

RM1.87 TARGET PRICE

HLIB Research maintains 'buy' rating on Matrix Concepts

KUALA LUMPUR: Matrix Concepts Holdings Bhd experienced an uptick in billings during the current fiscal year, attributed to an improvement in the labour shortage situation, said Hong Leong Investment Bank Bhd (HLIB Research).

Its unbilled sales declined by 22.7 per cent to RM1.17 billion in the third quarter of financial year 2024, down from its peak of RM1.51 billion in the third quarter of financial year 2023.

The research firm forecasts modest earnings growth for Matrix Concepts in the subsequent quarters.

It said the sales momentum for the company was expected to remain robust, particularly driven by its Sendayan development in Negri Sembilan, which continued to serve as the primary contributor to sales.

Demand for properties in the township was bolstered by buyers from the Klang Valley region seeking landed homes farther away from the city centre, it said.

Matrix Concepts reported core profit after taxation and minority interests (Pata-

mi) of RM57.2 million in the third quarter, which brought its nine-month sum to RM185.9 million, or a 22.3 per cent year-on-year growth.

"The results were within our and consensus projections at 74.3 and 76.1 per cent of the full-year forecasts, respectively."

However, revenue declined 18.6 per cent year-on-year due to the absence of contribution from its projects in Australia and Kuala Lumpur.

The research firm said despite the top-line decline, core Patami increased by 5.3 per cent due to higher gross profit margin of 53.9 per cent (versus 41.4 per cent in the third quarter of financial year 2023) as a result of a higher contribution from the Bandar Sri Sendayan project, which has a higher margin.

HLIB Research has maintained its "buy" rating on Matrix Concepts with an unchanged target price of RM1.87, based on a 45 per cent discount to its estimated revalued net asset value of RM3.40.

"The stock has a good projected dividend yield of 5.6 per cent," it added.

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