Matrix Concepts Holdings Berhad

(8236 | MCH MK) Main | Property

SHARIAH Compliant | ESG 3 Stars | FTSE4Good

Corporate Update

1QFY27 Earnings Review

Stable Earnings with Valuation Appeal

Maintain **BUY**

Unchanged Target Price **RM1.55**

1QFY27 earnings within expectations. Matrix Concepts reported core net income of RM61.2m for 1QFY27 which came in within expectations, making up 22% and 24% of our and consensus full year estimates respectively. Matrix Concepts announced dividend of 1.4sen for 1QFY27.

Margin recovery supports earnings. On a sequential basis, 1QFY27 core net income climbed to RM61.2m (+72.6%qoq) despite topline was marginally higher (+2.2%qoq). The sequential earnings growth was mainly driven by margin recovery, with gross profit margin expanding to 41% in 1QFY27 from 37% in 4QFY26. The recovery was largely expected, as the narrower margin in the previous quarter was due to the recognition of the Australia project and lower margin products. Besides, the pick-up in earnings was also supported by lower expenses, particularly selling and marketing expenses as well as administrative expenses.

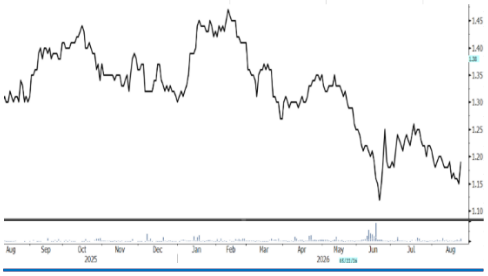
Margins to hold steady. On a yearly basis, 1QFY27 core net income was marginally lower at RM60.2m (-4.4%yoy) despite topline was higher (+11%yoy) as earnings were mainly dragged by lower margin and lower other income. Gross profit margin narrowed to 40.7% in 1QFY27 from 47% in 1QFY26 due to recognition of lower margin products namely high-rise project in Cheras. Besides, the lower other income was due to the absence of the one-off RM6.1m other income recognised in 1QFY26. Going forward, we expect earnings growth to pick up, driven by progressive earnings recognition from Levia Residence in Cheras and the recognition of land sales at MVV City. Gross margin is expected to remain resilient at above 40% in FY27, supported by higher-margin developments, particularly the industrial components of MVV City.

Sales momentum largely on track. Matrix Concepts recorded new property sales of RM417m in 1QFY27, inching up from RM355m in 4QFY26. New sales in 1QFY27 were largely in line with new sales target of RM2b for FY27. Sendayan development remains the key sales contributor, contributing RM235m or 56% to total new sales, followed by land sales in MVV which contributed RM96.8m. On the other hand, unbilled sales of RM1.48b, provides 1 year earnings visibility.

Maintain BUY with an unchanged target price at RM1.55. We maintain our earnings forecast for FY27/28/29. Our **TP** for Matrix Concepts is also maintained at **RM1.55**, based on 30% discount to RNAV. The MVV City development remains a key near-term catalyst for Matrix Concepts, while ongoing contributions from its Sendayan and Klang Valley developments should provide a stable earnings base and support steady earnings growth. Besides, dividend yield is attractive at 6% while the recent share price weakness has made the current valuation more compelling for long-term investors. Hence, we maintain our **BUY** call on Matrix Concepts.

RETURN STATISTICS	
Price @ 24th Aug 2026 (RM)	1.19
Expected share price return (%)	+30.3
Expected dividend yield (%)	+6.0
Expected total return (%)	+36.3

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	-2.5	-4.4
3months	0.8	-9.7
12 months	-11.2	-19.1

INVESTMENT STATISTICS

FYE March	2027F	2028F	2029F
Revenue	1,523	1,730	1,952
Operating Profit	377	442	497
Profit Before Tax	353	418	446
Core PATAMI	269	319	340
Core EPS	14.36	16.98	18.11
DPS	7.2	8.8	9.4
Dividend Yield	6.0%	7.4%	7.9%

KEY STATISTICS	
FBM KLCI	1,736.33
Issue shares (m)	1877.02
Estimated free float (%)	59.71
Market Capitalisation (RM'm)	2,233.66
52-wk price range	RM1.1 - RM1.48
3-mth average daily volume (m)	2.47
3-mth average daily value (RM'm)	2.98
Top Shareholders (%)	
Shining Term Sdn Bhd	12.67
Lee Tian Hock	9.94
Lembaga Tabung Haji	8.59

Analyst

Jessica Low Jze Tieng

jessica.lowjt@mbsb.com

03-2173 8391

Matrix Concepts: 1QFY27 RESULTS SUMMARY

FYE March (RM'm, unless otherwise stated)	Quarterly Results			Cumulative	
	1QFY27	%YoY	%QoQ	FY27	%YoY
Revenue	315.58	11.0%	2.2%	315.58	11.0%
Gross Profit	128.55	-3.8%	12.2%	128.55	-3.8%
Operating Profit	83.15	-3.5%	50.5%	83.15	-3.5%
Profit Before Tax	80.79	-2.6%	50.5%	80.79	-2.6%
Net Income	60.19	-4.4%	55.5%	60.19	-4.4%
Core Net Income	60.19	-4.4%	72.6%	60.19	-4.4%
Dividend	1.40	-20.0%	12.0%	1.40	-20.0%
EPS (sen)	3.21	-4.4%	55.5%	3.21	-4.4%
Core EPS (sen)	3.21	-4.4%	72.6%	3.21	-4.4%
Operating Profit Margin (%)	0.26	-13%	47.3%	0.26	-13.1%
NTA/share	1.26	5%	1.6%	1.26	4.6%
Net Gearing	0.33	N/A	N/A	0.33	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				30%
Target Price				**1.55**

FINANCIAL SUMMARY

Profit or Loss (RM'm)	2025A	2026A	2027F	2028F	2029F
Revenue	1,187	1,360	1,523	1,730	1,952
EBIT	289	312	377	442	497
PBT	275	269	353	418	446
Net Income	214	219	269	319	340
Core Net Income	203	215	269	319	340
Core EPS (sen)	10.8	11.5	14.4	17.0	18.1
Core PER (x)	10.9	10.3	8.2	7.0	6.5
NTA/share	1.18	1.25	1.23	1.26	1.29
P/NTA	1.00	0.95	0.96	0.94	0.92

Balance Sheet (RM'm)	2025A	2026A	2027F	2028F	2029F
Property, plant and equipment	189	194	196	198	200
Inventories	1098	1748	1713	1679	1646
Total non-current assets	1589	2210	2237	2308	2361
Trade receivables and contract assets	713	732	739	747	754
Inventories	731	860	879	898	918
Deposits, Cash and bank balances	187	182	188	195	201
Other current assets	0	0	7	13	20
Total Assets	**3220**	**3984**	**4050**	**4161**	**4254**
Long-term borrowings	444.4	827.2	885.1	947.0	1013.3
Short-term borrowings	60.3	97.5	220.8	223.0	225.3
Other Liabilities	503	720	637	630	598
Total Liability	1008	1645	1743	1800	1837
Share capital	961	961	961	961	961
Other Equity	1251	1378	1346	1400	1456
Total Equity	2212	2339	2307	2361	2417
Equity + Liability	**3220**	**3984**	**4050**	**4161**	**4254**

Cash Flow (RM'm)	2025A	2026A	2027F	2028F	2029F
Cash flows from operating activities					
Net income before taxation	275	298	353	418	446
Net cash from operating activities	-473	-220	64	65	67
Cash flows from investing activities					
Purchase of PPE	-4	-10	-8	-7	-6
Net cash used in investing activities	9	-74	-56	-54	-41
Cash flows from financing activities					
Repayment of term loan	-47	-119	-125	-112	-101
Net cash from/(used in) financing activities	257	220	79	47	50
Net increase/(decrease) in cash and cash equivalents	-206	-74	87	59	76
Cash and cash equivalent at 1 April	328	120	39	87	146
Cash and cash equivalent at 31 March	328	120	39	87	146

Profitability Ratios (%)	2025A	2026A	2027F	2028F	2029F
EBIT margin	24.4%	23.0%	24.8%	25.6%	25.5%
PBT margin	23.2%	19.8%	23.2%	24.2%	22.9%
PAT margin	17.4%	14.9%	17.4%	18.1%	17.2%
Core PATAMI margin	17.1%	15.8%	17.7%	18.4%	17.4%
ROE	9.2%	9.2%	11.7%	13.5%	14.1%
ROA	6.3%	5.4%	6.7%	7.7%	8.0%

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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