

Team Coverage

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Recommendation: **HOLD**

Current Price: **RM 2.25**

Previous Target Price: **RM 2.07**

Target Price: ↔ **RM 2.07**

Upside/Downside: **-7.9%**

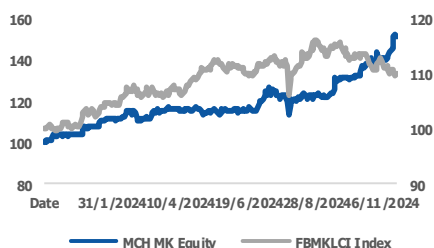
Stock information

Board	MAIN
Sector	Property
Bursa / Bloomberg Code	5236 / MCH MK
Syariah Compliant	Yes
FTSE4Good Index	Yes
FTSE ESG Rating	★★★★
Bloomberg ESG Rating	N/A
Shares issued (m)	1,251.3
Market Cap (RM' m)	2,815.5
52-Week Price Range (RM)	2.36-1.6
Beta (x)	0.6
Free float (%)	61.7
3M Average Volume (m)	1.7
3M Average Value (RM' m)	3.6

Top 3 Shareholders (%)

Shining Term Sdn Bhd	12.7
Lee Tian Hock	10.3
Lembaga Tabung Haji	5.8

Share Price Performance



	1M	3M	12M
Absolute (%)	6.6	19.0	39.8
Relative (%)	7.6	21.7	26.7

Matrix Concepts Holdings Berhad

Still resilient

Summary

- **MATRIX's 2QFY25 core net profit at RM55.9m (-12.7% yoy, -7.9% qoq), bringing 6MFY25 core net profit at RM116.6m (-9.4% yoy) came within expectations, accounting to 47.4% and 45.1% of ours and consensus full-year forecast respectively.**
- **Earnings sustainability will be supported by progressive recognition of unbilled sales (RM1.32bn) along with total landbank of 3,311-ac that carries a total GDV of RM15.8bn to be develop over the next 10-15 years.**
- **Downgrade our recommendation of HOLD on MATRIX with an unchanged target price of RM2.07 (based discount rate of 20% to our RNAV), as steep share price appreciation in recent months has reflected its fundamentals prospects.**

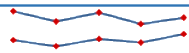





Results Review

- **Results review.** 2QFY25 core net profit (CNP) stood at RM55.9m (-12.7% yoy, -7.9% qoq), after accounting for an adjustment of disposal gain amounting to RM11.5m. Revenue for the quarter declined -10.7% yoy to RM321.0m on slowdown in recognition of flagship Sendayan Developments.
- **Results within expectations.** Reported CNP in 6MFY25 at RM116.6m (-9.4% yoy) came within expectations, making up to 47.4% of our CNP forecast of RM245.8m and was at 45.1% of consensus forecasted CNP of RM258.4m.
- **Operations Highlights.** Unbilled sales stood at RM1.32bn as at end-2QFY25 will sustain revenue visibility over the next 18 months. We gather that MATRIX launched a total of RM618.5m worth of GDV in 1HFY25 which is on track to meet internal target of RM1.8bn in FY25. Average take-up rate remains relatively healthy at 84.5% with new property sales amounted to RM663.0m.
- **Industry Highlights.** We believe that supportive measures under Budget 2025 such as first home buyers eligible for tax relief up RM5,000 for residential properties priced between RM500,000 to RM750,000 for transactions completed between 1 Jan 2025 to 31 Dec 2027; which falls within MATRIX's portfolio will encourage sustained healthy take-up rates over the foreseeable future.
- **Outlook.** Going into 2HFY25, MATRIX will be launching several projects mainly in Sendayan Developments with a collective GDV of RM1.16bn. Over the longer-term, MATRIX is equipped with a total landbank of 3,311-ac that carries a total GDV of RM15.8bn will sustain operations over the next 10-15 years.

- **Valuation.** No changes to our earnings forecast. Following the steep share price appreciation (+21.1%) since our last report, we downgrade our recommendation on MATRIX to **HOLD** with an unchanged target price of **RM2.07**, based discount rate of 20% to our RNAV. At current juncture, we believe fundamentals and growth prospects has mostly priced into their current share price.

- **Risk.** Inability to replenish landbank, rising construction cost beyond expectations, changes in housing as well as property regulations and labour shortages.

Figure 1: Results Comparison

FYE Mar (RM m)	2QFY25	2QFY24	YoY (%)	1QFY25	QoQ (%)	6MFY24	6MFY25	YoY (%)	5 Quarters Trend	Comments
Revenue	321.0	359.4	(10.7)	279.7	14.8	690.8	600.8	(13.0)		Weaker yoy on slowdown in recognition of flagship Sendayan Developments
EBITDA	96.2	86.6	11.1	82.4	16.8	175.8	178.6	1.6		
Pre-tax profit	90.1	83.8	7.5	81.1	11.1	171.0	171.2	0.1		
Net profit	68.4	63.1	8.3	61.5	11.2	126.8	129.9	2.4		
Core net profit	55.9	64.0	(12.7)	60.7	(7.9)	128.6	116.6	(9.4)		Lower after adjustment for disposal gain of RM11.5m
Core EPS (sen)	4.5	5.1	(12.7)	4.9	(7.9)	10.3	9.3	(9.4)		
EBITDA margin (%)	30.0	24.1		29.5		25.5	29.7			
PBT margin (%)	28.1	23.3		29.0		24.8	28.5			
Core PATMI margin (%)	17.4	17.8		21.7		18.6	19.4			

Source: Company, Apex Securities

Financial Highlights
Income Statement

FYE Mar (RM m)	FY22	FY23	FY24	FY25F	FY26F
Revenue	892.4	1113.1	1344.1	1269.8	1404.1
Gross Profit	490.4	488.8	623.3	588.8	651.1
EBITDA	271.6	235.4	333.5	321.3	355.2
Depreciation & Amortisation	-11.9	-10.3	-9.8	-10.3	-10.0
EBIT	271.9	260.3	323.7	310.9	345.3
Net Finance Income/ (Cost)	-6.9	-1.5	4.3	-4.9	-10.1
Associates & JV	3.4	1.8	-0.7	0.8	0.7
Pre-tax Profit	268.4	260.7	332.4	315.1	349.0
Tax	-67.5	-57.9	-86.6	-72.5	-75.0
Profit After Tax	200.9	202.8	245.8	242.6	274.0
Minority Interest	-4.3	-4.4	1.5	-3.2	-3.2
Net Profit	205.2	207.2	244.3	245.8	277.2
Exceptionals	0.0	3.0	-8.8	0.0	0.0
Core Net Profit	205.2	210.3	235.5	245.8	277.2

Key Ratios

FYE Mar (RM m)	FY22	FY23	FY24	FY25F	FY26F
P/E (x)	13.7	13.3	11.9	11.4	10.1
EBITDA margin	30.4%	21.1%	24.8%	25.3%	25.3%
EBIT margin	30.5%	23.4%	24.1%	24.5%	24.6%
PBT margin	30.1%	23.4%	24.7%	24.8%	24.9%
PAT margin	22.5%	18.2%	18.3%	19.1%	19.5%
NP margin	23.0%	18.6%	18.2%	19.4%	19.7%
Core NP margin	23.0%	18.6%	18.2%	19.4%	19.7%
ROE	10.8%	10.4%	11.5%	10.8%	11.3%
ROA	7.8%	7.9%	9.1%	7.9%	8.3%
Net gearing	4.4%	Net Cash	Net Cash	3.6%	Net Cash

Key Assumptions

FYE Mar (RM m)	
RNAV (RM' m)	3240.34
RNAV/share (RM)	2.59

Valuations

RNAV/share (RM)	2.59
Discount Rate	20.0%
Fair Value (RM)	2.07

Source: Company, Apex Securities

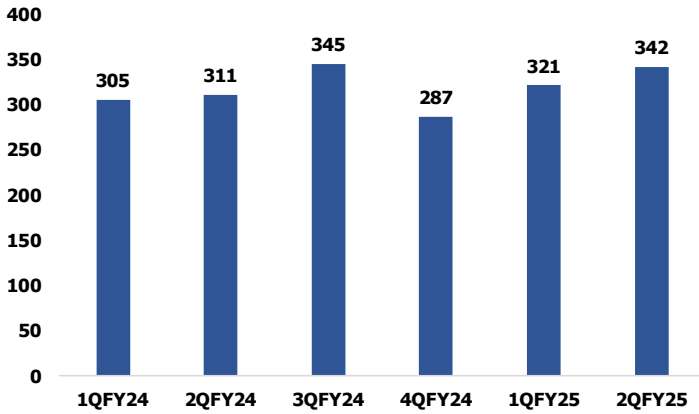
Balance Sheet

FYE Mar (RM m)	FY22	FY23	FY24	FY25F	FY26F
Cash	202.1	250.2	375.6	433.0	596.0
Receivables	714.4	778.8	709.7	748.0	750.1
Inventories	463.2	397.6	464.1	670.9	767.9
Other current assets	12.9	8.3	9.3	8.8	9.7
Total Current Assets	1392.6	1434.9	1558.7	1860.7	2123.7
Fixed Assets	219.2	210.7	203.9	196.3	189.4
Intangibles	0.0	0.0	0.0	0.0	0.0
Other non-current assets	985.0	955.8	899.4	1015.8	1015.8
Total Non-current assets	1226.8	1203.5	1131.3	1240.2	1233.3
Short-term Debt	169.1	163.8	61.9	99.1	104.0
Payables	412.3	382.2	396.9	246.8	323.5
Other Current Liabilities	0.0	0.0	0.0	41.9	37.7
Total Current Liabilities	581.4	546.0	458.8	387.7	465.2
Long-term Debt	116.8	79.8	88.5	415.9	436.7
Other non-current liabilities	22.2	24.5	20.4	25.4	2.2
Total Non-current Liabilities	139.1	104.6	109.0	441.3	438.9
Shareholder's equity	961.3	961.3	961.3	961.3	961.3
Minority interest	-11.5	-15.8	-14.2	-14.2	-14.2
Equity	1898.9	1987.9	2122.1	2271.8	2452.9

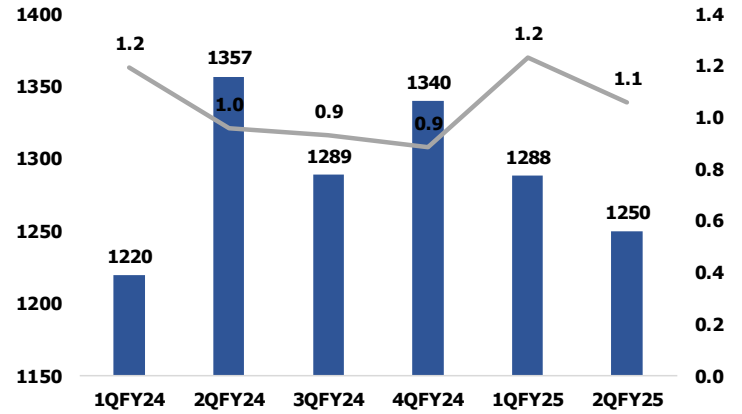
Cash Flow

FYE Mar (RM m)	FY22	FY23	FY24	FY25F	FY26F
Pre-tax profit	268.4	260.7	332.4	315.1	349.0
Depreciation & amortisation	11.9	10.3	9.8	10.3	10.0
Changes in working capital	-105.6	5.5	80.9	-394.6	-23.4
Others	-85.5	-80.8	-79.5	-87.5	-96.2
Operating cash flow	107.9	211.3	331.0	-170.3	226.5
Net capex	1.8	2.4	3.0	2.8	3.1
Others	-5.2	17.0	-5.8	-5.8	-5.8
Investing cash flow	-3.4	19.4	-2.9	-3.0	-2.7
Dividends paid	-100.1	-112.6	-115.7	-96.1	-96.1
Others	-39.7	-58.4	-93.9	364.6	25.7
Financing cash flow	-139.8	-171.0	-209.6	268.4	-70.4
Net cash flow	-35.3	59.7	118.5	95.1	153.4
Forex	0.0	-9.9	9.6	9.6	9.6
Others	51.9	50.1	47.3	0.0	0.0
Beginning cash	185.6	150.3	200.1	328.3	433.0
Ending cash	202.1	250.2	375.6	433.0	596.0

New Property Sales



Unbilled Sales vs Trailing-12-Month Revenue Ratio (x)



Pipeline Launches

	1QFY25	2QFY25	3QFY25	4QFY25	FY25
Bandar Sri Sendayan	209.2	409.2	252.7	598.8	1469.9
Bandar Sri Impian	0.0	0.0	45.0	0.0	45.0
Cheras Land (Tower B)	0.0	0.0	268.0	0.0	268.0
SIGC (Vacant Lot)	7.6	0.0	0.0	0.0	7.6
Total	216.8	409.2	565.7	598.8	1790.5

APEX SECURITIES BERHAD – CONTACT LIST

APEX SECURITIES BHD

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RESEARCH RECOMMENDATION FRAMEWORK

STOCK RECOMMENDATIONS

BUY: Total returns* are expected to exceed 10% within the next 12 months.

HOLD: Total returns* are expected to be within +10% to – 10% within the next 12 months.

SELL: Total returns* are expected to be below -10% within the next 12 months.

TRADING BUY: Total returns* are expected to exceed 10% within the next 3 months.

TRADING SELL: Total returns* are expected to be below -10% within the next 3 months.

*Capital gain

SECTOR RECOMMENDATIONS

OVERWEIGHT: The industry defined by the analyst is expected to exceed 10% within the next 12 months.

NEUTRAL: The industry defined by the analyst is expected to be within +10% to – 10% within the next 12 months.

UNDERWEIGHT: The industry defined by the analyst, is expected to be below -10% within the next 12 months.

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