

Operating Performance Overview

Unit:MB

	Q2/2023	Q2/2022	Increased (Decreased)	% YoY	6M/2023	6M/2022	Increased (Decreased)	% YoY
Revenue from sales	235.30	237.87	(2.57)	-1.08%	470.50	508.17	(37.66)	-7.41%
Revenue from rendering of services	3.70	2.88	0.82	28.31%	9.10	9.13	(0.02)	-0.26%
Revenue of water treatment system installation	-	-	-		0.32	-	0.32	
Total Revenues	239.00	240.75	(1.76)	-0.73%	479.93	517.29	(37.36)	-7.22%
Cost of sales	(172.54)	(178.56)	(6.02)	-3.37%	(343.59)	(382.07)	(38.48)	-10.07%
Cost of services	(2.39)	(1.62)	0.77	47.29%	(6.75)	(6.27)	0.48	7.67%
Cost of water treatment system installation	-	-	-		(0.24)	-	0.24	
Total Costs	(174.93)	(180.19)	(5.25)	-2.92%	(350.58)	(388.33)	(37.76)	-9.72%
Gross Profit	64.07	60.57	3.50	5.77%	129.35	128.96	0.39	0.31%
Gross Profit Margin (%)	26.81%	25.16%			26.95%	24.93%		
Other income	3.49	0.15	3.34	2166.23%	3.83	0.98	2.85	290.91%
Total Distribution costs and Administrative expenses	(50.49)	(46.29)	4.20	9.07%	(99.72)	(93.44)	6.28	6.73%
Profit before finance costs and income taxes	17.07	14.43	2.64	18.27%	33.46	36.50	(3.04)	-8.34%
Profit before finance costs and income taxes (%)	7.04%	5.99%			6.92%	7.04%		
Finance Costs	(0.45)	(0.69)	(0.24)	-34.45%	(1.08)	(1.27)	(0.19)	-14.96%
Loss from impairment of trade and other receivables	(3.60)	-	3.60		(3.60)	-	3.60	
Reversal of allowance for credit loss (credit loss) on trade and other receivables-nets	4.16	0.03	4.13	12900.00%	4.20	0.02	4.18	17285.44%
Share of profit from investment in joint ventures	0.61	-	0.61		0.80	-	0.80	
Income tax expenses	(3.73)	(3.22)	0.51	15.85%	(7.08)	(7.59)	(0.51)	-6.77%
Profit attributable to equity holders	14.06	10.56	3.50	33.12%	26.71	27.67	(0.96)	-3.47%
Net profit margin (%)	5.80%	4.38%			5.52%	5.34%		
Basic earnings per share (Baht)	0.07	0.05	0.02	33.12%	0.13	0.14	(0.005)	-3.47%

Referring to the operating performance in the consolidated financial statement in the second quarter, ending June 30, 2023, Phol Dhanya PCL (the Company)'s total revenue from sales and services were 239 MB, which were similar compared to the same quarter of the last year with revenue from sales and services of 240.75 MB, decreasing by 1.76 MB or 0.73% YoY. Revenue from Occupational Safety, Health and Environment Products or 'SAFETY' and Control Environment Product or 'CE' were decrease mainly due to a significant drop in market prices and demand of rubber gloves, nitrile gloves and disease related products. 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, in addition, the revenue increased from new customers and new products marketing. Furthermore, revenue from Water Solution Products or WATER increased from sales of products and equipment for construction project of a solid waste management centre of the joint venture and revenue from maintenance services increased compared to the same period of the previous year.

The gross profit 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. As the result, the company's gross profit was 64.07 MB, representing gross profit margin of 26.81% in the second quarter of 2023, compare with gross profit of 60.57 MB, representing gross profit margin of 25.16% in the same quarter of previous year.

Distribution costs and administrative expenses increased mainly from traveling allowance, advertising expenses and product donations expenses. The Company's net profit for the second quarter of 2023 was 14.06 MB; equivalent to 5.8%, increasing by 3.5 MB or 33.12% YoY at 10.56 MB; equivalent to 4.38%.

For the six months period, ending June 30, 2023, the Company's total revenue from sales and services were 479.93 MB, decreasing by 37.36 MB or 7.22% YoY at 517.29 MB. The Company's consolidate net profit attributable to equity holders of 26.71 MB, representing a net profit margin of 5.52%.

Revenue from Sales and Services

Revenue Structure	Q2/2023		Q2/2022		Increased (Decreased) YoY		6M/2023		6M/2022		Increased (Decreased) YoY		Unit : MB
	Value	%	Value	%	Value	%	Value	%	Value	%	Value	%	
Occupational Safety, Health and Environment Products (SAFETY)	177.51	74.27%	180.99	75.18%	(3.48)	-1.92%	357.37	74.46%	382.96	74.03%	(25.59)	-6.68%	
Control Environment Products (CE)	53.80	22.51%	57.07	23.70%	(3.27)	-5.73%	109.27	22.77%	112.59	21.77%	(3.32)	-2.95%	
Water Solution Products (WATER)	7.69	3.22%	2.70	1.12%	4.99	184.85%	13.28	2.77%	21.73	4.20%	(8.45)	-38.89%	
Total revenue from sales and services	239.00	100%	240.75	100%	(1.76)	-0.73%	479.93	100%	517.29	100%	(37.36)	-7.22%	

The total revenue from sales and services provision in the second quarter of 2023 were 239 MB, with 177.51 MB of Occupational Safety, Health and Environment Products or 'SAFETY', accounting for 74.27%, 53.8 MB of Control Environment Products or 'CE', accounting for 22.51% and 7.69 MB of Water Solution Products or 'WATER', accounting for 3.22%.

The revenue from sales and services provision in SAFETY products was 177.51 MB, decreasing by 3.48 MB or 1.92% 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 and more revenue from technical and engineering safety and environment products and new products in related to the chemical storage of hazardous chemicals and healthcare products.

The revenue from sales and services provision in CE products was 53.8 MB, decreasing by 3.27 MB or 5.73% compared to the same quarter of previous year due to a decrease in market prices and demand of rubber gloves and nitrile gloves. However, revenue from CE products increased sales from new products marketing in the medical industry.

The revenue from sales and services provision in the WATER products was 7.69 MB, increasing by 4.99 MB or 184.85% compared to the same quarter of previous year, mainly due to the revenue from sales of products and equipment for construction project of a solid waste management centre of the joint venture and revenue from maintenance services increased compared to the same period of the previous year.

Cost of Sales and Services

The Company's total costs in the second quarter of 2023 were 174.93 MB, comprising of 172.54 MB cost of sales and 2.39 MB cost of rendering of services. Cost of sales and services decreased proportionally with lower revenue from sales and services. In the second quarter of 2023, costs of sales and services accounted for 73.19% of revenue from sales and services. The Company's gross profit was 64.07 MB, representing gross profit margin of 26.81%. Gross profit increased by 3.5 MB or 5.77%, compare with gross profit of 60.57 MB, representing gross profit margin of 25.16% in the same quarter of previous year, 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.

Distribution Costs and Administrative Expenses

In the second quarter of 2023, Distribution costs and administrative expenses were 50.49 MB, consisting distribution costs of 25.30 MB, administrative expenses of 23.69 MB and loss on exchange rate of 1.5 MB. Distribution costs and administrative expenses increasing by 4.2 MB or 9.07% compared with distribution costs and administrative expenses of 46.29 MB in the same quarter of the last year. Distribution costs were increase mainly from travelling allowance of salespersons, advertising and marketing expenses and product donations expenses to hospitals and educational institutions. Administrative expenses were increase mainly from welfare and training expenses of employee.

The company's financial cost was 0.45 MB, decreasing by 0.24 MB or 34.45% compared to financial cost of 0.69 MB in the same quarter of previous year.

Other Transactions

In the second quarter of 2023, the Company recorded loss arising from bad debt of trade and other receivables of 3.6 MB, the reversal of allowance for credit loss on trade and other receivables-nets of 4.16 MB and share of profit form investment in joint ventures of 0.61 MB.

Net Profit

In the second quarter of 2023, the company's consolidate net profit attributable to equity holders was 14.06 MB, accounted for net profit margin 5.8%. Net profit increasing by 3.5 MB or 33.12% compared to net profit attributable to equity holders of 10.56 MB, accounted for net profit margin 4.38% in the same quarter of previous year.

Financial Position

Unit : MB

	June 30, 2023		December 31, 2022		Increased	%
	Amount	%	Amount	%	(Decreased)	changed
Current Assets	432.94	70.45%	455.95	71.37%	(23.01)	-5.05%
Non-Current Assets	181.61	29.55%	182.87	28.63%	(1.25)	-0.68%
Total Assets	614.56	100.00%	638.82	100.00%	(24.26)	-3.80%
Current Liabilities	215.57	35.00%	241.89	37.79%	(26.32)	-10.88%
Non-Current Liabilities	39.43	6.40%	43.36	6.77%	(3.93)	-9.07%
Total Liabilities	255.00	41.41%	285.25	44.56%	(30.25)	-10.61%
Shareholder's Equity of the Company	360.86	58.59%	354.87	55.44%	5.99	1.69%

Assets

As of June 30, 2023, the Company's total assets were 614.56 MB, decreasing by 24.26 MB or 3.8% from December 31, 2022. The assets decreased mainly from current assets, which decreasing by 32.31 MB of net-inventories and cash and cash equivalents decreased by 8.31 MB. However, trade and other current receivables-net increase of 18.07 MB, most of which were receivables that had not yet been due.

Non-current assets increased mainly from property, plant and equipment increased from solar rooftop installation of 2.96 MB, office building improvement and purchase equipment of 1.04 MB and purchase computer software of 0.45 MB. In addition, investments in joint venture increase of 0.8 MB. However, property, plant and equipment-net mainly decreased from depreciation and amortization of 4.43 MB.

Liabilities

As of June 30, 2023, the Company's total liabilities were 255 MB, decreasing by 30.25 MB or 10.61% from December 31, 2022. The Liabilities decreased mainly from short-term loans from financial institutions decreased 44.86 MB, current portion of long-term loan from financial institutions decreased 0.62 MB and other payables decreased 8.89 MB. However, trade payable increased 27.87 MB. Non-current liabilities decreased mainly from non-current provisions for employee benefit of 3.05 MB and lease liabilities decreased 0.88 MB.

Shareholder's equity

As of June 30, 2023, Shareholders' equity of the Company was 360.86 MB, increasing by 5.99 MB or 1.69% from December 31, 2022. Shareholders' equity increased from 26.71 MB of net profit for the period and 3.64 MB of other comprehensive income, while shareholders' equity decreased from dividend payment of 24.3 MB.

Cash flows

Unit:MB		
Cash flows	June 30, 2023	June 30, 2022
Cash flow from (used in) operating activities	67.23	21.34
Cash flow from (used in) investing activities	(3.65)	(5.24)
Cash flow from (used in) financing activities	(71.85)	5.36
Net increase (decrease) in cash and cash equivalents	(8.27)	21.46
Cash and cash equivalents at the end of the period	45.25	80.10

For the six month period, ending June 30, 2023, the Company's net cash from the operating activities was 67.23 MB, with operating profits prior to changes in the operating assets and liabilities of 42.41 MB. Cash flow increased from inventories decreased 32.03 MB and trade and other payables increased 16.11 MB. While, cash flow decreased from net- trade and other payables increased 16.92 MB.

Cash flow used in investment activities was 3.65 MB to install solar rooftop of 2.96 MB, office building improvement and purchase equipment of 1.04 MB and purchase computer software of 0.45 MB. While, cash flow acquired from loan to employees of 0.58 MB and interest received of 0.25 MB.

Cash flow used in financing activities was 71.85 MB to repayment of short-term loan from financial institutions amount of 44.87 MB, repayment of long-term loans from financial institutions of 0.62 MB, repayment of liabilities under lease agreement of 1.01 MB, interest expense of 1.01 MB and dividend payment of 24.36 MB.