

PROPNE X'S PROFIT AFTER TAX SURGES 42.4% TO \$8.3 MILLION FOR 3Q 2018

- *Singapore's largest real estate agency grew 49.9% in total revenue to \$348.5 million in 9M 2018*
- *Net profit increased 46.0% to \$20.0 million for 9M 2018*
- *Salesforce in Singapore expanded 14.1% to 7,626-strong, up from 6,684 in January 2018*
- *Group extends regional footprint to Vietnam; operational since August 2018*

Financial Highlights of the Group:

S\$'000	3Q 2018	3Q 2017	% Change	9M 2018	9M 2017	% Change
Revenue	124,176	98,539	26.0	348,540	232,541	49.9
Gross Profit	13,678	9,507	43.9	33,646	23,584	42.7
Net Profit After Tax	8,335	5,855	42.4	20,063	13,745	46.0
PATMI	7,208	5,092	41.6	17,582	11,947	47.2
EPS(in cents)	1.95	1.66	17.5	5.35	3.89	37.5

Singapore, 13 November 2018 – Singapore-listed PropNex Limited (“**PropNex**”, or the “**Company**”, and together with its subsidiaries, the “**Group**”), Singapore’s largest home-grown real estate agency, today announced a 42.4% surge in net profit (inclusive of minority interest) to \$8.3 million for the quarter ended 30 September 2018 (“**3Q 2018**”), up from \$5.9 million for the quarter ended 30 September 2017 (“**3Q 2017**”).

This was achieved on the back of a 26.0% growth in revenue to \$124.2 million, up from \$98.5 million in the same quarter last year. The increase in commission income from agency services and project marketing services was the result of the Group’s growth in its salesforce by 14.1% and improved salespersons’ productivity.

For the first nine months ended 30 September 2018 (“**9M 2018**”), PropNex achieved a revenue of \$348.5 million, up 49.9% from \$232.5 million in the previous corresponding period (“**9M 2017**”). For 9M 2018, Group net profit (inclusive of minority interest) rose significantly to \$20.1 million, up 46.0% from \$13.7 million in 9M 2017.

The Group’s balance sheet remains robust as at 30 September 2018, with cash and cash equivalents of approximately \$76.2 million, compared with \$27.7 million as at 31 December 2017. This was mainly attributable to proceeds received from the Group’s Initial Public Offering (“**IPO**”). The Group does not have gearing.

Mr Ismail Gafoor, co-founder, Executive Chairman and CEO of PropNex, said: “We had a commendable third quarter, with results that demonstrate solid volume-driven growth across our agency services and project marketing services. The Group’s latest financial performance once again reflects the underlying strength of the PropNex business and brand. Importantly, we remain confident in our growth strategies and intend to maintain a strong leadership position in our real estate brokerage services.”

Strengthened Position as Singapore’s Largest Real Estate Agency

According to the Council for Estate Agencies (“**CEA**”) and as at 12 November 2018, PropNex is the largest real estate agency in Singapore with 7,626 salespersons, an increase of 942 salespersons or 14.1% from 1 January 2018. In the first 10 months of 2018, the Group has attracted more than 10 team leaders, over 600 experienced salespersons from other real estate agencies and close to 300 new real estate salespersons. The Group’s robust training, development programmes and strong culture of sharing have contributed to the growth in size, productivity of PropNex’s salesforce and appeal to young salespersons.

The Group's position as Singapore's largest real estate agency enables PropNex to reap economies of scale, alongside an extensive outreach to a wide array of home-buyers, investors and lessors/lessees in the real estate market.

Maintained Market Leadership in Project Launches

For the year to date, PropNex has been involved in 29 project launches of which 24 were new launches and five were appointed after the initial launch. The Group closed the most number of units in 18 of these 24 new launches, against other joint marketing agencies. In November 2018, PropNex was the appointed marketing agency for six projects namely Whistler Grand, 3 Cuscaden, Belgravia Green, Kent Ridge Residences, Parc Esta (to be launched on 17 November) and Mayfair Modern (to be launched on 24 November). The Group transacted a total of 171 units in the past two weekends for the four new launches.

"We are truly heartened to have outperformed industry peers in terms of sales for the majority of new project launches for the year to date, thereby cementing our leadership position in this market segment," added Mr Ismail Gafoor.

Additionally, PropNex has been appointed for another 24 new projects, with approximately 10,000 units earmarked to be launched in 2019. This strongly demonstrates the confidence among developers in the Group's salesforce. The anticipated line-up of another 25 government land bids and collective sales secured by developers in 2017/18 also provide the Group opportunities in the private new homes segment.

Continued Regional Presence

Apart from Singapore, the Group continued to enlarge its regional reach by expanding its operations to Ho Chi Minh City, Vietnam in August 2018. PropNex currently has overseas operations in Indonesia with close to 1,000 salespersons across 19 offices, approximately 200 salespersons in Malaysia across two offices and another 100 salespersons at its Ho Chi Minh City's office.

Market Outlook

The Group remains positive with the residential real estate market despite the announcement of the latest cooling measures in July 2018.

For 9M 2018, private residential market (according to the Urban Redevelopment Authority (“**URA**”)) recorded a transactional volume of 18,279 compared to 18,800 in 9M 2017, representing a marginal dip of 2.7%.

The Group expects demand for private residential market in 2019 to be similar to 2018, mainly attributable to the demand from en bloc owners who have collected their proceeds and are on the continued search for replacement homes.

On the public housing front, the HDB resale market is reflecting continuous demand. Based on statistics released by HDB, the HDB resale segment witnessed a record number of 7,063 transactions in 3Q 2018, the highest figure since 3Q 2010.

The Group foresees transactions for the public housing resale segment to witness positive growth.



About PropNex Limited

PropNex Limited is Singapore's largest listed group with over 7,600 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 Indonesia, Malaysia and Vietnam.

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

For more information, please visit www.propnex.com

ISSUED ON BEHALF OF	:	PropNex Limited
BY	:	Citigate Dewe Rogerson Singapore Pte Ltd
CONTACT	:	Mr Winston Choo / Ms Valencia Wong
TELEPHONE	:	6534-5122
EMAIL	:	winston.choo@citigatedewerogerson.com / valencia.wong@citigatedewerogerson.com
