

Overview

Referring to the operating performance in the consolidated financial statement for the year, ending December 31, 2022, Phol Dhanya PCL (the Company)'s total revenue from sales and services were 1,000.48 MB, decreasing by 225.28 MB or 18.38% YoY at 1,225.76 MB. The decline in revenue is mainly from the significant drop in market prices and demand for rubber and nitrile gloves, compared with the last year that still in the situation of the epidemic of the COVID virus that has demand for products in both industrial and medical sectors. Furthermore, the sales revenue from COVID related products also decreased in accordance with the intensity of the spread. However, the overall economy and production in the industrial sector are expanding and there is still an increase in orders among those customers. The gross profit decreased in line with lower revenue from sales and services, however, the gross profit margin increased due to effectively cost management and adjustment of selling price increases according to the cost price of certain products and the proportion of sales of products with high gross profit margins increased. In 2022, the Company's gross profit was 257.74 MB, representing gross profit margin of 25.76%, compared to gross profit of 287.59 MB, representing gross profit margin of 23.46% in previous year. Distribution costs and administrative expenses were decrease from previous year. For the year 2022, the Company's net profit attributable to equity holders of 54.04 MB, representing a net profit margin of 5.39%.

Unit: MB.

	Y2022	Y2021	Increased (Decreased)	% YoY
Revenue from sales	984.36	1,203.45	(219.09)	-18.21%
Revenue from services	16.12	22.31	(6.19)	-27.73%
Total Revenues	1,000.48	1,225.76	(225.28)	-18.38%
Cost of sales	(732.12)	(921.75)	(189.64)	-20.57%
Cost of services	(10.63)	(16.42)	(5.79)	-35.29%
Total Costs	(742.74)	(938.17)	(195.43)	-20.83%
Gross Profit	257.74	287.59	(29.85)	-10.38%
Gross Profit Margin (%)	25.76%	23.46%		
Other income	2.86	4.06	(1.21)	-29.69%
Total Distribution costs and Administrative expenses	(187.69)	(191.77)	(4.08)	-2.13%
Profit before finance costs and income taxes	72.91	99.89	(26.98)	-27.01%
Profit before finance costs and income taxes (%)	7.27%	8.12%		
Financial Cost	(2.82)	(2.76)	0.06	2.11%
Loss from impairment of trade and other receivables	-	(0.70)	(0.70)	-100.00%
Reversal of allowance for credit loss (credit loss) on trade and other receivables-nets	(1.17)	5.81	(4.64)	-79.93%
Share of loss form investment in joint ventures	(0.27)	-	0.27	
Income tax expenses	(14.62)	(20.34)	(5.73)	-28.14%
Profit attributable to equity holders	54.04	81.89	(27.86)	-34.02%
Net profit margin (%)	5.39%	6.66%		
Basic earnings per share (Baht)	0.27	0.40	(0.14)	-34.02%

Revenue from Sales and Services

Revenue Structure	Unit: MB					
	Y2022	%	Y2021	%	Increased (Decreased)	% YoY
Occupational Safety, Health and Environment Products (SAFETY)	746.81	74.65%	889.88	72.60%	(143.07)	-16.08%
Control Environment Products (CE)	222.69	22.26%	305.75	24.94%	(83.06)	-27.17%
Water Solution Products (WATER)	30.97	3.10%	30.13	2.46%	0.85	2.81%
Total revenue from sales and services	1,000.48	100%	1,225.76	100%	(225.28)	-18.38%

In 2022, the total revenue from sales and services provision were 1,000.48 MB, with 746.81 MB of Occupational Safety, Health and Environment Products or SAFETY accounting for 74.65%, 222.69 MB of Control Environment Products or CE accounting for 22.26% and 30.97 MB of Water Solution Products or WATER accounting for 3.10%.

The revenue from sales and services provision in SAFETY products was 746.81 MB, decreasing by 143.07 MB or 16.08% compared to the previous year, mainly due to a decrease in market prices of rubber and nitrile gloves, coupled with lower purchase orders from distributors and medical sectors. In addition, 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 services provision in CE products was 222.69 MB, has also dropped by 83.06 MB or 27.17% due to a decrease in market prices of rubber and nitrile gloves, and the quantity of orders decreased both in the key customers in the electronics industry and distributor customers compared to the last year when there was a product shortage caused by COVID-19, the customers have increased purchase orders to accumulate the inventory. However, the CE product has increased sales from new products marketing in the electronics industry and medical device industry.

The revenue from sales and service provision in the WATER products was 30.97 MB, similar to the previous year. Revenue from WATER products increased from sales of equipment for waste landfill construction, in collaboration with a business partner. However, revenue from construction projects of water treatment systems decreased mainly due to the impact of COVID-19, customers have decided to delay or cancel the water treatment projects.

Cost of Sales and Services

In 2022, the Company's total costs were 742.74 MB, comprising of 732.12 MB cost of sales and 10.63 MB cost of services. Cost of sales and services decreased proportionally with lower revenue from sales and services, however, the cost of some products has been increased by manufacturers and the effect of depreciation of Baht.

Costs of sales and services accounted for 74.24% of revenue from sales and service. The Company's gross profit was 257.74 MB, decreased by 29.85 MB or 10.38% due to lower revenue from sales and services. However, gross profit margin was 25.76%, increase from the last year with a gross profit margin of 23.46% due to effectively cost management and adjustment of the selling price increases according to the cost price, moreover the proportion of sales of products with high gross profit margins increased.

Distribution Costs and Administrative Expenses

In 2022, distribution costs and administrative expenses were 187.69 MB comprised 93.01 MB of distribution costs, 93.19 MB of administrative expenses and 1.49 MB of loss on exchange rate. Distribution costs increased mainly from sales and marketing activities compared to the previous year in the epidemic situation and transportation and traveling expenses in line with oil prices. Administrative expenses were increase, mainly from the employee compensation and the employee welfare and product donations expenses related to situation of the epidemic of COVID-19 decreased. And loss on exchange rate decreased compared to the previous year.

The company's financial cost was 2.82 MB, similar to the previous year with financial cost of 2.76 MB.

Net Profit

In 2022, the company's consolidate net profit attributable to equity holders was 54.04 MB, accounted for net profit margin 5.39%, decreasing by 27.86 MB or 34.02% compared to net profit attributable to equity holders of 81.89 MB, accounted for net profit margin 6.66% in the previous year.

Financial Position

Unit: MB

	December 31, 2022		December 31, 2021		Increased	%
	Amount	%	Amount	%	(Decreased)	Changed
Current Assets	455.95	71.37%	461.67	72.56%	(5.72)	-1.24%
Non-Current Assets	182.87	28.63%	174.56	27.44%	8.31	4.76%
Total Assets	638.82	100.00%	636.23	100.00%	2.59	0.41%
Current Liabilities	241.89	37.79%	246.31	38.63%	(4.41)	-1.79%
Non-Current Liabilities	43.36	6.77%	41.76	6.55%	1.60	3.84%
Total Liabilities	285.25	44.56%	288.06	45.18%	(2.81)	-0.98%
Shareholder's Equity of the Company	354.87	55.44%	349.47	54.82%	5.40	1.55%

Assets

As of December 31, 2022, the Company's total assets were 638.82 MB, increasing by 2.59 MB or 0.41% from December 31, 2021. Current assets increased from 23.15 MB of net-inventories and 2.94 MB of short-term loans to joint ventures. However, cash and cash equivalents decreasing by 5.16 MB and trade receivables-net decreased 25.43 MB. Non-current assets mainly increased from investments in joint venture of 10 MB and right-of-use office equipment of 3.40 MB. However, non-current assets decreasing by 8.21 MB from depreciation and amortization.

Liabilities

As of December 31, 2022, the Company's total liabilities were 285.25 MB, decreasing by 2.81 MB or 0.98% from December 31, 2021. The Liabilities decreased mainly from 38.34 MB of trade and other payables, 6.53 MB of current portion of long-term loan from financial institution-net and 3.09 MB of current income tax payable. However, current liabilities increasing by 42.81 from short-term loans from financial institutions to pay for goods and working capital. Non-current asset mainly increased from lease liabilities 1.46 MB and non-current provisions for employee benefit 0.87 MB.

Shareholder's equity

As of December 31, 2022, Shareholders' equity of the Company was 354.87 MB, increasing by 5.40 MB or 1.55% from December 31, 2021. The shareholders' equity increased from the net profit for the period of 54.04 MB, however, shareholders' equity decreased from dividend payment of 48.60 MB and appropriated to legal reserve of 2.75 MB.

Cash flows

		Unit: MB	
Cash flows	December 31, 2022	December 31, 2021	
Cash flow from operating activities	27.42	35.31	
Cash flow used in investing activities	(16.04)	(4.64)	
Cash flow used in financing activities	(16.50)	(64..22)	
Net decrease in cash and cash equivalents	(5.12)	(33.55)	
Cash and cash equivalents at the end of the period	53.55	58.71	

For the year, ending December 31, 2022, the Company's net cash from the operating activities was 27.42 MB, with operating profits prior to changes in the operating assets and liabilities of 78.77 MB. Cash flow increased from trade and other receivables decreased 26.07 MB. However, cash flow decreased from inventories increased 20.43 MB, net- trade and other payables decreased 37.24 MB, paid for employee benefits of 2.09 MB and paid for corporate income tax of 17.74 MB.

Cash flow used in investment activities was 16.04 MB to investment in joint ventures of 10 MB and payment for short-term loans to joint ventures of 4.49 MB, purchase fix assets and intangible assets of 3.67 MB. However, cash flow receipt from short-term loans to related party of 1.55 MB, sales fix assets 0.25 MB and interest received of 0.86 MB.

Cash flow used in financing activities was 16.50 MB to repayment of long-term loans from financial institutions 7.14 MB, repayment of liabilities under lease agreement 0.67 MB, interest expense 2.95 MB and dividend payment 48.54 MB. While, cash flow acquired from short-term loan from financial institutions amount of 42.81 MB.