

Team Coverage

(603) 7890 8888

research.dept@apexsecurities.com.my

Recommendation:	BUY
Current Price:	RM 1.38
Previous Target Price:	RM 1.35
Target Price:	↑ RM 1.53
Capital Upside/ Downside:	10.9%
Dividend Yield (%):	4.7%
Total Upside/ Downside:	15.6%

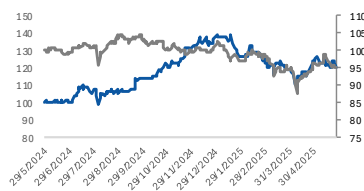
Stock information

Board	MAIN
Sector	Property
Bursa/ Bloomberg Code	5236/ MCHMK
Syariah Compliant	Yes
ESGRating	★★★
Shares issued (m)	1,877.0
Market Cap (RM' m)	2,590.3
52-Week Price Range (RM)	1.627-1.147
Beta (x)	0.6
Free float (%)	61.3
3M Average Volume (m)	2.9
3M Average Value (RM' m)	4.0

Top 3 Shareholders

	(%)
Shining Term Sdn Bhd	12.7
Lee Tian Hock	10.3
Lembaga Tabung Haji	6.0

Share Price Performance



	1M	3M	12M
Absolute (%)	-2.1	-2.1	15.0
Relative (%)	-2.6	1.2	21.2

Earnings Summary	FY25	FY26F	FY27F
Revenue (RM' m)	1186.9	1198.6	1293.9
PATAMI (RM' m)	214.1	243.2	262.7
CNP (RM' m)	202.6	243.2	262.7
EPS - core (sen)	10.8	13.0	14.0
P/E(x)	12.8	10.7	9.9

Matrix Concepts Holdings Bhd

Above Expectations; Upgrade to BUY

- **MATRIX's 4QFY25 CNP came in at RM31.1m (-33.8% yoy, -28.1% qoq), bringing 12MFY25 CNP to RM202.6m (-13.3% yoy). The results exceeded our expectations but came in below consensus expectations, accounting for 106.2% of our full-year forecast and 93.9% of consensus estimate. The earnings beat was primarily driven by higher-than-expected revenue recognised from ongoing projects.**
- **The group declared a fourth interim dividend of 1.35 sen for 4QFY25.**
- **We raise our earnings forecast by 6.1%/3.0% to RM243.2/RM262.7 for FY26F/FY27F respectively to reflect stronger contributions from previously delayed revenue recognition, and greater take up rate from ongoing as well as upcoming project launches.**
- **Upgrade to BUY recommendation with a higher target price of RM1.53 (from RM1.35) based on 30% discount to our revised RNAV valuation and appraised with a three-star ESG rating.**

Results above expectations. Excluding the gain of disposal of property, plant, and equipment and investment property (-RM11.5m), 4QFY25 core net profit (CNP) came in at RM31.1m, bringing the 12MFY25 total to RM202.6m (-13.0% yoy). This result was above our expectations, accounting for 106.2% of our full-year forecast of RM190.7m but came in below the consensus estimate, representing 93.9% of the consensus estimate of RM215.6m. The earnings beat was primarily driven by higher-than-expected revenue recognised from ongoing projects.

Dividend declared. The Group declared a fourth interim dividend of 1.35 sen for 4QFY25 (4QFY24: 2.50 sen), bringing the FY25 DPS to 7.95 sen (FY24: 10.0 sen).

YoY. 4QFY25 CNP slid 36.7% yoy to RM31.1m, dragged by decline in revenue (-13.6% yoy). The weaker topline was primarily due to lower revenue recognition from the property development segment, particularly in Sendayan, the Group's key revenue contributor. Earnings were further impacted by higher administrative and general expenses. Additionally, finance costs surged to RM2.9m (from RM0.1m) as a result of increased borrowings to support the Group's ongoing development expansion.

QoQ. CNP slid 28.1% qoq, despite seeing increase in revenue (8.6% qoq), primarily attributed to increased administrative and general expenses.

YTD. 12MFY25 CNP declined (13.8% yoy), dragged by an 11.7% decrease in revenue. The decline was primarily due to a 15.4% yoy reduction in contributions from Sendayan Developments, affected by the timing of project launches and revenue recognition. The impact was partially mitigated by a strong 58.5% yoy growth in other business segments, led by the education and healthcare divisions. The decline in CNP was further pressured by higher selling, marketing, and administrative expenses.

Outlook. Matrix's unbilled sales increased to RM1.46bn at the end of FY25 (from RM1.18bn at end-FY24), supported by several launches during FY25. A substantial portion (c.RM1.0bn) was contributed by the Group's flagship township, Bandar Sri Sendayan (BSS), in Negeri Sembilan. The unbilled sales are expected to be recognised progressively over the next 15-18 months, providing earnings visibility and a degree of buffer for the Group. Earnings sustainability is further supported by the maiden launch within the Malaysia Vision Valley (MVV) development. The MVV landbank, to be developed over 12 years, carries a total GDV of RM12bn. The first phase will focus on industrial products, with residential phases to follow. The Group is also in the process of completing the Sale and Purchase Agreement (SPA) for a second 1,000-ac. MVV parcel, which is targeted for completion in 2HFY26. Our recent site visit to Negeri Sembilan revealed encouraging take-up for industrial developments. As Matrix primarily focuses on landed properties in Negeri Sembilan, the Group is well-positioned to capture spillover demand from the Klang Valley. In parallel, the Group continues to expand its healthcare segment, including increasing its bed capacity. Mawar Medical Centre currently generates over RM100m in annual revenue, and we anticipate stronger earnings

contributions from the healthcare division moving forward. The Group has earmarked RM1.7bn worth of new property launches in FY26.

Earnings Revision. We raised our earnings forecast by 6.1%/3.0% to RM243.2m/RM262.7m for FY26F/FY27F, respectively to reflect stronger contributions from previously delayed revenue recognition, and greater take up rate from ongoing as well as upcoming project launches.

Valuation. Post earnings adjustment, we upgraded our recommendation on MATRIX to **BUY** from HOLD, with a higher target price of **RM1.53** (from RM1.35), based on a 30% discount to our revised RNAV valuation and appraised with a three-star ESG rating.

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

Results Note

Thursday, 29 May, 2025

Results Comparison

FYE Mar (RM m)	4QFY25	4QFY24	yoy (%)	3QFY25	qoq (%)	12MFY25	12MFY24	yoy (%)	Comments
Revenue	305.2	353.1	(13.6)	280.9	8.6	1,186.9	1,344.1	(11.7)	
EBITDA	53.8	89.7	(40.0)	59.6	(9.6)	298.7	339.1	(11.9)	
Pre-tax profit	49.2	86.9	(43.4)	54.8	(10.3)	275.1	332.4	(17.2)	
Net profit	42.7	60.6	(29.6)	43.3	(1.5)	214.1	244.3	(12.4)	
Core net profit	31.1	49.2	(36.7)	43.3	(28.1)	202.6	233.8	(13.3)	
Core EPS (sen)	1.7	2.6	(36.7)	2.3	(28.1)	10.8	12.5	(13.8)	
EBITDA margin (%)	17.6	25.4		21.2		25.2	25.2		
PBT margin (%)	16.1	24.6		19.5		23.2	24.7		
Core net profit margin (%)	10.2	13.9		15.4		17.1	17.4		

Source: Company, Apex Securities

Segmental Breakdown

FYE Mar (RM m)	4QFY25	4QFY24	yoy (%)	3QFY25	qoq (%)	12MFY25	12MFY24	yoy (%)	Comments
Revenue									
Property development & construction	477.1	492.1	(3.1)	406.9	17.3	1,733.6	1,857.6	(6.7)	
Education	7.0	4.5	54.6	6.5	6.9	24.3	15.0	61.9	
Hospitality	5.2	6.9	(24.7)	7.2	(27.6)	26.6	25.7	3.6	
Healthcare & others	1.0	5.1	(79.4)	2.7	(61.1)	13.2	5.1	160.5	
Eliminations	(185.1)	(155.5)	19.0	(142.3)	30.1	(610.8)	(559.3)	9.2	
Total	305.2	353.1	(13.6)	280.9	8.6	1,186.9	1,344.1	228.6	
EBIT									
Property development & construction	58.6	40.4	45.2	52.5	11.6	277.8	303.0	(8.3)	
Education	(1.4)	1.6	nm	(0.0)	3,177.3	(2.5)	(4.4)	(42.3)	
Hospitality	1.8	6.0	(69.4)	3.5	(47.7)	12.8	14.3	(10.6)	
Healthcare & others	0.9	15.8	(94.4)	2.9	(69.0)	12.7	15.8	(19.8)	
Total	59.9	63.8	(118.6)	58.8	3,072.2	300.8	328.7	(81.0)	
EBIT margin			%-pts		%-pts			%-pts	
Property development & construction	12.3%	8.2%	4.1%	12.9%	-0.6%	16.0%	16.3%	(0.0)	
Education	-20.7%	36.6%	-57.3%	-0.7%	-20.0%	-10.4%	-29.1%	0.2	
Hospitality	35.2%	86.5%	-51.3%	48.7%	-13.5%	48.0%	55.7%	(0.1)	
Healthcare & others	85.2%	312.4%	-227.1%	106.9%	-21.7%	96.2%	312.4%	(2.2)	
Aggregate Total	19.6%	18.1%	1.6%	20.9%	-1.3%	25.3%	24.5%	0.0	

Source: Company, Apex Securities

Results Note

Thursday, 29 May, 2025

Financial Highlights

Income Statement

FYE Mar (RM m)	FY23	FY24	FY25	FY26F	FY27F
Revenue	1113.1	1344.1	1186.9	1198.6	1293.9
Gross Profit	488.8	623.3	604.9	610.8	659.4
EBITDA	278.4	339.1	298.7	356.3	384.1
Depreciation & Amortisation	-10.3	-9.8	-9.3	-7.5	-7.6
EBIT	268.1	329.3	289.4	348.7	376.4
Net Finance Income/ (Cost)	-1.4	4.3	-4.9	-10.2	-11.4
Associates & JV	1.8	-0.7	-2.8	-0.8	-0.4
Pre-tax Profit	260.7	332.4	275.1	330.2	356.8
Tax	-57.9	-86.6	-60.2	-85.9	-92.8
Profit After Tax	202.8	245.8	214.9	244.4	264.0
Minority Interest	-4.4	1.5	0.8	1.2	1.3
Net Profit	207.2	244.3	214.1	243.2	262.7
Exceptionals	1.8	10.6	11.5	0.0	0.0
Core Net Profit	205.4	233.8	202.6	243.2	262.7

Key Ratios

FYE Mar (RM m)	FY23	FY24	FY25	FY26F	FY27F
EPS (sen)	10.9	12.5	10.8	13.0	14.0
P/E (x)	12.6	11.1	12.8	10.7	9.9
P/B (x)	1.3	1.2	1.2	1.1	1.1
EV/EBITDA (x)	9.3	8.3	7.4	6.7	6.4
DPS (sen)	6.2	6.7	6.5	6.5	6.5
Dividend Yield (%)	4.5%	4.9%	4.7%	4.7%	4.7%
EBITDA margin (%)	25.0%	25.2%	25.2%	29.7%	29.7%
EBIT margin (%)	24.1%	24.5%	24.4%	29.1%	29.1%
PBT margin (%)	23.4%	24.7%	23.2%	27.6%	27.6%
PAT margin (%)	18.2%	18.3%	18.1%	20.4%	20.4%
NP margin (%)	18.6%	18.2%	18.0%	20.3%	20.3%
CNP margin (%)	18.5%	17.4%	17.1%	20.3%	20.3%
ROE (%)	10.3%	11.0%	9.2%	10.4%	10.7%
ROA (%)	7.8%	8.7%	6.4%	7.3%	7.7%
Gearing (%)	12.1%	6.9%	24.5%	25.2%	22.3%
Net gearing (%)	Net Cash	Net Cash	16.5%	8.6%	4.9%

Valuations	FY27F	Valuation methodology
Total RNAV (RM' m)	4081.0	10% NPV
Discount Rate	30.0%	
Discounted RNAV (RM' m)	2856.7	
No. of shares	1877.0	
Fair Value (RM)	1.53	

Source: Company, Apex Securities

Balance Sheet

FYE Mar (RM m)	FY23	FY24	FY25	FY26F	FY27F
Cash	250.2	375.6	175.8	387.5	430.7
Receivables	778.8	709.7	742.0	722.5	858.5
Inventories	397.6	464.1	599.4	485.4	448.7
Other current assets	0.0	0.0	0.0	105.3	105.3
Total Current Assets	1426.6	1549.4	1517.1	1700.7	1843.1
Fixed Assets	213.4	208.6	191.9	194.4	196.7
Intangibles	0.0	0.0	0.0	0.0	0.0
Other non-current assets	989.8	922.6	1455.5	1418.3	1381.6
Total Non-Current Assets	1203.2	1131.2	1647.3	1612.7	1578.4
Short-term debt	163.0	60.3	183.3	192.9	177.4
Payables	357.2	365.6	390.7	371.1	387.5
Other current liabilities	17.5	23.6	2.6	2.6	2.6
Total Current Liabilities	537.7	449.5	576.6	566.7	567.5
Long-term debt	77.6	85.1	357.9	396.3	373.0
Other non-current liabilities	26.7	23.9	18.5	16.8	15.3
Total Non-Current Liabilities	104.3	108.9	376.4	413.1	388.3
Shareholder's equity	2003.6	2136.4	2224.7	2345.7	2476.4
Minority interest	-15.8	-14.2	-13.3	-12.0	-10.7
Total Equity	1987.9	2122.1	2211.5	2333.7	2465.7

Cash Flow

FYE Mar (RM m)	FY23	FY24	FY25	FY26F	FY27F
Pre-tax profit	260.7	332.4	275.1	330.2	356.8
Depreciation & amortisation	10.3	9.8	9.3	7.5	7.6
Changes in working capital	5.5	80.9	-655.3	148.6	-48.1
Others	-65.1	-92.1	-110.9	-85.0	-92.4
Operating cash flow	211.3	331.0	-481.8	401.3	224.0
Capex	-2.4	-1.8	-4.1	-10.0	-10.0
Others	21.7	-1.1	18.5	0.0	0.0
Investing cash flow	19.3	-2.9	14.4	-10.0	-10.0
Dividends paid	-112.6	-115.7	-128.3	-122.2	-132.0
Others	-58.3	-93.9	341.3	47.9	-38.8
Financing cash flow	-171.0	-209.6	213.1	-74.2	-170.8
Net cash flow	59.7	118.5	-254.4	317.1	43.1
Forex	-9.9	9.6	-3.4	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0
Beginning cash	150.3	200.1	328.3	70.5	387.5
Ending cash	200.1	328.3	70.5	387.5	430.7

Results Note

Thursday, 29 May, 2025

ESG Matrix Framework:

Environment

Parameters	Rating	Comments
Climate	★★★	Accelerated usage of Renewable Energy (solar) with increase in generation by 9.1% to 1,207 Mwh in FY24
Waste & Effluent	★★★	348 tonnes of waste recycled, 37.5 tonnes of waste sent to incinerators and 6,703.2 tonnes of waste sent to landfills in FY24
Energy	★★★	Energy consumption rose to 47,428.95 GJ, whilst striving to become a carbon neutral or zero carbon operations by 2050
Water	★★★	33,215 m3 water consumption in FY24
Compliance	★★★	All businesses division register high level of regulatory compliance for all aspects

Social

Diversity	★★★	Commitment to gender diversity, looking beyond gender, ethnicity and affiliations
Human Rights	★★★	Zero cases of human rights violations over the past three years
Occupational Safety and Health	★★	3 major injuries and 1 minor injuries in FY24 in 4,912,720 man-hours worked
Labour Practices	★★★	Adhere to Employment Act and achieved 81.7% employee satisfaction

Governance

CSR Strategy	★★★	Contributed RM10.3m in FY24 on CSR initiatives vs RM8.3m in FY23
Management	★★★	44.4% female board composition, 5/9 composition of Independent Directors
Stakeholders	★★★	Regularly maintain constructive channels of communication through both formal and informal to key stakeholders group

Overall ESG Scoring: ★★★

Recommendation Framework:

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 + dividend yield

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.

ESG Rating Framework:

★★★★★ : Appraised with 3% premium to fundamental fair value

★★★★ : Appraised with 1% premium to fundamental fair value

★★★ : Appraised with 0% premium/discount to fundamental fair value

★★ : Appraised with -1% discount to fundamental fair value

★ : Appraised with -5% discount to fundamental fair value

Disclaimer: The report is for internal and private circulation only and shall not be reproduced either in part or otherwise without the prior written consent of Apex Securities Berhad. The opinions and information contained herein are based on available data believed to be reliable. It is not to be construed as an offer, invitation or solicitation to buy or sell the securities covered by this report.

Opinions, estimates and projections in this report constitute the current judgment of the author. They do not necessarily reflect the opinion of Apex Securities Berhad and are subject to change without notice. Apex Securities Berhad has no obligation to update, modify or amend this report or to otherwise notify a reader thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate.

Apex Securities Berhad does not warrant the accuracy of anything stated herein in any manner whatsoever and no reliance upon such statement by anyone shall give rise to any claim whatsoever against Apex Securities Berhad. Apex Securities Berhad may from time to time have an interest in the company mentioned by this report. This report may not be reproduced, copied or circulated without the prior written approval of Apex Securities Berhad.

As of Thursday, 29 May, 2025, the analyst(s), whose name(s) appears on the front page, who prepared this report, has interest in the following securities covered in this report:

(a) nil.