



KLCCP Stapled Group

Financial Results

3rd Quarter ended 30 September 2020

10 November 2020

DISCLAIMER



These materials contain historical information of KLCC Property Holdings Berhad and KLCC Real Estate Investment Trust (collectively known as KLCCP Stapled Group) which should not be regarded as an indication of future performance or results.

These materials also contain forward-looking statements that are, by their nature, subject to significant risks and uncertainties. These forward-looking statements reflect the KLCCP Stapled Group's current views with respect to future events and are not a guarantee of future performance or results. Actual results, performance or achievements of KLCCP Stapled Group may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding KLCCP Stapled Group's present and future business strategies and the environment in which KLCCP Stapled Group will operate in the future, and must be read together with such assumptions.

No part of these materials shall form the basis of, or be relied upon in connection with, any investment decision whatsoever.

CONTENT



1

KLCCSS - AT A GLANCE

2

COVID-19 UPDATES

3

FINANCIAL PERFORMANCE
9M FY 2020 & 3Q FY2020

4

PORTFOLIO PERFORMANCE

5

OUTLOOK & FOCUS

AT A GLANCE

6 MENARA MAXIS

5 MANDARIN ORIENTAL,
KUALA LUMPUR

3 MENARA EXXONMOBIL

2 MENARA 3 PETRONAS

4 SURIA KLCC

1 PETRONAS TWIN TOWERS

7
Properties

11.9mil
Gross Floor Area
(sq. ft.)

RM15.9bil
Property Value

Diversified
Office-focused
REIT

7 KOMPLEKS DAYABUMI

(located outside the KLCC
Precinct)

OFFICE & RETAIL OFFICE RETAIL HOTEL

1 **PETRONAS TWIN TOWERS**
An iconic landmark, the world's tallest twin towers

2 **MENARA 3 PETRONAS**
Premium office and retail space seamlessly connected to Suria KLCC

3 **MENARA EXXONMOBIL**
Office tower currently tenanted by major oil and gas corporation

4 **SURIA KLCC**
The premier shopping destination in the heart of Kuala Lumpur

5 **MANDARIN ORIENTAL, KUALA LUMPUR**
A 5-star award winning luxury hotel

6 **MENARA MAXIS**
Home to one of the leading communications service provider in Malaysia

7 **KOMPLEKS DAYABUMI**
An integrated office and retail development (located outside the KLCC Precinct)

OUR PURPOSE

WE CREATE PLACES PEOPLE LOOK FORWARD TO, PROGRESSING LIFESTYLE FOR A SUSTAINABLE FUTURE

WHO WE ARE

Malaysia's largest REIT and only Stapled Security in the country, comprising KLCC Property Holdings Berhad (KLCCP) and KLCC Real Estate Investment Trust (KLCC REIT). KLCC REIT focuses on active asset management and acquisition growth strategies, whilst KLCCP is the development arm of the Stapled Group. At the forefront of Malaysia's real estate industry, our unique structure allows us to maximise the value we create for all our stakeholders.

WHAT WE DO

We own, manage, develop and invest in a portfolio of premium assets comprising office, retail and hotel properties in the heart of Kuala Lumpur. This is complemented by our award winning asset management services provided by KLCC Urusharta Sdn Bhd and KLCC Parking Management Sdn Bhd. This synergy of property investment and asset management strengthens the earning potential of our stable of iconic properties.

HOW WE DO IT

We are committed to creating a progressive lifestyle experience within the KLCC Precinct while enhancing the value of our property portfolio. We are focused on optimizing sustainable value creation through a strategic approach that capitalises on our unique Stapled Group structure and our competitive differentiators, well positioned for the future.

CONTENT



1

KLCCSS - AT A GLANCE

2

COVID-19 UPDATES

3

FINANCIAL PERFORMANCE
9M FY 2020 & 3Q FY2020

4

PORTFOLIO PERFORMANCE

5

OUTLOOK & FOCUS

A series of lockdown phases, causing disruption across the portfolio



MCO phases	Date	KLCC Business Operations
Movement control order (MCO)	18 Mar 20 – 3 May 20	<ul style="list-style-type: none"> ▪ Lockdown of all business sectors with the exception of essential services ▪ Office – opened during all MCO phases for Oil & Gas tenants ▪ Retail – only essential stores were opened ▪ Hotel - practically closed, only serviced existing and long staying guests
Conditional movement control order (CMCO)	4 May 20 – 9 Jun 20	<ul style="list-style-type: none"> ▪ Phased reopening of businesses with stricter SOPs - social distancing and contact tracing ▪ Retail – 90% of the malls’ tenants reopened all stores except for cinema, beauty salons & wellness centres ▪ Hotel - allowed to accommodate guests from essential services only

A series of lockdown phases, causing disruption across the portfolio (cont'd)



MCO phases	Date	KLCC Business Operations
Recovery movement control order (RMCO)	10 Jun 20 – 31 Dec 20	<ul style="list-style-type: none"> All business operations allowed to open as normal, with adherence to necessary SOPs Retail – all tenants resumed operations including spa, massage and reflexology centres Hotel - welcomed domestic leisure guests as the interstate travel banned is lifted
Conditional movement control order (CMCO) for Selangor, Kuala Lumpur & Putrajaya	14 Oct 20 – 9 Nov 20	<ul style="list-style-type: none"> Economic sectors allowed to open with conditions, interstate travel and large gatherings are not allowed (exhibitions, weddings etc) Retail – All stores remain open except for Babel and temporary suspension of TGV by the Malaysian Association of Film Exhibitors
Conditional movement control order for all states except for Perlis, Pahang & Kelantan	9 Nov 20 – 6 Dec 20	<ul style="list-style-type: none"> Hotel – Remain operational with strict adherence to SOPs

CONTENT



1

KLCCSS - AT A GLANCE

2

COVID-19 UPDATES

3

**FINANCIAL PERFORMANCE
9M FY 2020 & 3Q FY2020**

4

PORTFOLIO PERFORMANCE

5

OUTLOOK & FOCUS

9M FY2020 Highlights

Performance still pressured by the profound COVID-19 outbreak



RM934.4 mil

Revenue

-11.7% vs 9M FY19

RM591.6 mil

Profit before tax

-16.5% vs 9M FY19

RM474.0 mil

Profit attributable
for equity holders

-13.1% vs 9M FY19

23.30 sen

Dividend per
Stapled Security

-11.7% vs 9M FY19

RM7.31

Net asset value per
Stapled Security

-0.1% vs FY19

17.8%

Gearing ratio

17.8% in FY19

- ✓ Overall performance **still pressured**, although **encouraging signs of recovery** in retail and hotel segments in 3Q 2020
 - Retail – earnings mainly impacted by **rental assistance** to tenants in 2Q and 3Q 2020 and lower advertising income
 - Hotel – severely affected by the COVID-19 **lockdown** and **borders closure**, **reduced F&B covers** from major banqueting events
- ✓ Prioritised **cost containment** measures ongoing, including rationalising OPEX and CAPEX spending to **optimise cashflows**
- ✓ Stepped up efforts to **restore stakeholders' trust** by enabling trusted transition back to physical operations for employees, customers, shoppers and hotel guests

3Q FY2020 Highlights

Stronger QoQ trajectory as businesses resume post-lockdown



RM312.6 mil

Revenue

-11.6% vs 3Q FY19

+17.0% vs 2Q FY20

RM195.5 mil

Profit before tax

-16.9% vs 3Q FY19

+19.3% vs 2Q FY20

RM156.7 mil

**Profit attributable
for equity holders**

-13.6% vs 3Q FY19

+11.5% vs 2Q FY20

7.50 sen

**Dividend per
Stapled Security**

-14.8 % vs 3Q FY19

unchanged vs 2Q FY20

✓ Profit before tax: **+19% QoQ**, -17% YoY

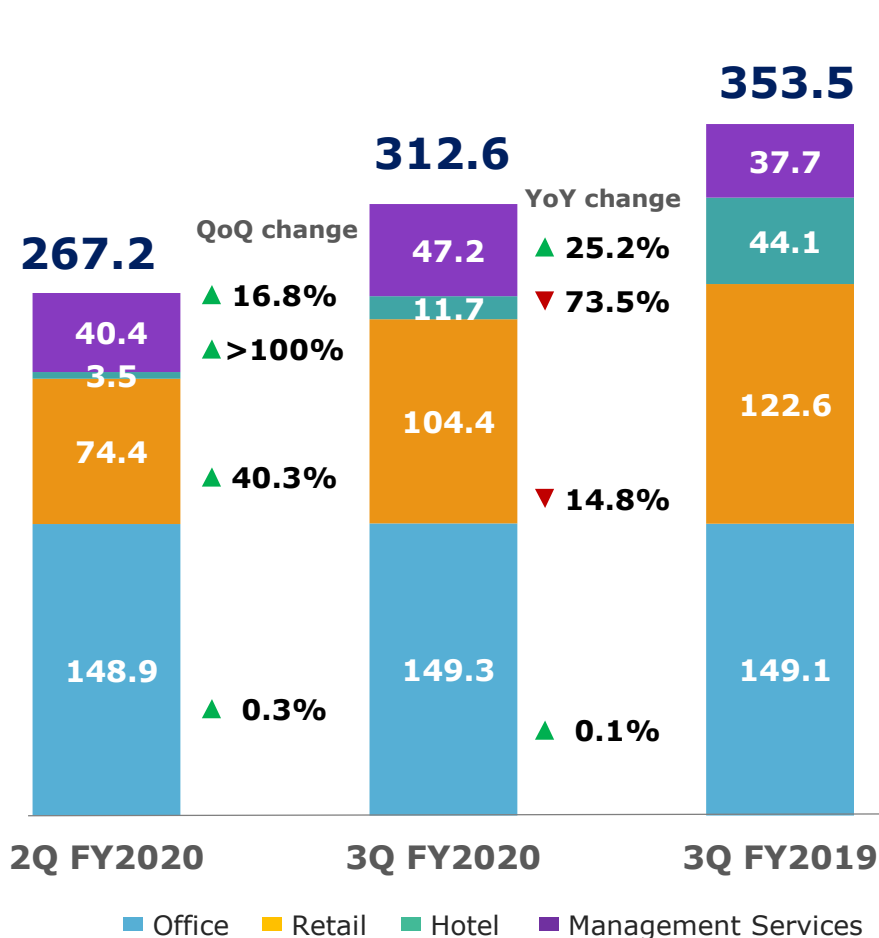
- Gradual **pickup in recovery**, as retail and hotel businesses reopen fully upon lifting of restrictions
- Retail: **Steady** and **gradual recovery** in tenant sales and footfall, with increased rental from the new leases becoming effective during the quarter
- Hotel: Gaining momentum supported by the enhanced **locally tailored staycation packages** with **pent-up demand** in **corporate** and **group bookings**

Segmental Results

Retail and hotel segments rebound with gradual relaxation of social distancing



Segmental Revenue
(RM mil)



Composition to total KLCCP Stapled Group revenue (%)



MANAGEMENT SERVICES

Higher revenue from the new business approach in the facility management services

HOTEL

Gained traction from staycation demand and improved F&B performance

RETAIL

Pick-up in tenant sales and footfall offset by rental assistance granted to tenants

OFFICE

Stable and steady revenue growth

Continuing to deliver on our commitment of sustainable returns



Distribution per stapled security (DPS) (sen)	3Q FY20	3Q FY19	9M FY20	9M FY19
KLCCP	1.63	2.56	5.50	7.65
KLCC REIT	5.87	6.24	17.80	18.75
Distribution per stapled security	7.50	8.80	23.30	26.40

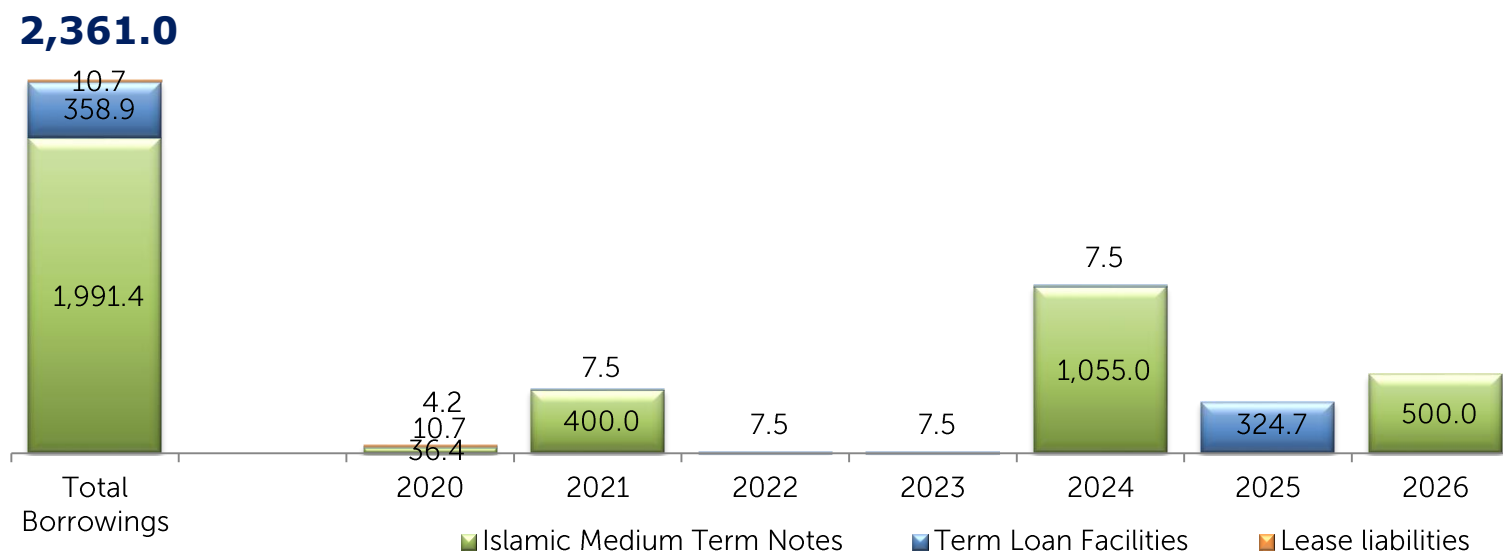
Optimal capital structure to support business needs



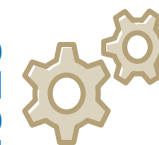
- **Well staggered debt maturity** profile up to 2026
- Bank facilities **in place** for next refinancing of RM400 mil due in Apr 2021
- **Low gearing ratio** (well below the industry benchmark), providing solid foundation to withstand near term uncertainties

Debt Maturity Profile

As at 30 Sep 2020 (RM'mil)



Total Borrowings
RM2,361 mil
[FY2019: RM2,347 mil]



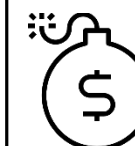
Gearing Ratio
17.9%
[FY2019: 17.8%]



Borrowings on Fixed Cost
85%
[FY2019: 84%]



Average Maturity Period
3.83 years
[FY2019: 4.58 years]



Average Cost of Debt
4.5%
[FY2019: 4.6%]

As at 30 Sep 2020

CONTENT



1

KLCCSS - AT A GLANCE

2

COVID-19 UPDATES

3

FINANCIAL PERFORMANCE
9M FY 2020 & 3Q FY2020

4

PORTFOLIO PERFORMANCE

5

OUTLOOK & FOCUS

Office – Stable income stream with healthy portfolio occupancy



Revenue

RM447.8m ↑ 0.1% YoY
9M FY2019: RM447.2m

Profit before tax

RM401.8m ↑ 0.2% YoY
9M FY2019: RM400.8m

Occupancy

100%

- **Steady revenue** contribution underpinned by the long-term lease profile and full occupancy at all office buildings
- **Lower operating expenditure** mainly from reduced electricity consumption and lower repair and maintenance due to the flexible work arrangements
- 10-metre new **pedestrian bridge** connecting Menara Dayabumi to Central Market – completed in **October 2020**.
 - This new pedestrian bridge will **enhance the connectivity** crossing Klang River to & from Dayabumi-Central Market
 - To enjoy & **experience the River of Life** (RoL) initiatives as well as the future Phase 3 – Redevelopment of CityPoint



Retail – Closure of stores during MCO, slow recovery coupled with rental assistance impacting overall performance



Revenue
RM309.7m ↓ **17.3%**
YoY
9M FY2019: RM374.3m

Profit before tax
RM221.6m ↓ **22.0%**
YoY
9M FY2019: RM284.0m

Occupancy
97%

9M FY2019 – 99%*

* excludes unleased area of anchor-to-specialty space reconfiguration

- 17.3% and 22.0% YoY decline in revenue and PBT respectively mainly due to the **rental assistance granted** to tenants coupled with **lower internal digital advertising income**
- **Footfall** and **tenant sales** saw an **encouraging recovery** from Jul 2020 till mid Sep 2020
- YTD **occupancy remained resilient**, with 6 new tenants including 4 first-to-market tenants opened in 3Q 2020:
 - **A.Lange & Sohne, Berluti** – first stores in Malaysia
 - **BAPE & BAPE Café** – first store in Malaysia and first BAPE Café in the world
 - **Dragon-I: Ren** – first halal restaurant in Malaysia
 - **HLA Concept Store & Atmos**
 - Refurbishment of Phase 2 (2nd half of the Signature Foodcourt) - completed and opened to public on 1st Nov 2020
- With the **re-imposition of CMCO**, the recovery of the retail segment is expected to be **further dampened**

KLCC
PROPERTY



SURIA KLCC

KLCC REIT



Menara 3
PETRONAS –
Retail Podium

New tenants at Suria KLCC in 3Q 2020

BAPE & the BAPE Café , the only one in the world



Berluti, first and only store in Malaysia



REN, first halal Dragon-i restaurant in Malaysia



A Lange & Sohne – first store in Malaysia



ATMOS, Japanese footwear



HLA Concept store

Retail – Collaboration and strategic partnerships to boost footfall



FOCUS & INITIATIVES

- Continuing tenant support on a case-to-case basis towards **tenant sustainability**
- Driving traffic and sales through **experiential, reward-driven** and **trade campaigns**
- Developing **strategic partnerships** and **collaboration** with tenants
- Providing a **convenient, safe** and **secured** shopping environment, to gain shoppers' confidence

Collaboration with Jeiwa Global Resources



Collaboration with Komuniti Tukang Jahit (KTJ)



Hotel – Continue to be adversely affected by the resurgence of Covid-19 cases and global travel restrictions



KLCC
PROPERTY



Mandarin Oriental
Kuala Lumpur

Revenue

RM43.2m

↓ 66.3%
YoY

9M FY2019: RM128.4m

Loss before tax

RM45.6m

↓ >100%
YoY

9M FY2019: RM1.6m

Occupancy

21%

↓ 42%
YoY

9M FY2019: 63%

- Significant YoY decline in revenue and PBT as a result of the **pandemic** coupled with the **global travel ban**
- Gained **good traction** from domestic demand as performance **peaked** in **3Q 2020**:
 - **Increased weekend occupancy** from locally tailored “Weekend Staycation” promotions
 - **Improved recovery** in **corporate** and **group demand** with group bookings recording the highest production since start of Covid-19
 - **Significant growth from F&B** – Banqueting matched pre-MCO levels in Sep 2020 with 3 large weddings and Lai Po Heen trading at full capacity
- Given the **resurgence** of the **Covid-19 cases** and **uncertainty** in **borders reopening**, demand recovery remains weak for the hotel segment

Hotel – Stepping up promotional offerings with enticing packages



FOCUS & INITIATIVES

- Capture **domestic** business with new tactical promotions to attract **Corporates & Groups** :
 - ✓ Promoting **Staycations** and **Suite Treat** package with Corporate Longer Weekend Staycation
 - ✓ Cuti-Cuti Malaysia collaboration with Malaysian Airlines and Suria KLCC
 - ✓ Extended “Booking with Confidence” and “Event Planners Reward” until 2021
- **Redesigned** some rooms and introduced **“Working from MO”** programme to cater to guests who need a productive and conducive environment to work remotely
- Offer **tantalising dining/banqueting** experience - wedding promotions with early bird offers, wedding fairs and birthday celebrations

Corporate Rate + Enjoy 1 Comp Night



Weekend Staycation



Day Pass



Working from MO



Suite Treat



Management Services – The Solutions Partner, adopting best emerging technology

Revenue

RM133.7m **23.7%**
YoY

9M FY2019: RM108.2m

Profit before tax

RM13.7m **46.6%**
YoY

9M FY2019: RM25.7m

- **23.7%** YoY **revenue increase** from **new business approach** in facilities management services
- PBT declined due to lower car park income as evidenced by **reduction in transient car count** during the various phases of MCO
- All our car parks are in transition towards **fully cashless** with **total digital surveillance – 76% cashless** as at Sep 2020
- Working towards the completion of the **Premium Parking** at Suria KLCC – expected completion in 1Q 2021

No of facilities managed

20

9M FY2019: 20

No of car parking managed

11,945

9M FY2019: 12,634



KLCCUH



KPM

KLCC Urusharta Sdn Bhd (KLCCUH) and KLCC Parking Management Sdn Bhd (KPM) were both awarded the prestigious RoSPA Award in September 2020

CONTENT



1

KLCCSS - AT A GLANCE

2

COVID-19 UPDATES

3

FINANCIAL PERFORMANCE
9M FY 2020 & 3Q FY2020

4

PORTFOLIO PERFORMANCE

5

OUTLOOK & FOCUS

Transforming our strategies to drive recovery amidst the cautious industry outlook

OVERALL MARKET TREND

OFFICE

Landlords shifting their focus on enhancement initiatives and motivated to adopt more effective leasing strategies that are centred on tenant retention to improve their market competitiveness and attract new occupiers



RETAIL

Anticipate hardship due to the growth of e-commerce and changing customer preferences which will see more creative ideas and trends that embrace technological innovations within the industry



HOTEL

To remain challenging with growth confined to domestic and drive-leisure markets until international borders reopen



KLCCSS FOCUS

- Personalising tenant experience that engage the "Connected Tenant"
- Continue to provide a safe working environment adhering to the SOPs by the Health Ministry – social distancing and enhanced safety measures

- Enhancing shopper communication via social media to regain shoppers' confidence
- Interactive marketing campaigns to drive traffic and sales
- Continue to adhere to strict hygiene and safety standards to prioritise the well being of shoppers

- Capitalise on domestic business and ramp up in SEA once international borders re-open
- Reinforcing visibility and presence in the industry through innovative promotional marketing efforts

THANK YOU