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Recommendation:	HOLD
Current Price:	RM0.51
Previous Target Price:	RM0.51
Target Price:	↔ RM0.51
Capital Upside/ Downside:	0.0%
Dividend Yield (%)	2.5%
Total Upside/ Downside	2.5%

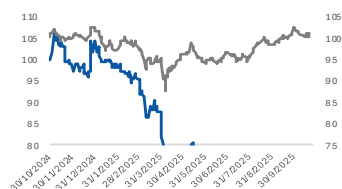
Stock information

Board	MAIN
Sector	Logistics
Bursa / Bloomberg Code	5140 / TASCOK
Syariah Compliant	Yes
ESG Rating	★★★
Shares issued (m)	800.0
Market Cap (RM' m)	404.0
52-Week Price Range (RM)	0.775-0.455
Beta (x)	1.4
Freefloat (%)	26.9
3M Average Volume (m)	0.1
3M Average Value (RM' m)	0.1

Top 3 Shareholders

(%)

Real Fortune Portfolio Sdn Bhd	9.9
Nippon Yusen Kk	9.6
Employees Provident Fund Board	3.3

Share Price Performance

	1M	3M	12M
Absolute (%)	-2.9	4.1	-29.9
Relative (%)	-2.9	-1.5	-30.3

Earnings Summary	FY25	FY26F	FY27F
Revenue (RM'm)	1012	1113	1133
PATAMI (RM'm)	26	48	64
CNP (RM'm)	40	48	64
EPS - core (sen)	5	6	8
P/E(x)	8.2	6.9	5.1

Tasco Berhad

Within Expectations

- 2QFY26 CNP dipped (-23.9% YoY, +2.2% QoQ) to RM10.6m, bringing 6MFY26 CNP to RM21.0m (-14.5% YoY), accounting for 44%/45% of our/consensus full-year forecast. We deem the result to be within expectations as we expect earnings momentum to pick up in 2H, supported by seasonal demand ahead of the year-end festive period. Furthermore, easing tensions between the US and China could help lift global trade volumes.
- No changes were made to our earnings forecasts, as the reported figures were within expectations. We also introduce our FY28F estimates.
- Maintain our HOLD call on Tasco with an unchanged TP of RM0.51 by pegging PE multiple of 8.5x reflecting -0.5SD to the 3-year mean.

Results within expectations. Tasco's 6MFY26 CNP came in at RM21.0m, accounting for 44%/45% of our/consensus full-year forecast. We deem the result to be within expectations as we expect earnings momentum to pick up in 2H, supported by seasonal demand ahead of the year-end festive period. Furthermore, easing tensions between the US and China could help lift trade volumes in the coming quarters.

YoY. Tasco's 2QFY26 CNP fell 23.9% YoY, in line with a 21.7% YoY decline in revenue, weighed down by both the IBS (Revenue -27.6% YoY; PBT -29.7% YoY) and the DBS segment (Revenue -16.4% YoY; PBT -24.9% YoY). The weakness in IBS revenue was dragged by softer freight demand in the AFF and OFF divisions. Meanwhile, the DBS segment was affected by the CL and CSC divisions with the former impacted by a production halt from a major solar panel customer and slower overall demand, while the latter was hit by the exit of several F&B clients. The trucking division also saw a decline driven by similar factors affecting the CL division.

QoQ. Revenue and CNP rose by 4.0% QoQ and 2.2% QoQ respectively, mainly led by the DBS segment. Revenue from the CL and trucking divisions which has climbed 6.9% QoQ and 22.7% QoQ, respectively, largely offset the slight dip in CSC (-2.7% QoQ). Notably, the CL division benefited from a recovery in demand and new customer wins.

Outlook. The recent preliminary US-China trade talks in Malaysia have helped ease bilateral tensions and partially restore confidence in the regional trade outlook. The renewed engagement between the world's two largest economies marks a constructive step toward stabilising global supply chains. While a full trade resolution remains unlikely at this stage, we see potential for gradual de-escalation as both countries consider scaling back selected trade restrictions.

Earnings Revision. No changes were made to our earnings forecasts, as the reported figures were within expectations. We also introduce our FY28F estimates.

Valuation. We maintain our **HOLD** call on Tasco with an unchanged TP of **RM0.51** based on a PE multiple of 8.5x reflecting -0.5SD to the 3-year mean.

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

Thursday, 30 Oct, 2025

Results Comparison

FYE Mar (RM m)	2QFY26	2QFY25	yoy (%)	1QFY26	qoq (%)	6MFY26	6MFY25	yoy (%)
Revenue	2316	295.7	(21.7)	222.6	4.0	454.2	545.6	(16.8)
Gross profit	36.4	39.3	(7.5)	36.8	(12)	73.2	74.8	(2.1)
Pre-tax profit	13.0	114	14.1	118	10.3	24.9	20.0	24.2
Net profit	9.6	8.1	18.2	9.2	4.6	18.8	15.1	24.3
Core net profit	10.6	13.9	(23.9)	10.4	2.2	21.0	24.5	(14.5)
Core EPS (sen)	13	17	(23.9)	13	2.2	2.6	3.1	(14.5)
GP margin (%)	15.7	13.3		16.5		16.1	13.7	
PBT margin (%)	5.6	3.9		5.3		5.5	3.7	
Core net profit margin (%)	4.6	4.7		4.7		4.6	4.5	

Source: Company, Apex Securities

Segmental Breakdown

FYE Mar (RM m)	2QFY26	2QFY25	yoy (%)	1QFY26	qoq (%)	6MFY26	6MFY25	yoy (%)
Revenue								
International Business Solutions								
Air Freight Forwarding Division	52.6	82.3	(36.1)	48.8	7.8	101.4	146.0	(30.6)
Ocean Freight Forwarding Division	36.4	45.9	(20.6)	37.5	(2.9)	74.0	73.0	14
Supply Chain Solutions Division	116	10.7	8.0	13.6	(15.0)	25.2	20.7	219
International Business Solutions	100.6	138.9	(27.6)	99.9	0.7	200.6	239.7	(16.3)
Domestic Business Solutions								
Contract Logistics Division	74.4	89.8	(17.1)	69.6	6.9	144.0	176.8	(18.5)
Cold Supply Chain Division	313	40.1	(219)	32.2	(2.7)	63.5	812	(218)
Trucking Division	25.4	26.9	(5.6)	20.7	22.7	46.1	47.9	(3.9)
Domestic Business Solutions	131.1	156.8	(16.4)	122.5	7.1	253.6	305.9	(17.1)
Total	231.7	295.7	(21.6)	222.4	4.2	454.2	545.6	(16.8)
Profit before tax (PBT)								
International Business Solutions								
Air Freight Forwarding Division	2.1	3.2	(33.9)	3.5	(38.9)	5.6	4.8	17.5
Ocean Freight Forwarding Division	0.7	15	(518)	2.2	(65.6)	2.9	2.2	32.4
Supply Chain Solutions Division	12	1.1	15.0	2.1	(41.7)	3.3	17	98.5
International Business Solutions	4.1	5.8	(29.7)	7.8	(47.1)	11.9	8.7	37.0
Domestic Business Solutions								
Contract Logistics Division	7.4	8.0	(7.2)	4.6	618	12.0	14.2	(15.0)
Cold Supply Chain Division	18	3.6	(48.5)	2.2	(17.8)	4.1	7.1	(42.5)
Trucking Division	0.5	15	(63.6)	(0.0)	nm	0.5	3.4	(84.3)
Domestic Business Solutions	9.8	13.1	(24.9)	6.8	43.6	16.7	24.7	(32.5)
Others	(0.9)	(7.5)	(88.3)	(2.8)	(68.3)	(3.6)	(13.3)	(72.6)
Total	13.0	11.4	14.3	11.8	10.3	24.9	20.0	24.2
PBT margin (%)								
International Business Solutions								
Air Freight Forwarding Division	4.1%	3.9%		7.2%		5.5%	3.3%	
Ocean Freight Forwarding Division	2.0%	3.4%		5.8%		3.9%	3.0%	
Supply Chain Solutions Division	10.6%	9.9%		15.4%		13.2%	8.1%	
International Business Solutions	4.1%	4.2%		7.8%		5.9%	3.6%	
Domestic Business Solutions								
Contract Logistics Division	10.0%	8.9%		6.6%		8.4%	8.0%	
Cold Supply Chain Division	5.9%	8.9%		7.0%		6.4%	8.8%	
Trucking Division	2.1%	5.5%		0.0%		12%	7.1%	
Domestic Business Solutions	7.5%	8.3%		5.6%		6.6%	8.1%	
Aggregate Total	5.6%	3.9%		5.3%		5.5%	3.7%	

Source: Company, Apex Securities

Results Note

Thursday, 30 Oct, 2025

Financial Highlights

Income Statement

FYE Mar (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Revenue	1073	1012	1113	1133	1151
Gross Profit	154	146	160	181	184
EBITDA	134	108	128	151	154
Depreciation & Amortisation	47	50	50	51	51
EBIT	87	58	78	101	102
Net Finance Income/ (Cost)	-14	-16	-17	-18	-19
Associates & JV	1	1	1	1	1
Pre-tax Profit	74	43	62	83	84
Tax	-9	-13	-9	-13	-13
Profit After Tax	65	30	53	71	71
Minority Interest	3	3	5	7	7
Net Profit	62	26	48	64	64
Exceptionals	-2	14	0	0	0
Core Net Profit	60	40	48	64	64

Key Ratios

FYE Mar	FY24	FY25	FY26F	FY27F	FY28F
EPS (sen)	7.5	5.0	6.0	8.0	8.0
P/E (x)	5.4	8.2	6.9	5.1	5.1
P/B (x)	0.5	0.5	0.4	0.4	0.4
EV/EBITDA (x)	4.5	4.9	3.8	3.0	2.7
DPS (sen)	2.4	13	18	2.4	2.4
Dividend Yield (%)	5.7%	3.0%	4.4%	5.9%	5.9%
EBITDA margin (%)	12.5%	10.6%	11.5%	13.4%	13.3%
EBIT margin (%)	8.1%	5.7%	7.0%	8.9%	8.9%
PBT margin (%)	6.9%	4.2%	5.6%	7.4%	7.3%
PAT margin (%)	6.0%	2.9%	4.7%	6.3%	6.2%
NP margin (%)	5.8%	2.6%	4.3%	5.6%	5.6%
CNP margin (%)	5.6%	4.0%	4.3%	5.6%	5.6%
ROE (%)	8.6%	5.7%	6.4%	8.0%	7.6%
ROA (%)	3.6%	2.2%	2.5%	3.2%	3.1%
Gearing (%)	53.2%	41.1%	41.1%	41.1%	41.1%
Net gearing (%)	29.3%	18.6%	10.9%	6.1%	0.2%

Valuations

	FY26F
Core EPS (RM)	0.060
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)	FY24	FY25	FY26F	FY27F	FY28F
Cash	167	160	226	280	348
Receivables	313	348	383	389	396
Inventories	0	0	0	0	0
Other current assets	320	410	410	410	410
Total Current Assets	801	917	1019	1079	1154
Fixed Assets	758	761	770	780	790
Intangibles	0	0	0	0	0
Other non-current assets	15	126	126	126	126
Total Non-current assets	873	887	897	906	917
Short-term Debt	137	83	87	93	99
Payables	457	661	718	715	727
Other Current Liabilities	109	98	98	98	98
Total Current Liabilities	702	842	903	906	924
Long-term Debt	235	209	220	235	251
Other non-current liabilities	37	46	46	46	46
Total Non-current Liabilities	272	255	266	281	296
Shareholder's equity	629	637	670	715	760
Minority interest	70	71	76	83	90
Equity	699	708	746	798	850

Cash Flow

FYE Mar (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Pre-tax profit	74	43	62	83	84
Depreciation & amortisation	47	50	50	51	51
Changes in working capital	144	170	22	-9	5
Others	-189	-90	-9	-13	-13
Operating cash flow	75	172	124	113	128
Net capex	-207	-54	-60	-61	-62
Others	6	5	0	0	0
Investing cash flow	-201	-49	-60	-61	-62
Changes in borrowings	95	-92	16	21	21
Issuance of shares	17	0	0	0	18
Dividends paid	-28	-19	-14	-19	-19
Others	-34	-18	0	0	-18
Financing cash flow	51	-128	1	2	2
Net cash flow	-75	-5	66	54	68
Forex	1	-2	0	0	0
Others	0	0	0	0	0
Beginning cash	241	167	160	226	280
Ending cash	167	160	226	280	348

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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As of **Thursday, 30 Oct, 2025**, the analyst(s), whose name(s) appears on the front page, who prepared this report, has interest in the following securities covered in this report:

(a) nil.