



# **KLCCP Stapled Group**

## **Financial Results**

4<sup>th</sup> Quarter ended 31 December 2021

**28 January 2022**

# 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

OVERVIEW

3

4Q FY2021 & FY2021 FINANCIAL PERFORMANCE

4

PORTFOLIO PERFORMANCE

5

SUSTAINABILITY

6

KLCCSS LOOKING BEYOND



# Malaysia's largest internally managed Stapled Security



## STATEMENT OF 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

**OVERVIEW**

3

4Q FY2021 & FY2021 FINANCIAL PERFORMANCE

4

PORTFOLIO PERFORMANCE

5

SUSTAINABILITY

6

KLCCSS LOOKING BEYOND

# 2021 recap: Battling COVID-19 continued with surge in cases



	2021	2020
<b>MCO phases</b>	<b>MCO 2.0</b> – 13 Jan to 4 Mar <b>CMCO</b> – 5 Mar to 30 Apr <b>MCO 3.0</b> – 3 to 31 May <b>FMCO</b> – 1 to 28 June	<b>MCO</b> – 18 Mar to 3 May <b>CMCO</b> – 4 May to 9 Jun and 14 Oct to 6 Dec <b>RMCO</b> – 10 Jun to 31 Dec
<b>Days restricted</b>	162 days	135 days
<b>No of COVID-19 cases</b>	2,645,076	113,010

## No of months allowed to operate

Interdistrict travel	<b>4/12</b>	<b>9/12</b>
Interstate travel	<b>3/12</b>	<b>3/12</b>
Dine-in	<b>5/12</b>	<b>9/12</b>
Social gathering	<b>4/12</b>	<b>2/12</b>
Essential retailers	<b>12/12</b>	<b>12/12</b>
Non-essential retailers*	<b>9/12</b>	<b>9/12</b>

Source: MoH Malaysia

# A tough year exacerbated by the pandemic though signs of recovery is in sight



## MANAGEMENT SERVICES

Secured additional new car park and facilities management services, improving operational efficiency through digitalisation



## OFFICE

Minimal impact underpinned by locked-in long-term tenancies which form the foundation to the Group's cashflow



Severely affected by the pandemic restrictions and muted business travels, predominantly driven by domestic tourism

## HOTEL

Higher tenant assistance granted towards supporting for tenant sustainability

## RETAIL

# CONTENT



- 1 KLCCSS - AT A GLANCE
- 2 OVERVIEW
- 3 **4Q FY2021 & FY2021 FINANCIAL PERFORMANCE**
- 4 PORTFOLIO PERFORMANCE
- 5 SUSTAINABILITY
- 6 KLCCSS LOOKING BEYOND



# 4Q FY2021 Highlights

## Recovery gains momentum as economy fully reopens with higher vaccination rates



**RM348.2 mil**

**Revenue**

**14.3% vs 4Q FY20**

**RM210.7 mil**

**Profit before tax\***

**112.7% vs 4Q FY20**

**RM183.9 mil**

**Profit attributable to equity holders\***

**151.7% vs 4Q FY20**

**12.60 sen**

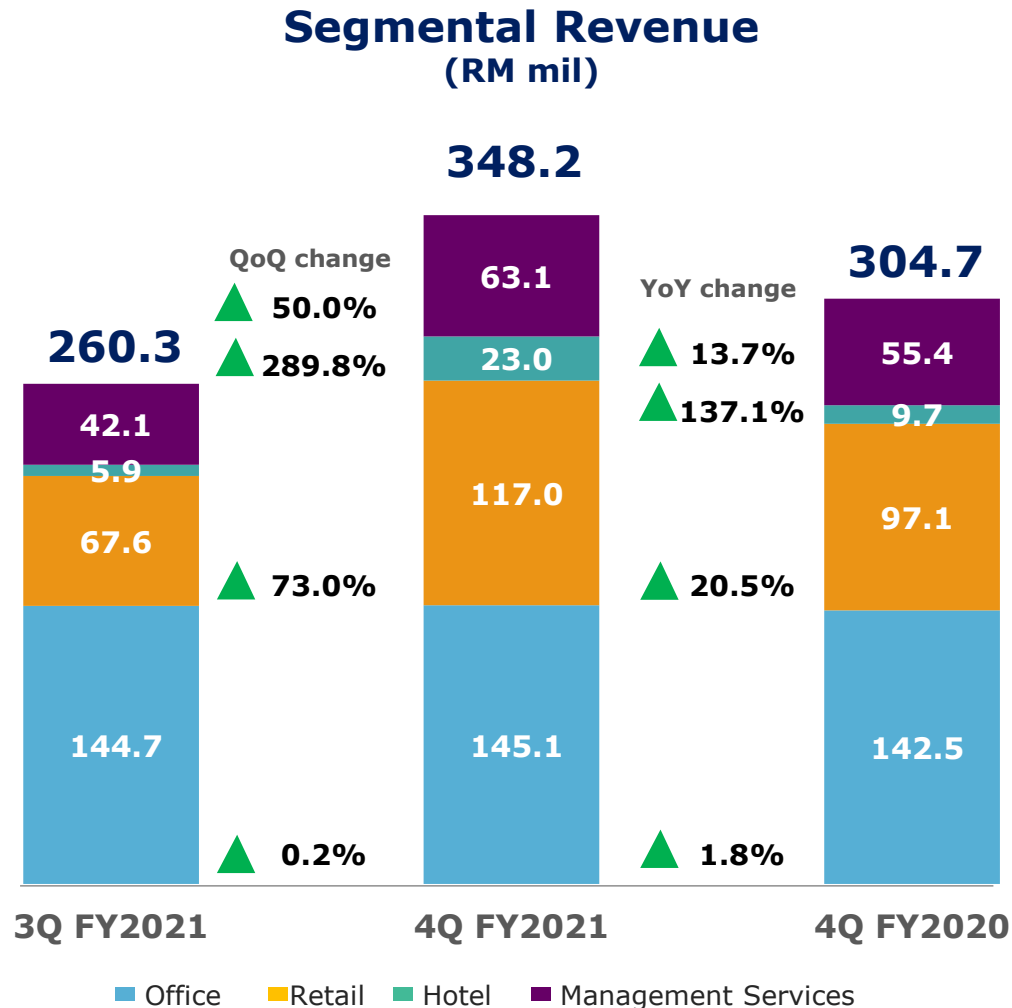
**Dividend per Stapled Security**

**88.1% vs 4Q FY20**

- Increase in **revenue** and **profits** led by a **rebound performance** of retail & hotel segments since the transition of the National Recovery Plan (NRP) from 18 Oct 2021 onwards
  - ✓ Retail – footfall and tenant sales **picked up remarkably** in 4Q'21 in line with reopening of economy, supported by the **year end festive season**
  - ✓ Hotel – strong demand in rooms and increase in F&B covers – Mosaic increased 35% (MoM) with **daily buffet** from 7 Nov 2021
  - ✓ Management services – secured **additional facilities management services** by KLCCUH coupled with increased **parking income** from KPM during the quarter

# 4Q FY2021 Segmental Results

## Improved performance from all segments as pandemic restrictions gradually eased



4Q FY2021 - Composition to total KLCCP Stapled Group revenue (%)



### MANAGEMENT SERVICES

Additional income for car park and one-off services under facilities management

### HOTEL

Better pick up in rooms and F&B covers during the festive season

### RETAIL

More stores were allowed to operate as restrictions eased

### OFFICE

Stable and steady, underpinned by locked-in tenancies

# FY2021 Financial Highlights

## Hopeful signs for a return to normalcy in 2022



**RM1,171.1 mil**

Revenue

**-5.5%** vs FY20

**RM712.5 mil**

Profit before tax\*

**3.2%** vs FY20

**RM609.4 mil**

Profit attributable to equity holders\*

**11.4%** vs FY20

**33.60 sen**

Dividend per Stapled Security

**12.0%** vs FY20

**RM7.21**

Net asset value per Stapled Security



**18.3%**

Gearing ratio

**18.0%** in FY20

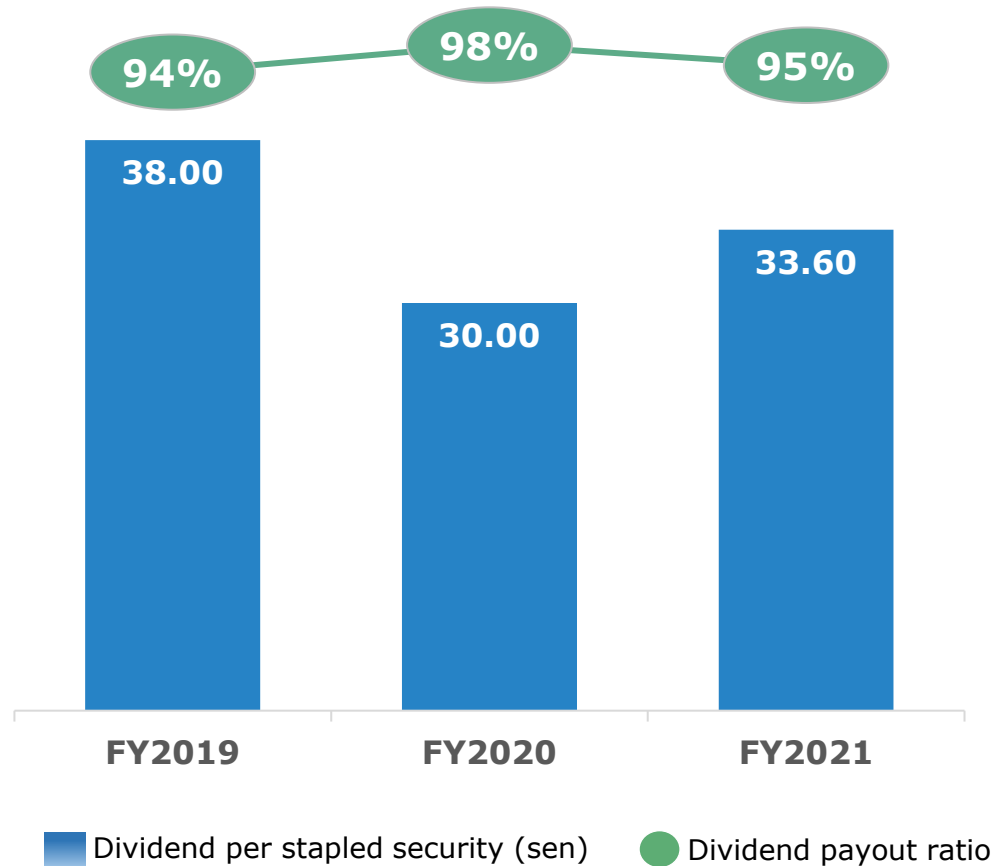
- ❑ Revenue decreased reflecting a **full year impact** operating under **COVID-19 environment**
  - ✓ Retail – impacted by **higher provision of various assistance packages** provided to affected tenants
  - ✓ Hotel – **restriction of domestic travel and dine-in operations** led to drastic decline in volume of business
  - ✓ Management services – Affected by the **lower car count** arising from the lockdown
- ❑ Profit improved from **lower finance cost** and **minimal impairment** on the investment property under construction (IPUC) for the of Phase 3 Redevelopment for Kompleks Dayabumi



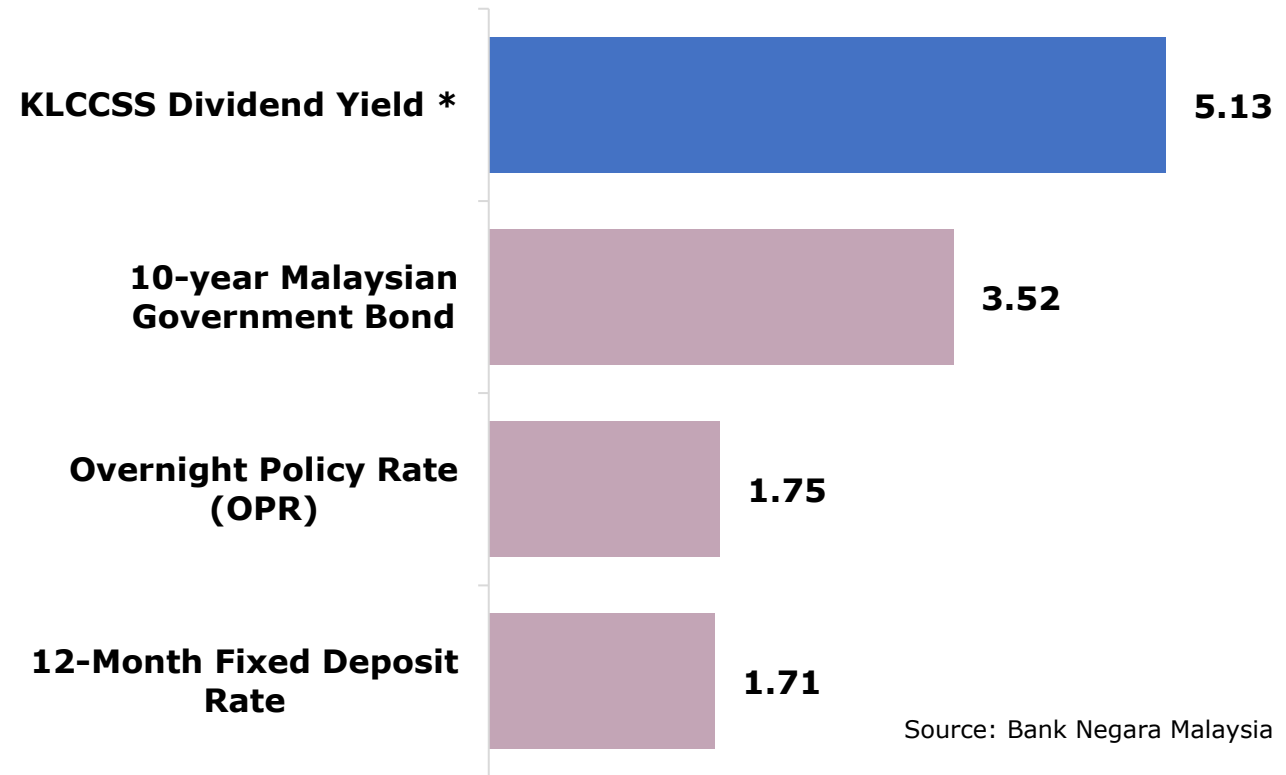
# Higher dividends, a testament to our continued commitment to shareholders



**Distribution per Stapled Security (DPS) - sen**



**Comparative yields as at 31 December 2021 (%)**



\* Calculated based on YTD Dec'21 dividend and KLCCSS closing share price as at 31 Dec 2021

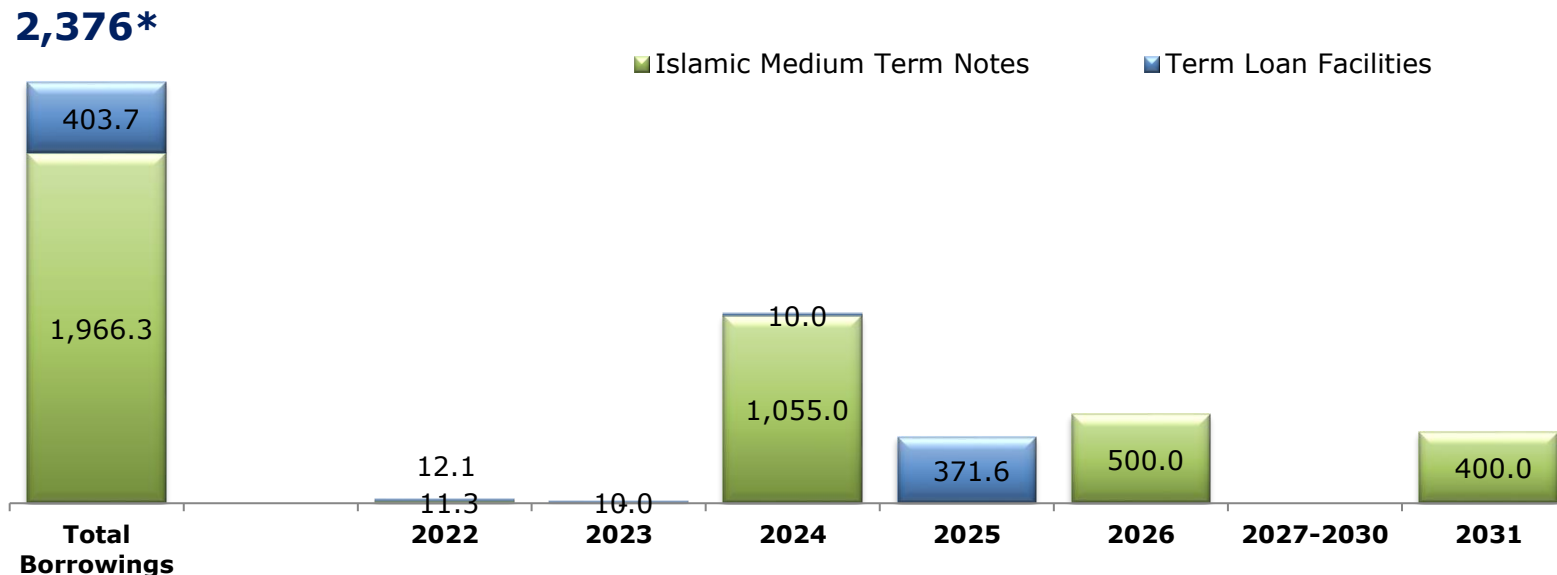
# Healthy capital structure safeguarding financial resilience to position the Group for future growth



- **Refinanced** the third tranche of **Sukuk Murabahah Programme** in **April 2021** and **issued** its fourth tranche of **RM400 mil** at 4.0% rate p.a.
- With the refinancing exercise, debt maturity profile **lengthens** to **2031**
- Next major refinancing expected in 2024

## Debt Maturity Profile

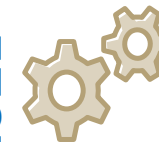
As at 31 Dec 2021 (RM'mil)



\* Inclusive of lease liabilities



Total Borrowings  
**RM2,376 mil**  
[FY2020: RM2,349 mil]



Gearing Ratio  
**18.3%**  
[FY2020: 18.0%]



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



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



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

As at 30 Dec 2021

# CONTENT



1

KLCCSS - AT A GLANCE

2

OVERVIEW

3

4Q FY2021 & FY2021 FINANCIAL PERFORMANCE

4

**PORTFOLIO PERFORMANCE**

5

SUSTAINABILITY

6

KLCCSS LOOKING BEYOND



# Office – Resilient portfolio underpinned by full occupancy and long-term leases

## Revenue

**RM579.5m** 1.8% YoY  
 FY2020: RM590.3m

## Profit before tax\*

**RM522.5m** 16.5% YoY  
 FY2020: RM448.4m

## Occupancy

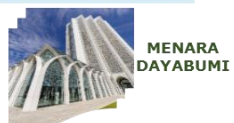
**100%**

- 1.8% YoY decrease in **revenue** as a result of the **accounting adjustments** to reflect the extension of Triple Net Lease (TNL) agreements for PETRONAS Twin Towers and Menara 3 PETRONAS for a further 15 years
- 16.5% YoY increase in **PBT** (excluding fair value adjustments) attributable to **lower operating expenses** from lower impairment on the investment property under construction (IPUC) for the of Phase 3 Redevelopment for Kompleks Dayabumi
- Key Events:**
  - ✓ **Upward** rental revision to the lease for PETRONAS Twin Towers which took effect in October 2021
  - ✓ **Phase 3 Redevelopment** for Kompleks Dayabumi **to be deferred** in view of market conditions - to preserve that site with beautification that supports the River of Life concept

### KLCC REIT



### KLCC PROPERTY



\* Excluding fair value adjustments

# Retail – Riding through the prolonged pandemic together with our retail partners and customers



**Revenue**  
**RM357.8m** ↓ **12.0%**  
YoY  
FY2020: RM406.8m

**Profit before tax\***  
**RM237.6m** ↓ **16.8%**  
YoY  
FY2020: RM285.5m

**Occupancy**  
**93%**

FY2020 – 97%\*

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



- 12.0% and 16.8% YoY decline in revenue and PBT respectively mainly due to the **assistance packages** granted to tenants coupled with lower internal **digital advertising income**
- Extended higher rental assistance amounting to **RM127 mil**, approximately 36% of the mall's revenue, in supporting our retail partners in sustaining their business
- Performance **Highlights** for the year:
  - Following transition to NRP and the ramp up in vaccination rates, both tenant sales and footfall have **recovered steadily** whereby the rebound in **tenant sales** has **outpaced footfall**. Higher tenant sales mainly contributed from **Fashion** and **Jewellery**
  - Welcomed **17 new tenants** during the year namely Maje, Sandro, Tommy Hilfiger, Charles & Keith and Amaris to name a few
  - Rewarded its shoppers with almost **RM400,000** in Suria KLCC vouchers during the **"The Great Giveaway"** and the **"The Golden Ticket Campaign"** which saw increased footfalls and significant direct sales for our retail partners

# New tenants at Suria KLCC in 4Q 2021



**Escentials**, a niche beauty omni-retail concept store



**Amaris**, exclusive and distinctive fragrance brand



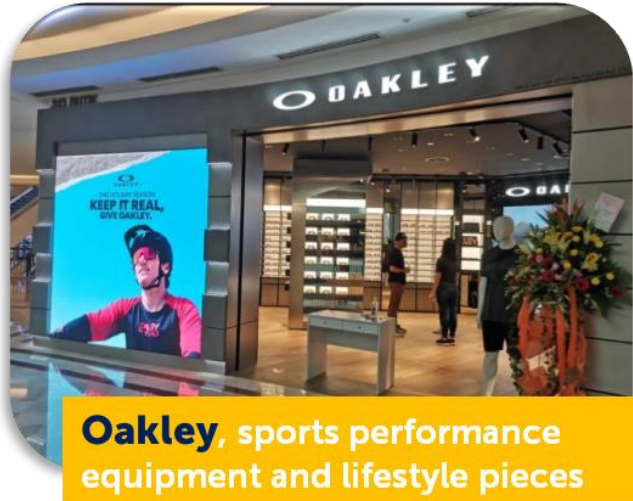
**Tommy Hilfiger**, premium clothing brand



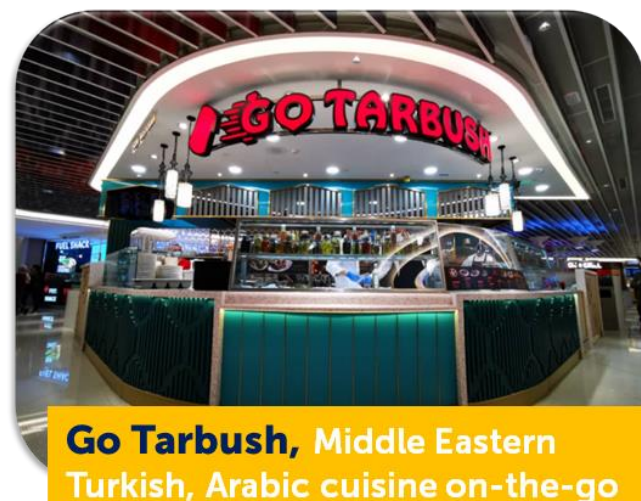
**Evisu**, Japanese clothing designer



**Charles & Keith**, fast-fashion footwear and accessories



**Oakley**, sports performance equipment and lifestyle pieces



**Go Tarbush**, Middle Eastern Turkish, Arabic cuisine on-the-go



# Retail – The first mall in Malaysia to drive mental awareness campaign under the theme “We Are With You”



- **Partnered** with selected **NGOs** - the Malaysian Mental Health Association, Befrienders KL, RELATE and the Green Ribbon Group as well as the Ministry of Health
- **Promoted public awareness** on mental health issues and encouraged those affected to seek help
- Workshops, talks and panel discussions by professionals held at the mall to educate the public on mental health
- **Fundraising initiative** through the sale of 'Suria Ribbon Pin'



# Hotel – Coping with uneven recovery, momentum predominantly driven by domestic demand

## Revenue

**RM46.5m**

↓ **12.0%**  
YoY

FY2020: RM52.9m

## Loss before tax (LBT)

**RM65.9m**

↑ **3.7%**  
YoY

FY2020: RM63.6m (LBT)

## Occupancy

**16%**

FY2020: 19%

- Impacted by prolonged lockdown - inter-state travels and dining restrictions, continuation of international border closures
- Performance **Highlights** for the year:
  - **Stronger** pick-up in pace towards year-end **supported by robust domestic demand** as soon as restrictions were lifted
    - **Dec'21 room occupancy** rose to **36.2%**
    - **Pent-up demand from** the high-yielding rooms - Suite's **occupancy soared** to 56% in Dec'21
  - **79% YoY** growth from **F&B**, boosted by the **reopening of Mosaic buffet, Mandarin Grill** and **banqueting** events once NRP Phase 4 in Oct'21 kicked in, albeit at 50% capacity
  - **145%** growth in **Mandarin Online Shop** due to its **extended offerings** – from F&B to bed linen to in room amenities
  - Collaboration with **Tatler House**, where **Presidential Suite was converted into event space** have **attracted** several **high-end brands** to host their event at the venue

KLCC  
PROPERTY



Mandarin Oriental,  
Kuala Lumpur

# Management Services – Impacted by lower transient parking with additional FM services and new car park secured in 4Q 2021



## Revenue

**RM187.3m** ↓ 1.0%  
YoY

FY2020: RM189.2m

## Profit before tax\*

**RM18.3m** ↓ 10.1%  
YoY

FY2020: RM20.3m

## No of facilities managed

**25**

FY2020: 23

## No of car parking managed

**13,211**

FY2020: 11,625

- **Marginal** decrease in **revenue** from lower transient income offset by the additional services under facilities management
- PBT declined from lower carpark income resulting from **lower transient parking** during the various phases of lockdowns throughout the year
- **Key Events:**
  - Launched the **Integrated Building Command Centre (IBCC)**, **Integrated Security Operations Centre (ISOC)** and **New Security Operating Model (NSOM)** towards a real-time integrated facilities management services
  - Completed and launched the **Premium Parking** at Suria KLCC car park - for **customer convenience** and **easy access** to the mall as well as towards minimising carbon footprint - 49 bays with 20 EV chargers
  - KLCC Parking Management (KPM) **secured additional 915 car parking bays** in Putrajaya precinct locations
  - KPM **collaborated** with **Setel Ventures Sdn Bhd** to provide **alternative cashless payment method** at Suria KLCC carpark, leveraging Setel mobile application

\* Excluding fair value adjustments



# CONTENT



1

KLCCSS - AT A GLANCE

2

OVERVIEW

3

4Q FY2021 & FY2021 FINANCIAL PERFORMANCE

4

PORTFOLIO PERFORMANCE

5

**SUSTAINABILITY**

6

KLCCSS LOOKING BEYOND



# Industry recognition for demonstrating strong sustainability leadership



Significant Achievement for Supply Chain Management and Business Ethics & Responsibility by Sustainable Business Awards (SBA)



Platinum Award for Excellence in Environmental, Social and Governance (ESG)



KLCCUH and KPM were awarded the prestigious Royal Society for Prevention of Accident (RoSPA) Award with Gold and Silver award respectively



KLCCUH received OSH Gold Class 2 Award received by KLCCUH for their outstanding Occupational Safety and Health (OSH) performances



MOKL Hotel was awarded with the Green Hotel Standard 2020-2022 by Ministry of Tourism, Arts and Culture

# Solidifying our sustainability strategic agenda



## Protecting Our Environment

- ✓ Reduction of **21.5%** in our **GHG emission**
- ✓ Successfully **eliminated 100%** of **single-use plastic** in hotel operations
- ✓ Taking **action** to address climate change agenda – **Net Zero Carbon Emissions (NZCE)** & **Task Force on Climate-related Financial Disclosures (TCFD)**

## Progressing Our Social Agenda

- ✓ Initiatives for employee's wellness:
  - ✓ Introduced **MyWellness** Employee Assistance Programme (EAP) – in addressing physical and mental health
  - ✓ Conducted **vaccination** drive for **1,000** employees towards achieving herd immunity
- ✓ **87%** - hotel guest satisfaction score
- ✓ Contributed about **RM128 mil** social-relief deeds and various assistance packages to retail tenants and charitable efforts

## Embodying Good Governance

- ✓ Establishment of **Board Risk Committee** which provides guidance and oversight on risk management, compliance and **sustainability matters**
- ✓ Achieved **56% women** on **board** exceeding country's aspirational target of 30%
- ✓ Achieved board **Independent Non-Executive Directors** composition of **67%**



# CONTENT



1

KLCCSS - AT A GLANCE

2

OVERVIEW

3

4Q FY2021 & FY2021 FINANCIAL PERFORMANCE

4

PORTFOLIO PERFORMANCE

5

SUSTAINABILITY

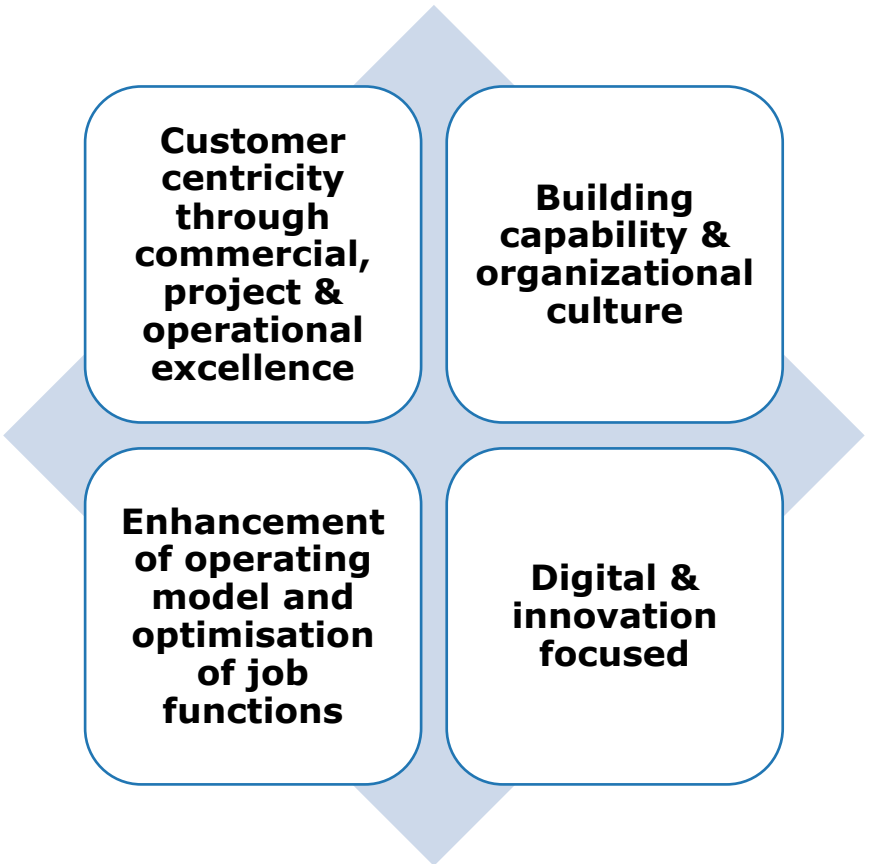
6

**KLCCSS LOOKING BEYOND**

# Resetting priorities in moving towards a sustainable future

## Strategic Priorities in FY2021-FY2022

Reshaping the organisation and positioning for growth trajectory through our “ **Group-wide Enhanced Strategic Blueprint**”



## Value Creation

- ✓ Building organisation **resilience**, adopting **digital technology** for **operational excellence** and **flexibility** to respond to changes
- ✓ Being a **solutions partner** for all our stakeholders, in meeting their evolving needs & behaviour
- ✓ Transforming KLCC as **The Place** brand leveraging on KLCC Malaysia’s Iconic Experience initiatives
- ✓ Inculcating an **innovative mindset** and **culture of accountability**

**THANK YOU**