



(English Translation)

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15 November 2021

Subject : Clarification of 3Q-2021 Operating Result

To : President
The Stock Exchange of Thailand

Sansiri Public Company Limited (SIRI) would like to clarify the operating result for the quarter ended 30 September 2021 of the Company and its subsidiaries as follows.

Total revenue in 3Q-2021 amounted to 7,229 Million Baht, decreased by 15 percent from 8,529 Million Baht in 3Q-2020. A decrease in total revenue was caused by a 16 percent decrease in revenue from project sales, which was the core revenue of Sansiri, as well as a 37 percent decrease in revenue from business management. As a result, total revenue for the period of 9M2021 amounted to 22,097 Million Baht, a decrease of 16 percent compared to that of 9M2020 with the amount of 26,281 Million Baht. In 3Q-2021, Sansiri and its subsidiaries reported net profit (equity holders of the Company) of 628 Million Baht, a decrease of 18 percent from net profit (equity holders of the Company) of 765 Million Baht in 3Q-2020. However, the net profit (equity holders of the Company) as of 9M2021 significantly increased by 54 percent from 1,085 Million Baht in 9M2020 to 1,674 Million Baht.

Revenue from Property Development for Sale

The breakdown of revenue from property for sale as of 3Q-2021 and 3Q-2020, and for the period of 9M2021 and 9M2020 is as follows:

Product Type	3Q-2021		3Q-2020		9M2021		9M2020	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Single-detached house	2,549	39.5	3,581	46.9	8,924	45.2	10,902	46.7
Townhome / Home Office	545	8.4	742	9.7	1,678	8.5	2,421	10.4
Mixed Product	593	9.2	169	2.2	1,858	9.4	618	2.6
Condominium	2,764	42.9	3,143	41.2	7,285	36.9	9,415	40.3
Total	6,451	100.0	7,635	100.0	19,745	100.0	23,356	100.0

In 3Q-2021, Sansiri and its subsidiaries reported a 16 percent decrease in revenue from project sales from that of 3Q-2020. The decrease in revenue was caused by a decrease in revenue from almost every product type, except revenue from mixed products projects which increased by 251 percent compared to that of 3Q-2020. The decrease mainly resulted from the government measures on lockdown and construction site closure to prevent and lessen the spread of COVID-19 in 3Q-2021. Similarly, the revenue from project sales as of 9M2021 decreased by 15 percent compared to that of 9M2020.

Revenue from single-detached house projects in 3Q-2021, amounted to 2,549 Million Baht, decreased from 3,581 Million Baht in 3Q-2020. In 3Q-2021, the revenue from single-detached house was mainly from 3 projects, including BuGaan Yothinpattana, Setthasiri Krungthep Kreetha, and Setthasiri Pattanakarn which altogether contributed to 720 Million Baht or 11 percent of total revenue from project sales. As a result, revenue from single-detached house projects in 9M2021, amounted to 8,924 Million Baht, decreased from 10,902 Million Baht of in 9M2020.

In 3Q-2021, revenue from townhome projects amounted to 545 Million Baht, decreased from 742 Million Baht in 3Q-2020. Three townhome projects under the brand “Siri Place”, namely Siri Place Prachauthit 90, Siri Place Bangna-Thepharak, and Siri Place Charan-Pinklao were the major contributors. In addition, revenue from townhome projects of 9M2021, amounted to 1,678 Million Baht, decreased from 2,421 Million Baht of 9M2020.

Revenue from mixed product projects in 3Q-2021, amounted to 593 Million Baht, tremendously increased by 251 percent from 169 Million Baht in 3Q-2020. In 3Q-2021, the revenue from mixed product project was mainly from 3 projects, including Anasiri Bang Yai, Anasiri Rangsit Klong 2, and Anasiri Bangna which altogether contributed to 393 Million Baht or 6 percent of total revenue from project sales. As a result, revenue from mixed product projects of 9M2021, amounted to 1,858 Million Baht, tremendously increased from 618 Million Baht of 9M2020.

Nonetheless, revenue from condominium projects decreased by 12 percent from 3,143 Million Baht in 3Q-2020 to 2,764 Million Baht in 3Q-2021. In this regard, Edge Central Pattaya, Oka Haus, and XT Huaikwang were the three highest contributors in 3Q-2021, which altogether contributed to 2,116 Million Baht or 33 percent of total revenue from project sales. As a result, the revenue from condominium projects decreased from 9,415 Million Baht of 9M2020 to the amount of 7,285 Million Baht of 9M2021.

Revenue from Property Services

In 3Q-2021, the revenue from projects for rent amounted to 37 Million Baht, increasing from 28 Million Baht in 3Q-2020. As a result, the revenue from projects for rent as of 9M2021 significantly increased by 54 percent compared to the same period of last year. The revenue from business management in 3Q-2021 amounted to 394 Million Baht, a decrease of 37 percent from 626 Million Baht compared to the same period of last year. For the period of 9M2021, the revenue from business management decreased by 39 percent compared to the same period of last year. In 3Q-2021, Sansiri recorded a revenue from hotel management of 81 Million Baht increased from 27 Million Baht in 3Q-2020, and increased by 100 percent for the period of nine month compared to that of previous year. In addition, revenue from other services, including revenue from hotel business and education business, was 53 Million Baht, decreased from 66 Million Baht in 3Q-2020 due to the severe situation of COVID-19 pandemic in Thailand in 3Q-2021, the strict lockdown measures had been enforced. The government had ordered schools to performed education activities online during the third quarter, and refund partial tuition fee to alleviate the parents' burden, causing a decrease in revenue from education business. Nevertheless, the revenue from other services of 9M2021 increased to 162 Million Baht compared to the same period of the previous year.

Cost of Goods Sold and Operating Expenses

Cost of Project Sales and Other Costs

In 3Q-2021, cost of project sales amounted to 4,293 Million Baht, a 21 percent decrease from that of 3Q-2020. Similarly, cost of project sales as of 9M2021 decreased by 26 percent when compared to the same period of last year. Gross profit margin of project sales significantly increased from 28.8 percent in 3Q-2020 to 33.4 percent in 3Q-2021, while gross profit margin as of 9M2021 significantly increased to 32.9 percent from 22.9 percent compared to the same period of last year, which was the result of sales activities and sales promotion to stimulate sales and transfer of ready-to-move units in order to release the inventory during the economy crisis from COVID-19 pandemic in 1Q-2020. For the cost of projects for rent in 3Q-2021, it amounted to 23 Million Baht, slightly increased from 22 Million Baht in 3Q-2020. On the other hand, cost of business management decreased from 382 Million Baht in 3Q-2020 to 258 Million Baht in 3Q-2021, making the cost of business management decreased by 43 percent compared to that of 9M2020 in accordance with a decrease in revenue from business management. The cost of hotel management in 3Q-2021 amounted to 139 Million Baht, increased from 89 Million Baht in 3Q-2020 in accordance with an increase in revenue from hotel management. In addition, cost of other services including hotel business and education business decreased by 8 percent from 3Q-2020, and decreased by 10 percent comparing between 9M2021 and 9M2020.

Selling, General and Administrative Expenses

Sansiri and its subsidiaries recorded selling and administrative expense in 3Q-2021 at 1,349 Million Baht, accounted for 18.7 percent of the total revenue, an increase from 16.8 percent in 3Q-2020. Nevertheless, the selling and administrative expense for the period of 9M2021 increased from 16.9 percent to 18.9 percent compared to the same period of last year. The selling expenses in 3Q-2021 were at 607 Million Baht or 8.4 percent of total revenue, increased from 8.1 percent of total revenue at 695 Million Baht in 3Q-2020. As a result, the selling expenses as of 9M2021 had increased, accounted for 8.2 percent of total revenue. In 3Q-2021, the administrative expenses (including management benefit expenses) amounted to 742 Million Baht or 10.3 percent of total revenue, decreased from 740 Million Baht or an 8.7 percent of total revenue in 3Q-2020. In this regard, the administrative expenses for the period of 9M2021 amounted to 2,364 Million Baht, increased from 9.2 percent of total revenue for the period of 9M2020 to 10.7 percent of total revenue. However, the higher percentage of administrative expenses to total revenue was from the lower revenue base compared to the same period of last year.

Financial Expense

In 3Q-2021, financial expense was at 284 Million Baht, increased from 213 Million Baht in 3Q-2020. As a result, financial expense in 9M2021 was at 876 Million Baht, increased from 718 Million baht in 9M2020. The increase was resulted from the postponement of project launch due to the new wave of COVID-19 pandemic. Consequently, the interest of land plots of postponed projects was unable to be capitalised, causing a rise in financial expenses.

Net Profit

For 3Q-2021, Sansiri and its subsidiaries reported net profit of 628 Million Baht, a decrease from net profit of 765 Million Baht in 3Q-2020. A net profit margin of 8.7 percent of total revenue in 3Q-2021 decreased from 9.0 percent of total revenue in 3Q-2020. Conversely, for 9M2021, Sansiri and its subsidiaries reported net profit of 1,674 Million Baht, an increase from net profit of 1,085 Million Baht in 9M2020. A net profit margin of 7.6 percent of total revenue in 9M2021 increased from 4.1 percent of total revenue in 9M2020 as a result of a significant increase in gross profit from project sales in 9M2021 compared to the same period of last year due to the sale promotion given during the first phase of COVID-19 pandemic.

Assets

Total assets of Sansiri and its subsidiaries as of 30 September 2021 amounted to 116,413 Million Baht, an increase of 3,781 Million Baht from that of 31 December 2020. Current assets as of 30 September 2021 was at 71,093 Million Baht, increased by 2,184 Million Baht from that of 31 December 2020 due to an increase in real estate development for sales and current portion of long-term loans to related parties. Total non-current assets as of 30 September 2021 was at 45,320 Million Baht, an increase of 1,597 Million Baht from that of 31 December 2020 due to an increase in investment in associates and investment properties.

Liabilities

Total liabilities of Sansiri Group amounted to 75,508 Million Baht as of 30 September 2021, an increase of 2,073 Million Baht from that of 31 December 2020. Total current liabilities amounted to 36,920 Million Baht or increased by 6,207 Million Baht while total non-current liabilities decreased by 4,133 Million Baht to 38,588 Million Baht. In this regard, the interest-bearing debt increased from 55,519 Million Baht as of 31 December 2020 to 61,298 Million Baht as of 30 September 2021. The debt-to-equity ratio was 1.85 times with the interest-bearing debt-to-equity ratio (Gearing ratio) of 1.50 times. In this regard, Sansiri has been operating under restrictive financial covenants with gearing ratio less than 2.5 to 1.

By the definition, “Liabilities” means total liabilities as appears in the financial statements, including financial obligations and provisions from collateral of aval by bond issuers or any obligations in the same manner to any person or juristic person (The collateral is not included the case that other person acts as a guarantor for the bond issuer or subsidiary). However, financial obligations and provisions as mentioned above are not included financial obligations and provisions with account payables, advanced received from customer or any debt of bond issuer with no interest obligation, and lease payables.

Shareholders' Equity

Shareholders' Equity as of 30 September 2021 amounted to 40,905 Million Baht, an increase of 1,708 Million Baht from as of 31 December 2020, caused by the net profit of 1,694 Million Baht in 9M2021, together with an increase in other components of shareholders' equity. In this regard, Sansiri made dividend payment at 594 Million Baht out of net profit in 2020.

Cashflow

For 3Q-2021, beginning cash balance was 3,007 Million Baht, with net cash used in operating activities of 150 Million Baht, net cash used in investing activities of 3,356 Million Baht, and net cash from financing activities of 3,214 Million Baht, resulting in the ending cash balance as of 30 September 2021 of 2,844 Million Baht. In this regard, profit from operating activities before changes in operating assets and liabilities was at 17,190 Million Baht. Cash outflow as development costs for property development for sale amounted to 12,637 Million Baht. For investing activities, payment on purchase of investments in associates and loans to related parties amounted to 2,063 Million Baht, and 1,694 Million Baht, respectively. For financing activities, cash outflow for loan repayment including interest payment to financial institutions were 8,099 Million Baht, while cash outflow from repayment of debentures amounted to 5,000 Million Baht, with dividend payment amounted to 594 Million Baht.

Please be informed accordingly.

Yours Sincerely,

(Mr. Apichart Chutrakul)

Authorised Director