

IGB REIT's 2Q net property income up 69%, declared DPU of 1.35 sen | The Edge Markets

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KUALA LUMPUR (July 26): IGB Real Estate Investment Trust (IGB REIT) saw its net property income (NPI) rose by 69% to RM63.14 million in the second quarter ended June 30, 2021 (2QFY21) from RM37.36 million a year ago, underpinned by higher rental support provided to tenants.

In a Bursa Malaysia filing today, the trust said its quarterly revenue surged by 37% to RM84.92 million from RM61.98 million in 2QFY20.

IGB REIT also declared an interim income distribution per unit of 1.35 sen, payable on Aug 30.

For the cumulative six months ended on June 30, 2021 (1HFY21), the group's NPI fell marginally by 0.2% to RM125.52 million against RM125.75 million a year ago, while revenue dropped slightly by 1.4% to RM184.36 million from RM186.99 million, largely due to lower car park income arising from the Covid-19 pandemic.

On a quarter-to-quarter basis, IGB REIT's NPI increased by 1.2% from RM62.38 million recorded in the preceding quarter, while revenue declined by 14.6% from RM99.44 million mainly due to higher rental support provided to tenants in the current quarter.

On prospects, the trust said although the outlook for business recovery

for retailers as well as the shopping centre owners/operators does not look promising, IGB REIT is determined to stay resilient throughout the Covid-19 pandemic.

"After a series of new lockdowns introduced since May 2021, retail business has been turned off temporarily. Retail Group Malaysia (has) revised annual retail industry growth for 2021 from 4.1% to 4.0%.

"Growth for 2Q was reduced from 7% (estimated in March 2021) to 5.6%, and from 4.1% (estimated in March 2021) to 3.5% for 3Q. For 4Q, the retail industry is expected to grow by 12.7% (instead of 13.9% estimated in March 2021) compared with the same period a year ago," it added.

Units in IGB REIT settled two sen or 1.19% lower at RM1.66 today, giving it a market capitalisation of RM5.92 billion.