

19 May 2026

Pos Malaysia

Festive Boost

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

POS's 1QFY26 results met our expectation. Its 1QFY26 core net loss was narrower, by 52% YoY and 75% QoQ, largely driven by narrower losses at its postal segment on one-off postal mailing project and higher parcel volume on double festive celebrations which we expect to normalise in the upcoming quarters. We maintain our forecasts, TP of RM0.14 and UNDERPERFORM call. Re-rating catalysts would be sustained turnaround of its postal business and the phasing out of irrational logistics players.

POS's 1QFY26 core net loss of RM19.6m came in at 13% of our full-year net loss forecast which we deemed within our expectation as we expect normalisation in the parcel volume in the upcoming quarters on fewer festivities and the absence of one-off postal mailing project. We have sole coverage on the stock.

Results performance, POS's 1QFY26 revenue rose 7% for both YoY and QoQ on stronger performance for all services: (i) postal (+1% YoY, +12% QoQ), logistics services (+11% YoY, +4% QoQ), and aviation services (+16% YoY, 4% QoQ), all benefited from the Chinese New Year and Hari Raya Aidilfitri celebrations which came on quicker succession compared to previous year.

However, its postal bottom-line was still affected by the intensifying pricing competition despite sustained demand in the online shopping space, further exacerbated by the reduced demand from major e-commerce players that have been investing in in-house delivery capabilities (for instance, Shopee Express of Shopee).

Its traditional domestic mail volume fell 6.6% (if excluding one-off project in January 2026, the decline will be much larger at 11.3%). Its international mail volume fell 7% underpinned by geopolitical global tensions and structural changes on de-minimis law specifically in the USA. Its parcel volume gained the trend with 25% growth driven by service-led market share gain in both the B2B and B2C sectors.

Its logistics sales were stronger on contribution from the automotive, freight forwarding, marine, and warehousing businesses, but still recorded losses due to increased unrealised forex losses and finance costs, partially offset by improved margins.

Meanwhile, its aviation services continued to recover on the back of the booming air freight sector coupled with the stronger demand for umrah charter flights (which also boosted its in-flight catering services).

All in, its 1QFY26 core net loss was narrower by 52% YoY and 75% QoQ, largely driven by narrower losses at its postal segment.

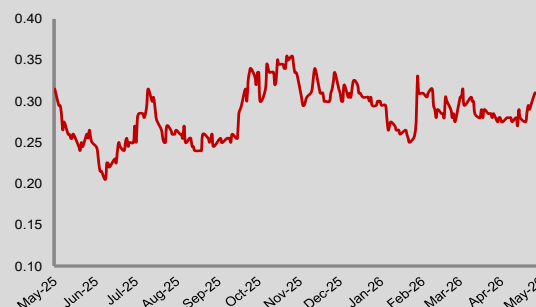
Forecasts. Maintained as we expect normalisation in the parcel volume in the upcoming quarters on fewer festivities and absence of one-off postal mailing project.

Valuations. We also maintain our DCF-derived TP at RM0.14 based on unchanged discount rate equivalent to a WACC of 6.2% and a terminal growth rate of 0%. There is no adjustment to our TP based on ESG given a 3-star rating as appraised by us (see Page 4).

UNDERPERFORM ↔

Price : RM0.32
Target Price : RM0.14 ↔

Share Price Performance



KLCI	1,727.71
YTD KLCI chg	2.8%
YTD stock price chg	1.6%

Stock Information

Shariah Compliant	Yes
Bloomberg Ticker	POSM MK Equity
Market Cap (RM m)	246.6
Shares Outstanding	782.8
52-week range (H)	0.37
52-week range (L)	0.21
3-mth avg. daily vol.	1,595,397
Free Float	36%
Beta	1.2

Major Shareholders

Hicom Holdings Berhad	31.4%
DRB-Hicom Bhd	22.1%
KWAP	1.5%

Summary Earnings Table

FYE Dec (RM m)	2025A	2026F	2027F
Revenue	1,839.2	1,926.1	2,020.9
Profit Before Tax	-186.6	-127.7	-111.2
Net Profit/(Loss)	-209.3	-154.6	-134.8
Core Net Profit/(Loss)	-207.9	-154.6	-134.8
Consensus (CNL)	-	-	-
Loss Revision	-	+7%	NEW
Core EPS (LPS) (sen)	-26.6	-19.8	-17.2
CNP Growth (%)	7.8	-25.6	-12.8
DPS (sen)	-	-	-
BVPS (RM)	0.11	0.07	0.05
Core PER (x)	-	-	-
Price/BV (x)	3.0	4.4	6.3
Net Gearing (x)	3.6	5.1	8.0
Div. Yield (%)	-	-	-

19 May 2026

Investment case. We are cautious on POS due to: (i) its conventional mail business that is struggling to turn around in the digital age, (ii) its courier business facing tremendous competition from new players such as J&T Express and Ninja Van that undercut rates aggressively to grow their market share, and (iii) its cost-cutting measures being insufficient to counter its weakening core business revenue. While we applaud its venture into “POS Shop” convenience stores through transforming its existing POS stores, we are concerned on the gestation period of the stores to achieve operational efficiency. POS intend to focus on network optimisation to reduce the cost of end-to-end delivery and service differentiation to accelerate market share growth for its parcel segment (offers better rates than traditional mail which is slowly decaying on digitalisation trend). Maintain **UNDERPERFORM**. Re-rating catalysts would be sustained turnaround of its postal business and the phasing out of irrational logistics players.

Note that, POS has received initial Universal Service Obligation (USO) facilitation fund of RM50m from Malaysian Communications and Multimedia Commission (MCMC) in 1QFY26, but not reflected in the financial statement yet as details of the utilisation have yet to be finalised. POS will continue to engage with the government with regards to USO facilitation fund, which we expect will keep its losses contained below RM200m at least for the next 2-3 years.

Risks to our call include: (i) the privatisation of POS at a premium over the market price, (ii) the return of profitability as cost rationalisation efforts finally pay off, and (iii) POS emerging stronger post the consolidation of the courier service segment after weak players are eliminated.

Results Highlights

FYE Dec (RM m)	1QFY26	4QFY25	QoQ	1QFY25	YoY	1QFY26	1QFY25	YoY
Revenue	501.4	467.8	7%	467.1	7%	501.4	467.1	7%
EBIT/ (LBIT)	1.2	(54.2)	-102%	(24.0)	-105%	1.2	(24.0)	-105%
Interest expenses	(14.7)	(16.0)	-8%	(12.7)	16%	(14.7)	(12.7)	16%
EI	0.5	3.0		(0.6)		0.5	(0.6)	
PBTZ/(LBTZ)	(13.7)	(67.4)	-80%	(37.6)	-64%	(13.7)	(37.6)	-64%
Zakat & Tax Expense	(6.0)	(9.5)		(3.9)		(6.0)	(3.9)	
Minority Interest	0.4	-		0.3		0.4	0.3	
Net Profit / (Net Loss)	(19.1)	(76.6)	-75%	(41.2)	-54%	(19.1)	(41.2)	-54%
Core Profit / (Core Loss)	(19.6)	(79.7)	-75%	(40.6)	-52%	(19.6)	(40.6)	-52%
EBIT Margin	N.M	N.M		N.M		N.M	N.M	
PBT margin	N.M	N.M		N.M		N.M	N.M	
Net margin	N.M	N.M		N.M		N.M	N.M	
Effective tax rate	N.M	N.M		N.M		N.M	N.M	

Source: Company, Kenanga Research

Segmental Performance

FY Dec (RM m)	1QFY26	4QFY25	QoQ	1QFY25	YoY	1QFY26	1QFY25	YoY
Postal	283.1	252.6	12%	279.1	1%	283.1	279.1	1%
Logistics	54.6	52.6	4%	49.1	11%	54.6	49.1	11%
Aviation	107.6	103.0	4%	93.0	16%	107.6	93.0	16%
Others	56.1	59.6	-6%	45.8	22%	56.1	45.8	22%
Total Revenue	501.4	467.8	7%	467.1	7%	501.4	467.1	7%
Postal	(19.7)	(44.2)	-55%	(34.8)	-43%	(19.7)	(34.8)	-43%
Logistics	(13.1)	(32.9)	-60%	(12.0)	9%	(13.1)	(12.0)	9%
Aviation	5.0	7.1	-30%	2.7	89%	5.0	2.7	89%
Others	14.1	2.5	459%	2.9	391%	14.1	2.9	391%
Total PBT	(13.7)	(67.4)	-80%	(41.2)	-67%	(13.7)	(41.2)	-67%

Source: Company, Kenanga Research

19 May 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. Div. (sen)	Net Div Yld
								1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.
Stocks Under Coverage																	
BINTULU PORT HOLDINGS BHD	MP	5.50	5.30	-3.6%	2,530.0	Y	12/26	29.8	30.9	14.3%	3.7%	18.5	17.8	1.2	6.8%	15.0	2.7%
POS MALAYSIA BHD	UP	0.315	0.140	-55.6%	246.6	Y	12/26	(19.8)	(17.2)	-174%	-187%	N.A.	N.A.	4.4	-223%	0.0	0.0%
SWIFT HAULAGE BHD	UP	0.450	0.320	-28.9%	400.4	Y	12/26	3.2	3.4	5.4%	8.2%	14.1	13.1	0.5	3.7%	1.6	3.6%
WESTPORTS HOLDINGS BHD	MP	5.98	6.20	3.7%	20,463.6	Y	12/26	33.0	35.4	13.2%	7.1%	18.1	16.9	4.6	26.2%	24.8	4.1%
SECTOR AGGREGATE					5,910.1							16.9	15.9	2.7	-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

