Corporate Update

Matrix Concepts Holdings Berhad

(8236 | MCH MK) Main | Property

SHARIAH Compliant | ESG 3 Stars | FTSE4Good

Maintain **BUY**

Unchanged Target Price **RM1.65**

1QFY26 Earnings Review
Off to A Good Start

1QFY26 earnings within expectations. Matrix Concepts 1QFY26 core net income of RM62.9m came in within expectations, making up 24% and 25% of our and consensus full year estimates respectively. Matrix Concepts announced dividend of 1.75sen for 1QFY26.

Higher sequential earnings on lower expenses. On a sequential basis, 1QFY26 core earnings climbed to RM62.9m (+47.5%qoq) despite lower topline (-6.8%qoq). The weaker topline was due to lower revenue recognition from property development segment whereby recognition of sales conversion was higher in 4QFY25. Nevertheless, earnings in 1QFY26 were helped by lower expenses as expenses were sharply lower due to lower selling and marketing expenses (-35.9%qoq) due to reclassification of certain costs to directly offset revenue as well as lower administrative and general expenses (-54%qoq). That has more than enough to offset the impact of higher tax rate of 23% in 1QFY26 against 15% in 4QFY25.

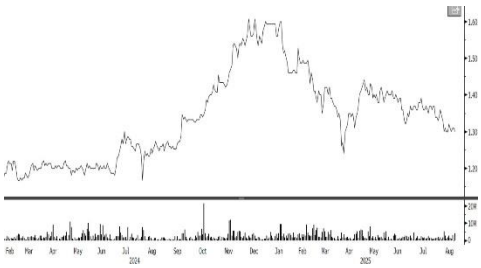
Off to a good start. On a yearly basis, 1QFY26 earnings were marginally higher at RM62.9m (+3.7%yoy), in line with higher topline (+1.6%yoy). The higher earnings were underpinned by revenue recognition of Levia Residence which is its high-rise development in KL as well as solid earnings contribution from Sendayan Developments which contributed 80% to total revenue. Meanwhile, gross profit margin narrowed to 47% in 1QFY26 from 50% in 1QFY25 as high-rise development namely Levia Residence commands lower margin. Nevertheless, earnings were helped by lower selling and market expenses (-51.9%yoy).

Stable new sales prospect. 1QFY26 new property sales stood at RM381m, declining from RM442m in 4QFY25. New sales in 1QFY26 are on track as it makes up 24% of management sales target of RM1.6b for FY26. We expect new sales momentum in FY26 to sustain by planned launch with GDV of RM1.77b for FY26. Besides, new sales prospect is expected to be partly supported by Horizon L&L which has property development in Banting and Sepang following completion of acquisition of Horizon L&L. Note that Matrix Concepts targets to grow its earnings contribution outside of Negeri Sembilan projects to 30%.

Maintain BUY with an unchanged target price at RM1.65. We make no changes to our earnings forecast for FY26/27/28F. We also maintain our TP for Matrix Concepts at RM1.65, based on 22% discount to RNAV. We remain positive on Matrix Concepts as the development of MVV City will serve as the earnings catalyst whereby first revenue recognition from MVV City is expected to be in FY26. Besides, we see good sales prospect for Matrix Concepts due to resilient demand for landed homes projects in Negeri Sembilan. In addition, dividend yield is attractive at 5.8%. Hence, we maintain our **BUY** call on Matrix Concepts.

RETURN STATISTICS	
Price @ 21st Aug 2025 (RM)	1.30
Expected share price return (%)	+26.9
Expected dividend yield (%)	+5.8
Expected total return (%)	+32.7

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	-4.4	-8.5
3months	-3.0	-8.6
12 months	3.2	5.9

INVESTMENT STATISTICS			
FYE March	2026E	2027F	2028F
Revenue	1,436	1,523	1,730
Operating Profit	372	411	449
Profit Before Tax	349	388	425
Core PATAMI	266	295	324
Core EPS	14.17	15.73	17.25
DPS	7.5	8.3	9.1
Dividend Yield	5.8%	6.4%	7.0%

KEY STATISTICS	
FBM KLCI	1,592.87
Issue shares (m)	1877.02
Estimated free float (%)	61.11
Market Capitalisation (RM'm)	2,440
52-wk price range	RM1.22 – RM1.62
3-mth average daily volume (m)	1.77
3-mth average daily value (RM'm)	2.41
Top Shareholders (%)	
Shining Term Sdn Bhd	12.67
Lee Tian Hock	10.31
Lembaga Tabung Haji	6.08

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Matrix Concepts: 1QFY26 RESULTS SUMMARY

FYE March (RM'm, unless otherwise stated)	Quarterly Results			Cumulative	
	1QFY26	%YoY	%QoQ	FY26	%YoY
Revenue	284.28	1.6%	-6.8%	284.28	1.6%
Gross Profit	133.58	-4.8%	-15.7%	133.58	-4.8%
Operating Profit	86.16	4.7%	62.4%	86.16	4.7%
Profit Before Tax	82.98	2.3%	68.8%	82.98	2.3%
Net Income	62.94	3.7%	47.5%	62.94	3.7%
Core Net Income	62.94	3.7%	47.5%	62.94	3.7%
Dividend	1.75	-30.0%	29.6%	1.75	-30.0%
EPS (sen)	3.35	-30.9%	16.4%	3.35	-30.9%
Core EPS (sen)	3.35	-30.9%	16.4%	3.35	-30.9%
Operating Profit Margin (%)	0.30	3%	74.3%	0.30	3.0%
NTA/share	1.20	-31%	-20.1%	1.20	-30.7%
Net Gearing	0.15	N/A	N/A	0.15	N/A

Source: Company, MBSB Research

Matrix Concepts RNAV

	Stake	Est remaining GDV (RM m)	WACC (%)	Value (RM m)
Domestic				
Sendayan	100%	5744	10%	492
BSI	100%	1926	10%	179
Other N.S.	100%	128	10%	14
Klang Valley	100%	1138	10%	115
MVV land	85%	12000	10%	808
International				
Australia	100%	268	10%	32
Indonesia	30%	2000	10%	63
Unbilled sales		1200	10%	139
Total				1843
Shareholder Funds				2130
Total RNAV				3973
Number of shares				1877
RNAV per share				2.12
Discount				22%
Target Price				**1.65**

FINANCIAL SUMMARY

Profit or Loss (RM'm)	2024A	2025A	2026F	2027F	2028F
Revenue	1,340	1,187	1,436	1,523	1,730
EBIT	339	289	372	411	449
PBT	334	275	349	388	425
Net Income	246	214	266	295	324
Core Net Income	237	203	266	295	324
Core EPS (sen)	19.0	10.8	14.2	15.7	17.3
Core PER (x)	6.9	12.0	9.2	8.3	7.5
NTA/share	1.70	1.18	1.20	1.23	1.26
P/NTA	0.77	1.10	1.08	1.06	1.03

Balance Sheet (RM'm)	2024A	2025A	2026F	2027F	2028F
Property, plant and equipment	204	188	190	192	194
Inventories	721	1246	1221	1196	1172
Total non-current assets	1131	1647	1684	1721	1758
Trade receivables and contract assets	710	742	749	757	764
Inventories	464	599	613	626	640
Deposits, Cash and bank balances	376	176	180	186	193
Other current assets	0	0	46	102	163
Total Assets	**2681**	**3164**	**3271**	**3391**	**3519**
Long-term borrowings	85.1	357.9	383.0	409.8	438.5
Short-term borrowings	145.1	60.3	183.3	185.2	187.0
Other Liabilities	328	535	450	489	533
Total Liability	558	953	1016	1084	1158
Share capital	961	961	961	961	961
Other Equity	1161	1250	1294	1346	1400
Total Equity	2122	2211	2255	2307	2361
Equity + Liability	**2681**	**3164**	**3271**	**3391**	**3519**

Cash Flow (RM'm)	2024A	2025A	2026F	2027F	2028F
Cash flows from operating activities					
Net income before taxation	332	275	349	388	425
Net cash from operating activities	331	-482	186	190	194
Cash flows from investing activities					
Purchase of PPE	-2	-5	-4	-3	-3
Net cash used in investing activities	-3	14	11	8	6
Cash flows from financing activities					
Repayment of term loan	-111	-49	-52	-47	-42
Net cash from/(used in) financing activities	-210	213	-105	-112	-119
Net increase/(decrease) in cash and cash equivalents	119	-254	91	86	81
Cash and cash equivalent at 1 April	200	328	70	162	248
Cash and cash equivalent at 31 March					

Profitability Ratios (%)	2024A	2025A	2026F	2027F	2028F
EBIT margin	25.3%	24.4%	25.9%	27.0%	26.0%
PBT margin	24.9%	23.2%	24.3%	25.5%	24.6%
PAT margin	18.5%	17.4%	18.2%	19.1%	18.4%
Core PATAMI margin	17.7%	17.1%	18.5%	19.4%	18.7%
ROE	11.2%	9.2%	11.8%	12.8%	13.7%
ROA	8.9%	6.4%	8.1%	8.7%	9.2%

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MBSB INVESTMENT BANK (formerly known MIDF INVESTMENT BANK): GUIDE TO RECOMMENDATIONS

STOCK RECOMMENDATIONS

BUY	Total return is expected to be >10% over the next 12 months.
TRADING BUY	The stock price is expected to rise by >10% within 3 months after a Trading Buy rating has been assigned due to positive news flow.
NEUTRAL	Total return is expected to be between -10% and +10% over the next 12 months.
SELL	Total return is expected to be <-10% over the next 12 months.
TRADING SELL	The stock price is expected to fall by >10% within 3 months after a Trading Sell rating has been assigned due to negative news flow.

SECTOR RECOMMENDATIONS

POSITIVE	The sector is expected to outperform the overall market over the next 12 months.
NEUTRAL	The sector is to perform in line with the overall market over the next 12 months.
NEGATIVE	The sector is expected to underperform the overall market over the next 12 months.

ESG RECOMMENDATIONS* - source Bursa Malaysia and FTSE Russell

☆☆☆☆	Top 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆☆☆	Top 26-50% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆☆	Top 51%- 75% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆	Bottom 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell

* ESG Ratings of PLCs in FBM EMAS that have been assessed by FTSE Russell in accordance with FTSE Russell ESG Ratings Methodology