

SUPALAI

SUPALAI PUBLIC COMPANY LIMITED

SPL. 152/2023

August 8, 2023

Subject: Report of operating results for the three-month and six-month periods ended 30 June 2023

To Director and Manager
The Stock Exchange of Thailand

Supalai Public Company Limited would like to inform the operating results for the three-month and six-month periods ended 30 June 2023. Detailed explanations are as followed:

1. The Company and its subsidiaries' operating results for the three-month period ended 30 June 2023 and 2022.

(Unit: Million Baht)						
	Consolidated financial statements			Separate financial statements		
	Second Quarter 2023	Second Quarter 2022	Increase / (Decrease) %	Second Quarter 2023	Second Quarter 2022	Increase / (Decrease) %
Total revenues	8,444.00	8,555.17	(1%)	7,144.64	7,620.94	(6%)
Revenue from sales of real estate	8,089.19	8,135.66	(1%)	6,866.35	7,225.45	(5%)
Selling and administrative expenses	956.65	940.19	2%	869.70	838.34	4%
% Selling and administrative expenses / Total revenue	11.3%	11.0%		12.2%	11.0%	
Share of profit from investments in joint ventures and associates	127.44	82.51	54%	-	-	-
Finance cost	103.09	61.25	68%	100.77	59.84	68%
Profit before income tax expenses	2,205.81	2,669.36	(17%)	1,803.85	2,416.76	(25%)
Income tax expenses	482.84	564.12	(14%)	378.62	493.54	(23%)
Effective corporate income tax rate (%)	21.9%	21.1%		21.0%	20.4%	
Profit for the period	1,700.73	2,075.08	(18%)	1,425.23	1,923.22	(26%)
Net profit margin (%)	20.1%	24.3%		19.9%	25.2%	
Basic earnings per share (Baht)	0.87	1.06	(18%)	0.73	0.99	(26%)
	Consolidated financial statements			Separate financial statements		
	30 June 2023	31 December 2022	Increase / (Decrease) %	30 June 2023	31 December 2022	Increase / (Decrease) %
Net Gearing Ratio (%)	50%	49%		60%	55%	
Book Value per share (Baht)	25.19	24.30	4%	23.07	22.37	3%

1. The revenue from sales of real estate in the amount of Baht 8,089.19 million or slightly decrease of Baht 46.47 million or 1% from the same period of the last year, divided into the revenue of 62% from the transfer of ownership of detached houses and townhouses and the remaining 38% was from the transfer of ownership of condominiums. In this year, the Company has 2 finished condominium projects that will begin to be transferred from the second quarter of 2023 onwards. A project has been transferred in this second quarter. In this regard, the proportion of the transfer of ownership of detached houses and townhouses as mentioned above was higher compared to the second quarter of 2022, in which the proportion of the transfer of ownership of detached houses and townhouses was 55%. As a result, the gross margin was lower in the second quarter of 2023 compared to the same period of the last year.
 2. Selling and administrative expenses was Baht 956.64 million or increased of Baht 16.46 million or 2% from the same period of the last year. However, the selling and administrative expenses / total revenue was 11.3% that was slightly increased from 11.0% when compared with the same period of the last year.
 3. Share of profit from investments in joint ventures and associates amounted to Baht 127.44 million, an increase of Baht 44.93 million or 54% from the same period of the last year. This was mainly due to an increase in revenue from sales of real estate of projects in Australia.
 4. Finance costs was Baht 103.09 million, an increase of Baht 41.84 million from the same period last year, representing an increase of 68% due to the policy rate increase since mid-2022.
 5. Net profit was Baht 1,700.73 million, decreased of Baht 374.36 million from the same period of last year, representing an decrease of 18%, mainly due to the decrease in revenue from sales of real estate as stated in No.1. Moreover, the selling and administrative expenses increased as stated in No.2 and the finance cost increased as stated in No.4. Therefore, basic earnings per share was Baht 0.87 per share or decreased from Baht 1.06 per share of the same period of the last year.
 6. Since the Company has invested more. As a result, the net gear ratio was 50% as of June 30, 2023, up slightly from 49% as of December 31, 2022.
2. The Company and its subsidiaries' operating results for the six-month period ended 30 June 2023 and 2022.

(Unit: Million Baht)						
	Consolidated financial statements			Separate financial statements		
	Six-month period 2023	Six-month period 2022	Increase / (Decrease) %	Six-month period 2023	Six-month period 2022	Increase / (Decrease) %
Total revenues	14,345.71	14,092.48	2%	12,464.46	12,809.46	(3%)
Revenue from sales of real estate	13,730.61	13,507.90	2%	11,968.29	12,262.92	(2%)
Selling and administrative expenses	1,771.91	1,657.38	7%	1,611.57	1,476.61	9%
% Selling and administrative expenses / Total revenue	12.4%	11.8%		12.9%	11.5%	
Share of profit from investments in joint ventures and associates	193.48	140.24	38%	-	-	-
Finance cost	198.90	120.27	65%	192.68	118.28	63%
Profit before income tax expenses	3,624.53	4,184.76	(13%)	3,035.61	3,848.18	(21%)
Income tax expenses	800.40	886.37	(10%)	630.06	784.44	(20%)
Effective corporate income tax rate (%)	22.1%	21.2%		20.8%	20.4%	
Profit for the period	2,781.14	3,252.90	(15%)	2,405.55	3,063.74	(21%)
Net profit margin (%)	19.4%	23.1%		19.3%	23.9%	
Basic earnings per share (Baht)	1.42	1.67	(15%)	1.23	1.57	(22%)

The revenue from sales of real estate in the amount of Baht 14,345.71 million or increase of Baht 253.23 million or 2% from the same period of the last year, divided into the revenue of 65% from the transfer of ownership of detached houses and townhouses and the remaining 35% was from the transfer of ownership of condominiums. The reason for the increase in revenue is that the Company can transfer more ownership of low-rise projects. In this year, the Company has 2 finished condominium projects that will begin to be transferred from the second quarter of 2023 onwards. A project has been transferred in this second quarter. In this regard, the proportion of the transfer of ownership of detached houses and townhouses as mentioned above was higher compared to the same period of the last year, in which the proportion of the transfer of ownership of detached houses and townhouses was 55%. As a result, the gross margin was lower when compared to the same period of the last year.

Share of profit from investments in joint ventures and associates for the six-month period of 2023 was Baht 193.48 million, an increase of Baht 53.24 million or 38% from the same period of the last year. This was mainly due to an increase in revenue from sales of real estate of projects in Australia.

In addition, selling and administrative expenses was Baht 1,771.91 million or increased of Baht 114.53 million or 7% from the same period of the last year, mainly due to the increase in the revenue from sales of real estate. However, the selling and administrative expenses / total revenue was 12.4% that was slightly increased from 11.8% when compared with the same period of the last year.

According to the reasons as stated above and the increase in finance costs due to the policy rate up, resulting to the net income for the first half of year 2023 was Baht 2,781.14 million, while the same period of the last year was Baht 3,252.90 million or decrease of Baht 471.76 million or 15%.

As of 30 June 2023, the Company and its subsidiaries have house and/or condominium backlogs of Baht 19,804 million. The Company and its subsidiaries expected to transfer additional Baht 11,606 million of these backlogs over the next 6 months of year 2023, and Baht 8,198 million over the next 3 years. The backlog means total value of house and/or condominium sold but awaiting to be transferred, then the Company and its subsidiaries could recognize the revenue according to the Thai Accounting Standard, recognizing in full when ownership is transferred.

Please be informed and publicize to public accordingly.

(Mrs. Siriporn Wangsapar)

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