

Team Coverage

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Recommendation:	BUY
Current Price:	RM 1.30
Previous Target Price:	RM 1.53
Target Price:	RM 1.72
Capital Upside/ Downside:	32.3%
Dividend Yield (%)	5.0%
Total Upside/ Downside:	37.3%

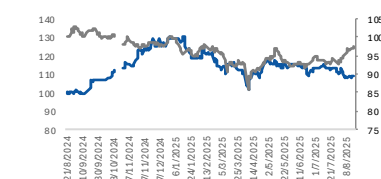
Stock information

Board	MAIN
Sector	Property
Bursa / Bloomberg Code	5236 / MCHMK
Syariah Compliant	Yes
ESG Rating	★★★
Shares issued (m)	1,877.0
Market Cap (RM' m)	2,440.1
52-Week Price Range (RM)	1.627- 1.22
Beta (x)	0.7
Freefloat (%)	61.1
3M Average Volume (m)	1.8
3M Average Value (RM' m)	2.4

Top 3 Shareholders

	(%)
Shining Term Sdn Bhd	12.7
Lee Tian Hock	10.3
Lembaga Tabung Haji	6.2

Share Price Performance



	1M	3M	12M
Absolute (%)	-4.4	-5.8	3.2
Relative (%)	-8.8	-9.7	6.3

Earnings Summary	FY26F	FY27F	FY28F
Revenue (RM'm)	1377.6	1401.3	1657.4
PATAMI (RM'm)	252.0	268.9	321.1
CNP (RM'm)	252.0	268.9	321.1
EPS - core (sen)	13.4	14.3	17.1
P/E(x)	9.7	9.1	7.6

Matrix Concepts Holdings Bhd

Earnings Track Expectations

- MATRIX's 1QFY26 CNP of RM62.9m (+3.7% YoY, +47.5% QoQ) came in within expectations, accounting for 25.4% of our full-year forecast and 24.7% of consensus projections.
- The Group declared a first interim dividend of 1.75 sen for 1QFY26 (1QFY25: 2.50 sen).
- Outlook remains positive, supported by (i) unbilled sales of RM1.5bn as at 30 June 2025, providing clear earnings visibility over the next 15–18 months; (ii) estimated GDV from the MVV 2.0 land of RM15bn, expected to be recognised over a 12-year period starting from FY26F; and (iii) new projects from the acquisition of Horizon L&L Sdn Bhd, adding incremental GDV (RM388.0m) and strategic expansion opportunities.
- We increase our earnings forecasts by 1.9%/2.3% to RM252.0/RM268.9m for FY26F and FY27F, and roll forward FY28F to RM321.1m.
- We reiterate our BUY recommendation with a higher target price of RM1.72 (from RM1.53), reflecting the annual audited numbers for FY25, recognition of newly acquired assets, and our revamped financial model which now incorporates the monetisation of landbanks poised for future development, applying a 30% discount to our revised RNAV and supported by a three-star ESG rating.

Results within expectations. 1QFY26 CNP of RM62.9m (+3.7% YoY, +47.5% QoQ) came in within expectations, accounting for 25.4% of our full-year forecast and 24.7% of consensus projections. No exceptional items were recorded during the quarter.

Dividend declared. The group declared a first interim dividend of 1.75 sen for 1QFY26 (1QFY25: 2.50 sen).

YoY. 1QFY26 CNP increased 3.7% to RM62.9m, supported by a 51.9% reduction in selling and marketing expenses and a lower effective tax rate. The increase was also supported by a 1.6% rise in revenue, primarily driven by the property development segment which grew 1.8%, led by contributions from Sendayan Developments and Levia Residence. Revenue from education was up 25.9%, partly offsetting declines in healthcare and hospitality of 25.2% and 5.1%, respectively.

QoQ. 1QFY26 CNP rose 47.5%, supported by a 45.0% decline in overall operating expenses, which cushioned the 6.8% drop in revenue. The revenue decline was mainly due to lower recognition from the property development segment, which fell 8.1% following higher sales conversion recognised in the previous quarter. Overall EBIT improved 66.1%, driving the strong CNP growth for the quarter.

Outlook. The Group continues to show strong sales momentum, achieving RM381.5m in new property sales in 1QFY26, with Sendayan Developments contributing RM174.4m and a healthy take-up rate of 81.6%. Its robust unbilled sales of RM1.5bn as at 30 June 2025 provide clear earnings visibility over the next 15–18 months. Growth is further supported by the upcoming Malaysia Vision Valley City (MVV City) project in Negeri Sembilan, spanning 2,382 acres with an estimated GDV of RM15.0bn. Strategic acquisitions of Horizon L&L Sdn Bhd, Exoland Property Management Sdn Bhd, and Horizon L&L (SEL) Sdn Bhd for RM77.9 m expand the Group's presence in the high-growth Sepang and Banting corridors, with the newly acquired landbank carrying an estimated GDV of RM388.0m.

Earnings Revision. After incorporating FY25 audited numbers, newly acquired assets (GDV: RM388m) from recent acquisitions, and revamping our financial model to include the monetisation of incorporated landbanks, we have revised our FY26F/FY27F earnings forecasts higher by 1.9%/2.3% to RM252.0m/RM268.9m respectively. We also introduce FY28F CNP of RM321.1m.

Valuation. Post earnings revisions, we maintain BUY with higher TP of RM1.72 (from RM1.53), maintaining a 30% discount to RNAV and supported by a three-star ESG rating.

Risk. Higher-than-expected construction costs, changes in housing and property regulations, potential labour shortages, and market saturation affecting sales absorption.

Results Comparison

FYE Mar (RM m)	1QFY26	1QFY25	yoy (%)	4QFY25	qoq (%)	3MFY26	3MFY25	yoy (%)	Comments
Revenue	284.3	279.7	1.6	305.2	(6.8)	284.3	279.7	1.6	
Cost of sales	(150.7)	(139.3)	8.2	(146.7)	2.7	(150.7)	(139.3)	8.2	
Gross profit	133.6	140.4	(4.8)	158.5	(15.7)	133.6	140.4	(4.8)	
Other income	7.4	5.3	39.7	6.9	6.9	7.4	5.3	39.7	
Selling and marketing	(115)	(24.0)	(51.9)	(18.0)	(35.9)	(115)	(24.0)	(51.9)	Total operating expenses reduced by 45.0% qoq
Admin expenses	(43.2)	(39.4)	9.8	(94.3)	(54.1)	(43.2)	(39.4)	9.8	
Operating profit	86.2	82.3	4.7	53.1	62.4	86.2	82.3	4.7	
EBIT	85.8	80.1	7.2	51.7	66.1	85.8	80.1	7.2	
Depreciation and amortisation	2.1	2.3	(8.6)	2.2	(2.1)	2.1	2.3	(8.6)	
EBITDA	174.1	164.7	5.7	106.9	62.9	174.1	164.7	5.7	
Finance income	0.3	2.2	(85.3)	1.4	(77.2)	0.3	2.2	(85.3)	
Finance cost	(18)	(10)	79.0	(2.9)	(38.6)	(18)	(10)	79.0	
Share of JV results	(1.4)	(0.2)	629.8	(10)	38.7	(1.4)	(0.2)	629.8	
Pre-tax profit	83.0	81.1	2.3	49.2	68.8	83.0	81.1	2.3	
Taxation	(18.8)	(19.6)	(4.0)	(7.5)	151.9	(18.8)	(19.6)	(4.0)	
Net profit	64.2	61.5	4.4	41.7	53.9	64.2	61.5	4.4	
Core net profit	62.9	60.7	3.7	42.7	47.5	62.9	60.7	3.7	
Core EPS (sen)	3.4	3.2	3.7	2.3	47.5	3.4	3.2	3.7	
EBITDA margin (%)	61.2	58.9		35.0		61.2	58.9		
PBT margin (%)	29.2	29.0		16.1		29.2	29.0		
Core net profit margin (%)	22.1	21.7		14.0		22.1	21.7		

Source: Company, Apex Securities

Segmental Breakdown

FYE Mar (RM m)	1QFY26	1QFY25	yoy (%)	4QFY25	qoq (%)	3MFY26	3MFY25	yoy (%)	Comments
Revenue									
Property development and construction	367.6	401.2	(8.4)	477.1	(22.9)	367.6	401.2	(8.4)	1QFY26 Revenue for property development = RM268.3m
Education	6.0	4.8	25.9	7.0	(13.2)	6.0	4.8	25.9	
Hospitality	6.7	7.0	(5.1)	5.2	28.4	6.7	7.0	(5.1)	
Healthcare & others	3.2	4.3	(25.2)	10	211.4	3.2	4.3	(25.2)	
Eliminations	(99.3)	(137.7)	(27.9)	(185.1)	(46.4)	(99.3)	(137.7)	(27.9)	
Total	284.3	279.7	1.6	305.2	(6.8)	284.3	279.7	1.6	
Operating Profit									
Property development and construction	81.6	76.6	6.6	58.6	39.3	81.6	76.6	6.6	
Education	1.5	(0.7)	nm	(14)	nm	1.5	(0.7)	nm	
Hospitality	3.2	4.6	(30.8)	1.8	72.8	3.2	4.6	(30.8)	
Healthcare & others	3.2	4.1	(22.2)	0.9	258.6	3.2	4.1	(22.2)	
Elimination	(3.3)	(2.3)	45.2	(6.8)	(51.5)	(3.3)	(2.3)	45.2	
Total	86.2	82.3	4.7	53.1	62.4	86.2	82.3	4.7	
Operating profit margin									
			%-pts		%-pts			%-pts	
Property development and construction	22.2%	19.1%	3.1%	12.3%	9.9%	22.2%	19.1%	0.0	
Education	24.6%	-14.6%	39.2%	-20.7%	45.4%	24.6%	-14.6%	0.4	
Hospitality	47.4%	65.0%	-17.6%	35.2%	12.2%	47.4%	65.0%	(0.2)	
Healthcare & others	98.1%	94.3%	3.9%	85.2%	12.9%	98.1%	94.3%	0.0	
Aggregate Total	30.3%	29.4%	0.9%	17.4%	12.9%	30.3%	29.4%	0.0	

Source: Company, Apex Securities

Results Note

Friday, 22 Aug, 2025

Financial Highlights

Income Statement

FYE Mar (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Revenue	1344.1	1150.7	1377.6	1401.3	1657.4
Gross Profit	623.3	503.1	602.3	612.7	724.6
EBITDA	329.7	289.5	342.4	365.8	432.0
Depreciation & Amortisation	-9.8	-4.6	-7.5	-7.6	-7.7
EBIT	319.9	284.9	334.9	358.1	424.3
Net Finance Income/(Cost)	4.3	-7.2	-8.7	-7.4	-6.5
Associates & JV	-0.7	-2.8	-1.4	0.1	0.1
Pre-tax Profit	332.4	274.9	324.8	350.9	417.9
Tax	-86.6	-60.1	-71.4	-80.7	-96.1
Profit After Tax	245.8	214.8	253.3	270.2	321.8
Minority Interest	1.5	0.8	1.3	1.4	0.6
Net Profit	244.3	214.0	252.0	268.9	321.1
Exceptionals	10.6	11.5	0.0	0.0	0.0
Core Net Profit	233.8	202.5	252.0	268.9	321.1

Key Ratios

FYE Mar (RM m)	FY24	FY25	FY26F	FY27F	FY28F
EPS (sen)	12.5	10.8	13.4	14.3	17.1
P/E (x)	10.4	12.1	9.7	9.1	7.6
P/B (x)	1.1	1.1	1.0	1.0	0.9
EV/EBITDA (x)	8.1	7.1	6.3	6.1	5.3
DPS (sen)	6.7	6.5	6.7	7.2	8.6
Dividend Yield (%)	5.2%	5.0%	5.2%	5.5%	6.6%
EBITDA margin (%)	24.5%	25.2%	24.9%	26.1%	26.1%
EBIT margin (%)	23.8%	24.8%	24.3%	25.6%	25.6%
PBT margin (%)	24.7%	23.9%	23.6%	25.0%	25.2%
PAT margin (%)	18.3%	18.7%	18.4%	19.3%	19.4%
NP margin (%)	18.2%	18.6%	18.3%	19.2%	19.4%
CNP margin (%)	17.4%	17.6%	18.3%	19.2%	19.4%
ROE (%)	11.0%	9.2%	10.8%	10.9%	12.2%
ROA (%)	8.7%	6.4%	7.4%	7.8%	9.0%
Gearing (%)	6.9%	24.5%	25.5%	22.4%	20.4%
Net gearing (%)	Net Cash	16.5%	11.2%	8.7%	5.0%

Valuations	FY27F	Valuation methodology
Total RNAV (RM' m)	4602.4	(Ke: 10%)
Discount Rate	30.0%	
Discounted RNAV (RM' m)	3221.7	
No. of shares	1877.0	
Fair Value (RM)	1.72	

Source: Company, Apex Securities

Balance Sheet

FYE Mar (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Cash and bank	375.6	175.8	334.4	339.9	405.5
Receivables	709.7	742.0	843.1	846.1	897.5
Inventories	464.1	599.4	520.2	602.4	635.3
Other current assets	0.0	0.0	0.0	0.0	0.0
Total Current Assets	1549.4	1517.1	1697.7	1788.4	1938.4
Fixed Assets	208.6	191.9	194.4	196.7	197.0
Intangibles	0.0	0.0	0.0	0.0	0.0
Other non-current assets	922.6	1455.5	1501.5	1465.3	1429.1
Total Non-Current Assets	1131.2	1647.3	1695.8	1662.0	1626.1
Short-term debt	60.3	183.3	194.4	177.6	170.9
Payables	365.6	390.7	439.6	405.0	376.0
Other current liabilities	23.6	2.6	2.6	2.6	2.6
Total Current Liabilities	449.5	576.6	636.6	585.2	549.5
Long-term debt	85.1	357.9	402.0	376.8	366.8
Other non-current liabilities	23.9	18.5	16.8	15.3	14.0
Total Non-Current Liabilities	108.9	376.4	418.8	392.1	380.8
Shareholder's equity	2136.4	2224.7	2350.1	2483.9	2644.1
Minority interest	-14.2	-13.3	-12.0	-10.6	-10.0
Total Equity	2122.1	2211.5	2338.1	2473.2	2634.1

Cash Flow

FYE Mar (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Pre-tax profit	332.4	274.9	324.8	350.9	417.9
Depreciation & amortisation	9.8	4.6	7.5	7.6	7.7
Changes in working capital	80.9	-655.3	616	-85.1	-78.3
Others	-92.1	-106.0	-75.9	-80.8	-96.2
Operating cash flow	331.0	-481.8	318.1	192.6	251.1
Capex	-1.8	-4.1	-10.0	-10.0	-8.0
Others	-1.1	18.5	-77.9	0.0	0.0
Investing cash flow	-2.9	14.4	-87.9	-10.0	-8.0
Dividends paid	-115.7	-128.3	-126.7	-135.1	-160.9
Others	-93.9	341.3	55.1	-42.0	-16.6
Financing cash flow	-209.6	213.1	-71.6	-177.1	-177.5
Net cash flow	118.5	-254.4	158.6	5.5	65.6
Forex	9.6	-3.4	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0
Beginning cash	200.1	328.3	70.5	229.1	234.6
Ending cash & cash equivalent	328.3	70.5	229.1	234.6	300.2
Fixed deposits and overdraft	47.3	105.3	105.3	105.3	105.3
Total cash & deposits	375.6	175.8	334.4	339.9	405.5

Results Note

Friday, 22 Aug, 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

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As of Friday, 22 Aug, 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.