

Matrix Concepts Holdings Berhad (MCH MK)

Below

HOLD

Share Price RM1.40
Target Price RM1.42 1.4%

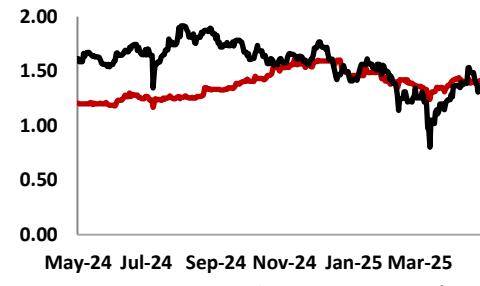
Below Our Expectation

- Maintain HOLD with lower target price (TP: RM1.42).** Matrix's 12MFY25 revenue fell 11.7% YoY to RM1.2bn, while PATAMI declined 12.4% YoY to RM214mn, below our forecast (73%) but in line with consensus (94%). The weaker topline was mainly due to a 15.4% drop in Sendayan, driven by timing of project launches. Core PATAMI was weighed by lower revenue and higher administrative and general expenses. That said, revenue from other segments rose 58.5%, supported by stronger contributions from the education and healthcare divisions. We maintain our **HOLD** call with a lower **TP of RM1.42** (from RM1.43 previously), as we cut our earning assumption of FY26F, pegged at 1.1x P/B to revised FY26F BVPS of RM1.29 (from 1.30). Additionally, we also introduce our earnings forecast for FY28F.
- Key Highlights.** Matrix's 4QFY25 revenue and core PATAMI fell 13.6% and 36% YoY, mainly due to a 14.6% drop in Sendayan property revenue. Earnings were further weighed by higher admin costs and a rise in finance expenses to RM2.9mn (from RM0.1mn). Levia Residences helped offset some of the softness, while non-property segments remained resilient. Property sales rose to RM360.6mn (vs. RM342mn in 4QFY24), up 5.4% YoY. A dividend of 1.35 sen was declared, implying a 0.96% yield.
- On a QoQ basis, revenue rose 13%, primarily due to improved sales conversion from previously secured bookings that had been delayed in recognition. This trend is expected to normalize over the next three to six months. Despite higher revenue, core PATAMI fell 1.5% to RM42.7mn, mainly due to increased administrative and general expenses.
- Earnings Revision.** We raise our FY26F/27F revenue forecasts by 11.9%/12%, in line with company guidance, but cut our earnings forecasts by 10%/10% as we revise down our profit margin assumptions.
- Outlook.** Despite the softer FY25 performance, we remain positive on Matrix's ability to sustain earnings momentum, backed by ongoing and upcoming projects in MVV land. The group has a RM1.7bn launch pipeline for FY26 (vs. RM1.45bn in FY25) and a higher sales target of RM1.6bn (vs. RM1.38bn in FY25). Unbilled sales of RM1.46bn as of March 2025 provide 15–18 months of revenue visibility.

Table 1: Changes in Earnings Forecast

FYE 31 Mar (RM mn)	Previous		After		Change (%)	
	FY26F	FY27F	FY26F	FY27F	FY26F	FY27F
Revenue	1,374	1,439	1,537	1,612	11.86%	12.02%
EBITDA	416	435	387	405	-7.02%	-6.97%
EBIT	405	425	376	394	-7.20%	-7.15%
Pretax profit	402	422	361	379	-10.25%	-10.11%
PATAMI	302	316	271	284	-10.25%	-10.13%
Core PATAMI	306	321	275	289	-10.10%	-9.99%

Price Chart (RM)



Share Performance (%)	1m	3m	12m
Absolute	(2.1)	0.2	22.3
vs FBM KLCI	0.1	3.4	23.5

Stock Data

ESG Rating	Good
Mkt Cap (RM mn)	2,627.8
Adjusted Beta	0.6
Free float (%)	0.7
Issued shares (mn)	1,877.0
52w H/L (RM)	1.63/ 1.15
3m avg daily volume	2,924,399

Major Shareholders (%)

Shining Term Sdn Bhd	13.0
Lee Tian Hock	10.3
Lembaga Tabung Haji	6.1

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Table 2: Quarterly Figures

Matrix Concepts Holdings Berhad FYE 31 Mar (RM mn)	Quarterly			Change (%)		Cumulative		YTD (%)	BIMB	
	4QFY24	3QFY25	4QFY25	QoQ	YoY	FY24	FY25		FY25F	1H/F
Revenue	353.1	280.9	305.2	8.6	-13.6	1,344.1	1,186.9	-11.7	1,304.7	91%
EBITDA	96.5	61.1	55.2	-9.6	-42.8	347.7	298.7	-14.1	397.0	75%
PBT	86.9	54.8	49.2	-10.3	-43.4	332.4	275.1	-17.2	383.1	72%
Taxation	(22.3)	(11.4)	(7.5)	-34.6	-66.5	(86.6)	(60.2)	-30.5	(95.8)	63%
PAT	64.6	43.4	41.7	-3.9	-35.5	245.8	214.9	-12.6	287.3	75%
Core PATAMI	66.6	43.3	42.7	-1.5	-36.0	244.3	214.1	-12.4	291.8	73%
Core EPS (sen)	5.33	3.46	2.27	-34.3	-57.3	19.52	16.37	-16.2	16.4	100%
				Chg (ppts)				Chg (ppts)		
EBITDA margin (%)	27.3	21.7	18.1	-3.6	-9.2	25.9	25.2	-0.7	30.4	
PBT margin (%)	24.6	19.5	16.1	-3.4	-8.5	24.7	23.2	-1.6	29.4	
Core PATAMI margin (%)	18.9	15.4	14.0	-1.4	-4.9	18.2	18.0	-0.1	22.4	
Effective tax rate (%)	25.6	20.8	15.2	-5.7	-10.4	26.0	21.9	-4.2	25.0	

Source: Company, BIMB Securities

Table 3: Earnings Forecast

FYE Mar (RM mn)	FY24	FY25	FY26F	FY27F	FY28F
Turnover	1,344	1,187	1,537	1,612	1,692
EBITDA	348	299	387	405	424
Pretax profit	332	275	361	379	399
Core PATAMI	244	214	275	289	303
Consensus			250	272	0
EPS (sen)	19.5	16.4	14.7	15.4	16.2
PER (x)	7.3	8.7	9.8	9.3	8.8
BVPS (RM)	1.7	1.2	1.3	1.3	1.4
P/B (x)	0.8	1.2	1.1	1.1	1.0
DPS (sen)	9.7	6.2	10.0	10.0	10.0
D. Yield (%)	6.8	4.3	7.0	7.0	7.0
Net Gearing (%)	Net Cash	0.2	0.0	Net Cash	Net Cash
Key Ratios (%)					
ROE	11.4	9.6	11.4	11.5	11.5
EBITDA margin	25.9	25.2	25.1	25.1	25.0
Pretax margin	24.7	23.2	23.5	23.5	23.6
Net margin	18.2	18.0	17.9	17.9	17.9

Source: Bloomberg, BIMB Securities

DEFINITION OF RATINGS

BIMB Securities uses the following rating system:

STOCK RECOMMENDATION

BUY	Total return (price appreciation plus dividend yield) is expected to exceed 10% in the next 12 months.
TRADING BUY	Share price may exceed 15% over the next 3 months, however longer-term outlook remains uncertain.
HOLD	Share price may fall within the range of +/- 10% over the next 12 months
TAKE PROFIT	Target price has been attained. Fundamentals remain intact. Look to accumulate at lower levels.
TRADING SELL	Share price may fall by more than 15% in the next 3 months.
SELL	Share price may fall by more than 10% over the next 12 months.
NOT RATED	Stock is not within regular research coverage.

SECTOR RECOMMENDATION

OVERWEIGHT	The Industry as defined by the analyst's coverage universe, is expected to outperform the relevant primary market index over the next 12 months
NEUTRAL	The Industry as defined by the analyst's coverage universe, is expected to perform in line with the relevant primary market index over the next 12 months
UNDERWEIGHT	The Industry as defined by the analyst's coverage universe, is expected to underperform the relevant primary market index over the next 12 months

Applicability of ratings

The respective analyst maintains a coverage universe of stocks, the list of which may be adjusted according to needs. Investment ratings are only applicable to the stocks which form part of the coverage universe. Reports on companies which are not part of the coverage do not carry investment ratings as we do not actively follow developments in these companies.

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