

IGB REIT records RM85.4m net profit for 1Q22

by S BIRRUNTHA

IGB Real Estate Investment Trust (REIT) stated the return to normalcy boosted its profit for the first quarter ended March 31, 2022 (1Q22), to RM85.39 million from RM43.72 million in the same quarter last year.

Quarterly revenue grew by almost 35% year-on-year to RM133.81 million due to the lower rental support provided to tenants in the current quarter arising from the economic reopening and improving retail sales of tenants.

The investment trust registered higher earnings per share of 2.39 sen for the period against 1.23 sen in 1Q21.

IGB REIT declared an interim income distribution per unit of 2.51 sen, which is payable on May 30, according to its exchange filing yesterday.

Despite the current promising outlook for consumer spending and retail sales, IGB REIT stated it will stay resilient and remains committed to bringing about long-term value for its stakeholders.

The investment trust added there are still challenges remaining in 2022, particularly the impact of the Omicron resulting in higher new infections and increased hospitalisation rates.

"The higher cost of living and the expected interest rate hikes would affect the purchasing power of Malaysian consumers.

"The conflict in Ukraine and Covid-19 pandemic-driven lockdown in China would affect the supply chain of consumers' goods world-



For the financial period under review, IGB REIT's portfolio consists of 2 investment properties, Mid Valley Megamall (picture) and The Gardens Mall

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wide, and also lead to even more volatile oil and commodity prices," it noted.

Based on Retail Group Malaysia, Malaysia's retail sales are anticipated to achieve a 6.3% growth for 2022, after a strong 16.5% rise in 1Q22 on the back of Chinese New Year celebrations.

It added that further relaxation of containment measures as well as the reopening of economic sectors and national borders also augur well for the growth prospects of retail sales in the year.

IGB REIT manager's key objective is to provide unitholders with regular and stable distributions and achieve long-term growth in

NAV per unit while maintaining an appropriate capital structure.

"The manager intends to increase the income and the value of the investment properties through active asset management, asset enhancement initiatives, acquisition growth as well as capital and risk management strategies," it noted.

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IGB REIT shares closed unchanged at RM1.56 yesterday, valuing the retail REIT at RM5.58 billion.