

Sunway REIT's FY22 net profit surges to RM323.56m

thesundaily.my/home/sunway-reit-s-fy22-net-profit-surges-to-rm32356m-BD10571101

30-01- 2023 09:00 PM

SUNWAY[®] **REIT**

KUALA LUMPUR: Sunway REIT Management Sdn Bhd, the manager of Sunway Real Estate Investment Trust (Sunway REIT), saw its net profit surge to RM323.56 million for the financial year ended Dec 31, 2022 (FY22) from RM127.59 million a year earlier, underpinned mainly by higher contribution from all segments.

Revenue for FY22 increased to RM651.45 million from RM472.35 million.

ADVERTISEMENT

In a statement today, Sunway REIT said its financial performance was further buoyed by new income contributions from Sunway Carnival Mall's new wing and the resumption of lease rental from Sunway Resort Hotel as the hotel reopened in phases beginning May 2022.

CEO Datuk Jeffrey Ng said the manager's financial performance in FY22 has surpassed the pre-pandemic level of FY19.

"As a result of the improved financial performance and cash flow, Sunway REIT has increased its income distribution payout to 100% in the fourth quarter of 2022, and endeavours to maintain an income distribution payout of 100% in FY2023," he said.

For FY22, Sunway REIT's retail segment recorded a jump in revenue to RM426.9 million from RM269.5 million, representing a growth of 58%.

The growth was driven by a significant reduction in rental rebate, higher turnover rent, promotion and car park income as retail footfall and retail sales returned to normalcy.

"The hotel segment has demonstrated encouraging recovery signs as business and leisure activities picked up during the year with revenue and net property income (NPI) leaping 62% year-on-year (y-o-y) and 83% y-o-y to RM63.3 million and RM59.4 million, respectively," it said.

Meanwhile, the office segment remained stable in FY22, with revenue growing 4% y-o-y to RM79.3 million, from RM76.6 million in the preceding year, while NPI was marginally higher at RM51.8 million.

Sunway REIT announced a final income distribution of 5.00 sen per unit for FY22.

On the outlook for FY23, Ng said Sunway REIT maintained a positive outlook, underpinned by stable domestic economic growth, sustained growth momentum for the retail segment, further recovery in the hotel segment, as well as full-year income contribution from Sunway Carnival Mall (new wing) and Sunway Resort Hotel.

“Although inflation has tapered in recent months, we are closely monitoring inflationary and 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 new acquisitions,” he noted.

Ng said Sunway REIT has been actively pursuing acquisition opportunities and expects to make headway on the acquisitions front in FY23.

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