Tasco Berhad

(5140 | TASCO MK) Main | Transportation & Logistics

SHARIAH Compliant | ESG 3 Stars | FTSE4Good

Corporate Update

Maintain BUY

Unchanged Target Price **RM0.56**

1QFY27 Results Review Weak Start to FY27

Maintain BUY. Tasco's 1QFY27 results came in below expectations, primarily due to weaker earnings from the Ocean Freight Forwarding and domestic business segments. Freight Forwarding (47% of revenue) could see further improvement as transactions increasingly shift to spot rates amid ongoing market volatility, supporting better yields. We await further insights from the upcoming results briefing before revisiting our forecasts. In the meantime, we maintain our target price of **RM0.56**, based on 10x FY27F EPS.

Below expectations. Tasco reported a core PATAMI of RM6.9m in 1QFY27 (FYE Mar), which missed expectations at 18%/15% of our/consensus full-year forecasts, mainly due to weaker profit contributions from Ocean Freight Forwarding, Contract Logistics and Cold Supply Chain.

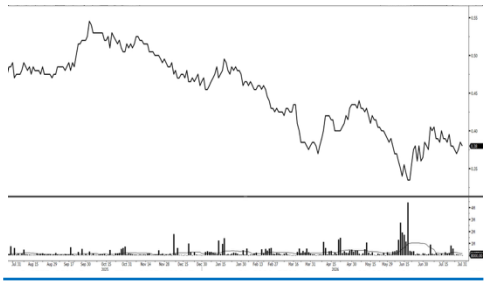
Air freight forwarding outperformed. Total revenue increased by +10.2%yoy, predominantly driven by International Business Division (IBS) (+27.0%yoy), underpinned by strong Air Freight Forwarding (+61.5%yoy) on higher shipment volumes, which more than offset weaker Ocean Freight Forwarding (-3.9%yoy) amid challenges in securing container space. Domestic Business Division (DBS) (-3.4%yoy) saw broad-based weakness, with Trucking (+7.8%yoy) the sole bright spot, supported by domestic chartered deliveries. Revenue from Contract Logistics (-4.3%yoy) was down due to weaker customs clearance from lower project shipments, while Cold Supply Chain (-8.6%yoy) declined due to customer exits. Profit margins were pressured by the underperforming segments and, together with a higher effective tax rate, core PATAMI fell -32.5%yoy.

Ocean freight forwarding back in the black. As compared to 4QFY26, total revenue rose +6.5%qoq, driven solely by IBS (+34.5%qoq), with Air Freight Forwarding (+47.0%qoq) and Ocean Freight Forwarding (+33.7%qoq) benefiting from higher shipment volumes. Notably, Ocean Freight Forwarding returned to profitability (RM0.3m) from a marginal loss. However, profit margins were weighed down by weaker performance across the other segments and, together with a higher effective tax rate, core PATAMI fell -21.7%qoq.

Earnings estimates. Our earnings estimates remain unchanged pending the results briefing.

RETURN STATISTICS	
Price 29th July 2026 (RM)	0.38
Expected share price return (%)	+48.3
Expected dividend yield (%)	+4.4
Expected total return (%)	+52.7

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	5.6	2.4
3months	4.1	-11.3
12 months	-21.6	-30.4

INVESTMENT STATISTICS

FYE Mar	2026A	2027F	2028F
Revenue	910.5	982.2	999.5
Operating Profit	64.4	71.7	75.0
PBT	47.6	55.0	57.6
Core PATAMI	39.2	45.1	47.2
Core EPS	4.9	5.6	5.9
DPS	1.8	1.7	1.8
Dividend Yield	4.6%	4.4%	4.7%

KEY STATISTICS	
FBM KLCI	1,715.56
Issued shares (m)	800.00
Estimated free float (%)	26.90
Market Capitalisation (RM'm)	304.00
52-wk price range	RM0.33 - RM0.54
3-mth average daily volume (m)	0.42
3-mth average daily value (RM'm)	0.16
Top Shareholders (%)	
Real Fortune Portfolio Sdn Bhd	9.89
Nippon Yusen KK	9.59
EPF	3.27

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TASCO: 1QFY27 RESULTS SUMMARY

	Quarterly					Cumulatively		
Income Statement	**1QFY27**	**4QFY26**	**1QFY26**	**QoQ**	**YoY**	**3MFY27**	**3MFY26**	**YoY**
Revenue	245.2	230.3	222.6	6.5%	10.2%	245.2	222.6	10.2%
Operating profit	15.4	16.0	15.5	-4.0%	-1.1%	15.4	15.5	-1.1%
Finance costs	-4.4	-4.7	-4.0	6.5%	-9.9%	-4.4	-4.0	-9.9%
Associates & JV	0.1	-0.7	0.3	110.4%	-73.9%	0.1	0.3	-73.9%
PBT	11.1	10.7	11.8	3.7%	-6.4%	11.1	11.8	-6.4%
Tax expense	-2.6	-1.6	-2.1	-58.1%	-24.8%	-2.6	-2.1	-24.8%
PAT	8.5	9.0	9.8	-6.1%	-13.0%	8.5	9.8	-13.0%
PATAMI	8.5	8.5	9.2	-0.2%	-7.2%	8.5	9.2	-7.2%
Core PATAMI	6.9	8.8	10.2	-21.7%	-32.5%	6.9	10.2	-32.5%
				ppts	**ppts**			**ppts**
OP margin	6.3%	7.0%	7.0%	-0.7	-0.7	6.3%	7.0%	-0.7
PBT margin	4.5%	4.6%	5.3%	-0.1	-0.8	4.5%	5.3%	-0.8
Core PATAMI margin	2.8%	3.8%	4.6%	-1.0	-1.8	2.8%	4.6%	-1.8
Effective tax rates	-23.3%	-15.3%	-17.5%	-8.0	-5.8	-23.3%	-17.5%	-5.8

SEGMENTAL BREAKDOWN

Revenue	**1QFY27**	**4QFY26**	**1QFY26**	**QoQ**	**YoY**	**3MFY27**	**3MFY26**	**YoY**
International Business								
Air freight forwarding	78.8	53.6	48.8	47.0%	61.5%	78.8	48.8	61.5%
Ocean freight forwarding	36.1	27.0	37.5	33.7%	-3.9%	36.1	37.5	-3.9%
Supply chain solutions	12.1	13.8	13.6	-12.3%	-11.6%	12.1	13.6	-11.6%
	126.9	94.3	99.9	34.5%	27.0%	126.9	99.9	27.0%
Domestic Business								
Contract logistics	66.6	74.7	69.6	-10.8%	-4.3%	66.6	69.6	-4.3%
Cold supply chain	29.4	31.4	32.2	-6.3%	-8.6%	29.4	32.2	-8.6%
Trucking	22.3	29.9	20.7	-25.5%	7.8%	22.3	20.7	7.8%
	118.3	136.0	122.5	-13.0%	-3.4%	118.3	122.5	-3.4%
PBT	**1QFY27**	**4QFY26**	**1QFY26**	**QoQ**	**YoY**	**3MFY27**	**3MFY26**	**YoY**
International Business								
Air freight forwarding	5.3	3.9	3.5	35.9%	50.9%	5.3	3.5	50.9%
Ocean freight forwarding	0.3	-0.01	2.2	>100%	-86.7%	0.3	2.2	-86.7%
Supply chain solutions	2.2	2.3	2.1	-7.0%	3.0%	2.2	2.1	3.0%
	7.7	6.2	7.8	24.7%	-0.6%	7.7	7.8	-0.6%
Domestic Business								
Contract logistics	2.9	5.5	4.6	-46.7%	-36.6%	2.9	4.6	-36.6%
Cold supply chain	0.2	2.3	2.2	-92.8%	-92.5%	0.2	2.2	-92.5%
Trucking	0.6	2.5	-0.01	-75.7%	>100%	0.6	0.0	>100%
	3.7	10.3	6.8	-64.2%	-45.9%	3.7	6.8	-45.9%
PBT Margins	**1QFY27**	**4QFY26**	**1QFY26**	**QoQ**	**YoY**	**3MFY27**	**3MFY26**	**YoY**
International Business								
Air freight forwarding	6.7%	7.2%	7.2%	-0.5	-0.5	6.7%	7.2%	-0.5
Ocean freight forwarding	0.8%	-0.1%	5.8%	0.9	-5.0	0.8%	5.8%	-5.0
Supply chain solutions	17.9%	16.9%	15.4%	1.0	2.5	17.9%	15.4%	2.5
Domestic Business								
Contract logistics	4.4%	7.3%	6.6%	-3.0	-2.2	4.4%	6.6%	-2.2
Cold supply chain	0.6%	7.4%	7.0%	-6.8	-6.4	0.6%	7.0%	-6.4
Trucking	2.8%	8.5%	-0.03%	-5.7	2.8	2.8%	-0.03%	2.8

Source: Tasco, MBSBR

FINANCIAL SUMMARY

Profit or Loss (RM'm)	2024A	2025A	2026A	2027F	2028F
Revenue	1,072.7	1,011.7	910.5	982.2	999.5
Operating Profit	87.3	57.9	64.4	71.7	75.0
PBT	73.8	42.6	47.6	55.0	57.6
Taxation	-13.0	-8.3	-9.9	-10.4	-14.0
PATAMI	61.7	26.2	37.5	45.1	47.2
Core PATAMI	63.9	39.9	39.2	45.1	47.2
EPS (sen)	8.0	5.0	4.9	5.6	5.9
PER (x)	4.8	7.6	7.8	6.7	6.4
DPS (sen)	2.4	1.3	1.8	1.7	1.8
Dividend yield (%)	6.3	3.3	4.6	4.4	4.7

Balance Sheet (RM'm)	2024A	2025A	2026A	2027F	2028F
PPE	758.4	760.7	905.5	929.8	927.2
Non-current assets	**873.1**	**887.0**	**1,021.8**	**960.4**	**981.1**
Receivables	313.2	347.8	418.5	452.1	460.1
Cash	167.1	159.7	120.7	155.4	208.5
Current assets	**800.0**	**917.4**	**887.6**	**955.9**	**1,017.0**
Long-term debt	246.5	208.8	259.5	231.0	241.0
Non-current liabilities	**283.7**	**254.6**	**294.7**	**266.1**	**276.1**
Payables	457.0	661.0	661.8	687.8	698.3
Short-term debt	76.5	82.5	106.5	31.5	31.5
Current liabilities	**690.4**	**841.7**	**879.3**	**830.3**	**840.8**
Share capital	100.8	100.8	100.8	100.8	100.8
Retained earnings	527.3	534.7	562.1	646.5	707.9
Equity	**699.0**	**708.1**	**735.5**	**819.8**	**881.2**

Cash Flow (RM'm)	2024A	2025A	2026A	2027F	2028F
PBT	73.8	42.6	47.6	55.0	57.6
Depreciation	54.7	49.8	65.2	75.7	82.6
Changes in WC	-39.0	102.3	3.5	-7.6	2.5
Operating cash flow	**74.7**	**207.6**	**100.8**	**113.3**	**132.3**
Capital expenditure	-206.7	-90.8	-172.7	-75.0	-75.0
Investing cash flow	**-200.7**	**-84.8**	**-168.9**	**-75.0**	**-75.0**
Debt raised/(repaid)	110.5	-80.7	74.7	10.0	10.0
Dividends paid	-28.0	-18.8	-10.0	-13.5	-14.2
Financing cash flow	**51.4**	**-130.2**	**31.1**	**-3.5**	**-4.2**
Net cash flow	**-74.7**	**-7.4**	**-37.0**	**34.7**	**53.1**
Beginning cash flow	**241.1**	**167.1**	**159.7**	**120.7**	**155.4**
Ending cash flow	**167.1**	**159.7**	**120.7**	**155.4**	**208.5**

Profitability Ratios (%)	2024A	2025A	2026A	2027F	2028F
OP margin	8.1%	5.7%	7.1%	7.3%	7.5%
PBT margin	6.9%	4.2%	5.2%	5.6%	5.8%
PATAMI margin	5.8%	2.6%	4.1%	4.6%	4.7%
Core PATAMI margin	6.0%	3.9%	4.3%	4.6%	4.7%
ROA	3.8%	2.2%	2.1%	2.4%	2.4%
ROE	9.1%	5.6%	5.3%	5.5%	5.4%

Growth (%)	2024A	2025A	2026A	2027F	2028F
Revenue growth	-33.2%	-5.7%	-10.0%	7.9%	1.8%
PBT growth	-38.7%	-42.3%	11.7%	15.4%	4.7%
PATAMI growth	-32.0%	-57.6%	43.0%	20.3%	4.7%
Core PATAMI growth	-29.1%	-37.5%	-1.8%	14.9%	4.7%

Source: Tasco, MBSBR

MBSB RESEARCH is part of MBSB Investment Bank Berhad 197501002077 (24878-X)

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MBSB 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