

**MEDIA RELEASE**

**PropNex delivers a resilient performance in FY2023;  
Achieves net profit of \$47.8 million on revenue of \$838.1 million**

- *Proposes final dividend of 3.5 cents a share in 2H2023; Total dividend of 6.0 cents a share in FY2023 representing a payout ratio of 92.9% of net attributable profit and a dividend yield of 6.5% (based on share price as at 31 December 2023)*
- *Expects housing market outlook in 2024 to remain relatively stable supported by the projected growth in Singapore's economy and potential easing of interest rates*
- *Plans to tap fortified leadership team and largest salesforce to drive next phase of growth*

| <b>\$'000</b>                          | <b>1H2023</b> | <b>2H2023</b> | <b>2H2022</b> | <b>% Chg</b> | <b>FY2023</b> | <b>FY2022</b> | <b>% Chg</b> |
|--|---------------|---------------|---------------|--------------|---------------|---------------|--------------|
| <b>Revenue</b>                         | 364,283       | 473,817       | 556,859       | (14.9)       | 838,100       | 1,029,193     | (18.6)       |
| <b>Gross Profit</b>                    | 35,778        | 45,206        | 56,906        | (20.6)       | 80,984        | 104,683       | (22.6)       |
| <b>Net<br/>Attributable<br/>Profit</b> | 22,054        | 25,753        | 35,339        | (27.1)       | 47,807        | 62,360        | (23.3)       |
| <b>EPS (cents)</b>                     | 2.98          | 3.48          | 4.78          | (27.1)       | 6.46          | 8.43          | (23.3)       |

**SINGAPORE – 28 February 2024** – PropNex Limited (“**PropNex**”, or the “**Company**”, and together with its subsidiaries, the “**Group**”) today reported a modest result for the full year ended 31 December 2023 (“**FY2023**”) as buying sentiment and transaction volumes cooled amid rounds of property curbs since December 2021, higher interest rates and macroeconomic uncertainties.

The stronger performance in the second half of 2023 (“**2H2023**”) brought the full year revenue to \$838.1 million in FY2023, a 18.6% dip compared year-on-year (“**YoY**”) due to fewer number of transactions completed for both agency and project marketing services. Commission income from agency services declined 7.7% to \$591.1 million in FY2023 while commission income from project marketing services fell 36.9% to \$242.3 million. As a result, the Group’s net attributable profit declined 23.3% YoY to \$47.8 million in FY2023.

Excluding Executive Condominiums, developers sold 6,421 new private homes in 2023, down 9.6% from 7,099 units sold in 2022 and marked the lowest annual tally in 15 years, since 4,264 units were sold in 2008. This was despite developers launching about 66.8% more stock in 2023 with 7,551 uncompleted new units, compared with 4,528 units in 2022<sup>1</sup>. Similarly in the resale market, transactions for private homes declined 19.2% to 11,329 units in 2023 from the 14,026 units resold in 2022<sup>1</sup> while HDB resale volume dipped 4.2% to 26,735 units in 2023 from the 27,896 units transacted in 2022<sup>2</sup>.

Mr. Ismail Gafoor, Executive Chairman and Chief Executive Officer of PropNex, said, “While PropNex had a stronger 2H2023, with revenue and net attributable profit growth of 30.1% and 16.8% respectively as compared to the first half in 2023, it was not enough to compensate for the caution shown by prospective homebuyers in the face of recent cooling measures, high interest rates and lingering macroeconomic uncertainties. This subdued demand was reflected by new private homes sales falling to a 15-year low in 2023 even though substantially more units were launched. I believe our FY2023 performance was resilient in this context as we retained our strong foothold in the residential market, capturing an overall 62.5%<sup>3</sup> share of the Private New Launches, Private Resale and HDB Resale segments. This achievement was underpinned by the size and productivity of our sales force, the largest in Singapore, and our fortified leadership team.”

In terms of a detailed breakdown of its market share in 2023, the Group captured 47.9% of New Launches, 65.8% of Private Resale, 49.7% of Landed Resale, 64.7% of HDB Resale and 35.9% of Private Leasing segments, according to research by Frost & Sullivan<sup>3</sup>.

To thank shareholders, the Board of Directors has proposed a final cash dividend of 3.5 cents a share, bringing total dividend for the full year to 6.0 cents a share in FY2023. This reflects a payout ratio of 92.9% of the Group’s FY2023 net attributable profit and a dividend yield of 6.5% (based on share price as at 31 December 2023).

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<sup>1</sup> [URA](#) and [PropNex](#), 26 January 2024

<sup>2</sup> [HDB](#) and [PropNex](#), 26 January 2024

<sup>3</sup> The market share information is based on the volume of transactions and includes transactions where PropNex salespersons act on behalf of buyers and sellers in co-broking with external agencies. This includes EC, landed and non-landed property transactions. The industry data for the year 2023 was retrieved from URA REALIS, HDB and Singapore's Open Data on 2 February 2024.

Meanwhile, PropNex remained debt-free and continued to maintain a robust balance sheet with cash and bank balances (including long-term deposits) of \$148.1 million as at 31 December 2023.

### **Key Developments in 2H2023**

PropNex made several key personnel promotions from within the organisation in August 2023 with the objective to ensure leadership continuity and drive its next phase of growth. The leadership masterplan saw Executive Director, Mr Kelvin Fong, rise to Deputy Chief Executive Officer and Mr Eddie Lim to Chief Agency Officer while five team leaders were promoted to Agency Vice Presidents. With over 120 years of real estate experience among them, this seasoned team has matured alongside PropNex over the years and is well-capable of enhancing its organisational adaptability, agility and efficiency amid the changing business environment.

2023 also marked PropNex's fifth year as a public-listed company. Since listing on 2 July 2018, its scale of operations has grown substantially with the number of salespersons doubling to 12,233 as at 15 February 2024 from 6,684. Between FY2019 and FY2023, the Group's revenue and net attributable profit grew at a compounded annual rate of 14.8% and 19.0% respectively while its market capitalisation grew 173.8% from \$240.5 million at listing to \$658.6 million at 15 February 2024.

Underlining its stellar growth achievements, the Group won multiple awards in 2023. They included the Overall Sector Winner – Real Estate, Highest Returns to Shareholders over three years, Highest Growth in Profit after Tax over three years, and Highest Return on Equity over three years at The Edge Singapore's 2023 Centurion Club Awards. In addition, PropNex was ranked 62<sup>nd</sup> among Singapore's 100 Fastest Growing Companies in 2023 and 38<sup>th</sup> among Singapore's 250 Best Employers in 2023 by Statista and The Straits Times respectively.

Meanwhile earlier in FY2023, PropNex's issued share capital doubled to 740 million shares after it completed a 1-for-1 bonus issue of 370 million bonus shares in May 2023. Post-transaction, the Group saw its trading liquidity improve substantially with a more than doubled increase in average daily trading volume as compared to 2022.

## **Market Outlook and Plans**

The combination of cooling measures since December 2021, market uncertainties, high interest rates, and price resistance among buyers have kept home prices in check in 2023, paving the way for a more stable and sustainable housing market in Singapore.

Overall private home prices have risen by 6.8% in 2023, marking the seventh consecutive year of price increase since 2017, but the pace of price growth has moderated from 8.6% in 2022. Similarly, prices of landed properties rose 8.0% YoY while those of non-landed properties were up 6.6% YoY, moderating from the respective increases of 9.6% and 8.1% in 2022. The rise in private home rentals have also slowed significantly to 8.7% YoY in 2023 compared to the 29.7% increase in 2022.<sup>4</sup>

Meanwhile, HDB resale flat prices rose by 4.9% in 2023, slowing from the 10.4% growth in 2022. For the whole of 2023, 26,735 HDB flats were resold, down slightly by 4.2% from the 27,896 units transacted in 2022.<sup>5</sup>

For the private homes segment, PropNex expects a slower price growth of 3% to 4% in 2024. Sales volumes are expected to range between 7,000 to 7,500 units (excluding Executive Condominiums) for new homes and between 13,000 to 14,000 units in the resale market. For the HDB resale flats segment, PropNex expects market uncertainties and increasing price resistance among buyers to keep the HDB resale price movements measured with a projected price increase of between 4% to 5%. It expects resale volume in 2024 to remain stable at around 26,000 to 27,000 units as this segment will continue to cater to the masses.

To better position itself for opportunities, PropNex plans to expand its sales force, already Singapore's largest at 12,233 salespersons as at 15 February 2024 and comprising more than one-third of Singapore's real estate sales force<sup>6</sup>, to 15,000 by 2026.

PropNex has consistently been the foremost choice in project marketing for property developers given its stronger network and higher productivity. This is evidenced by the fact that 47.9% of New Launches in 2023 was closed by the Group. To strengthen its market

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<sup>4</sup> [URA](#) and [PropNex](#), 26 January 2024

<sup>5</sup> [HDB](#) and [PropNex](#), 26 January 2024

<sup>6</sup> Council for Estate Agencies ([CEA](#)), 1 January 2024

position, the Group will step up its information technology development and training programmes to further enhance organisation-wide productivity.

Mr Ismail said, “Property ownership, be it to live in or as an investment, remains an important and enduring aspiration for many. With the housing market gaining stability, we may see a return in buying sentiment in 2024, supported by the projected growth in Singapore’s economy<sup>7</sup>, the potential easing of interest rates as well as a good pipeline of new launches coming to the market. We believe we are well-positioned for opportunities with a fortified leadership team and a larger, highly-motivated sales team.”

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### **About PropNex Limited**

PropNex Limited is Singapore’s largest listed group with 12,233 (as at 15 February 2024) sales professionals. As an integrated real estate services group, PropNex’s key business segments include real estate brokerage, training and real estate consultancy.

The Group has an established presence in Singapore’s residential market, even as it continues to expand its suite of real estate services in Singapore and grow operations regionally. PropNex already has presence in Indonesia, Malaysia, Vietnam, Cambodia and Australia.

With a strong commitment to service excellence and quality, PropNex is the proud recipient of numerous accolades and is the recognised leader in real estate agency services.

For more information, please visit [www.propnex.com](http://www.propnex.com)

**Issued by August Consulting on behalf of PropNex Limited**

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<sup>7</sup> [ChannelNewsAsia](https://www.channelnewsasia.com), 31 December 2023