Corporate Update

Tasco Berhad

(5140 | TASCO MK) Main | Transportation & Logistics

SHARIAH Compliant | ESG 3 Stars | FTSE4Good

Maintain **BUY**

Revised Target Price **RM0.72** (from RM0.68)

Briefing Note
Momentum Building into 2H

Maintain BUY. To recap, Tasco's 1QFY26 (FYE March) results were within expectations, making up 21% of our full-year forecast. Typically, the first quarter is seasonally soft, with stronger activity in 2H (60% of annual revenue) driven by year-end holidays and new product launches by customers. We expect a broad-based recovery driven by increased volumes from newly secured customers. Our target price is revised higher to **RM0.72** from RM0.68 (pegged at 11x or -0.5SD below its 5-year historical mean) after rolling over the base year to FY27.

Contract logistics are picking up. Much of the year-on-year revenue decline stemmed from the contract logistics (CL) division (-20.0%yoy), particularly in customs clearance (-54.0%yoy) following a major customer exit. However, the segment showed signs of recovery with a +23.0%qoq rebound driven by new customers. The CL decline also reflected weaker warehousing handling revenue, while storage remained stable. Warehousing revenue is expected to improve from 3QFY26 as the 600k sq ft SALC reaches full occupancy. Notably, the sharp drop in trucking revenue (-28.1%qoq) was due to the timing of revenue recognition.

Strong momentum in ocean freight forwarding. The freight forwarding performance was supported by three key customer segments – technology (HVAC condenser units for AI data centres in the US), aerospace (aircraft components exported to the US and the UK), and FMCG (e-cigarettes routed from China to Europe). Management highlighted that while a portion of these shipments is US-bound, the prevailing 19% US import tariff has not materially impacted customer demand or order flows.

Freight forwarding upside tied to vessel space. Freight rates in recent months have remained relatively stable, with a declining trend compared to a year ago, but are expected to pick up moving into 3QFY26. In addition to shifting capacity to higher-paying markets like China and Vietnam, blank sailings – where scheduled sailings are cancelled to preserve rate levels – have further contributed to space constraints. Even if freight rates remain manageable, space availability may stay relatively constrained during peak periods, which could moderate volume growth despite healthy demand.

Earnings estimates. We raised our FY27F/FY28F forecasts by +4%, primarily to reflect the contribution from the additional +400,000 sq ft Shah Alam warehouse and +300,000 sq ft Northport warehouse, both of which are under construction and slated for completion by May-26 (mid-1QFY27).

RETURN STATISTICS	
Price @ 6th August 2025 (RM)	0.48
Expected share price return (%)	+50.0
Expected dividend yield (%)	+3.9
Expected total return (%)	+53.9

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	1,131.7	1,174.8
Operating Profit	76.5	80.3	83.4
PBT	60.4	63.6	66.0
Core PATAMI	49.6	52.2	54.1
Core EPS	6.2	6.5	6.8
DPS	1.9	2.0	2.0
Dividend Yield	3.9%	4.1%	4.2%

KEY STATISTICS	
FBM KLCI	1,541.48
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

Figure 1: Detailed Segmental Revenue Breakdown



Division	SALES (RM'000)				Q/Q Comparison				QoQ Comparison			
	YTD-25	YTD-24	Up/(Down)		1QFY2025	4QFY2024	Up/(Down)		1QFY2025	1QFY2024	Up/(Down)	
Custom Clr	15,569	33,593	(18,024)	-54%	15,569	12,615	2,954	23%	15,569	33,593	(18,024)	-54%
Warehouse	32,765	34,401	(1,636)	-5%	32,765	33,881	(1,116)	-3%	32,765	34,401	(1,636)	-5%
In Plant	6,066	6,416	(350)	-5%	6,066	5,951	115	2%	6,066	6,416	(350)	-5%
Ecom	1,369	559	810	145%	1,369	979	390	40%	1,369	559	810	145%
Haulage	13,851	12,023	1,828	15%	13,851	14,289	(438)	-3%	13,851	12,023	1,828	15%
FTL (Trucking)	15,064	15,952	(888)	-6%	15,064	21,171	(6,107)	-29%	15,064	15,952	(888)	-6%
LTL (Trucking)	5,616	5,110	506	10%	5,616	7,598	(1,982)	-26%	5,616	5,110	506	10%
CSC	32,170	41,090	(8,920)	-22%	32,170	33,459	(1,290)	-4%	32,170	41,090	(8,920)	-22%
AFF	48,768	63,729	(14,961)	-23%	48,768	47,753	1,015	2%	48,768	63,729	(14,961)	-23%
FCL (OFF)	34,894	24,395	10,500	43%	34,894	30,055	4,839	16%	34,894	24,395	10,500	43%
LCL (OFF)	2,637	2,697	(60)	-2%	2,637	2,720	(83)	-3%	2,637	2,697	(60)	-2%
OCM	6,927	5,774	1,153	20%	6,927	6,018	909	15%	6,927	5,774	1,153	20%
LLP	402	226	176	78%	402	399	2	1%	402	226	176	78%
Trading	6,314	3,968	2,346	59%	6,314	5,697	616	11%	6,314	3,968	2,346	59%
Support	0	-	0	0%	0	-	0	0%	0	-	0	0%
RHQ AM	157	0	157	0%	157	-	157	0	157	-	157	0
Total	**222,569**	**249,931**	**(27,362)**	**-11%**	**222,569**	**222,586**	**(18)**	**-0.01%**	**222,569**	**249,931**	**(27,362)**	**-11%**

Source: Tasco

FINANCIAL SUMMARY

Profit or Loss (RM'm)	2024A	2025A	2026E	2027F	2028F
Revenue	1,072.7	1,011.7	1,093.4	1,131.7	1,174.8
Operating Profit	87.3	57.9	76.5	80.3	83.4
PBT	73.8	42.6	60.4	63.6	66.0
Taxation	-9.1	-13.0	-10.9	-11.5	-11.9
PATAMI	61.7	26.2	49.6	52.2	54.1
Core PATAMI	63.9	37.4	49.6	52.2	54.1
EPS (sen)	8.0	4.7	6.2	6.5	6.8
PER (x)	6.0	10.3	7.7	7.4	7.1
DPS (sen)	2.0	1.0	1.9	2.0	2.0
Dividend yield (%)	4.2	2.1	3.9	4.1	4.2

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	387.6	402.3
Cash & cash equivalents	167.1	159.7	176.1	227.5	0.0
Current assets	**800.0**	**1,011.4**	**1,118.2**	**1,214.3**	**1,324.0**
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	794.3	824.6
Short-term debt	76.5	82.5	31.5	31.5	31.5
Current liabilities	**690.4**	**935.7**	**897.9**	**923.9**	**954.2**
Share capital	100.8	100.8	100.8	100.8	100.8
Retained earnings	527.3	534.7	599.1	666.9	737.3
Equity	**699.0**	**708.1**	**772.6**	**840.4**	**910.8**

Cash Flow (RM'm)	2024A	2025A	2026E	2027F	2028F
PBT	73.8	42.6	60.4	63.6	66.0
Depreciation	53.4	49.8	60.2	67.0	73.9
Changes in WC	-36.5	102.3	-13.4	12.9	15.5
Operating cash flow	**80.1**	**207.6**	**96.3**	**132.1**	**143.5**
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	-15.6	-16.2
Financing cash flow	**47.4**	**-130.2**	**-4.9**	**-5.6**	**-6.2**
Net cash flow	**-74.7**	**-7.4**	**16.4**	**51.4**	**62.3**
Beginning cash flow	**241.1**	**167.1**	**159.7**	**176.1**	**227.5**
Ending cash flow	**167.1**	**159.7**	**176.1**	**227.5**	**289.8**

Profitability Ratios (%)	2024A	2025A	2026E	2027F	2028F
OP margin	8.1%	5.7%	7.0%	7.1%	7.1%
PBT margin	6.9%	4.2%	5.5%	5.6%	5.6%
PATAMI margin	5.8%	2.6%	4.5%	4.6%	4.6%
Core PATAMI margin	6.0%	3.7%	4.5%	4.6%	4.6%
ROA	3.8%	2.0%	2.6%	2.6%	2.5%
ROE	9.1%	5.3%	6.4%	6.2%	5.9%

Growth (%)	2024A	2025A	2026E	2027F	2028F
Revenue growth	-33.2%	-5.7%	8.1%	3.5%	3.8%
PBT growth	-38.7%	-42.3%	41.8%	5.2%	3.8%
PATAMI growth	-32.0%	-57.6%	89.2%	5.2%	3.8%
Core PATAMI growth	-29.1%	-41.5%	32.6%	5.2%	3.8%

Source: Tasco, MBSBR

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