

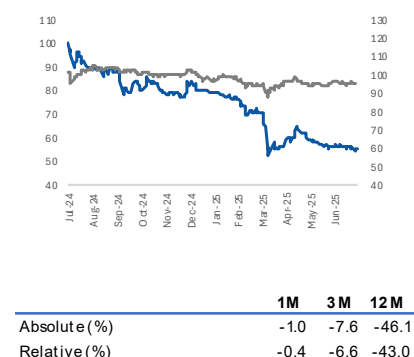
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Recommendation:	HOLD
Current Price:	RM0.485
Previous Target Price:	RM0.510
Target Price:	↔ RM0.510
Capital Upside/Downside:	5.2%
Dividend Yield (%):	4%
Total Upside/Downside:	8.8%

Stock information	
Board	MAIN
Sector	Logistics
Bursa / Bloomberg Code	5140 / TASCOMK
Syariah Compliant	Yes
ESGRating	★★★
Shares issued (m)	800.0
Market Cap (RM' m)	388.0
52-Week Price Range (RM)	0.9-0.455
Beta (x)	1.3
Free float (%)	28.4
3M Average Volume (m)	0.1
3M Average Value (RM' m)	0.0

Top 3 Shareholders	(%)
Real Fortune Portfolio Sdn Bhd	9.9
Nippon Yusen Kk	9.6
Employees Provident Fund Board	3.1

Share Price Performance



Tasco Berhad

Slight miss on DBS weakness

- **1QFY26 CNP of RM9.2m (-13.3% YoY, +76.4% QoQ), accounting for only 16% of our full-year forecast, slightly below expectations. Weakness stemmed from slower than expected recovery in DBS, partially offset by margin expansion in IBS.**
- **Lowering FY26F CNP by 17% to RM47.6m after revising sales assumptions for Trucking and Contract Logistics in DBS due to slower client acquisition. FY27F remains unchanged at RM64m.**
- **Maintain HOLD with an unchanged TP of RM0.51, as we raise PER to 8.5x (from 7x), reflecting -0.5SD (from -1SD) of its 3-year mean, anticipating improved margins in FY26 despite subdued DBS demand.**

Results slightly below expectations. Tasco's 1QFY26 CNP of RM9.2m accounted for only 16% of our full-year forecast, came in slightly below expectations despite 1H being a seasonally weaker period without festive-driven demand. The shortfall was primarily driven by slower-than-expected recovery in the Trucking and Cold Supply Chain businesses under the Domestic Business Segment (DBS), as efforts to secure new customers have yet to fully offset the loss of previous clients.

YoY. 1QFY26 CNP fell 13.3% YoY, mainly on the back of a 10.9% decline in revenue, dragged by DBS (Revenue -18%; Adjusted PBT -41%) and higher operating costs from the minimum wage hike. On a positive note, International Business Solutions (IBS) revenue remained relatively resilient (-0.8%), and margin expansion helped IBS adjusted PBT surge by 175.1%, supported by stabilized freight rates and the termination of a loss-making shipment lane for an FMCG client.

QoQ. CNP rose 76.4% qoq despite flat revenue, lifted by margin improvement from the IBS segment, particularly freight forwarding, and stronger segmental profitability. Conversely, DBS posted a sluggish qoq performance, mainly weighed down by the Trucking and Cold Supply Chain businesses.

Outlook. We maintain a cautious view on Tasco's near-term prospects, with subdued demand and limited recovery visibility in the DBS segment amid erratic tariff policies and a competitive domestic environment. However, we expect overall margins in FY26 to remain relatively stable compared to last year, aided by the ended of one-off warehouse demolition impairments, a lower effective tax rate from unutilized tax credits, and more stable freight rates.

Earnings Revision. We cut our FY26F CNP by 17% to RM47.6m, following a downward revision in sales assumptions for the Trucking and Contract Logistics businesses under DBS due to slower-than-expected client acquisition. FY27F remains unchanged at RM64m.

Valuation. We maintain our **HOLD** call on Tasco with an unchanged TP of **RM0.51**, despite the earnings downgrade, as we raise our applied PER to 8.5x (from 7x), reflecting -0.5SD (from -1SD) to the 3-year mean, anticipating improved margins in FY26.

Risks. Prolonged geopolitical uncertainties and inflationary pressures arising from Trump tariffs may continue to suppress global demand, posing downside risks to Tasco's performance, particularly in its international freight and logistics operations.

Results Note

Wednesday, 30 Jul, 2025

Results Comparison

FYE Mar (RM m)	1QFY26	1QFY25	yoy (%)	4QFY25	qoq (%)	3MFY26	3MFY25	yoy (%)
Revenue	222.6	249.9	(10.9)	222.6	(0.0)	222.6	249.9	(10.9)
Gross profit	36.8	35.5	3.8	34.9	5.5	36.8	35.5	3.8
Pre-tax profit	118	8.6	37.6	4.1	188.6	118	8.6	37.6
Net profit	9.2	7.0	31.3	(3.2)	nm	9.2	7.0	31.3
Core net profit	9.2	10.6	(13.3)	5.2	76.4	9.2	10.6	(13.3)
Core EPS (sen)	1.1	1.3	(13.3)	0.7	76.4	1.1	1.3	(13.3)
GP margin (%)	16.5	14.2		15.7		16.5	14.2	
PBT margin (%)	5.3	3.4		18		5.3	3.4	
Core net profit margin (%)	4.1	4.2		2.3		4.1	4.2	

Source: Company, Apex Securities

Segmental Breakdown

FYE Mar (RM m)	1QFY26	1QFY25	yoy (%)	4QFY25	qoq (%)	3MFY26	3MFY25	yoy (%)
Revenue								
International Business Solutions								
Air Freight Forwarding Division	48.8	63.7	(23.5)	47.8	2.1	48.8	63.7	(23.5)
Ocean Freight Forwarding Division	37.5	27.1	38.5	32.8	14.5	37.5	27.1	38.5
Supply Chain Solutions Division	13.6	10.0	36.9	12.1	12.6	13.6	10.0	36.9
International Business Solutions	99.9	100.8	(0.8)	92.6	7.9	99.9	100.8	(0.8)
Domestic Business Solutions								
Contract Logistics Division	69.6	87.0	(20.0)	67.7	2.8	69.6	87.0	(20.0)
Cold Supply Chain Division	32.2	41.1	(21.7)	33.5	(3.9)	32.2	41.1	(21.7)
Trucking Division	20.7	21.1	(1.8)	28.8	(28.1)	20.7	21.1	(1.8)
Domestic Business Solutions	122.5	149.1	(17.9)	129.9	(5.8)	122.5	149.1	(17.9)
Total	222.4	249.9	(11.0)	222.6	(0.1)	222.4	249.9	(11.0)
Profit before tax (PBT)								
International Business Solutions								
Air Freight Forwarding Division	3.5	16	124.4	2.3	53.6	3.5	16	124.4
Ocean Freight Forwarding Division	2.2	0.7	231.7	0.4	431.6	2.2	0.7	231.7
Supply Chain Solutions Division	2.1	0.6	243.9	2.1	(2.1)	2.1	0.6	243.9
International Business Solutions	7.8	2.8	175.1	4.8	60.8	7.8	2.8	175.1
Domestic Business Solutions								
Contract Logistics Division	4.6	6.1	(25.2)	(3.5)	nm	4.6	6.1	(25.2)
Cold Supply Chain Division	2.2	3.5	(36.4)	3.2	(30.1)	2.2	3.5	(36.4)
Trucking Division	(0.0)	19	nm	2.1	nm	(0.0)	19	nm
Domestic Business Solutions	6.8	11.6	(41.0)	1.9	264.0	6.8	11.6	(41.0)
Others	(2.8)	(5.8)	(52.3)	(2.6)	6.3	(2.8)	(5.8)	(52.3)
Total	11.8	8.6	37.3	4.1	188.6	11.8	8.6	37.3
PBT margin (%)								
International Business Solutions								
Air Freight Forwarding Division	7.2%	2.4%		4.8%		7.2%	2.4%	
Ocean Freight Forwarding Division	5.8%	2.4%		12%		5.8%	2.4%	
Supply Chain Solutions Division	15.4%	6.1%		17.7%		15.4%	6.1%	
International Business Solutions	7.8%	2.8%		5.2%		7.8%	2.8%	
Domestic Business Solutions								
Contract Logistics Division	6.6%	7.1%		-5.1%		6.6%	7.1%	
Cold Supply Chain Division	7.0%	8.6%		9.6%		7.0%	8.6%	
Trucking Division	0.0%	9.1%		7.4%		0.0%	9.1%	
Domestic Business Solutions	5.6%	7.8%		1.4%		5.6%	7.8%	
Aggregate Total	5.3%	3.4%		1.8%		5.3%	3.4%	

Source: Company, Apex Securities

Results Note

Wednesday, 30 Jul, 2025

Financial Highlights

Income Statement

FYE Mar (RM m)	FY23	FY24	FY25	FY26F	FY27F
Revenue	1606.8	1072.7	1011.7	1134.7	1220.0
Gross Profit	199.9	153.7	145.6	154.8	183.1
Other income/expenses	4.7	10.5	-9.7	3.4	3.7
Admin and general expenses	-71.5	-76.9	-78.0	-85.1	-97.6
Profit from operations	133.2	87.3	57.9	73.1	89.2
EBITDA	163.9	137.2	107.7	142.5	158.5
Net Finance Income/ (Cost)	-13.5	-14.0	-15.8	-17.4	-15.3
Associates & JV	0.8	0.5	0.6	1.1	1.5
Pre-tax Profit	120.6	73.8	42.6	56.8	75.4
Tax	-28.3	-9.1	-13.0	-6.8	-9.0
Profit After Tax	92.3	64.8	29.6	50.0	66.4
Minority Interest	15	3.0	3.4	2.4	2.4
Net Profit	90.8	61.7	29.6	47.6	64.0
Exceptionals	0.0	0.0	13.7	0.0	0.0
Core Net Profit	90.8	61.7	43.3	47.6	64.0

Key Ratios

FYE Mar	FY23	FY24	FY25	FY26F	FY27F
EPS (sen)	114	7.7	5.4	5.9	8.0
P/E (x)	4.4	6.5	9.2	8.4	6.3
P/B (x)	0.6	0.6	0.6	0.5	0.5
EV/EBITDA (x)	19	4.0	4.3	2.6	19
DPS (sen)	3.5	2.4	13	18	2.4
Dividend Yield (%)	7.0%	4.7%	2.5%	3.6%	4.8%
EBITDA margin (%)	10.2%	12.8%	10.6%	12.6%	13.0%
EBIT margin (%)	8.3%	8.1%	5.7%	6.4%	7.3%
PBT margin (%)	7.5%	6.9%	4.2%	5.0%	6.2%
PAT margin (%)	5.7%	6.0%	2.9%	4.4%	5.4%
NP margin (%)	5.7%	5.8%	2.9%	4.2%	5.2%
CNP margin (%)	5.7%	5.8%	4.3%	4.2%	5.2%
ROE (%)	13.7%	8.8%	6.1%	6.1%	7.7%
ROA (%)	5.9%	3.7%	2.3%	2.9%	3.8%
Gearing (%)	32.8%	55.0%	41.1%	32.5%	28.8%
Net gearing (%)	Net Cash	31.1%	18.6%	6.3%	Net Cash

Valuations

	FY26F
Core EPS (RM)	0.059
P/E multiple (x)	8.5
Fair Value (RM)	0.51
ESG premium/discount	0.0%
Implied Fair Value (RM)	0.51

Source: Company, Apex Securities

Balance Sheet

FYE Mar (RM m)	FY23	FY24	FY25	FY26F	FY27F
Cash	241.1	167.1	159.7	204.4	242.0
Receivables	289.4	313.2	347.8	321.7	269.3
Inventories	0.0	0.0	0.4	0.0	0.0
Other current assets	303.9	319.7	503.5	221.3	238.0
Total Current Assets	834.4	800.0	1011.4	747.4	749.2
Fixed Assets	586.1	758.4	760.7	793.3	813.9
Intangibles	81.9	81.9	81.9	81.9	81.9
Other non-current assets	32.8	32.8	44.4	33.5	33.8
Total Non-current assets	700.8	873.1	887.0	908.6	929.6
Short-term Debt	31.5	125.5	82.5	56.0	53.6
Payables	478.7	457.0	755.1	447.0	422.4
Other Current Liabilities	143.3	108.0	98.1	153.8	165.3
Total Current Liabilities	653.5	690.4	935.7	656.7	641.3
Long-term Debt	186.0	258.7	208.8	197.3	185.3
Other non-current liabilities	31.9	25.0	45.8	23.0	23.0
Total Non-current Liabilities	217.9	283.7	254.6	220.3	208.3
Shareholder's equity	595.7	629.4	636.8	695.6	740.3
Minority interest	68.2	69.6	71.3	83.5	88.8
Equity	663.9	699.0	708.1	779.0	829.2

Cash Flow

FYE Mar (RM m)	FY23	FY24	FY25	FY26F	FY27F
Pre-tax profit	120.6	73.8	42.6	56.8	75.4
Depreciation & amortisation	30.8	49.9	49.8	69.4	69.4
Changes in working capital	95.4	-36.5	101.9	193.5	23.2
Others	-2.4	-7.1	13.3	8.2	3.9
Operating cash flow	244.4	80.1	207.6	327.9	171.9
Net capex	-94.2	-207.1	-90.8	-90.8	-97.6
Others	4.2	4.9	6.1	0.3	0.4
Investing cash flow	-90.0	-202.2	-84.8	-90.5	-97.2
Changes in borrowings	43.8	-77.5	-81.9	-121.0	16.4
Issuance of shares	0.0	0.0	0.0	0.0	0.0
Dividends paid	-12.0	-28.0	-20.5	-14.3	-19.2
Others	-32.5	152.8	-27.9	-36.5	-34.3
Financing cash flow	-0.8	47.4	-130.2	-171.8	-37.0
Net cash flow	153.6	-74.7	-7.4	65.6	37.6
Forex	-0.1	0.5	0.0	0.3	0.3
Others	0.1	0.2	0.0	-21.2	-0.4
Beginning cash	87.5	241.1	167.1	159.7	204.4
Ending cash	241.1	167.1	159.7	204.4	242.0

ESG Matrix Framework:

Environment

Parameters	Rating	Comments
Climate	★★★	Committed to achieving net-zero GHG emissions by 2050, with an interim target of 45% reduction by 2030
Waste & Effluent	★★★	Implemented scheduled and non-scheduled waste management practices, with a focus on recycling and reducing landfill contributions
Energy	★★★	Adoption of green logistics, increasing energy efficiency through sustainable fleet management and warehouse operations
Water	★★★	Conducts environmental awareness training and assessments to monitor and optimize water usage
Compliance	★★★	Certified under ISO 14001:2015 Environmental Management System, with rigorous compliance to environmental regulations

Social

Diversity	★★★	Prioritizes local hiring, supports gender equality, and provides a family-friendly work environment, including nursing room facilities
Human Rights	★★★	Adheres to the UN human rights principles, ensures compliance with labour laws, and enforces anti-discrimination policies
Occupational Safety and Health	★★★	Comprehensive workplace safety programs, regular training, and zero work-related fatalities in FY24
Labour Practices	★★★	Supports fair wages, employee upskilling, and talent retention through structured training programs and employee engagement initiatives

Governance

CSR Strategy	★★★	Committed to social and environmental responsibility, with active CSR programs benefiting local communities
Management	★★★	Strong corporate governance structure, with clear division of responsibilities between Board members and executives
Stakeholders	★★★	Regular engagement with investors, customers, and regulators, ensuring transparency and accountability including atleast 4x results briefing and 1 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 + dividend yield

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.