

IGB's Q1 net profit rises to RM185.34mil as a result of land sale gains

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KUALA LUMPUR: IGB Bhd experienced a significant surge in net profit for the first quarter ending March 31, 2024 (Q1 2024), skyrocketing to RM185.34 million from RM56.07 million in the corresponding period last year, marking an impressive increase of 231 per cent.

This notable growth in 1Q 2024 was largely attributed to land disposal gains, specifically stemming from a joint venture company's land sale amounting to RM108.7 million.

The company's revenue for the quarter displayed a positive trend, rising by RM20.4 million to RM416.46 million from RM396.06 million, indicating a notable 5.0 per cent increase.

IGB credited this growth primarily to enhanced contributions from its retail, commercial, and hotel segments.

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In a stock exchange filing, IGB underscored that the hotel segment experienced higher rental income, occupancy rates, and room rates during the period.

Despite these positive developments, IGB did not declare any dividends

for the quarter under review.

The closing price of IGB shares remained unchanged at RM2.46, valuing the group at RM3.34 billion. Year to date, the counter has climbed by 11.8 per cent.

Looking forward, the company maintains a cautiously optimistic stance on its results for FY2024, reaffirming its dedication to nurturing long-term value for its shareholders.

IGB forecasts a 4.0 per cent sales growth for 2024, following a 2.2 per cent increase in 2023.

However, it underscored the challenges confronting the retail segment, citing the escalating cost of living and inflationary pressures affecting consumer spending.

Additionally, elevated operating costs and the depreciation of the ringgit against major foreign currencies have further impacted sales, it said.

IGB also emphasised improved business activities in its property investment-commercial segment, supported by a recovering market in the office sector of the Klang Valley.

The company remains proactive in offering adaptable solutions to accommodate market dynamics within the commercial segment.

Despite persistent challenges in the residential property market, including issues related to access to credit, affordability, and inflation, IGB expressed optimism regarding the outlook for its property development segment.

It emphasised the imminent launch of Southpoint Residences in Mid Valley City, Kuala Lumpur, slated for mid-2024.