

PSH-CS 50/2022

In 3Q22, Pruksa Holding Public Company Limited (the “Company”) grew its operating results from its 2 core businesses, where income from real estate business increased due to the transfer of 3 condominium projects with a total project value over Bt8,915 million including Plum Condo Rangsit Fresh, The Reserve 61 Hideaway and Chapter Charoennakhon Riverside. In addition, revenue from hospital operations gradually grew as the hospital commenced the operation in May 2021, gained recognition and became more well-known. The Company’s patient base has been expanding to both local and foreign patients. In August, the Company extended its service coverages by launching Vimut Wellness (Bangna-Wongwaen) located in front of the Pruksa Avenue (Bangna-Wongwaen) housing project. This is expected to generate additional revenue for the hospital business and is also regarded as a synergy between the 2 core businesses of the Pruksa Group. The project is in line with the Company’s mission toward sustainable business growth and expanding new businesses and services to raise the better living and quality of life of Thai people.

Presales comparison of the Company for the three months ended September 30, 2022 and 2021

Unit: Bt million

Products	Q3/2022	Q3/2021	Increase/ (Decrease)	% Change
Townhouse	1,337	3,286	(1,949)	(59.3)
Single-detached house	1,366	1,422	(56)	(3.9)
Condominium	155	1,194	(1,039)	(87.0)
Total	2,858	5,902	(3,044)	(51.6)

Note: All presale was reported as net presale (net presale = presale - promotion)

Presales comparison of the Company for the nine months ended September 30, 2022 and 2021

Unit: Bt million

Products	9M/2022	9M/2021	Increase/ (Decrease)	% Change
Townhouse	7,576	11,254	(3,678)	(32.7)
Single-detached house	4,929	4,919	10	0.2
Condominium	2,039	3,894	(1,855)	(47.6)
Total	14,544	20,067	(5,523)	(27.5)

Note: All presale was reported as net presale (net presale = presale - promotion)

In 3Q22, the Company reported a decline in real estate’s presales by a total of Bt3,044 million or a decrease of 51.6% YoY and for 9M22, real estate’s presales decreased by a total of Bt5,523 million or a decrease of 27.5% compared to the same period last year. Presales declined mainly from townhouse and condominium businesses as customer demand was predominantly aimed at high-end products, which is a consumer market with high purchasing power and was not affected by Covid-19 situation. In addition, two time-increases in interest rates delay the purchasing decisions of low-income customers.

Performance comparison of the Company for the three months ended September 30, 2022 and 2021

Unit: Bt million

Statement of income	Q3/2022	%	Q3/2021	%	Increase/ (Decrease)	%YoY
Revenue from sales of real estate	6,545	95.8	6,103	100.2	442	7.2
Promotions	(115)	(1.7)	(133)	(2.2)	(18)	(13.5)
Revenue from sales of real estate - net	6,430	94.1	5,970	98.0	460	7.7
Revenue from hospital operations	330	4.8	88	1.4	242	275.9
Other Income	72	1.0	33	0.5	39	118.9
Total Revenues	6,832	100.0	6,091	100.0	741	12.2
Cost of sales of real estate	(4,371)	(68.0)	(4,193)	(70.2)	178	4.3
Cost of hospital operations	(297)	(89.9)	(120)	(136.4)	176	146.5
Gross profit	2,092	30.9	1,745	28.8	347	19.9
Selling and Administrative expenses	(1,287)	(18.8)	(1,180)	(19.4)	107	9.1
Profit from operating activities	877	12.8	598	9.8	279	46.6
Finance costs	(105)	(1.5)	(129)	(2.1)	(24)	(18.8)
Share of profit / (loss) of associate & joint ventures accounted for using equity method	7	0.1	(4)	(0.1)	11	269.4
Profit before income tax expense	779	11.4	465	7.6	314	67.5
Tax expense	(146)	(2.1)	(125)	(2.1)	21	16.7
Profit for the period	633	9.3	340	5.6	293	86.2
Non-controlling interests	14	0.2	9	0.1	4	47.4
Profit attributable to owners of the parent	619	9.1	331	5.4	289	87.3

Remark: Percentage in statement of income is calculated from total revenues, while percentage of cost of sales of real estate and cost of hospital operations is calculated from revenue from net sales of real estate and revenue from hospital operations, respectively. Gross profit is calculated from revenue from net sales of real estate and revenue from hospital operations.

Performance comparison of the Company for the nine months ended September 30, 2022 and 2021

Unit: Bt million

Statement of income	9M/2022	%	9M/2021	%	Increase/ (Decrease)	%YoY
Revenue from sale of real estate	17,550	96.4	19,628	101.3	(2,078)	(10.6)
Promotions	(339)	(1.9)	(435)	(2.2)	(96)	(22.1)
Revenue from sales of real estate-net	17,211	94.5	19,193	99.0	(1,982)	(10.3)
Revenue from hospital operations	777	4.3	117	0.6	659	562.6
Other Income	213	1.2	70	0.4	144	206.6
Total Revenues	18,201	100.0	19,380	100.0	(1,179)	(6.1)
Cost of sales of real estate	(11,763)	(68.3)	(13,729)	(71.5)	(1,967)	(14.3)
Cost of hospital operations	(733)	(94.4)	(195)	(166.7)	538	276.8
Gross profit	5,492	30.5	5,386	27.9	105	2.0
Selling and Administrative expenses	(3,362)	(18.5)	(3,317)	(17.1)	46	1.4
Profit from operating activities	2,343	12.9	2,139	11.0	204	9.5
Finance costs	(315)	(1.7)	(419)	(2.2)	(104)	(24.8)
Share of profit / (loss) of associate & joint ventures accounted for using equity method	30	0.2	102	0.5	(71)	(70.4)

Statement of income	9M/2022	%	9M/2021	%	Increase/ (Decrease)	%YoY
Profit before income tax expense	2,058	11.3	1,822	9.4	236	13.0
Tax expense	(423)	(2.3)	(427)	(2.2)	(4)	(0.9)
Profit for the period	1,635	9.0	1,395	7.2	240	17.2
Non-controlling interests	34	0.2	31	0.2	3	9.7
Profit attributable to owners of the parent	1,601	8.8	1,364	7.0	237	17.3

Remark: Percentage in statement of income is calculated from total revenues, while percentage of cost of sales of real estate and cost of hospital operations is calculated from revenue from net sales of real estate and revenue from hospital operations, respectively. Gross profit is calculated from revenue from net sales of real estate and revenue from hospital operations.

Revenues

Revenue from real estate business by product type for the three months ended September 30, 2022 and 2021

Unit: Bt million

Product Type	Revenue				Increase/ (Decrease)	%YoY
	Q3/2022	%	Q3/ 2021	%		
Townhouse	2,631	40.9	3,034	50.8	(403)	(13.3)
Single-detached house	1,124	17.5	1,255	21.0	(132)	(10.5)
Condominium	2,580	40.1	1,533	25.7	1,048	68.3
Others *	95	1.5	148	2.5	(54)	(36.2)
Revenue from real estate sales	6,430	100.0	5,970	100.0	460	7.7

* Revenue from Land Sale

In 3Q22, the Company reported total revenue of Bt6,832 million, consisting of revenue from sale real estate sales of Bt6,430 million, revenue from hospital operations of Bt330 million, and other revenue of Bt72 million. Revenue from real estate business increased from the transfer of three condominium projects. And, revenue from hospital business increased significantly from improved operating performance, including the consolidation of revenue from Theptanyapa Co., Ltd., which operates Theptarin Hospital, instead of recording the equity method since August 2022 onwards.

Revenue from real estate business by product type for the nine months ended September 30, 2022 and 2021

Unit: Bt million

Product Type	Revenue				Increase/ (Decrease)	%YoY
	9M/2022	%	9M/2021	%		
Townhouse	7,644	44.4	9,968	51.9	(2,324)	(23.3)
Single-detached house	3,436	20.0	4,385	22.8	(949)	(21.6)
Condominium	5,394	31.3	4,692	24.5	702	15.0
Others *	737	4.3	148	0.8	589	396.6
Revenue from real estate sales	17,211	100.0	19,193	100.0	(1,982)	(10.3)

* Revenue from Land Sale

In 9M22, the Company reported total revenue of Bt18,201 million, comprising of revenue from real estate sales of Bt17,211 million, revenue from hospital business of Bt777 million, and other revenue of Bt213 million. A 6.1% drop was attribute to the overall state of the real estate market that was affected by external factors, where low-income consumers delay their purchasing decisions during a period of rising interest rates.

Cost

In 3Q22, the Company reported cost of real estate sales of Bt4,371 million or 68.0% of net revenue from real estate sales and cost of hospital operations of Bt297 million or 89.9% of revenue from hospital operations. The costs climbed as revenues increased from both businesses, but at a slower rate, demonstrating efficient cost control.

In 9M22, the Company reported cost of real estate sales of Bt11,763 million or 68.3% of net revenue from real estate sales. It decreased due to a fall of revenue from real estate sales. The Company also reported cost of hospital operations of Bt733 million or 94.4% of revenue from hospital operations. It increased from the continuous expansion of the healthcare business as well as an opening of Vimut Wellness (Bangna-Wongwaen) since August this year.

Gross profit margin

In 3Q22, the Company generated gross profit margin at 30.9%, increased from the same period of last year at 28.8% as a result of high-yield units transferred.

In 9M22, the Company had gross profit margin at 30.5%, increased from the same period of last year at 27.9%. This improvement comes from an optimization of a construction material called Value Engineering. Moreover, the hospital business has also begun to benefit from economies of scale after more than a year of operation.

Selling & Administrative expenses

In 3Q22, the Company reported selling and administrative expenses of Bt1,287 million or 18.8% of total revenue. An increase was due to higher transfer fees pertaining to the rise in revenue from real estate sales as well as an increase in selling and administration expenses of Theptanyapa Co., Ltd. as a result of the change on accounting method from equity method to consolidation.

In 9M22, the Company reported selling and administrative expenses of Bt3,362 million or 18.5% of total revenue, increased from administrative expenses to prepare for the expansion of investment to businesses related to core businesses.

Finance costs

The Company reported finance costs of Bt105 million in 3Q22, fell by Bt24 million from the previous year, and Bt315 million in 9M22, decreased by Bt104 million from the previous year. This was largely from a reduction of bank loans and the interest rate management by entering into interest rate swap contracts since 2Q22.

As of September 30, 2022, interest-bearing debt to equity ratio recorded at 0.42 times and net interest-bearing debt to equity ratio was 0.34 times, decreased from December 31, 2021. The Company continues to maintain healthy financial health.

Share of profit / (loss) of associate & joint ventures accounted for using equity method

The Company recognized the share of profit of associate company accounted of Bt7 million and Bt30 million in 3Q22 and 9M22, respectively. This was due to an acquisition of shares and voting interests of 51% of the issued and paid-up share capital in Theptanyapa Co., Ltd., which is an operator of Theptarin Hospital as well as holds shares in five subsidiaries. However, the Company has changed the accounting method from equity method to consolidation method since August this year in order to reflect the Company's significant influence in Theptanyapa Co., Ltd.

Profit

Profit for the parent company posted at Bt619 million or 9.1% of total revenue in 3Q22 and Bt1,601 or 8.8% of total revenue in 9M22, increased by 87.3% and 17.3% YoY, respectively. This was from better gross profit margin and efficient finance cost management.

Financial position and Liquidity

September 30, December 31,			September 30, December 31,		
2022 2021			2022 2021		
(Bt million)			(Bt million)		
Assets			Non-interest bearing debt		
			Trade accounts payable	2,166	1,350
Current Assets			Other liabilities	7,556	7,518
Cash and cash equivalents	3,217	3,348	Total non interest bearing debt	9,722	8,868
Real estate development for sale	53,205	56,756	Short-term loans	-	4
Other current assets	1,552	1,771	Current portion of long-term loans	-	400
			Long-term loans	3,089	457
			Current portion of long-term debentures	4,750	9,500
			Long-term debentures	10,000	8,750
Total current assets	57,974	61,875	Total interest bearing debt	17,839	19,111
Property, plant and equipment	8,011	6,566	Total liabilities	27,561	27,979
Other non-current assets	5,990	3,610	Equity	42,836	43,324
Total non-current assets	14,001	10,176	Non-controlling interests	1,578	748
Total assets	71,975	72,051	Total liabilities and equity	71,975	72,051

Remark: A summary of consolidated statement of financial position

As of September 30, 2022, the Company has 129 active real estate projects with a total value of Bt132,558 million, including 78 townhouse projects with a total value of Bt63,548 million, 36 single-detached house projects with a total value of Bt39,775 million, and 15 condominium projects with a total value of Bt29,235 million.

The Company reported total assets of Bt71,975 million as of September 30, 2022. A decrease was mainly from lower amounts of real estate development for sale. Interest-bearing debt (IBD) consists of long-term loans of Bt3,089 million and debentures of Bt14,750 million.

Sustainable Development Projects

Following the mission of PrukSA Group to create sustainable growth, expand new business and services to promote the better living and quality of life of all Thai people. For social development, we are approaching our 4th year of "Home for Disabled People by PrukSA" project, built and renovated a total of 8 houses for the disabled. For environmental aspect, the Company implemented "WON" project for 3rd year to reuse plastic bags and films. Since the beginning of the year, we have recycled more than 151 kilograms of plastic, which is equivalent to planting 15 trees to absorb carbon dioxide. In addition, we have cooperated with external operators through "Reborn Box" activity by reusing the paper packaging from 72 residential projects of PrukSA.

(Miss Surawee Chaithumrongkool)
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