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Tuesday, 29 November 2016

Flat Q2 for IJM Corp



IJM CEO and managing director Datuk Soam Heng Choon (filepic) said the group's prospects under the construction and industry divisions were underscored by strong current outstanding order book levels and further supported by the ongoing infrastructure spending identified in the 11th Malaysia Plan.



KUALA LUMPUR: [IJM Corp Bhd](#) reported a flattish net profit in the second quarter ended Sept 30, despite a sharp jump in revenue, as gains from its construction and plantation units were offset by slower growth in the property segment.

Earnings stood at RM163.89mil, compared with RM156.38mil made a year ago. It has declared an interim dividend of three sen a share.

IJM CEO and managing director Datuk Soam Heng Choon said the group's prospects under the construction and industry divisions were underscored by strong current outstanding order book levels and further supported by the ongoing infrastructure spending identified in the 11th Malaysia Plan.

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“The group is well poised to expand the capacity of its concession assets while its existing portfolio provides stable and predictable cash flow streams.

“The group also has a fast maturing plantation landbank profile to provide fresh fruit bunch production growth in the next few years.

“Despite the challenging property market outlook, the group’s property division is expected to sustain its performance on the back of unbilled sales of about RM1.7bil,” Soam said in a statement.

Commenting on its second quarter results, the group attributed its improved performance to higher contributions from its construction, manufacturing and quarrying. The group said its plantations and infrastructure divisions offset the slower growth of the property unit.

IJM’s operating revenue rose 11% to RM1.48bil from RM1.33bil.

Its earnings per share for the quarter rose to 4.55 sen from 4.38 sen in the same period last year.

For the quarter, revenue of the construction division increased by 54.7% to RM557.2mil from RM360.1mil in the same quarter last year, mainly driven by higher contribution from projects that were secured in the previous year.

Revenue of the industry division rose to RM314.7mil, a 27.1% increase from RM247.7mil achieved in the same quarter last year due to higher delivery tonnage of piles and quarry products while the group’s plantation division recorded an increase in revenue of 38.8% to RM201.4mil from RM145.1mil as a result of higher crude palm oil prices. Revenue of the property division, however, saw a marginal decline of 5.3% to RM269.5mil from RM284.5mil last year due to slower take up rate.

In the first half ended Sept 30, 2016, its earnings fell 43.3% to RM279.4mil from RM493.25mil, while revenue increased 11% to RM2.80bil from RM2.52bil.

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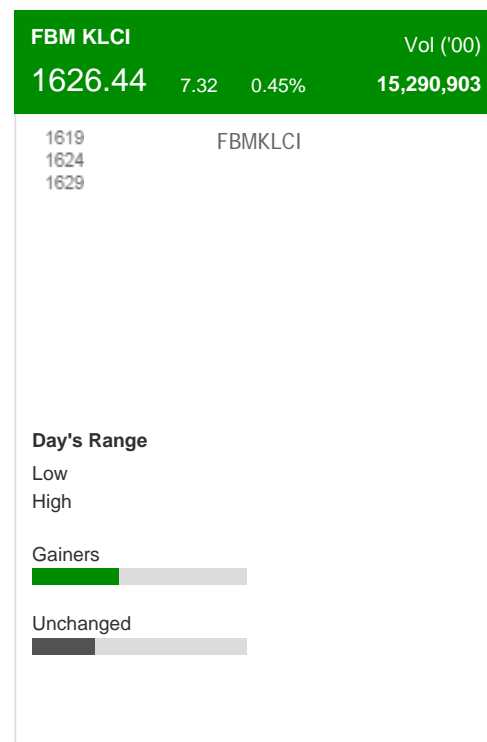
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Active	Gainers	Losers		
Symbol	Last	Chg	Vol ('00)	
HIBISCS	0.295	0.020	641,068	
KNM	0.335	0.025	580,902	
SUMATEC	0.055	0.000	429,436	
HSI-C48	0.345	0.010	397,573	
ARMADA	0.545	0.035	348,979	

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