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Matrix delivers strongest quarterly profit in five years

Second-quarter net profit jumps 27.8% to RM75.1mil

PROPERTY

PETALING JAYA: Property developer Matrix Concepts Holdings Bhd has recorded its best quarterly earnings in five years with a net profit of RM75.1mil for its second quarter ended Sept 30.

This was a 27.8% jump year-on-year (y-o-y), which signalled a return to the group's pre-movement control order (MCO) operating levels.

The Seremban-based developer attributed its strong rebound to the revenue recognition of a favourable product mix and expedited construction progress.

It said in a statement that it also benefited from optimistic sales and marketing costs in line with the adoption of digital marketing efforts.

Matrix Concepts' quarterly revenue came in at RM262mil, which was 7.3% lower y-o-y compared to the same quarter last year.

The majority of the revenue was contributed by the recognition from residential and commercial properties of RM227.6mil, while sales of industrial properties made up RM26.7mil.

Revenue from investment properties contributed the remaining RM7.8mil.

Group chairman Datuk Mohamad Haslah Mohamad Amin commended the ramp-up in construction progress following the implementation of the recovery MCO on June 10, in contrast to the lower productivity during the nationwide MCO period from March to May.

"Following the operational disruptions faced during the MCO, we remain resolved to delivering a swift recovery to pre-pandemic levels.

"Our focus in our second quarter was to quickly mobilise our construction teams while maintaining stringent health protection measures, as well as transitioning to online sales and marketing channels that enabled us to continue recording healthy sales of new properties.



"We will be launching RM787.3mil worth of new properties in the second half to capture market demand."

Datuk Mohamad Haslah Mohamad Amin

"Given the ongoing challenges in the property sector, the strong take-up rates achieved by our new property launches in the first half of our financial year exceeded our expectations," he said, adding that this was helped by the group's strategy of tailoring offerings to meet latest market needs, such as fast-tracking launches of right-priced homes that featured both affordability and spaciousness at its award-winning Sendayan Developments, which struck a right chord with buyers.

While the Covid-19 pandemic continued to pose uncertainties, Haslah said the group remained upbeat on achieving its financial year 2021 (FY21) targets based on the recovery thus far.

He noted that Matrix Concepts was supported by a sizeable unbilled sales of RM1.1bil which provided earnings visibility for the next 15 months and new property launches with strong value propositions.

For the group's first half of FY21, it reported a net profit of RM106.1mil from RM113.4mil previously, on a revenue of RM424mil from RM531.2mil in the previous year.

This was attributed mainly to the lower contribution from the property development segment and investment properties in the

first quarter due to a halt in operations imposed under the MCO by the government from March to May 2020.

Residential and commercial properties contributed RM369.9mil to the revenue for the first half, while sales of industrial properties contributed RM39.6mil.

The remaining RM14.5mil came from the group's investment properties.

"As our operations are on track to normalcy, we are committed to delivering a healthy performance and dividends to our shareholders for the second half of FY21.

"Encouraged by the continued strong take up of our properties, we will be launching RM787.3mil worth of new properties in the second half to capture market demand," Haslah said.

Matrix Concepts has declared a second interim dividend of three sen per share in respect of FY21, with the ex-date on Dec 24, 2020.

Together with the first interim dividend of two sen, the total dividend payout would amount to RM41.7mil or 39.3% of its first-half net profit.

The group has a track record of paying out at least 40% of its annual net profit attributable to shareholders.