

Overview

Referring to the operating performance in the consolidated statement of financial position in the first quarter, ending March 31, 2022, Phol Dhanya PCL (the Company)'s total revenue from sales and services were 276.54 MB, decreasing by 46.79 MB or 14.47% YoY at 323.32 MB. The decline in revenue is mainly from Occupational Safety, Health and Environment Products or 'SAFETY' and Control Environment Products or 'CE', due to a significant drop in market prices of rubber and nitrile gloves, together with an excessive supply, compared with the same period of time in the last year when there was a product shortage in the supply chain, causing prices to go up. Furthermore, the sales revenue from COVID-19-related products also decreased in accordance with the intensity of the spread. However, SAFETY and CE products used in the industrial sector are still securing a continuous increase in purchase orders in pursuit of the expansion of the manufacturing sector in key industries. The gross profit decreased in line with lower revenue from sales and services, in the first quarter of 2022, the company's gross profit was 68.39 MB, representing gross profit margin of 24.73%.

Distribution costs and administrative expenses slightly increased, compared to the same quarter of the previous year. The Company's net profit for the first quarter of 2022 was 17.11 MB; equivalent to 6.14%, decreasing by 9.72 MB or 36.22% YoY at 26.82 MB; equivalent to 8.28%.

Operating performance

	Q1/2022	Q1/2021	Increased (Decreased)	% YoY	Q4/2021	Increased (Decreased)	% QoQ
Revenue from sales	270.29	315.50	(45.21)	-14.33%	265.67	4.62	1.74%
Revenue from services	6.24	7.82	(1.58)	-20.20%	6.25	(0.01)	-0.12%
Total Revenues	276.54	323.32	(46.79)	-14.47%	271.92	4.61	1.70%
Cost of sales	(203.50)	(241.04)	(37.54)	-15.57%	(201.70)	1.80	0.89%
Cost of services	(4.64)	(6.40)	(1.76)	-27.46%	(4.20)	0.44	10.56%
Total Costs	(208.15)	(247.45)	(39.30)	-15.88%	(205.91)	2.24	1.09%
Gross Profit	68.39	75.88	(7.49)	-9.87%	66.02	2.37	3.59%
Gross Profit Margin (%)	24.73%	23.47%			24.28%		
Other income	2.07	0.44	1.63	370.98%	2.48	(0.41)	-16.66%
Total Distribution costs and Administrative expenses	(48.39)	(46.63)	1.76	3.76%	(52.47)	(4.08)	-7.78%
Profit before finance costs and income taxes	22.07	29.68	(7.62)	-25.65%	16.03	6.04	37.69%
Profit before finance costs and income taxes (%)	7.92%	9.17%			5.84%		
Financial Cost	(0.58)	(0.53)	0.05	8.83%	(0.74)	(0.16)	-21.67%
Reversal of impairment (Loss from impairment) on trade and other receivables-nets	(0.01)	4.46	(4.45)	0.00%	0.64	(0.63)	-98.78%
Income tax expenses	(4.37)	(6.78)	(2.41)	-35.53%	(2.92)	1.45	49.53%
Profit attributable to equity holders	17.11	26.82	(9.72)	-36.22%	13.00	4.10	31.56%
Net profit margin (%)	6.14%	8.28%			4.74%		
Basic earnings per share (Baht)	0.08	0.13	(0.05)	-36.22%	0.06	0.02	31.56%

Unit:MB

Revenue from Sales and Services

Revenue Structure	Q1/2022		Q1/2021		Increased (Decrease) YoY		Q4/2021		Increased (Decrease) QoQ		Unit : MB
	Q1/2022	%	Q1/2021	%	Increased (Decrease)	% YoY	Q4/2021	%	Increased (Decrease)	% QoQ	
Occupational Safety, Health and Environment Products (SAFETY)	201.53	72.88%	208.19	64.39%	(6.66)	-3.20%	208.76	76.77%	(7.23)	-3.47%	
Control Environment Products (CE)	55.53	20.08%	107.66	33.30%	(52.13)	-48.42%	54.24	19.95%	1.29	2.37%	
Water Solution Products (WATER)	19.48	7.04%	7.48	2.31%	12.00	160.55%	8.92	3.28%	10.56	118.37%	
Total revenue from sales and services	276.54	100%	323.32	100%	(46.79)	-14.47%	271.93	100%	4.61	1.70%	

The total revenue from sales and service provision in the first quarter of 2022 were 276.54 MB, with 201.53 MB of Occupational Safety, Health and Environment Products or SAFETY accounting for 72.88%, 55.53 MB of Control Environment Products or CE accounting for 20.28 % and 19.48 MB of Water Solution Products or WATER accounting for 7.04%.

The revenue from sales and service provision in SAFETY products was 201.53 MB, decreasing by 6.66 MB or 3.20%, mainly due to a decrease in prices of rubber and nitrile gloves, coupled with lower purchase orders from distributors, compared with the same quarter in the last year. Meanwhile, the revenue from COVID-19 preventive equipment also dropped in relation to the intensity of the situation. However, SAFETY products in other categories are still generating a continuous increase in purchase orders both from existing customer bases and new customers in accordance with the expansion of the industrial sector.

The revenue from sales and service provision in CE products was 55.53 MB, has also dropped by 52.13 MB or 48.42% due to a decrease in market prices of rubber and nitrile gloves, compared with the same period of time in the last year when there was a product shortage caused by COVID-19, causing product prices to soar. Hence, key customers in the electronics industry have increased purchase orders to accumulate the inventory, while there has been an increase in customers in the distributor market. There was a decline in purchase orders in the first quarter of 2022, while an oversupply of gloves still remains prevalent.

The revenue from sales and service provision in the WATER products was 19.48 MB, increasing by 12 MB or 160.55% compare to the same quarter in the last year, mainly due to sales of equipment for waste landfill construction, in collaboration with a business partner. However, due to the impact of COVID-19, customers have decided to delay or cancel the water treatment projects.

Cost of Sales and Services

The Company's total costs in quarter 1/2022 were 208.15 MB, comprising of 203.50 MB cost of sales and 4.64 MB cost of services. Cost of sales and services decreased proportionally with lower revenue from sales and services. In quarter 1/2022, costs of sales and services accounted for 75.27% of revenue from sales and service. The Company's gross profit was 68.39 MB, decreased by 7.49 MB or 9.87% due to lower revenue from sales and services. However, gross profit margin was 24.73%, increase from the same quarter last year with a gross profit margin of 23.47%.

Distribution Costs and Administrative Expenses

In Quarter 1/2022, Distribution costs and administrative expenses were 48.39 MB comprised 25.59 MB of distribution costs and 22.80 MB of administrative expenses. Distribution costs mainly increased from employee compensation and transportation expenses, however, administrative expenses were similar compared to the same quarter of the last year

The company's financial cost was 0.58 MB, increasing by 0.05 MB or 8.83% compared to financial cost of 0.53 MB in the same quarter of previous year.

Other Transaction

In Quarter 1/2022, the Company had loss from impairment on trade and other receivables-nets of 0.01 MB, while, reversed the impairment of trade receivables and other receivables of 4.46 MB in the same quarter of previous year, its comes 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.

Net Profit

In Quarter 1/2022, the company's consolidate net profit attributable to equity holders was 17.11 MB, accounted for net profit margin 6.14%, decreasing by 9.72 MB or 36.22% compared to net profit attributable to equity holders of 26.82 MB, accounted for net profit margin 8.28% in the same quarter of previous year.

Financial Position

Unit : MB

	March 31, 2022		December 31, 2021		Increased	%
	Amount	%	Amount	%	(Decreased)	Changed
Current Assets	484.49	73.45%	461.67	72.56%	22.82	4.94%
Non-Current Assets	175.15	26.55%	174.56	27.44%	0.59	0.34%
Total Assets	659.64	100.00%	636.23	100.00%	23.41	3.68%
Current Liabilities	252.71	38.31%	246.31	38.63%	6.41	2.60%
Non-Current Liabilities	41.65	6.31%	41.76	6.55%	(0.11)	-0.26%
Total Liabilities	294.36	44.62%	288.06	45.18%	6.30	2.19%
Shareholder's Equity of the Company	366.58	55.57%	349.47	54.82%	17.11	4.90%

Assets

As of March 31, 2022, the Company's total assets were 659.64 MB, increasing by 23.41 MB or 3.68% from December 31, 2021. The assets increased mainly from current assets, which increasing from 19.13 MB of trade and other current receivables-net, most of which were receivables that had not yet been due and cash and cash equivalents increased by 9.37 MB. However, net-inventories decreased by 4.83 MB. Non-current assets mainly increased from investments in joint venture of 1.09 MB in the construction of solid waste management center project.

Liabilities

As of March 31, 2022, the Company's total liabilities were 294.36 MB, increasing by 6.30 MB or 2.19% from December 31, 2021. The Liabilities increased mainly from the increase of 34.84 MB of short-term loans from financial institutions to pay for goods and working capital. However, trade and other payables decreased by 31.18 MB.

Shareholder's equity

As of March 31, 2022, Shareholders' equity of the Company was 366.58 MB, increasing by 17.11 MB or 4.90% from December 31, 2021 from net profit for the period.

Cash flows

	Unit : MB	
Cash flows	March 31, 2022	March 31, 2021
Cash flow from (used in) operating activities	(22.35)	(16.46)
Cash flow from (used in) investing activities	(0.59)	(0.21)
Cash flow from (used in) financing activities	32.31	(4.88)
Net increase (decrease) in cash and cash equivalents	9.37	(21.55)
Cash and cash equivalents at the end of the period	68.09	70.79

For the three month period, ending March 31, 2022, the Company's net cash used in the operating activities was 22.35 MB, with operating profits prior to changes in the operating assets and liabilities of 22.90 MB. Cash flow decreased from trade and other receivables increased 18.60 MB and net- trade and other payables decreased 32.98 MB. While, cash flow received from inventories decreased 6.58 MB

Cash flow used in investment activities was 0.59 MB to purchase fix assets of 0.21 MB and investment in joint venture of 1.09 MB, while cash flow acquired 0.49 MB from loan to employees, 0.12 MB from sales fix assets and interest received of 0.11 MB.

Cash flow acquired from financing activities was 32.31 MB mainly from short-term loan from financial institutions amount of 34.84 MB, however, cash flow used to repayment of long-term loans from financial institutions of 1.79 MB, repayment of liabilities under lease agreement of 0.20 MB and interest expense of 0.55 MB.