Corporate Update

Matrix Concepts Holdings Berhad

(8236 | MCH MK) Main | Property

SHARIAH Compliant | ESG 3 Stars | FTSE4Good

3QFY26 Earnings Review Positive Long-Term Outlook

9MFY26 earnings slightly below our expectation. Matrix Concepts 9MFY26 core net income of RM180.5m came in slightly below our expectation but within consensus expectation, making up 68% and 71% of our and consensus full year estimates respectively. The negative deviation against our forecast was mainly due to the lower-than-expected margin and the higher-than-expected tax rate in 3QFY26. Matrix Concepts announced dividend of 1.35sen for 3QFY26, bringing total dividend to 4.85sen in 9MFY26.

Lower sequential earnings on weaker margin and higher tax rate. On a sequential basis, 3QFY26 core net income was weaker at RM50m (-26%qoq) as earnings were dragged by weaker margin and higher tax rate. Gross profit margin narrowed to 36.6% in 3QFY26 from 37.5% in 2QFY26 due to earnings recognition from lower margin products and reclassification of certain expenses to cost of sales. Meanwhile, the lower earnings were also dragged by higher tax rate of 29.4% in 3QFY26 from 23.4% in 2QFY26. Besides, the lower sequential earnings were also due to higher base in 2QFY26 which saw earnings recognition from project in Australia. Looking ahead, we expect stronger earnings in 4QFY26 as we anticipate margin to improve on the back of recognition of higher margin products.

Sturdy earnings in 9MFY26. On a yearly basis, 3QFY26 core net income was stronger at RM50m (+15.5%yoy), bringing 9MFY26 earnings higher at RM180.5m (+12.9%yoy). Earnings remain resilient, underpinning by contribution from Sendayan developments in Seremban and Levia Residence in Cheras. Besides, earnings were also lifted by contribution from Horizon L&L which was acquired in August 2025. Meanwhile, earnings were partially dragged by narrower gross profit margin to 40% in 9MFY26 from 50.1% in 9MFY25 due to earnings recognition of high-rise project which typically commands lower margin.

New sales in line. New property sales declined to RM368m in 3QFY26 from RM406.9m in 2QFY26. That brought total new sales to RM1.15b in 9MFY26, on track to meet management sales target of RM1.6b for FY26. Meanwhile, unbilled sales decreased marginally to RM1.5b in 3QFY26 from RM1.6b in 2QFY26, providing >1 year earnings visibility.

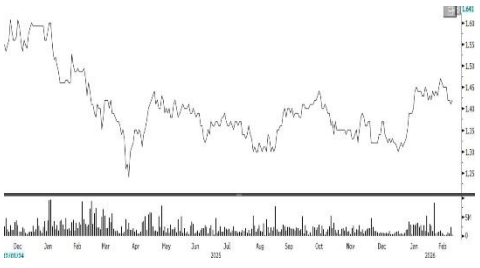
Maintain BUY with a revised target price at RM1.66. We revise our forecast for FY26/27/28F by -9.7%/-8.5%/-1.5% to factor in the lower margin. Meanwhile, our **TP** for Matrix Concepts is revised to **RM1.66** from RM1.65 as we update our RNAV valuation. Our TP is based on a wider RNAV discount of 25% (previously 22%) in view of the lower margin outlook. Overall, we remain positive on long-term prospect for Matrix Concepts as the solid contribution from Sendayan development should sustain growth while MVV City development is the next growth phase of Matrix Concepts. Besides, the growing contribution from Klang Valley developments namely Horizon L&L projects are expected to drive earnings growth. Hence, we maintain our **BUY** call on Matrix Concepts.

Maintain **BUY**

Revised Target Price **RM1.66**
(from RM1.65)

RETURN STATISTICS	
Price @ 26th Feb 2026 (RM)	1.41
Expected share price return (%)	+17.7
Expected dividend yield (%)	+4.8
Expected total return (%)	+22.5

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	-0.7	-2.6
3months	9.2	-5.4
12 months	-0.7	-11.2

INVESTMENT STATISTICS

FYE March	2026E	2027F	2028F
Revenue	1,436	1,523	1,730
Operating Profit	337	377	442
Profit Before Tax	314	354	418
Core PATAMI	240	270	319
Core EPS	12.79	14.40	16.98
DPS	6.8	7.2	8.8
Dividend Yield	4.8%	5.1%	6.2%

KEY STATISTICS

FBM KLCI	1,740.94
Issue shares (m)	1877.02
Estimated free float (%)	60.50
Market Capitalisation (RM'm)	2,647
52-wk price range	RM1.22 – RM1.48
3-mth average daily volume (m)	1.65
3-mth average daily value (RM'm)	2.29
Top Shareholders (%)	
Shining Term Sdn Bhd	12.67
Lee Tian Hock	10.31
Lembaga Tabung Haji	6.28

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Matrix Concepts: 3QFY26 RESULTS SUMMARY

FYE March (RM'm, unless otherwise stated)	Quarterly Results			Cumulative	
	3QFY26	%YoY	%QoQ	FY26	%YoY
Revenue	370.14	31.8%	-6.6%	1050.70	19.2%
Gross Profit	135.43	-7.3%	-9.0%	417.80	-6.4%
Operating Profit	79.04	34.6%	-14.0%	257.09	8.8%
Profit Before Tax	71.06	29.7%	-20.9%	243.85	7.9%
Net Income	50.04	15.5%	-25.9%	180.47	5.3%
Core Net Income	50.04	15.5%	-25.9%	180.47	12.9%
Dividend	1.35	0.0%	-22.9%	4.85	-26.5%
EPS (sen)	2.66	-23.0%	-25.9%	9.61	-29.8%
Core EPS (sen)	2.66	-23.0%	-25.9%	9.61	-24.8%
Operating Profit Margin (%)	0.21	2%	-7.9%	0.24	-69.4%
NTA/share	1.23	-30%	0.5%	1.23	-30.2%
Net Gearing	0.19	N/A	N/A	0.19	N/A

Source: Company, MBSB Research

Matrix Concepts RNAV

	Stake	Est remaining GDV (RM m)	WACC (%)	Value (RM m)
Domestic				
Sendayan	100%	3881	10%	333
BSI	100%	1852	10%	172
Klang Valley	100%	1130	10%	114
MVV land	85%	15000	10%	1010
HLL Group	70%	845	10%	63
International				
Indonesia	30%	2000	10%	63
Unbilled sales		1500	10%	173
Total				**1929**
Shareholder Funds				2225
Total RNAV				4154
Number of shares				1877
RNAV per share				2.21
Discount				25%
Target Price				**1.66**

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	337	377	442
PBT	334	275	314	354	418
Net Income	246	214	240	270	319
Core Net Income	237	203	240	270	319
Core EPS (sen)	19.0	10.8	12.8	14.4	17.0
Core PER (x)	7.4	13.0	11.0	9.8	8.3
NTA/share	1.70	1.18	1.20	1.23	1.26
P/NTA	0.83	1.20	1.17	1.15	1.12

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