



Thai Parcels Public Company Limited บริษัท ไทยพาร์เซิล จำกัด (มหาชน)

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Management Discussion and Analysis of the Company's Performance

for the year ended March 31, 2024

Re: Clarification on operating results for the financial statements for the year ended 31 March 2024

To: Director and Manager, The Stock Exchange of Thailand

Thai Parcel Public Company Limited (the "Company") has submitted its specific financial statements for the first quarter of 2024 ended 31 March 2024 that have been reviewed by the auditors, the Company would like to clarify the operating results in detail as follows:

1. Business Overall

Thai Parcel Public Company Limited (the "Company") The main type of service of the Company is to pick up goods or items from service points nationwide or pick them up directly from customers, and then collect them and sort them at sorting points for delivery to destinations. In addition, the Company provides additional services to facilitate and increase the efficiency of services to customers, such as Proof on Delivery (POD), Packing, and Fulfillment, which are additional services for business customers only. Currently, the Company's main customer groups consist of 3 customer groups: B2B, C2C, and B2C.

2. Performance

Statement of comprehensive income

Unit : Thousand baht

List	Q.1/2023	Q.1/2024	Increase/(decrease)	
	Thousand	Thousand	Thousand	%
Income from rendering of services	128,366	133,058	4,691	3.7%
<i>B2B Revenue</i>	42,589	46,425	3,836	9.0%
<i>B2C Revenue</i>	47,046	57,396	10,350	22.0%
<i>C2C Revenue</i>	38,731	29,236	(9,494)	(24.5%)
Cost of services rendered	(104,102)	(111,240)	(7,139)	6.9%
Gross profit	24,265	21,817	(2,447)	(10.1%)
Other income (other expenses)	5,958	82	(5,876)	(98.6%)
Selling expenses	(1,637)	(1,265)	372	(22.7%)
Administrative expenses	(15,525)	(15,743)	(218)	1.4%
Finance costs	(1,826)	(1,463)	363	(19.9%)
Profit (loss) before income tax	11,234	3,428	(7,807)	(69.5%)
Income tax (expenses) revenue	(2,112)	(1,291)	821	(38.9%)
Profit (loss) for the periods	9,123	2,137	(6,986)	(76.6%)

Overall Performance in Q1 For the three-month period of 2024, the Company's revenue from services increased by 3.7 percent compared to the same period of 2023, mainly due to an increase in revenue from business customers from the B2C segment, while gross profit decreased by 10.1 percent. The increase was 104.79 percent, which was due to periodic repairs and maintenance and staff expenses increased by 7.6 million baht. The increase was 27.39% due to an increase in the number of employees in the second quarter of 2024 and an increase in employee benefits, resulting in an increase in service costs.

Revenue

For the three-month period ended 31 March 2024, the Company's revenue from services increased by 3.7 percent compared to the same period of 2023, driven by a 22 percent increase in revenue from B2C as the Company seeks to diversify its business customer base into new business segments, including pharmaceuticals. In addition, there was revenue growth from customers who are online platform providers due to promotional activities of large B2C customers during the first quarter of 2024. For the B2B segment, revenue increased by 9% compared to the same period in 2023. Meanwhile, the company continues to focus on delivering large, heavy, and multi-shaped products that use the company's regular delivery times. As a result, the Company's revenue from C2C customers decreased compared to the same period of 2023, decreasing by 24.5 percent.

Cost of services rendered

For the three-month period ended 31 March 2024, the Company's cost of services increased by 6.9% or 7.14 million baht. Compared to the same period of 2023, the details of service costs are as follows:

This is mainly due to the fact that in the first quarter of 2024, the cost of vehicle repairs increased by 1.57 million baht. The increase was 104.79 percent, which was due to periodic repairs and maintenance and staff expenses increased by 7.6 million baht. The increase was 27.39% due to an increase in the number of employees in the second quarter of 2024 and an increase in employee benefits, resulting in an increase in service costs.

Gross Profit and gross profit margin

For the three-month period ended 31 March 2024, the Company's gross profit decreased from the same period from Baht 24.27 million to Baht 21.82 million and gross margin decreased from 18.9 percent to 16.4 percent, mainly due to higher service costs.

Other Income

For the three-month period ended 31 March 2024, the Company's other income was Baht 0.8 million, a decrease from Baht 5.96 million. In the first quarter of 2023, the profit from the sale of old vehicles, including 6-wheelers, 10-wheelers, trailers, and pickup trucks, totaled 5.27 million baht. In Q1 2024, there was no list of old vehicle units.

Administration expense

For the three-month period ended 31 March 2024, the Company's administrative expenses were Baht 15.74 million, an increase of Baht 0.22 million. Compared to the same period of

Financial Cost

For the three-month period ended 31 March 2024, the Company's financial cost was Baht 1.46 million. The decrease amounted to 0.36 million baht. Compared to the same period of 2023 due to a decrease in long-term loan repayment and lower disbursement.

Income tax revenue

For the three-month period ended 31 March 2024, the Company had income tax of Baht 1.29 million. The decrease amounted to 0.82 million baht. Compared to the same period of 2023, from the accumulated tax losses that the Company recognizes as deferred tax assets, when it is quite likely that there will be future tax gains that can be used for tax purposes.

Net profit

For the three-month period ended 31 March 2024, the Company's net profit was Baht 2.137 million. The decrease amounted to 6.98 million baht. Compared to the same period of 2023, the cause was due to the analysis of revenue items. Service costs, administrative expenses, financial costs, and income tax revenues are already covered in the above sections.

3. Financial position statement

3.1 Asset

Assets	December 31 , 2023	March 31, 2024	Increase/(Decrease)	
	Thousand	Thousand	Thousand	%
Current assets				
Cash and cash equivalents	376,810	339,987	(36,823)	(9.8%)
Trade and other current receivables	44,628	38,259	(6,369)	(14.3%)
Current contract assets	39,887	43,222	3,336	8.4%
Other current assets	407	760	353	86.8%
Total current assets	461,731	422,228	(39,503)	(8.6%)
Non-current assets				
Bank deposits – pledged as collateral	2,178	2,178	0	0.0%
Property, plant and equipment	487,181	481,798	(5,382)	(1.1%)
Right-of-used assets	64,289	72,838	8,549	13.3%
Intangible assets	4,251	4,085	(166)	(3.9%)
Deferred tax assets	6,724	5,603	(1,121)	(16.7%)
Deposits and guarantees	2,030	2,331	301	14.8%
Other non-current assets	9,932	10,998	1,065	10.7%
Total non-current assets	576,584	579,830	3,246	0.6%
Total assets	1,038,316	1,002,059	(36,257)	(3.5%)

The Company's total assets decreased by Baht 36.26 million or a decrease of 3.5% from 2022, with total current assets decreasing by Baht 39.503 million or a decrease of 8.6%, while non-current assets increased by Baht 3.25 million or an increase of 0.6%, mainly due to the following items:

- Cash and cash equivalents decreased by 9.8% or 36.82 million baht. From 2023, short-term loan payments to financial institutions amounted to 48.80 million baht.
- Accounts receivable and other current receivables decreased by 14.3% or 6.37 million baht. This was mainly due to regular term receivables with arrears being paid in the quarter. 1/2567
- Assets generated from contracts – turnover increased by 8.4% or 3.34 million baht. This was due to an increase in service revenue at the end of Q1 due to revenue recognition based on the principle of revenue recognition throughout the period (Over Time) and accrued income from the Company successfully completing deliveries but not yet requesting payments.

- Property, plant and equipment decreased by 1.1% or 5.38 million baht. From 2023, the decrease follows the recognition of depreciation for the regular period.
- Right-to-use assets increased by 13.3% or 8.54 million baht. From 2023, this is mainly due to the recognition of additional right-of-use assets from additional vehicle leases. 10 units in Q1/2024
- Deferred tax assets decreased by 16.7 percent or 1.12 million baht. Based on the accumulated tax losses recognized by the Company as deferred tax assets, when it is quite likely that there will be future tax gains that can be used for tax purposes.

3.2 Liability

Liability	December 31 , 2023	March 31, 2024	Increase/(Decrease)	
	Thousand	Thousand	Thousand	%
Current liabilities				
Bank overdrafts and short-term loans from financial institution	48,966	1,334	(47,632)	(97.3%)
Trade and other current payables	52,637	58,793	6,157	11.7%
Current portion of long-term loans	17,411	16,128	(1,283)	(7.4%)
Current portion of lease liabilities	21,425	22,676	1,251	5.8%
Accrued income tax	0	0	0	0.0%
Other current liabilities	1,734	1,675	(59)	(3.4%)
Total current liabilities	142,173	100,606	(41,567)	(29.2%)
Non-current liabilities				
Long-term loans from financial institution	49,196	45,146	(4,050)	(8.2%)
Lease liabilities	20,846	26,917	6,071	29.1%
Provision for employee benefits	3,137	3,431	294	9.4%
Deferred tax liabilities	191	361	170	89.0%
Other non-current liabilities	9,017	9,705	687	7.6%
Total non-current liabilities	82,387	85,560	3,173	3.9%
Total liabilities	224,560	186,166	(38,394)	(17.1%)

The Company's total liabilities decreased by Baht 38.39 million or a decrease of 17.1% from 2023, with total current liabilities decreasing by Baht 41.57 million or a decrease of 29.2%, while non-current liabilities increased by Baht 3.17 million or an increase of 3.9%, mainly due to the following items:

- Overdrafts and short-term loans and loans from financial institutions. 97.3% decrease or 47.63 million baht From 2023, the Company repaid short-term loans from financial institutions (promissory notes) amounting to 48.80 million baht.
- Trade payables and other current payables The increase was 11.7% or 6.16 million baht due to the increase in advance receipts from delivery billing (COD) services to B2C customers mainly from promotional activities of major B2C customers during March 2024.
- Long-term loans from financial institutions decreased by 8% or 5.33 million baht. This is due to the repayment of the debt under the loan agreement.
- Lease liabilities increased by 17.32% or 7.32 million baht. This was mainly due to the increase in leases, the addition of 10 vehicles and the repayment of debts under car hire purchase agreements.

3.3 Shareholder's Equity

Shareholder's equity	December 31 , 2023	March 31, 2024	Increase/(Decrease)	
	Thousand	Thousand	Thousand	%
Issued and paid-up capital	262,000	262,000	0	0.0%
Premium on share capital	494,718	494,718	0	0.0%
Legal reserve	15,500	15,500	0	0.0%
Unappropriated	41,538	43,675	2,137	5.1%
Total shareholder's equity	813,756	815,893	2,137	0.3%

As of March 31, 2024, the Company's shareholder equity increased by 0.3% or Baht 2.137 million.

- Unallocated retained earnings increased due to operating profit for the three-month period ended March 31, 2024 amounting to Baht 2.137 million.

Please be informed accordingly.

Sincerely yours,

Thai Parcels Public Company Limited

(Mr. Roengsak Sae-eung)

Chief Financial Officer