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15 May 2024

Subject : Clarification of Quarter 1/2024 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 2024 of the Company and its subsidiaries as follows.

In 1Q/2024, the Company recorded total revenue of 10,170 Million Baht, increasing 19.6 percent from 8,505 Million Baht in 1Q/2023. The growth was attributed to higher revenue from sales of real estate. Net profit (equity holders of the Company) in 1Q/2024 was 1,315 Million Baht, declined by 16.9 percent from 1,582 Million Baht in the same period last year.

Revenue from Property Development

The breakdown of revenue from project sales during 1Q/2024 and 1Q/2023 is as follows.

Product Type	1Q/2024		1Q/2023	
	Million Baht	%	Million Baht	%
Single-detached Houses	5,113	57.4	2,396	35.5
Townhome / Home Offices	793	8.9	954	14.1
Mixed Product	942	10.6	687	10.2
Condominiums	2,053	23.1	2,717	40.2
Total	8,901	100.0	6,754	100.0

In 1Q/2024, Sansiri reported revenue from project sales amounted to 8,901 Million Baht, representing a growth of 31.8 percent compared to the previous year of 6,754 Million Baht. The revenue growth was from higher revenue from sales of single-detached houses and mixed products.

Revenue from housing projects, which comprised single-detached houses, townhomes, and mixed products, was 6,848 Million Baht, which represented 77 percent of total revenue from project sales. The single-detached house projects generated the highest revenue growth of any product categories, reaching a total of 5,113 Million Baht. This is a substantial growth of 113.4 percent compared to 2,396 Million Baht in the same period last year. The revenue from single-detached houses was mainly from Narasiri Krungthepkreetha, Setthasiri Don Mueang, Setthasiri Bangna-Suvarnabhumi, Setthasiri Wongwaen Chatuchot as well as BuGaan Rama9-Meng Jai, which started the ownership transfer this quarter. Revenue from the aforesaid 5 projects was 35 percent of total revenue from project sales.

Revenue from townhome projects stood at 793 Million Baht, decreased by 16.9 percent from last year. DEMI Sathu 49 remained the primary contributor.

Revenue from mixed product projects amounted to 2,053 Million Baht, representing a growth of 37.3 percent compared to the previous year. Most of the revenue came from Anasiri Payap, a recently launched project this quarter, as well as the ongoing transfer of Anasiri Songprapha and Anasiri Pinklao-Kanchana.

Compared 1Q/2024 to 1Q/2023, revenue from condominium projects declined by 24.4 percent, from 2,717 Million Baht to 2,053 Million baht. XT Phayathai, NIA by Sansiri, and THE BASE Downtown Khonkaen, which began transferring ownership this quarter, were the major sources of revenue. The revenue generated from the 3 aforesaid projects accounted for 17 percent of total revenue from project sales.

Further, the Company recorded revenue from projects for rent of 37 Million Baht, reduced by 23.5 percent from 49 Million Baht in 1Q/2023.

Revenue from Property Services

Revenue from business management services in 1Q/2024 stood at 513 Million Baht, a growth of 5.9 percent from 484 Million Baht in 1Q/2023. Revenue from sales of construction materials was 27 Million Baht, increasing 144.9 percent from 11 Million Baht in prior year.

Revenue from hotel management services rose by 6.1 percent from 136 Million Baht in 1Q/2023 to 145 Million Baht. Revenue from hotel business owned by the Company stood at 111 Million Baht, declined by 26.7 percent from 152 Million Baht in the same period last year. This is mainly from the SIXTY SoHo Hotel in the United States and The Peri Hotel Khao Yai, both of which have been undergoing renovations since January and March 2024, respectively.

Cost of Goods Sold and Operating Expenses

Cost of Project Sales and Other Costs

Cost of project sales in 1Q/2024 amounted to 5,806 Million Baht, a 33.9 percent increase from the previous year, in accordance with an increase in revenue from project sales. Consequently, gross profit margin of project sales in this quarter reduced from 35.8 percent in 1Q/2023 to 34.8 percent, resulted from the rising cost of business operations.

The costs of other businesses also increased in this quarter, including cost of construction material sales, cost of hotel management services and cost of hotel business, which surged by 84.2 percent, 3.9 percent, and 3.3 percent, respectively. Nonetheless, cost of business management decreased by 9.0 percent.

Selling and Administrative Expenses

Selling and administrative expenses in 1Q/2024 were 2,122 Million Baht, accounted for 20.9 percent of total revenue, decreasing when compared to 1Q/2023 of 16.2 percent of total revenue. The selling expenses were 743 Million Baht or 7.3 percent of total revenue, increased from 6.3 percent of total revenue in 1Q/2023. The administrative expenses (including management benefit expenses) amounted to 1,379 Million Baht or 13.6 percent of total revenue, rose from 9.9 percent of total revenue in 1Q/2023, mainly due to higher provision for employees benefits.

Finance Cost

In 1Q/2024, finance cost was 48 Million Baht, a significant drop of 59.8 percent compared to 120 Million Baht in 1Q/2023. This decline was attributed primarily to the refurbishment of the SIXTY SoHo Hotel in the United States, which commenced in January 2024. As a result, the interest charges incurred by the renovation can be capitalised as cost of the projects rather than financial expenses.

Net Profit (equity holders of the Company)

For 1Q/2024, Sansiri and its subsidiaries reported net profit (equity holders of the Company) of 1,315 Million Baht, decreased by 16.9 percent from 1,582 Million Baht in the previous year. In this regard, net profit margin was at 12.9 percent, decreasing from 18.6 percent in 1Q/2023, chiefly due to higher selling and administrative expenses, as well as the absence of a one-time gain on sale of assets from the disposal of Satit Pattana School amounted to 623 Million Baht, which was recorded in 1Q/2023. In addition, an effective corporate income tax in 1Q/2024 was at 21.6 percent of earnings before corporate income tax.

Financial Position as of 31 March 2024

Total Assets

Total assets of Sansiri and its subsidiaries as of 31 March 2024 amounted to 153,268 Million Baht, an increase of 5,964 Million Baht from 31 December 2023. Current assets as of 31 March 2024 were 114,315 Million Baht, increasing by 3,906 Million Baht from 31 December 2023, chiefly due to an increase in real estate development for sales, and cash and cash equivalents, partly offset with decreased deposits for purchase of land and asset, and other current assets. Total non-current assets were 38,952 Million Baht, an increase of 2,058 Million Baht from 31 December 2023, primarily from an increase in long-term loan receivable – net of current portion, an increase in land, building and equipment, and higher other non-current assets.

Total Liabilities

Total liabilities of Sansiri Group amounted to 103,589 Million Baht as of 31 March 2024, an increase of 3,694 Million Baht from 31 December 2023. Total current liabilities stood at 47,939 Million Baht, increasing by 2,535 Million Baht. Total non-current liabilities rose by 1,159 Million Baht to 55,650 Million Baht. In this regard, the interest-bearing debt increased from 79,584 Million Baht as of 31 December 2023 to 80,530 Million Baht as of 31 March 2024, due to an increase in unsecured debenture issued in March 2024. The debt-to-equity ratio was 2.09 times with the interest-bearing debt-to-equity ratio (Gearing ratio) was 1.62 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 31 March 2024 amounted to 49,679 Million Baht, an increase of 2,270 Million Baht from as of 31 December 2023. The increase was from 1Q/2024 profit of 1,254 Million Baht as well as the subscription received in advance from exercise of warrants of 578 Million Baht.

Cashflow

Sansiri and its subsidiaries had beginning cash balance of 2,810 Million Baht, with net cash from operating activities of 2,213 Million Baht, net cash used in investing activities of 1,555 Million Baht, and net cash from financing activities of 244 Million Baht, resulting in the ending cash balance of 3,767 Million Baht as of 31 March 2024.

In this regard, profit from operating activities before changes in operating assets and liabilities was 7,727 Million Baht. In this regard, cash used as development costs for property development for sale amounted to 9,458 Million Baht. For investing activities, the key components were net cash paid for loans to related parties of 784 Million Baht and net cash paid for purchase of other financial assets of 606 Million Baht.

For financing activities, the key components were net proceeds from debentures issuance a total of 4,472 Million Baht from the issuance of debentures in March 2024, a total of 5,000 Million Baht, extracting the repayment of debentures of 496 Million Baht in March 2024 and cash received from newly issued ordinary shares of 578 Million Baht, partially offset by a decrease in restricted bank deposits of 3,769 Million Baht and payment of interest expenses of 944 Million Baht.

Please be informed accordingly.

Yours Sincerely,

(Mr. Wanchak Buranasiri)

Authorised Director