

18 May 2026

SWIFT Haulage

Filling Up Warehouse

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UNDERPERFORM ↔

Price : **RM0.42**
Target Price : **RM0.32** ↔

SWIFT shared that its warehousing segment will recover to a better position in FY27 as it is replacing lost occupancy rate with higher-quality customers, while bracing for the start-up losses of its 30%-owned GVL green logistics hub and Shah Alam Cold Chain warehouse in FY26. It also guided that the diesel subsidies quota is sufficient to last until year-end (if no policy changes). We maintain our forecasts, TP of RM0.32 and UNDERPERFORM call. Re-rating catalysts would be the phasing out of irrational logistics players and higher take-up rate for its new warehousing expansion.

We came away from SWIFT's 1QFY26 results briefing last Friday feeling mildly cautious. The key takeaways are as follows:

- SWIFT has lost two major warehousing customers in 2HFY25 which caused its warehousing revenue to fall by 15% YoY in 1QFY26, i.e. one of its FMCG customer shifted their warehousing hub back to Singapore from SWIFT's Tebrau, Johor warehouse in November 2025 and automotive warehousing and storage yard services with BMW Malaysia had been discontinued due to technical difficulties. On the bright side, SWIFT shared that both of these customers are on long-term lower-margin contracts (warehousing profit only fell by 6% YoY, despite revenue falling 15% YoY), a gap which it can fill with better-margin contracts.

On the latest update, new customers are expected to fill in the vacancy at its Tebrau, Johor warehouse by June 2026 which could lift its occupancy rate to 90% (from 40%). On the other hand, its container depot (previously for automotive warehousing and storage yard services) has been downscaled to lower capacity in 2QFY26 of 172k sq ft (which is about half the original area, whereby the other half tenancy (rental) has been terminated to save cost) for refurbished warehouse with partial conversion to workshop.

- Expecting start-up losses (estimated to be below RM10m due to ready take-up rate) for the biggest green logistics hub in Asia (outside China) under 30%-owned associate GVL and Shah Alam Cold Chain warehouse - same building as the GVL logistics hub as it is gradually ramping up capacity by 2027 (to turn profitable). Moreover, the start-up losses were also attributed by the delay in operational timeline (in April 2026 vs end-year 2025) and free/discounted monthly rental period for customers to set-up operation. Current take-up rate for the GVL green logistics hub is at 30% in April 2026, gradually ramping to 70% by end-2026, which includes SWIFT's Cold Chain warehouse (500k sq ft), Watsons (400k sq ft) and other undisclosed customers.
- It guided that the majority of its operation are based in Malaysia whereby it continued to be supported by diesel subsidies under the Sistem Kawalan Diesel Subsidi (SKDS) programme. In line with its carbon reduction agenda, Swift will continue expanding its Electric Vehicle (EV) Prime Mover fleet (4 Volvo e-haulage currently in operation) and the rollout of charging infrastructure at key operational sites throughout the year. SWIFT indicated that currently it only uses 30%-40% of the diesel subsidies quota which are based on volume (not value), and sufficient (if no policy changes) to last until year-end. It targeted 50 EV charging facility which covers Westport/Northport, expansion to whole Port Klang, Pasir Gudang and Penang Port.

Share Price Performance



KLCI	1,745.58
YTD KLCI chg	3.9%
YTD stock price chg	18.2%

Stock Information

Shariah Compliant	Yes
Bloomberg Ticker	SWIFT MK Equity
Market Cap (RM m)	383.9
Shares outstanding	843.8
52-week range (H)	0.48
52-week range (L)	0.32
3-mth avg. daily vol.	630,775
Free Float	35%
Beta	0.8

Major Shareholders

Persada Bina Sdn Bhd	25.1%
Jwd Asia Holding Private Limited	21.9%
Loo Hooi Keat	5.2%

Summary Earnings Table

FY Dec (RM m)	2025A	2026F	2027F
Revenue	772.2	730.5	734.0
EBITDA	145.0	143.1	139.5
PBT	40.4	42.1	45.5
Net Profit	27.4	28.5	30.9
Core Net Profit	26.9	28.5	30.9
Consensus (NP)	-	30.6	33.6
Earnings Revision	-	-	-
Core EPS (sen)	3.0	3.2	3.5
Core EPS (%)	1.0	6.1	8.3
NDPS (sen)	1.6	1.6	1.6
BVPS (RM)	0.83	0.84	0.86
PER (x)	15.1	14.2	13.1
PBV (x)	0.5	0.5	0.5
Net Gearing (x)	1.0	0.9	0.8
Net Div. Yield (%)	3.5	3.5	3.5

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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), and another warehouse in Seberang Perai, Penang (118k sq ft), 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 increase in FDI there.

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 has started operation in April 2026, and 6.0m sq ft by 2028) Shah Alam Cold Chain warehouse - same building as the GVL logistics hub (operational by June 2026), the new Perai, Penang warehouse (200k sq ft), currently under construction, and expected to be completed by end-2026 and operational by 2027 (expected to add cold-chain warehouse for the JV with SCGJWD Logistics PCL).

It guided that the majority of its operation are based in Malaysia where it continued to be supported by diesel subsidies under the Sistem Kawalan Diesel Subsidi (SKDS) programme. In line with its carbon reduction agenda, Swift will continue expanding its Electric Vehicle (EV) Prime Mover fleet and the rollout of charging infrastructure at key operational sites throughout the year.

Forecasts. Maintained.

Valuations. We also maintain our TP at RM0.32 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 share which currently stands at 7.4% compared to 7.9% in 2024, (ii) its value-adding integrated offerings that do not offer 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. Maintain **UNDERPERFORM** call. Re-rating catalysts would be the phasing out of irrational logistics players boosting back its market share and higher take-up rate for its new warehousing expansion.

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.

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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)	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	5.65	5.30	-6.2%	2,599.0	Y	12/26	29.8	30.9	14.3%	3.7%	19.0	18.3	1.3	6.8%	15.0	2.7%
POS MALAYSIA BHD	UP	0.305	0.140	-54.1%	238.8	Y	12/26	(19.8)	(17.2)	-174%	-187%	N.A.	N.A.	4.3	-223%	0.0	0.0%
SWIFT HAULAGE BHD	UP	0.460	0.320	-30.4%	409.3	Y	12/26	3.2	3.4	5.4%	8.2%	14.5	13.4	0.5	3.7%	1.6	3.5%
WESTPORTS HOLDINGS BHD	MP	5.81	6.20	6.7%	19,881.8	Y	12/26	33.0	35.4	13.2%	7.1%	17.6	16.4	4.5	26.2%	24.8	4.3%
SECTOR AGGREGATE					5,782.2					-35.4%	-42.0%	17.0	16.0	2.6	-46.7%		2.6%

Source: Kenanga Research

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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.**

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