

22 February 2024

Subject : Management Discussion and Analysis for the year of 2023
 To : Director and Manager
 the Stock Exchange of Thailand

Ornsirin Holding Public Company Limited “the Company” would like to clarify the operating result for the year of 2023 of the Company and its subsidiaries as follows.

The operating result of the company and its subsidiaries for Q4/2566 and the year of 2023.

List	Q4'66	Q4'65	%YoY	2566	2565	%YoY
Unit: Million Baht						
1.Total Revenue	210.06	724.40	-71.00%	1,124.91	1,541.52	-27.03%
2.Total Revenue from sales	209.18	722.09	-71.03%	1,111.47	1,534.34	-27.56%
3.Other income	0.88	2.31	-61.69%	13.44	7.18	87.22%
4.COGS	121.50	389.01	-68.77%	589.72	853.48	-30.90%
5.Gross Profit	87.68	333.08	-73.68%	521.75	680.86	-23.37%
6.Sales and Administrative expense	69.16	130.10	-46.84%	293.08	317.78	-7.77%
1) Sales expense	24.61	96.58	-74.52%	128.56	187.61	-31.48%
2) Administrative expense	44.55	33.52	32.93%	164.52	130.17	26.39%
7.EBIT	18.71	205.06	-90.88%	240.49	368.08	-34.66%
8.EBITDA	21.87	206.90	-89.43%	251.71	376.54	-33.15%
9.Net Profit	13.38	159.83	-91.63%	180.94	282.80	-36.02%
10.Net Profit (attributed to the parent)	13.28	159.48	-91.68%	180.51	280.92	-35.74%
Financial ratio (%)						
11.Gross Profit margin	41.74%	45.98%	-9.22%	46.94%	44.37%	5.79%
12.Gross profit margin from real estate sales - Housing project	37.59%	41.68%	-9.80%	38.39%	41.03%	-6.42%
13.Gross profit margin from real estate sales - Condo project	45.12%	46.83%	-3.66%	47.02%	45.57%	3.19%
14.Sales and Administrative expense/Total Revenue	32.92%	17.96%	83.31%	26.05%	20.61%	26.38%
15.EBIT margin	8.91%	28.31%	-68.54%	21.38%	23.88%	-10.47%
16.EBITDA margin	10.41%	28.56%	-63.55%	22.38%	24.43%	-8.39%
17.Net Profit margin	6.37%	22.06%	-71.13%	16.08%	18.28%	-12.01%
18.Net Profit margin (attributed to the parent)	6.32%	22.02%	-71.29%	16.05%	18.22%	-11.95%

The operating result of the company and its subsidiaries as follows

Revenue

In 2023, the company reported total revenue from sales at amount of 1,111.47 million baht. a decrease of 422.88 million baht or 27.56 percent from 1,534.34 million baht in the same period last year. It is divided into the transfer of property rights of horizontal projects and condominium projects that were 422.90 and 684.91 million baht respectively. The revenue from rental and services were less than 1 percent of the group's total revenue.

The reason of decreasing in total revenue in 2023 is the company postponed the opening project “Ornsirin Ville Chotana” from the beginning of Q4/2023 to the end of Q4/2023 and the project “Ornsirin Ville Tharua” from Q4/2023 to Q1/2024 which expect to earn the revenue from Q1/2024 onwards.

Moreover in 2022, the company earned revenue from the transfer of property rights of Astra Sky River project, a large-scale high rise condominium project (construction completed in Q3/2022), which made the company had a leap in revenue from such project. When considering the gross profit of high-rise projects in the year of 2023 was 47.02 percent, increased by 1.45 percent from 45.57 percent in the same period last year. It showed that the company has a good cost control and maintain a good level of gross profit continuously and consistently.

However, the company has good responses shown by increasing in sales of horizontal and high-rise projects continuously. Currently, the company’s backlog is 799 million baht which will be recognize from Q1/2024 until Y2025.

Cost of Goods Sold and Gross Profit

In the year of 2023 and 2022, the company’s cost of good sold amounted to 589.72 and 853.48 million baht respectively, decreased by 30.90 percent. Gross profit in the year of 2023 was 521.75 million baht, decreased by 159.12 million baht or 23.37 percent from 680.86 million Baht in 2022.

the company’s gross profit margin in 2023 was 46.38 percent, increased by 2.21 percent from 44.17 percent in the same period last year. It showed that the company has a good cost and management control. This causes higher gross profit margin while sales were decreasing.

Expense

Distribution expenses

In 2023, the company and its subsidiaries recorded distribution costs at 128.56 million baht, decreased by 31.48 percent from 187.61 million baht in 2022. Because the cost of property transfer rights and compensation for sales agents decreases in proportion to the decrease in revenue from sale.

Administrative expenses

In 2023, administrative expenses of the company amounted to 164.52 million baht, increased by 34.35 million baht from 2022 (26.39 percent increasing). Because of an increase of 23.79 million baht in professional services, related to the submission of the initial public offering of shares and the application for registration on the stock market, which is one-time expense.

Financial cost

The company reported financial cost in the year of 2023 amounted to 9.00 million baht, decrease by 18.51 percent from 11.04 million baht in the same period last year. Because of existing land, it has been used to develop more projects to support business growth. Consequently, interest of land used for development can be recorded as a direct cost (in term of cost of goods sold) instead of recording as a financial expense.

Net Profit attributed to the Parent

For the year of 2023 and 2022, the company reported net profits attributed to the parent of 180.51 million baht and 280.92 million baht, representing net profit margins of 16.05 percent and 18.22 percent respectively. The decrease is in line with the same direction as the decrease in total revenue. There were also one-time expenses which is the expense related to the submission of the initial public offering of shares and the application for registration on the stock market. Resulting in increase in administrative expenses. So, the company's net profit was significantly lower than the same period last year.

Financial Position

Total Assets

As of 31 December 2023, total asset of the company and its subsidiaries amounted to 3,966.21 million baht, an increase of 627.33 million baht or 18.79 percent from 31 December 2022. Mostly from the increase in inventory, work in progress and undeveloped land amount of 566.20 million baht. Also, land deposit for developing one horizontal project in amount of 80 million baht.

Total Liabilities

As of 31 December 2023, total liabilities of the company and its subsidiaries amounted to 1,572.94 million baht, an increase of 403.46 million baht or 34.50 percent from 31 December 2022. Due to an increase in bridging loan from institutions for purchasing land to develop two low rise projects, Ornsirin Ville Sansai and Habitat Ruamchok, amounted to 305 million baht. Currently, The Ornsirin Ville Sansai projects have been approved for converting bridging loan into a long-term loan. As for the Habitat Ruamchok project is still working on the process of requesting approval to convert to a long-term loan for further development of the project.

The company reported the interest-bearing debt to equity ratio amounted to 0.50:1, an increase from 0.29:1 compared to 31 December 2022. The total debt to equity ratio increased to 0.66:1 from 0.54:1 compared to 31 December 2022. The company still maintains a balance in investments, having financial

discipline for maintaining the debt ratio in accordance with company policy. Also, the company is aiming for the goal of expanding the business sustainably, steadily for creating returns to investors.

Total Shareholders' Equity

Shareholders' Equity as of 31 December 2023 amounted to 2,393.27 million baht. An increase of 223.87 million baht or 10.32 percent compared to 31 December 2022. Because the company issued and offered the ordinary shares by initial public offering (IPO) during October 18-20, 2023, totaling 406,500,000 shares at the offering price of THB 1.49 per shares. Resulting in a surplus on the value of common shares of 189.20 million baht. Meanwhile, the payment of interim dividends and legal reserve amounted to 552.51 and 32.77 million baht respectively.