



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

28 October 2020

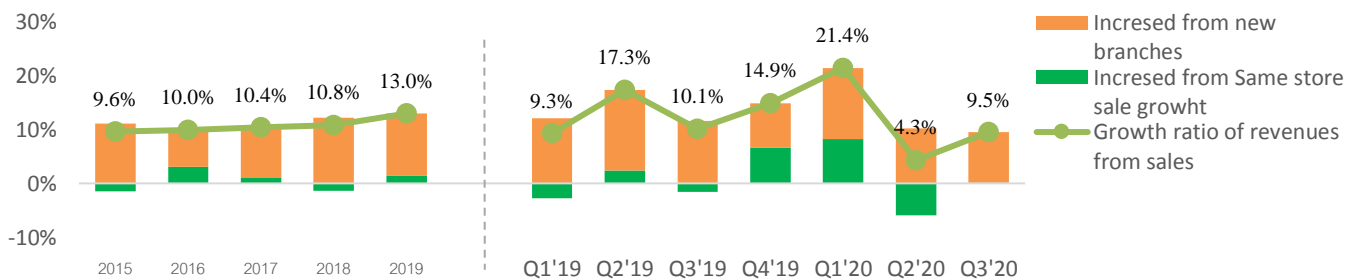
Subject Management Discussion and Analysis for the third quarter ended 30 September 2020
 Attention Directors and Managers,
 Stock Exchange of Thailand

Thanapiriya Public Company Limited (“The Company”) would like to clarify the organizational performance for the third quarter ended 30 September 2020 as the following detail.

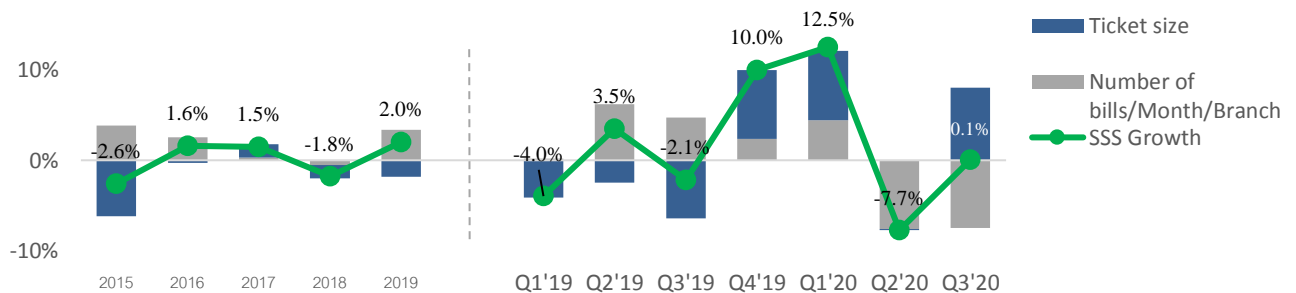
Operating performance overview for the third quarter ended 30 September 2020

Unit: Million Baht	Amount			Change QoQ		Change YoY		Amount		Change YoY	
	Q3/20	Q2/20	Q3/20	Amount	%	Amount	%	9M20	9M19	Amount	%
Revenues from sales	518.58	513.94	473.72	4.63	0.90	44.86	9.47	1,580.12	1,417.48	162.64	11.47
Cost of sales	432.68	430.88	402.33	1.80	0.42	30.35	7.54	1,323.82	1,210.31	113.51	9.38
Gross profits	85.90	83.06	71.39	2.84	3.42	14.51	20.32	256.30	207.16	49.14	23.72
- Gross profit margin	16.56%	16.16%	15.07%					16.22%	14.61%		
Other revenues	2.83	2.91	2.82	-0.09	-3.00	0.01	0.35	8.55	9.77	-1.22	-12.48
Sales and administrative expenses	51.84	51.48	51.16	0.37	0.71	0.68	1.34	154.64	150.18	4.46	2.97%
Financial cost and income tax expense	6.86	6.35	3.66	0.51	8.02	3.20	87.46	20.47	10.53	9.94	94.45
Net profit	30.02	28.15	19.39	1.87	6.66	10.63	54.83	89.73	56.22	33.51	59.60
- Net profit margin	5.76%	5.45%	4.07%					5.65%	3.94%		

Overview of revenue growth from sales



SSS Growth





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Revenue from sales

For 3-month period of third quarter 2020, The Company generated revenue from sales of Baht 518.58 million, increasing by Baht 44.86 million or 9.47% compared to same period of previous year. The major cause of sales growth was identified as branch expansion while sales growth from existing branches in third quarter increased only by 0.1%

For 9-month period 2020, The Company generated revenue from sales of Baht 1,580.12 million, increasing by Baht 162.64 million or 11.47%. Such a significant increase was due to high revenue from sales and services in March 2020 from hoarding goods as the consequence of declaration of an emergency decree and announcement of curfew by the government as well as increasing in revenue from sales and services from branch expansion.

Cost of sales

For 3-month period of third quarter 2020, The Company identified total cost of sales of Baht 432.68 million, increasing by Baht 30.35 million or 7.54% compared to same period of previous year. The portion of total cost of sales to revenue from sales was 83.44%, decreasing by 1.49% compared to same period of previous year.

For 9-month period, The Company identified total cost of sales of Baht 1,323.82 million, increasing by Baht 113.51 million or 9.38%. The portion of total cost of sales to revenue from sales was 83.78%, decreasing by 1.61% compared to same period of previous year.

Gross profit

For 3-month period of third quarter 2020, The Company generated gross profit of Baht 85.90 million, increasing by Baht 14.51 million or 20.32%. The gross profit margin was 16.56%.

For 9-month period, The Company generated gross profit of Baht 256.30 million, increasing by Baht 49.14 million or 23.72%. The gross profit margin was 16.22%. The increase of gross profit was due to continuously branches expansion which could generate higher gross profit from sales of branches compared to selling activities from the head quarter as well as increase of supporting budget from suppliers based on growth performance of The Company.

Sales and administrative expenses

For 3-month period of third quarter 2020, the amount of sales and administrative expenses of the Company was Baht 51.84 million, increasing by Baht 0.68 million or 1.34%

For 9-month period, the amount of sales and administrative expenses of the Company was Baht 154.64 million, increasing by Baht 4.46 million or 2.97%. The rising 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

As the adoption of Financial Reporting Standard Number 16 (TFRS16) since first quarter 2020, The Company had to recognized liability of rental agreement and recognition of interest charges from the liability as financial cost in third quarter 2020 of Baht 0.52 million and for 9-month period 2020 of Baht 1.58 million.

For 3-month period of third quarter 2020, The Company had tax expenses of Baht 6.33 million, increasing by Baht 2.68 million and for 9-month period 2020, The Company had tax expenses of Baht 18.90 million, increasing by Baht 8.37 million. Such an increase was due to greater profit-generating performance.



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Net profit

For 3-month period of third quarter 2020, The Company generated net profit of Baht 30.02 million, increasing from the same period of previous year by Baht 10.63 million or 54.83% which net profit margin ratio was 5.76%. For 9-month period 2020, The Company generated net profit of Baht 89.73 million, increasing from the same period of previous year by Baht 33.51 million or 59.60% which net profit margin ratio was 5.65%. The amount of net profit increased due to the increase in sales as well as an increase of gross profit margin.

Financial position

Unit: Million Baht	As at 30 September 2020	As at 31 December 2019	Change	
			Amount	%
Total assets	997.53	869.38	128.16	14.74
Total liabilities	251.08	164.71	86.38	52.44
Total shareholders' equity	746.45	704.67	41.78	5.93

Assets

On 30 September 2020, the total assets of The Company were Baht 997.53 million, increased by Baht 128.16 million from the previous year or 14.74%. The major change in assets included property, plant and equipment increased by Baht 58.27 million was mainly from branches expansion as well as right of use assets increased by Baht 68.73 million as the adoption of TFRS16. Also, inventories were increased by Baht 35.89 million. Although, cash and cash equivalent decreased by Baht 30.25 million

Liabilities

On 30 September 2020, the total liabilities of the Company were Baht 251.08 million, increasing by Baht 86.38 million or 52.44% which the recognition of liability as the adoption of TFRS16 was Baht 61.92 million as well as trade and other current payables increased by Baht 23.22 million as The Company ordered more selling goods from suppliers.

Shareholders' equity

On 30 September 2020, the total Shareholders' equity of the Company were Baht 746.45 million, increasing by Baht 41.78 million or 5.93%. The increase was mainly from total comprehensive income of 9-month period 2020 by Baht 89.78 million and decreasing by Baht 48.00 million from dividend payout.

Submitted for your acknowledgement.

Best Regards,

(Mr.Thawatchai Phuttiyariya)
Managing Director