

## PROPnex'S NET PROFIT AFTER TAX SOARS 108.6% TO S\$65.1 MILLION IN FY2021

- Proposes final dividend of 7.0 cents per share, bringing total dividends for FY2021 to 12.5 cents per share, representing yield of 7.1%<sup>1</sup>
- Revenue leapt 86.5% to S\$957.5 million in FY2021
- Robust balance sheet with healthy cash equivalents of S\$145.6 million
- Salesforce crossed 11,125-mark as at 17 February 2022, further establishing its presence as Singapore's largest listed real estate agency
- Strategic expansion into GCB Luxury Landed Segment with new department established

### Financial Highlights of the Group

S\$'000	FY2021	FY2020	% Change
Revenue	957,492	513,461	86.5
Gross Profit	101,787	55,581	83.1
PBT	78,670	36,632	114.8
NPAT	65,144	31,224	108.6
PATMI	60,028	29,089	106.4
EPS (in cents)	16.22	7.86	106.4

**Singapore, 24 February 2022** – PropNex Limited (“**PropNex**”, or the “**Company**”, and together with its subsidiaries, the “**Group**”), Singapore’s largest listed real estate agency, today reported a 108.6% year-on-year growth in net profit after tax (“**NPAT**”) for the full year ended 31 December 2021 (“**FY2021**”) to S\$65.1 million, on the back of an 86.5% increase in revenue to S\$957.5 million.

The strong growth in the Group’s revenue was mainly supported by higher commission income from agency services of approximately S\$227.9 million and from project

<sup>1</sup> Yield of 7.1% is based on price of S\$1.75 per share on 22 February 2022.



marketing services of approximately S\$216.8 million. This was a result of higher number of transactions completed in the year, following improvements in both the Covid-19 situation and the economy.

On 16 December 2021, the government implemented the latest round of cooling measures targeted at private residential and HDB resale markets. This followed the exuberance of the Singapore property market in 2021, fuelled by several factors, including the low interest rate environment, ample liquidity in the market, attractive housing projects, and optimism arising from pandemic recovery, amongst others.

According to data from the Urban Redevelopment Authority, overall private home prices rose by 10.6% year-on-year for the whole of 2021, achieving the highest annual price growth since 2010. In terms of volume, 2021 saw 13,027 new private homes sold, the highest annual sales since 2013, and 19,962 resale private homes sold, the highest annual resale figure since 2007. Data from the Housing and Development Board showed that the HDB resale prices rose 12.7%, with the HDB resale price index recording an all-time high of 155.7.

**Mr. Ismail Gafoor, co-founder, Executive Chairman and CEO of PropNex,** said: “Our steadfast performance throughout the year has culminated in another solid quarter, and we are extremely pleased to close FY2021 on such a strong note despite the challenging landscape. The latest market data reflects the ongoing healthy demand for new homes, amidst a declining supply of unsold inventory.

“At PropNex, we are gearing up for the next growth trajectory as we continue to boost our expertise by expanding our sales force past the 11,125-strong mark (as at 17 February 2022), cementing our position as the preferred real estate agency for career development among new and experienced salespersons. Also, our strategic foray into



the GCB segment with the latest senior appointment of Henry Lim to lead our prestige landed division will allow us to capitalise on new opportunities in this area.

“To foster closer engagement with homebuyers and potential consumers, we have also recently launched the PropNex Monopoly Championship. Since property investment requires adequate financial planning and right strategies to succeed, we hope that this fun and engaging platform will drive more consumer awareness around trends, insights and issues of the real estate market in Singapore, while ultimately supporting them in making informed investment decisions.

“As part of the Group’s commitment to create long-term value for shareholders and to thank shareholders for their support, we are declaring our highest ever dividend payout of 7.0 cents per share as final dividends, bringing our total dividends for FY2021 to 12.5 cents per share.”

For the quarter ended 31 December 2021 (“**4Q2021**”), revenue increased by 56.1% to S\$242.0 million from the previous corresponding period (“**4Q2020**”), largely due to higher commission income from agency services and from project marketing services. NPAT for 4Q2021 surged 90.8% year-on-year to S\$15.3 million.

The Group remained debt free, and has a robust balance sheet with cash and cash equivalents of S\$145.6 million as at 31 December 2021, compared to S\$105.8 million as at 31 December 2020.

### **Final Dividend**

The Board has proposed a final dividend of 7.0 Singapore cents per share. Factoring in the interim dividend of 5.5 Singapore cents, the total dividends for FY2021 of 12.5 Singapore cents per share corresponds to S\$46.25 million or 77% of the Group’s profit



after tax and minority interests (“**PATMI**”) for FY2021. It represents a yield of 7.1% based on the price of S\$1.75 per share on 22 February 2022.

### **Strategic expansion into GCB Luxury Landed Segment**

In January 2022, industry veteran, Henry Lim, joined PropNex Realty as the Head of Good Class Bungalows (“**GCB**”) and Prestige Landed, bringing with him more than 25 years’ experience in brokering luxury residential landed and GCB properties.

In this newly-created role, Henry will work closely with the management team to seize new opportunities and penetrate into the ultra-high net-worth segment. Among his key tasks, he will help to spur business growth and market share in the GCB and prestige landed deals.

Mr. Ismail said: “Henry will be a huge value-add for PropNex, in terms of helping to drive the real estate agency business and further deepening our offerings to the ultra-high net worth property investors. With Henry now onboard, we are confident that he will be able to complement our existing salespersons who are already in the high-end segment.”

### **Empowering Financial Literacy Amidst Latest Property Cooling Measures**

PropNex has been a champion of consumers education and empowerment 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.

Thus, the group launched **PROP Nex MONOPOLY CHAMPIONSHIP 2022** introducing insights of the Singapore residential market and financial literacy in a fun manner. The dynamics of the latest property cooling measures are being incorporated into the game rules such as one has to pay Additional Buyers’ Stamp Duty for purchase of second and subsequent properties. This PropNex Monopoly Championship will take place from May



till August 2022, with a total prize pool is \$308,000. Registration is opened now at <https://monopoly.propnex.com/>.

### **Market Outlook**

PropNex anticipates the private home sales and price movement to taper slightly in 2022, due to cooling measures and the rising interest rate environment. The Group is forecasting the pace of price growth to ease to 3% to 5%, while transaction volume for private new home sales to dip to between 9,000 and 10,000 and that for resale properties to dip to between 15,000 and 16,000.

Factors that will lend support to private home prices in 2022 include attractive new launches, the strong desire among Singaporeans to upgrade to a private home, as well as the positive economic outlook. In addition, the firm land prices paid by developers, higher construction costs, tight unsold supply, particularly in the OCR, and the potential hike in GST may also exert some upward pressure on private home prices.

Meanwhile, PropNex expects the HDB resale market to continue to perform relatively well in 2022, despite the recent cooling measures and planned increased in new flat supply. This is driven by demand from Singaporean households and first-time home buyers, particularly those who do not wish to wait for up to 5 years for their new BTO flat to be completed. PropNex projects that HDB resale prices could see a more moderate 6% to 8% increase this year, with resale volumes potentially coming in at around 30,000 flats.



### **About PropNex Limited**

PropNex Limited is Singapore's largest listed real estate agency with over 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](http://www.propnex.com)

---

ISSUED ON BEHALF OF	:	PropNex Limited
BY	:	Citigate Dewe Rogerson Singapore Pte Ltd
CONTACT	:	Ms Foo Yiting
TELEPHONE	:	6534-5122
EMAIL	:	<a href="mailto:PropNex@citigatedewerogerson.com">PropNex@citigatedewerogerson.com</a>

---