

Highlight

IJM's 3Q net profit jumps 85.8% on higher contribution from various divisions

By Yimie Yong / theedgemarkets.com | February 25, 2016 : 7:24 PM MYT

KUALA LUMPUR (Feb 25): IJM Corp Bhd's net profit leapt 85.8% to RM256.1 million in the third quarter ended Dec 31, 2015 (3QFY16), compared with RM137.81 million a year earlier, on higher contribution from its construction, plantation and infrastructure divisions.

Its revenue was up 7.5% at RM1.44 billion from RM1.34 billion in 3QFY15, mainly due to higher revenues from its construction, industry and infrastructure divisions, its bourse filing today showed.

For the nine months ended Dec 31, 2015 (9MFY16), IJM's net profit surged 95.8% to RM749.35 million from RM382.68 million compared to the same period a year ago.

IJM said the group's pre-tax profit for the year totalled RM1.02 billion, up 31.8% on-year, mainly due to the one-off gains from the disposal of its 74% equity interest in Jaipur Mahua Tollway Pte Ltd, and the 70% equity interest in Swarna Tollway Pte Ltd totalling RM301.9 million, in the current year.

Revenue, however, slipped 1% to RM3.96 billion from RM4 billion, following decreases in revenue from its property and plantation divisions.

On prospects, IJM said increasing volatility in the global capital markets and the resultant uncertainties due to foreign exchange fluctuations may continue to impact the group's results.

"However, barring any unforeseen circumstances, the group expects to achieve a satisfactory performance for the current financial year," it added.

In a separate statement, IJM managing director and chief executive Datuk Soam Heng Choon said the performance of the group's construction and industry divisions are expected to be underpinned by relatively strong private sector demand, and the Malaysian government's continued emphasis on infrastructure spending.

"... whereas the property and plantation divisions [will] continue to operate in challenging environments, due to weaker consumer sentiment and dry weather affecting crop production," he said.

The group's infrastructure division, meanwhile, continues to provide a growing recurrent income stream as the concession matures, he added.

IJM shares closed unchanged at RM3.41 today, valuing it at RM12.22 billion.