

26 February 2026

SWIFT Haulage

Intensifying Competition

By Wan Mustaqim Bin Wan Ab Aziz I wanmustaqim@kenanga.com.my

SWIFT's FY25 results disappointed due to weaker-than-expected operating results of all segments in 4QFY25 which we believe was due to intensifying competition that eroded its sales and margin. This is in contrast with our earlier expectation that SWIFT will benefit from the increase in container haulage rate despite the expected reduction in container haulage volume with the enforcement of the gross vehicle weight limit regulation. Moreover, its warehouse expansion was also delayed from the original timeline. We cut FY26F net profit by 8%, and our TP by 9% to RM0.32 from RM0.35. Downgrade to **UNDERPERFORM** from **MARKET PERFORM**

Its FY25 core net profit came in below expectations at 95% of our full-year forecast, and 91% of consensus full-year estimate, due to weaker-than-expected operating results of all segments in 4Q which we believe was due to intensifying competition that eroded its sales and margin. It declared an interim NDPS of 0.8 sen for the quarter, bringing FY25 NDPS to 1.6 sen vs 1.6 sen in FY24, as expected.

YoY, its FY25 revenue rose 7% driven by stronger performance of: (i) freight forwarding (+38%) due to its acquisition of Aman Logistik in early 2025, and higher freight forwarding demand for long-haul routes such as Asia-Europe and Asia-America, (ii) warehousing and container depot (+8%) with increased capacity utilisation by new customers, and (iii) land transportation (+7%) as it shifted to lower-margin smaller trucks to make up for the shortfall in volume which entailed lower margins. This more than offset flattish container haulage (+0%) with the enforcement of the gross vehicle weight limit regulation (cost pass-through) and scheduled plant shutdown by one of its major glass manufacturer customer (6 months to 1 year for one plant/furnace only which contributes about 1.8k TEU/month) despite the increase in container haulage rate by 12%-13% starting July 2025.

Its core net profit declined by 4% due to: (i) start-up costs from the new warehouse in Westports, (ii) the loss of operational scale at its container haulage and land transportation segments, partly offset by the surge in freight forwarding segment margin, and (iii) higher finance cost (+1%).

QoQ, its 4QFY25 revenue declined 4% due to weaker operational results of all segments - container haulage (-1%), land transportation (-7%), and warehousing and container depot (-11%), partly offset by strong freight forwarding (+9%) which we believe was due to intensifying competition that eroded its sales and margin. Its core net profit plunged 13% despite lower effective tax rate of 24.5% vs. 27.2% in 3QFY25.

Still in expansion mode. SWIFT has completed the expansion of its warehouses in Tebrau (from 108k sq ft to 308k sq ft), Seberang Prai (from 113k sq ft to 222k sq ft), Port Klang Free Zone warehouse (178k sq ft), cold chain warehouse in Sabah (from 27k sq ft to 57k sq ft), Westports on-dock depot (5 acres for 4,000 TEUs), Westports warehouse, Pulau Indah, Selangor (260k sq ft; operation started in Mar 2024), and another warehouse in Seberang Perai, Penang (118k sq ft; acquisition completed in Aug 2024), as well as commenced warehouse management and transportation services in Pengerang for Petronas (c.1.17m sq ft). We expect SWIFT to continue expanding in the northern region, i.e. Kedah, due to the recent increase in FDI there.

UNDERPERFORM ↓

Price: **RM0.43**
Target Price: **RM0.32** ↓

Share Price Performance



KLCI	1,747.81
YTD KLCI chg	4.0%
YTD stock price chg	10.4%

Stock Information

Shariah Compliant	Yes
Bloomberg Ticker	SWIFT MK Equity
Market Cap (RM m)	365.2
Shares Outstanding	859.4
52-week range (H)	0.44
52-week range (L)	0.35
3-mth avg. daily vol.	292,600
Free Float	36%
Beta	0.9

Major Shareholders

Persada Bina Sdn Bhd	24.6%
Jwd Asia Holding Private Limited	21.5%
Loo Hooi Keat	5.2%

Summary Earnings Table

FY Dec (RM m)	2025A	2026F	2027F
Revenue	772.2	727.7	731.1
EBITDA	145.0	142.8	139.2
PBT	40.4	41.8	45.2
Net Profit	27.4	28.3	30.6
Core Net Profit	26.9	28.3	30.6
Consensus (NP)	-	35.7	38.9
Earnings Revision	-	-8%	NEW
Core EPS (sen)	3.0	3.2	3.4
Core EPS Growth (%)	1.0	5.4	8.2
NDPS (sen)	1.6	1.6	1.6
BVPS (RM)	0.83	0.84	0.86
PER (x)	14.1	13.4	12.3
PBV (x)	0.5	0.5	0.5
Net Gearing (x)	1.0	0.9	0.8
Net Div. Yield (%)	3.8	3.8	3.8

26 February 2026

Its ongoing expansion plan includes constructing the biggest green logistics hub in Asia (outside China) under 30%-owned associate GVL (first phase of 2.8m sq ft operational by 2QCY26 and 6.0m sq ft by 2028) which is expected to contribute to its earnings starting early-2026 (1–2 months contribution), Shah Alam Cold Chain warehouse (to launch in June/July 2026) and the new Perai, Penang warehouse (200k sq ft), currently under construction, and expected to be completed by end-2025.

Forecasts. We cut FY26F net profit by 8% due to intensifying competition which eroded its sales and margin for all segments despite the increase in container haulage rate by 12%-13% starting July 2025.

Valuations. We also cut our TP by 9% to RM0.32 from RM0.35 based on unchanged FY26F PER of 10x, in line with the average forward PER of the local logistics sector. There is no adjustment to our TP based on ESG given a 3-star rating as appraised by us (see Page 4).

Investment case. We are cautious on SWIFT due to : (i) it losing its leading position in the Malaysia haulage market which currently stands at 5.4% compared to 7.9% in 2024, (ii) its value-adding integrated offerings that do not offers the same superior pre-tax profit margin due to intense competition (currently at 5.4% vs c.7%, two years ago and the industry average of 4%, and (iii) significant start-up costs despite the tremendous growth potential of its warehousing business, riding on the booming domestic e-commerce.

The increase in container haulage rate by 12%-13% starting July 2025 in conjunction with the enforcement of the gross vehicle weight limit regulation (cost pass-through) seems to be receiving lukewarm responses from customers in 4QFY25 especially with the intensifying competition in the logistics sector. This is in contrast with our earlier expectation that SWIFT will benefit from the increase in container haulage rate despite the expected reduction in container haulage volume with the enforcement of the gross vehicle weight limit regulation. Operations of its biggest green logistics hub in Asia (outside China) under 30%-owned associate GVL has also seen a delay from the original timeline of end-2025 to 2QFY26. Downgrade to **UNDERPERFORM** from **MARKET PERFORM**

Risks to our call include: (i) significantly lower fuel cost, (ii) barrier for entry with the stricter regulation by the government, and (iii) higher demand for transportation services and warehousing post-tariff war and easing of middle-east conflicts.

Results Highlights								
FYE Dec (RM m)	4QFY25	3QFY25	QoQ	4QFY24	YoY	FY25	FY24	YoY
Revenue	193.3	201.0	-4%	185.2	4%	768.7	720.5	7%
Gross Profit (GP)	56.2	56.1	0%	53.0	6%	216.6	201.4	8%
EBIT	17.9	19.4	-8%	17.4	3%	76.6	75.7	1%
Interest expense	(9.1)	(9.1)	0%	(9.4)	-4%	(36.9)	(36.7)	1%
Associates and JVs	0.1	(0.1)		0.3		0.1	1.1	
EI [^]	0.2	0.2		(0.1)		0.6	12.3	
PBT	9.1	10.4	-12%	8.2	12%	40.4	52.5	-23%
Tax Expense	(2.2)	(2.8)	-21%	(2.3)	-5%	(10.5)	(9.3)	12%
Minority interest	(0.6)	(0.4)	42%	(0.8)	-24%	(2.5)	(2.9)	-12%
Net Profit	6.3	7.1	-12%	5.0	25%	27.4	40.3	-32%
Core Net Profit	6.1	7.0	-13%	5.1	19%	26.8	27.9	-4%
NDPS (sen)	0.8	0.0		0.8		1.6	1.6	
GP Margin	29.1%	27.9%		28.6%		28.2%	28.0%	
EBIT Margin	9.3%	9.7%		9.4%		10.0%	10.5%	
PBT Margin	4.7%	5.2%		4.4%		5.3%	7.3%	
CNP Margin	3.1%	3.5%		2.8%		3.5%	3.9%	
Effective Tax Rate	24.5%	27.2%		28.7%		25.9%	17.7%	

Source: Company, Bursa Malaysia, Kenanga Research

[^] Gain from disposal of 12.5% stake in Global Vision Logistics Sdn. Bhd (GVL) at RM13m

26 February 2026

Peer Table Comparison

Name	Rating	Last Price (RM)	Target Price (RM)	Upside	Market Cap (RM m)	Shariah Compliant	Current FYE	Core EPS (sen)		Core EPS Growth		PER (x) - Core Earnings		PBV (x)	ROE	Net Div. (sen) 1-Yr. Fwd.	Net Div Yld 1-Yr. Fwd.
								1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	2-Yr. Fwd.				
Stocks Under Coverage																	
BINTULU PORT HOLDINGS BHD	MP	5.40	5.30	-1.9%	2,599.0	Y	12/25	29.8	30.9	14.3%	3.7%	18.1	17.5	1.2	6.8%	15.0	2.8%
POS MALAYSIA BHD	UP	0.290	0.140	-51.7%	199.6	Y	12/25	(19.8)	(17.2)	-174%	-187%	N.A.	N.A.	4.1	-223%	0.0	0.0%
SWIFT HAULAGE BHD	UP	0.425	0.320	-24.7%	347.6	Y	12/25	3.2	3.4	5.4%	8.2%	13.4	12.3	0.5	3.7%	1.6	3.8%
WESTPORTS HOLDINGS BHD	MP	6.26	6.20	-1.0%	18,480.7	Y	12/25	33.0	35.4	13.2%	7.1%	19.0	17.7	4.8	26.2%	24.8	4.0%
SECTOR AGGREGATE					5,406.7					-35.4%	-42.0%	16.8	15.8	2.6	-46.7%		2.6%

Source: Kenanga Research

The rest of the page is intentionally left blank

Stock ESG Ratings:

	Criterion	Rating				
GENERAL	Earnings Sustainability & Quality	★	★	★		
	Community Investment	★	★	★	★	
	Workers Safety & Wellbeing	★	★	★		
	Corporate Governance	★	★	★		
	Anti-Corruption Policy	★	★	★		
	Emissions Management	★	★	★		
SPECIFIC	Services Quality & Safety	★	★	★		
	Cybersecurity & Data Privacy	★	★	★	★	
	Customer Experience	★	★	★		
	Supply Chain Management	★	★	★	★	
	Energy Efficiency	★	★	★	★	
	Waste Management	★	★	★		
OVERALL		★	★	★		

☆ denotes half-star
 ★ -10% discount to TP
 ★★ -5% discount to TP
 ★★★ TP unchanged
 ★★★★ +5% premium to TP
 ★★★★★ +10% premium to TP

Stock Ratings are defined as follows:

Stock Recommendations

OUTPERFORM : A particular stock’s Expected Total Return is MORE than 10%
 MARKET PERFORM : A particular stock’s Expected Total Return is WITHIN the range of -5% to 10%
 UNDERPERFORM : A particular stock’s Expected Total Return is LESS than -5%

Sector Recommendations***

OVERWEIGHT : A particular sector’s Expected Total Return is MORE than 10%
 NEUTRAL : A particular sector’s Expected Total Return is WITHIN the range of -5% to 10%
 UNDERWEIGHT : A particular sector’s Expected Total Return is LESS than -5%

*****Sector recommendations are defined based on market capitalisation weighted average expected total return for stocks under our coverage.**

This document has been prepared for general circulation based on information obtained from sources believed to be reliable but we do not make any representations as to its accuracy or completeness. Any recommendation contained in this document does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may read this document. This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement by addressees. Kenanga Investment Bank Berhad accepts no liability whatsoever for any direct or consequential loss arising from any use of this document or any solicitations of an offer to buy or sell any securities. Kenanga Investment Bank Berhad and its associates, their directors, and/or employees may have positions in, and may effect transactions in securities mentioned herein from time to time in the open market or otherwise, and may receive brokerage fees or act as principal or agent in dealings with respect to these companies. Kenanga Investment Bank Berhad being a full-service investment bank offers investment banking products and services and acts as issuer and liquidity provider with respect to a security that may also fall under its research coverage.

Published by:

KENANGA INVESTMENT BANK BERHAD (15678-H)
 Level 17, Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia
 Telephone: (603) 2172 0880 Website: www.kenanga.com.my E-mail: research@kenanga.com.my

