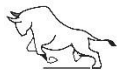


Matrix Concepts Holdings Berhad

(8236 | MCH MK) Main | Property


Maintain **BUY**

Revised Target Price **RM1.69 (ex-bonus issue)**

RETURN STATISTICS

Price @ 27th Feb 2025 (RM)	1.44
Expected share price return (%)	+17.4
Expected dividend yield (%)	+4.7
Expected total return (%)	+22.1

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	-1.4	-3.1
3 months	-9.6	-5.0
12 months	18.0	16.0

INVESTMENT STATISTICS

FYE March	2025E	2026F	2027F
Revenue	1,283	1,436	1,523
Operating Profit	286	355	393
Profit Before Tax	280	348	387
Core PATAMI	215	266	295
Core EPS	11.43	14.15	15.71
DPS	6.7	7.8	8.6
Dividend Yield	4.7%	5.4%	6.0%

KEY STATISTICS

FBM KLCI	1,586.60
Issue shares (m)	1877.02
Estimated free float (%)	61.93
Market Capitalisation (RM'm)	2,702
52-wk price range	RM1.14 – RM1.62
3-mth average daily volume (m)	2.89
3-mth average daily value (RM'm)	4.43
Top Shareholders (%)	
Shining Term Sdn Bhd	12.67
Lee Tian Hock	10.31
Lembaga Tabung Haji	5.54

3QFY25 Results Review Slow Progress Billing

Maintain BUY on Matrix Concepts with a revised TP of RM1.69 (ex-bonus issue). Matrix Concepts 9MFY25 core earnings came in below expectations due to slower progress billing. Earnings were lower in 9MFY25 (-14%yoy) partly due to slower loan conversion process of buyers, higher expenses and higher finance cost. We revised earnings downwards to factor in lower progress billing. Our TP for Matrix Concepts is revised to RM1.69 as bonus issue is completed on 26 Feb 2025. We remain positive on Matrix Concepts as MVV land will serve as key catalyst with first property launch on MVV land is expected in 2HFY26.

9MFY25 earnings came in below expectations. Matrix Concepts 9MFY25 core net income of RM159.9m came in below expectations, making up 61% of our and consensus full year estimates. The negative deviation could be due to slower than expected progress billing of its ongoing projects. Matrix Concepts announced dividend of 1.35sen per share in 3QFY24 against dividend of 2.75sen in 2QFY24 due to higher share base post bonus issue.

Slow progress billing in 3QFY25. Sequentially, 3QFY25 core net income declined to RM43.3m (-22.5%qoq), in line with lower topline (-12.5%qoq). On yearly basis, 3QFY25 net income was lower (-24.3%yoy) which led 9MFY25 core net earnings lower at RM159.9m (-14%yoy). The weaker earnings were mainly attributed to the slower than expected progress billing in 3QFY25 which we gather was owing to slower loan conversion process of buyers. The earnings decline was further exacerbated by increase in administrative expenses and higher finance cost due to increased borrowings for MVV land acquisition.

9MFY25 new sales stable at RM1.01b. New property sales remain stable in 3QFY25 at RM354m, marginally higher than new sales of RM341.7m in 2QFY25 as demand for landed house in Seremban remains resilient. That brought total new sales to RM1.01b in 9MFY25, well on track to meet management new sales target of RM1.39b for FY25. On the other hand, unbilled sales increased from RM1.3b to RM1.4b, providing one year earnings visibility.

Target price revised to RM1.69 (ex-bonus issue). We revise our FY25F/26F/27F earnings forecast by -18.9%/-8.1%/-9.4% to factor in the slower progress billing. We revise our TP from RM2.48 to RM1.69 after adjusting to higher share base post bonus issue in our RNAV valuation. We peg wider RNAV discount of 20% (previously 18%) due to the weaker earnings visibility in the near-term. Nevertheless, we remain positive on Matrix Concepts as its long-term outlook remains promising with catalyst coming from MVV land. First property launch on MVV land is expected in 2HFY26 and will drive earnings growth beyond FY27. Meanwhile, the stable sales from Sendayan will continue to contribute stable earnings.

Matrix Concepts: 3QFY25 RESULTS SUMMARY

FYE March (RM'm, unless otherwise stated)	Quarterly Results			Cumulative	
	3QFY25	%YoY	%QoQ	FY25	%YoY
Revenue	280.93	-5.1%	-12.5%	881.69	-10.6%
Gross Profit	146.13	-8.4%	-8.6%	446.42	-4.7%
Operating Profit	58.72	-24.2%	-38.4%	236.37	-6.9%
Profit Before Tax	54.78	-28.0%	-39.2%	225.95	-8.6%
Net Income	43.32	-24.3%	-35.7%	171.43	-7.8%
Core Net Income	43.32	-24.3%	-22.5%	159.91	-14.0%
Dividend	1.35	-46.0%	-50.9%	6.60	-12.0%
EPS (sen)	3.46	-24.3%	-35.7%	13.70	-7.8%
Core EPS (sen)	3.46	-24.3%	-22.5%	12.78	-14.0%
Operating Profit Margin (%)	0.21	-20%	-29.7%	0.80	211.0%
NTA/share	1.76	4%	0.2%	1.76	4.3%
Net Gearing	0.12	N/A	N/A	0.12	N/A

Source: Company, MIDF Research

Matrix Concepts RNAV

	Stake	Est remaining GDV (RM m)	WACC (%)	Value (RM m)
Domestic				
Sendayan	100%	5744	10%	492
BSI	100%	1926	10%	179
Other N.S.	100%	128	10%	14
Klang Valley	100%	1138	10%	115
MVV land	85%	12000	10%	808
International				
Australia	100%	268	10%	32
Indonesia	30%	2000	10%	63
Unbilled sales		1200	10%	139
Total				1843
Shareholder Funds				2130
Total RNAV				3973
Number of shares				1877
RNAV per share				2.12
Discount				20%
Target Price				1.69

FINANCIAL SUMMARY

Profit or Loss (RM'm)	2023A	2024A	2025E	2026F	2027F	Cash Flow (RM'm)	2023A	2024A	2025E	2026F	2027F
Revenue	1,113	1,340	1,423	1,501	1,608	Cash flows from operating activities					
EBIT	268	339	353	386	433	Net income before taxation	261	334	347	379	427
PBT	261	334	347	379	427	Net cash from operating activities	211	327	332	336	343
Net Income	207	246	264	289	325						
Core Net Income	221	237	264	289	325	Cash flows from investing activities					
Core EPS (sen)	17.6	19.0	21.1	23.1	26.0	Purchase of PPE	-2	-2	-1	-1	-1
Core PER (x)	8.2	7.6	12.6	10.2	9.2	Net cash used in investing activities	19	-2	-2	-1	-1
NTA/share	1.59	1.69	1.16	1.18	1.21						
P/NTA	0.91	0.85	1.24	1.22	1.19	Cash flows from financing activities					
Balance Sheet (RM'm)	2023A	2024A	2025E	2026F	2027F	Repayment of term loan	-55	-110	-108	-114	-103
Property, plant and equipment	211	204	212	214	216	Net cash from/(used in) financing activities	-171	-239	-249	-274	-291
Inventories	774	640	556	545	534						
Total non-current assets	1203	1072	1113	1138	1163	Net increase/(decrease) in cash and cash equivalents	60	86	81	61	51
Trade receivables and contract assets	618	795	820	828	837	Cash and cash equivalent at 1 April	150	200	289	370	430
Inventories	398	542	569	581	594	Cash and cash equivalent at 31 March					
Deposits, Cash and bank balances	250	335	263	269	278						
Other current assets	169	0	83	127	179	Profitability Ratios (%)	2023A	2024A	2025E	2026F	2027F
Total Assets	2638	2743	2848	2943	3051	EBIT margin	24.1%	25.3%	22.3%	24.7%	25.8%
Long-term borrowings	77.6	85.7	90.0	96.3	103.0	PBT margin	23.4%	24.9%	21.8%	24.2%	25.4%
Short-term borrowings	168.3	145.1	60.1	63.1	63.7	PAT margin	18.2%	18.5%	16.4%	18.2%	19.1%
Other Liabilities	405	396	521	564	615	Core PATAMI margin	19.8%	17.7%	16.7%	18.5%	19.4%
Total Liability	651	627	671	724	781	ROE	11.1%	11.2%	9.9%	12.0%	13.0%
Share capital	961	961	961	961	961	ROA	8.4%	8.6%	7.5%	9.0%	9.7%
Other Equity	1027	1155	1216	1258	1308						
Total Equity	1988	2117	2177	2219	2270						
Equity + Liability	2638	2743	2848	2943	3051						

MIDF RESEARCH is part of MIDF Amanah Investment Bank Berhad

197501002077 (24878-X).

(Bank Pelaburan) (A Participating Organisation of Bursa Malaysia Securities Berhad)

DISCLOSURES AND DISCLAIMER

This report has been prepared by **MIDF AMANAH INVESTMENT BANK BERHAD 197501002077 (24878-X).**

It is for distribution only under such circumstances as may be permitted by applicable law. Readers should be fully aware that this report is for information purposes only. The opinions contained in this report are based on information obtained or derived from sources that we believe are reliable. MIDF AMANAH INVESTMENT BANK BERHAD makes no representation or warranty, expressed or implied, as to the accuracy, completeness or reliability of the information contained therein and it should not be relied upon as such. This report is not, and should not be construed as, an offer to buy or sell any securities or other financial instruments. The analysis contained herein is based on numerous assumptions. Different assumptions could result in materially different results. All opinions and estimates are subject to change without notice. The research analysts will initiate, update and cease coverage solely at the discretion of MIDF AMANAH INVESTMENT BANK BERHAD. The directors, employees and representatives of MIDF AMANAH INVESTMENT BANK BERHAD may have an interest in any of the securities mentioned and may benefit from the information herein. Members of the MIDF Group and their affiliates may provide services to any company and affiliates of such companies whose securities are mentioned herein. This document may not be reproduced, distributed or published in any form or for any purpose.

MIDF AMANAH INVESTMENT BANK: GUIDE TO RECOMMENDATIONS

STOCK RECOMMENDATIONS

BUY	Total return is expected to be >10% over the next 12 months.
TRADING BUY	The stock price is expected to rise by >10% within 3 months after a Trading Buy rating has been assigned due to positive news flow.
NEUTRAL	Total return is expected to be between -10% and +10% over the next 12 months.
SELL	Total return is expected to be <-10% over the next 12 months.
TRADING SELL	The stock price is expected to fall by >10% within 3 months after a Trading Sell rating has been assigned due to negative news flow.

SECTOR RECOMMENDATIONS

POSITIVE	The sector is expected to outperform the overall market over the next 12 months.
NEUTRAL	The sector is to perform in line with the overall market over the next 12 months.
NEGATIVE	The sector is expected to underperform the overall market over the next 12 months.

ESG RECOMMENDATIONS* - source Bursa Malaysia and FTSE Russell

☆☆☆☆	Top 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆☆☆	Top 26-50% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆☆	Top 51%- 75% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆	Bottom 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell

* ESG Ratings of PLCs in FBM EMAS that have been assessed by FTSE Russell in accordance with FTSE Russell ESG Ratings Methodology