

Overview

Referring to the operating performance in the consolidated financial statement in the first quarter, ending March 31, 2023, Phol Dhanya PCL (the Company)'s total revenue from sales and services were 240.93 MB, decreasing by 35.61 MB or 12.88% YoY at 276.54 MB. The decline in revenue is mainly from Occupational Safety, Health and Environment Products or 'SAFETY' due to a significant drop in market prices and demand of rubber gloves, nitrile gloves and disease related products. Furthermore, revenue from WATER products decreased from sales of equipment for waste landfill construction project in the same quarter of previous year. The gross profit decreased in line with lower revenue from sales and services, however, the gross profit margin increased due to adding new products and increases of selling price in some product categories, in addition, the proportion of sales of products with high gross profit margins increased. The first quarter of 2023, the company's gross profit was 65.28 MB, representing gross profit margin of 27.10%, compare with gross profit of 68.39 MB, representing gross profit margin of 24.73% in the same quarter of previous year.

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 2023 was 12.65 MB; equivalent to 5.24%, decreasing by 4.46 MB or 26.05% YoY at 17.11 MB; equivalent to 6.14%.

Operating performance

	Q1/2023	Q1/2022	Increased (Decreased)	Unit : MB % YoY
Revenue from sales	235.20	270.29	(35.09)	-12.98%
Revenue from rendering of services	5.40	6.24	(0.84)	-13.44%
Revenue of water treatment system installation	0.32	-	0.32	
Total Revenues	240.93	276.54	(35.61)	-12.88%
Cost of sales	(171.05)	(203.50)	(32.46)	-15.95%
Cost of services	(4.36)	(4.64)	(0.29)	-6.17%
Cost of water treatment system installation	(0.24)	-	0.24	
Total Costs	(175.65)	(208.15)	(32.50)	-15.62%
Gross Profit	65.28	68.39	(3.10)	-4.54%
Gross Profit Margin (%)	27.10%	24.73%		
Other income	0.70	2.07	(1.37)	-66.33%
Total Distribution costs and Administrative expenses	(49.59)	(48.39)	1.20	2.49%
Profit before finance costs and income taxes	16.39	22.07	(5.68)	-25.73%
Profit before finance costs and income taxes (%)	6.78%	7.92%		
Finance Costs	(0.63)	(0.58)	0.05	8.01%
Reversal of allowance for credit loss (credit loss) on trade and other receivables-nets	0.04	(0.01)	0.04	
Share of profit form investment in joint ventures	0.19	-	0.19	
Income tax expenses	(3.35)	(4.37)	(1.02)	-23.42%
Profit attributable to equity holders	12.65	17.11	(4.46)	-26.05%
Net profit margin (%)	5.24%	6.14%		
Basic earnings per share (Baht)	0.06	0.08	(0.02)	-26.05%

Revenue from Sales and Services

Revenue Structure	Unit : MB					
	Q1/2023	%	Q1/2022	%	Increased (Decreased)	% YoY
Occupational Safety, Health and Environment Products (SAFETY)	179.86	74.65%	201.98	73.04%	(22.11)	-10.95%
Control Environment Products (CE)	55.48	23.03%	55.53	20.08%	(0.05)	-0.09%
Water Solution Products (WATER)	5.59	2.32%	19.03	6.88%	(13.44)	-70.62%
Total revenue from sales and services	240.93	100%	276.54	100%	(35.61)	-12.88%

The total revenue from sales and services provision in the first quarter of 2023 were 240.93 MB, with 179.86 MB of Occupational Safety, Health and Environment Products or SAFETY accounting for 74.65%, 55.48 MB of Control Environment Products or CE accounting for 23.03% and 5.59 MB of Water Solution Products or WATER accounting for 2.32%.

The revenue from sales and services provision in SAFETY products was 179.86 MB, decreasing by 22.11 MB or 10.95% compared to the same quarter of previous year, mainly due to a decrease in market prices and demand of rubber gloves, nitrile gloves and disease related products. However, SAFETY products in other categories increased in purchase orders from industrial customers in accordance with the expansion of the industrial sector.

The revenue from sales and services provision in CE products was 55.48 MB, similar to the same period of the previous year. Major customers in the electronics industry have decreased production due to the shortage of raw materials, however, the CE products has increased sales from new products marketing in the electronics industry and medical industry.

The revenue from sales and services provision in the WATER products was 5.59 MB, decreasing by 13.44 MB or 70.62% compared to the same quarter of previous year, mainly due to the revenue from sales of equipment for waste landfill construction project, in collaboration with a business partner in the same quarter of previous year.

Cost of Sales and Services

The Company's total costs in quarter 1/2023 were 175.65 MB, comprising of 171.05 MB cost of sales, 4.36 MB cost of rendering of services and 0.24 MB of cost of water treatment system installation. Cost of sales and services decreased proportionally with lower revenue from sales and services. In quarter 1/2023, costs of sales and services accounted for 72.90% of revenue from sales and services. The Company's gross profit was 65.28 MB, decreased by 3.10 MB or 4.54% due to lower revenue from sales and services. However, gross profit margin was 27.10%, increase from the same quarter last year with a gross profit margin of 24.73%.

Distribution Costs and Administrative Expenses

In Quarter 1/2023, Distribution costs and administrative expenses were 49.59 MB, consisting distribution costs of 25.86 MB and administrative expenses of 23.73 MB. Distribution costs and administrative expenses were similar compared to the same quarter of the last year, the expenses were increase, mainly from salary and employee welfare, travelling allowance of salespersons and product donations expenses to hospitals and medical facilities. However, there was decreasing expenses in line with lower revenue from sales and services such as sales commissions

The company's financial cost was 0.63 MB, increasing by 0.05 MB or 8.01% compared to financial cost of 0.58 MB in the same quarter of previous year.

Other Transactions

In Quarter 1/2023, the Company recorded the reversal of allowance for credit loss on trade and other receivables-nets of 0.04 MB and share of profit from investment in joint ventures of 0.19 MB, while, there was credit loss from impairment on trade and other receivables-nets of 0.01 MB in the same quarter of previous year.

Net Profit

In Quarter 1/2023, the company's consolidate net profit attributable to equity holders was 12.65 MB, accounted for net profit margin 5.24%, decreasing by 4.46 MB or 26.05% compared to net profit attributable to equity holders of 17.11 MB, accounted for net profit margin 6.14% in the same quarter of previous year.

Financial Position

Unit : MB

	March 31, 2023		December 31, 2022		Increased	%
	Amount	%	Amount	%	(Decreased)	changed
Current Assets	407.23	69.28%	455.95	71.37%	(48.72)	-10.69%
Non-Current Assets	180.62	30.72%	182.87	28.63%	(2.25)	-1.23%
Total Assets	587.85	100.00%	638.82	100.00%	(50.97)	-7.98%
Current Liabilities	178.89	30.36%	241.89	37.79%	(63.00)	-26.05%
Non-Current Liabilities	39.10	6.64%	43.36	6.77%	(4.26)	-9.83%
Total Liabilities	217.99	37.00%	285.25	44.56%	(67.26)	-23.58%
Shareholder's Equity of the Company	371.16	63.00%	354.87	55.44%	16.29	4.59%

Assets

As of March 31, 2023, the Company's total assets were 587.85 MB, decreasing by 50.97 MB or 7.98% from December 31, 2022. The assets decreased mainly from current assets, which decreasing by 42.98 MB of net-inventories and cash and cash equivalents decreased by 18.57 MB. However, trade and other current receivables-net increase of 11.89 MB, most of which were receivables that had not yet been due.

Liabilities

As of March 31, 2023, the Company's total liabilities were 217.99 MB, decreasing by 67.26 MB or 23.58% from December 31, 2022. The Liabilities decreased mainly from the decrease of 46.31 MB of short-term loans from financial institutions and trade and other payables decreased by 19.26 MB. However, current income tax payable increased by 3.07 MB. Non-current liabilities decreased mainly from non-current provisions for employee benefit of 3.82 MB.

Shareholder's equity

As of March 31, 2023, Shareholders' equity of the Company was 371.16 MB, increasing by 16.29 MB or 4.59% from December 31, 2022 from 12.65 MB of net profit for the period and 3.64 MB of other comprehensive income.

Cash flows

Unit:MB		
Cash flows	March 31, 2023	March 31, 2022
Cash flow from (used in) operating activities	31.55	(22.35)
Cash flow from (used in) investing activities	(2.10)	(0.59)
Cash flow from (used in) financing activities	(48.03)	32.31
Net increase (decrease) in cash and cash equivalents	(18.59)	9.37
Cash and cash equivalents at the end of the period	34.99	68.09

For the three month period, ending March 31, 2023, the Company's net cash from the operating activities was 31.55 MB, with operating profits prior to changes in the operating assets and liabilities of 20.92 MB. Cash flow increased from inventories decreased 42.27 MB. While, cash flow decreased from trade and other receivables increased 11.03 MB and net- trade and other payables decreased 19.94 MB.

Cash flow used in investment activities was 2.10 MB for short-term loans to the subsidiary in amount of 1.50 MB and purchase fix assets and intangible assets of 0.68 MB and 0.45 MB respectively. While, cash flow acquired 0.43 MB from loan to employees and interest received of 0.11 MB.

Cash flow used in financing activities was 48.03 MB to repayment of short-term loan from financial institutions amount of 46.31 MB, repayment of long-term loans from financial institutions of 0.62 MB, repayment of liabilities under lease agreement of 0.50 MB and interest expense of 0.60 MB.