



# 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

14 August 2019

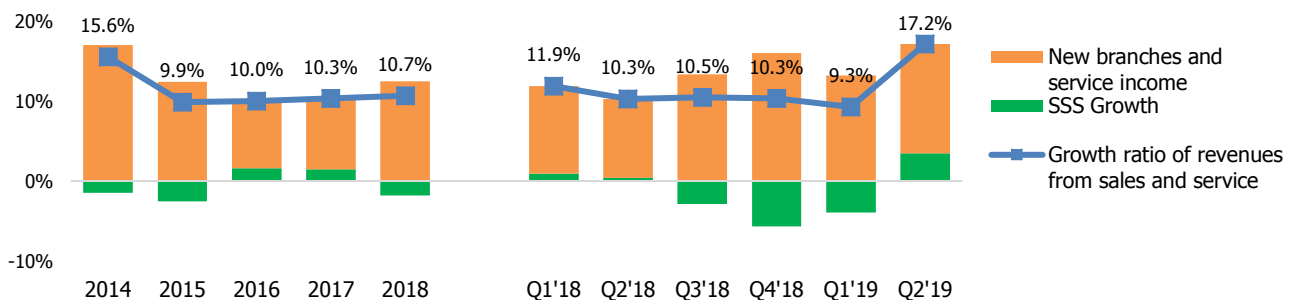
Subject Management Discussion and Analysis for the second quarter on 30 June 2019  
 Attention Directors and Managers,  
 Stock Exchange of Thailand

Thanapiriya Public Company Limited would like to clarify the organizational performance for the second quarter on 30 June 2019 as the following details;

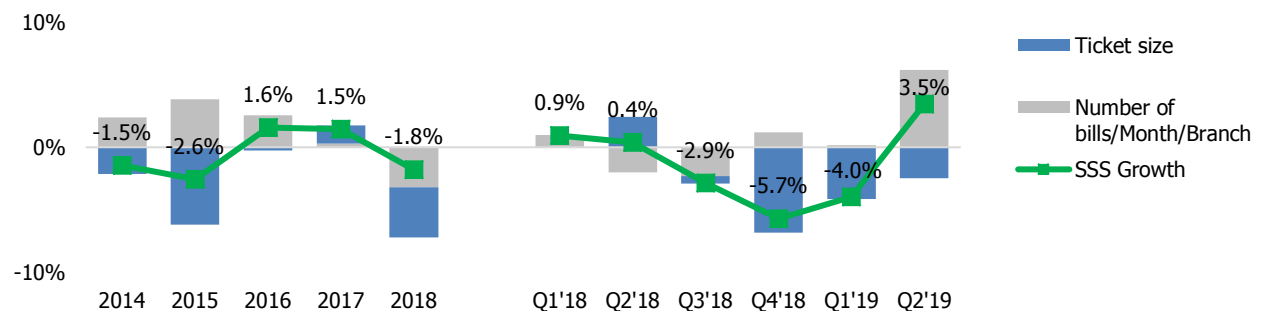
## Operating performance overview for the second quarter on 30 June 2019

Unit: Million Baht	Amount			Change QoQ		Change YoY		Amount		Change YoY	
	Q2/19	Q1/19	Q2/18	Amount	%	Amount	%	1H19	1H18	Amount	%
Revenues from sales and services	503.77	461.59	429.96	42.18	9.14	73.81	17.17	965.37	852.36	113.01	13.26
Cost of sales and service	431.61	397.98	371.35	33.63	8.45	60.26	16.23	829.60	735.38	94.21	12.81
Gross profits	72.16	63.61	58.61	8.55	13.45	13.55	23.12	135.77	116.98	18.80	16.07
- Gross profit margin	14.32%	13.78%	13.63%					14.06%	13.72%		
Other revenues	4.04	2.91	2.54	1.13	38.84	1.50	59.23	6.95	5.09	1.85	36.37
Sales and administrative expenses	51.24	47.78	44.95	3.46	7.23	6.29	13.99	99.02	87.38	11.64	13.32
Financial cost and income tax expense	4.05	2.82	2.30	1.23	43.65	1.75	76.37	6.87	5.09	1.78	34.99
Net profit	20.91	15.92	13.90	4.99	31.38	7.01	50.44	36.83	29.60	7.23	24.42
- Net profit margin	4.12%	3.43%	3.21%					3.79%	3.45%		

## Overview of revenue growth from sales and service



## SSS Growth





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### Revenue from sales and service

Total revenue from sales and service of second quarter 2019 was Baht 503.77 million, increased by Baht 73.81 million or 17.17% compared to same period of previous year. Total revenue from sales and service of six-month period of 2019 was Baht 965.37 million, increased by Baht 113.01 million or 13.26%, the majority of the growing revenue was presented as same stores sales (SSSG) which increased by 3.5% due to an economic stimulation policy to low-income people by government that resulting in encouragement of purchasing power as well as the increase in total sales from branch expansion.

### Cost of sales and service

Total cost of sales and service of second quarter 2019 was Baht 431.61 million, increased by Baht 60.26 million or 16.23% compared to the same period of previous year. The proportion of sales and service cost was 85.68% which decreased by 0.69% from the same period of previous year. Total cost of sales and service of six-month period of 2019 was Baht 829.60 million, increased by Baht 94.21 million or 12.81% compared to the same period of previous year, the proportion of sales and service cost to revenue was 85.94% which decreased by 0.34% from the same period of previous year.

### Gross profit

In second quarter of 2019, the company recorded gross profit of Baht 72.16 million, increasing from the same period of previous year by Baht 13.55 million or 23.12% which the gross profit margin ratio was 14.32%. For the six-month period of 2019, the company recorded gross profit of Baht 135.77 million increasing from the same period of previous year by Baht 18.80 million or 16.07% which the gross profit margin ratio was 14.06%. Such a significant increase was resulted from the higher gross profit from sales of branches compared to selling activities from the head quarter.

### Sales and administrative expenses

In second quarter of 2019, the amount of sales and administrative expenses of the Company was Baht 51.24 million, increasing from the same period last year by Baht 6.29 million or 13.99%. For the six-month period of 2019, the amount of sales and administrative expenses of the Company was Baht 99.02 million, increasing from the same period of previous year by Baht 11.64 million or 13.32%. The rising expenses was identified as further selling expenses from expanded branches including employment expense from additional employees, depreciation and facility expenses. Also, the company has recorded expenses as additional liabilities of employee benefits which increased by Bath 1.21 million according to the applicable law in second quarter of 2019.

### Net profit

In second quarter of 2019, the company recorded net profit in amount of Baht 20.91 million, increasing from the same period of previous year by Baht 7.01 million or 50.44% which net profit margin ratio was 4.12%. For the six-month period 2019, the company recorded net profit of Baht 36.83 million, increasing from the same period of previous year by Baht 7.23 million or 24.42% which net profit margin ratio was 3.79%. The amount of net profit increased due to the increase in sales as well as an increase of gross profit margin.



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### Financial position

Unit: Million Baht	As at 30 June 2019	As at 31 December 2018	Change	
			Amount	%
Total assets	846.28	839.16	7.12	0.85
Total liabilities	177.33	190.67	-13.35	-7.00
Total shareholders' equity	688.95	648.49	20.46	3.15

### Assets

On 30 June 2019, the total assets of the Company were Baht 846.28 million, increased by Baht 7.12 million from the previous year or 0.85%. The major change in assets included cash and cash equivalents decreased by Baht 14.00 million, mainly due to the repayment of short-term loans under promissory notes with the drawdown at the year ended 2018, temporary investment increased by Baht 30.43 million, which is the main cash flow from operations. And inventories decreased by Baht 7.57 million.

### Liabilities

On 30 June 2019, the total liabilities of the Company were Baht 177.33 million, decreased by Baht 13.35 million from the previous year or 7.00%. The decreasing was due to the repayment of short-term loans from financial institutions amounting to Baht 12.00 million.

### Shareholders' equity

On 30 June 2019, the total Shareholders' equity of the Company were Baht 688.95 million, increased by Baht 20.46 million from the previous year or 3.15%, which was an increase from the total comprehensive income for six-month of 2019 amount of Baht 36.46 million and decreased by dividend payment amount of Baht 16.00 million.

Submitted for your acknowledgement.

Best Regards,

(Mr.Thawatchai Phuttiyariya)

Managing Director