

PROPNE X RECORDS 1H2022 NET PROFIT OF S\$28.3 MILLION

- Extends regional footprint to Australia, 6th market in Asia Pacific
- Declares interim dividend of 5.5 Singapore cents per share
- Robust cash position of S\$133.9 million as at 30 June 2022
- Increased headcount of 11,744 salespersons in Singapore, 948 joined since Jan 2022

Financial Highlights of the Group

S\$'000	2Q2022	2Q2021	% Change	1H2022	1H2021	% Change
Revenue	230,705	260,479	(11.4)	472,334	481,057	(1.8)
Gross Profit	23,660	27,837	(15.0)	47,777	51,114	(6.5)
PBT	16,185	22,028	(26.5)	34,161	41,403	(17.5)
NPAT	13,413	18,184	(26.2)	28,275	34,364	(17.7)
EPS (in cents)	3.54	4.46	(20.6)	7.30	8.47	(13.8)

Singapore, 10 August 2022 – PropNex Limited (“PropNex”, or the “Company”, and together with its subsidiaries, the “Group”), Singapore’s largest listed real estate agency, today reported net profit after tax (“NPAT”) of S\$13.4 million on the back of S\$230.7 million in revenue for its second quarter ended 30 June 2022 (“2Q2022”). For the six months ended 30 June 2022 (“1H2022”), revenue stood at S\$472.3 million, marginally lower than S\$481.1 million a year ago (“1H2021”). Correspondingly, the Group recorded NPAT of S\$28.3 million in 1H2022, compared to 1H2021’s S\$34.4 million.

The Group’s balance sheet remained robust with cash and cash equivalents of S\$133.9 million as at 30 June 2022, compared to S\$120.7 million a year ago.

Mr. Ismail Gafoor, co-founder, Executive Chairman and CEO of PropNex, said, “We have seen that the property cooling measures in December 2021 tamed price growth in the private residential market in 2Q2022 to a more sustainable pace. Transaction volumes softened in the first half of the year as compared to same period in 2021 as buyers held back on property purchases to monitor the impact of the fresh cooling measures introduced in December 2021.”

“Despite fewer project launches at the start of the year, the Group’s performance was balanced by higher income from the other segments as more transactions were completed in 2Q2022. Other macro-economic factors during this period had also weighed on market sentiments and buying interests. Notwithstanding, the Group turned in a reasonably resilient performance for 1H2022 and we are focused on maintaining the momentum for the rest of 2022.”

The Board has declared an interim dividend of 5.5 Singapore cents, representing an annualized yield of 6.5% on the price of S\$1.70 per share at close of trading day on 5 August 2022. This underscored the Board’s confidence in the prospects of the Group and demonstrated PropNex’s commitment to create long-term value for its shareholders.

Expanding Brand Presence to Australia

In line with PropNex’s aspirations to be a leading regional real estate agency, the Group expanded its regional footprint into Victoria, Australia – marking its presence in the sixth market in the Asia Pacific.

PropNex Victoria has an office in Melbourne, helmed by a core, dedicated and committed team of real estate professionals who have already secured multiple collaborations with reputable builders and developers to market premium locations. These locations include Melbourne CBD, Southbank, Yarra Bend in Alphington, as well as popular promising growth suburbs such as Cranbourne East and North, Pakenham, Officer, Berwick, Werribee, Mernda, Epping and Wyndham Vale.

“This is an important step for PropNex as we expand our footprint beyond South East Asia. As a mature economy, Australia’s vibrant and well-developed property market will bring many potential opportunities across our PropNex network in Singapore, Indonesia, Malaysia, Vietnam and Cambodia. Those who have migrated or are permanent residents call Australia their second home, while Australian universities are highly regarded by international students pursuing their tertiary studies. The Group believes this franchise will bring about valuable synergy across both regions,” Mr Gafoor commented.

On Track for 12,000 Salespersons

“With 948 experienced and new salespersons joined since January 2022, brought the total number to 11,744 salespersons locally (as at 1 Aug, Council of Estate Agencies) making PropNex, the Singapore’s largest and preferred real estate agency. Underpinned by our strong network and support systems, advanced IT platforms and proprietary training programmes, we are the real estate agency of choice for new and experienced salespersons. In the next half of the year, we will work to further strengthen our foothold in the markets where we operate to achieve greater economies of scale,” added Mr Gafoor.

The Group is on track to bring its Singapore salesforce to 12,000 by end of 2022 while growing the regional presence in Cambodia, Indonesia, Malaysia, Vietnam and Australia.

Giving Back To Society

PropNex’s pledge to give back to society is well underway as the Group will be making a S\$800,000 donation to the Community Chest of Singapore this year. In fact, this annual donation jointly contributed by our salespersons and our company - signaled the strength of the Group’s commitment as it is currently one year ahead of its timeline to raise S\$5 million by 2023 for needy communities, initiated since 2013.

Market Outlook

Overall, we expect private home prices to increase gradually for the rest of the year, with upcoming launches stimulating price growth.

In 1H2022, new private home sales totalled 4,222 units (ex. ECs) and 7,613 resale properties which accounted for 64.3% of the overall home sales. This reflected not only the limited options in the new launch market but also the preference for move-in-ready resale units among some buyers. Furthermore, the faster pace of price increase in the primary market may also channel some buyers to the resale market, where prices are rising at a slower clip.

While the further increase in interest rates may test the affordability threshold of some would-be buyers with tight housing budget, and potentially take some of them out of the market, we are still relatively optimistic about private home sales this year.

According to the HDB, 6,819 HDB resale flats were transacted in 2Q2022, 1.7% lower than the 6,934 flats sold in the previous quarter. Comparing Y-o-Y, there was a 3.5% dip for HDB transaction volume and the Group is expecting 28,000 to 29,000 resale HDB units to be transacted for the whole 2022. The tight resale flat supply is propping up prices amid steady demand from various groups of buyers.



About PropNex Limited

PropNex Limited is Singapore's largest listed group with over 11,744 (as at 1 August 2022) sales professionals. As an integrated real estate services group, PropNex's key business segments include real estate brokerage, training, property management 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 Cambodia, Indonesia, Malaysia, Vietnam and Australia.

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

For more information, please visit www.propnex.com

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