

IGB REIT 3Q net property income falls 43% y-o-y; declares DPU of 1.18 sen | KLSE Screener

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KUALA LUMPUR (Oct 26): IGB Real Estate Investment Trust (IGB REIT) saw its net property income (NPI) fall 42.8% to RM55.9 million in the third quarter ended Sept 30, 2021 (3QFY21) from RM97.8 million last year, on lower revenue.

In a Bursa Malaysia filing Tuesday, the REIT said its quarterly revenue declined 26.73% to RM95.8 million from RM130.75 million.

It declared an interim income distribution per unit (DPU) of 1.18 sen — of which 1.16 sen is taxable and 0.02 sen is non-taxable — for 3QFY21, to be paid on Nov 30.

The REIT's profit after taxation also dropped by 49.9% to RM38.5 million against RM76.8 million previously.

IGB REIT said the lower revenue, NPI, and profit after taxation were mainly due to the higher rental support provided to tenants as well as higher allowance for impairment of trade receivables in the current quarter arising from the Covid-19 pandemic, and Kuala Lumpur was placed in Phase 1 and subsequently Phase 2 of National Recovery Plan.

"The distributable income for the current quarter amounted to RM43.1 million, consisting of realised profit of RM38.5 million and the non-cash adjustments arising mainly from manager fee payable in units of RM4.2 million," it added.

On a quarterly basis, IGB REIT's NPI declined by 11.4% from RM63.1 million in 2QFY21 despite higher revenue.

Revenue increased by 12.8% quarter-on-quarter in 3QFY21 from RM84.9 million due to the higher rental support provided to tenants in the immediate preceding quarter arising from the full lockdown.

For the cumulative nine months ended Sept 30, 2021 (9MFY21), the group's NPI decreased by 18.8% to RM181.4 million from RM223.6 million a year earlier.

Its 9MFY21 revenue fell 11.83% to RM280.16 million from RM317.73 million.

Despite the current reopening of retail trades and some initial signs of recovery in business and economic conditions, IGB REIT said "prospects remain cautiously optimistic".

"IGB REIT is determined to stay resilient throughout the Covid-19 pandemic and the subsequent endemic phase. It remains committed to

bringing about long-term value for its stakeholders,” it said.

IGB REIT closed one sen or 0.6% higher at RM1.68, translating into a market capitalisation of RM6 billion.