



# KLCCP Stapled Group

## Financial Results

1<sup>st</sup> Quarter ended 31 March 2021

**4 May 2021**

# 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.



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# Malaysia's largest internally managed Stapled Security



## PETRONAS TWIN TOWERS

An iconic landmark, the world's tallest twin towers

## MENARA 3 PETRONAS

Premium office and retail space, seamlessly connected to Suria KLCC

## MENARA MAXIS

Home to one of the leading communications service provider in Malaysia

## KOMPLEKS DAYABUMI

An integrated office and retail development  
*(Located outside the KLCC Precinct)*

## MANDARIN ORIENTAL KUALA LUMPUR

A 5-star award winning luxury hotel

## SURIA KLCC

The premier shopping destination in the heart of Kuala Lumpur.

## MENARA EXXONMOBIL

Office tower tenanted by major oil and gas corporation

\* KLCCP owns a 33% stake in Menara Maxis

OFFICE AND RETAIL OFFICE RETAIL HOTEL

## 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.

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**KLCCSS LOOKING BEYOND**

# Gradual and uneven recovery to the start of the year

The COVID-19 pandemic continued to **cloud the performance and outlook** of the Group as the imposition of MCO 2.0 took effect from 13 January 2021, before the easing of restrictions into CMCO on 4 March 2021

**Retail** and **hotel** performances were **impacted**, disrupting the pick-up in momentum from the December 2020 year end festivities. Nevertheless, the pace continued to **gradually pick up** following the Chinese New Year festivities in mid-Feb-2021, peaking in March 2021 from the **upliftment of restrictions** in early March for both the retail and hotel segments

1

Office segment remained **stable** backed by its TNL and **long-term leases** which form the foundation to the **Group's cashflow**

2

Retail segment's performance contracted due to provision of **tenant assistance** to affected retailers to sustain operations

3

Hotel segment continued to suffer a loss in very challenging conditions, buoyed by **domestic tourism** and **smaller corporate meetings**

4

Management services impacted by **lower transient carpark income** and **reduced one-off projects** in facilities management



# Financial performance affected by the prolonged pandemic restrictions

Revenue  
**RM282.4 mil**  
*1Q FY20: RM354.6 mil*

↓ **20.4%**

Profit before tax  
**RM175.7 mil**  
*1Q FY20: RM232.3*

↓ **24.4%**

Profit attributable to equity holders  
**RM146.1 mil**  
*1Q FY20: RM176.9*

↓ **17.4%**

Dividend per stapled security  
**7.00 sen**  
*1Q FY20: 8.30 sen*

↓ **15.7%**

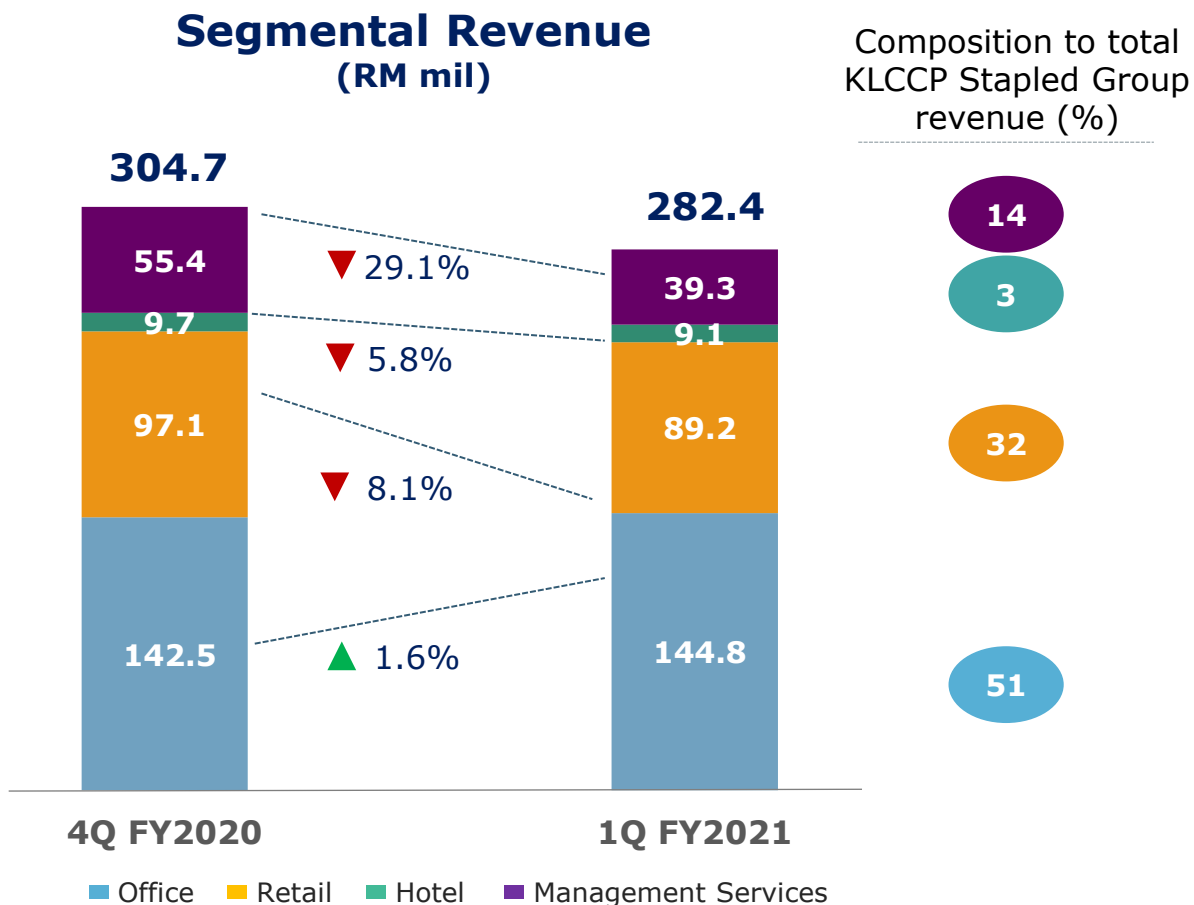
Net asset value per stapled security  
**RM7.22**  
*FY20: 7.21 sen*

↑ **0.2%**

Gearing ratio  
**18.2%**  
*FY20: 18.0%*

# Segmental Results

MCO 2.0 negatively impacted the anticipated recovery of all segments while office segment grew its contribution to 51%



## MANAGEMENT SERVICES

Impacted by fewer one-off projects performed in facilities management

## HOTEL

Cancellation of room bookings and suspension of events due to MCO 2.0

## RETAIL

Mall was operating under tighter restrictions following the surge of Covid-19 cases

## OFFICE

Stable and steady, underpinned by locked-in tenancies



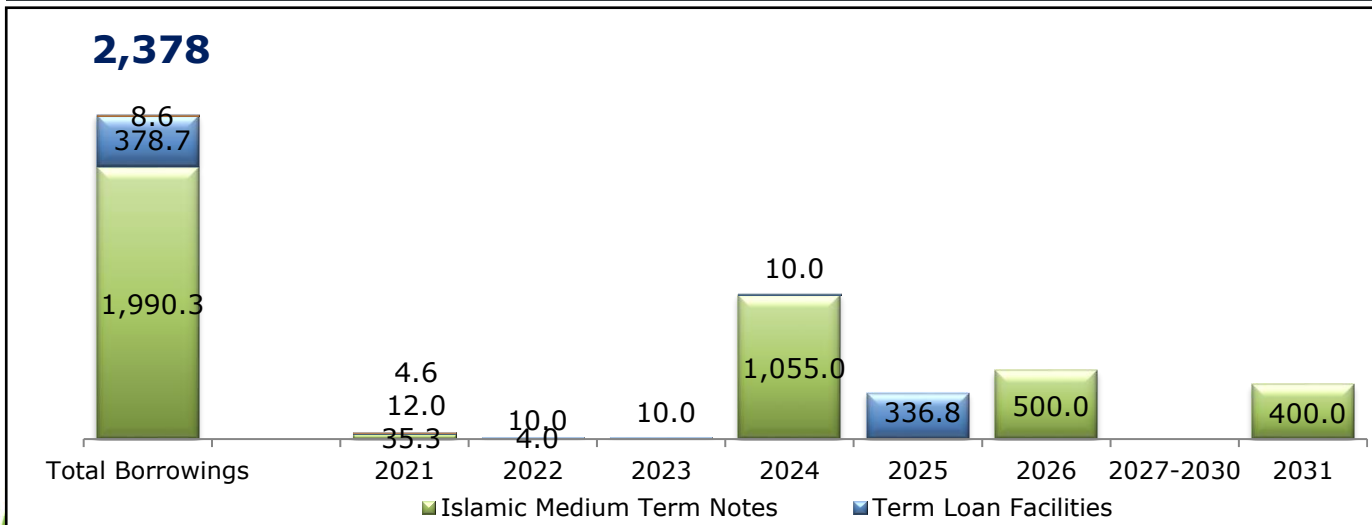
# Refinancing of Sukuk further extends debt maturity profile to position the Group for future growth

- The Group completed the **refinancing** of the **third tranche** of Sukuk Murabahah Programme in April 2021
- Issued its fourth tranche of RM400 mil at 4.0% rate p.a. for a **further period** of **10 years** extending the debt maturity profile to 2031
- Capital position remains strong with increased gearing ratio at 18.2% (FY2020: 18.0%) following the Sukuk refinancing exercise

## Key Debt Metrics as of 31 Mar 2021

<b>Total Borrowings</b>	<b>RM2,378 mil</b> [FY2020: RM2,349mil]
<b>Gearing Ratio</b>	<b>18.2%</b> [FY2020: 18.0%]
<b>Borrowings on Fixed Cost</b>	<b>84%</b> [FY2020: 84%]
<b>Average Maturity Period</b>	<b>3.35 years</b> [FY2020: 3.59 years]
<b>Average Cost of Debt</b>	<b>4.4%</b> [FY2020: 4.4%]

## Debt Maturity Profile as of 31 Mar 2021 (RM'mil)



The debt maturity profile inclusive of the principal payment of the fourth tranche of the Sukuk Murabahah Programme due in 2031

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**KLCCSS LOOKING BEYOND**

# Office – Premium office portfolio with quality tenant profile continue to provide income stability and resilience

## Revenue

**RM144.8m** ↓ 3.2% YoY

1Q FY2020: RM149.6m

## Profit before tax

**RM130.2m** ↓ 2.8% YoY

1Q FY2020: RM133.9m

## Occupancy

**100%**

- 3.2% YoY decrease in revenue mainly due to the accounting adjustments (MFRS 16 & MFRS 9) to **reflect** the **extension** of Triple Net Lease (TNL) agreements for PETRONAS Twin Towers and Menara 3 PETRONAS for another 15 years upon the expiry of the current term
- 2.8% YoY drop in PBT due to revised accounting adjustments, however partially **offset by lower utilities** and **one-off repair & maintenance expenses**
- The Group will continue to **implement strict safe management measures** and **leverage technology** at all office properties to provide a safe and conducive work environment for tenants

### KLCC REIT



PETRONAS TWIN TOWERS

MENARA 3 PETRONAS

MENARA EXXONMOBIL

### KLCC PROPERTY



MENARA DAYABUMI

# Retail – Gradual recovery momentum disrupted due to the implementation of MCO 2.0

**Revenue** ↓ **31.9%**  
**RM89.2m** YoY  
1Q FY2020: RM130.9m

**Profit before tax** ↓ **42.6%**  
**RM57.8m** YoY  
1Q FY2020: RM100.7m

**Occupancy**  
**94%**  
1Q FY2020 – 98%

- 31.9% and 42.6% YoY decline in revenue and PBT respectively mainly due to the **tenant assistance packages** coupled with lower internal **digital advertising income**
- Performance **Highlights** for 1Q FY2021:
  - Footfall has recovered to 60% pre-Covid-19 level with strong pick up after Chinese New Year which contributed to higher tenant sales recorded in Mar'21:
    - ✓ Tenant sales recorded an increase of **70%** for Mar'21 vs Feb'21 driven by the specialty tenants in **Beauty/Hair Salon, F&B** and **Fashion** segments
    - ✓ Luxury segment in particular saw an exceptional increase in sales by **>100%** for Mar'21 vs Feb'21
  - To-date, **43%** of FY2021 total **lease renewal** has been **completed**
- The retail landscape continues to be challenging with recovery to pre-Covid-19 levels hinging on successful vaccine roll-out to increase consumer confidence and towards return of the office tenants in the city centre
- Suria KLCC will continue to focus to keep the business stable whilst responding to tenant needs and drive vibrancy and footfall to the mall



# Revitalised F&B offerings with the newly refurbished Signatures Foodcourt



Transformed 22 food outlets and 4 kiosks into **23 food outlets, 6 kiosks and 7 restaurants**, boasting seating capacity of more than **1,500**

F&B sales **more than doubled** in Mar'21



# Driving traffic and sales through experiential, reward-driven and trade campaigns



Rolled out **experiential** and **reward-driven** campaigns to boost visitor traffic



Brought in **~940,000** shoppers, boosting sales across the mall

# Hotel – Pandemic and its restrictions continued to cloud hotel recovery

## Revenue

**RM9.1m**

1Q FY2020: RM28.1m

↓ **67.6%**  
YoY

## Loss before tax (LBT)

**RM16.1m**

1Q FY2020: RM8.8m

↓ **>100%**  
YoY

## Occupancy

**16%**

1Q FY2020: 44%

- Performance remained **under pressure** with the imposition of the MCO 2.0 which resulted in **cancellation** of **room bookings** and **suspension of events**
- Performance **Highlights** for 1Q FY2021:
  - The high momentum during year end was dampened in Jan'21 to early Feb'21 by the new movement restrictions
  - However, occupancy improved after Chinese New Year and peaked in Mar'21:
    - ✓ **45%** on **weekdays** and **75%** on **weekends** contributed by various **staycation promotions** and **gradual opening** of **facilities**
    - ✓ Promotion packages successfully **produced 85%** of the **bookings** through the Staycation by MO, Urban Resort (Club room) and the Front Liners Appreciation packages
  - F&B revenue saw gradual pick up since Chinese New Year as more outlets were **allowed** to **open** including banqueting - increased **significantly** in Mar'21 vs Feb'21
  - Strong increase in **online bookings** from 64% in FY2020 to **82%** in 1Q FY2021 mainly contributed by the staycation packages
- Expecting **pent-up demand** in **rooms** and **events bookings** in the coming quarters especially for weddings, corporate and social events

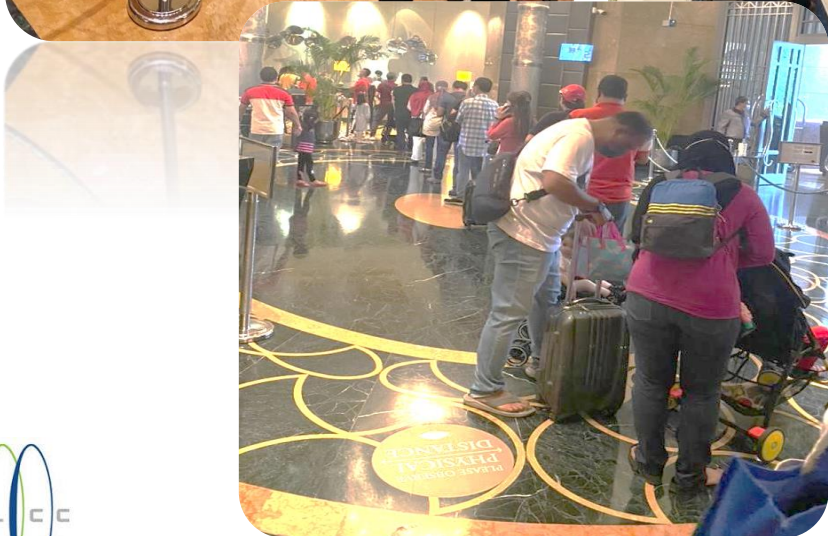
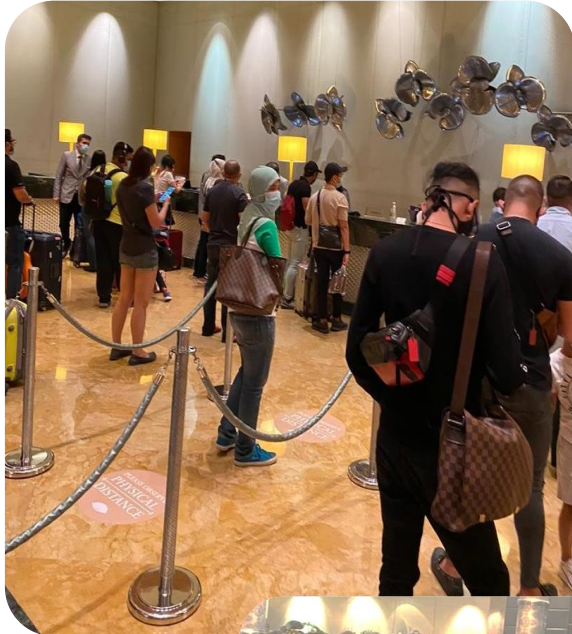
KLCC  
PROPERTY



Mandarin Oriental,  
Kuala Lumpur



# Occupancy peaked in March'21 from capitalising on domestic business through various promotional offerings



## Urban Resort Staycation



**Staycation at MO was the most successful promotional packages**

## Deluxe School Staycation



**Occupancy in Mar'21 peaked to 25% with 9,438 room nights from various promotional offerings**

## Frontliner Appreciation





# Ongoing attractive and innovative offerings towards recovery

## Tatler House



**First MO Hotel to collaborate with Tatler Malaysia for 6 – 12 months starting Apr'21**

**Presidential Suite converted into space for exclusive events and guests**



## Ramadhan Highlights



Gratitude from Afar

Grand Buka Puasa Buffet



**High demand for the Ramadhan promotions and innovative buffet concept**

# Management Services – The Solutions Partner, adopting best emerging technology

## Revenue

**RM39.3m** ↓ 14.4%  
YoY

1Q FY2020: RM45.9m

## Profit before tax

**RM3.7m** ↓ 41.8%  
YoY

1Q FY2020 : RM6.4m

- 14% YoY decrease in revenue mainly contributed by **fewer one-off projects** coupled with **lower transient carpark income** during the MCO phase
- PBT declined due to lower interest and carpark income
- Performance **Highlights** for 1Q FY2021:
  - KLCC Urusharta Sdn Bhd (KLCCUH) completed its official launch of the **Integrated Building Command Centre (IBCC)** to **manage** facilities in **real time** and leverage on the **power of data** to be more efficient
  - KLCC Parking Management Sdn Bhd (KPM) successfully launched its **Premium Parking** comprising **49 bays**, equipped with **20 electric vehicle chargers**, **CCTV** surveillance, **emergency call points** and **security patrolling** for the convenience and safety of its customers, further elevating the parking experience

## No of facilities managed

**20**

FY2020: 20

## No of car parking managed

**11,837**

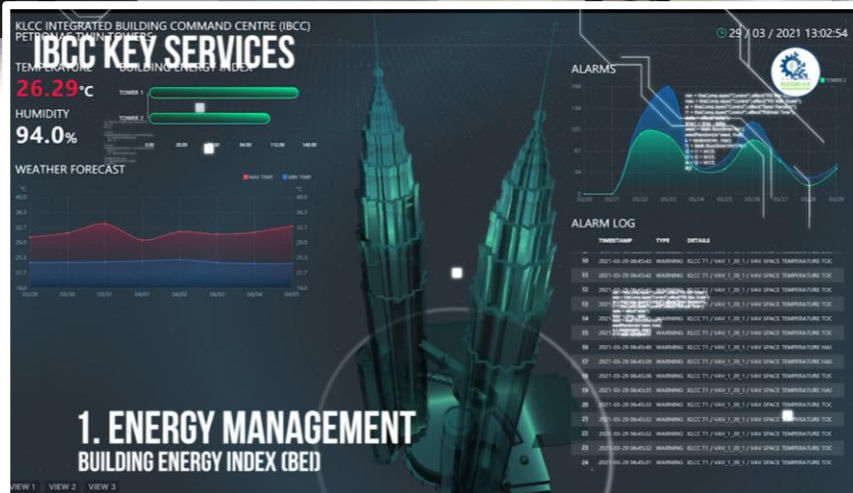
FY2020: 12,634

# Ramped up efforts to enhance operational efficiencies and improve delivery of quality services

## Official Launch of Integrated Building Command Centre (IBCC)



Operation and management of multiple buildings and services on a real-time dashboard



## Launch of the Premium Parking



49 bays with 20 EV chargers for customers' convenience, towards carbon footprint reduction



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1Q FY2021 PERFORMANCE

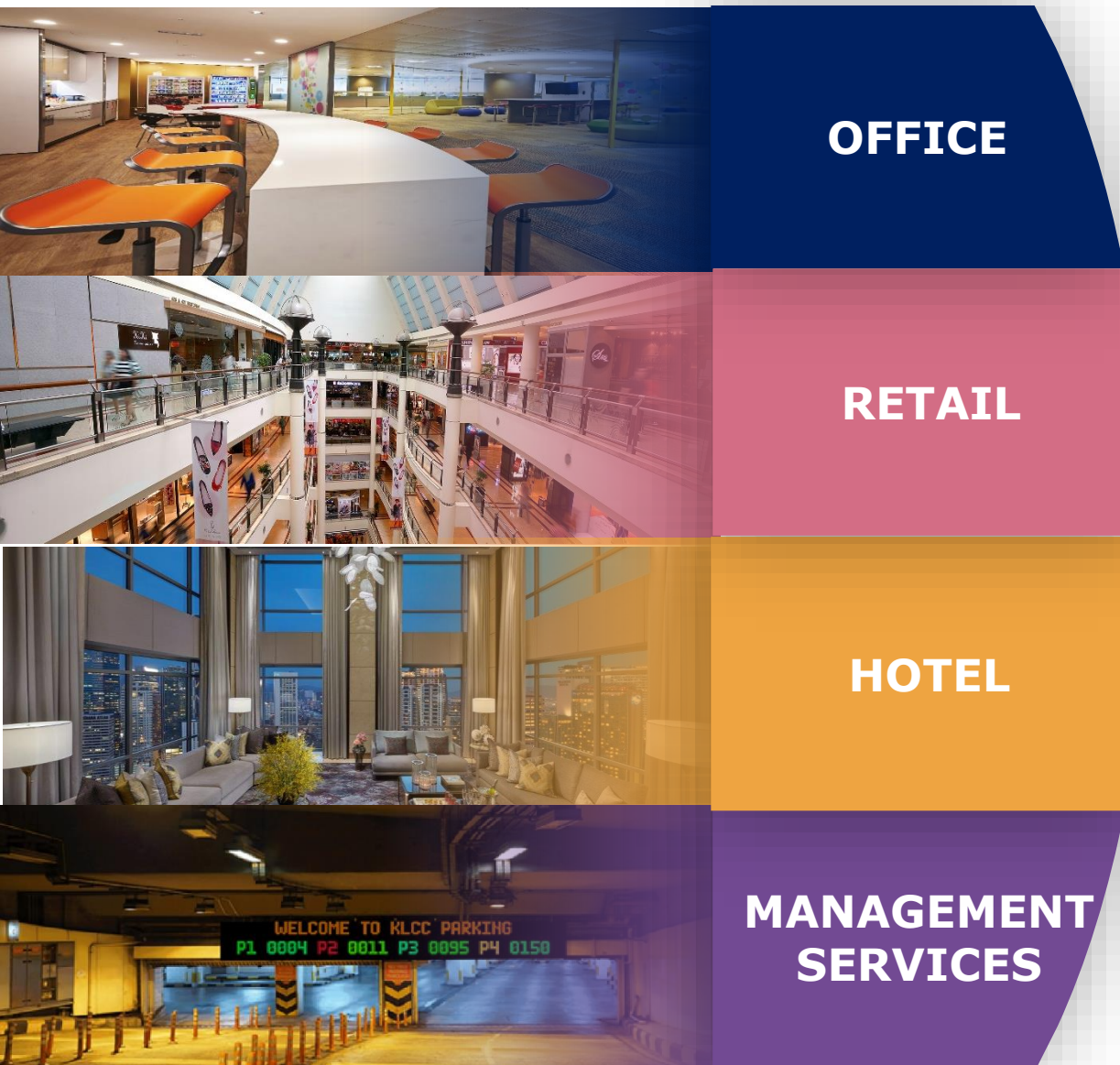
3

PORTFOLIO PERFORMANCE

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**KLCCSS LOOKING BEYOND**

# Coping with the pandemic whilst recalibrating business resilience towards a steady recovery



## OFFICE

- > **Stable** on the back of its **long-term, locked-in leases** with high quality tenants
- > **Full occupancy** and **fixed rental uplift** underpin portfolio income

## RETAIL

- > Outlook remains **uncertain** with recovery determined by an effective control of the pandemic
- > Suria KLCC will continue with its **tactical efforts** in delivering **experiential customer journey**

## HOTEL

- > Near term outlook remains **challenging**
- > MOKL Hotel to focus on **domestic Staycations, long stays** in suites and apartments as well as **F&B** and **banqueting** till the borders reopen to capture the APAC business

## MANAGEMENT SERVICES

- > Elevating **quality of services** and **operational efficiency** leveraging on **Industrial Revolution 4.0 technologies**

# KLCC The Place, Looking Beyond

KLCC Digital 4-year roadmap – expansion of *digital infrastructure* with customer experience focused solutions

Transform KLCC into a vibrant venue, providing lifestyle experiences, converging cultural diversity and commercial vibrancy

**Streamline operations embracing digitalisation**

**Offer innovative solutions to meet evolving needs of stakeholders**

**Capitalise on KLCC Malaysia's Iconic Experience and KLCC Place Brand**

**Contribute to the wider economic recovery**

Promote collaborative and engaging environment embedding customer experience as a value proposition

Through *nation building, social development*, being the *catalyst for surrounding development, connectivity and sustainable development*

**THANK YOU**