778.HK置富產業信託 2024年中期業績簡評 (2024-9-16)

New

16 September

置富產業信託是李超人旗下的REIT,1113.HK長江實業持有25.92%權益.

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置富產業信託上半年收入8.72億元,同比下跌4.1%, 環比2023年下半年,跌幅收窄到0.6%.

物業收入淨額 (就是物業收入扣除物業營運開支以及管理人表現費用,類似毛利的概念) 6.33億元,下跌5.8%, 跌幅超過收入, 成本對收入比率從23.8%上升到25.1%, 主要是物業營運開支在收入下跌的情況下增加1.44%.一方面是由於薪金增加及服務合約價格上漲,導致物業管理開支上升.香港近年涉及服務人手的支出都好難下降,香港失業率只有3%,已經是全民就業,尤其是服務業,之前九龍倉置業管理層講了,商場的保安服務,酒店的laundry服務, 相關支出是大幅上漲.

另一方面,由於公司在+WOO 嘉湖商埸簽訂了更多新租約,因此產生較高的租賃佣金支出,不過這個是好事,意味出租率上升.

另外, 整體成本對收入比率環比2023年下半年的26.2%,已經有所回落.

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REITS的投資人最關心的是派息. 2024年中期每股派息18.23港仙,同比下跌18.5%.

這個中期股息是怎麼得出來的呢?

置富產業信託的派息政策是:每半年向基金持有人分派置富產業信託的免稅收入淨額的100%或者綜合除稅後淨利潤的90%,兩者金額哪個較高就派哪個.

上半年置富產業信託利潤表的盈利是淨虧損3639萬元. 可供分派收入是3.7億元.很明顯,是 可供分派收入比較高. 所以中期股息就是分派100% 可供分派收入(3.7億元).

可供分派收入和利潤表的盈利差異是什麼呢?

利潤表的盈利是根據會計準則要求計算出來的.可供分派收入就是把利潤表的盈利調整一些非現金的item(項目).

就是那些項目,它會影響利潤表的盈利,但不影響公司的現金.比如管理人基本費用,投資物業公平值變動,衍生金融工具公平值變動,非現金融資成本,遞延稅項.

可以看到置富產業信託計算可分派收入的時候,是把管理人費用4650萬元加回去的,並且把它全派光.難道管理人費用不用給了嗎?

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管理人費用當然是要給的,只是給的方式不是用現金,而是增發股份.

這會導致發行基金單位越來越多,結果是會影響每股派息.如果大家看這次中期可供分派收入從4.48億元下跌到3.7億元,跌幅是17.5%,但每股股息從22.36港仙下跌至18.23港仙,跌幅是18.5%.原因是股份增多了.

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置富產業信託持有 17 個零售物業,當中包括 16 個香港私人住宅屋苑零售物業及 1 個新加坡社 區零售物業.物業組合包括逾300萬平方呎零售空間及2,793個車位.

零售物業分別為置富第一城,+WOO嘉湖,馬鞍山廣場,都會駅,麗城薈,麗港城商場,置富都會,華都大道, 映灣薈,銀禧薈,青怡薈,荃薈,凱帆薈,城中薈,麗都大道,海韻大道及高文之星物業(Stars of Kovan Property).

2024年上半年整體出租率94.8%,其中有11個商埸出租率超97%.2023年上半年出租率是94.1%,2023年下半年出租率是94.4%.可以看到,出租率呈現持續上升態勢.

上半年公司簽訂合共 4.24萬平方呎的租約,佔物業組合總面積 14%,租戶續租率達 83%. 下半年有5.6萬平方呎的租約到期,佔物業組合總面積 18.5%.

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置富產業信託定位自己為社區商場營運商.租戶結構方面,平均72.3%的面積是租給民生相關的租戶,按租金收入計算,民生相關的租金收入佔比72.1%.

上半年地產代理和超級市場等行業減租拖累物業組合的表現,以致整體續租租金調升率(reversion)呈負增長.當中,地產代理的租金在過去 18 個月大幅下調,不過,地產代理租約大多數已逐一調整至市場水平.意味進一步下調空間有限.此外,幼兒園受出生率下降影響以致需求減少,而超級市場則面對北上消費以及網上購物的激烈競爭.

相對來講,快餐,補習社,服務及街市等(面積佔比54.2%)則較為韌性,續租租金錄得溫和升幅.

旗下租戶的occupancy cost(租金對銷售額比例)從個位數到20%,估計occupancy cost接近20%的租戶有減租壓力.

租金回收率98%至99%.

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**財務方面,** 置富產業信託的資產負債比率(按總借貸佔總資產的百分比計算)持續上升到24.8%.商場每隔一段時間就需翻新裝修提升租值.公司耗資3億港元的+WOO 嘉湖二期資產增值措施已於2024年基本完成,上半年公司為翻新後的樓面簽訂了逾 22,500 平方呎的新租約,把+WOO嘉湖整體出租率從89.1%大幅提升至93.4%.

公司會在今年第四季為「紅磡置富都會」進行資產增值措施(AEI),預算為2億元,歷時從24Q4到2026年分三個階段完成.

至於實際借貸成本也持續上升到4.1%,導致上半年融資成本同比增加30.2%至1.98億元.相信隨著美國進入降息周期,借貸成本率大概念見頂.

最後想講一下香港零售業一些分化的現象.

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從上面的圖可以看到,香港超市的銷售其實韌性比較強.達到2018年疫情前的94.6%,一些以前內地旅客比較喜歡購買的,比如藥房/化妝品和珠寶首飾,銷售只有2018年疫情前的68.3%和61.6%.

餐廳方面,中式酒店表現較差,只達到2018年疫情前的78.4%.相反,快餐店已經超過2018年疫情前的113.6%,非中餐的餐廳,也回恢復到2018年疫情前的97.7%.

**估值方面,按目前778的股價 4.17元計算, 預期2024年股息率8.87%.**

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Fortune REIT is a REIT under the control of Li Ka-shing, with 1113.HK Cheung Kong Holdings holding a 25.92% stake.

In the first half of the year, Fortune REIT's revenue was HKD 872 million, down 4.1% year-over-year. Compared to the second half of 2023, the decline narrowed to 0.6%. The Net Property Income (which is the property income minus property operating expenses and management performance fees, similar to the concept of gross profit) was HKD 633 million, down 5.8%, with the decline exceeding the revenue decrease. The cost-to-income ratio increased from 23.8% to 25.1%, primarily due to a 1.44% increase in property operating expenses. On one hand, this is due to salary increases and higher service contract prices, leading to higher property management expenses. In recent years, expenses related to service personnel in Hong Kong have been difficult to reduce, with an unemployment rate of only 3%, indicating full employment, especially in the service industry. Previously, the management of Kowloon仓置业 mentioned that security services in malls and laundry services in hotels have seen significant cost increases.

On the other hand, due to the signing of more new leases at +WOO Kap Shui Mun, higher leasing commissions were incurred, which is a positive sign indicating an increase in occupancy rates. Additionally, compared to the second half of 2023, when the cost-to-income ratio was 26.2%, it has now decreased.

REIT investors are most concerned about dividends. In 2024, the interim dividend per share was HKD 0.1823, down 18.5% year-over-year.

How is this interim dividend calculated?

Fortune REIT's dividend policy is to distribute 100% of the net tax-exempt income or 90% of the net profit after tax, whichever is higher, to unitholders every six months. In the first half of the year, Fortune REIT's profit and loss statement showed a net loss of HKD 36.39 million. The distributable income was HKD 370 million. Clearly, the distributable income is higher. Therefore, the interim dividend is 100% of the distributable income (HKD 370 million).

What is the difference between distributable income and the profit and loss statement's profit?

The profit in the profit and loss statement is calculated according to accounting standards. Distributable income adjusts some non-cash items from the profit and loss statement. These items affect the profit and loss statement's profit but do not impact the company's cash flow. For example, the base management fee, fair value changes in investment properties, fair value changes in derivative financial instruments, non-cash financing costs, and deferred tax.

In the calculation of distributable income, Fortune REIT adds back the HKD 46.5 million management fee and distributes it entirely. Does this mean the management fee is not paid?

The management fee is certainly paid, but not in cash. Instead, it is paid through the issuance of additional units. This leads to an increasing number of issued units, which affects the dividend per share. For instance, the interim distributable income decreased from HKD 448 million to HKD 370 million, a decline of 17.5%, but the dividend per share decreased from HKD 0.2236 to HKD 0.1823, a decline of 18.5%. This is due to the increase in the number of units.

Fortune REIT holds 17 retail properties, including 16 private residential estate retail properties in Hong Kong and 1 community retail property in Singapore. The property portfolio includes over 3 million square feet of retail space and 2,793 parking spaces. The retail properties include Fortune First City, +WOO Kap Shui Mun, Ma On Shan Plaza, Metropolis Station, City Place, Lee Garden Mall, Fortune Metropolis, Wah Toh Avenue, Yim Wan Place, Jubilee Place, Tsing Yi Place, Tsuen Wan Place, Kai Fan Place, City Central Place, Lee Toh Avenue, Hai Yuen Avenue, and the Stars of Kovan Property.

The overall occupancy rate in the first half of 2024 was 94.8%, with 11 malls achieving an occupancy rate exceeding 97%. The occupancy rate in the first half of 2023 was 94.1%, and in the second half of 2023, it was 94.4%. This shows a continuous upward trend in occupancy rates. In the first half of the year, the company signed leases totaling 42,400 square feet, representing 14% of the total property portfolio area, with a tenant renewal rate of 83%. In the second half of the year, 56,000 square feet of leases will expire, representing 18.5% of the total property portfolio area.

Fortune REIT positions itself as a community mall operator. In terms of tenant structure, on average, 72.3% of the area is leased to tenants related to daily living needs, and by rental income, 72.1% comes from such tenants. In the first half of the year, rent reductions in industries such as real estate agents and supermarkets affected the performance of the property portfolio, leading to a negative overall rent reversion rate. Real estate agent rents have significantly decreased over the past 18 months, but most leases have been adjusted to market levels, indicating limited further downward pressure. Additionally, the decline in birth rates has reduced demand for kindergartens, while supermarkets face intense competition from mainland consumption and online shopping.

In contrast, sectors such as fast food, tutoring centers, services, and markets (which account for 54.2% of the area) have shown more resilience, with moderate rent increases upon renewal. The occupancy cost (rent-to-sales ratio) for tenants ranges from single digits to 20%, with tenants whose occupancy cost is close to 20% facing rent reduction pressure. The rent collection rate is between 98% and 99%.

Financially, Fortune REIT's debt-to-assets ratio (calculated as total borrowings as a percentage of total assets) has continued to rise to 24.8%. Malls require periodic renovations to enhance rental value. The company has completed the second phase of the +WOO Kap Shui Mun asset enhancement initiative, which cost HKD 300 million, in 2024. In the first half of the year, the company signed new leases for over 22,500 square feet of renovated space, increasing the overall occupancy rate of +WOO Kap Shui Mun from 89.1% to 93.4%. The company will begin the asset enhancement initiative (AEI) for "Red磡 Fortune Metropolis" in the fourth quarter of this year, with a budget of HKD 200 million, to be completed in three phases from 24Q4 to 2026.

The actual borrowing cost has also continued to rise to 4.1%, leading to a 30.2% year-over-year increase in financing costs to HKD 198 million. It is expected that with the U.S. entering a rate-cutting cycle, borrowing costs will likely peak.

Finally, I would like to discuss some of the divergences in Hong Kong's retail sector.

As shown in the chart, Hong Kong supermarkets have shown relatively strong resilience, reaching 94.6% of pre-pandemic 2018 levels. Sectors that were previously popular with mainland tourists, such as pharmacies/cosmetics and jewelry, have seen sales at 68.3% and 61.6% of pre-pandemic 2018 levels, respectively. In the restaurant sector, Chinese hotels have performed poorly, reaching only 78.4% of pre-pandemic 2018 levels. In contrast, fast food restaurants have surpassed pre-pandemic 2018 levels by 113.6%, and non-Chinese restaurants have recovered to 97.7% of pre-pandemic 2018 levels.

In terms of valuation, at the current stock price of HKD 4.17, the expected dividend yield for 2024 is 8.87%.