

## BUSINESS OVERVIEW

**Matrix Concepts Holdings Berhad (Matrix Concepts)**, established in 1996, is a reputable property developer in Negeri Sembilan. The Group has built a strong track record in developing residential, commercial, and industrial properties in Negeri Sembilan (NS) and Johor. To date, the Group has completed projects worth RM6.2b Gross Development Value (GDV) on approximately 3,132 acres of land. The Group currently is undertaking the development of two flagship township projects, **Bandar Sri Sendayan (BSS)** in Seremban, NS, and **Bandar Seri Impian (BSI)** in Kluang, Johor. It is also developing **Sendayan TechValley (STV)** within BSS, an industrial cluster highly promoted by the NS State Government and Malaysian Investment Development Authority (MIDA) to local and foreign investors.

### BANDAR SRI SENDAYAN @ Seremban, NS

➤ Mixed developments of residential, commercial, & industrial properties

#### Key information on BSS:

- **Total acreage:** 2,893.3 acres
- **Total GDV:** RM9.8b est.
  - **Completed:** RM3,697.6m
  - **Ongoing:** RM2,024.1m
  - **Unbilled sales:** RM1,159.0m (inc. STV)
- **Completion:** end-2027 est.
- **Location stats:**
  - **To KL:** 70km, **KLIA:** 22km

#### Key information on STV (part of BSS development):

- **Total land:** 638.9 acres/130 lots
- **Sold:** 629.9 acres/107 lots
- **Completed end-2013**
- **Foreign Direct Investors to date:**
  - Hino Motor, Messier-Buggati-Dowty, Keen Point, TMC Metal, Akashi-Kikai, Daihatsu Motors, MBM Resources, Meditop Corp, Nippon Kayaku, Weir Group, Schmidt + Clemens Group, Hubei Dijian Construction Group, Fibertex Personal Care, Shimadzu Corporation, Perodua & Daihatsu

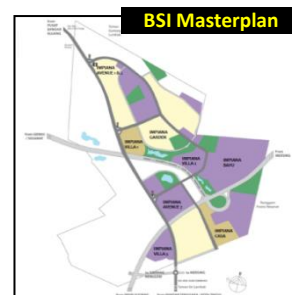


### BANDAR SERI IMPIAN @ Kluang, Johor

➤ Residential & commercial projects

#### Key information on BSI:

- **Total acreage:** 694.1 acres
- **Total GDV:** RM2.4b est.
  - **Completed:** RM1,013.7m
  - **Ongoing:** RM345.5m
  - **Unbilled sales:** RM147.1m
- **Completion:** 2023 est.
- Easily accessible via numerous highways, e.g. Jln Kluang-Bandar Tenggara and proposed Kluang – Pasir Gudang Expressway



## 1H19 OPERATIONS REVIEW

Location	Start GDV (RM 'm)	Completed Projects (RM 'm)	New Projects (RM 'm)	GDV Adjust-ment	End GDV (RM 'm)	Current Take-up (%)	Unbilled sales (RM 'm)
BSS	2,047.3	512.3	496.9	-7.8	2,024.1	88.4	1,108.9
STV	786.7	786.7	-	-	-	82.3	50.1
BSI	401.2	62.0	-	6.3	345.5	68.5	147.1
Chambers KL	-	-	310.8	-	310.8	17.9	51.4
SIGC	161.7	161.7	-	-	-	98.4	76.3
M.Carnegie	101.8	101.8	-	-	-	98.1	-
<b>Total</b>	<b>3,498.7</b>	<b>1,624.5</b>	<b>807.7</b>	<b>-1.5</b>	<b>2,680.4</b>	<b>80.5</b>	<b>1,433.8</b>

## COMPETITIVE ADVANTAGES & KEY STRENGTHS

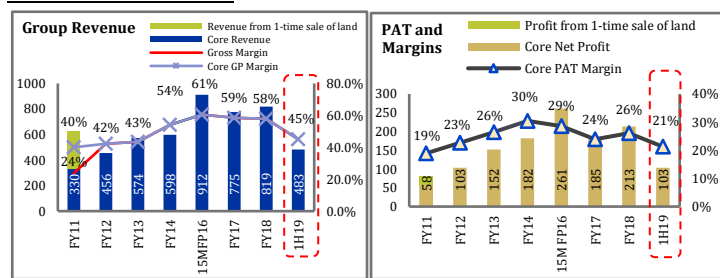


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## FINANCIAL PERFORMANCE



2Q19	2Q18	Change	RM 'm	1H19 to 30.9.18	1H18 to 30.9.17	Change
253.3	202.9	24.8%	<b>Revenue</b>	483.4	375.8	28.6%
113.5	108.8	4.3%	<b>Gross Profit</b>	218.1	210.8	3.5%
44.8%	53.6%	(8.8 pt)	<b>Gross Profit margin</b>	45.1%	56.1%	(11.0 pt)
76.2	73.5	3.7%	<b>EBITDA</b>	146.4	139.3	5.1%
30.1%	36.2%	(6.1 pt)	<b>EBITDA margin</b>	30.3%	37.1%	(6.8 pt)
74.4	71.0	4.8%	<b>PBT</b>	142.4	133.0	7.0%
29.4%	35.0%	(5.6 pt)	<b>PBT margin</b>	29.5%	35.4%	(5.9 pt)
52.9	51.8	2.2%	<b>PATMI</b>	103.1	97.4	5.9%
20.9%	25.5%	(4.6 pt)	<b>Net margin</b>	21.3%	25.9%	(4.6 pt)
7.0	8.6	-18.5%	<b>Basic EPS (sen)</b>	13.7	16.5	-17.2%

**Matrix Concepts'** 2Q19 net profit increased 2.2% to RM52.9m (2Q18: RM51.8m) on 24.8% higher revenue at RM253.3m (2Q18: RM202.9m), due to revenue recognition from M.Carnegie and higher revenue contribution from sales of industrial properties at Bandar Sri Sendayan. The slower bottomline growth was mainly due to fewer higher-premium property launches in its product mix and relatively lower margins of M.Carnegie project.

**Matrix Concepts** declared a 2<sup>nd</sup> interim single-tier dividend of 3.25 sen/share with ex-date on 21 December 2018 and payable on 9 January 2019.

## IMMEDIATE PIPELINE LAUNCHES (GDV RM 'm)

Projects	No. of Units/Type	1Q	2Q	3Q	4Q
<b>Bandar Sri Sendayan</b>					
Hijayu Resorts Homes (Phases 5&6)	10 units 2-storey semi detached houses, and 175 units 2-storey terrace houses			163.0	
Ara Sendayan Phase 3 (Precinct 4)	168 units 2-storey terrace houses	119.6			
Ara Sendayan Phase 4 (Precinct 3A)	144 units 2-storey terrace houses			103.5	
<b>Bandar Seri Impian</b>					
Impiana Damai 2A	124 units 2-storey terrace houses				87.1
Impiana Bayu 3A	83 units 2-storey terrace houses			44.6	
<b>Others</b>					
Tiara Sendayan 1	192 units 1-storey terrace houses, and 212 units 2-storey terrace houses	151.2			
Tiara Sendayan 2	504 units 2-storey terrace houses		225.7		
Tiara Sendayan 3	369 units 2-storey terrace houses			145.0	
Tiara Sendayan 4	537 units 2-storey terrace houses				278.0
Chambers KL (PWTC)	509 units service apartments, and 4 units commercial lots		310.8		
Lobak Commercial Centre	14 units 2-storey shop offices, and 2 units commercial lots				29.3
Residensi SIGC	240 units 2-storey terrace houses			62.9	
<b>TOTAL</b>					<b>1,720.7</b>

● To be launched ● Launched

## GROWTH STRATEGIES

- **To undertake landbanking at strategic timing**
  - To actively seek landbanking opportunities at strategic areas
  - Exploring potential lands to duplicate similar success
- **To continue promoting Seremban as part of the Greater Klang Valley**
  - Leverage on high price differential between KL & BSS prices
  - Emphasising connectivity with various highways
- **To create vibrancy in BSS**
  - Commercial activities to thrive in township
  - Job creation via high-impact industries investing in STV
  - Top-notch education facilities and curriculum, as well as country club and other leisure amenities to attract families

## INVESTMENT MERITS

- An investment proxy to the growth proposition of Seremban as a satellite city within the Greater Klang Valley
- Future earnings to be sustained till 2027 with RM8.4b<sup>1</sup> GDV of future launches; unbilled sales as at 30 September 2018: RM1.4b
- Strong balance sheet with minimal gearing – capable of undertaking landbanking
- Consistently paid dividends since listing; 1H18 payout represents 47.5% of net profit
- A constituent of the FTSE4Good Index

<sup>1</sup> Does not include potential GDV for Sendayan Icon Park (estimated more than RM6 billion)

## INVESTMENT METRICS

Based on price (9.11.18): RM1.90, No. of Shares: 752.8m shares

<b>Market Capitalisation</b>	RM1,430.3m
<b>Trailing PE Ratio</b>	6.6x
<b>Trailing EV/EBITDA</b>	4.6x
<b>FY18 Dividend Yield</b>	6.8%

IR Adviser