
IGB's 1Q net profit triples, boosted by land disposal gains

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KUALA LUMPUR (May 28): Real estate developer IGB Bhd (KL:IGBB) said its net profit more than tripled for the first quarter from a year earlier, thanks largely to land disposal gains.

Net profit for the three months ended on March 31, 2024 (1QFY2024) was RM185.34 million, compared to RM56.07 million in the same period last year, IGB said in an exchange filing. The company booked RM108.7 million from a joint venture company's land sale.

Revenue for the quarter, meanwhile, increased by 5% year-on-year to RM416.46 million, from RM396.06 million, thanks to higher rental income, occupancy rate and room rate.

IGB did not declare any dividend for the quarter under review.

Looking ahead, IGB said the outlook for its retail property segment remains favourable while flagging challenges such as credit access, affordability and inflation. The company expects to launch the Southpoint Residences in MidValley City, Kuala Lumpur by mid-2024.

As for its commercial property segment,

IGB anticipates sustainable demand for office space.

"The increased business activities underpinned by improving market conditions suggested that the office market for the Klang Valley pointed to a stable and modest recovery," it said.

On a year-on-year basis, revenue at its commercial properties rose 6% to RM55 million from RM51.8 million while its retail property segment saw a 5% increase to RM160.6 million from RM96.6 million.

IGB added that it also plans to grow its hotel segment by launching a loyalty programme in the second half of the year.

Its hotel segment recorded the biggest increase in revenue, rising 31% year-on-year to RM76.6 million.

Shares of IGB closed unchanged at RM2.46, valuing the group at RM3.34 billion. Year to date, the counter has climbed 11.8%.

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