

SPL. 207/2019

November 12, 2019

Subject: Report of operating results for the three-month and nine-month periods ended 30 September 2019

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 nine-month periods ended 30 September 2019. Detailed explanations are as followed:

1. The Company and its subsidiaries' operating results for the three-month period ended 30 September 2019 and 2018.

(Unit: Million Baht)						
	Consolidated financial statements			Separate financial statements		
	Third Quarter 2019	Third Quarter 2018 (Restated)	Increase / (Decrease) %	Third Quarter 2019	Third Quarter 2018 (Restated)	Increase / (Decrease) %
Total revenues	5,842.37	5,939.09	(2%)	5,448.97	5,782.66	(6%)
Revenue from sales of real estate	5,643.55	5,803.85	(3%)	5,322.11	5,526.31	(4%)
Selling and administrative expenses	706.37	687.85	3%	641.97	630.37	2%
% Selling and administrative expenses / Total revenue	12.1%	11.6%		11.8%	10.9%	
Profit before income tax expenses	1,611.14	1,645.68	(2%)	1,470.03	1,665.70	(12%)
Income tax expenses	316.35	309.61	2%	295.87	296.76	(0%)
Effective corporate income tax rate (%)	19.6%	18.8%		20.1%	17.8%	
Net income	1,270.17	1,325.89	(4%)	1,174.15	1,368.93	(14%)
Net profit margin (%)	21.7%	22.3%		21.5%	23.7%	
Basic earnings per share (Baht)	0.59	0.65	(9%)	0.55	0.67	(18%)
Diluted earnings per share (Baht)	0.59	0.62	(5%)	0.55	0.65	(15%)
	Consolidated financial statements			Separate financial statements		
	30 September 2019	31 December 2018	Increase / (Decrease) %	30 September 2019	31 December 2018	Increase / (Decrease) %
Net Gearing Ratio (%)	39%	39%		42%	42%	
Book Value per share (Baht)	16.77	16.20	4%	15.84	15.26	4%

1. The revenue from sales of real estate in the amount of Baht 5,643.55 million or decrease of Baht 160.30 million or only 3% from the same period of the last year, divided into the revenue of 55% from the transfer of ownership of detached houses and townhouses and the remaining 45% was from the transfer of ownership of condominiums. The revenue was decreased mainly due to the criteria to supervise housing loans by adjusting the maximum loan-to-value (LTV) ratio of the Bank of Thailand, which will be effective from April 1, 2019 onwards.
  2. Selling and administrative expenses / total revenue ratio was 12.1%, slightly increase from 11.6% when compared with the same period of the last year.
  3. Net profit was Baht 1,270.17 million or decrease of Baht 55.72 million or 4% from the same period of the last year, mainly due to the reasons as stated in No.1 and 2. Therefore, basic earnings per share was Baht 0.59 per share or decrease from Baht 0.65 per share of the same period of the last year.
  4. The net gearing ratio was 39% as at 30 September 2019 and as at 31 December 2018
2. The Company and its subsidiaries' operating results for the nine-month period ended 30 September 2019 and 2018.

(Unit: Million Baht)						
	Consolidated financial statements			Separate financial statements		
	Nine-month period 2019	Nine-month period 2018 (Restated)	Increase / (Decrease) %	Nine-month period 2019	Nine-month period 2018 (Restated)	Increase / (Decrease) %
Total revenues	16,734.55	16,981.15	(1%)	15,803.21	16,130.58	(2%)
Revenue from sales of real estate	16,216.16	16,532.50	(2%)	15,454.02	15,680.15	(1%)
Selling and administrative expenses	2,064.83	1,980.90	4%	1,886.40	1,785.76	6%
% Selling and administrative expenses / Total revenue	12.3%	11.7%		11.9%	11.1%	
Profit before income tax expenses	4,535.16	4,496.36	1%	4,238.80	4,291.10	(1%)
Income tax expenses	918.55	864.80	6%	847.06	818.96	3%
Effective corporate income tax rate (%)	20.3%	19.2%		20.0%	19.1%	
Net income	3,563.69	3,593.88	(1%)	3,391.74	3,472.14	(2%)
Net profit margin (%)	21.3%	21.2%		21.5%	21.5%	
Basic earnings per share (Baht)	1.66	1.87	(11%)	1.58	1.80	(12%)
Diluted earnings per share (Baht)	1.66	1.71	(3%)	1.58	1.65	(4%)

The revenue from sales of real estate in the amount of Baht 16,216.16 million or little decrease of Baht 316.34 million or 2% from the same period of the last year, divided into the revenue of 55% from the transfer of detached houses and townhouses and the remaining 45% was from the transfer of ownership of condominiums.

According to the reasons as stated above, resulting to the net income for the nine-month period of year 2019 was Baht 3,563.69 million, which was slightly decreased when compared with the same period of the last year that amounting to Baht 3,593.88 million or decrease of Baht 30.19 million or 1%.

As of 30 September 2019, the Company and its subsidiaries have house and/or condominium backlogs of Baht 40,727 million. The Company and its subsidiaries expect to transfer additional Baht 6,715 million of these backlogs over the next 3 months of year 2019, and Baht 34,012 million over the next 4 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.

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Deputy Managing Director