



บริษัท ธนพิริยะ จำกัด(มหาชน)

สำนักงานใหญ่ : 329 หมู่ 8 ตำบลบ้านคู อำเภอมืองเชียงราย จังหวัดเชียงราย 57100

THANAPIRIYA PUBLIC COMPANY LIMITED

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

19 February 2024

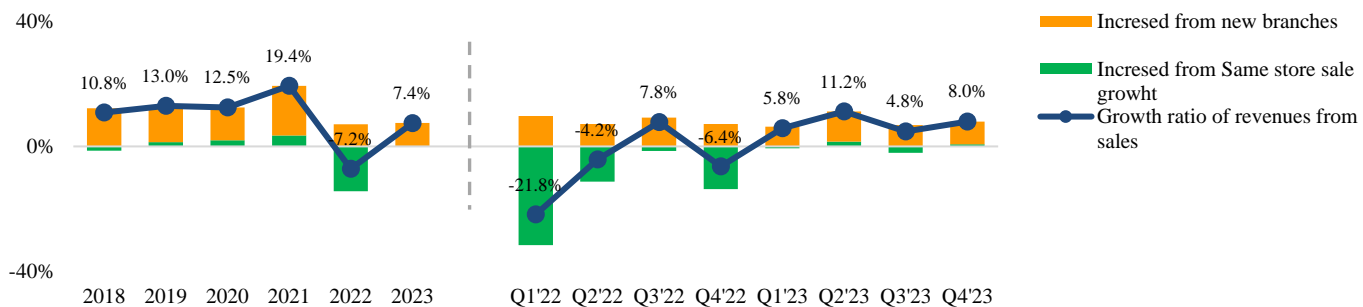
Subject Management Discussion and Analysis for the year ended 31 December 2023
Attention Directors and Managers,
Stock Exchange of Thailand

Thanapiriya Public Company Limited would like to clarify the organizational performance for the year ended 31 December 2023 as the following details;

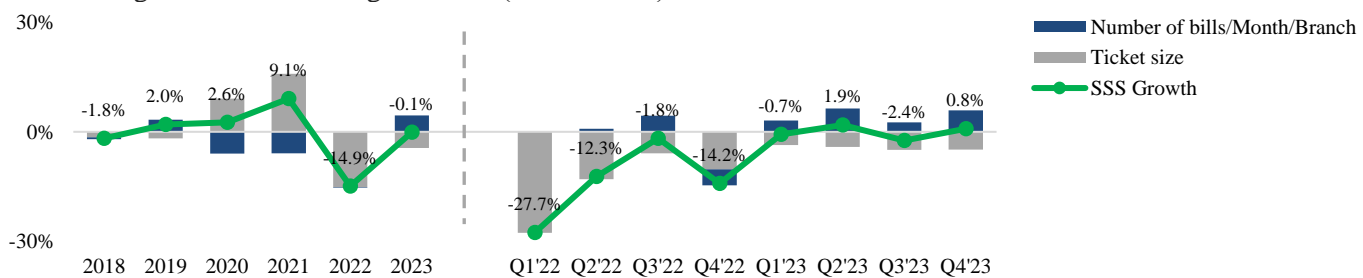
Operating performance overview for the year ended 31 December 2023

Unit: Million Baht	For the year ended 31 December		Change	
	2023	2022	Amount	%
Revenues from sales	2,613.40	2,433.39	180.01	7.40
Costs of sales	2,173.44	2,015.96	157.48	7.81
Gross profits	439.96	417.43	22.53	5.40
- Gross profit margin	16.83%	17.15%		
Other revenues	19.21	15.34	3.87	25.25
Distribution costs and administrative expenses	264.31	246.32	17.99	7.30
Finance cost and income tax expense	39.34	37.44	1.90	5.07
Net profit	155.53	149.01	6.51	4.37
- Net profit margin	5.91%	6.09%		

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 2023 was Baht 2,613.40 million, increased by Baht 180.01 million or 7.40% compared to the previous year. The increase in sales was from branch expansion. In the year 2022 and 2023, the company expanded 4 new branches each year. Currently, there were 45 branches in total.

Branch Expansion	2018	2019	2020	2021	2022	2023
Total beginning branches	19	24	28	32	38	42
Store Opened	5	4	4	6	4	4
Store Closed*	-	-	-	-	-	(1)
Total Ending Branches	24	28	32	38	42	45

* In 4/2023 one branch was closed due to ending a rental agreement (Bandu)

Cost of sales

Total cost of sales for the year 2023 was Baht 2,173.44 million, increased by Baht 157.48 million or 7.81%. The proportion of cost to revenue was 83.17%, increased by 0.32% compared to the previous year. The company's selling costs have increased due to the rise in the cost of consumer goods in the early 2023. This has directly led to an overall adjustment, causing an increase in the selling cost.

Gross profit

For the year 2023, the Company recorded gross profit of Baht 439.96 million, increasing from the previous year by Baht 22.53 million or 5.40% which the gross profit margin ratio was 16.83%. Such an increase in gross profit reflected the overall sales growth of the Company.

Other Revenue

For the year 2023, the Company recorded other revenue of Baht 19.21 million, increasing from the previous year by Baht 3.87 million or 25.25%. The other income increased compared to the previous year because the company recognized a profit from the sale of assets in the second quarter of 2023, amounting of Baht 3.59 million.

Distribution costs and administrative expenses

For the year 2023, the amount of distribution costs and administrative expenses of the Company was Baht 264.31 million, increasing from the previous year by Baht 17.99 million or 7.30%. The increase in expenses was identified as further selling expenses from expanded branches including employment expense from additional employees, depreciation, and facility expenses.



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Financial Cost and Tax expenses

For the year 2023, The Company recorded financial cost of Baht 2.19 million, was similar to previous 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 37.15 million, increasing by Baht 1.98 million compared in line with the company's profit generation.

Net profit

For the year 2023, the company recorded net profit in the amount of Baht 155.53 million, increasing from the previous year by Baht 6.51 million or 4.37% which net profit margin ratio was 5.91%.

Financial position

Unit: Million Baht	As at	As at	Change	
	31 December 2023	31 December 2022	Amount	%
Total assets	1,406.65	1,249.51	157.13	12.58
Total liabilities	327.80	258.95	68.84	26.58
Total shareholders' equity	1,078.85	990.56	88.29	8.91

Assets

On 31 December 2023, the total assets of the Company were Baht 1,406.65 million, increased by Baht 157.13 million from the previous year or 12.58%. The major change in assets as following:

- Cash and cash equivalents increased by Baht 43.46 million
- Accounts receivable and other current receivables increased by 13.34 million, mainly driven by the increase in trade accounts receivable from subsidiary companies. This is because, in the fourth quarter of 2023, the subsidiary started business as distributor for a certain manufacturer, selling products to retail customers and providing credit terms to customers. This credit policy aligned with the credit policy of the company group.
- Inventory increased by Baht 31.59 million due to the expansion of branches by adding 4 more stores in the year 2023, and the increase in product inventory from subsidiary engaging in the business as distributors.
- Property plant and equipment increased by Baht 53.43 million and the right-of-use assets by Baht 15.18 million from the investment of branch expansion plan of the Company.



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Liabilities

On 31 December 2023, the total liabilities of the Company were Baht 327.80 million, increased by Baht 68.84 million from the previous year or 26.58%. The major change in liabilities as following:

- Accounts payable and other accounts payable increased by 50.93 million due to an increase in the company's and its subsidiaries' inventory during the year-end, and a rise in accounts payable for asset purchases from construction costs of branches.
- Lease liabilities recognition increased by Baht 17.74 million due to the signing of a land lease agreement to expand the branches in the year 2023.

Shareholders' equity

On 31 December 2023, the total Shareholders' equity of the Company was Baht 1,078.85 million, increased by Baht 88.29 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 2023 amount of Baht 156.29 million and decrease from cash dividend payment amount of Baht 68.00 million.

Submitted for your acknowledgement.

Best Regards,

(Mr.Thawatchai Phuttiyariya)
Managing Director