Corporate Update

# Matrix Concepts Holdings Berhad

(8236 | MCH MK) Main | Property

SHARIAH Compliant | ESG 3 Stars | FTSE4Good

Maintain **BUY**

Unchanged Target Price **RM1.65**

# 2QFY26 Earnings Review
# Earnings on Track

**1HFY26 earnings within expectations.** Matrix Concepts 1HFY26 core net income of RM130.6m came in within expectations, making up 50% and 52% of our and consensus full year estimates respectively. Matrix Concepts announced dividend of 1.75sen for 2QFY26, bringing total dividend to 3.5sen in 1HFY26.

**Higher sequential earnings on earnings recognition of high-rise projects.** On a sequential basis, 2QFY26 revenue jumped to RM396.3m (+39.4%qoq) mainly due to revenue recognition of Levia Residence in Cheras and M333 St Kilda project in Australia. Meanwhile, 2QFY26 core net income increased by a milder quantum to RM67.5m (+7%qoq) mainly due to lower margin achieved from its high-rise projects. Note that gross profit margin narrowed from 47% in 1QFY26 to 37.5% in 2QFY26. Besides, earnings growth was partly offset by the higher administrative expenses.

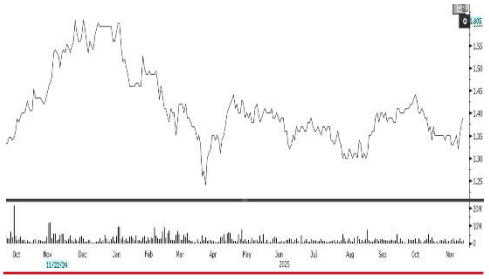
**Resilient earnings.** On a yearly basis, 2QFY26 core net income was higher at RM67.5m (+20.88%yoy), bringing 1HFY26 earnings higher at RM130.6m (+12%yoy). The earnings growth was underpinned by resilient contribution from Sendayan developments in Seremban, maiden contribution from Horizon L&L which was acquired in August 2025 as well as earnings recognition from high-rise projects namely Levia Residence in Cheras and M333 St Kilda project in Australia. Meanwhile, healthcare division recorded lower contribution due to ongoing capacity expansion at Mawar Medical Centre.

**New sales on track.** New property sales increased from RM381m in 1QFY26 to RM406.9m in 2QFY26. That brought total new sales to RM788m in 1HFY26 which is well on track to meet management sales target of RM1.6b for FY26. New sales were largely contributed by Sendayan developments in Seremban and land sales at MVV City. Meanwhile, unbilled sales stood at RM1.6b, providing >1 year earnings visibility.

**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 new sales momentum should sustain by Sendayan developments. Meanwhile, revenue recognition from MVV City is expected support earnings visibility from FY26 onwards. Besides, dividend yield is attractive at 5.4%. Hence, we maintain our **BUY** call on Matrix Concepts.

| RETURN STATISTICS | |
|---|---|
| Price @ 26th Nov 2025 (RM) | 1.39 |
| Expected share price return (%) | +18.7 |
| Expected dividend yield (%) | +5.4 |
| Expected total return (%) | +24.1 |

**SHARE PRICE CHART**



| Price performance (%) | Absolute | Relative |
|---|---|---|
| 1 month | 0.0 | -0.7 |
| 3months | -1.4 | 4.1 |
| 12 months | -7.3 | -8.6 |

| 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 | 5.4% | 6.0% | 6.6% |

| KEY STATISTICS | |
|---|---|
| FBM KLCI | 1,624.50 |
| Issue shares (m) | 1877.02 |
| Estimated free float (%) | 59.99 |
| Market Capitalisation (RM'm) | 2,609 |
| 52-wk price range | RM1.22 – RM1.62 |
| 3-mth average daily volume (m) | 1.89 |
| 3-mth average daily value (RM'm) | 2.59 |
| **Top Shareholders (%)** | |
| Shining Term Sdn Bhd | 12.67 |
| Lee Tian Hock | 10.31 |
| Lembaga Tabung Haji | 6.79 |

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## Matrix Concepts: 2QFY26 RESULTS SUMMARY

| FYE March (RM'm, unless otherwise stated) | Quarterly Results | | | Cumulative | |
|---|---|---|---|---|---|
| | 2QFY26 | %YoY | %QoQ | FY26 | %YoY |
| Revenue | 396.28 | 23.4% | 39.4% | 680.56 | 13.3% |
| Gross Profit | 148.79 | -6.9% | 11.4% | 282.37 | -6.0% |
| Operating Profit | 91.89 | -3.7% | 6.7% | 178.05 | 0.2% |
| Profit Before Tax | 89.82 | -0.3% | 8.2% | 172.80 | 1.0% |
| Net Income | 67.50 | 0.1% | 7.3% | 130.44 | 1.8% |
| Core Net Income | 67.50 | 20.8% | 7.0% | 130.59 | 12.0% |
| Dividend | 1.75 | NA | 0.0% | 3.50 | NA |
| EPS (sen) | 3.60 | -33.3% | 7.3% | 6.95 | -32.1% |
| Core EPS (sen) | 3.60 | -19.5% | 7.3% | 6.95 | -25.4% |
| Operating Profit Margin (%) | 0.23 | -22% | -23.5% | 0.26 | -11.5% |
| NTA/share | 1.22 | -30% | 1.5% | 1.22 | -30.4% |
| Net Gearing | 0.21 | N/A | N/A | 0.21 | 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) | 7.3 | 12.9 | 9.8 | 8.8 | 8.1 |
| NTA/share | 1.70 | 1.18 | 1.20 | 1.23 | 1.26 |
| P/NTA | 0.82 | 1.18 | 1.16 | 1.13 | 1.11 |

| 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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**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