Swift Haulage Berhad

(5303 | SWIFT MK) Main | Transportation & Logistics

SHARIAH Compliant | ESG 3 Stars | FTSE4Good

Corporate Update

Upgrade to NEUTRAL (from SELL)

Unchanged Target Price **RM0.35**

2QFY26 Results Review
Most Segments Gained Ground

Upgrade to NEUTRAL. Swift Haulage Berhad's (Swift) 2QFY26 core earnings were in line with expectations, underpinned by improved performance across most segments. Management had previously indicated a relatively favourable operating outlook, with further rate adjustments potentially in the offing for the container haulage and land transportation segments. Warehousing utilisation is also expected to recover in 2HFY26 as incoming customers gradually backfill capacity vacated by earlier customer exits. We leave our earnings forecasts unchanged but upgrade the stock to **NEUTRAL** from SELL following the recent share price weakness, which has brought valuations back to the sector's 5-year mean of 10x.

Within expectations. Core PATAMI came in at RM7.6m in 2QFY26, bringing 1HFY26 total to RM14.9m, in line with our/consensus estimates at 51%/48%. A first interim single-tier dividend of 0.8 sen was declared for 1HFY26, representing a payout ratio of 47%.

Weakness confined to warehousing. Overall revenue increased by +3.8%yoy, with growth across all other segments offsetting weakness in warehousing and container depot (-21.4%yoy). Container haulage revenue rose +15.7%yoy, likely partly supported by rate revisions effective 3QFY25, lifting EBIT margin by 2.5 ppts. Land transportation revenue increased marginally by +1.4%yoy, while EBIT rose +49.7%yoy, potentially reflecting a better service mix. Freight forwarding revenue remained strong, rising +11.6%yoy, with EBIT up +22.2%yoy on strong project cargo flows. Core PATAMI rose +37.5%yoy, supported by margin improvements across most segments.

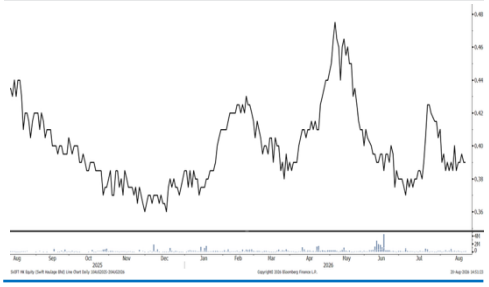
Margins held firm sequentially. In comparison with 1QFY26, revenue rose +3.4%qoq, with growth similarly recorded across all other segments except warehousing and container depot (-5.9%qoq). For warehousing, the weakness could be partly attributable to the cessation of the auto logistics business and lower utilisation rates following customer exits, which continued to weigh on the segment. Core PATAMI subsequently rose +3.0%qoq, with margins remaining stable.

Earnings estimates. No revisions were made to earnings estimates.

RETURN STATISTICS

Price @ 26th August 2026 (RM)	0.38
Expected share price return (%)	-8.2
Expected dividend yield (%)	+4.3
Expected total return (%)	-3.9

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	0.0	-0.9
3 months	2.6	-10.3
12 months	-4.9	-13.0

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	4.3%	4.5%	5.1%

KEY STATISTICS

FBM KLCI	1,748.54
Issued shares (m)	893.33
Estimated free float (%)	33.93
Market Capitalisation (RM'm)	327.28
52-wk price range	RM0.32 - RM0.47
3-mth average daily volume (m)	0.19
3-mth average daily value (RM'm)	0.08
Top Shareholders (%)	
Persada Bina Sdn Bhd	25.18
JWD Asia Holding Pte Ltd	22.05
Loo Hooi Keat	5.22

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SWIFT HAULAGE: 2QFY26 RESULTS SUMMARY

	Quarterly					Cumulatively		
Income Statement	**2QFY26**	**1QFY26**	**2QFY25**	**QoQ**	**YoY**	**1HFY26**	**1HFY25**	**YoY**
Revenue	195.8	189.5	188.7	3.4%	3.8%	385.3	377.9	2.0%
Operating profit	20.0	19.1	19.8	4.9%	1.2%	39.1	39.5	-1.0%
Finance costs	-9.0	-8.5	-9.4	-6.8%	4.0%	-17.5	-18.8	6.7%
Associates and JV	-0.4	0.1	0.0	-784.6%	-6257.1%	-0.4	20.8	-101.8%
PBT	10.5	10.7	10.4	-1.4%	1.7%	21.2	20.8	1.9%
Tax expense	-2.8	-2.8	-2.7	-2.3%	-5.1%	-5.6	-5.4	-3.7%
PAT	7.7	7.9	7.7	-2.8%	0.5%	15.6	15.4	1.3%
PATAMI	7.8	7.5	6.7	4.2%	16.0%	15.3	14.0	9.8%
Core PATAMI	7.6	7.3	5.5	3.0%	37.5%	14.9	12.8	16.2%
				ppts	**ppts**			**ppts**
OP margin (%)	10.2%	10.1%	10.5%	0.1	-0.3	10.2%	10.5%	-0.3
PBT margin (%)	5.4%	5.6%	5.5%	-0.3	-0.1	5.5%	5.5%	0.0
Core PATAMI margin (%)	3.9%	3.9%	2.9%	0.0	0.9	3.9%	3.4%	0.5
Effective tax rate (%)	-26.8%	-25.8%	-26.0%	-1.0	-0.9	-26.3%	-25.9%	-0.4

SEGMENTAL BREAKDOWN

	Quarterly					Cumulatively		
Revenue	**2QFY26**	**1QFY26**	**2QFY25**	**QoQ**	**YoY**	**1HFY26**	**1HFY25**	**YoY**
Container haulage	76.9	72.2	66.5	6.4%	15.7%	149.1	135.6	10.0%
Land transportation	69.1	67.6	68.1	2.2%	1.4%	136.7	135.3	1.0%
Warehousing & depot	25.0	26.6	31.8	-5.9%	-21.4%	51.6	63.1	-18.2%
Freight forwarding	24.7	23.0	22.1	7.5%	11.6%	47.7	43.7	9.0%
EBIT	**2QFY26**	**1QFY26**	**2QFY25**	**QoQ**	**YoY**	**1HFY26**	**1HFY25**	**YoY**
Container haulage	7.1	6.1	4.5	17.2%	58.9%	13.2	9.3	42.5%
Land transportation	3.5	2.9	2.3	20.3%	49.7%	6.4	6.0	5.9%
Warehousing & depot	2.2	4.7	5.2	-52.6%	-57.3%	6.9	10.5	-34.2%
Freight forwarding	12.3	10.7	10.1	14.8%	22.2%	23.0	19.9	15.8%
EBIT Margin	**2QFY26**	**1QFY26**	**2QFY25**	**QoQ**	**YoY**	**1HFY26**	**1HFY25**	**YoY**
Container haulage	9.3%	8.4%	6.8%	0.9	2.5	8.9%	6.9%	2.0 ppts
Land transportation	5.1%	4.3%	3.4%	0.8	1.6	4.7%	4.5%	0.2 ppts
Warehousing & depot	8.9%	17.7%	16.4%	-8.8	-7.5	13.4%	16.7%	-3.3 ppts
Freight forwarding	49.7%	46.6%	45.4%	3.1	4.3	48.2%	45.4%	2.8 ppts

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	12.7	11.8	11.4	10.9	9.7
DPS (sen)	1.6	1.6	1.6	1.7	1.9
Dividend yield	4.2	4.2	4.3	4.5	5.1

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