

IGB-REIT expects retail sector to remain buoyant | The Star

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IGB-REIT expects the retail industry to stay relatively buoyant

PETALING JAYA: [IGB Real Estate Investment Trust](#)



(IGB-REIT) expects the retail industry to stay relatively buoyant for the time being, amidst risks of higher inflation, more interest rate hikes and possible recession.

In a filing with Bursa Malaysia yesterday, the group said retail sales growth is expected to normalise beyond 2022.

"As such, IGB-REIT will stay resilient and remain committed to bringing about long-term value for our stakeholders."

IGB-REIT's net profit jumped 116.4% to RM83.38mil in the third quarter ended Sept 30, 2022 from RM38.54mil in the same period last year.

Revenue increased to RM140.12mil during the quarter against RM95.80mil in the corresponding quarter in 2021.

Basic earnings per share stood at 2.33 sen from 1.08 sen previously.

Its net property income was RM101.19mil, an 81% increase from RM55.92mil previously.

"The higher total revenue, net property income and net profit were mainly due to the lower rental support provided to tenants in the current quarter arising from the economic reopening and improving retail sales of tenants," it said.

For the nine-month period ended Sept 30, 2022, IGB-REIT's net profit surged to RM252.23mil from RM126.56mil previously.

Revenue stood at RM407.69mil compared with RM280.16mil previously.

Separately, IGB-REIT said Retail Group Malaysia (RGM) had revised upwards the retail industry growth forecast for full year 2022 to 31.7% from a previous estimate of 13.1%. The revision was made after taking into consideration the firm recovery since the beginning of 2022 with the retail industry stepping off the Covid-19 wave, the group said.

"RGM has also revised the third-quarter 2022 retail sales estimate by up to 50% from the previous estimate of 3.4%. The higher-than-expected growth rate is due to large contractions during the third quarters of 2020 (9.7% deficit) and 2021 (27.8% deficit)."