MALAYSIA CORPORATE

IGB reverses losses in 3Q on higher contributions from business segments

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KUALA LUMPUR (Nov 19): IGB Bhd mounted an earnings recovery in its third financial quarter ended Sept 30, 2020 (3QFY20), posting a net profit of RM16.99 million, from a loss of RM14.97 million in 2QFY20.

In a bourse filing, IGB attributed the better earnings to higher contributions from its retail property investments, commercial property investments and hotel and investment divisions.

Quarterly revenue increased by 66% to RM279.8 million, from RM168.53 million in the immediate preceding quarter.

As a result, quarterly earnings per share (EPS) were up to 2.03 sen, from a loss per share of 1.83 sen in 2QFY20.

It did not declare a dividend this quarter, thus its dividend payout of the cumulative nine months ended Sept 30, 2020 (9MFY20) stood at one sen, from three sen in the corresponding period in the last financial year.

Despite the increase in earnings on a quarter-on-quarter basis, IGB reported a 74.44% year-on-year (y-o-y) drop in its net profit from RM66.46 million posted in 3QFY19.

Revenue also declined by 23% y-o-y from RM364.36 million. EPS declined from 9.77 sen in 3QFY19.

The lower quarterly earnings vis-a-vis 3QFY19 were due to lower earnings contributions from its property development, retail property investment and hotel divisions.

For 9MFY20, IGB saw its cumulative net profit slump by 86.76% to RM19.69 million, from RM148.76 million in the corresponding nine months last year. Revenue for the period was down by 27.13% to RM739.75 million, from RM1.02 billion in 9MFY19.

Cumulative EPS for 9MFY20 declined to 2.35 sen, from 21.35 sen in the corresponding period last financial year.

"Based on the financial results for the first nine months, the group's performance for the financial year ending Dec 31, 2020 will be significantly lower when compared with 2019," it said on its prospects.

Shares in IGB finished 0.77% or two sen higher at RM2.63, giving it a market capitalisation of RM2.34 billion. It saw 32,100 shares done.

Edited by Lam Jian Wyn

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