



(English Translation)

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14 May 2021

Subject : Clarification of 1Q-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 31 March 2021 of the Company and its subsidiaries as follows.

Total revenue in 1Q-2021 amounted to 6,827 Million Baht, increased by 5 percent from 6,527 Million Baht in 1Q-2020. An increase in total revenue was caused by a 12 percent increase in revenue from project sales. In 1Q-2021, Sansiri and its subsidiaries reported net profit of 384 Million Baht, a significant increase of 521 percent from net profit of 62 Million Baht in 1Q-2020.

Revenue from Property Development for Sale

The breakdown of revenue from project sales of 1Q-2021 and 1Q-2020 is as follows:

	1Q-2021		1Q-2020	
	Million Baht	%	Million Baht	%
Single-detached House	3,272	54.1	2,405	44.7
Townhome	493	8.2	602	11.2
Mixed Products	621	10.3	166	3.1
Condominium	1,659	27.4	2,210	41.1
Total	6,044	100.0	5,383	100.0

In 1Q-2021, Sansiri and its subsidiaries reported a 12 percent increase in revenue from project sales from that of 1Q-2020. The increase in revenue was caused by an increase in revenue from mixed products projects and single-detached house projects for 274 percent and 36 percent, respectively. Nonetheless, revenue from condominium projects and townhome projects decreased by 25 percent and 18 percent, respectively compared to that of 1Q-2020. To the total revenue from project sales in 1Q-2021, 3,272 Million Baht revenue from single-detached projects contributed 54.1 percent, 1,659 Million Baht revenue from condominiums projects contributed 27.4 percent, 621 Million Baht revenue from mixed products projects contributed 10.3 percent, and 493 Million Baht revenue from townhome projects contributed 8.2 percent.

Revenue from single-detached house projects in 1Q-2021 amounted to 3,272 Million Baht, a 36 percent increase from 2,405 Million Baht in 1Q-2020. Revenue from single-detached house was mainly from 4 projects, including Setthasiri Charan-Pinklao 2, Baan Sansiri Pattanakarn, Setthasiri Phahol-Watcharapol, and Saransiri Chaiyaphruek-Chaengwattana, altogether contributed 914 Million Baht or 15 percent of total revenue from project sales.

Revenue from townhome project decreased by 18 percent from 602 Million Baht in 1Q-2020 to 493 Million Baht in 1Q-2021. The major revenue was from the sale of townhome projects under the brand “Siri Place”, especially, Siri place Ratchapruek Rama 5, Siri Place Prachauthit 90, and Siri Place Rangsit-Klong 2 which were top 3 highest contributors of revenue from townhome project in 1Q-2021.

In 1Q-2021, revenue from mixed products project amounted to 621 Million Baht, significantly increased by 274 percent from 166 Million Baht in 1Q-2020 with Anasiri Bangyai as the highest contributor.

In addition, revenue from condominium projects decreased by 25 percent from 2,210 Million Baht in 1Q-2020 to 1,659 Million Baht in 1Q-2021. In this regard, the main contributors to revenue from condominium projects were from 4 projects, including Oka Haus, Kawa Haus, La Habana, and dcondo Tann Charan. Their revenue contributed 1,395 Million Baht or 23 percent of total revenue from project sales.

Revenue from Property Services

Revenue from projects for rent increased from 21 Million Baht in 1Q-2020 to 36 Million Baht in 1Q-2021, while revenue from business management decreased from 706 Million Baht in 1Q-2020 to 432 Million Baht in 1Q-2021, or decreased by 39 percent. The decrease was driven by a decrease in revenue from turnkey construction management of joint venture.

In addition, in 1Q-2021, the revenue from hotel management amounted to 62 Million Baht, increased by 7 percent from that of the same period of previous year. Furthermore, revenue from other services including hotel business and education business was 73 Million Baht, a 3 percent decrease from 75 Million Baht in 1Q-2020.

Cost of Goods Sold and Operating Expenses

Cost of Project Sales and Other Costs

In 1Q-2021, cost of project sales amounted to 4,240 Million Baht, a 4 percent decrease from that of 1Q-2020. Gross profit margin of project sales significantly increased from 17.9 percent in 1Q-2020 to 29.8 percent in 1Q-2021, which was the result of sales activities and sales promotion in 1Q-2020 to stimulate sales and transfer of ready-to-move units in order to release the inventory during the economy crisis from COVID-19 pandemic, resulting in a tremendous decrease in gross profit before gradually improving over time. Cost of projects for rent in 1Q-2021 amounted to 26 Million Baht increased from 21 Million Baht in 1Q-2020, whereas cost of business management decreased from 585 Million Baht in 1Q-2020 to 305 Million Baht in 1Q-2021 in accordance with a decrease in revenue from business management. In addition, cost of hotel management decreased from 159 Million Baht in 1Q-2020 to 121 Million Baht in 1Q-2021. Whereas, cost of other services including hotel business and education business decreased by 13 percent from 1Q-2020.

Selling, General and Administrative Expenses

Sansiri and its subsidiaries recorded selling and administrative expense in 1Q-2021 at 1,258 Million Baht or 18.4 percent of total revenue, a decrease from 19.2 percent of total revenue in 1Q-2020. In 1Q-2021, the selling expense amounted to 531 Million Baht or a 7.8 percent of total revenue, increased from 6.9 percent in 1Q-2020. On the other hand, the administration expense in 1Q-2021 amounted to 727 Million Baht or a 10.7 percent, decreased from 12.3 percent in the same period of last year, mainly due to the extraordinary one-time expenses in 1Q-2020 such as expenses related to the relocation to the new Head Office, the rental expense for some parts of the previous head office during the moving process, as well as compensation to the resigned employees due to the inconvenience causing from the head office relocation.

Financial Expense

In 1Q-2021, financial expense was at 306 Million Baht, significantly increased from 202 Million Baht in 1Q-2020, which mainly due to the postponement of project launch in Y2020 till 1Q-2021 in accordance with the unstable economic conditions. As a result, the interest expenses incurred by the undeveloped land plots, which were still in the design and marketing process, are unable to be capitalised.

Net Profit

Sansiri and its subsidiaries reported net profit of 384 Million Baht in 1Q-2021, a tremendous increase from 62 Million Baht in 1Q-2020. In this regard, the net profit margin reported at 5.6 percent of total revenue in 1Q-2021 which significantly increased from the net profit margin of 0.9 percent of total revenue in 1Q-2020. It was mainly due to a significant increase in gross profit margin of project sales. In addition, an effective corporate income tax in 1Q-2021 was at 29.6 percent of earnings before corporate income tax.

Assets

Total assets of Sansiri and its subsidiaries as of 31 March 2021 amounted to 114,462 Million Baht, an increase of 1,830 Million Baht from that of 31 December 2020. Current assets as of 31 March 2021 was at 71,533 Million Baht, increased by 2,624 Million Baht from that of 31 December 2020 due to an increase in deposits for purchase of land, and real estate development for sale. Total non-current assets as of 31 March 2021 was at 42,929 Million Baht, a decrease of 794 Million Baht from that of 31 December 2020 due to a decrease in land held for development.

Liabilities

Total liabilities of Sansiri Group amounted to 74,650 Million Baht as of 31 March 2021, an increase of 1,215 Million Baht from that of 31 December 2020. Total current liabilities amounted to 35,484 Million Baht or increased by 4,771 Million Baht while total non-current liabilities decreased by 3,557 Million Baht to 39,165 Million Baht. In this regard, the interest-bearing debt increased from 55,520 Million Baht as of 31 December 2020 to 57,254 Million Baht as of 31 March 2021, due to an increase in unsecured debenture issued in 1Q-2021. The debt-to-equity ratio was 1.88 times with the interest-bearing debt-to-equity ratio (Gearing ratio) of 1.44 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 31 March 2021 amounted to 39,813 Million Baht, an increase of 615 Million Baht from as of 31 December 2020, mainly driven by an increase of retained earnings of 303 Million Baht.

Cashflow

For 1Q-2021, beginning cash balance was 3,007 Million Baht, with net cash used in operating activities of 1,046 Million Baht, net cash used in investing activities of 380 Million Baht, and net cash from financing activities of 1,096 Million Baht, resulting in the ending cash balance of 2,729 Million Baht. In this regard, profit from operating activities before changes in operating assets and liabilities was at 5,281 Million Baht. Cash outflow as development costs for property development for sale amounted to 3,841 Million Baht. For investing activities, purchase of land, building and equipment, and increase in loans to related parties amounted to 195 Million Baht, and 164 Million Baht, respectively. For financing activities, cash outflow for loan repayment including interest payment were 1,362 Million Baht.

Please be informed accordingly.

Yours Sincerely,

(Mr. Apichart Chutrakul)

Authorised Director