

# MATRIX CONCEPTS HOLDINGS BERHAD (414615-U)

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## 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 RM8.3b Gross Development Value (GDV) on approximately 3,413 acres of land. The Group currently is undertaking the development of two flagship township projects, **Sendayan Developments** in Seremban, NS, and **Bandar Seri Impian (BSI)** in Kluang, Johor. It is also developing **Sendayan TechValley (STV)** within Sendayan Developments, an industrial cluster highly promoted by the NS State Government and Malaysian Investment Development Authority (MIDA) to local and foreign investors.

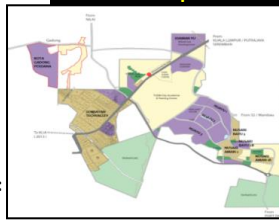
### SENDAYAN DEVELOPMENTS @ Seremban, NS

Mixed developments of residential, commercial, & industrial properties

#### Key information on Sendayan Developments:

- Total acreage:** 3,109.4 acres
- Total GDV:** RM11.5b est.
- Completed:** RM5,487.1m
- Ongoing:** RM2,034.0m
- Unbilled sales:** RM899.4m (inc. STV)
- Completion:** end-2030 est.
- Location stats:**
  - To KL: 70km, KLIA: 22km

#### Sendayan Developments Masterplan



#### Key information on STV (part of Sendayan Developments):

- Total land:** 768.9 acres/166 lots
- Sold:** 727.5 acres/154 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:** 1,003.6 acres
- Total GDV:** RM3.6b est.
- Completed:** RM1,253.2m
- Ongoing:** RM210.5m
- Unbilled sales:** RM47.9m
- Completion:** 2026 est.
- Easily accessible via numerous highways, e.g. Jln Kluang-Bandar Tenggara and proposed Kluang – Pasir Gudang Expressway

#### STV Masterplan



#### BSI Masterplan



## 1Q21 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)
Sendayan Developments	1,755.1	119.9	258.5	0.2	1,893.9	68.2	831.0
STV	140.0	-	-	-	140.0	85.6*	68.4
BSI	210.5	-	-	-	210.5	47.3	47.9
Others	421.0	-	-	-	421.0	72.4	228.2
<b>Total</b>	<b>2,526.6</b>	<b>119.9</b>	<b>258.5</b>	<b>0.2</b>	<b>2,665.5</b>	<b>77.1</b>	<b>1,175.5</b>

\* Average take up rate for completed and ready to sale STV2 (GDV: RM559.2m) and in-progress STV3 (GDV: RM140m)

## COMPETITIVE ADVANTAGES & KEY STRENGTHS

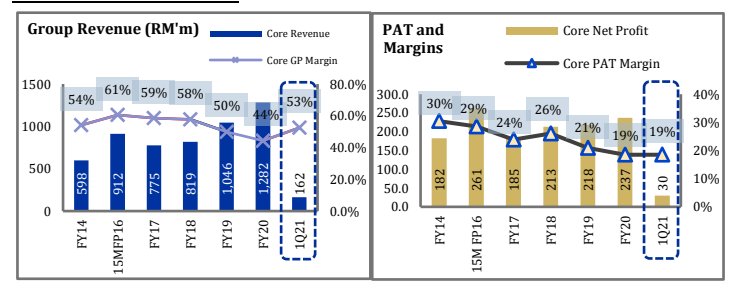
<b>Established Track Record</b> >20 years experience incl. developing integrated township Ability to launch new projects at higher prices Experience in Joint Venture projects with State Governments	<b>High Quality &amp; Diverse Product Mix</b> Demonstrated in high take-up rates Diverse product portfolio to mitigate risk	<b>Strategic Location</b> Sendayan Developments has high accessibility to key locations Bandar Seri Impian strategically located in Kluang	<b>Sustainable &amp; High-Impact Developments</b> Sendayan Developments to benefit from high-impact Government and industrial developments Ongoing and future projects GDV of approx RM9.8b	<b>Experienced Management Team</b> 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



1Q21 to 30.6.20	1Q20 to 30.6.19	Change	RM 'm	FY20 to 31.3.20	FY19 to 31.3.19	Change
162.0	248.5	(34.8%)	<b>Revenue</b>	1,283.4	1,045.5	22.8%
85.0	126.0	(32.5%)	<b>Gross Profit</b>	568.1	522.2	8.8%
52.5%	50.7%	1.8 pt	<b>Gross Profit margin</b>	44.3%	49.9%	(5.7 pt)
45.7	76.6	(40.4%)	<b>EBITDA</b>	351.4	311.6	12.8%
28.2%	30.8%	(2.6 pt)	<b>EBITDA margin</b>	27.4%	29.8%	(2.4 pt)
42.7	73.0	(41.4%)	<b>PBT</b>	337.6	297.8	13.4%
26.4%	29.4%	(3.0 pt)	<b>PBT margin</b>	26.3%	28.5%	(2.2 pt)
31.1	54.5	(43.1%)	<b>PATMI</b>	237.4	218.4	8.7%
19.2%	22.0%	(2.8 pt)	<b>Net margin</b>	18.5%	20.9%	(2.4 pt)
3.7	7.1	(47.5%)	<b>Basic EPS (sen)</b>	29.5	29.0	1.7%

Matrix Concepts' 1Q21 revenue declined 34.8% to RM162.0m (1Q20: RM248.5m) due to slower progress of construction of ongoing developments, attributed to the Movement Control Order imposed in Malaysia since March 2020. 1Q21 net profit was 43.1% lower at RM31.1m (1Q20: RM54.5m) in line with the lower topline.

Matrix Concepts declared a 1<sup>st</sup> interim single-tier dividend of 2.00 sen/share with ex-date on 26 August 2020, payable on 12 August 2020. Estimated dividend payout for 1Q21 amounts to RM16.7 million or 53.7% of 1Q21 net profit.

## IMMEDIATE PIPELINE LAUNCHES (GDV RM 'm)

Projects	No. of Units/Type	FY2021 GDV (RM 'm)			FY2022 GDV (RM 'm)		
		1Q	2Q	3Q	1Q	2Q	3Q
<b>Sendayan Development</b>							
Hijayu Residence (Phase 1; Parcel 1)	183 units 2-storey houses	130.0					
Hijayu Residence (Phase 1; Parcel 2)	183 units 2-storey houses				130.0		
Hijayu Residence (Phase 2)	210 units 2-storey houses						159.0
Hijayu Resort Villa (Phase 1, 2 & 3)	46 units 2-storey bungalows			110.0			
Lamen Sendayan 1	306 units 1 & 2 storey terrace houses	94.5					
Lamen Sendayan 2	380 units 2-storey terrace houses			149.4			
Lamen Sendayan 3	250 units town houses			27.5			
Sendayan Metropark 3	61 units 2-storey shop offices					78.0	
Tiara Sendayan 6 (Precinct 6)	278 units 2-storey terrace houses	137.3					
Tiara Sendayan 7	254 units 2-storey terrace houses			129.2			
Tiara Sendayan 6 (Precinct 8)	246 units 2-storey terrace houses	128.5					
<b>Bandar Seri Impian</b>							
Impiana Bayu 3B 1	195 units 2 storey terrace houses					93.6	
Impiana Bayu 3B2 (Phase 2)	110 units 2-storey terrace houses	51.1					
Impiana Damai 2A	124 units 2-storey terrace houses			87.1			
<b>Total</b>				<b>1044.5</b>			<b>460.6</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 & Sendayan Developments prices
  - Emphasising connectivity with various highways
- To further enhance vibrancy of Sendayan Developments
  - 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 RM7.1b<sup>1</sup> GDV of future launches; unbilled sales as at 30 June 2020: RM1.2b
- Strong balance sheet with minimal gearing – capable of undertaking landbanking
- Consistently paid dividends since listing; 1Q21 payout represents 53.7% of net profit<sup>1</sup> Does not include potential GDV for Sendayan Icon Park (estimated more than RM6 billion)

## INVESTMENT METRICS

Based on price (24.08.20): RM1.74, No. of Shares: 834.2 shares

Market Capitalisation	RM1,451.6m
Trailing PE Ratio	6.8x
Trailing EV/EBITDA	5.0x
FY20 Dividend Yield	6.6%

IR Adviser

