

SUPALAI

SUPALAI PUBLIC COMPANY LIMITED

SPL. 200/2023

November 14, 2023

Subject: Report of operating results for the three-month and nine-month periods ended 30 September 2023

To Director and Manager
The Stock Exchange of Thailand

Supalai Public Company Limited would like to inform the operating results for the three-month and nine-month periods ended 30 September 2023. Detailed explanations are as followed:

1. The Company and its subsidiaries' operating results for the three-month period ended 30 September 2023 and 2022.

(Unit: Million Baht)						
	Consolidated financial statements			Separate financial statements		
	Third Quarter 2023	Third Quarter 2022	Increase / (Decrease) %	Third Quarter 2023	Third Quarter 2022	Increase / (Decrease) %
Total revenues	7,192.09	11,362.06	(37%)	6,564.60	10,515.45	(38%)
Revenue from sales of real estate	7,088.76	11,068.04	(36%)	6,474.83	10,305.83	(37%)
Selling and administrative expenses	982.00	1,123.68	(13%)	867.25	1,024.32	(15%)
% Selling and administrative expenses / Total revenue	13.7%	9.9%		13.2%	9.7%	
Share of profit from investments in joint ventures and associates	3.90	84.80	(95%)	-	-	-
Finance cost	136.68	75.24	82%	136.59	73.71	85%
Profit before income tax expenses	1,530.93	3,519.59	(57%)	1,448.03	3,238.44	(55%)
Income tax expenses	327.40	729.32	(55%)	298.82	668.22	(55%)
Effective corporate income tax rate (%)	21.4%	20.7%		20.6%	20.6%	
Profit for the period	1,190.70	2,748.88	(57%)	1,149.21	2,570.22	(55%)
Net profit margin (%)	16.6%	24.2%		17.5%	24.4%	
Basic earnings per share (Baht)	0.61	1.41	(57%)	0.59	1.32	(55%)
	Consolidated financial statements			Separate financial statements		
	30 September 2023	31 December 2022	Increase / (Decrease) %	30 September 2023	31 December 2022	Increase / (Decrease) %
Net Gearing Ratio (%)	51%	49%		60%	55%	
Book Value per share (Baht)	25.20	24.30	4%	22.97	22.37	3%

1. The revenue from sales of real estate was 7,088.76 million Baht, decreased by 3,979.28 million Baht from the same period of the previous year, representing a decrease of 36%. It was divided into the revenue of 62% from the transfer of ownership of detached houses and townhouses and the remaining 38% from the transfer of ownership of condominiums. This year, the Company has 2 completed condominium projects which are due for ownership transfer. The ownership had been gradually transferred from the second quarter of 2023. In 2022, the Company had 7 completed condominium projects which were due for ownership transfer. The ownership had been gradually transferred from the end of the first quarter of 2022. However, according to the above increased proportion of low-rise ownership transfer compared with the third quarter of 2022 with the proportion of low-rise ownership transfer of 47%, this resulted in the decreased gross margin in the third quarter of 2023 compared with the same period of the previous year.
2. Selling and administrative expenses were 982.00 million Baht, decreased by 141.68 million Baht from the same period of the previous year or a decrease of 13%. However, selling and administrative expenses of the Company and its subsidiaries were 13.7% compared with the total revenue, which increased from the same period of the previous year at 9.9%. This is mainly due to a decrease in the total revenue, resulting in the increased ratio of such expenses to the total revenue.
3. Share of profit from investments in joint ventures and associates amounted to 3.90 million Baht, a decrease of 80.90 million Baht from the same period of the previous year or a decrease of 95%, because, in 2023, the ownership transfers of projects in Australia will be due in the second half of the year in the fourth quarter.
4. Finance costs amounted to 136.68 million Baht, increased by 61.44 million Baht from the same period of the previous year or an increase of 82%, because the policy rate increased since mid-2022.
5. Profit for the period amounted to 1,190.70 million Baht, decreased by 1,558.18 million Baht from the same period of the previous year, representing a decrease of 57%, due to a decrease in revenue from ownership transfer as mentioned in Clause 1, a decrease in gross margin as well as a decrease in the share of profit from investments in joint ventures and associates as mentioned in Clause 3 and an increase in finance costs as mentioned in Clause 4. As a result, basic earnings per share amounted to 0.61 Baht per share, which decreased from the previous year at 1.41 baht per share.
6. Although the Company and its subsidiaries have increasing investments, the Net Gearing Ratio remains at the level of 51% as at September 30, 2023, a slight increase from the level of 49% as of December 31, 2022.

2. The Company and its subsidiaries' operating results for the nine-month period ended 30 September 2023 and 2022.

(Unit: Million Baht)						
	Consolidated financial statements			Separate financial statements		
	Nine-month period 2023	Nine-month period 2022	Increase / (Decrease) %	Nine-month period 2023	Nine-month period 2022	Increase / (Decrease) %
Total revenues	21,537.80	25,454.54	(15%)	19,029.06	23,324.91	(18%)
Revenue from sales of real estate	20,819.37	24,575.94	(15%)	18,443.12	22,568.74	(18%)
Selling and administrative expenses	2,753.91	2,781.06	(1%)	2,478.82	2,500.93	(1%)
% Selling and administrative expenses / Total revenue	12.8%	10.9%		13.0%	10.7%	
Share of profit from investments in joint ventures and associates	197.39	225.03	(12%)	-	-	-
Finance cost	335.59	195.51	72%	329.28	191.99	72%
Profit before income tax expenses	5,155.46	7,704.35	(33%)	4,483.64	7,086.62	(37%)
Income tax expenses	1,127.81	1,615.68	(30%)	928.88	1,452.66	(36%)
Effective corporate income tax rate (%)	21.9%	21.0%		20.7%	20.5%	
Profit for the period	3,971.85	6,001.78	(34%)	3,554.76	5,633.96	(37%)
Net profit margin (%)	18.4%	23.6%		18.7%	24.2%	
Basic earnings per share (Baht)	2.03	3.08	(34%)	1.82	2.89	(37%)

Revenue from sales of real estate was 20,819.37 million Baht, decreased by 3,756.57 million Baht from the same period of the previous year, representing a decrease of 15%. It was divided into the revenue of 64% from the transfer of ownership of detached houses and townhouses and the remaining 36% from the transfer of ownership of condominiums. This year, the Company has 2 completed condominium projects which are due for ownership transfer. The ownership had been gradually transferred from the second quarter of 2023. In 2022, the Company had 7 completed condominium projects which were due for ownership transfer. The ownership had been gradually transferred from the end of the first quarter of 2022. However, according to the above increased proportion of low-rise ownership transfer compared with the same period of the previous year with the proportion of low-rise ownership transfer of 52%, this resulted in the decreased gross margin compared with the same period of the previous year.

Selling and administrative expenses were 2,753.91 million Baht, slightly decreased by 27.15 million Baht from the same period of the previous year or a decrease of 1%. However, the selling and administrative expenses of the Company and its subsidiaries accounted for 12.8% compared with the total revenue, which increased from the same period of the previous year at 10.9%.

In addition, the share of profit from investments in joint ventures and associates for the nine-month period of 2023 was 197.39 million Bah, decreased by 27.64 million Baht from the same period of the previous year, representing a decrease of 12%. This was because some joint ventures and associates in Australia were under construction for ownership transfer in the fourth quarter of 2023 and the first quarter of 2024. Therefore, the revenue from project ownership transfer decreased from the same period of the previous year.

According to the reasons mentioned above, the operating results for nine-month period of this year have the net profit of 3,971.85 million Baht, decreased by 2,029.93 million Baht from the same period of the previous year at 6,001.78 million Baht or representing a decrease of 34%.

As at September 30, 2023, the Company and its subsidiaries have house and/or condominium backlogs of 19,273 million Baht. The Company expected to transfer 8,467 million Baht of these backlogs over the next 3 months in 2023, and the remaining of 10,806 million Baht over the next 3 years. The backlog means the total value of house and/or condominium sold but awaiting to be transferred, then the Company and its subsidiaries could recognize the revenue according to the Thai Accounting Standard, which will be recognized in full when ownership is transferred.

Please be informed and publicize to public accordingly.

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Assistant Managing Director of Accounting and Finance