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KLCCP Stapled 2Q net profit flattish at RM180m, proposes 8.8 sen dividend



KUALA LUMPUR (Aug 20): KLCCP Stapled Group, comprising KLCC Property Holdings Bhd and KLCC Real Estate Investment Trust (KLCC REIT), recorded a relatively flat net profit for the second quarter ended June 30, 2019 (2QFY19) of RM180.38 million, compared with RM179.15 million a year earlier, amid stable earnings from its hotel and retail segments.

Quarterly revenue rose a marginal 1.8% to RM351.09 million from RM345.00 million in 2QFY18, its filing with Bursa Malaysia today showed.

This brings its net profit for the first half of the year (1HFY19) to RM364.33 million, up 1.3% from RM359.82 million in the previous year, while revenue grew 2.1% to RM704.54 million from RM690.11 million.

In a separate statement, KLCCP Stapled Group proposed a distribution per stapled security of 8.80 sen — comprising 6.23 sen for KLCC REIT and 2.57 sen for KLCC Property — to be paid on October 4, 2019.

This brings the distribution per stapled security to 17.60 sen for 1HFY19, representing a 1.1%.

KLCCP Stapled Group said the office segment, comprising Petronas Twin Towers, Menara 3 Petronas, Menara Dayabumi and Menara ExxonMobil, continued to provide a stable income stream to the group.

"The growth in PBT (profit before tax) by 1.5% is mainly due to higher recovery of utility charges, coupled with lower operating expenditure," it said.

Meanwhile, the retail segment, represented by Suria KLCC and the retail podium of Menara 3 Petronas, recorded a year-on-year growth in revenue of 3.8% and an increase in footfall of 6.3% y-o-y, in spite of 12% of its net lettable area going through an anchor-to-specialty space reconfiguration.

Higher rental rates from new and renewed leases, together with increased revenue from internal digital advertising, contributed to the top-line growth, but this was offset marginally by maintenance works and security upgrades.

KLCCP Stapled Group said it expects the group's overall performance for the year to remain relatively stable, underpinned by long-term lease arrangements in their office segment.

KLCC Property Holdings chief executive officer Datuk Hashim Wahir said the group aims to continue to deliver value and sustainable growth to its stakeholders.

"We are encouraged by this improved performance in the first half of 2019. Despite the tough operating market conditions, our office, retail and hotel segments remain resilient and we are optimistic that we will be able to sustain this momentum in the coming quarters," he said in the statement.

The stapled security closed unchanged at RM7.87 today, giving it a market capitalisation of RM14.21 billion.

(Source : <https://www.theedgemarkets.com/article/klccp-stapled-2q-net-profit-flattish-rm180m-proposes-88-sen-dividend>)