

PROP Nex'S FY2020 NET PROFIT AFTER TAX GREW 47.8% TO S\$31.2 MILLION

- Proposes final dividend of 4.0 cents per share, bringing total dividends for FY2020 to 5.5 cents per share, representing yield of 7.0%
- Group's revenue increased 22.8% to S\$515.6 million in FY2020
- Debt-free, strong cash position at S\$105.8 million
- First to cross the 9,000 salespersons mark as Singapore's Number One listed real estate agency
- Launched Monopoly PropNex Edition as a value-add and consumer education tool

Financial Highlights of the Group

S\$'000	FY2020	FY2019	% Change
Revenue	515,634	419,837	22.8
Gross Profit	56,532	44,309	27.6
PBT	37,158	25,578	45.3
NPAT	31,224	21,119	47.8
EPS (in cents)	7.86	5.42	45.2

Singapore, 24 February 2021 – PropNex Limited (“**PropNex**”, or the “**Company**”, and together with its subsidiaries, the “**Group**”), Singapore’s largest listed real estate agency, today reported a 47.8% year-on-year growth in net profit after tax (“**NPAT**”) for the financial year ended 31 December 2020 (“**FY2020**”) to S\$31.2 million, despite the onset of COVID-19 and resulting restrictions. This strong bottom-line performance was achieved on the back of a 22.8% growth in revenue to S\$515.6 million for the financial year.

The Group’s FY2020 performance was led by domestic demand in both the private residential and public housing segments. PropNex maintained its leadership position among competing marketing agencies for most of the new projects launched. Demand was seen to be driven by local property buyers who were motivated to enter the market

in 2020 to capitalise on the relatively low borrowing rates, and attractive pricing in newly-launched property development projects.

Mr. Ismail Gafoor, co-founder, Executive Chairman and CEO of PropNex, said: “The various cooling measures introduced had effectively reduced speculators in the real estate market. The current resilience in the market was fueled by ample liquidity and low interest rates. As a result, the property market returned with relatively more activities in the second half of 2020. For the whole of 2020, private home prices climbed 2.2%, following the 2.7% rise in 2019. Meanwhile, HDB resale prices rose by 5%, thereby underpinning the overall resilience of the real estate market in Singapore.”

“Real estate agency players rose to the new challenges and quickly adapted to the situation through adoption of digital technologies to ensure business continuity despite the circuit breaker period. PropNex was widely seen as a first mover when it spearheaded initiatives such as online consumer seminars, online training for salespersons and two large-scale virtual property expositions in the course of 2020. This translated to a rise in our market share across the three segments of new launches, private resale and HDB resale, and allowed us to achieve growth in our top- and bottom-line,” added Mr Gafoor.

The Group’s revenue increased by approximately S\$95.8 million or 22.8%, to S\$515.6 million in FY2020, from S\$419.8 million in financial year ended 2019. This was mainly attributable to the increase in commission income from project marketing services of S\$83.8 million and an increase in agency services of S\$13.1 million, as a result of the higher number of transactions completed in FY2020.

The Group remained debt free, and maintained a robust balance sheet with cash and cash equivalents of S\$105.8 million as at 31 December 2020, compared to S\$81.6 million as at 31 December 2019.

Final Dividend

As part of PropNex's commitment to create long-term value for shareholders, the Board has proposed a final dividend of 4.0 Singapore cents per share.

Together with the interim dividend of 1.5 Singapore cents, this brings total dividends to 5.5 Singapore cents per share, amounting to S\$20.4 million or 70.0% of the Group's profit after tax and non-controlling interests for FY2020, and representing a yield of 7.0% based on the price of 79 cents per share on 22 February 2021.

PropNex Remains Singapore's Largest Real Estate Agency

PropNex saw an overall growth in the number of salespersons from 8,327 at 1 January 2020 to 9,057 at 22 February 2021, the first real estate agency to cross the 9,000 salespersons mark in respect of the aforementioned period. This reflects PropNex's proven training programmes, its signature technological platform, virtual webinars and property shows which attracted more experienced and new salespersons to join the Group.

PropNex endeavors to further recruit and retain the sales force with a vision of 10,000 salespersons in Singapore by 2022.

Monopoly PropNex Edition as Extension of Consumer Empowerment Journey

PropNex has been championing consumers' education since the launch of its Consumer Empowerment Campaign in 2013, with the aim of keeping consumers informed of trends and market outlook that will affect their real estate decisions.

An example is the Singapore Property Show 2020, organised in collaboration with Mediacorp and 99.co. The series of virtual webinars showcased 17 New Launch projects through innovative features such as narrated 4D virtual tours. PropNex supported the Singapore Property Show 2020 by helming weekly webinars that offered first-hand insights to the Singapore property market and property investment topics.

As an extension of this consumer empowerment journey, PropNex launched the Monopoly PropNex Edition in January 2021. The board game offers an immersive way for consumers to learn about real estate investment and asset management.

Mr. Ismail said: “The COVID-19 pandemic has made family and friends grow closer through shared activities. Taking this opportunity, PropNex introduced the Monopoly PropNex Edition board game for consumers to experience cash flow management and effective techniques of real estate investments as a life-long skill. It had taken us close to two years to conceptualise and meticulously curate this board game, allowing players a better understanding of the real estate market so as to avoid potential pitfalls and minimize the risk in their real estate journey.”

Market Outlook

Based on data from the Urban Redevelopment Authority, 2,603 new private homes were sold in Q4 2020, with the annual new home sales landing at 9,982 units in 2020, which is 0.7% higher than 2019’s 9,912 units.

Demand for resale private homes also displayed resilience, partly driven by HDB upgraders. More realistic pricing had also facilitated sales – 4,249 units were resold in Q4 2020, up from 3,467 units in Q3 2020. Private Resale volume rose by 19.9% year-on-year to 10,729 units in 2020.

Buoyed by growing optimism surrounding the vaccine roll-out in Singapore and the anticipated improving economy, the momentum in sales and prices are expected to carry over to 2021. The Group expects private home prices to climb by 3% to 5% in 2021. Another factor lending support to increasing prices is the declining unsold inventory which has dropped to 24,296 units as at end of 2020, from 26,483 units in the third quarter.

The Group expects 19,000 private residential units to be transacted in 2021, provided no new cooling measures are implemented during this period.



HDB resale flats demand should stay relatively healthy, as the rising supply of newer resale flats entering the market will help stimulate demand and support prices. An estimated 25,530 HDB flats could reach their 5-year Minimum Occupation Period in 2021, higher than the 24,163 flats in 2020.

PropNex expects HDB resale prices to rise by 3% to 5% in 2021 and volume could hit 25,000 units, on keen buying interests.

About PropNex Limited

PropNex Limited is Singapore's largest listed real estate agency with over 9,057 (as at 22 February 2021) 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 a dominant presence in Singapore's residential market, even as it continues to expand its suite of real estate services and with growing presence in Indonesia, Malaysia and Vietnam.

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

For more information, please visit www.propnex.com

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