Swift Haulage Berhad

(5303 | SWIFT MK) Main | Transportation & Logistics

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Corporate Update

Briefing Note
Outlook Still Mixed

Maintain NEUTRAL. Swift Haulage Berhad's (Swift) outlook appears mixed following the results briefing. 2HFY25 is expected to be seasonally stronger, with container haulage margins improving, although volumes may soften. Warehousing margins may face pressure from an unfavourable mix, but revenue will be supported from added capacity and high utilisation, while freight forwarding is expected to stay robust. Post-revision, our target price was marginally reduced to **RM0.42** (from RM0.43) based on FY26F EPS, pegged to 11x PER (-0.5SD to the sector's 5-year historical mean).

Container haulage margins set to improve. The segment saw weaker volumes (-3.7%yoy), primarily due to intermittent unplanned shutdowns by a major petrochemical client on the East Coast. Haulage rates remained stable and were increased by +5.0% to +8.0% from Jul-25 for selected routes in anticipation of capacity shortages from stricter checks on overloaded trucks, though volumes are expected to be softer as a result. The delayed pass-through of minimum wage costs from Jul-25 is expected to support further margin improvement for the segment.

Freight forwarding demand holds firm. The segment recorded a significant increase in job volume (+27.3%yoy), supported equally by organic growth and the acquisition of a 60% stake in Aman Logistics in Aug-24, with yields improving on a higher share of project cargoes. Demand for this segment is expected to remain strong in 2HFY25.

Lower warehousing margins on higher handling. The warehousing segment saw available capacity rise (+387,000 sq ft in total for FY24), with utilisation levels above 90% across most sites. However, EBIT margin declined -2.0 ppts compared to 2QFY24, attributed to a higher mix of customers requiring handling activities, which yield lower margins than pure storage, despite stronger revenue.

Associate GVL offers upside potential. Looking ahead to FY26, Phase 1 of its 30%-owned associate, Global Vision Logistics Sdn Bhd (GVL), covering 2.8m sq ft, is slated to begin operations in 1QFY26. Swift will manage 500,000 sq ft (100,000 sq ft cold chain, remainder ambient). The Group is actively marketing the facility, and take-up is not expected to be an issue given its prime location. Further upside could come from cross selling its transportation services.

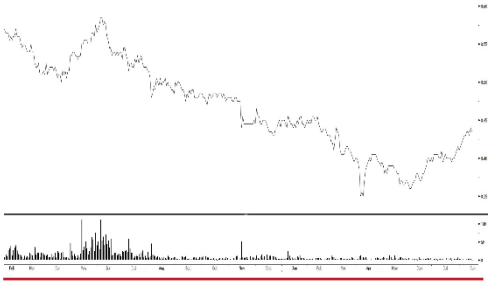
Earnings estimates. Incorporating softer container volumes, higher haulage rates, modestly increased operating costs, and stronger freight forwarding activity, we revised down our FY25E-FY27F earnings forecasts by -2%.

Maintain NEUTRAL

Revised Target Price **RM0.42** (from RM0.43)

RETURN STATISTICS	
Price @ 15th August 2025 (RM)	0.44
Expected share price return (%)	-4.5
Expected dividend yield (%)	+2.8
Expected total return (%)	-1.7

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	749.6	779.3	803.4
Operating profit	78.0	81.1	83.6
PBT	40.7	43.8	46.3
Core PATAMI	30.9	33.3	35.2
Core EPS (sen)	3.5	3.8	4.0
DPS (sen)	1.2	1.3	1.4
Dividend yield	2.8%	3.0%	3.1%

KEY STATISTICS	
FBM KLCI	1,576.34
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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OPERATIONAL STATISTICS

Segment	Quarterly					Cumulatively		
Container haulage	**2QFY25**	**1QFY25**	**2QFY24**	**QoQ**	**YoY**	**1HFY25**	**1HFY24**	**YoY**
Volume (TEU)	129,987	135,003	134,942	-3.7%	-3.7%	264,990	274,022	-3.3%
Avg. revenue/TEU	RM512	RM512	RM502	0.0%	2.0%	RM512	RM501	2.2%
Land transportation								
Number of trips	54,763	70,098	58,854	-21.9%	-7.0%	124,861	119,773	4.2%
Avg. revenue/trip	RM1,258	RM908	RM1,065	38.5%	18.1%	RM1,083	RM1,083	0.0%
Freight forwarding								
Number of jobs	29,340	28,025	23,041	4.7%	27.3%	57,365	48,331	18.7%
Avg. revenue/job	RM755	RM771	RM635	-2.1%	18.9%	RM763	RM620	23.1%
Warehousing								
Capacity (sq ft)	1,667,859	1,678,462	1,388,788	-0.6%	20.1%	1,667,859	1,388,788	20.1%
Utilisation rate	91%	91%	80%	0.0 ppts	11.0 ppts	91%	78%	13.0 ppts
Container depot								
Capacity (TEU)	31,500	31,500	28,500	0.0%	10.5%	31,500	31,500	0.0%
Utilisation rate	76%	72%	79%	4.0 ppts	-3.0 ppts	74%	79%	-5.0 ppts

RECAP OF THE SEGMENTAL REVENUE 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	749.6	779.3	803.4
Operating profit	100.0	88.2	78.0	81.1	83.6
PBT	65.9	51.6	40.7	43.8	46.3
Taxation	-2.8	-9.3	-9.8	-10.5	-11.1
PATAMI	61.7	40.3	30.9	33.3	35.2
Core PATAMI	33.3	26.6	30.9	33.3	35.2
Core EPS (sen)	3.8	3.0	3.5	3.8	4.0
PER	11.6x	14.5x	12.5x	11.6x	11.0x
DPS (sen)	1.6	1.6	1.2	1.3	1.4
Dividend yield	3.6%	3.6%	2.8%	3.0%	3.1%

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**	**1,386.5**	**1,370.1**	**1,356.4**
Trade debtors	220.1	260.0	270.6	281.3	290.0
Cash	159.2	47.5	67.4	98.7	129.9
Current assets	**407.7**	**328.7**	**351.2**	**393.3**	**433.1**
Long-term debt	503.8	563.2	563.2	563.2	563.2
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	106.3	109.6
Current liabilities	**419.5**	**327.0**	**329.5**	**333.5**	**336.8**
Share capital	384.9	386.6	386.6	386.6	386.6
Retained earnings	322.0	345.8	365.9	387.5	410.4
Equity	**706.5**	**735.0**	**755.1**	**776.8**	**799.6**

Cash Flow (RM'm)	2023A	2024A	2025E	2026F	2027F
PBT	65.9	51.6	40.7	43.8	46.3
D&A	69.4	71.3	73.1	73.0	72.9
Changes in WC	5.7	-27.5	0.1	6.7	5.4
Operating cash flow	**130.7**	**111.1**	**104.2**	**113.0**	**113.5**
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**	**-10.8**	**-11.6**	**-12.3**
Financing cash flow	**13.5**	**-47.8**	**-10.8**	**-11.6**	**-12.3**
Net cash flow	**86.4**	**-104.9**	**23.3**	**31.3**	**31.2**
Beginning cash flow	**34.6**	**149.3**	**44.0**	**67.4**	**98.7**

Profitability Ratios	2023A	2024A	2025E	2026F	2027F
EBIT margin	14.9%	12.2%	10.4%	10.4%	10.4%
PBT margin	9.8%	7.2%	5.4%	5.6%	5.8%
PATAMI margin	9.2%	5.6%	4.1%	4.3%	4.4%
Core PATAMI margin	5.0%	3.7%	4.1%	4.3%	4.4%
ROA	1.9%	1.6%	1.8%	1.9%	2.0%
ROE	4.7%	3.6%	4.1%	4.3%	4.4%

Growth	2023A	2024A	2025E	2026F	2027F
Revenue growth	4.3%	7.3%	4.0%	4.0%	3.1%
PBT growth	5.8%	-21.7%	-21.1%	7.6%	5.7%
PATAMI growth	27.3%	-34.8%	-23.2%	7.6%	5.7%
Core PATAMI growth	-32.1%	-20.1%	16.3%	7.6%	5.7%

Key Metrics	2023A	2024A	2025E	2026F	2027F
Containers (TEUs)	588.7k	554.7k	526.9k	542.7k	559.0k
Transportation trips	216.7k	243.9k	253.7k	263.8k	274.4k
Freight forwarding jobs	87.4k	100.8k	105.8k	109.0k	112.2k
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