

# Call on IGB upgraded after REIT listing plan

**PETALING JAYA:** PublicInvest Research has upgraded its call on IGB Bhd to "outperform" from neutral, with a revised target price of RM4.70, after the group announced its plans to list its commercial assets.

In a note, the research house said it was positive with the proposed plan to monetise the assets which it estimated could potentially unlock value in excess of RM3 billion.

"We reckon the value of the commercial assets is estimated to be in excess of RM3 billion. Assuming IGB is keeping a 51% stake, the listing could monetise at least RM1.5 billion for shareholders," it said.

Last Thursday, IGB proposed the listing of IGB Commercial REIT which will comprise of Menara IGB, Mid Valley City; Centrepont South, Mid Valley City; Centrepont North, Mid Valley City; The Gardens South Tower, Mid Valley City; The Gardens North Tower, Mid Valley City; Menara Southpoint (excluding the residential units), Mid Valley City; Boulevard

Offices (Blocks 25 and 27), Mid Valley City; Menara Tan & Tan and GTower.

The sale consideration is expected to be satisfied through a combination of cash and issuance of new units in IGB Commercial REIT. The group has also proposed a restricted offer for sale and distribution-in-specie.

In a separate filing with Bursa Malaysia on the same day, IGB also announced its quarterly financial results which came in "within expectations" of PIVB's estimates

"IGB's 3QFY19 net profit came in at RM66.5 million which was largely in line with our expectations. Year to date, the group's 9MFY19 net profit of RM148.8 million constituted about 75% of our full-year estimates.

"Its new mall in Iskandar Malaysia i.e. Mid Valley Southkey has 90% committed tenants now and as reported earlier, we expect it to be fully occupied by end-2019. Earnings estimates are kept unchanged," PIVB said in its note.