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KLCCP Stapled Group posts net profit of RM177.7 million in 3QFY17

KUALA LUMPUR (Nov 13): KLCCP Stapled Group's net profit was almost flat at RM177.7 million for the third quarter ended Sept 30, 2017 (3QFY17) due to higher operating expenses and lower interest income.

In its bourse filing, the group explained that for the management services segment, profit before tax (PBT) decreased as a result of higher manpower costs and lower interest income.

Earnings per share came in at 9.84 sen in 3QFY17, compared with 9.87 sen in the previous corresponding period.

Quarterly revenue came in at RM340.5 million, up 3.3% from the RM329.54 million recorded a year ago. KLCC Stapled Group, which is made up of KLCC Property Holdings Bhd (KLCCP) and KLCC Real Estate Investment Trust (REIT), said in a separate statement the increase was contributed by stronger performance by the hotel and retail segments.

The group declared a distribution per stapled security of 8.6 sen, consistent with that declared in 3QFY16, which is payable on Dec 28, 2017. Of this amount, dividend declared by KLCC REIT was 4.96 sen while KLCCP declared 3.64 sen.

This brings the distribution per share to 25.8 sen for the cumulative nine months of FY17 (9MFY17).

For 9MFY17, KLCCP Stapled Group reported net profit of RM532.38 million, which was 1.2% lower than the RM538.84 million achieved in the previous corresponding period, while revenue improved 1.6% to RM1.01 billion from RM998.86 million.

Moving forward, KLCCP Stapled Group said it expects its performance to be stable for the remainder of the year.

The office segment, which accounts for approximately 44% of the group's revenue and 57% of its profit before tax (PBT), is expected to remain stable on the back of long-term tenancies.

“The overall performance of KLCCP Stapled Group for the remainder of 2017 is expected to remain steady amidst the challenging market landscape, while it continues to focus on driving sustainable value creation across all segments,” the group said.

Shares in KLCCP Stapled Group settled three sen lower at RM7.77, for a market capitalisation of RM14.03 billion.

(Source: <http://www.theedgemarkets.com/article/klccp-stapled-group-posts-net-profit-rm1777-million-3qfy17>)