Corporate Update

Tasco Berhad

(5140 | TASCO MK) Main | Transportation & Logistics

SHARIAH Compliant | ESG 3 Stars | FTSE4Good

Maintain BUY

Revised Target Price **RM0.65**
(from RM0.72)

2QFY26 Results Review
Upbeat on 2H Prospects

Maintain BUY. Tasco Berhad (Tasco) 2QFY26 results came in below expectations, but we stay upbeat on 2HFY26, which is supported by stronger seasonal activity tied to year-end holidays and customers' new product launches. Following the downward earnings revision, we have lowered our target price to **RM0.65** (from RM0.72) based on 11x FY27F EPS or -0.5SD below its 5-year historical mean.

Below expectations. Tasco posted a 1HFY26 (FYE March) core PATAMI of RM19.5m. The 1HFY26 results fell short of our expectations at 39%/42% of our/consensus full-year estimates, mainly due to softer contributions from the air freight forwarding and contract logistics divisions. The Group did not declare any dividend for the quarter.

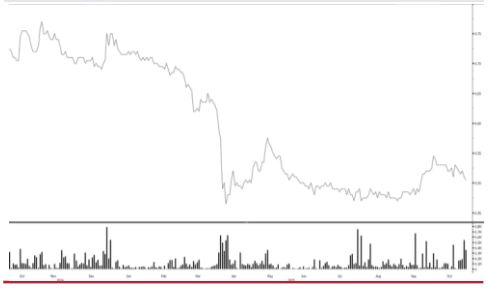
Broad-based weakness on softer volumes. Total revenue contracted -21.7%yoy due to broad-based softness across both domestic and international operations. Internationally, air (-36.1%yoy) and ocean freight forwarding (-20.6%yoy) divisions were weaker on reduced shipment volumes. On the domestic front, the shutdown of a major solar panel producer and lower demand from other customers pressured several contract logistics (-17.1%yoy) segments and the trucking division. Meanwhile, the cold supply chain division (-21.9%yoy) was impacted by the loss of a F&B customer and weaker volumes from poultry and other F&B customers. The decline in revenue, combined with marginally softer margins, resulted in core PATAMI contracting by -30.5%yoy.

Domestic operations remained strong sequentially. Quarter-on-quarter, total revenue rose +4.0%qoq, mainly supported by domestic operations. Within the international operations, air freight forwarding (+7.8%qoq) was the standout performer, lifted by higher shipments from FMCG and automotive customers, which helped offset softness in ocean freight forwarding (-2.9%qoq) and supply chain solutions (-15.0%qoq). Domestically, most divisions improved, except for the cold supply chain (-2.7%qoq), which saw lower revenue driven by reduced volumes from F&B and consumer retail customers. Altogether, core PATAMI fell by -9.2%qoq due to a higher effective tax rate.

Earnings estimates. We revised FY26E/FY27F/FY28F earnings down by -8%/-9%/-9%, mainly on reduced assumptions for air freight forwarding volume and weaker contract logistics contributions, particularly in customs clearance.

RETURN STATISTICS	
Price @ 29th October 2025 (RM)	0.50
Expected share price return (%)	+30.0
Expected dividend yield (%)	+3.4
Expected total return (%)	+33.4

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	-2.9	-2.8
3months	-2.9	-1.4
12 months	-29.9	-29.6

INVESTMENT STATISTICS			
FYE Mar	2026E	2027F	2028F
Revenue	1,027.7	1,064.7	1,106.5
Operating Profit	71.9	74.5	77.5
PBT	55.9	57.8	60.1
Core PATAMI	45.8	47.4	49.3
Core EPS	5.7	5.9	6.2
DPS	1.7	1.8	1.8
Dividend Yield	3.4%	3.6%	3.7%

KEY STATISTICS	
FBM KLCI	1,611.54
Issued shares (m)	800.00
Estimated free float (%)	26.90
Market Capitalisation (RM'm)	404.00
52-wk price range	RM0.45 - RM0.77
3-mth average daily volume (m)	0.14
3-mth average daily value (RM'm)	0.07
Top Shareholders (%)	
Real Fortune Portfolio Sdn Bhd	9.89
Nippon Yusen KK	9.59
EPF	3.27

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

TASCO: 2QFY26 RESULTS SUMMARY

FYE Mar (RM'm)	Quarterly					Cumulatively		
Income Statement	**2QFY26**	**1QFY26**	**2QFY25**	**QoQ**	**YoY**	**1HFY26**	**1HFY25**	**YoY**
Revenue	231.6	222.6	295.7	4.0%	-21.7%	454.2	545.6	-16.8%
Operating profit	16.6	15.5	15.4	6.7%	7.9%	32.1	28.2	14.1%
Finance costs	-3.7	-4.0	-4.0	7.9%	7.1%	-7.7	-8.1	5.2%
Associates & JV	0.1	0.3	0.02	-49.6%	513.6%	0.4	-0.1	750.0%
PBT	13.0	11.8	11.4	10.3%	14.1%	24.9	20.0	24.2%
Tax expense	-3.1	-2.1	-2.5	-48.1%	-23.1%	-5.1	-3.3	-55.2%
PAT	10.0	9.8	8.9	2.3%	11.6%	19.7	16.7	18.1%
PATAMI	9.6	9.2	8.1	4.6%	18.2%	18.8	15.1	24.3%
Core PATAMI	9.3	10.2	13.4	-9.2%	-30.5%	19.5	24.5	-20.6%
				ppts	**ppts**			**ppts**
OP margin	7.2%	7.0%	5.2%	0.2	2.0	7.1%	5.2%	1.9
PBT margin	5.6%	5.3%	3.9%	0.3	1.8	5.5%	3.7%	1.8
Core PATAMI margin	4.0%	4.6%	4.5%	-0.6	-0.5	4.3%	4.5%	-0.2
Effective tax rates	-23.5%	-17.5%	-21.8%	-6.0	-1.7	-20.6%	-16.5%	-4.1

SEGMENTAL BREAKDOWN

	Quarterly					Cumulatively		
Revenue	**2QFY26**	**1QFY26**	**2QFY25**	**QoQ**	**YoY**	**1HFY26**	**1HFY25**	**YoY**
International Business								
Air freight forwarding	52.6	48.8	82.3	7.8%	-36.1%	101.4	146.0	-30.6%
Ocean freight forwarding	36.4	37.5	45.9	-2.9%	-20.6%	74.0	73.0	1.4%
Supply chain solutions	11.6	13.6	10.7	-15.0%	8.0%	25.2	20.7	21.9%
Order management	6.4	6.9	5.7	-7.8%	11.3%	13.3	11.5	15.6%
Trading	4.9	6.3	4.6	-22.9%	5.5%	11.2	8.6	30.3%
	100.6	99.9	138.9	0.7%	-27.6%	200.6	239.7	-16.3%
Domestic Business								
Contract logistics	74.4	69.6	89.8	6.9%	-17.1%	144.0	176.8	-18.5%
Custom clearance	17.4	15.6	28.9	12.0%	-39.6%	33.0	62.5	-47.2%
Warehouse	34.4	32.8	35.0	5.1%	-1.7%	67.2	69.4	-3.2%
In-plant	5.9	6.1	6.3	-2.2%	-5.6%	12.0	12.7	-5.5%
Haulage	15.2	13.9	18.8	10.1%	-19.0%	29.1	30.9	-5.8%
Cold supply chain	31.3	32.2	40.1	-2.7%	-21.9%	63.5	81.2	-21.8%
Trucking	25.4	20.7	26.9	22.7%	-5.6%	46.1	47.9	-3.9%
	131.1	122.5	156.8	7.1%	-16.4%	253.6	305.9	-17.1%
PBT	**2QFY26**	**1QFY26**	**2QFY25**	**QoQ**	**YoY**	**1HFY26**	**1HFY25**	**YoY**
International Business								
Air freight forwarding	2.1	3.5	3.2	-38.9%	-33.9%	5.6	4.8	17.5%
Ocean freight forwarding	0.7	2.2	1.5	-65.6%	-51.8%	2.9	2.2	32.4%
Supply chain solutions	1.2	2.1	1.1	-41.7%	15.0%	3.3	1.7	98.5%
	4.1	7.8	5.8	-47.1%	-29.7%	11.9	8.7	37.0%
Domestic Business								
Contract logistics	7.4	4.6	8.0	61.8%	-7.2%	12.0	14.2	-15.1%
Cold supply chain	1.8	2.2	3.6	-17.8%	-48.5%	4.1	7.1	-42.5%
Trucking	0.5	-0.01	1.5	9033.3%	-63.6%	0.5	3.4	-84.3%
	9.8	6.8	13.1	43.6%	-24.9%	16.7	24.7	-32.5%

Source: Tasco, MBSBR

FINANCIAL SUMMARY

Profit or Loss (RM'm)	2024A	2025A	2026E	2027F	2028F
Revenue	1,072.7	1,011.7	1,027.7	1,064.7	1,106.5
Operating Profit	87.3	57.9	71.9	74.5	77.5
PBT	73.8	42.6	55.9	57.8	60.1
Taxation	61.7	26.2	45.8	47.4	49.3
PATAMI	63.9	37.4	45.8	47.4	49.3
EPS (sen)	8.0	4.7	5.7	5.9	6.2
PER (x)	6.3x	10.7x	8.7x	8.4x	8.1x
DPS (sen)	2.0	1.0	1.7	1.8	1.8
Dividend yield (%)	4.0%	2.0%	3.4%	3.6%	3.7%

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	352.0	364.6	378.9
Cash & cash equivalents	167.1	159.7	149.8	198.4	0.0
Current assets	**800.0**	**1,011.4**	**1,067.2**	**1,157.0**	**1,259.5**
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	722.2	748.2	777.6
Short-term debt	76.5	82.5	31.5	31.5	31.5
Current liabilities	**690.4**	**935.7**	**851.8**	**877.8**	**907.1**
Share capital	100.8	100.8	100.8	100.8	100.8
Retained earnings	527.3	534.7	594.2	655.8	719.8
Equity	**699.0**	**708.1**	**767.7**	**829.3**	**893.3**

Cash Flow (RM'm)	2024A	2025A	2026E	2027F	2028F
PBT	73.8	42.6	55.9	57.8	60.1
Depreciation	53.4	49.8	60.2	67.0	73.9
Changes in WC	-36.5	102.3	-37.1	13.3	15.1
Operating cash flow	**80.1**	**207.6**	**68.9**	**127.7**	**138.2**
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	-13.7	-14.2	-14.8
Financing cash flow	**47.4**	**-130.2**	**-3.7**	**-4.2**	**-4.8**
Net cash flow	**-74.7**	**-7.4**	**-9.9**	**48.5**	**58.4**
Beginning cash flow	**241.1**	**167.1**	**159.7**	**149.8**	**198.4**
Ending cash flow	**167.1**	**159.7**	**149.8**	**198.4**	**256.8**

Profitability Ratios (%)	2024A	2025A	2026E	2027F	2028F
OP margin	8.1%	5.7%	7.0%	7.0%	7.0%
PBT margin	6.9%	4.2%	5.4%	5.4%	5.4%
PATAMI margin	5.8%	2.6%	4.5%	4.5%	4.5%
Core PATAMI margin	6.0%	3.7%	4.5%	4.5%	4.5%
ROA	3.8%	2.0%	2.4%	2.4%	2.4%
ROE	9.1%	5.3%	6.0%	5.7%	5.5%

Growth (%)	2024A	2025A	2026E	2027F	2028F
Revenue growth	-33.2%	-5.7%	1.6%	3.6%	3.9%
PBT growth	-38.7%	-42.3%	31.0%	3.5%	3.9%
PATAMI growth	-32.0%	-57.6%	74.8%	3.5%	3.9%
Core PATAMI growth	-29.1%	-41.5%	22.5%	3.5%	3.9%

Source: Tasco, 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