



# Q1 2020 Management Discussion and Analysis

Document Quick Link: [Financial Results](#) / [JV Projects](#) / [Debt Structure & CAPEX](#) / [Overall Situation and Outlook](#) / [Appendix](#)

Financial Summary	Q1 2020	Q4 2019	Q1 2019	%YoY
<b>Total Revenue (Btm)</b>	<b>5,399</b>	<b>5,364</b>	<b>7,790</b>	<b>-30.7%</b>
Cost of Sales & Services (Btm)	3,537	3,402	5,230	-32.4%
Selling and Administrative Expenses (Btm)	1,147	1,554	1,501	-23.6%
Selling Expenses (Btm)	477	603	609	-21.8%
Admin Expenses (Btm)	670	951	891	-24.8%
Share of Profit (Loss) from Investment in Joint Venture	109	574	293	-62.8%
<b>Net Profit from Operation (Btm)</b>	<b>618</b>	<b>875</b>	<b>1,078</b>	<b>-42.7%</b>
<b>Net Profit (Btm)</b>	<b>618</b>	<b>881</b>	<b>1,078</b>	<b>-42.7%</b>
Gross Margin	34.5%	36.6%	32.9%	
SG&A as a % of Revenue	21.2%	29.0%	19.3%	
Selling Expenses as a % of Revenue	8.8%	11.2%	7.8%	
Admin Expenses as a % of Revenue	12.4%	17.7%	11.4%	
Net Margin from Operation	11.4%	16.3%	13.8%	
Net Margin	11.4%	16.4%	13.8%	
EPS (Bt)	0.20	0.28	0.34	
Net debt	27,848	27,037	19,898	
Equity	26,914	26,296	25,568	
Net Debt to Equity (x)	1.03	1.03	0.78	

- Under COVID-19 pandemic, Q1 2020 net profit managed to finish at THB 618 million or -42.7% YoY drop from last year high base. Net margin reported at 11.4% (-240bpt YoY).

Key factors attributed to Q1 2020 performance include the followings:

- Revenue (exclude JV) reported at THB 5,399 million (-30.7% YoY) of which THB 5,162 million was from property. Similar to last year, low rise projects took a lead and brought in 85% of AP property revenue.
  - Overall GM improved to 34.5% (+160bpt YoY) thanks to better property GM. With a growth in AP condo GM along with stable performance from low rise, property GM delivered at 32.6% (+150bpt YoY).
  - We started to transfer “Life Ladprao” ahead of plan and continued to transfer existing JV projects including “Life One Wireless”, “Life Sukhumvit 62”, and “Life Pinklao”. Hence, THB 109 million “Share of profit from investments in joint ventures” was booked in this quarter.
- **Q1 2020 reported revenue was at THB 5,399 million (-30.7% YoY) breaking down into property revenue of THB 5,162 million (-31.2% YoY) and service revenue of THB 237 million.** Please note that 2019 revenue peaked in Q1 before LTV measure was put in place in April. Consequently, demand was brought forward resulting in a surge of sales and revenue in Q1 2019.

In case of any questions or queries, please email to [kultipa\\_t@apthai.com](mailto:kultipa_t@apthai.com) or [thirata\\_t@apthai.com](mailto:thirata_t@apthai.com).



# Q1 2020 Management Discussion and Analysis

- **Low rise:** Even with ongoing uncertainty, low rise revenue was able to grow from Q4 2019 to THB 4,403 million (+4.8% QoQ or -26.4% YoY against last year new high). Townhouse and single-detached house contributed 45% and 55% to low rise revenue, respectively.

Out of 7 new launches in Q1 (Appendix 3), 4 projects (3 single-detached house and 1 townhouse) could start to transfer including: 1) “Centro Bangna - Kingkaew”, 2) “The City Saphan Mahachasabodin”, 3) “Centro Chaiyapruet 345”, and 4) “Pleno Ratchapruet - Chaengwattana”.

- **Condominium:** In this quarter, we started to transfer 1 new project, i.e., “Aspire Sukhumvit - Onnut Phase I” at THB 255 million or 15.6% of total unit. However, the project value (THB 1,600 million) is relatively smaller than “Vittorio” (THB 3,200 million) which was a main contributor to 2019 AP condo revenue (the last 1 unit was transferred in February 2020). Thus, Q1 2020 AP condo revenue recorded at only THB 759 million (-50.0% YoY). Besides “Aspire Sukhumvit - Onnut Phase I”, transfer clustered in few existing projects including “Aspire Sathorn - Ratchaphreuk” and “Aspire Erawan Phase 1”. Altogether, these 3 projects accounted for 70% of AP condo revenue.

Furthermore, we continued to deplete stocks from other existing projects. For example, “Aspire Udonthani” and “Aspire Sathorn - Taksin Phase 3” were both sold out and transferred by more than 98%. Also, there was a clear pickup from “Coo Phitsanulok” which achieved 94% sold and transferred by 93%.

## Q1 2020 Key Revenue Contributors

Top 5 Revenue Contributors	% of Q1 2020 Revenue	% PTD Transfer
Aspire Sukhumvit - Onnut Phase I	4.9%	15.6%
Centro Ratchapruet - Suan Phak	3.3%	60.8%
The City Pinklao - Borommaratchachonnani	3.0%	39.3%
Aspire Erawan Phase 1	3.0%	89.3%
The City Pattanakarn	2.7%	71.0%

- **Overall GM was healthy reporting at 34.5% (+160bpt YoY). Likewise, property GM increased to 32.6% (+150bpt YoY). JV GM was still going strong driving overall GM with 51% revenue from JV to 35.0% (+50bpt YoY).**
- **Low rise:** Since most new low rise projects could command high GM blending with proper pricing from existing projects, low rise GM repeatedly beat 30% target. Q1 2020 GM maintained satisfying at 32.0% (-90bpt YoY).



# Q1 2020 Management Discussion and Analysis

- **Condominium:** With lower mix from “Vittorio” together with reversal of unused costs from completed projects, Q1 2020 AP condo picked up to 36.1%. In addition, JV still delivered an impressive GM at 39.2%. Adding 51% revenue from JV, condo GM would be 37.6% (+420bpt YoY).
- **Given the circumstances, controlling SG&A is one of our top priorities. In Q1 2020, SG&A was well managed and booked at THB 1,147 million (-23.6% YoY).** Still, %SG&A to revenue slightly increased because of lower revenue base reporting at 21.2% (+190bpt YoY). As JV operation is covered by AP, %SG&A with 51% revenue from JV went down to 19.8%.

## JV Projects

- Good news is we could start to transfer “Life Ladprao” just before the end of March (ahead of original plan in Q2). Reflecting good backlog quality, the project was well accepted by customers and transferred by 155 units (THB 721 million) within 2 weeks.
- At the end of Q1, “Life One Wireless” and “Life Sukhumvit 62” were transferred by 48.2% and 61.9%, respectively. Plus, we continued to clear off stock from “Life Pinklao” which was now transferred by 95.6%.
- In conclusion, Q1 2020 JV revenue (100%) reported at THB 1,421 million (-36.5% YoY) and we recognized “Share of profit from investments in joint ventures” with total value of THB 109 million (-62.8% YoY).

## Debt Structure & CAPEX

- We are putting a brake on land spending with total acquisition in Q1 of only THB 776 million (full year target = THB 8,500 million). All of the spending was for low rise plots which will be developed and launched within the year as well as next year.
- Q1 2020 net debt to equity ratio reported at 1.03x. Total outstanding debt was at THB 30,013 million with average cost of fund of 2.50% (lower than 2.54% in Q4 2019). Per usual, fixed rate debenture was the largest portion and made up to 63.6% of our debt structure.
- So far this year, we have issued 1 tranche of debenture to replace the matured ones at a competitive rate with further details per below.

Debenture	Amount	Duration	Interest Rate
AP241A - Jan 2020	2,500	4Y	2.35%

In case of any questions or queries, please email to [kultipa\\_t@apthai.com](mailto:kultipa_t@apthai.com) or [thirata\\_t@apthai.com](mailto:thirata_t@apthai.com).



# Q1 2020 Management Discussion and Analysis

## Overall Situation and Outlook

### Q1 2020 Presales Update

- Q1 2020 presales contracted to THB 6,045 million (+40.7% QoQ or -52.0% YoY). Apart from unfavorable sentiment and COVID-19 epidemic commencing in March, big decrease in presales stemmed from last year high base due to several condo launches together with acceleration of presales and transfer to avoid LTV measure.
- **Low rise:** Q1 2020 low rise presales recorded at THB 5,096 million (+98.0% QoQ or -18.1% YoY). In summary, we have launched 7 low rise projects with total value of THB 8,025 million (Appendix 3).
- **Condominium:** Since there was no new launch in Q1 2020, condo presales solely derived from existing projects. On the other hand, we launched 3 condo projects (THB 7,300 million) in Q1 2019 with one project being sold out. This along with sluggish market led to a drop in condo presales closing Q1 2020 at THB 949 million (-85.1% YoY).

### Q1 2020 Presales Performance (in THB Million)

Presales	Q1 2020	Q1 2019	% YoY	2020 Target	% Achieved Target
Low Rise	5,096	6,222	-18.1%	22,500	22.6%
Condominium	949	6,363	-85.1%	11,000	8.6%
<b>Total Presales</b>	<b>6,045</b>	<b>12,585</b>	<b>-52.0%</b>	<b>33,500</b>	<b>18.0%</b>

### YTD 2020 Presales Update (as of 30<sup>th</sup> April 2020)

- With several uncontrollable factors such as country lockdown and nationwide curfew, **we booked presales of THB 2,282 million in April making YTD amount of THB 8,328 million (-44.5% YoY)**. Without further new launch, April low rise sales pace was stable at THB 1,796 million and condo showed a clear sign of improvement comparing to Q1 recording at THB 486 million. Hence, YTD low rise and condo presales reported at THB 6,892 million (-17.2% YoY) and THB 1,436 million (-78.5% YoY), respectively.
- As of 30<sup>th</sup> April 2020, AP backlog reported at THB 11,280 million. THB 7,314 million was from low rise and THB 3,966 million was from condo. Schedule of AP condo revenue recognition is shown per the following table.



# Q1 2020 Management Discussion and Analysis

AP	Q2 2020 30th April	Q1 2020	2019	Q4 2019	Q3 2019	Q2 2019	Q1 2019	2018
<b>Beginning Backlog</b>	<b>9,256</b>	<b>8,966</b>	<b>6,839</b>	<b>11,250</b>	<b>11,480</b>	<b>10,059</b>	<b>6,839</b>	<b>6,251</b>
Gross sales booking	3,604	9,126	46,507	8,861	11,168	11,222	15,255	41,016
Cancellation	-1,580	-3,594	-21,649	-6,010	-5,719	-5,505	-4,416	-13,394
<b>Net sales booking (excl. JV)</b>	<b>2,024</b>	<b>5,532</b>	<b>24,857</b>	<b>2,852</b>	<b>5,449</b>	<b>5,717</b>	<b>10,839</b>	<b>27,622</b>
<b>Ending Backlog (excl. JV)</b>	<b>11,280</b>	<b>9,256</b>	<b>8,966</b>	<b>8,966</b>	<b>11,250</b>	<b>11,480</b>	<b>10,059</b>	<b>6,839</b>
- from TH&SDH	7,314	5,518	4,894	4,894	6,598	6,833	5,063	4,922
- from Condo	3,966	3,738	4,072	4,072	4,651	4,647	4,996	1,917
<b>Net Sales Booking (excl. JV)</b>	<b>2,024</b>	<b>5,532</b>	<b>24,857</b>	<b>2,852</b>	<b>5,449</b>	<b>5,717</b>	<b>10,839</b>	<b>27,622</b>
- from TH&SDH	1,796	5,096	18,419	2,574	4,557	5,065	6,222	19,652
- from Condo	228	436	6,438	277	892	652	4,617	7,970
<b>Net Sales Booking (inc. JV)</b>	<b>2,282</b>	<b>6,045</b>	<b>32,857</b>	<b>4,295</b>	<b>7,767</b>	<b>8,209</b>	<b>12,585</b>	<b>41,298</b>
- from TH&SDH	1,796	5,096	18,419	2,574	4,557	5,065	6,222	19,652
- from Condo	486	949	14,438	1,721	3,210	3,144	6,363	21,646

\*Backlog includes April 2020 transfer value which is not yet announced.

High Rise AP projects		2020F	2021F	2022F	2023F	2024F
Based on project completion		4,352	3,029	-	-	-
<b>AP Condo Transfer as of Q1 2020:</b>		<b>770</b>				
<b>AP Condo Backlog</b>	<b>3,966</b>	<b>2,431</b>	<b>1,536</b>	-	-	-
<b>% Secure</b>		<b>74%</b>	<b>51%</b>			

Data as of 30<sup>th</sup> April 2020

- With backlog portion from JV (THB 38,111 million), total condo backlog would be at THB 42,077 million. Transfer schedule of AP and JV condo is shown in the below table.

Total Condo Portfolio:		2020F	2021F	2022F	2023F	2024F
Condo AP projects		4,352	3,029	-	-	-
100% JV Condo		14,134	14,165	14,650	10,500	5,265
Based on project completion		18,486	17,194	14,650	10,500	5,265
<b>AP Condo Transfer as of Q1 2020:</b>		<b>770</b>				
<b>JV Transfer as of Q1 2020:</b>		<b>1,452</b>				
<b>AP Condo Backlog</b>	<b>3,966</b>	<b>2,431</b>	<b>1,536</b>	-	-	-
<b>JV Condo Backlog</b>	<b>38,111</b>	<b>12,354</b>	<b>13,325</b>	<b>9,963</b>	<b>2,469</b>	-
	<b>42,077</b>	<b>14,784</b>	<b>14,860</b>	<b>9,963</b>	<b>2,469</b>	-
<b>% Secure</b>		<b>92%</b>	<b>86%</b>	<b>68%</b>	<b>24%</b>	

Data as of 30<sup>th</sup> April 2020



# Q1 2020 Management Discussion and Analysis

## Appendix

### Appendix 1: Financial Summary

Financial Summary	Q1 2020	2019	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Revenues from Property Development (Btm)	5,162	22,679	5,051	5,595	4,530	7,503
YoY Chg (%)	-31.2%	-13.4%	-38.4%	-14.1%	-27.1%	42.4%
QoQ Chg (%)	2.2%		-9.7%	23.5%	-39.6%	-8.5%
Consolidated Revenues (Btm)	5,399	23,802	5,364	5,886	4,762	7,790
YoY Chg (%)	-30.7%	-12.7%	-37.0%	-13.1%	-26.3%	41.2%
QoQ Chg (%)	0.7%		-8.9%	23.6%	-38.9%	-8.5%
Gross Profit from Property Development (Btm)	1,682	7,279	1,712	1,834	1,400	2,333
Gross Margin from Property (%)	32.6%	32.1%	33.9%	32.8%	30.9%	31.1%
Overall Gross Profit (Btm)	1,862	8,176	1,962	2,068	1,584	2,561
Gross Margin (%)	34.5%	34.3%	36.6%	35.1%	33.3%	32.9%
Operating Profit (Btm)	715	2,732	407	818	447	1,060
Operating Margin (%)	13.2%	11.5%	7.6%	13.9%	9.4%	13.6%
Net Profit from Normal Operations (Btm)	618	2,987	875	575	460	1,078
YoY Chg (%)	-42.7%	-24.3%	-10.1%	-37.9%	-61.1%	24.6%
QoQ Chg (%)	-29.4%		52.1%	25.1%	-57.3%	10.7%
Net Profit (Btm)	618	3,064	881	618	487	1,078
YoY Chg (%)	-42.7%	-22.5%	-9.5%	-33.2%	-59.0%	24.6%
QoQ Chg (%)	-29.9%		42.4%	27.0%	-54.8%	10.7%
EPS (Bt)	0.20	0.97	0.28	0.20	0.15	0.34
Total Assets (Btm)	61,986	58,794	58,794	56,153	55,295	53,093
Equity (Btm)	26,914	26,296	26,296	25,415	24,797	25,568
Outstanding Debt (Btm)	30,013	27,607	27,607	26,031	25,722	22,248
Net Debt (Btm)	27,848	27,037	27,037	25,277	24,211	19,898
Net Debt to Equity (x)	1.03	1.03	1.03	0.99	0.98	0.78
ROE (%) (Average Equity)	N/A	12.1%	N/A	N/A	N/A	N/A

In case of any questions or queries, please email to [kultipa\\_t@apthai.com](mailto:kultipa_t@apthai.com) or [thirata\\_t@apthai.com](mailto:thirata_t@apthai.com).



# Q1 2020 Management Discussion and Analysis

## Appendix 2: Ongoing Projects

Brand	No of Projects	No of units	Project value (Btm)	% Sold Unit (as of 31/03/20)	Available for sales (Btm)
<b>Single Detached House</b>					
Palazzo	1	52	1,818	44%	1,014
Mind	3	203	1,758	95%	79
City	10	1,176	15,234	51%	8,322
Centro	21	4,621	28,455	51%	14,295
<b>SDH - Available for Sales</b>	<b>35</b>		<b>47,265</b>		<b>23,710</b>
<b>Townhouse</b>					
Baan Klang Muang	17	3,297	18,671	47%	10,140
Pleno	34	9,866	30,660	49%	15,837
District	1	36	465	67%	155
Sonne	1	56	709	23%	544
<b>TH-Available for Sales</b>	<b>53</b>		<b>50,505</b>		<b>26,676</b>
<b>Condominium (AP)</b>					
Aspire	8	8,115	18,530	86%	2,891
Coo	1	448	650	94%	36
<b>Condo-Available for Sales (exc. JV)</b>	<b>9</b>		<b>19,180</b>		<b>2,927</b>
<b>Total ongoing projects available for sales (exc. JV)</b>					<b>53,314</b>
Brand	No of Projects	No of units	Project value (Btm)	% Sold Unit (as of 31/03/20)	Available for sales (Btm)
The Address	1	880	8,800	31%	6,070
Rhythm	2	724	7,900	44%	4,447
Life	8	10,812	49,100	76%	9,069
<b>JV-Available for Sales</b>	<b>11</b>		<b>65,800</b>		<b>19,586</b>

Data as of 31<sup>st</sup> March 2020

In case of any questions or queries, please email to [kultipa\\_t@apthai.com](mailto:kultipa_t@apthai.com) or [thirata\\_t@apthai.com](mailto:thirata_t@apthai.com).





# Q1 2020 Management Discussion and Analysis

## Appendix 3: Projects Launches in 2020

Project name	Rai	Number of Units	Project Value (mb)	% Sold Unit (as of 31/03/20)	Launch Period
Pleno Ratchapruet - Chaengwattana	30	301	770	7%	Q1 2020
Pleno Ramintra - Bangchan Station	27	252	850	18%	Q1 2020
Pleno Rama 9 - Krungthep Kreetha 2	32	316	1,200	7%	Q1 2020
<b>2nd Half: 13 Projects</b>			<b>12,180</b>		
<b>Townhouse</b>			<b>15,000</b>		
Centro Bangna - Kingkaew	62	294	1,930	8%	Q1 2020
The City Saphan Mahachasabodin	27	76	1,165	4%	Q1 2020
Centro Chaiyapruet 345	33	161	870	11%	Q1 2020
The City Suksawat 64	30	116	1,240	15%	Q1 2020
Centro Saphan Mahachasabodin 2	28	102	900		Q2 2020
Centro Prachauthit 90	51	256	1,150		Q2 2020
The City Rama 9 - Krungthep Kreetha	21	76	1,000		Q2 2020
Centro Sathorn - Kalapruet	38	173	1,500		Q2 2020
The City Ramintra 2	33	114	1,140		Q2 2020
The City Sathorn - Kalapruet	31	121	1,580		Q2 2020
<b>2nd Half: 7 Projects</b>			<b>7,575</b>		
<b>Single Detached House</b>			<b>20,050</b>		
<b>Total Low Rise</b>			<b>35,050</b>		
<b>Total New Launches</b>			<b>35,050</b>		

Data as of 31<sup>st</sup> March 2020

In case of any questions or queries, please email to [kultipa\\_t@apthai.com](mailto:kultipa_t@apthai.com) or [thirata\\_t@apthai.com](mailto:thirata_t@apthai.com).





# Q1 2020 Management Discussion and Analysis

## Appendix 4: Schedule of Condominium Transfer

Condo Projects	Project Value (THB Million)	Total Units	% Sold Unit (as of 31/03/20)	%Accumulated Transfer (2019)	2020F	2021F	2022F	2023F	2024F	2025F	Launch Year	Estimated Start Transfer	Estimated Finish Transfer
1 Aspire Ngamwongwan	2,750	1,458	98%	93%	7%						Q4 2010	Q4 2016	Q3 2020
2 Vittorio	3,200	88	100%	99%	1%						Q1 2013	Q2 2018	Completed
3 Aspire Udornthani	620	413	100%	95%	5%						Q1 2013	Q1 2015	Q2 2020
4 Aspire Rattanaibet II	2,900	1,428	78%	75%	15%	10%					Q1 2013	Q1 2016	Q4 2021
5 Coe Phitsanulok	650	448	94%	87%	13%						Q4 2013	Q4 2015	Q4 2020
6 Aspire Erawan Phase 1	3,500	1,576	93%	85%	15%						Q3 2015	Q4 2017	Q4 2020
7 Aspire Sathorn-Taksin Phase 3	1,260	613	100%	98%	2%						Q2 2016	Q4 2016	Q2 2020
8 Aspire Sathorn-Ratchaphreuk	3,000	1,049	65%	58%	25%	17%					Q1 2018	Q4 2018	Q4 2021
9 Aspire Sukhumvit - Onnut Phase I	1,600	553	48%	0%	60%	40%					Q1 2019	Q1 2020	Q4 2021
10 Aspire Asoke - Ratchada	2,900	1,025	98%	0%	45%	55%					Q1 2019	Q3 2020	Q4 2021

### Joint venture projects

11 Life Pinklao	2,800	803	98%	90%	10%						Q4 2015	Q4 2017	Q3 2020
12 Life Ladprao	8,000	1,615	93%	0%	55%	45%					Q2 2017	Q1 2020	Q4 2021
13 Life One Wireless	8,050	1,344	98%	44%	56%						Q3 2017	Q4 2019	Q4 2020
14 Life Asoke - Rama 9	9,800	2,248	92%	0%	40%	45%	15%				Q4 2017	Q3 2020	Q2 2022
15 Life Sukhumvit 62	2,050	438	81%	52%	48%						Q1 2018	Q4 2019	Q4 2020
16 Life Ladprao Valley	6,400	1,140	67%	0%		40%	50%	10%			Q3 2018	Q3 2021	Q2 2023
17 Life Asoke-Hype	5,700	1,253	85%	0%		35%	40%	25%			Q4 2018	Q4 2021	Q2 2023
18 Rhythm Ekkamai Estate	3,200	303	35%	0%		50%	50%				Q1 2019	Q3 2021	Q4 2022
19 The Address Siam - Ratchathewi	8,800	880	31%	0%			30%	45%	25%		Q2 2019	Q2 2022	Q2 2024
20 Life Sathorn Sierra	6,300	1,971	20%	0%			40%	30%	30%		Q3 2019	Q2 2022	Q3 2024
21 Rhythm Charoenkrung Pavillion	4,700	421	50%	0%			20%	55%	25%		Q4 2019	Q4 2022	Q2 2024
<b>Total JV</b>	<b>65,800</b>		<b>71%</b>										

Data as of 31<sup>st</sup> March 2020