

Sunway REIT's DPU surges 108% to 9.22 sen in 2022

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Sunway REIT's financial performance in FY2022 surpassed the pre-pandemic level in FY2019, said its CEO Jeffrey Ng.

PETALING JAYA: Sunway Real Estate Investment Trust (Sunway REIT) has spread its wings, with earnings surpassing pre-pandemic levels in fiscal year 2022, and distribution per unit (DPU) soaring 108% to 9.22 sen.

Sunway REIT increased its income distribution payout to 100% in Q4 2022, from 95% for year-to-date (YTD) 9M 2022, as distributable income per unit normalised to the pre-pandemic level in FY2019.

A DPU of 5 sen was proposed for the 6-month period from July 1 to Dec 31, 2022, representing a substantial increase of 79% compared to the same period last year. Total DPU doubled to 9.22 sen for the financial year ended Dec 31, 2022.

With reference to Sunway REIT's unit price of RM1.46 as at Dec 31, 2022, this translates into a distribution yield of 6.3%.

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The trust's financial results indicate robust performance, with revenue and net property income (NPI) climbing 38% y-o-y and 55% y-o-y to RM651.4 million and RM500.2 million respectively, owing to higher revenue from all segments, but notably retail and

hotels.

“It is heartening that Sunway REIT’s financial performance in FY2022 has surpassed the pre-pandemic level in FY2019,” said its CEO Jeffrey Ng.

The hotel segment demonstrated encouraging recovery signs as business and leisure activities picked up, with revenue and NPI jumping 62% y-o-y and 83% y-o-y to RM63.3 million and RM59.4 million respectively.

Resumption of domestic leisure and business travel, as well as of foreign tourists returning to the country were timely for the trust. Sunway Resort Hotel was reopened progressively from May 2022 onwards, and anticipates similarly strong business this year due to China’s reopening.

Keeping an eye on inflation

On the back of these strong results, Sunway REIT is wary of the threat posed by inflation, and the monetary policy implemented to reign it in.

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Noting that inflation has moderated in recent months, the trust emphasised it would continue to closely monitor interest rate trends.

“We strive to negate the impact of higher interest costs through dynamic capital management strategy and strive to achieve higher NPI from existing assets portfolio and/or new acquisitions,” said Ng.

On the whole, the trust will push ahead with its pursuit of new acquisition opportunities, which he notes will be a priority this year.

“Sunway REIT’s healthy gearing of 37.6% and debt headroom of approximately RM1.2 billion will enable us to fund yield accretive acquisitions,” he said.