

Thursday, 17 May 2018

KLCCSPG positives largely priced in says Affin Hwang



KUALA LUMPUR: Affin Hwang Capital Research maintained its hold rating on KLCC Property Stapled Group and target price of RM7.78 as its 1Q18 results met its and consensus expectations.

"KLCC's 1Q18 core net profit of RM181m (+2.2% yoy) was within expectations, accounting for 24% of the street's and our full-year earnings forecasts."

It said the improved earnings were driven by 2.5% higher revenue of RM345mil and a robust earnings before interest and tax margin of 73% as all key asset classes reported higher contributions.

However, the research house added that it believes the positives for the counter are already reflected in current valuations.

"While we continue to like KLCC for its strong asset portfolio, defensive earnings stream and robust balance sheet (0.09x net debt / asset), we believe the positives are largely priced in. KLCC's 2018E dividend yield of 4.8% is among the lowest in the sector."

(Source: <https://www.thestar.com.my/business/business-news/2018/05/17/klccspg-positives-largely-priced-in-says-affin-hwang/#MbHm2r8f1W1BUbj3.99>)