

## APAC REALTY

# ACCUMULATE

Share Price:	S\$0.565
Target Price:	S\$0.66 (Previous TP: S\$0.683, adjusted 1-for-5 bonus)
Upside:	+16.8%

### COMPANY DESCRIPTION

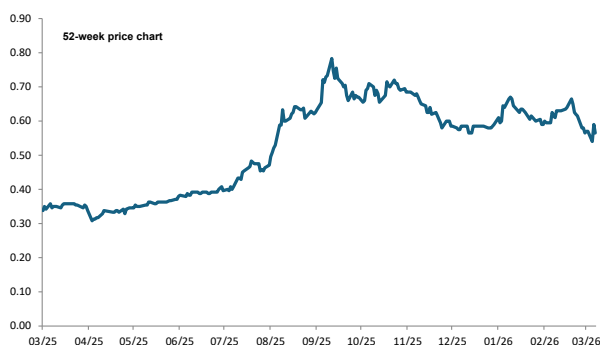
APAC Realty provides property brokerage services for primary and secondary home sales, as well as the rental of residential, commercial and industrial properties. APAC Realty is the second largest real estate agency in Singapore with exclusive ERA regional master franchise rights for 17 countries and territories in the Asia Pacific.

Name	APAC REALTY LTD
Bloomberg Code	APAC SP Equity
3M Avg Daily Trading Vol (k)	400.7
3M Avg Daily Trading Val (S\$'000)	248.7
Major Shareholder / Holdings	Morgan Stanley (64.1%) Chua Khee Hak (8.3%)
Shares Outstanding (m)	431.0
Market Capitalisation (S\$m)	243.5
52 week Share Price High/Low	0.80 / 0.30

### STOCK PRICE PERFORMANCE

Absolute Return (%)	1M -7.4	3M -4.3	12M 61.4
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### PRICE CHART



Source : Bloomberg

### A Dividend Powerhouse

APAC Realty's FY25 results came in slightly above our expectations with revenue and profits coming in at 103%/113% of our full year forecast. Revenue rose 20% yoy to S\$675.6m from a strong surge in new homes sales, supported by steady resale and rental volumes. Gross profit rose 40% to S\$70.0m with a 1.5 pp uptick in margins as the Group benefitted from higher-margin new homes sales. Net profit for FY25 came in at S\$20.6m, an increase of 185% yoy. Management has announced 2H25 dividends of 1.8 S cts, bringing full year dividends to 4.05 S cts (FY24: 2.1 S cts), representing a 78% DPR and an attractive 7.2% yield.

APAC Realty has delivered strong results in 2025, driven by a surge in new homes sales to 10.8k units (2024: 6.5k units). While private new home sales in 2026 are likely to be higher than 2022-2024, forecasts of 9k-10k units in 2026 are expected to be lower compared to 2025, potentially leading to a dip in profits for the year. This will be partially offset by higher EC launches, more commercial sales and entry of another ~100 agents from a competitor in Feb. A steady level of Government Land Sales (GLS) sites from 2025 to 2027 of >25k units will continue to provide ample land-banking opportunities for developers in the coming years. APAC Realty is backed by a net cash of S\$13.4m, representing 5.5% of market cap. We cut our FY26F earnings forecast by 9% to reflect a smaller launch pipeline in 2026. Maintain "Accumulate" with a lower target price of S\$0.66 (previous TP: S\$0.683, adjusted for 1-for-5 bonus issue), based on unchanged 15.5x FY26F P/E (peers average).

### Exhibit 1: FY25 Financial Figures

	FY25 (S\$'000)	FY24 (S\$'000)	+ / (-) %
Revenue	675,624	561,016	20.4%
Gross Profit	69,968	50,129	39.6%
Gross Profit Margin	10.4%	8.9%	1.5 pp
Profit Before Tax	25,393	8,824	187.8%
Net Profit to Equity Holders	20,550	7,212	184.9%

Source: APAC Realty, Lim & Tan Research

### KEY FINANCIALS

Dec YE	FY23	FY24	FY25	FY26F	FY27F
Revenue (S\$m)	557.3	561.0	675.6	650.0	662.5
EBITDA (S\$m)	20.0	14.8	30.7	28.0	29.0
EBITDA Margin (%)	3.6	2.6	4.5	4.3	4.4
Net Profit to Equity Holders (S\$m)	11.8	7.2	20.6	18.3	19.3
P/E (x)	20.7	33.8	11.9	13.3	12.6
P/B (x)	1.5	1.5	1.5	1.4	1.4
ROE (%)	7.4	4.6	12.6	10.9	11.1
EPS (S¢)	3.32	2.02	4.77	4.21	4.41
EPS Growth (%)	-55.6	-39.2	136.0	-11.6	4.6
DPS (S¢)	2.5	2.1	4.05	3.7	3.8
Dividend Yield (%)	4.4	3.7	7.2	6.5	6.7

Source: APAC Realty, Lim & Tan Research

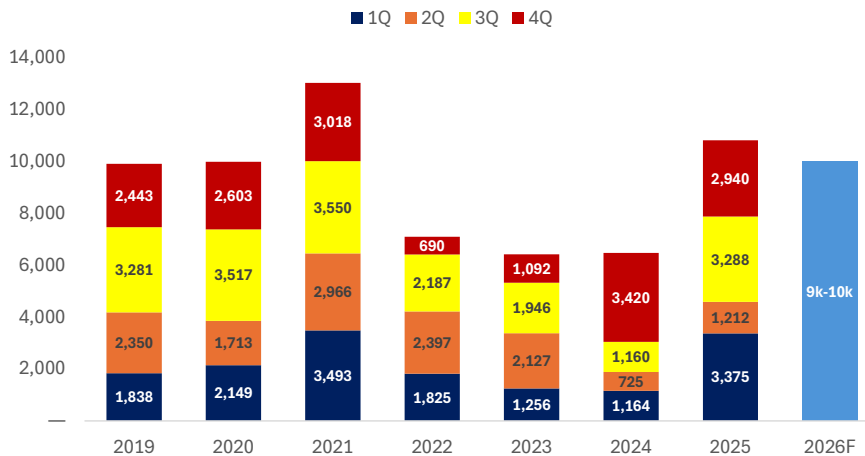
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**Looking Ahead**

➤ **New home sales may see a dip.** With 10,815 new private residential units sold in 2025, the upcoming year 2026 is estimated to see a dip in demand to between 9k-10k units. This comes on the back of a slower launch pipeline of <10k units (excluding ECs) in 2026, compared to 11.5k units in 2025. Overall market volumes will be partially offset by higher EC launches and more commercial sales. As there is a 3-6 month revenue recognition lag before new home brokerage sales can be recognized in APAC Realty's financial results, 4Q25's home sales will be reflected in 1HFY26's results, although we expect a weaker performance yoy due to the previous high base. Project launches in 1Q26 include Coastal Cabana (EC), Newport Residences, Narra Residences and the 455-unit River Modern (90% sold during launch weekend).

As pointed out by Mr Marcus Chu, CEO of APAC Realty: "The property market proved more resilient than many expected in 2025. With strong take-up across key launches, we saw renewed confidence among homebuyers, particularly in the new private residential segment. While price growth moderated amid increased supply, transaction volumes remained firm. Looking ahead, underlying demand fundamentals remain intact. We expect transaction activity in 2026 to stay healthy."

**Exhibit 2: New Private Home Sales On a Quarterly Basis**



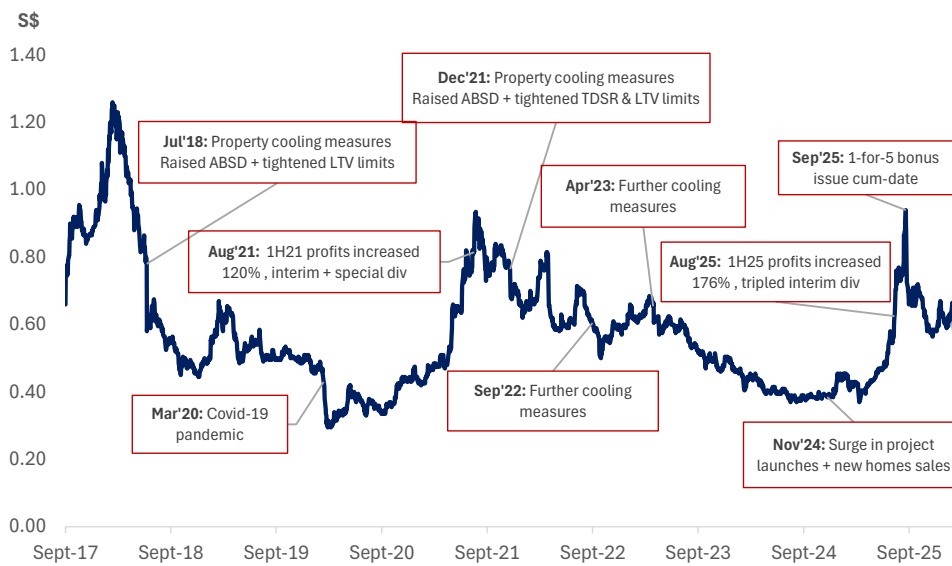
Source: Lim & Tan Research

**Entry of top agents to boost salesforce.** We understand that about 100 agents have left a competitor to join ERA Singapore in Feb'26. The agents came from KW Singapore, a franchise of US-based real estate agency Keller Williams. While the number of incoming agents is a small fraction of ERA's 8,427 salesforce, they include top agents with a strong track record in project marketing and sales. This could provide a boost in market share across the higher-margin new home sales, especially at a period where project launches remain supported by resilient demand.

**APAC REALTY**

**Maintain “Accumulate” with a lower target price of S\$0.66 (previous TP: S\$0.683).** Our TP is based on 15.5x FY26F P/E (peers average). APAC Realty’s share price has done well since the start of 2025, rallying by more than 70%. Our FY26F forecasts indicate a 4% and 11% yoy drop in revenue and profits respectively, given a smaller launch pipeline. At the current share price, APAC Realty trades at 13.3x forward P/E and 1.5x P/B. The company remains backed by a net-cash position, and an attractive 6.5% forward dividend yield based on an unchanged 78% payout ratio.

**Exhibit 3: APAC Realty Share Price Since 2017 IPO**



Source: Lim & Tan Research

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