**Transcript: Digital Roadshow Q1/2023 บริษัท เนอวานา ดีเวลลอปเม้นท์ จำกัด (มหาชน)**

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| Speaker: SET | hello good afternoon investors and corporate welcome to SET digital road show first quarter 2023 performance review this section will run about 45 minutes including q&a company will start the section by 30 minute presentation followed by 15 minute q&a and during q&a investors May list your question in meeting room chat box or raise your hand function we will open your microphone so you can ask the questions to the company directly so may I now invite Nirvana development public company limited to start the presentation please |
| Speaker: Juradej Nusthit | thank you thank you for the introduction good afternoon everyone uh Nirvana back to report actually maybe got to update I guess uh we talked about the first quarter results about maybe a month or two ago uh this is a regular digital Roadshow that we provide updates for those uh who may not be in um Bangkok okay uh let me pick up the slides  okay that's like hopefully the slideshow comes up properly okay um I guess what happened in the first quarter uh was that we began to roll out our business plan uh we open we launched uh one project I've taught out of total nine project nine new projects that we uh planned for the year the response was quite well received uh the result the the performance seems to be picking up the momentum uh especially when you compare to the uh prior order uh which reflected in the financial statements uh the Outlook um we still moving on our business plan for the year we still have eight more new projects to launch uh with the firm backlogs in the in our pockets and uh other than that I'll just go into the detail uh this is a basically a recap of what we have communicated uh widely publicly that uh this year will be a year that we would re benefit from our asset base uh after two or three years of hibernation I would say uh we did a couple of things uh fundamentally uh we we did a big restructuring in 2021 in terms of balance sheet management also in terms of shareholding structure as well and during 2022 which uh we were still sold out by the pandemic we we did a couple of Reform uh acquired a few pieces of new uh land raw material uh as well as the product development uh I think you if you follow us closely you might have seen uh some new brand new product which I will be prepared to show in this presentation as well so for reaping the value forward means uh nine project earmark for this year 21 about 21 billion baht in Project values combined project values um some new uh products coming in it clearly that very top-end Nirvana collection and the one I absolute and a return of Nirvana at work uh home office product which we haven't launched new project for a while already there would be a lunch of two high-rise condominium as well I will go into detail uh maybe toward the end presentation and uh lastly Nirvana Porch lifestyle mall that would be a retail commercial retail space to basically fulfill the township development that we have planned for through every time um okay a recap of nine project 21 billion baht we we want we planned to launch three Single detached house projects uh Nirvana collection Nirvana absolute Nirvana absolute uh in two locations Krungthep Kreetha and Ekkamai Ramintra one um townhouse project Nirvana Define this is a new improved uh uh product that respond more to the change in Behavior Uh host the pandemic um condominium as I mentioned through high rise uh one in Rattanathibet area and one in the center of Bangkok uh CBD and home office that would be about two or three uh projects uh coming up this year in the first quarter we launched our Nirvana absolute um in the second location of of this series and if you remember I think in the third in the second half of last year we launched Nirvana absolute in Bangna uh but this one is in Ekkamai Ramintra um it uh it's not a not a very big project but uh the product itself fits in this uh area very very well uh the response was quite quite uh encouraging although the number doesn't seem so big but uh the pace of sales basically we about over 40% sold uh in in the in the first quarter during the launch the first weekend actually uh at the launch so um it's a it's a brand new um series of single houses that that if that if you notice that the second story has an outdoor area uh with green uh trees and double volume all the way up to the third floor with um some concrete blocks that that give you some sort of privacy rather than normal Veranda or uh uh a balcony so this is what I what we what we put out into the market is the way the other view of it looking out from the inside of the house you can see that you can actually use the outdoor space uh without with with with the Privacy that you might you might need and indoor there will be some um I guess if you if you're a Japanese space this would be a dining table but for for us here uh in in Thailand uh it could be used as a living uh area to be used for uh working from home area you can imagine that uh when you do a conference call online that would there would be no one walking in the back uh so you get that professional look to your online teleconference um this is basically the the pick some pictures of of the launched date so it was quite well received as I mentioned about almost 50% sold you know in one weekend uh operationally as I mentioned we launched only one to start off with during the first quarter uh three three projects coming up this quarter and uh so we total uh project the total active projects about 12 projects the pre-sales uh from the beginning of and yeah during the first quarter is about billion baht uh Revenue was not that strong uh but comparing to the prior quarter it's a good sign good recovery after solving from from the pandemic effect um to recap of those 12 active projects as I mentioned uh the total um um backlog uh combining with the with the uh carrying forward backlog from the end of the year plus the new pre-sales minus the transfer we net at about almost 1.3 billion billion baht in terms of backlogs uh the 12 projects combined uh estimate around 12.5 billion baht in available for sales yeah out of the 1 billion but uh pre-sales uh you can see that the the the pre-sale pace is roughly around the same as the fourth quarter uh as a as a small remark that uh we had not opened have not launched new projects for the past I would say almost nine quarters during the pandemic we we lay low we we adjust more fundamentals and uh so that we could we could survive and stay afloat so we were forced to sales whatever left in the portfolio uh and basically those all projects that are running in the background but we started to launch new projects in both quarter 2022 that's how we achieved the 1 billion Baht roughly uh pre-sales a quarter which is good sign that means uh customer base uh still there uh when we come back to the market uh the response was quite well received uh and um as we uh continue to launch new projects uh in the past in the next uh three quarters of this year uh we we expect to to the place to pick up in terms of Revenue um and if you look if you look on the overall basis you could see that it drops quite significant but if you look more into detail uh which is the the gray area the lighter shape and the dark shape um uh you can see that especially the darker Shades and sales of real estate uh meaning you know all those residential uh units that we transferred uh in the past quarter and the quarter uh in the prior year um you could see that the the the momentum is has picking up uh a small remark in uh the first quarter 2022 there was about 634 million baht in terms of Revenue that was part of our I would say last last activities in terms of uh balance sheet reform that we have been talking about uh we we we sell some piece of land bank high potential land bank to diversify into area into other area as well as uh penetrating into New Market which we were not able to penetrate before so that that's something that we have talked over for many times already so so uh I might not cover that in detail  Financial results uh uh it's basically I I kind of summarized that already but but maybe I'll pick a few points here that that I I I I talked about it the the Top Line we talked about uh the revenue from construction contracts I guess I'll expand on this a little bit um the this line is basically uh coming from construction uh home construct construction service because the the the way we sell the house part of our projects are built to order so customer buy houses into contract uh land purchase as well as the Home Building uh Construction contract so so this line is basically the revenue that comes in from constructions are of those built to order units they come in installments um in the past this line was also uh Revenue coming from our OEM service that we provide to other developers uh we open up and build um houses for for using our Precast capabilities that we acquired through diet group um we we use that capacity to to help uh you know pop up revenue on the construction Service as well but the thing that has changed for this year is that uh with the nine project nine new projects that we are launching we need all those capacity to to do it ourselves internally so that's why we we uh if you compare to the first quarter last year you could see uh uh a drop uh because all revenue from this line is basically from our own built to order units or uh what we call TurnKey solution uh projects these are all built to other houses the gross margin uh comes back to the more or less normal level 24 mid 30s um as opposed to the first quarter last year was normally High because of that uh land transaction as I mentioned earlier uh distribution costs basically uh in line with the revenue but uh maybe slightly more because we do seem doing some more marketing activities for new projects that that we are launching um other than that maybe maybe um Financial costs uh it's a a bit much much lower than prior year that's basically a counting effect uh when you start uh developing the land uh all those interest payment uh goes back to uh uh being recognized as us basically interest capitalization as opposed to being recognized as uh interest expense that's that's the only difference we we pay the same interest different accounting treatment uh in terms of assets uh I guess um asset base hasn't changed that much from last year in the last year maybe only one line that has changed was the short-term loan to others that's basically uh is a result of our strategic um move to basically decided to apply the remaining 30% of um Nirvana river which is the asset holder for money and two residences Riverside uh so we become 100% on of that project uh which is also reflected here uh in the liability and the equity side as well um I'll explain a little bit more on that I guess uh 70% uh the the the additional 30% that we have fired the reason why I called strategic was that there was a mutual agreement with the partner uh that he wanted wanted to exit while we want uh maybe a little bit more free-handed uh to manage the lives the last I said I would say 25 to 30 percent uh of the Banyan Tree residences inventory so so this acquisition has some effect obviously on the uh asset side uh as well as the on the equity side um and the reduction in the non-controlling interest that's what I that's what I'm referring to 341 million baht that Minority interest is is uh uh was eliminated because of the fact that we own 100% of Nirvana River basically it and the liabilities I guess uh uh in total numbers uh not much change but uh in terms of mix of the debt portfolio we got um um two new uh um a debenture Bond uh 950 million baht 450 465 varying about 6.4 percent uh coupon rate uh due in 2024 and the other 485 Million by 6.7 percent coupon rate uh due in 2025. so that brings our uh net interest pairing debt to equity uh up a little bit to 1.3 as I as we mentioned ower long uh I guess 1.1 was was maybe a bit too low uh for a real estate company that we are not leveraging enough uh this is signing back up a little bit uh in terms of Outlook um the blue circles are the new project that we plan to launch we launched two which I'll cover in pictures uh in subsequence line and this month there would be another new project uh which is the high rise in Rattanathibet namely the most condominium our I guess the second uh condominium under this brand basically uh it's a reaching down a little bit further into the uh Market that we were not addressing before um let's take back a little bit the the first two um uh landed residential that we we launched was uh Nirvana defined in Krungthep Kreetha it's actually the second project in Krungthep Kreetha area we launched the first uh Nirvana uh Nirvana defined project in Krungthep Kreetha area I think in 2018 with 100 about 170 plus units we are now down to the last I think under 20 units now so we want to keep this project um I want to keep this product in that area so we acquired a a smaller plot of plan and build a new Nirvana Define in um in Krungthep Kreetha area to continue that product mix in Krungthep Kreetha which is uh uh our direction of of doing the township development in that area um Nirvana absolute will Krungthep Kreetha was also launched in last month um uh as I mentioned now we have uh three uh location of the Nirvana absolute uh if you are a fan of Nirvana Beyond you could kind of relate very closely to this uh new product basically it's the same DNA uh of Nirvana Beyond but maybe a little bit less in terms of um you know uh decorations I for the lack of better words uh it's more simplified it's more um more uh what you call it less less um decoration I guess that's what I can think of right now uh but functionalities and the space uh and the creativities in terms of design uh uh wind flow blah blah still there um so being less decorated uh price point could be uh brought down so that we can have uh reach down further into the uh customer Spectrum uh on the on the on the bottom side uh Nirvana absolutely Krungthep Kreetha is uh accessible um uh project about almost 2.4 billion uh baht in Project value 127 units so it is the largest of the the the first three um Nirvana absolute series you can see the price range is about 11 to 20 million bar as opposed to Beyond now is Nirvana beyond now is uh 25 to 40 40 plus with a million baht so you can see that the difference in the price range um this is just a picture of the of the launch day um and also Nirvana define which I just uh talked about earlier uh this is the new and improved um uh series uh prior to this um we did not have a roof Garden like this but uh we we we realized that the the pandemic have changed Behavior somewhat and even now uh I think some companies still uh make it optional for uh employees or staff to work from home so we create all these space that provide that kind of uh flexibilities it's it's not uh it's not just a rooftop that you cannot actually use this one you can actually go out you can you can have Garden you can do barbecue with your friends you actually have a small air conditioned room on or maybe one one third of the floor plate on on your rooftop as you can see in the in the picture here so it's a it's a new improved product that we put out this is a look of uh rooftop garden from the inside this is the indoor air condition area which I which I was talking about this is real picture not not a perspective uh this is the launch day you can see that the the fan base coming back as we as we uh open every SB launch new project quite encouraging for us actually when we come back to the market and the the the the the customer base coming back to visit us this one is actually the top end of the uh products Spectrum uh we we originally we planned to launch it within the second quarter but I think right now we I think the team might want to shift it out a little bit maybe into the into the third quarter but basically it's the Ultra Luxury residences segment um three-story houses let's see if we have a bit more I mean no no no I guess uh the team doesn't want to uh steal the show uh before the product launch um basically it's a three-story houses but the size is about uh maybe double or triple of the Nirvana Beyond be talking about one thousand square meters of living space so you have all the facilities rooms that you might imagine in your own house uh spa room um living room of course by the bedroom bathroom uh Park plenty of parking space not only for your car but also for your super cars um uh the price range for this would be about 80 to 150 million by um this would be Proud you of the Nirvana township Krungthep Kreetha it's the it's the very top end we we put out this um as we believe that the the very top end of the spectrum would be less impacted by any uncertainties in terms of economics uh development uh we we have been we have been um our strongholds in terms of target market is in this segment already if you can if you can relate Nirvana beyond uh this is even higher um it's the Ultra Luxury segment as opposed to Value uh luxury segment which is I refer to Nirvana absolute those are for uh maybe more value of money that's probably the word I was looking for earlier um I guess uh we would get to see the real thing in uh in the next one or two months okay uh I think in the last part of June there will be uh launch for this the most Rattanathibet again this is um it's uh I would say a second high-rise uh condominium from Nirvana we we we are still very much landed uh residential developed developed uh and we want to stay that way also but uh to to have a better mix uh of revenues and margins and customer base we think that we should have some some flavors of uh high-rise condominium as well as a as a mix uh but our condominium is not like others developers we're not not necessarily not necessarily not necessarily has to be next to the Sky Train uh we we identify area that there's enough uh communities uh in that area the first the most um uh condominium was in the Itsaraphap area that one was chosen because of Siriraj hospital we think that um medical personnels uh including the students in that area as well as the um when you call it families of those who are hospitalized in the Siriraj Hospital would need some sort of uh dwellings is in in close enough to the hospital so that's why we we acquired that land we put out uh put up a low-rise condominium and we practically sold out already for that condominium this one in Rattanathibet is a bit different uh not not in the medical personnel but more or less of the existing communities surrounding the ministry of Commerce uh in that area it's uh it's quite populated uh it's quite dense um but there's no not much I would say I wouldn't say no but there's not much uh high-rise residential available in that area so we decided you to utilize this land which has been on our uh balance sheet for I think already about five or six years uh during the the m&a acquisition with Daii group so we developing into uh what we call dual space condominium uh you would have the sense of uh uh two stories living in the in a in a maybe about 80s 80 to 90 square meters living space there will be a loft that you can put up your bed up front I mean on top and uh you can have a living space on the uh bottom floor and uh with the double space high ceiling you get that that uh White uh area which is more less more breathing room for you during your relaxation days uh in your own space this would be about uh five trillion bath in terms of project value uh will be launched I think in the last week of June I guess the teams try to come up with a 100 function 100 lifestyle so basically what they mean is that there would be plenty of activities in the facilities that you can you can use uh you can you name it um any other sports all those uh running all those Lane all those uh swimming pool Fitness and maybe badminton court or maybe even barbecue space on the on the high floor uh that you can go up and bring your friends and do um Barbecue on the top floor those are the kind of facilities that we put we will put up through to the customers and you can see that uh I guess you can take you can take uh 5.3 billion baht divided by the total about 1.8 billion baht you can see that the entry level to to Nirvana uh product has been brought down through this uh condominium I guess uh the read since the Inception uh Nirvada was was built based on a very uh specific Target uh which is basically the segment that we call in the real estate is the high-end segment so there would be I think we feel that we would we left out some some customer who might want to enjoy uh Nirvana product Nirvana DNA uh they cannot afford let's say Nirvana Beyond or even Nirvana Define which is about 8 million baht uh house but this one is about uh two or three million baht condominium unit double space Nirvana DNA and a of those the whole enchilada is put into this uh about 80 to 90 square meters it's a it's an opportunity for those who might appreciate uh Nirvana product to be able to enter into our the one hour um as for the administrative issues I guess dividends is all done uh been paid uh last month already uh the yield was about three percent um we we have to retain some cash to to uh to to roll out the new project as we as we mentioned so dividend is about three percent which is I think I think hopefully it's more uh acceptable for the shareholder base that we that we have uh more importantly probably is the name change um uh Nirvana Daii was our name when Nirvana entered into the stock exchange I would say uh Nirvana originally we would call Nirvana development already prior to listing it's a it's a pure development company uh but uh M&A in 2007 2017 when it was finalized early 2017. uh we we do an m&a with a listed company uh Daii group uh so what after the m&a we changed Daii group into Nirvana Daii but now uh the the change back to the Nirvana development name is basically we want to send the signal back to the market that we want to refocus in development if you follow Nirvana closely you would see that um asset base is very very much in qualities hi potential but the pandemic slows us down for almost three years um we were not able to utilize those asset base uh uh in conjunction with this name change in conjunction with the the business direction that we want to launch nine new project in one year highest in our history is uh is basically the same message that we want to send to the investment Community is that we want to come back and focus on development the capacities that we have coming through Daii group would be used to support uh ourselves in in terms of development more than uh we use the extra capacities to provide service to the others as we have might have been in the past say five years |
| Speaker: SET | the section has come to an end so on behalf of the stock exchange of Thailand I would like to thank you investors and corporate for joining the conference we look forward to welcoming you all again in the next quarter thank you very much and have a good day ขอบคุณนะคะ |
| Speaker: Juradej Nusthit | we have thank you so much goodbye |