

IGB REIT reports 28.7% lower earnings for Q4

PETALING JAYA: IGB Real Estate Investment Trust's (IGB REIT) net profit for the fourth quarter ended Dec 31, 2019 fell 28.7% to RM75.26 million from RM105.51 million a year ago, mainly due to revaluation surplus of RM30 million on investment properties in the corresponding quarter in 2018.

In a Bursa filing, the group said its revenue was 1.8% higher at RM139.61 million versus RM137.21 million in the previous year's corresponding quarter, mainly due to higher rental income in the current quarter.

For the full year period, its net profit dropped 5.4% to RM315.86 million from RM333.75 million a year ago mainly due to revaluation surplus on investment properties of RM30 million in the corresponding period-to-date in 2018.

Revenue jumped 3.1% to RM552.13 million year-on-year, compared with RM535.69 million previously, mainly due to higher rental income in the current period-to-date.

In 2019, the manager paid a distribution amounting to RM85 million (2.4 sen per unit) for the first quarter, RM80.1 million (2.26 sen per unit) for the second quarter, RM82 million (2.31 sen per unit) for the third quarter and RM77.6 million (2.19 sen per unit) for the fourth quarter, representing 95% of the total distributable income.

"The manager has decided to make a distribution of at least 90% of IGB REIT's distributable income on a quarterly basis for the year ending Dec 31, 2020."

On prospects, the group said 2020 will remain a challenge for the Malaysian retail industry. Its performance will continue to be adversely affected by slower domestic growth, and limited measures to stimulate consumers' spending in the face of a weakening ringgit.