

Ref: PSH-CS 4/2020

20 February 2020

Subject: Clarification of 2019 Operating Results

To: President
The Stock Exchange of Thailand

Pruksa Holding Public Company Limited ("the Company") would like to clarify operating results of the Company for year ended 31 December 2019 (consolidated financial statements) as follows:

The operating results for 2019 mainly derived from the real estate business.

Comparison presales for year ended 31 December 2019 and 2018

Unit: million baht

Products	Yearly presales ended		Increase (Decrease)	% Change
	31 Dec 2019	31 Dec 2018		
Townhouse	15,990	23,888	(7,898)	(33.1)
Single-detached house	6,447	9,711	(3,264)	(33.6)
Condominium	13,164	17,067	(3,903)	(22.9)
Total	35,601	50,666	(15,065)	(29.7)

Note: Presale 2019 and 2018 Net Promotion

In 2019, the Company delivered presales from real estate business of Baht 35,601 million, down Baht 15,605 million or 29.7% compared to 2018. The decrease was from townhouse, single-detached house, and condo business of Baht 7,898 million, Baht 3,264 million, and Baht 3,903 million respectively. This was due mainly to lower projects launch resulted from LTV measure, which has been implemented since 1 April 2019.

Comparison performance of the Company for year ended 31 December 2019 and 2018

Unit: million baht

Statement of comprehensive income	31 Dec 2019	%	31 Dec 2018	%	Increase/ (Decrease)	%YoY
Revenue from sale of real estate	40,526	100.9	44,901	100.6	(4,375)	(9.7)
Promotions**	(641)	(1.6)	(436)	(1.0)	205	47.3
Revenue from sale of real estate-net	39,885	99.3	44,465	99.6	(4,580)	(10.3)
Other Income	267	0.7	170	0.4	97	57.1
Total Revenue	40,152	100.0	44,635	100.0	(4,483)	(10.0)
Cost of real estate sales	25,754	64.6	28,814	64.8	(3,060)	(10.6)
Gross profit	14,398	36.1	15,821	35.6	(1,423)	(9.0)
Selling and Administrative expenses	7,060	17.6	7,995	17.9	(935)	(11.7)
Profit before finance cost and income tax expense	7,338	18.3	7,826	17.5	(488)	(6.2)
Financial cost	324	0.8	139	0.3	185	133.1
Profit before income tax expense	7,014	17.5	7,687	17.2	(673)	(8.7)
Income tax expense	1,555	3.9	1,556	3.5	(1)	(0.1)
Profit for the period	5,459	13.6	6,131	13.7	(672)	(11.0)
Non-controlling interests	100	0.2	109	0.2	(9)	(7.5)
Owners of the Company	5,359	13.3	6,022	13.5	(663)	(11.0)

Remark: Percentage in statement of comprehensive income derived from total income, while percentage of cost of real estate sales and gross profit related to revenue from sale of real estate.

** 2018 results were restated to comply with TFRS 15 (promotion) for comparison.

Revenue

For 2019, the Company generated total revenue of Baht 40,152 million, comprised of Baht 39,885 million from the sale of real estate and Baht 267 million from other revenue.

Revenue from sale of real estate business by product segment for year ended 31 December 2019 and 2018

Unit: million baht

Products	Year ended				Increase (Decrease)	%YoY
	31 Dec 2019	%	31 Dec 2018	%		
Townhouse	17,880	44.8%	22,336	50.2%	(4,456)	(19.9)
Single-detached house	7,783	19.5%	8,879	20.0%	(1,096)	(12.3)
Condominium	14,137	35.4%	13,250	29.8%	887	6.7
Others*	85	0.2%	0	0.0%	85	100.0
Revenue from sale real estate	39,885	100%	44,465	100%	(4,580)	(10.3%)

* Revenue from Land Sale

For 2019, revenue from real estate business was Baht 39,885 million, a decrease of Baht 4,580 million or 10.3% YoY. This was due to a drop in townhouse revenue of Baht 4,456 million or 19.9% YoY, and a drop in single-detached house revenue of Baht 1,096 million or 12.3% YoY, mainly from LTV measure, implementing since 1 April 2019.

Cost of real estate sales

For 2019, the Company reported cost of real estate sales of Baht 25,754 million or 64.6% of revenue from real estate compared to Baht 28,814 million or 64.8% of revenue from real estate in 2018. A drop of cost of real estate was due mainly to cost efficiency management.

Gross profit margin from sale of real estate by product segment

For 2019, the Company reported gross profit margin of 36.1%, up from 35.6% in 2018. This was due mainly to an increase in gross profit margin from condo business.

Selling & Administrative expenses

For 2019, the Company reported selling and administrative expenses of Baht 7,060 million or 17.6% of total revenue, dropping Baht 935 million or 11.7% from last year. The decrease was from selling expenses of Baht 675 million or 17.0% and administrative expenses of Baht 260 million or 6.4%.

Financing cost

For 2019, the Company reported financing cost of Baht 324 million, an increase of Baht 185 million from 2018, due mainly to an increase in interest bearing debt.

As of 31 December 2019, interest bearing debt to equity ratio was relatively low at 0.72 times and net interest bearing debt to equity ratio was 0.68 times, resulted from an efficient debt management.

Net profit

For 2019, net profit of the Company was Baht 5,359 million or 13.3% of total revenue, compared to net profit of Baht 6,022 million or 13.5% of total revenue in 2018, a decrease of Baht 663 million or 11.0% YoY, mostly from a drop of Baht 4,580 million or 10.3% in revenue.

Consolidated statement of financial position

	31 December 31 December		31 December 31 December	
	2019	2018	2019	2018
	(Million baht)		(Million baht)	
Assets			Non-interest bearing debt	
Current Assets			Accounts payable	2,191 2,284
Cash and Cash equivalents	1,774	1,445	Other non current liabilities	9,699 10,586
Real estate project under development	76,244	71,960	Total non interest bearing debt	11,890 12,870
Other current assets	1,738	2,263	Short-term loans from financial institution	6,000 5,600
			Current portion of long-term loans	50 -
			Long-term loans	450 500
			Current portion of long-term debentures	7,100 6,400
			Long-term debentures	17,500 14,600
Total current assets	79,756	75,668	Total interest bearing debt	31,100 27,100
property, plant and equipments	5,238	4,739	Total liabilities	42,990 39,970
Other non-current assets	1,788	1,438	Equity	43,056 41,171
Total non-current assets	7,026	6,178	Non-controlling interests	736 704
Total assets	86,782	81,845	Total liabilities and equity	86,782 81,845

Remark: Portion of consolidated statement of financial position

As of 31 December 2019, the Company reported 189 active projects with total project value of Baht 214,071 million. It was categorized by product segment as follows; 112 townhouse projects with total value of Baht 88,971 million, 45 single detached house projects with total value of Baht 50,890 million, 22 condominium (value business) projects with total value of Baht 46,051 million and 10 condominium (premium business) projects with total value of Baht 28,159 million.

As of 31 December 2019, the Company reported total assets of Baht 86,782 million. Interest bearing debt which consists of short-term loans from financial institutions with value of Baht 6,000 million, long term loans with value of Baht 500 million and long-term debentures with value of Baht 24,600 million, An increase in interest bearing debt was for liquidity management and use as working capital.

Please be informed accordingly.

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