

Positive outlook for Sunway REIT: MIDF Research

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By Azanis Shahila Aman - May 5, 2023 @ 10:48am

SUNWAY[®]

REIT

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KUALA LUMPUR: Sunway Real Estate Investment Trust's (Sunway REIT) earnings outlook is anticipated to be favourable due to a rebound in consumer spending and tenant sales, said MIDF Research.

The research firm said that it was still optimistic about Sunway REIT's profits prospects since it anticipated favourable rental reversion for its shopping centres, especially Sunway Pyramid Mall.

Additionally, it said that asset purchases also support the earnings outlook.

"Recall that Sunway REIT announced the acquisition of six hypermarkets from Employees Provident Fund (EPF) for RM520 million which is expected to be distribution per unit (DPU) accretive.

"We make no changes to our earnings forecast for the financial year 2023 (FY23), FY24, FY25," it said.

Meanwhile, Kenanga Research said Sunway REIT's first quarter (Q1) FY23 core net income of RM96.5 million came in within the firm's expectations.

It said this made up 27.6 per cent and 26.8 per cent of the firm's and consensus full-year estimates respectively.

"As expected, no DPU was announced for Q1 FY23 due to its bi-annual distribution policy.

"We maintain our Buy call on Sunway REIT as we continue to see a bright earnings outlook for Sunway REIT which will be mainly driven by recovery in retail and hotel industries.

"We also maintain our target price for Sunway REIT at RM1.73," it added.

