IJM Corp net profit up 86% to RM256mil

PETALING JAYA: A one-off gain from the sale of a highway project in India boosted IJM Corp Bhd's net profit in the third quarter ended Dec 31, 2015 by 85.8% to RM256.1mil compared with RM137.8mil a year ago.

Revenue increased 7.5% to RM1.43bil from RM1.33bil a year ago on higher contributions from its construction, plantation and infrastructure divisions.

Earnings per share was 7.17 sen compared with 4.21 sen a year ago.

"The performance of the construction and industry divisions is expected to be underpinned by relatively strong private-sector demand and the Malaysian Government's continued emphasis on infrastructure spending.

"The property and plantation divisions continue to operate in challenging environments due to weaker consumer sentiment and dry weather affecting crop production, respectively.

"The group infrastructure division continues to provide a growing recurrent income stream as the concessions mature," managing director and CEO Datuk Soam Heng Choon said in a statement.

The performance of the construction and industry divisions is expected to be underpinned by relatively strong private sector demand.

Datuk Soam Heng Choon

For the nine months ended Dec 31, 2015, IJM Corp saw its earnings almost double to RM749.35mil versus RM382.67mil in the previous corresponding period.

On the infrastructure division, IJM said revenue for the third quarter and the nine months rose 17.1% and 43.3%, respectively, mainly due to continued traffic growth in the group's Malaysian toll road concessions, as well as higher cargo revenue recorded by the group's port concession.

"The division's pre-tax profit for the current quarter was boosted by the one-off gain derived from the disposal of a 70% equity interest in Swarna Tollway totalling RM133.3mil.

This gain, together with another one-off gain derived from the disposal of a 74% equity interest in Jaipur Mahua Tollway amounting to RM168.7mil in the first quarter, as well as the increased profits in the group's toll road and port concessions, helped the division achieve an 11-fold increase in pre-tax profit to RM466.9mil for the nine months.

The infrastructure division's results were also affected by fluctuations in foreign-exchange rates, resulting in an unrealised foreign exchange gain of RM29.5mil in the third quarter and an unrealised foreign exchange loss of RM136.7mil for the nine months ended Dec 31, 2015.