

Retail, commercial and hotel segments lift IGB in 1Q24

KUALA LUMPUR: IGB Bhd, which saw its net profit more than triple in the first quarter of the financial year ended March 31 (1Q24), is cautiously optimistic about its results for the financial year ending Dec 31, 2024 (FY24).

IGB's net profit rose over three-fold to RM185.3mil in 1Q24 compared with RM56.1mil a year ago, translating into an earnings per share of 13.76 sen from 4.15 sen last year.

Revenue for the quarter rose 5.15% to RM416.4mil versus RM396.1mil a year ago, due to higher contributions from the retail, commercial and hotel segments.

IGB noted that the key challenge to its retail segment is the rising cost of living. Inflationary pressures have affected consumer spending.

"Higher operating costs and ringgit depreciation against major foreign currencies have also impacted retail sales," IGB said in a filing with Bursa Malaysia.

On the property investment-commercial segment, IGB said 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.

IGB continues to offer a wide range of flexible solutions to accommodate shifts in market dynamics in the commercial segment, driven by sustainable demand for office space.

Meanwhile, the group would continue to grow its hotel segment by launching its own hotel loyalty programme, the IGB Hotel Rewards app, in the second half of 2024 and exploring further opportunities to embed sustainable features across its operations to elevate our brand and boost revenue.

"Despite the challenges for the residential property market, such as access to credit, affordability and inflation that are likely to persist in 2024, the group's property development segment outlook remains favourable. Southpoint Residences, which is located in Mid Valley City in Kuala Lumpur is targeted to be launched by mid-2024," it said.