



## บริษัท ชนพิริยะ จำกัด(มหาชน)

สำนักงานใหญ่ : 329 หมู่ 8 ตำบลบ้านดู่ อำเภอเมืองเชียงราย จังหวัดเชียงราย 57100

THANAPIRIYA PUBLIC COMPANY LIMITED

Head Office : 329 Moo 8 Ban Du, Muang Chiang Rai, Chiang Rai 57100 Thailand

8 August 2022

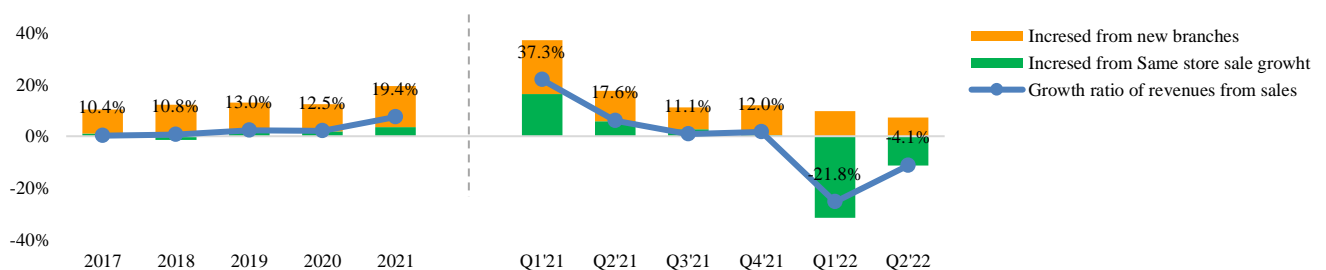
Subject Management Discussion and Analysis for the second quarter on 30 June 2022  
Attention Directors and Managers,  
Stock Exchange of Thailand

Thanapiriya Public Company Limited (The Company) would like to clarify the organizational performance for the second quarter ended 30 June 2022 as the following details;

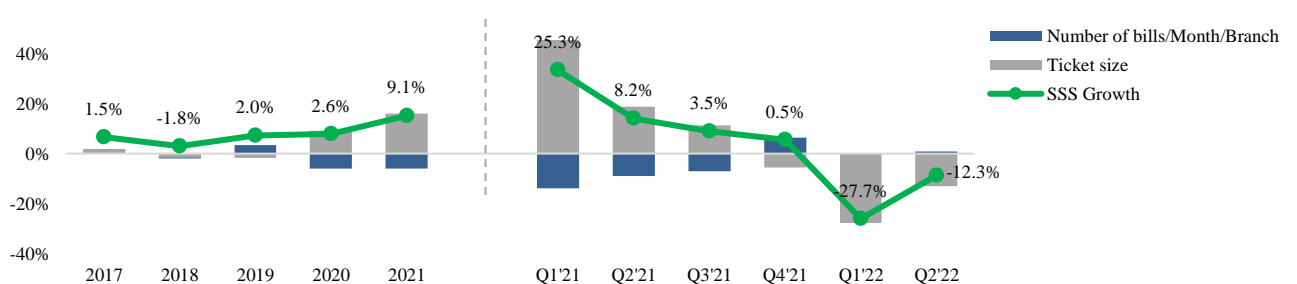
### Operating performance overview for the second quarter ended 30 June 2022

Unit: Million Baht	Amount			Change QoQ		Change YoY		Amount		Change YoY	
	Q2/22	Q1/22	Q2/21	Amount	%	Amount	%	1H22	1H21	Amount	%
Revenues from sales	579.10	588.21	604.55	-9.11	-1.55	-25.45	-4.21	1,167.30	1,356.45	-189.15	-13.94%
Cost of sales	478.39	487.93	496.40	-9.54	-1.96	-18.01	-3.63	966.32	1,126.42	-160.09	-14.21%
Gross profits	100.71	100.27	108.16	0.44	0.44	-7.45	-6.89	200.98	230.04	-29.05	-12.63%
- Gross profit margin	<b>17.39%</b>	<b>17.05%</b>	<b>17.89%</b>					<b>17.22%</b>	<b>16.96%</b>		
Other revenues	3.61	3.62	3.86	-0.01	-0.16	-0.25	-6.37	7.23	7.84	-0.62	-7.88%
Distribution costs and administrative expenses	61.40	59.13	57.46	2.26	3.83	3.94	6.86	120.53	112.38	8.16	7.26%
Financial cost and income tax expense	8.67	8.97	10.62	-0.30	-3.35	-1.94	-18.30	17.65	24.54	-6.90	-28.10%
Net profit	34.25	35.78	43.94	-1.53	-4.28	-9.69	-22.06	70.03	100.96	-30.93	-30.64%
- Net profit margin	<b>5.88%</b>	<b>6.05%</b>	<b>7.22%</b>					<b>5.96%</b>	<b>7.40%</b>		

### Overview of revenue growth from sales



### Revenue growth from existing branches (SSS Growth)





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### Revenue from sales

For 3-month period 2022, The Company had revenue from sales of Baht 579.10 million, decreased by Baht 25.45 million or 4.21% compared to last year. The overall sales in second quarter 2022 were impacted by decrease of same store sales growth (SSSG) by 12.3%. For 6-month period 2022, The Company generated revenue from sales of Baht 1,167.30 million, decreased by Baht 189.15 million or 13.94%. The decrease of sales was impacted from decrease of overall SSSG as consumers lost their purchasing power as well as economic stimulus policy has been reduced which was enforced to increase purchasing power of consumers in last year, particularly in first quarter 2021. However, The Company generated further sales from new branch expansion which conform with the business expansion plan. In 2021 and first half of 2022, the company expanded 7 new branches.

### Cost of sales

For 3-month period 2022, The Company had cost of sales of Baht 478.39 million, decreased by Baht 18.01 million or 3.63% compared to the same period of last year. The proportion of cost of sales to revenue from sales was 82.61%, increasing by 0.50% compared to last year. For 6-month period 2022, The Company recorded cost of sales from revenue of Baht 966.32 million, decreasing by 160.09 or 14.21% compared to last year. The proportion of cost of sales to revenue from sales was 82.78%, decreasing by 0.26% compared to last year.

### Gross profit

For 3-month period 2022, The Company generated gross profit of Baht 100.71 million, decreasing from the same period of last year by Baht 7.45 million or 6.89% as gross profit margin was 17.39%. For 6-month period 2022, The Company recorded gross profit of Baht 200.98 million, decreasing by Baht 29.05 or 12.63% compared to the same period of last year as the gross profit margin was 17.22% as decrease of sales from existing branches were a main cause of reduction.

### Distribution costs and administrative expenses

For 3-month period 2022, The Company had distribution costs and administrative expenses of Baht 61.40 million, increasing from the same period of last year by Baht 3.94 million or 6.86%. For 6-month period 2022, The Company had distribution costs and administrative expenses of Baht 120.53 million, increasing by Baht 8.16 million or 7.26% compared to the same period of last year. The increase of expenses was due to additional distribution costs from brunch expansion such as further employment, depreciation expense and utility expense.

### Financial cost and Income tax expense

For 3-month period 2022, as The Company recorded financial cost of Baht 0.59 million, was similar to last year. The financial cost was mainly recorded from liability from lease and recognition of interest on the lease liability of land and building, has been being a location for branches. The Company had tax expenses of Baht 8.08 million, decreasing by 2.00 million compared to last year. For 6-month period 2022, The Company recorded financial cost of Baht 1.16 million, was similar to last year. The Company had tax expenses of Baht 16.49 million, decreasing by Baht 7.00 million compared to last year.



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### Net profit

In second quarter 2022, The Company recorded net profit of Baht 34.25 million, decreasing by Baht 9.69 million or 22.06% compared to last year as net profit margin was 5.88%. For 6-month period The Company recorded net profit of Baht 70.03 million, decreasing by Baht 30.93 million or 30.64% compared to last year as net profit margin was 5.96%. The decrease of overall net profit was due to decrease of revenue from existing branches.

### Financial position

Unit: Million Baht	As at 30 June 2022	As at 31 December 2021	Change	
			Amount	%
Total assets	1,199.65	1,189.31	10.34	0.87
Total liabilities	260.08	279.76	-19.69	-7.04
Total shareholders' equity	939.57	909.54	30.03	3.30

### Assets

As of 30 June 2022, The Company recorded total assets of Baht 1,199.65 million, increasing from the last year by Baht 10.34 million or 0.87%. Significant changes of asset were cash and cash equivalent decreased by Baht 84.33 million as increase of payment for goods and annual tax expenses of 2021 of Baht 19.11 million as well as dividend payout in second quarter of Baht 40.00 million, an increase of inventory by Baht 58.05 million and land property and equipment increased by Baht 33.37 million as further investment of branch expansion plan.

### Liabilities

As of 30 June 2022, The Company recorded total liability of Baht 260.08 million, decreasing from the last year by 19.69 million or 7.04%. The major change included decrease of trade and other current payables of Baht 33.11 million, increase of short-term loan by Baht 20.00 million and decrease of accrued income tax of Baht 4.65 million.

### Shareholders' equity

As of 30 June 2022, The Company recorded total shareholders' equity of Baht 939.57 million, increasing from the last year by 30.03 million or 3.30% as the increase of total comprehensive income of 6-month period 2022 by Baht 70.03 million and decreased from dividend payout by Baht 40.00 million

Submitted for your acknowledgement.

Best Regards,

(Mr.Thawatchai Phuttiyapiriya)  
Managing Director