



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

18 February 2020

Subject Management Discussion and Analysis for the year ended 31 December 2019
Attention Directors and Managers,
Stock Exchange of Thailand

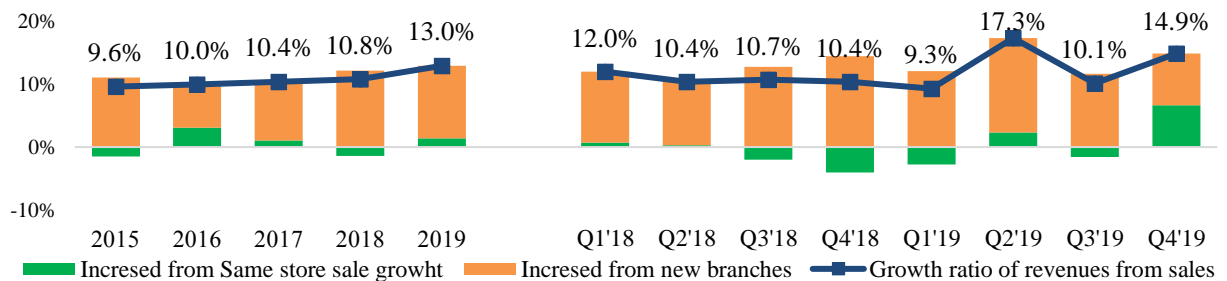
Thanapiriya Public Company Limited would like to clarify the organizational performance for the year ended 31 December 2019 as the following details;

Operating performance overview for the year ended 31 December 2019

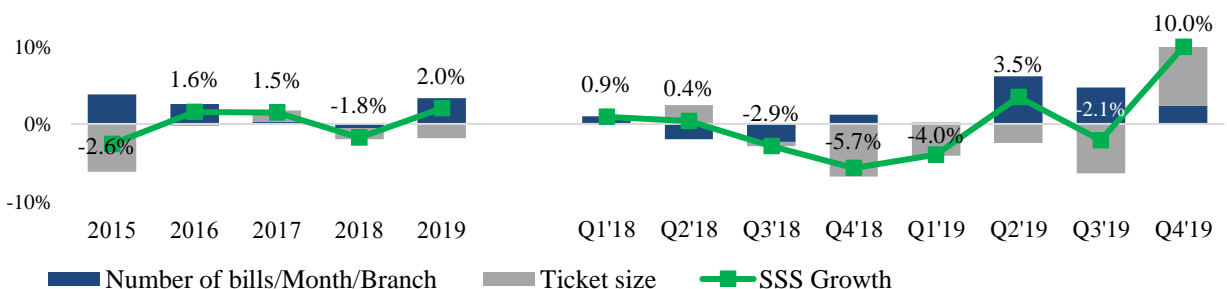
Unit: Million Baht	For the year ended 31 December		Change	
	2019	2018	Amount	%
Revenues from sales	1,952.45	1,728.55	223.90	12.95
Costs of sales	1,659.34	1,483.70	175.64	11.84
Gross profits	293.11	244.85	48.26	19.71
- Gross profit margin	15.01%	14.17%		
Other revenues	12.64	10.58	2.06	19.49
Sales and administrative expenses	199.78	178.69	21.09	11.80
Finance cost and income tax expense	17.37	11.60	5.77	49.76
Net profit	88.60	65.14	23.46	36.01
- Net profit margin	4.51%	3.75%		

Remark: The company reclassified Revenues from sales and Costs of sales in financial statements for the year ended December 31, 2018 to conform a presentation of the financial statement of current year that the reclassification has no effect to net profit.

Overview of revenue growth from sales



Revenue growth from existing branches (SSS Growth)





บริษัท ธนพิริยะ จำกัด(มหาชน)

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THANAPIRIYA PUBLIC COMPANY LIMITED

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

Revenue from sales

Total revenue from sales for the year ended 2019 was Baht 1,952.45 million, increased by Baht 233.90 million or 12.95% compared to the previous year, the majority of the growing revenue was presented as same stores sales (SSSG) which increased by 2.0% due to an economic stimulation policy government that resulting in encouragement of purchasing power as well as the increase in total sales from branch expansion.

Cost of sales

Total cost of sales for the year ended 2019 was Baht 1,659.34 million, increased by Baht 175.64 million or 11.84% compared to the previous year. The proportion of cost and revenue was 84.99% which decreased by 0.84% from the previous year which was identified as 85.83%.

Gross profit

For the year ended 31 December 2019, the company recorded gross profit of Baht 293.11 million, increasing from the same period of previous year by Baht 48.26 million or 19.71% which the gross profit margin ratio was 15.01%. The increase was due to the continuous branch expansion indicating higher gross profit margin than the wholesale revenue from the head office. Also, the Company received budget supports from the distributor because of continuous sales growth.

Sales and administrative expenses

For the year ended 31 December 2019, the amount of sales and administrative expenses of the Company was Baht 199.78 million, increasing from the same period last year by Baht 21.09 million or 11.80%. The increase of 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

For the year ended 31 December 2019, the company recorded net profit in amount of Baht 88.60 million, increasing from the same period of previous year by Baht 23.46 million or 36.01% which net profit margin ratio was 4.51%. The overall increase in net profit is due to the increased in revenues from sales and the increase in gross profit margin.



บริษัท ธนพิริยะ จำกัด(มหาชน)

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Financial position

Unit: Million Baht	As at 31 December 2019	As at 31 December 2018	Change	
			Amount	%
Total assets	869.38	828.76	40.62	4.90
Total liabilities	164.71	180.26	(15.56)	(8.63)
Total shareholders' equity	704.67	648.49	56.17	8.66

Assets

On 31 December 2019, the total assets of the Company were Baht 869.38 million, increased by Baht 40.62 million from the previous year or 4.90%. The major change in assets as property plant and equipment increased by Baht 29.82 million, the increase in assets mainly resulted from the expansion of the branch, Cash and cash equivalents increased by Baht 15.68 million and Trade and other current receivables decreased by Baht 6.20 million.

Liabilities

On 31 December 2019, the total liabilities of the Company were Baht 164.71 million, decreased by Baht 15.56 million from the previous year or 8.63%. The decreasing of liabilities was a result of decreasing in short-term loan from financial institutions amount Baht 12.00 million, decreasing in trade and other payables of Baht 9.61 million and change from increase in income tax payables of Baht 3.79 million.

Shareholders' equity

On 31 December 2019, the total Shareholders' equity of the Company were Baht 704.67 million, increased by Baht 56.17 million from the previous year or 8.66%. The major change of shareholders' equity was due to growth in total comprehensive income for the year 2019 amount of Baht 88.17 million and decrease from cash dividend payment amount of Baht 32.00 million.

Submitted for your acknowledgement.

Best Regards,

(Mr.Thawatchai Phuttiyriya)
Managing Director