19 October 2025

Beansprout

APAC Realty Limited

(SGX: CLN)

Strong new launch momentum to drive profit growth

- **Share price up by 73% year-to-date.** APAC Realty's share price has gone up by 73% year-to-date on robust new home sales and strong growth in earnings in 1H 2025. We expect earnings in 2H 2025 to remain robust supported by continued momentum in new launches.
- **New projects launch drove revenue growth.** Revenue grew by 28.8% year-on-year in 1H 2025 to S$341.5 million, driven by strong sales of new projects in Singapore. Overall, New homes segment reported revenue of S$131.2 million, increasing by 126.6% year-on year. APAC Realty achieved a strong average take-up rate of 68% across 11 newly launched projects where it served as the marketing agency.
- **Improved profit margin.** Net profit increased by 202% to S$11.1 million in 1H 2025, due to strong momentum in the new private residential launches. APAC Realty reported 1H2025 gross profit margin of 10.5%, compared with 9.2% in 1H2024. Higher proportion of new home sales which command higher profit margin drove a 130 basis points uplift in gross profit margin. APAC Realty reported positive net cash from operating activities of S$15.6 million, reversing from negative net cash from operating activities of S$0.3 million in 1H2024.
- **Healthy balance sheet.** APAC Realty reported cash balance of S$47.6 million as at 30 June 2025, compared with total debt of S$39.8 million. Thus, the company is in a net cash position of S$7.8 million. Management maintains financial flexibility and a reasonable level of cash-on-hand.
- **Higher dividend per share (DPS).** APAC Realty recommended DPS of 2.70 cents in 1H 2025, an increase of 200% year-on-year. This translates to dividend payout ratio (DPR) of 78.1% of profit after tax and non-controlling interests but before Performance Share Plan of S$1.16 million. This is consistent with APAC Realty's policy of maintaining dividend payout ratio in the 50% to 80% range.
- **Dominant market share in Singapore.** Based on the home sales transactions in Singapore, APAC Realty's market share dipped to 34.0% in 1H2025, compared with 39.9% in 2024. APAC Realty's agency force of 8,885 as of 7 August 2025, represents an increase of 2.7% year-to-date.
- **Outlook of Singapore property market.** In 1H 2025, the industry's transacted volume of new homes, excluding executive condominium, increased by 143% year-on-year to 4,587 units. Prices in Singapore home market remain strong. In 2Q 2025, private price and HDB price rose by 1.8% and 2.5% year-to-date, respectively. In 2H 2025, new units launched are estimated at around 5,500 units. Management expects pent-up demand for new private residential homes to support transacted volume in 2025 and 2026.
- **Maintain NEUTRAL.** Given the strong property sales momentum expected in 2H2025, we have revised our target price to S$0.70. The target price is based on FY2026 PE ratio of 12x. At S$0.70 target price, APAC Realty offers a FY25 dividend yield of 5% based on our forecast of FY25 dividend per share at 3.5 cents. Currently, APAC Realty is trading at FY2026 PE ratio of 11.4x, above the historical average of 10.0x.

Ticker	CLN
Rating	Neutral
Price Target*	S$0.70 (from S$0.46)
Price (14 Oct)	S$0.675
Upside/Downside:	+3.7%
52-week range	S$0.37 - 0.80
Market Cap	S$302M

*Target price is for 12 months

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1H25 revenue rose by 28.8% year-on-year

New projects launches drove revenue growth. Revenue grew by 28.8% year-on-year to S$341.5 million, driven by strong sales of new projects in Singapore. Overall, New homes segment reported revenue of S$131.2 million, increasing by 126.6% year-on year. Revenue from Resale and rental segment was steady, at S$206.7 million, higher by 1.5% year-on-year.

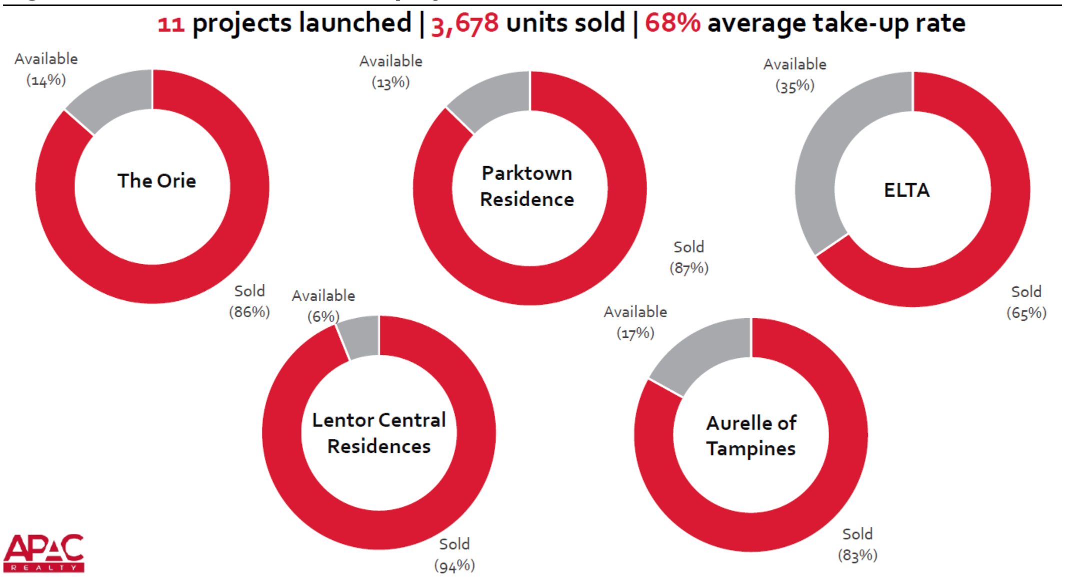
Figure 1: Revenue by segment

Revenue (S$' million)	1H2025	1H2024	Change (%)
Brokerage revenue			
Resale and rental	206.7	203.6	1.5%
New homes	131.2	57.9	126.6%
	337.9	261.5	29.2%
Other revenue	3.6	3.7	-2.7%
Total revenue	**341.5**	**265.2**	28.8%

Source: APAC Realty

In 1H2025, ERA Singapore was appointed as the marketing agency across 11 new home projects with a total of 5,426 units. These included landmark projects like Arina East Residences, Aurea, Aurelle Of Tampines, Bagnall Haus, Bloomsbury Residences, ELTA, Lentor Central Residences, One Marina Gardens, Parktown Residence, The Orie and 21 Anderson. APAC Realty achieved a strong average take-up rate of 68% across 11 newly launched projects where it served as the marketing agency.

Figure 2: Performance of 1H2025 project launches



Source: APAC Realty

In the region, APAC Realty also recorded improvement in revenue from Vietnam and Indonesia. However, Vietnam and Indonesia contribute only a negligible share of revenue. More importantly, the gross profit from ERA Vietnam and ERA Indonesia has improved compared to 1H24. APAC Realty expects ERA Vietnam's contribution to improve gradually. ERA Indonesia, established in 2019, is poised to benefit from the next upcycle.

Figure 3: Revenue by geography

S$' Million	1H2025					1H2024				
	SG	VN	Indo	Others[1]	Total	SG	VN	Indo	Others[1]	Total
Revenue	333.8	5.4	2.2	0.1	341.5	261.0	2.3	1.7	0.2	265.2
Gross Profit	33.5	1.1	1.2	- *	35.8	22.9	0.5	1.0	0.1	24.5
NPAT after NCI	**11.5**	**(0.1)**	**- ***	**(0.1)**	**11.3**	**4.6**	**(0.3)**	**(0.1)**	**(0.1)**	**4.1**

*Less than S$100K

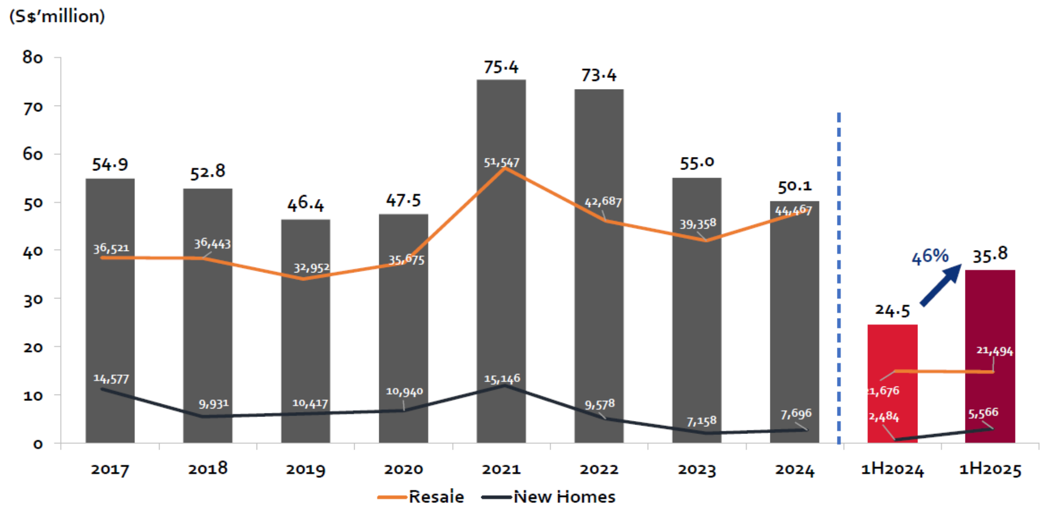
1. Others include Malaysia and Thailand for 1H2025 and only Thailand for 1H2024
2. ERA Vietnam and ERA Indonesia has managed to improve their results with increase in revenue for the period.

Source: APAC Realty

Healthy financial indicators in 1H25

Improved profit margin. APAC Realty reported 1H2025 gross profit margin of 10.5%, compared with 9.2% in 1H2024. Higher proportion of new home sales which command higher profit margin drove a 130 basis points uplift in gross profit margin.

Figure 4: Gross profit



Source: APAC Realty

Healthy balance sheet. APAC Realty reported cash balance of S$47.6 million as at 30 June 2025, compared with total debt of S$39.8 million. Thus, the company is in a net cash position of S$7.8 million. Management maintains financial flexibility and a reasonable level of cash-on-hand.

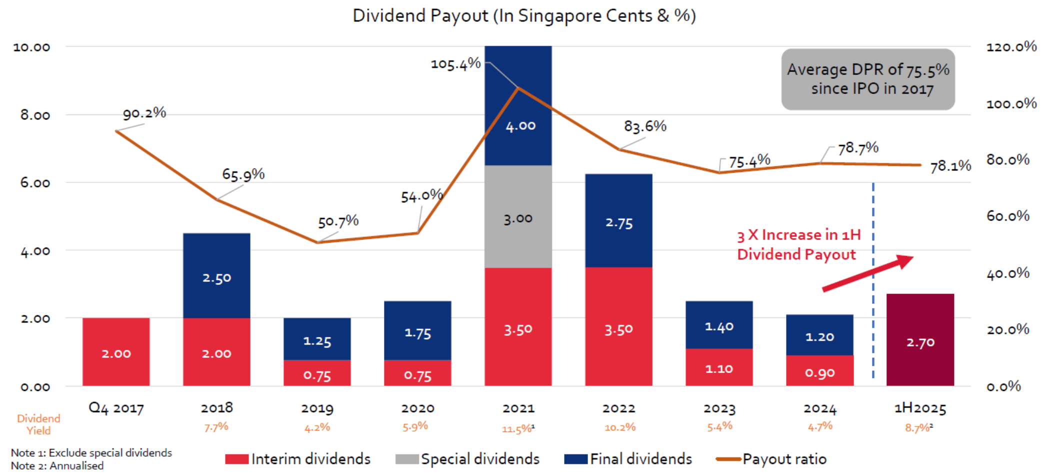
Operating cash flow turned positive. APAC Realty generated positive net cash from operating activities of S$15.6 million, reversing from negative net cash from operating activities of S$0.3 million in 1H2024.

Higher dividend per share (DPS)

APAC Realty recommended DPS of 2.70 cents in 1H 2025, an increase of 200% year-on-year. This translates to dividend payout ratio (DPR) of 78.1% of profit after tax and non-controlling interests but before Performance Share Plan of S$1.16 million. This is consistent with APAC Realty's policy of maintaining dividend payout ratio in the 50% to 80% range.

Since IPO in 2017, APAC Realty remains committed to strong shareholder returns while preserving financial flexibility. Average DPR of 75.5% is close to the upper end of the target range.

Figure 5: Dividend payout ratio

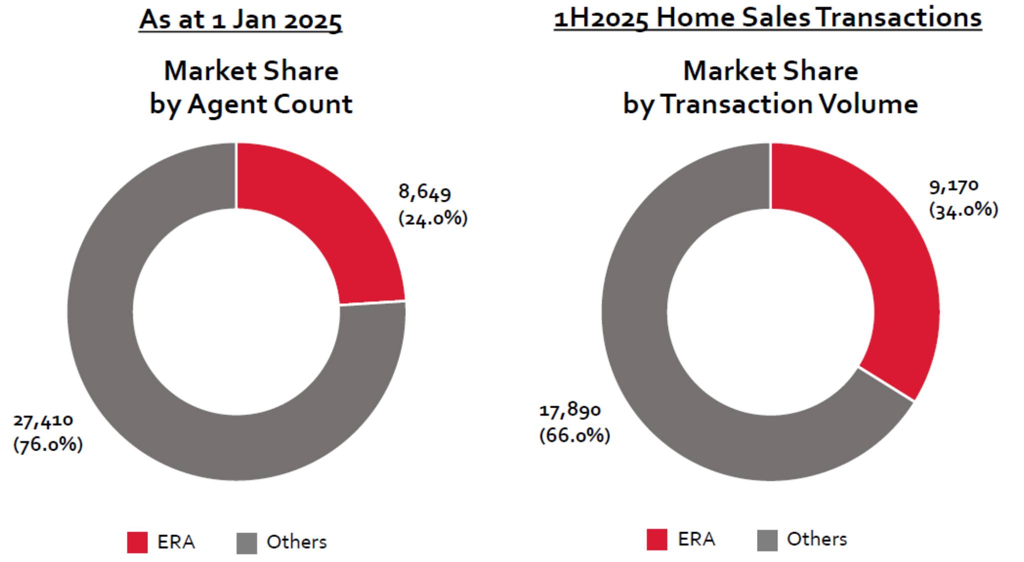


Source: APAC Realty

Second largest property agency in Singapore

As of 7 August 2025, APAC Realty's agency force rose by 2.7% year-to-date, to 8,885 versus PropNex's 13,618. We estimate that APAC and PropNex together account for 72% of Singapore's agency salesforce. In Singapore, we expect their market share to remain relatively stable with limited pricing undercutting. Based on the home sales transactions in Singapore, APAC Realty's market share dipped to 34.0% in 1H2025, compared with 39.9% in 2024.

Figure 6: ERA Singapore market share by agent count and by transaction volume



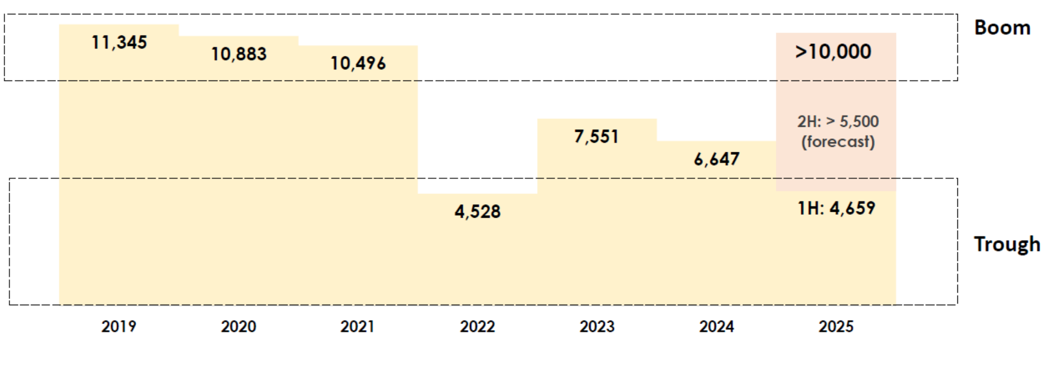
Source: APAC Realty

Outlook of Singapore property market

In 1H 2025, the industry's transacted volume of new homes, excluding executive condominium, increased by 143% year-on-year to 4,587 units. Prices in Singapore home market remain strong. In 2Q 2025, private price and HDB price rose by 1.8% and 2.5% year-to-date, respectively.

In 2H 2025, there is a strong project pipeline with around 5,500 new units to be launched. This brings total new home units launched to >10,000, the first time since 2021. Management expects pent-up demand for new private residential homes to support transacted volume in 2025 and 2026. To meet demand, the government is likely to maintain a high level of private housing supply through Government Land Sales (GLS).

Figure 7: Singapore new launches, in units



- Source: URA, ERA Research and Market Intelligence, Unit launched and sold exclude Ecs, units launched from 2H 2025 are estimates

Source: APAC Realty

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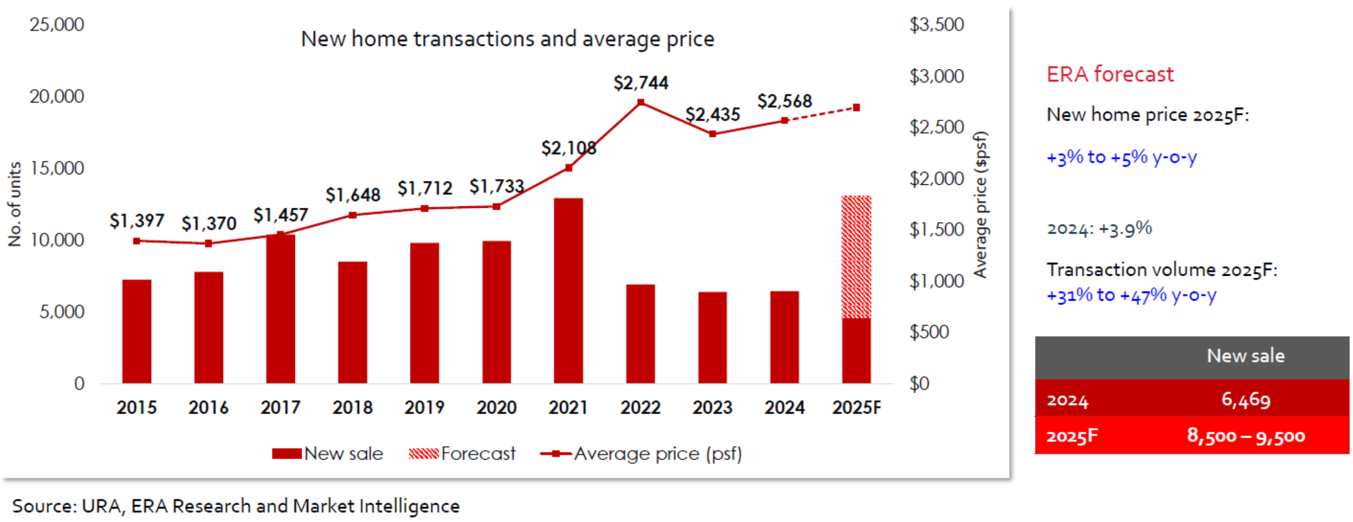
Figure 8: 2025 new home sales projected price increase estimate at 3% to 5% year-on-year



Source: APAC Realty

Key risks

Key risks. Real estate is a cyclical industry, and APAC Realty has significant exposure to Singapore's property market, which contributes 94% of its gross profit. Furthermore, Singapore's property market is subjected to frequent government's intervention. Since 2013, the Singapore government has implemented a series of property cooling measures to curb excessive market speculation. For instance, announced on 3 July 2025, the recent extension in the Seller Stamp Duty Holding period to 4 years will help reduce speculative activity. However, APAC Realty expects limited market impact as most market participants are genuine owner-occupiers or long-term investors.

Figure 9: Revised seller stamp duty

Announced 3rd July 2025,

Seller Stamp Duty (SSD) Holding Period Increased to 4 Years

Holding Period	Rates from 14 Jan 2011 to 10 Mar 2017	Rates from 11 March 2017 to 3 July 2025	Rates on and after 4 July 2025
Up to 1 year	16%	12%	16%
More than 1 year but up to 2 years	12%	8%	12%
More than 2 years but up to 3 years	8%	4%	8%
More than 3 years but up to 4 years	4%	0%	4%
More than 4 years	0%	0%	0%

Source: APAC Realty

Valuation

Maintain Neutral

Given the strong property sales momentum expected in 2H2025, we have revised our target price to S$0.70. The target price is based on FY2026 PE ratio of 12x. At S$0.70 target price, APAC Realty offers a FY25 dividend yield of 5% based on our forecast of FY25 dividend per share at 3.5 cents. Currently, APAC Realty is trading at FY2026 PE ratio of 11.4x, above the historical average of 10.0x.

Financial summary

Y/E Dec (S$'000)	FY22	FY23	FY24	FY25E	FY26E
Income Statement					
Revenue	705,005	557,252	561,016	670,575	713,365
Cost of sales	631,625	502,231	510,887	(603,518)	(642,028)
Gross profit	73,380	55,021	50,129	67,058	71,336
Administration	22,305	25,523	23,037	25,137	26,394
Other operating expenses	14,195	13,865	14,109	11,894	12,264
EBIT	36,880	15,633	12,983	30,026	32,678
Other income/expenses	(3,135)	56	(2,329)	(2,200)	(2,200)
Share of results of associates & JV	118	0	111	0	0
Net finance expenses	982	2,126	1,941	1,405	1,405
Profit before tax	32,881	13,563	8,824	26,422	29,074
Tax	(6,447)	(2,962)	(2,306)	(5,549)	(6,105)
Minority interests	(122)	(1,174)	(694)	(2,222)	(2,446)
Profit attributable to owners	**26,556**	**11,775**	**7,212**	**23,096**	**25,414**
Balance Sheet					
Assets					
PPE	73,858	72,472	70,364	69,057	67,750
Others	106,898	112,479	111,542	109,466	108,033
Total non-current assets	**180,756**	**184,951**	**181,906**	**178,523**	**175,783**
Cash & cash equivalents	49,274	44,052	39,950	48,882	62,773
Trade & other receivables	153,374	102,061	92,246	110,260	117,296
Unbilled receivables	2,093	8,388	7,561	9,038	9,614
Others	2,903	3,218	1,811	1,811	1,811
Total current assets	**207,644**	**157,719**	**141,568**	**169,991**	**191,494**
Total assets	**388,400**	**342,670**	**323,474**	**348,514**	**367,277**
Liabilities					
ST borrowings	45,917	3,093	3,093	3,093	3,093
Trade & other payables	169,114	129,646	114,641	135,427	144,069
Others	8,294	5,624	4,771	4,706	4,706
Total current liabilities	**223,325**	**138,363**	**122,505**	**143,226**	**151,868**
LT borrowings	0	40,133	37,039	37,039	37,039
Others	223,325	98,230	85,466	106,187	114,829
Total non-current liabilities	**4,705**	**45,526**	**43,069**	**43,030**	**42,755**
Total liabilities	**228,030**	**183,889**	**165,574**	**186,256**	**194,623**
EQUITY					
Share Capital	98,946	98,946	101,275	101,275	101,275
Retained Earnings	61,582	59,682	58,688	67,775	80,617
Others	(316)	(243)	(1,915)	(4,421)	(4,421)
Total Owner's Equity	**160,212**	**158,385**	**158,048**	**164,629**	**177,471**
Minority interests	158	396	(148)	(2,370)	(4,816)
Total Equity	**160,370**	**158,781**	**157,900**	**162,258**	**172,655**
Total Liabilities and Equity	**388,400**	**342,670**	**323,474**	**348,514**	**367,277**

Y/E Dec (S$'000)	FY22	FY23	FY24	FY25E	FY26E
Cash Flow					
Operating Cash Flow					
Pretax profit	32,881	13,563	8,824	26,422	29,074
Adjustments	11,500	8,646	11,072	5,895	5,895
Working capital changes	(1,374)	3,625	(6,452)	(1,208)	(12)
Others	(7,915)	(8,531)	(4,286)	(6,953)	(7,510)
Cash flow from operations	**35,092**	**17,303**	**9,158**	**26,658**	**28,487**
Investing Cash Flow					
CAPEX	(8,778)	(5,529)	(1,592)	(1,500)	(1,500)
Others	571	0	(37)	0	0
Cash flow from investments	**(8,207)**	**(5,529)**	**(1,629)**	**(1,500)**	**(1,500)**
Financing Cash Flow					
Dividends paid	(26,640)	(13,675)	(8,206)	(14,009)	(12,572)
Repayment of borrowings	(2,900)	(2,691)	(3,093)	0	0
Others	(1,736)	(630)	(332)	(2,217)	(525)
Cash flow from financing	**(31,276)**	**(16,996)**	**(11,631)**	**(16,226)**	**(13,097)**
Net change in cash	(4,391)	(5,222)	(4,102)	8,932	13,890
Beginning cash	**53,665**	**49,274**	**44,052**	**39,950**	**48,882**
Ending cash	**49,274**	**44,052**	**39,950**	**48,882**	**62,773**
Per share data (S$ cents)					
Book value per unit	37.6	37.2	35.7	38.2	41.2
Distribution per unit	5.2	2.1	1.8	3.5	3.8
Earnings per unit	6.2	2.8	1.6	5.4	5.9
Valuation					
P/E (x)	6.7	15.2	25.8	7.8	7.1
P/B (x)	1.1	1.1	1.2	1.1	1.0
EV/EBITDA (x)	4.2	8.8	10.6	5.0	4.3
Dividend yield (%)	12.4	5.0	4.17	8.3	8.9
Ratios					
ROE (%)	16.6	7.4	4.6	14.0	14.3
ROA (%)	6.8	3.4	2.2	6.6	6.9
Net Gearing (x)	- 0.02	- 0.01	0.00	- 0.05	- 0.13
Margins (%)					
EBIT margin	5.2	2.8	2.3	4.5	4.6
Net margin	3.8	2.1	1.3	3.4	3.6
Share Price	0.420	0.420	0.420	0.420	0.420
No of shares ('000)	426,238	426,238	442,394	431,037	431,037
Market cap ('000)	179,020	179,020	185,806	181,036	181,036
Enterprise Value ('000)	175,663	178,194	185,988	172,285	158,395
EBITDA	41,801	20,282	17,473	34,516	37,168

Disclosure Appendix

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