

SunREIT to sustain earnings growth in FY23

thestar.com.my/business/business-news/2023/08/18/sunreit-to-sustain-earnings-growth-in-fy23

The Star Online

18 August 2023



KUALA LUMPUR: Sunway Real Estate Investment Trust (SunREIT) is expected to sustain its earnings trend over the remainder of the year as its business operations return close to pre-pandemic levels.

In a post-results note, Kenanga Research said the REIT's forward earnings will continue to be supported by its retail segment that is planning to acquire six hypermarkets and expand Sunway Carnival Mall, with completion targeted between early 2024 and end-2025.

There are also plans to reconfigure Sunway Pyramid's anchor tenant area with speciality stores, which Kenanga said could translate to more accretive rentals.

In the hotel segment, occupancy rates are expected to continue improving in 2HFY23, primarily driven by the growth in domestic leisure, corporate, and MICE (Meetings, Incentives, Conferences, and Exhibitions) activities with a gradual recovery in international tourist arrivals.

Kenanga added that the office segment could be supported through asset enhancement initiatives, capitalising on the co-working trend for increased flexibility and the transformation of office buildings to appeal to a broader tenant base.

In the first half of 2023, SunREIT's core net profit of RM158.8mil came within expectations at 50% and 47% of Kenanga's and market full-year estimates respectively.

Kenanga said the interim distribution of 4.6 sen per unit was also in line with its expectation for a full-year distribution of 8.8 sen in FY23.

"Post results, our FY23F/FY24F earnings are largely unchanged," it said.