19 October 2025

Beansprout

PropNex Limited

(SGX: OYY)

Proxy to strong new launch momentum

- **Share price up by 157% year-to-date.** PropNex Limited's share price has gone up by 157% 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.
- **Strong momentum from new launches.** Revenue grew by 73.3% year-on-year to S$598.9 million in 1H25, driven by strong momentum across the board. PropNex's Project marketing segment reported revenue of S$258.5 million, increasing by 183.2% year-on year. Meanwhile, revenue from Private and HDB Resale segments grew by 37.9% year-on-year to S$198.8 million.
- **Improved profit margin.** PropNex reported 1H25 gross profit margin of 11.0%, higher than 9.7% in 1H24. Higher proportion of new home sales which command higher profit margin drove a 130 basis points uplift in gross profit margin. Net profit increased by 122% to S$42.3 million in 1H 2025. These led to strong net cash flow generated from operating activities of S$45.2 million, 178% higher than 1H24 S$16.3 million.
- **Healthy balance sheet.** PropNex reported cash balance of S$136.8 million as at 30 June 2025, compared with total debt of S$1.78 million. PropNex is in a strong net cash position with robust financial flexibility and ample liquidity.
- **Higher dividend per share (DPS).** PropNex proposed DPS of 5.0 cents in 1H 2025, an increase of 122% year-on-year. This translates to dividend payout ratio (DPR) of 87.6% of net attributable profit.
- **Largest real estate agency in Singapore.** PropNex's agency force of 13,618 as of 5 August 2025, represents an increase of 7.8% year-to-date, reinforcing PropNex's dominance in Singapore's property market. PropNex continues to take the lion's share of property transaction volume.
- **Outlook in Singapore property market.** In 1H25, 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 were strong. In 2Q25, private price and HDB price rose by 1.8% and 2.5% year-to-date, respectively. In 2H25, a strong pipeline of project launches is expected. Management is optimistic that the demand for new private residential homes will hold up to support higher transacted volume.
- **Downgrade to NEUTRAL.** On the back of the current strong sales momentum in 2H2025, we revise our target price to S$2.32. Following its strong share price performance year-to-date, we downgrade PropNex to Neutral. At S$2.44, PropNex currently trades at FY2026 PE ratio of 18.9x, above the historical average of 9.5x. PropNex has consistently maintained a high dividend payout ratio (DPR). Based on our dividend per share estimate of 10.0 cents in 2026, PropNex currently offers a dividend yield of 4.1%.

Ticker	OYY
Rating	Neutral (from Buy)
Price Target*	S$2.32 (from S$1.20)
Price (14 Oct)	S$2.44
Upside/Downside:	-4.9%
52-week range	S$0.780 - 2.630
Market Cap	S$1.8B

*Target price is for 12 months

Research Analyst

Gerald Wong, CFA
gerald@growbeansprout.com

1H25 revenue rose by 73.3% year-on-year

Strong momentum from new launches. Revenue grew by 73.3% year-on-year to S$598.9 million in 1H 2025, driven by strong momentum across the board. PropNex's Project marketing segment reported revenue of S$258.5 million, increasing by 183.2% year-on year. Meanwhile, revenue from Private and HDB Resale segments grew by 37.9% year-on-year to S$198.8 million. Rental segment also recorded moderate increase by 12.3% to S$87.4 million. In total, PropNex delivered 7% year-on-year increase in sales and leasing transactions in 1H25.

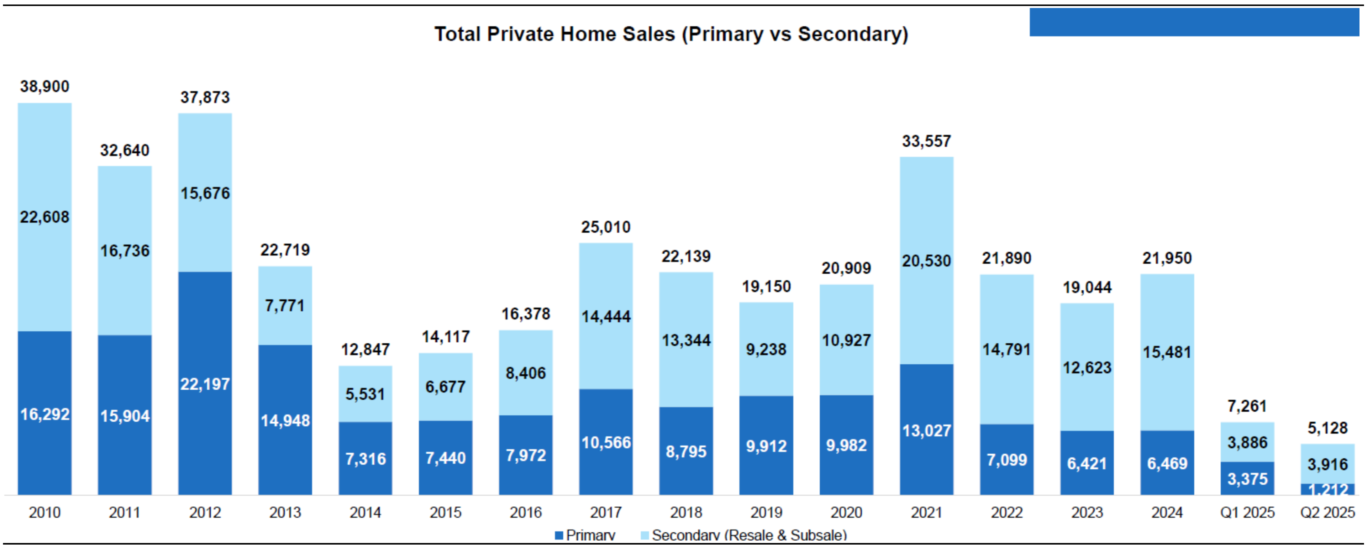
Figure 1: Revenue by segment

(in &'M)	1H2025	1H2024	+/- (%)
Project Marketing	258.5	91.3	183.2
Private Resale	125.7	79.4	58.2
HDB Resale	73.1	64.8	12.8
Rental	87.4	77.9	12.3
Landed Resale	33.5	16.4	104.7
Commercial & Industrial	16.8	11.3	48.6

Source: PropNex

Overall, in Singapore private residential market, 4,587 in new private residential units were sold in 1H2025, more than double the 1,889 new units transacted in 1H24.

Figure 2: SG private residential home sales



Source: PropNex

Healthy financial indicators in 1H25

Improved profit margin. PropNex reported 1H2025 gross profit margin of 11.0%, higher than 9.7% in 1H2024. Higher proportion of new home sales which command higher profit margin drove a 130 basis points uplift in gross profit margin. PropNex generated net cash from operating activities of S$45.2 million, 178% higher than 1H 2024 S$16.3 million.

Healthy balance sheet. PropNex reported cash balance of S$136.8 million as at 30 June 2025, compared with total debt of S$1.78 million. Thus, the company is in a strong net cash position, maintaining robust financial flexibility with ample liquidity.

Figure 3: Income statement

(in $'000)	1H2025	1H2024	+/- (%)
Revenue	598,945	345,586	73.3
Cost of services rendered	(532,771)	(312,145)	70.7
Gross profit	**66,174**	**33,441**	**97.9**
Gross profit margin	***11.0%***	***9.7%***	***1.3***
Finance income	2,480	2,858	(13.2)
Other income	6,308	5,396	16.9
Staff costs	(11,050)	(9,990)	10.6
Depreciation and amortisation	(1,277)	(1,492)	(14.4)
Finance costs	(35)	(13)	169.2
Other expenses	(7,725)	(7,341)	5.2
(Impairment losses)/reversal of impairment losses	(82)	601	N.M.
Profit before tax	**54,793**	**23,460**	**133.6**
Tax expense	(9,298)	(4,001)	132.4
Profit for the period	**45,495**	**19,459**	**133.8**
Net profit margin	***7.6%***	***5.6%***	***2.0***
Profit attributable to owners	**42,256**	**19,001**	**122.4**
Earnings per share (cents)	**5.71**	**2.57**	**122.4**

Figure 4: Cash flows

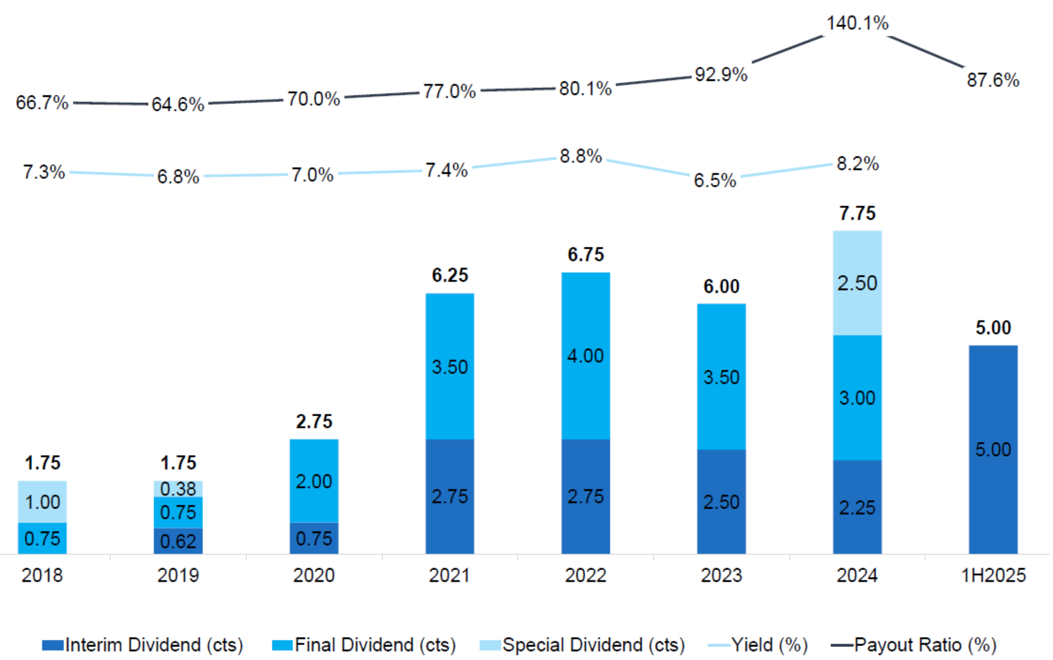
(in $'000)	1H2025	1H2024
Operating activities	45,290	16,282
Investing activities	22,855	(5,631)
Financing activities	(43,192)	(27,567)
Net increase/(decrease) in cash	**24,953**	**(16,916)**
Cash at beginning of period	111,838	133,355
Cash at end of period	**136,791**	**116,439**
Analysis of cash and cash equivalents		
Cash at banks (including brokerage account)	28,891	
Fixed deposits	107,900	
Cash and cash equivalents	**136,791**	

Source: PropNex

Higher dividend per share (DPS)

PropNex proposed DPS of 5.0 cents in 1H 2025, an increase of 122% year-on-year. This translates to dividend payout ratio (DPR) of 87.6% of net attributable profit. Net profit increased by 122% to S$42.3 million in 1H 2025, due to strong commission income from new private residential launches.

Figure 5: Dividend payout ratio



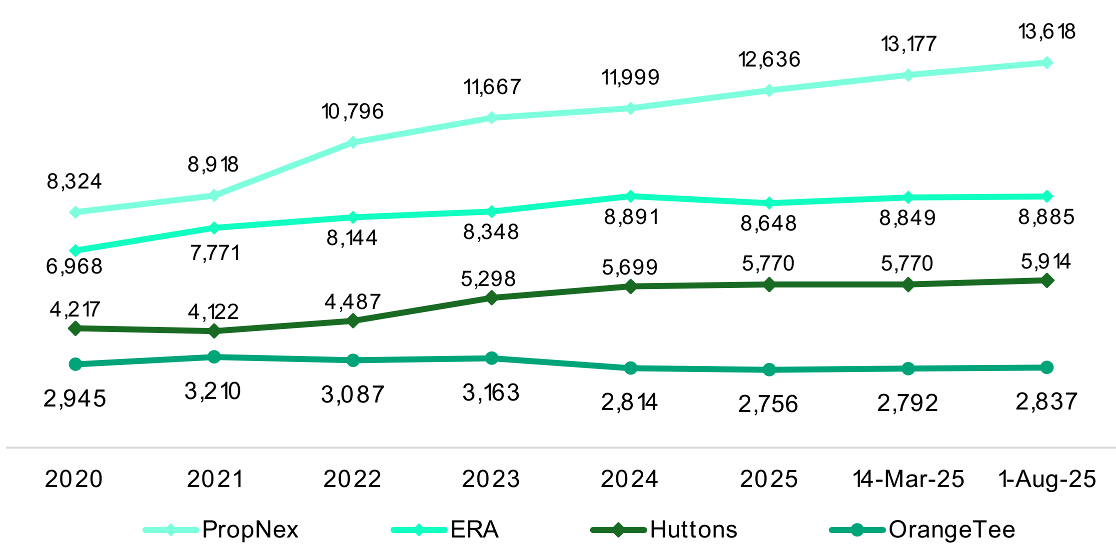
Source: PropNex

Largest property agency in Singapore

Largest real estate agency in Singapore. PropNex continues to take the lion's share of property transaction volume. For the two new projects launched in April, PropNex accounts for 51% and 71% in market share of the units sold at One Marina Gardens and Bloomsbury, respectively. PropNex's agency force of 13,618 as of 5 August 2025, represents an increase of 7.8% year-to-date, reinforcing PropNex's dominance in Singapore's property market.

Based on the home sales transactions in Singapore, PropNex holds 64% market share in transactions volume in 2024.

Figure 6: Propnex's market share by agent count



Source: PropNex

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 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). Under the GLS, more than 25,000 new private homes are expected to be launched between 2025 – 2027.

Strong private residential new projects lined-up in 2025

In 1H25, the Singapore property market launched 11 projects, totaling 5,429 units. Based on Propnex's forecast, an additional 21 projects are expected to be launched in 2H25, with total 7,724 units.

Despite a revised SSD (seller stamp duty) holding period announced in July 2025, demand is expected to remain robust. For instance, new project *LyndenWoods* was launched after the revision in SSD holding period. *LyndenWoods* saw take-up rate of 96.8% and PropNex captured 54% market share of the transaction volume. Similarly, Otto Place sold 360 out of the 600 units and PropNex accounted for 47% of the units sold. The projects launched in August reported reasonable transaction volume. For example, Rivergreen booked sales of 461 out of 524 units launched.

Figure 7: Projects lined-up in 2025 – 5,429 units launched in 1H2025

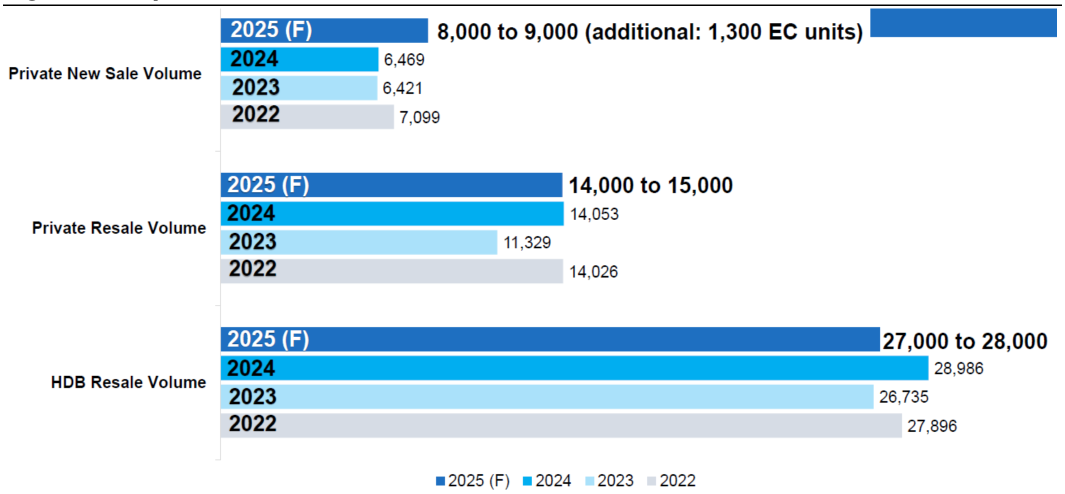
S/N	Appointed Project	Location	District	Region	Tenure	Developer	No. of Units	Date of Launch / Estimated Date of Preview
1	The Orie	Lorong 1 Toa Payoh	12	RCR	99	CDL, Frasers Property, and Sekisui House	777	Launched on 18 Jan 2025
2	Bagnall Haus (fka Bagnall Court)	Upper East coast Road	16	OCR	FH	Roxy Pacific Holdings	113	Launched on 18 Jan 2025
3	ELTA	Clementi Ave 1	5	OCR	99	CSC Land Group and MCL Land	501	Launched on 22 Feb 2025
4	Parktown Residence (Mixed Dev)	Tampines Ave 11	18	OCR	99	UOL Group, Singapore Land (SingLand) &CapitaLand Development	1193	Launched on 22 Feb 2025
5	Aurea	802 Beach Road	7	CCR	99	Perennial Holdings and Far East Organization	188	Launched on 8 Mar 2025
6	Lentor Central Residences	Lentor Central	26	OCR	99	Hong Leong Holdings, Guocoland and CSC Land Group	477	Launched on 8 Mar 2025
7	Aurelle of Tampines (EC)	Tampines Street 62	18	OCR	99	Sim Lian Group	760	Launched on 8 Mar 2025
8	21 Anderson (fka Royal Oak Residenc	21 Anderson Road	10	CCR	FH	Kheng Leong	18	Launched on 2 Apr 2025
9	One Marina Gardens	Marina Gardens Lane	1	RCR	99	Kingsford Group, Obsidian Development and Polarix Cultural & Science Park Investment	937	Launched on 12 Apr 2025
10	Bloomsbury Residences	Media Circle	5	RCR	99	Qingjian Realty and China Communications Construction Co	358	Launched on 12 Apr 2025
11	Arina East Residences	Tanjong Rhu Road	15	RCR	FH	ZACD Group and Hong How Group	107	Launched on 7 Jun 2025
12	W Residences Singapore- Marina Viev	Marina View	1	CCR	99	IOI Properties Group	683	Launched on 12 Jul 2025
13	Lyndenwoods	71 Science Park Drive	5	RCR	99	Capitaland Development	343	Launched on 12 Jul 2025
14	Otto Place (EC)	Plantation Close	24	OCR	99	Hoi Hup Realty and Sunway Developments	600	Launched on 19 Jul 2025
15	The Robertson Opus	11 Unity Street	9	CCR	999	Fraser Property	348	Launched on 19 Jul 2025
16	UpperHouse @ Orchard Boulevard	Orchard Boulevard	10	CCR	99	UOL and Sing Land Group	301	Launched on 19 Jul 2025
17	Promenade Peak	Zion Road	3	RCR	99	Allgreen Properties	596	Launched on 2 Aug 2025
18	River Green	River Valley Green	9	CCR	99	Wing Tai Holdings	524	Launched on 2 Aug 2025
19	Canberra Crescent Residences	Canberra Crescent	27	OCR	99	Kheng Leong and Low Keng Huat	376	Launched on 2 Aug 2025
20	Springleaf Residence	Upper Thomson Road	26	OCR	99	GuocoLand and Hong Leong Holdings	941	2 Aug 2025 preview
21	Artisan 8	Sin Ming Road	20	RCR	FH	Apex Asia Development	34	Tentative Aug Preview
22	The Sen	De Souza Avenue	21	RCR	99	Sustained Land	347	Tetnative Oct 2025
23	Zyon Grand	Zion Road	3	RCR	99	CDL and Mitsui Fudosan	706	Tentative Oct 2025
24	Penrith	Margaret Drive	3	RCR	99	Hong Leong Holdings and GuocoLand	462	Tentative Oct 2025
25	Faber Residence	Faber Walk	5	OCR	99	GuocoLand, Hong Leong Holdings and Mitsui Fudosan	399	Tentative Nov 2025
26	The Ranz	109 Rangoon Road	8	CCR	FH	Kefi Development	14	4Q 2025
27	One Leonie Residences	Leonie Hill	9	CCR	FH	Far East Organisation	25	4Q 2025
28	Skye at Holland	Holland Drive GLS	10	CCR	99	Capitaland and UOL	666	4Q 2025
29	Villa Natura	Tung Po Avenue	26	OCR	FH	Aurum Gravis Pte Ltd	11	2H 2025
30	Newport Residences	80 Anson Road	2	CCR	FH	CDL	246	2025
31	TBA	2,4,6 Mount Emily Road	9	CCR	FH	ZACD Group	16	2025
32	Keppel Bay Plot 6	Keppel Bay	4	RCR	99	Keppel Land	86	2025

Source: PropNex

For 2025, PropNex remains optimistic on the property market. PropNex is forecasting private home sales volume to range 8,000 to 9,000 units, compared with 6,469 units in 2024. Private home sales will likely benefit from moderation in mortgage rates, resilient economic conditions and recovery in buying appetite. PropNex expects HDB resale volume to range 27,000 to 28,000, compared with 28,986 units in 2024 as resale HDB flat demand remains relatively stable.

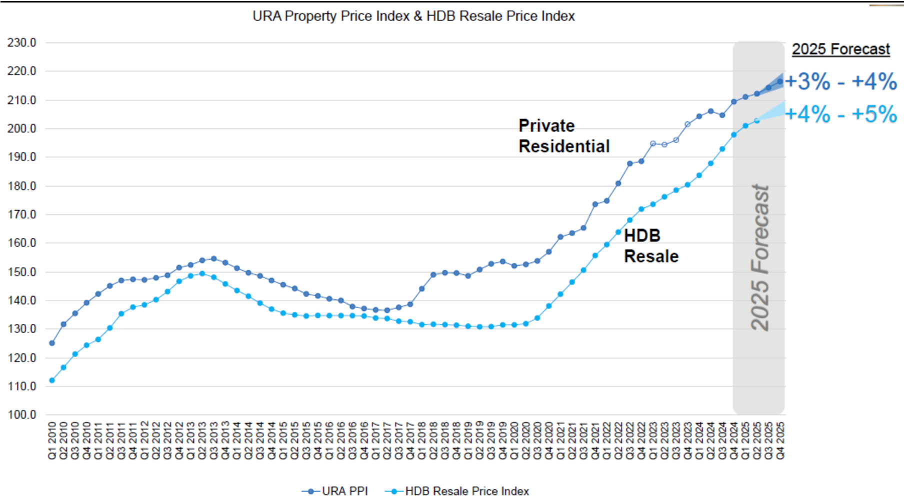
In terms of price appreciation, PropNex is forecasting 3% to 4% rise in overall private home prices and HDB resale prices to increase by 4% to 5%.

Figure 8: PropNex's 2025 Volume of Transactions Forecasts



Source: PropNex

Figure 9: PropNex's 2025 Forecasts : Private home prices +3% to +4%, HDB resale prices +4% to +5% year-on year.



	HDB Resale Price Index	Private Residential Price Index
Year	YoY change	YoY change
2013	-0.6%	1.1%
2014	-6.0%	-4.0%
2015	-1.6%	-3.7%
2016	-0.1%	-3.1%
2017	-1.5%	1.1%
2018	-0.9%	7.9%
2019	0.1%	2.7%
2020	5.0%	2.2%
2021	12.7%	10.6%
2022	10.4%	8.6%
2023	4.9%	6.8%
2024	9.7%	3.9%
1H 2025	2.5%	1.8%
2025 (F)	**4% - 5%**	**3% - 4%**

Source: PropNex

Key risks

PropNex is exposed to the cyclical nature of real estate demand. Potential property cooling measures by the Singapore government, alongside persistently high interest rates, may temper market activity. Effective navigation of these risks will be crucial for sustained growth.

Downgrade to NEUTRAL

Based on 1H 2025 DPU of 5.0 cents, PropNex offers an annualized distribution yield of 4.3%. PropNex has consistently maintained a high dividend payout ratio (DPR). 1H 2025 DPR was 87.6%, compared with 140.1% in 2024 and 92.9% in 2023. On the back of the current strong sales momentum in 2H2025, we revise our target price to S$2.32. Based on our dividend per share estimate of 10.0 cents in 2026, PropNex currently offers a dividend yield of 4.1%. At S$2.44, PropNex currently trades at FY2026 PE ratio of 18.9x, above the historical average of 9.5x.

Financial Summary

Y/E Dec (S$'000)	FY22	FY23	FY24	FY25E	FY26E
Income Statement					
Revenue	1,029,193	838,100	782,954	1,249,675	1,366,510
Cost of sales	(924,510)	(757,116)	(711,976)	(1,118,459)	(1,223,026)
Gross profit	104,683	80,984	70,978	131,216	143,484
Staff Costs	(18,355)	(17,719)	(19,576)	(21,436)	(22,079)
Other operating expenses	(3,609)	(3,491)	(2,949)	(2,652)	(2,652)
EBIT	82,719	59,774	48,453	107,128	118,753
Other income/expenses	(4,786)	(4,742)	(4,258)	(5,000)	(5,000)
Net finance income/expense	1,152	4,450	5,607	2,211	3,215
Profit before tax	79,085	59,482	49,802	104,339	116,968
Tax	(13,713)	(9,872)	(8,155)	(17,738)	(19,885)
Minority interests	3,012	1,803	724	1,505	1,688
Profit attributable to owner	**62,360**	**47,807**	**40,923**	**85,096**	**95,396**
Balance Sheet					
Assets					
PPE	1,384	1,214	1,001	999	997
Others	5,972	18,358	12,221	12,471	12,721
Total non-current assets	**7,356**	**19,572**	**13,222**	**13,470**	**13,718**
Cash & cash equivalents	138,891	133,417	111,838	162,069	186,271
Trade & other receivables	223,413	184,631	129,390	206,520	225,828
Others	5,690	5,443	31,254	19,240	19,240
Total current assets	**367,994**	**323,491**	**272,482**	**387,829**	**431,339**
Total assets	**375,350**	**343,063**	**285,704**	**401,299**	**445,057**
Liabilities					
ST borrowings	0	0	0	0	0
Trade & other payables	228,320	200,667	146,566	230,244	251,770
Others	17,603	15,067	13,070	16,254	16,921
Total current liabilities	**245,923**	**215,734**	**159,636**	**246,497**	**268,691**
LT borrowings	0	0	0	0	0
Others	2,934	1,103	1,314	936	936
Total non-current liabilities	**2,934**	**1,103**	**1,314**	**936**	**936**
Total liabilities	**248,857**	**216,837**	**160,950**	**247,433**	**269,627**
Equity					
Share Capital	57,491	57,491	57,491	57,491	57,491
Retained Earnings	85,110	84,710	82,978	90,374	111,770
Others	(17,052)	(17,050)	(17,056)	(17,056)	(17,056)
Total Owner's Equity	**125,549**	**125,151**	**123,413**	**130,809**	**152,205**
Minority interests	944	1,075	1,341	1,492	1,660
Total Equity	**126,493**	**126,226**	**124,754**	**132,300**	**153,865**
Total Liabilities and Equity	**375,350**	**343,063**	**285,704**	**379,734**	**423,492**

Y/E Dec (S$'000)	FY22	FY23	FY24	FY25E	FY26E
Cash Flow					
Operating Cash Flow					
Pretax profit	79,085	59,482	49,802	104,339	116,968
Adjustments	2,957	(1,655)	(2,207)	441	(563)
Working capital changes	(17,235)	14,030	235	8,187	2,640
Others	13,394	13,563	9,793	17,738	19,885
Cash flow from operations	**51,413**	**58,294**	**38,037**	**95,229**	**99,160**
Investing Cash Flow					
CAPEX	(6,234)	(722)	(25,794)	25,000	(500)
Others	1,869	(10,832)	11,533	11,237	3,241
Cash flow from investments	**(4,365)**	**(11,554)**	**(14,261)**	**36,237**	**2,741**
Financing Cash Flow					
Dividends paid	(51,461)	(49,790)	(43,113)	(79,055)	(75,519)
Others	(2,342)	(2,424)	(2,180)	(2,180)	(2,180)
Cash flow from financing	**(53,803)**	**(52,214)**	**(45,293)**	**(81,235)**	**(77,699)**
Net change in cash	(6,755)	(5,474)	(21,517)	50,231	24,202
Beginning cash	**145,584**	**138,829**	**133,355**	**111,838**	**162,069**
Ending cash	**138,829**	**133,355**	**111,838**	**162,069**	**186,271**
Per share data (S$ cents)					
Book value per unit	17.0	16.9	16.7	17.7	20.6
Distribution per unit	6.8	6.0	7.8	10.0	10.0
Earnings per unit	8.4	6.5	5.5	11.5	12.9
			5.25		
Valuation					
P/E (x)	29.0	37.8	44.1	21.2	18.9
P/B (x)	14.4	14.4	14.6	13.8	11.9
EV/EBITDA (x)	21.1	29.7	37.2	15.7	13.9
Dividend yield (%)	2.8	2.5	3.2	4.1	4.1
Ratios					
ROE (%)	49.7	38.2	33.2	65.1	62.7
ROA (%)	16.6	13.9	14.3	21.2	21.4
Net Gearing (x)	- 1.11	- 1.07	- 0.91	- 1.24	- 1.22
Margins (%)					
EBIT margin	8.0	7.1	6.2	8.6	8.7
Net margin	6.1	5.7	5.2	6.8	7.0
Share Price	2.44	2.44	2.44	2.44	2.44
No of shares ('000)	740,000	740,000	740,000	740,000	740,000
Market cap ('000)	1,805,600	1,805,600	1,805,600	1,805,600	1,805,600
Enterprise Value ('000)	1,666,709	1,672,183	1,693,762	1,643,531	1,619,329
EBITDA	79,110	56,283	45,504	104,476	116,101

Disclosure Appendix

Analyst Certification and Disclosures

The analyst(s) named in this report certifies that (i) all views expressed in this report accurately reflect the personal views of the analyst(s) with regard to any and all of the subject securities and companies mentioned in this report and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific views expressed by that analyst herein. The analyst(s) named in this report (or their associates) does not have a financial interest in the corporation(s) mentioned in this report.

An associate is defined as (i) the spouse, or any minor child (natural or adopted) or minor step-child, of the analyst; (ii) the trustee of a trust of which the analyst, his spouse, minor child (natural or adopted) or minor step-child, is a beneficiary or discretionary object; or (iii) another person accustomed or obliged to act in accordance with the directions or instructions of the analyst.

Company Disclosure

Global Wealth Technology Pte Ltd ("Beansprout") does not have any financial interest in the corporation(s) mentioned in this report.

Disclaimer

This report is provided by Beansprout for the use of intended recipients only and may not be reproduced, in whole or in part, or delivered or transmitted to any other person without our prior written consent. By accepting this report, the recipient agrees to be bound by the terms and limitations set out herein.

You acknowledge that this document is provided for general information purposes only. Nothing in this document shall be construed as a recommendation to purchase, sell, or hold any security or other investment, or to pursue any investment style or strategy. Nothing in this document shall be construed as advice that purports to be tailored to your needs or the needs of any person or company receiving the advice. The information in this document is intended for general circulation only and does not constitute investment advice. Nothing in this document is published with regard to the specific investment objectives, financial situation and particular needs of any person who may receive the information.

Nothing in this document shall be construed as, or form part of, any offer for sale or subscription of or solicitation or invitation of any offer to buy or subscribe for any securities. The data and information made available in this document are of a general nature and do not purport, and shall not in any way be deemed, to constitute an offer or provision of any professional or expert advice, including without limitation any financial, investment, legal, accounting or tax advice, and shall not be relied upon by you in that regard. You should at all times consult a qualified expert or professional adviser to obtain advice and independent verification of the information and data contained herein before acting on it. Any financial or investment information in this document are intended to be for your general information only. You should not rely upon such information in making any particular investment or other decision which should only be made after consulting with a fully qualified financial adviser. Such information do not nor are they intended to constitute any form of financial or investment advice, opinion or recommendation about any investment product, or any inducement or invitation relating to any of the products listed or referred to. Any arrangement made between you and a third party named on or linked to from these pages is at your sole risk and responsibility.

You acknowledge that Beansprout is under no obligation to exercise editorial control over, and to review, edit or amend any data, information, materials or contents of any content in this document. You agree that all statements, offers, information, opinions, materials, content in this document should be used, accepted and relied upon only with care and discretion and at your own risk, and Beansprout shall not be responsible for any loss, damage or liability incurred by you arising from such use or reliance.