



Q2 2021 Management Discussion and Analysis

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Financial Summary	Q2 2021	Q1 2021	Q2 2020	%YoY	%QoQ	6M 2021	6M 2020	%YoY
Total Revenue (Btm)	8,035	9,106	7,792	3.1%	-11.8%	17,141	13,191	29.9%
Cost of Sales and Services (Btm)	5,494	6,139	5,487	0.1%	-10.5%	11,632	9,024	28.9%
Selling and Administrative Expenses (Btm)	1,392	1,425	1,516	-8.2%	-2.3%	2,817	2,663	5.8%
Selling Expenses (Btm)	590	625	587	0.5%	-5.7%	1,215	1,064	14.2%
Administrative Expenses (Btm)	803	800	929	-13.6%	0.4%	1,602	1,599	0.2%
Share of Profit (Loss) from Investment in JV (Btm)	181	175	664	-72.7%	3.8%	356	773	-54.0%
Net Profit from Operation (Btm)	1,115	1,403	1,215	-8.2%	-20.5%	2,518	1,832	37.4%
Net Profit (Btm)	1,115	1,403	1,215	-8.2%	-20.5%	2,518	1,832	37.4%
Gross Margin	31.6%	32.6%	29.6%			32.1%	31.6%	
SG&A as a % of Revenue	17.3%	15.6%	19.5%			16.4%	20.2%	
Selling Expenses as a % of Revenue	7.3%	6.9%	7.5%			7.1%	8.1%	
Admin Expenses as a % of Revenue	10.0%	8.8%	11.9%			9.3%	12.1%	
Net Margin from Operation	13.9%	15.4%	15.6%			14.7%	13.9%	
Net Margin	13.9%	15.4%	15.6%			14.7%	13.9%	
EPS (Bt)	0.35	0.45	0.39			0.80	0.58	
Net Debt (Btm)	18,687	18,698	27,373			18,687	27,373	
Equity (Btm)	30,398	30,699	26,870			30,398	26,870	
Net Debt to Equity (x)	0.61	0.61	1.02			0.61	1.02	

- **Maintaining strong momentum, Q2 2021 total revenue reported at THB 8,035 million (+3.1% YoY) with net profit of THB 1,115 million (13.9% net margin). For the 1st half of the year, AP delivered outstanding results with the highest-ever total revenue and net profit of THB 17,141 million (+29.9% YoY) and THB 2,518 million (+37.4% YoY), respectively. In the meantime, net debt to equity ratio remained low at 0.61x.**

Key factors attributed to Q2 2021 performance include the followings:

- Q2 2021 revenue from sales recorded at THB 7,836 million (+3.3% YoY) thanks to impressive transfer from low rise projects. Including revenue from services, Q2 2021 total revenue would be THB 8,035 million (+3.1% YoY) making 6M 2021 revenue to grow strongly, +29.9% YoY, to THB 17,141 million.
- Q2 2021 gross margin recovered from an abnormal low in Q2 2020 to 31.6% (+200bpt YoY) whilst 6M 2021 gross margin remained healthy at 32.1% (+50bpt YoY).
- With our continuous control, Q2 2021 SG&A spending reported at only 17.3% (-220bpt YoY) of total revenue. In the same manner, accumulated amount for 6M 2021 declined by -380bpt YoY to 16.4% of reported revenue.
- JV revenue in the 1st half of 2021 mainly derived from existing projects and we realized share of profit from investments in JV at THB 356 million (-54.0% YoY) of which THB 181 million (-72.7% YoY) was recorded in Q2.
- **Q2 2021 total revenue was booked at THB 8,035 million (+3.1% YoY) divided into THB 7,836 million from property development and THB 200 million from services. Accordingly, 6M 2021 total revenue significantly increased by +29.9% YoY reporting at THB 17,141 million.**

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- **Low Rise:** In the midst of ongoing Covid-19 pandemic, Q2 2021 low rise revenue continued to be robust reporting at THB 7,515 million (+11.6% YoY) which was the second-highest quarterly amount after peaking in the previous quarter. For 6M 2021, low rise revenue showed an impressive growth reporting at THB 15,555 million (+39.7% YoY). An exceptional performance from low rise projects was an outcome of a large number of good quality backlog carried from Q1 along with great momentum from low rise presales which hit a new high again in Q2 2021.
- **Condominium:** Due to limited number of ready-to-move-in stocks, Q2 2021 AP condo revenue recorded at THB 321 million (-62.3% YoY) deriving from 3 projects on hand as compared to 8 projects in Q2 2020. The biggest portion of transfer came from “Aspire Asoke - Ratchada” (%PTD transfer = 93.4%) followed by “Aspire Sukhumvit - Onnut Phase I” (%PTD transfer = 59.3%) and “Aspire Rattanaibet II” (%PTD transfer = 94.2%).

Q2 2021 Key Revenue Contributors

Top 5 Revenue Contributors	% of Revenue from Sales	% PTD Transfer
The City Sukhumvit - Onnut	2.8%	39.8%
The City Pinklao - Borom	2.7%	78.7%
Centro Wongwaen - Chatuchote	2.5%	72.0%
The City Ratchaphruek - Suanphak	2.5%	71.4%
Centro Sathorn - Kalapapruek	2.4%	46.5%

- **Q2 2021 gross margin was healthy booking at 31.6% (+200bpt YoY) versus Q2 2020 low base during the height of Covid-19 last year. As a result, 6M 2021 overall gross margin was favorable and delivered at 32.1% (+50bpt YoY).**
 - **Low Rise:** After doing pricing promotion in Q2 2020, we gradually raised back gross margin to normal level (30% for low rise). With proper pricing, we realized gross margin from low rise projects at 30.3% (+160bpt YoY) in Q2 2021. Likewise, 6M 2021 gross margin presented at 30.6% (+60bpt YoY).
 - **Condominium:** Similar to low rise, we also offered pricing promotion to clear off slow-moving stocks during Q2 2020. After the situation got better, gross margin rose back over time and Q2 2021 condo gross margin recorded at 32.8% (+730bpt YoY). At the same time, Q2 2021 JV gross margin remained high at 38.6% (+20bpt YoY). Therefore, 6M 2021 AP condo gross margin reported at 35.7% (+520bpt YoY) or 37.3% (+130bpt YoY) with 51% of revenue from JV.
- **We closely monitored SG&A spending with total amount of THB 1,392 million (-8.2% YoY) in Q2 2021 or 17.3% (-220bpt YoY) of reported revenue.** For 6M 2021, %SG&A to revenue was very well-controlled at 16.4% (-380bpt YoY). As JV operation was covered by AP, 6M 2021 %SG&A to revenue with 51% portion of JV would be 15.6% (-210bpt YoY).



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Joint Venture Project

- In Q2 2021, majority of JV transfer came from existing projects. We transferred another 7.6% portion of “Life Asoke - Rama 9” (%PTD transfer = 73.2%) which accounted for over 40% of JV revenue. In addition, “Life One Wireless” and “Life Ladprao” were the other 2 existing projects supporting JV transfer. At the end of Q2 2021, both projects were transferred by 88.2% and 94.3%, respectively. Moreover, we managed to transfer 130 units or 10.4% of “Life Asoke - Hype” right before the end of the quarter which was ahead of our original plan in Q3.
- In conclusion, Q2 2021 JV revenue (100%) was stable QoQ at THB 1,698 million but declined by -68.2% YoY against 2020 high base. We recorded share of profit from investments in JV at THB 181 million (-72.7% YoY and +3.8% QoQ). For the 1st half of 2021, accumulated JV revenue and share of profit from investments in JV reported at THB 3,365 million (-50.3% YoY) and THB 356 million (-54.0% YoY), respectively.
- A decline in JV transfer was resulted from different timing of new project completion. In Q2 2020, we transferred a large portion of “Life Ladprao”, one of our sizable JV projects, after kicking off ownership transfer in late Q1. On the contrary, for 2021, all new JV projects were initially due to complete in the 2nd half of the year.

Debt Structure and CAPEX

- We spent THB 2,475 million on land acquisition in Q2 2021. Therefore, accumulated spending for 6M 2021 was at THB 5,210 million against THB 12,000 million budget. Most of the spending went to low rise land plots which will be launched later this year as well as to support future growth.
- At the end of the quarter, total outstanding debt recorded at THB 21,635 million (including THB 518 million from lease liabilities) of which 87.1% or THB 18,850 million came from debenture. Average cost of funds remained competitive at 2.78% while net debt to equity ratio was healthy at 0.61x.
- There was no new tranche of debenture being issued in Q2 2021 but we issued 1 new tranche in July to replace a matured one with total amount of THB 2,000 million at a very good rate (1.94% / 4 Years). So far in 2021, we had issued 3 new tranches of debenture with further details in the below table.

Debenture	Amount (THB Million)	Duration	Interest Rate
AP247A - January 2021	1,500	3 Years 6 Months	2.77%
AP261A - January 2021	1,500	5 Years	3.51%
AP257A - July 2021	2,000	4 Years	1.94%



Q2 2021 Management Discussion and Analysis

Overall Situation and Outlook

- In spite of many uncertainties and only few new launches, Q2 2021 total presales was outstanding reporting at THB 9,851 million (+9.0% YoY and +23.7% QoQ). Accordingly, 6M 2021 total presales increased to THB 17,817 million (+18.1% YoY).
 - **Low Rise:** Low rise achieved a new record high again in terms of quarterly presales. Q2 2021 low rise presales reached THB 9,137 million (+18.4% YoY and +25.3% QoQ) beating the previous record in Q3 2020. Hence, 6M 2021 low rise presales grew to THB 16,430 million (+28.2% YoY) with sales rate per week at THB 632 million which was already ahead of target (THB 538 million per week). Majority of low rise presales came from 100 active projects which had available for sales value of THB 55,322 million at the beginning of the quarter. Furthermore, success from new launches also helped with the remarkable performance. In total, we launched 5 projects (THB 4,060 million / Appendix 3) in the 1st half of the year with average %sold of 20%.
 - **Condominium:** Without new launch, Q2 2021 condo presales rose by +5.9% QoQ to THB 713 million but declined -46.1% YoY since 2020 condo presales peaked in Q2 when the market was active due to promotional campaigns given out by many developers. Thus, 6M 2021 condo presales reported at THB 1,387 million (-39.0% YoY).

Although the condo market was quite sluggish, customers still showed interest in our products proving by good sales progress from many projects generated during the quarter. For instance, “Aspire Erawan Prime” was now sold by 32% comparing to 25% at the end of Q1 2021. Additionally, we sold “Aspire Sukhumvit - Onnut Phase I”, “Life Sathorn Sierra”, and “Rhythm Charoenkrung Pavillion” by another 6%, 5%, and 4%, respectively.

6M 2021 Presales Performance (in THB Million)

Presales	6M 2021	6M 2020	% YoY	2021 Target	% Achieved
Low Rise	16,430	12,812	28.2%	28,000	58.7%
Condominium	1,387	2,273	-39.0%	7,500	18.5%
Total Presales	17,817	15,085	18.1%	35,500	50.2%

7M 2021 Presales Update (as of 31st July)

- Amid the new wave of Covid-19 along with other adverse factors, we booked July presales at THB 2,845 million (+6.7% QoQ but -7.9% YoY) of which THB 2,536 million derived from low rise and THB 308 million was from condo. In summary, 7M 2021 low rise presales increased to THB 18,966 million (+22.1% YoY) while condo presales reported at THB 1,696 million (-35.7% YoY). As a result, 7M 2021 total presales grew to THB 20,662 million (+13.7% YoY).
- As of 31st July 2021, total AP backlog reported at THB 12,984 million of which THB 11,563 million came from low rise and THB 1,421 million came from condo as shown in more details in the following table.

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AP	Q3 2021 31/07/2021	Q2 2021	Q1 2021	2020	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Beginning Backlog	10,296	8,745	10,121	8,966	9,559	10,114	9,256	8,966
Gross sales booking	4,002	15,242	13,689	55,055	13,899	15,206	16,824	9,126
Cancellation	(1,313)	(5,753)	(6,059)	(24,530)	(5,927)	(6,719)	(8,289)	(3,594)
Net sales booking (excl. JV)	2,689	9,489	7,631	30,525	7,972	8,486	8,535	5,532
Ending Backlog (excl. JV)	12,984	10,296	8,745	10,121	10,121	9,559	10,114	9,256
- from Low Rise	11,563	9,026	7,499	8,354	8,354	7,393	6,417	5,518
- from Condo	1,421	1,269	1,246	1,767	1,767	2,167	3,697	3,738
Net Sales Booking (excl. JV)	2,689	9,489	7,631	30,525	7,972	8,486	8,535	5,532
- from Low Rise	2,536	9,137	7,293	27,831	6,925	8,094	7,716	5,096
- from Condo	152	352	338	2,694	1,047	392	819	436
Net Sales Booking (inc. JV)	2,845	9,851	7,966	31,655	7,585	8,985	9,040	6,045
- from Low Rise	2,536	9,137	7,293	27,831	6,925	8,094	7,716	5,096
- from Condo	308	713	674	3,824	660	891	1,324	949

Data as of 31st July 2021 / Backlog includes July 2021 transfer value which is not yet announced.

- With THB 20,745 million backlog from JV projects, total condo backlog would be THB 22,167 million with transfer schedule per below.

Total Condo Portfolio:		2021F	2022F	2023F	2024F	2025F
Condo AP projects		2,121	2,180	2,620	1,200	-
100% JV Condo		11,932	11,749	11,635	9,960	7,090
Based on project completion		14,053	13,929	14,255	11,160	7,090
AP Condo Transfer: 2Q 2021		1,188				
JV Condo Transfer: 2Q 2021		3,425				
AP Condo Backlog	1,421	337	1,084	-	-	-
JV Condo Backlog	20,745	7,826	8,180	4,739	-	-
	22,167	8,163	9,264	4,739	-	-
% Secure		91%	67%	33%		

Data as of 31st July 2021 / Backlog includes July 2021 transfer value which is not yet announced.



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Appendix

Appendix 1: Financial Summary

Financial Summary	Q2 2021	Q1 2021	2020	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Revenues from Property Development (Btm)	7,836	8,879	28,949	7,304	8,900	7,583	5,162
YoY Chg (%)	3.3%	72.0%	27.6%	44.6%	59.1%	67.4%	-31.2%
QoQ Chg (%)	-11.8%	21.6%		-17.9%	17.4%	46.9%	2.2%
Consolidated Revenues (Btm)	8,035	9,106	29,888	7,547	9,150	7,792	5,399
YoY Chg (%)	3.1%	68.7%	25.6%	40.7%	55.4%	63.6%	-30.7%
QoQ Chg (%)	-11.8%	20.6%		-17.5%	17.4%	44.3%	0.7%
Gross Profit from Property Development (Btm)	2,385	2,793	8,720	2,221	2,670	2,147	1,682
Gross Margin from Property (%)	30.4%	31.5%	30.1%	30.4%	30.0%	28.3%	32.6%
Overall Gross Profit (Btm)	2,542	2,967	9,430	2,393	2,870	2,305	1,862
Gross Margin (%)	31.6%	32.6%	31.6%	31.7%	31.4%	29.6%	34.5%
Operating Profit (Btm)	1,149	1,542	3,270	814	952	789	715
Operating Margin (%)	14.3%	16.9%	10.9%	10.8%	10.4%	10.1%	13.2%
Net Profit from Normal Operations (Btm)	1,115	1,403	4,225	942	1,451	1,215	618
YoY Chg (%)	-8.2%	127.1%	41.5%	7.8%	152.3%	164.1%	-42.7%
QoQ Chg (%)	-20.5%	48.9%		-35.0%	19.4%	96.7%	-29.4%
Net Profit (Btm)	1,115	1,403	4,225	942	1,451	1,215	618
YoY Chg (%)	-8.2%	127.1%	37.9%	7.0%	134.6%	149.3%	-42.7%
QoQ Chg (%)	-20.5%	48.9%		-35.0%	19.4%	96.7%	-29.9%
EPS (Bt)	0.35	0.45	1.34	0.30	0.46	0.39	0.20
Total Assets (Btm)	58,099	59,089	58,724	58,724	59,228	62,540	61,986
Equity (Btm)	30,398	30,699	29,263	29,263	28,321	26,870	26,914
Outstanding Debt (Btm)	21,635	22,652	23,498	23,498	25,421	31,081	30,637
Net Debt (Btm)	18,687	18,698	20,758	20,758	23,234	27,373	28,472
Net Debt to Equity (x)	0.61	0.61	0.71	0.71	0.82	1.02	1.06
ROE (%) (Average Equity)	N/A	N/A	15.2%	N/A	N/A	N/A	N/A

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Q2 2021 Management Discussion and Analysis

Appendix 2: Ongoing Projects

Brand	No of Projects	No of units	Project value (MB)	% Sold Unit (as of 30/06/21)	Available for sales (MB)
Single Detached House					
Palazzo	2	97	3,324	84%	527
Mind	1	33	278	82%	51
City	15	1,664	22,339	57%	9,115
Centro	23	4,455	28,060	66%	9,525
SDH - Available for Sales	41		54,001		19,217
Townhouse					
Baan Klang Muang	18	4,351	23,471	47%	12,234
Pleno	31	9,757	28,523	55%	12,791
District	3	101	710	66%	157
Sonne	1	56	673	75%	168
TH-Available for Sales	53		53,377		25,351
UPC					
Api Town	5	1,376	4,874	19%	3,960
UPC-Available for sales	5		4,874		3,960
Condominium (AP)					
Aspire	4	4,281	10,450	73%	2,877
Condo-Available for Sales (exc. JV)	4		10,450		2,877
Total ongoing projects available for sales (exc. JV)	103		122,702		51,405
Brand	No of Projects	No of units	Project value (MB)	% Sold Unit (as of 30/06/21)	Available for sales (MB)
The Address	1	880	8,800	34%	5,810
Rhythm	2	724	7,900	51%	3,838
Life	6	9,571	44,650	77%	8,851
JV-Available for Sales	9		61,350		18,499

Data as of 30th June 2021

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Appendix 3: New Project Launch in 2021

Project Name	Rai	Number of Units	Project Value (MB)	% Sold Unit (as of 30/06/21)	Launch Period
District Ramintra - Chatuchote	3	25	110	36%	Q2 2021
Grande Pleno Phaholyothin - Vibhavadi	45	414	1,100		Q3 2021
+ Q4 2021: 11 Projects			6,030		
Townhouse: 13 Projects			7,240		
Centro Phahol - Vibhavadi 2	50	249	1,250	29%	Q2 2021
Centro Ratchapruek - Suan Phak 3	11	43	400	35%	Q2 2021
The City Pinklao - Boromratchachonnani 2	49	105	2,060		Q3 2021
The City Ramintra - Wongwaen	33	108	1,270		Q3 2021
Centro Vibhavadi	56	233	2,090		Q3 2021
Baan Klang Krung Sathupradit - Rama 3	2	13	400		Q3 2021
Centro Ratchapruek 345	42	187	1,200		Q3 2021
+ Q4 2021: 5 Projects			6,290		
Single-Detached House: 12 Projects			14,960		
Api Town Chiang Rai	43	155	900	8%	Q1 2021
Api Town Ayutthaya	66	436	1,400	18%	Q1 2021
Upcountry: 2 Projects			2,300		
Life Rama 4 - Asoke (JV)	6	1,237	6,700		Q3 2021
Aspire Rattanathibet - Weston	4	854	1,600		Q3 2021
Life Ladprao Station (JV)	3	636	3,500		Q4 2021
Aspire Pinklao - Arunamarin	5	396	1,200		Q4 2021
Condo: 4 Projects			13,000		
Total New Launch: 31 Projects			37,500		

Data as of 30th June 2021

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Appendix 4: Schedule of Condominium Transfer

Condo Projects	Project Value (MB)	Total Units	% Sold Unit (as of 30/06/21)	%Accumulated Transfer (2020)	2021F	2022F	2023F	2024F	2025F	2026F	Launch Year	Estimated Start Transfer	Estimated Finish Transfer
1 Aspire Rattanaibet II	2,850	1,428	95%	90%	10%						Q1 2013	Q1 2016	Q4 2021
2 Aspire Sathorn-Ratchaphreuk	3,000	1,049	100%	99%	1%						Q1 2018	Q4 2018	Completed
3 Aspire Sukhumvit - Onnut Phase I	1,500	553	68%	46%	54%						Q1 2019	Q1 2020	Q4 2021
4 Aspire Asoke - Ratchada	2,900	1,025	97%	66%	34%						Q1 2019	Q3 2020	Q4 2021
5 Aspire Erawan Prime	3,200	1,275	32%	0%		35%	35%	30%			Q4 2020	Q2 2022	Q4 2024
6 Aspire Rattanaibet - Weston	1,600	854				40%	45%	15%			Q3 2021	Q4 2022	Q4 2024
7 Aspire Pinklao - Arunamarin	1,200	396				35%	65%				Q4 2021	Q4 2022	Q4 2023
Total AP	16,250		79%										
Joint venture projects													
8 Life Ladprao	8,300	1,615	96%	87%	13%						Q2 2017	Q1 2020	Q4 2021
9 Life One Wireless	7,950	1,344	93%	81%	19%						Q3 2017	Q4 2019	Q4 2021
10 Life Asoke - Rama 9	9,800	2,248	90%	56%	35%	9%					Q4 2017	Q3 2020	Q2 2022
11 Life Ladprao Valley	6,500	1,140	68%	0%	60%	40%					Q3 2018	Q3 2021	Q4 2022
12 Life Asoke-Hype	5,800	1,253	63%	0%	35%	45%	20%				Q4 2018	Q2 2021	Q2 2023
13 Rhythm Ekkamai Estate	3,200	303	32%	0%		30%	45%	25%			Q1 2019	Q3 2022	Q4 2024
14 The Address Siam - Ratchathewi	8,800	880	34%	0%			50%	35%	15%		Q2 2019	Q2 2023	Q2 2025
15 Life Sathorn Sierra	6,300	1,971	48%	0%		45%	40%	15%			Q3 2019	Q2 2022	Q3 2024
16 Rhythm Charoenkrung Pavillion	4,700	421	65%	0%		40%	45%	15%			Q4 2019	Q4 2022	Q2 2024
17 Life Rama 4 - Asoke	6,700	1,237						40%	60%		Q3 2021	Q1 2024	Q4 2025
18 Life Ladprao Station	3,500	636						50%	50%		Q4 2021	Q1 2024	Q4 2025
Total JV	71,550		72%										

Data as of 30th June 2021