

'BUY' RATING

IGB REIT core net profit rises to RM282.8m

KUALA LUMPUR: IGB Real Estate Investment Trust (IGB REIT) posted a solid performance for the first nine months of this year, fuelled by higher rental income and nearly full occupancy rates.

IGB REIT's core net profit for the nine months rose by 6.8 per cent year-on-year to RM282.8 million.

CIMB Securities said the performance aligned with CIMB's and con-

sensus' forecasts, representing 75 per cent and 74 per cent of expected full-year profits, respectively.

CIMB Securities said the distribution per unit (DPU) for the nine-month period increased 5.5 per cent to 8.2 sen while the third interim DPU of 2.68 sen in the third quarter set a record, reflecting strong asset management and strategic enhancement of mall spaces.

IGB REIT's core net profit for third quarter rose 4.0 per cent year-on-year and 5.2 per cent quarter-on-quarter due to higher rental income, improved occupancy rates and the partial opening of new stores in Mid Valley Megamall's South Court.

CIMB Securities also said IGB REIT's revenue increased by 4.9 per cent year-on-year in the nine months.

CIMB Securities expects contin-

ued growth for IGB REIT.

"We anticipate IGB REIT to record higher earnings in the fourth quarter, to be driven by the completion of Phase two reconfiguration work and the year-end festive season."

It has kept a "buy" call on the stock and raised the dividend discount model-based target price from RM2.20 to RM2.28 per share.