

PROP Nex'S 3Q2021 NET PROFIT AFTER TAX MORE THAN DOUBLE TO S\$15.5 MILLION

- Revenue doubled to S\$234.4 million with strong cash position of S\$123.7 million
- Salesforce in Singapore first to cross 10,000-mark, solidifying position as Singapore's largest real estate agency
- Company aims to pay out 75% to 80% of its FY2021 profits to shareholders as dividends
- Collective Sales Division gaining momentum, Lakepoint Condo tender closing in December 2021
- Sets up PropNex Real Estate Salespersons Chapter – Agents' Voice Matters to champion real estate salespersons' welfare and professionalism

Financial Highlights of the Group

S\$'000	3Q2021	3Q2020	% Change	9M2021	9M2020	% Change
Revenue	234,410	117,930	98.8	715,467	358,376	99.6
Gross Profit	24,723	13,058	89.3	75,837	40,220	88.6
PBT	18,733	8,591	118.1	60,136	27,497	118.7
NPAT	15,489	7,231	114.2	49,853	23,211	114.8
EPS (in cents)	3.89	1.83	112.6	12.37	5.84	111.8

Singapore, 10 November 2021 – PropNex Limited (“**PropNex**”, or the “**Company**”, and together with its subsidiaries, the “**Group**”), Singapore’s largest listed real estate agency, today reported a net profit after tax (“**NPAT**”) of S\$15.5 million for the third quarter ended 30 September 2021 (“**3Q2021**”), more than double the NPAT of S\$7.2 million in the previous corresponding period (“**3Q2020**”). This was achieved on the back of S\$234.4 million in revenue, up 98.8% from S\$117.9 million in the previous corresponding period.

The Group's revenue for the quarter was mainly driven by higher commission income from agency services of approximately S\$67.5 million and from project marketing services of approximately S\$48.9 million. This was a result of a higher number of transactions completed in 3Q2021 following improvements in both the Covid-19 situation and the economy.

The three key market segments of new launches, private resale and HDB resale saw strong growth year-on-year growth in 3Q2021. Notably, 3Q2021 was one of the quarters with highest number of private resale transactions over the past ten years, with 5,362 units changing hands. The last time when resale volume exceeded 5,000 units was in the second quarter of 2010.

According to data from the Urban Redevelopment Authority, overall private home prices continued to climb for the sixth consecutive quarter in 3Q2021, and was up 7.5% year-on-year. The HDB resale price index of 150.6 in 3Q2021 surpassed the previous peak in the second quarter of 2013 which had an index of 149.4. These were attained despite the tighter Covid-19 safe management measures under the Phase 2 Heightened Alert in July and August 2021.

Mr. Ismail Gafoor, co-founder, Executive Chairman and CEO of PropNex, said, "PropNex delivered a commendable revenue and profit this quarter, demonstrating broad-based strength and the resilience of our business model. This bears testament to the strength and power of our platform and productivity of our people. Besides our key drivers of growth in agency services and project marketing services, we are also heartened to see heightened activity in the en bloc space, and have made significant progress in securing viable projects in this regard. Keen interest is expected for the Lakepoint Condominium at the reserve price of S\$640m with tender closing on 22 December 2021."

“To stay ahead of the curve, we continue to invest significant resources in talent development, innovation and technology. Our financial strength allows us to make timely investments to transform the businesses that we operate, enables us to deliver better experiences for customers, to win market share and to reinforce our leadership position over the long term,” added Mr Ismail.

For the nine months ended 30 September 2021 (“**9M2021**”), revenue doubled to S\$715.5 million from S\$358.4 million a year ago (“**9M2020**”). NPAT for 9M2021 grew 114.8% to S\$49.9 million from S\$23.2 million in 9M2020. This was mainly driven by the increase in commission income from agency services and project marketing services.

"Following the strong set of results for 1H2021, the Company paid interim dividend of 5.5c per share on 3 September 2021 to shareholders. That was about 65% of 1H2021 PATMI. The real estate market remained resilient and the momentum continued in 3Q2021, with strong performance in terms of volume and price. The overall volume of transactions for 9M2021 had exceeded that for the entire year of 2020. That will enable the Company to add onto the strong 1H2021 results. Barring projects or corporate activities that may require significant cash outlay, and that the Group’s working capital continues to remain adequate, the Company aims to pay out 75% to 80% of its FY2021 profits to shareholders," remarked Ismail Gafoor, Executive Chairman and CEO of PropNex.

The Group continued to be debt free, and its balance sheet remained healthy with cash and cash equivalents of S\$123.7 million as at 30 September 2021, compared to S\$94.7 million as at 30 September 2020.

Championing Salespersons’ Welfare and Professionalism

PropNex marked another milestone on 7 October 2021 by being the first real estate agency to set up the PropNex Real Estate Salespersons Chapter – Agents’ Voice

Matters with a formalised framework supported by the Singapore Industrial and Services Employees' Union (“**SISEU**”) under NTUC. The chapter serves to look into the welfare of real estate salespersons, promoting professionalism in enhancing the business and industry practices and allows a platform for raising issues.

The collaboration with SISEU allows PropNex salespersons to take the lead in playing a more active role in voicing their concerns and educating fellow salespersons of fair practices in the industry.

PropNex will provide subsidies of S\$0.5 million for all of its salespersons to be part of the PropNex Real Estate Chapter, in supporting their rights as well as promoting and advancing their interests.

“As our salesperson numbers grow, it is timely now for this partnership with SISEU to strengthen PropNex’s offering as a fair and progressive Real Estate Agency. We strive to adopt the industry’s best practices, including fair recruitment, when contracting with salespersons and establishing a dispute resolution mechanism for all salespersons. We are delighted to be the first agency to cross the 10,000 salespersons on 1 November 2021, being the preferred real estate agency for career development among new and experienced salespersons,” added Mr Gafoor.

Market Outlook

The healthy demand for homes is expected to continue to support prices, and buyers’ confidence remains generally intact amid the gradual economic recovery, the low interest rate environment and excess liquidity in the market.

In the upcoming 4Q2021, the residential market may be slightly muted due to the restrictions under the “Stabilisation Phase” as well as the festivities at the end of year.

For the whole of 2021, barring any unforeseen circumstances, the Group is projecting a total of close to 13,000 private new homes (excluding executive condominiums) and over 18,000 private resale units to be transacted. The figures represent an increase of 30% from 9,982 new homes sold in 2020, and a more than 67% increase from the 10,729 resale properties transacted in 2020. Overall private home prices are expected to rise 6% to 7%. In addition, the dwindling unsold stock – at 17,140 units as at the end of 3Q2021 – may also keep prices resilient given the limited supply.

On the public housing front, the Group is projecting overall HDB resale volume to exceed 30,000 units in 2021, an increase of more than 20% from 2020's number, largely attributed to the delay in completion of new BTO flats. The strong demand for resale flats will likely continue to support HDB resale prices for the rest of the year and into 2022. PropNex expects HDB resale prices to grow by 11% to 12% for the whole of 2021. The higher HDB resale prices may also motivate flat owners to sell their flats to recycle capital to purchase a larger resale flat or a private property.

About PropNex Limited

PropNex Limited is Singapore's largest listed group with close to 10,000 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 and Vietnam.

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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