



MATRIX CONCEPTS HOLDINGS

Neutral

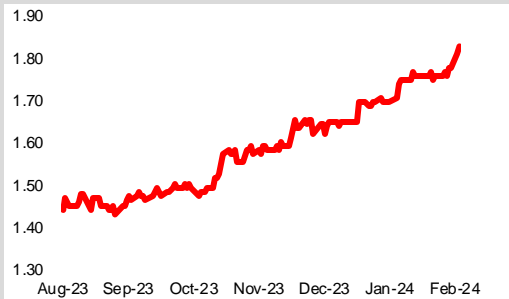
DESCRIPTION

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

12-Month Target Price	RM1.80
Current Price	RM1.79
Expected Return	+1%
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)	1.37 – 1.83
3-Month Average Vol ('000)	1,704.0

SHARE PRICE PERFORMANCE

	1M	3M	12M
Absolute Returns	7.6	15.4	28.5
Relative Returns	3.2	8.0	17.3

KEY STOCK DATA

Market Capitalisation (RMm)	2,027.1
No. of Shares (m)	1,251.3

MAJOR SHAREHOLDERS

	%
Shining Term	12.7
Lee Tian Hock	12.0
EPF	8.2

Tan Siang Hing
T 603 2268 3000
F 603 2268 3014

E research@publicinvestbank.com.my

Within Expectations

Matrix Concepts Holdings (MCH) ended FY24 with net profit of RM60.6m (+7.2% YoY, -5.4% QoQ) for 4QFY24 which came in largely within our and consensus expectations. For FY24, Group net profit of RM246.5m constituted about 100% of both our and consensus full year estimates. The Group surpassed its FY24 sales target (RM1.1bn) after chalking RM1.2bn during the financial year with average take-up of 81.1%. Unbilled sales, meanwhile, remains steady at about RM1.2bn, providing substantial earnings visibility for the next 15-18 months. All told, no change to our earnings estimates. Maintain **Neutral** with book-value based target price (TP) of RM1.80. That said, the stock is currently offering an attractive dividend yield of about 5.6%.

§ **4QFY24 revenue rose 19.6% YoY** to RM353.1m, driven primarily by robust performance in the property development segment, improving by 17.2% YoY to RM341.8m. Again, the Group's flagship Sendayan Developments continued to underpin its profits after contributing a significant 30.8% YoY increase in revenue to RM326.8m. However, the revenue uptrend was slightly offset by a decline in revenue contribution from its Australian and Klang Valley property development activities, attributable to the completion of M. Greenvale and The Chambers in the previous year. Elsewhere, the Group's township development in Kluang, Bandar Seri Impian, reported lower contribution with its revenue dropping 44.2% YoY to RM12.2m

§ **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)	10.8	9.1	8.9	9.2	9.2	
DPS (Sen)	10.0	10.0	10.0	10.0	10.0	
Dividend Yield (%)	5.6	5.6	5.6	5.6	5.6	

Source: Company, PublicInvest Research estimates

Table 1: Results Review

<u>FY Mar (RMm)</u>	<u>4QFY24</u>	<u>4QFY23</u>	<u>3QFY24</u>	<u>YoY chg (%)</u>	<u>QoQ shg (%)</u>	<u>YTD FY24</u>	<u>YTD FY23</u>	<u>YTD yoy</u>
Revenue	353.1	302.2	359.4	16.9	-1.7	1339.9	1113.1	20.4
Gross profit	175.9	144.2	156.7	22.0	12.3	644.4	488.8	31.8
EBIT	86.7	71.6	86.9	21.0	-0.2	339.2	265.1	28.0
Pretax profit	86.9	69.5	83.8	25.1	3.7	248.1	202.8	22.3
Net profit	60.6	56.6	64.0	7.2	-5.4	246.5	207.2	18.9
Margins:								
Gross Profit Margin	49.8	47.7	43.6			48.1	43.9	
EBIT	24.5	23.7	24.2			25.3	23.8	
Net Profit Margin	17.2	18.7	17.8			18.4	18.6	

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)	2023A	2024A	2025F	2026F	2027F
Book Value Per Share	1.6	1.7	1.8	1.9	2.0
NTA Per Share	1.6	1.7	1.8	1.9	2.0
EPS (Sen)	16.6	19.7	20.1	19.5	19.4
DPS (Sen)	10.0	10.0	10.0	10.0	10.0
Payout Ratio (%)	60.4	50.8	49.7	51.3	51.5
ROA (%)	7.9	9.0	8.8	8.2	7.8
ROE (%)	10.4	11.6	11.3	10.4	9.8

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.

DISCLAIMER

This document has been prepared solely for information and private circulation only. It is for distribution under such circumstances as may be permitted by applicable law. The information contained herein is prepared from data and sources believed to be reliable at the time of issue of this document. The views/opinions expressed herein are subject to change without notice and solely reflects the personal views of the analyst(s) acting in his/her capacity as employee of Public Investment Bank Berhad ("PIVB"). PIVB does not make any guarantee, representations or warranty neither expressed or implied nor accepts any responsibility or liability as to its fairness liability adequacy, completeness or correctness of any such information and opinion contained herein. No reliance upon such statement or usage by the addressee/anyone shall give rise to any claim/liability for loss of damage against PIVB, Public Bank Berhad, its affiliates and related companies, directors, officers, connected persons/employees, associates or agents.

This document is not and should not be construed or considered as an offer, recommendation, invitation or a solicitation of an offer to purchase or subscribe or sell any securities, related investments or financial instruments. Any recommendation in this document does not have regards to the specific investment objectives, financial situation, risk profile and particular needs of any specific persons who receive it. We encourage the addressee of this document to independently evaluate the merits of the information contained herein, consider their own investment objectives, financial situation, particular needs, risks and legal profiles, seek the advice of their, amongst others, tax, accounting, legal, business professionals and financial advisers before participating in any transaction in respect of any of the securities of the company(ies) covered in this document.

PIVB, Public Bank Berhad, our affiliates and related companies, directors, officers, connected persons/employees, associates or agents may own or have positions in the securities of the company(ies) covered in this document or any securities related thereto and may from time to time add or dispose of, or may be materially interested in, any such securities. Further PIVB, Public Bank Berhad, our affiliates and related companies, associates or agents do and/or seek to do business with the company(ies) covered in this document and may from time to time act as market maker or have assumed an underwriting commitment in the securities of such company(ies), may sell them or buy them from customers on a principal basis, may have or intend to accommodate credit facilities or other banking services and may also perform or seek to perform investment banking, advisory or underwriting services for or relating to such company(ies) as well as solicit such investment advisory or other services from any entity mentioned in this document. The analyst(s) and associate analyst(s) principally responsible for the preparation of this document may participate in the solicitation of businesses described aforesaid and would receive compensation based upon various factors, including the quality of research, investor client feedback, stock pickings and performance of his/her recommendation and competitive factors. The analyst(s) and associate analyst(s) may also receive compensation or benefit (including gift and company/issuer-sponsored and paid trips in line with the Bank's policies) in executing his/her duties. Hence, the addressee or any persons reviewing this document should be aware of the foregoing, amongst others, may give rise to real or potential conflicts of interest.

Published and printed by:

PUBLIC INVESTMENT BANK BERHAD (20027-W)

26th Floor, Menara Public Bank 2

78, Jalan Raja Chulan

50200 Kuala Lumpur

T 603 2268 3000

F 603 2268 3014