



บริษัท ธนพิริยะ 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

20 February 2023

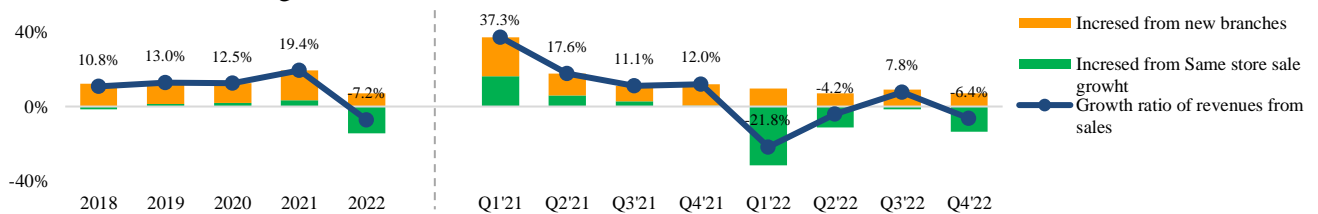
Subject Management Discussion and Analysis for the year ended 31 December 2022
Attention Directors and Managers,
Stock Exchange of Thailand

Thanapiriya Public Company Limited would like to clarify the organizational performance for the year ended 31 December 2022 as the following details;

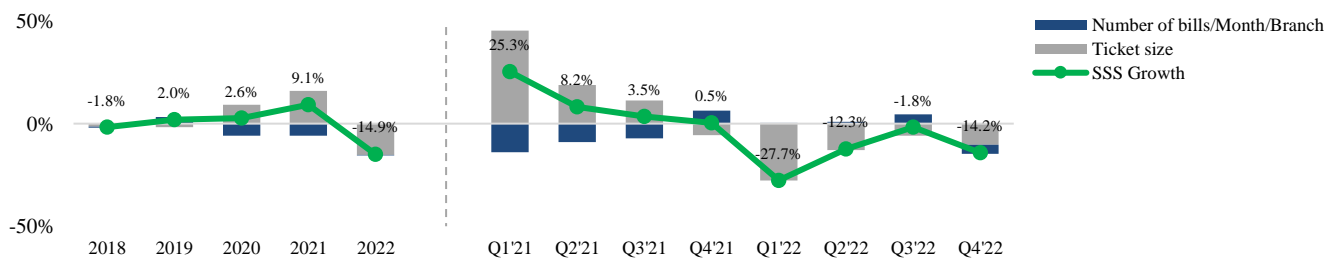
Operating performance overview for the year ended 31 December 2022

| Unit: Million Baht | For the year ended 31 December | | Change | |
|--|-----------------------------------|----------|---------|---------|
| | 2022 | 2021 | Amount | % |
| Revenues from sales | 2,433.39 | 2,622.54 | -189.15 | -7.21% |
| Costs of sales | 2,015.96 | 2,172.96 | -157.00 | -7.23% |
| Gross profits | 417.43 | 449.58 | -32.15 | -7.15% |
| - Gross profit margin | 17.15% | 17.14% | | |
| Other revenues | 15.34 | 15.79 | -0.45 | -2.84% |
| Distribution costs and administrative expenses | 246.32 | 226.66 | 19.65 | 8.67% |
| Finance cost and income tax expense | 37.44 | 46.60 | -9.17 | -19.67% |
| Net profit | 149.01 | 192.10 | -43.08 | -22.43% |
| - Net profit margin | 6.09% | 7.28% | | |

Overview of revenue growth from sales



Revenue growth from existing branches (SSS Growth)





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Revenue from sales

Total revenue from sales for the year ended 2022 was Baht 2,433.39 million, decreased by Baht 189.15 million or 7.21% compared to the previous year. 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 a key factor 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. For the year 2022, the company expanded 4 new branches.

Cost of sales

Total cost of sales for the year 2022 was Baht 2,015.96 million, decreased by Baht 157.00 million or 7.23% compared to the previous year. The proportion of cost and revenue was 82.85%, was similar to last year.

Gross profit

For the year 2022, the company recorded gross profit of Baht 417.43 million, decreasing from the previous year by Baht 32.15 million or 7.15% which the gross profit margin ratio was 17.15%, which was similar to the year ended 2021 which the efficiency of price structure management.

Distribution costs and administrative expenses

For the year 2022, the amount of distribution costs and administrative expenses of the Company was Baht 246.32 million, increasing from the previous year by Baht 19.65 million or 8.67%. The increase of expenses was identified as further selling expenses from expanded branches including employment expense from additional employees, depreciation, and facility expenses.

Financial Cost and Tax expenses

For the year 2022, The Company recorded financial cost of Baht 2.27 million, was similar to last year. The financial cost was identified as the interest expense from rental agreement of land and building, location of The Company's branches. The Company had tax expenses of Baht 35.17 million, decreasing by Baht 9.29 million compared to last year.

Net profit

For the year 2022, the company recorded net profit in amount of Baht 149.01 million, decreasing from the previous year by Baht 43.08 million or 22.43% which net profit margin ratio was 6.09%. The overall decrease in net profit is due to the decreased in revenues from sales was impacted from decrease of consumers purchasing power as well as reduction of economic stimulus policy as the increase of purchasing power of consumers in last year.



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Financial position

| Unit: Million Baht | As at 31 December 2022 | As at 31 December 2021 | Change | |
|----------------------------|---------------------------|---------------------------|--------|-------|
| | | | Amount | % |
| Total assets | 1,249.51 | 1,189.31 | 60.20 | 5.06 |
| Total liabilities | 258.95 | 279.76 | -20.81 | -7.44 |
| Total shareholders' equity | 990.56 | 909.55 | 81.01 | 8.91 |

Assets

On 31 December 2022, the total assets of the Company were Baht 1,249.51 million, increased by Baht 60.20 million from the previous year or 5.06%. The major change in assets as Cash and cash equivalents decreased by Baht 75.76 million, inventory increased by Baht 68.80 million, property plant and equipment increased by Baht 73.71 million, the increase in assets mainly resulted from the expansion of the branch.

Liabilities

On 31 December 2022, the total liabilities of the Company were Baht 258.95 million, decreased by Baht 20.81 million from the previous year or 7.44%. The decreasing of liabilities was a result of decrease of account payable by 15.13 million, lease liabilities recognition decreased by Baht 4.07 million.

Shareholders' equity

On 31 December 2022, the total Shareholders' equity of the Company were Baht 990.56 million, increased by Baht 81.01 million from the previous year or 8.91%. The major change of shareholders' equity was due to growth in total comprehensive income for the year 2022 amount of Baht 149.01 million and decrease from cash dividend payment amount of Baht 68.00 million.

Submitted for your acknowledgement.

Best Regards,

(Mr.Thawatchai Phuttiyriya)
Managing Director