

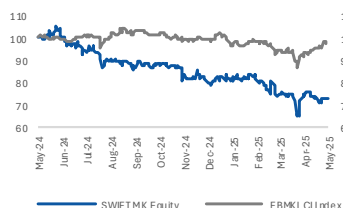
Jayden Tan
 (603) 7890 8888 (ext 2069)
kdtan@apexsecurities.com.my

Recommendation:	HOLD
Current Price:	RM0.39
Previous Target Price:	RM0.44
Target Price:	↓ RM0.39
Capital Upside/Downside:	0.0%
Dividend Yield (%):	4.6%
Total Upside/Downside	4.6%

Stock information	
Board	MAIN
Sector	Logistic
Bursa / Bloomberg Code	5303 / SWIFTMK
Syariah Compliant	Yes
ESGRating	★★★
Shares issued (m)	876.9
Market Cap (RM' m)	342.0
52-Week Price Range (RM)	0.595-0.345
Beta (x)	0.9
Free float (%)	36.9
3M Average Volume (m)	0.4
3M Average Value (RM' m)	0.2

Top 3 Shareholders	(%)
Persada Bina Sdn Bhd	24.1
Jwd Asia Hold Pl	20.5
Loo Hooi Keat	5.2

Share Price Performance



	1M	3M	12M
Absolute (%)	-2.5	-12.4	-29.7
Relative (%)	-8.5	-11.3	-28.0

Earnings summary

FYE (Dec)	FY24	FY25F	FY26F
Revenue (RM' m)	720.5	781.1	831.6
PATAMI (RM' m)	40.3	30.4	42.4
CNP (RM' m)	25.9	30.4	42.4
EPS - core (sen)	2.9	3.4	4.8
P/E(x)	14.7	12.5	8.9

Source: Company, Apex Securities

Swift Haulage Berhad

1QFY25 In Line; Consolidation year amid margin pressures

- Swift Haulage reported 1QFY25 core net profit of RM7.2m, in line with expectations. CNP declined 12.4% yoy, but rose 17.9% qoq.
- No change to FY25F/FY26F earnings forecasts as we continue to view FY25 as a consolidation year for SWIFT to navigate margin pressures.
- Reiterate HOLD with lower TP of RM0.39, based on a revised 8x PER (from 9x) on FY25F EPS, reflecting the stock's lower 3-year average valuation and broader sector de-rating amid weak sentiment.

Results meet expectations. 1QFY25 CNP of RM7.2m came in within expectations, accounting for 24% and 23% of our in-house and consensus full-year forecasts, respectively.

YoY. CNP declined 12.4% yoy from RM8.3m, despite a 3.5% yoy increase in revenue. The decline in profitability was mainly due to higher operating costs and increased finance expenses (RM9.3m vs RM8.6m). Nevertheless, growth in the freight forwarding segment (PBT +63.2% yoy) helped cushion the weakness in the land transportation and container haulage segments, where margins remain under pressure.

QoQ. CNP rose 17.9% qoq, despite flattish revenue, supported by stronger contribution from the freight forwarding segment, which offset the softer performance in the container haulage division.

Outlook. We view FY25 as a consolidation year for Swift Haulage, as the Group continues to navigate operating under margin pressures from expansion-related operational costs, intensifying competition, and higher borrowing expenses. That said, the warehousing segment remains a bright spot, with contributions commencing from new capacity tied to tenancy commencements in Westport and Penang. Additionally, the Shah Alam International Logistics Hub Phase 1 and the cold chain facility under JV with JWD, both slated for completion by end-2025, are expected to contribute meaningfully in the next financial year.

Earnings Revision. Our earnings forecasts for FY25F and FY26F remain unchanged.

Valuation. We reiterate our **HOLD** recommendation on Swift Haulage with lower target price of **RM0.39** (from RM0.44) by applying a lower PER of 8x (from 9x) to FY25F EPS, reflecting the stock's declining 3-year historical average and the broader de-rating trend across the sector amid weakened investor sentiment and broader sector headwinds.

Risk. Further margin erosion could result from fierce price competition and elevated cost pressures, alongside rising depreciation and finance costs tied to capacity expansion.

Results Note

Friday, 16 May, 2025

Results Comparison

FYE Dec (RM m)	1QFY25	1QFY24	yoy (%)	4QFY24	qoq (%)	3M FY25	3M FY24	yoy (%)	Comments
Revenue	185.7	179.4	3.5	185.2	0.3	185.7	179.4	3.5	
Gross Profit	52.0	51.7	0.6	53.0	(2.0)	52.0	51.7	0.6	
Pre-tax profit	10.5	24.2	(56.8)	8.2	27.9	10.5	24.2	(56.8)	
Net profit	7.2	21.1	(65.9)	5.0	43.8	7.2	21.1	(65.9)	
Core net profit	7.2	8.2	(12.4)	6.1	17.9	7.2	8.2	(12.4)	
Core EPS (sen)	0.9	1.0	(12.4)	0.7	17.9	0.9	1.0	(12.4)	
GP margin (%)	28.0	28.8		28.6		28.0	28.8		
PBT margin (%)	5.6	13.5		4.4		5.6	13.5		
Core net profit margin (%)	3.9	4.6		3.3		3.9	4.6		

Source: Company, Apex Securities

Segmental Breakdown

FYE Dec (RM m)	1QFY25	1QFY24	yoy (%)	4QFY24	qoq (%)	3M FY25	3M FY24	yoy (%)	Comments
Revenue									
Container haulage	69.1	69.6	(0.7)	72.6	(4.9)	69.1	69.6	(0.7)	
Land Transportation	63.6	67.1	(5.1)	59.1	7.8	63.6	67.1	(5.1)	
Warehousing and container depot	31.3	27.2	15.0	33.8	(7.4)	31.3	27.2	15.0	
Freight forwarding	21.6	15.3	41.1	19.6	10.5	21.6	15.3	41.1	
Total	185.6	179.2	3.6	185.1	0.3	185.6	179.2	3.6	
Profit before tax (PBT)									
Container haulage	4.1	5.6	(27.2)	6.9	(40.6)	4.1	5.6	(27.2)	
Land Transportation	2.7	4.6	(40.7)	1.9	44.5	2.7	4.6	(40.7)	
Warehousing and container depot	2.5	2.9	(13.5)	4.8	(47.4)	2.5	2.9	(13.5)	
Freight forwarding	9.8	6.0	63.2	8.7	12.9	9.8	6.0	63.2	
Total	19.1	19.1	0.1	22.2	(14.0)	19.1	19.1	0.1	
PBT margin (%)									
Container haulage	5.9%	8.1%		9.5%		5.9%	8.1%		
Land Transportation	4.2%	6.8%		3.2%		4.2%	6.8%		
Warehousing and container depot	8.0%	10.7%		14.1%		8.0%	10.7%		
Freight forwarding	45.3%	39.2%		44.3%		45.3%	39.2%		
Aggregate Total	10.3%	10.6%		12.0%		10.3%	10.6%		

Source: Company, Apex Securities

Results Note

Friday, 16 May, 2025

Financial Highlights

Income Statement

FYE Dec (RM m)	FY22	FY23	FY24	FY25F	FY26F
Revenue	644.8	671.2	720.5	781.1	831.6
Gross Profit	201.1	197.9	201.4	213.0	231.5
Profit From Operation	91.4	103.1	88.0	74.8	91.9
Net Finance Income/ (Cost)	-29.3	-34.1	-36.7	-38.5	-41.2
Associates & JV	0.8	0.2	0.2	0.2	0.2
Pre-tax Profit	64.0	94.7	51.6	36.5	50.9
Tax	-14.9	-3.5	-9.3	-5.5	-7.6
Profit After Tax	51.4	65.7	42.3	31.0	43.3
Minority Interest	-0.9	-1.5	-2.0	-0.6	-0.9
Net Profit	50.5	64.2	40.3	30.4	42.4
Exceptionals	0.0	-22.3	-14.4	0.0	0.0
Core Net Profit	50.5	86.5	25.9	30.4	42.4

Key Ratios

FYE Sep	FY22	FY23	FY24	FY25F	FY26F
EPS (sen)	5.7	9.8	2.9	3.4	4.8
P/E (x)	7.5	4.4	14.7	12.5	8.9
P/B (x)	0.6	0.5	0.5	0.5	0.5
DPS (sen)	2.0	1.8	1.6	1.8	1.8
Dividend Yield (%)	4.7%	4.2%	3.7%	4.2%	4.2%
GP margin (%)	31.2%	29.5%	28.0%	27.3%	27.8%
Operating margin (%)	14.2%	15.4%	12.2%	9.6%	11.1%
PBT margin (%)	9.9%	14.1%	7.2%	4.7%	6.1%
PAT margin (%)	8.0%	9.8%	5.9%	4.0%	5.2%
NP margin (%)	7.8%	9.6%	5.6%	3.9%	5.1%
CNP margin (%)	7.8%	12.9%	3.6%	3.9%	5.1%
ROE (%)	7.7%	12.2%	3.5%	4.1%	5.6%
ROA (%)	3.2%	5.0%	1.5%	1.7%	2.2%
Gearing (%)	98.7%	108.5%	105.6%	100.7%	98.6%
Net gearing (%)	90.9%	86.0%	99.2%	94.1%	88.2%

Valuations

	FY25F
Core EPS (RM)	0.048
P/E multiple (x)	8.0
Fair Value (RM)	0.39
ESG premium/discount	0.0%
Implied Fair Value (RM)	0.39

Source: Company, Apex Securities

Balance Sheet

FYE Dec (RM m)	FY22	FY23	FY24	FY25F	FY26F
Cash	51.2	159.2	47.5	48.8	77.8
Receivables	214.0	220.1	260.0	296.8	316.0
Inventories	10.3	19.0	7.9	11.7	12.5
Other current assets	104.9	9.5	15.0	18.6	20.5
Total Current Assets	380.4	407.7	330.4	375.9	426.8
Fixed Assets	615.4	658.5	752.1	793.4	810.4
Intangibles	69.3	71.2	71.2	71.2	71.2
Other non-current assets	490.8	582.9	561.4	557.8	595.8
Total Non-current assets	1175.5	1312.7	1384.7	1422.4	1477.4
Short-term Debt	202.2	263.0	213.1	289.4	289.4
Payables	116.4	120.8	99.7	140.6	149.7
Other Current Liabilities	24.9	35.7	14.2	53.5	94.0
Total Current Liabilities	343.4	419.5	327.0	483.6	533.1
Long-term Debt	445.4	503.8	563.2	452.4	452.4
Other non-current liabilities	110.8	90.6	89.9	125.5	166.0
Total Non-current Liabilities	556.1	594.4	653.1	577.9	618.4
Shareholder's equity	656.4	706.5	735.0	736.8	752.6

Cash Flow

FYE Dec (RM m)	FY22	FY23	FY24	FY25F	FY26F
Net income	48.5	64.2	51.6	30.4	42.4
Depreciation & amortisation	61.0	69.5	71.5	79.3	81.0
Changes in working capital	30.1	7.3	-27.5	-6.9	-12.8
Others	-0.5	-6.1	15.6	0.0	0.0
Operating cash flow	139.0	135.0	111.1	102.8	110.6
Net capex	-47.6	-99.5	-135.7	-48.2	-17.0
Others	-49.1	29.6	-32.6	-33.7	-38.0
Investing cash flow	-96.6	-69.9	-168.2	-81.9	-55.0
Dividends paid	-24.9	-15.9	-13.5	-19.6	-26.7
Others	-44.2	65.2	-34.3	0.0	0.0
Financing cash flow	-69.1	49.3	-47.8	-19.6	-26.7
Net cash flow	-26.7	114.5	-104.9	1.3	28.9
Forex	0.1	0.2	-0.3	0.1	0.1
Others	13.1	-6.5	-6.8	0.0	0.0
Beginning cash	64.7	51.2	159.2	47.5	48.8
Ending cash	51.2	159.2	47.5	48.8	77.8

Results Note

Friday, 16 May, 2025

ESG Matrix Framework:

Environment

Parameters	Rating	Comments
Climate	★★★	Adopted electric vehicles and installed solar panels; reduced 66 tCO ₂ e through EVs and 11,180 tCO ₂ e via 'no idling' policy.
Waste & Effluent	★★★	Recycled 927 metric tonnes of waste in FY2024, including hazardous and non-hazardous waste streams.
Energy	★★★	Installed solar panels at key facilities; recorded total energy consumption of 5,410 MWh.
Water	★★★	Reported total water usage of 160 ML in FY2024, with attention to resource efficiency.
Compliance	★★★	Complies with relevant local and international environmental regulations and frameworks.

Social

Diversity	★★★	At least 40% gender representation maintained; initiatives like Swift EmpowHER promote gender equity.
Human Rights	★★★	No incidents of human rights infringement; adheres to ILO standards including non-discrimination.
Occupational Safety and Health	★★★	ZERO work-related fatalities in FY2024; implemented AI-based fleet monitoring for improved safety.
Labour Practices	★★★	30,499 training hours completed; promoted 159 employees; 132 interns and 1 management trainee nurtured.

Governance

CSR Strategy	★★★	Continued focus on youth, education, road safety, and women empowerment through Swift EmpowHER.
Management	★★★	Updated Code of Conduct; strong sustainability governance with SSC and SWC oversight.
Stakeholders	★★★	4x analyst briefings per annum, 1x AGM per annum

Overall ESG Scoring: ★★★

Recommendation Framework:

BUY: Total returns* are expected to exceed 10% within the next 12 months.

HOLD: Total returns* are expected to be within +10% to -10% within the next 12 months.

SELL: Total returns* are expected to be below -10% within the next 12 months.

TRADING BUY: Total returns* are expected to exceed 10% within the next 3 months.

TRADING SELL: Total returns* are expected to be below -10% within the next 3 months.

*Capital gain

Sector Recommendations:

OVERWEIGHT: The industry defined by the analyst is expected to exceed 10% within the next 12 months.

NEUTRAL: The industry defined by the analyst is expected to be within +10% to -10% within the next 12 months.

UNDERWEIGHT: The industry defined by the analyst, is expected to be below -10% within the next 12 months.

ESG Rating Framework:

★★★★★ : Appraised with 3% premium to fundamental fair value

★★★★ : Appraised with 1% premium to fundamental fair value

★★★ : Appraised with 0% premium/discount to fundamental fair value

★★ : Appraised with -1% discount to fundamental fair value

★ : Appraised with -5% discount to fundamental fair value

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(a) nil.