

Our Ref: BSM 011/2020

May 15, 2020

Subject: Management Discussion and Analysis of Operation Results for the 1st Quarter, ending March 31, 2020

Attention: The President

The Stock Exchange of Thailand

BuilderSmart Public Company Limited (“the Company”) would like to clarify the performance of the Company and its subsidiaries for the 1st Quarter, ending March 31, 2020 as follows:

1. Performance for Q1/2020, the Company and its subsidiaries had total revenues of 184.55 million baht which increased by 46.88 million baht or increase 34% compared to the previous year same period. The increasing in revenue was major resulted from revenue recognition on Real Estate business 2 projects; The Teak Sukhumvit 39 and Sansara Project, totally approximated 70 million baht or equivalent to 38% of total revenues.
2. Cost of sales of Q1/2020 was 143.50 million baht or equivalent to 78.5% of revenue from sales and services revenue which was higher than Q1 last year which was 70.6% due to the cost of construction which was higher rate than the cost of sales of construction materials business. Therefore, the Company's Gross Profit Margin for overall had been decreased from 29.4% to 21.5% in Q1/2020.
3. The selling & administrative expenses of Q1/2020 were 49.57 million baht or equivalent to 27.1% of total revenues from sales and services, which increased by 8.73 million baht from 40.84 million baht on Q1 last year. The increasing mainly from commission and property transfer fee of Sansara Project, personnel salary of TEAK due to additional TEAK projects. The group of company had controlled expenses since January and more strictly controlled since mid of March, starting period of intense COVID-19 epidemic.
4. Financial cost of Q1/2020 was 5.94 million baht, which increased by 4.57 million baht compared to previous year same period. The increasing of financial cost was resulted from the increasing in short term loan facilities since mid of 2019 in term of issuing Debenture & Promissory Notes from bank totally around 215 million baht and more recognition financial cost on Real Estate business which construction was completed and transfer started.



5. From the reason above was affected to the Company and its subsidiaries had a net loss attributed to Equity holders of the Company equal to 16.52 million baht compared to the previous year same period, which had the net profit attributable to Equity holders of the company equal to 1.15 million baht.

Please be informed accordingly,

Yours faithfully,

Sunchai Nuengsit
Chief Executive Officer

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