9	51.6	41.5	44.7	47.2
D&A	69.4	71.3	73.1	73.0	72.9
Changes in WC	5.7	-27.5	0.5	6.7	5.4
Operating cash flow	**130.7**	**111.1**	**105.1**	**113.6**	**114.2**
Capital expenditure	-88.0	-169.3	-70.0	-70.0	-70.0
Investing cash flow	**-57.9**	**-168.2**	**-70.0**	**-70.0**	**-70.0**
Debt raised/(repaid)	94.0	15.6	0.0	0.0	0.0
Dividends paid	**-15.9**	**-14.1**	**-11.0**	**-11.9**	**-12.6**
Financing cash flow	**13.5**	**-47.8**	**-11.0**	**-11.9**	**-12.6**
Net cash flow	**86.4**	**-104.9**	**24.1**	**31.8**	**31.7**
Beginning cash flow	**34.6**	**149.3**	**44.0**	**68.1**	**99.9**

Balance Sheet (RM'm)	2023A	2024A	2025E	2026F	2027F
PPE	658.5	752.1	757.7	762.9	767.8
ROU assets	356.0	336.3	327.6	319.4	311.6
Non-current assets	**1,312.7**	**1,386.4**	**1,385.8**	**1,369.4**	**1,355.6**
Trade debtors	220.1	260.0	270.9	281.6	290.3
Cash	159.2	47.5	68.1	99.9	131.5
Current assets	**407.7**	**328.7**	**352.3**	**394.8**	**435.1**
Non-current liabilities	**594.4**	**653.1**	**653.1**	**653.1**	**653.1**
Short-term debt	263.0	213.1	213.1	213.1	213.1
Trade creditors	138.5	99.7	102.2	106.2	109.5
Current liabilities	**419.5**	**327.0**	**329.4**	**333.5**	**336.8**
Share capital	384.9	386.6	386.6	386.6	386.6
Equity	**706.5**	**735.0**	**755.5**	**777.6**	**800.9**

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%	5.5%	5.7%	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%	4.2%	4.4%	4.5%

Growth	2023A	2024A	2025E	2026F	2027F
Revenue growth	4.3%	7.3%	4.2%	4.0%	3.1%
PBT growth	5.8%	-21.7%	-19.5%	7.5%	5.7%
PATAMI growth	27.3%	-34.8%	-21.6%	7.5%	5.7%
Core PATAMI growth	-32.1%	-20.1%	18.7%	7.5%	5.7%

Key Metrics	2023A	2024A	2025E	2026F	2027F
Containers (TEUs)	588.7k	554.7k	571.3k	588.4k	606.1k
Transportation trips	216.7k	243.9k	253.7k	263.8k	274.4k
Freight forwarding jobs	87.4k	100.8k	103.8k	106.9k	110.1k
Warehousing (sq ft)	1.31m	1.54m	1.86m	1.86m	1.86m

Source: Swift Haulage, MBSBR

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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