

(English Translation)

Ref SS. 0923 / 2022

14 November 2022

Subject : Clarification of 3Q-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 30 September 2022 of the Company and its subsidiaries as follows.

Total revenue in 3Q-2022 amounted to 8,855 Million Baht, representing a growth of 23 percent or 1,626 Million Baht from 7,229 Million Baht in 3Q-2021 chiefly supported by higher revenues across all business units. 3Q-2022 net profit was 1,268 Million Baht, rising strongly by 102 percent or 640 Million Baht, compared to a net profit of 628 Million Baht in the previous year. Consequently, net profit margin stood at 14.3 percent in this quarter, increasing from 8.7 percent in 3Q-2021.

Total revenue of 9M2022 stood at 21,913 Million Baht, declining slightly by 1 percent or 184 Million Baht from 22,097 Million Baht in 9M2021. Net profit in 9M2022 posted an exceptional growth of 49 percent or 814 Million Baht to 2,488 Million Baht from 1,674 Million Baht in 9M2021. Hence, 9M2022 net profit margin improved from 7.6 percent in 9M2021 to 11.4 percent.

#### Revenue from Property Development for Sale

The breakdown of revenue from project sales of 3Q-2022, 3Q-2021 and for the period of 9M2022 and 9M2021 is as follows:

Product Type	3Q-2022		3Q-2021		9M2022		9M2021	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Single-detached houses	3,257	41.4	2,549	39.5	8,664	46.2	8,924	45.2
Townhomes / Home Offices	1,171	14.9	545	8.4	2,556	13.6	1,678	8.5
Mixed Products	743	9.4	593	9.2	2,338	12.5	1,858	9.4
Condominiums	2,698	34.3	2,764	42.9	5,194	27.7	7,285	36.9
<b>Total</b>	<b>7,869</b>	<b>100.0</b>	<b>6,451</b>	<b>100.0</b>	<b>18,752</b>	<b>100.0</b>	<b>19,745</b>	<b>100.0</b>

In 3Q-2022, Sansiri and its subsidiaries reported revenue from project sales of 7,869 Million Baht, growing by 22 percent or 1,418 Million Baht from 6,451 Million Baht in 3Q-2021. The growth was mainly supported by an increase in revenue from almost every product type, including townhome, single-detached house and mixed products projects which grew by 115 percent, 28 percent, and 25 percent, respectively. Whilst revenue from condominium decreased slightly by 2 percent since most condominium transfers during the quarter were still from completed projects that were carried over from the previous quarter.

Out of total revenue from project sales in 3Q-2022, revenue from single-detached house projects contributed 41.4 percent or 3,257 Million Baht while condominiums projects contributed 34.3 percent or 2,698 Million Baht. Townhome projects contributed revenue of 14.9 percent or 1,171 Million Baht and Mix products projects contributed the remaining 9.4 percent or equivalent to 743 Million Baht. For 9M2022, revenue from project sales declined 5 percent from the previous year to 18,752 Million Baht.

Revenue from single-detached house projects in 3Q-2022 rose by 28 percent from 2,549 Million Baht in 3Q-2021 to 3,257 Million Baht. Revenue from single-detached house was mainly from 5 projects, including Setthasiri Rama 5, Setthasiri Krungthep Kreetha 2, Burasiri Watcharapol, Setthasiri Thawiwattana and Setthasiri Phahol-Watcharapol, altogether contributed 1,471 Million Baht or 19 percent of total revenue from project sales.

Revenue from townhome projects grew considerably by 115 percent from 545 Million Baht in 3Q-2021 to 1,171 Million Baht in 3Q-2022. In this regard, DEMI Sathu 49 delivered the highest revenue share in the townhome segment, whereas townhome projects under the brand "Siri Place" were still able to generate revenue continuously. 6 new SIRI Place townhome projects which have been launched during the year, generated a total revenue of 368 Million Baht.

In 3Q-2022, revenue from mix products project was 743 Million Baht, an increase of 25 percent from 593 Million Baht in 3Q-2021. Anasiri Krungthep-Phathumthani, Anasiri Rangsit and Anasiri Ratchapruerk-346 were the main contributors in 3Q-2022, contributing 5 percent of total revenue from project sales.

In addition, revenue from condominium projects decreased minimally by 2 percent from 2,764 Million Baht in 3Q-2021 to 2,698 Million Baht in 3Q-2022. In this regard, the major contributors to revenue from condominium projects were from 3 projects, including XT Huaikwang, The Base Phetchaburi-Thonglor and dcondo Hideaway, amounting to 1,561 Million Baht or 20 percent of total revenue from project sales.

### Revenue from Property Services

Revenue from projects for rent in 3Q-2022 was 53 Million Baht, increasing by 42 percent or 16 Million Baht from 37 Million Baht in 3Q-2021. As a result, revenue from projects for rent in 9M2022 was 151 Million Baht, increasing by 32 percent or 37 Million Baht from 114 Million Baht in 9M2021. Whilst revenue from business management stood at 442 Million Baht, rising by 12 percent or 48 Million Baht from 394 Million Baht in 3Q-2021. However, revenue from business management in 9M2022 stood at 1,187 Million Baht, dropping by 7 percent or 84 Million Baht from 1,272 Million Baht in 9M2021.

In addition, in 3Q-2022, revenue from hotel management amounted to 143 Million Baht, growing significantly by 77 percent or 62 Million Baht from 81 Million Baht in the same period last year. Sansiri also recorded revenue from hotel management of 377 Million Baht in 9M2022, increasing substantially by 80 percent or 167 Million Baht from the same period of the previous year. The recovery of tourism and hotel businesses, as well as the reopening of schools following the relief COVID-19 pandemic drove revenue from other businesses including hotel business and education business to rise considerably by 181 percent or 95 Million Baht from 53 Million Baht in 3Q-2021 to 148 Million Baht in this quarter. As a result, revenue from other businesses in 9M2022 stood at 381 Million Baht, representing a remarkable growth of 135 percent or 219 Million Baht from 162 Million Baht in the same period last year.

### Cost of Goods Sold and Operating Expenses

#### *Cost of Project Sales and Other Costs*

In 3Q-2022, cost of project sales amounted to 5,102 Million Baht, a 19 percent or 809 Million Baht increase from 3Q-2021. Nonetheless, cost of project sales in 9M2022 reduced by 7 percent from the same period last year following the decrease in revenue from project sales in the aforesaid period. Total gross profit margin improved from 34.1 percent in 3Q-2021 to 34.2 percent in 3Q-2022, similar to 9M2022 total gross profit margin which rose to 34.9 percent, compared to 32.8 percent in the previous year.

Cost of projects for rent in 3Q-2022 amounted to 24 Million Baht rose from 23 Million Baht in 3Q-2021, whereas cost of business management increased by 10 percent or 25 Million Baht from 258 Million Baht in 3Q-2021 to 283 Million Baht in this quarter, following higher revenue from business management. Cost of hotel management increased by 88 percent or 123 Million Baht from 139 Million Baht in the previous year to 262 Million Baht in this quarter. Whereas, cost of other services including hotel business and education business rose by 183 percent or 93 Million Baht to 145 Million Baht from 51 Million Baht in 3Q-2021, in line with higher revenue from other services.

### *Selling, General and Administrative Expenses*

Sansiri and its subsidiaries recorded selling and administrative expense in 3Q-2022 at 1,553 Million Baht, increasing from 1,349 Million Baht in 3Q-2021. However, selling and administrative expense to total revenue in 3Q-2022 was equivalent to 17.5 percent of total revenue, decreasing from 18.7 percent of total revenue in 3Q-2021. In 3Q-2022, selling expense amounted to 522 Million Baht or a 5.9 percent of total revenue, decreased from 7.0 percent in 3Q-2021. Administrative expense in 3Q-2022 amounted to 1,031 Million Baht or a 11.6 percent, remained constant compared to the same period last year.

The selling and administrative expense as of 9M2022 stood at 4,238 Million Baht, representing a 19.3 percent of total revenue, increasing from 4,174 Million Baht or equivalent to 18.9 percent in 9M2021. The selling expense in 9M2022 was 1,313 Million Baht, equivalent to 6.0 percent of total revenue, dropping from 6.9 percent in the same period last year. Whereas the administrative expense in 9M2022 was 2,925 Million Baht, accounting for 13.3 percent of total revenue, rising from 12.0 percent in 9M2021.

### *Finance Cost*

In 3Q-2022, finance cost was 103 Million Baht, down 64 percent or 180 Million Baht from 284 Million Baht in 3Q-2021, owing mostly to the development of existing land plots to support business expansion in the next 2-3 years. As a result, the interest charges incurred by the developed land plots can be capitalised as cost of the projects rather than financial expenses.

### **Net Profit**

Sansiri and its subsidiaries reported net profit of 1,268 Million Baht in 3Q-2022, growing substantially by 102 percent or 640 Million Baht, compared to 628 Million Baht in 3Q-2021. Thus, net profit margin reported at 14.3 percent of total revenue in 3Q-2022 which improved from 8.7 percent in 3Q-2021. This was mainly due to an increase in the gross profit margin of sales of real estate, business management business and rental projects as well as an increase in share of profit from investments in joint ventures and associates, and reduced finance cost. In addition, an effective corporate income tax in 3Q-2022 was at 22.6 percent of earnings before corporate income tax.

## FINANCIAL POSITION AS OF 30 SEPTEMBER 2022

### **Total Assets**

Total assets of Sansiri and its subsidiaries as of 30 September 2022 amounted to 127,888 Million Baht, an increase of 11,256 Million Baht from 31 December 2021. Current assets as of 30 September 2022 were 96,411 Million Baht, increasing by 30,372 Million Baht from 31 December 2021 chiefly due to an increase in real estate development for sales. Total non-current assets as of 30 September 2022 were 31,477 Million Baht, a decrease of 19,116 Million Baht from 31 December 2021. The decrease was primarily from a decrease in land held for development, some of which had shifted to an increase in current assets, such as real estate development for sale, and investment properties.

### **Total Liabilities**

Total liabilities of Sansiri Group amounted to 85,636 Million Baht as of 30 September 2022, an increase of 9,971 Million Baht from 31 December 2021. Total current liabilities amounted to 38,882 Million Baht, increasing by 1,237 Million Baht while total non-current liabilities rose by 8,734 Million Baht to 46,754 Million Baht. In this regard, the interest-bearing debt increased from 63,694 Million Baht as of 31 December 2021 to 72,277 Million Baht as of 30 September 2022, due to an increase in unsecured debenture issued during 1H2022 as well as an increase in long-term loans. The debt-to-equity ratio was 2.03 times with the interest-bearing debt-to-equity ratio (Gearing ratio) of 1.71 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 do not include financial obligations and provisions with account payables, advanced received from customer or any debt of bond issuer with no interest obligation, and lease payables.

### **Total Shareholders' Equity**

Shareholders' Equity as of 30 September 2022 amounted to 42,252 Million Baht, an increase of 1,285 Million Baht from as of 31 December 2021, mainly driven by an increase in retained earnings of 763 Million Baht and other components of shareholders' equity of 592 Million Baht.

### CASHFLOW

Sansiri and its subsidiaries had beginning cash balance of 2,181 Million Baht, with net cash used in operating activities of 2,883 Million Baht, net cash used in investing activities of 834 Million Baht, and net cash from financing activities of 4,573 Million Baht, resulting in the ending cash balance of 3,039 Million Baht. In this regard, profit from operating activities before changes in operating assets and liabilities was 16,860 Million Baht. Cash used as development costs for property development for sale amounted to 19,547 Million Baht. For investing activities, the key components were payment on purchase of other financial assets of 538 Million Baht and payment on purchase of land, building and equipment of 280 Million Baht. For financing activities, the key components were net proceeds from debenture issuance of 6,554 Million Baht, partially offset with dividend payment of 1,489 Million Baht in May and September 2022.

Please be informed accordingly.

Yours Sincerely,

(Mr. Wanchak Buranasiri)

Authorised Director