

PROPNE X CAPPED OFF FY2019 WITH 333.9% SURGE IN 4Q2019 NET PROFIT ON THE BACK OF 57.9% GROWTH IN REVENUE

- Proposes final and special dividends at 2.25 cents per share, payout ratio of 64.6% at dividend yield of 6.4%
- Profit after tax of \$21.1 million on revenue of \$419.8 million, results buoyed by higher revenue and profit in the 2H2019
- Strong balance sheet with a healthy cash balance of \$81.5m
- Strengthens status as Singapore’s Number One listed real estate agency

Singapore, 27 February 2020 – PropNex Limited (“PropNex”, or the “Company”, and together with its subsidiaries, the “Group”), the Number One real estate agency listed on the Singapore Exchange, today reported a 333.9% surge in net profit after tax (“NPAT”) for 4Q2019 to \$8.1 million, up from approximately \$1.9 million in the previous corresponding period (“4Q2018”). This was achieved on the back of revenue which spiked 57.9% to \$131.0 million, compared with \$83.0 million previously.

Financial Highlights of the Group

S\$'000	4Q2019	4Q2018	% Change	FY2019	FY2018	% Change
Revenue	131,015	82,999	57.9	419,837	431,539	(2.7)
Gross Profit	14,835	7,716	92.3	44,772	41,362	8.2
PBT	9,838	2,095	369.6	25,578	26,373	(3.0)
NPAT	8,132	1,874	333.9	21,119	21,937	(3.7)
PATMI	8,225	1,830	349.5	20,040	19,412	3.2
EPS (in cents)	2.22	0.49	349.5	5.42	5.25*	3.1

* Based on weighted average number of shares of 339.2 million of shares in FY2018, the EPS will be 5.72 cents/share.

For the financial year ended 31 December 2019 (“FY2019”), the Group recorded a revenue of \$419.8 million, against \$431.5 million in FY2018. This was mainly due to the

property cooling measures implemented at the end of FY2018 which had adversely affected the results for the first half of 2019. Consequently, commission income from agency services was lower by approximately \$29.5 million or 9.6%, from \$307.8 million in FY2018 to \$278.3 million in FY2019, which was mitigated by higher commission income from project marketing services of approximately \$17.6 million or 15.0% from \$117.3 million in FY2018 to \$134.9 million in FY2019.

PropNex recorded a NPAT of \$21.1 million for FY2019, compared to \$21.9 million in FY2018.

The Group's balance sheet remains healthy with cash and cash equivalents of \$81.5 million as at 31 December 2019, an increase of \$5.9 million when compared to \$75.6 million as at 31 December 2018.

The Group's FY2019 performance was buoyed by a strong finish. Overall, 2019 saw 9,912 units moved in the private new launches segment, a 12.7% year-on-year increase from 2018, demonstrating the resilience of the Singapore property scene against the backdrop of global uncertainties and cooling measures. In line with this, the Group, which is the market leader in the private new launches segment, transacted the highest number of units amongst the joint marketing agencies for most of the new projects appointed by developers in 2019.

Mr. Ismail Gafoor, co-founder, Executive Chairman and CEO of PropNex, said, "While 2019 started off feeling the brunt of the cooling measures, the Group produced strong results in the second half of 2019, with a solid finish for the year. With developers setting prices sensitively and through the multiple consumer seminars conducted in 2019, PropNex was able to further cement its leadership position in new property launches."

“We are heartened that 2019 ended off on a high note, a recognition of PropNex’s ability to deliver consistent results despite the challenging environment. As the Number One real estate agency in Singapore, we are in a good position to support our network of customers and the firm’s growth. Looking ahead, PropNex will continue to invest in its people, technology and infrastructure to better serve customers.”

Final Dividend and Special Dividend

In appreciation of the support from valued shareholders, the Board has proposed a final dividend of 1.5 cents per share and a special dividend of 0.75 cents per share. This is subject to approval by shareholders at the forthcoming Annual General Meeting. In total, this brings the Group’s total dividend payout for FY2019 to 3.5 cents per share, amounting to \$12.95 million or 64.6% of the Group’s profit after tax and non-controlling interests for FY2019, and represents a yield of 6.4% on the price of 55.0 cents per share as at 26 February 2020.

“PropNex had performed well this past financial year and we would like to thank the shareholders for their continued support for the Company. We had made a commitment at the time of its IPO to recommend and distribute dividends of at least 50% of profit attributable to the owners of the Company for FY2019, and we fully intend to deliver on that. PropNex’s focus in executing its strategy enables the distribution of \$12.95 million in dividends to shareholders for FY2019,” remarked Mr. Ismail.

PropNex Remains Singapore’s Largest Real Estate Agency

PropNex saw an overall 12.5% growth in the number of salespersons from 7,400 at 1 January 2019 to 8,324 at 1 January 2020. This speaks of PropNex’s proven training and development programmes, including its signature Bootcamps, and strong collaborative spirit, which are contributing factors to the Group being seen as a real estate agency of choice for salespersons. As at 23 February 2020, PropNex remains the largest listed real estate agency in Singapore with 8,441 salespersons.

Deepening Regional Footprint With 20% Stake in PropNex Realty Sdn. Bhd.’s (“PropNex Malaysia”) Enlarged Share Capital

PropNex Malaysia has grown from 60 salespersons when it first opened its doors in March 2018, to about 500 salespersons today. The Group is pleased that it has opened a third office in Johor Bahru, Malaysia with plans underway for the fourth office by the first half of 2020.

The latest office opening came at a time where the Group has subscribed for a 20% stake in PropNex Malaysia’s enlarged share capital.

New Appointment – Chief Commercial Officer

As part of the Group’s plans to evolve beyond a traditional property brand, PropNex has recently strengthened its management bench strength with the appointment of Mr. Priveen Raj Naidu as its new Chief Commercial Officer (“**CCO**”). In this newly created role, Mr. Priveen will be in charge of commercial strategy, developing complementary revenue streams, further enhancing efficiency, elevating the overall consumer experience, driving business growth and increasing market share. Mr. Priveen has almost two decades of experience across the service, hospitality and airline industries.

Mr. Ismail commented: “We are excited to have our new CCO come onboard the PropNex team. He brings extensive experience which will be a great asset to PropNex, and we warmly welcome him into the family.”

Market Outlook

PropNex has taken all necessary precautions and measures in relation to the COVID19 outbreak, where the training and development of its salespersons have not been impacted. The Group remains optimistic of the long-term prospects of Singapore’s property market as it further consolidates its leadership position in recent property



launches – had outperformed other joint marketing agencies by selling more than 160 units of the recently-launched development, The M at Middle Road.

While COVID19 outbreak may have a short-term impact on market, underlying demand for private new launches remains healthy. The Group expects private new home sales volume to reach 9,000 to 10,000 units this year. With close to 40 new project launches expected for 2020, the Group believes that the private new home sales segment will continue to perform well. The Group will continue to conduct consumer seminars to communicate opportunities in the property market to potential buyers, so that they can capitalise on the current market opportunity.

The demand for private resale market had stabilised largely in the second half of 2019, where transaction volume was at about 2,200 units per quarter. The Group expects the total transaction volume for the private resale market to cross the 10,000-unit mark for 2020.

The introduction of Enhanced CPF Housing Grant with broader guidelines in September 2019 has increased the affordability of homes for first time buyers. Additionally, with a projected 24,163 HDB flats reaching the minimum occupation period in 2020, the Group believes that the overall HDB resale demand will be robust in 2020. The Group expects that the HDB resale volume to breach 25,000 units.

About PropNex Limited

PropNex Limited is Singapore's largest listed group with over 8,441 (as at 24 February 2020) 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

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