

Matrix Concepts Holdings Berhad

(8236 | MCH MK) Main | Property


Maintain **BUY**

Unchanged Target Price **RM1.59**

4QFY25 Results Review Looking Forward to A Better FY26

Maintain BUY on Matrix Concepts with an unchanged of RM1.59. Matrix Concepts FY25 core net income came in within our expectation. Earnings were lower on sequential basis due to higher expenses. FY25 earnings were lower (-14.7%yoy) due to slower earnings recognition from ongoing projects. Management set higher new sales target of RM1.6b for FY26 after achieving new sales of RM1.45b for FY25. Earnings outlook for FY26 is expected to be stronger as delayed earnings recognition will be backloaded into FY26. Dividend yield is attractive at 5.8%.

FY25 earnings within our expectation. Matrix Concepts FY25 core net income of RM203m came in within our expectation but below consensus expectation, making up 95% and 91% of our and consensus estimates respectively. Matrix Concepts announced dividend of 1.35sen for 4QFY25, bringing total dividend to 7.95sen or equivalent to 5.8% dividend yield.

Looking forward to a better FY26. Sequentially, 4QFY25 core net income was marginally lower at RM42.7m (-1.5%qoq) despite higher topline (+8.6%qoq) as earnings were dragged by higher administrative and general expenses (+53%qoq). That brought FY25 core net income to RM203m (-14.7%yoy). The lower earnings were mainly due to slower earnings recognition from ongoing projects which were partly owing to lower sales conversion from secured bookings. Looking forward, we expect better earnings in FY26 as sales conversion is expected to normalise and thus earnings will be backloaded into FY26.

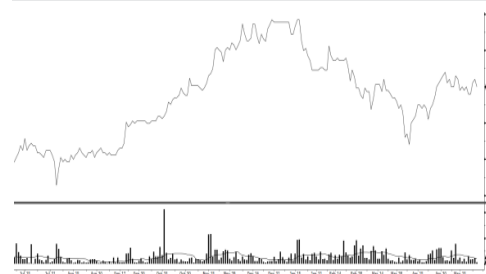
Strong new sales momentum. Matrix Concepts recorded new property sales of RM442m in 4QFY25, higher than new sales of RM354m in 3QFY25. That brought total sales to RM1.45b in FY25, slightly ahead of management new sales target of RM1.39b for FY25. New sales recorded in FY25 was higher than new sales of RM1.25b in FY24. Its township projects in Negeri Sembilan remains the key sales contributor, contributing 78% to total new sales in FY25. Looking ahead, management set new sales target of RM1.6b for FY26 on the back of planned launch with total GDV of RM1.7b. Meanwhile, unbilled sales increased to RM1.48b in 4QFY25 from RM1.4b, providing one year earnings visibility.

Target price maintained at RM1.59. We maintain our earnings forecast for FY26/27F. We also introduce our earnings forecast for FY28. We maintain our TP for Matrix Concepts at RM1.59, based on 25% discount to RNAV. We remain positive on Matrix Concepts as the development of land in MVV2.0 will serve as the earnings catalyst in the medium term. Besides, new sales momentum remains strong, supported by landed homes projects in Negeri Sembilan as demand for affordable landed house remains resilient. Hence, we maintain our **BUY** call on Matrix Concepts.

RETURN STATISTICS

Price @ 28 th May 2025 (RM)	1.38
Expected share price return (%)	+15.2
Expected dividend yield (%)	+6.2
Expected total return (%)	+21.4

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	2.9	1.9
3 months	3.7	1.9
12 months	18.2	25.4

INVESTMENT STATISTICS

FYE March	2026E	2027F	2028F
Revenue	1,436	1,523	1,730
Operating Profit	372	411	449
Profit Before Tax	349	388	425
Core PATAMI	266	295	324
Core EPS	14.17	15.73	17.25
DPS	8.5	8.7	9.5
Dividend Yield	6.2%	6.23%	6.9%

KEY STATISTICS

FBM KLCI	1,523.48
Issue shares (m)	1877.02
Estimated free float (%)	61.35
Market Capitalisation (RM'm)	2,590
52-wk price range	RM1.14 – RM1.62
3-mth average daily volume (m)	3.0
3-mth average daily value (RM'm)	4.13
Top Shareholders (%)	
Shining Term Sdn Bhd	12.67
Lee Tian Hock	10.31
Lembaga Tabung Haji	5.99

Analyst

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Matrix Concepts: 4QFY25 RESULTS SUMMARY

FYE March (RM'm, unless otherwise stated)	Quarterly Results			Cumulative	
	4QFY25	%YoY	%QoQ	FY25	%YoY
Revenue	305.17	-13.6%	8.6%	1186.85	-11.4%
Gross Profit	158.46	-9.9%	8.4%	604.88	-6.1%
Operating Profit	53.07	-38.8%	-9.6%	289.44	-15.0%
Profit Before Tax	49.16	-43.4%	-10.3%	275.10	-17.6%
Net Income	42.67	-29.6%	-1.5%	214.10	-13.1%
Core Net Income	42.67	-17.7%	-1.5%	202.84	-14.7%
Dividend	1.35	-46.0%	0.0%	7.95	-20.5%
EPS (sen)	2.88	-40.5%	-16.8%	16.58	-15.8%
Core EPS (sen)	2.88	-30.4%	-16.8%	15.66	-17.6%
Operating Profit Margin (%)	17.4%	-29%	-16.8%	24.4%	-4.1%
NTA/share	1.50	-12%	-14.5%	1.50	-11.8%
Net Gearing	0.16	N/A	N/A	0.16	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				25%
Target Price				1.59

FINANCIAL SUMMARY

Profit or Loss (RM'm)	2024A	2025A	2026F	2027F	2028F	Cash Flow (RM'm)	2024A	2025A	2026F	2027F	2028F
Revenue	1,340	1,187	1,436	1,523	1,730	Cash flows from operating activities					
EBIT	339	289	372	411	449	Net income before taxation	332	275	349	388	425
PBT	334	275	349	388	425	Net cash from operating activities	331	-482	186	190	194
Net Income	246	214	266	295	324						
Core Net Income	237	203	266	295	324	Cash flows from investing activities					
Core EPS (sen)	19.0	10.8	14.2	15.7	17.3	Purchase of PPE	-2	-5	-4	-3	-3
Core PER (x)	7.3	12.8	9.7	8.8	8.0	Net cash used in investing activities	-3	14	11	8	6
NTA/share	1.70	1.18	1.20	1.23	1.26						
P/NTA	0.81	1.17	1.15	1.12	1.10	Cash flows from financing activities					
Balance Sheet (RM'm)	2024A	2025A	2026F	2027F	2028F	Repayment of term loan	-111	-49	-52	-47	-42
Property, plant and equipment	204	188	190	192	194	Net cash from/(used in) financing activities	-210	213	-105	-112	-119
Inventories	721	1246	1221	1196	1172						
Total non-current assets	1131	1647	1684	1721	1758	Net increase/(decrease) in cash and cash equivalents	119	-254	91	86	81
Trade receivables and contract assets	710	742	749	757	764	Cash and cash equivalent at 1 April	200	328	70	162	248
Inventories	464	599	613	626	640	Cash and cash equivalent at 31 March					
Deposits, Cash and bank balances	376	176	180	186	193						
Other current assets	0	0	46	102	163	Profitability Ratios (%)	2024A	2025A	2026F	2027F	2028F
Total Assets	2681	3164	3271	3391	3519	EBIT margin	25.3%	24.4%	25.9%	27.0%	26.0%
Long-term borrowings	85.1	357.9	383.0	409.8	438.5	PBT margin	24.9%	23.2%	24.3%	25.5%	24.6%
Short-term borrowings	145.1	60.3	183.3	185.2	187.0	PAT margin	18.5%	17.4%	18.2%	19.1%	18.4%
Other Liabilities	328	535	450	489	533	Core PATAMI margin	17.7%	17.1%	18.5%	19.4%	18.7%
Total Liability	558	953	1016	1084	1158	ROE	11.2%	9.2%	11.8%	12.8%	13.7%
Share capital	961	961	961	961	961	ROA	8.9%	6.4%	8.1%	8.7%	9.2%
Other Equity	1161	1250	1294	1346	1400						
Total Equity	2122	2211	2255	2307	2361						
Equity + Liability	2681	3164	3271	3391	3519						

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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