Sunway REIT

Retail-led earnings growth resilient in 2Q26

- 1HFY26 earnings were broadly in line with expectations, with core net profit (CNP) accounting for 50% of our FY26 forecast and 48% of consensus estimates.
- 2QFY26 CNP grew 10.3% YoY, supported by stronger contributions from the retail and hotel segments, as well as lower financing costs.
- We maintain our FY26–27F forecasts, but upgrade to Buy from Hold with a lower DDM-based TP of RM2.55, underpinned by FY26–27F DPU yields of 5.9–6.1%.

2Q26 CNP up 10.3% YoY; 1H26 tracking at 50% of our FY26F estimates

Sunway REIT reported a 2QFY26 CNP of RM106.5m, up 10.3% YoY but down 2.3% QoQ. The YoY earnings growth was underpinned by stronger retail (+14.2% YoY) and hotel (+8.9% YoY) contributions, alongside a 13.6% drop in interest expenses. For 1HFY26, CNP grew 10.5% YoY to RM215.5m, in line with our and consensus expectations at 50% of our FY26 forecast and 48% of consensus estimates. The REIT also announced a 1HFY26 DPU of 6.28 sen (1HFY25: 5.68 sen), equivalent to a payout ratio of 99.8%. The distribution represents 50% of our FY26 DPU forecast of 12.7 sen and the consensus estimate of 12.6 sen, which we deem in line with expectations.

Segmental trend: Retail segment drives growth; margins expand on lower utility costs

2QFY26 revenue rose 4.2% YoY to RM220.3m, driven by 10.7% growth in retail revenue from the full reopening of Sunway Carnival Mall's old wing, stronger Sunway Pyramid performance, and the maiden contribution from AEON Mall Seri Manjung. This was partly offset by the loss of rental income following the disposal of the Sunway University & College campus in Sep 2025. Net property income (NPI) increased 5.2% YoY to RM163.0m, with margin improving to 74.0% from 73.3% a year ago, mainly owing to lower utility costs following the bulk meter tariff conversion. Retail NPI rose 14.2% YoY to RM130.4m, contributing 80% of group NPI, but fell 4.3% QoQ as festive-related variable rental income normalised from a strong 1QFY26. Hotel NPI increased 8.9% YoY and 43.4% QoQ to RM17.0m, supported by improving international connectivity and MICE demand. Borrowing costs declined 13.6% YoY to RM37.9m as the average cost of debt fell to 3.62% in 1HFY26 from 3.88% a year earlier.

Resilient operating performance supports earnings outlook

Sunway REIT's retail portfolio continued to demonstrate resilience in 1HFY26, with occupancy remaining at 98% (1HFY25: 98%). This was supported by healthy rental and tenant sales growth, as average gross rent and tenant sales psf increased by 6% and 4% YoY, respectively, in 1HFY26. In the hotel segment, room occupancy was stable at 60% (1HFY25: 60%), while banquet occupancy improved to 59% from 54% a year earlier. The proportion of foreign guests also increased by 3 pp to 56% from 53% in 1HFY26, although average room rates were largely unchanged (<0.5% YoY growth). The office portfolio recorded a slight improvement in occupancy to 83% (1HFY25: 82%), alongside a 1% YoY increase in average gross rent. The industrial portfolio delivered the strongest occupancy gains, rising to 91% from 83% in 1HFY25, primarily driven by higher occupancy at Sunway REIT Industrial Petaling Jaya, which improved to 70% from 44% a year earlier.

Upgrade to Buy with a lower DDM-based target price (TP) of RM2.55

We maintain our FY26–27F earnings forecasts, as 1HFY26 earnings were broadly in line with expectations, accounting for 50% of our full-year estimate. However, we lower our DDM-based TP to RM2.55 (from RM2.68) after raising our cost of equity assumption to reflect the higher domestic 10-year Malaysian Government Securities yield of 3.74% and increasing competition for yield-seeking institutional capital as the listed M-REIT universe expands with new IPOs. Despite the lower TP, we upgrade Sunway REIT to Buy (from Hold) following its 16.7% share price decline over the past three months, which has lifted potential total return to 25%. We expect sequentially stronger earnings in 2HFY26, supported by more public holidays and improving hotel bookings. Sunway REIT also offers attractive FY26–27F DPU yields of 5.9–6.1%, with further earnings upside from accretive M&A and potential injections of sponsor-owned assets.

BUY (from Hold)

Share price:	Target price: ▼
RM2.15	RM2.55

Consensus: Buy:6 Hold:10 Reduce:0

Stock information

Bloomberg ticker	SREIT MK
Refinitiv ticker	SUNW.KL
Share price (RM)	2.15
Market cap (US$m/RMm)	1,802/7,363
ADTV (RMm)	9.1
Free float (%)	52.3
Upside/(downside) (%)	18.6
CIMB/consensus TP (%)	(1.9)

Diversified REIT spanning retail, hotel, office and industrial assets

Earnings forecast

	Dec-25A	Dec-26F	Dec-27F
Core net profit (RMm)	422.4	434.1	447.9
Core EPS (sen)	12.3	12.7	13.1
Core EPS growth (%)	20.2	2.8	3.2
FD core P/E (x)	17.4	17.0	16.4
Recurring ROE (%)	7.9	8.1	8.3
P/BV (x)	1.4	1.4	1.4
DPS (sen)	14.5	12.7	13.1
Dividend yield (%)	6.7	5.9	6.1

Source: CIMB Securities

Price performance

	1M	3M	12M
Absolute (%)	(3.2)	(16.7)	0.0
Relative (%)	(5.9)	(16.2)	(10.0)

Source: Bloomberg, CIMB Securities

Research analyst(s)

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Figure 1: Result comparison

FYE Dec (RM m)	2Q FY26	2Q FY25	YoY % chg	1Q FY26	QoQ % chg	2QFY26 cum	2QFY25 cum	YoY % chg	Prev. FY26F
Revenue	220.3	211.4	4.2	223.0	(1.2)	443.4	430.3	3.0	902.0
Property operating expense	(57.4)	(56.5)	1.6	(58.6)	(2.1)	(116.0)	(118.2)	(1.9)	(236.9)
Net property income	**163.0**	**154.9**	**5.2**	**164.4**	**(0.9)**	**327.4**	**312.1**	**4.9**	**665.2**
NPI margin (%)	*74.0*	*73.3*	*0.9*	*73.7*	*0.3*	*73.8*	*72.5*	*1.8*	*73.7*
Fair value gain/(loss) on invt. properties	-	27.0	(100.0)	-	nm	-	27.0	(100.0)	-
Interest income	2.3	5.1	(54.7)	3.4	(31.6)	5.7	8.2	(29.9)	13.0
Others	0.1	0.1	3.7	0.1	(27.3)	0.1	0.1	(2.9)	0.3
Net investment income	**165.4**	**187.1**	**(11.6)**	**167.9**	**(1.5)**	**333.3**	**347.4**	**(4.1)**	**674.9**
Non-property operating expenses	(15.2)	(13.9)	9.1	(14.8)	2.6	(30.0)	(27.4)	9.5	(56.0)
Interest expense	(37.9)	(43.8)	(13.6)	(38.3)	(1.1)	(76.2)	(86.3)	(11.8)	(158.0)
Pretax profit	**112.3**	**129.4**	**(13.2)**	**114.8**	**(2.2)**	**227.1**	**233.7**	**(2.8)**	**457.2**
Tax	-	-	nm	-	nm	-	-	nm	-
Net profit	**112.3**	**129.4**	**(13.2)**	**114.8**	**(2.2)**	**227.1**	**233.7**	**(2.8)**	**457.2**
Realised profit	**112.3**	**102.3**	**9.8**	**114.7**	**(2.1)**	**227.0**	**206.6**	**9.9**	**457.2**
Unitholders*	106.5	96.5	10.3	109.0	(2.3)	215.5	195.1	10.5	434.1
Perpetual note holders	5.8	5.8	0.0	5.7	1.1	11.5	11.5	(0.0)	23.2
DPU (sen)	**6.3**	**5.7**	**10.6**	**-**	**nm**	**6.3**	**5.7**	**10.6**	**12.7**

*Note: Core net profit

Source: CIMB Securities, Company

Key takeaways from briefing

Overall, we maintain a constructive outlook following the results briefing. Near-term organic growth remains healthy, particularly in the retail segment, while lower utility expenses following the conversion to bulk meter electricity tariffs and lower borrowing costs should continue to support earnings. Sunway REIT is also actively evaluating acquisitions from both its sponsor and third parties, with a preference for retail assets, but reiterated that acquisitions must be yield-accretive and meet its internal gearing ceiling of 45%. The key medium-term catalyst remains potential asset injections as Sunway REIT works towards its RM14–15bn assets under management (AUM) target from the current level of c.RM10bn, although the group stressed that it will prioritise asset quality and returns overachieving the target within a specific timeframe.

- **Retail remains the key growth engine.** Retail revenue rose 10.7% YoY and NPI increased 14.2% YoY in 2Q26, supported by the full contribution from Sunway Carnival Mall following its asset enhancement initiative (AEI) and the contribution from AEON Mall Seri Manjung. Portfolio occupancy remains high at c.98–99%, while average gross rent rose c.6% YoY as of 1H26.

- **Tenant sales remained resilient despite moderation from 1Q26**. Retail tenant sales per square foot (psf) grew c.4% YoY in 1H26 vs. c.6% in 1Q26, with the REIT attributing the moderation mainly to the high festive-season base in 1Q26. Footfall growth across the portfolio remained positive, ranging from single digits to the low teens.

- **Mid-single-digit rental reversions expected in 2H26.** Sunway REIT indicated that rental reversions achieved so far were around the high single-digit range for selected assets and expects portfolio-wide rental reversions to remain around the mid-single digits for the remainder of FY26.

- **Sunway Carnival Mall continues to outperform.** Rental reversions at Sunway Carnival Mall are running in the low-to-mid teens for available renewals, supported by strong footfall and tenant sales following completion of its AEI in May 2025. Sunway REIT believes the mall has strengthened its position as a destination mall in mainland Penang.

- **Lower utility costs provide earnings support**. The conversion to bulk meter electricity tariffs has reduced utility expenses across most malls. The REIT expects some additional savings to flow through in 2H26, although potential electricity tariff adjustments later in the year remain a risk.

- **Hotel outlook improving into 3Q26**. Hotel occupancy remained at around 60% in 1H26, while Sunway REIT expects 3Q26 performance to improve QoQ on stronger bookings; the resumption of flight connectivity; and demand from Chinese, Indian, and medical tourism travellers.

- **F1 event provides incremental hotel upside**. The REIT is seeing strong bookings for its Bandar Sunway hotels around the Oct 2026 F1 event, particularly over the race weekend. The group intends to optimise room rates and occupancy while balancing existing bookings, with demand extending roughly one week before and after the event.

- **Sunway Hotel Georgetown remains softer but is improving**. Performance was affected by weaker travel demand linked to Middle East disruptions and increased hotel competition in Penang. Sunway REIT has stepped up sales and marketing efforts and is seeing month-on-month improvement.
- **Office segment remains stable.** Portfolio occupancy is around 80% and average gross rent has increased c.1%. The group expects modest positive rental reversions, while renewal discussions at Menara Sunway are progressing well. The broader office market continues to favour newer, ESG-compliant buildings.
- **Industrial segment continues to improve.** Industrial/other revenue rose c.5% and NPI increased by c.12% in 2Q26, supported by higher occupancy at PJ1, where committed occupancy reached c.78%. The REIT remains constructive on logistics and industrial demand given long lease tenures and structurally tight supply.
- **Acquisition pipeline remains active, with retail the priority**. Sunway REIT continues to evaluate both sponsor and third-party assets, with particular focus on mature retail properties.
- **Acquisitions must be yield-accretive**. The group indicated that targeted property yields would generally be around the mid-6% to low-7% range depending on asset quality, location, and tenant profile. Acquisitions will only proceed if they are accretive to distribution yield and portfolio returns.
- **RM14–15bn AUM target remains aspirational rather than absolute.** While current assets are around RM10.3bn, the REIT reiterated that it will not acquire assets merely to achieve its Transcend roadmap target.
- **Sponsor asset injections remain a potential medium-term catalyst**. The group is reviewing mature assets within the Sunway Group alongside third-party opportunities. It declined to identify specific near-term acquisitions, but noted that certain sponsor malls have matured, making them potential candidates for eventual injection.
- **Balance sheet provides some acquisition headroom.** Gross borrowings stood at c.RM4.4bn, average borrowing cost at c.3.62%, and interest service coverage at around 4.0x. Sunway REIT has set an internal gearing ceiling of 45%, below the regulatory limit of 50%, although temporary gearing above 45% could be considered for sizeable acquisitions if there is a clear plan to subsequently reduce leverage.
- **Fixed-rate debt remains relatively low**. Around 36% of borrowings are fixed-rate versus 64% floating, leaving earnings partly exposed to interest-rate movements. Nonetheless, lower average borrowing rates contributed positively to 1H26 distributable income.
- **Asset enhancement and development projects remain on track.** Development expenditure on ongoing projects, including Sunway Pier and the new Seberang Jaya hotel, is progressing broadly within approved budgets despite rising construction and transportation costs.
- **Value-up strategy centred on organic growth and acquisitions**. The group sees two principal avenues to raise Sunway REIT's market capitalisation: (i) driving stronger organic earnings from existing assets and (ii) undertaking sizeable, accretive acquisitions that could also expand the REIT's equity base.

Figure 2: Segmental revenue breakdown by asset

FYE Dec (RM m)	2Q FY26	2Q FY25	YoY % chg	1Q FY26	QoQ % chg	2QFY26 cum	2QFY25 cum	YoY % chg
Total revenue	**220.3**	**211.4**	***4.2***	**223.0**	***(1.2)***	**443.4**	**430.3**	***3.0***
Retail	**177.1**	**160.0**	***10.7***	**185.0**	***(4.2)***	**362.1**	**328.4**	***10.3***
Sunway Pyramid Mall	103.2	98.6	*4.7*	109.6	*(5.9)*	212.9	205.0	*3.9*
Sunway Carnival Mall	29.3	21.8	*34.6*	31.1	*(5.5)*	60.4	44.5	*35.8*
Sunway Putra Mall	15.0	13.5	*10.6*	14.6	*2.5*	29.6	26.6	*11.2*
Sunway 163 Mall	8.3	8.0	*3.9*	8.5	*(1.6)*	16.8	16.4	*2.5*
Sunway Kluang Mall	6.6	6.2	*6.0*	6.5	*0.3*	13.1	12.3	*6.6*
Sunway Pier	-	-	*nm*	-	*nm*	-	-	*nm*
SunCity Ipoh Hypermarket	1.0	0.9	*2.6*	1.0	-	1.9	1.9	*2.7*
Sunway REIT Hypermarket - Kinrara	2.7	2.7	-	2.7	-	5.4	5.4	-
Sunway REIT Hypermarket - Putra Heights	1.5	1.5	-	1.5	-	2.9	2.9	-
Sunway REIT Hypermarket - USJ	1.8	2.1	*(11.1)*	1.8	*2.1*	3.7	4.1	*(10.8)*
Sunway REIT Hypermarket - Klang	1.3	1.1	*9.9*	1.3	-	2.5	2.3	*9.9*
Sunway REIT Hypermarket - Ulu Kelang	1.1	1.0	*10.0*	1.1	-	2.1	1.9	*10.0*
Sunway REIT Hypermarket - Plentong	2.8	2.6	*9.9*	2.8	-	5.7	5.1	*9.9*
AEON Mall Seri Manjung	2.6	-	*nm*	2.6	-	5.2	-	*nm*
Hotel	**18.1**	**16.7**	***8.0***	**13.0**	***39.3***	**31.1**	**32.9**	***(5.4)***
Sunway Resort Hotel	6.9	5.1	*34.7*	3.8	*80.2*	10.7	11.3	*(5.5)*
Sunway Pyramid Hotel	4.8	5.5	*(12.2)*	3.8	*27.5*	8.6	9.9	*(13.4)*
Sunway Lagoon Hotel	2.8	2.7	*3.3*	1.9	*50.2*	4.7	5.1	*(8.5)*
Sunway Putra Hotel	2.2	1.3	*65.5*	1.8	*21.5*	4.0	2.7	*50.4*
Sunway Hotel Seberang Jaya	0.6	0.8	*(26.1)*	0.7	*(19.8)*	1.3	1.3	*5.5*
Sunway Hotel Georgetown	0.8	1.3	*(40.1)*	1.0	*(19.0)*	1.7	2.6	*(32.1)*
Office	**20.4**	**20.4**	***0.3***	**20.3**	***0.8***	**40.7**	**40.8**	***(0.3)***
Menara Sunway	4.4	4.4	*(0.5)*	4.4	*0.7*	8.8	8.9	*(1.9)*
Sunway Tower	1.1	1.2	*(3.1)*	1.1	*(1.1)*	2.3	2.3	*(2.9)*
Sunway Putra Tower	2.8	2.6	*7.7*	2.7	*1.9*	5.5	5.2	*7.0*
Wisma Sunway	1.5	1.8	*(16.6)*	1.5	*(1.4)*	3.0	3.5	*(15.9)*
Sunway Pinnacle	10.6	10.4	*2.0*	10.5	*1.1*	21.2	20.8	*1.6*
Services	**-**	**9.8**	***(100.0)***	**-**	***nm***	**-**	**19.6**	***(100.0)***
Sunway University & College	-	9.8	*(100.0)*	-	*nm*	-	19.6	*(100.0)*
Industrial & Others	**4.7**	**4.5**	***5.0***	**4.8**	***(1.5)***	**9.5**	**8.6**	***9.6***
Sunway Industrial SA 1	1.9	1.9	-	1.9	-	3.7	3.7	-
Sunway Industrial PJ 1	1.2	1.1	*18.6*	1.3	*(5.6)*	2.6	1.8	*43.0*
Sunway Industrial Prai	1.6	1.6	*1.9*	1.6	-	3.2	3.1	*1.9*

*Sunway University & College campus was disposed on 30 Sep 2025

Source: CIMB Securities, Company reports

Figure 3: Segmental NPI breakdown by asset

FYE Dec (RM m)	2Q FY26	2Q FY25	YoY % chg	1Q FY26	QoQ % chg	2QFY26 cum	2QFY25 cum	YoY % chg
Total NPI	**163.0**	**154.9**	***5.2***	**164.4**	***(0.9)***	**327.4**	**312.1**	***4.9***
Retail	**130.4**	**114.1**	***14.2***	**136.3**	***(4.3)***	**266.7**	**230.9**	***15.5***
Sunway Pyramid Mall	78.8	74.6	*5.6*	83.6	*(5.7)*	162.4	151.8	*7.0*
Sunway Carnival Mall	19.3	12.8	*50.6*	20.8	*(7.6)*	40.1	26.6	*50.5*
Sunway Putra Mall	9.1	6.8	*34.1*	9.0	*1.2*	18.2	13.4	*35.2*
Sunway 163 Mall	5.0	4.8	*6.1*	5.2	*(3.1)*	10.2	10.1	*1.8*
Sunway Kluang Mall	3.9	3.5	*13.9*	3.5	*13.8*	7.4	5.7	*30.4*
Sunway Pier	(0.1)	(0.1)	*(11.2)*	(0.1)	*1.7*	(0.2)	(0.3)	*(7.1)*
SunCity Ipoh Hypermarket	0.9	0.9	*2.9*	0.9	*0.2*	1.9	1.8	*2.8*
Sunway REIT Hypermarket - Kinrara	2.7	2.7	-	2.7	-	5.4	5.4	-
Sunway REIT Hypermarket - Putra Heights	1.5	1.5	-	1.5	-	2.9	2.9	-
Sunway REIT Hypermarket - USJ	1.8	2.1	*(11.1)*	1.8	*2.1*	3.7	4.1	*(10.8)*
Sunway REIT Hypermarket - Klang	1.3	1.1	*9.9*	1.3	-	2.5	2.3	*9.9*
Sunway REIT Hypermarket - Ulu Kelang	1.1	1.0	*10.0*	1.1	-	2.1	1.9	*10.0*
Sunway REIT Hypermarket - Plentong	2.8	2.6	*9.9*	2.8	-	5.7	5.1	*9.9*
AEON Mall Seri Manjung	2.3	-	*nm*	2.3	-	4.5	-	*nm*
Hotel	**17.0**	**15.6**	***8.9***	**11.8**	***43.4***	**28.8**	**30.5**	***(5.7)***
Sunway Resort Hotel	6.5	4.7	*38.3*	3.4	*90.6*	9.9	10.5	*(5.8)*
Sunway Pyramid Hotel	4.6	5.2	*(12.4)*	3.5	*29.3*	8.1	9.4	*(14.0)*
Sunway Lagoon Hotel	2.7	2.7	*2.9*	1.8	*52.2*	4.5	5.0	*(9.2)*
Sunway Putra Hotel	1.9	1.0	*87.8*	1.5	*26.4*	3.4	2.0	*68.7*
Sunway Hotel Seberang Jaya	0.5	0.8	*(27.6)*	0.7	*(21.4)*	1.2	1.2	*7.7*
Sunway Hotel Georgetown	0.7	1.2	*(41.9)*	0.9	*(20.1)*	1.6	2.4	*(33.5)*
Office	**12.1**	**12.2**	***(1.2)***	**12.4**	***(2.3)***	**24.4**	**24.6**	***(0.6)***
Menara Sunway	2.6	2.8	*(8.8)*	2.8	*(7.3)*	5.4	5.6	*(4.4)*
Sunway Tower	(0.4)	(0.4)	*(14.8)*	(0.4)	*(13.9)*	(0.8)	(0.8)	*2.6*
Sunway Putra Tower	1.4	1.3	*9.6*	1.5	*(6.2)*	2.9	2.6	*12.6*
Wisma Sunway	0.6	0.9	*(27.3)*	0.7	*(3.6)*	1.3	1.8	*(27.5)*
Sunway Pinnacle	7.8	7.7	*2.1*	7.9	*(0.3)*	15.7	15.4	*1.8*
Services	**-**	**9.8**	***(100.0)***	**-**	***nm***	**-**	**19.6**	***(100.0)***
Sunway University & College	-	9.8	*(100.0)*	-	*nm*	-	19.6	*(100.0)*
Industrial & Others	**3.6**	**3.2**	***11.5***	**3.9**	***(9.3)***	**7.5**	**6.4**	***16.2***
Sunway Industrial SA 1	1.9	1.5	*21.9*	1.9	-	3.7	3.4	*9.9*
Sunway Industrial PJ 1	0.5	0.4	*16.4*	0.9	*(39.4)*	1.4	0.6	*>100*
Sunway Industrial Prai	1.2	1.2	*(3.4)*	1.2	*(2.3)*	2.4	2.4	*(2.7)*

*Sunway University & College campus was disposed on 30 Sep 2025

Source: CIMB Securities, Company reports

Financial Information

Figure 4: Profit and Loss

(RMm)	Dec-24A	Dec-25A	Dec-26F	Dec-27F	Dec-28F
Rental revenues	767	894	902	928	955
Other revenues	nm	nm	nm	nm	nm
Gross property revenue	**767**	**894**	**902**	**928**	**955**
Total property expenses	(194)	(232)	(237)	(244)	(252)
Net property income	**574**	**662**	**665**	**684**	**703**
General and admin. expenses	nm	nm	nm	nm	nm
Management fees	(47)	(53)	(52)	(53)	(54)
Trustee's fees	(1)	(1)	(1)	(1)	(1)
Other operating expenses	159	92	(3)	(3)	(3)
EBITDA	**685**	**700**	**609**	**627**	**646**
Depreciation and amortisation	(4)	(4)	(4)	(4)	(4)
EBIT	**681**	**696**	**606**	**623**	**642**
Net interest income	(154)	(148)	(149)	(152)	(156)
Associates' profit	nm	nm	nm	nm	nm
Other income/(expenses)	nm	nm	nm	nm	nm
Exceptional items	163	94	0	0	0
Pre-tax profit	**528**	**548**	**457**	**471**	**485**
Taxation	(3)	(8)	0	0	0
Minority interests	nm	nm	nm	nm	nm
Preferred dividends	(10)	(23)	(23)	(23)	(23)
Net profit	**515**	**516**	**434**	**448**	**462**
Distributable profit	**344**	**451**	**434**	**448**	**462**

Source: CIMB Securities, Company

Figure 5: Cash Flow

(RMm)	Dec-24A	Dec-25A	Dec-26F	Dec-27F	Dec-28F
Pre-tax profit	**528**	**548**	**457**	**471**	**485**
Depreciation and non-cash Adj.	4	4	4	4	4
Change in working capital	125	66	(30)	3	20
Tax paid	nm	nm	nm	nm	nm
Others	(266)	(45)	52	53	54
Cash flow from operations	**544**	**721**	**631**	**683**	**720**
Capex	(313)	(181)	(200)	(200)	(200)
Net investments and sale of FA	nm	nm	nm	nm	nm
Other investing cash flow	0	(89)	100	0	0
Cash flow from investing	**(1,224)**	**174**	**(100)**	**(200)**	**(200)**
Debt raised/(repaid)	1,020	(235)	100	100	100
Equity raised/(repaid)	0	0	0	0	0
Dividends paid	(320)	(509)	(454)	(448)	(462)
Cash interest and others	nm	nm	nm	nm	nm
Cash flow from financing	**537**	**(916)**	**(526)**	**(523)**	**(542)**
Total cash generated	(143)	(21)	5	(41)	(22)
Free cash flow to firm	(847)	730	370	317	350
Free cash flow to equity	340	660	631	583	620

Source: CIMB Securities, Company

Financial Information

Figure 6: Balance Sheet

(RMm)	Dec-24A	Dec-25A	Dec-26F	Dec-27F	Dec-28F
Total investments	10,455	10,186	10,386	10,586	10,786
Intangible assets	0	0	0	0	0
Other long-term assets	1	1	1	1	1
Total non-current assets	**10,472**	**10,203**	**10,400**	**10,596**	**10,792**
Total cash and equivalents	290	361	294	201	125
Inventories	nm	nm	nm	nm	nm
Trade debtors	24	21	37	33	31
Other current assets	17	77	42	43	49
Total current assets	**331**	**460**	**373**	**276**	**204**
Trade creditors	6	7	5	6	6
Short-term debt	1,737	2,598	2,598	2,598	2,598
Other current liabilities	336	433	444	443	467
Total current liabilities	**2,078**	**3,037**	**3,047**	**3,046**	**3,071**
Long-term borrowings	2,730	1,600	1,700	1,800	1,900
Other long-term liabilities	106	132	132	132	132
Total non-current liabilities	**2,852**	**1,752**	**1,852**	**1,952**	**2,052**
Shareholders' equity	5,372	5,374	5,374	5,374	5,374
Minority interests	nm	nm	nm	nm	nm
Preferred shareholders funds	500	500	500	500	500
Total equity	**5,872**	**5,874**	**5,874**	**5,874**	**5,874**

Source: CIMB Securities, Company

Figure 7: Key Ratios

	Dec-24A	Dec-25A	Dec-26F	Dec-27F	Dec-28F
Gross property revenue growth (%)	7.2	16.6	0.9	2.9	2.9
NPI growth (%)	8.1	15.4	0.5	2.8	2.8
Net property income margin (%)	74.8	74.0	73.7	73.7	73.6
DPS growth (%)	7.5	44.8	(12.5)	3.2	3.2
Gross interest cover	4.1	4.2	3.7	3.8	3.8
Effective tax rate (%)	0.5	1.5	0	0	0
Net dividend payout ratio (%)	99.6	109.9	100.0	100.0	100.0
Current ratio	0.2	0.2	0.1	0.1	0.1
Quick ratio	0.2	0.2	0.1	0.1	0.1
Cash ratio	0.1	0.1	0.1	0.1	0.0
Return on average assets (%)	3.5	3.9	4.0	4.1	4.2

Source: CIMB Securities, Company

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Reduce	*The stock's total return is expected to fall below 0% or more over the next twelve (12) months.*
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