

# 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 RM8.7b Gross Development Value (GDV) on approximately 3,480 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:** 3,199.5 acres
- **Total GDV:** RM11.9b est.
- **Completed:** RM5,713.1m
- **Ongoing:** RM1,902.7m
- **Unbilled sales:** RM830.8m (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:** 741.6 acres/160 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

#### STV Masterplan



### BANDAR SERI IMPIAN @ Kluang, Johor

➤ Residential & commercial projects

#### Key information on BSI:

- **Total acreage:** 1,003.6 acres
- **Total GDV:** RM3.6b est.
- **Completed:** RM1,363.5m
- **Ongoing:** RM100.3m
- **Unbilled sales:** RM35.6m
- **Completion:** 2026 est.
- Easily accessible via numerous highways, e.g. Jln Kluang-Bandar Tenggara and proposed Kluang – Pasir Gudang Expressway

#### BSI Masterplan



## 2Q21 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	1,893.9	226.0	94.7	-	1,762.6	77.2	770.1
STV	140.0	-	-	-	140.0	78.8*	60.7
BSI	210.5	110.2	-	-	100.3	55.6	35.6
Others	421.0	62.9	-	-10.4	347.7	78.6	200.0
<b>Total</b>	<b>2,665.5</b>	<b>399.1</b>	<b>94.7</b>	<b>-10.4</b>	<b>2,350.6</b>	<b>81.3</b>	<b>1,066.3</b>

\*Average take up rate for completed and ready for 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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For more information, please contact:

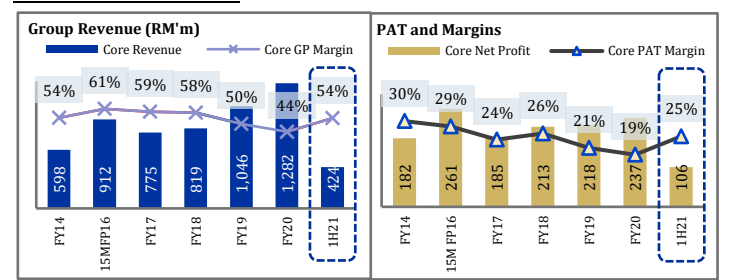
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## FINANCIAL PERFORMANCE



2Q21 to 30.6.20	2Q20 to 30.6.19	Change	RM 'm	1H21 to 30.09.20	1H20 to 30.09.19	Change
262.0	282.7	(7.3%)	<b>Revenue</b>	424.0	531.2	(20.2%)
143.5	138.9	3.3%	<b>Gross Profit</b>	228.6	264.9	(13.7%)
54.8%	49.1%	5.6 pt	<b>Gross Profit margin</b>	53.9%	49.9%	4.0 pt
104.5	80.325	30.1%	<b>EBITDA</b>	149.1	155.645	(4.2%)
39.9%	28.4%	11.5 pt	<b>EBITDA margin</b>	35.2%	29.3%	5.9 pt
102.6	79.5	29.1%	<b>PBT</b>	145.3	152.5	(4.7%)
39.2%	28.1%	11.1 pt	<b>PBT margin</b>	34.3%	28.7%	5.6 pt
75.1	58.7	27.8%	<b>PATMI</b>	106.1	113.4	(6.4%)
28.6%	20.8%	7.9 pt	<b>Net margin</b>	25.0%	21.3%	3.7 pt
9.0	7.4	21.8%	<b>Basic EPS (sen)</b>	12.7	12.8	(0.7%)

Matrix Concepts' 1H21 revenue declined 20.2% to RM424.0m (1H20: RM531.2m) due to halt in operations during 1Q21 in line with the Movement Control Order period from March to May 2020. 2Q21 net profit rose 27.8% to RM75.1m (2Q20: RM58.7m) supported by effective cost management and shifting of sales and marketing strategy to online and virtual platforms.

Matrix Concepts declared a 2nd interim single-tier dividend of 3.00 sen/share with ex-date on 24 December 2020, payable on 7 January 2021. Estimated dividend payout for 2H21 amounts to RM41.7 million or 39.3% of 1H21 net profit.

### IMMEDIATE PIPELINE LAUNCHES (GDV RM'm)

Projects	No. of Units/Type	FY2021 GDV (RM 'm)			
		1Q	2Q	3Q	4Q
<b>Sendayan Development</b>					
Hijayu Residence (Phase 1: Parcel 1)	183 units 2-storey terrace houses	130.0			
Hijayu Residence (Phase 1: Parcel 2)	183 units 2-storey terrace houses				
Hijayu Residence (Phase 2)	210 units 2-storey terrace houses				
Hijayu Resort Villa (Phase 1, 2 & 3)	46 units 2-storey bungalows				110.0
Laman Sendayan 1	306 units 1 & 2 storey terrace houses		94.7		
Laman Sendayan 2	380 units 2-storey terrace houses			149.4	
Laman Sendayan 3	250 units town houses				27.5
Nusari Bayu 2	192 units 2-storey terrace houses				95.7
Sendayan Metropark 3	61 units 2-storey shop offices				
Tiara Sendayan 6 (Precint 6)	278 units 2-storey terrace houses			137.3	
Tiara Sendayan 7	254 units 2-storey terrace houses				129.2
Tiara Sendayan 6 (Precint 8)	246 units 2-storey terrace houses	128.5			
<b>Bandar Seri Impian</b>					
Impiana Bayu 3B 1	195 units 2 storey terrace houses				
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>1140.4</b>	

## 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 September 2020: RM1.1b
- Strong balance sheet with minimal gearing – capable of undertaking landbanking
- Consistently paid dividends since listing; 1H21 payout represents 39.3% 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 (13.11.20): RM1.65, No. of Shares: 834.2 shares

<b>Market Capitalisation</b>	RM1,376.5m
<b>Trailing PE Ratio</b>	6.0x
<b>Trailing EV/EBITDA</b>	4.3x
<b>FY21 Dividend Yield</b>	7.0%