



MATRIX CONCEPTS HOLDINGS

Neutral

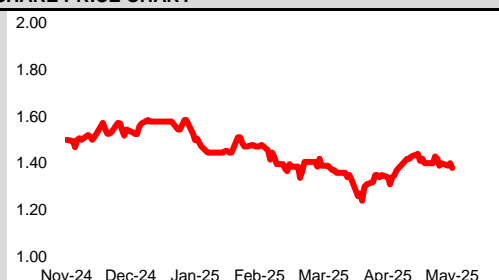
DESCRIPTION

Matrix Concepts Holdings is a township developer with flagship development based in Seremban, Negeri Sembilan.

12-Month Target Price	RM1.40
Current Price	RM1.38
Expected Return	+1%
Previous Target Price	RM1.40

Market	Main
Sector	Property
Bursa Code	5236
Bloomberg Ticker	MCH MK
Shariah-Compliant	Yes

SHARE PRICE CHART



52 Week Range (RM)	1.15 – 1.63
3-Month Average Vol ('000)	2,890.5

SHARE PRICE PERFORMANCE

	1M	3M	12M
Absolute Returns	-1.8	-1.5	26.0
Relative Returns	-1.9	-3.9	17.4

KEY STOCK DATA

Market Capitalisation (RMm)	2,590.3
No. of Shares (m)	1,877.0

MAJOR SHAREHOLDERS

	%
Shining Term	12.7
Lee Tian Hock	12.0
EPF	8.2

Tan Siang Hing
T 603 2268 3000
F 603 2268 3014
E research@publicinvestbank.com.my

Sold RM1.38bn in FY25

Matrix Concepts Holdings (MCH) ended FY25 with a net profit of RM42.7m (-29.6% YoY, -1.5%QoQ), a tad below our and consensus estimates. In FY24, Group net profit of RM214.1m (-12.4% YoY) constituted about 95% of our and consensus full year estimates, mainly due to slower than expected billings and timing of launches. That said, the Group pre-sales came in at RM1.38bn, or rose 10.4% YoY, surpassing its FY25 sale target of RM1.3bn. As such, its unbilled sales also rose by c.24% YoY to RM1.46bn, providing solid near-term earnings visibility. As for FY26, the Group plans to unveil projects worth RM1.7bn, with FY26 sales target of RM1.6bn. Our earnings estimates for FY26-FY27 are adjusted slightly by about +2% to account for change of billing assumptions. Maintain **Neutral** with target price (TP) of RM1.40, pegged at c.20% premium to its book value, which we believe is justifiable, given its consistency in delivering earnings and its decent dividend yields of about 4.5%. Separately, it announced a 1.35sen dividend in 4QFY25.

§ **4QFY25 revenue dropped by 13.6%** YoY to RM305.2m, primarily attributable to lower revenue recognition from the property development segment, which fell 14.6% YoY to RM292.0m as the Group's flagship Sendayan Developments' contribution dropped 18.8% YoY to RM265.4m. However, this was partly offset by higher contributions from Levia Residences, its second high-rise development in Kuala Lumpur, which recorded revenue of RM18.7m (+938.9% YoY) in 4QFY25. Profit after tax (PAT) decreased by 35.5% YoY to RM41.7m in 4QFY25 mainly due to lower revenue as well as higher administrative and general expenses, which rose to 30.9% of revenue compared to 26.4% in 4Q24. These expenses include staff costs, office and utility expenses, and other operating overheads. That said, the Group's sales momentum remained encouraging, achieving new property sales of RM360.6m during the quarter, with about 88.1% or RM317.6m contributed by Sendayan Developments. As at 31 March 2025, the Group's unbilled sales stood at RM1.46bn, providing clear earnings visibility over 1-2 years.

§ **FY26 launch target worth RM1.7bn** largely includes new phases within its flagship Sendayan Developments, first revenue recognition from Malaysia Vision Valley (MVV) City and Levia Residence at Puchong. Elsewhere, the Group's Indonesian development, Menara Syariah in Pantai Indah Kapuk 2, Jakarta, Indonesia was successfully completed at end-23. As reported earlier, MCH is looking to either dispose one block or keep both for recurring income. We understand that MCH had initially expected at least 20% margins if it disposes the two towers outright. Now, we believe the value could be higher, given the land value alone is already transacted at 3x its original cost (MCH's initial investment of USD31.75m for a 30% stake).

KEY FINANCIAL SUMMARY

FYE Mar (RM m)	2024A	2025A	2026F	2027F	2027F	CAGR
Revenue	1,344.1	1,186.9	1,379.3	1,388.2	1,425.2	1.2%
Gross Profit	623.3	604.9	663.3	669.2	686.0	1.9%
Pre-tax Profit	332.4	275.1	323.2	327.3	334.2	0.1%
Net Profit	244.3	214.1	245.7	248.8	254.0	0.8%
EPS (Sen)	13.0	11.4	13.1	13.3	13.5	0.8%
P/E (x)	11.2	12.8	11.2	11.0	10.8	
DPS (Sen)	10.0	6.2	6.6	6.7	6.8	
Dividend	6.8	4.2	4.5	4.6	4.7	
Yield (%)						

Source: Company, PublicInvest Research estimates

Table 1: Results Review

<u>FY Mar (RMm)</u>	<u>4QFY25</u>	<u>4QFY24</u>	<u>3QFY25</u>	<u>YoY chg (%)</u>	<u>QoQ shg (%)</u>	<u>YTD FY25</u>	<u>YTD FY24</u>	<u>YTD yoy</u>
Revenue	305.2	353.1	280.9	-13.6	8.6	1186.9	1344.1	-11.7
Gross profit	158.5	175.9	146.1	-9.9	8.5	604.9	623.3	-3.0
EBIT	53.1	86.7	58.7	-38.8	-9.6	289.4	338.1	-14.4
Pretax profit	49.2	86.9	54.8	-43.4	-10.3	275.1	332.4	-17.2
Net profit	42.7	60.6	43.3	-29.6	-1.5	214.1	244.3	-12.4
Margins:								
Gross Profit Margin	51.9	49.8	52.0			51.0	46.4	
EBIT	17.4	24.5	20.9			24.4	25.2	
Net Profit Margin	14.0	17.2	15.4			18.0	18.2	

Source: Company, PublicInvest Research estimates

KEY FINANCIAL DATA

INCOME STATEMENT DATA

FYE Mar (RM m)	2024A	2025A	2026F	2027F	2027F
Revenue	1,344.1	1,186.9	1,379.3	1,388.2	1,425.2
Gross Profit	623.3	604.9	663.3	669.2	686.0
Operating expenses	-347.9	-348.4	-355.3	-362.4	-369.7
Operating Profit	275.4	256.5	308.0	306.8	316.3
Other Gains / (Losses)	42.7	32.9	42.3	47.6	45.0
Finance Costs	-4.8	-11.5	-27.1	-27.1	-27.1
Pre-tax Profit	332.4	275.1	323.2	327.3	334.2
Income Tax	-85.9	-60.2	-77.6	-78.6	-80.2
Effective Tax Rate (%)	-26%	-22%	-24%	-24%	-24%
Minorities	-1.6	-0.8	0.0	0.0	0.0
Net Profit	244.3	214.1	245.7	248.8	254.0
Growth					
Revenue (%)	20.8	-11.7	16.2	0.6	2.7
Operating Profit (%)	27.5	-3.0	9.7	0.9	2.5
Net Profit (%)	17.9	-12.4	14.7	1.3	2.1

Source: Company (actual), PublicInvest Research estimates

BALANCE SHEET DATA

FYE Mar (RM m)	2024A	2025A	2026F	2027F	2027F
Property, Plant & Equipment	1,336.5	1,341.4	1,369.6	1,398.6	1,428.3
Land Held for Property Development	639.6	1,245.7	1,239.5	1,233.3	1,227.1
Cash and Cash Equivalents	0.0	0.0	0.0	0.0	0.0
Receivables	335.4	175.8	213.7	251.9	357.2
Other Assets	431.9	401.6	401.6	401.6	401.6
Total Assets	2,743.4	3,164.5	3,224.5	3,285.5	3,414.3
Payables	446.6	416.0	419.9	423.9	427.9
Borrowings	4.7	1.9	1.9	1.9	1.9
Provisions	0.0	0.0	0.0	0.0	0.0
Other Liabilities	175.3	535.1	567.9	567.9	569.9
Total Liabilities	626.6	953.0	989.8	993.7	999.7
Shareholders' Equity	2,116.8	2,211.5	2,234.7	2,291.8	2,414.6
Total Equity and Liabilities	2,743.4	3,164.5	3,224.5	3,285.5	3,414.3

Source: Company (actual), PublicInvest Research estimates

PER SHARE DATA & RATIOS

FYE Mar (RM m)	2024A	2025A	2026F	2027F	2027F
Book Value Per Share	1.1	1.2	1.2	1.2	1.3
NTA Per Share	1.1	1.2	1.2	1.2	1.3
EPS (Sen)	13.0	11.4	13.1	13.3	13.5
DPS (Sen)	10.0	6.2	6.6	6.7	6.8
Payout Ratio (%)	76.8	54.4	50.4	50.6	50.3
ROA (%)	8.9	6.8	7.6	7.6	7.4
ROE (%)	11.5	9.7	11.0	10.9	10.5

Source: Company (actual), PublicInvest Research estimates

RATING CLASSIFICATION

STOCKS

OUTPERFORM	The stock return is expected to exceed a relevant benchmark's total of 10% or higher over the next 12 months.
NEUTRAL	The stock return is expected to be within +/- 10% of a relevant benchmark's return over the next 12 months.
UNDERPERFORM	The stock return is expected to be below a relevant benchmark's return by -10% over the next 12 months.
TRADING BUY	The stock return is expected to exceed a relevant benchmark's return by 5% or higher over the next 3 months but the underlying fundamentals are not strong enough to warrant an Outperform call.
TRADING SELL	The stock return is expected to be below a relevant benchmark's return by -5% or more over the next 3 months.
NOT RATED	The stock is not within regular research coverage.

SECTOR

OVERWEIGHT	The sector is expected to outperform a relevant benchmark over the next 12 months.
NEUTRAL	The sector is expected to perform in line with a relevant benchmark over the next 12 months.
UNDERWEIGHT	The sector is expected to underperform a relevant benchmark over the next 12 months.

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PUBLIC INVESTMENT BANK BERHAD (20027-W)

26th Floor, Menara Public Bank 2

78, Jalan Raja Chulan

50200 Kuala Lumpur

T 603 2268 3000

F 603 2268 3014