

10 May 2024

Subject : Management Discussion and Analysis for Q1/2024
To : Director and Manager
the Stock Exchange of Thailand

Ornsirin Holding Public Company Limited (the Company) would like to clarify the operating result for Q1/2024 ended 31 March 2024 of the Company and its subsidiaries as follows.

The operating result of the company and its subsidiaries for Q1/2567

List	Q1'67	Q4'66	Q1'66	%QoQ	%YoY
Unit: Million Baht					
1.Total Revenue*	196.66	210.06	496.48	-6.38%	-60.39%
2.Total Revenue from sales	196.22	209.18	491.70	-6.20%	-60.09%
1) Revenue from sales - Housing projects	109.04	104.14	73.47	4.71%	48.42%
2) Revenue from sales - Condo projects	77.31	103.92	417.52	-25.61%	-81.48%
3) Revenue from land sales	8.75	-	-		
4) Revenue from rental and services	1.12	1.11	0.70	0.64%	58.49%
3.Other income	0.44	0.88	4.78	-50.15%	-90.78%
4.COGS	122.95	121.50	265.66	1.20%	-53.72%
5.Gross Profit	73.27	87.68	226.04	-16.44%	-67.59%
6.Sales and Administrative expense	63.79	69.16	93.16	-7.76%	-31.53%
1) Distribution cost	22.02	24.61	58.56	-10.49%	-62.39%
2) Administrative expense	41.76	44.55	34.59	-6.26%	20.72%
7.EBIT	9.67	18.71	137.22	-48.29%	-92.95%
8.EBITDA	12.86	21.92	139.68	-41.34%	-90.80%
9.Net Profit	10.42	13.38	102.45	-22.15%	-89.83%
10.Net Profit (attributed to the parent)	10.42	13.28	102.43	-21.54%	-89.83%
<u>Financial ratio (%)</u>					
11.Gross Profit margin**	37.26%	41.74%	45.53%	-10.74%	-18.17%
12.Sales and Administrative expense/Total Revenue	32.44%	32.92%	18.76%	-1.48%	72.87%
13.EBIT margin	4.92%	8.91%	27.64%	-44.76%	-82.20%
14.EBITDA margin	6.54%	10.43%	28.13%	-37.34%	-76.76%
15.Net Profit margin	5.30%	6.37%	20.63%	-16.85%	-74.33%
16.Net Profit margin (attributed to the parent)	5.30%	6.32%	20.63%	-16.19%	-74.33%

Note: * Total Revenue calculated by sum of revenue from sale, other income and financial income

**Gross profit margin calculated by gross profit divided by total revenue

Revenue

In Q1/2024 ended 31 March 2024, the company reported total revenue from sales at amount of 196.22 million baht. A decrease of 12.96 million baht or 6.20 percent from 209.18 million baht in Q4/2023 and decrease of 295.48 million baht or 60.09 percent in the same period last year.

By Q1/2024, the company had a proportion of income from the transfer of property rights of horizontal projects and condominium projects that were 109.04 and 77.31 million baht respectively (The proportion to total revenue were 55.45 and 39.31 percent respectively). Revenue from land sale in Urban Myx Banden-Rajavej project was 1 unit with a sale value of 8.75 million baht (4.45 percent of total revenue). Revenue from rental and services amounted to 1.12 million baht which less than 1 percent of the group's total revenue.

The reasons why the operating income from the transfer of property rights of horizontal projects and condominium projects in Q1/2024 has decreased significantly compared to the same period last year because Thai economy still faces inflationary pressure and high interest rate. These affect the consideration of post finance loan from financial institutions. Moreover, air pollution problems from pm 2.5 dust that spread all area in Thailand. Especially, the northern province which is the location of the company's projects has been affected in a decrease in the transfer amounts. The company expect to recognize additional revenue from these parts in Q2/2024 onwards.

Moreover, in Q1/2023 the company earned revenue from the transfer of property rights of Astra Sky River project. A large-scale high rise condominium project which construction completed and continuously earn revenue from the middle of the year 2022 to the beginning of the year 2023. This caused the company to recognize rapid revenue in the past period.

But at the same time, sales for 3-month period the 1st quarter of 2024, had a growth rate opposite to the decreased transfer amount. In this quarter, company's sales unit were 123 units with a sales value of 404.66 million baht. An increase of 74.92 million baht or 22.72 percent in the same period last year. These were sales of low-rise projects 22 units with a sales value 87.28 million baht. Mainly including Belive (Wongwaen – Sankamphaeng) was 9 units with a sales value of 32.44 million baht. Belive Ruamchok was 3 units with a sales value of 15.49 million baht. Ornsirin Ville Chotana was 5 units with a sales value of 16.42 million baht. Ornsirin Ville Tharua was 3 units with a sales value of 12.38 million baht. And for 3-month period the 1st quarter of 2024, there were sales of high-rise projects 101 units with a sales value of 317.37 million baht. The main sales came from Arise Charoenmuang projects that was 64 units with a sales value of 200.27 million baht. The Astra was 3 units with a sales value of 16.54 million baht. The Astra Sky River was 13 units with a sales value of 50.21 million baht. The Next Jedyod was 13 units with a sales value 27.15 million baht. The Next1 and the Next2 were 4 units with a sales value of 11.97 million baht.

Particularly, Arise Charoenmuang condominium which is another flagship high-rise condominium projects of the group of the company. There were cumulative sales from launch until Q1/2024 at 199 units or 42 percent of total units with a sales value of 631 million baht. It divided into foreign customers 158 units or 79 percent with a sales value of 525.65 million baht. Thai customers 41 units or 21 percent

with a sales value of 105.85 million baht. This project expected to be completed and ready for transfer of property rights in Q2/2025.

Company's backlog in Q1/2024 was 293 units with a sales value of 898 million baht.

Cost of Goods Sold and Gross Profit

In Q1/2024 and Q1/2023, the company's cost of goods sold amounted to 122.95 and 265.66 million baht respectively. A decrease of 142.71 million baht or 53.72 percent in the same period last year. Gross profit amounted to 73.27 million baht, a decrease of 152.77 million baht or 67.59 percent from 226.04 million baht in the same period of the previous year.

However, the company's gross profit margin in Q1/2024 was 37.26 percent of total revenue which decreased by 8.27 percent in the same direction as decreased revenue. Compared to the same period last year with a gross profit to total revenue of 45.53 percent.

Expenses

Distribution expenses

The company and its subsidiaries recorded distribution costs in Q1/2024, for the 3-month period, at 22.02 million baht. A decrease of 62.39 percent from the amount of 58.56 million baht in the same period of the previous year. Because the cost of property transfer rights and compensation for sales agents decreases in proportion to the decrease revenue from sale.

Administrative expenses

the 1st quarter of 2024, administrative expenses of the company amounted to 41.76 million baht, increased by 7.17 million baht from the same period last year (20.72 percent increasing). Because of an increase of 1.21 million baht of service fees related to the issuance of debt securities. Office expenses and sign tax also increase by 3.82 and 1.43 million baht respectively, because of increasing in developed project. This increase in expenses support the business expansion which is in line with the business plan that the company had announced.

Financial cost

The company reported financial cost in the 1st quarter of 2024 amounted to 0.35 million baht, decrease 94.04 percent from 5.83 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 1st quarter of year 2024 and 2023, the company reported net profits attributed to the parent of 10.42 million baht and 102.43 million baht. Representing net profit margins of 5.30 percent and 20.63 percent respectively. The decrease is consistent with in the same direction of total revenues.

Financial Position

Total Assets

As of 31 March 2024, total asset of the company and its subsidiaries amounted to 4,085.87 million baht, an increase of 119.66 million baht or 3.02 percent from 31 December 2023. Mostly from the increase in land and work in process, the amount of 166.45 million baht. Also, the increase in advance payment of commission for the Arise CharoenMueang project in the amount of 13.09 million baht.

Total Liabilities

As of 31 March 2024, total liabilities of the company and its subsidiaries amounted to 1,682.18 million baht, an increase of 109.24 million baht or 6.94 percent from 31 December 2023. Due to an increase in contract income that has not yet been recorded as income of the Arise CharoenMueang project amounted to 47.21 million baht. Moreover, converting bridging loan of Ornsirin Ville Sansai to project financing. As a result, long-term loans from financial institutions increased by 81.60 million baht.

The company reported the interest-bearing debt to equity ratio amounted to 0.48:1, a decrease from 0.50:1 compared to 31 December 2023. The total debt to equity ratio increased to 0.70:1 from 0.66:1 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 March 2024 amounted to 2,403.69 million baht. An increase of 10.42 million baht or 0.44 percent compared to 31 December 2023. This is a result of increase in net profit of the 1st quarter of 2024.