Tasco Berhad

(5140 | TASCO MK) Main | Transportation & Logistics

SHARIAH Compliant | ESG 3 Stars | FTSE4Good

Corporate Update

Maintain BUY

Unchanged Target Price **RM0.49**

2QFY27 Results Review Tracking Expectations

Maintain BUY. Tasco Berhad's (Tasco) 2QFY27 core PATAMI came in largely in line with expectations, factoring in the anticipated recognition of Investment Tax Allowance (ITA) benefits in 4QFY27. Freight forwarding activities remained robust during the quarter, supported by higher shipment volumes. However, notable weakness was seen in the warehousing business, which slipped into a loss, potentially attributable to ramp-up costs associated with the additional 700k sq ft of warehouse space that came online in Aug-26. We await further clarity from the upcoming results briefing, but leave our earnings estimates unchanged for now. Valuation remains attractive at -1.0SD to its 5-year mean.

Within expectations. TASCO recorded core PATAMI of RM9.2m in 2QFY27 (FYE Mar), bringing 1HFY27 core PATAMI to RM16.1m. We deem the results within expectations at 39%/38% of our/consensus full-year forecasts, given the expected recognition of tax benefits in 4QFY27.

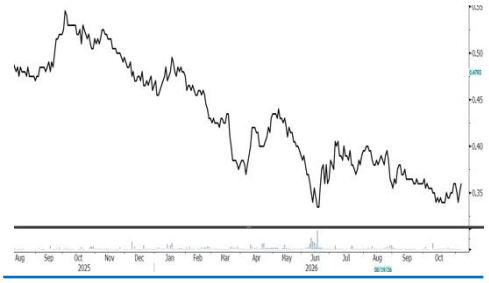
Freight momentum intact. Total revenue grew +16.6%yoy, largely driven by the international business division (IBS) (+37.0%yoy), underpinned by robust performances in both air freight (+52.9%yoy) and ocean freight forwarding (+27.9%yoy) segments on the back of higher shipment volumes. Within the domestic business division (DBS) (+0.8%yoy), contract logistics was the sole laggard (-3.5%yoy), weighed down by weaker customs clearance activities amid lower project shipment volumes. Notably, the contract logistics segment swung into the red, recording a marginal PBT loss of -RM0.2m, mainly due to higher warehousing operating and interest expenses. Overall, core PATAMI declined -3.6%yoy.

Warehousing swung into the red. On a quarter-on-quarter basis, both IBS (+8.6%qoq) and DBS (+11.7%qoq) recorded revenue growth, with supply chain solutions (-10.4%qoq) under IBS being the sole underperforming segment. Ocean freight forwarding maintained its strong momentum, with revenue rising +29.3%qoq on the back of higher shipment volumes. Reiterating the weakness in contract logistics, the segment recorded a PBT loss of -RM0.2m vs. RM2.9m in 1QFY27, dragged by lower-margin warehousing projects and higher operating costs, which more than offset improvements in the customs clearance and haulage businesses. Overall, total revenue grew +10.1%qoq, while core PATAMI rose +32.5%qoq.

Earnings estimates. Our earnings estimates remain unchanged.

RETURN STATISTICS	
Price 5th November 2026 (RM)	0.36
Expected share price return (%)	+37.0
Expected dividend yield (%)	+4.3
Expected total return (%)	+41.3

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	0.0	-0.2
3months	0.0	-4.4
12 months	-29.4	-30.1

INVESTMENT STATISTICS

FYE Mar	2026A	2027F	2028F
Revenue	939.5	988.0	1,034.0
Operating Profit	66.7	71.1	74.4
PBT	50.5	54.1	56.7
Core PATAMI	40.9	43.9	45.9
Core EPS (sen)	5.1	5.5	5.7
DPS (sen)	1.5	1.6	1.7
Dividend Yield	4.3%	4.6%	4.8%

KEY STATISTICS	
FBM KLCI	1,635.86
Issued shares (m)	800.00
Estimated free float (%)	25.26
Market Capitalisation (RM'm)	288.00
52-wk price range	RM0.33 - RM0.53
3-mth average daily volume (m)	0.17
3-mth average daily value (RM'm)	0.06
Top Shareholders (%)	
Real Fortune Portfolio Sdn Bhd	9.89
Nippon Yusen KK	9.59
EPF	3.27

Analyst
Amalia Zarir
amalia.zarir@mbsb.com
03-2173 8357

TASCO: 2QFY27 RESULTS SUMMARY

	Quarterly					Cumulatively		
Income Statement	**2QFY27**	**1QFY27**	**2QFY26**	**QoQ**	**YoY**	**1HFY27**	**1HFY26**	**YoY**
Revenue	270.0	245.2	231.6	10.1%	16.6%	515.3	454.2	13.5%
Operating profit	16.2	15.4	16.6	5.5%	-2.1%	31.6	32.1	-1.6%
Finance costs	-4.8	-4.4	-3.7	-8.9%	-30.0%	-9.1	-7.7	-19.6%
Associates & JV	-0.04	0.1	0.1	-155.7%	-128.9%	0.03	0.4	-92.3%
PBT	11.4	11.1	13.0	3.2%	-12.5%	22.5	24.9	-9.6%
Tax expense	-2.5	-2.6	-3.1	2.1%	17.5%	-5.1	-5.1	0.4%
PAT	8.9	8.5	10.0	4.8%	-10.9%	17.4	19.7	-12.0%
PATAMI	8.2	8.5	10.0	-3.7%	-17.7%	16.7	18.8	-11.0%
Core PATAMI	9.2	6.9	9.5	32.5%	-3.6%	16.1	19.3	-16.8%
				ppts	**ppts**			**ppts**
OP margin	6.0%	6.3%	7.2%	-0.3	-1.1	6.1%	7.1%	-0.9
PBT margin	4.2%	4.5%	5.6%	-0.3	-1.4	4.4%	5.5%	-1.1
Core PATAMI margin	3.4%	2.8%	4.1%	0.6	-0.7	3.1%	4.2%	-1.1
Effective tax rates	-22.1%	-23.3%	-23.5%	1.2	1.4	-22.7%	-20.6%	-2.1

SEGMENTAL BREAKDOWN

Revenue	**2QFY27**	**1QFY27**	**2QFY26**	**QoQ**	**YoY**	**1HFY27**	**1HFY26**	**YoY**
International Business								
Air freight forwarding	80.4	78.8	52.6	2.1%	52.9%	159.2	101.4	57.1%
Ocean freight forwarding	46.6	36.1	36.4	29.3%	27.9%	82.7	74.0	11.8%
Supply chain solutions	10.8	12.1	11.6	-10.4%	-6.9%	22.9	25.2	-9.4%
	137.9	126.9	100.6	8.6%	37.0%	264.8	200.6	32.0%
Domestic Business								
Contract logistics	71.8	66.6	74.4	7.8%	-3.5%	138.4	144.0	-3.9%
Cold supply chain	32.2	29.4	31.3	9.5%	2.9%	61.6	63.5	-2.9%
Trucking	28.1	22.3	25.4	26.1%	10.8%	50.4	46.1	9.5%
	132.2	118.3	131.1	11.7%	0.8%	250.5	253.6	-1.2%
PBT	**2QFY27**	**1QFY27**	**2QFY26**	**QoQ**	**YoY**	**1HFY27**	**1HFY26**	**YoY**
International Business								
Air freight forwarding	6.5	5.3	2.1	23.3%	204.3%	11.8	5.6	109.1%
Ocean freight forwarding	0.3	0.29	0.7	19.8%	-53.8%	0.6	2.9	-78.3%
Supply chain solutions	1.5	2.2	1.2	-32.4%	19.4%	3.6	3.3	9.1%
	8.3	7.7	4.1	7.5%	102.2%	16.0	11.9	35.0%
Domestic Business								
Contract logistics	-0.2	2.9	7.4	-105.4%	-102.1%	2.8	12.0	-77.1%
Cold supply chain	3.0	0.2	1.8	1660.7%	60.3%	3.1	4.1	-23.6%
Trucking	0.3	0.6	0.5	-44.6%	-36.2%	1.0	0.5	>100%
	3.1	3.7	9.8	-15.1%	-68.0%	6.8	16.7	-58.9%
PBT Margins	**2QFY27**	**1QFY27**	**2QFY26**	**QoQ**	**YoY**	**1HFY27**	**1HFY26**	**YoY**
International Business								
Air freight forwarding	8.1%	6.7%	4.1%	1.4	4.0	7.4%	5.5%	1.8
Ocean freight forwarding	0.7%	0.8%	2.0%	-0.1	-1.3	0.8%	3.9%	-3.2
Supply chain solutions	13.5%	17.9%	10.6%	-4.4	3.0	15.9%	13.2%	2.7
Domestic Business								
Contract logistics	-0.2%	4.4%	10.0%	-4.6	-10.2	2.0%	8.4%	-6.4
Cold supply chain	9.2%	0.6%	5.9%	8.6	3.3	5.1%	6.4%	-1.4
Trucking	1.2%	2.8%	2.11%	-1.6	-0.9	1.9%	1.15%	0.8

Source: Tasco, MBSBR

FINANCIAL SUMMARY

Profit or Loss (RM'm)	2025A	2026A	2027E	2028F	2029F
Revenue	1,011.7	910.5	939.5	988.0	1,034.0
Operating Profit	57.9	64.4	66.7	71.1	74.4
PBT	42.6	47.6	50.5	54.1	56.7
Taxation	-13.0	-8.3	-9.6	-10.3	-10.8
PATAMI	26.2	37.5	40.9	43.9	45.9
Core PATAMI	39.9	39.2	40.9	43.9	45.9
EPS (sen)	5.0	4.9	5.1	5.5	5.7
PER (x)	7.2x	7.3x	7.0x	6.6x	6.3x
DPS (sen)	1.3	1.8	1.5	1.6	1.7
Dividend yield (%)	3.5%	4.9%	4.3%	4.6%	4.8%

Balance Sheet (RM'm)	2025A	2026A	2027E	2028F	2029F
PPE	760.7	905.5	929.8	927.2	922.8
Non-current assets	**887.0**	**1,021.8**	**960.4**	**982.1**	**1,257.8**
Receivables	347.8	418.5	432.4	454.7	475.9
Cash	159.7	120.7	138.9	195.0	0.0
Current assets	**917.4**	**887.6**	**919.8**	**998.2**	**824.3**
Long-term debt	208.8	259.5	231.0	241.0	251.0
Non-current liabilities	**254.6**	**294.7**	**266.1**	**276.1**	**286.1**
Payables	661.0	661.8	657.1	690.2	722.4
Short-term debt	82.5	106.5	31.5	31.5	31.5
Current liabilities	**841.7**	**879.3**	**799.6**	**832.7**	**864.9**
Share capital	100.8	100.8	100.8	100.8	100.8
Retained earnings	534.7	562.1	641.0	698.1	757.8
Equity	**708.1**	**735.5**	**814.4**	**871.4**	**931.1**

Cash Flow (RM'm)	2025A	2026A	2027E	2028F	2029F
PBT	42.6	47.6	50.5	54.1	56.7
Depreciation	49.8	65.2	73.2	79.6	85.9
Changes in WC	102.3	3.5	-18.6	10.8	11.0
Operating cash flow	**207.6**	**100.8**	**95.5**	**134.2**	**143.8**
Capital expenditure	-90.8	-172.7	-75.0	-75.0	-75.0
Investing cash flow	**-84.8**	**-168.9**	**-75.0**	**-75.0**	**-75.0**
Debt raised/(repaid)	-80.7	74.7	10.0	10.0	10.0
Dividends paid	-18.8	-10.0	-12.3	-13.2	-13.8
Financing cash flow	**-130.2**	**31.1**	**-2.3**	**-3.2**	**-3.8**
Net cash flow	**-7.4**	**-37.0**	**18.3**	**56.1**	**65.1**
Beginning cash flow	**167.1**	**159.7**	**120.7**	**138.9**	**195.0**
Ending cash flow	**159.7**	**120.7**	**138.9**	**195.0**	**260.1**

Profitability Ratios (%)	2025A	2026A	2027E	2028F	2029F
OP margin	5.7%	7.1%	7.1%	7.2%	7.2%
PBT margin	4.2%	5.2%	5.4%	5.5%	5.5%
PATAMI margin	2.6%	4.1%	4.4%	4.4%	4.4%
Core PATAMI margin	3.9%	4.3%	4.4%	4.4%	4.4%
ROA	3.8%	2.2%	2.1%	2.2%	2.2%
ROE	9.1%	5.6%	5.3%	5.0%	5.0%

Growth (%)	2025A	2026A	2027E	2028F	2029F
Revenue growth	-5.7%	-10.0%	3.2%	5.2%	4.7%
PBT growth	-42.3%	11.7%	6.0%	7.2%	4.7%
PATAMI growth	-57.6%	43.0%	9.1%	7.2%	4.7%
Core PATAMI growth	-37.5%	-1.8%	4.3%	7.2%	4.7%

Source: Tasco, MBSBR

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

(Bank Pelaburan) (A Participating Organisation of Bursa Malaysia Securities Berhad)

DISCLOSURES AND DISCLAIMER

This report is prepared by MBSB Investment Bank Berhad (Company Registration No.: 197501002077 (23878-X)) and is for distribution only to the intended readers and under such circumstances as may be permitted by applicable law. Readers should be fully aware that this report is provided solely for informational purposes and does not constitute a Shariah advice nor constitute an investment recommendation or basis for any credit or other evaluation in any manner whatsoever.

The opinions and analyses contained in this report are based on information obtained or derived from sources that MBSB Investment Bank Berhad believes to be reliable. Any forward-looking statements in this report speak only as of the date of such statements. However, MBSB Investment Bank Berhad makes no representation or warranty, expressed or implied, as to the accuracy, completeness, or reliability of such information, and it should not be relied upon as such.

While the information presented in this report may include references to Shariah -compliant and non-compliant securities or other financial instruments, this report is not, and should not be construed as, an offer to buy or sell any securities or other financial instruments or to promote or endorse any specific investment. Investors are strongly advised to conduct their own due diligence and to consult licensed Shariah or financial advisors before making any investment decisions. Any action taken based on this report is at the sole discretion and risk of the investor.

The analyses in this report are based on numerous assumptions, and different assumptions could yield different results. All opinions and estimates in this report are subject to change without notice.

The research analysts will initiate, update, and cease coverage solely at the discretion of MBSB Investment Bank Berhad.

The directors, employees, and representatives of MBSB Investment Bank Berhad and MBSB Berhad may have interests in any of the securities mentioned and may benefit from the information contained herein. Members of MBSB Berhad and their affiliates may provide services to any company or its affiliates whose securities are mentioned in this report.

This report shall not be reproduced, distributed, or published in any form or for any purpose without the prior written consent of MBSB Investment Bank Berhad.

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