



Veranda Resort

Public Company Limited

Management Discussion & Analysis

Q1/2024

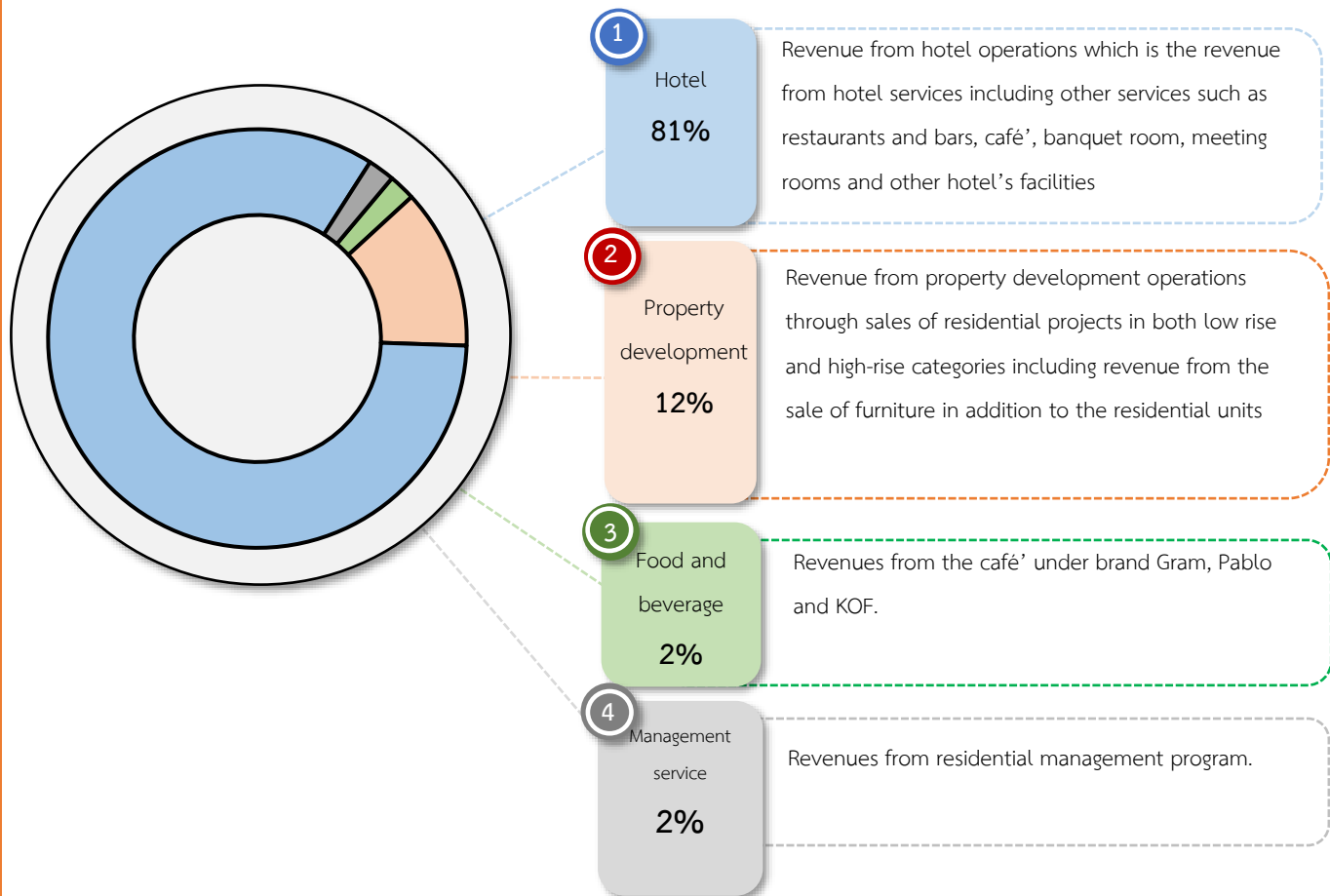


# Revenue Structure

In Q1/2024, The company generated total revenue of 421 THB mm with the main proportion came from revenue from hotel operations, 81% of total revenue, and revenue from property development operations accounted for 12% of total revenue. The following table shows the total revenue structure by business type for the three-month period ended 31 March 2024.

Revenues	Q1/2024	%	Q1/2023	%	YoY
Revenue from hotel operations	339	81%	305	79%	+11%
Revenue from property development operations	51	12%	38	10%	+33%
Revenue from sales of food and beverage	9	2%	22	7%	-57%
Revenue from management service	10	2%	8	2%	+19%
Other income	12	3%	9	2%	+30%
<b>Total revenue</b>	<b>421</b>	<b>100%</b>	<b>382</b>	<b>100%</b>	<b>+10%</b>

\* The rate of change calculations in this document are based on the unit digits.



For three-month period ended 31 March 2024 the Company's revenue has increased 39 THB mm or representing an increase rate of 10% due to increase in revenue from hotel operations 34 THB mm or representing an increase rate of 11% and increase in revenue from property development operations 13 THB mm or representing an increased rate of 33% from same quarter last year.

## Revenues and gross profit from hotel operations

	Unit	For the three-month period ended March 31		
		2024	2023	YoY
The number of operating hotels	Hotel	6	6	
The number of rooms	Room	677	675	
Occupancy rate	%	72	66	+6%
Average daily room rate	Baht/Room/ Night	4,373	4,310	+1%
<b>REVPAR</b>	Baht/Room/ Night	3,164	2,840	+11%
<u>Revenues from hotel operations</u>				
Room revenues	THB mm	197	174	13%
Food and beverage revenues	THB mm	98	90	8%
Revenues from other service	THB mm	44	41	9%
<b>Total revenues from hotel operations</b>	THB mm	<b>339</b>	<b>305</b>	<b>11%</b>

For the three-month period ended 31 March 2024, revenues from hotel business have increased 34 THB mm or representing an increase rate of 11% compared to the same quarter last year due to increased in occupancy rate and average room rate as the number of foreign tourists increased and the company also increased in sales promotion efforts through various communication channels both domestically and internationally. In addition, government measures to promote tourism, such as visa exemptions for tourists from certain countries.

### Gross profit from hotel operations

	Unit	For the three-month period ended March 31		
		2024	2023	YoY
Revenues from hotel operations	THB mm	339	305	+11%
Cost from hotel operations	THB mm	143	139	+3%
Gross profit from hotel operations	THB mm	196	166	+18%
Gross profit margin from hotel operations	%	58%	55%	+3%
Gross profit from hotel operations after depreciation	THB mm	149	121	+23%

For the three-month period ended 31 March 2024, gross profit from hotel operations increased by 30 THB mm or representing an increase rate of 18% compared to the same quarter last year due to company have effective cost controlled in manage employee costs and applied energy saving measures. As a result, the company's cost increased at a lower rate than increased in hotel revenue, generated gross margin at 58%.

### Earnings before interest tax depreciation and amortization (EBITDA) from hotel operations

	Unit	For the three-month period ended March 31		
		2024	2023	YoY
EBITDA	THB mm	117	95	+23%
EBITDA Margin	%	35%	31%	+4%

For the three-month period ended 31 March 2024, EBITDA increased by 22 THB mm or representing an increase rate of 23% compared to the same quarter last year due to the increased in gross profit from hotel operations, generated EBITDA margin at 35%.

## Revenue and gross profit from property development operations

Residential project	Project value	Transfer value		
		For the three-month period ended		
		March 31		
		2024	2023	YoY
Veranda Residence Hua-Hin	2,417	34	38	-11%
Veranda High Residence Chiang Mai	198	-	-	-
Veranda pool villas Hua-Hin Cha-am	293	17	-	+100%
<b>Total</b>	<b>2,908</b>	<b>51</b>	<b>38</b>	<b>+33%</b>

For three-month period ended 31 March 2024, the Company's revenue from property development operations increased by 13 THB mm or representing an increase rate of 33% compare to the same quarter last year due to started transfer of ownership a Veranda pool villas Hua-Hin Cha-am project.

### Gross profit from property development operations

	Unit	For the three-month period ended March 31		
		2024	2023	YoY
Revenues from property development operations	THB mm	51	38	+33%
Cost from property development operations	THB mm	37	32	+15%
Gross profit from property development operations	THB mm	14	6	+127%
Gross profit margin from property development operations	%	28%	16%	+11%

For three-month period ended 31 March 2024, the Company Gross profit from property development operations increased by 8 THB mm or representing an increase rate of 127% compared to the same quarter last year due to the increase in revenues from property development operations, generate gross profit margin at 28%.

## Selling expenses and administrative expenses

	For the three-month period ended March 31		
	2024	2023	YoY
Selling expenses	48	46	+3%
Selling expenses to total revenue (%)	11%	12%	-1%
Administrative expenses	63	58	+9%
Administrative expenses to total revenue (%)	15%	15%	-

For three-month period ended 31 March 2024, the Company's selling expenses increased by 2 THB mm or representing an increase rate of 3% compared to same quarter last year and administrative expenses increased by 5 THB mm compared to same quarter last which year in line with increased in total revenues.

## Earnings before interest tax depreciation and amortization (EBITDA)

	Unit	For the three-month period ended March 31		
		2024	2023	YoY
EBITDA	THB mm	124	93	+33%
EBITDA Margin	%	30%	24%	+6%

For three-month period ended 31 March 2024, the Company's earnings before interest tax depreciation and amortization (EBITDA) increased by 31 THB mm or representing an increase rate of 33% compared to same quarter last year mainly due to increase in revenues from both hotel operations and property development operations along with the closure of the Gram pancakes and Pablo cheesetart in 2023 resulted in lower operations losses from food and beverage business.

## Depreciation and amortization

For three-month period ended 31 March 2024, the Company's depreciation and amortization 54 THB decreased by 3 THB mm or representing a decrease rate of 6% compared to same quarter last year.

## Financial expenses

For three-month period ended 31 March 2024, the Company's financial expenses 25 THB mm, same level as same quarter last year.

## Net profit

	Unit	For the three-month period ended		
		March 31		
		2024	2023	YoY
Net profit	THB mm	36	7	+411%
Net profit	%	9%	2%	+9%

For three-month period ended 31 March 2024, the Company generated net profit of 36 THB mm increased by 29 THB mm compared to same quarter last year due to increase in revenues from hotel operations and property development operations.

## Financial Statement

	Unit	March 31, 2024	December 31, 2023	Change
Total assets	THB mm	4,873	4,803	+1%
Total liabilities	THB mm	3,049	3,015	+1%
Total equity	THB mm	1,824	1,788	+2%
Interest bearing debt	THB mm	2,483	2,485	
D/E	times	1.67	1.69	
IBD/E	times	1.36	1.39	

As 31 March 2024, the Company had total assets of 4,873 THB mm, increase from 31 December 2023 by 70 THB mm or 1% mainly due to the increase in assets of the Veranda Resort Phuket autograph collection project.

As 31 March 2024, the Company had total liabilities 3,049 THB mm, increase from 31 December 2023 by 34 THB mm or 1%, mainly due to Increase in long-term loans from the construction of Veranda Resort Phuket autograph collection project.

As 31 March 2024, the Company had total equity 1,824 THB mm, increase from 31 December 2023 by 36 THB mm by net profit in Q1/2024.

As 31 March 2024, the Company D/E ratio is 1.67 times and the IBD/E ratio is 1.36 times decreased compared to the last year due to increase in equity from a net profit in Q1/2024 which still below financial covenant of debentures and commercial banks.