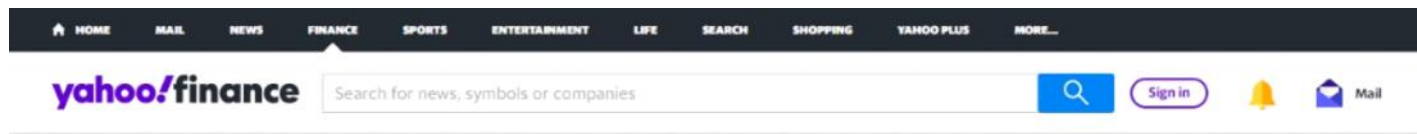


IGB Berhad (KLSE:IGBB) shareholders have earned a 28% return over the last year

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SIMPLY WALL ST

## IGB Berhad (KLSE:IGBB) shareholders have earned a 28% return over the last year

Simply Wall St

Sat, May 6, 2023 at 6:51 AM GMT+8 · 3 min read

Passive investing in index funds can generate returns that roughly match the overall market. But investors can boost returns by picking market-beating companies to own shares in. For example, the **IGB Berhad (KLSE:IGBB)** share price is up 25% in the last 1 year, clearly besting the market decline of around 7.5% (not including dividends). So that should have shareholders smiling. Having said that, the longer term returns aren't so impressive, with stock gaining just 20% in three years.

So let's investigate and see if the longer term performance of the company has been in line with the underlying business' progress.

[See our latest analysis for IGB Berhad](#)

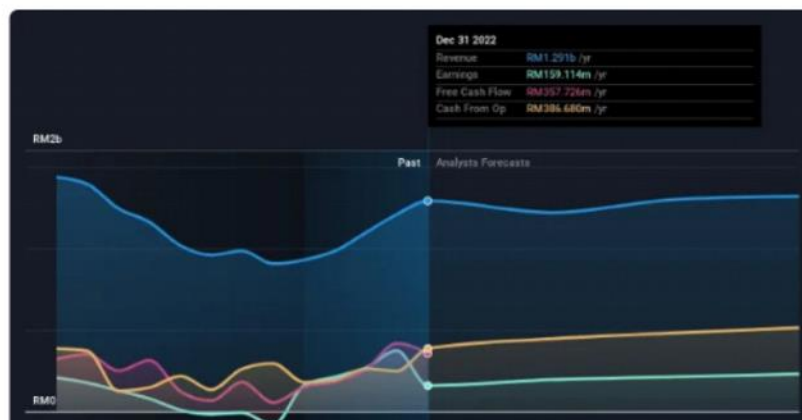
While markets are a powerful pricing mechanism, share prices reflect investor sentiment, not just underlying business performance. One flawed but reasonable way to assess how sentiment around a company has changed is to compare the earnings per share (EPS) with the share price.

During the last year, IGB Berhad actually saw its earnings per share drop 3.0%.

Sometimes companies will sacrifice EPS in the short term for longer term gains; and in that case we may be able to find other positives. It makes sense to check some of the other fundamental data for an explanation of the share price rise.

However the year on year revenue growth of 39% would help. We do see some companies suppress earnings in order to accelerate revenue growth.

The graphic below depicts how earnings and revenue have changed over time (unveil the exact values by clicking on the image).





earnings-and-revenue-growth

Take a more thorough look at IGB Berhad's financial health with this [free report on its balance sheet](#).

## What About Dividends?

When looking at investment returns, it is important to consider the difference between *total shareholder return* (TSR) and *share price return*. Whereas the share price return only reflects the change in the share price, the TSR includes the value of dividends (assuming they were reinvested) and the benefit of any discounted capital raising or spin-off. It's fair to say that the TSR gives a more complete picture for stocks that pay a dividend. As it happens, IGB Berhad's TSR for the last 1 year was 28%, which exceeds the share price return mentioned earlier. And there's no prize for guessing that the dividend payments largely explain the divergence!

## A Different Perspective

It's nice to see that IGB Berhad shareholders have received a total shareholder return of 28% over the last year. And that does include the dividend. That's better than the annualised return of 3% over half a decade, implying that the company is doing better recently. Given the share price momentum remains strong, it might be worth taking a closer look at the stock, lest you miss an opportunity. It's always interesting to track share price performance over the longer term. But to understand IGB Berhad better, we need to consider many other factors. For instance, we've identified [2 warning signs for IGB Berhad](#) (1 doesn't sit too well with us) that you should be aware of.

If you would prefer to check out another company -- one with potentially superior financials -- then do not miss this [free list of companies that have proven they can grow earnings](#).

*Please note, the market returns quoted in this article reflect the market weighted average returns of stocks that currently trade on Malaysian exchanges.*

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