



(English Translation)

Ref SS. 0393 / 2022

17 May 2022

Subject : Clarification of 1Q-2022 Operating Result

To : President
The Stock Exchange of Thailand

Sansiri Public Company Limited (SIRI) would like to clarify the operating result for the quarter ended 31 March 2022 of the Company and its subsidiaries as follows.

Total revenue in 1Q-2022 amounted to 5,220 Million Baht, decreased by 24 percent from 6,827 Million Baht in 1Q-2021. A decrease in total revenue was caused by a 29 percent decrease in revenue from project sales. In 1Q-2022, Sansiri and its subsidiaries reported net profit of 303 Million Baht, a decrease of 21 percent from net profit of 384 Million Baht in 1Q-2021. Nevertheless, net profit margin increased from 5.6 percent in 1Q-2021 to 5.8 percent in 1Q-2022.

Revenue from Property Development for Sale

The breakdown of revenue from project sales of 1Q-2022 and 1Q-2021 is as follows:

	1Q-2022		1Q-2021	
	Million Baht	%	Million Baht	%
Single-detached House	2,293	53.5	3,272	54.1
Townhome	468	10.9	493	8.2
Mix Products	668	15.6	621	10.3
Condominium	858	20.0	1,659	27.4
Total	4,288	100.0	6,044	100.0

In 1Q-2022, Sansiri and its subsidiaries reported a 29 percent decrease in revenue from project sales from that of 1Q-2021. The decrease in revenue was caused by the postponement of launch plan of 4 landed property projects in 1Q-2022, together with the price adjustment to maintain the profitability level. The decrease in revenue from condominium projects, single-detached house projects, and townhome projects accounted for 48 percent, 30 percent, and 5 percent, respectively. Nonetheless, revenue from mix project increased by 8 percent compared to that of 1Q-2021. To the total revenue from project sales in 1Q-2022, 2,293 Million Baht revenue from single-detached projects contributed 53.5 percent, 858 Million Baht revenue from condominiums projects contributed 20.0 percent, 668 Million Baht revenue from mixed products projects contributed 15.6 percent, and 468 Million Baht revenue from townhome projects contributed 10.9 percent.

Revenue from single-detached house projects in 1Q-2022 amounted to 2,293 Million Baht, a 30 percent decrease from 3,272 Million Baht in 1Q-2021. Revenue from single-detached house was mainly from 4 projects, including Setthasiri Charan- Pinklao 2, Setthasiri Phahol- Watcharapol, Setthasiri Krungthep Kreetha 2, and Setthasiri Rama 5, altogether contributed 821 Million Baht or 19 percent of total revenue from project sales.

Revenue from townhome project decreased by 5 percent from 493 Million Baht in 1Q-2021 to 468 Million Baht in 1Q-2022. The major revenue was from the sale of townhome projects under the brand “Siri Place”, especially, Siri place Ratchapruek-Rama 5, Siri Place Phaholyothin 52, and Siri Place Bangna- Thepharak which were top 3 highest contributors of revenue from townhome project in 1Q-2022.

In 1Q-2022, revenue from mix products project amounted to 668 Million Baht, increased by 8 percent from 621 Million Baht in 1Q-2021 with Anasiri Chaiyapruek-Wongwaen, Anasiri Krungthep-Phathumthani, and Anasiri Rangsit as the top 3 highest contributors in 1Q-2022.

In addition, revenue from condominium projects decreased by 20 percent from 1,659 Million Baht in 1Q-2021 to 858 Million Baht in 1Q-2022. In this regard, the main contributors to revenue from condominium projects were from 3 projects, including XT Huaikwang, Oka Haus, and Edge Central Pattaya. Their revenue contributed 567 Million Baht or 13 percent of total revenue from project sales.

Revenue from Property Services

Revenue from projects for rent increased from 36 Million Baht in 1Q-2021 to 48 Million Baht in 1Q-2022, while revenue from business management decreased from 432 Million Baht in 1Q-2021 to 364 Million Baht in 1Q-2022, or decreased by 16 percent. The decrease was driven by a decrease in revenue from turnkey construction management of joint venture.

In addition, in 1Q-2022, the revenue from hotel management amounted to 106 Million Baht, increased by 70 percent from that of the same period of previous year. Furthermore, revenue from other services including hotel business and education business was 130 Million Baht, a 78 percent increase from 73 Million Baht in 1Q-2021.

Cost of Goods Sold and Operating Expenses

Cost of Project Sales and Other Costs

In 1Q-2022, cost of project sales amounted to 2,796 Million Baht, a 34 percent decrease from that of 1Q-2021. Gross profit margin of total revenue significantly increased from 29.7 percent in 1Q-2021 to 35.3 percent in 1Q-2022, which was the result of project price adjustment to the normal level prior to COVID-19 outbreak, as well as the profit from sale of land plot. Cost of projects for rent in 1Q-2022 amounted to 22 Million Baht decreased from 26 Million Baht in 1Q-2021, whereas cost of business management decreased from 305 Million Baht in 1Q-2021 to 229 Million Baht in 1Q-2022 in accordance with a decrease in revenue from business management. In addition, cost of hotel management increased from 121 Million Baht in 1Q-2021 to 194 Million Baht in 1Q-2022. Whereas, cost of other services including hotel business and education business increased by 102 percent from 1Q-2021.

Selling, General and Administrative Expenses

Sansiri and its subsidiaries recorded selling and administrative expense in 1Q-2022 at 1,190 Million Baht, decreased from 1,258 Million Baht in 1Q-2021, or 22.8 percent of total revenue, an increase from 18.4 percent of total revenue in 1Q-2021. In 1Q-2022, the selling expense amounted to 291 Million Baht or a 5.6 percent of total revenue, decreased from 6.3 percent in 1Q-2021. On the other hand, the administration expense in 1Q-2022 amounted to 899 Million Baht or a 17.2 percent, increased from 12.1 percent in the same period of last year, mainly due to the employee benefit expenses that were back to normal level and a decrease in total revenue in 1Q-2022 compared to that of 1Q-2021.

Financial Expense

In 1Q-2022, financial expense was at 325 Million Baht, increased from 306 Million Baht in 1Q-2021, which mainly due to the purchase of new land plots in preparing of the project launch in the future. As a result, the interest expenses incurred by the undeveloped land plots, which were still in the design and marketing process, are unable to be capitalised.

Net Profit

Sansiri and its subsidiaries reported net profit of 303 Million Baht in 1Q-2022, a decrease from 384 Million Baht in 1Q-2021. On the contrary, the net profit margin reported at 5.8 percent of total revenue in 1Q-2022 which increased from the net profit margin of 5.6 percent of total revenue in 1Q-2021. It was mainly due to an increase in gross profit margin of project sales. In addition, an effective corporate income tax in 1Q-2022 was at 32.1 percent of earnings before corporate income tax.

Assets

Total assets of Sansiri and its subsidiaries as of 31 March 2022 amounted to 119,540 Million Baht, an increase of 2,908 Million Baht from that of 31 December 2021. Current assets as of 31 March 2022 was at 67,747 Million Baht, increased by 1,708 Million Baht from that of 31 December 2021 due to an increase in real estate development for sale. Total non-current assets as of 31 March 2022 was at 51,793 Million Baht, an increase of 1,200 Million Baht from that of 31 December 2021 due to a decrease in land held for development.

Liabilities

Total liabilities of Sansiri Group amounted to 78,419 Million Baht as of 31 March 2022, an increase of 2,754 Million Baht from that of 31 December 2021. Total current liabilities amounted to 38,876 Million Baht or increased by 1,231 Million Baht while total non-current liabilities increased by 1,523 Million Baht to 39,543 Million Baht. In this regard, the interest-bearing debt increased from 63,694 Million Baht as of 31 December 2021 to 66,972 Million Baht as of 31 March 2022, due to an increase in unsecured debenture issued in 1Q-2022. The debt-to-equity ratio was 1.91 times with the interest-bearing debt-to-equity ratio (Gearing ratio) of 1.63 times. In this regard, Sansiri has been operating under restrictive financial covenants with gearing ratio less than 2.5 to 1.

By the definition, "Liabilities" means total liabilities as appears in the financial statements, including financial obligations and provisions from collateral of aval by bond issuers or any obligations in the same manner to any person or juristic person (The collateral is not included the case that other person acts as a guarantor for the bond issuer or subsidiary). However, financial obligations and provisions as mentioned above are not included financial obligations and provisions with account payables, advanced received from customer or any debt of bond issuer with no interest obligation, and lease payables.

Shareholders' Equity

Shareholders' Equity as of 31 March 2022 amounted to 41,121 Million Baht, an increase of 154 Million Baht from as of 31 December 2021, mainly driven by an increase of retained earnings of 225 Million Baht.

Cashflow

For 1Q-2022, beginning cash balance was 2,181 Million Baht, with net cash used in operating activities of 1,369 Million Baht, net cash used in investing activities of 1,209 Million Baht, and net cash from financing activities of 2,625 Million Baht, resulting in the ending cash balance of 2,186 Million Baht. In this regard, profit from operating activities before changes in operating assets and liabilities was at 3,978 Million Baht. Cash outflow as development costs for property development for sale amounted to 4,636 Million Baht. For investing activities, Payment on purchase of other non-current financial assets, and increase in loans to related parties amounted to 583 Million Baht, and 503 Million Baht, respectively. For financing activities, cash outflow for loan repayment including interest payment were 3,118 Million Baht.

Please be informed accordingly.

Yours Sincerely,

(Mr. Wanchak Buranasiri)

Authorised Director