



MATRIX CONCEPTS HOLDINGS BERHAD (414615-U)

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Bloomberg: MCH:MK
Reuters: MATR.KL

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 RM7.3b Gross Development Value (GDV) on approximately 3,278 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:

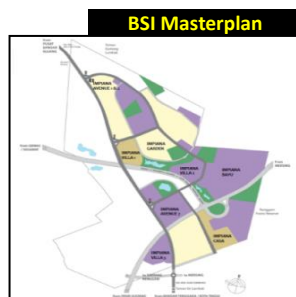
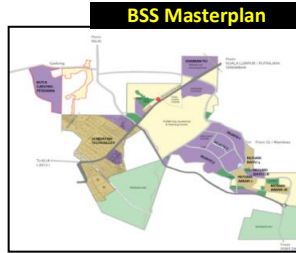
- **Total acreage:** 3,109 acres (+1,167 acres after IPO)
- **Total GDV:** RM11.2b est.
- **Completed:** RM4,630.3m
- **Ongoing:** RM2,037.6m
- **Unbilled sales:** RM983.3m (inc. STV)
- **Completion:** end-2030 est.
- **Location stats:**
 - **To KL:** 70km, **KLIA:** 22km

Key information on STV (part of BSS development):

- **Total land:** 694.5 acres/130 lots
- **Sold:** 674.8 acres/128 lots
- **Completed end-2013**

Foreign Direct Investors to date:

- Hino Motor, Messier-Bugatti-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:** 1,004 acres (+367 acres after IPO)
- **Total GDV:** RM3.6b est.
- **Completed:** RM1,124.0m
- **Ongoing:** RM239.4m
- **Unbilled sales:** RM61.2m
- **Completion:** 2026 est.
- Easily accessible via numerous highways, e.g. Jln Kluang-Bandar Tenggara and proposed Kluang – Pasir Gudang Expressway

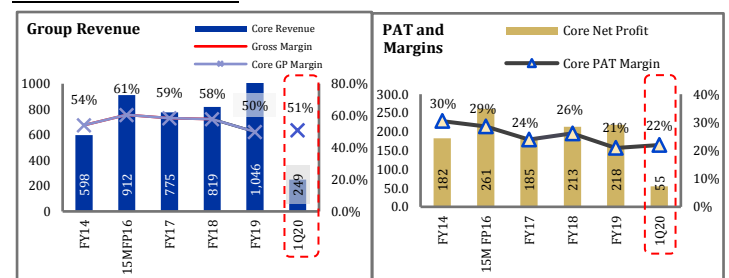
1Q20 OPERATIONS REVIEW

Location	Start GDV (RM 'm)	Completed Projects (RM 'm)	New Projects (RM 'm)	GDV Adjustment	End GDV (RM 'm)	Current Take-up (%)	Unbilled sales (RM 'm)
BSS	1,851.0	183.7	384.1	-13.9	2,037.5	64.7	897.5
STV	786.7	786.7	-	-	-	98.5	85.8
BSI	345.5	106.9	-	0.8	239.4	68.8	61.2
Others	398.7	-	-	-	398.7	64.8	194.8
Total	3,381.9	1,077.3	384.1	-13.1	2,675.6	71.1	1,239.4

COMPETITIVE ADVANTAGES & KEY STRENGTHS

Established Track Record >20 years experience incl. developing integrated township Ability to launch new projects at higher prices Experience in Joint Venture projects with State Governments	High Quality & Diverse Product Mix Demonstrated in high take-up rates Diverse product portfolio to mitigate risk	Strategic Location BSS has high accessibility to key locations Bandar Seri Impian, strategically located in Kluang	Sustainable & High-Impact Developments BSS to benefit from high-impact Government and industrial developments Ongoing and future projects GDV of approx RM10.4b	Experienced Management Team Founder has >30 years of experience in the sector Supported by competent management team Ability to market and complete projects on time
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FINANCIAL PERFORMANCE



	1Q20 to 30.06.19	1Q19 to 30.06.18	Change	RM 'm		FY19 to 31.03.19	FY18 to 31.03.18	Change
248.5	230.0	8.0%	Revenue	1045.5	818.5	27.7%		
126.0	120.5	4.5%	Gross Profit	522.2	467.5	11.7%		
50.7%	52.4%	(1.7 pt)	Gross Profit margin	49.9%	57.1%	(7.2 pt)		
75.2	70.1	7.2%	EBITDA	305.2	309.2	-1.3%		
30.3%	30.5%	(0.2 pt)	EBITDA margin	29.2%	37.8%	(8.6 pt)		
73.0	68.0	7.4%	PBT	297.8	295.2	0.9%		
29.4%	29.5%	(0.2 pt)	PBT margin	28.5%	36.1%	(7.6 pt)		
54.5	50.2	8.8%	PATMI	218.4	213.3	2.4%		
22.0%	21.8%	0.1 pt	Net margin	20.9%	26.1%	(5.2 pt)		
7.1	6.7	6.3%	Basic EPS (sen)	29.0	32.0	-9.4%		

Matrix Concepts' 1Q20 revenue increased 8.0% to RM248.5m (1Q19: RM230.0m) on increased revenue recognition from residential and commercial properties. The Group noted lower gross margin in 1Q20 due to product mix comprising more affordable properties. However, 1Q20 net profit rose 8.8% to RM54.5m (1Q19: RM50.2m) due to narrowing losses from education arm and higher contribution from other income.

Matrix Concepts declared a 1st interim single-tier dividend of 3.00 sen/share with ex-date on 20 September 2019, payable on 9 October 2019. Estimated dividend payout for 1Q19 amounts to RM23.6 million or 43.3% of 1Q20 net profit.

IMMEDIATE PIPELINE LAUNCHES (GDV RM 'm)

Projects	No. of Units/Type	FY2020 (RM'mil)			
		1Q	2Q	3Q	4Q
Bandar Sri Sendayan					
Hijayu Resorts Homes (Phases 5&6)	175 units 2-storey terrace houses		146.0		
Hijayu Residence (Phases 1&2)	576 units 2-storey terrace houses			419.0	
Hijayu Aman P1	251 units 2-storey terrace houses	164.9			
Hijayu Aman P2	109 units 2-storey terrace houses		72.6		
Ara Sendayan Phase 6 (Precinct 3A2[1])	12 units 2-storey terrace houses	9.2			
Ara Sendayan Phase 7 (Precinct 3A2[2])	47 units 2-storey terrace houses		29.7		
Tiara Sendayan 4 (Precinct 3)	429 units 2-storey terrace houses	210.0			
Tiara Sendayan 5 (Precinct 5)	245 units 2-storey terrace houses		125.0		
Tiara Sendayan S6 (Precinct 6)	537 units 2-storey terrace houses				153.0
Bandar Seri Impian					
Impiana Bayu 3A	83 units 2-storey terrace houses		44.6		
TOTAL					1,374.0

● 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 further enhance vibrancy of 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 2030 with more than RM7.0b¹ GDV of future launches; unbilled sales as at 30 June 2019: RM1.2b
- Strong balance sheet with minimal gearing – capable of undertaking landbanking
- Consistently paid dividends since listing; 1Q20 payout represents 43.3% of net profit¹ Does not include potential GDV for Sendayan Icon Park (estimated more than RM6 billion)

INVESTMENT METRICS

Based on price (27.08.19): RM1.93, No. of Shares: 786.8 shares

Market Capitalisation	RM1,518.5m
Trailing PE Ratio	6.8x
Trailing EV/EBITDA	5.2x
FY19 Dividend Yield	6.6%

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