



MATRIX CONCEPTS HOLDINGS

Neutral

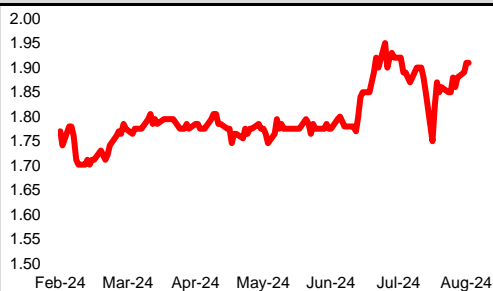
DESCRIPTION

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

12-Month Target Price	RM1.80
Current Price	RM1.88
Expected Return	-4%
Previous Target Price	RM1.80

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

SHARE PRICE CHART



52 Week Range (RM)	1.46 – 1.96
3-Month Average Vol ('000)	1,921.1

SHARE PRICE PERFORMANCE

	1M	3M	12M
Absolute Returns	-0.5	7.0	37.9
Relative Returns	-0.7	5.0	15.8

KEY STOCK DATA

Market Capitalisation (RMm)	2,352.4
No. of Shares (m)	1,251.3

MAJOR SHAREHOLDERS

	%
Shining Term	12.7
Lee Tian Hock	12.0
EPF	8.2

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No Surprises

Matrix Concepts Holdings' (MCH) 1QFY25 net profit came in at RM60.7m (-6.1% YoY, +0.1% QoQ), which is within our and consensus expectations at about 24% and 23% of respective full year estimates. The slower start to the new financial year is attributed to lower revenue contribution from the property development segment, as revenue recognition from its flagship Sendayan Developments reduced by 16.6% YoY to RM250.3m. The Group's sales momentum remained good, with pre-sales secured amounting to RM321.4m (or 25% of FY25 sales target of RM1.3bn), and with unbilled sales at RM1.59bn, providing earnings visibility for the next 15-18 months. All told, no change to our earnings estimates. Maintain **Neutral** with target price (TP) unchanged at RM1.80. That said, the stock is currently still offering an attractive dividend yield of about 5%.

§ **1QFY25 revenue dropped 15.6% YoY** to RM279.7m, mainly due to lower revenue contribution from the property development segment, as revenue recognition from its flagship Sendayan Developments dropped by 16.6% YoY to RM250.3m. Revenue from other property developments, namely The Chambers in Kuala Lumpur, Bandar Sri Impian in Kluang and its Australian operations also dropped 44.3% YoY with the completion of M. Greenvale in Australia and The Chambers in the previous year. As such, the Group's gross profit reduced by 7.8% YoY to RM140.4m in 1QFY25 though gross profit margin improved from 45.9% to 50.2% currently.

§ **FY25 launch target worth RM1.65bn** largely includes new phases within its flagship Sendayan Developments. Elsewhere, the Group's Indonesian development, Menara Syariah in Pantai Indah Kapuk 2, Jakarta, Indonesia has also been successfully completed end-2023. 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)	2023A	2024A	2025F	2026F	2027F	CAGR
Revenue	1,113.1	1,339.9	1,351.0	1,379.3	1,388.2	4.5%
Gross Profit	488.8	644.4	658.9	663.3	679.2	6.8%
Pre-tax Profit	260.7	334.1	331.2	320.7	319.8	4.2%
Net Profit	207.2	246.5	251.7	243.7	243.1	3.2%
EPS (Sen)	16.6	19.7	20.1	19.5	19.4	3.2%
P/E (x)	11.4	9.5	9.3	9.7	9.7	
DPS (Sen)	10.0	10.0	10.0	10.0	10.0	
Dividend Yield (%)	5.3	5.3	5.3	5.3	5.3	

Source: Company, PublicInvest Research estimates

Table 1: Results Review

<u>FY Mar (RMm)</u>	<u>1QFY25</u>	<u>1QFY24</u>	<u>4QFY24</u>	<u>YoY chg (%)</u>	<u>QoQ Chg (%)</u>	<u>YTD FY25</u>	<u>YTD FY24</u>	<u>YoY Chg (%)</u>
Revenue	279.7	331.4	353.1	-15.6	-20.8	279.7	331.4	-15.6
Gross profit	140.4	152.2	175.9	-7.8	-20.2	140.4	152.2	-7.8
EBIT	82.3	88.2	86.7	-6.7	-5.1	82.3	88.2	-6.7
Pretax profit	81.1	87.2	86.9	-7.0	-6.7	81.1	87.2	-7.0
Net profit	60.7	64.6	60.6	-6.1	0.1	60.7	64.6	-6.1
Margins:								
Gross Profit Margin	50.2	45.9	49.8			50.2	45.9	
EBIT Margin	29.4	26.6	24.5			29.4	26.6	
Net Profit Margin	21.7	19.5	17.2			21.7	19.5	

Source: Company, PublicInvest Research estimates

KEY FINANCIAL DATA

INCOME STATEMENT DATA

FYE Mar (RM m)	2023A	2024A	2025F	2026F	2027F
Revenue	1,113.1	1,339.9	1,351.0	1,379.3	1,388.2
Gross Profit	488.8	644.4	658.9	663.3	679.2
Operating expenses	-250.2	-347.9	-365.3	-387.2	-410.4
Operating Profit	238.5	296.5	293.6	276.1	268.8
Other Gains / (Losses)	26.6	42.7	37.8	44.8	51.3
Finance Costs	-6.2	-4.8	-0.2	-0.2	-0.2
Pre-tax Profit	260.7	334.1	331.2	320.7	319.8
Income Tax	-57.9	-85.9	-79.5	-77.0	-76.8
Effective Tax Rate (%)	-22%	-26%	-24%	-24%	-24%
Minorities	4.4	-1.6	0.0	0.0	0.0
Net Profit	207.2	246.5	251.7	243.7	243.1
Growth					
Revenue (%)	-1.3	20.4	0.8	2.1	0.6
Operating Profit (%)	-13.5	31.8	2.2	0.7	2.4
Net Profit (%)	-18.1	18.9	2.1	-3.2	-0.3

Source: Company (actual), PublicInvest Research estimates

BALANCE SHEET DATA

FYE Mar (RM m)	2023A	2024A	2025F	2026F	2027F
Property, Plant & Equipment	1,142.3	1,336.5	1,397.2	1,455.8	1,520.3
Land Held for Property Development	821.7	639.6	607.6	577.3	548.4
Cash and Cash Equivalents	0.0	0.0	0.0	0.0	0.0
Receivables	245.8	335.4	419.0	518.5	613.3
Other Assets	427.3	431.9	431.9	432.9	432.9
Total Assets	2,637.2	2,743.4	2,855.7	2,984.5	3,114.9
Payables	354.8	446.6	451.0	455.5	460.1
Borrowings	1.4	4.7	4.7	4.7	4.7
Provisions	0.0	0.0	0.0	0.0	0.0
Other Liabilities	291.5	175.3	179.6	180.6	180.6
Total Liabilities	647.7	626.6	635.3	640.8	645.4
Shareholders' Equity	1,989.5	2,116.8	2,220.4	2,343.6	2,469.5
Total Equity and Liabilities	2,637.2	2,743.4	2,855.7	2,984.5	3,114.9

Source: Company (actual), PublicInvest Research estimates

PER SHARE DATA & RATIOS

FYE Mar (RM m)	2022A	2023A	2024F	2025F	2026F
Book Value Per Share	1.4	1.5	1.6	1.6	1.6
NTA Per Share	1.4	1.5	1.6	1.6	1.6
EPS (Sen)	4.6	6.0	7.4	6.7	6.9
DPS (Sen)	2.0	2.5	2.5	2.5	2.5
Payout Ratio (%)	43.1	41.7	33.9	37.4	36.2
ROA (%)	2.1	2.6	3.0	2.7	2.8
ROE (%)	3.3	4.0	4.7	4.1	4.3

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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