

MEDIA CLIPPING

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Matrix Concepts' unbilled sales surge to RM540m in 2Q

Matrix Concepts Holdings Bhd (Aug 11, RM2.23)

Maintain buy with an unchanged target price of RM2.73. Matrix Concepts Holdings' (Matrix Concepts) second-quarter financial year 2015 (2QFY15) earnings were within our and market expectations. First half FY15 (1HFY15) earnings made up 69% of our full-year forecast.

But the quarter-on-quarter (q-o-q) drop in earnings was not a surprise, as we had previously highlighted that the spike in 1QFY15 earnings will not be recurring. This was because it was largely frontloaded due to the accelerated payments by industrial land buyers to settle the transactions before the goods and services tax in April.

Of the total revenue of RM438 million for 1HFY15, property development and industrial land sales contributed RM338 million and RM95 million respectively.

The new school and clubhouse operations, meanwhile, contributed RM5.5 million, but the bottom line was, however, affected by the operating loss of RM4.7 million

due to start-up expenses.

A 3.5 sen single-tier dividend per share was declared for the quarter.

New sales hit RM210 million in 2QFY15, from RM156.8 million in 1QFY15. The amount was solely from the property development segment (none from industrial land sales).

The 1HFY15 sales of RM367 million are on track to hit the management's RM600 million target, on top of RM100 million to RM150 million in industrial land sales.

Despite the weak market, the take-up rate for new launches in 2QFY15 was still decent, such as Hijayu 3B (phase 1) at 37% and Hijayu Resorts Homes (phase 1A) at 35%.

Sales for projects launched earlier improved further, with Hijayu 3A (phase 3) at 86% as compared with 1QFY15's 68%, and Hijayu 3A (phase 4) at 96% compared with 1Q15's 32%.

We make no changes in our earnings forecast. Unbilled sales increased to RM540 million from RM392 million in 1QFY15. — *RHB Research, Aug 11*