

IGB REIT earnings up in Q4 despite weaker top line

PETALING JAYA: IGB Real Estate Investment Trust's (IGB REIT) net profit rose by 2.07% year-on-year (y-o-y) to RM73.59mil in the fourth quarter ended Dec 31, 2021, despite a weaker top line.

The improved earnings was achieved on the back of IGB REIT's lower property operating expenses in the four-month period.

Revenue fell by 19.08% y-o-y to RM119.37mil from RM147.51mil in the previous corresponding quarter.

"The lower gross revenue was mainly due to the higher rental support provided to tenants in the current quarter, whereas the higher net property income and profit after taxation were mainly due to the reversal for impairment of trade receivables in the current quarter," the trust said in a filing with

Bursa Malaysia yesterday.

IGB REIT's earnings per unit for the latest fourth quarter were 2.06 sen. A distribution per unit of 2.17 sen was announced for the quarter.

For the financial year 2021 (FY21), IGB REIT announced a net profit of RM200.15mil, representing a drop of 15.48% y-o-y from RM236.79mil in FY20.

Its revenue also declined by 14.12% y-o-y to RM399.53mil from RM465.24mil.

The lower revenue and net profit were mainly due to the higher rental support provided to tenants arising from the Covid-19 pandemic.

Looking ahead, IGB REIT said the country's private consumption is expected to grow by 6%, amid some downside risks.

"The outlook for consumer spending looks promising, with tenants' retail sales as well as the shopping centre owners or operators expect to gain greater positivity.

"IGB REIT will stay resilient throughout the Covid-19 pandemic. It remains committed to bringing about long-term value for its stakeholders," the trust said.

In a separate filing, IGB Commercial REIT announced a net profit of RM19.18mil for the fourth quarter ended Dec 31, 2021, against a revenue of RM46.26mil.

There are no comparative figures available as IGB Commercial REIT was established on March 31, 2021 and listed on Bursa Malaysia on Sept 20, 2021.

Earnings per unit for the fourth quarter were 0.83 sen. A distribution per unit of 0.99

sen was announced for the quarter.

Cumulatively, for the 12-month period ended Dec 31, 2021, IGB Commercial REIT recorded a net profit of RM22.01mil against a revenue of RM53.37mil.

Commenting on its prospects, IGB Commercial REIT said the outlook for the commercial office segment is set to cautiously bounce back in the near term.

It said it remains steadfast in catering to tenants' demand while continuing to drive improvements in its office premises.

"Special attention is being placed on elevating the physical office experience, as space usage and rent remains competitive.

"However, rental support for eligible tenants would remain minimal and rental reversion is predicted to be flat."