



SWIFT HAULAGE BERHAD

September 2022

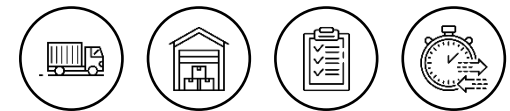


THE PREFERRED
INTEGRATED LOGISTICS PARTNER





WHAT WE DO ///







Track record of synergistic acquisitions allowing Swift to be positioned as

One of Malaysia's leading integrated logistics service provider...

Established with haulage service

Notable Acquisition:
Yinson Haulage Sdn. Bhd. (2011)

Ventured into container depot services

Became one of the leading logistics service provider in Malaysia

Listed on Bursa Main Market

Further expansion into East Malaysia

Notable Joint Venture:
Hypercold Logistics Sdn Bhd



› 2011

› 2015

› 2021

› 2012 - 2014

› 2016 - 2020

› 2022

Multiple acquisitions venturing into new verticals such as **freight forwarding & warehousing services**

Notable Acquisition:
DKSH Transport Agencies (M) Sdn. Bhd.(2013)

Ventured into **specialized transportation, cross-border transportation**

Notable Acquisitions:
MISC Integrated Logistics (2016)
Tanjong Express (2018)

One of Malaysia's leading - integrated logistics service provider



SWIFT TODAY

Swift is an integrated logistics service provider with services comprising container haulage, land transportation, warehousing, container depot and freight forwarding services



~ 1500
Prime Movers



53
Trucks



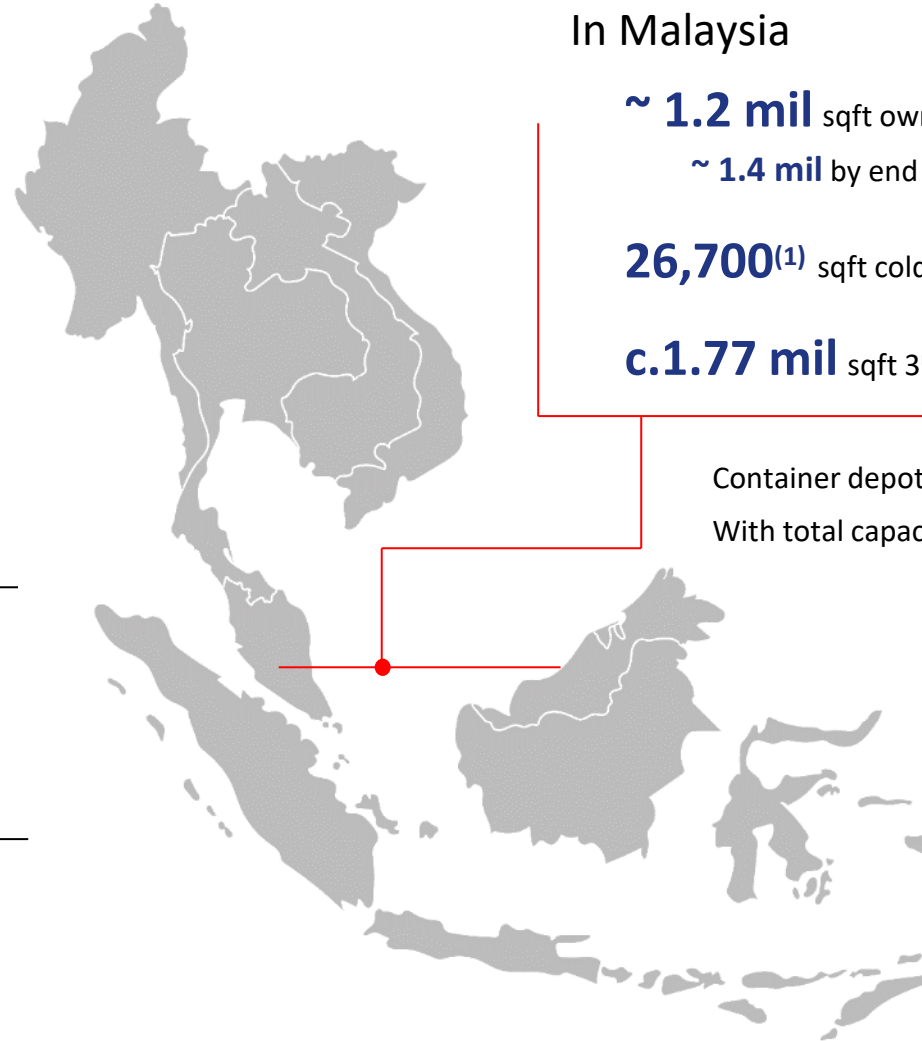
~ 5,000
Container Trailers



42
CNG Tankers



~ 800
Curtain-sider Trailers



In Malaysia

~ 1.2 mil sqft owned/leased warehouse
~ **1.4 mil** by end 2022

26,700⁽¹⁾ sqft cold-chain warehouse

c.1.77 mil sqft 3rd party warehouse

Container depots
With total capacity of **28,500 TEU**

Note: (1) Through equity interest in Hypercold Logistics Sdn. Bhd. ("Hypercold Logistics") acquired in June FY2021

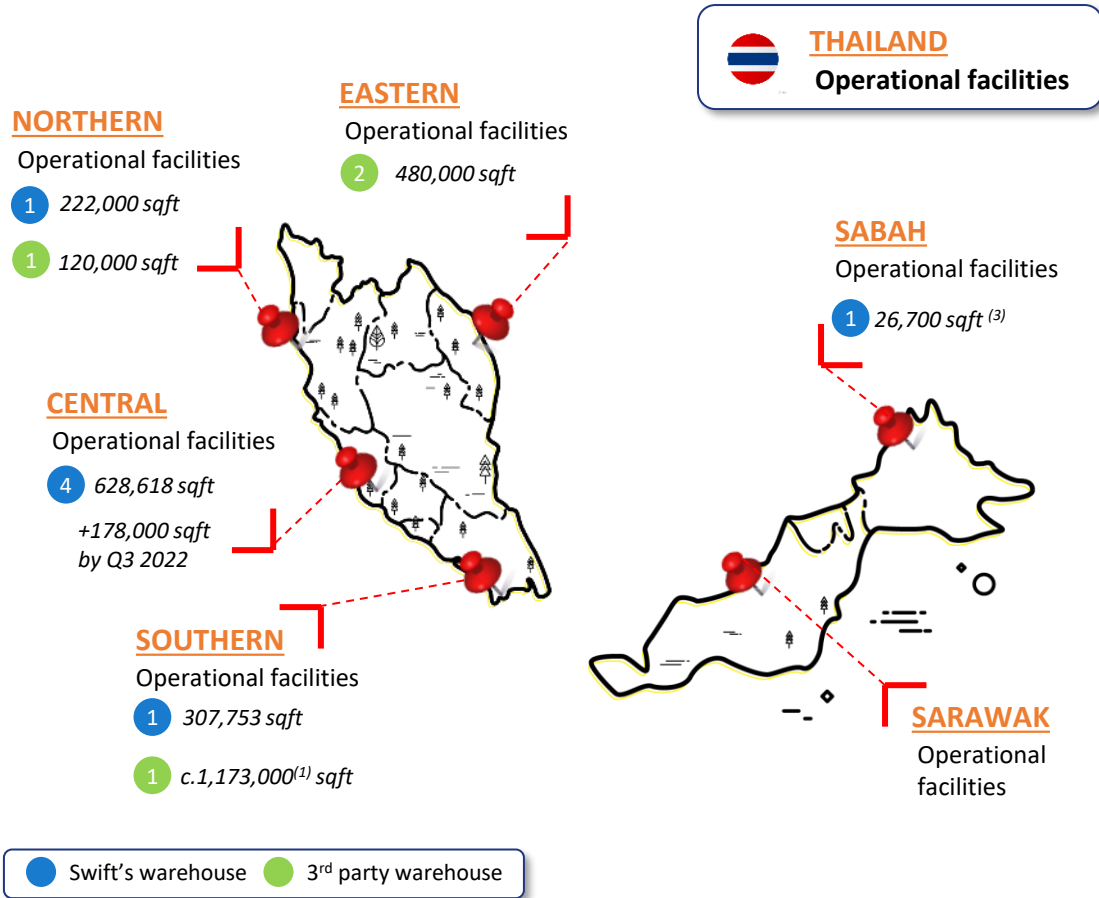


KEY INVESTMENT HIGHLIGHTS ///



Established customer stickiness as we have a huge network of comprehensive operational facilities supporting our customers' logistics requirements

21 branch offices across Malaysia and Thailand with 10.5 million sq ft of landbank strategically located near to major ports...



Comprehensive coverage and market leadership

- ### Container Haulage

 - Cover main seaports in Peninsular that accounted for 89.8% of total container throughput in Malaysia in FY2020
 - Market share of 9.2% in Malaysia in 1H 2022
- ### Transportation

 - Assets coverage around Peninsular and Sabah (through acquisition of Hypercold Logistics)
 - Cross-border transportations covers neighboring countries such as Singapore Thailand, Vietnam, Laos, Cambodia, Myanmar and southern border of China
- ### Warehousing⁽²⁾

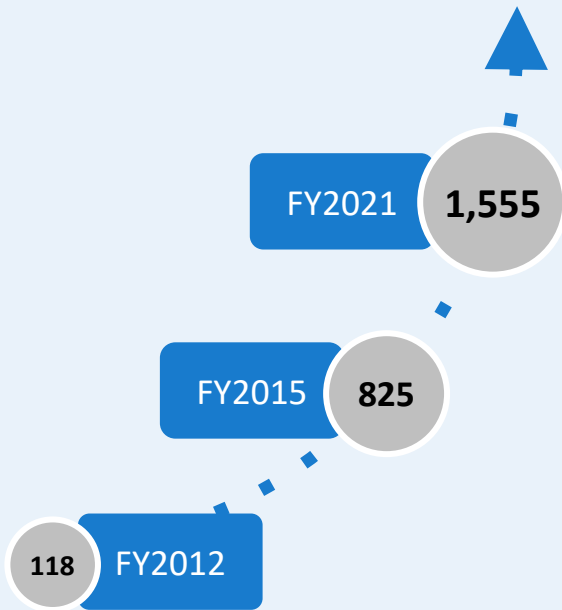
 - Manage **6** warehouses (5 owned 1 leased), **1** cold-chain warehouse, owned and leased **1** warehouse and manage **4** 3rd party's warehouses. (Will own 6 warehouse by end 2022)
 - Strategically distributed across Malaysia and proximity with our customers

Note(s): (1) Estimated based on of 88,000 pallets (2) Refer to appendix for detailed breakdown of warehouse assets and classification (3) Joint Venture with Hypercold Logistics in June FY2021 (cold-chain warehouse).



Our growth in customer base, large wallet share and long relationship with blue chip clientele are accredited to our (i) capabilities to fulfill customers' complex requirements; (ii) sheer size of commercial fleets; and (iii) commitment to deliver

Our customer base has expanded >10x since 2012...



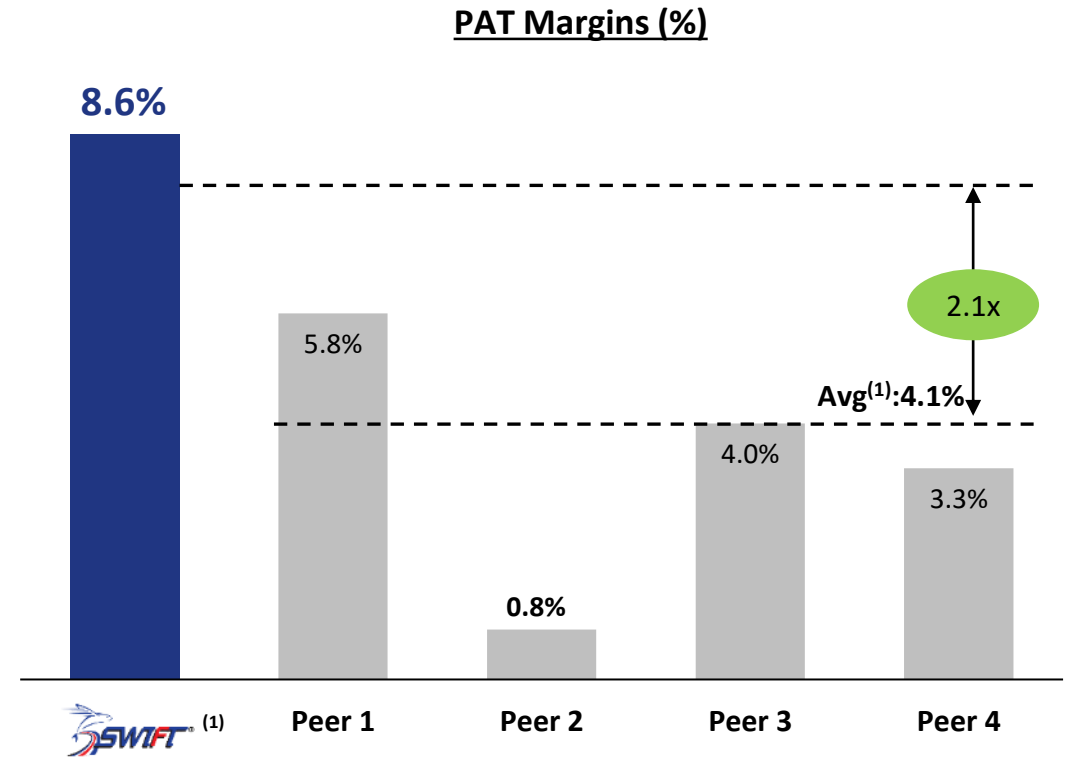
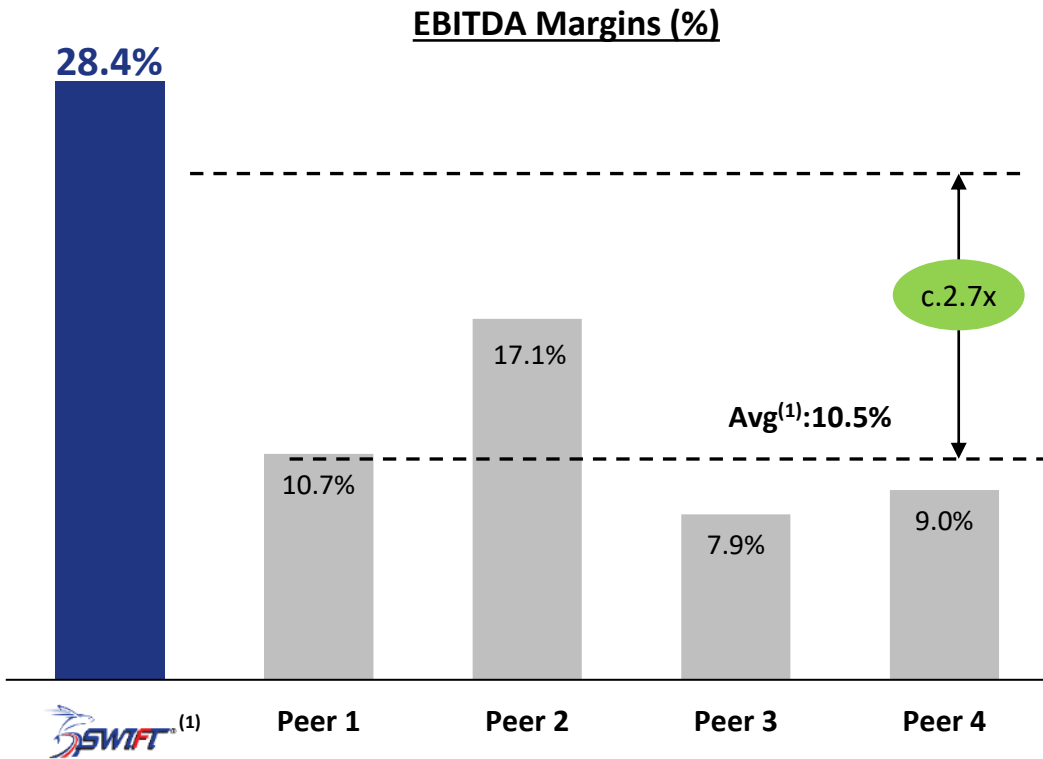
Customer	Description	Relationship Tenure	Revenue Contribution %
Customer P	Multinational non-listed petroleum company with business interests in 35 countries	11 years	14.2%
Customer L	Operation of retail outlets	13 years	5.8%
Customer XY	Manufacturing and selling of float glass	4 years	3.5%
Customer N	Marketing, distribution and sale of food and beverage products	10 years	2.4%
Customer U	Fast moving consumer goods	6 years	1.2%
Customer S	South Korean multinational conglomerate	8 years	1.2%



Superior operational efficiency evidenced by better EBITDA and PATAMI margins when compared to industry peers... Margins remained resilient compared to peers in first half of 2022

Significantly stronger EBITDA margins - >2x of average...

Together with PAT margins - >2.4x of average



Note(s): (1) Based on revenue weighted average as of 1H 2022

The lifecycle of a shipment is a complex process and technology investments are key to success... Hence, we leverage digitalisation across our operations to increase efficiency and enhancing customer experience...

1

DIGITALISED OPERATIONS CENTRAL COMMAND CENTRE



24-hours monitoring all of Swift's commercial vehicles

Information is gathered **in real-time**

Information will be **displayed and analyzed** to contact the driver to take corrective action

Emergency response team to ensure safety of driver, cargo and public



... we have in-house programmers to develop and maintain proprietary web portal – optimize customer convenience, enable streamlined & automated workflows

2

PROPRIETARY WEBPORTAL

FULL VISIBILITY

REAL-TIME MONITORING

PRECISE LOCATION



QUOTE + BOOK



TRACK

Tracks clients' requests of transportation ("ROT"), from receipt of ROT to delivery of the containers to their final destinations.

Allowing clients to **track the whereabouts of their containers** via internet access on real-time basis

Simplified screen dashboard features and search bar enables **better user experience**



Key Investment Highlights

1

Superior profitability margins

Demonstrated above average EBITDA and PATAMI margins when compared to industry peers

2

Full fledged ecosystem of logistics solutions

Able to support customers' logistics needs at every stage of the logistic lifecycle

3

Vast coverage and assets able to support our customers' needs

Established customer stickiness attributable to our comprehensive network of facilities and large pool of assets

4

Strong relationship with clients and track record

Established track record in demonstrating customer growth and servicing blue-chip customers

5

Digitalisation to improve efficiency and customer experience

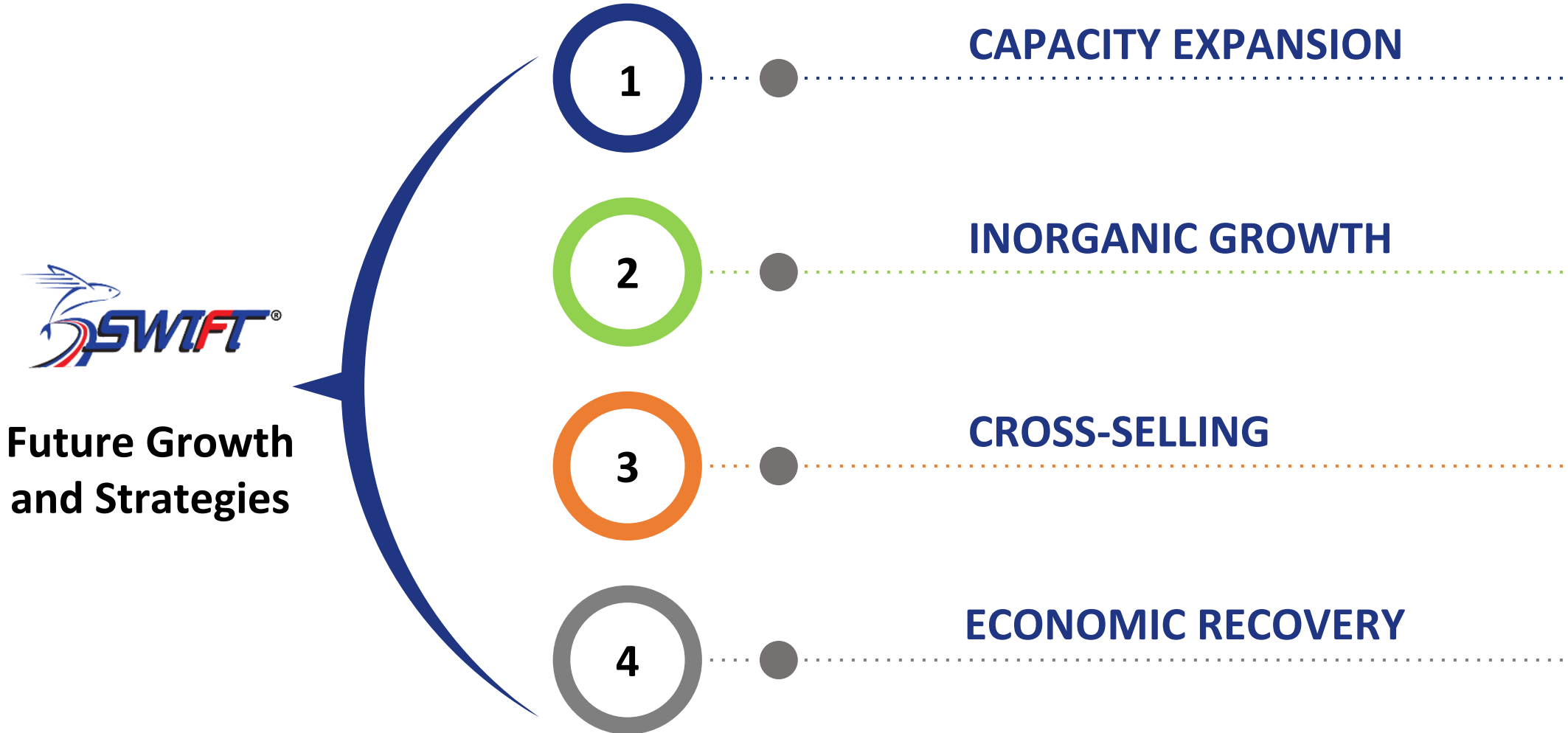
Investment in digital command center and proprietary web portal

- ✓ **Raising barriers to entry** for competitors as they have to spend massive CAPEX to be able to compete
- ✓ **Economies of scale** enabling operational efficiency and ability to negotiate competitive pricing terms with customers or suppliers
- ✓ **Command pricing power** as we are one of the few players with the ability to provide scale and reliable services
- ✓ **Creates customer stickiness** as we have established ourselves as an integral part of customers' supply chain



GROWTH PROSPECTS ///







Remain focused on implementing expansion plans - on track to grow warehousing capacity.



Tebrau Warehouse

Add 200,000 sqft

Johor

- Completed extension
- Received CCC
- Commenced operations – 1Q FY2022**



Seberang Prai Warehouse

Add 109,000 sqft

Penang

- Completed extension
- Awaiting CCC
- Commenced operations – Q2 FY2022**



PKFZ Warehouse

178,000 sqft

Port Klang

- Building plan has been approved in Nov 2021
- Construction ongoing
- Target commencement – Q3 FY2022**



Cold-chain Warehouse

Now- c.26,700 sqft
Add-c.29,665 sqft

Sabah

- Acquired 50% of Hypercold Logistics and 15% of Plantinium Coldchain Sdn. Bhd. **in June 2021**
- Plans to increase another c.29,665 sqft by Q1 FY2023



Management of Warehouse and Transportation

c. 1.17 mil sqft⁽¹⁾

Pengerang

- Pending production resume
- Expected to commence by Q3 FY2022**

Extension

Contract Commences

Note(s): (1) Estimated based on 88,000 pallet size



Watt Wah

About

- Established in 1998 with headquarters and operations in Singapore.
- Leading petroleum hauler in Singapore with over 80% market share by number of trucks.
- Core business involves coordinating and ensuring safe transportation of petroleum products across Singapore.

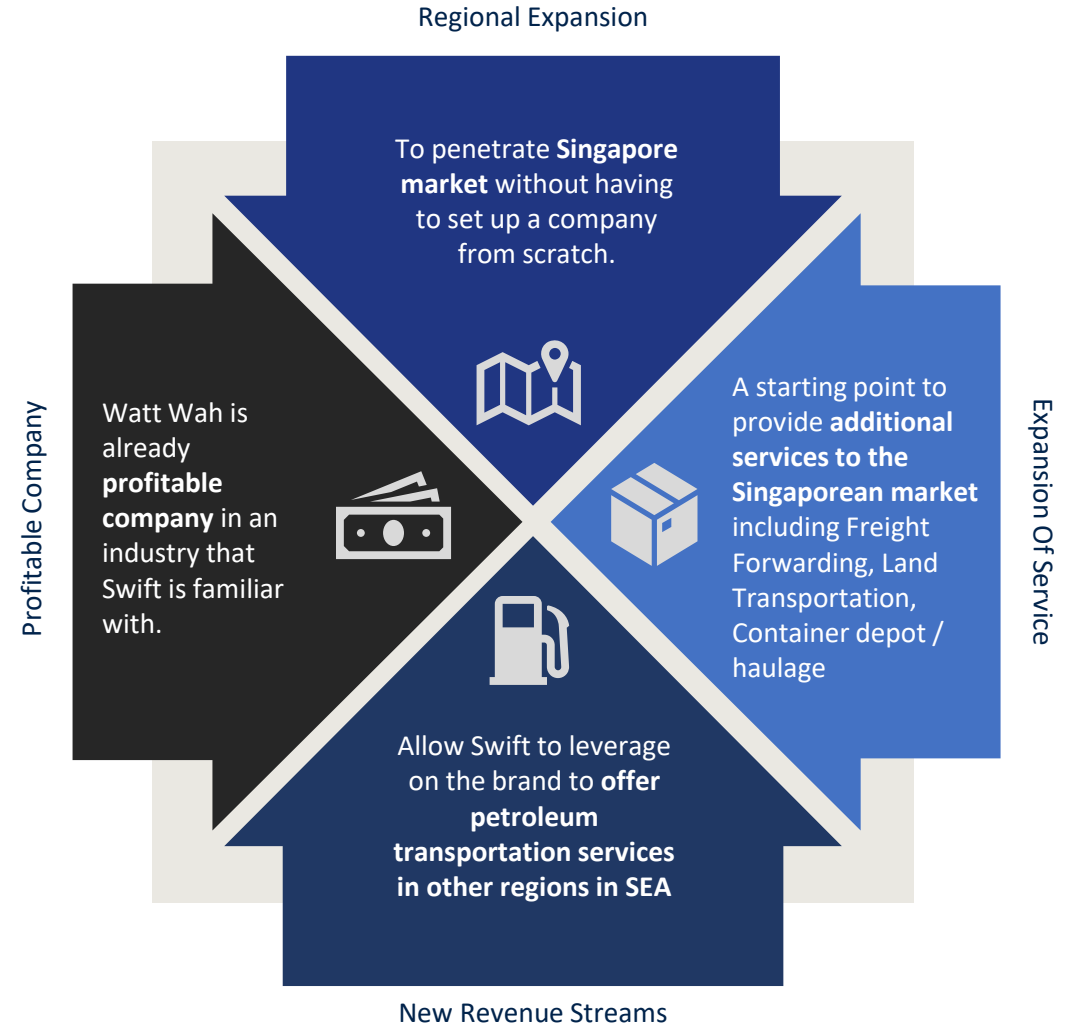
Customers

Customers of Watt Wah includes all petrol station's suppliers in Singapore

Customers				
% Fuel transported by Watt Wah	100%	100%	40%	100%



Rationale Of Acquisition





Global Vision Logistics

About

Total of 70.95 acres which is planned to be developed into a over **6,000,000** sq ft of storage area over phases with first phase 2,800,000 sq ft by 2024. It will be the single largest ramp – up logistics hub in Asia outside of China

Potential Customers

E-Commerce

Large distributors



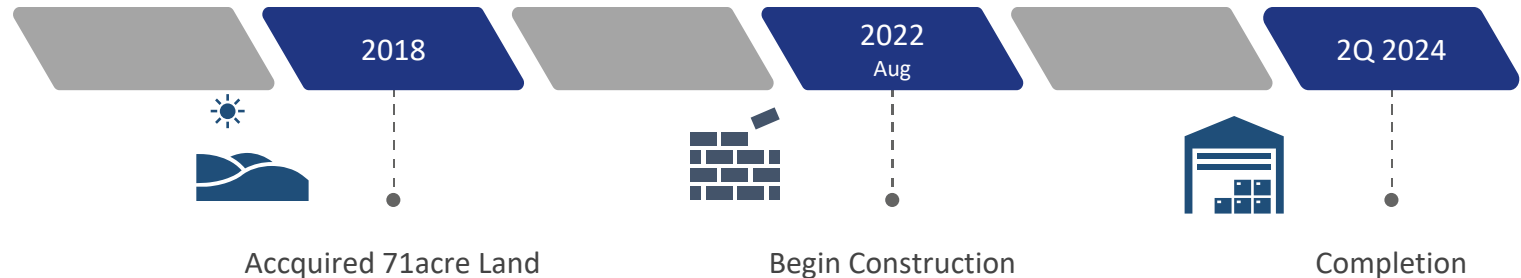
International 3rd Party Logistics



Strength

- Sufficiently large to cater to customer’s demand
- Ability to consolidate target customers multiple warehouse operations into one location
- Strategically located near Batu Tiga Toll and is close by Shah Alam i-City and Subang Jaya Township makes it ideal for distribution

Timeline





Swift's Involvement

Allocated

500,000 sq. ft.

In 1st Phase at competitive rate

- Already have a letter of intent from a current customer who is a leader in healthcare and beauty retailing to take up 400,000 sq. ft.
- 1st Warehouse in Shah Alam enables Swift to upsell to existing distribution clients
- The only logistic service provider which allows Swift to provide more services at site such as Container Haulage, Land Transportation, Freight Forwarding and Container Depot

Potential Revenue

RM1.2 million / Month

- Based purely on warehouse rental of the existing 500,000 sq ft. Excluding handling charges

Upon full utilisation, revenue p.a. to match UOA REIT and SENTRAL REIT





By leveraging on our team of turnaround specialists, we aspire to solidify market leadership by spearheading strategic M&A activities to further consolidate Malaysia’s logistic industry

Management demonstrated track record⁽¹⁾ of successful value creation through various M&A activities



Identifying the right target

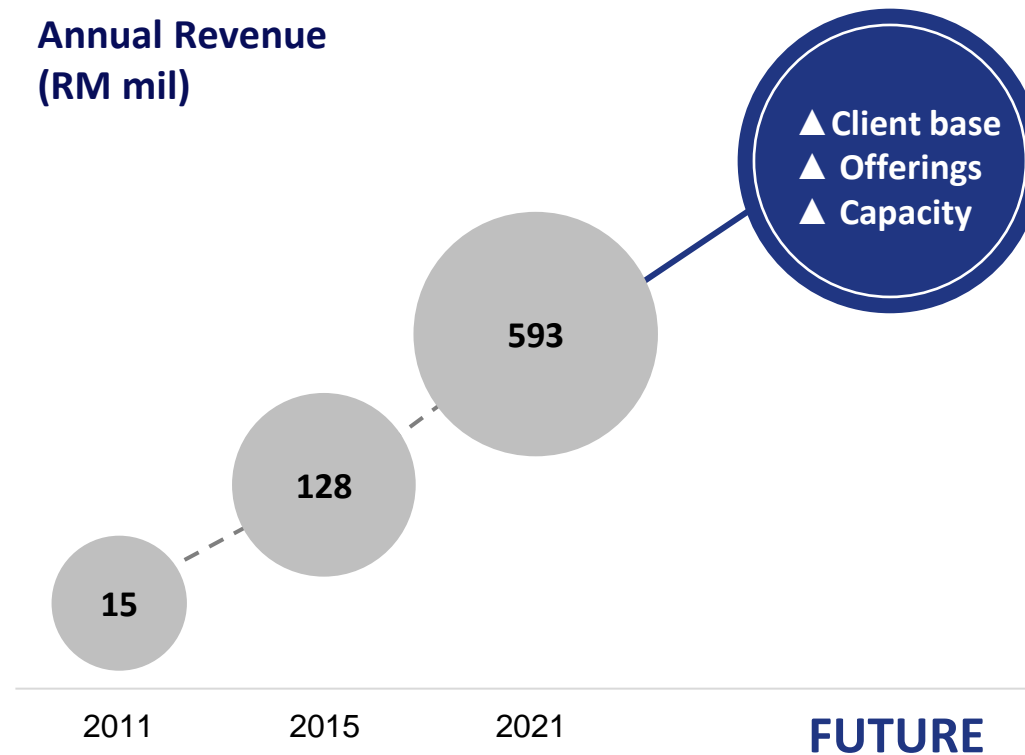


Operational Turnaround



Achieve Value Chain Integration

Annual Revenue (RM mil)



KEY PARAMETERS FOR M&A

Synergistic Segments

Complementary businesses that could be integrated into our business and expand our value chain or capacity

Customers Base

Provides us the access to more solid or blue-chip customer base

Operations

Strategic partnership / collaboration for more advanced logistics offering

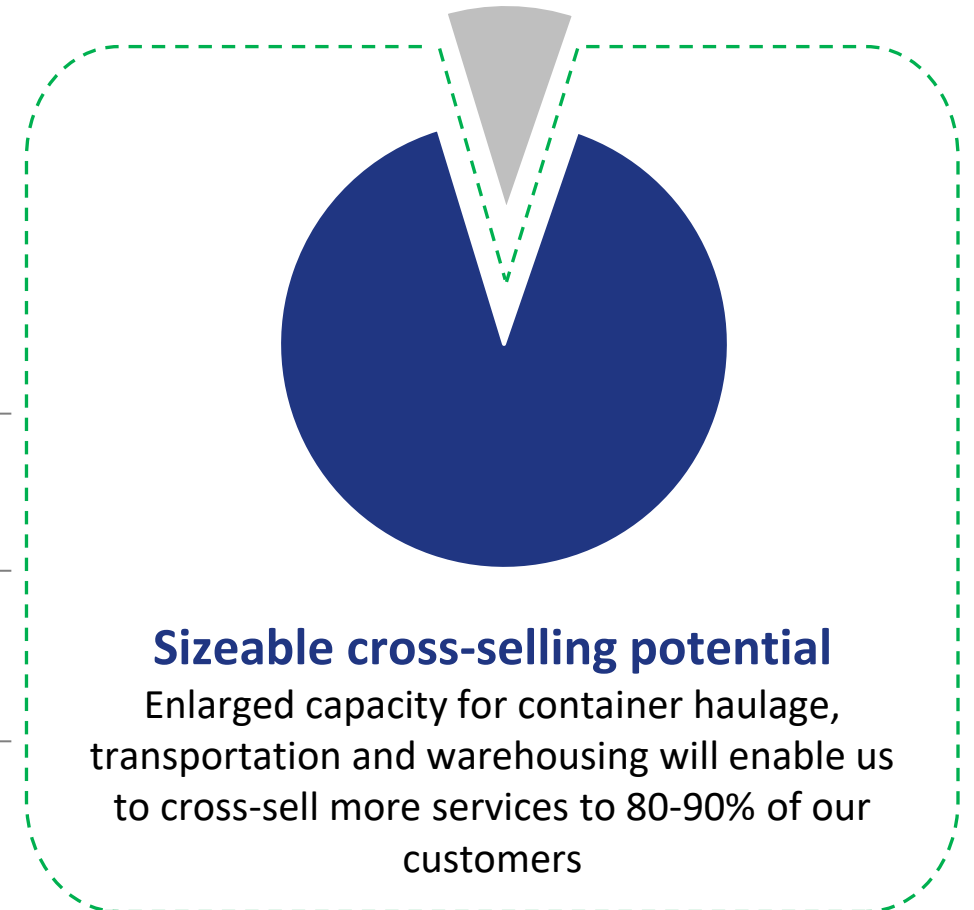
Note(s): (1) Refer to appendix for M&A Activities



Continue leveraging on our integrated logistics platform and enlarged capacity to cross-sell offerings and grow wallet share among existing customers... to enhance profitability and customer stickiness...

Successful cross-sell full suite of offerings to key clients and grow wallet share

Major Customers	Freight Forwarding	Container Haulage	Land Transportation	Storage
Customer P	✓	✓	✓	✓
Customer XY	✓	✓		
Customer N		✓	✓	
Customer U	✓	✓	✓	

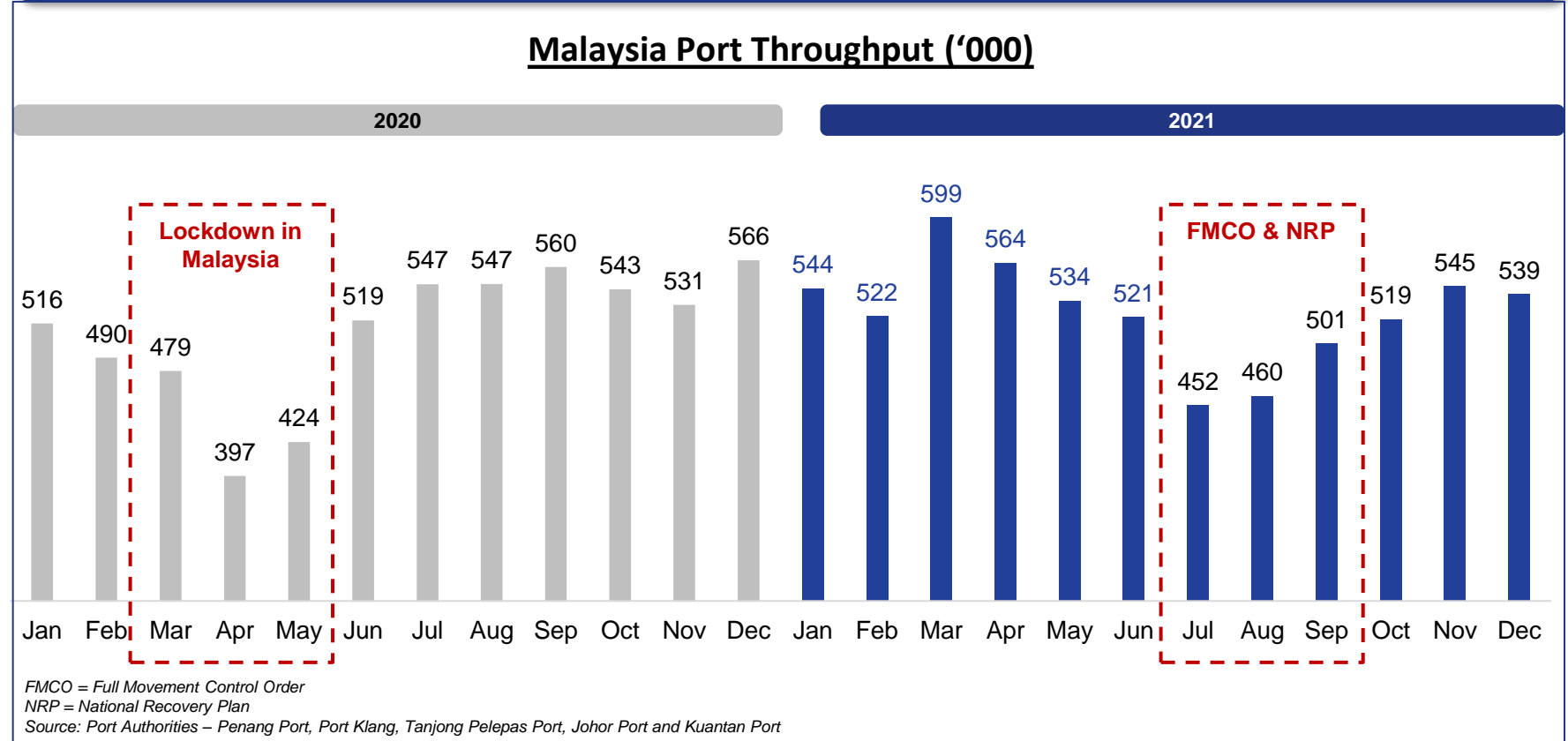




Logistics industry is a proxy to a nation’s trade activities... The industry has rebounded twice (1st MCO and 2nd FMCO) and stayed resilient underpinned by growing consumer spending and gradual recovery of trade activities...

Container throughput volume has shown double V-shape recovery since lockdown and sustained at high levels since then....

Year	Port Throughput ('000)
2017	5,547
2018	5,946
2019	6,187
2020	6,118
2021	6,329





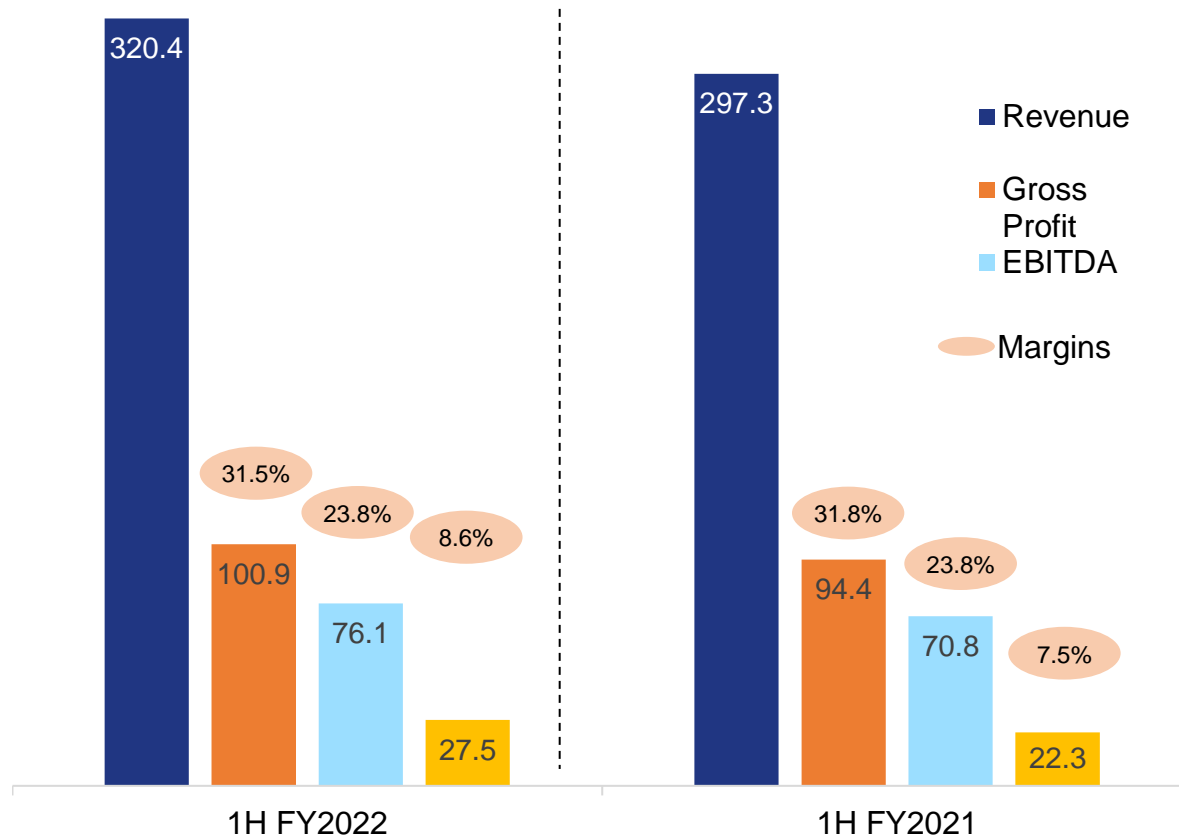
FINANCIAL OVERVIEW





Improved 1H FY2022 financial results driven by increase in trading activities as the economy improves. The Group is optimistic that integrated logistics services is poised to flourish as the domestic and global economic activities continue to recover...

REVENUE (RM mil)



- EBITDA and PATAMI margins remained consistently strong, largely driven by the Group’s large scale of operations and operational efficiency
- 1H FY2022 PATAMI rose 23.3% to RM27.5m from RM22.3m in 1H FY2021

Container haulage and land transportation segments accounted for 77% of 1H FY2022 revenue - remained the Group's main revenue contributors

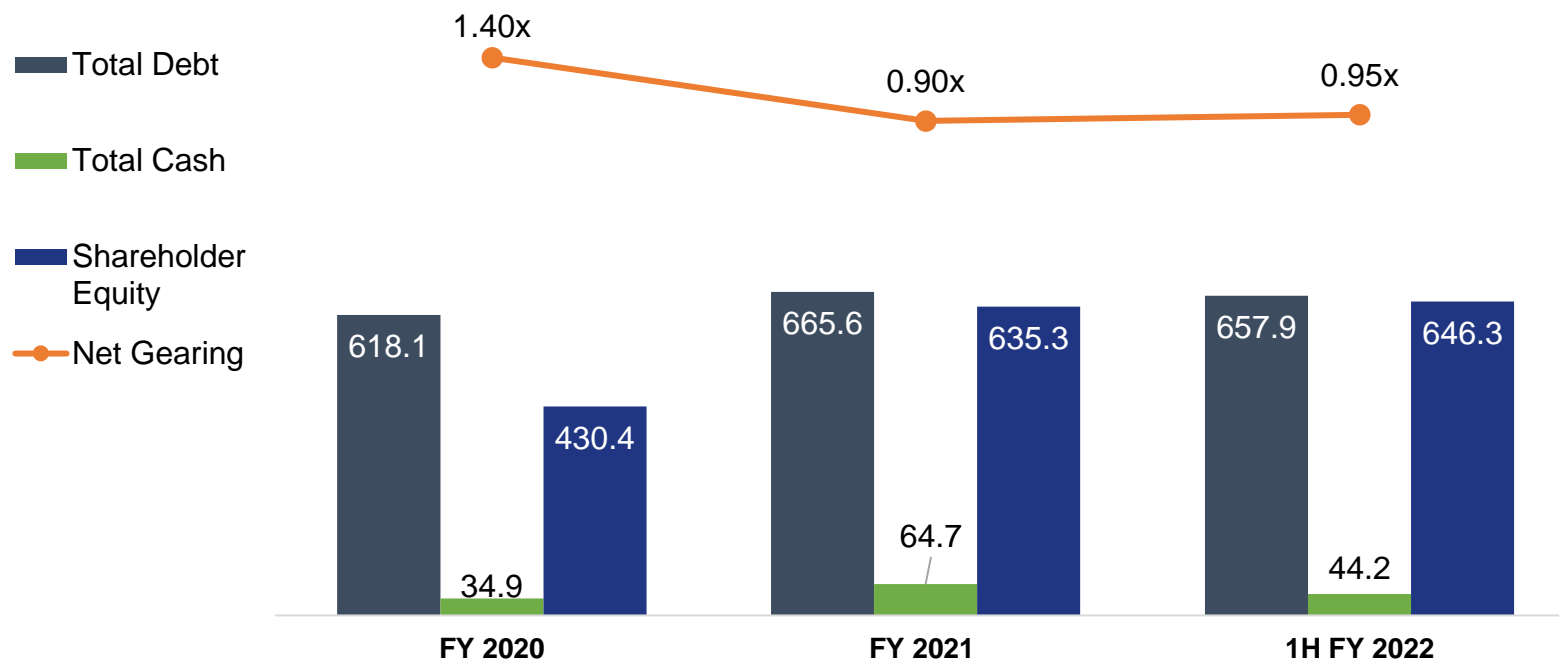
	Container haulage	Land transportation	Warehousing and container depot	Freight forwarding	Others	Elimination	Group Results
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue							
External sales	140,584	106,095	39,425	34,202	112	-	320,418
Inter-segment sales	29,348	19,462	3,214	-	10,181	(62,205)	-
Total revenue	169,932	125,557	42,639	34,202	10,293	(62,205)	320,418
Interest income	24	12	8	45	96	-	185
Depreciation of property, plant and equipment	(9,663)	(5,371)	(2,376)	(517)	(321)	-	(18,248)
Depreciation of right-of-use assets	(2,978)	(1,798)	(5,586)	(244)	(470)	-	(11,076)
Depreciation of investment properties	-	-	(462)	-	(17)	-	(479)
Finance costs	(1,860)	(1,481)	(2,440)	(597)	(6,190)	-	(12,568)
Share of loss of associates	-	-	-	-	(373)	-	(373)
Share of profit of a joint venture	-	-	-	-	277	-	277
Profit /(loss) before tax	13,411	8,925	4,451	17,774	(10,564)	(225)	33,772



The Group has further strengthened its balance sheet, net gearing ratio has improved from 1.4x in FY2020 to below 1x as at end-June 2022

BALANCE SHEET

RM (Mil)



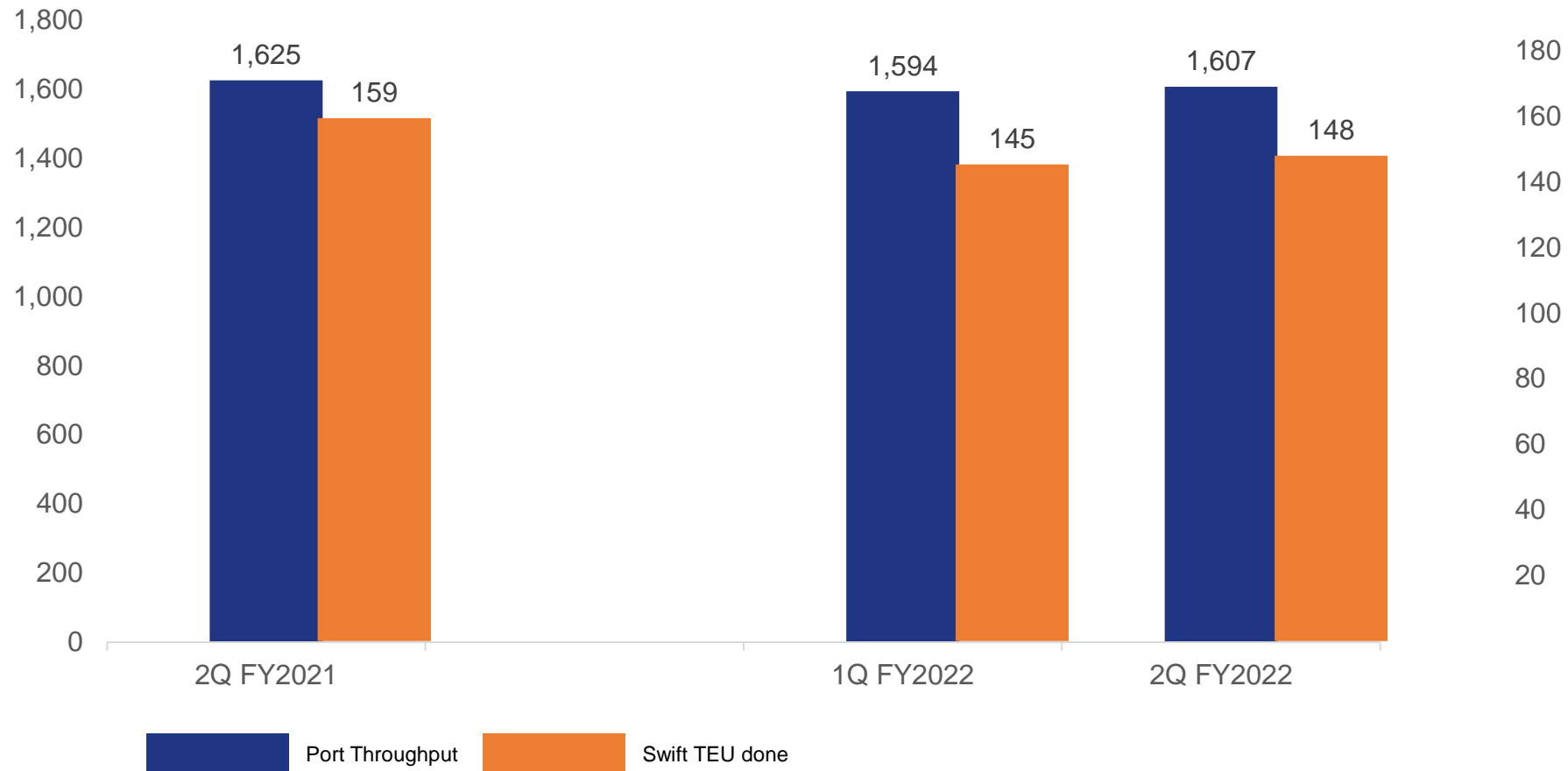
- Net Gearing ratio maintained at the target of below 1.0x barring any large acquisitions.
- The Group’s equity is at RM646.3m net of the interim single tier dividend of RM16.02m as at end Jun-2022

Note(s): (1) Assuming public issue of 157,142,900 IPO shares at RM1.03 per share, raising RM161,857,187 for the Group



Port Throughput and Swift TEU's have dropped YoY due to lockdown in China and the Ukraine-Russia Conflict. 2H of the year typically higher without festive period compared to 1H.

Port throughput vs Swift TEU's done ('000)

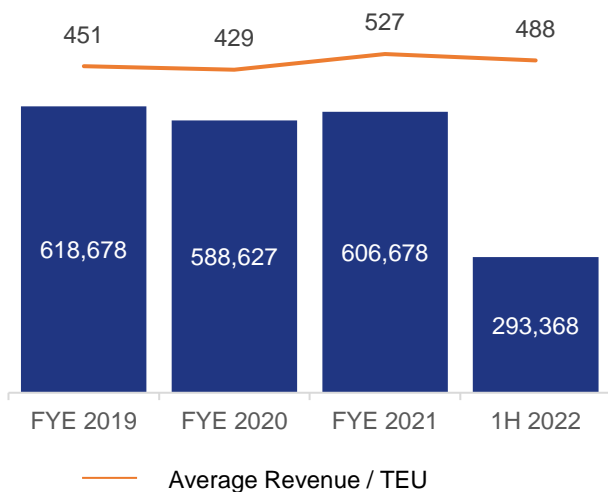


Source: Reports from the following ports: Penang, Port Klang, Melaka, Johore, Tanjung Pelepas, Kuantan.

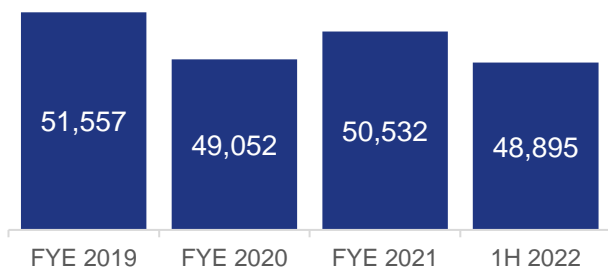


Operational Metrics

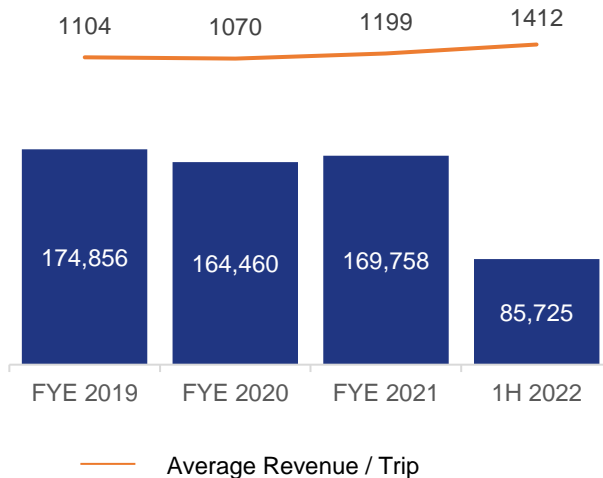
Container Haulage (TEU)



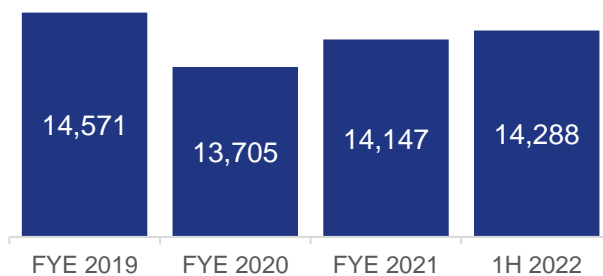
Monthly Average TEU



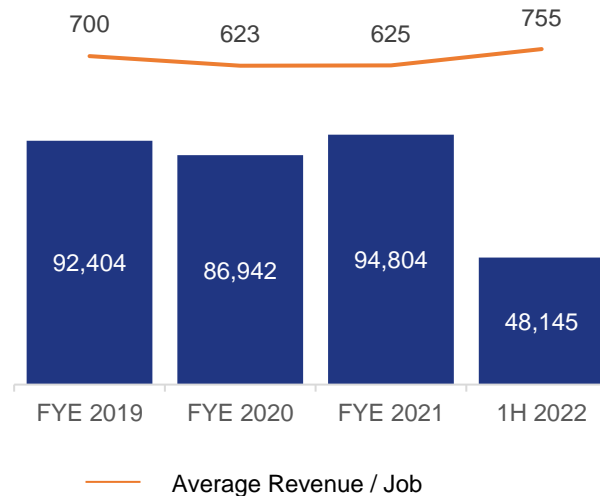
Land Transportation (Trips)



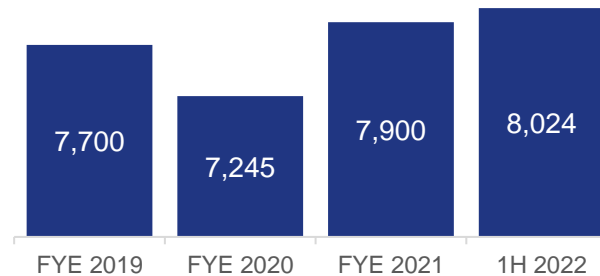
Monthly Average Trips



Freight Forwarding (Jobs)



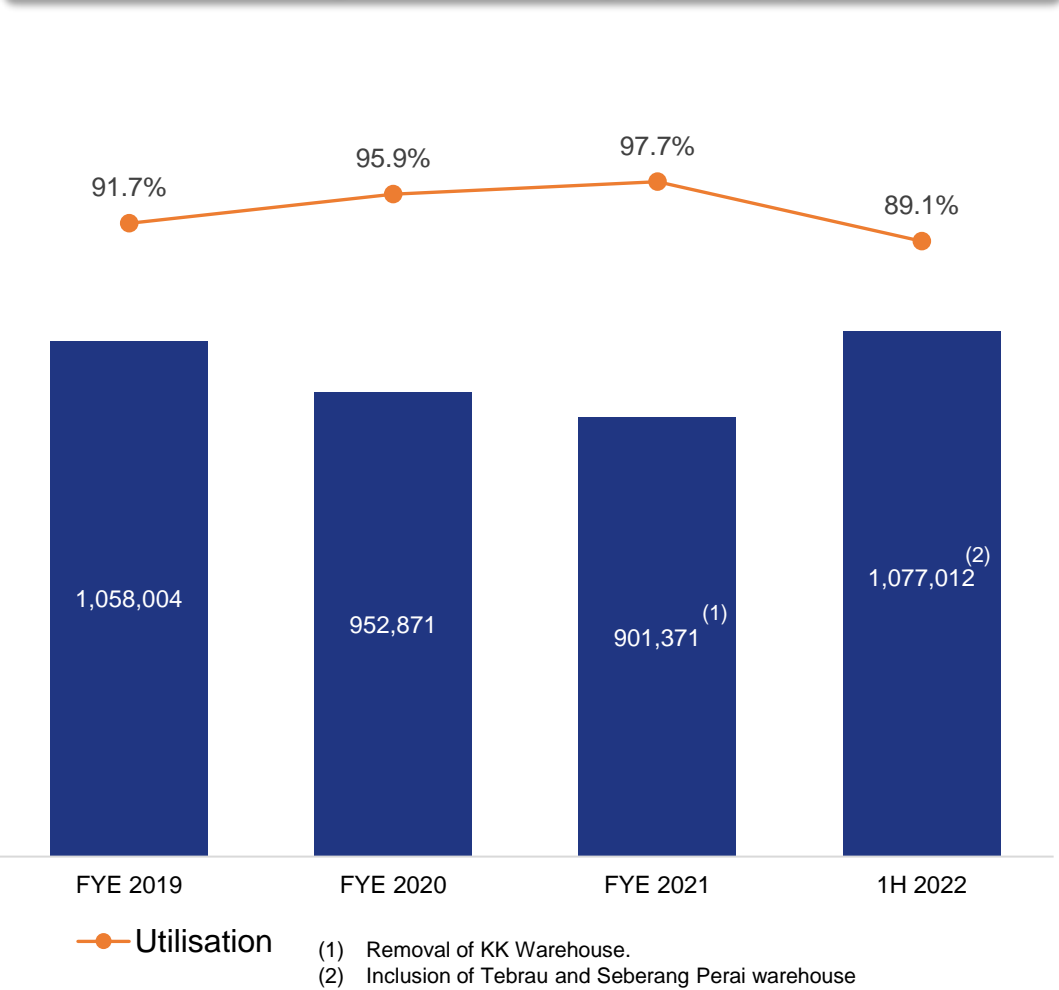
Monthly Average Jobs



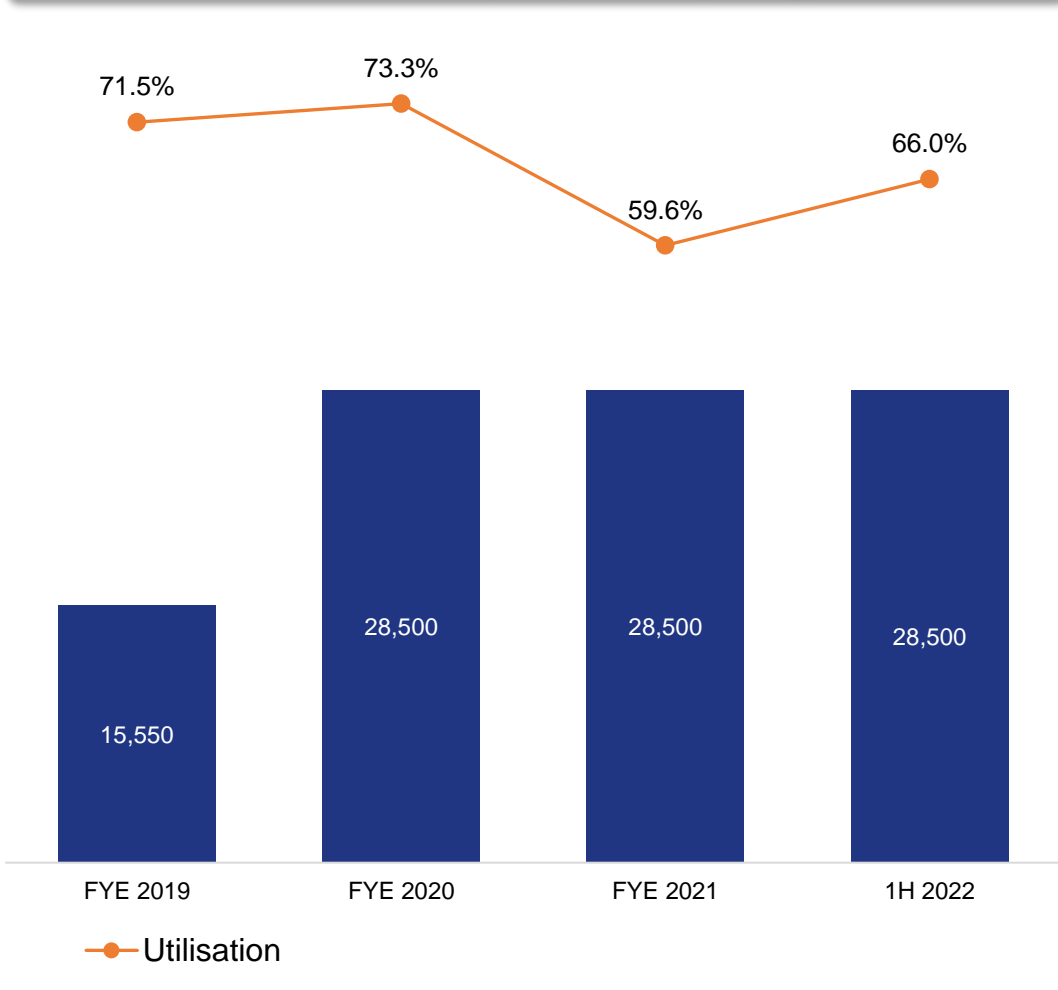


Operational Metrics

Average Warehousing Space (sqft)



Container Depot (TEU Capacity)



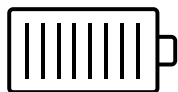


SUSTAINABILITY



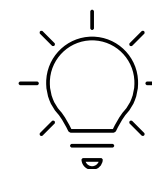
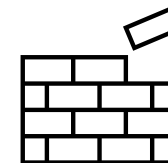
Environment

Tebrau
Capacity: 400.05 kWp
Status: Operational



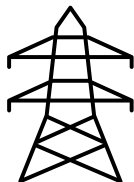
Solar Installation
Harnessing a sustainable energy source

Tebrau
Complies to strict standard for food storage



PKFZ
Roofs and walls that are appropriate for the climate

Port Klang
Capacity: 86.4 kWp
Status: Awaiting GITA approval



Sustainable Warehouse
Reduce environmental costs and resource waste



Skylights and Energy-efficient lighting

Environment

Reducing Carbon Emission

Live monitoring for all truck movements in Peninsula Malaysia



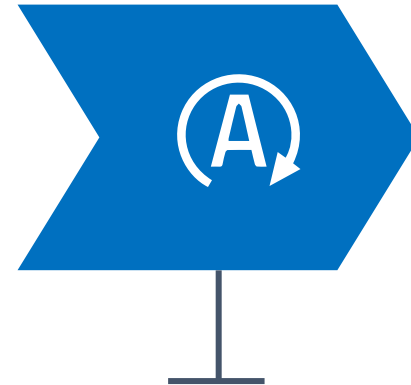
Truck Monitoring

Command Centre monitors idling violations



Immediate Action

Command Centre staff calls truck driver after idling duration exceeds limit



Target areas for Idling Minimisation

At stopped area (R & R); and
During loading and unloading at customer's premise



Action taken

Based on report, affected driver will be counselled and subject to further action

Environment

A step towards carbon neutral operations

Electric Vehicles

Collaboration between Volvo and Swift is aimed to promote and introduce the **First Electric Prime Mover in Malaysia**.

The collaboration is anchored on commercial Electric Vehicle Trucks, human capital development and competency, electric trucks know-how and technology sharing.



Government's Encouragement



4.2 List of Qualifying Assets

4.2.1 This list of assets is eligible for the GITA asset incentive for any purchase made from 25 October 2013 until 31 December 2023 subject to verification made by MGTC.

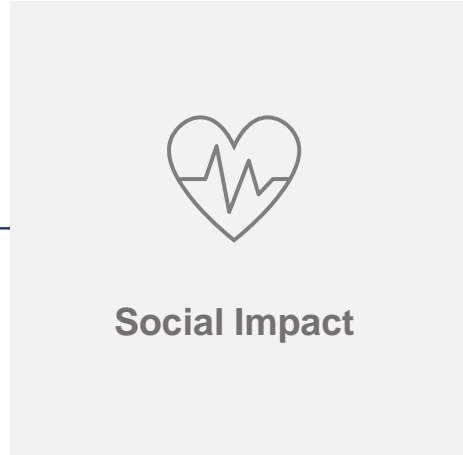
NO.	SECTOR/ AREA	TECHNOLOGY	PRODUCT CATEGORIES
1	Energy Efficiency	Transformer	Energy Efficient transformer (up to 33kV)
2	Building	Energy efficient appliances	Solar air-conditioning equipment/system
3			Thermal energy storage equipment/system
4			Variable air volume (VAV) equipment/system
5			Variable-refrigerant-volume (VRV) equipment/system
6	Transport	Electric vehicle	Electric motorcycle/scooter
7			Electric bus
8			Electric MPV/truck
9	Infrastructure		Electric Vehicle (EV) charging equipment/system

Social – Impact on society



Swift Logistics organised a free vehicle inspection programme called **Program Keselamatan Jalan Raya & CSR Sempena Tahun Baru Cina 2020** with the aid of PUSPAKOM Sdn. Bhd.

Swift joined the **Tree Planting Programme by Minister of Energy and Natural Resources** at Raja Musa Forest Reserve, Bestari Jaya. Total of 600 trees were planted that day



Swift Kasih – Share a meal
Covid-19 outbreak has affected many families financially. Through SWIFTKASIH, Swift Logistics Management organised the “Share A Meal” program in July 2021 by donating necessities to one hundred (100) families whose income were affected the pandemic.

Swift Kasih – Joy to Orphanages
In conjunction with Ramadhan and Syawal celebrations for 2022, Swift Kasih visited four orphanages in the Klang Valley. Among the donated essential items included food, detergent, toiletries, and basic healthcare supplies for Covid-19 protection.





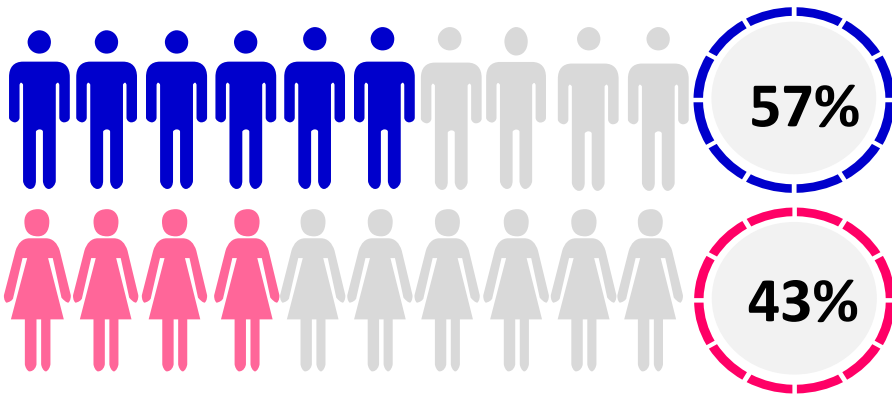
Social/Governance - Diversity

WORKFORCE

3,425

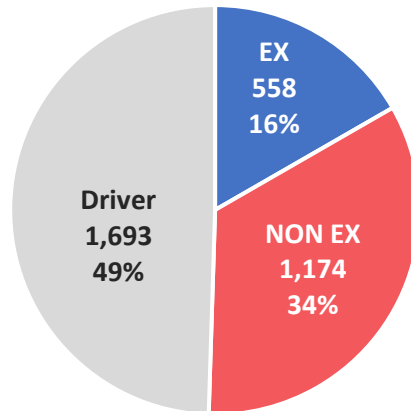
GENDER

43% or 739 of SWIFT employees (excluding drivers) are **FEMALE** staff



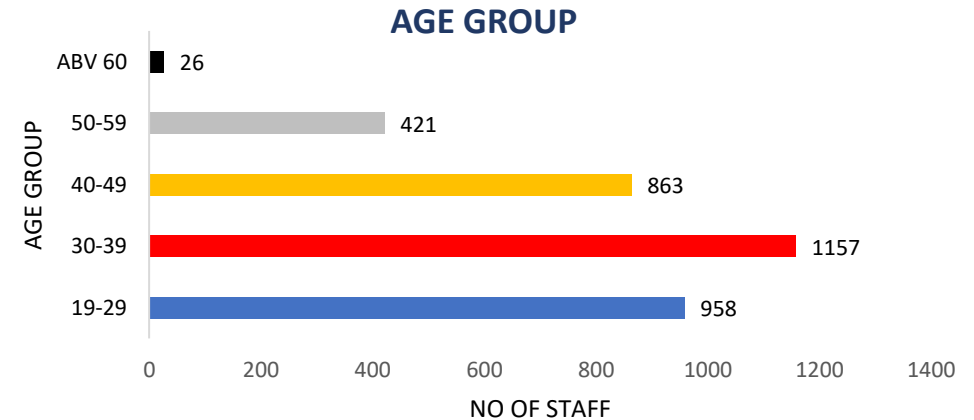
CATEGORY

49% **Driver** represents 49% or 1,693 of SWIFT's employees



AGE GROUP

34% or 1,157 of SWIFT's employees (majority) are within age group (30 to 39 years old)

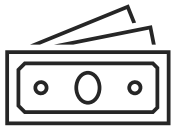


Social - Drivers



Annual Leaves

14 days vs minimum of 8 days (as per Employment Act)



Salary

Take home Pay between RM4,500 – RM5,000



Driver Monthly Reward

Compliance to safety & KPI requirements



Uniform & PPE

Drivers are provided with uniform, safety shoes & PPE



Medical Benefits

1. Clinical : RM1,000/family/year
2. Hospitalisation : RM7,500/family/year
3. GPA – min RM50,000
4. GTLA – RM10,000



Meals

Meals provided for drivers in central & southern region



Governance

Policies

- Board Charter
- Audit and Risk Committee – Terms of Reference
- Nomination and Remuneration Committee – Terms of Reference
- Remuneration policy for Board Members and Senior Management
- Sustainability Statement
- Whistleblowing Policy
- Director's Fit and Proper Policy

The full corporate governance report can be viewed on Swift's website:
<https://swiftlogistics.com.my/policies/>

Board Composition

Male to Female ratio

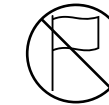


5

2



Non-Independent



3

Independent



4

Executive



1

Non -Executive



6



THANK YOU



swiftlogistics.com.my



**THE PREFERRED
INTEGRATED LOGISTICS PARTNER**