

## Overview

Referring to the operating performance in the consolidated financial statement for the year, ending December 31, 2021, Phol Dhanya PCL (the Company)'s total revenue from sales and services were 1,225.76 MB, increasing by 170.25 MB or 16.13% YoY at 1,055.51 MB. Occupational Safety, health and personal protective equipment as well as control environment products with increase continuous purchase orders from major industrial customers such as electronics industry, foods industry and automotive industries that have expanded their production capacity compared to the previous year. And the situation of the epidemic of COVID-19, there is still the demand for disease prevention items continuously, both for the industrial and medical sectors, leading to increase the revenues from hospital, medical and public health organizations, including more dealer customers. In addition, revenue increased due to the price increased of nitrile gloves, rubber gloves, which significant at the beginning of this year, however, gloves normally do not secure high gross margin, despite higher sales. Meanwhile, sales of products with higher gross margin has decreased, leading to lower average gross margin compared to the last year. In 2021, the Company's gross profit margin was 287.59 MB, or equivalent to 23.46%, the gross profit increased 13.45 MB or 4.91% compare with gross profit of 274.14 MB or equivalent to 25.97% in previous year and selling and administrative expenses slightly increased from the previous year.

As the result, the Company's net profit attributable to equity holders of 81.89 MB, equivalent to 6.66%, increasing by 8.03 MB or 10.87% compare to net profit attributable to equity holders of 73.86 MB, equivalent to 6.94% in the previous year.

## Operating performance

Unit : MB

	Y2021	Y2020	Increased (Decreased)	% YoY
Revenue from sales	1,203.45	1,019.23	184.22	18.07%
Revenue from services	22.31	36.28	(13.97)	-38.51%
<b>Total Revenues</b>	<b>1,225.76</b>	<b>1,055.51</b>	<b>170.25</b>	<b>16.13%</b>
Cost of sales	(921.75)	(752.56)	169.19	22.48%
Cost of services	(16.42)	(28.81)	(12.40)	-43.02%
<b>Total Costs</b>	<b>(938.17)</b>	<b>(781.38)</b>	<b>156.80</b>	<b>20.07%</b>
<b>Gross Profit</b>	<b>287.59</b>	<b>274.14</b>	<b>13.45</b>	<b>4.91%</b>
<b>Gross Profit Margin (%)</b>	<b>23.46%</b>	<b>25.97%</b>		
Other income	4.06	9.45	(5.38)	-56.99%
Total Selling and Administrative Expenses	(191.77)	(190.05)	1.72	0.90%
Profit before finance Costs and income taxes	99.89	93.54	6.35	6.79%
<b>Profit before finance Costs and income taxes (%)</b>	<b>8.12%</b>	<b>8.78%</b>		
Loss from impairment of trade and other receivables	(0.70)	0.00	0.70	n/a
Financial Cost	(2.76)	(2.41)	0.36	14.76%
Reversal of impairment of trade and other receivables	5.81	0.00	5.81	n/a
Income tax expenses	(20.34)	(17.27)	3.07	17.78%
<b>Profit attributable to equity holders</b>	<b>81.89</b>	<b>73.86</b>	<b>8.03</b>	<b>10.87%</b>
<b>Net profit margin (%)</b>	<b>6.66%</b>	<b>6.94%</b>		
Basic earnings per share (Baht)	0.40	0.36	0.04	10.87%

## Revenue

Revenue Structure	Unit : MB					
	Y2021	%	Y2020	%	Increased (Decreased)	% YoY
Occupational Safety, Health and Environment Products (SAFETY)	889.88	72.60%	800.40	75.83%	89.48	11.18%
Control Environment Products (CE)	305.75	24.94%	214.93	20.36%	90.82	42.26%
Water Solution Products (WATER)	30.13	2.46%	40.18	3.81%	(10.05)	-25.02%
<b>Total revenue from sales and services</b>	<b>1,225.76</b>	<b>100%</b>	<b>1,055.51</b>	<b>100%</b>	<b>170.25</b>	<b>16.13%</b>

In 2021, the total revenue from sales and services provision were 1,225.76 MB, with 889.88 MB of Occupational Safety, Health and Environment Products or SAFETY accounting for 72.60%, 305.75 MB of Control Environment Products or CE accounting for 24.94% and 30.13 MB of Water Solution Products or WATER accounting for 2.46%.

The revenue from sales and service provisions from SAFETY products was 889.88 MB, increasing by 89.48 MB or 11.18%, mainly from existing customers and new customers in the foods industry and electronics industry that have continue expanded their production capacity and other major industries, such as automotive, petrochemicals, have increased production compared to the previous year. And the situation of the epidemic of COVID-19, there is still the demand for disease prevention items continuously, leading to increased revenues from hospital, medical and public health organizations and more dealer customers, in addition, there was an increase in the revenue from consumer through online sales channels.

The revenue from sales and service provision in CE products was 305.75 MB, increasing by 90.82 MB or 42.26% mainly from key customers in the electronics industry that have continued expanded their production capacity, leading to higher demand for CE products. In addition, product prices have increased in pursuit of the higher market prices at the beginning of the year especially higher demand for clean room gloves and disposable gloves amidst COVID-19 has led to an increase in revenue for CE products both from existing and new customers.

The revenue from sales and service provision in WATER Products was 30.13 MB, decreasing by 10.05 MB or 25.02%, mainly from the installation of water supply system and continue providing services for existing customers, including after-sales services and maintenance. However, the COVID-19 situation has caused certain customers' new projects to delay.

### Other income

In 2021, the Company had other income 4.06 MB, decreasing by 5.38 MB or 56.99% compare to other income of 9.45 MB from previous year mainly due to the refund of penalties from the water supply projects.

### Cost of Sales and Services

In 2021, the Company's total costs was 938.17 MB, comprising of 921.75 MB cost of sales and 16.42 MB cost of services. Cost of sales increased proportionally with more revenue from sales and increased cost of goods in some product categories and from exchange rates. Cost of services decreased in line with lower sales of services compared to the previous year.

Costs of sales and services accounted for 76.54% of revenue from sales and service. Gross profit was 287.59 MB with gross profit margin 23.46%, gross profit increased 13.45 MB or 4.91% proportionally with more revenue from sales compare to gross profit of 274.14 MB with gross profit margin 25.97% in the previous year. However, the gross profit margin declined, due to increased cost of goods in some categories and the sales proportion of products with lower gross profit margins increased while the proportion of sales of products with higher gross profit margin decreased.

### Selling and Administrative Expenses

In 2021, selling and administrative expenses were 191.77 MB comprised 92.61 MB of selling expenses, 96.51 MB of administrative expenses and 2.64 MB of loss from exchange rates. Selling expenses increased mainly from variable with revenue from sales, such as sales commissions, transportation expense, etc. and more promotional advertising expenses to expand consumer and online marketing. However, administrative expenses declined due to lower travelling and activities expenses due to the COVID-19 situation and reduced from employee benefit expenses.

The company's financial cost was 2.76 MB, increasing by 0.36 MB or 14.76% compared to financial cost of 2.41 MB in the previous year due to the increase in short term loan from financial institution.

### Other Transaction

The reversal of impairment loss on trade and other receivables of 5.81 MB and loss arising from bad debts of trade and other receivable of 0.70 MB, resulting from the operation of offsetting creditors, retention payments due to the debtor of sub-contractor, which the company has reserved the loss on impairment of receivables and the trial is over.

### Net Profit

In 2021, the company's consolidate net profit attributable to equity holders was 81.89 MB, accounted for net profit margin 6.66%, net profit increase of 8.03 MB or 10.87% compared to net profit of 73.86 MB, accounted for net profit margin 6.94% in the previous year.

### Financial Position

Unit : MB

	December 31, 2021		December 31, 2020		Increased	%
	Amount	%	Amount	%	(Decreased)	Changed
Current Assets	461.67	72.56%	428.90	70.78%	32.76	7.64%
Non-Current Assets	174.56	27.44%	177.10	29.22%	(2.53)	-1.43%
<b>Total Assets</b>	<b>636.23</b>	<b>100.00%</b>	<b>606.00</b>	<b>100.00%</b>	<b>30.23</b>	<b>4.99%</b>
Current Liabilities	246.31	38.63%	231.44	38.11%	14.86	6.42%
Non-Current Liabilities	41.76	6.55%	47.41	7.81%	(5.65)	-11.91%
<b>Total Liabilities</b>	<b>288.06</b>	<b>45.18%</b>	<b>278.85</b>	<b>45.92%</b>	<b>9.22</b>	<b>3.30%</b>
<b>Shareholder's Equity of the Company</b>	<b>349.47</b>	<b>54.82%</b>	<b>328.45</b>	<b>54.08%</b>	<b>21.01</b>	<b>6.40%</b>

### Assets

As of December 31, 2021, the Company's total assets were 636.23 MB, increasing by 30.23 MB or 4.99% from December 31, 2020. The assets increased mainly from current assets, which increased from 66.66 MB of net-inventories, while, cash and cash equivalents decreased by 33.67 MB. And non-current assets decreased mainly from depreciation and amortization.

## Liabilities

As of December 31, 2021, the Company's total liabilities were 288.06 MB, increasing by 9.22 MB or 3.31% from December 31, 2020. The Liabilities increased mainly from the increase of 7.13 MB of short-term loans-trust receipt from financial institutions, 9.14 MB of trade payables and 3.65 MB of accrued income tax. However, other payables decreased 5.29 MB. Non-current liabilities decreased mainly from 5.36 MB of long-term loans from financial institutions and 0.29 MB of lease liabilities-net while the provision for employee benefit liabilities increasing by 1.65 MB.

## Shareholder's equity

As of December 31, 2021, Shareholders' equity of the Company was 349.47 MB, increasing by 21.01 MB or 6.40% from December 31, 2020 from the resulting from net profit of 81.89 MB, while, decreasing by 60.75 MB from dividend payment and allocated as a legal reserve of 3.96 MB.

## Cash flows

	Unit : MB	
Cash flows	December 31, 2021	December 31, 2020
Cash flow from (used in) operating activities	35.31	79.93
Cash flow from (used in) investing activities	(4.64)	(5.10)
Cash flow from (used in) financing activities	(64.22)	(68.01)
Net increase (decrease) in cash and cash equivalents	(33.55)	6.82
Cash and cash equivalents at the end of the period	58.71	92.39

The Company's net cash from the operating activities was 35.31 MB, with operating profits prior to changes in the operating assets and liabilities of 116.38 MB. Cash flow received from trade and other receivables decreased 5.50 MB and net- trade and other payables increased 3.81 MB. While, cash flow used for 72.42 MB of inventories 72.42 MB, 1.31 MB to paid employee benefits and 17.19 MB of income tax.

Cash flow used in investment activities was 4.64 MB to purchase 0.77 MB of equipment, 1.94 MB to improved public utilities and 1.93 MB of assets under water sales agreement and purchased 0.49 MB of intangible assets, while cash flow acquired 0.23 MB from loan to employees and interest received of 0.37 MB.

Cash flow used in financing activities was 64.22 MB mainly used to repayment of loans from financial institutions 7.14 MB, repayment of liabilities under lease agreement 0.80 MB, interest expense 2.67 MB and dividend payment of 60.74 MB. However, cash flow acquired 7.13 MB from short-term loans-trust receipt from financial institutions.