



(English Translation)

Ref SS. 1136 / 2023

11 August 2023

Subject : Clarification of Quarter 2Q/2023 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 June 2023 of the Company and its subsidiaries as follows.

Total revenue for 2Q/2023 was 9,988 Million Baht, a 27 percent increase from 7,837 Million Baht in 2Q/2022. The total revenue increased in almost every business unit except other services and projects for rent, which decreased when compared to last year. In this quarter, the Company recorded a gain from land sales of 503 Million Baht. Net profit (equity holders of the Company) in 2Q/2023 was 1,621 Million Baht, representing a strong growth of 77 percent from 918 Million Baht in 2Q/2022.

For 6M2023, total revenue was 18,493 Million Baht, rising by 42 percent from 13,057 Million Baht in 6M2022. The Company recorded a gain from sales of assets and land, a total of 1,126 Million Baht. 6M2023 net profit reported an outstanding growth of 162 percent to 3,203 Million Baht, from 1,220 Million Baht in 6M2022.

Revenue from Property Development

The breakdown of revenue from project sales during 2Q/2023 and 2Q/2022, and for the period of 6M2023 and 6M2022 is as follows.

Product Type	2Q/2023		2Q/2022		6M2023		6M2022	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Single-detached Houses	3,457	43.2	3,113	47.2	5,853	39.7	5,407	49.7
Townhomes / Home Offices	834	10.4	917	13.9	1,788	12.1	1,385	12.7
Mixed Products	842	10.5	927	14.1	1,528	10.4	1,595	14.7
Condominiums	2,874	35.9	1,639	24.8	5,591	37.8	2,496	22.9
Total	8,007	100.0	6,596	100.0	14,761	100.0	10,883	100.0



(English Translation)

In 2Q/2023, Sansiri reported the revenue from project sales amounted to 8,007 Million Baht, resulting in a 21 percent increase from 6,596 Million Baht in the previous year. The increase was from higher revenue from sales of condominium and single-detached house projects.

Revenue from housing projects consists of single-detached house, townhome, and mix product amounted to 5,133 Million Baht, accounting for 64 percent of total revenue from project sales. Revenue from single-detached house projects amounted to 3,457 Million Baht, an 11 percent increase from 3,113 Million Baht in the same period last year. The revenue from single-detached houses was mainly from Setthasiri Don Mueang, Narasiri Krungthepkreetha, Narasiri Phahol - Watcharapol and Burasiri Watcharapol. Revenue from the aforesaid 4 projects was 21 percent of total revenue from project sales.

Revenue from townhome projects stood at 834 Million Baht, decreasing by 9 percent from 917 Million Baht in the same period last year, chiefly from DEMI Sathu 49 and Siri Place Charan - Pinklao.

Revenue from mixed product projects decreased from 927 Million baht in 2Q/2022 or 9 percent to 842 Million Baht in 2Q/2023. In this regard, revenue from newly launched projects in 2Q/2023, Anasiri Srinakarin – Praeksa and Anasiri Bangkok – Pathunthani 2, accounted for 27 percent of revenue from mixed product projects.

Condominium projects contributed the highest revenue growth in this quarter, growing by 75 percent to 2,874 Million baht from 1,639 Million Baht in the same period last year. Most of the revenue was generated from XT Phayathai, XT Huaikwang, oka HAUS, The Base Phetchaburi - Thonglor and The Muve Bangna. Moreover, there were 2 new completed projects and started to transfer in this quarter, namely, The Muve Bangkok and dcondo Panaa. These 7 projects contributed 27 percent of total revenue from project sales.

Further, the Company recorded revenue from projects for rent in 2Q/2023 of 42 Million, dropped by 17 percent from 50 Million Baht in 2Q/2022. As a result, revenue from projects for rent in 6M2023 decreased 7 percent when compared to last year.



(English Translation)

Revenue from Property Services

In 2Q/2023, revenue from business management services stood at 745 Million Baht, growing robustly by 96 percent from 381 Million Baht in 2Q/2022. The increase was due to a higher management fee, following an increase in the number of joint venture projects, as well as a management fee incentive from a joint venture project with Tokyu Corporation Company Limited. Consequently, revenue from business management services in 6M2023 grew by 65 percent compared to last year. Revenue from hotel management services rose 14 percent from 129 Million Baht in 2Q/2022 to 147 Million Baht in 2Q/2023, and increased 21 percent in 6M2023 following the economic recovery.

Besides, Sansiri reported revenue from hotel business owned by the Company in 2Q/2023 of 231 Million Baht, increasing significantly by 206 percent from 75 Million Baht last year, chiefly due to an investment in SIXTY SoHo Hotel in the United States in February 2023. This resulted in a 175 percent increase in revenue from hotel business in 6M2023.

Cost of Goods Sold and Operating Expenses

Cost of Project Sales and Other Costs

For 2Q/2023, cost of project sales amounted to 5,445 Million Baht, a 23 percent increase from 2Q/2022, in accordance with an increase in revenue from project sales. As a result, the cost of project sales in 6M2023 increased 35 percent from last year to 9,782 Million Baht. Consequently, gross profit margin of project sales in 2Q/2023 reduced from 32.8 percent in 2Q/2022 to 32.0 percent in this quarter, resulted from the rising cost of business operations. However, gross profit margin of project sales in 6M2023 was 33.7 percent, remained stable when compared to 33.6 percent in 6M2022.

The costs of other businesses also rose in line with increased revenues. An increase in cost of hotel business was owing to an investment in SIXTY SoHo Hotel in the United States in February 2023, resulted in a 137 percent increase in cost of hotel business in 6M2023. Cost of business management services and cost of hotel management services in 2Q/2023 rose 38 percent and 26 percent, respectively. Nonetheless, cost of other services in 6M2023 declined by 38 percent from last year, following a disposal of Satit Pattana School in March 2023.



(English Translation)

Selling, General and Administrative Expenses

Selling and administrative expenses in 2Q/2023 were 1,731 Million Baht, accounted for 17.3 percent of total revenue, decreasing when compared to 2Q/2022 of 19.1 percent of total revenue. The selling expenses in 2Q/2023 were 597 Million Baht or 6.0 percent of total revenue, decreased from 6.4 percent of total revenue in 2Q/2022. The administrative expenses (including management benefit expenses) amounted to 1,134 Million Baht or 11.4 percent of total revenue, decreased from 12.7 percent of total revenue in 2Q/2022.

For 6M2023, selling and administrative expenses were 3,111 Million Baht, equivalent to 16.8 percent of total revenue, dropping from 20.6 percent of total revenue in 6M2022. The selling expenses were 1,131 Million Baht or 6.1 percent of total revenue, remained stable compared to last year. The administrative expenses were 1,979 Million Baht or 10.7 percent of total revenue, down from 14.5 percent in 6M2022.

Finance Cost

In 2Q/2023, finance cost was 116 Million Baht, down from 231 Million Baht in 2Q/2022 while 6M2023 finance cost declined from 556 Million Baht to 237 Million Baht, owing mostly to the development of existing land plots to support business expansion in the next 2-3 years. As a result, the interest charges incurred by the developed land plots can be capitalised as cost of the projects rather than financial expenses.

Net Profit (equity holders of the Company)

For 2Q/2023, Sansiri and its subsidiaries reported net profit (equity holders of the Company) of 1,621 Million Baht, rose strongly by 77 percent from 918 Million Baht in 2Q/2022. In this regard, quarterly net profit margin was at 16.2 percent of total revenue, increasing from 11.7 percent of total revenue in 2Q/2022. The primary contributors to the increase in net profit were higher revenue in all business units while maintaining a healthy gross profit margin, gain from land sales, increased share of profit from investments in joint ventures and associates, as well as effective expense management at an appropriate level. In addition, an effective corporate income tax in 2Q/2023 was at 20.3 percent of earnings before corporate income tax.

For 6M2023, net profit (equity holders of the Company) was 3,203 Million Baht, representing an outstanding growth of 163 percent from 1,220 Million Baht in 6M2022. Net profit margin was 17.3 percent, up from 9.3 percent in 6M2022.



(English Translation)

Financial Position as of 30 June 2023

Total Assets

Total assets of Sansiri and its subsidiaries as of 30 June 2023 amounted to 139,816 Million Baht, an increase of 12,365 Million Baht from 31 December 2022. Current assets as of 30 June 2023 were 103,913 Million Baht, increasing by 6,658 Million Baht from 31 December 2022, chiefly due to an increase in real estate development for sales as well as cash and cash equivalents. Total non-current assets were 35,904 Million Baht, an increase of 5,707 Million Baht from 31 December 2022, primarily from an increase in land, building and equipment from the acquisition of SIXTY SoHo Hotel in the United States by our subsidiary in foreign country, together with an increase in long-term loan receivable – net of current portion.

Total Liabilities

Total liabilities of Sansiri Group amounted to 92,863 Million Baht as of 30 June 2023, an increase of 9,452 Million Baht from 31 December 2022. Total current liabilities amounted to 33,271 Million Baht, decreasing by 9,046 Million Baht. Whilst total non-current liabilities rose by 18,498 Million Baht to 59,593 Million Baht. In this regard, the interest-bearing debt increased from 70,655 Million Baht as of 31 December 2022 to 73,282 Million Baht as of 30 June 2023, due to an increase in unsecured debenture issued in January and June 2023. The debt-to-equity ratio was 1.98 times with the interest-bearing debt-to-equity ratio (Gearing ratio) was 1.56 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 do not include financial obligations and provisions with account payables, advanced received from customer or any debt of bond issuer with no interest obligation, and lease payables.

Total Shareholders' Equity

Shareholders' Equity as of 30 June 2023 amounted to 46,953 Million Baht, an increase of 2,913 Million Baht from as of 31 December 2022. The increase was from total comprehensive income of 3,574 Million Baht and higher issued and paid-up of 1,126 Million Baht from the exercise of warrants issued for Private Placement and ESOP 8, partly offset with dividend payment of 1,702 Million Baht in May 2023.



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Cashflow

Sansiri and its subsidiaries had beginning cash balance of 2,660 Million Baht, with net cash from operating activities of 5,195 Million Baht, net cash used in investing activities of 4,026 Million Baht, and net cash from financing activities of 153 Million Baht, resulting in the ending cash balance of 4,223 Million Baht as of 30 June 2023.

In this regard, profit from operating activities before changes in operating assets and liabilities was 14,689 Million Baht. In this regard, cash used as development costs for property development for sale amounted to 15,879 Million Baht. For investing activities, the key components were payment on purchase of land, building and equipment of 4,271 Million Baht mainly from the acquisition of SIXTY SoHo Hotel in the United States, and increase in loans to related parties of 1,230 Million Baht, partly offset with net cash received from sales of assets related to school business of 1,150 Million Baht. For financing activities, the key components were net proceeds from debentures issuance a total of 5,179 Million Baht from the issuance of debentures in January and June 2023, a total of 12,500 Million Baht, extracting the repayment of debentures totaling 8,000 Million Baht in January and June 2023, as well as cash received from newly issued ordinary shares of 1,126 Million Baht, partially offset with the repayment of short-term loans and bills of exchange of 2,178 Million Baht, dividend payment in May 2023 of 1,702 Million Baht and payment of interest expenses of 1,677 Million Baht.

Please be informed accordingly.

Yours Sincerely,

(Mr. Wanchak Buranasiri)

Authorised Director