Corporate Update

# Swift Haulage Berhad

(5303 | SWIFT MK) Main | Transportation & Logistics

SHARIAH Compliant | ESG 3 Stars | FTSE4Good

## 1QFY26 Results Review
## Steady Quarter

**Maintain SELL.** Swift Haulage Berhad (Swift) 1QFY26 core earnings were in line with expectations. Near-term earnings visibility remains mixed, as container haulage volumes may soften due to production line maintenance by a major customer, although margins are expected to stay supported by recent rate revisions. Land transport margins could continue to face pressure from a weaker service mix, while freight forwarding remains the group's primary earnings contributor. We await additional takeaways from today's results briefing. We revise our target price to **RM0.37** from RM0.35 (based on 11x FY27F EPS) following the rollover of our valuation base year but maintain our **SELL** recommendation as the stock is trading at +2.0SD above the sector's 5-year historical mean.

**Within expectations.** Core PATAMI came in at RM7.3m in 1QFY26, broadly in line with our/consensus estimates at 26%/24%. No interim dividend was declared for the quarter.

**Land transport margins stayed soft on a less favourable service mix.** Overall revenue edged up marginally by +0.2%yoy, with growth across most segments offset by weaker performance in warehousing and depot, where revenue declined -15.0%yoy and EBIT fell -12.1%yoy. Container haulage revenue increased +4.6%yoy, while EBIT rose +27.4%yoy, likely supported in part by rate revisions. Land transport revenue (+0.7%yoy) was largely flat, although EBIT declined -21.9%yoy due to a product mix skewed towards smaller trucks. Freight forwarding continued to perform strongly, with revenue growing +6.4%yoy and EBIT rising +9.0%yoy on the back of robust project flows. Altogether, core PATAMI inched up marginally by +0.2%yoy, with margins remaining stable.

**Sequential margin recovery in warehousing & depot.** Compared to 4QFY25, revenue declined -2.0%qoq due to seasonality, with all segments recording weaker performance except for land transport, which grew +5.5%qoq. Container haulage revenue fell -1.0%qoq, likely due to weaker volumes, while EBIT declined -13.3%qoq. Meanwhile, warehousing and depot recorded weaker revenue of -13.7%qoq, although EBIT margin improved by 3.0ppts. Sequentially, core PATAMI declined -9.4%qoq, with margin contraction mainly attributable to a slightly higher effective tax rate.

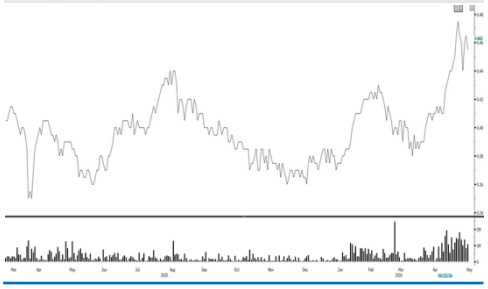
**Earnings estimates.** No revisions were made to earnings estimates.

## Maintain SELL

Revised Target Price **RM0.37**
(from RM0.35)

| RETURN STATISTICS | |
|---|---|
| Price @ 14th May 2026 (RM) | 0.46 |
| Expected share price return (%) | -18.7 |
| Expected dividend yield (%) | +3.4 |
| Expected total return (%) | -15.2 |

**SHARE PRICE CHART**



| Price performance (%) | Absolute | Relative |
|---|---|---|
| 1 month | 11.0 | 7.0 |
| 3 months | 16.7 | 6.7 |
| 12 months | 16.7 | 5.1 |

**INVESTMENT STATISTICS**

| FYE Dec | 2026E | 2027F | 2028F |
|---|---|---|---|
| Revenue | 781.9 | 806.1 | 832.9 |
| Operating profit | 78.0 | 80.1 | 82.5 |
| PBT | 41.3 | 43.4 | 45.8 |
| Core PATAMI | 28.2 | 29.7 | 33.4 |
| Core EPS (sen) | 3.2 | 3.4 | 3.8 |
| DPS (sen) | 1.6 | 1.7 | 1.9 |
| Dividend yield | 3.4% | 3.6% | 4.1% |

| KEY STATISTICS | |
|---|---|
| FBM KLCI | 1,745.58 |
| Issued shares (m) | 893.33 |
| Estimated free float (%) | 35.31 |
| Market Capitalisation (RM'm) | 383.95 |
| 52-wk price range | RM0.32 - RM0.47 |
| 3-mth average daily volume (m) | 0.63 |
| 3-mth average daily value (RM'm) | 0.27 |
| **Top Shareholders (%)** | |
| Persada Bina Sdn Bhd | 25.05 |
| JWD Asia Holding Pte Ltd | 21.92 |
| Loo Hooi Keat | 5.19 |

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## OPERATIONAL STATISTICS

| | Quarterly | | | | | Cumulatively | | |
|---|---|---|---|---|---|---|---|---|
| **Income Statement** | **1QFY26** | **4QFY25** | **1QFY25** | **QoQ** | **YoY** | **3MFY26** | **3MFY25** | **YoY** |
| Revenue | 189.5 | 193.3 | 189.2 | -2.0% | 0.2% | 189.5 | 189.2 | 0.2% |
| Operating profit | 19.1 | 18.1 | 19.7 | 5.4% | -3.2% | 19.1 | 19.7 | -3.2% |
| Finance costs | -8.5 | -9.1 | -9.3 | 6.6% | 9.4% | -8.5 | -9.3 | 9.4% |
| Associates and JV | 0.1 | 0.1 | 0.1 | -27.0% | -30.1% | 0.1 | 0.1 | -30.1% |
| PBT | 10.7 | 9.1 | 10.5 | 16.9% | 2.1% | 10.7 | 10.5 | 2.1% |
| Tax expense | -2.8 | -2.2 | -2.7 | -23.4% | -2.3% | -2.8 | -2.7 | -2.3% |
| PAT | 7.9 | 6.9 | 7.8 | 14.8% | 2.1% | 7.9 | 7.8 | 2.1% |
| PATAMI | 7.5 | 6.3 | 7.2 | 19.5% | 4.0% | 7.5 | 7.2 | 4.0% |
| Core PATAMI | 7.3 | 8.1 | 7.3 | -9.4% | 0.2% | 7.3 | 7.3 | 0.2% |
| | | | | **ppts** | **ppts** | | | **ppts** |
| OP margin (%) | 10.1% | 9.4% | 10.4% | 0.7 | -0.3 | 10.1% | 10.4% | -0.3 |
| PBT margin (%) | 5.6% | 4.7% | 5.5% | 0.9 | 0.1 | 5.6% | 5.5% | 0.1 |
| Core PATAMI margin (%) | 3.9% | 4.2% | 3.9% | -0.3 | 0.0 | 3.9% | 3.9% | 0.0 |
| Effective tax rate (%) | -25.8% | -24.5% | -25.8% | -1.4 | 0.0 | -25.8% | -25.8% | 0.0 |

## SEGMENTAL BREAKDOWN

| | Quarterly | | | | | Cumulatively | | |
|---|---|---|---|---|---|---|---|---|
| **Revenue** | **1QFY26** | **4QFY25** | **1QFY25** | **QoQ** | **YoY** | **3MFY26** | **3MFY25** | **YoY** |
| Container haulage | 72.2 | 73.0 | 69.1 | -1.0% | 4.6% | 72.2 | 69.1 | 4.6% |
| Land transportation | 67.6 | 64.1 | 67.1 | 5.5% | 0.7% | 67.6 | 67.1 | 0.7% |
| Warehousing & depot | 26.6 | 30.9 | 31.3 | -13.7% | -15.0% | 26.6 | 31.3 | -15.0% |
| Freight forwarding | 23.0 | 25.3 | 21.6 | -9.0% | 6.4% | 23.0 | 21.6 | 6.4% |
| **EBIT** | **1QFY26** | **4QFY25** | **1QFY25** | **QoQ** | **YoY** | **3MFY26** | **3MFY25** | **YoY** |
| Container haulage | 6.1 | 7.1 | 4.8 | -13.3% | 27.4% | 6.1 | 4.8 | 27.4% |
| Land transportation | 2.9 | 0.5 | 3.7 | 518.2% | -21.9% | 2.9 | 3.7 | -21.9% |
| Warehousing & depot | 4.7 | 4.5 | 5.3 | 4.0% | -12.1% | 4.7 | 5.3 | -12.1% |
| Freight forwarding | 10.7 | 11.4 | 9.8 | -6.5% | 9.0% | 10.7 | 9.8 | 9.0% |
| **EBIT Margin** | **1QFY26** | **4QFY25** | **1QFY25** | **QoQ** | **YoY** | **3MFY26** | **3MFY25** | **YoY** |
| Container haulage | 8.5% | 9.7% | 6.9% | -1.2 | 1.5 | 8.5% | 6.9% | 1.5 ppts |
| Land transportation | 4.3% | 0.7% | 5.5% | 3.5 | -1.2 | 4.3% | 5.5% | -1.2 ppts |
| Warehousing & depot | 17.7% | 14.7% | 17.1% | 3.0 | 0.6 | 17.7% | 17.1% | 0.6 ppts |
| Freight forwarding | 46.6% | 45.3% | 45.4% | 1.3 | 1.1 | 46.6% | 45.4% | 1.1 ppts |

*Source: Swift Haulage, MBSBR*

## FINANCIAL SUMMARY

| Profit or Loss (RM'm) | 2024A | 2025A | 2026E | 2027F | 2028F |
|---|---|---|---|---|---|
| Revenue | 716.8 | 776.1 | 781.9 | 806.1 | 832.9 |
| Operating profit | 85.5 | 76.0 | 78.0 | 80.1 | 82.5 |
| PBT | 48.8 | 39.0 | 41.3 | 43.4 | 45.8 |
| Taxation | -7.6 | -10.3 | -11.2 | -11.7 | -12.4 |
| PATAMI | 39.8 | 26.4 | 28.2 | 29.7 | 33.4 |
| Core PATAMI | 26.1 | 28.0 | 28.2 | 29.7 | 33.4 |
| | | | | | |
| Core EPS (sen) | 3.0 | 3.2 | 3.2 | 3.4 | 3.8 |
| PER | 15.4x | 14.3x | 14.3x | 13.5x | 12.0x |
| DPS (sen) | 1.6 | 1.6 | 1.6 | 1.7 | 1.9 |
| Dividend yield | 3.5% | 3.5% | 3.4% | 3.6% | 4.1% |

| Cash Flow (RM'm) | 2024A | 2025A | 2026E | 2027F | 2028F |
|---|---|---|---|---|---|
| PBT | 48.8 | 39.0 | 41.3 | 43.4 | 45.8 |
| D&A | 71.8 | 76.2 | 76.5 | 76.2 | 75.9 |
| Changes in WC | -74.2 | 10.8 | 0.8 | 4.2 | 4.6 |
| **Operating cash flow** | **63.8** | **153.6** | **107.5** | **112.1** | **113.9** |
| Capital expenditure | -30.3 | -20.4 | -70.0 | -70.0 | -70.0 |
| **Investing cash flow** | **-16.1** | **-18.0** | **-70.0** | **-70.0** | **-70.0** |
| Debt raised/(repaid) | -78.6 | -66.2 | 0.0 | 0.0 | 0.0 |
| Dividends paid | -14.1 | -14.0 | 14.1 | 14.8 | 16.7 |
| **Financing cash flow** | **-151.7** | **-134.7** | **14.1** | **14.8** | **17.7** |
| **Net cash flow** | **-104.0** | **0.9** | **51.6** | **56.9** | **61.6** |
| **Beginning cash flow** | **149.6** | **45.6** | **46.5** | **98.1** | **155.0** |
| **Ending cash flow** | **45.6** | **46.5** | **98.1** | **155.0** | **216.6** |

| Balance Sheet (RM'm) | 2024A | 2025A | 2026E | 2027F | 2028F |
|---|---|---|---|---|---|
| PPE | 745.6 | 803.8 | 805.0 | 806.2 | 807.3 |
| ROU assets | 338.7 | 319.4 | 311.6 | 304.2 | 297.3 |
| **Non-current assets** | **1,385.2** | **1,428.0** | **1,421.1** | **1,404.5** | **1,388.3** |
| Trade debtors | 246.2 | 248.7 | 250.6 | 258.3 | 266.9 |
| Cash | 49.0 | 49.7 | 98.1 | 155.0 | 216.6 |
| **Current assets** | **341.6** | **341.6** | **391.9** | **456.8** | **527.2** |
| Long-term debt | 563.2 | 598.9 | 598.9 | 598.9 | 598.9 |
| **Non-current liabilities** | **651.8** | **685.8** | **685.8** | **685.8** | **685.8** |
| Short-term debt | 213.0 | 199.1 | 199.1 | 199.1 | 199.1 |
| Trade creditors | 112.4 | 121.7 | 122.7 | 126.5 | 130.7 |
| **Current liabilities** | **340.0** | **330.9** | **332.0** | **335.8** | **340.0** |
| Share capital | 386.6 | 386.6 | 386.6 | 386.6 | 386.6 |
| Retained earnings | 345.3 | 357.7 | 400.0 | 444.5 | 494.6 |
| **Equity** | **735.0** | **752.9** | **795.1** | **839.7** | **889.8** |

| Profitability Ratios | 2024A | 2025A | 2026E | 2027F | 2028F |
|---|---|---|---|---|---|
| EBIT margin | 11.9% | 9.8% | 10.0% | 9.9% | 9.9% |
| PBT margin | 6.8% | 5.0% | 5.3% | 5.4% | 5.5% |
| PATAMI margin | 5.6% | 3.4% | 3.6% | 3.7% | 4.0% |
| Core PATAMI margin | 3.6% | 3.6% | 3.6% | 3.7% | 4.0% |
| ROA | 1.5% | 1.6% | 1.6% | 1.6% | 1.7% |
| ROE | 3.6% | 3.7% | 3.5% | 3.5% | 3.8% |

| Growth | 2024A | 2025A | 2026E | 2027F | 2028F |
|---|---|---|---|---|---|
| Revenue growth | 6.7% | 8.3% | 0.7% | 3.1% | 3.3% |
| PBT growth | -25.9% | -20.0% | 5.8% | 5.1% | 5.4% |
| PATAMI growth | -35.5% | -33.8% | 6.9% | 5.5% | 12.5% |
| Core PATAMI growth | -21.5% | 7.2% | 0.5% | 5.5% | 12.5% |

| Key Metrics | 2024A | 2025A | 2026E | 2027F | 2028F |
|---|---|---|---|---|---|
| Containers (TEUs) | 554.7k | 528.2k | 528.2k | 544.0k | 560.3k |
| Transportation trips | 243.9k | 256.6k | 266.8k | 277.5k | 288.6k |
| Freight forwarding jobs | 100.8k | 115.4k | 118.9k | 122.5k | 126.1k |
| Warehousing (sq ft) | 1.54m | 1.67m | 1.86m | 1.86m | 1.86m |

*Source: Swift Haulage, 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