

PROPNE X 3Q2022 REVENUE PEAKED THIS YEAR WITH NET PROFIT INCREASE BY 17.8% TO S\$18.2 MILLION

- Healthy revenue growth of 10.2% at S\$258.4 million in 3Q2022
- First to reach 12,065 salespersons mark (as at 2 Nov), an 11.8% increase in salesforce head count from 10,796 salespersons
- Winner of Singapore Corporate Governance Award 2022 (mid-cap) at SIAS Investors' Choice
- Robust cash position of S\$127.3 million as at 30 September 2022

Financial Highlights of the Group

S\$'000	3Q2022	3Q2021	% Change	9M2022	9M2021	% Change
Revenue	258,436	234,410	10.2	730,770	715,467	2.1
Gross Profit	26,703	24,723	8.0	74,480	75,837	(1.8)
PBT	22,133	18,733	18.1	56,294	60,136	(6.4)
NPAT	18,244	15,489	17.8	46,519	49,853	(6.7)
EPS (in cents)	4.75	3.89	22.1	12.05	12.37	(2.5)

Singapore, 9 November 2022 – PropNex Limited (“PropNex”, or the “Company”, and together with its subsidiaries, the “Group”), Singapore’s largest listed real estate agency, today reported a 17.8% growth in net profit after tax (“NPAT”) to S\$18.2 million, reaching to the highest this year, on the back of S\$258.4 million in revenue for its third quarter ended 30 September 2022 (“3Q2022”).

For the nine months ended 30 September 2022 (“9M2022”), revenue rose 2.1% to S\$730.8 million from S\$715.5 million a year ago (“9M2021”). Correspondingly, the Group recorded NPAT of S\$46.5 million in 9M2022, compared to 9M2021’s S\$49.9 million.

Mr. Ismail Gafoor, co-founder, Executive Chairman and CEO of PropNex, said, “The market has remained remarkably resilient in the past nine months, with the private residential and HDB resale segments chalking up another quarter of price gains in Q3 2022. Recently, the government introduced further calibrations on the cooling measures amid rising interest rates to prevent home buyers from overstressing themselves – these are needful and timely, in our view, but the effect has yet to be seen on the market.”

“In the last three quarters, the Group faced various macroeconomic headwinds such as global geopolitical tensions, rising inflation and interest rates, and additional cooling measures locally. Despite fewer project launches at the start of the year, the Group enjoyed healthy growth from its increase in the salesforce and PropNex has turned in a stronger and steady performance for 3Q2022 in the leasing, private resale and HDB resale segments comparing Y-O-Y. We are focused on maintaining our momentum for the remaining of the year.”

Winner of Singapore Corporate Governance Award 2022

PropNex was conferred the winner of the Singapore Corporate Governance Award 2022 (Mid-Cap) at the Securities Investors Association (Singapore) Investors’ Choice Awards 2022, an improvement from the Group’s previous Runner-up position in 2021 in the Small-Cap category.

“We are very proud to be recognized for our robust efforts to ensure corporate governance principles are firmly embedded and upheld in our corporate culture at all times. Our policies and practices revolve around fair and ethical decision-making, which enable PropNex to create long-term value in a sustainable and efficient way,” said Mr Gafoor.

First in the Industry to cross 12,000 salespersons

“The Group had crossed its milestone 12,000 salespersons mark as at 19 October 2022 while expanding its regional presence in Indonesia, Malaysia, Vietnam, Cambodia and Australia. PropNex is an agency of choice for new and experienced salespersons, making us Singapore’s largest and preferred real estate agency. Given our strong network and support systems, advanced IT platforms and focus on proprietary training programmes, the Group saw an 11.8% increase in salesforce head count to 12,065 (as at 2 November 2022) from 10,796 salespersons since 1 January 2022,” added Mr Gafoor.

Deepening foothold in consumer empowerment

The Group recently ended the PropNex Monopoly Championship on 28 August 2022, with the grand prize winner walking away with \$108,000. In addition, 49 other cash prizes were given out. Over 10,000 people registered for this first-of-a-kind financial literacy and engagement programme that the Group held over the 4 months from May to August. Due to the overwhelming response, the Group will continue its second year of the Monopoly Championship in 2023.

This was further developed into Property Wealth System Masterclasses that the Group conducted in September and October this year. These 2-day masterclasses targeted at consumers coincided with the 29 September announcement on cooling measures. As such, many home investors who were uncertain of the impact to them had the opportunity to gain insights into their property portfolio and investment journey. Close to 1,500 attendees participated in these masterclasses in line with the Group’s effort to champion consumer education.

Market Outlook

Overall private home prices grew for the 10th consecutive quarter at 3.8% in Q3 2022, and climbed 8.2% from January to September 2022. The tight unsold stock of new private homes and limited new launches in Q4 2022 will likely see 2022's private home prices rising at a slower pace with an overall price increase of 9% to 10%, while transaction volumes are estimated at 8,000 to 8,500 units (ex. ECs) for the year.

Transaction volumes for private residential resale will likely remain muted given the tight resale inventory. Owners may be reluctant to sell and instead opt to tap the strong rental demand, while increase in rents may also help to defray any increase in monthly mortgage payments due to rising interest rates. Private homeowners looking to downgrade to HDB resale flats may now also hold back due to the newly imposed 15-month wait-out period, further crimping available resale stock.

The strong HDB resale market and upward pressure on prices amid rising interest rates prompted the Singapore government to introduce several calibrated measures targeted at the public housing segment, which kicked in on 30 September. These may help to rein in the pace of price growth moving forward as they will affect the loan quantum for HDB buyers, as well as potentially delay cash-rich private home downgraders from entering the HDB resale market. For the whole of 2022, PropNex projects that HDB resale prices could rise by a healthy 9% to 10% - albeit slower than the 12.7% increase posted in 2021.

The impact of the latest cooling measures that were introduced on 30 September 2022 are yet to be fully reflected in the real estate activities in Q3 2022.



About PropNex Limited

PropNex Limited is Singapore's largest listed group with 12,065 (as at 2 November 2022) 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, Vietnam and Australia.

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

ISSUED ON BEHALF OF	:	PropNex Limited
BY	:	Citigate Dewe Rogerson Singapore Pte Ltd
CONTACT	:	Ms Yiting Foo / Ms Jeanne Mah
TELEPHONE	:	6534-5122
EMAIL	:	AllCDRSGPropNex@citigatedewerogerson.com
