

## Operating Performance Overview

Referring to the operating performance in the consolidated financial statement for the year, ending December 31, 2023, Phol Dhanya PCL (the Company)'s total revenue from sales and services were 971.43 MB, decreasing by 29.05 MB or 2.90% compared to the last year with revenue from sales and services of 1,000.48 MB, mainly from 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, and the revenue increased from new customers and new products marketing in healthcare products. In addition, revenue from Water Solution Products or WATER were increase from selling products, machinery and equipment for construction projects and revenue from water treatment system installation services and maintenance services increased compared to the same period of the previous year. The gross profit increased compare to the previous year due to the proportion of sales of products with high gross profit margins increased and adding new products and increases of selling price in some product categories, as the result, the company's gross profit was 258.67 MB, representing gross profit margin of 26.63%. Distribution costs and administrative expenses were increase mainly from advertising and promotion expenses and employee expenses. Other income increased mainly from receiving refunds on fines and fees from water treatment projects.

Summary of operating results for the 2023, the Company's net profit attributable to equity holders of was 58.30 MB, representing a net profit margin of 5.93%, increasing by 4.26 MB or 7.89%, compared to the previous year with 54.04 MB of net profit attributable to equity holders, representing a net profit margin of 5.39%.

## Operating results

Unit:MB

	Y2023	Y2022	Increased (Decreased)	% YoY
Revenue from sales	950.14	984.36	(34.21)	-3.48%
Revenue from rendering of services	21.28	16.12	5.16	31.99%
<b>Total Revenues</b>	<b>971.43</b>	<b>1,000.48</b>	<b>(29.05)</b>	<b>-2.90%</b>
Cost of sales	(698.00)	(732.12)	(34.12)	-4.66%
Cost of services	(14.76)	(10.63)	4.14	38.92%
<b>Total Costs</b>	<b>(712.76)</b>	<b>(742.74)</b>	<b>(29.98)</b>	<b>-4.04%</b>
<b>Gross Profit</b>	<b>258.67</b>	<b>257.74</b>	<b>0.93</b>	<b>0.36%</b>
<b>Gross Profit Margin (%)</b>	<b>26.63%</b>	<b>25.76%</b>		
Other income	11.51	2.86	8.65	302.79%
Total Distribution costs and administrative expenses	(194.63)	(187.69)	6.95	3.70%
Profit before finance costs and income taxes	75.54	72.91	2.63	3.61%
<b>Profit before finance costs and income taxes (%)</b>	<b>7.69%</b>	<b>7.27%</b>		
Loss from impairment of financial assets	(9.31)	-	9.31	
Finance costs	(2.40)	(2.82)	(0.42)	-14.79%
Reversal of allowance for credit loss (credit loss) on financial asset-nets	9.14	(1.17)	7.97	683.57%
Share of profit(Loss) form investment in joint ventures	0.92	(0.27)	0.66	
Income tax expenses	(14.17)	(14.62)	(0.45)	-3.06%
<b>Profit attributable to equity holders</b>	<b>58.30</b>	<b>54.04</b>	<b>4.26</b>	<b>7.89%</b>
<b>Net profit margin (%)</b>	<b>5.93%</b>	<b>5.39%</b>		
Basic earnings per share (Baht)	0.29	0.27	0.021	7.89%

## Revenue from Sales and Services

Revenue Structure	Unit : MB					
	Y2023	%	Y2022	%	Increased (Decreased)	% YoY
Occupational Safety, Health and Environment Products (SAFETY)	722.85	74.41%	746.81	74.65%	(23.97)	-3.21%
Control Environment Products (CE)	216.33	22.27%	222.69	22.26%	(6.37)	-2.86%
Water Solution Products (WATER)	32.25	3.32%	30.97	3.10%	1.28	4.13%
<b>Total revenue from sales and services</b>	<b>971.43</b>	<b>100%</b>	<b>1,000.48</b>	<b>100%</b>	<b>(29.05)</b>	<b>-2.90%</b>

In 2023, the total revenue from sales and services provision were 971.43 MB, with 722.85 MB of Occupational Safety, Health and Environment Products or 'SAFETY', accounting for 74.41%, 216.33 MB of Control Environment Products or 'CE', accounting for 22.27% and 32.25 MB of Water Solution Products or 'WATER', accounting for 3.32%.

The revenue from sales and services provision in SAFETY products was 722.85 MB, decreasing by 23.97 MB or 3.21% compared to the 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. In addition, revenue from new customers increased from new products marketing in related to the chemical storage of hazardous chemicals and healthcare products.

The revenue from sales and services provision in CE products was 216.33 MB, decreasing by 6.37 MB or 2.86% compared to the previous year due to the main customers in the electronics industry reducing their order quantities according production decreased. In addition, revenue decreased from the decrease in market prices and demand of rubber gloves and nitrile gloves. However, revenue from CE products increased sales from adding item products to existing customers and new products marketing in the medical industry.

The revenue from sales and services provision in the WATER products was 32.25 MB, increasing by 1.28 MB or 4.13% compared to the previous year, mainly due to the revenue from water treatment system installation services and maintenance services increased compared to the the previous year. In addition, revenue increased from selling products, machinery and equipment for construction projects of joint ventures.

## Other Income

In 2023, the Company had other income of 11.51 MB, increasing by 8.65 MB compared with other income of 2.86 MB in the previous year. Other income increased mainly from debt repayment and refunds fines and fees from water treatment system projects that end of the lawsuit amount of 4.91 MB and gain on exchange rate of 1.50 MB and other income of 5.10 MB.

## Cost of Sales and Services

The Company's total costs in the year 2023 were 712.76 MB, comprising of 698 MB cost of sales and 14.76 MB cost of rendering of services. Cost of sales decreased proportionally with lower revenue from sales and cost of services increased proportionally with higher revenue from services.

Costs of sales and services accounted for 73.37% of revenue from sales and services. The Company's gross profit was 258.67 MB, representing gross profit margin of 26.63%.

### Distribution Costs and Administrative Expenses

In 2023, distribution costs and administrative expenses were 194.63 MB, consisting distribution costs of 102.23 MB and administrative expenses of 92.40 MB. Distribution costs were increase mainly from salespersons' travelling, advertising and promotion expenses in line with increased sales and marketing activities. Administrative expenses increased mainly from employee welfare and training, meanwhile, doubtful accounts and other administrative expenses decreased.

The company's financial cost was 2.40 MB, decreasing by 0.42 MB or 14.79% compared to financial cost of 2.82 MB in the previous year.

### Other Transactions

In 2023, the Company recorded loss arising from bad debt of financial assets of 9.31 MB, reversal of allowance for credit loss on financial assets-net of 9.14 MB and share of profit form investment in joint ventures of 0.92 MB.

### Net Profit

In 2023, the company's consolidate net profit attributable to equity holders was 58.30 MB, accounted for net profit margin 5.93%. Net profit increasing by 4.26 MB or 7.89% compared to net profit attributable to equity holders of 54.04 MB, accounted for net profit margin 5.39% in the previous year.

### Financial Position

Unit : MB

	December 31, 2023		December 31, 2022		Increased	%
	Amount	%	Amount	%	(Decreased)	changed
Current Assets	468.44	72.81%	455.95	71.37%	12.49	2.74%
Non-Current Assets	174.95	27.19%	182.87	28.63%	(7.92)	-4.33%
<b>Total Assets</b>	<b>643.39</b>	<b>100.00%</b>	<b>638.82</b>	<b>100.00%</b>	<b>4.57</b>	<b>0.72%</b>
Current Liabilities	234.39	36.44%	241.89	37.79%	(7.50)	-3.10%
Non-Current Liabilities	34.60	5.38%	43.36	6.77%	(8.76)	-20.20%
<b>Total Liabilities</b>	<b>268.99</b>	<b>41.82%</b>	<b>285.25</b>	<b>44.56%</b>	<b>(16.26)</b>	<b>-5.70%</b>
<b>Shareholder's Equity of the Company</b>	<b>374.28</b>	<b>58.18%</b>	<b>354.87</b>	<b>55.44%</b>	<b>19.41</b>	<b>5.47%</b>

### Assets

As of December 31, 2023, the Company's total assets were 643.39 MB, increasing by 4.57 MB or 0.72% from December 31, 2022. The assets increased from current assets, increasing by 12.49 MB or 2.74%, mainly from cash and cash equivalents increased by 8.13 MB, trade and other current receivables-net increased by 10.28 MB. However, short-term loans to relate parties decreased by 2.94 MB and net-inventories decreased by 3.06 MB. Non-current assets decreased by 7.92 MB or 4.33%, mainly from investment in joint venture decreased by 1.33 MB, property, plant and equipment-net decreased by 2.43 MB and deferred tax assets - net decreased by 2.65 MB.

## Liabilities

As of December 31, 2023, the Company's total liabilities were 268.99 MB, decreasing by 16.26 MB or 5.70% from December 31, 2022. Current liabilities decreased mainly from short-term loans from financial institutions decreased 13.27 MB while, trade payable increased by 6.03 MB.

Non-current liabilities decreased mainly from non-current provisions for employee benefit of 7.34 MB and lease liabilities decreased 1.42 MB.

## Shareholder's equity

As of December 31, 2023, Shareholders' equity of the Company was 374.28 MB, increasing by 19.41 MB or 5.47% from December 31, 2022. Shareholders' equity increased from 58.30 MB of net profit for the period and 3.64 MB of other comprehensive income, while shareholders' equity decreased mainly from dividend payment of 42.53 MB.

## Cash flows

Unit:MB		
Cash flows	December 31, 2023	December 31, 2022
Cash flow from (used in) operating activities	68.08	27.42
Cash flow from (used in) investing activities	0.71	(16.04)
Cash flow from (used in) financing activities	(60.68)	(16.50)
Net increase (decrease) in cash and cash equivalents	8.12	(5.12)
Cash and cash equivalents at the end of the period	61.68	53.55

For the year, ending December 31, 2023, the Company's net cash from the operating activities was 68.08 MB, with operating profits prior to changes in the operating assets and liabilities of 88.98 MB. Cash flow increased from trade and other payables increased by 6.98 MB and inventories-net decreased by 1.20 MB. While, cash flow decreased from trade and other current receivables increased by 10.54 MB, payment for employee benefit of 6.29 MB, payment for income tax 13.25 MB, however, cash received from income tax return of 0.98 MB.

Cash flow from investment activities was 0.71 MB from received short-term loan to related parties of 4.44 MB, return of capital of investment in joint venture of 2 MB and interest received of 0.78 MB. However, cash used to payment short-term loan to related parties of 1.50 MB, to install solar rooftop and utility improvement of 3.32 MB, office building improvement and purchase equipment of 1.59 MB and purchase computer software of 0.45 MB.

Cash flow used in financing activities was 60.68 MB to repayment of short-term loan from financial institutions of 13.27 MB, repayment of long-term loans from financial institutions of 0.62 MB, repayment of liabilities under lease agreement of 2 MB, interest expense of 2.23 MB and dividend payment of 42.57 MB.