

Ref : LAW 62/02/02

26 February 2019

Subject: Management Discussion and Analysis Yearly Ending December 31, 2018

To President The Stock Exchange of Thailand

Prinsiri Public Company Limited (Prin) would like to clarify the company and its subsidiaries operating result for the year ended 31st December 2018 as follows:

Comparison performance of the Company between the year ended December 2018 and December 2017

Unit: million baht

Profit and Loss Statement Items	2018		2017		In(De)crease	
		%		%		%
Sales of real estate	2,359.21	93.95	3,014.41	93.67	(655.20)	(21.74)
Sales of goods	5.13	0.20	7.73	0.24	(2.60)	(33.64)
Rental and Services	122.62	4.88	132.43	4.12	(9.81)	(7.41)
Other income	24.05	0.96	63.57	1.98	(39.52)	(62.17)
Total revenues	2,511.01	100.00	3,218.14	100.00	(707.13)	(21.97)
Cost of sales of real estate	1,598.87	67.77	2,123.50	70.44	(524.63)	(24.71)
Cost of sales of goods	2.17	0.09	6.41	0.20	(4.24)	(66.15)
Cost of rental and services	90.39	3.60	87.21	2.71	3.18	3.65
Total cost of sales	1,691.43	67.36	2,217.12	68.89	(525.69)	(23.71)
Selling and Administrative expenses						
Selling expenses	66.90	2.66	89.58	2.78	(22.68)	(25.32)
Administrative expenses	363.35	14.47	426.57	13.26	(63.22)	(14.82)
Total selling and Administrative expenses	430.25	17.13	516.15	16.04	(85.90)	(16.64)
Finance costs-interest expenses	72.64	2.89	80.81	2.51	(8.17)	(10.11)
Income tax	77.38	3.08	87.05	2.70	(9.67)	(11.11)
Profit(Loss) for the period	239.31	9.53	317.01	9.85	(77.70)	(24.51)

Remark: Percentage in statement of comprehensive income derived from total income, while percentage of cost of real estatesales is only related to revenue from real estate sales.

Total Revenue

For the year 2018, the Company and its subsidiaries generated a total revenue of 2,511.01 million baht, an decrease of 707.13 million baht or a 21.97% . Real estate revenue of 2,359.21 million baht decrease 655.20 million baht. or a 21.74% from the previous year.

Revenue from sale of real estate by products:

Unit: million baht

Products	2018	2017	In(De)crease	
				%
Townhouse	1,118.81	1,420.65	(301.84)	(21.25)
Single-detached house	1,022.82	1,235.37	(212.55)	(17.21)
Condominium	217.58	358.42	(140.84)	(39.29)
Revenue from sale of real estate	2,359.21	3,014.41	(655.20)	(21.74)

For the year 2018, revenue from townhouses was 1,118.81 million baht, an decrease of 301.84 million baht or a 21.25% decrease from the previous year. Revenue from single-detached houses was 1,022.82 million baht, an decrease of 212.55 million baht or a 17.21% . Revenue from condominium was 217.58 million baht, an decrease of 140.84 million baht or a 39.29% decrease from the previous year.

Cost of real estate sales

In 2018, the Company and its subsidiaries incurred cost of real estate sales of 1,598.87 million baht or 67.77% of the real estate revenue as compared to 2,123.50 million baht or 70.44% of the real estate revenue from the previous year. Cost of real estate ratio of 2018 decreased 524.63 million or 24.71% from 2017

Selling & Administrative expense

In 2018, the Company and its subsidiaries incurred selling and administrative expenses of 430.25 million baht, an decrease of 85.90 million baht or a 16.64% decrease from the previous year.

Financing cost

In 2018, the Company and its subsidiaries incurred financing cost of 72.64 million baht or 2.89% of total revenue, an decrease of 8.17 million baht or a 10.11% decrease from the previous year.

Income tax expenses

In 2018, income tax expenses were 77.38 million baht or 3.08% of total revenue, an decrease of 9.67 million baht or 11.11% from the previous

Net profit

In 2018, the net profit of the Company and its subsidiaries was 239.31 million baht or 9.53% of total revenue, an decrease of 77.70 million baht or a 24.51% increase from the previous year. The main factor was an decrease of Sales of real estate.

Financial Ratios

ประจำปี		2018	2017
LIQUIDITY RATIO			
Liquidity ratio	Times	3.38	3.17
Quick ratio	Times	0.34	0.39
Inventory turnover	Times	0.68	0.69
Cash cycle	Days	491.27	476.74
PROFITABILITY RATIO			
Gross profit margin-real estate	%	32.23	29.56
Operating profit margin	%	15.65	15.37
Net profit margin	%	9.62	10.05
Return on equity	%	5.69	7.80
EFFICIENCY RATIO			
Return on total assets	%	2.84	3.63
Return on fixes asset	%	7.98	10.21
Asset turnover	Times	0.30	0.38
FINANCIAL RATIO			
Debt to Equity ratio	Times	0.87	0.92
Interest payment ratio	Times	5.35	6.00
Dividend Payment	%	N/A	46.00

Sincerely yours,



(Mr. Chairat Kovitchindachai)

Senior Vice President, MD office