Swift Haulage Berhad

(5303 | SWIFT MK) Main | Transportation & Logistics

SHARIAH Compliant | ESG 3 Stars | FTSE4Good

Corporate Update

Maintain SELL

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

Briefing Note
Improving Fundamentals

Maintain SELL. Post-briefing, management guided for a relatively supportive operating environment ahead, with container haulage and land transport potentially undergoing another round of rate adjustments to reflect higher maintenance-related costs. Meanwhile, the warehousing segment is expected to see improved utilisation in 2HFY26 as new customers progressively replace earlier customer exits, while freight forwarding should continue to be supported by healthy project cargo activity. We lower our PE multiple to 10x from 11x, in line with the sector's 5-year average, resulting in a revised target price of **RM0.35** (from RM0.37) following our earnings revision.

Major haulage customer could resume operations in July. The container haulage segment saw volumes decline by -5.9%yoy mainly due to stricter enforcement of the government's "no overweight" ruling, which converted many back-to-back movements into single trips. Container volumes at selected major ports also declined by -1.0%yoy to 1.69m TEUs in 1QFY26 as the quarter had fewer working days. However, rate adjustments from Jul-25 lifted average revenue per job by +11.1%yoy, supporting revenue and margins. Looking ahead, 2HFY26 volumes could improve with the potential resumption of operations by its major solar glass manufacturer customer in July, which typically contributes c.1.8k containers/month.

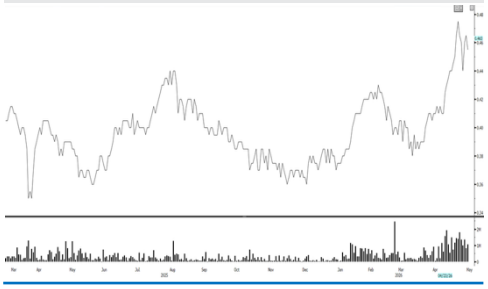
Further pricing adjustments likely across transport operations. Land transport trips also declined by -7.4%yoy due to fewer working days during the festive season in 1QFY26. The freight forwarding segment remained robust, supported by higher-yielding project cargo flows which lifted revenue per job by +9.5%yoy, more than offsetting the slight -2.8%yoy decline in job volume. Management expects project cargo flows to remain strong this year, underpinned by ongoing participation in major energy, infrastructure and renewable energy projects.

Warehouse occupancy is seen improving going forward. As for the warehousing business, capacity declined by -17.0%yoy or 285k sq ft following the cessation of its auto logistics operations. In addition, a tenant occupying one of its 39-acre land parcels was evicted at end-FY25, resulting in the loss of approximately RM0.5m in monthly rental income. Average utilisation fell by -11ppts, mainly due to the exit of an FMCG customer from its Johor warehouse in 4QFY25. Johor's occupancy could rise to 90% with a new customer coming in June. Penang warehouse occupancy stands at 78%, but a customer that moved in during April should lift utilisation to 90%. The group is also actively seeking replacement tenants for its Port Klang warehouses following customer exits.

RETURN STATISTICS

Price @ 15th May 2026 (RM)	0.46
Expected share price return (%)	-24.2
Expected dividend yield (%)	+3.5
Expected total return (%)	-20.6

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	777.3	799.5	828.0
Operating profit	79.2	81.2	83.7
PBT	42.5	44.5	47.0
Core PATAMI	29.0	30.4	34.3
Core EPS (sen)	3.3	3.5	3.9
DPS (sen)	1.6	1.7	1.9
Dividend yield	3.5%	3.7%	4.2%

KEY STATISTICS

FBM KLCI	1,740.22
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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Container depot capacity rationalisation to reduce rental expense.

As for the container depot business, capacity declined by -23.8%yoy or 7,500 TEUs after operations on rented land were consolidated in-house onto repurposed land following the cessation of its auto logistics business. Despite the lower capacity, existing space remains sufficient as utilisation had historically stayed below 80%, with utilisation now rising to 92% from 72% in 1QFY25 while generating rental savings.

Target 2.0m sq ft ambient capacity by year-end.

On the warehouse expansion front, the old Swift Auto Logistics warehouse has been repurposed into a 172k sq ft facility, with utilisation expected to hit 80% by end-June. In addition, the group's 100k sq ft warehouse in Gebeng, Pahang is scheduled to come onstream in 3QFY26, of which 40% has already been taken up by a customer. Management indicated that occupancy at the Shah Alam International Logistics Hub (SAILH) currently stands at c.30%, with a target to reach at least 70% by year-end. Swift is taking up 400k sq ft of ambient warehouse space at the facility on a staggered basis, with tenants expected to progressively move in once operations commence in 3QFY26. In terms of cold chain expansion, Swift is developing a 12k-pallet-position facility on its existing land in Tebrau, Johor, which is expected to commence operations in 2QFY27.

Comfortable headroom within existing diesel quota.

Under the Subsidised Diesel Control System (SKDS) scheme, prime movers are allocated a 7,000-litre quota, while smaller trucks receive 4,000 litres. Management anticipates some quota adjustments following higher global oil prices but remains largely unfazed, given Swift is currently utilising only 38-40% of its allocated quota. Separately, the government has announced plans to introduce incentives for electric vehicle (EV) trucks. Swift's existing EV fleet has benefited from the Green Investment Tax Allowance (GITA) under the Malaysia Green Technology and Climate Change Corporation (MGTC), although management understands the incentive may lapse this year. Qualifying assets may need to be locally produced from next year, potentially creating an additional qualifying requirement.

Earnings estimates.

We slightly raised our FY26-FY28 earnings forecasts by +2.5% to +2.9%, mainly to reflect higher warehouse utilisation rates, upcoming expansion plans, reduced depot capacity offset by improved utilisation, as well as refinements to our estimates. Further upside could stem from potential transport rate revisions amid rising maintenance costs.

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

OPERATING STATISTICS

	Quarterly					Cumulatively		
Container haulage	**1QFY26**	**4QFY25**	**1QFY25**	**QoQ**	**YoY**	**3MFY26**	**3MFY25**	**YoY**
Volume (TEU)	127,028	134,884	135,003	-5.8%	-5.9%	127,028	135,003	-5.9%
Avg. revenue/TEU	RM569	RM541	RM512	5.2%	11.1%	RM569	RM512	11.1%
Land transportation								
Number of trips	64,929	49,271	70,098	31.8%	-7.4%	64,929	70,098	-7.4%
Avg. revenue/trip	RM1,041	RM1,226	RM908	-15.1%	14.6%	RM1,041	RM908	14.6%
Freight forwarding								
Number of jobs	27,236	28,674	28,025	-5.0%	-2.8%	27,236	28,025	-2.8%
Avg. revenue/job	RM844	RM888	RM771	-5.0%	9.5%	RM844	RM771	9.5%
Warehousing								
Capacity (sq ft)	1,393,096	1,667,859	1,678,462	-16.5%	-17.0%	1,393,096	1,678,462	-17.0%
Utilisation rate	80.0%	84.0%	91.0%	-4.0 ppts	-11.0 ppts	80.0%	91.0%	-12.1%
Container depot								
Capacity (TEU)	24,000	31,500	31,500	-23.8%	-23.8%	24,000	31,500	-23.8%
Utilisation rate	92.0%	78.0%	72.0%	14.0 ppts	20.0 ppts	92.0%	72.0%	27.8%

Source: Swift Haulage, MBSBR

FINANCIAL SUMMARY

Profit or Loss (RM'm)	2024A	2025A	2026E	2027F	2028F
Revenue	716.8	776.1	777.3	799.5	828.0
Operating profit	85.5	76.0	79.2	81.2	83.7
PBT	48.8	39.0	42.5	44.5	47.0
Taxation	-7.6	-10.3	-11.5	-12.0	-12.7
PATAMI	39.8	26.4	29.0	30.4	34.3
Core PATAMI	26.1	28.0	29.0	30.4	34.3
Core EPS (sen)	3.0	3.2	3.3	3.5	3.9
PER	15.4x	14.3x	13.8x	13.2x	11.7x
DPS (sen)	1.6	1.6	1.6	1.7	1.9
Dividend yield	3.5%	3.5%	3.5%	3.7%	4.2%

Cash Flow (RM'm)	2024A	2025A	2026E	2027F	2028F
PBT	48.8	39.0	42.5	44.5	47.0
D&A	71.8	76.2	76.5	76.2	75.9
Changes in WC	-74.2	10.8	0.2	3.9	4.9
Operating cash flow	**63.8**	**153.6**	**107.7**	**112.5**	**115.1**
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	14.5	15.2	17.1
Financing cash flow	**-151.7**	**-134.7**	**14.5**	**15.2**	**18.1**
Net cash flow	**-104.0**	**0.9**	**52.2**	**57.7**	**63.3**
Beginning cash flow	**149.6**	**45.6**	**46.5**	**98.7**	**156.4**
Ending cash flow	**45.6**	**46.5**	**98.7**	**156.4**	**219.7**

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**	**1,422.3**	**1,406.4**	**1,389.7**
Trade debtors	246.2	248.7	249.1	256.2	265.4
Cash	49.0	49.7	98.7	156.4	219.7
Current assets	**341.6**	**341.6**	**391.0**	**456.0**	**528.7**
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	121.8	125.3	129.8
Current liabilities	**340.0**	**330.9**	**331.1**	**334.6**	**339.0**
Share capital	386.6	386.6	386.6	386.6	386.6
Retained earnings	345.3	357.7	401.2	446.9	498.4
Equity	**735.0**	**752.9**	**796.4**	**842.1**	**893.5**

Profitability Ratios	2024A	2025A	2026E	2027F	2028F
EBIT margin	11.9%	9.8%	10.2%	10.2%	10.1%
PBT margin	6.8%	5.0%	5.5%	5.6%	5.7%
PATAMI margin	5.6%	3.4%	3.7%	3.8%	4.1%
Core PATAMI margin	3.6%	3.6%	3.7%	3.8%	4.1%
ROA	1.5%	1.6%	1.6%	1.6%	1.8%
ROE	3.6%	3.7%	3.6%	3.6%	3.8%

Growth	2024A	2025A	2026E	2027F	2028F
Revenue growth	6.7%	8.3%	0.1%	2.9%	3.6%
PBT growth	-25.9%	-20.0%	8.8%	4.7%	5.7%
PATAMI growth	-35.5%	-33.8%	10.1%	5.0%	12.6%
Core PATAMI growth	-21.5%	7.2%	3.6%	5.0%	12.6%

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	1.67m	1.67m	1.67m

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