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KLCCP Stapled Group earnings up 2.1% in Q3

PETALING JAYA: KLCC Property Holdings Bhd (KLCCP) and KLCC Real Estate Investment Trust, collectively known as KLCCP Stapled Group, posted a 2.1% higher net profit of RM181.43 million for the third quarter ended Sept 30, compared with RM177.7 million a year ago thanks to higher realised distributable income.

Its revenue grew 2.6% year-on-year to RM349.48 million compared to RM340.5 million in the corresponding quarter in the preceding year mainly helped by hotel operations.

For the nine months period, net profit went up 1.7% to RM541.25 million from RM532.38 million a year ago, while revenue rose 2.5% to RM1.04 billion compared with RM1.01 billion in the previous year underpinned by the higher contribution from the retail and hotel segments.

KLCCP Stapled Group declared a distribution per stapled security of 8.7 sen, an increase of 1.2% compared to the corresponding quarter in the preceding year, payable on Dec 28. This brings the distribution per stapled security to 26.1 sen for the cumulative nine-month period in the year.

Based on KLCCP Stapled Group's last traded share price of RM7.60 as at Sept 30, the proposed and declared dividend per Stapled Security translates into a distribution yield of 4.6%, a premium of 51 bps to the 10-year Malaysian Government Securities.

The overall performance of KLCCP Stapled Group for the remainder of 2018 is expected to remain stable as the office segment will continue to be backed by its long-term tenancies. Despite the challenging market conditions, the retail segment is likely to remain resilient while the hotel segment, with the newly completed refurbished rooms is expected to continue to operate in a competitive environment.

"The group will continue to focus on strengthening its competitive advantage to sustain growth and generate stable returns to the holders of Stapled Securities."

(Source : <http://www.thesundaily.my/news/2018/11/13/klcc-stapled-group-earnings-21-q3>)