

## Formidable retail giant claims eighth straight win

By Cheryl Poo / The Edge Malaysia

06 Oct 2025, 12:00 am

### IGB REIT

IGB Real Estate Investment Trust's (KL:IGBREIT ) ability to adapt quickly and keep up with the fast-changing demands of consumers has cemented its position as a top retail player in Malaysia.

Its remarkable consistency has put it on *The Edge* Billion Ringgit Club (BRC) award winners' list for the past decade, since its inaugural win for highest growth in profit over three years in 2016 — it also picked up the award in 2017 and 2018, as well as other accolades.

This is IGB REIT's eighth consecutive win for highest return on equity (ROE) over three years in the REIT sector.

This year, the REIT also bagged the highest returns to shareholders over three years award, which it won in 2017, 2018 and 2023.



IGB REIT once again beat sectoral peers during the awards evaluation period, despite its ROE slipping to 9.5% in FY2025 from 9.8% in FY2023 but staying just above 9.4% in 2022. That translates to a three-year weighted ROE of 9.6%.

The REIT's unitholder return over three years was a compound annual growth rate (CAGR) of 21.74%, as its adjusted unit price rose from RM1.247 on March 31, 2022 to RM2.25 as at March 28, 2025.

Its shares closed as high as RM2.78 on Aug 4 this year. IGB REIT was still up 30.75% year to date as it closed at RM2.70 on Aug 29, giving it a RM2.3 billion market capitalisation.

IGB REIT



At the time of writing, of the 14 analysts actively covering the counter, six had “buy” calls while seven said “hold” and one recommended “sell”, with the consensus target price at RM2.70, according to Bloomberg data.

Established on July 25, 2012, IGB REIT was listed on the Main Market of Bursa Malaysia on Sept 21, 2012. It is known to be a strong retail player, with assets under its local stable including prime retail malls Mid Valley Megamall and The Gardens Mall in the Klang Valley, valued at RM4 billion and RM1.45 billion respectively as at Dec 31, 2024. Both are iconic landmarks in the retail space with occupancy rates of 98.9% and 96.1% respectively.

Its portfolio of investment properties, with a total net lettable area (NLA) of about 2.64 million sq ft, is worth RM5.44 billion.

IGB REIT delivered a sterling financial performance during the period under review, with net property income (NPI) growing from RM220.6 million in FY2021 to RM395.9 million in FY2024, translating to a weighted three-year NPI CAGR of 21.5%.

Revenue grew 56.8% from RM399.5 million in FY2021 to RM626.1 million in FY2024.

Its strong momentum carried into the first half of FY2025 ended June 30, 2025 (1HFY2025), where its distributable income was RM222.7 million, up 9.17% from RM204.05 million during the previous corresponding period.

IGB REIT recalls 2021 as a year of Covid-19 resurgences, when Malaysia imposed a full lockdown from June 1 to 14, disrupting all sectors. Still, the trust said it worked hard to limit disruptions and swiftly restored productivity once restrictions were lifted.

That same ethos guided the trust through subsequent challenges up to 2024, a period marked by rising costs that weighed on disposable income.

Nevertheless, unitholders who kept faith in IGB REIT were handsomely rewarded with distribution per unit payouts of 6.03 sen in 2021, 9.86 sen in 2022, 10.47 sen in 2023 and 10.7 sen in 2024. Distribution yields ranged between 3.65% and 6.09% during those years.

IGB REIT notes in its 1HFY2025 results statement that rising electricity tariffs, wage costs and mandatory Employees Provident Fund contributions for foreign workers are expected to increase operating pressures on retailers.



“These, along with fuel subsidy rationalisation and the extension of SST [sales and service tax] to commercial leasing, may lead to higher retail prices and subdued consumer spending. Despite the softer retail outlook, IGB REIT remains optimistic, supported by the proposed acquisition of The Mall, Mid Valley Southkey [in Johor],” it says.

Its sponsor and majority unitholder IGB Bhd (KL:[IGBB](#)  **EDGE**) is partnering with Johor state-owned enterprise Southkey City Sdn Bhd (SCSB) to acquire two parcels of leasehold land in Johor Bahru for RM214.97 million. The land, which adjoins its Mid Valley Southkey project, will be used for a mixed-use development that is expected to grow to a size similar to Mid Valley City in Kuala Lumpur.