

# Sansiri eyes record sales

## Net profit margin to remain at 10%

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SET-listed developer Sansiri Plc (SIRI) says its net profit margin will remain at around 10% this year even as sales and revenue are set to break record at 32 billion baht and 28 billion baht respectively.

Varangkana Artkarasatapon, senior manager for business development and investment, said there are a lot of factors pressuring the company's gross profit margin, which is expected to decline to 32% this year from 35% last year.

The factors are an increase of 7-10% in construction materials prices, a rise of development cost for low-rise projects to have flood-prevention measures and a larger number of new projects being launched this year, around 44 projects worth 45 billion baht.

"We can't raise our unit prices to increase gross profit margin as our prices are already higher than the competition in the same areas," she said yesterday.

However, Sansiri expects a net profit margin of 14% over the next three years now that its new precast factory started production early this month.

The developer plans to expand the

use of precast construction technology with its mid-priced residential units. Currently, the lower-priced units under the Habitia brand have applied the precast construction method.

The precast factory, located in Pathum Thani province, has a production capacity of 150 units or 52,000 square metres a month, which will reduce the construction period to 75 days from 6-8 months.

Sansiri last year posted 20.68 billion baht in revenue, up 10% from 2010, with a net profit of 2.01 billion baht, up 9.74%.

By revenue, the company had a 14% market share, ranked second only to Prukha Real Estate, which controlled 16%, and then followed by Land & Houses (13%), Asian Property Development and Supalai (9% each) and L.P.N. Development (8%).

However, all of property companies, except SIRI, had average net profit margin higher than 10%.

The company yesterday revised up its presales target in the first quarter of 2012 from 10 billion baht to 12 billion baht as it already recorded 10 billion baht as of yesterday.

It had sales backlog of 35 billion baht, of which 19 billion baht will be realised in 2012.

SIRI shares closed yesterday on the SET at 2.06 baht, down 2 satang, in trade worth 195 million baht.

