

## BUSINESS OVERVIEW

Matrix Concepts Holdings Berhad (Matrix Concepts), established in 1996, is a reputable property developer of choice 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 RM5.2b Gross Development Value (GDV) on approximately 2,981 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:** 2,487.4 acres
- **Total GDV:** RM7.9b est.
  - **Completed:** RM3,180.9m
  - **Ongoing:** RM1,645.8m
  - **Unbilled sales:** RM905.5m (inc. STV)
- **Completion:** end-2027 est.
- **Location stats:**
  - **To KL:** 70km, **KLIA:** 22km

#### Key information on STV:

- **Total land:** 638.9 acres/130 lots
- **Sold:** 617.5 acres/105 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:** 697.2 acres
- **Total GDV:** RM2.3b est.
  - **Completed:** RM761.9m
  - **Ongoing:** RM568.5m
  - **Unbilled sales:** RM175.5m
- **Completion:** 2023 est.
- Easily accessible via numerous highways, e.g. Jln Kluang-Bandar Tenggara and proposed Kluang – Pasir Gudang Expressway



## 9M18 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	1,287.9	241.8	599.7	-	1,645.8	91.5	820.0
STV	786.7	786.7	-	-	-	80.8	85.5
BSI	339.5	-	229.0	-	568.5	68.4	175.7
SIGC	161.7	-	-	-	161.7	59.2	41.3
M.Carnegie	101.8	-	-	-	101.8	75.0	-
<b>Total</b>	<b>2,677.6</b>	<b>1,028.5</b>	<b>828.8</b>	<b>-</b>	<b>2,477.8</b>	<b>86.5</b>	<b>1,122.5</b>

## COMPETITIVE ADVANTAGES & KEY STRENGTHS

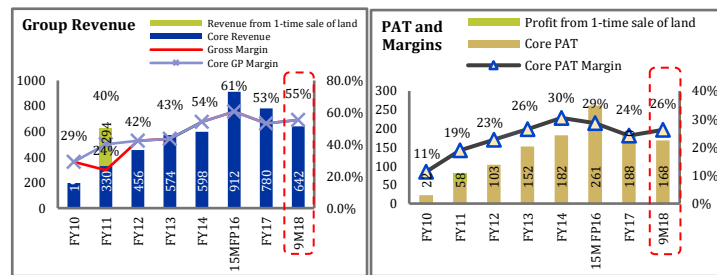
Established Track Record	High Quality & Diverse Product Mix	Strategic Location	Sustainable & High-Impact Developments	Experienced Management Team
<ul style="list-style-type: none"> <li>&gt;15 years experience; incl. developing integrated township</li> <li>Ability to launch new projects at higher prices</li> <li>Experience in Joint Venture projects with State Governments</li> </ul>	<ul style="list-style-type: none"> <li>Demonstrated in high take-up rates</li> <li>Diverse product portfolio to mitigate risk</li> </ul>	<ul style="list-style-type: none"> <li>BSS has high accessibility to key locations</li> <li>Bandar Seri Impian strategically located in Kluang</li> </ul>	<ul style="list-style-type: none"> <li>BSS to benefit from high-impact Government and industrial developments</li> <li>Ongoing and future projects have GDV of RM7.4b lasting till 2027</li> </ul>	<ul style="list-style-type: none"> <li>Founder has approx. 30 years of experience in the sector</li> <li>Supported by a competent management team</li> <li>Ability to market and complete projects on time</li> </ul>

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## FINANCIAL PERFORMANCE



3Q18	3Q17	Change	RM 'm	9M18 to 31.12.17	9M17 to 31.12.16	Change
266.2	198.0	34.4%	<b>Revenue</b>	641.9	619.1	3.7%
144.3	119.3	20.9%	<b>Gross Profit</b>	355.0	319.2	11.2%
54.2%	60.3%	(6.1 pt)	<b>Gross Profit margin</b>	55.3%	51.6%	3.7 pt
100.8	76.5	31.8%	<b>EBITDA</b>	241.2	215.5	11.9%
37.9%	38.6%	(0.8 pt)	<b>EBITDA margin</b>	37.6%	34.8%	2.8 pt
97.4	72.9	33.6%	<b>PBT</b>	230.4	206.2	11.8%
36.6%	36.8%	(0.2 pt)	<b>PBT margin</b>	35.9%	33.3%	2.6 pt
70.6	50.4	39.9%	<b>PATMI</b>	167.9	148.8	12.8%
26.5%	25.5%	1.0 pt	<b>Net margin</b>	26.2%	24.0%	2.1 pt
8.6	8.2	5.4%	<b>Basic EPS (sen)</b>	16.5	17.4	-4.9%

Matrix Concepts' 3Q18 net profit leapt 39.9% to RM70.6m (3Q17: RM50.4m) on 34.4% growth revenue to RM266.2m (3Q17: RM198.0m), attributed mainly to higher revenue recognition from ongoing developments. 9M18 net profit rose 12.8% to RM167.9m (9M17: RM148.8m) on 3.7% higher revenue of RM641.9m (9M17: RM619.1m).

Matrix Concepts declared a third interim single-tier dividend of 3.50 sen/share with ex-date on 23 March 2018 and payable on 11 April 2018.

## IMMEDIATE PIPELINE LAUNCHES (GDV RM 'm)

Projects	No. of Units/Type	FY2018		FY2019	
		3Q	4Q	1Q	2Q
<b>Bandar Sri Sendayan</b>					
Hijayu Resorts Homes (Phases 3)	52 units 2-storey semi-detached houses		82.0		
Hijayu Resorts Homes (Phases 4)	85 units 2-storey semi-detached houses			144.0	
Hijayu Resorts Homes (Phases 5)	232 units 2-storey terrace houses			192.0	
Sendayan Merchant Square 1 (Phase 3)	3 units commercial lots			10.0	
Sendayan Metropark 3	74 units 2-storey shop offices				95.0
Ara Sendayan (Phase 1B)	195 units 2-storey terrace houses	132.1			
Ara Sendayan (Phase 2)	193 units 2-storey terrace houses		132.0		
Ara Sendayan (Phase 3)	256 units 2-storey terrace houses			184.0	
<b>Bandar Seri Impian</b>					
Impiana Casa 3A	138 units 2-storey terrace houses	66.5			
Impiana Heights (Phase 2)	Various types of bungalow and semi-detached houses			53.5	
Tiara Sendayan 1&2	447 units 1-storey terrace houses & 515 units 2-storey terrace houses		370.0		
Taman Anggerik Tenggara	60 units 2-storey semi detached houses, and 177 units 2-storey bungalow houses			54.4	
<b>TOTAL</b>					<b>1,515.5</b>

● Launched ● To be 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 (RM6.7b GDV projects in the pipeline); unbilled sales as at 31 December 2017: RM1.1b
- Further profit expansion with more launches and margin-enhancing sales mix
- Strong balance sheet with minimal gearing – capable of undertaking landbanking
- Consistently paying dividends since listing; 9M18 payout of 9.35 sen represents 41% of net profit

## INVESTMENT METRICS

Based on price (26.02.18): RM2.16, No. of Shares: 745.8m shares

<b>Market Capitalisation</b>	RM1,610.9m
<b>Trailing PE Ratio</b>	7.9x
<b>Trailing EV/EBITDA</b>	5.8x
<b>FY17 Dividend Yield</b>	5.1%

IR Adviser