

Folkestone boosts profit to \$69m

February 15, 2017



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Childcare centre owner Folkestone Education Trust yesterday reported a rise in half-year profit after a string of upward revaluations for its properties and offered an upbeat outlook for the sector.

Folkestone's statutory profit rose to \$69.1 million in the six months to December 31, a 16.3 per cent rise compared with the previous corresponding period.

The rising profit came as the trust's property portfolio rose by \$47.3m, or 7 per cent in worth, compared with June 30, after 54 properties were revalued and a further 300 received directors' revaluations.

The increase was due to a further tightening in yields and growth in income from annual and market rental increases, Folkestone said. "We expect to see childcare yields sharpen further," chief executive Nick Anagnostou told investors, adding the market had seen "minor new supply, contrary to the oversupply mooted by some".

"We've seen population growth increasing the demand for childcare ... we certainly follow the population and the economic activity."

Folkestone's revenue rose 12.9 per cent to \$83.1m in the half, compared to the prior corresponding period. The trust paid a distribution of 3.55c per unit on January 20 for the three months to December 31, taking the total payout for the half to 7.1c per unit. Folkestone shares closed 2.44 per cent higher at \$2.52.