

IGB REIT's 3Q net profit down 3.7%

Its turnover was down 4.1% to RM131m in 3Q20 from RM136m the year prior

by NUR HAZIQAH A MALEK

IGB Real Estate Investment Trust's (REIT) net profit fell 3.7% year-on-year (YoY) for its third quarter ended Sept 30, 2020 (3Q20), to RM76.84 million versus RM79.8 million a year ago due to lower rental income as a result of the Covid-19 restrictions.

Its turnover was down 4.1% to RM130.75 million in 3Q20 from RM136.31 million the year prior as the company's net property income was adversely affected by the pandemic.

IGB REIT owns the Mid Valley Megamall and The Gardens Mall in Kuala Lumpur.

The trust's manager has approved a distribution of 90% of IGB REIT's quarterly distributable income amounting to RM74.9 million or 2.11 sen per unit, to be paid on Nov 27.

The distributable income for the current quarter amounted to RM83.3 million, which consists of realised profit of RM76.8 million and the non-cash adjustments arising mainly from manager fee payable in units of RM5.7 million.

For its year-to-date (YTD) performance, IGB REIT's net profit declined 31.5% YoY to RM164.7 million compared to RM240.6 million last year due to the rental support being provided to tenants and lower car park income from the pandemic. Revenue over the nine months also fell 23% to RM317.73 million from RM412.52 million.

Its distributable income YTD amounted

to RM181.8 million, consisting of realised profit of RM164.7 million and the non-cash adjustments arising mainly from manager fee payable in units of RM14.9 million.

"The increasing number of Covid-19 cases arising from the emergence of new clusters, the resumption of loan servicing, rising unemployment and salary cut, as well as retail shop closures, dampened both consumer sentiment and business confidence.

"Despite the grim outlook and the many challenges ahead, IGB REIT is determined to stay resilient throughout the Covid-19 pandemic. It remains committed to bringing about long-term value for its stakeholders," it said.

IGB REIT's shares ended 0.61% or one sen higher yesterday at RM1.65, valuing it at RM5.87 billion.