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KLCCP stapled group's revenue rises to RM 353.4M



Revenue for 1Q 2019 increased 2.4% Year-on-Year (YoY) to RM353.4 million. Correspondingly, Profit Before Tax (PBT) saw a 2.4% rise from RM233.9 million to RM239.6 million. The results reflect stronger contribution by the retail and management services segments.

KLCCP Stapled Group's distribution to the holders of Stapled Securities rose 1.1% to 8.80sen, reflecting a total dividend payment of RM158.9 million.

Office

The office segment with full occupancy at PETRONAS Twin Towers, Menara 3 PETRONAS,

Menara ExxonMobil and Menara Dayabumi continued to provide a steady income stream to the Group. The portfolio recorded PBT of RM121.4 million on the back of revenue of RM149.3 million. The increase in PBT was mainly due to the lower expenses and higher recovery of utility charges at Menara ExxonMobil.

Retail

Suria KLCC and the retail podium of Menara 3 PETRONAS representing the retail segment of the Group recorded a commendable growth in revenue and PBT of 5.1% and 4.7% respectively. This was attributable to the higher rental rates and improved occupancy during the quarter. This was also contributed by higher income from the mall's internal digital advertising through its media and advertising screens and panels.

Suria KLCC is currently embarking on a reconfiguration exercise of the 124,000 sq. ft. of space recently vacated by an anchor tenant. The space will be transformed into a new shopping experience in the city with diversified tenant mix including fashion, cosmetics and food and beverage. This transformation is expected to boost income and yield for the retail segment upon completion.

Hotel

The hotel segment represented by Mandarin Oriental, Kuala Lumpur saw a significant rise in occupancy as at March 2019 supported by growth in the leisure segment through solid online conversions. However, the decline in revenue of 3.4% is mainly attributable to the lower demand in banqueting, further impacted by the slower meeting activities in the city's MICE calendar. In addition, the higher depreciation on the fully refurbished rooms impacted PBT, resulting in a marginal loss.

Management Services

The management services segment comprising facilities management and car parking management saw an increase in revenue and PBT of 5.2% and 6.9% respectively, contributed by additional revenue from one-off projects under the facilities management operations during the first quarter. KLCC Parking Management Sdn. Bhd. is actively pursuing cashless initiatives to improve customers' convenience whilst keeping pace with the advancement in technology.

Prospects

KLCCP Stapled Group expects the overall performance of the Group to remain stable on the back of long-term office tenancy agreements. The retail segment is expected to improve its competitiveness in the longer term with the tenant reconfiguration exercise whilst the hotel segment will continue to operate under challenging market condition.

(Source: <https://www.focusmalaysia.my/Snippets/klccp-stapled-group-s-revenue-rises-to-rm-353-4m>)