Corporate Update

Tasco Berhad

(5140 | TASCO MK) Main | Transportation & Logistics

SHARIAH Compliant | ESG 3 Stars | FTSE4Good

Maintain **BUY**

Unchanged Target Price **RM0.64**

3QFY26 Results Review Missed Expectations

Maintain BUY. Tasco Berhad's (Tasco) 3QFY26 results fell short of expectations, with the underperformance largely stemming from the freight forwarding and cold supply chain segments, likely due to lower shipment volumes. We await the upcoming results briefing for further colour on the performance. We are maintaining our target price at **RM0.64** for now, based on 11x FY27F EPS.

Below expectations. Tasco recorded a core PATAMI of RM11.1m in 3QFY26, bringing its 9MFY26 (FYE March) core PATAMI to RM30.4m. The performance missed expectations, representing just 66%/69% of our/consensus full-year projections, mainly due to softer-than-expected contributions across all segments.

The weaker international segment weighed on earnings. Total revenue declined by -7.1%yoy, mainly weighed down by the international business segment (-16.4%yoy) due to underperformance in air and ocean freight forwarding. On the domestic front, revenue edged up +0.9%yoy, though performance was constrained by a -13.7%yoy contraction in the cold supply chain segment following the exit of a major F&B customer. Against this backdrop of weaker revenue and softer margins, core PATAMI declined by -20.0%yoy.

Earnings improved sequentially on lower tax. Compared with 3QFY26, revenue declined by -2.4%qoq, with the international business segment (-5.9%qoq) again emerging as the main underperformer, particularly in ocean freight forwarding (-20.6%qoq). Domestic business revenue (+0.2%qoq) was largely flat, with only the contract logistics segment (-0.6%qoq) recording a slight decline. Notwithstanding the decline in revenue, core PATAMI increased by +19.7%qoq, driven by a lower effective tax rate.

Earnings estimates. No changes were made to our earnings estimates pending the results briefing.

RETURN STATISTICS	
Price @ 29 January 2026 (RM)	0.48
Expected share price return (%)	+35.8
Expected dividend yield (%)	+3.6
Expected total return (%)	+39.4

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	4.3	1.6
3months	3.2	-11.4
12 months	-31.9	-38.9

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	3.6%	3.7%	3.8%

KEY STATISTICS	
FBM KLCI	1,730.89
Issued shares (m)	800.00
Estimated free float (%)	26.90
Market Capitalisation (RM'm)	384.00
52-wk price range	RM0.45 - RM0.71
3-mth average daily volume (m)	0.23
3-mth average daily value (RM'm)	0.11
Top Shareholders (%)	
Real Fortune Portfolio Sdn Bhd	9.89
Nippon Yusen KK	9.59
EPF	3.27

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TASCO: 3QFY26 RESULTS SUMMARY

FYE Mar (RM'm)	Quarterly					Cumulatively		
Income Statement	**3QFY26**	**2QFY26**	**3QFY25**	**QoQ**	**YoY**	**9MFY26**	**9MFY25**	**YoY**
Revenue	226.1	231.6	243.5	-2.4%	-7.1%	680.2	789.1	-13.8%
Operating profit	16.2	16.6	22.4	-2.1%	-27.4%	48.3	50.5	-4.3%
Finance costs	-3.9	-3.7	-4.0	-7.2%	1.9%	-11.6	-12.1	4.1%
Associates & JV	-0.2	0.1	0.2	-254.8%	-230.6%	0.2	0.1	98.0%
PBT	12.1	13.0	18.5	-7.3%	-34.7%	37.0	38.5	-4.1%
Tax expense	-1.6	-3.1	-3.2	49.3%	51.2%	-6.7	-6.5	-3.0%
PAT	10.5	10.0	15.3	5.5%	-31.3%	30.3	32.0	-5.5%
PATAMI	10.1	9.6	14.2	5.2%	-29.0%	28.9	29.4	-1.6%
Core PATAMI	11.1	9.3	13.9	19.7%	-20.0%	30.4	33.6	-9.5%
				ppts	**ppts**			**ppts**
OP margin	7.2%	7.2%	9.2%	0.0	-2.0	7.1%	6.4%	0.7
PBT margin	5.3%	5.6%	7.6%	-0.3	-2.3	5.4%	4.9%	0.5
Core PATAMI margin	4.9%	4.0%	5.7%	0.9	-0.8	4.5%	4.3%	0.2
Effective tax rates	-12.9%	-23.5%	-17.2%	10.6	4.3	-18.1%	-16.8%	-1.2

SEGMENTAL BREAKDOWN

	Quarterly					Cumulatively		
Revenue	**3QFY26**	**2QFY26**	**3QFY25**	**QoQ**	**YoY**	**9MFY26**	**9MFY25**	**YoY**
International Business								
Air freight forwarding	50.5	52.6	63.8	-3.9%	-20.9%	151.9	209.9	-27.6%
Ocean freight forwarding	28.9	36.4	38.6	-20.6%	-25.1%	102.9	111.6	-7.8%
Supply chain solutions	15.2	11.6	10.8	31.3%	40.7%	40.5	31.5	28.3%
	94.7	100.6	113.3	-5.9%	-16.4%	295.2	353.0	-16.4%
Domestic Business								
Contract logistics	73.9	74.4	68.0	-0.6%	8.7%	218.0	244.9	-11.0%
Cold supply chain	31.6	31.3	36.7	1.1%	-13.7%	95.1	117.8	-19.3%
Trucking	25.8	25.4	25.5	1.7%	1.3%	71.9	73.4	-2.1%
	131.4	131.1	130.2	0.2%	0.9%	385.0	436.1	-11.7%
PBT	**3QFY26**	**2QFY26**	**3QFY25**	**QoQ**	**YoY**	**9MFY26**	**9MFY25**	**YoY**
International Business								
Air freight forwarding	3.4	2.1	1.8	59.6%	84.9%	9.0	6.6	36.3%
Ocean freight forwarding	0.5	0.7	1.4	-30.7%	-62.3%	3.4	3.6	-4.0%
Supply chain solutions	3.4	1.2	1.9	176.0%	79.7%	6.7	3.6	88.6%
	7.3	4.1	5.1	77.9%	43.3%	19.2	13.8	39.3%
Domestic Business								
Contract logistics	5.1	7.4	6.1	-32.0%	-17.4%	17.1	20.3	-15.7%
Cold supply chain	1.5	1.9	3.5	-21.5%	-58.4%	5.6	10.6	-47.8%
Trucking	0.9	0.5	1.4	72.8%	-31.9%	1.5	4.7	-69.3%
	7.5	9.8	11.0	-24.3%	-32.3%	24.1	35.7	-32.4%

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	-9.1	-13.0	-10.1	-10.4	-10.8
PATAMI	61.7	26.2	45.8	47.4	49.3
Core 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)	6.0x	10.3x	8.4x	8.1x	7.8x
DPS (sen)	2.0	1.0	1.7	1.8	1.8
Dividend yield (%)	4.2%	2.1%	3.6%	3.7%	3.8%

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	352.0	364.6	378.9
Cash	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	-39.0	102.3	-37.1	13.3	15.1
Operating cash flow	**74.7**	**207.6**	**68.9**	**127.7**	**138.2**
Capital expenditure	-206.7	-90.8	-75.0	-75.0	-75.0
Investing cash flow	**-200.7**	**-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	**51.4**	**-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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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