



Media Release

For immediate release

IJM expands into UK construction market with 50% stake in JRL Group

Strategic investment enhances IJM's construction capabilities and bolsters its UK presence

LONDON, 25 November 2024 – IJM Corporation Berhad (“IJM”) has proposed to acquire a 50% stake in JRL Group Holdings Limited (“JRL”) for £50 million (approximately RM283 million). This strategic investment furthers IJM's expansion into the United Kingdom (UK) and strengthens its core construction capabilities.

The transaction involves the subscription of new ordinary shares in JRL, representing 50% of the enlarged equity interest in the UK-based contractor. Proceeds from the investment will be used to strengthen JRL's balance sheet, enhance liquidity for working capital and support future growth.

Strengthening order book and market position

Established in 1996, JRL is a diversified construction group offering integrated solutions across piling, groundworks, concrete frames, architectural design, and mechanical and electrical services. The group has delivered a wide range of high-quality residential, commercial, and institutional projects, building a strong reputation in the UK construction market.

JRL is also recognised for its expertise in rail-adjacent and over-railway developments, which require specialised engineering solutions and the ability to integrate construction with active transportation infrastructure.

JRL has a sizeable order book of £1.5 billion (approximately RM8.5 billion), which provides earnings visibility for the next three years and access to a robust pipeline of projects, complementing IJM's outstanding RM6.4 billion order book.

After a challenging two years, JRL returned to profit in 2024, recording revenue of £311 million (approximately RM1.76 billion) and a profit before tax of £9 million (approximately RM50.8 million) for the first six months of its financial year. Driven by operational improvements, this financial recovery positions JRL as a more resilient and competitive player in the UK construction market.

Strategic rationale and synergies

This investment aligns with IJM's growth strategy to diversify revenue streams, develop adjacent and synergistic businesses and expand its geographical footprint.

By integrating IJM's development expertise with JRL's proven contractor capabilities, this strategic move optimises the value chain, enhancing project execution and bolstering IJM's foothold in the UK market.

Through its brands—including main contractor Midgard, concrete specialist J Reddington, McMullen Facades, Ark M&E, and London Tower Crane Hire—JRL's in-house capabilities align with IJM's ambitions to expand its exposure in the UK construction sector.

JRL's proven expertise in rail-adjacent and over-railway developments also supports IJM Land, IJM's property arm, in its joint venture with Network Rail Property. This JV focuses on urban regeneration and mixed-use over-railway developments across multiple strategic sites in London, with a combined gross development value (GDV) of over £3 billion (approximately RM17 billion).

Datuk Lee Chun Fai, Group CEO & Managing Director of IJM Corporation Berhad, said: "This investment is a strategic step forward for IJM, strengthening our construction portfolio and leveraging JRL's technical expertise and market presence in the UK. Together, we aim to unlock new growth opportunities, deliver transformative projects and create meaningful synergies in a key international market."

Enhancing IJM Land's UK footprint

Since 2021, JRL has also ventured into property development, building a portfolio of seven sites comprising build-to-rent and co-living units, with an estimated GDV of £700 million (approximately RM3.96 billion).

JRL's construction arm, Midgard, served as the main contractor for IJM Land's maiden UK property development, Royal Mint Gardens Phase 1, completed in 2019. This phase comprised high-rise residential developments built over active railway lines at Tower Hill, including the Docklands Light Railway. Midgard was recently appointed as the contractor for Phase 2, which includes a 463-room Wilde Aparthotel operated by Staycity, alongside 79 residential units.

Datuk Lee added: "JRL's track record with Royal Mint Gardens Phase 1 demonstrates their ability to deliver complex and technically demanding projects. Their expertise complements IJM Land's ongoing UK projects, enhancing our capability to deliver quality developments that drive long-term growth."

John Reddington, Managing Director of JRL, said: "We are excited to align with IJM, a leading construction group from Malaysia. This joint venture strengthens our position and provides the opportunity to build on our success with projects like Royal Mint Gardens Phase 1 while advancing our pipeline of developments in the UK."

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Royal Mint Gardens Phase 1, IJM Land's maiden UK property development, completed in 2019 with JRL's construction arm, Midgard, serving as the main contractor.

About JRL Group Holdings Limited

JRL Group Holdings Limited is a privately owned, UK-based construction company that provides fully integrated building solutions, delivering up to 80% of project value through in-house capabilities. Founded in 1996, the Group offers a comprehensive range of services, including demolition, piling, groundworks, concrete frames, modular systems, and full turnkey delivery.

JRL's diverse portfolio spans office, residential, hotel, and educational developments, with a strong focus on technically demanding projects. Its main contracting division, Midgard Ltd, has completed notable projects in London such as Royal Mint Gardens Phase 1 (a high-rise residential development over active railway lines), One Thames City, Lots Road and art'otel for high-profile clients.

With a current order book of £1.5 billion and an expanding pipeline of property development projects, JRL is well-positioned for continued growth in the UK construction market.

About IJM Corporation Berhad

IJM Corporation Berhad ("IJM"), formed in 1983, today ranks as one of Malaysia's leading conglomerates with an international footprint forged by its four core businesses: construction, property development, industry (quarrying and the manufacture of building materials) and infrastructure concessions. IJM holds leading positions across all its business divisions. Its growth is the direct result of strong leadership, dedicated employees, financial prudence and commitment to good governance and quality.

The Group presently has a market capitalisation of around RM11.13 billion and as of 31 March 2024, the Group employs around 3,500 employees and has total assets of RM21.3 billion.

For more information, visit www.ijm.com

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