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MIDF maintains estimate, recommendation on KLCCP Stapled Group



KUALA LUMPUR: MIDF research has maintained its earnings forecast on KLCC Stapled Group for FY19 as the property counter's FY18 core net income of RM726.7mil came in within expectations.

The research house said it maintained its neutral call with an unchanged target price of RM7.76.

In an earnings announcement yesterday, KLCCP said FY18 earnings were marginally higher at RM726.7mil due to higher earnings from the office and retail divisions.

"PBT of office division climbed 1.0%yoy, underpinned by full occupancy and long-term leases.

"Similarly, PBT of retail division inched up by 2.8%yoy due to higher occupancy rates and higher rental rates of Suria KLCC.

"Meanwhile, PBT of hotel division shrank by -98%yoy due to higher depreciation on the newly refurbished rooms," said MIDF.

On a sequential basis, core net income rose 2.2% quarter-on-quarter to RM185.5mil, mainly due to higher contribution from the retail division.

"Profit before tax (PBT) of retail division climbed 8.9%qoq due to higher rental rates of Suria KLCC.

"Meanwhile, PBT of office division was flattish at +0.16%qoq."

KLCCP also announced a distribution per unit (DPU) of 10.9 sen for the quarter, which brought full-year DPU to 37 sen.

(Source: <https://www.thestar.com.my/business/business-news/2019/01/25/midf-maintains-estimate-recommendation-on-klccp-stapled-group/#1ipb5Zgo50Dbh90I.99>)