

## Overview

In its consolidated financial statements as of March 31, 2018, Phol Dhanya Public Company Limited (The Company) recorded revenue from sales and services of 238.40 MB, decreasing 9.82 MB or 3.96% compared to the revenue from sales and services of 248.22 MB in the same quarter of previous year, due to the revenue from construction contracting service of the community water supply projects decreased compared with the same quarter of previous year. In quarter 1/2018, the Company's selling and administrative expenses and penalties arising from delays of constructions were decrease, so the net profit attributable to equity holders of the Company was 8.46 MB, increasing by 19.45 MB or 177.01% compared with net loss attributable to equity holders of 10.99 MB in the same quarter of previous year.

## Operating performance

	Unit: MB		
	Q1/2018	Q1/2017	% YoY
Revenue from sales	221.04	214.08	3.25%
Revenue from rendering of services	5.82	8.58	-32.15%
Revenue from construction and service contracts	11.54	25.56	-54.86%
Other Revenue	3.78	1.88	101.03%
<b>Total Revenue</b>	<b>242.18</b>	<b>250.10</b>	<b>-3.17%</b>
Cost of sales	159.20	156.89	1.47%
Cost of rendering of services	4.98	5.83	-14.62%
Cost of construction and service contracts	17.30	25.98	-33.39%
<b>Total Costs</b>	<b>181.48</b>	<b>188.69</b>	<b>-3.82%</b>
<b>Gross Profit</b>	<b>56.92</b>	<b>59.53</b>	<b>-4.38%</b>
<b>Gross Profit (%)</b>	<b>23.88%</b>	<b>23.98%</b>	
Total Selling & Administrative Expenses	47.29	70.17	-32.61%
Profit (Loss) before Finance Costs and Income Taxes Expense	13.41	(8.77)	252.97%
<b>Profit (Loss) before Finance Costs and Income Taxes Expense (%)</b>	<b>5.54%</b>	<b>-3.51%</b>	
Profit (Loss) attributable to equity holders	8.46	(10.99)	177.01%
<b>Net Profit (Loss) (%)</b>	<b>3.49%</b>	<b>-4.39%</b>	
Basic earnings per share (Baht)	0.04	(0.05)	177.01%
Weighted average number of ordinary shares (Million shares)	202.50	202.50	

**Revenue**

Revenue structure	Unit MB				
	Q1/2018	%	Q1/2017	%	% YoY
Occupational Safety, Health and Environment Products (SAFETY)	183.52	77%	183.52	74%	0.00%
Control Environment Products (CE)	39.70	17%	37.06	15%	7.11%
Water Solution Products (WATER)	15.18	6%	27.64	11%	-45.07%
<b>Total revenue from sales and services</b>	<b>238.40</b>	<b>100%</b>	<b>248.22</b>	<b>100%</b>	<b>-3.96%</b>

In Quarter 1/2018, the Company's sales and services were 238.40 MB, comprise 221.04 MB of revenue from sales, 5.82 MB of revenue from services and 11.54 MB of revenue from construction contracts. Total revenue decreased by 9.82 MB or 3.96%, compared with 248.22 MB in the same quarter of previous year. Revenue from Occupational Safety, Health and Environment Products or SAFETY was 183.52 MB, which similar to the same quarter of previous year. Revenues from major industry customers such as automotive industry, petrochemical industry and construction industry were increase, however, revenue from sales in government sector customers were decrease compared with the same quarter of previous year. The revenue from Control Environment Products or CE was 39.70 MB, increasing by 2.64 MB or 7.11% compared with the same quarter of previous year. Major customers are in the electronics industry. Revenue from Water Solution Products or WATER was 15.18 MB, decreasing by 12.46 MB or 45.07% compared with the same quarter of previous year, due to revenue from construction contracting service of the community water supply project was decreased.

**Cost of Sales and Services**

The Company's total costs in Quarter 1/2018 were 181.48 MB, comprising of 159.20 MB cost of sales, 4.98 MB cost of services and 17.30 MB cost of construction. Cost of sales increased proportionally with more revenue from sales. Cost of service decrease proportionally with revenue from services. Cost of construction decreased proportionally with revenue recognized from construction contracting service. In quarter 1/2018, costs of sales and services account for 72.37% of sales and service revenue. Gross profit margin from sales and services was 27.63% which increase, compare with 26.92% of the same quarter of previous year, due to the increase of sales of high margin products and cost of goods decreased from the appreciation of baht. Cost of construction was high than revenue due to the extra cost to rush the project completion. In Quarter 1/2018, the Company's gross profit was 56.92 MB accounted for net profit margin 23.88% which decrease, compare with 23.98% of the same quarter of previous year.

### Selling and Administrative Expenses

In Quarter 1/2018, selling and administrative expenses were 47.29 MB comprised 22.36 MB of selling expenses, 24.05 MB of administrative expenses and 0.88 of penalties arising from delays projects. For more efficiency, the selling and admin expenses were decreased, since the Company issues a policy to reduce unnecessarily costs, however the administration cost has been increased such as the legal action against a group of abandoned sub-contractor.

In Quarter 1/2018, the company's financial cost was 2.64 MB, decreasing due to the decrease in loan from financial institution.

### Net profit

In Quarter 1/2018, the company's consolidate net profit attributable to equity holders of the Company was 8.46 MB, accounted for net profit margin 3.49%, increasing by 19.45 MB or 177.01% compared with net loss 10.99 MB in the previous year.

### Financial Position

	March 31, 2018		December 31, 2017		Unit : MB % Change
	Amount	%	Amount	%	
	Current Assets	536.04	72.07%	576.63	
Non-Current Assets	207.71	27.93%	210.85	26.78%	-1.49%
<b>Total Assets</b>	<b>743.75</b>	<b>100.00%</b>	<b>787.48</b>	<b>100%</b>	<b>-5.55%</b>
Current Liabilities	431.94	58.00%	484.34	61.40%	-10.82%
Non-Current Liabilities	66.62	8.95%	69.02	8.75%	-3.47%
<b>Total Liabilities</b>	<b>498.56</b>	<b>66.92%</b>	<b>553.36</b>	<b>70.15%</b>	<b>-9.90%</b>
Shareholder's Equity of the Company	<b>246.49</b>	<b>33.08%</b>	<b>235.43</b>	<b>29.85%</b>	<b>4.70%</b>

### Assets

As of March 31, 2018, the Company's total assets equaled 743.75 MB, decreasing by 43.74 MB or 5.55% from December 31, 2017. The decreased assets were mainly from current assets decreasing from 37.23 MB of unbilled receivables and prepaid expenses to the subcontractors for the construction, 14.02 MB of net-inventories and 3.67 MB of current tax assets. While, cash and cash equivalents increase 5.05 MB, trade and other current receivables increase 9.29 MB.

## Liabilities

As of March 31, 2018, the Company's total liabilities equaled 498.56 MB, decreasing by 54.80 MB or 9.90% from December 31, 2017. The decreased liabilities mainly due to the decreased of 25.47 MB in short-term loans from financial institution and 35.56 MB of trade payables. However, the recorded provision for expected loss on constructions contracts was increased 6.86 MB and accrued income tax was increase 4.01 MB.

## Shareholder's equity

As of March 31, 2018, Shareholders' equity was 246.49 MB, increased from the resulting from net profit of 8.46 MB.

## Cash Flows

Cash Flows	Unit : MB	
	March 31, 2018	March 31, 2017
Cashflow from (used in) operating activities	36.77	(7.38)
Cashflow from (used in) investing activities	(0.48)	(31.85)
Cashflow from (used in) financing activities	(31.50)	127.37
Net increase (decrease) in cash and cash equivalents	4.80	88.14
Cash and cash equivalents at the end of the period	97.31	137.25

The Company's net cash acquired from the operating activities was 36.77 MB, with operating profits prior to changes in the operating assets and liabilities of 26.47 MB and cash flow received from 37.23 MB of unbilled receivables and prepaid expenses to the subcontractors for the construction and net-inventories decreased 13.35 MB. While, cash flow used for trade and other payable of 37.99 MB.

Cash flow utilized in investment activities was 0.48 MB mainly used to purchase fix assets and intangible assets of 0.28 MB and 0.33 MB to loan to employees.

Cash flow utilized in financing activities was 31.50 MB mainly used to repayment of loans from financial institutions of 27.25 MB and repayment of liabilities under lease agreement of 1.63 MB and interest expense of 2.62 MB.