Matrix Concepts Holdings Berhad

(8236 | MCH MK) Main | Property

SHARIAH Compliant | ESG 3 Stars | FTSE4Good

Maintain **BUY**

Unchanged Target Price **RM1.33**

Corporate Update

Expanding Footprint in Johor

Expanding footprint in Johor. Matrix Concepts announced that it has entered sale and purchase agreements for the acquisition of 57 parcels of vacant agricultural land in Kulai, Johor, covering 174.77 hectares for RM169.31m. The land is strategically located between Kulai town and the Sedenak Industrial Growth Corridor, with good connectivity via the North-South Expressway and Senai International Airport.

Boosting Johor industrial presence. We view the land acquisition as strategically positive for Matrix Concepts, as it strengthens the group's presence in Johor. Currently, the company has projects and landbank in Kluang, Johor, which are mainly focused on residential development. The newly acquired land in Kulai is expected to support a mixed development, comprising industrial, residential, and commercial components. The industrial segment is likely to form an important part of the development, allowing Matrix Concepts to expand its exposure to Johor's fast-growing industrial market

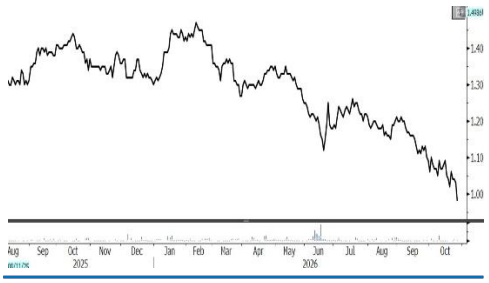
Favourable acquisition price. The potential GDV of projects on the landbank is at RM2.1b, translating into attractive land cost to GDV ratio of 8%. The land acquisition price is attractive at RM9 psf, which is significantly lower than recent land transactions in Kulai. This compares with RM17 psf for SD Guthrie Bhd's land sale to Sime Darby Property Bhd in August 2026, and RM15 psf for Mah Sing Group Bhd's land acquisition from Kuala Lumpur Kepong Bhd (KLK) in December 2025.

Manageable gearing impact. The proposed land acquisition will be financed through a combination of internally generated funds and bank borrowings. The land acquisition is expected to increase net gearing to 0.41x from 0.33x in 1QFY27. Nevertheless, management expects gearing to remain manageable, as the SPA is expected to take about one year to complete. By then, the group's net gearing is expected to be lower than current levels, providing sufficient capacity to fund the acquisition.

Maintain BUY with an unchanged TP of RM1.33. We make no changes to earnings forecast for FY27/28/29 as first launch is expected to be after 18 months. Our **TP** is also unchanged at **RM1.33** pending completion of SPA. Our TP is based on 40% discount to RNAV. We view the expanding presence in Johor as a long-term positive for Matrix Concepts, as it broadens the group's growth platform beyond its core Sendayan development. Besides, dividend yield is attractive at 7.3%. Hence, we maintain our **BUY** call on Matrix Concepts.

RETURN STATISTICS	
Price @ 27th Oct 2026 (RM)	0.98
Expected share price return (%)	+35.7
Expected dividend yield (%)	+7.3
Expected total return (%)	+43.0

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	-12.5	-9.3
3months	-10.1	-14.6
12 months	-29.5	-29.2

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	7.3%	9.0%	9.6%

KEY STATISTICS	
FBM KLCI	1,611.85
Issue shares (m)	1877.02
Estimated free float (%)	57.23
Market Capitalisation (RM'm)	1,839
52-wk price range	RM0.98 - RM1.5
3-mth average daily volume (m)	1.72
3-mth average daily value (RM'm)	1.99
Top Shareholders (%)	
Shining Term Sdn Bhd	12.67
Lee Tian Hock	9.94
Lembaga Tabung Haji	8.63
EPF	7.73

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Matrix Concepts RNAV

	Stake	Est remaining GDV (RM m)	WACC (%)	Value (RM m)
Domestic				
Sendayan	100%	3,881	10%	333
BSI	100%	1,852	10%	172
Klang Valley	100%	1,130	10%	114
MVV land	85%	15,000	10%	1,010
HLL Group	70%	845	10%	63
International				
Indonesia	30%	2,000	10%	63
Unbilled sales		1,500	10%	173
Total				**1,929**
Shareholder Funds				2,225
Total RNAV				4,154
Number of shares				1,877
RNAV per share				2.21
Discount				40%
Target Price				**1.33**

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)	9.1	8.5	6.8	5.8	5.4
NTA/share	1.18	1.25	1.23	1.26	1.29
P/NTA	0.83	0.79	0.80	0.78	0.76

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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MBSB 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