



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 RM7.9b Gross Development Value (GDV) on approximately 3,449 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.

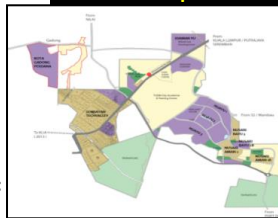
SENDAYAN DEVELOPMENTS @ Seremban, NS

➤ Mixed developments of residential, commercial, & industrial properties

Key information on Sendayan Developments:

- **Total acreage:** 3,109 acres
- **Total GDV:** RM11.5b est.
- **Completed:** RM5,174.3m
- **Ongoing:** RM2,016.0m
- **Unbilled sales:** RM931.2m (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:** 694.6 acres/139 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

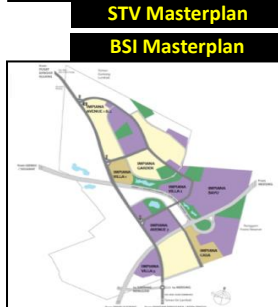


BANDAR SERI IMPIAN @ Kluang, Johor

➤ Residential & commercial projects

Key information on BSI:

- **Total acreage:** 1,003.6 acres
- **Total GDV:** RM3.6b est.
- **Completed:** RM1,253.2m
- **Ongoing:** RM210.5m
- **Unbilled sales:** RM64.8m
- **Completion:** 2026 est.
- Easily accessible via numerous highways, e.g. Jln Kluang-Bandar Tenggara and proposed Kluang – Pasir Gudang Expressway



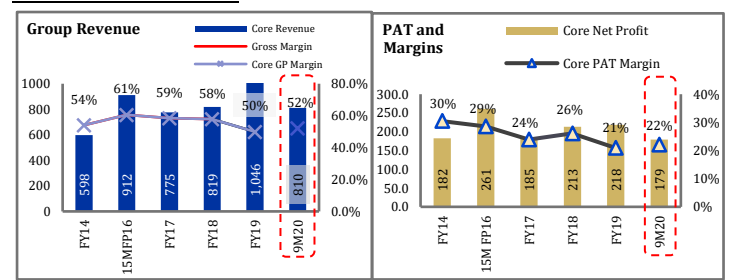
9M20 OPERATIONS REVIEW

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	1,851.0	588.4	767.1	-13.8	2,015.9	68.7	862.8
STV	699.2	699.2	-	-	-	87.1	68.4
BSI	345.5	239.5	100.3	4.2	210.5	36.4	64.8
Others	398.7	-	-	22.3	421.0	68.1	212.7
Total	3,294.4	1,527.1	867.4	12.7	2,647.4	76.3	1,208.7

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 Sendayan Developments has high accessibility to key locations Bandar Seri Impian strategically located in Kluang	Sustainable & High-Impact Developments Sendayan Developments to benefit from high-impact Government and industrial developments Ongoing and future projects GDV of approx RM10.0b ¹	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



3Q20 to 31.12.19	3Q19 to 31.12.18	Change	RM 'm	9M20 to 31.12.19	9M19 to 31.12.18	Change
279.0	285.7	(2.3%)	Revenue	810.2	769.0	5.4%
155.8	164.4	(5.3%)	Gross Profit	420.7	412.4	2.0%
55.8%	57.6%	(1.7 pt)	Gross Profit margin	51.9%	53.6%	(1.7 pt)
92.8	74.1	25.3%	EBITDA	248.4	220.4	12.7%
33.3%	25.9%	7.3 pt	EBITDA margin	30.7%	28.7%	2.0 pt
91.4	71.8	27.3%	PBT	243.9	214.1	13.9%
32.7%	25.1%	7.6 pt	PBT margin	30.1%	27.8%	2.3 pt
65.3	48.6	34.4%	PATMI	178.7	151.7	17.8%
23.4%	17.0%	6.4 pt	Net margin	22.1%	19.7%	2.3 pt
7.9	6.5	22.9%	Basic EPS (sen)	22.5	20.2	11.4%

Matrix Concepts' 9M20 revenue rose 5.4% to RM810.2m (9M19: RM769.0m) on higher revenue recognition from industrial properties and Chambers KL. Gross margin was lower in 9M20 due to product mix comprising more affordable-range properties. However, 9M20 net profit rose 17.8% to RM178.7m (9M19: RM151.7m) due to narrowing losses from MGS, lower administrative and general expenses incurred and reduced finance costs.

Matrix Concepts declared a 3rd interim single-tier dividend of 3.00 sen/share with ex-date on 28 March 2020, payable on 15 April 2020. Estimated dividend payout for 9M20 amounts to RM74.1 million or 41.4% of 9M20 net profit.

IMMEDIATE PIPELINE LAUNCHES (GDV RM 'm)

Projects	No. of Units/Type	FY2020 (RM mil)			
		1Q	2Q	3Q	4Q
Sendayan Developments					
Hijayu Resorts Homes (Phases 5)	175 units 2-storey terrace houses		135.7		
Hijayu Aman P1	251 units 2-storey terrace houses	164.9			
Hijayu Aman P2	109 units 2-storey terrace houses			74.2	
Hijayu (Residence) Phase 1: Parcel 1	133 units 2-storey houses				130.0
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		50.1		
Tiara Sendayan 4 (Precinct 3)	429 units 2-storey terrace houses	210.0			
Tiara Sendayan 5 (Precinct 5)	245 units 2-storey terrace houses		123.0		
Tiara Sendayan 8	246 units 2-storey terrace houses				125.7
Bandar Seri Impian					
Impiana Bayu 3A	83 units 2-storey terrace houses		50.4		
Impiana Bayu 3B2 (Phase 1)	111 units 2-storey terrace houses			49.9	
TOTAL					1,123.1

- 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 RM7.5b¹ GDV of future launches; unbilled sales as at 31 December 2019: RM1.2b
- Strong balance sheet with minimal gearing – capable of undertaking landbanking
- Consistently paid dividends since listing; 9M20 payout represents 41.4% of net profit¹ Does not include potential GDV for Sendayan Icon Park (estimated more than RM6 billion)

INVESTMENT METRICS

Based on price (18.02.20): RM1.92, No. of Shares: 822.8 shares

Market Capitalisation	RM1,579.8m
Trailing PE Ratio	6.5x
Trailing EV/EBITDA	5.1x
FY19 Dividend Yield	6.6%

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