

IGB third-quarter earnings nearly doubled

PETALING JAYA: IGB Bhd's earnings almost doubled for the third quarter ended Sept 30, 2018 (3Q18) from a year ago, thanks to higher contributions from its property development and investments in both retail and commercial projects.

During the quarter in review, the property and hospitality group saw its net profit rising to RM68.3mil from RM35.8mil in the corresponding period last year, resulting in earnings per share (EPS) growing to 10.30 sen from 5.88 sen previously.

The group's 3Q18 revenue rose 23.5% to RM353.2mil from

RM285.9mil a year ago.

In its filings, IGB said its retail property investment division – mainly represented by IGB REIT, the owner of Mid Valley Megamall and The Gardens mall – posted a revenue and net property income growth of an annualised 3% and 2%, respectively.

Its commercial property investment division, on the other hand, saw average occupancy rates for its commercial buildings hovering at above 80%, with average rental rates that were comparable to the previous year.

As for its property development division, IGB said, revenue recognition was significantly higher due to a higher percentage of completion for its development project, in particular, Stonor 3, which was about 55% completed.

For the cumulative period, IGB's net profit was lower at RM143.6mil for the nine months to September 2018, compared with RM155.3mil in the previous corresponding period that had included a one-off gain. Its EPS fell to 21.66 sen from 25.52 sen.

The group's revenue grew 12.2% to RM940.9mil from RM838.9mil.

IGB said its property development and investment divisions are expected to continue facing challenging and difficult market conditions due to weak market sentiment, as well as the scheduled increase in the supply of new retail space and slower demand for office space in Kuala Lumpur.

“However, with the prime location of the group's retail malls and office buildings, the board expects contribution from this segment to be satisfactory,” IGB said.

IGB's shares rose one sen to close at RM2.61 yesterday.