



KLCCP Stapled Group

Financial Results

3rd Quarter ended 30 September 2021

8 November 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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KLCCSS LOOKING BEYOND

Malaysia's largest internally managed Stapled Security

Stapled Security



KOMPLEKS DAYABUMI

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

MENARA 3 PETRONAS

Premium office and retail space, seamlessly connected to Suria KLCC

PETRONAS TWIN TOWERS

An iconic landmark, the world's tallest twin towers

MENARA MAXIS

Home to one of the leading communications service provider in Malaysia

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

Coping with COVID-19 during the latest lockdowns



Jul'21

Aug'21

Sep'21

Full Movement Control Order & National Recovery Plan (NRP) - Phase 1
1 Jul – 9 Sep

NRP - Phase 2
10 Sep – 30 Sep

RETAIL



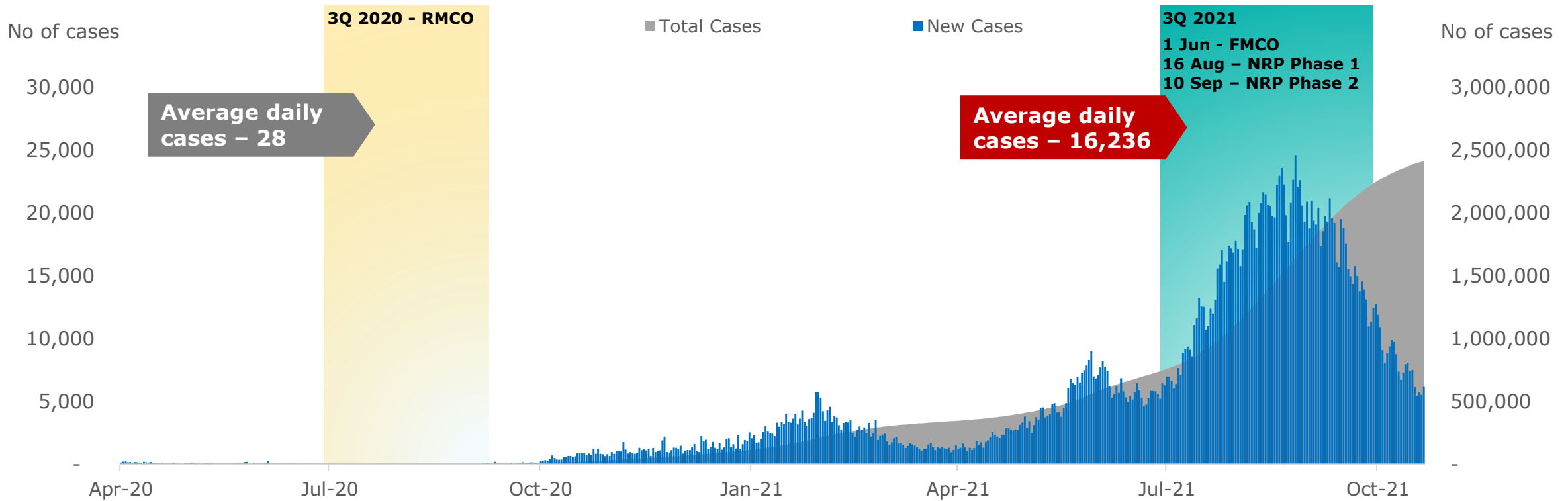
- Only **essential** stores + **MITI** approval allowed to operate
- ~ **30%** retailers open
- **Additional 11 types** of economic activities allowed to resume operations
- ~**60%** retailers open
- **Dine-in allowed** for fully vaccinated individuals
- **All** stores are **allowed** to open with stricter SOPs (only fully vaccinated)
- ~**95%** retailers open
- **Dine-in** restaurants and cafes allowed
- **Cinema** allowed to **reopen** with **50% audience capacity**

HOTEL



- Hotel allowed to accommodate guests from essential services only
- No dine-in allowed, **takeaway only**
- **Dine-in allowed** for fully vaccinated individuals with max capacity of **2 guests** per table
- **Lai Po Heen** and **Lounge on the Park** opened for dine-in
- Accepting guests under essential services and **fully vaccinated individuals**
- **Dine-in allowed**, with **50% guest capacity** per table
- **Mosaic** opened for dine-in
- **Pool & Gym** reopened

Country battles a record wave of COVID-19 infections



- **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** – Interstate travel allowed

▪ FMCO & NRP Phase 1

- Only essential business and services allowed to operate
Hotels only allowed to open as quarantine centres
- No dine-in allowed, takeaway and delivery only

▪ NRP Phase 2 – Freedoms for fully vaccinated individuals

- Most economic sectors allowed to resume operations
- Dine-in at restaurants and cafes allowed
- Interdistrict travel and tourist activities allowed
- Gym activities allowed

FMCO/RMCO: Full/Recovery Movement Control Order

Slow return to normalcy despite the easing of restrictions for fully vaccinated individuals



MY Google Community Mobility Report @ 19 Oct 21

Mobility changes compared to baseline (% decline)

Retail and recreation



Workplaces



- Google mobility data show that people have mostly **been staying home**, in spite of **81.8%** of adult population have been fully vaccinated
- Some improvement for the retail sector — but at a **slower pace** as most retailers and even shoppers are still a bit **apprehensive**
- Workplace activity is **still well below pre-pandemic levels**, with employers still encouraged to have their staff work from home where possible

Note: Google mobility data, averaged weekly as at 19 Oct 2021, is expressed as the percentage change from the 3 January 2020 to 6 February 2020 baseline.

Pandemic waves have affected the performance of the Group, however some pick-up in pace was evident upon relaxation of restrictions



OFFICE

- **Steady cashflows, underpinned by full occupancy and long-term leases**

RETAIL

- **Subdued as pandemic challenges persists affecting consumer sentiment**
- **Gradual recovery in sight as the economy reopens**

HOTEL

- **Performance adversely impacted by the pandemic restrictions**
- **Optimistic on the recovery as travel normalizes**

MANAGEMENT SERVICES

- **Affected by the lower car count arising from the lockdown and fewer one-off projects in facilities management**

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KLCCSS LOOKING BEYOND

3Q FY2021 Highlights – Pandemic to endemic transition



RM260.3 mil

Revenue

-16.7% vs 3Q FY20

RM154.1 mil

Profit before tax

-21.2% vs 3Q FY20

RM135.4 mil

Profit attributable to equity holders

-13.6% vs 3Q FY20

7.00 sen

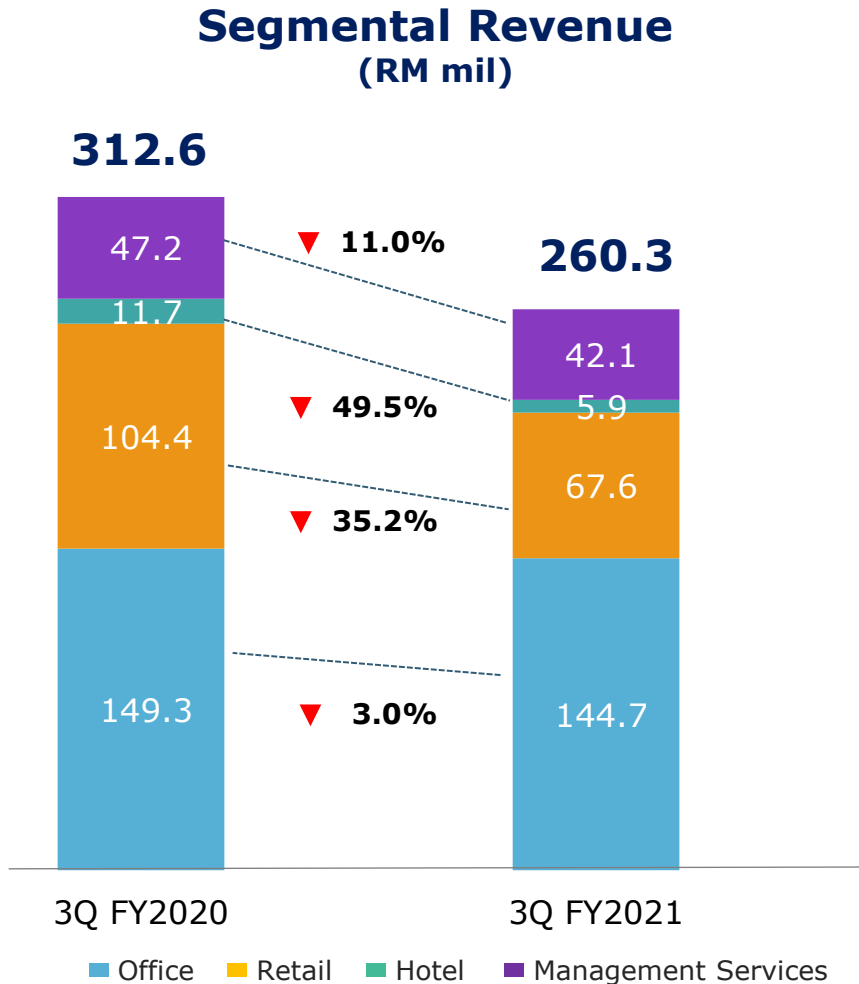
Dividend per Stapled Security

-6.7% vs 3Q FY20

- Overall results **weakened** due to the Government imposed restrictions starting from 1 Jun to 9 Sep (for 100 days)
- Only **essential business** and services **allowed** to operate as more relaxation for **fully vaccinated individuals** introduced with effect from 19 Aug
 - ✓ Retail – higher **provision of tenant assistance** as businesses were not allowed to operate during the lockdown
 - ✓ Hotel – impacted due to the **curtailment of domestic travel** and **limited F&B covers**
 - ✓ Management services – due to **lower car parking** income arising from the pandemic, resultant of MCOs and NRP

Segmental results

Reeling from the impact of the nationwide lockdown starting in Jun'21 until the partial easing of restrictions in Aug'21



Composition to total KLCCP Stapled Group revenue (%)



MANAGEMENT SERVICES

Lower car parking income as evidenced by reduction in transient car count

HOTEL

Continues to be impacted by the repeated lockdown and travel restrictions

RETAIL

Mainly due to higher tenant assistance and lower advertising income

OFFICE

Lower due to the revised accounting adjustments to reflect the extension of TNL agreements

9M FY2021 Highlights – Remains under pressure, constrained by the pandemic



RM822.9 mil

Revenue

-11.9% vs 9M FY20

RM501.8 mil

Profit before tax

-15.2% vs 9M FY20

RM425.5 mil

Profit attributable to equity holders

-10.2% vs 9M FY20

21.00 sen

Dividend per Stapled Security

-9.9% vs 9M FY20

RM7.24

Net asset value per Stapled Security

0.4% vs FY20

18.4%

Gearing ratio

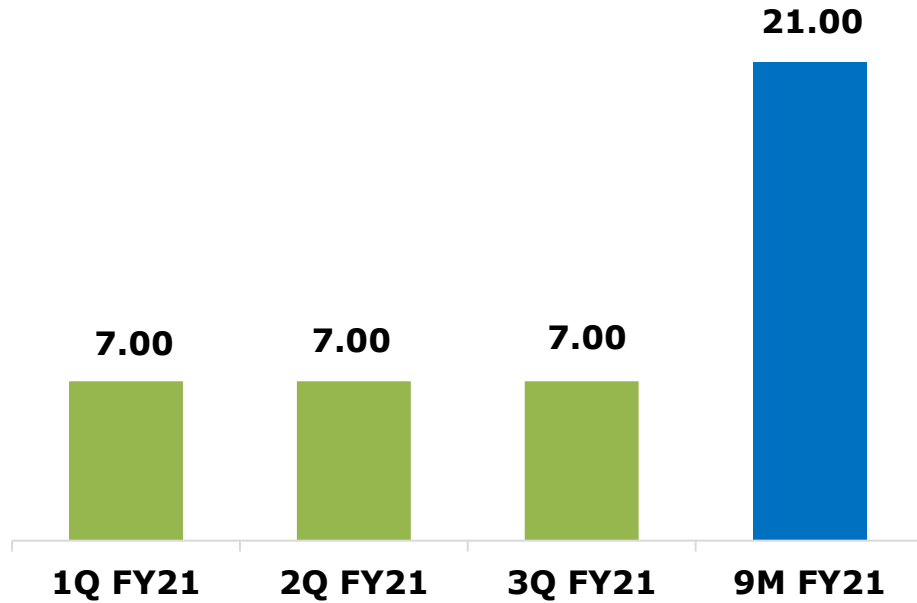
18.1% in FY20

- Overall results primarily impacted by the **repeated lockdowns** and **restrictions** imposed throughout the 9M FY2021 which **halted the retail** and **hotel** segments' performance recovery:
 - Retail – **ongoing** provision of **tenant assistance** and lower take up rate on promotion space and advertising
 - Hotel – **travel restrictions**, and **cancellation of bookings** and **events** led to drastic decline in volume of business
 - Management Services – **lower transient carpark income** during the various phases of MCOs

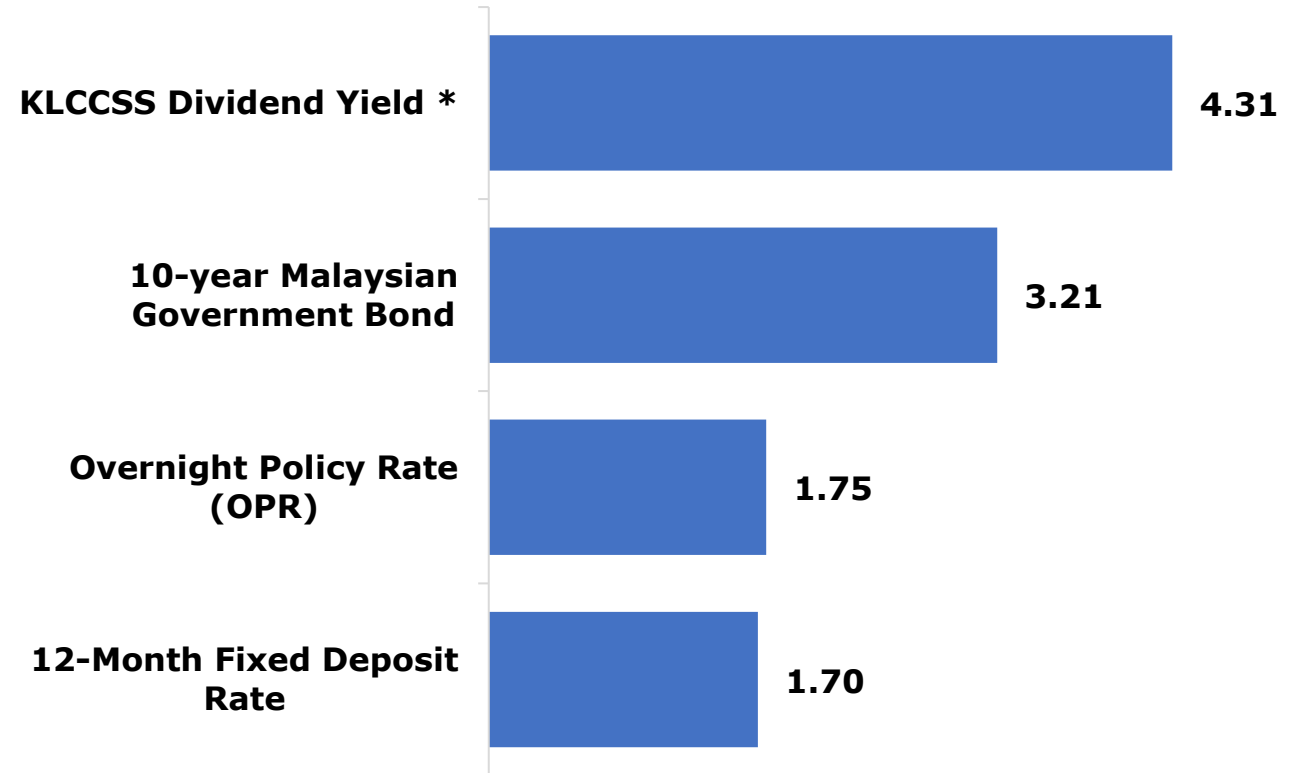
Stable and consistent dividend distribution, testament to our continued commitment to shareholders



Distribution per Stapled Security (DPS) - sen



Comparative yields as at 30 September 2021 (%)



Source: Bank Negara Malaysia

* Calculated based on annualised dividend and KLCCSS closing share price as at 30 Sep 2021

Staggered debt maturity profile averaging 4.6 years, with next debt maturity in 2024



- Lease expiry is **well-spread**, extended to **2031**
- Disciplined capital management provides **solid foundation** to withstand near term uncertainties

Key Debt Metrics as of 30 Sep 2021

Total Borrowings* **RM2,398 mil**
[FY2020: RM2,349 mil]

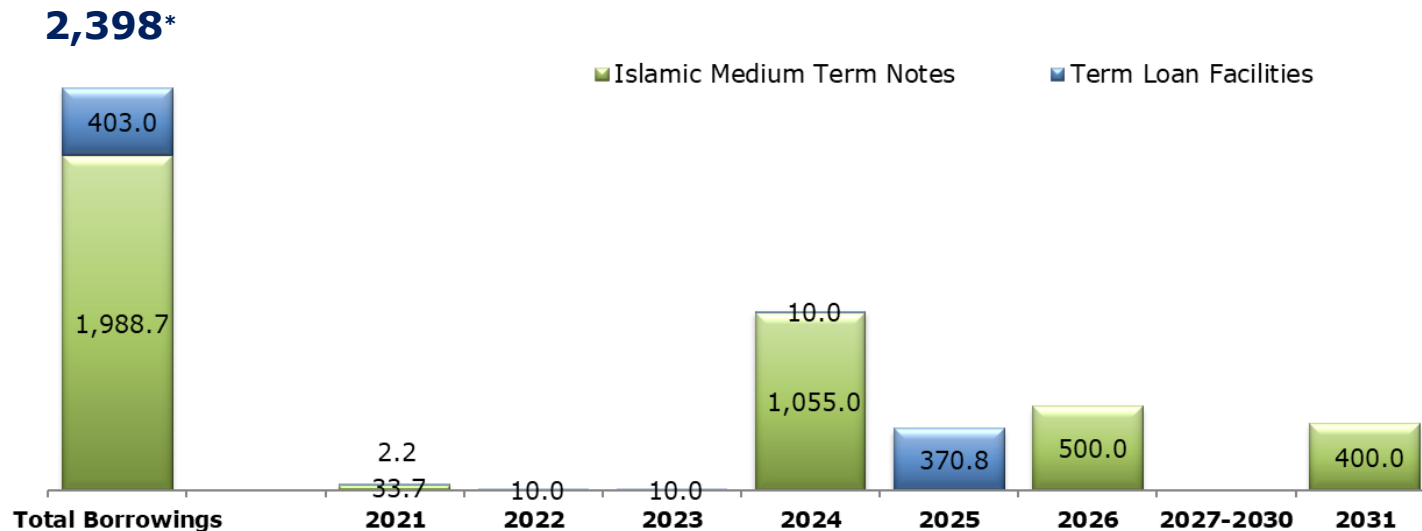
Gearing Ratio **18.4%**
[FY2020: 18.1%]

Borrowings on Fixed Cost **83%**
[FY2020: 84%]

Average Maturity Period **4.57 years**
[FY2020: 3.59 years]

Average Cost of Debt **4.3%**
[FY2020: 4.4%]

Debt Maturity Profile as of 30 Sep 2021 (RM'mil)



* Inclusive of lease liabilities

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KLCCSS LOOKING BEYOND

Office – Continue to deliver stable performance underpinned by its full occupancy

Revenue

RM434.3m ↓ 3.0% YoY
 9M FY2020: RM447.8m

Profit before tax

RM391.2m ↓ 2.6% YoY
 9M FY2020: RM401.8m

Occupancy

100%

- **Marginal** decrease in revenue and PBT attributable to accounting adjustments (MFRS 16 & MFRS 9) to **reflect** the **extension** of Triple Net Lease (TNL) agreements for PETRONAS Twin Towers and Menara 3 PETRONAS partially offset by **lower financing cost**
- **Sustained occupancies** in all office buildings providing healthy cashflows to the Group
- Kompleks Dayabumi - Phase 3 Redevelopment
 - Project is deferred in view of market conditions. To maintain the site "as is" with soft landscape work



Retail – Encouraging pick up as the pandemic lockdown restrictions lifted in mid Aug'21

Revenue ↓ **22.3%**
RM240.8m YoY
 9M FY2020: RM309.7m

Profit before tax ↓ **31.0%**
RM152.8m YoY
 9M FY2020: RM221.6m

Occupancy ↓ **4%**
93% YoY
 9M FY2020 – 97%

- Subdued consumer confidence and retail spending continues to cloud the recovery of Suria KLCC
- Continued support to tenants via tenant assistance packages due to prolonged pandemic and related regulations
- **Performance Highlights** for the month of **Sep 21 – Transition to NRP Phase 2**
 - Following the relaxation on 19 Aug and subsequently to NRP Phase 2, footfall saw an **87%** month-on month (MoM) **increase**, whilst tenant sales saw a MoM **increase of more than double**
 - Increase in tenant sales were led by **Fashion, Jewellery** and **Leisure**
 - Resumption of **dine-in services** led to **significant increase** in **F&B sales**
 - 73% of leases have been renewed during the period



Hotel – Promising upturn as fully vaccinated guests allowed to stay and dine in with the transition of NRP in Sep'21

Revenue

RM23.5m

↓ **45.5%**
YoY

9M FY2020: RM43.2m

Loss before tax (LBT)

RM54.3m

↓ **19.3%**
YoY

9M FY2020: RM45.6m

Occupancy

11.7%

↓ **9.3%**
YoY

9M FY2020: 21.0%

- Performance continues to be adversely affected by repeated lockdowns and ongoing travel restrictions
- Market demand remains primarily from the long stay guests, staycation and corporate demand (smaller scale)
- **Performance Highlights** for the **month of Sep 21 – Transition to NRP Phase 2**
 - **Stronger** pick-up in pace, with room occupancy at **30%** during weekends
 - **Suite room RevPAR higher by 10.9%** (MoM), driven by improved occupancy and average room rate
 - F&B performance gained momentum following the **resumption of dine-in services** at Lai Po Heen and Lounge on the Park outlets
 - **Mandarin Online Shop** saw encouraging revenue with the **successful Moon Cake promotion** - the highest revenue generator for the period

KLCC
PROPERTY



Mandarin Oriental,
Kuala Lumpur

Management Services – Resetting operations and services into the new normal

Revenue

RM124.2m ↓ **7.1%**
YoY

9M FY2020: RM133.7m

Profit before tax

RM12.1m ↓ **11.6%**
YoY

9M FY2020: RM13.7m

No of facilities managed

24

9M FY2020: 20

No of car parking managed

12,296

9M FY2020: 11,945

- 7% YoY decrease in revenue & 12% YoY in PBT was mainly due to:
 - Lower transient carpark income during the repeated MCO phases
 - Closure of the Kuala Lumpur Convention Centre The Integrated Vaccine Administering Centre (PPV) in Aug 21
- Operationally, facilities management and car park management have **stepped-up on preventive measures** at all our office buildings and car park sites with additional health and safety measures in creating a **COVID-safe environment** within our spaces
- **Additional 177 car parking bays** to be managed by KLCC Parking Management Sdn Bhd at Lot 2C3, Putrajaya (Opposite Menara PJH) from 1 Nov 2021
- KLCC UrusHarta Sdn Bhd (KLCCUH) awarded **MSOSH OSH** (The Malaysian Society for Occupational Safety & Health) **Gold Award Winner** 2021. This is testament to KLCCUH's excellence in HSE, towards HSE Generative Culture

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KLCCSS LOOKING BEYOND

Recovery in sight as the economy reopens

Accelerated vaccination and easing of restriction instilling confidence of customers



OFFICE

Returning of office tenants as well as office workers within KLCC Precinct from November 2021



RETAIL

- Capitalising on year end holiday and festive season
- Driving traffic and sales through experiential, reward-driven and trade campaigns



HOTEL

- Revival of interstate travel, pushing up bookings demand
- Aggressive marketing initiatives via the Friend of MO, strategic partnership



MANAGEMENT SERVICES

- Expected to benefit from the higher incoming car count from returning office workers and transient parkers
- Building capabilities that future relevance will require - tap into the value of new technologies

THANK YOU